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CRO PLAYBOOK 10 behaviour hacks to boost conversion

## Applying Behavioural Science to Conversion Rate Optimisation

Behavioural science is the study of how people behave. Not how we want them to behave, or how they claim to, but how they actually behave. That makes it a pretty relevant topic for anyone wanting to influence their web user.

The findings are also robust. They're not based on anyone's intuition - they're derived from the peer reviewed experiments of some of the world's leading psychologists. This evidence based approach means we can give the recommendations genuine credibility

In this playbook, we've picked the ten biases - from the many hundreds that exist - that we think are most relevant for conversion rate optimisers. We hope you find them useful!


Attract Attention
\#1 Von Restorff effect

We have the tendency to notice and remember what is distinctive.

Evidence: The German psychiatrist Hedwig von Restorff showed participants a long text. The text mainly consisted of strings of letters, but it included a few numbers as well.

Later, she asked participants to remember as much of the information as possible. Participants were far more likely to remember the distinctive numbers than the commonplace letters.


Source: McDaniel \& Einstein 1986), ‘Bizarre imagery as an effective memory aid’

This finding still occurs today. A couple of years ago I showed $\varsigma 00$ nationally representative participants a list of numbers: is written in black and one in blue. A short time later, I asked which number they recalled.
Respondents were 30 times more likely to recall the outlier than the average number.

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Recommendation: Most visitors to a website only take in a small proportion of the information available to them. The Von Restorff effect is a simple way of directing their attention to what matters most. By making the key elements (maybe the buy button or the core reason to believe) distinctive it's much more likely it'll be noticed.


BT use the Von Restorff effect to draw attention to their premium subscription

## \#2 Social Proof

Social proof is the idea that when people make a decision, they are influenced by what they think the common course of behaviour is. If a behaviour is made to appear popular, it will become more popular still.

Evidence: In 2008, Robert Cialdini, from Arizona State University worked with a hotel chain to test which in-room message best encouraged guests to reuse their towels. His control message, which you can see on the right, reminding guests of the environmental benefits, was successful among $35 \%$ of guests.

The social proof message, in contrast, simply stated that most people reuse their towels. This version, shorn of any rational messaging, boosted uptake to $44 \%$.


Stimuli from Cialdini's (2008) experiment


Social proof works in a broad range of settings. A recent study by Google across 3I product categories compared the relative effect of six biases. They found that for 28 of the 3I categories, social proof was either the most powerful, or second most powerful, of the biases tested.

Recommendation: Social proof is one of the most powerful biases, so, wherever possible, highlight the popularity of your brand (e.g. "I2,599 units sold"). This will reassure uncertain shoppers.

However, there are some nuances to social proof that you should apply. First, make sure you tailor your message. It's best to highlight your popularity among a relevant audience (e.g. tell Londoners about your popularity in London rather than referencing UK-wide numbers).

Second, emphasise your brand's momentum. A 2017 study by Sparkman showed that even minority behaviours can tap into social proof if they communicate their growing popularity.

However, there's one important watch-out with social proof. Don't ask your consumers if they're influenced by what others do. They'll deny it vehemently. People are loath to admit that they're affected by their peers. After all, no one wants to feel like a sheep.

Instead, set up a simple $A / B$ test to monitor what genuinely motivates people.

Application in practice: Selfridges


Selfridges apply social proof by using bestseller banners


Evidence: I showed soo participants a car financing deal. The cost was either displayed as a daily, weekly, monthly, or annual figure. Everyone was then questioned as to how good value they thought the offer was.

The results were clear: the longer the time frame, the less appealing the deal. When the prices were shown as daily amounts, they were almost five times more likely to be rated as a great deal than when they were annualised (see below).

## $£ 1,668$ Per Year



11\%
$\mathbf{£ 1 3 9 \text { Per Month }}$


40\%
£ 32 Per Week


43\%
£4.57 Per Day


51\%

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Recommendation: Temporal reframing is a useful tactic if you want to make your product appear better value. It suggests that you should communicate your prices in the smallest possible time units.

If you're a mobile phone company, don't talk about your monthly prices: instead, communicate the weekly or daily cost. Or, if you're selling multi-packs, don't talk about the headline price, instead, emphasise the per-unit cost.

Application in practice: Camden Town Brewery


Camden Town Brewery specifies the unit price of each can or bottle in their bundles (i.e. £I. 42 per can)

## \#4 Precise Numbers

Round prices, such as $£$ Ioo, are often judged to be more expensive than similar precise prices, like $£$ Ioz.

Evidence: In 2008 two University of Florida psychologitst, Chris Janiszewski and Dan Uy, told participants the asking price for a series of goods. The twist was that while some participants were told a rounded price, others were shown a precise one. The participants invariably thought that rounded prices were marked-up to a higher degree.

