Behavioural Hacks

Playbook

An experiment in partnership with COS

VISA | MINDWORKS | ELLEN MACARTHUR FOUNDATION

Visa's Recommerce Behavioural Insights Lab is committed to identifying and testing simple behavioural hacks that increase customer demand for resale, repair, rental, refill, return and redistribution.

What is this playbook about?

We're committed to helping businesses overcome one of the biggest hurdles in getting consumers to shop circular: the intent-action gap, where 92% of people say they want to shop circular but only 16% actually do it[1].

Having run experiments with some of the world's biggest brands, we're sharing our learnings in a series of playbooks. From growing your Recommerce efforts to adopting a circular business model that revolves around resale, repair, rental, refill, reuse and redistribution, we're here to share strategies that can turn intention into action.

So, how do we increase the number of people shopping circular?

By *understanding* how to create behavioural interventions or 'hacks' that get people to follow their intent with action.

The Recommerce Behavioural Insights Lab is a collaboration between Visa, MindWorks and EMF. Visa brings expertise in commerce, MindWorks specialises in behaviour and EMF focuses on circularity. Together, we're on a mission to make Recommerce more accessible, rewarding and equitable for everyone.

We've partnered with some of the world's biggest brands and leading circular businesses and, through our experiments, we've discovered how they can help people embrace more circular habits. This playbook is an open-source guide to everything we've learned, distilled into easy-to-implement, data-backed hacks for your business – we share the mistakes we made along the way, too. Our goal? To help businesses like yours turn the tide and make our economy more circular.

We hope you find it helpful. We'd love to hear from you, whether it's to tell us about a hack you've used or an idea for a new experiment. Message us here.

Shopping circular[1]

92%
of people say they want to

16%
actually do it

[1] https://www.kantar.com/uki/inspiration/sustainability/converting-intention-into-action-why-change-starts-from-within-with-sustainability

What's inside?

Behavioural science 101

What is behaviour hacking?
It's about using behavioural science to create interventions within products, services and experiences that will influence people's behaviours.

What do we do in Visa's Recommerce Behavioural Insights Lab?
We're here to help people identify and adopt sustainable habits and implement real-world solutions that support more circular behaviours.

How do we create behaviour hacks to test in our experiments?
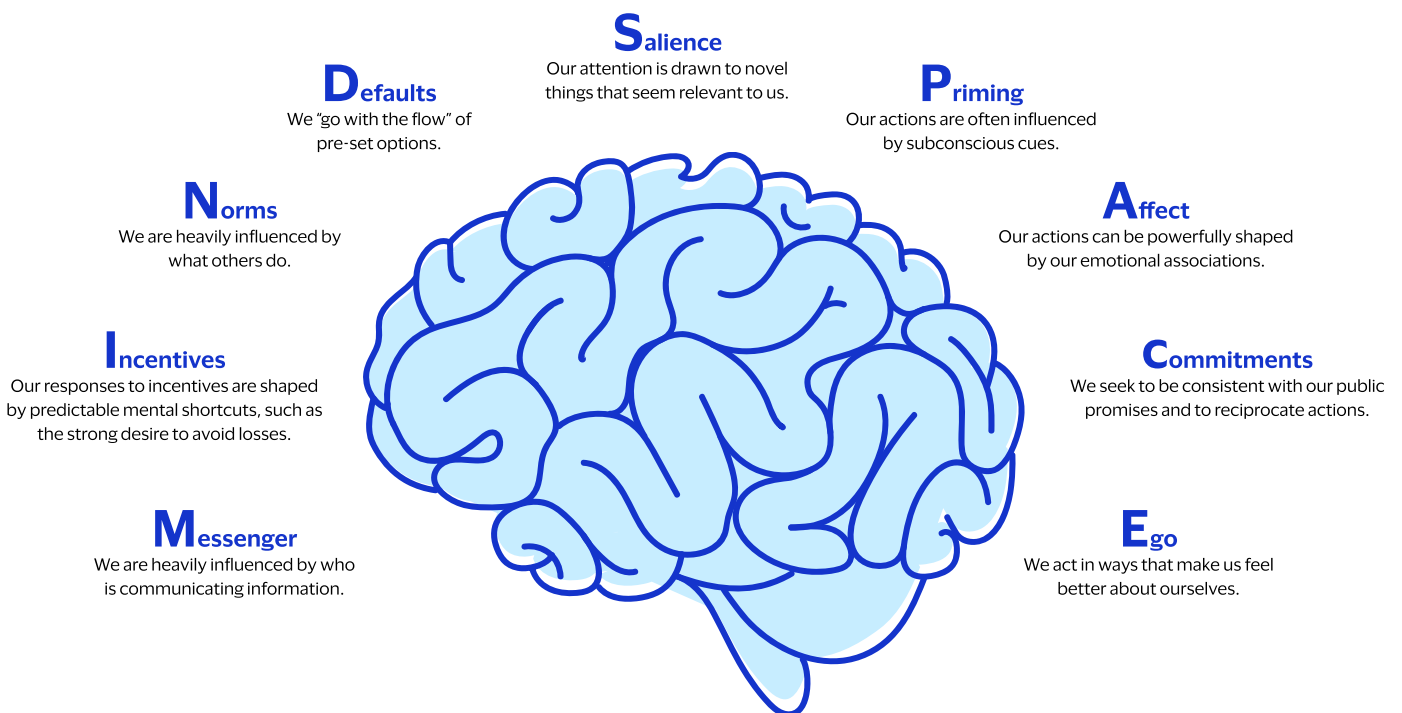Our approach to defining behaviour hacks is based on a **3-step process**.

