Designing
Rules of Thumb

toolkit

commonwealth

behind the scenes

The inspiration:

Commonwealth was inspired to share our design process with the financial services community, as we believe it is another way to think about scaling our work. If sharing our design process can help support innovation in this field, then ultimately we are all achieving our goal of reaching and positively impacting consumers.

Commonwealth used this rule of thumb (ROT) design process to develop ROTs for consumers who carry a balance on their credit cards. The Urban Institute (Urban) performed an evaluation of the rules and the Consumer Financial Protection Bureau (CFPB) funded the development and evaluation of the rules of thumb. The Design Kit is a product solely of Commonwealth. The full evaluation is available on Urban's website under publications.[1] would like to acknowledge our partner, Arizona Federal Credit Union (AZFCU), for participating in the ROT implementation and evaluation and Guarino Design Inc. for the layout of this toolkit. Commonwealth would also like to acknowledge Sarika Abbi for thoughtful contributions to the ROT process and development of this toolkit, and The Mauch Group, LLC for the copywriting and design of the ROT visual collateral.

We hope his toolkit and design process helps you design solutions to address financial challenges consumers face.

The designers:

This toolkit was designed by Commonwealth, a mission-driven organization that strengthens the financial opportunity and security of vulnerable consumers by discovering ideas, piloting solutions, and driving innovations to scale.

Commonwealth invests its creative time and energy on the design and deployment of financial solutions that can positively impact the lives of vulnerable consumers. We create and use a variety of tools, resources and techniques to inspire our thinking and innovative process. At the heart of our design process is the consumer – resulting in the design, delivery and scale of financial tools and services that have meaningfully impacted the lives of consumers.

Contact Us.

- Need help with your design process?
- We are constantly refining. Have any insights or learnings from your use of the toolkit?
- Share your story with us. We would love to hear how you used this toolkit and what you learned from your ROT design and delivery.

To learn more about our work and our financial innovations, visit www.buildcommonwealth.org

Please reach out to us at info@buildcommonwealth.org

1 Theodos, Brett, Christina Plerhoples Stacy, Margaret Simms, Katya Abazajian, Rebecca Daniels, Devlin Hanson, Amanda Hahnel, and Joanna Smith-Ramani. An Evaluation of the Impacts of Two "Rules of Thumb" for Credit Card Revolvers. Rep. Urban Institute, n.d. Web. <http://www.urban.org/research/publication/evaluation-impacts-two-rules-thumb-credit-card-revolvers>.

Commonwealth's Innovation Process

Over the last 15 years, Commonwealth has developed and refined its own approach to developing innovations. Our 4 stage innovation process includes: Discovering insights and forming them into product, service or policy ideas (Discover). We then design cohesive real world products based on those deas (Design) and pilot them in market to determine which hold appeal to consumers, generate positive consumer impact, and are economically sustainable (Pilot). For ideas that pass the test, we seek to find and motivate partners to move them to broad scale (Scale). Commonwealth's approach has proven effective, producing products and policies used by more than a million Americans and responsible for helping over 300,000 households build $200MM in savings.

discover	design	pilot	scale
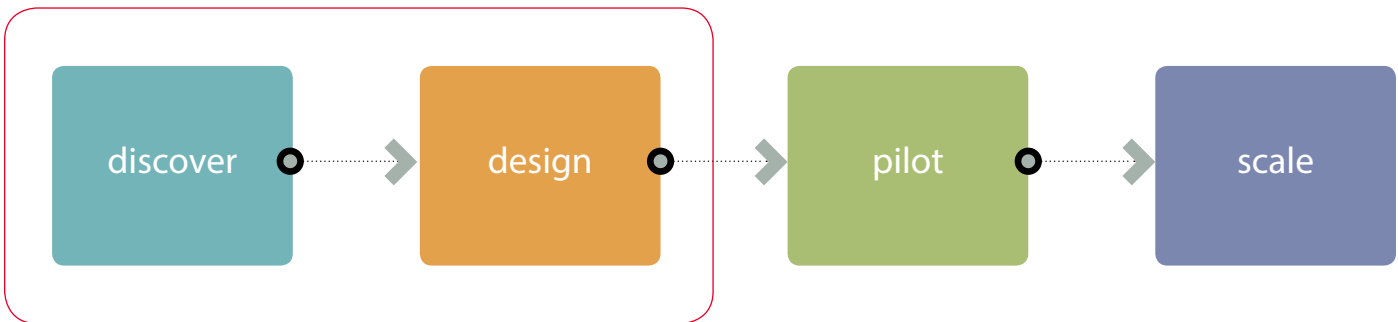
This Rules of Thumb Toolkit will focus on the first half of our ideation process, looking at the techniques Commonwealth employed to discover and design Rules of Thumb for consumers.
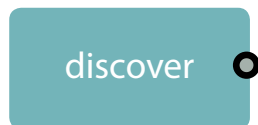
discover

Designing Rules of Thumb requires Discovering the problem that is being targeted by Defining the issue, Gathering information about consumers insights, attitudes, actions, and beliefs, Ideating possible solutions, and Vetting solutions with consumers and partners.

design

After a solution has been identified, Designing what will be tested through Preparing communications with consumers and design teams and Refining final implementation channels and materials.

who is this Toolkit for?

