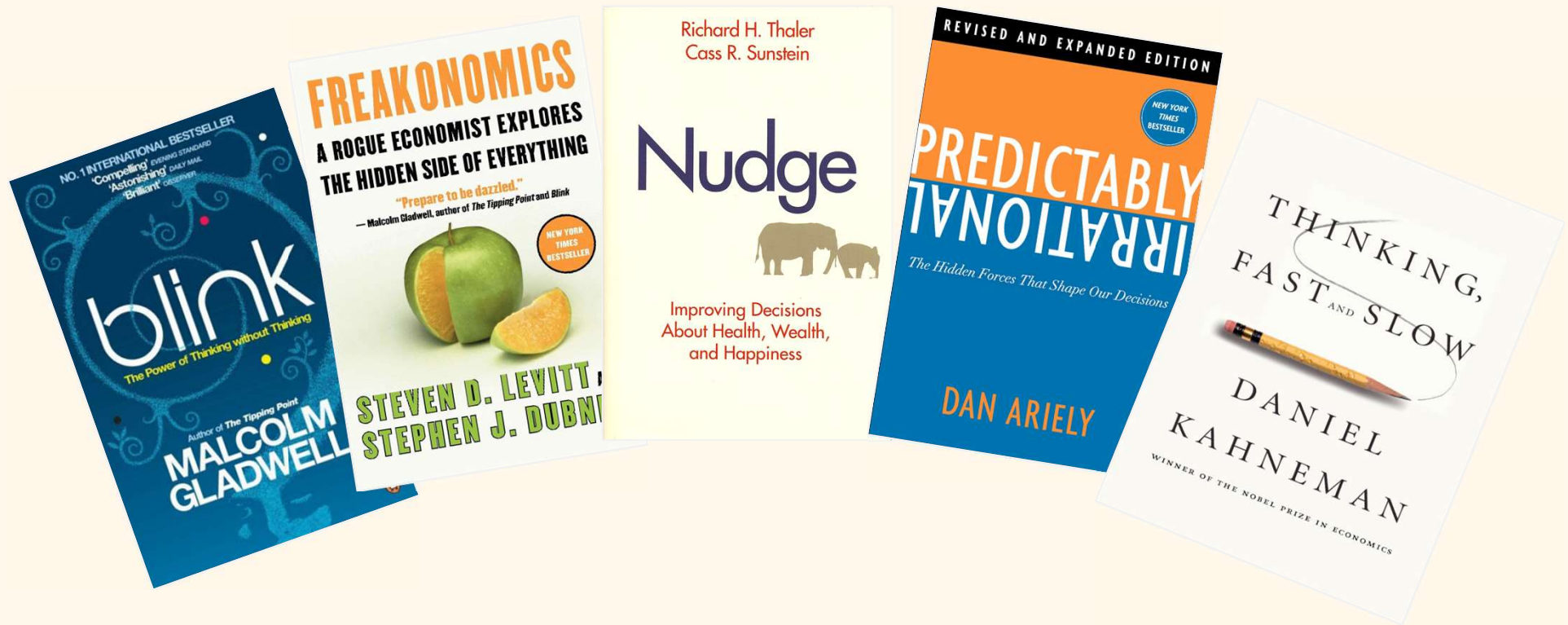


Cowry Consulting

The Key to **Better Conversations** with Customers

22.05.19

The world of Behavioural Economics



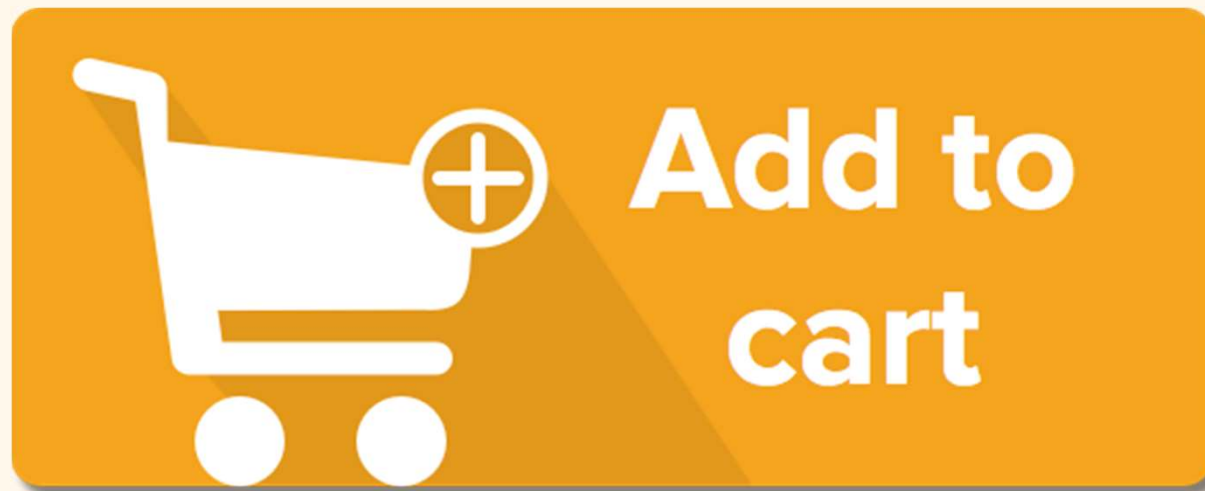
The **Big** Small

How seemingly small changes can create
seismic shifts in behaviour

CowryConsulting



The \$300m dollar button



A simple nudge

Begin Checkout

Log In to Your REI Online Account!

Email:

Password:

[Forgot your password?](#)

Log In

Create an REI Online Account

You don't have to be an REI Member to get an REI online account.

Anyone can register to enjoy:

- Faster checkout
- Easy access to your order status
- Convenient access to your past orders

Register

Proceed as Guest

No time right now? No problem. You can complete checkout without an REI online account.

