

SCOTT ROBINETTE & CLAIRE BRAND
with **VICKI LENZ**



Emotion Marketing

THE HALLMARK WAY
OF WINNING CUSTOMERS
FOR LIFE

foreword by **DON HALL, Jr.**
CORPORATE VICE PRESIDENT
STRATEGY & DEVELOPMENT
HALLMARK CARDS, INC.

Emotion Marketing

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of Winning Customers
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The last several years have been a remarkable time for Hallmark Loyalty Marketing Group. We always knew we were onto something big—leveraging emotion to inspire brand loyalty and drawing from Hallmark’s experience enhancing personal connections to help our clients strengthen their business relationships.

Now we have the stories, the studies, and the results to back up all our instincts, and we couldn’t be happier—or more excited to continue building our momentum.

But first, the authors wish to sincerely thank the following people for supporting us, pushing us further, and being with us during this first stage of what’s sure to be a long, fulfilling journey . . .

Our families for their unwavering love and support.

Our colleagues and business partners whose passion, creativity, and commitment to excellence are the fuel for Emotion Marketing.

Our consumers around the world who show they care enough to send the very best every day.

Our business clients whose practical application of, and investment in, Emotion Marketing are creating a new standard for customer loyalty.

And the Hall family, whose vision and leadership are wonderful examples for us and make the legacy of Hallmark what it is today.

And last, for the dozens of people who invested their time, energy, and talents to making this book a reality—with special acknowledgment to Tom Shirkey, Paul Treacy, and Trish Berrong.

We look forward to many more great years ahead.

Foreword

It has been generally known and accepted for more than a decade that it costs less to retain customers than to acquire them. That a majority of consumers and business customers prefer to buy from people they know and like—and are willing to pay a bit more to do so. That business relationships built and maintained over time translate into long-term business growth and success. And yet we continue to struggle with how to nurture customer relationships, how to deliver better value, how to create greater customer satisfaction, and how to get to know our customers better.

Companies in virtually every business category must deal with the effects of rapid change, new competition, and shifting customer loyalties. Hallmark is no different. And as we continue to evolve and grow our business to anticipate new areas of consumer interest and demand, we believe we have found a *constant* underlying all those dynamics. That constant is *caring about the customer*. Really, truly caring in a genuine, relevant way. This kind of caring can be difficult to deliver, day after day across a diverse range of business relationships.

At Hallmark, relationships have always been at the heart of our business. This is true in both the expressions of thought and emotion, and in

our working relationship with thousands of retailers and other businesses around the world. In 1910 when my grandfather started what was to become Hallmark, his inventory of cards could be kept in a shoe box. He grew the business through personal selling relationships and an uncompromising commitment to deliver the highest possible quality to customers. Along the way a corporate culture grew around caring—caring about our employees, caring about our business customers, and caring about the millions of consumers who purchase our products.

Over the years, we have built on our tradition of caring for the consumer and demanding excellence on their behalf in the products and services we deliver. With the creation of Hallmark Loyalty Marketing Group, formerly Hallmark Business Expressions, in 1995, we began sharing with other companies the insights and successful concepts Hallmark has incorporated in our own customer loyalty programs. We have been fortunate to work with many client companies that are striving for the same goal of continually improving employee and customer relationships. Hallmark Loyalty Marketing Group is becoming a primary resource for companies interested in implementing emotion-based communications solutions to enhance their business relationships.

Because of our interest and growing involvement in emotion-based marketing, we welcome the opportunity to share our experience with you. Author Vicki Lenz has been involved in our client symposiums on relationship marketing. As author of *The Saturn Difference* and president of “Emphasis on Customers!” Vicki has already brought insights on caring about the customer to the forefront. Once we recognized our joint interest in emotion marketing, we formalized our insights into some useful “tools” for business decision-making. You’ll see how Hallmark and other companies have applied this strategic relationship framework to their organization and marketplace challenges.

