

TRA

Manifesto

**Our intent with this TRA
Manifesto is to set out
the beliefs and principles
that guide the way we
approach our work and the
frameworks we employ when
we collaborate with clients
to help grow their business.**

As such, we have chosen to describe those ideas that are specific to our work and have not attempted to cover every aspect of behavioural science nor every facet of marketing. Instead you will get a sense of the big ideas and the core scientific principles that we subscribe to.

Neither is this a 'how to' manual. Where we thought it was useful to give you an example of how something could be applied we have done so, but these examples are not exclusive nor do they represent the full extent of applications of an idea.

Instead we hope to cause you pause for thought, enlighten you about how the emerging ideas from various scientific disciplines can be applied and challenge you to break away from outdated models and practices.

We have assumed some knowledge of the topics covered and for those who would like to delve further into the ideas we discuss, the Reading List (p164) is where you'll find our favourite books and papers as referenced in the text.

Though we have committed our point of view to print, our Manifesto is not static and you'll see how our ideas evolve in our online knowledge hub Mainframe. Knowledge grows through sharing ideas, so tell us what you are thinking and let's get some robust debate underway.

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“What a time to be alive.”

— Drake

1—The times ahead

Over the last few years, there has been a significant shift of emphasis in marketing, primarily toward a more customer-centric approach, along with a new landscape of customer engagement and communication channels.

No longer do marketers see the world from the inside out, driven by internal operational structures and siloed marketing functions. Now the focus is on outside-in marketing, seeing things from the customer's perspective, a viewpoint which requires transparency and purpose and in turn means stepping up and declaring what the brand stands for.

In parallel, a wealth of scientific development in the understanding of human behaviour has left research poised to collaborate with brands on developing new ways of gaining insight; ways that put the customer at the heart of the company and the brand in the heart of the customer.

1—The times ahead

These are exciting times. We are challenged to change and change makes us all feel a little uncomfortable. But what an energising time to be in the marketing business! Transformational science, backed by sound experimental data, has overturned so much traditional thinking, and while we are coping with that, the digital and media landscape morphs almost daily.

No one is standing still, although simply running to catch up without a clear road map risks creating mixed messages, wasted energy and a level of anxiety about how to respond to what the cognitive sciences are telling us. Nor is it good enough to just re-label or re-purpose old structures to accommodate new thinking. We are faced with the challenge of a paradigm shift, which requires clarity, agility, collaboration, and a commitment to excellence.

Some of the most successful companies in the world have shifted not just their thinking, but their actions too. US confectionery and food giant Mars has fully embraced the theory of brand salience—so its communications model is directed toward ensuring its brands are top of mind when people are about to make a purchase. This is in stark contrast to more traditional models that strive to communicate product differentiation (my product is better than yours). Another global giant, Unilever, has made big changes in their supply chain for palm oil, so that their stated purpose and brand promise has integrity.

A new approach to marketing

The biggest change we are seeing in marketing companies is pivots around experience—brand and customer experience. We are talking here about events or interactions that leave an impression on someone—it could be hearing a radio ad, buying a product, getting something done online or receiving an EDM. It can be an engaging experience, such as posting something online. Or it might be passive, even unconscious, such as watching a TVC; it all constitutes the brand experience.

The delineation between experiencing the product (eating the chocolate bar or using the credit card) and all other experiences of the brand (seeing an ad, following a social media thread, adding points to a loyalty card) is an artefact of siloed marketing functions. But for customers, all touch points contribute to the total brand experience.

In enlightened companies, the job of the chief marketing officer is no longer confined to a specialist function called ‘marketing’.

Instead they are expected to have an input into business strategy at the highest level, which means there is an opportunity to bring customer insights into the very heart of the business.

On the plus side, there are definite signs that marketing companies are adopting a customer-centric focus. Customer management and interaction is moving out of sales and into marketing. But the focus is sometimes too narrow, concentrating only on improving the customer experience rather than bringing together all the elements of the broader brand experience, and ensuring the customer is the focal point for all aspects of the business.

So, although we are seeing companies targeting a customer-centric approach, they miss the mark if they don't reflect the overarching total experience that people have of their brand.

That's where the value lies in bringing customers into the process. There is a job to be done in bringing customer-driven insights 'inside' the company to influence key decisions. But, and this is a very big but, those insights have to be built on a sound understanding of how people behave and what levers can be brought to bear to influence their behaviour.

As the field of cognitive science develops, and a wealth of data builds up from academic studies, the role of researchers in the marketing arena is increasing dramatically. Our knowledge of human behaviour has grown exponentially and has in fact challenged many traditional beliefs.

There is tremendous value in this newly-found understanding of how people think and behave in terms of its application to marketing issues. However, marketers and researchers are people too. Like the rest of the population, we like to reduce uncertainty, are governed by inertia and habit, prone to cognitive biases and suffer from loss aversion. The trouble is, a gradual evolution of methodologies and approaches doesn't work when new knowledge arrives with the force we have seen with advances in current behavioural science. And, therein lies the challenge.

For marketers to feel confident in the paradigm shift that is required in the way research information is gathered, the science has to be solid, well understood and applied consistently and intelligently, never naively or superficially.

At TRA, we are really excited about the scope we have to use science to take research to another level in terms of activating insights, using experimentation to deliver growth opportunities, and working with brands to add value to the brand experience.

THE BIGGEST IMPACT HAS BEEN IN THREE KEY AREAS

<p>1 We know that people can neither remember what they did nor why they did it, making self-reported behaviour of little or no value.</p>	<p>Actual behaviour vs. reported behaviour</p>	<p>Unconscious and emotionally-based processing</p>	<p>The major role context plays</p>
<p>2 As much as 80 per cent of what we do is unconscious and 100 per cent is driven by emotion and short cuts to easy decision making (cognitive biases).</p>			
<p>3 Nothing is immune to the context in which it is seen, both in terms of the micro-effects (someone's perception of a product's price being influenced by where it sits vis-a-vis other price options, for example), to the macro effects (the impact on decision making of someone's social group or cultural background).</p>			

Technology is giving us a helping hand

Technology is contributing to new ways of obtaining information. Tools like geo-tracking, mobile surveys capturing 'in the moment' behaviour, video, and others, have given us new ways of understanding 'actual' behaviour. This technology has also raised the bar in terms of access to people's whole lives, so we can see the influence that social and cultural context has.

Access to 'big' data is one valuable source of information, though it is both freeing and limiting, as we work through privacy issues. There is also a gradually evolving value equation whereby people assess what their data is worth and what reward they should expect for sharing.

Customer transactional data is giving us access to highly effective tools based on actual behaviour, and data analytics allows us to use this knowledge to identify creative and original connections and possibilities, unlocking growth and innovation potential.

For good reason, the UK's Tesco retail brand is one of the most often-quoted case studies in the use of transactional data to improve customer experience (as well as benefit the company). Tesco took the information it receives about customers from its Clubcard and turned a mundane loyalty programme into a non-intrusive shopping buddy that can alert people to deals, price-match items at checkout, and provide customised store maps ("That chocolate soy milk you love is at aisle 4, second shelf, on the left").

From a company perspective, the data also helped to optimise store layout, design merchandising, plan stock purchases, and much more. But by cunning use of technology, combined with giving customers extra rewards in exchange for data, Tesco created a win-win for everyone and benefited from information they would never have got by asking people what they bought, why they bought it and what they wanted from Tesco.

The potential and range of possibilities from technology is yet to be fully exploited, and during a time of such enormous change, it's good to be restless and ambitious about what will be possible going forward.

The new paradigm

The next few chapters of this Manifesto are intended to inform and inspire. The science is fascinating but it is more than just 'nice to know'; it is the foundation for our understanding of the pillars of marketing. It informs not only how we collect useful, actionable data, but also how we collaborate to activate customer-focused information. It inspires us to bring customers to the heart of organisations and help companies grow.

“Without context, words and actions have no meaning at all.”

— Gregory Bateson

2—Context is everything

It seems very obvious when someone points it out to you. Of course the context in which we experience things affects how we experience them. The wakeup call for marketing has been just how much context affects things, and just how much we have largely ignored that in how we market to people and how we research their responses. Think how hard it is to recognise someone in an unexpected setting when you have only ever seen them in the same, quite different place. Or consider that we may have no idea what something costs but we'll know if a competitive brand is more or less expensive. Context truly is everything.

Would brands be adopting sustainability programmes without the context of global warming as a powerful cultural theme? Does the price of a bottle of beer have an absolute value or does it depend where you are drinking it and with whom? Putting customers at the heart of a company's culture means bringing the whole person and—more importantly—the context of their lives into your business. And that context isn't always easy to fathom.

2—Context is everything

Marketing, advertising and research are analytical disciplines. So traditionally we have segmented, targeted, sliced and diced, isolated variables and modelled correspondence, as we have focused on finely-tuned ideas. Drawing on the principles of good research, we have strived to eliminate variables in the same way scientists in a lab remove extraneous contamination from their test tubes.

This may no longer be the right approach. Today, an overwhelming tide of evidence suggests that rather than isolating variables, we should be putting our brands and our research subjects into context. Research indicates context has enormous influence on human behaviour, whether it be the macro context of people's lives (where they come from, where they live, their personality and their social groups etc.), or the seemingly insignificant, but predictable micro-contexts created by researchers as they prime their research subjects or frame a conversation around a particular product or topic.

At TRA we argue that rather than think of context as 'contaminating' our research, we should think of it as producing rich, meaningful information that will benefit our products and brands.

Obviously, research still needs analytical discipline. But we need to take on board the importance of the dimension of context when we develop our research and evaluate our outputs.

The big picture perspective – the macro context of our lives

Humans are complicated creatures living in a complicated world and our behaviour is either an innate or a learned way of surviving each day's complexities. One person's pattern of behaviour is clearly different from another's and it is 'who we are' that steers us towards our own unique version of these innate and learned behaviours.

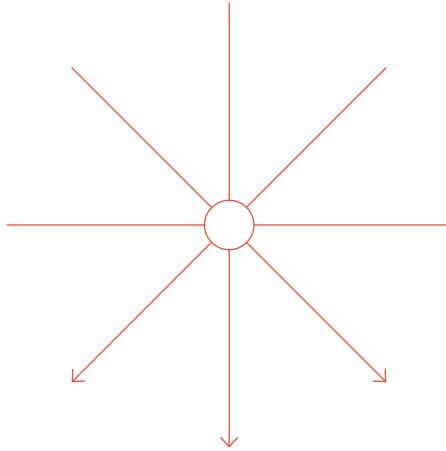
Defining 'who we are' is one way we see the influence of context. Our character, defined as the amalgam of genes and inherited personality resulting in a set of individual traits that are more or less malleable and subject to nurture, is just one part of 'who we are'.

For marketers and researchers, the vast array of people types is something we take for granted and recognise we cannot alter. We accept we will do better with some people than others. But individual character is just a small part of the story; external context—both social and cultural—has been shown to play a big part in 'who we are', and offers opportunities to tailor brand experience marketing.

This broader context does not just set the framework for understanding people, it is also the overarching framework for how people process brands.

With the shift from brands being in control of how they are seen (via TV ads, for example), to brand reputation being in the hands of the public (via social media, for example), this broader context is where the influences that control perceptions of brands now lies.

OUR EMOTIONAL INNER COMPASS



INDIVIDUAL TRAITS



GENES
PERSONALITY
EMOTIONAL MAKE UP
GENDER
BIOLOGICAL
FEATURES AND
DRIVES
RITES OF PASSAGE
EDUCATION

SOCIAL TRAITS

*Past and
present*



FAMILY
PEER GROUPS
HERDING INSTINCTS
SHARED VALUES
AND BEHAVIOURS
ASSOCIATIVE
(SHARED)
MEMORIES

CULTURAL TRAITS

*Contemporary
and traditional*



TRENDS
HERITAGE
GENERATION
LANGUAGE
LOCALISED TRENDS
SOCIETAL SHIFTS

Different markets, products and services have their own unique balance of influences, but none—individual, social or cultural—are immune to the powerful contextual pull of all three. The choice you make around beer brands is typically influenced by the social context. But, when drinking alone, cultural trends may play a bigger part, as will individual innate and learned taste preferences.

At TRA we like to see people as having an inner compass that turns and spins in response to these different influences. We've done away with the terms that dissect people's lives into units or purchaser types like 'loyal shoppers' or 'lapsed buyers'. Mindset follows language. If we stop calling people consumers and instead talk of them as people, we open our eyes to them as fully formed human beings, not one-dimensional all-consuming Pacman characters.

A note on needs and basic human drivers

Placing the emphasis on the context of people's lives does not ignore the core psychological needs that people look to fulfil. What it does do is generate

more actionable and category relevant information. For example, needs describe facets of what drives every human being, but out of context they are merely free floating constructs applicable to any and all brands and they fail to provide direct applications.

The social context

Much has been written about the fundamental role that social context has on our behaviour. Mark Earls, perhaps the best-known proponent of this, makes much of our herding instincts as a driver of behaviour. Though Earls expresses a clear and single-minded message with the much-quoted trope “I’ll have what she’s having”, it is important that we take into account that we don’t just run with one herd. Many different social groups influence our behaviour and each will exert influence on a different part of our lives and the products and services we consume.

And, let’s not underestimate the power of the social group. There is substantive academic research that shows we can recognise reactions on people’s faces better when they are alone than when they are in a social group. The social context masks and influences our emotions and our expression of them. Sometimes it is not so much ‘who we are’ as ‘who we are with’.

~~Heavy buyers~~

~~Borrowers~~

~~Satisfied
Customers~~

THEY’RE
ALL JUST
PEOPLE

~~Lapsed
users~~

~~Occasional
Shoppers~~

~~Consumers~~

Why is context important?

Context rules our lives and our behaviour; if you take behaviour out of context you have no way of understanding how you can influence it. How much more useful is it to watch someone shopping if you know what their home is like, what it was like growing up for them, who is in their friendship group, which food trends they are following and what other influences they have in their life.

For this reason, if we are trying to find out people's reactions to a TV ad, for example, it makes more sense to play it to a friendship group, rather than a bunch of carefully selected strangers. When in our everyday lives do we make brand or purchasing decisions after sitting around watching TV ads with a random, if 'homogeneous' group of strangers?



**“A nation’s culture
resides in the hearts
and minds of its people.”**

— Mahatma Gandhi

The confluence of cultural roots and global trends

People live in a cultural environment—and in New Zealand that is an increasingly multicultural environment. The icons that set the context for one generation have very different meanings for a different generation. Those not born in New Zealand are aligning with the same cultural trends—for example the green movement—but without the same cultural heritage as second generation New Zealanders.

TRA is passionate about connecting people's behaviour with the cultural events that shape their perspective on life. One way to get the full picture of someone and their context is through immersion research, where we shadow people physically, electronically and through their own record of daily life. The result is a rich tapestry that provides the whole picture, not just a slice of life.

In one project recently, we asked teenagers to respond to mobile messages, upload images, and react to choices offered to them throughout their day, building a composite story of their personal drivers, social influences and cultural context.

So far so good. How does it help us?

As marketers, we need to identify the cultural tensions and trends creating a gravitational pull on a brand. For example, when we talk to millennials we find they are interested in trends like the 'maker movement', where people create and sell craft products. Meanwhile, marrying, having children and buying a home is happening much later for this group so they have a decade in which to pursue their own interests and self development projects. We heard about everything from creating flavoured honey to building apps. This leads them to favour artisan producers and small business startups when they are choosing brands.

At TRA we believe an isolated response to an idea or a campaign is of little value without its context. Integrating trend data into insights is our way of staying in touch with the context of people's lives. That is why TRA takes a 'whole people, whole lives' approach to everything we do, and why we aim to bring the customer into the heart of our clients' business.

From macro to micro context

The big stuff is complex and multi-layered and needs a sensitive touch to realise its potential. No such caveats exist for the much more tangible micro context such as anchoring, priming and framing.

Anchoring

Refers to the way people make decisions or judgements 'anchored' to another piece of information—and not even necessarily a relevant or useful piece of information. The most common impact of anchoring occurs with pricing. Mention that a bottle of wine costs \$10 and every other judgement about the category thereafter is weighed up against \$10. Moreover, once judgements are anchored, they are difficult to dislodge; even if we are consciously aware of the anchor, we are not immune to its effect. So, for example, if you start a group discussion about cars and fuel economy rates emerge naturally into the conversation, when you subsequently show them a TVC, a new car concept, or a brand logo, participants' associations will be anchored to fuel economy rates—whether you want that or not.

Priming

Is a psychological concept where an earlier stimulus subconsciously influences the response to a later stimulus. For example, someone given a list of words including the word 'yellow' and then asked to come up with a word starting with "ban" will think of 'banana' faster than someone who hasn't got yellow top of mind. Priming can involve any of our senses—sight, sound, smell, even touch—and is often used in retail, where shoppers are primed by advertising in and around the car park before entering a store.

