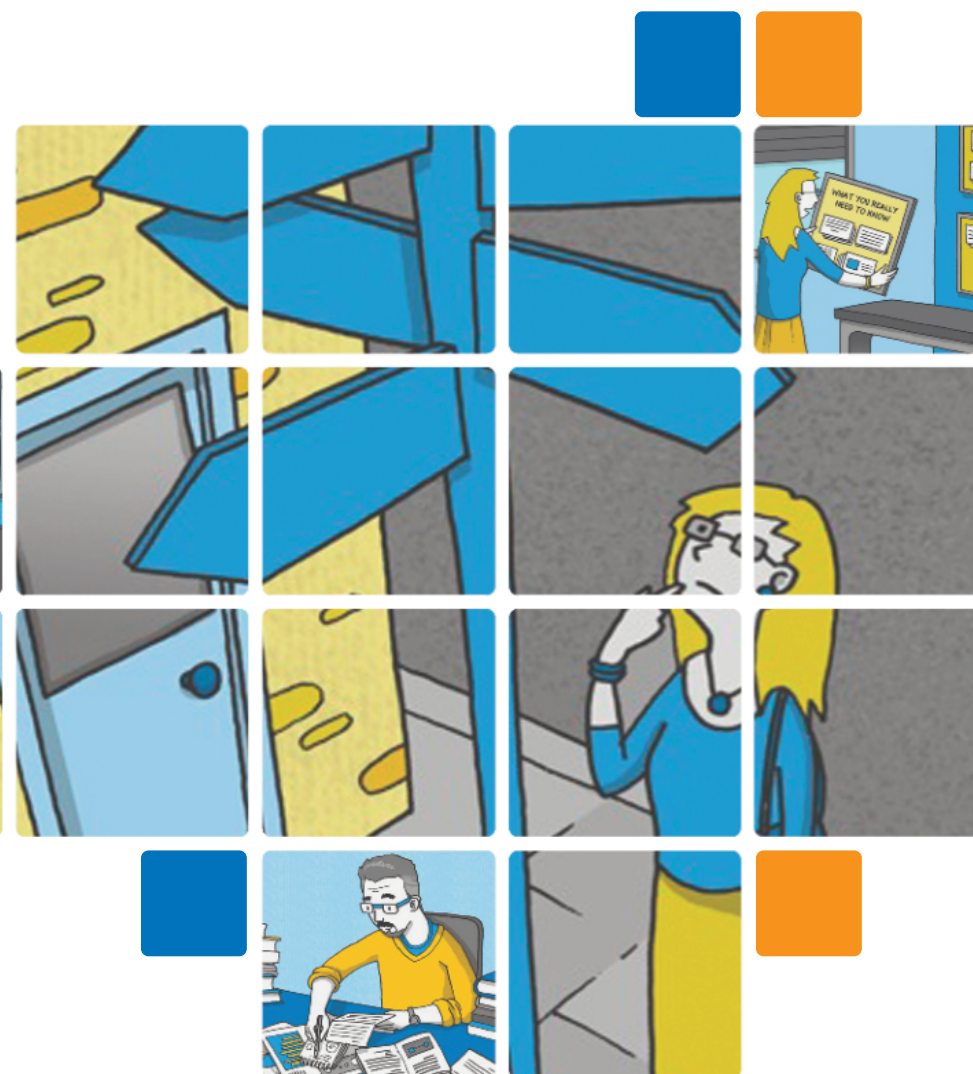


How a consumer decision-making revolution is transforming the way markets work

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Summary: the big picture

This Ctrl-Shift Briefing Paper has three purposes:

1. To alert clients to the emergence of a new market for decision-support services; a market that's changing the way other markets work. Organisations that respond appropriately have a unique opportunity to seize the initiative and redefine customer value.
2. To uncover the dynamics defining and driving the evolution of this market.
3. To explore how existing organisations and brands can take advantage of these developments.

A Revolution in Decision-Making

People have always wanted to make better decisions: since when did anyone want to make a worse one? But it wasn't until the early 21st century that decision-support services - services designed specifically to help individuals make and implement better decisions - began to crystallise into a new market and industry.

The underlying reason for this development is simple. Decision-making is an information intensive activity and only now have the costs of processing information fallen far enough to make decision support services available to individuals as well as organisations.

It's a simple but profound shift. As well as creating a separate market in its own right, the decision support industry also changes the way other markets work in both the private and public sectors. Key changes include:

- what information they pay attention to
- what sources of information they seek out
- which channels they use to reach these sources of information and to act on their decisions
- how they make these decisions
- what the resulting decisions are
- what their definitions of value look like
- which organisations and brands consumers trust.



In other words, decision-support services are changing how brands and organisations compete, go-to-market and add value.

“
The decision making revolution is transforming how markets work, what value organisations offer, and how they deliver it.
”

Summary: the big picture continued >

A new market

If I can make a better decision, it will lead me to a better product or service as a matter of course. Result: decision-support services shift the focus of value from products and services themselves to the quality and value the decisions individuals make around them and about them.

Traditional suppliers compete over who can offer the customer the best product or service. Decision support services compete over who can offer individuals the best decision-making process. This is a new market in its own right, with its own infrastructure, skills and processes, business models and dynamics. And it changes how consumers/citizens seek out value.

