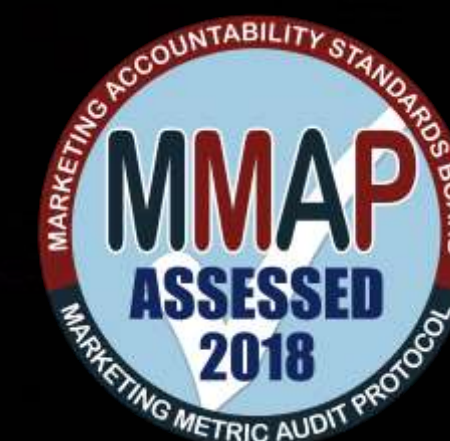


**behavioral
science
lab**

Tomorrow's thinking.™

Introducing
BrandEmbrace®



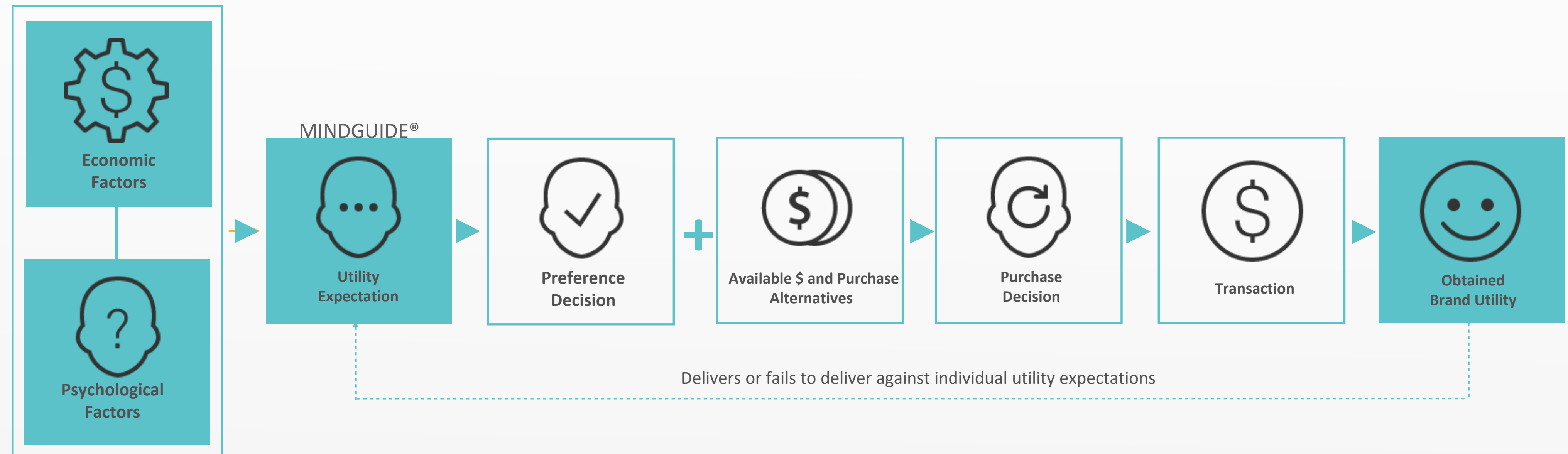
BrandEmbrace®
Expected Utility
01/2018

Link to Financial Performance

BrandEmbrace® quantifies the degree to which a brand's offering(s) satisfy the unique purchase criteria of the buyer.

