

# Episode 81 - Interview: Nancy Harhut, author of Using Behavioral Science in Marketing, on the behavioral triggers that boost engagement

**MichaelAaron flicker:** [00:00:00] Welcome back to Behavioral Science for Brands, a podcast where we bridge the gap between academics and practical marketing. Every week we sit down and go deep behind the science of some of America's most successful brands. I'm MichaelAaron Flicker.

**Richard Shotton:** And I'm Richard Shotton,

**MichaelAaron flicker:** and today we're sitting with Nancy Harhut, a behavioral scientist, author, co-founder and chief creative officer at HBT Marketing.

Let's get into it. Nancy, welcome to behavioral Science for brands. Richard and I have made it our little mission to be on the hunt for the best applications in behavioral science in the world of marketing, and we are kindred spirits Nancy, it feels like your work and all of your career has been leading to our work and our careers, and it's just so lovely to be together and to get to spend a little bit of time chit chatting.

**Nancy Harhut:** Well, I am delighted to be here, huge fans [00:01:00] of your podcast and the books. And I am with you on that. We're like two peas in a pod, three peas in a pod, right? We're we're all just really interested in you know, what influences behavior and what we might be able to do to influence it, you know, a little bit more in the direction a marketer wants.

So we're on the same page.

**MichaelAaron flicker:** Well, I know all of our listeners are gonna love today's episode, but before we get into our conversation, if you'll indulge me, I'd like to give our listeners a little background about you. So as we said, you are the co-founder and chief creative officer at HBT Marketing and the author of using Behavioral Science and Marketing.

You specialize. In my own words, blending creative with decision science To get to more confidence in prompting results you and your team have won over 200 International and National Awards for marketing effectiveness. Some of the highlights. You helped generate 68 million in incremental revenue for

Nationwide, [00:02:00] and you created one of h and r Block's most successful campaigns.

And on top of all that, you're beloved in the industry. You've been named one of the top 10 most fascinating people in B2B marketing. You're frequently on stages across the industry. No, multiple times at South by Southwest. And of course. You share your generously, share yourself with podcasts. We're thrilled to welcome you today.

And so I thought maybe Nancy, we could start. Our listeners love stories. How did you get introduced to this industry? Where did you learn, first hear about marketing? I know that you had a career, a number of very famous agencies, and then how did you come to consumer psychology and behavioral science?

**Nancy Harhut:** Sure. So it's a, it's a good question and it's, it's a bit of a windy road, but I'll, I'll try to keep it concise. I studied journalism when I was in college 'cause I thought I wanted to write and that was how you [00:03:00] made a living, you know. And then I was coming into my senior year and I realized some of my friends would be way better journalists than I would.

I would be acceptable, but I wasn't gonna be, you know, great. And I thought I'd better find something else. And so I took any kind of writing course I could, public relations, marketing advertising, corporate communications, eventually found my way into a marketing agency. And, but not in a branding way more in a response way, you know?

Relationship marketing, customer relationship marketing, direct marketing, performance marketing. Call it what you will, database marketing. Much more of a response oriented and and I took to that. I liked it 'cause there was a lot of testing and you knew pretty quickly whether or not what you were doing got the response.

Did it get someone to pick up the phone or walk into the store or send in the coupon or go to the online site, whatever it was. So I was, I was really enjoying that. And then a mentor of mine recommended Robert Cialdini, famous book *influence the Psychology of Persuasion*, and that just sent me down the rabbit hole and I [00:04:00] began to make margin notes and highlight, you know, things and started to think about what, you know, what was I working on for which client, which, you know, what particular marketing challenges I trying to solve for them and kind of surreptitiously started to use some of these techniques.

Blending the, you know, the best practices of marketing with what I was reading in, in the books. And when I started to see things working, that was the point of no return. I just, you know, went down that rabbit hole. Continued to use the work and ultimately it got to the point where my business partner and I hung out our own shingles, started our own agency.

And that's specifically what we focus on applying behavioral science to marketing best practices in order to increase engagement and response. So that's the, the long and windy road that got me where I am today.

**MichaelAaron flicker:** It's a lovely origin story. HBT is actually stands for, is it Human Behavioral Triggers?

Is that, is that is what, what HBT stands

**Nancy Harhut:** for? Yes. Human Behavior Triggers. Exactly. A lot of people think the H is [00:05:00] for Harhut, my last name, but but actually no. It it was human behavior triggers. We just thought, you know, that's, that's what we're gonna be talking about. That's what we're bringing to the market.

And so let's name the agency after that.

**Richard Shotton:** When you first read chill Dini's book and you were using that in response to briefs, did you, did you tell the clients that this is drawing on psychology or were they just interested in the in in the end results?

**Nancy Harhut:** So when I first started to do it, I was kind of quiet about it.

I was like giving it a try and, you know, we'll see and. When I started to see the results, then when I would present the work, I would mention and, and there was a real advantage to that, Richard, because, you know, sometimes, you know, you're a creative person. I'm, I was copywriter by trade, eventually became a creative director.

But still, you know, you're the creative and you're showing your work. And I think that a lot of clients always wonder, is this, is this gonna be effective? Or is the agency showing it because they think it's cool or sexy or fun? Or, you know, does the art director really wanna be, you know. [00:06:00] Directing movies and that the copywriter really wanna be writing bestselling novels and, you know, but I, I have a bottom line, the client, you know, I'm, I have a bottom line that I need to pay attention to.

