

# BEHAVIOURAL INSIGHTS FOR CUSTOMER ENGAGEMENT

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BEHAVIOURWORKS AUSTRALIA

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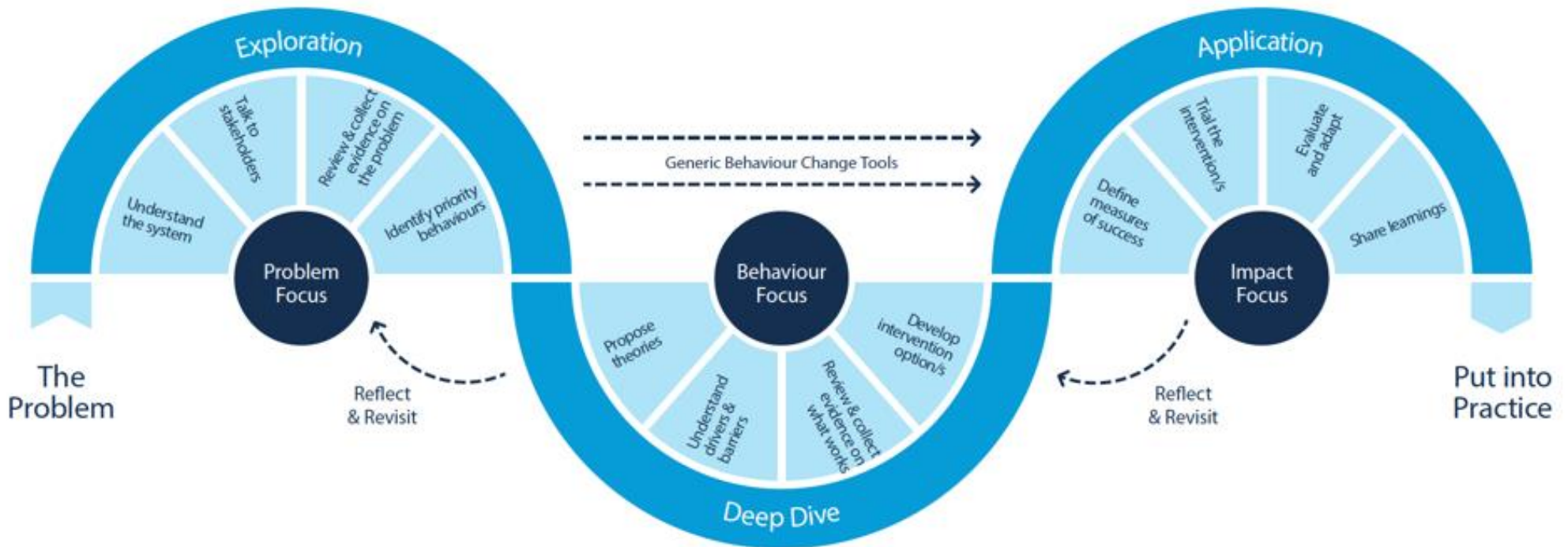


TIME  
FOR  
CHANGE

**Big  
change in  
a small  
audience**

**Small  
change  
in a big  
audience**

# The BWA Method



Consisting of three primary phases - Exploration, Deep Dive and Application - the Method is used to identify the behaviour change approach that is most likely to work.