Proceed as guest

The most famous nudge of all



The most famous nudge of all

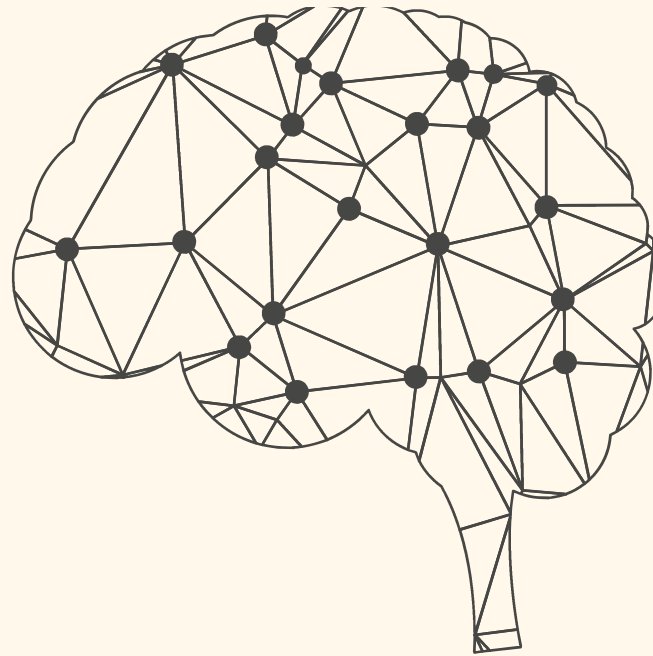


Man with two brains

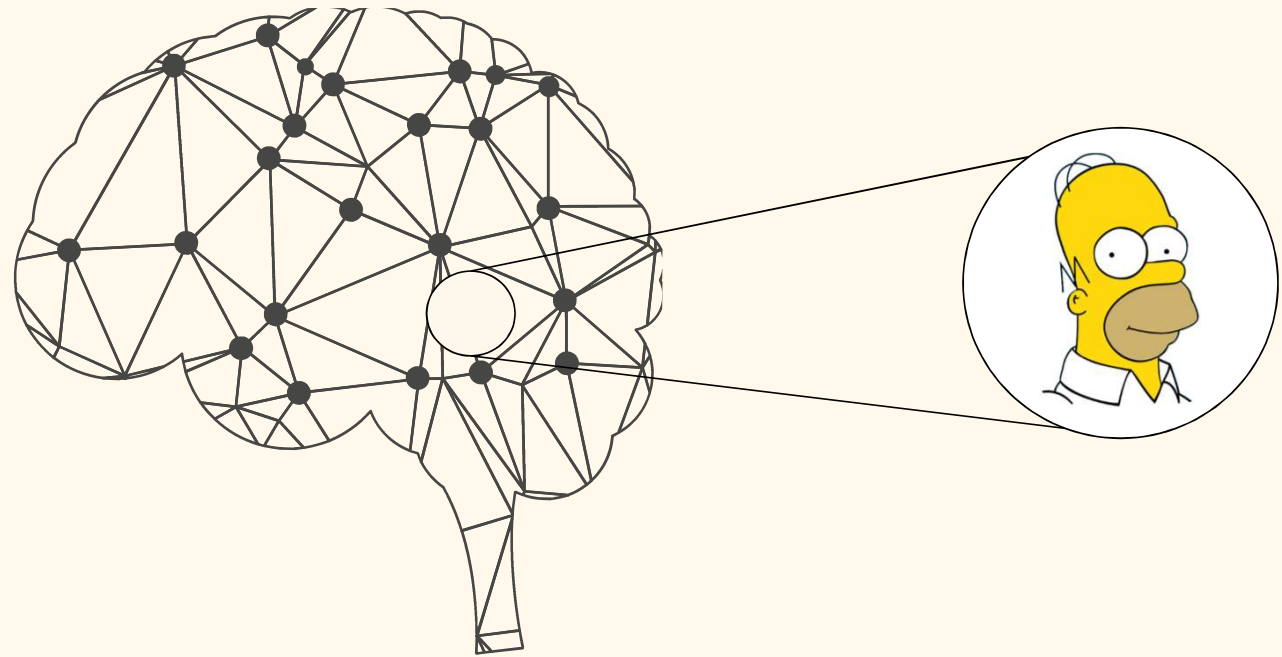
You are more intelligent than you think



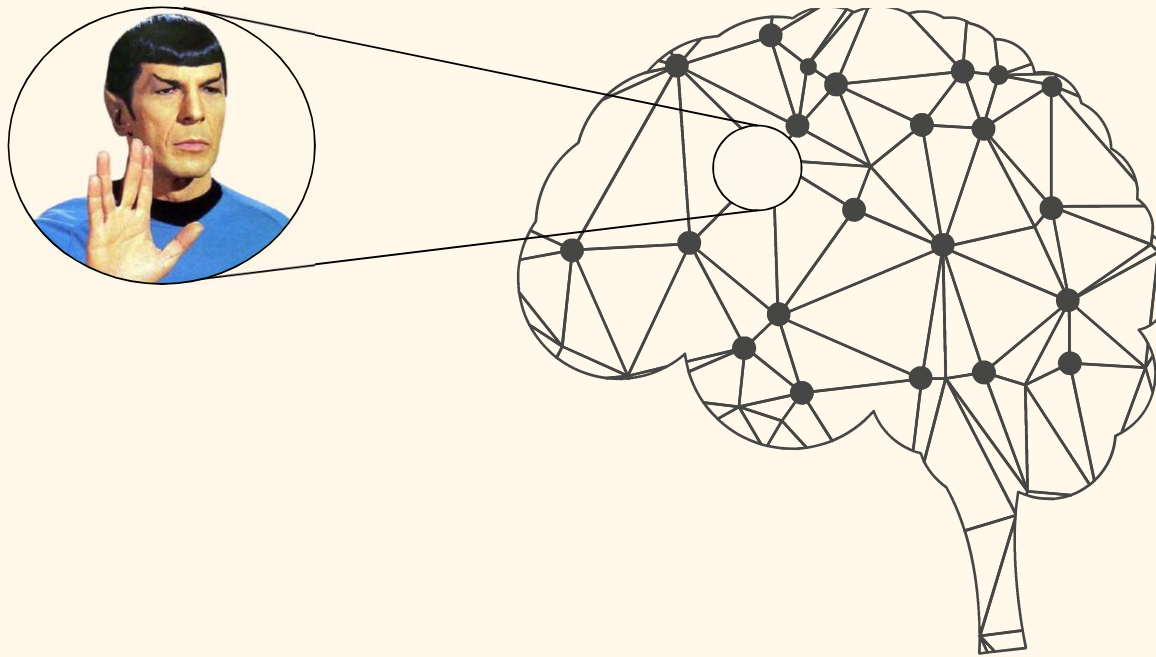
The science



Thinking fast



Thinking slow



Different processes



System 1

Automatic

Subconscious

Emotional

Effortless



System 2

Reflective

Self-aware

Deductive

Effortful

Speaking to Homer Simpson

Applying Behavioural Economics in Contact
Centres

CowryConsulting



Our toolkit

From over 150 mental shortcuts and biases within the behavioural economics literature, we've identified what we call the **C-Factors**.



