

REWIRING YOUR CX DNA

The foundations of
a winning customer
strategy

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GAME CHANGERS



“Failing to plan is planning to fail”

as Benjamin Franklin is supposed to have said. And today, this couldn't be more true. Customer desires and expectations are constantly changing. If you don't have a plan to deal with change, you are planning to fail on meeting those expectations.

Building a successful customer strategy is much like building your dream home, whether you're starting from scratch or renovating a 'fixer-upper'. While initially, you might not have the budget or know-how to construct your ultimate home, or do a full 'rip and replace' remodel, you can begin by knocking down walls or even by simply replacing outdated carpet as a step towards your dream home; incremental progress can get you real results. But ultimately to deliver on the dream, a vision is required, as is the plan to get there, along with an understanding of the steps that really matter and, of course, a budget.

Just like creating a new home, building a customer strategy is a multi-faceted, multi-phased, and often hugely complex undertaking. But ultimately, if done well, it will deliver a return on your investment; a Return on your CX Investment (ROCXI).¹

Consider this paper a guide to creating the ideal customer strategy, whether it's a renovation, remodel, or a completely new build.



We asked over **1,000 Customer Experience (CX) leaders** across the globe about their **key priorities**. Results show that the top three priorities for CX leaders over the next 12 months will be:

1. **Develop or refine the CX strategic roadmap**
2. **Closing the brand promise and CX delivery gap**
3. **Delivery of personalised customer experiences**

Source: Ipsos' CX Global Voices study.²

Remember, there is no one-size-fits-all approach or model to developing a strategy. Every business has its own DNA and unique challenges and hurdles to overcome. However, these should not be viewed as deterrents, but as an invitation to rethink and ultimately shape and deliver on your organisation's promise to your customers, employees - indeed to all stakeholders.

From first steps to long-term goals, the following six principles are the foundations of a successful customer strategy.

1. SET YOURSELF UP FOR CX SUCCESS

EXECUTIVE COMMITMENT

In an ideal world, customer-centric culture and business practices begin at the top, with the CEO driving the focus. Indeed, if the CEO is not leading the CX conversation, then a company will struggle to become a true CX leader and reap the related benefits. But in the real world, that kind of commitment is rare, especially when revenues dip, competition surges and

shareholders groan. While challenging, it is the explicit role of CX professionals to build a compelling business case that aligns with and supports executive and organisational goals. Only when the C-suite see the undeniable connection between CX success and bottom-line results, will investment and essential support follow.

DEDICATED CX LEADERSHIP

Dedicated CX leadership is needed to build an organisation's Experience Management (XM) muscle and to sustain it. A defined CX leader role and dedicated team endorsed by the C-suite is essential. Having such a team charged with defining the CX vision and strategy, collaborating with the broader organisation to

create alignment, and then holding stakeholders accountable, is a key driver of CX success. It's imperative that CX isn't just another part of someone's job, but their entire job. With this focused view, it's easier to identify and act on areas of opportunity, reduce costs and friction points, and improve customer journeys.



CROSS-FUNCTIONAL GOVERNANCE

Only 34% of CX professionals can point to a formal CX governance structure, where a CX Governance Board has the authority to allocate resources to CX activity.²

Developing a CX strategic roadmap is an absolute necessity to ensure the whole organisation has a clear and common understanding of the priorities, milestones and objectives. However, this needs to be supported and managed through a CX governance structure which runs across the organisation – and only 34% of CX professionals can point to such a formal CX governance structure, where a CX Governance Board has the authority to allocate resources to CX activity.²

CX initiatives fail to deliver when companies operate in silos, whether those are departmental silos, data silos, listening silos, insights and decision-making silos. When various

departments own different touchpoints and operate disparate listening programmes in each channel, it's a recipe for failure and organisational tension. Cross-functional governance teams, with representatives from each area of the business, help break down silos and bring everyone's diverse perspectives and problem-solving skills to the table. The chosen representatives should be proven CX champions, with the ability to influence. They should have an understanding of the company's vision, as well as the operational and political landscape. Building solid internal relationships with those who have influence throughout their respective departments promotes goodwill, the sharing of ideas, and ensures the company's vision is embedded across teams. A recurring cadence of meetings and communications to discuss initiatives and how each department plays a critical role in Customer Experience encourages buy-in and company-wide accountability.

