

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

An McorpCX Lessons Learned Webinar

May 14th 2020



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...

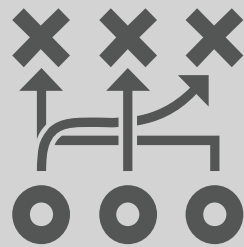
**Greater
top-line
revenue**

~\$25.8 million/
10% annually



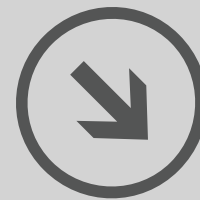
**Faster time
to market**

From 90 days
to under 7



**Decreased
operating
costs**

Saving millions of
dollars annually



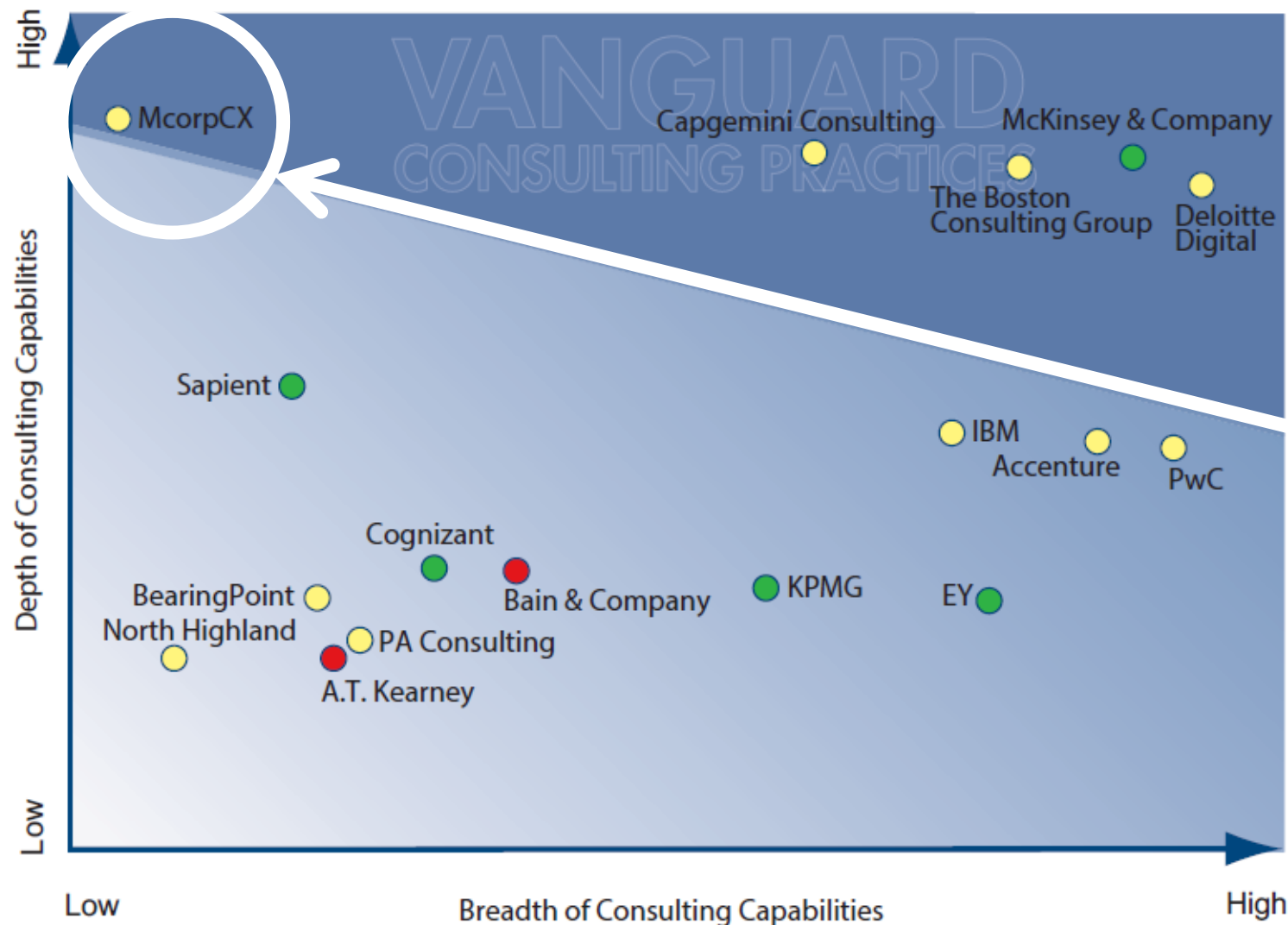
**Greater
customer
satisfaction**

200%+



Proven across multiple markets and industry verticals

Independently ranked Top-20 digital CX & strategy leader

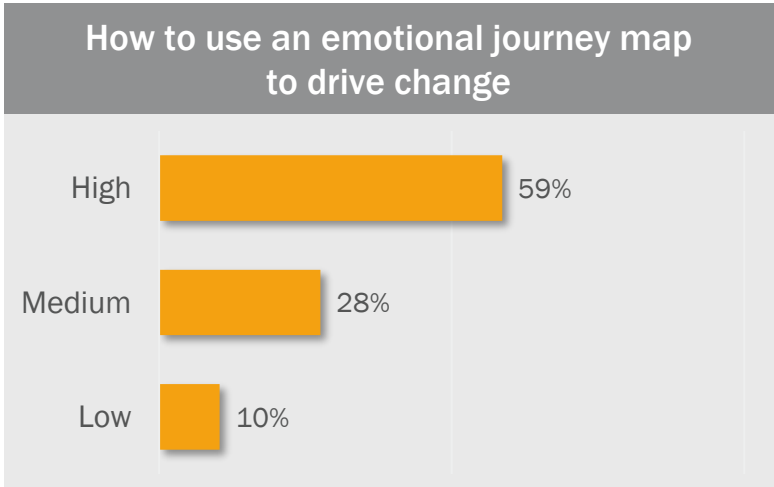
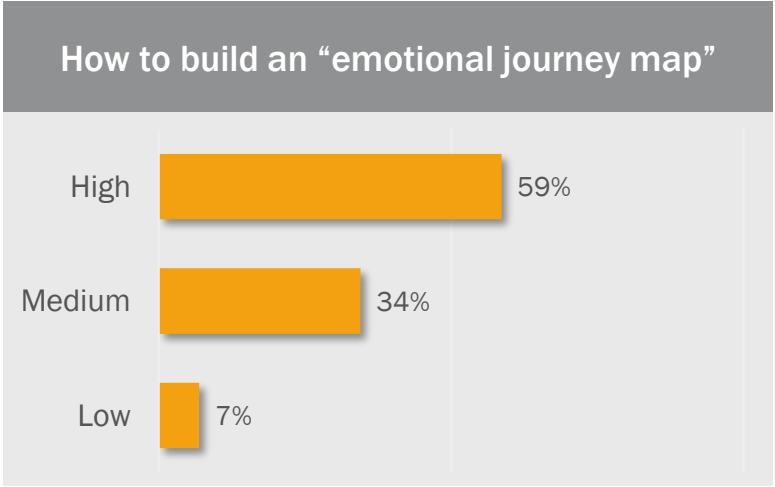
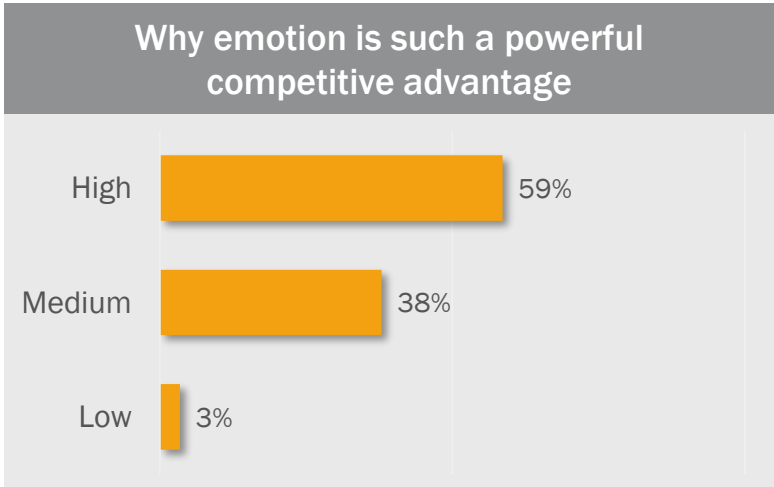
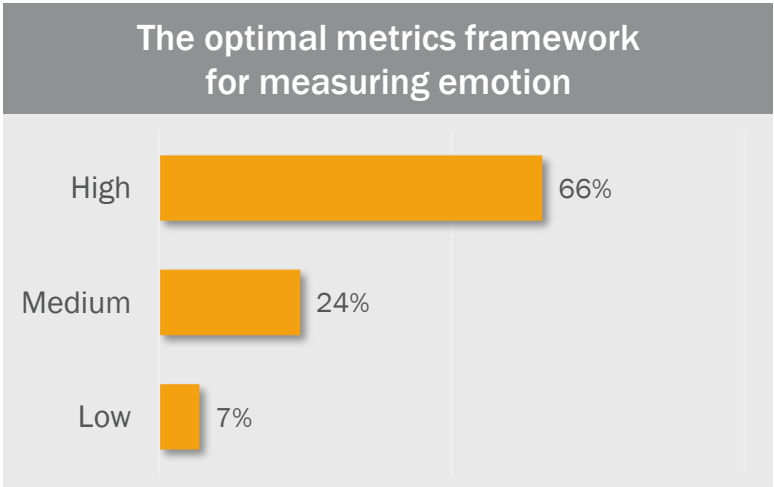
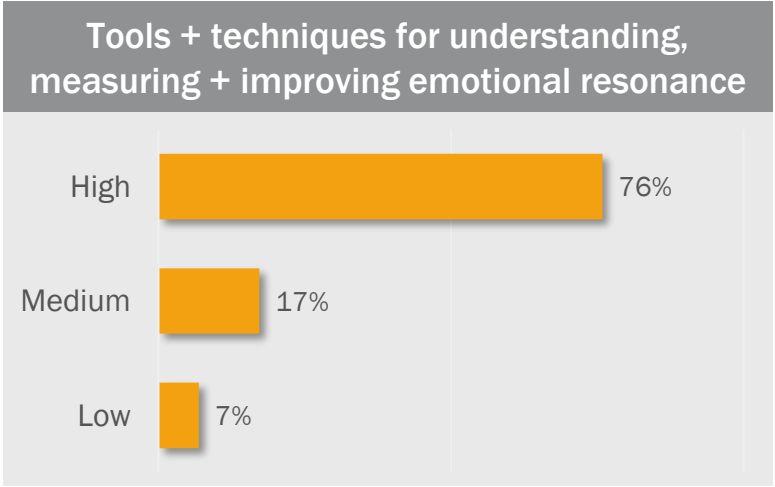
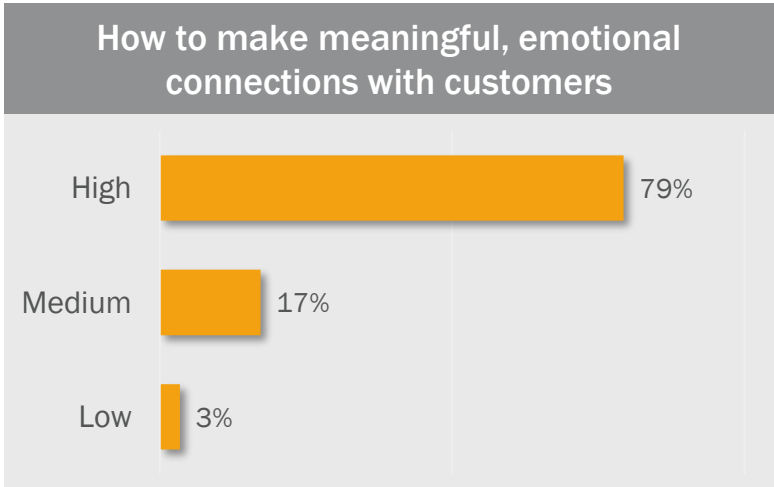


