

Federal Reserve Forum on Consumer Research & Testing: Tools for Evidence-based
Policymaking in Financial Services, November 9, 2010
Panel Two: Exploring research methodologies for consumer testing and studying consumer
behavior

Susan Kleimann:

Good morning. Well, I'm here to speak from a slightly different perspective. I'm actually a qualitative researcher who kind of is involved in the development of documents the sort of, the "rubber hits the road" document. So we've got a policy, maybe we've done some background research. But now we actually have to be able to put this document together, this disclosure in a way that consumers are really going to be able to understand it. I was recently at a Bretton Woods Symposium and one of the speakers was Christine Lagarde, who is the French Minister of Economy, Industry and Employment. And I must admit that it was so wonderful to hear her speak partially because she was a fabulous speaker but also because she made a very interesting comment. She talked--she said roughly paraphrasing her, "Information in itself is not a good. In fact too much information can be bad. We have to shine a light on it to illuminate it. To help people make sense of it."

And it seems to me that that's what all of us are rather gathered here today to attempt to do. To be able to figure out how can we get documents that will be simple enough but not stop there? How can we get them be clear enough but not stop there? But, in fact, how can we illuminate the information within that document so that we can actually put consumers into a position of being able to make good decisions. I do like Brie but I don't often find myself agreeing with the French; this time I really did.

So, part of what we wanna be talking about and what I will--or thinking about--and what I'm going to be talking about today is how do we get from a document, a disclosure, this is the financial privacy notice that goes from looking like this. And, you know, it's not bad. I mean it's got design, it's got a nice little grid, a lot of the different things that we talk about when we think about design It's using bold. It's not bad. But what did consumers do with this piece of information? It actually wanted to tell you a couple of things. Banks share your information, they all do; Gramm-Leach-Bliley or the Gramm-Leach-Bliley Act gave--required that banks allow you to opt-out of three of those ways that they share, and that you have to initiate the limiting of that sharing. Well, even though it says actions you can take, well, the research was showing is that people got these and I won't ask for a show of hands because we might all be embarrassed including me, what did we do with these things when they came in the mail? We threw them away.

So, how do we get from something like this to something like this? Now, this is not the final version of the Gramm-Leach or the Financial Privacy Notice. But what we have here is a true consumer-centric document. This is a document where qualitative research was able to go through and help consumers, or allow consumers to help us to shape the design of this, to be able

to give them a hook, facts. How does X bank, Neptune bank in this case, what do they do with their personal information? So, hook them into wanting to read it. It gave them basic context information. But perhaps most importantly, it gave them a visual way of getting their attention as we've heard before-- the design worked on that--of helping with the idea of cognitive fluency: it doesn't look like it's that hard; you know, I can probably get this document. And gave them a basis for decision making in that we have here all of the ways a bank can share, we have here whether or not we're sharing, and we have here what you can do about it. So, in a very simple, though arduous to develop, document, we were able to get to a point where consumers were able to help us get a document that would help them to see, to understand, and to make a decision.

So, how do we do that? Not that way... One thing that we use as kind of a base for us is this idea of the consumer processing model which I know all of you have been able to see. And part of the reason that helps us is because in these stages that--move this way--what we know is that consumers can be at any one of those stages at any given point. It's not like we can develop documents in which we can say nobody has been exposed to this, so now we can give them this information. Or that we know how much they'll be paying attention to it. I think it was John who has said consumers are very different. They're individuals and they've got their own psychology and their own baggage and you know what? They bring that right in there to anything that we give them to read or to process or to decide about. And so, we use this as a way of reminding us, helping us to think about the idea that we've got to address all of these issues in order to be able to move a consumer through the entire process.

We also use a strategic design thinking model. It has--it's a three-stage process where—whoops--where you are basically looking at the background, where you are doing formative development, and where you are finally doing cognitive and usability development. And in an ideal world, right off here, over there is where you will also be doing quantitative--a quantitative study to be able to validate what's going on. So, in using the strategic design thinking what we're trying to get to is more innovation. It's a process that--notice, it's quite iterative, it circles around, it allows for a lot of little testings. It allows for us to always be trying to break the box of the initial thinking that we come to. I--I think that this type of model allows us to not be too comfortable with what we first designed. We always wanna be able to be moving forward.

But as we think about, you know, how are we going to, you know, this is about consumer testing. So what do we do when we are setting up our own testing? One, we focus on the task. What do you want the consumer to do with this piece of--this information? What do you want them to do with this document? Many times we have a decision and an action that we want to have taken. And if we don't have a task, well, you know, then we're merely conveying information. And if we wanna be able to convey just information, we lose our focus. And you know those documents that just can't stop? Sometimes because of the lawyers, sometimes because of the economists, sometimes because we really haven't disciplined ourselves to sit down and figure out what the task is that is connected with this particular document. And knowing what that task is begins to be the way that we can make decisions about what is primary information, what is secondary

information, what is irrelevant information. Because we as developers and consumers--if you just talk to us--we wanna tell people everything and consumers wanna know everything. What they will use and what they wanna know are two very different things. And by focusing on tasks it begins to help us to be able to sort. And I'm--I'm using--I don't know if it's a royal we or not or a royal us--but we're working with the subject matter experts, whether they're working in mortgage or they're working in privacy, it's because we have to be accurate as well.

