



Place Your Customers at the Heart of Your Strategy



A Special Formula for Customer Experience

The idea for retail should be that your brand will create a positive experience for your customers. Fundamentally, this would be asking your customers open ended questions, engaging with them, and asking what do they want? What can make your brand better?

As we begin 2021, we should consider the **Walker study** finding that customer experience would overtake price and product as the key brand differentiator by the end of 2020; and the **research by Gartner** showing that over two thirds of companies are now competing primarily on the basis of customer experience, up from 36% in 2010.

But what lies at the heart of customer experience and how does the next normal, generated by Covid-19, affect your customer experience strategy?

Our eBook will discuss **how emotion drives decision-making**, the **importance of the memory of an experience** as at the heart of your customer strategy, and important factors to consider **moving forward into the next normal**. These discussions can help you strive towards providing world class customer experience in your brick-and-mortars and all other channels.



1

95% of all decisions are based on emotions

Our emotions are triggered based on psychological meaning. The consumer applies meaning to every single product, service, and brand they see. This is what we call relevancy. Despite relevancy being how we think, engage, apply meaning, and buy, the world is not set up to take advantage of emotion. We otherwise refer to this as context. We make 35,000 decisions a day, but with our brain having automated as many tasks as possible, the majority of those are made unconsciously.

As an example, customers interact with less than 2% of Facebook's 4.832 trillion ads. No one asks what this is like from the customers' perspective, and no one knows how they feel about their brands. Every tool points away from emotion. You could be the biggest fan of a clothing brand, but only prefer their shirts which you purchase in a certain season. Therefore, information on jackets won't appeal to you. Subconsciously, your brain assesses: "Is this a product I like?" – No! So, you don't engage.

Supplying context and building relevancy creates more engagement by giving customers the emotions, meaning, and decision-making they desire. The common social hierarchy and top-down decision-making impacts how brands are going to market. However, arranging retail stores based on what Headquarters says, with no difference between Sydney, London, and San Francisco, can be problematic.



Diesel worked with Gap In The Matrix to analyse stock, design, and conduct employee/customer interviews. They discovered that brand perception was greatly different in Asia than in North America or Europe. The context is that in Asia, Diesel is seen as elegant and can be worn out to dinner. Diesel amended their messaging, branding, and strategy to account for preferences in each market and achieved **\$62 million per annum in Revenue Growth and in Savings**. How you advertise and explain your brand, and engage with your customers should, and will be different, in each region.



