WEBINAR

From Signals to Action

Breaking the Barriers to Continuous Innovation

June 29, 2021

Jeni Batte Group Director, CX Advisory, Medallia

Veronica Andrade Senior Director, Global Head of Strategy Analytics, Medallia

Guilherme Kolberg Head of CX and Customer Care, XP Inc.

Medallia

Your Hosts for Today's Session

Jeni Batte
Group Director, CX Advisory
Medallia

Connect with me on LinkedIn

Veronica Andrade
Senior Director, Head of Strategy Analytics
Medallia

Connect with me on LinkedIn

Guilherme Kolberg
Head of CX and Customer Care
XP Inc.

Connect with me on LinkedIn

Medallia

Today's Session

From Signals to Action Discussion

1 Defining What Successful Closed Loop Feedback Is and Isn't 🔍

2 Building A Path to Continuous Innovation

3 Fireside Q&A 🎤

Medallia

Defining What Successful Closed Loop Feedback Is and Isn't

The Ideal Closed Loop Feedback Process

Customer Feedback

Route Alert to Action Owner

Review Feedback

Identify Critical Opportunities

Prioritize Focus Areas

Tailored Responses
Addressing Customer Feedback in Real-Time

Trigger Tailored Response

Continuous Innovations
Continuous Process & Operational Improvement

Ideate Solutions

Close Alert & Coach

Document & Share Learnings

Measure Impact & Celebrate Results

Assign Ownership of Goals & Outcomes

Medallia

Benefits of Closing the Loop

Your organization

- **Prevent unhappy customers** from turning into detractors, or worse, **churning**

- Turn **passive customers into promoters**

- **Reduce customer cost-to-serve** / handle time

Your employees

- Give employees a way to **view interactions directly** through the customer's eyes

- Enhance your employee engagement by **empowering people to take action**

- Learn from listening: **identify trends** in customer issues & **take action on improvement areas**

Your customers

- Signal to customers that they are **being heard**, and their **input is valued**

