



# CX Maturity and the path to Customer Centricity

## Why are CX Maturity and Customer Centricity so important?

Organisations with the most mature and effective customer experience (CX) cultures are clear about what they are offering and how to deliver it consistently. They have an unambiguous definition of what excellence looks like, often defined in a Customer Service Charter. Sitting high on the CX maturity scale, employees know what experiences they should be delivering. Customers feel valued as stakeholders and know what they can expect from a product, service or brand.

However, becoming fully customer centric doesn't happen overnight. It requires hard work and commitment but it is the key to attracting and retaining customers in the long term and thriving as a business.

## CX Maturity matters\*

- 73% of consumers say a good experience is key in influencing their brand loyalties
- Companies that excel at customer experience have **1.5 times** more engaged employees than less customer-focused companies
- Companies that lead in customer experience outperform laggards by nearly 80%.

\* Source: Blake Morgan published in Forbes Oct 2021 https://www.forbes.com/sites/blakemorgan/2021/10/04/celebrate-cx-day-with-50-fresh-stats-that-prove-the-value-of-cx/

#### 3 key benefits of a Customer Centric approach to business

Every organisation needs to attract and retain customers to survive and thrive as a business.

Few can rely on a regular stream of new one-off customers investing enough time and money in its products or services to keep them afloat or to achieve growth.

There is clear evidence\* that organisations that focus on customer experience and build a customer centric business create differentiation and benefit financially. However these organisations also reap benefits in 3 key areas:

#### More forgiving customers

Frustrated customers who experience an inconsistent, disjointed service that is frequently beset with problems are more likely to take their money and their repeat business elsewhere. Customer loyalty is a complex subject, but giving customers fewer reasons to leave will help to retain them at critical moments of truth.

#### An empowered workforce

Unhappy employees who don't feel empowered, supported or are unclear about how to manage customer expectations or resolve problems on the frontline are less likely to provide a positive and good level of service. Ensuring that everyone in the business is working efficiently and effectively towards creating strong and long-lasting relationships with customers is at the heart of what it means to be a customer centric organisation.

The result is a vicious cycle of poor service, low expectations and negative word of mouth. Employee recruitment can also be a challenge and costly, so investment in employees also pays dividends.

#### Investment in future success

Organisations that focus on moving the dial on CX maturity and becoming more customer centric as a business are more able to invest in their employees, develop new products, deliver process improvements and benefit from innovative approaches to customer service that will contribute to improved customer satisfaction. And in a competitive environment with disruptors constantly entering the market, investment in CX maturity can set organisations apart.

## How CX mature is your organisation?

No two organisations are entirely alike which means they are also unlikely to be at exactly the same point on the CX maturity scale at any given time.

Industry sector and business type will result in different customer requirements but understanding where you sit on the maturity scale in comparison to your competitors will be the key to informing your future strategy.

## Three key steps to improving CX Maturity:

- 1. Audit and Gap Analysis
- 2. Action Plan
- 3. Check and Reset

#### Where are you on the CX Maturity scale?

What is evident is that most organisations exhibit similar characteristics as they become more CX mature and move along the path to customer centricity, from Uninformed to Learning, and from Enlightened through to Centric.

However to be truly centric, organisations need to understand where they sit on this scale from an internal and external perspective in order to understand and identify the CX gaps.

#### The winning characteristics

As an organisation's maturity and centricity develops, it moves from a siloed, non-customer focused business into one that cohesively understands its customers, the promises it makes to

CX measurement at the heart of their business and everyone knows their role in improving customer satisfaction. Communication of CX measures and achievements is 'business as usual' and all functions exist to improve the customer experience.

Making good progress. They have a few high impact plans to improve customer experiences. Communicate their CX goals and performance on CX measures.

More open to change. Aware of issues and the impact these are having on customers. Track performance but limited linkage to actions CX goals are not well communicated across the organisation.

Siloed and inward looking. Even if they know they should improve customer experience, they are doing little about it.

UNINFORMED

**INTERNAL VIEW** 



An organisation can't really be considered fully customer centric unless every facet is performing collectively and collaboratively, and the internal employee perspective matches and supports the external customer experience.

them, and the consistency with which it delivers its services. Teams, departments and leaders come together to share responsibility for customer experience.

> A truly centric organisation is easy to do business with Customer experience is joined up across all customer service teams and contact is fast, efficient and personal Customers feel listened to and well informed: promises are clear and commitments are met.

ENLIGHTENED

CENTRIC

Interactions with customers are **good** but they are occasionally let down. Promises are communicated and usually met. Customers are normally listened to and feel they have a voice. Some pockets of inefficiency remain.

LEARNING

Customers **not really integrated** into the business. Good experience in some areas but inconsistent. Promises aren't met and there is still repetition and frustration.

stomers see unclear propositions Interactions are poor, repetitive and frustrating, with limited opportunity to feed back.

#### **EXTERNAL VIEW**

# Embarking on the path to Customer Centricity

To understand how your business is performing on the CX maturity scale, you need to carry out an objective audit of your entire business. As a gap analysis, it will help you identify your strengths and weaknesses and enable you to develop action plans that can feed directly into your CX strategy.

