

Consumer Psychology

Selling Fast and Slow: How understanding the brain's two systems can boost your sales



Endless
Gain

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You aren't
a rational
human
being

Introduction

Until recently scientists believed that human beings were rational. And that we made rational choices based on reason and expected outcomes. However, this isn't actually the case.

Our decisions are often not our own conscious rational choices. But the choice of the person attempting to persuade us.

Don't believe me?

Have a look at this example from psychologist and behavioural economist, Dan Ariely. In his TED talk,¹ *"Are we in control of our decisions"*, he refers to *"Organ donation consent research across various European countries"* by Eric J. Johnson and Daniel G. Goldstein (see chart).

The chart plots—by country—the percentages of people consenting to donate their organs after death.

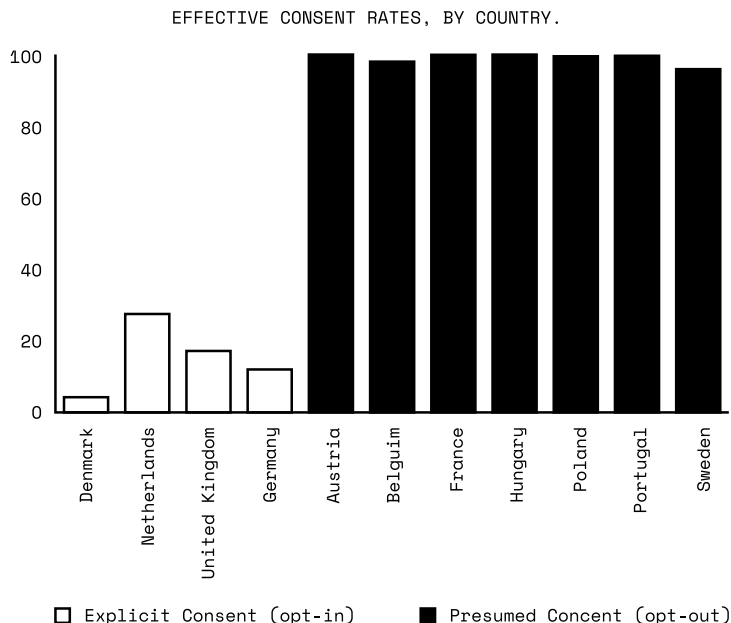


Image source: EJ Johnson and DG Goldstein, "Defaults and Donation Decisions", *Transplantation*, 78(12), 1713-1716 (2004).²

You might think the reason a country has more—or fewer—donors is due to religion, culture, etc. But the truth is those countries with most donors use consent forms where people have to opt out of consenting. And the countries with the fewest... their donor forms require people to opt in to give their consent.

Therefore, in some countries the choice for becoming a donor has actually been made by those who designed the consent form!

Why is this such a successful way to get consent for organ donation?

It's because the decision to consent is so complex. Therefore, we have a tendency to go with what was chosen for us:

Opt-out

☐ Check the box if you **don't want** to participate in the organ donor program

Opt-in

☐ Check the box if you **want** to participate in the organ donor program

Opt-out

☐ Check the box if you **don't want** to participate in the organ donor program

people don't check the box and therefore **opt in**

Opt-in

☐ Check the box if you **want** to participate in the organ donor program

people don't check the box and therefore **opt out**

In another lecture, Ariely explains why people think in relative terms.³

An experiment shows people would walk for 15 minutes to save \$7 on an \$15 item. But they wouldn't make the same 15 minute trip to save \$7 on a \$455 item.

If people were rational, the price of the item wouldn't matter to them. What would matter is saving the seven dollars with a 15-minute walk.

It's hard to accept our behaviour is influenced. While we think of ourselves as rational, we are actually rationalising the decisions we have already made. Therefore, we are not rational human beings at all.

We are rationalising human beings.

We are a brain

So how come we are not rational? To explain, I need to describe what we are. Think of you, me—and your customer—as a brain.

It comprises 100 billion neuron cells... between 10 to 50 times as many glial cells (which support the neurons)... and 1,000 trillion synaptic connections between the cells. It's the most complex structure that exists in the universe.

And—little by little—we have only recently started to discover what determines the processes that happen in the brain. Our emotions, thoughts, decisions and behaviour.

But it hasn't always been like this...

Lets go
back,
way back,
to the
beginning
of time...

The evolution of the human brain

The earth is thought to be more than 4.5 billion years old and life forms emerged around 4 billion years ago. In evolutionary terms, our “old brain” has its beginnings around 600 million years ago when early life appeared, for example, creatures such as worms.

The first primitive primates—our early ancestors—appeared around 40 to 55 million years ago. They were very much creatures of instinct. They had yet to develop the power to reason and apply logic to situations. Instead, everything they did was geared automatically towards survival.

Then about 70,000 years ago, early humans developed consciousness. Now they had the ability to imagine, form much larger social groups beyond their immediate families. They expanded across the world. They developed religious beliefs and began to make wise decisions. Evidence of more and more rational and conscious behaviour appeared.

Rational versus non-rational behaviour

Compare the 70,000 years of rational evolution of brain behaviour against the 600 million years of the evolution of the brain. It's not a long time.

And it tells us we have only been able to make rational decisions for 0.01 per cent of our brains entire evolutionary lifetime.

So is it any wonder that we very rarely make rational and logical decisions?

“We are non-rational because we only recently evolved our ability for rational thought.”

The dual-processing brain

Over time we have evolved a dual processing brain: System 1 (automatic) and System 2 (conscious).

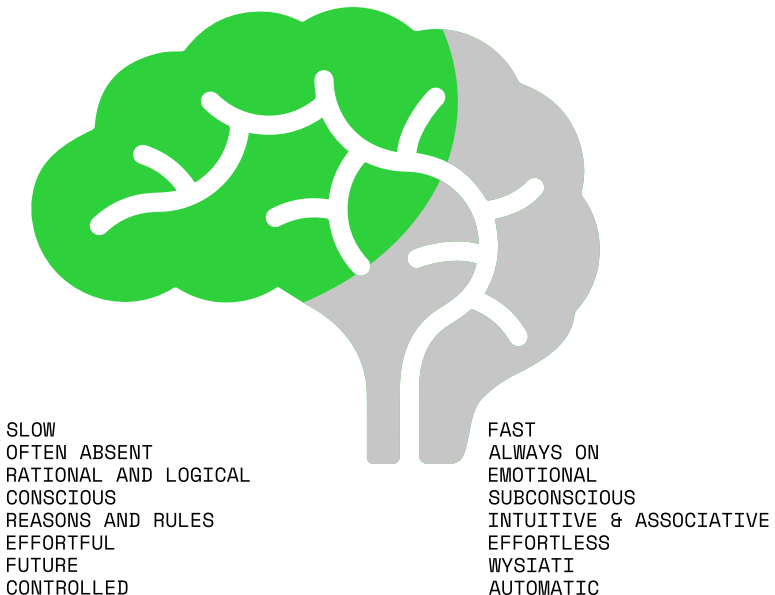
While System 1 tends to get things done quickly, it's prone to making mistakes and over-simplifying complex problems. System 2 can make sense of these complicated issues, but is often slow to react.

