Inside the mind of the CONSUMER

A guide to discovering what consumers really want

ADCOCK solutions

Discover what consumers really WANT

A word from PHILLIP

I love consumer psychology and behavioural science. Understanding the minds of consumers and shoppers has been my career for 25 years: It's my passion.

Throughout my career two questions have always intrigued me:

- · What do consumers really want?
- Why, when the answers are identified do so many brands fail to deliver?

With the consumer being the lifeblood of so many businesses, we all know that we have to delight them. But what do they really want? How do we implicitly and emotionally form meaningful affiliations with them? How can we improve our businesses to make a real difference for consumers?

The answer lies in applying consumer psychology and behavioural science. In this guide I'll explain some critical aspects of

the consumer mind. Inside the mind of the consumer is a straightforward reference guide to help you better align your brand and business with the mind of the consumer. Packed with insights, advice and practical tips, you can either read it all or just tap into the bits that interest you.

Between us, let's make it better: Better for our brands, better for our businesses and better for the consumer.

Phillip Adcock
Psychology & Behaviour
Change Consultant



Marginal GAINS

When it comes to making things better, it's not so much about doing 1 thing much better, but more about taking 100 things and making each of them a tiny bit better.

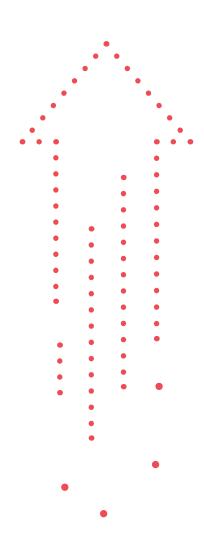
This is precisely what happened with the British cycling team, thanks largely to Dave Brailsford and the theory of marginal gains.

"The whole principle came from the idea that if you broke down everything you could think of that goes into riding a bike, and then improved it by 1%, you will get a significant increase when you put them all together."

Dave Brailsford (2012)

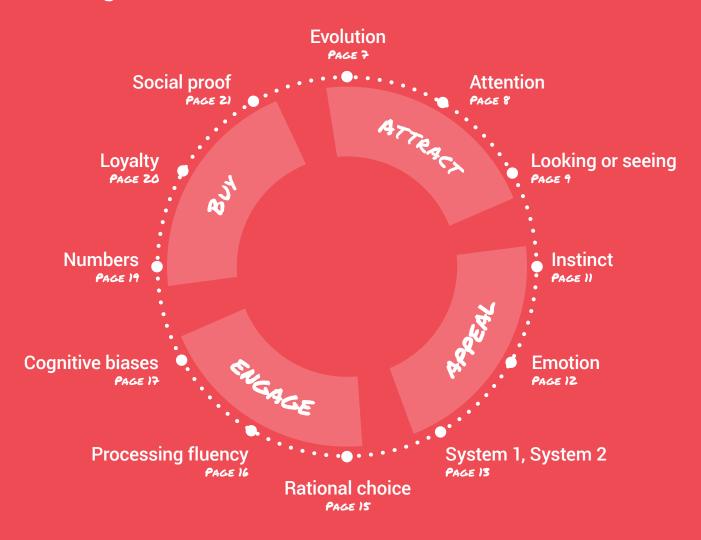
At the 2004 Olympic Games Great Britain won two cycling gold medals, their best performance since 1908. Under Brailsford's leadership, the cycling team continued to improve, winning multiple world championships in road, track, BMX and Mountain bike racing. Great Britain led the cycling medal table at the 2008 and 2012 Olympic Games, winning eight golds at both, while British cyclists won 59 World Championships across different disciplines from 2003 to 2013.

You can apply precisely the same thinking to brand and retail performance. It's time you go beyond looking at traditional performance metrics such as share of market and year on year differences. A marginal gains based approach focusses on a more holistic strategy, embracing such aspects as shopper and consumer psychology.



Lets BEGIN

Finding what's what





ATTRACT

Our brains only consciously respond to 5% of the visual stimuli they receive. The rest is filtered and then discarded.

Evolution

"Consumers are hardwired by four basic, primal drives (instincts). That means we are evolutionarily driven by four Motivations: Fight, Flee, Feed, Fornicate. We Adopt brands and buy products primarily because they meet at least one of these motivations."

