

Emotional Connections and Brand Disruption

Session: Emotional Connections and Brand Disruption

A Researcher's Journey of Discovery



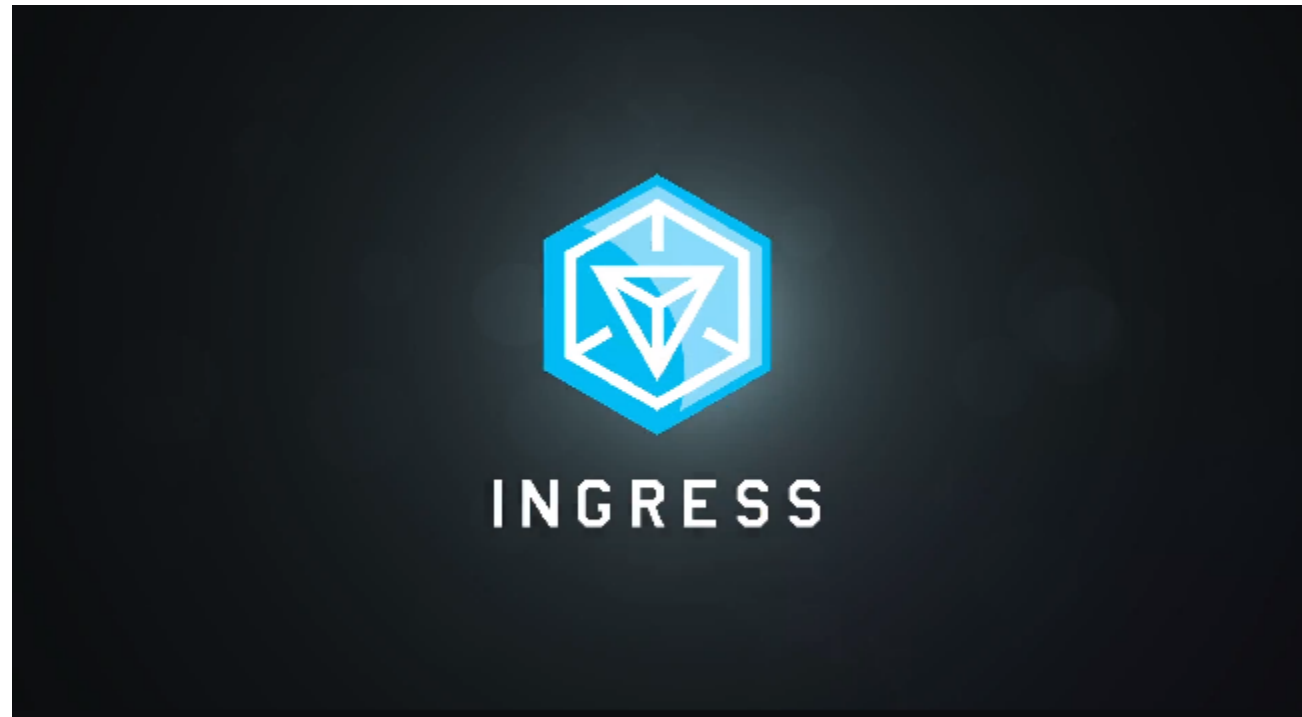
Kevin Mahler, PRC
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Schmidt
Market Research

- **Established Research Provider**
 - Founded in 1986, located in Pittsburgh, PA, 39 team members
- **Specializes in Custom, Primary Research & Consulting**
 - Quantitative
 - Qualitative
 - Insight communities
- **Flexible Approach**
 - Big enough to both handle most research needs and also provide personalized service

Do you know what this is?



How about this?



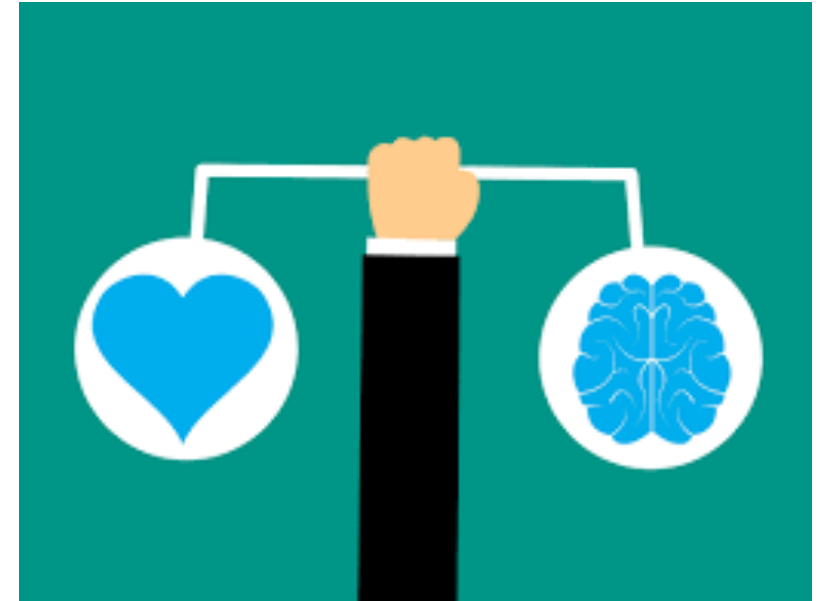
What's the difference?



Emotional Connection

Those who are **'fully connected'** emotionally are **52% more valuable** to brands than customers who are 'highly satisfied'

- *Harvard Business Review*



Rational vs. Non-Rational Decision-Making



“We now know that **up to 90 percent** – and at least 50% – of purchase decisions are **based on emotion.**”

<http://www.theblakeproject.com/>

A case study in emotional attachment

1985



200,000



This is how our journey began...



How can we measure emotional connection in a way that:

- Is fairly simple
- Relates to business outcomes
- Predicts responses to brand disruptions

Methodology

Quantitative Online Survey

- 2,340 respondents
- 13 states
- 12 **retailers** (shopped in past year)
- 11 **banks** (currently used)



Follow-up Focus Groups

- 2 groups, split by age
- All participants have positive **emotional connections to Amazon**



Brands



Respondents evaluated statements designed to capture different dimensions of emotion.