Starting the call



Friction

Hello, **my name is Bradley**, how can I help you today ?

[Customer Query]

OK, **before I help you, I need to ask you** some security questions.

C-FACTOR – Authority Bias

Follow the leader



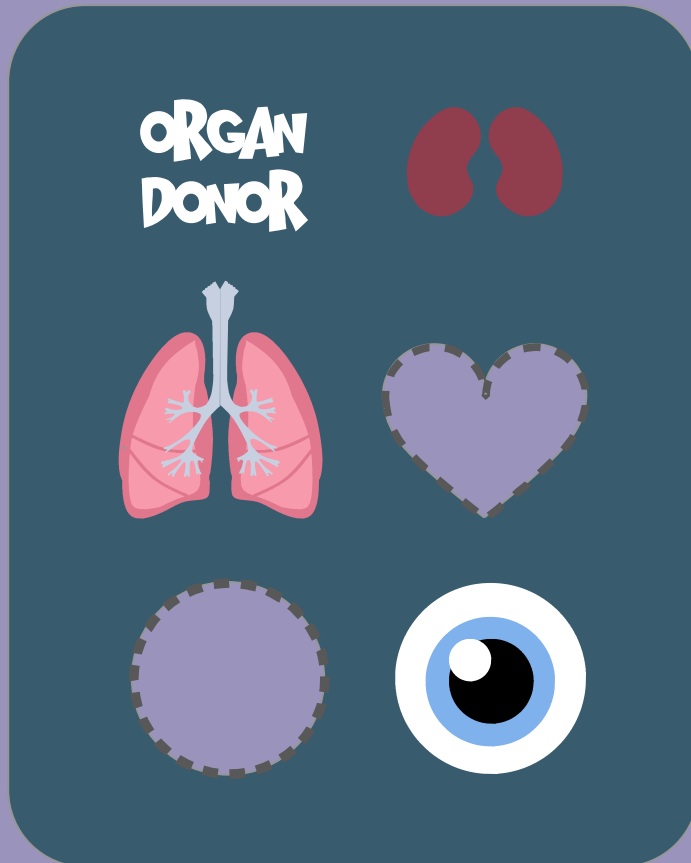
We tend to trust people in authoritative positions, such as doctors or celebrities, therefore we place more importance on their opinions and contributions

Example:

A famous experiment showed that 65% of people administered painful electric shocks to participants when instructed to do so by a doctor, which shows the influence authority has on behaviour, even when inconsistent with our values

