

BRIDGING THE BRAND EXPERIENCE GAP

How to align brand promise
and customer experience
for business success

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IPSOS VIEWS

GAME CHANGERS



BRAND AND EXPERIENCE ARE BECOMING EVER MORE INTERTWINED

Brands are not only built through advertising, but also through experiences. The experience economy is on the rise, whilst consumer expectations are increasing and becoming truly liquid across different product and service categories. This means that brand building and customer experience are not separate endeavours and it creates a powerful intersection to which brands and companies must pay attention.

This has real implications for how brands are managed and their performance measured.

An explicit understanding of the role of customer experience and its impact on brand equity and growth is needed to enable our clients to build stronger brands.

This paper presents Ipsos' innovative approach that empowers businesses to identify, measure and prioritise the brand and customer experience dimensions that can be leveraged for the pursuit of growing strong and successful brands.

INTRODUCING BRAND CX FORCES

Brand CX Forces is an integrated measurement system that enables organisations to explore that powerful intersection and bridge any gap that may exist between what a brand promises to deliver, and how people interact with the brand through customer experience (CX). This allows clients to ensure their brand building and CX activities are working harmoniously to drive the critically important business goal of achieving and maintaining brand growth. The integration of brand and CX insights allows us to answer several important business questions, including:

- **How to best align and manage brand and CX activities so that they resonate and drive positive outcomes?**
- **How to best allocate spend across acquisition and customer loyalty to maximise growth?**
- **How to build targeted acquisition and retention strategies?**

GROUNDING IN A DEEP UNDERSTANDING OF PEOPLE

Ipsos' Brand Growth Story¹ provides the backdrop and common starting point to the philosophy behind the Brand CX Forces approach.

Brands grow when they are bought by more people, more easily and more often. Brand growth by 'more people' is not just about **growing your customer base, nurturing your existing customers and getting them to use your brand more often**, it is also about **minimising defection** – in other words, minimising an outflow of customers that may prefer to use other brands instead.

The Ipsos Brand Growth Story outlines the three instruments that brands have at their disposal to influence consumer decision-making and drive growth. These are outlined in Figure 1.

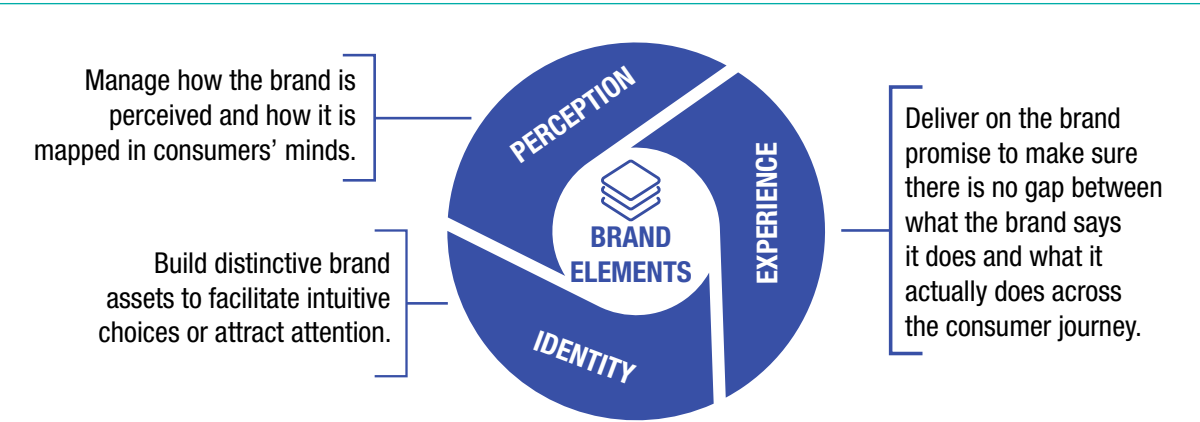
Ipsos R&D² shows that in order to drive stronger relationships with customers and reduce churn, brands need to deliver on their promises. The signals a brand sends and the experience it offers customers are inextricably linked.

If there is a gap between what the brand says and what it does, customer expectations are violated, and attitudinal and behavioural adjustments can follow.

When brands consistently fail to deliver on what they promise, customer relationships begin to erode and can fail over time, which leads to customer defection – and ultimately 'fewer people'. Conversely, when the experience consistently reinforces the brand promise, perception becomes more grounded, customers grow closer, and they use the brand more frequently. To shape positive memories and outcomes, we need to be aware of the key experiential forces that drive strong and lasting relationships.

