

For: Customer
Experience
Professionals

Seven Steps To Successful Customer Experience Measurement Programs

by Maxie Schmidt-Subramanian, June 27, 2013

KEY TAKEAWAYS

Customer Experience Professionals Must Make Critical Measurement Decisions

CX professionals who want to design a successful measurement program need to follow seven steps that guide them through making a range of decisions from choosing which customer segments and experiences to measure to identifying and acting on CX issues.

Successful Programs Are Dynamic, Not Static

Over time, CX pros will determine which customer experiences matter most to outcomes and which metrics best measure them. To stay relevant, CX professionals need to systematically and continuously review the key decisions they make for their CX measurement program.



Seven Steps To Successful Customer Experience Measurement Programs

The Key Decisions That CX Professionals Need To Make

by [Maxie Schmidt-Subramanian](#)

with [Harley Manning](#), [Megan Burns](#), and Molly Murphy

WHY READ THIS REPORT

Customer experience (CX) measurement is essential: Without a disciplined customer experience measurement program, companies will struggle to understand what's working and what's broken. This report provides a framework for key decision-making in a seven-step process that CX pros must follow if they're going to design and execute a successful customer experience measurement program.

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Related Research Documents

[The Customer Experience Index, 2013](#)
January 15, 2013

[Executive Q&A: Customer Experience Measurement](#)
January 10, 2013

[How Four Firms Measure Customer Experience](#)
May 4, 2012

[Perception Is Reality When Measuring Customer Experience](#)
January 24, 2011

TODAY'S CX MEASUREMENT PROGRAMS MEAN WELL BUT LACK DISCIPLINE

Firms that want to manage customer experience must measure it. To do that successfully, they need a highly disciplined measurement program. However, a recent Forrester study indicates that most companies *don't* have the systematic approach they need.¹ That's because organizations:

- **Don't measure CX quality on an ongoing basis.** Only 53% of respondents consistently measure customer experience quality. Even fewer — just 40% — consistently track what happened during interactions to help explain why customers felt the way they did.
- **Don't tie CX quality to business outcomes.** Only 21% of survey respondents consistently model the influence of customer experience metrics on business outcomes.
- **Don't systematically share and act on CX metrics.** A meager 34% of respondents said that their companies review customer experience metrics regularly, and only 29% keep a master list of everything the company is doing to improve customer experience.

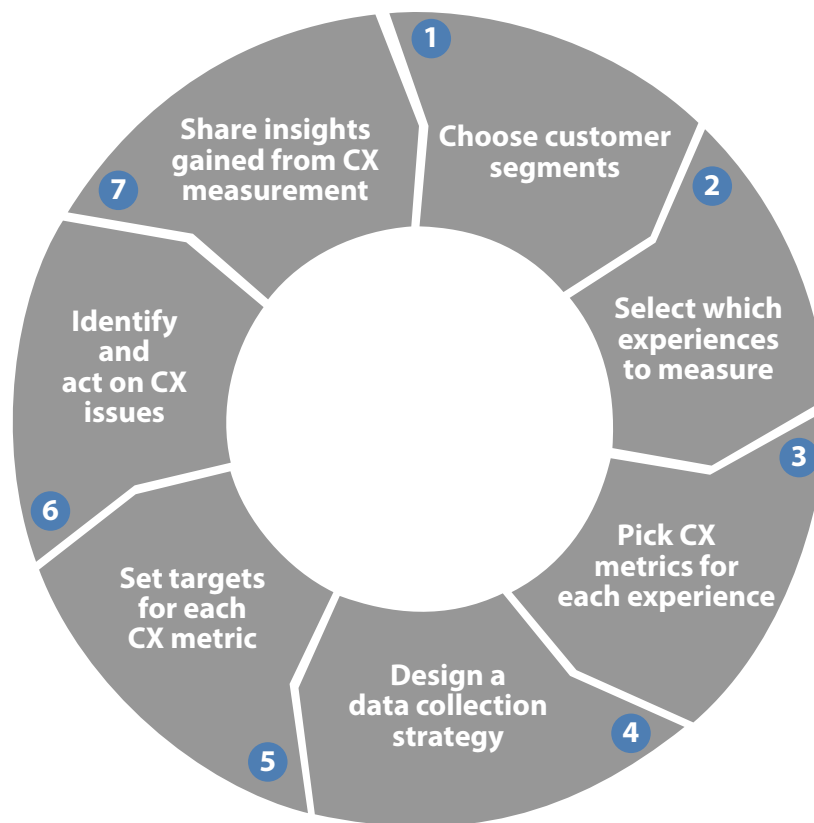
Seven Steps Lead To Customer Experience Measurement Success

Customer experience professionals can't afford to muddle along with incomplete measurement programs. Fortunately, they don't have to. We interviewed companies with established customer experience measurement programs as well as vendors that help companies create such programs. We uncovered seven steps that result in a disciplined, well-rounded approach to systematic measurement practices (see Figure 1).

- **Step 1: Choose customer segments.** With so many different types of customers, CX professionals can get overwhelmed when they try to measure everyone's experiences. That's why firms need to first zero in on the customer segments that are most important to the business.
- **Step 2: Select which experiences to measure.** Customer experiences happen at three levels: overall relationship, discrete customer journeys, and individual interactions. CX pros need to define which experiences are most important to track at each of these levels.
- **Step 3: Pick CX metrics for each experience.** CX pros need to select the specific metrics they'll use to track three things: customers' perceptions of their experiences, what happened during each experience, and the business outcomes that result.
- **Step 4: Design a data collection strategy.** To get the data they need to calculate CX metrics, firms must specify how they'll perform a range of activities from fielding surveys to tracking customers across channels.

- **Step 5: Set targets for each CX metric.** To motivate both internal stakeholders and external partners, CX pros need to set performance targets for delivering and improving experiences.
- **Step 6: Identify and act on CX issues.** CX pros need to plan how their organization will identify and react to problems of individual customers and how it will identify and prioritize broad-scale improvement opportunities.
- **Step 7: Share insights gained from CX measurement.** CX measurement success requires that everyone has visibility into both the state of the customer experience and the rate of improvement across all levels of the organization.

Figure 1 CX Professionals Need To Make Seven Key Decisions For Their CX Measurement Program



HOW TO DESIGN AND IMPLEMENT A SUCCESSFUL CX MEASUREMENT PROGRAM

Each of the seven steps outlined above requires CX professionals to make choices that will affect the success of their measurement programs. Our research uncovered a set of guidelines and practices that will help them make the right choices and keep their CX measurement programs on course.