C-FACTOR – Status Quo Bias

Creatures of habit



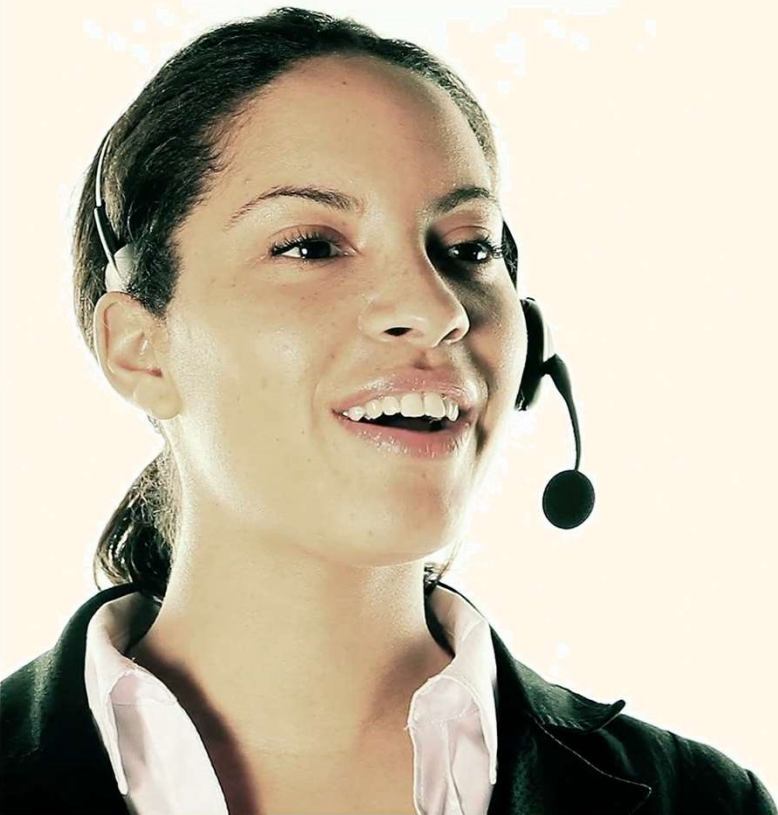
People don't like change & prefer things to remain the same. The more we behave a certain way, the more automatic this behaviour becomes

Example:

When the default option for organ donation was switched from opt-in to opt-out, consent rates significantly increased to almost 100%. Opting-in became the default behaviour

Starting the call

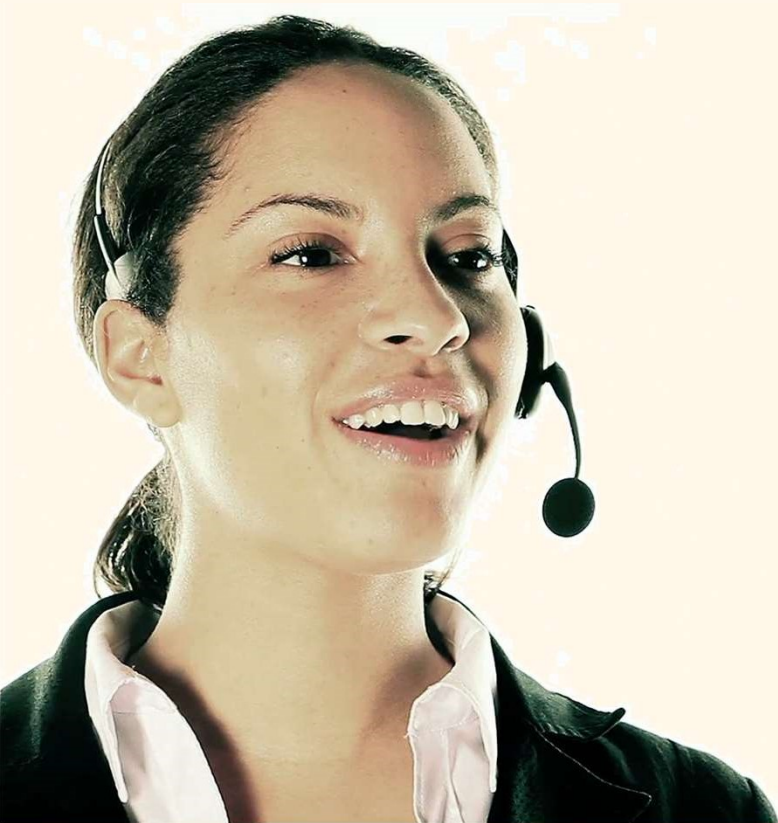
Fluency



Hello, my name is Karen, I'm a **Customer Service Associate** here at Cowry. Can I start by taking your name and Customer Reference Number please?

Thank you, and **so I can help you with your query today**, I'm just going to ask you 4 quick security questions.

