CREATING NUDGES: A PROCESS BY AIM & BVA

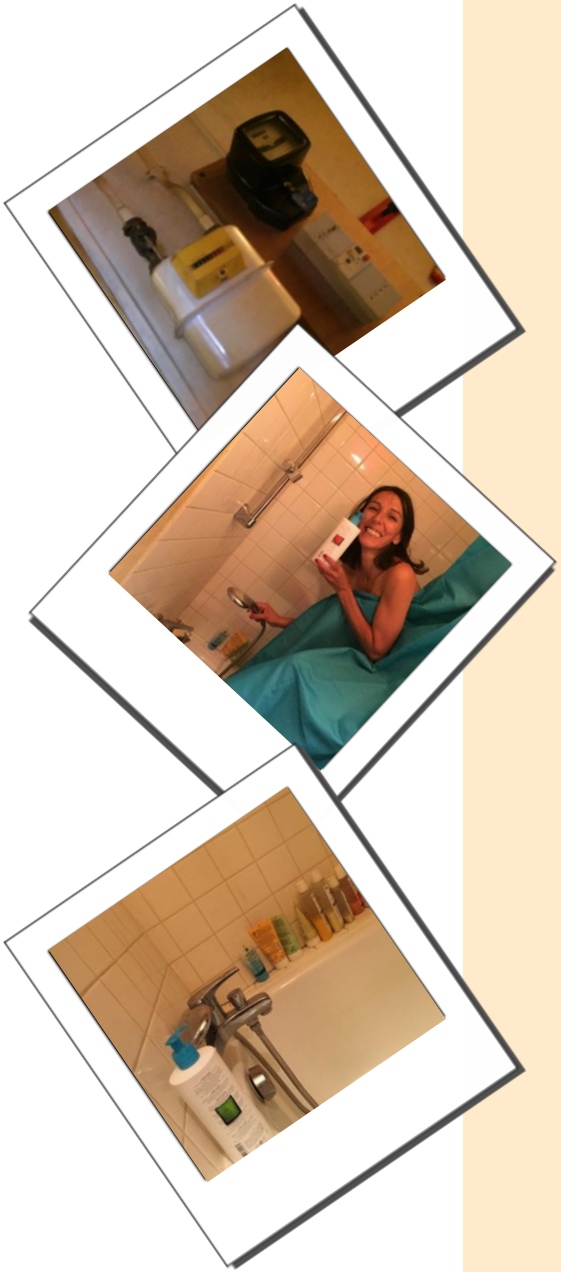


NUDGING FOR GOOD

BVA

AIM EUROPEAN BRANDS ASSOCIATION

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5. EVALUATE

> *Whenever we come up with some idea, we test it because without evidence, all they are is ideas.*
>
> *Richard Thaler*



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INTRODUCTION

In the previous phase, you selected 4 or 5 of your best Nudge ideas. The purpose of this phase is to confront these ideas with some field or lab reality by conducting a pre-test. Learn from the observed behaviour if your Nudge triggers the intended behaviour, if there are opportunities to optimize it, and if the results are positive enough to qualify for the roll-out phase or if, on the contrary, there are unexpected backlash effects.

In the end, the aim is to reduce risks in the deployment phase and select the best opportunity, based on the results of this pre-test.

CONDUCT A PRE-TEST

There are many ways to conduct this pre-test. You could do a qualitative lab study, a quantitative lab study or a field study. Whatever you choose, it should give you enough consumer feedback to make an informed choice about the most efficient Nudge to deploy.

The evaluation phase is very useful in that it provides practical evidence you can show to prove your Nudge's efficiency to the stakeholders.