The science

These Four Fs are regulated by a part of the brain called the

hypothalamus: A small region located at the base of the brain. While it's very small, the hypothalamus plays a crucial role in many important functions, including:

- Releasing hormones
- · Regulating body temperature
- Maintaining daily physiological cycles
- · Controlling appetite
- · Managing of sexual behaviour
- Regulating emotional responses

Take action

You need to align your brand with at least one of the four Fs. Do you help consumers fight off something, do you help them escape danger? Does your brand satisfy a basic human need such as hunger or thirst or will your brand increase chances of sexual activity?

When you align with the four Fs, consumers will naturally prefer your brand to those of the completion. Why? Because evolution has seen to it that the four Fs stimulate the mind 3,000 times faster than rational thought and are



Attention

"Attention could be described as a spotlight that focuses an individual's awareness on a particular aspect of their environment. The honk of a horn might alert us about an oncoming car. The blaring noise of a smoke alarm might warn you that the casserole you put in the oven is burning."

As consumers each of our five senses are constantly being bombarded by stimuli. In order for your brand to succeed, you must know how to cut through and generate meaningful attention.

The science

The ability to pay attention to important things, and to ignore the rest, helped early humans survive and evolve. Now, it's a skill that can help consumers make better choices, both in terms of what they buy and what they consume.

Studies have demonstrated that attention is limited in terms of both capacity and duration. And since attention is a limited resource, we have to be selective about what we decide to focus on. Being selective in what we attend to is a process that often occurs so quickly that we don't even notice that we have ignored certain stimuli in favour of others.

Take action

Does your brand have a strategy for grabbing attention? Here are a small number of proven tactics to use as you vie for the attention of shoppers and consumers:

Physical need. When we're hungry and we see food, we pay attention. **Emotion**. If something evokes emotion in us. it has our attention. **Novelty.** The brain pays more attention to new things in the environment. Contrast. We pay more attention to things that contrast with other things. Humanity. As a species, we pay more attention to other humans than just about anything else.

Looking or seeing

"Looking and Seeing both involve using the eyes and sense of sight, but upon closer examination what makes one different from the other? 'Looking' is turning one's eyes to a certain brand while 'seeing' is the perception of a brand or how someone determines what he or she is looking at."



The science

'Looking' is derived from the word 'look' which is defined in dictionaries as turning one's eves toward any object. This describes a physical movement of an individual such as 'Phillip is looking at a can of cola.' Any person can tell what Phillip is doing based on his action. If we substitute looking for seeing

'Seeing' is taken from the word 'see' which dictionaries describe as to perceive something. Perception is the process of recognition or relating what the eyes see with previous knowledge. 'Phillip is seeing a can of Coke' means Phillip is mentalising what the aluminium tube with red and white writing on it means to him.

In summary, 'Looking' is turning one's eyes to a certain object while 'seeing' is the perception of an object or how a person determines what he is looking at.

Take action

It's one thing to get shoppers and consumers to look at your brand, but another to get them to really see it. Here are some initial considerations to turn looking into seeing.

Firstly, consider these questions: Why should shoppers and consumers look at your brand? And, What do you want them to see? Why do people consume your brand? And why is that? And why is that (See evolution earlier) - Make emotional connections with consumers. How much of a consumption occasion does the sight of your brand convey? -Develop an occasions based communication strategy. Images before words – As a species, we mentally process images significantly faster than words - If you can say it with an image, do so.



Emotions are 3,000 times faster and 24 times more persuasive than rational thought.

Instinct

"Instinct: A natural or inherent impulse or behaviour; the capacity of an animal to complete a complex behaviour automatically, without intermediate conscious awareness.

Could you make your brand easier to buy and use? Instinct is defined as the way shoppers and consumers naturally react or behave, without having to think or learn about it. Every additional information point, design change, promotion, range review or whatever, makes it harder for people to mentally process your brand. Harder means less likely to do so!"

