

The Impact of Emotion on Experience (And How to Make Customers Smile More)

An McorpCX Lessons Learned Webinar

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mcorp.cx



Your Hosts:



Michael Hinshaw

Founder and President,
McorpCX
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- CX industry pioneer, on multiple “Global CX Thought Leaders to Watch” lists
- Best-selling author: *Smart Customers, Stupid Companies: Why Only Intelligent Companies Will Thrive, and How To Be One of Them*
- Mentor and Richard H. Holton Teaching Fellow at U.C. Berkeley’s Haas Business School



Jonathan Greenwood

VP CX Transformation
Programs, McorpCX
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- Certified CX professional
- 12+ years developing, applying, and operating CX Metrics Programs to deliver customer-driven enterprise transformation.
- Previously global head of Customer Satisfaction & Loyalty Development at Schneider Electric

For over 17 years, McorpCX has helped leading brands plan for, design, and deliver better customer experiences



Delivering measurable value and ROI: One example...

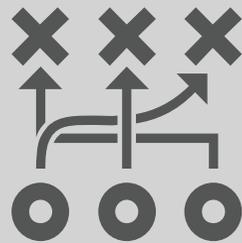
Greater top-line revenue

~\$25.8 million/
10% annually



Faster time to market

From 90 days
to under 7



Decreased operating costs

Saving millions of
dollars annually



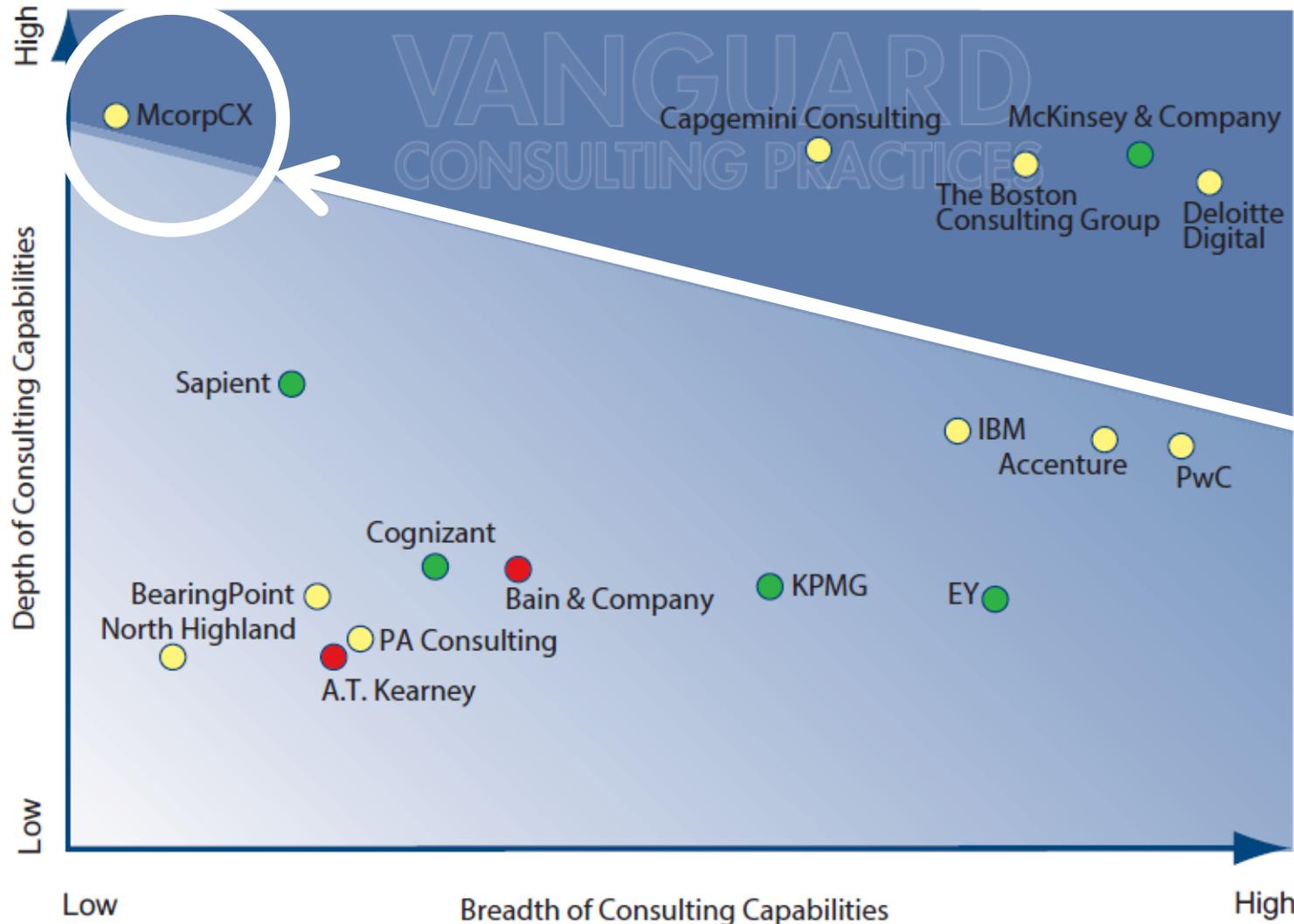
Greater customer satisfaction

200%+



Proven across multiple markets and industry verticals

Independently ranked Top-20 digital CX & strategy leader

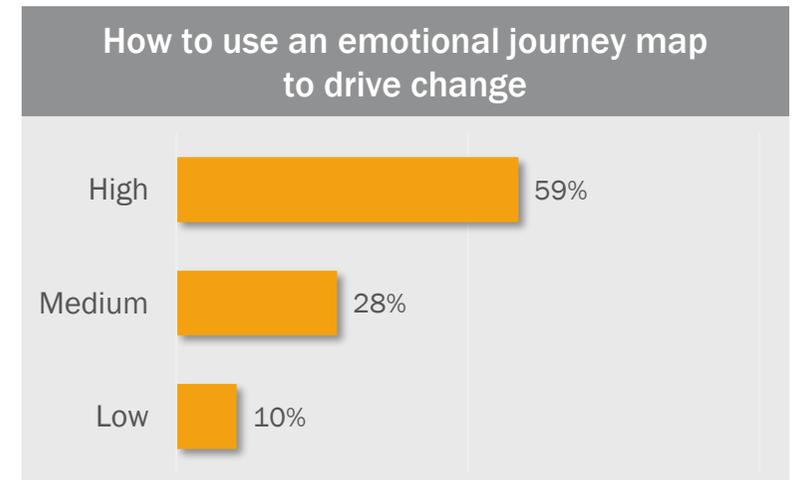
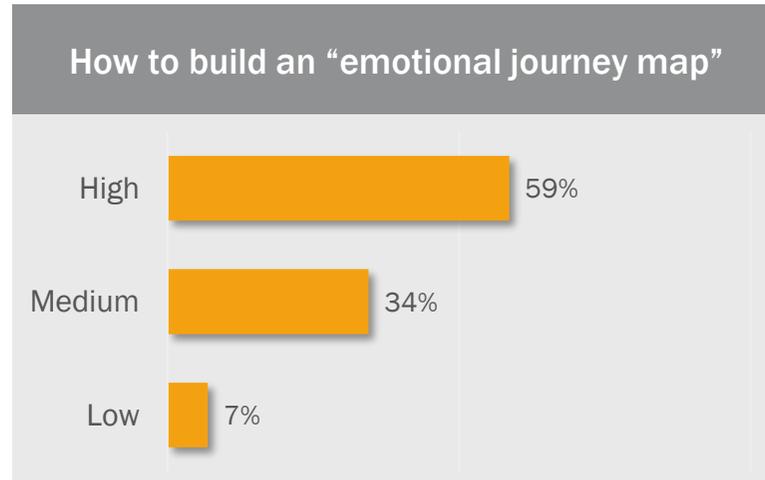
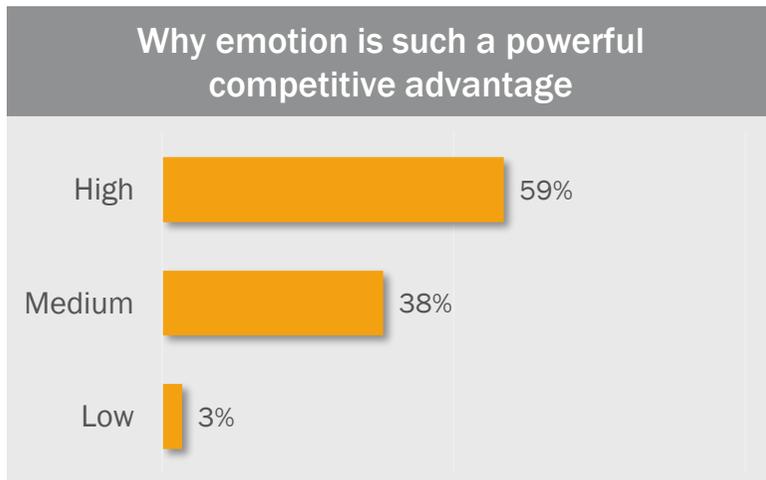
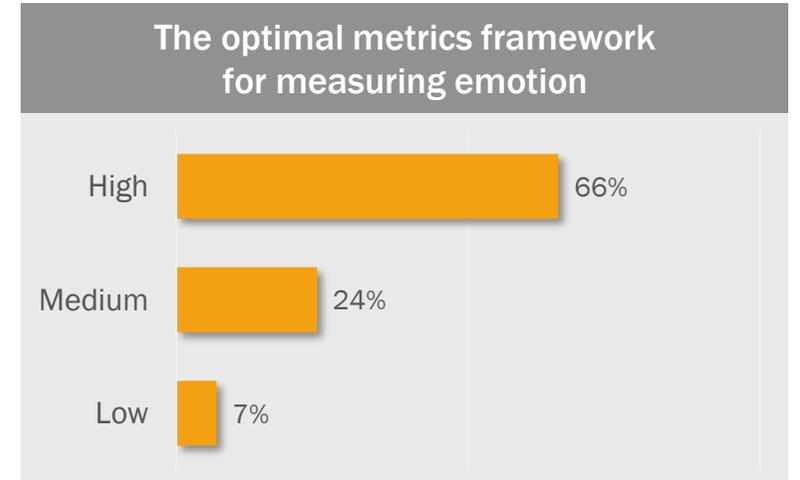
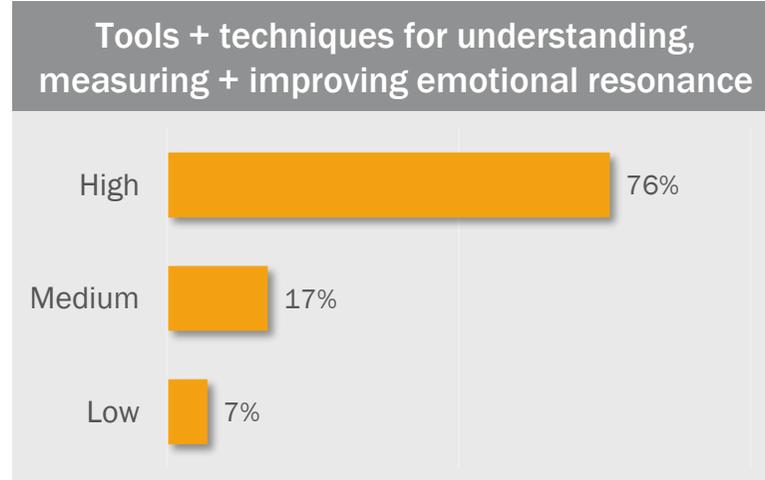
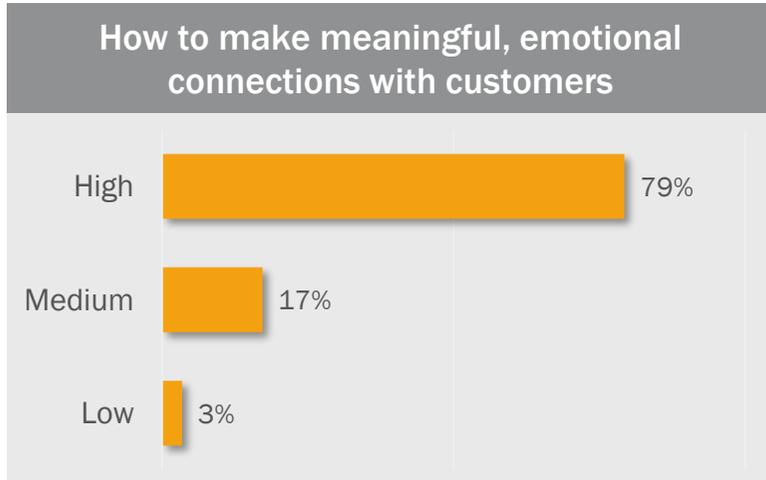


“[Their] narrow but deep market position enables McorpCX to effectively serve both the SME market and the largest global corporations”¹

-- ALM Intelligence:
The Kennedy Vanguard

Today: What you told us; Emotion
and CX; Measuring emotion;
Taking an 'emotional journey';
Value of meaningfully connecting
with customers; Lessons learned;
Answers to your questions.