Although conscious recall of outdoor ads may be low, our research has shown that the impact on behaviour in store is measurably significant. Note that it is the actual behaviour that is significant not the reported behaviour. Just as people couldn't recall being primed by the ads neither could they remember how that had caused them to behave in store. Only direct observation and video footage gave us that insight. Another technique TRA has used with success is priming the scene before focus groups to intentionally influence people's frame of mind, before asking them to talk about a topic.

Framing

Is the most obvious form of micro-context and, put simply, describes the way information is presented. Hospitals have had great results by re-framing the way they get information across. More people washed their hands when they changed the sign from: "Hand hygiene prevents you from catching diseases" to "Hand hygiene prevents patients from catching diseases." They changed the frame from you, to the sick person. Think about the implications for that in advertising copy, questionnaire design, sign-up instructions and so on.

Changing the frame of the questions we ask can tell us a great deal about how people are evaluating our product or service. Framing offers a great opportunity to experiment as well. Why not present a proposition with different frames as a diagnostic tool to understand what the underlying considerations are.

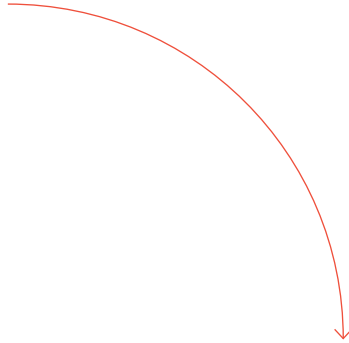
A contextualised future

At TRA we believe it's time to let go of the traditional desire to isolate variables and strip away the very context that enriches our understanding.

If we are willing to underpin everything with a sharp understanding of the contextual landscape, willing to experiment, to see messiness as a source of inspiration, then we will step out of the research laboratory into the real world and be the smarter for it.

Our blueprint

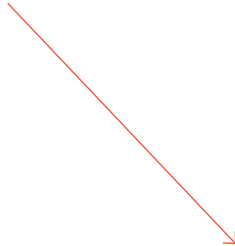
TRA approaches every project and every person holistically; a whole life not a slice of a life.



Our Cultural Insights team collates and curates trends and has input into every project.



Every project gets a context audit from our Behavioural Insights team.



Our data collection methods are enriched by macro context.



Our surveys use experimental methods for micro context.

In a nutshell

- 1** People live whole lives and defining them narrowly as market segments loses the context—and context rules our lives. If you take behaviour out of context you have no way of understanding how you can influence it.
- 2** This broader context does not just set the framework for understanding people; it is also the overarching framework for how people process brands.
- 3** Social context is a far stronger driver of behaviour than any attitudes we may have about a brand. The way we see a product when we are chatting with our workmates may be quite different to how we respond to it in a focus group made up of strangers. And we don't have just one social context in our lives—it's not as simple as 'the mates we drink beer with'.
- 4** While the big overarching context of our lives forms 'who we are' as a person, there are more subtle 'micro-contexts' involved in our decision making, which can be influenced by researchers and marketers. These include:

Anchoring—Where the judgements we make about a product are influenced by another separate, and potentially irrelevant, piece of information—often price.

Priming—A psychological concept where an earlier stimulus subconsciously influences the response to a later stimulus.

Framing—The way information is presented is a powerful tool that opens our eyes to how our brand or offer is being evaluated and gives us the power of experimentation to unlock insights.

**“It’s déjà vu all
over again.”**

— Yogi Berra

3— Emotion + memory

Defined as an overwhelming sense of familiarity, *déjà vu* is a powerful example of how a rogue stimulus can trigger an emotional memory around a non-existent event and it is an important indicator of how our brains work. Despite being a species with a high intellectual capacity, skilled in analytical thought and reasoning, the engine that drives our thinking and our actions is our emotions.

There is overwhelming evidence that emotion is the key driver of human behaviour—it kicks in before we even begin to contemplate an action or a decision, overturning the previous theory that emotions worked in parallel with our rational decision making—instead they are in the driving seat.

One of the things emotion controls is memory. Understanding how memory works—both in terms of creating memories of experiences and working out how to retrieve and measure them—is crucial for researchers, and a powerful tool for marketers.

3—Emotion + memory

When film director Akira Kurosawa (*Seven Samurai*) said that it is “*the power of memory that gives rise to the power of imagination*” he intended to convey how our history of experiences fuels our creative outputs. What we didn’t understand, back then, is that memories are themselves creative outputs, bearing a tenuous relationship to the real experiences they pertain to represent.

The only thing that holds any sway over our fallible memory processing is emotion. Emotional responses are innate and largely beyond our control and they are a toggle switch for what memories we store and, crucially, where and how we store them.

People might not experience as extreme a feeling as déjà vu around brands, but they often hold false memories because emotion has coloured the experience. On a more positive note, emotion gives us insight to stored brand experiences even when the memory is not readily accessible.

Unsurprisingly, emotion has a direct line to our senses—a smell can create a feeling and a taste can bring back an entire memory of an event. Neuroscience has taught us that it is the connections between the neurons in our brain that result in actions not the individual neurons themselves. In the same way it is the connections between emotional and sense based triggers that matter and that create memories. So looking at any one without looking at how they work together is like listening to a single note without hearing the whole song.

Feeling first, thinking second

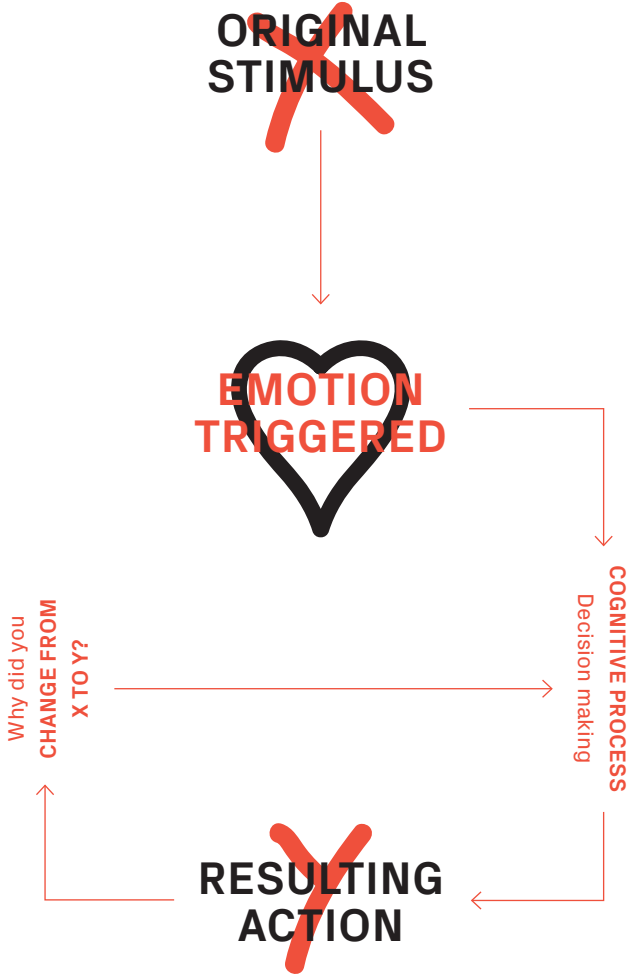
No one doubts the role of emotion in behaviour—we see it in action every day; in others, in ourselves, in the images we watch on screens or read in the pages of books. We also know that our emotions influence our behaviour both episodically—angry drivers don't give-way—and also more broadly, happy people are more social and generous.

The emerging news about emotions is how they are integrally connected to cognitive processes. We used to think that emotions were controlled with one part of our brain and cognitive responses by another part. Neuroscience research has busted that myth and we know that cognitive processes are actually controlled by our emotions. Even before we know we are going to make a decision, our emotions are firing off messages that guide the process. Inversely, pleasant emotional experiences cause us to feel physically better, which in turn alters the experiences we have. So, we are more likely to enjoy a product if we are experiencing positive emotions prior to the experience.

TRA is looking at how we guide marketers to use emotions in their favour, including ways to trigger them involuntarily. It's interesting work and has direct applications to marketing activities.

A stimulus that evokes a positive memory is a powerful tool to wield. It is a challenge because research methods have typically relied on questions that prompt a rationalised thought process (System 2 as described by Daniel Kahneman and discussed in more detail in the next chapter) to gain access to emotionally governed cognitive processes, thus short circuiting the actual decision making loop.

FEELING FIRST, THINKING SECOND



The Mr Spock effect

While Captain Kirk was a quivering mess of emotionally-driven decision-making, Mr Spock told it like it was: logically.

Spock: *“Random chance seems to have operated in our favour.”*

Captain Kirk: *“In plain, non-Vulcan English, we’ve been lucky.”*

Spock: *“I believe I said that.”*

While Spock provides a light-hearted look at how our emotions steer our cognitive processes, much of what we know about emotion and decision-making comes from studying brain-damaged patients.

Neuroscientist Antonio Damasio studied patients with damage to the part of the brain which produces emotions, and found that without an emotional response, patients found it very difficult to make simple decisions—for example, choosing which restaurant to go to for a meal.

His patients would debate endlessly—and logically—the merits and disadvantages of each option, without ever choosing. They have lost the power of the ‘Oh stuff it, I just fancy this one, let’s go there’ response. And that is the **exact** response that marketers want to capture and understand.

For that reason, it makes no sense to take people through the logical, Spock-like deliberations of choice—this product differentiator or this one. What is more, asking people to remember the process with direct questioning is more likely to bring out their inner Spock than their impulsive Kirk.

Emotions are hardwired and tangible

Understanding emotions seems complicated, but that is simply because we all feel a bit confused by our own emotions sometimes. However, although there are many nuances, it is generally agreed that there are only a handful of basic human emotions, which have evolved to help us to quickly respond to our world.

These are defined by the facial expressions that are universally recognised, irrespective of culture: joy, surprise, sadness, fear, anger, disgust, and contempt. Fascinating fact: people blind from birth use the same facial expressions, even though they have never seen them—a pretty solid proof of their universality.

Facial expressions offer us a simplified research tool to decode the emotions that stimuli—a logo, a product design, a word—evoke.

Nuancing these basic emotions extends 'surprise' to include anticipation, interest or curiosity, for example. Or, 'contempt' would include mockery, derision, and disregard. These nuances give us deeper insight into people's feelings about our brand.

These core emotions are different from the wider range of associative attributes that might be aligned with a brand. For example these might include taste, colour, thirst etc. Clearly there are many more attributes than the seven core emotions, but there is a degree of stickiness that links attributes to basic emotions, providing a powerful diagnostic tool for brand owners.

Coke makes people feel happy, a core emotion, which is closely correlated with associative attributes such as being an uplifting drinking experience.

Research needs to access emotions, but words can be a clunky way of achieving this, especially when we know there are excellent alternatives—facial expressions, pre-tested images that represent emotions, emotifs etc. Additionally, recognition is instantaneous, so doesn't require lengthy interview questions. Even in a qualitative context, facial expression is an effective way of capturing emotion, without forcing people to articulate areas that they might struggle with and thus avoiding the Mr. Spock effect.

Given the power that emotions exert, it is no surprise that they are also in control of how we create and retrieve memories of our experiences—and these of course include our experience of brands.

Brand attributes

These can include functional elements: sweet/sour; good/poor fuel economy; long lasting; reliable, and these attributes are category based. For example, category requirements for tea would include flavour, colour and strength and individual brands

might be more or less associated with these attributes. When coupled with the brand's emotional associations these attributes create the brand DNA that is both relative (to other brands in the category and the category 'standard') and unique—the brand's specific associations and emotional stickiness.

Experiences: memory or reality?

Our experiences represent the sum total of the stories we tell ourselves, and the power of memory is its ability to invent itself, to recreate the past each time we think about it and fill in the factual gaps that tie the narrative together. People's memories are their reality of the experience and our challenge as marketers is to play a role in both the laying down of memories and their re-creation.

In a later section on brands and communications we talk about low attention processing of, for example, TVCs—and how emotional responses play a significant role in embedding memories based on implicit (unconscious) learning that the viewer is unaware of. What is striking is the evidence that these unconscious memories are more likely than rationally processed memories to be retained in long-term memory with high levels of stickiness attaching associations to the brand.

Work carried out by Robert Heath of Bath University for the IPA has demonstrated this effect with TV campaigns for products from dog food to insurance and his work is well worth a read, if only to convince yourself of what may feel counter intuitive.

Despite being implicitly learned, the strength of these associations can be measured; but only if we apply implicit techniques that tap the unconscious, matching the learning style with the triggered response. Using time pressure—for example, giving people only two seconds to respond—is one simple way of getting closer to capturing fast thinking intuitive emotion based responses.

This also argues strongly for the use of stimuli to trigger these memories instead of the more cognitive style of unprompted awareness questions.

Let's face it, a marketer cares much more that people remember something about their brand when they are standing in front of the supermarket shelf than if they catch the potential shopper with a questionnaire at a random moment at home, completely out of the context of their experience of that product or service. The previous chapter championed the role of context and this is yet another example, this time directly relevant to emotion and how we create memories.

Mind the (emotional) gap

One of the main failings of traditional research is its insensitivity to the temperature of emotions. When a choice is made in 'the heat of the moment' it is likely that the event will be recalled quite differently in the cold scenario of the interview—called the hot-cold empathy gap. But this is a relatively easy problem to solve by replicating the scenario of the initial experience.

There are many ways we can achieve this – getting people to imagine where they were, what they were wearing, who they were with and so on. Music, visuals, smells (tricky in an online survey, but doable in face-to-face interviews) and colours, can all help to conjure the original emotional state. Role-playing and storytelling are useful techniques to bring the emotion up (or down) to the appropriate thermal setting to more accurately trigger the memory.

In cases of extreme emotion, a kind of tunnel vision takes over that means we remember the powerful emotions and nothing else – the details and the peripheral information is ignored by a brain that is hell bent on funnelling its attention on the single core event.

While marketers do not intentionally generate significant and traumatic experiences, this process does help explain why people can have poor memories of the details of a new concept or ad, yet strong responses to the core idea.

Memory does not trace a straight or true line

Memory is intoxicated by emotions, so our recall of events isn't necessarily linear; instead staggering around mapping an uneven course. And like a drunk after a big night out, that makes our memory sketchy and short sighted, remembering the endings and the emotional peaks, while happily forgetting whole chunks in the middle. We are not even troubled by any disconnect in our story; our brain obligingly makes up bits to fill in.

So as researchers, we should not make people tell us their memory of an experience or recall of communications in a linear step-by-step fashion. Tracing the natural order of their recall not only gets us closer to the reality, but it also prioritises what in the experience matters. Memory mind maps and free association techniques mimic the brain's neural networks and the plethora of connections carrying information and feelings.

We should encourage people to jump around, to attach emotion rather than detail to the memory, and to see themselves as others would have perceived them. The police use this method (cognitive interviewing) to great effect when taking witness statements, and while it naturally lends itself to qualitative research, the ability for creativity in online surveys has put this method in reach of quantitative research too.

The implications for understanding issues such as churn are significant. Talking to someone at the point of churn revealed that they were highly motivated by getting a new phone, whereas when talking to the same person 6 months later they gave their reason for switching as a desire for a higher number of minutes for calls included in the new package. The emotion around getting the latest phone wasn't prompted when being questioned about their churn behaviour—we all like to be seen as rational human beings and more call minutes sounds better than “I just wanted a shiny new phone”.

Unless we can acquire the information at the actual point of churn or adequately reproduce the conditions, we are reliant on people's memory, heavily adjusted and post rationalised. Taken in isolation it can be dangerously misleading, making it well worth the extra effort required to explore better solutions.

**So let's rely on memory as little as possible.
Observation of actual behaviour data is where
the value prize lies.**

And when memory (e.g. recall of messages, visibility of new products) is what we want to measure, capturing the emotion around the memory leads us to greater understanding and more actionable insights.

Shared memory

We talked in the previous section about the role of social context in people's lives. Interestingly, social context also plays a role in memory. Couples, families and groups of friends share memories and they do so in complex ways. In evolutionary terms, avoiding everyone having to remember everything is much more efficient. Put simplistically, you remember where the berries are and I'll remember where the sabre tooth tigers hang out.

Think about listening to a couple tell stories about their last holiday, as one adds details or corrects their partner you get the sense of a story crafting itself in real time—and the next time it's told it will take this new form. What this also gives us is the hot spots for individuals within a joint decision making unit. If two people tell their story differently we can be pretty certain that different parts of the experience triggered different emotions for each of them. There lies an opportunity for a smart and multi layered communication strategy.

Many buying decisions are made jointly and many products and services are consumed in social groups, so it makes sense for us to investigate these memories with the relevant group, instead of pulling out one individual for investigation. Whether using online communal shared blogs or face-to-face interviews with social groups, the richness of the data rises exponentially.

Insights grow from emotional truths not convenient truths

People make sense of the world by creating backstories for their decisions and their attitudes, and while these memory-based stories constitute their truth, for marketers to drive growth or encourage behaviour change, we need to access the emotions that are driving these convenient truths.

