

ROAST™

# How Brands are Leveraging Behavioural Biases in PPC Ad Copy

An analysis of the mortgage market

# CONTENTS

Introduction to Behavioural Economics	2
Bringing Behavioural Biases into Digital Marketing	3
The Biases	4
Our Methodology	6
Our Findings	7
Implications	14
Next Steps	15
Contributors	16

# Introduction to Behavioural Economics

In 2002 when Daniel Kahneman became the first psychologist to win the Nobel prize for Economics it represented a shift in the way that Economists viewed consumer decision making, away from the rigid view that consumers make choices guided by strictly logical factors, and towards the more nuanced view that decisions are influenced by a number of 'behavioural biases'; cognitive shortcuts that take the hard work out of decision-making whilst making it somewhat irrational.

Since then the field of Behavioural Economics has been built on the

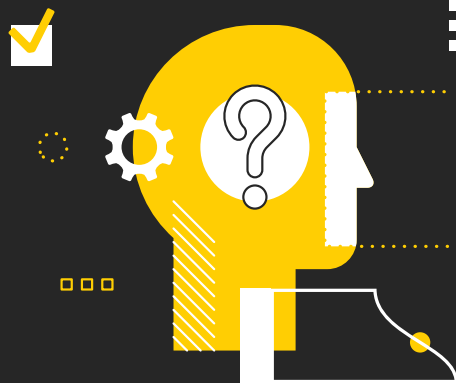
basis provided by Kahneman and his research partner Amos Tversky by thinkers such as Richard Thaler and Cass Sunstein who co-wrote 'Nudge', the best seller which helped push the field into the mainstream.

Marketing thought leaders such as Rory Sutherland, Richard Shotton, and Phil Barden have led the charge in sharing how Behavioural Economics not only provides explanations for many of the ideas that marketers had always held to be true, but also how it can inspire new strategies to drive growth for brands.



# Bringing Behavioural Biases into Digital Marketing

*The speed, scale and flexibility offered by Digital Marketing make it the perfect sandbox in which to test Behavioural Biases.*



The speed, scale and flexibility offered by Digital Marketing make it the perfect sandbox in which to test Behavioural Biases, with Pay-per-click (PPC) advertising being an excellent candidate for quick test-and-learn.

At ROAST we've been leveraging the power of Behavioural Biases in PPC for years, and our recent advances in Natural Language Processing (NLP) and Machine Learning have allowed us to analyse large data-sets with increasing speed and consistency.

In this study we have chosen to look at the six biases analysed in Google's 'Decoding Decisions - Making The Most of the Messy Middle' study from July 2020 and apply them to a study of PPC ad copy used by Mortgage businesses.

## Why Mortgages?

The beauty of this analysis is that it can be performed on any sector, vertical, or set of competitors.

**We've chosen mortgages in this case for two key reasons**

# 01

At ROAST we've been building and executing PPC strategies for financial services brands for over five years, so we're experts in this area.

# 02

We believe the Mortgage space is particularly interesting at this moment in time, with a number of market forces in play, such as the the Stamp Duty holiday, and disruptive digitally native challenger brands putting pressure on the established market leaders.

## Why these six biases?

There are far more than six behavioural biases (in fact we have identified over 100), and many are applicable to PPC ad copy, but choosing the same biases as Google enables us to build on the findings of their study in a way which we believe will help progress our industry's knowledge in this area.

# The Biases



## Authority Bias

Leveraging positive signals from recognised bodies or experts in order to reduce the cognitive load on the consumer.



## Category Heuristics

Using recognised category signals which provide short-cuts for buyers to make informed decisions.



## Power of Free

The price of £0 is irrationally more exciting than any other price, so much so that consumers will prefer a deal with a £0 component to a deal that offers objectively better true value.

## Mortgage Specific Examples

Ad · [www.habito.com/](http://www.habito.com/) ▾

### Find Better Mortgages Rates - We Scan The Whole Market

Apply for a **mortgage** at the best **rates**. Get a quote in minutes & let us do the rest. Voted

**Best Mortgage Broker 2020 in the British Bank Awards**. We make **mortgages** easier.

Unbiased Free Advice. Whole Market Coverage. Fast & Simple. As Seen On TV.