“
Decision-support services shift the focus of value from ‘the product’ alone, to the quality of the decision support itself.
”

Winners

Winners in the new environment will include:

- consumers
- providers of decision-support services (a new growth industry)
- ‘good’ suppliers benefiting from the fact that they offer superior products and services
- the economy itself (as the costs of matching and connecting supply to demand fall).

Losers

Organisations and brands that fail to compete effectively in the market for decision support risk being marginalised and disintermediated. They include:

- traditional middlemen including retailers, media owners and market researchers,
- companies that stick to traditional marketing strategies thereby falling behind in the competition for access to consumer trust, time, attention and willingness to share information
- ‘bad’ suppliers who rely on ignorance and inertia for significant proportions of their income and seek to defend these income streams.

New economic value

Decision support services will help drive 21st century economies by acting as pivotally important ‘information factories’. In helping individuals to make better decisions, they also generate new, rich, real time information about:

- what individuals' needs and interests are including what they are considering buying and detailed information about what considerations they deem important
- when they are making these decisions
- who they are
- the questions they ask
- the options they reject as well as the options they accept
- at each stage of their decision-making journey.

By unleashing, defining, refining and expressing the voice of demand in this way they open up new, better ways for organisations to undertake market research, innovation, segmentation and targeting, marketing, sales, customer relationship management and service activities. This information-logistics challenge of getting the right information to, and from, the right people at the right time is pivotally important to 21st century economies.

Summary: What organisations need to do

The new market for decision support services means suppliers in both public and private sectors need to address a new set of key questions:

- What is the job/problem the individual is trying to address, and at what level? (Is it, for example, 'which brand of baked beans should I buy?' or 'what to feed the kids for dinner tonight?' or 'how to create a better way of feeding the kids, night after night?')
- What does a better decision look like to the customer?
- What does a better decision making process look like to the customer?
- What does better implementation of the decision look like?
- How can the organisation help the individual on any or all of these questions (decision content, process and implementation)?
- In helping the individual, what benefits can the organisation reap for itself?

Products and service providers

Good suppliers have always asked themselves 'what would our customers choose if they were making a better decision?' But as the decision-support market matures, suppliers will need to:

- Understand and address customers' information needs as well as they understand and address customers' consumption/usage needs.

- Understand and address the decisions that really matter to the customer. Pampers talks about parenting skills because mums are far more interested in the question 'how to be a good mum?' than the question 'what is the best nappy/diaper?'
- Review information and expertise gathered and used for internal purposes to see how these assets could be repurposed to help customers make and implement better decisions. This philosophy of 'knowledge as empowerment' (of the customer) as distinct to 'knowledge is power' (over the customer) is a key motif of the new market.
- Use knowledge about customers to help them understand their own behaviours better.
- Review communication channels and strategies. The more individuals turn to decision support services as their first port of call when going to market, the less traction traditional touchpoints have. Every touchpoint needs to be reviewed from the perspective of customer ROI: what returns does it generate for the customer's investment of time, effort, information and attention? How good is it as helping the customer make and implement better decisions?

Public services

Helping citizens make and implement better decisions lies at the heart of many public services. Increasingly, this boils down to connecting detailed information about the individual (circumstances, constraints, needs) with detailed information about available services, benefits, entitlements etc - the classic information logistics

challenge.

Reframing public services as decision-support services will help them:

- Shed 'nanny state' connotations while fusing long standing public sector goals of personalisation, digitisation and the provision of 'joined up' services into a positive, coherent citizen-empowering vision of the future.
- Apply techniques developed in the private sector including comparison services, 'people like you' services, and peer reviews.
- Pioneer 'knowledge as empowerment' using domain expertise and knowledge about customer/citizen behaviours to help them change their own behaviours/lifestyles for the better.

Government/regulation

Decision support has the ability to unite Government policies in public and private services around a single, clear goal. Helping consumers make better decisions makes markets work better; helping citizens make better decisions improves the efficiency and effectiveness of public services. Decision support services therefore help boost the economy in three ways, by:

- making competition in traditional markets work better
- reducing the cost of service provision
- acting as a source of innovation and growth in their own right.

The consumer decision-making challenge

Choice is a great thing. It's empowering. But at the same time making decisions is difficult. It can cost time, money and effort to find, sift and evaluate the information you need to make a good decision and the range and number of decisions we face in everyday life is exploding.

According to one estimate, the average consumer in a western industrial society now has a choice between approximately 10 billion different products and services. That's 33 million times more than the average rain forest dweller. None of us has the time to spend investigating all these options.

Making decisions imposes emotional costs too, such as the fear and regret of making the wrong decision.

Often the time/effort we need to invest in making a better decision outstrips the benefits we are likely get. Faced with this dilemma, we simply avoid making some decisions ("oh! I can't be bothered!") or adopt a 'good enough' short cut. Examples include 'buy the brand I'm familiar with', 'buy the cheapest', 'buy the one my friends recommend', or 'buy the one with the biggest discount'. Short cuts like these often work well, but not always. And they can be gamed and manipulated by marketers.

At the same time, as behavioural economists have discovered, humans have many 'predictable irrationalities' that routinely induce them into making less-than-ideal decisions. In big and complex markets, this is a weakness that can be taken advantage of.

Decision-support services such as price comparison sites take advantage of plummeting information processing costs to present individuals with information in seconds, what they previously would have taken days or weeks to find. The quicker and easier it is for individuals to access useful information, and the better this information gets, the more worthwhile it becomes to use the service. The benefits of investing in a better decision begin to outweigh the costs. This is a tipping point in the economics of decision-making - and in the economy itself.

