COMPETING ON CUSTOMER EXPERIENCE IN THE DIGITAL AGE

GETTING THE RIGHT DATA TO DRIVE DECISIONS INTO ACTION

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EXECUTIVE SUMMARY

We have entered into a new age where competing for customers using traditional methods like price, distribution, or product features simply isn’t enough. The digital age has put the consumer in control with stronger voices, better information and lower switching costs. This newfound consumer empowerment also comes with lofty expectations that, if left unfulfilled, will send customers scampering to your closest competitor. Which begs the question: *Is there anything left to compete on?*

The answer is a definitive yes. Customer experiences are the new battleground for companies seeking competitive advantage. It is still very early in the fight as eConsultancy reports, “only 26% of companies have a well-developed strategy in place for improving customer experience.” Companies that are first to deliver better customer experiences will have an edge when competing to get consumers to open their wallets and preserve their loyalty.

Savvy organizations are entering the ranks of customer experience competitors by using data. Customer experience data holds the secrets of customer behaviors and companies measuring the voice of customer in a systematic way are gaining the competitive edge. By collecting the right data and using a framework for accelerating insights to action, digital leaders are optimizing their business performance.

This paper, sponsored by ForeSee, will describe how to quantify the digital customer experience and how to progress from observation – to decisions – to actions. If your organization seeks to compete on customer experience, then this is a must read.
QUANTIFYING THE DIGITAL CUSTOMER EXPERIENCE

Customer experience by its very nature is subjective. Whereas one individual might be exceptionally satisfied with an online experience, another might perceive the exact same experience as underwhelming. Worse yet, someone affected by negative circumstances beyond your control might view an identical experience as thoroughly disappointing. The experience of any given individual may be influenced by a multitude of factors including: preconceived notions, personal preferences, or even something as uncontrollable as the weather. Yet, quantifying the digital experience can be accomplished with consistency and precision. The first challenge is identifying how to effectively collect data.

5 KEY QUESTIONS FOR QUANTIFYING EXPERIENCE

Customer Experience technologies available on the marketplace today cover a broad range of data capabilities that provide everything from anecdotal evidence to empirical facts. For most digital leaders, finding the appropriate mix requires a combination of technologies and solutions that lead to increasingly sharper and more realistic perspectives on the digital customer experience. But even before management can put their teams and tools to work, they must first clarify the core components of the digital experience. By answering the following questions organizations can sum the customer experience across their digital properties:

> Was the site or application easy to navigate?

> Was the content relevant and helpful in answering your questions?

> Did the website or application perform according to your expectations?

> Was the functionality sufficient to accomplish your task?

> Did you accomplish the task you set out to do?
While each of these questions is important in the overall customer experience, the last question is arguably the most critical. Did you accomplish the task you set out to do? If customers answer no, then your digital offering has failed. Conversely, if you provide the utility to accomplish tasks online and deliver: fluid navigation, helpful content, adequate performance, and sufficient functionality, then you will be well on the path towards satisfying customers. Yet within each of these questions lies data about how improve and compete on customer experience.

DATA COLLECTION METHODS AND APPLICATIONS

Fortunately for us, data is prevalent in today's digital environments.

DATA AVAILABLE FOR QUANTIFYING INDIVIDUAL CUSTOMER EXPERIENCES
Figure 1 on page 4 depicts several types of data collection methods that can (and should) be used to evaluate digital customer experiences. Notice that each type of solution offers varying degrees of volume in terms of the amount of data typically collected, and value as a measure of the ability to truly understand the user experience.

For this reason, Web Analytics Demystified advocates employing a variety of data collection tactics. Using technologies that collect a large volume of data can amass an extensive list of issues and opportunities. While value oriented technologies are helpful in prioritizing efforts on the areas driving positive business outcomes.

**APPLYING DATA FOR ENTERPRISE DECISIONS**

It's a well-known fact that you cannot manage what you don’t measure. As such, quantifying the digital customer experience begins with behavioral data.

Nearly every organization uses web analytics data as a starting point for identifying and quantifying the actions taken by their customers. Many companies are also leveraging focus groups and testing to validate hypotheses as well as showing their customer’s they are listening by monitoring social media. But simply tracking, watching, and listening to customer comments is not enough.

Leading organizations capture the voice of customer by consistently measuring the customer experience using standard elements that harken back to the five key questions mentioned earlier. These core elements serve as predictors for future behaviors, allowing companies to prioritize the critical areas impacting their experiences.