Step 1: Choose Customer Segments

The way that customers evaluate their interactions with a company varies by segment. Therefore, CX professionals should:

- **Identify customer segments that matter most to the bottom line.** Although key segments vary by company and industry, CX professionals should steer their initial measurement efforts toward gauging the experiences of customer segments with high profitability, segments that demonstrate strategic growth potential, and segments with high influence in the marketplace.² For example, many healthcare providers focus on measuring the experiences of self-insured customers because that segment will grow exponentially in 2014 due to healthcare reform. Other providers focus on tracking the experience of healthy customers. These members tend to interact with their health insurance providers less often, making them more profitable, so payers want to ensure that each interaction they do have is good enough to help keep them enrolled.
- **Uncover and document differences in customer journeys.** Different customer segments often have different expectations and may even follow different customer journeys.³ To accommodate this variety, Citrix identified multiple customer personas in its qualitative and quantitative research. It then mapped the customer journey for each persona and identified key touchpoints. This effort allowed the firm to define the right customer metrics for each segment at each touchpoint.

Step 2: Select Which Experiences To Measure

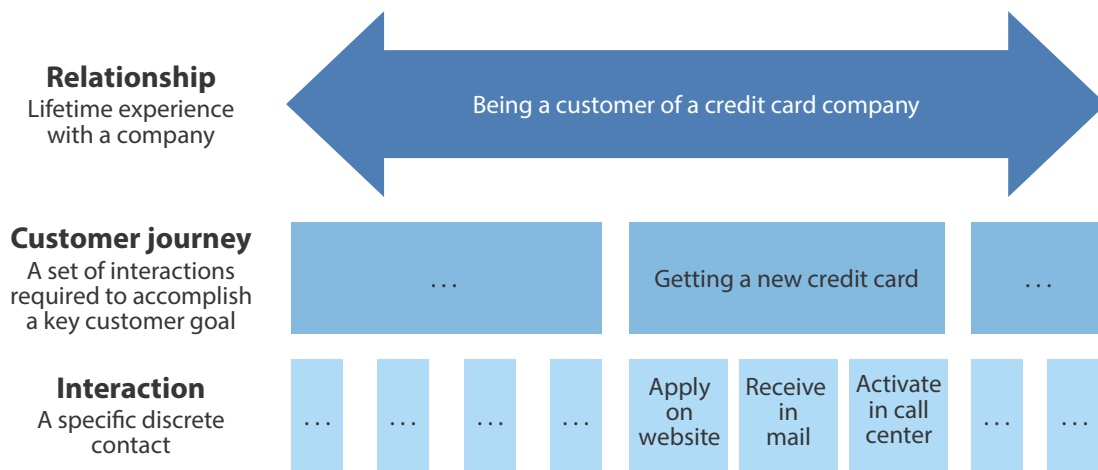
Customer experiences happen at three levels: the overall relationship, customer journeys, and discrete interactions (see Figure 2).⁴ Measurement programs must help CX professionals evaluate experience quality at all three of these levels. To create such a program, customer experience professionals should:

- **Identify the experiences at the journey level and interaction level.** CX pros should use customer journey mapping to understand which discrete interactions their customers perceive as part of a single end-to-end journey and which channels they use for each. Ricoh Canada used journey mapping to understand how its customers order supplies for the firm's office equipment. It found that the journey around ordering replacement toner didn't start when the customer called in to order, as previously thought. To customers, the journey started when they realized that the toner was low and started looking for the number to call to place an order. Similarly,

customers didn't think the journey ended when they received the toner in the mail. To them, the process wasn't over until they'd successfully installed the new toner cartridge.

- Prioritize journeys and interactions.** Just as measurement programs should initially track customers who matter most to the business, they should also start by measuring the experiences that matter most to the business. For example, investment firm Charles Schwab has defined several critical journeys where poor performance puts the client relationship at risk. Among the most important: onboarding, providing a mortgage, and delivering consultations to review a portfolio. In general, CX pros should consider prioritizing a few types of experiences that are critical to the bottom line of most organizations (see Figure 3).

Figure 2 Measure Experiences At The Relationship, Customer Journey, And Interaction Level



Note: Entries with "..." serve as placeholders.

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Source: Forrester Research, Inc.

Figure 3 Examples Of Experiences That Matter More To Business Results

Critical experiences . . .	Examples
. . . set the tone for the relationship.	An online payments company determined that because of its complex product portfolio, the onboarding experience is critical in determining future loyalty.
. . . have a higher impact on ROI.	For an insurance client, Beyond the Arc mapped out the whole customer life cycle. Ultimately the client focused on the initial stages of the life cycle because improving the prospect experience brought the highest immediate ROI.
. . . represent an important step in the customer journey with customers.	Progressive Insurance first focused its measurement efforts on the claims process because that is one of the key interactions between the insurance company and its customers during the relationship.
. . . have a human element.	Citrix looks at places where it has direct personal interaction with customers (e.g., training, support, the sales process).

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Source: Forrester Research, Inc.

Step 3: Pick CX Metrics For Each Experience

Once they’ve identified which experiences to focus on, CX professionals need to pick the specific perception metrics, descriptive metrics, and outcome metrics to fill in their CX measurement framework (see Figure 4 and see Figure 5).⁵ Our research shows that it’s easiest to work backward from the end of the framework and:

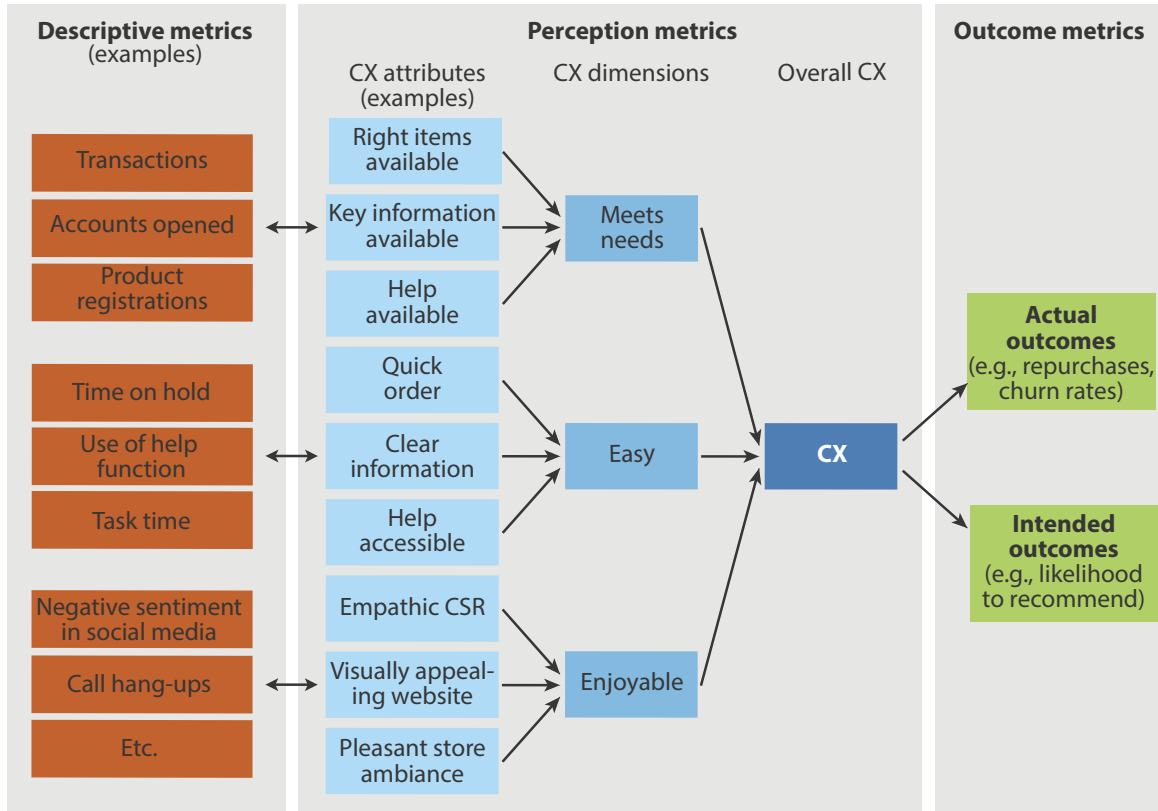
- **Define outcome metrics that align with key business drivers.** CX professionals need to identify the key drivers that their company uses to steer business decisions and then pick outcome metrics that correlate to each of the drivers. For example, Optum focuses on revenue at risk due to customer defection. Through a relationship survey, it uncovers three leading indicators: 1) Net Promoter Score (NPS) (especially share of Detractors); 2) self-reported likelihood to renew; and 3) very low response rates.⁶
- **Identify the attributes of great CX quality.** What does “quality” mean for your particular customers? Measurement program designers should look at data from existing surveys and qualitative research to help figure that out. For example, Deutsche Telekom, Germany’s biggest telecommunication provider, conducts a qualitative critical incident study every two years, guiding customers along a recent journey. Customers are asked to recall and describe incidents that were memorable because they were especially satisfying or dissatisfying.⁷ CX pros who have little or no historical data available can alternatively use Forrester’s CX pyramid as a starting point for developing robust hypotheses about key CX quality attributes (see Figure 6 and see Figure 7).⁸

- **Translate quality attributes into perception metrics.** With CX quality attributes selected, CX pros should define the specific metrics they'll use to understand how well they delivered on each attribute. To do that, they must formulate survey questions, select a scoring scale, and define how they'll calculate a metric from the data. For example, we measure the three components of Forrester's Customer Experience Index by asking three survey questions, each scored on a five-point scale. We derive metrics that reflect performance for each component by using a top-box minus bottom-box calculation and then average those three metrics to produce an overall score (see Figure 8).⁹
- **Identify the descriptive metrics that most affect customer perception.** Descriptive metrics track events that are likely to affect customer perceptions. To pick the right ones, CX professionals should first gather the operational data used by each channel and business unit. They should then determine which events are most likely to affect customer perceptions and how. For the call center of one of its clients in the high-tech industry, TCELab used regression and correlation analysis to determine which types of operational metrics influence customers' perceptions of their call center experience. The firm's analysis found that customers' perceptions of their phone experience starts to deteriorate once they've been left on hold past a certain time threshold. Knowing that, it can now use the number of calls kept on hold beyond that tipping point as a leading indicator of unhappy customers.

Figure 4 Companies Should Use Perception, Descriptive, And Outcome Metrics In CX Measurement

Type of metric	They measure . . .	Examples
Perception metrics	. . . customers' subjective perception of the interactions.	<ul style="list-style-type: none"> • Customer satisfaction overall • Customer satisfaction with specific aspects of the customer experience
Descriptive metrics	. . . observable characteristics of customer interactions: when, where, and through which channels customers touched the company.	<ul style="list-style-type: none"> • Average call time • Calls lost before answered • Average pages per visit • Average transaction value
Outcome metrics	. . . what customers are likely to do or actually did after their interaction.	<ul style="list-style-type: none"> • Likelihood to recommend • Likelihood to purchase • Churn rates • Actual purchases made • Policy renewals

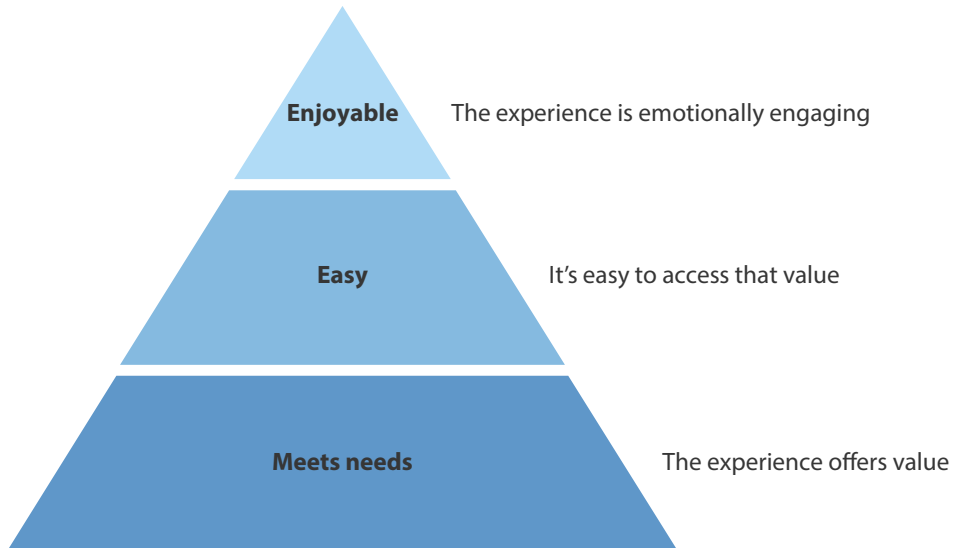
Figure 5 Framework Of The Relationship Between Perception, Descriptive, And Outcome Metrics



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Source: Forrester Research, Inc.

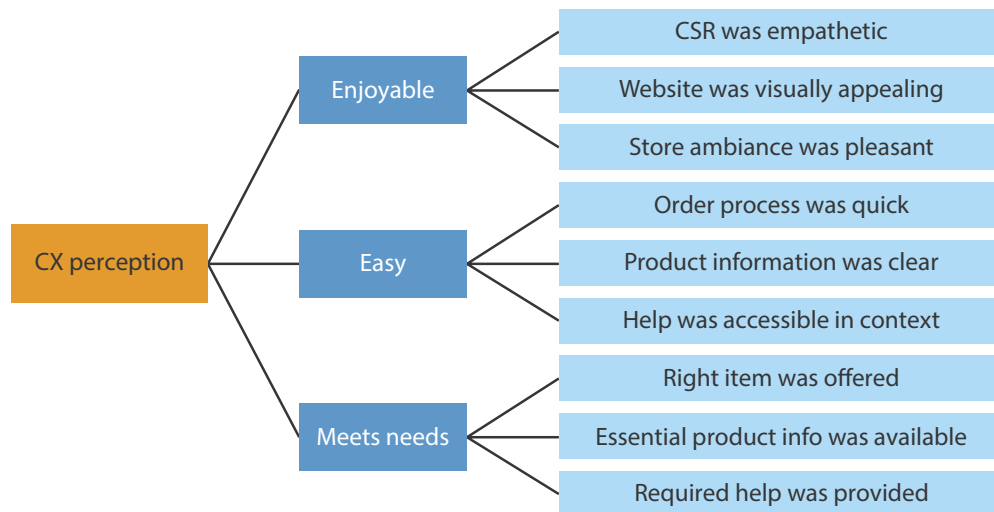
Figure 6 Use Forrester’s Customer Experience Pyramid To Identify Three Universal Types Of Metrics



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Source: Forrester Research, Inc.