And so I found that when I could present and explain, here's why I did this. There was a study that came out of Yale, Stanford, Harvard, you know, whatever that says this about human behavior. It gave me. More, more gravitas, right? It was like I made, I was more believable, more credible. And so I was like, all right, well this is interesting.

So it's not just Nancy thinks this is a good line, or Nancy thinks this is the way it should be. It's like, Nancy thinks this because there was a study, because there was a test, because there was an experiment that, because there's research that supports it. And I found that clients were, you know, we're really taking to that.

And the more we began to infuse this into the work, the more clients wanted it. And it wasn't a matter of well. Alright, give it a try or show me a couple of different versions. One with this one without it, they were like, we're all in on this. You know, you guys are onto something. We haven't found other [00:07:00] agencies that do it this way.

We're liking the results, so, so please. Take that approach. And so that's what eventually, like I said, we ended up just hanging out our shingle based on that. But initially I was a little quiet because I wanted to see what was going on. As soon as I saw that my hunch was right and it was working, you know, I, I started to talk about it and it was an advantage.

**Richard Shotton:** But I don't think it's a under-discussed benefit of behavioral science. I think there's the advantage that if you use behavioral science, it will. Give you a better chance of successful interventions. But the other part from the agency perspective is if you've got this evidence-based to support your recommendations, it expedites the process rather than going round and round in frustrating circles where it's an argument from authority.

I think having that independent, neutral, robust evidence base can make life a lot easier for agency person.

**Nancy Harhut:** Absolutely, because it, it ceases to be your opinion against my opinion. You know, there's, there's some evidence that's gonna support the approach we're [00:08:00] taking. And then, you know, my background is always, you know, has always been in testing, and I, I also feel like, all right, if you're.

You know, if you really feel one way, and I really feel one way based on the evidence, but let's, let's test it because honestly, not everything always works, right? If it works one time, it may not work the next time. If it works for one person, it may not work for the other person. You know, you just never know.

Until you get out in the marketplace and, and you know, your, your target market will really tell you what's working. My feeling is the behavioral science gives you a leg up in terms of what you're gonna put out there and what you're gonna test. You know, it, it, it kind of. Stacks the deck in your favor and you're gonna be more likely to get that win.

But, you know, I say to my clients it's not that I can wave a magic wand and guarantee everybody is always going to do exactly what we want them to do. If that were the case, I'd own a private island someplace and we wouldn't be happy to cover through, you know? But I can stack the deck in your favor and make it more likely.

You're gonna get the, you know, the response that you want. And, but, but let's give it a test and let's see how [00:09:00] things go.

**MichaelAaron flicker:** Nancy, I've heard you say elsewhere this approach. You know, like, it, it let's let the consumer decide. Could you tell a little, could you give us a little bit more of a peek behind the curtain in coming up with the creative ideas that you wanna test?

You have the behavioral science principle that should guide the decision. Then how do you get to that experiment? How do you get to the. Creative that you want to use and then the test that you wanna run, could you just tell, tell us a little bit more about how you approach that process?

**Nancy Harhut:** Yeah, so you know, one of the things, one of the things that I think marketers are really good at, at is identifying the benefits.

You know, why should somebody do what I want them to do? And what we don't do enough of is we don't. Ask the question, well, why might they not? Right? So we've got this whole long list of, you know, all these reasons why the target market should sign up for my service, should buy my product, and we don't really probe enough in the, well, why might they not?

You know, we've got this [00:10:00] fabulous product, but something's holding the back 'cause not everyone's buying it. And so what we like to do is we, we like to also go into that direction and say, well, why might somebody not wanna do this? And. We kind of identify the, you know, the, the two or three primary barriers that might be holding someone back that they haven't heard of us, they think we're too expensive, they think they can do it on their own, whatever it turns out to be.

We try to get to that with, with some research, with doing discovery with the client, with you know, sometimes just putting our, you know, our collective heads together and, and kind of identifying, right. These could be. And then based on that, we start to look at, the behavioral science and what behavioral science principles and tactics might be useful here.

And we form our hypothesis and we, we get the test market, you know, the, the test materials ready, the, the creative assets ready and get 'em into the market. And, and we see you know, interesting example of this was at the last agency I worked at, they hired me as a creative director. Got me situated and then, then happened to [00:11:00] mention that their biggest client was in jeopardy.

And I'm like, oh, great. Right. And so we had this, this piece we were doing for them. And I had been reading Cialdini's Influence because I, I refer to it often and he has a section about the magnetic middle, the pool of the magnetic middle right, or the Goldilocks effect, or I guess a few different names for it.

But it's this idea that we often. Gravitate towards the middle. We don't wanna be out on the bleeding edge. Doesn't feel all that comfortable most of the time, and we don't wanna feel like we're lagging behind. That doesn't feel that comfortable. It feels more comfortable to be in the middle. And this particular client sold insurance to dentists.

And the idea was in this, this particular assignment was to get those insurance get those dentists to buy more insurance. And the thing about insurance is nobody wants to buy it. Right? And once you do buy it, you cross it off your list and you never wanna revisit it. And you know, they had been saying, you know, but you really need to, or a few years you should check, you know, have your, has your practice expanded?

Has your family expanded? Has it shrunk? But you know, you should really check in and either, you know, buy more or perhaps buy less, but usually buy more [00:12:00] insurance. And they, you know, they had all these rational arguments and they were, you know, trying and trying and trying and they weren't getting the response they wanted.

