

## The five barriers to measuring customer experience

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Customer experience isn't just about giving customers a good time. It's about understanding just how good a time (or not) you are giving – and making adjustments. Customer experience is a leading KPI for the customer-centred organisation, and if it is to have its rightful place in your company it must precede and even supersede operational command and control metrics.

But whilst many organisations have a strong desire to improve their customers' experience, they are hampered by barriers to effective measurement – their feedback loop is blocked.

### In the beginning

“Organisations follow their measures;  
what gets measured gets done.  
So make sure you measure what you want to achieve.”  
Alison Bond, Halo Works

The 'green field' organisation enters into the world full of vision. With innovation and passion, its owners monitor what they know is important to their growth (eg awareness, repeat business and satisfaction) and instinctively recruit people with an understanding and feel for what they are about – after all they will work with them directly. And if a customer is unhappy there is concern and they get personal attention.

But 'hands on' entrepreneurship isn't sustainable in a growing organisation: scaling requires values, strategy and 'processes'. Controlling metrics are expediently put in place to steer the ship to its financial shore, but often at the expense of the traditional guiding star of vision. It is expected that employees will imbibe the vision 'on the job', but of course they don't because they are measured on unlinked budgets and targets. So whilst customers expect a smooth trip to Paradise Island, what they often get is a bumpy ride to Macau – and quite naturally some of them complain.

“At Virgin we look for opportunities where we can offer something better, fresher and more valuable, and we seize them.” Creating a breakthrough customer experience and combining brand with the physical customer experience is what the vision should embody!  
Richard Branson

It is in this atmosphere that the new 'head of customer experience' is hired to imbue a little customer focus. Their first port of call should be strategic customer metrics – but in at least 70% of cases these will be inadequate according to Deloitte's 2007 study, 'In the Dark'.

Their second visit should then be customer complaints. If qualitative research is applied, these will provide insight at four important levels:

- The brand - “you’re too expensive”
- The proposition - “you don’t understand my needs”
- The experience - “you don’t call me back”
- The basic resources – “your staff are rude”

This should be enlightening, for these perfectly match the four perspectives of the balanced scorecard – a notable tool for knitting customer metrics into the organisation and getting to root causes of issues.

Actual customer experience measures are therefore what the customer-centred organisation should be tuning into: if, that is, it wants to deliver the vision of what it promises. Its first thought would then no longer be “how do we measure IVR effectiveness?”, but, rather “what are our customers expecting when making a call and how so they feel when confronted by a taped voice going through messages and menus?”

### **Barriers to measuring experience**

By putting customer satisfaction into employee targets to change behaviour, organisations signal that they know a sea change in KPIs is needed. But they frequently don’t - or cannot - change the system that supports employees.

*“Inspired leaders give others the context, the resources and the support they need and let them get on with it”*

*Seven Secrets of Inspired Leaders*

If customer satisfaction and advocacy are to become KPIs, then they need a free flowing customer experience feedback loop. But there are five main barriers.

#### **1. We rely on magic numbers**

*“Too many companies use magic numbers – measures claimed to be inextricably linked to financial results, but whose actual correlation for*

*each company is never researched or modelled”*

*Professor Robert Shaw*

Magic numbers are KPIs which are deemed to be important because “everyone has them” – for instance, net promoter score, customer retention and leads. They are easy to understand collect and compare, but few really understand how to really manage them, or what drives them in a particular industry and company? “Our churn level is 40%”, the board are told, but few know how many customers died.

The top and bottom of the sales funnel are common magic numbers. Leads go in at the top and sales come out of the bottom. What is frequently not known is what

actually happens in between. If this 'sales process' is changed to a 'buying or engagement' process, with analysis of experience and outcomes at each stage, then the management of those 'magic numbers' becomes more apparent.

*Model your processes from the customer perspective, and understand through research and feedback what happens at each stage – then put in metrics.*

## 2. We don't really listen

*"Selling is about listening and engaging with customers, making them feel comfortable.  
The best selling is a service in its own right, a source of information sharing and problem solving."*

We think we listen to customers, but the evidence tells a different story:

- "Please rate our service 1-10" says the online survey
- "You'll have to write in if you have a complaint" says the call centre agent
- "The contact centre can't be justified as contact optimisation" says the telecom head of insight

We need to break down our propositions and services – the customer's view of process – and find out just what drives engagement, and how customers feel about each part. Do you ask customers about the details of their emotions about your brand, about the basic proposition, about service levels? Do you listen to their tales and stories? Stories quickly convey complex thoughts and difficult emotions. How do customers feel beyond satisfied and not satisfied on a 1-10 scale? Stories give us a way of locating the desires, perceptions and attitudes of our customers.

