



# Emotional Connection: A Predictive Metric For CFOs

SCOTT MAGIDS, MOTISTA CEO



# Motista's Predictive Intelligence Enables Business Leaders to Accelerate Growth by Activating Emotional Connection

Big Data tying emotion to profitable behavior.

Solutions generating up to 100% gains in customer value.

# Growth Is Hard To Come By

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S&P 500 revenue growth just 2% 2013-2016(F).

Traditional organic growth strategies not yielding results:

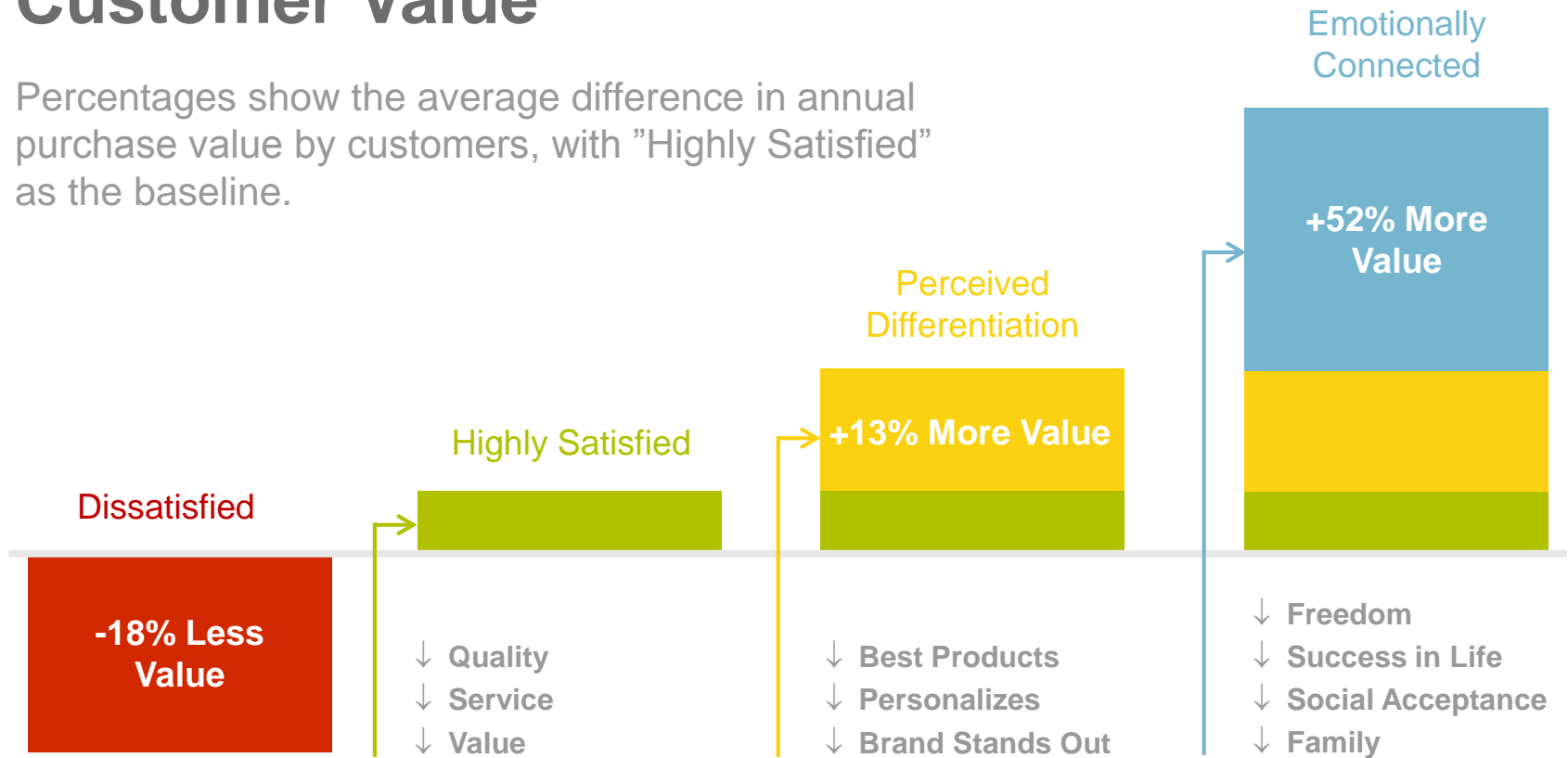
- ↓ Little differentiation
- ↓ Customer Satisfaction a cost of entry
- ↓ Innovations rapidly emulated

Cost cutting, buybacks and dividends do not generate long-term shareholder value.