Survey Results: What are you most interested in?



Today: What you told us; **Emotion and CX**; Measuring emotion; Taking an 'emotional journey'; Value of meaningfully connecting with customers; Lessons learned; Answers to your questions.

All customer experiences are emotional... some, mostly negative experiences, more so than others

Attitudes

“HOW I FEEL ABOUT YOUR FIRM AND OUR RELATIONSHIP”

State of being

“I think/feel/believe...”

Influences

Influences

Experience

“HOW I FEEL ABOUT WHAT HAPPENED”

Past interactions



“You were...”



Intentions

“WHAT I *MIGHT* DO AS A RESULT OF WHAT HAPPENED”

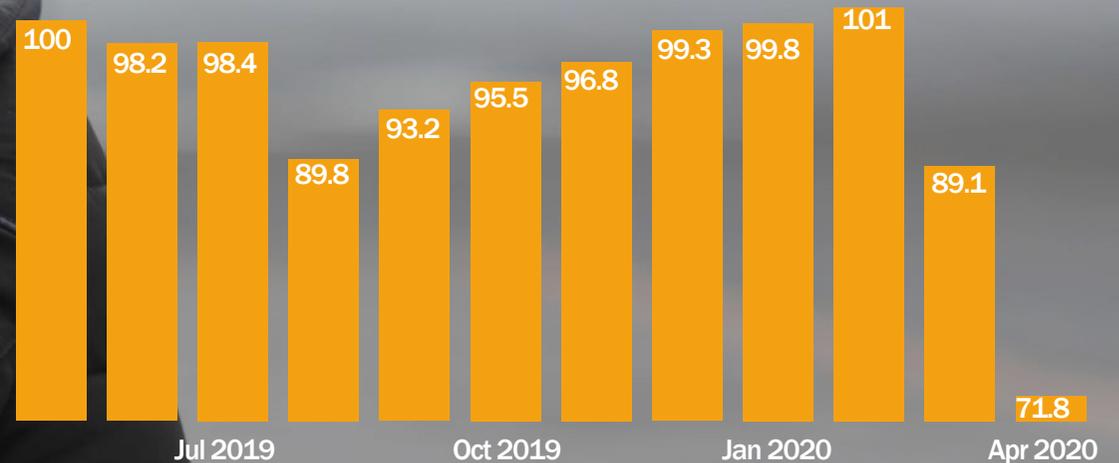
Likely future behavior



“I might...”

For many of us, emotions are closer to the surface today

Unsurprisingly, Consumer Confidence is at its lowest levels in nearly a decade



Recognize that emotions create—and destroy—value

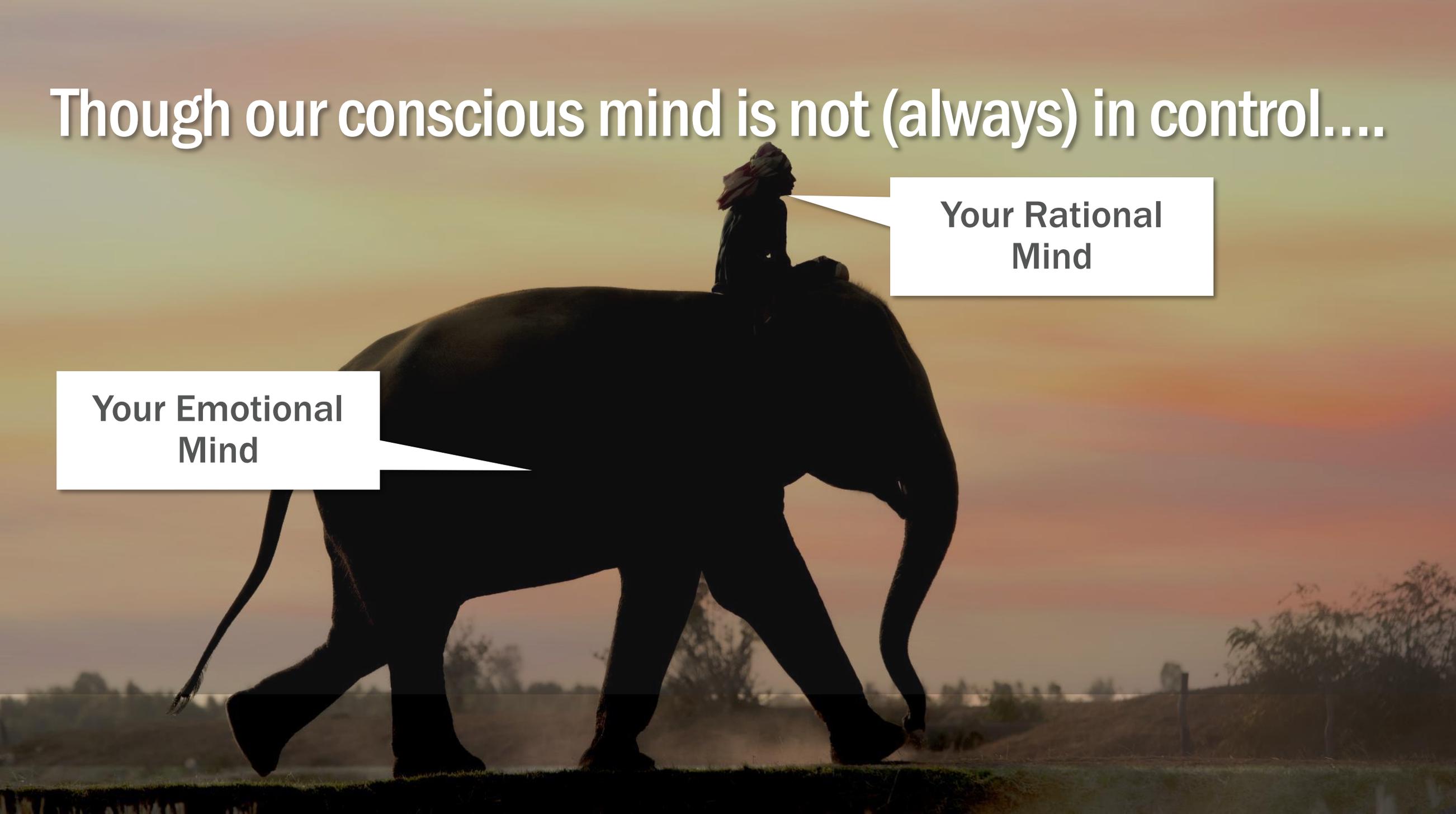


Dr. Robert Plutchik's wheel of 8-primary emotions (Simplifying the 34,000 emotions a human can experience)

Good thing we are all supremely rational beings, right?



