Seven Steps To Successful Customer Experience Measurement Programs

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Today's CX Measurement Programs Mean Well But Lack Discipline

Report Excerpt

Firms that want to manage customer experience must measure it. To do that successfully, businesses need a highly disciplined measurement program. However, a Forrester study indicates that most companies don't have the systematic approach that they need.[1] That's because organizations:

› **Don't measure CX quality regularly.** Thirty-nine percent of respondents don't regularly ask customers for feedback about their interactions — the most basic form of CX measurement. What's more, 77% say that they don't model the drivers of CX quality regularly, leaving them in the dark about what matters most to their customers. And 60% don't regularly track operational data that reveals what really happened during interactions to help explain why customers felt the way that they did.

› **Don't tie CX quality to business outcomes.** Seventy-two percent of survey respondents don't model the influence of customer experience metrics on business outcomes. Despite the fact that many know that they should, 53% of survey respondents cited lack of such models as a key obstacle for improving CX at their company.

› **Don't systematically share and act on CX metrics.** Seventy-nine percent of respondents said that their companies don't review customer experience metrics or share them with all employees regularly, and 39% don't keep a documented list of customer experience projects that are currently underway.

Seven Steps To Design And Implement A Successful CX Measurement Program

Businesses can't afford to muddle along with incomplete measurement programs. Fortunately, they don't have to. We interviewed companies with established customer experience measurement programs as well as vendors that help companies create such programs. We uncovered seven steps that result in a disciplined, well-rounded approach to systematic measurement practices (see Figure 1).

FIGURE 1 Businesses Need To Make Seven Key Decisions For Their CX Measurement Program

Step 1: Prioritize Customer Segments

The way that customers evaluate their interactions with a company varies by segment. Therefore, firms should:

› **Identify customer segments that matter most to the bottom line.** Although key segments vary by company and industry, firms should steer their initial measurement efforts toward gauging the experiences of customer segments with high profitability, segments that demonstrate strategic growth potential, and segments with high influence in the marketplace.[2]
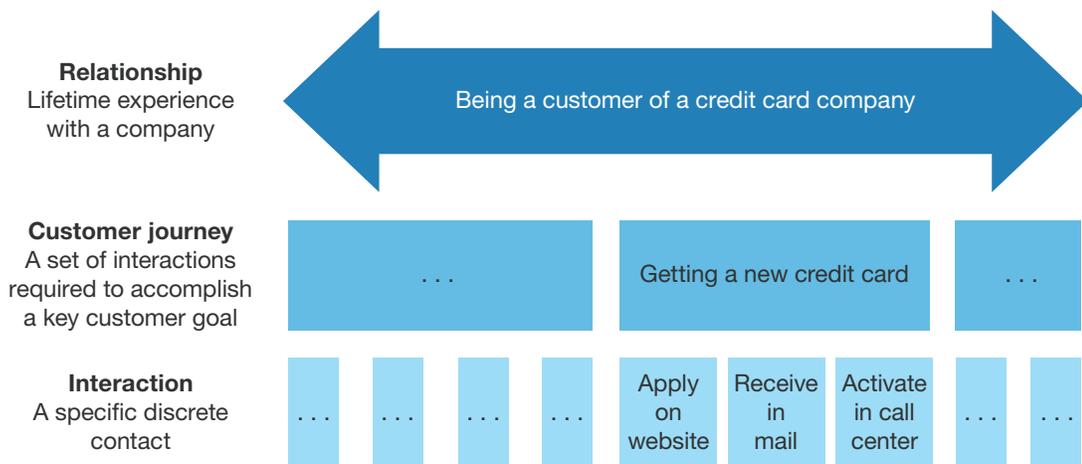
› **Uncover and document differences in customer journeys.** Different customer segments often have different expectations and may even follow different customer journeys.[3] To accommodate this variety, Citrix identified multiple customer personas in its qualitative and quantitative research. It then mapped the customer journey for each persona and identified key touchpoints. This effort allowed the firm to define the right customer metrics for each segment at each touchpoint.

Step 2: Select Which Experiences To Measure

Customer experiences happen at three levels: the overall relationship, customer journeys, and discrete interactions (see Figure 2).[4] Measurement programs must help companies evaluate experience quality at all three of these levels. To create such a program, firms should:

› **Map customer journeys to identify experiences at the journey and interaction level.** Customer journey mapping helps businesses understand what discrete interactions their customers perceive as part of a single end-to-end journey and what expectations they have for the journey.[5]

› **Prioritize journeys and interactions.** Just as measurement programs should initially track customers who matter most to the business, they should also start by measuring the experiences that matter most to the business.