“[Their] narrow but deep market position enables McorpCX to effectively serve both the SME market and the largest global corporations”¹

-- ALM Intelligence:
The Kennedy Vanguard

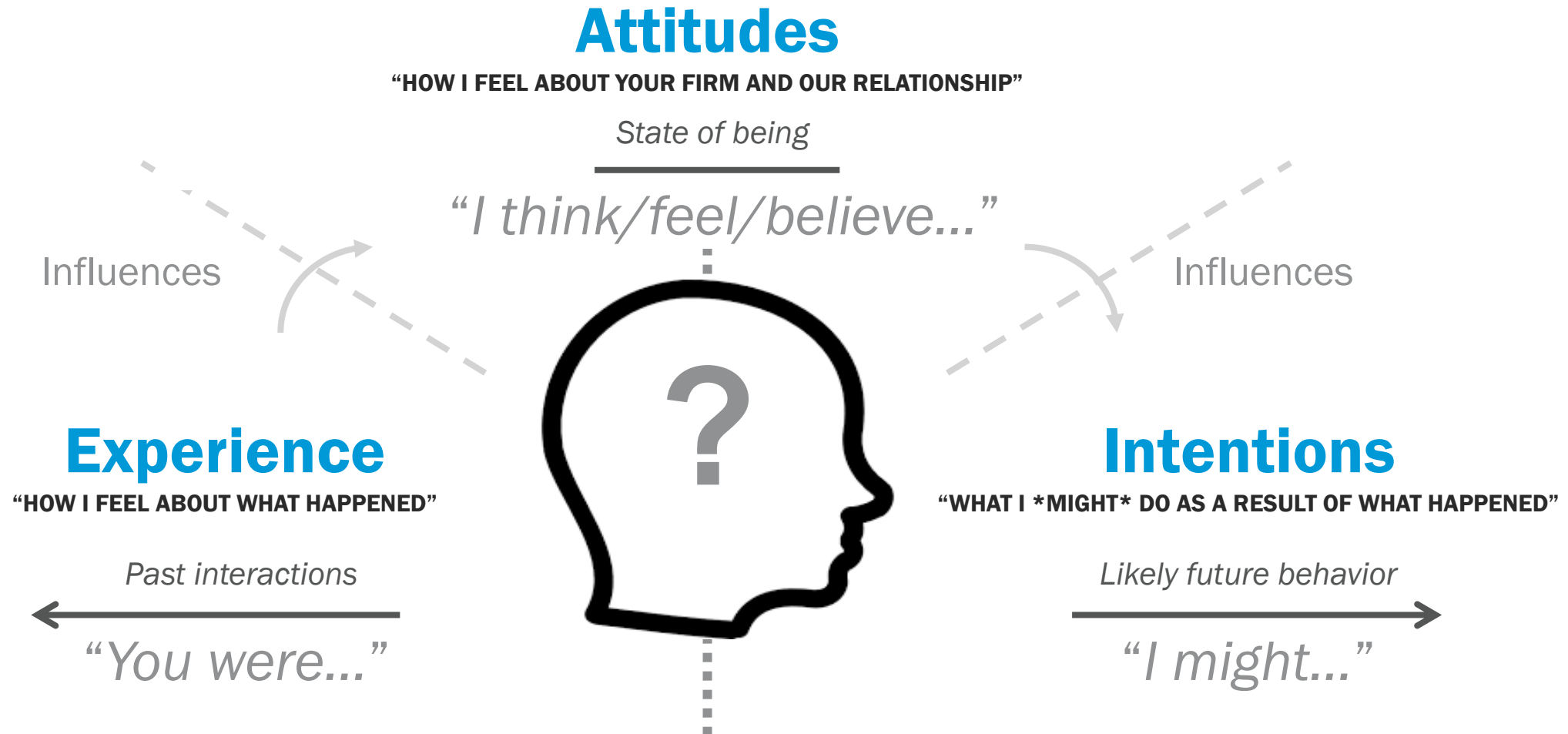
Today: What you told us; Emotion
and CX; Measuring emotion;
Taking an 'emotional journey';
Value of meaningfully connecting
with customers; Lessons learned;
Answers to your questions.

Survey Results: What are you most interested in?



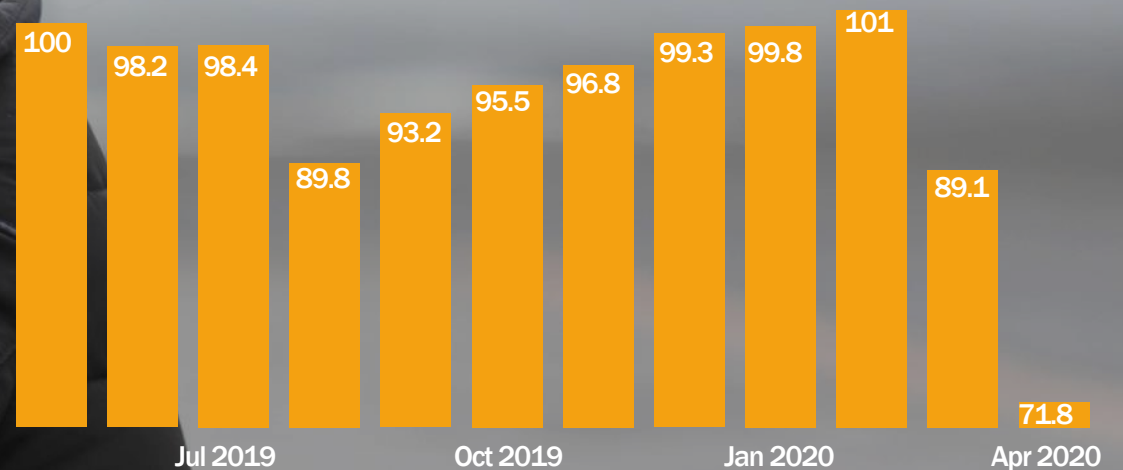
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All customer experiences are emotional... some, mostly negative experiences, more so than others

