

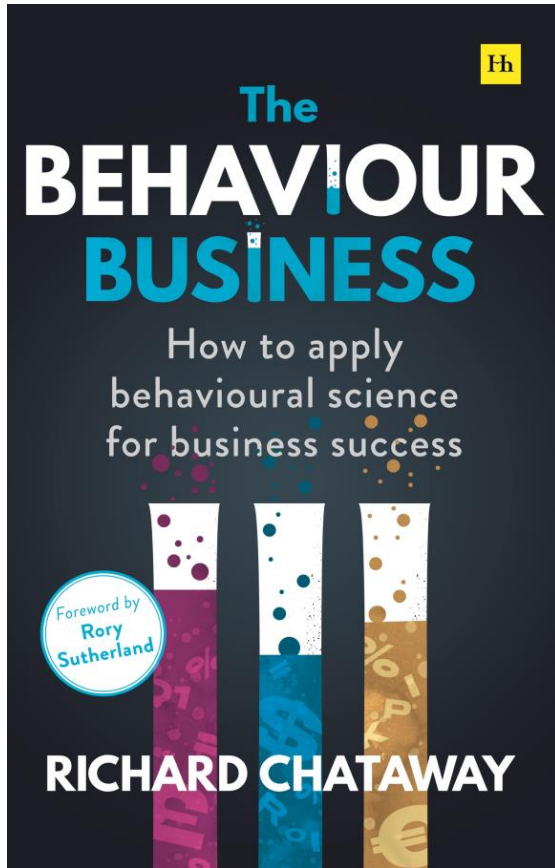


THE BEHAVIOUR BUSINESS

HOW 'TEST TUBE BEHAVIOURS' CAN DELIVER BUSINESS
SUCCESS

14th July, 2020

The BVA Nudge Unit: *Richard Chataway*



- Vice President at the BVA Nudge Unit
- Over 15 years of success in applying behavioural science to optimise communications
- Led communications strategy for both local and central government in the UK and Australia
- Commercial clients have included IKEA, Pfizer, Sainsbury's, ING, ITV, BT, Kimberly Clark, American Express, InterContinental Hotels Group, Campari, FOX Networks, Starbucks, Atos, Southeastern Railways and Unilever
- Founded Communication Science Group (CSG)
- Board Member of The Association for Business Psychology

The BVA Nudge Unit: *Who We Are*

We are a global consultancy that specialises in driving successful behavioural change among customers, employees and organisations.

We have conducted over 200 successful initiatives on behalf of global organisations, including the United Nations, HSBC, Orange, Colgate and BNP Paribas, among many others.



Our primary areas of experience and expertise include:



Enhancing customer experience



Optimising communication



Improving digital adoption & conversion



Addressing management challenges
(Diversity, workplace safety, collaboration, etc.)

The appliance of (behavioural) science

- We have learnt more in last 50 years about human behaviour than we have in the previous 5,000
- We now have the knowledge and tools to scientifically validate our hypotheses quickly, cheaply and at scale – to test, learn and optimise

The most successful 21st Century businesses know this, and yet...

MISSION DAY

SOL 71

PRESSURE

12.49



OXYGEN

20.82



TEMP

21.11



ENVIRONMENT

HAB BUNKS

CONNECTED:002330301EWBVC-2-4991040-23-3

TIME 19 33

LOG ENTRY > WATNEY #113



Information isn't enough to change our habits

We are not rational agents maximising self-interest...



VS



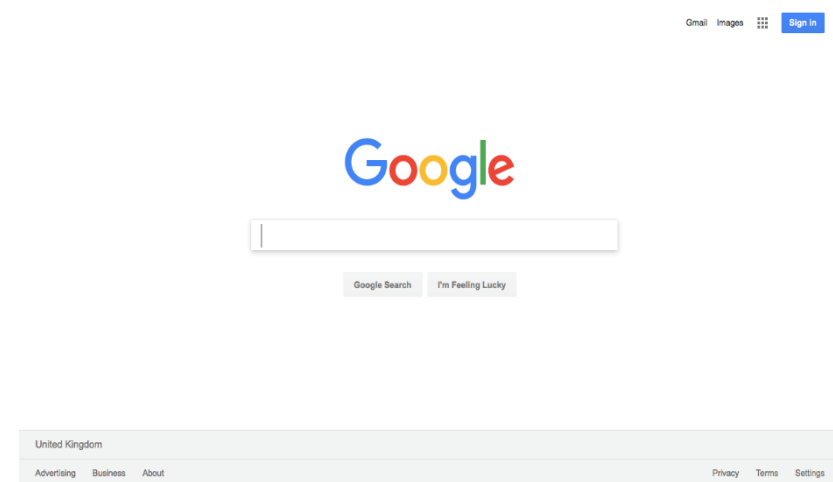
...but humans driven by emotion, habits, others and context.

