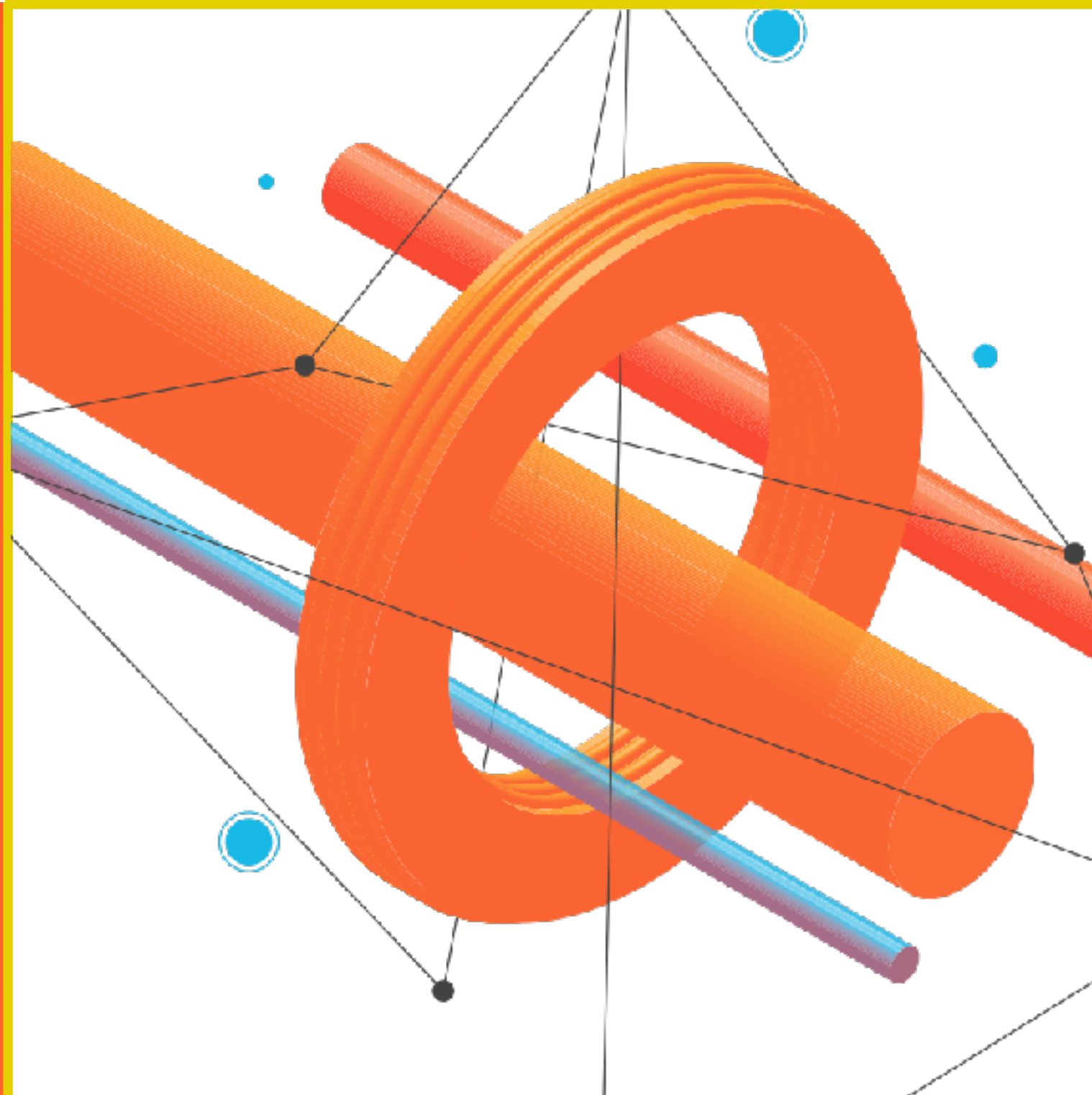




Customer Experience
& Service Design Consultancy



CX MASTERCLASS SERIES

HOW TO CONDUCT A CUSTOMER EXPERIENCE AUDIT

A guide for private and public sectors teams looking to
improve their customer experience



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INTRODUCTION TO THIS GUIDE



Image: hotjar.com

Regardless if you are a private or public sector organization, your customer experience stretches from the first moment audiences become aware of your services, through to the reason you ultimately lose them. An effective CX strategy proactively addresses the needs of your audience at each step of the customer journey.

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This guide is part of a CX Masterclass series being published by PH1 Research as free resources. To be sent the other resources please email info@ph1.ca or visit <http://PH1.ca/cx-masterclass>



Customer Experience & Service Design consultancy

PH1 was founded in 2012 and has developed a Service Transformation Methodology which incorporates service design, behavioural science, and design thinking. This approach allows us to rapidly innovate customer experiences across the private and public sector.

We specialize in human-centred research and systemic analysis to identify how to transform services and organizations. Our projects involve CX audits, UX strategy/testing, co-design workshops, qualitative research, and rapid prototyping.

