



The Power of Understanding Consumer Expectations and the Principle of Behavioral Economics

Christian Goy – Co-founder & Managing Director

Behavioral Science Lab

📞 @GOY909

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INDIAN GAMING ANALYTICS AND MARKETING CONFERENCE

TEN YEAR CHALLENGE



2008



2018

“Data is the new oil. It’s valuable, but if unrefined it cannot really be used. It has to be changed into gas, plastic, chemicals, etc to create a valuable entity that drives profitable activity; so must data be broken down, analyzed for it to have value.”

- Clive Humby, UK Mathematician and architect of Tesco’s Clubcard, (2006)

McDonald's



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i'm lovin' it[®]

To become a part of people's lives, we not only have to engage with consumers at a deeper level, but also ask the question, **“Why do some products and services mean something to us while others don't?”**

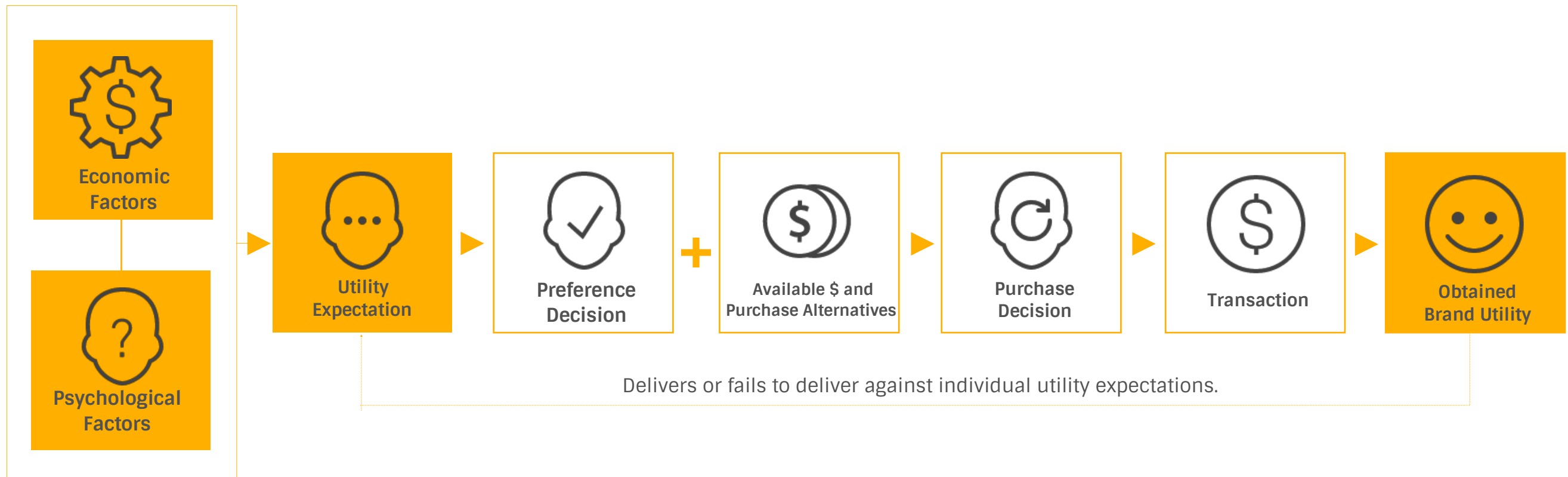
- Patrick Hanlon (Forbes)