YOUR PRELIMINARY STEPS

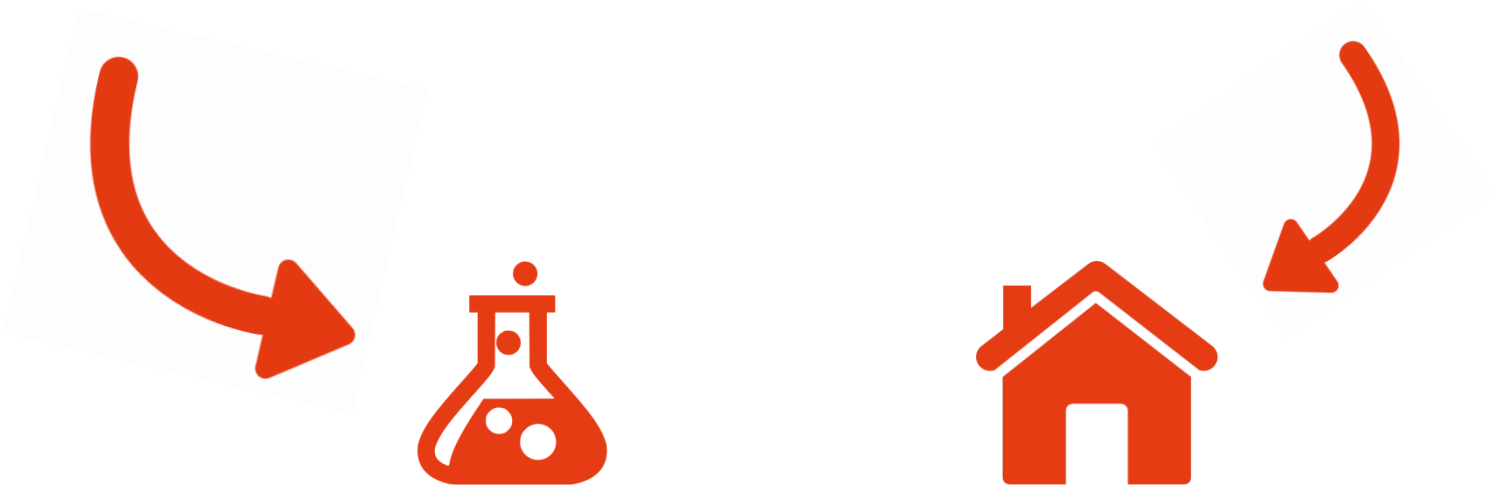


5. EVALUATE

- Make sure some Touch and Feel prototypes are available, and can be used in situ
- Discuss with your insight Director what methodology best suits your situation and find the right metric for your KPI.
- Use the field testing as an opportunity to invite your core team get a direct contact and a deeper understanding of the situation. Experiencing a more intuitive knowledge of the consumers will help them believe in your project!
- Use the field testing as a an opportunity to also test your communication plan! See how the consumers react if you reveal your Nudge's mechanism and effects. As a matter of integrity, explain your Nudge to the testers, and see if they think your brand has any legitimacy in this project. Verify that the consumers don't feel like they have been manipulated for wrong purposes, test the level of Nudge acceptance. Going further you can test if the synergy between you Nudge and the external stakeholders and partners works or not.
- This "communication testing" will accompany the deployment of your Nudge by helping you determine the best touchpoints to use when sharing the mechanic of your Nudge. Depending on the results you obtain, ask yourself how you will communicate about the Nudge: use advertisements? Change the packaging?

HOW TO PRE-TEST NUDGES? LAB AND FIELD TESTING

Depending on your Nudge ideas, two options are possible : field testing (quantitative), or lab testing (qualitative or quantitative). Pre-tests can also trial the communication plan and check if the brand has legitimacy on the selected topic. Testing can be an opportunity for academic publications on your company's project.



HOW TO PRE-TEST NUDGES?

Lab test is recommended when:

1. There are strong uncertainties
2. The material is limited or many variants are possible
3. Other context variables may hide the effect of the Nudge if it is directly implemented (size of household, temperature,…).

In the last case, you should recruit the user category with the easiest readability and create a scenario which will help you observe both situations (with or without the Nudge) while controlling the other variables. Quantitative measures are ideal, but in that phase even qualitative observations can help fine-tune your prototype.

Field test (based on city, area…) is recommended when:

1. It is cost accessible
2. There are no risks foreseen
3. Usable products are available in small quantities
4. The KPI is easy to isolate from other variables by using large samples.

