

# Driving CEM Program Maturity

How Customer Journey Insight and  
Organizational Engagement Foster Success





# Overview

Customer experience programs promise big results, but often struggle to deliver. Even after years in operation, many programs fall short of expectations.

Some ramp-up time is to be expected, but in most cases, it's a lack of program maturity that underlies the difficulty many teams face. Early successes quickly fade if the program itself doesn't advance to drive deeper customer journey insights and engage employees to deliver the best possible customer experience.

In this ebook, learn the elements of a mature customer experience program, the stages of program maturity, and explore best practices and key elements at each stage. We'll also cover common obstacles to broad program adoption and offer tips to drive progress.



# Why Focus on Customer Experience?

*To Create and Retain Loyal Customers*

We'll begin with a quick review of why it's important to focus energy, effort, and, quite often, financial investment to create positive customer experiences. Whether you call it customer experience management, CEM, or you prefer the term voice of the customer, VOC, the goals of a strong customer experience program are to retain loyal customers, reduce your cost to serve customers, and drive referrals of new business, all of which combine to drive profitability.

Promoters—your loyal customers—bring value to your company in several ways:

- They stay longer and purchase more.
- They help identify improvements and efficiencies that reduce operating costs and improve the experiences of others.
- They reduce new-customer acquisition costs through positive referrals.
- They cost less to serve in the first place.



Purchase More



Identify Improvements



Make Referrals



Cost Less



Acquiring new customers can cost as much as **five times more** than retaining current customers.

# Why Focus on Customer Experience?

## *To Become a Market Leader*

If we look at yesterday's leaders, they often followed very product-centric models and competed on price.

Today, products are often very similar, and competing on price alone can drive companies right out of the market. Therefore, market leaders of today set themselves apart by taking a customer-centric approach. That means giving customers the best possible experience from the first touch through every interaction that follows.

### Yesterday's Leaders

- Compete on price/product
- Simplistic ideas of customer experience journey
- Product-driven model

