

## THE MAKING OF MEMORIES

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## Remember me?

Increasing customer preference by turning moments into memories.

While we know that in-the-moment data is important, we don't believe the way it is currently interpreted tells the full story. Most conclusions are missing the link between customers' instantaneous reactions and the long-term effect of an experience.

In many cases, there's a time-span of weeks, months and even years between the experience and the customer's next interaction with the company. So how do certain moments remain fixed in minds bombarded with millions of messages in the intervening period, while others are totally forgotten about? And how does this affect the customer relationship?

Understanding and interpreting customers' individual experiences with a company has become increasingly important in the last few years. The development of online social platforms coupled with increased sophistication in gathering customer opinion allows companies to get closer to the actual moment of truth.

## Not all experiences are created equal

The normal assumption is that relationship strength is the sum of all interactions a customer has with a company – and thus that all experiences contribute in the same way. As a consequence companies struggle to reach smart and profitable investment decisions.

But customers have so many experiences across a wide spectrum of touchpoints that they can't possibly remember them all. So to give them an equal weight of importance and financial commitment seems unfocused and wasteful. Surely, some experiences must be more important than others.



## Thanks for the memory

Flying in the face of conventional thinking, our research challenged the idea that each customer experience impacted with equal measure and therefore played an identical role in shaping company perception and long-term loyalty to a company.

We set out to prove that in-the-moment experience is not the same as the memory of the experience at a later point in time. To put it another way, the impact of a particular experience on a customer decision months or years later depends on the memory of the original experience rather than the actual experience itself.



## What we can learn from great movies

Behavioural economics suggests that people judge events intuitively by using two filters – the first is the most intense moment of the experience and the second is the feeling you are left with at the end. They call it the Peak End Rule and one of the easiest ways to understand how it works is to think of it in the context of a classic Hollywood movie plot structure.

The mid-point is where the greatest danger, peril or pivotal moment happens – a kind of intense ‘peak’. Then, at the end of the movie there’s a second emotive element at play – the feeling you are left with as you walk out of the cinema. Good movies, the ones everyone remembers and talks about, have both.

To bring the idea back into the customer relationship world, rather than being the sum of all experiences, loyalty to a brand depends on the positive memory of a critical few.

Behavioural economics also supports the notion that in-the-moment experiences and the memories of those experiences are not the same.

Daniel Kahneman, the eminent psychologist who is notable for his work on judgement and decision-making puts it like this:

“There is a confusion about experience and memory. We actually don’t choose between experiences, we choose between memories of experiences”

*Daniel Kahneman*

## What we can learn from great movies

If this is true and some experiences turn into memories while others are forgotten forever, measuring experiences is a first step but we cannot stop there. It's still hugely important – transactional research programmes fuel process improvements and enable fast reaction to dissatisfied customers - but it's not the whole story. Predicting long-term customer behaviour and providing future strategic direction requires relationship research, as the memories of experiences are fundamental in influencing customer decision-making.



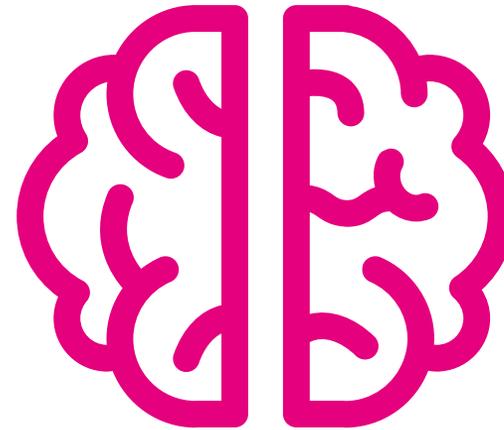
## **Our brains prioritise emotion**

Neuroscience highlights that memories help us to cope with vast quantities of information. Our brain is not a computer – it does not just process the information that it absorbs. Instead, it retrieves the memories and tries to link the current experience with them.

But even at that, if our brains worked with memories alone there is still too much data to process, so they have developed an efficient way to distinguish between relevant and non-relevant information.

When an event is linked to an emotion the brain tags it as relevant and stores it for later use. If no emotion is involved, our brains classify it 'non-relevant' and consign it to the forgotten file.

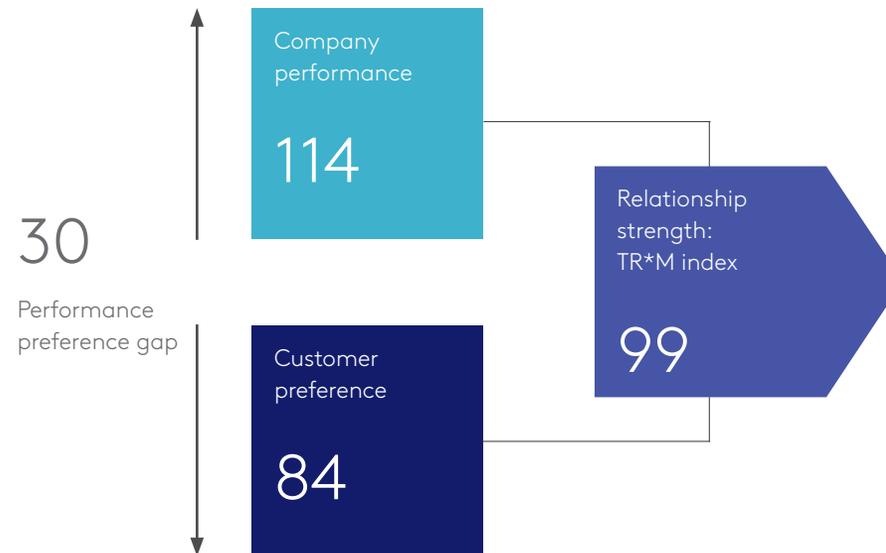
If our brains use emotions to organise and filter information, we need to understand what is behind those emotions to decode the effect on customer relationships.



