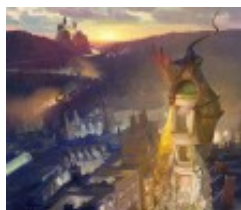


6 Tips for Designing Happiness

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THE SECRET TO CONSUMER LOYALTY? IT'S LESS ABOUT THE MOMENT OF INTERACTION AND MORE ABOUT WHAT COMES BEFORE AND AFTER, SAYS LIPPINCOTT.

For decades, companies have taken for granted the notion that focusing relentlessly on improving customer interactions will lead to greater loyalty from the people who buy their products and services. The relevant metrics usually pertain to familiar questions: How well am I delivering in-the-moment? How are customers experiencing my brand across a range of touch points—call centers, websites, social media, mobile apps, in-store? What will make customers deliriously happy when they're directly engaged with my brand?

BRANDS MUST TAP INTO THE JOY OF ANTICIPATING AND THE WARMTH OF REMEMBERING.

But singular focus on the in-the-moment interaction a customer has with a brand means companies are missing moments when engagement might be more exciting and compelling for consumers: before and after the interaction. Happiness researchers find that upwards of half of someone's happiness is built in moments of anticipation and remembering. Happiness is as much about how we look forward to and look back on an event as it is about the event itself. To make customers happy, brands must tap into the joy of anticipating an experience and the warmth of remembering it.

Most brands miss these opportunities to deliver happiness, which may help explain the wide disconnect between companies that believe they're delivering a superior customer experience and what the metrics tell us about their customers' actual level of satisfaction. In a Forrester survey, more than 80% of leaders say their companies are focused on boosting customer experience through incremental or radical improvements. Yet in 2013, [only 8% of the companies](#) in the Forrester Index achieved excellent customer experience scores.

The Happiness Halo

A wealth of research reveals that the emotional component of customer experience is a better predictor of loyalty than the functional, cognitive component. To devise innovations that make customers feel differently, we need to broaden the lens beyond the operational and

transactional to focus more on the behavioral and emotional—what we at [Lippincott](#) are starting to call "the happiness halo."

MEMORIES ARE CONSTANTLY BEING RECONSTRUCTED BASED ON SUBSEQUENT EVENTS.

"We make our decisions in terms of our memories," observed Nobel Prize-winning psychologist Daniel Kahneman in a [2010 TED Talk](#). Brands need to recognize the power of memories as manifested in Kahneman's conception of "The Remembering Self." But memories aren't movie clips stored on a hard drive; they reside in nerve pathways that fire anew (and rewire) each time we remember the event, as cognitive psychologist and memory expert [Elizabeth Loftus](#) has shown. This means that certain moments, like "peaks" and "ends," disproportionately dominate memory, and that memories are constantly being reconstructed based on subsequent events.

Researchers at [University College London](#) have developed a corollary of sorts to Kahneman's Remembering Self. They've demonstrated that positive expectations influence a person's overall happiness as much as actual experiences do. "Anticipation" measures compose half of their "equation of happiness." Likewise, marketing professor [Marsha Richins](#) has found that even the most materialistic consumers receive more pleasure during the "anticipation" phase of a purchase than they do during the "acquisition" phase. We might call the dynamic at work here "The Anticipating Self."

6 Tips for Maximizing the Before and After

Practically speaking, what does all this have to do with making customers happy? It means recognizing 1) that features and attributes of products and services can only take you so far and that true happiness is gained through experiences that produce meaningful and lasting positive emotion; and 2) that because "The Interactional Self"—what happens between the before and after—has long enjoyed top billing in the customer-experience equation, incremental happiness benefits for brands are more likely to come from innovations targeting the Anticipating and Remembering selves. Here are six tips for how today's experience innovators can harness the happiness halo.

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1. Tease

The movie industry has been doing it for decades: tease with a preview of coming attractions to stoke eager anticipation. Brands, too, can build excitement by withholding information. In 2013, Alexander Wang posted a cryptic message about an event on the High Line, Manhattan's elevated walkway. All it said was the time and the location, and that "all details will be received upon entry." Attendees wound up being treated to a [big clothing giveaway](#). What can your brand hide to make the anticipation phase as exciting as possible?