GOOD

NEWS

IS COMING





Fees

Services Offered

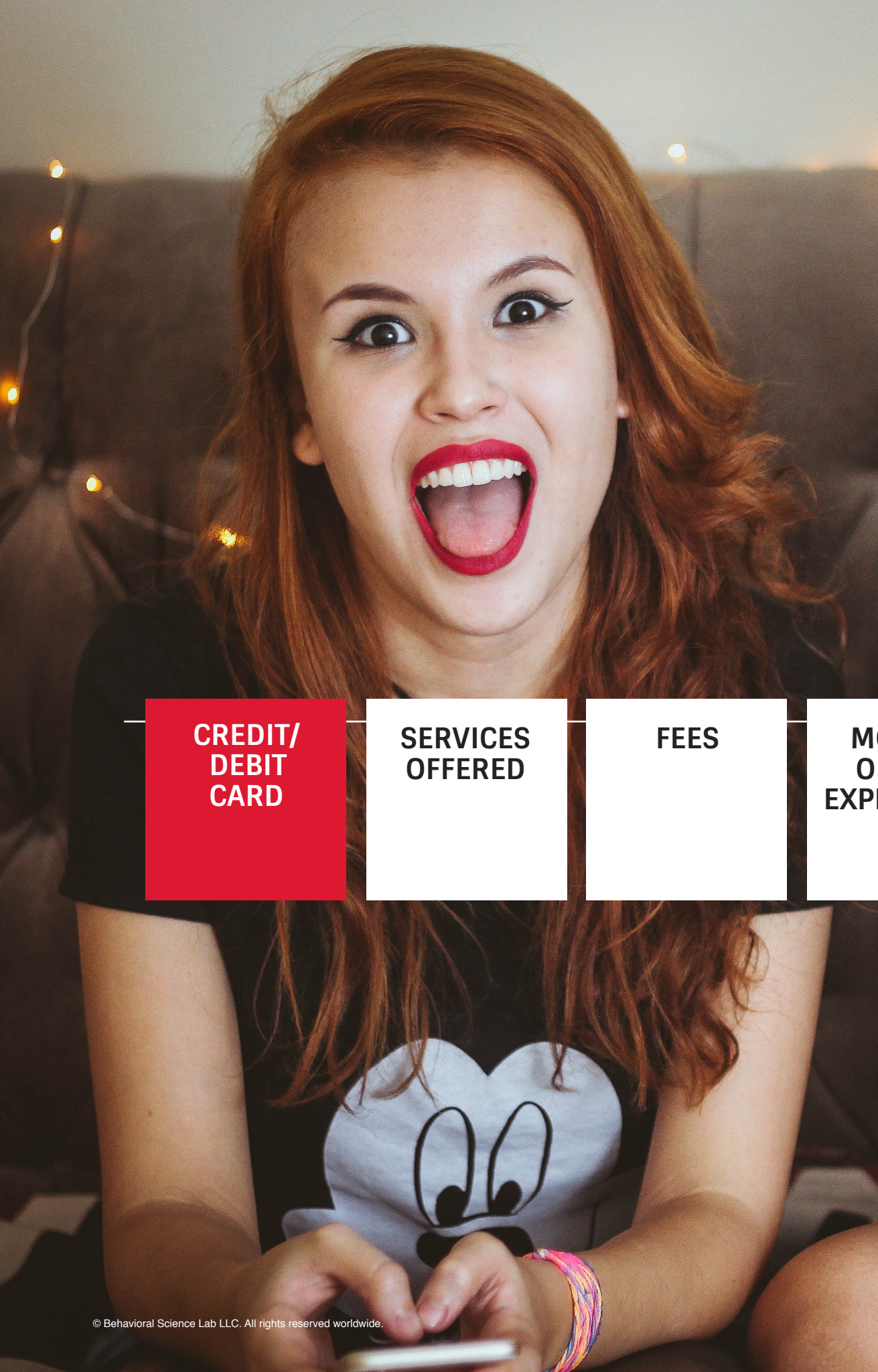
**Credit/
Debit
Card**

**Mobile/
Online
Experience**

**ATM
Locations**

**Experience
with
Employees**

**In-bank
Atmosphere**



**CREDIT/
DEBIT
CARD**

**SERVICES
OFFERED**

FEES

**MOBILE/
ONLINE
EXPERIENCE**

**ATM
LOCATIONS**

**EXPERIENCE
WITH
EMPLOYEES**

**IN-BANK
ATMOSPHERE** →

**IN-BANK
ATMOSPHERE**

**EXPERIENCE
WITH
EMPLOYEES**

