From the Mind to the Bottom Line: How Emotion Leads to Profit
Emotion, can not only be measured, but managed, in order to increase your bottom line.

• Accurately forecast sales and market share
• Strengthen concepts at the early stages of the creative process - before those production budgets are spent
• Uncover the best placement for advertising and optimize media spend
• Reveal which new products will sell and optimize pricing by combining emotion with reason based measures
• Optimize the sensory experience of your products and brand assets to boost behavioral loyalty
2007: Pepsi is … Sexy?

Proportion of Variance in Brand Preference Explained ($R^2$)

- EXPLICIT: 12
- IMPLICIT: 30
2008: A Bradley Effect in the Ballot Booth in North Carolina?

Polls vs. Behavior

<table>
<thead>
<tr>
<th>Polls</th>
<th>Behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>46.5</td>
</tr>
<tr>
<td>49.9</td>
<td>49.5</td>
</tr>
</tbody>
</table>

Candidate Preference Among Independents

<table>
<thead>
<tr>
<th>Explicit</th>
<th>Ballot Booth</th>
<th>Implicit</th>
</tr>
</thead>
<tbody>
<tr>
<td>18.0</td>
<td>-21.0</td>
<td>10.0</td>
</tr>
</tbody>
</table>
2009: The Proportion of Emotion Model
2010: Predicting New Product Sales Success

Proportion of Variance in Sales Explained ($R^2$)

<table>
<thead>
<tr>
<th>REASON</th>
<th>EMOTION AND REASON</th>
</tr>
</thead>
<tbody>
<tr>
<td>69</td>
<td>94</td>
</tr>
</tbody>
</table>
2011: What about “non-emotional” purchases?

Proportion of Variance in Sales Explained ($R^2$)

<table>
<thead>
<tr>
<th>Reason</th>
<th>Emotion and Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>41</td>
<td>80</td>
</tr>
</tbody>
</table>

2016: Predicting Product Sales Globally

Proportion of Variance in Sales Explained ($R^2$)

<table>
<thead>
<tr>
<th>Reason</th>
<th>Emotion and Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>70</td>
<td>93</td>
</tr>
</tbody>
</table>
Combining implicit emotional appeal with the best reason based measures (choice models) produces a more predictive result.

Using a Sentient Prime® (implicit association platform) implicit emotional appeal test to advanced conscious measures increases the accuracy in predicting consumer buying behavior across verticals.

Source: Sentient Consumer Subconscious Research Lab 2010-2018; average across verticals, hundreds of products, 25,000+ consumers)
Adding emotion into the equation can reveal how well an ad will do online.

What you are willing to say about an advertisement accounts for only 14%.

Proportion of Online Views Explained ($R^2$)

<table>
<thead>
<tr>
<th></th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conscious</td>
<td>14% (R = .37)</td>
</tr>
<tr>
<td>Facial Coding</td>
<td>47.2% (R = .65)</td>
</tr>
<tr>
<td>Implicit Emotion Added</td>
<td>65% (R = .81)</td>
</tr>
</tbody>
</table>

Source: Sentient & iSpot.tv testing 200+ ADS / 14,000 Consumers
Marketing success depends on both emotional engagement and emotional influence.

- Moment by moment attention and emotion can be captured via scaled eye-tracking and facial coding technologies – revealing the emotional engagement strengths and weaknesses of your creative.

- Implicit emotional lift in desire for your brand builds off engagement that is memorable – as captured through implicit memory measures and combined emotion and reason models.
Testing emotion in the early stages of the creative process validates production costs.

- Hershey’s used a combination of emotional measurements to make decisions on campaigns.
- Eye tracking, facial coding and implicit associations combined can better reveal the strength of creative concepts.
- Subtext™ combines these measures to test animatics used in early stage creative development. Diagnosing potential story issues and validating the production costs through normative data scoring.
Saddington Baynes uses implicit measures to improve compositions within the creative process.

- Saddington Baynes can test variance in the creative composition. Measuring the effects of color and lighting that reveals the emotional impact being generated.
- These methods have been automated so the creative team uploads the work on Monday and has implicit emotional Insights on Tuesday morning. Enabling quick refinement before production at the end of the week.
Man Made Music is using implicit techniques to understand how sound makes us feel and behaviorally attach to brands.

- Man Made Music combines implicit methods in their product SonicPulse® to measure the emotions evoked in sounds. They feel using these techniques are most appropriate for evaluating sound – because this is how our brains react to sound.

- Using behavioral science in sound research can tell us how a sound makes us feel or how well a sound fits with a brand, or even whether people subconsciously know what a sound means.
Firmenich is using subconscious research to unlock emotions evoked in fragrances.

- Consumers often do not have conscious access to how well a new concept subconsciously fits critical brand equities or how new fragrance variants compete against in-market benchmark strengths.
- Companies like Firmenich are using implicit association testing with Sentient Prime® to isolate discrete emotional associations that are generated in the minds of consumers from a fragrance.

Source: Typical fragrance example.
BERA combines implicit emotional appeal with explicit measures to strengthen brand love measurement.

- The brand equity assessment platform from BERA integrates implicit measures to analyze emotional appeal, strengthening their data reliability.
- Over two thousand brands are tested within the platform. Collecting implicit measures on twenty thousand customers per week.
- Offering insights into the nonconscious on a global scale with speed and accuracy.
Validating subconscious measures and uncovering advertising impact.

40K Participants
Randomly assigning participants into 1 of 2 groups with identical designs, measured at the same time.

500+ Ads
Implicit testing on over 500 ads to validate the accuracy of methods for future large scale testing.

EXPOSURE TO 3 ADS

MEMORY
QUICK CONSCIOUS RECALL

R = 0.86

MEMORY
QUICK IMPLICIT EMOTIONAL APPEAL

R = 0.61

MEMORY
QUICK IMPLICIT SELF IDENTIFICATION

R = 0.64

MEMORY
QUICK PROPORTION OF EMOTION MODEL

R = 0.99

MEMORY
QUICK IMPLICIT DISCRETE EMOTIONAL ASSOCIATIONS

R = 0.86

Source: Sentient Decision Science was commissioned to study people ages 18+ who reside in the US, Dec. 2017 – Feb. 2018
Time for questions.