This toolkit is for financial services providers and community organizations interested in:

- Solving a consumer financial challenge
  If there is a consumer problem you are trying to address, this toolkit could help you create the right solution. It provides the learnings and tools needed to design a solution for challenges consumers face in financial decision-making.

- Designing rules of thumb and measuring their impact on consumers
  This toolkit focuses on the design of rules of thumb (ROTs), simple, actionable guidelines that can help consumers with financial decision-making. If designed well, they are easy for consumers to remember and clearly communicate the action required. This toolkit will guide you through a process to create a rule of thumb, so you can deploy it to your consumers and assess the impact it makes on financial decision-making.

- Learning a consumer-centric design approach
  To design the solution, this toolkit uses a consumer-centric approach, from defining the consumer problem that is being addressed to refining the solution to offer consumers. Keeping consumers top of mind and integrated into your design process will strengthen both your process and outcome.

Designing Rules of Thumb

What is a Rule of Thumb?

A rule of thumb is a simple, actionable message that can guide consumers on a decision or action. It is meant to cover a variety of situations and thus there may be exceptions to how consumers should apply the rule. Designing and offering a simple, clear, and actionable rule to consumers has the potential to change financial decision-making and positively impact consumers' behavior.

Design Matters. A well-designed rule of thumb is:

- Simple
- Memorable
- Actionable
- Broadly applicable

Delivery is Key. A rule of thumb needs to reach consumers through the right channel(s) and at the right time(s) to be effective. This includes delivery:

- From a known, reliable, trusted source
- Through an easily accessible, frequently used channel
- At a time and frequency that aligns with the action required

Sample Rules of Thumb seen in financial decision-making:

You should always save at least 10 percent of your income toward your retirement

Your emergency fund should equal six months' worth of household expenses

Always pay off your highest-interest credit cards first

ROT design process

The toolkit incorporates our six-stage design process for rule of thumb design. The design process takes a consumer-centric approach, using the insights and perspectives of consumers to inform each stage of our process.

Define

Identify the consumer problem that the rule of thumb is trying to address. It is important to have a clear problem statement to guide the entire design process.

Gather

Gather information to develop insights into consumers' behaviors, attitudes, actions, and beliefs as they relate to the defined problem.

Ideate

Brainstorm to develop as many rules of thumb as possible. This phase is not about narrowing or decision-making. It is purely about inspiring and ideating.

Vet

Vet the ROT ideas generated to narrow down to a final list of potential rules of thumb to test.

Prepare

Prepare for communicating your ROT to consumers. This phase of the design process will vary for organizations deploying the ROT and those working with a partner to deploy the ROT.

Refine

Develop options for your ROT content and communication designs. Test with consumers to finalize the content and communication designs of your rule of thumb.

Identify the consumer problem that the rule of thumb is trying to address. It is important to have a clear problem statement to guide the entire design process.

define

In the Define phase you:

- Focus on a specific problem consumers face where a ROT could be beneficial

- Develop a strong, clear, consumer-focused problem statement

- Create an evidence-based approach to understanding and defining a problem statement, with a goal of removing any personal biases

define activities

Conduct research

Develop problem statement

case study:

ROT for Credit Card Revolvers

Commonwealth used this ROT Design process to develop rules of thumb for consumers who carry a balance on their credit cards and worked with partners to implement and test the rules. Throughout this toolkit, we will use examples from that study[2] to illustrate the ROT design phases.

General Consumer problem: Many consumers struggle to manage their debt, both in credit usage and debt repayment.

