The Happiness Halo

The unexpected benefits of applying behavioral science to experience design
Welcome to the Human Era
What do you get when you combine behavioral economics, breakthroughs in brain science and healthy doses of armchair philosophy and pop psychology?

A new business mantra.

—

Appeal to customers’ reason and they’re yours for a day.

—

Appeal to customers’ emotions and they’re yours for a lifetime.
Happiness is as much about how we look forward to and look back on an event as it is about the event itself.

We at Lippincott call this the “happiness halo.”
In other words, emotions matter. They drive decisions. “The brain decides among alternatives by ‘marking’ one alternative as more emotionally salient than another,” neurologist Antonio Damasio points out. Even what we consider “logical reasoning” requires emotion.¹

Not surprisingly, then, a wealth of research reveals that the emotional component of customer experiences (how customers feel) is a better predictor of loyalty than the cognitive component (functional aspects like effectiveness and ease).²

More precisely, happiness matters. Customers spend more than double with the brands that make them happy.³ Long-term brand loyalty — the kind of willing stickiness that lasts past transactions — is a gift from a cheerful giver.

So how do we make customers happy? 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 touchpoints — call centers, websites, social media, mobile apps, in-store? What will make customers deliriously happy when they’re directly engaged with my brand?

This focus on improving interactions has not worked. In a Forrester survey, more than 80 percent of leaders say their companies are focused on boosting customer experience through incremental or radical improvements.

Yet in 2013, only 8 percent of the companies in the Forrester Index achieved excellent customer experience scores.⁴

To resolve this dissonance, we at Lippincott conducted an in-depth study of customer happiness. We learned a lot, most importantly that we’ve been thinking far too narrowly about the “customer experience.” 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 anticipation⁵ and remembering.⁶ Happiness is as much about how we look forward to and look back on an event as it is about the event itself — what we at Lippincott are starting to call “the happiness halo.” Radiant brands exude the joy of anticipation and the warmth of remembering, making them glow in the hearts of customers.

When making decisions, we use our memories. It’s a simple fact pointed out by Nobel Prize-winning psychologist Daniel Kahneman, who coined the term “Remembering Self.” If we’re deciding whether to return to a hotel, repurchase a shampoo or revisit a store, it’s not the actual interaction we had that guides us — it’s the memory of that interaction. Furthermore, what makes for a great interaction might not necessarily lead to a great memory. Brands need to recognize the power of memories and take distinct actions to earn their favor. Brands need to recognize the power of memories as manifested in Kahneman’s conception of “The Remembering Self.”

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.

The interaction exists in between the “before” of the anticipation and the “after” of the memory. All three phases have distinct but interconnected influences.
Let’s break down the three stages of happiness.

Imagine you’re planning a party.

A big part of the joy is in the anticipation: inviting your friends, imagining all your loved ones in one place, looking forward to all the fun (and guilt-free cake!).
Of course, the interaction is exciting and engaging in its own way, with laughter and surprises and connections (and maybe a little more cake).

Then, the memory of that party — the guests, the drinks, the laughs — has its own happiness, and there are those disproportionately powerful moments that dominate the scene in your memory and live on in nostalgic conversations, past decades of future parties.
We lay out *nine scientifically grounded strategies* for true customer happiness using our broadened conception of the customer experience.
Tap into the potential joy of anticipation, the delight of interaction, the warmth of the afterglow — and make your customers happier than they’ve ever been with your brand.

**ANTICIPATION**
1. Tease
2. Tempt
3. Make it a treat

**INTERACTION**
4. Immerse
5. Direct
6. Elevate

**AFTERGLOW**
7. End strong
8. Surprise
9. Reinforce and rewire
Anticipation
If you’ve ever snuck a peek under wrapping paper or accidentally come across a spoiler, you know how deflated anticipation feels.

When it comes to happiness, anticipation isn’t “pre–” anything. It’s a source of joy all its own.* In fact, wanting often feels better than having. Most consumers get more pleasure during the “anticipation” phase of a purchase than during the “acquisition” phase.† And the best brands tease, tempt and treat their customers to build familiarity and joy.

* University College London researchers found that positive expectations influence a person’s overall happiness as much as actual experiences do.7 “Anticipation” measures compose half of their “equation of happiness.”