1

Identify the **target behaviour** we want to influence – for example, the purchase of a refillable bottle.

2

Identify the **current mindstate** of the target group – for example, someone with a value mindstate wants to make savings.
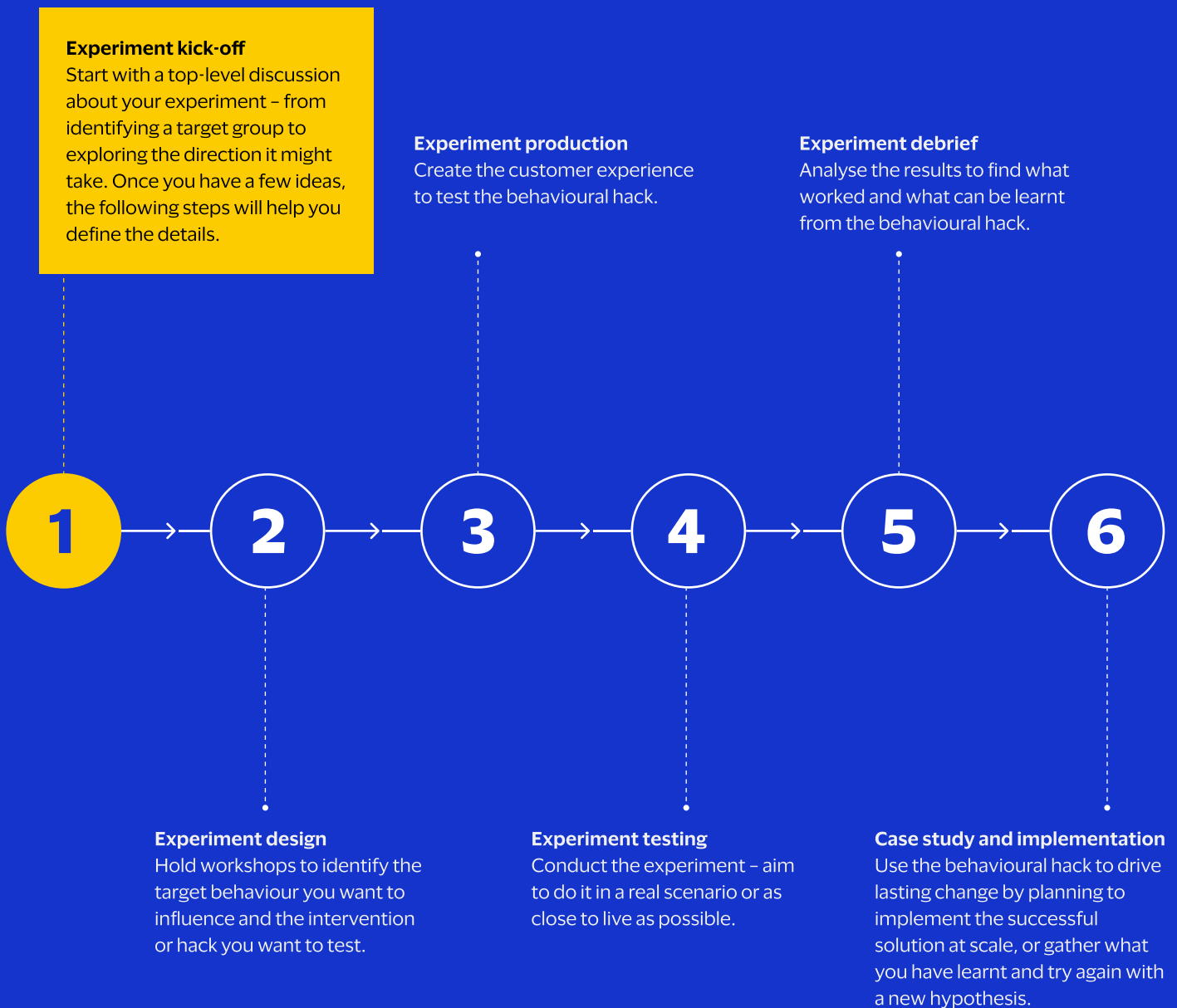
3

