Deepen Your Customer Connection

Include an assessment of emotions to take your CX program further

GUIDELINE REPORT USING 2014-2015 CXSTANDARDS™ RESULTS

UNDERSTANDING EMOTIONS

More and more companies are realizing that providing an exceptional customer experience (CX) is an effective differentiating strategy. Digging more deeply into customers' emotions about their experience can help improve relevant policies and processes. Companies can build greater empathy for customers among frontline employees and individuals responsible for those policies and processes by better understanding the emotions customers experience.

Assessing the emotions customers experience during their interactions can be addressed using both qualitative and quantitative methods. This summary focuses on MaritzCX techniques used to assess emotion within quantitative programs. Specifically, this includes:

• Examining the results of direct emotional assessment within MaritxCX syndicated study CXStandards™, including a review of common emotions by industry

• An overview of MaritzCX tools SmartProbe and Text Analytics, which maximize your ability to detect emotion within open-ended survey responses or other unstructured data.

There are two primary approaches to measure expressed emotions in quantitative research: 1) direct assessment and 2) indirect assessment. A simple direct assessment represents an appropriate starting point. Direct assessment may occur via visual images, photographs or a brief list of emotions prioritized by frequency. Indirect assessment involves examining the emotion within the responses to open-ended questions or using other unstructured data such as call center reports.
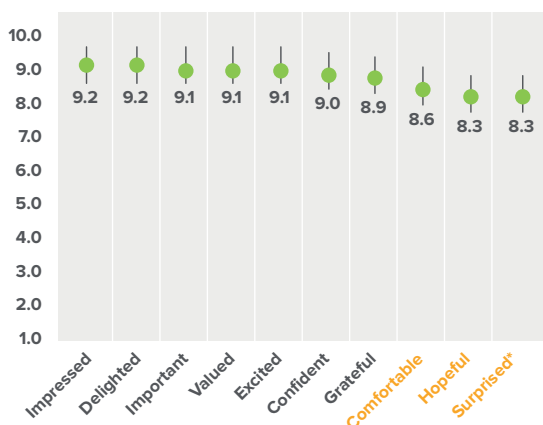

Child psychologists praise Disney's Inside Out as demonstrating to children and parents alike the greater awareness of emotions provides greater ability to control emotions rather than have emotions control you. Parallels exist when we increase our awareness of the emotions our customers are experiencing during their customer journey.

MaritzCX CXStandards™ includes a direct assessment of emotions. Emotions are correlated with varied levels of rated performance, and the correlation is even greater with regards to negative emotions. Multiple negative emotions are more likely to reflect an extreme experience.

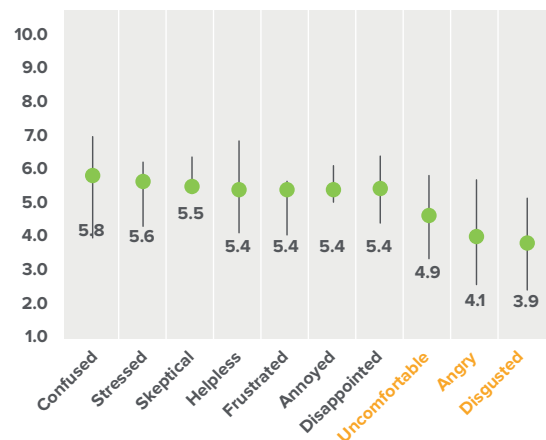## Emotions are correlated with varied levels of rated performance, more so on the negative side

Likelihood to Recommend by Positive Transaction Emotion

Emotion	Value
Impressed	9.2
Delighted	9.2
Important	9.1
Valued	9.1
Excited	9.1
Confident	9.0
Grateful	8.9
Comfortable	8.6
Hopeful	8.3
Surprised*	8.3

MaritzCX Customer Experience Benchmarks 2014, all industries and transactions categories.

＊ Wording for "suprised" was changed to "pleasantly surprised" in the 4th quarter of 2014.

Likelihood to Recommend by Negative Transaction Emotion

Emotion	Value
Confused	5.8
Stressed	5.6
Skeptical	5.5
Helpless	5.4
Frustrated	5.4
Annoyed	5.4
Disappointed	5.4
Uncomfortable	4.9
Angry	4.1
Disgusted	3.9

MaritzCX Customer Experience Benchmarks 2014, all industries and transactions categories.

CX STRATEGIES WITHIN AN INDUSTRY SHOULD FOCUS ON SPECIFIC EMOTIONS

- The banking, insurance and investment industries need to place a great emphasis on customers feeling confident, important, and valued.

- The insurance and shipping industries need to place a great emphasis on customers feeling important and grateful.