Universal Studios Orlando

2. Tempt

A variation on Tease, the idea here is to highlight the promise of an experience. Consider [Universal Orlando's website](#), which offers a digital version of its physical "Wizarding World of Harry Potter" attraction for upcoming guests to explore, building familiarity and excitement prior to the visit. There's [scientific evidence](#), from pioneering social psychologist Robert Zajonc, that "mere exposure" to unfamiliar things can increase someone's favorability toward them. What can your brand expose to give customers something to look forward to?

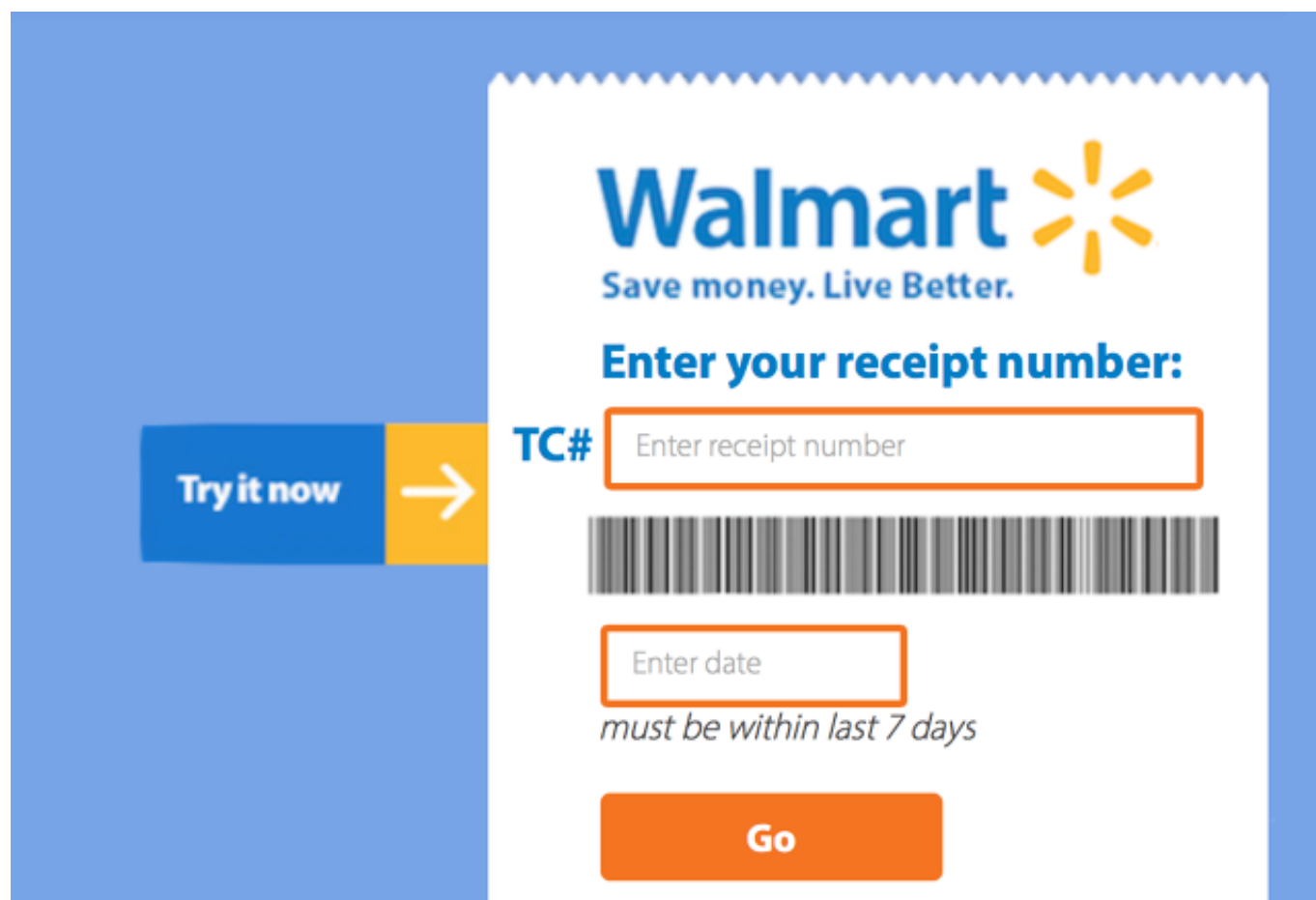
WHAT MOMENTS OF YOUR BRAND EXPERIENCE MIGHT BE A LIMITED-TIME TREAT FOR CUSTOMERS?




