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INSIGHT REPORT

The Secret to B2B2C Customer Experience Success

FIVE CAPABILITIES FOR IMPROVING END CUSTOMER CX WITH CHANNEL PARTNERS

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EXECUTIVE SUMMARY

Many companies reach their end customers through a variety of channel partners—from independent agents and dealerships, to resellers and distributors. Temkin Group defines B2B2C customer experience as *enhancing the end customer experience in a way that satisfies the needs of channel partners.* The B2B2C environment is complex and full of challenges that hamper companies' ability to deliver great customer experience to their end customers, such as a lack of alignment with partners or a limited understanding of customers. Our research uncovered five B2B2C CX capabilities that companies require to succeed in delivering a great experience to end customers: *Voice of the Partner, Customer Insights Cooperation, CX Capabilities Development, Partner Engagement,* and *Channel Management Collaboration.* We also identified three prototypical B2B2C structures that impact how companies should apply the B2B2C CX capabilities for the most effective outcome. Use Temkin Group's assessment to identify your company's B2B2C structure.

B2B2C CUSTOMER EXPERIENCE PRESENTS UNIQUE CHALLENGES

Many companies that don't sell directly to their end customers still strive to build loyalty through excellent customer experience. However, because these companies do not control all of the customer interactions, they must work with and through channel partners. Temkin Group calls this activity *B2B2C customer experience management*, which we define as:

> *Enhancing the end customer experience in a way that satisfies the needs of channel partners*

When a company doesn't have sole control over the customer relationship, it has to recognize the entire system of relationships that influence the end customer's experience. This means that a company dedicated to delivering a good B2B2C customer experience must focus on four different connections (see Figure 1):

- **Company to end customer.** These interactions provide a company with the best opportunities to deliver great CX to the end customer because such interactions are wholly under a company's control.

- **Channel partners to end customer.** In this relationship, a company can only influence how channel partners think about and deliver CX in the partner's interactions with the end customer.

- **Company and channel partner to end customer.** There are times when a company and a channel partner engage the end customer as one unit. In these instances, both parties need to share a common vision of how the CX should be delivered.

- **Company to channel partner.** To deliver great CX to customers, a company also needs to nurture its relationships with its channel partners and help them be successful.

The B2B2C Challenge: Building Collective CX Competencies

Regardless of where and how CX is being delivered across the system of relationships, companies need to master what Temkin Group calls the four customer experience core competencies: *purposeful leadership*, *compelling brand values*, *employee engagement*, and *customer connectedness* (see Figure 2).[1] B2B2C customer experience often falls short of demonstrating these competencies due to these common challenges:

- **Lack of alignment.** Companies and their channel partners can't deliver a consistent customer experience—together or independently—when their brand promises aren't aligned. For example, an electronics manufacturer that invests in technology that enables its customers to help themselves runs the risk of creating dissonant experiences if its distributors' web or mobile channels lag in self-service capabilities.

- **Limited customer understanding.** Too often, a limited understanding of end customers by both a company and its channel partners hampers B2B2C customer experience. Both groups of organizations have important pieces of customer insight, but the lack of sharing keeps all parties in the dark. Without a robust, combined view of customers, neither a company nor a channel partner can understand its customers' needs, expectations, and current experience in enough detail to make the optimal improvements.

- **Varied CX competency levels.** Companies and channel partners often don't start their CX journeys at the same time, nor do they mature at the same pace. When competency levels differ significantly, companies may end up placing unrealistic expectations on partners, overextending their CX capabilities and leading to partner frustration or an attempt to game the system to still meet target metrics.

- **Competing priorities.** Frequently, financial objectives are the dominant component in relationship agreements, drawing the attention away from a company's channel management team and its partners. No matter how much a company wants to improve CX, they can't expect channel partners to get on board if it will cut into their bottom line.

FIVE CAPABILITIES FOR IMPROVING B2B2C CUSTOMER EXPERIENCE

To understand leading B2B2C CX practices, we interviewed 18 companies in this space.[2] Our research showed that most organizations are in the early stages of establishing their B2B2C CX strategy. By examining the current and desired future practices, we identified five capabilities required for B2B2C CX success (see Figure 3):

1. **Voice of the partner:** The organization listens to partners to learn how they perceive the ease of working with the company, the quality of its products and services, and how it compares to its competition.

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[1] See the Temkin Group Insight Report, "The Four Customer Experience Core Competencies" (January 2013).