- + System 1 is fast and intuitive
- + System 2 is thoughtful, slow, and decided

THE BRAIN'S TWO SYSTEMS

SYSTEM 2
(FRONT BRAIN)

SYSTEM 1
(BACK BRAIN)



Choosing sides: System 1 or System 2

Example 1

For a split second—and no more—look at the image on the next page, then look back here again.

What did you see?

You saw a lot. You saw a man... he was angry... he was frowning... his eyebrows were raised... he was pointing aggressively at you.

In a split second your brain became extremely active. It worked automatically to process all the signals projected by the picture. This is your System 1 working.



Example 2

What is 2×2 ?

Automatically, you knew the answer was 4. You didn't have to think about it. That was your System 1 in action again.

Example 3

Now calculate this sum in your head.

What is 17×28 ?

Not so easy is it? It's not immediate. You have to spend time on it. You have to spend mental energy to get the answer (476). This is your System 2 at work.

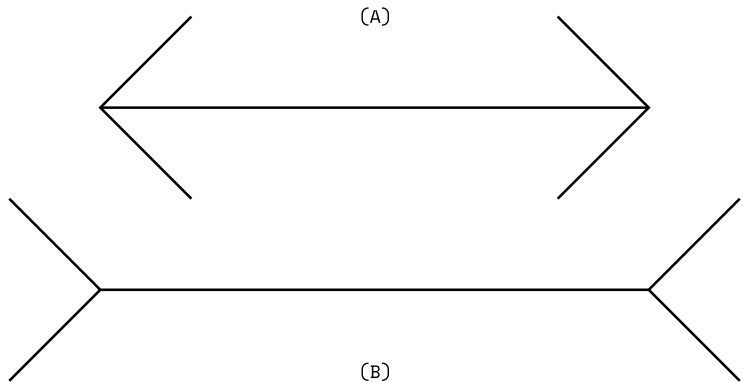
It's slow, it needs focus and is energy draining.

Your two systems can work together. System 1 is always there and is always active. And when it doesn't have an answer it will call on your System 2 for help.

But sometimes your two systems conflict and challenge each other. Here are some examples:

Example 1

Look at these two lines. Which is longer (A) or (B)?



Your automatic answer would be (B). In fact, they are both the same length.

Example 2

This is called the Stroop effect. As quickly as you can name the colours of the words in the block. Do NOT read the words.

BLUE YELLOW BLACK
RED BLUE ORANGE
GREEN PURPLE RED
BLACK RED ORANGE
GREEN BLUE BLACK
RED PURPLE YELLOW

Your System 1 response is to read out the words.

But your conscious System 2 overrides it. It slows you down to allow you to concentrate on reading out the colours of the words.

It takes a lot of mental effort and energy to complete this task, and you probably still made a mistake or hesitated while completing it.

Your
customer
is a dual-
processing
brain

System 1

Main Characteristics of System 1

- + In evolutionary terms, System 1 is very old
- + It is constantly present
- + It operates subconsciously
- + It has immense processing power
- + It is emotional
- + It needs these abilities to process millions of pieces of information every single second

1. Always on

System 1 never switches off.

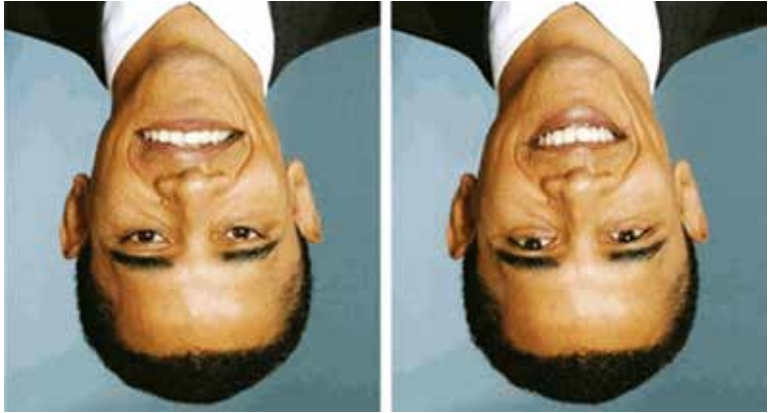
This harks back to our primitive ancestors. Because even when they slept, System 1 was active and warning them about predators and other dangers.

When System 2 takes the lead and tries to make a logical, rational decision, we still need System 1's emotional charge to our rational decision making—so, it is involved in every decision we make.

**Look at the upside down pictures of Barack Obama on the next page.
Can you spot the differences between them?**

Now turn the page upside down. See the difference now?

Until you saw them the right way around, you probably didn't notice quite how different they actually are.



Why didn't you notice anything strikingly different in the upside down photographs?

Because even though consciously you knew they were different, you found it difficult to control your System 1's automatic response—seeing Obama as you would expect him to appear.

Throughout the brain's evolution, System 1 has been automatically scanning faces and saving them to memory.

Faces are scanned in sections; hair and forehead, eyes, mouth, etc. And as long as things are where they should be, our automatic response is to see them as we would expect.

Because of this, System 2 will not devote time to resolving whether faces are as they should be. After all, how often are the eyes the wrong way around? How often is the mouth upside down? Probably never. Unless, of course, when depicted in optical illusions like the above.

2. WYSIATI (what you see is all there is)

System 1 is automatic and can be thought of as being overconfident.

In his book, “Thinking Fast and Slow”, Daniel Kahneman introduces the concept of “What you see is all there is (WYSIATI)”.⁴

Kahneman says when the mind makes decisions, it deals primarily with **known knowns**—things it can immediately observe.

It rarely considers **known unknowns**—things it knows to be relevant but about which it has no information.

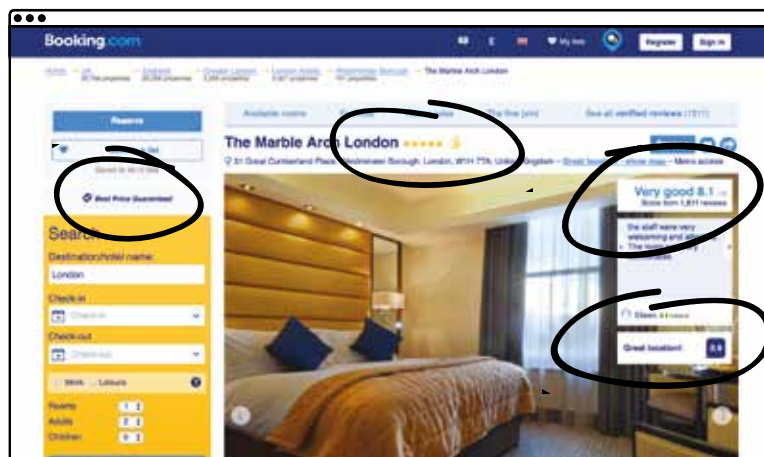
And finally it appears oblivious to the possibility of **unknown unknowns**.