It is clear therefore that these marketing instruments need to work together harmoniously to maximise the influence on brand choice.

Figure 1: Instruments for brand growth



Source: Ipsos

THE VALUE IN BUILDING STRONG CUSTOMER RELATIONSHIPS

Our data³ proves that there is a direct financial benefit in deepening customer relationships. When brand relationships are strong and commitment is high, people want to buy that brand **more often** above all others, giving disproportionately more share of wallet to that brand, and so the brand benefits greatly in terms of revenue.

Brand Desire quantifies the relationship strength people have with a brand, or simply put, it is a measure of how much people want to use a brand. Share of wallet is a survey-based metric of stated spend given to each of the brands people use or buy in a category. Figure 2 shows that there is an exponential relationship between the brand relationship and the proportion of

spend given to brands that have forged stronger relationships with their customers.

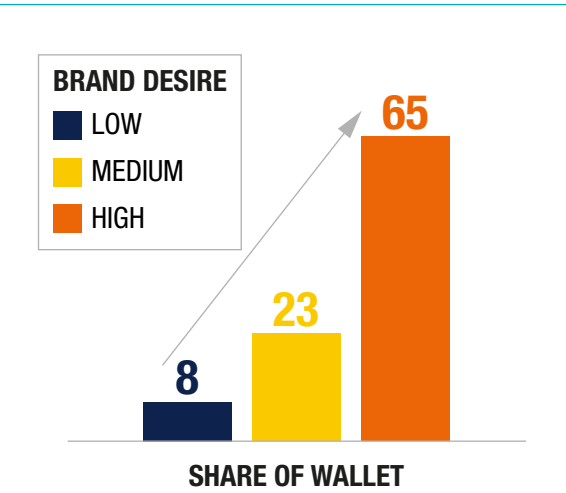
This pattern is true across all categories, but particularly pronounced in telecommunications, financial services and general services⁴, where customers with strong relationships give their service provider more than three-quarters of their total category spend.

Therefore, for brands to become and remain successful, they need to know how to grow strong, solid brand relationships with their customers to benefit from the revenue gains that are to be had.

In addition to being crucial to drive customer retention, advocacy, preference and resulting share of spend⁵, relationship strength can insulate brands from mistakes.

Customers with strong relationships, as measured by high Brand Desire, are more likely to be forgiving⁶, which can lead to reduced rates of complaining behaviour and a higher operational efficiency. Furthermore, as shown in Figure 3, customers with high levels of desire are still likely to be brand advocates (as measured by the Net Promoter ScoreSM)* following a negative experience, whereas those with weak desire are not.

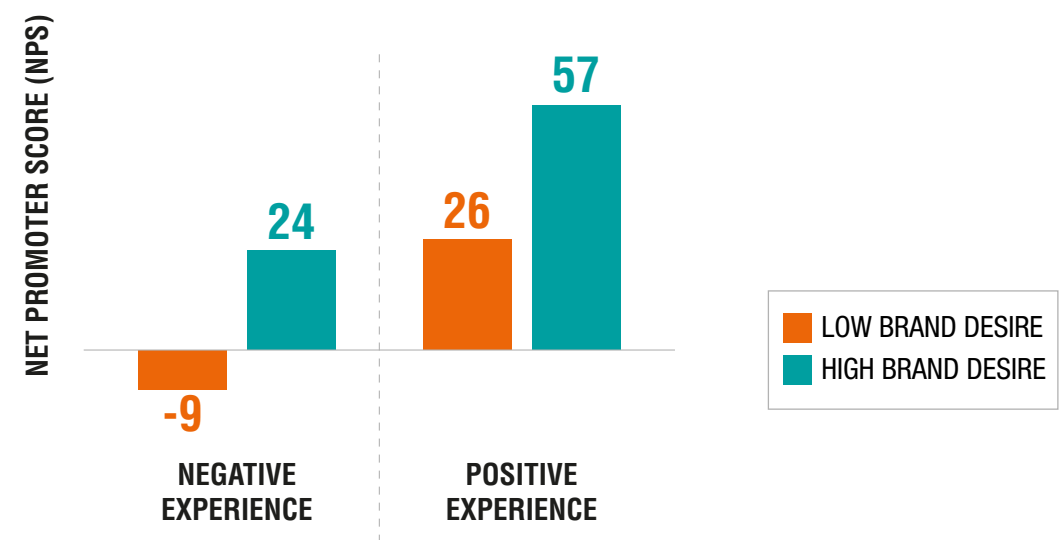
Figure 2: Customers who have strong relationships (Brand Desire) with brands give exponentially more share of wallet to that brand over other brands where the relationship is weaker



Source: Ipsos

*Net Promoter®, NPS®, NPS Prism®, and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld. Net Promoter ScoreSM and Net Promoter SystemSM are service marks of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld.