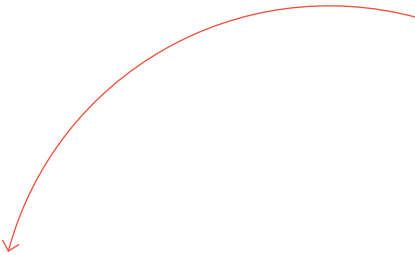
Researchers are seekers of truth but never the convenient variety, because we work to develop, evaluate and measure the effectiveness of strategies that grow our partners' businesses by putting the world of real people at the heart of business planning.

Google is one of the 'entities' we share memories with

Columbia University identified the 'Google effect', where our habit of Googling any required piece of information has trained us to forget the information, but instead remember


where to find it in the future. This has implications for advertisers and supports a view that advertising should focus on creating an emotional response and maintaining brand presence and let customers find additional information elsewhere.

Our blueprint




Capture the emotion and you capture the driver, so at TRA we target emotional associations and the attributes they manifest, instead of logically-evolved attitudes.


By using implicit methods we capture deeply seated emotions that can be triggered involuntarily, and so measure the power of those emotions to influence cognitive processes.



We re-create or, even better, capture 'in the moment', the emotional temperature of the experience in order to eliminate the hot-cold empathy gap.



We've thrown away the linear model of recall and adopted the way real experiences are recreated using cognitive interviewing and memory mapping.



Mapping people's memory of an experience against the reality of the experience shows potential points of influence to improve experience and optimise memories.

In a nutshell

- 1** Emotions drive cognitive processes—choices, decisions and associations—so emotions are what we need to understand and target.
- 2** Our memories are strongly influenced by our emotions, making them accessible, but only if we trigger the experience with the appropriate stimuli.
- 3** Memories aren't linear and they are not well remembered if forced through a structured linear narrative, whereas cognitive interviewing techniques re-create the experience based on the emotional high points.
- 4** Low processing attention—background messages, passive watching of TVCs, environmental context of outdoor advertising—lays down associations in long term memory more effectively than high processing attention, where emotions play a lesser part.
- 5** People's memories are their reality of their experiences, and there is much to be learned from that, because as they repeat the memory it becomes more firmly embedded. Behavioural analytics and observation are more effective tools for establishing true behavioural reality.
- 6** Many buying decisions are made jointly and many products and services are consumed in social groups, so it makes sense for us to investigate these memories with the relevant group.

**“No problem can be
solved from the same
level of consciousness
that created it.”**

— Albert Einstein

4— Understanding behaviour

People's attitudes to brands and social issues have traditionally been the target for brands and for social policy makers who thought that if you changed attitudes, behaviour would follow and that if we asked people about their intentions we could rely on their answers. If that was the case people would not just think eating healthy foods was the right thing to do, they would also buy healthy foods. Yet we know that isn't the case.

So the devaluing of attitude data has led to a shift in emphasis to looking at behaviour. In a way this was an enlightening short cut to marketing's ultimate goal—to change behaviour. The only difference is that traditionally marketers thought that the attitudes drove behaviour change.

The switch in emphasis from attitudes to behaviour was relatively easy. What has been more challenging is the revelation that behaviour is not as easy to investigate as we might have thought.

4—Understanding behaviour

As researchers look more closely at our cognitive process, it is becoming increasingly evident that people behave in what appears to be irrational ways and often have little or no idea why they do what they do. Respected academic papers, and books with titles like 'Predictably Irrational' encapsulate these ideas, with terms like this entering common marketing parlance.

What's more, much of our behaviour is led by cognitive biases that are irrational, at least from a purely economic or statistical standpoint. But, because these biases result in predictable behaviour patterns, they enable researchers and marketers to understand behaviour change.

But, as often happens when ideas are adopted rapidly, people misunderstand them, or only half understand them. Faced with irrationality, marketers despair at the thought of asking people questions knowing their answers won't be valid. Or of marketing to people who don't know how to behave rationally.

Actually, they shouldn't be concerned. Contrary to the pop science interpretations that abound, these scientific advances around understanding irrationality have in fact increased our ability to market to people who will indeed behave predictably.

Levels of consciousness

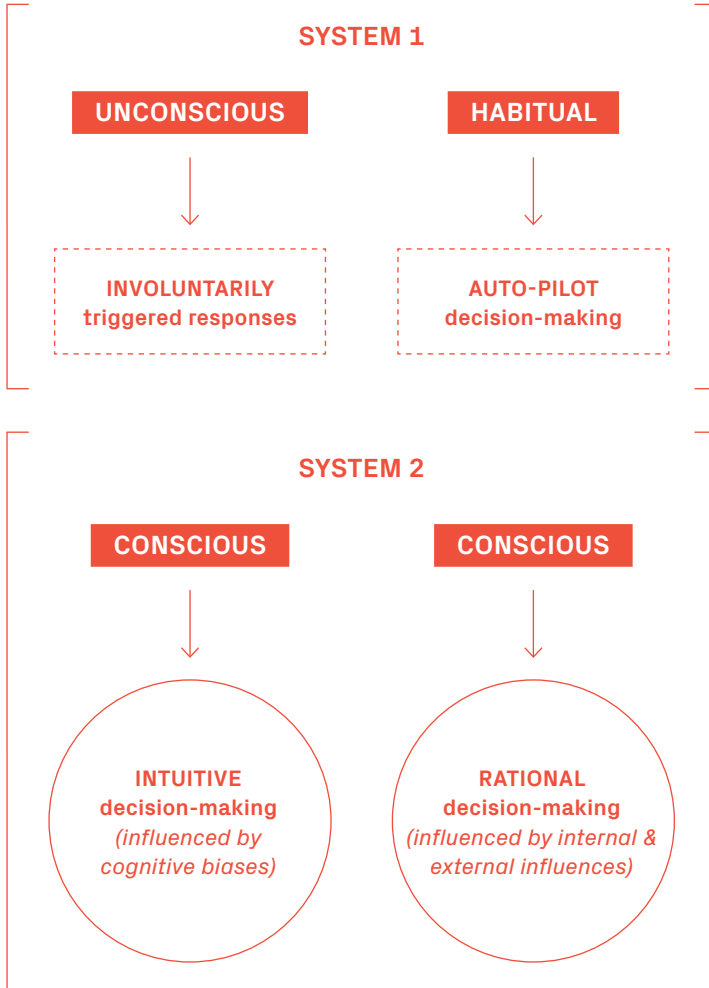
A skim across the literature can create an overarching sense that all behaviour is irrational, whereas in reality, people operate at many levels of consciousness. Some behaviour is below our own self-awareness level—defying classification as either rational or irrational. Conversely, higher conscious processes drive particular types of behaviour, displaying a range of rational and seemingly irrational results.

In 2011, Nobel prize-winning economist Daniel Kahneman coined the terms ‘System 1’ and ‘System 2’ thinking. System 1 covers those thought processes that we do quickly and without conscious thought, while System 2 categorises things we expend energy and brain power considering.

You are using System 2 while reading this (we hope!)—whereas the vast majority of your daily activities employ System 1. You wouldn’t get through the first hour of the day if you involved System 2 in everything you did from the moment you opened your eyes. Nor would you have the energy, as our brain is a greedy user of energy and anything we can do to mitigate that makes biological sense.

As useful as the System 1 and 2 model is, it is too broad for our purposes and at TRA we look at consciousness across four levels when we consider a marketing problem and design methods to collect and interpret data.

SYSTEM 1 + SYSTEM 2 THINKING



Behaviour and decision-making

Our interest in levels of consciousness is driven by the implications it has for behaviour, and specifically how people make decisions.

Decision-making is a fundamental tenet in marketing—we want people to make a purchase decision in favour of our brand or we want them to adopt a behaviour change in response to social policy—and it is equally entrenched in market research data collection. A questionnaire is a series of choices, requiring people to make a decision about how they will answer.

Without a proper understanding of how our level of consciousness results in those decisions, we are fumbling in the dark and our goal is to provide some illumination.

1 Unconscious behaviour

Our earlier chapter looking at emotions has largely covered the issues in relation to our unconscious processing. In particular, we talked about the important role of implicit fast response questioning techniques that tap into our unconscious mind. But one other area is also relevant here in terms of unconscious processing: is it important that people can spontaneously recall things that are embedded in their unconscious memory? Our take on this is that as long as the communication positively primes their subsequent behaviour, it has served its purpose.

2 Predictably habitual behaviour

Habitual behaviour poses the biggest challenge to marketers. The challenge lies in the need to create some pain for your customer by interrupting their habit in order to gain their attention, so the risks are high. On the other side, taking control of a customer's experience and establishing habits that work in our favour places us in a powerful position to defend against competitors who might be struggling to break those habits when they have become hardwired.

Habitual behaviour develops to remove the pain of decision-making. Consequently it gets hardwired by a brain that is intent on protecting us from discomfort and ensuring that our energies are directed to things that matter. Habitual behaviour is consigned to a low processing part of the brain and because it is designed to remove pain, there is little emotion associated with it, so memory of the behaviour is poor or entirely absent. Of course, just because it is low processing doesn't mean it can't involve complex motor skills—most of us routinely drive home without consciously thinking about the route we are taking.

When we want people to describe this type of behaviour we are clearly going to struggle. There is no emotion, so there are no associative memories to trigger. For this reason, it is largely pointless to ask someone to talk about a habitual behaviour; they can't remember it. Even worse is to ask them why they did it.

It is typical for marketers to assume that behaviour change is desirable, whereas in fact disruption of habitual behaviour may force your customer to re-evaluate their choices with a negative net result for your product or service. We should treat changes that disrupt habitual behaviour with great caution. Imagine a situation where you have the opportunity to introduce a new style of packaging that seems to speak to people's desire for more environmentally friendly packaging. The intended result may be to modernise the brand but in fact your actions may have exposed you to the threat of a re-appraisal of the whole category, including your competitor's brands. It lifts the veil from your customer's eyes to any changes or new entrants in the category, changes that they were previously blind to while on autopilot.

In the same way, frequent changes to the layout of the customer interface on your website will be disruptive and any improvements may be undermined by the irritation caused by interrupting habitual behaviour. If change without pain isn't an option, we have to be in control of the experience and include sufficient reward so that the customer's cost benefit analysis falls in our favour.

However, behaviour disruption doesn't need to be a game of Russian roulette if we stop asking people to describe what they can't remember. We have indisputable evidence that when we film people in a retail outlet then interview them as they exit, their reported behaviour bears little resemblance to what we observed. What is clear is that we should use the observation data to develop strategies to influence behaviour, not the reported behaviour.

Two research approaches give us a realistic picture of how habitual behaviour is impacting on people's purchasing patterns: behavioural analytics and observation. Both approaches are readily available tools to researchers and should feature centre stage when looking for insights to change habitual behaviour.

Analytics:

Marketing generally aims to change (or reinforce) behaviour, and using analytics we can go a long way to determining the points where we can disrupt and intervene to change habitual behaviour. A TRA client company has transformed their interactions with customers through our intelligent analysis of their database, reducing their customer service costs while at the same time increasing customer satisfaction. The work succeeded by acknowledging habits and working with them, not against them.

Observation:

Sometimes behavioural analytics is not an option, or at least not the entire solution. Using direct observation is one way of giving us a valuable picture. Advances in technology have elevated this methodology to a robust and quantifiable source of information, enabling us to create behaviour change models based on observation alone. CCTV cameras, Go Pros and mobile video is providing us with stand-alone behavioural data, as well as supplementing ethnographic interviewing. And we have had great success with mobile data capture where we capture the image of the environment in which the behaviour is occurring as well as the actual behaviour.

3 Intuitive decision making—and predictably irrational behaviour

Heuristics (for example a short cut or rule of thumb for making decisions) has become the pop science component of behavioural economics, and has been picked up by the press to show just how irrational and generally gullible we all are. Headlines are crafted around stories about people being duped into judging a cheap wine as being high quality when told it had a high price and judging the same wine poorly when attached to a low price.

And to be fair, that's just about the strength of it. But the criticism does somewhat miss the point about cognitive biases, of which heuristics are but one manifestation. Cognitive biases are our way of making quick decisions without investing too much brain power, removing the energy consuming process of internal debate, consideration and having to weigh up the options.

Instead, it allows us to take only a tiny portion of the available information and base our decision on that—hence the term 'biases'. In the previous chapter we described the role of emotion in cognitive processes, explaining how people compound the laziness of only considering a small part of the information, by relying on emotion to drive our cognition of the problem or decision facing us.

Heuristics are a set of pre-determined short cuts that mean we don't even bother to decide on which thin slice of information we will base our decision on, because we already know what we do in those situations. Overall cognitive biases have served the human species well.

When you have expended energy collecting food, it's a smart idea to take care of it rather than have to use yet more energy to replace it. The result is the loss aversion heuristic, whereby we value losses higher than gains. If we give people something as part of our customer experience and then tell them they have to act or lose the benefit, we will be far more effective than if we promise them something after they have acted.

Knowing these heuristics is an absolute must for researchers who will otherwise look for logical reasons for responses, potentially misguiding marketers into costly and ineffective activities. Identifying the thin slice of information that is being used to drive a decision is our challenge and TRA is having to be innovative and sometimes a bit intrepid to do that.

The reason why cognitive biases are so important to understand is the extent of their influence on behaviour. Unlike habitual behaviour (which is a learned pattern based on a past 'good enough' experience) cognitive biases often form the basis of very poor decision-making quality and therein lies the opportunity for marketers and also danger for unwary researchers.

The opportunity for marketers comes because it is easy to predict behaviour driven by cognitive biases, allowing us to design products, services, promotions and communications directly to capture this predictable behaviour. The scarcity bias, for example, makes people give a higher value to something that is scarce, which is why hotels or airlines will flag 'only 3 rooms/seats left at this price'.

On the other side, the pitfalls for unwary researchers include, for example, the way we phrase questions and the way we interpret responses. A heuristic we all rely on every day is avoiding extremes, which is why we choose to buy the product priced in the middle of the range. Yet traditionally researchers have created questionnaire scales and choices that allow people to do exactly that—choose the middle option.

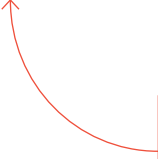
There are many heuristics, all with applications to the work we do. Others include the recency heuristic, which makes people inflate the likelihood of something happening based on recently acquired information. Ask people what they think poses the greatest danger to them—a shark attack or an accident at home—and you will find that the number of people answering a shark attack will rise massively the day after a shark attack report in the press. People's fear of terrorism is driven by the recency heuristic.

It is not the list of possible heuristics that matters, it is a deep understanding of how cognitive biases affect our behaviour and the application of that to research practices that lifts the value of insights.

4 System 2 rational but still under the influence

Our highest level of conscious processing employs our brain to weigh up options, think about problems, create solutions and behave much more like a rational analytical person.

The caveat is that we are, even then, still under the influence of our emotions, and the context—who we are with, where we are, and/or which cultural themes we have been exposed to. We may also be influenced by micro priming that we are completely unaware of.



So there we have it, we are never as rational as we think and yet we are indeed very predictable.

Too good behaviour

While there is now wide acceptance that people can't tell you why they do things (whether because of unconscious behaviour, autopilot habitual patterns or cognitive biases), the fact remains that this doesn't stop people from answering questions. People don't want to look stupid or ignorant and they want to be helpful.

It seems people will always answer questions, just not in the way you would like. If you ask people a question that is cognitively hard they will give you an answer to another easier question. For that reason at TRA when we design a questionnaire we use cognitive piloting techniques to make sure we know how each question is being answered.

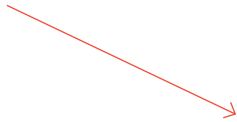
The enlightened understanding of how people answer questions poses a significant challenge to researchers designing and validating data collection methods. Seismic shifts are an opportunity to reform the landscape however, and expose creative opportunities.

It is our belief that current understanding of human nature and behaviour has tilted to such an extent that an equal and opposite effect is required in how we collect information, analyse data and the conclusions and implications we draw from it.

Taking levels of consciousness into account is one way we seek to get at the truth and bring insightful, intelligent analysis to bear on our clients' business issues.

Our blueprint

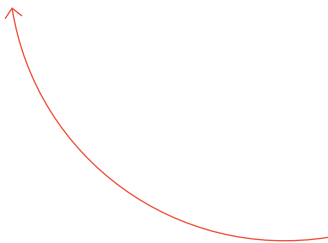
Observation is the most effective way we have of understanding how people behave—it's a reliable and quantifiable tool that enables us to show you how you can change behaviour.



In-the-moment mobile research gets us closer to accessing people's unconscious associations and actual behaviour.



We match research methods to consciousness levels—each level has a different approach to data collection, analysis and recommendations for action.



Instead of asking people what influences their purchase decision, we use analytics to correlate product-brand associations with what they actually do, where they shop, and what they buy.

In a nutshell

- 1** Attitudes are not stable over time. Ask someone to answer a set of attitude questions then repeat the exercise after a few days and the correlation between the two sets of data will not be very high. Nor do they predict future behaviour. So we need to understand actual behaviour.
- 2** People operate across several levels of consciousness and because of this are not always able to accurately recall past behaviour.
- 3** Unconscious processing is highly influential. Memories buried by unconscious low level processing are more long lived and can be activated involuntarily by the right triggers.
- 4** Habitual behaviour is hardwired. Intervention and disruption opportunities exist, though they need to be carefully managed to balance the pain to gain ratio.
- 5** Cognitive biases allow people to make quick decisions, and as such they can be used to prompt desirable outcomes for brands. Research can identify the cues that will enable cognitive biases to create behaviour change.
- 6** Even the most seemingly rational, considered decision making is still under the influence of our emotions, so brands need to manage people's emotional associations with their brand through every brand experience.

