Seeing the Forest for the Trees: Understanding Consumer Psychology for Better Insights
I KNOW THERE IS A FOREST IN THERE SOMEWHERE...
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
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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

Factors Influencing Consumer Behaviour

- **Psychological**
  - Motivation
  - Perception
  - Learning (memory)
  - Beliefs and attitudes
  - Personality and self-concept

- **Personal**
  - Age and lifecycle stage
  - Occupation
  - Education
  - Economic situation

- **Social**
  - Household type
  - Reference groups
  - Roles and status

- **Marketing programs**
  - Marketing objectives
  - Marketing strategy
  - Marketing mix

- **Environmental influences**
  - Economic
  - Technological
  - Political

- **Cultural**
  - Culture
  - Subculture
  - Social Class

- **Buyers’ responses**
  - Product service and
  - category selection
  - Brand selection
  - Reseller selection
  - Purchase timing and
  - Repurchase intervals
  - Purchase amount

https://sumamphilip.files.wordpress.com/2013/10/consumer-behaviour2.png
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

- Fornix
- Septum
- Hippocampus
- Amygdala
- Mammillary body
- Right cingulate cortex
- Left cingulate cortex
- Longitudinal fissure
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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
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

LOGIC

rabittooth.com
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

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**

   ![Image](image)

   Do you remember this ad?
   - [ ] YES I remember
   - [ ] NO I don’t remember it

   2. What brand/company is this ad about?

   ![Image](image)

   What was your primary purpose of visit to Hyatt Place Milwaukee-West?
   - [ ] Business
   - [ ] Leisure
   - [ ] Combination of both business and leisure
   - [ ] Prefer not to answer
## Conjoint

A typical “Choice task”

<table>
<thead>
<tr>
<th>Type</th>
<th>Plasma</th>
<th>LCD</th>
<th>LED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>36 inch</td>
<td>40 inch</td>
<td>46 inch</td>
</tr>
<tr>
<td>Brand</td>
<td>Sony</td>
<td>Toshiba</td>
<td>Philips</td>
</tr>
<tr>
<td>Price</td>
<td>$499</td>
<td>$699</td>
<td>$899</td>
</tr>
</tbody>
</table>

“Attributes” Three “Product profiles” each of four attributes

“Levels” for each attribute

## Implicit Association Test

IAT

Key:
- E
- I

Coke or Good

Pepsi or Bad

Pepsi or Good

Coke or Bad

disgusting
**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

<table>
<thead>
<tr>
<th></th>
<th>Definitely Wouldn't Buy</th>
<th>Probably Wouldn't Buy</th>
<th>Might Buy</th>
<th>Probably Would Buy</th>
<th>Definitely Would Buy</th>
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<tbody>
<tr>
<td>Brand A</td>
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<td>Brand B</td>
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<tr>
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</table>
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.
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.
"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

Magic Bands:
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
Thank you for your time!