Emotional Intelligence: The Next Data-Driven Revolution in Marketing

A special paper prepared by Foresight Factory (formerly Future Foundation) and Sensum to mark Advertising Week 2017
Imagine a world where you could truly understand your brand’s emotional benefits, measure them at scale, generate the same feelings across all brand touchpoints and address the “so what” by mapping these emotional drivers back to underlying consumer trends.

In this special paper to mark Advertising Week 2017, Foresight Factory and Sensum explore the commercially competitive significance of emotion and illustrate how brands – by using an integrated research approach that combines established and robust quantitative research methodology with nonconscious implicit response testing (IRT) – can quantify the emotional territory that they and their competitive set inhabit. We provide an example analysis of the UK automotive sector, created using original research in February 2017.

More, we illustrate how the emotional territories brands inhabit can be aligned with powerful and evolving trends that provide a framework for more impactful marketing and commercial activity, from repositioning exercises to smarter consumer engagement.

KEY TAKEAWAYS

1. Emotional brand associations drive customer advocacy
   Non-functional and emotional brand associations have the power to significantly enhance the tendency to recommend a brand to others.

2. Most of the five autos brands studied are implicitly associated with functional brand attributes
   Analysis of the IRT study reveals that functional brand attributes – including those relating to reliability, practicality, value, safety and trustability – are widely associated with automotive brands. The two brands that are specifically excelling in this arena are Nissan and Ford.

3. Emotional attributes provide fertile ground for commercial differentiation
   Emotions provide marketers with a rich source of brand differentiation, not least in competitive marketplaces where opportunities to differentiate on functional benefits are limited. Research into UK consumers’ associations with automotive brands reveals, that functional attributes are relatively less impactful than emotional ones in their ability to differentiate brands.

4. ŠKODA packs an emotional punch
   Once a marginal – and maligned – brand, ŠKODA stands out among its competitor set on its ability to elicit emotional associations with the brand.

5. 10 Steps to Emotional Success
   Emotionally Intelligent brands are invited to define their unique emotional territories, as well as the emotional and functional profiles of their sectoral competitors, and use this knowledge as a foundation for more effective marketing activity and positioning.
   (See back page for our 10 Steps to Emotional Success.)
Introduction to Foresight Factory and Sensum

Foresight Factory (formerly Future Foundation) is a consumer analytics company, specialising in trends. We blend data to predict and size commercial opportunity and have partnered with our clients over 20 years to help them be truly customer centric in their decision-making. Our expertise is understanding what consumers worldwide want now and in the future and translating this into recommendations for brand management, product development, loyalty, customer service delivery and other key touch points on the consumer journey.

Our partners in this endeavour, Sensum, are an emotions-based software solutions company. They bring together the art and science of emotion with their creative expertise and technology. Their online platform Sensum Insights gathers emotional responses from audiences and turns them into actionable insights to help brands hone their products, user experiences, content, retail and immersive experiences.

Driving emotional impact: the step change

Customer emotion represents a new and growing source of analytics intelligence that marketers and brands can use to optimise the process of exposing consumer truths for commercial gain.

A suite of new research capabilities marry conscious consumer responses with their implicit associations, presenting marketers with a scalable, agile and cost-effective way of monitoring how their customers genuinely feel about their brand – and using this insight to protect emotional territories and pivot to those (and their driving consumer trends) that promise to deliver lasting emotional relationships with customers.

A new world of emotionally intelligent marketing excellence awaits.
A Roadmap to an Emotionally Intelligent Future

The concept of accurately recognising consumers’ emotions and using this knowledge to drive more impactful commercial activity greatly excites the 21st century marketing and branding professions.

Nascent and established emotion-recognition techniques are being recalibrated in pursuit of marketing activity and consumer experiences that can consider both the functional and emotional benefits for the customer – and which can be brought to bear on all brand touchpoints, from the out-of-home display to the in-aisle experience.

It is true that emotional triggers have long been employed to amplify the functional product pitch; indeed, ours is an industry well aware, perhaps more so than any other, of the power of the well-positioned emotional hook. More, consumer research has shown that positive emotional associations – with products, services and commercial experiences – can be a positive contributor to brand advocacy.

In a 2016 cross-sectoral study on the attributes driving brand advocacy in the UK, Foresight Factory found that whilst advocacy is positively influenced by a brand’s ability to deliver core functional benefits, non-functional and emotional attributes have the power to significantly enhance the tendency to recommend a product or service to friends, family members or colleagues.1

Using regression analysis to highlight brand attributes that contribute positively or negatively to brand advocacy (as measured by respondents’ NPS scores), attributes such as being “genuine”, “authentic” and “makes me feel good” were on average found to make people 14% more likely to recommend their preferred supermarket to friends, colleagues and family members.

A future beckons in which human emotion becomes an ever more valuable – and measurable – commercial commodity.

Crucially, consumers themselves are becoming more and more adept at openly expressing their emotions, not least online. In 2016, 32% of global Superemoji users – consumers using emoji in online interactions on a daily basis – and we expect this figure to double to 63% in 2018.2

New and difficult to interpret emotional signals are flooding onto the marketplace; how can brands respond?