And, they said, you know, all right, let, let's, let's see what, you know, like, what, what can you guys do? We really need to crack this knot. And it was at a time when the relationship was kind of hanging in the balance. And I said, all right, we're gonna try this idea of the magnetic middle. And we sent out a direct mail piece and we showed a chart and we showed at one end of, of the, the chart, \$0 least amount of insurance you could possibly have.

And at the other end, 3 million, I think the most this particular company sold. We made sure that we found the, the population of clients who had 1.5 million or less so the halfway point or less, which was quite frankly, most of them. And and we, you know, showed the chart with a little mark that said, you are here.

So at a glance before people read anything that that's been written, they, you know, they're looking at that chart and they see themselves left of center. And our bet was. That [00:13:00] would feel wrong to them and they'd wanna move closer to the center. So if they only had half a million or a million or a million 0.2, they just wanna get closer.

We didn't expect that they'd go all the way to the right, to the 3 million, but we thought we would, we'd be able to move them. So that was our hypothesis. We put it out in the marketplace and it went gangbusters. I, there was like, I think. Triple digit response rate. And this is selling off the page.

This isn't calling to have a conversation. This is buying more insurance right off the page. And so that was, that was a great example. 'cause we're thinking, all right, it's gonna be hard. We, it's hard to convince people and they think they've already got enough insurance. But when you look at that, you just have that gut reaction like, Ooh, I'm lagging behind.

I don't feel comfortable there. So, which I think that was a good example of, you know, you read about the principal, then you've got this problem that you're wrestling with for your client. You figure out where the intersection is and you say this, this might work. And and it did, you know, and it, it worked for maybe the reasons that you wouldn't imagine people buy more insurance.

You know, like they buy more insurance to have [00:14:00] better protection. No, in this case, they bought it 'cause they just felt like they didn't. You know, they were lagging behind. They weren't in that nice cluster with everyone else and that's where people feel safe. So it was

**Richard Shotton:** lovely example, practically applying behavioral science.

You said something really interesting there around it was a case of matching the, the client problem to the right experiment. If someone's listening and you know, they completely agree with that. And then they think to themselves, well, how do I know what experiment to match to? What problem have, have you got any advice in that area?

**Nancy Harhut:** Yeah, I mean, that's probably the million dollar question, right? I mean, we, you know, we try to look at, all right, what's, what's holding back



the action that we want? And then we do that review of the behavioral science and say, all right, where we, you know, where could we possibly find something, you know, that that intersects and, and that might move the needle.

And I think part of it comes from experience. Part of it comes from having a, you know, a pretty good handle on what the principles are and, and how they might work. When I, when I wrote using behavioral science and [00:15:00] marketing, I think I have about, I don't know, 20, 25 different principles in there.

There's 17 chapters, but there's probably 20 or 25 principles, and they turned out to be the, the go-to ones that I found myself using over and over and over again with different clients. It's not that we, you know, pull the same one off the shelf and plug it in regardless, but there, there seemed to be 20 or 25 that just.

Kept recurring, you know, and giving us success and giving us the results we were looking for. And so those became the you know, the ones that I wrote about. So, but, so I, you know, I know that that said, it's, there's a certain amount of, of art, I guess, and a certain amount of science. It's, it's understanding what's available and, and forming that hypothesis and, and then testing it.

Yeah.

**Richard Shotton:** One of the things you've done is is think about three campaigns that are particularly powerful examples of using behavioral science. Do you, do you wanna start by taking us through one of those, maybe one that's featured in the book, perhaps? It's a, it's a brilliant book.

**Nancy Harhut:** Sure. Oh, thank you very much.

That's very, very kind coming from you. [00:16:00] Thank you. So yeah, so one of the ones I, I talked about in the book is from Nationwide Insurance actually. And they, it was for their, their, I shouldn't say Nationwide Insurance, it was Nationwide Financial 'cause it was their financial arm of, of the company. And they had a group of financial advisors who were selling their products, you know, retirement funds, things like that.

But if you're a financial advisor, you can represent, you know, several different. Companies and these, these advisors had stopped representing nationwide. They just stopped selling the, the products. And so Nationwide had, you know, they had their wholesalers calling the, the reps, the financial advisors, and, and you



know, emailing them and, and trying to make contact and trying to get them back in the fold and.

Nothing was really happening. They, they weren't getting the, the response that they wanted. So there was this group that had just kind of gone dark. And it turned out that by the time Nationwide came to the agency where I was working, that group of financial advisors had gone dark for a year or more.

[00:17:00] So at that point, you say to yourself, all right, it wasn't that they were just on vacation for a month and that's why sales dropped off.

You know, it wasn't that you know, it was a cyclical thing. You know, it's, it's been a year. They either. You know, are out of the business of selling this, or they found another provider that they like better. Right. I mean, it's, it's kind of a hard, you know, departure. And but, but Nationwide said, see what you can do to reactivate them.

And so we decided to employ the principle of reciprocity, right? Which I'm sure your listeners are familiar with. You know, when you get something from someone, even if you didn't ask for it, you feel obliged to return the favor. Right? You know, whether or not you ask for it. If somebody gives you something, you, you kind of feel like you owe them a little bit.

You're in their debt and you, and you want to erase that debt by reciprocating. So we. Sent these, these financial advisors an email and said, we've picked out a gift, especially for you watch your US mail. It's coming really soon. And you know, a few days later in a in the mail, this box arrives and in the box is a [00:18:00] framed, signed New Yorker cartoon, and it's a.

