

Charu

Hello, Kristina, thank you for making the time to join us on Mrigashira Podcast for communicators.

Kristina

Thanks, I'm happy to be here.

Charu

I'm super excited about our conversation. My introduction to behavior change happened with Richard Thaler's nudge theory, when I worked on our sanitation drive way back in 2012, with a 60th Carnival in India, using games to influence mindsets towards use of toilets and using soap before and after critical activities and I've been following some of the work mindworx does and clearly, everyday communications can be optimized to drive desired behavioral outcomes. I'm sure our listeners would like a quick understanding of behavior change and how it can be used effectively by brands, especially in today's polarized world.

Kristina

Well, I think the first thing we need to realize when we're trying to sell or achieve our business goals, is to understand that beyond each of that goal is human behavior. And we always what we try to do at mindworks is we get a lot of assignments, and people want to increase their revenue. And we always get back to like, Okay, so what's the key behavior we are trying to influence or change and it's very important to realize, that our decision doesn't happen in a vacuum, and everything is connected and what is really important to do is like, so the next thing companies always tell us is so Okay, so how can we motivate people to do what we want them to do to invest or buy our products? Or sign up for our newsletter? How can we motivate them? first thing we tell them is, we need to back up a little bit. Before we try to motivate, we need to understand why the people aren't doing what we want them to do already. What are the barriers. And there's a very useful tool for that, if you want to look it up. It's called ComboBe. And that's our internal. That's our framework we use to identify what might be preventing people from from doing something. It's kind of like think about it like starting a car. I have a very my favorite author is Jonah Berger and he uses an example of, you're trying to get a car running, and you your handbrake is on, and you're pushing on gas, you're trying to start the car. But first what you need to do is to remove the handbrake, and only then it makes sense to add gas. So that's the first thing we tell companies. First you need to understand what are the uncertainties or barriers which prevent people from doing what you want them to do? Do they have enough information? Do they have opportunity to do something? Is your webpage comprehensible? And only after you fix those things and understand what they're the things in your customers way, only then it makes sense to use, as you mentioned, principle principles of persuasion, which we know many of and I'm sure your audience know some of them social proof. Were swayed by other people's choices, and commitment and consistency. We try to be consistent with what we have done in the past. Those are very useful tools. But first step is to really understand what is happening what is preventing people from doing something. So when we think about changing decisions, this is a for me, key key thing.

Charu

My key takeaway from this is, important to understand what is preventing people from doing something, understanding human behavior, understanding human beings, it's really difficult and that's why, you

know, it'll be really nice to understand how can we make brands stories capture some of the elements of human behavior for better engagement? love to hear some examples of work to illustrate this?

Kristina

Hm. So just think about it. I think restaurant industries are pretty good at this, they understood that when you describe something in a juicy, descriptive language, let's say a meal, you can actually increase sales of a particular item. So you just don't say, this is a steak with potatoes. But you say this is a family bread, it was raised on a ranch, and it was it had free range. And this is our homemade sauce and stuff like that. So first thing is like to understand is that we don't know how much something is valued? Like what's the value of something? Is something a fair price? Or is it something that is too expensive, we're very bad at gauging that and to be able to do that, the first thing we do is, we look at the value or the effort, which has been put into something where we want to buy, think about Apple products, they're very good at talking about what kind of effort went into designing their new technology, and all those things. So very descriptive language, I encourage your listeners to open an apple web page, and look into all the little copy they have on their page to justify the price and this is key. Because if you're, if you're making a big ask of you want somebody to buy something, or invest something, what do you need to realize realize is that people are bad at gauging what a fair price is. And to help them justify the price, it's good to use some sort of story about how much effort went into what they're trying to sell or what they're trying to get you hooked on. I like an example. I think it's called design growth. It's like a two Canadian guys and they do analysis of like, how Tinder uses psychology or how Uber Eats uses psychology, and they make analysis of it. And it's very fun, it's very intriguing. And what they do is they say, we put 96 hours into putting this little piece together, and in 10 seconds, you can share it. So this is a really good example of showing effort showing how much work went into this in commerce and how little it takes a user to share it and to just spread the word around and help them so the first thing is like people always talk about Oh, yeah, we have to increase in motion. And that is true and like, the rule of thumb is that stories work best, we know this, right? we were narrator's ever since we evolved and as many if you can put a story around your product or mentioned as many details as much effort as went into collaboration or working on it, then the price will be easier to justify for a customer even if you ask for a higher price.