According to the WYSIATI principle, System 1 responds to how we see the world around us by processing exactly what we see. It does not take consciousness into account.

This dates back to our evolutionary days—before our conscious System 2 evolved. Therefore, what you see is all there is. If you can’t see something, it’s not there.



Three for two offers are very popular. We rarely check or question the single unit price.



We believe what we see and rarely seek independent clarification.

3. Associative

System 1 is associative and operates as a neural network of connecting nodes.

If one node activates in response to a stimulus, it sends a signal to activate another and so on until all associations are complete.

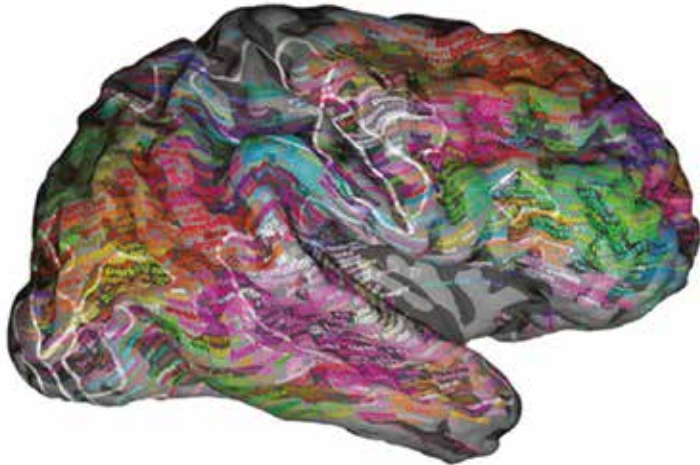
For example, if we see or think about lips, other nodes will activate images of kiss, lipstick, red, makeup, seduction, etc.

Those kinds of positive associations can help to market and sell more products.

Here's an example from the recent UK Brexit campaign whereby the image attempts to persuade your brain to associate Turkey with Iraq and Syria. It also uses WYSIATI.



With modern brain scanning technology, it is possible to see these associations in action. For example, neuroscientists at the University of California, Berkeley, have mapped how words and their meanings are represented across different regions of the brain.⁵



There is also a short YouTube video about it. Please do watch it, it's just over three minutes long, <https://youtu.be/k61njkx5aDQ>

4. Emotional

Our emotions are usually associated with System 1 (but there are times when they stem from System 2).

Psychologists recognise that we have two types of emotion: immediate (true) and anticipated (expected).⁶

Immediate (true)

System 1's immediate emotions are often unrelated to immediate buying but they do influence buying behaviour. And the stronger the emotion, the stronger the impact on their buying decision.

Often when we are happy or angry, we induce new and risk-seeking behaviour. When we are sad or fearful, we induce conservative behaviour.

Immediate emotions are real and are based on what a person experiences after making a decision. So they can have a great effect during the decision-making process.

Anticipated (expected)

Anticipated emotions can relate to System 2. As such, these emotions focus on incremental small gains/losses and counterfactual comparisons.

They are not experienced directly by a person. They are felt in anticipation of how a person will feel after experiencing gains or losses associated with the decision. *Will I feel better or worse after buying/subscribing to such and such?* People will focus on either anticipating pleasure or disappointment ahead of making a decision.

They may also compare the potential result of making a decision with what may happen. For example, they may imagine losing a hoped for prize, rather than appreciate the fact they are no worse off than before they made the decision.

This is called a counterfactual comparison.

System 2

System 2 is slow, effortful, infrequent, logical, calculating and conscious.

Kahneman describes our System 2 as "...our conscious reasoning self that has beliefs, makes choices and decides what to think about what we do" (often retrospectively).⁴

System 2 decisions are based upon the evaluation of two key things

1. The possible future (motivation).

"How happy will I be if I buy this dress?"

"Is going on holiday what I really need right now?"

2. How likely is it that future will be reached?

"No it's too much money, I can't afford it."

This behaviour means the ability to buy the dress is not achieved.

"Yes, booking the holiday will allow me to reenergise and focus."

This behaviour means the ability to book the holiday is achieved.

When does System 2 get involved in making decisions?

1. When the consequence of the decision is important.

For example, if you are buying a car or you are signing a finance agreement.

The more expensive the purchase, the more System 2 involvement.

2. When you need to justify the decision to someone else (often a partner).

For example, *"I bought these shoes because they will never go out of fashion. They will go with my work wear and my black party dress.*

And they were on sale." Sound familiar?

3. When you require more knowledge of a product.

The less you know a product, the more mental energy is needed to make a buying decision. For example, imagine you have consistently bought a Mercedes car for the last 10 years. Making a decision to change to a different brand will involve a lot more mental energy than if you decided to stay with Mercedes.

Main Characteristics of System 2

- + System 2 is thoughtful, slow and decided
- + It is regularly absent
- + It needs to be able to focus
- + It has limited capacity (ego depletion)
- + It is the ability to interpret and rationalise

1. Regular absence

System 2's absence is demonstrated by our tendency to respond automatically (using System 1) rather than offering a considered response (System 2).

We often rely on such System 1 responses because it takes very little mental energy to do so. But, this reliance on System 1 makes a person vulnerable to persuasive selling.

Here's an example of how System 2 is often absent.

Let's say we have met for the first time and I tell you I have two children. I tell you one of my children is a girl.

In percentage terms, what is the likelihood that my other child is a girl also?

If you answered 50 per cent (and research shows that a lot of people do), you responded automatically using System 1. And it took very little energy to come up with that answer.

But, it's the wrong answer.

The correct answer is 33 per cent. To explain why, take a look at the table:

GIRL	GIRL	BOY	BOY
GIRL	BOY	GIRL	BOY



You already know one of my children is a girl, so that rules out boy/boy.

Of the three remaining options, I could have had:

- + A girl and then another girl
- + A girl and then a boy
- + A boy and then a girl

Of these three options, two of them involve a boy. Only one involves another girl—and you know I already have a girl. So the correct answer is 33 per cent.

That's the logical System 2 answer. But where was it when you answered 50 per cent? It was asleep. It was absent.

2. Need for focus

System 2 must focus attention on a task. It can't be distracted.

When you're performing a mental calculation and someone distracts you, you lose your place and have to start again. Or, we switch back to System 1 decision making.

This also tells us that we have limited ability to apply attention to tasks.

It is why we seek a peaceful place to concentrate on tasks. And it is why we can be mindful in recognising when people don't want to be disturbed.

3. Limited capacity

System 2 has limited capacity and requires mental energy. And this energy drains over time (this is also called ego depletion).

When this happens our subconscious can take its place... once again making us susceptible to making an automatic, easier response or decision.

What is ego depletion?

Ego depletion (sometimes called ego fatigue) refers to a period when the energy for mental activity is low and our ability to focus conscious effort on making a decision is impaired.

