

INDEPENDENTLY PROMOTING DEBATE AND FRESH THINKING IN THE FINANCIAL SERVICES INDUSTRY

Stop! Clean Your Hands! And Think Afresh... A Social Marketing Perspective on Treating Customers Fairly

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Summary

- This Thinkpiece looks at what can be learnt from the field of social marketing where the “product” being sold is behavioural change.
- The author examines the NHS *Clean Your Hands* campaign as a case study from another regulated industry with a clear duty of care. The NHS also operates within strict compliance criteria and where a crisis in confidence and trust triggered public concern and regulatory change.
- This particular social marketing campaign was introduced to change staff behaviours across the NHS to improve outcomes for its patients.
- The Thinkpiece then draws on social marketing theory and practice to illustrate what can be learned and adapted to the financial services industry. The author does this by setting out a realistic, but fictional, case study of a firm called “2Bsure” trying to implement a change in attitudes towards customers.
- The case study illustrates the challenges and potential pitfalls with making this work, especially getting buy-in across all teams and at all levels.
- In conclusion, the author calls for the industry to exchange its old behaviours for new ones centred around customer responsibility, duty of care and social value, supported by clear corporate and personal accountabilities and purpose. She asks the industry to stop, clean its hands, and think afresh about their customer strategy.

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CII Introduction: when it comes to bringing about a change in the culture and behaviour of a large organisation, some have likened this to turning a massive container ship through 180 degrees. It is a long and complex task that has to be executed as carefully as it is planned. Making sure everybody at all levels are fully bought in to the need for the change and why can be challenging, especially if the behaviour changed is so deeply seated, and the fact that the average time for a person to change a habit is about 66 days. In this Thinkpiece, Judith Cork looks at some insight from the field of social marketing and draws on a case study from the NHS Clean Your Hands campaign following the hospital superbugs scare in the early 2000s. She applies some analysis to the case study and draws some useful findings for the financial services and especially general insurance sector.

The FCA has a keen interest in how organisational cultures can engender the behaviours and conduct that promote improved customer outcomes. Working out what this means day-to-day and how much change is actually required by an organisation however can be quite a challenge for the leadership team.

“Social marketing”, according to the National Social Marketing Centre (NSMC), is “an approach used to develop activities aimed at changing or maintaining people’s behaviour for the benefit of individuals and society as a whole”

This Thinkpiece looks at what can be learnt from the field of social marketing where the “product” being sold is behavioural change. It reviews another regulated industry with a clear duty of care i.e. the NHS (which also operates within strict compliance criteria and where a crisis in confidence and trust triggered public concern and regulatory change) to see what the insurance industry can learn. It looks at a particular social marketing campaign introduced to change staff behaviours across the NHS to improve outcomes for its patients (customers). It draws on social marketing theory and practice to illustrate what can be learned and adapted to our industry through a realistic, but fictional, case study. It concludes by calling for the industry to exchange its old behaviours for new ones centred around customer responsibility, duty of care and social value, supported by clear corporate and personal accountabilities and purpose. It asks the industry to stop, clean its hands and think afresh.

But first, what is social marketing?

In traditional marketing, selling a product or service is the focus of activity. Social marketing “sells” behavioural change. The definition used by the National Social Marketing Centre (NSMC) is: “an approach used to develop activities aimed at changing or maintaining people’s behaviour for the benefit of individuals and society as a whole.” It is a systematic and planned process and is more commonly associated with changing the public’s behaviour, such as reducing tobacco use, but has been used with employees too as our case study will show.

The NHS case study

Background

Back in the early 2000s there was growing concern from government and the public about the rise of “superbugs” and infection rates within NHS hospitals. Research showed that health care workers could easily spread infections from patient to patient and this was an area that was directly preventable. Research had also shown a link between improving hand hygiene and reduction in infection rates. Improving poor hand hygiene was therefore seen as key to improving patient outcomes. For this reason the healthcare workers became the focus of a social marketing campaign to improve their hand hygiene. The “cleanyourhands” (CYH) campaign was rolled out in 2004 to healthcare workers in all acute NHS hospital Trusts in England and Wales.

