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Seven Steps To Successful Customer Experience Measurement Programs
How To Define The Right CX Metrics And Use Them To Improve CX

by Maxie Schmidt-Subramanian
February 4, 2016

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 performance management framework for key decision-making in a seven-step process that customer experience professionals must follow if they want to optimize their efforts on the path to customer experience maturity.

This is an update of a previously published report; Forrester reviews and updates it periodically for continued relevance and accuracy.

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 that they make for their CX measurement program.

Seven Steps To Successful Customer Experience Measurement Programs

How To Define The Right CX Metrics And Use Them To Improve CX

by Maxie Schmidt-Subramanian
with Harley Manning, Megan Burns, Dylan Czarnecki, and Kara Hartig
February 4, 2016

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Notes & Resources

Forrester interviewed 28 vendor and user companies for the purposes of this report.

Related Research Documents

Executive Q&A: The Top Seven Customer Experience Measurement Questions Answered

How Journey Maps Improve CX Measurement Efforts

How To Drive Action With Your VoC Program

Top 10 Ways To Rally Your Organization Around Customer Experience Metrics

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Today's CX Measurement Programs Mean Well But Lack Discipline

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

› **Don't measure CX quality regularly.** Thirty-nine percent of respondents don't regularly ask customers for feedback about their interactions — the most basic form of CX measurement. What's more, 77% say that they don't model the drivers of CX quality regularly, leaving them in the dark about what matters most to their customers. And 60% don't regularly track operational data that reveals what really happened during interactions to help explain why customers felt the way that they did.

› **Don't tie CX quality to business outcomes.** Seventy-two percent of survey respondents don't model the influence of customer experience metrics on business outcomes. Despite the fact that many know that they should, 53% of survey respondents cited lack of such models as a key obstacle for improving CX at their company.

› **Don't systematically share and act on CX metrics.** Seventy-nine percent of respondents said that their companies don't review customer experience metrics or share them with all employees regularly, and 39% don't keep a documented list of customer experience projects that are currently underway.

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: Prioritize 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: Define CX metrics for each experience.** CX pros need to select the specific metrics that 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 that 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.

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› **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
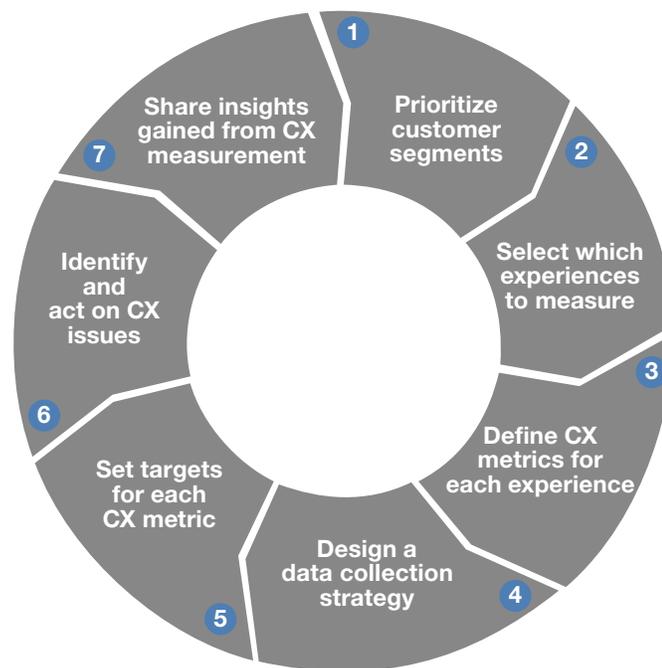
How To Design And Implement A Successful CX Measurement Program

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.

