

The Confidence Curve: Why Satisfied Customers Leave



Matthew D. Rocklage
Northeastern University

The Paradox



AT&T

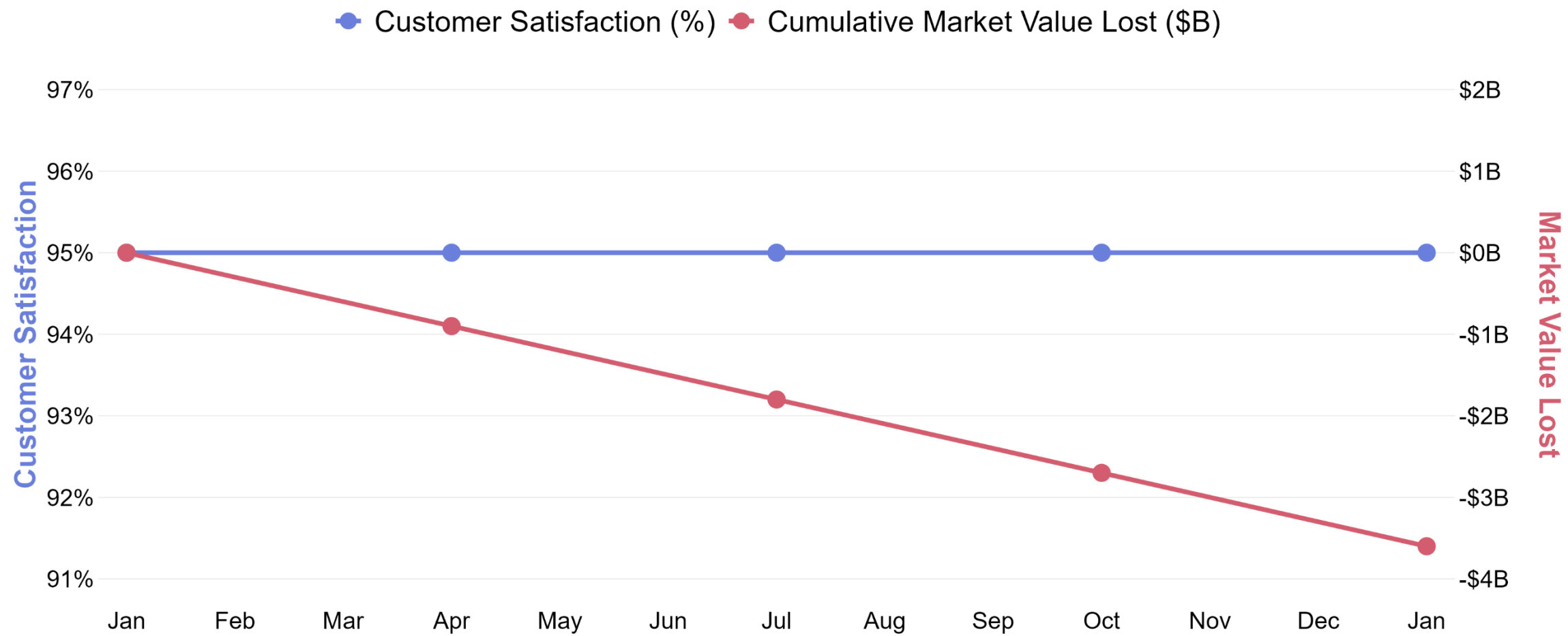


The Paradox





The Paradox



25,000 employees let go despite "excellent" satisfaction ratings

Satisfaction: A flawed metric



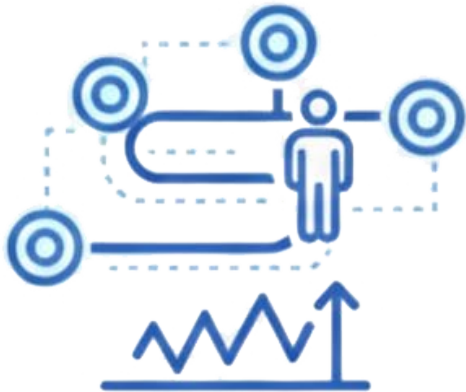
What to do?

1 > _____



**Beyond
satisfaction
(positivity)**

2 > _____



**How experience
matters**

3 > _____



**Consequences
for choice**

4 > _____



Solutions

What to do?

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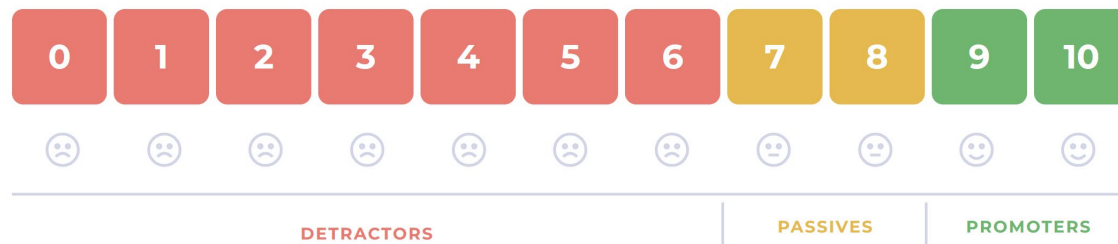
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Solutions

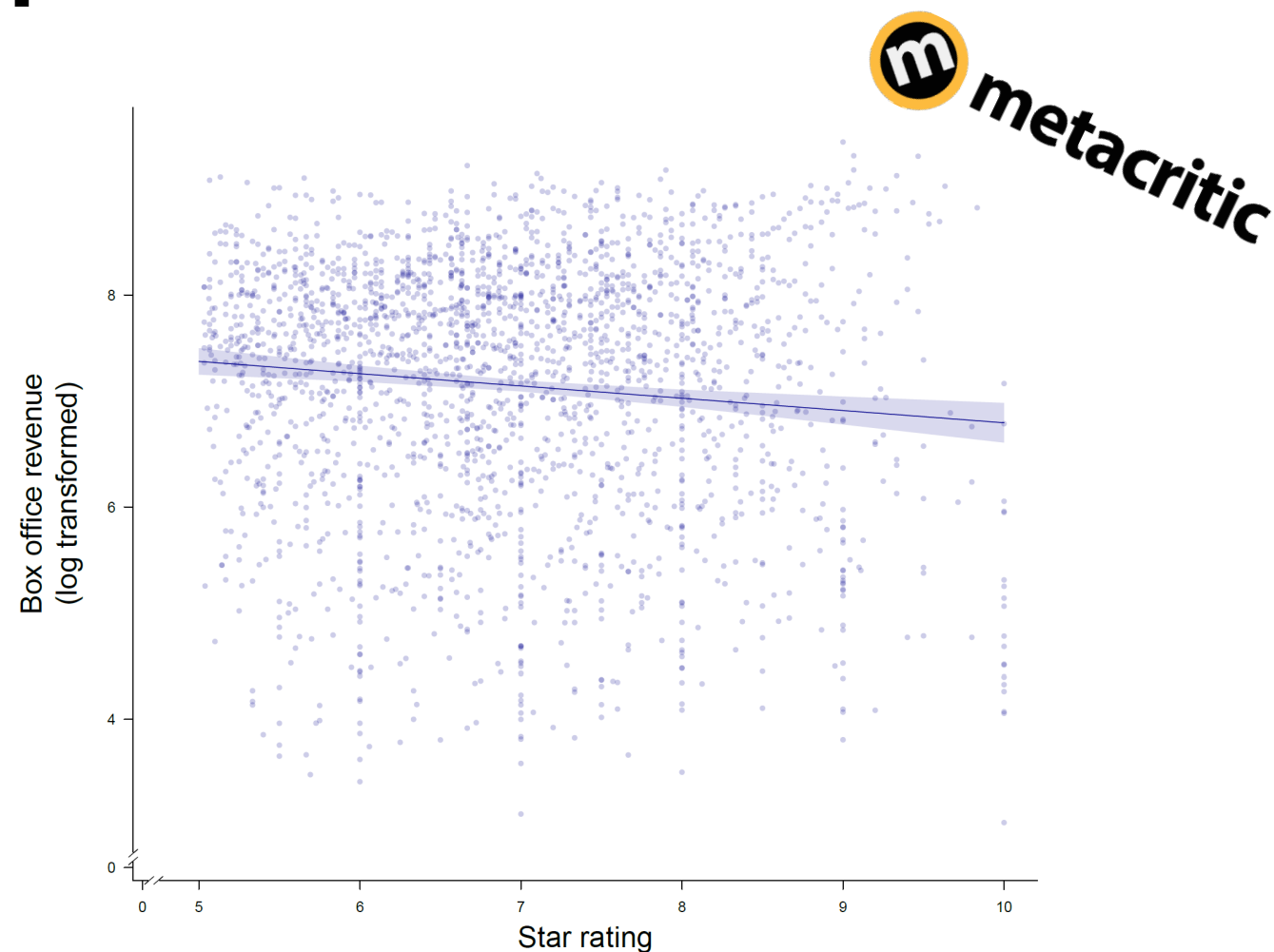
Beyond satisfaction (positivity)



