

The Future of CRM: Using Behavioral Science to Increase Engagement

A more granular and accurate understanding of conscious and non-conscious decision-making to optimize program participation and engagement

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Today's Speakers



Namika Sagara, Ph.D.

President,
Ipsos Behavioral Science Center



Greg Gwiasda, Ph.D.

Behavioral Scientist and VP,
Ipsos Behavioral Science Center



Business Questions



How do I get customers to sign up for automatic payments?



How can we get people to open up our emails?



How do I get employees to participate in a health screening?



How do I get people to sign up for a subscription service?



Objectives

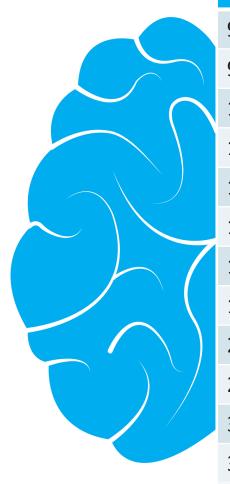
Improve the effectiveness of current communications

Match appropriate language to customer context or motivations

Learn how to apply behavioral science principles when building future communications



Hypothetical Workshop Agenda

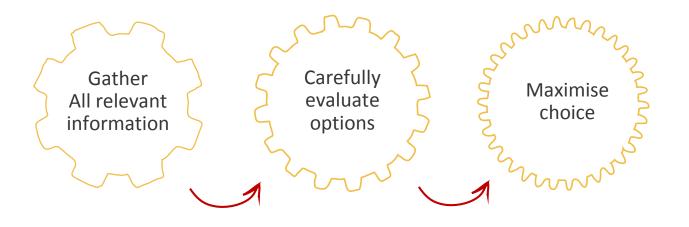


Time	Topic
9:30 – 9:35	Kick-Off
9:35 – 10:00	Background
10:00 – 10:30	What is BeSci?
10:30 – 11:30	Construal Level Theory (CLT)
11:30 – 11:40	Break
11:40 – 12:20	Group Exercise : Assessing Current Communications via CLT
12:20 – 1:20	Lunch
1:20 - 2:00	Regulatory Fit Theory (RFT)
2:00 – 2:40	Group Exercise: Assessing Current Communications via RFT
2:40 - 3:00	Bringing S1/S2, CLT and RFT together
3:00 – 3:15	Break
3:15 – 4:00	Working Session – Creating Future Communications
4:00 - 4:30	Share out



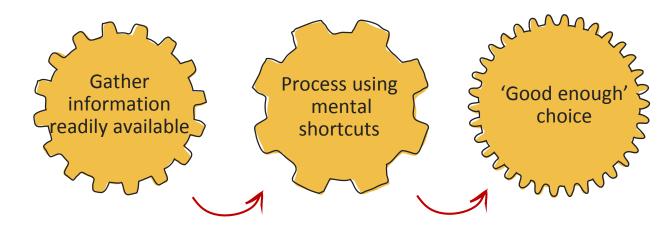
What is Behavioral Science?

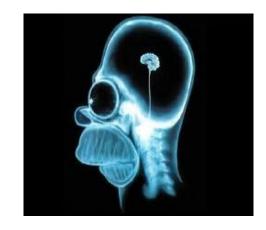
Traditional "non-BeSci" view





BeSci View







Two Operating Systems for The Brain

SYSTEM 1

Automatic

Rapid

Efficient

Nonconscious



SYSTEM 2

Controlled

Analytical

Deliberate

Conscious





Relying on System 1 or System 2?

Motivation to process System 2 System 1 Low v. High Effort Distracted v. Focused Short v. Long-Term Goals Emotional v. Rational Rushed v. Relaxed Private v. Public

Meet Jane, a mom on a road trip with their kids:

"I want to make a quick stop and get some snacks for the kids that lasts for the rest of the long trip."





Jane sees these two options:



 \bigcirc

13 oz

Red: High arousal
Big piece of cheese
Visually showing many crackers



16 oz

Green: Lower arousal

Light, Flaky = less filling

Topping is not included, indicates what is not included

Science

Stated, Observed and BeSci-insights





Stated – what consumer say (e.g., Self-Report)

Observed – how consumer actually behave (e.g., Behavioral Research)

BeSci Insights – what drives people's behavior (e.g., WHY behind the behavior)

Exercise 1:

Are Your Customers System 1 or System 2?