It was cute. It was some little kid going around the neighborhood selling insurance or financial services. So it, it was germane to the, to the target, and it had the Target's name in the caption. So Michael, yours would've had Michael in it. Richard. Yours would have Richard in it. So it's this personalized cartoon signed by the New Yorker artist, you know, appropriate to your industry.

Framed. It just shows up. You know, you didn't ask for it, but there it is. And there's a short note from the, you know, the wholesaler at Nationwide saying, Hey, you know, we, we've missed, you have some new developments over the last several months. We'd love to share them with you. They might, you, they might help you build your practice.

Right. This was the one where they got a \$68 million incremental lift in revenue as reported by the client. You know, that was not the agency reporting it. The client came to the agency and said, we can trace back 68 million to this. So such

a strong example of. Behavioral science right of, of the reciprocity principle and action, [00:19:00] right?

They had tried reasoning with people, you know, calling them, emailing them, saying, Hey, you know, you guys should come back into the fold and nothing, nothing worked as well as this, but this New Yorker cartoon and it was like, you get it and it's. It's gonna be sitting there on your desk or on your wall, you know, hanging on your office wall.

So it's a great reminder. And then, you know, when the guy or the woman from Nationwide calls, it's really kind of hard to say to your assistant, oh, tell him I'm not in, 'cause you're like looking at the, at the framed cartoon and think I should at least do the call. And then once you do the call and you find out some more information and then you know, it's more top of mind and also you think I should probably toss some business their way.

Right? That's how reciprocity works. But so, so that, I think that was a great example of behavioral science in inaction. And I also, I also like Nationwide because of their rhyming tagline too, nationwide is on your side, which is you can't beat that, right? They could have said, Hey, you know nationwide stands near you, nationwide support you, you know, nationwide is in your corner.

Any of those would kind of convey the same [00:20:00] thing. But the idea that Nationwide is on your side, it's rhyming, it's more memorable. And, and Richard, as you know, from, from research you've done, it's very effective.

**Richard Shotton:** Yeah. Yeah. So there's I suppose there's the original research by Matthew at Lafayette College where they came with that idea of the Keats Heuristics.

So you give people different groups of people, different proverbs. Some might see a rhyming version like woes, unite, foes. Others might see a non hying version woes unite Enemies. And what they found was that people who saw the rhyming version when they were questioned. About the believability of that proverb.

You know, they rated it the 17% more believable than those who got the non-white version. So there's that booster, believability credibility. But the study I did back in 2017, we essentially replicated the McLoan to Bash study. But rather than asking people about believability of the proverbs, we showed them the proverbs in the morning nine o'clock, and then at 5:00 [00:21:00] PM we asked them what they could remember.

People are twice as likely, more, slightly more than twice as likely to remember the the rhyming phrase as the non one. So yeah, I think if you say something like nationwide bias, is it nationwide? Because I, this isn't a one familiar to in the uk. Is it Nationwide? Is by your side. Is that the full Yeah, that's right.

So you got that believability boost and that memorability boost. I think that's a, yeah. Lovely, lovely.

**MichaelAaron flicker:** Nancy, since we spent time talking about how you prepare an idea to get ready for testing. Can you tell us a little bit more of the backstory? Presumably a framed New Yorker cartoon with signed by the artist with the name put in.

You know, mailed via USPS was an expensive bet to send. How did you think about the investment that got made? How did you sell it into the client that this was a worthy test? Can you tell us a little bit more about the story and how the end result is fabulous and how did, how did it come to be?

Because I think that will help our [00:22:00] listeners think about how they can do it in their own businesses.

**Nancy Harhut:** So, you know, part of it it's interesting actually, financial services is, is very regulated and they could only spend a certain amount of money to, to send a gift. And, and the New Yorker cartoons were surprisingly inexpensive.

But you, because they, I mean, they would sell yeah. Not sell, they would send, you know what a a, a coffee mug, a sleeve of golf ball. The, the typical, and so the, one of the first things we did is we said, listen, if you've ever, you know, if, if you send stuff to financial advisors and they're like, yeah, you know, we do.

We're like, what have you sent? And you know, they sleeve of golf balls, you cock. I'm like, we, we need to do something that's gonna be very different. Right. We, we want to. Surprise them. We want them to be like, oh, wasn't expecting to see this. So it's got, it's gotta cut through. And then, you know, we wanted something that was gonna be meaningful.

And we also, you know, we know through behavioral science that, you know, people are more interested in themselves and than anyone else. So if you could do something that was, pardon me, [00:23:00] personalized wow. You know, so much the better. So we kind of went through that process of it's, it's, it's gotta be different.

It's gotta be memorable. It's, it's gotta be meaningful. And, you know, eventually got to the, the New Yorker cartoon idea. The creative team that was working on it did the research and, you know, kudos to them. It was, I think, a, a woman named Michelle and a fellow named Colin, if I'm not mistaken. They, they did the research and they were like, listen, we, you know, we can do this.

Here's the, here's the contact person for licensing. It comes in, you know, within budget. And when we presented it to the client, to, to their credit, they, they really caught into it. They're like, oh, this is really different. It's not what, you know, what we usually send. And because it wasn't what they usually sent, it basically meant it wasn't what the industry usually sent.

So it really was gonna stand out because as I said earlier, these financial advisors could work for 2, 3, 4 different providers. So they were being, you know, marketed to by, you know, by others in the industry. So we really wanted [00:24:00] something that was gonna be different. And, and this absolutely it, it filled the bill.

