

# THE FIVE FORCES OF CUSTOMER EXPERIENCE

The science of strong relationships

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**IPSOS  
VIEWS**

**GAME CHANGERS**





**The importance of Customer Experience (CX) as a driver of financial performance is widely acknowledged. Customers' decisions about brands directly impact the bottom line. Customer retention, advocacy and share of spend are crucial customer outcomes that organisations need to drive to generate revenue growth.**

But managing the Customer Experience is not easy. The last decade has seen drastic changes in customer-company interactions, with a proliferation of touchpoints and digitisation, making it much harder for organisations to consistently meet changing customer expectations.

There is ample evidence many CX initiatives fail to deliver tangible results. For 38 consecutive years, Ipsos has interviewed Britain's Captains of Industry<sup>1</sup> about the most salient issues affecting their businesses. The latest findings are telling, with just a fifth (19%) considering their own organisation as 'top-notch' when it comes to delivering a Customer Experience that is consistent with their own brand promise.

Organisations often struggle to understand how to design and deliver experiences that go beyond the transactional and create long-term positive memories, strong and profitable relationships, and true competitive advantage.

Driven by the success of leading digital brands, organisations of every type have been investing a lot of resource to make their processes more efficient and 'frictionless'. As a result, a lot of the CX measurement and management focus is currently centred on functional aspects of the Customer Experience – the amount of effort a customer puts in to get something done, the speed of getting things done, or how to fix issues when they arise.

Clearly, functional performance is key to meeting basic needs and preventing dissatisfaction. But these functional elements alone are not powerful enough to drive meaningful customer-company interactions that drive positive memories leading to those strong and profitable relationships.



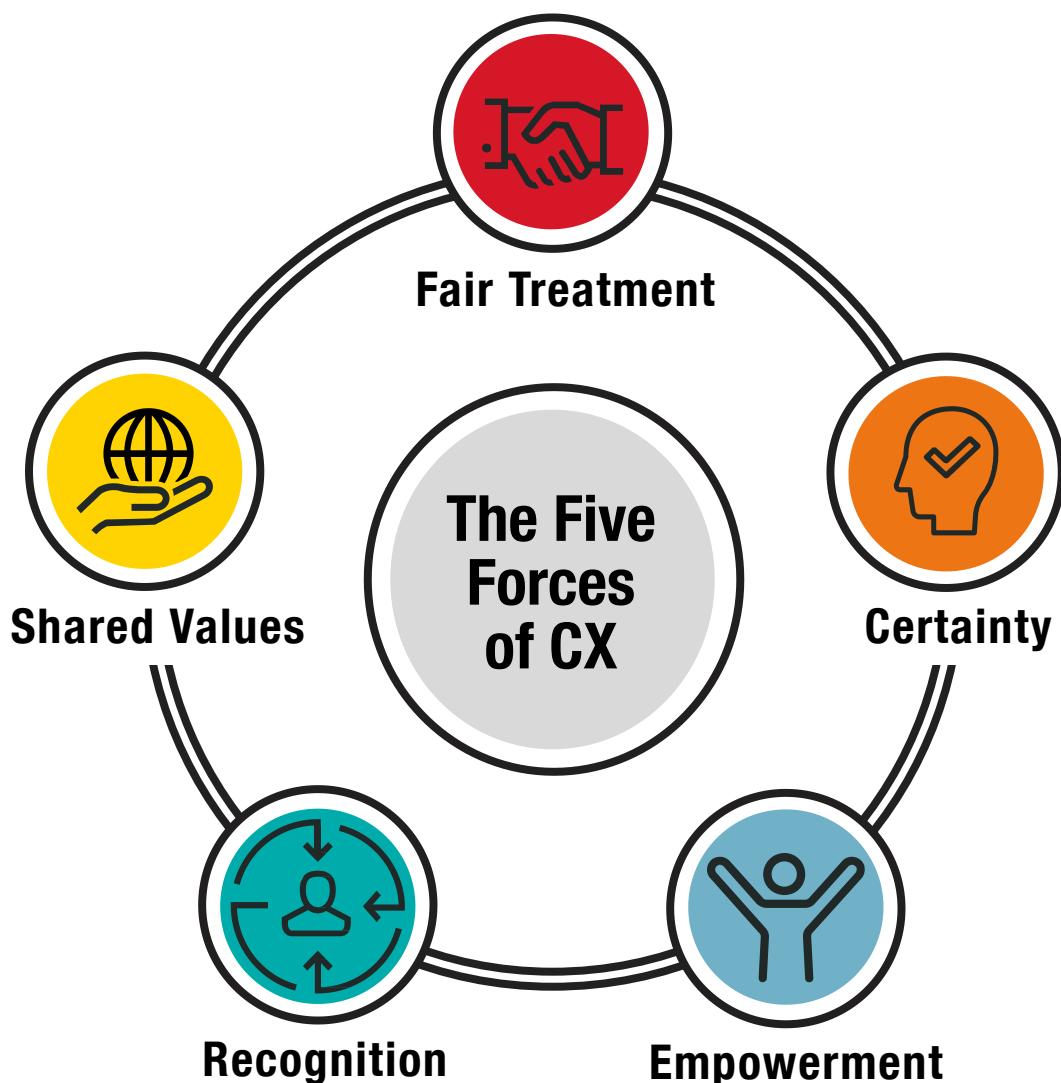
Ipsos carried out R&D<sup>2</sup> across nine sectors to identify the key ingredients to strong relationships between customers and companies. We employed behavioural science theory to frame our analysis of more than 9,000 evaluations of customers and boost our understanding of their expectations of interactions and relationships with brands.