[2] Companies interviewed for this report include: Allegiance, Andrew Riese Consulting, Bosch, Cigna, Citrix, Confirmit, EMC, Hewlett-Packard, John Deere, Medallia, MShare, NCR, Safeco-a Liberty Mutual Company, SAP Cloud, Satmetrix, VMware, Waypoint, and ZS Associates.

2. **Customer insights cooperation:** The organization and its channel partners work together on gathering and sharing end customer information.

3. **CX capabilities development:** The organization shares CX approaches and knowledge with its channel partners to improve the end customer experience.

4. **Partner engagement:** The organization selects, incents, and empowers channel partners in ways that create alignment in values and goals.

5. **Channel management collaboration:** The organization's CX team works with and through the channel management function to move CX and partner experience efforts forward.

#1: Voice of the Partner: Listen and Learn About Partners' Perceptions

A company can learn a lot about the partner experience, the end customer experience, and the marketplace from its channel partners. Companies can improve their understanding in all three of these areas if they:

- **Gather insights across partners' entire journey.** Some companies only focus on understanding how partners feel about one specific aspect of their experience—such as marketing support or the process to submit and manage orders. However, gathering feedback across the entire partner experience can reveal significant opportunities for improvements. Hewlett-Packard (HP) deploys multiple surveys that monitor the health of its partner relationships to ensure things are working well (see Figure 4). HP's CX teams take a holistic view along the experience journeys to identify pain points and issues that impact customer loyalty. These teams work with global functions and business groups—at worldwide, region, or country levels—to coordinate follow-up and action planning. This includes close collaboration between channel management, product or service line organizations to address issues that could involve sales, channel marketing, operations, or service.

- **Develop actionable feedback programs.** Long-standing partner programs often use surveys designed to serve the needs of the business, rather than to truly understand the partner experience. These surveys may be bogged down by questions aimed at collecting operational data or by questions that are onerous to complete, ultimately resulting in low response rates. When the CX team at VMware engaged with the channel management team to discuss deepening the company's understanding of the partner experience, it discovered an entrenched survey that was unwieldy and burdensome for partners to complete, yet collected business metrics that were heavily used in partner communications. To remedy this, the company transitioned to an annual *Partner Relationship* survey that shifted the focus from piles of metrics to partner experience and now takes only 10 minutes to complete. This change to the survey started with executive sponsorship, and it included educating channel management leaders and partners about why the survey needed to change and what value they could expect from improved insights.

- **Establish partner advisory boards.** Companies should use advisory boards to build interactive dialogue with and across channel partners (see Figure 5). Insurance carrier Safeco, a Liberty Mutual Company (Safeco), uses *agent councils* that provide feedback on the pain points their independent agents experience while working with the carrier or while serving their customers. These pain points are then mapped back

to agent and customer moments of truth. Safeco's councils were built from the ground up and are regularly refreshed with new members. Meanwhile, technology firm EMC convenes its *Partner Advisory Board* for two-day sessions twice a year, including once at its annual user event. The *Services Partner Advisory Board* is an offshoot of this group that represents partners who also provide implementation services. These boards include 25-30 executives from the largest partners in each category. The boards review and discuss a wide range of topics, including partner enablement, changes to training and education requirements, and sharing collected Voice of the Partner (VoP) findings and action plans.

▪ **Monitor the strength of channel partner relationships.** While it is good to gather feedback from partners about what end customers are sharing about their needs and expectations, this alone is not enough. Companies also need to understand what is working and not working in their relationships with their partners. NCR Corporation (NCR) identified key elements that predict a strong relationship between a partner and NCR—including how partners feel about NCR's commitment to the partnership and whether they see NCR as trusted advisor to their business—and then specifically measures those elements. NCR also gathers feedback on how partners feel about its partner program, asking them questions about training, information/communication, and the effectiveness of the partner's account team. NCR then analyzes this feedback across regions, lines of business, and partnership tiers, identifying areas where performance is stronger and then leveraging those strengths across the organization. EMC, meanwhile, measures the current relationship engagement between its partners and the firm, what partners think the levels of engagement should be, and where there are gaps in engagement. It also gathers input about each partner's business goals in order to identify how EMC can help them achieve success. By asking partners these questions, EMC not only learns where its partners are headed, but also where they feel that EMC's support falls short, which allows EMC to improve its partner enablement efforts to help its partners meet their objectives.

