Revitalize CX Measurement And Prioritization
How To Succeed With Less By Using Effective Measurement

Customer experience budgets are flat. Teams aren’t growing. A flurry of competing priorities has CX professionals distracted and overwhelmed. Meanwhile, market volatility has sent executives into cost-cutting mode.

But now isn’t the time to give up on CX. Amid economic instability, it’s even more critical to retain customers, deepen their loyalty, and decrease cost-to-serve.

To effectively deliver what CX has to offer, you’ll need to:

• Demonstrate the value that CX can bring to the business.
• Revitalize CX measurement and prioritization processes to complement business goals.

These aren’t pie-in-the-sky recommendations. There are practical steps you can take to improve CX measurement and prioritization — and drive business outcomes.

This guide identifies common areas where improvements can be made and advises you on how to make them. Where possible, we’ve identified what you can do along short-term and long-term horizons.
A New Approach To CX Measurement

Revisit your CX measurement strategy to ensure that it’s helping you serve customers and drive positive business outcomes. Nix any unhelpful surveys that bog down your team’s bandwidth and overload your customers’ inboxes, then rethink the underlying strategy behind what you measure.

The Survey Deluge

Customers are inundated by surveys. Today, surveys are deployed for nearly every interaction — an online or in-store purchase, calling customer service, or getting something delivered.

When you add in reminders and follow-ups, your customers are inundated with emails or text messages. For some firms, the volume of survey requests is so overwhelming that it may actually harm CX performance.

Here are steps you can take to refresh your approach:

**Short Term**

- **Audit your surveys.** Make sure you have the full picture of what surveys are sent out and when. You may find that the number of surveys is too high. If so, start cutting the fat. Eliminating survey requests for transactions under $30 is a good place to start.

- **Map surveys to your customer journeys.** How many requests for feedback will a customer be sent during a single journey? Know this, and ensure that it doesn’t exceed an appropriate threshold. The right number will depend on the kind of company you are and the length of your customer journeys.

**Longer Term**

It’s important to define the purpose of your measurement strategy and avoid tracking numbers for numbers’ sake. An effective strategy measures the areas of CX most connected to loyalty and growth. Forrester’s Customer Experience Index (CX Index™) measures three critical components of loyalty (retention, enrichment, and advocacy) as well as three components of CX quality (ease, effectiveness, and emotion). Forrester’s CX prioritization research shows that emotion is the strongest indicator of future growth. Even though emotion is the hardest to measure, its relationship to growth and loyalty makes it a critical part of a customer experience-obsessed measurement strategy.

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<td>Create scores to track</td>
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<td>Identify effective employee behavior; gauge the success of CX initiatives</td>
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Refining your measurement strategy so it covers the critical components of CX will give you a strong foundation of meaningful insights that can chart the course for future improvements, whether that’s insight into what journey touchpoints you should be collecting feedback at, enriching your journey maps, or how to prioritize your CX investments across the organization.
The Pros And Cons Of NPS

Net Promoter Score (NPS) is a metric designed to serve as a proxy for how loyal customers feel to an organization. It measures customer advocacy, which is a component of loyalty, not CX in its totality. Though these are closely tied together, they aren’t interchangeable.

NPS has advantages. Its scoring system is easy for customers and internal stakeholders to understand. And it’s not hard to convince executives that more loyal customers is a good thing. So it’s no wonder that 45% of firms use NPS as the main metric to judge CX success.

However, NPS is insufficiently granular for a CX team that needs meaningful data about what’s going right and what’s going wrong. Again, NPS narrowly pulls on data from a single component of loyalty.

Take time to reassess whether NPS is the correct beacon metric for your organization. Even if it is appropriate for the wider organization, establish more precise CX metrics for use within your team.
Clarifying Your CX Metrics

CX teams are bogged down by a tangled glut of metrics. Even worse, many of these metrics aren’t effectively helping firms move the needle on experience quality, customer outcomes, or employee performance. Here’s how you can ensure your CX metrics are meaningful and manageable:

Short Term

Use the 70/30 rule as a guidepost for prioritizing metrics.

- Spend 70% of the time you dedicate to metrics on project metrics.
- Spend 30% of the time you dedicate to metrics on beacon and driver metrics.

Get together all your CX stakeholders and go through metrics one by one. List out who collects the data, who compiles reporting, how often it’s reported on, and what the metric is used for. It’s critical to do this exercise collectively, as metrics can easily appear relevant when they aren’t. For example, one group thinks another is using a metric, and vice versa, when really nobody uses it.

Once you’ve documented everything, carefully interrogate the value of each metric. Some questions to ask include:

- Does this metric help our firm deliver better experiences to customers?
- Are we getting enough value out of this metric to justify the resources needed to report on it?
- Is there another metric we’re reporting on that could deliver the same insight?
- Is the interval correct? What would happen if we reduced the frequency of reporting?

Longer Term

To your executive team, there’s one metric that stands head and shoulders above the rest: money. To win executive attention and support, show how CX projects will generate revenue and/or reduce costs for the business.

