

HARTE HANKS Behavioral Index

From Behavioral Reset to (R)evolution

“

People now expect unlikely fat-tail events...that expectation makes it much more likely they will rewrite the ledger of societal institutions.

– David Krakauer

Source / Axios

Complexity Expert and Evolutionary Theorist, Santa Fe Institute



Toto, I have a
feeling we're
not in Kansas
anymore.

Past fat-tail events that affected behavior



WWII

HOPE



Hyper Consumerism



9/11

TERROR



Sacrifice of
Personal Freedom



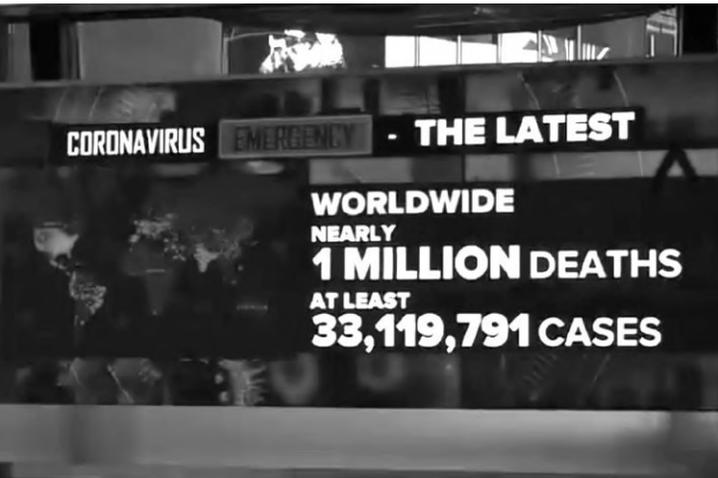
The Great Recession

BALANCE



Mindful Consumption

2020 is a perfect storm unlike any we've experienced before... fueling accelerated sea-changes in behavior.



Pandemic

Protests

Politics

Where are we going?

Emotion and its context are the keys to understanding and predicting emerging behavior.

Context



+

Emotion



⇒

Behavior



HARTE HANKS BEHAVIORAL INDEX™

We have been watching, listening and analyzing since March 2020.

- Always-on behavioral pulse, analyzed in real time
- 700 million social interactions analyzed
- Quarterly consumer study, 11,000 respondents to date
- 100 brands indexed across key industries
- Brand diagnostics, assessing behavioral metrics and marketing drivers

Language
Comparison



Audience
Data



Shopping
Data



Social
Semiotics



Content
Analysis



Consumer
Sentiment



PROPRIETARY METRICS AND TOOLSET

Behavioral Advisory Council

What we've found

The initial pause has now given way to changes in the way we think and a heightened urgency and awareness of our behaviors.

The great pause
ushered in the
great movement.



The world appears to be on fire.
Who will save us?

The Atlantic

The U.S. Is on the
Path to Destruction

September 18, 2020

**The
Guardian**

Britons Still Lack
Protection from COVID

September 18, 2020

**FOX
NEWS**

Supreme Court Battle:
Biden Slams Trump

September 27, 2020

Our safety is in our hands!

Knowledge

57%

say science will save us.

Action

40%

say we will save ourselves.

Institutions

3%

say government will save us.

Protests are an expression of that ownership.

People are taking action and demanding change. Poverty, inequality, physical and mental health issues are all being exposed.

73%

of Gen Z and Millennials said they view brands that support protesters on social media more favorably.





New ways of living are
no longer experiments.

76%

say they will permanently
change the way they live
because of what is
happening now.

Businesses are changing along with it.

“I don’t believe we will return to the way we were, because we’ve found there are some things that actually work really well virtually.”

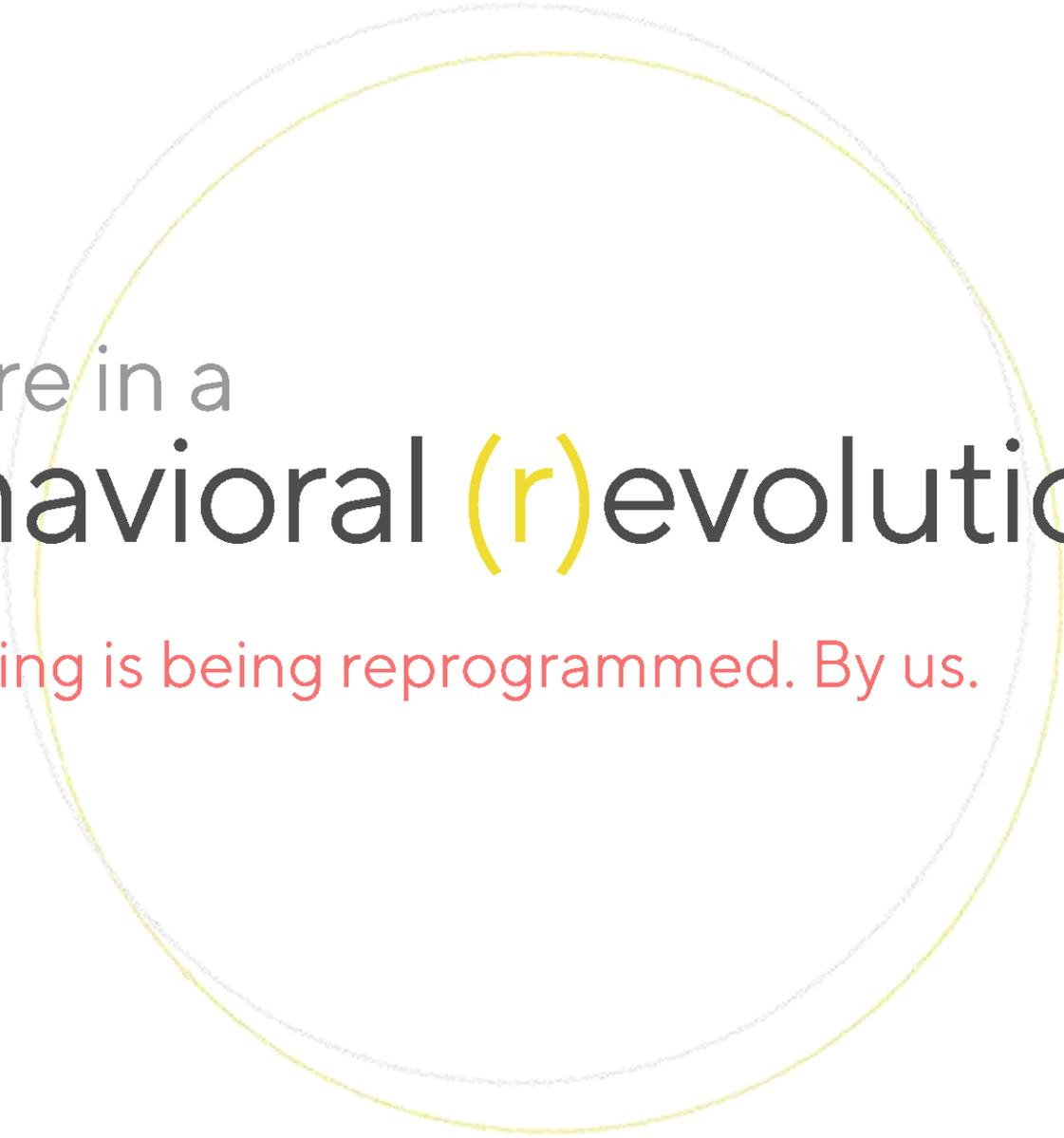
– **Tim Cook**

Apple, Inc.



Only 8%

said they will go back to
the way they used to behave.



We are in a
behavioral (r)evolution.

Everything is being reprogrammed. By us.

Our behavior and language is now more active.

We've shifted from "protesters" to "activists"
and from observing to solutions.

THEN

4x

More likely to talk about
rioters and **protesters**



NOW

17x

More likely to talk about
activists and **supporters**

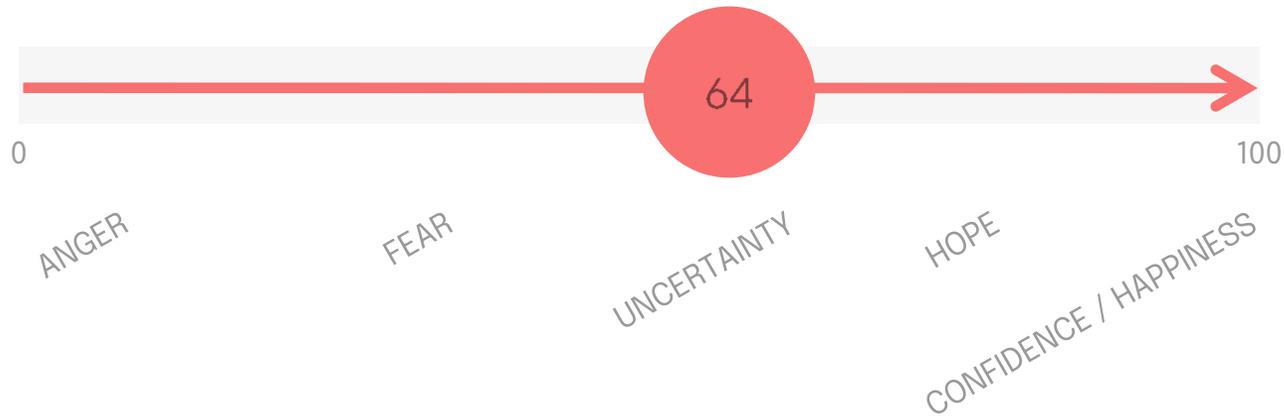
People's emotional state of mind is the driving force of this (r)evolution.

Uncertainty rules.

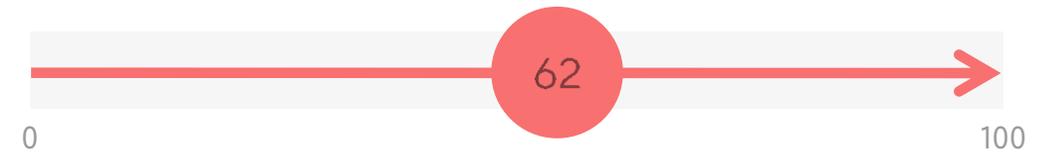
It has been the dominant emotional theme since March 2020.