The psychologists corroborated their findings by analysing 25,564 house sales from Alachua County, Florida. They discovered that sellers who set a precise asking price - say $\$ 799,499$ rather than $\$ 800,000$ - sold their home for closer to the asking price than those who opted for a rounded figure.

Recommendation: Experiment with selling your goods at precise prices rather than round ones. So, if you're selling cat food for $£_{2}$ a can, test what happens to the conversion rate if you charge $£ 2.05$. If Janiszewski and Uy are right, you'll be able to boost your conversion rate - and your margins.

## £った. 05

## \#5 Scarcity

People tend to value things more when they are in scarce supply.
Evidence: In 2012, Seung Yun Lee from Hanyang University showed participants one of two ads for a wristwatch. Some ads used scarcity messaging ("Exclusive limited edition. Hurry, limited stocks"), others emphasised the large volume of items that were available ("New edition. Many items in stock").

Participants who received the scarcity messaging showed $58 \%$ higher purchase intent than the control group.

Recommendation: Wherever possible, emphasise the limited volume of items available or the limited amount of time left to buy them. It's only a small simple tweak but it tends to have a significant effect.

Another tactic that draws on scarcity is to introduce a cap on the number of items a customer can buy at any one time. Let's say you're running a BOGOF on a particular variety of wine. If you limit customers to just one or two bottles of that variety per trip, this suggests the deal is so good that there's a danger it'll run out.

Application in practice: Jeffree Starr
Jeffree Starr sets limits on their popular mystery boxes


* ABOUT THE PRODUCT

Jeffree Star Cosmetics is offering a limited edition Spring Mystery Box available in 4 tiers.

## ONLYTHE DELUXE, SUPREME, AND EXTREME MYSTERY BOXWILL CONTAIN CLOTHING, WHICH IS WHY YOU WILL SEE ASIZE OPTION

## Every Premium 420 box contains green and/or 420 products in it.

To answer a wide range of questions, this is a true Mystery Box, meaning there is no choice of what comes in them. Also because of the extreme discount on these products, there are NO RETURNS or EXCHANGES.

The Premium and Premium 420 Mystery Box contains 6 items, the Deluxe Mystery Box contains 9 items, and the Supreme Mystery Box contains 13 items. The Extreme Bundle does NOT have a unique box, it is a combination of Premium, Deluxe and Supreme at a special price!

If you are shopping for a Deluxe, Supreme, or Extreme Mystery Box, please select your sizing option with care. We will not be able to modify this once the transaction has been completed.

All products included in the boxes are vegan and cruelty-free

## Limit 2 boxes per size, per customer

## Selection

## \#6 Choice Paralysis

If you offer customers too many options, it can become confusing and discourage sales.

Evidence: In 2000, the psychologists Sheena Iyengar, from Columbia University and Mark Lepper, from Stanford University set up a stand selling jam in a supermarket. Sometimes they offered 6 varieties of jam, on other occasions, 24 varieties.

The psychologists found that even though more shoppers stopped at the stand with the wider variety, sales were io times greater at the stand with the smaller range.
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## \#7 Make it Easy

Small, seemingly inconsequential barriers have a disproportionate effect on behaviour.

Evidence: In a 2017 experiment, Peter Bergman and Todd Rogers, working with the Department of Education, invited parents to enroll in a new service. The parents were texted one of three messages.

1. Standard - Parents were asked to sign-up by visiting a website and filling in a simple form.
2. Simplified - Parents were asked to sign up by replying 'Start'.
3. Automatically enrolled - Parents were told that they were enrolled but that they could opt-out by replying 'Stop'.

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The signup rates varied massively depending on the level of effort required: $1 \%$ for the Standard group, $8 \%$ for the Simplified group, and $96 \%$ for the Automatic Enrolment group.

The psychologists then surveyed 130 education experts (e.g. senior teachers and administrators) to find out how effective they thought each approach would be. Experts predicted uptake of $39 \%, 48 \%$ and $66 \%$.


The experts knew small barriers would reduce sign-ups but they were wildly wrong about the scale of the impact. The psychologists argued that not only did small barriers have a big effect on behaviour change but that people significantly underestimated the effect of those barriers.

Recommendation: Go through your customer journey and identify all the friction along the way. Make sure you note down even the tiny, inconsequential barriers as it's likely they'll be having a bigger than expected effect.

Then commit more budget to removing these pain points from your e-commerce site - for example, by removing unnecessary steps, pre-populating forms or encouraging shoppers to take out subscriptions. Simple, straightforward ideas, but they'll often have significant results.

Application in practice: Amazon One-Click

## - Add to Cart

or 1-Click Checkout

## Ji. Buy now with 1-Click

Amazon removes friction with their oneclick order option

## \#8 Extremeness Aversion

People shy away from extreme options, which they perceive as over-priced or poor quality, and instead, pick the middle option.


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Evidence: In 1993, Amos Tversky and Itamar Simonson from Stanford University questioned 221 participants about which camera they would prefer to buy.