The good news is that great CX brings great financial benefits. Loyal customers spend more and cost less to serve. To help you determine the financial benefits of a CX project, download our complimentary business case guide and ROI modeling tool.

Motivation-Minded Metrics

CX metrics can easily go over the heads of employees and executives. Reporting can become rote. Stakeholders may not have a good understanding of what's a good score. For example, is a 5% year-over-year improvement in customer satisfaction (CSAT) score OK, amazing, or a sign of underperformance? You know, but a frontline employee, department head, or executive may not. Add context and easy-to-read analysis on reporting that will reach beyond the CX team.

Consider adding motivational metrics. While your CEO may shrug at CSAT, they do want to beat competitors.

Forrester’s CX Index shows you how you compare to industry competitors or other top-performing brands in the critical areas of CX, like loyalty and emotion.
CX Prioritization

Choosing the right projects is critical to achieving results, delighting customers, and demonstrating the value of your work to stakeholders. For this reason, it’s a process worth doing intentionally. Too often, CX pros rely on gut feelings to determine which projects will have the largest impact or go with the internal stakeholder who advocates loudest.

Set Up A Prioritization Process

Whenever a new project idea is presented, run it through an established prioritization process. The process will have to be unique to your firm’s resources, business norms, budgeting, and other factors. But some guideposts will remain true:

- **Identify and prioritize CX drivers that have the greatest financial and customer impact.** Standing up CX initiatives and projects can be a long and resource-heavy process. Commit time up front to model the impact of improving specific CX drivers (e.g., store cleanliness) on revenue and overall CX quality. Prioritize those with the greatest potential to move the needle for customers and the business. Forrester’s CX Index can help you identify what areas have an outsized impact at your business.

- **Determine the feasibility.** Map out all the resources necessary to make this project happen. You may not be able to anticipate everything, so leave a margin of error assuming that you’ll run over on costs and time.

- **Estimate the talent needs.** Consider the capacity of support groups, including training, knowledge management, IT, and design. Do you have the expertise in house, or will you need to bring in consultants, temporary workers, or new full-time equivalents?

- **Build a business case.** A business case will help you understand the costs, risks, and benefits before acting. Ensure that the financial benefits of the project will outweigh the costs. A business case will also help you earn internal and executive support.

- **Port results into a prioritization model.** The right method and weighting will depend on the unique circumstances of your business. A simple way to get started is the two-by-two prioritization matrix. High-impact, low-effort ideas or initiatives will emerge in the upper left-hand corner of the graph. These important yet efficient project proposals can then be voted on or shortlisted for a deeper assessment of their feasibility, thus narrowing the focus even further.

Example Of A Simple Two-By-Two Prioritization Matrix
What To Expect Moving Forward

Revitalizing your CX prioritization, measurement, and reporting will be an iterative process. Changes will be required by shifting business needs and economic realities. Dedicate regular time to talk to your team about how things are playing out on the ground. As new and better ways of working are invented, older ways will likely need to be pruned away, freeing up resources for even more improvement.

How Forrester Can Help

Forrester offers a number of resources to support your CX transformation efforts during the present economic uncertainty and beyond. We can:

- **Understand your CX quality.** Forrester’s CX Index provides a comprehensive view of how your customers perceive and feel about their experiences, pinpoints CX drivers that have the greatest impact on your customers’ loyalty, and enables you to compare CX quality to your peers. Forrester’s digital experience review methodology assesses the quality of digital customer experiences specifically.

- **Prioritize areas with the highest potential.** Forrester’s CX Index can help you model the impact of improving prioritized areas of CX on revenue and CX scores, helping you align your CX transformation projects and investments to the areas of CX with the greatest likelihood for business and customer impact.

- **Calculate the costs and benefits of CX initiatives.** Forrester’s Total Economic Impact™ (TEI) framework helps you identify the cost, benefit, flexibility, and risk factors of an investment decision. Using the TEI framework, we can help you build a model to determine what ROI you can realistically expect.

- **Advise and consult on your initiatives.** Forrester analysts and consultants provide hands-on assistance with key initiatives, such as developing a CX vision and strategy; mapping customer journeys and ecosystems; designing future-state customer journeys; reevaluating your CX strategy in light of the state of the market; creating a CX measurement and voice of the customer (VoC) program; and developing a customer-centric culture. Whether it’s a workshop or consulting engagement, Forrester’s CX expertise can convert your CX vision into programs that adapt to changing demands, drive growth, and demonstrate real business results.
Related Research

Prioritize Your CX Efforts By Three Categories

Video: How To Find Your Value-For-Customer Sweet Spot

The Top 14 Hacks For Your CX Business Case

Interactive Tool: Determine Your Company’s Strategy For Values-Based Customers

Recommended Resources

Connect CX Measures To Growth

Read All Our CX Insights

CX North America Virtual Experience
June 16–18, 2020

Capturing The ROI Of CX:
A Guide To Demonstrating CX Performance

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