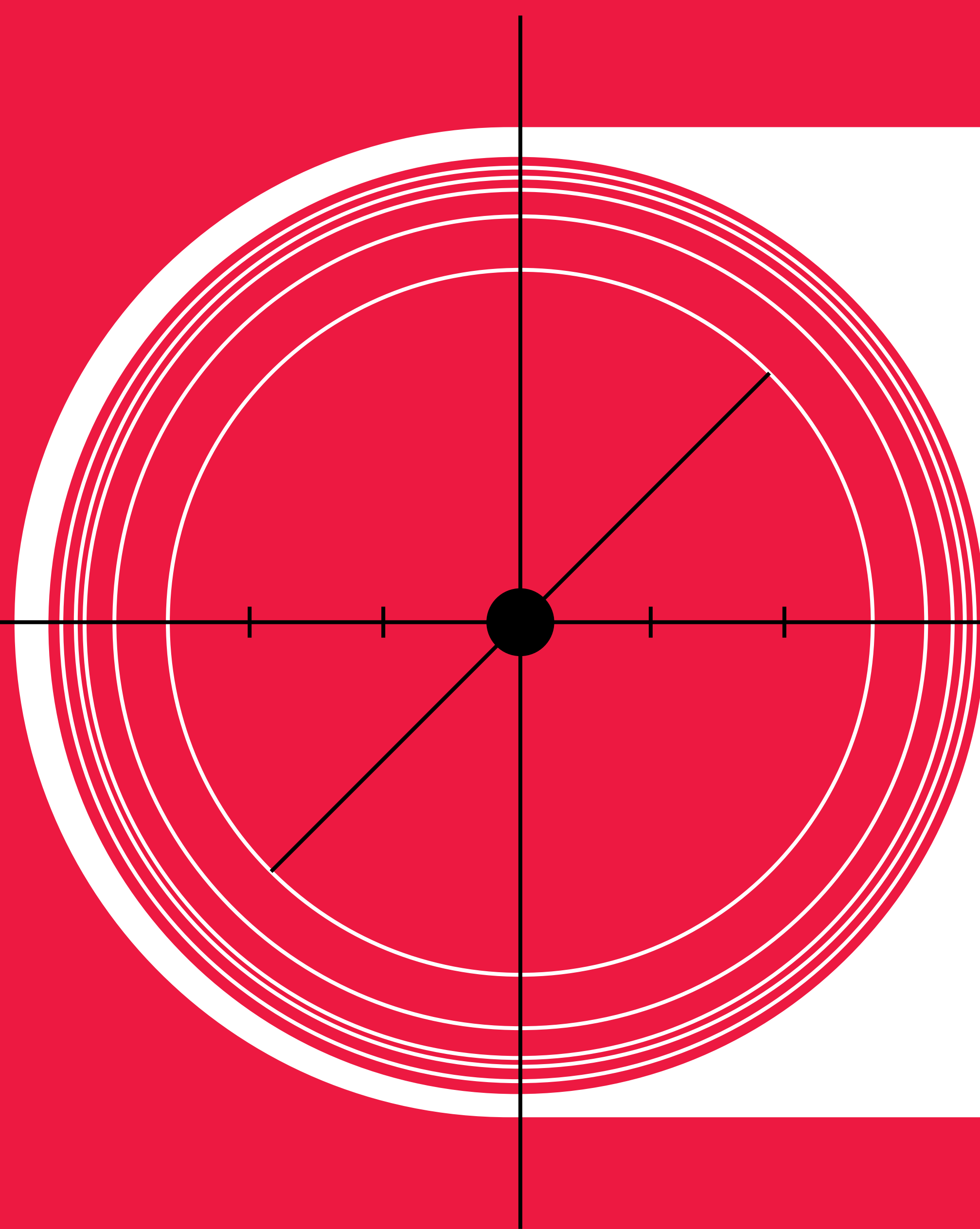


ebook

Creating a CX Measurement Model



Generating Value & Demonstrating ROI

By Christian Buncher
Senior Digital Strategist

Contents

Click on the numbers
to go to the chapters.

