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Intensity isn't a "nice to have" feature of X-Data, it's a critical predictive indicator

January 2, 2021 - 8 Minute Read

Which consumers represent opportunity ... risk?
How do *you* tell the difference??

Intensity isn't a "nice to have" feature of X-Data, it's a critical predictive indicator

By Liz Gurley and Greg Haudek, PhD, Senior Research Advisor
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Cute, different, fun, cool, engaging, interactive, better than the alternative ... they're all reasons to love Morphii® and embrace the technology. But, when we hear these descriptors, we sometimes intuit that our prospective users and clients may not be fully recognizing and/or capitalizing on the data benefits of capturing categorical experience types AND their intensity.

Realizing that we had ground to break in fully realizing the value of intensity, we began new research to demonstrate the capacity of intensity data to predict meaningful consumer behaviors ... and to inspire your insights for actioning real-time response initiatives and bolstering better business outcomes.

Previous research has demonstrated Morphii's effectiveness at **improving predictions of negative behaviors by 50x** (capturing Experience Type + Intensity) in comparison to Net Promoter® ratings. And, in this new research, **Morphii outperformed 5-star ratings by 98.9x in terms of similar behaviors.** But comparing traditional measurement scales to Morphii data feels like comparing apples to oranges ... because it is.

In order to illustrate the real value of intensity, you have to go apples to apples–comparing the predictive benefits of categorical experience types (in this case, emotions like *Frustration, Disappointment, Indifference, Contentedness, and Delight)* with those same experiences and their corresponding intensity, or significance (Morphii) in relation to reported behaviors, their severity and their frequency.

So ... what did we find?

25-30% improvement in correlation between experience and most behaviors with the inclusion of Morphii's intensity measure and a 459% improvement in correlation between Morphii and passive negative behaviors.

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The Problem.

Most insights professionals are tasked with distilling data to improve experiences that drive engagement and loyalty or minimize churn, or both. But, ratings and sentiment scales leave experience leaders across all kinds of organizations with more questions than answers about how to respond. Whether you're assessing users, patients, students, customers, or otherwise, these methods provide a benchmark for consumer perception, but they aren't equipped to drive improvements because they lack critical context clues.
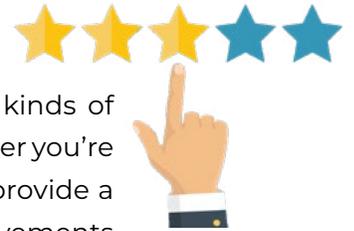
In order to understand the most common experiences, details and explanations are mined, analyzed and interpreted from open-ended survey responses and social listening.

But, the experiences that are most easily improved often don't compel people to share. Participation bends towards the extremes, leaving the majority largely unknown and misunderstood. As a result, both churn-reduction and loyalty initiatives are muzzled.

Even under the best of circumstances, when experiences can be categorized through these means, there are limitations on their ability to accurately fuel predictions when the intensity, or significance, of the experience isn't a part of the equation. Inherently, it is the significance of any experience that motivates our decisions.

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The Study.

Respondents (1000+) were asked to identify two brands–one where they had a negative experience, and a second where they had a positive experience (in 2020). We then set out to compare:

- Consumer experience with popular brands, as a whole and in recent encounters (Morphii's capture of experience type + intensity);
- Consumer perceptions around recent experience (5-star rating system); and,
- An index of common behaviors resulting from brand interaction and their frequency.
  - ☐ **Behaviors:**
    - Provided a positive/negative rating,
    - Shared a positive/negative experience,
    - Recommended/Warned others,
    - Repeated/Discontinued purchases;
  - ☐ **Frequencies:**
   - 1-2 times,
    - 3-4 times,
    - 5 or more times

  (Note: for the purpose of reporting, frequencies were conservatively tallied as 1, 3, and 5)

Apples to Apples ... Categorical Experience Type vs. Morphii Type AND Intensity.

