

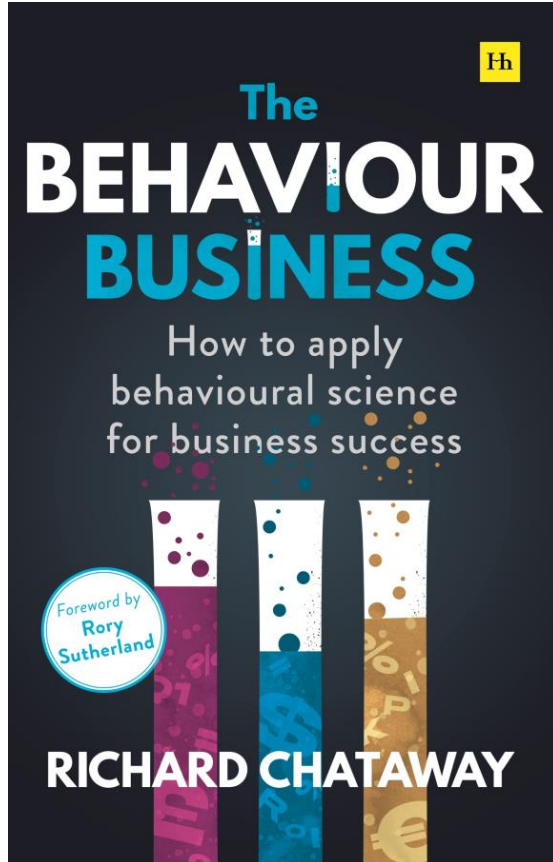


THE BEHAVIOUR BUSINESS

HOW 'TEST TUBE BEHAVIOURS' CAN DELIVER BUSINESS
SUCCESS IN THE WORKPLACE

19th May, 2020

The BVA Nudge Unit: *Richard Chataway*



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

The BVA Nudge Unit: *Who We Are*

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

We have over 150 conducted successful initiatives on behalf of global organisations, including the United Nations, Bristol-Myers Squibb, Orange, Colgate and BNP Paribas, among many others.



Our primary areas of experience and expertise include:



Enhancing customer experience



Optimising communication



Improving digital adoption & conversion



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

The appliance of (behavioural) science

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

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

MISSION DAY

SOL 71

PRESSURE

12.49



OXYGEN

20.82



TEMP

21.11



ENVIRONMENT

HAB BUNKS

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

TIME 19 33

LOG ENTRY > WATNEY #113



Information isn't enough to change our habits

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

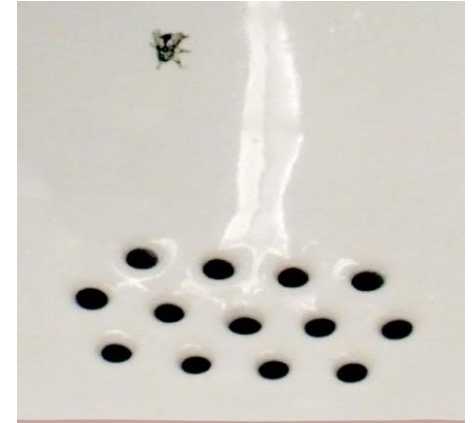


VS



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

Behavioural Science Tells Us That People Don't Simply Do What They're Told



An 80% Decrease In Cleaning Costs!

Make it easy : how you say it is as important as what you say

“The system is showing that you receive funds by cheque.

Would you like to change that so it goes direct to your bank account?

That way you can get your money faster and more securely, use less paper and save a trip to the bank.”

VS

“The system is showing that you receive funds by cheque.