HOW TO CONDUCT A CUSTOMER EXPERIENCE AUDIT

WHY WOULD YOU NEED TO DO A CX AUDIT?

The three top reasons to conduct a CX audit:

- **Your organization does not have a CX strategy or CX team in place.** This work is cross-functional, with responsibilities across many teams and many initiatives. It often takes a CX audit to make a case to leadership about the importance of this work.
- **Your customer journey has shifted or been disrupted.** Industries shift, customers change, and products/services become less competitive over time. Any of these can result in your assumptions about the customer journey no longer being correct
- **You are launching a new service or product.** Every organization is going through some form of a digital transformation. These projects —whether back office or customer-facing— can significantly harm your CX if not integrated appropriately into connected services and initiatives.

In each of the three scenarios above the role of the CX audit is to provide leadership with a holistic customer perspective on how the entire business (or unit) is executing. These audits yield insights about gaps between teams or initiatives, as well as opportunities to make content and product strategies more empathetic.



A common startup and SME story: new product idea turns into a business that scales into unexpected markets. As the business grows, silos begin to form around different functions: product, sales, customer success, marketing, operations. Those silos lead to fractures in the customer journey because no strategy, nor team oversees and optimizes the end-to-end CX.



COVID has disrupted many industries, few more than tourism & hospitality. Consumer expectations have shifted and for these brands to survive they must quickly and proactively understand which expectations have changed. A CX audit here can diagnose and prioritize which safety, marketing, operational initiatives can address gaps that hinder trust and conversions.



A behemoth like Amazon must find ways to grow revenues. They need to launch new programs and quickly find out which are worth piloting. Amazon Prime is an example of this, one that is widely copied across many industries because it locks customers into recurring revenue streams. A CX audit can enable large, established organizations to assess consumer needs and find gaps that are ripe for innovation.

HOW TO CONDUCT A CUSTOMER EXPERIENCE AUDIT

STEP 1: DEFINE A CX VISION

Whether or not you have a CX strategy, audits are intended to validate if organizational assumptions are correct. Workflows, teams, products are built around assumptions around key questions:

- How does your target audience become aware of your organization?
- How do you differentiate yourself from similar services?
- What you need to do to convert them into a customer/client?
- Why should they continue using your service and remain loyal?

These are not your CX vision or strategy, however they the answers to these illuminate the modus operandi that governs your desired relationship with customers.

To define the organization's CX vision, follow these steps:

1. Document the organization's customer vision, as gather from across the published, mission, values and any other approved strategy documents;
2. Consult key stakeholders to assess how well the organization is meeting that customer vision, as well as to gather assumptions that drive strategic choices; and
3. Find out which questions are most critical for the organization to understand/validate.



At startups like Hootsuite documenting purpose, vision, mission, and values is an important step in creating a more unified culture across the organization. It also challenges the organization to reach for new heights.

Some of the language used by Hootsuite:

"Our vision is to revolutionize the customer journey using social"

"To Champion the Power of Human Connection"

"We help organizations build enduring customer relationships at scale"

Within organizations like these there is risk that these statements are more a reflection of leaderships' ambition, not of what customers want and/or believe. CX audits investigate what customers need and want, compared to what organizations are delivering. Understanding why the organization has made these assumptions will form the basis for what needs to be validated.

HOW TO CONDUCT A CUSTOMER EXPERIENCE AUDIT

STEP 2: RESEARCH & VALIDATE THE VISION

CX is about the customer's perspective. It also shines a light on which programs and initiatives improve or detract from their end-to-end experience. However, when looked at systemically, corporate culture is drives CX above all else. This is why any intention to understand/improve CX must begin by evaluating what leadership and employees believe.

Depending on the scale and significance of your project your goal is to gather insights about each:

- **Customers:** Which of their needs are being met and not? When? What is the impact of that?
- **Leadership:** What assumptions drive the decisions they make about customer programs?
- **Employees:** Do teams agree with, contribute to, and share the vision?
- **Market:** How do needs of non-customers and lost customers vary from current customers?

Validating the CX vision and conducting the audit will require reaching out to some or all of the above audiences to conduct interviews and other forms of qualitative research. Remember that because you are trying to understand what the organization doesn't know, it can't be done through survey, data analysis, or other forms of quantitative methods.

Unless you are a small organization with a very small mandate, **we recommend interviewing at least 25 customers.** This is vital because you need as many perspectives as possible to fully understand if your CX is delivering or not.



2020 has required hotels to throw out many of their assumptions about their guests. It required them to evolve their CX by listening, learning, and adapting. While hotels have used those insights to stabilize their finances, occupancy is at 30% or lower across properties.

Their CX audit would include:

- Customers: What CX modifications are necessary to have loyal customer return?
- Leadership: Which strategies or programs should be deprioritized in favour of new ones?
- Employees: How to better engage teams to become one of the key drivers of the recovery?
- Market: How might you deliver a CX which differentiates itself from competitors?

