### How does the Nonconscious impact behaviour 8 How to measure it Andra Magerusan **Snr Business Psychologist** @Innobub





### **Some of our clients**









If you want to understand why your car isn't working you consult a mechanic. If you want to understand how much tax to pay you consult an accountant. So if you want to understand how and why human behaviour impacts your product you should consult a psychologist.

# Our different approach equates to different, deeper insights and help interpreting them

We are not market researchers.	We are business psychologists with years of specialised training.
We do not use normal market research methods.	We use established, scientifically proven psychological techniques.
We do not take what customers say at face value.	We look deeper by analysing non- conscious and emotional experiences.
We do not hand you a report and leave you to work out what to do next.	We work with you to interpret the insights and design the most psychologically effective response.

## **Our Agenda**





#### The Nonconscious





## **The Nonconscious**



SAFE TRUSTED UNIQUE HONEST POPULAR INTELLIGENT **EXPENSIVE** CHALLENGING EXPERT **SUPPORTIVE** 

#### **The Nonconscious:**

"Thinking is to humans what swimming is to cats. We can do it but we'll do anything to avoid it!"

**Nonconscious** Conscious -1--1-Fast Slow 24 Your customers' Unconscious Conscious decisions! Automatic Effortful Everyday Complex Decisions Decisions 1-2-3 1 - 2 - 3Error prone Reliable **∖** √←



Source: http:// norkamib.blogspot.co.uk

#### **1. The Nonconscious**

- Any mental process that goes on in which the individual is unaware
- Customer decision making happens largely (70%) in the unconscious and non-rational thinking
- Data collected traditionally (market research) captures conscious processes - this only covers ca. 30% of what influences your customers decisions

So realistically, wouldn't you rather build your CX strategy on the 70% than the 30%?





#### Why does the unconscious influence behaviour?

Nonconscious influences, such as cognitive biases affect and decrease the responses

# Cognitive bias: A systematic error in our thinking that affects decisions & judgments





### Loan Company

#### They thought:

Faster loans will increase customer applications

The business underlying assumption was that people are looking for quick service.



### "Nice 'n' Easy" doesn't always do it!

#### We found:

The process was too easy and unconsciously made them feel unsafe!

Making it too easy devalues your product in the consumer's unconscious.

Find the optimum moment between 'delayed gratification' and negativity

Outcome:

15% upturn in sales

#### **Global Bank**

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Client wanted to capture efficiency "How can we more intentionally act upon our strengths and eradicate our main customer experience detractors?"

> Client assumption: 1) Business customers do not inherently trust financial institutions we need to get them to trust us 2) Perhaps our success is that we come across as supportive rather than assertive?

Client wanted to test this assumption: Innovationbubble deployed psychologists in 5 markets to facilitate internal and external stakeholder interviews and associations.

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#### **Global Bank**

#### They thought:

Consumers are fixated about trusting *us* with their money We are offering good and differential service in the market as we 'support' rather than 'tell'.

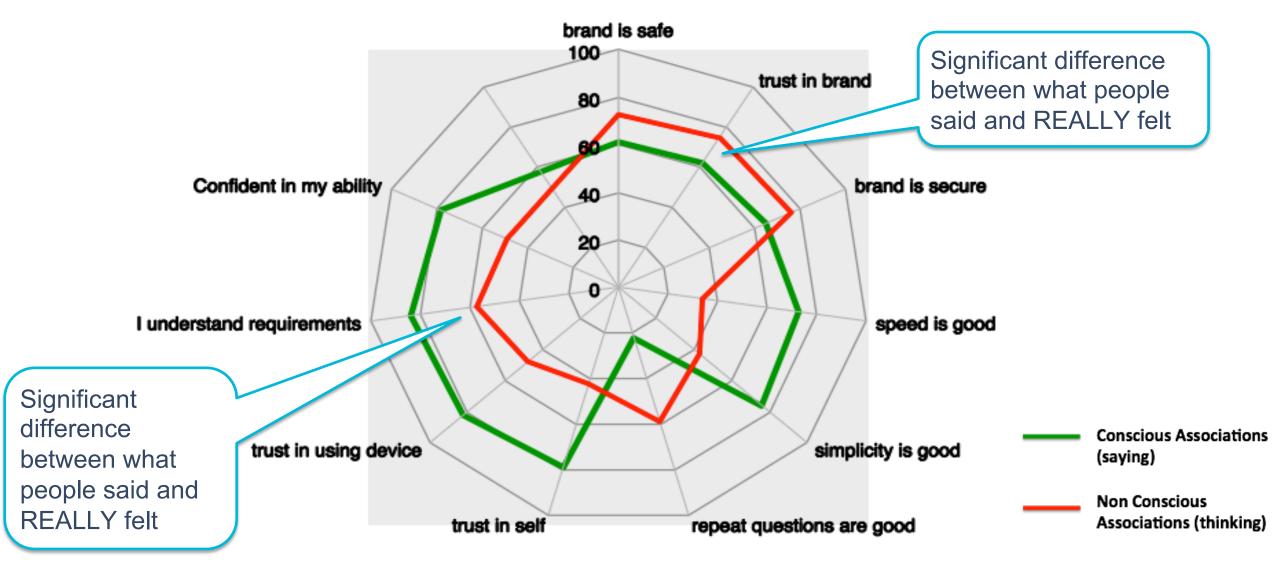
#### We found:

Clients intuitively trust the bank but actually don't trust *themselves* managing their money (behavioural interactions) with the bank - Clients are non consciously preoccupied that they don't trust *themselves* to use online/App pay-in or transfer services safely/correctly and so minimise such interactions. These interactions are making them feel anxious and unintelligent!

