



Digital Persuasion

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Traditional sales psychology is being updated for the digital age. Maurits Kaptein explains how "persuasion profiles" will help create more effective messages and improve results.

What kind of shopper are you? Do you always buy the most popular items? Do you look to see what your friends are buying? Do you look at the newspaper reviews before buying a new book?

Questions like these lie at the heart of a new set of techniques that are just starting to be applied to e-commerce, lifestyle changes and almost any facet of your life.

Such "persuasion profiles" differ from the personal recommendations we know and,

sometimes love, from Amazon and iTunes, which are based on purchase patterns and behaviour on site, in that they are based on an understanding of our psychology rather than the relevance of a particular book or music track.

They are also a step beyond online behavioural targeting in that they detail not what we have been looking at but rather what messages we are likely to respond to.

What “persuasion profiles” potentially tell brands and governments is whether you are more likely to respond to a message based on authority, whether you are more likely to respond to scarcity or whether you are more likely to respond positively to someone you like?

They can be applied across all aspects of your behaviour and ultimately could become tradable data valued on the basis of their ability to boost conversion rates and improve take-up of other changes desired by governments, service providers and campaigners.

In essence, they are the digital equivalent of the salesperson’s skill in sizing up a customer and working out what message about his or her product is most likely to convince them to buy. But while their use on a one to one basis is as old as the human race, their widespread adoption and automated inclusion in communications raises a number of wider issues.

With us now

The use of psychological strategies is already part of the world we live in. They are used in DirectLife, Philips’s health and weight management tool, which guides consumers towards a healthier lifestyle.

They can be seen in apps like MyZEO, which is designed to help people sleep better. Devices and tools such as these rely on what are called influences strategies, which are designed to increase their effectiveness.

Some researchers specify more than 100 influence strategies or ways to convince people to adopt a certain pattern of behaviour but there are six core principles of persuasion.

6 CORE PRINCIPLES OF PERSUASION

Reciprocity

People feel obligated to return a favour, thus when a persuasive request is made by a person the receiver is in debt to, the receiver is more inclined to adhere to the request.

Scarcity

When something is scarce, people will value it more. Announcing that a product or service is scarce will favor the evaluation and increase the chance of purchase.

Authority

When a request or statement is made by a legitimate authority, people are more inclined to comply or find the information credible.

Commitment and Consistency

People do as they said they would. People try to be consistent with previous or reported behaviour, resolving cognitive dissonance by changing their attitudes or behaviours to achieve consistency. If a persuasive request aligns with previous behaviour people are more inclined to comply.

Consensus

People do as other people do. When a persuasive request is made people are more inclined to comply when they are aware that others have complied as well.

Liking

We say "yes" to people we like. When a request is made by someone we like, we are more

inclined to act accordingly.

In fact, each of these six influence strategies can be seen in an e-commerce domain, so reciprocity can be delivered when online stores offer a small gift to consumers; scarcity includes limited time offers; authority is recommendations; commitment strategies could include a wish list; consensus would include showing how many other people had also bought these products in question; while liking could be the use of social media to promote what your friends had bought. While such techniques are a common part of the e-commerce palette, what's new is the application of them to you as an individual. So that the sales tactic used to make you buy is intentionally different from the pitch I get and based on your (and my) previous behaviour.

Having developed the concept of persuasion profiles with Dean Eckles at Stanford University, I wanted to see how they might be applied in a real world context. In partnership with a new Dutch children's clothing store, kinder-kleetjes.com, I tested two of these influence strategies while monitoring store performance before and during our experiment.

The Experiment

Kinder-kleertjes.com offers a selection of more than 1.200 products, via two affiliate programmes and the website aims to attract traffic via search. Running since July 2010, it is a small site with an average of nearly 400 visitors each month during the six-month experiment. I monitored click-throughs and average purchase per visitor from July until October 21 to provide a baseline for our month-long experiment.

The homepage of the online store presents a random collection of 40 products together with pictures and a single sentence description. Once a visitor clicks on one of the products (or enters the site using a search term directly pointing at a product page) a product is displayed which shows a large image and a textual description of the product.

We decided to offer a three-strategy choice – no influence strategy, scarcity (“special offer”) and consensus (“best seller”). Every other factor including price remained consistent.

Consumers who clicked through would either see no text or a message that read “This clothing item is available today at a special discount rate” for the scarcity strategy and “This is one of our best-selling clothing items” to appeal to consensus seekers.

Consumers would get a particular message, initially most often based on what was proving most successful, but as users looked at multiple items we were able to apply learnings about them as individuals to see if we could convert them.

We attracted 831 unique visitors during our trial and, while our adaptive persuasion took time to learn what might work best, both the scarcity and consensus strategies significantly outperformed the “No Strategy” implementation within two weeks.

During our baseline period, 14,4% of the users of the site eventually clicked on one of the products and were taken to the vendor’s home page. With our adaptive persuasion techniques in use this increased to 18,3%.

We’ve since repeated the experiment using only half the customer base as our test and the other half as our base level. The aim was to remove any element of seasonality from our results. Once again click-through rates increased, up from 9,4% to 13,5% using our adaptive persuasion algorithm.

Valuing These Profiles

Because such profiles and strategies can deliver improvements in performance, they clearly have a value for anyone who seeks to change consumer behaviour. Companies or organisations that we visit infrequently might rely on probability tools such as algorithms to decide which strategy to apply, but for a retailer such as Amazon that we might visit frequently, it could be worth building up a complex individual profile.

And, unlike recommendations for books and music, persuasion profiles could be applied across product sectors. For example, the profile constructed from observing a user’s online shopping behaviour could be of use in increasing compliance in saving energy.

Not only could persuasion profiles be used across different contexts within a single organisation but there is the option of exchanging the persuasion profiles between corporations, governments, other institutions, and individuals.

As with other consumer data, it's possible to envisage a market for these profiles developing subject to existing constraints on data usage. Such potential transfers create ethical issues because, once constructed, the profiles can be used for ends not anticipated by its designers.

Then there's the issue of ownership. Do individuals have access to their complete persuasion profiles or other indicators of the contents of the profiles? Are individuals compensated for this valuable information?

What if an individual wants to use the hypothetical persuasion profile created by Amazon to jump-start and improve the effectiveness of a mobile exercise coach, would they be able to obtain and transfer this profile?

It's early days and the answers haven't been resolved.

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