

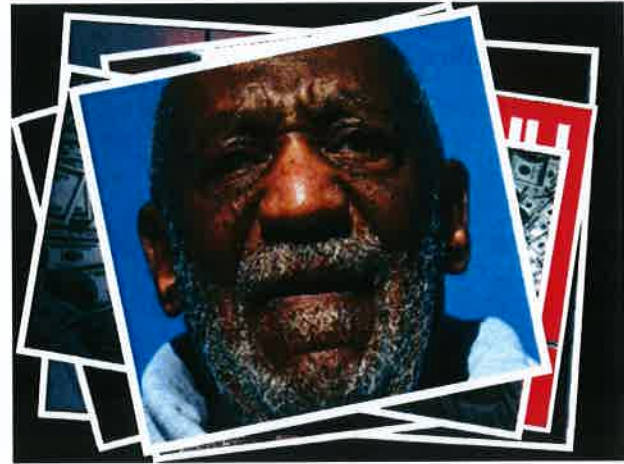


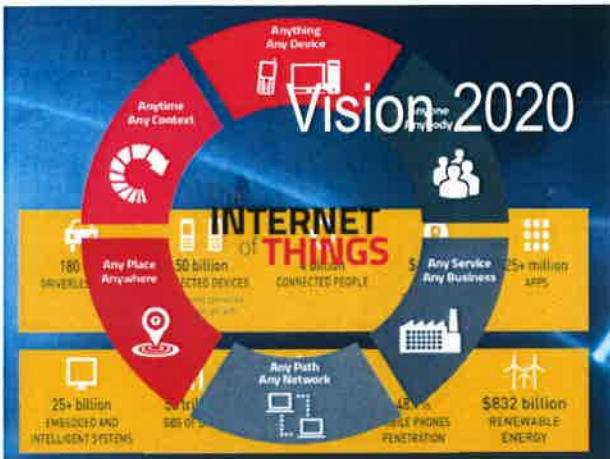
"10 Ways to Harness the Power of Emotions in Customer Experience"
Seminar Attendees



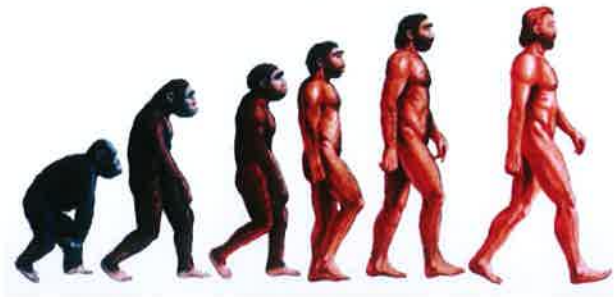
How do you feel about living in today's world?

- Political Factors?
- Economy?
- Sociological trends?
- Technology?
- Legislation?
- International situation & globalisation?
- Environment?
- Demographics?

