Innovia
TECHNOLOGY

DO PEOPLE DO WHAT THEY SAY THEY'LL DO?

Four reasons why companies are bad at predicting behaviour

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Helena leads the behavioural science team at Innovia Technology. She has a doctorate in social psychology from the University of Cambridge. Her main interest is in what drives people to do what they do, not what they say they do. At Innovia, she uses behavioural science to create and design products and services that meet people's needs better and that are more intuitive to use. Before coming to Innovia, she worked in advertising, ran an international brand consultancy, and was a partner in a financial and corporate communications firm. When not thinking about human behaviour, she can be found dancing or riding horses – altogether simpler and a lot less stressful!

1 EXECUTIVE SUMMARY

Innovation is a risky business and the failure rate is high. Traditional approaches to consumer research may exacerbate the problem. There are many shortcomings with traditional research approaches, and one of the main ones is that data collection focuses on what people say they do rather than on what is actually driving behaviour.

This paper describes four critical problems that can undermine the relevance of research aimed at understanding whether consumers will engage with a new product or service. These are:

1. Poor-quality data. Quality may be compromised by poor understanding of how psychology and behaviour can influence the data source.

2. Treating data as insight. Researchers often fail to use a proven behavioural lens, or structured framework, for data processing. The result is just more data, not validated insight.

3. Failure to recognise the factors that drive behaviour. Strategies for data collection often fail to capture the subtle array of social, emotional, and cultural drivers of behaviour that determine what people do in the real world.

4. Confirming existing biases. Sometimes research is not approached with an open mind and open methods. It is conducted more with the intent of proving prior hypotheses, than of refuting them.

A behavioural-science approach can begin to address these problems. Using an appropriate model or theory of behaviour helps us to avoid the problem of collecting poorly focused data, and can include the habitual, emotional, socially conditioned, or automatic responses in our analysis. A theoretical underpinning helps us to target areas that we can influence, and to avoid those that will be less relevant. If applied with an open mindset, using the scientific method to eliminate biases, then behavioural science will significantly improve the effectiveness of our consumer research. It will ensure that we know more about what people actually do, not just what they say they'll do.

"behavioural science focuses on identifying the factors, benefits, and attributes that really drive behaviour and decisions in the real world"

2 THE CASE FOR BETTER RESEARCH TOOLS AND METHODS

Human behaviour is complicated and predicting it is hard. Current approaches to research and data collection make this even harder.

Most companies spend a lot of time, effort, and money working out what motivates people, how to meet their needs, and how to get people to engage with their products and services. And it's clear that getting this right is particularly critical when designing innovative products or services that people have not seen before.

Despite all this effort, innovation is a still a risky business: the popular myth is that between 80% and 90% of new products introduced in the market fail. This figure differs depending on the industry, and when and how success is measured, but it certainly points to the need for a better way of predicting what products people will actually buy in the market.

As a practitioner of the emerging field of behavioural science, I am convinced that it can help to significantly increase companies' confidence in their innovation. This is because behavioural science focuses on identifying the factors, benefits, and attributes that really *drive behaviour and decisions* in the real world.

The need for a new approach was evident to me. Over the years, I have heard many senior managers complain that despite all the investment their company has made in understanding people, there was still a litany of failed products and services. These failures could have been attributed to poor product quality, inadequate distribution, or getting the timing of the launch wrong, but in my experience, most of the explanations given by managers implied failure to identify what people really wanted.[1,2]

Examples of reasons for failure include:

- poor research not flagging problems early enough;
- targeting the wrong market;
- poor prediction of what people would pay for the product or service; and
- finding that consumers didn't want the product or service once launched.

How could this be? So much market research had been conducted, prototypes had been tested with users, communications had been developed, and usage trials had been completed. Even more surprisingly, the research had often showed that consumers liked the product, and the intention-to-purchase scores were high.

Do people do what they say they'll do? No. It seems that people say one thing during the consumer research, and do another in practice. Perhaps we need to change the research methods.

3 SHORTCOMINGS OF TRADITIONAL RESEARCH TOOLS

My clients usually have multiple existing consumer and category research reports, in which there is a large amount of data collected at enormous cost. The reason that consultants are brought in is because the clients are literally drowning in data!