▪ **Co-design customer experiences with partners.** Partners should be brought in to provide company employees a chance to hear their feedback directly and use it to better understand end customer insights and integrate them into CX design efforts. When Cigna identified a need to improve one of its key moments of truth, helping employees select the right benefit plan, it brought in partners from across its ecosystem, including some of its top brokers who also shared this pain point. The partners helped Cigna better understand customer needs, the decision-making processes that were part of this moment of truth, and typical selection trade-offs. The result was a new, more effective plan selector tool for helping the end customers when choosing their health coverage. VMware uncovered a clear need from customers for strategy and product roadmap information. The company tackled this issue by involving partners. This not only helped the company to better understand how to address customers' needs, but it also taught it how to help its partners be successful. The result was a corporate-wide program that delivers strategy and product content, along with implementation guidance, all from a platform that ensures the information is relevant, consistent, and up-to-date.

▪ **Prepare for rapid adjustments during time of change.** Waiting for feedback to come in through annual surveys or periodic partner events may be too late when you're launching a new product, marketing campaign, or service process. Monitoring

feedback early on when the change is first introduced allows the company to make course corrections, heading off problems or issues before they get overly large or impact a wide group of partners or customers. When significant improvements are likely to change the channel partner experience, Citrix runs periodic pulse surveys for more immediate feedback from partners about the impact of specific changes. The company then feeds these insights back to the product teams, who make adjustments to the product or process, and to channel management, who works with partners to ensure they have the tools, training, and support they need to be successful.

#2: Customer Insights Cooperation: Gather and Share End Customer Information

Instead of capturing customer insights separately, companies and their channel partners will benefit from more powerful insights by sharing their information and analyses. To foster cooperation with channel partners around insights programs, companies should:

- **Tackle problems affecting both partners and customers.** One of the most valuable ways to collaborate on insights is to uncover partner concerns that are linked to customer problems. Because partner and customer experiences don't happen in isolation, collaborating around shared struggles helps to ensure that any changes made at the partner level will also improve the experience at the customer level. Hewlett-Packard gathers end customer feedback through both blind surveys and random surveys sent to customers following specific interactions on relevant moments of truth. In an environment where the end customer doesn't always differentiate between HP and its partners, HP uses its analytical tools to line up customer and partner data and look for similar themes and patterns between the two. It has identified some areas where partner struggles have translated into end customer struggles—for example, feedback from customers indicated that they had pricing concerns, and simultaneously, feedback from partners uncovered that they struggled with how to price deals for some customer segments. HP's CX team and partner account managers have been able to continuously address that issue, among others, along the entire relationship chain.

- **Share customer feedback requiring immediate attention.** Sometimes companies receive feedback or questions from end customers through their VoC programs that are more appropriately handled by partners. Rather than aggregating that information to share on a periodic basis, companies should allow partners to access that feedback as soon as it occurs. The CX team at VMware closely reviews all customer comments to trigger *Help Alerts*, which let partners or others in the organization know when a customer has a specific question or problem. As part of this review process, when a customer recognizes any employee, the team pulls out that commendation and shares it with the appropriate individuals inside VMware or at the partner. And when feedback indicates that the company's normal processes have failed a customer, the CX team plays a role in exception management and steps in to involve partners on service recovery.

- **Develop and share partner-specific insights.** Across the customer journey, there are often specific transactions that fall solely on the shoulders of the company and not on the partner. Because those interactions can impact the entire relationship, companies should share their findings from transactional feedback with their partners, along with their plans to address that feedback. Safeco conducts

transactional surveys with its policyholders, including one around the claims process, a critical moment of truth for insurance. The company shares claims feedback from this survey in both aggregate and agency-based reports on a periodic basis with its independent agents. The company also shares this feedback, along with insights from Safeco's annual relationship survey of policyholders, through agent councils and maps it back onto transactional processes to address breakdowns. Cigna's key client account teams work with employers who offer its plans to employees, providing them with policyholder feedback from its transactional NPS° study and behavioral data of employees who are members of the plan.[3] This shows companies sponsoring plans how their employees utilize and behave on the account, along with tension points around the plan that might ultimately lead to employee dissatisfaction.