Use the **MINDSPACE framework²** to identify one or more of the 9 forces that could drive the target group's behaviour. For example, the value mindstate might respond to an incentive, such as 'buy one refillable bottle, get the second half price'.

Salience
Our attention is drawn to novel things that seem relevant to us.

Priming
Our actions are often influenced by subconscious cues.

Defaults
We "go with the flow" of pre-set options.

Affect
Our actions can be powerfully shaped by our emotional associations.

Norms
We are heavily influenced by what others do.

Commitments
We seek to be consistent with our public promises and to reciprocate actions.

Incentives
Our responses to incentives are shaped by predictable mental shortcuts, such as the strong desire to avoid losses.

Ego
We act in ways that make us feel better about ourselves.

Messenger
We are heavily influenced by who is communicating information.

² https://thedecisionlab.com/reference-guide/neuroscience/mindspace-framework

Recommerce behavioural experiments 101

Recommerce behavioural experiments are carried out as short sprints with 6 key stages:

Experiment kick-off
Start with a top-level discussion about your experiment – from identifying a target group to exploring the direction it might take. Once you have a few ideas, the following steps will help you define the details.

Experiment production
Create the customer experience to test the behavioural hack.

Experiment debrief
Analyse the results to find what worked and what can be learnt from the behavioural hack.

1 → **2** → **3** → **4** → **5** → **6**

Experiment design
Hold workshops to identify the target behaviour you want to influence and the intervention or hack you want to test.

Experiment testing
Conduct the experiment – aim to do it in a real scenario or as close to live as possible.

Case study and implementation
Use the behavioural hack to drive lasting change by planning to implement the successful solution at scale, or gather what you have learnt and try again with a new hypothesis.

8 principles to run a good Recommerce behaviour experiment

1. **Describe the target behaviour in detail**
   Powerful Recommerce behavioural experiments are grounded in a vivid description of the target behaviour. The more detailed the target behaviour, the more robust the intervention design.