Charu

So What I'm understanding is that clearly there is a need for bringing in psychologists there's a clearly a need for understanding behavioral economics and a far more better way. How can brands and storytellers communicators use that in their communication?

Kristina

I would say that the first thing every company should do, I would encourage everybody is to look at your communication, look at your web page, whatever it is that you're sending out to the world and do we call it friction audit and that goes back to what I was talking about previously, about barriers of change. So in order to change people's minds, first we need to, you know, remove the handbrake. So, and this is very interesting. We get approached by different companies from all walks of life and sometimes companies don't know what they don't know, right? You're looking at your web page, and everything seems clear. There are no questions or no uncertainties like you understand your business and you cannot often relate to like, what are the things that people might not be sure about and banks are really

horrible at this, I think you will appreciate this, that they really think they explain things, but they presume that people are more savvy than they actually are. And what it turns out to be the case is that people are much less financially savvy as they portray themselves to be. And they're also very humiliated about not knowing people usually know two things when they get paid, and when they go into debt. And but companies are trying to use all these sophisticated tools to enable people to be do but to do banking better. But I had an interesting case studies where this actually caused more people to leave, the company was trying to improve customer experience. And they were giving them all these tools and gadgets. But they didn't understand that the main barrier was not that people did not trust banks, which was what the company thought, like, everybody tells us, oh, people don't trust banks. And they thought that they would increase trust in the bank, if they show that they give them more tools. But what they actually found out was that people didn't trust themselves in in handling their money. And once they understood this, then they adjusted the communication and they said, Oh, it's fine. Most people don't get this. That's why we prepared this handy tool, or this handy handbook for you to walk you through what you need to do to get the most value of your account. And they made themselves more approachable. They didn't give them more gadgets, they gave them understanding that this is fine. Many people are confused by finances, it's totally okay. They use principle of unity, which is one of the six or seven principles of persuasion, which Robert child child Dini talks about in his book influence and they made their their stuff more understanding, like they're on the same boat. So the stuff would communicate, oh, I used to be confused about finances. But since I worked in the bank, I understood that this is this is important and I just want to convey that message to you. So they made it more human that made it more approachable. But they could only do that, because they did the friction audit, they understood what was preventing people from using their service, what was really driving churn, and then they were able to adjust. So the first thing is to really understand what are the uncertainties? What are the barriers? And people will say, Okay, so how do I do that? Well, you can use, you know, prospect customers, you can use your your social network, you can use your friends, to look through your page to look through your offer and every time they have a question, that is something you have to change in your webpage, there's something you have to address you have to explain, because people are very good at being this Wait, I have a very interesting example, about the cheese and this is this was like, early 90s and it's an example how uncertainty can really, really be a showstopper and what was going on at that time in Slovakia. It was after the fall of the iron curtain and we started to get Western goods. And we got this type of cheese, which is called let them air and it's a Dutch cheese. And what used to happen there it wasn't backed yet. So you had to go to a counter and ask a clerk to cut you a slack of the salad. And people were not buying that cheese and let them I couldn't understand it because you know, ratings were good. That what is it called? Like when you sample sampling? People love the cheese. They said the the value was good. The price was not a problem. They liked the taste of it, but they were not buying it and they couldn't figure out what was going on. And what was actually the problem was Charu maybe do have a guess like what it could be.

Charu

Maybe they didn't understand what the product was or they weren't very sure about the taste.

Kristina

Couldn't figure it myself. But what the problem was, they found that the people didn't know how to pronounce the name of it later. So, and when the push came to shove, when they were standing at the

stand asking for cheese, they went for something they could pronounce. So it will be a different type of G, something familiar. So as you can see this little barrier, which is not about the price, it's not about the product, it's about something totally unrelated to it cost people to change their decision, even though they might like to buy the cheese they didn't because the shame prevented them. And once the company figured this out, they use their next campaign to communicate how to pronounce name. So it was not about the Nutty flavor, and all those things, it was just about to teach people how to pronounce it. And once they did that, the sales increase. So this is just like a really my really favorite example of a really something which seems really small. And something which is really hard to figure out for the company when you think about it, because executives at let them know how to pronounce it. They've been doing it all their lives. But really hard to know, know what you don't know. So

Charu

That's a beautiful example. It's a very interesting anecdote, you've told me because you know, this is a real life situation, you one sees that happening in our day to day life. So often. And these are very, very simple things and very difficult and hard to just pinpoint or put your finger on at times. Earlier, you talked about seven principles of persuasion, I'm really keen to understand some of these.

