Big Business Markets Using Applied Behavior Analysis

How Predictive Analytics Persuade the Way We Think and the Decisions We Make

Graphics retrieved from https://www.maritzcx.com/blog/persuasive-survey-design/
Agenda

- Working definitions/shared discussion
- Ontological value of big business intelligence
- How 21st century intelligence works
- How Analytics are gathered
- Identify/Create a problem to trigger consumers
- Applied Behavior Analysis (ABA) Learning Constructs
- Design/Development of Business Market
- Final Thoughts/shared discussion
Working definitions

- Analytics -
- Applied Behavior Analysis – access to attention, access to tangibles, automatic positive reinforcement, various avoidances
- C’s – corporations, competitive advantage, Chicago school...
- Decision-making and/vs problem-solving -
- Intelligence – artificial, business, emotional, military and theory of multiple intelligences
Ontological Value of Business Intelligence

No one can deny that a network (a world network) of economic and psychic affiliations is being woven at every increasing speed which envelops and constantly penetrates more deeply within each of us. With every day that passes it becomes a little more impossible for us to act or think otherwise than collectively.

— Pierre Teilhard de Chardin

Gibson (1984) in the novel *Neuromancer*, writes of a future digital matrix that was a “consensual hallucination” with rich fields of data where one could observe “bright lattices of logic unfolding across that colorless voice.”
Today’s Intelligence: Integration of technology, biology and matter?

- The individual consumer has become an information triggering and transmitting device.
- Every individual human transaction is monitored and recorded.
  - ATM card, a credit card, a telephone, a toll bridge, a loyalty card, a security card, a call center, digital television or the Internet.
- On each occasion the transaction data is captured, their selections are noted and the profile of each consumer is further enriched.
- What consumers do, when they do it and how they do it, is recorded meticulously.
- Biological human data is also fed through attached and implanted medical monitoring devices and transmitted via mobile phones for remote diagnostics.
- The human being is now constantly transmitting a stream of data through a variety of channels on a scale that would have been difficult to anticipate even a decade ago.
  - And the data stream continues to grow exponentially.
- It is this fact that is calculated to dramatically alter the business landscape (Kelly, 2006).”
Today’s Intelligence

- Business Intelligence shares commonalities:
  - Pattern recognition – Do you want companies to know you personally in context? To remember all the previous interactions regardless of channel (mobile, internet)?
  - Gathering and synthesizing insights from analysis of multiple data sources, including social, text, click stream, and transactional customer data to predict customer sentiment and needs in real time (IBM).
The business value of Applied Behavior Analysis

According to IBM, Behavior Modification empowers customers:

1. Combine the complete view of the customer with additional contextual information gathered at the time of interaction, resulting in appropriate and timely offers and communications.
2. Provide consistent service delivery along with building strong customer relationships, resulting in lower customer churn.
3. Provide cross channel integration and integrated lines of business support, enabling consistent and strategic interactions with the customer.
4. Coordinated marketing offers that provide customer value over a lifetime.
5. Integration of analytics into the organization to provide long-term value and an enhanced long-term strategy.
6. Customer understanding and insights are critical to decision making at all levels of an organization.

Who owns and controls information about you the customer and who will develop the best skills and capabilities to exploit it for competitive advantage (Kelly, 2006)?
How are analytics gathered?

- The knowledge management system process:

  ![Knowledge Management Process Diagram]

..and then
How are analytics gathered?

- Algorithms/code is placed into Neural Networks
“Remarketing” to trigger consumer behavior modification; “Retargeting” to capture product consumption

- Patterns control behavior modification events in all industries:
  - Weather (temp-to-global warming)
  - Pharmaceuticals
  - Current events (terror-to-traffic)
  - Entertainment
  - Social networking
  - What can you think of?
Design of the Business Market

- Outsource to the customer.
- Cannibalize core products.
- Treat each customer like a market segment of one; the appearance of personal.
- Create communities of value – social networks, sports fantasy leagues, BnB, Uber and Lyft, receipts leading to contests online, N-way interactions.
Business User - *Age of the empowered customer*

**Best Practices:**
- Tools
- Actionable
- Retain, grow, and acquire
- Predictive

**Problem-solving:**
- Tsunami of data that businesses cannot use effectively (SAS)
- Lacking the ability to use all available customer information/analytics
- Inconsistent customer treatment when customer is using various channels:
  - Example: Encouraging customers to make purchases as quickly as possible but order fulfillment has limited inventory or is understaffed causing deliveries to be delayed
Final Thoughts...

- We are not just living in an information age but a self-information age.
- Companies are operating on the premise that we are living in an environment where the emotions, sensitivities and values (personal, financial, political...) of the individual are free data and triggers to consumption.
- Businesses are challenged to comprehend (and the modify) these ‘economies of soul’ in order to crystallize consumption into a globalized shared value system.
- Is this true?
- Is this concerning?
References