**SERVICES
OFFERED**

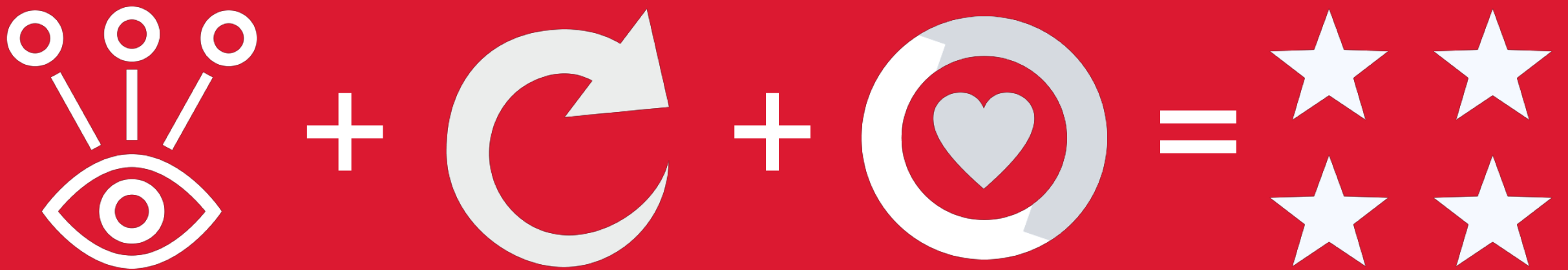
**ATM
LOCATIONS**

**CREDIT/DEBIT
CARD**

**MOBILE/
ONLINE
EXPERIENCE**

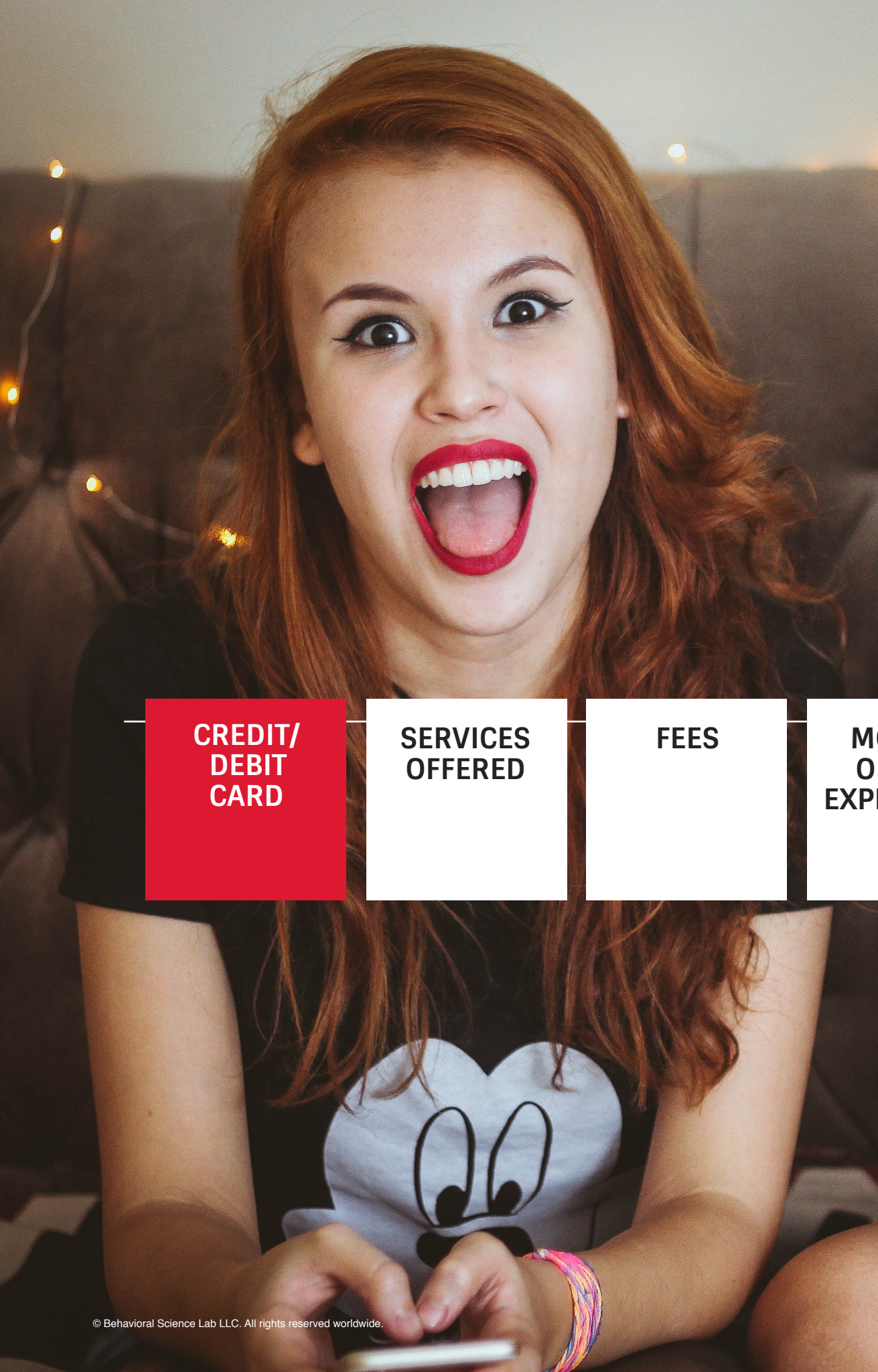
FEES →







**I need to see myself in the
brand.**



**CREDIT/
DEBIT
CARD**

**SERVICES
OFFERED**

FEES

**MOBILE/
ONLINE
EXPERIENCE**

**ATM
LOCATIONS**

**EXPERIENCE
WITH
EMPLOYEES**

**IN-BANK
ATMOSPHERE** →



The brand needs to reaffirm it.



