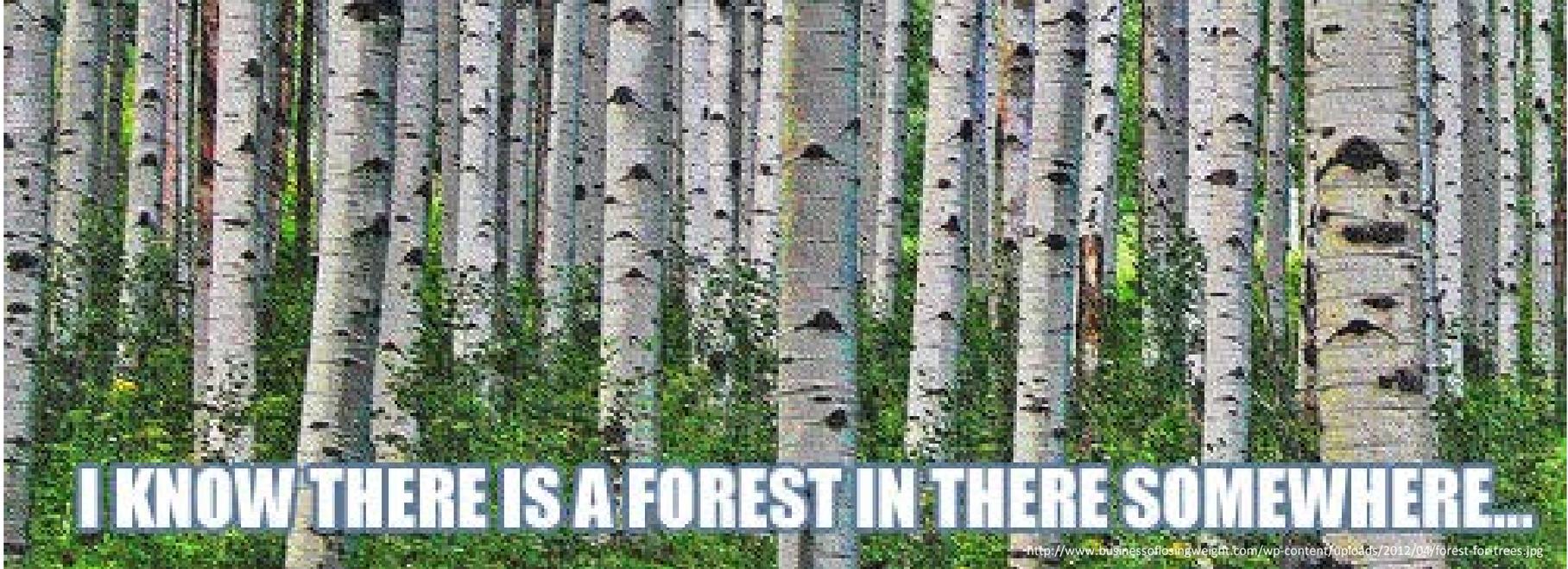


Noldus

Seeing the Forest for the Trees:
Understanding Consumer Psychology
for Better Insights



<http://www.businessoflosingweight.com/wp-content/uploads/2012/04/forest-for-trees.jpg>

Overview

- Introduction
 - Buying process
 - Traditional view of consumer psych
 - The brain
- The parts, or “trees”
 - Feeling
 - Thinking
 - Doing
- The sum of its parts, or how I learned to see the forest for the trees

Overview

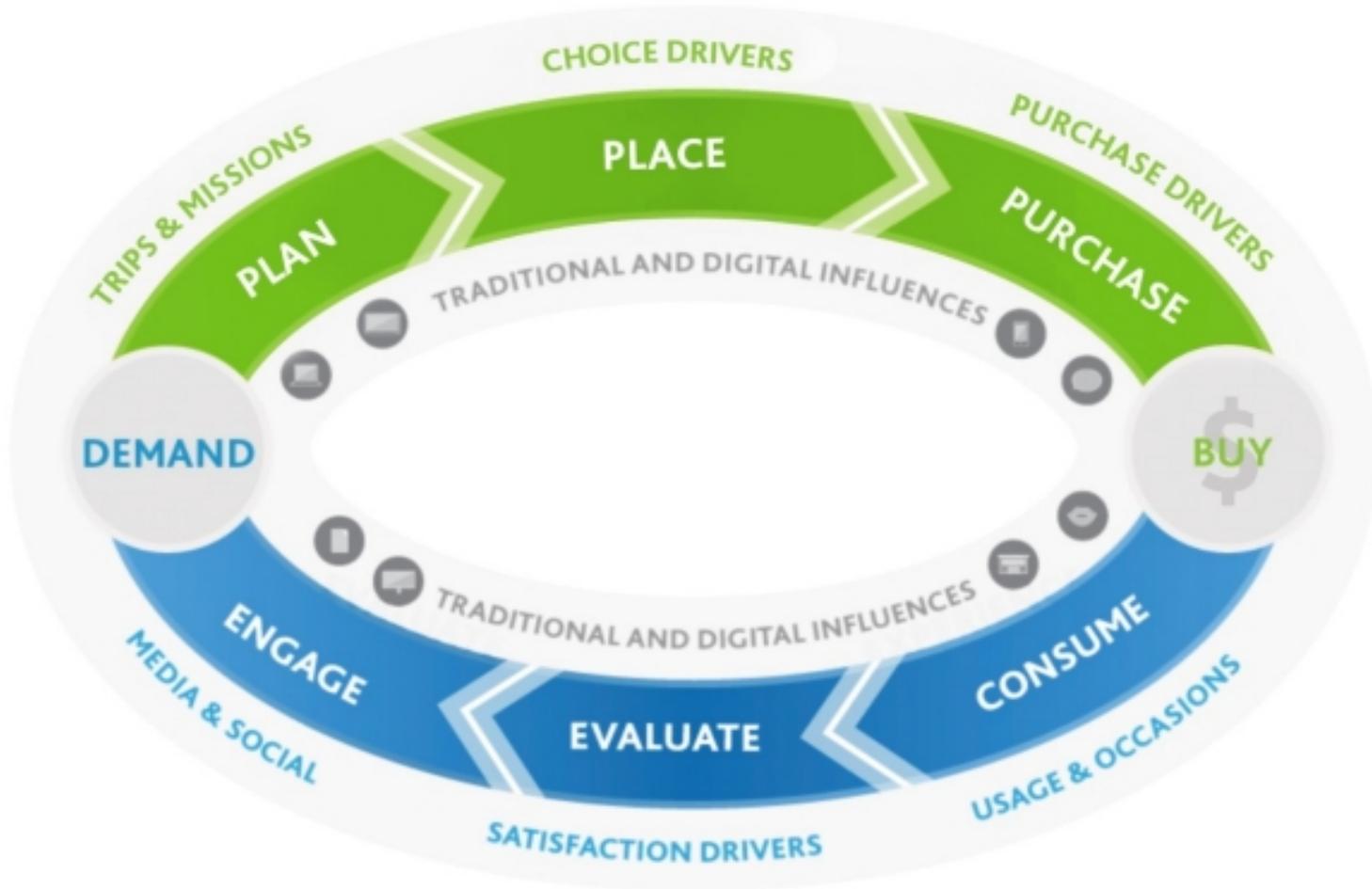
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Buying Process