Welcome to the world of Emotionally Intelligent brands.

1, 2. Source: Foresight Factory Research, 2016

What influences strong brand advocacy (a strong NPS score) in the UK

POSITIVE
Value for money
Best quality
Genuine
Inspires me
Makes me feel good
+14%

NO CLEAR RELATION
Environmentally friendly
Treats workers well

NEGATIVE
Exclusive and personalised promotions
Reward my loyalty
-10%
In February 2017, 1,000 UK participants took part in an online "image categorisation" task (lasting 20 minutes), where a visual stimulus – in this instance, one of five logos of automotive brands present in the UK market – appears in the middle of the screen and the participant is required to categorise the image to one of two associated target brand images on the left and right of the screen (one of which is the same as the stimulus image) as quickly as possible, with response times measured by the tool. Just before the brand image appears, an attribute word (one from a list of 20) momentarily appears on screen. The attribute word "primes" the participant to one of the two target images and, if the following brand image is congruent with this prime, the categorisation process will be quicker than with an incongruent image. As this is a rapid categorisation task, there is not enough time for a participant to make a rational evaluation; therefore, the results indicate "implicit" associations.

Analysis of the IRT study reveals that, as might be expected, certain attributes are implicitly associated with certain brands more than others. With regards functional brand attributes – including attributes relating to reliability, practicality, value, safety and trustability – Nissan and Ford rank highly in the results.

As we can see in the graphic below, which orders the study’s brands into a hierarchy according to the various surveyed attributes, respondents implicitly associate Ford more strongly than all other brands with the attributes “Good Value”, “Bargain” and “Safe” and the brand also ranked second-highest for being “Reliable”, “Practical” and “Affordable”.

Meanwhile, respondents implicitly associate Nissan more strongly than other brands with the attributes “Reliable”, “Practical”, “Comfort” and “Trust”.

It is of little surprise then that both Nissan and Ford models featured among the top 5 selling car models in the UK in 2015 and suggests the vital importance of being perceived as having strong functional brand credentials in this sector.

However, functional attributes are somewhat underpowered in their ability to differentiate brands in the automotive sector. Emotional attributes have the power to differentiate, as we go on to reveal next.

The research involved 1,000 UK participants who completed an online implicit response test (IRT), a research methodology championed by Sensum that measures people’s non-conscious, or implicit, associations with brands, products or real-time experiences.

Implicit response testing (IRT): our methodology

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Emotions and autos: a case study

In February 2017, Foresight Factory and Sensum conducted new research into brand perception in the UK automotive sector in order to better understand which attributes – both functional and emotional – are strongly associated with the sector as a whole, and which are unique to individual automotive brands. Which car brands can be said to be delivering perceived functional benefits? And which brands have the healthiest stock of emotional appeal?

Five automotive brands with a UK presence were included in this study: Volkswagen, Ford, ŠKODA, Nissan and Peugeot. These brands were chosen because of their similar target market profiles as well as ranges with similar value propositions.
Emotional attributes provide more fertile ground for brand differentiation

Emotions of all kinds provide marketers with a rich source of potential brand differentiation, not least in competitive marketplaces where opportunities to commercially differentiate on core functional benefits are limited.

Whilst an automotive brand’s reputation in areas relating to safety, reliability and value represents a fundamental pillar of consumer trust and custom, converging industry standards with regards functional attributes limit automotive brands’ ability to differentiate on functional grounds alone.

Indeed, the standard deviation – or spread – between functional attribute scores is less pronounced across the five brands surveyed than the standard deviation between the brands’ emotional attribute scores, as we can see in the standard deviation chart above (which shows that the standard deviation or spread of the attribute scores within the functional categories is lower than the main emotional categories).

In other words, whilst some brands are more associated with functional attributes than others, functional attributes – including quality, safety and reliability – do not appear to significantly separate the five surveyed automotive brands from each other as dramatically as emotional attributes can.

The IRT study tells us that for automotive brands to generate positive, engaging and differentiated brand perceptions, to focus marketing efforts on communicating functional attributes alone will likely not suffice.

No single automotive brand performs consistently across all functional and emotional attribute areas

No single automotive brand included in the IRT study outperformed other brands consistently across all of the attribute areas.

Rather, brands including Nissan and Ford tended to feature highly with regards implicit associations with functional attribute areas while more emotional attribute areas tended to see brands including ŠKODA and Volkswagen feature more prominently, as we can see in the general ranking chart below.
ŠKODA's performance is particularly noteworthy. Once a marginal – and maligned – brand, it ranks relatively well against its competitor set on emotional attributes, as well as on the more functional attributes of affordability, quality and value.