Click on the "contents"
link down the left hand
side of the pages to
come back to the
contents page.

01	Introduction
02	Key Findings
03	Key Challenges in CX Measurement
04	Recommendations
05	Laying the Foundations of Measurement
06	CX Measurement Canvas
07	Creating a Equal Scoring Mechanism
08	Monitoring & Measurement
09	Live Optimal Opportunity Map Explained
10	Implementation Process for Success
11	Conclusion
12	References

Introduction

Businesses have spent millions investing in technology that promises to deliver the best customer experience possible, but they are still slow to adapt to changing customer needs. CTOs struggle to justify investment into these platforms and are looking for increasingly creative ways to better utilize data to create competitive advantage.

Businesses are also facing continual disruption, despite undertaking expensive, in-depth digital transformation programs.

Why are they blind-sided by a startup that spots the gaps and hits the CX sweet spot?

Why do businesses still not have real-time insights and data, and why are they developing products on customer roadmaps that were conceived years ago?

A recent study conducted by CI&T found that spend on CX remains a priority. There is a continued shift towards greater personalization and tailored experiences, but CIOs are evaluating the effectiveness of these solutions. The connected journey is how firms need to measure the CX impact and ROI. For example, incremental experiments based on A/B testing were necessary, but binary. Optimization based on this only takes into consideration points of interaction.

This article looks to explore these themes and provide a solution that draws together the key customer experience touch points. Creating a truly live monitoring experience that allows businesses to adapt their digital roadmaps according to a more complete view of the customer, and the jobs they are trying to accomplish.



Key Findings



By 2025, **80%** of large enterprises worldwide will have adopted **marketing software**, up from 67% in 2020.*



Marketing technology accounted for **26.7%** of the **total marketing budget** in 2021.**



By 2026, **60%** of large enterprises will use total experience to transform their business models to achieve **world-class customer** and employee advocacy levels.***



In 2022 spending on **customer experience** technology is set to exceed **\$640m** worldwide.****

Key Challenges in CX Measurement

These are the key challenges we have identified over years of developing CX strategies and working on numerous digital transformation programs with international brands.

The Tech Team – A suite of systems and technical platforms have been purchased that deliver ‘true CX measurement’ and monitoring out of the box, but seldom do.

Lack of Training – No one really knows how to use the systems that have been purchased or how to tie them together to create meaningful insights.

Depth Research – An agency was employed to conduct interviews, surveys and focus groups. The insights were invaluable, but implementing changes and monitoring them has proven difficult.

Out of Date Backlog – Product and development teams are working to a backlog and prioritization that is out of date. They are still creating and enhancing products that were mapped two years ago.

Product Reviews – Trustpilot and other product review platforms tell us something useful, but don't make it into the feedback loop, and have little significance in the grand scheme of product development.

Customer Service – Customer-facing associates that have their finger on the pulse of the customer are often ignored or have no feedback loop.

Investors and Boards – They want to understand the ROI on their investment into CX. \$20m was spent implementing these initiatives but the visibility of results is poor.

Key Challenges in CX Measurement

CX Silos

Organizations have created areas of the business that monitor and develop products and experiences for customers, but potentially pull against one another. They never tackle the core need, and instead end up half-tackling multiple needs.

Examples of these silos include:

Business Strategists that map customer journeys by understanding the customers' jobs and the pains they experience, but don't monitor this continually or ensure a continual feedback loop to the product teams.

UX Teams that run continuous qualitative and quantitative cycles to better understand what customers do or don't like about products and experiences that are being developed but struggle to translate this into meaningful stories.

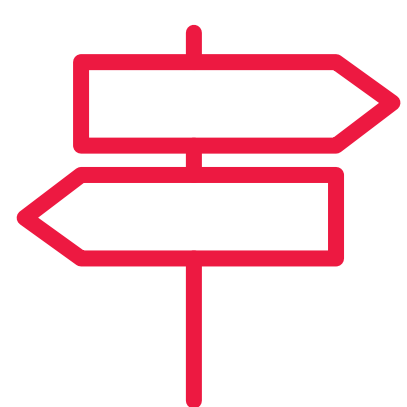
PR Managers who monitor social media channels and try to respond to public opinion, but have no feedback loop to the product development teams.