- Increase brand loyalty by **building credibility** with customers
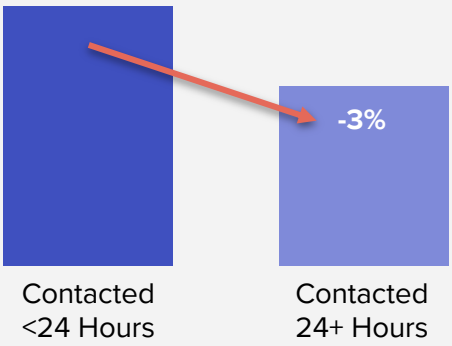
Medallia
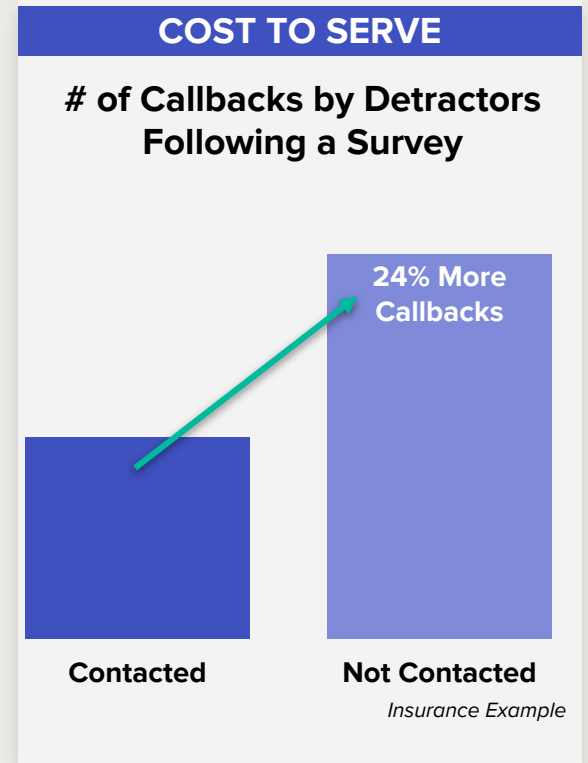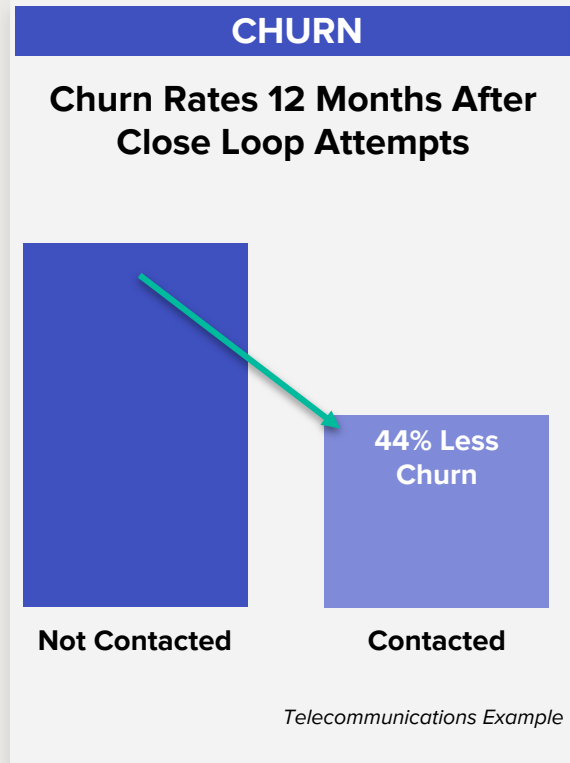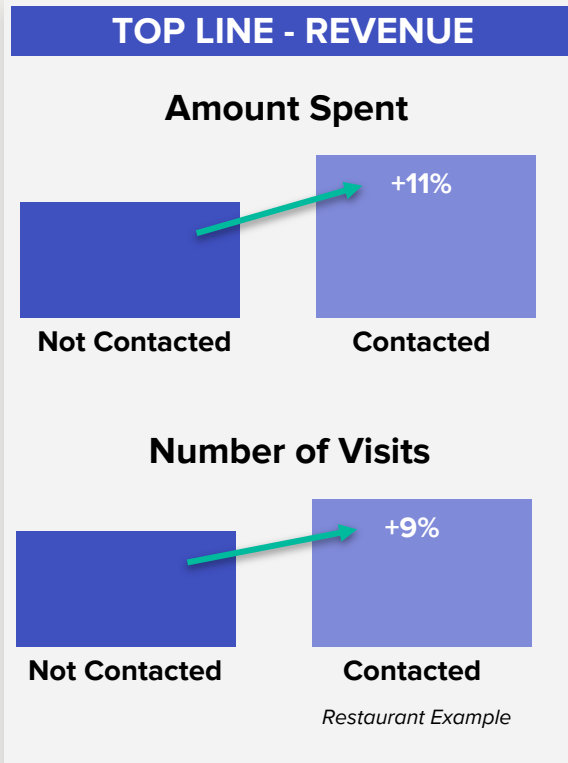
Question: Is there a best way to design it?

Answer: Yes! Always assess the impact of your design

QUICK FOLLOW-UP

$ Spend within 120 days following survey response

-3%

Contacted
<24 Hours

Contacted
24+ Hours

Restaurant Example

PRIORITIZE A PHONE CALL

Revenue Post Survey

+22%

No Alert

Sent message
or voicemail

Spoke with
customer
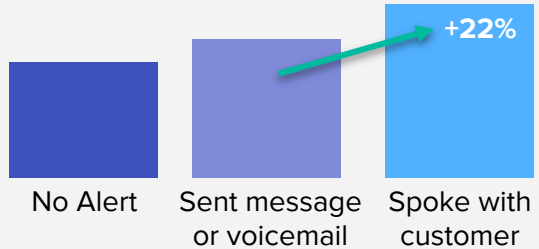
Financial Services Example

ASSESS MARGINAL VALUE

Retention Rates by CLF Actions

Contacted & Offered
Refund — 91%

Contacted — 87%

Not Contacted — 80%

Retail Example

Medallia
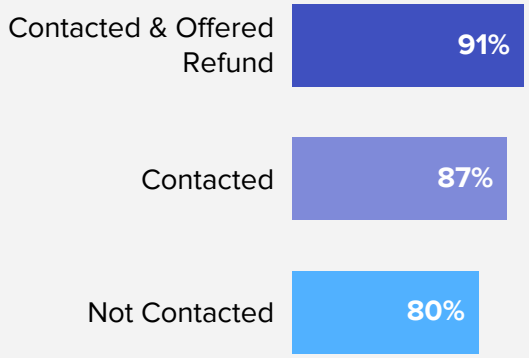
A Path to Continuous Innovation