2. **Be deeply rooted in customer psychology**
   To ensure the intervention resonates with customers, refer to their mindstates. Understanding how customers think and feel adds a layer of insight to an intervention, making them more targeted and relevant.

3. **Leverage scientific principles**
   Understanding the mental shortcuts and errors humans make allows you to harness their power, either combatting or leveraging them in the intervention design. This will help ensure the intervention is maximised for adoption.

4. **Ensure the experiment can be accurately measured**
   Design a testing methodology and a measurement framework upfront to ensure you can seamlessly gather and report results.

5. **Benchmark results against a control or BAU**
   Comparison is key and if you don't have a control (or a business-as-usual use case) to compare intervention performance against, you can't be certain it's been successful.

6. **Consider the potential externalities of the intervention**
   Externalities are unintended side effects or consequences, which can be positive or negative, and might affect customers or other third parties who did not choose to be involved in the intervention.

7. **Ask ethical questions**
   Demonstrate a commitment to social good and sustainability by asking ethical questions at every stage of the experiment. For example, during design and implementation, explore how you can safeguard the wellbeing of everyone involved and ensure data collection methods are transparent and respect privacy. The Danish Design Center has developed a useful tool to help businesses make responsible decisions from an ethical design standpoint.

8. **Keep things simple**
   The most effective interventions are clear, concise and straightforward. They could be as simple as removing an item from the shelf, changing the colour of a button or tweaking a line of copy.
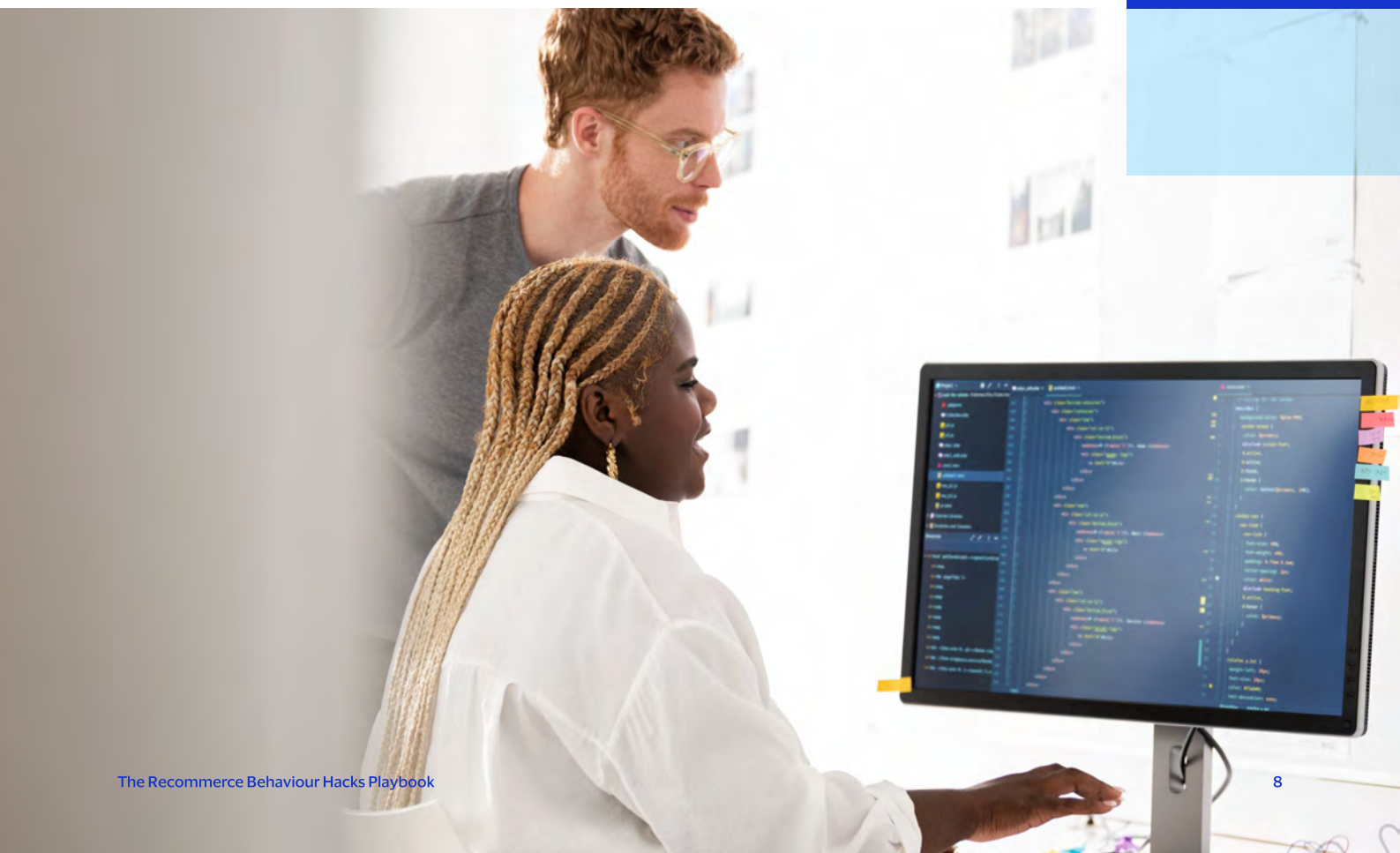
COS
HACK