Emotion Marketing is central to delivering value and creating customer loyalty—as a means to profit, growth, and long-term business success. What it really means is strong relationships are good for business,

FOREWORD

and expressions of caring can help you strengthen relationships with employees and customers. I hope you find these insights useful in building your success.

Don Hall, Jr.

Corporate Vice President
of Strategy and Development
Hallmark Cards, Inc.

Preface

If you're like most professionals we've encountered, when first introduced to the concept of Emotion Marketing, you'll find it somewhat perplexing—it conjures up reactions of both skepticism and intrigue. Can a business whose goal is to increase the propensity on the part of the consumer to repurchase truly have an “emotional” relationship with its customers?

Let's start by defining emotion in this context. Trust is the emotion of business. Achieving a high level of trust comes to those businesses that earn it and are motivated by win-win decision-making. It definitely gets results. But maybe you're not so easily convinced. On the one hand, perhaps since you weren't likely taught the subject in business school, you find it difficult to believe that investing hard cash in the intangibles can be justified as a legitimate business strategy. On the other hand, you can't prove that providing emotional benefits doesn't play some sort of role in the success of a given enterprise.

Chances are you were drawn to this book because your intuition tells you there's something real and powerful about how emotion affects our daily lives. Maybe you've experienced for yourself how your heart led you

to make a decision against your head's better judgment. That car you paid more for than your budget allowed, that tropical vacation you traded two months' salary to experience, those shoes you just had to have that only go with one outfit, that expensive golf club that promised to fix your slice. Or, if you're a student of consumer behavior, maybe you've observed your customers acting in ways contrary to what you expected, or behaving completely differently than they said they would in focus groups or survey research. Somewhere, deep down, you just *know* the realm of emotion makes a difference. So how does one make sense of this mysterious paradox?

The fact that you're reading this now hints to the answer, and the underlying truth of this book—*human beings (yes, even males) are emotional creatures who have a deep-rooted need to connect with each other and the world around them*. Our emotions serve a critically important role in our quest to survive, thrive, and realize our full potential. Emotion brings depth and meaning to life. It bridges the gap between our innermost needs and our daily actions to achieve satisfaction. It moves us to act, to participate in the game of life. It validates our decisions and empowers us to feel good or bad about them. It helps us navigate through hundreds—if not thousands—of decisions we make every day. Without emotion, life is stripped of its meaning, its essence, its experiential value, its rewards.

If there's one thing we've learned after nearly 90 years of leadership in the relationship business, it's that *emotion matters*. From brand building and employee satisfaction to product leadership and customer loyalty, nearly every major success at Hallmark can be traced to the effective creation, utilization, delivery, or exchange of emotional value. We've come to know firsthand that our success in sustaining competitive advantage in the marketplace is directly correlated with our ability to establish and strengthen an emotional connection between Hallmark and our key stakeholders.

Over the years, as the success of Hallmark gained exposure and recognition in marketing circles, other companies increasingly turned to us for benchmarking, best practices, and advice on building lasting bonds

with their customers and employees. In 1995, Hallmark Loyalty Marketing Group—originally named Hallmark Business Expressions—was formed to respond to these numerous requests and provide a center-of-excellence for the profitable pursuit of customer loyalty. Since its inception, the group has emerged as one of Hallmark’s fastest growing business units, helping hundreds of the world’s most revered and respected organizations add emotional value in their business relationships.

Our adventure began with a rigorous study of the customer loyalty field. We conducted an exhaustive review of what loyalty experts were finding, benchmarked the best practices of other companies with successful loyalty initiatives, and cross-referenced those trends with our own experience in building loyalty within Hallmark. As we began working with other companies, it became abundantly clear that the power of Emotion Marketing was not being leveraged, and that most attempts at building loyalty were falling short of their full potential. We saw the initial advantage of traditional frequency or “points-based” programs begin to fade as more and more competitors jumped into the loyalty game. Above all else, we heard consumers everywhere crying out to be recognized, valued, and appreciated.

