Storytelling Without Storytellers

Jonathan D. Deitch, Ph.D.
Chief Operating Officer

$250 credit when you register!
Key Themes

Machines have driven fundamental change in our industry.

We view them with deep suspicion...
...until they’re everywhere.

We’re on the verge of our next machine-driven revolution.
\[ y = \alpha + \beta x + \varepsilon \]
Vacation survey

6. Out of the following domestic vacation destination types, which ones have you visited in the past 5 years?

- Beach resorts
- Camping sites
- Ski resorts
- Cities
- Rural vacation homes
- Urban locations
- Musical festivals/special events
- Beach parks
- National parks
- Other
- None of the above

NEXT
The next wave of automation is here.
Parametric Decisions

Pricing

• Consumers’ willingness to pay
• Total addressable market
• Cost structure of service/good
PRIMO® hTrio
hot/cold water dispenser

Now with K-Cup® compatible
coffee capsule system built right in.
This shows our platform in operation – you can drag and drop this test.
Fill in the blanks

- PRICE SENSITIVITY (Van Westendorp)
- Max SALES FREQUENCY
- Max REVENUE
- Max PROFIT

Plus some basic product info & unit cost
P&L OPTIMIZATION

$150 - MAX REVENUE ($78M)

CLIENT’S EXPECTED PRICE RANGE

$322 - MAX PROFIT

$22M

$165 - BREAK EVEN POINT
## P&L OPTIMIZATION

**TAKEAWAY POINTS**

Under assumptions about costs, total addressable market size, combined with the collected price preferences and probabilities, the optimal price point to maximize the REVENUE is $150/person. Assuming no pressure from competitors, ideal marketing, no cancellation/returns etc. (or everything being embedded into the TAM and cost), projected revenues are expected to be $78M. Unfortunately that won’t allow for any profit if the cost per product remains at $150. Maximum PROFITS can be achieved at $322 per person. While out of 2,000,000 TAM it only projects sales, the total profit is expected to be $22M with $45M revenue.

<table>
<thead>
<tr>
<th>OPTIMAL PRICE POINTS</th>
<th>UNIT PRICE</th>
<th>BUYERS</th>
<th>REVENUE</th>
<th>COST</th>
<th>P&amp;L</th>
</tr>
</thead>
<tbody>
<tr>
<td>VW TOO CHEAP</td>
<td>$50.16</td>
<td>971,509 (48.6%)</td>
<td>$49M</td>
<td>$160M</td>
<td>-$112M</td>
</tr>
<tr>
<td>VW OPTIMAL</td>
<td>$99.99</td>
<td>727,250 (36.4%)</td>
<td>$73M</td>
<td>$120M</td>
<td>-$47M</td>
</tr>
<tr>
<td>VW INDIFFERENCE</td>
<td>$100.00</td>
<td>727,234 (36.4%)</td>
<td>$73M</td>
<td>$120M</td>
<td>-$47M</td>
</tr>
<tr>
<td>VW TOO EXPENSIVE</td>
<td>$150</td>
<td>520,554 (26.0%)</td>
<td>$78M</td>
<td>$86M</td>
<td>-$7.9M</td>
</tr>
<tr>
<td>MAX PROBABILITY</td>
<td>$10.01</td>
<td>1,147,021 (57.4%)</td>
<td>$11M</td>
<td>$189M</td>
<td>-$178M</td>
</tr>
<tr>
<td>BREAK EVEN POINT</td>
<td>$165</td>
<td>462,587 (23.1%)</td>
<td>$76M</td>
<td>$76M</td>
<td>$0</td>
</tr>
<tr>
<td>ESTIMATED PRICE</td>
<td>$249</td>
<td>238,933 (11.9%)</td>
<td>$59M</td>
<td>$39M</td>
<td>$20M</td>
</tr>
<tr>
<td>MAX REVENUE</td>
<td>$150</td>
<td>519,888 (26.0%)</td>
<td>$78M</td>
<td>$86M</td>
<td>-$7.8M</td>
</tr>
<tr>
<td>MAX PROFIT</td>
<td>$322</td>
<td>140,856 (7.04%)</td>
<td>$45M</td>
<td>$23M</td>
<td>$22M</td>
</tr>
</tbody>
</table>
Nothing between you ...
Other Areas?

• Creative testing/Ad testing
• Tracking studies
• New product development
• Brand names

So what about the researcher?
MOST IN-DEMAND TRAINING TOPICS

- Storytelling
- Visualization
- Business
- Technology
Storytelling
Without Storytellers

Jonathan D. Deitch, Ph.D.
Chief Operating Officer

$250 credit when you register!