DESIGNING *for* HAPPINESS

A VISUAL SUMMARY OF READINGS

JENNIFER AAKER, GENERAL ATLANTIC PROFESSOR OF MARKETING | STANFORD UNIVERSITY GSB

DESIGNING (FOR) HAPPINESS

INSIGHTS FROM READINGS

Rethinking Happiness

BUT WILL IT MAKE YOU HAPPY? NYTIMES, AUGUST 9 2010

WOULD YOU BE HAPPIER IF YOU WERE RICHER? SCIENCE 2006

THE SMILING PROFESSOR : DAN GILBERT NYTIMES, APRIL 22 2008

THE PSYCHOLOGY OF HAPPINESS AAKER GSB CASE M330A

THE NEW SCIENCE OF HAPPINESS TIME MAGAZINE, JANUARY 9 2005

BUT WILL IT MAKE YOU HAPPY?

NYTimes, August 9 2010

"A $20,000 INCREASE IN SPENDING ON LEISURE WAS ROUGHLY EQUIVALENT TO THE HAPPINESS BOOST ONE GETS FROM MARRIAGE."

New studies of consumption and happiness show that people are happier when:

SPEND MONEY ON EXPEIENCES INSTEAD OF MATERIAL OBJECTS

Spending money for an experience produces longer-lasting satisfaction than spending money on stuff

Consumers opting to use their extra cash for nights at home with family or for "staycations" in the backyard

RELISH WHAT THEY PLAN TO BUY LONG BEFORE THEY BUY IT

STOP TRYING TO OUTDO EACH OTHER

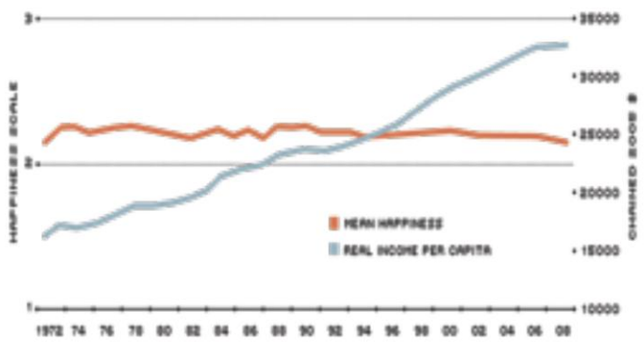
New strategies by retailers/ marketers in response

MERCHANDISE THAT MAKES BEING AT HOME MORE ENTERTAINING

MAKING CONSUMERS FEEL SPECIAL BY GIVING THEM ACCESS TO EXCLUSIVE EVENTS AND MORE PERSONAL CUSTOMER SERVICE

WOULD YOU BE HAPPIER IF YOU WERE RICHER?

SCIENCE 2006 (KAHNEMAN ET AL.)



Happiness has not changed over the past 4 decades even though real income per capita has increased significantly.

FOCUSING ILLUSION

When considering 1 specific factor's effect on well-being, people tend to exaggerate its importance; may cause errors in decision making.

STRACK AND COLLEAGUES:

People don't actually know how happy they are because the answers can easily be manipulated by things like order of questions.

Proof that we are overstating the effect of income on subjective well being.

INCREASES IN INCOME HAVE A TRANSITORY EFFECT ON REORTED HAPPINESS

Large increases in income in a specific country over time is not correlated with well being. Above GDP per capita of $10,000, life satisfaction does not rise if GDP per capita rises.

When well-being is measured moment to moment the correlation between income and happiness diminishes.

Why income has such a weak effect on subjective well-being?

RELATIVE INCOME VERSUS ACTUAL LEVEL AFFECTS HAPPINESS

We adapt to material goods and thus there is no lasting effect to an increase in income.

Happiness is connected to how people spend their time — on average, high income individuals spend time on things that on average do not make them happier and actually have a higher stress level.

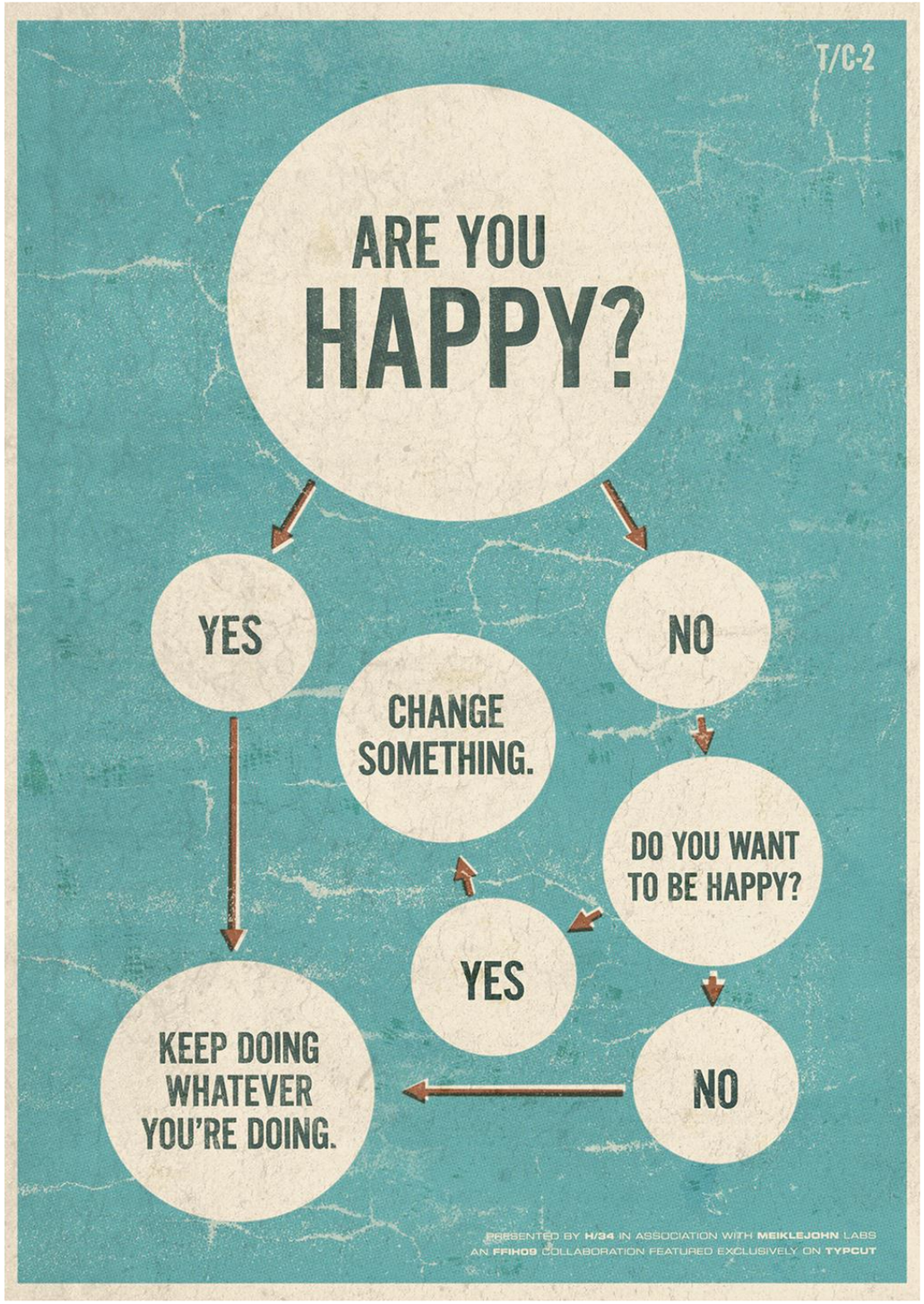
THE SMILING PROFESSOR

DAN GILBERT – NYTIMES, APRIL 22 2008

People have an inability to predict what will make them happy or unhappy

People have remarkable talent for finding ways to soften the impact of negative events