**The brand needs to continue
to develop the relationship.**



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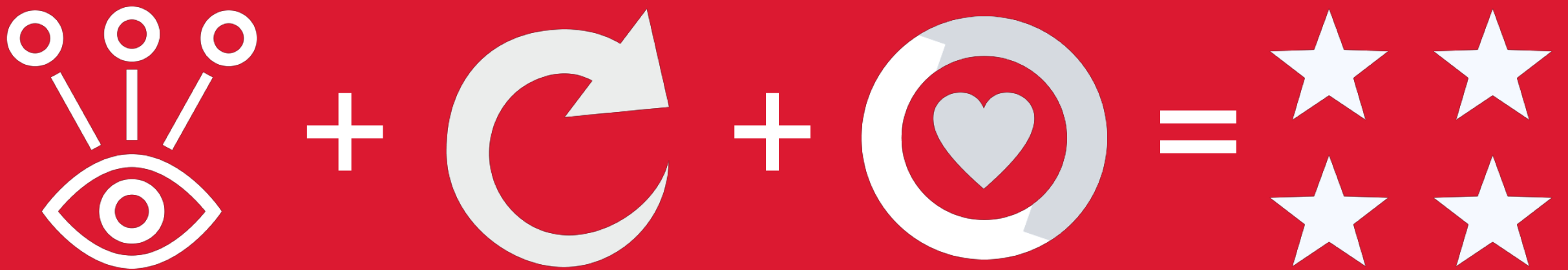


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What does it all mean for **YOU?**

The Predictive Power of Utility Expectation

Demographics

Behavioral
Factors

Psychographics

Utility
Expectations

LOW PREDICTABILITY

LEVEL OF UNDERSTANDING AND PREDICTING

HIGH PREDICTABILITY



LITTLE LINKAGE TO
PURCHASE
DECISIONS



SOME LINKAGE TO
PURCHASE
BEHAVIOR



PARTIAL LINKAGE TO
PURCHASE
DECISIONS



DIRECT LINKAGE TO
PURCHASE
DECISIONS

Utility Expectation dictates our perspective.
And our perspective dictates our **experience.**

**PRICE
DISCOUNT**

**HOUSEHOLD
MEMBER
INFLUENCE**

**PRODUCT
QUALITY**

**SHOPPING
BUDGET**

LIST/PLAN

**IN-STORE
SHOPPING
EXPERIENCE**

**SHOPPING IN
MULTIPLE
STORES**

**STORE
SELECTION**

**TIME SPENT
SHOPPING**

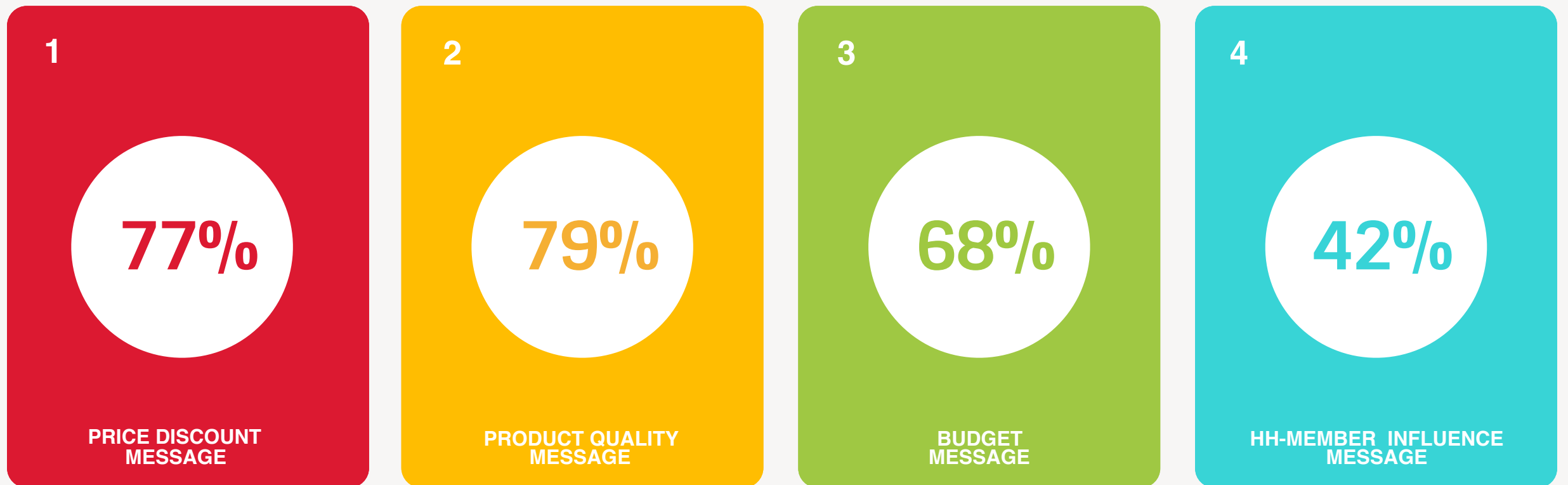
**WHEN YOU
SHOP**

Study sample: 540 Female Head of Households | Age 25-49 | \$35K+ HH income | National sample balanced on age, ethnicity, region and HH income.