This affects System 2 thinking.

The harder we think, the more mental energy it takes—and there isn't a lot of it available in the first place.

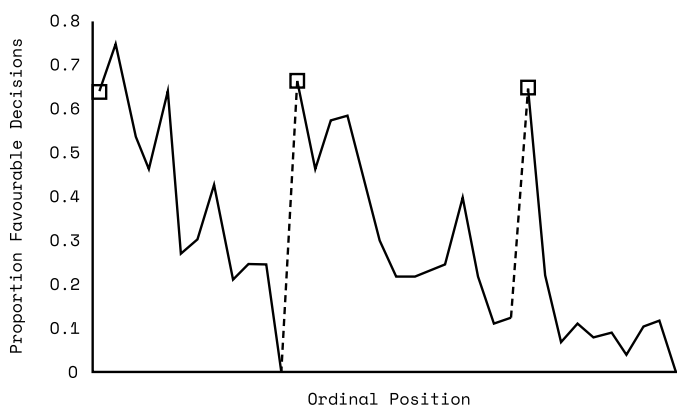
Once it's all gone, it needs replenishing. At this point, System 1 takes over until we are fully energised and System 2 is needed again.

Here's an example with legal consequences:

Researchers investigating whether judicial rulings are based on laws and facts made an interesting discovery...

Experienced judges in Israel granted parole about 65 per cent of the time to the first prisoner appearing before them on a given day (the day being three sessions).⁷

As can be seen in the following graph, by the end of the morning session, the chance of parole was zero.



After lunch, the first prisoner to be reviewed in the second session had roughly a 65 per cent chance of parole. And once again the odds declined steadily as the session proceeded.

After a short break, the third session began again with roughly the same odds of parole for the first prisoner. Again the odds fell off sharply towards the end.

The researchers suggest that making successive decisions depletes mental energy.

Therefore, as the judges run out of mental energy while the sessions proceed, they revert to denying parole—a System 1 response erring on the side of safety.

4. Interpreting

In addition to the general characteristics of System 2, our trait of rationalising our decisions provides us with an illusion of control.

This is known as post-decision rationalisation or post purchase rationalisation (choice supportive bias).

It occurs because our mind is always looking for a reason why we do things. Because we need to feel comfortable about our seemingly rational decisions.

What we come up with isn't necessarily the truth. But it helps to comfort ourselves about the decision we made.

The science bit

System 1 and System 2

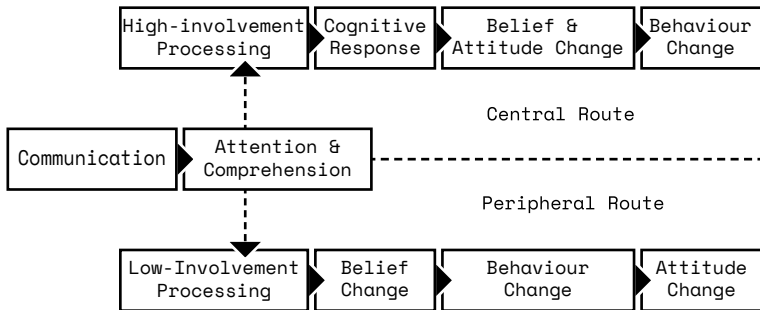
Elaboration Likelihood Model (ELM)

The ELM was developed by Richard E. Petty and John Cacioppo in the mid-1980s.¹⁰

It aims to explain different ways of processing stimuli, why they are used and their outcomes on attitude change.

It proposes two major routes to persuasion: the central route (now known as System 2) and the peripheral route (now known as System 1).

The peripheral route is used when the person has little or no interest in the subject and/or has a lesser ability to process the message.



The central route is used when the person has the motivation as well as the ability to think about the message and its topic.

It suggests that if motivation is high, then deep processing is possible by the central route.

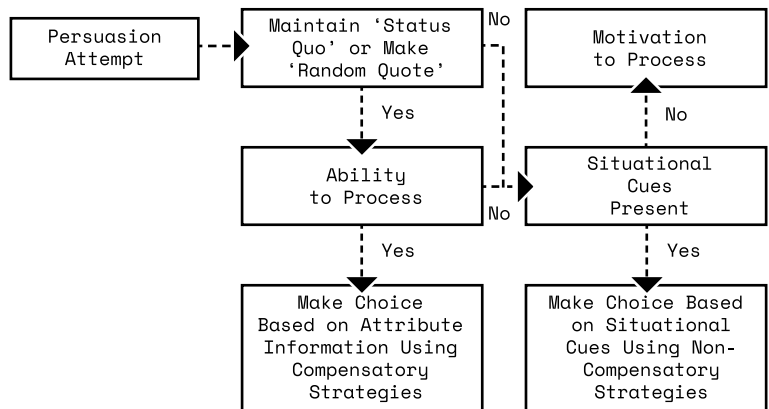
Heuristic Systematic Model (HSM)

HSM is a widely recognised communication model that attempts to explain how people receive and process persuasive messages.¹¹

It suggests that individuals can process messages either heuristically or systematically.

It is thought that people minimise their use of cognitive resources—which affects their message intake and processing ability.

HSM is quite similar to the elaboration likelihood model (ELM), which shares similar concepts and ideas.

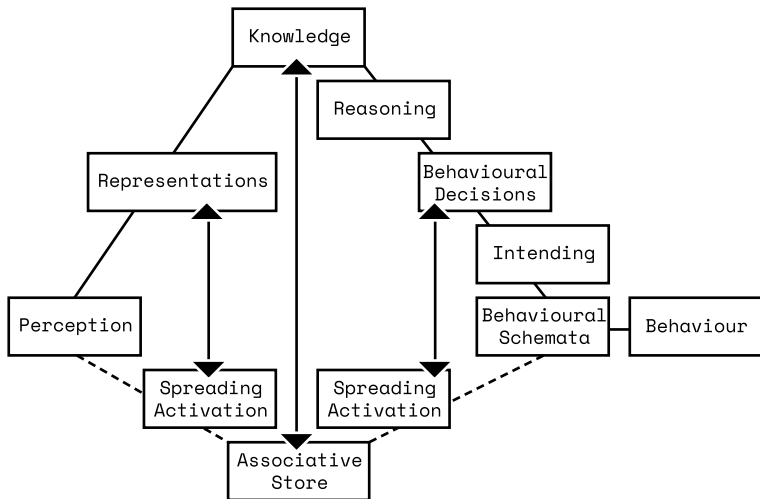


The Reflective-Impulsive Model

The Reflective-Impulsive Model interlinks both System 1 and 2.

It explains social behaviour as a joint function of reflective and impulsive processes.

Here two interacting systems—operating differently from each other—control social behaviour.