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Step 1: Prioritize 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 US health insurance providers focus on measuring the experiences of self-insured customers because that segment will grow exponentially 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.
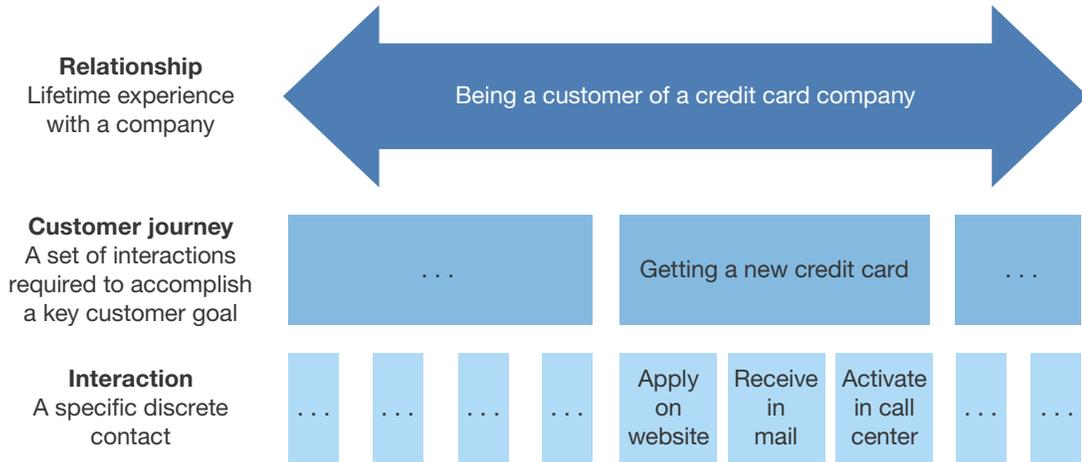
Step 2: Select Which Experiences To Measure

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:

› **Map customer journeys to identify experiences at the journey and interaction level.** CX pros should use customer journey mapping to understand what discrete interactions their customers perceive as part of a single end-to-end journey and what expectations they have for the journey.[5] 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 defined several critical journeys where poor performance put 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).

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

Relationship Lifetime experience with a company	Being a customer of a credit card company

Customer journey A set of interactions required to accomplish a key customer goal	. . .	Getting a new credit card	. . .

Interaction A specific discrete contact	. . .	. . .	. . .	. . .	Apply on website	Receive in mail	Activate in call center	. . .	. . .

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

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 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 looked at places where it had direct personal interaction with customers (e.g., training, support, the sales process).

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Step 3: Define 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). 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 focused on revenue at risk due to customer defection. Through a relationship survey, it uncovered three leading indicators: 1) Net Promoter Score (NPS) (especially share of Detractors); 2) self-reported likelihood to renew; and 3) relationship score that is based on clients' view of their relationship with Optum as a strategic partner versus a tools vendor.[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, conducted a qualitative critical incident study every two years, guiding customers along a recent journey. Customers were 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 three E's of CX 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 that 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, BT knew that its customers expected it to be easy when they reached out to the contact center to resolve a problem. BT therefore asks customers, "Thinking about BT overall, how easy was it to get the help you needed?" Customers answer this question on a scale from easy to difficult, and BT then calculates a "net easy" score, similar to the NPS calculation.[9]