Starting the call



Fluency

Hello, my name is Karen, I'm a
Customer Service Associate here at Cowry. Can I
start by taking your name and Customer
Reference Number please?



Thank you, and so I can help you with your
query today, I'm just going to ask you 4 quick
security questions.

**Reduced
AHT by 17%**

Managing silences



Friction

I'll just have a look on the system

[Silence followed by Silence]

Customer: "Are you still there?"

C-FACTOR – Ambiguity Aversion

Fear of the unknown



People have a preference for risks that are associated with known probabilities than uncertainties where probabilities are unknown

Example:

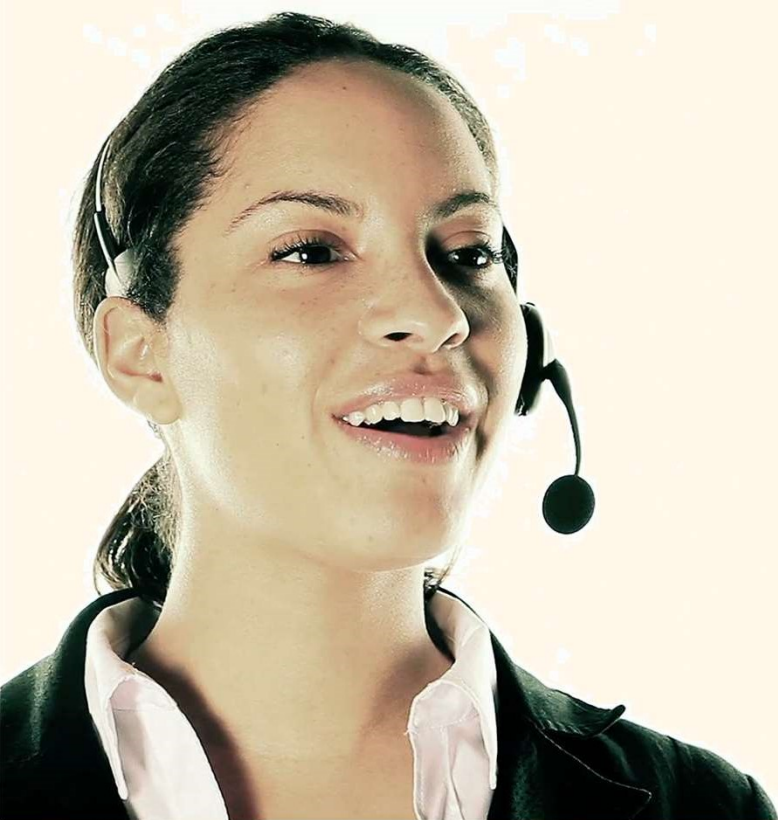
People prefer partaking in activities where the probabilities are known - such as gambling - over activities where the decisions rely on uncertainties, such as choosing an appropriate life insurance policy

Managing silences

Fluency

If I go quiet for a few moments, it's because I want to make sure I have the most accurate and up-to-date information for you.

Would that be ok?



Closing the call



Friction

Is there anything else I can help you with today?

[no]

In the next couple of days you may receive an email asking you a few simple questions to rate how well I've done today. Would you mind completing this for me?

[no thank you]