CURRENT STATE

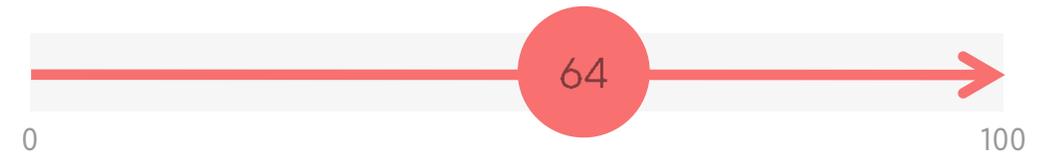
Fear / Uncertainty



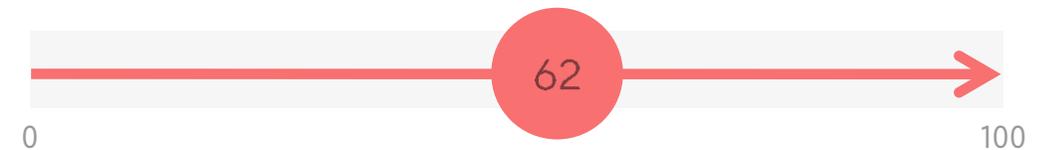
MARCH 2020



MAY 2020



JUNE 2020

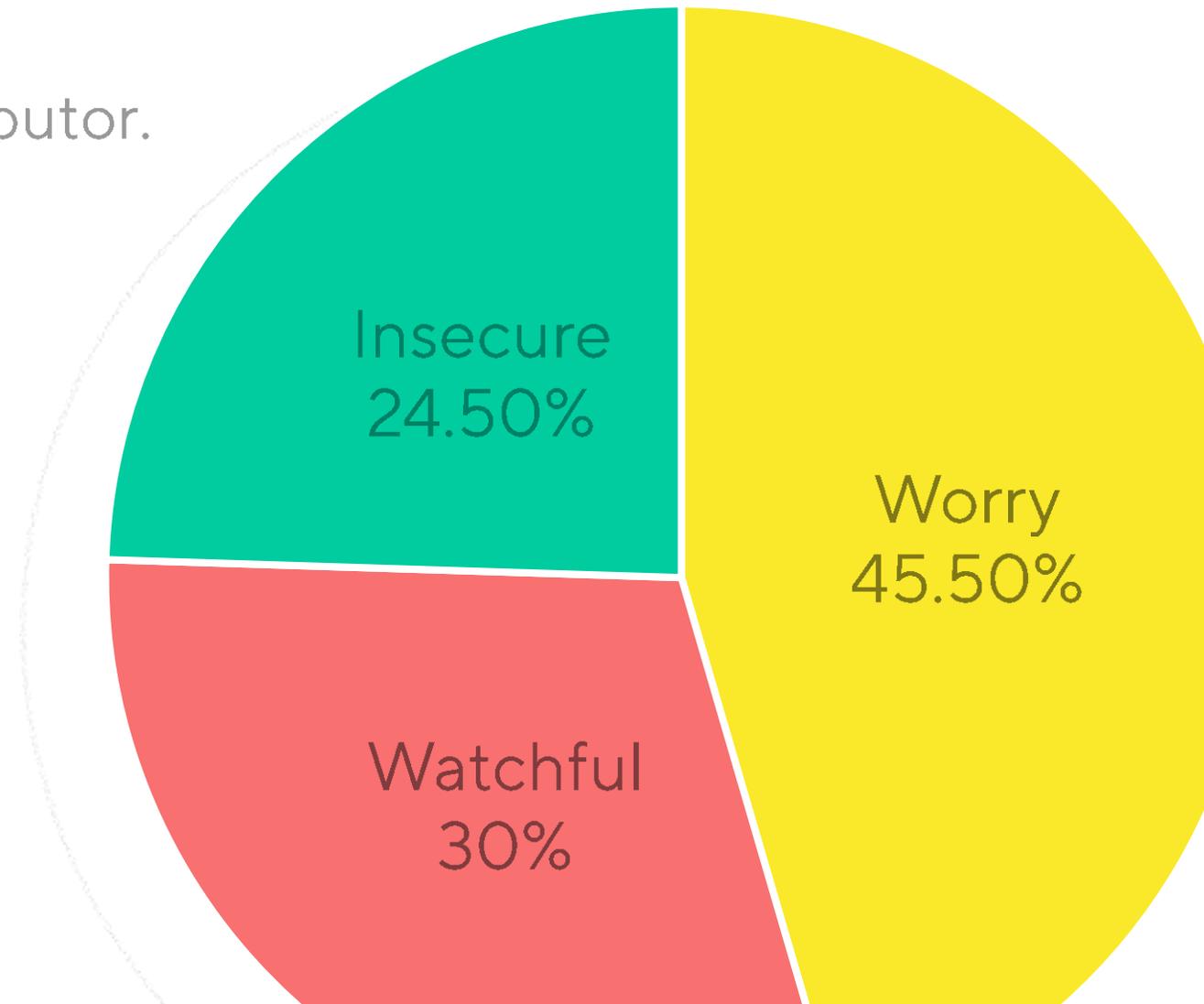


Uncertainty is made up of a combination of emotions.

Right now, worry is the biggest contributor.

WORRIED ABOUT

- Safety
- Healthcare expenses
- Job loss
- Extended economic disruption
- Inequality
- Humanity





There is a growing demographic disparity.

Youth feel the most uncertain, as the generational gap widens.



The youngest among us grapple with a dramatic shift in lifestyle.

Month-over-month comparison shows effect.

60%

are angrier

38%

are more fearful

31%

are more uncertain

12pts

significantly less hopeful



Women are dramatically more anxious than men.

Month-over-month comparison shows effect.

13^x more likely to talk about anxiety than men

12% more worried than men

10% more fearful than men

8% less likely than men to try something new



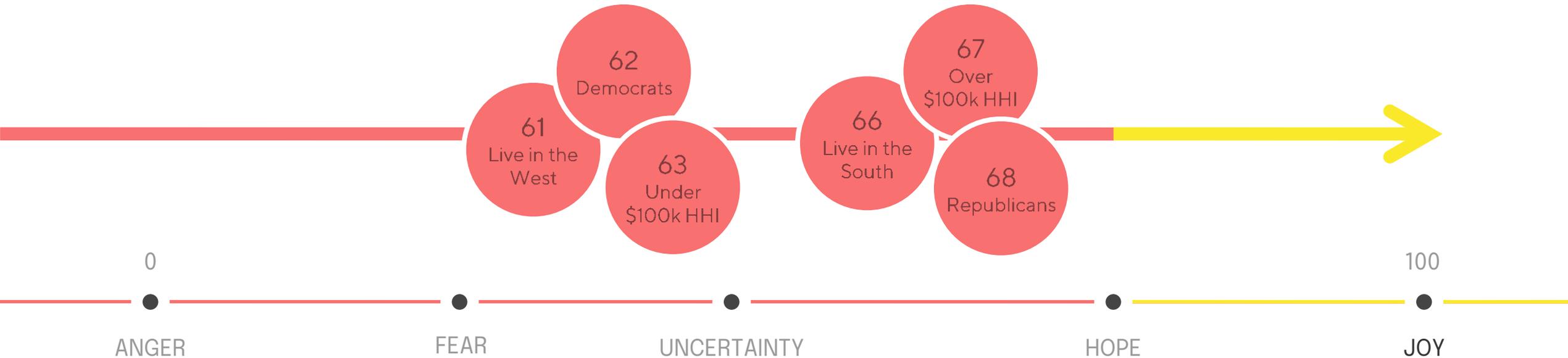
THE CORONAVIRUS CRISIS

Enough Already: Multiple Demands Causing Women To Abandon Workforce

October 2, 2020 · 1:40 PM ET

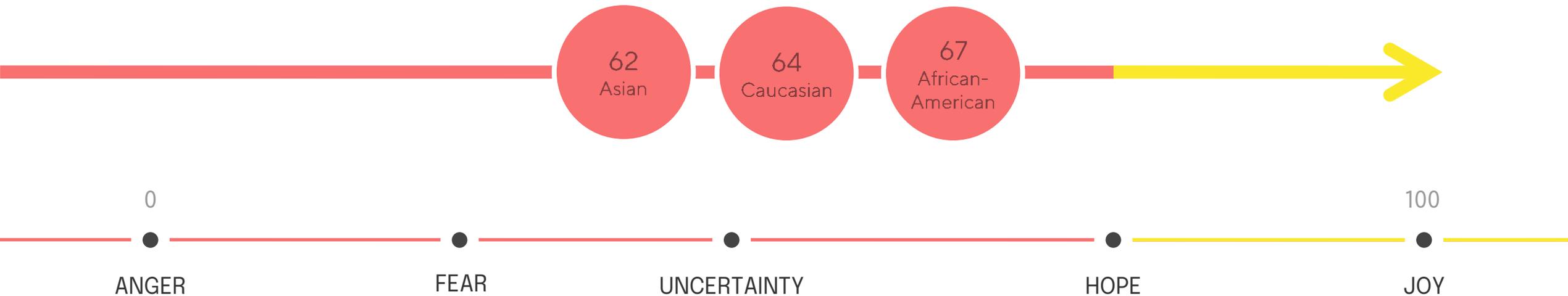


For Americans, emotion follows politics, place and pay.



For race, signs of the empowering effect of protests.

African-Americans are the least fearful and feeling most energized.



Uncertainty = unhappy.
Change is the gateway
to happiness.

40%

are more willing to explore new
things compared to last year.

Welcome To The Epiphany Economy

THE

Epiphany Economy

Realization of our vulnerability and changeability that sets off a continuous discovery of what really matters in our lives and leads us to *new behaviors*.

Source: HHBI, August 2020

MONEY

“My money is fragile”

HEALTH

“I am my own defense”

WORK

“There are better ways of working”

ENTERTAINMENT

“We need more play in our lives”

CONSUMERISM

“What I choose to buy matters”

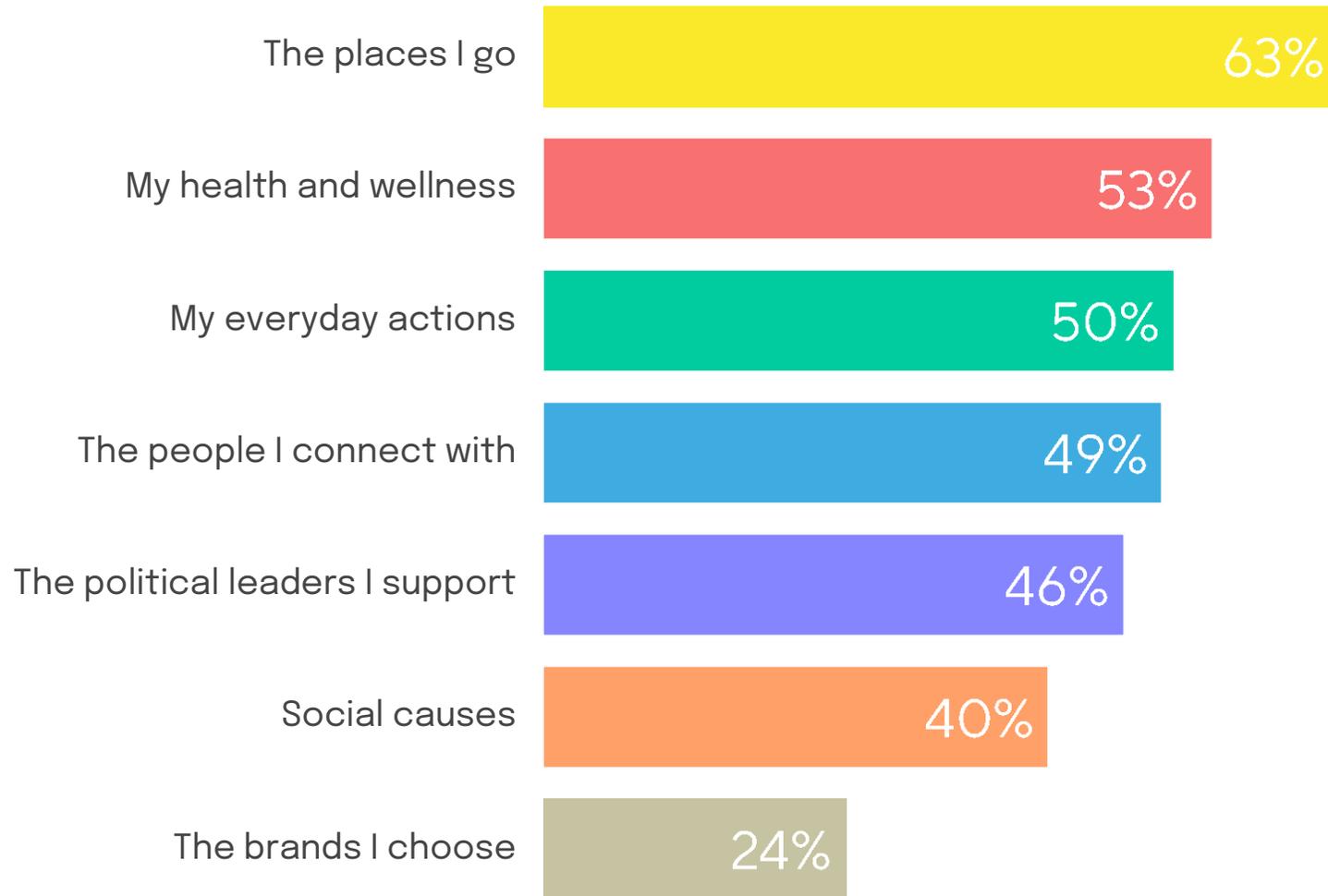
SCIENCE

“We’re not as advanced as we thought”