**Big  
change in  
a small  
audience**

# SEGMENTATION

# Promise-to-Pay Made?

Yes

No

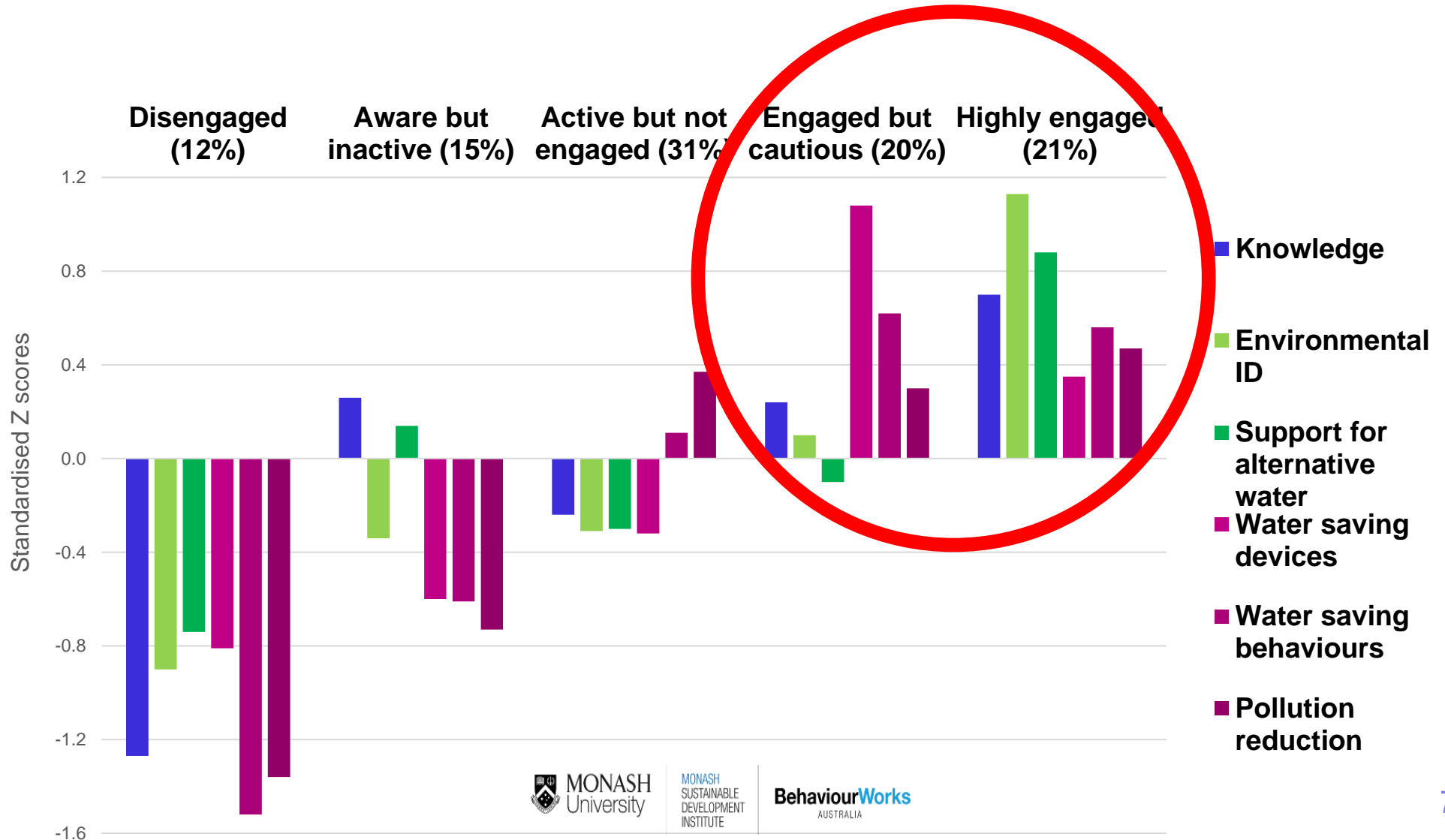
**Payment Made?**

Yes

<b>Wiling and Able</b>	<b>Unwilling but Able</b>
<b>Willing but Unable</b>	<b>Unwilling and/or Unable</b>

No

# TYOLOGIES



<p><b>Aversion to complexity</b></p>	<p>A lack of transparency and limited/conflicting information are inhibiting some (particularly low income, vulnerable and disadvantaged) energy consumers from navigating the increasing number of retailers and retail offers, and making selections that best fit their needs.</p>
<p><b>Cognitive and choice overload</b></p>	<p>There is an increasingly large number of tariffs in the market, with complex structures and conditions which are often difficult to understand. This creates barriers for consumers to select an offer best suited to their needs.</p>
<p><b>Trust</b></p>	<p>Various surveys of energy consumers consistently show that consumers tend to distrust the information provided by energy retailers – especially through methods such as ‘door-knocking’ and ‘cold-calling’ - and would prefer to source their information from an independent, trusted source.</p>
<p><b>Retailer behaviour</b></p>	<p>Previous experience with some energy retailers being rude, impatient, unhelpful or having long wait times, has left many vulnerable energy consumers unwilling to further engage with their energy retailer, and likely contributes to the trust barrier outlined above. The Brokerage Pilot identified ‘retailer behaviour’ as a barrier to customers conducting a switch themselves at some time in the future.</p>
<p><b>Status quo bias and risk aversion</b></p>	<p>There is a tendency for consumers to prefer certainty over risk, especially when the stakes are high, which often means not acting or avoiding making a decision altogether.</p>
<p><b>Digital access</b></p>	<p>Access to the Internet has become a critical means for consumers to receive and compare information about energy products and services. A lack of Internet access further exacerbates the impact for those already isolated from participating in the market.</p>
<p><b>Culturally and Linguistically Diverse (CALD) communities</b></p>	<p>Consumers with limited literacy face more barriers to engaging with retail energy markets and navigating tools like VEC. Without more tailored assistance, including trusted translators and intermediaries, these consumers are unlikely to overcome barriers to participate in the market.</p>