Looking forward, the richness and variety of different types of decision-support will continue to grow (see page 9), and increasingly, the insights of behavioural economics will be absorbed into their offerings. These factors - new information flows and falling information processing costs, plus the new insights generated by behavioural economics - mean that individuals' decision-making challenge can be addressed in fresh, new commercially viable ways.

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By making it easier to make better decisions, decision support services are triggering far-reaching changes in consumer behaviour.
”

The decision-making journey

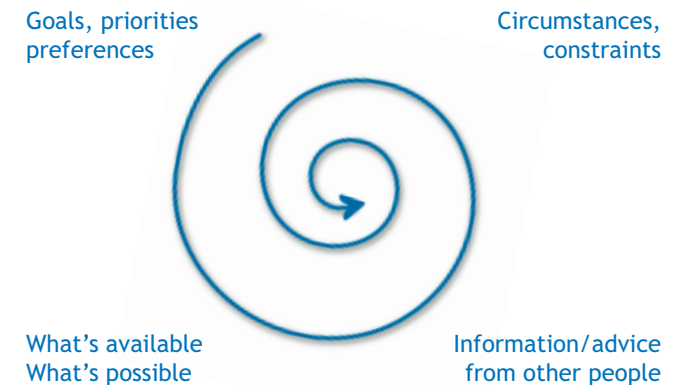


Figure 1: Decision-making is an iterative journey where we visit, revisit and combine many different types of information:

- information about my goals, priorities and preferences, which usually lies 'in my head'
- information about me: my circumstances and constraints
- information about what's available and possible from 'out there' in the marketplace
- information from other people, to share experiences and learnings and provide advice.

Different decision support services emphasise one or other corner of the quadrant. But most decisions involve at least one visit to every corner - often many more.

Nothing new under the sun?

Of course, the decision-making ‘market’ is not new. Individuals’ needs for information and advice have been met for many years by many different parties including friends and family, consumer groups like Which?, professionals (lawyers, accountants, doctors), general and specialist media, independent financial advisors, brokers, retailers.

However, as the chart shows, each of these traditional sources of decision-support has its flaws. None of them has ticked all the boxes of the ideal decision support - something that is unbiased and impartial, expert, covers all the options, is free/cheap, and also easy to use.

- Friends and family have always been a top source of advice, because they have our best interests at heart. But that doesn’t make them experts.
- Consumer groups such as Which? have long offered decision support advice. But in a pre-Internet age, the costs of providing this service reduced its accessibility.
- Professional advisors such as lawyers and accounts are unbiased and expert, but also expensive to use.
- General and specialist media can provide useful information and advice in a convenient low cost format. But the information provided is limited in both depth and comprehensiveness; searching through traditional media for decision support can be time-consuming and frustrating.
- Independent financial advisors and brokers claim to be impartial but often their recommendations are biased by the size of the commission offered by sellers.

- Retail outlets can be a cheap and easy source of product information - the mere fact of displaying goods on shelves provides shoppers with some sort of comparison service. But the quality of most retailers’ advice is poor and comparisons are limited to what the retailer stocks.
- More recently, social networks have been touted as a breakthrough in decision support. They have the same ‘on my side’ benefits of friends and family, plus the added advantage of crowdsourcing. But the advice they provide is not necessarily expert, often hard to find and collate, and open to gaming (e.g. by unscrupulous suppliers masquerading as peers).

So while there has always been consumer ‘demand’ for these forms of decision-support, a fully fledged market for decision-support services never emerged. Until now.

“
*Decision support isn’t new.
‘But a fully fledged market
for decision support services
is new, and it’s changing how
consumers go to market.*
”

Decision support: an unmet consumer need

	Impartial	Expert	Comprehensive	Free/cheap	Easy to use
Friends and family	✓	✗	✗	✓	✓
Consumer groups (e.g. Which?)	✓	✓	✓	?	?
Professionals	✓	✓	✓	✗	✗
Media editorial	?	?	✗	?	?
Independent Financial Advisors	?	✓	?	✓	?
Brokers	?	✓	?	✓	?
Retailers	?	✗	✗	✓	✓
Social media/ networks	?	?	?	✓	?
Decisions-support services	✓	✓	✓	✓	✓

Figure 2: Ten years ago price comparisons sites were a radical innovation. Now, services Comparethemarket.com, Confused.com, Moneysupermarket.com, and uSwitch are major brands in their own right. Comparison services have already taken root in many markets: flights, hotels, holidays, electrical goods, books, current accounts, credit cards, insurances. But this is just the beginning. As the costs of ‘shopping around’ (decision-making) fall, and as the value of the information and advice that’s offered increases, the market for decision-support services will expand in reach, range and speciality.

What does a better decision look like?

Decision support services help individuals improve their decision-making processes: they make it easier to arrive at a better decision. Decision support services compete on a number of grounds including:

- How quick and easy they make it for individuals to access and use the information they need to make better decisions.
- The impartiality, comprehensiveness and expert nature of the information they provide.
- How trustworthy their processes and information are.
- Whether they can make the process of decision-making fun, interesting, stimulating, educative
- Whether they can reduce areas of anxiety or concern.