Mana

(n): prestige, authority, power, influence, status and charisma

5—The Mana of brands

It's not often that everything you thought about a topic on which you have some experience and expertise crumbles to dust in front of you. But when a highly respected thought leader such as Paul Feldwick (one of the United Kingdom's first and pioneering ad agency planners) produces a paper called *50 years using the wrong model of advertising*, it's time to take note—as we do in the next chapter on communications.

But Feldwick's treatise on advertising is also pertinent to the shift that has occurred in our understanding of brands, because while Feldwick talks about the effectiveness of different types of advertising (as measured by brand growth and profitability), parallel work conducted by the Ehrenberg Bass Institute is directing our thinking towards the role that advertising should play in helping brands grow.

5—The Mana of brands

The power behind the shift in our understanding of brands is the extensive work carried out by the Ehrenberg Bass Institute, based on the performance of thousands of brands over long periods. It is clear that much of what we thought is simply untrue; indeed, TRA's work on human behaviour entirely supports the theories that have emerged from the Ehrenberg Bass Institute by pointing to real customer behaviour.

But first, let us acknowledge that brands are fictional entities. If a brand were to close its doors tomorrow, it would not cease to exist in people's minds.

And that fictional entity is shared by many people, across many cultures in the case of global brands. It is this fictional mental construct that is the source of a brand's power and the asset that we need to nurture and promote.

Harnessing the power of branding lies in creating recognition through distinctiveness, resulting in top-of-mind awareness that drives unconscious and habitual behaviour. That is because people do not want to have relationships with brands, nor do people's attitudes to brands result in behaviour. Instead we need to tap directly into the shared fiction of the brand, bypassing rational thinking and triggering instead unconscious recognition and emotion. That also means that we need to redefine loyalty as not an emotional commitment but rather a behavioural concept. Yes, some people buy some brands more than they do other brands, but only out of habit and availability—both mental availability (top-of-mind awareness and familiarity with distinctive brand cues and assets) and physical availability, making it easy.

Brands as fiction

People don't care about brands; they have better things to do with their lives. It's unnerving and challenging but true.

Nor do people have relationships with brands, despite 'friending' them. However, brands do trigger emotions, and emotions do drive cognitive decision-making—and thus behaviour. In fact, from a practical product attribute standpoint, most brands largely meet the needs of the people who buy them, and 'good enough' is better than having to make a considered decision.

In the absence of rational product differentiator-based choices, habit and emotional top-of-mindness are powerful drivers of choice.

The evidence shows that we do switch brands from time to time—and thus effort invested in a strategy of retention to avoid churn can be profitable. Moreover, when people enter markets they were not previously in, or when something disrupts their behaviour patterns, brands have an opportunity to capture hearts and hardwire new behaviour.

The concept of brand

Despite the dollars spent on promoting brands and the energy expended creating ways to talk about them, brands are intangible and exist only as concepts in people's minds.

The origin of the word brand has become uncoupled from its very tangible roots—the distinctive mark burned onto livestock to identify their provenance at a glance. However, the role of brands hasn't changed that much: they still largely play a role of recognition and identification. The iconography of a logo is arguably a brand's most valuable asset, along with the distinctiveness of its packaging or promotions or even its tone of voice. These elements contribute to what is meant by the term mental availability—but more on that later.

Thus, as with the mark on a cow's rump, a core tenet in the power of a brand is still its ability to be distinctively recognisable. As Andrew Ehrenberg, an influential marketing scientist in the last half of the 20th Century, found from his scientifically based analysis of brand performance over time, penetration is what matters. Ehrenberg's research suggested, as do studies by the Australian marketing science institute that bears his name, that there is no such thing as brand loyalty and no difference between one brand's users and its competitor's users—making both product differentiation and attitudinal segmentation futile. It may not be a wholly nihilistic outlook, but it's certainly a very sobering one.

The cognitive biases we have already discussed support this view. Rules of thumb that lead us to favour the familiar and the easily available all suggest that customers mostly work on autopilot, following previously used paths when purchasing.

Neuroscience lends further support to that rather depressing picture for marketers, telling us that firmly embedding a behaviour pattern or recognition of a brand's distinctive assets can take as long as two years. After spending all that time hardwiring, no wonder people don't willingly reroute the circuit board.

Still, not all is doom and gloom for brands. Glimmers of hope appear in the evidence when looking at top-of-mindness and mental and physical availability. Physical availability is mainly about effective distribution and easy recognition of the brand iconography, but top-of-mindness and mental availability refer to the brand as it exists in the mind – that distinctive build-up of associations and attributes that provides a mental construct of the brand and by which the brand triggers emotion.

This is the stuff that marketers and researchers can manage and manipulate, reinforce and understand: the unconscious recognition and coding that when coupled with action leads to hardwired habitual behaviour.

This is not about rational deliberation over product differentiators, nor about attitudes that rarely change and that have little correlation with behaviour. Instead, it is about creating an emotional response to trigger a reaction.

The Mana of brands

TRA uses the term Mana to capture the spirit and character of the brand. It is an intangible but holistic concept, mirroring the mental constructs of brands in our minds and taking in mental availability, the assets that distinguish the brand and the connection we have with its purpose.

Mana is an expression of the power that a brand has to influence and engage people. It is a measure of the brand's essential nature and its equity, representing a multi-layered feeling about the brand.

Mana is a spiritual concept, and we have borrowed the term because it illustrates how a number of related emotions and values (very similar to those that are associated with brands) combine to represent a mental construct of which people have a common understanding. The formation of a brand in people's minds creates not just a whole greater than the sum of its parts but also the unique and essential nature of the brand and the feelings that this activates.

Capturing feelings about a brand is relatively simple. Facial expressions and pre-established emotional images, for example, serve this purpose well. We can assess top-of-mind awareness by using a brand's distinctive assets to evaluate speed and ease of recognition as a measure of how current the brand is. Certainly if we want to tap unconscious feelings, we can't ask questions that require conscious thought; but technology allows us to use games and other enjoyable techniques to collect metrics about unconscious feelings and emotions.

However, knowing what feelings and top-of-mind associations a brand has is not the same as knowing how to shift the dial. Here a layered model steps in, and the Mana of the brand encompasses layers that we can explore individually as well as in aggregate.

The layers are a sense of 'fit', 'energy' and 'clarity', all augmenting the Mana of the brand. Measuring these three layers gives us tools that can help us effect change by allowing us to identify the levers that can dial up the intensity of Mana. Is the brand falling short of clarity, or is lack of momentum the issue? Answering these questions can help drive a brand forward.

Fit

Fit is all about matching your brand with people's values and identity—expressed as relevance, respect and trust—and reinforcing their view of the world. Fit feeds emotional comfort and reduces uncertainty or anxiety.

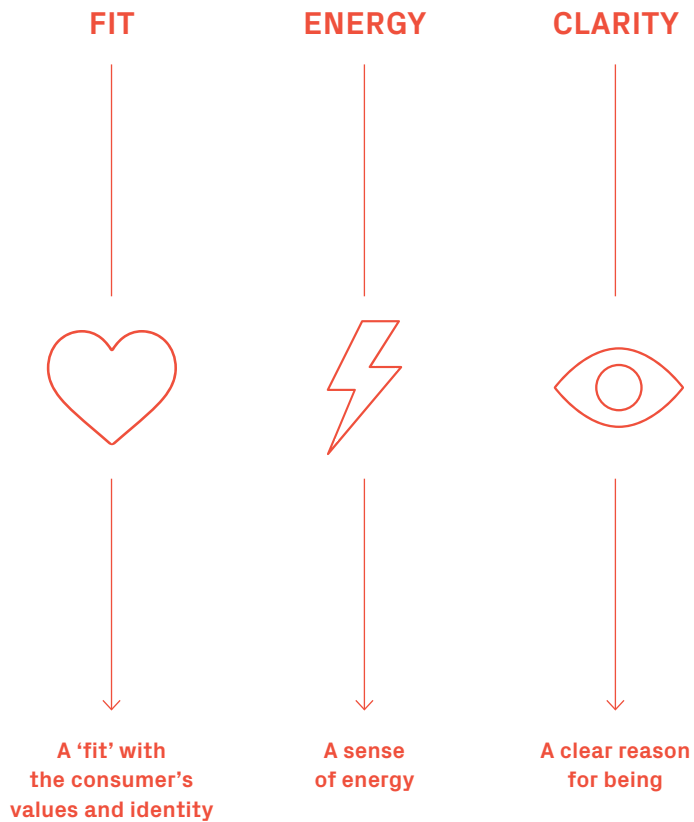
Energy

Energy (including things such as momentum and level of passion) speaks in part to people's desire to be part of the crowd. If people are talking positively about a brand, it makes others believe it is worth taking note of. People genuinely want to 'have what she's having'.

Clarity

Clarity is an indicator that the brand has a purpose and that purpose is understood, with the brand seen to act on it. Purpose is the 'why' component in the Mana of the brand, defining the brand's overarching spirit. Many studies have shown that brands that have clarity of purpose financially outperform those that do not. Having a clear purpose and communicating that purpose through the brand's behaviour is the route to clarity.

DRIVERS OF THE MANA OF A BRAND



Brand purpose matters

Brand purpose isn't merely important: it is a winning strategy. Purpose matters because it has value within the organisation by focusing activity toward a common goal. What's more, to create a positive emotional connection, brands must give people a reason for choosing a particular product or service—and not some minor product differentiation with competing brands (remember: all brands are 'good enough').

How does a bank compete with another bank when interest rates are all the same? How long is someone willing to spend reading a conditioner bottle to see whether it says more about untangling hair or about shininess? Brands need a purpose and a promise: clearly articulated, transparent and authentic. This is why 'clarity' is one of our key drivers of the Mana.

Get a clear picture of fit, positive energy and clarity for the brand, tapping into people's feelings about the brand and the brand's mental availability (its top-of-mindness and recognised distinctive assets), and you have the tools to prospect toward brand growth.

It is worth a short detour to compare this approach to traditional attitudinal measures as they relate to brands and product categories. People's attitudes to the brands they buy are very similar to the attitudes of people who buy competitors' brands, so attitudes offer little diagnostic power, and we know that attitudes don't drive behaviour.

In fact, we know that attitudes are very unstable. If you re-administer an attitudinal questionnaire a short time after its first completion, the same respondents will show very little correlation between their two sets of answers. Thus those using this type of data to segment people in relation to their brand are on very unstable ground.

However, we do know that behaviour influences attitudes. If, then, our goal is to change behaviour, we should focus on increasing mental and physical availability and embed a set of distinctive and relevant associations that are owned by the brand, instead of trying to change unstable attitudes attached to people.

Brand purpose and promise are of value not just because they are tied to the brand (rather than to people's attitudes) but also because they create the framework for what the brand does and how it behaves.

Purpose means knowing what the brand stands for—knowing the Mana of the brand—and leads to meaningful, predictable and expected brand actions.

When we look at how brands behave, we find that increasingly people want brands that are useful and that they are framing brands in terms of what they do. Some recent TRA work with millennials threw this into sharp relief: Apple was one of their loved brands—no real surprises there. But while previous generations loved Apple for its cool styling and badge brand status, millennials loved its usefulness as a brand—for how it helped them easily synchronise different aspects of their life. If, then, a brand is 'what it does', we must identify attributes that are associated with being useful and with delivering on the brand's promise.

To be clear: relevant, logical and convincing purpose must speak to the cultural and social context of people's lives. Yes, it must reflect the beliefs of the company—and yes, it must be authentic to what the brand intends to do. But it must also connect with the influences—individual, social and cultural—that inform people's responses at an intuitive level. The purpose then is not merely relevant but also 'feels' right. It speaks to our inner emotional compass, our own personal Mana.

Loyalty is behavioural, not attitudinal

As much as we would like to think that people love our brand and reward us with blind loyalty, the evidence suggests otherwise. Being the biggest is still the best driver of repeat purchases. However, if we think of loyalty as behavioural—a customer buying your brand more often than other people's brands—then we have a concept we can work with.

Thinking of loyalty in terms of what people do is an opportunity. Instead of looking at how we can shift positive attitudes a few points, we should help brands find ways to lock in behavioural loyalty. Working on paths to purchase, in-store experiences, online interactions and other brand experiences is a far more profitable route to repeated and habitual behavioural loyalty.

We have already argued that attitudes don't lead to behaviour change—rather the opposite. So, too, with brand experience: a positive brand experience (and positive could mean nothing more than making something easy to buy) will add to the bank of positive associations with the brand, which in turn will trigger a positive emotional response the next time the buyer is confronted with a choice.

Brands as umbrellas

Fortunately for marketers, the sobering theory about brand growth described so convincingly by the Ehrenberg-Bass Institute—specifically, that brands have universal appeal, thus requiring mass marketing with single-minded messages aimed at embedding mental availability—is confined to growth in market share within categories and is not about entering different categories, nor about attempts to expand the overall category.

So although a tea brand might be stymied in its attempts to grow its market share against a bigger brand leader, a new brand in a new space has considerably more potential. Lewis Road Creamery opened up a new sector within the dairy category by going against convention, offering high fat, sugar and caloric content at a high price, targeted at adults. (What about the healthy eating trend, we ask? The better question is how traditional brands missed the trend of experiential sensory overload—more on this in the next chapter, on innovation.)

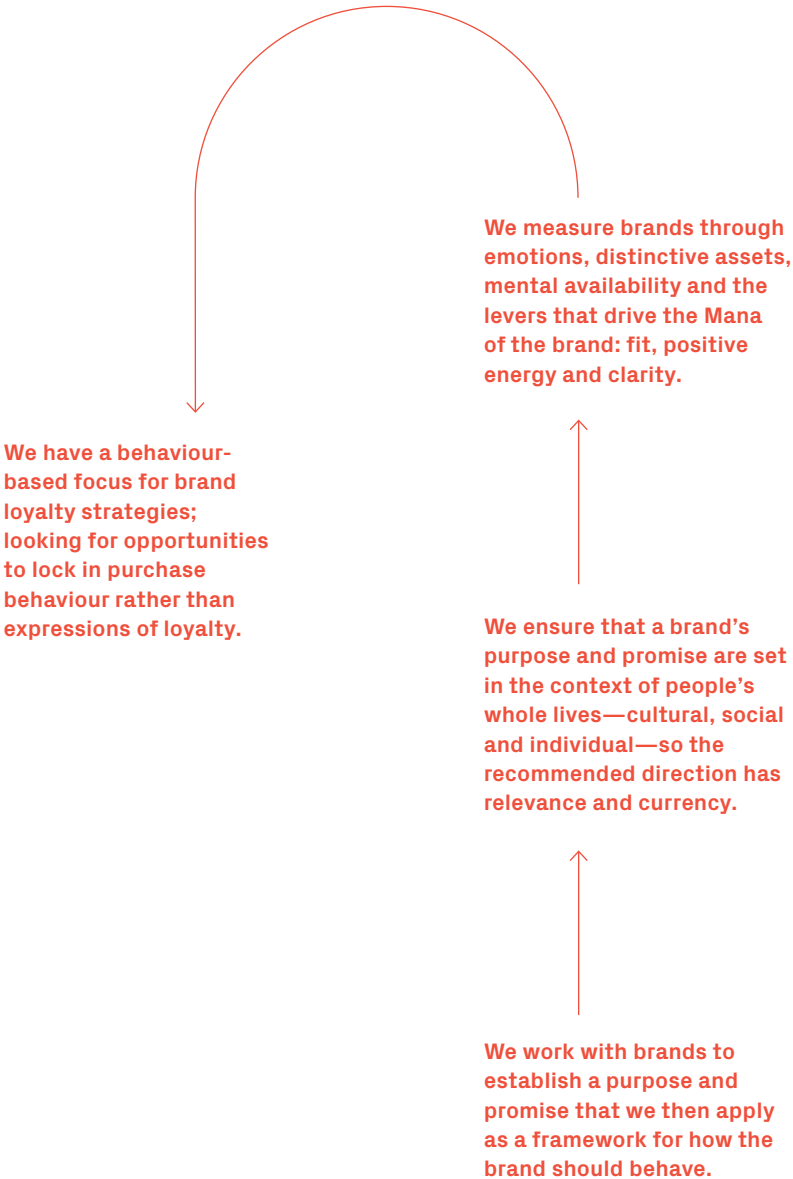
Judge Lewis Road by its brand share compared to that of the big players in the overall dairy market, and it is an insignificant irritant. But in its newly defined category, it was first to market, and it still owns that space, even though the big players are now following it into the newly created category.

