

Why context is everything

And why humans still do it better

In psychology, there's a quiet but uncomfortable truth: many of the field's most famous experiments don't hold up as well as we once thought. There is a **'Replication Problem'**. Run them in a different country, tweak the wording slightly, or shift the social setting - and the results can change dramatically. At first glance, this appears to be a failure of science. But it actually reveals something deeper and more interesting:

Human behaviour isn't universal in the way we hoped - it's profoundly shaped by context.

And that same truth helps explain something else people are debating today -

It all comes down to context, and humans do that better than AI. Because AI models context based on data patterns, it cannot understand or apply context based on lived experience.

This article unlocks the implications and opportunities for marketing.

Alongside Economics, Psychology underpins much of marketing theory and practice. 'Thinking, Fast and Slow' by Daniel Kahneman has been particularly influential, introducing many marketers to the ideas of the big System One brain, anchoring, framing, loss aversion, easy choice heuristics, and the power of extreme user experience. If the experiments on which this was all based are not always replicated across situations and cultures, it has profound implications for marketing.

Why humans are still better than AI at understanding the world

The replication problem isn't really a problem - it's a clue

When researchers began systematically re-running classic psychology studies, many didn't replicate cleanly. Effects shrank, disappeared, or even reversed. Cultural differences made things even messier - what held true among American college students often didn't apply elsewhere. This led to the so-called "replication crisis."

But calling it a *crisis* might be misleading. It's more like a correction because what these failures revealed is that human thinking and decision-making aren't built on fixed laws - it's built on **situated meaning**.

Take something like fairness, risk, or decision-making. These aren't just abstract cognitive processes. They are shaped by:

01
Cultural norms

02
Social expectations

03
Language and framing

04
Historical moment

> "Change the context, and you change the mindset

Kahneman got one thing very right

Daniel Kahneman's work on cognitive biases - like loss aversion and anchoring - has held up better than many other findings.

Risk aversion
– we fear losses more than equivalent gains

Anchoring
– we are influenced by arbitrary starting points

But even here, the story isn't as clean as textbooks suggest. The *strength* and even the direction of these effects can shift depending on culture or framing.

Some related findings (such as priming effects) have struggled to replicate. It turns out not all students walk more slowly after being primed by reading material about old age; only those in the West do. Kahneman himself acknowledged that some of his findings were unreliable.

So what's going on?

Context, Context, Context.

Context is not noise - it's the signal

For a long time, psychology treated context as something to control for - something messy that interfered with clean, universal truths. But now it's becoming clear that: -

Context isn't the thing you remove to see human nature - it *is* human nature.

We don't think in a vacuum. We think as members of cultures, in specific situations, with assumptions and histories.

A decision is never just a decision. It's always:

- A decision *in a setting*
- Interpreted *through meaning*



This is exactly where AI struggles

Modern AI systems are incredibly good at handling information. They can process massive amounts of text, detect subtle statistical patterns. But here's the catch.

It learns correlations between words, phrases, and situations. It can often produce responses that look deeply contextual. But it lacks something humans rely on constantly:

> AI doesn't actually understand context - it models it based on patterns in data.

01 Lived experience

02 Social intuition

03 Embodied understanding

04 Cultural grounding

AI does not do ‘subtle’ difference: An example

Imagine someone says:

“Nice job.”

A human immediately asks:

- What just happened?
- What’s the tone?
- Who is speaking?
- What’s our relationship?

From that, they infer whether it means:

- Genuine praise
- Sarcasm
- Passive aggression

AI can sometimes get this right - but it’s guessing based on patterns, *not understanding the situation from within.*

That difference becomes even more pronounced when context is incomplete, the cultural cues are unfamiliar and/or meaning is implied rather than stated.

Humans don't just process context - they live inside it

This is the key advantage humans have. We don't stand outside context analysing it, we are shaped by it, immersed in it, and continuously updating it

Our understanding comes from years of social interaction, good and bad emotional experiences and trial and error. That's why humans can:

01

Adapt across radically different situations

02

Interpret ambiguity

03

Navigate unfamiliar environments

Even when we make mistakes, we're operating within a rich web of meaning.

AI is powerful - but brittle

AI excels in environments where context is clearly defined, stable, and there is a lot of data. That's why it performs so well on structured tasks, such as coding in data-rich domains.