 <p>Your support team is useless.</p> <p>NEGATIVE</p>	 <p>The product is okay I guess.</p> <p>NEUTRAL</p>	 <p>My experience so far has been fantastic!</p> <p>POSITIVE</p>
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The problem with positivity

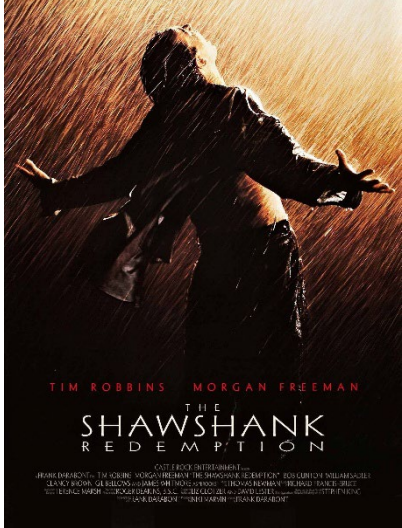
Not a reliable predictor of success



Source: Rocklage, Rucker, and Nordgren 2021

The problem with positivity

Not a reliable predictor of success



Carnivale
★★★★★ (6167) \$\$\$\$
Latin / Spanish | West Loop
📅 Booked 91 times today



Solution?

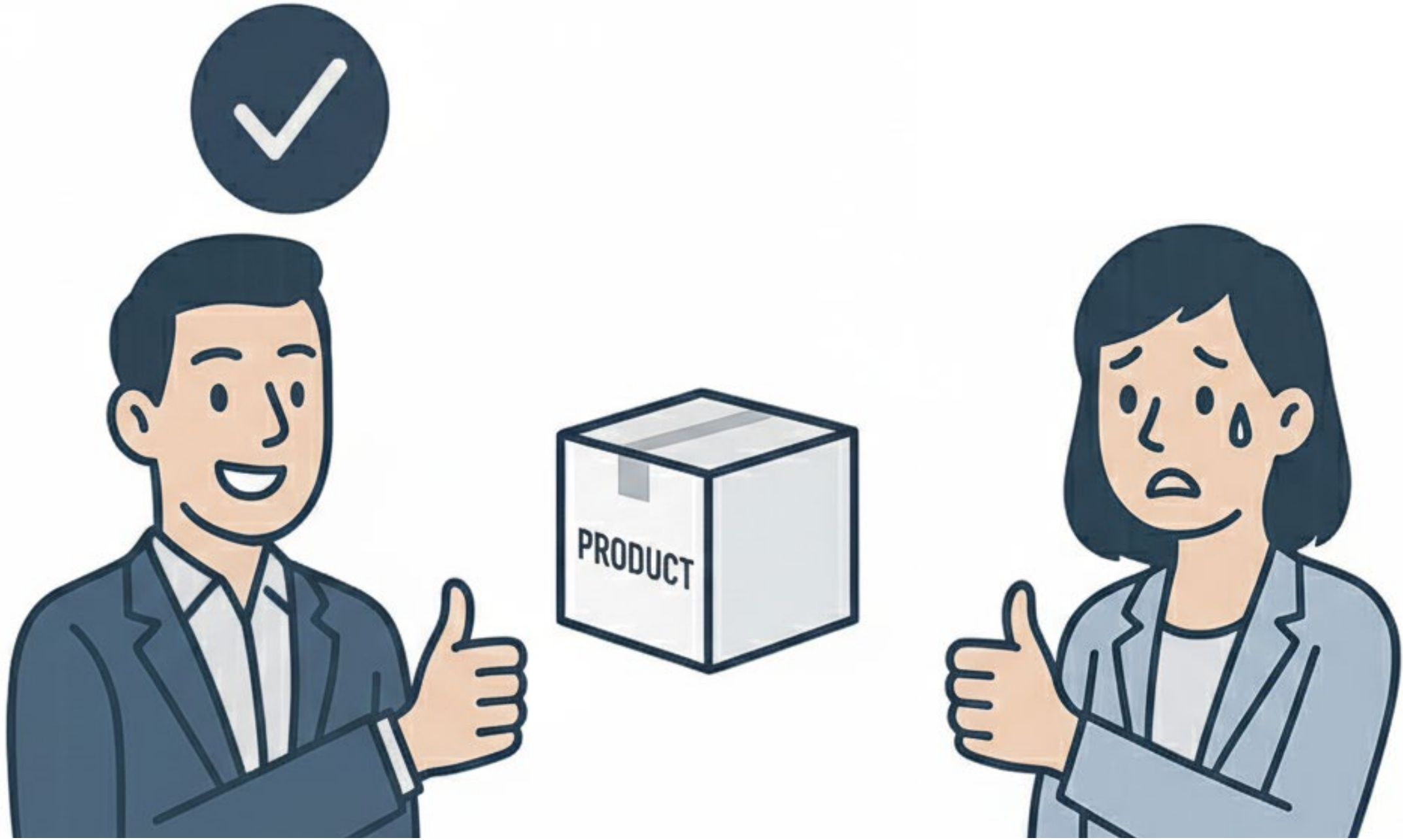
Confidence

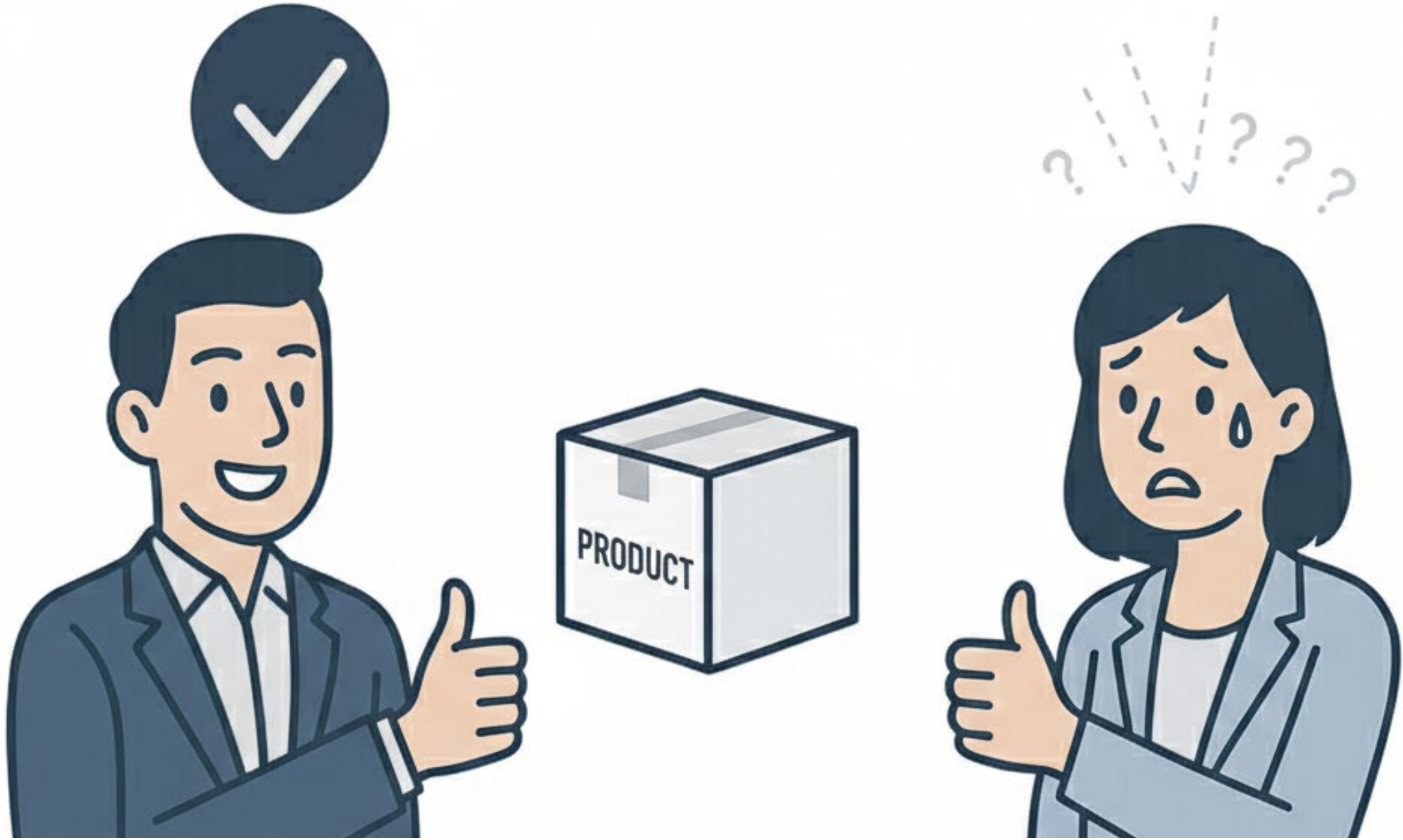
/ˈkɒnfəd(ə)ns/ noun

Subjective sense of certainty in one's judgments and understanding of something.

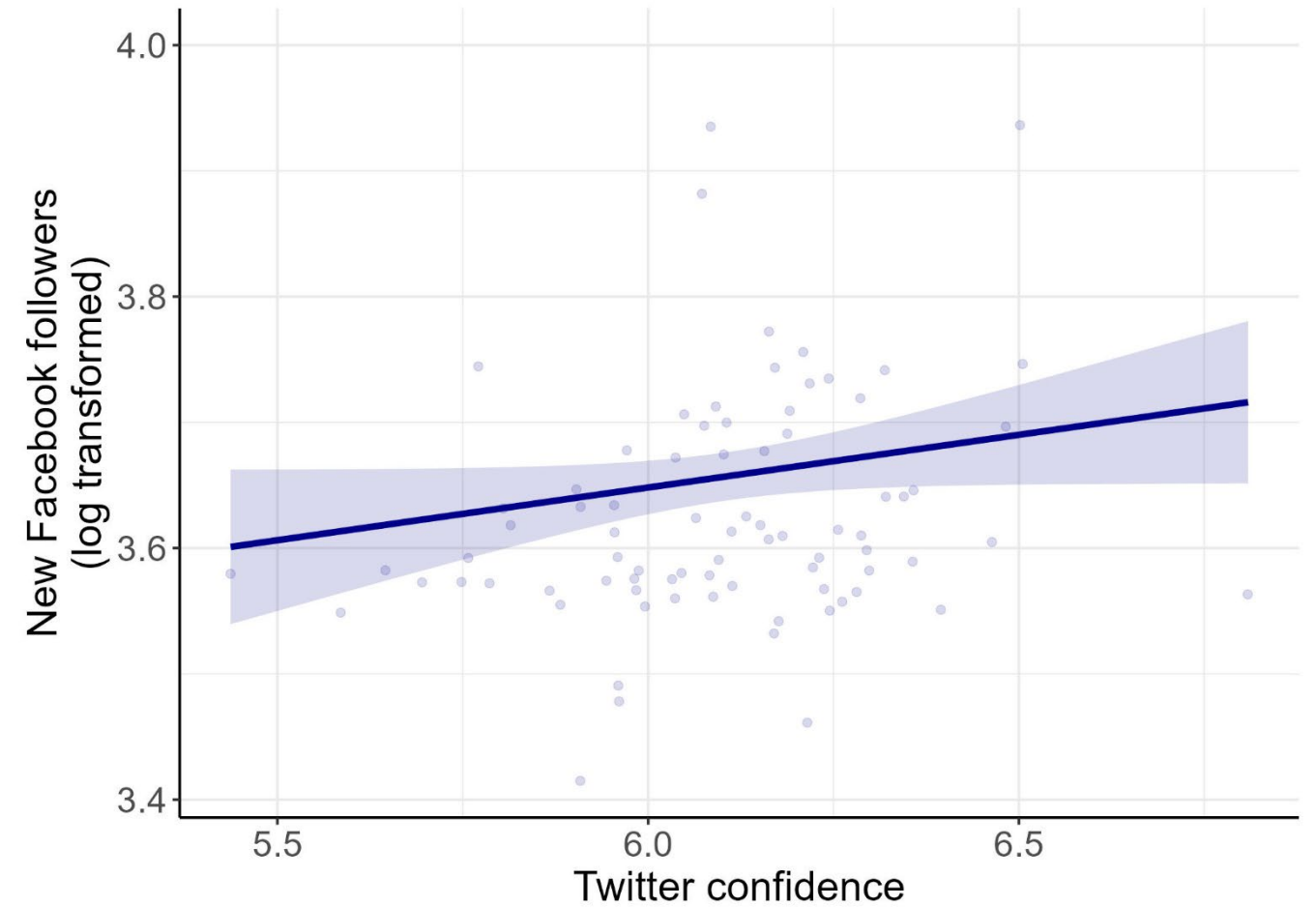
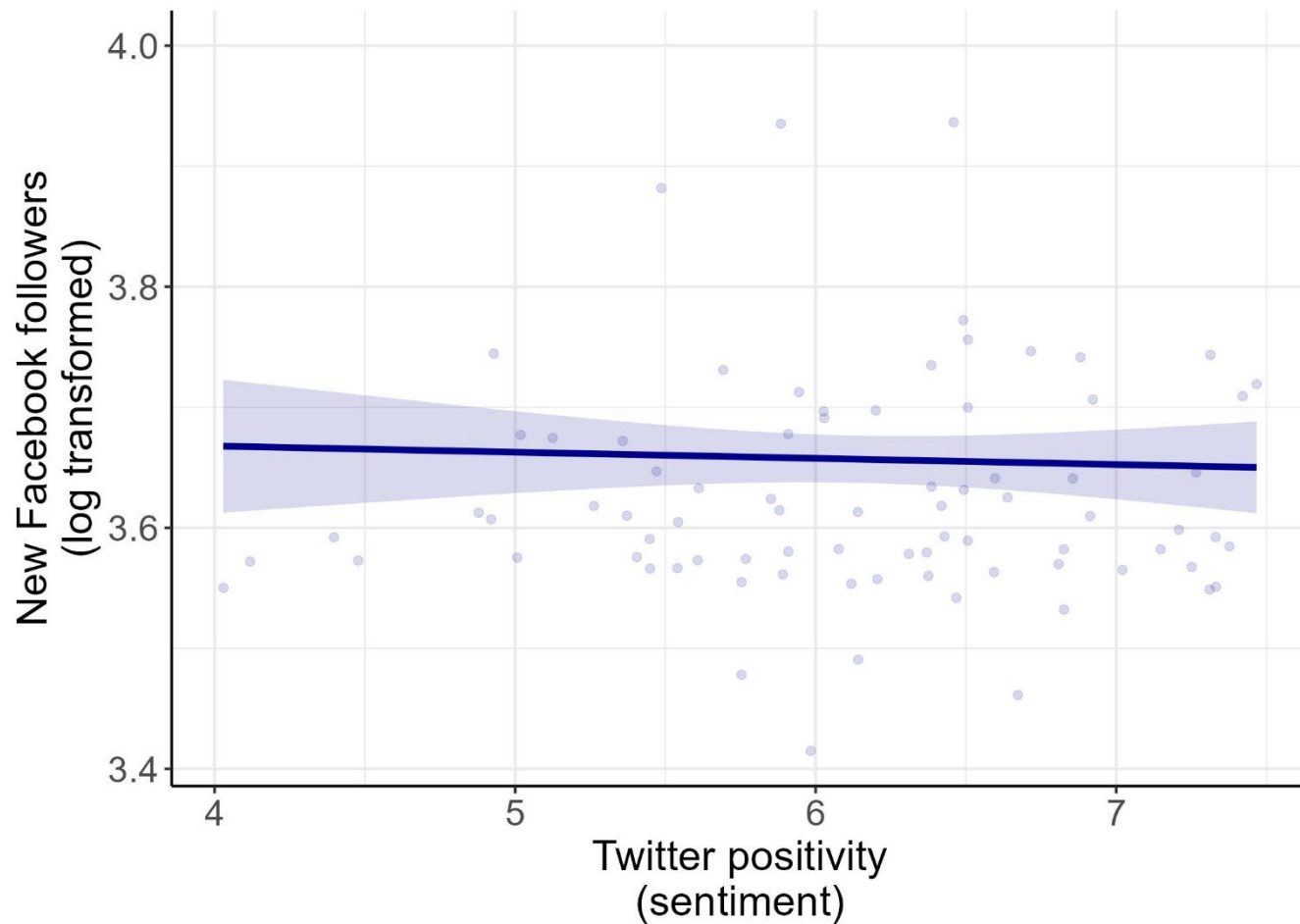
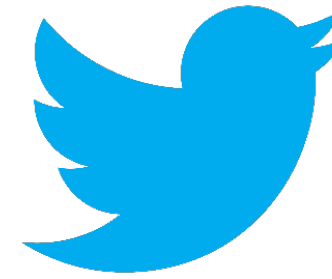








