Behavioral Sciences: Completing the Consumer Understanding “Puzzle” to Step-Change Business Impact

Dan Young, Ph.D.
Behavioral Scientist
Dan Young PHD Consulting LLC
We are on a fantastic journey

• The only constant is change

• Communications and entertainment are being redefined

• Our potential to know people is ever growing

• Our understanding of brain functioning is ever increasing

• The tools are constantly evolving and expanding

• The potential for “data” and “knowledge” is almost unlimited
"95 / 5" Rule of Decision Making

CONSCIOUS
RATIONAL

UNCONSCIOUS

UNCONSCIOUS
INTUITIVE & EMOTIONAL

SYSTEM I

SYSTEM II

INTENTIONAL
CAN VERBALIZE

AUTOMATIC
INDIRECTLY ACCESS
So the Decision Processes are Different

SYSTEM I
- Intuition
- "Feeling"
- Action

SYSTEM II
- Thinking
- "Deciding"
- Action

Proprietary to Dan Young PHD Consulting LLC
BUT Both Always Active

SYSTEM II

Thinking

“Deciding”

Action

Intuition

“Feeling”

Action

CONTEXT

CONTEXT

CONTEXT

Proprietary to Dan Young PHD Consulting LLC
My Reality Network

Sarah 13 yrs old
Sean 15 yrs old
My Reality Network

Emma 8 yrs old

Gabby 5 yrs old
My Reality Network
Sally
(FOREVER YOUNG)
So What?

• None of this is new to the folks in this room. You are living it, observing it and studying it.

• CHALLENGE: With addition of Behavioral Science Tools & Knowledge, how navigate the changing world in combination with other Tools & Knowledge?
Sleep Loss Questions

• How do people decide what products & services to “buy”?
• Do Brands Matter?
• Is traditional advertising dying (or dead)?
• What is advertising in the future?
• If segmentation is dead, how think about “segment of one”?
• If Buyer Behavior is stable and predictable based on market dynamics, is there any point to brand building?
• If Brand Loyalty is a figment of our imagination, what’s the goal for growth?

• INSERT YOUR OWN SLEEP LOSS QUESTION…
Then the chaotic world of Market Research

- What is the value of our traditional research methods?
- Are questionnaires dying (or dead)?
- What are the “right” tools for my toolbox?
- How do I best understand SYSTEM 1 processing?
- Do we need to talk to people or can we “scrape” all we need to know from the internet to understand them, their choosing and choices?
- With the fragmented media (and “non” media) how can we evaluate & deploy messaging?
- INSERT YOUR OWN SLEEP LOSS QUESTION…
Then enter the behavioral scientists...

- Daniel Kahneman – System I & II Processing and decision making, it’s not just about conscious, planned, logical thinking
- John Bargh – Unconscious processing drives Social Behavior
- Dan Ariely -- Behavioral Economics & Heuristics based decisions are reasonable, but not necessarily logical
- Byron Sharp – Laws of Buyer Behavior, Mental & Physical Availability, Distinctiveness key to market performance
- Antonio Damasio – Neurological foundation for behavior; emotions drive thinking & decision making
- George Lakoff & Charles S. Pierce – Metaphors, Semiotics & Images are the fodder of Mental Representations & Communications

and MANY OTHERS opened the door to a new world thinking about consumer behavior, built on a foundation of behavioral sciences

- WHAT IMPACT HAS THIS HAD ON THE MARKET RESEARCH INDUSTRY?
Led to onslaught of “new & improved” tools

In Context Research
Mobile Data
3D Virtual Shopping
Ethnography
Embodied Tasks
Implicit Analysis

AND GROWING
Eye Tracking
EEG
fMRI

Biometrics
Linguistic Analysis
Semiotic Analysis
Perceptual Analysis
Fast Explicit Tools
Work from foundational understanding of brain science

...And what understanding our “tools” can provide
How Bring Structure to our World?

Focus on key areas of understanding addressing research/business question

“Traditional” Market Research Capabilities

- Apply Knowledge Of Human Behavior
- Analysis of Mental Representations & Communication
- Appropriately Apply Behavioral Science Measures

Integrated Understanding Driving Decisions

Only then select needed “Tools”
What’s the path ahead?

Learning from the past as we create a new future

• Don’t lose track of the business objective, research questions & actions to be taken

• Be true to the science with a focus on application

• Maintain our respect for people, their time and what they’re trying to accomplish

• It’s about getting the knowledge & understanding needed to support decision making. IT’S NOT ABOUT THE TOOLS.

• Create a compelling consumer relevant story connecting one-to-one
The Myth of 1:1 Marketing

Posted by Fresh Squeezed Ideas Wednesday, October 19, 2016, 6:00 am

…how do you build such a great narrative? It comes down to deeply understanding both your customers and how they use or how they struggle with your category, regardless of whether the product or service. The real skill is identifying the new narratives that resolve tensions or align to their values, such that customers feel connected. …Once you do all that, you will have come a long way to defining a purpose for your business that will attract individuals to your brand message…
What’s the path ahead?

MIND THE GAP

• With our more complete understanding of consumer thinking and decision making, using the right tools to fill the gaps in our knowledge.

• Bottom-line, it’s about actionable understanding and knowledge we produce. It’s still about having the right tools in your toolkit, being expert craftsman and translators for the business.

• The winners will be the those who put together the best story that guides business decision making; best meet people’s needs, simplify their lives and helps them find meaning in a complex world
We are living the future as we create it...

• We’re early in a journey of evolving marketing and market research

• Marketing & Marketing Research of the future will be “organic” rather than “mechanical”

• We must seamlessly integrate multi-method learnings

• But it’s still about using our Knowledge & tools together to support decision making
The Fantastic Journey!!!

QUESTIONS?