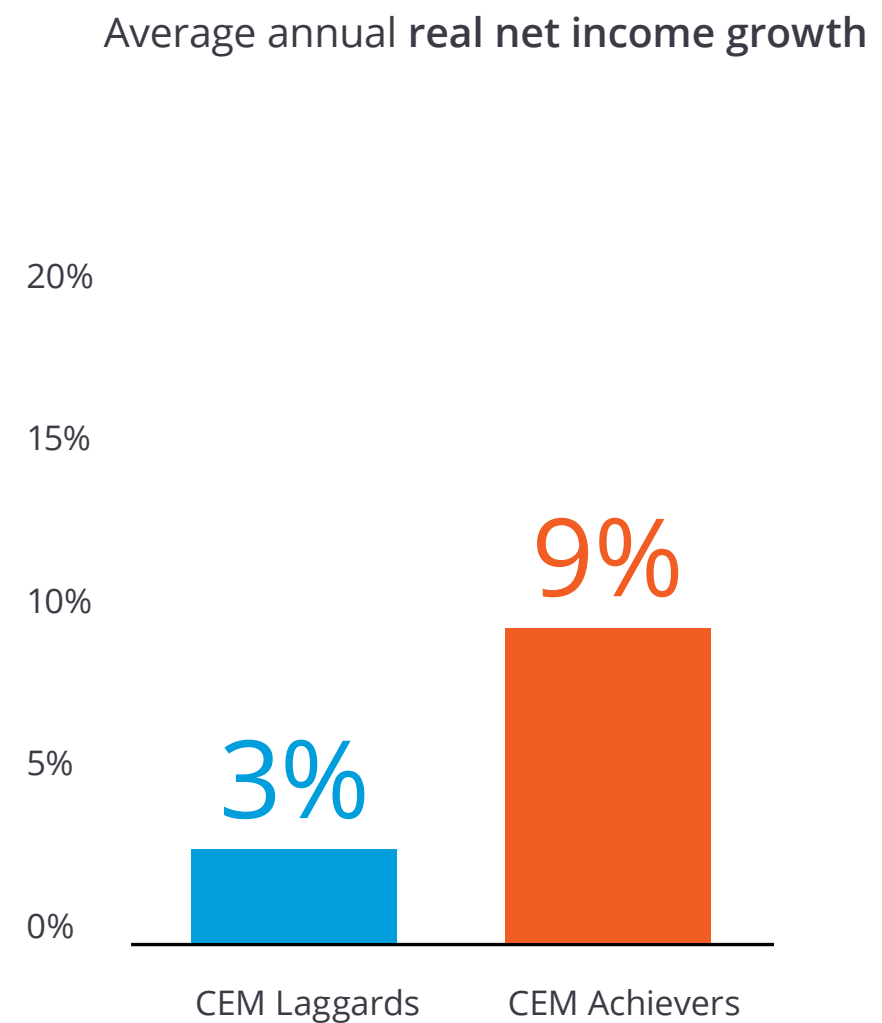
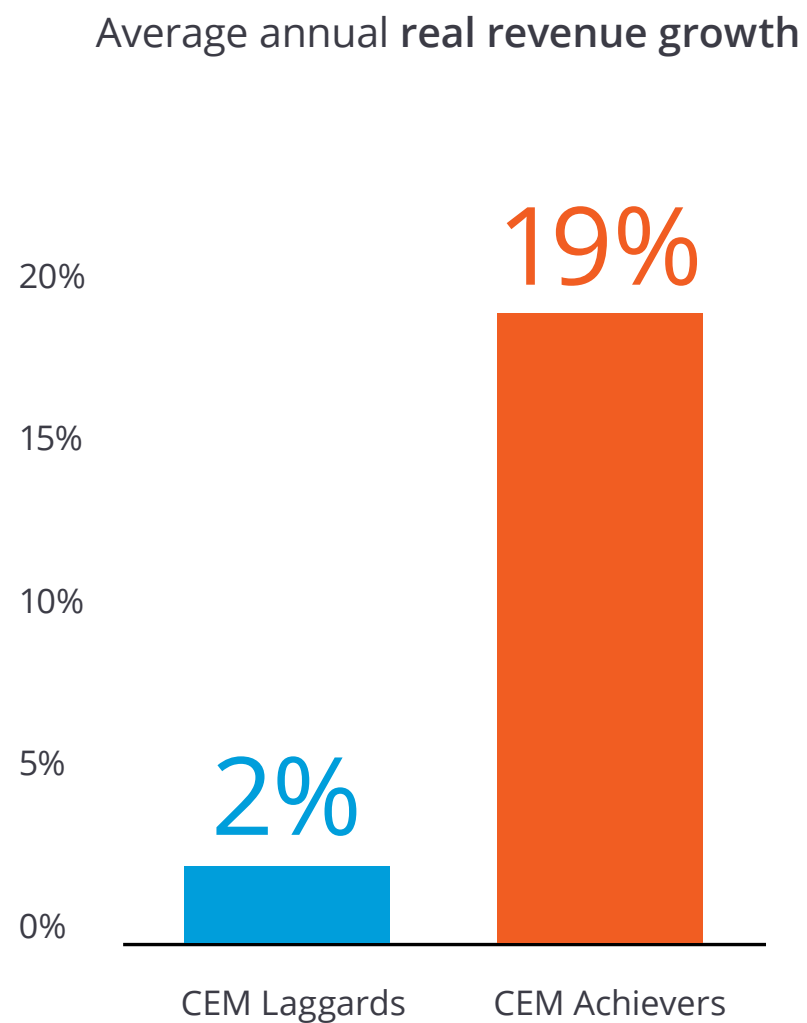
### Today's Leaders

- Compete on differential experiences
- Complete understanding of the customer journey
- Customer experience-driven model

# Why Focus on Customer Experiences?

## *It Pays Off*

More than a decade and a half of revenue and customer retention data validate our claim that focusing on customer experiences pays off—in a big way.



Source: Bain & Company, Satmetrix

# Survey Programs Won't Cut It

We've established that a strong CEM program creates Promoters or loyal customers. It also sets companies apart as market leaders who stand above their competition in profitability, growth, and positive brand perceptions.

And yes, a strong VOC program relies on customer feedback, often in the form of customer surveys. However, CEM is more than just an occasional or sporadic survey program. Let's look at the differences between a survey program and true customer experience management.