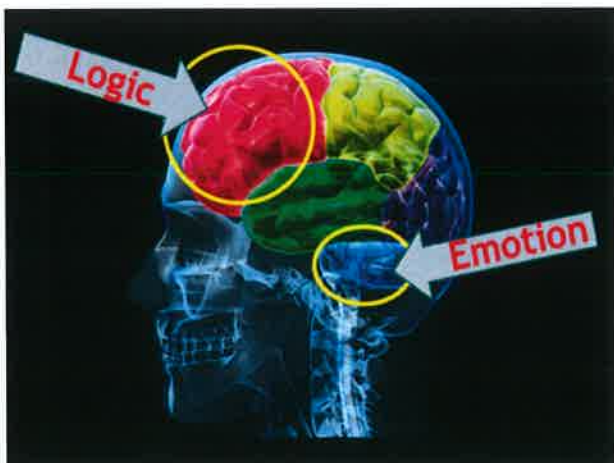




Given our history of survival, it's completely understandable

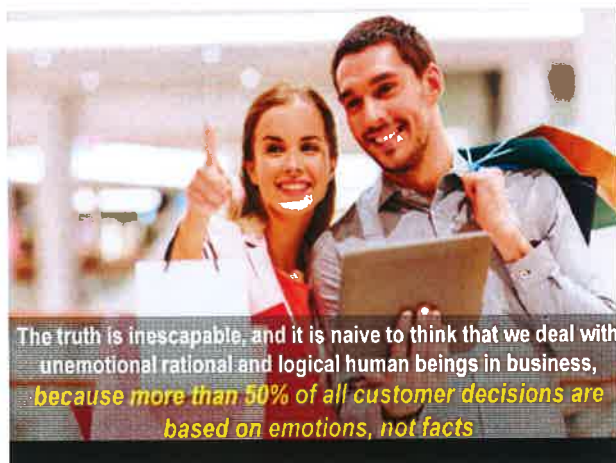
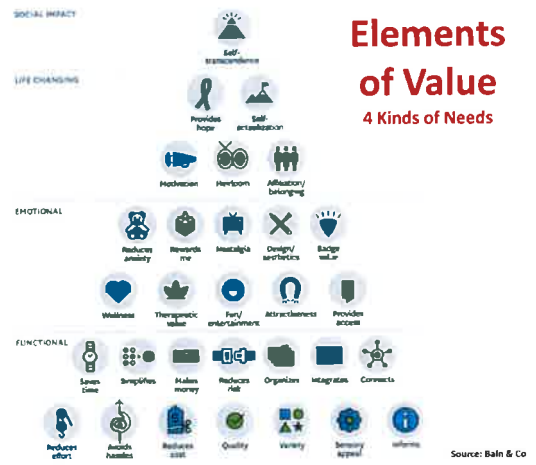
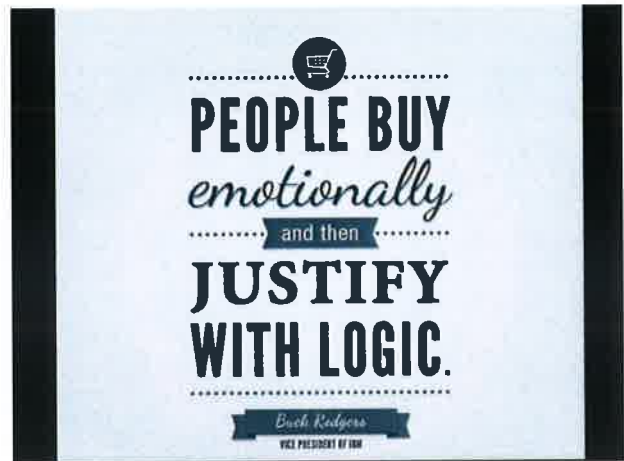


"Thank you for your presentation, but I am still not convinced that this will help us to improve our profitability. The trouble is that you look at this as a religion. Like any religion you either believe it or you don't. For those who do believe it there is no question that this is the right approach, and you probably can't understand why people are even questioning this. For those who don't believe it, and I am one of them, I need more proof that this will work as I do not have your faith. I cannot see a demonstrable link between evoking customer emotions and improving our revenues, and without this I cannot support this initiative."

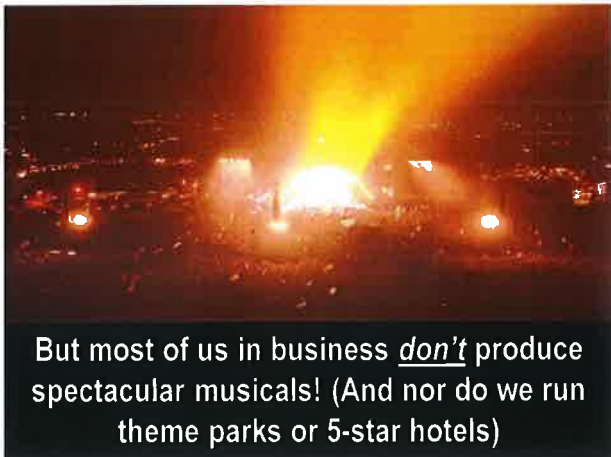


Why Improve the Customer Experience?	Why it Makes Financial Sense
1. Produce more loyal customers	It is always cheaper to service current customers rather than to prospect for new ones and persuade them to come to your business
2. Attract new customers at a lower cost	The power of word of mouth and contagiousness is cheaper, more credible and more believed than mass advertising
3. Reduce costly complaints as much as possible	Cutting waste, inefficiency, problem resolution and drop in reputation adds profit right to the bottom line
4. Increase the value of your best customers	Loyal customers spend proportionately more than new customers, are less price sensitive, are open to cross sales and up sales and generally behave in more desirable ways.