› **Identify the descriptive metrics that most affect customers' perception.** Descriptive metrics track events that are likely to affect customers' perceptions. To pick the right ones, CX professionals should first gather the operational data that each channel or business unit uses. They should then determine which events are most likely to affect customers' perceptions and how. The CX team at Shell interviewed customers to identify their key expectations that it could translate into descriptive metrics. Based on this initial hypothesis, it then analyzed the past three to four years of data to identify the descriptive metrics that most correlated with customer experience by segment and product.
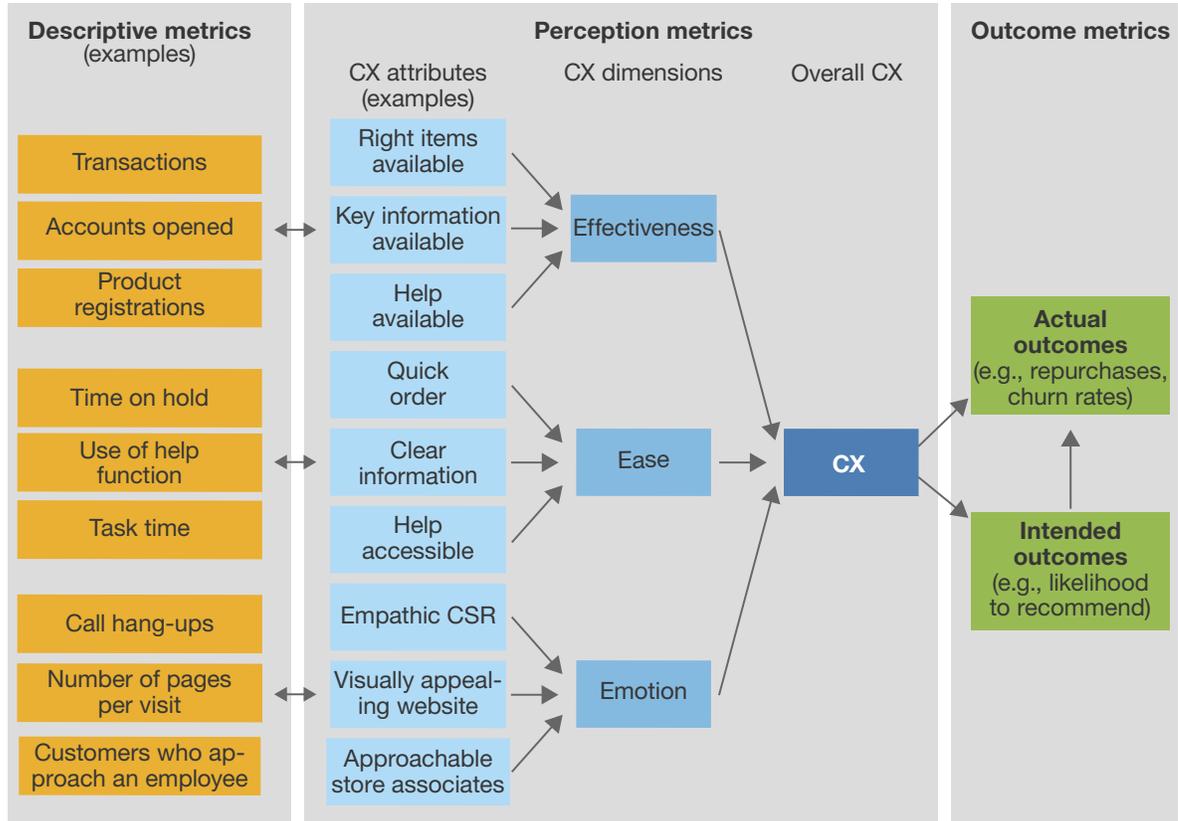
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FIGURE 4 Companies Should Use Perception, Descriptive, And Outcome Metrics In CX Measurement

Type of metric	Measures:	Helps to:	Examples
Perception metrics	Customers' subjective perception of the interactions	Assess how well a company delivers against customers' CX quality expectations.	• Customer satisfaction overall • Customer satisfaction with specific aspects of the customer experience
Outcome metrics	What customers are likely to do or actually did after their interaction	Tie CX quality perceptions to (financial) success.	• Likelihood to recommend • Likelihood to purchase • Churn rates • Actual purchases made • Policy renewals
Descriptive metrics	Observable characteristics of customer interactions: when, where, and through which channels customers touched the company	Contextualize and operationalize perceptions.	• Average call time • Calls lost before answered • Average pages per visit

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

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FIGURE 6 Use Forrester's Three E's Of Customer Experience To Identify Universal Types Of Metrics

The three E's of customer experience

Effectiveness	Customers get value from the experience.
Ease	Customers get value without difficulty.
Emotion	Customers feel good about the experience.
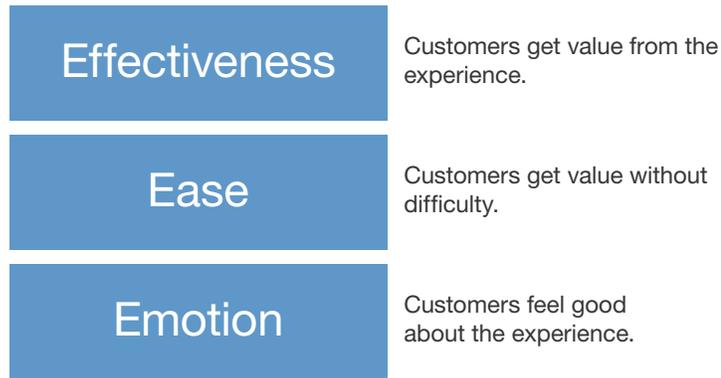
FIGURE 7 Examples Of CX Quality Criteria For Each Of The Three E's
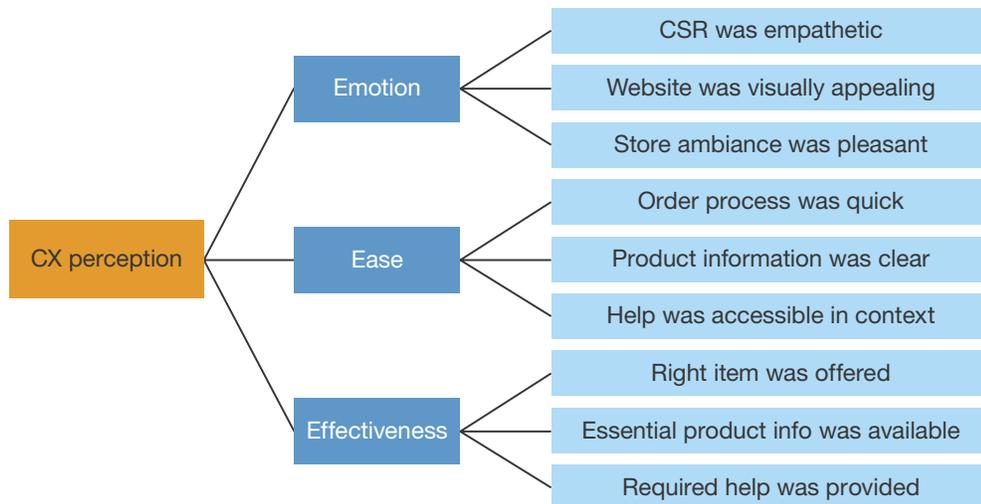
CX perception