★★★★★ Rating for habito.com: 4.8 - 151 reviews

[Remortgage](#) · [About Habito](#) · [First Time Buyers](#) · [Compare Services](#) · [Mortgage In Principle](#)

Ad · [www.remortgagequotesonline.co.uk/freequotes/savemoney](http://www.remortgagequotesonline.co.uk/freequotes/savemoney) ▾

### 1.34% Fixed Rate Mortgage - £100,000 Mortgage From £381/mo

Let Us Find You The Best Deal. Free, No Obligation Advice & Quotes. Get Lower Payments

Now! Get Your Free Quote Now **0.99% Remortgages**. No-Obligation Quotes. Lower Monthly

Repayments. Trusted Brands. Bad Credit Approvals. Get Fast & Easy Quotes!

[Remortgage Comparison](#) · [Get Low Remortgage Quotes](#) · [Buy to Let](#)

Ad · [www.trussle.com/](http://www.trussle.com/) ▾

### Compare Mortgage Rates - Save Up To £344 a Month

**Fee Free Expert Mortgage Advice** We Help You Choose The Right Deal. Only 15 Mins To

Apply. We Compare 90 Lenders. Expert **Mortgage** Broker.

★★★★★ Rating for trussle.com: 4.8 - 582 reviews

# The Biases



## Power of Now

Humans are hard-wired to be biased towards the present and will over-value offers that are available instantly. Simply put, people hate waiting.



## Scarcity Bias

People instinctively value limited resources, this applies whether products are 'time limited', 'quantity limited', or 'access limited'.



## Social Proof

When unsure, consumers tend to copy what others have done - so signalling popularity can be highly persuasive.

## Mortgage Specific Examples

Ad · [www.remortgagequotesonline.co.uk/](http://www.remortgagequotesonline.co.uk/) ▾

### 1.34% Mortgage Compare - Compare UK Remortgage Deals

See the lowest **rate** you qualify for **in less than 3 mins** from 80 **mortgage** lenders. 5\* Rated. Special **Rates** - 0.99% Trusted Brands. **Get Fast & Easy Quotes!** Search Whole UK Market. [Remortgage Comparison](#) · [Compare 100 Lenders](#) · [Buy to Let](#)

Ad · [www.remortgage-rates.co.uk/mortgages/get\\_a\\_quote](http://www.remortgage-rates.co.uk/mortgages/get_a_quote) ▾

### Best Mortgage Rates - Compare Quotes Today

Low **Rates** From as Little as 0.99% - Start Saving Now. Get a Quote. **Exclusive Deals.** **Mortgage** Experts. **Exclusive Rates** **Top Rates**. Quick Compare **Broker Exclusives** Debt Consolidation. Quick Quotes. Types: Compare **Mortgages**, **Mortgage** Quotes.

Ad · [www.mojomortgages.com/](http://www.mojomortgages.com/) ▾

### Mortgage Rates - Compare Over 90 Lenders

We Search The Entire Market Saving You Time & Money On Your **Mortgage**. Find Out More! Get Free Expert Advice & Let Us Take Care Of You During Your Application Process. Free **Mortgage** Broker. Free Expert Advice. Low Interest **Rates**. Easy Remortgages. **★★★★★** Rating for [mojomortgages.com](http://mojomortgages.com/): 4.9 - 330 reviews [Mortgage Calculator](#) · [UK's #1 Mortgage Broker](#) · [Fee Free Mortgage Broker](#)

## Our Methodology

01

The first step was to pull the relevant PPC ad copy. We identified over 50 domains that had been competing in the PPC auction for mortgage related terms in 2020 and used a tool to pull the copy from 2,000 PPC ads being used by these domains<sup>1</sup>.

02

Once we had pulled the ad copy, the second step was to manually tag a sample of the ad copy with the behavioural biases.

