



Behavioral-Driven Innovations and Investments

Irakli kashibadze / Future Laboratory, CEO



By June 2016, [Forbes](#) estimated that Holmes's personal net worth had dropped from \$4.5 billion to "nothing" - **Theranos**

“

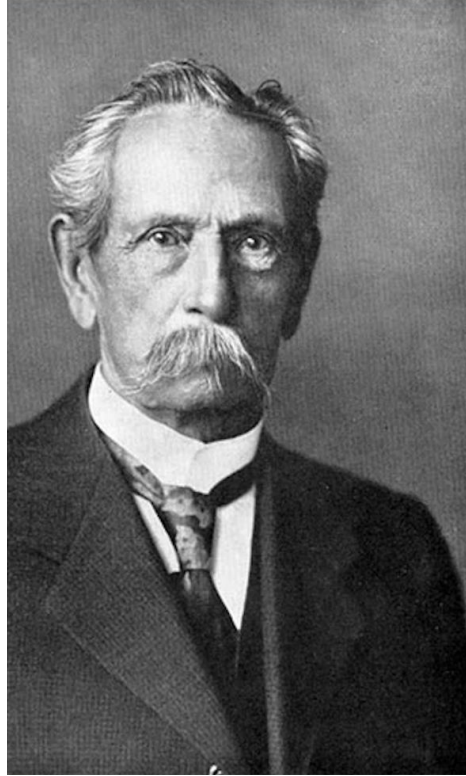
A number people have said that Airbnb is the worst idea that ever worked. Or at least I can say, everyone at the time seemed to say it was the worst idea ever, and it worked. So maybe that's the nice connection.

Brian Chesky

Co-Founder and CEO of Airbnb

BOLD
BUSINESS

Karl Benz faced skepticism from the public about his Motorwagen



Benz's wife, Bertha Benz, was crucial in overcoming this hurdle. In 1888, without informing her husband and without permission from the authorities, Bertha drove one of the vehicles on a 66-mile trip to visit her mother, taking her two sons with her.



Consumers were initially afraid of elevators

Assistant cut the rope -
When the rope broke, the
platform fell but stopped
after about two feet -

Elisha Otis



Why People and Sometimes Investors are so Irrational !!

How successful will our startup be, which will present to the market, an innovative idea that can significantly improve people's lives!

Behavioral-Driven Innovation Framework

Behavior - a set of actions and reactions that a person shows as a result of internal and external stimulating factors.



Actions and Reactions

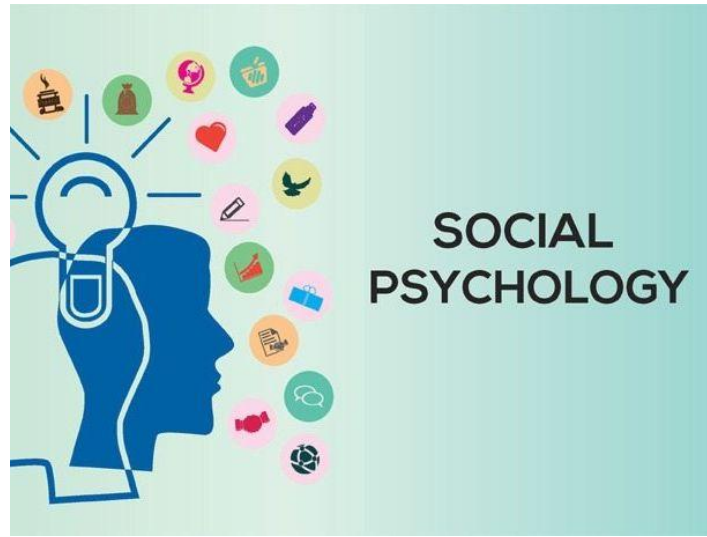
What a person thinks, feels, speaks, what decisions he makes and how he reacts to the environment, interacts with other people and social groups.

A combination of **volumetric factors**, emotions, social factors, personal qualities, environment, biological factors affect a person.



The formation of human behavior is related to long-term evolutionary processes, when a combination of certain actions led to its survival.

The mentioned behavioral system is preserved even now and people show it in modern life with different and different principles.

