



The Essential Steps for Building and Maintaining a Best-in-Class Customer Experience Culture

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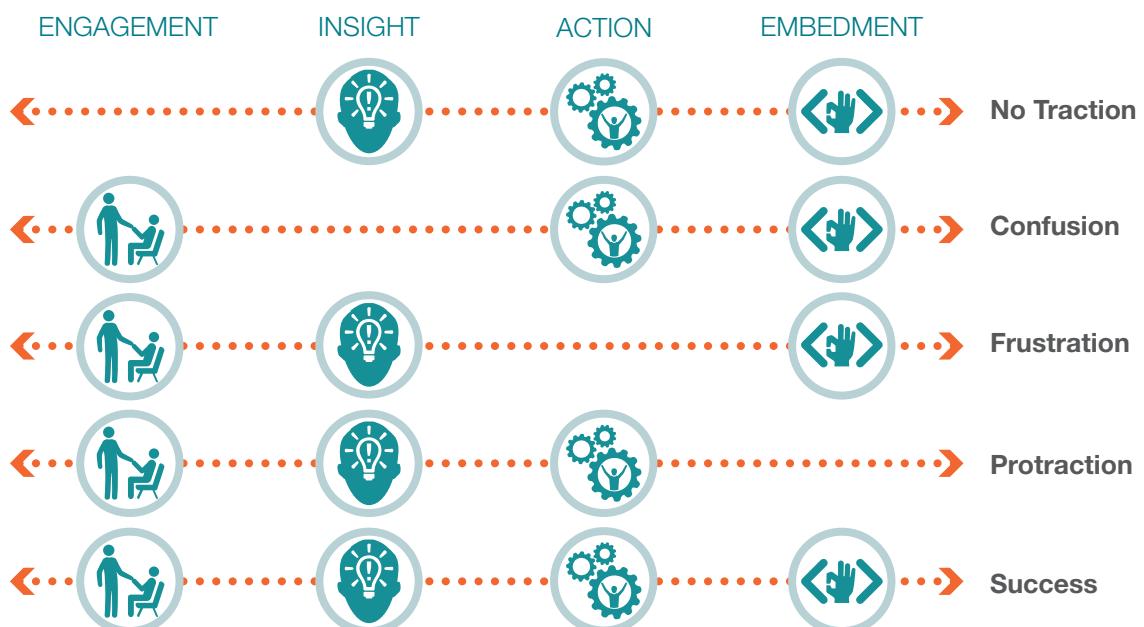


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Introduction

There's no doubt that CX is a big business and it's getting bigger. Some estimates put the measurement and implementation of CX programs at \$11 billion globally by 2020. Most would also agree that building and maintaining a good CX system that delivers real results is hard work. In fact, many C-Suite executives will admit that they have not seen significant return on their CX investment. Forrester reported recently that only 25% of CX professionals say their companies' CX programs actually improve customer experience. Avaya recently reported that 81% of organizations have seen their Customer Experience Management (CXM) initiatives fail in the last three years. What's just as troubling, however, is that many customers will also say that they haven't seen great improvements in their experiences as a result of all this investment. Anecdotes such as these have to be sobering to those of us managing these kinds of programs. So why is this the reality? And how can we ensure that the programs we build are not among the failures?

Years of experience building thousands of CX programs across numerous industries and global markets give Ipsos a keen sense of why some well-intentioned CX programs fail. One thing is clear – we see success when organizations do a good job of translating their CX vision into a reality. But how do successful companies make that happen? They do it by committing themselves to a disciplined process that involves the four stages shown below. But this isn't a simple, linear process. It is really a circular process where these stages are 'buckets' that need to be filled and managed continuously. If any one of the "buckets" is missing or becomes empty, this leads to the consequence on the right side of the diagram below. For example, if leadership changes or becomes no longer engaged, then a CX Management Program could lose traction even if the other buckets remain filled. The same applies to the other three elements of the conceptual framework.



So here's our advice!

Engagement: Without it, there's no traction!

