



Research Brief for Participating Companies

Employee Engagement and Customer Experience Research:

Investigating the positive and negative correlations between employee engagement and customer experience to determine the causal relationship between the two.

Research Objective



iCustomerExperience is undertaking extensive, UK wide, cross sector research to investigate the positive and negative correlations between employee engagement and customer experience in order to determine the causal relationship between the two.

The objective of this research is to help companies determine the **type** and **degree of causation** which exists between these two areas within their organisation; and importantly **how they can leverage specific relationship variables to drive positive change and improvement in their operational productivity, competitiveness and profitability.**

Generally speaking, most companies are aware that engaged and motivated employees play an important role in the delivery of exceptional and memorable customer experiences. Conversely, few companies fully understand the complex variables at play within these two areas and how they impact and influence each other, for example: *When/where is employee engagement a 'necessity' of a positive customer experience? Is employee engagement always present when positive customer experiences occur? What (if any) are the 'contributory causes' to a positive customer experience outside of employee engagement? How can specific relational variables be leveraged in order to exert a positive impact on the organisation?*

Understanding these dynamics requires that organisations explore the full spectrum of employee engagement and customer experience attributes and their real-time interplay within their own operation and within peer organisations. This in essence is the research that iCustomerExperience is proposing to undertake for 60 UK organisations.

The insight we will provide to participating organisations is two-fold. Each organisation will receive highly detailed research pertaining to their own organisation within 4 weeks of completion of our analysis of their organisation. Furthermore, on completion of the entire research program, we will provide the full report detailing our research findings and theory having collectively analysed the data of all 60 participating organisations.

Benefits for Participating Companies



Highly detailed performance and benchmarking insight, commentary, and best practice recommendations in the following areas of your business delivered and part-funded by an impartial and specialist third party.

Correlational and Causal Relationships between Customer Experience and Employee Engagement within your organisation and within the wider market

- Exploration and analysis of the *correlational relationships* between the customer experience and employee engagement variables within your organisation. Correlations are classified as 'positive' (as one variable increases or decreases, so does the other) and 'negative' (as one variable increases or decreases, the opposite behaviour is observed in the other variable);
- Identification of the *causal relationships* between the customer experience and employee engagement variables within your organisation i.e. determining if changes in one variable truly have the power to **cause** changes in another variable;
- Discussion and recommendations into how certain correlational and causal relationships within your organisation can be leveraged in order to positively impact your company's operational performance.

Customer Experience, Loyalty, and Advocacy

- Detailed insight into the present quality of experience you are delivering to your customers;
- An understanding of the impact your present customer experience is exerting on your brand reputation and loyalty;
- A measure of the present levels of loyalty and advocacy within your install base;
- An opportunity to compare with and learn from peer organisations i.e. a view of your company's performance in the domain of customer experience relative to other organisations both inside and outside of your business sector;
- Best practice recommendations for improving the experience you provide to your customers;
- Specific indications of how an enhanced customer experience would impact upon your company's competitiveness and profitability.

Employee Experience, Engagement, and Drivers

- Detailed insight into the present quality of experience you are delivering to your employees and its impact on your levels of employee engagement;
- An understanding of the present levels of employee motivation and engagement across your organisation;
- An understanding of the specific drivers for increasing employee engagement within your organisation;
- An opportunity to compare with and learn from peer organisations i.e. a view of your company's performance in the domain of employee engagement relative to other organisations both inside and outside of your business sector;
- Best practice recommendations for improving the experience you provide to your employees.

Research Deliverables

iCustomerExperience's deliverables for participating companies fall into two categories, namely: Research Activity and Documentation/Presentation.

In terms of **Research Activity**, the robust nature of the program and its objectives dictate that iCustomerExperience performs a minimum of the following activity for each of the participating companies:

Qualitative research

- 2 x Customer Focus Group - max. 10 attendees per session and moderated by 2 iCustomerExperience consultants.
- 2 x Employee Focus Group - max. 10 attendees per session and moderated by 2 iCustomerExperience consultants.
- Mystery Shopping – using sector specific processes and scenarios, scale of activity is dependent on sector.

