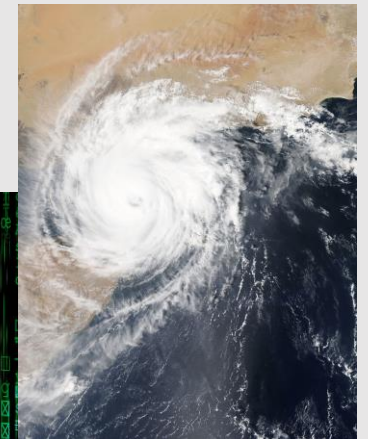
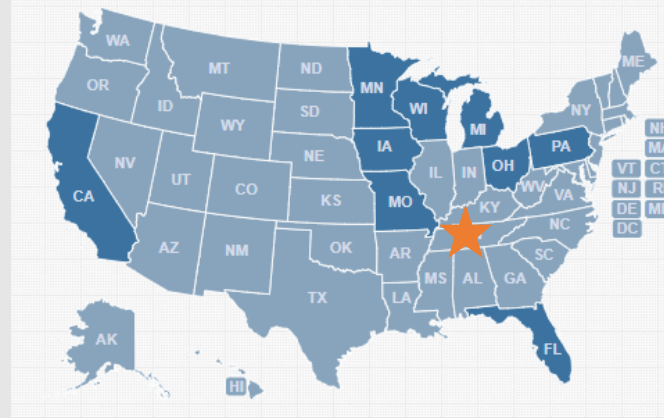


Behavioral Science in Product Management

Dave Mathias

dave@gobeyondthedata.com | [in/DaveMathias1](https://www.linkedin.com/in/DaveMathias1) | [@DaveMathias](https://twitter.com/DaveMathias)

About me



Why behavioral science?



Photo: Image from Office Space movie (text overlay added)

How can behavioral science expertise be a superpower?

- Better understand your customers and colleagues
- Ask better questions
- Formulate better hypothesis
- Design better experiments
- Better communicate with others

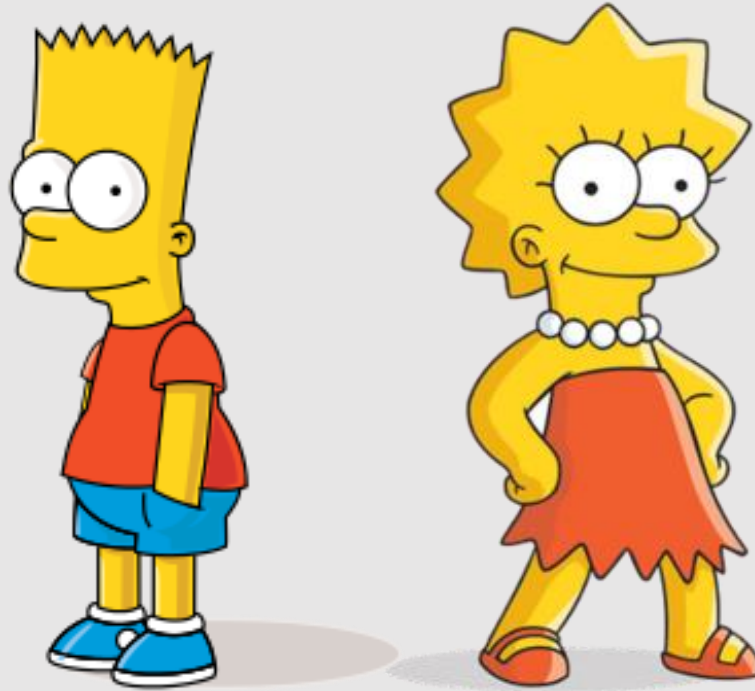


Photo by [Elias Castillo](#) on [Unsplash](#)

We are all complicated and have a little Bart and Lisa in us

Bart Simpson:

- He is more “Fast” or “System 1” thinking
- Instinctual, quick acting
- Confident and certain
- Emotional driven



Photos: Wikipedia.org (Lisa Simpson and Bart Simpson)

Lisa Simpson:

- She is more “Slow” or “System 2” thinking
- Deliberate, methodical acting
- Humble and uncertain
- Analytical driven

Learn more by checking out “Thinking Fast and Slow” book or even better read the “Undoing Project” by Michael Lewis

Confirmation bias

- What is it?
 - *Seeking out information, evaluating information, or evaluating decisions based on our beliefs, thoughts and assumptions.*
- Example:
 - *Seek data or design an experiment that more likely supports their view*
 - *Something was your idea, so you are more prone to supporting it*

Minimize confirmation bias impact by having:

- 1) empowered and diverse teams and*
- 2) good experimental design process*

Endowment Effect and IKEA Effect

- What are they?