The Define phase was used to determine:

- Type of debt to prioritize for our ROT design

- Problems consumers face with this type of debt

- Whether a ROT has the potential to address these problems

2 Theodos et al., An Evaluation of the Impacts of Two "Rules of Thumb" for Credit Card Revolvers.

define activities

Conduct Research

Conduct primary and secondary research to better understand the problem you are trying to solve for consumers. Before you start, develop key research objectives to guide your work. The type of research you conduct will depend on the:

- Consumer problem you are trying to address
- Resources and time available
- Gaps in understanding

tips

There are many types of research you can conduct in this phase, including:

- Interviewing employees who interact directly with consumers to gain a deeper understanding of the problem

- Interviewing experts in the field who can provide insight into the consumer problem

- Analyzing existing surveys or data to understand the extent and depth of the problem

- Reviewing relevant literature or articles

define   activities

Develop Problem Statement

Develop a problem statement that will guide your design process. You want a statement that is:

- Consumer-centric

- Solution-oriented

- Focused

As you work with your team to develop the problem statement:

- Create team-wide understanding of the research conducted and findings

- Agree on the target consumers and behaviors to impact

- Share concerns about the findings including conflicting information or varying perspectives

- Remove personal biases from the discussion, focusing on evidence to develop your problem statement

- Work collectively to develop the problem statement

case study:

ROT for Credit Card Revolvers

Defined Problem Statement: How can we help credit card revolvers better manage their credit card usage?

This problem statement is:

- Consumer centric: "help credit card revolvers"

- Solution-oriented: "better manage"

- Focused:

  o Targeted consumer: "credit card revolvers"

  o Targeted behavior: "credit card usage"

Create a well-defined problem statement that provides clarity and direction, but keep it broad enough so insights from each stage of the design process can help you narrow in on the specific consumers and behaviors for your ROT design.

gather

Gather information to develop insights into consumers' behaviors, attitudes, actions, and beliefs as they relate to the defined problem.

In the Gather phase you:

- Collect information to strengthen your understanding of the consumers and their perspectives

- Continue to address gaps in understanding

- Begin to identify specific behavior(s) and narrow in on target consumers for the design of your ROT

- Better understand whether a ROT could be a solution to your defined problem

gather activities

In-depth interviews with consumers

Interviews with experts

case study

ROT for Credit Card Revolvers

To determine which credit card revolvers and what specific behaviors to focus on for our ROT design, we used the Gather phase to understand:

- Consumers' attitudes towards their credit cards

- Specific problems consumers have with their credit cards

- Credit card usage, specifically spending and payment behaviors

- Potential influence a ROT could have on consumers' behaviors

- Effective ways to share a rule of thumb, including information source, delivery channel and timing of delivery

- Consumers' use of rules of thumb in their day-to-day lives

gather activities
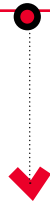
In-depth Interviews with Consumers

Conduct in-depth interviews with target consumers to gain their perspective on the problem. For this activity:

- Create an interview guide - Develop clear goals and objectives for your interviews, and design an interview guide with:

  o Open-ended questions - Set up a discussion format to engage in a rich conversation

  o No "why" questions - Understand consumers' attitudes, actions, and behaviors in a non-judgmental way

  o Background questions - Gain context to understand consumers' perspectives

- Find target consumers to interview - As you search for consumers, keep in mind:

  o Target consumers - Select a diverse group of consumers to interview that meet your target demographics and behaviors

  o Number - Depth of conversation is more important than quantity of conversations. Plan to spend 2 hours each with 4 to 6 consumers

- Conduct in-depth interviews - When conducting your in-depth interviews keep in mind:

  o Space - Conduct your in-depth interviews in a place conducive to an open, honest conversation

  o Co-Interviewer - Go with a colleague, so one guides the discussion while the other takes notes and focuses on consumers' body language

  o Interview Guide - Don't strictly follow your interview guide. Use it as a reference but engage in a conversation

  o Capturing Conversation - Ask for consumers' consent to record the conversation (audio/video)

tips

- Develop a screening tool to help you identify and select participants

- Interview with an open-mind

- Approach a subject from multiple angles to gain depth of understanding

- Pay attention to body language and facial expressions

- Keep your discussions broad for context but focused to gain insights for ROT design

gather activities

Interviews with Experts

Consider supplementing your IDIs with expert interviews to gain additional insight on consumers' behaviors. For this activity:

- Reach out to experts - Schedule time to interview practitioners, academics, or policy makers with expertise in the defined consumer problem

- Determine interview objectives - Keep in mind any:

    o Gaps in understanding

    o Specific consumer behaviors you want to better understand

    o Initial learnings or insights you want to validate or question

Brainstorm to develop as many rules of thumb as possible. This phase is not about narrowing or decision-making. It is purely about inspiring and ideating.

ideate

In the Ideating phase you:

- Develop focus for your brainstorming efforts, without limiting creativity

- Create opportunity for multiple brainstorming sessions, including both individual and group brainstorming