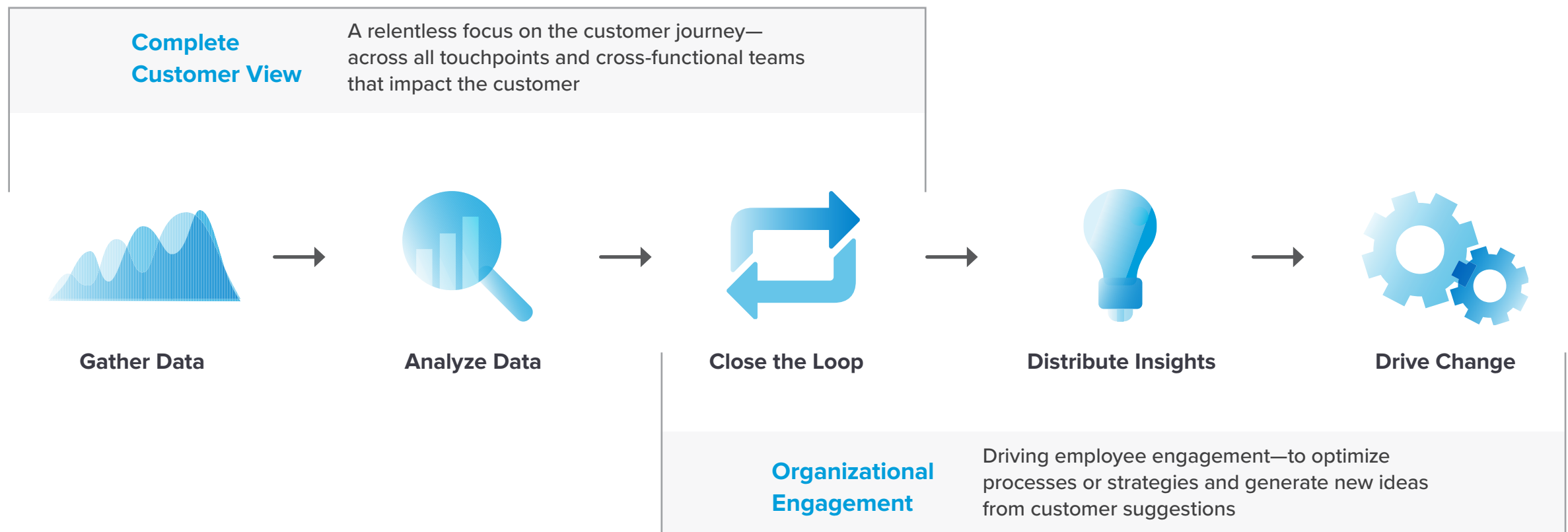
In the chart below, we see that survey programs can take a few forms. All fall short of the promise of VOC. These common types of survey programs illustrate the shortcomings of a survey-centric approach.

| Survey Program Type          | What It Includes   | Why It Fails   |
|------------------------------|--|--|
| <b>The annual event</b>      | A major annual or infrequent survey collects customer feedback, often at length.               | <ul style="list-style-type: none"><li>• Annual or infrequent surveys are only fresh for a short time.</li><li>• Infrequent surveys often get loaded up with too many varied questions.</li><li>• Scheduled surveys don't feel relevant to customers.</li></ul>   |
| <b>The buckshot approach</b> | Multiple surveys on various aspects of the customer experience collect disjointed information. | <ul style="list-style-type: none"><li>• Uncoordinated surveys risk overwhelming customers.</li><li>• Inconsistent management often results in hard-to-reconcile scales for metrics and data.</li><li>• Drawing unified conclusions is near impossible.</li><li>• Prioritization of resources is haphazard.</li></ul> |
| <b>The ivory tower angle</b> | Market and customer research collected ad hoc, often managed by a research or analyst team.    | <ul style="list-style-type: none"><li>• Research can play a key role in planning, but it's not connected to day-to-day relationships.</li><li>• Customer follow-up is usually slow, ineffectual, or non-existent.</li><li>• Analysts tend to control data tightly.</li></ul>   |

# Beyond Surveys to Customer Experience Management

Yes, surveys are one element of CEM, but your program won't get very far without additional customer-focused data, tools, and processes.

A comprehensive approach to VOC involves gathering customer feedback data from surveys or other sources; analyzing the data to understand what the feedback means to your business; closing the loop with customers; acting on the feedback data; and driving positive change within your company.



Unlike a mere survey program, CEM:

- Finds meaning in data from surveys and other sources and puts it into context along the customer journey.
- Organizes, analyzes, and interprets data so that every employee has the right information at the right time to do the right thing for the customer.
- Fosters collaboration, removes silos, and provides tools for company-wide cooperation.
- Focuses the organization on the customer to address experience gaps at the individual and company level.
- Puts processes in place to systematically recover Detractors as well as engage and empower Promoters.



# Net Promoter Score®

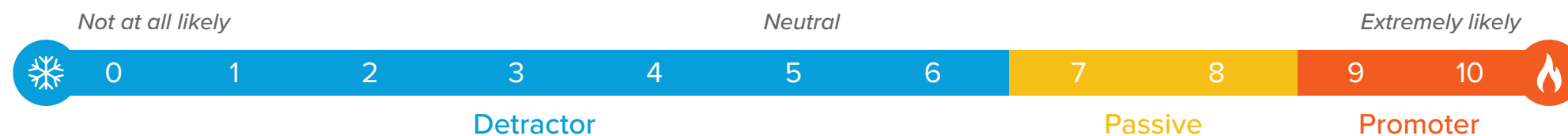
## *The Key Metric Behind CEM*

Since Satmetrix co-developed the Net Promoter Score® (NPS®), it has become the most widely accepted measure of customer loyalty and retention. It is also the only customer experience metric proven to be a leading indicator of a company's potential growth and financial health. Since VOC is focused on improving customer loyalty, NPS is a key indicator of customer perception of your brand.