Product Owners who introduce new features to products based on prioritization criteria that map customer needs that were done years ago, continuing to work through a linear backlog.

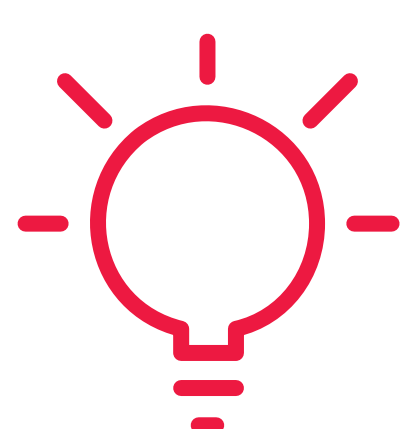
Data Scientists that crunch data pools together to create visual insights for business owners that look great but seldom tell a story with any meaning.

Consultants that spend 12 months analyzing the business, mapping processes and telling us about customers, with no real action or accountability.

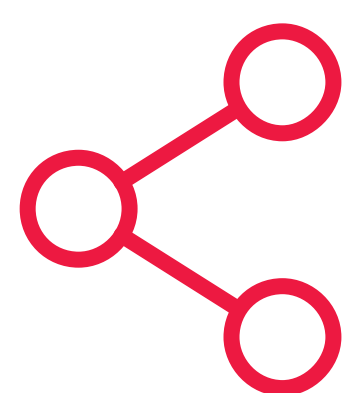
Recommendation



Map who the core customers are based on the jobs they are trying to do, not their persona. Use the Jobs To Be Done Method (JTBD) and plot the pains they experience and their desired outcomes.



Create a 'Live Optimal Opportunity Experience Map' (LOOEM)[™]. A multitude of data points (both quantitative and qualitative) feed this simplistic metric. The position of the LOOEM determines the levers businesses should pull to maximize success.



Connect depth research and customer insights with live data feedback that informs rapid change in the business. Connect and measure the customer's experience against a set of value stream objectives and key results (OKRs) automatically via a unique scoring metric.



Alignment across all divisions, business units and territories. A cross functional team that is aligned to the same group of customer types that are trying to achieve the same set of jobs and needs. Everyone is traveling in the same direction, working towards a unified and easily understood metric of success.

Laying the Foundations of Measurement

The CX measurement framework is built on a specific set of customer parameters. These parameters act as the levers of success and allow the simplistic reporting of CX effectiveness and performance. To lay the foundation, a cross functional team is required to discover, collate and map a centralized set of information that informs the foundation.

Foundation Pillars



Customer

Jobs To Be Done
Value Stream Mapping
Opportunity Baseline



Performance Indicators

Objectives & Key Results
Financial Zones
Business Mission



Data

Qualitative
Quantitative
Systems & Sources

Customer

- Use the **Jobs To Be Done*** method to benchmark the customer's existing experience. Map customer profiles based on propensity to achieve the same outcome from a job.
- Identify the current **opportunity level**.
- Create **value streams** or align profiles to existing product development workstreams.
- It is likely that multiple jobs will serve different customers at different times across different workstreams.