2. UNDERSTAND WHERE YOU ARE

CX MATURITY ASSESSMENT

Just 12% of CX professionals consider their organisation to be 'leading', based on the Ipsos CX Maturity framework.²

As for any organisation on any form of transformational journey, a thorough assessment of the current state is required. In order to think systematically about current and future capabilities around CX, it helps to understand what a great CX culture looks like. In Ipsos' CX Maturity Assessment, there are seven core

competencies which underpin leading CX cultures, against which an organisation should evaluate themselves. This framework provides a common organisational language and is the starting point on the map to guide your company towards CX transformation. For example, a foundational organisation's CX is delivered in silos meaning the delivery of experiences is randomised and inconsistent. Whereas a leading organisation's CX delivery permeates all areas of the business, meaning the experiences delivered are differentiated in their marketplace and beyond.

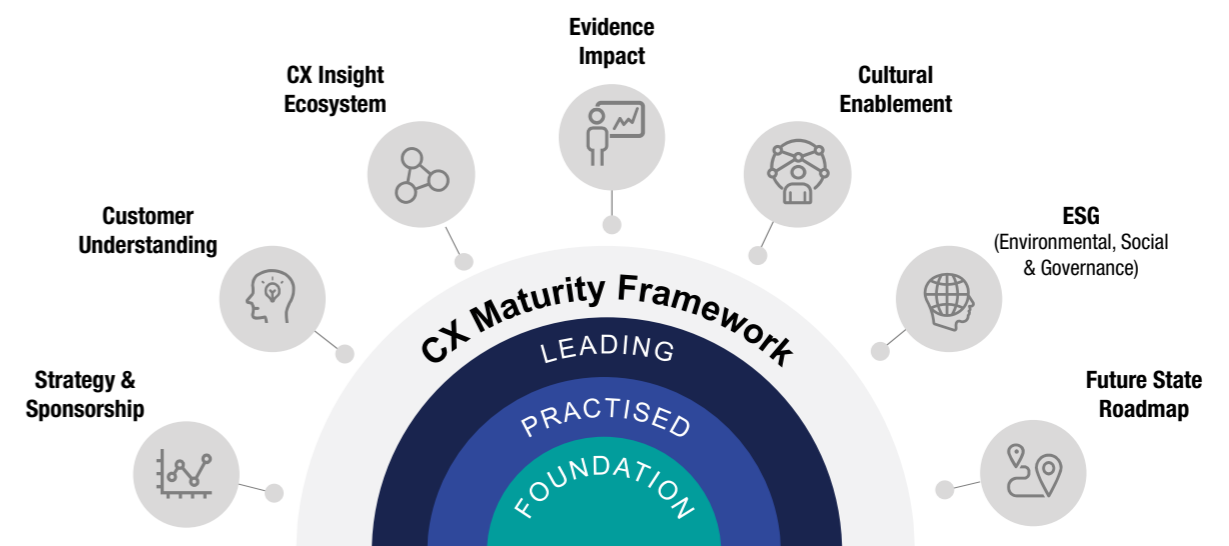
CASE STUDY: OPERATING MODEL DESIGN



Our client is responsible for the delivery and coordination of early childhood, primary school, secondary school, vocational education, adult, migrant and higher education. They wanted to bring the voice of schools to the heart of what they do and establish an operating model and governance structure to future-proof the way they operate and continuously improve services, develop policy and evaluate projects.

The project started with on-site immersion, collaborating with key stakeholders to understand where the opportunities lay among Process, People, Performance Insights and Data, Technology, Service Delivery and Governance. This was followed by workshops to establish a realistic and achievable delivery roadmap to future operating model success, which included developing service blueprints and cross functional governance to bring to life and operationalise the new model. We are measuring impact through the 'Voice of Schools' Experience programme on an ongoing basis.

Figure 1 CX Maturity Framework



Source: Ipsos

UNDERSTANDING OF CUSTOMER JOURNEYS

A fundamental challenge for some organisations is that the most important customer interactions fail to leave positive lasting impressions. While some interactions will certainly carry greater meaning for the customer, the basic premise of seeing each interaction as an opportunity to reinforce a customer's relationship shouldn't be taken for granted.