Figure 3: Customers with strong brand relationships (high Brand Desire) are more likely to be advocates following a negative experience with the brand



Source: Ipsos

THE ROLE OF CX IN BUILDING STRONG RELATIONSHIPS

Positive customer experiences improve levels of advocacy, even amongst those with weak desire (see Figure 3), and recent studies⁷ further demonstrate the importance of good customer experience in building strong relationships.

In four service categories researched in 2020, attributes relating specifically to the customer experience (such as ‘provides excellent customer service’ and ‘offers the best experience when shopping’) were among the top five most impactful aspects in terms of driving strong brand relationships in every category⁸. This means that improvements in the perceived customer experience offered by brands in these categories will yield growth for the brand relationship; demonstrating the importance of good CX as a crucial delivery area.

Not only is delivery of good CX important for driving the brand relationship, it provides an opportunity to strengthen the brand. Brands across a spectrum of sectors, including but not limited to services, finance, telecommunications, tech and retail, are now using experience to create spaces for customers and their brands to connect more deeply, with the aim of building stronger relationships and ultimately securing long-term profitability.

For true competitive advantage today, organisations need to design and deliver experiences that go beyond the transactional.

One of the key success factors in this is to make sure that brand and CX resonate – that CX delivers on the brand promise and reinforces the key values that a brand stands for.

BRAND CX FORCES DELIVERS GREATER VALUE AND INSIGHT

Brand CX Forces elevates our collective expertise in brand health and CX in one survey-based study. The integration of two of Ipsos’ leading assets, **Brand Value Creator** (BVC) and the **Forces of CX** allows for synergy in strategic insights, enabling organisations to optimise their brand and CX strategies.

BRAND VALUE CREATOR

BVC, Ipsos’ holistic and extensively validated brand equity system, measures brand strength in terms of people’s attitudinal desire (Brand Desire) and the situational influences (Market Effects) that shape their choices. Brand Desire is a strong approximation of the brand’s overall share in the market (see Figure 5).

A universal measure of equity, BVC delivers a market-wide view of the performance of all brands in a category, providing results in a competitive context. By separating the two building blocks of equity, Brand Desire and Market Effects, brands can diagnose the source of their brand strength and identify specific focus areas for achieving brand growth.

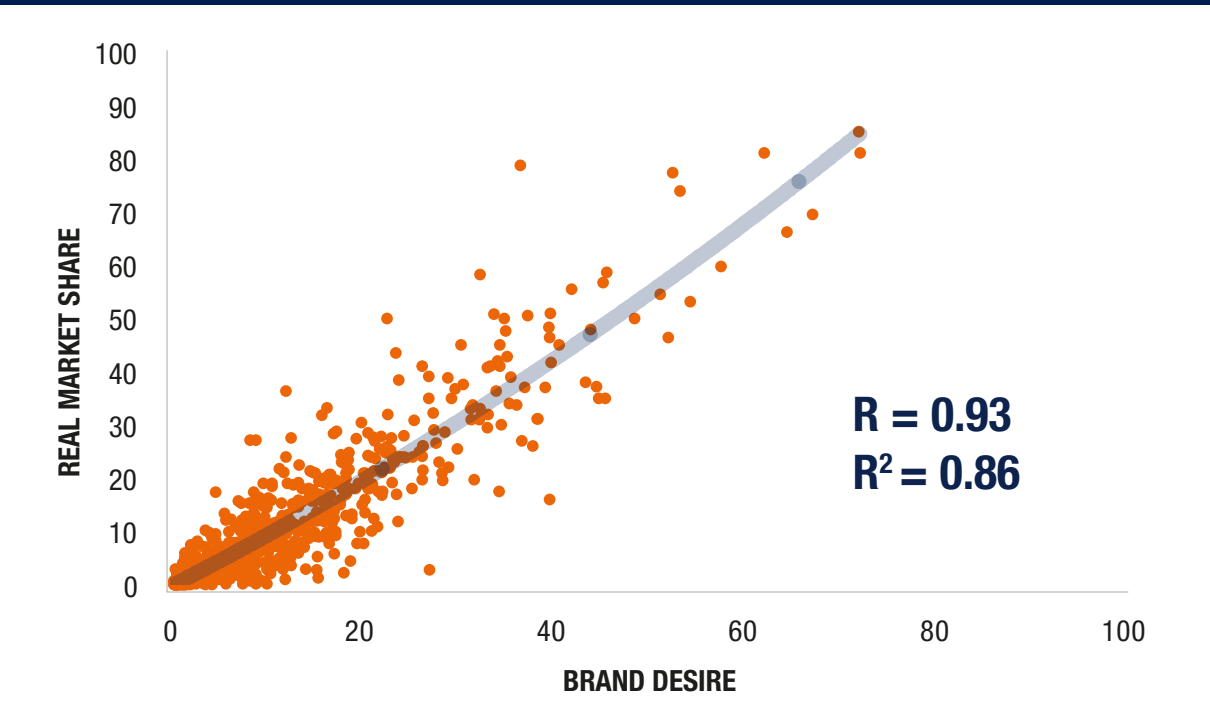
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Figure 4: The BVC equity measurement system