Go through the System 1 & 2 Check list for your target customers.

Are they likely to be System 1 vs. System 2?



Optimizing Communications: Leveraging Motivation and Content







Optimizing Communications: Leveraging Motivation and Content







Take a Moment to Consider: Which is more likely to get you to book a vacation?



Be a world traveler.



Come eye-to-eye with the Mona Lisa.



VS



Construal Level Theory

The more perceived distance between an object and an individual influences whether a person's thoughts regarding that object are abstract or concrete.

Types of Distance

Large/Far Away

Psychological Distance

Small/Nearby

Abstract, "Goal Related", Why?

Concrete, "Need Related", How?

Distant	Physical	Close By
Others	Social	Me
Past/Future	Time	Right Now
Seen	Experiential	Felt



Level of Construal Changes Preferences

EVALUATIONS OF THE CANDIDATE



HIGH LEVEL

- A Refocus on <u>Why</u> We Do Things
 - Need people with the right reasons and ideals
 - Focus on values

LOW LEVEL

- A Refocus on <u>How</u> We Do Things
 - Need people who are action oriented
 - Who can implement ideas

FAR ELECTION (HIGH)

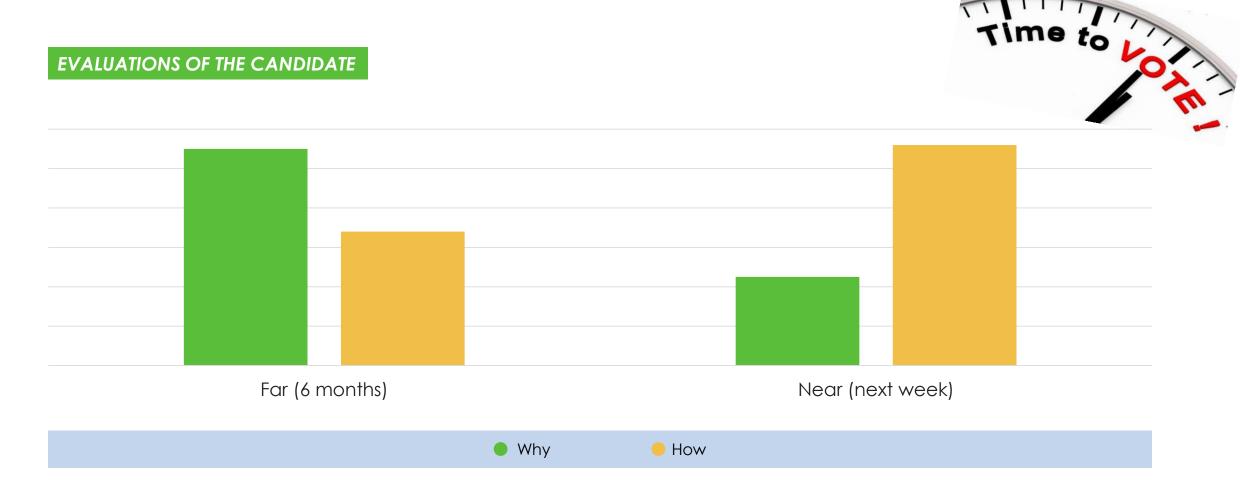
6 months away

NEAR ELECTION (LOW)

Next week



Level of Construal Changes Preferences





Abstract vs Concrete: Skincare





Abstract - Aspirational

Concrete - How it works



Abstract vs Concrete: Retirement Savings



Abstract – How you want to feel



Concrete – What you need to do



When to Leverage Concrete or Abstract Language

Use abstract language to

Build a higher level relationship with someone (e.g. brand equity)

Align people towards a broad or longterm goal (e.g. save the planet)