† Marketing professor Marsha Richins found that even the most materialistic consumers received more pleasure during the “anticipation” phase of a purchase than they did during the “acquisition” phase.† as she thoroughly reports in “When Wanting is Better than Having.” This was true for both expensive items like automobiles and cheaper items like household electronics. It was true whether customers anticipated making the purchase within a few weeks or a year in the future.
The movie industry has been doing it for decades: Tease with a preview of coming attractions, and they’ll be eager with anticipation. Warner Brothers deliberately kept the image of “Smaug the Terrible” a secret during the first installment of The Hobbit, revealing only an eye and a voice, creating tremendous anticipation within the Tolkien faithful.

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. It simply said the time and the location, and that “all details will be received upon entry.” Attendees wound up being treated to a big clothing giveaway.

Happiness experts at Stanford have proven that anticipating a pleasurable experience feels as good as finishing an important task9 (like a marathon or an exam). In fact, we’re hard-wired to prioritize “seeking” over “finding,”10 lest we go extinct from complacency.

What can your brand hide to build excitement during anticipation?

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. The Four Seasons “Pin.Pack.Go.” program encourages guests to visualize their dream trip on Pinterest and then connect directly with local insiders who help them make it even better. Finally, the online Fiat Live Store in Brazil gives customers an inside look at cars and features through a live webcam on dealership staff. These first-person perspective programs build familiarity and excitement before tangible interaction.

Scientific evidence supports this strategy. Pioneering social psychologist Robert Zajonc found that “mere exposure” to unfamiliar things — from random shapes to foreign characters — can increase someone’s favorability toward them.11†

What can your brand expose to give customers something to look forward to?
Make it a treat

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 eggnog to Cadbury Creme Eggs, Girl Scout Thin Mint cookies to Benefit Cosmetic’s Advent Calendar (full of 24 mini beauty treasures) — the art of the limited-time treat proves Cialdini’s point.

But how can less craveable brands provide treats? A long daily commute, for example, might be reframed as a special moment for self-enrichment (as Audible advocates). 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?

*  
We get a bigger emotional boost from dopamine, the seeking system reward, than opioids, the “pleasure” from finding. This makes sense evolutionarily. The dopamine-seeking system keeps us motivated to move through the world; if we got more pleasure liking things than finding them, we may have gone extinct while resting on our laurels.

†  
Familiarity breeds contempt? Not based on the research of pioneering California scientist Robert Zajonc. He presented his American students with Chinese ideograms, which meant nothing to these exclusively English-speaking students. Some symbols he showed frequently, others less so. By simply seeing them again and again, students developed a preference for the familiar. What’s more, the more often they saw a particular character, the more it lifted their spirits.
Interaction
In an interaction, oftentimes the best way to make a customer happier is to intervene. Temporarily get in their way to help them focus, get them on the right path and celebrate their efforts. Productive interventions can make interactions much happier because, left to our own devices, we don’t always do what’s best for our own happiness. We reach for a donut even though healthy people are happier.\textsuperscript{13} We constantly multitask even though focusing is more rewarding.\textsuperscript{14} We take control, despite the liberty of surrender being the path of most contentment.\textsuperscript{15}

Brands rarely help. They love to please us, so they often indulge our unproductivity and need for instant gratification. But, like a friend we love and trust, brands that are in it for the long run leave us better than we started.
We’re easily distracted, but we’re happier when focused. New research shows that when people’s minds drift from the task at hand, they report being less happy than when they are fully engaged in whatever they are doing.¹⁶,¹⁷*

Force customers to stay acutely focused. To this end, Infiniti’s lobby and lounges display cars alongside art and mimic hotel lobbies for their inviting layout, encouraging customers to sit back and fully experience the brand. Brands explore a wide range of tactics to encourage immersion, from the subtle (a transporting and unique entryway at the Comme des Garçons flagship in New York) to the blunt (a 10 percent discount at an Iowa restaurant for customers who agree to give up their cell phones during dinner).

How can your brand encourage immersion, either through subtle carrots (a transporting and unique entryway) or unmistakable sticks (a technology-free dining policy)?

We want control, but decisions are actually agonizing. Customers claim to want choice, but they’re happier if given direction and personalized constraints.¹⁸†

Trunk Club delightfully steals decision-making authority from customers by making clothing purchases on customers’ behalf, inspired by customers’ stated style preferences.

How can you focus choice in a way that feels helpful rather than limiting, easing decision-making stress and post-interaction regret?
Happiness is defined in present and relative terms. Otherwise, we’d all still be thrilled about indoor plumbing. Instead, we’re bummed that we don’t take as many vacations as our Facebook friends. There are biological underpinnings that drive us to strive for superiority amidst connection: It’s good to be in a group — life is much safer that way — but it’s even better to be king of that pride.