SOCIETY

“We can’t move ahead without each other”





In the Epiphany Economy, behavior changes are not impulsive, but driven by mindfulness.

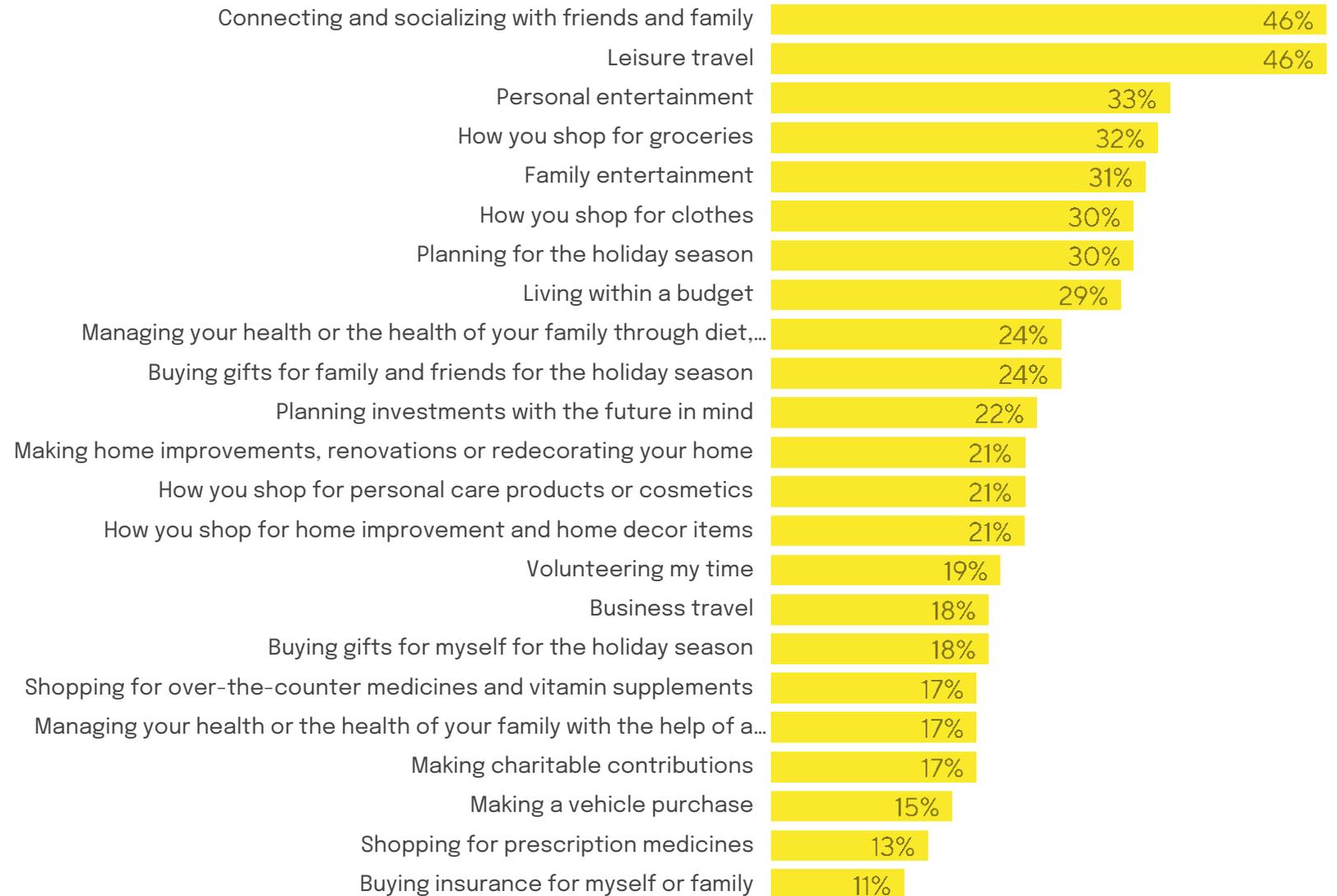
50%

are more mindful of everyday actions.

Q: Because of all that has happened in the last few months, how mindful are you when it comes to each of the following? 7 pt scale, Top 2 box

And we're
dealing with
more change
than we've ever
experienced...

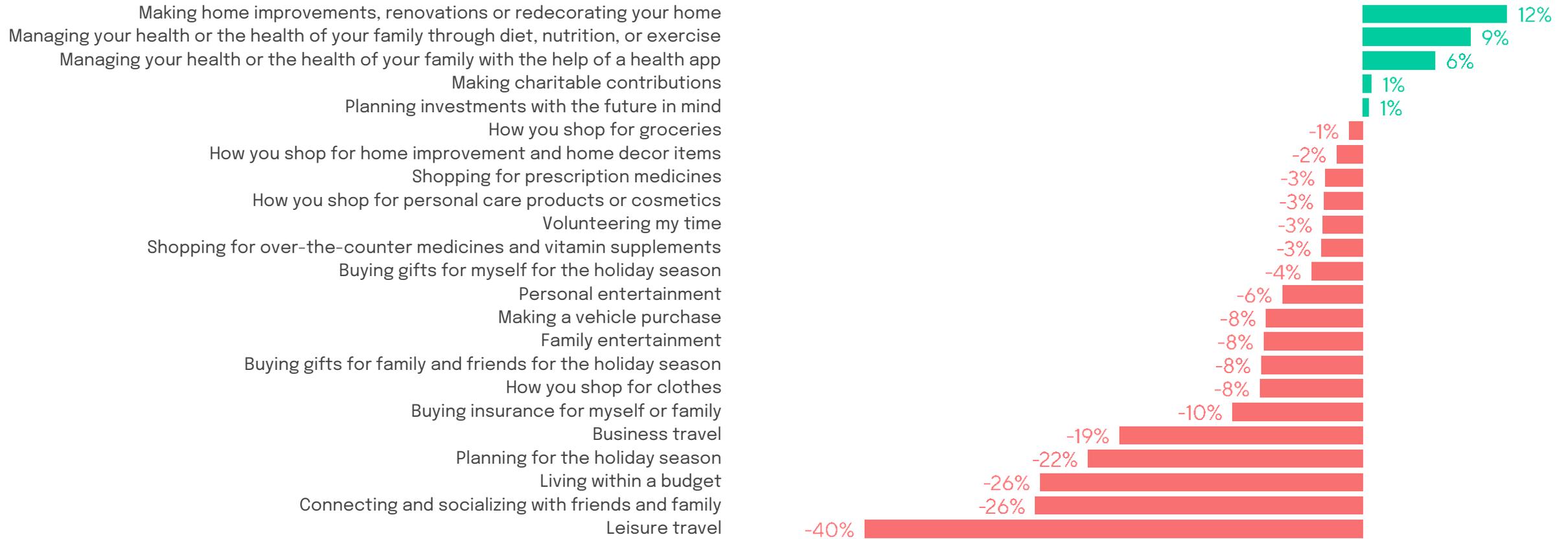
% REPORTING A 'GREAT DEAL OF CHANGE'



But, the feeling of uncertainty creates greater discontent towards change.

% LOVE / HATE THE CHANGE

Base: Feeling of uncertainty



New behaviors are taking hold as
the antidote to this discontent.



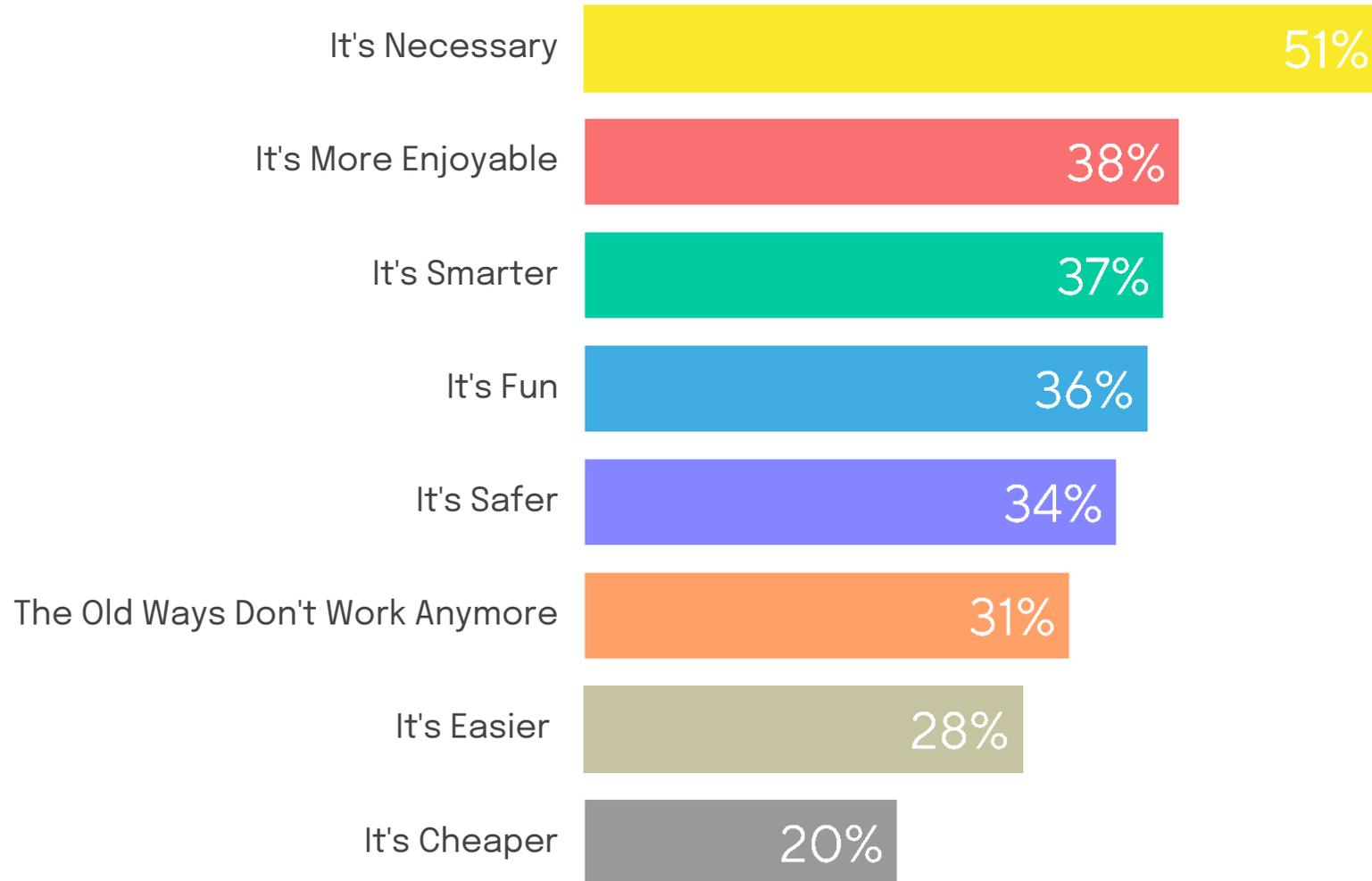
60% increase in sales since
the start of the pandemic.