# ONE GROUP THAT GETS TOO MUCH ATTENTION



Small  
change  
in a big  
audience

**INSPIRE**

**SEVEN BEHAVIOUR  
CHANGE TECHNIQUES  
TO IMPROVE LETTERS**



MONASH  
SUSTAINABLE  
DEVELOPMENT  
INSTITUTE

**BehaviourWorks**  
AUSTRALIA

I IMPLEMENTATION  
INTENTIONS

INSPIRE


Implementation intentions are if-then plans that spell out in advance how one wants to strive for a set goal

# I IMPLEMENTATION INTENTIONS

# INSPIRE

*Time Plan Condition*

[Company Name] IS HOLDING A FREE FLU SHOT CLINIC.

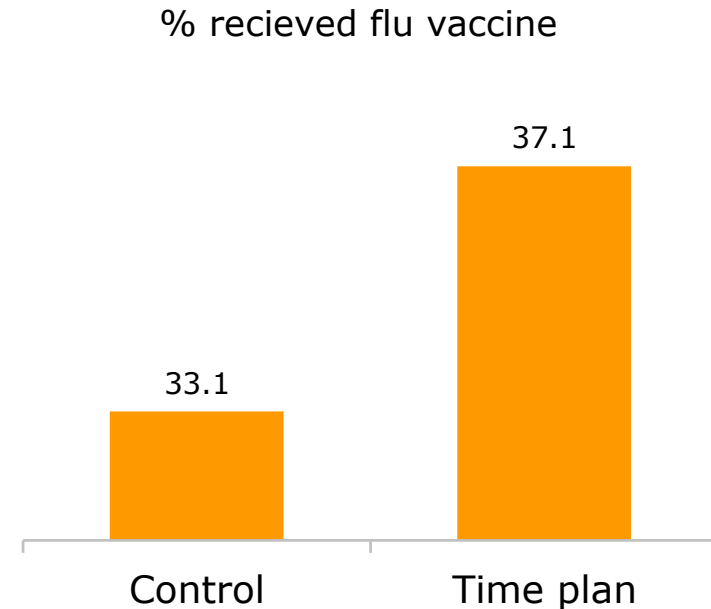
 Many people find it helpful to **make a plan** for getting their shot. You can write yours here:

,   at   
(day of the week) (month) (day) (time)

Flu shots will be available on site at the [location of relevant free flu shot clinic] at the following times:

Monday, October 26th	7:00 am – 3:30 pm
Wednesday, October 28th	7:00 am – 3:30 pm
Friday, October 30th	7:00 am – 3:30 pm
Tuesday, November 3rd	7:00 am – 3:30 pm
Thursday, November 5th	7:00 am – 3:30 pm

- Example of success: Vaccination rates



[Milkman et al \(2011\)](#)

# I IMPLEMENTATION INTENTIONS

# INSPIRE

E0000004/R4/H4/DPID /S/A3018792

THIS IS A SAMPLE FOR CS 3  
3G 220 CSSAMP ST  
SAMPLE SUB NSW 9999

310316/TESTFILESAMNL.TXT 99999 -M ID: 3

### Don't have time to pay this second?

Make a plan for when you'll act, and stick it on your fridge so you don't forget!

I will pay my rego on:

,   at   
(day of week) (month) (day #) (time)

The vehicle register records the identification details of each vehicle and the name and address of the registered operator of the vehicle. It is not a register of vehicle ownership (title).

	TOTAL AMOUNT DUE:	PAYMENT DUE BY:
This vehicle will be unregistered if payment has not been received by the due date	\$463.40	06 NOV 2014

BehaviourWorks-VicRoads-ABNote trial (June, 2016)

# IMPLEMENTATION INTENTIONS

# INSPIRE

P.S. Don't have time this second to finish? Make a plan for when you'll act, and go stick it on your refrigerator so you don't forget!