▪ **Help partners enable their own customer feedback process.** A company shouldn't just rely on its partners to develop their own customer feedback process; rather, it should actively help this effort, especially for its smaller partners. Enablement should be easy—easy to opt-in to using the feedback platform, easy to understand reports and dashboards, and easy to implement processes that help the partner become more connected with end customers through the VoC program. John Deere provides its dealers with a web portal that allows them to manage their own closed-loop feedback program (see Figure 6). Dealers control who within their operation can view the portal, which includes results from reports that link feedback areas to dealership processes, identifying which processes are performing well and which need focus. Many dealers have identified an internal champion that engages a cross-functional team (sales, service, parts) in discussions about the results and determines what actions should be taken based on the feedback. EMC has a platform that allows partners to send surveys to end customers to measure their satisfaction with the partner's performance. EMC and the partners both receive the survey results, which EMC then uses for monthly scorecards performance reviews with partners.

▪ **Establish multiple tiers of CX metrics.** Not all partners or market segments will be at the same level of CX maturity. One-size-fits-all programs can make the CX program too advanced for partners who are new to CX or too limiting for partners who are more focused on CX. John Deere has designed its VoC program to recognize differences in CX maturity across global markets. For John Deere's less mature markets, the VoC program captures two metrics that help dealers focus on customer issues that need to be fixed prior to escalation—follow-up after the sale and percentage of unresolved issues within 5 to 7 months post-sale, both of which are critical to building long-term loyalty. In more mature markets, dealers often have their own "personal" brand that is important to their long-term success. In these markets the focus shifts to helping them stand out from competitors, and John Deere focuses metrics on key drivers of CX known to impact dealers' primary financial driver, market share. These drivers include selling the right equipment for the customer's needs, having knowledgeable sales professionals, and asking end customers how likely they are to recommend the John Deere dealer.

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[3] Net Promoter Score, Net Promoter, and NPS are registered trademarks of Bain & Company, Satmetrix Systems, and Fred Reichheld.

#3: CX Capabilities Development: Share Approaches to Improve End Customer CX

While a company can try to improve the end customer experience in B2B2C alone, it will likely be more successful if it strengthens not only its own CX knowledge and skills, but also those of its partners. To get started they can:

- **Include partners in customer journey mapping**. Customer journey maps help create a shared understanding of customers' goals, expectations, and emotions (see Figure 7). When a company and its partners work together on customer journey maps, they obtain a clear picture of who owns which touchpoints, which interactions are key moments of truth, and where problematic handoffs occur between each company. Using input from employees, customers, and agents, Safeco has mapped both its customer and agent journeys and identified key moments of truth. The maps bring a more systematic approach to Safeco's decision making because they help the company to both use customers' insights to identify potential CX pain points and communicate why a change is being implemented. The customer journey maps are also useful tools for Safeco's agents as it gives them more information about their customers and helps them raise customer-centricity at the agency level.

- **Invest in partners' knowledge of CX.** Although companies often communicate their CX vision and goals to their partners, few take the next step by helping partners translate those visions and goals into specific skills and behaviors. Companies can strengthen their partners' capabilities by sharing their CX expertise through training, tools, and coaching. NBA franchise Oklahoma City Thunder works through dozens of partners to create its fan experience at every game—from parking to concessions to security—and every partner employee participates in the Thunder's *CLICK With Your Guests* training program (see Figure 8). This program is designed to keep both new and returning employees' skills sharp around the team's core principles and guest care tactics. The education is reinforced through season-long coaching, evaluation of fan experiences, and congratulating partner employees through a three-tiered recognition program.[4]

- **Dedicate resources to support partners' CX**. Partners are an extension of the company and sometimes they need help—a question answered, an obstacle removed—while serving customers. When they don't get that help in a timely manner, the end customer experience can deteriorate. While training programs and online resources are helpful, some companies actually dedicate resources to aid partners "in the moment." A large cloud computing company recognized that if its partners cannot get the assistance they need, partners cannot deliver on customers' expectations. As a result, it has established a dedicated *Partner Help Desk* for partners to use when they need immediate assistance while they are working on an implementation. The company's Customer Office has also established *Customer Engagement Executives* (CEEs), who are assigned to work with all customers regardless of whether the offering was sold and implemented by the company, a partner, or some combination of the two. The CEE is responsible for customer retention and loyalty and works on proactive risk identification and mitigation planning. With the introduction of CEEs, partners benefit by knowing exactly who to work with to get information or resolve issues, which is especially beneficial in complex deals and organizations. CEEs use an

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[4] See Temkin Group Insight Report, "Introducing Employee-Engaging Transformation" (February 2014).

online system to track customer heal and can activate risk flags to ensure issues are dealt with swiftly. The Organization Innovation team also works closely with the CEEs, holding regular calls to provide CX initiative updates and seek their feedback.

