



CASE STUDY

Designing a Psychologically Informed Communications, Pricing, and Promotion Strategy for a Premium Line of Baby Car Seats

Our client, babyark, is preparing to launch a line of baby car seats featuring unprecedented safety technology developed by aeronautics and military engineers and a unique visual design.

This product has the potential to revolutionize the car seat market and save millions of children from accident-related injuries and deaths. However, as a new brand, babyark faces the challenge of breaking through the competition and capturing the attention of expecting parents with no shortage of car seat options.

To tackle this challenge, we sought to help babyark define its optimal value proposition and design a marketing strategy that was both informed by insights from the psychology of consumer decision-making and proven to be effective using experimentation.

DISCOVERY

Designing a Psychologically Informed Communications, Pricing, and Promotion Strategy for a Premium Line of Baby Car Seats

After conducting stakeholder interviews with industry experts and reviewing the scientific literature on consumer decision-making, we identified multiple barriers that might hold parents back from purchasing a baby car seat for their child.

For instance, an availability bias^{1,2} will likely draw expecting parents to car seats produced by brands that are most memorable, either because they are widely known in the public or recommended by their social circle. Research suggests that this bias becomes especially strong when consumers encounter many options, as the experience of choice overload makes considering a new product much more cognitively demanding³⁻⁶. Instead of encouraging explorational decision-making, this state pushes individuals to look for the 'safety signals' of familiar brand names that help simplify their options.

This reduced engagement with novelty is made worse by evidence that smart technologies can be alienating to customers in certain circumstances – especially those in which the customer prioritizes safety and might worry about losing control of the product⁷. Our findings indicate that a new car seat infused with smart safety technology has several barriers to climb before it can be adopted by new parents.

QUIRKS OF BEHAVIOR: AVAILABILITY BIAS

Humans often treat things that easily come to mind as better exemplars of a category than those that don't spring to mind as quickly. This partially underpins our desire to purchase items such as beverages, detergents, or car seats from familiar brands, which have high top-of-mind awareness. Undeniably, this creates a challenge for industry newcomers striving to compete.

BEHAVIORAL DIAGNOSTICS

Dissecting what matters most to parents in a baby car seat

Besides addressing psychological barriers, our client's value proposition needs to be rooted in an understanding of what product attributes drive individuals' willingness to pay for a baby car seat. To this end, we conducted choice-based conjoint analysis on decision-making data we collected from a panel of over 400 parents. Our research revealed that safety was the primary determinant of over 60% of car seat purchasing decisions, regardless of parents' age, income, or level of parental experience. This discovery identified safety as the central component of a psychologically appealing value proposition, and thus a crucial element of babyark's communication strategy.



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IDEATION & DESIGN LAB

Harnessing behavioral insights to drive positive brand perceptions

Upon discovering the psychological biases that might hold parents back from purchasing babyark's child car seats, and discovering the product attributes that might boost perceived product value, we set out to test the effects of product communications based on concepts such as:

A heavy emphasis on the car seat's unprecedented safety

Industry reference points aimed at inducing familiarity and overcoming the availability bias

Heuristics aimed at reducing perceived choice overload

Endorsements from road safety authorities

In addition to these factors, we explored the effects of interventions traditionally used to boost purchasing intent, such as appealing to customers' self-image.

Determining a psychologically optimal pricing and promotion strategy

In addition to searching for the optimal approach to product communication, we set out to identify the pricing and promotions strategy that would most effectively boost purchasing intent among our respondents. We thus experimentally compared the outcomes of combining each of our top-performing product communications with each of the following pricing and promotion strategies:



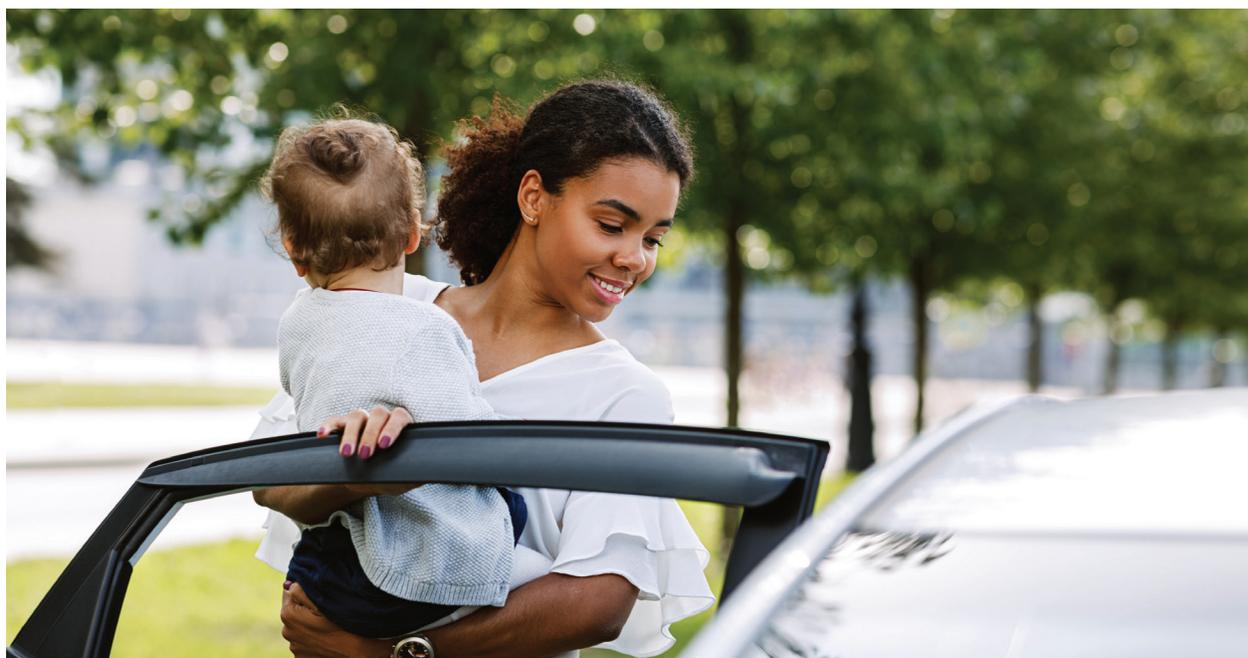
A subscription-based payment set-up, aimed at reducing the psychological pain of upfront costs



A free product trial period to overcome customers' anticipated difficulties with committing to a new brand



An additional pricing strategy designed to reinforce perceptions of product safety (currently undisclosed at our client's request)



BUILD & EXPERIMENT

Quantifying effects of communications and pricing strategies on purchase intent

Our experimental product communications as well as product and pricing strategy combinations were tested on over 1000 parents across USA, measuring their effects on individuals' interest in learning more about the car seat, as well as their decision to register for a babyark product waitlist to purchase the product.

CHOICE ARCHITECTURE

Driving choice through psychologically optimal communication, pricing, and promotion

Safety-based communications produced a median 90% interest level in learning more about the car seat across our sample of parents (100% = I am extremely interested in learning more)

Points-of-reference and heuristics reduced choice overload and boosted purchasing intent to a median of >75%.

Our experiments revealed that safety-focused product communications produced extremely high levels of interest in learning more about the product (>90%). Furthermore, including the additional feature of familiarity-inducing points of reference or heuristics to reduce perceptions of choice overload resulted in our two top-performing communication strategies, which yielded a median >75% indicated likelihood of parents purchasing a babyark car seat.

Combining potential approaches to pricing and promotion with our two top product communications revealed our currently undisclosed strategy to be the most effective. Not only did this condition produce a reported median 85% likelihood of purchase, but it also boosted parents' trust in the safety of the babyark car seat by over 13% compared to the lowest performing promotion strategy. Our findings indicate that our client would heavily benefit from incorporating this strategy into their offering as soon as this can be achieved. At the same time, our research highlights the power that pricing strategy has to reinforce value proposition and the profound advantages of experimentally verifying communication and promotion strategies before product launch.