# Audit and Gap Analysis

#### Start with the big picture

In order to provide a truly holistic view of your business, the audit and gap analysis should be designed around and evaluate your organisation's unique structure, different customer journeys and multiple touchpoints. It should seek to gather internal and external opinions. Internally, it should give frontline staff a voice, and collect their views alongside those of senior management. Externally, it should cover all key customer groups and interactions.

### Benchmark the seven pillars of **CX** Maturity

To obtain a complete and comprehensive picture of your organisation's CX maturity, we advocate assessing how each department and division performs using the seven pillars of CX maturity, as defined in CX COMPASS™.

Using the seven pillars of Customer, Organisation, Measurement, Promises, Action, Staff and Strategy - and obtaining scores for each of the sub-categories within each pillar - you will be able to build a detailed picture of the internal and external views of your business. It can help you identify your place on the CX maturity scale as Uninformed, Learning, Enlightened or Centric.

#### Dive into the detail

It may be that your organisation does not sit at the same point on the CX maturity scale across all pillars, or that the internal and external findings are aligned. Indeed, it is common to find that there is more work to do in some areas than others. As a result, we find that for most businesses, although a high-level overall assessment is possible, it's usually more meaningful to work with the detailed picture provided by examining scores at the sub-category level.

> CX COMPASS<sup>™</sup> delivers the insight from an internal and external perspective that you need to drive change.



CX COMPASS<sup>™</sup> is a Trademark and proprietary methodology © Beehive Research Limited 2021

## Engage with the results

Mapping strengths and weaknesses against the internal and external priorities revealed during the initial assessment phase will allow you to strategise and develop an action plan.

It is this engagement with the results that will progress a CX maturity assessment beyond being a mere box ticking exercise or another research report filed away at the back of the drawer.



#### Start at the top

A vital ingredient for growth is buy-in at the senior levels of your organisation. It confirms a willingness to invest in becoming customer centric, which will require time, money and committed employees. Belief in the importance of customer centricity at senior levels will also set the cultural tone of your business from the top down. Organisations that have established the best customer experience have built and embedded CX maturity as an integral part of their business strategy. And they keep it 'top of mind' in day-to-day tactical action planning and resolution.

#### Stay on track

Once you have established that your goal is to become fully customer centric, developed your strategy, and identified tactical quick wins and slower burn mid-to-long term projects to arrive at your desired destination, what can you do to stay on track?

#### Find a CX champion

Many organisations have dedicated CX teams who are responsible for championing the customer experience. Securing high level buy-in and identifying a CX Champion is essential for any business striving for customer centricity.

At the very least, it's important to identify an internal sponsor who will be responsible for the measurement and monitoring of CX. They need to have the power to promote and cascade CX initiatives down and across the business. Often they will work with nominated CX champions in departments and divisions.

#### Keep the end goal top of mind

To support employees and make sure that everyone knows what is required of them, training and mentoring must be put in place. Ideally, these won't be one-off sessions but form an ongoing programme that develops and grows alongside your organisation's CX maturity.

## It's a continuous cycle

What has become increasingly clear in recent years is that organisations that offer the best customer experience constantly check and reset. They re-evaluate themselves, the promises they make, the touchpoint experiences they provide, the consistency of their interactions, and the things they need to measure and change.

## A few questions to ask yourself:

- Where is your organisation on the CX maturity scale?
- Where are the gaps in your internal and external view?
- How easy are you to do business with?

## Check and Reset

#### Be willing to adapt to change

CX strategies and action plans should be reviewed regularly. Just as businesses must change and flex, so too must their interactions with customers. This might be in response to innovation, changing business models or market conditions.

Extraordinary and unforeseen events can cause unprecedented upheaval that can turn customer journeys on their heads and have a huge impact upon an organisation's ability to deliver products and services.

Disruption to supply chains, the need for digital transformation, changing employee working patterns and new work environments can all have a direct impact upon customer experience.

#### **Regularly review and** benchmark your maturity

CX maturity and maintaining a truly customer centric culture is a journey without end. It requires frequent monitoring, review and benchmarking against the seven pillars of CX maturity. It is an evolutionary process, not a one-off exercise.

Markets evolve, customers' needs change, macro events have an impact on business, disruptors enter the market, differentiation wanes over time... keep benchmarking your CX maturity over time.

#### **Review CX measurement**

CX measurement programmes need regular review and assessment to check the relevance and fairness of their approach in order to adapt to change.

Those that ensure they are gathering the right information, and who constantly check where they stand on the CX maturity scale, will be best placed to inform and achieve true customer centricity throughout their organisation in the longer term



## **Beehive Research**

Beehive helps Customer Experience, Insight, and Executive decision makers listen to and understand their customers and prospects. We provide clear and succinct insights that our clients use to make informed decisions on how to improve the commercial performance of their business. We are specialists in the 'premium products and services' marketplace, helping these brands understand their customers and prospects across the entire product lifecycle; from product and service development to marketing and communication messaging, and measurement of their customer's experience (CX, VoC & CSat). That's why we've been trusted partners to so many leading multinational companies across the globe.

If you'd like to find out more about Beehive's approach to CX maturity and the path to customer centricity, contact us on:

E: info@beehiveresearch.co.uk

W: <u>https://beehiveresearch.co.uk/</u>



<u>@BeehiveResearch</u>



<u>beehive-research</u>