Best predictor of human happiness is human relationships and the amount of time that people spend with family and friends



THE PSYCHOLOGY OF HAPPINESS

AAKER GSB CASE M-330A

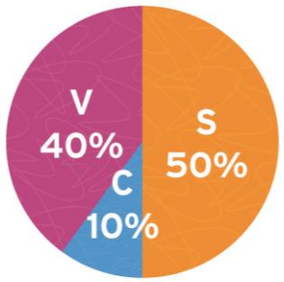
"I'M HAPPY"

What is happiness?

A: state of well-being characterized by emotions raging from contentment to intense joy; B: a pleasurable or satisfying experience

Obstacles to happiness

Changes and varies over time and culture – younger people associate is with excitement whereas older people associate it with feeling peaceful



What determines an individual's happiness level?

Happiness set point (S) + life circumstances (C) + intentional/ voluntary activities (V)

How to reduce unhappiness?

Neuro-Linguistic Programming: understanding what makes us unhappy and changing behavior patterns/use cognitive thinking styles to reduce depression

Money vs. Happiness

Poor people become happier once they escape poverty but after that the tie between money and happiness tapers off
The more we get, the more we want – never satisfied with what we have

Happiness as a policy

Buhtan is dedicated to increasing GDH or Gross Domestic Happiness
UK PM Gordon Brown has shown interest in using happiness studies to advance well being in UK

Freedom of choice

Studies have shown that democratization, economic development, and rising social tolerance increase perception of free choice

Choice can be overwhelming and counterproductive

How to be happier?

Spend time with others
Flow: be fully engaged/immersed/ absorbed in particular activities
Work for a larger purpose

THE NEW SCIENCE OF HAPPINESS

TIME MAGAZINE, JANUARY 9 2005

BONUS!

What makes us happy?

DIENER research: Once your basic needs are met, additional income does little to raise your sense of satisfaction with life.

YOUTH, GOOD EDUCATION, MARRIAGE, SUNNY DAYS – NO REAL CONNECTION TO HAPPINESS

RELIGION, FRIENDS AND FAMILY – STRONG CORRELATION TO HAPPINESS

How to measure happiness?

DIENER Satisfaction with Life Scale

CSIKSZENTMIHALYI method of using beepers and, later, handheld computers to contact subjects at random intervals.

KAHNEMAN method: the day reconstruction method. Result: three components of happiness: pleasure, engagement, and meaning.

How to make yourself happy?

SONJA LYUBOMIRSKY gratitude journal, a diary in which subjects write down things for which they are thankful - taking the time to conscientiously count their blessings once a week significantly increased subjects' overall satisfaction performing acts of altruism or kindness every person feels happier when they're with other people.

DESIGNING (FOR) HAPPINESS

INSIGHTS FROM READINGS

Measuring Happiness

Happiness is more multi-dimensional than we think, heavily influenced by demographics, pscyhographics and culture. Measuring Happiness investigates three elements: understanding, surveying, and hypothesizing about happiness around the world, leveraging the We Feel Fine data engine to explore happiness and associated emotions.

ECONOMICS DISCOVERS ITS FEELINGS

STUMBLING ON HAPPINESS

THE PURSUIT OF HAPPINESS : TIME, MONEY, AND SOCIAL CONNECTION

WEALTH AND HAPPINESS ACROSS THE WORLD

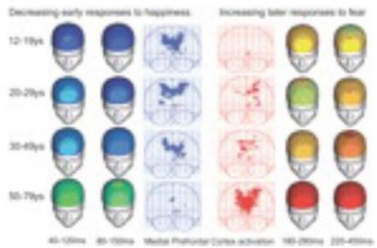
ACCOUNTING FOR THE RICHNESS OF DAILY ACTIVITIES

THE PSYCHOLOGY OF HAPPINESS

AAKER GSB CASE M-330A

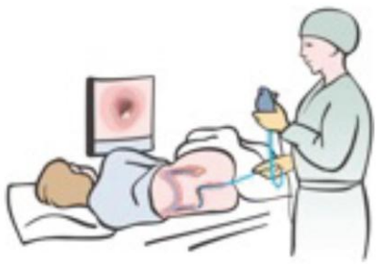
19th Century Economists

- Calculated happiness as good feelings
- minus bad
- Believed pursuit of pleasure/avoidance of pain drove human beings
- Gave up to study outward behavior because no good way of measuring feelings



Today

Measurements taken by asking questions and utilizing new technologies such as MRI



Kahneman's Colonoscopy Experiment

Experience defined by the worst and last moments rather than the length

Falliable Memories

Memories of certain experiences actually seem better than the experience itself, leading people to repeat unpleasant experiences

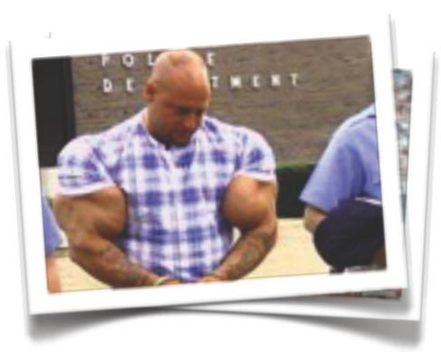
Experiences Trump Commodities

Experiences often involve commodities, making them difficult to separate

Figure 1: MDP v GDP in the UK:1950-2002

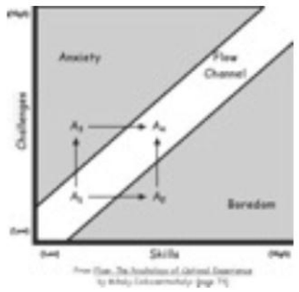
Happiness Unchanged for 50 Years

The rich are happier than the poor, but rich countries do not get happier as they get richer



Doing Better Than You

Doing well is not enough, we need to do better than others: fastest car, biggest house



Finding Flow

Historically, we work to live, but Csikszentmihalyi experiment from week 1 found that people derive pleasure from finding flow in work

STUMBLING ON HAPPINESS

DANIEL GILBERT, CH.2: A VIEW FROM IN HERE & CH.3: OUTSIDE LOOKING IN

Big Idea:

HOW DO WE KNOW WHAT HAPPINESS IS AND HOW MIGHT WE MEASURE IT?

3 types of "Happiness"

Emotional happiness

A subjective state or "you-know-what-I-mean" feeling. Hard to describe because it can only be defined indirectly by the actions that cause it or experiences to which it is similar.