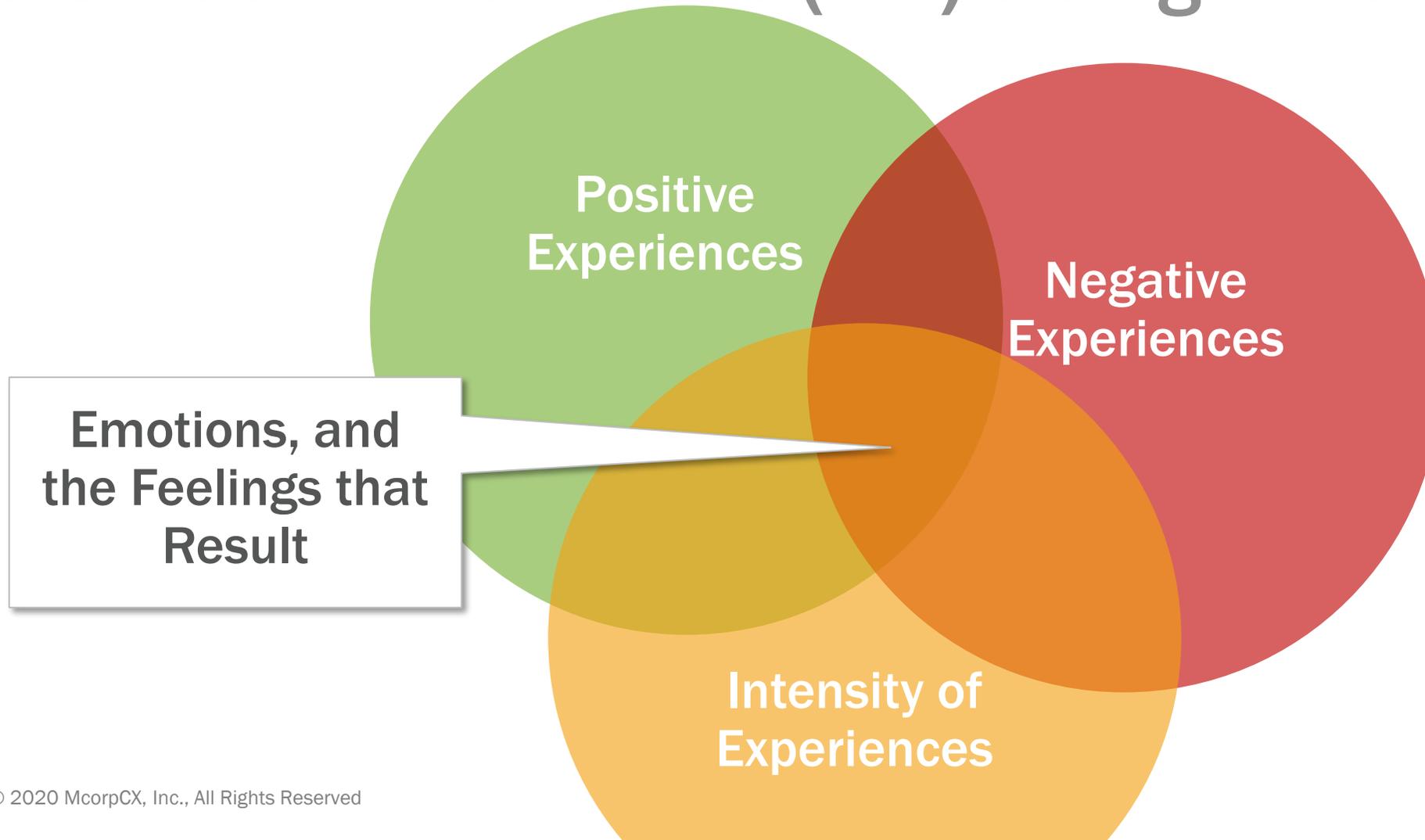
Though our conscious mind is not (always) in control....



Your Rational
Mind

Your Emotional
Mind

Intensity drives memorability... and bad experiences are much more intense (2X!) than good experiences



Considerations for business decision making

1.

You can't ignore the power of customer emotion

2.

Avoid experiences that disgust, anger or frustrate

3.

Emotional states vary and can be hard to quantify

4.

Create experiences that surprise and delight, or excite

5.

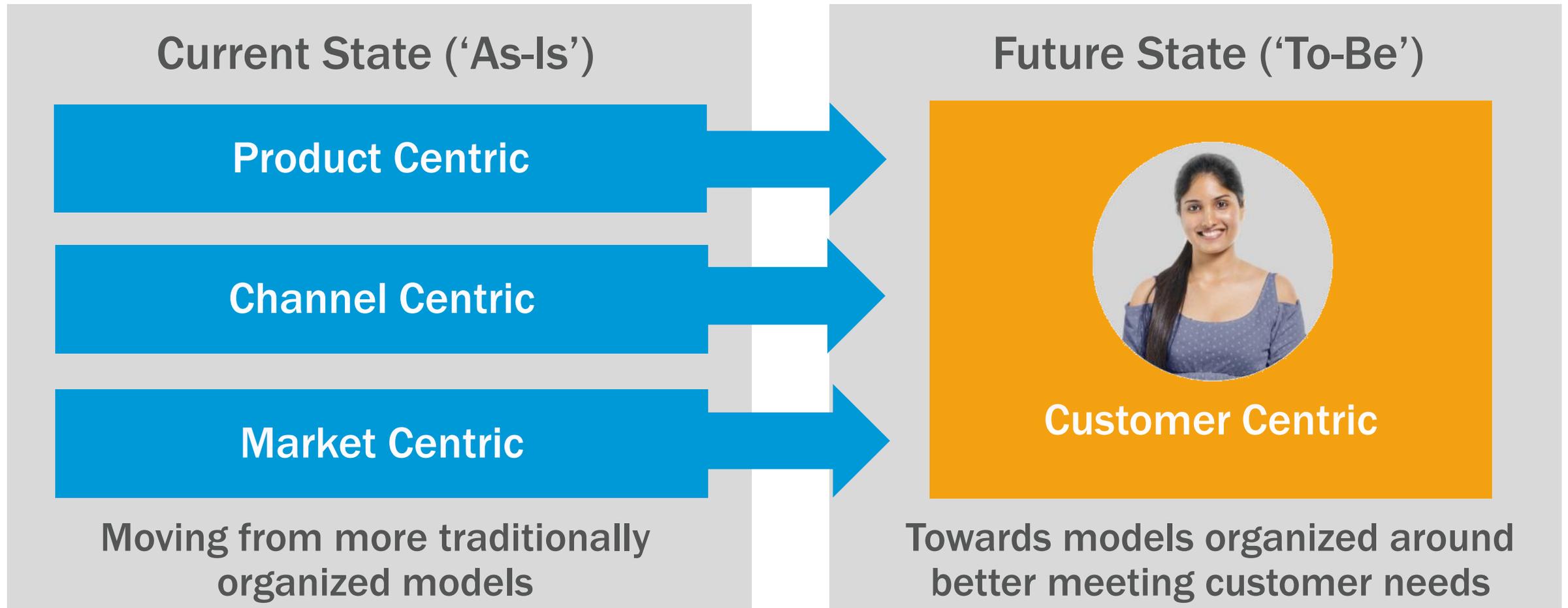
Happy customers are more loyal customers

6.

