

BEST PRACTICE GUIDE

# Anatomy of a true CX insight

**5 definitive tests to distinguish  
between insights + data points**



service  
management  
group®





## in·sight noun

\ 'in-, sīt \

definition: (not found)

If you work in customer experience management (CEM), you've heard the word a million times.

Every provider talks about it, few attempt to define it, and even fewer follow through on their promise to deliver. Like all buzzwords, insights get talked about so often and so broadly that they've been all but relegated to the realm of corporate wallpaper.

# So what is an insight, *really*?

## What does it look like?

## What can you do with it?

## What results should you expect?

The truth is, it's easy to conflate insights with data points—things that make you go “Mhm.” rather than “Aha!” The data can certainly point you in the right direction, but an insight tells you exactly what you're seeing when you get there. It's the difference between a signpost and a roadmap—between knowing where you are and knowing *how* you got there and *where* you need to go.

Plainly stated, a true CX insight isn't some lofty, abstract goal. It's a tangible deliverable—one you should hold your CEM provider accountable for. Because one thing has become abundantly clear:

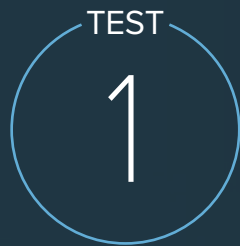
**Data-driven brands and insights-driven brands are heading in different directions.**

---

“A new kind of company—we call them insights-driven businesses—has formed. They are growing at an average of more than 30% annually and are on track to earn \$1.8 trillion by 2021.”\*

# What's inside

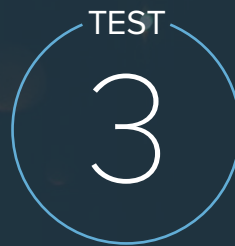
To help you determine if your CEM provider delivers true CX insights or simply offloads data, we'll break down some clear-cut criteria.



Is it specific?  
Vague information tends to confuse, not inspire



Is it understandable?  
Overwhelming data leads to underperforming teams



Is it prescriptive?  
When no one knows how to act, nothing gets accomplished



Is it measurable?  
If you can't measure success, you're not likely to obtain it



Is it worthwhile?  
Better scores won't save a program that fails to deliver ROI



How SMG defines + delivers true CX insights



Less "Mhm."  
More "Aha!"



TEST

1

Is it specific?



