

THE VALUE OF THE FULLY CONNECTED CUSTOMER

Pete Riddell

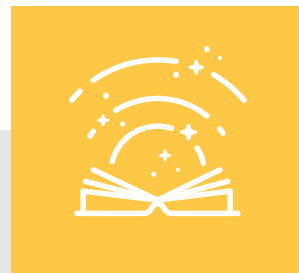
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WHITEPAPER

MASTERING EMOTIONAL CONNECTIONS

Today's world is all about meeting, measuring, and creating ROI. "What's my return on investment?" is a question not simply in business, but in general human interaction. This paper is no exception. We realize by choosing to read this piece you are INVESTING your time, and we know you're thinking, "What's in it for me?" Rest assured, as much as you're about to encounter a magical tale of emotional proportions we promise to explain why the following attributes are vital to face-to-face marketing success:

1. Amazing customer experiences can deliver magical emotional connections.
2. Fully emotionally connected customers move the bottom line.
3. Never forget the most important impression is the last one.



TREASURES FROM PETE'S BACKPACK TO YOURS



Pete Riddell, Executive Creative Director, is a true "Wandmaster" at Derse. He masterfully pulls together the importance of emotional behavior from some supersmart people that on the surface have nothing to do with the event industry, yet may have **EVERYTHING** to do with the event industry. Hold on to your broomsticks as he weaves you through a magical wizarding journey illustrating why, as experience designers and marketers, we can learn and be inspired by everyday (and not so-everyday) experiences.



So when I visit my favorite local coffee shop by myself, and Emily the Barista, is working, her first question to me is not: “So, what can I get ready for you?”

IT’S, “SO, WHERE’S **THE LITTLE MUGGLE?**”

That’s because when I visit, I’m usually in the company of my daughter. And our primary reason for visiting is not for the caffeine. We go there to read... specifically, to read aloud to each other.

We’re in the process of setting an unofficial world record for the slowest progression through the Harry Potter series (ha). We made a pact a couple years ago that we can only advance when we’re together, hence our glacial pace.

NONETHELESS, WE REMAIN COMMITTED TO THE CAUSE. We’re presently savoring every page of “The Deathly Hallows” (the last installment). At this point in our adventure, we are all-in. There may or may not be accent involvement. And we’ve also been known, on occasion, to bring our own teacups to the coffee shop when we read (I’m grateful for a daughter who appreciates ceremony as much as her old man).

So, this one Saturday we're at the coffee shop, Emma is reading, and I'm (per usual) hanging on her every word. Out of the corner of my eye, I see Emily the Barista pass behind where Emma is sitting. One of the café's endearing quirks is that the satellite radio sometimes craps out. When it does, whoever happens to be working has to walk to the back of the shop, climb on a couch, scale a pony wall and reach up to re-set the receiver and kick the radio back on. It's a regular enough occurrence that I don't think twice about it when I see Emily pass behind Emma and climb up on the couch.

Until a moment later... when my daughter stops reading and looks up from the book with her eyes as wide as the saucers under our teacups. The biggest smile breaks across her face.

“What?” I ask, as I am my usual two steps behind her.

She raises an index finger. Points to the ceiling. “Listen.”

I crane my head, but it takes my ears a few seconds to cut through the chatter of the coffee shop. Then I hear it, too... as my eyes grow as big as our saucers.

Me: “Is that....”?

She: “It's the Harry Potter theme,” she finishes.

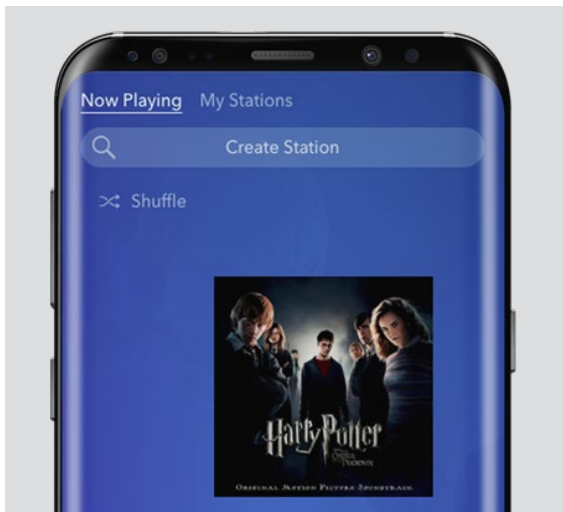
WE ABOUT FELL OFF OUR BROOMSTICKS.

