

Customer Experience Strategy Best Practices

by Deanna Laufer
December 9, 2015

Why Read This Report

Customer experience (CX) strategies that lack critical details lead to inconsistent execution and wasted effort. To improve, firms need a strategy that clearly 1) defines the intended experience; 2) directs employees' activities and decision-making; and 3) guides funding decisions and project prioritization. This report lays out the critical components of a sound CX strategy for customer experience professionals and makes recommendations for generating commitment to execution.

This is an update of a previously published report; Forrester reviews and revises it periodically for continued relevance and accuracy.

Key Takeaways

A Defined Vision And Strategy Guide Effective CX Efforts

Platitudes like “putting customers at the heart of everything we do” don't hold water when it comes to directing efforts toward achieving a desired experience for customers.

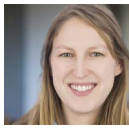
Sound Customer Experience Strategies Perform Three Critical Functions

To orchestrate a consistent experience, firms need a strategy that 1) clearly defines an intended experience that creates value for both customers and the company; 2) guides employees' activities and decision-making to achieve that desired end state; and 3) provides mechanisms that allocate resources and measure progress appropriately.

Developing A Sound Strategy Is Just The Beginning

To get their colleagues onboard, CX professionals should engage key leaders, employees, and customers in cocreating the strategy; socialize it through communication and learning programs; and help tech management pros understand how the strategy relates to them with tools like ecosystem maps.

Customer Experience Strategy Best Practices



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For the original report, Forrester interviewed 14 vendor and user companies, including Acquity Group, Aflac, Andrew Reise Consulting, Beyond Philosophy, Canada Post, EffectiveUI, Experience Engineering, Maersk Line, OpenText, ProCure, Strativity Group, Time Warner Cable, Walker, and Zilver Innovation. Forrester based this update on additional interviews with Agency Oasis, Blue Cross & Blue Shield of Rhode Island, Edward Jones, Entergy, FedEx, John Deere Financial, Smith, Smith+Co, and VCA Animal Hospitals.

Related Research Documents

[Anchor Your CX Strategy In Customer Understanding](#)

[Executive Q&A: Top 10 Customer Experience Strategy Questions Answered](#)

[How To Build A Customer Experience Strategy That Works](#)

Customer Experience Strategies Fall Short

With customer experience being a top priority among business and technologies leaders, many companies aim to “put customers first” or “at the heart of everything they do.” While these statements are well intentioned when companies use them, they alone won’t hold water. In fact, one thing that sets effective customer experience efforts apart from ineffective efforts is a defined conception of the intended experience for customers and a plan for getting there (see Figure 1). When CX professionals lack a clear customer experience strategy and vision for their firm, they:

- › **Open themselves up to vague interpretation.** A sound CX strategy paints a vivid picture of how the company wants customers to perceive its performance at three levels: meeting needs, being easy to work with, and making customers feel good.¹ Unfortunately, vague statements like, “Our aim is to delight our customers with every interaction,” leave executives, managers, and employees to interpret what “delight” should look and feel like from their own subjective perspective, not the customer’s perspective.
- › **Don’t provide sufficient direction to employees.** An effective strategy clarifies decisions about what employees need to start doing, stop doing, or do differently. A national retailer found that one store manager tried to fulfill its directive to “exceed customers’ expectations” by baking chocolate chip cookies. A different store manager thought he should instead “go the extra mile,” which he did — literally — when he drove 30 miles to deliver a phone to a customer whose car broke down.² Was either of these two very different activities on-strategy for this firm? There’s no way to tell.
- › **Avoid accountability for their CX efforts.** CX strategies don’t live in a vacuum; they should help steer customer experience efforts toward long-term business goals. Otherwise, CX efforts risk being marginalized. For example, one business-to-business (B2B) technology firm was so focused on raising its customer satisfaction scores within individual product areas that it failed to deliver on customers’ increasing expectation for simplicity and consistency as the company aimed to move its products and services to the cloud.