A 'better decision' is not necessarily a 'rational' decision that 'maximises utility' as described by 20th century economists. As with beauty, 'better' is in the eye of the beholder. It depends what the individual's priorities are. They could include:

- The best possible price
- The best possible quality/functionality for a given price
- Best possible fit to a particular specification
- Providing the greatest possible reassurance/safety
- 'Saying something about me' (e.g. I'm in with the in-crowd, sexy, successful)
- The most environmentally friendly or ethical

- 'It's good enough for me not to have to think or worry about it'
- 'I can get it out of the way with minimal hassle or comeback'

What a better decision looks like also depends on the nature of the decision-maker. Some decision-makers are novices who don't even know what questions to ask. They have different needs to connoisseurs. Some are control freaks wanting to dot every i and cross every t; others are more relaxed 'satisficers' content with a 'good enough' outcome. Individuals' decision-making styles and priorities depend on mood and mode. Sometimes our number one priority is to save time; sometimes we savour browsing.

Of course 'a better decision' is not the be all and end all. Deciding to keep fit is not the same as doing so. Often 'better implementation' (behaviour) is just as important as the decision itself.

As the decision-support market matures, it will address an expanding range of these different decision-making needs and priorities.

“
Helping individuals make better decisions opens up a completely new layer of consumer/citizen value.
”

'Better decisions' don't always mean arduously gathering and sifting ever more information. Sometimes we want to cut to the chase to make a safe decision as quickly as possible.

JustBuyThisOne - an experimental service offered by the peer review specialists Reevo - provides its users with the ultimate short-cut: a choice of one!



Across a range of products such as TVs, cameras and laptops, it presents only one option for each price point: the product that's gained the highest number of positive ratings from consumers via its sister service Reevo.

For example JustBuyThisOne's TV recommendations are based on 158,000 consumer reviews. JustBuyThisOne offers a decision-making short cut that is transparent and relatively safe and trustworthy.

Sometimes the real value offered by a decision support service is not 'the better decision' per



se, but reassurance. Research by Bill Monitor, for example, suggests that saving money is not the main benefit users experience. They value a sense of relief - knowing they have made a good decision - just as much. In this sense, Bill Monitor is addressing the emotional benefits of a better decisions as much as the 'rational' or practical ones.

The impact of behavioural economics

New discoveries in social, evolutionary and other branches of psychology are transforming our understanding of how human beings make decisions.

The new discipline of behavioural economics has unearthed multiple ‘predictable irrationalities’ - ways in which people routinely make less-than-perfect decisions. A key discovery of behavioural economics (BE) is that he who controls the ‘choice architecture’ (i.e. the context in which people make their decisions) can effectively control the choices they make.

The question is how should this knowledge be used. Currently, many marketers are embracing behavioural economics as a powerful new ‘secret weapon’ to get customers to do what the organisation wants them to do. However, the likely medium- to long-term effects of BE lead us in precisely the opposite direction.

It’s early days yet, but increasingly, decision-support services will compete with each other over:

- How good they are at educating users about BE effects and how to avoid BE-related decision-making pitfalls.
- Designing ‘choice architectures’ that help users make better decisions in a way they can trust, and publicising the fact that they are doing so.

Supporting this, regulators and the media will be on the look out for companies seeking to use BE to influence/manipulate customer decisions, and brands found doing so will face significant reputational risk.

‘Predictable irrationalities’: some examples

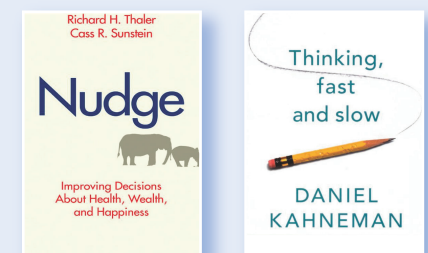
Inertia	People tend to opt for the status quo, no matter what it is. Often, he who sets the default option makes the choice.
Familiarity	People prefer the familiar, because ‘the new’ represents a risk
Framing	People judge things in context. Change the context, change the judgement
Priming	When experiencing something new, people look out for things they’ve been told to look out for
Loss aversion	Losing £1 hurts a lot more than gaining £1
Hyperbolic discounting	Benefits experienced today seem a lot more valuable than benefits promised tomorrow.
Salience	We give undue influence to recently acquired information, even if it’s not relevant to the task in hand
Norms and peer pressure	We’re social creatures that bend with the crowd
Anticipation vs reward	Anticipating a benefit is often more rewarding than the reward itself
Coherence	We want to make sense of things and are willing to believe many a tall story so long as it ‘makes sense’; and we change our own behaviours to fit the stories we construct about our lives.
Halo effects	Instead of carefully assessing many different aspects or attributes of a person, product or brand to create a balanced nuanced assessment, we let top line global assessments colour our assessment of everything they do.
Obedience	We are prone to accepting the instructions of socially recognised authority
Accommodation	We get used to the status quo, whether worse or better, surprisingly quickly

Figure 3: The many different ways we make less than perfect decisions

Behavioural economics overturns many of the assumptions on which 20th century economic theories are based. It is revolutionising both public policy and our understanding of how markets - and consumers - behave.

Two of the most important books about BE are ‘Nudge’ by Richard Thaler and Cass Sunstein and ‘Thinking, Fast and Slow’ by Daniel Kahneman.

In ‘Nudge’, the authors argue that the findings of BE should be used to help individuals make choices “that will make choosers better off, as judged by themselves”



Components of decision-support

The average motor car has 10,000 different components. These assemble into a range of different sub-systems - the chassis, engine, transmission system, controls and so on - which in turn come together to create the vehicle. The decision-support industry is going a similar way with new, improved 'components' to the decision-making journey being added all the time.