Case study: Super Bowl ads



What to do?

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Consequences
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Solutions

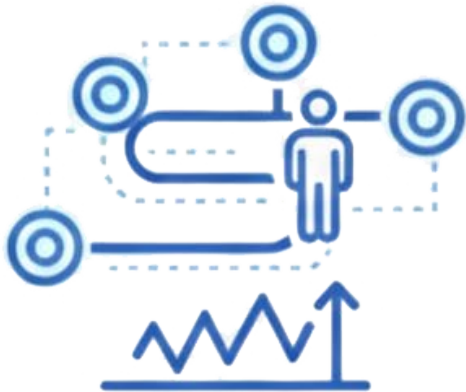
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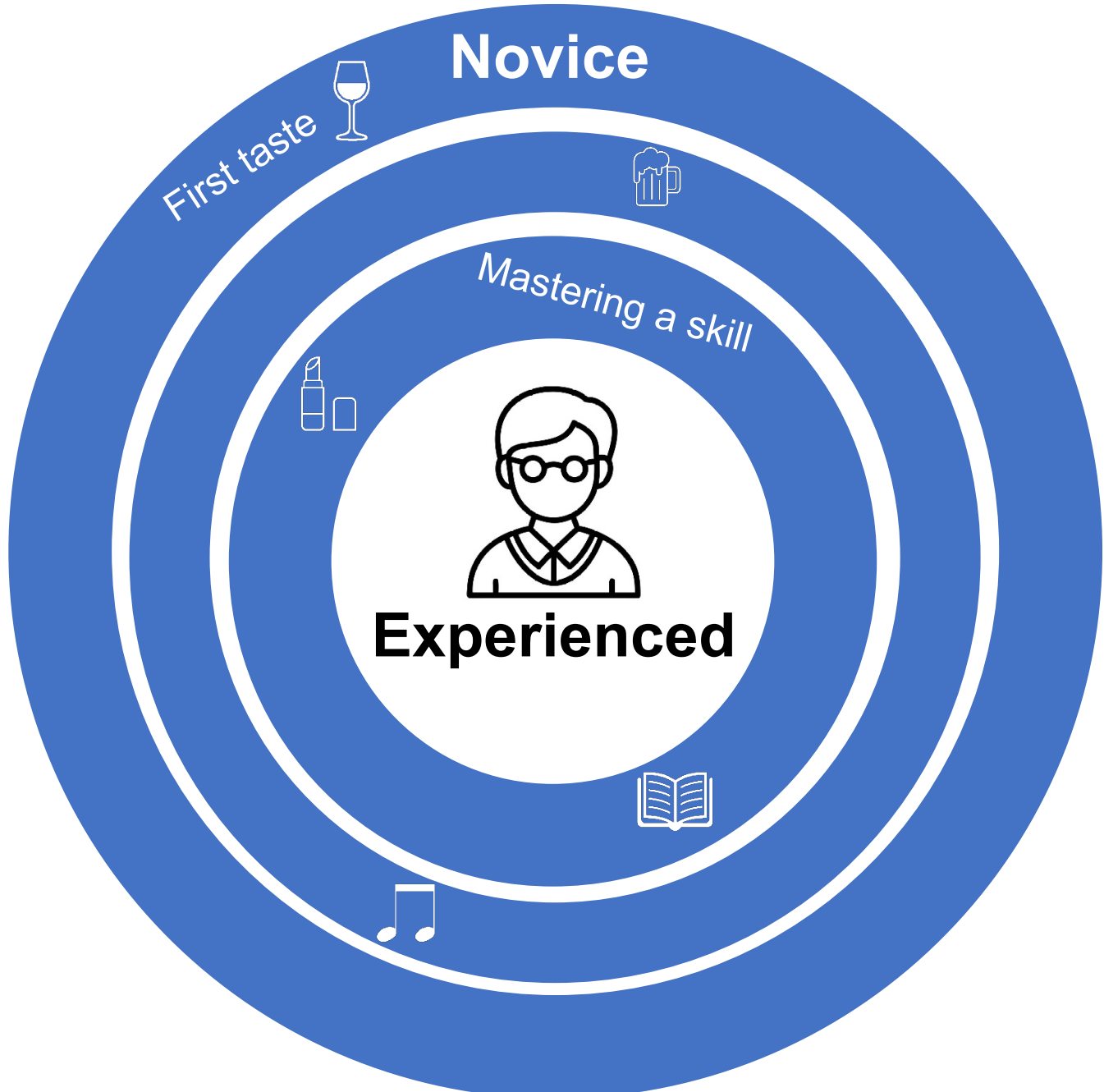