Using verification through session replay is the final frontier in quantifying digital customer experiences. The ability to verify user complaints or exaltations within a DVR-like session replay technology is unquestionably quantifiable. Organizations competing on customer experience rely on session replay technology as the pinnacle for verifying digital experiences with absolute resolve.
ACCELERATING FROM INSIGHT TO ACTION

The volume of data available from both behavioral and feedback technologies is staggering. A typical large enterprise might see 22 million online visitors in a given month and have digital data from each click, event, and transaction across every session. Add to that an enterprise that’s collecting page level customer feedback, which adds a huge element of unstructured content in the form of open-ended comments that must be analyzed, coded and addressed. For many organizations, sorting through all this data is simply overwhelming. To identify opportunities within these petabytes of data is akin to going on a fishing expedition in hopes of landing a great white whale. What’s worse, for organizations that use session replay data for troubleshooting and issue resolution, filtering through tens of thousands of sessions is like searching for a needle in a haystack. Yet companies that compete on customer experience take a markedly different approach.

THE QUANTIFIED USER EXPERIENCE FRAMEWORK

Rather than getting paralyzed by all of the data available, leading organizations quickly focus on the right data by using a scientific model that identifies the key components driving customer experience. Using a customer experience model can help digital leaders identify what areas are impacting the customer experience, which leads to the ability to assess the situation, and helps them decide what to do about it. This enables prioritization and ultimately, a resolution. Using these basic principles as a framework for consistently understanding how you’re serving your customers and as an opportunity to elevate the experience, organizations can implement a process that generates swift and impactful improvements.

Figure 2: A Framework for Improving the Digital User Experience
While building a digital customer experience model may sound complex, vendors like ForeSee deliver a consistent method for understanding the customer experience by systematically surveying customers to understand key elements of digital experiences. Elements such as Product Browsing, Price, Look and Feel, Site Performance, and Navigation can be plotted to help clients determine where to focus efforts. Figure 3 below shows an example of a ForeSee priority map. This mapping enables digital leaders to maintain priority focus on the elements of the customer experience that have the greatest business impact.

Figure 3: Sample ForeSee Customer Experience Priority Map
While the approach depicted above is a best practice for quantifying customer experience, organizations that use this methodology to assess discrete functions on their digital properties can get even more granular about evaluating user experiences. Specifically, competitive organizations that are focused on outcome-based activities such as the customer acquisition experience, the purchase experience, or the shopping cart experience can put critical functions in context. Further analysis allows organizations to assess customer experiences based on segments of visitors. For example, if identification reveals that navigation is an issue affecting user experiences, an organization can filter customers by first-time visitors and determine how they rate the site. When this data is coupled with session replay technology, they can watch visualizations of new users struggling with a sub-par experience. This approach has countless applications when applied to desired outcomes or specific business goals.

DTE ENERGY USES GOALS TO SPARK ACTION

One organization that competes on customer experience is DTE Energy. Headquartered in Detroit, Michigan, DTE Energy provides electric and/or gas services to over three million customers throughout Michigan. For them, providing the best possible user experience is paramount to keeping customers happy and meeting their corporate goals. DTE Energy uses a combination of products and services from ForeSee to identify, assess, prioritize and resolve user experience issues.

DTE Energy turned to the combination of ForeSee’s Satisfaction Analytics and SessionReplay when it was trying to improve their site visitors online task accomplishment in order to reduce costly call center traffic.
DTE Energy’s challenge was first identifying a problem that didn’t appear to exist and then getting to the root cause. When call center comments indicated that users were having issues updating their account information online, the systems appeared to be working properly. By using Satisfaction Analytics to focus on the specific segment of users that attempted to update their accounts online, DTE Energy was able to identify that they did have an issue with one of their online processes. In fact, using insights from ForeSee data they learned that 65% of users indicated that they would call the call center if they experienced trouble updating their account information. This assessment of the data allowed DTE Energy to prioritize the issue because it was precisely the behavior that DTE Energy was trying to prevent. Using ForeSee SessionReplay to watch actual visitor sessions, they pinpointed the glitch in their process which required users to delete an existing credit card and re-enter their information to make a simple change. Although this process worked according to design, it wasn’t intuitive for users and resulted in many of them calling the call center to ask for assistance. By analyzing their data and viewing session replays of actual users struggling with updating their accounts, they were able to quickly verify the issue and take action to resolve it. By following the framework, DTE Energy was able to satisfy one of their corporate goals of reducing high cost call center traffic by taking action to improve the digital customer experience.

**ACTIONS SPEAK LOUDER THAN WORDS**

While there are many technologies that can illuminate customer experience issues or opportunities, stakeholders often need to see it to believe it. Session replay delivers the evidence that converts non-believers into evangelists, it’s the visual evidence that you bring to developers who simply cannot believe that their designs don’t work, and it’s the fodder for bulletproof business cases that sway executives into action.
The benefit of using a visual solution that is tied directly to a voice of customer measurement system is that it provides a cohesive view of the customer experience as seen through the customer’s eyes. Companies competing on customer experience use voice of customer measurement to shed more light on the opportunity and deliver the data necessary to frame the impact on customer experience. Adding in session replay, stakeholders can see precisely where the opportunity exists and identify the root cause of the customer struggle. By using segments to group common customer experiences, organizations can build the business case for improvement and use session replays as the final step to convince stakeholders and senior executives. Using this type of diagnostic process as part of an organizational workflow enables companies to build strong cases for improvement with data as definitive evidence and visual proof to expedite action.