The science

Instinct is a term used to describe a set of behaviours that are both unlearned and set in motion as the result of some environmental trigger. Instincts are also related to motivation since they can occur in response to a person's need to satisfy some innate internal drive tied to the four Fs: Fight, Flee, Feed. Fornicate

In the world of brands, consumers try them, adopt them and they almost become instinctive: 'We always buy XXXX'. Shoppers and consumers have more choice than ever before, so the importance of becoming an instinctive choice can't be understated.

Take action

How instinctive is it for people to buy and use your brand? In other words, can you make it less mentally taxing for shoppers and consumers?

If you came across your brand for the first time, what would you think, if anything? Is it obvious what it is? Is it blindingly apparent what it does? Does your brand have a clear point of difference, that has instinctive connotations?

If shoppers and consumers need to think twice, then you've introduced mental friction, and this is the enemy of instinct. In summary, make it easy, make it obvious, make it instinctive.



Emotion

Brands are emotions: As a simple definition, a brand is often merely a commodity with emotion attached so that it has a distinct 'personality' that tries to be different from other, competing brands.

An emotion is an affective state of consciousness in which joy, sorrow, fear, hate, or the like, is experienced. A strong emotional response can be accompanied by certain physiological changes, as increased heartbeat or respiration, and often overt manifestation, as crying or shaking.

The science

An emotional response is a complex reaction pattern, involving

experiential, behavioural, and physiological elements. The specific intensity of the emotion (e.g., trust or pride) is determined by the specific significance of the event to the person themselves. For example, if the significance involves immediate personal threat, fear is likely to be generated. But if the significance involves personal disapproval from another, shame is likely to be generated.

We can and do get emotional about things that don't directly concern us (good films and novels are examples). We can also get emotional about brands, both for good and bad.

Take action

How do you want shoppers and consumers to emotionally respond to your brand? Do you really know how people really feel about your brand? What is it that sets you apart from the competition.

You no doubt have a brand strategy and a pricing strategy, but do you have an emotions strategy? In other words, have you mapped out how you want shoppers to think about your brand at a deeper, more emotional level? Remember. emotions stimulate the mind 3.000 times faster than rational thought and are 24X more persuasive.



System 1, System 2

System 1 and System 2 are two distinct modes of decision making: System 1 is an automatic, fast and often unconscious way of thinking. It is autonomous and efficient, requiring little energy or attention, but is prone to biases and systematic errors. System 2 is an effortful, slow and controlled way of thinking. It requires energy and can't work without attention but. once engaged, it has the ability to filter the instincts of System 1.

The science

System 1 is capable of making quick decisions, based on very little information. Maybe your eye is instinctively drawn to the dark red label on the pasta sauce... maybe your colleague was

wearing a flattering new shade of lipstick this morning? These fleeting impressions, and the many other shortcuts you've developed throughout your life, are combined to enable System 1 to make these decisions quickly, without deliberation and conscious effort.

System 2 is thinking slow. This is a more complex and mentally draining process. It's also the process used to plan and prepare. It's actually sitting down to write a shopping list. System 2 shopping is all about making rational decisions, which is the best price, best value, etc.

Psychology researchers have found that the more complex a task is, the more likely people are to engage in System 2 decision making.

One interesting experiment, performed by Alter et al., found that simply decreasing the legibility of the font used in a common cognitive test made people more likely to switch to System 2.

Take action

Is your brand more of a
System 1 purchase or a
System 2 buy? Furthermore,
what percentage of shoppers
buy and consume your brand
System 1 vs. System 2.
Answering these questions
is key if you really want to
optimise your marketing
and communications.

As a simple rule of thumb, consider the front of the pack as System 1 space and the back of the pack, System 2.

Luckily, most brands can appeal to shoppers and consumers by combining System 2 messages, which are more fact-based, with reinforcement of consumers' System 1 beliefs about the brand. Those rational messages can provide powerful justification in the choice of what to buy.



As a species, we are unable to prevent all sensory stimuli from influencing us: Sight, sound, touch, taste and smell.

Rational choice

The structure of thought and reason are familiar to many people. They help us order our world. Among other things they allow us to organise, plan and problem-solve. Many of us go around thinking that we are reasoned, rational and productive! We try to limit or completely suppress any and all emotions so we can stay "Spock like" in our decision making. Unfortunately, that's nothing like what really goes on.