On target to grow by 55%
before Covid hit. Now on
track to grow 75%.

SONY

Shares are at a 19-year high.



Necessity
opened the door
to discovery, but
what we've
discovered is
that *new* is fun.

It's not just about price, there are
more fulfilling reasons.

Q: Why are you more likely to try new things now, compared to the past few months or last year? Base-41% likely to try new ways.

We are beginning to see new behaviors emerging in many categories.

Entertainment



New behaviors are taking shape here first.

It's responsible for shifting emotion from anxiety to hope.

66%

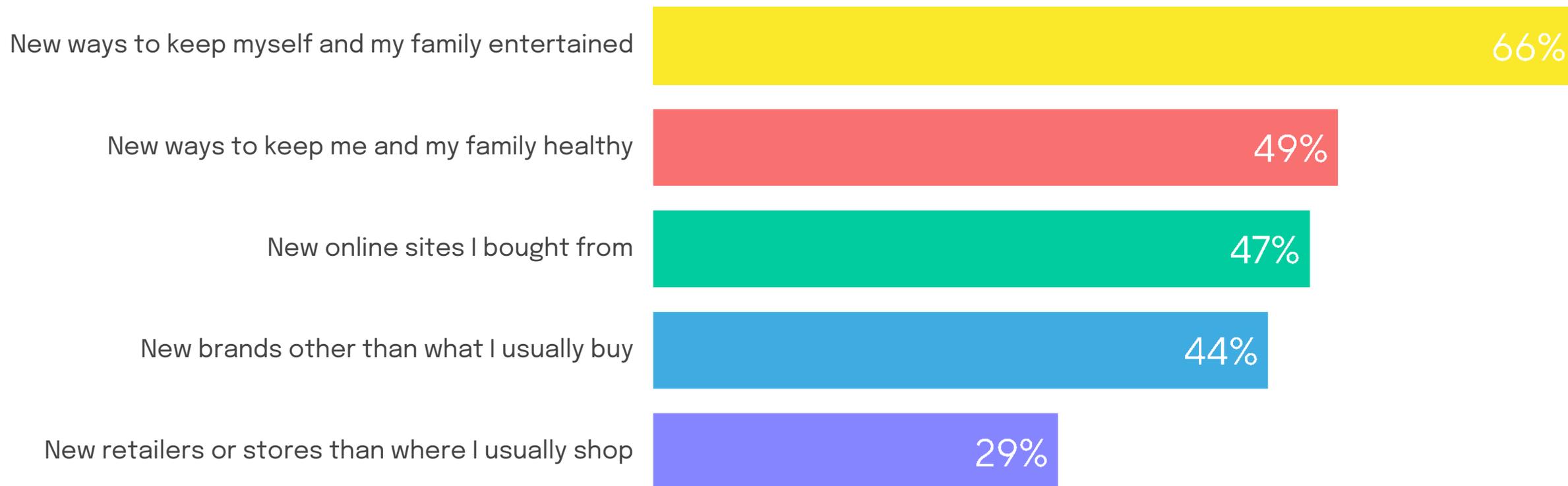
are trying new ways to entertain themselves and their families.



36%

of those under 40 love the changes.

There's an explosion in exploration and experimentation, because it feels **good**.



Q: Because of all that has happened in America in the last few months, have you tried any of the following?

Entertainment is our savior.

428%

increase in connected TV viewing YOY.
New players added to an already exploding behavioral trend.

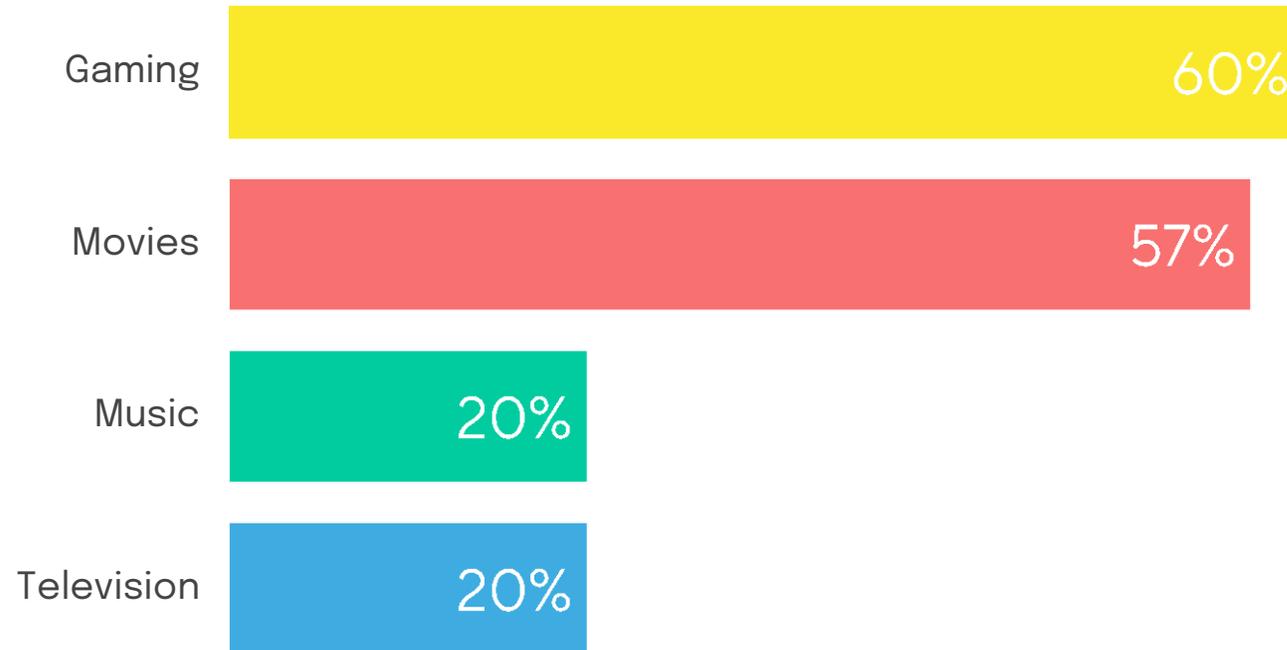
HBOmax

Disney+

peacock

And we are sharing the solution with everyone.

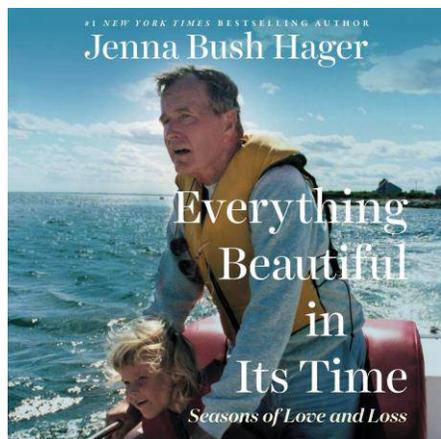
Tweet volume is up significantly for the category.



Our preferences gravitate to comfort and understanding.

Escape to better times

Nostalgic stories of resilience.



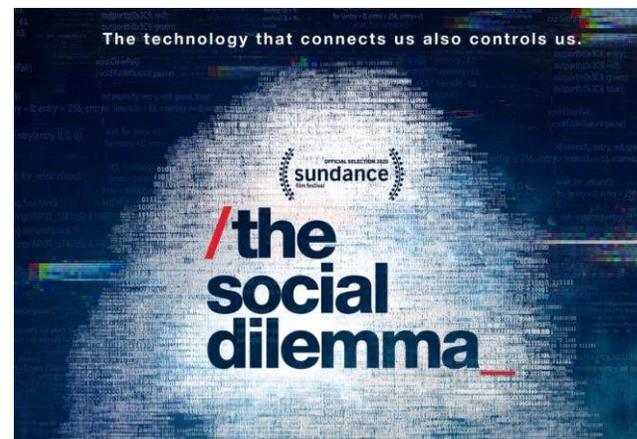
NYT Bestseller



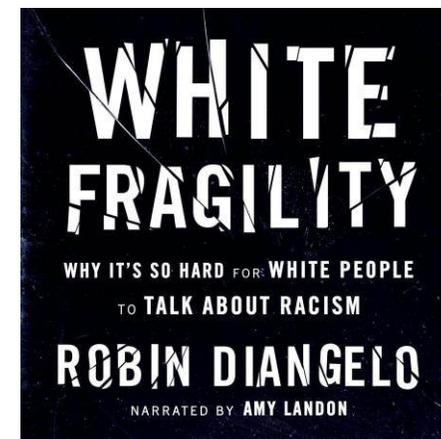
Netflix Top 10 in U.S.

Figure it out

Nonfiction, documentary accounts of why we act the way we do.



Netflix Top 10 in U.S.



NYT Bestseller



It's so vital to our happiness, we are forcing new experiences.