We established the role and quantified the impact of 'emotional attachment' on relationship strength. We were

then able to prove that a more human-centric CX framework can help brands drive stronger attachment, longer-lasting and more profitable relationships with their customers.

This paper, *The Five Forces of Customer Experience – The science of strong relationships*, introduces a human-centric framework that helps organisations better design and deliver Customer Experience that drives true competitive advantage and a better 'Return on CX Investment' (ROCXI).

**Figure 1** The Five Forces of CX



Source: Ipsos R&D 2019

# BEYOND FUNCTIONAL

Emotional attachment is key to driving relationship strength and higher Customer Lifetime Values. In a previous paper, *Getting Sticky: Emotional attachment and profitable customer relationships*<sup>3</sup>, we introduced a way to quantify the level of emotional attachment of customers towards brands and to segment customers accordingly.

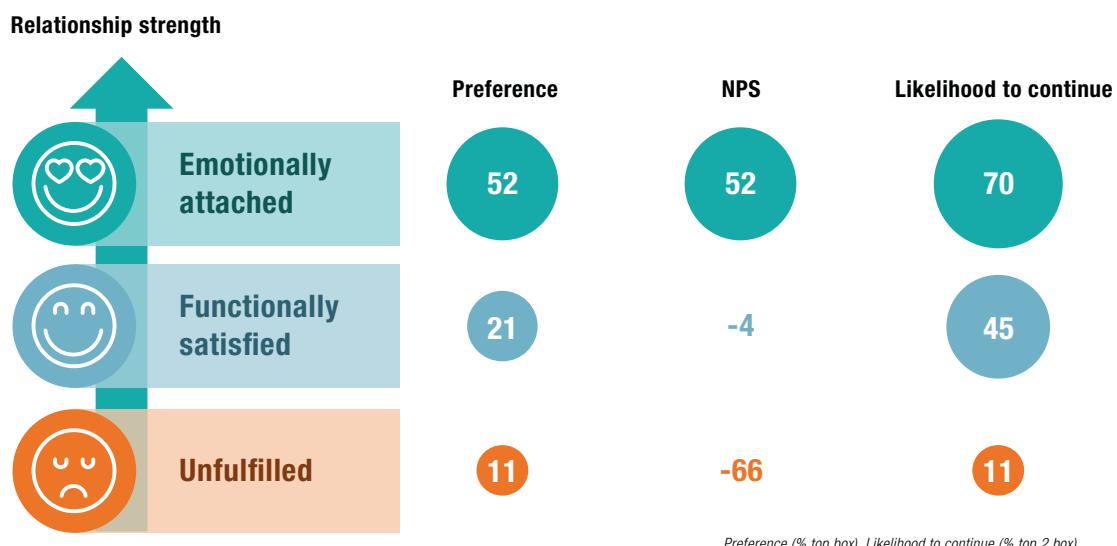
Our latest data shows that, while there are benefits associated with creating functional satisfaction, huge gains can be achieved in terms of 'business success metrics' as relationship strength increases. As figure 2 demonstrates, when a customer is emotionally attached, they are:

- far more likely to express a preference towards the brand

- much more likely to recommend the brand
- significantly more likely to stay with the brand in the future

In addition to being crucial to driving customer retention, advocacy, preference and resulting share of spend, emotional attachment can insulate brands from mistakes. Emotionally attached customers are more likely to be forgiving, which can lead to reduced rates of complaining behaviour and a higher operational efficiency. Figure 3 shows that emotionally attached customers' likelihood to continue with a brand following a negative experience is 10 times higher than among unfulfilled customers, and almost twice as high compared to customers who are functionally satisfied.

**Figure 2** Emotional attachment is key to driving higher Customer Lifetime Values



**Unfulfilled** – customers fundamentally dissatisfied with value proposition and services

**Functionally satisfied** – customers who think the company is delivering well on all the basics but not showing any emotional attachment

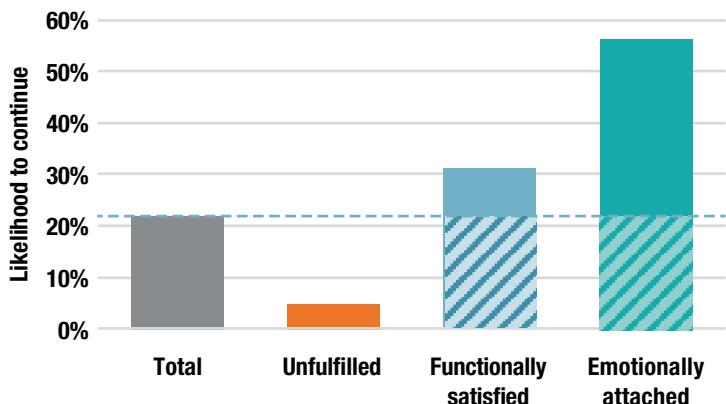
**Emotionally attached** – customers who feel an emotional connection with the brand in addition to being functionally satisfied