03

This sample could then be used to train the NLP model which could then analyse the rest of the ads itself.

04

Once the tool had tagged all the biases we performed further data analysis.



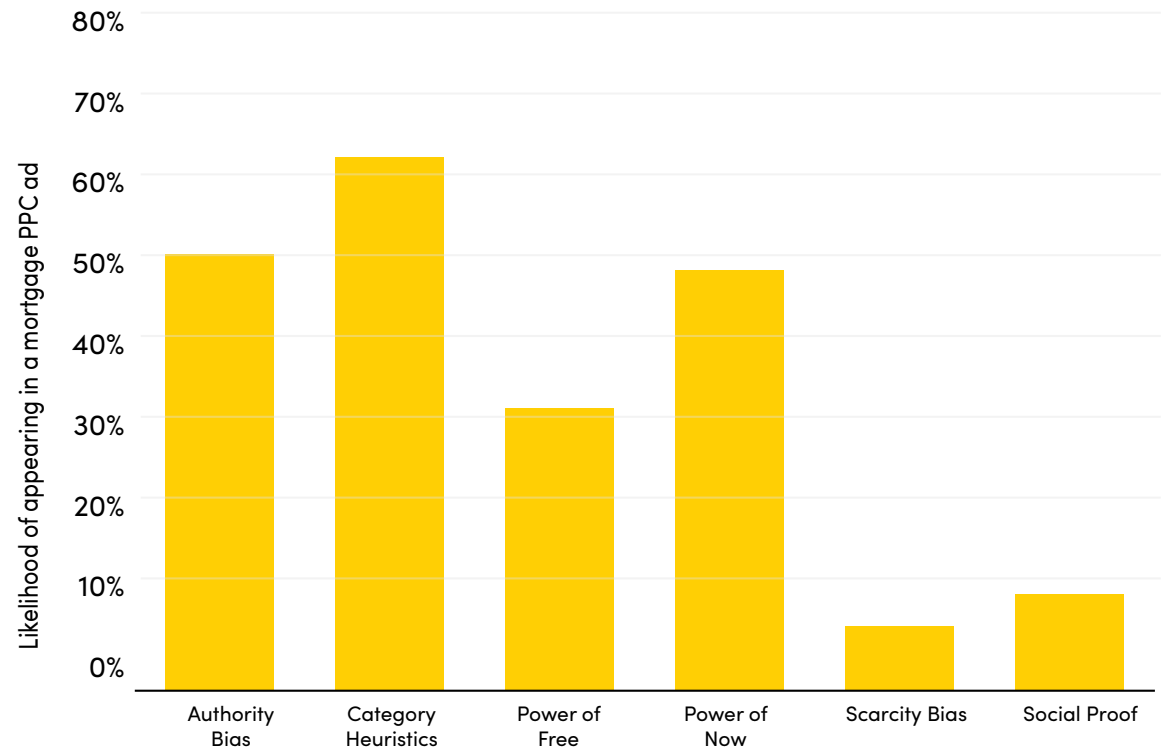
## Our Findings

Our study uncovered some interesting findings, from which biases were most and least popular, to which businesses were leveraging the most and the least biases, to the differences in number and type of biases used by different types of company.

### Breaking it down by Bias

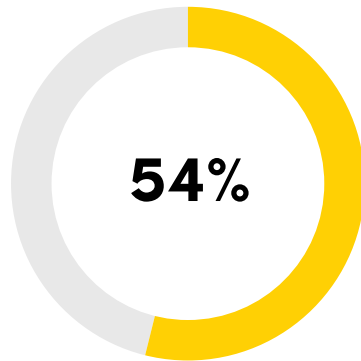
On average, we found that companies were using two of our six different biases per PPC ad. The popularity of each bias is shown in the graph on the right.