The science

The prefrontal cortex, where conscious rational thinking occurs is far more developed than in any other creature. This means we are not slaves to our emotions and intuitions, but can take their benefits while also knowing, a lot of the time,

when not to. Our best thinking is when we think about our thinking, to consider the reasons behind it. which enables us to revise it. Thusly using reason and emotion together. Reasoned thought and intuitive emotion, gives us much better results than would either alone.

Emotions are like the horses of the chariot while reason is like the charioteer who controls the horses. Your reasons must control your emotions to achieve your goals in life. When horses go wild, the charioteer loses all control and that leads to the destruction of the chariot, the charioteer and also the horses.

When a person is in the state of extreme emotion he loses all his reasoning power. This happens when you are in deep love with someone or hate someone intensely.

Take action

There is a saying that goes: Emotion decides, reason justifies, and that's pretty true when it comes to brands. You present your wares to shoppers and consumers in the hope they'll choose you. To significantly increase the chances of them doing so, means you need a two pronged communication strategy.

Firstly go for the emotions: engage using powerful four F cues Fight, Flee, Feed, Fornicate. "This deodorant increases my chances of finding a mate." Secondly, allow consumers to congratulate themselves on a good purchase decision, "and it was buy 2 get 1 free."

Processing fluency

Every day, potential customers and clients make judgments about products or services based on the way things are presented to them. Processing Fluency is one of the most important aspects of design. Making your brand easier to think about and mentally process will increase preference, liking and share.

The science

Processing Fluency is a cognitive bias in which our opinion of something is influenced by how easily our brain processes it and understands it. We tend to prefer things that are simple to understand and use, and will even find simple information more believable. An intuitive pack design, or a simple special offer represent high processing fluency.

Low processing fluency occurs when we find something difficult to interact with or understand. This causes us to expend more effort, resulting in negative feelings and associations.

Seemingly insignificant aspects of design and brand presentation can have surprising effects on consumer and shopper perceptions and behaviour. If information is made to appear simple, we're more naturally receptive to it. If it appears complex, we're likely to be put off. In general, anything that affects the ease or difficulty of mental processing can, and does, alter people's perception of your brand.

Take action

Because familiarity enables easy mental processing, it feels fluent. So people often equate the feeling of fluency with familiarity. That is, people often infer familiarity when a stimulus feels easy to process. Here's a quick checklist to check the fluency of your brand communications.

- Is the information you present as easy to read as it could be in terms of short words, phrases and sentences?
- An easy on the eye san-serif font makes the product easier to prefer than a scripted font
- Darker print on a light background is perceived as being more truthful
- Graphic illustrations are easier to process than written descriptions.

Cognitive biases

If you had to think about every possible option when making a decision, it would probably take a lot of time to make even the simplest choice. Because of the sheer complexity of the world around you and the amount of information in the environment, it is necessary sometimes to rely on some mental shortcuts that allow you to act quickly.

The science

A cognitive bias is a type of error in thinking that occurs when people are processing and interpreting information in the world around them. The human brain is powerful but subject to limitations. Cognitive biases are often a result of your brain's attempt to simplify information processing. They are rules of thumb that help you make sense of the world and reach decisions with relative speed.

When you are making judgments and decisions about the world around you, you like to think that you are objective, logical, and capable of taking in and evaluating all the information that is available to you. Unfortunately, these biases sometimes trip us up, leading to poor decisions and bad judgments.

People sometimes confuse cognitive biases with logical fallacies, but the two are not the same. A logical fallacy stems from an error in a logical argument, while a cognitive bias is rooted in thought processing errors often arising from problems with memory, attention, attribution, and other mental mistakes.



Take action

Here are 2 well-known cognitive biases that lead shoppers and consumers to make less than ideal decisions.

Anchoring Bias: This is the tendency to rely too heavily on the very first piece of information you learn. If you learn the average price of a product is a certain value, you will think any amount below that is a good deal, perhaps not searching for better deals. In other words, the first price shoppers see in a category anchors them to an expectation.

Loss aversion: People tend to fear a loss twice as much as they are likely to welcome an equivalent gain. Telling shoppers that they will save 10% feels twice as good as saying 10% extra free.



System 1 decides what we buy, System 2, merely justifies it.