Today, many organizations are taking steps to get beyond simple positive/neutral/negative sentiment and better understand the nuances within various experience types or categories. Whether experiences are being distilled through AI interpretations of open-ended feedback, or selected from a simple list of words or emojis, this qualitative data is the latest and greatest trend in experience management. While categorizing experiences is indeed a welcome departure from rating systems and scales that ask us to express ourselves in unnatural numeric intervals, this approach falls short of uncovering the significance, or intensity, of our experiences in terms of the ways they impact our decisions and behaviors. We looked at Morphii data for categorical experience type only (ETO) in comparison to categorical experience type + intensity (ET+I) to illustrate the power of intensity data in predicting behaviors.
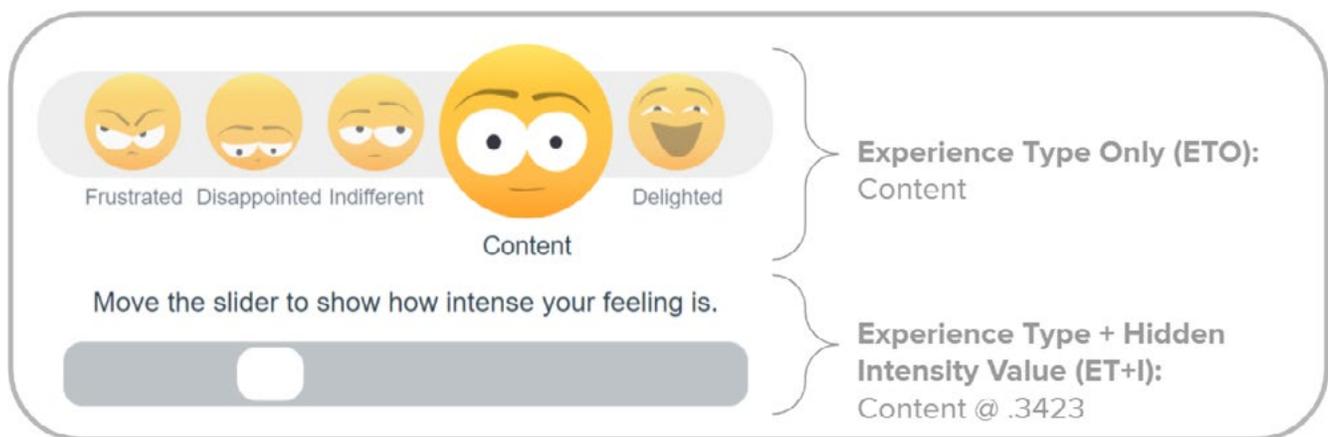

Of course, all behavioral outcomes are not of equal consequence ... some require more energy and result in greater impact. When dissecting the data, It was important to delineate between behaviors that are more passive (e.g., rating or sharing an experience) and behaviors that are more active (e.g., recommending or warning others, repeating or discontinuing purchase behaviors). Because correlations take the frequency of various behaviors into account, it's also important to consider that it is probable that a behavior like discontinuing purchases with a retailer is likely to only happen once.

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Findings.

Variance in consumer behaviors explained by Experience Type and
Morphii Experience Type+Intensity

■ Morphii (ET+I) ■ Experience Type (ETO)
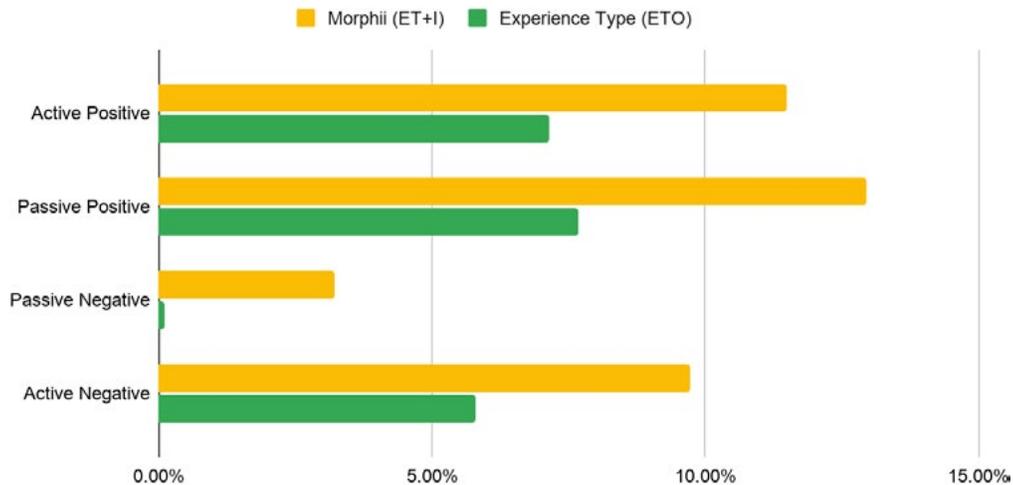
Positive Experiences & Positive Behaviors:

ET+I explained 61% more variance in active positive behaviors in comparison to ETO; and, in terms of *passive positive* behaviors, Morphii demonstrated a 68.9% improvement over ETO.