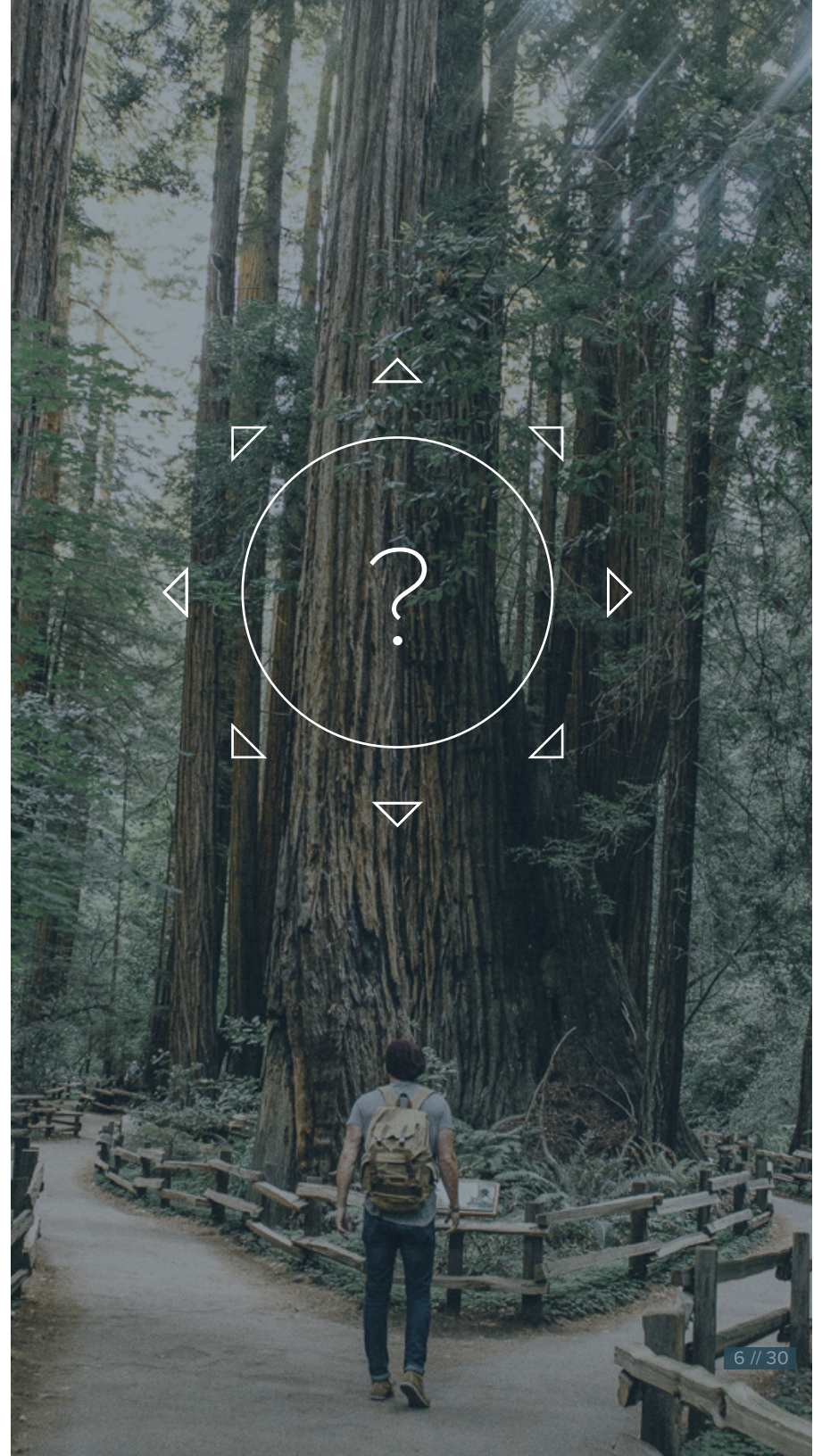


## TEST 1: IS IT SPECIFIC?

# Vague information tends to confuse, not inspire

If needing specific information to take targeted action seems like a no-brainer, you're right. That's why it's so surprising how many "insights" presentations and reporting tools focus on what's happening, without so much as a nod to what you can do about it. At that point, eyes glaze over, watches get checked, and valuable information gets discarded.

Brands saddled with vague insights ("We're struggling with Speed of Checkout") get stuck with limited options for action ("Let's add labor to open more checkout lanes").



## TEST 1: IS IT SPECIFIC?

A true CX insight, on the other hand, presents timely information that details exactly:

### WHAT'S HAPPENING

By integrating our workforce management data with CX scores cut by daypart, we learned Speed of Checkout scores drop most significantly when the cashier has been with the company for less than 3 months, which happens most often during evening and weekend shifts.

### WHY IT'S HAPPENING

Seniority factors into scheduling, and most employees prefer not to work weekends + nights—leaving our least-tenured staff to struggle through peak-traffic periods.

### HOW TO ENACT CHANGE

- ▶ Revisit scheduling policy to ensure a healthy mix of tenured + new employees each shift
- ▶ Move managers and/or assistant managers to checkouts during peak-traffic periods
- ▶ Consider new front-end position dedicated to coaching best practices + assisting when lines get too long
- ▶ Integrate POS data with CX scores to track items per minute for future benchmarking + goal-setting

See the difference? That's when lightbulbs go off, strategies get put into place, and teams are equipped to spring into action.



### Why it matters

A fluctuation in scores is barely a conversation starter—true CX insights add nuance by referencing industry knowledge, demonstrating client understanding, and putting disparate datasets in dialogue.