Source: Ipsos

Figure 5: BVC's Brand Desire is a widely validated measure across categories and countries which closely reflect a brand's actual market share



Source: Ipsos

THE FORCES OF CX

The **Forces of CX**⁹ is a framework rooted 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, both functional and relational (emotional), and create long-lasting and profitable relationships, leading to a better Return on CX Investment (ROCXI).

Six key dimensions have been validated to be strong predictors of emotional attachment and relationship strength. Prioritising these dimensions will allow brands to refocus customer experience measurement and management to address what truly matters.

Figure 6: The Forces of CX



Source: Ipsos

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The six key dimensions of the Forces of CX:



FAIR TREATMENT

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



STATUS

Make customers feel valued, respected and worthy of special treatment



CERTAINTY

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



BELONGING

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



CONTROL

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



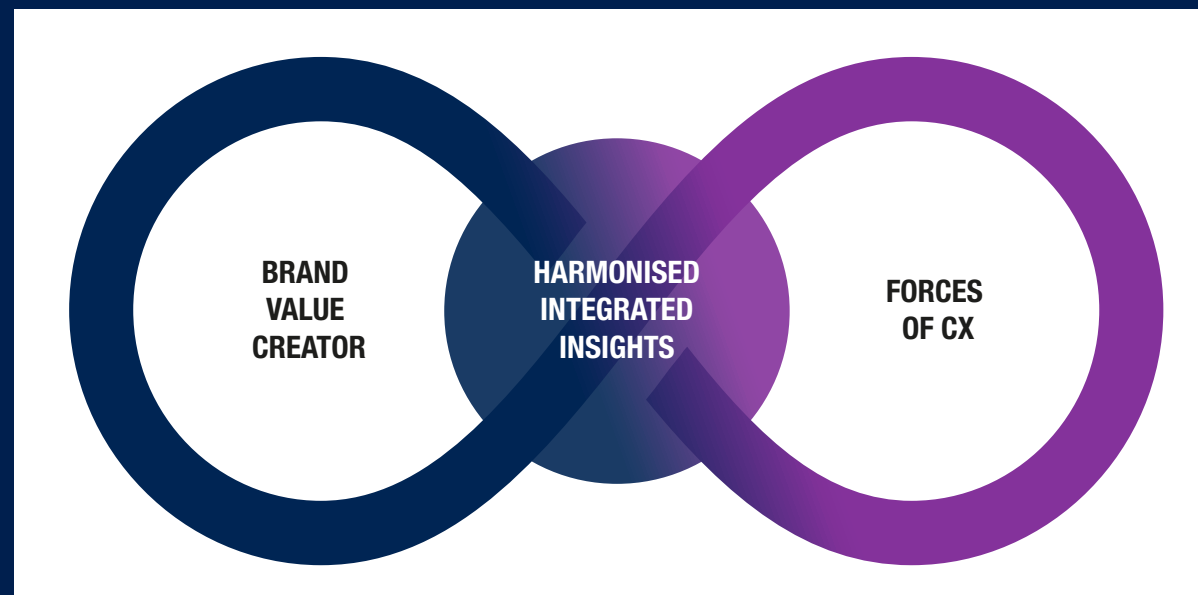
ENJOYMENT

Make customers' lives easier, so they feel a sense of freedom

INTEGRATING BRAND AND CUSTOMER EXPERIENCE

Let's look at how the integration of these two leading assets come together in Brand CX Forces:

Figure 7: Brand CX Forces



Source: Ipsos

Using strong analytics and diagnostics, Brand CX Forces delivers insightful and actionable direction on both brand and CX metrics.”