FIGURE 1 Most Firms With Ineffective CX Efforts Lack A Customer Experience Vision Or Strategy



Source: Forrester's Q3 2015 US And European State Of Customer Experience Programs Online Survey

Sound CX Strategies Perform Three Critical Functions

A CX strategy needs to provide clear, consistent guidance for everyone in the organization. It can take any number of forms (e.g., Word, PowerPoint, video), but at a minimum, it must (see Figure 2):

- › **Define the intended experience.** Good strategies clearly define what success looks like. As experience design firm Beyond Philosophy suggests: "To improve customer experience implies you are somewhere today and you are heading somewhere else. The strategic question is, 'Where?'"
- › **Guide employees' activities and decision-making.** A CX strategy does no good as a theoretical exercise. Rather, firms need to translate their strategy into specific guidelines and principles. Only then will it direct the decision-making and actions of employees at all levels.
- › **Steer resources to the right projects.** A CX strategy needs to help firms prioritize initiatives and allocate funds where they will best further company objectives.

FIGURE 2 Sound CX Strategies Bring Focus, Clarity, And Rationale To CX Efforts



Focus: Define The Intended Experience

A sound CX strategy won't leave room for doubt as to which type of experience a company intends to deliver because it will:

- › **Specify the target customers.** To ensure a shared understanding of who the company intends to serve, CX strategies should first clearly describe key customer groups and identify the segments and associated personas that take priority. Penske realized that company size and industry didn't matter when targeting profitable customers. Its most profitable and happy customers sought a full-service vehicle leasing solution as opposed to à la carte offerings.³ Similarly, in helping the Kennedy Space Center Visitor Complex with its CX strategy to attract new visitors, Agency Oasis focused on "experiential learners." These consumers have a greater interest in the sciences than the general public but still need convincing to visit the Kennedy Space Center over other more popular Central Florida destinations.
- › **Describe the desired emotional response.** How an experience makes a customer feel has a substantial impact on business outcomes, including retention, enrichment, and advocacy.⁴ To that end, powerful CX strategies describe the emotional response that they intend to elicit. Southern US utility Entergy found from metaphor elicitation research that what customers wanted out of their experience was to feel in control, especially during abnormal conditions like power outages.⁵ B2B shipping firm Maersk Line worked with experience design firm Beyond Philosophy to articulate the emotions that customers wanted to feel that drive value for the business: feeling trusted, cared for, and pleased (see Figure 3).⁶
- › **Articulate unique value.** Companies struggle to generate value from their CX programs if they deliver the same experience as competitors.⁷ That's why firms looking to differentiate on the basis of customer experience should test and revise their CX strategies to ensure that they'll lead to competitive advantage. OpenText created a "heat map" of emotional attributes that drive loyalty for enterprise software customers. The company uses these attributes to identify important areas of differentiation from competitors as well as gaps in its own performance. Partnering with Smith, online tire shop TireBuyer used conjoint analysis to test eight different parameters of a possible product offering to determine which would increase its market share relative to competitors.

- › **Spell out alignment with brand values.** A company’s brand messaging sets the expectations for the experience it will deliver, so the CX strategy must describe how it plans to deliver on those promises.⁸ For example, working with Smith+Co, Burberry refined its brand promise of creating “welcoming stores” to include greeting shoppers when they entered the stores to make them feel appreciated. To deliver on this promise, stores replaced their dour outsourced security guards with amiable employees.⁹

FIGURE 3 Maersk Line’s Customer Experience Statement

The graphic is a white rectangular box with a blue border. At the top, it reads 'Maersk Line's Customer Experience Statement has been developed by management'. Below this, three key values are listed: 'Trust' (Be honest, set realistic expectations, follow-up on your commitments), 'Cared For' (Know your customer, be proactive, be adaptable), and 'Pleased' (Take ownership, show enthusiasm, do a little bit extra). At the bottom, it states 'This is our goal for every Customer Experience'. On the right side, there is a tilted image of the 'Customer Experience Statement' document, which features the Maersk Line logo and a photo of two men shaking hands. The Maersk Line logo is also present in the bottom right corner of the graphic.

