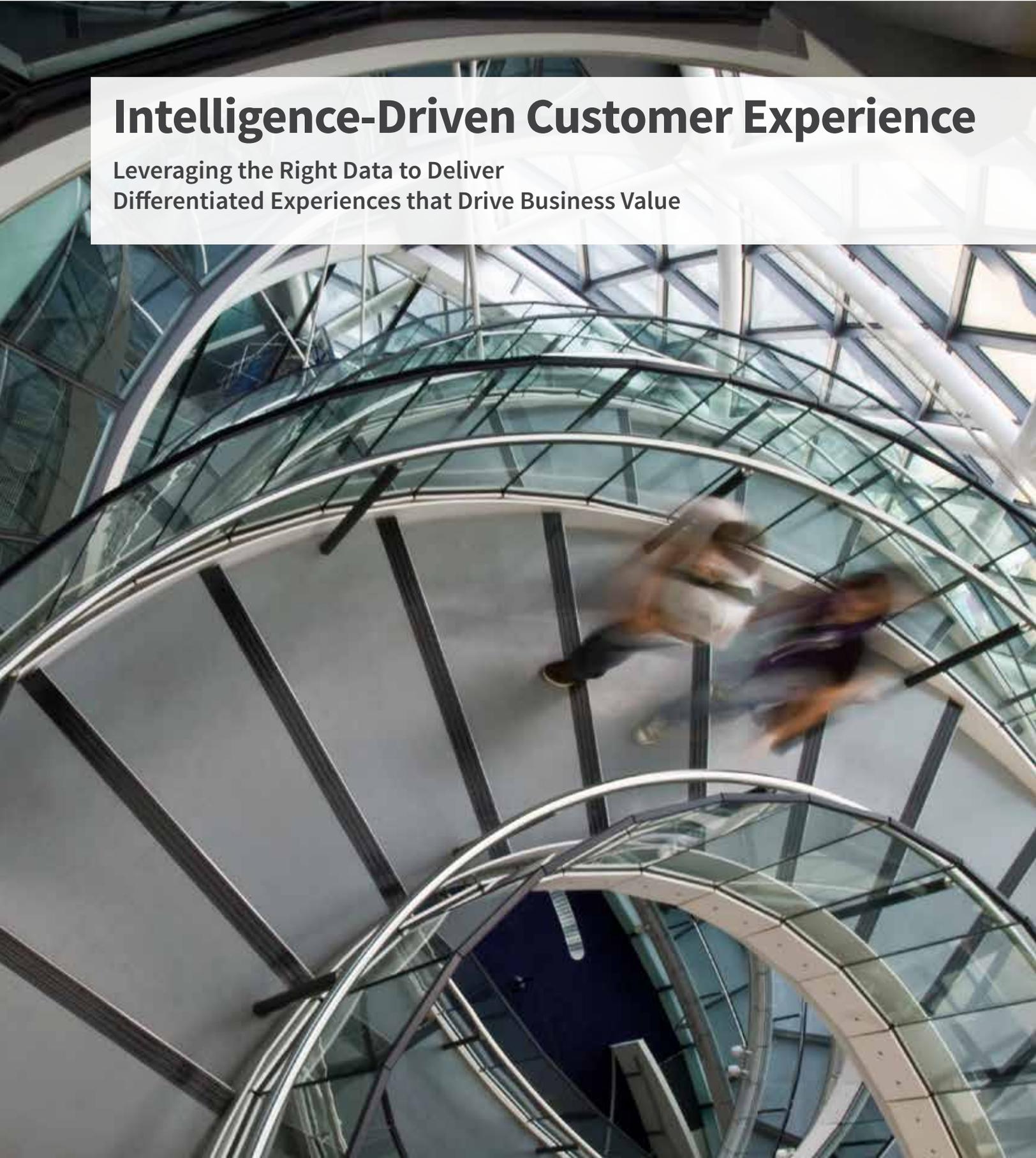


Intelligence-Driven Customer Experience

Leveraging the Right Data to Deliver
Differentiated Experiences that Drive Business Value



Executive Summary



Customer Experience (CX) is the new battleground for marketplace supremacy.

Companies everywhere recognize they must evolve from “CX lip service” to a focused, measured, and relentless CX business strategy – because revenue, retention, and lifetime customer value depend on it.

55% of online adults say that they are likely to abandon a transaction if they cannot find a quick answer to a question.