The other thing that we wanna be able to look at is we wanna aim for synthesis and evaluation. This is Bloom's Taxonomy. There are maybe others things to use. This one, because I too was in education, is familiar to me, but the idea that we don't want to just stay down here with comprehension and just knowledge. Can they recall the data? Do they understand when we ask them what does X mean? Do they know what X means? Yeah, that helps us get clearer, that helps us be sure they understand. But in fact, decision making--informed decision making is going to require us to be much higher on this cognitive--on this idea of cognitive--deci--blah, blah, blah I'm sure I--oh, that's recorded. You'll edit it Jeanne I hope. This idea of what are the kinds of cognitive processes that we have to be able to use in order to reach a good decision. So as you are designing or we are designing--are testing, we're also looking for this--these types of questions so that we can get beyond just the yes or no answer.

Test few but often. I think qualitative research has a bad rap right now because everybody thinks it costs a lot to do. It can, but it doesn't have to. If you have designed really good tests and you were sitting doing cognitive interviews with people, by the time you've gone through three or four people, you're hearing repetition. It's not ever going to be statistically significant, so you don't have to go on to get 600 people to tell you the same thing. And when we are in these early stages, we want to be able to hear what's not working very quickly so we can go back, tweak what we're doing, and move back out to see if we've solved the problem 'cause it's usually not that simple, I mean there's a lot of nuances going on in these types of things.

I think the other thing is that because we're using these frames what we're able to do is--is stay focused on task. Stay focused on what are we hearing and at what level are we hearing things. Some of our early testing on the Financial Privacy Notice put as all the way down at the bottom of Bloom's Taxonomy. We had this wonderful focus group in which we would say, "How would you explain this to your mother?" And they would go the right place in the document and read us the definition. Well, okay they could read well, they can navigate well, but they absolutely had no comprehension about what was going on or how--they hadn't integrated the information into themselves.

So, the technique that I really wanna talk about this one that I'm sure some of you have used, and that is the idea of the "think aloud". Think-aloud has a long tradition. It came out of various fields but where I became most familiar with it was my own field in rhetoric and composition back in the '70s where there was a lot of ground breaking research that was done about using the think-aloud protocol to understand what people did when they wrote documents and what do

people do when they read documents. So, one thing that is going on with a really good think-aloud is that it begins to collect the internal monologue. You know that little editorializing voice all of us have, going on in our head. I always wonder if I'm admitting some psychological problem I have when I type I have this all the time, that talks to us, you know, that makes comments about "Ooh, that's a really busy rug" even when we are in the process of trying to engage in a serious conversation. So, what we're trying to do in a think-aloud is to capture that internal monologue as someone first encounters a document. It's awkward, people aren't accustomed to talking that voice all the time and so we have to make them a little bit comfortable and we do give them a little training session. We usually have them work with a little--a menu and have them talk us through with a task. What will you order from this restaurant or would you order from this restaurant? And as they go through the menu telling us what they are looking at, we get to coach them. We can tell them, "Oh, yes you noticed these little details. That was good. Oh, you made overall comments. I don't like the font, I hate this picture, you let us know where you were. I'm turning the page now. Now I'm looking at the appetizers. Now I'm looking at the fish." They told us what they liked, what they disliked. They are able to process a lot of information and we're in a position to be able to reinforce the different types of things we want to hear, which would be all of those, all of those. At the end, we do ask them "Well, what would you do?" And they give us an answer. We'll set up our main testing in that similar way. And I think what's important about this and why we think it's so important to use this at the beginning is because participants learn. They do wanna please you. Everything you ask them, every question you ask them teaches them something about what you think is important. And if we're trying to get a sense of the document in its virgin state or their virgin encounter with it, you know, we can't ask those questions. We want to be able to hear their unbiased views and as they go through giving us this often unedited monologue we begin to have some insight. It's one of the few ways you actually can kind of get into their heads. It's not the same as the heat mapping. It's not the same as looking at which part of your brain is stimulated by a different sight. All of those things I--I'm not disallowing those, but for many of us who are right there on ground working with consumers, this type of a technique gets us pretty close to that.

Now how do you make it work? Well, it should take about 20 to 30 minutes and if it takes much less than that, you haven't done it very well. Part of this is moderator attention. We don't shuffle paper, we have told them that we are interested in their opinions and we do pay attention. We notice when they frown and we are able to ask that question, "I noticed you frown, what's going on?" We are able to see what they skip. We're able to see what they do pay attention to. And again, it's not gonna be a heat map but at least we know what they're paying attention to and are in a position to be able after this to follow up with asking questions about what it was that they were paying attention to. It is our richest source of information in an interview. Because it brings their unfettered opinion to the task, and it couples it with our perception of what is going on. As I said, we see the frowns, we see the skips, we see the rereads, we hear where they even in reading something out loud they stutter over the language. That's what we want to be able to

get because that's going to help us simplify the entire document and make it be able to move towards illumination.

