Behavioral AI:

## Finding the Emotional "Why Data" Hiding Inside Your Open-Ends

Want to know how to use artificial intelligence to find the deep behavioral insights hidden in your unstructured data? Then you've come to the right place.

William Leach - Mindstate Group

In late 2023, a global personal care brand came to us with a bleeding neck problem that needed to be solved quickly. Within weeks, they had seen a dramatic shift in the purchase frequency of their most loyal and profitable customer segment. This small but very profitable group was no longer loyal and regularly bought from competitors.

Not surprisingly, the brand had loads of data about this customer segment—changes in retail and online spending, price elasticity, brand trackers, and even customer satisfaction surveys—but nothing seemed to explain the shift. The brand knew WHAT was happening but couldn't figure out WHY.
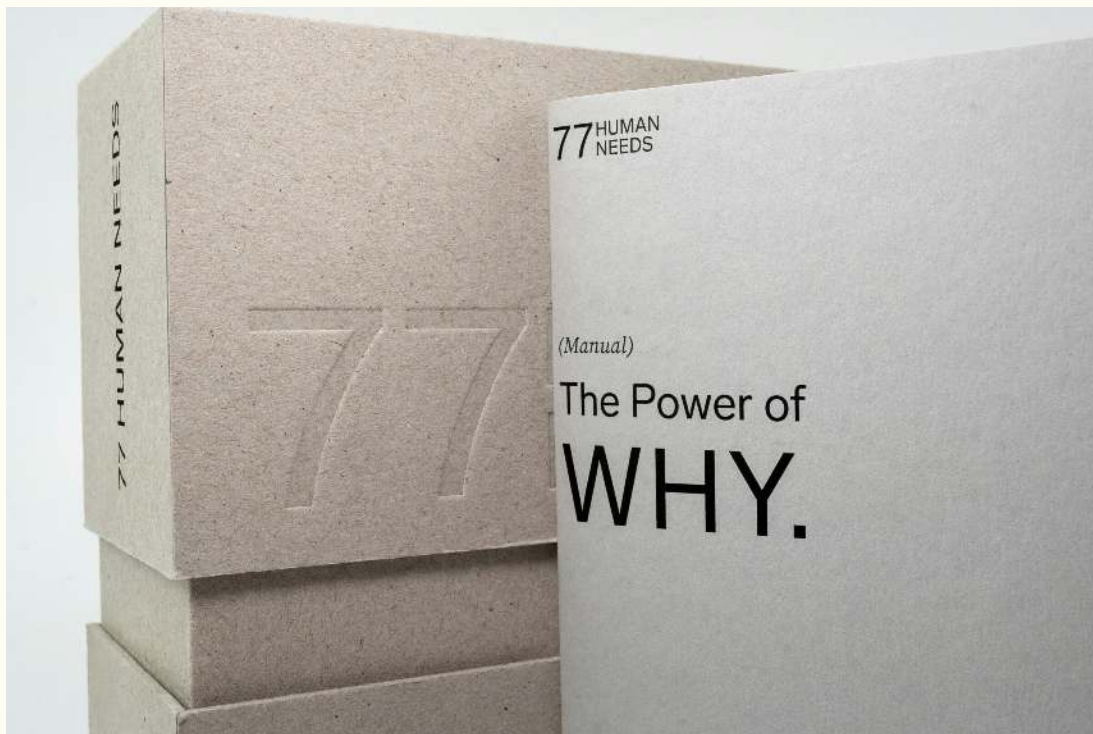

It turns out that what the brand had considered a minor change to their product formulation, these loyal customers noticed the change and started to lose confidence in the brand - so much so that they switched to competitors almost immediately. Only by talking to these customers and diving into the elusive "why" data were they able to figure out that the "minor change" wasn't so minor and were able to redesign the formula and turn things around.

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This story illustrates a common problem in business today: an imbalance between "what" data and "why" data. While "what" data informs us of sales figures, customer preferences, and social media engagement, "why" data delves deeper, uncovering the underlying motivations and emotions driving consumer behavior. This "why" data empowers businesses to make more informed, consumer-focused decisions.

"What" data tells brands that they have a problem. "Why" data explains why the problem is happening... and how to solve it.

Unfortunately, many brands overlook the potential of "why" data. It's not that the data isn't there; instead, most brands either don't realize they have it or don't understand how to analyze it. While structured data (e.g., sales figures, website traffic) is easy to collect and analyze, "why" data resides in unstructured sources like customer feedback and qualitative research.