Quantitative research

- 1 x Customer experience survey (online and hosted by iCustomerExperience / postal) - to an *unlimited* online sample population.
- 1 x Employee attitude and engagement survey (online and hosted by iCustomerExperience / postal) - to an *unlimited* online sample population.

The research activity is fully managed by iCustomerExperience although there remain some areas in which information / assistance from the participating company will be required. The exact length of the research phase is largely dependent on the participating company's ability to mobilise and provide the required information to iCustomerExperience.

There are two sets of **Documentation and Presentation** available to participating companies:

- The first pertains to the specific research carried out within the participating company's own operation. iCustomerExperience aims to have individual company reports out to participating companies within 4 weeks of their own company research phase concluding; we believe that this is crucial to optimising the company's ability to act on insight and recommendations while they are still current and reflective of the present situation. This content rich documentation will be in tabular and graphical format with accompanying commentary, discussion, and recommendations. iCustomerExperience also proposes to offer participating companies the option of having the research findings 'presented' to them i.e. in an **interactive presentation** whereby specific questions can be posed to the research team; and also to having access to **raw data**¹ in order to facilitate additional 'in-house' analysis and scenario planning.
- The second set of documentation relates to the overall research program. On conclusion of the wider research program, our full report detailing our findings from having analysed data from all 60 companies will be made available to all participating companies; again content will be tabular and graphical with associated commentary. It is highly likely that iCustomerExperience will look to present the findings of this research to interested participating companies via webinar, the idea being to create an environment for collective discussion and knowledge share.



¹ Whilst ensuring that data protection guidelines and research ethics are adhered to.

Research Approach & Methodology



iCustomerExperience is adopting a cross sectional research approach to assess the hypothesis that there exists a causal relationship between employee engagement and customer experience.

iCustomerExperience is combining quantitative and qualitative primary research methods in order to test the above hypothesis. The company aims to explore the correlational relationships (both positive and negative) between employee engagement and customer experience variables within the participating companies, before ascertaining which, if any, of these can be proven to have causality.

Our research methodology for this program draws from a wide range of industry proven methodologies including but not limited to 'Hertzberg's Two Factor Theory of Motivation', 'Hewitt Associate's Say, Stay, Strive', 'Maslow's hierarchy of needs', and iCustomerExperience's own proprietary methodologies including the 'Hierarchy of customer perceived needs and emotional states', which is founded on the principle that "*Optimum customer experiences are created and delivered when a company leverages its business assets (change levers) in order to exceed its customers' perceived needs (what they say they want and what is important to them) whilst simultaneously evoking the most positive of emotions within that customer (how they feel)*". The program's methodology is designed to measure employee experience and engagement across some 20+ dimensions (inc. Role; Mission and Purpose; Recognition, Feedback, and Reward; Work life balance; Management style and effectiveness; Quality principles and practices; Engagement; etc.) and customer experience across some 25+ dimensions (Knowledge; Consistency; Value; Accessibility; Responsiveness and reliability; Quality; Range; Employee empowerment; etc.).

NB: iCustomerExperience recognises that some elements of this research may be opportunistically timed for organisations already planning their quarterly, annual employee survey or customer loyalty analysis, so we are therefore very happy to review existing company data

or plans and if relevant look into ways of combining elements of this program with existing or planned company activity in these areas in order to further optimize the value for participating companies.

Research findings will be illustrated on a *company specific (individual company report)* and *collective basis (overall research publication)*; the former being presented within 4 weeks of company specific research completion, the latter following conclusion of the entire program.

Research is presently confined to the UK market. To ensure statistical significance a total of sixty participating companies are being sourced from the following business sectors: *Banking, Insurance, Retail, Telecommunications, Entertainment, Transport, Utilities, Postal / Delivery services, Travel and Tourism, Leisure, Information Technology.*

iCustomerExperience will be using the following research methods within each of the participating companies in order to obtain the data required and outlined in the methodology.

Qualitative research: Customer Focus Groups; Employee Focus Groups; Mystery Shopping – utilising sector specific processes and scenarios.

