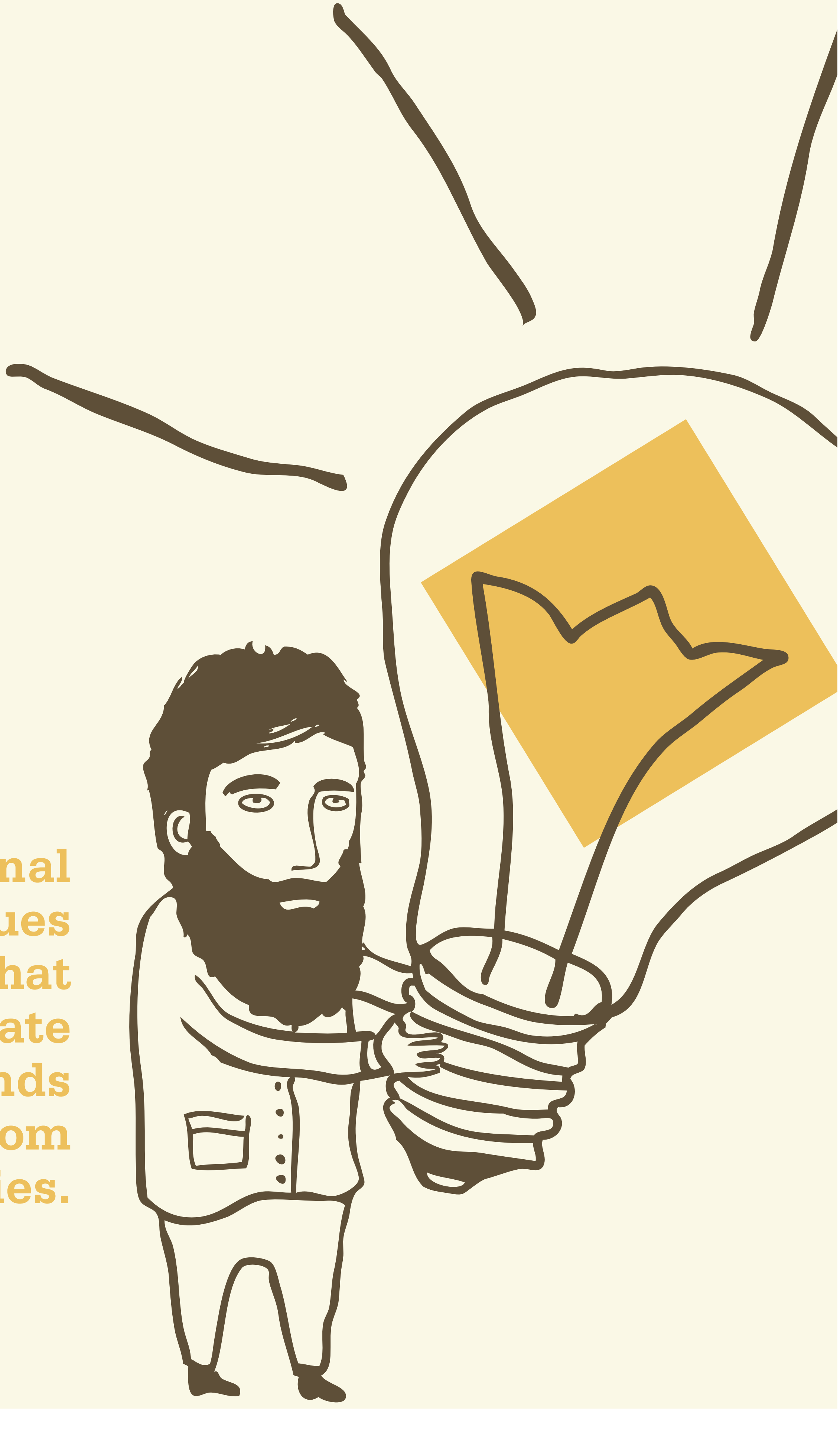

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BE MORE EMOTIONAL: HOW ENGAGEMENT ASSESSMENTS CAN MAKE RESEARCH MORE EFFICIENT, COST-EFFECTIVE, AND INSIGHTFUL

By Robert Passikoff, Ph.D.

Show some compassion for the corporate researcher. Facing a more complex marketplace, with more complex consumers hot-wired to the Internet via mobile devices, more complex and digitally dominant mediascape outreach, optimizing research efforts for efficiency, effectiveness, and insight has become more difficult.

Big Data has a lot more to answer for than the ability to capture virtually everything in the real and virtual worlds. And to paraphrase George Orwell, as all data is important, but some data is more important than others, the corporate researcher's conundrum has become identifying which is which. If a researcher can identify which is important from the consumer perspective (researcher opinions matter, but in the marketplace the final arbiter always ends up being the consumer), research efforts can be made more efficient, cost-effective, and insightful. While it is no easy task, emotional engagement assessments can help corporate researchers be more strategic and targeted in their efforts.