Minimising cognitive effort – the \$2,500 million solution

1998



2019



“Feeling lucky” directly costs Google **\$100m a year** – but delivers far more in revenue because of the ***self-efficacy*** it gives to users

The shade of blue used in search results was tested amongst **40 different shades** and delivers an additional **\$200m in revenue**

Minimising cognitive effort – the \$2,500 billion solution

Customers Who Bought This Item Also Bought

30 Rock: Seasons 1-3
DVD ~ Tracy Morgan
★★★★★ (7)
\$60.49

Desperate Housewives: The Complete Seasons 1-5
DVD ~ Teri Hatcher
★★★☆☆ (2)
\$179.99

Scrubs: The Complete Seasons 1-8
DVD ~ Zach Braff
★★★★★ (2)
\$148.49

This simple **social proof** mechanic delivers 25% of Amazon's total revenue

House of Cards
★★★★★ 2013 TV-MA 1 Season [TV] [G]

Sharks gliding ominously beneath the surface of the water? They're a lot less menacing than this Congressman.

This winner of three Emmys, including Outstanding Directing for David Fincher, stars Kevin Spacey and Robin Wright.

Because you watched Orange Is the New Black

Because you watched Red Lights

Leveraging **social proof** to address the **paradox of choice** accounts for 80% of all the content watched on Netflix

Minimising cognitive effort – the \$2,500 billion solution



amazon



\$700 pa
14 visits



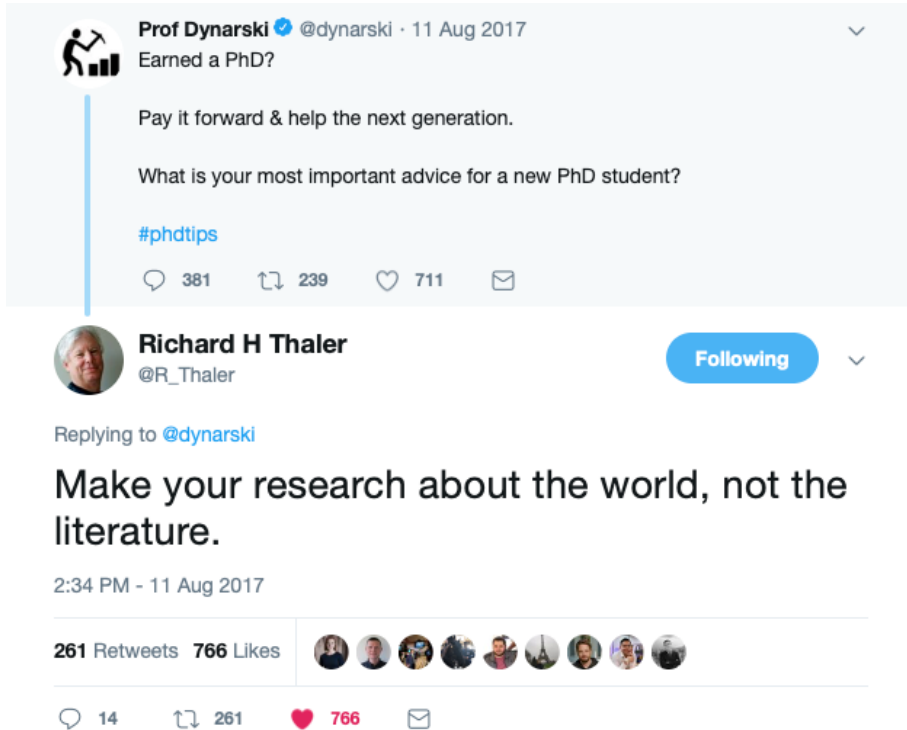
prime



\$1,300 pa
25 visits

The ***power of free*** increases revenue per customer by **86%**!
And econometric modelling predicted it would fail...