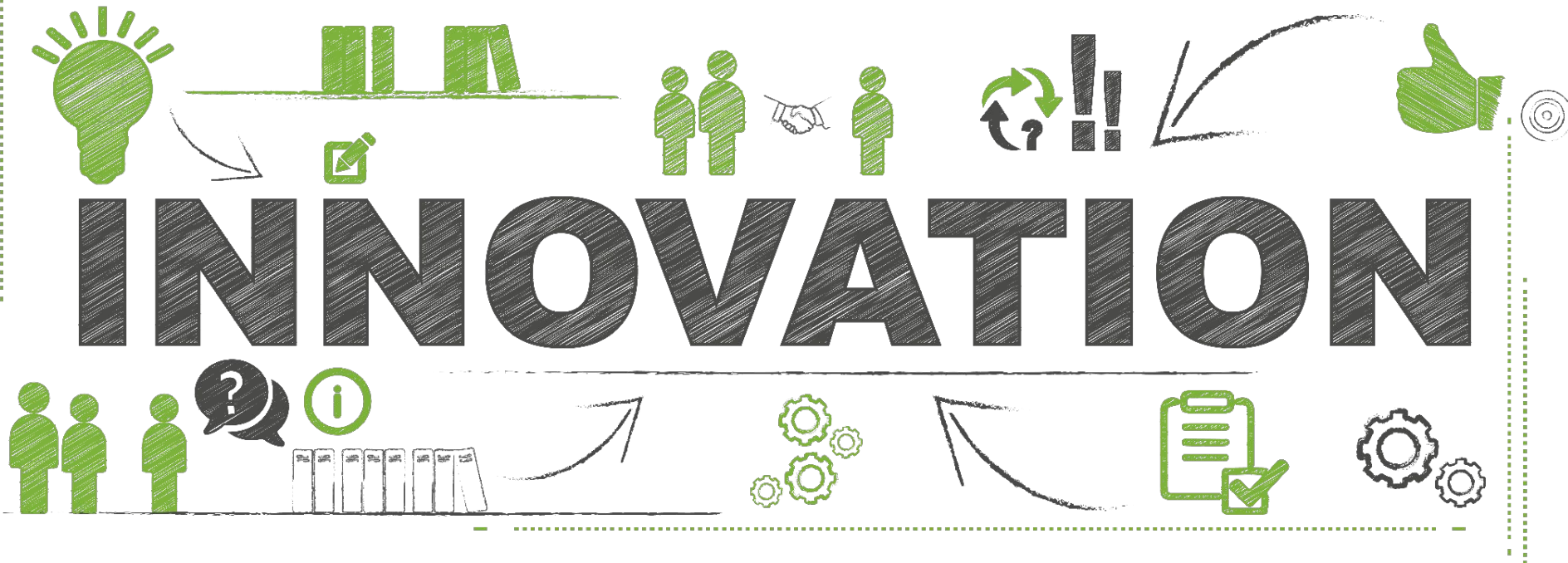


Social psychology theories explain human behavior and interaction with other individuals and groups, describe the main principles of behavior.

Theories of social psychology

- Social identity theory
- Cognitive dissonance
- Social learning theory
- other





Theories of social psychology => innovative product

The process of social identity is a psychological behavior where a person tries to assign himself to a certain social group.

CREATORS

Social Identity Theory (1979)



HENRI
TAJFEL



JOHN
TURNER

Evolutionarily, this process was necessary for survival, rapid adaptation and interaction with other people.



Encourage your own members
and degradation of other group
members



There are many social identity groups:

- religious
- technological
- economic
- in the field of art
- in sports
- etc

1. Sports fans:
2. Environmentalists:
3. Fashion enthusiasts:
4. Gamers:
5. Tech enthusiasts:
6. Foodies:
7. Fitness enthusiasts:
8. Travelers:
9. Musicians:
10. Artists:
11. Animal lovers:
12. Political activists:
13. other



Think different.

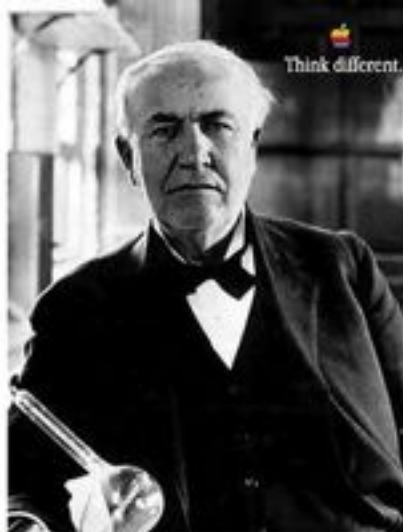

Think different.