Maersk Line's Customer Experience Statement
has been developed by management

Trust
Be honest, set realistic expectations, follow-up on your commitments

Cared For
Know your customer, be proactive, be adaptable

Pleased
Take ownership, show enthusiasm, do a little bit extra

This is our goal for every Customer Experience

MAERSK LINE

Source: Maersk Line

Clarity: Guide Employees' Activities And Decision-Making

A CX strategy does no good if a company can't execute it consistently. To ensure that a firm's intended experience translates from words on paper to orchestrated actions and behaviors:

- › **Spell out guiding principles for employees.** Your CX strategy should help everyone in the company understand what's expected of them when interacting with customers or serving customers behind the scenes. The Ritz-Carlton Hotel enumerates 12 service values that guide employees' behavior (see Figure 4). John Deere Financial's CX team enlisted experience champions to determine what delivering on its high-level CX guidelines meant for each department. For example, showing customers that they're valued might mean thanking customers for their business to the customer service department, while it might mean providing terms that meet customers' needs to the credit adjudication team.¹⁰
- › **Set clear expectations for customers.** Whether a firm chooses to communicate its CX vision with customers or not, its strategy should set guidelines for the type of experience that a customer can expect. Written in a customer's words, these expectations help employees internalize the intended experience that they will support. VCA Animal Hospitals summarized its intended experience in nine customer "I Wants" (see Figure 5). UK airline easyJet's one-page customer charter describes the airline's promise to customers in plain language that employees can understand and relate to (see Figure 6).
- › **Prioritize important interactions and touchpoints.** Faced with an expanding array of options for providing interactions with customers, firms need to prioritize the most important touchpoints — and platforms — in which they should invest to reach their target users. CX pros at a cable provider cataloged 1,600 unique touchpoints, such as paying a bill by phone, and scored each on a scale of 0 to 4 that it based on their effectiveness in the eyes of customers. Then it prioritized those that had the biggest gaps and aligned to corporate objectives, like meeting customers in the channel that they choose. Firms can also use a simple prioritization matrix to determine the relative importance of touchpoints (see Figure 7).

FIGURE 4 The Ritz-Carlton Hotel's Service Values

Service values: I am proud to be Ritz-Carlton.

1. I build strong relationships and create Ritz-Carlton guests for life.
2. I am always responsive to the expressed and unexpressed needs of our guests.
3. I am empowered to create unique, memorable, and personal experiences for our guests.
4. I understand my role in achieving the Key Success Factors, embracing Community Footprints, and creating The Ritz-Carlton Mystique.
5. I continuously seek opportunities to innovate and improve The Ritz-Carlton experience.
6. I own and immediately resolve guests' problems.
7. I create a work environment of teamwork and lateral service so that the needs of our guests and each other are met.
8. I have the opportunity to continuously learn and grow.
9. I am involved in the planning of the work that affects me.
10. I am proud of my professional appearance, language, and behavior.
11. I protect the privacy and security of our guests, my fellow employees, and the company's confidential information and assets.
12. I am responsible for uncompromising levels of cleanliness and creating a safe and accident-free environment.

Source: The Ritz-Carlton Hotel

FIGURE 5 VCA Animal Hospitals Translated Its Intended Experience Into Nine Customer “I Wants”



