Making the NPS connection
A model for E2E CEM

In the wake of customer experience becoming the top agenda item for many boards, the knotty issue of how to measure it and even knottier issue of how to improve it have emerged. This document looks at the part Net Promoter Score (NPS) has to play in end-to-end customer experience management (E2E CEM), how it can be influenced, and what can be measured in real time to have an impact on it.

By Peter Massam

Scan for mobile reading

Start planning

The end-to-end customer experience management (E2E CEM) journey has many touch points externally with many internal processes to support the business. To date, vendors and operators alike have focused on its Operate layer (Figure 1), where order processing, billing, customer operations, technical support all are primary considerations. Point or integrated solutions in this space are fairly mature. For consultants, this space expands necessarily into the other areas of the business, which impact both the customer and the business growth. Solutions in this space are much harder to find.

It is therefore important to highlight which parts of the overall customer journey can contribute positively and negatively to their experience. Equally it is important to measure only what is measurable and can be improved over time, take the corrective actions, and then measure again.

Regular assessment of customer and business-significant metrics is essential in order to put customer experience (CE) at the heart of business, with NPS as its flagship yardstick. Caution needs to be exercised to ensure over-surveying does not distort results and waste resources unnecessarily. What is required is a customer continuity plan that couples together what needs to be fixed currently with future-proofed processes to extend the customer lifecycle management (CLM).

> NPS has been challenged and supplemented with a raft of metrics aimed to capture the many aspects of customer experience. While it has its detractors, especially when a small number of customers dominate revenues, it has found favor at the highest levels as the single metric to drive a CE-based culture.

What is E2E CEM?

Although NPS was said in one survey to be very important to 44% of respondents, with 28% more flagging it as important, another survey of 70 global operators conducted in the same year of 2013 said NPS was the last consideration in a list of desirable metrics to assess customer experience. This tells us that NPS is only one in a long list of areas to be assessed. Attractively and deceptively simple, NPS is widely acknowledged to be unactionable, which goes some way to explaining its lowly place on the ladder as the "most difficult" to impact.

From initial attractive claims of an increase in NPS of 12 points being able to double a company's growth rate (back in 2006), NPS has been questioned, challenged and supplemented with a raft of metrics aimed to capture the many aspects of customer experience.

While it has its detractors, especially when trying to apply it in business-to-business (B2B) scenarios where a small number of large customers may dominate your revenues, it has found favor at the highest levels within service providers as the single metric to drive a CE-based culture. Among these other metrics are some common threads, namely getting the basics right, links to value creation or business outcome, consideration of individual interactions (such as improving the prospect experience), customer perception, customer satisfaction and not least, surprising the customer to make that leap to promoter status.

We are used to talking about CEM in marketing terms, such as the on-boarding customer journey, the perception of service at purchase, insertion of SIM card, welcome greetings, receipt of first bill, and first use of services. These are then handed off seamlessly, in operational terms, to service, network and technical support, and back to customer care when complaints arise.

E2E CEM extends across many more touch points than this. In order to capture the associated metrics, the acronyms have flowed, all with a slightly different intent and with varying adoption rates by service providers. Among them with their relevant questions are:

Customer Effort Score (CES): "How much effort is it to do business with you?" on a scale of 1-5 (1 being negligible effort and therefore the best). The aim is to reduce effort with a focus on customer service interactions.

Customer Advocacy (CA): "Do you think your company does what's best for you or what's best for its income statement?" Aimed equally at employees and customers.

IZO Best Customer Experience (BCX): Survey produced within LATAM across 130 companies in multiple sectors assessing brand, product and service interaction experience.

Net Promoter Score (NPS): Oldest of the metrics. "How likely are you to recommend Brand X to your friends?"

Voice of the Customer (VoC): Takes a basket of metrics from the above with others and selectively links these to return on investment (ROI).

While it has been a struggle to define CE components, the mist is clearing in one or two significant ways. An attempt has been made to combine elements of the customer journey, breaking down customer journeys into unique customer experiences by channel, function and department.

The existence of a framework document helps clarify components for each service provider, who now has points of reference and common terminology at their disposal. It also helps consolidate thoughts on best

> Subjective assessments lie at the heart of what are becoming the main metrics of an organization. It is therefore entirely natural to start with Customer Perception, improve the service quality in specific locations, and thereby improve the quality of the experience overall.

practice when taken together with an approach which relates directly or indirectly to ROI, in order to build a robust business case for such investment in this important area. Creating the tangible from the almost intangible is one of the challenges but it is not insurmountable.

A simple model

Service providers have done much to streamline their organizations and processes. Some have grouped their processes into layers focused on the customer.

Lead to Revenue: Involves customer interaction points that offer, provision and install services to complete the delivery.

Operate: Front-office support given after first use of services, either directly to customers at point of sale (POS), online, or on the phone, and back-office support that maintains and improves systems, networks and customer SLAs.