MARKET SEGMENTATION BY DECISION TYPE

Primary Need Trigger	Secondary Need Trigger										MARKET SIZE
PRICE DISCOUNT	PRODUCT QUALITY	HH-MEMBER INFLUENCE	BUDGET	WHEN YOU SHOP	IN-STORE EXPERIENCE	LIST PLAN	STORE SELECTION	MULTIPLE STORES	TIME SPENT SHOPPING		19%
PRICE DISCOUNT	HH-MEMBER INFLUENCE	BUDGET	PRODUCT QUALITY	WHEN YOU SHOP	LIST PLAN	IN-STORE EXPERIENCE	STORE SELECTION	MULTIPLE STORES	TIME SPENT SHOPPING		11%
PRICE DISCOUNT	BUDGET	LIST PLAN	PRODUCT QUALITY	HH-MEMBER INFLUENCE	WHEN YOU SHOP	STORE SELECTION	IN-STORE EXPERIENCE	MULTIPLE STORES	TIME SPENT SHOPPING		10%
HH-MEMBER INFLUENCE	PRICE DISCOUNT	BUDGET	PRODUCT QUALITY	LIST PLAN	WHEN YOU SHOP	STORE SELECTION	IN-STORE EXPERIENCE	MULTIPLE STORES	TIME SPENT SHOPPING		10%
HH-MEMBER INFLUENCE	BUDGET	PRICE DISCOUNT	WHEN YOU SHOP	LIST PLAN	PRODUCT QUALITY	IN-STORE EXPERIENCE	STORE SELECTION	MULTIPLE STORES	TIME SPENT SHOPPING		7%
HH-MEMBER INFLUENCE	PRODUCT QUALITY	PRICE DISCOUNT	BUDGET	IN-STORE EXPERIENCE	LIST PLAN	STORE SELECTION	WHEN YOU SHOP	MULTIPLE STORES	TIME SPENT SHOPPING		2%
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LIST PLAN	STORE SELECTION	TIME SPENT SHOPPING	WHEN YOU SHOP	PRICE DISCOUNT	BUDGET	PRODUCT QUALITY	IN-STORE EXPERIENCE	HH-MEMBER INFLUENCE	MULTIPLE STORES		4%

CONCEPT TEST



MARKET SEGMENTATION BY DECISION TYPE

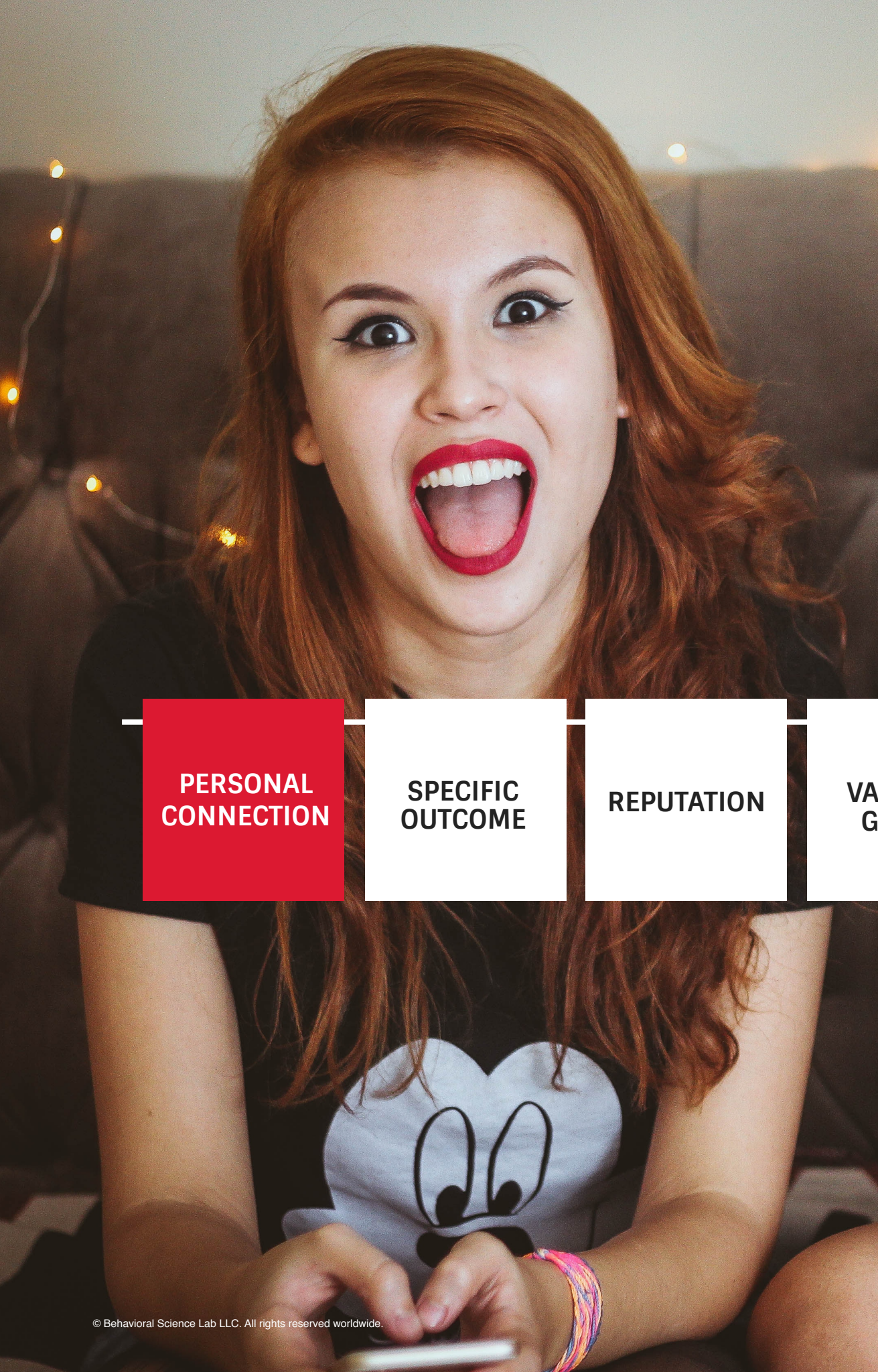
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**PERSONAL
CONNECTION**