Fair

"I trust them to treat me fairly"

Admire

"I admire the way the company is run"

Personalized

"They create a personalized experience for me"

Problems

"I can count on them to take care of any problems that may arise"

Values

"The company shares my values"

Products/Services

"Their products and/or services are better than I can get elsewhere"

Promises

"They deliver on their promises"

Ease

"The company makes my life easier"

Unique

"I can get things from them that I can't get anywhere else"

Convenient

"They have convenient location(s) and/or delivery service"

First Attempt

Initial Emotional Connection (EC) Metric

Admire
"I admire the way the company is run"

Ease
"The company makes my life easier"

Products/Services
"Their products and/or services are better than I can get elsewhere"

Fair
"I trust them to treat me fairly"

**Strong
Correlation**

"Traditional" Attitude Metric

Overall Impression

Willingness to Recommend (NPS™)

Business outcomes



Positive Online Reviews



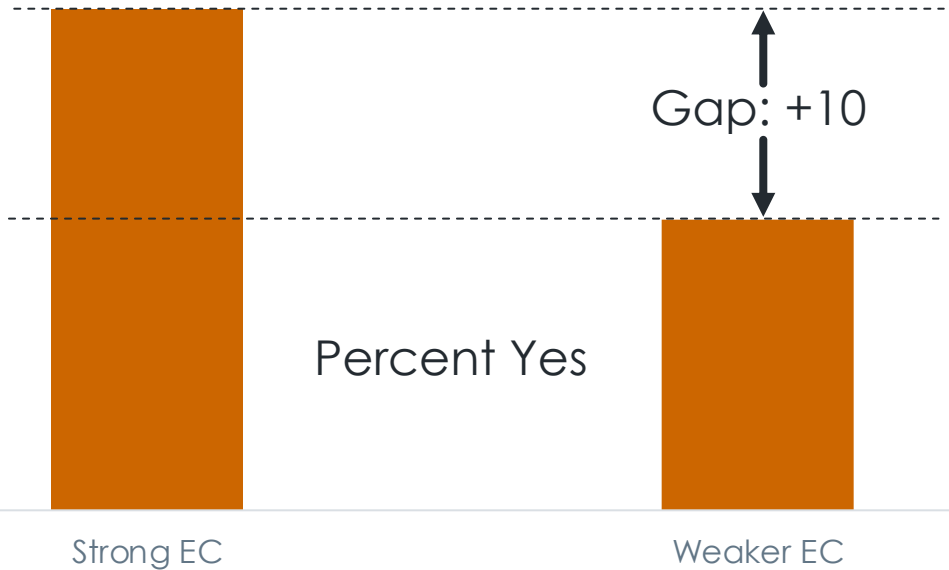
Share of Wallet



Loyalty Program Membership



Branded Credit Card Use



Gap analysis results

Positive
Online Reviews



11%

Share
of Wallet



7%

Loyalty
Program



14%

Branded
Card



7%

SMR Initial EC Metric



This begs the question ...

**Is this better than the
traditional metric?**



Initial EC Metric vs. Traditional Metric

Positive Online Reviews



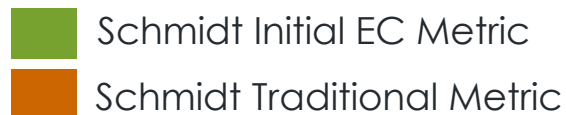
Share of Wallet



Loyalty Program



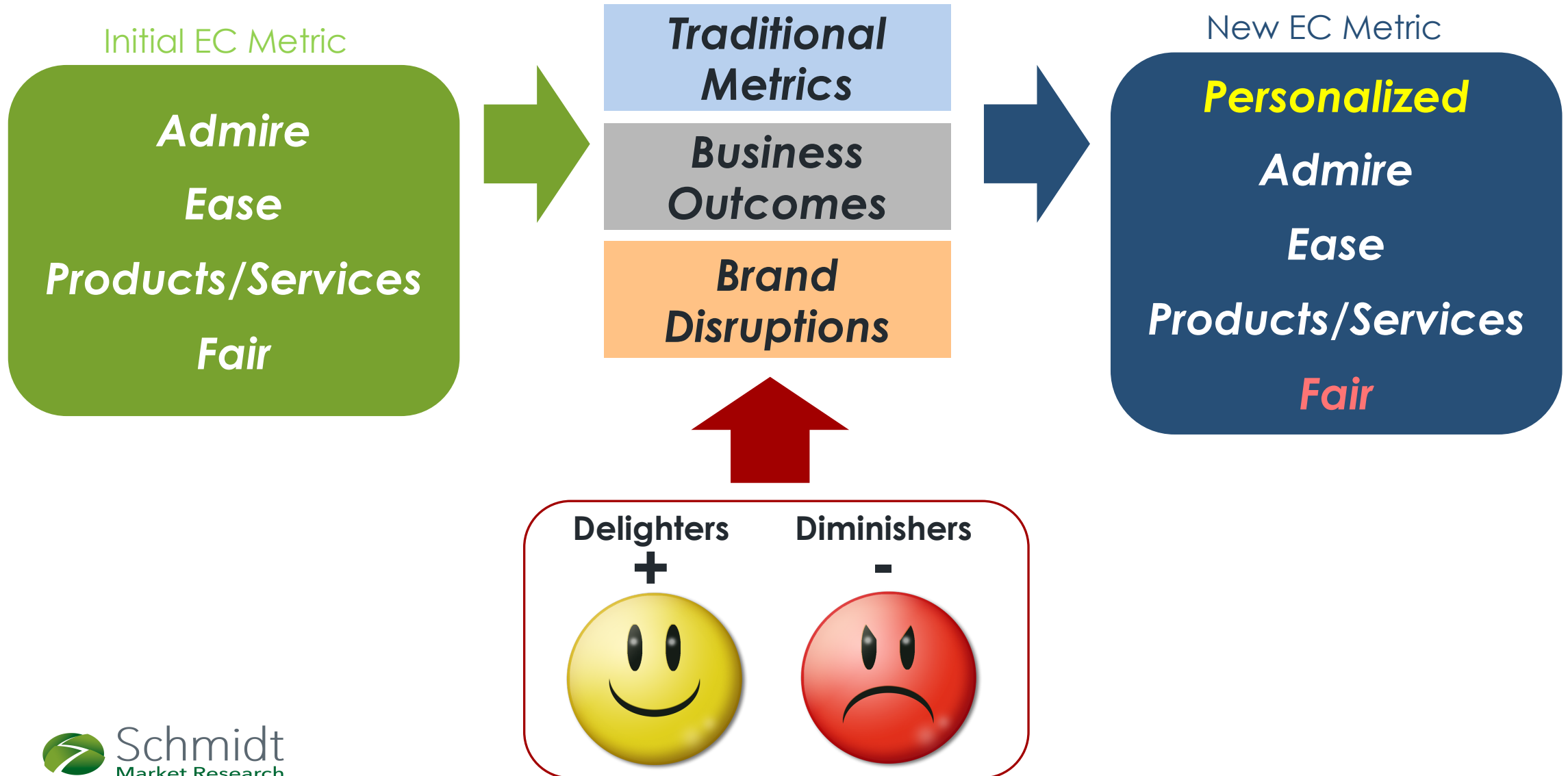
Branded Card



So – then what?