#4: Partner Engagement: Drive Alignment in Values and Goals

Good partnerships don't happen by accident. Companies must create the conditions in which a mutually valuable relationship can be built and maintained over time. To engage partners, companies can:

- **Select partners committed to your brand promises.** If a partner does not share an organization's brand promises, then the two groups will not deliver a consistent end customer experience. Rather than selecting partners solely based on potential business volume, companies should also vet these relationships for similarities in mission and values. For example, an insurance company that prides itself on friendly and responsive service puts itself in a better position to deliver a consistent end customer CX if its agents place the same emphasis on those characteristics. An electronics manufacturer that invests in technology to help its customers help themselves should seek out distributors whose web or mobile channels also provide effective self-service capabilities. When a company considers alignment of values and quality of experiences when bringing on new partners, it positions itself to develop partners who exemplify its values and deliver those consistently to their shared customers.

- **Make sure partners understand your CX vision.** Companies need to communicate their brand promises, and show how these brand promises relate to their partners' success. John Deere has developed a universal set of guidelines around key drivers of customer experience during sales and service interactions (see Figure 9). The company researched the connection between dealer experience and the dealer's primary financial metric (market share) and is able to show how improvements in CX driven by focusing on optimization efforts impact market share. John Deere links all of these CX drivers back to dealer processes and then measures these drivers on a regular basis. The company also helps dealers focus on critical success factors such as understanding customer segments, delivering positive purchase and ownership experiences, and recognizing the parts of the CX that will be most critical in the future.

- **Embed CX metrics into your partner agreements.** If CX is important to companies, then partner agreements should incorporate incentives and rewards based on CX metrics. It's important to use metrics that are understood by partners and that clearly link to CX aspects they can directly influence (see Figure 10). Citrix ensures that partners understand that the purpose of its customer insights research is to drive improvements. The company has a systematic process in place to listen to customer feedback so that partners and Citrix can take action. Because the research is aimed at driving improvements, initial CX measures do not influence partner incentives. Instead, the company encourages partners to use customer insights to identify which areas need attention, and then the company measures and rewards partners on how well those improvements worked.

- **Enlist partners as CX advocates**. Just as internal employees can engage and influence their coworkers, partners can help a company extend its reach and evangelize the CX strategy to other partners and to their own employees. That's why

companies should create a Partner CX Advocacy Program (see Figure 11). Safeco has enlisted leaders from some of its engaged agencies to participate in half-day sessions with other agency leaders to show that improving CX is not just about competition, but about collaboration. In another example, the district managers of one hospitality company coached the managers at each franchised property to become champions at their location and helped them change the internal view of the VoC program from a scoreboard mentality to taking a broader view of CX. This coaching helped champions at each property keep the focus off the score and instead keep it on the amount of feedback that is coming in and the actions the hotel is taking to close the loop. These champions lead their own daily huddles at each property to discuss what employees learned from customer feedback and what they can do differently to improve CX at their locations.

- **Extend product launch communications and training to partners.** Companies often spend a lot of time and energy making sure that employees are on board with the launch of new products. This is equally important for partners. When crafting critical customer-facing communications, a manufacturer might allow partner stakeholders the opportunity to preview and offer comment at the same time that internal teams are given a sneak peek. When an insurance carrier introduces a new customer portal on its website, it can offer the same training to its independent agents as it does to its frontline employees. And when company leaders convene an online townhall meeting to communicate critical updates about new products or services, it should encourage employees of its top partners to watch the session as well.

#5: Channel Management Collaboration: Jointly Move CX and Partner Experience

A company's CX team cannot overlook the control and influence of the channel management function. CX teams can collaboratively advance partner and customer experience when they:

- **Discuss and diagnose partner insights with channel management.** The channel management function doesn't need to develop its own insights expertise if it works closely with the CX team to gather, analyze, and act on partner feedback. When working together, these two teams can each bring their own knowledge and experience to making sense of the feedback and determining the best actions to improve the partner and end customer experience. HP's CX teams—whether in global functions, business groups, regions, or country-level—coordinate partner feedback processes with its partner account managers, sharing feedback, insights, and potential actions. In turn, partner account managers review these insights and prepare planned actions to improve the partner experience, which they discuss during their regular meetings with HP's partners. Partner account managers also listen for partner feedback during individual deal discussions and annual planning meetings and convey the information back to their CX team. When negative trends across the aggregate partner feedback emerge, the CX team engages with the partner account managers, the channel sales and marketing team, and other cross-functional groups to determine root cause and develop a plan to address the feedback.