Analyzing this unstructured data requires a deeper understanding of human psychology and the ability to sift through vast amounts of textual information.
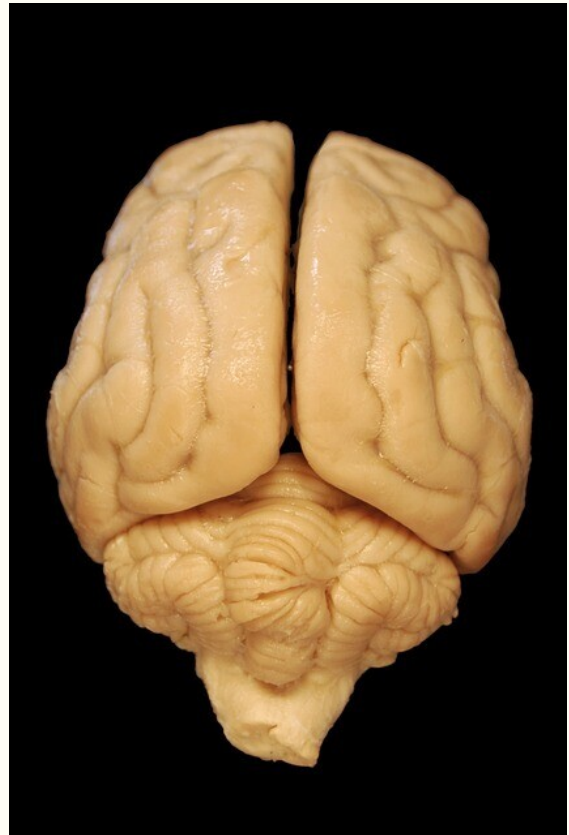
But as Bob Dylan wrote...The Times They Are A-Changin.

As we saw in the story above, understanding your customers is not just crucial; it's a game-changer. The thing is, a staggering 85% of business data remains unstructured and unanalyzed, overlooked because it's just too darn difficult to handle.

(Source: Berger, J., Humphreys, A., Ludwig, S., Moe, W. W., Netzer, O., & Schweidel, D. A. (2020). Uniting the Tribes: Using Text for Marketing Insight. Journal of Marketing, 84(1), 1-25.)

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This unstructured data, comprising open-ended survey responses, social media feedback, and qualitative research, contains invaluable, often overlooked insights. By not considering the "why" insights buried within this data, brands risk losing out on crucial consumer understanding and market opportunity.

The challenge now becomes how to analyze this unstructured text to get the deep psychological why's hidden within it. It's massive and messy and requires a level of expertise not found in traditional market research toolkits.

Enter Behavioral AI

Fortunately, a solution exists: Behavioral AI. This branch of artificial intelligence combines natural language processing and machine learning with behavioral science to uncover hidden "why" insights within unstructured data. Behavioral AI can analyze vast amounts of unstructured data, predict consumer behavior, and offer detailed psychological profiles of customers.

The Science of Behavioral AI

At the core of Behavioral AI lies Natural Language Processing (NLP), which enables machines to comprehend human language. By training NLP models with academically validated, industry-adopted human behavioral frameworks, Behavioral AI can extract the "why" behind consumer behavior. These models give the AI a framework to recognize and interpret behavioral cues and contexts within the data.

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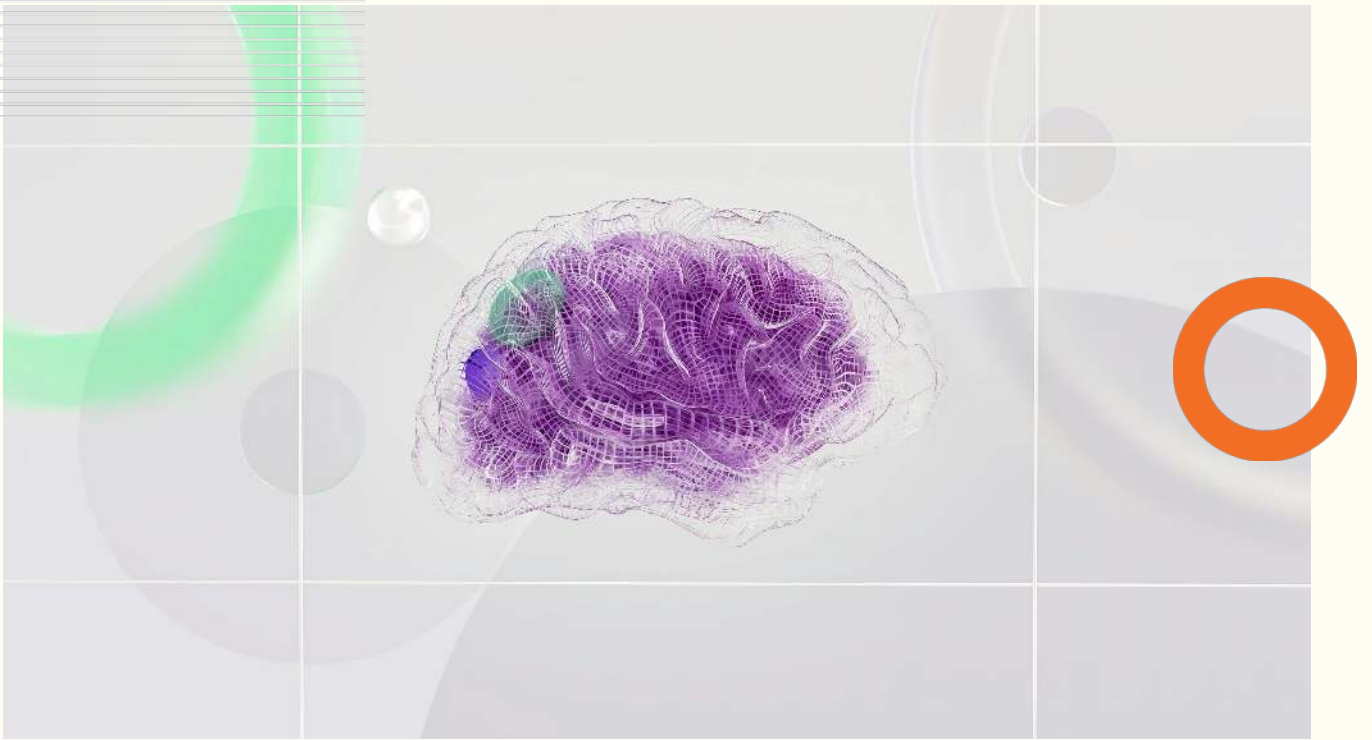
Unleashing the Power of Behavioral AI

