Putting CX Measurement and metrics under the spotlight

Customer insight programmes come in many guises

Choosing the right approach to gathering insight from external and internal voices is the key to understanding how things stand and what needs to change.

Selecting the most appropriate metric to measure the success of your customer experience (CX) programme is equally important, enabling you to track the impact of action taken and grow your business.

External voices

Fortunately, there are some clear distinctions between Customer Satisfaction (CSat), Voice of the Customer (VoC), and Customer Experience (CX) programmes which are all proven approaches to gathering insight from customers.

Customer Satisfaction (CSat)

Often carried out on an annual basis, a CSat programme provides an opportunity to interview a representative sample of the entire customer base to gauge overall satisfaction. It's not necessarily linked to a single touchpoint activity and may be included as part of a wider CX programme. Its strength lies in its ability to provide a useful analysis of the percentage of satisfied customers in relation to the total base by using a sample frame. This ensures responses are representative and easily weighted. It also ensures that year-on-year samples can be matched giving a truer comparison over time.

> ✔ **Pros:** *A robust, representative view of customer satisfaction from a selected cohort of customers; rich data insights into views and opinions; for low volume audiences; regular pulses inform business tactics over time.*
>
> ✘ **Cons:** *Not delivering real-time, 'in the moment' feedback; continuous improvement; customer relationship management.*

Voice of the Customer (VoC)

The aim here is to gather high volume, continuous, real-time feedback from all customers about their experiences and expectations. As it is not restricted to a representative sample, it focuses on customer needs, interests and intent and can provide increased understanding about areas for process, product or service improvement. A VoC programme enables you to collect quantitative and qualitative insight direct from the customer which can not only aid problem resolution but can also support new product or service development.

However, samples are not always matched wave-on-wave which can lead to unusual trends. Safeguards should also be in place if the survey is administered, or influenced, by frontline staff, especially if results are used to calculate pay or incentives.

> ✔ **Pros:** *Rapid, top of mind feedback; enabling the entire customer base to provide feedback; real-time management of customer complaints; for higher volumes of customers.*
>
> ✘ **Cons:** *Not always a representative sample as audience is self-selecting and can be prone to response bias; less in-depth data; not normally covering all customer touchpoint interactions.*
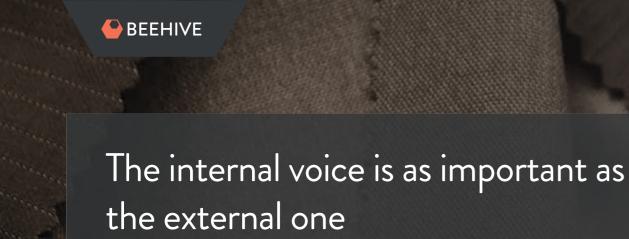
Customer Experience (CX)

The most holistic approach for an ongoing customer insight programme. It aims to capture the sum of all experiences, interactions or touchpoints that a customer has with a company. This relationship-focused programme is aimed at everyone who has engaged with your business, whether they are existing, historical or lapsed customers.

The benefit of this approach is that it can feed into longer term business change by providing analysis of customer behaviour and journeys over time. However, set up wrongly, it can alienate customers if over surveyed at every touchpoint, or the promise of 1:1 interaction doesn't materialise.

> ✔ **Pros:** *The widest ranging programme; can deliver a rounded view of customers' experiences across your entire business; enables continuous improvement; informs strategy and change.*
>
> ✘ **Cons:** *Not as practical for lower budgets; more complex to set up and manage; sometimes overwhelming data volumes that become harder to interpret.*

The internal voice is as important as the external one

When thinking about customer experience many organisations focus on the external customer voice, but employees often have as much insight into customer issues, or internal business issues, and their voices should contribute to the holistic approach.

Understanding the gaps between the internal and external perspective increases the insight that can be delivered.

Internal voices

Voice of the Employee (VoE)

Understanding what drives the Employee Experience (EX) can help businesses to understand how employees can contribute to the overall customer experience.

The role of a programme is therefore to build an accurate picture of factors that could impact the ability of employees to deliver a great experience for customers at the frontline.

This could involve an assessment of overall job satisfaction, training and career progression, inter-departmental and hierarchical communication, and more broadly issues relating to the overall company culture. A VoE programme therefore provides a useful opportunity to interview employees to drive operational change.

Voice of the Stakeholder (VoS)

Understanding the objectives, challenges, and needs of stakeholders is equally important in any customer insight programme.

These are the people who will need to implement actions, or make strategic or tactical decisions, so listening to them and balancing with the other voices is key to a holistic approach.