We knew we had a story to tell, and our passion to get the message out grew rapidly. It wasn’t enough to whisper in the ear of a few companies. As pioneers in the caring business, we felt a responsibility to shout it out to the world—if for no other reason than to restore the waning consumer trust in business institutions. We also knew that most successful marketers had utilized elements of Emotion Marketing in their past mass marketing efforts, positioning their products where they make a difference in people’s lives. (And yes, babies and puppies in commercials have always worked!) However, there was a thirst for knowledge as to how to translate that to the more individualized, one-to-one marketing arena that extends beyond product to service and relationships without seeming awkward or contrived. For this reason we decided it was time to write the book on Emotion Marketing.

As Stephen Covey said, “All real progress begins with a paradigm

shift—a break with.” It is our sincere desire that the insights and examples contained in this book give you a new lens through which you can view the competitive landscape and provide the impetus for real change in your organization. We hope it instructs, informs, and inspires you to harness the power of emotion across your enterprise to deliver what your customers desperately need—the personal attention, respect, and admiration they deserve. As we’ve learned firsthand, they’re ready and willing to give their loyalty—and their business—to those companies who earn the right to *win customers for life*.

Claire Brand
Scott Robinette

Did you ever have an “Ah-hal” moment? One of those rare times when suddenly everything came together and made perfect sense? And it’s so basic, you wonder why you didn’t see it before?

Mine came after two and one-half decades in marketing, during a discussion with the people at Hallmark Loyalty Marketing Group (a division of Hallmark Cards Inc.). They described their research, experience, and practical applications of the role that emotion plays in the customer loyalty equation. EMOTION. That’s it! Suddenly, I realized that emotion was the one-and-only, really true basis of successful marketing and the secret to value, customer loyalty, and profits.

Think about it. Your decisions to buy are based on emotion. Sure, there’s rational thought involved, but one way or another you—and what you value—are influenced by emotion. Many times, emotion holds the rational mind captive. On the other side, businesses strive to create more value for customers and increase loyalty by subscribing to relationship management, loyalty programs, and one-to-one marketing. But what’s the common thread—the missing link necessary to achieve the real competitive edge? Emotion! And it’s been around from the very beginning. It’s just that nobody figured how it fits into the marketing equation, and how it provides value that adds up to customer loyalty.

Until now.

PREFACE

Hallmark figured it out.

But one characteristic of this private company named Hallmark is humility. So, I was ecstatic to learn that this soft-spoken company that exemplifies the very best wished to share their emotion message with the rest of the business world—to help other companies achieve their own crowning edge. Perhaps I should not have been surprised. After all, what would you expect from the company that cares enough to send the very best?

I must share with you that after all my interviews and research for this book were completed, I arrived at a totally different, groundbreaking way of looking at marketing. Many would say it's just common sense. I think it's more. I call it "care sense."

Once you discover what Emotion Marketing is all about, I hope you care enough to make it true for your customers.

Vicki Lenz

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PART ONE

Why Emotion Marketing Works

The Business Case for Emotion Marketing

What if you could add one element to your marketing strategy, and be confident it would differentiate your brand from the competition, make your customers more loyal, and ultimately increase profits?

What if that key element could enhance every aspect of your business—from the way you answer the phone to communications with your most important customers?

And what if it's something so simple—so fundamental—that it's been there all along, but you just haven't been able to harness its power?

The element is emotion. Not in its everyday sense—intangible, irrational, *mushy*—but as a force capable of inspiring customers to act. To buy. To stick around.

Hallmark Cards has built an enduring business on emotion. For more than 90 years people have trusted Hallmark with their most important relationships—relationships deeply rooted in emotional connections.

Business relationships aren't that different. Research indicates that strong satisfaction with a product or service, although a *prerequisite* for loyalty, doesn't guarantee committed customers. Something else is required—a bridge between satisfaction and loyalty.