# Emotional Connection Predicts Customer Value

Percentages show the average difference in annual purchase value by customers, with "Highly Satisfied" as the baseline.





# Emotional Connection predicts behavior:

Category	Business Result	Highly Satisfied Customers	Emotionally Connected Customers	EC Multiplier
Online Retail	Purchases Per Year	16.5	25.1	1.5x
Department Store	Annual Purchases from Brand	6.9	12.4	1.8x
Consumer Banking	Products w/ Bank	3.1	4.3	1.4x
Home Cleaning Products	Annual Purchases of Brand	9.4	19.1	2.0x
Quick Serve Restaurants	Annual Spend w/ Brand	\$134	\$201	1.5x
Hotel	Annual Room Nights w/ Brand	2.5	3.5	1.4x
Mobile Device	Annual App Store Purchases	64	117	1.8x

# Emotional Connection Scores™ (ECS)

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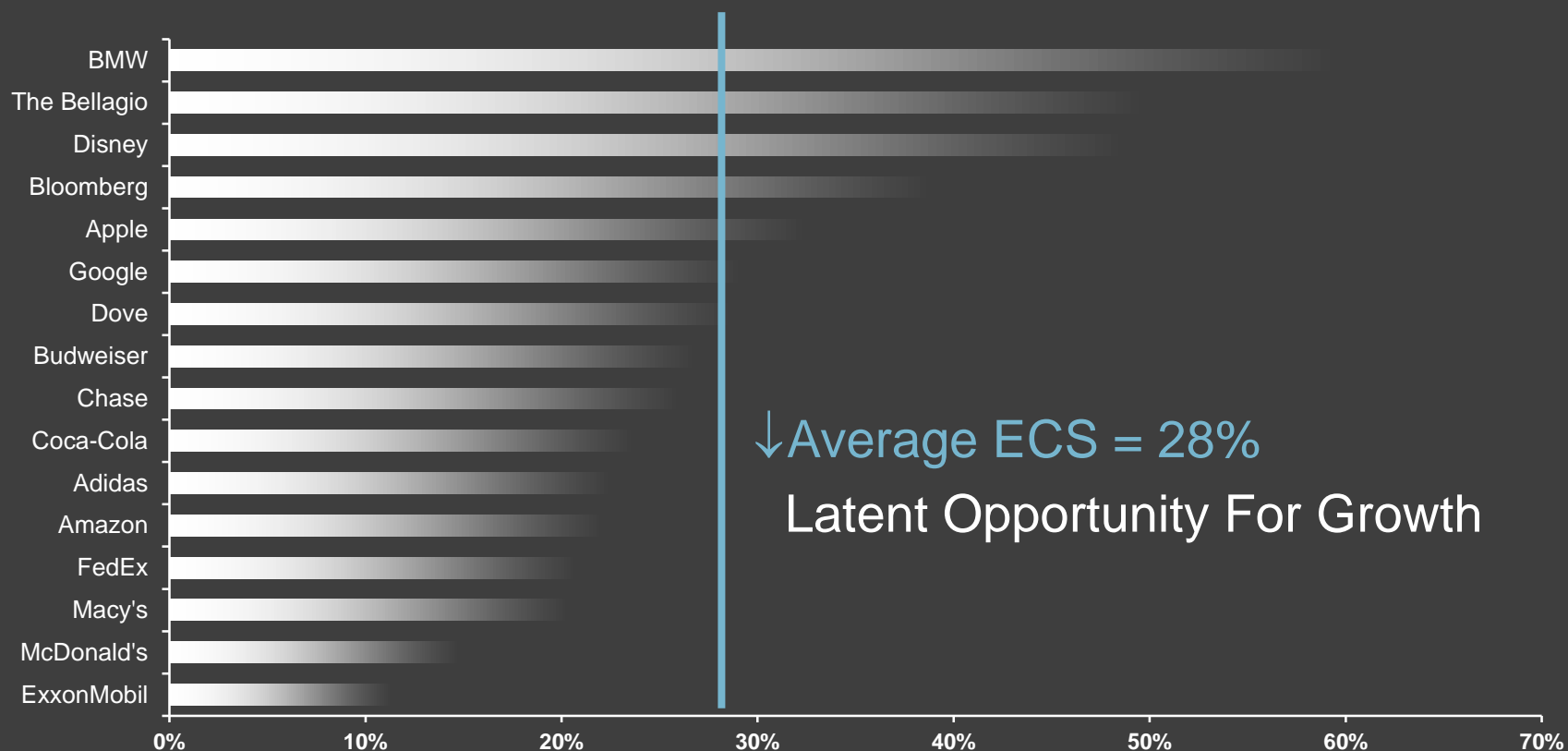
Assigned to each brand.

of a firm's customers  
who are Emotionally  
Connected today.