ACTION FROM BRAND CX FORCES ANALYTICS

Using strong analytics and diagnostics, Brand CX Forces delivers insightful and actionable direction on both brand and CX metrics, so that brands are in a better position to gain competitive advantage through strategies that focus on acquisition and/or retention.

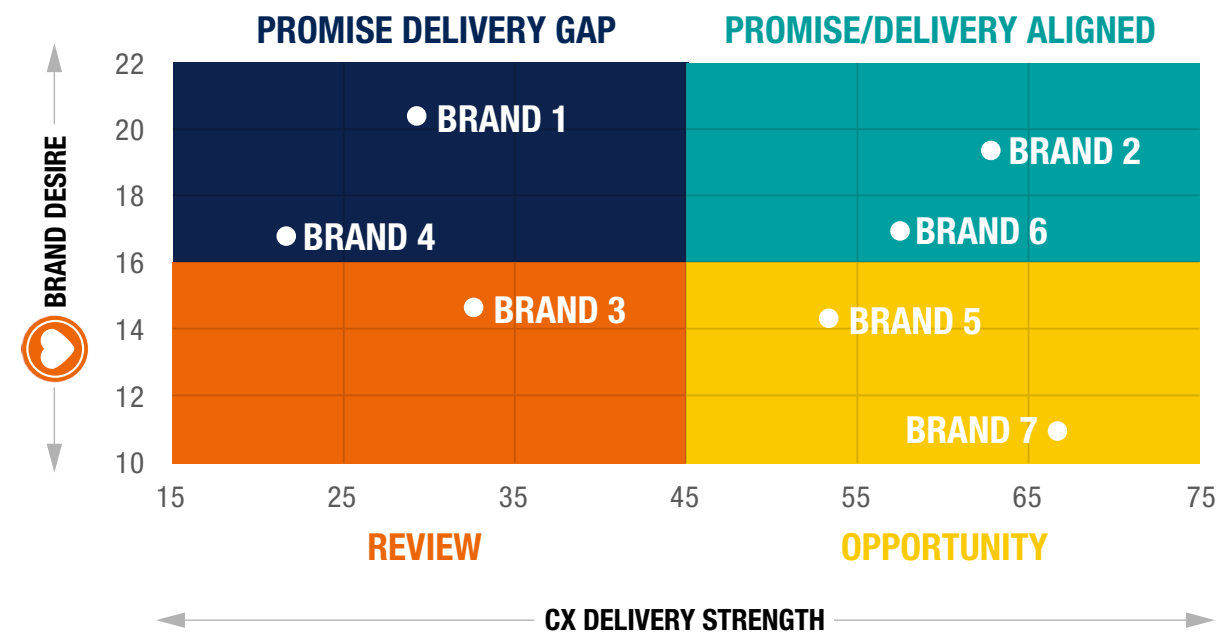
IDENTIFYING AND CLOSING GAPS BETWEEN BRAND PROMISE AND DELIVERY

For brands to become strong and successful, they need to deliver on their promises. In Brand CX Forces, we assess all brands on the delivery of the brand promise, clearly showing which brands have successfully synchronised their brand communications and their CX, and which need to close the gap.

ASSESSING HOW SAFE OR AT RISK YOUR CUSTOMERS ARE

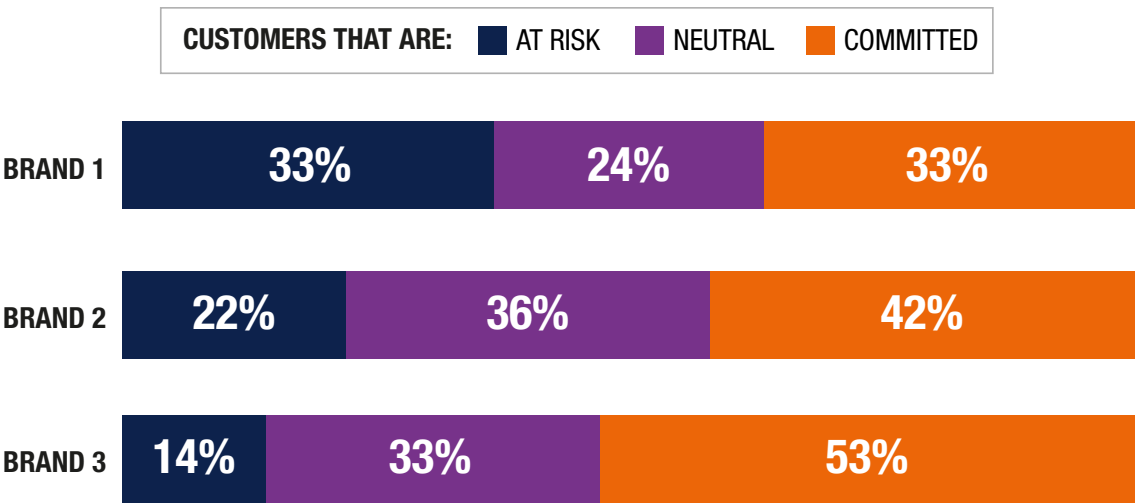
The At Risk customer segmentation analysis details how secure or at risk of switching a brand’s customers are, and to which brands they may be likely to switch. Specific guidance is given regarding how to build or entrench strong customer relationships through targeted acquisition and retention strategies.