But let's not give up on brand growth for mature brands in established categories. One way for leading brands to grow is to change the rules of the category and increase frequency. Brand leaders will get most of this growth, but in a small market such as New Zealand, featuring many dominant brand leaders, it can be a highly effective growth strategy. Research has a significant role to play in identifying a category's rules and how they can be disrupted.

If one of the ways brands grow is by stretching, then an authentic purpose and promise give a brand a blueprint for doing that, with the added bonus of a preset map of distinctive brand assets and associations so that people need not start the two-year process of embedding these.

The canon of scientific data on how brands grow gives us a solid context for working with brands to help them grow. Understanding the levers and layers of the Mana of a brand and how to map and monitor these can help grow brands within that context.

Our blueprint



In a nutshell

- 1** Brands aren't tangible. They exist only in our minds and are coded at the unconscious level, creating emotional memories and associations. Brand associations and connected brand attributes constitute the unconscious value of the brand along with its distinctive brand cues.
- 2** Brands need to give people a reason why they should value them—and we believe that brands need a purpose and a promise—clearly articulated, transparent and authentic.
- 3** Promise and purpose are more powerful than investing in product differentiation—because the evidence shows that people do not make purchase decisions based only on brand differentiation. They also do not change their behaviour based on their attitudes—and, in any case, because people's attitudes about the brands they buy are very similar to those of people who buy competitors' brands, attitudes offer little diagnostic power.
- 4** What a brand does is as significant a contributor to a brand's associations and attributes as the brand's communications.
- 5** People are lazy consumers who rely on habit and cognitive shortcuts. Thus after a habit is established, it is reinforced by distinctive brand cues (colours, packaging and the like).
- 6** The salience of a brand (the degree to which a brand is at top of mind when purchase opportunities arise) is the most powerful driver of decision-making and loyalty (defined as repeat purchasing). Distinctive brand associations and iconography build salience.

**“Creativity is thinking up
new things. Innovation is
doing new things.”**

— Theodore Levitt

6—Innovating for future growth

Companies need to innovate if they are to grow, and the process has become embedded in most modern marketing companies. To improve chances of success and to control how investment is made, product pipeline management (PPM) systems drive the process. As with all systemised processes, they can become the driver, not the facilitator, and there is a danger of the system narrowing the funnel too quickly in order to get through the assessment gates, resulting in a process of product tweaks and minor developments instead of transformational ideas.

So what about the ideas that lead to true innovation? Where under the aegis of the PPM did Nespresso emerge? Surely this was born from the trend toward individualisation and hence customisation. And Airbnb was clearly driven by more than merely the desire to travel. Experiences now trump ‘things’, and tourists don’t have experiences; travellers do—travellers staying in real people’s homes? Innovations such as these are transformational.

6—Innovating for future growth

'Innovate or die' is perhaps an extreme articulation of what most companies do in fact believe. Standing still isn't an option, yet the pace of change is scary. Some companies drive innovation out of fear that their competitors will steal a march on them; others do so because they are truly customer-conscious, driven to transform their delivery of new products and services in ways that will wow and delight their customers.

The innovation landscape is littered with both dismal failures and emphatic successes. Indeed, we all labour under the oft-misquoted Steve Jobs mantra: "*Research has no role in innovation, because people don't know what they want until you give it to them*". But ideas don't emerge in a vacuum, and innovation costs money—so let's not surrender the notion that successful innovation is the result of planned strategic, creative cross-discipline work.

We have a responsibility to nurture and grow ideas that have potential; creative outputs deserve creative methods to evaluate and optimise.

Familiarity breeds contempt

Previous chapters have described people as predictable, habitual and drawn to the familiar. But the survival of our species has always relied on some degree of experimentation and trial of the new. We are motivated by conflicting desires to stay with what we know—it didn't kill us last time—yet also to seek out better options. Indeed, evolutionary biologists argue that variety is a strategy for spreading risk. But whatever the motivation, there is plenty of evidence to show that we balance familiarity against experimentation.

So far so good; people are open to new ideas. But are they able to help us find new ideas and uncover new opportunities? We think so. However, because ideas don't exist in a vacuum, we need to create some context for creativity. We need a framework—the right environment in which to allow nascent ideas to grow and divergent thinking to emerge.

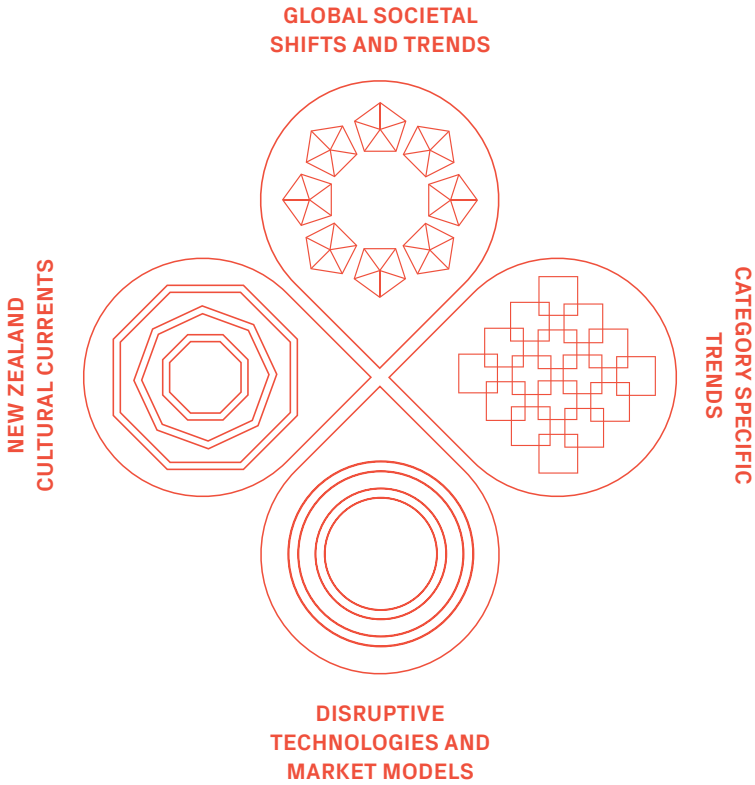
Ground-breaking change is part of a transformational strategy and needs a broad starting point, which we believe should be a cultural framework resulting in future-proofed ideas aligned with the currents of cultural change.

Cultural Compass: There is a time for everything...

Our culture changes constantly. Indeed, most of the world's great innovations emerged in response to significant cultural changes. It is no coincidence, for example, that the fashion world created trouser suits for women at a time when growing numbers of women were entering higher education and subsequently the business world, entering a man's world in fact.

We can be a bit more objective than trouser suits. The volume of global patent applications, for example, is closely correlated to significant cultural change dimensions.

CULTURAL COMPASS:
A FRAMEWORK FOR NEW IDEAS



These dimensions include underlying uncertainty vs. security in society, changes in views of masculinity vs. femininity, the move to individualism vs. collectivism and distance vs. proximity to sources of power. Although these variables help explain the overall level of innovation in a particular society at a particular time, cultural trends also help drive specific market innovation.

We have discussed the role of cultural context in people's lives, and it is a short step to using culture as the context for innovation work. People respond to cultural currents and shifts by readjusting their view of the world and of what is possible in it. Look how we have come to value sleep in response to a trend toward mindfulness, even though our heroes once were those who could manage on three hours of sleep a day.

By using relevant cultural themes as a context in which to create a structure for developing new products and services, organisation not only get a more productive idea generation process but also know that any ideas that emerge can be aligned with developing trends.

We understand the role that social context plays—people like to do what others are doing, and ideas that fit within a growing trend are more likely to succeed. The thrill and risk of the new is tempered by the comfort and the reassurance of others doing the same thing. Crowd-sourcing is successful because it combines risk with the security of being part of the crowd.

At TRA, we describe the process of uncovering the cultural trends that frame and drive peoples behaviour as developing a Cultural Compass. A Cultural Compass framework gives innovation programmes a focused creativity.

There is also a good opportunity for New Zealand organisations to fine-tune the framework to suit our specific cultural landscape. The Kiwi version of mindfulness (grounded and benefits-driven) is very different from the US or European versions.

What does New Zealandness mean to people, and how does that refine relevant global cultural trends? The answers to these questions help create a framework for transitional idea development.

There are two possible first steps to promoting new ideas using a Cultural Compass. We can apply analytics as a first step to identify the opportunity spaces—so, for example, we might listen to the social media sentiment around the cultural topics of interest, or we can analyse customer data to look at gaps and opportunities in purchasing patterns that might fit the evolving cultural landscape.

Alternatively, we can use blue skies co-creation to scope out the ideas canvas, using the Cultural Compass as the catalyst. In either case, companies have the benefit of a framework that allows creativity to flourish. Anyone who has worked with creative professionals will confirm that creativity flourishes best within a framework—give the creative team a woolly brief, and you'll end up with a sloppy Joe sweater.

The Cultural Compass framework we use at TRA aligns relevant market trends with the three gravitational influences on people's lives – individual, social and cultural.

Any innovation needs to speak loudly to the driving influence specific to that product or service category—so, for example, we might want to understand predominantly social influences for alcohol products, individual influences for bottled water and cultural drivers for coffee.

Ideas in the data

More than ever, data is allowing us to track macro trends and cultural shifts. Tools such as Google Trends and trending topics on Twitter let us monitor the zeitgeist from day to day. As more of the world's conversations are digitised through channels such as email, news, social media, search, blogs and the like, the digital world is becoming a microcosm of society. Accordingly, we can use it as an easily measurable cultural barometer to quantify trends and shifts in culture.

One in five new products fail, so brands must collect and leverage data on their customers' behaviour to improve their odds. Customers reveal things constantly—not through what they say but by what they do: through their behaviour.

Data captures this and aggregates it so that we can observe changes, and by observing these changes, we can allow brands to better target their new product or service development efforts.

Companies who own customer transactional data are well poised to filter and analyse this data to determine latent and unexploited opportunities that can inspire product ideas. Companies are edging slowly toward this but there is an irrational reluctance to let experts have access to their data. As more examples of success in this field emerge we are hopeful that the potential value of this data will be understood and that this will overcome the barriers.

But sense will prevail and we are confident that we will see much collaboration in this area as companies are motivated to use their data to look for new opportunities.

Blue skies co-creation

After so much discussion about how lazy our brains are and how habitual and unimaginative we are when it comes to decision making, you could be forgiven for thinking that asking people to be creative is a lost cause. Not so, fortunately—although we do have to unlock the creativity that lies within us all.

When people tell the story of Apple founder Steve Jobs, they often remark that he didn't rely on research when he was developing new products. However, like any good story, this is only part of the truth. Jobs' strategy at Apple was a great example of an NPD research and development tactic that TRA calls 'collaborative co-creation'—bringing together groups of mixed-discipline people who can be relied on to bring thoughts and concepts from different fields to generate new and exciting connections.

Not everyone has to be an expert, and co-creation works well with non-experts. How you choose these co-collaborators though is important—and not always easy. The most common way is to select people who define themselves as 'creative', but that can be a bad idea. We find that well-designed and executed co-creation sessions with people who don't claim to be especially creative are invariably more productive than those with people who do.

Having said that, people need to be encouraged to allow their natural, unforced creativity to emerge. Children are creative. Every child draws and builds—but then, slowly, as we mature, external and internal judgements erode our confidence and lead us to self-censor our activities. Effective co-creation work has to break down those learned inhibitions.

To invent new futures (and thus new products), people must put the past behind them. However, creating such an environment takes time. These are not focus groups 'with an extra half-hour tagged on for a bit of brainstorming'. Nor should we put the onus on customers to do the work for us.

Fundamentally, co-creation aims to initiate a process of interrupting routines, norms and the status quo—creating a micro-culture to explore future possibilities. Everyone needs to have a sense of the primary task, striving toward common goals amidst equality of ideas.

A recent TRA-initiated co-creation session with designers, customer experience teams and customers led to a chain reaction of ideas that led far from the original scope. Interestingly, one of the most exciting ideas came from a shared hobby—cycling—that one client and one customer had in common.

It's important to remember when using co-creation methods that ideas continue to engage our brains after we have stopped focusing on them.

Dreams often weave ideas into real life, and conversations with friends, family members and colleagues add additional nuances and connections—all lost if we don't capture them in the period after the co-creation process has finished. A tool we use effectively in this area is called 'extended listening'. Working with people after the co-creation sessions via online message boards means staying connected to the evolving flow of their ideas.

The research industry has taken to moving co-creation online, engaging larger communities. But this comes with a warning: yes, as a means of evolving user interfaces, for example, or product range extensions, online co-creation can be cost-effective and productive. Swatch had great fun engaging people online to create their own watch designs. They got pink straps combined with black watch faces and a myriad of other combinations.

But for blue skies innovation, we believe that only face-to-face communication can build the right relationships and unlock genuinely new connections of disparate ideas to inspire breakthrough creativity.

Sizing the prize

Concept testing—using research to evaluate consumer response to a product idea before it hits the market—has featured in market research almost since the inception of the discipline. However, it has changed remarkably little over the decades despite advances in the understanding of human behaviour and, specifically, of how humans respond to stimuli.

The first myth to debunk is that people can respond usefully to a ‘concept’—an idea not fully formed.

In TRA’s experience, that is not the case. People are simply too lazy to work out the core idea if they are not given single-minded information. Instead, they will anchor their response to one small aspect of the articulation. They will answer the questions they are asked about a concept, but their answers might bear little relationship to the actual idea. For example, faced with a concept for a new savoury snack food, they might answer about savoury snacks in general—or their answer might relate to a specific phrase that is not core to the idea.

Of the myriad of insights from behavioural science that are relevant to concept testing, a handful are worth mentioning here because they are so overwhelmingly significant in their importance for successful innovation thinking and practice.

Lazy thinking

Because most people simply won't bother to read a detailed product or service description, keep the words focused on the core idea, and articulate that core idea—and nothing else.

Implicit responses

Concept testing processes must capture unconscious and implicit responses to an idea, because only then can we see the emotional reaction to the core idea. There are some effective shortcuts to capturing these implicit responses, including asking people to select a face that shows an emotion or use of emotively anchored images and rapid word sorts. Another idea is to limit the amount of time for which people are exposed to the idea or to measure how long it takes them to respond. How quickly people react to a new idea is a good measure of the level of emotion it triggers.

Capture the niche responses

With traditional concept tests, polarised reactions—contradictory views amongst different people in the group—pose challenges. But if these are related to emotional reactions—how people 'feel' about the idea rather than what they 'think' about it—then noticing the polarising responses can help highlight a strong idea that won't appeal to everyone but that will be highly appealing to others.

Reflections of our self-image

People like to portray an image of themselves to the outside world and will react to ideas in ways that reflect that self-image. In the real world, however, we know that people buy products outside of their self-image (consider how many self-declared healthy eaters buy chocolate and wine). This poses problems when asking about future likelihood to purchase.

One way we have found of getting around this problem is to not ask people to predict how they would behave in the future but rather ask how they think other people will behave.

A bit more science is useful here. MRI studies have shed some light on why this might be the case.

People's brain patterns show that when they think about themselves in the present versus in the future, their patterns don't change. But when they think about other people in the present versus the future, they do change. They can envisage the future for others but not themselves.

Not surprisingly, then, asking people to bet on or invest in the future success of ideas is an exceptionally successful predictive tool. This is because we have divorced the question from the individual's own behaviour—and we know that people are reluctant to change their behaviour—and instead let them predict what others will do, which in turn reflects the cultural currents of the time. This is an example of how understanding human behaviour is lifting the role of insights.

Change resistance

We know that people don't change their behaviour readily. They are resistant to breaking habits, because doing so requires too much effort. Thus new ideas should align with current behaviour patterns even if they add an element of change as well. Suggesting too much behavioural change in a new idea can cause a negative response, which isn't really directed at the idea; it is the inconvenience or pain of behaviour change that is influencing the response.

This may seem like a contradictory argument in the light of typically overly optimistic results around propensity to purchase. This is the right conclusion to draw when we are looking at a product that will fit into the same role in people's lives. For example switching from a yoghurt to a dairy based chilled dessert. Where we are looking at people behaving differently as a result of a genuinely new idea the earlier argument applies.

Many of the same principles that apply to concept testing also apply to the measurement of the opportunity for new ideas. When we are looking at early-stage ideas, we are careful not to test a gently emerging butterfly with a sledgehammer.

Unfortunately, companies often forsake these 'softly, softly' principles when the lens becomes a decision about whether to invest in a new product or service.

We argue that when the money stakes are high, it is even more important to take context into account—and traditional market research questionnaires are not a proxy for real-life decision-making.

An acid test needs to be robust, but that doesn't mean it has to be a blunt instrument, nor should it be out of context. Thus asking someone to tell us whether they are likely to buy a different product from the one they normally buy without creating a scenario as context for the answer is unlikely to produce reliable results that would be replicated in the real world.

Indeed, in the real world, context plays a huge part in what we do and how we make decisions, and we aim to replicate real-world context as much as possible.

Online survey methods give us tools to use visual material, interactive stimulus and implicit testing methods capture top-of-mind responses. Even better, mobile methods—for example, pinging someone questions at relevant times of day—allows us to talk to people in the actual context in which a product or service would be encountered.