NPS asks the question “How likely would you be to recommend [company] to a friend or colleague?” and measures responses on a 0-10 point scale.

Responses to this question fall into three categories:

- Promoters** - These are your loyal, invested customers. Research shows they will stay longer, buy more, and recommend your products or services to other buyers.
- Passives** - These buyers may be satisfied, but are not fully invested in your company. According to research, this group could easily be attracted to a competitor with a better offer.
- Detractors** - This group is dissatisfied with your company. Research shows that these customers are more likely to take their business elsewhere and recommend AGAINST your company.



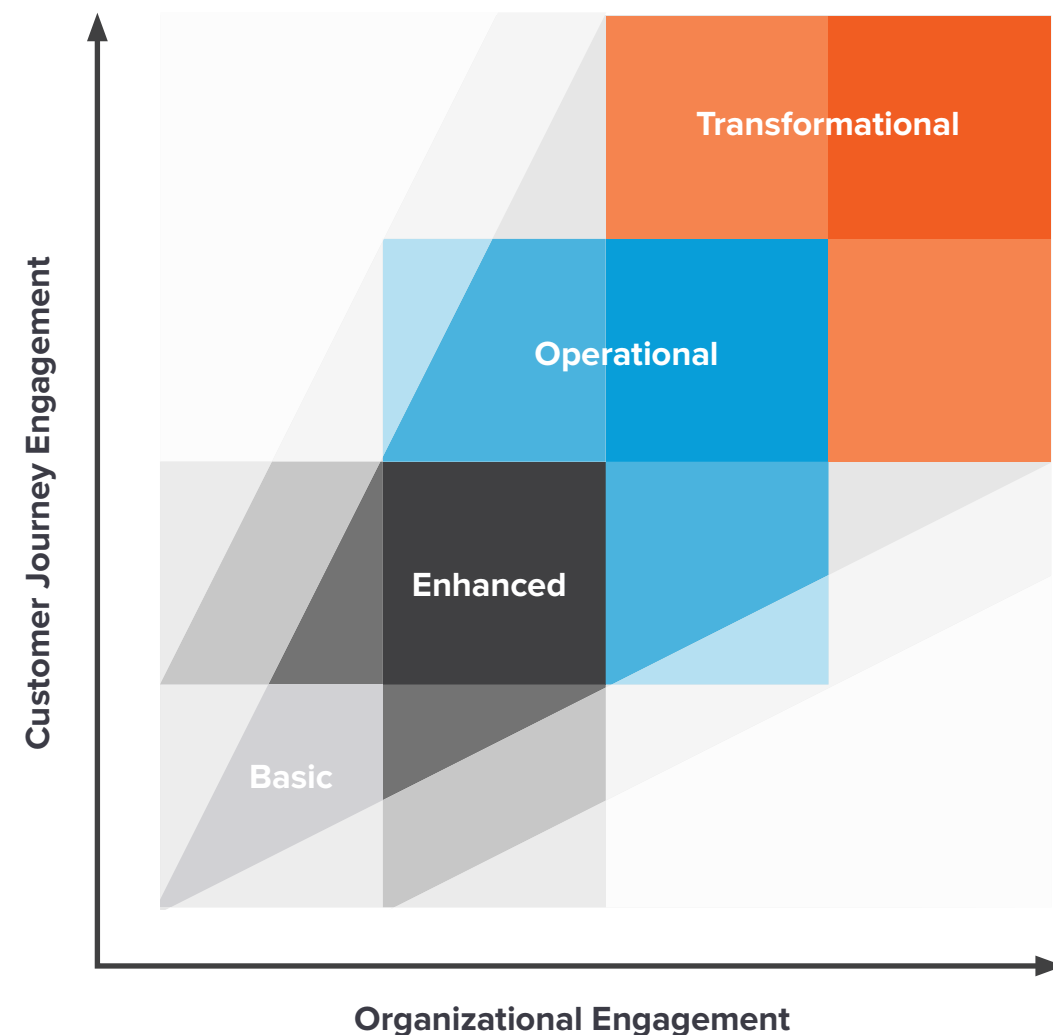
$$\% \text{ Promoters} - \% \text{ Detractors} = \text{NPS (Net Promoter Score)}$$



# The Path to CEM Maturity

## An Overview

Our model of VOC program maturity shows how companies progress along the customer experience path. The two key elements of program maturity – the depth of your customer journey insight and the strength of your employee engagement – combine to determine the stage.