“Come with me,” I say, and we rush up to the counter. There Emily is waiting, sporting her best Cheshire cat grin.

“Was that you?” I ask, pointing my index finger to the sky. “Yeah,” she says, nonchalantly. “I was going to go Deathly Hallows, but I figured that was too dark, so I just went with the classic.”

You guys may have a barista who knows your go-to drink order.

HOW MANY OF YOU HAVE ONE WHO CURATES A READING SOUNDTRACK FOR YOU?



“How did you do that?” Emma asked in wonder, and Emily revealed the magic of Pandora.

We exchanged fist bumps with the G.B.O.A.T. (Greatest Barista of All Time) and went back to our table to resume the adventure. Sonically inspired, Emma leaned hard into her bag of British accents. With the epic soundtrack behind her, the experience became... cinematic.

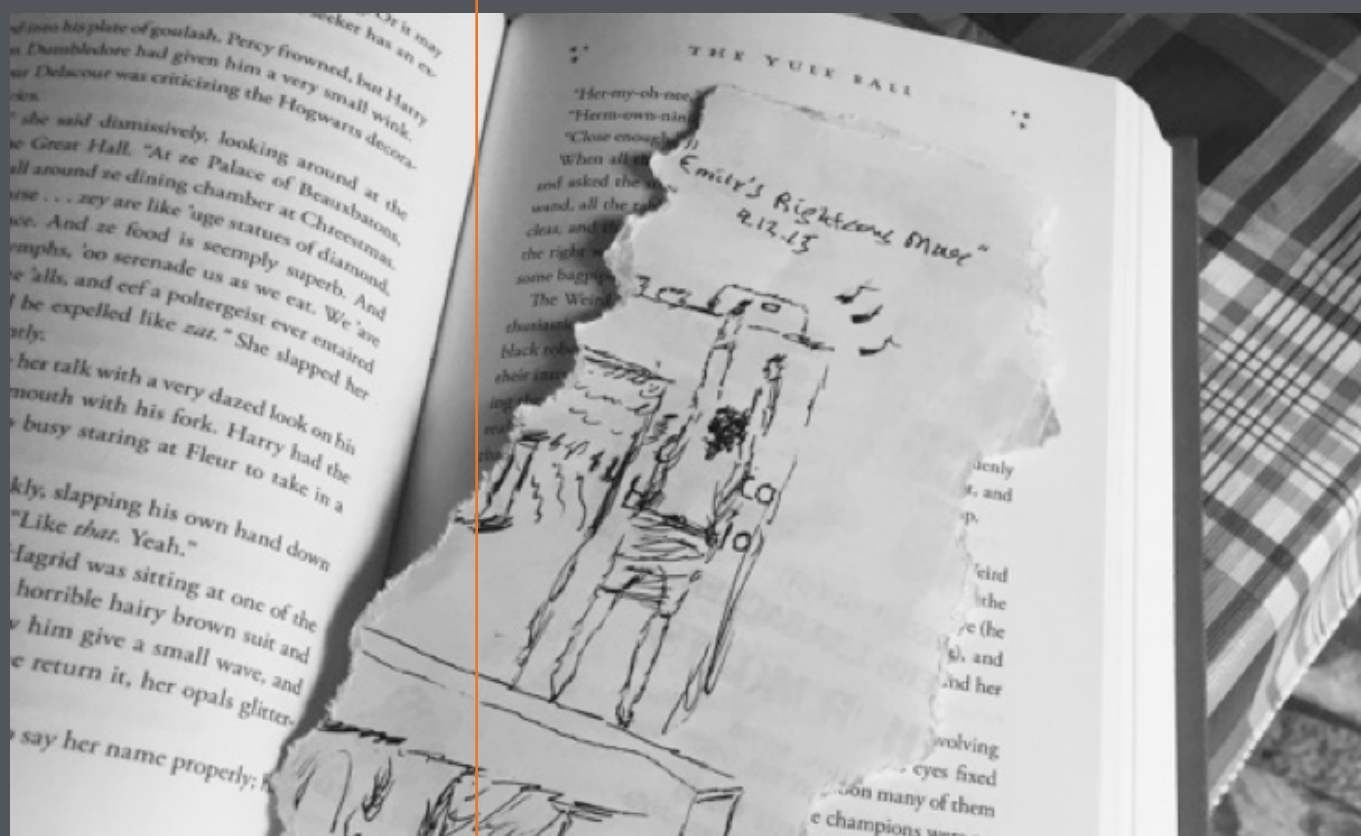
Guy Kawasaki wrote a book a couple years ago in which he describes **enchantment as “the act of losing yourself in the moment.”**

In a small local coffee shop on a nondescript Saturday morning, my daughter and I unexpectedly found ourselves completely enchanted.