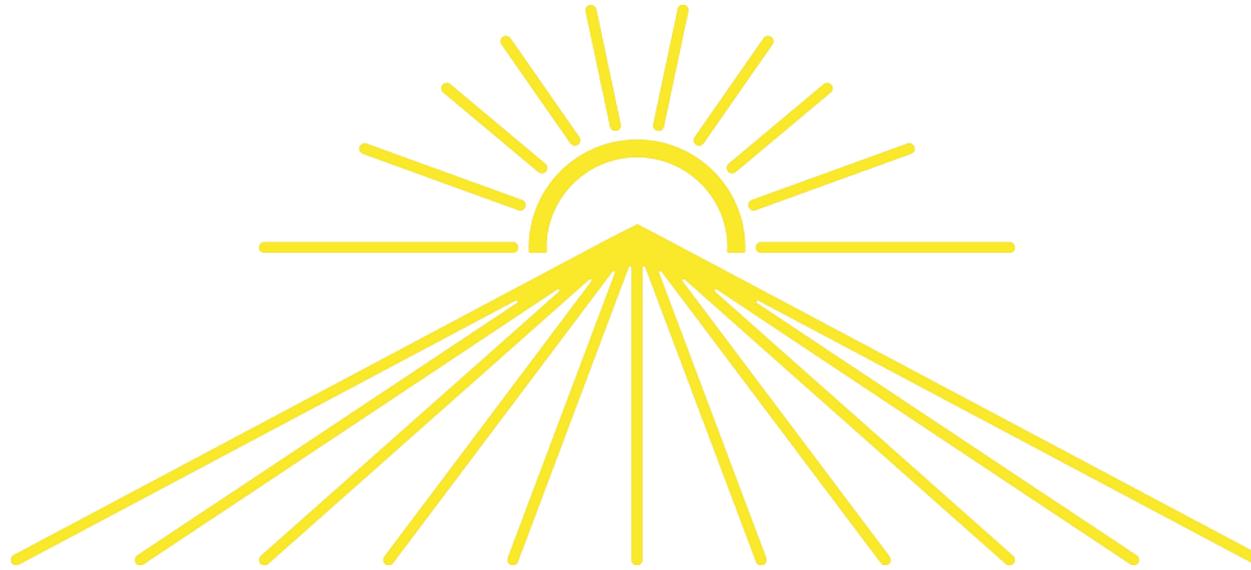
For sports, virtual fandom is creating a new behavioral environment.

Virtual reopening weekend saw a

73% increase in Tweet volume

for the NBA compared to the 2019 Christmas games, when the league typically sees the most conversation.





Is 2020 the new Golden Age of Entertainment?

Entertainment is now an essential pursuit.
14% YoY growth in streaming market.

Holiday Outlook

68%

believe economic recovery will not
happen until six months or more.

People worry about getting stuck with long-term loans they won't be able to pay.

“ It's scary not knowing if your job will be there tomorrow. ”



Women's finances are disproportionately impacted.

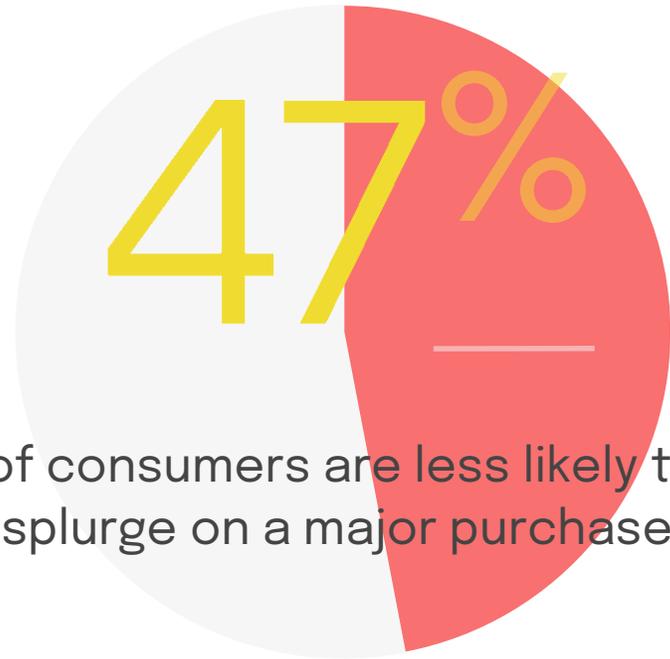
2+ MILLION women

are thinking of leaving the workplace, primarily due to childcare responsibilities.

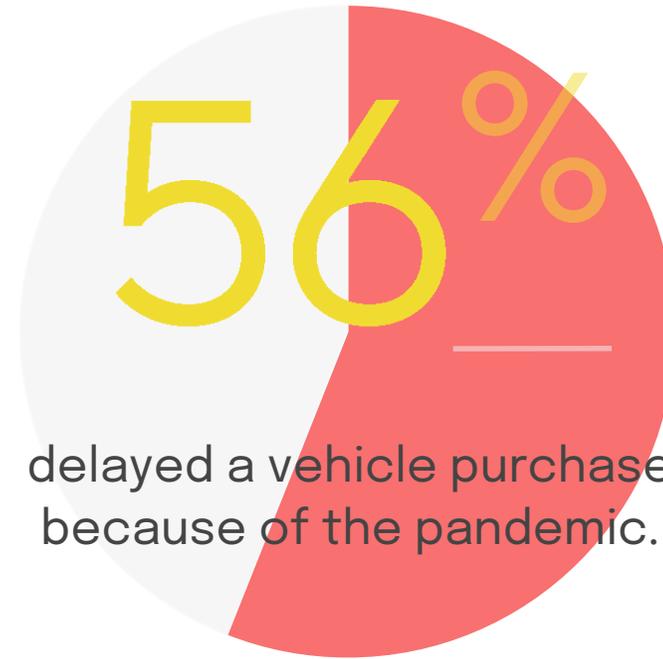
Longer-term implications could include an even greater wage gap and insufficient retirement funds.



Economic worries are impacting purchase decisions.



of consumers are less likely to splurge on a major purchase.



delayed a vehicle purchase because of the pandemic.



Economic uncertainty
will affect holiday
shopping behavior.

42%

of consumers plan to
spend less
on the holidays in 2020.

Gifting will be more choiceful.

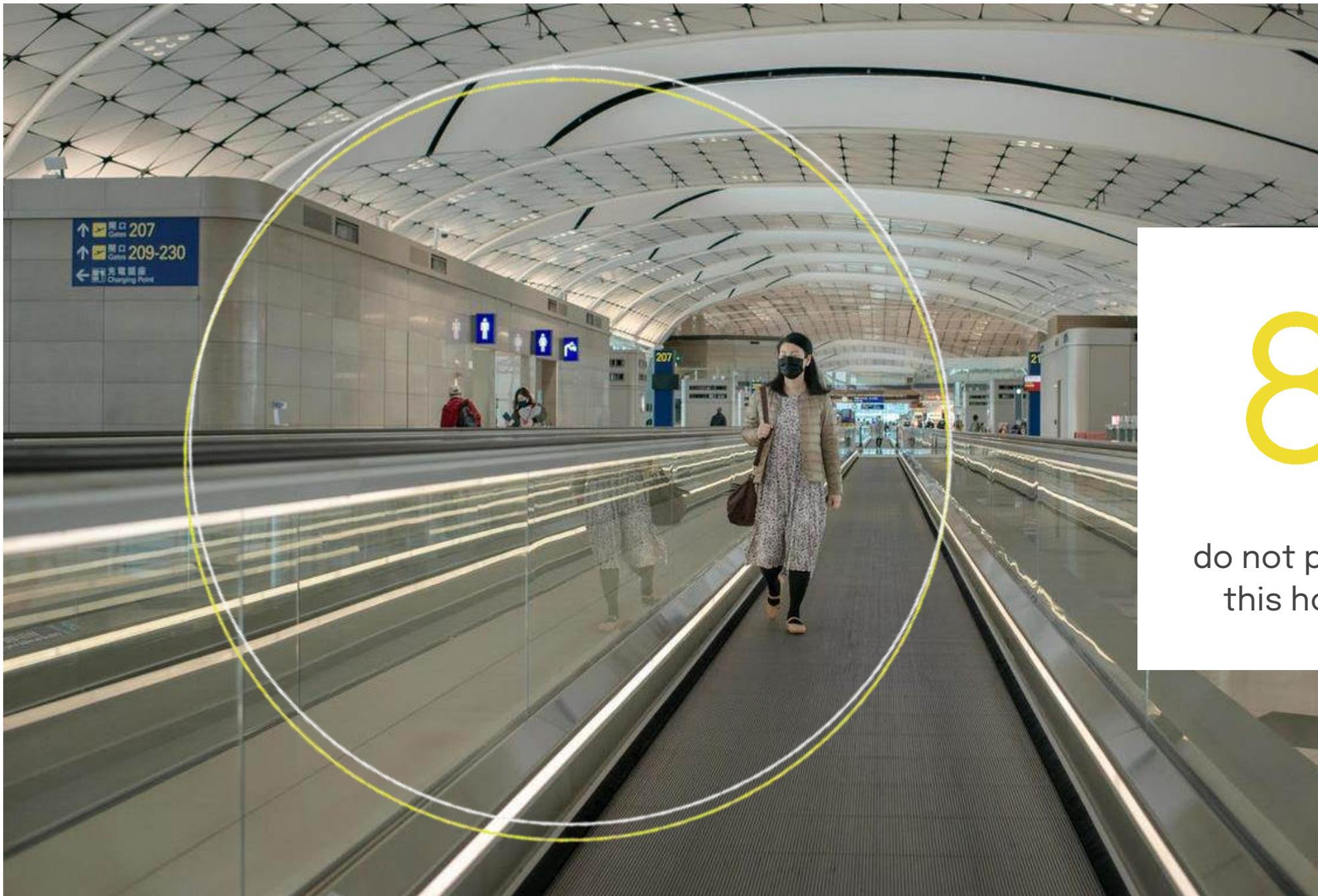
61%

will limit gifts to only close family and friends.



