Introduction to
Design for Behavior

Influencing Positive and Profitable Behavioral Change

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**Design for Behavior – An Introduction**

“I made up my mind that I would never try to reform man… that’s too difficult. What I would do was to try to modify the environment in such a way as to get man moving in preferred directions.”

*R. Buckminster Fuller*

The fortunes of any enterprise are behaviorally determined. Ultimately, an organization’s success is dependent on its ability to positively and profitably influence what people do. This includes customer behavior: the products or services people choose, what they’re willing to pay, the channels through which they choose to access service, and the positive or negative stories that influence other customers. It also includes organizational behavior: including listening to and understanding customers, setting direction, allocating resources, creating products, delivering service, building systems and managing finances.

The nature and quality of our lives is also behaviorally determined. For example:

- Unhealthy behaviors such as poor diet, physical inactivity, alcohol abuse, and tobacco use are the leading causes of death in the United States. Treating conditions resulting from obesity and physical inactively accounts for about 27% of our healthcare costs. Annual expenditures for treating alcohol- and tobacco-related conditions amount to $22.5 billion and $137 billion respectively.

- Ineffective financial behaviors lead many people to impulsively overspend, take on too much debt, accumulate a house full of things they don’t need, leaving them with bills they can’t pay, and low balances in their checking, savings and retirement accounts. Many of these individual behaviors, fueled by overly optimistic lending and institutional risk management practices, accelerated the recent financial crisis and left people without enough of a cushion to comfortably survive the downturn.

- Behavior also has a profound impact on the environment. This includes conservation, energy and water consumption, transportation choices, as well as waste & pollution. Sustainability demands changes in behavior at multiple levels, including reforming public and private institutions, improving consumer engagement, curbing consumption, and adopting alternative choices and sustainable behaviors.

Customer Innovations, Inc. is a design firm with a 25-year track record of helping companies influence the behavior of the organization, its customers and other important stakeholders. In addition, we are helping an increasing number of clients in industries such as health care, financial services and utilities focus on influencing behavior in ways that are both profitable for the enterprise AND positive for customers.

In the course of our work, we’ve developed, applied and refined an approach called **Design for Behavior**. This approach is based on a robust **Influence Architecture** and **Behavioral Profiling Toolset**. These tools help surface how people’s experiences drive their behaviors as well as help identify the product, service and experiential levers for influencing those behaviors. This document provides an introduction to Customer Innovations’ **Design for Behavior** approach. More comprehensive information is available, on request.
THE DESIGN FOR BEHAVIOR APPROACH

Influential design is rooted in deep behavioral insight. You need to know what’s really important to people, the natural pathways they follow to address their needs, as well as the factors that influence the choices they make along the way. The following three-step approach ensures that products, services, and experiences are designed to be easy for people to navigate and to be positively and profitably influential:

1. **Behavioral Outcomes.** The first step is to define and prioritize the specific behavioral outcomes essential for driving your desired business results. We’ve found there are generally a small number of critical behaviors that drive a non-linear improvement in results and generate a cycle of escalating commitment.

2. **Influence Profiles.** The second step leverages a rigorous toolset for identifying, understanding, and articulating the specific triggers that influence the behavior of your target audience(s). This toolset is an integration of leading edge research in cognitive, affective, and behavioral sciences and includes structured tools for profiling people’s: behavioral preferences, goals and desired states, sense-making and choice framing mechanisms, intuitive behavioral pathways, emotional states and influence triggers.

3. **Influence Playbook.** The third step, involves the development of a comprehensive set of individual, social, and structural design interventions focused on generating the desired behavioral outcomes. In many cases, these interventions are designed collaboratively with members of the intended audience(s). In all cases, recommendations are carefully refined and rigorously tested prior to launch, helping to ensure ease and effectiveness of implementation.

This approach is generally applied with an integrated focus on both customer and organizational behavior. These integrated efforts may, as required by the situation, include the behaviors of external intermediaries such as agents, brokers, retailers, operators, prescribers, integrators, as well as regulators and other influencers.

THE THREE-STEP DESIGN FOR BEHAVIOR PROCESS

1. **Behavioral Outcomes**
   - **GOAL:** Focus
   - Clarify and prioritize the specific behaviors that drive desired business results.

2. **Influence Profiles**
   - **GOAL:** Understand
   - Develop a set of Influence Profiles that identify specific levers for generating the desired behaviors.

3. **Influence Playbook**
   - **GOAL:** Design
   - Develop an Influence Playbook that describes specific design and execution interventions that will generate the desired behaviors.

   - **GOAL:** Measurable Results
   - Develop a phased Influence Roadmap for validating, refining, piloting, launching, and ensuring results from interventions described in the Influence Playbook.
**DESIGN FOR BEHAVIOR - CLIENT EXAMPLES**

**Property and Casualty Insurance Carrier**

- Structured and orchestrated an enterprise-wide customer experience initiative focused on increasing automotive customer acquisition and retention. This effort also included targeted service behaviors for captive agents.

- Design interventions included: innovative design of a Vanishing Deductible feature to replace traditional safe driver discounts, improvements in the new customer welcome experience, automatic discount finder paired with a semi-annual customer review, as well as replacing complex renewal choices with simpler default options.

**Automotive Services Chain**

- Developed a comprehensive set of experience design interventions focused on intentionally decreasing revenue per visit by 10% in order to enable an increase in visit frequency by 40% and a resulting increase in same store sales of 12%.

- Design interventions included: the development of new visit occasions, the expansion of referrals to other providers, friends and family discounts / pricing, as well as changes in manager and employee training and incentive structures.

