

Outcomes-Focused Customer Experience

Approaches to measuring and acting upon the customer experience (CX) have dramatically changed over time. Once upon a time, a key focus was on the service experience. Best practice recommended that companies become clear about customer expectations and measure the gap between expectations versus what customers perceived they were receiving from a supplier. I will call this Customer Experience 1.0.

Over time, approaches expanded from a

service focus to include touchpoints across the broad spectrum of ways customers interacted with suppliers. Measures also morphed from satisfaction to loyalty, including willingness to buy again and buy more. I will call this Customer Experience 2.0.

But, we have been stuck in the land of CX 2.0 for some years now. It is time for the next evolution in the way we measure and think about the customer experience – CX 3.0, an Outcomes-Focused CX Measurement System.

Customer Experience Evolution

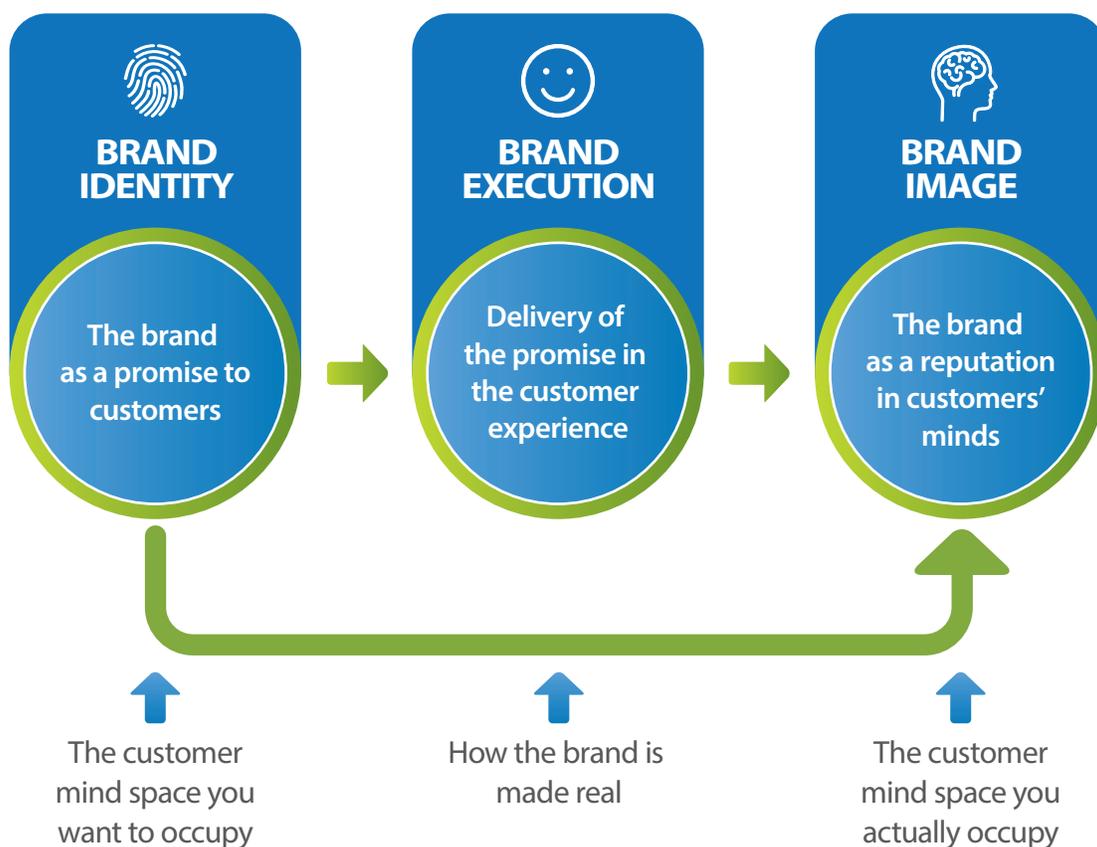


There are at least three factors missing in most CX surveys, and their inclusion can change the game completely for companies looking to sustain and build their business by providing a differentiating customer experience.

THE BRAND. The first missing component is the brand. So often, companies measure their brand through a survey that includes metrics on awareness, familiarity, preference, and purchase intent. At the same time, they may conduct a separate CX survey or “customer satisfaction” survey. That is fine except for one thing. The CX survey typically excludes any measures of the brand.

We sometimes make the assumption that customers’ view of the “brand” is only based on advertising and how the brand is thus portrayed. The reality is customers do not compartmentalize their perceptions of a company’s brand based on advertising alone. Their perception is based on all the interactions they have with the company (and, indeed, also their interactions with social media, friends, family, and other influencers). While companies carefully craft what they want their brand to stand for, the ultimate definition of the brand is how customers perceive it. In short, the brand is the experience.

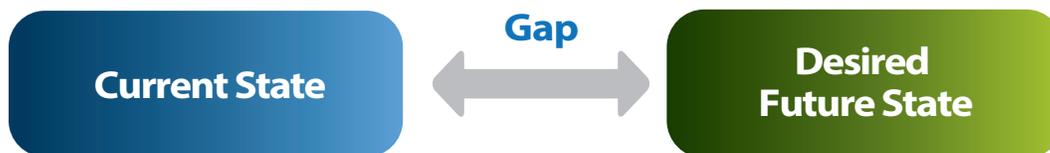
The Brand is Delivered in the Customer Experience



CUSTOMER OUTCOMES. The second missing component is the outcomes customers are trying to achieve. This component requires a focus on the customer rather than a focus on the supplier. Most surveys ask questions with an internal focus: “How are we doing?” “How were our account reps?” “How was our service?” But, customers only buy something because they have a need – they have a gap between their current state and their desired

future state. That gap is the motivation for customer purchase behavior. CX measurement requires an intimate understanding of customer needs and whether their needs are key determinants of their satisfaction and loyalty. Unfortunately, most surveys do not incorporate an external focus and ask whether the supplier is helping customers achieve their desired outcomes and satisfy their needs.

WHY CUSTOMERS BUY



DIGITIZATION. The third missing factor is digital transformation. This has become a strategic imperative for many companies, and the Pandemic has caused companies to rethink their customer experience and accelerate

efforts to provide a seamless, easy digital experience. Feedback on how customers are responding to company digitization initiatives is vital to remain competitive in implementing new business and go-to-market models.



A company's strategy for their customer experience (CX) must reflect these factors in addition to traditional touchpoint measures. Fundamental to this new CX measurement

system is a shift in how we think about the customer experience, which will drive business models, operations, and marketing innovation.

Outcomes-Focused CX Measurement Shifts Our Mental Model of How to Identify and Track the Delivery of Customer-Perceived Value