C-FACTOR – Commitment Bias

Easily hooked



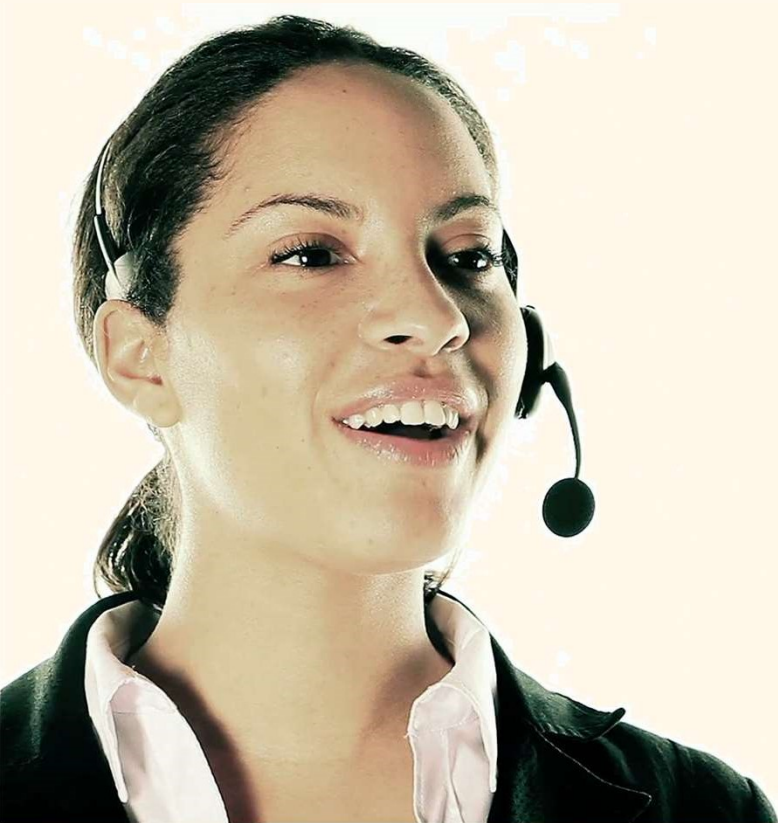
Once people have made a commitment to do something, they are much more likely to achieve their end goal. This is sometimes referred to as the sunk cost bias

Example:

When asked to specify their exercise goals & sign a contract to acknowledge their commitment, people were 50% more successful in achieving their fitness goals than those who did not sign a contract

Closing the call

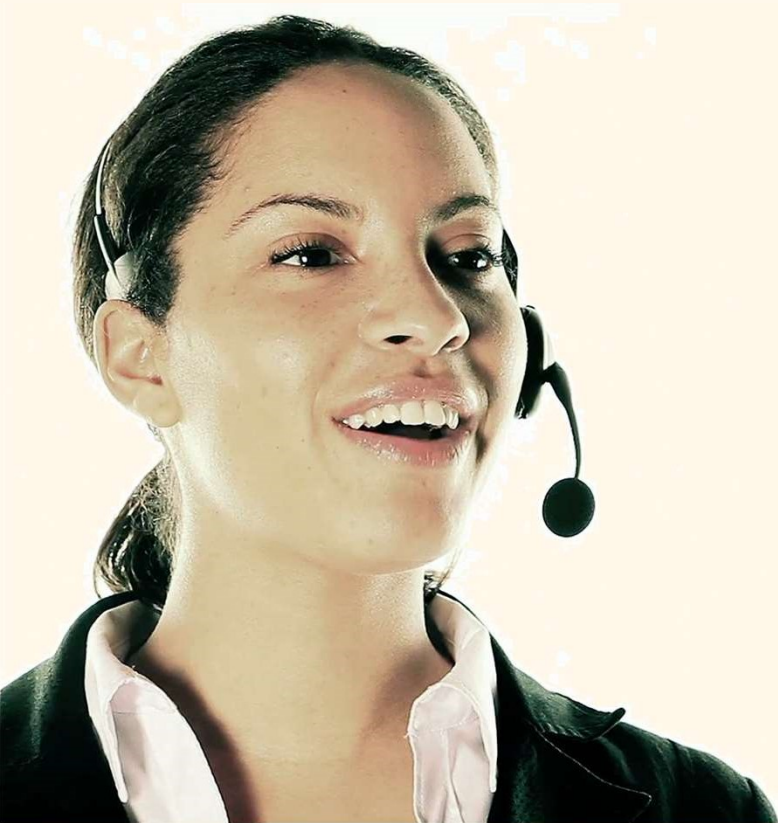
Fluency



Have we covered everything you needed today? [yes]

In the next couple of days you may receive an email asking you a few simple questions to rate how well I've done today. Would you mind completing this for me?
[yes]

Closing the call



Fluency



Have we covered everything you needed today? [yes]

In the next couple of days you may receive an email asking you a few simple questions to rate how well I've done today. Would you mind completing this for me? [yes]

**Overall NPS improvement +17 to
+32 in 5 weeks**

**Any questions?
Get in touch!**

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Cowry
Consulting