- Design first drafts of rules of thumb

ideate activities

Group brainstorming

Individual brainstorming

case study:

ROT for Credit Card Revolvers

From our research in the Define phase and interviews in the Gather phase, we narrowed in on six credit card behaviors to guide the Ideate phase of our design process. Specifically, we focused on how to help consumers:

- Limit their credit card use for non-essential spending

- Manage their credit card use for impulse spending

- Understand the cost of their credit card use

- Strengthen their awareness of credit card usage

- Pay down their credit card debt faster

- Improve management of their credit card debt

ideate
activities

Group brainstorming

Use group brainstorming to help you generate ideas for your ROT designs. In group brainstorming:

- Ensure diversity by inviting individuals who are not actively involved in the project
- Create an environment that supports active participation without judgment
- Engage all participants by keeping the groups small
- Limit a session to 60-90 minutes
- Consider having more than one session to generate more ideas and integrate additional participants
- Design clear brainstorming prompts to provide structure and guidance to the session. Prompts help focus the brainstorming efforts without limiting the ideas generated

As you brainstorm:

- Find creative ways to integrate everyone's perspective into the session
- Build off of each other's ideas. Ideas are often generated or refined from hearing the thoughts of others in the room
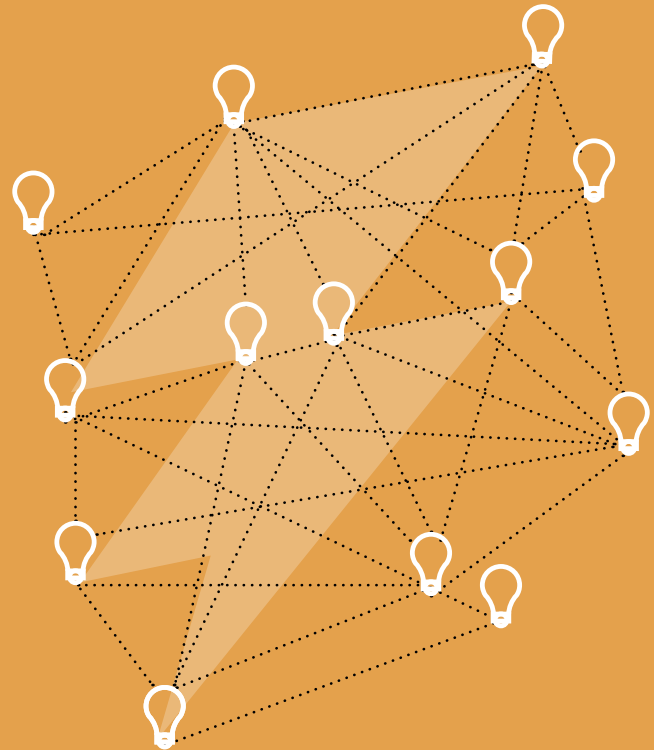
tips

Designing Brainstorming Prompts

Create brainstorming prompts that target the specific behaviors or actions you want to address with your ROT design. When designing your brainstorming prompts:

- Be action-oriented
- Be solution-focused
- Be specific

Sample Prompts:

"How might we help consumers minimize fees on prepaid cards?"

"How might we encourage consumers to save a portion of their refund at tax time?"

Individual brainstorming

Individual brainstorming is a helpful way to give team members an opportunity to spend time collecting their thoughts and independently generating new ideas. There is no sequence in which individual and group brainstorming activities need to take place but both are important to explore in the ideate phase.

Encourage members of the team to allocate time for individual brainstorming. When brainstorming independently:

- Create structured individual brainstorming sessions, using prompts or guides, to focus your individual thinking or consider a more informal brainstorming process

- Consider brainstorming immediately after research has been conducted and when new information and insights are top of mind

- Capture ideas that come to mind when you aren't focused on this work, so you don't forget them

case study:

ROT for Credit Card Revolvers

Through our brainstorming efforts, we generated a long list of draft ROT designs in the Ideate phase.

Targeted Behavior	Draft ROT
Limit credit card use for nonessential spending	For any purchase under $X amount don't use your credit card
Manage credit card use for impulse spending	Reevaluate before you purchase by leaving your online shopping cart for 24 hours
Understand the cost of card use	To get an idea of the cost of a purchase when you use your credit card, add $X to each purchase
Strengthen awareness of credit card usage	To know how much you are actually spending on your credit card each week, check your balance every Sunday
Pay down credit card debt faster	Every month, you should pay at least $x above your minimum payment
Improve management of credit card debt	Move your payment date to 3 days after your paycheck comes in by calling your credit card company

Don't worry about getting the ROT design right, but try to capture as many ideas as possible.

vet

Vet the ROT ideas generated to narrow down to a final list of potential rules of thumb to test.