Emotion
- CSR was empathetic
- Website was visually appealing
- Store ambiance was pleasant

Ease
- Order process was quick
- Product information was clear
- Help was accessible in context

Effectiveness
- Right item was offered
- Essential product info was available
- Required help was provided

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Step 4: Design A Data Collection Strategy

Once customer experience professionals have selected their target CX metrics, they must 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 8). Salesforce Marketing Cloud (formerly ExactTarget) aligned its relationship survey with contract renewal timing. It sent out the survey to clients the quarter before clients were due to renew. When clients completed the survey, email alerts were triggered for their relationship manager, highlighting any issues that required follow-up. Relationship managers could then address client concerns prior to entering the renewal conversation. This timing is especially useful for better serving Salesforce Marketing Cloud'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 Casualty Insurance learned that changes as simple as putting an agent's name on a survey can affect the score that a customer gave the insurance agent with whom he or she worked. 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 blind surveys typically having lower scores.

› **Shorten surveys to avoid survey fatigue.** With so many individual customers, CX pros often don't get the response rates and response quality that they need for their measurement programs. That's why CX pros should radically shorten their surveys. For example, Pitney Bowes reviewed its surveys and eliminated questions for which there was no clear owner who was making decisions that were based on the answers. 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.

› **Think beyond surveys to compensate for their limitations.** Structured surveys are the mainstay of CX measurement programs.[11] Despite their advantages, surveys fall short in ways that can leave gaps in the insight that CX professionals need or even mislead CX efforts altogether.[12] Although we found no evidence that companies can forgo surveys anytime soon, we did find some promising approaches to compensate for surveys' shortcomings.[13] For example, JetBlue Airways used social media data to monitor the quality of its Fly-Fi Service, a wireless Internet service on planes.[14] And Mattersight uses predictive analytics to find patterns in events and predict how customers will rate an interaction.[15]

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› **Track customers across omnichannel 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.[16] 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 that 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 8 Plan Timing For Relationship, Journey, And Interaction Surveys

		Survey timing	
Level	**Frequency of fielding**	**Frequency of customer contacts**	**Example**
Relationship	This is quarterly or continuously in order to get a steady stream of results that can be trended over time.	This is 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	This is when the journey has ended (from the customers' point of view) in order to get a complete assessment of the journey.	This is highly variable. Many firms define 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 range from 30 to 90 days.	JetBlue Airways sends out this survey two days after a flight closes.
Interaction	This is as soon as possible after the interaction took place in order to get a more accurate, detailed evaluation.		Sage Software North America sends its clients an interaction survey 24 hours after a call to customer support.

Step 5: Set Targets For Each CX Metric

CX professionals need to plan for the inevitable questions that 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 that they hope to achieve. Those targets will become increasingly important when stakeholders and partners are eventually held accountable for the quality of the experiences that they help deliver.[17]

› **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

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CX metrics and how many responses it gets per metric. Transactional metrics that frequent events like contact center calls trigger can often give firms 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 the right level of improvement for outcomes and perceptions.** CX pros should strive to optimize, not maximize, CX scores. For example, American Cancer Society (ACS) modeled the impact of CX quality on the donations that it received at each of its Relay For Life events. It identified a minimum required level of CX, a target zone, and a point of diminishing marginal returns.[18] To drive CX improvements, targets must be attainable. Historic levels of improvement help determine what is possible. But CX pros must sanity-check the desired lift. To do that, they need to determine how much performance on each driver in their driver model will need to improve to reach a target for a higher-level metric. By mapping ongoing initiatives to drivers, CX pros can then estimate how realistic it is to achieve the required lift in driver performance.