- **Tap into existing partner communication processes.** CX teams can take advantage of existing communication channels that reach partners. The CX team can also get advice from channel marketing/communication groups on how best to contact partners and then work with these groups to coordinate campaigns to reach the right

partners with the right information in the right language at the right time. EMC's Total Customer Experience (TCE) team works with the company's robust channel marketing group to tap into established partner communication plans. The group advises the TCE team on how to get information to partners most efficiently, factoring in the time it takes to create and coordinate campaigns, translate messages, and insert content into partner platforms and other communication channels.

▪ **Develop close-the-loop processes with channel management.** When feedback reveals issues that are impacting the partners' ability to serve their end customers, channel managers should close the loop with individual partners, as well as with the channel as a whole. When Citrix's feedback channels uncover an issue at an individual partner, its CX team works through the channel team to get the owner of the partner relationship involved and working with the right internal groups to resolve the issue. Following its worldwide partner loyalty survey, the channel team is responsible for communicating findings and next steps to partners using insights compiled by the CX team. Additionally, executives across the channel management organization continuously share CX updates at partner meetings and in partner councils.

▪ **Make joint visits to partners and customers.** To more fully understand the B2B2C environment and put themselves in a better position to collaborate with the channel management function, CX team members need to get out of the office and meet with partners and customers. At Bosch Automotive, CX managers and the account support team provide support to both channel partners and to the company's own account management teams, helping them each with feedback, issue escalation, troubleshooting, and process improvements. To enhance their combined efforts, CX managers and account managers jointly visit targeted strategic partners and customers. These visits include a short presentation by the CX manager, which frames what Bosch is trying to learn during the meeting and launches a dialogue about their experience with Bosch. Because the CX manager brings a neutral view of the feedback, he or she can impartially share in-progress actions to address any pain points raised during the discussion.

THREE DIFFERENT STRUCTURES FOR B2B2C CX

Not all B2B2C relationships are the same, and therefore, each one should emphasize different aspects of the five capabilities. We've identified three prototypical B2B2C structures (see Figure 12). Companies should apply the five B2B2C CX capabilities differently based on their structure (see Figure 13):

▪ **Dedicated Partnership.** In a Dedicated Partnership, the company strongly relies on its channel partners to deliver a sustainable customer experience over the long-term relationship. In this structure, end customers typically see the channel partner as the primary point of contact or service provider, from sales through long-term service. The channel partner in turn has a strong desire to build long-standing relationships with these end customers. As channel partners often control access to customers in this structure, companies should put particular emphasis on *customer insights cooperation* and *CX capabilities development* tactics because these capabilities put the company in a position to exert some influence over how channel partners design their processes and interactions. This increases the likelihood that the company and

its partners will deliver the desired customer experience in a way that drives brand loyalty among end customers. Keeping channel partners loyal should not be overlooked so *voice of the partner* and *partner engagement* efforts should be included in a company's B2B2C CX plans.

▪ **Interdependent Partnership.** In an interdependent partnership structure, the company and the channel partner both create a positive customer experience, just at different stages of the customer's journey. In this partnership, end customers see channel partners as critical, especially at the front-end of their journey. Over time, the end customer's orientation may shift to the company, relying on it for long-term service and support once a system is implemented or a policy is in place. Because of the control that channel partners have in whether customers even consider purchasing their product or service, the company must build strong partner relationships, which means that its B2B2C CX strategy should emphasize *voice of the partner* and *partner engagement.* However, because of the potential for a direct long-term end customer relationship, *customer insights cooperation* should also be a part of the company's B2B2C CX strategy.

▪ **Pass-through Partnership.** In this structure, the customer experience is primarily transactional in nature; end customers are more likely to relate to the company and its brand, with the channel partner mostly just providing access to and advice in selecting the right product during transactional exchanges. Because channel partners often have first access to customer data through these transactions, companies will have to rely on *customer insights cooperation* to gain some traction in a VoC program until it makes its own connections. *Partner engagement* tactics will also be important to ensure that channel partners are both knowledgeable about the company's offerings and inclined to recommend them instead of the competition.