FIGURE 2 Measure Experiences At The Relationship, Customer Journey, And Interaction Level
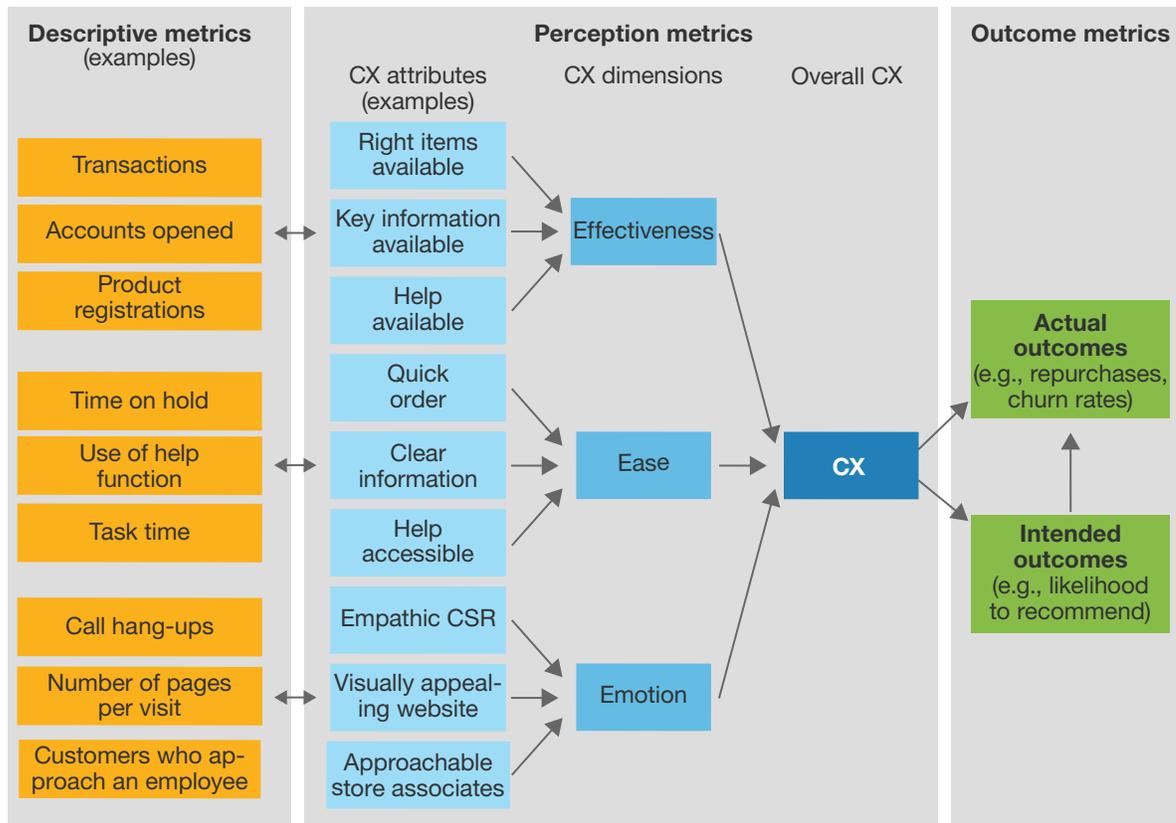

Relationship
Lifetime experience with a company

Being a customer of a credit card company

Customer journey
A set of interactions required to accomplish a key customer goal

. . .

Getting a new credit card

. . .

Interaction
A specific discrete contact

. . .   .

Apply on website

Receive in mail

Activate in call center

. . .   . . .

Note: Entries with " . . . " serve as placeholders.

Step 3: Define CX Metrics For Each Experience

Once they've identified which experiences to focus on, companies need to pick the specific perception metrics, descriptive metrics, and outcome metrics to fill in their CX measurement framework (see Figure 3). Our research shows that it's easiest to work backward from the end of the framework and:

› **Define outcome metrics that align with key business drivers.** Firms need to identify the key drivers that their company uses to steer business decisions and then pick outcome metrics that correlate to each of the drivers.

› **Identify the attributes of great CX quality.** What does "quality" mean for your particular customers? Measurement program designers should look at data from existing surveys and qualitative research to help figure that out.