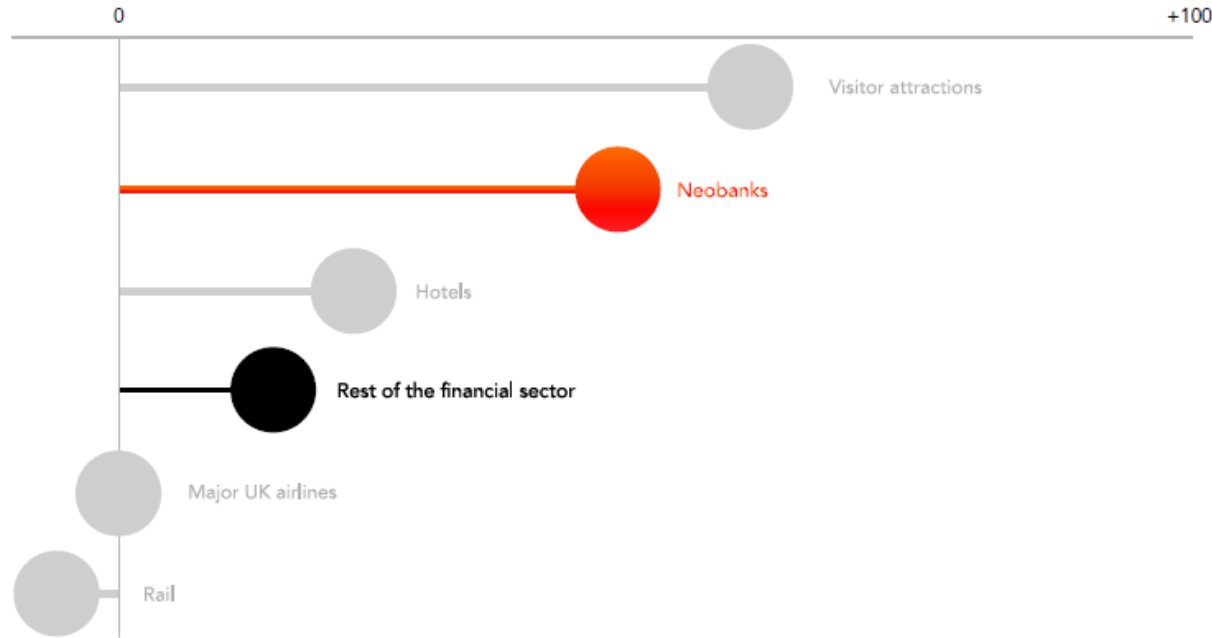
Did you know you can get this paid direct into your account? If you like I can change this so you don’t miss out.”

Testing, learning and optimising: My QuitBuddy



There are sectors that understand this better than others

Sector NPS



“
Excellent banking service with
efficient communication. Whoever
created this is a **genius**.
”

“
I **love** Monzo, it
really helps me
”

“
It's a fully online operational bank, with great service and
customer service, very **pleasant and entertaining**
”

Monzo: NPS +64

“
I love Starling, it
is **the best**
”

“
Brilliant customer service,
excellent app that's **easy**
and fun to use
”

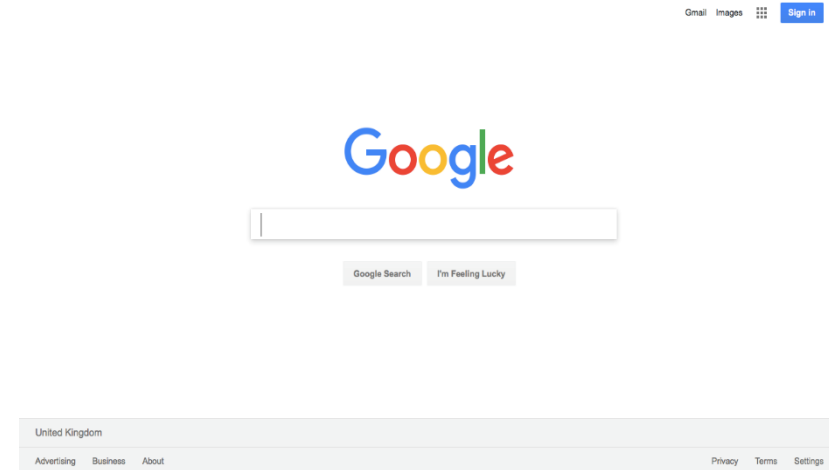
Starling: NPS +54

Minimising cognitive effort – the £2,500 million solution

1998



2019



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

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

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

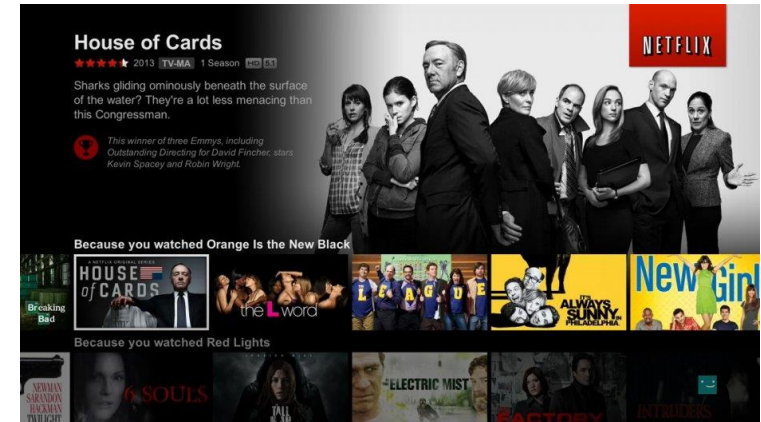
Customers Who Bought This Item Also Bought



This image shows a screenshot of the Amazon website's 'Customers Who Bought This Item Also Bought' section. On the left, there is a circular navigation button with a blue arrow pointing left. The main content area displays three product recommendations, each with a small image of the product, its title, a brief description, a star rating, and the price.

