

## **Want to REALLY Change People's Behavior? Cognitive Feedback Loops Coupled with New Technology Produce Astounding Results!**

One of the most effective weight loss programs is Weight Watchers, probably because it promotes a healthy lifestyle rather than a restrictive diet. For example, most diet programs limit your access to certain foods – usually all the ones you love the most – and require you to eat other types of food – usually the ones you leave on your plate! With Weight Watchers you can pretty much eat whatever you like. Instead, they assign a point system for different types of food and their program limits you to a specific number of points per day. In this way, dieters can make choices about whether or not it's worthwhile to have a small salad for lunch so they can indulge in dessert after dinner.

A key element of Weight Watchers has been the practice of consistently tracking the number of points associated with everything that goes in your mouth. Another cornerstone of Weight Watchers is the weekly "weigh-ins" where participants meet as a group to track and share their progress.

Veteran marketers will quickly recognize the similarities between Weight Watchers and The One Card System – a stalwart agent training method developed by Northwestern Mutual agent Alfred Granum many years ago. The One Card System assigns points in recognition of different sales activities. For example, agents keep track of how many phone calls they make each day and how many appointments they have, along with whether each appointment resulted in opening a new case, closing a sale, or getting referrals. And just like the Weight Watchers weekly weigh-in, most agencies using The One Card System have weekly meetings where agents gather as a group to report and compare their activity points.

A large part of the success of both of these programs is due to the fact that most people who are disciplined and dedicated enough to track their progress on a daily basis are also committed enough to follow through to achieve good results. The weekly peer meetings also provide a good forum for accountability as well as for reward. However, I was surprised to learn that there is actually a very well documented scientific basis that explains more specifically why programs of this type are most likely to succeed.

The July 2011 issue of Wired Magazine featured a fascinating article by Thomas Goetz titled "Harnessing the Power of Feedback Loops" [http://www.wired.com/magazine/2011/06/ff\\_feedbackloop/](http://www.wired.com/magazine/2011/06/ff_feedbackloop/) and included a number of excellent examples similar to the two I've presented here. For example, most of us have seen those speed limit signs that also include a radar device that flashes your actual speed in addition to the posted speed limit. What's really interesting is that these signs have proven to be more effective at getting people to slow down than any other method. In fact, when used in school zones, the average speed often ends up being *lower* than the posted speed limit and drivers continue driving slowly for a couple of miles past the restricted area.

What makes these signs so effective when they aren't telling the driver anything they don't already know?

It turns out that these signs comprise the four necessary elements of a cognitive feedback loop: evidence (your current speed), relevance (the posted speed), consequence (the knowledge that speeding is illegal and potentially dangerous,) and action (the driver can slow down).

The concept of cognitive feedback loops was pioneered in the 1960's by Stanford University psychologist Albert Bandura. According to Goetz, "Bandura observed that giving individuals a clear goal and a means to evaluate their progress toward that goal greatly increased the likelihood that they would achieve it. He later expanded this notion into the concept of self-efficacy, which holds that the more we believe we can meet a goal, the more likely we will do so."

Nothing surprising here. The key is to provide a means to evaluate progress and to inspire the belief that success is likely – and both Weight Watchers and The One Card System certainly accomplish that. This simple and self-evident theory has been evaluated and documented for decades, so much so that there is experimental evidence that when the proper cognitive feedback elements are present a 10% improvement in behavior will result.

Enter 21<sup>st</sup> century technology! We now have access to all sorts of inexpensive gadgets and devices that utilize the power of the internet to track, report, share, and monitor everything we do in ways that Al Granum never dreamed of. I'd like to share a couple of examples of how technology enhanced cognitive feedback loops can be utilized in the insurance industry.