Creates the belief or desire

Use concrete language to

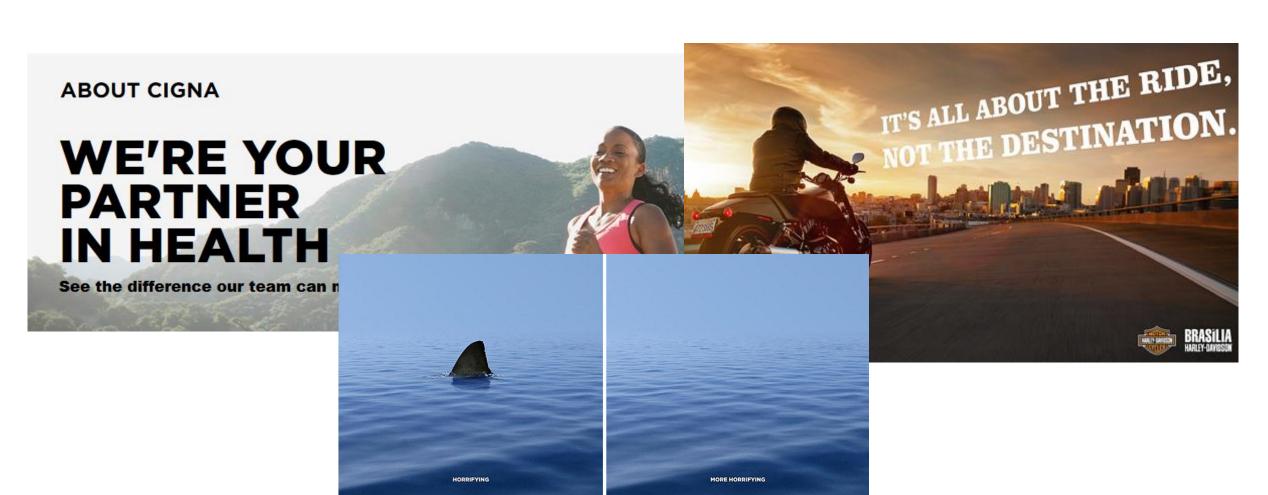
Achieve an immediate goal (e.g. increase recycling behavior)

Drive a specific action (e.g. buy sustainable products)

Activates a belief or desire



High Construal Goals



FOR A LIVING PLANET: WWF.ORG

EXPLOITING THE ECOSYSTEM ALSO THREATENS HUMAN LIVES.



TAKE ACTION **Behavioral** Science Center



How Can We Convey Closeness?

1

2

3

4

5

Make benefits PROXIMATE

Reduce
Perceived Benefits
Distance

Use self-relevant stimuli

Make TIME short

Reduce Temporal Distance

Get as close to now as possible

Leverage SOCIAL forces

Reduce Social
Distance via Norms,
Similarity

"There are others like me"

Use SIMULATION for the experience

Reduce Psychological Distance

Make the impact feel more "real"

Make benefits SALIENT

Increase Vividness of Effects

Show the importance of acting



Make TIME short



Get as close to now as possible – or bring the consumer to the future.



Make TIME short







Use SIMULATION for the experience



Don't tell people. Show them.



Use SIMULATION for the experience



I will donate today and help this child



Use SIMULATION for the experience



I will donate later



Exercise Example

Leveraging Construal Level Theory

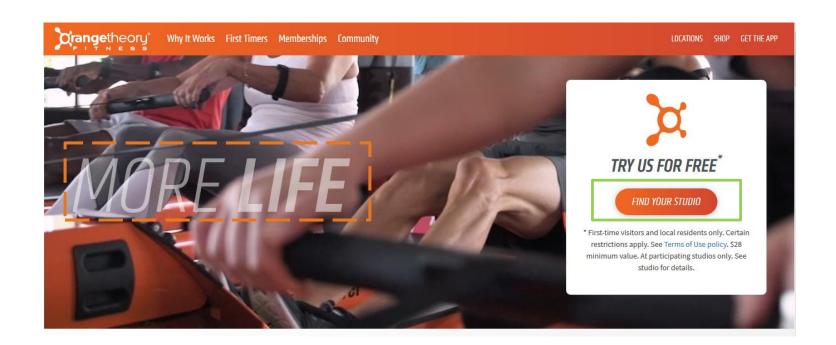
- 1. Review your communication and identify where it uses abstract/distant vs. concrete/close language
- 2. How, if at all, would you change the language to maximize motivation for consumers to take action?