Moral happiness

Good feelings that result from virtuous actions rather than shallow pleasures. Advocated by most theologians and philosophers as something we should strive to attain.

Judgmental

Being happy "about" something. Recognizing that something could or should cause pleasure for someone while not actually experiencing it firsthand.

Which feels/is better?

We have no way of knowing. There is no way for the same person to make a simultaneous side-by-side comparison of the different "types" of happiness. Asynchronous comparisons are unreliable due to our faulty memories.

STUMBLING ON HAPPINESS

DANIEL GILBERT, CH.2: A VIEW FROM IN HERE & CH.3: OUTSIDE LOOKING IN

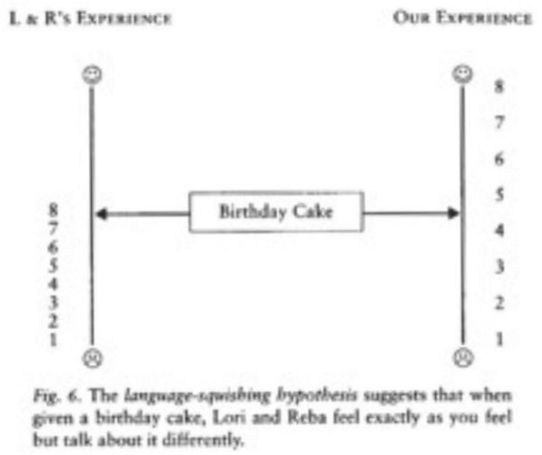


Fig. 6. The *language-squishing hypothesis* suggests that when given a birthday cake, Lori and Reba feel exactly as you feel but talk about it differently.

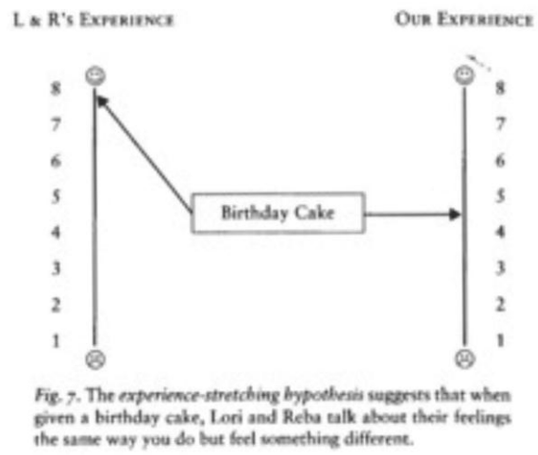


Fig. 7. The *experience-stretching hypothesis* suggests that when given a birthday cake, Lori and Reba talk about their feelings the same way you do but feel something different.

"THESE GO TO ELEVEN."
http://www.youtube.com/watch?v=EbVKWCpNFhY

People seem to have different ideas of what happiness really is. How do we account for that?

MAIN POINT

Happiness is always experienced from someone's point of view; it is in experience that is colored by our previous experiences and cannot be wholly recreated after it occurs.

LANGUAGE-SQUISHING HYPOTHESIS

Everyone has the same subjective experience of an identical event, but their happiness scales are calibrated differently

EXPERIENCE-STRETCHING HYPOTHESIS

Happiness scales stretch when we have new experiences, so what used to be an 8 on one's scale might become a 5 after a particularly pleasurable experience

Given that happiness is so subjective, how can we reliably measure it?

ALWAYS FUZZY

Measurements of happiness will always be a bit fuzzy due to the subjective nature of the experience.

FIRSTHAND, REAL-TIME IS LEAST FLAWED

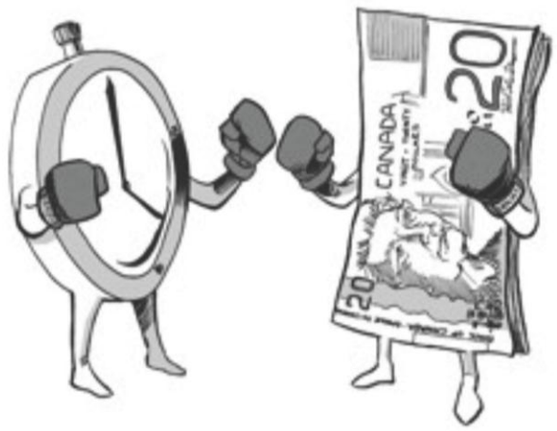
A firsthand, real-time report of an individual's experience is the least flawed measure of happiness because the individual is the only observer stationed at the critical point of view.

HUGE SAMPLE SIZE

Imperfections in measurement can be overcome if recognized and combated with huge sample sizes that even out variability in responses. (we feel fine data)

STUMBLING ON HAPPINESS

DANIEL GILBERT, CH.2: A VIEW FROM IN HERE & CH.3: OUTSIDE LOOKING IN



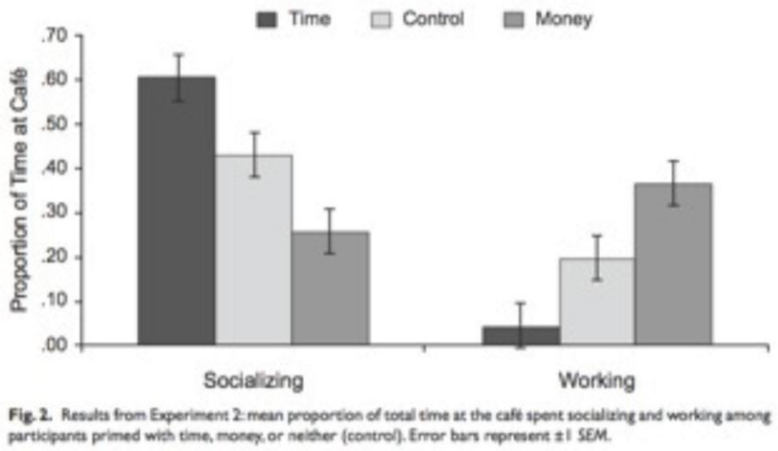
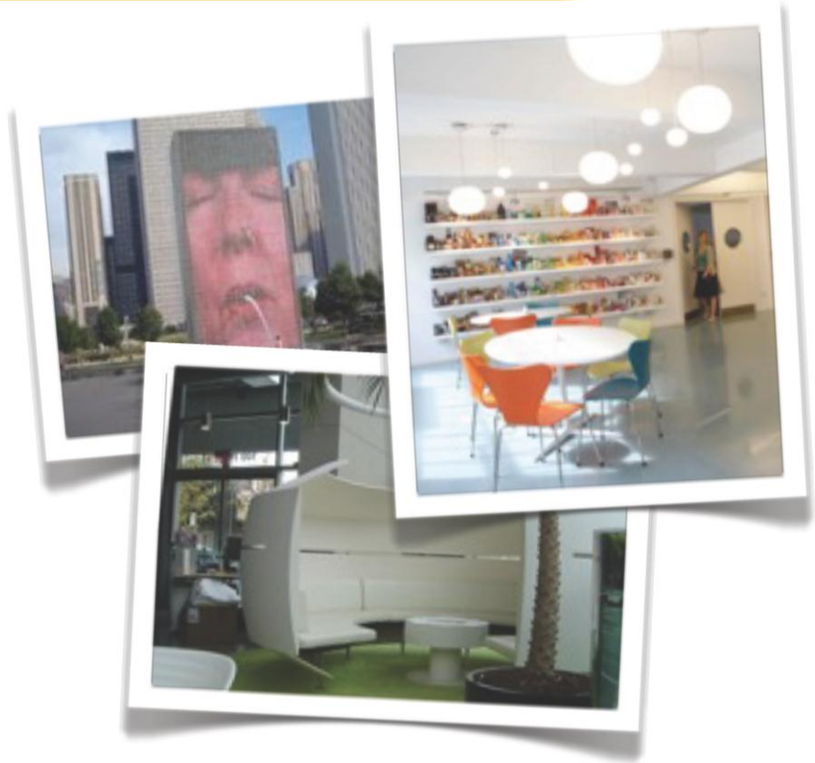