This list below includes some things that are already 'the new normal' and some things that are still emerging:

- search
- social search
- social networks which facilitate casual advice giving
- peer reviews of (products, customer service, suppliers)
- expert reviews
- scoring systems based on peer and expert reviews
- specialist online forums
- problem solving communities (see The Key)
- 'people like you' services
- seller rating/reputation scoring systems
- sliders - which help users answer 'what if?' questions
- buyer guides
- 'discovery' mechanisms - e.g. 'if you like this, you might like that'
- 'if then' algorithms which help individuals by focusing on a small number of key 'yes/no' questions

- tear downs - which strip products down to their component parts to inspect their quality/value
- price comparison services
- product comparison services (e.g. features, attributes etc)
- independent product testing
- specification building services (see Measy example)
- makeovers - e.g. 'money makeovers' which collect all available information about the individual's current arrangements and then recommend a series of alternatives
- specific expert advice

Each of the above components is evolving. Search, for example, is being enhanced by users' previous search histories, or advanced search facilities that enable users to specify more exactly what they are looking for. Peer reviews have suffered from gaming - e.g. invented reviews posted by PR hucksters. That's driving the rise of services like Reevo which verify in advance that the individual really has purchased the product in question. 'People like you' is evolving into people *really* like you, i.e. based on more detailed information. For example, you could compare energy consumption of people who live in four bedroom terraced houses. But a 'people really like you' service might compare energy consumption of 'families with three children at home all day with solar panels' or 'couples who are out at work all day and eat out at night'.

Ongoing innovation on both fronts - decision-support components and different ways of assembling them - is driving the evolution of a rich ecosystem of decision-support services.

Measy up-ends traditional ways of going to market by starting with the buyer's specification rather than the seller's product. Once the buyer has created her spec then Measy presents only those products that match it.



Measy's current approach is very simple. For example, for HDTVs it asks just seven questions: price band, brand preference (if any), screen size plus a few questions like 'will you use it to play video games?' or 'will you be watching it in large groups?'. But there is no limit in principle to how sophisticated or detailed such a specification could be. Looking forward, a growing range of decision-support services will offer spec building.

Sometimes the most valuable step towards making a better decision is the ability to ask a question and get a good, reliable answer. Traditionally, individuals have asked and answered



questions as isolated individuals unable to share what they learn. If Mrs Jones in Skegness invested time and effort learning about digital cameras, she couldn't pass her learnings to Mr Jones in Scunthorpe.

The Key - a specialist services for school leaders in the UK - gathers the questions school leaders ask, and shares the good, reliable answers to these questions, via a Q&A database. In this way, it creates a learning community that's building a re-usable knowledge asset and no longer has to keep reinventing the wheel - while continually reducing the unit cost of providing good answers to each question.

An evolving market

The potential scope of the decision-support market is vast. It covers any occasion when an individual is wrestling with a problem and needs information, expertise and/or advice to address this problem, from trivial practical 'how to' questions to life changing moments. The market is already expanding in a number of different directions.

- **From static to mobile.** The first decision-support services were PC-based. The next generation will be mobile and tablet based - there to use whenever and wherever the individual needs them. Mobile services like TheFind, ShopSavvy and Amazon's Price Check app mean the revolution is now affecting traditional bricks and mortar retailers too.
- **Types of service.** Decision-support is not just about price comparison. The range of different types of decision-support service is expanding to include generalised and personalised advice, specification building, decision outsourcing, discovery and inspiration, makeovers, decision simplification and streamlining, etc.
- **Product categories.** The decision-support industry began with simple, easy-to-use information such as comparing prices of exactly the same product in different retail outlets. By expanding the nature and range of information they provide it's also expanding the range of products and services affected.

- **Customer segments.** As the channels, product categories and types of service expand so are user numbers, and the range of different types of user - e.g. both connoisseurs and novices; bargain hunters and convenience hunters.
- **Types of decision.** Looking forward, decision-support services will increasingly tackle 'hard' decisions as well 'easy' ones: decisions where the individual has to address and handle difficult trade-offs and elements of risk and uncertainty; 'life' decisions as well as product and service decisions.

Business models are evolving fast. The first price comparison services earned their money on a 'pay per click' basis. Then some offered 'pay per sale'. More recently, players such as Twenga have adopted an 'advertising/editorial' model, with unbiased comparisons placed alongside ads from suppliers. With each shift in business model, competitive dynamics also shift.

Competition is intensifying. Some sectors - such as insurance comparison services - have matured quickly, triggering bitter battles for market share, and prompting different players to invade each other's territory. Thus energy switching sites like uSwitch have moved into financial services, while financial specialists like MoneySupermarket moving into energy. This is just the beginning: we can expect significant merger and acquisition activity in this market going forward.

How will you be affected?

	Applicability/importance		
THE PRODUCT	LOW	MEDIUM	HIGH
Is it low or high value?	●	●	●
Is it low or high complexity?	●	●	●
Is it low or high risk?	●	●	●
THE PURCHASE			
Is it low or high frequency?	●	●	●
Is it low or high impulse?	●	●	●
ARE THE FOLLOWING OF LOW OR HIGH IMPORTANCE?			
Best price	●	●	●
Best fit to specification	●	●	●
Aesthetics (e.g. design)	●	●	●
Image (e.g. status)	●	●	●
ARE THE FOLLOWING OF LOW OR HIGH IMPORTANCE?			
A quick and easy decision	●	●	●
Reassurance	●	●	●
Insight/understanding	●	●	●

- Low impact on market dynamics
- High impact on market dynamics
- Intermediate impact on market dynamics

Figure 4: Who is most affected by the decision-support revolution? Decision support services come into their own with higher value, more complex and higher risk products and service, and when the buyer needs reassurance and better understanding. Their impact is lower with frequent, routine and high impulse purchases, and where aesthetics and image are important.