I recently worked on a, a, a project for another company. They sell it, it was a B2B company as well. And they sell benefits to benefits administration to smaller businesses. So a, a small company could have a, like a, an HR and benefits department that was. Akin to a much larger one if they outsource through through this particular client.

And we ended up sending out a drone to people. And again, different very engaging. Like, this drone shows up in your office, how can you not, you know, take it out for a spin. Right? Give it a try. Like, it's just, it's, you know, even if it eventually goes home or goes to your kid just. You know, it's there in your office, you're, you're gonna give it a try, right?

And they tracked back \$2 million worth of incremental revenue from that. So I think the idea is you, you want something that's just a, a little different and that somehow you just, you're drawn to it, you know, whether it's [00:25:00] personalized 'cause it's got your name on it or whether it's something you could play with.

And, you know, we're. We're all kids at heart, right? But, you know, I was like, man, if that should have been my office, I'd give it a spin. And, and the great thing about drones is the prices come down, you know, 10 years ago that they would've been incredibly expensive. But, so I said, there's something nice in reciprocity.

**Richard Shotton:** And, and I think in your, in your book using behavioral science in marketing, you, you talk about a nice study that tries to. Decouple the expense of a gift, generating a greater impact to reciprocity, and then almost the, the, the thoughtfulness, the personalized nature. Could, could you take us through that?

I, I think it was the the sweet, I think it's called sweetening, the till that rings any bells. It was the the trots candies at the, to, to, to generate bigger tips at a restaurant. The one where sometimes the waiter comes out [00:26:00] and gives people, you know, one mint and they give 3% more with a a tip.

Sometimes they give two mints, they give 14% more. And then there's other occasions where they give one mint. They walk away and they turn and then say, oh, 'cause you've been really nice. Here's, here's another man. And it was that, that was the most successful. So that was one, I think it had the 23, 2 4% increase in tips.

So I thought that I, I, I love that in the book because it seemed to be indicating that yes, bigger gifts end up with a greater. Reciprocal effect, but actually the thing that really counts is making that person feel like they're being specifically chosen. This is, this is something that thought has gone into and that's why I love the the New York cartoon so much.

Now, nationwide didn't just throw cash at the problem. They threw time, effort, and creativity.

**Nancy Harhut:** Yeah. Something that made people feel, wow, I matter to this company. They know who I am. Right. I'm not just some, some number, you know, some faceless financial advisor. Like they, [00:27:00] they know who I am and you know, they've sent me this personalized gift and yes, it, it took me, I, I wasn't quite sure which study you were referencing, and then what you started.

I was like, right, right, right. But yeah, it's like, you know. Give somebody a, you know, the mint is pretty much expected when the check comes, but when that second mint showed up, the, you know, the, the tip goes up. But then when the, you know, when they redid it with the, like you said, the first mint and you turn to leave, and then you're like, oh, wait a minute, and you turn back as if it was like, oh wait, well for Richard and Michael, I'm gonna put a second mint down as if I'm not gonna do that for everybody.

But, you know, these two came in for lunch and, and you know, I wanna, I wanna take care of them. And that, you know, the tip went up so much. Went up

beyond covering the cost of the second mint. Right. You know, you could, if you didn't want the second mint, you could have just left it there and tipped the way you were going to or if you really felt like, oh, they gimme two minutes, I gotta cover the cost that you give 'em a little bit more.

But it, it went up considerably more than it would've been to, to cover that. And you, you're absolutely right. It was this idea of, you know, I, I matter to them, they're taking care of me. We we [00:28:00] frequently go to a, a restaurant here on Cape Cod, where I am for the summer, called the Lobster Pop. And, they, you know, because we come in often they recognize us. And very often almost every time I would have to say that we come in, there are flowers that are put on our table. And you would say, well, okay, that's nice. It's a restaurant. But not every table has flowers. But when they see us come in, they run over and they make sure that we have a little VAs of flowers on our table.

And it's just their way of acknowledging you know, your regular customers were. Happy to see you again. It doesn't cost them anything. They have a certain number of flower arrangements throughout the, the restaurant, right. That, that are gonna be there for, for ambiance, but they make sure that one of them ends up at the table we're at just because, you know, they know who we are.

And but that's, it's a nice little touch. Right.

**Richard Shotton:** That's a, that's a lovely example. I think sometimes the, the best behavioral scientists are small businesses. You know, people who are dealing with [00:29:00] customers day in, day out . And they're paying attention to what actually affects your behavior. Are there any other examples within the lobster pot where you've seen,

**Nancy Harhut:** oh my God, they're, you know, it's funny, they're, they're like all over it and, and I'm not sure.

I don't, I I don't think it's like they read my book and they're doing it, and they were doing this before the, my book came out. I'm not sure they've ever read my book, but although maybe they have, it would be nice to say they have, but anyway but no, they're, they're just so, so good. I mean, first of all, their, you know, their food and their service are great, so that, that absolutely accounts for something.

But they don't take reservations. So what happens is you, you are walking through the center of town and there's this huge long line, this queue of people waiting to get in. So right away you're thinking what? Social proof, right? Like,

wow, the restaurant must be good if all these people are waiting and they have these, these velvet ropes kind of, you know, stopping you from going in.

You know, it's like I don't know. Being queued up in front of you know, some exclusive nightclub or something, you know, but they've got these velvet ropes and they're preventing you [00:30:00] from going in. And there's people, and there's, you know, they have signs on the front of the restaurant that says they were voted, you know, best of in Cape Cod Life or Zagat or you know, Yelp.

