

Behavioural Economics

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SPA Future Thinking



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Behavioural economics is the talk of the research town and whilst the desire exists to apply the principles, many a puzzled client has asked just how we incorporate it within insight projects.

So, what is Behavioural Economics?

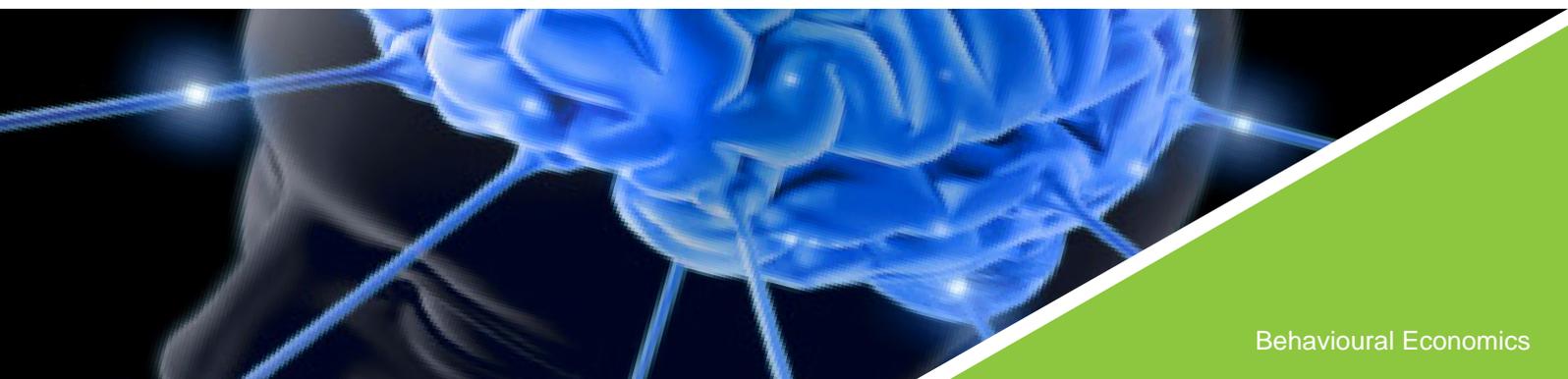
Behavioural Economics attempts to explain and predict the short-cuts our sub-conscious brain uses to navigate a busy world whilst only bothering our conscious with a manageable amount of the most important information. This results in deep-rooted biases in the way we make decisions, often in ways we're not even aware of. This has led some to question traditional market research methods and a few to suggest reverting back to localised sales testing.

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Truth is researchers have been working with, and around, behavioural economics for decades. Question order, sequential-monadic and question phrasing effects are all subtle and unconscious influences on our seemingly rational decisions that have now been neatly labelled as behavioural economic principles (priming, anchoring and framing respectively).

It's clear that if these effects apply to clean, carefully written questionnaires, then in the real consumer world they mean the difference between purchase and ignorance. This thinning of the fog around the workings of the sub-conscious brain, provides a great opportunity to account for and even measure these effects within research.

Packaging is one such area that demands consideration. Amongst packaging's many functions, lies its ability to titillate the sub-conscious brain enough to attract attention and consideration in a competitive and crowded market, something shoppers can rarely if ever articulate successfully. With the proliferation of online research can we really allow ourselves to measure packaging outside of a retail environment?





Applying Behavioural Economics to Online Research:

In fact online is one of the most effective places to apply behavioural economics principles and get as close as possible to the context of purchase. It's worth saying that the answer probably doesn't lie in creating 3D environments, where all but the most dedicated first-person shoot-'em-up veteran fights to find the mouse-move needed to face the fixture. As our objective is to get the most authentic result, not the most authentic simulation, we want online navigation as automatic, familiar and subconscious as possible.

