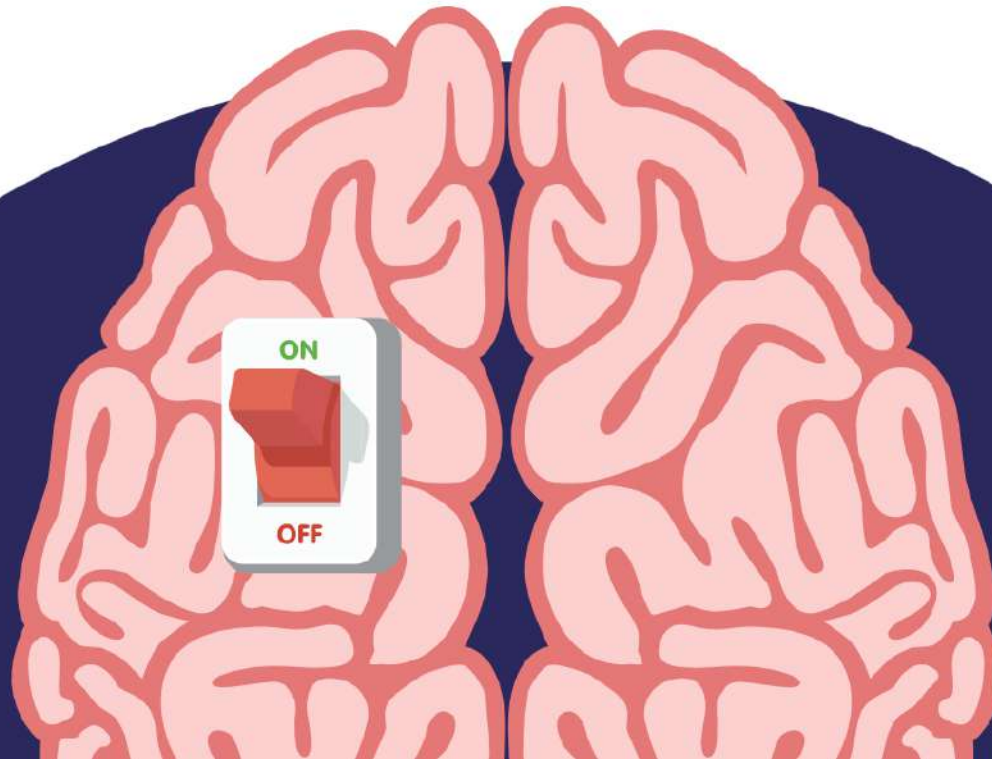




The Science Behind Effective Marketing



**We're on a mission to
make businesses as human
as humanly possible.**



More and more businesses are recognising the importance of Behavioural Science. Our learnings are universal and can therefore be applied across a range of sectors.