Source: Ipsos R&D 2019

**Figure 3** Emotionally attached customers are more likely to be forgiving

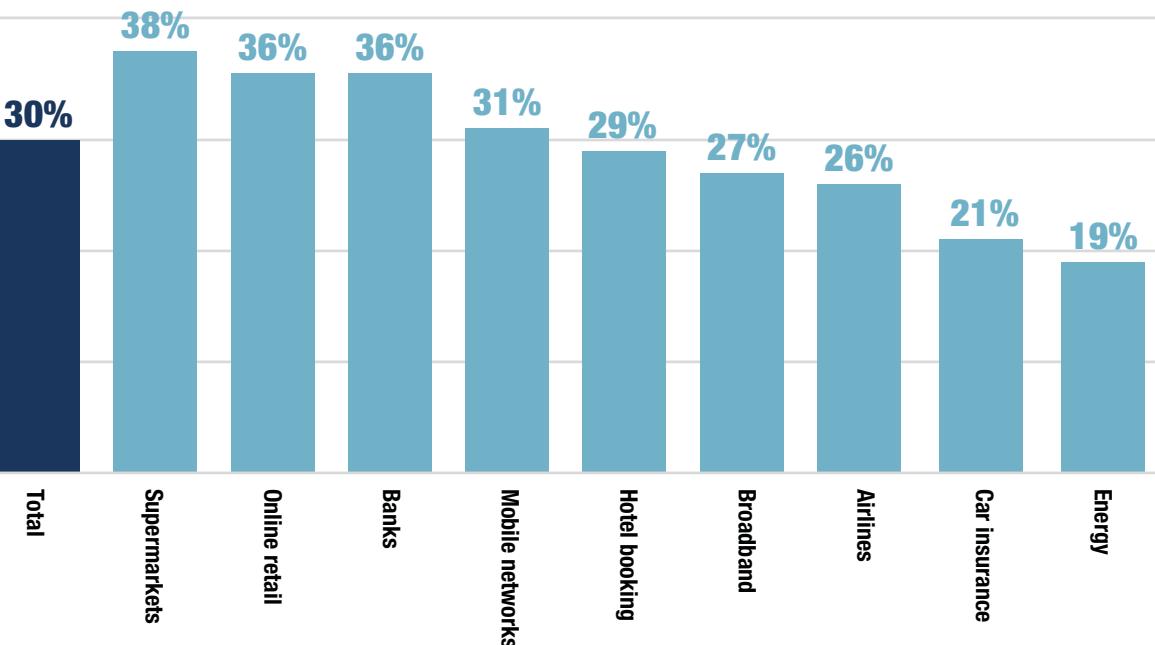


**Likelihood to continue following a negative experience overall by emotional attachment**



Source: Ipsos R&D 2019

**Figure 4** Emotional attachment across sectors



Source: Ipsos R&D 2019

We know that functional satisfaction is not enough. Our analysis demonstrates that emotional attachment is a worthy goal – the rewards in terms of relationship strength and customer outcomes are significant.

But our data shows that, on average across sectors, 70% of customers do not feel any emotional attachment to the organisations they have a relationship with (see figure 4).

The car insurance and energy sectors register the lowest levels with just one in five customers being emotionally attached to their provider, while supermarkets, online retail and banks register the highest levels. To some extent the frequency of interaction plays a role, as being in touch with customers provides opportunities to create positive memories

and stronger relationships. Of course, the nature of the offering and reason for interaction are also influencing factors.

The relatively high numbers for online retail are worth noting; traditionally we have always assumed that emotional attachment was built via face-to-face interactions – employees being friendly to customers or ‘going the extra mile’. But our findings indicate that it is possible to deliver some form of emotional bond in purely digital environments.

But all in all, given the importance of emotional attachment, there is a lot of room for improvement across the board. There is clear evidence that organisations have not yet found consistent ways to create attachment via the experiences they deliver to their customers.

A woman with long brown hair is shown from the side, looking down at a tablet device she is holding in her hands. The tablet screen displays a shopping application for casual fashion, with the words "FRESHSTYLE", "CASUAL FASHION", "BUY TODAY", and "WEAR EVERYDAY!" visible. Several clothing items like shirts and pants are shown on the screen. The background is blurred, suggesting an indoor setting.

**Organisations need to move  
from creating experiences that  
are shallow and transactional  
to deep and truly relational**

# TOWARDS A MORE HUMAN-CENTRIC CX

So, how can organisations design and deliver the Customer Experience to drive emotional attachment and strong, meaningful and profitable relationships?

The answer is to ground CX in a deep understanding of people. Customers are humans before they are customers. As such their attitudes and behaviours are governed by some fundamental forces, or motives, that are well referenced in behavioural science.

In collaboration with Ipsos' Global Behavioural Science Centre, we developed a framework for Customer Experience, starting with core motives that frequently appear in the psychological literature, which explores how social relationships are established and flourish (Susan Fiske's BUCET model of human relationships<sup>4</sup>).

While different social psychology theories have been developed to describe the motives that underpin social behaviour, Fiske (2008) outlines five core social motives that appear common across different theories. These core social motives include:

**Belonging** is the most fundamental of the core motives, focused on the need to build and be a part of strong, stable relationships.

**Understanding** is focused on seeking a socially shared understanding of each other and the environment to predict what could happen and make sense of what happened.

**Controlling** is about feeling effective in managing one's social environment and self, with the view of relating what is done to what is received.

**Enhancing Self** is concerned with placing a special status on the self to protect, improve, and maintain a sense of self.

**Trusting Others** relates to the need to know whom to trust and the rules that specify the nature of trusting relationships, with the preferred view being that others (especially closer others) are generally benevolent.