The value of experimentation in business: ‘test-tube behaviours’



Prof Dynarski @dynarski · 11 Aug 2017
Earned a PhD?
Pay it forward & help the next generation.
What is your most important advice for a new PhD student?
[#phdtips](#)
381 replies 239 retweets 711 likes

Richard H Thaler @R_Thaler
Following
Replying to @dynarski
Make your research about the world, not the literature.
2:34 PM - 11 Aug 2017
261 Retweets 766 Likes
14 replies 261 retweets 766 likes



“Let me briefly explain what business and behavioural science have in common. They both do experiments. Apart from that, everything is slightly different.”

Rory Sutherland, vice-chair, Ogilvy UK

Improving website conversion by minimizing cognitive effort



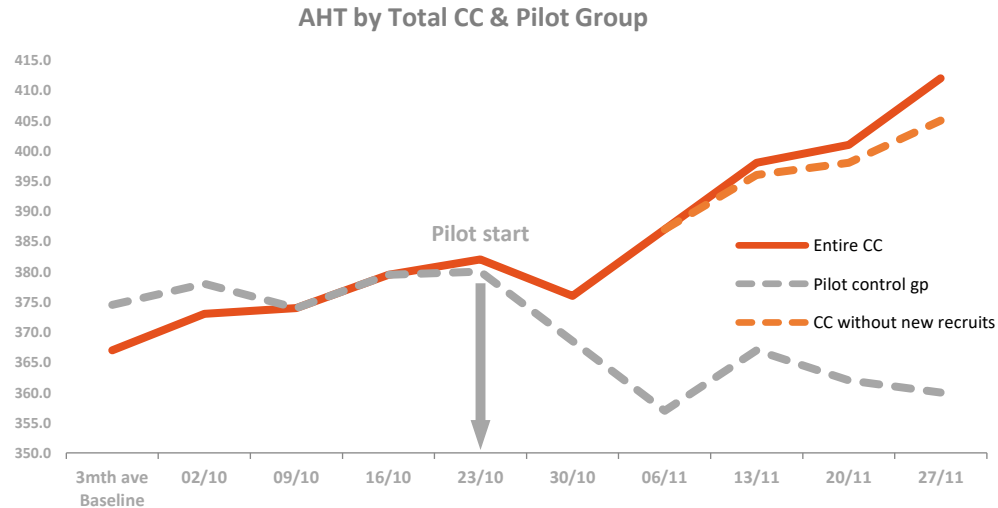
Improving website conversion

- For a credit card company, optimisations were identified to increase conversion via the website application process
- Making the calls to action more salient delivered an instant uplift in clicks through the site

Delivering a win-win for businesses and customers

Enhancing contact centre efficiency

- An audit identified optimisations in scripting for a major UK savings bank contact centre to reduce failure rates and duration of calls
- Customer Service Representatives were trained in delivery and provided with new scripts and resources



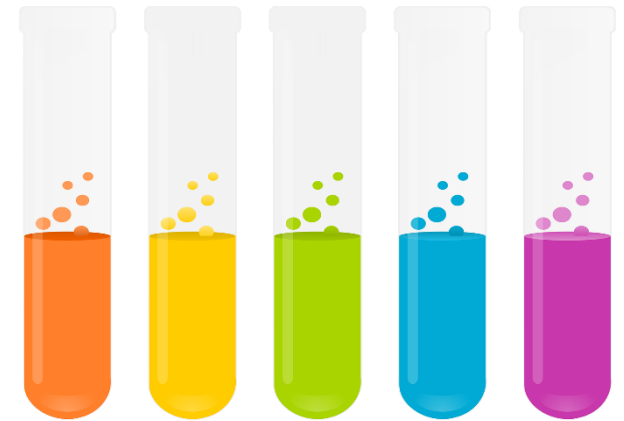
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11%
increase in overall
efficiency