Implementing Behavioral AI in market research is a game-changer for businesses seeking a deeper understanding of consumer behavior. Here are practical steps to follow:

1. Identify the Data Sources: Determine the unstructured data sources available to your business, such as customer interviews, open-ended surveys, social media posts, product reviews, and past market research reports.

2. Prepare the Data: Organize and clean the unstructured data, ensuring it focuses on the brand or problem you must solve. Remove duplicates, toss summarized findings, and eliminate noise or irrelevant information.

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3. Use the Mindstate Behavioral Model: This academically validated and industry-adopted model, outlined in the book "Marketing to Mindstates," provides a structured framework for analyzing unstructured data. By aligning your data analysis with this model, you gain systematic insight into customer verbatims, uncovering previously unrealized needs, emotions, and desires.

Within this framework, three core psychological factors underpin all customer decisions: goals, motivations, and regulatory approaches. These three factors become lenses through which the model views customer verbatims and conversations, uncovering previously unrealized customer needs, emotions, and desires that shape customer interactions with your brand.
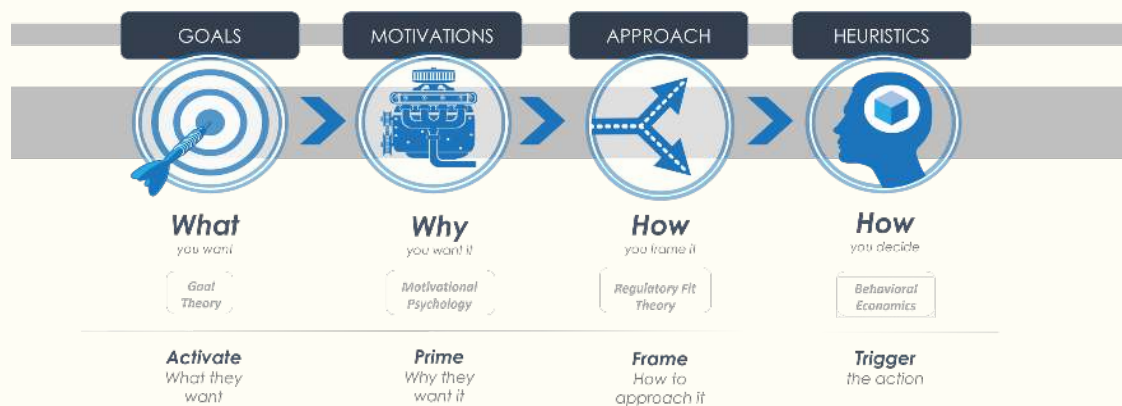
4. Analyzing and Extracting Insights: Deploy the Mindstate Model-trained Behavioral AI tool to analyze qualitative data. The AI will extract valuable insights into the psychological drivers behind consumer behavior, informing marketing strategies, innovation strategies, and more.

5. Increase Your Organizational Influence: Equipped with Behavioral AI, researchers can leverage deep psychological insights to present data-driven recommendations that elevate their impact and influence within their organization.

In the world of market research, an over-reliance on surveys has led to an abundance of "what" data but very little understanding of the emotional "why" driving these insights. By combining behavioral science research with artificial intelligence, Behavioral AI enables businesses to analyze unstructured data, extract deep psychological insights, and make consumer-focused decisions. The future of market research lies in seamlessly blending this advanced technology with an objective understanding of human behavior.

Take the first steps in implementing Behavioral AI today, and embark on a journey of discovery that will reshape your understanding of consumer behavior and fuel business growth.

Continue the conversation and learn more about Behavioral AI by contacting the Mindstate Group at http://mindstategroup.com

Ready to Connect?

At Mindstate Group, we use behavioral science-based market research to uncover new, smart, actionable insights to grow brands and increase your organizational in uence and impact.

To discuss how behavioral science research can be used to grow your brand, visit https://mindstategroup.com to schedule a discovery call or access our free resources.

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