Breaking the Barriers to Continuous Innovation

Steps
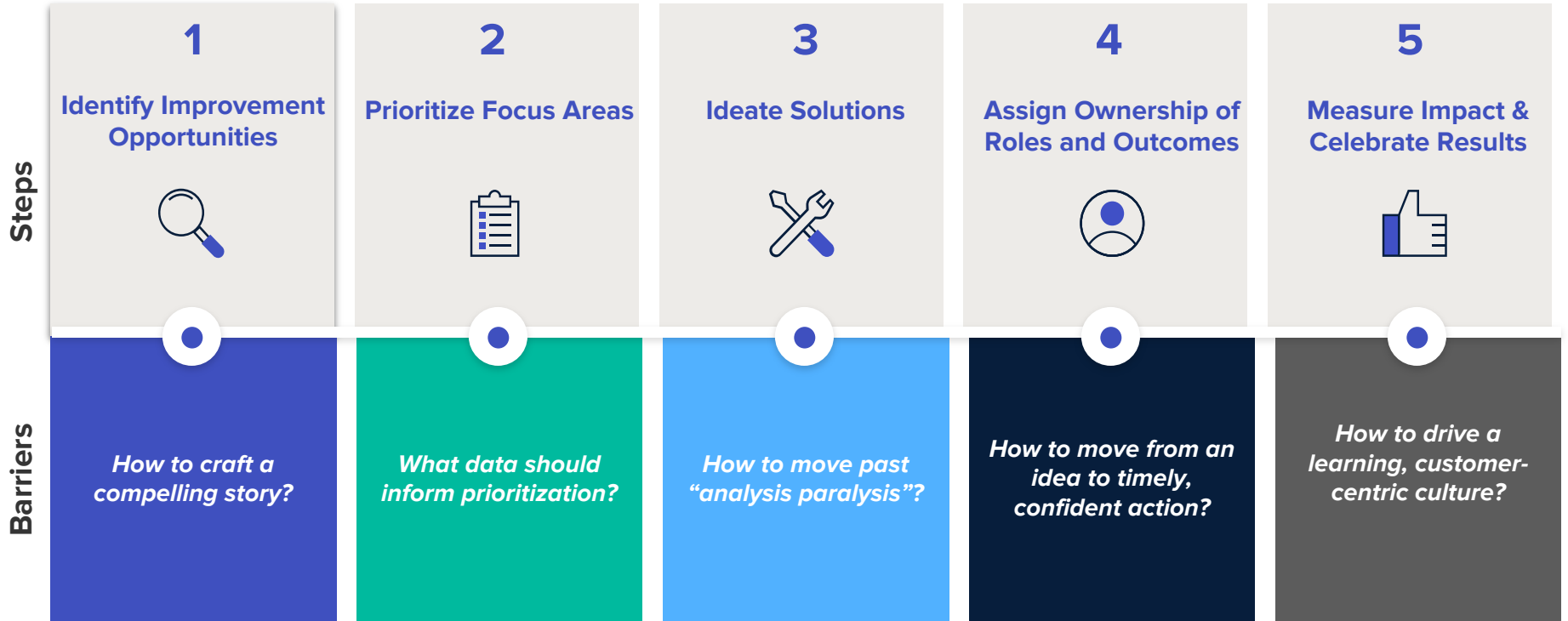
1	2	3	4	5
Identify Improvement Opportunities	**Prioritize Focus Areas**	**Ideate Solutions**	**Assign Ownership of Roles and Outcomes**	**Measure Impact & Celebrate Results**

Barriers

How to craft a compelling story?	*What data should inform prioritization?*	*How to move past "analysis paralysis"?*	*How to move from an idea to timely, confident action?*	*How to drive a learning, customer-centric culture?*

Medallia

How to craft a compelling story?

Tip #1: Leverage all signals. They all have different super-powers!