Companies like Zara and Red Bull listen to customer stories and then use them in their brand building – always monitoring the outcome. Norwich Union uses emotional feedback measures they have found to be important, such as "do you feel appreciated as an individual" and "do you genuinely feel that NU cared about meeting your needs" and use the result back in 'customer innovation' sessions with staff.

*Use story to listen more carefully.*

## 3. Measuring word of mouth is hard

'Word of mouth' is the new marketing communications, as people turn to trusted friends and intermediaries to share experiences and recommendations. Certainly ratings and recommendations from YouTube, Tripadvisor and mydeco (the new design 'community' from Martha Lane Fox) are becoming first ports of call in the buying process. However, if measuring the benefits of advertising and direct marketing was difficult, measuring word of mouth is doubly so: a big barrier to finding acceptability with the finance director!

So, here are some figures he may like:

- The London School of Economics has found that word of mouth advocacy is a statistically significant predictor of annual sales growth.
- Typically 15% of your customer base will be influencers in your product category.
- Forrester research has revealed that 77% of online shoppers seek out ratings and reviews when making a purchase.
- Edelman found that trust in 'a person like me' has tripled in only two years, from 20-68%.

*Measuring word of mouth is in its infancy, but here is a template. The two key things to measure are content (think tags and web harvesting by way of technical help) and 'who' (think research for influencer segmentation) then:*

- a) *Find and monitor your market influencers -*
  - ❖ *Social – highly influential at all levels*
  - ❖ *Category – influential in your product category*
  - ❖ *Brand – your brand advocates*
- b) *Measure the content in as a buzz unit, taking into account a weighted basket of -*
  - ❖ *Brand value reflection*
  - ❖ *Degree of positive vs negative (5-10 point scale)*
  - ❖ *Clarity*
  - ❖ *Impact of vehicle, eg email, blog*
  - ❖ *Timeliness*

#### **4. We have too much functional data – too little insight**

*“We are drowning in data, but actionable insight is like finding an oasis in a desert.”*  
Alan Mitchell

A company recently spent nearly £200,000 researching a new product pilot, and at the end of it had little understanding of customers' needs, attitudes and behaviours. Internal rumour started that it had not been a success because additional sales, over normal, could not be identified. When all the research and data were combined the product had been a huge success. It had retained a number of customers and engaged many more; indeed product take up had been fuelled by the word of mouth of satisfied customers.

The moral of this story for all organisations is to unify all research and analysis with a voice of the customer (VOC) programme. Within this there must be a clear VOC plan and process, key benchmark variables used in every study to tie the data together, an identified budget, a multi-skilled team, and internal evangelism on the benefits of customer advocacy. By standardising customer experience feedback in this way the personal customer satisfaction targets stand a chance of really changing the said customer experience.



*Use customer experience information to set employee targets and customer metrics, not vice versa.*

## **5. We don't look beyond the obvious and the superficial**

Recently a mobile phone company noticed that their salespeople were not engaging customers when they walked into their retail outlets. The initial reaction was that the 'salespeople' were lazy and needed to be set targets. But a totally different truth emerged from research. The systems and processes made it very difficult for salesperson to help the customer as much as they would like and they were ashamed of giving poor service. Far from being apathetic, the employees were keen to deliver a good experience, but their support let them down.

Root cause analysis, via research and piloting initiatives, goes a long way to overcoming the barrier of superficiality: just keep asking why.

In the same vein, too many companies ask customers what they want - eg do you want the phone answered in three or six rings? - and set metrics accordingly. Rather than establishing what the customer's objective is and setting measurement on if it was achieved.

*Dig down to root causes and set metric systems accordingly; measure benefits not service levels.*

### **The bottom line**

Measuring customer experience does not mean throwing new metrics into the pot along with the old. It needs a through re-evaluation of the whole feedback infrastructure flowing into a balanced scorecard metric system. For that to happen, the five barriers to customer experience management must be removed.