› **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 customers' perception. For its contact center, Sanofi Pasteur had a metric that tracked average wait time for its customers in the phone queue. It analyzed its call abandonment rate over time to understand customers' perceptions of how long was reasonable to hold. It then used 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 Information'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 9).

› **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

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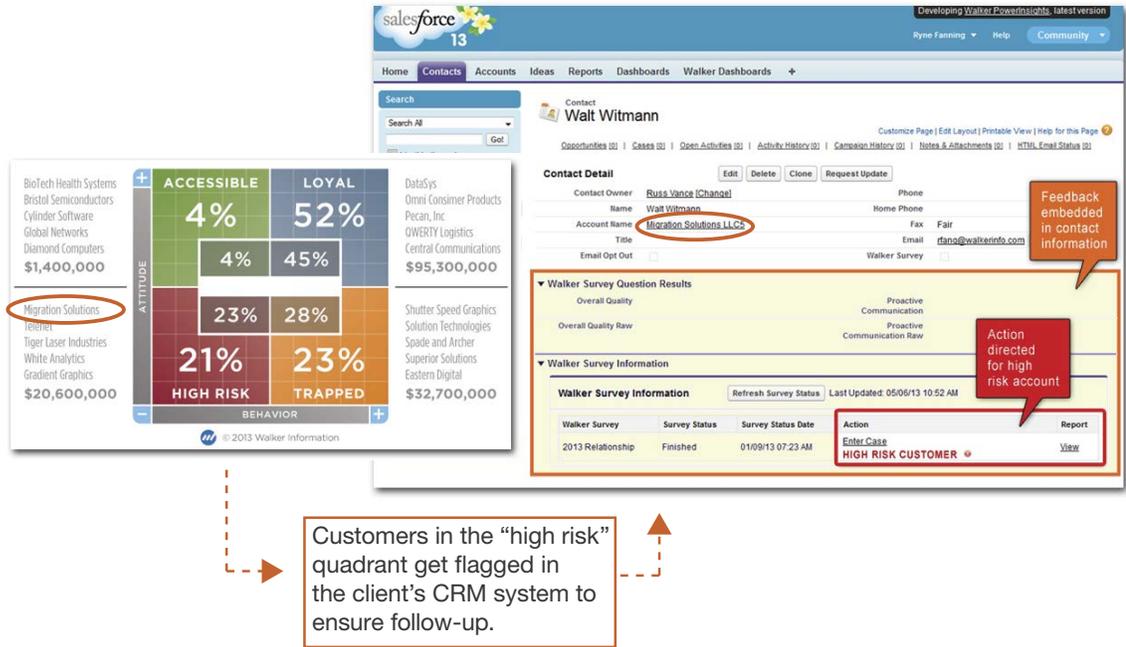How To Define The Right CX Metrics And Use Them To Improve CX

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, which are led by the accounts' executive client manager.

› **Analyze negative CX ratings to pinpoint systemic issues.** Many customers giving poor ratings on certain CX attributes indicate 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 impact of an attribute on one axis and current performance levels on the other, like ForeSee's priority matrix, can help (see Figure 10). An online payments company uses a similar prioritization model that's 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 identified "Moments that Matter" by combining CX quality data with an assessment of how likely an issue is to create a Promoter or a Detractor.