**Ref 6: Anthony W. Unwick, Jobs to be Done Book*



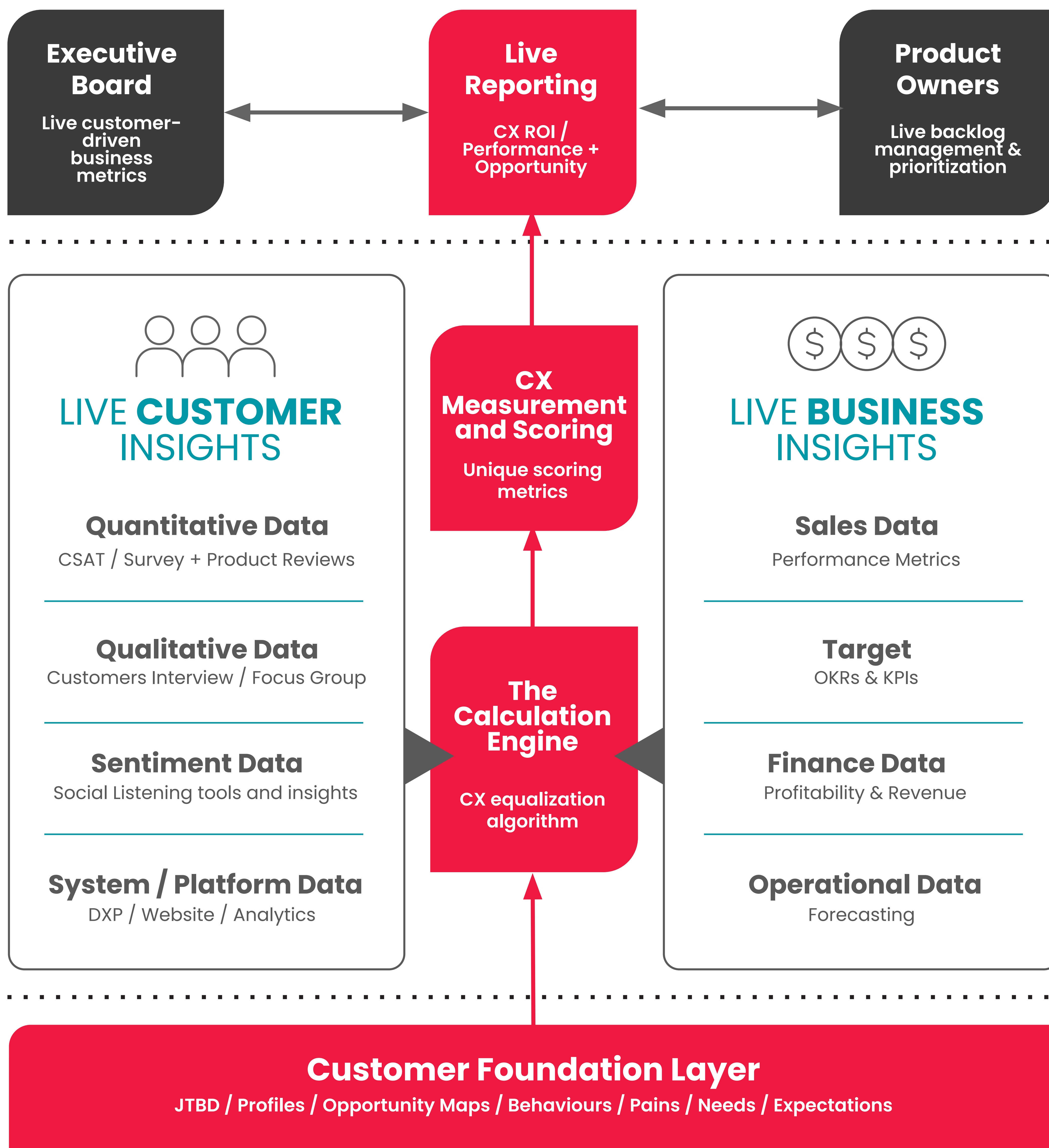
Performance Indicators

- Develop KPIs for each customer profile identified.
- Develop OKRs for each value stream and align to customer KPIs. If OKRs are delivering then the experience is optimal.
- Align business mission, values and goals.
- Create a set of financial metrics in which to measure the performance and opportunity line.

Data

- Identify and plot all customer experience metrics and data points in the business. Consider both qualitative and quantitative data.
- Select the data point mix for the business, i.e. is sentiment data more important than exit surveys? Set a percentage point for each metric.
- Undertake technical analysis to determine how data can be exported / imported into a third party data source.

CX Measurement Canvas



Creating a Equal Scoring Mechanism

The core challenge with measurement has been scoring.

CSAT (customer satisfaction), NPS (net promoter score) and CES (customer effort score) have long been the measurement tools for many companies looking to equalize their customers' experience of a brand. These measures only consider a single or limited metrics. These measures are only as good as the people that complete the surveys relating to the scoring method. Other tools have their own scoring mechanism as well. For example, Brandwatch will score sentiment, Trustpilot your product reviews, GA your media effectiveness and platforms like Content Square that analyse customer behavior and allow for AB test scoring.