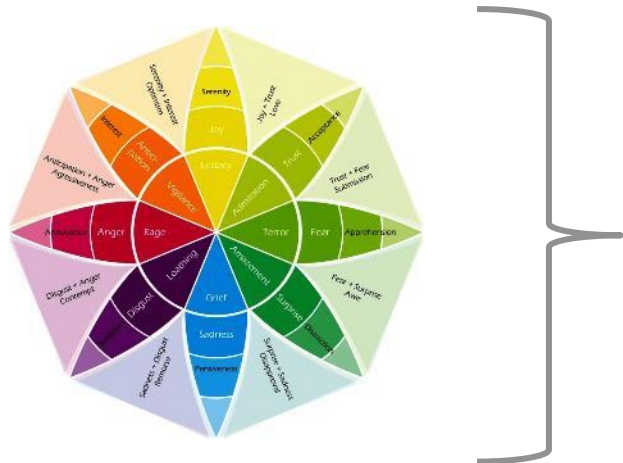


For many of us, emotions are closer to the surface today

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?



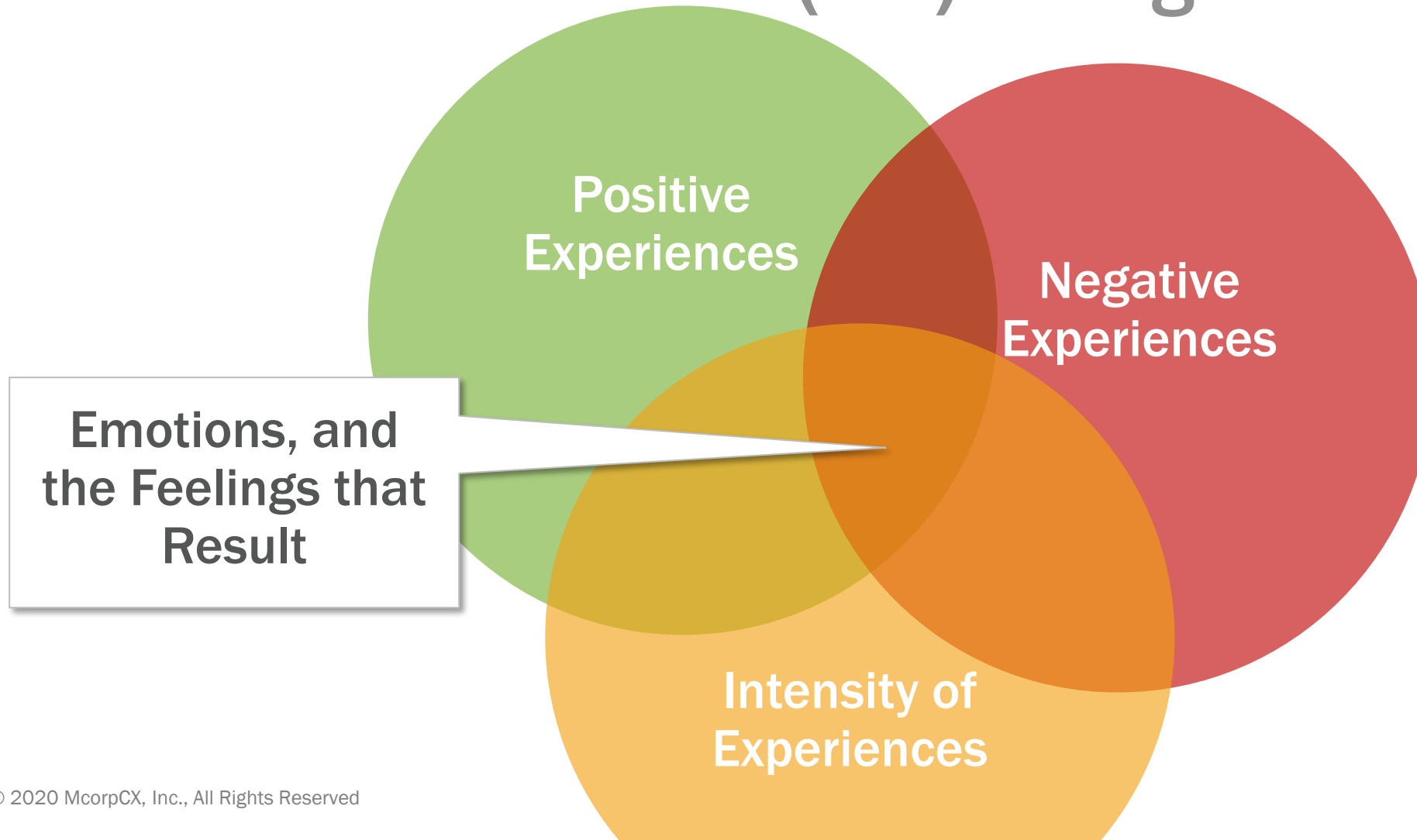
Though our conscious mind is not (always) in control....