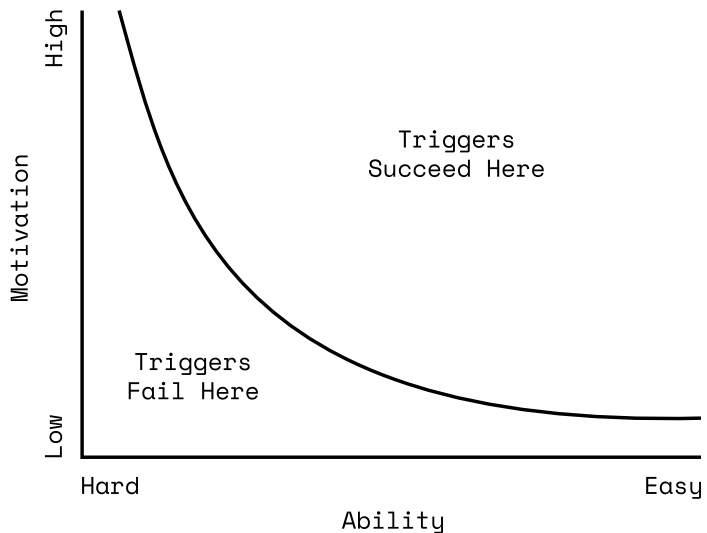
The reflective system uses facts and values to make behavioural decisions.

The impulsive system causes behaviour by associative links (connections between memories) and motivational orientations that define a particular action.¹²

System 2

The Fogg Behaviour Model

The Fogg Behaviour Model was developed by BJ Fogg founder of the Persuasive Technology Lab at Stanford University in California, USA.



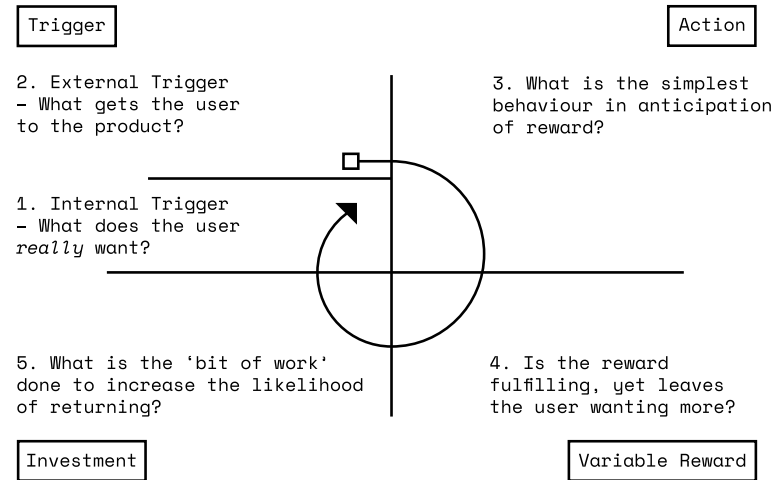
It enables us to organise psychological theories to better understand how they interlink.

BJ Fogg states Behaviour = Motivation + Ability + Trigger, or $B = MAT$.

All of those elements must happen at the “same moment” to elicit the behaviour. If motivation is high but ability is low, a trigger will fail. But when there is high motivation and medium to high ability, triggers will succeed. This is very useful in guiding website design to ensure there are adequate triggers on pages.¹³

Nir Eyal's Hook Model

The Hook Model describes how to convert external triggers that engage a person with a product, into internal triggers that bring them repeatedly back.¹⁴

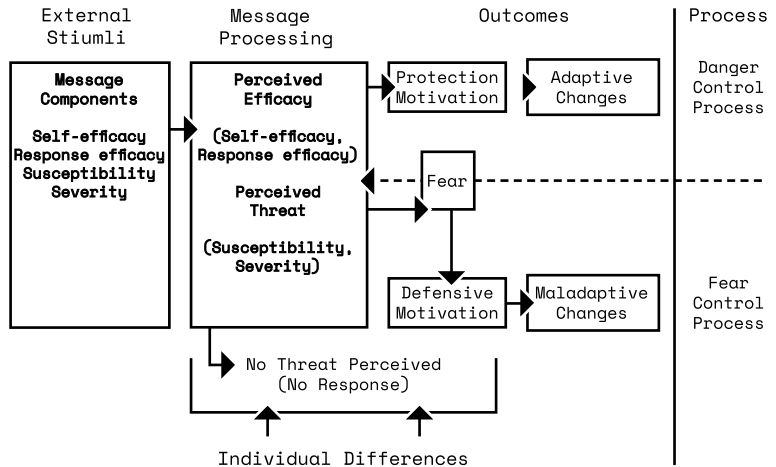


So, in this model, people begin with a decision to do something (System 2). And then it becomes habitual (System 1).

Apps are an example of this. We take a decision to download them, for example, WhatsApp. We then send messages through it (action). And—as a result—we get variable rewards when we receive messages. So we invest more time with it and continue to send messages. Then we use it over and over again.

The Extended Parallel Process Model (EPPM)

The Extended Parallel Process Model attempts to predict how individuals will react when confronted with fear inducing stimuli.¹⁵



It is commonly used in encouraging people to adopt a healthy behaviour.

For fear-based campaigns to be effective, they must:

- + Induce a moderately-high level of fear,
- + And a higher level of self-efficacy and response efficacy.

If the level of fear is too high or not high enough, the message is ineffective.

Ideas to
put into
practice

There are many persuasive psychology techniques that can be used on a website to stimulate System 1 and/or System 2 responses.

They can be used individually, or they can be combined.

Here's a selection of these techniques and some practical examples for you to consider.

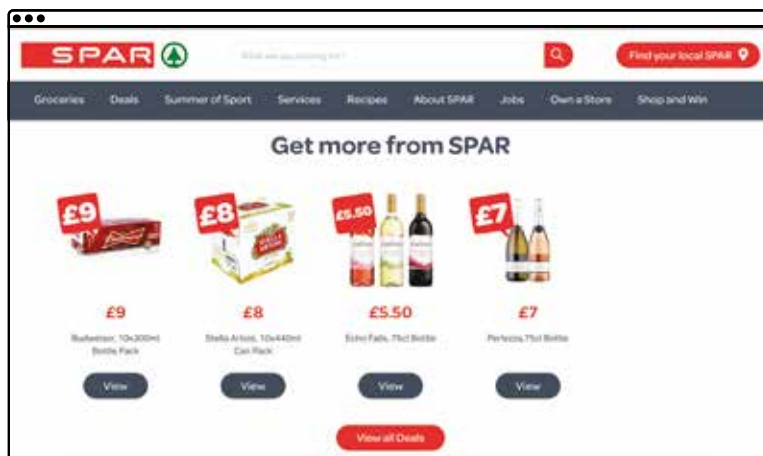
System 1 techniques

Commitment and consistency¹⁶

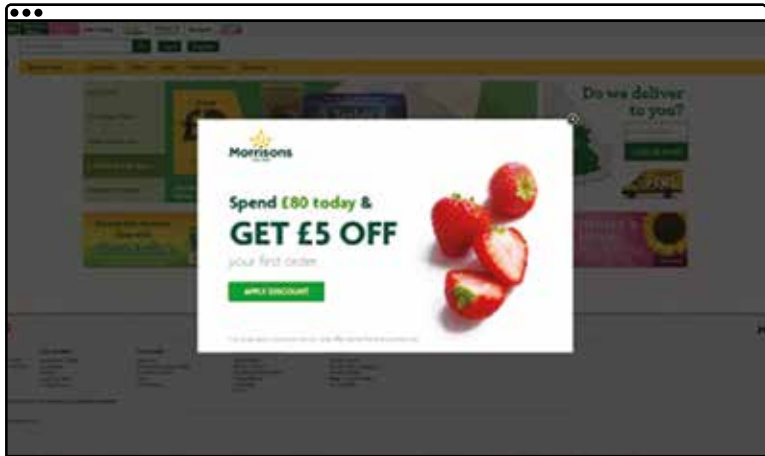
When people show a little commitment to doing something, they are more likely to show consistent behaviour and complete the task at hand.