Right. You know, the different views. So you've got that kind of social proof and pardon me then when you. When you do get in and, and you look at the menu they, they, they'll call out like, well, this is a local favorite. So now if you're on vacation and you're coming in, you know, what are you gonna, oh, I'm gonna try the local favorite, you know.

You know, like one of the, the bloody Mary isn't just a bloody Mary. It's Sean's famous bloody Mary. Sean is one of the owners, you know, and so well if you're gonna get a drink, and I actually asked, I said, so do you sell more? And they're like, oh my God, we sell a ton of 'em. You know, and, you know, I have to think if it simply said.

Bloody Mary gin and tonic vodka, you know, Collins, okay, whatever, you know, but it's Sean's famous flavor. You gotta give it a try, you know, you gotta try the local favorite, the Portuguese specialty. So they, they do a, you know, a [00:31:00] lot of things like that. And then I guess at. At one point, very early in his career the celebrity chef Anthony Bourdain worked there.

Right. Oh, wow. When he was just starting. Exactly. And that's what Oh, wow. You know, now he was very young. He was like, you know, in the kitchen, you know, probably chopping vegetables. I mean, he was very, very young in his career way before he was famous pot. He worked there. And so, you know, when, when they put that out and people have the same reaction, you know, that you just had your tonight, which is like, oh wow, Anthony Bird, how about that?

You know, gotta get myself in there. And so they do a lot of things really, really well. And they're, you know, they're a small business. They're not nationwide, right. They're. They're not some, you know, multinational company. They're, you know, they're a, a small family owned restaurant that has fabulous food and fabulous service, but they also seem to have an innate understanding of, of customers.



And you know what, you know, what motivates people? You know, they're, they're very warm. They circulate, they, you [00:32:00] know, they greet their guests, they make people feel welcome. But there are these little, little things, you know, where they, they understand social proof and the authority principle and, you know, the idea of, of scarcity and exclusivity, like, can I even get a seat?

Look at that line, you know.

**MichaelAaron flicker:** You know, Nancy, as you were telling the story of the mince, I was thinking about the only reason that the mince work is because you realize that you are being singled out and special. And I'm thinking about that as you're telling this story of all the amazing things that the lobster part that the lobster pot does.

I wonder how much of it is the style that it's done in. So yes, you can follow the bias perfectly to the T, but to me, all of these examples that you just called out are the style in which they do it. Maybe you could speak to that. Do, do you think it's, it's, there's, you, you said there's an art and there's a science.

It seems like the art really matters to making it stick and making it effective.

**Nancy Harhut:** Yeah, [00:33:00] I think so. I mean, I, you know, I think there's one danger these days that people can read a book or go to a conference presentation and think, oh, I understand behavioral science. Now I'm gonna go back and, and I'm gonna use it.

And they can be a little, you know, hamfisted about it. Like not, not quite do it. Right. And I think you're absolutely right, Michael. There's a, there's a, a proper way to apply things and a, and a and a less so way. And I mean, the Lobster Pot has been in, in Provincetown as a family owned restaurant for. I don't know how many years.

Right. And they've really perfected the, the art of hospitality. So they, you know, if, if they, if there was just a, I don't know, go back, going back to the flowers, right? If there was just flowers on the table, I don't know if I'd even notice it, but when they rush over and put them down and say for you. You know, we're very happy to see you again.

We have flowers for you right now. You know, that means something to me because they've, they've made me feel special. They didn't just put the flowers then, you know, put 'em down and [00:34:00] hope I noticed, or, you know,

plunk 'em down and say, oh, this is what we do for our regular, you know, it's like, really? See you again.

You know, these are you flowers? I got you some special flowers. You know sometimes our server will come by and gimme extra napkins. And I'm like, dude, you think I'm a slob? What? She's just trying to take care of me. She's trying to anticipate, you know, and it's, it's little things like that. And so I think you're absolutely right.

It's, it's not just the. The tactic. It's, it's how it's applied. I mean, I, you know, I think about social proof and you know, the classic social proof backfires. You know, we do a lot of work in regulated, regulated industries like insurance and one of the problems with insurance is not enough people buy it. And so you're tempted to say, you know, many people wait until they're older before they buy insurance. But here's why you should get it when you're younger. And that's a social proof backfire. 'cause what people get, the, the message people get is like, oh, a lot of people like me are waiting.

Great. I'm gonna wait too. And it's like, oh, no, no, you know, you're doing it wrong. So so you have to understand the principle [00:35:00] and, and you have to apply it with a certain amount of, of, of, of experience or finesse or art, what, you know describe it as you will. But yes, it's, it's, it's more than just a, a basic grasp of the principle.

**Richard Shotton:** So you've talked about nationwide. We have the wonderful example of the, the reciprocity. Then there's lobster park with all sorts of different biases being applied by this small business. I think we've got probably one time for one more campaign that you, you particularly like and that you think of beha of applied behavioral science.

Very well. Just wanna take us through, through one more.

**Nancy Harhut:** So yeah, I mentioned we do a lot of work in, in regulated, regulated industries, but here's an example of a a regulated industry client that I'm not working on. So this is just me observing this from from afar as a, you know, perspective customer and it's ally Bank.

And I think they do some very interesting things. And lately I've been seeing their ads for this savings account that they have, where you can, kind of sub [00:36:00] designate where you know, where your savings are, are supposed to go or what you're saving them for, I should say. So so it's a good use of mental accounting because, you know, I'm saving money, but some of it is for my mortgage and some of it is for my kids' college, and some of it is for vet bills.