Think different.




Think different.




Think different.




Think different.




Think different.




Think different.




Think different.







The director of Microsoft - Steve Ballmer said in his interview that the iPhone has no chance to become popular.



Moto Q



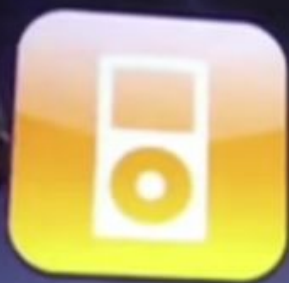
BlackBerry



Palm Treo



Nokia E62



iPod



Phone



Internet

Steve Jobs is standing on a stage to the left of a large projection screen. He is wearing his signature black turtleneck and glasses, and has his hands clasped in front of him. The background behind him is dark with a vertical blue light strip.

Revolutionary UI

Interplay of hardware and software



Syncing

Networking

Multi-tasking

Low power

Security



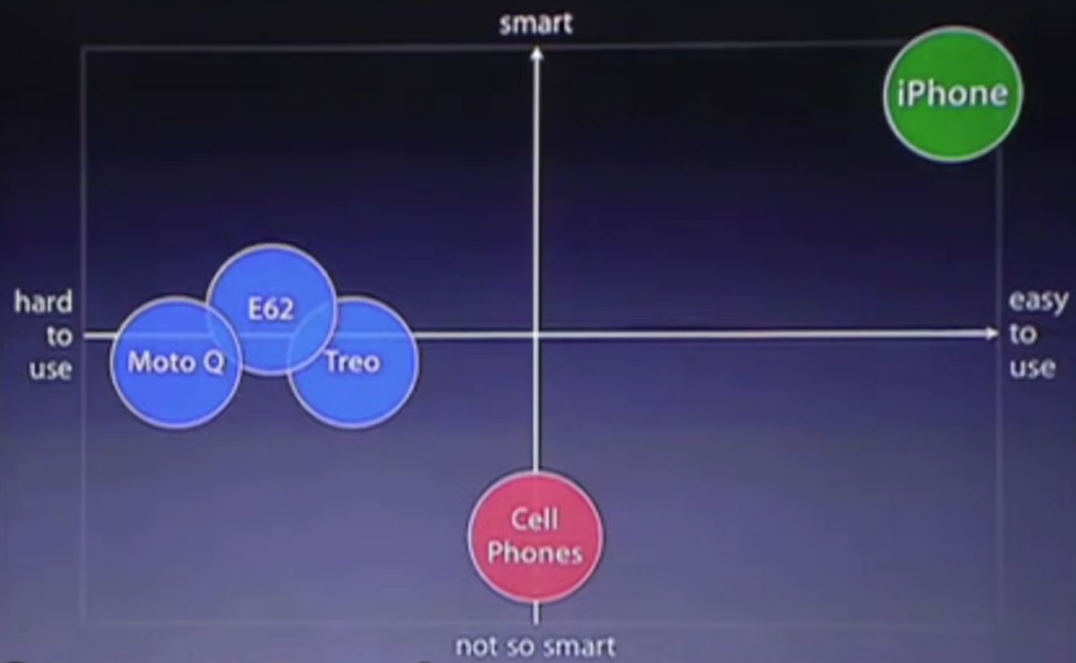
Video

Cocoa

Core anim

Graph

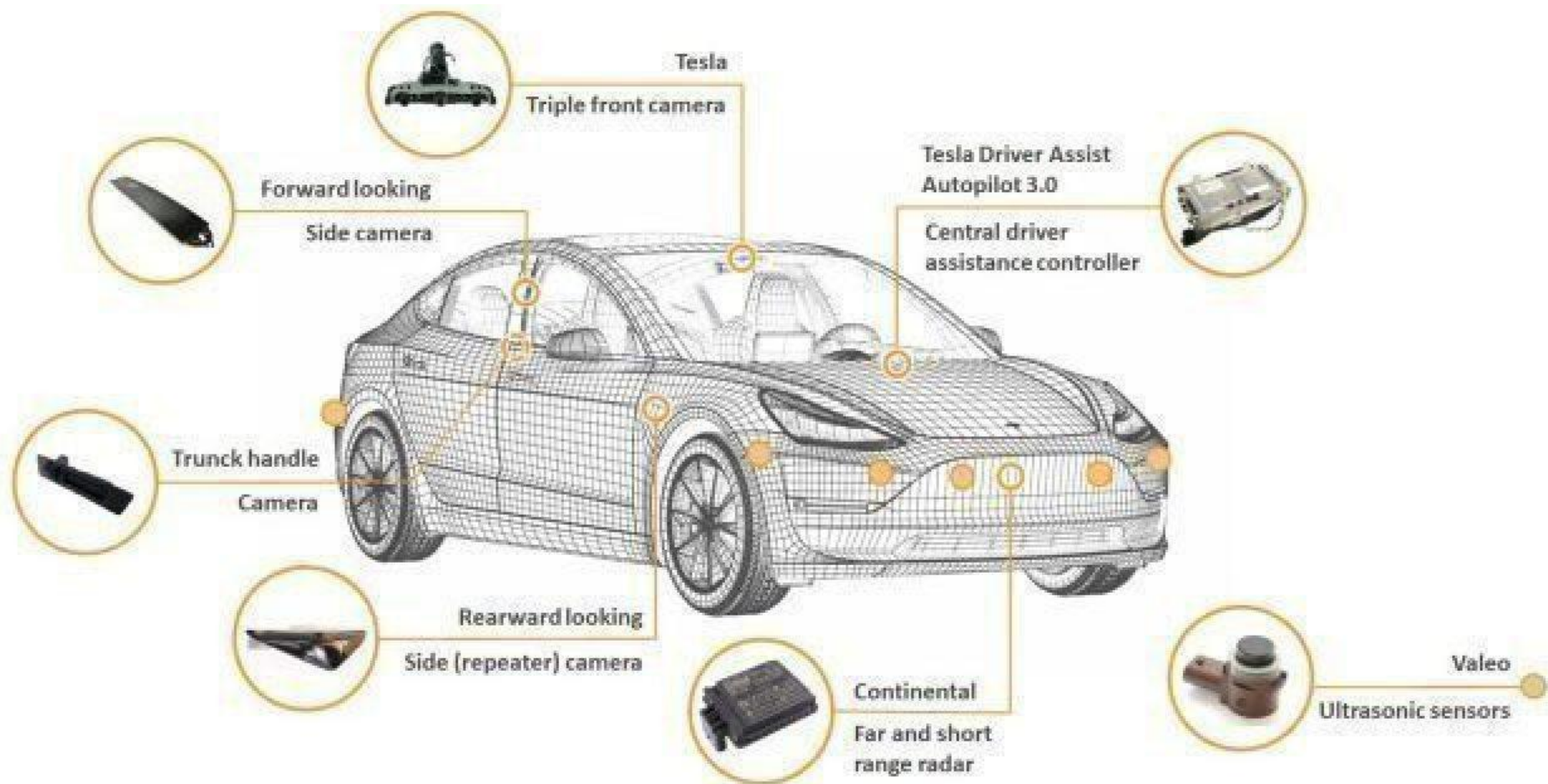
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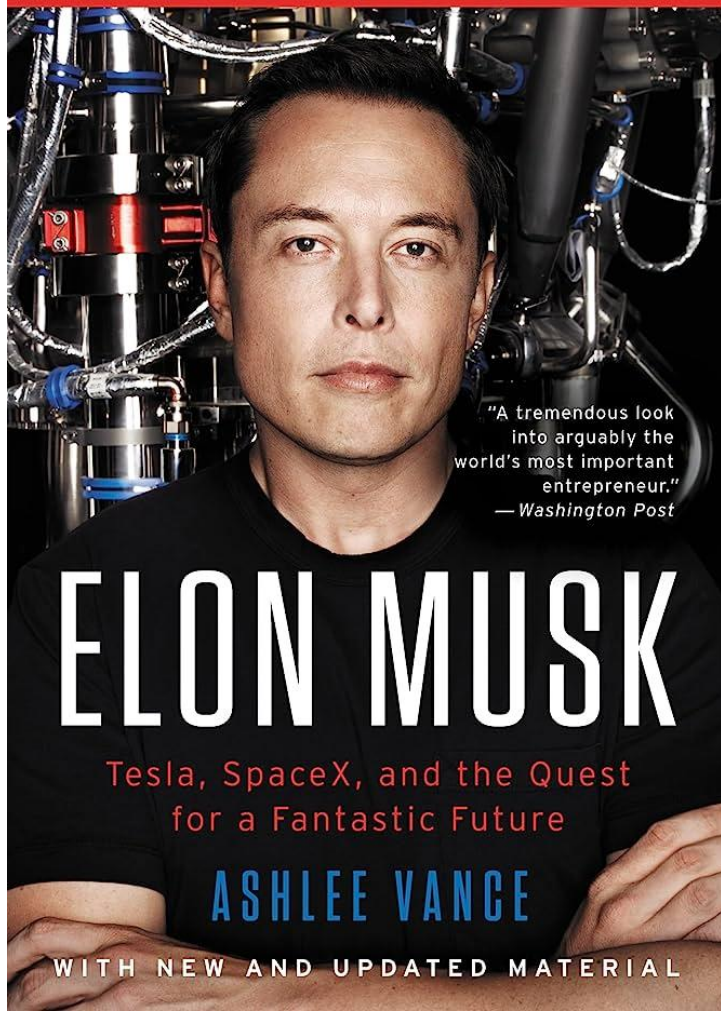
THE S L A







