The Three Dimensions of Customer Experience Measurement

The “three dimensions” of customer experience – customers, insight teams, and managers and employees taking action – remain underserved by many of today’s programs. The Maritz Research CE-3D Framework balances the needs of the three stakeholders and makes real customer experience improvement possible.
At a Glance

During the last two years, Maritz built upon its leadership understanding of Customer Experience Measurement (CEM) by conducting qualitative and quantitative research with customer respondents, insight teams and front-line managers. Almost universally, companies remain dedicated to improving their customer experience, and measuring customer experience feedback remains central to meeting that objective. Yet, our extensive research also found that many companies are not achieving the maximum results from their CEM efforts. Most particularly, companies are challenged in the following key ways:

1) Insight teams labor to integrate a myriad of new data sources with traditional customer surveys and to draw insights from the enormous volume of information in their possession.

2) Organizations are frequently unable to demonstrate the value of CE improvement programs because they have not been as effective as they would like in linking the Voice of the Customer to financial outcomes and internal performance metrics.

3) Front-line employees and their managers struggle to create and implement effective action plans because they do not fully understand the research results and the impact of their activities on the customer experience.

4) Customers are the often-forgotten linchpin in the customer experience process. They endure (or ignore) long, boring surveys while finding their own ways to share their stories in their own words.

Improving CEM is more “evolution” than “revolution.”

On the next pages, we discuss the three “dimensions” of CEM – the customers, insight teams, and managers and employees taking action – and our model for how to better meet their needs, the Maritz Research CE-3D Framework. As you’ll see, our framework includes concepts that are both proven and forward-looking. We believe companies will adjust their programs over time, taking steps to implement our evolutionary thinking on customer experience measurement. Companies that move toward a renewed customer experience program will benefit from stronger customer relationships, improved data quality and representativeness, better decision-making, operational efficiencies, and improved front-line engagement. As well, we believe that companies that don’t act risk ending the customer dialogue they rely on for decision-making, and even more importantly, eroding valuable customer relationships.

Three Critical Stakeholders

Maritz has found a thoughtfully designed CEM program needs to serve three critical stakeholders: customer respondents, insight teams, and managers and employees taking action on the feedback. A successful CEM program serves them all well.
Customers
Opting out of the traditional survey process

As customer experience research proliferated during the last several decades, companies and researchers, too often, lost sight of a key touchstone: People who complete branded experience surveys are not respondents in the same sense as traditional marketing research participants. They are customers, each with a specific story about their interaction with the company.

Industry-wide response rates to traditional survey research have declined during the last decade, and some see lower response rates as evidence that consumers are disengaged with providing customer experience feedback. To help us better understand this issue, we conducted a large-scale qualitative study of customer respondents. We learned customers were frustrated with several aspects of the traditional survey process and that these frustrations have important repercussions, even beyond response rate declines.

<table>
<thead>
<tr>
<th>Customer Frustrations</th>
<th>Potential Repercussions</th>
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<tbody>
<tr>
<td>The way we interview is often inconvenient and doesn’t account for individual preferences</td>
<td>Customers stop responding and program costs climb as we contact and re-contact potential respondents</td>
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<tr>
<td>Surveys often focus on elements of the experience that the customer finds unimportant</td>
<td>Customers respond without attention, providing irrelevant and low quality information</td>
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<td>The unspecific “other comments” open-ended question diminishes the customers’ stories</td>
<td>Companies miss learning about what the respondents believe is the “real story,” and customers look for other venues to tell their stories, such as social media</td>
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<td>Survey length and content are often inconsistent with the experience</td>
<td>Customers respond without attention or terminate the survey early</td>
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<td>Customers feel undervalued and unappreciated when companies do not appear to implement changes based on the feedback</td>
<td>Customers who have provided feedback in the past opt out of the feedback process in the future</td>
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Insight Teams
Challenged to create insight

Customer insight teams include the marketing researchers, customer relations managers and others inside the organization who develop and manage customer experience programs. These individuals are the conduit between customers providing feedback and those taking action on the information. In this role, insight teams distil an enormous amount of customer feedback into understanding that helps the enterprise attract, grow and retain profitable customers. Yet, they remain challenged on three core aspects of CEM program development and deployment: integrating data from multiple Voice of the Customer (VOC) sources, linking insights to business outcomes and acting on insights drawn from the VOC.