And, and some of it is for, you know, that next vacation I wanna take. And, you know, when it's all just kind of in one account, it's. It's hard, right? It's hard, you know, you kind of, you're not really, it's like, oh, the, you know, the money gets pulled out. But if you can kind of label it, it, it plays into that that bias of, of mental accounting where we, you know, we, we think about our rent money is different than our vacation money, right?

We think about our vacation money is different than our vet bill money right now. Really? A dollar is a dollar a dollar, right? A, you know, a Euro is a Euro is a Euro. I mean, it's the same, same amount whether I'm gonna. Take that, you know, that dollar bill and use it to put, you know, gasoline in my car or to buy myself a, you know, a piece of candy.

Right? But, but in my head there's the [00:37:00] transportation account and there's the Sweet Indulgence account, you know, and we don't like to, to blur them. And the fact that they're saying they're, they've been advertising, listen, you can get this one account and then you can have these subcategories. I think it's brilliant because it's it's working with.

That bias that, you know, that mental accounting bias. They're not saying to their, you know, their customers. Listen, you know, one account is fine. You know, you're, you're, you're good with it. Just take out what you need when you need it. You know, they're saying, no, we understand how you work. We understand how the human brain works.

So take the one account. You don't have to have several. You don't have to have one. But you can have these little labels, these little buckets. And, and kind of designate the money in those, in those buckets for your use. And I, I, I think it's really smart and I haven't seen any other financial institution do that.

And maybe, I'm not saying that there aren't any. There might be, but I've been really noticing the ads that Ally has been running about this you know, create your own buckets account

**Richard Shotton:** I, I really like that as an example. It almost seems to dovetail with your insurance point. So the, the general argument [00:38:00] being work with human nature, don't try and overturn it.

People have these biases. They might feel illogical, but actually overturning them is super hard. So work with them rather against them. And I think the example you gave earlier where the bank was telling people. And lots of people don't get insurance. Here's why you should know that's the wrong route.

That's, you know, identifying a, a bias and then trying to work against it, which feels quite an inefficient way of communicating. So yeah, that's a, a lovely example From, from Ally Bank. Do they do anything else that you've seen where they, they you can have work with human nature?

**Nancy Harhut:** So, you know, it's funny, I was on their site recently. It's, I I think it's very cognitively fluent, if you will. So it's very, very easy to understand. Now we're in, you know, you're in banking, you're in financial services that, that can sound a little stilted. It can sound a little you know, off-put. A lot of people don't feel like they really understand money, that they really have [00:39:00] a good handle on it.

And, you know, financial speak can be a little scary and I don't know if I'm making the right decision. And so, you know, you know. You don't know if you're gonna make the right decision. Often what happens is you don't make a decision at all. You know, you just put it off. And so they've got some very easy to understand simple language.

And I noticed on I was on their CD page and they have several different kinds of CDs. And sorry. As a Brit, what is a, what is a cd?

Oh, I'm sorry. Sorry. Deposit. It's, it's an opportunity. Buy, you know, you, you can invest a certain amount of money and you need to, and it has a term, so you need to wait for the eight months or the 12 months or the 24 month, and then you get a, you know, that nice rate of return.

So the, the longer you agree to let it sit, the higher your rate of return will be. But if you try to take it out before the term is over, there's a, there's penalty. And so but it's a great way to encourage people to save for, for retirement or really for, for anything. You know, it's just better than putting the money in your savings account.

The. [00:40:00] The interest isn't gonna be as good, right, if it's just in your savings account. But if you take out the CD, you get a higher rate of interest. But you know, they had different kinds and so they had a they had a best for section. So you read about, you know, the brief description of here's this particular CD and it says, best for, and they just put it in plain English like, alright, you know, if I'm trying to accomplish this.

This is the one I should get, you know, and it, it helps people make the decision, you know, if they're ever com comparing and con contrasting two or three different ones, okay, this is best for you know, short term savings. This is best

for maybe saving for a young child's college education because they're, you know, you've got a more, a longer time horizon or, you know, whatever it was.

But they, I just found that best four to be incredibly helpful, being very, very cognitively fluent. I was a little disappointed though, because. I think it was a year or two, three years ago, and I had been on their site looking at their CDs and they had a, they had a great little banner ad that said, we asked [00:41:00] the future you if you wanted more money, and you said yes.

And I thought that's such. Example of temporal discounting, right? Like we, or present focused bias, whatever, you know, like we, we want what we want and we want it now, and we don't wanna save money. So if I have a hundred dollars in my hands, I'd rather go out to dinner in a movie than I, than I, you know, than I would prefer to put it into a certificate of deposit or any kind of bank account, right?

I want that. And, but they said, Hey, look, we asked to future you if you wanted more money. And you said yes, and you read that and you think to yourself, well. That makes perfect sense because if asked the present me if I wanted more money, I would say yes. So it makes sense that the future me would also want more money.

Hmm. Maybe I should think about. Getting one of these certificates of deposit and, and, you know, stashing some money aside for the future. And I, I loved it. I was disappointed to find that they had taken it down, but you know how it is, you refresh your website, you know, and

**MichaelAaron flicker:** ...things get moved.

**Nancy Harhut:** Yeah, yeah. But but I, but I was also delighted to find that they had the, you know, best four edition, which was, again, very cognitively [00:42:00] fluent and, and I think very helpful for for their customers and their potential customers.

