Listen, Understand, Improve, Monetize: A Proven Success Framework

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Any organization that wants to leverage the true power of customer experience (CX) needs to build a CX program that focuses on delivering business outcomes, not tracking metrics.

This isn't to say that metrics aren't useful, of course. They can be a great way to track CX progress. However, this perspective is attitudinal in nature and not often behavioral—in other words, brands are tracking what people say, not what they do. Additionally, metrics can't tell you why a trend developed the way it did, only that it has.

The key to taking a CX program beyond metrics is to monitor for customer stories and form actionable plans around them. Customer narratives contain meaning that companies can use to diagnose both superficial and deep-seated problems, define remedies to those problems, positively impact the bottom line, and create more meaningful experiences. Brands can achieve all of this by sticking to a simple, four-step framework: listen, understand, improve, monetize.

LISTEN

The road to true CX success begins with monitoring for customer stories—their needs, wants, and expectations. Companies can go about this process effectively by listening to their customers in as many ways and places as possible. This means going beyond relying solely on surveys and embracing additional methods like multimedia feedback, website feedback, social media, and call centers. Tools that allow companies to capture all of this information in real time are also a must.

Organizations that use all of these methods in concert will find richer, more accurate data. More accurate data leads to quality business intelligence that companies can use to achieve positive transformation. It also helps to source this better, more comprehensive data from employees as well as customers, because employees are a crucial component of the brand experience and thus a valuable source of insights in their own right.

UNDERSTAND

It's not enough for organizations to "just" listen to their customers, even if they find ways to listen closely. Companies must also take time to understand who these individuals are. Identifying customers allows brands to prioritize both their gathered information and any actionable intelligence to deliver a more personalized experience.

Brands can deepen their understanding of their customers with a few powerful tools. Key driver analysis and various statistical models can help shed light on what drives customer acquisition, churn, and retention. Predictive analytics and tools that can detect nuanced sentiment are great for learning what customers are searching for and to determine their next likely behavior. Ultimately, all of this enables companies to do a better job of providing for their customers.

The final step of truly understanding customers is combining all of this feedback and analytics with operational and financial metrics. These internal metrics are particularly useful for adding context to a customer's journey. Once companies have that context, they can fully understand who their customers are and how those individuals view the experiences brands provide.

IMPROVE

Once organizations have listened to their customers and gained an understanding of who they are, it's time to take action by making meaningful improvements and/or creating entirely new experiences.

How exactly can companies begin taking action after listening to their customers and learning more about them? The first step toward taking any sort of action is sharing those learnings with other stakeholders. Sharing the proper information with the right people can empower any organization to attain transformative success. Data democratization is key because it allows companies to tap into the collective intelligence and ideas of an entire organization.

Sharing data with other stakeholders is also important for another reason—getting their two cents on how to proceed. These operational insights can strengthen action plans and lead to both better execution and improved results.

It's key for companies to monitor changes' impact on customer experiences even as they're being implemented. This means A/B testing new ways of doing things and applying the same listening and understanding methods we discussed above to these new contexts. Closing the loop—addressing individual customer concerns and instilling a company-wide culture

dedicated to improvement—is especially important during this process. Effective CX governance will take care of the rest.

MONETIZE

As companies are determining and implementing improvements, they should link both actions and outcomes to business metrics and monetize changes.

The best way for companies to monetize changes is to evaluate them within the paradigm of four economic pillars. In other words, companies should always look at monetization through four lenses: customer acquisition, customer retention, cross-sell/upsell, and lowering cost to serve. Companies that utilize this model stand a far greater chance of effectively monetizing improvements.

At the end of the day, though, companies will also have achieved a more meaningful experience for their customers, which will lead to the transformative success that can carry any brand to the top of its market. This type of success can only be attained when brands move beyond metrics and toward listening to customers, understanding who they are, using those insights to make meaningful improvements, and tracking those improvements' monetization.

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