The most important thing to remember when it comes to testing ideas is that there is no single solution. Just as every new idea is different, how we optimise and ultimately evaluate each idea should be tailor made. Norms based on standardised methods might give comfort, but a bit of discomfort is not too steep a price to pay for a contextually relevant process that reflects human emotions and actual behaviour.

Our blueprint

New ideas and services don't emerge from a vacuum, so we develop a cultural compass to align ideas with shifting trends.

Idea development is a collaborative process, so we connect all the potential sources of input in this type of work—customers, developers and marketers.

We use analytics as a creative tool to aid the ideation process, identify opportunities and evaluate ideas using emotional measures.

Because people are resistant to change, employing crowd theory and social context provides a more realistic predictive tool.

When sizing the prize and scoping opportunities for growth, we use real-world simulation and substitution models to create reliable expectations.

In a nutshell

- 1** New ideas don't exist in a vacuum; we need to create some context for creativity. We need a context, a framework and the right environment to allow nascent ideas to emerge.
- 2** Because people like to do what others are doing, a cultural trends framework gives a broad starting point that is socially relevant. When ideas are developed that fit within a growing trend, then as that trend gains momentum, people will see others adopting ideas that have originated from the same cultural shift.
- 3** People like to portray an image of themselves and will react to ideas in a way reflecting that self-image. In the real world, people buy products outside of their self-image territory (consider how many self-described healthy eaters buy chocolate and wine).
- 4** The industry is increasingly taking co-creation online, engaging larger communities. As a means of evolving user interfaces, for example, this can be cost-effective and productive. But for blue skies innovation, online interaction lacks the face-to-face connection necessary to building relationships that can unlock genuinely new connections and breakthrough creativity.
- 5** Because successful ideas engage emotions, evaluation of ideas needs to address this, both in how ideas are presented and in how people are asked to respond.

“The single biggest problem in communication is the illusion that it has taken place.”

— George Bernard Shaw

7—Communications in a new media age

Developing and evaluating communications effectively requires a common understanding of how advertising works, no matter the channel.

As marketing budgets have come under scrutiny, the need to justify advertising spending has grown. Marketers, advertising agencies, media and insights teams must agree on the model of effectiveness they will use and then work collaboratively to deliver ROI.

Our take on the current evidence is that advertising is most effective when it increases saliency. That requires consistency, emotional triggers and also recency—exposure to advertising as near as possible to a purchasing choice. And although there is no denying that tailored granular communications have a significant role to play with engaged customers, they too rely on previously established brand saliency to be effective.

7—Communications in a new media age

In the digitally connected, technologically driven age of media, we like to say that everything has changed. Certainly some things have changed, but the fundamental rules have stayed the same.

What has changed, however, is that we are now more willing to believe and act on some fundamental tenets about how people absorb and use media messages. We no longer think that spontaneous recall of advertising is the ultimate measure of success. Rather, we are much more interested in whether we made an emotional connection.

When bodies such as the UK Institute of Practitioners in Advertising speak, people listen—not least because the IPA sees things from an advertiser’s perspective. That this esteemed group has spoken out to declare the old model of advertising (let’s change people’s attitudes by drilling them with our product differences, and then they’ll switch to our brand) not just outdated but actually wrong has been the tipping point toward changing the rules of the game.

TRA believes that whatever the choice of media, emotional associations will trump complex messaging any day and any way; thus the role of research is to capture how people actually experience advertising, how they code it in memory, how it makes them feel and how those feelings can be triggered.

Getting the story straight

Were two seminal works republished today, new readers would be awed by their prescience and their clinically precise analysis of marketing communications in today's media landscape. The two books are *Understanding Media*, written by Marshall McLuhan and published in 1964, and Vance Packard's 1957 advertising classic, *The Hidden Persuaders*.

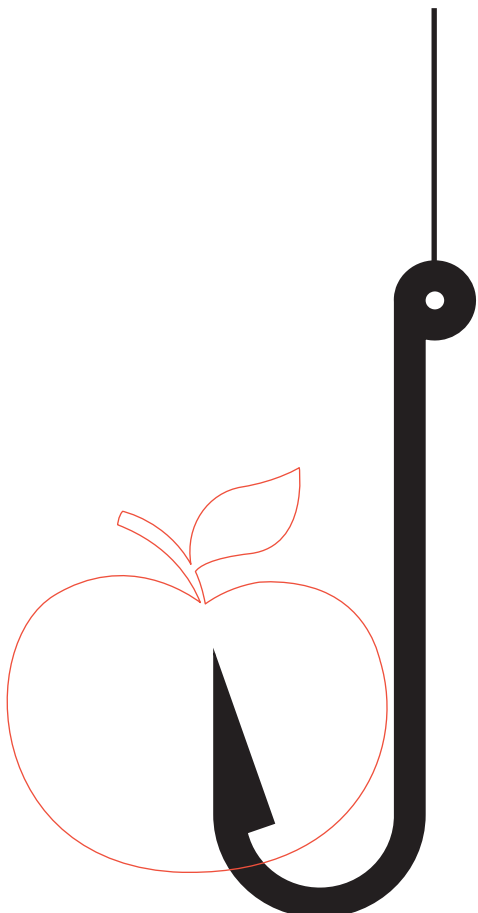
Marshall McLuhan (well-known for coining the phrases 'the medium is the message' and 'global village') foretold the effects of a world of digital and social media long before it transpired. He described media technology as an extension of the body—the phone, for example, he saw as an extension of the voice, retrieving a sense of community through mass communication and stories. He argued that the stories that people were able to share more easily because of media technology connected them to common cultural cues and social bonds, making them feel good and helping them view themselves as part of a bigger team of social groups and peers. Sounds familiar doesn't it?

In a similar vein, at TRA, we believe that a shared understanding of product categories allows brands to develop a distinctive profile within their category.

By distinctive we mean the combination of factors—feelings, top-of-mind associations, distinctive brand assets—that are unique to a brand.

Certainly this is not the same as the more traditional model of rational product attributes and differentiators. The vast majority of users of any brand do not think the brand is very different from other brands in the category—and this even applies to strong brands such as Apple. It is surprising but it's true.

THE HIDDEN PERSUADERS
(VANCE PACKARD, 1957)



The evidence shows that all brands in a category perform very similarly on the same product attributes; thus it is the role of media channels to enable a brand's unique footprint of distinctive assets and associations to be communicated, making emotional connections and embedding the brand's story.

When we look at how communications achieve this, Vance Packard's *Hidden Persuaders* would make a perfectly adequate text today on unconscious branding and the subliminal effects of advertising. Packard's argument that subliminal messages embed themselves in our mind was correct, although his focus was on the wickedness of advertisers whom he suspected were dropping messages in fast flash sequences when you were watching the latest John Wayne movie.

These days marketers might instead see the wickedness as being on the part of viewers who can't be bothered to focus on our carefully crafted advertising and who instead bypass conscious thought and confine it instead to unconscious emotional memory. It is hard for advertisers to be confronted by the knowledge that people can't remember their ad or have poor recollection of detailed messages.

At TRA, we think it's time to be brave and let go of the idea that unconscious memory is a bad thing just because it is unconscious.

Yes, it is an involuntary response, but that means we can trigger involuntary recall given the right context. All memory has context—otherwise our brains would explode with an overload of memories constantly at the forefront of our thoughts. Thus we need to provide some context to trigger the memory. Spontaneous recall has no context and is a meaningless metric, but it is one that advertisers have difficulty letting go of.

Their argument seems logical on the surface: If people can't remember my ad, how can I know if it's doing any good—and (more important) why am I spending so much money on it?

The answer is that the science backing up the argument that subliminal messages work is indeed very strong. Studies have shown that people who are exposed to advertising in a magazine but who claim no awareness (unprompted or subsequently prompted) of the advertisement after reading the magazine still give significantly higher ratings of the product than those who see the same magazine but without the advertisement— even some time after the initial exposure— suggesting the memory, though unconscious, is firmly embedded. It's convincing stuff.

Another important message for advertisers comes from an Institute of Practitioners in Advertising report. The research assessed nearly 1,000 campaigns dating back to the 1990s against criteria of sales and growth and found that *“emotional messages are twice as effective as rational messages and deliver twice the profit for the brand”*. The report tells marketers to eschew differentiation and persuasion in favour of emotional engagement and to aim for share of voice instead of tight targeting.

This supports the case for focusing on saliency so that all possible future buyers have a top-of-mind association with your brand triggered at the point when they are making purchase decisions, including when making a short list or consideration set.

What the IPA report also confirms is that no matter how efficient we become at granular or individually tailored messaging, there is still a role for campaigns that build the brand's saliency and give people a shared and emotionally charged connection with the brand. Personally targeted messages appearing in someone's inbox have to fight for attention, and those that win will be the ones that trigger an involuntary emotional reaction embedded long ago and continually reinforced by consistent brand advertising.

One story, multiple depictions

The challenge for us all is to understand what different channels are contributing to the emotional memories we store and the associations they create. Converged media strategies feel right intuitively. No brand can ignore social and digital communications, but they must be evaluated alongside brand advertising, sponsorship and direct marketing. It feels as if each has a role to play, and as if the whole can be greater than the sum of its parts. The research task, then, is to turn that intuition into guiding principles that produce the result signalled in the IPA advertising report: share of voice and long-term, consistent emotional engagement.

These ideas align with much earlier thinking done by media research planning guru Erwin Ephron who argued for reach rather than frequency, relying on dispersal rather than targeting. He reasoned that at any point in time, a number of people are close to a purchase opportunity: that being close to purchase increases top-of-mind awareness and that a message received at that time is more likely to influence a purchase decision. But Ephron nevertheless argued that a single exposure could work if it was the last of a series of brand messages that people see—now effective because the person is at last in the market.

Over the past few years, programmatic (or automated) media buying, once named 'the gluten of advertising' by American television host Jimmy Kimmel (because everyone talks about it but few really know exactly how it works), has gained momentum. It will be interesting to see how programmatic buying changes the landscape.

Like all automated systems, it will only be as good as the quality of its input. Rather like Excel, you can change the number in the bottom right-hand corner very easily—but how much faith do you have in the action by which you changed that number? Marketers will need a clear set of principles to guide their input, reflecting current marketing understanding of the role that communications play across all channels.

TRA's own Zavy™ social media analytics platform shows that the brands that perform best on social channels are those posting regularly with a strong presence on all major social channels—Facebook, Twitter, YouTube, Instagram and so forth. Some very clear messages are emerging from monitoring New Zealand's major brands and their competitors.

The conversation with customers needs to be ongoing, evolving and engaging—and you can only engage if there is continuity and consistency.

It takes a bit of time—and quite a few posts, tweets or Instagram photos—for people to pick up the thread of what you are trying to tell them about your brand, see where it's going, and grasp the point of view. In short, you must get them past the small talk and into an engaging narrative.

A handful of posts per month is not enough to effectively engage an audience and draw members into a coherent conversation. Of the brands that we monitor, the ones that most effectively activate their followers are posting multiple times a week—sometimes multiple times a day. For social media channels, frequency does indeed matter. But so does relevance of content, for we know that people are not inherently interested in seeing brands on their social channels.

What's more, the competition isn't other brands; it is the plethora of other great (and predominantly non-commercial) content that floods the Internet.

As if things weren't difficult enough already, converged media strategies need to be constantly fine-tuned in their content and choice of channel. A skillful hand must work the levers and drivers, and good brand experience tracking must shine a sharp beam on what those levers and drivers are.

We know people 'feel' more than 'think' about advertising. Accordingly, marketers and researchers need to be able to detect and measure the emotional effects of communications and have faith in the power of the unconscious to influence the Mana of the brand and subsequent decision making.

Our blueprint

We diagnose and measure the effectiveness of advertising using emotional response, implicit associations and feelings, and recognition of brand distinctiveness.

Our tracking of converged media strategies identifies the levers and drivers of components of the Mana of the brand to fine-tune the positive associations we want to attract.

We work with brands to manage the relationship between brand advertising and tailored messaging to optimise the combined value of salience and activation.

Creative development work is conducted within a shared model of how advertising works.

In a nutshell

- 1** Technology and channels have changed, but how we communicate follows the same rules it always has.
- 2** Marketers, planners and insights experts are now more willing to believe and act on some fundamental tenets about how people absorb and use media messages. Advertising absorbed at an unconscious level works. People may not be able to recall your ad, but it affects their future purchasing decisions even so.
- 3** Unconscious memory is not a bad space but rather an involuntary space, allowing the triggering of involuntary recall.
- 4** Recent studies confirm that emotion sells. Worrying about the detail of the differentiating brand proposition misses the point. People don't think in terms of differentiation: they feel, not think. Accordingly, research methods need to be able to detect and measure communications' emotional effectiveness.
- 5** The new challenge for marketers is to understand how a combination of messages communicated using different channels contributes to the emotional memories we store and the associations they create. Analytical tools such as Zavy™ and converged media tracking allow us to link emotional responses to content.
- 6** Granular advertising offers clear benefits by allowing the sending of the right message to the right person. Even so, big brand messages have a significant role to play in building and maintaining salience.

**"The customer's perception
is your reality."**

— Kate Zabriskie

8—Customer + brand experience

Siblings share DNA, but they also have uniquely individual variations. Sometimes the DNA is the stronger, and familial cooperation and like-mindedness prevail. But we all know families in which the differences dominate, in which individuals don't apply the same weighting of importance to the family's beliefs or goals—whether about the big things (views on debt and borrowing, for example) or the small things (like being home for Sunday lunch).

In a similar vein, most companies have siloed, albeit closely related, functions that focus on either a brand-driven approach to marketing or a sales and customer experience function. Although, much like siblings, they share the same DNA, the overarching culture determines which function is dominant, and sometimes the result is a brand experience and customer experience that is less than the sum of the parts, not least because customers don't separate their brand and customer experience in the same way.

8—Customer + brand experience

We've come a long way in understanding customer experience since McDonald's told staff to entreat customers to '*Have a nice day*'. The subtle change in language we are hearing from customer 'service' to customer 'experience' is indicative of a change of perspective, admitting that service is only one thin slice of the entire experience. Meanwhile newer terms, such as 'customer-centricity', suggest to us a cultural shift in how companies are beginning to operate.

Language is a powerful driver of change, though it can also be appropriated to support existing practices, providing only a superficial appearance of change instead of an underlying reorientation and transformation.

Being customer-centric is not about looking at what you do and seeing how you can make it better for customers. It is a paradigm shift achieved by walking in the customer's shoes—on the customer's journey, not yours—and looking at how you can make that a better total experience.

What do we mean by a total experience? All brand experiences are essentially customer experiences, and all customer experiences, by definition, result in a brand experience. All that matters is that the customer is at the focal point. This means reflecting how people see the world and thus employing metrics of success that take into account both a measure of the experience and brand-related measures.

Customer experience is brand experience

Conway's Law states, "*Any organisation that designs a system will inevitably produce a design whose structure is a copy of the organisation's communication structure.*"

Melvin Conway, a computer programmer, formulated the law to help him understand common problems that occurred in the development of software modules that needed to interface correctly. But in the almost 50 years since he first noticed the phenomenon, Conway's Law has only expanded its sphere of influence: today we see it as a prescient message for any company intent on becoming customer-focused, with a clear message not to simply apply internal systems, processes and siloed functions to the interface with the customer's experience.

Traditionally marketing has been structured around three main processes: marketing, communications and sales. But customers don't think like that; they don't separate the brand's identity and promise from the experience they have as a customer.

Brand purpose and promise lead to a set of expectations about how the brand will behave, and it's not unreasonable for customers to assume that the total experience will live up to or exceed those expectations.

Success is dependent on effort

Added to this is a shift in how people see brands. We mentioned in Chapter 5 that brands are increasingly ‘what they do’. Usefulness and simplicity have become valued attributes (and achieving minimal effort is people’s ultimate goal). Our brains are constantly looking for shortcuts, which is why people apply so many cognitive biases—and the same principles apply to customer experience.

There is a lot of debate at the moment about different stages in the customer path to purchase. Terms such as consideration sets, evaluation phases and post-purchase confirmation stage have been coined as a means of creating a framework for improved customer journeys. But at every step of the way, the overriding lever is effort. The less effort required for the customer, the better the experience—which doesn’t mean that the experience has to be neutral in terms of emotional reward.

Something such as the Air New Zealand app makes the whole airport experience effortless, avoiding almost all interaction with customer service staff. But the absence of human interaction doesn’t mean that there isn’t an emotional reward as well as the practical benefits—for example, a feeling of relaxation and calm at having done away with the usual hassle of airports.

Effort isn’t a single dimension: it is a compound of achievement (did I get what I wanted?), ease (how easy was it for me to get what I wanted?) and reward or satisfaction (how emotionally positive was it?). Some experiences have an inherent power to reward more than others—buying a car vs. paying a bill online—but even the most functional experiences leave an emotional afterglow. “Good, that’s off my to-do list” is a feeling to which we can all relate.

Metrics relating to effort are different from an NPS (net promoter score). Effort relates to a specific customer experience whereas NPS is a more generic measure of the whole brand experience.