## TEST 1: IS IT SPECIFIC?

# The difference between data + insights

### What does it look like?

Low Cleanliness scores

Cleanliness scores have dropped

Drill-down question + text analytics revealed it's not due to typical issues like messy drink stations or overflowing garbage cans—customers actually think the stores feel cluttered

### What can you do with it?

Tell operators to put an emphasis on cleaning their stores

Conduct site visits for bottom-performers + follow up with monthly coaching calls

Realign aisles + communicate compliance standards

Reprioritize SKUs to put branded bakery items with higher profit margins in great-looking displays next to registers

### What should you expect as a result?

Hope for improvements

+6 ppts  
Cleanliness

+2 ppts  
Overall Satisfaction

+2x  
in-store bakery sales increase vs. general merchandise

Data  
(Mhm.)

Insight  
(Aha!)



# TEST 2

Is it understandable?



# Overwhelming data leads to underperforming teams

While specificity is key, be aware of format and intended audience to avoid burdening teams with unnecessary information. Knowing that comments mentioning out-of-stock items have a .17 correlation to lower Likelihood to Return scores is definitely valuable information for the c-suite. But when it comes to field teams tasked with acting on feedback in real time, that degree of granularity is more likely to overwhelm than inform.

Think of it this way: your executives are the pilots—monitoring all the gauges and needles to ensure systems are operating effectively to reach the destination. The field teams are the technicians focused on continuously fine-tuning the individual components that keep the larger enterprise humming along.

## Field teams need tactical tools that are:

- ▶ Action-oriented
- ▶ Intuitive + engaging
- ▶ Easily accessible

## Why it matters

Deciphering detracts from doing—make sure every insight is presented in an intuitive format that clearly defines action items and responsibilities.





## TEST 2: IS IT UNDERSTANDABLE?

### Calculate the impact of front-line improvements with predictive analytics

Based on a regression model that's part of a proprietary algorithm, Areas for Focus (AFFs) are featured prominently on the smg360® reporting dashboard and mobile app—taking into account current + past performance, national averages, and appropriate weighting. AFFs dynamically update in real time as feedback is collected and are designed to keep employees focused on what will have the biggest impact on Overall Satisfaction—so your teams always know the best next action to take.



## TEST 2: IS IT UNDERSTANDABLE?

# Customer insights that are specific + understandable spark action in the field

### Specific

Data analysis showed **Friendliness** to be a key driver of **Overall Satisfaction** + one of the least consistent measures across locations. Text analytics further revealed that when Friendliness is mentioned negatively, it's most often because **cashiers are forgetting to greet + thank customers.**

### Understandable

#### What's happening

Front-line employees need to improve on Friendliness

#### Why it matters

Friendliness drives Overall Satisfaction, and transaction-level data shows highly satisfied customers spend more on average

#### Who can make a difference

Cashiers

#### Front-line strategy

Greet + thank customers every time

#### Corporate Strategy

- ▶ Work with CEM provider to customize reporting dashboard to emphasize Friendliness
- ▶ Custom-develop reporting website splash pages that communicate key front-line behaviors, as well as the impact on Overall Satisfaction + sales
- ▶ Launch internal #GreetandThankYou initiative on company intranet site

#### Results

- ▶ +2 ppts Friendliness
- ▶ +1 ppt Overall Satisfaction
- ▶ Higher comp sales for most-improved stores



TEST

3

Is it prescriptive?



### TEST 3: IS IT PRESCRIPTIVE?

# When no one knows how to act, nothing gets accomplished

So let's assume your insight has passed the first two tests. It's specific enough to identify a single, solvable issue and presented in an understandable format that focuses your efforts in the right areas. While that's a great start, it's not even half the battle. To truly effect organizational change, the insight has to prescribe a strategic plan of attack and define what those efforts will actually look like in the field.

“The insights SMG gave us were very actionable. I specifically refer to it as a lightbulb moment in the development of our business and how we were going to talk to our team members about their engagement with customers.”

**VALERY CIARIMBOLI**

Senior Director, eCommerce Operations  
Giant Eagle, Inc.