Campaign objective

The key behavioural objective of the programme was to change the hand hygiene behaviour of healthcare staff so that they clean their hands at the key moments during patient care.

Use of research and insights

The challenge was to design a solution that would work on a national scale. The campaign was carefully researched with the target market (healthcare workers) to assess the barriers to hand hygiene compliance and to learn from existing good practice in this area. A range of insights was identified including

some of the key barriers to behavioural change, such as:

- a belief that the change required was “time-consuming and inconvenient”;
- a concern about the “negative influences of colleagues - it’s not the norm”; and
- “low internal motivation and generally low priority given to the required action” i.e. a belief that what they currently did was good enough.

The research uncovered the role each individual could play and the power they had to make a difference.

If staff are prompted repeatedly and in a sustained manner (to clean their hands in this case) at key moments, the action would eventually become routine and habitual.

Use of theory

The research undertaken to devise the campaign also included a review of theory including “habit-forming theory” (see explanation below). The CYH campaign used this principle i.e. if staff are prompted repeatedly and in a sustained manner (to clean their hands in this case) at key moments, the action would eventually become routine and habitual. It reinforces Aristotle’s view “we are what we repeatedly do”.

Habit forming theory.

Dr Maxwell Maltz propounded a theory that it takes a minimum of 21 days to create a new habit. The human brain does not accept “new” data for a change of habit unless it is repeated each day for 21 days in a row. This has been disputed by, for example, Phillippa Lally in the European Journal of Social Psychology in 2009, stating the average time to change a habit was 66 days (with a range of 18-254 days).

What the campaign involved

There was a three month preparation period prior to the campaign going live. Each campaign had a lead campaign coordinator with a guidance video to brief them fully. The guidance was updated each year of the campaign as the messages became more complex (changing from “cleanyourhands” to “clean hands save lives” for example).

On the ground there were additional supports:

- easy access to alcoholic hand-rubs enabling staff to change behaviours quickly and without difficulty;
- environmental prompts to remind staff to clean their hands with posters changed monthly to keep the campaign fresh;
- photographs of staff champions who supported the campaign;
- patient involvement along the lines of “it’s OK to ask” staff to clean their hands; and
- an implementation guide with supporting resources.

Campaign results

The results showed that the CYH campaign was associated with sustained increases in hospital use of alcohol rub and soap and decreasing rates of some healthcare associated infections. The campaign was extended to other health and social care settings such as GP and dental surgeries.

Campaign summary

This has been a very short and simple summary of a complex campaign which is still running. The campaign involved:

- undertaking extensive research;
- developing in-depth insights (such as barriers to change);
- the application of theory;
- pre-testing interventions, products and messages;
- a thorough understanding of the target audiences’ needs;
- on-going communication;
- patient involvement; and
- constant monitoring and evaluation.

It was implemented within a massive organisation engaging thousands of employees to make a relatively simple behavioural change which could literally help to save lives. The CYH campaign was successful.

If key aspects of the CYH case study are reviewed and applied directly to the insurance sector then the relevance perhaps becomes more obvious as does what can be learnt from the approach. The fictional case study presented below is for illustration and discussion purposes only and relates to a general insurance company which is called 2BSure.

The 2BSure case study

Background

The Board of 2BSure is aware that improvements to customer outcomes are not being realised. It directs the Executive to look into this and swiftly implement a plan.

The Board of 2BSure has recently reviewed its Risk Strategy and discussed the FCA's Risk Outlook for 2014-2015 and Martin Wheatley's Thinkpiece ("Ethics and economic growth: preventing culture from going south as profits head north"). It is aware from management information that improvements to customer outcomes are not being realised. It directs the Executive to look into this and to implement a plan swiftly.

