Measuring Customer Experience

There are several methods you can use to measure your customer experience. In this guide, I've outlined the four most popular metrics and how they differ from one another. It's important to note that your company shouldn't be relying on just one (or even all 4) of the methods listed below. Asking broad questions can help you gauge the general satisfaction levels of your customers, but you can't make informed and impactful changes without a full VoC strategy.

CSAT (Customer Satisfaction)

As a consumer, you're probably most familiar with the CSAT survey. A CSAT score measures customer satisfaction with a specific product, service, or experience. The phrasing of the question may vary from company to company, but the answer system is always consistent. Here's an example of a CSAT survey:

How would you rate your overall satisfaction with your stay at the Courtyard by Marriott Nashville Downtown?

1. Very Unsatisfied

2. Unsatisfied

3. Neutral

4. Satisfied

5. Very Satisfied

To calculate your CSAT score, add up the total number of customers that selected a 4 or a 5 (because they were either satisfied or very satisfied), and divide that number by the total amount of respondents. Lastly, multiply the quotient by 100 for the percentage.

(# of 4s and 5s / # of total responses) x 100 = CSAT Score

NPS (Net Promoter Score)

Like CSAT, NPS is another single question survey. However, NPS scores measure customer loyalty and their affinity for a brand overall, while CSAT scores measure customer satisfaction with a specific transaction. Here's an example of a typical NPS survey:

> On a scale of 0-10, how likely are you to recommend Courtyard by Marriott to a friend or colleague?

Responses of 9 or 10 are considered **Promoters**, or customers who love your product/service and will recommend it to others. Responses of 7 or 8 are **Passives**, or customers who feel neutral about you. Responses of 6 or lower are **Detractors**, or unhappy customers who may tell others not to do business with you.

To calculate your NPS score, determine the percentage of customers that are Promoters (# of responses of 9 and 10 divided by the total # of responses).

Next, determine the percentage of Detractors. Finally, subtract the percentage of Detractors from the percentage of Promoters to get your NPS.

For example: if 30% are Promoters and 20% are Detractors, your Net Promoter Score would be 10.

Your final NPS score can range from -100 to 100. If your score is negative that means you have more detractors than promoters. On the other hand, if your score is positive, that means you have more promoters than detractors.

There are obvious gaps with both the NPS and the CSAT that you need to be aware of. For example, a customer might've been unsatisfied with their experience at the Marriott Bonvoy; however, they might still recommend the company to a friend because of their overall perception of the brand. Using just the NPS survey in this instance would miss out on important customer feedback.

For context, you should always research the average NPS of your industry at large.

CES (Customer Effort Score)

A CES survey measures how much effort a customer had to exert to complete a specific interaction with your brand. You'll typically see these questions after you've communicated with a customer support agent to resolve an issue. CES questions have various formats, such as numerical scales, Likert scales, or even emoticons. Here's an example:

To what extent do you agree with the following statement: "Courtyard by Marriott made it easy for me to modify my reservation."

Strongly Disagree   Strongly Agree

A CES score can be helpful to measure individual touch points only. For example, while it may have been easy for a customer to modify a reservation, they might've had to modify it because the booking process was so confusing and they realized they made a mistake. Make sure you're evaluating all of the important moments along the customer journey for meaningful insight.

EGR (Earned Growth Rate)

EGR is a newer metric that was developed by the founder of the NPS Score, Fred Reichhold. While the NPS is meant to measure the likelihood of customer loyalty, EGR measures the revenue earned through customer loyalty (returning customers and their referrals).

To put it simply, EGR is the ratio of earned growth to total growth.

To calculate your earned growth rate, you'll need to begin by calculating your **Net Revenue Retention (NRR)** and **Earned New Customers (ENC).**

Your NRR for 2023: the revenue from customers in 2023 that were also with you in 2022, divided by total revenue in 2022. Convert this into a percentage.

Your ENC for 2023: the percentage of revenue from new customers you earned through referrals **only**, not advertisements. (This is why it's super important to track where your customers came from!)

Add your NRR and ENC together. Next, subtract 100%. This is your earned growth rate.

EGR is a great metric to evaluate and predict your brand's superfandom, but you'll need to gather additional feedback to understand why customers are choosing to come back or not. What are you doing exceptionally well, and what is forcing customers to look at a competitor instead of making a repeat purchase with you?

Measuring Employee Experience

Just as you'd collect VoC to gauge customer satisfaction and retention, you can't forget to survey your internal customers, aka your employees.

You should be surveying your team at least twice a year to better understand your associates, demonstrate your appreciation, and gain actionable insight to improve the employee experience.

Similar to the CSAT Score, the **ESAT Score** can be used to measure your employee satisfaction. However, you'll need to ask additional questions to draw meaningful conclusions. Your company may choose to use an EX platform to create, deploy, and analyze employee surveys.