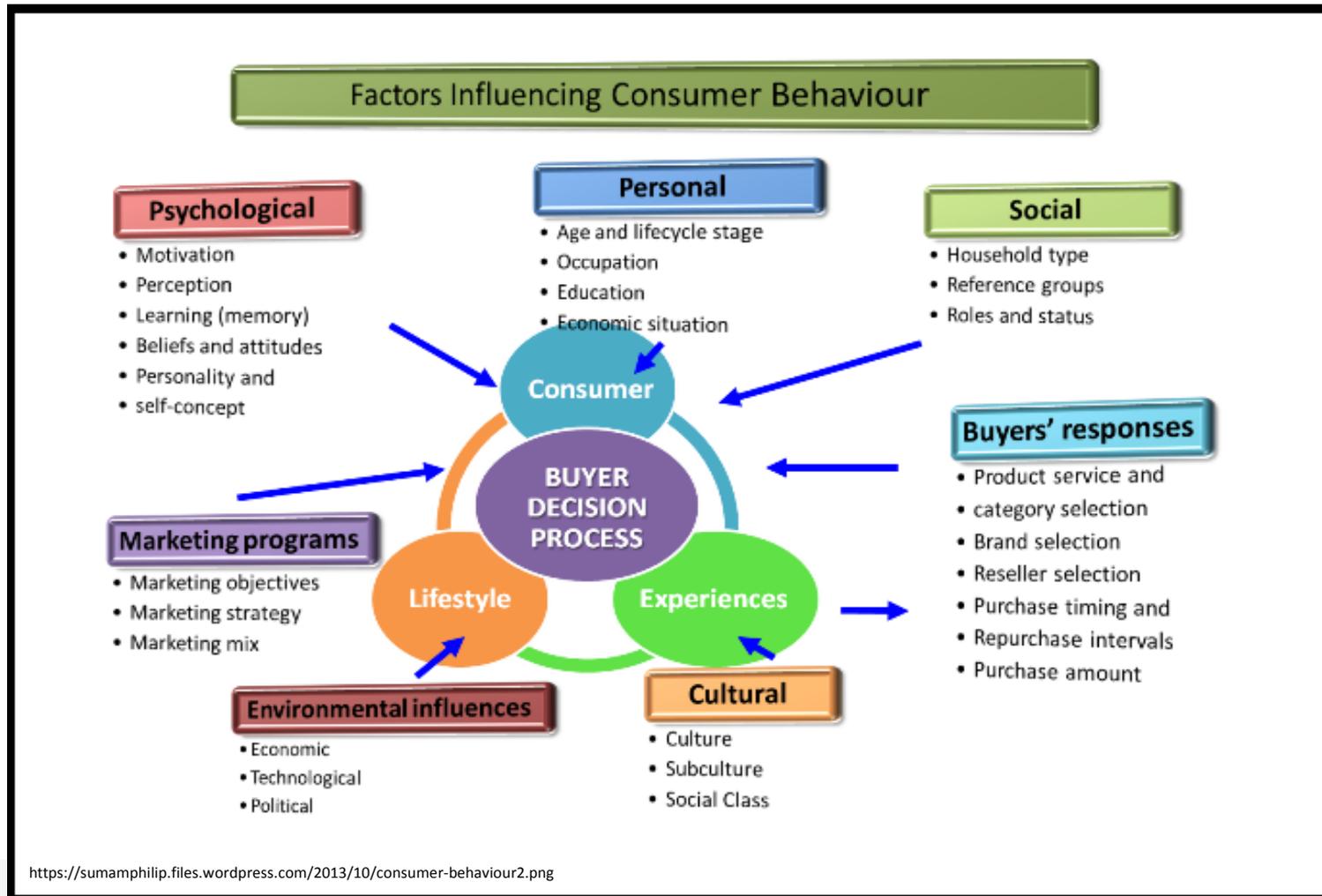
These stages were first introduced by John Dewey. The stages are:

