

On the Radar: CX Index

VoC benchmarking for continuous improvement of the customer experience

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Summary

Catalyst

Delivering a consistently positive customer experience is one way in which firms can compete. As their expectations continue to rise, customers subconsciously benchmark the experience they receive against the best they have received. Expectations are constantly evolving. The challenge for most firms is how to meet or exceed customer expectations consistently, even as those expectations continue to rise. CX Index offers a SaaS-based competitive benchmarking service that can provide insight into relative performance across common industry-specific customer journeys. Founded in 2011 and headquartered in Dublin, Ireland, the firm is enjoying particular success with major aggregators such as CarTrawler, an online car rental booking service.

Key messages

- CX Index is particularly well suited to aggregators, online travel agents (OTAs), and companies with multiple business units.
- CX Index has mapped out and can benchmark standard customer journeys in a variety of industries.
- The CX Index benchmarking platform uses a variety of big data algorithms and predictive analytics to model ROI impact on recommended improvements.
- The CX Index platform can also be used to encourage advocacy on a variety of social networks, including TripAdvisor in the hospitality and travel industries.

Ovum view

CX Index is a young, innovative company that has the potential to disrupt the traditional benchmarking industry by delivering real-time, closed-loop, comparative performance metrics that can be integrated with a firm's operational systems. The CX index benchmarking service can provide a valuable addition to customer feedback management systems (CFM), enabling comparative analysis. If the firm is selective about which industries to engage, it has a promising future.

Recommendations for enterprises

Why put CX Index on your radar?

Aggregators, OTAs, franchisors, and firms with multiple branches or chains should assess CX Index as a valuable voice of the customer (VoC) source of insight

CX Index has already proven its customer experience competitive benchmarking service with aggregators, OTAs, franchisors, and organizations that have multiple branches to manage. Its real-time benchmarking service has the ability to trigger a rapid response to prevent customer defection and to encourage advocates to post comments on social networks. It also offers a complementary addition to a firm's existing VoC program supported by a more traditional CFM system.

Highlights

Background

CX Index has already proven itself in the aggregator/OTA environment. One client, CarTrawler, enables customers to hire a car online from over 30,000 locations worldwide. It has more than 1,200 suppliers, including many major rental car brands, and uses CX Index to assess performance at the individual location level and identify critical levers for improving the customer experience. Satisfaction scores captured through the CX Index platform provide a key metric for performance, and the insights generated from analysis of customer feedback support a program of continuous improvement across all car rental sites globally.

CX Index has mapped out and can benchmark standard customer journeys in a variety of industries. This enables it to provide meaningful insights in the language of the relevant industry. Any organization in the financial services, hospitality, or travel industry that has multiple branches or locations is a potential candidate for CX Index. The relative ease with which organizations can join the service and benchmark themselves with competitors already on the industry-specific customer feedback network makes this an attractive offering. CX Index was founded in 2011 by David Heneghan, a former investment trader who brought together a small team of data scientists to develop a mechanism for benchmarking the customer experience. The data analysis team is led by Professor Simon Wilson, and the CX Index team also includes specialists in UX design, unstructured data, and information security.

The CX Index benchmarking platform uses a mix of big data algorithms and natural language processing to mine a variety of data sources. These are then aggregated to provide online dashboards that can drill right down to the individual customer, the location of the customer experience, and the employee who served the customer. Predictive analytics is also used to highlight potential ROI based on recommendations from the benchmarking results. CX Index also supports surveys in multiple languages.

Current position

CX Index is funded by the investment of the founder and client subscriptions. The company has had early success in the aggregator and hospitality markets, with CarTrawler, Carlton Hotel Group, Duchamp London, and the Talbot Group. Transfermate, a foreign currency transfer firm handling more than \$5bn of currency transactions, also uses the CX Index as a more traditional CFM platform and has seen a rise in NPS scores from 70 to 78 in its first year. Transfermate also uses the results to monitor staff performance and to foster customer-centric behaviors.

New business is acquired through the efforts of the CEO; CX Index's key differentiator is the approach used to capture customer feedback. It focuses primarily on a partner model for businesses with access to industry sets of data. When the data has been captured using this approach, the possibilities for analysis around market comparison and competitive analysis increase, as does the potential for CX Index and the partner company to generate revenue. It is through this partnership approach that CX Index expects to accelerate its growth rate and offer deeper insight with a lower cost base.

The CX Index platform can also be used to encourage advocacy

As well as providing a real-time benchmarking and rapid response mechanism to address any issues and preempt customer defections, CX Index also provides an automated service to encourage customers to write positive reviews on social networks and industry-specific recommendation engines such as TripAdvisor. Existing clients have reported a significant upturn in business as a result of these customer recommendations. According to CX Index, the proportion of five-star reviews for one client on a social site has increased from 4% to more than 66% using this approach.

CX Index is developing its next release to embed prescriptive analytics. This will recommend actions to drive improvements in the customer experience tied to the anticipated uplift in revenue performance, NPS, and customer advocacy. These enhancements are due in the second quarter of 2015.

Data sheet

Key facts

Table 1: Data sheet: CX Index

Product name	CX Index	Product classification	VoC benchmarking
Version number	3.3	Release date	3Q14
Industries covered	Airlines, car rental, travel, hospitality, financial services, and retail	Geographies covered	Global
URL	www.cxindex.com	Licensing options	SaaS and white label
Company headquarters	Dublin, Ireland	Routes to market	Direct and through partners in 2015
		Number of employees	Eight

Source: Ovum

Appendix

On the Radar

On the Radar is a series of research notes about vendors bringing innovative ideas, products, or business models to their markets. Although On the Radar vendors may not be ready for prime time, they bear watching for their potential impact on markets and could be suitable for certain enterprise and public sector IT organizations.

Further reading

Framework: Harnessing Voice of the Customer for Customer-Driven Transformation, IT0020-000020 (May 2014)

Framework: Customer-Adaptive Enterprise Maturity Model, IT0020-000021 (May 2014)

Harnessing Voice of the Customer for Customer-Driven Transformation, EI023-000004 (April 2014)

A Maturity Model for Measuring the Customer-Adaptive Enterprise, IT020-000016 (April 2014)

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We hope that this analysis will help you make informed and imaginative business decisions. If you have further requirements, Ovum's consulting team may be able to help you. For more information about Ovum's consulting capabilities, please contact us directly at consulting@ovum.com.

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