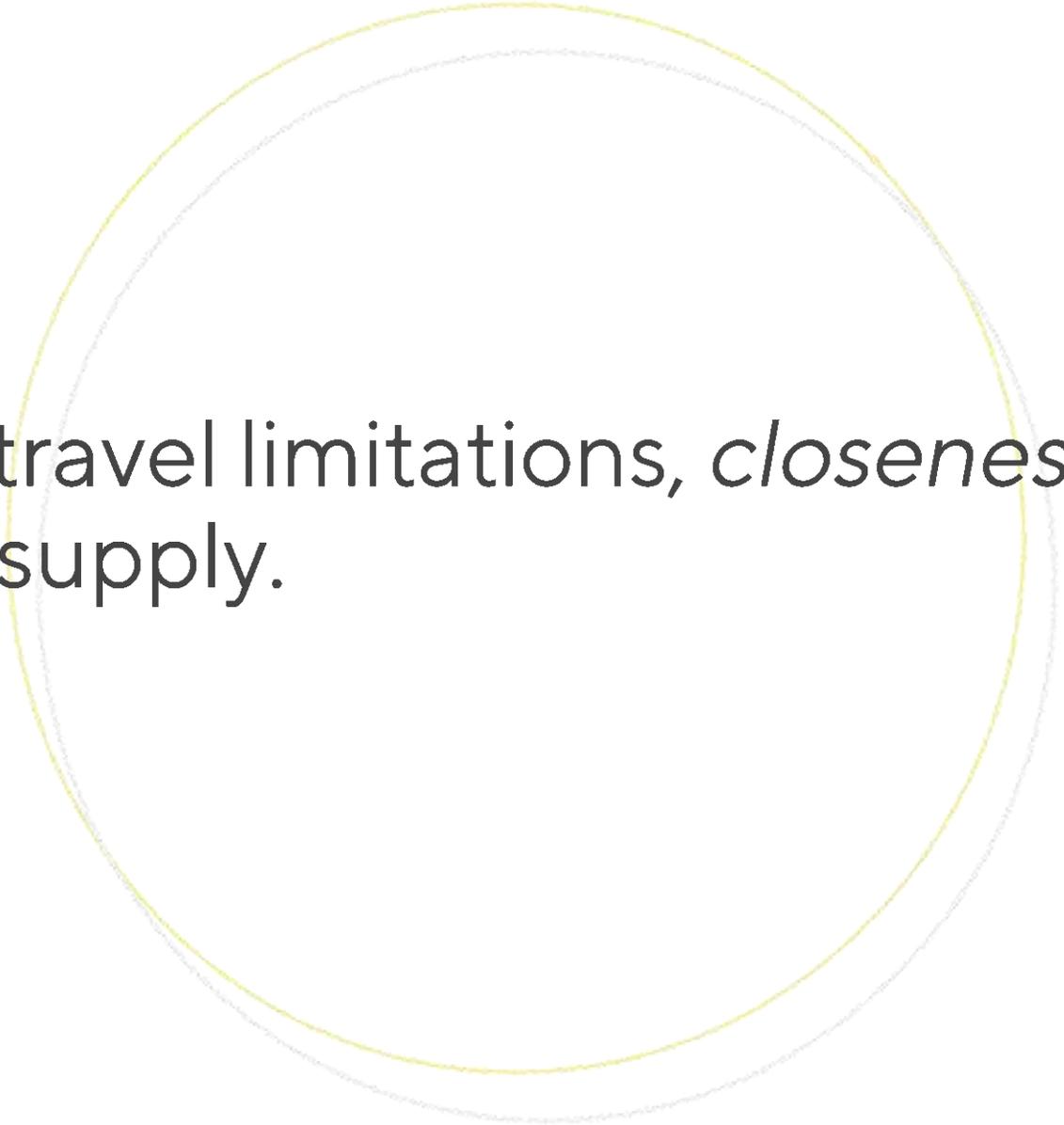
39%

will buy fewer gifts overall.



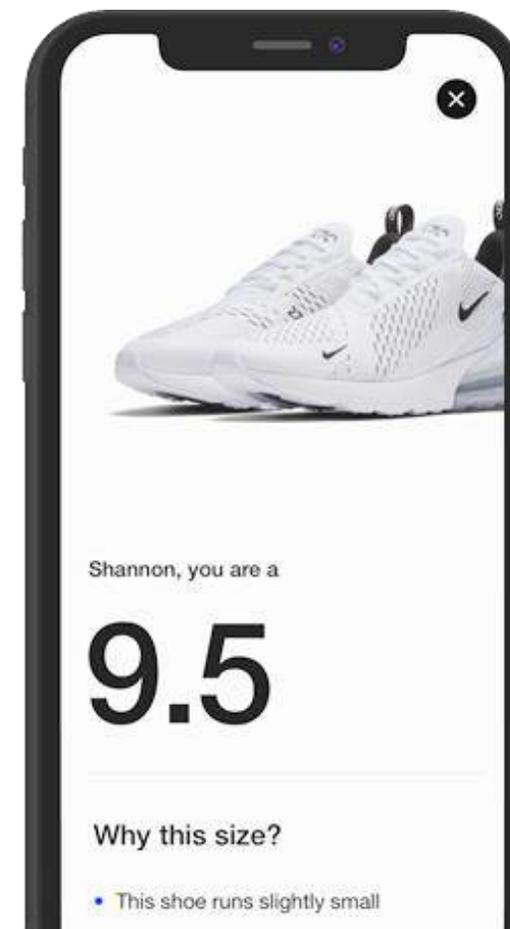
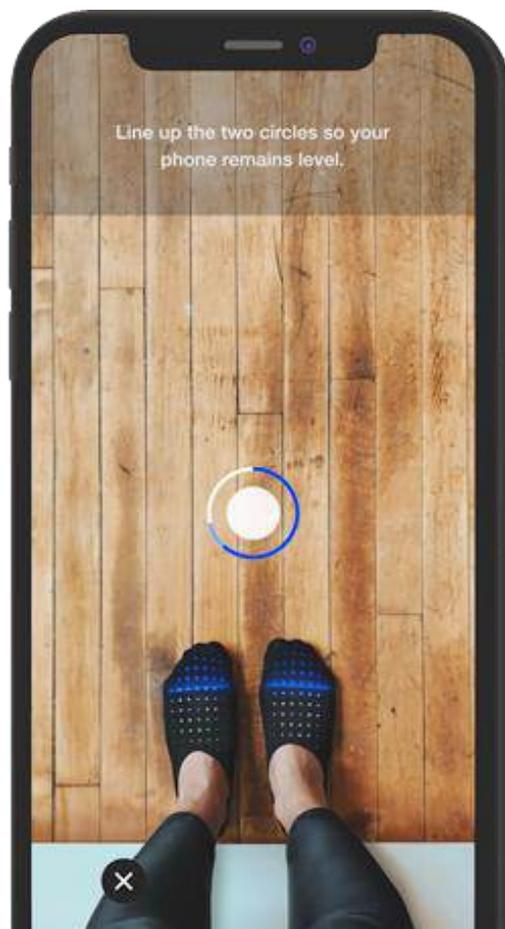
81%

do not plan on traveling
this holiday season.



With travel limitations, *closeness* is in short supply.

Brands that have built direct, meaningful relationships with customers are ahead of the game.



DTC will continue to accelerate.

59% plan to continue their new online behaviors.

The key will be to innovate ways to create a compelling customer experience outside the physical store.



