How emotions drive customer relationships:

A case study about personal banking in the US

An R&D cooperation between
Kantar TNS and Heartbeat Ai

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HUMANIZING THE FUTURE

We design emotionally intelligent technologies to help machines understand people's feelings and grow our collective empathy

Nice to meet you

Lana Novikova
Founder & CEO
Heartbeat Ai Technologies
Canada

Odile Jagsch
Global Senior Consultant
Customer Strategies
Kantar TNS

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About Kantar TNS

- World leading research agency with experts in over 90 countries

- We help you identify, optimise and activate the moments that matter to drive growth with expertise in:

  - Customer Strategies

  - Innovation & Product Development
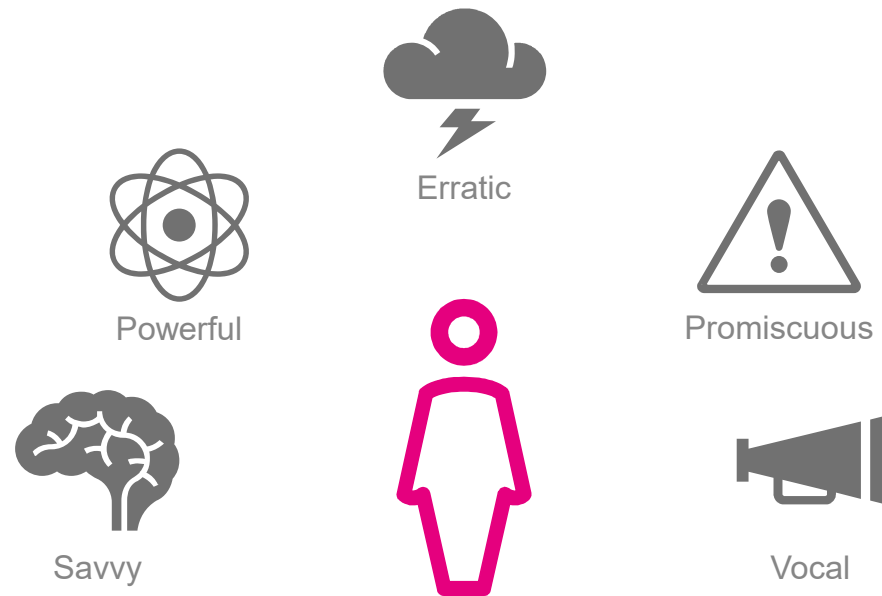
  - Brand & Shopper

We support our clients in their customer centric transformation

In an increasingly complex world,
we help our clients master the digital
transformation responding to the needs
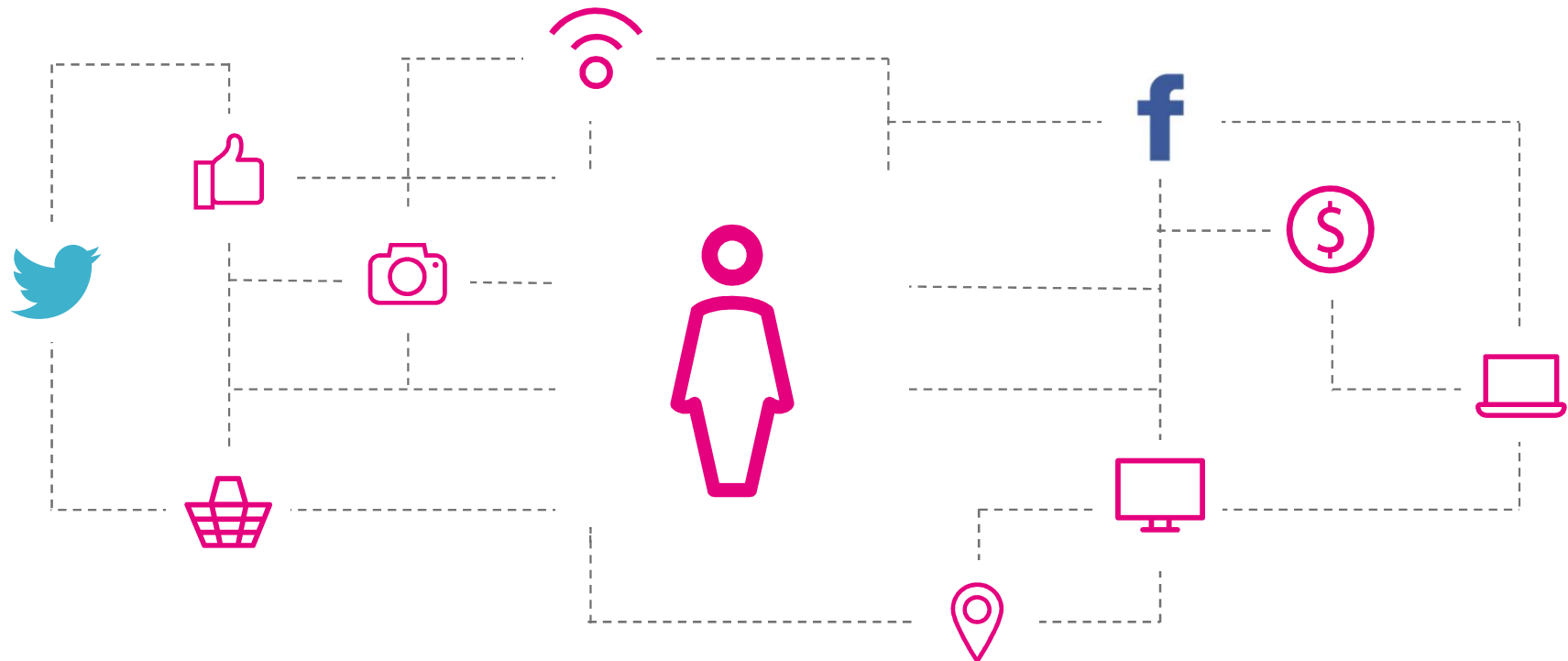of new customer journeys.

Strong customer relationships are more relevant than ever before

Erratic

Powerful

Promiscuous

Savvy

Vocal

The customer has changed

Customer journeys are increasingly complex

Customers get tempted to churn for a number of reasons

Top three reasons why customers leave:

35%

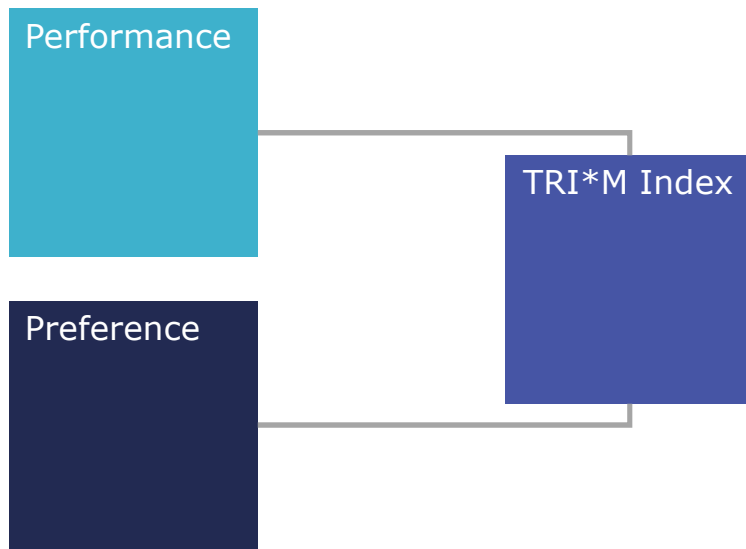… because they are dissatisfied with the value for money

32%

… because they received a better offer from a competitor

23%

… because they are dissatisfied with the service

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How strong are your customer relationships?