After one particularly frustrating day ploughing through acres of a client's reports, usage and attitude studies, focus groups, and category surveys, I started wondering why most of their information failed to get to the nub of the problem. What was it all done for? Which parts were important and which irrelevant? Why was it so repetitive and lacking focus? Why were there so much *data* and so little *insight?*

Looking through the reams of paper on my desk, I started to pick out why the researchers had failed to understand what was really driving consumer behaviour. I found four broad areas that are problematic for conventional market research:

1. the data is of poor quality: sloppy or naïve data generation and collection;
2. data is confused with insight: little or no interpretation, or lack of underlying model;
3. data collection does not recognise or focus on the factors that drive behaviour;
4. research is often commissioned, in effect, to confirm existing biases.

The result of these four failures is that research rarely focuses on, or is informed by, the thing that really matters – consumer *behaviour.*

3.1 Poor-quality data

Market research is big business*. A lot of people contribute to collecting the data, and with the advent of the Internet and social media, collecting opinions is becoming easier and even more commonplace. Every time a product is bought online or a parcel is delivered to your door, an email arrives asking you to rate the service or product.

But abundant data is not necessarily good data. The market research industry has known for years that certain types of people, usually with negative or extreme opinions, are more likely to complete surveys. The problem with this is that we often end up with unrepresentative samples that are not much like the rest of the population.

Even if we get to talk to the right people, they don't always seem to tell 'the truth'. They are not consciously lying to researchers, but they are likely to succumb to what psychologists refer to as 'desirability bias' – the tendency for respondents to answer questions in a way that will be viewed favourably by the interviewer and others around them. This may be exaggerated because most people who participate in market research are paid, and so feel obliged to respond in a way they think the researcher values.

And we should not underestimate the power of peer-group pressure. In a social situation, such as a focus group, people will tend to be influenced by the responses of others, resulting in a sort of 'groupthink' that follows the most vociferous.

Added to these issues, companies are finding it more difficult to get good access to good-quality data because of privacy and security concerns. Consumers are increasingly aware that companies collect data about them, and some will withhold information from companies they do not trust[3].

In summary, data can be unrepresentative, inaccurate, and biased. Good data collection should be supported by a clear understanding of how psychology and behaviour can influence the data source.

In 2013, the global market research industry was estimated to be valued at $40bn (https://www.statista.com/statistics/242477/global-revenue-of-market-research-companies/)

3.2 Confusing data with insight

The very words 'consumer insight' strike fear into the hearts of innovation practitioners because, in reality, real insight is rare. Insight is the holy grail of research. The aim is to find a 'deep truth' about the user, based on their beliefs, behaviours, and experiences. Or, better still, to be able to look into the future and see a trend that no one else has yet seen. The idea is that, armed with a unique insight, we can create a product or service that stands out from others, and that consumers want.

But the term 'insight' is often used loosely. I have heard it used to describe raw data, or a factoid – an unreliable piece of information that seems to be interesting but does not really have much influence on what is going on. Sometimes, a statement of need is described as an insight. Statements of need are a good place to start, but unless you know which needs are more critical than others, or whether there are some needs that exist that are not being met, statements of need are no more insightful than random facts.

Insights are rare and hard to find, and usually appear only when the data are viewed through a lens that has been fashioned from a great deal of experience and careful thought. Often, this lens is a behavioural model or theoretical framework which itself is based on valuable insights about the market or users. Companies can spend a lot of time, effort, and money on looking for insights, but they are unlikely to find them if they are looking in the wrong place, if they don't have a suitable lens or framework, or if they suffer from the three other common research problems.

In summary, good insights are best found by processing data through a meaningful, proven, and insight-based 'lens' or structured framework.

"most research tacitly assumes that we make deliberative decisions where we have carefully thought through the options, weighed up the benefits and disadvantages, and made a rational decision"

3.3 Failing to recognise the factors that drive behaviour

Surveys usually don't reflect the way people choose things in practice. There is a deep and problematic issue with survey methodologies due to what psychologist, Richard Bagozzi calls the 'cognitive response paradigm'[4]. Fundamentally, most research tacitly assumes that we make deliberative decisions where we have carefully thought through the options, weighed up the benefits and disadvantages, and made a rational decision. The way surveys are written follows from this: they consist of a sequential string of questions asking people what is the most important attribute, how much they would be prepared to pay, how the product compares with others on the market, etc. The people being surveyed try hard to answer these questions as well and thoughtfully as they can, but this does not remotely resemble the actual process they go through when they are standing in the store or clicking the "buy" button online.