Now, for the rest of the interview and I don't wanna--I'm not dismissing that, the rest of the interview is important too. But you wanna use a lot of different techniques. You wanna be able to use scales. You wanna be able to have direct questions. You wanna be able to walk them through the document. You'll have research questions, you as a designer, as a researcher know places where things -- "I'm not so sure this is working well" -- you'll wanna be able to probe on that. You'll want to be able to follow up on some of what you have seen in the think aloud. Pretty cool, is you need to match these to your research questions. I think that when we work with clients one time--often what we find is their idea of what a research question should be is "let's to ask the entire world." Well, you can but you're getting a really superficial look. And so we really do try to help your clients focus in on a limited number of research questions and that is what we can use these other--the rest of the interview to do this. It also allows us to make sure that we we're getting at some of Bloom's Taxonomy, that we can use some of the higher level thinking or design questions and task around the higher level of thinking as well as some of the lower level. But, the analysis is pretty cool too. And part of the way--the thing you've got to do is analyze by thinking big. We need to be able to have multiple methods. We need triangulation. We need to have results linked to theories of consumer processing, design and plain language, decision-making, cognitive fluency. We wanna be able to think big. And we also wanna be able to think big in terms of "what didn't they say?", as that is almost just telling as what they did tell us. But, we also wanna analyze by looking close. We wanna look at discrepancies. We wanna look particularly. We go back and look at our data very carefully when we get what we thought we we're going to get. And then, we look really carefully when we get what we didn't think we we're going to get. Both of those are quite suspicious, you know, so you've got to go back to see what's going on in this dialogue that you are having with your consumer and you're not going to be able to do that just on the basis of a series of questions -- you ask, they respond, you ask, they respond. You need something more, something richer for that.

Oh, one other thing, someone else had said this. The data speaks. You don't get to go back and say, "Well, yeah, I see this is what our results are. But, I really think something else. So I'm gonna do what I'm gonna do." When you engage in this type of research you are being driven by the consumer.

I mean so here's a final model privacy notice and again I--what I want to do is kind of take you through, very quickly, what happened in our think-alouds that allowed us to get to this. Now I can't do it all, we don't have enough time, so I'm going to focus primarily on this little table here. But, many things within our think-alouds made changes to this, such as this "Facts." Generally speaking that had said privacy policy, and when we talked with consumers what we heard was "Privacy policy no, the bank owned it. I couldn't do anything. So is the bank owned it, why I'm even reading this?" Oh, motivation. There's nothing I can do so I'm not even going to bother to

read this. What does Mercury Bank do with your personal information in time of people being worried about personal identity theft? Yes, that was a hook for people.

So, this is where we kind of ended with it. And we went through five rounds of testing to be able to get to this. So let's kind of move through this quickly--I'm sorry, I wanted you to see this because these are all the categories, but I didn't wanna redo all the tables. So, I gave you a truncated table.

So this was our first round of testing. After we had done a great deal of focus groups and some consumer preference testing, one-on-one testing this was our first product--our first table that we were putting together. Notice this question says "Do we share your personal information?" And then it says for our routine business purposes, when we market our products, these categories were defined pretty much by our subject matter experts. And we provided the answers to those questions. And then, we said "Does federal law gives you a choice?" And that seemed sensible to us and the policy makers because in fact that was part of what Gramm-Leach-Bliley did. Federal law gave you a choice. Well the problem was when we got down here, when we provide your personal information to non-affiliates so they can market to you, do we share? No. Does federal law give you a choice? Yes. Well, okay. Now, what? So, pretty quickly we figured out and, you know, I think this is the other thing with qualitative research. When you have so many decisions that you're making and you go in and you do this testing there is this phenomenon of "Why didn't I see that?" You know, it seemed so obvious in retrospect, but not so much in whatever the opposite of retrospect would be. So, we made changes to this. And moved to three tables, reasons we can share your personal information made in little--

Excuse me Susan, I don't wanna interrupt but we're starting to run overtime. So you've got about one minute left to wrap it all.

One minute?

Yup.

Our testing, as I will show you as I scroll through this. changed this table a great deal from we don't share in this way because people didn't get in this way to simply we don't share. All of our research simplified the table, honed it into what the consumers wanted, and really took us into a place that we did have a consumer-centric table that people could understand. And I think that the benefits of this are that we did get accuracy. That people could understand what was going on and they understood it at a high level. The comprehension wasn't just the words, it was about the implications. We were able to get salience. We were able to get the right amount of detail at--and the right level of detail in the right places. People have talked about attention. That's what we we're trying to do is get people to attend. And we got comparability, it's a standard design. It is a design that is being used by many companies at this point, Capital One, which we mentioned sometime today. The Treasury Credit Union, BB&T and I just found out VW credit is now using it. So it does give us comparability. And I think the other thing that it allowed us

to do was get to innovation. In a different time and a different place I'll explain why tables, generally speaking, are really difficult to process for people. But in this case we managed to develop a table because of listening to consumers through the think-aloud protocol as well as our other techniques that gave us one that was really consumer-centered.