Community messaging
to uplift resale

The initiative

Encourage Gen Z consumers to visit and consider purchasing from the COS Resell Site.

The target behaviour

We defined what we wanted to happen...

We want Gen Z customers to click through to the COS Resell site and learn more about the COS Resell initiative.

...and made this target behaviour real with a specific scenario:

On May 10, 2024, sustainability-conscious Jess (a 23-year-old) clicks through to the COS Resell site and decides to purchase a COS secondhand coat from the Autumn/Winter collection, instead of buying a brand-new item.

What could change behaviour?

The hypotheses

We predicted Gen Z is motivated by 3 mindstates – value, status and community – and that including a behavioural intervention in ad messaging around these mindstates would enhance click-through rates to the COS Resell site.
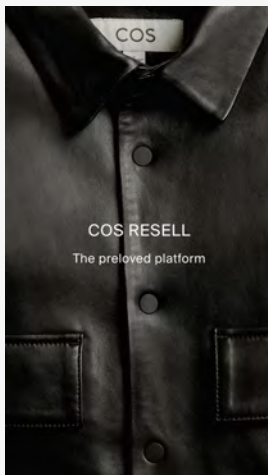
The intervention

We ran 4 TikTok adverts for the COS Resell site – a control and 3 ads featuring message variations inspired by value, status and community mindstates. In addition, we identified framing – the idea that our responses are shaped by how something is presented or 'framed' rather than on the facts alone – as the behavioural force most relevant to the target audience.
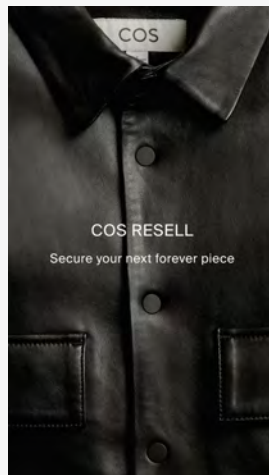
An example of how framing impacts people's perceptions and decisions

When someone is told their plan has a 90% success rate, it's likely they'll feel optimistic. But the same person might feel pessimistic if they're told their idea has a 10% failure rate, despite the statistical information being the same. It all depends on the way the information is communicated – in this instance – whether it's been 'framed' positively or negatively.
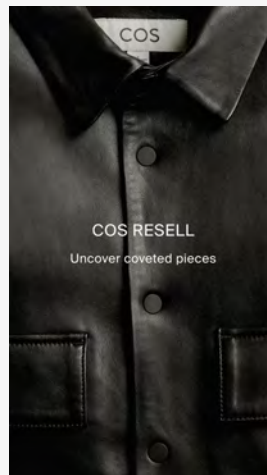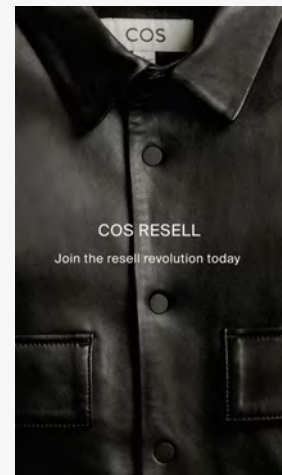
Control