You can support the value of emotion with data

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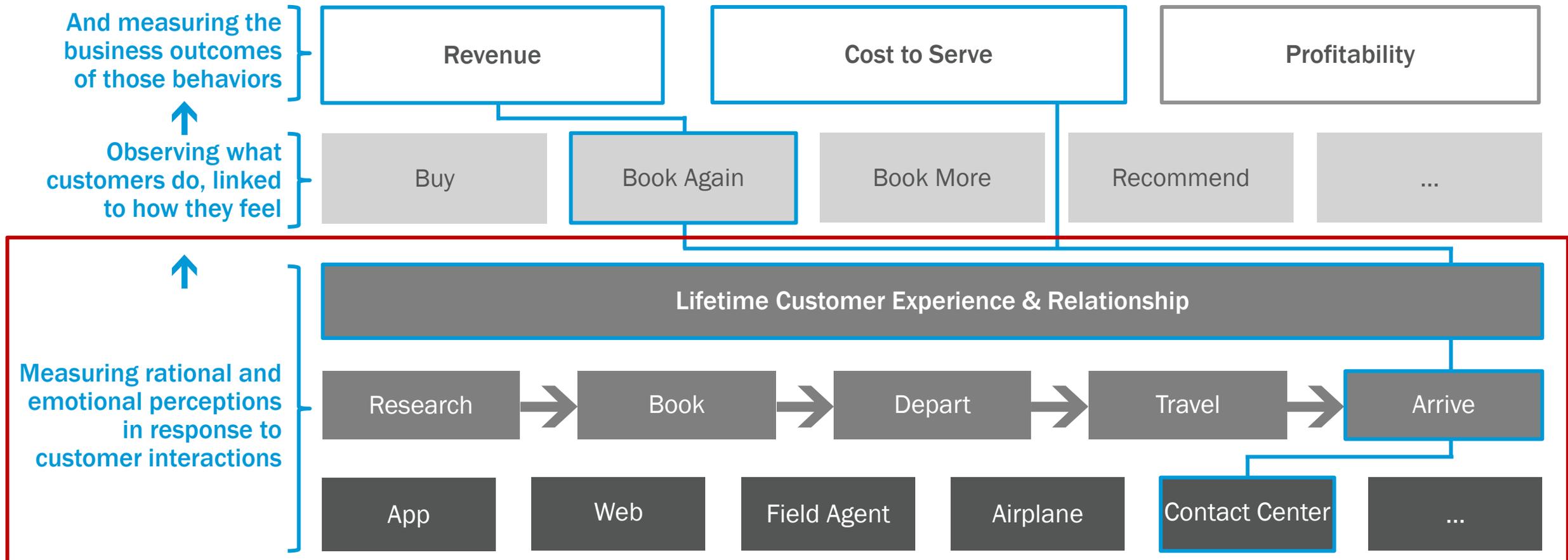
In a more customer-centric world, the criticality of understanding emotions should not be overlooked



The measurement of emotions (perceptions) should fit into existing experience measurement frameworks



Helping prove the impact of emotion on behaviors and outcomes when tracked through a CX Metrics program



There are two primary ways to measure emotion today

How Customers REACT...

How:
Measuring Behaviors or Physical Response

Examples:
Observation, AI, Behavioral Indicators

Challenges:
Still Nascent and Evolving

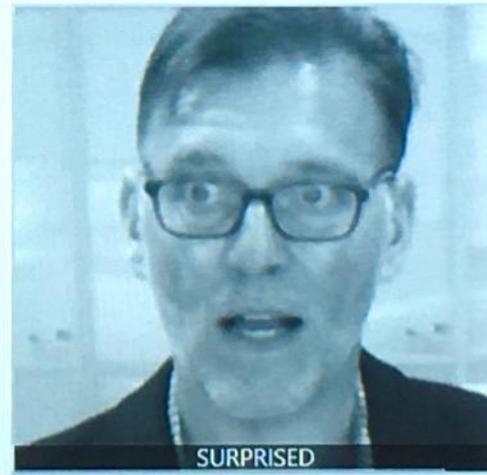
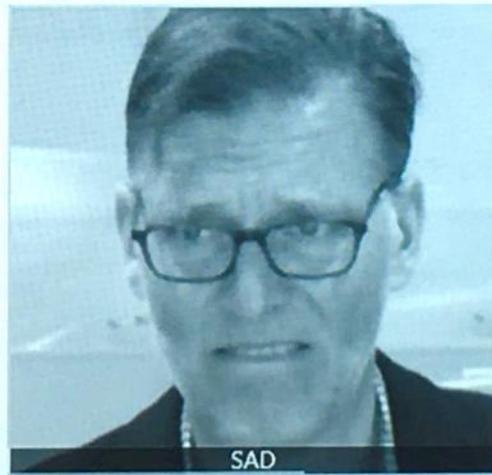
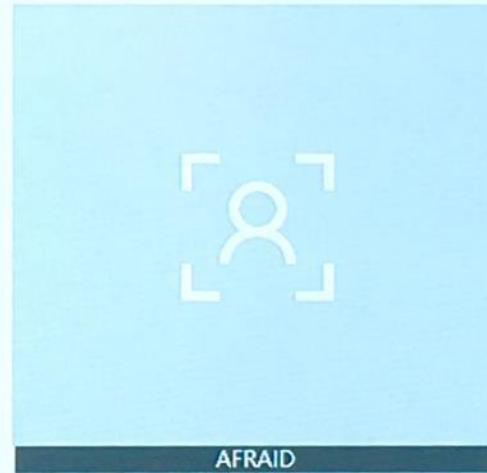
What Customers SAY...