## Prevalence of Selected Biases in PPC Mortgage Ads



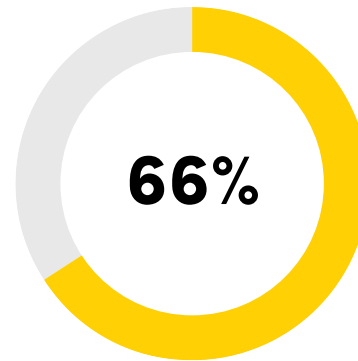


## Authority Bias



Authority Bias was the second most popular bias, found in 54% of ads analysed. Mostly this consisted of "Award-winning" type claims. In the Financial Services sector in general, trust is crucial as products are complex and potentially high-risk for consumers. Borrowing authority is an excellent way to inspire trust.

## Category Heuristics

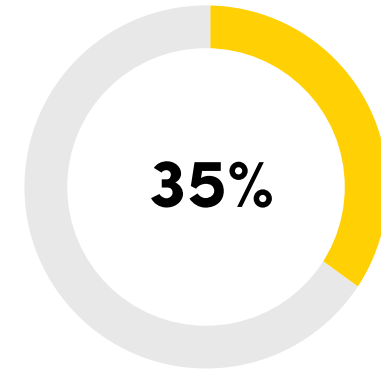


Category Heuristics was the most popular bias, found in 66% of PPC ads analysed.

**We identified dozens of different category heuristics being used to signpost good deals to consumers in this complex product set.**

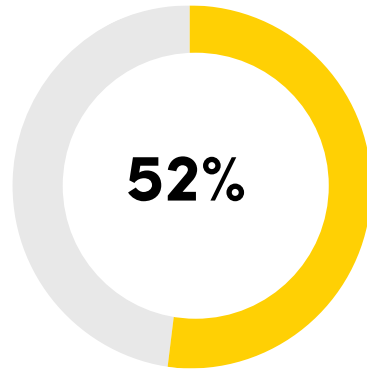
The sheer number of different category heuristics in play means it is not surprising that they were the most prevalent bias in this study.

## Power of Free



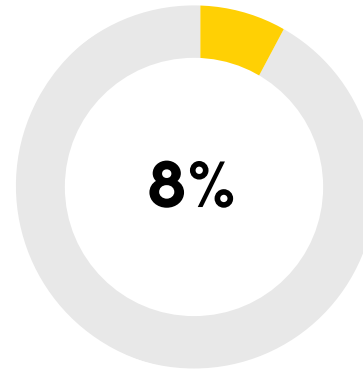
Power of Free was the fourth most popular bias, found in 35% of ads analysed. Many online brokers were offering "fee-free advice" or promoting the fact that their service was "free and easy".

### Power of Now



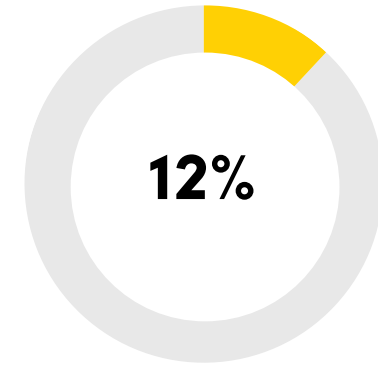
Power of Now was the third most popular bias, found in 52% of ads analysed. Power of Now was mostly tagged in ads promising quotes that were 'instant', 'fast', 'quick' or 'within minutes'.

### Scarcity Bias



Scarcity bias was the least popular bias of the six. Due to the nature of the product, we were not expecting the scarcity bias to be employed in its 'quantity limited' form, we were however expecting to see some 'time limited' variations encouraging consumers to take advantage of the Stamp Duty holiday. We were surprised not to find any ad copy addressing this, probably due to providers already experiencing a backlog which would make hitting the deadline difficult for new customers. We did however see some instances of 'access limited' scarcity bias, with banks offering 'exclusive' rates to existing customers.

### Social Proof



Social proof was the second least popular bias. A number of mortgage players used it, principally to show how many consumers were using them and how well reviewed they were, but this number was lower than we expected. At ROAST we believe that inspiring trust is essential in PPC ad copy for Finance brands, and we would expect brands that use social proof to be more successful in the auction than those that do not.