Flickr user [Melissa Doroquez](#)

3. Make it Special

Most customer experiences, from hotels to retail, have the opportunity to connect to a "limited resource," if we simply reframe the experience as something worth looking forward to. As Robert Cialdini wrote in [Influence](#), everything's more attractive when availability is limited. From Egg Nog to Thin Mints, the art of the crave-able, limited-time treat proves Cialdini's point. A long daily commute, for example, might be reframed as a special moment for self-enrichment (as [Audible](#) does), or an obligatory business trip might be reframed as a rare chance for an extravagant, restorative sleep (as Westin's "Heavenly Bed" promotes). What moments of your brand experience might be a limited-time treat for customers, and how can you frame them that way?


The image shows a digital interface for Walmart's Savings Catcher program. On the left, a blue button with the text "Try it now" and a white right-pointing arrow is set against a blue background. To the right, a white card with a scalloped top edge contains the Walmart logo (blue text "Walmart" and an orange six-pointed star icon) and the tagline "Save money. Live Better." in blue. Below this, the text "Enter your receipt number:" is in bold blue. A "TC#" label is positioned to the left of a white input box with an orange border, which contains the placeholder text "Enter receipt number". Underneath the input box is a black barcode. Below the barcode is another white input box with an orange border containing the placeholder text "Enter date". Below this input box, the text "must be within last 7 days" is written in a smaller, italicized font. At the bottom of the white card is an orange button with the white text "Go".

Try it now →

Walmart 
Save money. Live Better.

Enter your receipt number:

TC#



must be within last 7 days

Go

4. Surprise

Dopamine is stimulated by unpredictability, which explains why surprises exert a disproportionate influence on our Remembering Self. [Walmart Savings Catcher](#) allows customers to scan their receipt and, if Walmart finds a lower price at another area store, they'll surprise customers with an eGift card for the difference. The surprise likely yields a greater experience boost than would have resulted from paying a lower price in the first place. What post-interaction surprises can your brand deliver to bring unexpected joy to the Remembering Self?

WHAT'S YOUR "LAST IMPRESSION," AND HOW CAN YOU MAKE IT A HAPPY MEMORY?



5. Crescendo

"What defines a story are changes, significant moments and endings," says Kahneman.

"Endings are very, very important and," in the case of a person's memory of an event, "the ending dominates." Thus, like a great drama or symphony that builds to an unforgettable crescendo, brands that make a positive last impression win favorable memories. This can take the form of something as simple as [Walgreens' "Be Well" goodbye](#), now discontinued, which anchored the brand on health. What's your "last impression," and how can you make it a happy memory?



Logan Marie Torres/[FOX31 Denver](#)

6. Displace

The catharsis of venting is overstated. [Controlled studies](#) by Iowa State University researchers showed that fits of rage are more likely to intensify anger and that tears can drive us deeper into sadness. Brands, though—in constant search for feedback—force customers to relive negative brand moments. Instead, of overwhelming customers with surveys, displace the old bad with new good—like the [Southwest pilot who ordered pizza](#) for passengers trapped on the tarmac. What can your brand do to turn negative experiences into story-worthy memories?

For business results, emotions matter. Truly delivering impact requires going deeper into human understanding, realizing that happiness is built not just in interactions, but also in anticipation and remembering. Expanding our conception of the "customer experience" opens up a whole new world of experience innovation possibilities: the joy of anticipation, the immersion of interaction, and the warmth of remembering. We'll drive long-term loyalty and business growth, and all get a little happier as a result.