New Approaches



What do these attributes mean to people?

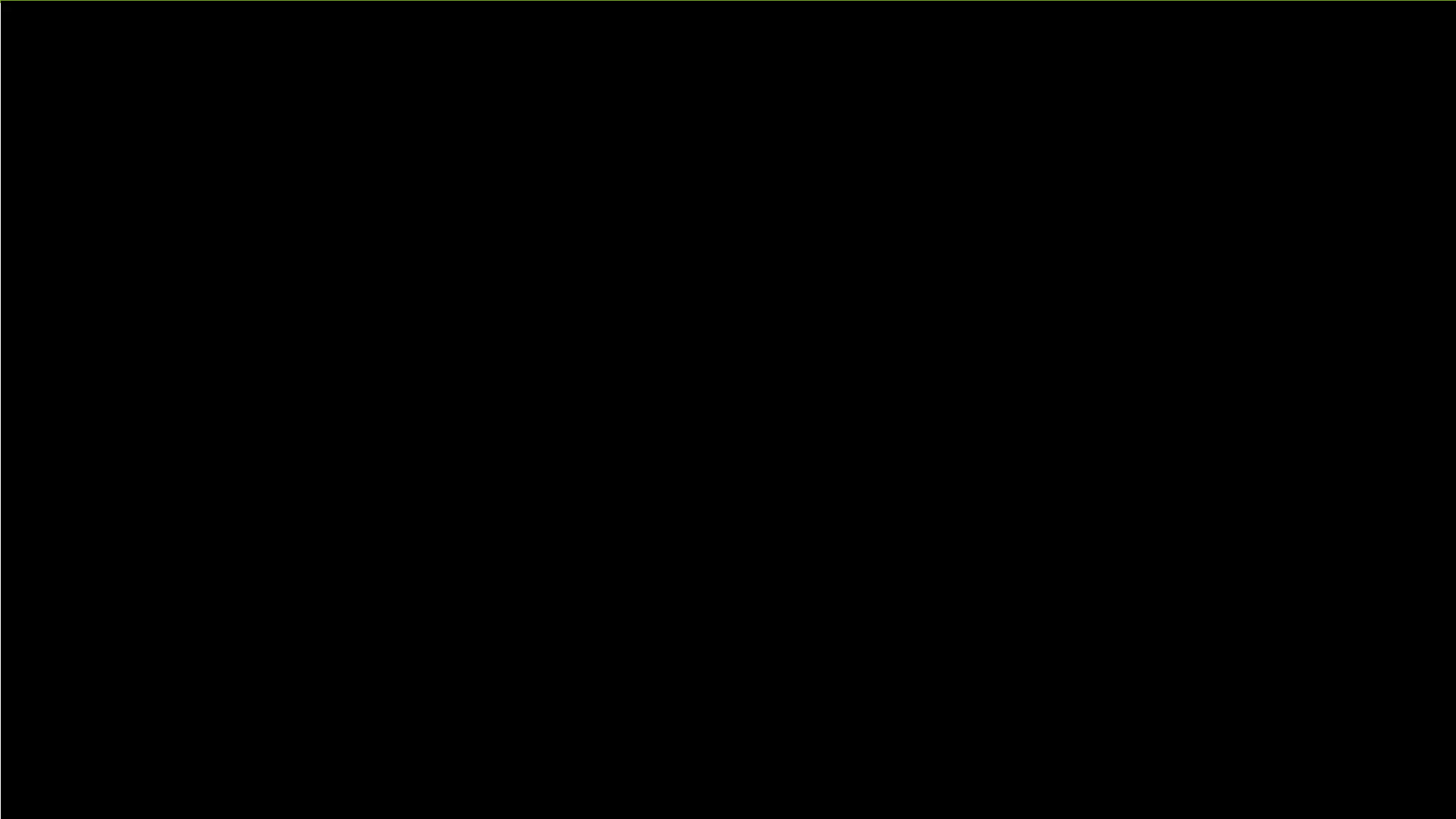
Personalized
Admire
Ease
Products/Services
Fair

