

Whitepaper

Which Metrics Matter? The Secrets of Successful Customer Experience Measurement



Executive Summary

New customer experience metrics are constantly being developed to shed light on the mind of the consumer. This array of acronyms can be overwhelming. What are the main metrics for CX measurement, and how do you decide which is best for your business?

Net Promoter Score

“How likely are you to recommend our business to others?”

75%
of organizations are
looking to **abandon**
NPS.¹

Customer Effort Score

“How easy was it for you to find the answer to your question?”

10-30%
of customers **respond to**
NPS surveys.⁴

Value Enhancement Score

“How successfully were you able to use a product or service, and how confident are you with your purchase?”

81%
who report ‘high effort’
will **speak negativley**
about your business.⁸

The Metrics that Matter

Humans are information engines.

With every interaction, the customer radiates information - if you know how to look. Each conversation offers potential feedback that could transform your Customer Experience (CX), and the question of how best to tap that resource remains open. New customer experience metrics are constantly being developed to shed light on the mind of the consumer. What are the main metrics for CX measurement, and how do you decide which is best for your business?

Firstly, note the distinction between 'direct' and 'indirect' metrics. Direct metrics involve asking the customer a question, usually through a survey. Net Promoter Score, Customer Effort Score, and Value Enhancement Score are all examples of direct metrics. Indirect metrics draw on data collected from each contact automatically, without the need for a survey.

Sentiment analysis and Average Handling Time are both indirect metrics. This whitepaper will review the most well-known CX metrics, both direct and indirect, in order to draw out actionable insights to help you delight your customers, every time.

Picking the right metrics is never easy. The consensus on which metrics work best is constantly evolving. Recently, the death knell has sounded for the popular metric, Net Promoter Score (NPS), with many organizations looking to drop the metric.¹ The tide is turning in favor of metrics that offer actionable insight, yet all direct metrics have inherent limitations. Customers are disproportionately more likely to report bad experiences: 25% of customers are likely to speak about a positive customer service experience, whereas 65% are likely to speak about a negative one.²

Achieving great CX is hard when you don't know

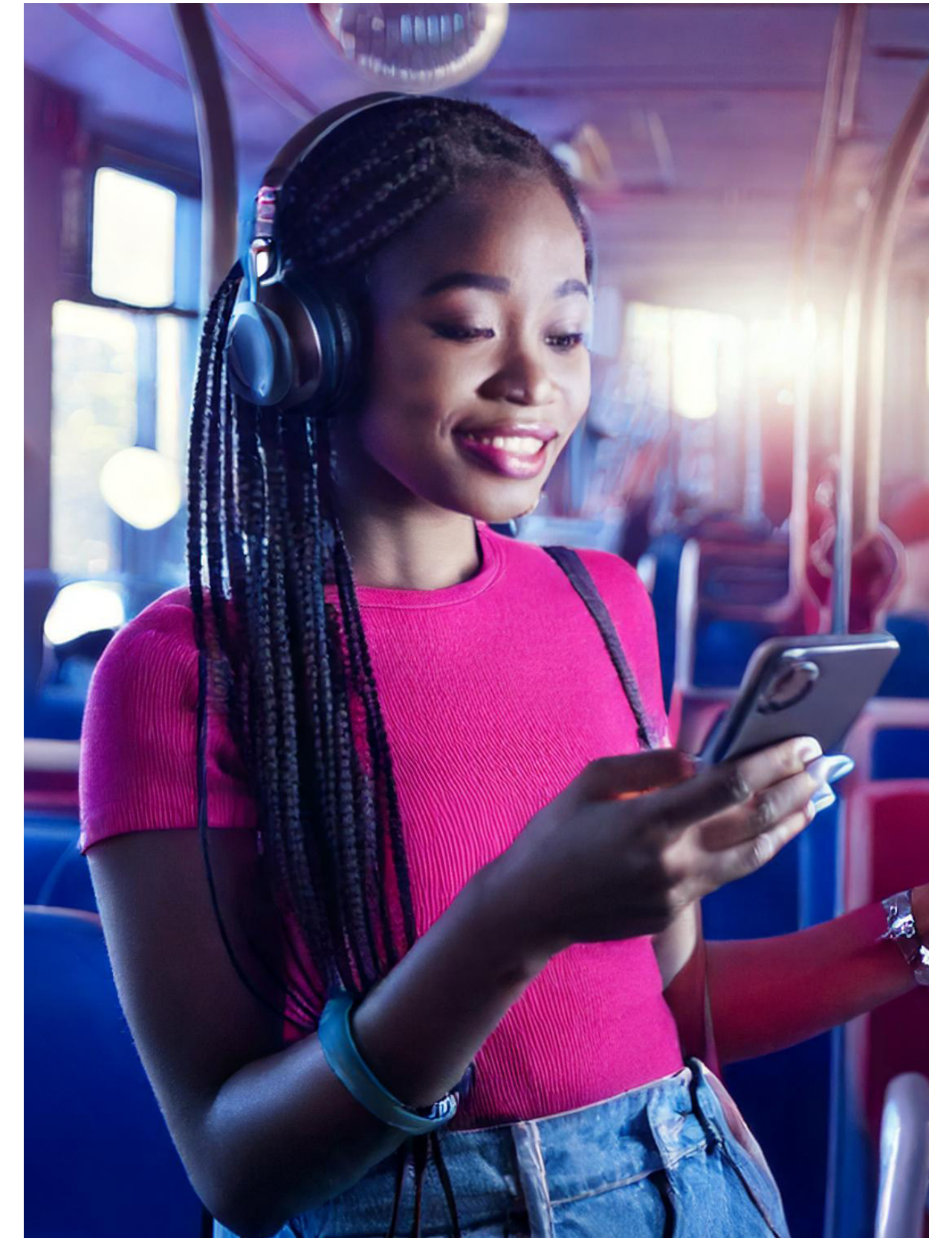
what your customers want. 89% of customer service leaders prioritize exceeding expectations, but only 11% of customers report that their expectations were actually exceeded.³ Clearly, getting CX measurement right is harder than it looks.