### Transformational CEM

- Predictive analytics
- Integrated operational data hub
- All-employee engagement

### Operational CEM

- Continuous, real-time data
- Complete customer view
- Robust, effective closed loop
- Broadening employee engagement

### Enhanced Survey Program

- Periodic data collection
- Lacking data integration
- Introducing organizational engagement

### Basic Survey Program

- Infrequent data collection (such as annual NPS)
- Time to analysis typically long

*Bottom line benefits only start to accrue when companies reach the operational stage.*

# Dimensions of Program Maturity

## *Customer Journey Insight and Organizational Engagement*

Progressing through the stages of CEM program maturity requires a focus on two key elements of your program. The two elements are interdependent and often progress together.



### **Customer Journey Insight**

The most mature VOC programs reveal a comprehensive, nuanced view of the customer journey using multiple data sources.

- Organizing data collection around the customer journey delivers deeper insights than simply collecting data at various touchpoints.
- Multiple points of data collection are critical.
- Integration of operational data with customer feedback data (such as survey responses) reveals deeper insights.
- Data is both frequently collected and of high quality.
- Role-specific insights result from targeted analysis.



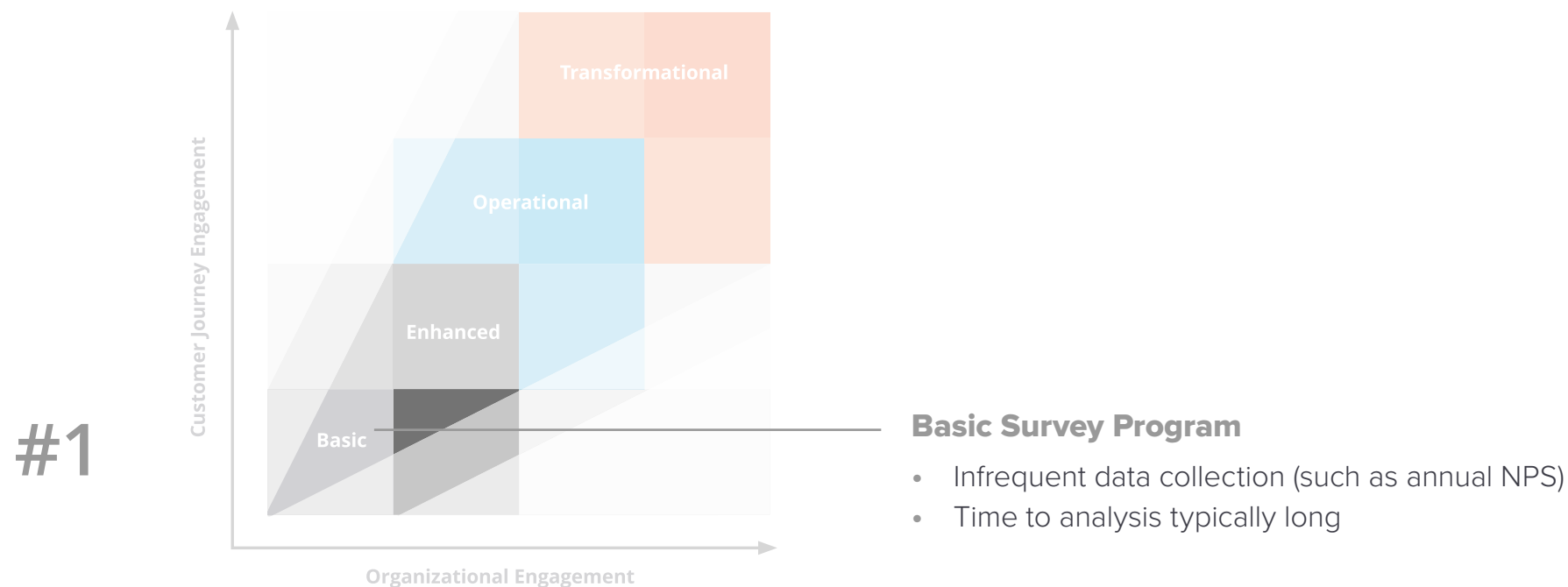
### **Organizational Engagement**

The most mature CEM programs deliver customer experience data to all employees based on their role and drive them to take both responsive and strategic action.

- Automated delivery of employee-specific insight drives engagement.
- Follow-up to customer feedback must be consistent, prompt, and programmatically managed.
- Employees in all roles should have a clear understanding of their role in the customer experience.
- Customer experience insights should be routinely incorporated in both day-to-day work and longer-term planning.
- Frequent, trustworthy data improves employee engagement.

# The Path to CEM Maturity

## Stage #1—Basic Surveys



This initial stage of VOC maturity is one to move through as quickly as possible. It's the riskiest stage, in which the potential for active harm is highest. That's because uncoordinated or inadequate insights can undermine employee confidence in the program and set your efforts back years, and improper follow-up and management of feedback can undermine customer relationships.