Mindstate: Value

Mindstate: Status

Mindstate: Community

COS RESELL
The preloved platform

COS RESELL
Secure your next forever piece

COS RESELL
Uncover coveted pieces

COS RESELL
Join the resell revolution today

The experiment

We tested 4 messaging variations using the same video-based asset. The visuals stayed the same and each message variation featured a call-to-action (CTA) directing users to the COS Resell platform. Based on the availability of the COS Resell offering, the TikTok ads targeted 18-24-year-olds in Great Britain (GB) and Germany (DE).

Results and learnings

'Value' receives the highest number of impressions, clicks to site and views

- The 'value' variation had the highest number of impressions, clicks to site and views across both GB and DE, signalling it was the highest-performing variation.
- However, this result was partly due to the TikTok algorithm (see page 12) that identified 'value' as the highest-performing variation and therefore pushed this ad over others.

'Community' wins at click-through rate

- The 'community' variation had the highest average click-through rate, suggesting it resonated more deeply with people who saw it.
- There was a 21.3% uplift in click-through rate from the control to the 'community' variation.

GB a stronger candidate for resale than DE

- The average click-through rate for GB was 1.69% while the average click-through rate for DE was 1.34%, suggesting GB is a stronger candidate for the COS Resell initiative than DE.

'Community' wins at CTR

21.3%

uplift in CTR from the control to the 'community' variation

1.69%

average CTR for GB

1.34%

average CTR for DE

Overall, our hypothesis was confirmed: including a behavioural intervention in ad messaging increased impressions, video views, clicks to site and click-through rates for COS Resell.

The behavioural intervention was centred around mindstates – value, status and community – with community-focused messaging performing better than the other variations and the control.

With regards to the behavioural force of framing, the experiment revealed that Gen Z's relationship with resale extends far beyond environmental benefits. They see it as an affordable way to express themselves, build self-confidence, connect with others and cultivate meaningful daily experiences. Anecdotally, many Gen Z individuals have turned secondhand clothing into small businesses, gaining a sense of status and autonomy among family and friends.

Understanding the TikTok algorithm and what this means for our experiment

The TikTok algorithm optimises budget allocation by identifying better-performing ad variations and directing more resources to them, thereby maximising campaign effectiveness. It evaluates ad performance using metrics such as click-through, conversion and engagement rates and overall ad relevance. Having gathered sufficient data, the algorithm typically begins optimising – often within the first few hundred to a thousand impressions. As a result, not all ad variations receive equal budget allocation. In the deep dive section, we explain how we organised the data and made comparisons against the control to ensure accurate analysis.

Implement the COS hack into your own business

Think about how you can apply our learnings to your experiment. When we tested messaging variations on social media, we found that community-focused messaging performed better.

