

What can ants teach us about innovation?

Aki Kalliatakis

aki@leadershiplaunchpad.co.za

This is the next article in a series on how behavioural economics and 'being human' affects your business.

If you are buying a new car, you can choose between one of two options for the seats – cloth or leather. Leather is more expensive and probably less environmentally friendly – so the logical choice, the one which adds more economic value is cloth. Simple choice. Except, of course, 'Value' is completely subjective. Cloth seats are just not 'cool' but, more importantly, if you have young children, you will choose leather nine out of ten times. Why? If you've ever had a child vomit on your car seats, you quickly discover the benefits of leather.

We really don't need to go into depth about the complexity of human psychology, but perhaps the two biggest drivers of our decisions and behaviour are our past habits and imitating others. If you look back in human evolution around 100 000 years ago, whenever we've been in doubt, we've essentially defaulted to these. If I saw a tasty caterpillar and was not sure if I should eat it, I'd either do what I've done before (which is to eat it because last time I didn't get sick) or, if it's a first time, I'll watch what everybody else does and copy them. If we



Image courtesy of MD Jerry, Unsplash

do whatever others do, at least it won't be a disaster. That's how our mental models get built.

If you decide to put solar panels on your roof, you will probably hesitate until you see some of your neighbours doing the same. If you're deciding on a new school for your kids, you'll probably ask other people like yourself. It's not a perfect way to choose, but at least we won't feel worried about disaster striking.

“ We are not the logical rational human beings that we think we are. Perhaps the two biggest drivers of our decisions and behaviour are our past habits and imitating others. ”

And in the modern world, we do the same. It may be more sophisticated than caterpillars or poisonous seafood, but the past three years have permanently changed how we view video conferences (Zoom) and owning your own car (Uber), for example.

And, unlike accounting, IT and engineering, a lot of these motivations and decision-making actions are not measurable in real terms. Indeed, most of what we can categorise as psychology is not measurable – but it very powerfully drives our buying decisions. And, as an aside, there's probably no current credible market research that will help us uncover these, because most people don't really know their unconscious needs and desires, or they try to fool us in order to impress us.

Forward thinking supply chains

11 - 14 June 2023

45th Annual SAPICS Conference 2023

Century City Conference Centre, Cape Town, South Africa

Register now: www.sapics.org.za

Get involved now!



For example, a few years back we did some research for a chocolate and sweet manufacturer to find out what kids favourite confectionery was. We discovered that different ages answered our questions completely differently.

For 5- to 8-year-olds one particular sweet was particularly popular (let's call it Sweet A), but then from 9- to 11-year olds we found that this same sweet was really "just for little kids." In fact, offered a choice, the older kids said they preferred the competitor's product (Sweet B). All very well and good, until ...

“ ... at the end of these sessions we gave each child an empty sack and took them to a room where there was a feast of sweets that they could fill their bags with. And the true lesson came right at the end – it didn't matter!

No matter what the age, most kids chose Sweet A anyway, even though they said they preferred B. Actions speak louder than words indeed! ”

By the way, we replicated a similar study with women and handbag preferences, and the bags they said they liked were not the bags they selected as their gift at the end. And, just in case you think that men are not susceptible, we saw similar results in two separate studies, one with electronic devices and another with sports equipment.

Image courtesy of Antoni Shkraba, Pexels



Am I suggesting that you ignore your customers' feedback and communication – and throw up your hands in despair because you have no idea what to believe? Of course not. I'm also not suggesting that you make assumptions about human behaviour that haven't been tested, especially when we have some traditional conventional models that everyone accepts, but which just don't always work. Take pricing, for example. We all accept that if you lower prices, then people will buy more. That's

exactly what economists tell us. But as countless examples – like caffeine-fuelled energy drinks, expensive chicken take-away joints, and coffee pods attest (not to mention leather car seats) – you are possibly leaving money on the table if you ignore these illogical motivations.

But, what I am suggesting is that you observe and consider the less rational and more emotional or psychological factors. For example, let's take the perfect classic – queues at checkout. There are many strategies you can use to make the wait for customers shorter, but most of the scientific ideas will cost you a lot of money. You could build more till points, hire more staff, or install automated systems. All perfectly rational and logical solutions.