Mapping your customers' journeys, including their functional and emotional needs, will help you understand how customers want to interact with your company, and what the ideal experience should be along their journeys.

Brands need to understand the moments where they have the potential to create powerful positive memories. To do this, they need to:

- Have a deep understanding of the entire experience a customer has before, during and after interacting with the brand.
- Identify those moments in the customer journey that have the potential to be most memorable.
- Understand the CX Forces³ that drive emotional attachment and relationship strength.
- Ensure that Customer Experience is closely aligned to brand strategy, to really deliver on the brand promise during the moments that matter most to customers.

Figure 2 Discovering via the CX Journey lens



Note: The Forces of CX is Ipsos' human-centric framework that helps organisations drive stronger relationships through a better understanding of customers' functional and relational needs.

Source: Ipsos

3. DETERMINE WHERE YOU WANT TO BE

COMPELLING CX VISION

A CX vision shouldn't just be wordplay, it should be unique to your organisation and align with, and support, your brand's overall vision, promise, and guiding values. A CX vision should be a compelling description of the ideal future state that everyone is working towards, and one that engages and excites both customers and team members.

Having articulated this ideal future state, CX and business leaders can then formulate a strategy to achieve it, along with a coordinated set of tactics and action plans.

INTERNAL AND EXTERNAL COMMUNICATION

A customer vision and strategy is only as good as the effectiveness with which it's communicated throughout the organisation, and to the world at large. Craft your vision and strategy, share it internally, then shout loudly about it externally. A communication plan is a vital part of the change management plan.

the facts and emotions will create a lasting impression with all of your desired audiences.

- **Internal:** Ongoing and proactive communication regarding expectations and challenges is imperative. It is essential that each and everyone knows the role they play and the behaviours required from them to deliver on CX expectations. It's simply not enough to state your vision and then let it fade. There must be continuous follow up, and clear, consistent communication to all employees. Leveraging customer and employee stories that include both
- **External:** Publicly state and provide continual relevant updates to investors, media, and other external stakeholders regarding CX efforts and their impact on the business. As appropriate, communicate your intentions and progress to your customers where it matters, whether that be through in-store signage, personalised digital messages, social media, your website, news, or articles. This not only brings you credit where it's due and ensures future accountability, but helps attract customers and employees to your business.

CLEAR AND AGILE CX ROADMAP

A CX roadmap is the translation of the company's CX strategy to identify the best way forward (technology, people, process, knowledge, and capabilities) over the next 6, 12 and 24 months, to ensure that customer centricity becomes a reality, not just an aspiration.

The CX roadmap must:

- Align with the corporate business mission and objectives.
- Clearly outline the path to follow to achieve your desired CX goals, with associated milestones and Key Performance Indicators (KPIs).

- Prioritise Customer Experience initiatives and investment to deliver a tangible Return on CX Investment (ROCXI).

Where do you start? The CX roadmap should be built on the back of the CX maturity assessment; knowing where to start comes from the diagnosis and understanding of where you stack up against the different maturity competencies. You can then prioritise which area needs improvement and identify the actions that will collectively navigate the business towards improving the experiences you deliver. Your CX governance will be critical to driving your roadmap and holding individuals and teams accountable.

ROADMAP OVERVIEW



CASE STUDY: CX STRATEGY DEVELOPMENT & ROADMAP



Our client, an energy provider, was going through a re-brand. They

understood that in order to navigate a disruptive economic environment, they needed to establish a future-focused CX strategy and roadmap, ensuring that the new brand promise and its Customer Experience delivery were aligned.

The project had several phases including:

- **Interviewing C-suite stakeholders** to understand key critical influence factors, the current and future strategy and operational delivery of CX, as well as the blockers and drivers for success.

- **Assessing the organisation's CX maturity** by asking all staff to provide their views on CX perceptions and to assess the seven core competencies of CX management. We could then diagnose opportunities and gaps to close.

- **Interviewing customers** to dive into the overall relationship with the brand, expectations, desires and painpoints.

The insights were presented and workshopped with leaders from around the business to co-design a CX vision, associated behaviours, a strategy blueprint and roadmap, along with change, communication and resource plans to successfully deliver to the business and for their customers.