Figure 7 Examples Of CX Quality Criteria For Each Level Of The CX Pyramid



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Source: Forrester Research, Inc.

Figure 8 Translate The Customer Experience Quality Attributes Into Perception Metrics

8-1 Example: selecting question wording and scale for perception metrics

“Thinking about your recent interactions with these firms, how effective were they at meeting your needs?”

Didn't meet any of my needs	1	2	3	4	5	Met all of my needs
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“Thinking about your recent interactions with these firms, how easy were they to do business with?”

Very difficult	1	2	3	4	5	Very easy
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“Thinking about your recent interactions with these firms, how enjoyable were they to do business with?”

Not at all enjoyable	1	2	3	4	5	Very enjoyable
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8-2 Example: deciding how to calculate the results of perception metrics

Example: Acme

	Chose 4 or 5	-	Chose 1 or 2	=	Net score
“Meets needs” criteria (on a scale of 1 [didn't meet any of my needs] to 5 [met all of my needs])	82%	-	4%	=	78%
“Easy to do business with” criteria (on a scale of 1 [very difficult] to 5 [very easy])	81%	-	1%	=	80%
“Enjoyability” criteria (on a scale of 1 [not at all enjoyable] to 5 [very enjoyable])	75%	-	1%	=	74%

Average ↓
CXi score: 77

Step 4: Design A Data Collection Strategy

Once customer experience professionals have selected their target CX metrics, they need to figure out how to collect data needed to calculate those metrics on an ongoing basis.¹⁰ To do that, they should:

- **Set the timing for relationship, journey, and interaction surveys.** CX professionals need to decide how often to touch individual customers as well as when and how often to field surveys (see Figure 9). ExactTarget aligns its relationship survey with contract renewal timing. It sends out the survey to clients the quarter before clients are due to renew. When clients complete the survey, email alerts are triggered for their relationship manager, highlighting any issues that require follow-up. Relationship managers can then address client concerns prior to entering the renewal conversation. This timing is especially useful for better serving ExactTarget's small and medium-size business customers that tend to have less frequent interactions with their relationship managers.
- **Establish a template for survey design.** CX professionals should keep questions consistent across the measurement program, avoiding variations in scales, question wording, and question order wherever possible. Even seemingly trivial differences in presentation can distort results. For example, Progressive Insurance learned that changes as simple as putting an agent's name on a survey can affect the score a customer gave the insurance agent he or she worked with. Similarly, NPS scores can vary significantly depending on whether the survey is branded by the company or issued as a third-party blind survey, with branded surveys having lower scores.
- **Tailor surveys so that they ask only relevant questions.** Not every question will make sense for every customer or every customer journey. For a restaurant client, Agility Metrics (acquired by Leger Metrics) routes individual customers to surveys about the type of dining experience they had (e.g., dine-in, takeout, delivery). The flow of the survey follows that particular journey. For example, the dine-in survey asks about moments of truth like how the customer was greeted, the food ordering process, and getting the check. To avoid asking questions that don't provide relevant information to its hotel client, Ipsos Loyalty developed a survey that skips over detailed questions about issues with a touchpoint if the customer had no positive or negative views about that touchpoint overall.
- **Solicit help in getting responses from the target audience.** To increase response rates, CX pros can ask customer-facing employees to stress the importance of filling out the survey. However, they'll need to manage the risk that such requests might create dysfunctional behavior like frontline personnel pushing customers to give high scores. Symantec gets around this issue by rewarding salespeople for high response rates rather than high scores. This tactic has helped engage employees in the program during its early days and focus their attention on the value of getting feedback, regardless of its content. Once salespeople have feedback and understand its value, they tend to use it.¹¹

- Track customers across multichannel journeys.** Companies often struggle to connect survey data with operational data and outcome data. Unique customer identifiers (IDs) are one way to solve this problem.¹² If a firm's relationships with customers require authentication for each contact (e.g., filing an insurance claim), chances are that the company already has a customer ID it can use to connect the dots. If IDs don't already exist, loyalty programs can provide an alternative by creating customer-specific IDs and giving people an incentive to use them. When all else fails, companies can compensate for lack of traceability by asking specific survey questions. For example, some ForeSee surveys ask customers about both their experience with a website and what they did after a site visit, like buying a product there or from a competitor.

Figure 9 Plan Timing For Relationship, Journey, And Interaction Surveys

Survey timing			
Level	Frequency of fielding	Frequency of customer contacts	Example
Relationship	Quarterly or continuously in order to get a steady stream of results that can be trended over time.	At least once a year or every half year if customers interact very frequently with the company.	Each dealer on Cars.com's platform gets surveyed twice a year. Cars.com fields those surveys quarterly to get more data points during the year to better monitor trends.
Journey	When the journey has ended (from the customer point of view) in order to get a complete assessment of the journey.	Highly variable; many firms defining a period of time after customers were asked to fill out a survey — whether they responded or not — in which those same customers cannot be surveyed again; no-contact periods typically ranging from 30 to 90 days.	JetBlue sends out this survey two days after a flight closes.
Interaction	As soon as possible after the interaction took place in order to get a more accurate, detailed evaluation.		Sage Software sends its clients an interaction survey 24 hours after a call to customer support.

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Source: Forrester Research, Inc.

Step 5: Set Targets For Each CX Metric

CX professionals need to plan for the inevitable questions they'll get from stakeholders: What would "good" look like, and what will set off alarms? To prepare, CX pros must set targets for the results they hope to achieve. Those targets will become increasingly important when stakeholders and partners are eventually held accountable for the quality of the experiences they help deliver.¹³

- For outcome and perception metrics, first establish a baseline of performance.** Gathering CX metrics over a few measurement periods *before* setting targets will help CX professionals set goals by giving them a sense of current performance and the natural level of fluctuation. How many periods does it take to get a solid baseline? It depends on how often a company

collects CX metrics and how many responses it gets per metric. Transactional metrics that are triggered by frequent events like contact center calls can often get an initial impression in fewer than six months. For relationship metrics, on the other hand, the smaller number of survey responses gathered per period means that firms may need six to 18 months to get a good read on performance.

