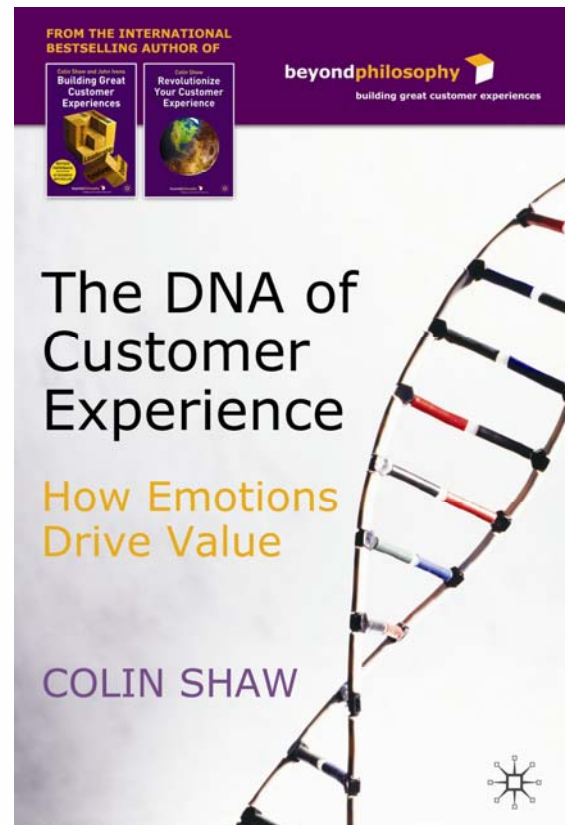


Introduction: Professor Chris Voss;
London Business School

The DNA of Customer Experience:

How Emotions Drive
Value.

Author: Colin Shaw



Abstract

Beyond Philosophy's Emotional Signature allows us, for the first time, to gauge the emotional experience of customers. This is necessary for businesses to understand what delights their customers.

I worked with Beyond Philosophy on the Emotional Research. I met with the guys from Beyond Philosophy several times along with their statistician, Dr. Jeremy Miles. The methodology used is sound and the statistics rigorous and I am happy to endorse this work.



Introduction

I have been leading a team of researchers at the London Business School via the Advanced Institute of Management research (AIM) to study the emergent field of the “Experience Economy” because the development of the customer experience is a key innovation in business. In today’s environment of ever more sophisticated consumers – those who deliver memorable customer experiences consistently create superior value and competitive advantage. This is true in the business to business situation as well. Indeed the creation of these experiences is increasingly becoming both the leading edge and a standard practice for business.

Some examples include:

- Lego giving children the opportunity to play with their toys in shops and importantly providing parents the opportunity to experience their children playing with Lego toys.
- Zara creating a sense of anticipation in their clothing shops driving customers to repeat visit 17 times per year versus the 3 to 4 for regular stores.
- Joi de Vivre theming its boutique hotels from movies to Rolling Stones.
- Knoll Group developing a museum, not only dealerships and showrooms for its business buyers.

These businesses and many others like them are examples of companies that have begun to address the five imperatives for managing experiences:

1. Manage experience as theatre
2. Use experience to build brand equity
3. Balance control and spontaneity
4. Manage conflict between creativity and business
5. Develop and use appropriate measures.

However, the financial assessment of experience is often buried under multiple layers in an organization and can be difficult to identify, with organizations often claiming that experiences offer intangible rather than tangible benefits. The exciting thing about the Emotional Signature™ is that it is the first robust measurement system that assesses the emotional part of customer experiences! I choose my words carefully. This is the first system designed for use in the business world systematically tested and shown to be accurate. Thus, the Emotional Signature can help businesses develop and use appropriate measures, one of the five imperatives for managing experiences. Furthermore, it provides an estimate of the financial implications of having a particular emotional signature.

A good example of this is in the way businesses manage “delight” and “outrage”. In the former, the need to “delight” customers has become part of the rhetoric of service marketing and a common key objective of customer experience strategy. Delight is typically seen as exceeding customer expectations and surprise. Maurice Sardi, CEO of the Knoll Group (a leading US manufacturer of office furniture), for example, has defined “delight” as “meeting customer needs and then going beyond them – building in qualities like personality, fun, and surprise.

Research has shown that delight is associated with positive emotions and cannot be achieved without surprisingly positive levels of performance. Delight can occur either on a onetime basis or through continued raising of customer expectations, which makes it more difficult to delight the customer in the future. Similar findings are reported on outrage, at the other end of delight. Focusing on delight



and outrage, which are associated with more intense emotions than are satisfaction and dissatisfaction, may lead to a deeper understanding of the dynamics of customer emotions and their effect on behavior and loyalty.

In general, therefore, rational delight is a necessary but not sufficient condition for customers to display extreme positive behavior like actively recommending a business. Rational delight is related to customer satisfaction. Thus, satisfaction typically tells us about the rational experience, not about the full experience (For example; rational and emotional). To resolve this issue, Beyond Philosophy's Emotional Signature allows us, for the first time, to gauge the emotional experience of customers. This is necessary for businesses to understand what delights their customers.

I worked with Beyond Philosophy on the Emotional Signature research. I met with the guys from Beyond Philosophy several times along with their statistician, Dr. Jeremy Miles. The methodology used is sound and the statistics rigorous and I am happy to endorse this work. As the results were analyzed, the implications were jumping off the page. This work really has identified emotional precursor factors of delight and outrage – the drivers and destroyers of experience-based value.

The implications are that a business can now assess the full customer experience. Satisfaction still holds sway in measuring the rational experience while Emotional Signature gauges the emotional experience. As we move forward we will better understand how these two are related and drive sensitive outcome measures like the Fred Reicheld/Satmetrics Net Promoter® Score.

The successful company examples I started off with (Lego, Zara, etc) benefit from being among the first companies to specify their customer experience. As more and more companies address their customer experience issues, it will be more and more difficult for those businesses to develop experiences which differentiate themselves. As this happens, accurate information on the complete customer experience will become ever more important. It will be exciting to witness the evolution of the Emotional Signature as businesses take it on and begin to work on the emotional experience.