### Breaking It Down by Company

Looking at the data by company, we identified the advertisers with more than ten ad copy examples who were using the most and least behavioural biases per ad.

We found that expertcompare.co.uk had the highest average number of biases used per ad, with 3.26. At the other end of the scale, molofinance.com was using the lowest number of biases per ad, with only 0.89.

#### Top five sites by average number of biases used

expertcompare.co.uk	.....	<b>3.26</b>
virginmoney.com	.....	<b>3.16</b>
habito.com	.....	<b>3.14</b>
restless.co.uk	.....	<b>3.04</b>
unbiased.co.uk	.....	<b>2.86</b>

#### Bottom five sites by average number of biases used

molofinance.com	.....	<b>0.89</b>
cbonline.com	.....	<b>1.00</b>
lloydsbank.com	.....	<b>1.00</b>
halifax.co.uk	.....	<b>1.08</b>
mortgageable.co.uk	.....	<b>1.13</b>

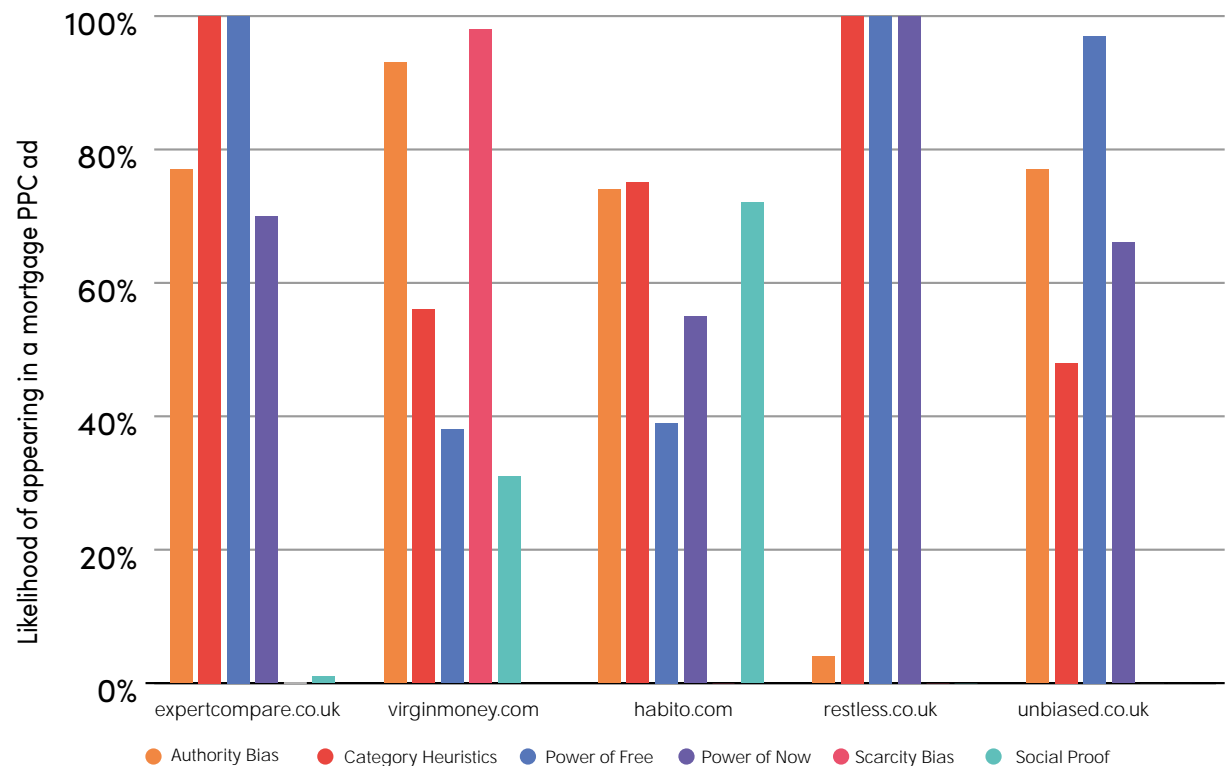
Digging deeper into the bias profiles of the top five sites allows us to uncover more insight.