Feedback					Customer/Employee		Operational		Behavioral	
Direct - Structure & Prioritization					*Context*		*Context*		*Context & Impact*	
Email	Messaging	Voice	Web & App	Video	Customer	Employee	CRM	ERP	IoT Signals	Event Data

Feedback
Indirect - Volume, Context & Details

Chat logs	Social	Crowdsourcing

HRIS	POS	Visit Patterns

Medallia
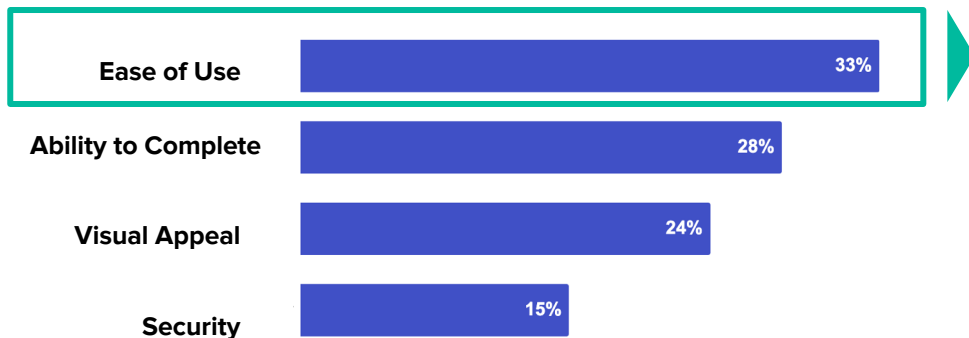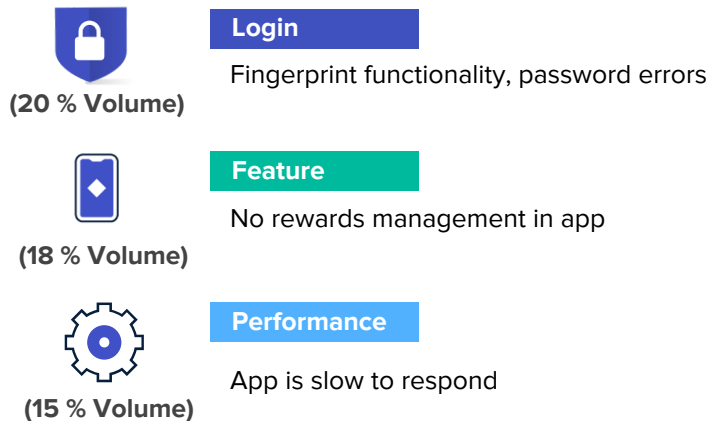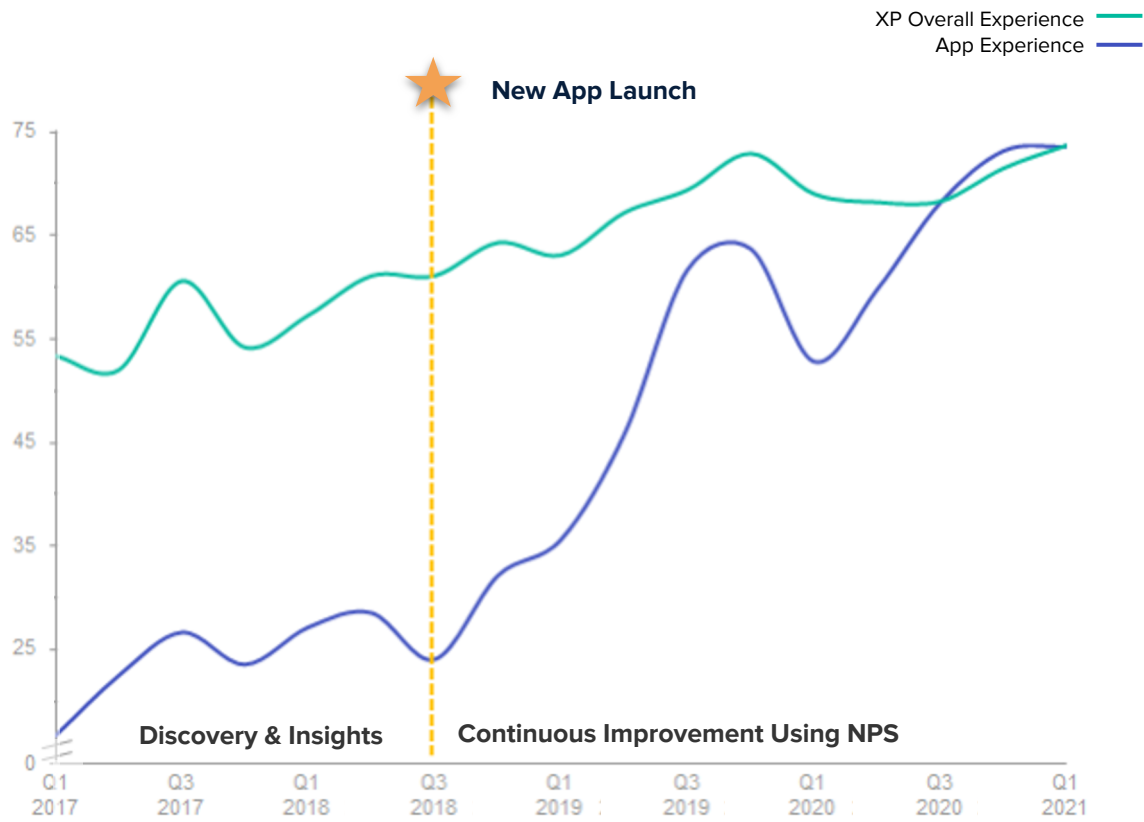
How to craft a compelling story?