Ideally, the experiment should be conducted on a large scale. This is ideal for a quick scale-up.

In qualitative testing you can investigate at the same time the Nudge's execution, acceptability and legitimacy.

TYPICAL DESIGN

The test aims at assessing the efficiency of the Nudge: by measuring before/after and with/without the selected Nudge, we can make the change salient, and reveal its effects. It can be based upon different methodologies depending on the type of Nudge selected and field constraints. Make sure the change comes from the Nudge and not some sample or environment variations!

1. You can run a BEFORE /AFTER methodology

BEFORE NUDGE IMPLEMENTATION

AFTER NUDGE IMPLEMENTATION

2. You can run a WITH/WITHOUT methodology

AREA WITH NUDGE IMPLEMENTATION

AREA WITHOUT NUDGE IMPLEMENTATION

Measurement of significant differences (quantitative)

Measurement of minor/major gap (qualitative)

→ Nudge efficiency assessment

USE TEST/CONTROL GROUP



To run your Field and Lab tests, you can try your Nudge on a test group and compare its influence on behavioural KPIs to a control group. The simplest way to evaluate a Nudge is the one used by behavioural Economists in their academic research: a quantitative test methodology known as the Randomized Controlled Trial (RCT). It has three steps:

1. Design your experimental groups: a control group (a group that won't be nudged) and one group for each Nudge you want to test (the test groups). In all, about 100 to 120 people are going to be tested. This sample size allows you to have results that can be trusted

2. Randomly allocate your participants into each of the different groups

3. Compare your behavioural KPI for the control group and the treatment groups: the difference is the effect of your Nudge

You can also involve academics in this testing phase to prove the relevance of your Nudge case.
At the end of this pre-testing phase you should have a strong confidence level in your Nudge efficiency to plan for the last phase : implement and measure (post test).

TIPS!

02

After spontaneous observation, you may want to involve your consumers in co-building the ideal solution with you. Of course, make sure the Nudge does not harm the consumer experience.

04

Be humble!

Consumers often react differently than you might think. use observation gaps to create new opportunities.

05

Do not mix this pre-test phase (where agility is needed to optimize) with the final step "implement and measure" which requires real-life results and proof.

01

Do not communicate at this phase unless you have significant results. External communication isn't a priority unless you have exceptional or outstanding results backed up by external stakeholders. Adapt the message you convey proportionally to the results you have recorded! Don't oversell your project.

Beware Nudgewashing!

03

Watch out : do not expose your intentions too early. Avoid pointing specifically at your Nudge in test design, but include it into a natural journey with an everyday mission.

06

These early test results can be reported in the Nudge Case Study template box "evidence path" as well as the conclusions of any other similar experiment that can reinforce confidence in mechanic efficiency.

EVALUATION DESIGN

The participants are now discussing. They'll eventually come to a consensus on each Nudge's position on the matrix. Everybody has something to say!



Nudge 1: Shower Timer
Some risk/cost involved.
50 consumers in a test leg (free "nudged" pack given), 50 in a control leg (brand users).

Nudge 2: Shower Sticker
Cheap, simple.
We compare the test area (the "nudged" pack is distributed in 1 town), to the control area (use the classical pack).

EVALUATING THE NUDGES

Our KPIs: time spent showering as well as sounds recorded in the bathroom. For both metrics we record data in the field over 3-month periods with/without the modified packs. Thirty households were tested.

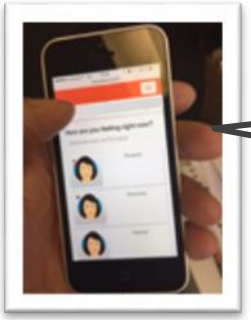




Passive measure of the shower's duration via sound and time.
The system automatically records whenever someone is showering.