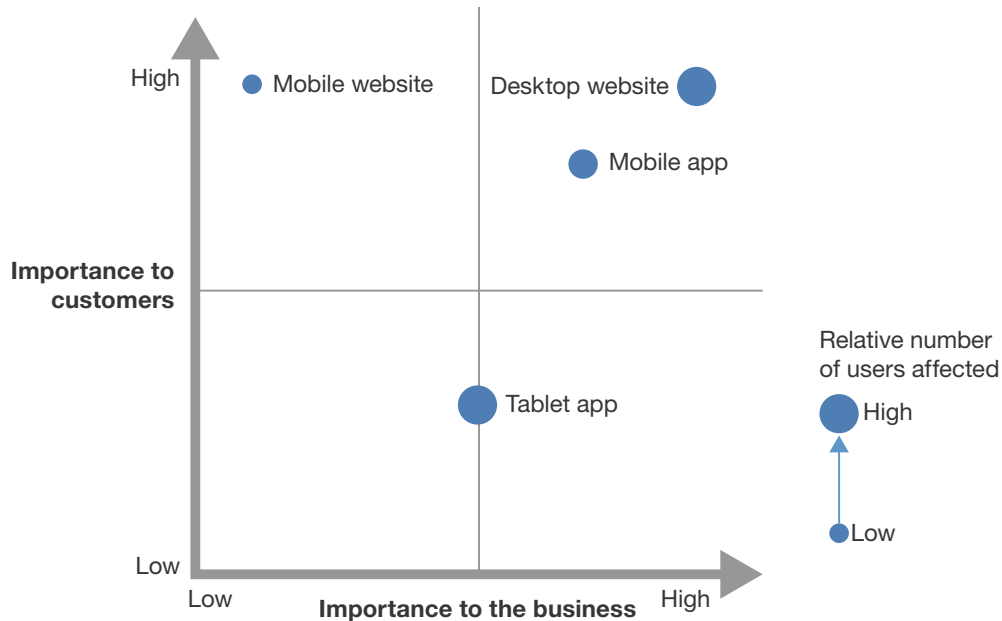
Source: VCA Animal Hospitals

FIGURE 6 EasyJet Summed Up Its Experience Vision In Its Customer Charter



Source: easyJet website

FIGURE 7 A Prioritization Matrix Helps Assess The Relative Importance Of Touchpoints



Rationale: Steer Resources To The Right Projects

For CX to provide sustainable benefits, companies need to prioritize investments that will make the biggest difference to their bottom line. To maximize long-term success, CX pros should:

- › **Specify relevant business goals.** If a company is focused on growing its customer base, a CX strategy that aims to lower cost to serve isn't going to get traction. What will is a CX strategy specifying how customer experience will support a firm's business goals. But be forewarned: Better CX doesn't translate into revenue growth in industries where customers lack freedom of choice, like with employer-sponsored health plans.¹¹ That's why firms need to match their CX strategy ambitions to their competitive reality.
- › **Define metrics to benchmark progress.** Once a firm has defined the long-term business objectives that its CX strategy will drive, it should identify shorter-term metrics that it can use to gauge progress and provide accountability for success. For example, Edward Jones developed a client experience index based on the five attributes of its client experience strategy. It tracks financial advisors' index scores to determine the effectiveness of its training and coaching programs in helping the advisors achieve excellent client service.

Stress-Test Your Customer Experience Strategy

To help CX professionals gauge the completeness of their strategies, we've developed a quick assessment tool (see Figure 8). Firms should review their CX strategy on an annual basis to ensure that it remains valid in light of internal dynamics such as reorgs, shifts in the economy or competitive environment, and changes in customers' behavior and expectations.

FIGURE 8 Assess Your Customer Experience Strategy

1	2	3	4	5
Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree

Our customer experience strategy:

Describes experiences	Paints a vivid picture of the desired experience for target customers	<input type="checkbox"/>
Provides differentiation	Calls out aspects of the experience that distinguish our company from competitors in ways that are meaningful to the customer and difficult to mimic	<input type="checkbox"/>
Aligns with corporate strategy	Builds on the key components of our corporate strategy (e.g., target market, value proposition, financial objectives, and core values)	<input type="checkbox"/>
Aligns with brand promise	Reflects our brand promise and attributes	<input type="checkbox"/>
Directs activities and guides tradeoffs	Informs employees about the activities that affect the desired experience and provides guiding principles to direct decision-making at all levels	<input type="checkbox"/>
Prioritizes touchpoints	Establishes the most important channels for delivering on customer goals while meeting essential business objectives	<input type="checkbox"/>
Allocates resources	Provides criteria to direct resource allocation toward achieving the desired experience	<input type="checkbox"/>
Specifies metrics	Defines measures that benchmark and monitor our progress toward achieving the desired experience and that correlate to key business metrics	<input type="checkbox"/>
Total score		<input type="checkbox"/>

What it means:	Score
Strategy is too vague or misaligned with brand and business goals. Start over.	8 to 23
Adoption of best practices is hit or miss. Double down on problem areas.	24 to 35
There is clear vision, criteria, guidelines, and alignment. Go forth and execute.	36 to 40