Figure 8: The Brand Promise/Delivery matrix assesses brands on their CX delivery relative to their brand promise (illustrative example)



Source: Ipsos

Figure 9: The At Risk segmentation profiles brand customers on how secure or at risk they are of switching to competitors (illustrative example)



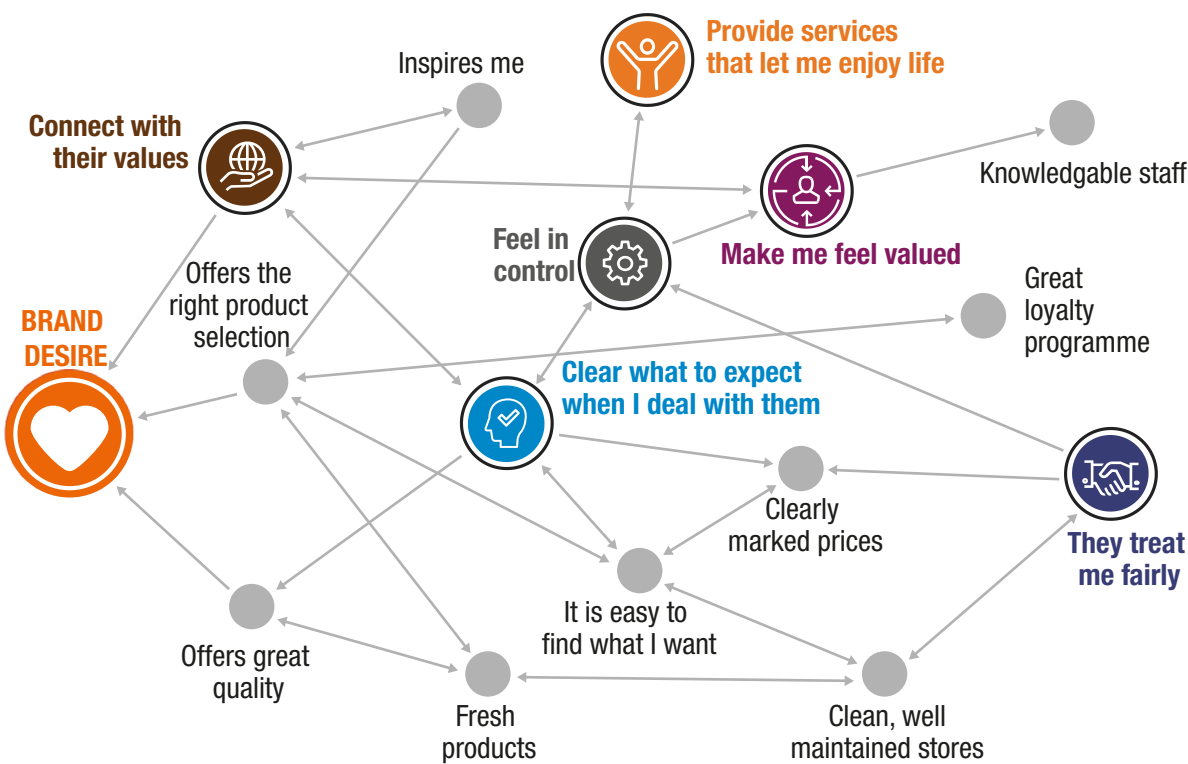
Source: Ipsos

UNDERSTANDING PRIORITIES FOR ACTION

Drivers analysis used in Brand CX Forces brings together brand image statements, CX elements and the **Forces of CX** to identify and prioritise key pathways to achieving strong relationships as measured by **Brand Desire**. The reciprocal relationships that exist between the attributes and experiences are also highlighted, as demonstrated in Figure 10. We do this using Ipsos Bayes Nets (IBN), Ipsos' sophisticated analytic technique based on Bayesian networks.