Fig. 2. Results from Experiment 2: mean proportion of total time at the café spent socializing and working among participants primed with time, money, or neither (control). Error bars represent ±1 *SEM*.



Big Idea:

Does thinking about time rather than money influence how individuals pursue happiness? Specifically, does it affect the amount of time people spend on work (not so great for long term happiness) vs. socialization (good for long term happiness)?

Results:

People who were thinking about time exhibited significantly higher social behavior than those in control conditions. This was true for all socioeconomic groups and in both laboratory and field conditions.

Money in general tended to increase individualistic behavior among participants (neutral effect on those in lower socioeconomic brackets).

Implications

Creating environments where the idea of time is salient can influence individuals' behavior in ways that promote social behavior and therefore long term happiness.

THE NEW SCIENCE OF HAPPINESS

TIME MAGAZINE, JANUARY 9 2005

Questions Examined

1. How does income relate to different types of well-being?

2. What mediates the relationship between well-being and income? (Example: association of well-being mediated by the fact that wealthy people are more likely to have their needs met or because they have their material needs met?

3. Is the relationship between well-being and income consistent across various groups? (Example: Is income more important to wellbeing in poorer nations?)

4. Are citizens of wealthy nations happier than those of poor countries?

Predictions

1. Life satisfaction correlates with income.

2. Positive feelings correlate with social-psychological rewards.

3. Negative feelings correlates with fulfillment of basic needs.

4. What types of well-being are more affected by fulfilling goals versus meeting needs?

Study Structure

GALLUP ORGANIZATION

136,839 people
132 countries from 2005-2006

SWB MEASURES

Global Life Evaluation Measure: Evaluated current life on a scale from 0 to 10 – reflective judgment on people's lives compared with what they want them to be. Positive and Negative feelings experienced yesterday (reduces memory bias)

ECONOMIC PREDICTORS

- Household Income
- Modern luxury conveniences such as television
- Per capita GDP to asses national wealth

SOCIAL PSYCHOLOGICAL PREDICTORS

- Respect
- Closeness/trust with others
- Hours worked previous day

WEALTH AND HAPPINESS ACROSS THE WORLD

JOURNAL OF PERSONALITY AND SOCIAL PSYCHOLOGY, 2010, 99(1), 52-61 (DIENER ET AL)

Study Results

AVERAGE = HAPPY

Average person in the world was relatively happy, a bit above neutral when comparing positive versus negative feelings.

MAJORITY = PSYCHOLOGICAL NEEDS MET

Basic needs were unmet in 25% of respondents, while most people had their psychological needs met.

STRONGEST CORRELATES

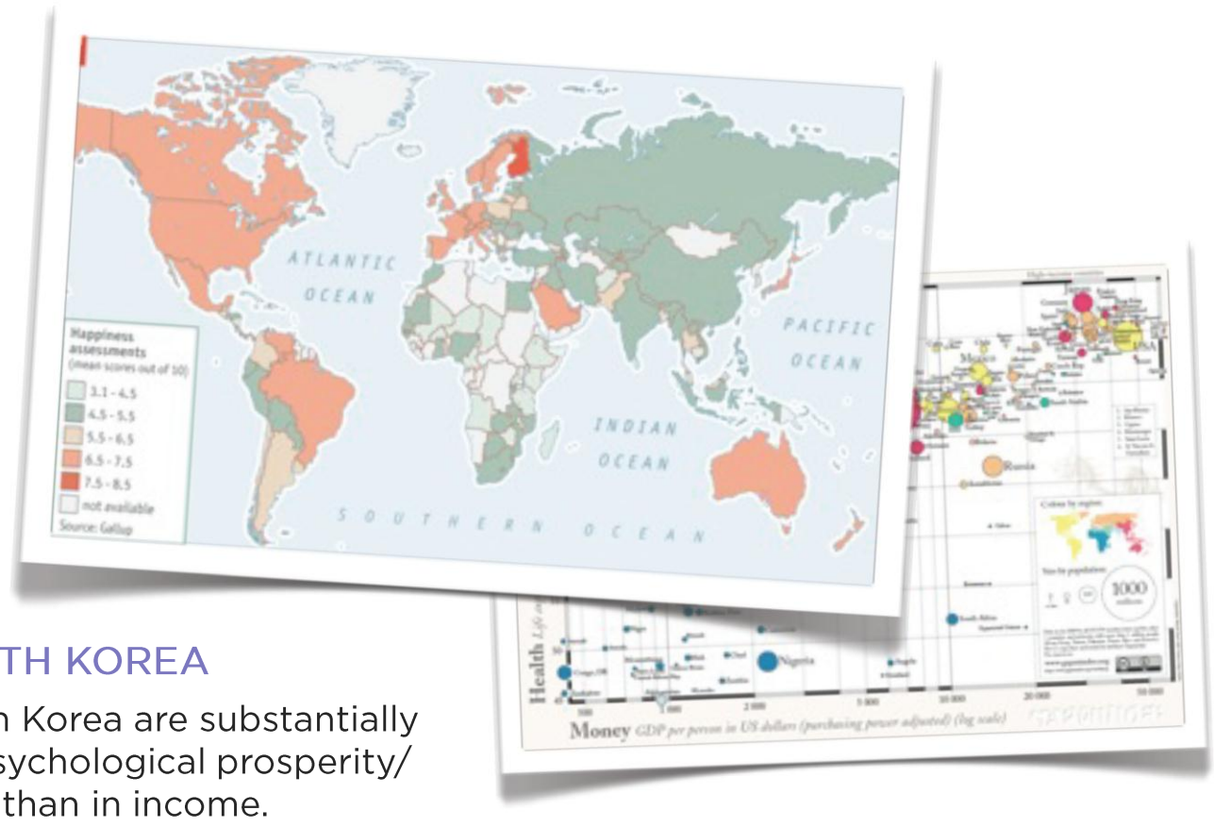
- Income and national income .
- Satisfaction with standard of living and ownership of luxury conveniences .
- For feelings, strongest predictor was fulfillment of psychological needs.