- *Endowment Effect: If you own something you put more value on it*
- *IKEA Effect: When labor is invested then it leads to inflated product valuation*



Both photos: IKEA

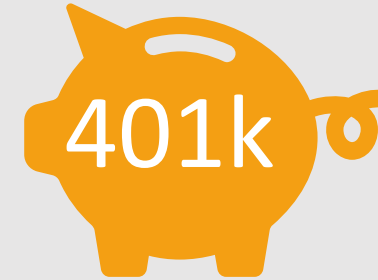
- Examples:

- *Colleagues are involved in the ideation or planning process and feel ownership*
- *A colleague has invested input in an idea or product then more likely to value it*

Default effect

- What is it?

- *When given a choice of different options, we tend to choose the default.*



- Example:

- *Set default so we can use customer's data in whatever way we want. BAD!*
- *Opt-in checkbox for "I wish to receive further communications." GOOD!*

Set defaults with ethical, preferred outcomes



Let's try an experiment

Inattentional bias

- What is it?
 - *Failure to notice a full-visible but unexpected object because attention was engaged at another task, event, or object.*
- Example:
 - *Updating your manager on your project right before a big presentation your manager is having on a different topic*



Mitigation Techniques: Providing information in multiple forms at multiple times but not providing it to others in forms or times that are clearly not helpful.

Choice overload

- What is it?
 - *Consumers being overloaded with too much choice that results in inaction or analysis paralysis*
- Example:
 - *Customers bought more jam when presented with six choices instead of 40 choices*

Sheena Iyengar and Mark Lepper research [https://faculty.washington.edu/jdb/345/345/Articles/Iyengar %26 Lepper \(2000\).pdf](https://faculty.washington.edu/jdb/345/345/Articles/Iyengar%26Lepper(2000).pdf)

Tip: Make sure to check out Choice Architecture



Photo: Pixabay

Some other behavioral science concepts to explore in your leisure

- Availability heuristic
- Anchoring heuristic
- Choice architecture
- Dual-system theory
- Gambler's fallacy
- Hot-cold empathy gap
- Halo effect
- Peak-end effect
- Hindsight bias
- Inequity aversion
- Loss aversion
- Pain of paying
- Recognition heuristic
- Social vs. market norms
- Visual depiction effect

There are many more concepts exploring – start diving in!

How are companies using behavioral science?



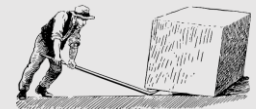
Theme parks around Disney themes and entire vacation experiences

It uses techniques like:

- It changed the default sides on kid menus at park from fries to fruit or vegetables and soda to water or juice. People could still choose something else but just switching default resulted in 21% less calories and 44% less fat per meal.
- Providing wrist bands for adults and kids at the parks. This has resulted in more money being spent and at same time providing for a higher experience level by guests.

A few important concluding points...

- Behavioral science is a science and therefore like all science you need to **hypothesize and experiment**
- Behavioral science can be powerful so **use for good not evil**
- Behavioral science **depends a lot on context**, so you need to experiment and iterate
- Behavioral science is a great way to leverage up what you are doing **so experiment and apply**
- **Defaults matter!**



All photos: Pixabay

Behavioral science...how to continue learning?

- **Online:** Lots of great websites or blogs including People Science, Action Design Network, B-Hub, BehavioralEconomics.com, Dan Ariely's blog
- **Books:** Predictably Irrational, Nudge, Influence, Thinking Fast and Slow, Thinking in Bets, Talking to Strangers, The Quick Fix: Why Fad Psychology Can't Cure Our Social Ills
- **Podcasts:** Brainy Business, Behavioral Grooves, Freakonomics, Hidden Brain, Action Design Network, Econtalk
- **In Person:** See if an Action Design Network or other behavioral science group is in your area



Source: Pixabay

Contact me @

- dave@gobeyondthedata.com
- [in/davemathias1](#)
- [@davemathias](#)