Research

The resulting 2BSure project team decides the starting point is to undertake research with employees. The members review the findings from the latest staff satisfaction survey and set up specific group discussions with representation of employees across all departments and all grades. Feedback is consistent and reveals that employees generally:

- are disgruntled with their life: work balance;
- are too busy achieving their quarterly/half-yearly targets and do not have the time and space to think about the impact that their actions may be having on customers;
- do not have time to think about the long-term;
- do not understand that their actions could have a harmful impact on customers; and
- do not see how they can improve outcomes for customers.

The research also reveals that effective, streamlined processes are in place which have been working successfully for some time. Employees are well-trained to follow procedures and processes automatically. It is clear that any change to their routine will be unwelcome.

Behavioural change

With these results the Executive determine that the key change required is behavioural i.e. they want all employees to stop and question how their actions might impact customers. They metaphorically want them to stop and clean their hands.

The project team is aware that the message to be communicated has to be simple and easily remembered. With the Compliance, HR and Marketing teams it develops the acronym F.A.C.T. (Fair, Apt, Clear and True, see explanation) which it believes adequately summarises the key messages from the Board and the regulator.

Explanation: ask is it FACT?

Fair: is the product/service you are selling fair to the customer? Does it treat new and existing customers equally and can you justify it if the pricing is different?

Apt: is the product/service appropriate to the customer's needs, lifestyle, budget and financial sophistication?

Clear: is the information provided, simple, clear, and easy to understand?

True: do the details provided have hidden catches, exclusions etc?

The project team tries to apply social marketing principles and focuses on developing three key areas in their communication to staff.

- Behaviour objective, something you want them to do (e.g. accept, modify, abandon or reject);
- Knowledge objective, something you want them to know; and
- Belief objective, something you want them to believe or feel.

This translates into:

Campaign objectives	What
Behaviour	to stop and ask is it FACT? in all actions/decisions impacting customers.
Knowledge	<p>to know that the FCA/Board is serious about seeing a marked improvement in customer outcomes</p> <p>to know that this action is important in treating customers fairly</p> <p>to know that this action is important in maintaining company reputation, profits and jobs</p> <p>to know they have a key part to play and personal power in improving their organisation's competitive position</p>
Belief	to believe that taking time to stop and ask about the impact of their actions on customers is in the long-term interest of customers, themselves, team and organisation.

The campaign

The 2BSure campaign develops the creative device of a giant question mark with the FACT acronym and, using the CYH campaign for guidance, produces the following objectives:

	NHS Clean your hands	2BSure FACT
Campaign aim	to reduce the number of preventable health care associated infections by supporting NHS trusts to take an organisation-wide approach to improving the hand hygiene of healthcare staff	to reduce the number of preventable unfair customer outcomes by supporting employees to take an organisation-wide approach to questioning everyday conduct.
Behavioural objective	change hand hygiene behaviour of healthcare staff so they clean their hands at key moments during patient care.	change passive and accepting behaviours of employees so they take time to stop and "ask is it FACT?" at key moments impacting current and future customer care.
Campaign strapline	"Stop infection in its tracks. Every patient contact needs clean hands"	"Stop poor conduct in its tracks. Every customer contact: "ask is it FACT?"

Example of the "ask is it FACT?" initiative in the renewals team

The renewals team has received the latest training on "ask is it FACT?" and all members have seen the changing posters and internal e mail reminders. They decide to set up a half-day workshop to apply the "ask is it FACT?" principles and invite the campaign champion to join them. The champion suggests that presenting the latest customer data at the workshop would be helpful.

The latest renewal rate analysis reveals that high levels of customers continue to renew automatically and many still have policies with the highest premiums. With further analysis the team discovers it is the long term customers who are most likely to have the highest premiums. It appears that many have not reviewed their insurance needs for over 5 years. The team agrees that it is not FACT-proof and action is required. However, some team members are confused by why this low churn rate is now seen as problematic as it has previously been a source of internal pride. They consult the campaign champion who states that the key focus is now on improving customer outcomes.

To address large churn rate among customers, the team agreed to pilot a direct marketing campaign aimed at recommending that customers review their insurance needs and will include details of new policies with lower premiums and better terms.