Shows percentage (%)



# Emotional Connection Scores™ For Brands



# How You Activate Emotional Connection For Growth







# Measure Your Emotional Connection KPI

You manage what you measure

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- ↓ On dashboard
- ↓ Across segments, channels and regions
- ↓ Operational metric
- ↓ Closed loop for continuous improvement

# Prioritize Customer Investments to Grow Emotional Connection

## Deliver Critical Emotions

Emotions that predict profitable customer behaviors.

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## Focus On Key Touch Points

Touch points that grow Emotional Connection.

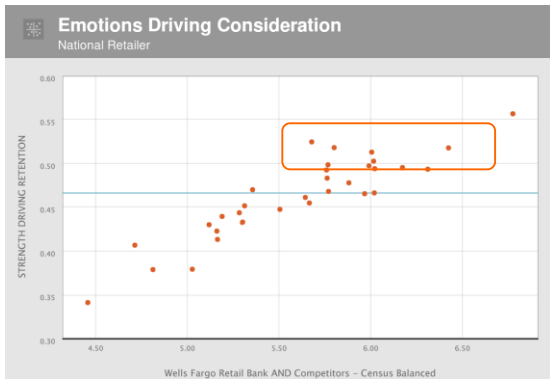
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## Acquire Emotional Targets

Consumers most likely to become Emotionally Connected

# Deliver Critical Emotions

The emotions predicting gains in customer value

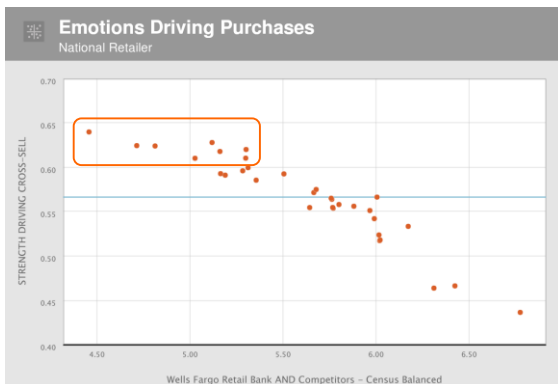


Retention



**An Indulgence**

She desires an experience that makes her feel she's getting something she wants, not just something she needs.



Purchase



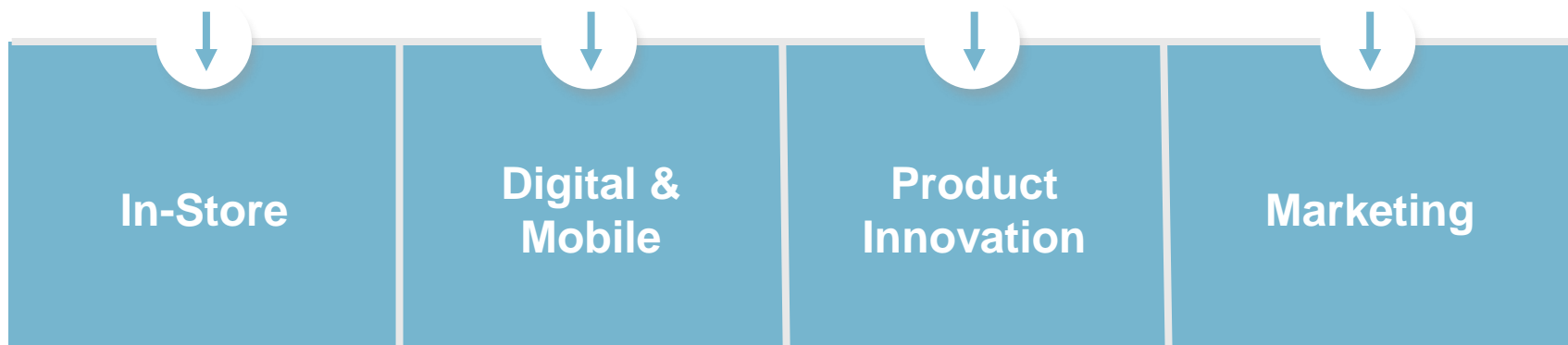
**Feel More Creative**

She identifies with retailers that help her express her creative side, and enhance her unique identity.