I = US

People's satisfaction with life is strongly influenced by the general circumstances of their respective societies.

ANGLO VS. LATIN

North European and Anglo societies are most successful in economic area, while Latin societies are relatively high in social psychological well-being.



RUSSIA + SOUTH KOREA

Russia and South Korea are substantially lower in social psychological prosperity/ positive feelings than in income.

INCOME VS. WELL-BEING

Relation of income and well-being was high for life evaluations but weaker for feelings which were more strongly associated with social psychological prosperity as predicted.

UNEXPECTED FINDING

Relationship between income and life evaluations was slightly stronger in wealthy nations than in poor ones counters the idea that money is most important when it helps meet basic needs.

Future Questions

SHORT TERM vs. LONG TERM

Assess feelings over longer periods of time in order to distinguish between short-term and long-term processes.

INCOME SCALE

Use different scaling of income than log income?

WEALTH AND HAPPINESS ACROSS THE WORLD

JOURNAL OF PERSONALITY AND SOCIAL PSYCHOLOGY, 2010, 99(1), 52-61 (DIENER ET AL)

Big Ideas

Are pleasure and reward linked in daily activities?

Does duration play a role in perceived pleasure and reward.

How can we mix and match daily activities to maximize subjective well-being.

Three Approaches to Assessing People's Lives

OBJECTIVE INDICATORS
e.g. health and education level

INCOME INDEX
Degree to which people can satisfy their desires indexed by income.

SUBJECTIVE WELL-BEING (SWB)
How people think and feel about their lives.

Day Reconstruction Method

(Kahneman, Krueger, Schkade, Schwarz, and Stone, 2004)

- Recall and divide previous day into episodes and record: Duration, Activities, People present, Feelings at the time.
- Major weakness: focus on feelings.

Results (n=1825)

PRAYER/EXERCISE/SOCIALIZING
More pleasurable/rewarding than average.

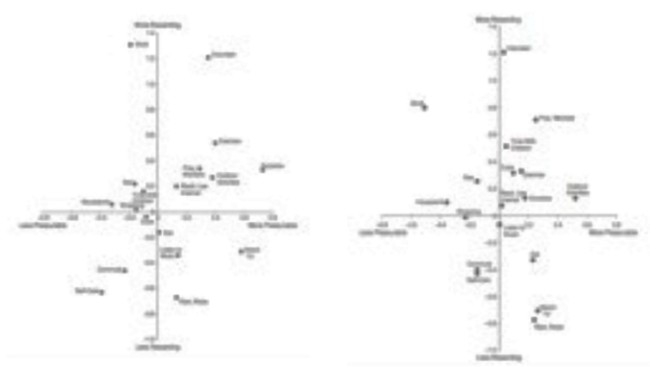
COMMUTING/SELF-CARE
Less pleasurable/rewarding than average.

WORK/HOUSEWORK
Less pleasurable, but highly rewarding; only work was significantly more rewarding than spending time with children.

TV/EATING
More pleasurable, but less rewarding.

DURATION

Longer = more pleasurable and rewarding Shorter = less pleasurable and rewarding Weighted for duration, work was no longer less pleasurable than time with children and socializing/exercise etc. became much more rewarding than time with children.



Takeaways

WORKING

Although not necessarily pleasurable, work is fairly rewarding, which could explain why some people work so many hours versus maximizing pleasure (maximizing SWB).

DISCRETIONARY TIME

Mix and match: pleasure from TV and reward from volunteering (maximizing SWB).

TIME SPENT WITH CHILDREN
More rewarding than pleasurable.

Questions

ACCURACY

To what extent are reports "true" reflections of experiences? Are people making unpleasant exp. rewarding in their mind to justify them?

TIME

What is the SWB associated with a unit of time in each activity? If marginal rates of pleasure/reward diminish over time, longer episodes = lower satisfaction overall.

POLICYMAKERS/SOCIETY
What are the big challenges when pleasure and reward tell different stories.

DESIGNING (FOR) HAPPINESS

Insights from Readings
Visualizing Happiness

Designing for happiness is about designing experiences. Here, we take a closer look at the anticipating-experience-remembering framework for developing happy experiences and move on to understanding how doing good means doing well.

VISUALIZING DESIRE

HOW THE EXPERIENCE OF HAPPINESS SHIFTS ACROSS THE LIFE COURSE

RECALLING MIXED EMOTIONS

THE SUMMONED SELF

NIKE WE: DESIGN MEETS SOCIAL GOOD

VISUALIZING DESIRE

BRIAN KNUTSON, STANFORD YOUTUBE VIDEO

? WHAT HAPPENS IN THE BRAIN WHEN PEOPLE EVALUATE THINGS LIKE BEER, CARS AND POLITICIANS...

Real-time brain activity

By using money as a motivating stimulus, and fMRI as a way to record real-time brain activity, Knutson study linked activation of a subcortical region of the brain to the anticipation of pleasure or reward.

Anticipating pleasure

When a person thinks about making a decision that could result in a monetary reward, neurons fire in the brain's subcortex and in the prefrontal cortex. The subcortex appears to ponder the size of the prize, while the prefrontal cortex examines the odds of getting it.

Risk-taking

In subsequent experiments, Knutson and team was able to predict risk-taking behavior (purchasing something, buying stocks) by looking at the level of activation in this region.

HOW THE EXPERIENCE OF HAPPINESS SHIFTS

SPPS (2011), KAMVAR, MOGILNER AND AAKER

Main Idea

Although the level of reported happiness is fairly constant across all age ranges, what is construed as happiness changes over time. Younger people tend to associate excitement and happiness with one another, while older people group peacefulness and happiness.

Why is this?

As we get older and our future horizons contract, we turn our attention increasingly toward the present. The increased salience of time leads us to associate happiness more closely with peacefulness (see Mogilner et al.).

Different responses to different stimuli

One study randomly assigned participants to listen to either an exciting or peaceful version of a song. Among the exciting song group, younger participants reported greater levels of happiness, and among the peaceful song group, older participants reported greater levels of happiness.

Is this malleable?

Yes. When younger participants were walked through meditation exercises designed to help them focus on the present, they began to associate peaceful feelings more closely with happiness bringing their views more in line with the older demographic (Study 4).

How might we use this information to promote happiness?

Promote different kinds of activities/ products among different age groups to cater to their preference for exciting or peaceful experiences (extrapolated from Study 5).

Manipulate the salience of time to bring everyone's experience of happiness in line with each other (extrapolated from Study 4).

RECALLING MIXED EMOTIONS

JOURNAL OF CONSUMER RESEARCH (2002); AAKER, DROLET AND GRIFFIN

How does complexity affect memories of emotions?

Many times, we experience emotions that are not purely happy or sad, but rather a mixture of the two. Common examples include transitions (breakups, relocation) and test taking (score anxiety, peer comparison). Our memory of emotions is imperfect and shifts over time (see Gilbert reading from Day 2) how does emotional complexity affect our recall?

Cultural differences in mixed emotions responses

Participants from Anglo-American backgrounds reported higher levels of conflict with mixed emotions than those from Asian or Asian-American backgrounds. This level of reported conflict was highly correlated to how well these emotions were recalled later. Interestingly, however, both groups were able to describe the "mixedness" of the original stimulus.