An elephant is shown in silhouette, walking from left to right. A person is riding on its back, also in silhouette. The background is a soft, warm sunset or sunrise sky with orange and yellow hues. The elephant's trunk is slightly curved, and its tail is visible. The rider is wearing a turban and a long tunic.

**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.

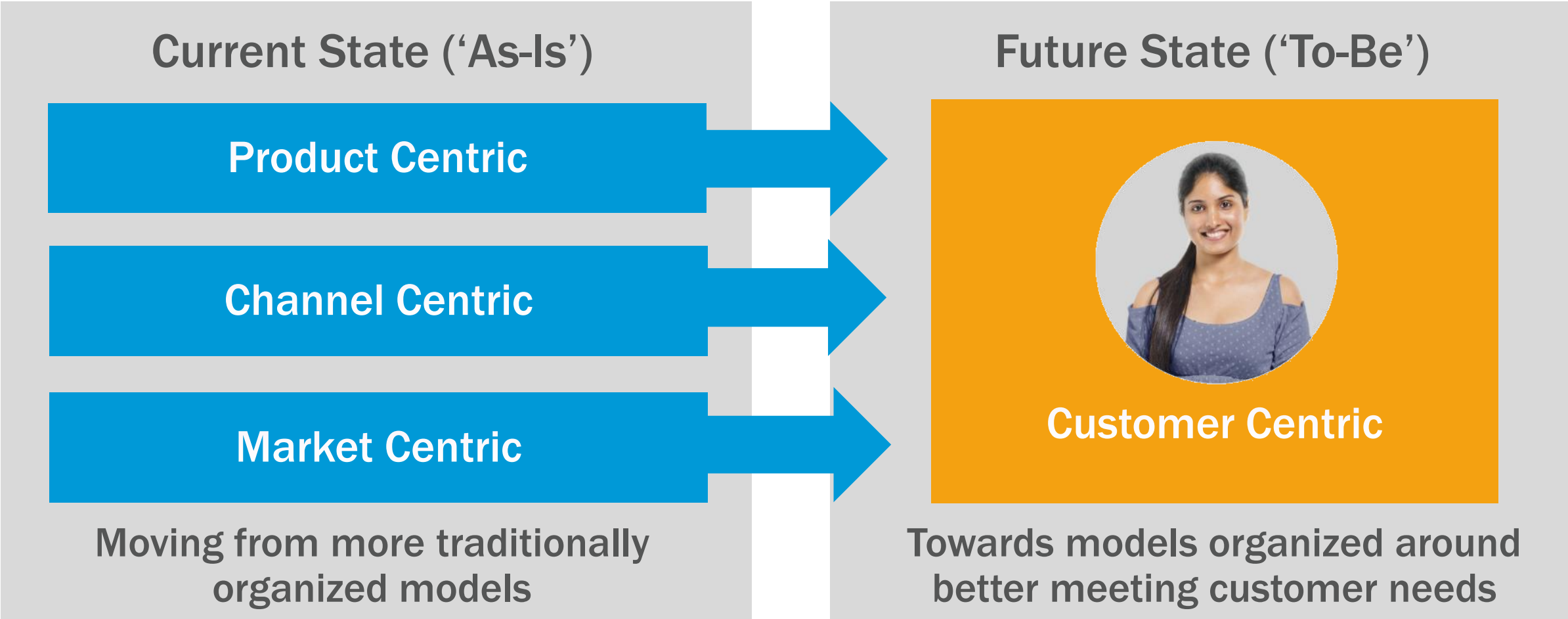
Happy customers are more loyal customers

6.

You can support the value of emotion with data

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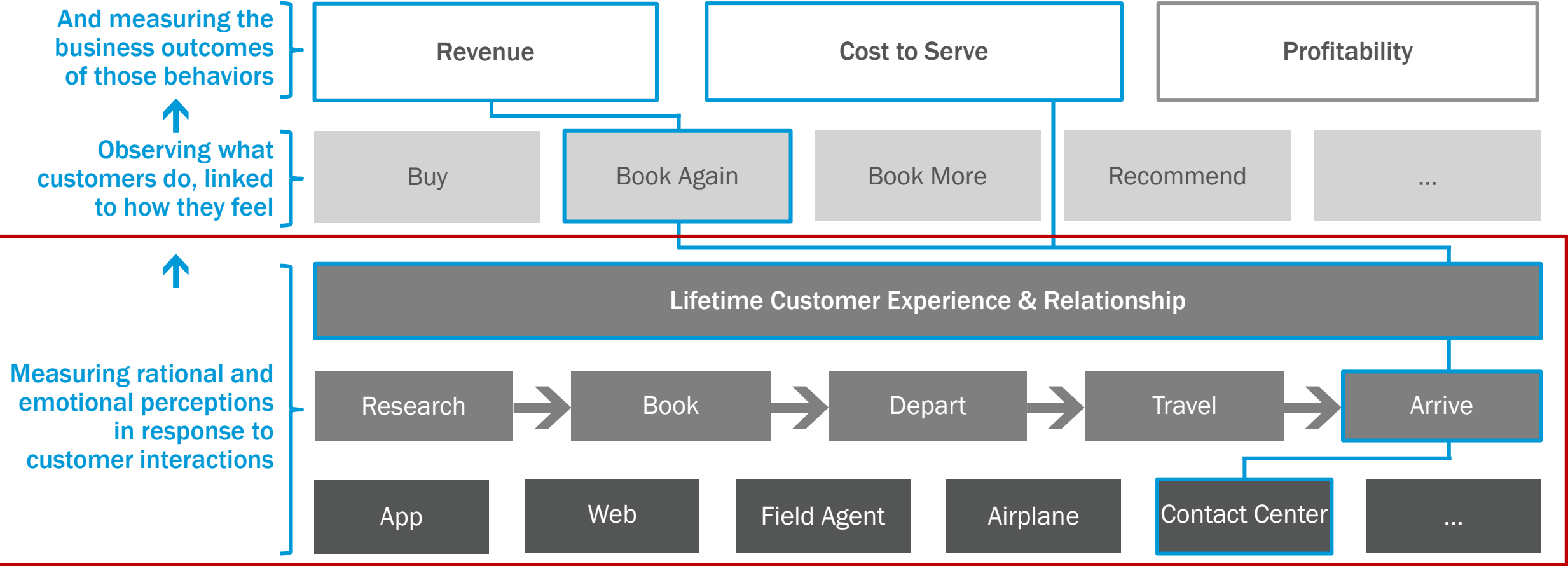
In a more customer-centric world, the criticality of understanding emotions should not be overlooked