**January 2015**

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

**February 2015**

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15						

I will complete my enrollment at HealthCare.gov on:

(name of day)

(month)

(day #)

at

(time)

[White House Social and Behavioural Sciences Team \(2015\)](#)

# N NORMS

# INSPIRE

Norms are social standards that describe what people ought to do

Descriptive norms specify what most people do

Injunctive norms specify what most others approve or disapprove of

Baumeister & Bushman (2010, p. 317)

# N NORMS

# INSPIRE

**vic roads**

ABN 617 609 604 80

E0000006/R5.DPID .SA30 18792

**THIS IS A PENSIONER SAMPLE  
4  
1111 PENSION HIGH ST  
CITY WEST VIC 0000**

**The vast majority of Victorians  
pay their rego on time.**

The vehicle register records the identification details of each vehicle and the name and address of the registered operator of the vehicle. It is not a register of vehicle ownership (title).

310316/TESTFILESAMNL.TXT AAAAAA -M ID: 4

	TOTAL AMOUNT DUE:	PAYMENT DUE BY:
<b>3:</b> This vehicle will be unregistered if payment has not been received by the due date	<b>\$47.60</b>	<b>22 OCT 2014</b>

BehaviourWorks-VicRoads-ABNote trial (June, 2016)

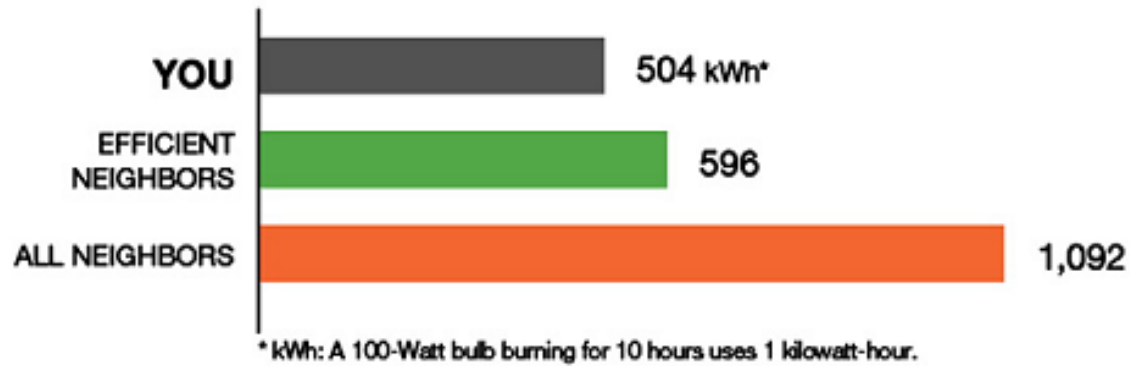


# N NORMS

# INSPIRE

## Last Month Neighborhood Comparison

Last month you used **15% LESS** electricity than your efficient neighbors.



YOUR EFFICIENCY STANDING:



Fig. 1. Home energy reports: social comparison module.

[Allcott \(2011\)](#)

# S SALIENCE

# INSPIRE

A property of a stimulus that causes it to stand out and attract attention

[Fiske & Morling \(1996\)](#)

# S SALIENCE

# INSPIRE

- There are many ways to make letters more salient/ attention-grabbing
- E.g.
  - Red ‘Pay Now’ stamps
  - Hand written (rather than printed) signatures
  - Using pictures to grab attention
  - Using recipients’ name (personalisation)
  - Using registered post, or multiple stamps
- Aim is to draw attention to the letter and key message

# P PROCEDURAL FAIRNESS

# INSPIRE

Individuals who feel that authorities treat them fairly, transparently, and with respect tend to perceive those authorities as legitimate and are therefore more willing to comply with their requests

Faulkner et al. (n.d.) Submitted manuscript; [Wenzel \(2006\)](#)

Dear Mr Testing,

### Request for a medical report

At VicRoads we often receive reports from police, doctors, and community members expressing concerns about individuals' medical fitness to drive. Unfortunately we have recently received a report about your medical fitness to drive.

#### Why are we sending you this letter?

When we receive these reports we are legally obliged to investigate, even if you have a perfect driving record. Everyone has a role to play in keeping our roads safe. In this case, our role is to ensure that all drivers in Victoria meet national medical standards for licensing.

## Why are we sending you this letter?

When we receive these reports we are legally obliged to investigate....

## Why do we impose suspensions?

Without medical reviews, our society would face heightened risk of serious injuries....

## We do not want to make things more difficult for you

We understand that receiving this letter can be hard for some people...

suspension system needs to be in place for rare cases where a willingness to comply is missing.