increase in fitness DTC



increase in pets DTC

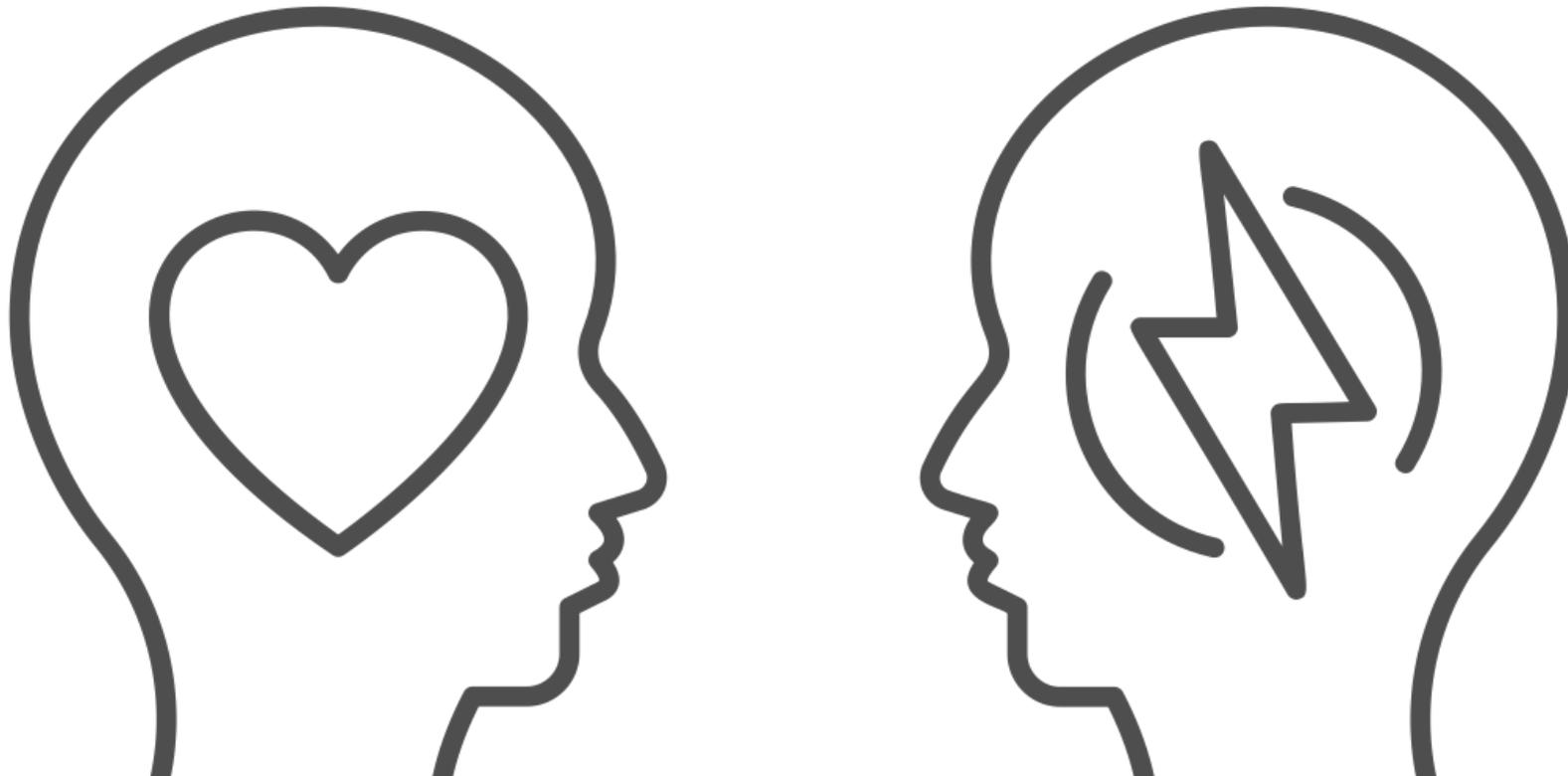


increase in grocery DTC

The role of brands in this behavioral (r)evolution

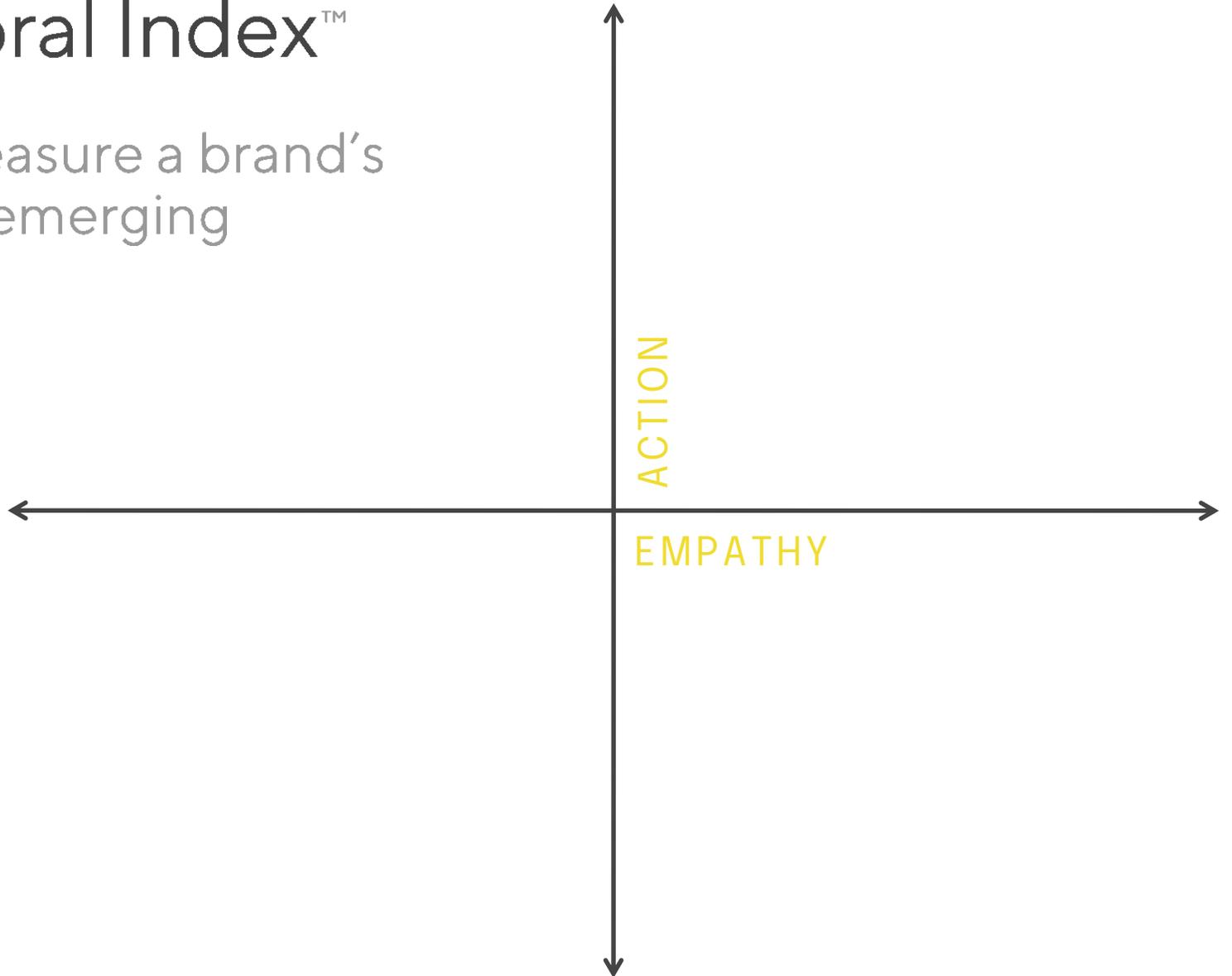
Motivating behavior today means showing up with both **empathy** and **action**.

To grow now, brands must not only feel, but also act.



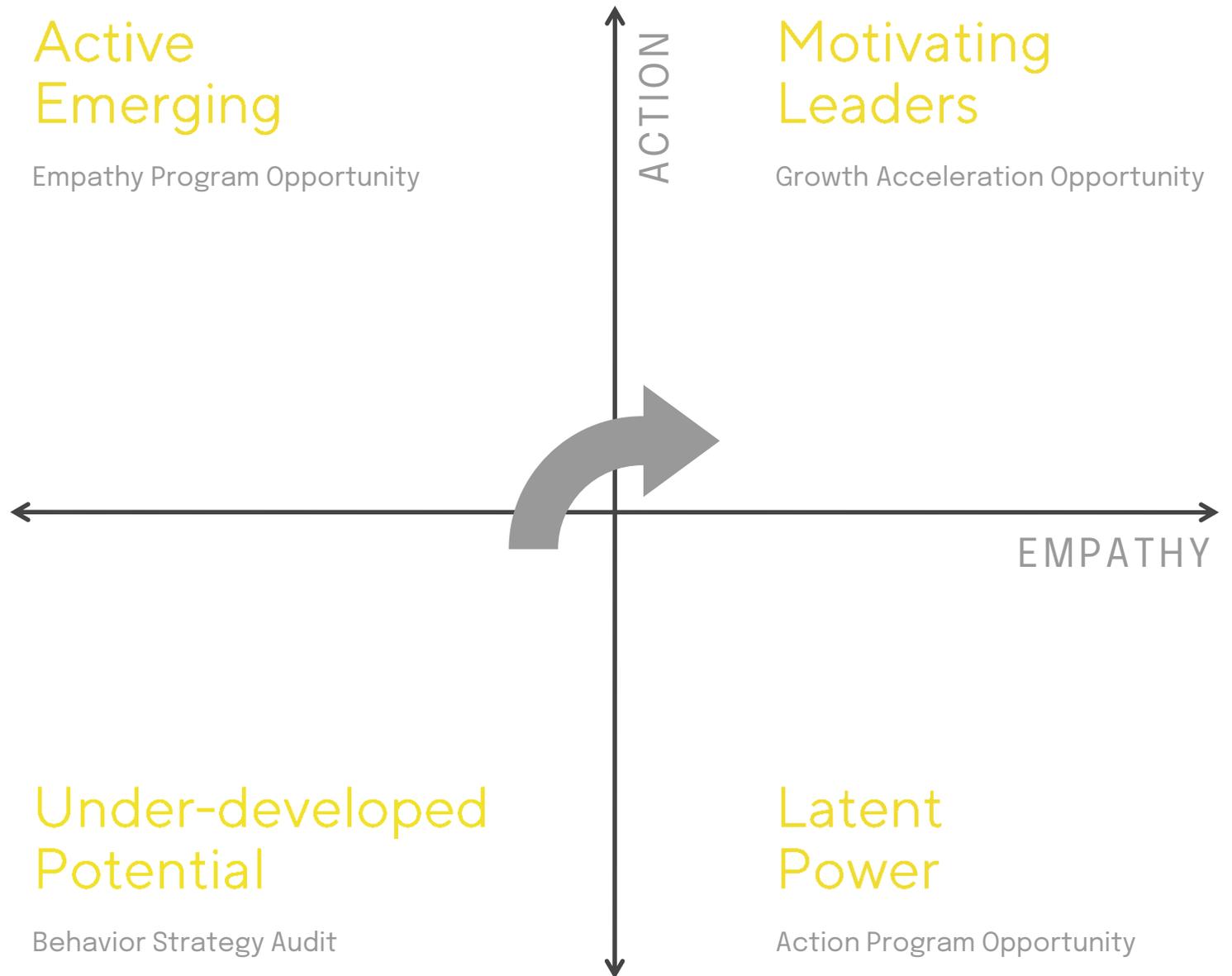
Harte Hanks Behavioral Index™

An empirical framework to measure a brand's ability to shift behavior in the emerging Epiphany Economy.

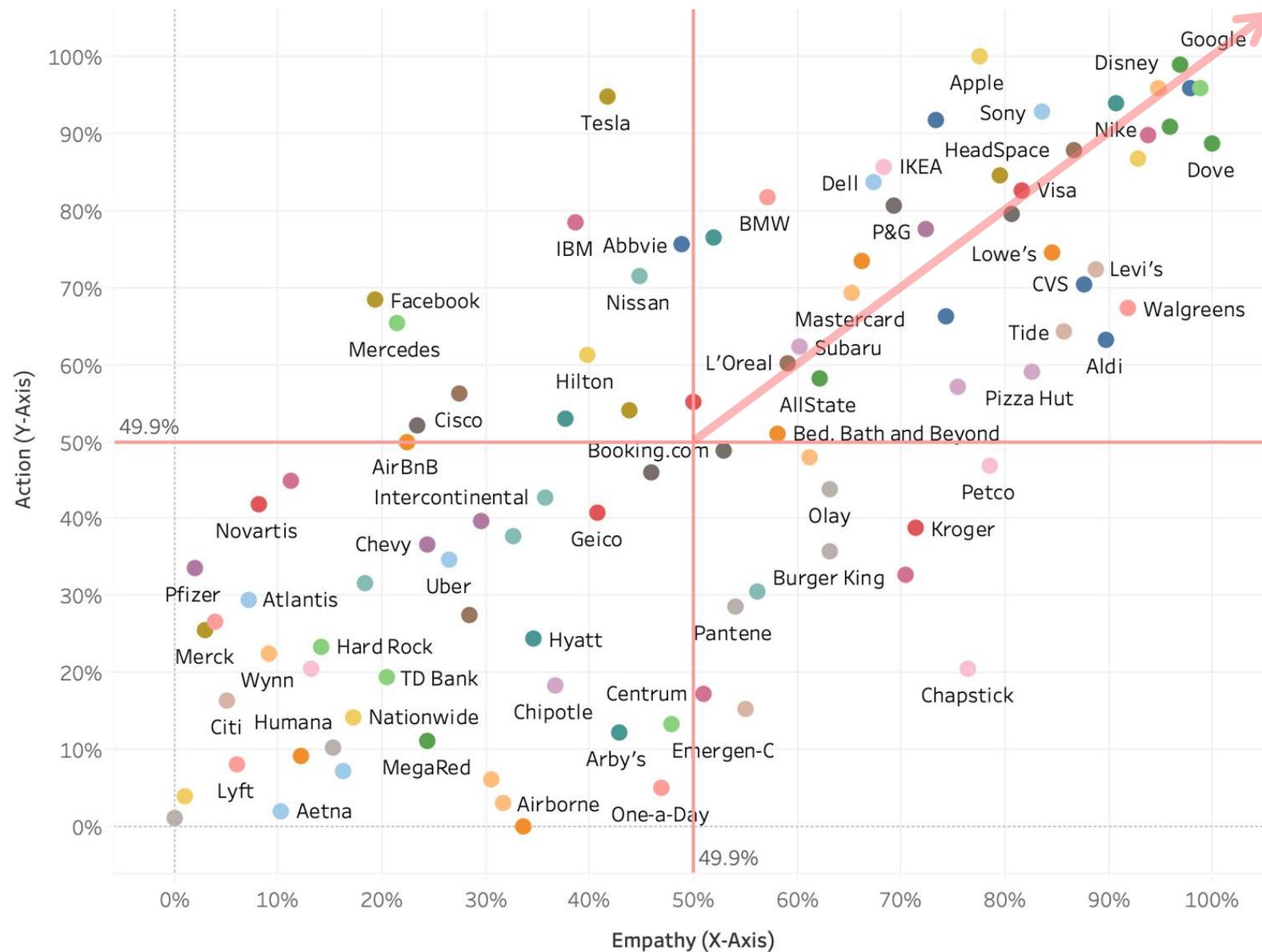


HARTE
HANKS
BEHAVIORAL
INDEX™

A unique and actionable brand management framework for the Epiphany Economy.



Top performing brands in this framework are the most equipped to motivate new behavior.