Assessing the impact

From the perspective of decision-support different firms and different activities add (or take away) different levels of value. The figure shows schematically how different marketing strategies and business models ‘stack up’ against the emerging value imperative of helping customers make and implement better decisions.

It has three main levels. First, those aspects of traditional markets which act as a disservice to consumers by exploiting instances of ignorance and inertia. Second, those aspects of traditional markets that act as a service to consumers by helping them make better decisions within limited confines. Third, new decision-support services which break free of these confines to offer cross-market/cross-brand decision support.

Within these three broad brands there are some nuances, marked by the ‘step changes’ in the figure.

- **STEP CHANGE 1:** the company depends on continued customer ignorance and inertia for significant proportions of their profits.
- **STEP CHANGE 2:** whether the activity helps the customer make a better decision is neither here nor there - almost an accidental outcome. This is the arena of traditional marketing with its Janus face: identifying and meeting customer needs on the one hand, persuading and influencing customers on the other.
- **STEP CHANGE 3:** some degree of decision support is ‘part of the service’, but where this decision support relates narrowly to that customer’s dealings with that

Decision support is triggering a step change in how markets work

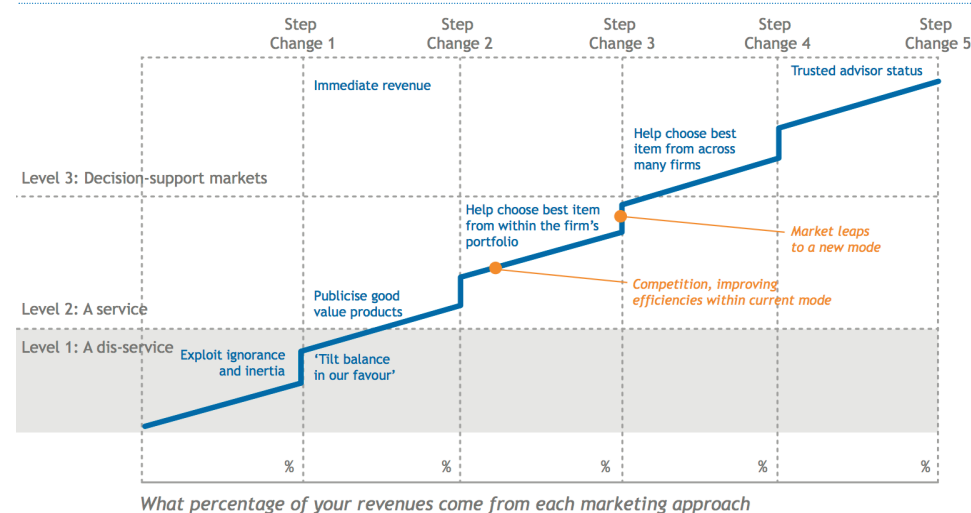


Figure 5: Some aspects of today’s market actively make it harder for individuals to make better decisions. Some aspects of decision-support work well within the boundaries of a single organisation. Others work best when comparing the offerings of different organisations. To know whether decision-support is an opportunity or a threat, companies need to know where they get most of their revenues from.

particular organisation (e.g. pointing a customer to a more appropriate tariff).

- **STEP CHANGE 4:** professional decision-support services scan the market as a whole for their customers.
- **STEP CHANGE 5:** trusted advisor status where individuals are willing to volunteer large amounts of additional information as a means to receiving richer, more appropriate advice. For suppliers, access to this information can be hugely valuable as a source of customer insight, driving innovation.

For some companies significant proportions of their revenues derive from high degrees of customer ignorance and inertia - i.e. from the lack of decision support. For others (e.g. traditional marketing strategies) whether or

not an activity helps the individual make a better decision is more or less irrelevant: it’s not what the marketer is focused on. For yet others, decision-support lies at the heart of what they do.

To assess the potential impact of this new market suppliers need to understand to what degree their revenue streams depend on these different ‘levels’ of decision-support.

As the decision-support market evolves, we expect companies to play in Levels 2 and 3, which lie above the ‘service/disservice’ line, and for companies operating under this line to be squeezed. For a quick impact and opportunity assessment, ask yourself ‘what percentage of our income/profits come from each of the segments here?’

New win-wins

Many suppliers' instinctive reaction to decision support is one of fear and resistance: 'if customers make a better decision, they might not choose us!'

Behind these initial fears however, the decision-support industry actually generates many potential benefits for suppliers. Decision-support services organise 'the voice of demand', eliciting information bottom-up from 'the horse's mouth' of individuals as they go about their decision-making processes. This is in contrast to the 20th century when the dominant voice in the market place was the voice of supply: 'top down' information such as advertising from suppliers to customers.