It was one of those experiences that I knew I'd never want to forget. Because it was unexpected, there was no chance to photo document it for posterity, so I did the next best thing. I grabbed a napkin and a pen as Emma read.

When we were done we used my napkin doodle to mark our page. It's been our bookmark ever since.

Now, every time we crack open the sacred text, we're reminded of
“EMILY’S RIGHTEOUS MOVE.”



Note that I haven't said a word about how good the coffee is at the shop. Frankly, it's a bit inconsistent depending on which college undergrad is behind the bar. I didn't mention the service, either. It's not a place you want to go if you're in a hurry. And, full disclosure: it's a little pricey for what they serve.

But we go there every chance we get. You know why?
Because they get me. And, the little muggle.

Turns out, I'm pretty important.



WHAT I MEAN IS, I'M A FULLY EMOTIONALLY CONNECTED CUSTOMER.

And according to some awesome research published in the Harvard Business Review, that's kind of a big deal.

In their HBR article “The New Science of Customer Emotions,”¹ authors Alan Zorfas and Scott Magids state that “fully connected customers are 52% more valuable, on average, than those who are just highly satisfied,” across a sample of nine industry categories.

What do fully connected customers look like?

They buy more, visit you more often (whether online or brick and mortar destinations),
are less price sensitive, pay more attention to your communications and advice, and recommend you more.

In other words, they look like me at my local coffee shop.

10 EMOTIONAL MOTIVATORS

STAND OUT FROM THE CROWD

Project a unique social identity; be seen as special

HAVE CONFIDENCE IN THE FUTURE

Perceive the future as better than the past; have a positive mental picture of what's to come

ENJOY A SENSE OF WELL-BEING

Feel that life measures up to expectations and that balance has been achieved; see a stress-free state without conflicts or threats

FEEL A SENSE OF FREEDOM

Act independently, without obligations or restrictions

FEEL A SENSE OF THRILL

Experience visceral, overwhelming pleasure and excitement; participate in exciting, fun events

FEEL A SENSE OF BELONGING

Have an affiliation with people they relate to or aspire to be like; feel part of a group

PROTECT THE ENVIRONMENT

Sustain the belief that the environment is sacred; take action to improve their surroundings

BE THE PERSON I WANT TO BE

Fulfill a desire for ongoing self-improvement; live up to their ideal self-image

FEEL SECURE

Believe that what they have today will be there tomorrow; pursue goals and dreams without worry

SUCCEED IN LIFE

Feel that they lead meaningful lives; find worth that goes beyond financial or socioeconomic measures

EMOTION MATTERS.

Applying big data analytics, Zorfas and Magids studied hundreds of brands in dozens of categories, concluding that “the most effective way to maximize customer value is to move beyond mere customer satisfaction and connect with customers at an emotional level.”

But Zorfas and Magids didn't stop at merely identifying this magical classification of uber customer. Their research uncovered a list of more than 300 ‘emotional motivators’ that drive consumer behavior.

Though these emotional motivators vary by category, brand and customer segments, Zorfas, writing with Daniel Leemon in a 2016 follow-up piece², identified 10 that “significantly affect customer value across all categories studied.”

In their work with clients across omnichannel customer experiences, they are proving that it's possible to strategically target the feelings that drive customer behavior:

“Shaping a customer experience by being precise about the emotional connection you’re trying to build and investing in the touch points that drive these connections is a powerful way to increase customer value.”²

Put another way: start with identifying the emotional connections that move the audiences you are trying to woo, and build your experience around those.



I'll unpack that in a minute, but here's the question I keep coming back to: what does (or could) this mean for us? For creators of live events and experiences? To me, the question itself is pure treasure. Where else is the opportunity for driving emotional connections greater than when people with shared interests are brought together in physical, tangible spaces? Or as Fast Company editor Robert Safian writes:

The reach you can get from using Twitter, Facebook, Snapchat, Instagram—it's awesome. But reach is not the same thing as impact. To really connect, more often than not, we have to get face to face.³

Fully emotionally connected customers move **THE BOTTOM LINE.**

Customer Value In Relation to
Highly Satisfied Customers

-18%

Not emotionally connected.