CUSTOMER EFFORT SCORE



For example, if you have generally very good feelings about your insurer, you would give a high NPS score. A one-off bad experience will create a poor effort score for that experience, but is unlikely to have a huge effect on your overarching view of the brand – so you would not necessarily see a dip in NPS. Compare this to VW: you are still very happy with your vehicle and the after-sales service you receive, but your NPS might well have dropped in light of their emissions scandal, because you no longer feel so good about how the brand has behaved.

If brands are what they do then the effort required when people experience the brand will be viewed as a concrete example of the brand's behaviour.

The map is not the territory

How we achieve a positive customer experience may seem a straightforward process. Map out the customer journey, then look to how you can improve the experience. The metaphor of a map, with its implication of a linear journey, works: it's visual, people get it, and it complies with the company's own internal processes.

The problem with the linear map model is that if we are looking at the customer's experience, then we should surely start with the customer.

The earlier chapter on memory described a landscape fraught with muddled recollections, emotionally driven high and low spots and reinvented stories of what happened when. Customer journeys are more like mind maps than road maps: they are emotional, and they loop back and around, sometimes drifting along on autopilot.

However, a company's internal thinking often uses a step-by-step analysis of the journey. The marketing team will be focused on company touchpoints, ignoring the parts of the process that fall outside those specific company–customer interactions. Companies that think they can impose their own model of what constitutes the customer interface on their customers can get it horribly wrong.

Spotify enraged its customers when it unilaterally changed its terms and conditions. Taken aback, the company let the apologies flow, and the offending T&Cs were rescinded—but at what cost to people's trust in the brand? Maybe the company didn't think that T&Cs were a valid customer experience touchpoint, but a company's operational view of touchpoints rarely reflects its customers' perception of the total brand relationship.

Business leaders argue (with some reason) that they can only control their own touchpoints. A retailer can't do anything about the traffic someone might encounter on the way to the store, for example. Moreover, it certainly can't control whether a couple had an argument about money before sitting down in the bank to talk about their mortgage options.

So if touchpoints are all you can control, is that all you should try to map? We don't think so.

We have argued strongly for the role that context plays in everything we experience. Context strongly influences how people approach your touchpoints and how they will assess the experience. For example, we've found it important to never limit our thinking to continuous journeys with equally weighted steps—the customer's experience might be episodic or stop-and-start, or the customer's journey might be part of another journey that is providing the overarching context.

Putting the customer at the centre of the customer experience means accepting that no one size fits all—if you start with a predetermined customer experience model, the outputs of your map will already be predetermined, and you might miss crucial insights.

Feelings are integral to experience

Listen to anyone describe an experience, and you can see how emotion is a fundamental part of what that person is describing: “I was so excited, as we hadn’t been on holiday for a couple of years, so we went into the travel agent’s...”

So much of what we now understand about human behaviour stems from how we respond emotionally, but we don’t always wear our emotions on our sleeve and are more likely to raise issues of dissatisfaction around rational aspects of customer experience.

For example, while working with a company that managed after-sales service queries for an automotive client, we were asked to look at poor satisfaction scores around call times from the telephone service centre. Increasing the number of people available to answer the phones would be expensive, so the client needed to know what was an acceptable wait time.

An understanding of what was behind the satisfaction scores showed that anxiety about whether customers’ service problems were covered by their warranty was creating impatience and tension. Sending out clear information telling people exactly what to expect if they had any problems removed the anxiety and lowered the stress around telephone response times more cost-effectively than actually reducing wait times would have. Fixing the right problem saved money and led to satisfied customers.

As we have discussed before, it's important to recognise that emotions are very often unconscious and are always experienced in-the-moment. Think of these as hot spots. Think, then, of the consequence of asking someone about their experience at a different time when away from that hot spot. Indeed, re-creating the hot spot in the example just given revealed the real problem. Unless you use a stimulus that triggers the involuntary emotional response of the hot spot, you won't ever see or understand it.

Call me loyal

Customer retention is the pillar of much customer experience focus. New customers are expensive to win, and reducing churn is a primary goal. A good customer experience earns you customers that you hope won't stray, and in this respect, inertia is your friend. Yet loyalty programmes have grown on the premise that loyalty can be bought rather than earned. In fact it is the customer that has to do the 'earning' not the company.

Without doubt, loyalty programmes have a valuable role in tailor-making granular communications and product offers. Moreover, customer and behavioural analytics holds the key to earning value through loyalty programmes by generating grunty data to optimise everything from product range to pricing.

However, other than as a source of data for analytics, loyalty programmes don't deliver their full payback potential unless they also enhance the total brand experience—which is one reason why loyalty programmes have such a poor record of driving growth.

Management consulting company McKinsey studied 55 publicly traded companies across North America and Europe and showed that over the preceding 10 years, those that had more prominent loyalty programmes grew at only the same rate as—or even slower than—those that had made no or low investment in such programmes.

And, more significantly, those with highly visible loyalty programmes had 10 percent lower earnings margins than comparable companies that had no, or less significant, programmes.

Of course every market is different. For example, the airline industry in the United States is highly competitive, featuring multiple carriers and multiple frequent flyer programmes. By contrast, our own airline is in a very different position and is able to use its programme much more creatively.

However, strong evidence suggests that loyalty programmes per se are not achieving what is claimed for them across the full spectrum of market sectors.

A review of the Fly Buys programme in Australia by marketing academic Byron Sharp, author of *How Brands Grow*, found a similar lack of benefit for member companies. His study found ‘disappointingly small’ advantages in terms of repeat loyalty behaviours. These studies confirm our view that loyalty programmes alone are not enough to change behaviour or to encourage brand loyalty.

That’s not to say that we should write off the effect of loyalty programmes. They can create a one-off behaviour change that might become future habitual behaviour. For example, a supermarket–petrol station voucher scheme worked in exactly this way: 30 percent of customers who switched petrol stations to use their 30-cent-per-litre discount vouchers went on to buy their gas regularly at the new forecourt. This is an excellent example of how a programme disrupted behaviour and allowed a new habit to be established. But who was the winner; the supermarket, or the forecourt?

Our learning working with loyalty programmes paints a clear picture: to get loyalty (repeat purchase or retention) improvements, you must improve the whole customer experience. The loyalty programme must be part of the total brand experience, not just a means to discounted offers.

A whole greater than the sum of its parts

Our experience working with some of New Zealand's leading brands has confirmed our belief that behavioural science is a powerful tool to optimise the customer's journey while improving profitability. For example, marketers can improve the customer experience by presenting choices in the most effective way to make the customer experience feel effortless. An experience that is easy and effective is one step toward creating a positive emotional response which in turn research can measure and monitor.

However, the real gold lies in aligning what people believe the brand stands for (its purpose) and what their top of mind brand associations are with how the brand delivers its promise, which includes how it behaves toward its customers—that is, creating a unified and consistent brand and customer experience where the whole is greater than the sum of the parts.

Our blueprint

We aim to see the experience through the customer's eyes. What is important is the context of the experience, not the brand's touchpoints or a predetermined customer experience model.



Our customer experience journey mapping takes the customer's perspective on the journey, however convoluted that may be.



Emotion is a core part of the experience and is essential to understanding hot spots and replicating context.



We measure effort as a composite of the key components (achievement, ease and reward) of the customer experience, taking into account both tangible and intangible components.

Loyalty programmes should be evaluated in the context of the total brand experience and we use this broader framework to develop effective programmes.



In a nutshell

- 1** Customer experience is brand experience; people don't separate the brand's identity and promise from the experience they have.
- 2** People assess brands by what they do and how they simplify life. They measure the success of their experience by the degree of effort required to achieve their goal, the emotional reward.
- 3** Effort is made up of achievement (did I get what I wanted?), ease (how easy was it?) and reward or satisfaction (how emotionally satisfying was it?).
- 4** Being customer-centric is **not** about looking at what you do and seeing how you can make it better for customers. It's about walking in the customers' shoes on **their** journeys.
- 5** Research can deliver customer experience insight, but companies need to find different ways to activate the insights. People in behavioural change roles can do this, whereas operational groups struggle to let go of their touchpoint processes.
- 6** Behavioural science is a powerful tool with which to enhance customer experience while improving profitability. Marketers can change behaviour, presenting choices in the most effective way to make the customer experience feel effortless.
- 7** Loyalty programmes have a valuable role in tailor-making communications and product offers, but the main value is the ability to gather and use customer and behavioural analytics. Nevertheless, when they are in place they become part of the total brand experience.

“Behaviour never lies.”

— Gary Ryan Blair

9— Behaviour change

No sound marketing plan, social policy programme or communications brief should duck the question of what it is you want people to do. This doesn't diminish the importance of eliciting feelings, making people understand or telling them things they didn't know before—but the end game is action.

Influencing and ultimately affecting what people do is all that counts and is the only real measure of marketing return on investment.

So there's the rub. People just get on with their overly busy lives and any case for change hits a wall of inertia. If we walk the dog, don't we always walk the same way round the pond? Getting in the car, turning on the ignition and then connecting our seatbelt is one smooth barely conscious process—but it wasn't always so. Those habits were acquired and embedded in the past.

It is possible to change behaviour. Is it easy to change behaviour? Absolutely not.

9—Behaviour change

Much of what we have had to say so far about how people's minds work suggests that achieving behaviour change is a significant challenge. If we have any degree of self-awareness, we know that is the case simply by examining our own behaviour. When did you last change what you eat for breakfast or how you take your coffee?

Meanwhile, behavioural science research has reinforced how resistant to change and irrational we are when it comes to making decisions about how to behave. But it has also given us the tools we need to work systematically and analytically through a process that can lead to long-lasting behaviour change and the evaluation methods required to assess and monitor that change.

Reward is a basic human motivator

Of course if people are already doing what we want them to do—buying our product or service, following our social policy guidelines etc.—then the habitual, hard-to-change aspects of how we behave work in our favour. But still we can't rest on our laurels. The counterbalance to strategies for behaviour change is the energy expended in retaining customers, cementing loyalty and avoiding churn; for many companies, behaviour reinforcement is as important as, if not more important than, behaviour change.

Whether we are trying to get people to switch to our brand, or stop them switching back to previous behaviour, reward and reinforcement are critical—and sometimes overlooked.

A single action isn't normally enough to cement change; instead we need to persuade people to repeat the action that led to the behaviour change until it feels like the natural thing to do, until it is hardwired. And that won't happen if the reward isn't powerful enough to reinforce the new behaviour.

Wearing a ski helmet is encouraged to reduce head injuries. But if you have skied all your life and never had a head injury the 'recency' effect kicks in—you can't even remember the last time you or any of your friends fell over and bumped your head. The fact that a ski helmet keeps your head warm and you can integrate your headphones to while away the time on the lifts—now that's a reward that might get you credit card in hand to the ski shop.

Behaviour change needs a framework

Traditional models of behaviour change, such as the transtheoretical model (often used to guide health or addiction behaviour change), use a largely rational or considered process of stages of change, which suggest a gradual progression, and pay scant attention to reward and reinforcement, using the much softer notion of 'maintenance' instead.

The transtheoretical model of change:

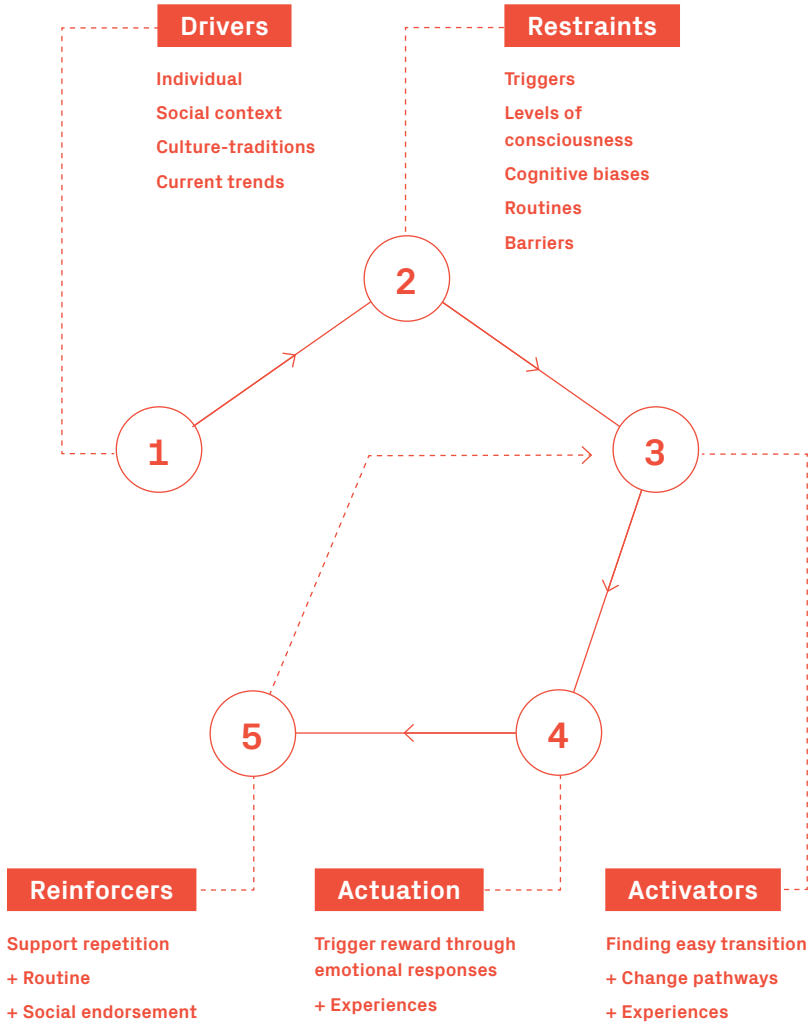
- 1 **Pre contemplation**
- 2 **Contemplation**
- 3 **Preparation**
- 4 **Action**
- 5 **Maintenance**

This model is a useful tool in psychotherapy. It is less useful when we consider issues that people either do not care about or that they consider relatively unimportant. Choosing between brands and many aspects of social policy, wearing cycle helmets for example, fall into those categories. Firstly, people don't spend a lot of time in contemplation and secondly, the desired behaviour change is a leap—not a controlled progression—triggered by a nudge (that may or may not be consciously processed) to action.

In our experience the behaviour change process—whether it is to change behaviour or reinforce current or new behaviour—should be seen as a continuous cycle rather than a linear or laddered process.

And rather like a merry-go-round, people can and do get on and off at different points in the cycle. Sometimes we know what the drivers of behaviour are and our goal is to use those to leverage change. At other times we are looking to increase adoption of behaviour change by reinforcing rewards and modifying these to improve adoption.

THE 5-POINT MODEL OF BEHAVIOUR CHANGE



The cycle of behaviour change

We have found it useful to work with a five-point behaviour change model that takes into account:

- 1 **Drivers of behaviour**
- 2 **Restraints to change**
- 3 **Identification of change activators**
- 4 **Exertion of influence over actuation**
- 5 **Behaviour change reinforcement**

The first two stages of our model (drivers and restraints) put a lens across current behaviour from a broad context and an actual behaviour perspective.

Before behaviour becomes habitual it first has to be established, so understanding what has driven the current behaviour is an important part of the process of managing change.

1 Drivers of behaviour

Earlier chapters have referred to the three gravitational pulls that make us who we are—and by definition how we behave:

- **Individual personality and traits**
For example, some people have a more addictive personality than others.
- **Social context**
Social context which influences and drives behaviour at both a first-hand level (within our peer group) and through a broader observation of what is socially acceptable, typical and current.
- **Cultural influences**
These impact on people's behaviour (e.g. ethnicity/tribe). The role of family and sources of authority plus the evolving nature of contemporary cultural trends serves to reframe people's views of the world and ways to behave within it.

Getting a sense of which of these ingredients exerts the strongest pull focuses our change strategies on the right target and the most relevant language and channels.

2 Restraints to change

The effort involved is one of the main reasons people are reluctant to change behaviour—but there are others. These include the hardwired habitual behaviour created by unconscious cues, routine and repetition. There are also the cognitive shortcuts discussed earlier, which people use to make decisions when forced to choose.

Research can chart current behaviour and its structure and interdependencies through observation and in-the-moment research processes, so we get to see what the real barriers are instead of what can be misleading post-rationalised barriers. Plus we have the backdrop of the drivers to provide the macro-context of influence to leverage.

Knowing the routines or cognitive biases that need to be disrupted or the points of tension and cognitive dissonance where intervention would be most effective gives us a blueprint to design activators to trigger change or redirect behaviour.

For example, a well-tested and successful technique used with smokers is to observe their actions when they light a cigarette—which hand carries out what functions, their body posture, and the other actions associated with smoking (e.g. making a phone call or getting into the car). Disrupting those actions removes an automatic trigger of the habit. It's not the whole solution but it is certainly better than hoping that influencing their attitudes will change their behaviour—most smokers already think that smoking is bad for them.

3 Change activators

This is the phase we use when we need to find ways to improve the experience or the outcome of an action. These include practical and physical intervention opportunities—how easy is the product to find, how simple is the behaviour process and how clear are the choice options?