But when context becomes:

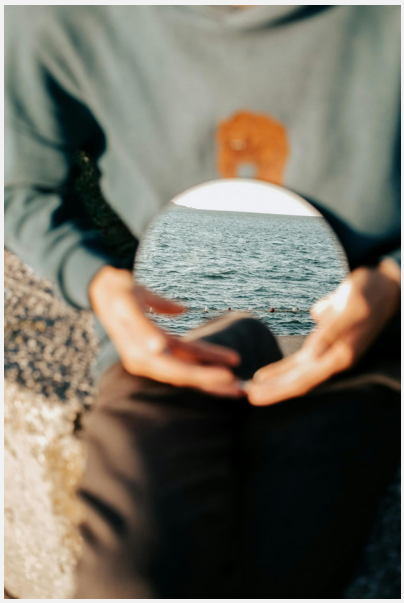
Implicit	Culturally specific	Rapidly shifting

AI can break in ways that feel surprising - or even nonsensical. This is where you can get the so-called 'hallucinations' - in plain language, plausible but false findings.

Context is complex and fluid

The replication issues in psychology and the limitations of AI are not separate problems. They point to the same underlying truth:

> Context is not a variable you can fully isolate or standardise.



And because of that, psychology struggles to produce universal laws, and AI struggles to generalise across real-world situations. Both are trying, in different ways, to formalise something that is inherently fluid. Only humans can do that.

That's why HI + AI is better; our role is to frame the problem or opportunity and add context. Most tasks can be done better and faster by AI, but only if guided by us.

HI + AI is better

So are humans better than AI at context?

Right now, yes - clearly. Not because we're more logical or consistent. In fact, we're often less so but because:

We understand context from the inside, not just from patterns. We don't just detect meaning - we participate in it.

So what?

This is all very interesting, but what are the implications for marketing? Here are 10 with well-known, real-world examples

01 There is no “universal message”

If psychological effects shift across cultures and situations, then **there is no single message that works everywhere.**

Example: McDonald’s (Global)

McDonald’s doesn’t just translate ads - it **reinvents meaning**:

- India: No beef, strong vegetarian positioning (McAloo Tikki)
- Japan: Limited-time novelty items (Teriyaki burgers, seasonal hype)
- France: Premium, café-style positioning (“McDo” as a lifestyle)

Same brand, completely different meanings depending on cultural context.

Implication: Localise and target - not just language, but meaning and test messaging across segments, not just channels.

02 Framing beats content

The same offer can perform very differently depending on how it’s framed. For example

Gain vs loss | **Social vs individual benefit** | **Urgency vs reassurance**

Example: Apple vs Microsoft

Both sell powerful computers - but:

- **Apple** frames products as *creative empowerment* and identity
- **Microsoft (historically)** is framed around *productivity and functionality*

Apple sells “Think Different,” not specs.

Implication: Same category, different framing → very different emotional response.

03 Culture is not a layer - it's the system

You can't always just "adapt" a campaign slightly for different markets where **Values** (e.g. status vs belonging), **Decision Styles** (individual vs collective) and **Trust Signals** (authority vs peer validation) vary.

Example: Dove "Real Beauty" (Global vs China)

Dove's "Real Beauty" campaign:

- Western markets: Celebrated individuality and body positivity → huge success
- China: Initially, it underperformed because beauty norms and aspirations differ

They had to adapt messaging to align with local cultural expectations.

Implication: **Marketing that ignores cultural context will underperform or misfire. A message that feels empowering in one culture can feel irrelevant in another.**

04 Data without context is dangerous

AI-driven marketing can optimise for pattern, but it may miss why something works. It can overfit to past conditions, and It struggles when context shifts (new trends, crises, cultural moments)

Example: Target pregnancy prediction (USA)

Target famously used data to predict pregnancy based on buying patterns and sent targeted coupons. It worked statistically, but a father discovered his teenage daughter was pregnant via these ads, and there was a massive backlash.

Implication: **Data-driven ideas cannot be implemented without human empathy and cultural nous. We, and NOT AI, have to take responsibility for unintended consequences.**

05 Small changes can have outsized effects

Because humans are context-sensitive:

A headline tweak **A visual cue** **A tone shift** ...can dramatically change outcomes.

Example: Booking.com & A/B testing

Booking.com runs thousands of experiments where tiny changes matter:

- Button color
- Wording like “Only 1 room left” vs “Limited availability”

These small contextual cues trigger urgency and shape perceptions of scarcity, with a cumulative revenue impact.