- Internal stakeholders anxious that organisation is making client communication / interaction with the bank over complicated (not sophisticating the experience at all by not helping them 'do or achieve' things).
- Clients did see brand as differential in terms of 'advising them' rather than 'telling them'.

#### We found: Consumers actually don't trust themselves managing their money

Results based on a quantitative conscious vs non conscious measurement of 3600 consumers in 3 markets.



#### **Global Bank**

#### Results

We collaborated with the client to create educational pieces for their business customers and more customer psychological support (in relation to digital and tech teams) about creating trust in engaging with the bank.

We also designed training workshops for staff to consolidate their ability to 'support' customers rather than demonstrate superiority or leadership

This resulted in a significant increase in digital system usage (and a significant reduction (17%) of burden on customer call centre resolution time).



#### Feedback

"Insightful and practical. This research made visible things that we had missed with traditional research. It offered actionable interventions – as they worked with us not JUST for us. It gave us confidence to be intentional in our customer centric approach and chisel away some of the irrelevance!" VP Customer Experience

## **Needs and Values**

### 2. Needs and Values



#### Human Needs: Beyond Maslow's Hierarchy

Every individual has certain needs they want to satisfy in various situations and through various interactions/products.

#### Human Values

Every individual has a set of values (standards, set of principles) they live their life by.

- Values are beliefs that are tied to emotions, hence they are not objective
- Values are abstract goals and valid across actions and situations
- Values serve as standards to evaluate and select actions, people and events

Source: Schwartz, S. H. (2005). Basic human values: Their content and structure across countries. *Valores e comportamento nas organizações*, 21-55. Deci, E. L., & Ryan, R. M. (2000). The" what" and" why" of goal pursuits: Human needs and the self-determination of behavior. *Psychological inquiry*, *11*(4), 227-268.

### 2. Needs and Values



#### The ten basic values and the different types of needs

Achievement Success Prosperity Good Luck Power Status Prestige Control Hedonism Happiness Pleasure Enjoyment Security Safety Security Certainty Conformity Compromise Reconciliation Togetherness Tradition Upbringing Law & Order Expertise

BenevolenceSelfCompassionIndeGenerosityCreationKindnessExpUniversalismStinEqualityCharJusticeNowOpen-mindednessExc

Self-Direction Independence Creativity Exploration Stimulation Challenge Novelty Excitement

Values are written in **blue** and needs are written in *black*.

# CASE STUDY Values and Needs

## Why do people search for holidays?



Innovationbubble were tasked to explore three areas in relation to improving customer experience and marketing engagement, via behavioural intervention:

- 1. Why customers have a perpetual need for holiday 'hunting' and how that could be better managed
- How do customers perceive the major holiday brands and what does loyalty mean in this current market
- 3. What factors in the post-holiday journey influence holiday searching

We conducted psychological interviews with customers from 4 segments to understand each group's needs, values and emotional journeys when searching and choosing a Holiday (and a Provider).

The insights revealed in the interviews were quantified and verified using our bespoke non conscious behavioural screening engine, <u>EMOTIX®</u> tool and tested with over 700 customers.

# Emotions

### Emotions



### **Definition:** State of feeling that results in physical and psychological changes that influence our behavior.



Our brain is wired to automatically process emotional information, processing stats & data does not come naturally to us

### Three types of emotions drive "action and inaction"

1.'Expected emotions' - those that are anticipated to occur in the future as a result of the outcome (future projected) - these tend to be rationally thought out.

*"I will feel safe if I get this"* - People believe that their predicted emotions, whether positive or negative, will last longer than they do in reality! (Conscious)

2.'**Immediate emotions'** - by contrast, are experienced at the moment of choice related to thoughts about the transaction/product.