In 2007 and again in 2010, Maritz Research asked corporate stakeholders and researchers in Fortune 1000 companies about the challenges they encounter in putting the voice of the customer to work. Our research indicates that companies are most challenged by linking VOC results to other business, operational or employee metrics. For the companies that believe linking VOC feedback is a priority, nearly four in five reported that their companies are “struggling” or “doing a mixed job” in this aspect of managing their CEM program. Integrating data from multiple VOC sources remains a challenge for two out of three companies.

A growing body of research by Maritz and others indicates that most organizations are not where they want to be in terms of assimilating and acting on customer feedback. According to our research in 2010, organizations believe they are more effective at taking action upon VOC feedback than they are at either integrating multiple VOC data sources or linking VOC feedback to operational and business outcomes. Yet, only a third proclaim they are “doing a good job” in this area.

Managers and Employees Taking Action
Disenchanted in the process and feedback received

To better understand why many organizations struggle with acting upon customer feedback, we consulted unit managers – those who are most often responsible for implementing customer experience improvements. Through the Voice of the Customer Practices and Challenges survey conducted in 2010, we learned that more than four out of five unit managers believed that the “voice of the unit” should be more involved in the design of CEM programs. Maintaining unit-level buy-in of the importance of VOC programs and getting unit teams to believe survey results are accurate were also found to be key challenges needing to be addressed.

How effective are organizations at...

<table>
<thead>
<tr>
<th>Activity</th>
<th>% Struggling</th>
<th>% Doing a mixed job</th>
<th>% Doing a good job</th>
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</thead>
<tbody>
<tr>
<td>Taking action based on the Voice of the Customer (VOC)</td>
<td>2</td>
<td>18</td>
<td>46</td>
</tr>
<tr>
<td>Integrating data from multiple VOC sources</td>
<td>2</td>
<td>19</td>
<td>49</td>
</tr>
<tr>
<td>Linking VOC results to business metrics, operational metrics, or voice of the employee</td>
<td>8</td>
<td>35</td>
<td>37</td>
</tr>
</tbody>
</table>

% Not a priority
Starting the Evolution

Some industry commentators have heightened their criticism of today’s CEM programs, even commenting that CEM programs “are broken in many ways.” At Maritz, we believe that – while not “broken” – certain elements of CEM need to be evolved in order to continue to provide value to the enterprise, including:

- The types, form and content of customer feedback collected
- How customer experience data are captured, analyzed and accessed
- Who has access to results and insights derived from customer experience data
- How value is created and exchanged among customers, insight teams and front-line teams
- How customer feedback is used to drive actions at the front-line and corporate headquarters
- How the business impact of corrective actions taken is established

While we believe change is necessary, we also believe many fundamental practices in use today remain relevant. For example, customers still possess a high regard for the option of anonymity, and business users rely on survey programs to provide predictable and representative results. As we seek to find meaning among the many information sources in today’s world, retaining these foundational elements is more important than ever.

On the following pages, we describe our framework for refining and evolving today’s CEM programs. The Maritz Research CE-3D Framework is the result of our extensive investigation into the three dimensions of customer experience programs – customers, insight teams and managers and employees taking action. It’s our model for how companies can better align CEM programs with the needs of the three “dimensions” of customer experience.

**DESIGN**
Craft a program that re-engages customers and sets up the organization for action

The value of a CEM program to the enterprise is dependent on being both results-driven and customer-centric. Without a focus on results, meaningful change cannot occur. Likewise, without a focus on the customer as more than simply a respondent, it’s difficult to collect the high-quality information needed to inform decision-making.