In ecommerce terms, because we want to sell more stuff, a technique used extremely well by grocers is to get customers to initially add something small to their baskets.

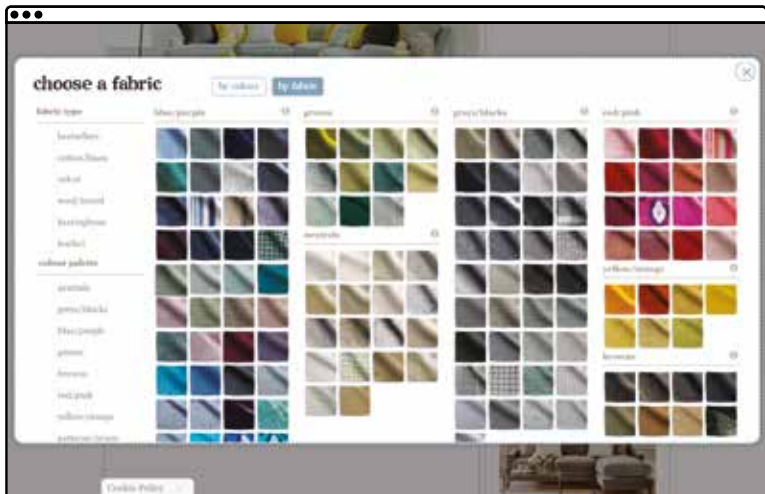
Once they have, they have started to show a commitment to buying and their behaviour will be consistent with their commitment to shop.



To help customers to spend more, grocers also offer incentives to keep shopping.



Another technique is to allow customers to tailor or customise or even design their own products, increasing their sense of commitment. For example, Sofa.com allows customers to select the sofa style, size, fabric, etc.



Get a foot in the door

Apple found when displaying laptops in company stores, if the laptops were folded almost shut, shoppers would open them and start using them, and that led to a purchase.

It's the process of touching the products which gets people to commit to buying them.

So, encouraging people to make their first click on your website is important. They are virtually opening the lid to see what is inside.



Fear

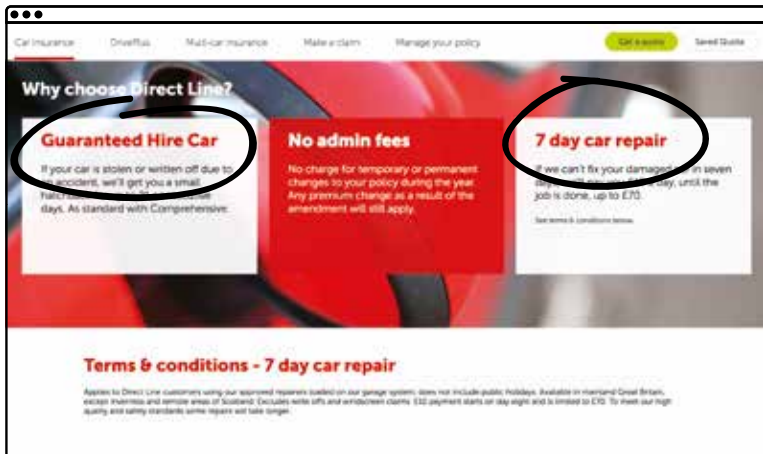
Insurance companies understand that fear sells and people want to eliminate worries. They buy insurance to cover them in case something bad happens to them. For those that need further convincing, you can remind them of the potential losses.

The consumer first has to perceive there is a risk and then gauge whether they are susceptible to it or not.

A website's job is to make it clear that they are. Then it must be able to provide a moderate severity message to keep the visitor's attention. This is followed by showing them if they buy the product they will be rid of the threat.

And you have to show them they are able to take the decision to buy, which boosts their self-efficacy.

The important thing to note is that fear/threat messages have to be relevant to the people on your website. Your offer has to be a real solution to their fear. And it has to give a remedy immediately after the purchase has taken place.



Ambiguity

Ambiguity aversion is a response to how people need certainty in what they see and do (and in the results of their actions).

People prefer recognisable, probable options. They avoid things that look uncertain (shortened urls, for example).

Be specific in what you offer and the interactions you require of your customers. Here is an example of specific delivery options from AO.com.

The screenshot shows the AO.com website's delivery selection process. At the top, there's a green header with the AO logo and contact information. Below the header, a navigation bar shows 'Delivery Address' as the active tab. The main section is titled 'Choose your delivery date & time' and features a calendar for June 28 to July 7. A table below the calendar lists delivery slots with their respective times and costs. To the right, a 'Your basket summary' box shows the total order value of £200. Below the calendar, a section titled 'You don't have to stay in all day because...' offers three delivery options: 'We'll beat you by item with a 4-hour delivery anytime', 'Your delivery team will call when they're on their way', and 'Track your order online every day of the way'. At the bottom, a green 'Continue' button is visible.

Next Day	Next Day	Next Day	Next Day	Next Day	Next Day	Next Day	Next Day	Next Day	Next Day	Next Day
7:30	8:00	8:30	9:00	9:30	10:00	10:30	11:00	11:30	12:00	12:30
28	28	28	28	28	28	28	28	28	28	28
£9.99	£9.99	£14.99	£14.99	£14.99	£14.99	£14.99	£14.99	£14.99	£14.99	£14.99

Inform your customers what will happen after each step that they take throughout their buying journey.

You can also consider offering a certain fixed discount, rather than an uncertain chance to win something.



Other practical things you can do include emphasising ambiguities in competitors' offerings (comparison charts, customer reviews highlighting reasons why others shop with you, etc). And guaranteeing your offer.