amazon

Quilter

TESCO

AEGON

HSBC

Coca-Cola

Walmart

Fidelity
WORLDWIDE INVESTMENT

TESCO Bank

SSE

Standard Life

co op

Legal & General

sky

Mitchells & Butlers

Waitrose

O₂

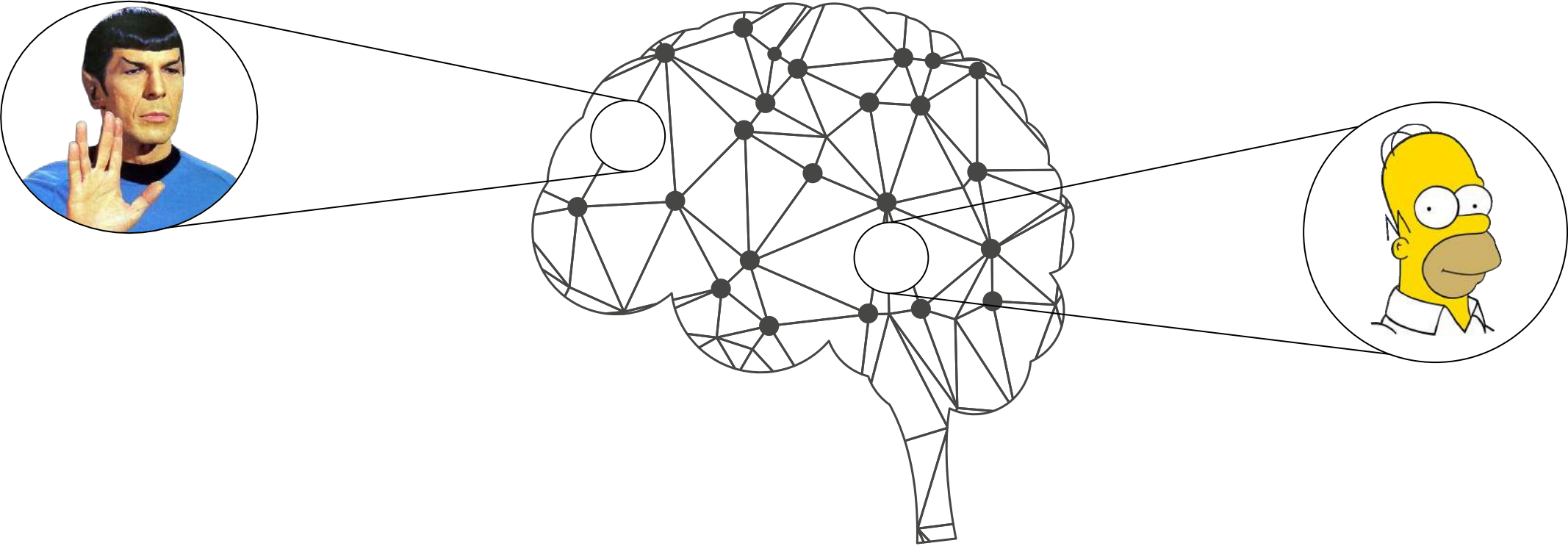
Experienced, proven team of psychologists & scientists





Two brains in our brains

Thinking fast & slow



Quilter


Customer Understanding




The Consumer Understanding Outcome, FCA

We want customers to be given the information they need, at the right time and presented in a way they can understand.

What is the best way to present information?



What does it mean to 'understand' something?



347+ unique behavioural principles,
models and theories documented
in academic literature



**How can we
go from this...**



...to this.

The Science Behind Understanding Financial Information

[1]

**The
Context.**

[2]

**Understanding
understanding.**

[3]

**The
Research.**



How did we test this?

Control vs. treatment



Control vs. treatment





Subconscious drivers of understanding AI POP-OUT

Control vs. treatment

▶ Action needed

Dear Customer,

Optional review of your pension

Your account is due approaching its optional yearly review. This letter explains the income options available to you. It also includes a table of the potential value of your account, and the supporting document, **Retirement Choices**, which details the pension regulations and about the choices available to you.

If you have any questions or need further advice about your choices, Alternatively, you can ask for guidance from Pension Helpdesk, which is a free impartial service backed by the government that helps you understand what choices you have for using your pension savings and how they work. It offers appointments over the telephone and/or face to face. Whatever your preferred retirement date, you can book an appointment. You can contact them on 0800 138 8944 or access their website on [pensionhelpdesk.gov.uk](https://www.pensionhelpdesk.gov.uk).

Under the terms of your current capped drawdown account, the annual amount you can withdraw (known as the capped drawdown limit or 'cap') is determined by pension regulations.

We review and recalculate this 'cap' every year to give you the option of accepting the new limit. **This could be more or less than your current limit. This is an optional review so if you don't accept the new limit your account will stay the same.**

Your current yearly income limit	£3,297.51
Optional new yearly income limit	£3,791.43

The income figures above are gross (before tax)

What are your options

Option 1: Stay in capped drawdown and keep your current annual limit

If you don't accept the new limit, your income limit will stay at the current amount of £3,297.51.

What do you need to do?

- **Keeping things as they are:** if you don't want to accept the new annual income limit or change your current income instruction, you don't need to do anything.
- **Keeping your current income limit and changing your income:** if you don't want to accept the new annual income limit, but do want to change the amount or frequency of your income payments please call us on freephone 01234 567 890 so that we can send you an Income Instruction form. Alternatively, you can talk to your financial adviser who can get the form from our website and submit the signed instruction on your behalf.

Dear customer hello,

It's time to think about your pension income

As you might be aware, your account is now approaching its optional yearly review.