Retain: Functions designed to keep customers happy or convert unhappy ones, while maintaining or increasing customer perception with attractive, timely and personalized packages that are fresh and innovative.

Service providers (SPs) can adapt and substitute their own key processes or customer-impacting areas into this model. Most vendors provide solutions at the Operate layer to manage systems and are increasingly more customer-focused. Outside of this layer is the preserve of consultants or integrators who rightly focus on the business objectives, strategic and tactical goals, or on the swiftness of new service introduction.

However, there is a growing need to bridge the gap between these layers and players, particularly where an improved-NPS goal has been set or there is a yawning gap between customer perception and the perceived service quality from the SP side.

Subjective assessments lie at the heart of what are becoming the main metrics of an organization. It is therefore entirely natural to start with Customer Perception, improve the service quality in specific locations, and thereby improve the quality of the experience overall. This becomes a lifecycle process of continual improvement, knowing the service quality is in place to meet customer expectations and improve your chances of raising NPS scores.

QoE's part in NPS

In recent years, the term quality of experience (QoE) has been used and devalued as it has been interchangeably used with CEM and almost inextricably linked to the similarly striking quality of service (QoS) label.

While it is true that implementing QoS policies can enhance QoE, it has also had its detractors in some parts of the world where the benefits have been seen to favor third parties more than their competition, thereby transgressing net neutrality principles. QoE is but a small part of what can be used as a much broader term to cover all enhancements to service, customer journey, touch points, online accessibility and much more.

A bad implementation of any of the afore examples will have a negative impact. The other key point from

> While it is true that implementing QoS policies can enhance QoE, it has also had its detractors in some parts of the world where the benefits have been seen to favor third parties more than their competition, thereby transgressing net neutrality principles.
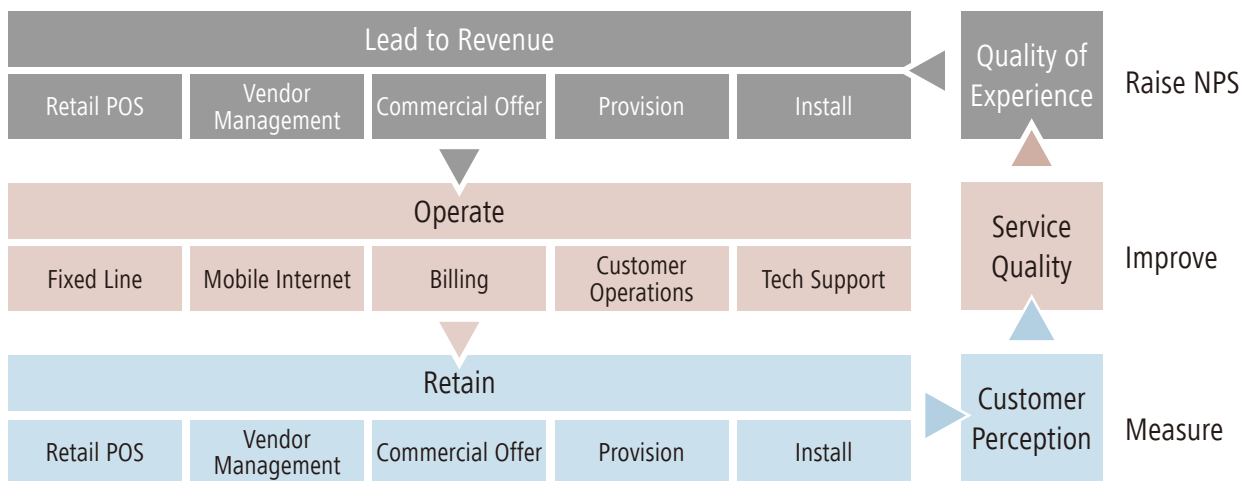
Figure 1 3-layer sample model for applying E2E CEM to organizational processes

above is the need to make more and more decisions based on customer-sourced and filtered data, and that those sources will not all come from the network. Caution must therefore be exercised when combining data sources, especially those containing individual names or billing information, so that privacy laws are not broken.

Some of these additional steps can be taken as part of maintenance activity for existing services, while others are more innovative or bring your customers closer by creating something new. Not everyone likes new, of course, so a high-impact "wow" factor (such as saving the customer money) will need to accompany it in order to have any chance of moving the NPS score up a notch or two.

One thing seems to be clear is that to have a chance of moving a customer up into the "Promoter" belt, the experience difference needs to be significant; not necessarily stellar, but nonetheless significant. It needs to make customers sit up, take notice and smile. After all, laughter is said to be the best medicine or at least that is this customer's perception. ▐▌▐

This article is adapted from Peter Massam's whitepaper *Making the NPS Connection*. A follow-up article (p. 29) from the same paper will look at how NPS can improve Customer Perception, including an operator case study involving Huawei Consulting.

Editor: Jason jason.patterson@huawei.com