Making Customers Happy?

Ha

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I Love Advertising
Persuasion, interruption, Brand Trust.
Things change
United Breaks Guitars
“One Metric” Engagement
Greater Engagement grows value

Spiegel Research Center Studies
A modern (Co Creation) brand story
The Customer Engagement Engine in the Eco System
Do reviews impact sales?
If so, how and how much?

Executive Summary
What we found:

This research found that not only are reviews extremely valuable in influencing purchase decisions, but a number of circumstances factor into when and how reviews shape customer value.

How star ratings, number of reviews, and price influence purchase behavior

- Online Reviews Matter — A Lot...
- ... Especially for More Expensive
- ... and “Riskier” Items
- Perfect Rating Raises Questions
- More is Not Always Better

How the source of the reviewer matters

- Verified Buyers Give Higher Ratings
- Anonymous Reviews Are Shaped by Selection Bias
- Verified Buyers Are Perceived as More Credible
Stars matter a lot
And, 5 Stars are too good to be true

4.2-4.5 is the ideal average star rating for purchase probability
What's a review worth?

5 Reviews Can Triple the Conversion Rate

Maximum impact of reviews
What’s a review worth?
Conversion to sale in lower priced products is 190%
Higher priced products is 380%
We discovered varying influences but some quite substantial

- **Valence (Stars)** increases purchase probability by 12.3%
- **Pros** don’t have a significant impact
- **Cons** decrease odds of purchase probability by 10%
  - Attract attention
  - Weigh more
- **Helpfulness** decreases odds of purchase probability by 34%
- ‘**Verified buyer**’ increases odds of purchase probability by 15%
  - Adds credibility
- **Recommendation** has a positive effect (6%)
  - Indicator of brand loyalty
  - Highly correlated with valence
Now what about social viewing and posting?
<table>
<thead>
<tr>
<th>Rate a tip</th>
<th>Weekly answers posted</th>
<th>What do you save for?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chance at 25,000 miles</td>
<td>Win a cruise</td>
<td>10 miles/points</td>
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**Graph:**
- **Number of Posts**
- **Time Periods:**
  - 2Mar10
  - 6Jul10
  - 6Dec10
  - **Party**
  - **Cruise**
  - **Winter**

**Legends:**
- **Post an “eco” idea**
- **Post a “mommy moment”**

**Institution:** Northwestern University

**Medill Integrated Marketing Communications

**IMC SRC Spiegel Research Center**
Participating Posters spent more

54% $ increase
“Sleeping Dogs” can be awakened

40% $ Increase
More words = More engagement = More Spending
Negative Word of Mouth Study

• Analyzed Emotions
• Coded Level of intensity for emotions
There’s a “get it off my chest” effect

<table>
<thead>
<tr>
<th>VIEWING NEGATIVE WORD OF MOUTH</th>
<th>POSTING NWOM &amp; REDEEMING POINTS</th>
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<td><img src="image2.png" alt="Image 2" /></td>
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- Point Accumulation
- Purchase Frequency
But I’ve not helped with HOW TO MAKE THEM HAPPY yet.
5 things you can DO

1. Over invest in products, services, apps and strategies that DO make customers happy.
2. Follow, track, analyze, and value engagement
3. Over invest in listening and responding
4. Do monitor and enhance the entire customer experience
5. Pilot “marriage” strategies