Product	Description	Rating	Price
30 Rock: Seasons 1-3	DVD ~ Tracy Morgan	★★★★★ (7)	\$60.49
Desperate Housewives: The Complete Seasons 1-5	DVD ~ Teri Hatcher	★★★★☆ (2)	\$179.99
Scrubs: The Complete Seasons 1-8	DVD ~ Zach Braff	★★★★★ (2)	\$148.49

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



This image shows a screenshot of the Netflix website's recommendation interface for the TV show 'House of Cards'. The main header features the show's title, a star rating, and a brief synopsis. Below this, there is a large image of the main cast members. At the bottom, there is a grid of smaller images for other recommended shows, each with a brief description.

House of Cards
★★★★★ 2013 TV-MA 1 Season
Sharks gliding ominously beneath the surface of the water? They're a lot less menacing than this Congressman.
This winner of three Emmys, including Outstanding Directing for David Fincher, stars Kevin Spacey and Robin Wright.

Because you watched Orange Is the New Black

Because you watched Red Lights

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

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

The Amazon logo, consisting of the word "amazon" in a black, lowercase, sans-serif font, with a curved orange arrow underneath it pointing from the 'a' to the 'z'.

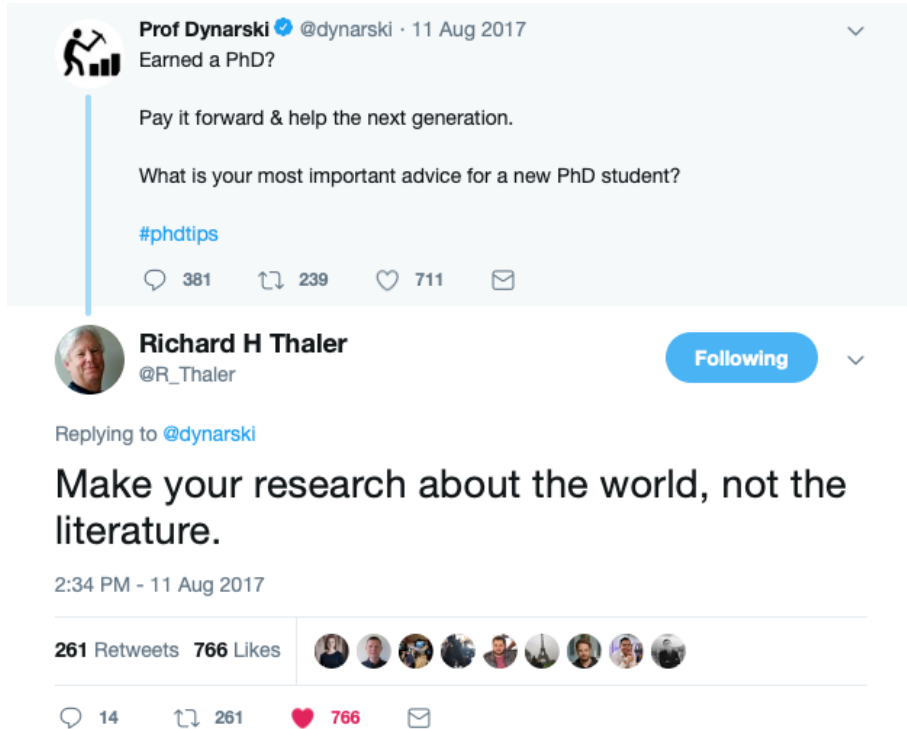
\$700 pa
14 visits

The Amazon Prime logo, featuring the word "prime" in a blue, lowercase, sans-serif font, with a curved blue arrow underneath it pointing from the 'p' to the 'e'.