- Profitability and sales budgets not achieved
- Expenses shoot up
- Share price takes a dive, managers under pressure
- Company reputation suffers
- Staff morale and job satisfaction are poor
- Attracts attention of government/regulators, ALL media, analysts, and general public
- Company executives become very stingy: job security suffers, bonuses slashed



What is "customer experience"?
A customer experience is an interaction between an organisation and a customer. It is a blend of an organisation's physical performance, the senses stimulated and emotions evoked, each intuitively measured against customer expectations across all moments of contact



But most of us in business don't produce spectacular musicals! (And nor do we run theme parks or 5-star hotels)

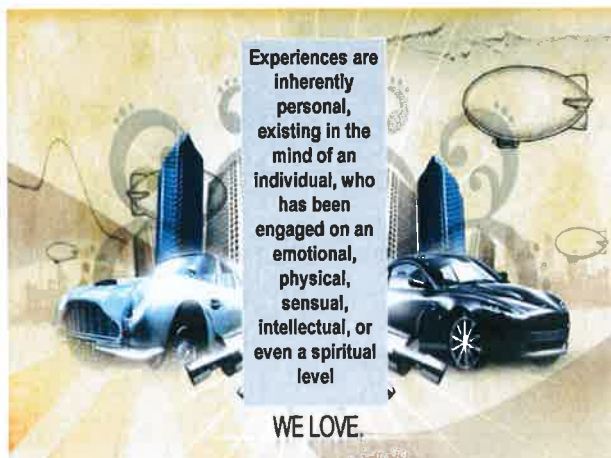


Source: *The DNA of Customer Experience*, Colin Shaw



An experience occurs when the company uses services as the stage, and goods as props, to engage individual customers in a way that creates a personal, memorable event

Customer Emotions and Experiences



Experiences are inherently personal, existing in the mind of an individual, who has been engaged on an emotional, physical, sensual, intellectual, or even a spiritual level

WE LOVE.

The Cluster of Emotions that Destroy Relationships and Value

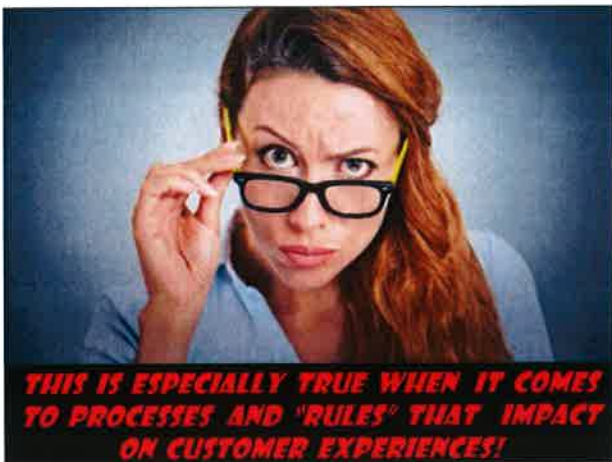
I feel irritated, hurried, neglected, unhappy, dissatisfied, stressed, disappointed, frustrated, I experience errors and mistakes, uncertain, I've been kept waiting

The Results?

- **Immediate and long-term pain to company**
- **“I’ll never go back again!”**
- **Terrorists: Actively seek to do damage**

The Results?

- **Slow death**
- **“Whatever”**
- **Mercenaries: Passive and price sensitive, easily lured away**

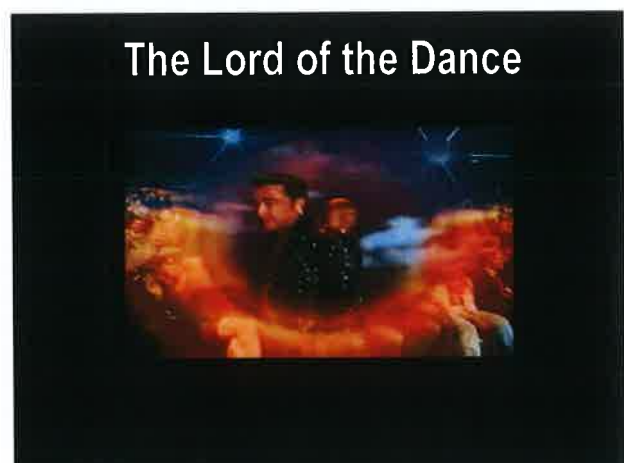


The Cluster of Emotions that Grab Attention and Are Attractive:

Interesting, energetic, enthusiasm and passion, stimulating, spark curiosity or need to explore, indulgent; (great for short term loyalty)

The Cluster of Emotions that Destroy Value Because of Customer Indifference

“Whatever,” coldness, staff indifference, exactly what I expected - nothing more, nothing less, no surprises