Jonah Berger
The Wharton School



Reihane Boghrati
Arizona State University

Consumers constantly gain experience

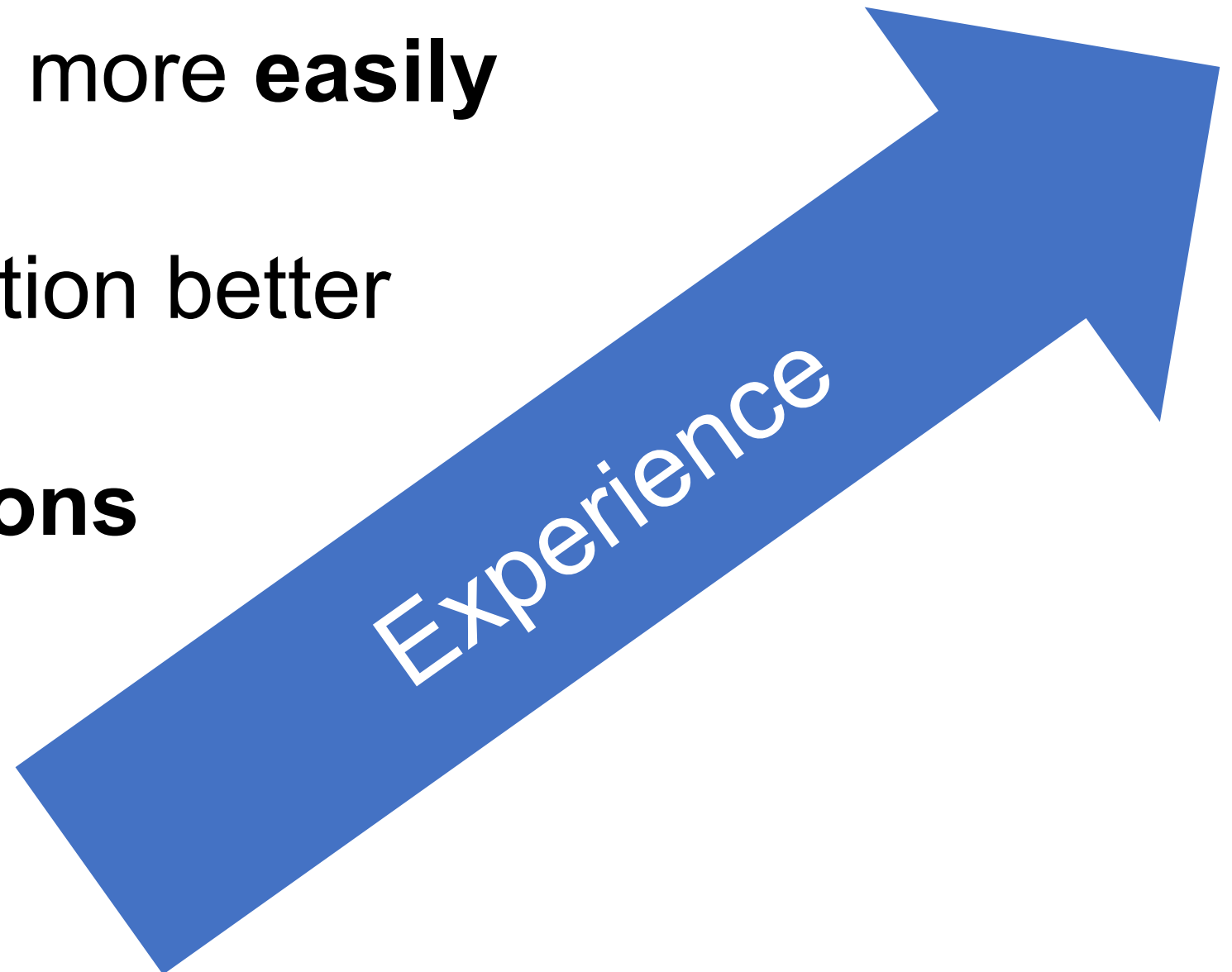


Experience leads people to:

Process information more **easily**

Remember information better

Make **better decisions**



Experience should boost confidence

**Experience should boost confidence –
but does it?**


Data overview




**100,000
Consumers**



**4 Million
Purchases**



30 Years



3 Domains

Measuring confidence



Online reviews and computational linguistics



Reviewed by motocd from Iowa

Touches of spicy, lightly warming alcohol towards the finish add some complexity, but somehow this seems to be missing a depth and richness that one would expect from the nose of a Quad, much less an oak aged one. Slightly soft and chewy up front, a nice, prickly carbonation adds a bit of zip to the middle of this brew and it even seems to dry out a bit in the finish. The beer is sweet overall, though not quite sticky, and this accents a middle that tasted distinctly of bananas; it is distinct enough that I don't know how I don't get any banana notes in the aroma.