Mixed emotions cause conflict and are recalled less accurately than unipolar emotions.

MBA students were asked to describe their emotional state immediately after receiving test scores, and then to recall these emotions 2 weeks later. If they initially had reported having mixed emotions, the students had difficulty remembering how intense these emotions were. However, if the students initially reported more unipolar emotions, they recalled their emotions as being more intense then their original reports. Recall of emotional intensity had a strong negative correlation with the level of conflict the students felt.

Summary results of both studies

Mixed emotion experiences are more difficult to recall correctly compared to unipolar ones; over time, people remember mixed emotions as less mixed; memory bias is particularly pronounced for Anglo-Americans who tend to feel more conflicted when experiencing mixed emotions and thus are more motivated to resolve the conflict.

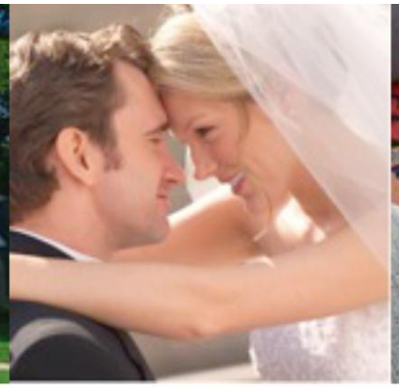
THE SUMMONED SELF

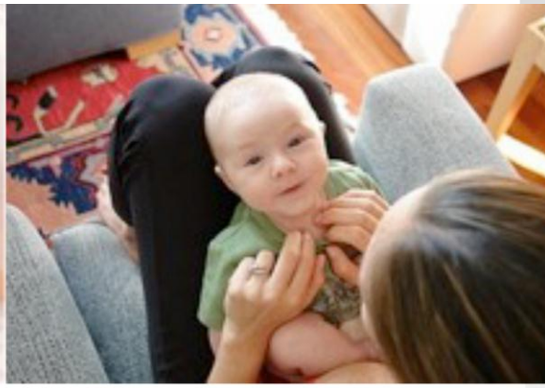
DAVID BROOKS, NYTIMES OP-ED, AUGUST 2 2010

TWO WAYS TO THINK ABOUT LIFE

Well-Planned Life

Life is a well designed project. Once you define a clear purpose for your life, you can allocate your time, energy and talent accordingly, and eventually fulfill your long-term goals. This means investing time in important relationships (spousal, children) even if there are no short-term payoffs. This view is very American in its focus on personal agency and asks "what should I do?"





Summoned Life

Life isn't a project, but an unknowable landscape that needs to be explored. You cannot know what needs to be done or where you fit into the larger picture until you are engaged in it. This human landscape is anchored by commitments to others (people, causes, nations) that defy traditional views of costs and benefits, investments and returns. The Summoned Life reaches fulfillment when the individual dissolves into a larger collective project or cause.

NIKE WE: DESIGN MEETS SOCIAL GOOD

AAKER GSB CASE M-328

A Giving Community

Nike employees were passionate about giving back to their surrounding communities, but Nike had no well-defined mechanisms by which they could enable this giving. The WE portal was developed with feedback from employees and acts as a philanthropic umbrella for all Nike employees.

Getting Personal

As we get older and our future horizons contract, we turn our attention increasingly toward the present. The increased salience of time leads us to associate happiness more closely with peacefulness (see Mogilner reading from Day 2).

Call to Action

Nike categorized the philanthropic efforts on their portal into four giving mechanisms that emphasized a call to action – “Give Money”, “Give Time”, “Give Talent” and “Give Voice”

Competing for Charity

Although Nike initially intended to keep the amount of Giving Points earned by employees for participating in philanthropic activities private, the company discovered that the competition fostered by making Points data public helped motivate the community to do more good. The accompanying WE Marketplace allows employees to trade Giving Points for Nike product to be donated to schools, nonprofits and NGOs.

Sharing Experiences

Employees are able to share their philanthropic experiences through a blog located on the portal. These blog posts serve as inspiration for more social good, and keeps the community updated on the impact each team is making.

DESIGNING (FOR) HAPPINESS

Insights from Readings
Delivering Happiness

We'll make the business case for happiness, diving into how companies architect, deliver and amplify happiness. We'll spotlight the Coke case where product groups will be formed to design a branded campaign that would cultivate and spread happiness for consumers.

- Dan pink: drive and motivation
- Happiness is contagious
- Help employees give away some of that bonus
- The dragonfly effect – chapter 1
- Coke: dispensing happiness

DAN PINK : DRIVE AND MOTIVATION

YOUTUBE VIDEO BY RSA ANIMATE (20 MINUTES)

More money doesn't always yield better results

An MIT study challenged students to perform a variety of physical and cognitive tasks, and gave them small, medium or large rewards. Researchers found that while the students' performance on purely mechanical tasks increased with the size of the reward, for tasks requiring even a little bit of cognitive skill, there was an inverse relationship between reward and performance.

WHAT ROLE DOES MONEY PLAY IN MOTIVATING US?

Money only motivates us up to a certain point. Once we are being paid enough so that monetary compensation is not at the forefront of our minds, increasing pay doesn't do very much in terms of motivation.

What does motivate us?

1. AUTONOMY – Feeling like you have control over what you're doing leads to more engagement.
2. MASTERY – Getting better at something and challenging ourselves makes us feel good and is fun.
3. PURPOSE - Using our talents to contribute to a larger cause gives us a feeling of connection to others.

PURPOSE+PROFIT

When the purpose motive is in line with the profit motive, great things can happen. Skype and Apple are example of how a clear transformative vision has led to incredible financial results.

HAPPINESS IS CONTAGIOUS

CNN, JANUARY 9, 2009 SUMMARY OF WORK BY FOWLER AND CHRISTOKIS

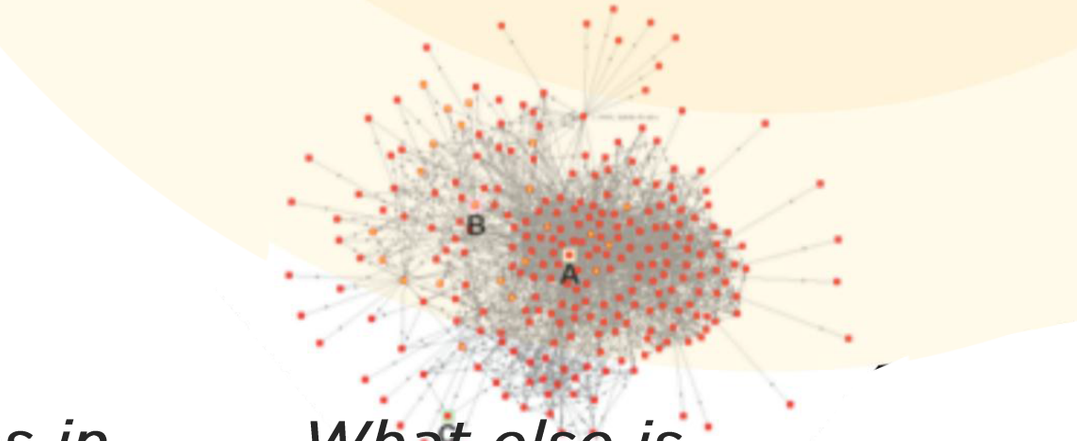
HAPPINESS SPREADS THROUGH SOCIAL NETWORKS. THE HAPPINESS OF A PERSON UP TO THREE DEGREES REMOVED FROM YOU HAS AN EFFECT ON YOUR LEVEL OF HAPPINESS.