Tip #2: Identify key drivers of customer experience using both structured and unstructured data

Importance of Key Drivers on OSAT
Key Driver Analysis on survey data

Ease of Use	33%
Ability to Complete	28%
Visual Appeal	24%
Security	15%

Top Pain Points making the App Difficult to Use
Text Analytics topics

Login
Fingerprint functionality, password errors
(20 % Volume)

Feature
No rewards management in app
(18 % Volume)

Performance
App is slow to respond
(15 % Volume)

Medallia
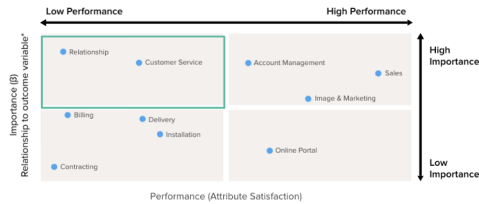
What data should inform prioritization?

Tip #3: Assess both performance and "size of the prize" with a holistic approach, considering all levers and signals, across the entire journey

Evaluate importance vs. performance

Opportunity matrix

Look for important drivers of experience with the highest room for improvement. Analyze performance distribution and leverage Text Analytics to quantify the opportunity

Quantify and prioritize by the "size of the prize"

Each Point of In-Store OSAT is Worth ~$128MM/Yr

88 Million
Estimated Number of Transactions, 2019[1]

7.5
In-Store OSAT, 2019 YTD

If all transactions scored OSAT of 10:
88 MM x $62.70 =
$5.52B

Current OSAT (7.5) with 73.1% OSAT 10:
88 MM x 0.731 x $62.70 + 88 MM x 0.269 x $48.86 =
$5.20B

$320MM
(Difference between OSAT of 10 and Current OSAT)
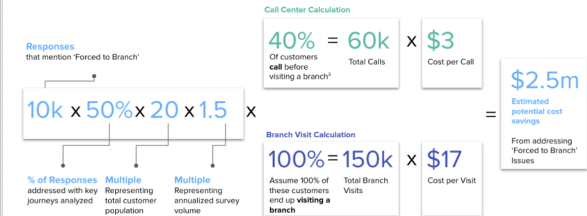
÷

2.5
(Difference between OSAT of 10 and Current OSAT)

=

Each point of OSAT is worth:
~$128MM/Yr

Articulate the financial linkage between CX and your key business outcomes. It will allow you to estimate the potential ROI of your initiatives

### Cost savings by improving key journeys driving 'Forced to Branch'

Responses
that mention 'Forced to Branch'

10k x 50% x 20 x 1.5 x

% of Responses addressed with key journeys analyzed

Multiple Representing total customer population

Multiple Representing annualized survey volume

Call Center Calculation
40% = 60k x $3
Of customers call before visiting a branch[ii]
Total Calls
Cost per Call

Branch Visit Calculation
100% = 150k x $17
Assume 100% of these customers end up visiting a branch
Total Branch Visits
Cost per Visit

= **$2.5m**
Estimated potential cost savings
From addressing 'Forced to Branch' Issues

Leverage Text Analytics to quantify potential cost-to-serve savings by preventing unnecessary interactions

Medallia

XP **eliminated all hidden fees** in 2016, giving up 25% of all revenues...