## TEST 3: IS IT PRESCRIPTIVE?

# Follow through on prescriptive insights early and often

Brands using CEM data to build informed strategies have a lot of information to work with—but front-line teams don't need to be bogged down in the data to be effective. If you want them to move a specific needle, you have to provide targeted coaching on which levers to pull.



And when you surface those prescriptive insights, be sure to follow through early and often across multiple channels, including:

- ▶ Reporting views that reiterate the organizational emphasis
- ▶ Back-of-house scorecards dedicated to tracking improvements
- ▶ Monthly newsletters to update teams on performance + celebrate wins

### Why it matters

The road to mediocrity is paved with good ideas that never get implemented—a true CX insight prescribes clear action items and identifies who's responsible.

### Everything your teams need—in the palm of their hands

When your reporting is tethered to a backroom computer, you risk putting the front line out-of-pocket every time they're asked to check in. With real-time data and role-based access, the award-winning smg360 reporting app puts everything users need to know *in* their pocket—so you can get from insight to action quickly without taking anyone off the front lines.

[Learn more](#) ➔

### TEST 3: IS IT PRESCRIPTIVE?

# Prescriptive insights lead to healthy brands

## INDUSTRY CONTEXT

With customers craving convenience, buy online pickup in-store (BOPIS) is forecasted to increase 55.6% in the next 5 years — growing to \$9.5 billion by 2022\*

## BUSINESS CHALLENGE

A national chain of drug stores needed to articulate the impact of the BOPIS experience on the larger omnichannel customer journey

## DATA-DRIVEN INSIGHT

Satisfaction + loyalty scores are higher for BOPIS experiences in the retail industry— helping drive return visits for infrequent customers

Pharmacy struggles with BOPIS experiences, as customers picking up prescriptions ordered online are significantly less satisfied on average

Data analysis revealed a wide disparity between top- and bottom-performing locations, with Time to Complete Visit being the largest gap

## CLEAR CALL TO ACTION

- ▶ Break down the BOPIS experience to identify points of friction
- ▶ Conduct site visits at top-performing locations to pinpoint best practices + coach bottom-performers
- ▶ Consider implementing back-end timers to benchmark appropriate wait times + establish clear expectations for field teams

## PREDICTED OUTCOME

Narrowing the gap in performance for BOPIS orders could potentially equate to 100,000+ additional items sold/year

\*Ask the Experts—Strategic warehousing: The answer to seasonal peaks | FORWARDER magazine | October, 2018



TEST

4

Is it measurable?



#### TEST 4: IS IT MEASURABLE?

# If you can't measure success, you're not likely to obtain it

It's a lot easier to succeed when you know exactly what you're trying to achieve. A corporate initiative with nebulous success criteria isn't just hard to rally around. It can have an adverse effect on company morale once teams notice no one is even able to track whether their efforts are paying off.

By using internal and external benchmarks to understand how different areas of the business perform in comparison to one another, past performance, and industry averages, you're able to build goal-oriented strategies. In addition to providing a specific target to strive toward, tying front-line efforts to a set standard will likely inspire a spirit of friendly competition in the field—and make it that much easier for you to celebrate their wins.



#### Why it matters

When you go in with a goal—something tangible that you can measure success against—you're much more likely to come out with a win.





#### TEST 4: IS IT MEASURABLE?

Not sure which measurable aspect of the customer experience warrants your attention?

Our research consistently shows that the biggest opportunity—and quickest path to financial growth—is focusing on turning 4s (satisfied customers) to 5s (highly satisfied customers), as highly satisfied customers are 3X more likely to exhibit loyalty behaviors. Discover how key driver analyses can help you understand which measures matter most, so you can deliver more top-box customer experiences.