Combining the insights from these simple yet powerful analyses with BVC's full equity assessment provides a tangible action plan for a brand's growth pursuits, whilst ensuring that brand and customer experience activities are working together harmoniously.

Figure 10: IBN structural maps show the impact and interplay between brand and CX elements in driving Brand Desire and incorporate the Forces of CX (illustrative example)



Source: Ipsos

BRAND CX FORCES IN ACTION

In mid-2020, as the Coronavirus pandemic impacted people and their shopping behaviour across the globe, leading grocery retailers in North America identified an interesting shift in shopper preferences away from discount stores towards premium stores. This was as customers sought to limit their exposure to busy stores, whilst ensuring they could get all their necessary supplies in one shopping trip.

Ipsos equity research reflected these dynamics through a change in brand equity and in rank positions amongst the leading retailers.

This situation provided a perfect backdrop to field a Brand CX Forces study, enabling us to examine the impact of consumers' newfound contexts on brands and to identify the strategies the two dominant retailers (the market leader, a discounter and the challenger brand, a more premium store) could employ to capitalise on the shifting consumer preferences.

Our case study revealed new insights that would not have been secured without the combined Brand CX Forces approach and analysis.

Figure 11: Total market overview, showing the overall strength in market share (Effective Equity) for Market Leader, with strong competition coming from Challenger and 3rd ranked brands

	 BRAND DESIRE	 MARKET EFFECTS	 EFFECTIVE EQUITY
MARKET LEADER	11.8	4.30	16.1
CHALLENGER	11.7	0.01	11.7
3 RD RANKED	9.6	1.78	11.3
BRAND 4	8.1	0.72	8.8
BRAND 5	6.8	0.11	6.9
BRAND 6	6.4	0.50	6.9
BRAND 7	6.4	0.43	6.5
BRAND 8	5.1	-0.15	5.3
BRAND 9	4.5	-0.076	3.7
BRAND 10	6.4	-2.71	3.7

Source: Ipsos

Although the market-leading brand proved strong on overall market share, enjoying levels of strong Brand Desire and additional share as a result of positive Market Effects, the brand was placed in the top left quadrant of the Promise/Delivery matrix (described in Figure 8), indicating a gap between the brand promise and delivery of the customer experience. A similar diagnosis emerged for the third-ranked brand, whilst the second-ranked Challenger brand was placed in the top right quadrant (Promise/Delivery Aligned), indicating that the brand promise and delivery of customer experience were in tune.

With the gap in delivery likely acting as a catalyst, the At Risk Segmentation analysis

(described in Figure 9) showed more customers at risk of defecting away from the market leader (14%) and third-ranked brand (17%) than the challenger brand (only 9%), revealing immediate concerns for the futures of these brands' market-leading positions. This finding is particularly alarming knowing that people were continuing to evaluate and change their shopping behaviour during the height of the pandemic.

Despite a smaller customer base than both the market leader and third-ranked brand, our analysis revealed the increasing threat of the already growing Challenger brand. With the prospects of further growth potential amongst its customer base, coupled with few customers