✔ *Pros: Builds internal buy-in for the programme; staff often know recurring issues or barriers to resolution.*

✘ *Cons: More complex to set up; expands the programme creating more data to interpret; if the internal voice is sought, it must be listened to, or risk demotivation.*

How to get CX Measurement right for your business?

The best place to start is to assess your organisation from a CX perspective, both internally and externally. This is ideally achieved through exploratory research which can help you establish the current state of affairs – changing market dynamics, evolving customer needs or priorities, for example. It typically involves in-depth interviews – with stakeholders, frontline staff and customers, for example – and a literature review of relevant materials.

Establish the status quo

The aim of the initial research is to uncover the internal and external view to gain a better understanding of customer interactions.

It should dig deep into customer views about what it's like to do business with you and enable you to map their key journeys and touchpoints or moments of truth.

Once this has been achieved, you'll be able to identify the optimum points and times to measure CX and be in a stronger position to select metrics that are best suited to help you nurture your customer relationships.

Navigate competing demands

The challenge is how to address often complex and competing demands from the business. For example:

- The desire to align with certain divisions or departments, past studies, competitors or publicly available benchmarks.

- Pressure from the boardroom to use a familiar or eye-catching metric.

The challenge is how to address often complex and competing demands from the business.

- The ambition to keep things simple, perhaps because of available resource or potential understanding.

- The need to do something, anything - and quickly.

- The temptation to be a follower of fashion; wanting to use the latest, shiniest metric, no matter how suited it is to the business.

There is understandably some solid logic behind these demands, but it's important to stress that the most effective CX programmes are carefully thought through and closely aligned to the overall business objectives of the organisation.

Carefully map the customer journey

Choosing what, when and how to measure experience requires an understanding of the difference between customer journeys, touchpoints and moments of truth so that you can map the entire customer experience.

A customer's journey is often not linear and may not map naturally to the functional departments an organisation has established.

Understand the interactions your customer has, not the departments you provide

Touchpoints are key waypoints along a customer journey. Touchpoints refer to the channels used by the customer, for instance website, contact centre, high street shop and so on.

Moments of Truth (MoTs) are critical points in a customer's relationship with a business, perhaps when buying their first product, upgrading their service or making a complaint. They are termed moments of truth because they are the times when the service received influences what happens next. An example that's often given is how a well-handled complaint has the power to transform an unhappy customer into a happy one.

Customer journey can be used to cover the full experience from consideration, through purchase to lapsing or leaving. It can also refer to shorter journeys that are directly related to major MoTs or 'jobs to be done'. For example, you might already be a customer of a bank but decide that you want to take out a loan with them, which has its own discrete journey with minor moments to navigate.

Choosing whether to measure CX by touchpoint or by MoT will depend on what best suits your organisation and its information needs. Most programmes take both into account but one or the other will take precedence.

Prioritise the insight that is most important to your business

The metrics you prioritise to measure the success of your customer insight programme should also be determined by your choices of journey, touchpoint and MoT.

Consider the difference between:

- How you might measure the experience of a customer complaint, whilst ensuring that all relevant touchpoints are represented? In this instance, you may focus on brand level ratings e.g., loyalty, recommendation.

- How you might measure experience with a contact centre, whilst ensuring all types of enquiry are represented? In this instance, you may focus on department level ratings e.g., ease of contact, agent metrics.

What's important is to truly understand the journey, the touchpoints, and whether there may be one or more in any interaction, and which metric(s) then translate to the most valuable insight.

Prioritise a robust design phase

Poorly designed CX programmes are likely to stagnate and fail because, too often, they are badly executed. They lack context, relevance, and timing, amongst other things. Results aren't used, ROI is poor and, in the worst cases, individual departments can be tempted to make their own decisions about CX. Instead of considering the bigger picture, this entrenches problems rather than solving them.

Secure business-wide buy in

A robust design phase that attracts business-wide buy in is vital for the overall success of the programme. Without it, any attempt to embed or implement change may meet resistance, sometimes from a simple lack of understanding, or a failure to see and embrace the bigger picture.

A bespoke CX design phase that truly involves the wider business will help to acknowledge, and mitigate, some of the negatives that may exist, allow ideas to emerge, and identify areas where pressures may be impacting the customers' experience. Understanding the baseline helps design a programme with the right metrics at the right time.