**Getting to the heart  
of CX: Best practices  
in key driver analysis**

[Learn more](#) ➔

## TEST 4: IS IT MEASURABLE?

# Go in with a goal to come out with a win

### CHALLENGE

Majority-franchised, international QSR brand knew corporate locations had to be the standard bearers for the organization, so they were surprised when they saw company-owned locations at the bottom of internal benchmarks

### GOAL

Get to the top of internal benchmarks

### INSIGHT

Biggest opportunity was in problem resolution—and key driver analysis revealed that when problems occur, Friendliness becomes the top driver of alleviating dissatisfaction

### ACTION

- ▶ Shared information with district managers overseeing corporate locations
- ▶ Reassigned top-performing team members to lead by example
- ▶ Used alerting + case management technologies at the field and executive level

### RESULTS

- ▶ Corporate locations moved into Top 3 in Overall Satisfaction
- ▶ Behavioral data showed improved visit share in company market





#### TEST 4: IS IT MEASURABLE?

Interested in an outcomes-based approach to closing the loop?

Download our best practice guide to learn how SMG's case management technology makes it easier than ever to empower your teams with tools to resolve customer issues and drive brand loyalty.



**Close the loop:** 5 ways to resolve customer issues + drive loyalty

[Get the guide](#) ➔

TEST

5

Is it worthwhile?





## TEST 5: IS IT WORTHWHILE?

# Better scores won't save a program that fails to deliver ROI

If your insight has made it this far, it's providing specific information in an engaging format that prescribes clear action items likely to produce measurable results. Sounds pretty good, right? But it's still not enough. Because an improvement limited to one aspect of the customer experience is a bit like the proverbial tree falling silently in the forest. If no one takes notice, does it really matter?

---

**Good news:** The CFM space has and continues to see significant growth. For a 2018 Forrester report, vendors reported 2017 revenues starting at \$50 million and exceeding \$250 million, with even more anticipated.\* **Bad news:** 89% of surveyed CX professionals state that the ROI of CX is not well established in their companies.\*\*

\*The Forrester Wave™: Customer Feedback Management Platforms, Q4 2018 | October, 2018

\*\*Predictions 2019: Transformation Goes Pragmatic | Forrester | November 2018

©Service Management Group | Confidential | All rights reserved



## TEST 5: IS IT WORTHWHILE?

# A true CX insight impacts the entire business

The fact is, even though CEM programs may live in one department, every role in your organization plays a critical part in shaping the entire customer journey.

### Make sure your next insight:

- ▶ Predicts the accompanying financial outcomes
- ▶ Factors in omnichannel impact like call center volume + social ratings
- ▶ Produces results that extend beyond CX measures

**+2%**

**comp sales impact**  
when loyalty scores  
increase by 1% point

**+3%**

**average OSAT gain**  
after first year  
on program

### Why it matters

When a program's success is confined to a single area of the business, that program is more prone to scrutiny than recognition. Map CX improvements to cross-functional gains that demonstrate tangible, widespread ROI—so you can prove the program is worth the effort.



## TEST 5: IS IT WORTHWHILE?

# An enterprise insight demonstrates financial results + ROI that extends beyond the bottom line

### BUSINESS CHALLENGE

C-store client saw an uplift in customers running into problems at the pump, which led to negative experiences and declining repeat business

### RESEARCH FINDING

Text analytics revealed dissatisfied customers were frequently mentioning credit cards—and when that happens, Overall Satisfaction scores dropped 51 ppts. Additional analysis showed 20% of customers were experiencing issues with the credit card reader.

### PRESCRIPTIVE ACTION ITEMS

- ▶ Trained call center agents to troubleshoot credit card reader issues
- ▶ Trained store personnel to change or repair credit card readers on the spot
- ▶ Dispatched fewer technicians—leading to quicker fixes from newly trained on-site staff

### CX RESULTS

60% reduction in Time to Resolve Issues

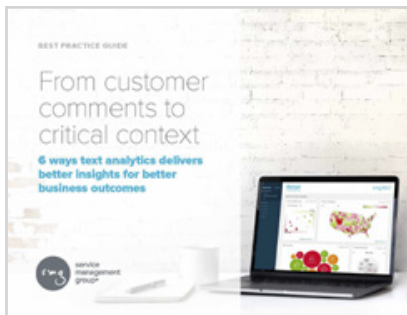
### PROOF OF PROGRAM ROI

\$3MM annual savings in maintenance fees

## TEST 5: IS IT WORTHWHILE?

### Sensing a theme? That's the impact of AI-powered text analytics

In case you haven't noticed, nearly every example included incorporates text analytics. That's because the qualitative input in customer comments adds context to the quantitative data you're collecting. Learn how text analytics technology fueled by data science can take your insights to the next level.