In the Vet phase you:

- Create a thoughtful process to narrow to a subset of strong ROTs

- Gain the consumers' perspective on the rules of thumb

- Generate a final list of ROTs based on where there is potential for impact

vet activities

- Internal review and ranking

- Test with consumers

- Narrow to final list of ROTs

case study

ROT for Credit Card Revolvers

Developing criteria will help guide the Vet phase of the design process. To narrow down to our final list of potential ROTs to test we used the following criteria:

Internal Review and Ranking	Test with Consumers
• Design Strength - Do we believe the ROT is a strong rule? • Relevance -Does it address the problem we are trying to solve? • Deliverable - Can it effectively be communicated to consumers? • Measurable - Can we gather the necessary data to evaluate its impact? • Evidence-base - Is it supported by findings from our IDIs?	• Usage - Would consumers use the ROT? • Behavior - What specific behavior does it target? How prevalent is this behavior in our target consumers? • Effectiveness - Does the ROT have the potential to effectively change behavior?

vet | activities
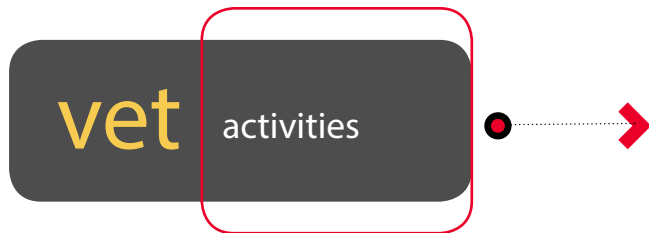
Internal review and ranking

Internal review and ranking is a crucial start to this stage of the design process as it helps you narrow down to a subset of rules of thumb to externally vet with consumers. For this activity keep in mind:

- Organizational goals - Recognize your organizations goals and objectives to assess whether the ROTs meet them

- Consumer problem - Ensure the ROTs address the defined consumer problem and have the potential to impact the behavior(s) of interest

- Target audience - Explore ROTs that you believe will reach your target consumers

- Strength of the ROTs - Ensure the rules of thumb are strong. Are the ROTs simple? Actionable? Objectively measurable?

- Implementation - Determine whether the ROTs are implementable for your organization. For instance a ROT might require:

  o Delivery through a channel or at a time that is not technologically possible or feasible

  o Might contradict other messaging or information to consumers

- Testing - Understand what you are interested in evaluating with your ROT offering to see if this is possible with the ROT designs

- Unintended consequences - Try to understand whether the ROTs might encourage behaviors that make the consumers worse off

Test with consumers

Test your narrowed list of ROTs with consumers to better understand their potential for impact before finalizing your list of potential ROTs. For this round of consumer interviews you will want to:

- Refine the ROTs - Don't worry about perfecting the rules, but edit to ensure simplicity and clarity for consumers

- Create an interview guide - Design an interview guide that:

  o Focuses on understanding consumers' reactions to and thoughts on the ROTs

  o Helps you understand their current behaviors as they relate to the ROTs

  o Collects consumers' thoughts on how the rules of thumb should interact with them (e.g. delivery source, channels, frequency)

  o Addresses any criteria you have for finalizing your ROTs

- Find target consumers to interview - Keep in mind:

  o Target consumers - Try to find consumers who could benefit from these specific ROTs based on their current behaviors

  o Number - With specific ROTs to test, aim for interviewing 8-10 consumers

- Conduct IDIs - To accurately gauge consumers' reactions to the ROTs:

  o Create a simple way to share the ROTs so consumers solely focus on the message

  o Only show one rule of thumb at a time

  o Randomize the order in which you share the ROTs to consumers

vet activities

tips

- Don't go to consumers with too many ROTs – keep it limited and focused

- Avoid a simple yes/no reaction to the ROTs. Dig deeper so you can better assess the potential impact

- Try to understand whether the ROTs are actionable for consumers

- Translate the rules of thumb into the language(s) they will be deployed in before vetting with consumers

- Ask consumers to choose and rank their favorite ROTs based on your predefined criteria

vet activities

Narrow to final list of ROTs

Narrow to a final list of 2 to 3 rules of thumb to move forward with in your design process. While you might have one that you feel most strongly about, it is important to have some back up options for the next stages in the design process.