Craft messages highlighting how your brand, products or services bring people together and consider phrases that evoke unity and shared purpose, such as 'join our community' and 'together we can make a difference'. Similarly, use inclusive language, focusing on 'we' and 'us', to create a welcoming tone and reinforce a sense of belonging and shared purpose.
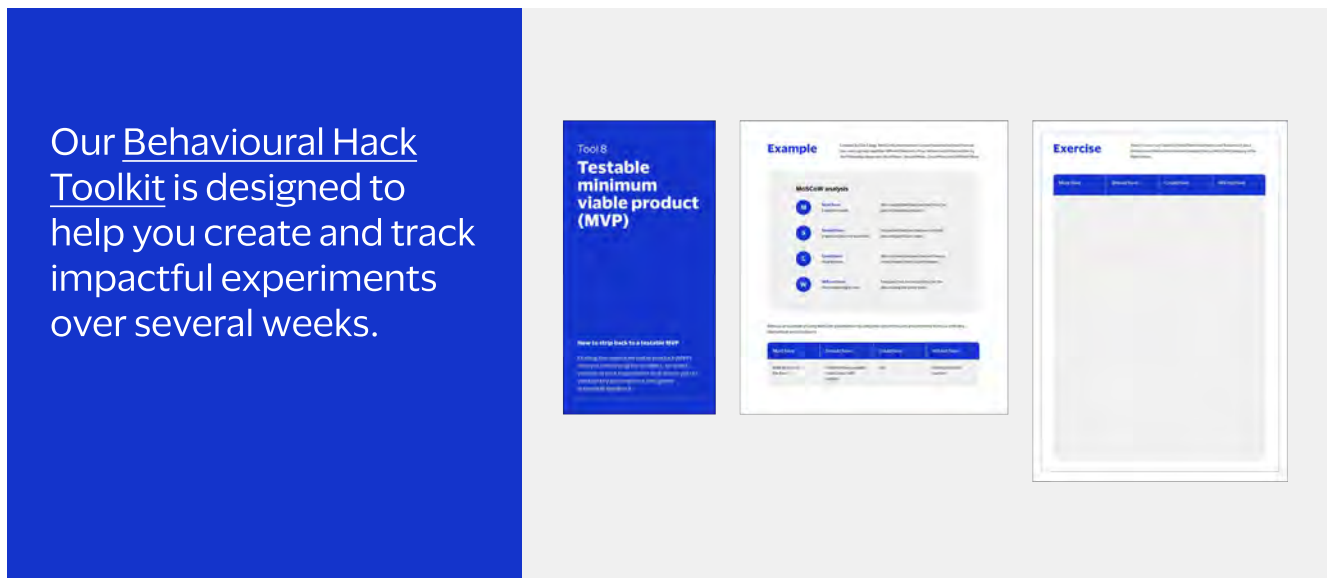
To help you generate your own messages, here's a Chat GPT prompt inspired by the experiment's best-performing behavioural intervention. Simply customise the prompt for your use case, brand and business situation by updating the topic, product or service, number of options you want to generate, and the channel where you want to conduct your experiment. Always check for accuracy and ask follow-up questions based on your specific needs.

Try this out

Community-focused messaging could encourage resale:

'join our community' or 'together we can make a difference'

Our Behavioural Hack Toolkit is designed to help you create and track impactful experiments over several weeks.

Utilise our frameworks and techniques individually or in combination to enhance your creative experiment design process. For example, the behavioural design cards are an inspiring way to accelerate the ideation process and you can capture all the key details of your proposed experiment – such as business objective, target behaviour, customer motivations and barriers, testing methods, considerations and required stakeholders – in our experiment canvas.

COS
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Deep Dive

How we designed our experiment

We imagined a future where resale clothing is widely available from retailers. In this scenario, customers understand the benefits of choosing secondhand or preloved items, recognising it as a sustainable and smart choice.

Writing our 3 message variations

Using our 3 mindstates and 3 framing strategies, we wrote 3 messages that were posted to TikTok as ads. We also created a 'control' ad, with messaging that simply highlighted the resale site and did not include a behavioural intervention layer: THE PRELOVED PLATFORM. Across all 4 ads, only the wording changed, while the visuals remained the same.

Value ad copy:
"Secure your next forever piece"

Mindstate 1: Value
People with this mindstate consider the costs and benefits of an experience and aim to make a decision they can explain as smart or financially savvy. In this instance, Jess feels she's investing in her future.

Framing strategy 1: Value attribution
Tapping into the value mindstate, this strategy explores how people perceive and attribute value. It examines which characteristics of a business's brand, products and services influence purchasing decisions.