We were able to identify five key dimensions, linked to these core motives, which we then validated to be strong predictors of emotional attachment and relationship strength.

## INTRODUCING THE FIVE FORCES OF CX

**Fair Treatment** is about making customers feel that there is a fair exchange in their relationship with the organisation; a key building block of relationship strength. Our previous research, including our paper *Get Fair or Fail: Why fairness is key to business success*<sup>5</sup> made a powerful statement about the importance of Fair Treatment on customers' relationships with brands. If an organisation's value proposition or service handling is fundamentally unfair, customers will simply not engage further.

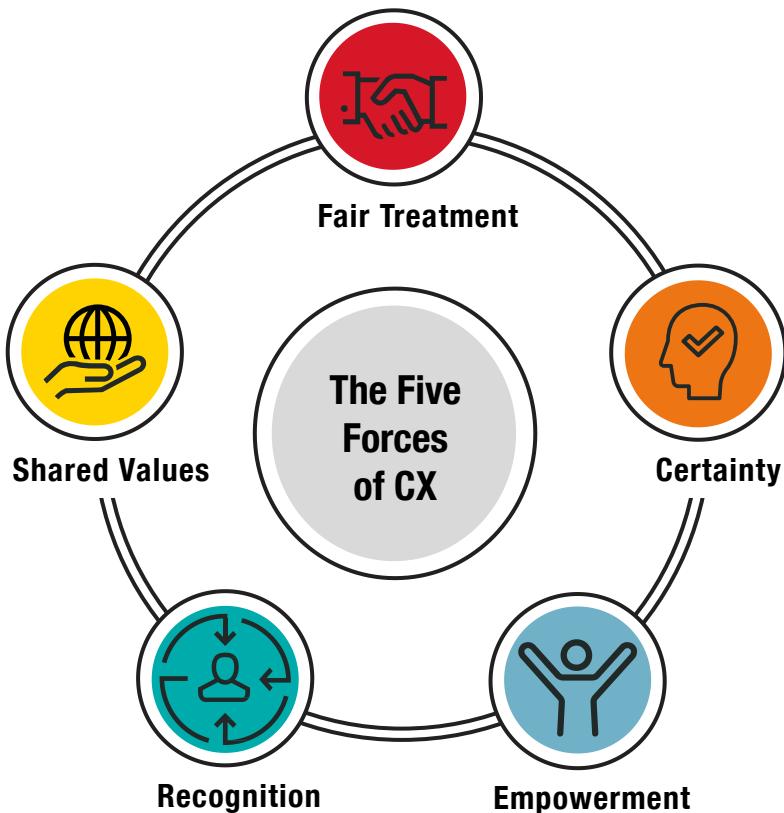
**Certainty** is about making customers feel that things are clear, transparent, and working as expected. Customers like to be able to understand what the next steps are and get clarity on outcomes. Customer choice quite often involves some amount of uncertainty; brands should be mitigating this by providing clear information and a strong, consistent service proposition.

**Empowerment** is about helping customers feel in control of the situation; to be in the driving seat. Empowering customers means providing them with meaningful choices and the ability to access the full range of services and options available. Increased empowerment can lead to increased familiarity with the proposition, a sense of competency and a higher propensity to self-serve and buy additional services.

**Recognition** is about making customers feel valued, respected and worthy of special treatment. If accomplished it can, of course, help to strengthen the relationship.

**Shared Values** is about helping customers feel a sense of belonging and showing you care about the greater good. This dimension refers to a brand's ability to build a sense of belonging – a truly meaningful relationship with a sense of purpose and authenticity.

**Figure 5** The Five Forces of CX



### **Fair Treatment**

Make customers feel that there is a fair exchange in their relationship with you



### **Certainty**

Make customers feel that things are clear, transparent, and working as expected



### **Empowerment**

Help customers feel in control of the situation and in the driving seat



### **Recognition**

Make customers feel valued, respected and worthy of special treatment



### **Shared Values**

Help customers feel a sense of belonging and show you care about the greater good

