Behavioural Hacks

Play book

An experiment in partnership with Amazon



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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 it¹.

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 the Ellen MacArthur Foundation (EMF). Visa brings expertise in commerce, MindWorks specialises in behaviour and the 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 opensource guide to everything we've learned, distilled into easyto-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 <u>here</u>.

Shopping circular¹

92%

of people say they want to

16%

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

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Behavioural science 101

Understand how we use behavioural science to create interventions that will influence people's behaviours.

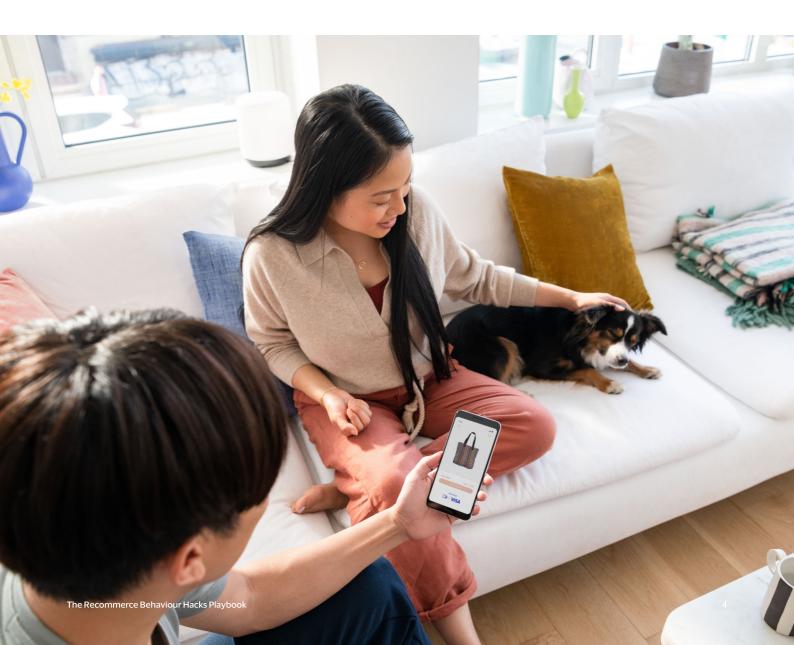
Recommerce Behavioural experiments 101

From kick-off to implementation, discover our 6-step process to carrying out Recommerce behavioural experiments.

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Increase demand for reusable packaging.



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.

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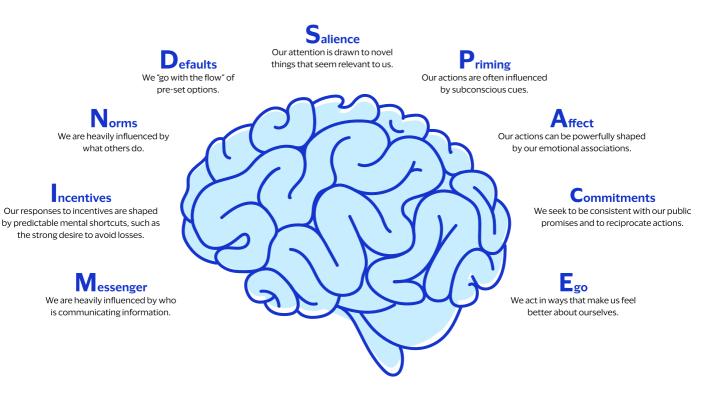
Identify the **target behaviour** we want to influence – for example, the purchase of a refillable bottle.



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'.



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:



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 <u>tool</u> 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.



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Increase demand for reusable packaging

The initiative

Motivate customers to select reusable packaging at checkout and return packaging after receiving the product so it can be cleaned and reused.

The target behaviour

We defined what we wanted to happen...

We want Amazon customers to adopt and participate in future circular packaging programmes.

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

On Tuesday at 6:30pm, we want Joseph (a 39-year-old father of two) to open his reusable package, take out his items and immediately place the returnable package on his doorstep.



What could change behaviour?

The hypotheses

We believed the factors that would motivate our target behaviour would be:

Control

Value

navigating an unfamiliar or hard-to-manage experience. They look for familiar elements, analogies and other tools that put them in the driving seat and make them more confident as users.

People with this mindstate seek context, cues and guidance

People with this mindstate consider the benefits of an experience and aim to make a decision they can explain as smart or financially savvy.

Identity

People with this mindstate feel as though their decisions reflect their values. They make measured choices and their sense of self and conviction in their choices reinforce each other.

Convenience

People with this mindstate are tuned into the effort, labour or time spent in an environment and seek solutions that simplify their experience. They make decisions not on price but on the perceived effort of interaction.

Fairness

People with this mindstate aim to compare their relative experiences with someone else's. They are critically assessing if they are required to give, work or endure more than they should across the experience. Using the MINDSPACE framework and what we know about the target behaviour, we decided to add an ego-driving impact message at checkout to test what makes customers more likely to choose and return reusable packaging.