Focus on frequency and timing

One of the most challenging decisions to make is when to measure CX along a customer journey. One business might choose to wait until the end of a journey after all interactions are complete, while another might decide that measurement along the way after each main MoT or job to be done would be more appropriate. It almost always involves a degree of compromise. You need to consider:

- Your volume of customers:
  - If high, then robust measurement can be conducted – and reported –more often.
  - If low, it may not be cost-effective to collect data, or reliable to report results, too frequently.
  - Similarly and related, the volume of customer interactions along a journey.

- The service or product being measured:
  - If it is a short-term experience (e.g. an enquiry about train times), think about how easily a customer could recall it after a certain period of time.
  - If it is a long-term experience (e.g. buying and the first year of owning a car), think about when on the customer journey to measure experience and whether these are at set points in time or after certain triggers.

- The effect on your customers versus the impact on the results:
  - If you measure after every interaction, particularly if those interactions occur quite close together, that could be irritating for customers.
  - If you only measure occasionally, you might miss key moments or memories might be dimmed and the data collected may be less robust.

Key considerations

Whatever your chosen measure, it's important to consider the following before getting started on any programme:

- Some metrics, for example NPS™, have specific placement and wording requirements in order to deliver the results promised.

- Publicly available competitor benchmarks are often of limited use, as the data collection methods and audiences vary widely - and are often unreported.

- If your organisation operates internationally, you need to bear in mind cultural issues, over and above language differences. For instance, people in the UK are often reluctant to give top box scores, as there is a belief that there is always room for improvement. Numeric answer options tend to work best in different languages as there is less subtlety of meaning than in words.

- Who are your customers? If your customer base is small, you might select more qualitative measures to gather rich data that can be mined for insights. A large customer base can offer robust guidance through statistically reliable metrics. Hostage customers (where there is no choice of company to use) may need to be asked different questions to those free to switch at will.

Understand the different metrics

There are a variety of CX metrics that can help you measure how well you are performing as an organisation. There are four leaders in the metric popularity stakes.

C-Sat (Satisfaction score) can be very useful in assessing satisfaction at a tactical level, after an interaction, but it may be difficult for a business to leverage this metric to improve CX.

CSI (Customer Satisfaction Index) provides an overall compound score that can be weighted based upon multiple attributes or experiences. It can be tailored to a business but it can become overly complex and difficult to explain.

NPS™ (Net Promoter Score) is one of the best known and widely used metric for tracking brand Promoters and Detractors. However, it's worth remembering that the likelihood to recommend is not always aligned with business operations or goals, and it can be unclear how to interpret scores of 0 (not able or not willing to recommend).

CES (Customer Effort Score) tells you how easy you are making it for your customers to deal with you. It's best s uited to the service sector and is sometimes counterintuitive as high effort can be rewarding, for instance when looking at loyalty programmes where the customer needs to work harder to increase their benefits.

Each metric has a role to play and chosen wisely can provide the insight you need to grow a business.

The pros and cons of popular CX metrics

	NPS	C-Sat	CSI	CES
Widely used & understood	✔	✔		✔
Flexible, scalable for different business sizes & structures	✔	✔	✔	Mainly in the service sector
Measures intention	✔			
Competitor benchmarks available	✔	Sometimes		✔
Tailored to your business		✔	✔	

A practical example of why the choice of metric matters

Consider this scenario:
A leaking washing machine needs fixing, is under warranty and a repair is booked through the insurer. The booking process is problematic with long waits on hold and staff passing the customer from pillar to post. However, the engineer arrives when promised and fixes the machine in one, speedy visit.

- How much effort did the customer put in to get the desired result? **LOTS**
- Would they recommend the insurer? **NO**
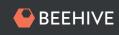- But, ultimately, was the customer satisfied? **YES !**

In this case, the most important pieces of information to drive the insurer's business forward are customer effort and NPS™.

Overall satisfaction isn't redundant, however, and will help the insurer to assess the performance of its engineering partner. The customer probably wants to express an opinion on all three, and very likely across most, if not all, of the touchpoints or moments of truth on their journey with you.

Each metric has a role to play and chosen wisely can provide the insight you need togrow as a business. However, don't be afraid of change. The best CX programmes flex with the business as it evolves and that may mean abandoning a tried and tested metric or approach for a different one as circumstances or business objectives change.

Our top five tips:

1. Choose the right programme for your business e.g. CSat/VoE/CX...
2. Listen to the internal and external voices to maximise the insight.
3. Understand, and map, the customer journey and identify the key Moments of Truth.
4. Focus effort on the design. don't rush to implement a poorly thought through programme.
5. Choose the right metric at each touchpoint you measure.

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 Measurement, contact us on:

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