1. Problem/Need recognition
2. Information search
3. Evaluation of alternatives
4. Purchase decision
5. Post-purchase behavior

Nielsen's "Path to Purchase"



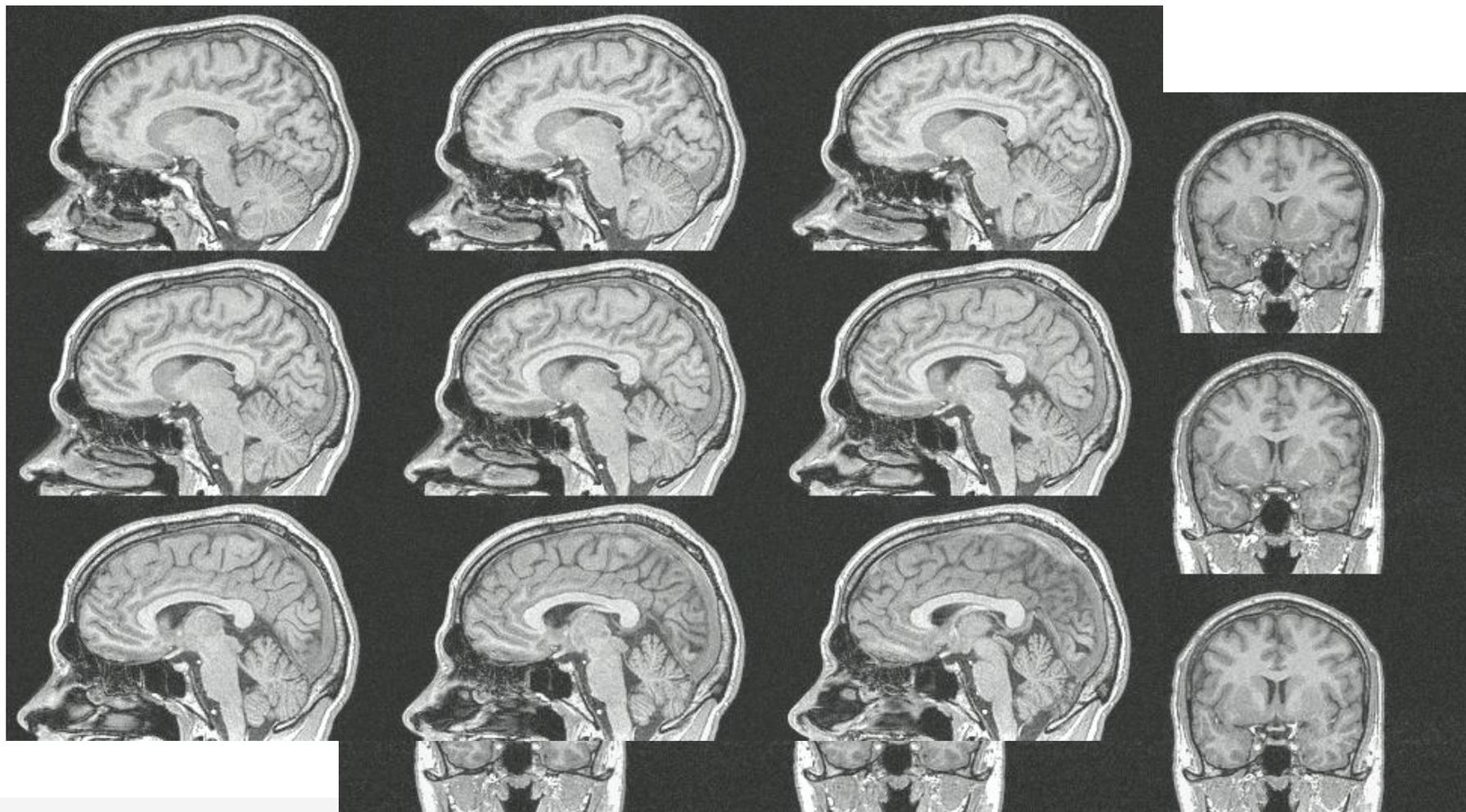
Traditional Way of Looking at Consumer Psych



The reality is that it is occurring here...