How:
Self-Reported or Text, Call or Social Analytics

Examples:
Surveys, Focus Groups, Sentiment Analysis

Challenges:
Hard to Verbalize, Contextual and Impacted by Time

The measurement of emotion is evolving



Some ways our clients are measuring emotion today

Where we measure	How and what we measure	
All-Up Experience and Relationship	What Customers SAY...	How Customers REACT...
Journey Stages and Journeys	<ul style="list-style-type: none"> ▪ Text and Speech Analytics (Call center, social, OE survey responses, etc.): Feelings and sentiment by type and intensity ▪ Surveys (Email, in-app, etc.) <ul style="list-style-type: none"> ▪ TxR and CXi: Emotion component (e.g. Enjoyment) ▪ Satisfaction, happiness, brand love ▪ Interviews, Focus Groups: Feelings and sentiment by type and intensity 	<ul style="list-style-type: none"> ▪ Customer Observation: Behaviors and motivators ▪ Systems Observation: What customers do as they interact with our systems ▪ Voice and Video Analysis: Physiological/emotional state
Touchpoints and Moments-that-Matter		

Some considerations for those getting started

Measuring customer emotion can be challenging, but it is key to better understanding your customers and differentiating on experiences.

Some things to consider as you start:

1

**Identify
the Most
Relevant
Emotions**

Determine which emotions drive desired customer behaviors

2

**Start With
Positive and
Negative
Sentiments**

Validate positive and—more importantly—avoid negative emotions

3

**Build
on Existing
Measurement
Infrastructure**

Leverage what you have (e.g. surveys) for a quick start, and expand from there

4

**Link
Emotion to
Business
Outcomes**

Tie operational data to emotions, and emotions to business KPIs

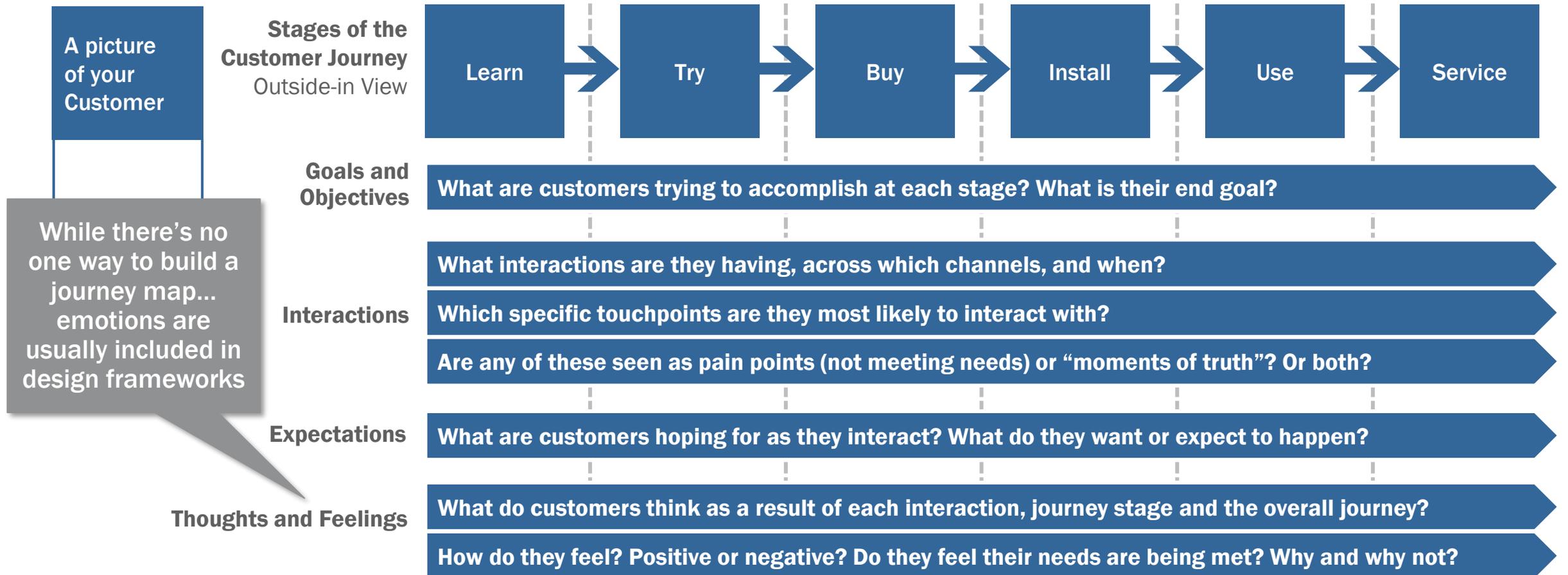
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A hiker with a red backpack is seen from behind, holding hands with another person. They are standing on a grassy mountain trail with large rocks and a misty background. The hiker is wearing a beige long-sleeved shirt and a beige cap. The other person's hand and part of their arm are visible in the foreground, wearing a dark sleeve.

The value of customer journey mapping has been proven across myriad industries, audiences and organizations

Adding—even focusing on—emotion puts structure around the most critical ways customers feel as they interact with your business

Most journey maps include “feelings” swim lanes



Putting rigor around feelings helps tell the 'emotion story'