THE LIKELIHOOD THAT YOU ARE HAPPY:

+15%
if a friend is happy

10%
If a friend of a friend is happy

6%
if a friend of a friend of a friend is happy



How about online social networks?

There seems to be a similar effect present in virtual networks such as Facebook. Researchers have found that people with smiling profile pictures tend to have friends that are also smiling in their profile pictures.

Happiness comes in large numbers?

The study found that people with large webs of social connections were more likely to become happy. However, it also found that happiness was not directly correlated to the size of one's friend group; people with a smaller number of very close friends still reported high levels of happiness.

What else is contagious?

Researchers found that the level of obesity and smoking behavior in one's social network was correlated with an individual's likelihood of being obese or a smoker. Sadness was also found to spread throughout social networks, although to a lesser extent than happiness..

HELP EMPLOYEES GIVE AWAY SOME OF THAT BONUS

HBR 2008 (NORTON AND DUNN)

Big Idea

Employees get a boost in happiness not from spending money on themselves, but rather by engaging in prosocial actions and spending money on others.

Size Doesn't Matter

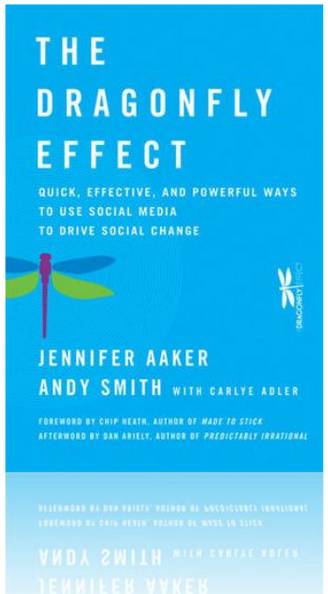
Researchers gave two groups of people either $25 or $5, and told them to spend it on themselves or on others. They found that regardless of whether they gave $25 or $5, the group that spent their money on others reported significantly higher levels of happiness.

Creating Opportunities for Happiness

Managers might consider providing employees with opportunities to help others in addition to themselves. In 2007, Google gave employees a $100 certificate for DonorsChoose.org where they could select a charity to contribute money to. Allowing employees to take an active role in corporate charitable contributions has the potential to increase levels of happiness.

HAPPINESS IS CONTAGIOUS

CNN, JANUARY 9, 2009

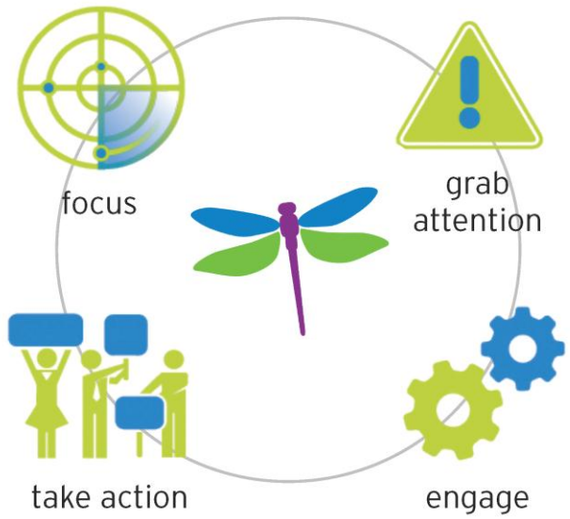


What is the dragonfly effect?

It's the idea that passionate people can make a positive impact in the world on a scale that is disproportionate to their resources by harnessing the power of networks, participation, and ripple effects.

What sorts of ideas generate ripple effects?

It's the idea that passionate people can make a positive impact in the world on a scale that is disproportionate to their resources by harnessing the power of networks, participation, and ripple effects.



The Dragonfly Model: Focus+GET

FOCUS: Identify a single concrete and measurable goal.

GRAB ATTENTION: Make someone look. Cut through the noise with something unexpected, visceral and visual.

ENGAGE: Create a personal connection through empathy, authenticity and storytelling.

TAKE ACTION: Empower people to become active participants in the cause, and continuously tweak things that aren't working

COKE: DISPENSING HAPPINESS

AAKER GSB CASE M-335

open happiness™

Connecting Through Social Media

Coca-Cola wanted to connect with its younger customers using social media and decided to create a viral video as part of this campaign.

The Happiness Machine

Coke installed a "happiness machine" in the cafeteria of St. John's University for two days during final exams. This machine looked like a normal vending machine, but instead of dispensing individual cans of Coke, it dispensed happy surprises such as a bouquet of flowers, a box of pizza, or a 20-pack of Coke. Hidden cameras recorded the reactions of students using the machine.

The Numbers

Coke spent $50,000 on the entire project, including staffing, props, and video. The YouTube video was posted on January 12, 2010, and 10 days later had reached 1 million views. Within 2 months, the video had been viewed over 2 million times by people throughout the world.

Reactions

Students loved the surprises and also shared them with others. Comments on the video's YouTube page indicated that the happiness machine" fostered meaningful connections among students, and reinforced the perception of Coke as a brand associated with happiness.

DESIGNING (FOR) HAPPINESS

INSIGHTS FROM READINGS

Shifting Happiness

How do you create a happy company? What does it look like? How might we design an organization that creates the greatest happiness for your team members (employees, coworkers, partners, suppliers) as well as for customers. How might we use principles, ideas, theories and findings from class to architect a company culture, brand and customer offering that maximizes happiness and yet still remains a viable business or, even better, makes the organization even more impactful.

THE TIME VERSUS MONEY EFFECT

THE HAPPINESS OF GIVING

DO YOU LOOK TO THE FUTURE OR FOCUS ON TODAY?

CAN MIXED EMOTIONS PEACEFULLY CO-EXIST?

NON-PROFITS VS. FOR-PROFITS

IF MONEY DOESN'T MAKE YOU HAPPY, CONSIDER TIME

THE TIME VERSUS MONEY EFFECT:

SHIFT PRODUCT ATTITUDES AND DECISIONS THROUGH PERSONAL CONNECTION,

JOURNAL OF CONSUMER RESEARCH 36, MOGILNER AND AAKER (2009)

Experience Vs. Possession

Focusing on time vs. money activates different ways of thinking about products. When time is salient, people focus on experiencing the product while when money is salient, the focus is on possessing the product.

The Salience of Time and Generosity

Researchers set up a lemonade stand in a park, manned by two 6 year-olds, and varied the message displayed on the stand's signage. In one condition, the sign referenced spending time and in another it referenced spending money. In the "time" condition, customers reported more favorable attitudes towards their lemonade, and were donated almost twice as much as they had in the "money" condition.