4. CONTINUOUSLY MONITOR AND IMPROVE

While listening alone is not enough, no Experience Management programme can be successful without a powerful Voice of the Customer listening programme which drives action at its heart. Both how and where you listen should be intentional and meaningful. When listening posts feel more like a conversation than an interrogation, you're presented with infinitely more authentic, comprehensive and valuable data.

Plus, the insights garnered from all research vehicles – e.g. Brand Tracking, Voice of Employee programmes, customer intelligence garnered from companies' employees – become exponentially more valuable when paired with contextual data, both indirect and inferred. By bringing these important insights from tracking into the heart of your governance process and decision making, you'll have confidence in your next best actions and be able to allocate resource to drive your strategy forward. That is the power of a succinct listening strategy.

HOLISTIC LISTENING THAT DRIVES ACTION

Most organisations only give customers the option to provide feedback through one channel, email or web survey. When thinking about your listening strategy, consider all of the avenues your customers use to interact with you and give them the option to leave feedback through mobile, video, apps and social channels (e.g., Facebook, WhatsApp, Twitter, Google).

Where you listen matters, as it can ensure your business has a more complete view into how customers experience your brand. Are you only collecting feedback from the in-store experience when customers prefer to shop your brand online? Are you missing a key opportunity to collect non-purchaser feedback? Focusing on the touchpoints that matter most to the customer, and most significantly impact your business, will deliver insights that will allow your teams to deliver a more seamless and impactful experience to your customers.

And when are you listening? As well as having the appropriate touchpoint listening posts in place along customer journeys – so called CX transactional research – you need CX relationship research to understand the end-to-end relationship with your customers; how you stack up, including against the competition, and to get a hold on what really matters.

THE RIGHT TECHNOLOGY

SaaS platforms are table stakes in Voice of Customer and Employee programmes. The market is overwhelmed with demos and slick 'talk tracks'.

On the surface, technologies can appear to do the same thing (signal capture, text analytics, closed loop, etc.). Fundamentally, selecting the technology that's right for you comes down to the maturity of your organisation and where you are at in your own CX journey.

So how do you inspect 'under the hood' and ensure the platform you select stands up to scrutiny? There are three main considerations:

1. **Functionality: what do you need today vs. what's on the roadmap?** Make sure the tech has sufficient bandwidth for this to be a future-proofed solution, at least for the next three to five years.

2. **Commerciality: based on scope, what is your year one investment and total contract liability?** Platform providers have unique ways of pricing, so make sure you build in features you intend to adopt in the short term, so there are no additional licencing surprises.
3. **Brand fit: how do the vendor's purpose, culture, vision and values align with your organisation?** Think about how this solution will integrate with existing technologies and how it will be adopted by key users.

CX SERVICE DESIGN TO CONTINUOUSLY IMPROVE

These days, organisations are rich with data and insights that scream opportunity. Yet, having identified the problem, brands struggle to get to the root cause of the problem and make meaningful changes to the experience. Using Ipsos' CX Service Design principles as a way to activate and improve is a reliable and scalable way to move beyond measurement to creating and delivering winning experiences.

For case studies, guidance and frameworks for putting Service Design principles into practice, read '[CX Service Design: Designing experiences that create emotional attachment and drive brand growth](#)'.