\$1,300 pa
25 visits

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

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



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

Rory Sutherland, vice-chair, Ogilvy UK

Improving website conversion by minimizing cognitive effort



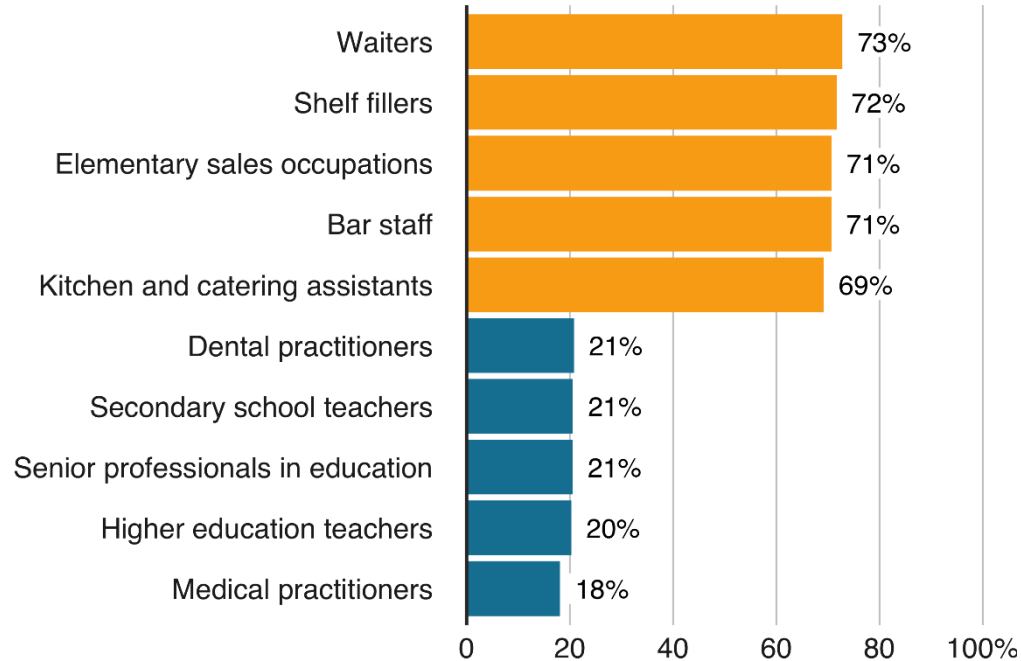
Improving website conversion

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

The changing workplace - is automation a bad thing?

Jobs at risk from automation

Highest and lowest probability



Source: Office for National Statistics

BBC



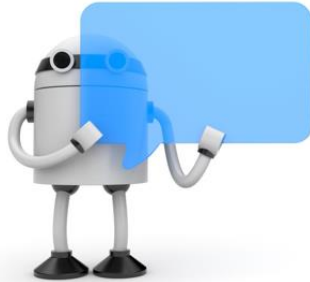
Humans versus robots: eliminating “noise”



“If you feed the same data into an algorithm twice you will get the same answer. This is not true of people.”

Daniel Kahneman, Nobel Prize-winning behavioural economist, 13th October 2016

The two systems of thinking – and the problem for AI



SYSTEM	REFLECTIVE	AUTOMATIC
Characteristics	Controlled Effortful Deductive Slow Self-aware	Uncontrolled Effortless Emotional Fast Unconscious
Examples of use	Learning a foreign language Planning an unfamiliar journey Counting calories	Speaking in your mother tongue Taking the daily commute Desiring cake

HASTA LA VISTA, BABY —

Microsoft terminates its Tay AI chatbot after she turns into a Nazi

Setting her neural net processor to read-write was a terrible mistake.

PETER BRIGHT - 3/24/2016, 2:28 PM

BBC

richchat



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Amazon scrapped 'sexist AI' tool

10 October 2018



Share

Recruiting the right people for the right reasons



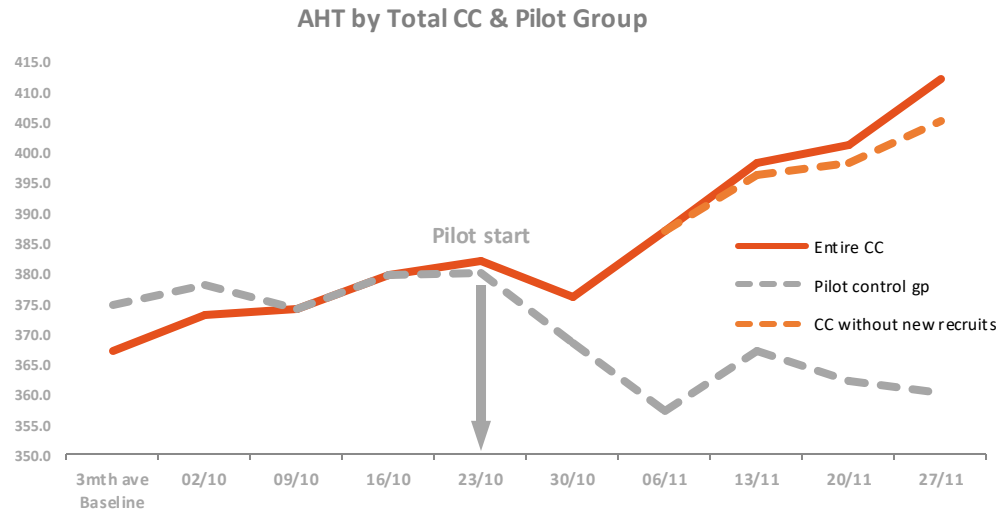
“Use evidence, not intuitions.”