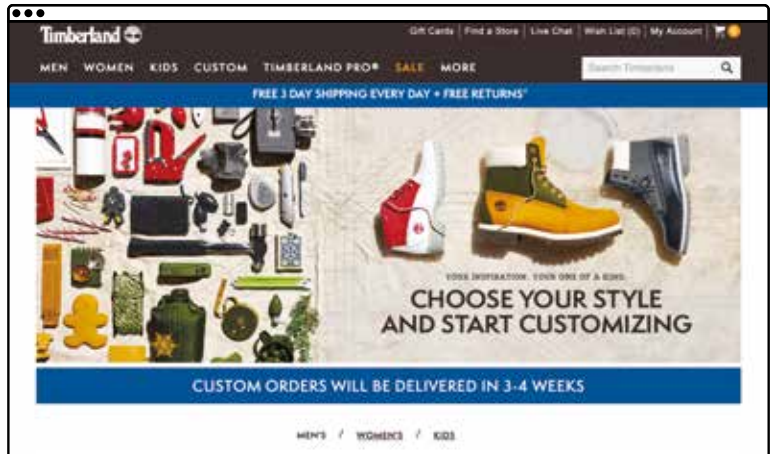
Self-generation

Self-generation occurs when we have to work out something ourselves.

The tendency is for people to prefer their own ideas and use information they generate through their own efforts.

You achieve this by asking customers questions—even ask them what they think is unique about your website and your offerings.

Allow customers to customise the products they want to buy, as in this example here from Timberland.com.



It may even be worthwhile introducing slight friction by asking them to think a bit about their website visit.

You can do this with a pop up, for example, say you're extremely pleased they are considering buying from you today and ask them why they are considering you. Those self-generated ideas help with encouraging commitment to your website.

Endowment effect

Endowment effect (divestiture aversion) works on the premise that we attach great value to what we own.

If we lose or break something, we think of it as being more valuable than what we paid for it. Also, when comparing similar products, the tendency is to believe the one we have is better than the others.

Websites can tap into this by offering free trials before the customer has to buy—implying a free return if not satisfied policy, and so on.

And, when customers leave you, make sure they are aware what they'll be missing out on once they've gone.

This also brings in loss aversion to strengthen the endowment effect.



Affect heuristic

Affect heuristic reflects that we come to different decisions dependent on our emotional state. For example, we are more likely to try new things if we feel happy, but make cautious, conservative decisions when we're unhappy or have concerns.

This is clearly useful and practical. Because you should make people happy when you're trying to sell them something—and make them happy about their choices too.

This is particularly pertinent if they aren't familiar with your business. Or if they're making a complex decision (product configuration tools can help).

But, it's not all about happiness. You can induce a little unhappiness too.

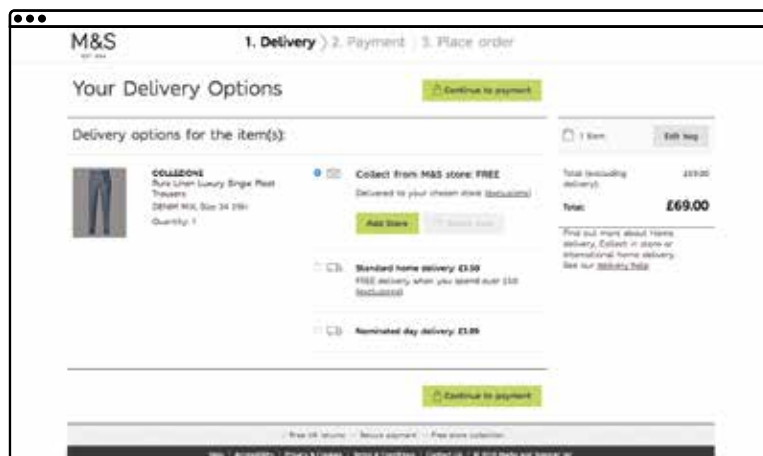
For example, subscription renewals can be pushed along by making customers think that they're going to miss out if they don't get on with it. But, ensure you reassure them that—as soon as they click the renew button—everything is going to be fine with their subscription. And remind them of the benefits.



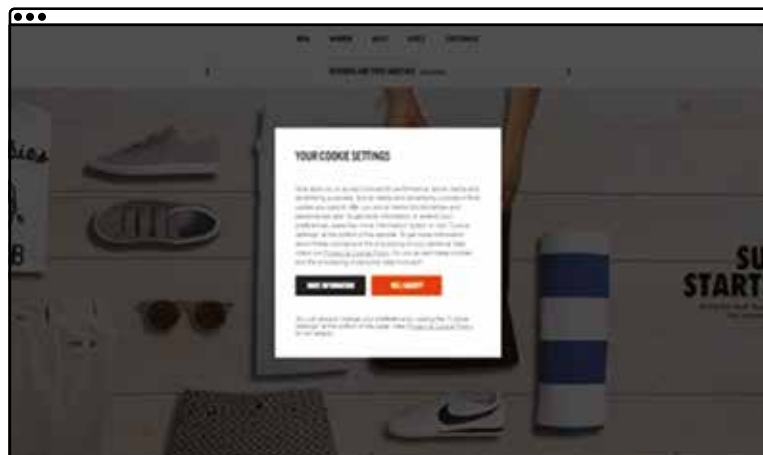
System 2 techniques

Forced choices

Instead of a default, people are required to make a choice, so they have to use System 2 to commit to an answer. Give them two or more specific options. Do you want next day delivery? Yes, or No. Choose A, B or C and so on.



You can—of course—present options to customers so that they select the default. On websites, we often see the cookie messages appear as an overlay of the site. Before you can access the site you have to make a forced choice as in the Nike example below.



The law of distraction

The law of distraction highlights that System 2 cannot manage more than one decision at a time. We have to put full attention to one task at a time.

For example, the chances are high you've turned the radio down before parallel parking, or before performing some other tricky manoeuvre. This is because System 2 can only concentrate on one thing at a time. And as crazy as it sounds, turning the radio down actually allows you to see better.

On your website don't distract your customers, especially when they are just about to check out, with newsletter signups, memberships and other offers.

Awareness alerts

Awareness alerts arouse System 2 so that the customer has to decide between one thing and another. They work to make it difficult for System 1 to respond.

A good example of this is discount popups on websites. These force System 2 to make a choice. And often the choice visitors make has a persuasive influence on their behaviour. Be careful how you use them as excessive use will make them less responsive.



The focusing effect

The focusing effect is evident in peoples' tendency to concentrate importance on some things more than on others.

System 2 requires a low number of easy comparable choices.

This is important when highlighting your unique selling points (USP)—which ideally should be restricted to no more than three—as in the example below from hassle.com. These should emphasise what makes your offering different from everyone else.

If you have a long list of USPs, you need to consider grouping and layering them. Maintaining an emphasis on why people are very happy after buying your product/service (effective forecasting).



The screenshot shows the hassle.com website with a dark blue background. At the top, it says "No payment required" and "Find a cleaner, pay online, relax". Below this are three main sections, each with an icon and a title:

- Find a great cleaner nearby:** Includes an icon of a location pin on a map. The text below says: "No matter where you live, just enter your postcode and RG records later we will match you with a pre-vetted, experienced cleaner in your area - see what's just right for you."
- Manage everything online:** Includes an icon of a laptop and a smartphone. The text below says: "Manage your bookings and pay your cleaner online. Do it from your phone, laptop or iPad. No more remembering to leave cash out on the kitchen table!"
- Go do something fun:** Includes an icon of a person sitting at a desk with a laptop. The text below says: "That's it! We wanted to add a third stat, but there isn't one. You just need to figure out time to use those 3 hours a week you left last week. Your hassle.com cleaner's got you covered."