Dec 04, 2011 Report

Measuring confidence



Online reviews and computational linguistics

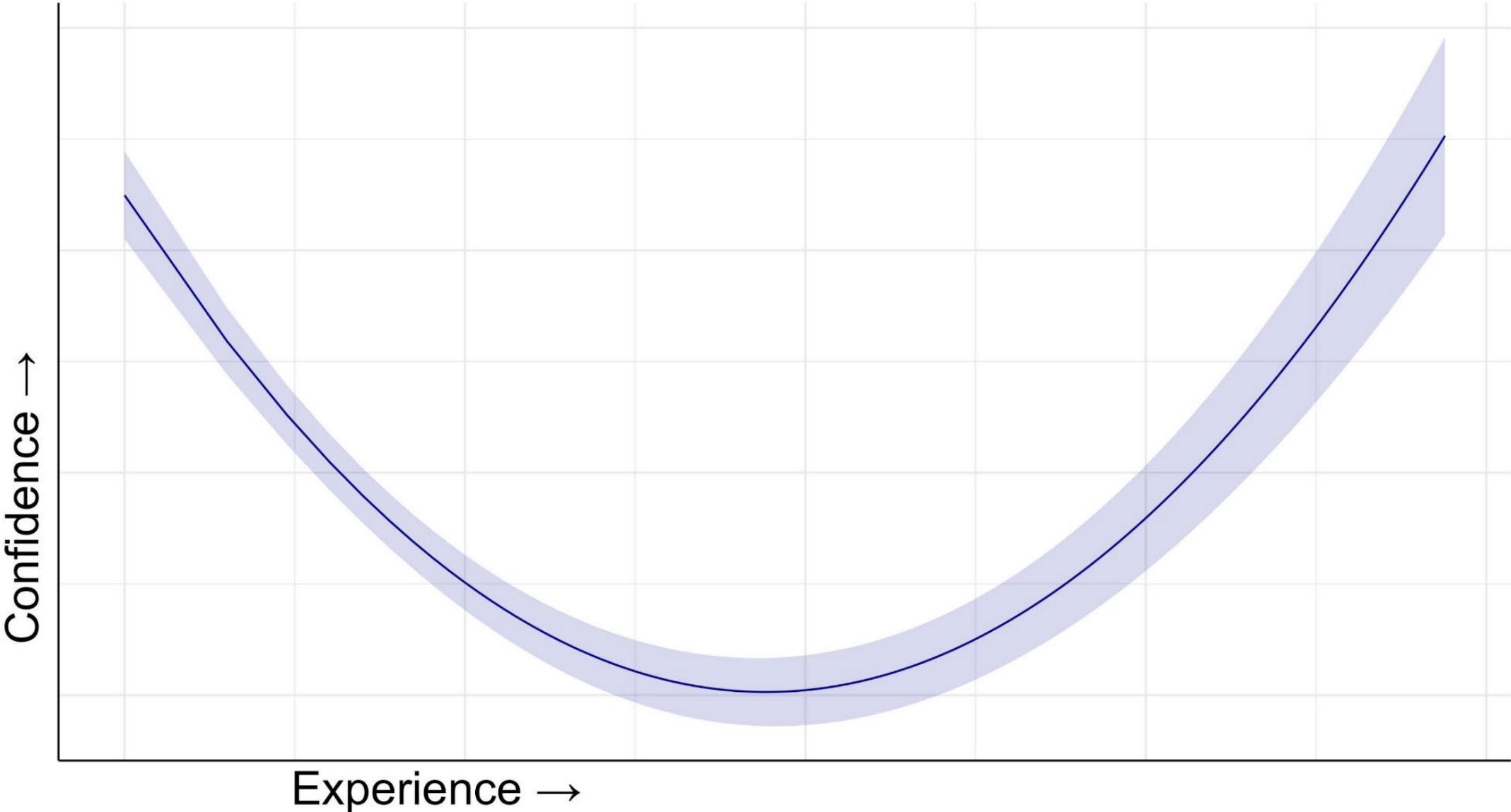


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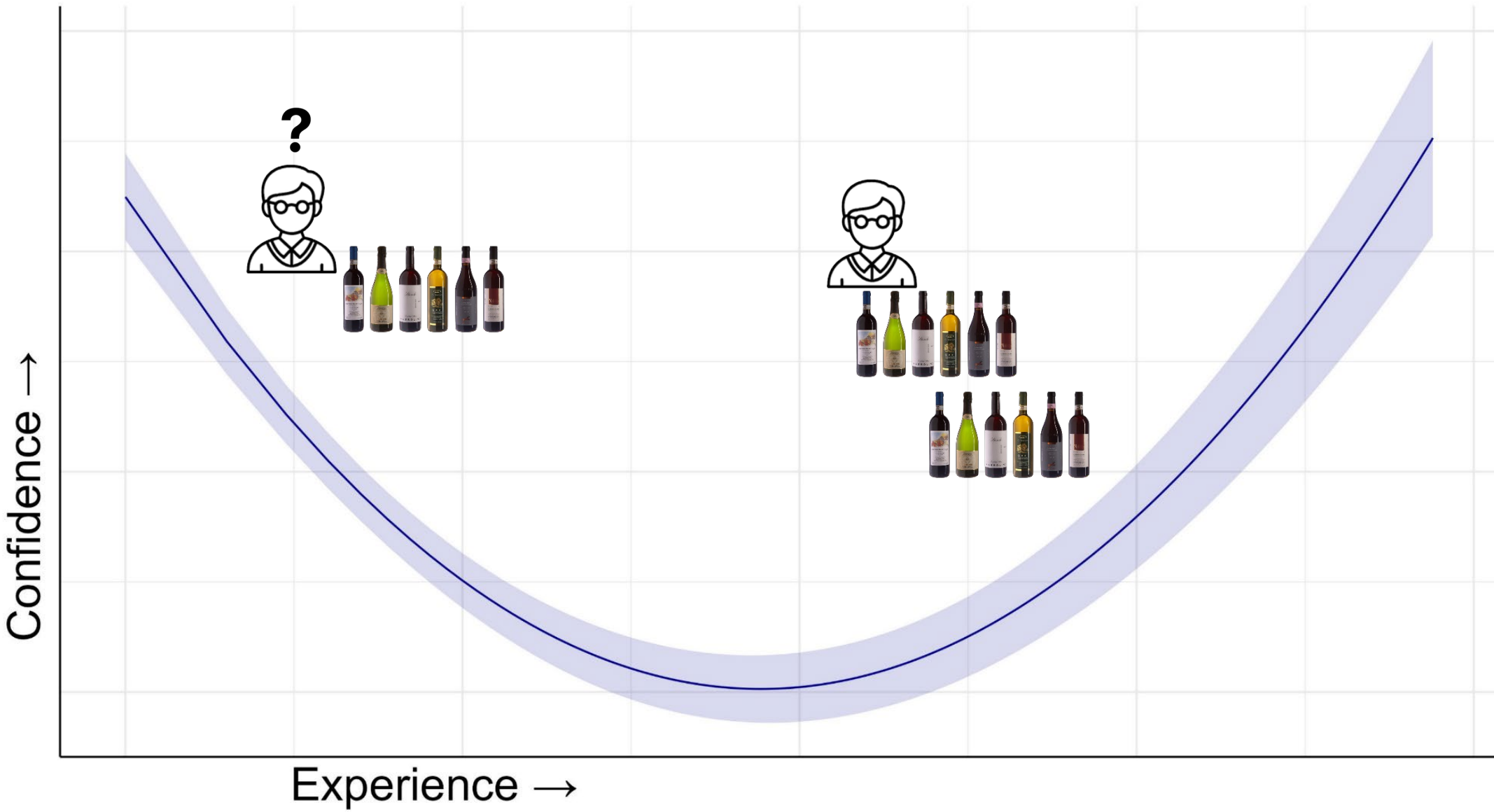
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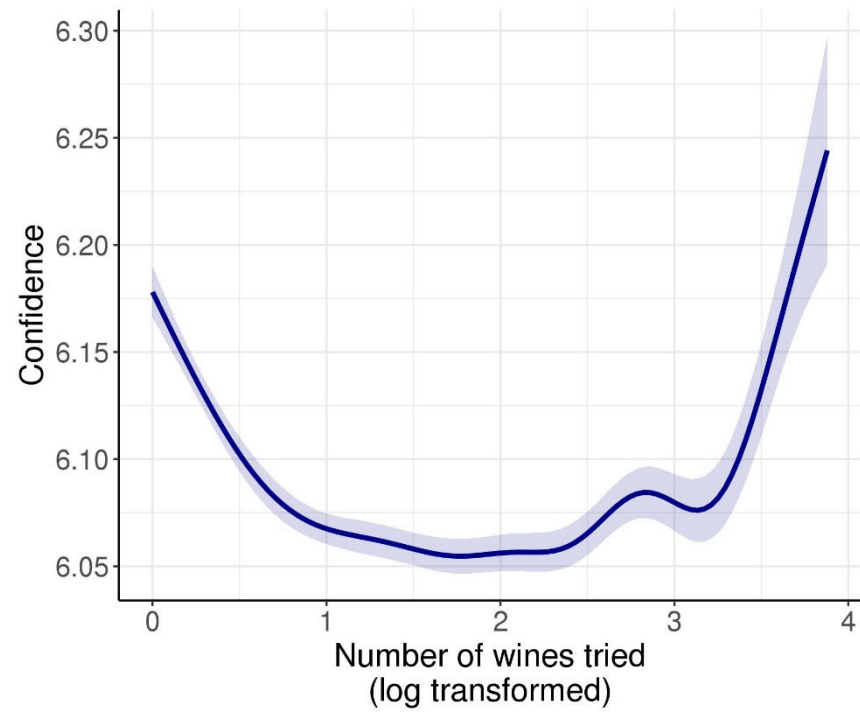
The Confidence Curve