Expertcompare.co.uk uses Authority Bias, Category Heuristics, Power of Free and Power of Now heavily but does not use Scarcity Bias at all.

Virginmoney.com is the only site in the top five to be using Scarcity Bias, and Habito.com is the only one to be using Social Proof.

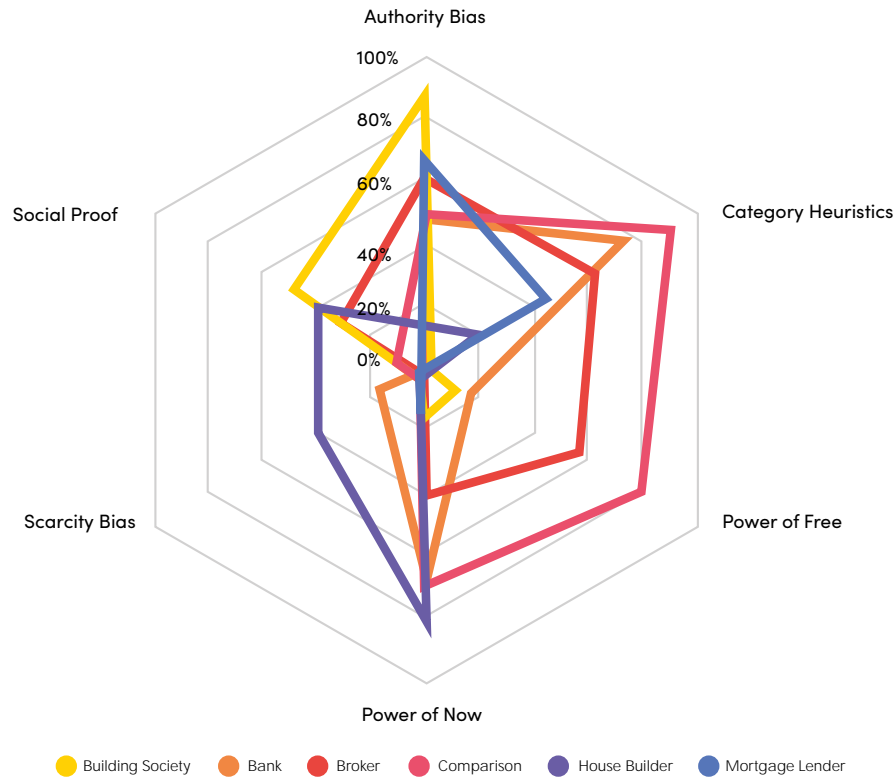
*As a brand, understanding not only your own Behavioural Bias Profile, but also that of your competitors can provide hypotheses for testing and ultimately fuel growth.*

Bias profile of the five brands using the most behavioural biases



## Breaking It Down by Company Category

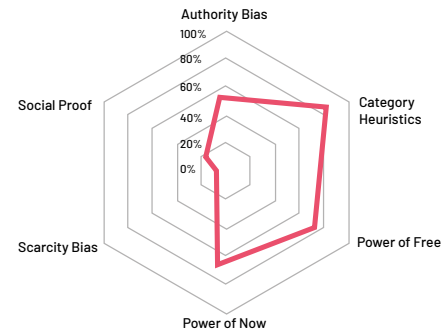
Biases Used by Mortgage Verticals



There are many different types of company successfully bidding on mortgage-related terms on Google, and splitting out our findings by company type enables us to see which different categories are most likely to employ behavioural biases and which specific biases they tend to use.