BASELINE

Highly satisfied but not fully connected.

+13%

Perceive brand differentiation and satisfied, but not fully connected.

+52%

Fully connected and satisfied, and able to perceive brand differentiation.



Which of these emotional motivators would events and live experiences seem not only to ride, but uniquely, if not supremely, suited to drive?

Your specific answer will depend on the type of event/experience you have in mind: user conference vs. business-to-business (B2B) trade show vs. consumer brand activation vs. concert, etc. For illustration purposes, let's use the lens of a B2B proprietary event:

1. STAND OUT FROM THE CROWD: BE SEEN AS SPECIAL. People often select events and experiences specifically to stand out from, or commune with, peers.

2. HAVE CONFIDENCE IN THE FUTURE: HAVE A POSITIVE MENTAL PICTURE OF WHAT'S TO COME. Attendance at B2B events, or user conferences, is fueled by the curiosity and promise of learning new ideas, solutions and tools.

3. FEEL A SENSE OF THRILL: PARTICIPATE IN EXCITING, FUN, EVENTS.

The best events and experiences intentionally invest in creating signature moments.

4. FEEL A SENSE OF BELONGING: FEEL PART OF A GROUP. The premise of any live event or experience (whether B2B or consumer) is to gather people who share similar interests.

5. BE THE PERSON I WANT TO BE: FULFILL A DESIRE FOR ONGOING SELF-IMPROVEMENT.

Especially in the B2B space, people attend events and experiences to learn from experts and peers, and to grow themselves as professionals.

So if fully emotionally connected customers are the goal, and we can state a pretty compelling case that live events and experiences are ripe for driving (at least certain) emotional motivators, let's unpack the notion of "investing in the touch points that drive these connections."

Because not all touchpoints are created equal.

A CAUTIONARY TALE

A few months after Emily's Righteous Move®, me and the Little Muggle and the rest of the family made our first pilgrimage to the Wizarding World of Harry Potter at Universal Studios.

(There may or may not have been matching t-shirt involvement.)

While scooping our jaws off the pavement at the exquisite set design of Daigon Alley, we stumbled into Ollivander's – the wand-maker's shop. For the record, Ollivander's may be the most unapologetic gift shop in the cosmos. Floor to ceiling stacks of wand replicas of every character in the Harry Potter Universe. Walking wide-eyed through the aisles, my daughter and I were approached by an attired staff member who asked if we would be interested in the Wandmaster Experience.

As an aside, when one is visiting Daigon Alley and stumbles into Ollivander's and is invited to meet with the Wandmaster, there's really only one answer:

“SH*T YES, WE'D LIKE TO MEET WITH THE WANDMASTER.”

So a group of 10 or so of us are ushered into this modestly sized, dimly lit, exquisitely staged room. After a moment, the Wandmaster emerges in front of tall shelves stacked with wands. She taps her wand on a nearby lamp, speaks the incantation, “Lumos!” and the lamp responds in kind. Delightful, exquisite choreography.

After welcoming us, and introducing herself, she asks for a volunteer student, and just happens to pick the Little Muggle. If you are not familiar with Potter lore, when it comes to a wand fitting, the wizard does not choose the wand, the wand chooses the wizard.

She asks Emma her name, and which House she belongs to (Ravenclaw for life, yo).

Then the Wandmaster turns her back and faces the shelves of wands behind her, taking several delicious seconds “listening” to what the wands may be whispering (she’s a master, after all). Then she pauses, pulls a box from the stack, affirms its provenance. “Ten and one quarter inches, cypress, unicorn hair core (etc.).” She ceremonially passes it to my daughter. Gives her an instruction to test it out by performing a spell. “Open the top drawer on that dresser above,” she says, pointing to a small chest of drawers in the balcony above us. “Point your wand, and speak the incantation, ‘Alohamora.’”



My daughter, solemn to the task, does as instructed, aims her wand, and speaks the magic word. And all of a sudden, ALL the drawers in the dresser fly open and spill their contents. Papers are flying everywhere forcing the Wandmaster to intercede and issue a counter spell to restore order.