Example 1: Join a Gym

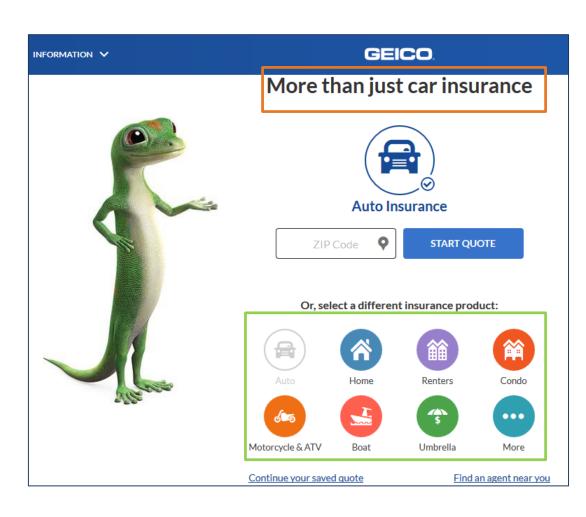
Goal: Get people to join Orange Theory Fitness

- "More Life" is appealing, but more life to do what?
 - More Life With Heart Rate Monitoring. More Life From Our 5-Zone Workouts. More Life With our Nutrition Plans
- Link could be more concrete → "Find Your Neighborhood Studio"





Example 2: Get an Insurance Quote



Goal: Get people to request a quote

- What does "more" mean?
 - "We cover all your insurance needs"
- Good job of concretely showing all the insurance types covered



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Optimizing Communications: Leveraging Motivation and Content



Message Content:

Construal Level
Theory



Message Motivation: Regulatory Fit



Regulatory Fit Theory





Should your communication be prevention vs. promotion focus?



1. Product Category

Promotion







2. Occasions/Needs

Promotion







3. Consumer's Natural Tendencies

Promotion







3a. Eating Behavior

Promotion







3b. Conflict Resolutions

Promotion







3c. Trust and Social

Promotion







3d. Behavior Initiation

Promotion







Exercise 3:

Understanding Consumer Motivation

- 1. What would be the key reasons for customers to use your product/service?
- 2. Is each of the reasons more prevention or promotion focus?



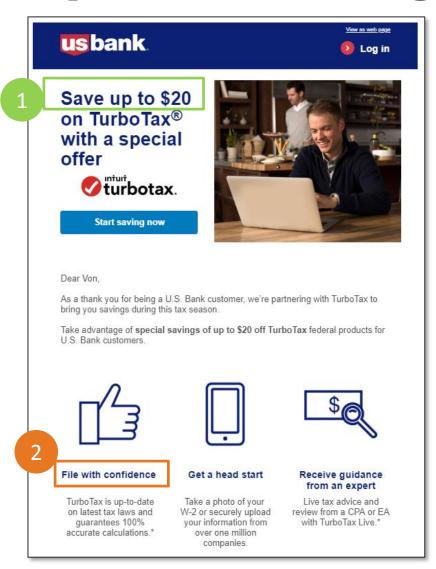
Exercise 4:

Leveraging Regulatory Fit Theory

- 1. Review your communication and identify where it uses prevention vs. promotion focus (or neutral).
 - 2. Is there a consistency throughout the collateral?
- 3. How, if at all, would you change the language to maximize motivation for consumers to take action?



Example: Tax Filing



Goal: Get people to file tax using TurboTax

People tend to be in a prevention-focused mindset when it comes to tax filing.

- Good consistent theme of prevention
- Opportunity to frame as prevention tone
 - Use language like "file without worries"



Example: Preventive Care

Von Shin, start the new year with a fresh bill of health!

Complete your new years resolution early by booking your 2019 preventive care today.



1. Annual Physical

Seeing a doctor isn't only for when you're feeling sick. The Center for Disease Control recommends regular checkups on your vitals, vaccinations and weight.

Book a physical



2. Dental Checkup

The American Dental Association recommends a checkup twice a year. Click, smile, and repeat!

Book a dental cleaning

Goal: Get people to book doctor visit for prevention care

When it comes to preventive care, people tend to be in prevention-focused mindset.