- **Determine possible improvements for outcomes and perceptions.** To drive CX improvements, targets must be attainable. To help determine what's possible to achieve, CX pros should first look at levels of improvement achieved by past CX initiatives. Second, they should analyze relevant competitive benchmarks. For example, Cleveland Clinic combines internal and external benchmarking to set targets for its perception metrics at the 90th percentile. But it also aspires to be among the top five hospitals in its cohort of clinics.
- **Set targets for descriptive metrics based on targets for outcomes and perceptions.** Targets for descriptive metrics need to be based on how those metrics influence customer perception. For its contact center, Sanofi had a metric that tracked average wait time for its customers in the phone queue. It then analyzed its call abandonment rate over time to understand customers' perceptions of how long was reasonable to hold. It now uses this insight to set targets for waiting time and to determine staffing.

Step 6: Identify And Act On CX Issues

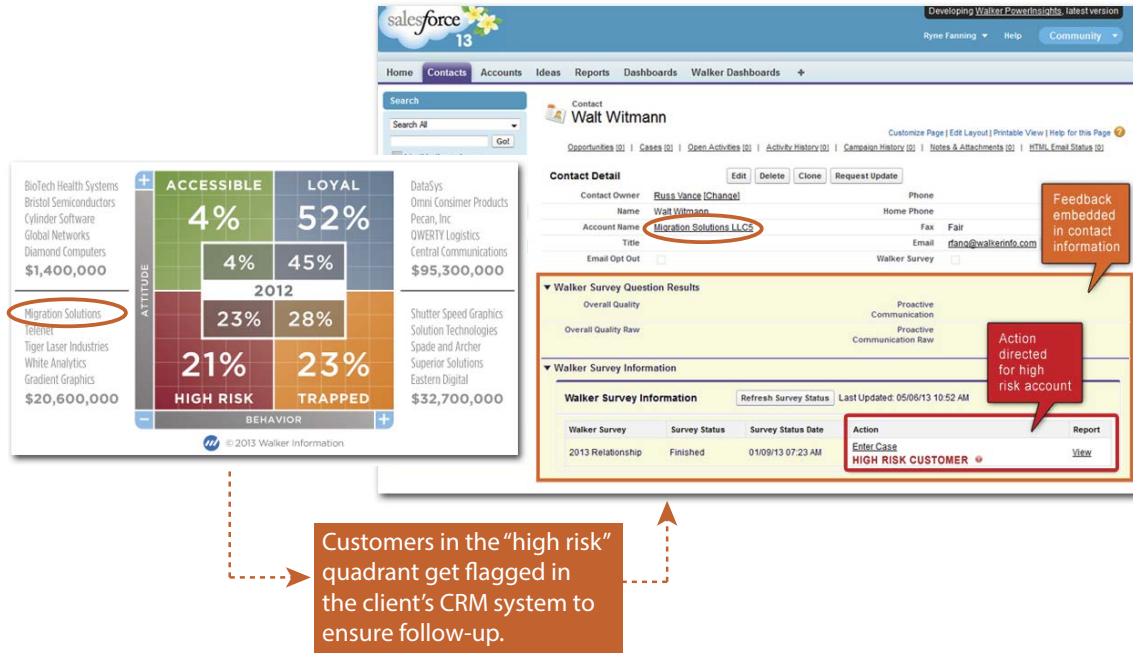
Metrics must drive actions on the part of the organization — otherwise they're useless. That's why customer experience professionals need to design how they're going to close the loop on customer-specific issues and how they can identify and resolve systemic issues. To do that, they should:

- **Pick the customer-specific issues that will trigger predefined actions.** When a customer gives a negative rating in a CX survey, it's common for managers to reach out to the customer and try to recover the relationship. CX pros should define business rules for when such follow-up will happen and adopt supporting technology to help employees close that loop. For example, Walker Information integrates its feedback technology with its clients' customer relationship management (CRM) systems. In the CRM system, it flags customers of clients who move into the "high risk" quadrant in Walker's Loyalty Matrix (based on customers' responses to a survey). The CRM system then additionally requires account managers of the customers to follow up on the issue and tracks it until they've closed the case (see Figure 10).
- **Establish methods for customized action planning.** When important customers trend negatively on CX metrics, CX professionals should help facilitate customer-specific action planning. For its strategic and key accounts, Optum develops one-year to three-year client plans for how to build the business and the relationship. Optum's CX team provides background data to a cross-disciplinary group of people including solution and business representatives as well

as the core team assigned to the account. Facilitated by the CX team, the cross-functional team identifies needed actions and assigns business stakeholders who then own individual tasks, led by the accounts' executive client manager.

- **Analyze negative CX ratings to pinpoint systemic issues.** Many customers giving poor ratings on certain CX attributes indicates a systemic issue that requires a broad-scale improvement. CX pros should use survey data to identify where the issue lies. For example, they can determine if negative ratings are stronger for some specific business units, touchpoints, or products than others. Answering these questions may mean pulling in data from multiple sources. For example, many companies in our research use relationship-level surveys to understand the biggest improvement opportunities for the brand as a whole and then use transactional surveys to understand which issues are most important within individual business units.
- **Pick a method for prioritizing CX attributes with low ratings.** To decide what to fix first, CX pros need to understand how a negative rating for a given CX attribute affects outcomes. Matrices that plot the importance of an attribute on one axis and current performance levels on the other, like ForeSee's Priority Matrix, can help (see Figure 11). An online payments company uses a similar prioritization model based on the weighted average of the frequency of the problem and the NPS of customers who had that particular experience. And at Fidelity, CX professionals use a "Moments that Matter" framework that combines CX quality data with an assessment of how likely the issue is to create a Promoter or a Detractor (see Figure 12).
- **Factor in competitive benchmarks.** Firms need to know how they stack up against their competitors; only then can they build truly differentiating experiences. An advanced type of priority matrix helps prioritize systemic issues in a competitive context (see Figure 13). It highlights CX attributes that are very important to customers and for which customers rate the company's performance as worse than that of competitors. Ipsos Loyalty's Wallet Allocation Optimizer goes a step further and shows how the competitive ranking of the CX metrics affects share of wallet and revenue. This helps prioritize CX metrics with the highest impact on financials (see Figure 14).¹⁴
- **Find drivers of low CX ratings.** To be able to solve the most pressing systemic issues, CX pros need to understand *why* customers gave bad ratings and what they would have *wanted* to happen. All companies in our research look to open-ended survey responses and the descriptive metrics they collected for this insight. For example, a particular employee's name being mentioned multiple times may signal the need for additional coaching. Similarly, if a problem seems isolated to customers in a particular ZIP code, the root cause of the issue is likely regional. In addition to survey and operational data, CX pros told us that additional sources of insight they found helpful include complaint analysis, call center logs, qualitative research, and mystery shopping (see Figure 15).¹⁵