"This feels too easy which suggests it's going to be poor service" (Noconscious)

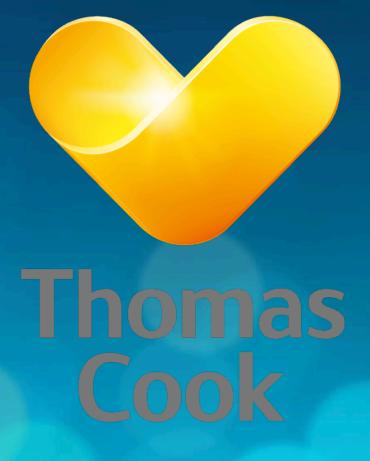
3.'**Incidental emotions'** - experienced at the moment of choice, but arise from dispositional or situational sources objectively unrelated to the task at hand - music in background, tidiness of web page, non verbal behaviour of the salesperson





# Case Study: Innovationbubble help rewrite the rulebook for holiday marketing

The challenge Thomas Cook had noticed a drop in customer retention and didn't feel that traditional market research techniques were successfully identifying the problem. They asked Innovationbubble to explore the real reasons for the customer churn.



#### How we helped

Using our unique EMOTIX© tool we revealed what 1,500 customers, across three **European countries really** thought and felt about Thomas Cook as well as what they said.

We combined this with

making processes and

their holidays.

emotional experiences of

**INSIGHT GROUPS to reveal** customers' opinions, decision





#### **Our findings**

We discovered a fundamental difference between what customers say they want from a holiday; adventure, excitement and exploration. And what customers are psychologically motivated by; comfort, security and safety. Surprisingly it was the basic things, hygiene, the towels, pillows and reception staff that were critical in influencing holiday satisfaction.

We also found that consumers are most positive and receptive when they are anticipating the holiday. This is a period that is mostly ignored in the customer journey, providing Thomas Cook with a significant opportunity to increase brand and product engagement.

### Anticipation is a highly motivating but untapped 'marketing campaign' emotion

- Anticipation's power is in an imagination not limited by the practicalities and restrictions of travel.
- This matters because this is a period of the journey overlooked by the category in communications and product.
- Psychologically the consumer is most emotionally positive and receptive at the **anticipation stage** NOT at the holiday stage.
- It is left as a secondary consideration for CRM and cross/up-selling activity.
- While on holiday itself emotions are more passive as people enjoy the experience they've been looking forward to.

The impact Based on our findings Thomas Cook launched a new, award-winning advertising campaign and refocused their marketing activities on the anticipation phase.

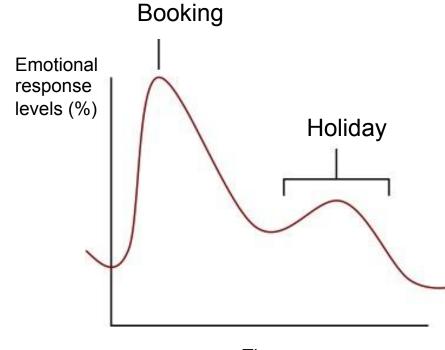
A new holiday planning and preholiday support tool will be launched across multiple countries in 2017.



"Simon and his team at Innovationbubble came highly recommended to us. And they didn't disappoint. They applied a very interesting methodology to really get inside the minds of leisure travellers in our core markets and develop crystal clear insights that have formed the basis of creative development for our upcoming core marketing campaign. In three words: different, creative, practical." **Remo Masala, Chief Marketing Officer, Thomas Cook Group** 

### **Thomas Cook Case Study**

"I am a whole mess of <u>emotions</u> in the lead up to going away – excitement, anxiety, nervousness, smugness – when I get there I guess I just get on with it. Funny that – I definitely get more experience out of the waiting than the doing"





### The outcome: The Pool Boy Ad



Winner of 2016 D&AD Wood Pencil Award

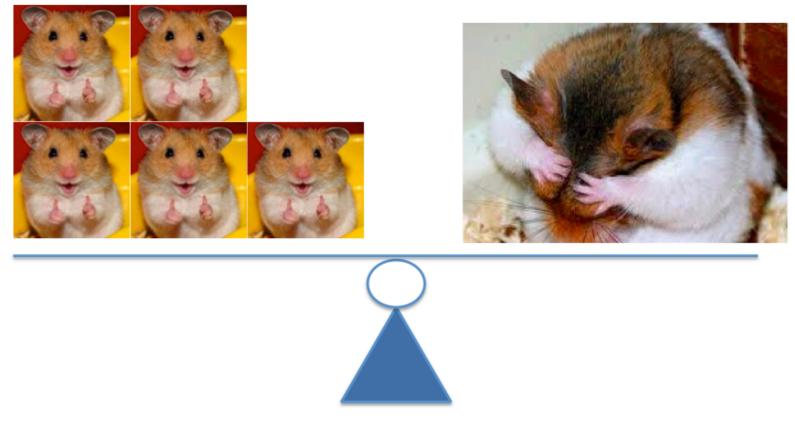
#### Full video:

https://youtu.be/TNCJh9WwU6w



# Our brain is biased towards negative information

Bad things will produce larger, more consistent, more multi-faceted or more lasting effects than good things.





It takes on average five good things to overcome one bad one!

#### Last but not least: A reminder of what we are trying to avoid







To be able to truly understand your customers and create an efficient and profitable CX strategy, you need to complement traditional research with in-depth psychological insights.





# **THANK YOU!**

Please get in touch with the team via Andra Magerusan

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