6 ways text analytics delivers better  
insights for better business outcomes

[Get the guide](#) ➔







# How SMG defines + delivers true CX insights

**in·sight** noun

\ 'in-, sīt \

**SMG definition:** A specific research finding that provides a more nuanced understanding of a given topic and prescribes clear ways to act—leading to measurable results + tangible ROI

# You can only be successful when you get true CX insights

That means you require a program that includes data collection methods designed by researchers, reporting tools that are intuitive and action-oriented, and client teams consisting of passionate experts. Settling for less means settling for data points — not insights.

**A recent study conducted across clients and non-clients revealed that SMG clients:**

- ▶ Are nearly **2x** as satisfied with their CX program
- ▶ Take meaningful action on their insights nearly **2x** as often
- ▶ Are **3x** as likely to say they have a partner that drives strategy and program execution

“We love our SMG team. They are great partners in helping us really take things to the next level. Our program is over 20 years old, so we want to make sure each and every year we are leveraging it to get new insights and new tools for operators—and they’re up for the challenge.”

**VICKY SOULIMIOTIS**

Senior Principal Team Leader  
Customer & Market Insights  
Chick-fil-A





# That's because our methodology is backed by data-driven research centered around 4 key principles:



## LISTEN

End-to-end measurement solutions enable clients to capture employee and customer feedback at every point of interaction—using methodologically sound, research-backed data collection methods



## INTERPRET

With intuitive, role-based dashboards featuring targeted areas for focus, disparate data integrations, powerful text analytics, and alerting + case management technologies, users can spend less time sifting through the data and more time acting on it



## ACT

Hands-on client insights teams collaborate every step of the way by delivering regular foundational + deep dive insights presentations, consulting on opportunity areas + action strategies, and partnering on everything from reporting tool training materials to field engagement best practices



## MAXIMIZE

When clients take action, we measure to ensure those actions are not only worthwhile, but optimized to deliver the biggest bang for the buck

If you're not getting that from your CEM provider, it may be time for change. And that's a good thing—because we find the most successful clients are the ones that embrace change.

# Less “Mhm.” More “Aha!”

## That’s the standard you should have for your CEM vendor.

Businesses operating in the dark are doomed to fail. And the more lightbulb moments you have, the better equipped you’ll be to illuminate new paths to insight and inspire smart changes across your enterprise.

Other vendors primarily offer a software as a service (SaaS) model—dedicating minimal resources to analysis support, insight delivery, and strategic partnership. SMG’s unique model puts a dual focus on platform technology and professional services

to help brands turn mountains of data into true CX insights that change business outcomes.

That collaborative approach—along with our ability to combine measurement technology, robust reporting, and unmatched research expertise—is the main reason SMG’s client retention is second to none, with partnerships lasting 8 years on average and 50% of new business coming from client referrals.

### About Service Management Group

SMG inspires experiences that improve people’s lives. We are a catalyst for change, providing actionable customer, patient, and employee insights that boost loyalty and drive business outcomes. Our unique model puts a dual focus on platform technology and professional services—making it easier to collect, analyze, and share feedback and behavioral data across the enterprise. To learn more about our customer experience management, employee experience, and brand research solutions, visit [www.smg.com](http://www.smg.com).

### [smg.com](http://smg.com)

Connect with us [in](#) [f](#) [t](#)

Kansas City: 1.800.764.0439  
London: +44 (0)20 3463 0700  
Tokyo: +8 (03) 6432 0871

33 The difference between SMG and everyone else is that we found people as passionate about the guest experience and great service as we are. It’s no surprise that the first year with the program has been our best year yet. 22

### MCKINLEY GREER

Operations Intelligence Specialist  
Biscuitville



If you’re not sure if you’re getting true CX insights or just data, we should talk.

**Visit [smg.com/contact-us](http://smg.com/contact-us).**



service  
management  
group®