Recommendations

How To Get The Most Out Of Your Customer Experience Strategy

A CX strategy provides a map that shows the path to customer experience excellence. However, it won't be effective unless companies commit to following that map. To get their firms to walk the walk, CX professionals should:

- › **Engage key leaders, employees, and customers to cocreate the strategy.** Involving key managers, employees, and customers in the strategy creation process leads to greater buy-in. VCA Animal Hospitals initiated its effort by involving corporate and field leaders in workshops to create hypothesis journey maps that it later validated with customers. It also conducted employee focus groups to identify gaps in understanding of its clients' pet health journeys. In developing its strategy, the CX team at John Deere Financial secured executive-level buy-in early and then involved employees across the organization in discussion and debate to ensure that it was getting a range of perspectives.
- › **Socialize the strategy throughout the organization.** Generate widespread awareness of the strategy through compelling narratives, toolkits and frameworks, interactive learning programs, and regular reminders.¹² FedEx developed a CX toolkit for project owners and managers and trained 1,500 employees in critical positions on using the tools to embed the intended FedEx experience into every product, service, feature, interaction, and relationship. DBS Bank hired a former journalist to publish at least two stories a week in internal communication vehicles to generate buzz around its CX strategy of being respectful, easy to deal with, and dependable (RED). Its communication efforts proved successful, as DBS now has more than 99% internal awareness of what the RED values stand for.¹³
- › **Help tech-minded colleagues understand how the CX strategy relates to them.** Technology management professionals ranging from CIOs to application developers have a growing awareness of the fact that what they do affects CX.¹⁴ That creates a great opportunity for CX professionals because tech management pros often hold the key to creating fundamental change. Use CX ecosystem maps to show them the interplay of people, processes, and systems that must come together to deliver the experience that's spelled out in the strategy.¹⁵ Enterprise architects at Nordstrom are proving out a process for using journey maps to define business capability networks. Their proof of concept for a gift registry service demonstrated how they could use customers' needs, outcomes, and touchpoints from the journey map to identify business capabilities, metrics, and implementation requirements.¹⁶

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Supplemental Material

Survey Methodology

We fielded Forrester's Q3 2015 US And European State Of Customer Experience Programs Online Survey to 214 CX professionals recruited by Forrester and our panel partners. For quality assurance, panelists are required to provide contact information and answer basic questions about their firms' size and principal business.

Forrester fielded the survey from June 2015 to July 2015. Respondent incentives included a copy of a report resulting from this data.

Exact sample sizes are provided in this report on a question-by-question basis. Panels are not guaranteed to be representative of the population. Unless otherwise noted, statistical data is intended to be used for descriptive and not inferential purposes.

Companies Interviewed For This Report

Acquity Group

Andrew Reise Consulting

Aflac

Beyond Philosophy

Agency Oasis

Blue Cross & Blue Shield of Rhode Island

Canada Post	ProCure
Edward Jones	Smith
EffectiveUI	Smith+Co
Entergy	Strativity Group
Experience Engineering	Time Warner Cable
FedEx	VCA Animal Hospitals
John Deere Financial	Walker
Maersk Line	Zilver Innovation
OpenText	