The team discusses the key action to be taken and brainstorm wider implications. It is agreed to pilot a direct marketing campaign to long-standing customers with policies with the highest premiums. The mailing pack will recommend that customers review their insurance needs and will include details of new policies with lower premiums and better terms. The team also identifies new benefits from the proactive action. This includes an improvement in overall retention rates (due to increased customer satisfaction from those customers who normally shop around each renewal), word-of-mouth referrals and enhanced loyalty.

Following the meeting the manager re-writes the business plan with a short-term reduction in premium income reflecting estimates for customers moving to lower rates products or elsewhere. Half-year figures

are now forecast to be lower than the previous year. As it is difficult to measure accurately the potential new benefit of an increase in loyal customers in the short-term this aspect is excluded. There is concern about the short-term results and how best to communicate them up-the-line.

While the team is implementing the FACT initiative they hear conflicting messages about targets and reducing mailing costs. This does not sit well with the need to test and pilot the FACT renewal campaign. In addition, the team is under pressure to maintain the automatic opt-in box for add-on products (as this has had a big impact on achieving cross-selling targets) even though this aspect also failed the FACT test as it was not in customers' interests.

Conflict grows across inter-departmental teams about whose financial figures should show the performance impact as no-one wants their performance bonus to be forfeited during the transition. In addition, there is external pressure as a competitor has started advertising aggressively with low premiums for new customers, special offers and an extensive multi-media presence. This is making achieving revised revenues more difficult. The renewals team members feel they are the only ones taking the new initiative seriously and morale and motivation dip.

Case study commentary

The project team adopted many of the CYH campaign elements including research, an attempt at applying behavioural theory, campaign champions, training of all staff, eye-catching posters and reminders which were changed every month and even advised customers to challenge customer contact staff with "ask is it FACT?". There had been a good start with more proactivity and growing acceptance of challenging entrenched practices. However, the continued momentum of the campaign ultimately faltered, and it was not clear why.

Key pointers

And this is where this truncated, fictional example ends. The zBSure campaign had been reasonably successful in many ways but had stagnated for a

number of key reasons, most of them down to poor leadership and communication. Some of the issues are covered below.

The Board needed to understand the implications of implementing the strategy across the whole organisation and the impact on its business model. This needed to be communicated clearly to stakeholders and their support enlisted. An extensive, on-going stakeholder communication programme was required during the critical period of change explaining any short-term impact on results. This programme would have helped to ensure that all external and internal communications were "on message".

The appointment of a highly visible Board champion and the direct report of the project team to them would have shown clearer commitment and reinforcement from the top.

The appointment of a highly visible Board champion and the direct report of the project team to them would have shown clearer commitment and reinforcement from the top. This, along with the communication of clear priorities, would have helped to ensure that the campaign was fully effective and implemented entirely up and down the organisation. The Board needed to adopt and FACT-proof its own agendas, policies and procedures to demonstrate its proactivity and commitment to the strategy of improving customer outcomes.

The Executive may have benefited from taking expert advice providing a better understanding of behavioural theory and practice. This would have improved their leadership of the project team enabling them to anticipate potential problems impacting successful implementation. For example, an understanding of the perceived barriers to the desired behaviours, such as comparison with peer groups and the actual barriers such as unsupportive business targets (see explanation).

For example the NSMC emphasise that the key to social marketing is to focus on people and to fully understand their behaviours. What do they actually do? For example:

- looking at what people do;

- examining why they do it;
- influences and influencers; or
- incentives and barriers.

So the NSMC recommends that you are at least able to answer the following four questions.

- Do you really understand your target audience (different groups of employees in this example) and see things from their perspective?
- Are you clear on what you would like your target audience to do?
- For your target audience, do the benefits of doing what you would like them to do outweigh the costs or barriers to doing it?
- Do you use a combination of activities in order to encourage people to achieve the desired action?