**MichaelAaron flicker:** Nancy, I've heard you speak of cognitive fluency before and sometimes you have raised an Oppenheimer study that looked at, tell me if I'm gonna get this right. It looked at abstracts of scientific journal articles and he would replace just the longest words with shorter words and when, when he put it in a study, those with the shorter words.

Were seen to be smarter as authors. Is, is that right? Is that what the study reveals?

**Nancy Harhut:** Yes, it was, it was abstracts of PhD. I know thesis papers or something. So I, I don't know if it was scientific journals or if it was their, their dissertation, but they grabbed, you know, the abstracts and they replaced every word of nine letters or longer with a shorter synonym.

And then they, you know, they asked people to, you know, they ran the test, you know, you'd read the original or you'd read [00:43:00] the, the revised, the with the shorter words. And you know, people found the ones with the shorter one words, easier to understand. Okay. Probably not a big surprise, but as you say, they rated the author as more intelligent and a lot of times in, in marketing, particularly in B2B marketing.

But a lot of times in marketing we think we need to use the big words, the jargon, the run on sentences, the thick paragraphs, the acronyms, because. That proves how smart we are. And, and that's in a way respecting how smart our audience is, you know? And, and they must expect it. And I, you know, I'm, I'm dealing with college educated professionals and so therefore I need to use this.

And, you know, here, you know, you're talking about PhD you know, dissertations and still, you know, these are very, very smart people. They still. Preferred the simpler, easier to understand language, and they thought that the authors were smarter. So, you know, we're in, in many cases, in, in marketing, we're like killing ourselves to obfuscate the message.

Right. Okay. And [00:44:00] simpler. Which would would, would serve everybody better, right? Just make it plain and simple. People prefer things that are easier to think about and easier to understand. They, they judge them to be more truthful, more accurate, and they feel more confident in their ability to make a decision about them.

And at the end of the day, in marketing, that's what we want, right? We want people to make decisions, and if people don't feel confident, they're not gonna make them.

**Richard Shotton:** If we're gonna talk about that paper, i think the best thing about it was the title. So often academic papers are a little bit dry but the title for that one was Consequences of Erudite vernacular, utilized irrespective of Necessity. And then there was a conlon problem with using long words needlessly.

And I think of all the academic papers I've ever read, that's the only one that's ever made me laugh reading it.

So brilliant in two respects, a very. Simple and powerful insight, and then a little bit of humor to, to light up. Yeah.

**Nancy Harhut:** Well, and, and they prove the point. Their, their [00:45:00] title, you know.

**MichaelAaron flicker:** That's right. Nancy, this has been a lovely, lovely chat. As we come to a close, we wanted to ask you one final question, and maybe we've hit it in our conversation or maybe not yet.

If you had to choose just one your favorite. All time. Favorite application of behavioral science, what would it be? What do you think is the one that you love most of all? Of all the examples either that we've talked about or we didn't get to raise today.

**Richard Shotton:** So I think maybe what he was going to say, and I putting words in his mouth here, is if there was one like book or podcast that you would recommend that people can find more about payable science, what, what's the thing that, that you, you, you would you would suggest.

**Nancy Harhut:** Well, I mean, I have to say I'm a huge fan of this podcast. I listen to it when I go out for my exercise walks. Now I'm, I'm serious. And I did read that there is a forthcoming book, you're third, I believe, [00:46:00] but it'll be the first. That's a co-collaboration with you and Michael. So I, you know, that is. The top of my list as soon as it comes out in terms of, you know, the next piece of reference material I wanna check out to stay on top of the business.

So those are my two recommendations right there.

**Richard Shotton:** Oh, Nancy. Well, I, I, I, and I haven't even bribed you with a, a New York cartoon to get that recommendation. That's, so, that's very kind of you. And then what, what about if people wanna find out more about you? Are you, have you got a, a newsletter or.

Do you post a lot on LinkedIn or, or Twitter? Where, where could they find out more? Are you speaking soon at any conferences?

**Nancy Harhut:** Yeah, so I, I do post a lot on LinkedIn and on Twitter and occasionally Facebook or Threads or Blue Sky. But, but you can really find me on on LinkedIn a lot. And my agency website, HBT Marketing, it's hbt mktg.com.



We have a lot of you know. For lack of a better term thought leadership. There were a lot of interviews up and you know [00:47:00] papers and, and so you can find information there. But would love to hear from any of your listeners. They can contact me on social, they can email me. But if anyone was interested in continuing this conversation, I would love to hear from people and of course, my book, using Behavioral Science and Marketing, drive Customer Action and Loyalty by prompting instinctive Responses.

Thank you very much for showing it. That's available at, the Kogan page website, UK publisher also on Amazon also really any place find books are sold. So I encourage your listeners to pick up a copy of that if, if they're interested in learning a little bit more.

**Richard Shotton:** Likewise, I think there's an awful lot of generalist books written about behavioral science in a, you know, huge number that people can pick up.

But there aren't that many books that specifically look at taking finance, behavioral science, and then saying what you can do as a marketer. So yeah, using behavioral science and marketing I think is a great investment for any market out there.

**Nancy Harhut:** Thank you.

**Richard Shotton:** Absolutely. Amazing chatting to you. Thank you so much for coming on, and until next time, thank you very much.

**Nancy Harhut:** Oh, thank [00:48:00] you very much. The pleasure's been mine. Appreciate it.

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