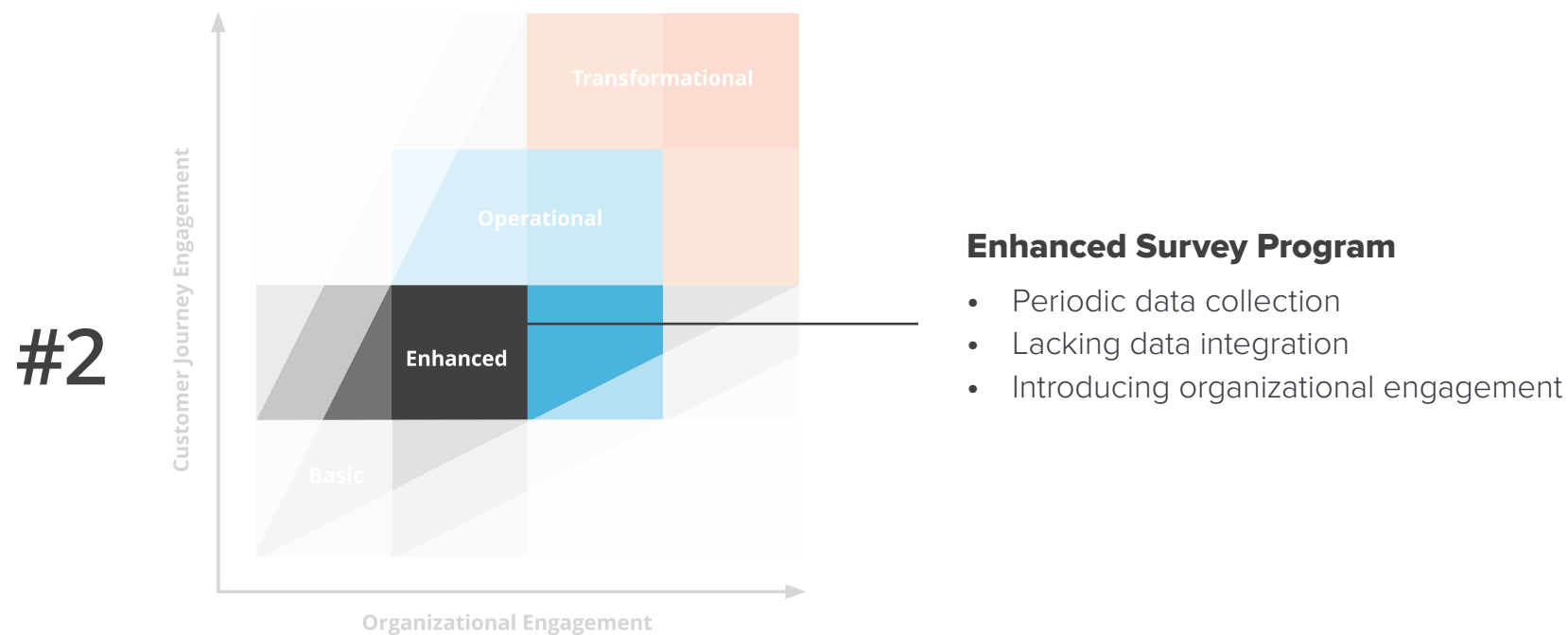
### Setting Up Your Surveys for Progress

- Create a conversation with customers using a regular cadence of relationship surveys that use Net Promoter Score as the key measure of the customer experience.
- Ask about satisfaction with journey touchpoints so you can uncover “moments of truth.”
- Allow your customers to give opinions with yes/no questions and radio button responses as well as offer suggestions in open-ended dialogue boxes.
- Connect questions to internal departments to funnel feedback to appropriate business leaders.

**Pro Tip:** Here, the goal is to gain insight into what's working and what's not.

# The Path to CEM Maturity

## Stage #2—Enhanced Surveys



In this stage, programs begin to coordinate customer feedback efforts and often introduce the customer journey concept.

But, forward progress may stall if the program doesn't deliver insights that employees find useful, or if follow-up with customers falters. Another risk at this stage of CEM is failing to rally employee teams to make needed improvements. A lack of employee involvement undermines both internal and external confidence in the efficacy of the program. Erosion of customer trust in company commitment drives lower response rates, and that often begins a downward spiral of decreasing employee engagement too.