While all these tools are effective in their niche, none tell the true story of your customer's experience or link back to the foundational work mentioned in the previous section of this article.

The challenge then is not to introduce a new system, but to equalize and create a bespoke equal scoring mechanism that can apply to all the experience platforms in the technical ecosystem. This can be achieved through strategy and technology.

How can this be achieved:

- With the introduction of an algorithm that resides in middleware and consumes multiple data points.
- Identify system APIs and pull into a data lake for processing.
- Create a technical middleware to consume and analyze the data.
- The multiple data points are consumed and then equalized using a customer job satisfaction scoring mechanism that is unique to each business.
- A scoring mechanism and live dashboard plots how well we are serving our core customer groups against the jobs they are trying to achieve.
- The strategic element relates to weighting of the data which would depend on a number of factors unique to each business, such as the reliability of the data.
- Example, social media monitoring may account for 10% of the score vs. qualitative 20% vs. CSATs or NPS at 30%. These weights are fed into an algorithm to ensure parity to the business's goals and objectives.
- The centralized scoring algorithm determines and provides the equal measurement score.
- It simply measures how well-served / under-served / satisfied or dissatisfied your customers are. Three simple metrics.

Monitoring & Measurement

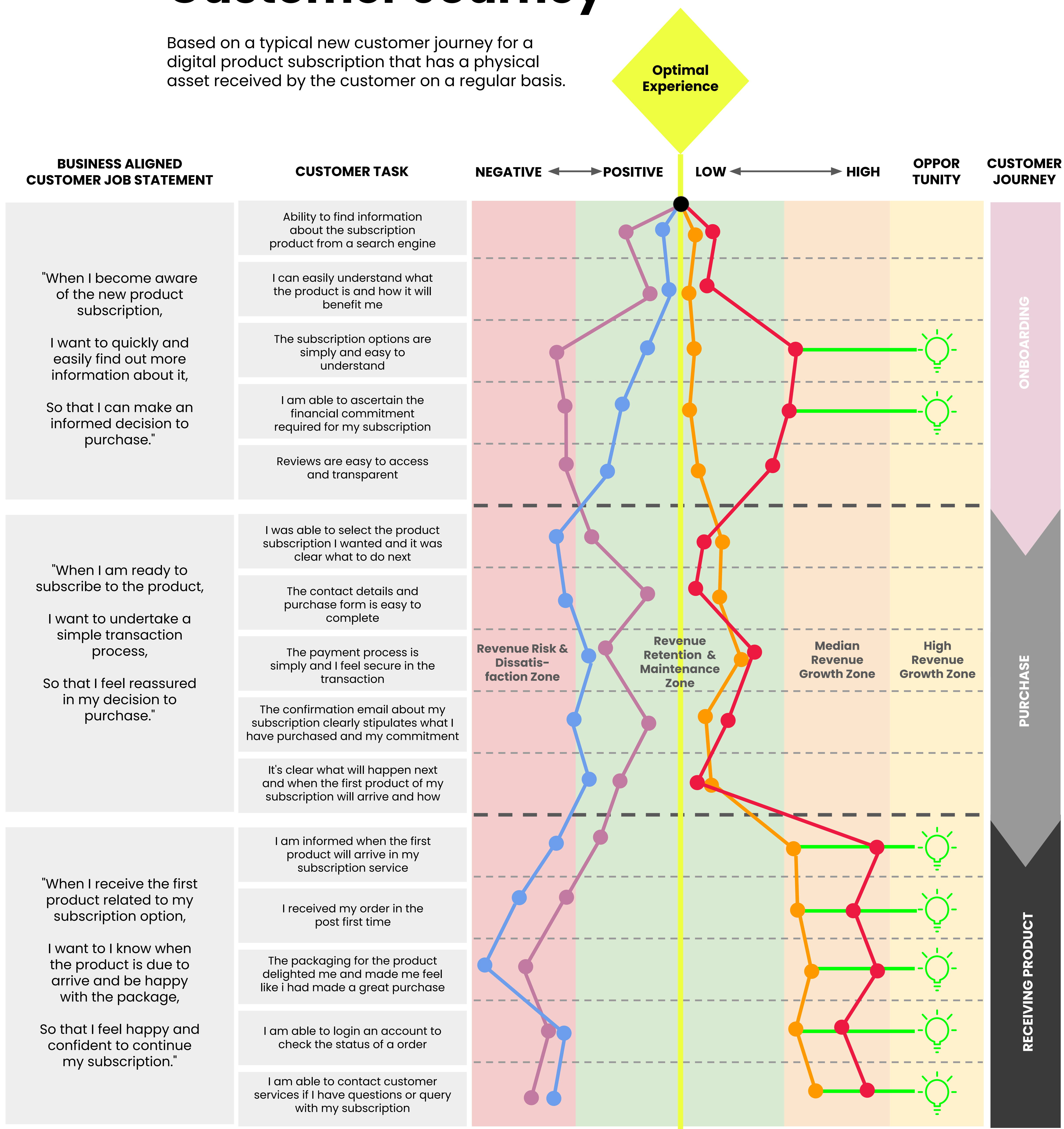
Once we have our foundations in place, the data structures have been laid and a scoring mechanism determined, it is important to monitor and measure customer satisfaction in an actionable way.