Real World Impact

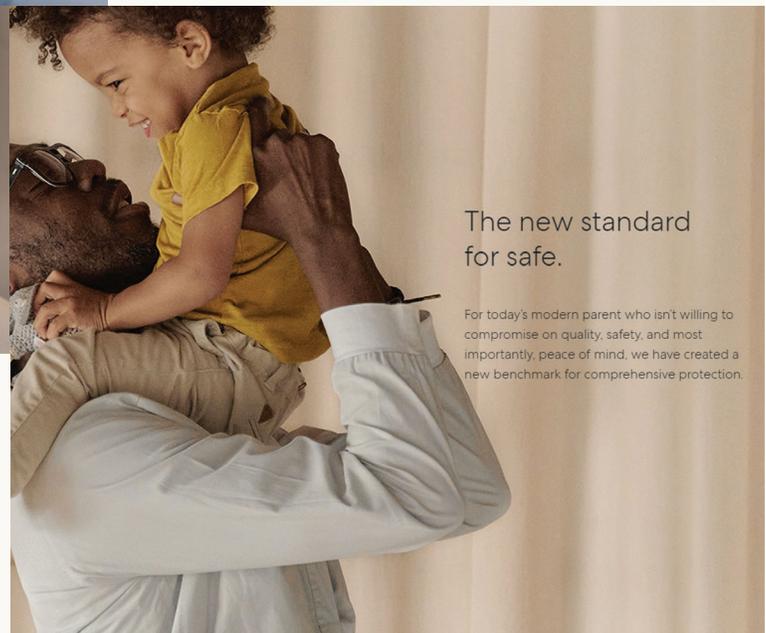
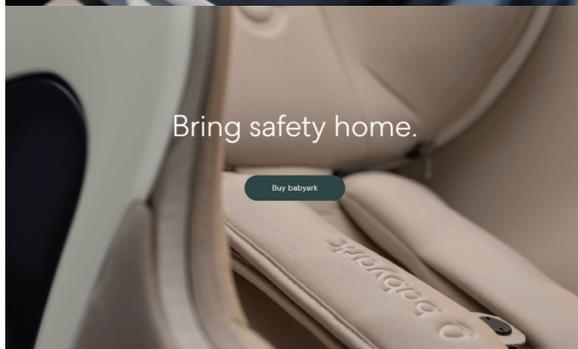
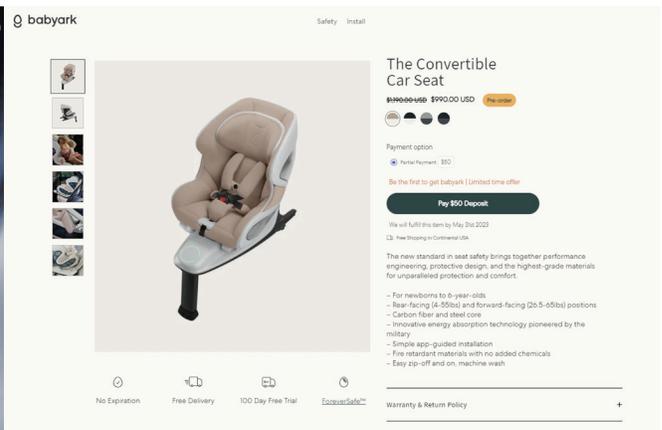
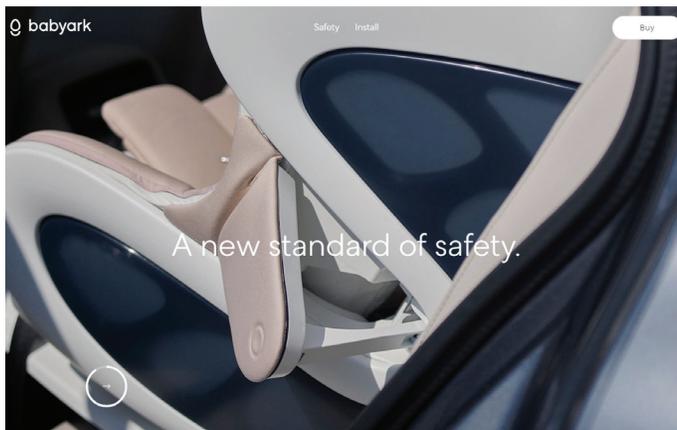
Implementing the communication and pricing strategies into sales and marketing strategy



As of January 2023, babyark has launched their product and accompanying website.



The website implemented our primary recommendations: articulating every feature in terms of safety, and offering a 100 day free trial.



Engineered for safety

Patented impact-absorbing technology and innovative protective performance materials have given birth to a new standard in safety. In head-to-head testing, the babyark technology outperformed the leading competitor by 230%* in HIC (head injury criteria).

Explore safety

*A leading EU seat was crash tested once with its original base and once with a base with babyark SafeCoil™ impact-absorbing technology.

<https://www.babyark.com/>

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