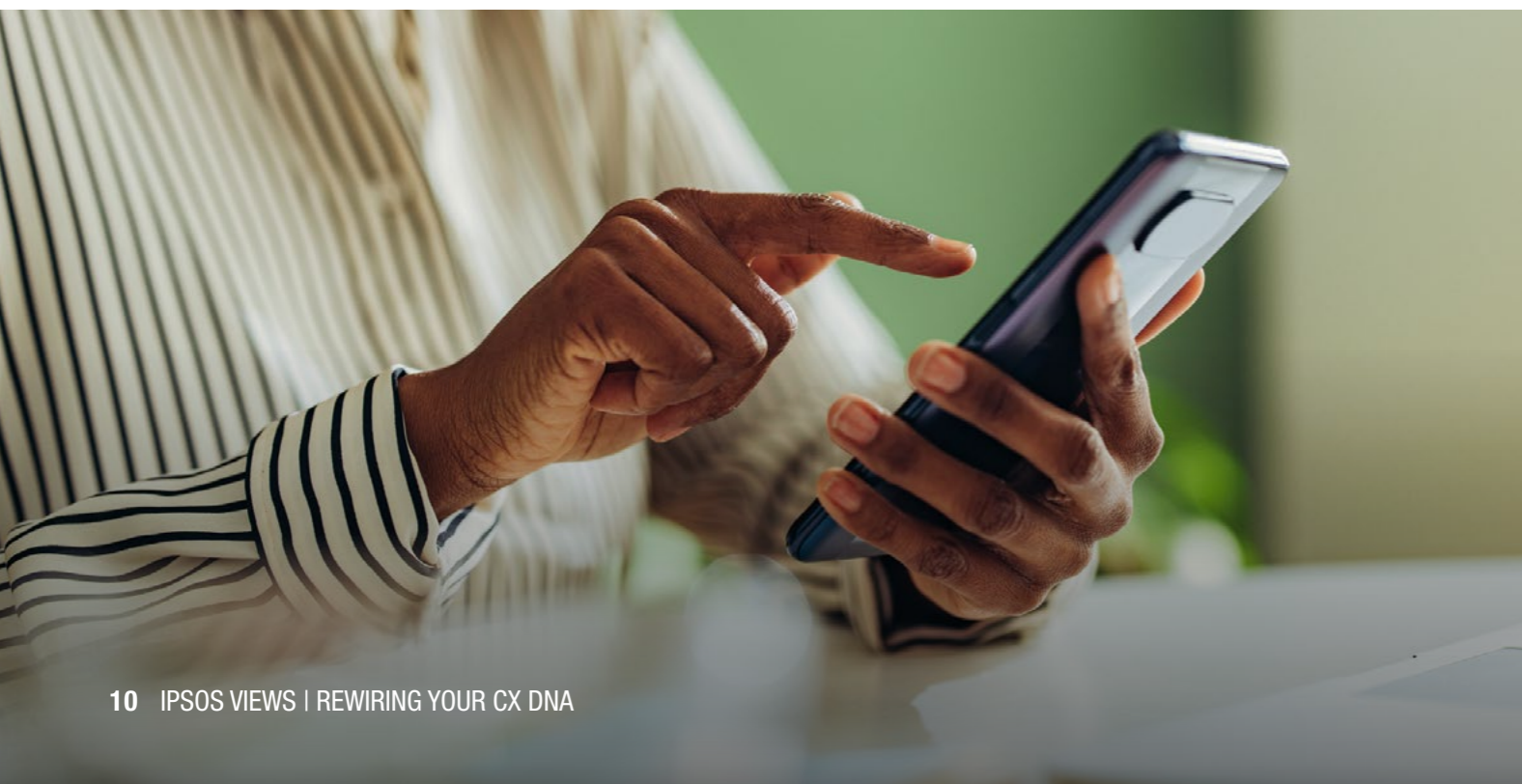
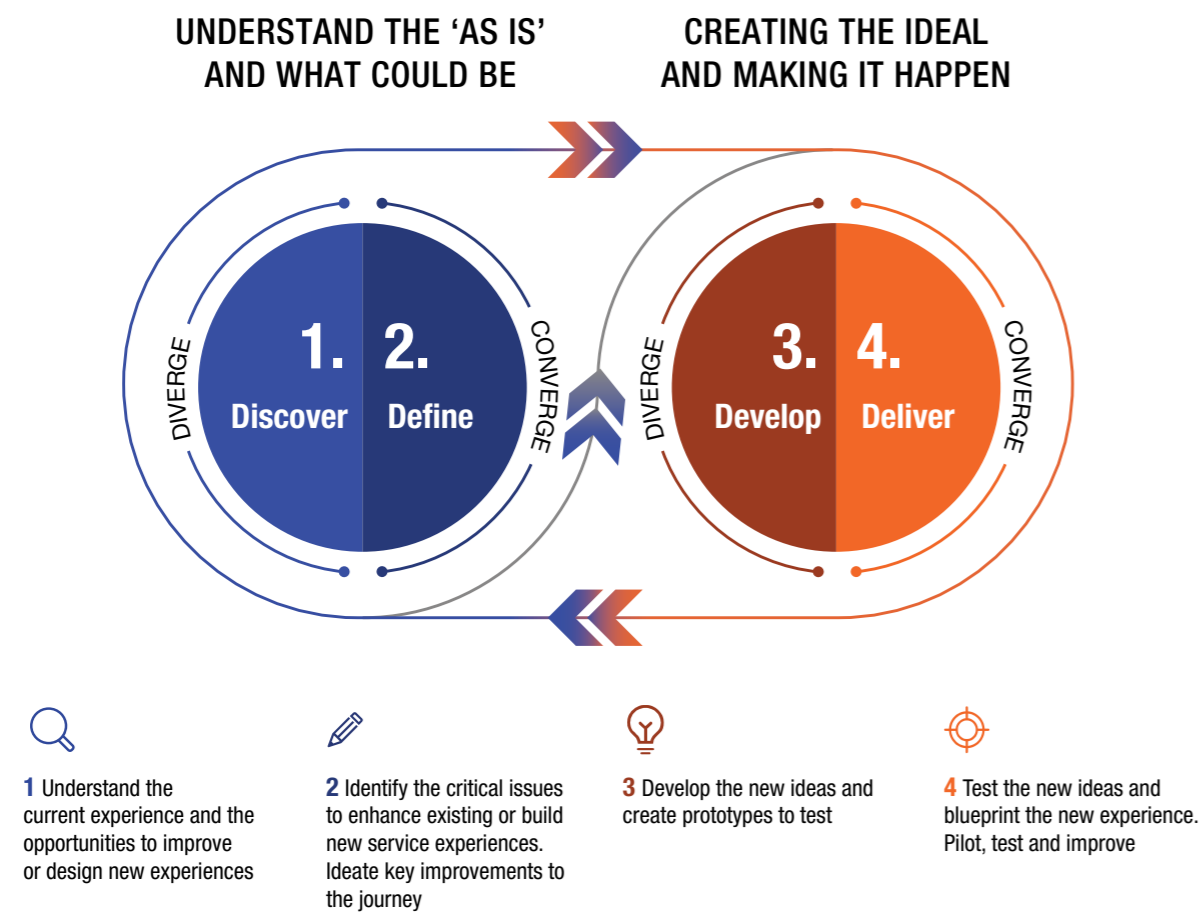