Identifying easy transition and change pathways is how to activate change and here is where our understanding of micro-context can play a role, from the way things are framed to chunking behaviour into smaller steps which require small amounts of effort through to the choice architecture deployed.

4 Influencing actuation

If people are going to invest effort in making a change, they need the promise of reward, especially emotional and experiential rewards. We will be dragging them (probably reluctantly) to higher levels of consciousness, requiring more brain energy. Our brains already consume 20 per cent of our energy, so it's a big ask to get us to think about something we don't have to think about.

No surprise then that behaviour change is rarely successful without an emotional reward and the activation of people's senses and feelings. A reward can be a smell, a feeling of happiness, a perception of belonging, or anything that speaks to our emotions.

There is no question that the depth of the reward, and the emotion it produces, impacts the level of adoption and is critical to long-term behaviour change. It's not quite as simple as making people happy, but it isn't much more complex either.

5 Change reinforcement

Just when we are congratulating ourselves on getting people to do what we want them to do, they lapse into old habits. Often this is because we have ignored the critical phase of continuous improvement and reinforcement, which is where we encourage the creation of habits, put up barriers to back sliding and ensure a complete cycle of reward and reinforcement. So a powerful role for research is to measure and monitor the stickiness of behaviour and the progress along the pathway to change.

We can ask people what they think others are doing/buying/choosing—for example, “Do you think people are reducing their speed when they drive in residential areas?”. Or we can ask them to predict likely outcomes (for others, not themselves): “How many people will start buying the low-sugar product?”. This gives us information with which to place them along the adoption curve and is far more useful as an indicator of whether people are approaching their own behaviour change point.

With social policy behaviour change, a good measure is finding out whether they have talked to other people about it. The fact that they have taken action, even if that action is simply a conversation at this stage, is a positive first sign.

The role of research

Measuring progress on the adoption curve is useful in itself, but the prize lies in its forensic role, giving us the clues to adapt to the way the behaviour change is taking effect and improve the transition and adoption process.

It's an important point and worth repeating: we can learn a great deal from how the behaviour change is happening because the new behaviour changes the game.

The previous activators and triggers may need amending, and additional improvements can be made to adapt the actuators of change.

Measuring behaviour change can be simple where change is low effort and data is available to track changes—data analytics is a powerful tool in these cases. But most behaviour change takes time and may build over a period of time, with some people dipping in and out of change before a behaviour pattern becomes embedded.

Also, some change happens slowly, so knowing where people are along the pathway can be important to support the cycle of improvement and adoption.

Creative means are required, for example, monitoring word of mouth (real and electronic), applying market prediction techniques—people are better at predicting other people's behaviour than their own—and using social norms as a measure against their own behaviour.

Our blueprint

Our first step is to capture existing behaviour in the full context of people's whole lives.

This provides a relevant lens through which we can begin to unpack the complexities, the cues and the routines that need to be redirected to achieve the adoption of change.

People resist change, so ease is a critical requirement and we aim to find the most effective manifestation of ease.

We understand that to achieve behaviour change that is sticky and resistant to relapse we must identify and optimise an emotional reward.

We measure behaviour change to reflect:

- The level of effort in the change
- The timeline of achievable change
- People's position along the pathway of change

We monitor change as it is adopted, adapt it to optimise reward and improve long-term adoption.

In a nutshell

- 1** Though behaviour change is a recurring theme in the current era, its counterbalance is the energy expended in retaining customers, building loyalty and avoiding churn – so, for many companies, behaviour reinforcement is as important as, if not more important than, behaviour change.
- 2** Changing behaviour is a means of shifting people from your competitor's brand to your brand, whereas behaviour reinforcement is how you then keep them.
- 3** This concept is also relevant in social marketing, where the emphasis is on reinforcing positive behaviour change for the good of the individual and of society.
- 4** The TRA behaviour change five-point model identifies the role of research and insights in five key areas:
 - 1 Drivers of behaviour**
 - 2 Restraints to change**
 - 3 Identification of change activators**
 - 4 Exertion of influence over actuation**
 - 5 Behaviour change reinforcement**
- 5** Measuring behaviour change can be simple where ease of change is low. Where there is greater effort or resistance, more creative means are required to establish progress along a pathway of change.

“We’re in a time of science and engineering. But they’re not necessarily making the world more clear or more simple.”

— Erwan Bouroullec

10—20/20 vision

The research industry has so many tools at its disposal these days that it's not unreasonable to expect that we have 20/20 vision when it comes to looking at what people are doing and feeling, how they are behaving and what might change in the future.

The tools that supplement our vision include analytics, the equivalent of microscopes, which allows us to look at detailed transactional data. Observation and ethnography are like wearables, seeing what people see in real time. We have telescopes in the form of predictive markets, enabling us to see the future. And of course we have the good old multitask binoculars that give a wide field of vision from short range focus to a longer view. But good sight does not equate to good insight and even insight isn't always enough.

10—20/20 vision

‘Market research’ was aptly named in its time. It was a quasi-academic discipline, obsessed with sampling error and statistical significance—all in the name of accuracy and reliability. Market research has a foundation in reliable and valid data collection and analysis. This is fine, but it is no longer enough. Political opinion polls, despite robust sample sizes and statistical reliability, consistently get it wrong. Why? Because they don’t understand human behaviour. Simple as that.

So in an attempt to resolve the problem of a growing mound of (albeit reliable) data that served only to inform, not to illuminate, market researchers looked to ‘insights’. Information began to be used as a source of ideas, new thoughts and angles on old problems. Now the information was much more interesting—more insightful.

But insight only goes so far. Yes, it tells us something new and inspiring, but if it fails to tell us what decision to make, then it falls short.

So where does the next step in the journey take us? It has to be to reduce the incidence of organisations making poor decisions and missing opportunities for growth because they don’t truly understand how their customers feel and behave and what influences those things. The importance of feelings—because emotion drives our actions—and the absolute necessity of examining real behaviour are themes we have discussed throughout.

But that is not the only concern. We also see companies that focus narrowly on customer experience, as though this is all that is important in a customer-centric organisation. This is far from the case; the customer should be embedded in every thought, every decision and every strategic plan in the organisation and with everybody—from the sales force to the CEO.

We know this to be true from our own work. But we also know it from keeping up with some of the most influential studies going on around the world. Our understanding of human behaviour is grounded in good science, and our beliefs in the importance of customer-centricity are grounded in good research.

Here is just one example of how what we believe in is founded strongly in the findings coming out of international research: In 2015, the New York-based Advertising Research Foundation published the study *Insights 2020**, drawing on data from more than 325 interviews with business, marketing, insights and analytics leaders as well as online survey data from more than 10,000 practitioners in 60 countries. This research was boosted with online behaviour analysis by LinkedIn and crowd-sourcing led by US business school Wharton.

The study showed that in ‘overperforming’ (defined as over-indexed on growth and profit) companies, 80 per cent of employees said customer-centricity is fully embraced in all functions of the business. In underperforming companies, the figure was only 13 per cent.

So that is why we see TRA's role as bringing the voice of the customer inside businesses to influence their strategic decision making: the way they express their brand, package their products and services, effect behaviour change, guide the pathway to innovation and deliver to the market.

Our crusade is to prove to organisations that there is enormous potential for growth when they put customers at the heart of their businesses.

**Insights 2020* was sponsored by a conglomerate of industry bodies including ESOMAR, Advertising Research Foundation and LinkedIn

Behaving like a crusader

No one ever won a crusade by sitting on the sidelines—and we have the evidence to prove it. The *Insights 2020* study shows that a higher than average percentage of ‘overperforming’ companies have an insight and analytics function that leads the business strategy part of the business and/or reports directly to the CEO.

Intelligently analysed information by people with diverse business skills is key to data-driven decision making across an organisation—right up to the C-suite. And it’s not just CMOs. CEOs need strategic guidance with corporate reputation management and investor communications. HR directors need support with employee strategy; likewise, public affairs teams can gain guidance from data-driven strategic foresight.

We can also learn from the overperforming companies in the *Insights 2020* study what qualities successful insights people have. The top three by a long way are business sense, whole brain thinking and storytelling.

You’ll notice not a mention of survey methods, new technology or clever techniques. No discussion about social media, big data, mobile, online or offline. We are not saying that staying abreast of new techniques and data collection options is unimportant, especially when they enable us to gather real behavioural data or get at the important emotional responses. But these are simply the tools. At TRA we believe that the full power of 20/20 vision and insights-driven decision making is in business acumen, whole brain thinking and good storytelling.

1 Business acumen

Absolutely the only value in information about customers is how that information can be used to improve business performance. Our people have been in business, management, advertising, marketing, and planning and apply a business focus to every piece of information available and that sets them apart from those without this skill.

2 Whole brain thinking

All people have their own unique balance of the four core skills (i.e. analytical, experimental, practical and relational) but for whole brain thinking, we know we need to apply all four with energy and expertise.

3 Good storytelling

Companies need diversity of reporting. Different stakeholders respond to different forms and styles of communication to make it usable in their role. We have chosen to make design an integral part of the process leading to simplification of messages and the strategic imperatives they lead to.

Brands are defined by what they do—and TRA is no exception

TRA crafts narratives that embody customer-centric insights. Yet stories, however well told, have to come from somewhere and the best stories do not come from a single source. An author or painter will garner inspiration from other artists, an overheard conversation from people on the bus, the patterns in the sky, a radio interview on an unrelated topic and the ubiquitous Google search.

Research sources should be expansive, but they also need to be grounded and have integrity.

At TRA, our role is to integrate, filter and link expansive data-rich content from multiple sources, to be curators of knowledge, whether it is mined, collected or sifted from all available sources.

The dispersal of people's interests, the long tail of demand (large numbers of low demand products with low distribution costs) and people's growing digital footprint together mean companies need skilled help to collate and source data from multiple points, including data that people have generated themselves (giving access to data through smartphones and computers).

TRA's job is to reframe and layer our understanding of these multiple sources and interests to help produce action-driven data and insight. We never narrow our thinking or keep our heads down; instead we are avid seekers of knowledge and curators of useful content.

Our place in commercial and social policy marketing in the future is clear to us: We will play a role by using whole brain thinking, business acumen and storytelling to span the breadth of organisations' decision making. Brands are what they do, this is what we do.

We use diverse, powerful + inspiring narrative reporting

Through the interplay of words, images, documentary storytelling, design and technology, we bring information to life and present complex ideas with clarity. We are proud of being winners of a Research Association NZ Data Insight Visualisation Award and multiple Best Design Awards.

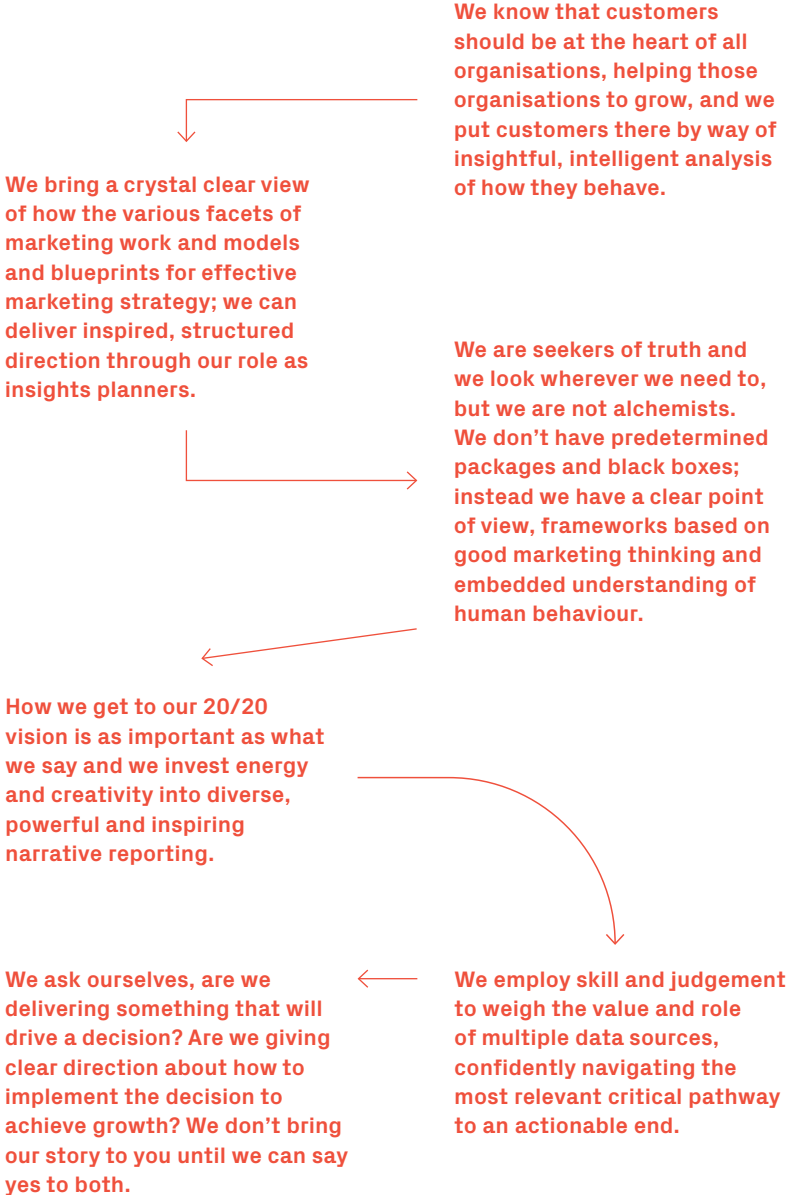
We curate + shape knowledge

Simplified, integrated and rich content from multiple sources brings the customer into the heart of the business. It takes skill and judgement to weigh the value and role of multiple data sources, plus confidence to navigate the most relevant critical pathway to an actionable end. That's why our skills base includes analytics gurus, designers, trend consultants, leading-edge qualitative researchers, planners and strategists.

We inspire information-driven strategic direction + activation

Intelligently analysed information by 'whole brain' people with diverse business skills is key to driving data-driven decision making across an organisation. Our clients' KPIs are driven by various measures of success, and success only comes from making good decisions. So we use the same measures. Are we delivering something that will drive a decision? Are we giving clear direction about how to implement the decision to achieve growth? We don't bring our story to you until we can say yes to both.

Our blueprint



We bring a crystal clear view of how the various facets of marketing work and models and blueprints for effective marketing strategy; we can deliver inspired, structured direction through our role as insights planners.

We know that customers should be at the heart of all organisations, helping those organisations to grow, and we put customers there by way of insightful, intelligent analysis of how they behave.

We are seekers of truth and we look wherever we need to, but we are not alchemists. We don't have predetermined packages and black boxes; instead we have a clear point of view, frameworks based on good marketing thinking and embedded understanding of human behaviour.

How we get to our 20/20 vision is as important as what we say and we invest energy and creativity into diverse, powerful and inspiring narrative reporting.

We employ skill and judgement to weigh the value and role of multiple data sources, confidently navigating the most relevant critical pathway to an actionable end.

We ask ourselves, are we delivering something that will drive a decision? Are we giving clear direction about how to implement the decision to achieve growth? We don't bring our story to you until we can say yes to both.

And why do we see this as our place?



We know people. And we know that customers should be at the heart of every organisation and helping them to grow. It's our job to put them there by way of insightful, intelligent analysis of how they behave. We live on the edge, where leaders reside, ideas are born and futures created. We're seekers of truth and masters of insight. There's a simplicity to the way we do things.

We're defined by ambition, restlessness, resilience, unity, innovation, warmth and respect; for ourselves and for others. We don't stand on ceremony and certainly don't stand and wait for things to happen. We're influential, in touch, intrepid and incomparable. And on a good day, we're untouchable.

Reading list

There has been a plethora of books on new thinking in regard to behaviour and its implications for marketing, though many classics still earn their place in the list of must reads for anyone wanting to increase not just their knowledge but also their understanding of what makes great insight driven marketing. There are far too many to list so these are some of our favourites.

Testing to Destruction
Alan Hedges

I'll Have What She's Having
Bentley, Earls and O'Brien

How Brands Grow
Byron Sharp

Predictably Irrational
Dan Ariely

Thinking Fast and Slow
Daniel Kahneman

Paid Attention
Faris Jacob

The Long and Short of It
IPA Report

The Wisdom of Crowds
James Surowiecki

Contagious
Jonah Berger

The Business of Choice
Matthew Willcox

Emotions Revealed
Paul Ekman

Decoded
Phil Barden

Nudge
**Richard H. Thaler and
Cass R. Sunstein**

Seducing the Subconscious
Robert Heath

On Purpose
**Shaun Smith and
Andy Milligan**

Brand Planning
Stephen King

Hidden Persuaders
Vance Packard

Sapiens
Yuval Noah Harari

Future of Insights
wfanet.org/pdf/Future-of-Insights-Project.pdf

The Behavioural Economics Guide
behavioraleconomics.com

**“So many books,
so little time.”**

— Frank Zappa

Learn more

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TRA Manifesto

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If you would like to know how we can use insights and the principles covered in this book to help your business grow, get in touch hello@tra.co.nz