Performance

Preference

TRI*M Index

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Three pillars for customers' preference

Customers prefer
companies which…

```
                    1                        2                        3
```

| Don't let their customers down | Act to reinforce their brand choice | Create experiences that connect personally |

…particularly in areas
that truly matter

…in a way that focuses
on their needs

…stimulating a positive and
lasting emotion

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Heartbeat Emotion Analytics

Accurate, simple and fast way to understand and measure fine-grained emotions in consumer surveys

1. Ask how people feel about a brand, a subject or any topic

2. Collect text data using surveys or any CX feed-back engine

3. Use Heartbeat tool to differentiate 100 secondary feelings, 9 primary emotions, and sentiment
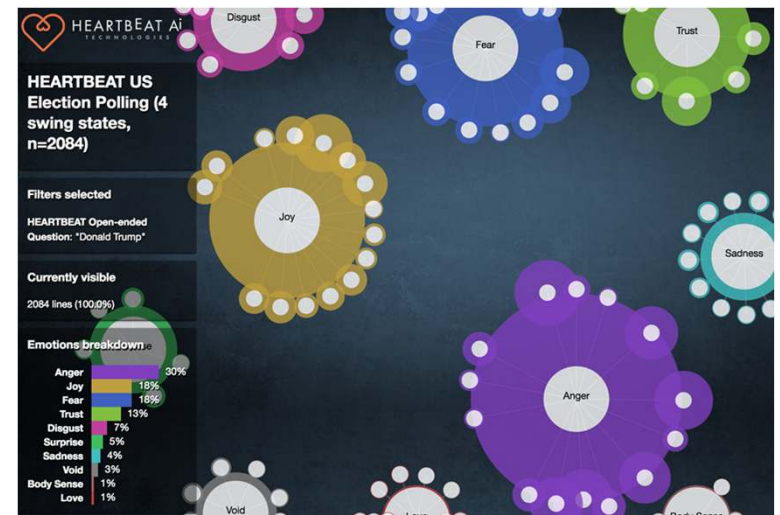
3 steps to high quality emotion text analytics
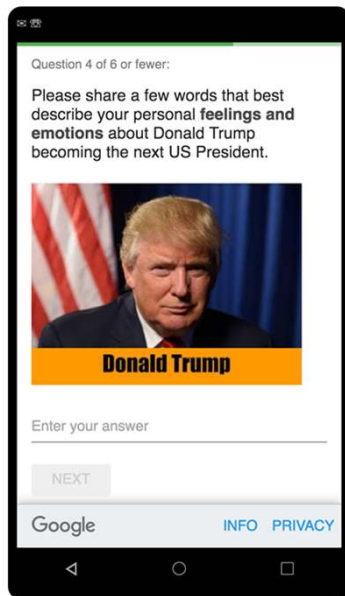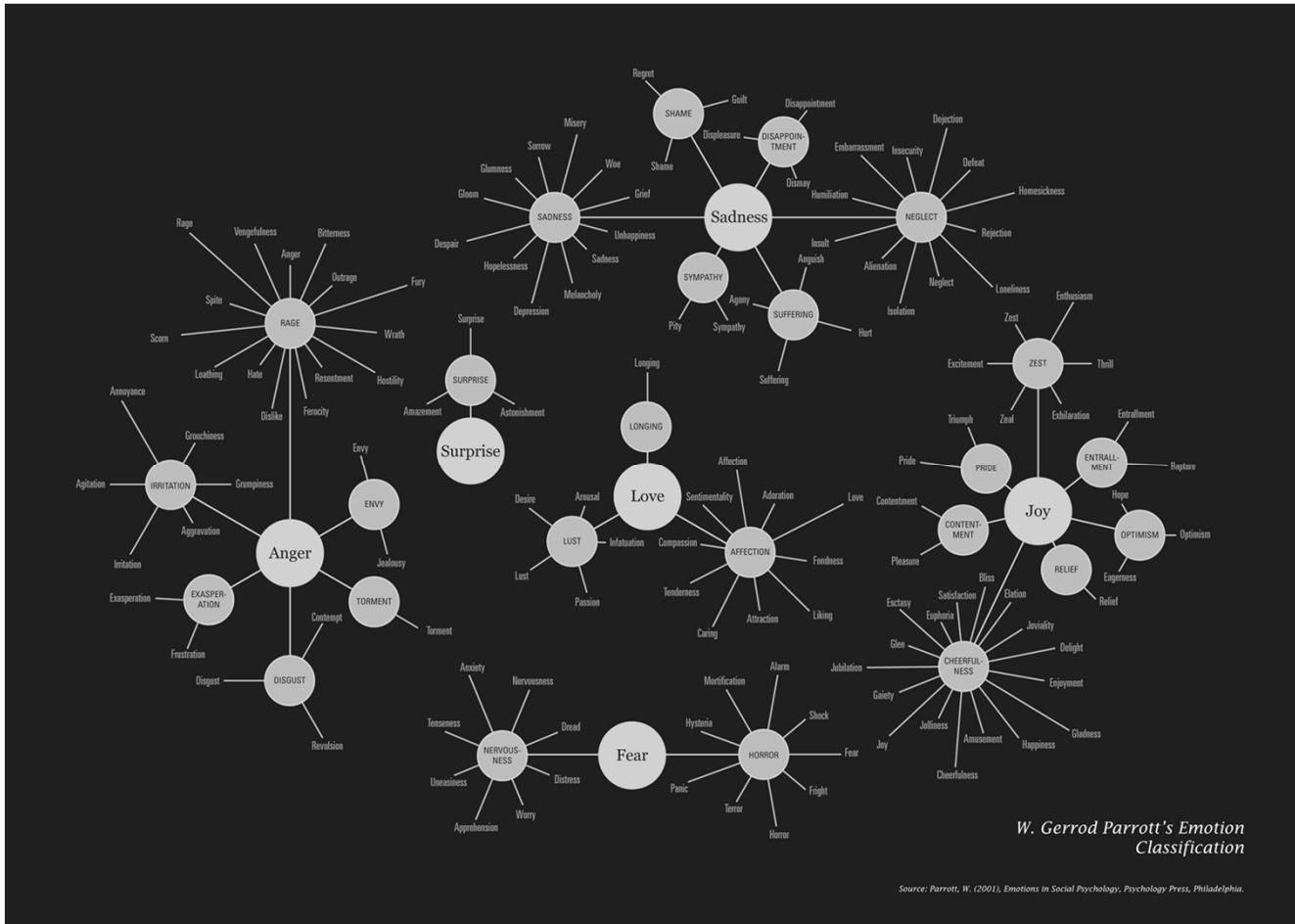