We review and recalculate your capped drawdown limit (or 'cap') every year, based on the rate that is set by the Government Actuarial Department (GAD). This allows us to find the optimal level of income available to you that maintains returns on your investment each year.

This year, our calculations of your pension and limit show that you are eligible for an increase in income limit, as shown below:

My current yearly income limit is	If I accept, my new yearly income limit could be
£3,297.51	£3,791.43

Income figures above are gross (before tax)

Before you decide what you'd like to do, we recommend that you speak to your financial adviser to discuss which of the following options is best for you and your financial future.

1. Would you like to accept the new income limit?

Since this is an optional review, you can choose whether to accept this new limit. Simply follow one of these options to choose your limit:

<p>I want my income limit to stay at £3,297.51</p> <p>Relax, as there's nothing you need to do. We'll automatically keep your income at the current limit for you.</p>	<p>I want my income limit to increase to £3,791.43</p> <p>1. Complete the enclosed Options form 2. Return the completed form to us via email or post (see Options form).</p> <p>Please ensure that we receive your form by 9th Jan 2023. We'll start your new limit on 23rd Jan 2023.</p>
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To help you decide, we've included an illustration of your account's potential future value, and a Retirement Choices document about pension regulations and available choices for you.



Subconscious drivers of understanding FAST CHOICE TEST

Great! Now the real task.

Please now rate each of the 21 images showing financial information based on **how simple you think they look in terms of the design** e.g. colours, icons, layout, photos, fonts.

To rate them, press the “E” key if you think they look **Complex** and the “I” key if you think they look **Simple**.

You will have less than 1.5 secs to make a judgement, so please do not overthink it.

To continue, please click “Next”.

Next →



Conscious drivers of understanding



Setting the scene

"Imagine you've received this from your pension provider..."



Comprehension questionnaire

Measuring understanding



Perceptions task

Identifying what contributed to understanding

What did we
uncover?

15 techniques significantly
improved understanding

$p < .001$

What did we
uncover?

14% uplift in
comprehension

$p < .001$

Participants found the communications more **simple, engaging** and **relevant**.



...identify the psychology behind the understanding of communications.
...to communicate with customers better at every opportunity. This mission is ever important in light of the new Consumer Duty standards regarding consumer communications, placing more responsibility on firms to adopt practices which enhance the clarity of communications.
The result of this work is our CLEAR Framework, which gives you the psychology behind simple communications. Built on insights from Quilter's existing customer experience, your CLEAR Framework and supporting toolkit for written, digital and verbal communications will help you:

1. Understand the psychological biases and mental shortcuts that impact decision making
2. Fix existing communication touchpoints by helping you to apply behavioural science techniques to improve understanding
3. Design & develop future comms with these principles of behavioural science in mind

How Behavioural Science has helped us

Behavioural Science helps us understand how different elements of language and design subconsciously influence our decision-making. Over the last 50 years, psychologists have understood the mental shortcuts that we all use to interpret information and make decisions. By applying these shortcuts to our customer communications, we can support customers to make more informed, effective decisions that help them to meet their financial goals.

Here's how we developed your toolkit:



CLEAR
COMMUNICATIONS

Quilter
[every consulting]

CLEAR COMMUNICATIONS

My Behavioural Toolkit for
customer understanding



TESCO Bank

**Paperless
Adoption**

[cowry
consulting]



THE YEARLY COST



statement
fulfilment costs

=



CO2
emissions

=



paper
waste



3 key challenges

[1]

**Reducing
Friction**

[2]

**Making it
Easier**

[3]

**Turning the
Tap Off**





The Science Behind

The Science Behind



Default Bias

Humans show a strong tendency to naturally stick with a default course of action. This is because it often requires the least amount of effort, sometimes none, and feels like the recommended course of action. Choosing the right default can powerfully shape behaviour.



The Keats Heuristic

Our memory encodes similar sounds more easily. This increased ease of availability means we are more likely to perceive a message or saying as more accurate and persuasive when its rewritten in rhyme or uses alliteration.



Cognitive Overload

When faced with too many options or terms we don't understand, we fear that we are not going to make the optimal choice or answer correctly and therefore it can make us lose interest and decline to make any decision at all.



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