In the process of helping individuals make better decisions, decision support services act as information factories, generating vast amounts of rich, timely and accurate information about:

- what individuals are interested in (down to many levels of detail)
- when they are interested in it
- who these individuals are (again, to many levels of detail)
- the questions they are asking
- the concerns they express
- the options they consider and reject as well as the options they choose

This information is generated:

- at every stage of the decision-making process from initial interest to final decision
- in ways that can be used both for personalised targeted communications and statistical trend and pattern analysis

This is the information suppliers need to understand and respond to changing customer needs, innovate better and faster while reducing guesswork and waste in marketing, innovation and customer service activities. The more these sources and flows of information grow, the more suppliers can use them to make better supply decisions and reduce their own go-to-market costs and risks.

This is the potentially massive economic win-win of improved information logistics: getting exactly the right information to and from the right people at the right time - an information exchange that benefits both buyers and sellers in their decision-making and implementation.

REEVOO



Peer reviews can easily be gamed by PR hucksters paid to masquerade as consumers to push a particular product. Reevo sidesteps these issues by soliciting reviews only from known product purchasers - via the retailers they made the purchase from.

By actively soliciting reviews, Reevo gets a much richer and broader range of customer comments.

FAROE

Many decision support services assume the individual already knows what he wants. But sometimes what we most value is the ability to explore and discover.

Golant Media Ventures is working with partners Guardian Media Group, Idio and Decibel on Faroe, a film and related media 'discovery' service which:

- builds a taste profile from their viewing history and social media profiles
- analyses the attributes of these films along many dimensions such as genre, who the actors are, what locations and music are used, era the action is set in etc.
- creates recommendations of not only film but also music and editorial for individuals using these criteria, thus taking 'people like you...' cross-media and to a new level of detail

Services like Golant's film discovery tool depend on intensive data gathering and crunching (e.g. tagging every film by multiple criteria, and connecting this to data about individuals' viewing habits). In doing so they add significant new value: a service no individual can achieve working alone.

Reevo is also making the peer review a more disciplined, structured information process. It goes beyond vague assertions - 'it's great!', 'it sucks!' - to ask detailed questions about quality, ease of installation, and so on. Now it's adding a social element, by enabling buyers' considering a purchase to ask questions of those who have already purchased it - and letting brands take part in the conversation. In this way, Reevo is turning 'chaotic' fleeting conversations into structured, re-usable data.

Barriers to market growth

Growth of the decision support industry is currently hampered by a range of different obstacles.

Infrastructure

Decision-support services are information logistics businesses: they add value by enabling the right information to get to, and from, the right people at the right time. But information logistics requires its own infrastructure, processes and trust frameworks, which are still being built. In the meantime, many individuals and suppliers will continue to rely on traditional methods (e.g. top down advertising, traditional shopping).

Supplier resistance

Some companies see decision-support as a threat to their brands and revenue streams. For example, DirectLine and Aviva refuse to deal with car insurance comparison sites. If such brands can consistently offer a better deal, this strategy can succeed. If not, it's an unsustainable act of denial. Even so, resistance of this sort can slow the growth of the market.

Trust and the commission trap

Decision-support services add consumer value by helping the individual make a better decision. But often they earn their money from supplier commissions and he who pays the piper tends to call the tune. Many would-be decision-support services have been sucked into pretending they offer impartial advice while actually biasing the information it presents in favour of suppliers offering the biggest incentives. Such conflicts of interest undermined the market for Independent Financial Advisors, and could equally undermine the growth of new decision-support services.

The buyer accounting problem

The costs individuals incur researching and shopping for goods and services are rarely accounted for: money doesn't change hands for most of these activities. Instead, they are absorbed into the costs of every day life and therefore seem 'free'. This creates consumer-resistance to paying for decision-support services which, in turn, can drive service providers into commission-driven business models. The way forward is to reduce go-to-market costs for both buyers and sellers via improved information logistics.

The personal data problem

Some decision-support services provide 'free' services by earning revenues from other means - such as collecting data about service users and selling it on to suppliers. The 'data landgrab' aspect of some decision-support services is a potential trust timebomb. The way forward is to turn the decision-support service into a permission-driven 'factory' of Volunteered Personal Information, where individuals are in control of the information they share with who. In the long-term, this VPI approach will add far more value for both decision-support services and suppliers - though it will take time for the necessary mechanisms, trust and habits to evolve.

Supplier fear

Many suppliers fear that if customers can make a better decision, 'they won't choose my product'.

Conflicts of interest can hamper the growth of decision-support: it's difficult for suppliers to be objective when talking about their own products, so how can they enter the decision-support market?



In fact, choosing between rival brands is only one small part of individuals' decision-making needs. Brands can offer credible and valuable decision-support about everything except their particular product.

That's the insight behind the Procter & Gamble website Pampers.com. Pampers.com doesn't talk much about nappies/diapers. It talks about the problems of parenting because that's what its customers are really interested in.

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As the decision-market matures, its scope will expand from the smallest practical questions to the biggest life choices.
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Implications for the different parties

Product and service providers

For both public and private sector services the main effect of the decision-making revolution is the need to redesign themselves as information services.

Brands as information services:

- Embrace a philosophy of knowledge as empowerment - deploying knowledge and information in the hands of the customer to help customers achieve their goals - rather than 'knowledge as power' over the customer.
- Understand and address customers' information and decision-making needs as well as they do product/service usage needs.
- See products and services as just one way of delivering the fruits of their specialist knowledge and expertise. Sometimes, the knowledge/expertise is best embedded into a product/service. At other times, it's best made available separately.
- Deliberately and publicly eschew any use of information that confuses, misleads, misinforms or manipulates the customer into doing something that does not represent a good decision from the customer's point of view. For brand reputation, information quality and integrity is becoming as important as environmental and ethical integrity.
- Continually review information, knowledge and expertise held internally for internal operational purposes to see if they can be repurposed as an external service to the customer (welcome to the world of app-based services and touchpoints). This turns former internal costs into external assets.