Negative Experiences & Negative Behaviors:

In terms of consumers' passive negative behaviors,

ET+I outperformed ETO— demonstrating **30.2x** more variance.

This improvement is so dramatic because ETO has essentially zero correlation to negative behaviors - and, among this group, **effective experience capture is almost entirely dependent on intensity.**

In explaining *active negative* behaviors, ET+I demonstrated a 67.6% improvement over ETO.

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Findings Cont.

In looking at specific experiences, their intensity, and their correlation to the frequency and severity of behaviors, you see what you would expect - but notably what other methods aren't as adept at uncovering: a) various experience types & intensities drive different kinds of behavior at varying levels of severity/importance; and, b) different frequencies of these behaviors– as experience types become more positive or negative, and as intensity elevates, behaviors become more severe and more frequent.

Experience Types and Intensity Levels per Behavioral Type
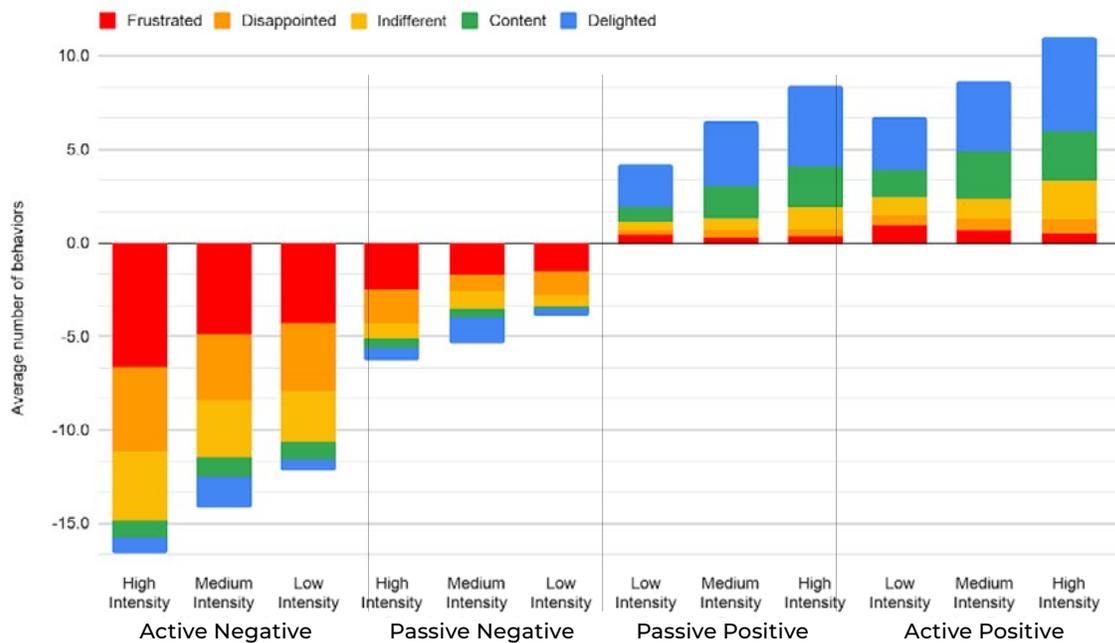
For example, all negative behaviors are more frequent when someone reports feeling *Frustrated* than when someone reports feeling *Disappointed*, and negative behaviors further increase as the intensity of Frustration escalates. Similarly, all positive behaviors are more frequent when someone reports feeling significantly *Delighted* in comparison to reporting *Content*. Finally, those who report being *Indifferent* demonstrate less correlation toward any behavior, positive or negative. Although those who are "intensely" *Indifferent* tend to trend toward negative behaviors over positive ones.

At a minimum, intensity improves the predictive accuracy of experience type; but, at it's best, it is the driving force behind predicting behaviors. And, typically the behaviors most driven by intensity are also the most complicated to capture and understand.

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There's Nothing Stellar about Star Ratings.

Among both positive and negative experiences, Morphii (Experience Type + Intensity) outperformed star ratings in terms of correlation to relative positive and negative behaviors and their frequency.