**DIFFERENT TYPES OF EXPERIENCES...
E.G. NEW AND REINVENTED MEDIA**

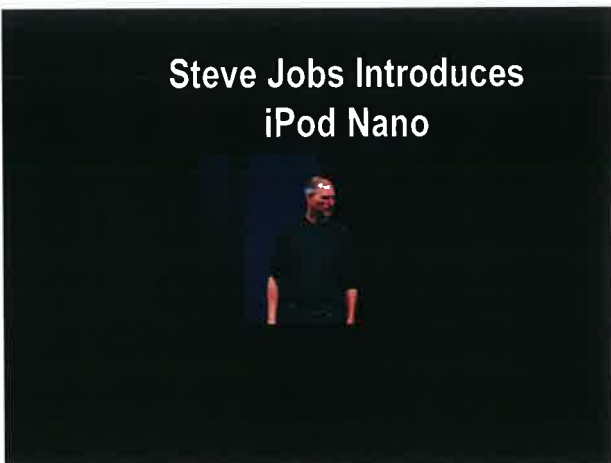


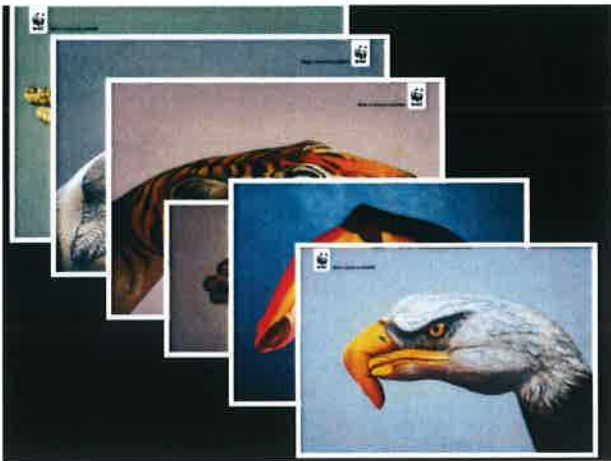
The Customer Experience Model



Sales Strike Rate...

- 40% (at customer premises)
- 60% (at their premises)
- 80% (with Starbucks and Sam's Mum's Cookies: chocolate fudge cake with crunchy nut toppings)





**DIFFERENT TYPES OF EXPERIENCES...
E.G. "IMMERSIONARY" SPACES**



But...



The Arousal Matrix

Emotional Reaction	Positive	Shared: Awe, Excitement Amusement/ Humour	Not Shared: Contentment
	Negative	Shared: Anger, Anxiety, "Dumb things"	Not Shared: Sadness, Depression
		High Arousal	Low Arousal

State of Arousal



The Results?

- ***Short-term*** value drivers, with occasional repetition of experience that must be refreshed
- ***Wow! We should do that again!"***
- ***But for how long, and how many times can you get excited or stimulated?***
- Nevertheless, customers are ***Active***



- 70,000 m² of shop floor space
- Separate “store” for each sport
- Hosts entire Nike range
- Hand-picked designer consultants
- One-to-one appointments in a two-story high glass and steel cube in the middle of the building



- *That wouldn't happen here, Sir*
- *By the way, I'm going to be in your area...*



What to Do?

1. Kill “dumb contacts” that destroy value. There are three possibilities:
 1. *Eliminate “with extreme prejudice”*
 2. *Control the effects*
 3. *Empathise with their pain*
2. *Move up the pyramids: find new and creative ways to create life-changing events for your customers*
3. *By all means attract customers with the various forms of “buzz” and contagiousness...*

What to Do?

4. But don't forget that these tend to be **short-term in their effects**
5. Be **active rather than passive**, and move away from the *physical* "best practices" to the *emotional state* of customers
6. Have difficult **conversations about feelings** at the most senior level. If the leadership is not engaged and unwavering, then it won't work



What to Do?

7. Start monitoring and measuring customer experiences in terms of **destroying** versus **driving** value
8. Link these to customer loyalty and the financial and other benefits (or the price paid)
9. Initiate projects and initiatives, and define new innovations, that grab **customer attention**, that lead to **recommendations** and that drive **advocacy**

If you earn the respect and recommendations of your customers, then they will do the rest...

- Annoy people and they will walk away - taking all of their friends with them
- Treat people well and they will do your marketing for you – for free
- Be interesting – or be invisible...
- *Because advertising is the price you pay for being boring*



What to Do?

10. Be relentless in **training and retraining** your people on what they need to do to make the customer journey *effortless, pleasing and delightful*

The Ultimate Question? ***Was this Value-Creating...***

- They loved it and will probably pay extra for it
- A real and measurable "return on investment" for us



Contacts



-  <https://www.linkedin.com/company/advancenet-pty-ltd/>
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