The Consumer Has Become More Emotional – So Should Your Research

Fact: The consumer decision process has become more emotional. You can argue all you want, but process-engineering and primacy of products and services, pricing, distribution, and the ability to reach out to consumers 24/7/365 has turned the rational aspects of marketing into table-stakes. You either have those things or you don't get to play (or don't get to play for long). Emotional values are what differentiate brands from commodities, and how you end up designing and conducting research can affect both your department's budget and your corporation's bottom line.

Sure, it was a simpler time back in the 1950s and 60s, when measuring and manipulating rational marketing levers could do it all and you knew what questions to ask. But this is the 21st century and the decision process is more emotional, whether consumers articulate it in focus groups or not, and whether researchers measure it or not.

Currently we estimate that the average category decision process is 80 percent emotional and 20 percent rational. This estimate is based on an examination of over a hundred categories and nearly a thousand brands, and the ratio differs slightly from one category to another. If you find that preponderance of the consumer decision process is more rational in your category, you are likely dealing with a commodity, or something that is going to soon become a commodity. Most brands don't want to do that and count on corporate researchers' skills to prevent that kind of transformation.

We point this out because being able to accurately imbue your research efforts with real emotional engagement measures ensures that you are looking at research from a consumer's perspective and not the corporation's. Doing that guarantees that your research efforts can be made more efficient, cost-effective, and insightful.

Chart 1: Luxury Cosmetics Ideal

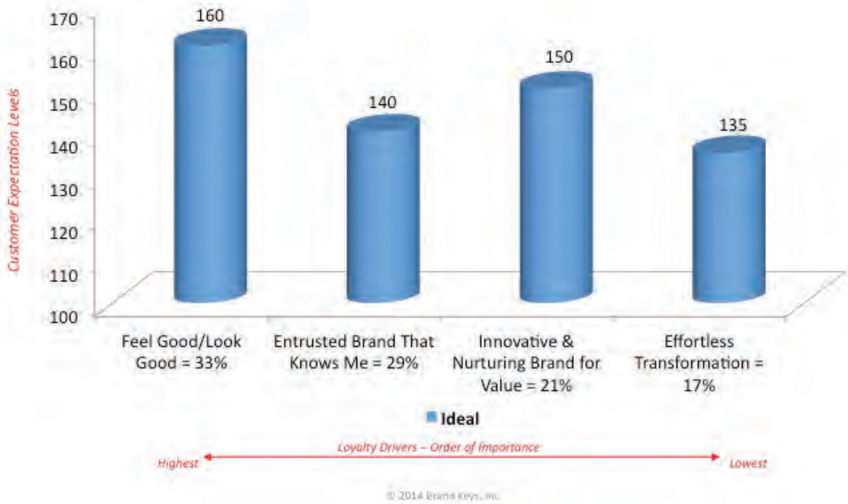
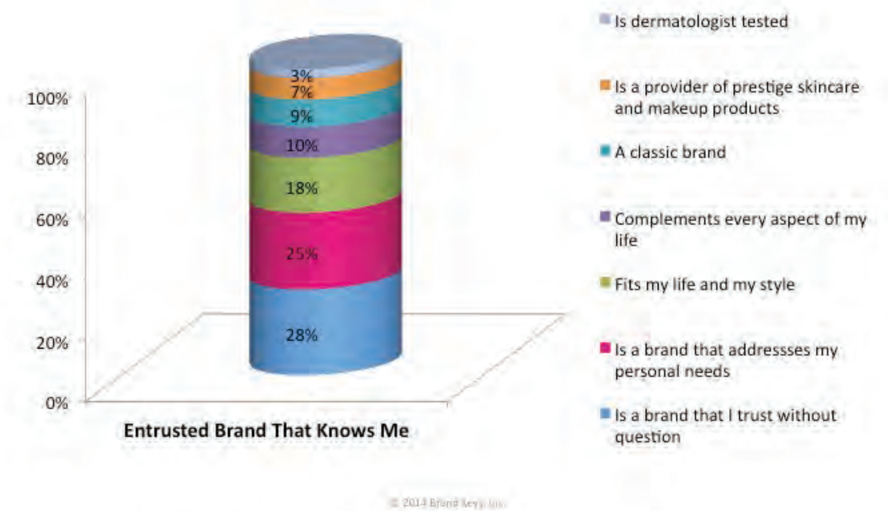


Chart 2: Percent-Contribution of Attribute, Benefit, Value Components



Maxim to Maximize Research Efforts

You need to know how the consumer looks at the category in which your brand competes. What they *really think* not what they *say they think*. In fairness, you also need to know how they see your brand in the category in which you compete. Know that, and you'll know what to ask. Axiomatically, if you know what to ask, your research will be more efficient. More efficient results in shorter, more tightly designed research, and shorter, more targeted research forays cost less. QED.