- This includes knowledge about customer behaviours which can be 'returned' to customers either directly (as per the UK Government's midata project) or via 'people like you' and other services designed to help customers understand their own behaviours better.
- Design and present products, services and information as an integrated package to address the problem the customer is trying to deal with and do so appropriately at each stage of the journey.
- Design information-based processes to help customers implement decisions better: arranging, organising, coordinating, administering.
- Demonstrate respect for individuals' personal data, building trust and permission-based information sharing relationships with them.

Taking this approach enables service providers to reduce their reliance on traditional go-to-market channels, better access information about customers and demand, and use this information to provide more focused, personalised services, and to innovate better.

The opportunity - and challenge - is to redesign services around individuals' decision-making needs and preferences.

Decision support services

Would-be decision support services face multiple challenges. They include:

- **Staying ahead in information logistics:** Making it easy for individuals to access, upload, connect and use the information they need to make better decisions; and for providers to provide and access this information.
- **Avoiding conflicts of interest and building trust through transparency:** As we move forward, there will be growing scrutiny of the incentives and processes decision-support services adopt, so that users can be reassured that the service really does help them make a better decision. This is driving pressure for increased transparency about both processes and incentives.
- **Getting the customer data relationship right:** Is the decision support service a new form of personal data landgrab (and a trust timebomb) or does it have an open, transparent, permission-based information sharing relationship with its users? In the long-term decision-support services will flourish by becoming 'factories' or engines of VPI (Volunteered Personal Information).
- **Role in the ecosystem/'right to brand':** Helping individuals make better decisions requires many different types of information input (see page 9). Most decision-support services will be specialist 'component' suppliers, providing specialist services such as 'price comparison' or 'peer reviews'. Only a few will be able to integrate these components into fully-fledged decision-support brands.

Conclusions

The control shift has many dimensions.

- In the sphere of personal data, individuals are becoming ‘owners’ and managers of their own data.
- In relationship management, the balance is tilting from companies managing their relationships with their customers (CRM) to individuals managing their relationships with their suppliers (VRM or Vendor Relationship Management).
- In metrics, the focus is shifting from corporate ROI to personal ROI - why should I invest my time, energy, attention and money in this brand/product/channel/touchpoint? What return will I get for it?
- In decision making, the balance is tilting in another way, from an emphasis on helping sellers persuade or influence buyers to buy their particular products to helping buyers make better decisions.

The decision-support industry is still in its infancy. Search, price comparison, ‘people like you’ and peer reviews are already well-established. Other forms of decision-support, including more personalised advice, specification building and discovery/inspiration aids are just around the corner.

New models of decision-support are also emerging. Decision-makers are not necessarily single individuals acting in isolation. ‘Power of attorney’ services might act on individuals’ instructions to make decisions for them (e.g. to automatically sweep the market once a year for the best deals on gas, electricity, phones etc). Collective switching services that aggregate buying power on the side of the consumer are already being tested.

One form of decision-support in particular - specification building - could change the way markets work. Instead of starting with products which buyers inspect and choose, it starts with the needs/wants of the user and filters what’s available on the market according to the specification that has already been built. Instead of being driven by information from suppliers about their products, this type of market is driven by information from buyers about their needs - a completely different, and potentially, far more efficient set of processes.

Key findings:

- The rise of decision support is creating a two tiered marketplace: the market for products and services and the market for services that help individuals make better decisions.
- The decision support industry has the potential to extend to most decisions individuals make in their lives, both large and small.
- The decision-support market is changing the nature of consumer value and how public and private sector organisations go to market and connect with their customers/users.
- The market is generating new winners and losers.

- The winners include individuals benefiting from increased convenience and better outcomes; decision-support services themselves (a new growth market), and ‘good’ suppliers focused on delivering improved products and services. They can benefit from reduced go to market costs, cheaper and faster access to richer customer insights (thereby driving innovation), plus the opportunity to offer new types of information service to customers as well as traditional products and services.
- Losers include: traditional middlemen (retailers, media owners, market researchers) unless they join the decision-support revolution; ‘bad’ suppliers which make their money from customer ignorance and inertia; traditional persuasion-based marketing strategies which fail to focus on the information needs of the consumer.
- The more the decision-support market develops, the stronger the pressure will be on suppliers to adopt strategies that turn their brands into ‘information services’.

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By acting as a new form of personal information factory, decision support services will change the way markets work.
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About Ctrl-Shift

Ctrl-Shift is at the heart of developments in the consumer empowerment landscape, advising key movers and shakers, helping to lay out the vision and possibilities, and researching the detailed progress of the shift and its implications as they unfold.

Ctrl-Shift can help organisations manage the transition via its:

- Ongoing research programme, designed to track and monitor how exactly the landscape is changing, where, and how fast.
- Explorers Club, which brings together companies involved in the new landscape to network and share learnings.
- Executive Education programmes designed to bring internal executives and staff up to speed about how the landscape is changing, and what it means for them.
- Advice and consultancy: advising companies in specific areas about which opportunities to seize, how and when.



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