There are lots of reasons why people do or do not buy a product, and many of them are social, emotional, and unconscious. People may:

- avoid a product because it simply does not fit with their image of themselves (something psychologists call self-identity);
- buy a product on impulse because they are in a good mood, with no deep thinking involved at all;
- buy a product because they have bought it before, and it has become a habit;
- choose a product because people they know are buying it, so they feel they should too; and
- avoid a product because they associate it with a taboo, either consciously or unconsciously.

Few of these motivations are reflected in conventional surveys, or in consumers' immediate responses to rational questions.

In summary, good research must take into account the subtle array of emotional, social, and cultural drivers of behaviour that determine what people do in the real world.

3.4 Confirming existing biases

It is understandable that most clients who commission surveys do so with an ingoing hypothesis or bias about what they want to find – often to confirm the value of the work they have been doing already. It takes a great deal of discipline and courage not to bake those biases into the survey method or content. This survey bias can be as subtle as spending more time on the favoured option, or failing to offer alternatives that could validate a contradictory hypothesis. Consumer research too seldom tries to disprove an ingoing hypothesis or probe the consumers in a truly open-ended way.

Also, many surveys are commissioned to provide an update on previous information. This may be useful to measure small changes, such as whether people are buying more or less than before. However, the very existence of this sort of data collection entrenches beliefs about what it is important to measure. It further embeds the hypotheses or beliefs on which the original data collection was based, and very rarely sets out to check or refute them.

In summary, good research will approach the consumer with an open mind and open method, and with the intent of refuting, as well as proving, prior hypotheses.

4 WHY PREDICTING BEHAVIOUR IS HARD: THE INTENTION–BEHAVIOUR GAP

Although there is evidence that saying and thinking that we will do something (intention) increases the probability that we will actually do it (behaviour)[5], any number of things can intervene between the intention and the behaviour (**Box 1**). We all know that we may be genuinely motivated to do something and yet still not do it! Our intentions and beliefs about what is good or bad only influence our actions to the extent that they are operating at the relevant moment[6]. We can get distracted at the last minute, and not do what we said or thought we would. Or, contrary to intent, we act in pursuit of what we want most at that specific moment, without conscious thought.

Box 1: The intention–behaviour gap makes prediction hard

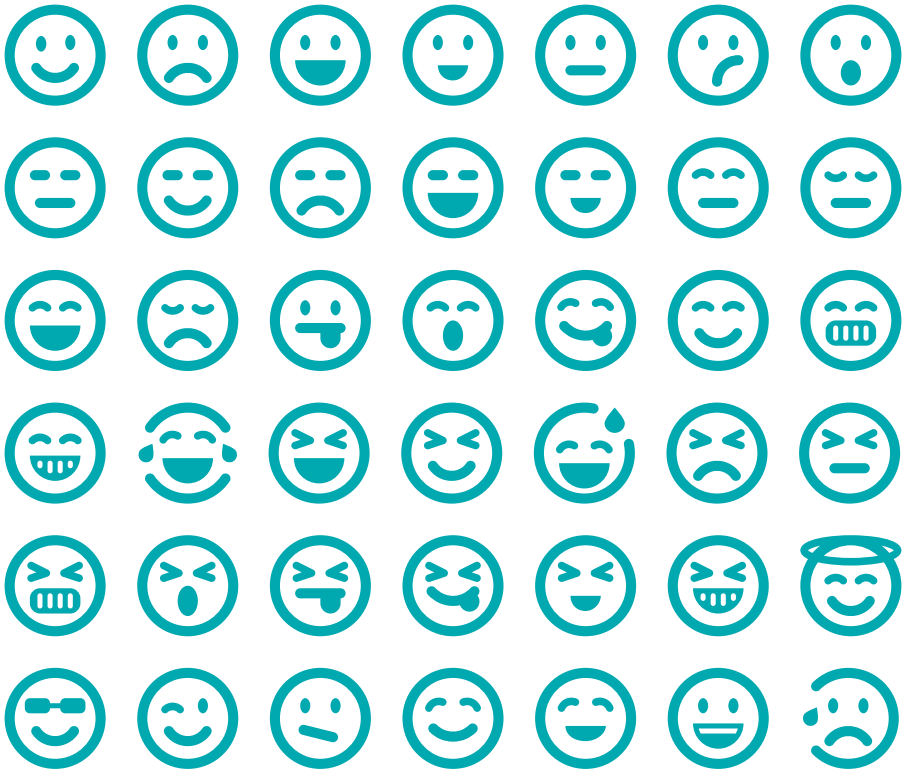
Predicting behaviour is hard, not least because there are so many possible factors that might influence us. Imagine that you intend to get fit. A local gym is offering a great deal on annual membership. Their leaflet says that spending only $10 a month is the best way to good health. The gym is only five minutes away from where you live, and its monthly fees seem affordable. The first consideration is whether you believe that doing more exercise will improve your health, and whether going to a gym is the best way to achieve this. Another consideration is whether you believe that other people whose opinion you care about would approve of your decision to buy a gym membership. If your best friend thinks it is a waste of money, you may decide not to bother. Even if you think joining a gym is a good way to improve your health and your best friend agrees, you may worry that you may not be capable of using the membership often enough to get the full benefit. These are just three of the typical influences that determine whether or not we intend to do something[7].