› **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 escalate systemic issues in a competitive context (see Figure 11). 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 12).[19]

› **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 that 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 that they found helpful include customer feedback from sources other than surveys, qualitative research, and employee feedback (see Figure 13).[20]

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FIGURE 9 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

FIGURE 10 ForeSee's Priority Matrix Helps Identify The Top Improvement Priorities
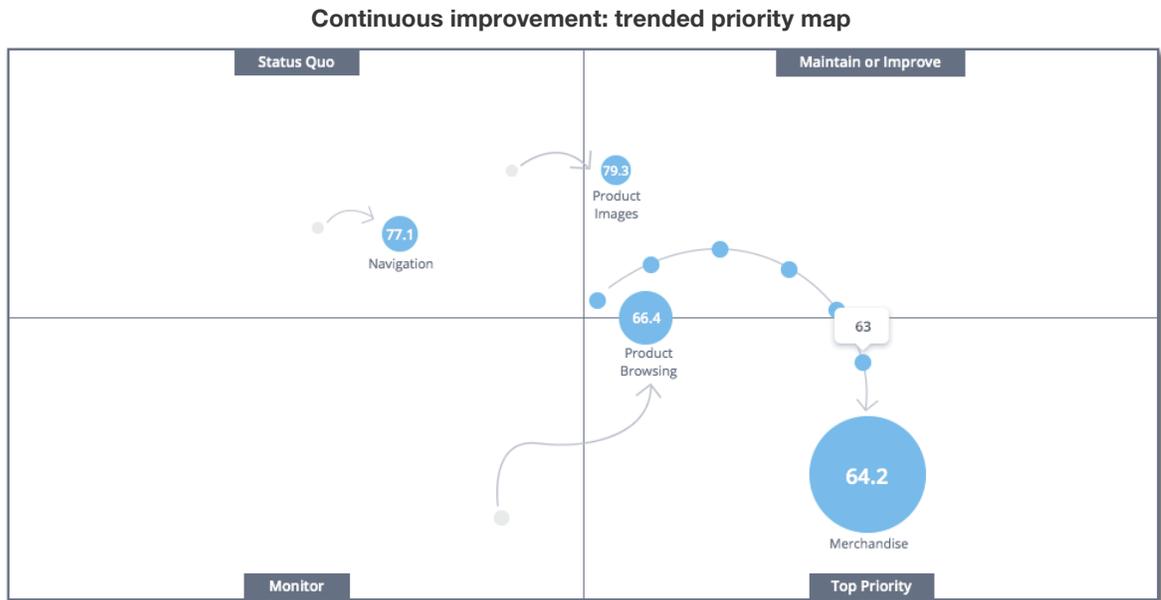
Continuous improvement: trended priority map

Source: Foresee

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FIGURE 11 The Advanced Importance-Performance Matrix Prioritizes By Competitive Performance

Source: Nigel Slack, Stuart Chambers, and Robert Johnston, *Operations Management*, Financial Times, 2009
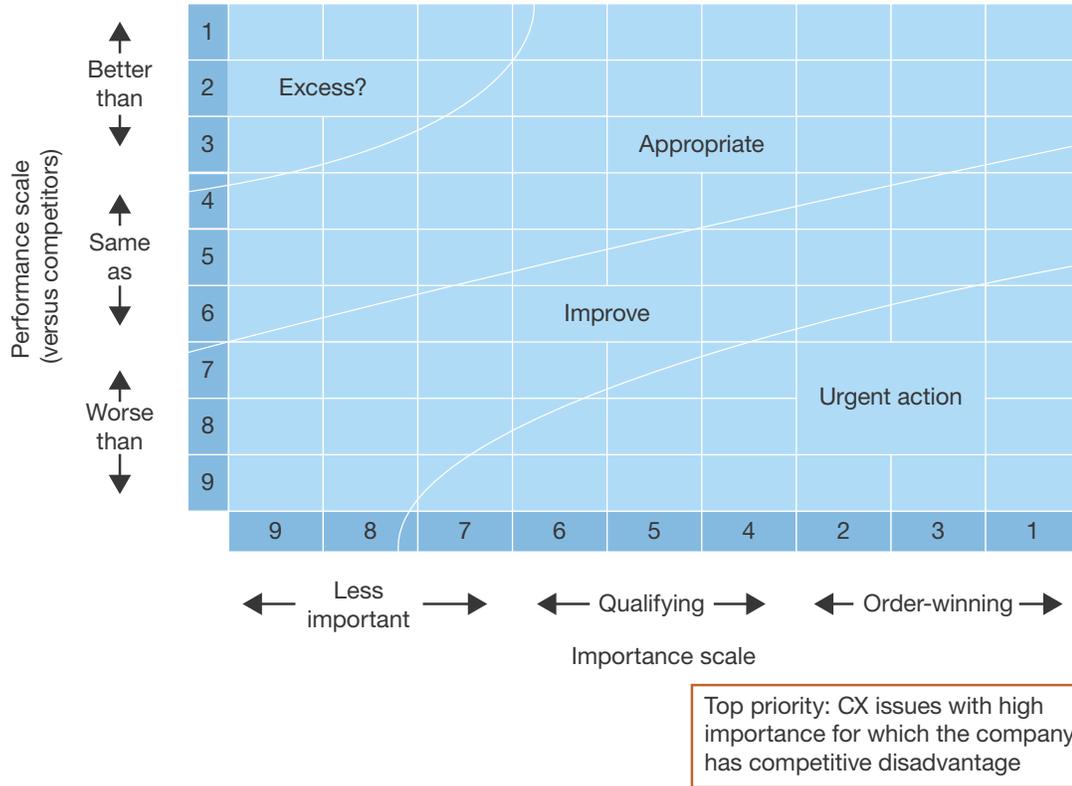
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FIGURE 12 Ipsos Loyalty's Wallet Allocation Optimizer Puts Customer Ratings In Competitive Context