Kristina

Well, another one is, and that's really commonly used, it's called social proof, and, or social norming. And that is, especially when we are uncertain. We tend to look into what other people are doing, and especially people who are similar to us, or are in a similar situation to us. And we had an interesting project, we were working for a job portal web page, and they were trying to increase people like number of applicants who responded to their job ads. And we said, Oh, that's great. That's a great assignment, we're gonna change the copy of the job. So we're going to make them more persuasive. And we're going to get more applicants, but they say, No, no, no, we can only change the features on the web page, we cannot change the content, because we don't own the content that companies do. And we were like, Okay, this is an interesting challenge. And what we did was, we had a feeling that social proof, my work, even in this context, usually people use social proof in the context of, Oh, I don't know, 10,000 people bought this product, or 60. People are currently looking at this room, and they're about to book it. That's usually how social proof is used. And it's combined with another principle, which is called scarcity. But we said to the company that let's try this on a job portal web page, let's show people how many people already applied for the position for the same position they're looking at. And they were not sure about it, they thought, okay, but isn't this going to backfire? Because if we show people that many people applied, they're gonna feel like their chances are lower, and they're not gonna send a CV because they're going to feel like it's already lost. And we said, let's just give it a try. And so we did. And we show real numbers. And we actually, we a be tested this. And we found out that if the number of people who applied was a was featured on the base, so you could see, like 30 people already send they're already applied, conversions increased. And it was as much as there were other interventions. But I think this single intervention, increased conversions by 138%. And we haven't done anything, we haven't changed salary, we haven't changed the job description itself, just this little change showing it and it sounds kind of counterintuitive, don't you think, like I should be less likely to send if my chances are lower. But I'm actually more interested, because it shows me that okay, many people applied, it's probably a good position, it's probably something I want as well. And this happens in our intuitive brain. And that's what we look into, we look into emotional drivers of behavior, rather than just rational things.

And usually companies are very good at looking at rational things, as you saw with the cheese case, our customers like the taste, the price is good, what is going on, but the emotion is the driver. And I think we all know that this this is what's happening even now with vaccination and stuff like that. Like when you see that other people in your social circle are vaccinated, you're more likely to get vaccinated people in your community. That's why it works that's really a very interesting and very easy to use principle. And I never say that it's my it's my favorite. I really encourage people to check out that book, and even maybe check out other book, which is called catalyst. It's by Jonah Berger. And that's really great and useful book because it identifies five barriers to change. And really, he talks about, like, once you remove them, uh, your your odds will turn into your favor. So that's, that's really my strong recommendation.

Charu

This is really interesting to know. And I'm going to really end with just one last thing, your advice for communicators for upscaling, I know you've talked about two books, but any recommended courses, anything you would suggest which is easy, simple to do for people to really understand this space a lot better.

Kristina

What I would, what I would suggest is like no matter what your position is, or whether you lead a team, or you have a team, work at a PR company, or CRM CRM team, I think people like really handy examples and really clear takeaways and I would encourage them to visit insidebe.com, which is a platform dedicated to applying behavioral economics and psychology directly to business and it features a lot of interviews with experts from across the globe. And it features some of the things I mentioned come from the case studies which are featured on this platform. So there are different different topics, menu, design engineering, you know how to describe your dishes to increase customer spent their case studies, from banking, from university application, basically, it's really good source of inspiration in one place. So you don't really have to spend that much, much time searching the web and I'm going to use social proof people more and more people are saying that it's a really handy thing. So that's what my recommendation.

Charu

Thank you so much, Kristina for making the time to speak to us and I'm sure communicators here in India are going to benefit from some of the tips you've given us today.

Kristina

It was my pleasure. Thank you for inviting me.