Expectation vs. Reality Index (ERI)

Purpose:

Expectation vs. Reality Index (ERI) is an index that measures the gap between what is promised by a business and what is materially received by consumers. It also quantifies the loss incurred based on reversibility, friction, and hidden costs. It measures the promise-outcome relationship in modern commerce.

Scope:

The intention of ERI is to measure the quantifiable and documented values that remain consistent irrespective of the consumer in a purchase. It does not measure unquantifiable or non-documented values that differ from consumer to consumer.

Measured values: Disclosed claims or discounts, verifiable outcomes, historical outcome patterns of documented purchases, documented and hidden costs, standard measurements, standard quality indicators.

Not measured: Personal preference, satisfaction, taste, non-standard personal fit, personal usage.

Definitions:

Expectation: The promises of a commercial purchase or product that can be measured, quantified, and documented.

Reality: The actual outcome of a commercial purchase or product that can be measured, quantified, and documented.

Reversibility Factor: The actual monetary cost, procedural burden, and time delay involved in the reversal of a commercial purchase or product.

Hidden Cost: Any cost incurred by the consumer that was not explicitly disclosed at the point of purchase.

Friction: The measurable effort, delay, complexity, or procedural burden experienced by the consumer between purchase initiation and outcome resolution.

Repeatability: The frequency with which a documented expectation–reality gap occurs across multiple independent purchases over time.

Principles:

- Neutrality – The ERI uses the same standards in measuring the quantifiable metrics of the purchase irrespective of seller or consumer.
- Transparency – The ERI will disclose all metrics involved during the calculation of the index.
- Non-purchaseability – The ERI cannot be purchased by any brand or seller. It can only be given based on measurable outcomes across a defined number of actual purchases.
- Consistency – Core measuring principles remain consistent across categories, with domain-specific variables added or omitted based on product nature.
- Longitudinal Memory – ERI incorporates historical outcome data to preserve longitudinal measurement integrity.

What ERI Refuses to Do:

- ERI does not provide recommendations, endorsements, or rankings intended to influence purchase decisions. ERI provides standardized measurements intended for reference and analysis.
- ERI cannot be altered based on a single purchase but must be measured using a series of purchases.

Commitment:

- All changes to ERI measurement methodologies will be documented.
- Versions of ERI measurements are archived.
- Methodological updates to ERI will reflect changes in modern commerce while preserving prior standards.
- Historical measuring criteria and data are preserved.

Formula:

ERI represents the normalized deviation between documented expectations and documented outcomes, adjusted for the reversibility factor and repeatability over time.