It's About a Personal Connection

Researchers found that the best predictor of favorable attitudes towards a product was the level of personal connection felt towards that product. For most products, making time salient and emphasizing the experience of using the product results in a stronger personal connection with it. However, for prestige items (luxury cars, designer jeans, etc) and materialistic people, emphasizing the money that went into acquiring the object increases the personal sense of identification with the brand or product.

THE TIME VERSUS MONEY EFFECT:

SHIFT PRODUCT ATTITUDES AND DECISIONS THROUGH PERSONAL CONNECTION,
JOURNAL OF CONSUMER RESEARCH 36, MOGILNER AND AAKER (2009)

Psychology of Money and Time

- More flexible spending justifications for time over money.
- People prefer to donate time over money when more invested in the cause.
- Time and Money differ in the types of consumer mindsets that are activated.
- Research shows that asking people about an intention enhances behavior if it activates a positive attitude towards the object.

Hypotheses

Asking people about their intent to donate, either money or time, will significantly influence how much they give.

HYPOTHESIS 1
Asking about intent to donate time increases the donation.

HYPOTHESIS 2
Asking about intent to donate money decreases the donation.

Experiments

EXPERIMENT 1
When intentions to donate time were asked before monetary pledge, average level of donation was 50% higher -> support H1.

Time-asks active a difference mindset to money-asks -> H2.

EXPERIMENT 2
Average level of donation was higher in Time-ask than control .

Average level of donation was lower in Money-ask than control.

EXPERIMENT 3
In time-ask, the belief in the happiness/ volunteering relationship was increased and subsequently increased levels of actual helping behavior -> consistent with theory that measuring time intentions activates an emotional mindset.

DO YOU LOOK TO THE FUTURE OR FOCUS ON TODAY?

THE IMPACT OF LIFE EXPERIENCE ON INTERTEMPORAL CHOICE
ORGANIZATIONAL BEHAVIOR & HUMAN DECISION PROCESSES, LIU AND AAKER (2007)

When do we look to the future?

Although current conditions play a strong role in decision making, anticipatory emotions surrounding future interests can sometimes override these generally myopic tendencies. In particular, future prospects become more motivating once they are salient and populated with concrete details.

What does age have to do with it?

Young people, perhaps because they do not perceive time to be a scarce resource, tend view their life course as abstract and distant. This often causes them to focus on short-term goals at the expense of long term ones.

Maturity and Behavior Change

The shift in attitudes from short-term to long-term due to a cancer death experience is similar to the natural maturation process that happens over time. Possible positive consequences of a long-term perspective may include making healthier choices that extend the life course.

Experiences can cause attitudes to shift

Researchers found that young people who had experienced a cancer death within their inner circle took a longer term perspective when making financial decisions. They also found that they could affect a temporary shift in the perspectives of young people without a cancer death experience towards a longer-term approach by priming them to think about the life course. A similar temporary shift in attitudes occurred in young people immediately following the death of a well-known public figure.

CAN MIXED EMOTIONS PEACEFULLY CO-EXIST?

JOURNAL OF CONSUMER RESEARCH 28, WILLIAMS AND AAKER (2002)

Proclivity to accept duality varies with different:

CULTURES

- Eastern cultures: Confucian/Buddhist thinking: Reality is flexible and constantly changing -> duality perceived as common/good
- Western cultures: Reject duality due to Artistotelian logic.
- Love -> American love songs associate love with either negative or positive emotions, Chinese more likely to associate love with both

AGE

The older you are, the better you can accept contradictions and synthesize contradicting elements

Hypothesis

People with a lower propensity to accept duality experience greater discomfort and less favorable attitudes in response to mixed emotional appeals

Experiments

Experiment 1: Processing Conflicting emotions (Anglo American vs. Asian American)

- Anglo Americans more favorable toward happy emotional appeal
- Asian Americans more favorable toward happy AND mixed emotional appeals
- Feelings of discomfort mediated relationship for Anglo Americans only

Experiment 2: Disentangling Felt and Recognized Emotions

Confirmed results from Experiment 1: Understanding of/appraisal of emotions is similar across tested cultures

Experiment 3: Age as an Antecedent to the Acceptance of Duality in Anglo-Americans

The older, the more favorable towards both happy and mixed emotional appeals

Future applications

Mixed emotional appeals may be an effective advertising strategy when targeting consumers with Asian background or the elderly.

NON-PROFITS ARE SEEN AS WARM & FOR-PROFITS AS COMPETENT:

JOURNAL OF CONSUMER RESEARCH, AAKER, VOHS AND MOGILNER (2010)

Stereotypes Exist

Nonprofits are perceived to be warm and caring about a worthy cause, but are seen as being less competent and having lower-quality products than for-profit companies.

Can perceptions of competence be changed?

Yes. Researchers found that both an endorsement from a credible source and subtle priming can boost the perceived competence of nonprofits. In one study, researchers found that an endorsement from the Wall Street Journal elevated the perceived competence of a nonprofit to the level of a for-profit company. In another study, priming participants by showing them an advertisement related to money (a concept associated with competence) also raised perceived level of competence of a nonprofit to be on part with a for-profit entity. Interestingly, this elevated level of perceived competence was still present when researchers followed up with participants one month after the initial study.

Why does this matter?

While warmth is a generally positive trait, only competence plays a role in determining marketplace appeal. Research shows that consumers are more wiling to buy from companies with a high level of competence, putting nonprofits at a disadvantage when it comes to attracting customers and encouraging investment.

Warmth + Competence = Admiration

When companies are perceived as being both warm and competent, consumers tend to develop admiration for them. Creating the perception that an organization is motivated by more than just sales, and also believes in social responsibility can encourage admiration and increase marketplace appeal.

IF MONEY DOESN'T MAKE YOU HAPPY, CONSIDER TIME

JOURNAL OF CONSUMER PSYCHOLOGY – AAKER, RUDD AND MOGILNER (2012)

TIME PLAYS A CRITICAL ROLE IN UNDERSTANDING HAPPINESS, HERE ARE FIVE PRINCIPLES FOR HAPPINESS-MAXIMIZING WAYS TO SPEND TIME:

Spend time with the right people

- Greatest happiness associated with friends, family, significant others.
- Lowest happiness associated with bosses and coworkers.
- Biggest predictors of general happiness: "best friend at work" or liked their boss -> pay more attention to workplace relationships!!

Expand your time

- Focusing on the present slows down the perceived passage of time.
- A sense of control over how one spends time has positive effects: increase discretionary time versus work.

Spend time on the right activities

- Socially connecting activities vs working and commuting.
- Sticky experiences create long-lasting memories.
- Shift focus from what makes us happy now to maximizing future value of time spent now.

Be aware that happiness changes over time

- Age influences how happy one feels and how one feels happy: Younger people associate it with excitement; older people associate it with peacefulness.
- As future creeps closer, time grows more constrained.

Enjoy the experience without spending time

- Simply thinking of something pleasurable activates dopamine system
- The brain sometimes enjoys anticipation of reward more than receiving it.

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