Your customer	Satisfaction and rank	Your brand	Competitors		Share of wallet*
			A	B	
Janet	Score	9	9	10	25%
	Rank	2.5 (tied)	2.5 (tied)	1	
John	Score	9	7	8	50%
	Rank	1	3	2	

In the survey, Ipsos Loyalty asks respondents to rate satisfaction with each competitor.

Source: Ipsos Loyalty
*Share of wallet equals: [1 - rank / (number of brands + 1)] x (2 / number of brands).

FIGURE 13 Additional Sources For Identifying Causes Of Negative Ratings For CX Metrics

Source	Example
Complaints	Cleveland Clinic mined frequency of and reasons for complaints to help identify individuals within the organization who are causing bad patient experiences.
Call center transcripts/monitoring	Sanofi Pasteur listens to customer calls when a customer is dissatisfied to determine whether the cause is people or process and to take appropriate action.
Social media	Rosetta Stone's web strategy team and support team track the number of posts and sentiment about the product, support, and marketing 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.
Employee insights	The customer experience team at Standard Insurance shares customer research with the champions and asks them for their ideas about how best to take action.

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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 North America 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 Airways 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, "Contact us." For a restaurant client, Service Management Group developed an algorithm to integrate data from surveys, service audits, mystery shopping, and call center transcripts. The model took into account the reliability of the source data and how the feedback is linked to financial performance.

› **Plan how to rally stakeholders around CX metrics.** To get stakeholders to pay attention to CX metrics, CX pros must link the metrics to stakeholders' success, make the metrics concrete and easy to access, and entice stakeholders to use them.[21] For example, AAA Mid-Atlantic connects CX insights to stakeholders' personal goals.[22] Network infrastructure solutions and service company Ciena translated high-level metrics by defining an internal "customer promise" with a set of closely governed initiatives to help achieve that promise.[23] Cisco Systems makes CX scores, outcome measures, verbatim comments, and preprocessed reports easily available on demand to relevant stakeholders. And Nationale-Nederlanden of NN Group appealed to curiosity when introducing its NPS dashboard by making it stand out from company colors and requiring a code to get access.[24]

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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 that they made at each of the seven steps. For example, to periodically test whether the experiences and quality criteria that 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.[25] Or use Citrix's approach: It looked at response rates and the share of customers who fill out open-comment boxes for CX metrics at the various touchpoints. If either declined, Citrix examined the root causes, such as if a touchpoint had lost its importance, if it wasn't asking questions the right way, or if it was 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 that it plans to reward.

FOR CUSTOMER EXPERIENCE PROFESSIONALS

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Supplemental Material

Companies Interviewed For This Report

Beyond the Arc	Ipreo
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Change Sciences	JetBlue Airways
The Chapman Consulting Group	Optum
Charles Schwab	Progressive Casualty Insurance
Cisco Systems	Sage Software North America
Citrix	Salesforce Marketing Cloud (formerly ExactTarget)
Cleveland Clinic	Sanofi
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ForeSee	Satrix Solutions

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Service Management Group

Shell

TCELab

Verint Systems

Vision Critical Communications

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 "The State Of Customer Experience Maturity, Q4 2014" Forrester 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*, Farrar, Straus and Giroux, 2011.

For more details, see the "Executive Q&A: The Top Seven Customer Experience Measurement Questions Answered" Forrester report.