Implication: **Micro-contexts can drive macro-results.**

06 Timing is part of the message

When you say something is part of what you’re saying. The same campaign can succeed or fail depending on:

Economic climate **Social mood** **News cycles**

Example: Pepsi Kendall Jenner ad (2017)

Pepsi tried to tap into protest culture with a generic “unity” message. The problem was that they launched during a period of real political tension (Black Lives Matter era), and it felt tone-deaf and trivialising.

There were huge negative comments in both the press and on social media, and the ad was pulled.

The message didn’t fail - the *timing and context* did.

Implication: **Timing requires a high degree of cultural and social sensibility and the agility to act quickly.**

07 Segmentation should be contextual, not just socio-demographic

Segmentation is a key strategic tool for a marketer, it allows us to apply context. It is so much more than just age, gender, and income, these are often very weak proxies for behaviour.

Example: Spotify (Global)

Spotify doesn't just segment by age or gender. It uses:

- Listening context (workout, study, late night)
- Mood ("chill", "focus", "party")
- Situational behaviour.

Campaigns like "Spotify Wrapped" feel personal because they reflect what you were doing and how you felt - not who you are on paper.

Implication: **People don't act like their demographics - they act within situations.** Who, when, where, and why all determine the situation, as does the journey that led them to this point. We often find that very different people will make the same choice in the same mindset or on the same occasion. We all celebrate with champagne at weddings, don't we? Well, no, we don't. In Japan, it is Sake, in China, it is tea, in Nigeria, it is Palm wine. People act within their situations within their cultures.across segments, not just channels.

08 Creativity is contextual intelligence

Great creative work isn't just clever - it *fits the moment*:

Feels culturally "right" **Matches audience expectations (or subverts them intentionally)**

Resonates emotionally in that specific setting

Example: Heineken "Worlds Apart"

Heineken created a campaign in which people with opposing views (e.g., climate change, feminism) built something together and then discussed their differences over a beer.

It worked because:

- It tapped into a specific cultural moment (polarisation)
- Positioned the brand as a facilitator of dialogue

The creativity wasn't just clever - it was *perfectly timed and culturally aware.*

Implication: **Applied context awareness can serve as a springboard for creativity.**

09 Brand meaning is co-created

You don't fully control how your brand is perceived. Consumers interpret it through their own context. The same brand can mean different things to different groups.

Example: Nike

Nike means different things to different groups

- Athletes: performance and excellence
- Youth culture: rebellion, identity
- Social movements: activism (e.g. Colin Kaepernick campaign)

Nike leaned into this with:

"Believe in something. Even if it means sacrificing everything."

Some audiences loved it. Others not so much. Same message, different meanings - because context lives in the audience

Implication: Your brand is not what you say - it's what people understand.

10 Human insight remains a competitive advantage

AI can generate options, optimise and scale. But humans are still better at:

Reading cultural shiftse **Interpreting ambiguity** **Spotting emerging meaning**

Example: TikTok vs Meta (Social platforms)

TikTok succeeded not just because of algorithmic power, but because it:

- Understood cultural behaviour (short-form, remix culture, authenticity)
- Matched how younger users *actually* create and consume content

Meta (initially) tried to copy features - but missed the deeper cultural context. The winning insight wasn't technical - it was contextual.

Implication: The edge is not just better data - it's better interpretation, and we do that better than AI alone.

It all depends on context

Final takeaways

Across all these examples, one pattern shows up again and again:

1. The **same product** can succeed or fail

2. The **same message** can resonate or offend

3. The **same data** can guide or mislead

It all depends on context. Context shapes how people think and decide.

The marketers who win are the ones who understand not just the data but the context and find the meaning within it.

Full disclosure.

120+

years of experience in marketing and researching brands and human behaviour

This article was written collaboratively by four of the senior team at We Live Context: Phil Cooper, Paul Nola, Olly Robinson and Mark Sherrington. Designed by the We Live Context Studio, led by Nick Harrisson with creative execution by Darren Marshall.

We outlined the argument and prepared the first draft ourselves, then used AI to expand and develop it and find examples. We then heavily edited, redrafted and designed the final article. In total, this took less than two days, a fraction of the time it would have taken even 5 years ago. Behind it are more than 120 years of experience in marketing and researching brands and human behaviour.

This approach exemplifies how we work as an agency: HI + AI (where we see AI as encompassing all relevant sources of intelligence, not just artificial).

We Live Context are a team of marketing and research experts who help clients maximise their return on intelligence.

welivecontext.com

We Live Context