Increasingly, customers vote with their feet, abandoning brands that deliver poor CX and staying loyal to those that do.

Forrester Research has established a scale to measure CX and identified the revenue impact, across various industries, of improving a company’s CX delivery.

The potential is substantial - \$69 million across all industries for a 1-point gain in the Forrester CX Index Score.

Companies are budgeting a lot of money for CX, but unfortunately much of that spend is ineffective or wasted.

Companies often undertake CX programs based on recommendations, technology fads, and even educated hunches rather than well-understood data.

There is a better way. Simply put, **fact-based decisions are superior.**

This white paper introduces a framework for Intelligence-Driven CX (IDCX). It’s an approach that leverages a company’s CX data to gain insights, make the right CX investments, and empower the organization to excel in its customers’ eyes.

We’ve coined the term CX-IQ to describe the level of real insight a company has regarding its customers’ experience in interacting with its brand, and its ability to leverage that insight to distinguish itself as a CX leader.

By elevating your organization’s CX-IQ, you can build a reliable and repeatable process for discovering where the true CX issues lie, making targeted investments, and measuring ongoing success.

77%

... say that valuing their time is the most important thing a company can do to provide them with good service.

– Forrester Research



The CX Imperative

A fundamental transition from the Age of the Seller to the Age of the Customer has occurred.

Control has shifted. Companies are no longer the sole source of information about their products and services. Customers have more power than ever before. Today over 70% of buying information has been obtained *before* the point of first sales contact.

Interaction channels have diversified. Expectations are being set by advanced, personalized, and streamlined B2C experiences that are now commonplace. Customers can easily abandon a supplier who fails to measure up.

This new reality places huge pressure on large companies that, in the past, maintained large, captive customer bases almost regardless of customer experience quality. Vital demographic groups such as Millennials are open to procuring products and services from nontraditional suppliers – and they value self-service delivered by simple, quick, and mobile interaction channels.

\$**1.6**
Billion

...loyalty-based revenue benefit for wireless providers with above-average CX delivery.

– Forrester Research

Big money is at stake.

A recent Forrester study concluded:

“Our models show that the loyalty-based revenue benefit for a firm going from a below-average CXi¹ score for its industry to an above-average score ranged from a low of \$55 million for consumer Internet service providers to a high of \$1.6 billion for wireless providers.

“Firms with high Customer Experience Index (CXi) scores have more customers who purchase again, don’t switch to competitors, and recommend the company.”²

Companies materially improve CX delivery do three things very well:

- 1. Understand** customer behaviors, contexts, and the underlying drivers of CX as the company is delivering it today.
- 2. Develop** the right **CX strategy** and support it with sound **CX investments** that offer the biggest payback.
- 3. Optimize interaction channels** to deliver differentiated, holistic experiences that empower customers and maximize lifetime customer value.

The ability to turn CX data into CX intelligence – elevating organizational CX-IQ – is the key prerequisite to these goals.

1. CXi (Customer Experience Index) is a measurement of CX quality developed by Forrester Research.

2. Forrester Research, *The Business Impact of Customer Experience*, Schmidt-Subramanian, March 27, 2014.



The CX-IQ Challenge

Customers don't view your company like an insider. They interact with a brand, not a department. Winning companies deliver a seamless experience across all channels.

While they have the advantage of bigger budgets, large companies struggle with CX because they have decades-old organizational siloes, a plethora of disparate applications, and many potential touch points. Persistent CX problems include:

- “We don't know how one channel impacts another in overall customer experience.”
- “We can't identify critical situations in time to react to them.”
- “We don't know which CX investments really pay off.”

Behind these problems is a lack of reliable CX intelligence, which can only be derived from a rigorous and repeatable process that cultivates it.

CX intelligence begins with solid CX data. Unfortunately, legacy applications (and even newer systems) are not always instrumented for CX, which leads to these common issues:

- **Vanishing Data.** Data relevant to CX may not be captured at all, because operational systems don't need it. Or it languishes in a log file or data warehouse while its CX business value perishes.
- **Channel Enigmas.** Cross-channel data cannot be correlated. The impact of one channel upon another is unknown. Departments are siloed and information sharing is difficult.
- **Flying Blind.** It's easy to jump into a CX program that seems like a good idea, but without a reliable basis for the decision. CX investments become a gamble.

Data-centered problems are confirmed by Forrester Group research.

“Data is a stumbling block. As customer interactions with brands increase and diversify, [CX] pros need to integrate data effectively in order to provide the contextual and real-time insights their customers are growing to expect.”