### Continuing Your Progress

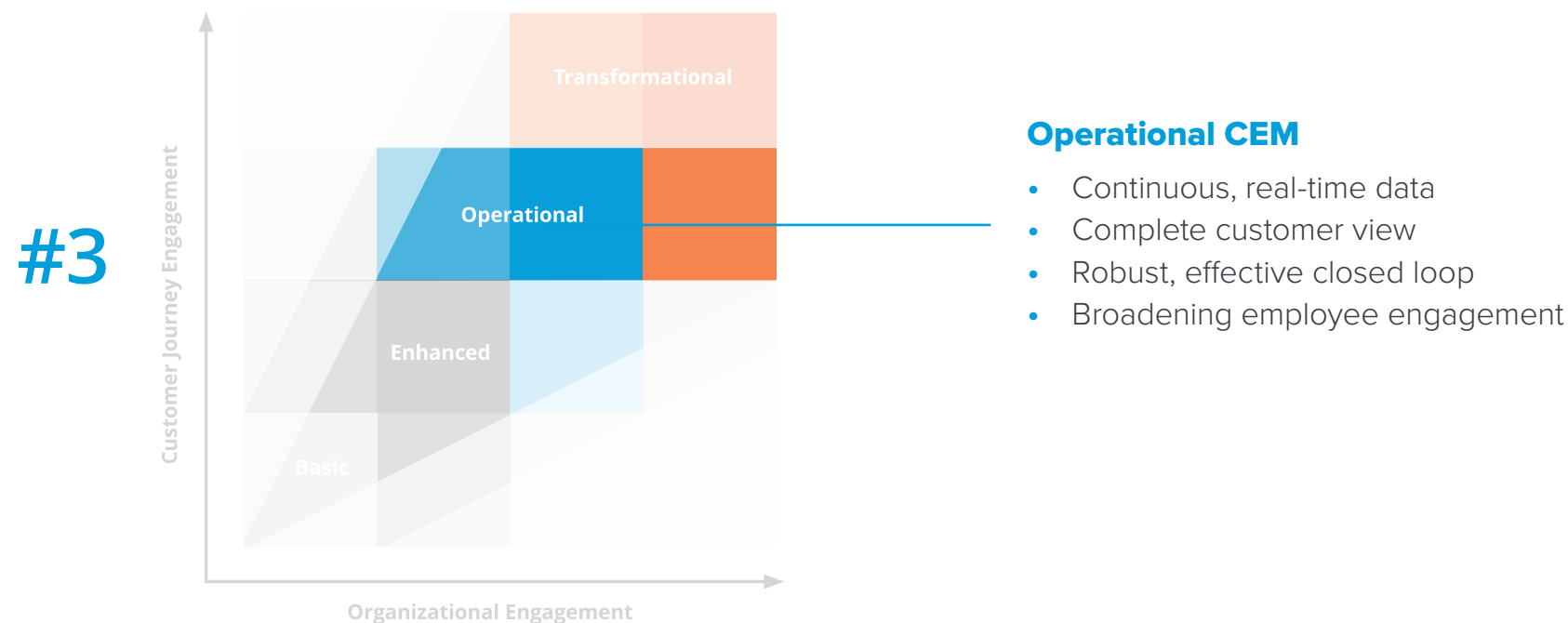
- Create a map of your customers' typical journey.
- Develop a listening strategy that includes both a relationship survey and touchpoint surveys.
- Connect your listening strategy to your customer journey map.
- Plan aggressively for delivering insights to various roles in your organization.

**Pro Tip:** *In this phase, you should be engaging business leaders and employees across the organization to share key learnings from surveys to improve processes that enhance customer experiences.*



# The Path to CEM Maturity

## Stage #3—Operational CEM



Our experience and data indicate that a VOC program can't really make a significant impact until it reaches the operational stage. This is when a more nuanced view of the customer journey comes together with increased employee engagement to drive real change and improve the confidence and commitment of both customers and employees.

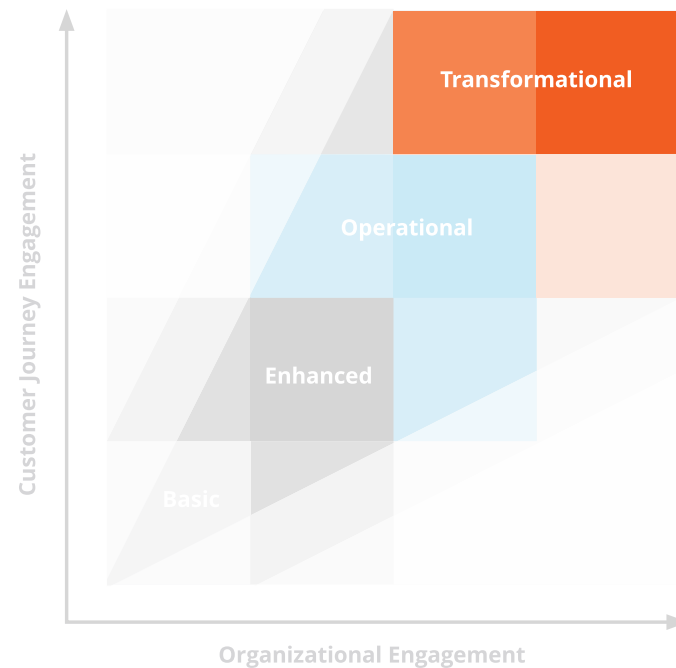
### Key Elements of CEM at the Operational Level