"This is the first financial institution to eliminate all account maintenance fees for those who invest in fixed income securities, shares, COE and Tesouro Directo, regardless of the assets or volume of operations."

Por **Diego Lazzaris Borges**
5 set 2016 09h20
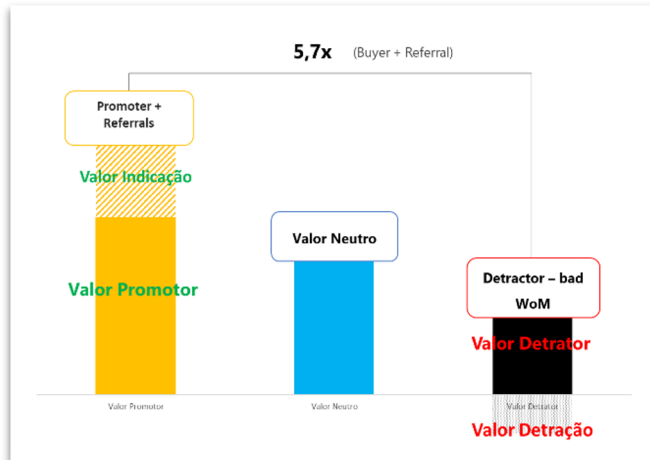
...and the strategy paid off within 12 months, **increasing AuC and net new clients**

How to move past "analysis paralysis"?

Tip #4: Find those minimum viable products to test and scale as fast as possible

What's valued?
Dig deeper

- Dig deeper by further segmenting structured, customer and operational data

- Leverage unstructured signals to include the "silent majority"

- Look for customer ideas

What's needed?
Listen to employees

- Frontline operating teams

- Digital journey owners

- IT, engineering, legal and logistic partners

What's possible?
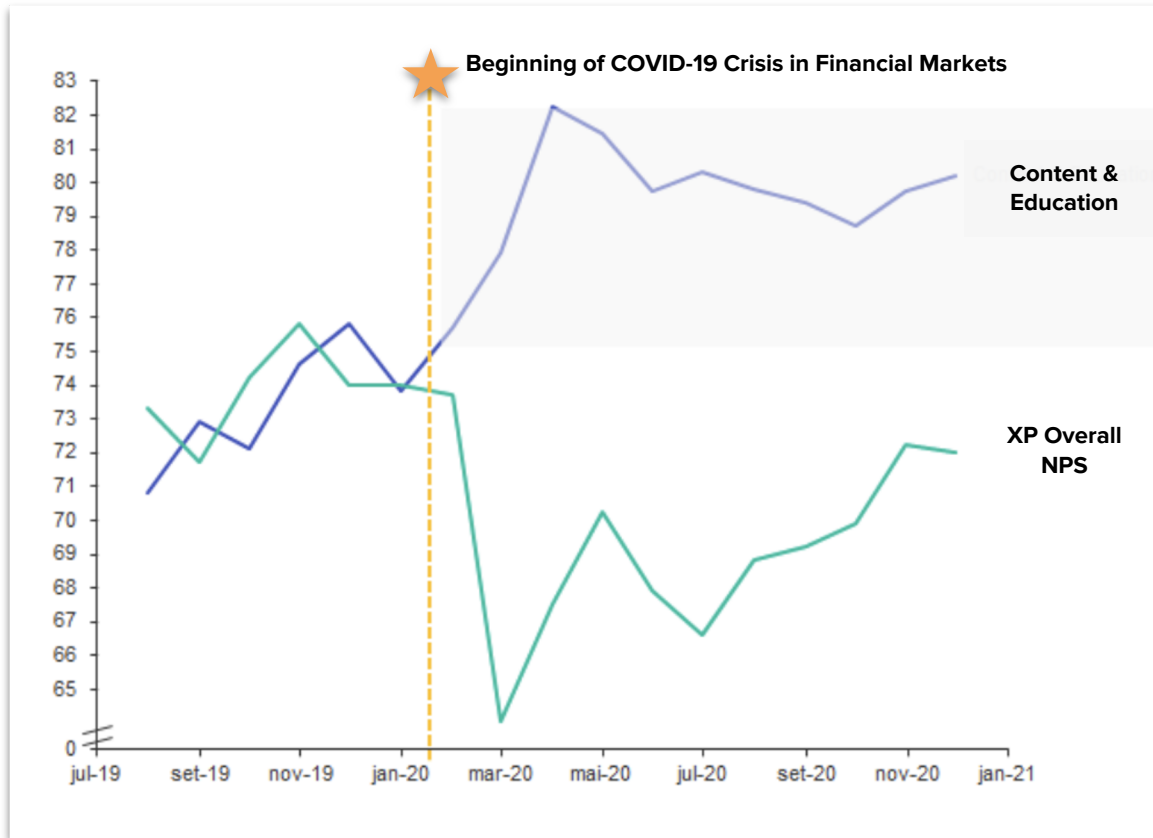### Start where you are!