Status ad copy:
"Uncover coveted pieces"

Mindstate 2: Status
People with this mindstate seek approval from their community or peer group. They crave social currency – such as unique experiences, exclusive access and compelling stories – that they can share with their social circle for recognition and validation. In this instance, Jess feels like she has exclusive access to something unique.

Framing strategy 2: Endowment effect
Tapping into the status mindstate, this strategy explores how people value items more simply because they own them. Understanding this can help businesses better understand consumer sentiment and craft effective campaign messaging.

Community ad copy:
"Join the resell revolution today"

Mindstate 3 – Community
People with this mindstate look to connect with a group of like-minded individuals. They seek products and experiences that signal these shared connections and use them to reinforce their sense of belonging. In this instance, Jess feels a sense of collective action.

Framing strategy 3: Limited access and scarcity
Tapping into the community mindstate, this strategy examines how perceived uniqueness or limited availability increases desire and creates the perception that a person is part of a select few. Leveraging this can help businesses understand how a sense of exclusivity can influence consumer purchasing decisions.

How we ran our experiment

1. Collaborated closely with COS to craft messaging variations tailored to resonate with TikTok's audience and to appeal to potential Resell users, utilising engaging video formats. These variations were carefully designed to align with COS's brand identity and the platform's consumption patterns.

2. Based on the availability of the COS Resell offering, we selected GB and DE as the markets where we would run the experiment and determined appropriate sample sizes for each variation to ensure we collected representative data.

3. Implemented the test by launching the different messaging variations on the TikTok platform within the specified geographic regions. This involved precise timing and coordination to ensure consistent delivery and exposure to the target audience.

4. Actively monitored the performance of each variation in real-time as data came in throughout the test. In addition, conducted comprehensive analysis and evaluation after the test ended to gain insights into the effectiveness of the messaging strategies and their impact on user engagement and behaviour.

Campaign type:

Live multivariate ad experiment

Campaign period:

May 2–15, 2024

Geographies:

Great Britain   Germany

Target audience:

18–24

Gender:

Women   Men

Objective:

Identify the elements of COS Resell messaging that most effectively drive interest and click-through rates.

Distribution channel:

TikTok

How we measured the results

To evaluate the effectiveness of our TikTok ads, we focused on their 'closing power' – determining which message was most successful in driving click-through rates to the COS Resell site.

Having exported the results from TikTok into a spreadsheet for detailed analysis, we took the following steps, which you can replicate when implementing the hack in your business:

1. **Organised the data**
   We categorised the data by ad copy (control, value, status and community), tracking metrics such as impressions, video views, clicks to site and click-through rate for each messaging variation.

2. **Compared against control**
   We compared the performance of each ad variation against the control ad to identify any uplift. Before exploring individual ad performance, it's important to acknowledge that TikTok allocated more budget to the ad variations featuring behavioural-led messaging and the least amount to the control ad, highlighting the overall effectiveness of our intervention.

   Then, to accurately compare the effectiveness of each ad and allow for the differences in TikTok budget allocation, we identified the percentage uplift between the click-through rates of the control ad and the ad variations.

3. **Analysed patterns**
   We looked for patterns in the data to understand which messages resonated most with the audience.
   For example, we analysed whether the value-focused ad led to more clicks than the status- or community-focused ads.

4. **Identified insights**
   From these patterns, we drew insights into our target audience's preferences and behaviours. For instance, if the value-focused ad saw the highest uplift, it suggested that financial savvy and long-term investment were key motivators for our audience.

5. **Visualised the data**
   We created charts and graphs to visualise the data, making it easier to spot trends and compare the effectiveness of each ad.

LEARN MORE

Visa's Recommerce Behavioural Insights Lab is open source, sharing practical learnings and solutions from all our experiments so these can be adopted and applied by anyone, anywhere.

Discover more about the Visa Recommerce Insights Lab here.

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