by incorporating behavioural 'nudges' into
customer conversations for a bank

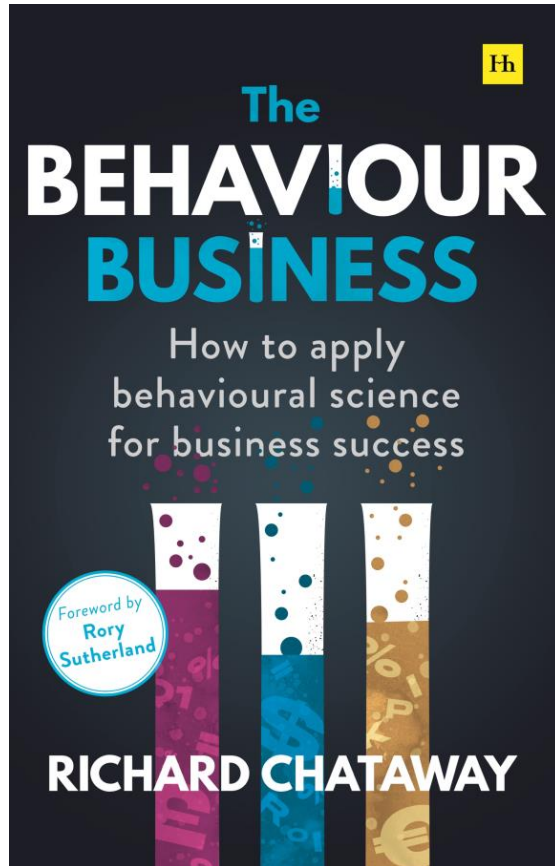
The Behaviour Business: ‘test tube behaviours’

- Use the existing (behavioural) science
 - Evidence not intuitions
- Use actual data on behaviour – not modelled
 - Randomised Controlled Trials (RCTs) are NOT essential
- Test, learn, optimise
 - To build new hypotheses
 - And to deliver marginal gains as part of agile processes



Experimentation, not technological innovation, distinguishes the most successful 21st century businesses.

The Behaviour Business: social proof/authority bias!



"Brilliantly inspiring - with his warm, witty approach Richard Chataway shows practical ways for businesses to go from hearing about behavioural science to actually profiting from it."

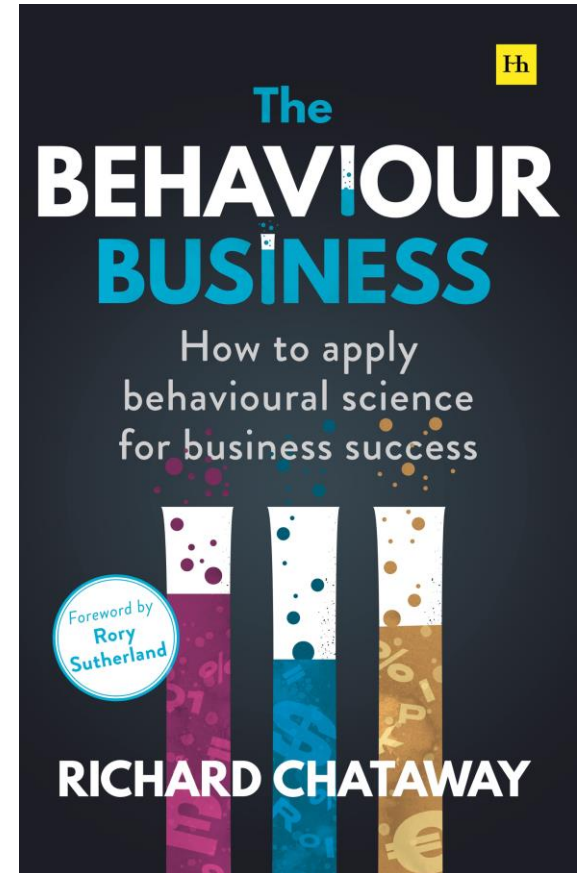
Bruce Daisley, author of Sunday Times bestseller 'The Joy of Work', and creator of 'Eat, Sleep, Work, Repeat' (Europe's #1 business podcast)

"A breath of fresh air - a brilliant behavioural science book that focusses on the practical application of the topic rather than the abstract theories."

Richard Shotton, author of 'The Choice Factory'

Thanks!

- ‘The Behaviour Business’ out now!
 - Get 20% off using code “BB20” at <https://harriman-house.com/behaviourbusiness>
- Accompanying podcast featuring interviews with key contributors available now, wherever you get your podcasts
 - Also at www.behaviourbusiness.com
- E: Richard.Chataway@bvanudgeunit.com





**WE LIKE YOU,
TOO :)**

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