**Customer Centric**
Our 2009 qualitative research and the quantitative testing that followed showed that even simple changes and a renewed
commitment to fundamentals may yield big improvements in customer participation, satisfaction with and attention to the survey process. More specifically, we believe organizations can immediately reap the benefits of a customer-centric survey program model by doing some or all of the following:

- Shift the survey balance to include more open-ended questions earlier in the questionnaire. More than anything else, customers want to tell their story – not just answer the questions that feed a dashboard. Maritz SmartProbe™ is a new technology that lets customers answer in a more natural way and allows companies to probe and clarify open-ended answers within online surveys. Text analysis tools or traditional coding turn verbatim feedback into actionable information.
- Refresh survey design. Recent research confirms that even simple changes, such as larger fonts and bigger buttons, can increase both survey response rate and respondent attention in online surveys. Beyond that, we believe the branded survey experience can be used to build a company’s brand image. Where appropriate, include corporate branding elements, use simpler language and personalize the survey experience by including images of the purchased object, such as the customer’s car or a hotel lobby.
- Offer multiple modes of data collection. One way to give customers more control over the feedback process is to offer them a choice of survey response methods, such as mail with an online option. When carefully designed and implemented, giving customers choices may offer greater demographic coverage, increase customer engagement, and create positive perceptions of the feedback process.
- Keep the timing open for customer feedback. Let customers provide feedback whenever they want, even if it’s weeks or months later. Rather than setting pre-determined “reply by” dates, set rules on what data is tabulated. That way, an “aged survey” may be excluded from the analysis, and customers feel their feedback is valued.

Four principles for customer-centric measurement programs

Based on our extensive qualitative research in 2009, we constructed four principles to guide the development of customer-centric feedback programs.

1) Offer customers a relevant degree of control over the survey process, such as the amount of information they provide and how that information is collected.
2) Make sure the system for collecting feedback is simple to understand and use, while also being engaging.
3) Ensure customers receive reciprocity – a return on their time investment for providing feedback.
4) Become an open, transparent organization by telling customers how their feedback is being used.

With Maritz SmartProbe™, customers are “asked” a follow-up question based on their initial response, which builds higher levels of engagement and delivers more detail than traditional online surveys.

Use the survey experience to re-connect the customer to your brand. Technologies make survey personalization possible. A Maritz automotive client even includes an image of the customer’s vehicle and specific license plate on their survey.
• Structure the survey to match the interaction. For lower involvement interactions, consider a shorter survey. For higher-involvement interactions, provide a longer survey. Or, consider letting customers identify the more salient portions of the experience and ask detailed questions about that portion only.

• Let customers see the feedback others provide. Just like the “see results” function on online polls, show customer respondents how their responses compare to others.

• Communicate how feedback is being used. From simple signage to blogs and YouTube videos, there’s no shortage of options to tell customers about the actions taken based on their feedback.

• Let customers track follow-up activities. Similar to package tracking systems, let customers “track” their requests made through customer experience feedback. A transparent process helps the customer feel more in control and provides individual accountability.

• Take transparency to a new level. Let customers see how the various locations perform by posting both high level scores and customer comments about individual locations on a public Web site.

The ideas above only address the traditional survey process. In recent years, customers have taken control of the feedback process by posting their opinions and comments freely on the thousands of Web sites, message boards and blogs created for this purpose. The comments posted on these Web sites can provide great detail about customer experience challenges and ideas to solve them. Further, reviewers may represent a potentially different set of customers than those taking surveys. We can help you make sense of the user-generated content by incorporating this important data source into the overall customer experience story (please see Listen & Integrate later in this document).

Results Driven
A well-conceived CEM program is always results-driven. Yet, “results-driven” is not something that occurs by accident or happenstance. Rather, a results-driven program is properly planned to achieve that outcome.

1) Design with the end in mind
To ensure the decision-makers and stakeholders have the information needed to implement change, we follow a “Backwards Research” design approach. During this process, we work with our clients to explore the situational context around the program, uncover the needs of the stakeholders and learn about the actions that will be taken based upon the data.

2) Develop a common category framework
One core recommendation in the Maritz CE-3D Framework is to integrate multiple data sources and evaluate how these sources converge (are similar) and diverge (are different). A Common Category Framework sets the stage for integration and convergence analysis. Similar to a traditional coding list, the common categories provide a structure for analyzing and evaluating data across sources.
3) Create a plan to act
We believe CEM suppliers, insight teams and those individuals delivering upon the customer experience must band together to create formal action plans and implementation processes. Developing action plan guides while also designing your measurement ensures tight coordination. Maritz has also created a five-step Action Planning Process that is detailed later in this document (see Act).