Figure 10 Walker Information Flags “High Risk” Customers To Ensure Follow-Up On Issues



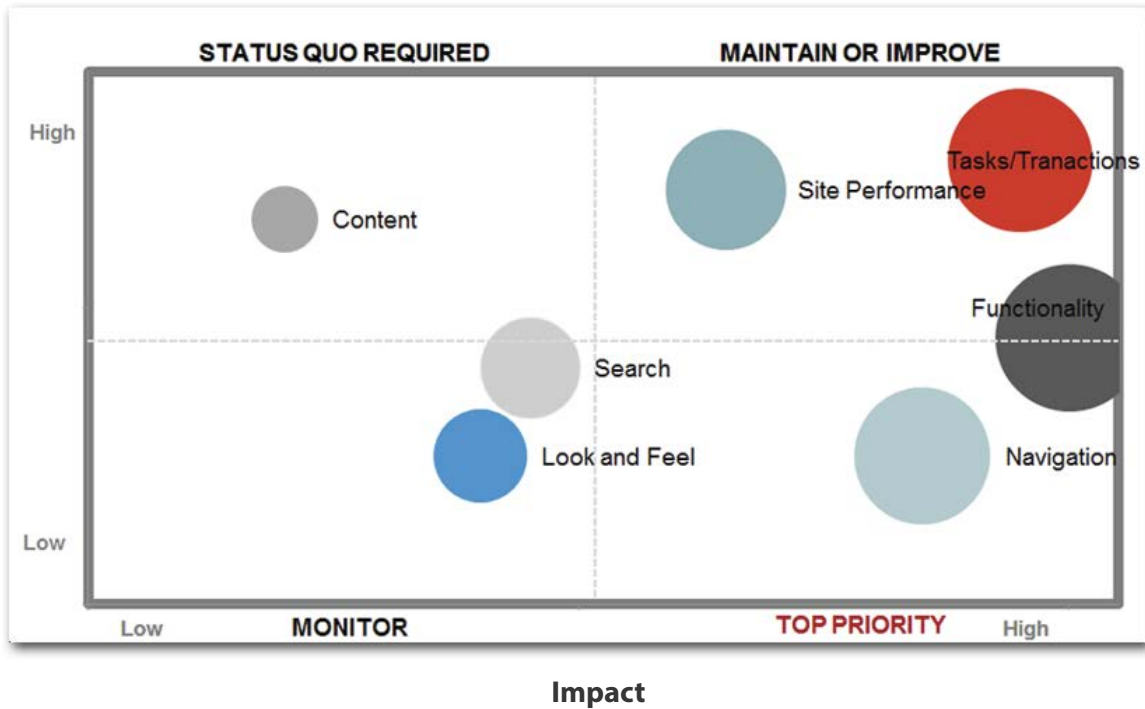
Customers in the “high risk” quadrant get flagged in the client’s CRM system to ensure follow-up.

Source: Walker Information

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Source: Forrester Research, Inc.

Figure 11 ForeSee's Priority Matrix Helps Identify The Top Improvement Priorities

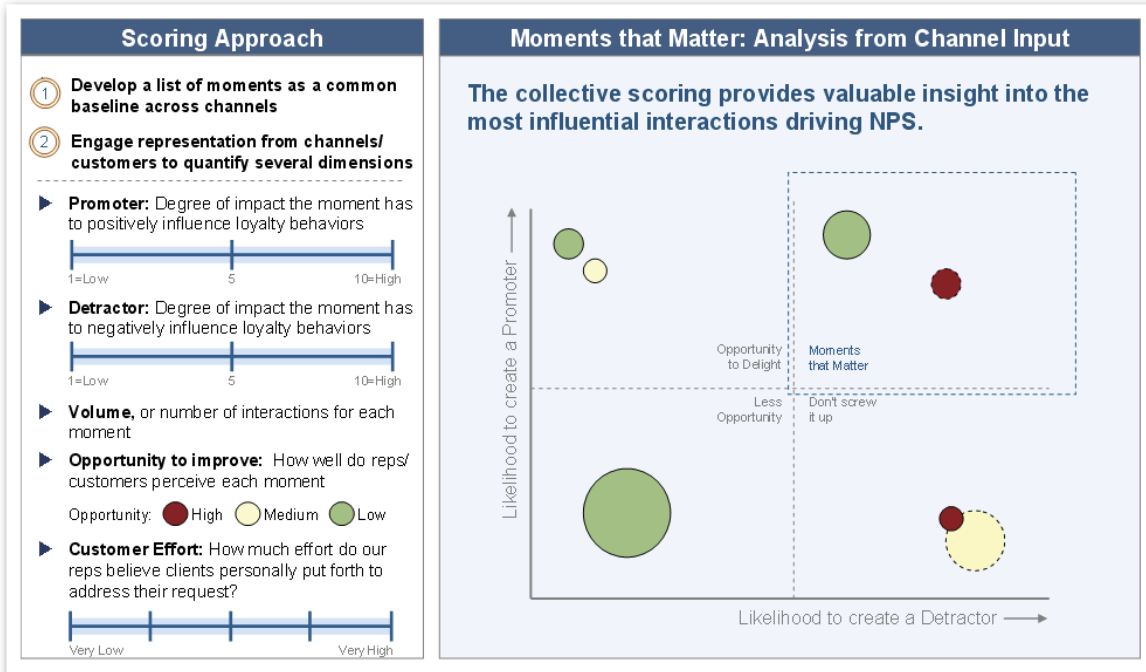


The size of each bubble also indicates the relative size of impact on business outcomes.

Source: ForeSee
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Source: Forrester Research, Inc.

Figure 12 Fidelity’s “Moments That Matter” Framework Helps Prioritize Improvement Projects