Figure 3 Service design approach



Source: Based on the British Design Council Double Diamond framework

5. BE PEOPLE FIRST

CX-EX ALIGNMENT

Employees who are positively engaged with their employer’s mission, values and ways of working should be a more engaged, motivated and committed workforce. In turn this should support the delivery of better customer outcomes, a strategy sometimes called ‘Total Experience’.

However, the path from one to the other is not always straightforward. For example, some well-established work practices may not align to changing customer needs. It is vital to align your CX and Employee Experience (EX) programme initiatives, in order to understand and identify potential issues and blockages. Steps include:

CASE STUDY: DESIGNING A NEW ONBOARDING EXPERIENCE



Our client, a utilities provider, had identified an issue through their existing Voice of Customer (VoC) programme –

specifically, that their onboarding journey was causing customers pain. Their design question was “How Might We ensure customers are onboarded efficiently and receive a more memorable experience?”

The project started with research among stakeholders and frontline staff to see what they thought the issues were with the current Customer Experience, and what data was informing these hypotheses. We collaborated

with the client, mapping the customer journey and interviewing customers who had recently been through the onboarding process to understand the pain points, gain points and moments that matter. The Forces of CX were used to identify the ways in which the onboarding experience could really help improve the relationship with customers and meet their emotional needs. The insight was presented and workshopped with the collaborative team to develop new ideas, which were prioritised, tested and have since been launched. Customer onboarding has become so important to the organisation that a new strategic pillar of ‘establishing onboarding excellence’ has been established, to ensure continuous focus on improvement. We are measuring the impact through the VoC programme.

Mapping: utilise existing knowledge and journey insight, combined with upfront discovery and desk research, to create draft journeys for testing. Focus on identifying touchpoints and interactions in the customer journey where targeted support could enable employees to offer significantly better CX.

Understanding: conduct qualitative interviews with both customers and employees to provide a richer understanding to expand and develop the initial draft journeys.

Optimising: conduct full analysis and run stakeholder workshops to identify and prioritise actions and programmes for change.

Monitoring: measure overall engagement KPIs and areas of strategic focus, conducting CX linkage analysis to guide activity.