[5] Even some well-established CX measurement programs aren't able to measure the health of end-to-end experiences that cross touchpoints as customers pursue a goal. Customer journey maps help companies see those end-to-end experiences from the customers' perspective. That in turn enables CX professionals to identify what they should measure, when, and with which metrics. This report describes a four-step process that shows CX pros how they can use customer journey mapping to improve their measurement programs. See the "How Journey Maps Improve CX Measurement Efforts" Forrester report.

[6] Net Promoter and NPS are registered service marks, and Net Promoter Score is a service mark, of Bain & Company, Satmetrix Systems, and Fred Reichheld.

[7] The Critical Incident Technique was initially adapted for the services context by Mary Jo Bitner and her colleagues. Source: Mary Jo Bitner, Bernard H. Booms, and Mary Stanfield Tetreault, "The Service Encounter: Diagnosing Favorable and Unfavorable Incidents," Journal of Marketing, January 1990.

In some European subsidiaries like in Montenegro, Croatia, or the Netherlands, Deutsche Telekom systematically measures the overall experience during critical journeys as well as the specific experience in every interaction.

[8] We have provided an overview of this framework in a previous report. See the "Perception Is Reality When Measuring Customer Experience" Forrester report.

[9] BT's net-easy score is based on a seven-point scale and calculated by subtracting the top two boxes from the bottom three.

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[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 "Top Ways To Combat Survey Fatigue" Forrester report.

[11] Surveys are the go-to tool for CX measurement: 96% of the companies that say that they have a formal program for gathering and responding to customers' feedback use structured surveys. Source: Forrester's Q4 2014 Global Customer Experience Peer Research Panel Online Survey.

[12] Surveys fall short in three ways: They cover too few interactions, they come from too few customers, and they often capture feedback too late in the game. See the "Beyond Surveys: New Tools For More Effective CX Measurement" Forrester report.

[13] Forrester outlined three approaches: Modernize surveys to capture richer insights, collect customer experience insights without relying on surveys, and enhance customer experience insights through advanced analytics. See the "Beyond Surveys: New Tools For More Effective CX Measurement" Forrester report.

[14] Structured surveys are the mainstay of CX measurement programs. Despite their advantages, surveys fall short in ways that can leave gaps in the insight that CX professionals need or even mislead CX efforts altogether. This report shows ways for CX pros to compensate for the shortcomings of today's typical experience surveys. See the "Beyond Surveys: New Tools For More Effective CX Measurement" Forrester report.

[15] Structured surveys are the mainstay of CX measurement programs. Despite their advantages, surveys fall short in ways that can leave gaps in the insight that CX professionals need or even mislead CX efforts altogether. This report shows ways for CX pros to compensate for the shortcomings of today's typical experience surveys. See the "Beyond Surveys: New Tools For More Effective CX Measurement" Forrester report.

[16] Specifically, this is key to finding outcome metrics that measure actual behavior. CX professionals can capture intent outcome metrics through surveys.

[17] 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 that they control.

[18] ACS looked past the linear relationships that are identified between CX and outcomes and identified nonlinearities within the data. These points of inflection helped identify a minimum required level of CX, a target zone, and a point of diminishing marginal returns. See the "Case Study: How American Cancer Society Used Measurement To Optimize Customer Experience" Forrester report.

[19] 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.

[20] 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 people, processes, policies, and technologies caused the negative experience. For more information on the customer experience ecosystem, see the "The Customer Experience Ecosystem Redefined" Forrester report and see the "How Customer Experience Champions Transform Culture" Forrester report.

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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 "Adapt Business Process Improvement For Customer Experience" Forrester 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.

[21] Read more about 10 tactics to make CX metrics relevant, specific, easy, and appealing. See the "Top 10 Ways To Rally Your Organization Around Customer Experience Metrics" Forrester report.

[22] For more information on how to get stakeholders to care about CX metrics, see the "Top 10 Ways To Rally Your Organization Around Customer Experience Metrics" Forrester report.

[23] For more information on how to get stakeholders to care about CX metrics, see the "Top 10 Ways To Rally Your Organization Around Customer Experience Metrics" Forrester report.

[24] For more information on how to get stakeholders to care about CX metrics, see the "Top 10 Ways To Rally Your Organization Around Customer Experience Metrics" Forrester report.

[25] 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 L. Oliver, *Satisfaction: A Behavioral Perspective on the Consumer,* Routledge, 2010; and Terry G. Vavra, *Improving Your Measurement Of Customer Satisfaction,* ASQ Quality, 1997.

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