**Small Group Health Insurance**

- Conducted in-depth research with small business clients and insurance brokers in order to develop specific interventions that would increase client case renewal and increase share of business with high-producing brokers. These interventions generated a $100 million increase in revenue within one year.

- Design interventions included: radical simplification of renewal packages from 50+ pages of complex alternatives to 4 pages simplified choices, targeted process and timing changes in the renewal experience, and the development of a new “renewal specialist” role to supplement the existing account structure.

**Regulated Electric Utility**

- Conducted in-depth customer research focused on how individuals engage with using and paying for electricity, as well as their experience with a regulated electric utility. This research informed the design an innovative portfolio of experience delivery interventions focused on reducing regulatory complaints and increasing satisfaction results.

- Interventions centered around two highly differentiated design themes: Save Me Money and Keep Me Informed. The Save Me Money design proactively addressed customers’ “high bill reactions” that accounts for 50% of customer contacts. This included: a simplified and interactive energy statement, a game-like “Save Me Money” virtual advisor, innovative pay plan options, and integrated credit counseling services.
Luxury Jewelry Retailer

- Conducted in-depth research into the gift shopping and giving experience for male gift givers in order to develop specific retail interventions focused on **INCREASING** visit frequency, repeat purchases and word of mouth.
- Interventions included signature experience elements that reinforced the design theme **The Perfect Gift, Guaranteed** that helped the male gift giver select the perfect item, romance the gift and “come home a hero.” It also included changes in greetings, service interactions, a signature return / exchange process, and an unconditional guarantee. The project integrated changes in the employee experience including hiring, training, communications, and incentives.

National Moving Company

- Developed a comprehensive set of experience design interventions focused on **INCREASING** the close rate on quoted business, **INCREASING** revenue per customer by offering innovative value-added services and **INCREASING** word of mouth.
- Conducted in-depth research focused on innovating the end-to-end family move experience. Developed service interventions focused on simplifying key stress-points in the family move experience. This included the design of an innovative **Zero-Cost Move** offering that helped people organize and sell off enough of their unneeded possessions to pay for the move. It also included differentiated services focused on preparing and establishing the family in their new location.

Dental Health Foundation

- Childhood dental caries is one of the most prevalent communicable diseases with about 80% of caries occurring in the most underserved 20% of the population. **Customer Innovations** conducted in-field research to identify and prioritize specific behavioral outcomes that would **REDUCE** the incidence of tooth decay in the target population.
- Interventions included comprehensive public will building, education, communications, and community outreach programs focused at the most influencible participants at the most influencible moments – pregnancy and early parenthood for young woman and pediatric care providers.

Business Services Provider

- Worked with the provider of complex outsourcing and technology-based services to identify levers for **INCREASING** service revenue penetration with existing customers and **REDUCING** the risk of client defection.
- Interventions included changes in strategic account management structure and processes and the adoption of a more client-collaborative account planning approach. It also included implementing a closed-loop client feedback and issue management process that integrated action planning and results management. Within 6 months of adoption, these changes contributed to an additional $80 million **INCREASE** in revenue with the provider’s largest client.
KEY QUESTIONS TO CONSIDER

1. Who are the most critical participants in our network of influence?
   Adopting a systemic perspective is critical. There is often a diverse network of participants with different levels of influence on results, including:
   - Customers, e.g., buyers, consumers/ end-users, approvers, payers, etc.
   - Channels, e.g., retailers, wholesalers, prescribers, fulfillers, integrators, resellers, etc.
   - Influencers, e.g., friends, family, colleagues, co-workers, regulators, analysts, media, etc.

   Identifying the most influential participants and the nature of their influence on the system is an important first step. In business-to-business relationships, this network includes decision-makers, approvers, influencers and end-users. Some of the most effective influence strategies transform the relationships that matter most to the most influential participants.

2. What specific behavioral outcomes will create the greatest performance improvement?
   There are usually a limited number of behavioral outcomes that can tip the performance of the system. For example, in many retail situations, we’ve found visit frequency is a much more important behavioral outcome than sales per visit. However, most retailers undermine visit frequency by pushing customers to buy. With health-related or environmental behaviors, the most critical outcomes are often concrete, small-step new behaviors that can be reinforced to create a cycle of escalating commitment. In many high-involvement purchases, the important behavioral outcomes often include positive storytelling by existing customers.

3. What do we know about the experiences that enable or inhibit the desired behavioral outcomes?
   How do participants actually make choices and follow through on the desired behaviors? In what ways are these choices carefully considered or made on “automatic pilot”? What are the rational and emotional factors that drive choice? Even the most seemingly rational business decisions are highly influenced by emotional factors. What elements of the environment or resources inhibit follow through? Are there points of confusion or embedded violations of justice that generate negative behaviors?

4. What are the most important levers for influencing the behavior of these participants?
   What will get key participant’s attention and shift their decision-making? How can we change the way people frame their decisions in order to influence the outcome? How can we make it easier to choose the desired path automatically or by default? What reinforcement mechanisms will drive ownership of the choice and reinforce a cycle of escalating commitment?

5. What specific design interventions will have the greatest impact on the behaviors we care about?
   Specific design interventions often include an integration of new products, services, pricing structures, incentives, communications, roles, etc. For many organizations, the most central design interventions often involve changes to the employee experience for front-line associates, including: recruiting, training, communications, metrics, incentives, and management systems. In order to be effective, these interventions must be designed based on the insight above.

CUSTOMER INNOVATIONS CAN HELP

If you need help focusing product, service or experience investments in a way that achieves maximum impact, please let us know. We’ve helped leading organizations in virtually every industry realize bottom line improvements of 10-25% by creating improvements that positively and profitably influence behavior.

Contact us at: info@customerinnovations.com