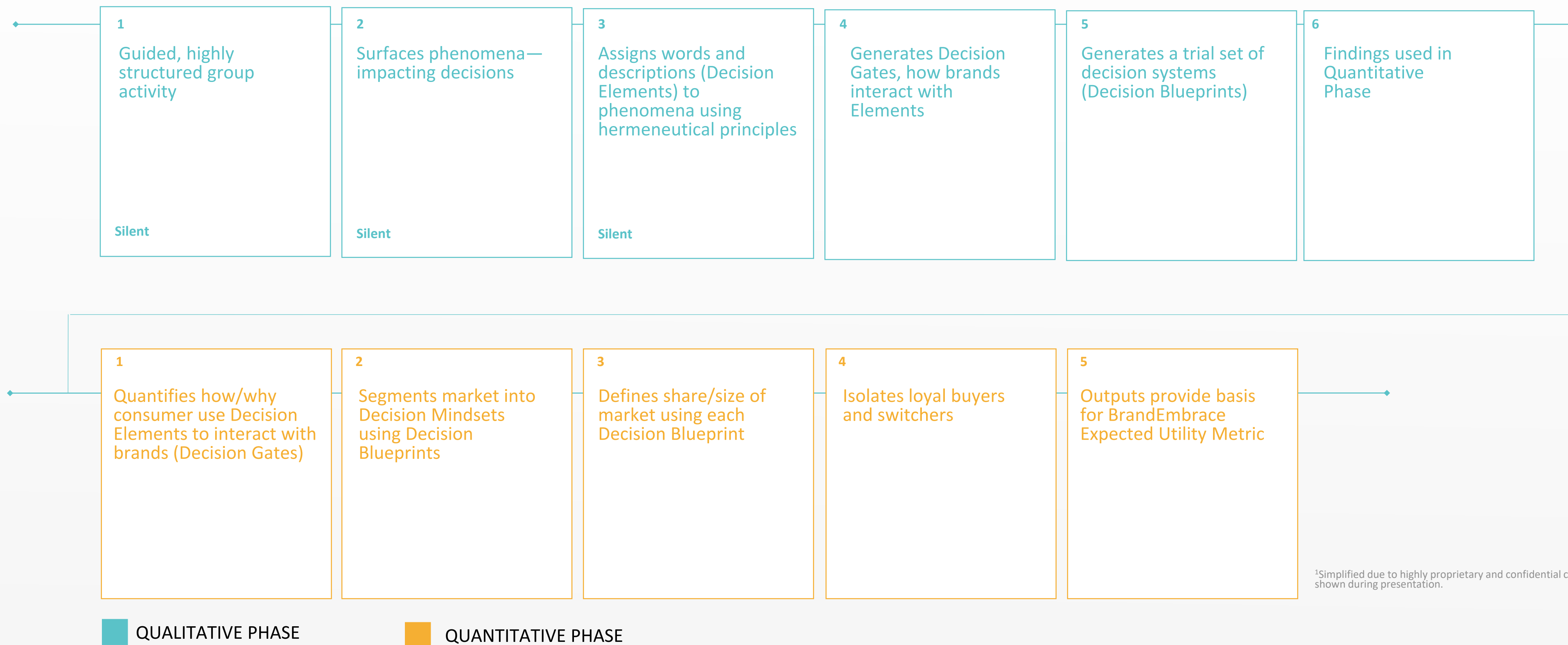
The more these criteria are satisfied, the higher the probability the brand's offering(s) will be chosen over competitive options as measured by brand preference and thus, ultimately, share and volume.

Behavioral Economics Model



This Behavioral Economics ModelSM describes how brand preference (Utility Expectation) is defined and how brand utility is obtained.

Highly Structured Step-by-step Process¹



¹Simplified due to highly proprietary and confidential content. Full content only shown during presentation.

BrandEmbrace[®] follows a set of strict protocols allowing no interviewer/experimenter bias by not following standard marketing research techniques in the development of the Decision Environment (DE) and fixed formulae for its computation which does not change per project.

High Predictive Validity

“Batting” ~ 80%

PREDICTED VS ACTUAL STUDY RESULTS*			
CHOICE TASK (“Pick your...”)	Grocery Shopper	Charitable Giving	Hair Dryer
NEW "USUAL" GROCERY:	18/24 (75%*)		
MOST COMPELLING AD:		23/30 (77%*)	
MOST APPEALING PRODUCT:			19/21 (90%*)

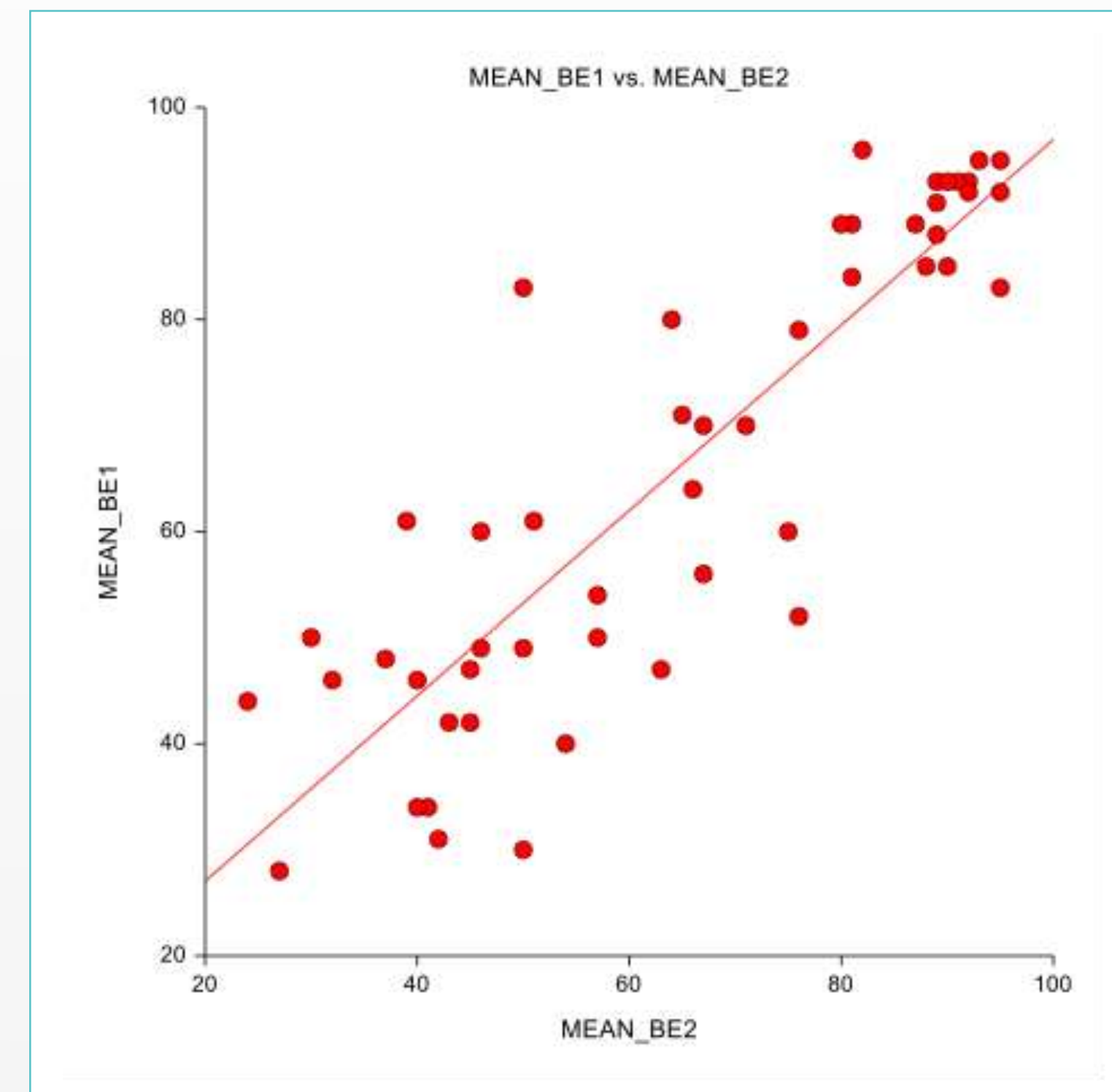
* Percentage of a priori predictions confirmed 6-8 mos. after Decision System typing