Ask a clear emotion
focused question

"Direct match" taxonomy and
NLP is very accurate at
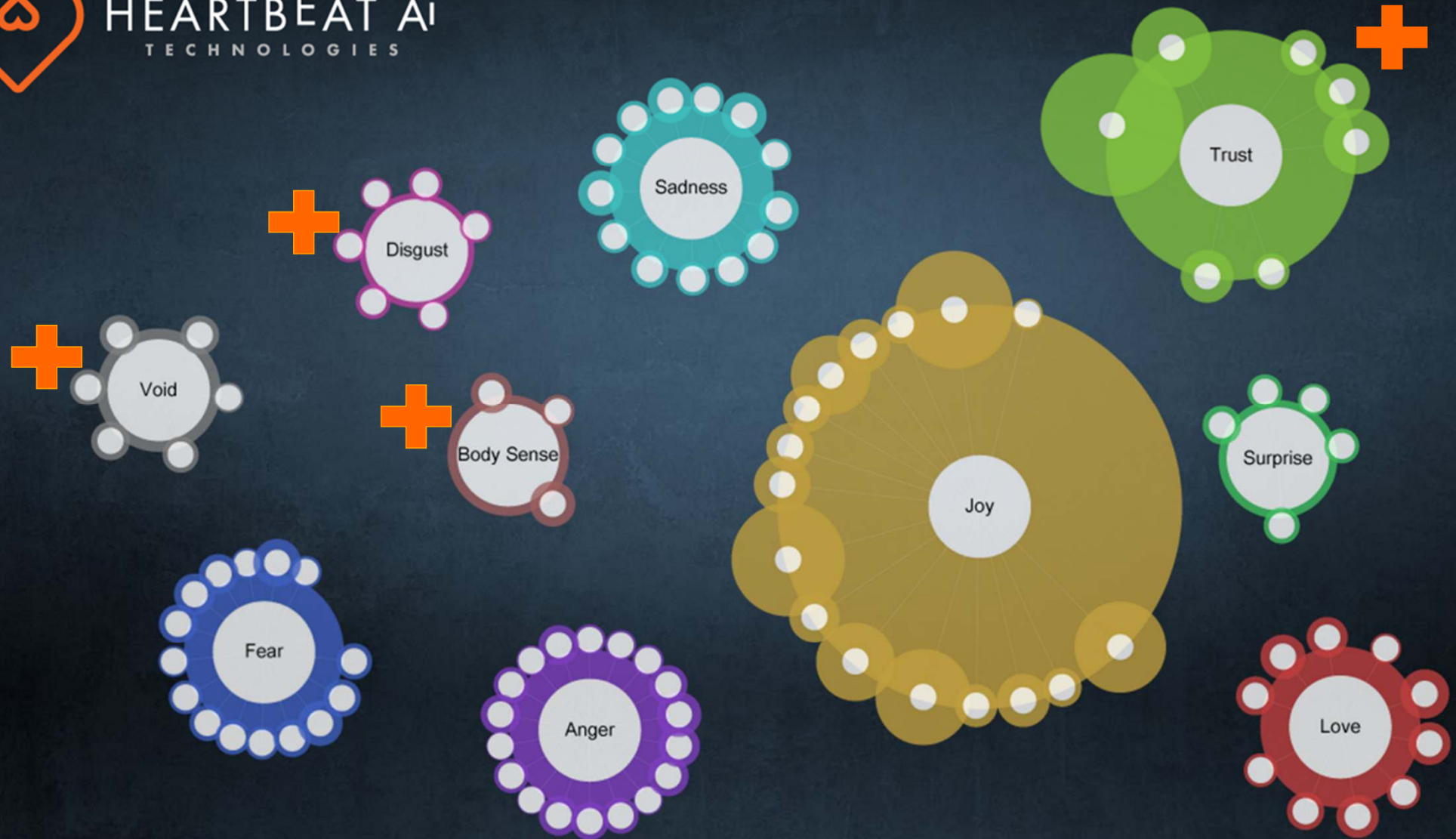classifying fine-grained emotions

A wide range of universal
emotions & feelings make the tool
applicable to any topic

Clustering algorithm inspired by W.G.Parrott's Classification

Case study:

Emotion measurement in personal banking
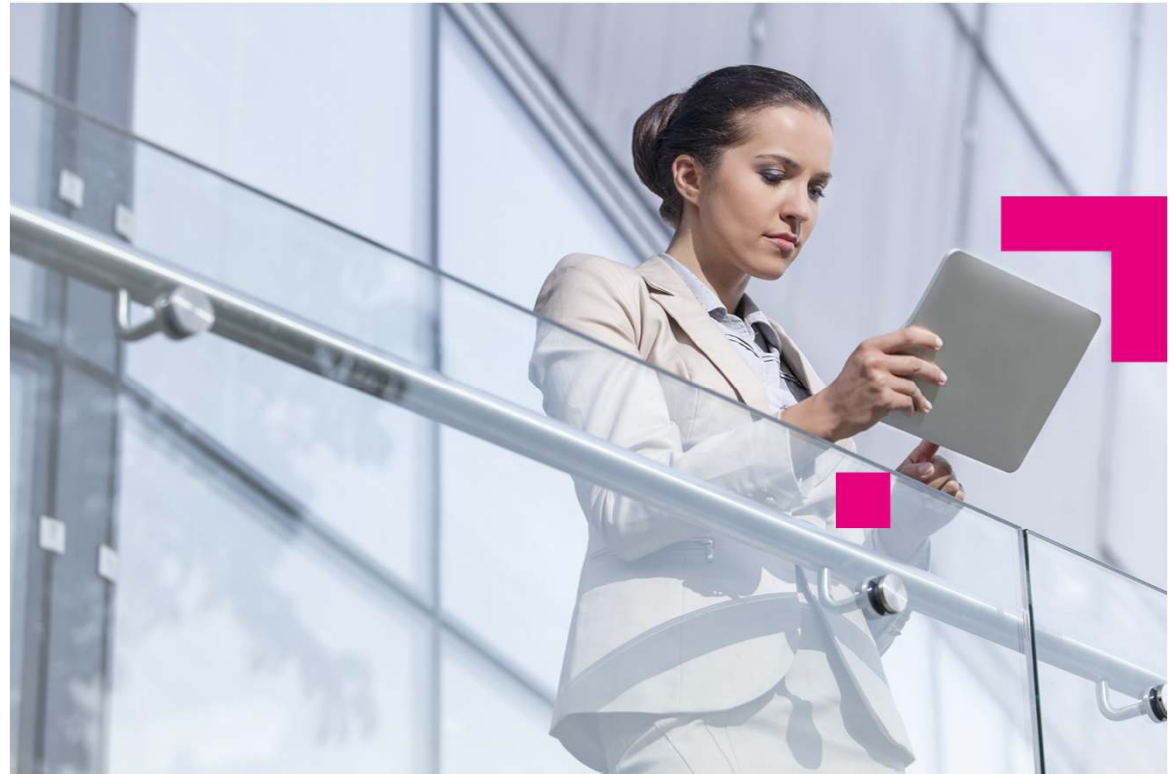
Survey information

Evaluated banks

Top 5 US banks

Customer Relationships

TRI*M Index

Emotions Measurement

Open - ended question*

*"Please share a few words that best describe how you feel about this bank"

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Predominant emotions felt are joy, trust and anger

And some people even state "loving" their bank
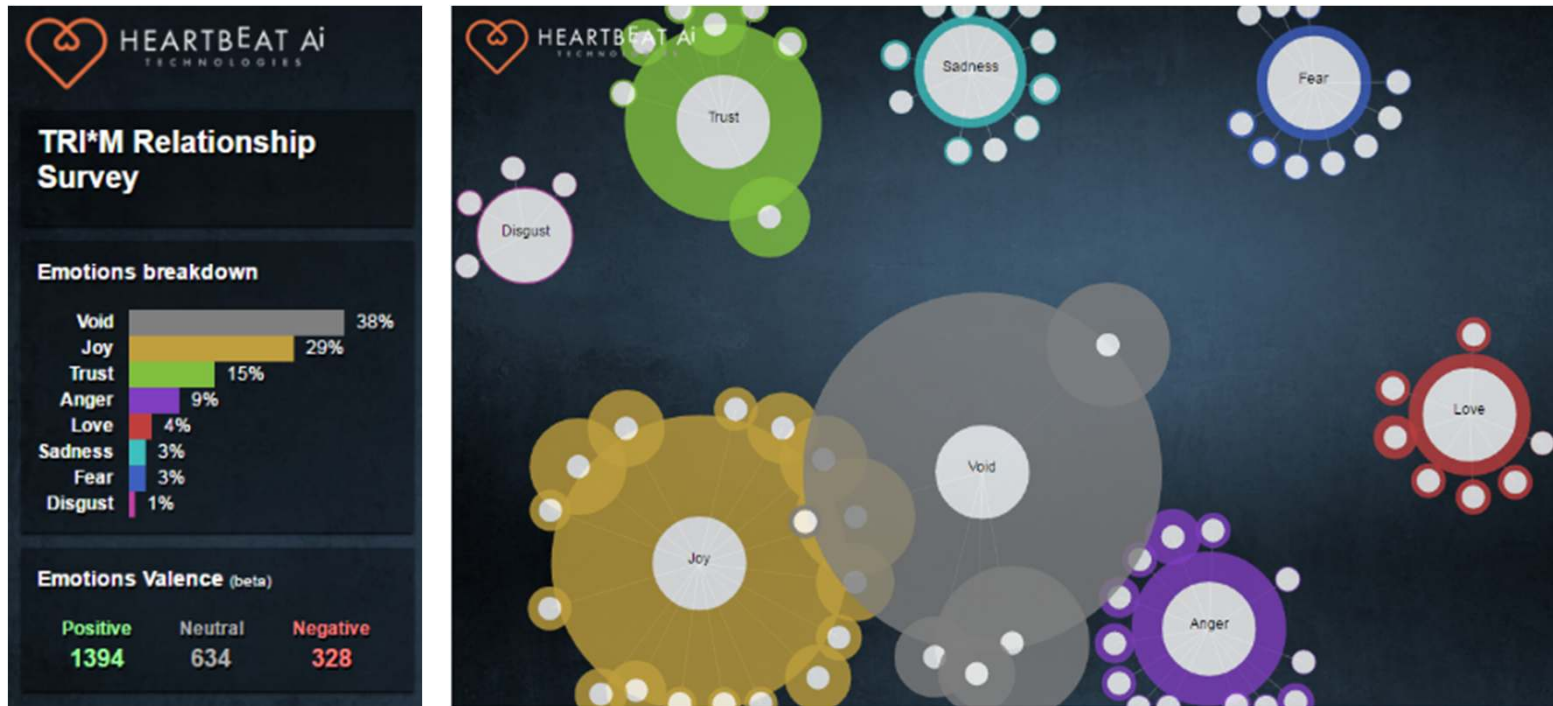
Note: void = absence of emotion