› **Translate quality attributes into perception metrics.** With CX quality attributes selected, businesses should define the specific metrics that they'll use to understand how well they delivered on each attribute. To do that, they must formulate survey questions, select a scoring scale, and define how they'll calculate a metric from the data.

› **Identify the descriptive metrics that most affect customers' perception.** Descriptive metrics track events that are likely to affect customers' perceptions. To pick the right ones, companies should first gather the operational data that each channel or business unit uses. They should then determine which events are most likely to affect customers' perceptions and how.

FIGURE 3 Framework Of The Relationship Between Perception, Descriptive, And Outcome Metrics

Step 4: Design A Data Collection Strategy

Once companies have selected their target CX metrics, they must figure out how to collect data needed to calculate those metrics on an ongoing basis.[6] To do that, they should:

› **Set the timing for relationship, journey, and interaction surveys.** Organizations need to decide how often to touch individual customers as well as when and how often to field surveys (see Figure 4).

› **Establish a template for survey design.** Businesses should keep questions consistent across the measurement program, avoiding variations in scales, question wording, and question order wherever possible. Even seemingly trivial differences in presentation can distort results.

› **Shorten surveys to avoid survey fatigue.** With so many individual customers, firms often don't get the response rates and response quality that they need for their measurement programs. That's why companies should radically shorten their surveys.

› **Think beyond surveys to compensate for their limitations.** Structured surveys are the mainstay of CX measurement programs.[7] Despite their advantages, surveys fall short in ways that can leave gaps in the insight that businesses need or even mislead CX efforts altogether.[8] Although we found no evidence that companies can forgo surveys anytime soon, we did find some promising approaches to compensate for surveys' shortcomings.[9]

› **Track customers across omnichannel journeys.** Companies often struggle to connect survey data with operational data and outcome data. Unique customer identifiers (IDs) are one way to solve this problem.[10] If a firm's relationships with customers require authentication for each contact (e.g., filing an insurance claim), chances are that the company already has a customer ID that it can use to connect the dots. If IDs don't already exist, loyalty programs can provide an alternative by creating customer-specific IDs and giving people an incentive to use them. When all else fails, companies can compensate for lack of traceability by asking specific survey questions.

FIGURE 4 Plan Timing For Relationship, Journey, And Interaction Surveys

	Survey timing		
Level	Frequency of fielding	Frequency of customer contacts	Example
Relationship	This is quarterly or continuously in order to get a steady stream of results that can be trended over time.	This is at least once a year or every half year if customers interact very frequently with the company.	Each dealer on Cars.com's platform gets surveyed twice a year. Cars.com fields those surveys quarterly to get more data points during the year to better monitor trends.
Journey	This is when the journey has ended (from the customers' point of view) in order to get a complete assessment of the journey.	This is highly variable. Many firms define a period of time after customers were asked to fill out a survey — whether they responded or not — in which those same customers cannot be surveyed again. No-contact periods typically range from 30 to 90 days.	JetBlue Airways sends out this survey two days after a flight closes.
Interaction	This is as soon as possible after the interaction took place in order to get a more accurate, detailed evaluation.		Sage Software North America sends its clients an interaction survey 24 hours after a call to customer support.

Step 5: Set Targets For Each CX Metric

Businesses need to plan for the inevitable questions that they'll get from stakeholders: What would "good" look like, and what will set off alarms? To prepare, companies must set targets for the results that they hope to achieve. Those targets will become increasingly important when stakeholders and partners are eventually held accountable for the quality of the experiences that they help deliver.[11]

> › **For outcome and perception metrics, first establish a baseline of performance.** Gathering CX metrics over a few measurement periods before setting targets will help firms set goals by giving them a sense of current performance and the natural level of fluctuation. How many periods does it take to get a solid baseline? It depends on how often a company collects CX metrics and how many responses it gets per metric.

> › **Determine the right level of improvement for outcomes and perceptions.** Firms should strive to optimize, not maximize, CX scores. To drive CX improvements, targets must be attainable. Historic levels of improvement help determine what is possible. But companies must sanity-check the desired lift. To do that, they need to determine how much performance on each driver in their driver model will need to improve to reach a target for a higher-level metric. By mapping ongoing initiatives to drivers, firms can then estimate how realistic it is to achieve the required lift in driver performance.

> › **Set targets for descriptive metrics based on targets for outcomes and perceptions.** Targets for descriptive metrics need to be based on how those metrics influence customers' perception.