- The mortgage lending industry needs to place a great emphasis on customers feeling hopeful, while minimizing confusion.

- The emotions associated with the wireless and cable industries reflect the lagging satisfaction levels those industries experience relative to other industries. Emphasis needs to be placed on reducing customer confusion, stress, anger, disgust, frustration, and annoyance.

- The emotions associated with the rental car industry reflect the need to continue to place emphasis on helping customers feel valued, comfortable, and impressed.

- The emotions associated with the retail and restaurant industries reflect the need to continuously impress and delight customers.

Not all leaders are the same. The difference in customer experience levels between top performers within a given industry is meaningful. In our CXStandards™ study we found that customers of USAA feel an emotional connection with the organization unlike customers of other insurance providers.

Parallels exist in other industries but not to the extent that occurs with USAA. Emotional dimensions differentiate true CX Leaders from their competitors.
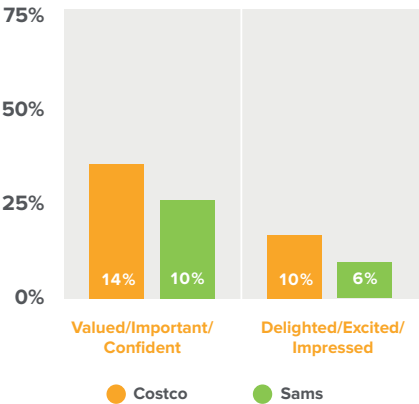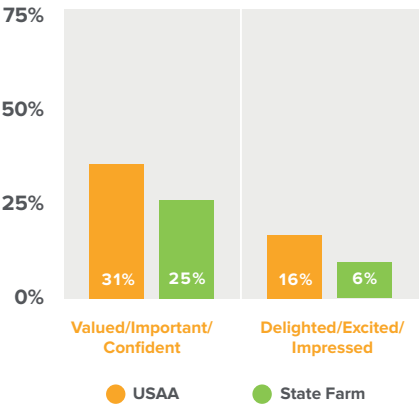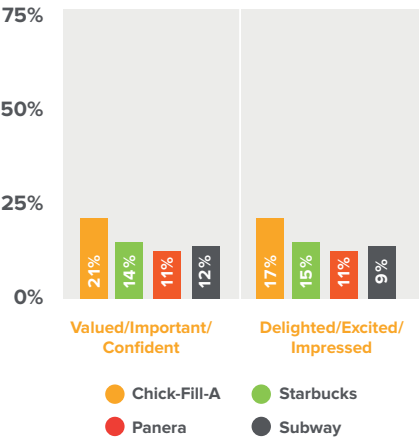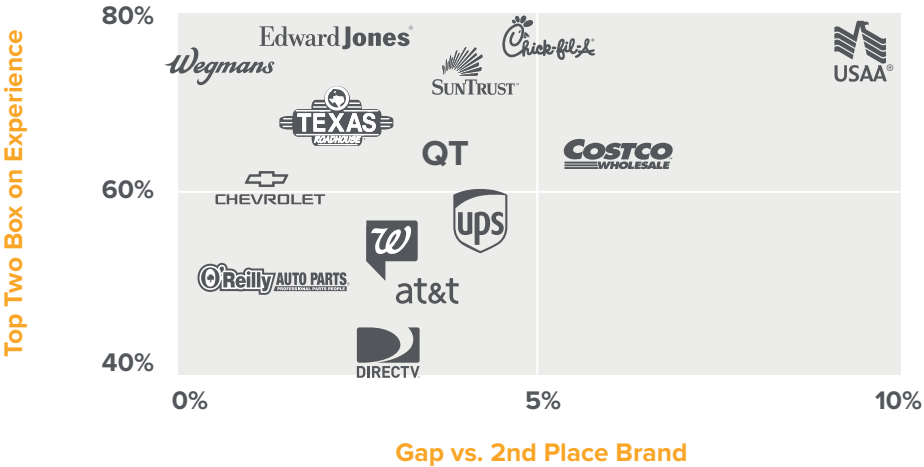
Industries Focus on Different Emotions
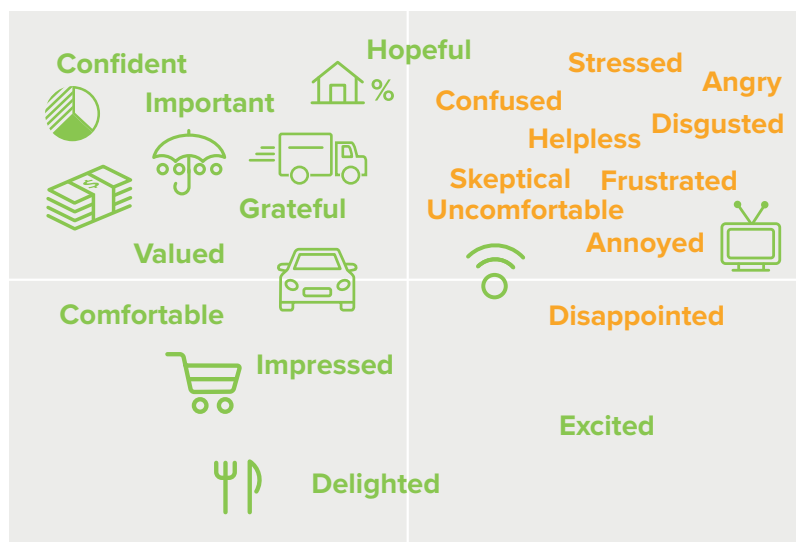
MaritzCX Customer Experience Benchmarks Program 2014