NEW YORK TIMES BESTSELLER



"A tremendous look
into arguably the
world's most important
entrepreneur."
— *Washington Post*

ELON MUSK

Tesla, SpaceX, and the Quest
for a Fantastic Future

ASHLEE VANCE

WITH NEW AND UPDATED MATERIAL



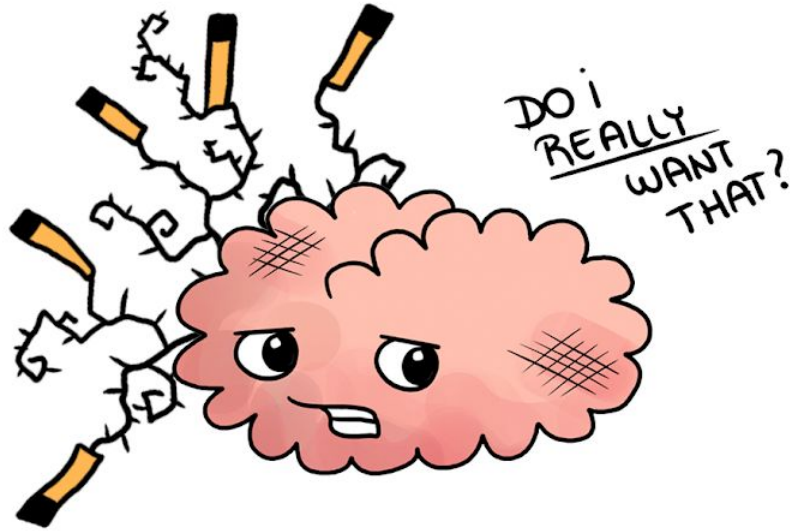
Social identity groups?



Cognitive dissonance

Cognitive dissonance is the psychological discomfort that a person experiences when his existing ideas contradict new concepts, facts, events.

SMOKING



The brain tries to ensure harmony

He begins to think about the said process until the said discomfort is eliminated.

- This can be done by adapting to the new concept
- or by finding relevant arguments that will falsify the new concept or make it less important.

Cognitive balance and coherence are not the goal by itself

The main purpose of the brain is:

Create a sustainable model of the environment and forecast events

Avoid risks and problems.

An evolutionary feature is:

For example, early humans who consistently avoided dangerous animals were more likely to survive and reproduce than those who did so inconsistently.