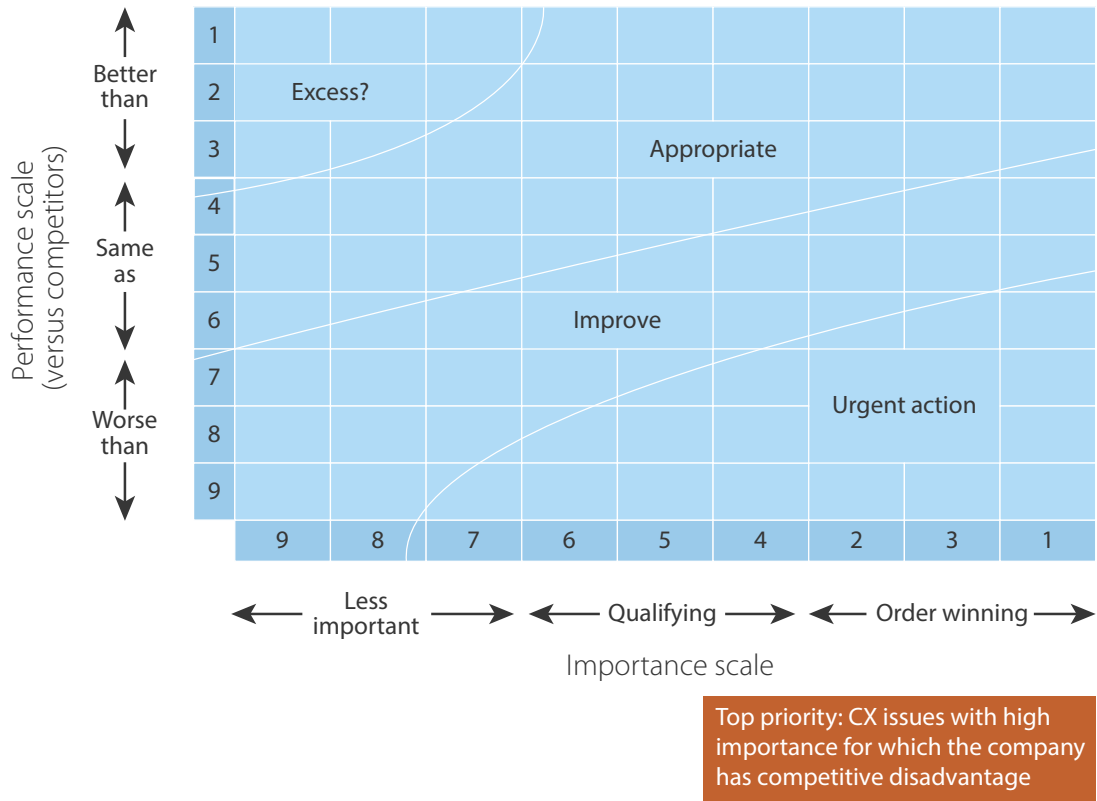


Source: Fidelity Investments

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Source: Forrester Research, Inc.

Figure 13 The Advanced Importance-Performance Matrix Prioritizes By Competitive Performance



Source: Nigel Slack, Stuart Chambers, and Robert Johnston, *Operations Management*, Prentice Hall/Financial Times, 2007

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Source: Forrester Research, Inc.

Figure 14 Ipsos Loyalty’s Wallet Allocation Optimizer Puts Customer Ratings In Competitive Context



Source: Ipsos Loyalty

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Source: Forrester Research, Inc.

Figure 15 Additional Sources For Identifying Causes Of Negative Ratings For CX Metrics

Source	Example
Complaints	Cleveland Clinic mines frequency of and reasons for complaints to help identify individuals within the organization who are causing bad patient experiences.
Call center transcripts/monitoring	Sanofi listens to all customer calls when a customer is dissatisfied to determine whether the cause is people or process and take appropriate action.
Social media	Rosetta Stone tracks the number of posts about its product — and topic and sentiment of the posts — on social media and review sites.
Qualitative research	For a luxury goods specialist retailer, Vision Critical leveraged the client’s existing online insight community of customers (across different segments) to highlight both functional and behavioral issues related to its sales associates that led to mediocre ratings for the retail experience. This enabled the client to focus corrective actions on staff development and training.

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Source: Forrester Research, Inc.

Step 7: Share Insights Gained From CX Measurement

Customer experience professionals need to share customer feedback in real time throughout the company if they want people to use it to drive improvements. They also need to report on CX metrics to raise awareness of the importance of measuring and managing customer experience. To make the most of their communications, they should:

- **Define role-based dashboards and reports.** At an executive level, CX professionals need to show the overall picture and selected critical insights. At the business unit and operational levels, CX professionals need to share detailed reports on interaction and journey-level metrics that help the business units deliver better CX. For example, Sage Software's executives receive a dashboard with metrics in three key areas: customer focus (NPS, number of customers, renewal rate, and customer effort score), employee focus (employee satisfaction), and business metrics (revenue per customer, attach rate). Business units work with the "Sage Works" dashboard, which also includes customer-focused key performance indicators and adds transactional customer satisfaction, open-text analytics, and verbatim comments of individual customers.
- **Integrate different sources of information.** To provide a common view of different data types, JetBlue provides a dashboard that integrates data from transactional surveys, data on what happened during a flight experience (e.g., delays, equipment failures), and verbatim comments from JetBlue's online comment form "Speak-up." For a restaurant client, SMG developed an algorithm to integrate data from surveys, service audits, mystery shopping, and call center transcripts. The model takes into account the reliability of the source data and how the feedback is linked to financial performance.
- **Plan a push and pull approach.** A good communication strategy gives stakeholders a sense of control over the information they receive. The secret? A coordinated blend of content that stakeholders can choose to review, along with relevant materials that they receive unsolicited. For example, Cisco makes CX scores, outcome measures, verbatim comments, and preprocessed reports available on demand to relevant stakeholders. It also prepares a series of readout presentations across the whole organization. Progressive Insurance tags comments in its NPS survey and pushes them to employees who have subscribed to a certain topic (e.g., channel, major product categories, and state groupings/regions).

RECOMMENDATIONS

REFINE YOUR CX MEASUREMENT OVER TIME

The seven steps will help customer experience professionals develop a successful measurement program. To keep their programs successful over time, CX professionals need to:

- **Tune their CX measurement program continuously.** On an ongoing basis, companies should review the decisions they made at each of the seven steps. For example, to periodically test whether the experiences and quality criteria they picked are still the most important, CX pros should apply techniques like regression or factor analysis and dual importance mapping to the variables in their current framework.¹⁶ Or use Citrix's approach: It looks at response rates and the share of customers who fill out open-comment boxes for CX metrics at the various touchpoints. If either declines, Citrix digs in to understand root causes, such as if a touchpoint has lost its importance, if it isn't asking questions the right way, or if it is asking the wrong customers about otherwise-important touchpoints.
- **Establish processes for a regular CX measurement program review.** Ongoing review of measurement programs can't be left to chance. Cisco has a Quality Experience Steering Committee, which is made up of the sponsoring executives from each major unit in the business, to make sure that its measurement program stays on track. Each year, there is an approval process with that committee to make adjustments to the data collection, metric targets, and the list of behaviors it plans to reward.