Follow-up Focus Groups

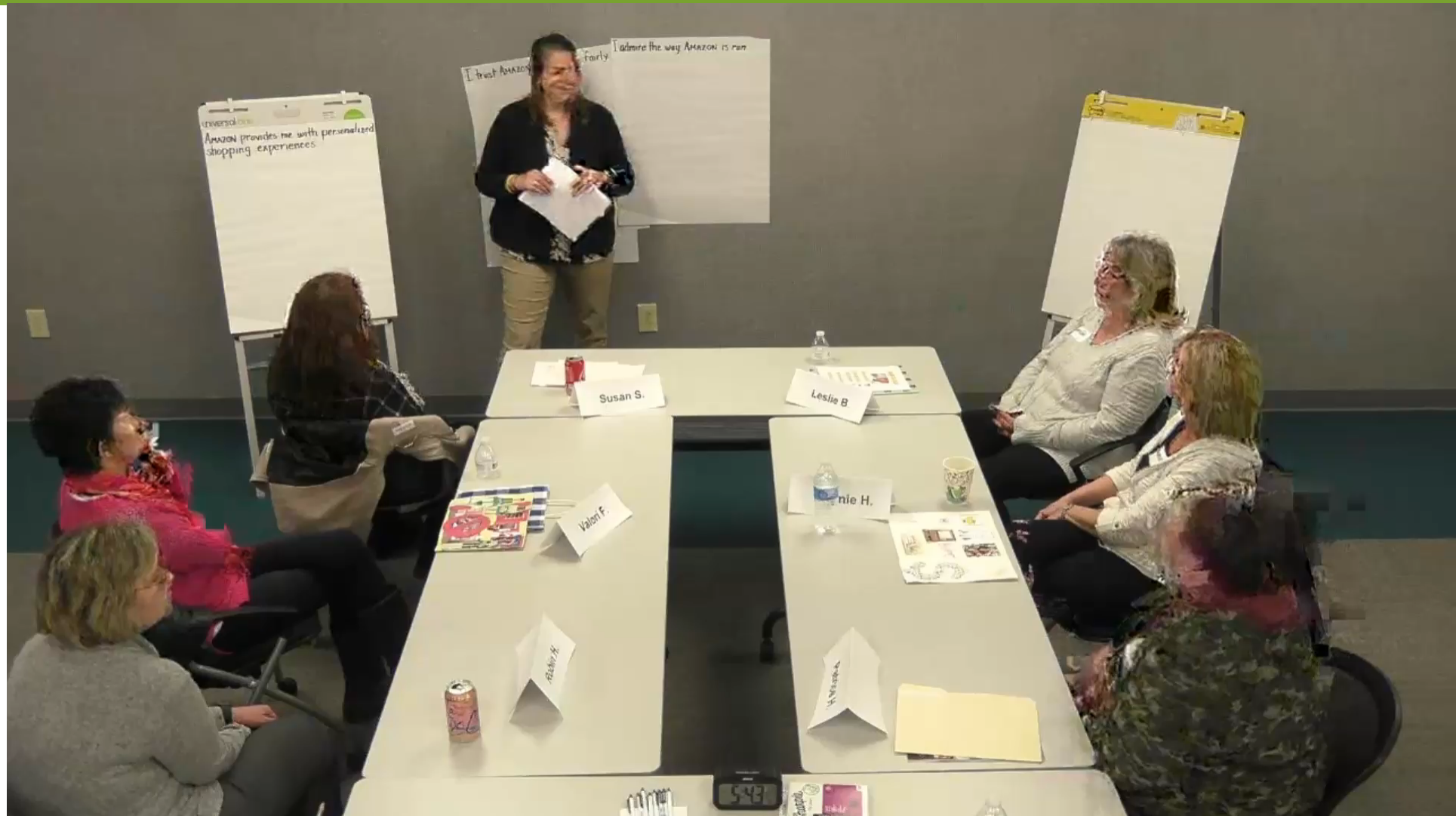
2 groups, split by age

All participants have positive

emotional connections to Amazon



Personalized



So, how well did this version work?



Updated Gap Analyses

Positive Online Reviews



Share of Wallet



Loyalty Program



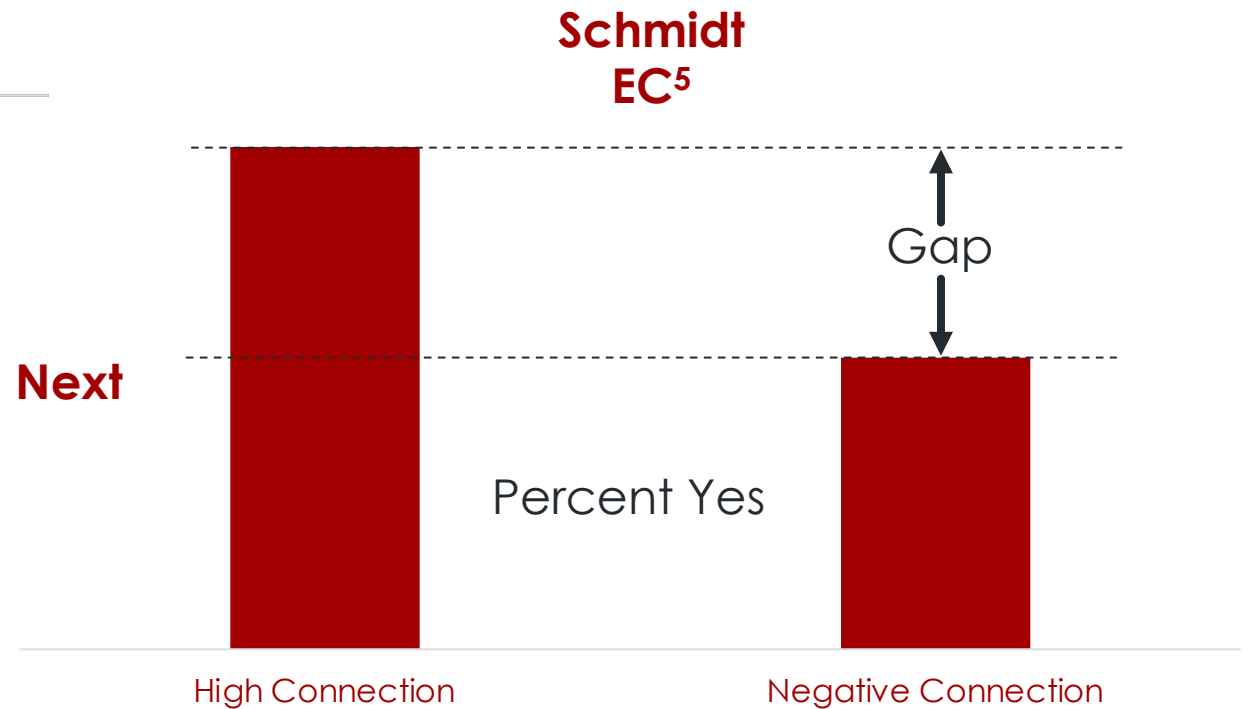
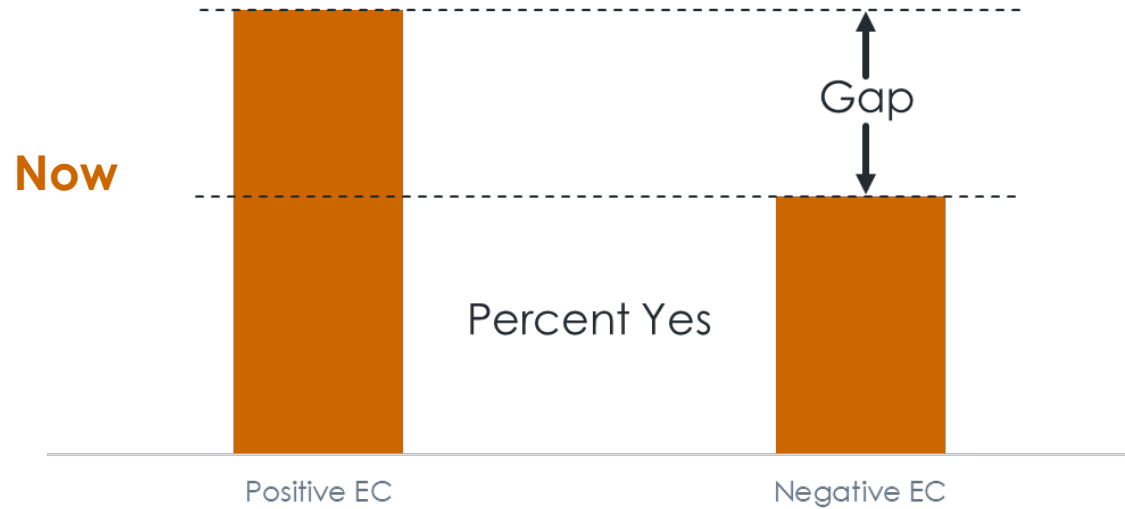
Branded Card



