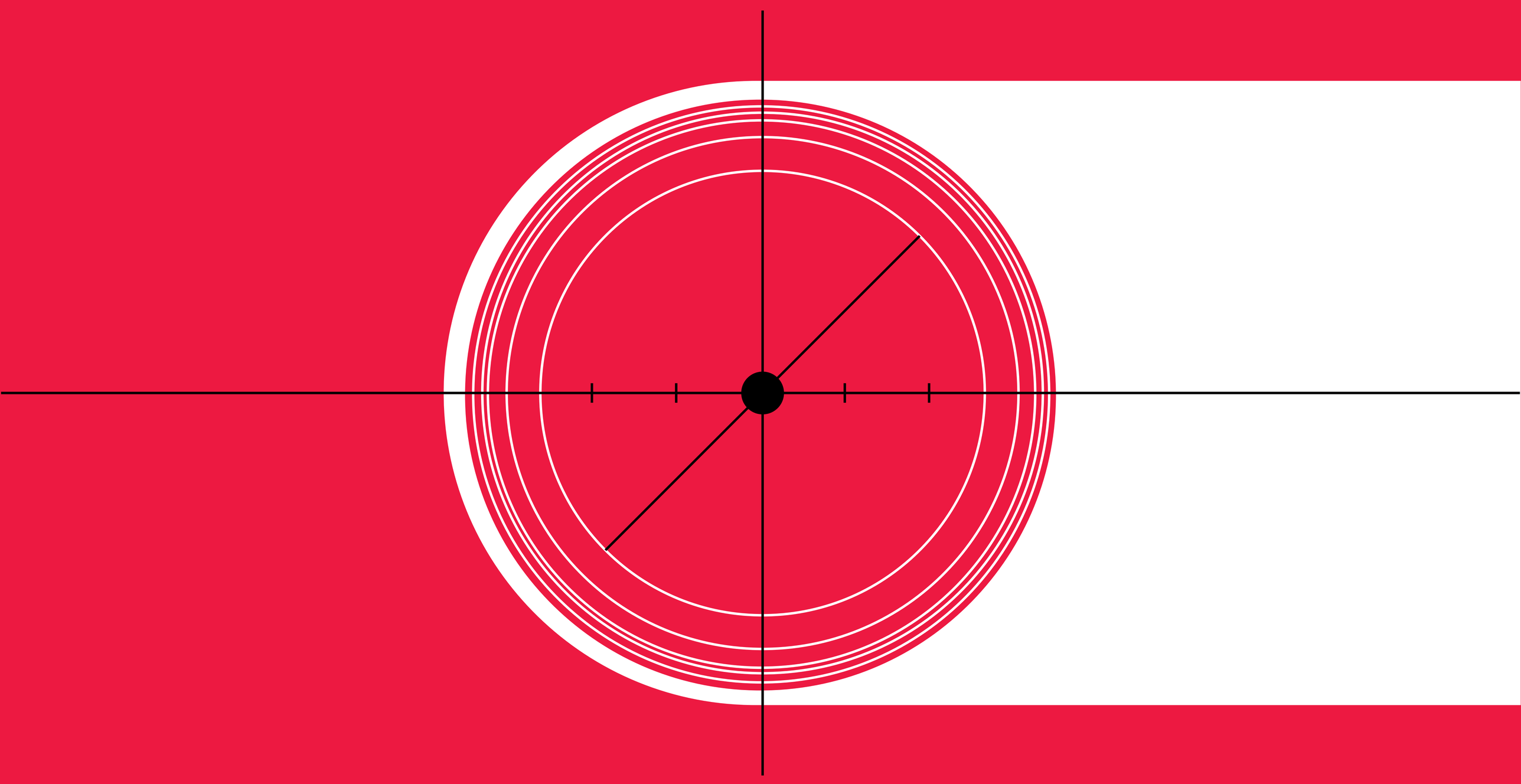
ebook

Creating a CX Measurement Model



Generating Value & Demonstrating ROI.

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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 and 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 ultimate customer experience, somehow they still find themselves slow to adapt to changing customer needs. CTOs struggle to justify investment into these platforms and are looking for increasingly creative ways to better utilise data to create competitive advantage.