SUPPLEMENTAL MATERIAL

Companies Interviewed For This Report

Beyond the Arc	ForeSee
Cars.com	Ipreo
Change Sciences	Ipsos Loyalty
Charles Schwab	ITC Infotech
Cisco Systems	JetBlue Airways
Citrix Systems	Optum
Cleveland Clinic	Progressive Casualty Insurance
Dell	Sage Software
ExactTarget	Sanofi

Satmetrix Systems

The Chapman Group

Satrix Solutions

Verint Systems

SMG

Vision Critical

TCELab

Walker Information

ENDNOTES

- ¹ Forrester regularly collects data on the current state of customer experience management from our Customer Experience Peer Research Panel. For more information about this study and the latest results, please see the March 22, 2013, “[The State Of Customer Experience Management, 2013](#)” report.
- ² Over time, the programs can expand to measure the experiences of less critical — but still important — segments.
- ³ In a business-to-business setting, customers follow different journeys by role (e.g., decision-maker, purchaser, user).
- ⁴ Measuring experience at the relationship level predicts behavior. At the interaction level, it reveals specific opportunities to improve touchpoints. At the journey level, it shows how to integrate touchpoints and gives CX pros insights into how customers remember all of those interactions as a whole and enables them to find gaps in the quality of the handoffs between interactions. This is important, because humans form their perception of a journey based on not only how they judge each separate interaction but also how they judge the quality of the handoffs in between. Additionally, the perception of a journey will be influenced by the memory of negative and positive experiences along the journey. Daniel Kahneman’s peak-end rule gives interesting insights into how that memory is formed. In experiments with patients who were exposed to pain (different lengths and different intensity), he showed that it was the average between the peak level of pain and the level of pain in the end of the experiment that determined which level of pain patients remembered. For interactions, that means that the overall memory of a journey with several good experiences can turn negative if there was an exceptionally negative interaction (peak) or if the later interactions of the journey were perceived as negative (end). Source: Daniel Kahneman, *Thinking, Fast and Slow*, Penguin, 2012.
- For more details, see the January 10, 2013, “[Executive Q&A: Customer Experience Measurement](#)” report.
- ⁵ CX pros should apply six criteria for valuable and defensible metrics: Clear, i.e., all stakeholders understand exactly what the metric measures; defined, i.e., all stakeholders understand exactly how the metric is calculated and with which data; reliable, i.e., the metric measures the same thing every time; valid, i.e., the metric measures the right thing every time; accepted, i.e., stakeholders agree that it’s relevant; and useful, i.e., metrics link to actions and business outcomes.
- ⁶ Net Promoter, Net Promoter Score, and NPS are registered trademarks of Bain, Fred Reichheld, and Satmetrix Systems. Source: Bain (<http://www.bain.com/search.aspx?q=Net+Promoter>); Satmetrix Systems (<http://www.satmetrix.com/>).

- ⁷ The Critical Incident Technique was initially adapted for the services context by Mary Jo Bitner and her colleagues. Source: Mary Jo Bitner, Bernhard H. Booms, and Mary Stanfield Tetreault, “The Service Encounter: Diagnosing Favorable And Unfavorable Incidents,” *Journal of Marketing*, January 1990.
- ⁸ We have provided an overview of this framework in a previous report. See the January 24, 2011, “[Perception Is Reality When Measuring Customer Experience](#)” report.
- ⁹ There is a lot of different advice on the type (unipolar versus bipolar) and length of scale (even or uneven number of points, number of points) to use. Also for calculating the actual metric, there are several options: average, top box, top-two box, and outlier percentage. Customer experience professionals should find internal or external help to make these decisions.
- ¹⁰ For an overview of the top ways for CX pros to get customers to start — and complete — surveys that produce high-quality actionable data, see the January 25, 2013, “[Top Ways To Combat Survey Fatigue](#)” report.
- ¹¹ Symantec was one of the finalists in Forrester’s 2011 Voice of the Customer Awards. For more details on other finalists and the winners, see the December 8, 2011, “[Major Voice Of The Customer Trends, 2011](#)” report.
- ¹² Specifically, this is key to finding outcome metrics that measure actual behavior. CX professionals can capture intent outcome metrics through surveys.
- ¹³ When defining targets, CX pros need to consider who owns the part of the customer experience that a metric measures and the hierarchy level. For example, for a company’s marketing department that owns communication, CX pros should set targets for CX metrics around the customer experience with that communication. For call center agents, CX pros should set targets for metrics around the customer experience of talking to the representative on the phone. CX pros also need to associate metrics with the right hierarchy level in the organization. For example, for executive teams, CX pros should set targets for metrics at the relationship level and overall outcome metrics. Business units and owners of journeys should get targets for metrics at the journey level and overall touchpoint experience, while teams and individual contributors should get more granular targets about individual aspects of the experience they control.
- ¹⁴ The relationship between a brand’s experience score and share of wallet follows a clear pattern that can be predicted by two things: relative ranking of firm/brand used by a customer and number of firms/brands used by a customer. This competitive assessment works best when there is a clear competitive set that the customers know reasonably well. In some markets where customers make frequent purchases (e.g., hotel, grocery), customers can use more than one brand at a time and can make a choice. In these situations, Ipsos Loyalty will ask customers which brands they use and how they rate each. In other markets where customers are locked in for one year or two years (e.g., insurance or mobile phone contracts), Ipsos Loyalty asks which brands customers would consider and how they rate each, compared with the brand they are currently using.

¹⁵ Once CX pros know why customers gave negative ratings and how companies can improve the CX, they need to map the company's customer experience ecosystem that supports delivering the experience: They need to find out which persons, processes, policies, and technologies caused the negative experience. For more information on the customer experience ecosystem, see the February 26, 2013, "[How To Map Your Customer Experience Ecosystem](#)" report and see the February 28, 2013, "[The Customer Experience Ecosystem](#)" report.

To then get to the root cause of the problem, companies should use the tools of business process improvement — like the "5 whys." To use the "5 whys" technique, pick an employee process or a partner sales policy and ask why it is the way it is. When you find out the underlying reason — another process or policy — ask why that is the way it is. Continue this process until you've dug down five levels — five whys — deep. For more on how customer experience professionals can work with their business process and architecture colleagues to transform, optimize, and continuously improve the customer experience ecosystem at their companies — and ultimately to unite the teams — see the January 10, 2013, "[Adapt Business Process Improvement For Customer Experience](#)" report.

For a basic discussion of this highly useful technique, visit the iSixSigma website. Source: "Determine the Root Cause: 5 Whys," iSixSigma (http://www.isixsigma.com/index.php?option=com_k2&view=item&id=1308:determine-the-root-cause-5-whys&Itemid=200).

Based on that understanding, customer experience professionals can then go about designing solutions for identified root causes of negative experiences.

¹⁶ Dual-importance mapping is a data analysis method that relies on actual survey data. It places quality attributes on a matrix of calculated importance and subjective importance rating. Depending on the position in the matrix, the really important quality attributes can be identified. Source: Boris Bartikowski and Sylvie Llosa, "Customer Satisfaction Measurement: Comparing Four Methods Of Attribute Categorizations," *Service Industries Journal*, 2004; Richard Oliver, *Satisfaction: A Behavioral Perspective on the Consumer*, M.E. Sharpe, 1997; and Terry G. Vavra, *Improving Your Measurement Of Customer Satisfaction: A Guide To Creating, Conducting, Analyzing And Reporting Customer Satisfaction Measurement Programs*, American Society for Quality, 1997.

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