Behavioral Science II:

Gentle Nudges: Influencing Behavior Unconsciously

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Your Presenters Today

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A (very brief)
INTRODUCTION TO BEHAVIORAL SCIENCE

- What is Behavioral Science?
- 2 Systems of Cognition
What is Behavioral Science?

Behavioral Science is an interdisciplinary approach to understanding how consumers behave, why they do so, and what causes behavioral change.

“Chief Behavioral Officer: It's the new ‘must-have’ role.”
~ Crawford Hollingworth
What is Behavioral Science?

Traditional Economics

- Rational
  - Resources available and used to make the best and informed decisions
  - Know what's best
  - Predictive models based on mathematics.

Behavioral Economics

- Irrational
  - Bounded resources and willpower
  - Heuristics
  - Don’t know what’s best or what we want
  - Interested in how and why

Conduct experiments to learn about human behaviors

How we *should* behave

How we *actually* behave
A (very brief) INTRODUCTION TO BEHAVIORAL SCIENCE

• What is Behavioral Science?
• 2 Systems of Cognition
Two-System Models of Cognition

- Soul vs. Mind (Aristotle)
- Id vs. Ego (Freud)
- Lizard brain vs. Monkey brain (pop psychology)
- Heart vs. Mind (Your mom, offering advice)
- Tacit vs. Deliberate (Hogarth 2001)
- Experiential vs. Rational (Epstein 1994)
- Associative vs. Rule Based (Sloman 1996)
- System 1 vs. System 2 (Stanovich & West 2002)
Two-System Models of Cognition

SYSTEM 1
- Fast, parallel, automatic, associative, intuitive, effortless, perceptual
- Good at rough estimates, noting correlations, logging incidences
- Slow to learn

SYSTEM 2
- Slow, serial, controlled, flexible, effortful, resource-consuming
- Good at precise calculations, forming and following rules, making tradeoffs
- Self-aware
# Two-System Models of Cognition

<table>
<thead>
<tr>
<th>Fast Process</th>
<th>Slow Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Unconscious</td>
<td>• Conscious</td>
</tr>
<tr>
<td>• Non-logical</td>
<td>• Logical</td>
</tr>
<tr>
<td>• Automatic</td>
<td>• Controlled</td>
</tr>
<tr>
<td>• Low Effort</td>
<td>• High effort</td>
</tr>
<tr>
<td>• High capacity</td>
<td>• Small capacity</td>
</tr>
<tr>
<td>• Source of Intuition and Emotion</td>
<td>• Linked language</td>
</tr>
<tr>
<td></td>
<td>• Provides reasons</td>
</tr>
</tbody>
</table>

**System 1**

**System 2**
NON-CONSCIOUS / SYSTEM 1 INFLUENCES
Types of Perception

Objective threshold:
- Stimuli is not detected by the senses

Subjective threshold:
- Stimuli enters conscious awareness
- Stimuli is detected by the senses but does not enter conscious awareness
- Stimuli is not detected by the senses

Subjective threshold a function of attention and motivation
Types of Perception

- **Objective threshold**
  - Stimuli is not detected by the senses

- **Subjective threshold**
  - Stimuli is detected by the senses but does not enter conscious awareness
  - Stimuli enters conscious awareness

- **SUPRALIMINAL**
  - Conscious (S2)
  - OR
  - Non-Conscious (S1)

- **SUBLIMINAL**
  - Non-Conscious (S1)

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Subliminal or Supraliminal?
Gentle Nudges Prime Mental Networks

- Blue
- Green
- Yellow

- Power
- Status
- Control
- Reward
- Freedom
- United States
- $$$
- Bill Gates

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PRIMING MENTAL ACTIVATION

Subliminal Perception and Consumer Response

First “Conclusive” Evidence – People Did Not Believe Him!

Established the Link Between Subliminal Perception and Consumer Behavior

(Marcel 1983) Cognitive Psychology
NURSE
Select the Word That You Just Saw

NURSE

STOUT
Subliminal Priming Activates Mental Networks

Priming a Concept or Word Should Activate Associated Nodes

This Facilitates Response (Quicker Response Time)

(Marcel 1983) Cognitive Psychology
Is This a Word or Not?

DOCTOR
Is This a Word or Not?

BANK
Is This a Word or Not?

HENKOR
Facilitation of Related Word Recognition is Evidence of Subliminal Priming

(Marcel 1983) *Cognitive Psychology*
Three Types of Supraliminal Effects

store atmospherics

consumer goals

social cues
Gentle Nudges:
STORE ATMOSPHERICS
Temperature has been shown to non-consciously influence customer decisions.

There is a link between the ambient temperature and individuals feelings of inclusion.

Cold and alone, Cold shoulder vs. Warm welcome, The warmth of a friend.

Scientists have linked Temperature to Feeling Alone. When we are excluded, we feel cold!