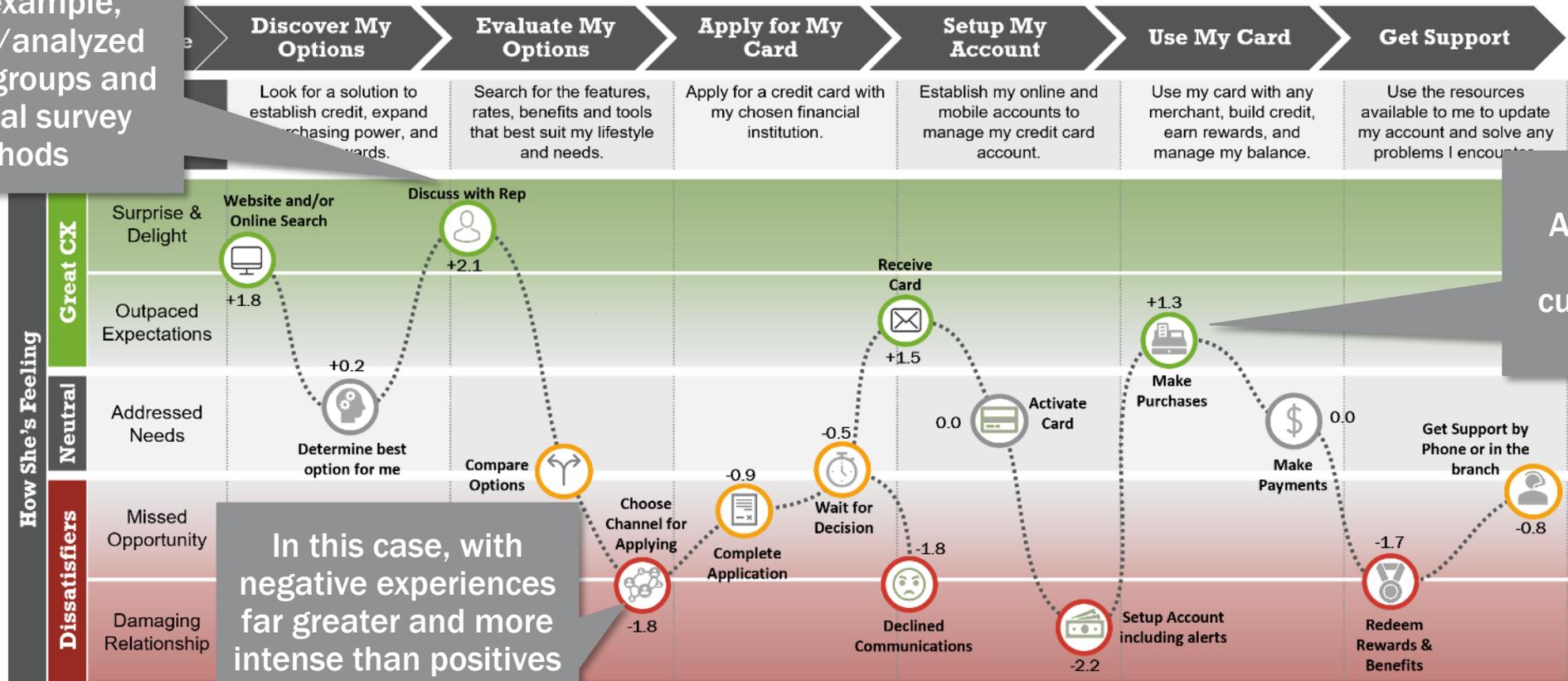
Credit Card Customer Journey

Cathy "Credit Savvy" Mehre

Cathy, age 26, is what you'd call upwardly mobile. She earns \$68,000 per year working for Moline Healthcare as a Marketing Manager. She lives in Pensacola, FL where she rents a home with her husband. She is looking to build her credit worthiness. She and her husband have two auto loans and college debt. Her card/checking account is with a different institution than where she is looking for credit.



In this example, gathered/analyzed via focus groups and traditional survey methods



A visual picture of the intensity of customer emotions

In this case, with negative experiences far greater and more intense than positives

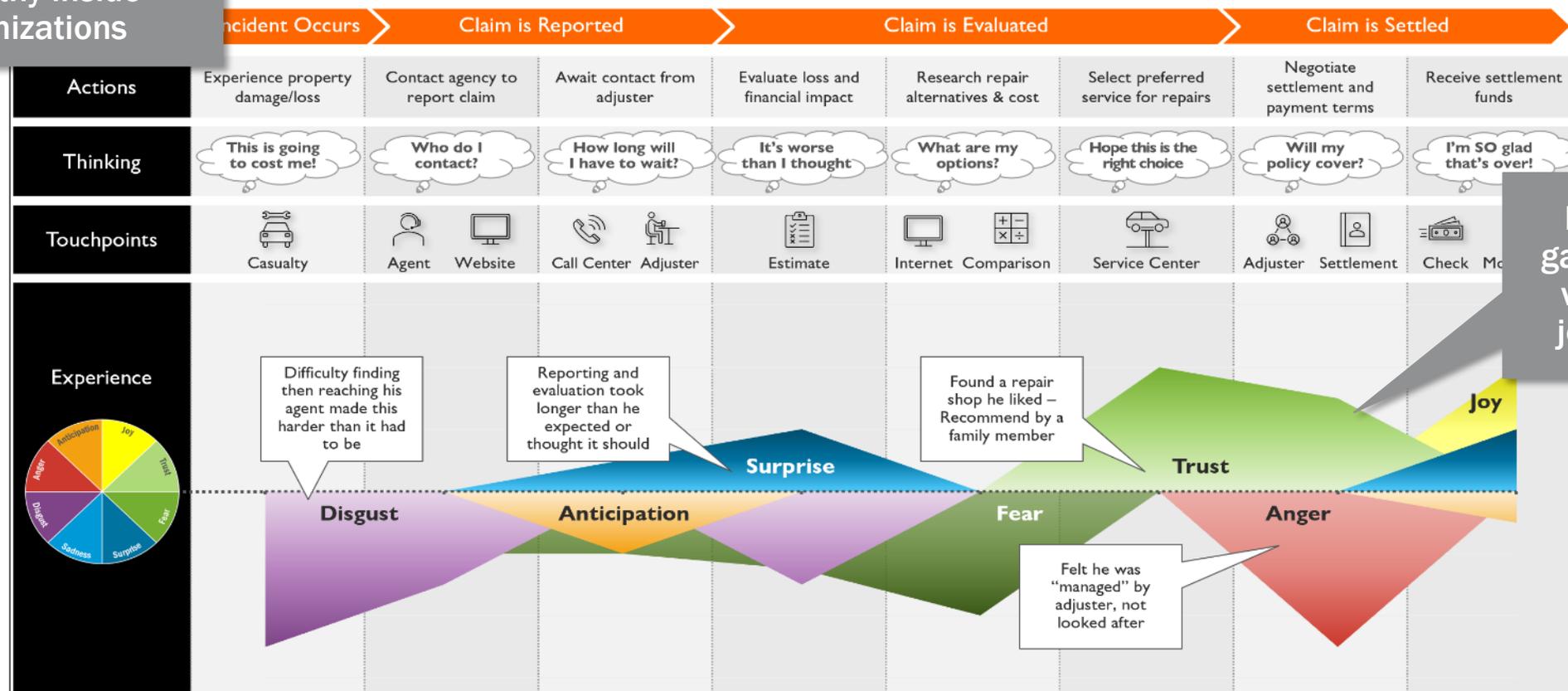
With some journey maps visualizing the types of emotion

Sharing types of emotion creates greater customer empathy inside organizations

Auto Insurance Claim Customer Journey: Meet Jerod 'Digitally Savvy' Renfro



Jerod is a 38-year-old manufacturing representative for a large pharmaceutical company in Stillwell, OK. He's had insurance since he learned how to drive and, until recently, had never had an accident or cause to file a claim. Even though he's a long-time customer, he is forced to take this journey for the first time without a lot of guidance - and finds himself challenged with many parts of the process.



In this example, gathered/analyzed via AI/ML-driven journey analytics

Driving organizational change by helping you to...

Connect

See where and how to create emotional connections

Feel the Love

By getting inside the heads and hearts of your customers

Empathize

Help your organization better and understand and care for customers

Prioritize

Sometimes the obvious issues aren't the most critical or intense

Understand

How emotion plays a part in forming customer perceptions of your firm

Build Value

Elevate the design of value-creating emotional experiences

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The value of emotional differentiation

Your Target Market

“It’s better to have 100 people that love you than a million... that just sort of like you.”