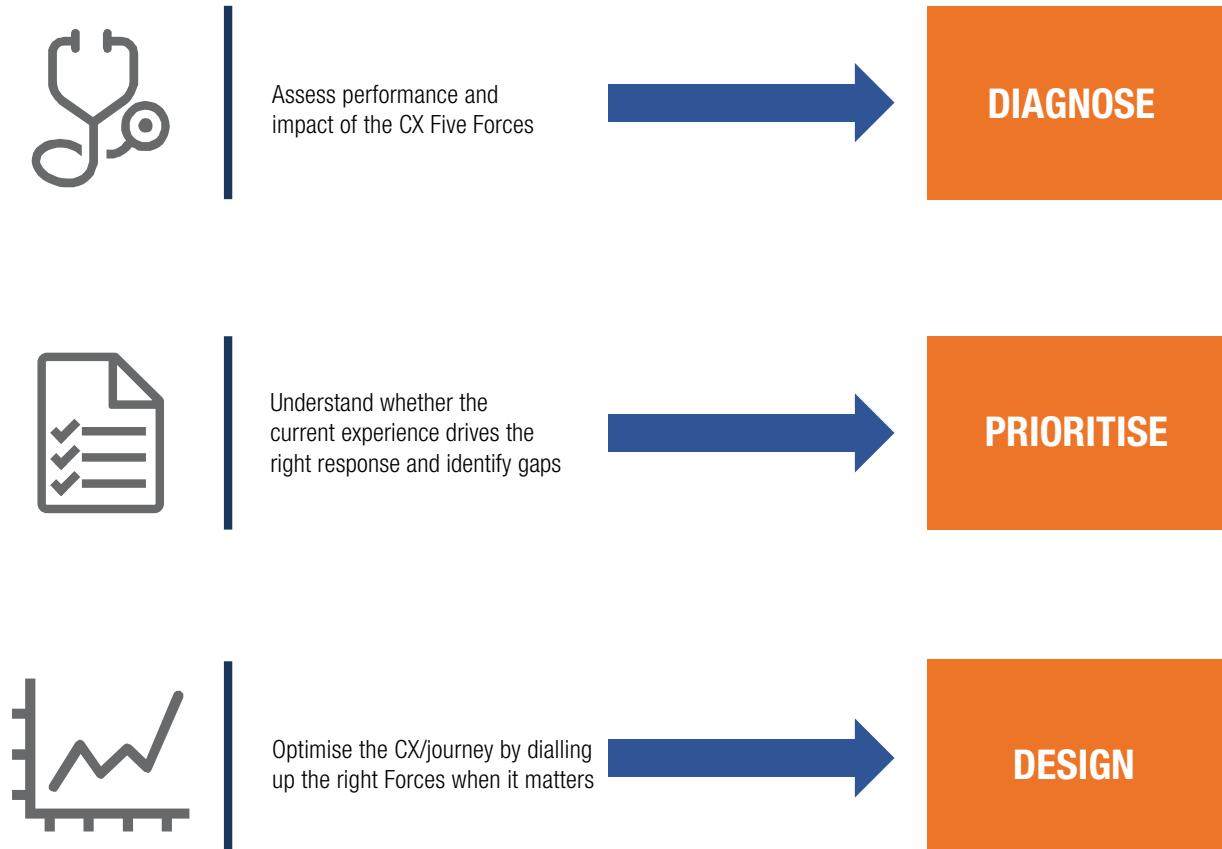
Source: Ipsos R&D 2019

# LEVERAGING THE FIVE FORCES OF CX TO DRIVE COMPETITIVE ADVANTAGE

Organisations need to leverage this deep understanding of customers to move from creating experiences that are shallow and transactional to deep and truly relational. Only then will the Customer Experience truly bring the financial return associated with relationship strength.

As part of our R&D, we were able to identify statements that can be included in customer surveys to measure the Five Forces. By adding these dimensions to customer surveys, organisations can diagnose, prioritise, design – or indeed redesign – their Customer Experience accordingly, so that it drives the right outcome. Three key analytical steps are needed to provide the right guidance.

**Figure 6** Diagnose, prioritise, design



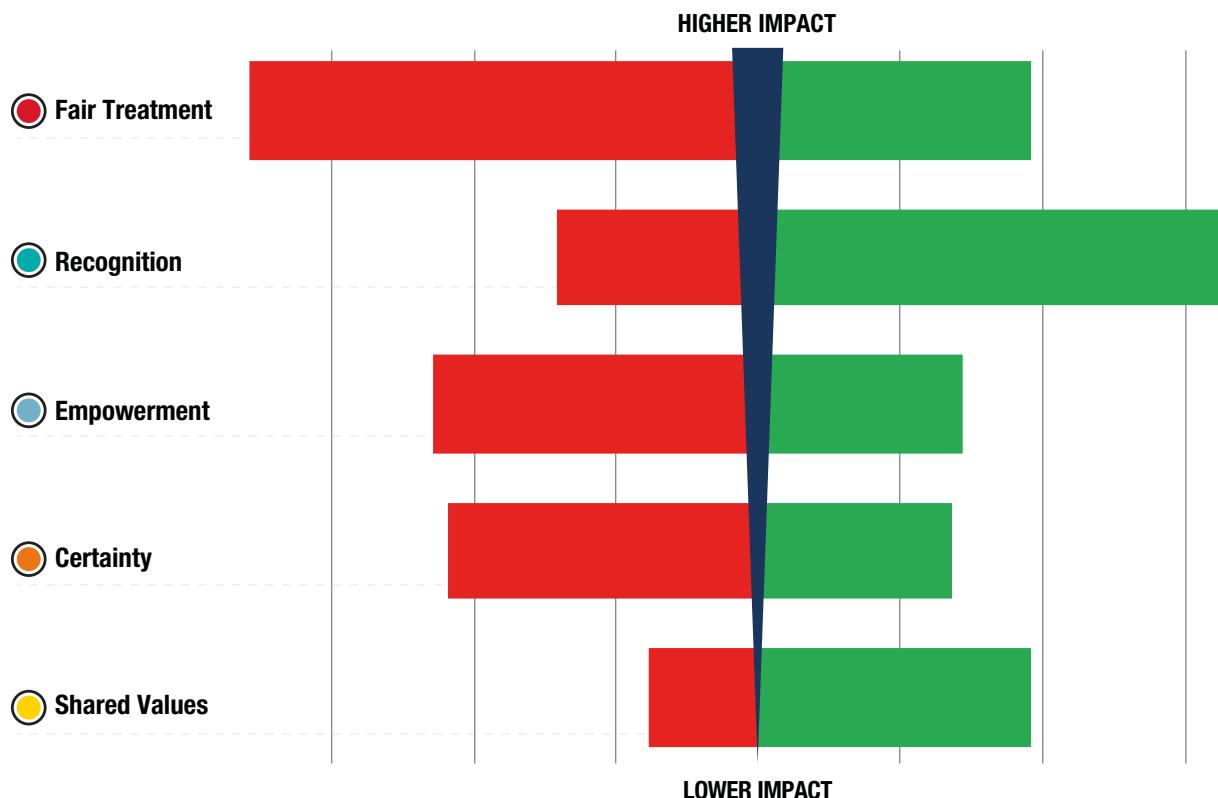
Source: Ipsos R&D 2019

## DIAGNOSE

As always, the first step is to understand how brands stack up against each of these forces; how well they perform on each. Then, using key driver analysis, we can understand the relative impact of each of the Five Forces on the relationship strength and rank them.