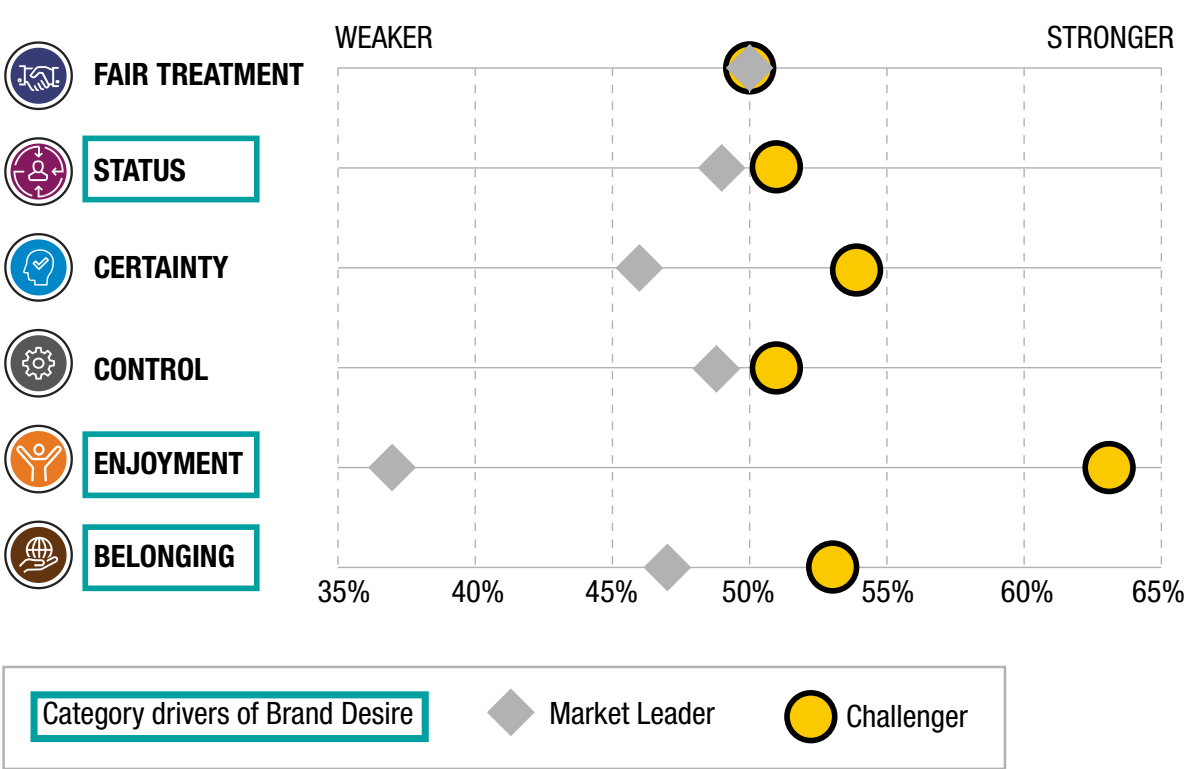
at risk of switching to competitors, Challenger brand was identified to be delivering on its promises and performing strongly on all Forces of CX, resulting in a substantially stronger brand relationship amongst its customer base compared to its two closest competitors. This placed Challenger in a prime position to capitalise on the shifting consumer dynamics.

Through the Brand CX Forces analysis, we demonstrated Challenger brand's clear and compelling identity, highlighted specific CX-related areas that the brand should continue to deliver on (including the CX Forces of Enjoyment, Fair Treatment, Control and Certainty) to maintain strong perceptions and relationships amongst their customers.

The IBN drivers analysis (described in Figure 10) pinpointed the higher-order Forces of CX of Belonging and Status, that if improved together with perceptions of staff competence and a 'very good loyalty programme' would have a direct *and* substantial impact on Brand Desire, thus providing an avenue to further entrench brand-customer connections and accelerate growth for the rising challenger brand.

Particularly useful in this case study was the market wide view that enabled us to secure competitor intelligence in as much detail as the focus brand, making strategic planning and implementation even more powerful. Competitors' weaknesses could thus be exploited for the Challenger brand's growth pursuits in the face of changing shopper dynamics.

Figure 12: Comparative performance on the Forces of CX shows Challenger brand's strength on all important category drivers of Brand Desire relative to Market Leader



Source: Ipsos



DRIVING BRAND GROWTH WITH BRAND CX FORCES

Accounting for the powerful intersection between brand building and CX in brand performance measurement is needed in a world of ever-growing competition and continually evolving customer expectations.

Brand CX Forces puts brands in a position to secure and maintain long-term brand growth. Knowing precisely how to forge the strongest bonds with customers, whilst ensuring the delivery of prime customer experiences, will not only enable brands to better retain existing customers but also to better acquire new customers.

Integrating the power of Ipsos' validated brand equity model, BVC, with the Forces of CX which is grounded in behavioural science, enables organisations to harmonise their brand and CX strategies, thereby ensuring they work synergistically to put brands in control of driving long-term business success.

Accounting for the powerful intersection between brand building and CX in brand performance measurement is needed in a world of ever-growing competition and continually evolving customer expectations.”

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5. <https://www.ipsos.com/en/forces-customer-experience>
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8. Survey-based attribute association and Ipsos Bayes Nets (IBN) Drivers analysis
9. <https://www.ipsos.com/en/forces-customer-experience>

FURTHER READING

- **Getting Sticky – Emotional attachment and profitable customer relationships**
<https://www.ipsos.com/en/emotional-attachment-and-profitable-customer-relationships>
- **Staying Close To Your Customers – Why customer experience still matters amid COVID-19 and social distancing**
<https://www.ipsos.com/en/staying-close-your-customers>
- **The Key To Your CX Success – Finding the right customer experience KPI for your business**
<https://www.ipsos.com/en/key-your-cx-success>

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- **Customer Perspective**
<https://www.ipsos.com/en/customer-perspective-ipsos-podcast>
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