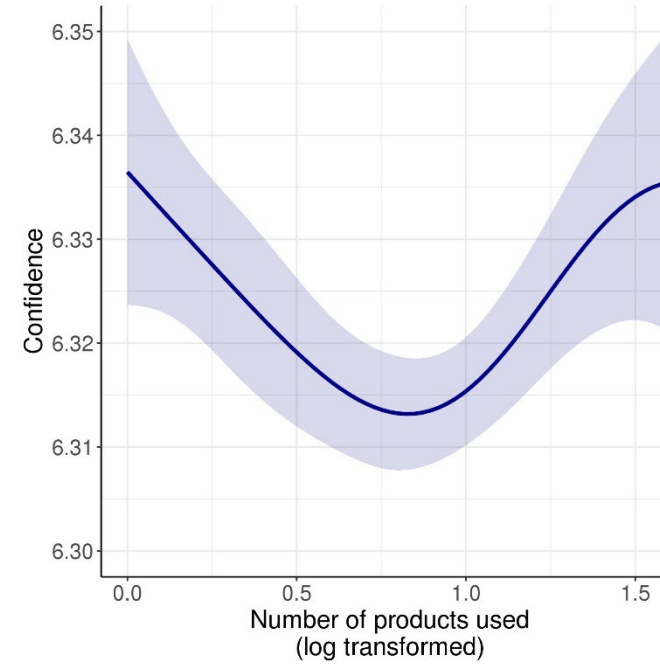
The Confidence Curve: Consumers' confidence **dips** with experience



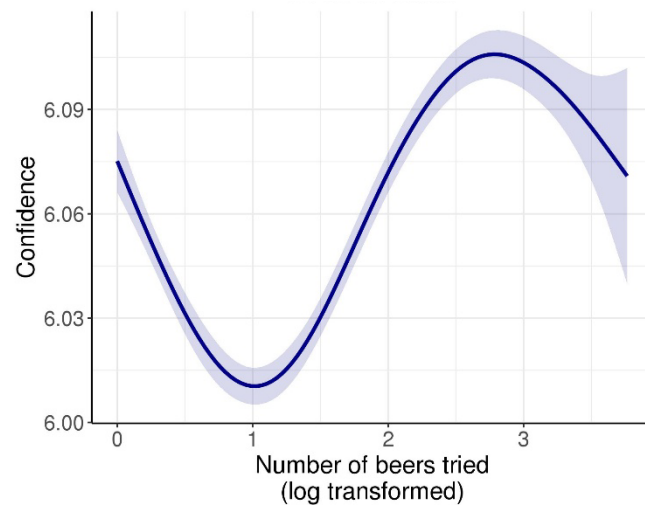
cellar
TRACKER



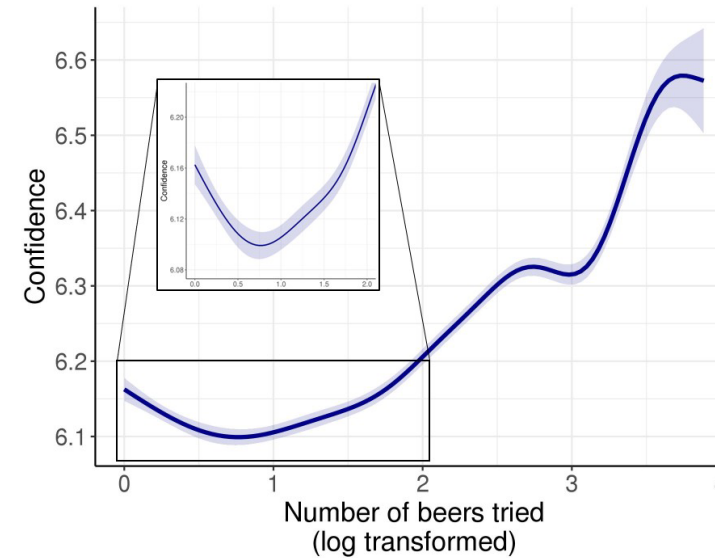
SEPHORA



Beeradvocate



ratebeer



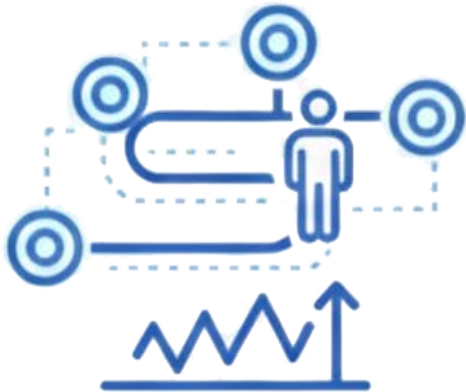
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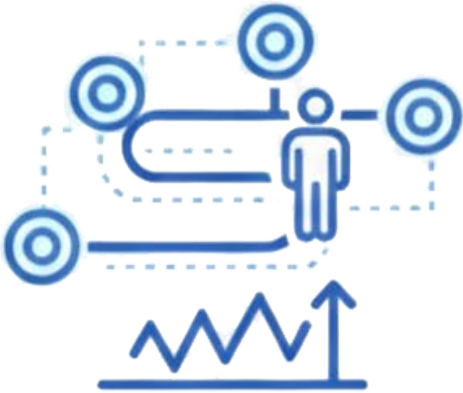
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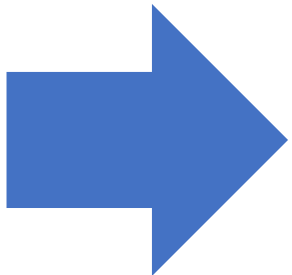
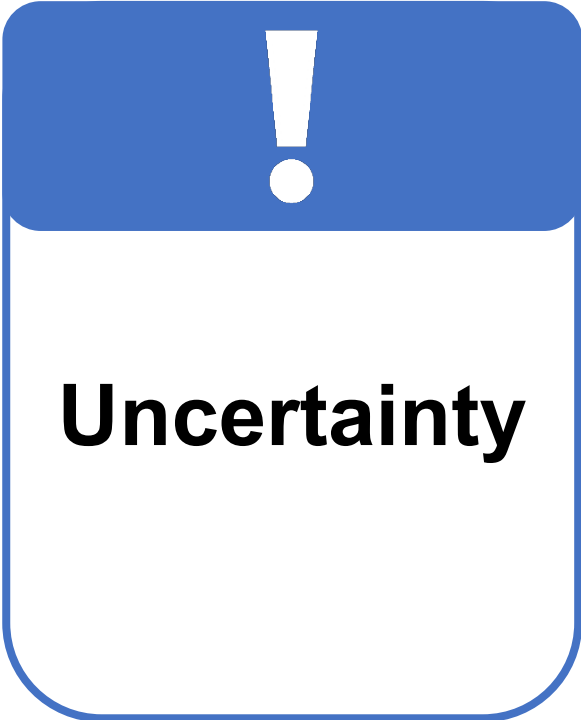
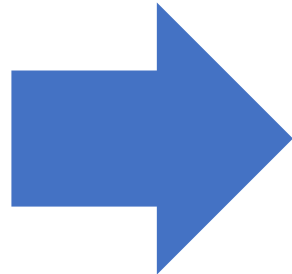
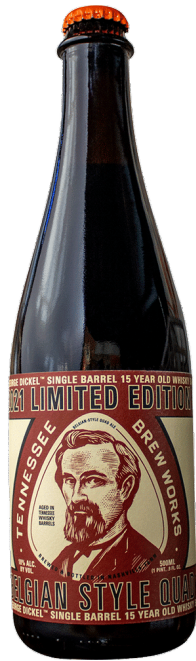
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Solutions