To narrow down:

- Share findings from your test with consumers - Make sure everyone involved in the decision-making understands the results of your consumer interviews. Since your organization has already internally vetted the ROTs, the consumer findings should be a key factor in determining your final ROTs

- Finalize your list of ROTs - Keeping in mind your criteria, collectively decide which rules of thumb to move forward with in your design process
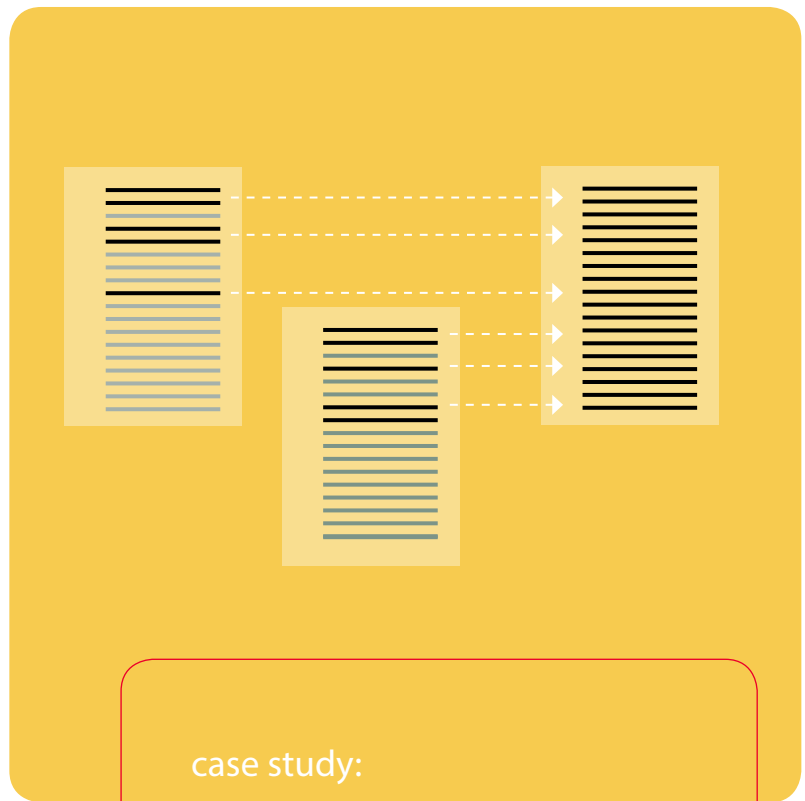
case study:

ROT for Credit Card Revolvers

In the Vet phase, we narrowed to 4 final ROTs to consider testing. Our goal was to test at least 2 ROTs, so we wanted 4 to consider as we entered the next phase of the design process.

Final ROTs[3]:

- Use cash instead of your credit card when making a purchase below $20

- Before making a purchase on your credit card, ask yourself how many hours you have to work to pay for this purchase. Is the purchase worth it?

- Every time you use your credit card for a purchase consider that you are paying at least an additional 20% on your purchase

- Pay off your entire credit card balance each month or pay at least two times your monthly minimum payment

3 Theodos et al., An Evaluation of the Impacts of Two "Rules of Thumb" for Credit Card Revolvers.

Prepare for communicating your ROT to consumers. This phase of the design process will vary for organizations deploying the ROT and those working with a partner to deploy the ROT.

prepare

In the Prepare phase you:

- Ensure the ROT of interest can be implemented and evaluated, based on operational and technological requirements, data needs, and resources available

- Determine how to operationalize the ROT offering and begin the necessary preparations

- Ensure staff, stakeholders, and partners are invested in the ROT and integrated into the decision-making and design process

- Select the ROT you will be offering to consumers based on interest of all parties and understanding of operational requirements

prepare activities

Partner selection

Internal delivery of ROT

case study:

ROT for Credit Card Revolvers

Since we were planning to work with a financial service provider to deliver the rules of thumb to their consumers, we focused our energy on the Prepare phase in finding interested partners and selecting a partner based on:

- Target consumers - Do they serve the population we are interested in reaching? Do they have a large sample of credit card revolvers in their portfolio?

- Communication strategies - How can we deploy a ROT to their consumers? Is there an opportunity to explore delivery through various channels?

- Evaluation feasibility - Do they have the technical ability to set up the test as needed? Would it be possible to connect the data to measure the impact of the ROTs?

- Engagement - Are they invested in financial education for their consumers? Are they interest in exploring rules of thumb and specifically our ROT designs?