“For sixty-five percent of respondents in our survey, managing data and ensuring quality from a variety of sources are their top analytics challenges.”

“To get over the data management hurdle and focus on quality of insights, [CX] pros must ... invest in the right customer-facing technologies and data governance and management processes.”³

It's time to bring intelligence-driven discipline to CX decision-making. Enterprises can overcome their CX challenges by implementing an IDCX strategy and supporting framework.

65%

... of companies cite data management and quality across channels as their top analytics challenges.

– Forrester Research

3. Forrester Research, *The State Of Customer Analytics: Majority Of Firms Lack Sophistication*, McNellis, Dec 5, 2014.

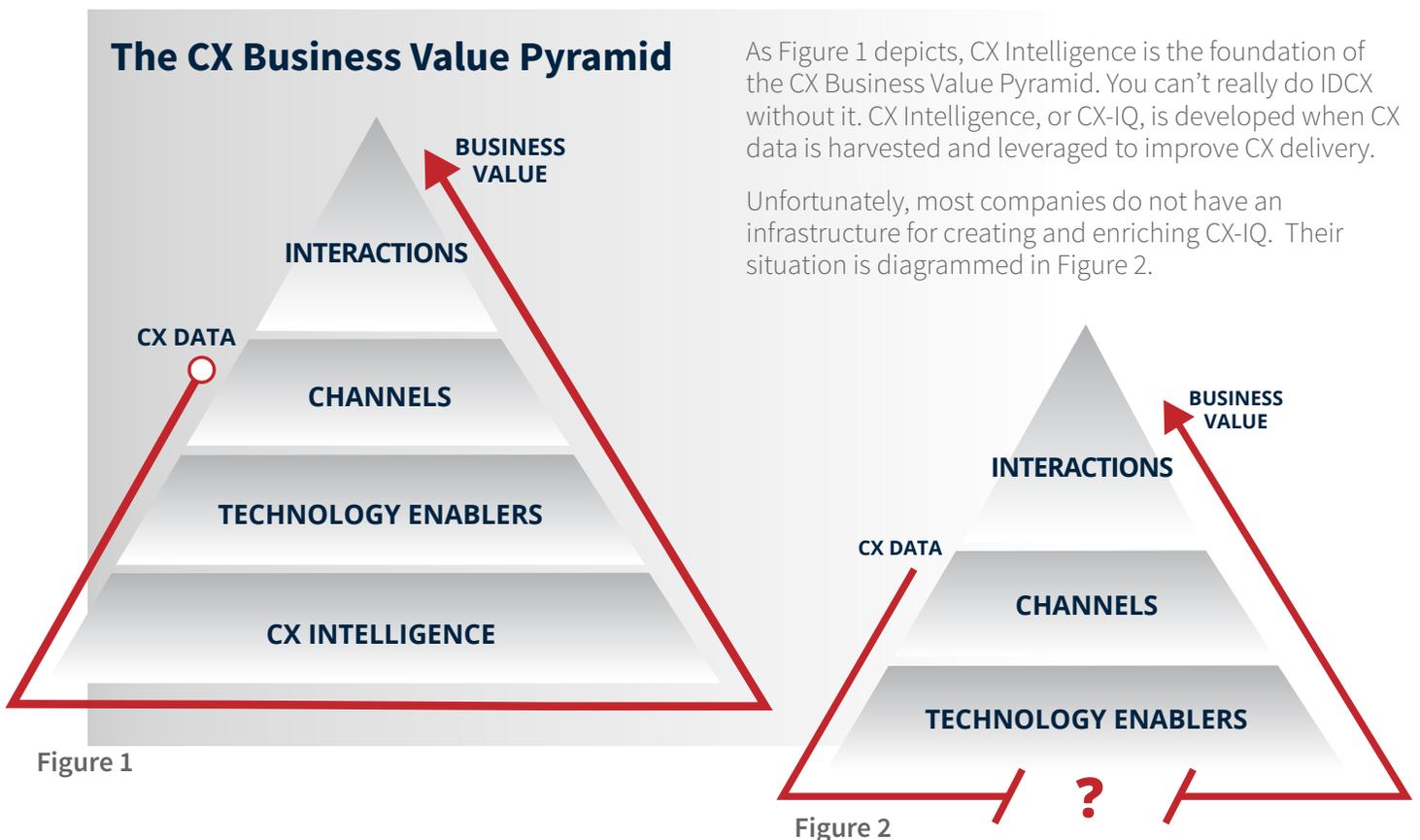
The Neglected Foundation

Although companies profess that CX is important, many do not follow through with concrete commitments to it. CX initiatives often lack a unifying management infrastructure. While a targeted departmental project can be a great place to start, the company needs a broad CX vision to guide the evolution of its CX delivery prowess.