Priming and consumer choice:

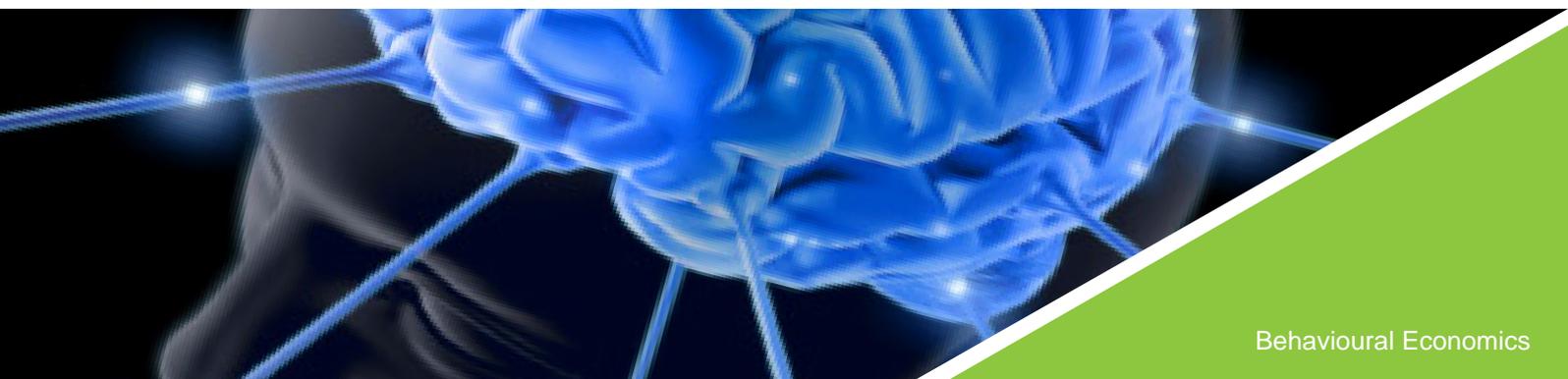
Priming has been shown to have significant influences on consumers' choices. Even sub-consciously priming people with sets of youthful or elderly associated words, changes the speed they walk (Bargh 1996). To prime respondents with supermarket cues, rather than the EastEnders episode they've just watched, we can show participants photographs of their retailer of choice (arriving, parking and walking through the car park) so they have similar things in their mind. On entering retailers shoppers often pick-up a basket or trolley, and most retailers allow a slow-down zone where shoppers get their bearings – all these can be included in any orientation exercise. This also provides an opportunity to prime them with in or out of store advertising that could be the covert variable you wish to understand.

Anchoring the offer:

Anchoring makes a litre of Tropicana look expensive next to a carton of Del Monte but cheap when placed amongst innocent smoothies. This is the reason why you should always make sure a premium offering is available in your category even if it sells little, as it pushes up the price anchors.

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A favourite example of anchoring is a Campbell's soup promotion which sold twice as many by telling shoppers they were limited to "12 per person" (Wansink et al 1998). Therefore we should be introducing a pack anchored within a fixture, jostling with its peers for attention, without any preferential treatment or prior notification of its presence.





Framing and effects on response:

Framing has also shown to have important effects on response. Framing, broadly, is why a 90% fat free yogurt is more appealing than one with 10% fat. We want simulated purchase decisions to be framed in the context of a supermarket shop not a new online toy or bland online survey. Not only does the interface have to be intuitive enough to be easily forgotten, by framing an individual purchase decision within a wider shopping experience makes the choices more natural and not over rationalised. To get participants used to the system and settle down into a purchase rhythm you can present a number of categories before the category of interest – gaining a more automated purchase response where you want it and allowing any child-like exploration of the new online toy to have passed. Also within supermarkets fruit and veg come first, alcohol comes last so this should be reflected or else risk being jarred back towards the reality of conducting just another online survey.

Once a purchase is made, more standard packaging understanding can begin. Standout can be gauged by recall from the actual purchase occasion - that automated unfocused moment - rather than playing spot the difference for a 10 second period. Choice-based exercises can be used to gauge the persuadability of the pack once forced into our consideration set and brand/product evaluations can be made after priming with the pack with more emotional measurement tasks.

Online research has the flexibility, control and cost-efficiencies to implement the principles

of Behavioural Economics, allowing collection of purchase decisions where participants think more like shoppers. The nirvana is a shopping trip with a number of fixtures to create the ultimate online sales test. Hundreds of shoppers would go through our virtual supermarket doors, blissfully unaware of what they were testing and what we wanted to understand – they would just shop. Each contributing their own take, consciously and sub-consciously, on that invaluable but often over-looked packaging function – purchase.

To learn more about how we apply behavioural economics to packaging research and how best to approach testing through online please contact:

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Ref: Bargh, J. A., Chen, M. & Burrows, L. (1996). Automaticity of social behaviour: Direct effects of trait construct and stereotype activation on action. *Journal of Personality and Social Psychology*, 71, 230-244

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