- Resources - Do they have the resources needed to work with us to deploy the ROTs to consumers?

prepare   activities

Internal delivery of ROT

If your organization is delivering the ROT to your own consumers, use this phase in the design process to determine:

- Type of test - Determine whether this will be a small-scale test or full-scale launch. A small-scale test or soft-launch can provide early insight into the ROT's potential effectiveness and provide an opportunity to adjust operations, messaging, data collection, and delivery before a full-scale launch

- Consumers to reach - Figure out whether all or a subset of your consumers will receive the ROT. You may choose to target consumers based on behaviors or to perform a more robust evaluation. Once you determine this you can decide how to deploy the ROTs so they only reach the targeted consumers

- Operational needs - Determine what is operationally needed and feasible to deliver the ROT. Keep in mind technology, marketing, data, and staffing needs and begin preparing your systems and staff for launch

- Evaluation requirements - Understand the data requirements to assess the impact of the ROT. Make sure you have the systems in place and evaluation tools designed and available when needed

- Staff engagement - Ensure staff buy-in. Share your ROTs with your team to integrate them into the decision-making process

- ROT choice - Determine which rule of thumb to offer

- ROT design - Understand the requirements for the design of your ROT communication so it fits with your current communication strategy but stands out enough to attract consumers

- Delivery of the ROT - Decide how to deliver the ROT to your consumers. Think about the channel(s) for delivery, the timing(s) of the delivery, and the frequency of the messaging.

prepare activities

Partner selection

If your organization will be choosing a partner to deliver the rule to its consumers, keep the following in mind in your selection process:

- Develop partner criteria - Determine what factors are important to you in choosing a partner. Have a clear sense of what are "must have" criteria

- Cast a wide net - Finding a partner can be challenging, so keep an open-mind when seeking out partners

- Interview potential partners - Use the criteria established to interview potential partners to see which partners are engaged and a good fit

- Select partner - Select a partner, but always have a back up just in case

- Finalize ROT and delivery - Finalize your ROT and delivery of your ROT with the partner. Integrate them into the decision-making process so they are fully bought-in

- Integrate partner into the refine phase - Understand from the partner how the messaging or communication of the ROT needs to integrate with their designs and communication to consumers

- Begin preparing with your partner - See Internal delivery of ROT on what to think about as you prepare with your partner. You will also want to figure out additional processes and communication to ensure you have access to what you need from your partner in a timely, effective manner
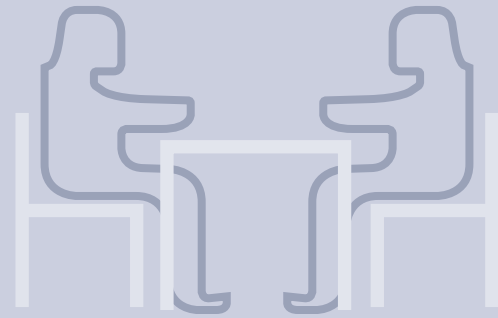
case study:

ROT for Credit Card Revolvers

"We partnered with Commonwealth to develop and deliver "rules of thumb" to our members involving credit card spending. We gained measurable insights in to how to optimize the communication and messages with our members across multiple mediums in our on-going effort to positively impact their financial lives."

Ronald L. Westad, President & CEO, Arizona Federal Credit Union

Develop options for your ROT content and communication designs. Test with consumers to finalize the content and communication designs of your rule of thumb.

refine

In the Refine phase you:

- Strengthen the wording of the rule to make it clear, simple, and concise

- Ensure the communication design of the ROT resonates with consumers and supports the ROT message

- Iterate until you feel confident in the ROT content and design

refine **activities**
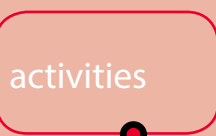
Design drafts

Conduct comparitive interviews

case study:

ROT for Credit Card Revolvers

As we entered the Refine phase, we had narrowed down to our final two rules of thumb for testing:

- ROT 1: Use cash instead of your credit card when making a purchase below $20[4]

- ROT 2: Every time you use your credit card for a purchase consider that you are paying at least an additional 20% on your purchase[5]

We worked with a professional copywriter and designer to help us strengthen the content of the rule and generate design families for the communication of the rule. Through an iterative process with them, we developed 3 content options for each rule and 3 design options. After presenting these to consumers, we decided on and felt confident in our final ROTs content and designs.

4, 5 Theodos et al., An Evaluation of the Impacts of Two "Rules of Thumb" for Credit Card Revolvers.

refine | activities

Design drafts

In this activity you will work with copywriters and design experts internal or external to the organization to draft 2-3 options for:

- ROT Content[6]
  - o Keep ROT phrases simple and concise so the expected action is clear and the ROT memorable
  - o As you reword, make sure you don't alter the ROT message
- ROT Design
  - o Depending on the delivery channel(s) used to share the ROT, you might need to design material for the ROT delivery
  - o Develop designs that complement the message being communicated
  - o Keep in mind all aspects of design - font size, font type, color as well as any illustrations or graphics
  - o Be creative with the design. Illustrations could be an effective way to get someone to pay attention to the actual ROT message

case study:

ROT for Credit Card Revolvers

ROT Content.