**SPECIFIC
OUTCOME**

REPUTATION

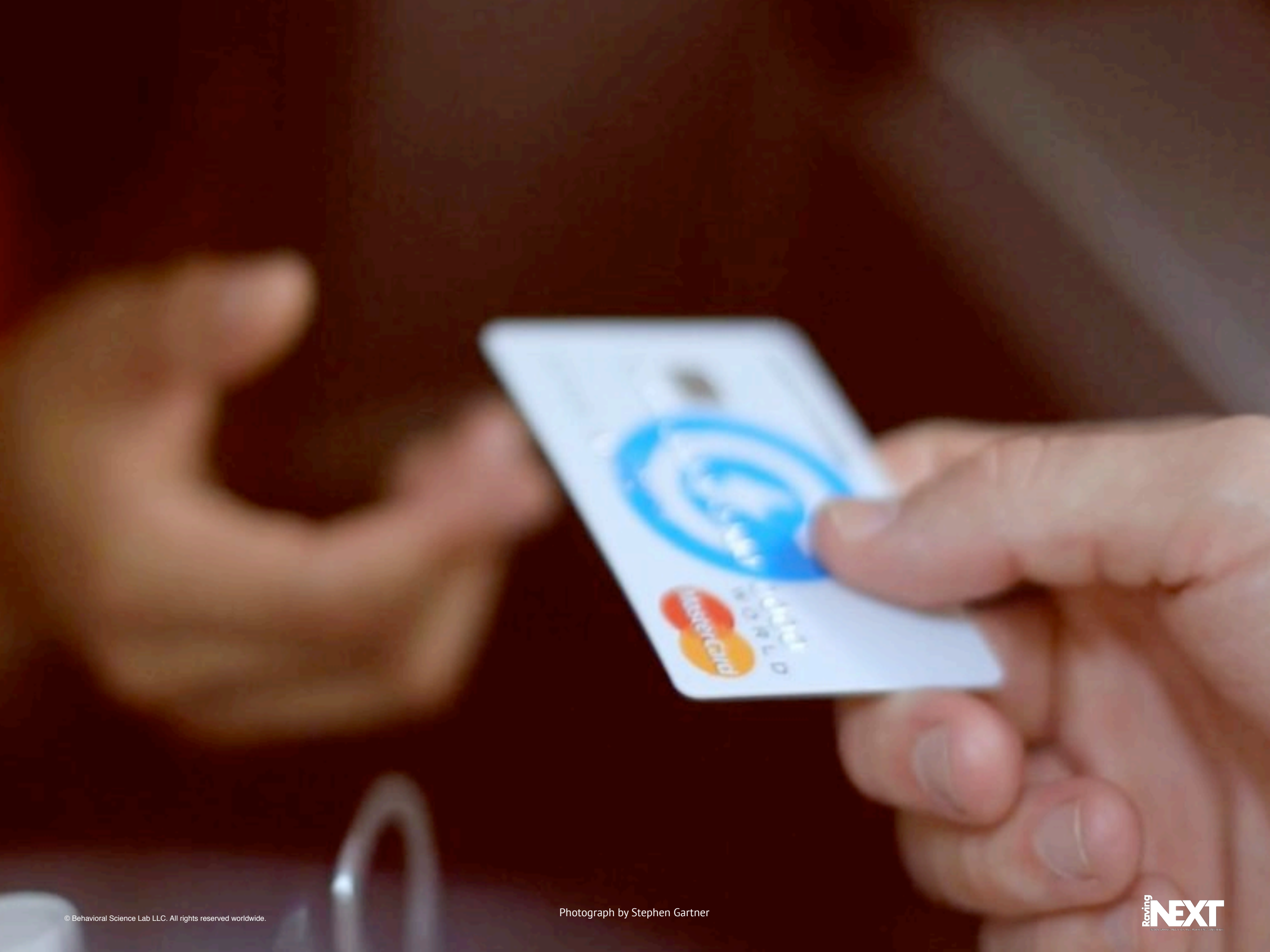
**VALUE OF
GIVING**

**WHAT I GET
FROM
GIVING**

**INFLUENCE
OF OTHERS**

**HOW MUCH
I GIVE**







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THURSDAYS
IN FEBRUARY



HARRAI'S
CHEROKEE
CASINO RESORT





Utility Expectation dictates our perspective.
And our perspective dictates our **experience.**

In other words,
delivering on peoples' **expectation**
will be the new oil.



**Become
customer centric.**

Deeply understand what drives the expectation of your customers



**Redefine
your customer.**

Define buyers by how they make purchase decisions



**Address
specific needs.**

Create specific communications and channels to address buyers' psychological and economic needs

Thank **you.**

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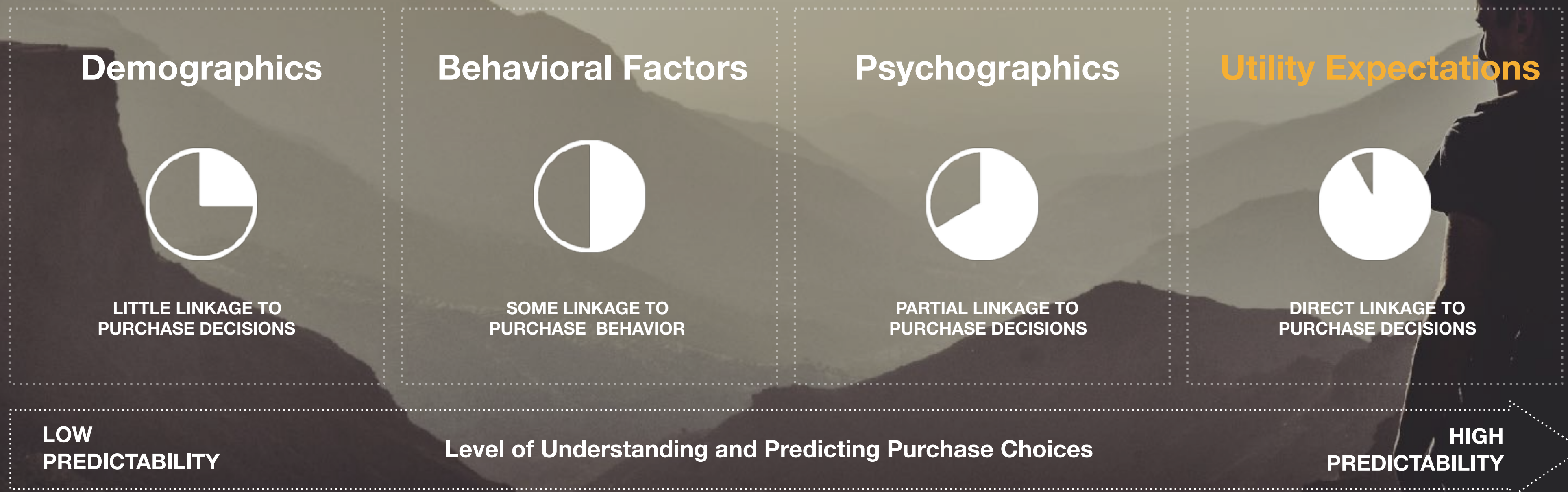
We are a team of **decision scientists**, who provide you with a clear understanding of how and why people make the choices that they make, while predicting and measuring the consequences of those choices.

We know that current market research techniques can tell you the who, what, when and where, but not why people buy or will buy your product or service in the future. That is why we developed **BrandEmbrace**[®] — the first of its kind validated behavioral economics tool; it provides consumer centric, clear and predictive understanding of how purchase choices are made while measuring the degree to which a brand choice satisfies **Buyer's Expectations** (Utility Expectation) for any class of product or service.

The BrandEmbrace[®] Metric is successfully being used to predict demand and product adoption across a wide range of consumer and B2B categories, and has been certified by MASB (Marketing Accountability Standards Board) to be a valid, reliable, sensitive and calibrated predictor of brand preference i.e. marketshare.