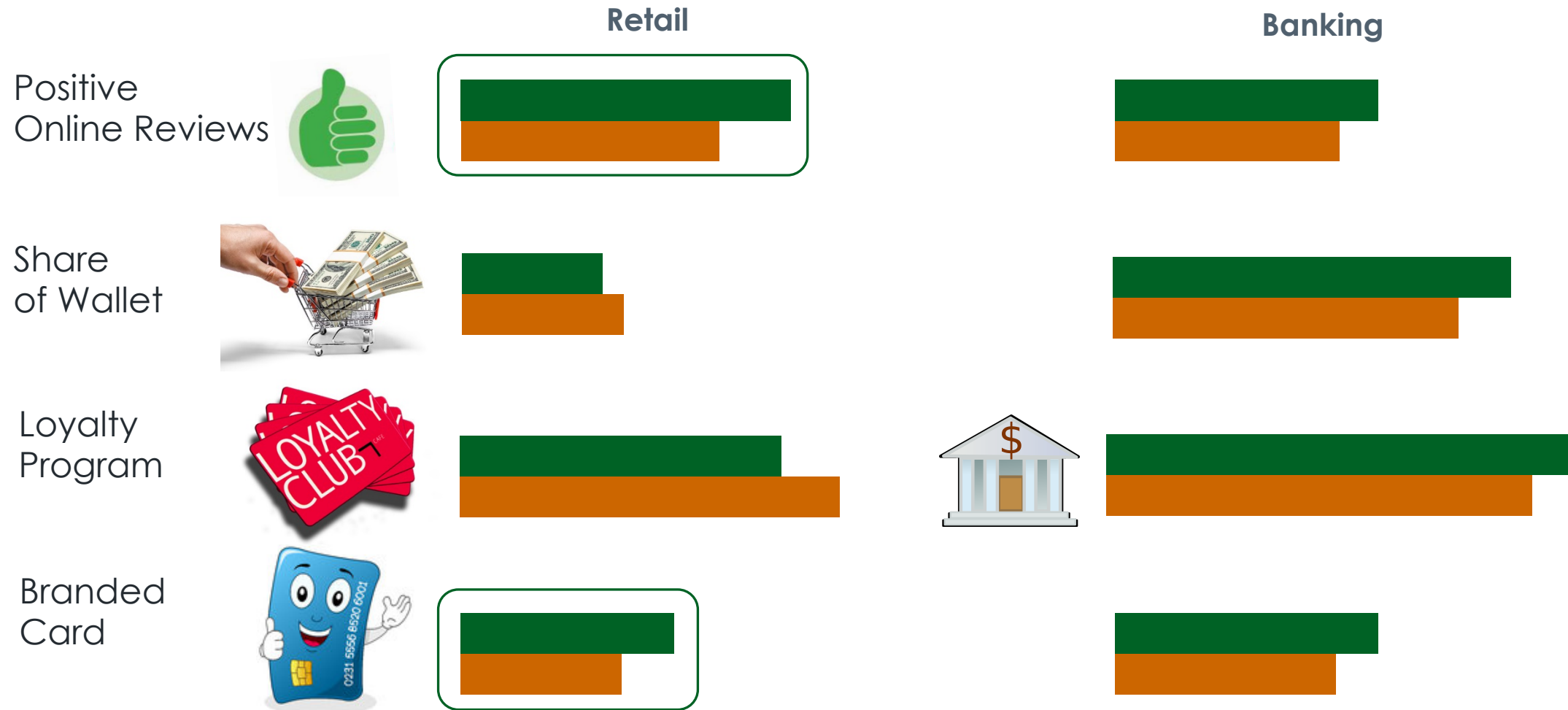
There's a method to our madness...