Figure 7 shows the relative importance of the Five Forces for all sectors combined. Fair Treatment comes out on top and is mainly a barrier, or hygiene factor. The lack of Empowerment and Certainty can also be significant barriers to strong relationships, while on the other hand Recognition and Shared Values are positive drivers.

**Figure 7** Relative impact of the Five Forces on relationship strength



Source: Ipsos R&D 2019

However, our analysis also shows that the importance of each force varies by sector. For example, Empowerment is a stronger driver for hotel booking sites compared to other sectors, reflecting the importance of being able to control all aspects of the experience via a digital platform.

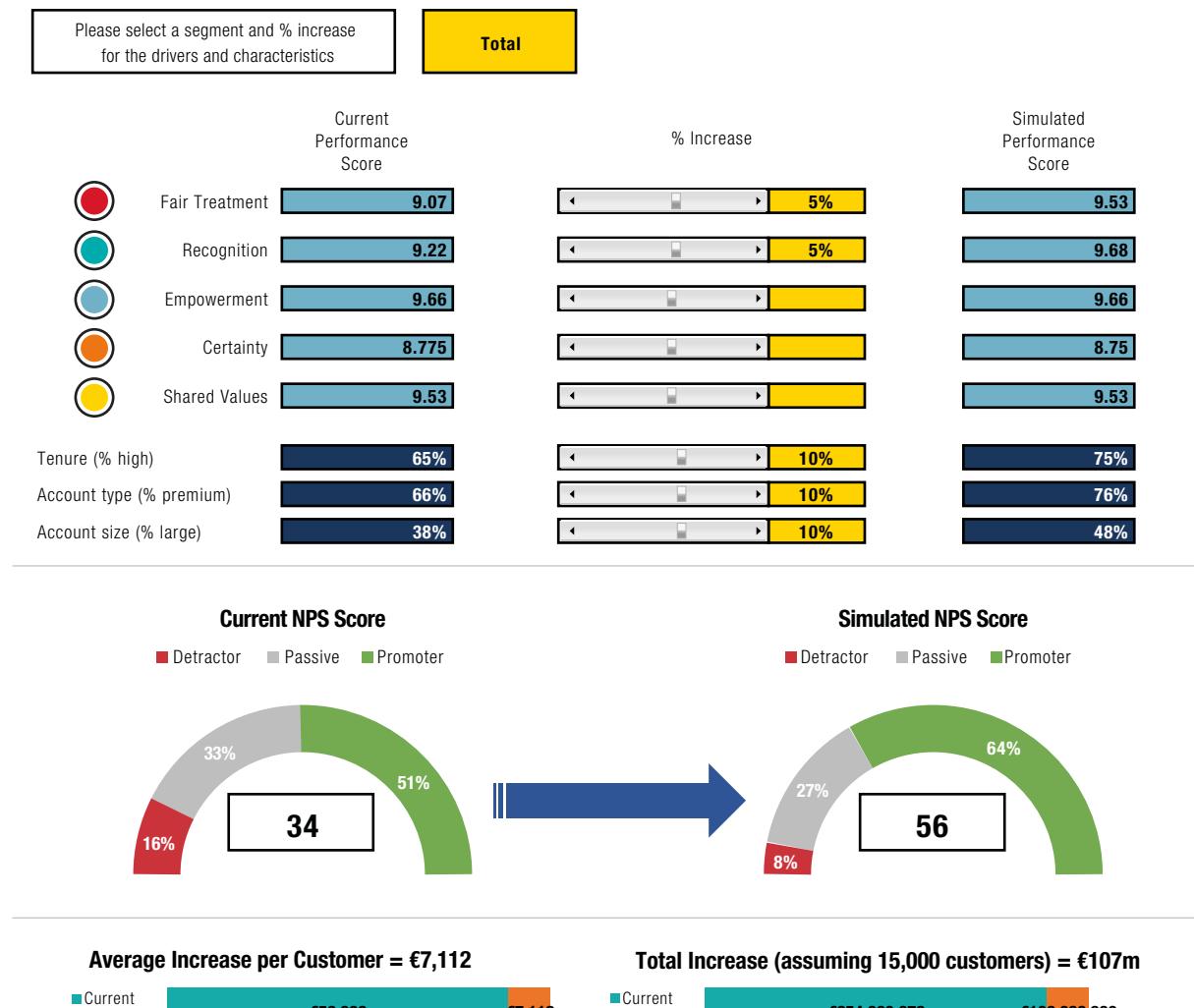
Of course, drivers also vary by brands within the same sector. It is therefore crucial for organisations to work out which forces drive their relationship strength most among their own customers, as well as at an overall sector level.