The power of predicting people's choices by understanding their **Utility Expectation**.

Understanding consumers' Utility Expectation, in other words, what people expect from a product or service and how those expectations are fulfilled provides the deepest level of understanding "why" consumers make the choices that they make; because only consumers' Utility Expectation describes how individual consumers use product specific psychological and economic drivers to make purchase choices.



What if you would understand peoples' Utility Expectation, then you could:



**MATCH THE RIGHT
CUSTOMER WITH THE
RIGHT PRODUCT
SOLUTION OR MESSAGE**



**PREDICT THE "WHY"
BEHIND CHURN AND
GROWTH POTENTIALS**



**DEFINE COMMUNICATION
OR NUDGE STRATEGIES
THAT WILL INCREASE
ENGAGEMENT
OPPORTUNITIES**









**PREDICT CHOICE
CONSEQUENCES THROUGH
HIGHLY ACCURATE
BEHAVIORAL ECONOMICS
MODELS**



**PREDICT THE "WHY"
MARKET ADOPTION,
LOYALTY AND
SWITCHING OCCURS**

Some of the industries and clients who have battle tested our products and gaining actionable insights to drive business results today.

 <p>TECHNOLOGY</p>	 <p>CPG</p>	 <p>TELECOMMUNICATION</p>	 <p>AUTOMOTIVE</p>	 <p>FINANCE</p>	 <p>INSURANCE</p>
					

INTRODUCING
Brand**Embrace**[®]

Valid, actionable, measurable and bias-free decision science tool:

BrandEmbrace® provides a clear, valid and reproducible view of how purchase decisions are made, while measuring the degree to which a brand, product or service is satisfying customer's expectation in driving demand, purchase and loyalty.



How we do it?

We created a certified consumer-centric, structured and reproducible qualitative and quantitative methodology that is based on these four disciplines:

Phenomenology

Study of mental constructs based on first-person experiences.

Hermeneutics

Interpretation of any text or communication from the vantage point of the author.

Decision Theory

Science of understanding and predicting human decisions.

Systems Theory

Study of multiple variables and interaction leading to an outcome.


Comparison of BrandEmbrace® to other Utility Expectation or choice assessment techniques

EVALUATION CRITERION	BrandEmbrace®	Nielsen BASES®	Nielsen Affinova®	Conjoint Measurement/ Choice Modeling
Utility Expectation Factors Provided by Consumer	Yes	No (By Researcher)	No (By Researcher)	No (By Researcher)
Likelihood Ratio Improvement	4X	2-3X	2-3X	—
“Forecast” Accuracy (Predictive Validity)	80%	—	—	—
Result Repeatability (Re-test Reliability — Pearson Correlation)	0.87	—	—	—
PREDICTIVE OF:				
Brand Share	✓	✓	—	—
Volume Forecast	✓	✓	—	—
Preferences	✓	—	✓	—
Loyalty and Switching	✓	—	—	—

✓ Proven — Unknown

BrandEmbrace® avoids all known biases while bringing unique and consumer-centric insights that provide actionable, measurable and predictable understandings on how people make purchase choices.

	BrandEmbrace®	Big Data	Online Surveys	Ethnographies	Focus Groups
Eliminates Groupthink	●	●	●	◐	◐
Eliminates Research Bias	●	◐	◐	◐	◐
Imputation Of Results	●	●	●	◐	◐
Precise & Accurate	●	●	◐	◐	◐
Takes Into Account Individual Differences	●	◐	◐	◐	◐
Valid & Predictable Results	●	◐	◐	◐	◐
Actionable Results	●	◐	◐	◐	◐
Reliable & Repeatable	●	◐	◐	◐	◐
Combines Qual. & Quant.	●	◐	◐	◐	◐



MASB (Marketing Accountability Standards Board) **Certified**



“The MASB MMAP audit is the only independent, completely objective assessment for the validity of a marketing metric. BrandEmbrace®, by successfully addressing the MMAP set of empirical evaluation protocols, has entered an elite group of metrics with proven ties to financial outcomes.”

Frank Findley, MASB Executive Director and Chief Advisor to the MMAP Center

“BrandEmbrace® is the first metric assessed that has a qualitative component explaining brand preferences. This is a potentially valuable new option for marketers to understand their categories and discover motivating selling propositions.”

Tony Pace, MASB President and CEO

Other MASB MMAP Assessed Organizations and Techniques: (1) Kantar Millward Brown: Link Copy Test (2017), (2) Nielsen: BASES (2016), (3) MSW•ARS: Brand Preference/Choice in Tracking (2016), (4) Customer Equity (& Customer Lifetime Value) applied to CPG (2012), (5) Corebrand Equity Construct (2011), (6) ARS: APM Facts (2007 & 2009)



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