**OBVIOUSLY,
NOT THE WAND FOR MY DAUGHTER.**

So the Wandmaster, undaunted, deliberates. Turns back to the stack, slowly paces as she peruses. Then, “Ah, yes,” she says to herself as she stops. Pulls another box from the stacks. Opens it, holds it high in the air in front of her. “Ten and three-quarters, vine, dragon heartstring core (etc.).” With two hands, she passes it over to my daughter.

As Emma takes it in her hands, a spotlight rains down on her, and an angelic musical flourish is triggered.

**My smile is as big as the lump in my throat. The wand has chosen the wizard.
Enchantment.**

The Wandmaster congratulates my daughter, reminds her of the great responsibility that comes with the wand, and releases her to an assistant, letting her know that her parents will be out in a minute. Then she brings the ceremony to a close for the larger group and dismisses us.

My daughter is still beaming when I meet her and the dutiful assistant.

“That was awesome!” I say to her as she vigorously nods.

Then, the assistant speaks.

**“That’ll be \$48.” *(cue record scratch sound effect)*.
Um, spell broken. “What?” I say.**

“It’s \$48 for the interactive version of the wand, which you can use throughout the park to cast spells. You can also get the non-interactive version (i.e. plastic stick), for \$24 (or some such).”

So, at that point, I have two choices. *Actually, I only have one choice, because being the Dad who doesn't buy the interactive wand? Not really much of a choice.*

If we had more time I’d love to digress with you over a few Butterbeers on other ways that Ollivander’s could have better taken advantage of that moment in the experience.

But the point is, after everything they invested in the exquisite stagecraft and meticulous choreography, they ended it with this ugly moment of friction.

And that’s what I remember. That’s because not all touchpoints are created equal.

THE PEAK-END RULE

Turns out, endings? Kind of a big deal.

What do live events have to do with
decades-old colonoscopy research?

More than you might think.

Daniel Kahneman, acknowledged by many
as the father of behavioral economics and
winner of the 2002 Nobel Memorial Prize in
Economic Sciences (shared with Vernon L.
Smith), delivered an awesome TED talk on
“The Riddle of Experience vs. Memory.”⁴

Drawing on his considerable research on
the topic, Kahneman draws a distinction
between our “experiencing self” and our
“remembering self.”

We may be tempted (*I know I was*) to think
of our memories of any experience as a sum-
total of the experience’s constituent moments.
Like a golf score – i.e. “I did this, then I did
this, then this, etc.” – where all of our moments
are strokes that add up to how we score,
or remember our experience.



According to Kahneman’s research, that’s not
the case at all. How we experience something,
and what we take away from it, are two entirely
different things, governed by two different parts
of the brain.

Or as Kahneman says in his TED talk
(*my favorite quote from it, BTW*):

“The remembering self is a storyteller.”

Turns out, Kahneman’s research (initially with
colonoscopy patients, later expanded to other
populations) inspired him to conclude that
there are two moments in particular that have
a disproportionate effect on how we remember
(i.e. what we take away from) experiences:

**how we felt at its peak (i.e. its most intense
point), and how we felt at its end. He calls the
phenomena the Peak-End Rule.**

The effect occurs regardless of whether an experience is pleasant or unpleasant.

If you think about this, it makes total sense. How many times have you been having a great time (enjoying a meal, on vacation, etc.) where everything was going wonderfully until the very end? Conversely, we don't have to look far for instances of experience designers intentionally investing in a memorable last impression.

What happens at the end of every night at Magic Kingdom in Disney World?
Fireworks at Cinderella's Castle. Disney refers to it as "The Kiss Goodnight."
(they have the best names for stuff).

What happens at the end of every rock concert?
The encore... where they play the song everyone waited all night to hear.

There are also less grandiose examples that are just as powerful. Publix, a supermarket chain that always ranks at or near the top in customer satisfaction, puts a bow on their customers' experience by having clerks carry groceries to shoppers' cars. This is their default.



PHOTO SOURCE: orlandolocal.com and istock.com

ONE OF MY FAVORITE EXAMPLES? UBER.

So, at 20,000 feet, an Uber is exactly the same transaction as a taxi ride.

I am contracting a service to take me from point A to point B. How does a taxi ride end? Some version of this:

You: How much does it cost? (pulls out credit card, swipes, chooses tip).

You: Can I have a receipt?