2

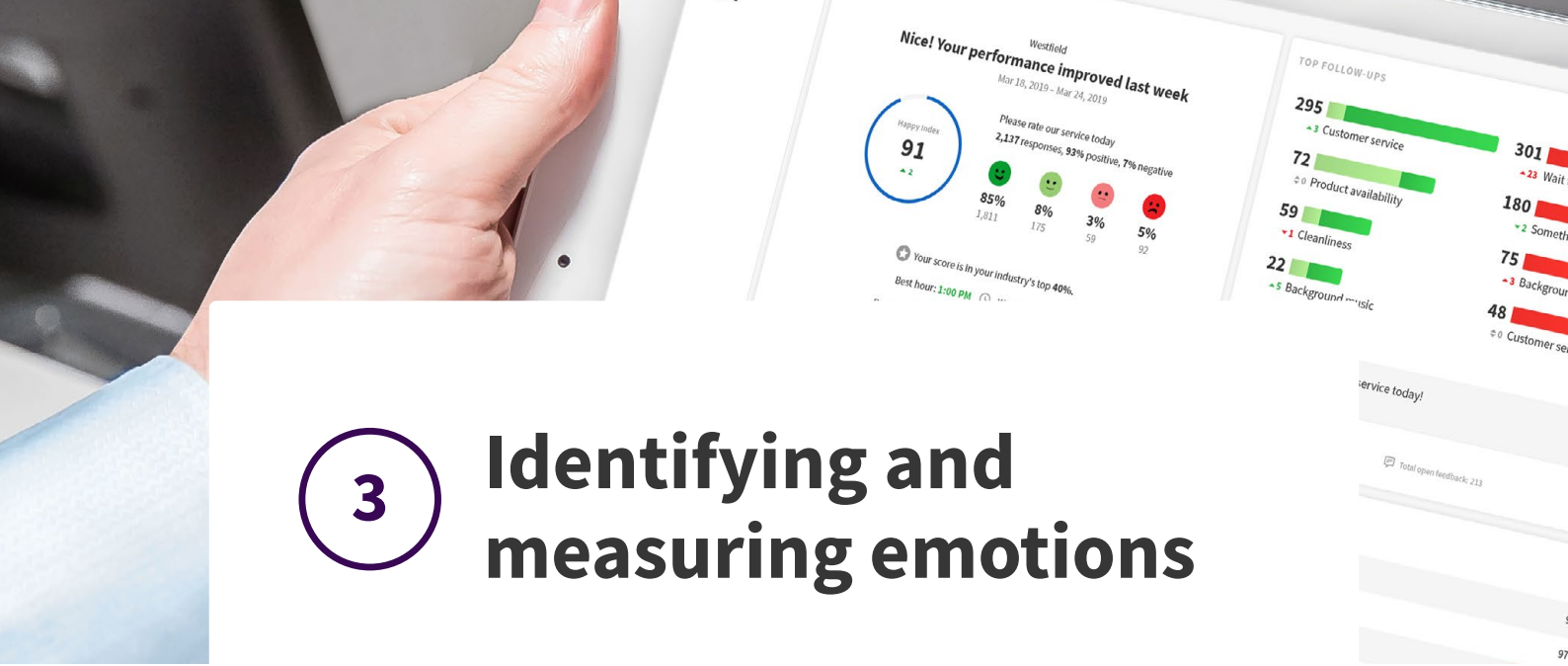
People remember how you made them feel

The **memory of the experience** is important in understanding what really matters when dealing with your customers: it is not just the customer's experience that matters, but also the memory of the experience. In their **future of CX report**, PwC found that 1 in 3 customers will leave a brand they love after just one bad experience, while **92% would completely abandon a brand** after two or three negative interactions. So when you are thinking about the emotional connection between your team and your customer, your team should think of your customer as the heart of your strategy, and if able, respond to whatever emotion is presented to them by your customer.

Bestselling author of "Thinking, Fast and Slow," **Daniel Kahneman** says that extreme emotions stay with you as memories and can be either negative or positive. According to Neuroscientist **Lisa Feldman Barrett**, emotions are as individual as our DNA, they are created from experiences, situational contexts, and by our values, norms, and beliefs. You may have lots of really good experiences, but the final thing that happens might be bad (or vice versa). This is known as the Peak-end Rule. When this occurs, all the good experiences that came before are wiped out by the final bad experience.



When asked for a recommendation, you will recall memories which will either be negative or positive and therefore, have a direct impact on your recommendation. The idea should be that your brand creates an experience that is positive.



3

Identifying and measuring emotions

How are we able to reverse the feeling that people may have if they have a tough time? Very often in our communication with our customers, we may cause them to feel uncertain, or make them feel apprehensive unintentionally. However, if we can determine how customers are feeling, and are able to identify with them, a more informed conversation may follow, offering a proactive solution to the question.

Emotional intelligence, as defined by Daniel Goleman, is the ability to perceive emotions in yourself, identify emotions in others, and then manage your behaviour and relationships. A top ten job skill for 2020 as forecast by the **World Economic Forum**, emotional intelligence will be in higher demand across industries than narrow technical skills.

To **capture in-moment emotions**, a solution such as the **HappyOrNot**, can offer you valuable feedback data broken down by date, hour, and location. More importantly, retailers should use their front-line staff to identify emotion and evaluate any feedback data they capture. Keeping an eye on the experience and emotion of your customer can allow you to readily change a negative experience to a positive one.



4

Anticipating the new retail landscape

We have seen that during the pandemic, many people have been more stressed, have experienced significant changes (such as a lockdown), have been taking on more responsibility at work or at home, and may potentially be seeing a loss of income. In the HappyOrNot internationally sourced report the **Pandemic's Effect on Customer & Employee Experience** we found that 40% of both US and UK companies decided to shift their business focus and priorities due to Covid-19. Furthermore, even though all industries experienced budget cuts, furloughs and/or firings, retail and technology increased in demand.

Mindful of the above, you should consider anticipating the trends and developments in customer behaviours with customer expectations. Customer behaviors can include larger transactions, more targeted shopping with fewer trips, and a higher comfort with digital. How do these align with customer expectations such as safety, transparency, efficiency, and social responsibility?



There are three ways to demonstrate that your brand cares about your customers.

1. Be empathetic to your customers' direct needs and recognising their limitations (can they pay, go in person, or do they have safety concerns?).
2. Make it easy for your customers. They are aware that things are happening, but do not necessarily want to experience that when interacting with your brand.
3. Ensure that you are not letting the threat of setbacks or stagnation prevent you from adding value.



5

A world class omnichannel experience

Data can tell you what different people want to buy in different locations. You can structure how your customers make decisions in real life by increasing relevancy based on that data. Give them more of the experience that they want and use the data to consider the offline experience. Why your customers buy from you should underpin your brand guidelines or brand strategy.

Your brain wants to alternate as much behaviour as possible and reduce the energy it needs to function. Tying your shoelaces, buttoning up your shirt, or making a sandwich: these are all unconscious habits. However, not everybody makes decisions the same way; how we are educated affects how we see the world. The brain has to classify meaning and how it sees many different things.

How does the brain classify? Well, for your brain, **loyalty to brands is similar to loyalty to friends**. For example, you may have different friends you will call depending on how you wish to deal with a certain situation. You may feel uncomfortable if you choose one friend who normally sits and listens patiently, who then decides to take you out to a party instead. So saying, if there is a brand you're loyal to, but have stopped buying from them many years ago, it is because you have changed a little, or they have changed a little, or they have done something wacky; you are being shown products, or services, or clothing that does not align with who you are anymore, or what you expect.



