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How To Select The Right Customer Experience Beacon Metric

Find A CX Beacon Metric That's Effective For Your Organization

It's critical to select the right beacon metric due to its central importance. Forrester defines it as "the CX metric that serves as an organization's key performance indicator for CX success." The beacon metric measures the overall success of CX efforts, rallies employees behind CX improvements, and provides an anchor for CX measurement architecture.

Don't default to common metrics — like Net Promoter Score℠ (NPS) and customer satisfaction — simply because they're well-known. Thoroughly vetting a range of options is the only way to ensure that you're employing the beacon metric that best fits your situation and goals.

This guide accompanies a 10-criterion tool that CX leaders can use to assess:

1. Potential beacon metrics for appeal to stakeholders.
2. Acceptance from customers.
3. Alignment with company goals.
4. Contribution to improving CX.
5. Practicability.
6. Ease of benchmarking.

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The Process For Selecting The Right CX Beacon Metric

1. Consider various options — including simple metrics and indices.

Simple metrics are based on a single source of information. Some of them are measured in a standardized way (e.g., NPS, customer effort score), while others are generic (e.g., ease of doing business score, customer satisfaction score). Indices are calculated from several metrics. CX leaders can buy proprietary indices out of the box from a firm or develop a custom index for their company.

THE METRICS THAT EXECUTIVES LOOK TO IN ORDER TO GAUGE CX SUCCESS

"If your organization's **top-level executives** want to judge CX success overall, which **primary metric or metrics** do they use?"
(Select up to three)

Base: 265 respondents
Source: Forrester's 2022 State Of VoC And CX Measurement Practices Survey

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2. Create a "long list" of six to 10 options.

Start by listing out all CX metrics that executives and employees across the business feel passionately about, whether positively or negatively.

Next, add to the list by picking or prototyping candidates for a customer beacon metric. For example, both Avanade and Virgin Money developed a custom index as their CX beacon metric based on factors hyper-relevant to their business. Once you have drafted the long list, share it with key influencers across the organization to ensure you included all relevant options.

AVANADE'S BEACON METRIC MEASURES WHETHER CLIENTS FEEL INSPIRED, CARED FOR, AND CONFIDENT

Avanade is a B2B professional IT services and consulting firm with over 36,000 experts operating in 24 countries. Its custom CX beacon metric (CXI) measures whether experiences live up to its CX vision.

Source: Avanade
1. Note: These are sample values, not actual Avanade data.

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VIRGIN MONEY'S BEACON METRIC ALIGNS TO ITS AIM OF "MAKING CUSTOMERS HAPPIER ABOUT MONEY"

Virgin Money is a full-service bank with a digital-first approach, serving over 6 million customers across the UK.

Virgin Money's Smile Score has three benefits:

1. it shows how the three components of customer experience (effectiveness, ease, emotion) apply to specific touchpoints over time, providing underlying drivers that inform continuous improvement.
2. it is branded in a way (smiling customers) that energizes employees and executives. Frown scores automatically trigger workflows that enable employees to take action.
3. it is a leading indicator which correlates to customer loyalty and advocacy, keeping executive stakeholders engaged.

Source: Virgin Money

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3. Use our beacon metric selection tool to shortlist two to three candidate metrics.

Open the checklist tool included in your download. Adjust the weighting of each criterion. Then, score each candidate metric with key stakeholders, including:

- Executives who lead important business units or channels (e.g., customer service).
- Customer insights and data experts who can help with historical data collection, data merging, and linkage analysis.
- Branding experts and company strategists.

ASSESS BEACON METRIC OPTIONS USING THE SELECTION CHECKLIST

Category	Criterion Rate the degree to which the metric:	Optional: Adjust weight of each category	Optional: Adjust weight for each criterion in category
Aligned with organizational goals	Is a leading indicator of your organization's important financial and strategic goals.	25%	70%
	Helps assess whether your organization is delivering on your CX vision.		30%
Advances customer experience (CX) improvements	Reflects changes in CX performance.	25%	40%
	Provides direction on how to improve customer experience.		60%
Makes sense to customers	Is based on a question that your key customers across various segments can understand.	10%	60%
	Is based on a question that shows that you care about your customers and their experiences.		40%
Rallies employees and executives around CX	Is easy for employees and executives to understand and get excited about.	25%	50%
	Creates a common language for employees and executives to use when discussing CX.		50%
Can be used for benchmarking and is practicable	Is easy to use for benchmarking.	15%	50%
	Incurs low effort, time, and money to measure.		50%

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4. Ask executives to choose the final beacon metric.

Your calculations will likely produce a couple potential metrics with neck-and-neck scores. Have executives at the corporate level and those leading lines of business weigh in on the final decision, as it's imperative that they feel comfortable with the chosen CX beacon metric.

Present pros and cons of each metric, and ask executives to vote on the final choice. As you present, be transparent about what you couldn't assess, and plan for how to get clarity later. For example, if you couldn't determine the link to financial performance, ask executives for resources to analyze the relationship between the chosen beacon metric and financial goals.

Create Conditions For Success Beyond Selecting A Beacon Metric

Although a beacon metric has the potential to be incredibly valuable, it can damage your firm's CX efforts if not implemented well. To ensure success:

- **Build a CX measurement architecture underneath the top-level CX metric.** A CX measurement architecture is a blueprint that specifies which touchpoints and journeys you should track, what the metrics should be, and how these ladder up to the beacon metric and corporatewide metrics.

  The measurement architecture will provide a single view of all CX metrics being tracked across the company, help fill any metrics gaps, and assist in bringing CX measurement uniformity across the organization. It will also ensure that metrics across the firm are geared toward improving the company's overall CX and meeting corporate goals.

- **Avoid language that equates the beacon metric with CX.** Don't call your CX program your "[insert your beacon metric here] program." Don't quote improving the beacon metric as the reason employees should show specific behaviors. This tempting shortcut leads to score obsession rather than a focus on customers. Instead, communicate that your goal is to improve CX and that the beacon metric is the current top-level CX measure of success. Encourage influencers — like executives, managers, and key stakeholders — to do the same.

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Going Forward

As your business continues to evolve, keep the beacon metric as constant as possible. This will enable historical comparison and keep the organization aligned on the CX strategy, even as other variables shift.

Only revisit your beacon metric if your firm sees signs that either: 1) the beacon metric is becoming inversely correlated with financial success or 2) there is a significant lack of trust or engagement from employees.

How Forrester Can Help

Forrester Decisions for Customer Experience empowers CX leaders to mature their organization and fuel predictable business growth. With a combination of bold vision, curated tools and frameworks, and hands-on guidance, you'll deliver experiences intentionally created to drive loyalty across customers' most meaningful touchpoints.

Click here to learn more about Forrester Decisions.

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