# Retailer's Emotional Connection "Lens"

An Indulgence

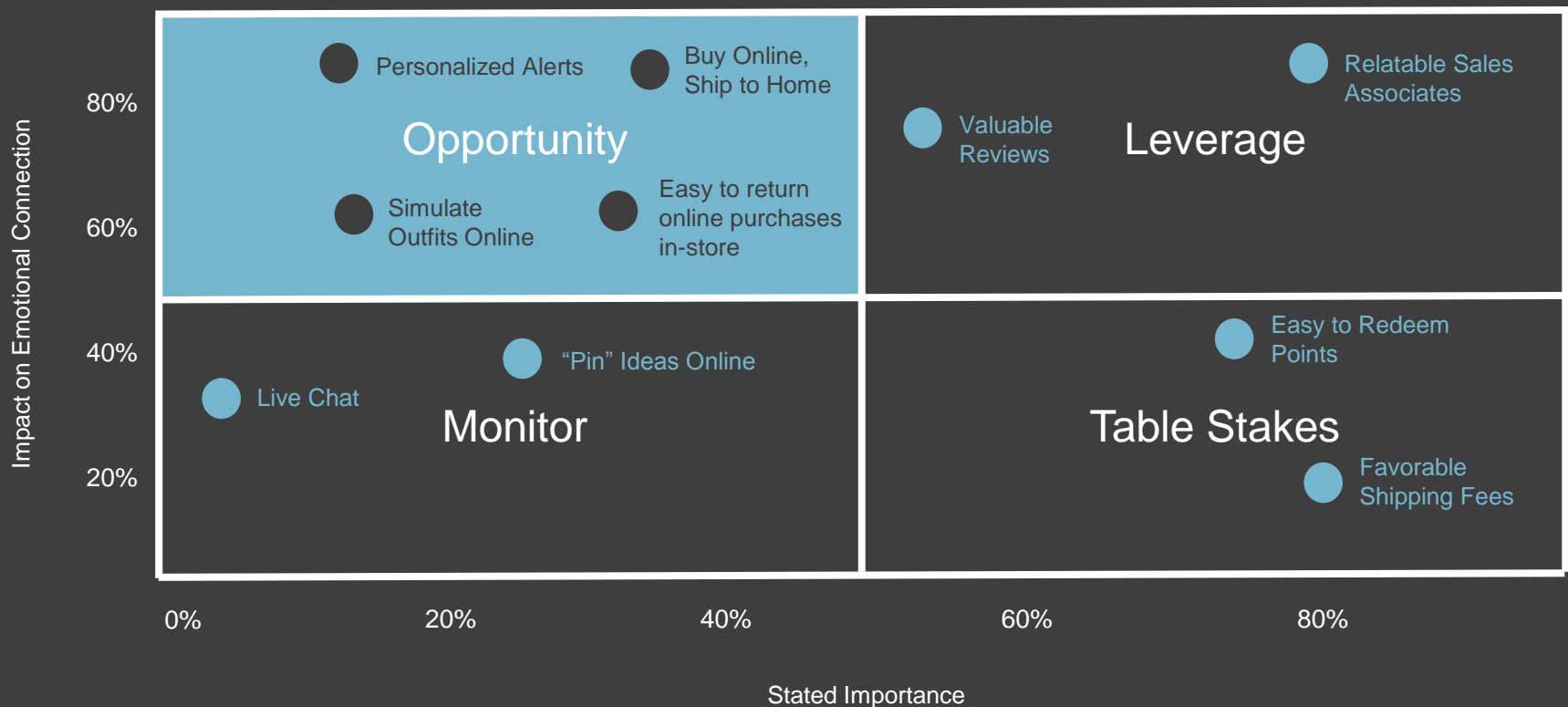
Feel  
More Creative





# Focus on Key Touch Points

The touch points growing Emotional Connection



# Examples of Touch Points Investments

Primarily funded by reallocating operating budgets

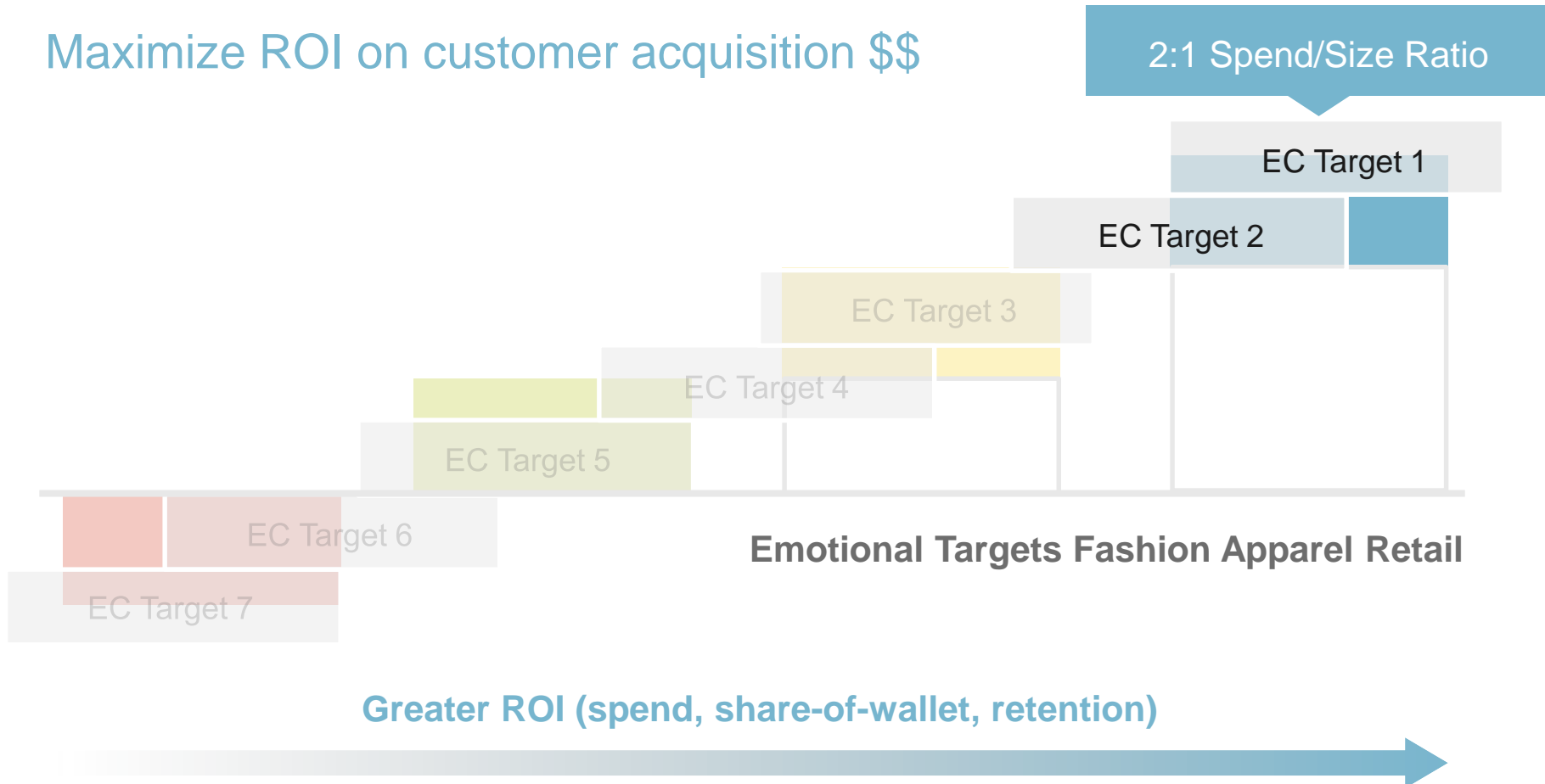
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- ↓ “Virtual try-it-on” through mobile app and e-commerce site
- ↓ “Endless aisle” expanded to 500+ stores
- ↓ Associate scripting and tone aligned to the emotions
- ↓ Big data engine powers personalized alerts with emotional messages



# Acquire Emotional Targets

Maximize ROI on customer acquisition \$\$



# ROI Example

Average values per acquired customer

	Prior Targeting	Emotional Targets	Lift
Acquisition Cost	\$9.50	\$10.25	-
Annual Margin	\$62	\$91	46%
Tenure	3.4 Years	4.1 Years	21%
Lifetime Margin	\$211	\$374	<b>77%</b>



# The CFO's Role in Emotional Connection

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- ↓ Growth strategies enabled by Emotional Connection
- ↓ Critical insights transcending data overload
- ↓ Bottom line impact of customer-facing investments
- ↓ Emotional Connection is cross-functional

Thank You

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