... in here



Emergent Patterns



Emergent Patterns



Introduction: Goals

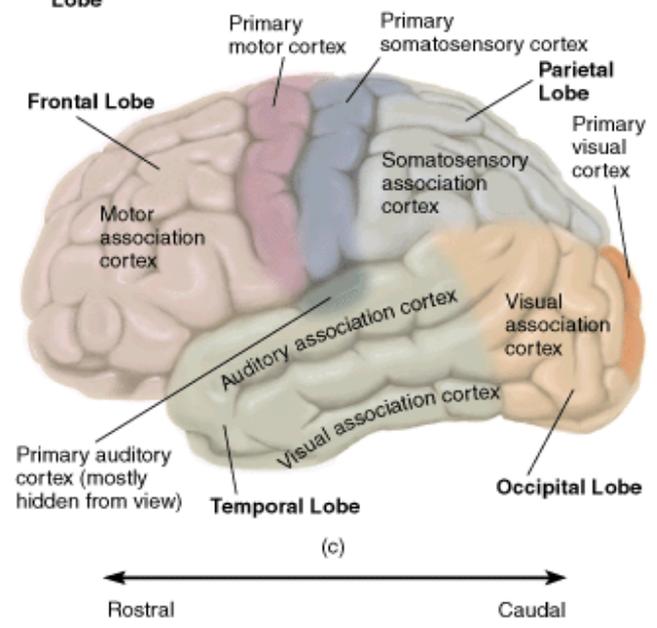
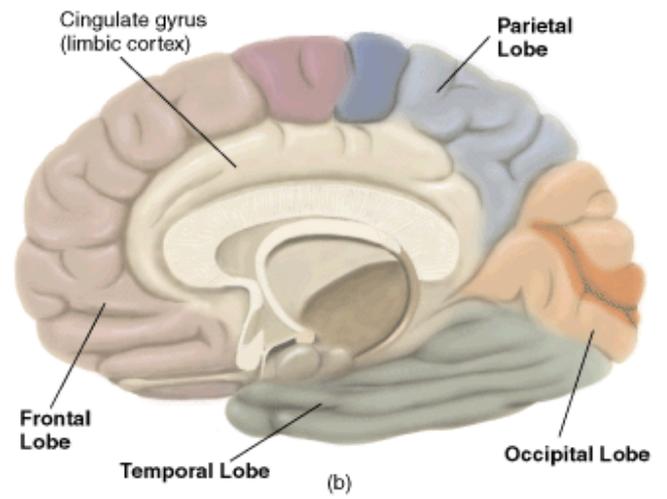
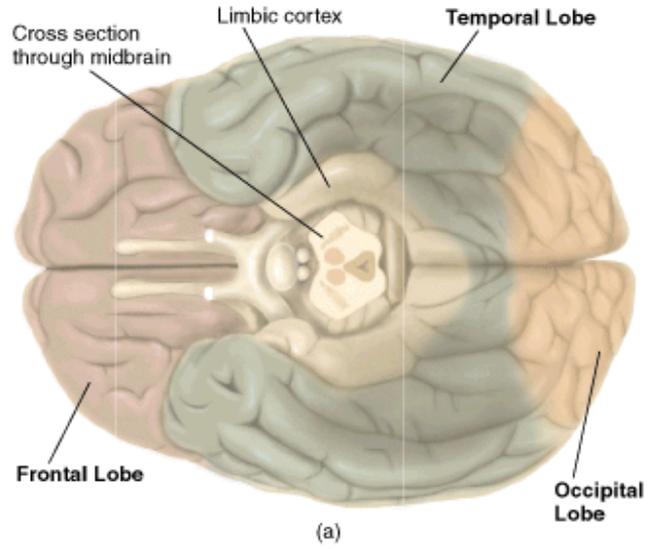
- Humans are “predictively irrational”. By tapping into the emotions, thoughts, actions, and their interactions, we can develop a better understanding of our consumers and possibly ourselves.
- The goal of this workshop is to look at the forest, i.e., the big picture of consumer behavior. We hope that by the end, you can:
 - Refocus the way you frame the research problems you are working on.
 - Improve the way you structure questions in qualitative and quantitative research.
 - Take into account how the brain works to make decision to improve research design.