- Promotion-focused language
 - Opportunity: Best to match with consumers' prevention-focused mindset
 - Use language like "don't miss out your free annual check up covered by your health care plan"



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Let's bring S1/S2, CLT and RFT together!

Promotion vs. Prevention?





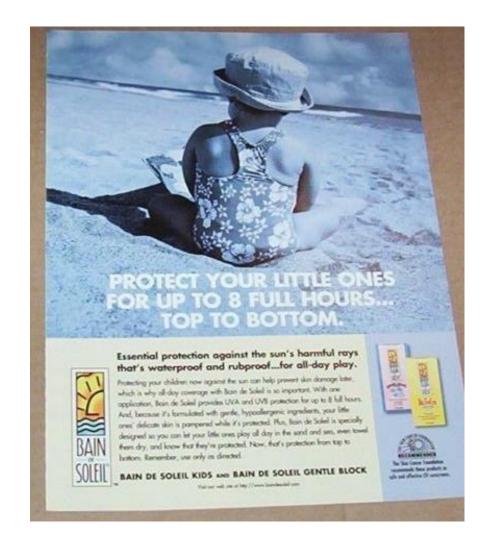
Let's bring S1/S2, CLT and RFT together!







Let's bring S1/S2, CLT and RFT together!







Exercise 5:

Let's Apply Everything You've Learned!

1. Review your earlier exercises, and discuss how, if at all, you would change the language to maximize motivation for consumers to take action while considering System 1 and System 2, Construal Level Theory (abstract vs. concrete) AND Regulatory Fit Theory (promotion vs. prevention)!







The **Ipsos Behavioral Science Center**

consists of talents with both academic as well as market research industry experience, who work across all **Ipsos organizations** as well as with Ipsos clients to develop and apply behavioral science to understand how consumers actually behave.



Namika Sagara, Ph.D. President. **Ipsos Behavioral Science Center**

Namika heads BSC to ensure Ipsos apply the best-in-class BeSci to help our clients gain a better and deeper insights by leveraging BeSci frameworks and principles.



Jesse Itzkowitz, Ph.D. Behavioral Scientist, **Ipsos Behavioral Science Center**

Jesse specializes in behavioral decision making. Specifically, he studies the effects of consumers' context and cognitive processing on their choices.



Greg Gwiasda, Ph.D. Behavioral Scientist,

Ipsos Behavioral Science Center Greg has 20 years of experience in integrating innovation research approaches with BeSci understanding of consumer thinking to drive business growth.



Sunaina Shrivastava, ABD Behavioral Scientist. **Ipsos Behavioral Science Center**

Sunaina is our Behavioral Science specialist with a focus on Consumer Behavior and Judgment & Decision-Making. She is all set to earn her PhD in May '19.



Vinci Ng, M.P.S. **Behavioral Science Associate,**

Ipsos Behavioral Science Center Vinci has a Master's degree in

Applied Behavioral Economics with a concentration in Marketing.



Jeffrey R. Parker, Ph.D. Associate Professor of Marketing, **University of Illinois - Chicago**

Jeff's broad research focus lies in how consumers' mental representations of choice contexts influence their decisions, and vice versa.



Jeff Galak, Ph.D.

Associate Professor of Marketing, Carnegie Mellon University

Jeff's research focuses on how consumer experiences unfold over time across a variety of consumption contexts.



Kelly Goldsmith, Ph.D.

Associate Professor of Marketing, Vanderbilt University

Kelly examines consumers' responses to uncertainty and scarcity, uncovering and explaining seemingly paradoxical effects.



Stephanie Carpenter, Ph.D.

Research Fellow, **University of Michigan**

Stephanie's research focuses on emotion and decision making, especially on how positive and negative emotional responses influence consumer decisions.

Ipsos also has a Think Tank partnership with





Ravi Dhar, Ph.D.

Professor of Management and Marketing, **Yale University**

Ravi's research focuses on investigating fundamental aspects about the formation of consumer preferences and goals.





Gaven Fitzsimons, Ph.D.

Professor of Marketing and Psychology, **Duke University**

Gaven's research focuses on understanding the ways in which consumers may be influenced without their conscious knowledge or awareness by marketers and marketing researchers.