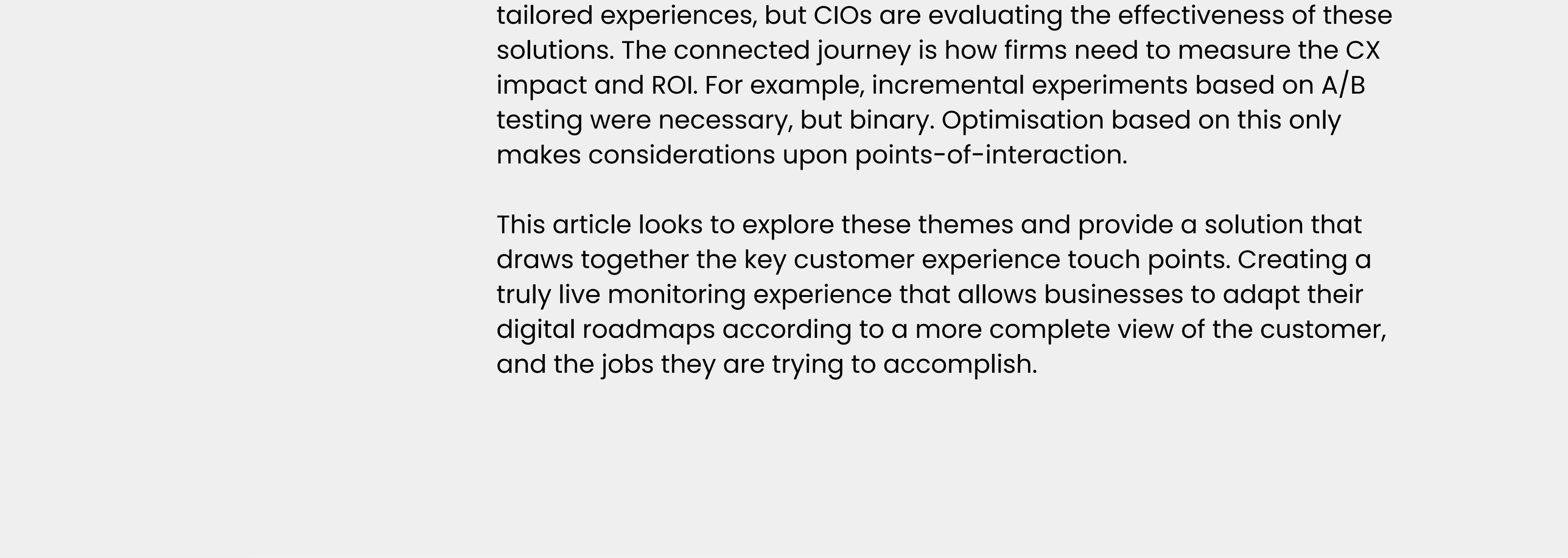
Businesses are also facing continual disruption, despite undertaking expensive, in depth digital transformation programmes.

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 personalisation 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. Optimisation based on this only makes considerations upon 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.****

Contents

**Ref 1: Garter, Dec 21 / **Ref 2: Gartner, Dec'21 / ***Ref 3: Gartner, Oct'21 / ****Ref 4: Statista, Jan'21*

Key Challenges in **CX Measurement**

Over years of developing CX strategies and working on numerous digital transformation programmes with international brands, these are the core challenges that we have identified;

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 prioritisation that is out of date. They are still creating and enhancing products that were mapped 2 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 Silios

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

Examples of these siloes include;

An example of these siloes 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.

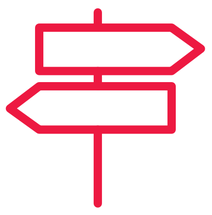
PR Managers who monitor social media channels and try to respond to public opinion, but have no feedback loop to the product development teams.

Product Owners who introduce new features to products based on prioritisation 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 analysing the business, mapping processes and telling us about customers, with no real action or accountability.

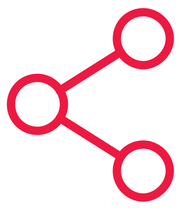
Recommendation



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 maximise 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 centralised 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

Executive Board

Live customer driven business metrics

Live Reporting

CX ROI / Performance + Opportunity

Product Owners

Live backlog management & prioritisation

LIVE **CUSTOMER** INSIGHTS

Quantitative Data
CSAT / Survey + Product Reviews

Qualitative Data
Customers Interview / Focus Group

Sentiment Data
Social Listening tools and insights

System / Platform Data
DXP / Website / Analytics

CX Measurement and Scoring

Unique scoring metrics

The Calculation Engine

CX equalisation algorithm

LIVE **BUSINESS** INSIGHTS

Sales Data
Performance Metrics

Target
OKRs & KPIs

Finance Data
Profitability & Revenue

Operational Data
Forecasting

Customer Foundation Layer

JTBD / Profiles / Opportunity Maps / Behaviours / Pains / Needs / Expectations

Creating an **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 equalise their customer's 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, and none 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 equalise 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 analyse the data.
- The multiple data points are consumed and then equalised 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 Centralised 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 you 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.