High Statistical Reliability

Pearson Product Moment $R = 0.87$,
 $R^2 = 0.76$, $t = 12.5$, $p \leq 0.000$

The 95% confidence limits around the Pearson Product Moment $R = 0.78$ and 0.92 using either Fisher's Z or the r distribution.

$N = 50$ randomly defined “split-half “ comparisons from three studies over the past three years



Calibration

Within Respondent Mean Total Gain (+) or Loss (-) in BrandEmbrace® vs. Current Primary Bank	% Preferring (MSW•ARS) as -	
	Current	New “Switched To” Primary
	Primary Bank	Bank
+35	0	100
+12	33	67
-18	77	23
-40	83	17

Difference of 30 BrandEmbrace® units predicts behavioral switching.

Calibration

Organization Population Subset	BrandEmbrace [®]	
	Organization	Organization
	Switched From	Switched To
A	65	92
B	64	94
TOTAL	65	94

Difference of 30 BrandEmbrace[®] units predicts behavioral switching.

Relevancy



SUCCESSFUL PRODUCT DEVELOPMENT & INNOVATION

BrandEmbrace® explains why there are “gaps” in the market by identifying buyers for whom existing products either do not meet their Utility Expectation or for whom existing products perform poorly. It does this by optimizing the client’s product or service on the basis of the drivers of Utility



PREDICTABLE MARKET SHARE INCREASE

BrandEmbrace® provides clear direction to reposition brands to either increase repurchase loyalty or to conquest from competitors, or both. It does this by optimizing the positioning against the drivers of Utility.



ACCURATE FORECASTING

BrandEmbrace® provides more accurate estimates in future share and volume change by including the underlying basis of brand switching and loyalty based on the extent to which a buyers Utility Expectations are being satisfied.

Decision ElementsSM

Complete list of cognitive, social, environmental and economic factors that drive demand, preference, loyalty, switching likelihood and purchasing service.

Decision TemplatesSM

Mental maps as to why and how decisions are made about branded choice alternatives .

Decision TypesSM

Customers typed by similar Decision Template providing (1) information about each customer’s intention for preference/purchase, (2) service selection and (3) any additional key identifiers to reach this audience in the

Decision GatesSM

Mental “rules” that specify how decision alternatives are evaluated against each Element. For example, an Element relating to quality will have different definitions for different buyers.

A wide-angle photograph of the Austin skyline at sunset. The sky is a mix of orange, pink, and purple. The city's lights are beginning to glow, reflecting on the water of the Colorado River. A bridge with multiple arches spans the river in the foreground. The background is filled with various skyscrapers and buildings, some with distinctive architectural features like the green-tinted top of the AT&T Tower.

behavioral science lab

Tomorrow's thinking.™

For more information,
please contact:

Christian Goy

Co-founder and Managing Director | 512.299.0564 | Christian@behavioralsciencelab.com

500 West Second Street, 19 Floor Suite 183, Austin, Texas 78701, U.S.A.