Quantitative research: Customer experience surveys (online / postal); Employee attitude and engagement surveys (online / postal).

iCustomerExperience's methodology is being reviewed and critiqued by its partnering business school and will be amended where applicable in line with the business faculty's recommendations. Specific questioning, prompts and processes contained within the research methodology have been designed to obtain the greatest and most beneficial insight for participating companies as well as for the larger research program.

Ethical research: iCustomerExperience's research is governed by the Market Research Society's Code of Conduct and adheres to the Information Commissioner's Office guidelines for Data Protection.

Requirements of Participating Companies



This research program is to be conducted in its entirety by iCustomerExperience with academic support and rigour provided by its partnering business school.

By agreeing to participate in this program your company is contributing to a highly exciting piece of thought leadership in the domains of customer experience and employee engagement; the insight this research provides will serve to educate and enlighten organisations as to the increasing importance of these two business areas and the unparalleled benefits to be obtained through leveraging the complex relationships between the two.

The high-level timescale for the overall research program can be seen below:

Phase	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012
First 15 companies	■				
Second 15 companies		■			
Third 15 companies			■		
Final 15 companies				■	
Research Publication					■

Whilst it is iCustomerExperience's intention to use every means of limiting the organisational and resource burden on participating companies, there remain some areas in which we will require assistance from you. Participating companies' requirements although minimal, can be summarised as follows:

- Mobilisation/Organisation assistance - we will require your assistance in selecting and inviting customers and employees to take part in focus group sessions;
- Access to data - we will require your assistance in selecting customer segments and employee groups to be incorporated into survey activity and ensuring we have the correct contact data for them;
- Mystery Shopping activity - although this is optional involvement, we would appreciate your input into which scenarios and processes you believe would be most insightful to analyse within your sector;
- Financial - iCustomerExperience is part funding this research program, so the level of investment from participating companies for this type and scale of research is greatly reduced. This said, a nominal blanket fee will apply to all participating companies, although the exact figure is still being discussed.

About iCustomerExperience



iCustomerExperience is a research and consultancy services company serving organisations throughout the UK and North America from its head office in the South of England.

iCustomerExperience works with companies to help them analyse the quality of experience they are delivering to their customers and to gauge and improve the levels of loyalty and advocacy within their customer bases; the company also assists organisations to measure and increase the levels of engagement and commitment amongst their employees.

As well as providing traditional customer and employee research, we use a number of proprietary and innovative Indicators and Indices to help clients to understand *“where they are today in relation to other organisations within their sector and the wider market place”*. Whilst our skilled consultants and performance improvement techniques help clients to envisage and importantly, arrive at *“where they want to be tomorrow”*.



The company's core competencies can be divided as follows:

Research: iCustomerExperience provides cost effective and highly detailed customer and employee research using a vast array of traditional, innovative, and proprietary methods. We conduct both quantitative and qualitative research; our portfolio includes but is not limited to Online surveys, Telephone surveys, Postal surveys, Focus groups, Face to face interviews, Diagnostic workshops, and Mystery shopping; drawing from one or a combination of these methods we are able to provide highly detailed, relevant, and importantly up-to-date data.

Competitive Benchmarking: We provide companies with dynamically changing competitive benchmarking data in the domains of customer and employee engagement via our two proprietary indices; the Customer Experience Index (iCXP) and the Employee Experience Index (iEXP).

Change Management Consultancy: We possess the skills required to translate rich research data and analytical insight into valuable business strategies, principally designed to increase a company's productivity, efficiency, competitiveness, and profitability. Our various approaches and techniques have a common focus which is to help companies to increase the percentage of engaged employees within their work force; to deliver superior customer experiences; and to increase the levels of loyalty and advocacy within their customer base.

We are completely flexible in terms of how we engage with our clients; the extent of our involvement is determined by the client, their available in-house resource, their desired timescales, and their budgetary expectations and restrictions.

Our consultancy services incorporate: Organisational Alignment, Business Process Reviews, Customer Experience Audits, Customer Journey Mapping, Customer Experience Blueprinting, Branded Customer Experience Design, Customer Experience Dashboard Design & Implementation, Management Coaching, and Employee Training.



Research - Benchmark - Improve

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