At the bottom, it says "Paying online is simple. So is the price, starting at: £10/h".

Base rate neglect

Base rate neglect reflects our inability to calculate.

Customers will take decisions based on known numbers/percentages and ignore general statistical information.

They will look at high numbers or percentages and ascribe high value to them without knowing where those numbers actually came from.

For example, a five-star rating might seem to be fantastic. But if it's only reviewed by a small number of people, how fantastic is the five-star rating now? Yet, our brain's automatic response is WYSIATI.

Playing to Base Rate Neglect is manipulating the inability of our System 2 to calculate. So its ethics are frequently called into question.



This example of a product rating from Topshop.com is ethical as it shows not only the star rating, but importantly it makes clear how many reviews made up the rating.

The curse of knowledge

The curse of knowledge plagues us when we know so much about our products/services we find it difficult to appreciate our customers may know a lot less.¹⁷ It's really difficult to take a step back to get to their level.

EE's website attempts to lift the curse of knowledge by explaining relatively technical concepts in simple terms.



Lifting the curse of knowledge requires communicating using your customers' language, rather than expecting them to understand the way you speak. If you don't do something to lift the curse, you'll alienate your customers and—worse still—lose them.

A great way to do this is to listen in on the calls your customers make to your call centre. Listen to the language they use; How they describe your product and the benefits it brings them.

They are sharing valuable information about the language and tone you should use when communicating with them.

Decoy effect

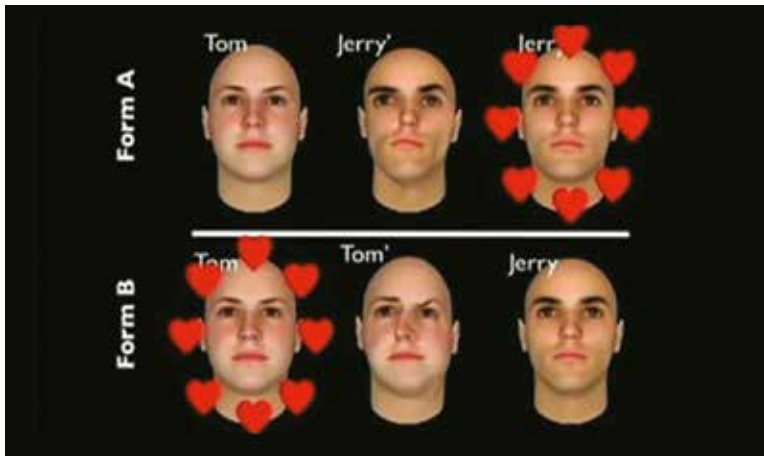
The decoy effect is used to persuade your audience to see you as a more attractive option than the one you're being compared against.

Dan Ariely—who I mentioned in the introduction—demonstrates this. His context is making a choice between people's faces.

Dan used photographs of two different people: Tom and Jerry. The idea being to select who was the most dateable.

But there was a twist ...

He added a third person: An ugly twin—created by Photoshopping either Tom and Jerry's pictures. One group saw Jerry, Ugly Jerry and Tom. Another group saw Jerry, Tom and Ugly Tom.



Whenever their ugly twin was around, the other Tom—or Jerry—was popular.¹ This technique is useful for upselling and for decoy selling.

Choice paradox

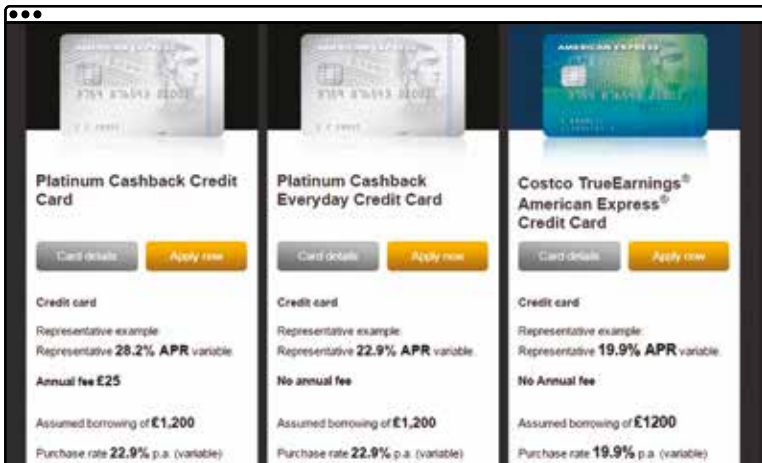
Choice paradox explains that if we are presented with too many options, the fewer choices we make¹⁸. When System 2 is asked to make a rational decision, it can typically only deal with a maximum of five options.

To reduce the overall effect of seeing too many options at once, you can create comparable groups of products.

If we are appealing to System 1, paradox of choice doesn't matter.

Think about Pinterest and Instagram. The choices we scroll through are immense—and we're happy to do it.

But for a conscious choice you must reduce the options, like in this American Express example (below).



Post-decision rationalisation/ Post-purchase rationalisation

As described earlier, people find it difficult to recognise the bulk of their decisions come from instinct. They rationalise those decisions retrospectively, i.e., post-decision rationalisation.

So if you want someone to make a truly rational choice, don't ask them about their intentions. Simply use some of the techniques we have described to awaken System 2 thinking.

Conclusion

Persuasion Psychologist, Bart Schutz, said: *“We should be grateful for System 1 and 2. They do a great job of looking after us, particularly System 2. And, without System 2, we wouldn’t even realise who, what, or where we are.”*

In the timeline of humanity, the ability to make conscious decisions is, amazingly, a relatively new thing. The majority of our decisions are automatic, we’re not really rational thinkers.

Our brain, with its many billions of different, highly sophisticated cells and trillions of connections, is nothing short of remarkable. But regardless of its complexity we still rely on what’s deep inside our System 1—with System 2 joining in as and when required.

What’s more, even when we’re thinking consciously, our subconscious is influencing us.

Scientists and psychologists have shown us there are various ways of interpreting how our brain’s systems work, individually and together.

But it still remains a mammoth challenge for ecommerce companies to make sense of our dual-processing brains, and create and optimise websites catering for both systems.

Recognising this dual process puts ecommerce marketers in a very strong position by enabling them to gain a good insight to customer behaviour.

The ability to apply psychology to ecommerce can be daunting. I hope this introduction to our brain—and our two systems—helps you to convert more of your website visitors into customers.

A stylized, handwritten signature in grey ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Neil McKay

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Special recognition goes to Bart Schutz, Persuasion Psychologist, for the inspiration behind this publication.

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