The Executive and project team may have benefited from a better understanding of “exchange theory” (see explanation) i.e. the “cost” to employees of making behavioural change. This would have helped to ensure that appropriate reward, monitoring and reinforcement measures were in place to support the ongoing behavioural change and to build confidence and trust with their employees about the changes.

Exchange theory (taken from “Social Marketing” by Gerald Hastings):

- Social marketers must provide people with something beneficial in exchange for change i.e. exchange involves the transfer of tangible or intangible items between two or more social actors.
- Exchange must be mutually beneficial, the target market must believe they get as much or more than they give.
- The beneficiary may be a third part such as the environment.
- **Barriers:** what do they have to give up, what concerns, why have they not done it before?

- **Benefits:** what do they think they will get, what do they really want to get, what are the potential motivators?
- **Competition:** what behaviours are they doing instead, what benefits does this give them, what does it cost?

Conclusion

Social marketing has been successful in changing the public’s behaviour in many areas, reducing infant mortality, wearing bike helmets and reducing tobacco use, to name a few. As this article has shown it has also been successful with employees in the NHS “cleanyourhands” campaign by reducing infection rates and therefore helping to save lives. It is one of the behavioural change strategies that can be adopted by an organisation. Behavioural economics (popularly called “nudge” theory) is another popular approach being adopted by some in financial services with their customers. Whichever strategy, or blend of theories, is applied it is clear that behavioural change is complex and will always require multi-dimensional support and long term commitment from the top and across an organisation.

It is much easier to illustrate how an employee’s behaviour can benefit or damage customer outcomes if the customer is a patient who is there before them...

However, possibly the biggest argument for using the NHS as a case study to stimulate thinking about what behavioural change entails within the insurance sector, is not so much its use of social marketing, but the general ethos and culture behind the institution itself i.e. its “duty of care” and the very personal service it provides to individuals. It is much easier to illustrate how an employee’s behaviour can benefit or damage customer outcomes if the customer is a patient who is there before them and the ultimate damage is loss of life (and where, as an employee, they clearly have the power to make a difference).

As this Thinkpiece author I believe that through behaviour exchange the insurance sector can rekindle its sense of social worth engendering pride in its impact. I believe it is a fair exchange to ask people to give up the familiar mindset of grumbling discontent,

where business was better in the good old days of caveat emptor, for a mindset conveying commitment and a genuine sense of responsibility for customers. It is a fair exchange to replace current de-personalised terminology such as “outcomes” and “big data,” where customers are again seen only as a rich, new and exciting source of profit, with a new language of “care” and “duty”. It is a fair exchange to replace public cynicism in insurance with demonstrable social impact and improvements to people’s financial lives. It is possible to translate duty of care and social impact into a powerful, compelling, motivating and meaningful purpose with corporate and individual accountabilities clearly identified. It is possible, but first the sector must stop, face the facts, clean its hands and think afresh.

If you have any questions or comments, and/or would like to be added to a mailing list to receive new articles by email, please contact us: thinkpiece@cii.co.uk or by telephone: +44 (0)20 7417 4783.



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“Nudge” by Thaler and Sunstein

“Psycho-Cybernetics” by Dr Maxwell Maltz

CPD Reflective Questions



Reading this Thinkpiece can count towards *Structured CPD* under the CII CPD Scheme, if you consider any of the Learning Objectives below to be relevant to your professional development needs. The Reflective Questions are designed to help you reflect on the issues raised in the article. Please note that the answers to the questions are not required for CPD records purposes.

Learning Objectives

- To understand the application of social marketing theory to changing behaviour within large organisations.
- To be able to summarise the key challenges involved in changing fundamental behaviour.

Reflective Questions

- What other key pointers can you identify which would improve the success of the fictional campaign?
- What can you learn from the NHS example?
- What do you understand as damage/harm to customers?
- Which entrenched practices/behaviours do you and your team members operate at work which could have a damaging impact on customer care?
- What are you able to do to directly or indirectly to improve customer care?
- What do you see as your “duty of care” when dealing with customers, including internal customers?