This research would ideally be conducted rapidly so that the organization can swiftly move to implementation. Given the different types of properties and markets that the business operates. Because of that the research approach would include several components:

- Customers: 25 customers per tier of property, with a quota set per region
- Leadership: 5 interviews per brand
- Employees: Workshop with employees from ten properties representing the corporation
- Market: Interview 10 past customers from each brand

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STEP 3: ANALYZE THE RESEARCH & INVESTIGATE

This is not your typical research study — this one is looking for issues negatively impacting your organizations and any opportunities to improve. Avoid the risk of falling into old organizational culture patterns. Those may be focusing on minutia (UX, sales, etc) or being too open-ended and not quantifying insights. To stay focused on gathering holistic CX insights we recommend the following approach:

#1: Assume that you don't know what you're looking for. Keep digging and probing into the why behind choices and what impacted it (or didn't).

#2: Make sure you can answer the following questions:

- How effectively are we building relationships?
- How effectively are we deepening relationships?
- What can we do to win new customers from under-valued audiences?

#3: Think about the output and what that end user needs:

- If to create training materials, pinpoint which assumptions in the current training are incorrect;
- If to improve communication, consider offering guidelines of what to do and not do; and
- If to shift strategies, consider how to make a business case for the recommendation.

Remember that this process is focused on systemic issues. This means finding inconsistencies between how one group perceives the actions of the other.

Types of clues to look for:

- **Procedural:** Issues related to usability, satisfaction, comprehension, product/service offering.
- **Cultural:** Disconnect between the what and why of the organization, compared to that of employees, customers, and the market.
- **Blindspots:** These may seem like anomalies, things that were never part of the scope. They can sometimes morph into uncomfortable truths or innovation opportunities.



Customer interview:

“As a customer of Amazon Prime I constantly ask myself ‘why do we pay for this?’ and consider cancelling. The answer is such a short list of reasons why we keep our subscription and I personally can’t wait to cancel it. I feel that way because I feel culturally disconnected from what Prime offers as benefits. Their video stream service, expedited delivery times, and other perks make me feel like the program doesn’t understand me culturally. It is strictly a financial relationship, and one I’m not proud of.”

If researchers discovered this and found a trend of others with similar sentiments and perceptions it would point to potentially severe risks to Amazon unless the CX was improved. This interview outlined several issues:

- **Procedural:** Prime’s benefits are viewed as utilitarian and as such any issues will be scrutinized harshly
- **Cultural:** The benefits of the program have created no emotional impact and therefore less customer loyalty
- **Blindspots:** How can Amazon better assess markers that lead to churn? How many others feel this way?

HOW TO CONDUCT A CUSTOMER EXPERIENCE AUDIT

STEP 4: DELIVER GAME-CHANGING INSIGHTS

A successful CX audit is one that inspires organizational change. It requires you to bridge divides across teams and find better ways of connecting with audiences. You need to play the role of a storyteller and facilitator.

Storytelling requires you to engage people in the way that suits them best:

- Analytically using data to make the case for the impact and missed opportunities;
- Inspirationally by motivating people to imagine a better way of doing things, the benefits, and the emotions of elevating the business;
- Visually using customer journey maps to illustrate what customers are feeling and what is have the most positive and negative impact; and
- Pragmatically using service blueprints to detail the implications of the problems and/or how to implement a transformation.

Facilitating this transformation requires:

- Making sure every groups impacted by this project has been consulted;
- Understanding what the positive and negative impact is to each of those groups if this project fails or succeeds; and
- Being focused on “What if” rather than “Why we can’t.”

This process can take between two and six months and will change your organization in one of these ways:

- **Impact lives** by investigating to what matters to customers and employees, as well as how to more positively impact them;
- **Innovate data** by learning the importance of integrating lessons from your frontline with data to tell a more accurate story; and
- **Optimize operations** by aligning products/services to what actually matters by creating more direct lines of communication between teams.



A CX audit of the tourism industry will discover many issues and opportunities, especially a result of the elimination of international tourism. Hotels use a key metric: Revenue per available room (RevPAR) to measure their performance. With many hotels operating at less than 30% capacity, their business model depends on extending the length of bookings, from one night to two nights, two nights to three nights, etc. This would increase RevPAR and reduce expenditures.

Your research would uncover that the key factor that motivates how long someone books a stay is a sense of excitement for the destination. For example, if they believe there’s a full weekend of activities they may opt to stay two nights instead of one night. Doing this would require hotels to better understand their guests, their interest, and to have access to a database of experiences that may sway their length of stay.

Designing for this behavioural change would require hotel leadership to buy into a new approach to engaging prospective guests and booked guests pre-arrival. The following approach would be needed:

- Document the customer journey and isolate the missed opportunities to influence length of stay;
- Collect stories from past guests where they express how much they wish they would have stayed longer;
- Use existing data capture more effectively by turning the post-stay satisfaction survey as a way of calculating the potential revenue for this initiative. Simply do this by asking if they wish they would have stayed longer, why, and how long; and
- Create a service blueprint to map out how Marriott would better engage pre-booking and pre-arrived, including detailing necessary changes to the website, content, data capture.



Image: prototypypr.io

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