THE INNOVATORS

ინოვატორები 2,5% - Everett Rogers

კოგნიტური დისონანსი სხვა თვისებებთან ერთად ეხმარება ინოვატორებს შეამჩნიონ სიახლეები და დაიწყონ მათი გამოყენება უპირატესობის მისაღებათ. მაგრამ მის შემჩვენებაში და ქმედებისკენ აღძვრაში მნიშვნელოვან როლს კოგნიტური დისონანსი თამაშობს

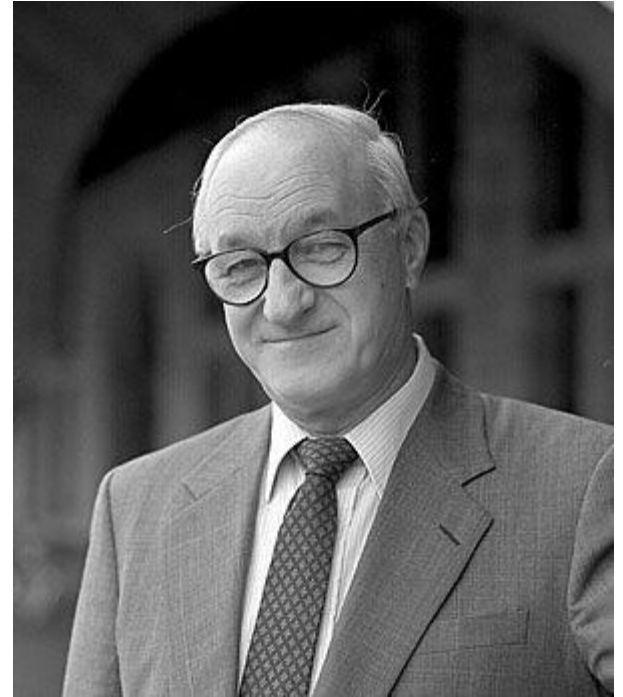
Stanley Kubrick's - Space Odyssey 2001

Gaining an advantage by using a
new weapon he noticed



Social Learning Theory, developed by psychologist Albert Bandura in the 1960s and 1970s

Social learning theory - people model their own actions to a large extent by observing other people.



Social learning theory - people imitate the action that is ultimately rewarded and by using it the person achieves success or increases his status.

People start using the new product, taking into account the principles of the mentioned theory



- The great effect of influencers in the promotion of technologies, products
- Authority determines whether a product or service will be used

- Prestige
- Exclusive
- Appreciation



- Man's desire for prestige and status is related to self-preservation
- A person who possessed these qualities gained access to resources, opportunities, and influenced other people.

Theories of social psychology

Social identity theory

Cognitive dissonance

Social learning theory

Prestige, exclusive, status







Regardless of the cognitive dissonance, people still prohibit this process because it is already a habit, it is accessible, it is tasty.



Huawei



Prospect Theory - Prospect Theory

The loss they might incur by trying something new (such as wasting time or money, or the social cost of failure or making a mistake) and underestimating the potential gain.