## Taking our idea out on the road

We tested our idea in a UK automotive survey by studying the satisfaction car owners felt after their latest workshop visit and the effect on the overall relationship with the car brand.

Our Key Performance Indicator for measuring relationship strength is the TRI\*M index - built using two components - company performance and customer preference. Assessing these two dimensions shows that the car brands' current success relies on outstanding performance. But with a low preference score the companies have not yet secured future business by translating its great performance into customer propensity.



## The emotional driver

Performance clearly does have an effect – the better the performance, the stronger the relationship. So it’s important not to let your customers down by performing below expectation.

But high performance does not necessarily translate into repeat business.

In our study, we explored two groups of customers asking ‘How did you feel about the workshop visit?’ with answer options ranging from ‘irritated’ to ‘delighted’.

Group one was not delighted by their latest workshop visit, although they assessed their experience as excellent. Their verbatim answers were all very functional – ‘prompt service’; ‘car now runs well’; ‘straightforward’. There was no real hint of an outstanding customer experience as such.

This group had a high performance score but showed only an average preference for their car brand.

The second group of customers were those who felt delighted. They rated the performance and preference similarly high and gave us different answers that had more to do with emotion than function: ‘made to feel welcome’; ‘well looked after’; ‘honesty and attitude of staff’ and ‘lovely receptionist’ were typical mentions.

We could prove in two ways – by stated delight and their open-ended answers - that offering an experience that stimulates emotion has a wider, longer-lasting impact on the relationship. Emotion clearly has a powerful effect on narrowing the gap between company performance and customer preference.

“No real customer experiences as such”



66%



Irritated



Disappointed



Neutral



Satisfied



Delighted

“Made me feel valued”



82%

← Preference for car brand (top 2) →

## The emotional driver

The same pattern holds true for other sectors too. In a European airline study, customers who felt delighted had a high preference, too. Customers who did not feel 'delighted' yet still rated the company's performance on their last flight as 'excellent', had a notably lower preference though. The fusion of survey and social media data demonstrated how the stimulation of emotions helped to increase the preference for the airline.

Finding ways to seat families together; organising a gluten free meal for a hungry passenger; being generally helpful in stressful situations – these all elicited positive emotional reactions to create memorable experiences.

That being said, we do understand that triggering positive emotional responses isn't always easy. It's possible, but you won't succeed every time or in every context. At the very least we need to be aware that it isn't a lack of disappointment or reasonably good service that makes an experience stand out from the rest at a later point in time.

@airline **thank you to cabin crew Margaret** on flight to UHR from Kalamata yesterday. She found me a gluten free meal. Was v hungry!

Our airport experience has been great. Check in **was a breeze, lovely staff** putting us at ease. Thanks @airline & @airline

## Three pillars to creating a memorable experience

So far, we've identified two key elements to bridge and understand the gap between real-time experiences and customers' memories of the moment.

Firstly, reliable performance - not letting customers down where it matters most. Following that, the creation of emotionally stimulating experiences that stick in customers' minds.

Supporting these two regardless of sector is a third element - consistency. It plays a huge role in building customer preference.

Consistently good performance accounts for 30-50% of customer relationship strength.

This is of particular relevance in today's connected world where customers use multiple touchpoints.

Building an emotional attachment with a customer also relies on consistent delivery and tone of voice. As in our relationships with people, we are more likely to trust and invest energy in relationships with companies that have an attitude we warm to and a service experience that doesn't vary from day to day.

Finally, a customer strategy aligned with a brand promise doesn't have to suggest that the company is the best in the world, it just has to deliver on expectation time after time to further strengthen their relationship with customers.



Reliable  
performance



Emotionally  
stimulating  
experiences



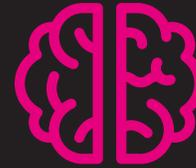
Building  
customer  
preference

## Three things to remember

1. In-the-moment experiences are not the same as the memory of the experiences and it is these memories, not the actual moments that shape customer behaviour.
2. Emotional perceptions form memories. These then drive business impact as they influence a customer's long-term company preference.
3. Customers prefer companies that:
  - Don't let them down
  - Offer emotionally stimulating experiences
  - Are consistent time after time



In-the-moment  
experiences



Emotional  
perceptions



Customer  
preferences

## Get in touch

If you'd like to talk to us about anything you read in this paper, please get in touch via [trim@tnsglobal.com](mailto:trim@tnsglobal.com) or your Kantar TNS contact.

## About Kantar TNS

Kantar TNS is one of the world's largest research agencies with experts in over 90 countries.

With expertise in innovation, brand and communication, shopper activation and customer relationships we help our clients identify, optimise and activate the moments that matter to drive growth for their business.

We are part of Kantar, one of the world's leading data, insight and consultancy companies.