Figure 1 shows the CX Business Value Pyramid. At the apex we have “Business Value,” which includes new customer acquisition, high customer loyalty, and maximized lifetime revenue.

These business outcomes are driven by customer interactions, which are increasingly carried out across diverse channels and multiple touchpoints. Customers may receive a bill or an email offer, then go online to research and transact, and end up contacting a call center to complete a task.

Seamlessly optimizing CX across these dimensions is no easy task. Companies need to invest in supporting technologies and services to help them understand behaviors and implement experiences that resonate positively with customers.





A problem with one-off CX projects is the lack of a continuous data management strategy that lasts beyond the project at hand. Data is gathered but discarded when the project concludes. The opportunity to glean additional business value from it perishes.

CX improvements can only go so far without a strategy for developing CX-IQ. Obvious steps are taken to improve customer interactions in a specific channel, but larger opportunities for CX innovation are missed.

Cross-channel influences cannot be seen, unless the specific project has an interdepartmental scope. Behavior patterns that lead to high-value outcomes (both positive and negative) cannot be fully explored. CX improvements are often undertaken without the solid factual basis to know that the right approach is being taken to solve the right problems.

Organizations with a high CX-IQ have a greater capacity to take their CX programs to a world-class level.

To elevate your company's CX-IQ, you need an infrastructure for managing widely diverse CX data and leveraging it for the critical business asset that it is.

The Intelligence-Driven CX Framework

IDCX enables companies to make wise CX investment decisions. They discover the real drivers of CX outcomes, continuously improve CX delivery, and reap business benefits.

Figure 3 presents a detailed framework for IDCX. At the foundation is the CX-IQ Foundation. This is the all-important must-have, providing insights from data that companies already have but which hasn't previously been organized to produce CX value.

The CX-IQ Foundation facilitates a repeatable program of harvesting CX intelligence and using it to make the right investments to enhance CX delivery and hence marketplace competitiveness.

The IDCX framework integrates data from different sources – both internal to and external from the company – utilizing a variety of data capture techniques. This data is marshaled into a CX Intelligence Nexus, which then feeds an insight development process. Numerous analytical approaches pinpoint behaviors and root causes that drive specific outcomes.