LinkedIn, a brand built on social connections, is dedicated to communicating superiority with emails to customers who are in the top 1, 5 and 10 percent “most viewed” profiles.

How can you make customers feel superior, even to other customers?

Human beings seem to have this unique capacity to focus on the non-present. They have the ability to reflect on the past, plan for the future and imagine things that might never occur,” says Matthew Killingsworth, a Ph.D. in psychology at Harvard University. “But at the same time, human beings are clumsy users of this capacity and it tends to decrease, rather than increase, happiness.”

In a clever experiment by Daniel Gilbert, a Harvard psychologist, he gave participants two photo prints and told them they could only take one home. Half the group was told that the decision was final. Half the group was told they could exchange the one photo for the other one if they came back in four days. The group that had no choice to exchange was happier. However, the key takeaway is for brands not to limit choice, but to focus choice. Participants, after all, if given a choice always chose to be in the group that could exchange. Subtly focus the choice by comfortably nudging customers and consistently reassuring them that they made the right decision.

“If you want to know how happy I am, don’t ask me my salary. Ask me how my salary compares to other professors or to my own salary in the past. We are all creatures of comparisons and are thus prisoners of implicit expectations,” says happiness researcher Dr. Robb Rutledge from University College London.
Afterglow
Whether a person looks back on an experience positively or negatively will be the deciding factor as to whether they return.

“Memories are all we get to keep from the experience of living,” notes Daniel Kahneman. “We make our decisions in terms of our memories.”

But our memories aren’t movie clips stored on a hard drive; they are nerve pathways that fire anew (and rewire) each time we remember the event.* This means that certain moments, like “peaks” and “ends,” disproportionately dominate memory, and memories can change based on subsequent events. Brands need to recognize the power of memories and devote overt attention to getting memories on their side.

* Cognitive psychologist and memory expert Elizabeth Loftus researches “Reconstructive Memory,” discovering that our memories are actually reconstructed every time we conjure them. This means the memory can change based on subsequent events. In one of Loftus’s examples, she found an adulthood fight between cousins could cause both parties to remember once-positive childhood memories in a negative light.
“What defines a story are changes, significant moments and endings. Endings are very, very important and,” in the case of a person’s memory of an event, “the ending dominates,” says Kahneman. However, a typical customer experience saves the worst for last. You take a relaxing vacation and then you take a turbulent delayed flight home. You have a great meal and then you pay the bill.

Brands that make a positive last impression win favorable memories. This can take the form of something as simple as Walgreens’ “Be Well” goodbye, which anchors the brand on health and provides a lasting reminder. Wahaca, the U.K.’s fashionable fast-casual Mexican restaurant, is celebrated for its spices. It leaves customers with a clever last impression by giving them plant-at-home chili seeds at the end of the meal. It’s a delightful distraction from the bill and a growing reminder of the brand’s signature flavor. Research validates this type of “last impression” tactic. One study showed waiters who gave mints could get 21 percent higher tips. *

Dopamine is stimulated by unpredictability, and that causes surprises to exert a disproportionate influence on our memories. 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 has a greater experience boost than even an originally lower price would have. Uber, too, is full of surprises: transporting kittens on national cat day, delivering ice cream in the heat of summer, picking Seattle customers up in Mad Max-themed cars, whisking London riders off to a surprise concert or gifting uberXL riders in Turkey with certificates for experiences like a 50-minute massage or a helicopter ride for two.

What surprises can your brand deliver to bring unexpected joy to the afterglow?

What’s your “last impression,” and how can you make it a happy memory?
Our memories of an interaction rewire each time we conjure them up, and they are heavily influenced by any new information we’ve received since the interaction. This neuroplasticity can reinforce the good and rewrite the bad.

For positive interactions, it’s important to reinforce happy associations. Intercontinental created a “Kitchen” app that past guests could use to recreate their favorite fancy meals, and Flywheel provides post-ride calorie counts and progress markers to remind customers of their powerful workouts.

If customers have had a negative interaction, there’s opportunity to displace that negativity with new positives. How? Help customers move on rather than vent. The catharsis of complaining is a myth. Controlled studies show that vocalizing rage is more likely to intensify anger than resolve it. But brands in constant search for customer feedback force customers to relive their worst brand moments. Instead of overwhelming customers with surveys, overwrite old bad experiences with new, good experiences.