Step 6: Identify And Act On CX Issues

Metrics must drive actions on the part of the organization — otherwise they're useless. That's why businesses need to design how they're going to close the loop on customer-specific issues and how they can identify and resolve systemic issues. To do that, they should:

> › **Pick the customer-specific issues that will trigger predefined actions.** When a customer gives a negative rating in a CX survey, it's common for managers to reach out to the customer and try to recover the relationship. Companies should define business rules for when such follow-up will happen and adopt supporting technology to help employees close that loop.

> › **Establish methods for customized action planning.** When important customers trend negatively on CX metrics, firms should help facilitate customer-specific action planning.

> › **Analyze negative CX ratings to pinpoint systemic issues.** Many customers giving poor ratings on certain CX attributes indicate a systemic issue that requires a broad-scale improvement. Companies should use survey data to identify where the issue lies.

> › **Pick a method for prioritizing CX attributes with low ratings.** To decide what to fix first, businesses need to understand how a negative rating for a given CX attribute affects outcomes.

› **Factor in competitive benchmarks.** Firms need to know how they stack up against their competitors; only then can they build truly differentiating experiences. An advanced type of priority matrix helps escalate systemic issues in a competitive context (see Figure 5). It highlights CX attributes that are very important to customers and for which customers rate the company's performance as worse than that of competitors.

› **Find drivers of low CX ratings.** To be able to solve the most pressing systemic issues, companies need to understand why customers gave bad ratings and what they would have wanted to happen. All companies in our research look to open-ended survey responses and the descriptive metrics that they collected for this insight.

FIGURE 5 The Advanced Importance-Performance Matrix Prioritizes By Competitive Performance
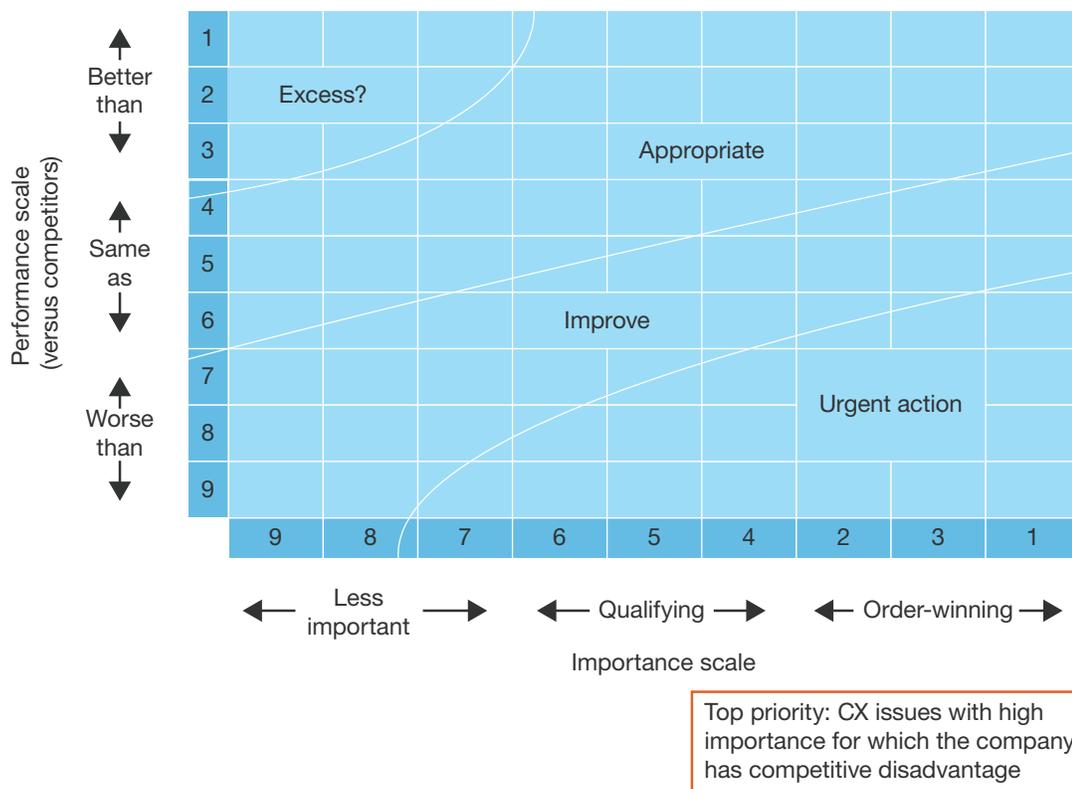
Source: Nigel Slack, Stuart Chambers, and Robert Johnston, *Operations Management*, Financial Times, 2009

Step 7: Share Insights Gained From CX Measurement

Businesses need to share customer feedback in real time throughout the company if they want people to use it to drive improvements. They also need to report on CX metrics to raise awareness of the importance of measuring and managing customer experience. To make the most of their communications, they should:

› Define role-based dashboards and reports.