Variance in consumer behaviors explained by Morphii Experience Type+Intensity and Star ratings
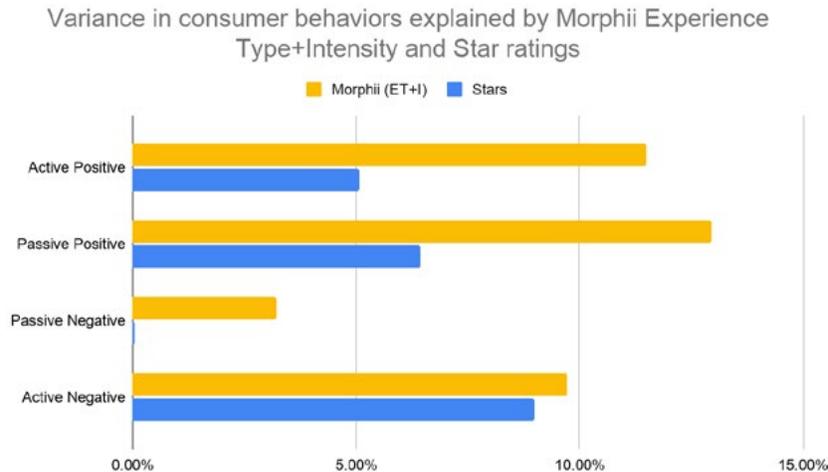
Empower your loyalty programs with Morphii:
When used in combination, Morphii's Experience Type + Intensity data accounted for 127% more variance in consumers' active positive behaviors than stars ratings; and, in terms of *passive positive* behaviors, Morphii demonstrated a 100% improvement over star ratings.

Make Customer Retention Actionable:
Morphiis greatest strength has repeatedly been in its ability to explain and predict negative behaviors … and this study proved to be no exception. Passive negative behaviors are perhaps the most important to understand and predict. These consumers are typically unsatisfied and open to competing alternatives.

… But, by and large, they would prefer you to improve … to make it right. **When experience type and intensity are captured with Morphii, negative experiences accounted for 98.9x more variance in consumers' actual passive negative behaviors than when using a star rating.** This dramatic improvement is in large part due to the fact that star ratings have essentially zero correlation to negative behaviors.

In explaining *active negative* behaviors, Morphii demonstrated a 7.5% improvement over star ratings. It isn't so remarkable that 1-star ratings are adept at explaining active negative behaviors, after all many organizations balk at anything less than a perfect score. So, while this improvement might pale in comparison its counterparts, consider that these consumers are likely the most difficult and costly to salvage.

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Opportunity.

The reality is that only **20%** *of insights initiatives are resulting in tangible outcomes,* and we have to do better (Gartner). Improving insights-driven outcomes begins with capturing and quantifying experiences in a more efficient and engaging way. In order to drive loyalty and reduce churn, we must derive actionable insights from more precise, self-reported data. What we have always known intuitively—and now have evidence to support—

is that **the intensity of our experiences matters.**

On their face, consumer frustration and disappointment are daunting. But having intensity data that separates intensely negative experiences from more mild ones can change your perspective—creating opportunity where there was once only risk. After all, it's arguable that provoking any feeling at all, is an improvement over consumer indifference. With Morpii's Experience Type + Intensity data, you don't have to imagine segmenting consumers who are salvageable from those who are too costly to retain - you can actually do it. ... You don't have to hope that "satisfaction" is breeding loyalty, you can measure the significance of an experience to understand if it truly elicits advocacy–reserving rewards for those who truly champion your brand.

Capturing Experience Type + Intensity with Morphii augments and affirms insights strategies with a *new class of data*, and users who interact with Morphii "who are typically more complacent" tend to be inspired to tell you more in open feedback— 4x more, in fact than when provoked using a star rating.

You don't have to imagine the benefits of Morphii data impacting your insights-driven outcomes.
You can capture them today.

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Looking Forward.

This study culminated in an incredible amount of powerful evidence that supports the predictive value of intensity. We have only just begun to scratch the surface. As we uncover additional insights regarding intensity, behaviors, etc. we will continue to report on our findings.

It is also noteworthy that our licensed partners in clinical healthcare are documenting strong evidence of a **9x increase** in patient engagement when using Morphii versus traditional surveys.

Stay tuned for more details in early 2021!

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