Getting the organization engaged – building credibility and creating excitement – is the first step in the path to success. Without this, you're not going to have any traction. A CX program without engagement cannot 'stick' and move safely about the organization. So how do you ensure traction for your program?

Assess readiness. Three conditions must be met before you hit the start button on any broad-scale CX initiative: 1) the CEO or senior leadership team must be on board; 2) you've got to have someone to lead the program; and 3) there has to be fundamental agreement that improving the customer experience is an important strategic goal for the company.

Know where you've been and where you're going. Once you've got these in hand, make sure you know what's already been done in the CX space. What's been learned? What are the information gaps? What worked well? What didn't work well? It's not sufficient to know just the past, you must also know the aspirations of the company and how those relate to the customer experience. What are you trying to 'be'? How does the customer experience fit within that overall strategic aspiration?

Engage the right people in the right way. Once you know you're ready for this challenge and where you're going, who gets you there? Without a sound governance structure that names the people who will actively participate in the process, and explicitly outlines their roles and responsibilities, you run the risk of failure.

Insight: Without it, there's confusion!

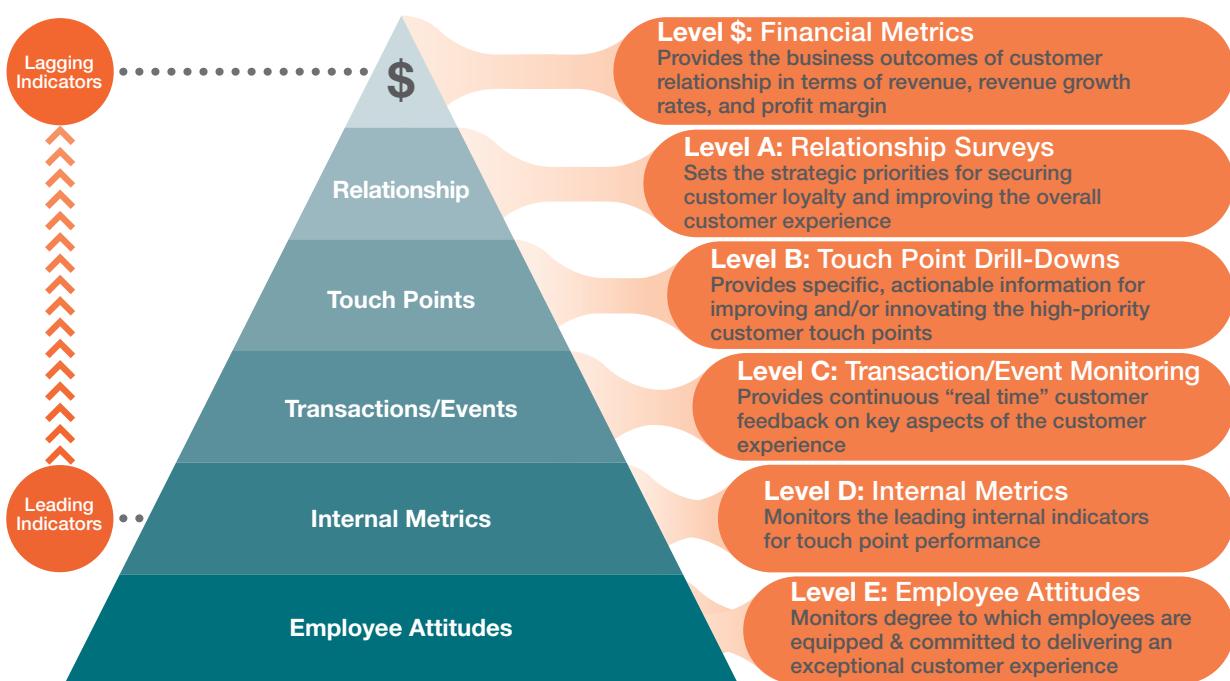
This is where the rubber meets the road – you've got to get your research fundamentals right in order to create sensible and actionable information. Garbage in...garbage out.