Introduction: Brains ... brains

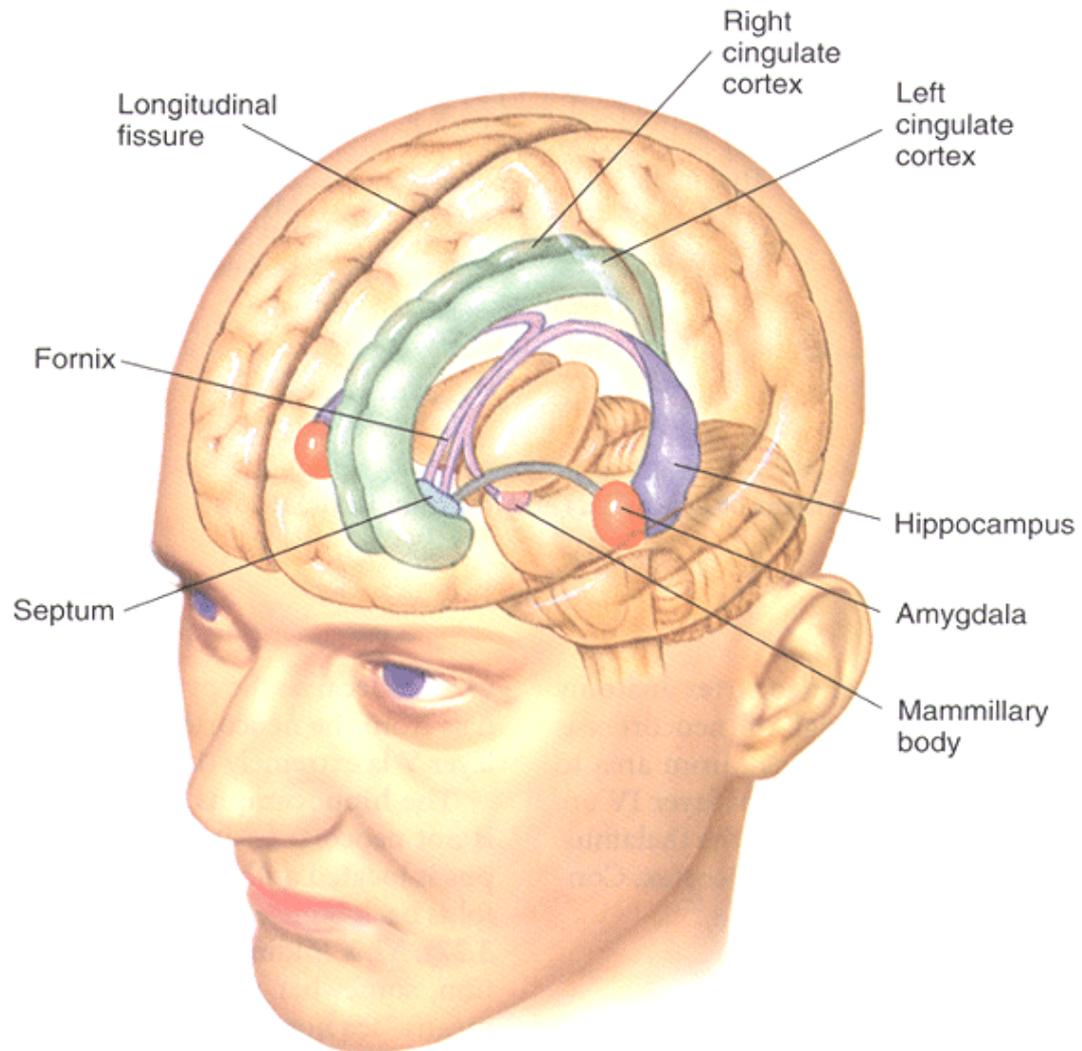


<https://thenypost.files.wordpress.com/2014/10/walking1.jpg>

► **Four Lobes of the Cerebral Cortex, the Primary Sensory and Motor Cortex, and the Associative Cortex. (a) View from Base of Brain. (b) Midsagittal View, with Cerebellum and Brain Stem Removed. (c) Lateral View**



► The Major Structures of the Limbic System



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Psychology Loves Duality

- Conscious
- System 2
- Declarative

- Unconscious
- System 1
- Non-declarative

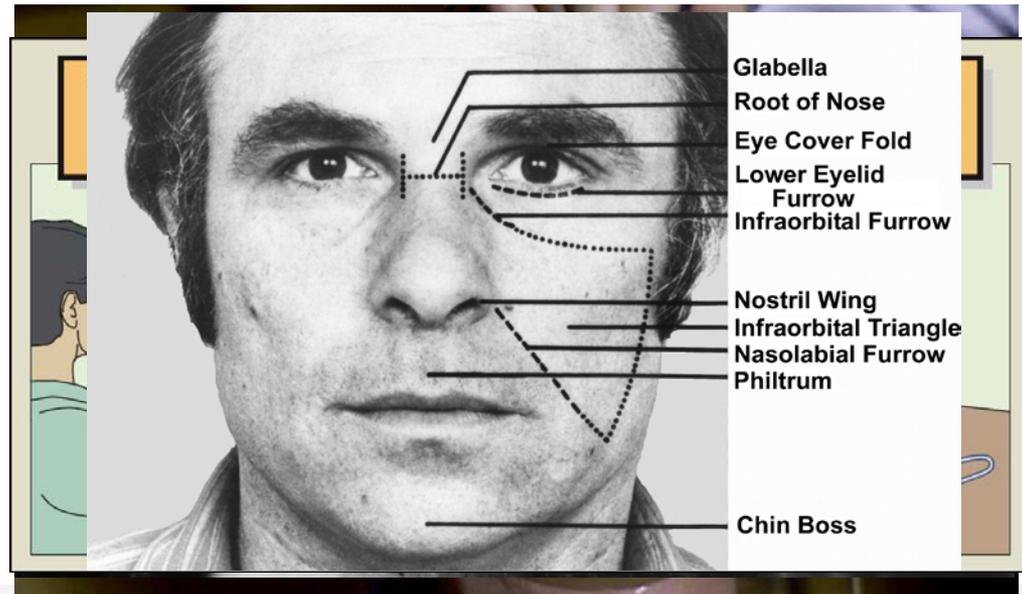


Feeling



Why Study Emotion?

- What is it about emotions that are worth studying?
 - Universally expressed
 - Unconscious, System 1, Non-declarative
 - Powerful
- How is emotion typically measured in market research?
 - Neuromarketing
 - Storytelling
 - Reaction time
 - The face



Faces: The Window into the Amygdala

- Paul Eckman and faces
- Seven “basic” emotions:
 - Fear
 - Anger
 - Disgust
 - Sadness
 - Surprise
 - Happy
 - Contempt



disgust

- ① nose wrinkling
- ② upper lip raised



contempt

- ① lip corner tightened and raised on only one side of face



anger

- ① eyebrows down and together
- ② eyes glare
- ③ narrowing of the lips



fear

- ① eyebrows raised and pulled together
- ② raised upper eyelids
- ③ tensed lower eyelids
- ④ lips slightly stretched horizontally back to ears