- Multiple journey maps—They may vary by different customer types or you might rely on segmentation.
- Layers of continuous feedback—From a relationship survey measuring NPS to touchpoint surveys tied to customer journeys.
- Integrated data—Incorporating operational and other information sources about the customer experience.
- A deepening and broadening of employee engagement—Because VOC has become a part of your culture and every employee is invested in positive customer experiences.
- Closing the loop on both kinds of surveys—To let your customers know their voices were heard.
- Clear accountability with business leaders and employees—So you know who's responsible for follow-up, improvements, or praise.

# The Path to CEM Maturity

## Stage #4—Transformational CEM

#4



### Transformational CEM

- Predictive analytics
- Integrated operational data hub
- All-employee engagement

This is where you really get to the promise of CEM—driving change within your organization to enhance customer experiences. At this stage of maturity, commitment to the customer experience is assumed at all levels of the company, and the impact on the bottom line becomes significant.

### Key Elements of Transformational CEM

- Focus on action and change—Your customer experiences, as well as your NPS, are a reflection of what you do.
- Systematize and automate tasks—A solid technology foundation can help you manage your customer experience program across your organization to disseminate information, automate process, and empower employees to create positive outcomes.
- Build momentum—A mature VOC program frequently and regularly puts customer experience data into the hands of employees as well as leaders, to build a customer-centric culture and drive both daily and strategic improvements.
- Fix issues—As your organization understands and rectifies root causes of negative experiences, you can create more and more Promoters and reduce Detractors.
- Improve operations—CEM maturity means you can quickly identify inefficient processes and correct cross-functional behaviors and processes to drive change across your organization.
- Innovate and differentiate—With a loyal following of Promoters, you can create breakthrough experiences to differentiate your brand.

# Common Obstacles to CEM Maturity

Many obstacles lie in the path to maturity. Here are a few common challenges and some ideas to keep your program on the right track.

| Obstacle                    | What Program Managers Say   | What to Try  |
|-----------------------------|---|--|
| Everyone's and no one's job | <p><i>"I manage customer surveys, but we don't have a formal customer experience program because executives say delighting customers should always be everyone's job."</i></p> <p>– Senior Director, Marketing, Healthcare Industry Services Provider</p> | <ul style="list-style-type: none"> <li>• Document instances in which a lack of coordination has harmed the customer relationship.</li> <li>• Explore a project to demonstrate the efficacy of cross-team customer experience collaboration.</li> </ul>                         |
| Analysis paralysis          | <p><i>"My company collects survey feedback, but we don't really know what to do with it."</i></p> <p>– Survey Program Manager, Leading Regional Bank</p>  | <ul style="list-style-type: none"> <li>• Map your customer journey and link your data to it to expose gaps and uncover insights.</li> <li>• Bring together a cross-functional team to look at the data.</li> <li>• Put program governance in place to drive action.</li> </ul> |
| Lip service                 | <p><i>"My company talks about valuing customer feedback, but I have trouble getting teams to invest in change."</i></p> <p>– Customer Experience Director, International Manufacturer</p>   | <ul style="list-style-type: none"> <li>• Build a business case for investment.</li> <li>• Demonstrate the linkage between customer experience and the bottom line with research.</li> <li>• Work to demonstrate your own company's linkage.</li> </ul>                         |
| Stacking the deck           | <p><i>"Our account teams have ways to cherry pick customers who participate, so we can't really trust the data, and it's hard to feel confident in that feedback."</i></p> <p>– Feedback Program Manager, Industrial Site Services Provider</p>           | <ul style="list-style-type: none"> <li>• Follow best practices on data collection to build trust.</li> <li>• Use sampling guidelines, clear policies, and centralized program management to overcome "gaming."</li> </ul>  |

# Transformational CEM Is Possible With Software from NICE Satmetrix

CEM is no easy feat. It takes effort and tenacity to lay the foundation for a solid customer experience program. And sometimes along the way, you need to step back and take stock to make sure you're VOC efforts are taking you where you want to go.

Make sure your organization has the right system in place to take your CEM program to the next level. CEM software from NICE Satmetrix is for customer-first companies and fosters collaboration, removes silos, disseminates data, and empowers your employees to do right by the customer.

**Request Demo**





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