MaritzCX

Leaders Are Not All the Same

Companies Who Have A 5%+ Advantage over the 2nd Place Competitor's Customer Experience Rating Demonstrate True CX Leadership and Customer Loyalty.

Top Two Box on Experience (y-axis: 40%, 60%, 80%)

Gap vs. 2nd Place Brand (x-axis: 0%, 5%, 10%)

Brands plotted: Edward Jones, Wegmans, Chick-fil-A, SunTrust, USAA, Texas Roadhouse, QT, Costco Wholesale, Chevrolet, Walgreens, UPS, O'Reilly Auto Parts, at&t, DIRECTV

Chart 1:

	Valued/Important/Confident	Delighted/Excited/Impressed
Chick-Fill-A	21%	17%
Starbucks	14%	15%
Panera	11%	11%
Subway	12%	9%

Chart 2:

	Valued/Important/Confident	Delighted/Excited/Impressed
USAA	31%	16%
State Farm	25%	6%

Chart 3:

	Valued/Important/Confident	Delighted/Excited/Impressed
Costco	14%	10%
Sams	10%	6%

STATE-OF-THE-ART TOOLS

The direct assessment of emotions within our CXStandards™ program provides an illustration of a starting point to expand your emotional assessment during regular transactions with customers. However, for many clients, survey space isn't available to ask direct questions on the emotional aspects of customers' experience. In these scenarios, we recommend assessing the emotional impact through open-ended questions. Open-ended questions can provide a treasure trove of information on emotions if you execute the questions correctly.

MaritzCX provides two state-of-the-art tools that can help enrich the quality of responses you receive from open-ended questions and efficiently evaluate those responses to isolate emotionally positive and negative experiences. MaritzCX SmartProbe and Text Analytics tools work together to gather insight on customer emotions from open-ended survey responses.

MaritzCX SmartProbe™. Rarely, unless there is compensation based on it, do the end users of CX research recall the numbers we report for various attribute ratings of the customer' experience. These end users remember instead your customers' specific words, conveyed in the responses to open-ended questions. These words become even more powerful when the customer gives greater detail about how your organization surpassed their expectations or didn't meet their needs.

MaritzCX's patented Smartprobe tool provides a deeper understanding of customer feedback. SmartProbe simulates what we coach live interviewers to do in telephone interviews, asking for additional information and probing for specific details.

Open-ended responses are an opportunity to get a real window into what is happening in the customer experience and what can be done to improve it. However, online survey open-ended questions are notoriously short, and contain little detail about what specifically is bothering the customer. To improve the customer experience, more context is needed.

Smart Probe solves this problem. Through a combination of keywords, real-time text analytics, and a proprietary algorithm, Smart Probe asks customers to elaborate on their responses when more context is needed. The follow-up question appears conversational because it uses words and sentiment detected from the original response.

Greater depth to open-ended responses increases the likelihood that companies can take action. The effect is dramatic. Real-world results from existing customer satisfaction programs show a substantial increase in the depth of commentary obtained from open-ended survey questions when Smart Probe is used.

Another benefit of SmartProbe is that it reduces survey length. Many of our clients remove secondary questions and set up SmartProbe to ask customers for more context when topics related to those questions are typed into open-ended response boxes. Thus customers get a shorter, better survey experience, which makes them more likely to complete the survey. And you still get the information you need.