- *Cass Sunstein*

Delivering a win-win for businesses and customers

Enhancing contact centre efficiency

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



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11%

increase in overall
efficiency



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

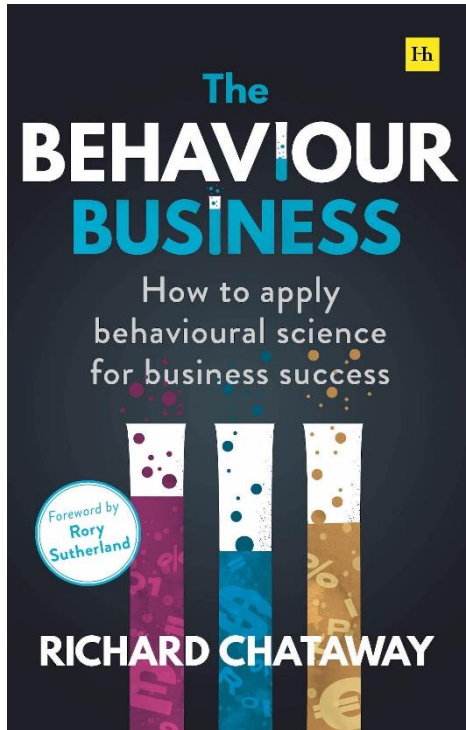
The Behaviour Business: ‘test tube behaviours’

- Use the existing (behavioural) science
 - Evidence not intuitions
- Recognise the relative strengths of humans vs robots/algorithms/AI
 - Empathy versus certainty
- Use actual data on behaviour – not modelled
 - Randomised Control Trials are NOT essential
- Test, learn, optimise
 - To build new hypotheses
 - And to deliver marginal gains as part of agile processes



Experimentation, not technological innovation, distinguishes the most successful 21st century businesses. The world of work is changing in ways that make becoming a behavioural business not just advantageous – but essential

The Behaviour Business: social proof/authority bias!



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

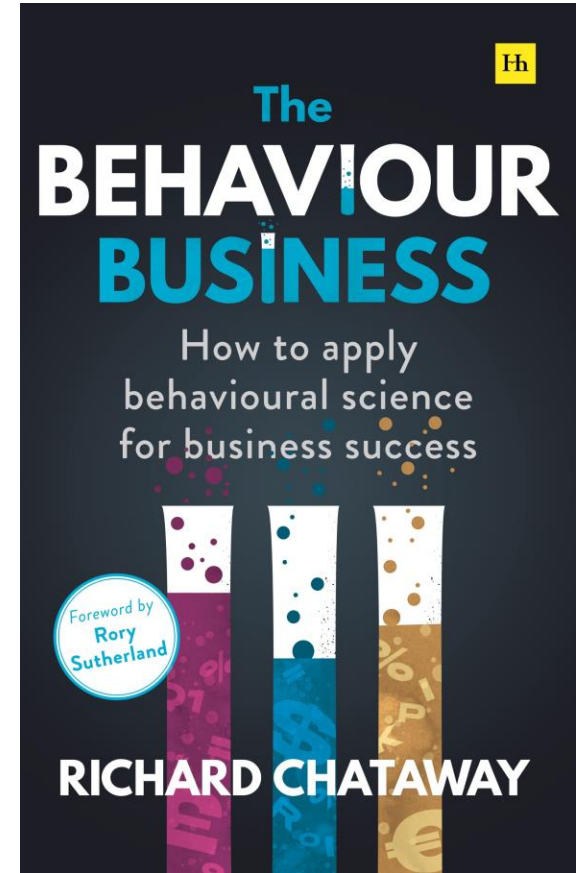
Bruce Daisley, author of Sunday Times bestseller 'The Joy of Work', and creator of 'Eat, Sleep, Work, Repeat' (Europe's #1 business podcast)

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

Richard Shotton, author of 'The Choice Factory'

Thanks!

- ‘The Behaviour Business’ out now!
 - Get 25% off using code “HH2020” at <https://harriman-house.com/behaviourbusiness>
- Accompanying podcast featuring interviews with key contributors available now, wherever you get your podcasts
 - Also at www.behaviourbusiness.com
- E: Richard.Chataway@bvanudgeunit.com





**WE LIKE YOU,
TOO :)**

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