Understanding Net Promoter Score

NPS asks one question: “How likely are you to recommend our business to others?” In the answer, key pieces of information are revealed; the customer’s opinion on your business, and by extension their experiences with your customer service. If you’re looking for a broad overview of your CX, this metric is exceptionally useful, because of the insight it affords into your customer base. NPS divides your customers into ‘promoters’ and ‘detractors’, allowing for targeted outreach to those sections.

A broad question like NPS has the advantage of prompting a more general reflection. Customers are less likely to answer based only on their most recent experience. As a long-term metric, then, NPS offers a brief, easily dissected overview of customer attitudes. In the short term, however, it tells you very little about how to improve. More detailed feedback requires follow-up questioning of a different sort.

NPS fails to provide specific CX insights, leading to a move by CX leaders away from the metric. That does not mean that NPS is useless, however. When you need a snapshot overview of your CX (for a presentation, for example), no other metric offers the same level of breadth. NPS surveys are also popular with customers. Where the average survey has a response rate of around 3%, NPS surveys usually receive response rates anywhere from 10-30%.⁴



Customer Effort Score (CES)

For actionable CX insights, you need a metric that focuses on the customer journey. Customer Effort Score (CES) measures the ease with which customers interact with your business, by asking about the effort expended to reach a solution. The lower the customer effort, the more effective your CX.

CES is the most reliable metric for predicting customer defections. 81% of customers who report 'high effort' will speak negatively about a business to others.⁵ Today, however, effortless customer experiences are the bare minimum. Only 61% of customers who report 'low effort' are likely to stay with your business, meaning that nearly 40% will defect even when your CX is effective.⁶ In a similar way to NPS, this metric also fails to provide in-depth feedback on the customer journey. You can tell when your CX is lacking, but not the reasons behind it.

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The Future of Direct Metrics: Value Enhancement Score

NPS and CES measure customer satisfaction, but satisfaction alone doesn't predict loyalty. VES, aims to square this circle by measuring both customer success and confidence. VES asks two questions: How successfully the customer was able to use your product or service, and how confident the customer is with their purchase.⁷ These questions effectively predict customer satisfaction and loyalty, measuring these metrics on a scale from one to five. The average VES is 3.96, neither eroding nor increasing value to the customer. As this number climbs towards 5, however, retention rates rise from 67% to 77%.⁸

VES is still a direct metric, however. Moving from a single-question metric such as NPS, to a two-question metric like VES, can reduce response rates by 30-50%.⁹ You are still reliant on the customer to respond truthfully, based on accurate recollections of your interactions. You still don't have the precise

insight into your customer journeys that you need to take your CX to the next level. These problems seem pervasive; how do you overcome them?

In the end, direct metrics are fallible. The customer's memory is often inaccurate, and recollections of their experience can be undermined by a single incident. When customers are time-poor, their responses are based on immediate emotional reactions rather than conscious consideration. Any attempt to ask more questions, and gain a better picture of the customer, is often punished by plummeting response rates.

For truly accurate customer experience measurement, you need to cut out human error. With powerful recording and transcription technologies, backed by intelligent automation, this has never been easier. This is 'indirect' measurement - forms of measurement that can be conducted passively, without directly consulting the customer.

You need a solution that can record and transcribe every contact. That can subject contacts to AI-powered Natural Language Processing and sentiment analysis to break down each interaction at the micro-level. When there's friction in your customer journey, you should be able to pinpoint it down to the word. The CX metrics of the future are sentiment, advocacy, and probing.¹⁰

Sentiment, Advocacy, and Probing

Sentiment is how the customer reacts to your agent; the language they use, their tone of voice, and more. Advocacy measures positive language from the agent. If the agent takes ownership of the customer's problem and works to proactively resolve it, advocacy will rise. Probing refers to the questions asked by the agent to clarify a customer's concerns. If those concerns are evidence of a deeper problem, your agents should be asking the leading questions that uncover those issues, to resolve more inquiries after only one call.

But indirect metrics, though precise, can never truly replace direct customer contact. Not only can a direct survey draw out insights not obvious in automatic processing, but it serves to build a relationship with the customer, deepening their investment in your business. Both direct and indirect CX metrics have pros and cons. You need a solution that offers the best of both worlds.

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Comprehensive CX Insights

Every CX metric offers a unique insight into the world of the customer. Effective customer experience measurement is about moving flexibly between metrics, depending on your needs. **storm**® VIEW™ brings all these metrics and more into a single pane of glass, allowing you to monitor your CX in real-time. Select from over 40 pre-made metrics, or create your own with an intuitive, drag-and-drop interface. Integrate with **storm** ASK™ to survey customers over any channel of engagement. Whether you use NPS, CES, or VES, your results can instantly be included in custom

reports. **storm** TRANSCRIPTION™, RECORDER™, and ANALYTICS™ combine this data to offer a complete picture of the customer journey. The most important quality for your CX is your data flexibility. The most powerful CX insights are also the most comprehensive. The metrics we use to measure customer experience are constantly evolving. With **storm**, you can evolve with them.



Ready to take the next step?

Get in touch, and take your first step into an AI-powered future. Provide us a few details, and a member of our team will be in touch within 24 hours.

Get in Touch

Endnotes

¹Simplr.ai

²HBR.org

³Ibid

⁴Retently

⁵Hubspot.com

⁶Simplr.ai

⁷ Ibid

⁸Ibid

⁹Hubspot.com

¹⁰Tethr



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