Impact of SmartProbe™

	Before SmartProbe	After SmartProbe
Average # Words	8	31
Percent of Responses with No Comment	34	11
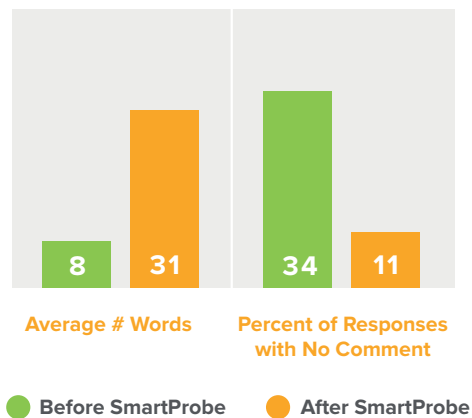
In this retail example, SmartProbe™ increases significantly the number of words that are provided by customers as well as the depth of the comments that are provided. As the graph shows, without SmartProbe we get an average of just 8 words per response. In addition, the number of customers with no comment declines from 34% to 11%. As the graph shows, without SmartProbe we get an average of just 8 words per response. With SmartProbe, we gather almost four times the number of words per response.

Best Practices to Consider When Using Unstructured Questions in Surveys

DON'T	DO
Ask multiple open-ended questions about ratings that are rated low	*Ask an open-ended question about what factors were most important in driving the low ratings*
Ask more than two to three open-ended questions in a single survey	*Provide tools that encourage customers to tell the most important part of their story within those two open-ended questions*
Use SmartProbe™ on more than one open-ended question	*Work on key words on an ongoing basis to continually increase the value of the SmartProbe™ tool you are using*

Text Analytics. Text Analytics provides an effective way to organize and correlate unstructured feedback captured in open-ended responses. MaritzCX provides native text analytics that are based on sophisticated natural language processing technology, so you can quickly turn unstructured feedback into meaningful results that integrate cleanly with your structured data. Text analytics technology has evolved so that the accuracy of category assignments and sentiment is at or above par regarding the accuracy of manually-coded comments.

Sentiment analysis is the foundation of emotional analysis using text analytics. Sentiment is determined at the thought-phrase level. For instance, with the response 'The staff was rude, but the facility was wonderful,' the first half of the sentence is assigned a positive sentiment, while the latter half is assigned a negative sentiment.

Most often we are looking for triggers of negative or positive sentiment in order to reduce or amplify those occasions, respectively. However, as our capabilities with text analytics continue to advance, identifying specific emotions allows us to take customer feedback further. Identifying specific emotions can help us understand which emotions translate to the greatest loyalty. Likewise, we can provide greater context to our frontline employees on situations that are triggering positive or negative emotions. Identifying and using verbatim comments embedded with emotion will help instill empathy for the customer when coaching employees.

SUMMARY OF RECOMMENDATIONS

Action items

- Including emotion in your measurement helps to enhance your overall CX strategy.
- Use the right emotion for your efforts to differentiate yourself from competition. This may mean focusing on eliminating negative emotions.
- Be careful not to be married to an NPS measurement as a diagnosis of where the customer stands.
- Actively use customer feedback to incorporate emotions in your employee coaching and training.
- SmartProbe and Text Analytics provide a powerful set of tools to get more from your open-ended survey questions.

SUMMARY

Adding an emotional assessment to your customer experience measurement can further explain what drives customer loyalty and help your organization act on customer feedback. Using both SmartProbe and Text Analytics offers a powerful approach to more deeply assess your customers' experience. The accuracy of text analytics can be 90% or higher, and often surpasses the average 85% accuracy of manual coding. In addition, text analytics allows you to reclassify all of your comments if you want to redefine your categories. The continued advancement of these tools is allowing our clients to change their surveys and the impact of their survey results. Clients can reduce survey length, allow customers to provide feedback in their own voice, and provide clients with more information that can be analyzed quickly across data sets and aligned with close-ended questions.

In the end, these tools provide better information to the frontline, to stakeholders, and to you, so that you can take your CX insights further.

Information found in this document was presented in a webinar by Michael Allenson, Sr. Strategic Consulting Director and Jen Rubin, Sr. Director, Solution Strategy at MaritzCX.

To learn more about the MaritzCX technology platform and research expertise that can help you better understand your business, visit: www.maritzcx.com

To demo a product or to contact MaritzCX call

North America +1 385.695.2800 | **Asia Pacific** +61 (0) 2 8397 8131 | **UK & Ireland** +44 (0)1494 590 600 | **Germany** +49 (0)40 369 833 0
maritzcx.com | maritzcx.com | maritzcx.co.uk | maritzcx.de

MaritzCX believes organizations should be able to see, sense and act on the experiences and desires of every customer, at every touch point, as it happens. We help organizations increase customer retention, conversion and lifetime value by ingraining customer experience intelligence and action systems into the DNA of business operations. MaritzCX is the combination of the Allegiance award-winning CX platform and Maritz Research strategic consulting services. **For more information, visit www.maritzcx.com.**