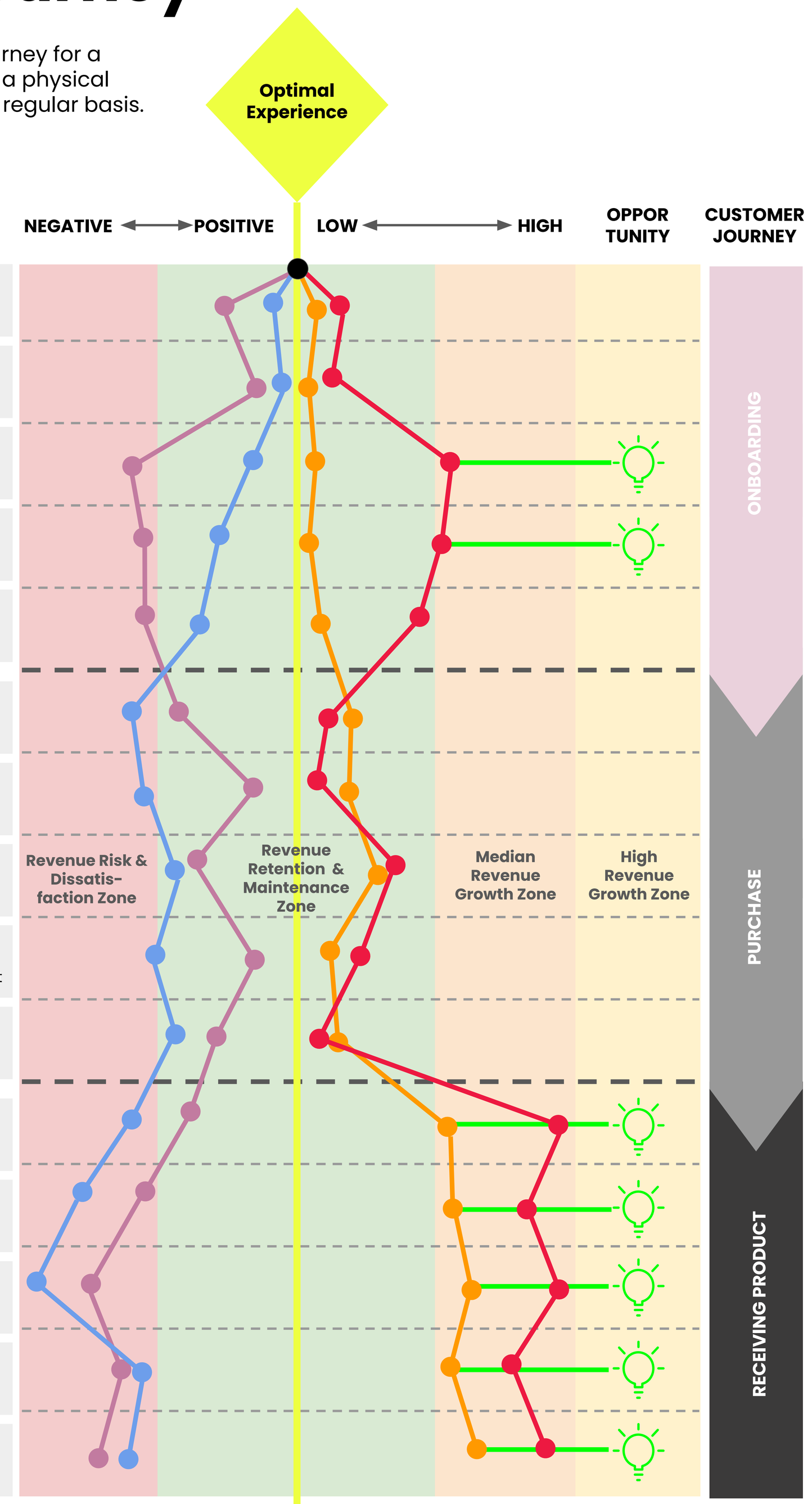
The figure below illustrates an example of how the LOOEM might work once all jobs, data points and financial information is ingested into the middleware equalisation engine. The example provided is based on a typical and simplified customer journey that might be associated with the purchase of a product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

09

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.