Numbers

Numbers. They're all around us. The building blocks of calculation are used in several different ways, whether in their numerical form or symbolised by a number of specific objects. Like colours, numbers have their own psychology.

The science

Traditional economic theory has long assumed that humans are logical, unemotional, and make decisions that are in our own self-interest. In recent years, however, the growing field of behavioural economics has revealed that this assumption is flawed.

A 1981 study conducted by
Amos Tversky and Daniel Kahneman,
pioneers in behavioural economics,
demonstrated how framing effects
can have a psychological impact
on the choices that we make.
When participants of the study were
asked whether they would drive
twenty minutes out of their way to
save \$5 dollars on a \$15 calculator,
nearly 70 percent said yes.

But when asked if they would drive twenty minutes to save \$5 on a \$125 jacket, only 29 percent said they would. Why? Even though the \$5 savings is rationally identical between the two products, receiving a 33 percent discount feels like a more enticing deal than 4 percent, and we're willing to work harder for it.

Take action

Here are a small selection of my 487 specific insights into the human mind and numbers.

The "odd effect" — it takes our brains 20% longer to process odd numbers.

Prices containing more syllables seem drastically higher to consumers. Keep syllables to a minimum.

Ending prices with the number nine is one of the oldest methods in the book, but does it actually work?
Yes, resoundingly!

Size matters. Bigger numbers should be used to convey increases in nutritional benefits (1,000 milligrams of fibre, not one gram) or cell phone talk time (660 minutes, not 11 hours) to make people feel as though they are getting better deal.

Loyalty

The secret to stronger brand loyalty starts with understanding your customers. And you can't acquire those customers unless you first understand what drives them to act. In an ideal world, all your customers would be loyal to your brand. Loyalty means a customer is willing to come back to your brand for multiple purchases and experiences, forgoing your competitors', but they don't!

The science

Brand loyalty is a mental connection that consumers have with companies and their products.

According to one study, the majority of consumers want brands to take an active interest in understanding their needs before they'd even consider purchasing.

That's why everything you do as a brand should take human psychology into account. Your customers have to develop an emotional investment not only in your product, but also in the brand itself.

Consumers stay consistently loyal to a certain brand for a variety of reasons, but loyalty primarily begins when a customer trusts a brand and the brand's products align with the consumer's values. If a brand can meet a psychological need, like making buyers feel more likable or like they're part of a shared community, it can create a much stronger emotional connection. Suddenly, the relationship with the brand becomes a statement about self.

Take action

Ask yourself a big question:

What psychological and emotional needs and desires does my brand help my target audience fulfil?

If your answers are all functional, or if your brand fails to address any psychological or emotional drivers, you may have some work to do.



Social proof

Humans look to others in their social groups to help inform their choices. That's social proof. We want to make the right choice, so we look at what "society" at large does to figure out the correct action in a given situation.

The science

Psychologists would call social proof something like conformity bias or herd mentality. These forces are what allow just 5% of a group to influence the rest of the crowd. When it comes to consumers making decisions, we tend to follow others because we're looking for more information to help us make choices.

Social proof is the result of a deeply rooted psychological bias. It implies trust in other people. The Social Proof Theory has been and continues to be one of the most effective means of persuading consumers to buy a product. Supplementing products with tag lines such as "9 out of 10 doctors recommend..." or "the most popular...," and using testimonials significantly increase the chances of the product being bought.

We think anything used by experts is good, because they probably know more than us.

We buy products endorsed by celebrities to be more like them.

We trust reviews because the reviewers have used the products, unlike ourselves.

Take action

Social proof can work wonders for your brand. Try out the following tactics and see what type of results you can achieve.

A sure-fire shortcut to generating perceived social proof is to show images of others using or consuming your brand.

When it comes to in-store, some products missing off the shelves or promotional end is a good thing – Communicates that it's a popular purchase.

Giving away free samples of your brand at the store entrance shows your brand in lots of other peoples baskets and trollies – Instant social proof!

Got a question... why not ask ME?

Get in touch for more information and for a chance to win a copy of Shoppology.

phil@adcocksolutions.com

7 07960 109 876

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If you think these 12 aspects can improve performance, lets talk about the other 1,400.

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