› Integrate different sources of information.

› Plan how to rally stakeholders around CX metrics.

Refine Your CX Measurement Over Time

The seven steps will help firms develop a successful measurement program, but to keep the programs successful over time, businesses need to:

› Tune their CX measurement program continuously.

› Establish processes for a regular CX measurement program review.

Endnotes

[1] Forrester regularly collects data on the current state of customer experience management from our Customer Experience Peer Research Panel. For more information about this study and the latest results, please see the "The State Of CX Management Maturity, 2016" Forrester report.

[2] Over time, the programs can expand to measure the experiences of less critical — but still important — segments.

[3] In a business-to-business setting, customers follow different journeys by role (e.g., decision-maker, purchaser, user).

[4] Measuring experience at the relationship level predicts behavior. At the interaction level, it reveals specific opportunities to improve touchpoints. At the journey level, it shows how to integrate touchpoints and gives companies insights into how customers remember all of those interactions as a whole and enables them to find gaps in the quality of the handoffs between interactions. This is important, because humans form their perception of a journey based on not only how they judge each separate interaction but also how they judge the quality of the handoffs in between. Additionally, the perception of a journey will be influenced by the memory of negative and positive experiences along the journey. Daniel Kahneman's peak-end rule gives interesting insights into how that memory is formed. In experiments with patients who were exposed to pain (different lengths and different intensity), he showed that it was the average between the peak level of pain and the level of pain in the end of the experiment that determined which level of pain patients remembered. For interactions, that means that the overall memory of a journey with several good experiences can turn negative if there was an exceptionally negative interaction (peak) or if the later interactions of the journey were perceived as negative (end). Source: Daniel Kahneman, Thinking, Fast and Slow, Farrar, Straus and Giroux, 2011.

For more details, see the "Executive Q&A: The Top Seven Customer Experience Measurement Questions Answered" Forrester report.

[5] Even some well-established CX measurement programs aren't able to measure the health of end-to-end experiences that cross touchpoints as customers pursue a goal. Customer journey maps help companies see those end-to-end experiences from the customers' perspective. That in turn enables businesses to identify what they should measure, when, and with which metrics. This report describes a four-step process that shows companies how they can use customer journey mapping to improve their measurement programs. See the "How Journey Maps Improve CX Measurement Efforts" Forrester report.

[6] For an overview of the top ways for firms to get customers to start — and complete — surveys that produce high-quality actionable data, see the "Top Ways To Combat Survey Fatigue" Forrester report.

[7] Surveys are the go-to tool for CX measurement: 96% of the companies that say that they have a formal program for gathering and responding to customers' feedback use structured surveys. Source: Forrester's Q4 2014 Global Customer Experience Peer Research Panel Online Survey.

[8] Surveys fall short in three ways: They cover too few interactions, they come from too few customers, and they often capture feedback too late in the game. See the "Beyond Surveys: New Tools For More Effective CX Measurement" Forrester report.

[9] Forrester outlined three approaches: Modernize surveys to capture richer insights, collect customer experience insights without relying on surveys, and enhance customer experience insights through advanced analytics. See the "Beyond Surveys: New Tools For More Effective CX Measurement" Forrester report.

[10] Specifically, this is key to finding outcome metrics that measure actual behavior. Businesses can capture intent outcome metrics through surveys

[11] When defining targets, CX pros need to consider who owns the part of the customer experience that a metric measures and the hierarchy level. For example, for a company's marketing department that owns communication, CX pros should set targets for CX metrics around the customer experience with that communication. For call center agents, CX pros should set targets for metrics around the customer experience of talking to the representative on the phone. CX pros also need to associate metrics with the right hierarchy level in the organization. For example, for executive teams, CX pros should set targets for metrics at the relationship level and overall outcome metrics. Business units and owners of journeys should get targets for metrics at the journey level and overall touchpoint experience, while teams and individual contributors should get more granular targets about individual aspects of the experience that they control.

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