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INDEX™

The Most Motivating Brands

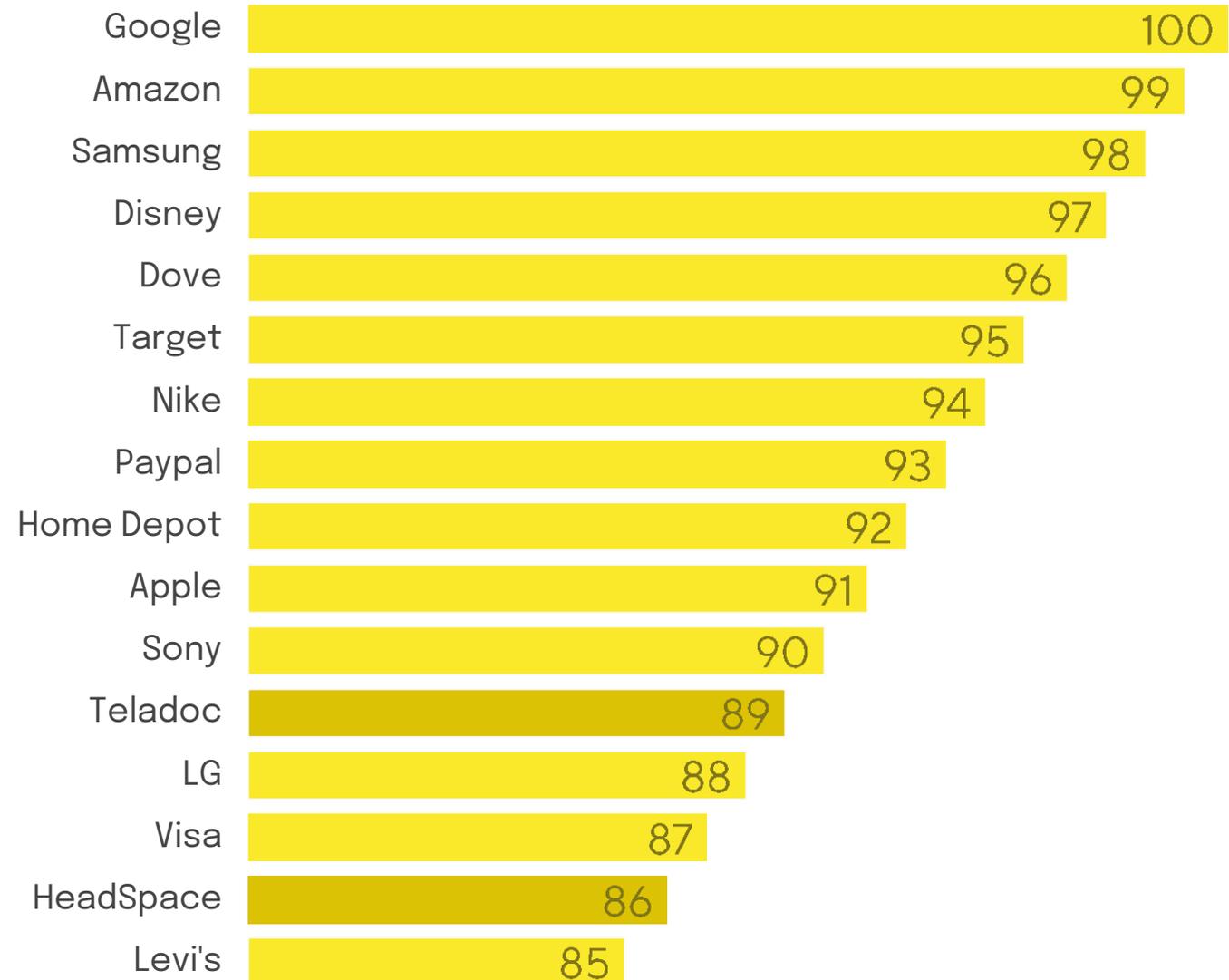
mo·ti·va·ting

ADJECTIVE

Able to influence someone to behave in a particular way.



THE TOP 15TH PERCENTILE



The top scoring brands connect with empathy and deliver with action.

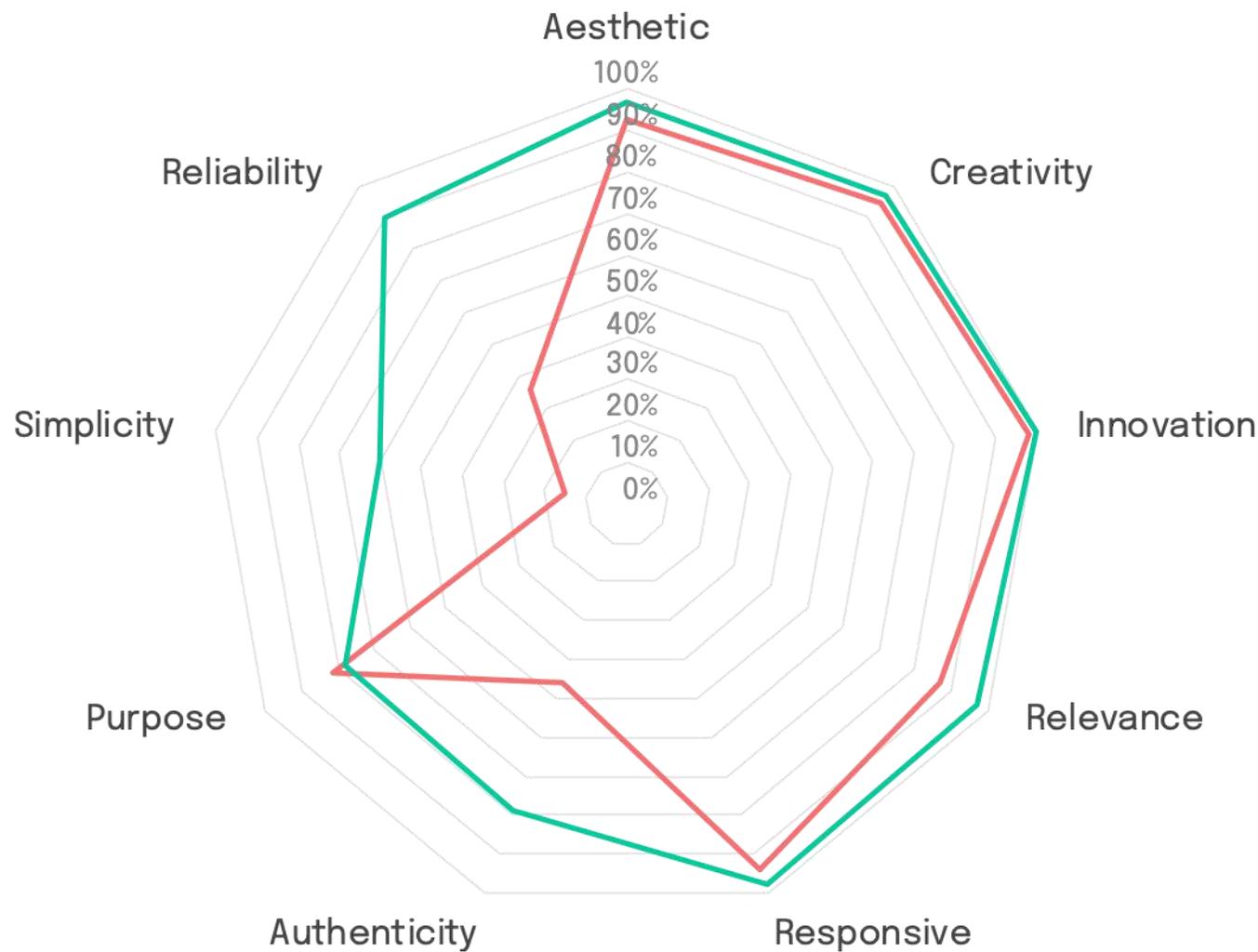
	EMPATHY	ACTION	MOTIVATION	
Google	97 +	99 +	100	✓
amazon	99 +	96 +	99	✓
Dove	100 +	89 -	96	
Apple	78 -	100 +	91	
facebook	19 -	68 -	45	

Deep diagnostics analyze what's working and what's not.

Apple Tesla

EMPATHY

ACTION

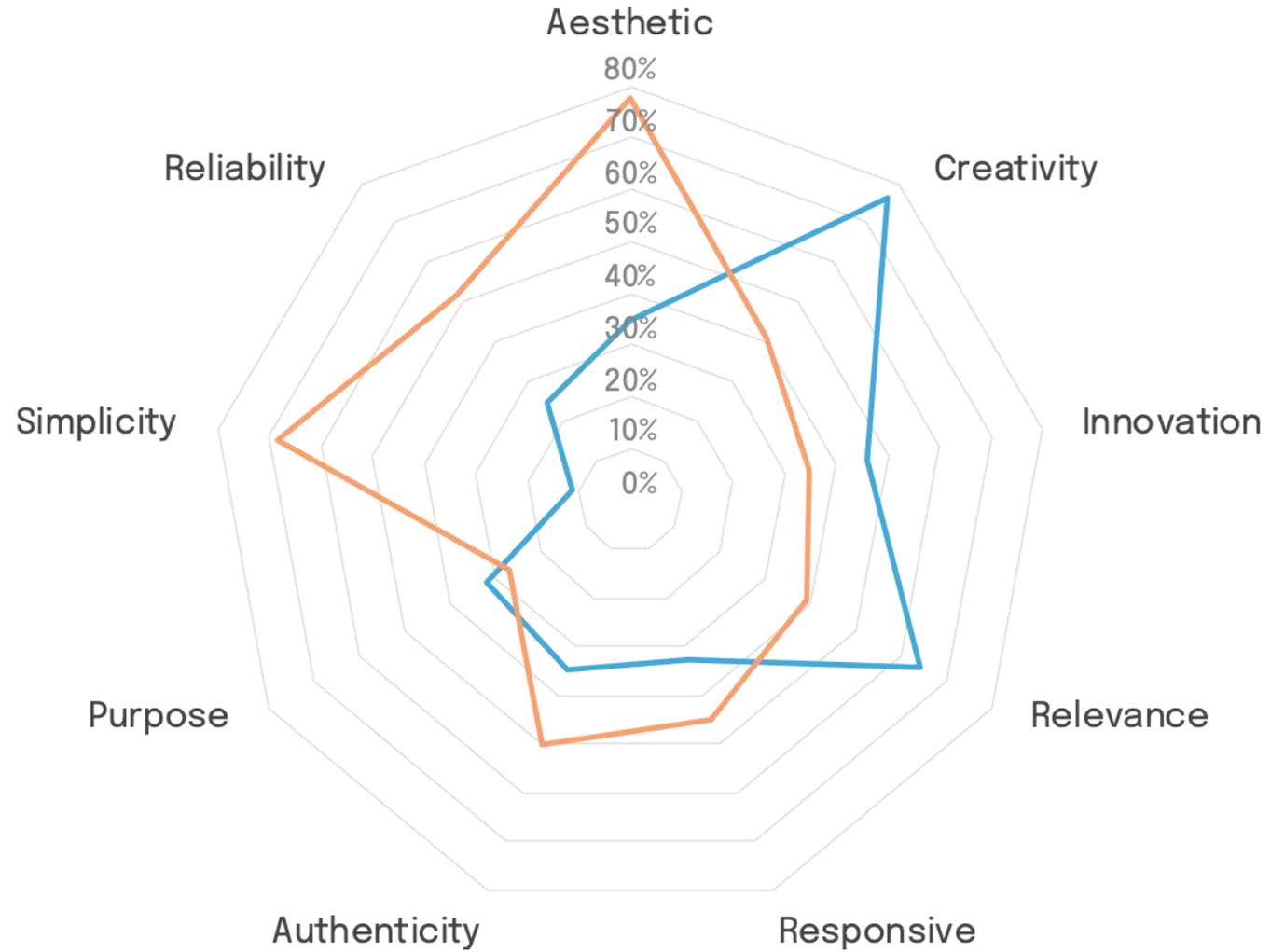


Deep diagnostics analyze what's working and what's not.

AIRBNB MARRIOTT

EMPATHY

ACTION



How motivational is your brand?

As consumers (r)evolutionize their behaviors, is your brand set up to lead the change or be left behind?



The 3 Essential Questions

What's your leverage in the Epiphany Economy?

Do you know the right emotional triggers?

What brand actions have the power to connect?



Let's go!

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