4) Involve managers and employees in the program design process
In our experience, best-in-class companies incorporate the “voice of the front-line” with the same intensity as they incorporate the voice of the customer to ensure that the program delivers the right information and resources to the front-line. Companies can better engage those who are taking action upon the customer experience feedback by identifying a set of core performance metrics, tailoring questionnaires to better match unit-level information needs, and aligning reward and recognition programs with improvement goals.

LISTEN AND INTEGRATE
Tap into all channels of customer feedback to create a holistic picture of the customer voice

Quantitative research, focus groups, and data from inbound customer letters, phone calls and emails are all ways companies capture the customer voice. In addition, many companies monitor quality and brand standards through mystery shops and audits, and nearly a quarter of companies “have an effective method” to harvest customer and prospect feedback that is posted openly on social media Web sites, blogs and review sites. To say the least, leading companies possess an enormous amount of customer experience information.

In the past, CEM programs generally featured one data source, primary customer surveys, leaving other experience feedback sources to be reviewed separately. While each source certainly has value alone, no single source today provides the full range of the customer story. Companies wishing to understand the totality of the customer story must integrate multiple data sources, including customer surveys, user-generated content, customer contact information and mystery-shopping.

To help companies understand the complete customer voice, Maritz Research devised an industry-leading approach to analytically integrate voice of the customer feedback. By applying a formal process to combine and compare multiple sources of customer feedback, companies create a chorus of customer feedback that provides a more complete customer story than any single source alone.

Moving beyond capturing and summarizing
CEM programs must go well beyond merely capturing and summarizing customer feedback via traditional surveys. Effective CEM programs should:

- **Leverage new tools and techniques that make survey and non-survey data sources work together.** By integrating across data sources, companies can better understand the total customer experience.
- **Provide reliable methods for linking customer data to financial and other business data.** Analyses linking internal operational measures to customer experience measures give a view into how the customer experience drives business results.
- **Develop a formal process for defining and implementing action steps.** Effective CEM programs highlight key opportunity areas and provide direction on “what to do.”
Developing a uniform set of customer experience categories is a required precursor to formal data integration. As mentioned earlier, a Common Category Framework is the key to organizing and analyzing both structured and unstructured data sources, including customer data, user-generated data, mystery shopping data and employee data. Once applied to each data set, the Common Category Framework enables cross-source comparisons.

**ANALYZE**

**Uncover insights that drive action**

Finding meaning among the many customer sources of feedback requires sophisticated analysis. Traditional analyses are augmented by new methods that both identify convergent findings across feedback sources and link customer experience results to business and operational outcomes.

**Convergence Analysis**

When evaluating multiple data sources, analysts apply sophisticated models and simulators to uncover convergent and divergent findings at both enterprise and unit levels. These findings are displayed for unit and enterprise stakeholders on powerful dashboards that deliver a visual representation of how well the company and units are performing – across all sources - in terms of the customer experience.

**Linkage Analysis**

Demonstrating the connection between customer feedback, operational processes and business results is a challenge for many companies. Linkage analysis provides answers to questions about:

- How “downstream” business results are driven by customer experiences and relationships
- How customer experiences and relationships are driven by alignment of people and processes “upstream”

Linkage consists of the formal, statistical process by which we connect input measures from one data source to output measures from another. It answers questions like “How is customer satisfaction related to revenue?” and “How do changes in operations under my control affect customer retention?” This type of information bolsters the effectiveness of CEM programs by justifying the measurement of customer experience in terms of valuable business outcomes and by helping organizations align people and operational processes targeted at improvements in customer experience.

**ACT**

**Enable the organization to deliver results**

The real value of CEM programs is not in the gathering of customer feedback, but in putting it to work. We believe organizations today can achieve more lasting customer experience improvements by better communicating the customer story and deploying a consistent process for taking action.