Compared with the other automotive brands included in the study, ŠKODA is more strongly associated with the emotional attribute words "Innovative", "Exciting", "Appealing" and "Rewarding" – this despite the fact that only 1 in 10 participants in the IRT study claimed to be ŠKODA owners (though the brand recently reported record sales in the UK in 2016).4

It is significant that ŠKODA's most recent marketing activity in the UK has been steeped in emotional storytelling. The brand's TV campaign that launched in February 2017 – and which featured the Olympian Sir Bradley Wiggins – marked a departure from the functional messaging it has typically favoured and opted instead for an emotionally-charged and human-focused story of resilience and the overcoming of adversity.

According to ŠKODA's head of UK marketing Kirsten Stagg: "Our new motto 'Driven By Something Different' runs throughout the business. We want to engage on more of an emotional and aspirational level with our advertising; it's a real step change for us".5

One could interpret herein a message that after years of proving the functional value of the brand's offer, it felt it had earned permission to appeal to consumers on a more emotional level; an appeal that, according to our study, appears to have been welcomed, implicitly at least, by consumers.

Overall brand ranking
Results from the IRT study can be combined to create an overall brand performance score, which can act as a guide to those brands that are currently eliciting both functional and emotional implicit associations among study participants. The ranked results are as below:

1. ŠKODA
2. Volkswagen
3. Ford
4. Nissan
5. Peugeot

The ŠKODA brand ranks highest, showing that the brand is successful – in relation to the other brands included in the study – at connecting with consumers on both an emotional and functional level.

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4. According to ŠKODA, a total of 80,372 cars were registered in 2016, up 7.6% on 2015 (74,692), equating to a total UK market share of 2.98% (2.84% in 2015)
5. Source: Marketing Week, 03/01/2017
Recommendations: maximise the effectiveness of unique emotional territories with predictive consumer trends

Emotionally Intelligent brands are invited to define their unique emotional territories, as well as the emotional and functional profiles of their sectoral competitors, and use this knowledge as a foundation for more effective marketing activity and positioning.

Once a brand has established an understanding of the relative strength of the emotional and functional associations consumers make with it – including the unique associations that only it appears to attract – it can proactively and creatively manage its emotional territory over time.

Should it belong to a sector in which emotional associations are a key and quantifiably significant brand differentiator – as we suggest is the case for the UK automotive industry – a brand can identify and exploit those attributes that remain underutilised by the competition and establish an emotional brand stronghold of its own.

Meanwhile, brands can investigate the extent to which consumers’ emotional associations tally with the brand’s overarching brand values; to what extent should dissonance here be tolerated? Very little, we would argue.

Above all else, by mapping their unique territories (whether they already exist or are aspired-to) to evolving and future-focused socio-cultural trends – in other words, consumer needs and expectations – brands can ensure that the emotional territories they inhabit today do not become a competitor’s tomorrow.

We have created a 10 step guide for brands to deliver emotional success. We summarise this powerful new process at the end of the report.

Aligning Trends to unique brand attributes

The IRT study found that in a head-to-head implicit association test between Nissan and ŠKODA, Nissan is more closely associated with the emotional attribute “Playful” than its competitor.

The brand is invited to align its unique emotional territory with corresponding and future-relevant trends in consumers’ lives – for example, the consumer’s respect for game-like challenges in everyday life that creates future opportunity for brands to incentivise consumers to help them achieve their life goals (for more, see Foresight Factory trend Challenge Accepted¹) – and to monitor trends’ evolution so that new facets are not overlooked and emotional territories can be optimised over time.

In another example, this time comparing implicit response tests involving ŠKODA and Ford, we see that whilst the attributes “Safe” and “Affordable” are implicitly associated with both brands, “Family” is more strongly associated with ŠKODA. The brand is invited to monitor trends that relate to family relationships – for example, the Foresight Factory’s Networked Family trend, which describes the changing nature of cross- and intra-generational family collaboration – so that it can maintain and keep relevant its associations with the attribute.

6. 62% of UK Millennials are interested in using an app or service that sent them an exercise challenge to complete every week (Source: Foresight Factory, 2016)
10 Steps to Emotional Success

Emotionally Intelligent brands are invited to define their unique emotional territories, as well as the emotional and functional profiles of their sectoral competitors, and use this knowledge as a foundation for more effective marketing activity and positioning.

1. Execute brand assessment against core attribute territory in your sector.
2. Determine gap analysis for your brand against your competitor set.
3. Is there resonance or dissonance with your overall company/brand values?
4. Evaluate core emotional areas that align to your customer and future customer expectations.
5. Pivot to those attributes where there is clear emotional distinction for your brand.
6. Using predictive trends, size which attributes represent the biggest growth opportunity for 1, 3, 5 years.
7. Checklist of key questions:
   - Does our value set need to be expanded?
   - Can we execute against the chosen predictive trends?
   - Are we truly standing out in emotional territory which also looks attractive to the competitor set?
8. Reconsider positioning with all key stakeholders. OR
   Having expanded emotional territory, align all strategic and creative agencies behind it.
9. Check that these are the right pillars that resonate in all of your global markets.
10. Continue to track the consumer voice to ensure that emotional territories remain relevant and deliver competitive advantage.