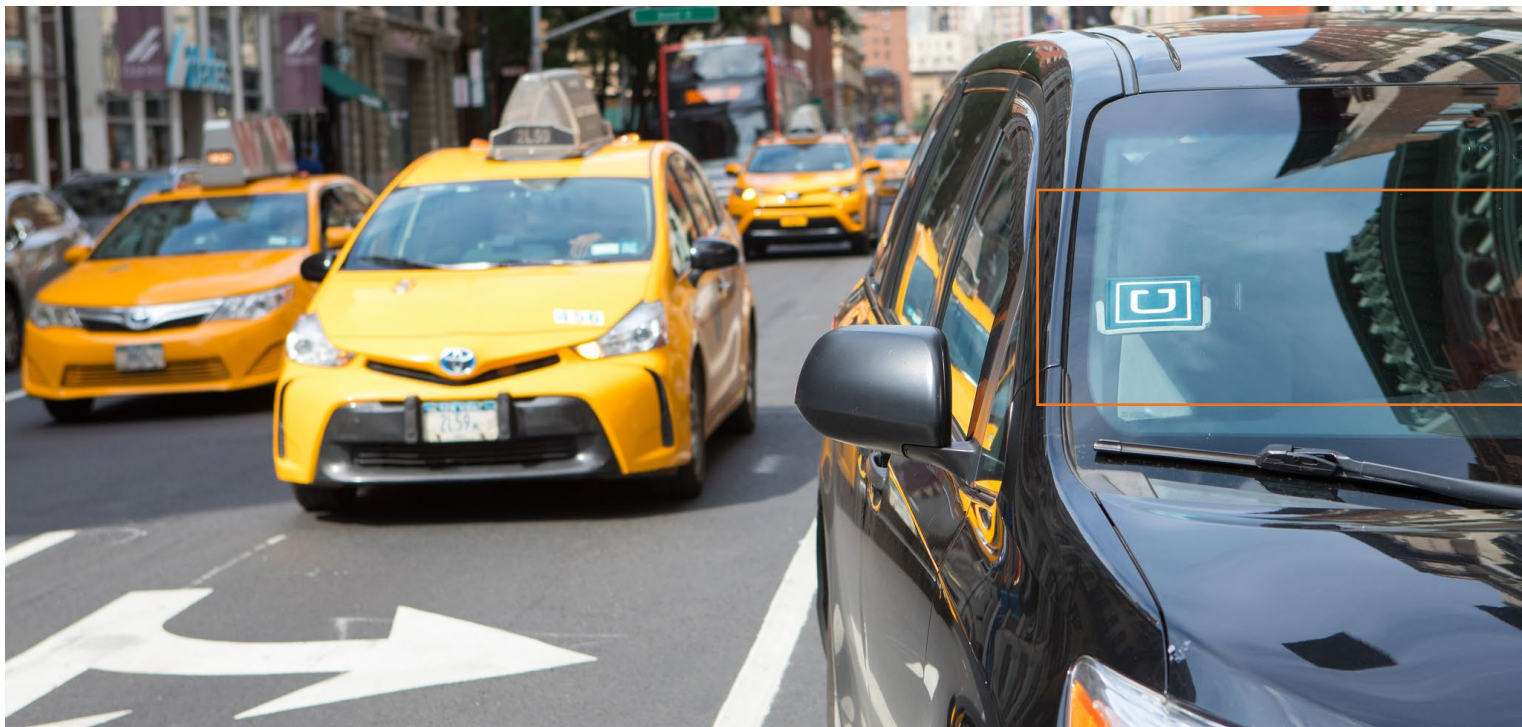
Driver: Hold on (waits for receipt to print, tears it off, passes it back).

You can't wait to leave the cab.

What do you say at the end of an Uber?

Thank you.

Same basic transaction. **Zero friction.**



SO, WHAT HAVE WE LEARNED?

1. Amazing customer experiences can deliver magical emotional connections.
2. And that matters because fully emotionally connected customers move the bottom line.
3. Certain motivational triggers have magical powers.
4. So experience designers should intentionally invest in the touchpoints that drive these connections.
5. And never forget that the most important impression is the last(-ing) one.

So, my fellow experience designers, may we always **be mindful of the magical powers we possess.**

SOURCES

¹ hbr.org, ² Scott Magids, Alan Zorfas, and Daniel Leemon
“The New Science of Customer Emotions.” November 2015,
³ fastcompany.com, ⁴ ted.com

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EXPERIENCES
MATTER



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