BUSINESS ALIGNED CUSTOMER JOB STATEMENT	CUSTOMER TASK
"When I become aware of the new product subscription, I want to quickly and easily find out more information about it, So that I can make an informed decision to purchase."	Ability to find information about the subscription product from a search engine
	I can easily understand what the product is and how it will benefit me
	The subscription options are simply and easy to understand
	I am able to ascertain the financial commitment required for my subscription
	Reviews are easy to access and transparent
"When I am ready to subscribe to the product, I want to undertake a simple transaction process, So that I feel reassured in my decision to purchase."	I was able to select the product subscription I wanted and it was clear what to do next
	The contact details and purchase form is easy to complete
	The payment process is simply and I feel secure in the transaction
	The confirmation email about my subscription clearly stipulates what I have purchased and my commitment
	It's clear what will happen next and when the first product of my subscription will arrive and how
"When I receive the first product related to my subscription option, I want to I know when the product is due to arrive and be happy with the package, So that I feel happy and confident to continue my subscription."	I am informed when the first product will arrive in my subscription service
	I received my order in the post first time
	The packaging for the product delighted me and made me feel like i had made a great purchase
	I am able to login an account to check the status of a order
	I am able to contact customer services if I have questions or query with my subscription



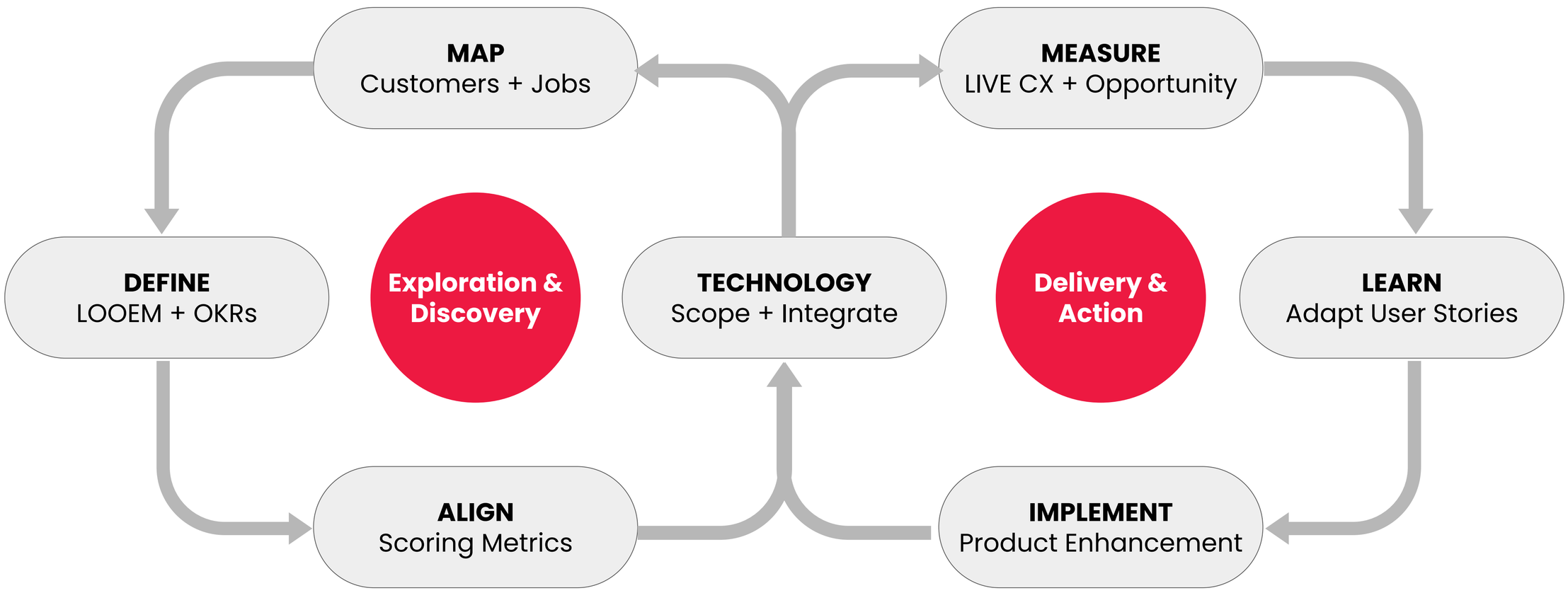
LOOEM Explained

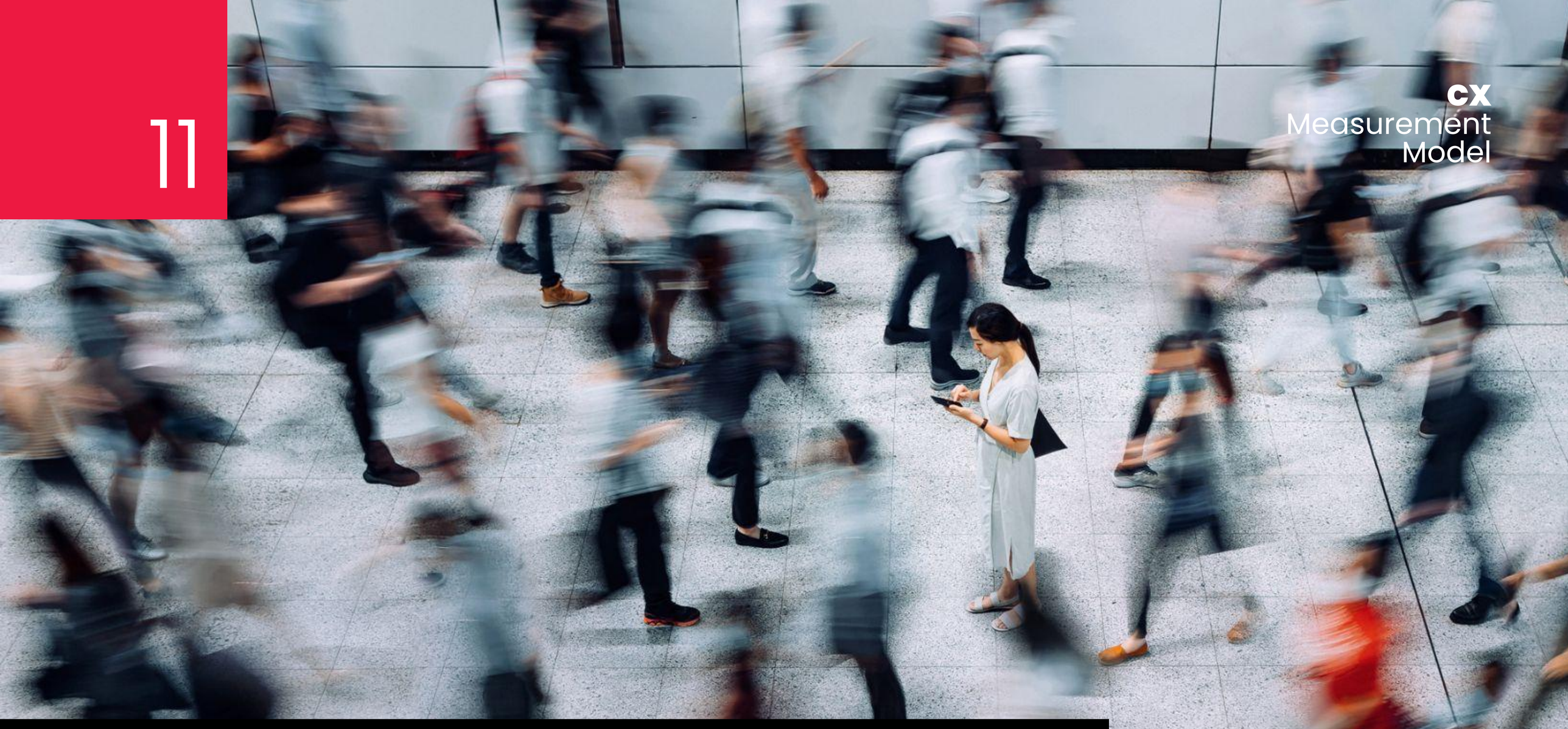
- A different map exists for each customer type that is identified during the foundation stage.
- The customer type jobs are plotted against the key stages of a customer journey.
- Opportunity lines are created based on a number of factors; including the baseline of the customer experience at the outset. 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 organisations 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 is 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.

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Thank you

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

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