## PRIORITISE

Organisations need to compare their performance against competitors to identify the ‘battlefields’ worth fighting over. But this does not go far enough. By analysing performance and importance, we can identify priorities for action. We can go further still and model the potential return on investment associated with improving performance on the Five Forces of CX (see figure 8).

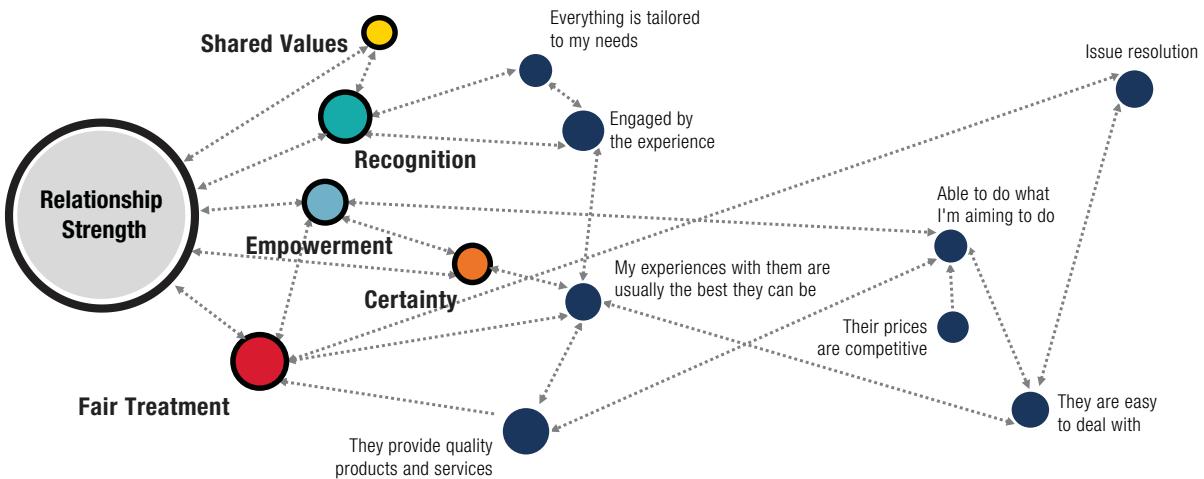
We also need to understand how to leverage the CX to drive the right response on the key forces. This can be achieved by looking at the interplay between various aspects of the CX and the Five Forces. We can then work out which elements of service delivery impact these core customer needs and pinpoint gaps in the CX delivery, in other words, aspects of the experience that can be optimised to drive a better customer response (see figure 9).

**Figure 8** Example CX Five Forces simulator



Source: Ipsos R&D 2019

**Figure 9** Functional needs underpinning each of the Five Forces



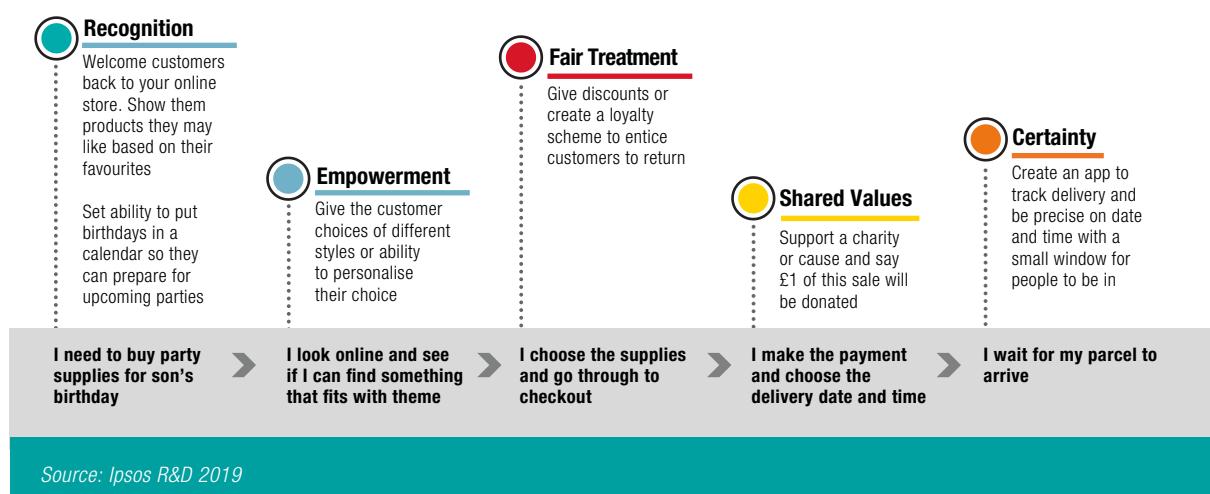
Source: Ipsos R&D 2019

## DESIGN

The Five Forces can be used as a frame to better map customer journeys. We can identify opportunities to dial up the right forces, in the right way, and at the right moments in the customer journey.

The Five Forces analyses described above are fundamental to shaping the design or redesign of the right end-to-end Customer Experience. They provide key input into action plans and, importantly, into building business cases to drive CX improvement across every touchpoint and channel, in every single interaction.