Many Relationships At Play in B2B2C Relationships

B2B2C Customer Experience:
Enhancing end customer experience in a way that
satisfies the needs of channel partners

| COMPANY | → | CHANNEL PARTNERS | → | END CUSTOMER |

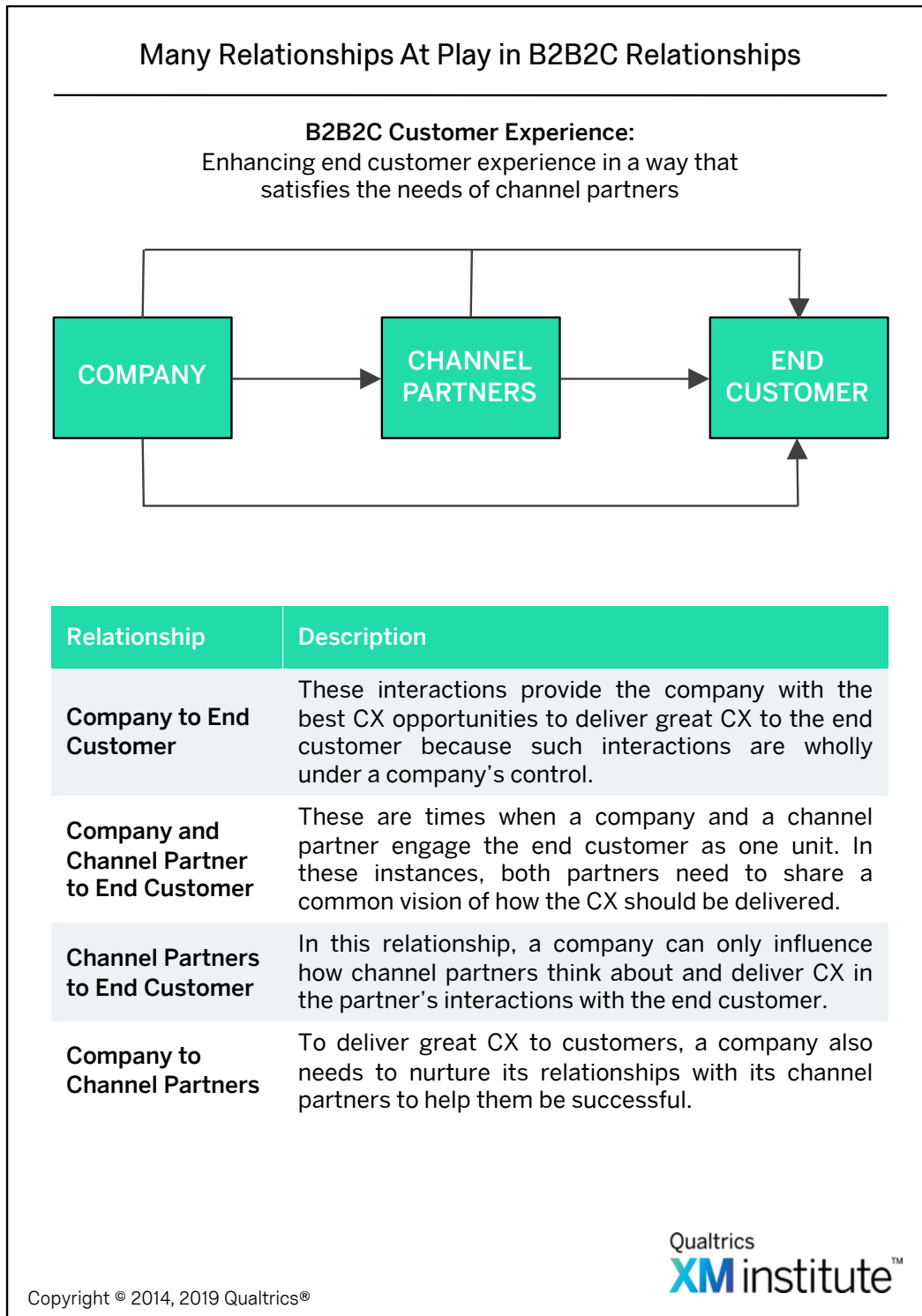| Relationship	Description
Company to End Customer	These interactions provide the company with the best CX opportunities to deliver great CX to the end customer because such interactions are wholly under a company's control.
Company and Channel Partner to End Customer	These are times when a company and a channel partner engage the end customer as one unit. In these instances, both partners need to share a common vision of how the CX should be delivered.
Channel Partners to End Customer	In this relationship, a company can only influence how channel partners think about and deliver CX in the partner's interactions with the end customer.
Company to Channel Partners	To deliver great CX to customers, a company also needs to nurture its relationships with its channel partners to help them be successful.