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

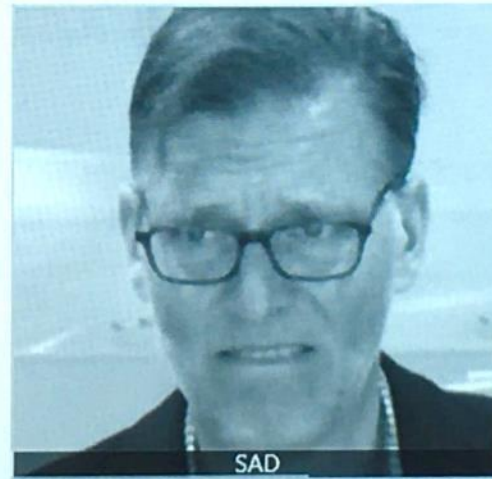
What Customers SAY...

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

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

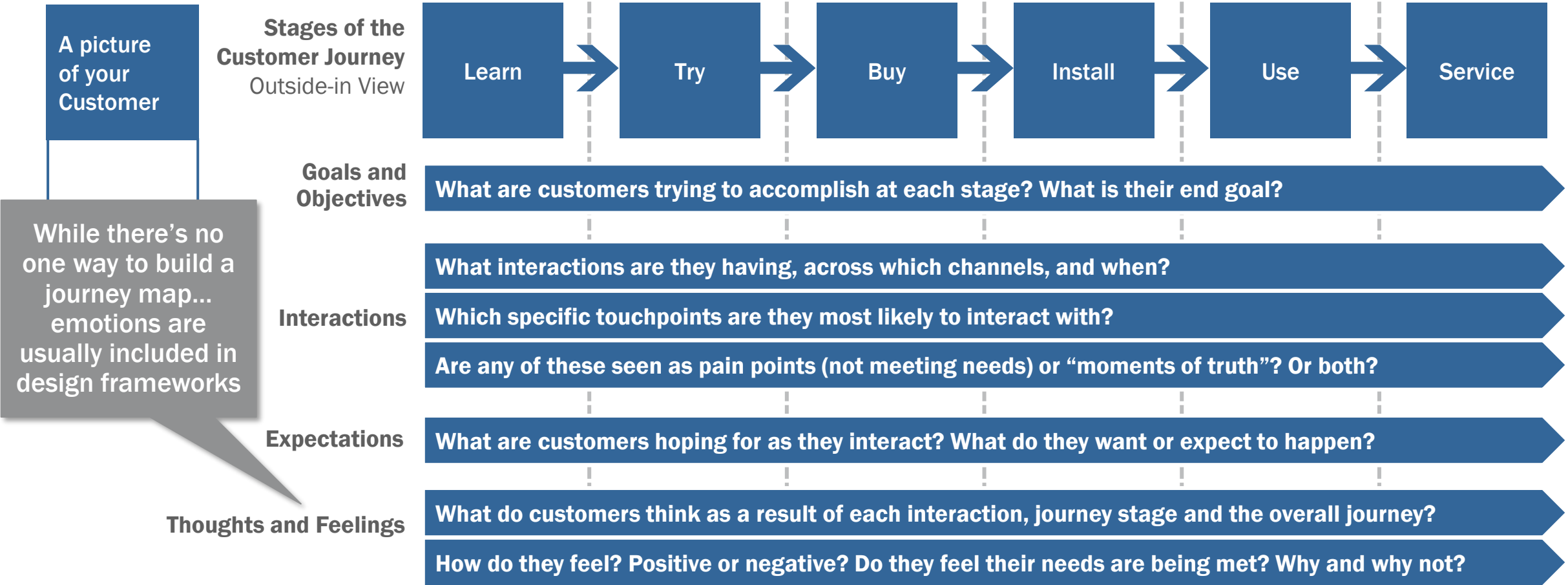
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A hiker with long blonde hair, wearing a tan shirt and a red backpack, is being assisted by another person's hand on a rocky mountain trail. The background shows a vast, hazy mountain landscape with green grass and scattered rocks.