- Paul Graham, Cofounder Y Combinator

Customers That
...Know You

...Like You

...Love You



The value is real and measurable: Not just 'soft' numbers

On a lifetime value basis, emotionally connected customers are **more than twice as valuable** as those who are merely highly satisfied¹

A major bank introduced a credit card designed to inspire emotional connection: **Use increased by 70% and new account growth rose by 40%**²

An emotion-based strategy for a major retailer increased in the active customers by 15% and **drove a 50% increase in the rate of same-store-sales**¹

74% of customers with positive emotions will advocate; 63% will be retained. 8% of customers with negative emotions will advocate; only **13% will retain**³

One example: Leveraging an emotional advantage

Our Client: Nationwide Membership Organization



~3,000,000
Members

Partners
with brands
supporting their
mission

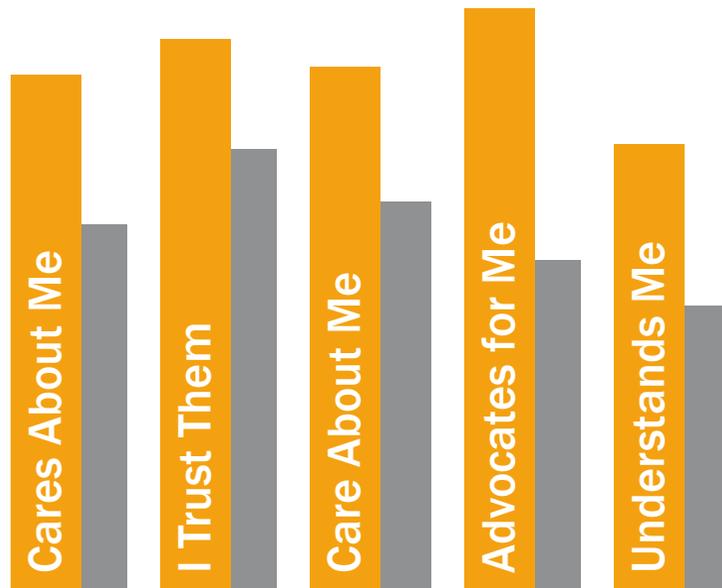
Offers products
and services
aligned to
member needs

Competes
with large FSIs,
in insurance,
credit cards

Driving greater loyalty and engagement

What we found...

Greater resonance with and engagement on key feelings than with competitors:



How it was used..

Brand Strategy

Set foundation for brand values and promise

Marketing

Drove strategy, including persona-based messaging

Design

Informed product, services and digital experience design

What happened...

- **Positive Recommendations**
Up to 75% recommending, an average of 2.3 times;
- **Negative Recommendations**
Down to 3.3% detracting
- **Cross-Sales:** Greater product penetration, and greater loyalty aligned to more products per customer

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Getting started on emotion in customer experience

Focus Your Initial Efforts

Start with key segments, and focus on journeys where emotion matters

Articulate Potential Value

Link the measurement of emotion to desired business outcomes

Leverage Existing VoC Systems

Kick-start by using the insights and analytics tools you already have

Eliminate the Negatives

Start by identifying and mitigating negative customer feelings/pain

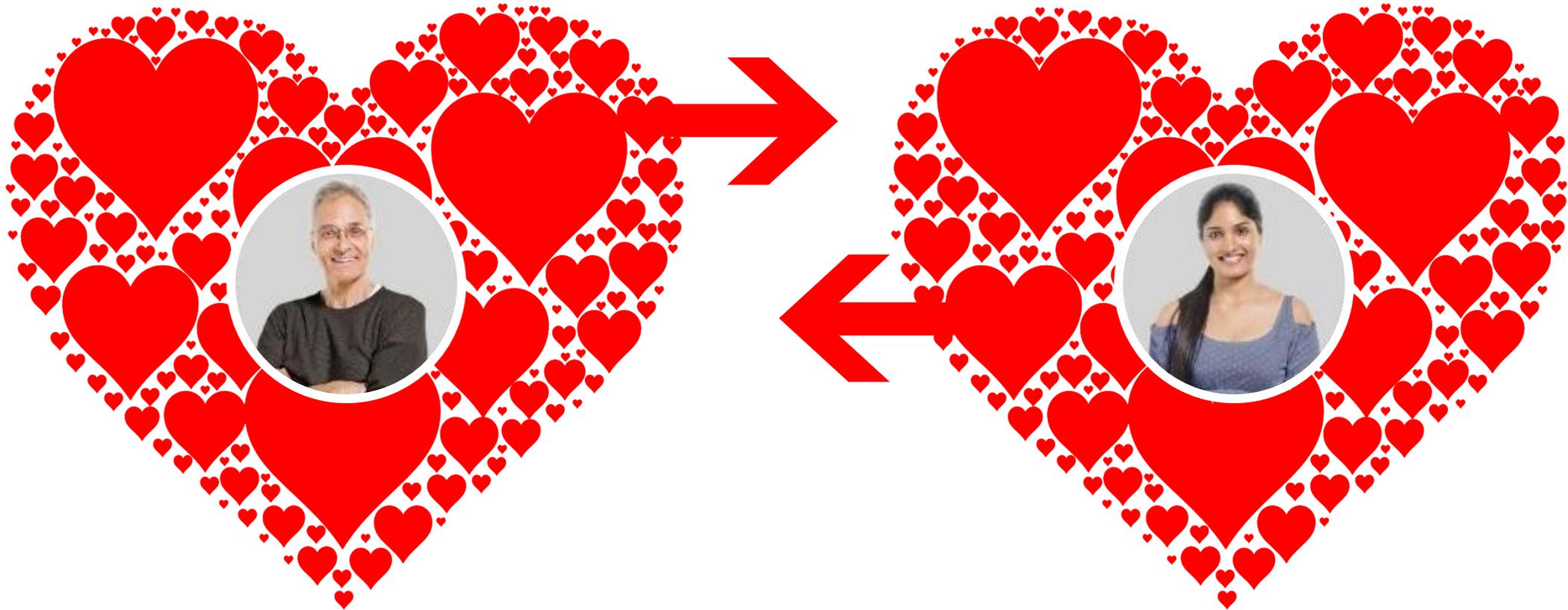
Design for Emotions

Design to create the feelings you want customers to have

Bring the Organization Along

Continually share, socialize, educate and communicate

Perhaps most importantly, the result: Companies that love their customers. And customers that love them back.



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Any questions? Time for a brief fireside chat...