#### We do not want to make things more difficult for you

We understand that receiving this letter can be hard for some people, and there may be some reason why this is a particularly difficult time for you. However, we trust you will understand the need for the medical review process, and thank you in advance for playing your part to ensure that you and all others are safe on Victoria's roads.

For further information about the VicRoads Medical Review process, please see the enclosed information sheet or visit [www.vicroads.vic.gov.au](http://www.vicroads.vic.gov.au).

Yours sincerely,

Manager Medical and Driver Review

Your medical report is due to VicRoads by:

<Insert date>

# P PROCEDURAL FAIRNESS

# INSPIRE

## Examples from tax letters:

- *Why are we sending you this letter?*  
It is our responsibility to collect tax payable under the law. Taxes fund community services...
- *Why can't we be more specific in this letter?*  
We do not know why you have not lodged your activity statement so we cannot give you more specific information in this letter...
- *Why do we impose penalties?*  
Without taxes, our society could not afford essential services...
- *We believe in your honesty*  
We assume you try to deal honestly with your tax affairs...
- *We acknowledge that times can be difficult*  
We realise that it is not always easy to fulfil your tax obligation...
- *We do not want to make things more difficult for you*  
We are sorry if penalties add to any difficulties you may already be experiencing, but we trust you will understand the need for such a penalty system.

[Wenzel \(2006\)](#)



**Australian Government**

**Australian Taxation Office**

# I INCENTIVES

# INSPIRE

Financial or non-financial benefits that motivate someone to do something

# I INCENTIVES

What type of incentives work best?



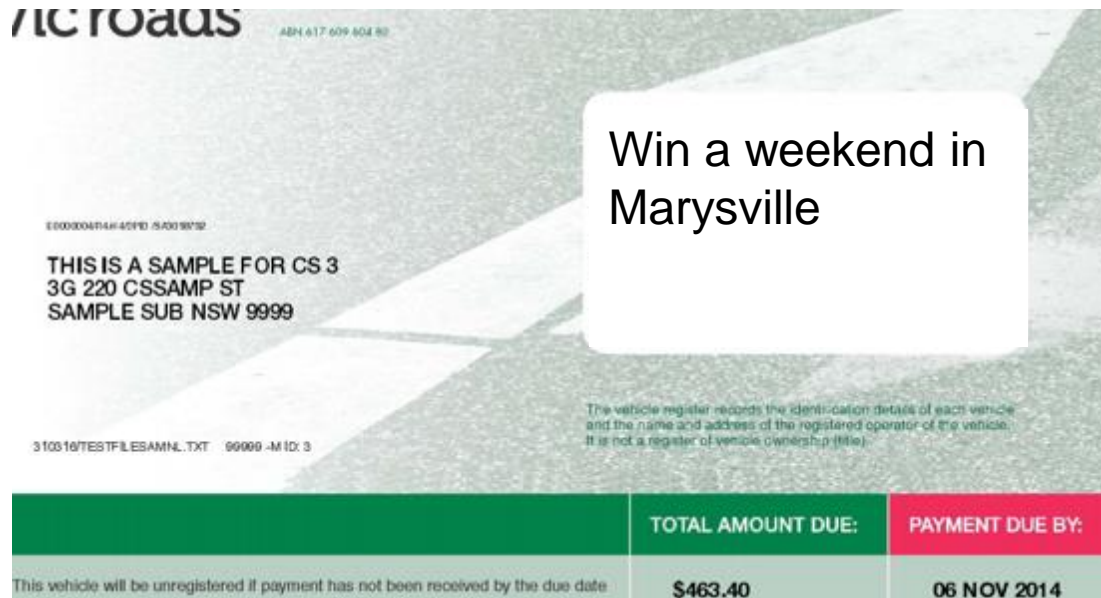
[Giles et al. \(2014\)](#); [Edwards et al. \(2009\)](#)



# I INCENTIVES

- \* A caveat:
  - Incentive effect is heterogeneous
  - Try to ensure incentive is attractive at time it is offered