**Communicate the customer story and highlight customer-driven action items**

Telling the customers’ story is challenging, particularly when considering the many information sources available today. In our experience, customer experience initiatives often fall flat because those serving the customer are ill-equipped to understand the survey results. CEM reporting tools must communicate the story in the right way for the right audience.

Effective CEM tools are designed with the unit managers in mind, rather than just the internal research team. These tools move beyond simple online reports to online customer experience management tools. Our reporting tools help local leadership grow and retain customers by enabling them to:

**1. Assess performance:** Understand unit strengths, weaknesses and improvement priorities
2. Retain customers: Take corrective action to respond to customer issues and save customers in danger of leaving
3. Develop employees: Monitor employee progress and access tools to help employees develop
4. Improve operations: Identify operational challenges, develop action plans to address them and monitor implementation activities

The online tools we develop are based on proven principles from the fields of information visualization, dashboard design, user interface design and visual design. Our user interface lets front-line managers and employees accomplish actions quickly, intuitively and efficiently.

An Engaged Workforce
Taking action based on customer feedback requires companies align customer information with an engaged workforce to create high-impact action plans. Well-designed CEM programs will:
• Increase engagement by more deeply involving stakeholders and front-line leaders in program design
• Better communicate what the customer is saying and highlight the critical customer-driven action items
• Deploy a consistent process for taking action and provide the necessary supports so teams know what to do and why they should do it

Deploy a consistent process for taking action and support those who are taking action
One of the critical success factors of action planning is the deployment of a consistent process for prioritizing and assigning customer-driven action items. The Maritz Research Action Planning Process was developed from years of experience helping organizations improve the return on their CEM investment. This process ensures that the customer information aligns with the right people and processes to enact meaningful change.

1. Identify High Priority Customer-Driven Action Items
Defining customer-driven action items requires that stakeholders understand the full spectrum of what customers would like to see changed and the business impact of each customer suggestion. Our reporting tools monitor performance and clearly identify what is being done well, what is being done inconsistently and what needs improvement.

2. Determine Owners of Customer-Driven Action Items
Before action can happen, the people and/or functions who “own” the various customer-driven action items must be alerted. Once assigned, owners pinpoint the processes and enablers, and develop action plans.

3. “Drill-Down” for Clarity and Granularity
Taking the right action necessitates a full understanding of the customer voice. Once a problem area is identified, owners of customer-driven action items must have the tools to explore the breadth of customer commentary. By helping unit leaders “drill down” into the customer story, companies increase the effectiveness of customer experience improvement efforts.

Maritz Research Action Planning Process
A Five-Step Process Built Upon Best Practices

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4. Pinpoint the Business Policies, Processes and Operations Associated with High-Priority Action Items

By understanding the unit-level environment, the company can better support and inform action steps. Blueprinting is one tool to help organizations prepare for action. During the Blueprinting process, corporate stakeholders and front-line managers map key unit-level touch points to organizational measures and processes.

5. Develop and Implement Appropriate Action Plans

Well-conceived action plans require solid information about what to change and then how to change it. In our experience, companies have a wealth of support materials available, and linking to the support materials (i.e., 10 Ways to Reduce Wait Time) within the reporting program can be an easy way to help the owners of action items develop improvement plans.

The success of a CEM program is measured by future customer feedback. By understanding the value of each customer experience lever through linkage analysis, better engaging the front-line team members, effectively communicating customer-driven feedback, following the Maritz Action Planning Process, and providing well-conceived support materials, companies create a bridge from data to action and enable the organization to meaningfully improve the customer experience.

The Evolution Process

This paper includes many ideas for moving CEM programs towards a greater future. Putting these ideas into practice requires a deep understanding of your company’s customers, insight teams, and front-line managers and employees. To help our clients and companies like yours, Maritz Research recommends a Voice of the Customer Assessment. The assessment will help you better understand your stakeholders’ challenges, identify the highest impact program changes, and systematically manage a migration to an evolved CEM program. We invite you to contact us today to learn more about the ideas proposed in this paper and our CEM Assessment Process.

For more information, visit maritzresearch.com or call (877) 4 MARITZ.

References