FINDING SYNERGY BETWEEN DATA & DECISIONS

While it’s easy to recite buzzwords like data-driven marketing, Big Data, and data science, putting your data into action requires more than just catchy slogans. Organizations that are competing on customer experience are using data to identify opportunities and build business cases that lead to sound business decisions. Decisive action comes from combining the business case with supportive visual evidence.

SOMETIMES YOU ONLY GET ONE CHANCE, MAKE IT COUNT

When competing on customer experience, leading organizations know that a first impression is a lasting one. That’s why they rely on data. Identifying key elements that impact user navigation or ability to transact online provides a focused entry point for ensuring positive first impressions. Using a combination of clickstream data, voice of customer measurement and session replay—whether the data is sourced from multiple vendors or from a single solution capable of providing all of these data streams, like ForeSee—organizations can review data to find the most critical areas of their sites and applications. This method of leading with the data enables companies to use page navigation data to see where people are spending time on their digital assets, prioritize issues by measuring the voice of customer and assessing the importance of navigation, review open-ended comments to learn trends and issues, and then view session replays to crystalize findings and validate assumptions.
Figure 4 above depicts a customer session with a heat map showing where the customer moved their mouse and which clicks they made during their session. Businesses using this type of visual can verify their findings and ensure positive experiences.

TARGETING ACTIONS

Each interaction a consumer has with your business is an opportunity to collect data about the experience and to learn from it. The fact that data is amassing so quickly means that there is much to analyze, but as customers enter buying cycles, your organization doesn’t have time to go on fishing expeditions to wade through open-ended satisfaction data or view individual user sessions looking for issues. You need answers and you need them fast. By systematically reviewing data with key outcomes, segments, and experiences in mind, companies can see problems as they manifest and resolve them before they hurt your business.
Further, by using a data-driven process like the one identified in Figure 5 below organizations can target actions.

**CUSTOMER EXPERIENCE TECHNOLOGY & PROCESS**

![Diagram showing Customer Experience Technology and Process]

Figure 5: Competitive Organizations Use Customer Experience Technology and Process

Ultimately, companies that utilize technology in the inner rings will move from insight to action more quickly. By effectively managing your data and applying a process to expediting actions, organizations will deliver outstanding customer experiences.
CONCLUSION

Customer experience has never been more critical for businesses. With consumers holding the megaphone and broadcasting their good experiences and bad, businesses cannot afford to move slowly. By employing the combination of quantitative voice of customer measurement data and observational sessions that truly represent your key customers, you can keep pace with those customers by using an internal process that allows you to identify, prioritize, and resolve issues rapidly.

By following the processes and framework outlined in this white paper, companies can enter the ranks of those businesses that are truly competing on customer experience. To learn more about competing on customer experiences in the digital age, or to investigate technology solutions that make this happen, reach out to Web Analytics Demystified or ForeSee for details.

ABOUT THE AUTHOR

John Lovett is a veteran industry analyst and expert consultant who has spent the past decade helping organizations understand and measure their digital marketing activities. As a Senior Partner at Web Analytics Demystified, Lovett regularly consults with leading enterprises to offer strategic guidance for building innovative digital measurement programs. Prior to joining Web Analytics Demystified, Lovett was a Senior Analyst with Forrester Research, where he was responsible for analytics and optimization technologies. Currently, Lovett is the President of the Digital Analytics Association. He is also the co-founder of the Analysis Exchange program that introduces eager students to analytics by helping non-profits with mentored analysis. Lovett is the author of Social Media Metrics Secrets. He lives near the ocean with his wife, three boys and yellow lab.
ABOUT WEB ANALYTICS DEMYSTIFIED

Web Analytics Demystified has more than 25 years of experience helping companies choose digital analytics solutions and build strategic models for deployment within the enterprise. Its staff of former Forrester and Jupiter Research analysts has literally written the book on digital reporting and analysis. The organization provides strategic guidance on analytics to some of the world’s best-known brands.

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ABOUT FORESEE

As a pioneer in customer experience analytics, ForeSee continuously measures satisfaction across customer touch points and delivers critical insights on where to prioritize improvements for maximum impact. Because ForeSee’s superior technology and proven methodology connect the customer experience to the bottom line, executives and managers are able to drive future success by confidently optimizing the efforts that will achieve business and brand objectives. The result is better business for companies and a better experience for consumers. Visit us at www.foresee.com for customer experience solutions and original research..