(Zhong and Leonardelli 2008) Psych Sci
Temperature Affects Product Evaluation

Please Rate The Following 12 Movies (Romance, Action, Comedy, Thriller)
Cold Customers Look to “Warm Things Up”

Willingness to Pay (HK$)

- Romance
- Action
- Thriller
- Comedy

Room temp: 59-62 F
Room temp: 72-75 F

Hong & Sun (2012) JCR
IPSOS CASE STUDY: AUTOMOTIVE

WE WORKED WITH A LARGE AUTO MANUFACTURER TO CHANGE CUSTOMERS:

ENGAGEMENT WITH SALES STAFF
RECOMMENDED WARM DRINKS

PERCEPTIONS OF TECHNOLOGICAL/PROCESS EXPERTISE
PRIMES FOR TECH: SHOWROOM TABLETS AND MOBILE INTERFACES
Primming Consumer Mindsets

Processing Type Affects Everything Consumer Do

Consumers Have 2 Processing Types:

Analytic vs. Abstract
ANALYTIC PROCESSING

DETAILS

CONTRASTS

SURFACE FEATURES
ABSTRACT PROCESSING

RELATIONSHIPS

FUNCTIONALITY

“MEANING”
Ceiling Height

12 Feet

8 Feet

STORE ATMOSPHERICS: CEILING HEIGHT

Tasks

Volleyball  Table Tennis  Judo  Baseball
Diving     Rally Racing  Swimming  Lacrosse
Curling    Golf          Cycling    Soccer
High Ceiling: Abstract Thinkers

Listed More
Shared Attributes

Listed Deeper
Attributes

Overlooked
Design Flaws

Low Ceiling: Analytics

Size  Shape  Shade  Color  Proximity

STORE ATMOSPHERICS: CEILING HEIGHT

Marketing Implications

Assortment Choice
STORE ATMOSPHERICS: CEILING HEIGHT

Marketing Implications

Perceptions of Variety
Gentle Nudges:

CONSUMER GOALS
Triggering Consumer Goals

• Like Concepts, Goals can also be Primed

• Primes Actions Related to Goal Achievement

• Primes Senses/Perceptual Effects

• Goal Based Primes Persist – Until They Don’t
CONSUMER GOALS

Indulgence

(Laran and Janiszewski 2008) JCR
CONSUMER GOALS

Indulgence

(Laran and Janiszewski 2008) JCR
CONSUMER GOALS

*Indulgence*

(Laran and Janiszewski 2008) *JCR*
CONSUMER GOALS

Indulgence

(Laran and Janiszewski 2008) JCR
Marketing Implication: Perceived Goal Progress

- Individuals are motivated to increase goal-consistent behaviors as they approach goals

Creating a perception of progress towards a goal creates consumer motivation and sustains focus on goal achievement because the goal seems “within reach”

- As customers accumulated more stamps their speed of consumption accelerated
- 20% decrease in purchase times from first to last stamp implies that in a typical month, members purchased two more coffees than they would have without the program

(Kivetz, Urminsky & Zheng 2006) JMR
CONSUMER GOALS

Artificial Goal Progress

- Control Group (10 Stamps)
- Exp Group (12 Stamps, 2 filled)

Both Cards Need 10 Stamps to Reach the Goal

Illusions of progress toward a goal speeds consumption
Regular Card = 15.6 Days
“Fake Progress” Card = 12.7 Days

(Kivetz, Urminsky & Zheng 2006) JMR
Indulgence

(Laran and Janiszewski 2008) JCR
STORE ATMOSPHERICS: CONSUMER GOALS

Marketing Implications

Activating Indulgence
Activating Impatience

(Van den Bergh, Dewitte, and Warlop, 2008) JCR
Activating Goals Leads to Goal Pursuit: We behave in ways that attempt to fulfill the goal.

This leads to Goal-Prime consistent decisions

UNTIL THE GOAL IS ACHIEVED
Gentle Nudges: SOCIAL CUES
SOCIAL CUES

Nudging us Back to Ourselves

We define ourselves in many ways – but all are

CONTEXTUAL

When and Where we Are

Who is Around Us
SOCIAL CUES

We All Have Multiple Identities
Identity is Contextual

Situations and Environments Prime Different Identities
SOCIAL CUES

Identity Affects Choice

Scholars

Socialites

LeBoeuf, Shafir, Belyavsky (2010)
How do world issues affect the University?

How do men/women feel about campus issues?

LeBoeuf, Shafir, Belyavsky (2010)
The search for talent
Why it’s getting harder to find
A 15-PAGE SPECIAL REPORT

17.5%
Difference
LeBoeuf, Shafir, Belyavsky (2010)
SOCIAL CUES

Marketing Implications

Information Processing Ability

Overconfidence
Duttle & Shichijo (2015)

Ability Impairment
Steele & Ambady (2006)

Memory Retrieval
Wang and Ross (2010)
SOCIAL CUES

Close The Identity Gap: Match It!
WRAP-UP AND TAKEAWAYS

Generalities and Practicalities
Gentle Nudges

Much Behavior is Non-Conscious

Gentle Nudges Provide a Way of Engaging System 1 without System 2 Awareness
These Nudges Work By Priming Cognitive Structures

Small Environmental Changes and Cues Can Have Large Behavioral Effects

BUT – Malleability Means Context and Salience Are Key
AND- Consumer Awareness Makes Them All Go Away
Thank You!

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