## Comparison Sites

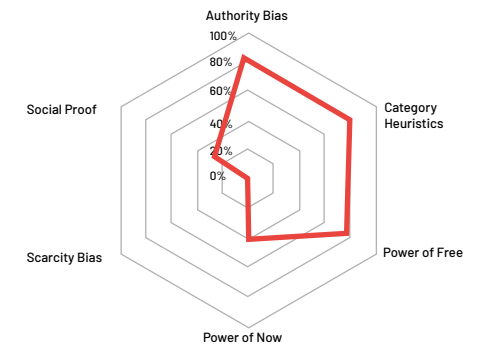
Biases Used by Comparison Sites



Comparison Sites, such as money.co.uk, uswitch.com and moneyguru.com averaged 2.91 biases per ad, with Category Heuristics being the most used, followed by the Power of Free.

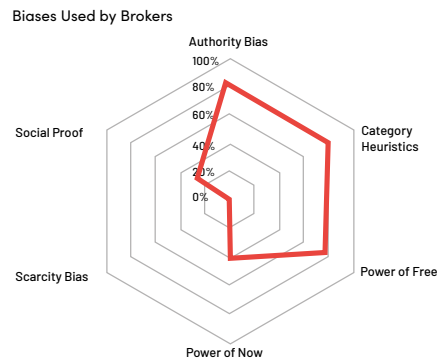
## Brokers

Biases Used by Brokers



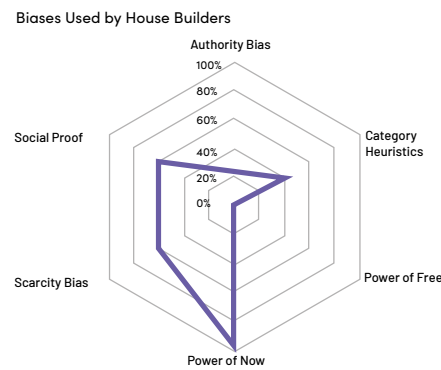
Brokers, such as landc.co.uk, habito.com and mortgagekey.co.uk, averaged 2.24 biases per ad, with Category Heuristics being the most used, followed by Authority Bias.

## Banks



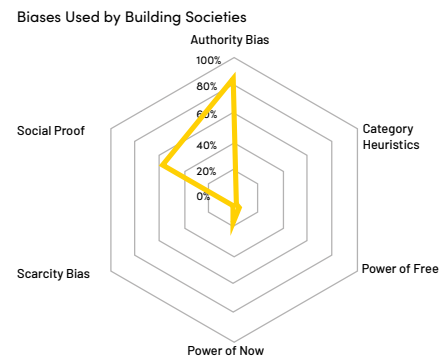
Banks, such as [barclays.co.uk](http://barclays.co.uk), [hsbc.co.uk](http://hsbc.co.uk) and [lloydsbank.com](http://lloydsbank.com), averaged 2.18 biases per ad, with Category Heuristics being the most used, followed by Power of Now.

## House Builders



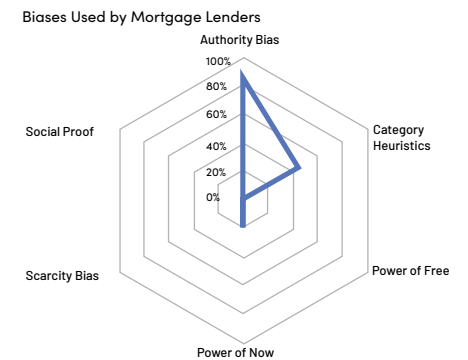
House Builders, such as [berkeleygroup.co.uk](http://berkeleygroup.co.uk) and [millerhomes.co.uk](http://millerhomes.co.uk), averaged 1.88 biases per ad, with Power of Now being the most used, followed by Social Proof.

## Building Societies



Building Societies, such as [cumberland.co.uk](http://cumberland.co.uk), [ybs.co.uk](http://ybs.co.uk) and [leedsbuildingsociety.co.uk](http://leedsbuildingsociety.co.uk), averaged 1.64 biases per ad, with Authority Bias being the most used, followed by Social Proof.

## Mortgage Lenders



Mortgage Lenders, such as [molofinance.com](http://molofinance.com), [rocketmortgage.com](http://rocketmortgage.com), and [bluestone.co.uk](http://bluestone.co.uk), averaged 1.27 biases per ad, with Authority Bias being the most used, followed by Category Heuristics.