Endnotes

- ¹ Forrester defines three core dimensions of CX quality: effectiveness, which is whether an experience delivers the value that a customer needs; ease, which is the degree of difficulty that a customer has in getting what she needs; and emotion, which is how positive or negative an experience makes the customer feel. See the [“Ten Things To Know About Forrester’s Customer Experience Index”](#) Forrester report.
- ² Examples came from an interview with Andrew Reise Consulting on August 12, 2011.
- ³ Looking through this lens, Penske realized that many of its customer experience problems stemmed from acquiring the wrong kinds of customers in the first place. See the [“Customer Experience Strategy: Build It In; Don’t Bolt It On”](#) Forrester report.
- ⁴ Forrester found that emotion has a bigger impact on customer loyalty than either effectiveness or ease, which are the two other dimensions of customer experience quality. See the [“The US Customer Experience Index, Q1 2015”](#) Forrester report.
- ⁵ Using metaphor elicitation, Entergy’s researchers asked customers which pictures best described their relationship with the company during a power outage. They found that many customers chose a photo of a steel door, signaling that they had no control over the situation and Entergy wasn’t listening to their concerns. By focusing its CX strategy on giving customers the feeling of control, such as by providing proactive communications, Entergy rose to the top five for utilities on J.D. Power’s 2013 outage ranking. See the [“Anchor Your CX Strategy In Customer Understanding”](#) Forrester report.
- ⁶ Source: Interview with Colin Shaw, Beyond Philosophy, August 4, 2014.
- ⁷ When companies offer a significantly differentiated customer experience, poor CX provides a powerful incentive to defect, and superior CX provides a compelling reason to stay. See the [“Does Customer Experience Really Drive Business Success?”](#) Forrester report.
- ⁸ CX pros can review their company’s brand promises by reviewing recent brand image studies to see which aspects of their brand resonate with customers. If their organization lacks a strong brand or is in the process of rebranding, CX pros should work with their marketing counterparts to develop the CX and brand strategies hand in hand. See the [“How To Build A Customer Experience Strategy That Works”](#) Forrester report.
- ⁹ Source: Interviews with Shaun Smith, Smith+Co, April 8, 2014, and August 5, 2014.

Customer Experience Strategy Best Practices

- ¹⁰ In addition to formalizing the intent of a CX strategy, internal partners can help validate a strategy's viability. For example, John Deere Financial engaged its executives, midlevel managers, and CX champions from across the organization in finalizing its experience guidelines to validate and support the outcome. See the "[How To Build A Customer Experience Strategy That Works](#)" Forrester report.
- ¹¹ Our research into Forrester's Customer Experience Index (CX Index™) leaders and laggards found that in order for increased loyalty to drive revenue growth, customers must be free to switch providers, and there must be a meaningful difference in the customer experience that competitors provide. See the "[Does Customer Experience Really Drive Business Success?](#)" Forrester report.
- ¹² Great customer experiences are built on solid strategies that people sharing a common vision execute. But most companies will find that their employees don't have a shared understanding of the intended customer experience. That's because few CX professionals communicate strategies consistently and regularly with all of their colleagues. To build a shared understanding, CX pros should follow four phases: Inspire a sense of purpose for taking a customer-centric approach, arm managers with the right tools to lead their teams, apply interactive learning techniques to teach employees what actions they should take and not take, and institute regular reminders in ongoing communications and events. See the "[Mobilize Your Customer Experience Strategy](#)" Forrester report.
- ¹³ DBS Bank is a prominent financial services group in Asia with more than 250 branches across 17 markets. Battling for customers in highly competitive markets like Singapore, China, and India, DBS realized that it needed to reinvent the banking experience if it was going to become the Asian bank of choice. To do that, the bank crafted a customer experience strategy that aligns with its corporate strategy and guides the redesign of its teams, processes, products, and touchpoints. See the "[Case Study: How DBS Reinvented The Asian Banking Experience](#)" Forrester report.
- ¹⁴ Technology fuels the age of the customer — customer experience excellence and leveraging mobility, big data, and applied analytics drive competitive success. CIOs must become the conduit between technology needs and customers' needs, working closely with the CMO and other digital business leaders. See the "[The Age Of The Customer Redefines Technology Management Archetypes](#)" Forrester report.
- ¹⁵ A complex set of interdependencies that Forrester calls the customer experience ecosystem shapes customer interactions. To make significant and long-lasting customer experience improvements, companies first need to fully understand how their CX ecosystems function. To do this, Forrester recommends a process called ecosystem mapping that can systematically assess and document an ecosystem's hidden dynamics and help plan future improvements. See the "[How To Map Your Customer Experience Ecosystem](#)" Forrester report.
- ¹⁶ Leading CX pros use journey maps to bring customer-centric thinking to their business technology (BT) colleagues. Journey maps help BT pros define business capabilities, build empathy for customers' needs, and coordinate development efforts. See the "[Brief: How Journey Maps Unify Customer Experience And Business Technology Efforts](#)" Forrester report.

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