VOICE OF EMPLOYEE PROGRAMME

Many companies don't realise the wealth of knowledge already at their fingertips, just waiting to be discovered. Who better to inform you of how customers experience your brand than the front-line employees who live it every day? The employee's perspective on improving the brand's delivery of Customer Experience, known as Voice of Employee, provides brands with a unique look into customers' experiences, emotions and struggles. It additionally empowers those employees to take ownership of CX outcomes.

If you want your employees to know they are valued, proactively encourage them to share their ideas and opinions on how to deliver a better Customer Experience, as well as what's preventing them from doing so. Don't just ask

for their input, take their advice, ensure they know they've been heard and, even better, get them involved in developing the solution. This process not only gives CX leaders an up-close view of opportunities for improvement, but also supports the evolving company culture, hiring and training practices, and cross functional alignment.

Maintaining a customer-centric company over time takes a comprehensive commitment, but don't let this deter you. Find ways to recognise people for upholding the brand's promise and reward those who continually strive to improve the Customer Experience.

Who better to inform you of how customers experience your brand than the front-line employees who live it every day? ”

6. MAKE DATA-DRIVEN DECISIONS

CX KPIS LINKED TO FINANCIAL PERFORMANCE

Only 16% of CX practitioners globally say they have analytical models that link CX and business performance.²

Key Performance Indicators (KPIs) are central to Customer Experience measurement and management. Customer-centric brands use them as the rallying call of the voice of the customer to unite their organisations and drive action to improve the Customer Experience. Individuals and teams often receive targets and remuneration based on KPI performance. At both business and individual levels, KPIs therefore serve to drive customer-focused

action and improved business performance. This makes the KPI a uniquely powerful tool for change and absolutely crucial to rewiring your CX DNA.

By identifying the measures of success for the board and C-suite, CX professionals can purposefully map their initiatives to support them. This is the single most effective way to demonstrate the value of CX in a language executives understand. Performing financial linkage or Return on CX Investment (ROCXI) analytics quantifies the link between survey KPIs and business/financial outcomes. Putting a dollar figure to your 'CX north star' is certain to get the attention and buy-in from the C-suite.



For a financial services client, we showed that increasing loyal customers by 1% =