One group was offered the choice of two cameras: the Minolta X-370 priced at $\$ 170$ or the Minolta Maxxum 3000i at $\$ 240$. Roughly $50 \%$ chose each option.

The second group were shown three cameras: the original two plus a high-end Minolta Maxxum 7000i, retailing at $\$ 470$. The introduction of a high-end option led to the middle option becoming much more popular $-57 \%$ chose it, compared to $22 \%$ for the cheapest option.

This finding is still relevant. A 2016 meta-analysis by Ulf Böckenholt from Northwestern University found that the effect was consistently witnessed across 22 studies from 1989 to 2014.

Recommendation: Consider offering shoppers three different price points. Make sure you include a high-priced option that is beyond most people's budget. This pricey option won't necessarily be a popular choice, but its presence increases the palatability of the mid-priced option.

Application in practice: Tide


Tide offers three business accounts. The Premium option fulfils an important role - it makes the Plus option look like a bargain in comparison.

## Reducing Churn

## \#9 Illusion of Progress

The closer we feel we are towards achieving a goal, the more motivated
we are to complete it.

Evidence: In 2006, Dr Ran Kivetz, from Columbia Business School, distributed loyalty cards to customers at a café.

Each time the customer bought a drink they received a stamp. If they filled the card they were rewarded with a free drink. However, Kivetz gave some drinkers a card with Io empty stamp spaces, others were given a I2-stamp version with two stamps already filled in.

Even though all participants needed to buy another to drinks to get their freebie, those who had received the 12 -stamp version purchased more coffee and at a faster rate than those with the unstamped version ( $+16 \%$ ). Because they felt that had started on their journey, they were more likely to complete it!

Recommendation: You can harness the illusion of progress by reminding shoppers how far they are already along the customer journey.

Have a look at the example from Currys PC World below. As soon as a shopper has selected an item, the website indicates that they have already completed the first of three steps. Emphasising the work already invested means shoppers are less likely to drop out.


Application in practice: Currys PC World

Electronics retailer Currys PC World have made a progress bar for their checkout process where customers start on stage two (checkout)

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Recommendation: Similarly, customers don't just pay attention to absolute value - they are interested in what others are receiving.

You can harness this insight in two ways. First, stress that your price is the best available. Emphasising the relative price is important as it reassures shoppers that others aren't getting a better deal.

Second, remove the option to add discount codes at checkout. These troublesome boxes insinuate that others are being offered a better deal. When customers see this, they feel they are being treated unfairly and might not complete their order.

Alternatively, make the option to enter a discount code less prominent or only visible to those who have come via specific emails or affiliate deals.

Application in practice: Tod's

## TOD'S <br> Prieate Gale

## PRIVATE SALE

EXCLUSIVE SALE ONLINE

Dear JoAnNa stanley,
We are extremely pleased to inform you that our Private Sale is officillly open starting trom today untI Saturcay, March $20^{\text {th }}$ As announceed, please find the code reserved for you.

PS2021-SQ9MS5.

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Mammama-ML
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Wo mosintam poither


Tho posadure ba any yourra an be beund on te a
private sale tod's grou

Tod's offer their customers sales through private links.

## Conclusion

The biases we've discussed here are backed up with good evidence and real-world success. But knowing the theory is just the first step - applying the ideas well is what makes the difference.

These biases can deliver results, but it's up to you to identify the right ones for your business and how best to apply them. And the only way to figure this out is to test early and test often. Don't be put off, you needn't set up a lengthy or onerous research programme. Some simple $A / B$ experiments should mean you can learn quickly. And you'll soon be reaping the rewards that behavioural science can offer.

> Need help putting these behavioural principles into practice on your website or app?

> It's what we do.

> Get in touch with us at www.tangent.co.uk/contact

We'd love to talk.

## About the authors

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EXPERIENCE DESIGN DIRECTOR, TANGEN
We're a digital product agency with offices in London \& Newcastle. We solve digital challenges and craft memorable customer experiences through product design, engineering and optimisation for start-ups and scale-ups through to global blue chip enterprises.

Our cross-disciplinary teams help you meet your digital ambitions through:

1. Digital product design and engineering
2. Consultancy and research
3. Conversion rate optimisation
4. Digital brand and UI
5. Support and maintenance
6. Search engine optimisation

What digital challenge do you need to tackle? See what we do on LinkedIn and Instagram, and get in touch with us at www.tangent.co.uk/contact.

## Richard Shotton

Richard is the author of The Choice Factory, a best-selling book on how to apply findings from behavioural science to advertising. The Choice Factory topped a global poll organised by ad agency BBH to find the best book ever written on advertising.

Richard started his career in marketing 20 years ago, working on accounts such as Coke, Lexus and comparethemarket.com, before founding Astroten, a consultancy specialising in applying behavioural science to business problems.

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