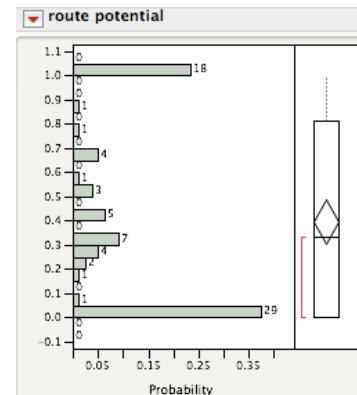




Customer Behavior (CuBe) Mapping: A breakthrough approach for understanding, forecasting, and influencing customer behavior

WHY IS CuBe MAPPING VALUABLE?

- Identify best ways to influence customer behavior to achieve desired outcomes
- Price-sensitive demand forecasting under alternative competitive scenarios
- Understand consumer preferences and behavior at the micro-market level
- Increase revenues and profits by several percentage points or more!



Many companies expend significant resources on surveys and data analyses to better understand customer behavior. But typical methods are poorly designed to fully identify customer preferences, how these preferences change over time, and the changes in product design, pricing, or advertising that would best lead to increased revenues and profits.

Opportunities to maximize profits and increase customer satisfaction are missed.

Veritec Solutions' **CuBe Mapping** technology is specifically designed to identify and highlight these opportunities.

CuBe Mapping is most effective when customers make decisions for a wide variety of reasons or exhibit diverse behaviors. **CuBe Mapping** highlights how multiple factors interact and monitors this over time; this is typically one of the most glaring weaknesses of the traditional consumer choice modeling techniques used by many firms.

By *mapping*, rather than modeling consumer behavior, **CuBe Mapping** enables companies to gain insights into customer behavior that go far beyond the insights gained from techniques commonly used.



WHAT DISTINGUISHES CuBe MAPPING FROM TRADITIONAL CONSUMER CHOICE MODELING?

It is only recently that desktop computing power has become sufficiently powerful to support the types of analyses required for CuBe Mapping.

- Easier to set up than standard statistical techniques
- Isolates the effects of any variable or combination of variables without building new models
 - ✓ Effects are measured by how much they influence the likelihood of an outcome
 - ✓ Encourages iterative analyses based on new insights as questions are answered
- No limit to the number of data points or variables
- Outliers or high leverage data points do not skew or overly influence results (and they are also not assumed away)

At the heart of the approach is the notion that there are a variety of paths customers follow when making decisions. Commonly used statistical methods such as regression or Structural Equation Modeling rely on aggregations, averages and a specific predetermined model structure that collapse that variety and lose information. **CuBe Mapping** on the other hand, retains information defining each path and focuses on creating flexible metrics and maps that enable users to easily highlight the most influential paths.

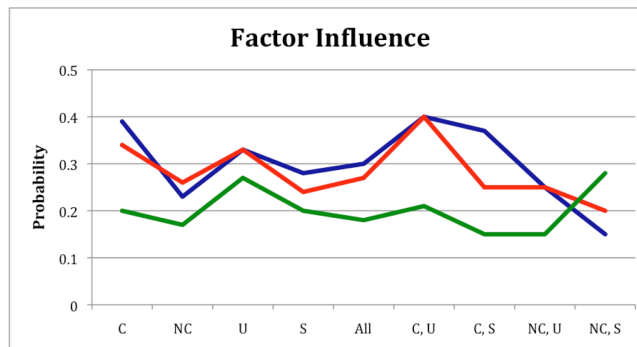
CuBe Mapping provides insights on what relationships are most powerful and what outcomes are most likely

Consumer	Common Factors	Idiographic Factors
1	A B C	G H P Q R X
2	A B C	E F I N P R
3	A B C	F K M N P X
4	A B C	D E G I K M P

- **Detects** infrequent but powerful factors (typically lost in the noise)
 - ✓ Provides important direction on actions to influence these factors in order to drive particular outcomes (eliminate or encourage)
- **Maintains** information on different “paths” leading to the same outcome (rather than summarizing “best fit”)
- **Organizes** results in ranked tables and graphics to simplify interpretation and facilitate communication



CuBe Mapping makes finding profit-raising opportunities far easier than current methods. Rather than having to “search” for potential opportunities, **CuBe Mapping** actually identifies potential opportunities and presents them to you!



For example, the three lines in the above graph illustrate the increased likelihood of a customer purchase in response to different marketing campaigns. The X axis categories represent a few consumer micro-segments: households with Children (C) or households without Children (NC), and addresses in Urban (U) or Suburban (S) areas.

In a typical analysis, the number of micro-segments is too large to allow all of them to be analyzed. Choices need to be made on which ones to investigate. Consequently, many important relationships, especially non-intuitive or surprising ones may be overlooked.

CuBe Mapping solves this problem!

Rather than requiring the micro-segments of interest to be specified up-front, analysts identify conditions of interest (e.g., likelihood of purchase) and **CuBe Mapping** calculates and depicts the frequency and strength of all factor combinations so that all relevant and important relationships can be analyzed without pre-specification.

In the above graph, we see that that the blue and red campaigns consistently outperform the green across all demographic groups with one exception. Further, closer inspection also shows that the blue campaign is considerably better for households with children in suburbia, but yields worse results from those without children in suburbia. This is the one demographic where the green campaign is superior. With traditional techniques, such a relationship might be missed or only found by expending considerable time and effort; **CuBe Mapping** makes this discovery naturally.



WHAT ARE RIPE APPLICATION AREAS?

Potential application areas include:

- Forecasting demand at alternative prices under different competitive scenarios
- Direct and immediate “plug-in” to any type of survey data
- Consumer buying analyses and prediction, including price/demand elasticity ranges
- Identifying how consumer behavior can be influenced most effectively
- Medical research and diagnoses
- Internet Search and Ad Placement Prioritization
- Financial Markets

WANT TO LEARN MORE?

Please contact us for more information on cases studies, technical white papers, setting up a demo, or to hear more about Veritec’s broader set of price optimization and revenue management capabilities and services.

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