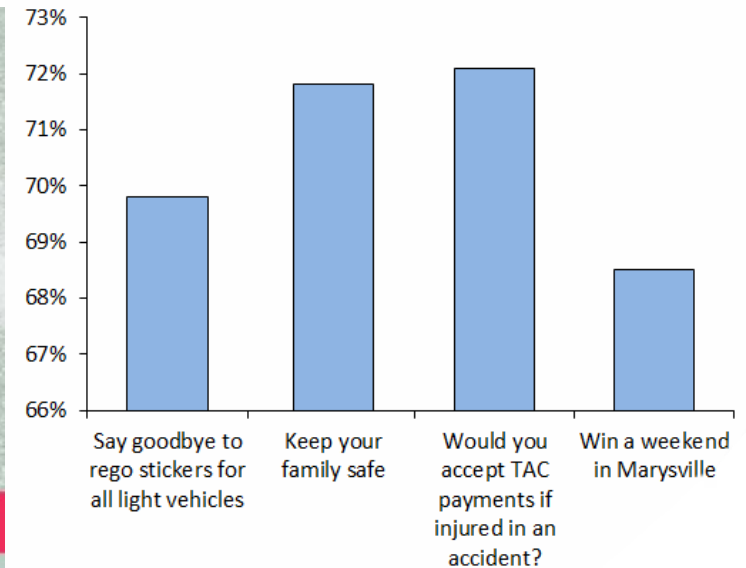
# INSPIRE



The image shows a banner for the VicRoads Registration Renewal Trial, Stage 1. It features a background of a road with white lane markings. A white box in the center contains the text "Win a weekend in Marysville". Below this, there is a table with registration details. The table has three columns: "TOTAL AMOUNT DUE:", "PAYMENT DUE BY:", and a description of the consequence of non-payment. The amount due is \$463.40, and the payment is due by 06 NOV 2014. The consequence is that the vehicle will be unregistered if payment is not received by the due date.

TOTAL AMOUNT DUE:	PAYMENT DUE BY:	
\$463.40	06 NOV 2014	This vehicle will be unregistered if payment has not been received by the due date

## On-time payment



VicRoads Registration Renewal Trial, Stage 1

# R REPUTATION

# INSPIRE

Characteristics of the communicator  
can have significant effects on how  
influential a message is

Hogg & Vaughn (2011); [Durantini et al \(2006\)](#)

# R REPUTATION



# INSPIRE

- Messages from high-authority sources are more likely to be complied with
  - E.g. Messages from health educators more effective than messages from research assistants (Webb & Sheeran 2006)
- Messages from liked-sources more likely to be complied with

Can you have an authoritative and well-liked person sign your letter?

# E EASE

# INSPIRE

People are more likely to comply with a request if it is easy to understand and perform

Dear Mr Testing,

### Request for a medical report

At VicRoads we often receive reports from police, doctors, and community members expressing concerns about individuals' medical fitness to drive. Unfortunately we have recently received a report about your medical fitness to drive.

#### Why are we sending you this letter?

## What you need to do

The first step of this medical review is for you to provide us with medical report from a doctor.

## When you need to do it

Please ensure that the enclosed report form is completed and returned to us by **[[dd Month, Year]]**.

#### What happens if you don't provide the report in the time requested?

If we don't receive the completed report form by the due date above, we regret to inform you that your driver licence will be suspended from **[[dd Month, Year]]**.

#### Why do we impose suspensions?

Without medical reviews, our society would face heightened risk of serious injuries and deaths on our roads. Most people who receive this letter willingly supply the report in the required timeframe. However, a suspension system needs to be in place for rare cases where a willingness to comply is missing.

#### We do not want to make things more difficult for you

We understand that receiving this letter can be hard for some people, and there may be some reason why this is a particularly difficult time for you. However, we trust you will understand the need for the medical review process, and thank you in advance for playing your part to ensure that you and all others are safe on Victoria's roads.

For further information about the VicRoads Medical Review process, please see the enclosed information sheet or visit [www.vicroads.vic.gov.au](http://www.vicroads.vic.gov.au).

Yours sincerely,

Manager Medical and Driver Review

Your medical report is due to VicRoads by:

<Insert date>

# E EASE

# INSPIRE

- Place key message as close to the top of the letter as possible
- Use plain-language
  - Useful headings
  - Lists and tables
  - Simple words
  - Short sections and headings
  - Use 'must' not 'shall'
- Make it easy for people to perform the behaviour (e.g. use short, not long web links)



# RELATIONSHIP WITH CUSTOMERS

FRIEND

FOE

PARTNER

TRANSACTIONAL

# INSPIRE – your turn

**I**MPLEMENTATION INTENTIONS

**N**ORMS

**S**ALIENCE

**P**ROCEDURAL FAIRNESS

**I**NCENTIVES

**R**EPUTATION AND CREDIBILITY

**E**ASE



# THANK YOU

FURTHER INFORMATION

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