Map the customer's journey. This critical step in the second phase ensures that you have a fundamental understanding of how the customer interacts with you and then measure the right 'stuff' in your program. This mapping ensures that your measurement captures those critical details in customer experiences, attitudes, and behaviors in such a way that ensures actionability and improvement from your program.

- a. What are the moments-of-truth, those points in the experience that are the most pivotal for customers?
- b. What are the pain points in the experience where customer normative expectations (what ought to be) are not met by predictive expectations (what will be)?
- c. What are the performance points in the experience where your performance relative to the competition is recognized?
- d. How can you weave your brand images, emotions, and strategy into experiences?

Respect the CX ecosystem. At this point, you've likely recognized that your measurement of the customer experience has to happen at multiple levels. That is, you will want to have some combination of relationship-level satisfaction data, product satisfaction data, transactional data, user experience data, brand experience data, as well as internal and financial data. How do all of these data streams differ from one another? Are there redundancies in measurement? Here's where understanding the CX ecosystem can be really helpful as it provides a framework for asking good questions about the program(s) you're building:

- a. What do you want to know at any given point in time?
- b. How should any particular stream of data be used and interpreted?
- c. How should individual streams of data be integrated with other studies?



Use the right mechanics, in a competitive context. If you've used the CX ecosystem to ask yourself these hard questions, you still have to choose the right mechanics. How often to administer the measurement? What data collection method is most appropriate? How should you manage your sample most effectively? Setting a good foundation with respect to your metrics is critical to ensuring not only robust interpretation but also reliability of metrics so that they can be trusted for such important strategic objectives as linkages to compensation. Finally, we know that all choices are relative and that rank matters. It's essential; therefore, that you measure your experience in the context of what your competition is providing/doing as customers make choices in this context.

Action: **Without it, there's frustration!**

Knowing what is working and what isn't working is one thing, but acting on this information is another issue entirely. This critical stage is intended to help you develop and launch the CX improvement initiatives necessary for your organization.

Leverage technology. Collecting, managing, and communicating all of this information is a Herculean task. Today's technology, however, provides an end- to-end system on which you can administer the surveys; manage the data; distribute results to your entire enterprise; close the loop directly with customers whose experience falls below your performance standards; and even communicate good experiences externally via social media platforms.

Action Planning Workshops. Now it's time to re-engage your governance team, review the insights, and come to a shared understanding of opportunities, issues, and goals. This is the opportunity to establish broad buy-in from key stakeholders about the customer fact base, ongoing measurement and coordinated efforts.

Defined Action Plans. Most importantly, perhaps, these action planning workshops provide the forum to build a pipeline of improvement projects that support the CX vision and business strategy and that are built into the strategic planning and budgeting cycle. In such sessions, the team can create a roll-out 'plan'; set accountability by functional area; and set milestones -- a step-by-step approach quite often works better than a big bang. Done is often better than perfect!

Embedment: **Without it, there's protraction!**

The final stage of the process is to connect the entire organization into delivering the desired experience and to ensure that CX has a place in the boardroom.

Communicate. The first key to communication is to "brand" your CX strategy internally. Give it a name that everyone recognizes. Treat it as you would treat a product you're marketing to your customers. Then, make sure CX topics have a place on meeting agendas and get discussed actively at all levels. Finally, it goes without saying that communication is not just an internal process. You must communicate with shareholders, business partners, and – most importantly – your customers about the improvements you're making.

Align the customer experience with compensation. Finally, we believe it is important for the compensation of those executives responsible for managing the customer experience be linked in some way to CX measurement results (which of course you've already established in a trustworthy fashion). This closes the loop, so to speak, on our recommended cycle ensuring that the measurement of and suggested actions from a CX program are taken with appropriate seriousness. Keep an eye out for our thought leadership piece on this compensation topic!

It's our standard practice to leverage this four-stage conceptual framework when conducting discovery work with companies looking to engage us for CX consulting engagements. In so doing, we facilitate a disciplined discussion that allows us to effectively identify any barriers to success and that points us in the right direction in terms of program design.

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