Once you understand why your customers make their decisions and what your product means to them, then you can set everything else free.



6

Measuring Success with the San Francisco 49ers



Emotions drive a lot of decision making for the San Francisco 49ers. Their goal is to deliver the best fan experience in the world. They know they cannot control what happens on the field, but they can heavily influence the stadium experience for their fans.

Up to 2013, the 49ers used NFL's Voice of the Fan, a survey capturing feedback from fans at the stadium, and received less than 6,000 responses and limited insights.

In 2014, they partnered with HappyOrNot, collecting feedback from every game with a **total of over 30,000 insightful responses in the year** and reviewing the results in weekly meetings with stakeholders. Wanting to target more detailed information, they evolved to include visual location maps of the stadium in their reports over the next two years and they were able to make dozens of off-season enhancements.

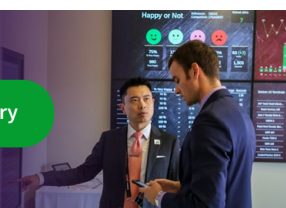
But they wanted to go further, fix the problems in real-time and address the Peak-end Rule; they get only 10-12 home games a year to leave a positive impression on their fans. With the HappyOrNot real time alerts, they could **address issues immediately**, receiving hundreds of thousands location specific responses.

For example: Through the HappyOrNot real time alerts, they were alerted to a broken wine fridge at a specific stand following an increase in complaints. They were able to respond immediately by putting the wine on ice. In contrast, a post-game survey would not get specific enough insight to fix these types of issues. HappyOrNot helped them **empower their people to make these live changes**, meaning many problems can now be solved bottom-up.

Result: The San Francisco 49ers have enabled quick problem solving, an increase in overall fan experience, and have achieved a skyrocketing season ticket holder renewal rate of 98%.

Volume of Real-Time Feedback Enables Urgent Corrections, Long-Term Improvements at San Francisco 49ers

[Read the story](#)





Conclusion

The customers' triggered emotions are based on psychological meaning; and they apply meaning, or relevancy, to every single product, service, or brand. By supplying context and building relevancy, you can **create more engagement** by giving your customers the emotions, meaning, and the decision-making they desire. This was illustrated both by the Diesel and by the San Francisco 49ers examples, the ideas behind which can be reproduced in other retail settings and boosted by our advanced Reporting.

With Evans in mind – they will remember how you made them feel – you should think of your customer as at the heart of your strategy and respond, where able, to whatever emotion your customer presents to you, remembering that your customer's **memory of the experience is as important as their experience**. A useful skill for preventing some of those bad memories is emotional intelligence.

We also discussed how demonstrating that your brand cares about customers is crucial and listed the three ways you can do so by: being empathetic to your customers' direct needs; making things easier for your customers; and, ensuring that you are not letting the threat of setbacks or stagnation prevent you from adding value.

HappyOrNot can help you to continue to wow your customers, give them something special, and give them those magical moments.

Key takeaways



Supplying context and building relevancy creates more engagement by giving customers the emotions, meaning, and decision-making they desire.



Relevancy is the meaning a customer applies to a product, brand, or service whilst context is how they think or feel about the product, service, or brand.



Memory of the experience: it's not just the customer's experience that matters, but also their memory of the experience.



Emotions are dependent on the individual and how they feel in the context of an experience.



Emotional intelligence is the ability to perceive emotions in yourself, identify emotions in others, and then manage your behaviour and relationships.



Demonstrating that your brand cares about customers is crucial: the specific things we change, the ways we interact with our customers, and their expectations of our interactions are different.



Once you understand why your customers make their decisions and what your product means to them you can set everything else free.

Managing Experiences has never been as Critical

To succeed in this time of crisis, retailers are expected to monitor their customer sentiment across all touchpoints, either this is physical or digital. HappyOrNot can help you benefit from an in-moment omnichannel experience management solution. To find out more, click [here](#) to speak with an expert.



Report: The Pandemic's Effect on Customer & Employee Experience

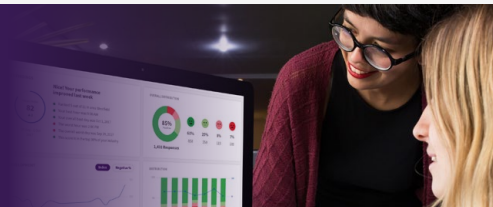


Customer Story: Managing CX in the Next Normal by George Rivers Council



Blog: Pandemic VS Customer Experience

Speak with a CX Expert



HappyOrNot is the creator of the globally recognized and trusted Smiley-faced experience improvement solution. We enable thousands of top brands, like Elkjøp, Levi's Stadium, Autogrill, and London Heathrow Airport, in over 135 countries to make effective, instant, and continuous improvements with real-time actionable insights. Visit happy-or-not.com