The difficulty, as we pointed out earlier, is identifying what's important to consumers at a time when everything is important. "Ask them," you say? No, direct Q&A doesn't work like it did 30 years ago. "Ask them to rate importance?" That might work for the rational elements, but doesn't work all that well for the emotional ones. Satisfaction measures are lagging indicators, and today, if you don't satisfy, consumers don't wait around for you to fix something. They have lots of other options immediately available to them. "Imagery ratings" are okay for making advertisements, but not strategic research, and are not a very good measure of real emotional values. Ralph Waldo Emerson put it best: "We find delight in the beauty and happiness of children. But that don't make the cash register ring."

What does make the cash register ring? Or at least provide insights and metrics that are predictive of positive consumer behavior in the marketplace, which should make the cash register ring? Emotional engagement metrics have been independently validated to do just that.

Real Emotional Engagement Metrics

Brand Keys measures emotional engagement via a combination of psychological measures, which allows us to identify real emotional consumer values in a category, and a three-step, higher-order statistical analysis, which allows us to "fuse" the emotional values with rational category attributes and benefits. The technique has a test/re-test reliability of 0.93 off National Probability Samples in the U.S. and U.K. and has been successfully used in B2B and B2C categories in 36 countries. The process of emotional engagement begins by measuring the consumer's category "ideal."

This is a complex process. Having consumers overtly "rate the ideal" via importance scales may make for an unobjectionable cable reality TV concept, but it also makes for a highly inaccurate brand engagement yardstick in today's marketplace. As communication scholar Everett M. Rogers pointed out, "Ideals are not simply an average of all observations about a category." "Category" is critical in measuring emotional engagement because the consumer does not buy a smartphone the way they engage with and buy a soft drink. You really can't trade away category-specificity for cross-category generalities like some industry approaches do if you want to accurately measure the consumer's ideal where your brand competes and the place where your brand needs to be the beneficiary of your research efforts.

Measuring the ideal via real emotional engagement metrics identifies the behavioral drivers for each category-specific ideal. The ideal describes a precise path-to-purchase, describing how the consumer will *view* the category, *compare* brands and, ultimately *engage with the brand, buy, and remain loyal*. Chart 1, as an example, is the ideal for the Luxury Cosmetics category. In all instances + 5 (percentages or indices) represents a significant difference at the 95 percent confidence level.

Emotional engagement metrics also identify the percent-contribution each path-to-purchase driver makes to category engagement, which allows researchers to understand the influence each driver makes. Expectations consumers hold for the drivers are expressed as an index number, benchmarked to a category mean of 100.

Assessments from our 2014 Customer Loyalty Engagement Index, currently measuring 64 categories and 555 brands, found that overall expectations for the ideal in the categories has increased by 30 percent, while individual brands have only grown by 6 percent. Even without a statistical app, it's clear that the gap between what consumers expect and what brands deliver is pretty big. This gap identifies real opportunities for brands that distinguish them and, from a consumer perspective, believably respond to them.

Categories that are more emotionally-driven are likely to have higher expectations that grow faster. More rational categories have lower expectations and move more slowly.

Emotional engagement assessments also identify the attributes, benefits, and values (ABVs) that form the components of each driver as well as each individual ABV's percentage-contribution to engagement, loyalty, and profitability. (See Chart 2 on previous page.)

How well brands meet the expectations consumers hold for each driver that describes their ideal for the category, dictates the level of consumer emotional engagement with the brand. (See Chart 3, top right.)

Inclusion of a competitor allows researchers to conduct emotional engagement Strength-Weakness-Opportunity-Threat (SWOT) analyses. (See Chart 4, bottom right.)

The four charts within this article represent the standard output from an emotional engagement assessment.