One of the most visible examples comes from Progressive Insurance and their Snapshot device. Drivers plug the Snapshot into their car's OBD port and it tracks their driving habits for a couple of weeks. Progressive promises that the device merely tracks how you drive rather than where you drive. They subscribe to the "heavy foot" theory where jackrabbit starts and abrupt stops are indicative of drivers who are more accident prone than a smooth operator who presumably proactively anticipates rather than belatedly reacts. In return for using the device, Progressive offers savings of up to 30%.

It's important to note that the Progressive Snapshot fails the cognitive feedback test because the data is reported to the company – the driver doesn't receive any real-time evidence to indicate how they are driving and therefore has no ability to change their behavior. This is an important distinction for Progressive because they are probably not attempting to change their customers' driving style. If that were the case, then anyone could drive cautiously for a few weeks, obtain a discount, and then go back to speeding, tailgating, and road hogging. Instead, I would suggest that the Snapshot is an absolutely brilliant use of prospecting technology that all companies should consider.

Think about it – would you want the Snapshot installed in your car? If you answered yes, then you are probably a safe, cautious, conservative driver and you'd like to do business with a company that will recognize and reward you for that behavior. However, if you're like me – a good driver most of the time but I have my moments when "those stupid people won't get out of my way and force me to drive aggressively" – well, the last thing I would want is to have my insurance company tracking my driving style. The Snapshot is a beacon sent out to all of the safe drivers of the world – come to Progressive and we will reward you for that cautious behavior your kids have been criticizing you for all of these years! And the next time someone honks at you for going too slow you can relish in the knowledge that you are paying less in insurance premiums than they are!

If you're an auto insurance company, what better way to identify and attract exactly the type of customer you're looking for? Now compare this strategy to the typical final expense direct mail solicitation which emphasizes minimal health questions and guaranteed issue options. While Progressive Snapshot sends out a beacon to safe drivers, many final expense companies put out a plea for unhealthy folks who don't think they can get insurance anywhere else.

So how can small face life companies find and attract healthier customers?

According to Goetz's article, only 30% to 50% of people take their medication as prescribed. In addition to causing major problems for drug companies who find it difficult to accurately determine the effectiveness of their products, it is also estimated to increase the overall cost of health care by \$100B annually and is attributed to 125,000 unnecessary deaths from cardiovascular disease each year. Most small face life companies see the effects of this practice first hand in their claims experience.

What if there was a way to change people's behavior so they took their medication as prescribed? What if there was a Weight Watchers or One Card equivalent for pharmaceuticals? And what if life companies could find people who subscribed to this approach? Well, now there is. GlowCaps are an ingenious device that improves medication compliance to an astounding 80% to 85% by utilizing a text book case of cognitive feedback.

According to Goetz, "when a patient is prescribed a medication, a physician or pharmacy provides a GlowCap, which comes with a plug-in unit that connects to a database that knows the patient's particular dosage directions – say two pills a day at 8 am and 8 pm. When 8 am rolls around, the GlowCap starts to pulse with a gentle orange light. A few minutes later, if the pill bottle isn't opened, the light pulses a little more urgently. A few minutes more and the device begins to play a melody – not an annoying buzz or alarm. Finally, if more time elapses (the intervals are adjustable), the patient receives a text message or a recorded phone call reminding them to pop the GlowCap. The overall effect is a persistent feedback loop urging patients to take their meds." Additional features allow the GlowCap to coordinate with a pharmacy to automatically renew prescriptions, network with other family members so that they can monitor their loved one's medications remotely, and also send monthly reports to the physician.

Although feedback loops are nothing new, the super-effectiveness of GlowCaps is indicative of how new technology opens up possibilities for changing behavior in ways that could never have been possible before.