Studies show “exciting” brands recover customer relationships much faster than “sincere” ones. Hallmark, for example, released a barking puppy named Jingle that, to the distress of many children, wouldn’t bark. To recover those relationships, Hallmark sent advance versions of a remedied interactive puppy with a playful note explaining that “Jingle needed to rest his voice.” Displacing works on a smaller scale, too, like the Southwest pilot who ordered pizza for his passengers trapped on the tarmac.

What positive associations should you remind customers of, and what negative associations should you rewrite with new experiences?

In a controlled study, waiters who gave mints with the check made 3 percent more in tips. Waiters who gave mints by hand to customers and asked, “Would anyone like a mint before they leave?” got 14 percent higher tips. Waiters who brought mints with the check and came back with another set of mints later (saying, “I thought you guys might want more mints”) got 21 percent higher tips. Mints matter.

Minimize what Susan Fournier terms “negative brand relationships” that are commonplace and cause damage to customers and companies. In a study by Fournier, a brand relationships pioneer, and Jennifer Aaker, Stanford’s happiness expert, the researchers found that, in the wake of a relationship transgression, exciting brands recovered customer relationships, whereas sincere brands continued to suffer. The lesson: Give customers something new and surprising (an “interruption” as Aaker and Fournier termed it) to think about.
For business results, emotions matter. And the way to happiness is through great experiences. 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 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.
The Happiness Halo
The secret to customer loyalty?

Don’t think just about the interaction, but improve the “before” and “after.” Tap into the joy of the anticipation, the delight of the interaction and the warmth of the afterglow.
Cheat sheet

**ANTICIPATION**

- **Tease**
  What can your brand hide to build excitement during anticipation?

- **Tempt**
  What can your brand expose to give customers something to look forward to?

- **Make it a treat**
  What moments of your brand experience might be a limited-time treat for customers, and how can you frame them that way?

**INTERACTION**

- **Immerse**
  How can your brand encourage customers to immerse themselves in your experience?

- **Direct**
  How can you focus choice in a way that feels helpful rather than limiting, easing decision-making stress and post-interaction regret?

- **Elevate**
  How can you make customers feel superior, even to other customers?

**AFTERGLOW**

- **End strong**
  What’s your “last impression,” and how can you make it a happy memory?

- **Surprise**
  What surprises can your brand deliver to bring unexpected joy to the afterglow?

- **Reinforce and rewire**
  What can your brand do to reinforce your positives and rewrite your negatives?
Introduction

1. Emotions drive decisions, and even logical reasoning requires emotion.

2. The emotional component of customer experiences is a better predictor of loyalty than the cognitive component.

3. Customers spend more than double with the brands that make them happy.

4. Companies say they deliver excellent customer experiences, but customers don’t agree.

5. Upwards of half of someone’s happiness is built in moments of anticipation …

6. … and remembering.

Anticipation

7. Introduction. Positive expectations influence a person’s overall happiness as much as actual experiences do.
   Rutledge, “A Computational and Neural Model of Momentary Subjective Well-being” See above, n. 5.

8. Introduction. Most materialistic consumers actually receive more pleasure during the “anticipation” phase of a purchase than during the “acquisition” phase.

9. Tease. Anticipating a pleasurable experience feels as good as finishing an important task.

10. Tease. We’re hard-wired to prioritize “seeking” over “finding.”
11. Tempt. “Mere exposure” to unfamiliar things can increase someone’s favorability toward them.

12. Make it a treat. Everything’s more attractive when availability is limited.

Interaction

13. Introduction. We reach for a donut even though healthy people are happier.

14. Introduction. We constantly multitask even though focusing is more rewarding.

15. Introduction. We take control, despite the liberty of surrender being the path of most contentment.

16. Immerse. When people’s minds drift from the task at hand, they report being less happy than when they are fully engaged.

17. When people’s minds wandered, they reported more dissatisfaction.

18. Direct. Customers claim to want choice, but they’re happier if given direction and personalized constraints.

Afterglow

19. Introduction. We make our decisions in terms of our memories.

20. Introduction. Our memories are reconstructed every time we conjure them.


22. End strong. Waiters who gave mints could get 21 percent higher tips.

23. Surprise. Dopamine is stimulated by unpredictability, and that causes surprises to exert a disproportionate influence on our memories.
Susan Weinschenk, “Why We’re All Addicted to Texts, Twitter and Google,” Brain Wise (September 11, 2012).

24. Reinforce and rewire. The catharsis of complaining is a myth.