# Implications

Our investigation into the usage of Behavioural Biases in Mortgage PPC Ad Copy builds on the work previously done by Google and others to apply concepts and learnings from Behavioural Economics to the field of Digital Marketing.

This project only scratches the surface of what promises to be a rich vein of insight for marketers in any sector, so the following Implications have been split out into Broad Implications (of interest to any marketer) and Mortgage-specific Implications (of particular interest to those working within the mortgage sector).

## Broad Implications

- Brands should be aware of behavioural biases and how they affect consumer behaviour.
- Brands should analyse what biases are being used by their competitors in order to differentiate (or imitate success).
- Brands should test and learn within a Behavioural Economics framework, using different biases in ad copy and understanding which are most likely to influence positive consumer behaviour.
- They can use their successful learnings beyond PPC ad copy across multiple consumer touchpoints - be it wider digital messaging, onsite copy or even ATL campaign planning.
- Understanding Behavioural Biases can do more than just increase advertising effectiveness, it can encourage a deeper psychological understanding of consumers and ultimately inspire new business strategies and products.

*Understanding Behavioural Biases can do more than just increase advertising effectiveness, it can encourage a deeper psychological understanding of consumers and ultimately inspire new business strategies and products.*



## Mortgage-specific Implications

- The mortgage advertisers we analysed used an average of 2.25 biases per ad, with Category Heuristics being the most popular, followed by Authority Bias. Advertisers should experiment with these biases to see how they affect their own CTRs.
- Using less popular biases such as Social Proof and Scarcity Bias will help brands differentiate from the competition. Social Proof can easily be leveraged by showing how many consumers use your brand and how much they like your product and Scarcity Bias can be employed by limiting quantity or time or creating exclusivity.
- The Comparison sites are leading the way in the volume of Behavioural Biases used in PPC ad copy, averaging 2.91 biases per ad. Other company types competing in the auction should take learnings from the Comparison Sites and apply them to testing on their own ad copy.





## Next Steps

At ROAST we are constantly applying Behavioural Economics principles to a broad spectrum of Marketing channels and our advances in Machine Learning and Natural Language Processing make pulling actionable insights from large data sets easier than ever before.

**If you are a brand in the Mortgage space who would like to understand more about this whitepaper and how your brand can use Behavioural Biases to gain a competitive advantage then don't hesitate to get in touch.**

For those outside of the Mortgage world, we will be continuing our research into Behavioural Biases in digital marketing across a finite number of sectors. If you would like us to focus on your category or competitor set then [get in touch now](#).

## Contributors



**Gareth Owen**

Group Managing Director at  
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Gareth is responsible for the whole of the TIPi Group, its strategic direction and product offering.



**Jamie Ross-Skinner**

Insights Manager at TIPi Group

Jamie spearheads the central insights offering at TIPi Group. He provides data-led consumer-centric insights which inform client strategies.



**James Dawkins**

PPC Senior Account Executive  
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James works in the Paid Media department at ROAST, recommending and implementing changes to improve performance on behalf of his clients.



**John Campbell**

Founder and Managing  
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John is the Founder and Managing Director of Rabbit & Pork, TIPi Group's Voice Experience arm. His team is responsible for voice strategy, voice search optimisation, and the creation of voice actions and skills.



**Erika Mendes**

Head of Biddable at ROAST

Erika is Head of Biddable Media at ROAST, she is responsible for leading the team's innovative work across all paid digital channels, including PPC and Paid Social.



## Endnotes

<sup>1</sup> The tool used was Semrush. Callouts were included in the ad copy analysis. Sitelinks were not included.

## Sources and Further Reading

Barden, Phil. Decoded

Google, Decoding Decisions - Making sense of the messy middle

Kahneman, Daniel. Thinking Fast and Slow

Shotton, Richard. The Choice Factory

Sutherland, Rory. Alchemy: The Surprising Power of Ideas That Don't Make Sense

Thaler, Richard. Misbehaving: The Making of Behavioural Economics

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