

February - How does your consumer behave?

How well do you know your consumer? We assume that consumers behave with rational thinking, but research shows they are also driven by emotions, sense engagement, past experiences and individual behavioural preferences when faced with problems or decision making. Whilst many companies have access to massive amounts of research, deep insight is rare – and only useful if brands act on it.

So how can research offer insightful solutions that lead to brand growth, return on investment, and impact everything from brand strategy through to advertising? XPotential takes a whole new approach to research by using ground breaking and highly-sophisticated psychometric testing to profile the behaviour of a target consumer group, delivering insights that are reliable and valid for up to 5 years.

Although traditional research only measures 20% of what drives consumers, psychometric testing can reveal the other 80% of 'hidden' drivers such as emotions, feelings, behaviour patterns, beliefs, values, attitudes, needs and



motivations. Clara Real Insights®, (Clara), a research tool developed by XPotential, reveals behavioural preferences and uses collaborative workshops to build insights that brands can act on with confidence.

How would you like to understand not only how your consumer behaves, but also gain insights into their personality traits, interests and motivations? How would you use this information? Find out how Clara is being used to target business challenges and build stronger brands that connect with their consumers.

[Read the Buzz evening highlights.](#)

“ Brands are the most important assets of your business and your people are the most important resource in building brands. ” - **Steve Sowerby**, Founder of XPotential



## Our Guest Speaker:

**Elizabeth Morris**, Senior Consultant at XPotential

Elizabeth Morris is a Senior Consultant at XPotential, an international, brand-centric consultancy tackling complex business challenges and delivering reliable consumer insights using one of the world's most comprehensive psychometric tests. XPotential has aligned teams and individuals to create and deliver brand equity for over 60 companies across a range of sectors, including finance, food, manufacturing, retail, healthcare, and pharmaceuticals.

Founded by Steve Sowerby, XPotential use a research tool based on the Pathfinder Career System developed by Dr. Larry Cash. When applied to consumer groups, the psychometric test offers a deep understanding of unconscious behaviour that is turned into actionable insights through a series of focus groups and collaborative client workshops – offering clear research data that is both quantitative and qualitative. This whole process is Clara.

This month, Elizabeth Morris gives a fascinating talk about Clara at our exclusive invite-only Honey Buzz debate at Soho House. Our guests, including leading industry professionals and entrepreneurs, debate how research data should be assessed, what psychometric tests tell us about consumer behaviour, how to get inside the heads of their consumers, and how this data can be used to deliver commercial growth.

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## The Buzz evening highlights ...

### 1. Insights should be assessed on their reliability and longevity

“ Traditionally, these sort of tests are applied by companies for vetting applicants. It's interesting that they are now being used to profile consumers. ”

Greg Vallance, Creative Director at Honey Creative

Traditional research measures activities and habits of consumers, but psychometric testing gives rigour to insights and helps us understand subconscious behaviour such as needs and motivations. As one of the world's most comprehensive and sophisticated psychometric tools, Clara profiles 85 behaviour characteristics across 8 areas to suggest solutions based on a deep understanding of the consumer.



Clara is classified C1 by the American Psychological Association, which means that the information is very reliable and the test is designed so that results cannot be manipulated. However, we should also consider the length of time results are valid. Some psychometric tests are valid for as little as three weeks (not long enough for brands to act on the insights) but Clara results are valid for up to 5 years.

**Tweet: Market research isn't just about reliability. It's also about how long the results are valid for. #honeybuzztalks @honeycreative**

### 2. Research is only useful if you can prove it (and act on it)

“ Our definition is that insights need to be actionable; a deep understanding of your target group that you can act on. There has to be some kind of proof. ”

Elizabeth Morris, Senior Consultant at XPotential

Insight is only meaningful if the information can be proved and then acted on. The research process should always identify the brand challenge and target group first, then gather information that defines the target group and leads to insights and quantitative statistics. These insights need to be robust and reliable, allowing for a collaborative workshop discussion that leads to actionable change for the client.

Research needs to be qualitative and quantitative. Clara can be applied to existing market research, so if a company already knows their target audience then Clara can build a profile of the behavioural preferences of that group and offer a more detailed statistical analysis – insights need to be proved. This information can then be used to state: “Now that we understand (x) about our customers, we can do (x).”

**Tweet: Meaningful insights are based on a deep understanding of your target group and are actionable. There has to be proof #honeybuzztalks @honeycreative**

### 3. Consumer behaviour can differ significantly within the same target group

“ We can split not just by men and women, but split down further by group. This shows that even a little segmentation gives better results than no segmentation. ”

Chris Collis, Commercial Marketing Director

Clara was recently used to gather information about a target group of young professionals for a large bank. They discovered that the group wanted a comfortable life, didn't desire huge wealth, but wanted control over their spending

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and choice of employment. Most interestingly, Clara revealed that the group preferred solving problems by using common sense and experimental learning – not numbers! The assumption was that the needs of their male and female customers were the same, but Clara discovered that the women were more independent when it comes to finance, and responded well to rewards and benefits. This insight was used to develop services aimed specifically at women, such as Mummy Club (offering benefits), a Lady ATM card, and tailored car and housing loans for women.