How do emotions impact customer relationships

The Top 5 US banks show clear differences in the relationship strength to their customers

Relationship strength

100

	Total	Bank 1	Bank 2	Bank 3	Bank 4	Bank 5
Performance	76	88	80	73	75	70
TRI*M Index	58	72	63	57	56	53
Preference	41	55	45	40	36	35
	n=750	n=65	n=194	n=233	n=59	n=199

25

TRI*M

58

■ TRI*M Index   ■ Performance   ■ Preference

BASE: 750

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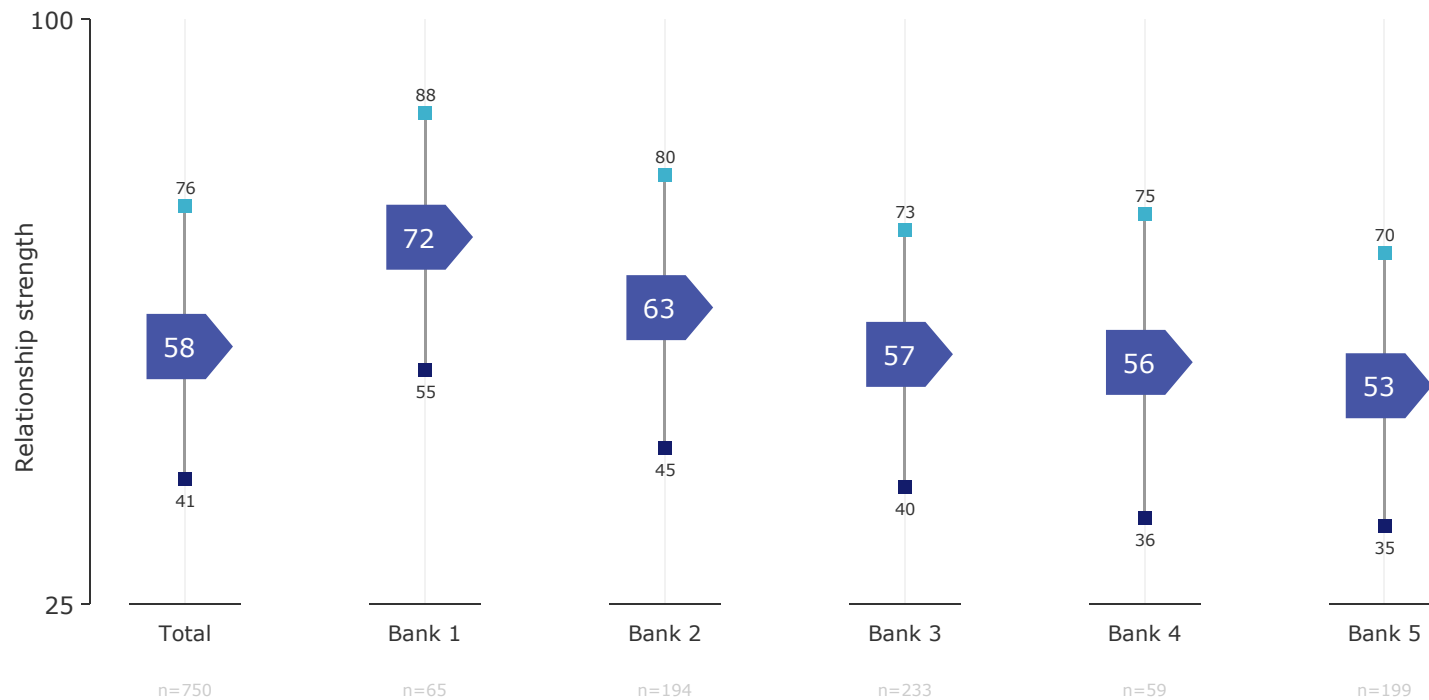
And emotions strongly contribute to defining relationships

With love driving an immense rise in relationship strength

Relationship strength

Love	Joy	Trust	Void	Sadness	Anger	Fear
129 / 123 / 118	107 / 92 / 78	97 / 79 / 62	70 / 49 / 28	16 / 7 / -2	17 / 3 / -11	7 / -2 / -12
n=38	n=247	n=122	n=352	n=22	n=78	n=28
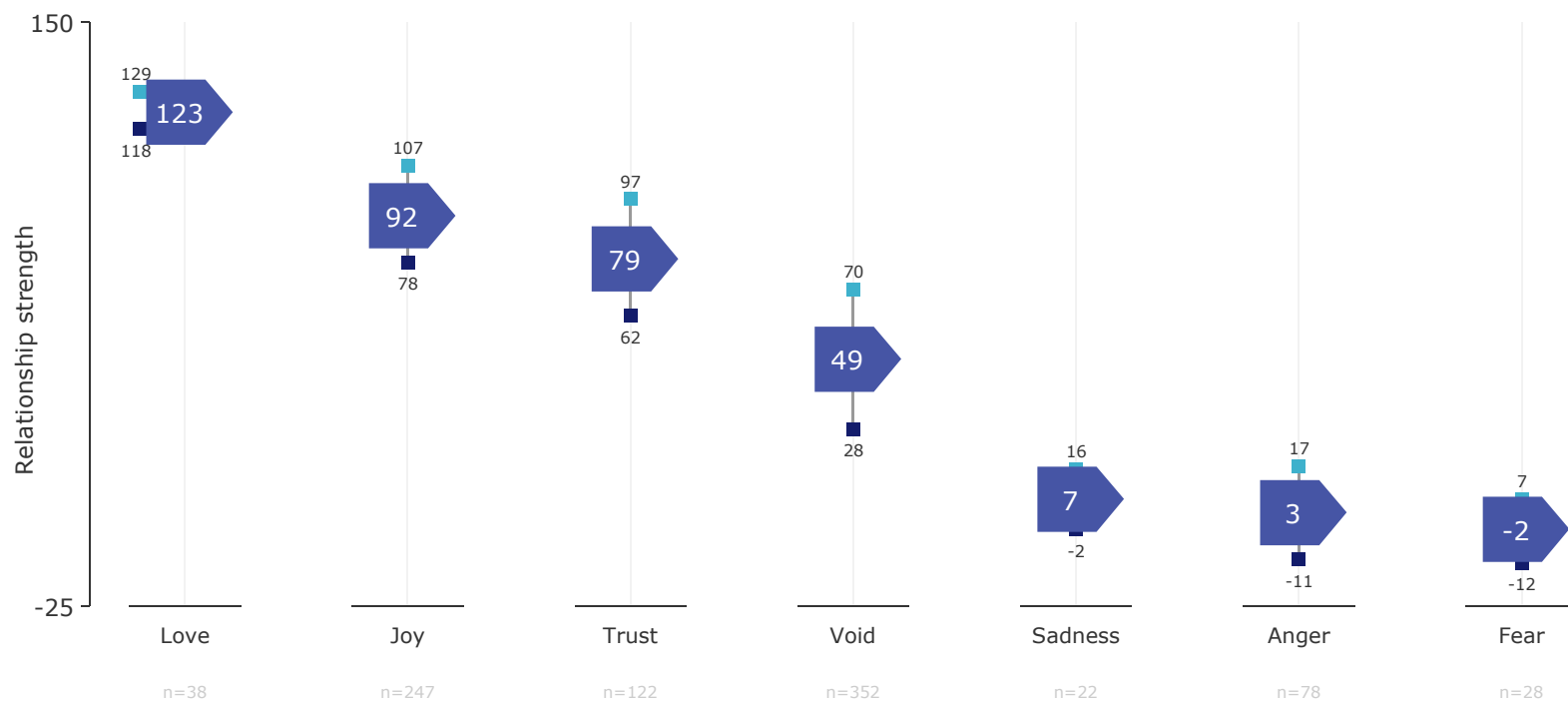
TRI*M
60