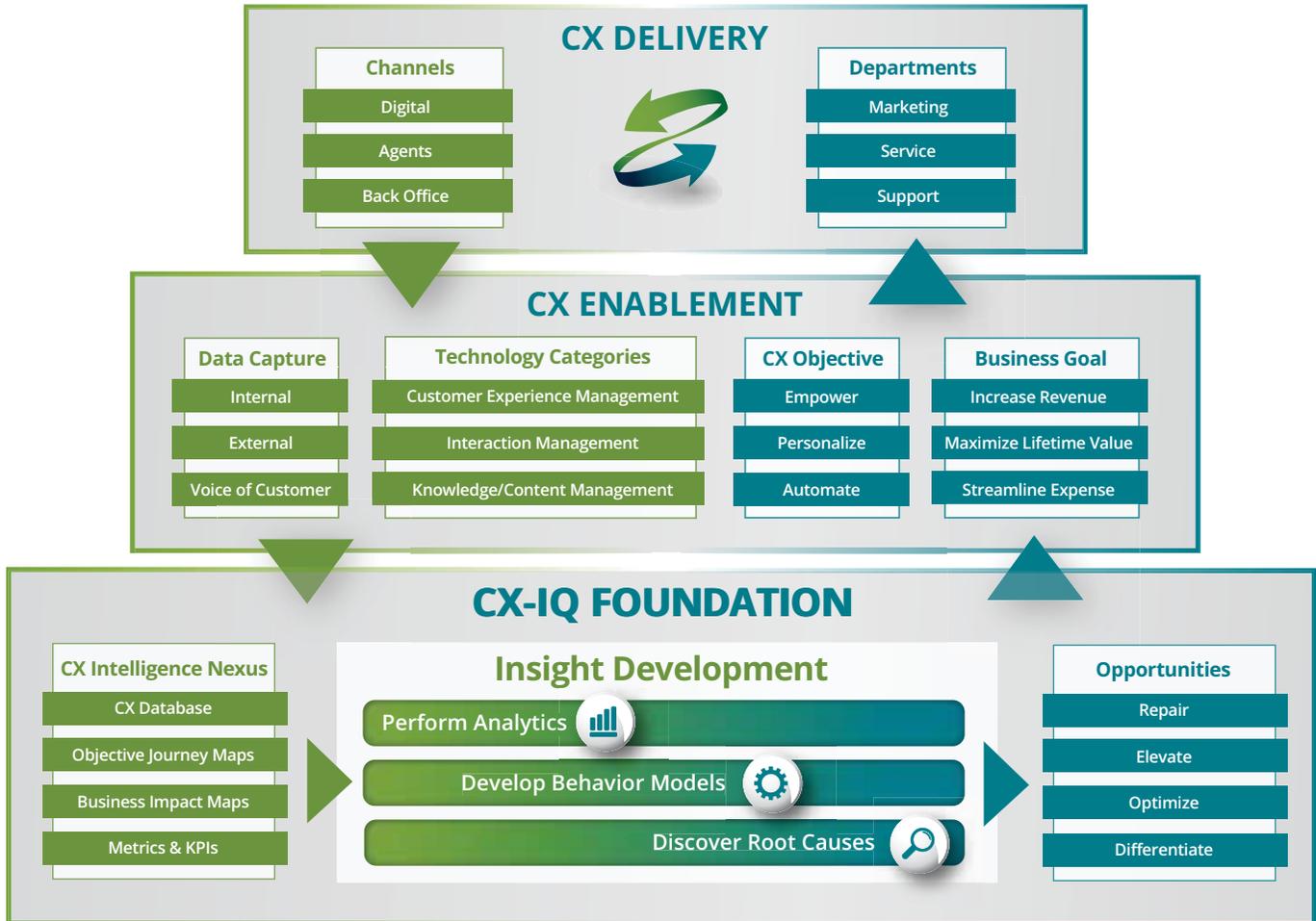
CX-IQ Insights reveal opportunities. Armed with the right data, companies can:

- **Repair** gaps that frustrate customers and prevent revenue, retention, and service goals from being met.
- **Elevate CX** capabilities to deliver the right experiences the first time.
- **Optimize** channels by becoming systematic in harvesting CX data and using it to continuously improve CX delivery.
- **Differentiate** the brand by delivering innovative experiences that satisfy modern customer needs.



The Intelligence-Driven CX Framework

Figure 3



The IDCX Framework enables companies to identify CX programs and prioritize them by their expected impact to the business. “Hit or miss” CX investments become a thing of the past because the data is there to inform management decisions.

CX projects should have two goals: one for the business and one for the customer. The company will seek to increase revenue, maximize lifetime value, streamline expenses, or some combination of all three. Empowering customers, personalizing their experiences, and/or automating CX delivery enables the company to achieve the desired business goal.

With these objectives in place, the company can assess its technology infrastructure to identify what can be leveraged and where investments need to be made.

To
Succeed

...firms must treat
customer experience as a
business discipline.

– Forrester Research

Figure 3 depicts several very broad categories of CX technology enablers:

- **Customer Experience Management** includes diverse technologies such as Business Process Management, Customer Communications Management, CRM, Marketing Automation, and Web Content Management.
- **Interaction Management** incorporates tools targeted to specific modes or interaction use cases. Included are IVR systems, Agent Productivity, Context Detection, and Personalization Enablers.
- **Knowledge and Content Management** systems can be shared across interaction channels to enable customer self-service and agent responsiveness. They can work in conjunction with advanced search tools to present the right information, in the right context, at the right time.

Companies that implement an IDCX framework get better and better at CX because they continuously accumulate CX data, measure the impact of CX programs, and tune CX delivery.

They have taken key foundational steps to develop CX into a business discipline that is both repeatable and fact-based.

IDCX gives you the foundation you need to build a reliable and repeatable process for discovering where your true CX issues lie, make targeted investments, and measure the ongoing success of your business.

Contact NCS Technologies to learn more.

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About NCS

NCS Technologies helps large companies maximize the business value they realize from customer interactions.

We optimize direct and indirect touch points across digital, human, and back office channels. We pioneered Intelligence-Driven Customer Experience, which delivers faster, better, and more long-lasting improvements that extend customer lifetime value.



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