To ensure the feedback obtained is useful, it should be fed into a Live Optimal Opportunity Experience Map (LOOEM)[™]. This is a map that tracks a multitude of parameters, including; sentiment, experience, anxiety, frustration and opportunity for revenue growth against the jobs your customers are trying to achieve. Financial measures are overlaid to easily understand how a job is affecting financial performance and provides triggers for product development.

The figure below illustrates an example of how the LOOEM might work once all jobs, data points and financial information is ingested into the middleware equalization engine. The example provided is based on a typical and simplified customer journey that might be associated with the purchase of a product subscription service.

Example LOOEM & Customer Journey

Based on a typical new customer journey for a digital product subscription that has a physical asset received by the customer on a regular basis.



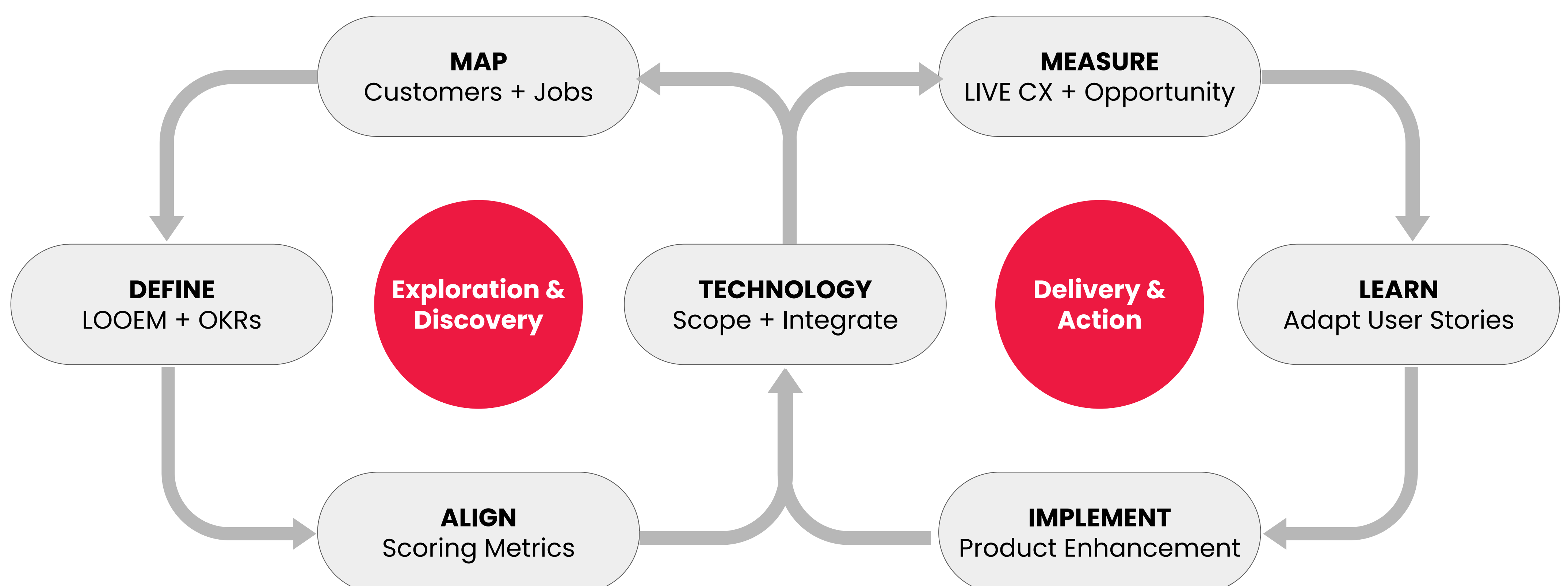
LOOEM Explained

- A different map exists for each customer type that is identified during the foundation stage.
- The customer-type jobs are plotted against the key stages of a customer journey.
- Opportunity lines are created based on a number of factors; including the baseline of the customer experience at the outset. These are unique to each customer type.
- The optimal experience for the customer and business is the middle line, all metrics pulling to the middle is a positive outcome.
- Revenue zones are calculated based on how the job affects revenue, this acts as simple pre-warning to senior stakeholders in the business.
- The scoring mechanism is unique to the customer type based on the foundation work and equalised scoring method.
- Additional lines are added to the map at trigger points for product owners.
- When the data triggers go above the opp line we have a potential to improve the experience, increase satisfaction and positively affect revenue and margins.
- The opportunity line indicates a number of things - ability to innovate, ability to be more efficient, ability to increase revenue and satisfaction.
- Sentiment, experience, anxiety and frustration allows for a quick snapshot of the customer at a point in time. These individual metrics can be addressed independently from the opportunity.