Updated Gap Analysis – Focus on the Extremes



Schmidt EC⁵ Gap Analysis



Next step: Brand disruptions



Request
Personal
Information



Problem
Incidence



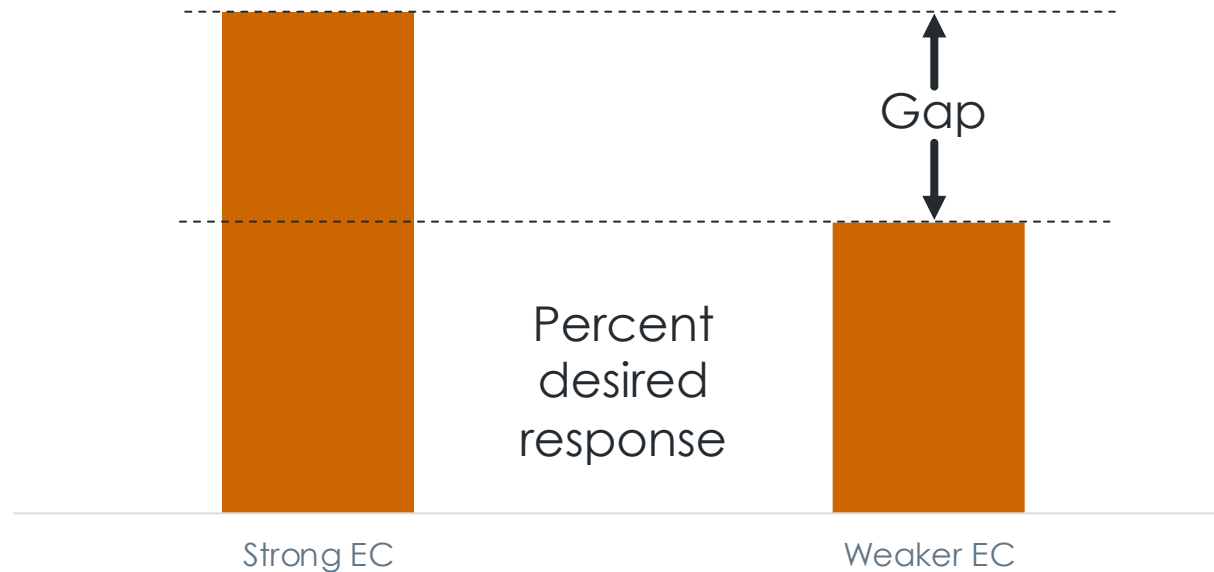
Privacy
Breach



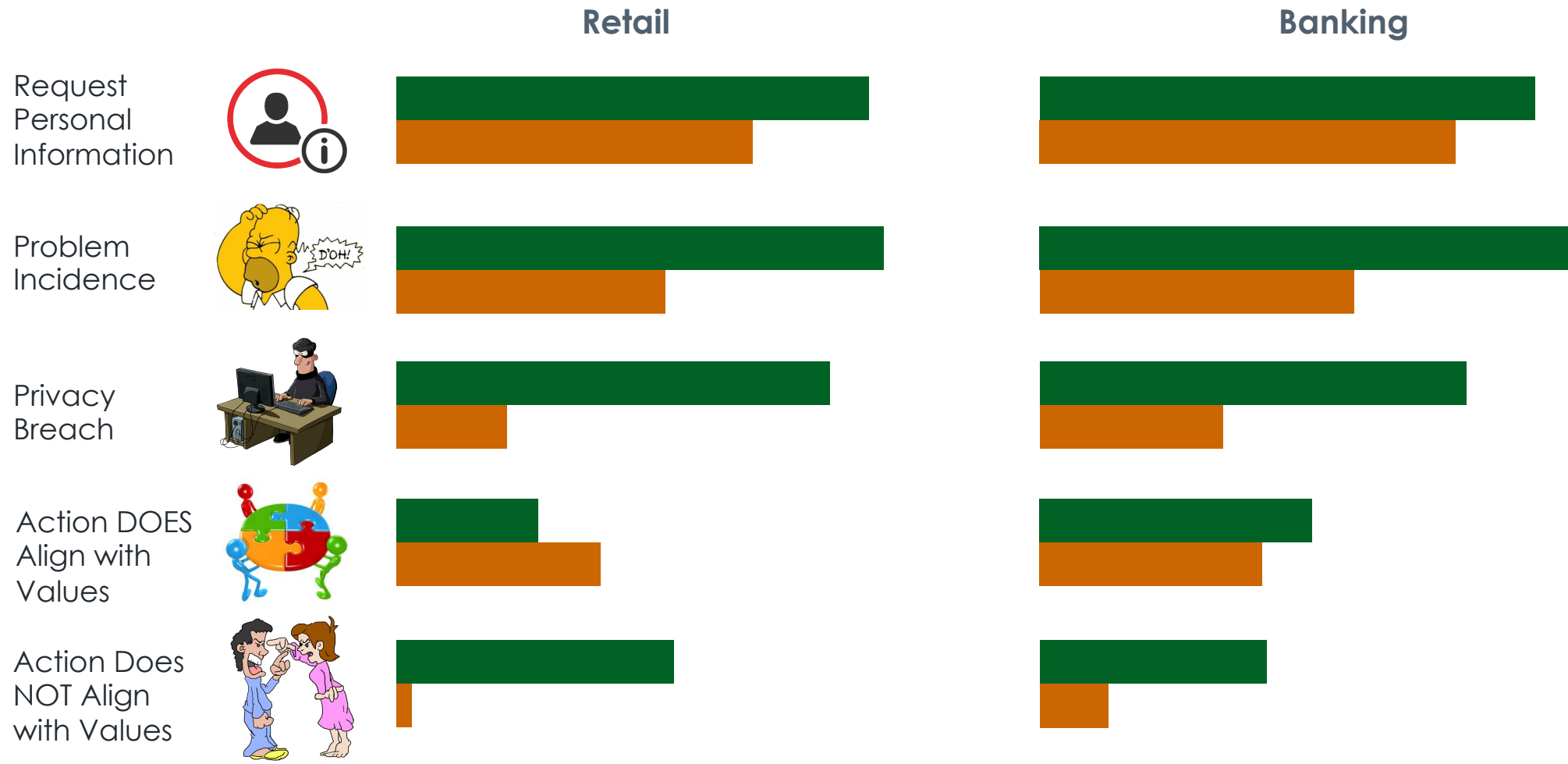
Action