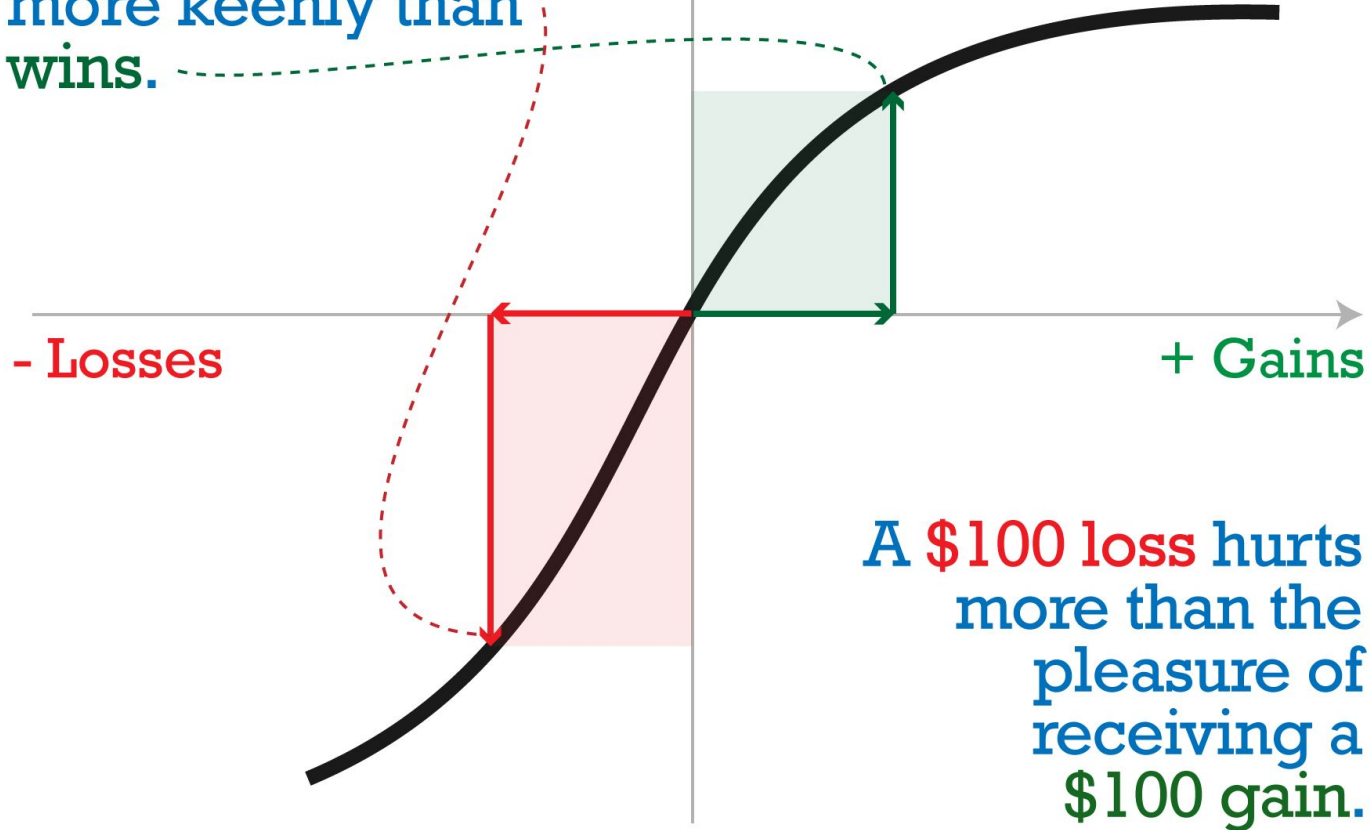
This inertia prevents them from adopting innovative products or technologies, even when the logical argument for doing so is strong.

Prospect theory is a theory of behavioral economics and behavioral finance that was developed by Daniel Kahneman and Amos Tversky

The pain from losing \$1,000 could only be compensated by the pleasure of earning \$2,000.

Psychological value

Loss aversion
We feel **losses**
more keenly than
wins.



A **\$100 loss** hurts
more than the
pleasure of
receiving a
\$100 gain.

Behavioral-Driven Innovation Framework

**Prestige
Respect
Confession**

**Social Identity - Belonging,
Identity to a particular group of
people and idea**

**Innovation - Saving time,
money, much more better
efficiency and quality +
Prospect Theory**

**Social Learning - Society
started usage of the product
and it has a high level of
mentioning by authoritative
people/publications**

<p>Eating unhealthy food, even though we know it has negative effects on health</p>	<p>Good taste, availability, and habit can be a motivating factor for unhealthy eating.</p>	<p>A startup that develops healthier, more affordable food that doesn't fall short of the great-tasting food you're used to</p>
<p>Not exercising, even though we understand how important exercise is for health</p>	<p>Lack of time, energy or motivation can prevent us from exercising regularly.</p>	<p>A fitness app that offers quick, effective workouts that can be done anywhere.</p>

Analysis, comparison, categorization, drawing conclusions -
critical thinking

Knowledge and Skills necessary for a startup founder

Knowledge of how to create and develop a startup, knowledge of how to develop an innovative product

Soft Skills and Habits of Mind

Thematic knowledge in the direction in which the product developed

Market knowledge and contacts

Gartner Hype Cycle

- The Gartner Hype Cycle is a graph that shows how a new technology can be developed and used by society over time.
- Five stages:
- Innovation Trigger: A new idea or invention emerges. People are talking about it, but it may not be ready to use yet.
- High Expectation Peak: Many people are excited. The first attempts to use it are successful, but most are not.
- Disappointment: People realize that technology is not as good as they thought. Some companies may stop innovating, but others continue to improve their products.
- Slope of Enlightenment: People understand better how to use technology. It is getting better and maybe more companies will try to implement it.
- Productivity Plateau: Technology becomes widely applicable and useful. People understand how it works, what it can do, and a company appears that successfully provides this process.