surprise

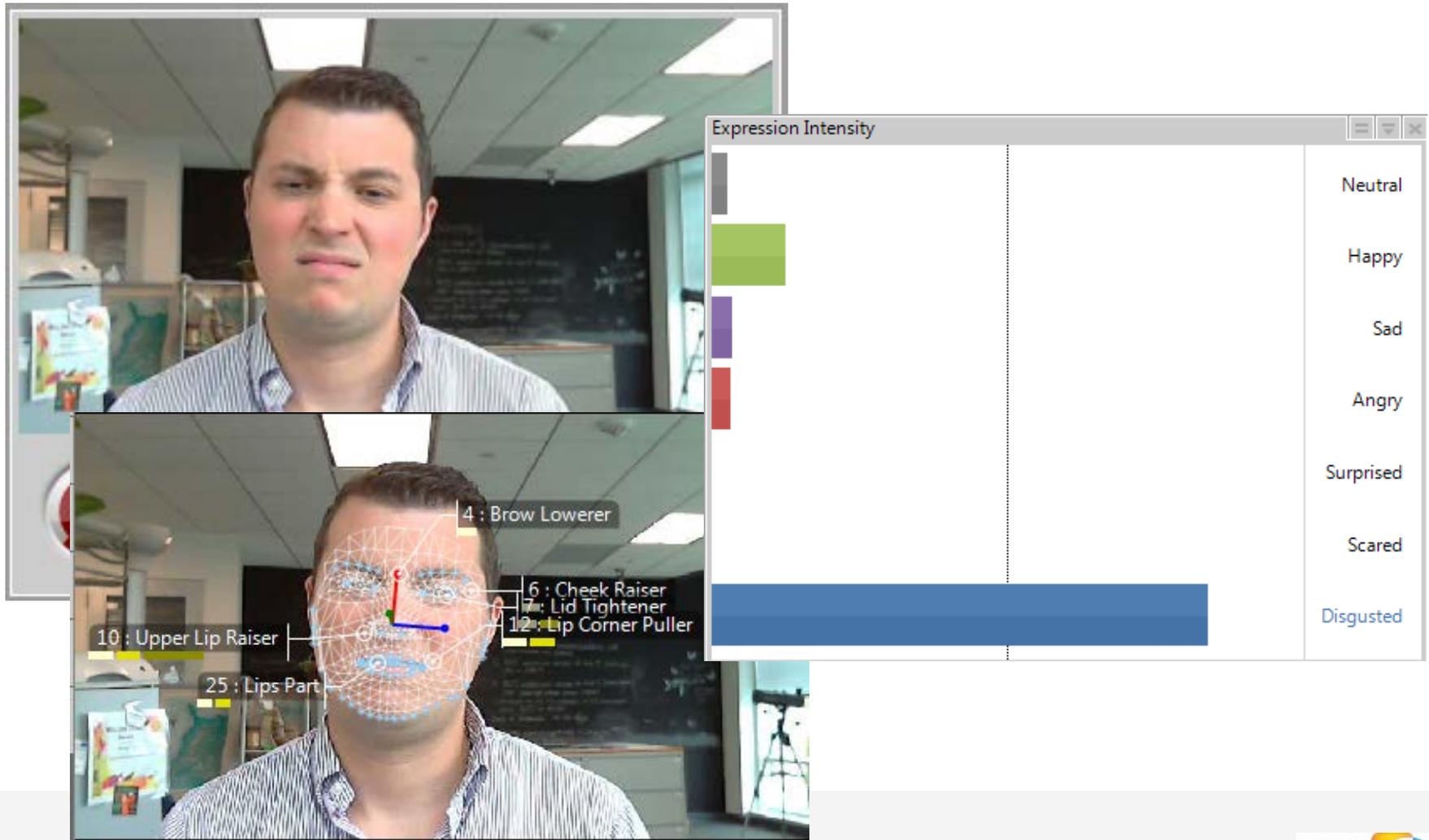
- Lasts for only one second:
- ① eyebrows raised
 - ② eyes widened
 - ③ mouth open



sadness

- ① drooping upper eyelids
- ② losing focus in eyes
- ③ slight pulling down of lip corners

Example: Automated Emotional Facial Analysis

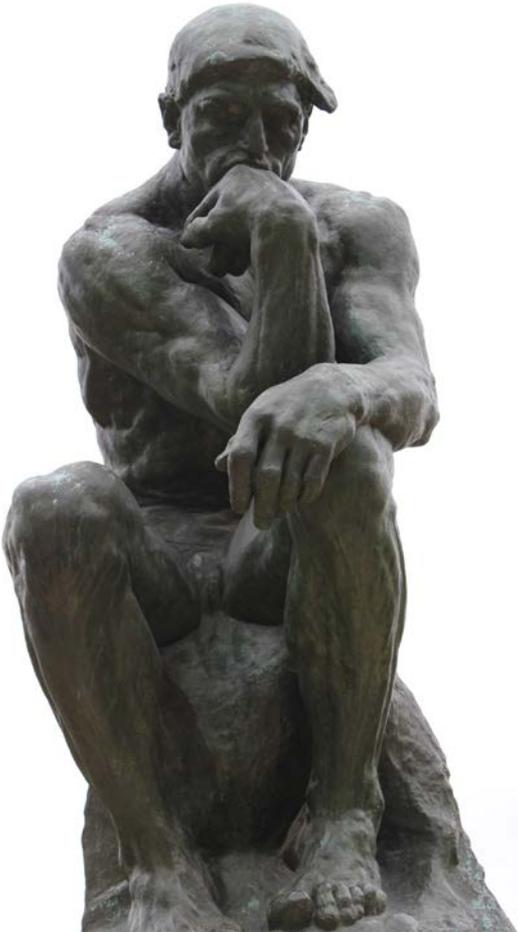
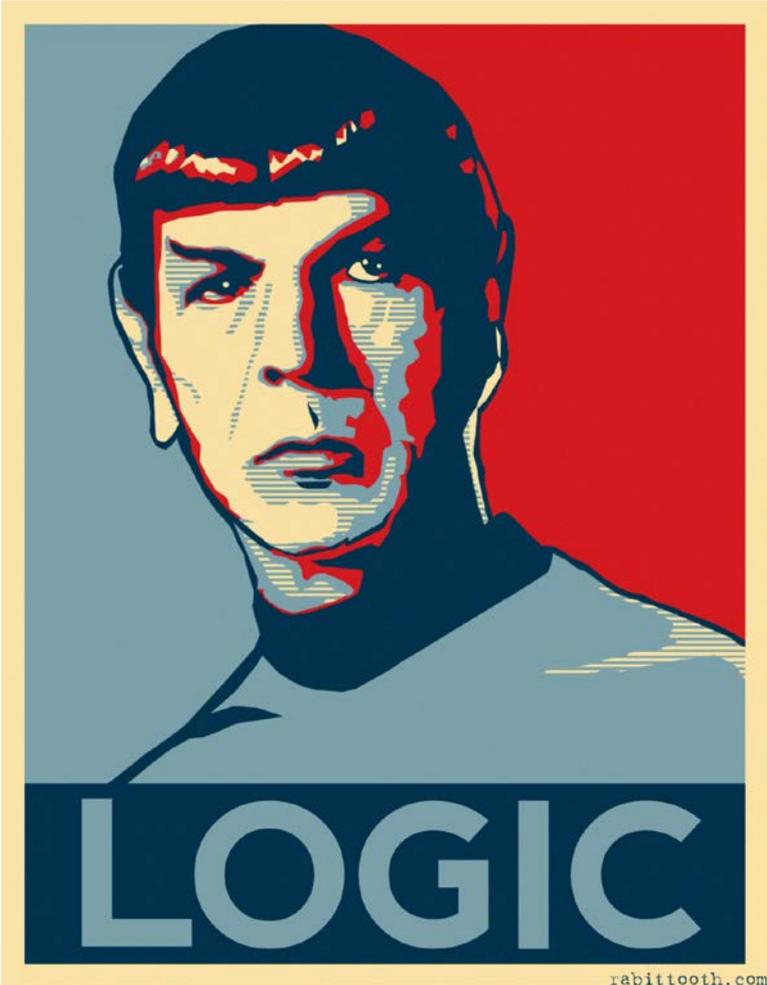