DOES
Align with Values



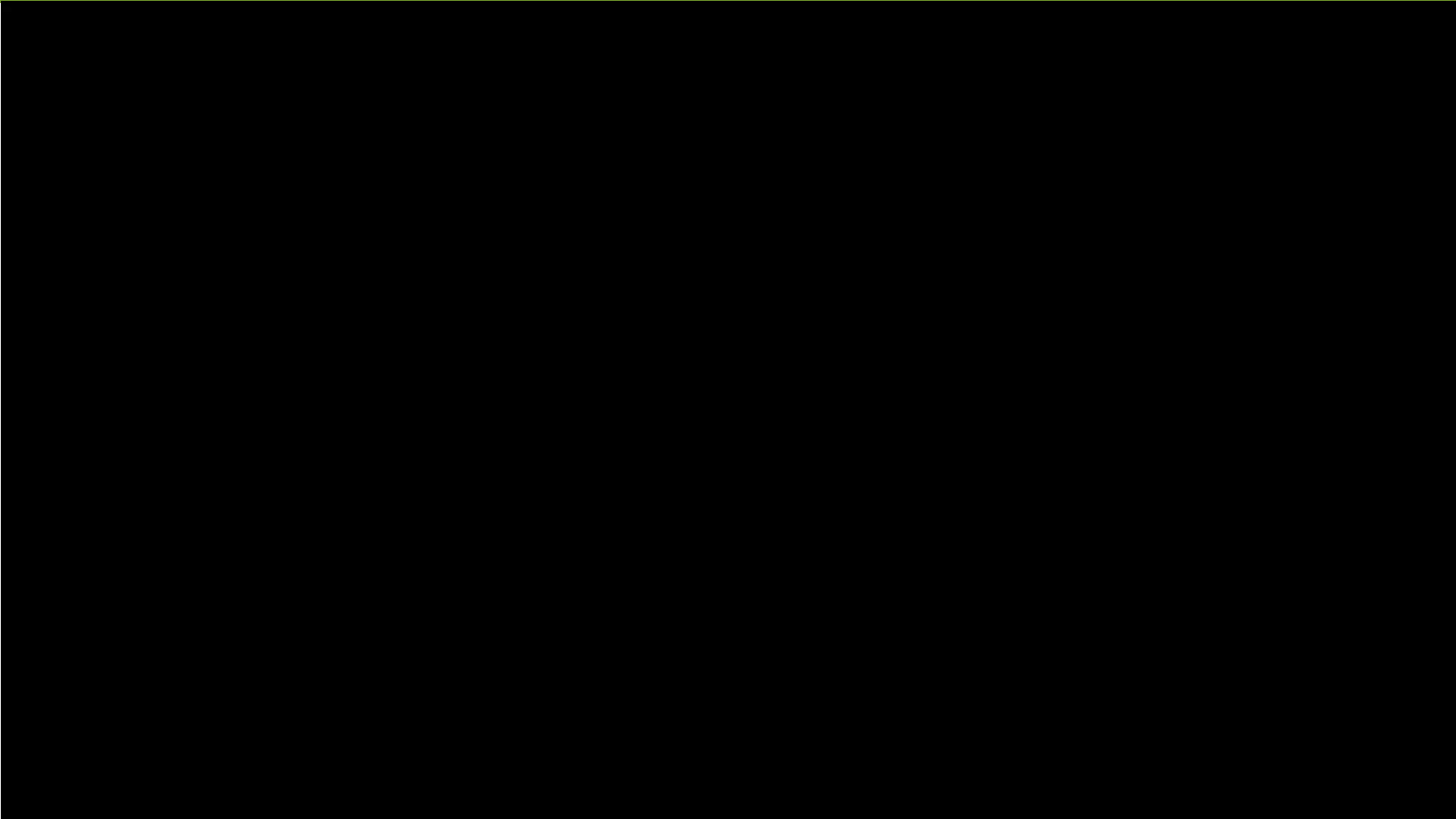
Action
DOES NOT
Align with Values



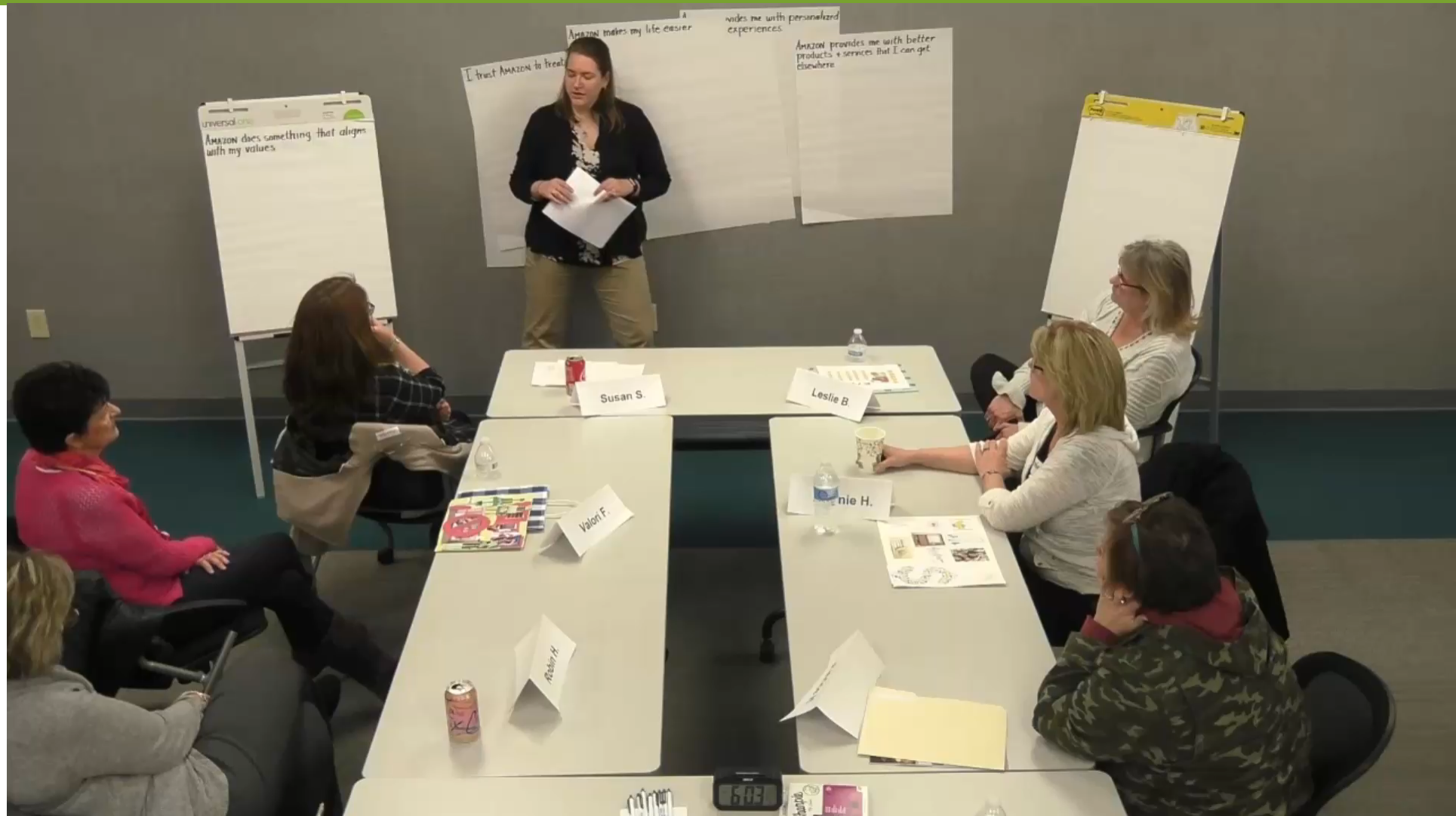
Mitigating Brand Disruptions



The Values Issue



Strength of connections and a striking similarity...



The next question:

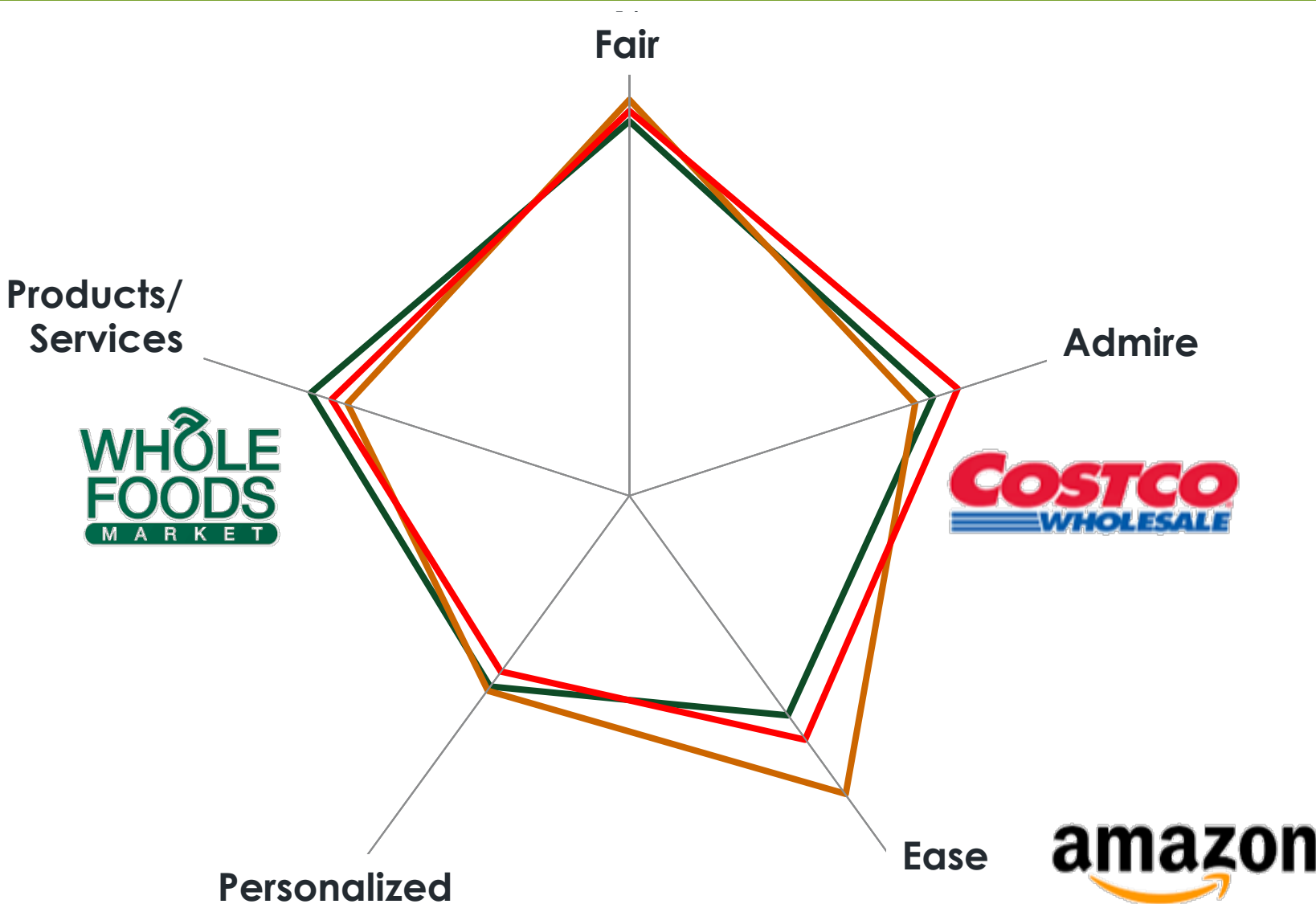


**What about
individual
brands?**

Individual Brand Results



Same EC Metric, Different Dimensions



Dimensions vs. Disruptions

Established Issues



Problem Incidence



Privacy Breach



Request Personal Information

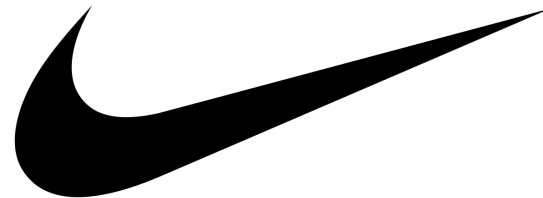
Emerging Issues



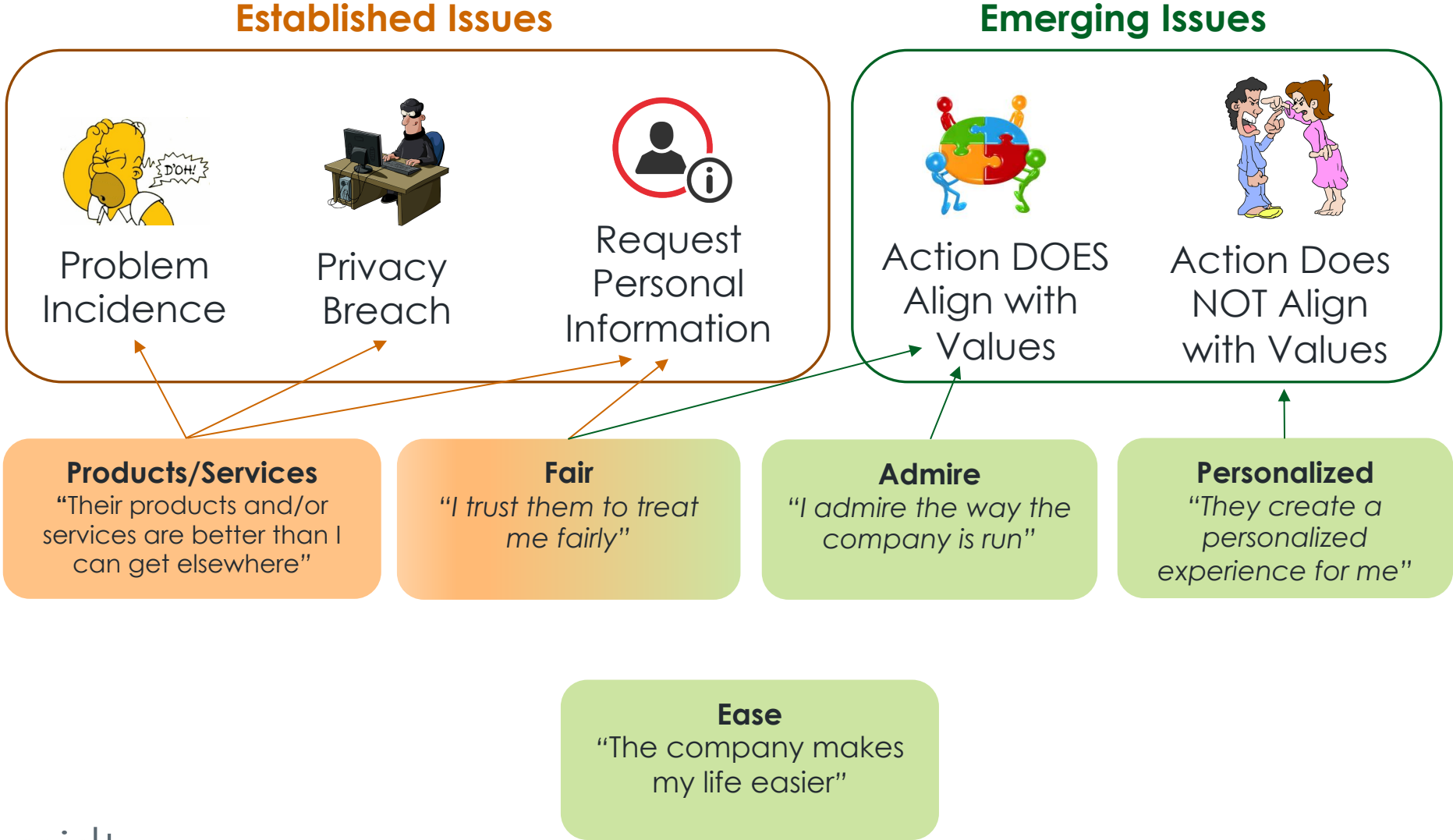
Action DOES Align with Values



Action Does NOT Align with Values



Dimensions vs. Disruptions



How did we do?



How can we measure emotional connections in a way that:

- Is fairly simple

5-question typing tool ✓

- Relates to business outcomes
**Particularly for online reviews
and branded credit card use** ✓

- Predicts responses to brand
disruptions

**Better than traditional metric,
especially for value-based
disruptions** ✓

So what can we do with this?

Improve our understanding of customer loyalty

Understand brands' risk profile for brand disruptions

Create a more robust picture of drivers of business outcomes

Continue to learn!

Additional analysis, Longitudinal research

Thank you!



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