+\$47m revenue over 2 years



For a global auto client, we showed that +1% in their experience scores =

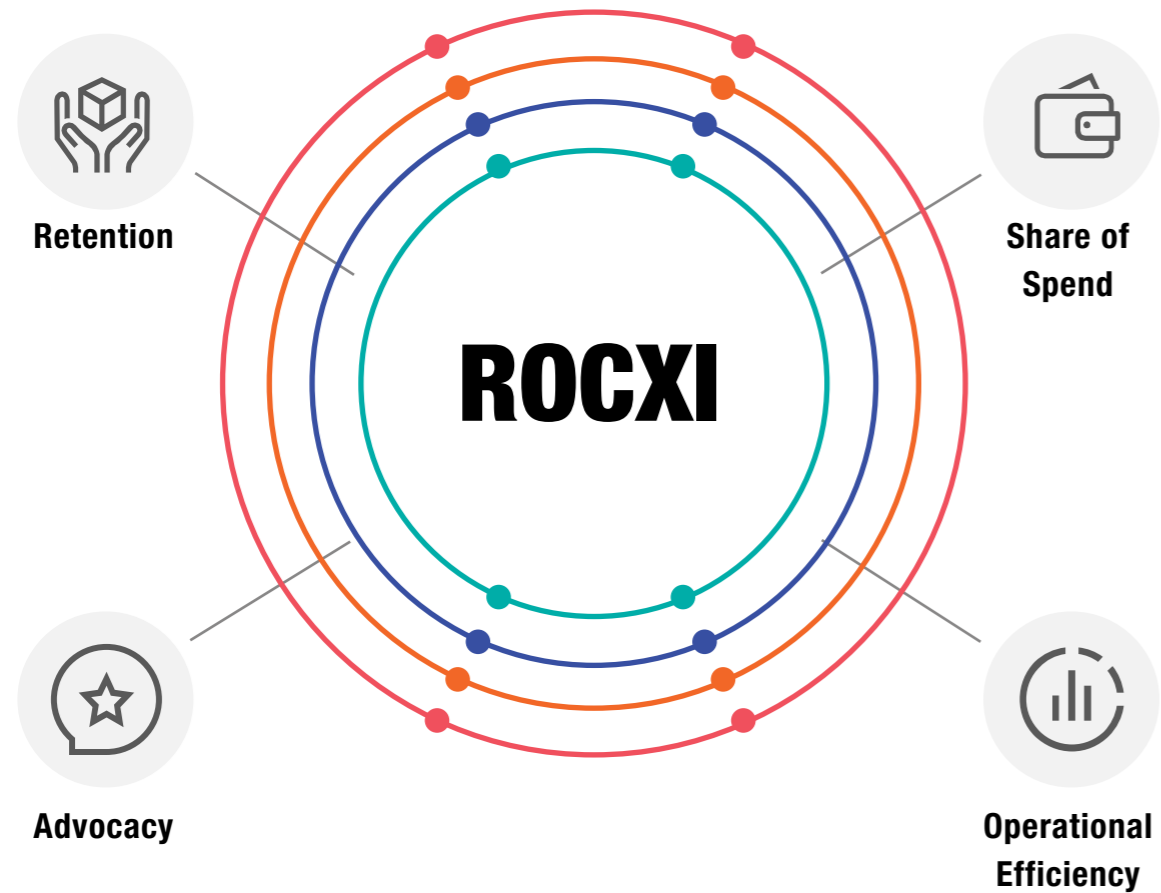
+£120m in annual sales

INSIGHTS AND FORESIGHTS

It's one thing to collect and analyse data, but it's another to think about what you will need to learn and drive within the next 6, 12 or 18 months. By identifying what you want to know, you're able to evaluate any gaps, build research and analytics plans and maintain customer-centric momentum across your organisation.

Leading CX teams take the lead in driving desired customer behaviours; in driving increased retention, share of spend and advocacy; in driving operational efficiencies; in driving a Return on their CX Investment (ROCXI). They have a plan to build their 'dream home' – to build and deliver on their successful customer strategy.

Figure 4 Delivering a Return on CX Investment: ROCXI



- Retention**
 Customers are retained and at-risk customers are recovered
- Share of Spend**
 Customers choose you more often
- Advocacy**
 Customers share their positive experiences with others
- Operational Efficiency**
 Customers are served in a quality-driven, cost-effective way

Source: Ipsos



SUMMARY

Some organisations may not have the resources to follow all of the recommendations outlined above. Others may well have already made considerable progress. Regardless of your situation, crafting an effective and sustainable CX strategy is an ongoing process that is never done. But just by taking the first step – even imperfectly – and by simply focusing on one thing at a time, you will reap rewards.

CX strategy goes beyond measurement and reporting results. It even goes beyond ensuring customers are at the heart of your business. It means organising your company for success, having the right people, processes and tech in place, providing a framework to prove the Return on CX Investment, and securing employee buy-in from the frontline to C-suite. Organisations that get this right will undeniably lead the way.

But just by taking the first step – even imperfectly – and by simply focusing on one thing at a time, you will reap rewards.”

IF YOU WOULD LIKE TO ...

- Know how to upgrade your CX measurement
- Find out about ROCXI analytics to understand how to calculate the Return on your CX Investment
- Understand how the Forces of CX can help your business
- Learn more about CX Service Design and how to (re)design experiences to drive the right customer outcomes
- Learn more about how to rewire your CX DNA into a winning customer strategy

Please get in touch with us at
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FURTHER LISTENING

- Customer Perspective: An Ipsos podcast
<https://www.ipsos.com/en/customer-perspective-ipsos-podcast>

FURTHER READING

- CX Lens – Ipsos' Global CX KPI benchmark database
<https://www.ipsos.com/en/introducing-cx-lens-ipsos-global-cx-kpi-benchmark>
- CX Service Design – Creating emotional attachment and brand growth
<https://www.ipsos.com/en/ipsos-views-cx-service-design>
- The Key to Your CX Success – Finding the right customer experience KPI for your business
<https://www.ipsos.com/en/key-your-cx-success>
- Bridging the Brand Experience Gap – How to align brand promise and customer experience for business success
<https://www.ipsos.com/en/bridging-brand-experience-gap>
- Embedding ESG in Experience – Strengthening customer relationships and doing right by the world
<https://www.ipsos.com/en/embedding-esg-experience>



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