Leveraging Emotion

- Behavioral science principles for tapping emotion in research:
 - Branding/ logos
 - CS's & jingles
 - Messaging
- Regulatory focus, color, and FEELING right



Thinking



Buying Process

1. Problem/Need recognition
2. Information search
3. Evaluation of alternatives
4. Purchase decision
5. Post-purchase behavior

Thinking About Thinking

- Why do we care what people think?
 - They can tell us
 - System 2
 - Cheap
- Can we know what others are thinking?
 - Empirical knowledge
 - Rational, numbers driven data
 - Surveys



Survey Data

	Very Satisfied		
	10	9	8
Overall, how satisfied were you with your most recent stay at Hyatt Place Milwaukee-West?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Very Likely		
	10	9	8
Would you recommend Hyatt Place Milwaukee-West to a family member, friend or colleague planning to visit the same area?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Very Satisfied		
	10	9	8
How satisfied were you with the overall guest room at Hyatt Place Milwaukee-West?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How satisfied were you with the overall customer service at Hyatt Place Milwaukee-West?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How satisfied were you with the overall condition of the hotel at Hyatt Place Milwaukee-West?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

What was your primary purpose of visit to Hyatt Place Milwaukee-West?

Business

Leisure

Combination of both business and leisure

Prefer not to answer

1. Thanks for your time helping us understand how SuperBowl ads influence our minds as consumers and how effective they are at promoting brands.

There are only 12 quick questions

Ad #1 Geek and Supermodel kiss



Do you remember this ad?

- YES I remember
- NO I don't remember it

2. What brand/company is this ad about?

Next

Conjoint

A typical "Choice task"

Which of these TVs would you choose?

Type	Plasma	LCD	LED
Size	36 inch	40 inch	46 inch
Brand	Sony	Toshiba	Philips
Price	\$499	\$699	\$899

Three "Product profiles" each of four attributes

"Levels" for each attribute

Implicit Association Test



IAT

Coke or Good	Pepsi or Bad	Pepsi or Good	Coke or Bad
		disgusting	

Key: E I E I

Forecasting the Future

Purchase Intent is the extent to which a consumer will categorically estimate a purchase decision during some time in the future.

Which is most true about product X?

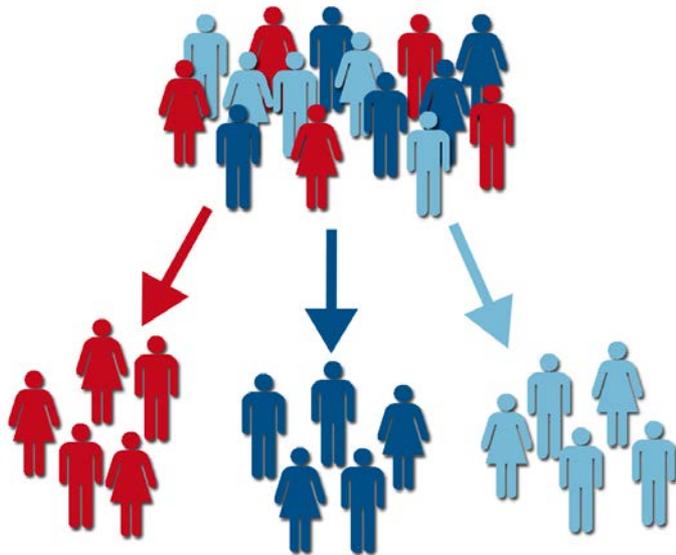
- I definitely would use product X
- I probably would use product X
- I might use product X
- I probably would not use product X
- I definitely would not use product X

	Definitely Wouldn't Buy	Probably Wouldn't Buy	Might Buy	Probably Would Buy	Definitely Would Buy
Brand A					
Brand B					
Brand B					

Granfalloon

Segmentation is a strategy whereby consumers are categorized based on a variable of interest.

- *A Priori*: Millennials, Hoosiers, Women, Loyalists, Snackers, etc.
- Post Hoc: K-means cluster, neural networks, etc.



Importance of Gym features	Cluster 1	Cluster 2
Price	3.05	2.43
Training results	2.79	2.14
Trainer Knowledge /approachability	2.16	2.14
Class times /availability	1.47	3.71
High intensity circuit training	0.95	1.57
Gym location	0.89	1.14
Personal connection w/owner	0.89	0.29
Open gym access	0.47	0.00
Shower/locker room	0.11	0.29
Personal Training	0.00	0.00
Nutritional supplements	0.00	0.00
Gear	0.00	0.00

0%

Leveraging the Thought Process

Behavioral science principles for tapping reason and logic in research:

- Numbers (sales, discounts)
- Options (choices)
- Messaging



BUT Beware...