■ TRI*M Index ■ Performance ■ Preference

BASE: 662

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Bank 1 performs best

Relationship strength

100

88

80

76

75

73

72

70

58

55

57

56

53

45

41

40

36

35

25

Total

Bank 1

Bank 2

Bank 3

Bank 4

Bank 5

n=750

n=65

n=194

n=233

n=59

n=199

TRI*M

58

■ TRI*M Index ■ Performance ■ Preference

BASE: 750

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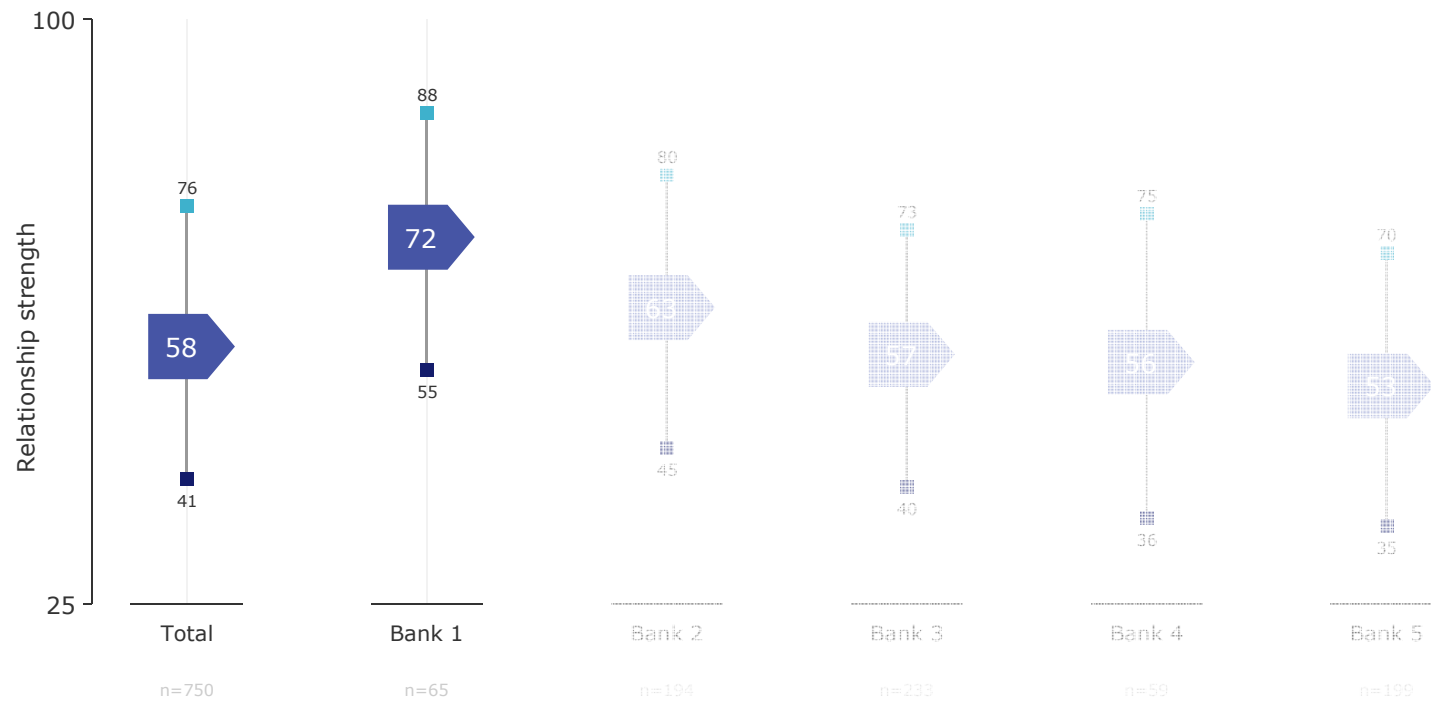
Because it manages to create mostly positive feelings
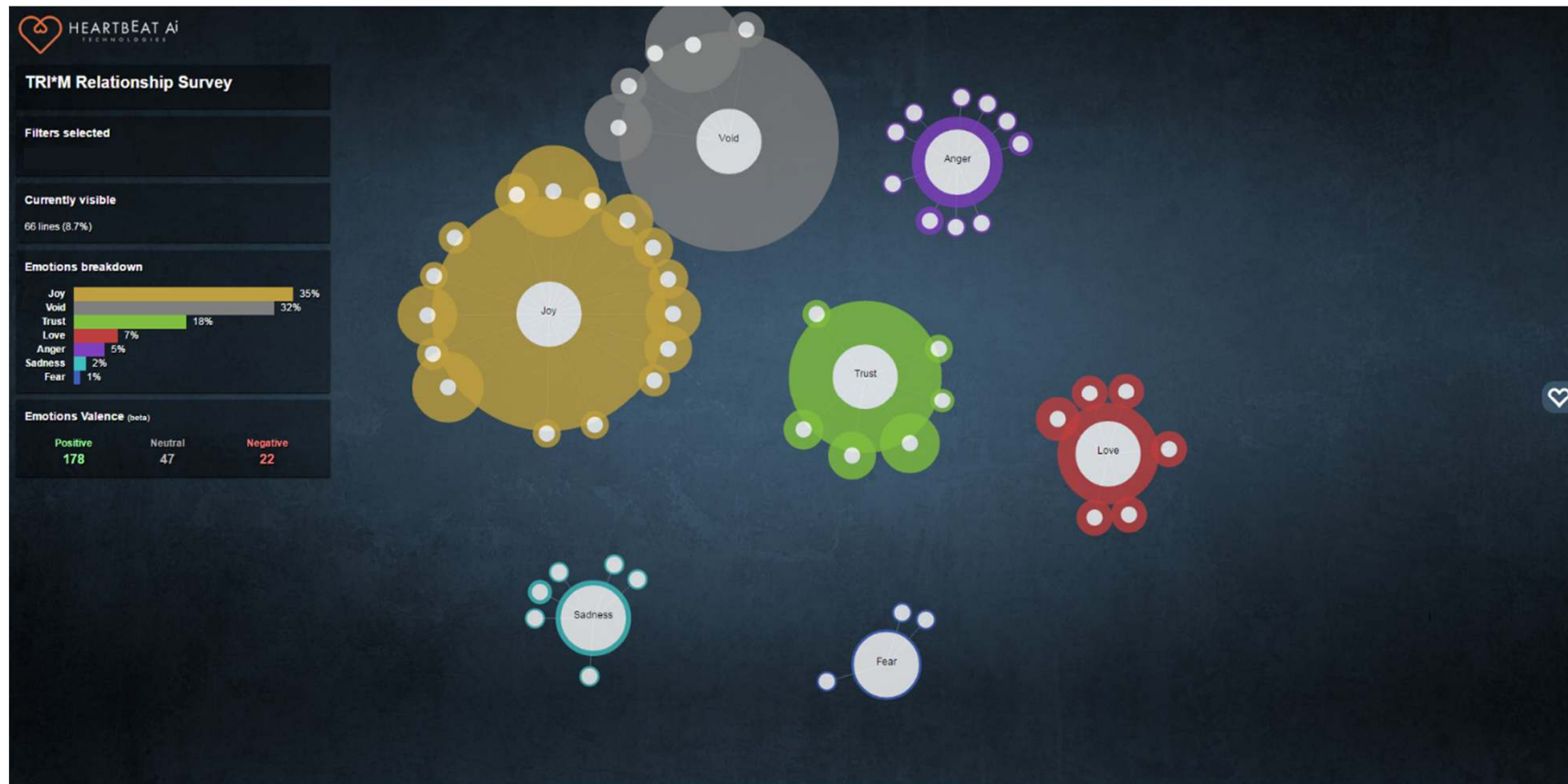
It has even made some of its customers fall in love