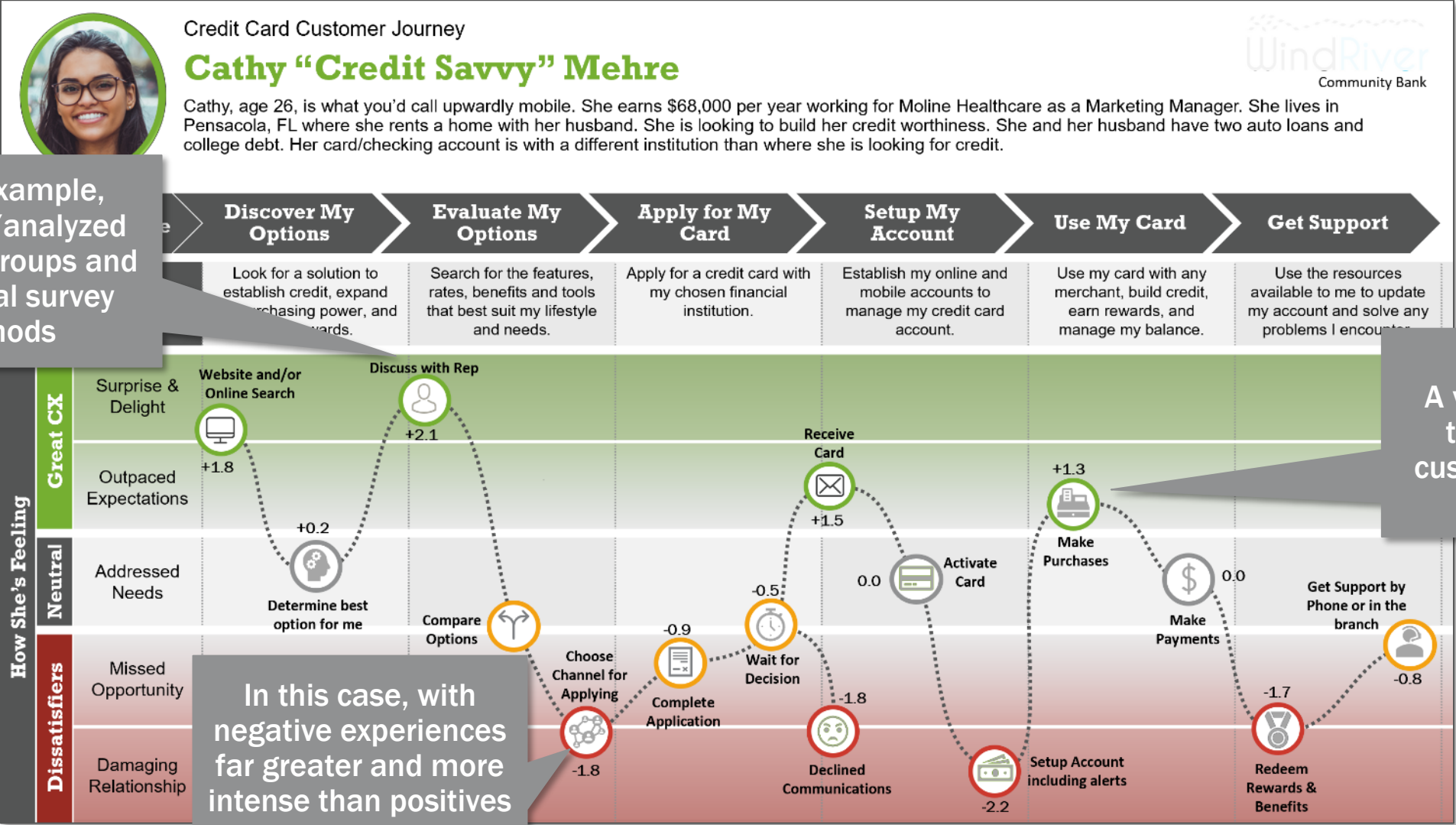
The value of customer journey mapping has been proven
across myriad industries, audiences and organizations