From a psychological perspective, your self-image is also important in determining whether or not you will take out a membership. You may have read that doing more exercise will improve your health. You may even think that you have time to go to a gym once a week to achieve this. But the thing that is stopping you is that you just don't see yourself as the sort of person who goes to a gym. You think of yourself as someone who prefers to walk or go out dancing instead.

And an obvious (but often overlooked) reason for doing something is that you have done it before: behaviour can influence attitudes as much as attitudes can influence behaviour. If you used to have a gym membership but it has lapsed, you might be more willing to get another one. But if you have never had one before you may think that you don't need one now. Past behaviour may be the best predictor of future behaviour[8].

It's clear that people do not always do what they said they'll do, not because they are being mischievous or lying, but because they are genuinely uncertain that their behaviour will match their intentions. The way most research tries to work out people's intentions is not always helpful.

In order to get better at predicting behaviour, we need to get better at understanding people's wants and needs in the relevant context, including their self-image, and the patterns driven by what they have done in the past. And the research that we conduct needs to get better at identifying those factors that really influence behaviour, and avoid getting distracted by things that don't matter.



"people do not always do what they said they'll do, not because they are being mischievous or lying, but because they are genuinely uncertain that their behaviour will match their intentions"

5 WHY THE USE OF BEHAVIOURAL SCIENCE ENABLES BETTER RESEARCH AND BETTER UNDERSTANDING

I concluded above that:

- good data collection should be supported by a clear understanding of how psychology and behaviour can influence the data source;
- good insights are best found by processing data through a meaningful, proven, and insight-based 'lens' or theoretical framework;
- good research must take into account the subtle array of emotional, social, and cultural drivers of behaviour that determine what people do in the real world; and
- good research will approach the consumer with an open mind and open method, and with the intent of refuting, as well as proving prior, hypotheses.

Behavioural science theory and models can help to address these goals. Over the past few decades, researchers in the field have investigated what drives behaviour. They have developed and tested theories and models that focus on the factors that have been found to influence behaviour change, and on the real processes that people go through when they make judgments and decisions.

No model is perfect because all models are simplifications of the complex real world. Nevertheless, these models are useful because they offer a coherent description of why, when, and how a behaviour does or does not occur. The components of the models have been tested and validated in a variety of contexts, and have been found to be usefully predictive.

Using an appropriate behavioural science model can help to avoid the problems of collecting poor quality or poorly focused data because it helps us to collect and focus on factors that really matter, and ignore those that don't. Behavioural science recognises that decision-making is driven as much by habitual, emotional, socially conditioned, or automatic responses, as it is by considered, rational, or thoughtful ones. If we include these responses in our analysis, we are better able to understand why people don't always do 'just' what they say they'll do – and we will find how to better predict their behaviour.

In addition, the right behavioural model allows us to make sense of the data and their relevance to the behaviours we want to influence, leading to valuable insights, and well-targeted interventions that influence behaviour.

Finally, if we approach the research design with the open mindset of the scientific method, we can more easily notice and eliminate ingoing bias, and recognise that there is valuable information for us, whether our hypotheses are or aren't supported by the results.

To conclude, behavioural science has the potential to improve the way we do research with consumers, and to ensure that the results we get tell us more about what people actually do, not just what they say they'll do.

"models are useful because they offer a coherent description of why, when and how a behaviour does or does not occur"

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