With the copywriters, we created three wording options for each of our final two ROTs. The first sentence in the ROT, designed as the most memorable, was the general rule of thumb. The supplemental sentence(s) provided additional direction and clarification.

ROT 1: Use cash instead of your credit card when making a purchase below $20.

Option 1: Don't swipe the small stuff.

Use cash when it's under $20.

Avoid credit cards for smaller purchases.

Option 2: Below $20?

Show some bill power.

Use cash to pay for smaller purchases.

Option 3: Cash puts you in charge.

Use real money below $20.

Pay cash instead of charging smaller purchases.

ROT 2: Every time you use your credit card for a purchase, consider that you are paying at least an additional 20% on your purchase.

Option 1: Credit comes with approximately a 20% cover charge.

Every time you charge a purchase, you get charged, too.

Option 2: Credit cards take tips-- approximately 20% for every purchase.

Include credit costs when you're adding up the total price.

Option 3: Credit keeps charging.

It adds approximately 20% to the total.

Credit cards add additional costs to every purchase.

6 Ibid.

refine activities

Conduct comparative interviews

To finalize the content and design of your ROTs, present them to consumers to gauge their reactions. For this activity:

- Prepare for your interviews - Develop the criteria you will be using to assess consumers' reactions to the ROT content and design, including:
  - o Do consumers understand the ROT?
  - o What is the action they see coming out of the rule? Is it clear?
  - o Is the ROT memorable? Is it simple?
  - o Does the communication design enhance the message?
  - o Do consumers trust the message?
- Find target consumers - Aim for at least 10-15 consumers to interview
- Conduct interviews - When conducting the interviews:
  - o Present the ROT content in basic font
  - o Once you have assessed the content, present the ROT with the designs. Present the design with the ROT content that resonated most with the consumer
  - o Randomize the order and present only one at a time

case study:

ROT for Credit Card Revolvers

We worked with a designer to create and test three design families for the delivery of our ROTs. We were deploying through various delivery channels – physical mailers, emails, and website ads, and wanted consistent design across all channels. We tested a:

- Traditional green design which closely replicated current financial advertising
- Chalkboard design
- Bold blue design using large block lettering and simple colors to emphasize the messaging.

The delivery mechanisms and communication designs you use can influence the effectiveness of the ROT, so it is important to gauge consumers' reactions to the delivery channels and communication designs

24

ROT in Action

Now you are ready to implement your ROT in you organization or with your partner. Keep the following in mind:

- Type of launch - Consider a trial or beta test with a small number of consumers. This allows you to refine your rule of thumb and communication designs before launching more broadly

- Timing of launch - Make sure it is the right time for you or your partner to implement the ROT, and for the consumers based on the behavior you are trying to influence

- Data to assess impact - Make sure you have access to the necessary data to evaluate the impact the ROT is having on consumers. Try to collect the data on an ongoing basis for early analysis and to ensure all the data needed is received and accurate

- Length of study - To understand the impact of the rule of thumb, you want to assess consumers' behavior over time. The length of time will depend on the specific ROT and the financial decision it influences

- Refinement - Sometimes we need to test, evaluate, refine, and test again to gauge the potential of our ROTs.

case study:

ROT for Credit Card Revolvers

In our test, the following two rules were delivered to consumers through one or multiple channels (email, physical mailer, website ad):

ROT 1: Don't swipe the small stuff. Use cash when it's under $20.

Avoid credit cards for smaller purchases.

ROT 2: Credit keeps charging. It adds approximately 20% to the total.

Credit cards add additional costs to every purchase.

Key Findings[7]:

- ROT Design - Ensure your rules are not just informative but easily actionable for the consumer. ROT 1 appears to have been more effective than ROT2, possibly because it provided a clear, simple action for consumers to take.

- ROT Delivery - Keep the delivery of the rule simple and consistent. While all of the delivery channels were effective, it was more effective to deliver the message through one channel than multiple.

7 Theodos et al., An Evaluation of the Impacts of Two "Rules of Thumb" for Credit Card Revolvers.
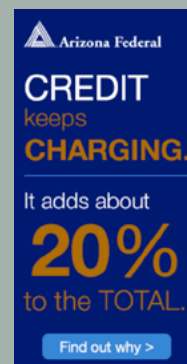
commonwealth

114 Western Avenue, Boston, MA 02134

(617) 541-9066

www.buildcommonwealth.org