Relationship strength

150

139

103

85

48

0

Love

Joy

Trust

Void

n=7

n=29

n=15

n=30
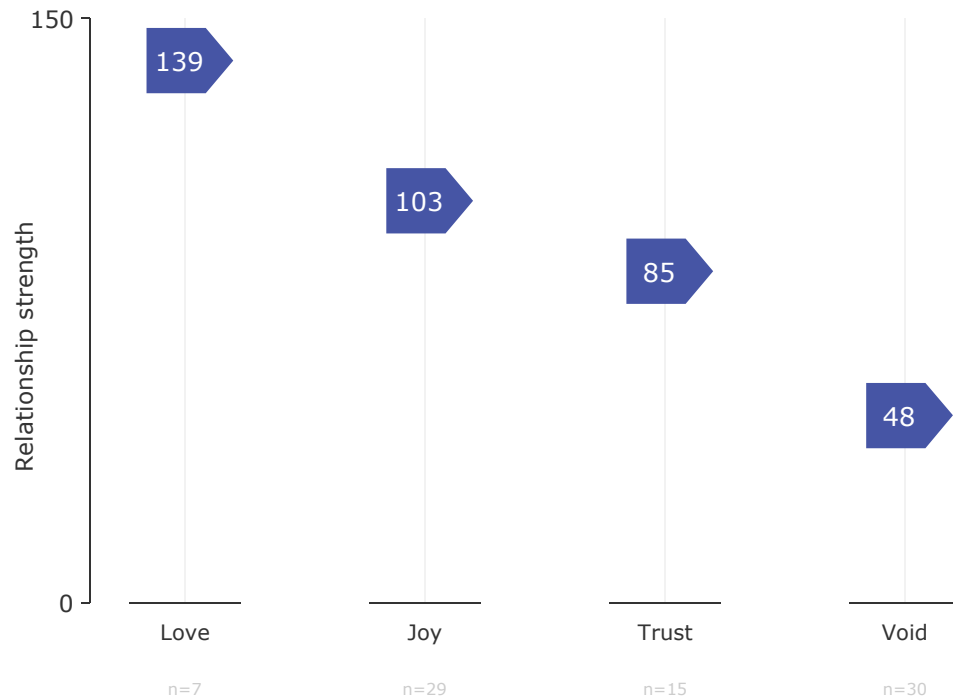
TRI*M

72

TRI*M Index

BASE: 63 // SEGMENT: Your Bank = Bank 1

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Bank 2 shows stronger customer relationships than average, but considerably weaker than Bank 1

Relationship strength

	Total	Bank 1	Bank 2	Bank 3	Bank 4	Bank 5
Performance	76	88	80	73	75	70
TRI*M Index	58	72	63	57	55	53
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	n=750	n=65	n=194	n=233	n=59	n=199

TRI*M

58

■ TRI*M Index   ■ Performance   ■ Preference

BASE: 750

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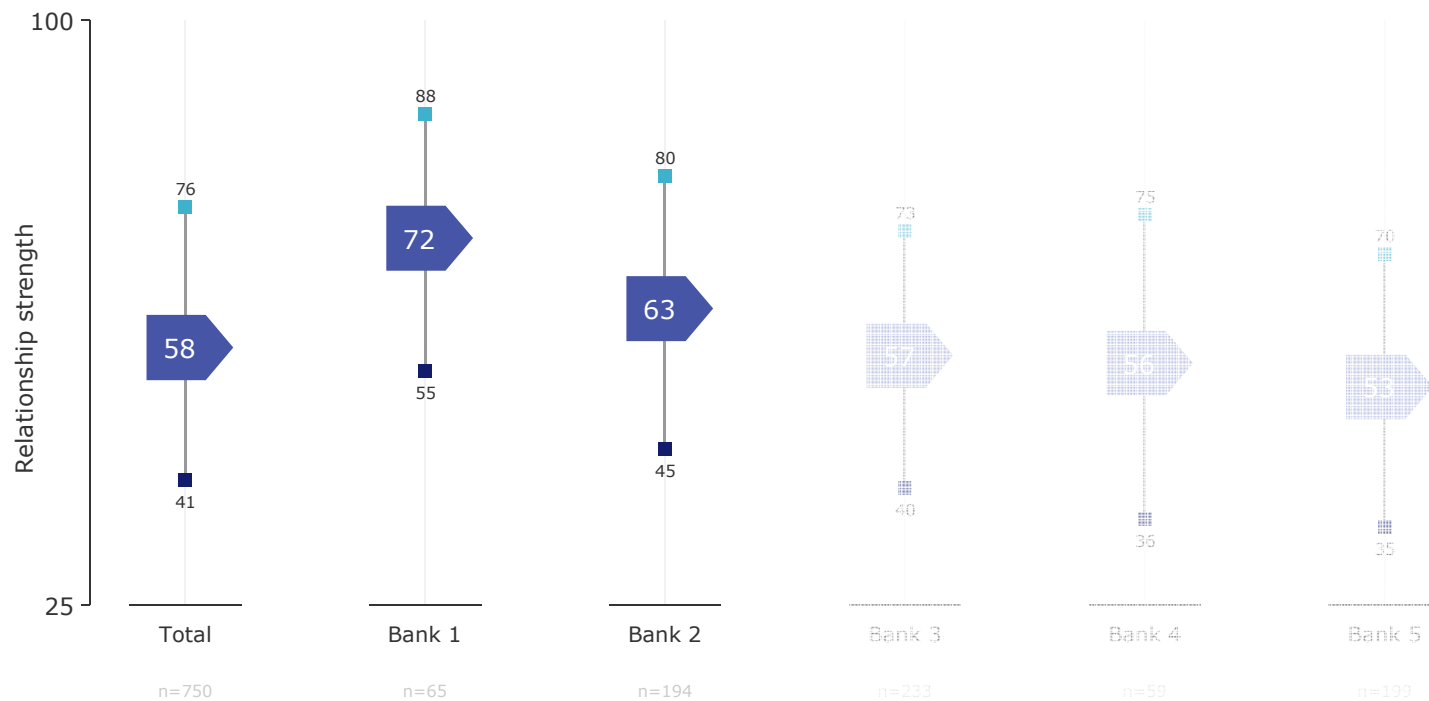
As it creates less feelings overall
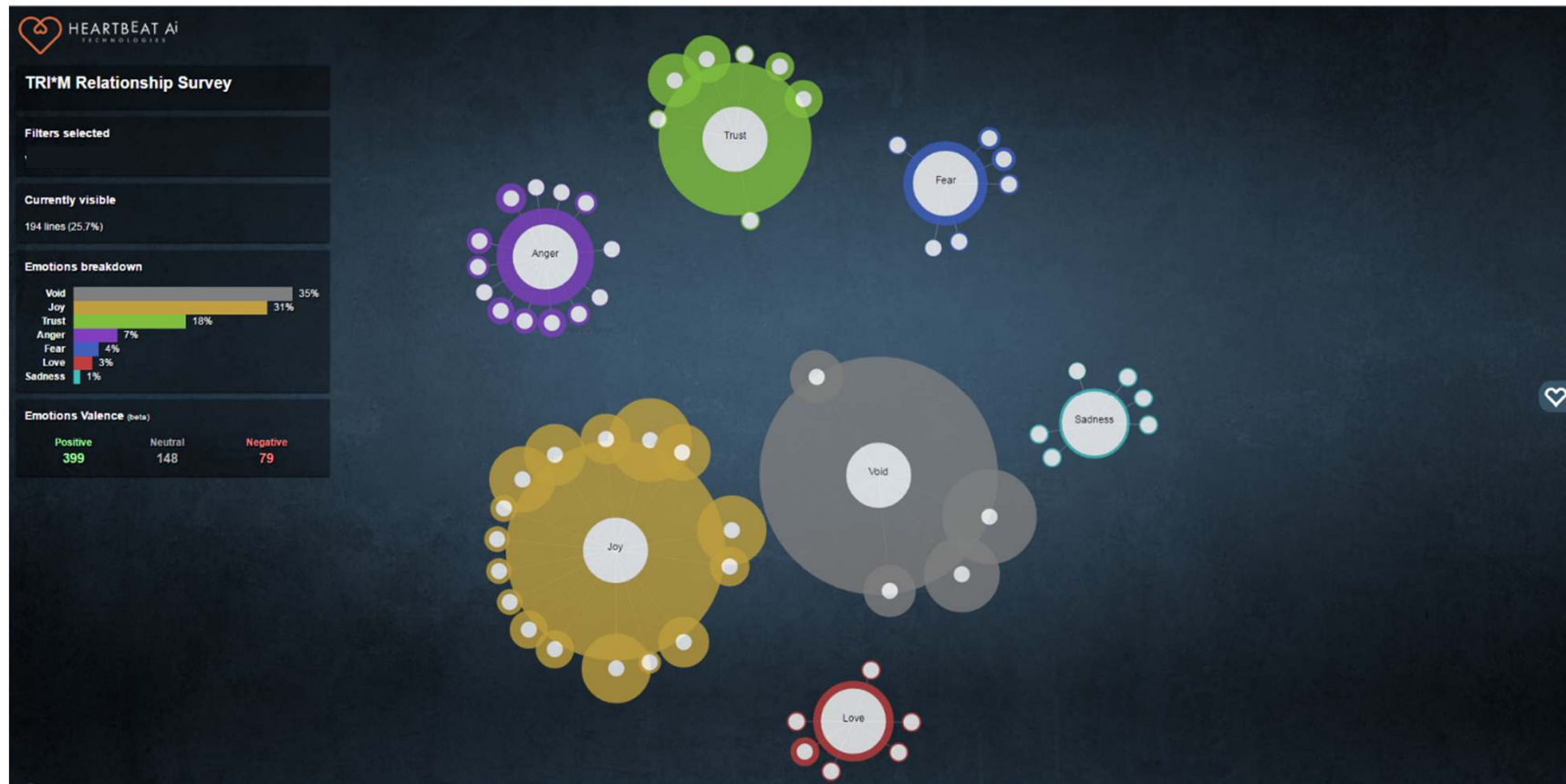
Weakest relationship is seen in Bank 5