TOO many emails and too many surveys can lead to DELETIST behavior!

A Montreal researcher at the Aimia Institute is warning of a hardening of attitudes among consumers toward irrelevant messages from retailers, leading to "**deletist consumer**" behavior. In 2012, over a third of 2,011 U.K. respondents said they were deleting or only reading the title of text messages and e-mails from companies. By 2014, a similar survey found that over half (57 percent) of the 2,001 respondents are now opting out of e-mail communications completely, blaming poorly-targeted offers. In addition, 69 percent say they are unfollowing brands on social channels or closing accounts. Only one in five of the respondents said they receive "very relevant" information from supermarkets, with banks, food and drink brands, and technology brands scoring even lower.

Doing

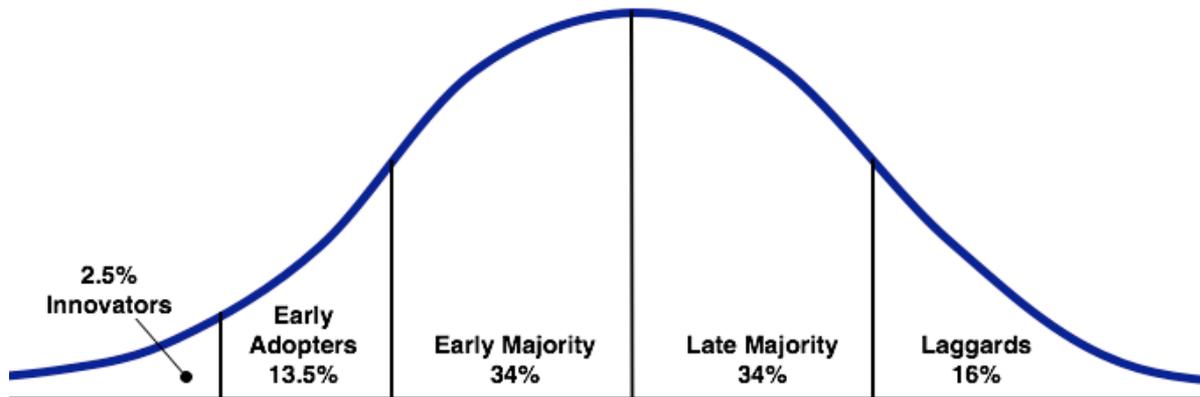
<https://lazygp.files.wordpress.com/2014/08/there-is-no-try-yoda-wallpaper.jpg>



"DO. OR DO NOT. THERE IS NO TRY." YODA

Actions Speak Louder than Words

- Why study behavior?
 - Actions drive numbers
 - The Consumer Experience
- Observation / Ethnography
- Wearables and new emerging technologies in the study of behavior



Source: Everett Rogers, Diffusion of Innovations model

Example: The Influence of Food Labels

- Three chicken sandwiches labeled as: new, cage free, healthy
- Men had a preference for 'New', women for 'Healthy'



Unobtrusive Ethnographic: A New Frontier!



In home study: 7 days, 24-hour recordings

- **Who** is in contact with the refrigerator (father/mother/child)
- **What compartment** (freezer/fridge)
- **What part** (handle/door/shelf 1/shelf 2/drawer...)
- **What is the posture** of the person (tiptoe/squat/kneel/deep bend)
- **Type of interaction** (Open/Close/Load products/Clean...)
- **What product** is loaded/taken from the refrigerator (milk/fruit...)
- **What package** is the product in (bottle/plastic bag/plastic box...)



Example: Disney Wearables

MagicBands:

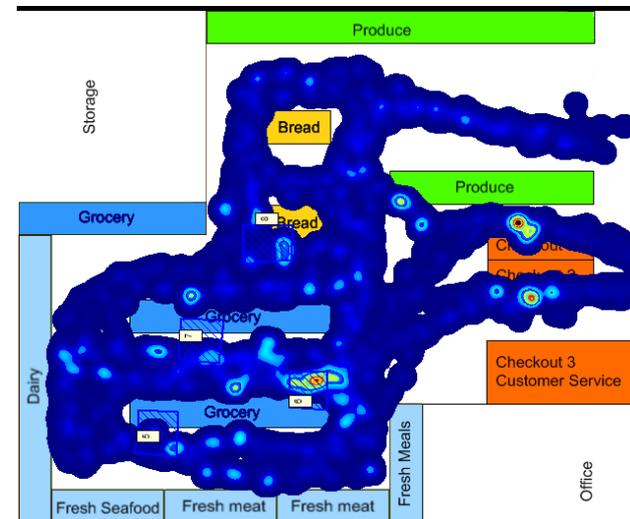
1. Use to enter Disney theme parks
2. Unlock Disney Resort hotel room
3. Use the FastPass+ entrance for attractions and entertainment experiences
4. Charge purchases to room
5. Link photos to Disney account



Leveraging the Consumer Experience

Principles for the study of behavior:

- Let them act naturally! (avoid the observation bias)
- Incorporate into their existing framework (jewelry, smart phones, etc)
- Technological advancements can drive the research!



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Emergent Patterns and Approaches Going Forward

- What does all this mean? How do we combine methodology to develop an emergent view? How do we gain insights of these insights, getting back to the goals at hand?
- Some examples:
 - What are we truly querying when we conduct a survey?
 - Car ads (actions driving emotions then thoughts)
 - Ice cream when sad (emotions driving actions)
 - Free association / open ended queries w/text analytics and/or RT tasks
 - Lifestyle brands

Noldus

Thank you for your time!