**Figure 10** Optimise the CX/journey: an online journey



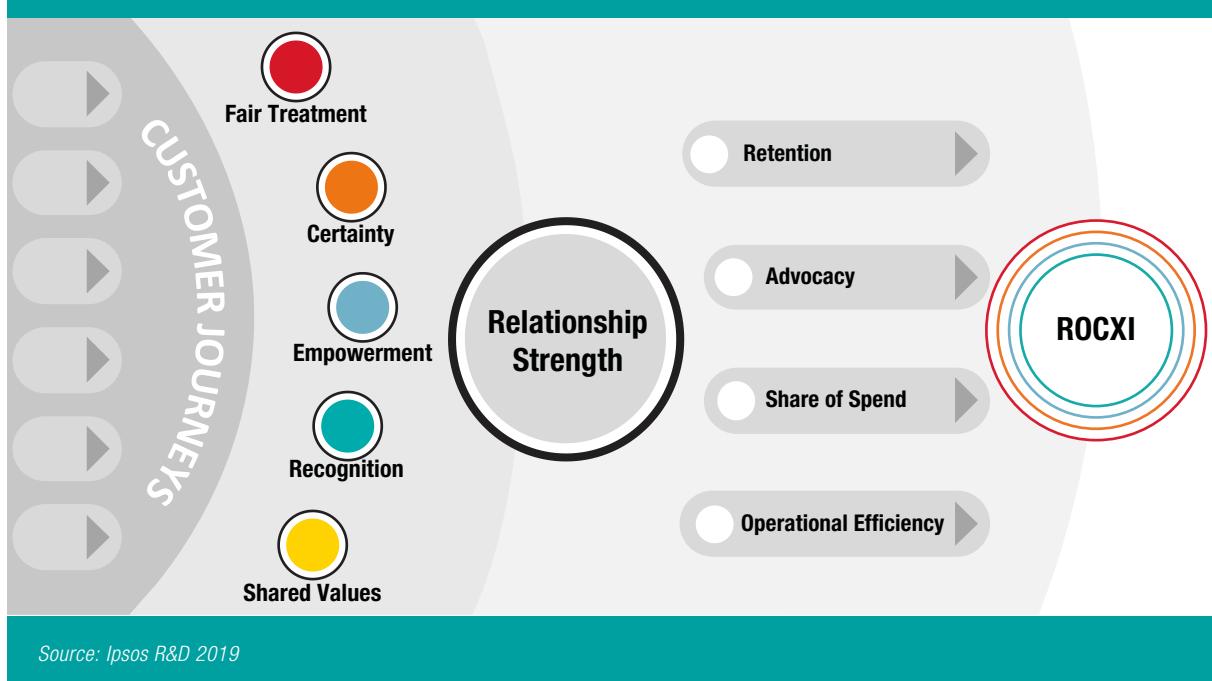
Source: Ipsos R&D 2019

# CONCLUSION

The Five Forces of CX is a universal framework grounded in behavioural science that enables organisations to take their CX strategy to the next level. The framework can help organisations shape experiences which fulfil customers' fundamental needs and create long-lasting and profitable relationships, leading to a better 'Return on CX Investment' (ROCXI).

The Five Forces of CX should be at the heart of any successful CX improvement initiative. The understanding of the importance to deliver on the Five Forces of CX must span every level of an organisation – from C-suite to frontline. The framework needs to shape Voice of the Customer programmes and the resulting insights and action plans need to be truly embedded into your organisation's culture – a culture that needs to be fundamentally customer-, and therefore, people-centric.

**Figure 11** Delivering a Return on CX Investment (ROCXI)



## ABOUT CUSTOMER EXPERIENCE AT IPSOS

Ipsos is a global leader in designing, measuring and delivering value from Customer Experience programmes. We help organisations retain customers and recover those at risk, grow share of spend, increase advocacy and drive up operational efficiency; to 'deliver a Return on Customer Experience Investment (ROCXI)'. Based across 50 countries, our expert CX teams help organisations at all stages of CX measurement and management, using a unique blend of research, technology, analytics and advisory solutions.

## REFERENCES

1. [www.ipsos.com/sites/default/files/ct/news/documents/2019-01/ipsos-mori-captains-of-industry-2018.pdf](http://www.ipsos.com/sites/default/files/ct/news/documents/2019-01/ipsos-mori-captains-of-industry-2018.pdf)
2. Ipsos carried out R&D across nine sectors (airlines, banks, broadband, car insurance, energy, hotel booking, mobile networks, online retail and supermarkets) in the UK (5,000 respondents/9,166 evaluations). Further R&D is being rolled out across LATAM and APAC markets (at time of publication).
3. <https://www.ipsos.com/en/emotional-attachment-and-profitable-customer-relationships>
4. Fiske, S. T. (2008). Core social motivations: Views from the couch, consciousness, classroom, computers, and collectives. In J. Y. Shah & W. L. Gardner (Eds.), *Handbook of motivation science* (pp. 3-22). New York: Guilford
5. <https://www.ipsos.com/en/get-fair-or-fail-why-fairness-key-business-success>

## FURTHER READING

### **Getting Sticky: Emotional attachment and profitable customer relationships**

<https://www.ipsos.com/en/emotional-attachment-and-profitable-customer-relationships>

### **Get Fair or Fail: Why fairness is key to business success**

<https://www.ipsos.com/en/get-fair-or-fail-why-fairness-key-business-success>

### **Mind the Gap: Why what a brand promises and what it delivers matter**

<https://www.ipsos.com/en/mind-gap-why-what-brand-promises-and-what-it-delivers-matter>

# THE FIVE FORCES OF CUSTOMER EXPERIENCE

The science of strong relationships

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