- Less expensive and easy to implement ideas

- Teams with greater buy-in

- Customer segments most appropriate for testing

Medallia

"Find the balance between the heart and the brain"

Medallia

Beginning of COVID-19 Crisis in Financial Markets

Content & Education

XP Overall NPS
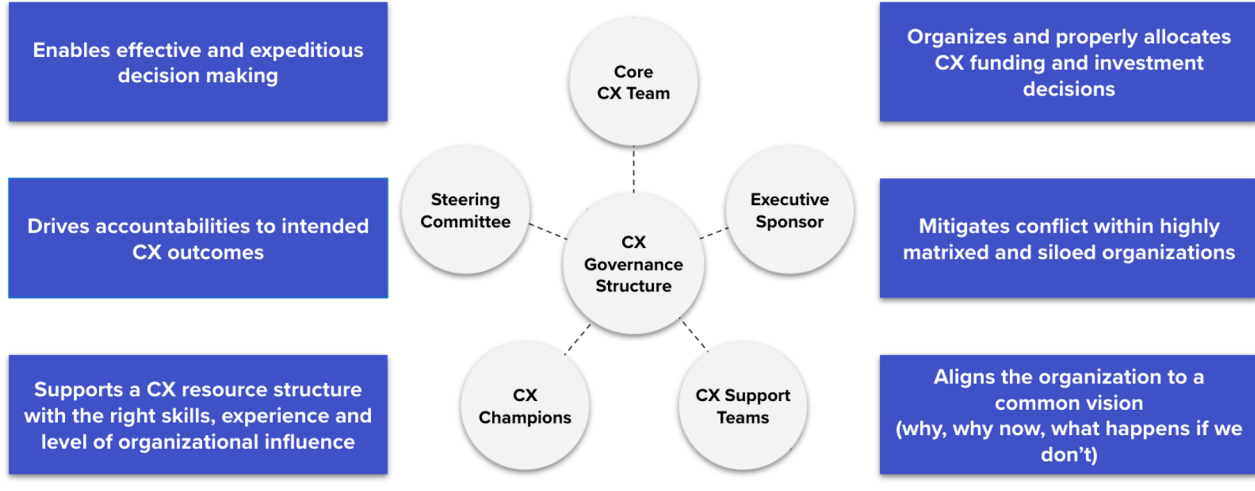
Medallia

Top Action Items:
App Experience

- Free "Expert" course offering

- Live, daily sessions with subject matter experts

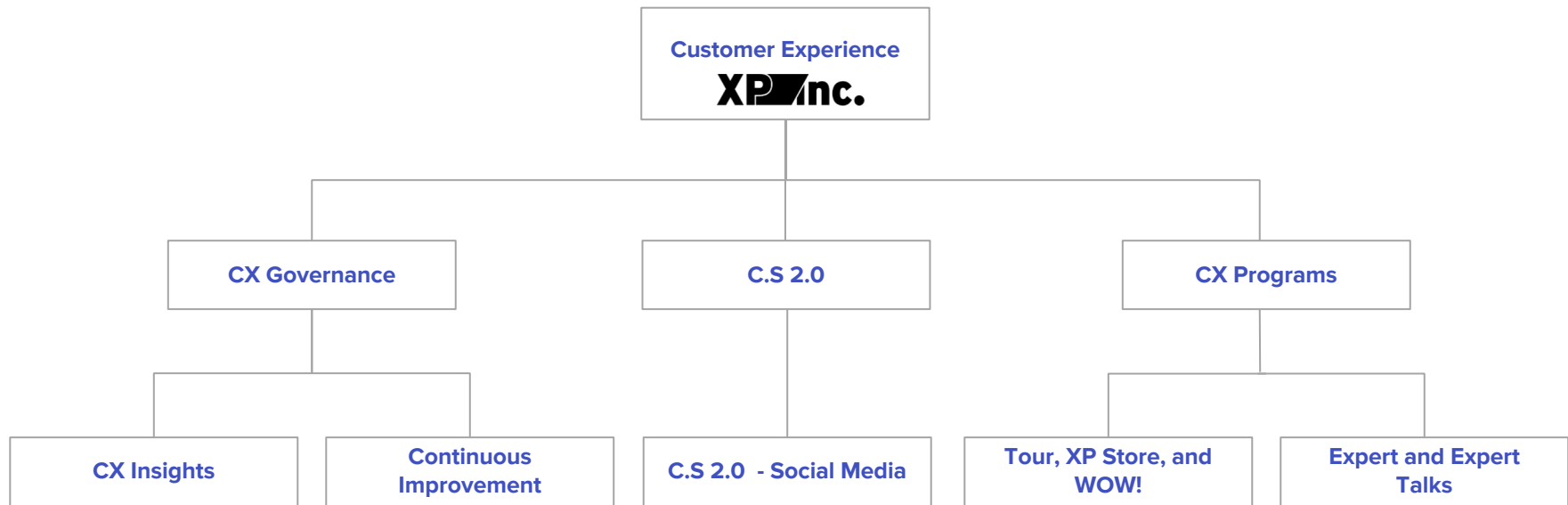- Complimentary advisory service for all XP clients

How to move from an idea to timely, confident action?

Tip #5: Establish an effective governance strategy that puts customers at the center of your business

Effective CX Governance Strategy

Enables effective and expeditious decision making

Drives accountabilities to intended CX outcomes

Supports a CX resource structure with the right skills, experience and level of organizational influence

Organizes and properly allocates CX funding and investment decisions

Mitigates conflict within highly matrixed and siloed organizations

Aligns the organization to a common vision
(why, why now, what happens if we don't)

Core CX Team

Steering Committee

Executive Sponsor

CX Governance Structure

CX Champions

CX Support Teams

Medallia

Customer Experience

XP Inc.

| CX Governance | C.S 2.0 | CX Programs |

CX Governance

C.S 2.0

CX Programs

CX Insights

Continuous Improvement

C.S 2.0 - Social Media

Tour, XP Store, and WOW!

Expert and Expert Talks

Purpose:
Democratize customer experience data across the organization

Purpose:
Promote the needs of customers across all departments

Purpose:
Create brand lovers through interactions, engagement and service

Purpose:
Foster customer centric culture from the inside out and the outside in

Medallia

How to drive a learning, customer-centric culture?

Tip #6: A customer-centric mindset is interwoven throughout the entire organization's culture, fiercely protected and reinforced by all employees

Monthly Employee Newsletters with Updates

Videos of Closing the Loop

Employee Stories

Customer Heros

Selfie Competition For Closed Loop

COMCAST

The New Comcast: Empowering Employees to Drive a Customer Experience Transformation

Medallia

1. **Deeply understand your data**. Know what drives CX and its relationship with your organization's outcomes.

2. **Create governance**, focus on strategy and don't stray from the voice of the customer.

3. **Dream big** and champion that vision across the entire organization.

Key Takeaways

Fireside Q&A

Experts on Demand

Direct access to our unparalleled set of experts to guide you to strategies that can help your organization emerge stronger than ever.

30-minute private meetings with over 100 experts with 60+ topics spanning industries, practices, and products.

Visit Medallia Experts on Demand to learn more. Customers can book meetings with Jeni or Veronica directly.

Medallia

Signals to Action: Discovery Day

July 1, 2021 | 9:30am PST, 12:30pm EST

Join this live 30-minute companion webinar with Medallia Solutions Consultant Greg Condon who will demonstrate how technology solves common CX challenges.

- 15 minutes of use cases paired with a product demonstration
- 15 minutes for Q&A

Register at **medallia.com/events**