- Levers are set at different levels but generally involve a cross functional council being able to respond expediently, feeding changes and pivoting product backlogs to affect change quickly, ensuring OKRs for the business are met.
- Product teams and execs are able to monitor the boards and react.
- A set of reporting is produced for execs or boards; performance-based CX measures.

Implementation Process for Success

Implementation & monitoring cycle

The Implementation process is designed in two-cycles so that businesses can accelerate the adoption of the process if mapping has previously been done at a Jobs To Be Done (JTBD) level. The process is designed as a continuous loop, always exploring customer types and jobs: new jobs are added, removed and edited based on what is happening with the customer and the external factors.



Conclusion

With many large organizations having more than a 100 CX metrics (*Ref 5: Gartner, May'21*), and with CTOs intending to increase spending on customer experience technologies in 2022, it's critical to justify the ROI of these systems and platforms.

Using the framework outlined in this paper will help to justify the ROI, while creating better products and customer experiences. Aligning the business around a single set of metrics and outcome will ensure that all parties are pulling in the same direction and can take action based on all the tools and metrics collectively.

References

1. Gartner by Julian Poulter, Yanna Dharmasthira (Dec, 2021), Forecast Analysis: CRM Marketing and Cross-CRM Software, Worldwide.
2. Gartner Annual Report (Dec'21), The State of Marketing Budgets 2021 - Insights From Annual CMO Spend Survey.
3. Gartner by Don Scheibenreif, Tori Paulman (Oct, 2021), Future of Work Trends: Top 3 Customer Experience Trends.
4. Statista by Lionel Sujay Vailshery (Jan, 2021), Customer experience technology spending worldwide 2018-2022.
5. Gartner by Ed Thompson, Don Scheibenreif, Michael Chiu (May, 2021), How to Manage Customer Experience Metrics.
6. Jobs to be Done Book by Anthony W. Ulwick (2016) - <https://jobs-to-be-done-book.com/>

Thank you

**For more information, or to discuss the content of this paper,
please get in touch with:**

Christian Buncher, Senior Digital Strategist at CI&T



christianb@ciandt.com



+44 (0) 7870 817 954