**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

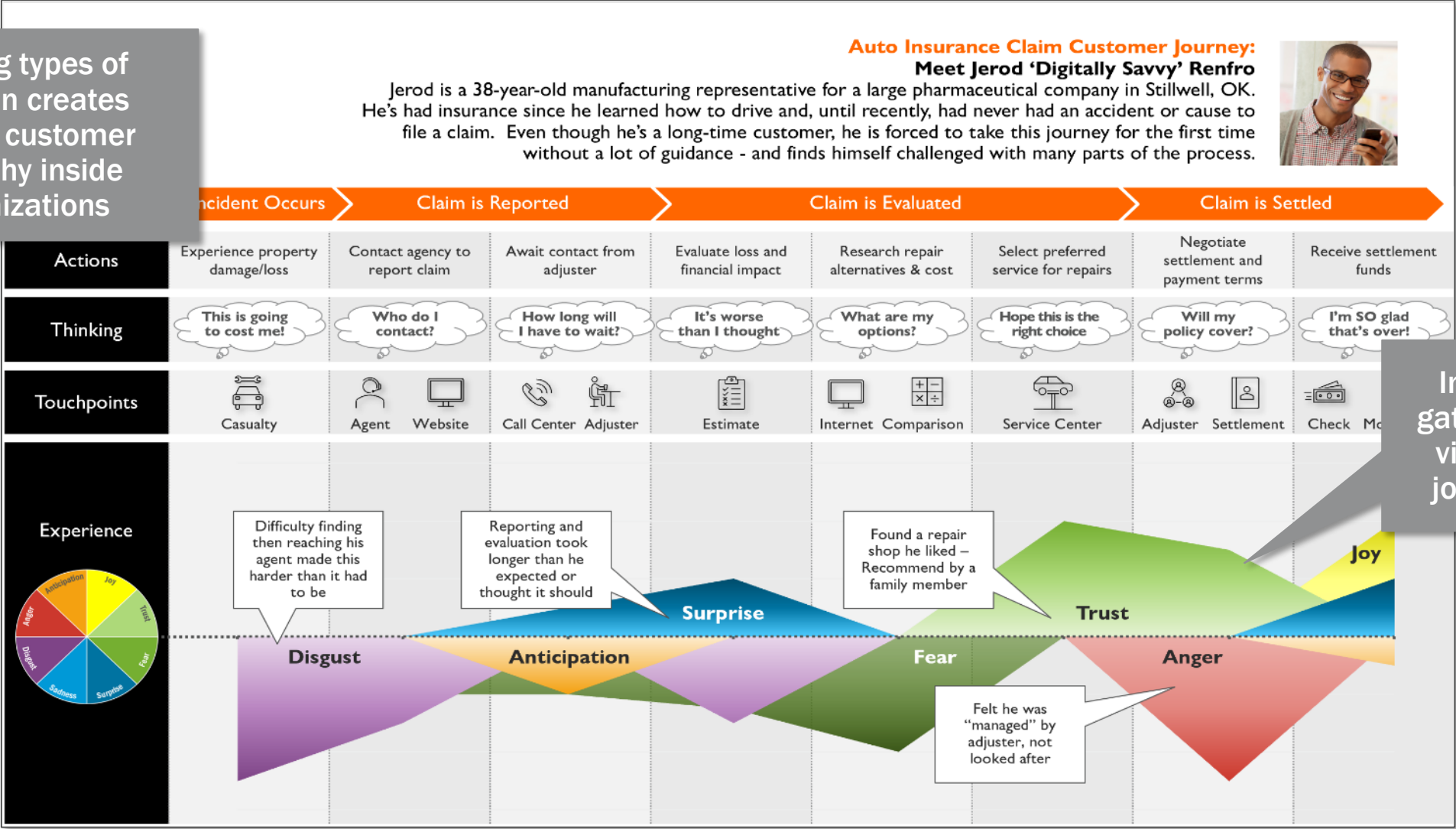


Putting rigor around feelings helps tell the ‘emotion story’



With some journey maps visualizing the types of emotion

Sharing types of emotion creates greater customer empathy inside organizations



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 retain³

One example: Leveraging an emotional advantage

Our Client: Nationwide Membership Organization



~3,000,000
Members

Partners
with brands
supporting their
mission

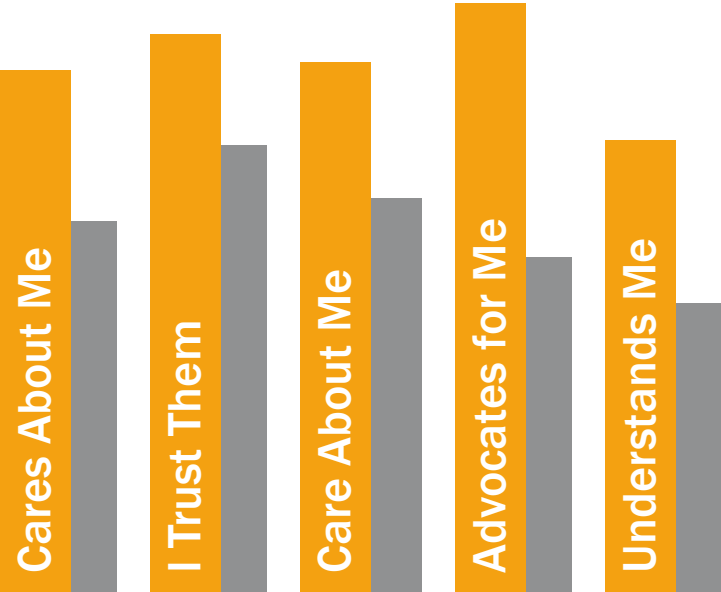
Offers products
and services
aligned to
member needs

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

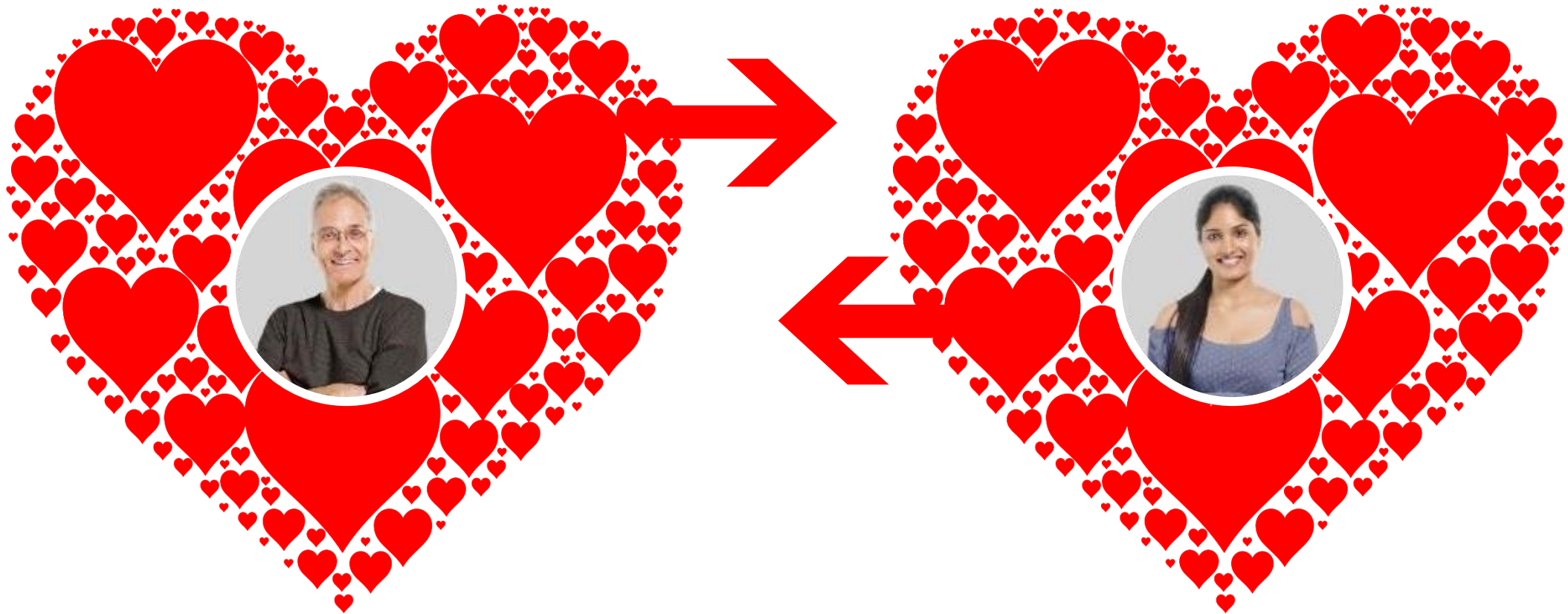
Design for Emotions

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...