But what if instead you tried to change your customers' perceptions about queues and the wait? For example, what if you gave them a real-time estimate of how long the wait will be? People prefer waiting for 10 minutes if they know that the wait will be 10 minutes, rather than not knowing if it will be five minutes. **Certainty.**

What if you used your loyalty system to give regular or high-spending customers a chance to use special fast-track tills? Boost their sense of importance. Status. And, by the way, wouldn't it drive you crazy if you saw that customers who are buying 10 items or less are rewarded for not spending by shorter queues? **Fairness.**

Or, maybe you can get one or two staff members to just be nice to waiting customers – by greeting them and starting conversations or paying compliments. **Relationships and relatedness.**

There's a great model developed by cognitive scientist David Rock in which he proposes five main drivers that the brain uses to make us behave in certain ways to minimise threats and maximise rewards. He called it the SCARF Model and it is defined by the following ...

- Status** – our relative importance to others.
- Certainty** – our ability to predict the future.
- Autonomy** – our sense of control over events.
- Relatedness** – how safe we feel with others.
- Fairness** – how fair we perceive the exchanges between people to be.

It would be a great place for you to start looking for the subtle opportunities that you can create

in order to persuade customers to support your business, and to become even more loyal to you.

Will you get it right all of the time? Definitely not, but to be in the game, to get lucky, you have to be like an ant colony. If you've ever watched ants, they all seem to be moving in both directions – a straight line one behind the other, occasionally bumping into each other and 'sniffing' in the face of the other ant. But, if you look carefully at the whole colony, you will also see a whole bunch of other ants, maybe 10 to 20 percent of the group, just seem to be wandering around aimlessly.

These 'lazy' ants are vital, because they are the ones that innovatively seek new sources of food and, once in a while, they hit the jackpot

– and teach the rest of the colony where to find food. They've been doing it very successfully for millions of years. A lot longer than we clever humans have been around.

The boldest innovations and solutions can often be found by looking at things as though you've never seen them before. **SR**



Aki Kalliatakis is the managing partner of The Leadership LaunchPad, a company dedicated to helping clients become more customer driven. He can be contacted at +27 (0) 83 379 3466, or via the website at www.leadershiplaunchpad.co.za

<p>BIN SALES AND PALLET SALES Contact: Johan or Angelique salesteam@masterjack.co.za 082 374 6903</p>		 <h1 style="margin: 0;">MASTER JACK</h1> <p style="margin: 0;">Lifting Equipment • Pallets • Bins Since 1989</p>		<p>PALLET JACK SALES Contact: Brendan or Darren internalsales@masterjack.co.za www.MASTERJACK.co.za</p>					
<p>Wheelie Bin-120L, 240L, 360L</p> 		<p>Wheelie Bin-660L & 1100L</p> 		<p>Pallet Bin - Solid or Perforated</p>  <ul style="list-style-type: none"> - 500kg or 1000kg - Lids, Castors, And Outlet Valves are optional extras 		<p>Pallet Jacks</p> <ul style="list-style-type: none"> - 2000 to 5000 kg - 1200 x 685mm - 1500 X 685mm - 1800 X 685mm 		<p>Self Lifting Stacker</p> <ul style="list-style-type: none"> - Lifts 500kg Max - Lifts up to 1300mm - Electric Lift - Manual Push/Pull - Suitable for on-site loading & offloading with little to no manual labour 	
<p>Pharmaceutical Hygienic Pallet</p>  <p>1200mm x 1000mm x 150mm</p>		<p>Aluminium Pallet</p>  <p>1200mm x 1000mm x 150mm</p>							



saniwipes®

The Power to Protect

don't just touch,
sani-touch®
Infection Protection Products (Pty) Ltd



Recyclable detergent disinfectant wipes.
The original trusted trolley wipe.

GREEN SANIWIPES recycled and repurposed into pallets, benches, jungle gyms and other useful products.



Let us help YOU to **RECYCLE**, CONTACT US TODAY



#WeCare

Zonki Cloths

Colour coded picture cloths.

HACCP made easy.
Printed picture cloths.

Prevent cross contamination between food groups and food prep areas.

Cloths can be custom printed.
(minimum runs apply)



sanitouch@sanitouch.co.za | +27 11 791 4860 | www.sanitouch.co.za