Hypothesis 1:

Personal impact (B,C,D)

Presenting circular package solutions with an insight into an individual's personal contribution to sustainability improves rates of adoption and adherence to the programme.

Hypothesis 2:

Collective impact (E,F,G)

Presenting circular package solutions with an insight into the participating group's contribution to sustainability improves rates of adoption and adherence to the programme.

Intervention

To test which message best drove our target behaviour, we created a quantitative survey (which uses objective questions to gain detailed insights from participants). Three versions were shared – a control (A) and two behavioural interventions, which were personal versus collective impact messaging.

Use, reuse, repeat.	Thank you for making a difference You've conservation You've conservation of a stategy dog	Your community and our planet thank you By choosing reactaging you have given this envelope a charge to be used again	Thank you for choosing reusable packaging Vou are saving an average of 520 minutes on bodismanting and disposal
Are the same source and the source a	Control of the second and the second	A for the correct on the order of the order	Are they carry concurse in the door fact. White the door fact. White the door fact.
E Thank you for choosing reusable packaging	F Way to go, Team London Togethe, Londons cuid sav	G Welcome to the reusable revolution	
Congratulations on pinning Team Condex was are saving and bod demanting and disposal bod demanting and disposal Control of the control of the first control	pačkaging equivalent to the weight of 2 million međum-sized sausge dogs	Thank you for johing millions of Londones who are making a difference by choosing reusable packaging reusable packaging reusable packaging reusable packaging	

The experiment

Over 4 weeks, 775 Amazon employees in the UK, Germany, Spain, Luxembourg, Italy, France, Germany and Belgium took part in the experiment in the form of a survey that presented a hypothetical reusable packaging experience, mimicking the existing shopping experience at Amazon while adding behavioural interventions.

In the survey, our participants were asked some demographic questions and given descriptions of a hypothetical circular packaging experience. Participants were asked a series of multiple-choice questions so we could measure their reactions. They also ranked each message in order of effectiveness.

Results and learnings

In this hypothetical scenario, by adding a single, simple impact message:

Personal impact:

'Your community and our planet thank you. By choosing reusable packaging you have given this envelope a chance to be used again.'

Collective impact:

'Way to go, Team London. Together, Londoners could save packaging equivalent to the weight of 2 million medium-sized sausage dogs.'

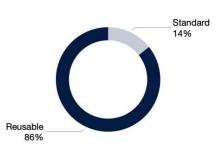
we increased the predicted demand for reusable packaging by 4%. This uplift could significantly enhance sustainability by reducing the environmental footprint associated with single-use materials, lowering waste and conserving resources across Amazon's global supply chain.

We also found that collective impact messaging performed the best, narrowly beating personal impact messaging, and that simple, concise and catchy words 'use, reuse, repeat' resonated most strongly.

Learnings for next time

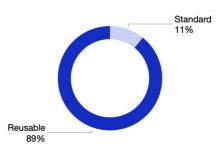
If you were to run a similar experiment (with time and budget permitting), we would suggest running this with real customers along with internal employees. We would also create bespoke messages for each geographic region, mentioning a specific location like London or Paris, to see if this increased messaging impact with participants.

Overall results



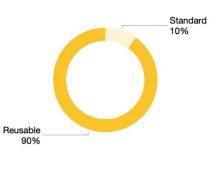
O 1. Control group

- 85.5% of respondents selected reusable packaging.
- 14.5% of respondents selected standard packaging.



Q 2. Personal impact group

- 89.2% of respondents selected
- reusable packaging.10.8% of respondents selected
- standard packaging.



O 3. Collective impact group

- 90% of respondents selected reusable packaging.
- 10% of respondents selected standard packaging.

Implement the Amazon hack into your own business

Think about how you can apply our learnings to your experiment. When we tested personal versus collective impact messaging, we found collective impact messaging performed better. In addition, words like 'use, reuse, repeat' resonated most strongly – so consider how to implement simple, concise and catchy words.

To help you generate your own messages, here's a <u>Chat GPT</u> <u>prompt</u> 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.

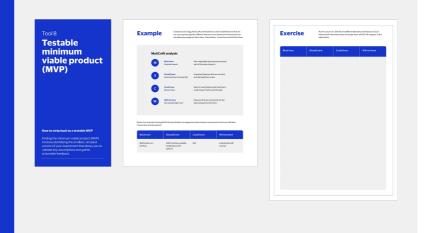


Try this out

Collective impact messaging could encourage return:

'join 2 million others' or 'together we could save the equivalent of...'

Our <u>Behavioural Hack</u> <u>Toolkit</u> 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 <u>behavioural design cards</u> can 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 <u>experiment canvas</u>.



Deep Dive

How we designed our experiment

When designing our experiment with Amazon, we defined a future scenario where reusable packaging is already a reality for retailers. In this scenario, customers know and understand how reusable packaging works and also what is required from them to return it to the retailer.