The **cost** of uncertainty



Time 1

Time 2

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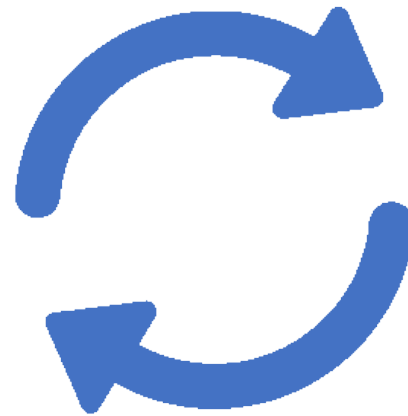
Dec 04, 2011 Report

The **cost** of uncertainty



20%

Longer wait time
to repurchase



1 in 20

Switch to competitor



55%

Never return

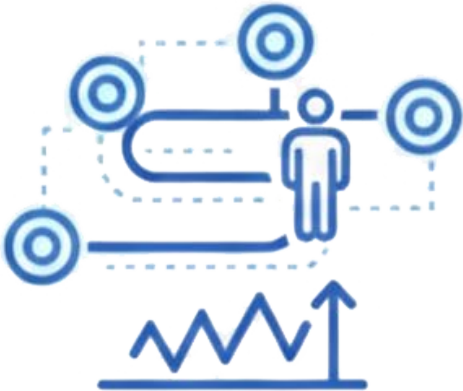
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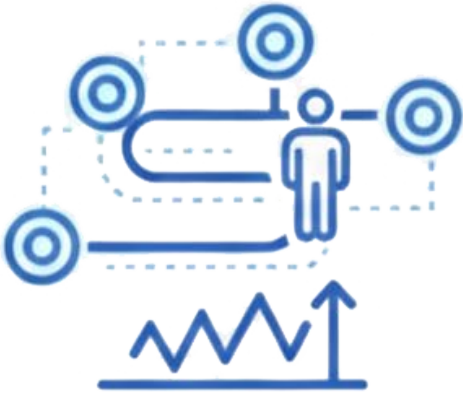
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Solutions

Match tactic to confidence

Low confidence → Explore

Match tactic to confidence

Low confidence → Explore

**Product
recommendations**

Offer framing

Match tactic to confidence

Low confidence → Explore

**Product
recommendations**

Show **different** items
(different benefits, brands)

Offer framing

Highlight **differences**
(highlight unique attributes)

Match tactic to confidence

Low confidence → Explore

Product recommendations

Show **different** items
(different benefits, brands)

Offer framing

Highlight **differences**
(highlight unique attributes)



“Try these distinct styles to find your favorite.”

Match tactic to confidence

Low confidence → Explore

High confidence → Reinforce

Product recommendations

Show **different** items
(different benefits, brands)

Show **similar** items
(look-alikes/line extensions)

Offer framing

Highlight **differences**
(highlight unique attributes)

Highlight **similarities**
(highlight similar attributes)

Match tactic to confidence

Product recommendations

Offer framing

IPA BEER SAMPLER
— GIFT SET —



“A new take on the classic you love.”

High confidence → Reinforce

Show **similar** items
(look-alikes/line extensions)

Highlight **similarities**
(highlight similar attributes)

When you can't measure confidence

Experience proxy

Less experienced →
highlight **differences**

More experienced →
highlight **similarities**

Assortment

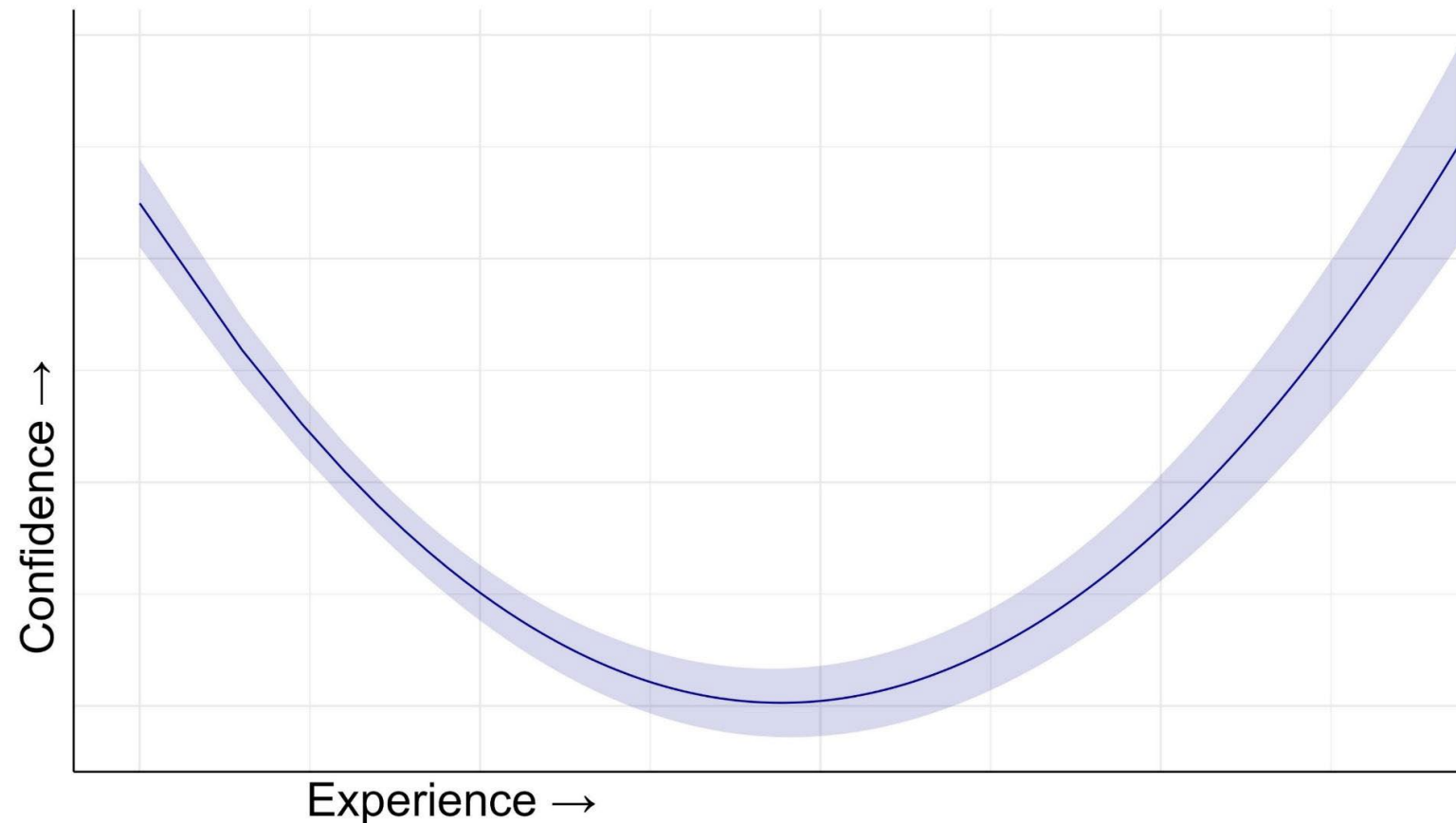
Offer **differentiated**
products to keep
uncertain customers

Build confidence

Ask them what they
liked and are
confident about

The Confidence Curve: Key takeaways

- Positivity can be **misleading**
- Even happy customers leave if **uncertain**
- Consumers' confidence **dips** with experience
- Use these insights to boost **loyalty**



Thank you

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