For example, the biggest problem with Weight Watchers and The One Card System is that it takes a lot of discipline to write everything down. Plus it's possible to manipulate the data so results can be rationalized. With a little creative ingenuity, something as routine as an agent's dental appointment can suddenly become a "case open" simply because the hygienist mentioned she was getting married, or in the case of Weight Watchers, an otherwise healthy salad in reality is drenched with high calorie dressing. Both systems rely upon an honor system that is sabotaged by yet another well documented psychological theory: even honest people will cheat "just a little" if given the opportunity (see my article on behavioral economics titled Ripple Effect) [http://www.loma.org/content/public/documents/lic/licarticle\\_feb09.pdf#zoom=100](http://www.loma.org/content/public/documents/lic/licarticle_feb09.pdf#zoom=100)

Wouldn't it be wonderful if we had a device that automatically kept track of everything we did? And if such a device existed, would our behavior really improve significantly?

I must confess that it's difficult for me to accept that I could be so easily manipulated by something as simple as an interactive speed limit sign or a flashing light on a pill bottle – until I fell victim to another very clever (and free) device on my cell phone called Runkeeper.

I love to run and, although I am not a very good runner, I have been running consistently all of my life. I don't need any external reminders to motivate me because I genuinely enjoy running. I know – it's a sickness, right? Runkeeper is a free app for your smart phone that uses the GPS feature to track your runs (or walks, or bike rides – the device is indifferent). Upon the completion of your workout your phone will tell you how far you ran, how long you ran for, and your average speed per mile. And when you get home, you can log-in to their website for a more detailed interactive map of your run. Eventually you accumulate very detailed records that capture and report your progress daily, weekly, and monthly.

When I first learned about Runkeeper I wasn't interested in using it at all. I'm a purely recreational runner. I think I would prefer to not know how slow I'm going and I'm not interested in working hard to improve my times or distances. The last thing I want is to turn my enjoyable runs into some obsessive sort of discipline. The only possible application I could think of was that I often run on trails at a State Park and I have always been curious about how far those trails took me. I thought I would take Runkeeper out a few times just to document some distances.

Boy was I wrong. Runkeeper is addictive! Although I am at a complete loss to explain why, there is something strangely satisfying about being able to refer back to a tangible record of all of my runs. I never knew or cared how often I ran in a given week or month – and now I am fascinated by it. I never wondered about what my longest or fastest runs were before but now I actually anticipate the robotic congratulatory emails that Runkeeper automatically sends to acknowledge any new milestones in my workouts. And on days when my running just didn't go well, I enjoy looking back at the maps of my good run days and reliving the satisfaction from those accomplishments. I hate to admit that something so innocuous could influence behavior that I wasn't even interested in changing in the first place, but the results are indisputable. I guess it's true – cognitive feedback loops really do work!

Runkeeper could be easily modified to be an insurance agent's One Card System on steroids. Since it's a cell phone application, it would be very easy to track an agent's phone call activity and integrate this information with the rest of their daily activity. How much time do they spend driving to appointments? How long do they spend meeting with clients? How long do they spend on each phone call? How much of their day is spent sitting in the office? Where do they go and what do they do every day? In addition, this "Saleskeeper" app could provide a tangible record of their daily, weekly, and monthly activity with automated acknowledgements for milestones such as most apps, most phone calls, most appointment, etc.

Which would be more motivating and satisfying – the ability to look back upon a detailed activity map that captured one of those great days when everyone you spoke to wanted to buy a policy, or a One Card System workbook with a bunch of numbers scratched on it? And best of all, this app removes the discipline of manually writing everything down and minimizes the honor system since most of the data is captured automatically. From an agent training perspective, this is the ultimate marriage of psychology and technology!

The science of cognitive feedback loops provides an established foundation for influencing human behavior. Inexpensive emerging technology dramatically expands both the effectiveness as well as the application of feedback loops to a wide range of business applications. Certainly, an unmotivated agent will resist even the cleverest gadget and an unhealthy person will be immune to even the most persistent melody on their GlowCap. But the fact that feedback loops consistently result in a 10% improvement should provide more than enough incentive for any company to modify their own behavior and try something new. Perhaps someone could invent a GlowCap that would remind our own industry that it's time to take advantage of these new tools that we now have at our disposal?