The experiment was anchored around two hypotheses.

Hypothesis 1:

Personal impact

Presenting circular packaging solutions with insight into an individual's personal sustainability contribution will improve interest in circular packaging adoption.

Key mindstate - Identity

To comply with Amazon's returnable package guidance, Joseph leaves his returnable package on his doorstep, which helps him feel a stronger sense of identity and conviction.

Factors that may impact behaviour

We wanted to explore whether Joseph might be influenced by the 'spotlight effect', which is when we think others are paying more attention to our appearance or actions than they actually are. Using the MINDSPACE framework³, we also considered that his behaviour might be driven by 'ego' – in other words, a sense of self-worth and confidence – meaning he might act in a certain way to boost his self-esteem. This insight helped us craft personal messages designed to enhance the customer's sense of accomplishment.

Hypothesis 2:

Collective impact

Presenting circular packaging solutions with insight into the participating group's sustainability impact will improve interest in circular packaging adoption.

Key mindstate - Community

To comply with Amazon's returnable package guidance, Joseph leaves his returnable package on his doorstep, which helps him feel a stronger sense of connection and belonging to a group of like-minded people.

Factors that may impact behaviour

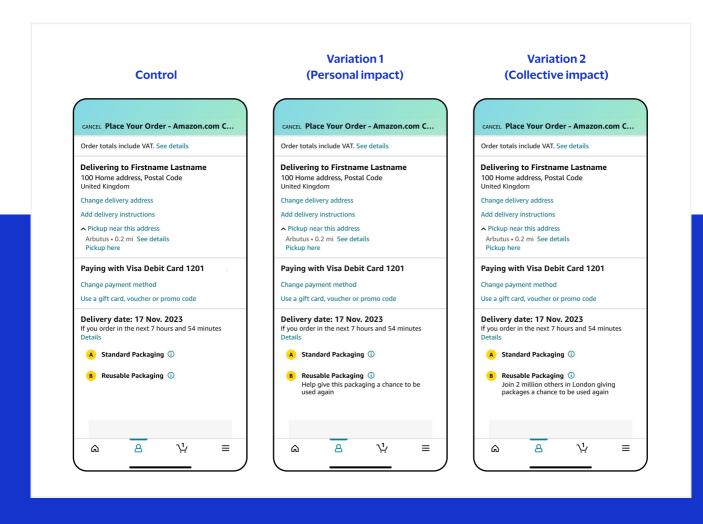
We wanted to understand if Joseph could be influenced by 'success momentum', where the experience of succeeding encourages continued behaviour in the future. Using the MINDSPACE framework, we also thought behaviour may be affected by Norms, where we're strongly influenced by what others do.

This information helped us create impactful collective messaging focussed on the feeling of joining a collective community, which can amplify a person's action.

Writing messages for the packaging

Using our two hypotheses, we wrote variations of messaging that were shown to the Amazon customer when going through checkout with their simulated order, to accompany their choice of packaging solution.

One focused on the personal impact associated with reusable packaging and the other focused on collective impact. We also created a 'control', which contained a packaging message without a behavioural intervention layer. Check them out below. (Please note: These are simulations of the existing Amazon checkout experience.)



How we ran our experiment

We created a quantitative survey to test which message worked best to motivate our target behaviour.

The survey in 5 easy parts

- 1. We told Amazon employees about our research goals and asked them to take part in the study via email and the internal employee portal.
- 2. The invite link sent participants to a survey page with a few demographic questions so we could learn key information about geography and housing type.
- 3. Participants were randomly assigned ONE of the message variations (control, variation 1 or variation 2), shown visuals to illustrate the imagined experience and asked questions about their specific variation.
- 4. Multiple-choice questions captured participants' reactions and perception of the overall experience and, by comparing results, we could understand if the behavioural intervention was likely to increase adoption rates.
- 5. The survey showcased messaging variations in response to selecting reusable packaging and participants were asked to rank them in order of effectiveness. The control group was shown 7 message variations (control, 3 personal impact variations and 3 collective impact variations) while each of the test iteration groups was shown 4 message variations.

Sample size:

ZZ5 Employees

Platform:

Internal Amazon survey platform

Geographies:



Stimuli:

Study included questions and written descriptions of the experience proposition, paired with supporting visuals to illustrate details

Distribution channels:⁴



chime 👬 slack

⁴All brand names, logos and/or trademarks are the property of their respective owners, are used for identification purposes only, and do not necessarily imply product endorsement or affiliation with Visa.

How we measured the results

Excited to see the results, we exported the answers from our quantitative survey to a spreadsheet (this is one of the best ways to review a quantitative survey). Each column represented a different survey question and the rows represented participant responses.

By asking multiple-choice questions, it was easy to identify the most common response and benchmark the control performance against the performance of the variations, identifying a 4% uplift. To find meaningful trends (for example, if returnable packaging adoption was influenced by housing type) we simply filtered the data to compare responses between sub-groups.





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 <u>here</u>.