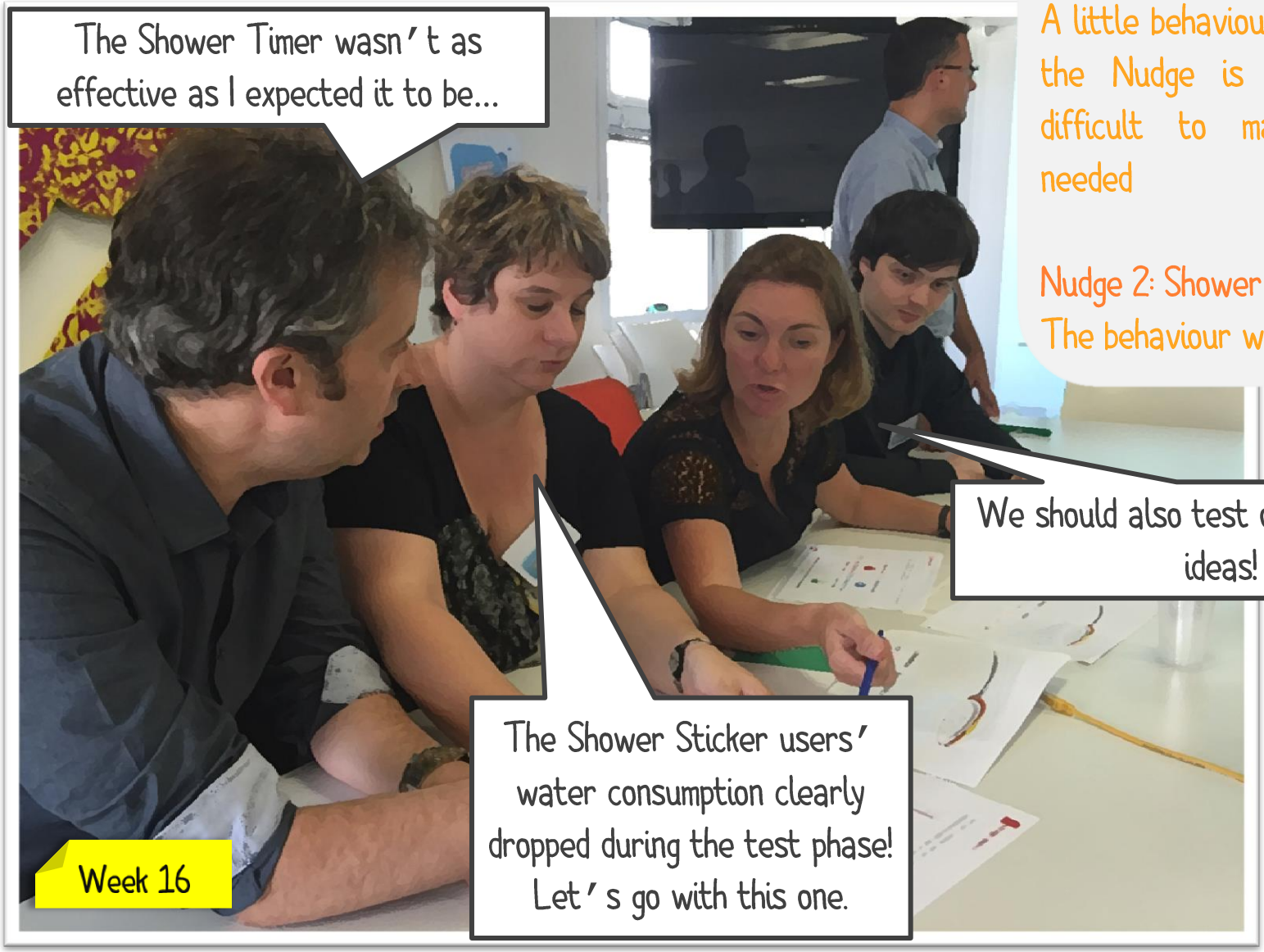


Self-reported weekly water consumption.



Self-ethnography tool. The tester uses it to transmit text and picture content.

CONCLUDING THE EVALUATION



Nudge 1: Shower Timer
A little behavioural change was noticed, but the Nudge is costly to implement and difficult to manufacture: REWORK is needed

Nudge 2: Shower Sticker
The behaviour was changed: GIVE IT A GO!