Chart 3: Brand vs. Ideal

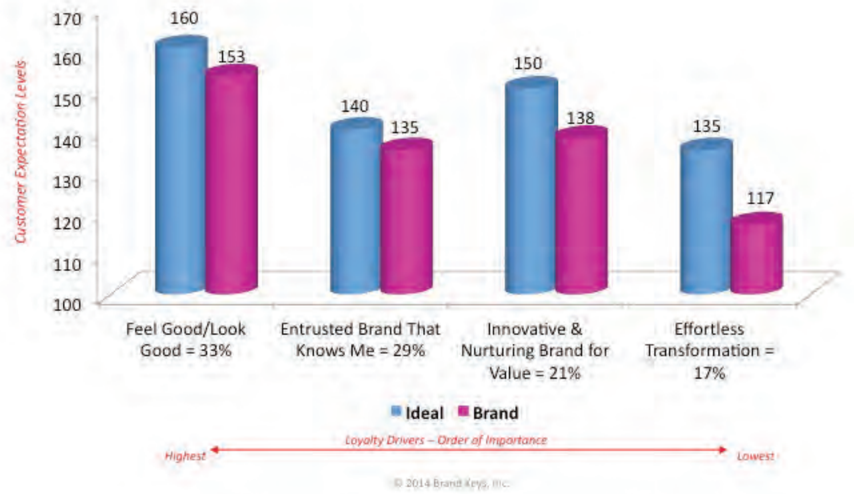
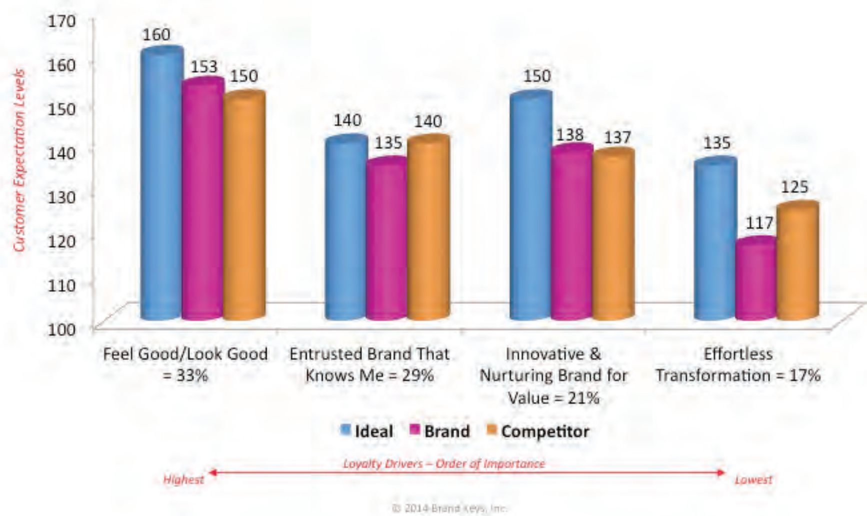


Chart 4: Brand vs. Competitor



Applying Engagement Assessments to Make Research More Efficient, Cost-Effective, and Insightful

The bottom line to making research more efficient, cost-effective, and insightful is the ability for corporate researchers to be more strategic, targeted, and efficient in the research they design and execute, with more effective strategies identified. Engagement assessments provide researchers with that roadmap. Here's how:

1. Where should research be directed?
In this example the brand is weaker than the competition on two drivers; *Entrusted Brand That Knows Me* and *Effortless Transformation.* While the gap between the brand and the competition is greater on the *Effortless Transformation* driver, the emotional engagement assessments identify *Entrusted Brand That Knows Me* as the driver making a significantly larger contribution to engagement, sales, and loyalty. So the return on investment – and in research inquiry – is better spent there.

2. What should the research ask about?
Look at what's inside the driver. By "opening" up the emotional engagement driver and examining the ABV components, researchers can condense areas of inquiry to those items that only make substantive contributions to that driver, thereby allowing research designs to be more efficient and, thus, more cost-effective.

It is worth noting that by examining all four of the emotional engagement drivers in this manner, researchers can create a very efficient overall, brand engagement value equation, representing a condensed – yet meaningful – high percentage-contribution measure of the category ideal.

3. What do consumers really expect?
Being attentive to the engagement expectation gap between the ideal and the brand presents researchers with a real opportunity to conduct the right kind of drill-down research. If you can identify a position, strategy or tactic that addresses that gap, you'll soon see an increase in the brand's engagement level. Shortly after that, corporations and brands will see more positive consumer behavior in the marketplace. Brands that are assessed as better meeting expectations held for the category ideal always have larger market shares and are always more profitable than the competition. The right research should always be able to say it contributed to that.

Another advantage of emotional engagement assessments is the fact that they are predictive of shifting consumer values and expectations 12 to 18 months before they show up on traditional research radar screens, and we'll be addressing how loyalty metrics can help you do that in the next issue of *Alert!*.

The noted management consultant, Peter Drucker, pointed out, "Efficiency is doing things right. Effectiveness is doing the right things." We'd like to point out that emotional engagement assessments provide corporate researchers with the ability to do both.

Robert Passikoff, Ph.D. is founder and president of Brand Keys, Inc. (www.brandkeys.com) a brand loyalty and consumer engagement research consultancy. He is the author of *Predicting Market Success* and *The Certainty Principle*. His new book, *Branding in the Digital Age,* will be published in September 2014.