Relationship strength

	Total	Bank 1	Bank 2	Bank 3	Bank 4	Bank 5
Performance	76	88	80	73	75	70
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Preference	41	55	45	40	36	35
n	n=750	n=65	n=194	n=233	n=59	n=199

TRI*M

58

■ TRI*M Index   ■ Performance   ■ Preference

BASE: 750

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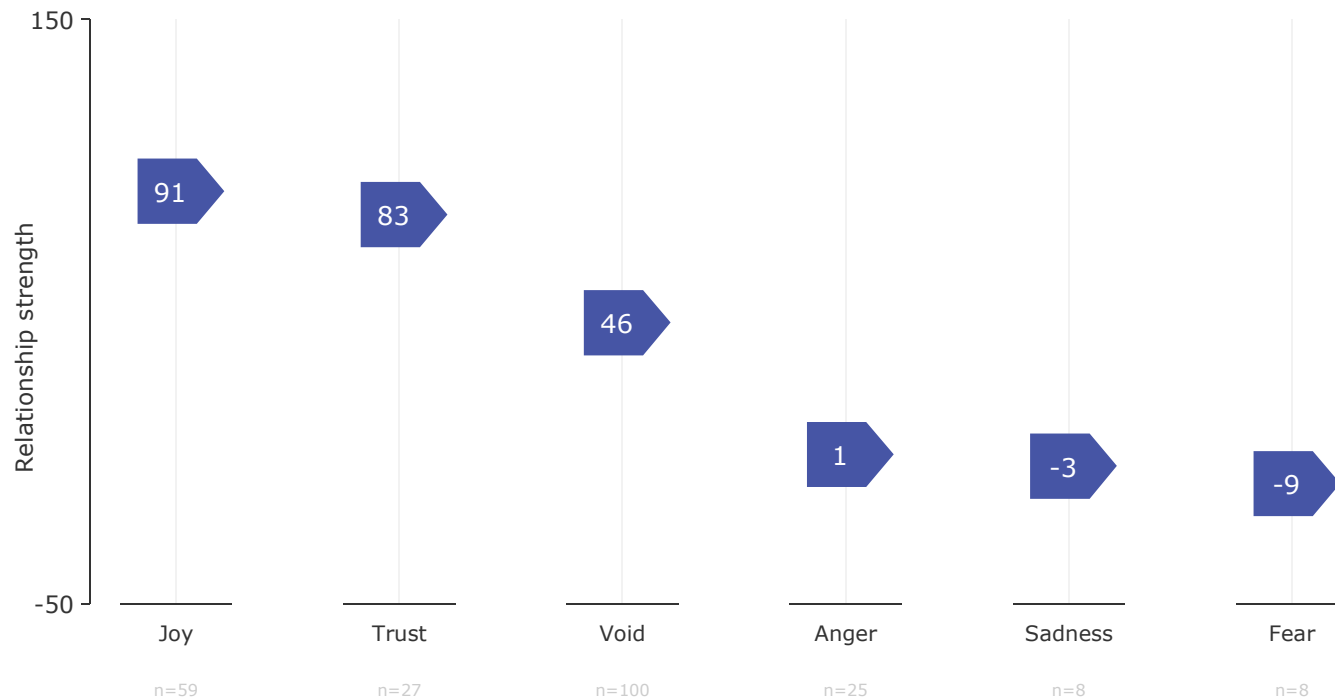TECHNOLOGIES
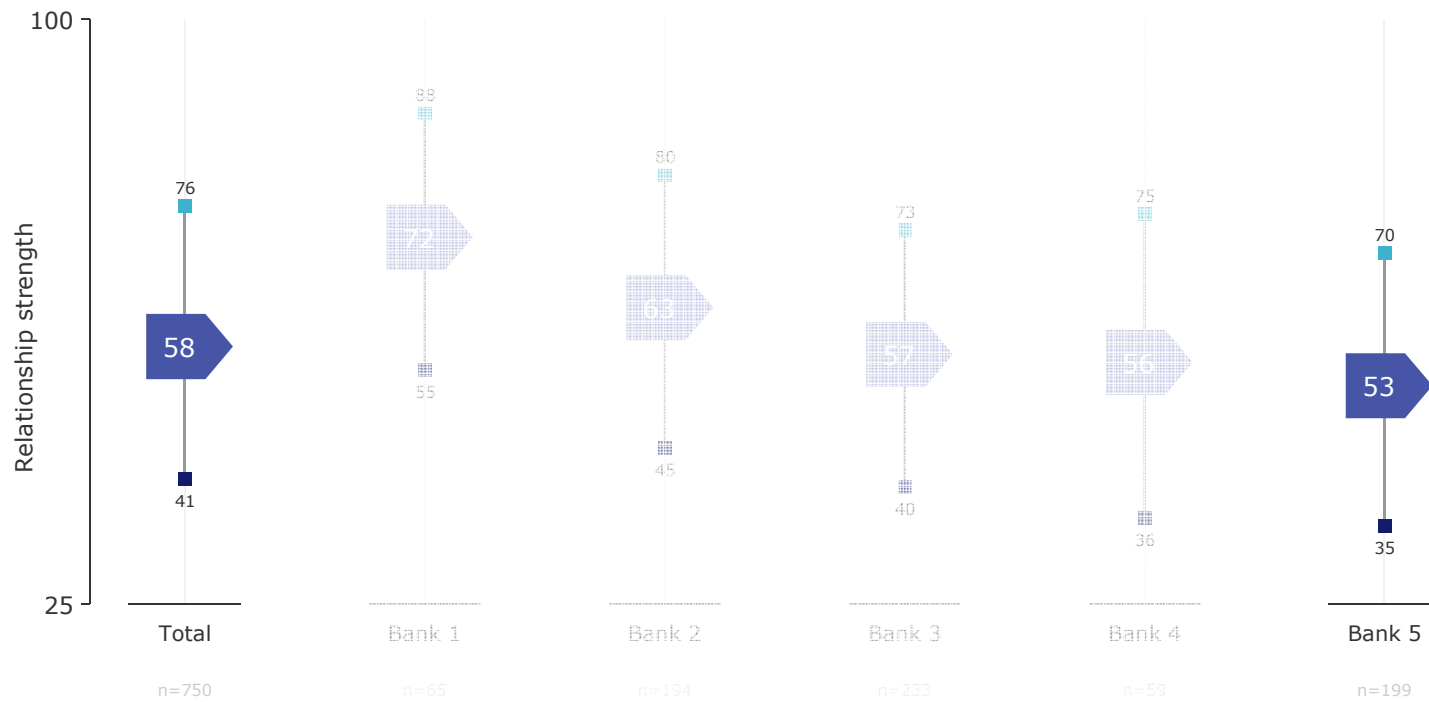
Because the absence of emotions is highest for this bank
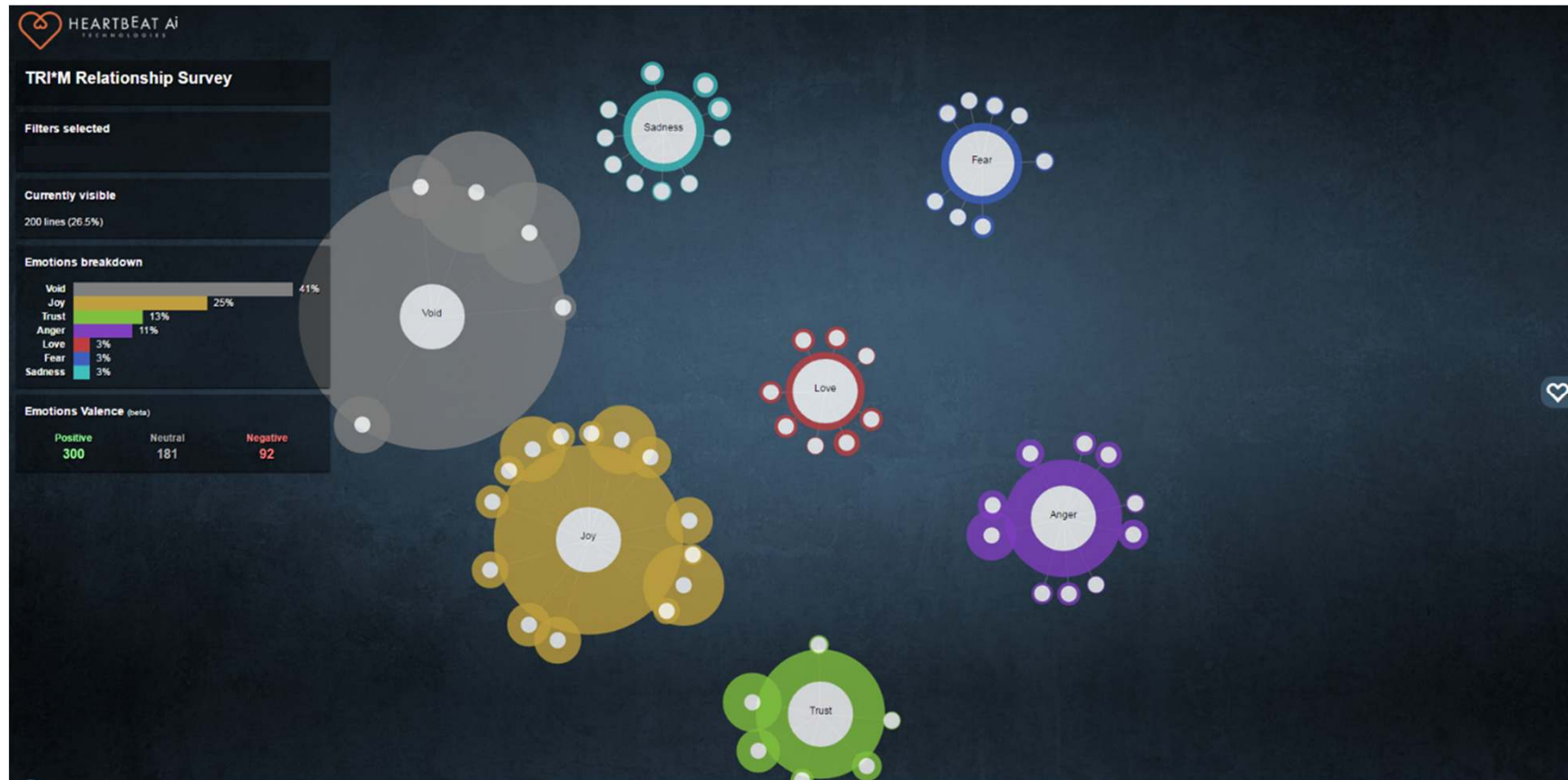
And negative feelings damage the relationship
Positive feelings do not go further ahead than being joy

Relationship strength

Joy	Trust	Void	Anger	Sadness	Fear
91	83	46	1	-3	-9
n=59	n=27	n=100	n=25	n=8	n=8

TRI*M

56

■ TRI*M Index

BASE: 175 // SEGMENT: Your Bank = Bank 5

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To achieve strong customer relationships aim for love

- Positive emotions strengthen customer relationships
- Trust, joy and especially love leverage relationship strength
- The absence of any positive emotion harmfully affects the relations
- Negative emotions need to be avoided as they damage the bond to customers

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Reasons why customers felt how they felt

♡ 💬

„they treat everyone like family members"

„love their customer service"

„I love the mobile app to check account balance"

„absolutely love the friendly and helpful services!"

„since the update several months ago, the mobile deposit is amazing"

„my card is secure with Wells Fargo and I also love their savings options"

„love the photo deposit"

„love the web banking"

☹ 💬

„I hate the $14 checking fee"

„impersonal"

„poor customer service"

„lacking good technology"

„I have experienced unpleasant interactions with this bank "

„hard to find branch in my area"

„didn't give me correct info"

„I'm paying a lot in interest on my credit cards despite a great history with them"

„Waited too long"

„mostly fine, customer service is inconsistent

A few benefits of Text Emotion Analytics

- It correlates with traditional CX measures

- It gives a deeper insight than sentiment, which can lead to more refined and effective CX strategy recommendations

- It can explain "the why" behind consumer decisions

- It has strong predictive validity when used in combination with traditional measures and advanced analytics

Thank you!