**Tweet: The more you segment your target audience when researching the market, the better the results. #honeybuzztalks @honeycreative**

#### 4. Entrepreneurs use intuition ... but there are still benefits to research

“ Research and insights can give entrepreneurs confidence and some evidence for when they go to financial backers. ”

Steve Brewer, ITaau Network Coordinator at the University of Southampton



Is market research useful to entrepreneurs? If you are creating a completely new product or category then it's often necessary to use intuition and assumptions to define your market. This can be seen in recent trends towards healthy eating and reducing sugar – entrepreneurs and young food brands are using intuition to react quickly to health trends without investing time and money in consumer research.

In the early years of mobile phones, nobody marketed to teenagers and kids – but market research later revealed a demand. From a brand standpoint, the first companies to market directly to this new audience made a lasting statement to a huge community. The other benefit of entrepreneurs and start-ups using detailed consumer

research is that insights can provide some evidence to financial backers.

**Tweet: Entrepreneurs use intuition, but do they still need research? Insights and statistics are useful as evidence for when they go to investor**

#### 5. Traditional research only measures 20% of what drives consumer decisions

“ 20% is overt and 80% is covert. If I asked you to put together IKEA furniture then some will read the instructions and some will just go for it. This is an example of how people instinctively approach problem solving. ”

Martin Wilson, Mobileweb Company

Opinions, interests, behaviours, activities and habits can all be measured but these only account for 20% of what drives consumer decisions. The subconscious 80% includes emotions, feelings, behavioural patterns, beliefs, values, attitudes, needs and motivations – much more difficult to capture. These can't be uncovered by interviewing, but they can be discovered using psychometric testing.

Clara measures subconscious behavioural preferences, such as a consumer's approach to problem solving. If you were asked to put together IKEA furniture would you carefully read the instructions, or would you get started using intuition and common sense? This is an example of how people instinctively approach problem solving, and understanding this can influence how you communicate with consumers.



**Tweet: Traditional research only measures 20% of what drives consumer decisions. Psychometric accesses the other 80% #honeybuzztalks @honeycreative**

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## 6. Insights can be used to influence design and marketing

“If we find out that a consumer can be anxious, seeks reassurance when making decisions, and is concerned about skin cancer then we can start to make assumptions or claims based on these insights.”

Elizabeth Morris, Senior Consultant at XPotential

Clara was recently used for a relaunch of a suncare product. The client wanted to increase the franchise by 50% and develop outstanding claims and benefits to grow the category. They tested women between 25-44 years old who routinely used skin and sun products and were above average income. Test results were then used to influence everything from packaging claims to communications. The data showed that the women tested can feel anxious, seek reassurance when making decisions (from friends and family), don't like to be hot and sticky in stressful situations, and are concerned about skin cancer when spending time in the sun. So the client could then reassure the consumer about level of protection, talk about ingredients and instructions, and show images of families using the product.

**Tweet: Insights from research can influence and inform everything from packaging design to marketing communications #honeybuzztalks @honeycreative**

## 7. How to measure the return on investment of market research

“You might see results in a year, but I think that's pessimistic. If you apply this to a start-up then you will see results much more quickly.”

Elizabeth Morris, Senior Consultant at XPotential



Research should always be an investment, although the cost of extensive research can sometimes be prohibitive for entrepreneurs and start-ups. Clara is one of the most sophisticated psychometric tests in terms of validity and reliability. It measures fundamental human behaviour and motivations, so it's an extremely useful tool for researching target consumer groups – and the results are valid for five years.

However, with any type of consumer research it can take time before clients see results, making it difficult to measure return on investment. Clara offers solutions and actionable insights, but it's ultimately the client's decision as to what they implement – and some changes are easier to make than others. Then again, what is the potential cost of not thoroughly understanding how your consumer behaves?

**Tweet: It's hard to measure the ROI of research. Results can offer solutions, but only the client can implement change #honeybuzztalks @honeycreative**

Honey Buzz, our round table talks - is a collaboration of marketers and business leaders to share learnings on how to create commercial growth.

Join us for an evening of lively and thought-provoking debate to drive the creation of commercial growth. Held at Soho House, you'll be sitting alongside other sector experts and senior industry figures bringing their own unique and thought-provoking insights and experience.

*Let the buzz begin...*

**Interested in speaking at Honey Buzz?**  
We're always on the look out for guest speakers with a different angle on brand and communications. If you're interested, please do get in touch.

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