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Figure 1

Page **13**

The B2B2C Challenge: Building Collective CX Competencies

How to think about Temkin Group's Four CX Core Competencies in each of the B2B2C Relationships:

Core Competency	Company to End Customer	Channel Partner to End Customer	Company and Channel Partner to End Customer	Company to Channel Partner
Purposeful Leadership	Company leaders set tone for how organization thinks about and delivers a positive CX to end customers.	Channel partner leaders should embrace values of companies they represent and demonstrate them consistently with customers.	Company and channel partner cannot successfully serve customer together without shared set of values.	Companies must gain alignment with and hold channel partners accountable for operating consistently with values.
Compelling Brand Values	Even in B2B2C environment, brand values should drive how end customers are treated by both company and partners.	Make brand promises explicit so partners deliver in touchpoints outside company's control.	Brand promises should align channel partners with company and customers in pursuit of common CX objectives.	Alignment of brand values and culture should be considered when assessing and selecting channel partners.
Employee Engagement	Engaged employees are key to making most of limited direct interactions companies have with end customers.	Channel partners employees may have strongest relationship with end customer and need necessary knowledge, tools, and support.	For a consistent CX, employees of both company and channel partner must be aligned in how each serves the end customer.	Companies should engage partner's employees with similar tactics used internally, like training classes and town hall meetings
Customer Connected-ness	End customer survey feedback can be limited. Supplement with insights from company's unstructured data sources like support calls and sales notes.	Channel partners may be gatekeepers to end customers or not equipped to gather/use insights. Critical opportunity for company/partner cooperation.	Customers may struggle differentiating between company and channel partner yet feedback can reveal differences in CX delivery between the two.	Companies should not overlook gathering and using insights from its channel partners to improve the CX for both partners and customers.

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Figure 2

Best Practices for Improving B2B2C CX

Five Components	Best Practices
Voice of the Partner The organization listens to partners to learn about how they perceive the ease of working with the company, the quality of its products and services, and how it compares to its competition.	▪ Gather insights across partners' entire journey ▪ Develop actionable feedback programs ▪ Establish partner advisory boards ▪ Monitor the strength of channel partner relationships ▪ Co-design customer experiences with partners ▪ Prepare for rapid adjustments during times of change
Customer Insights Cooperation The organization and its channel partners work together on gathering and sharing end customer information.	▪ Tackle problems affecting both partners and customers ▪ Share customer feedback requiring immediate attention ▪ Develop and share partner-specific insights ▪ Help partners enable their own customer feedback process ▪ Establish multiple tiers of CX metrics
CX Capabilities Development The organization shares CX approaches and knowledge with its channel partners to improve the end customer experience.	▪ Include partners in customer journey mapping ▪ Invest in partners' knowledge of CX ▪ Dedicate resources to support partners' CX
Partner Engagement The organization selects, incents, and empowers channel partners in ways that create alignment in values and goals.	▪ Select partners committed to your brand promises ▪ Make sure partners understand your CX vision ▪ Embed CX metrics into your partner agreements ▪ Enlist partners as CX advocates ▪ Extend product launch communications and training to partners
Channel Management Collaboration The organization's CX team works with and through the channel management function to move CX and partner experience efforts forward.	▪ Discuss and diagnose partner insights with channel management ▪ Tap into existing partner communication processes ▪ Develop close-the-loop processes with channel management ▪ Make joint visits to partners and customers

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Figure 3

Page **15**

Hewlett-Packard's Multi-Faceted Partner Feedback Approach

Feedback Channel	Primary Objective	Target and Timing	How it is used
Total Partner Experience Survey	Measure overall partner experience and capture operational metrics	All channel partners Annual	▪ Is key input into partner account management and relationship assessment (strategic and operational) ▪ Includes Net Promoter Score (NPS) metric ▪ CX team and channel management review feedback and work together to address issues
Total Partner Operations Experience Survey	Focuses on HP's performance within specific touchpoints of partners' journey	Affected partners Quarterly	▪ Captures feedback on operational touch-points HP channel partners experience with HP ▪ Includes Purchase NPS score across phases of that process (pricing, quoting, invoicing)
Competitive Loyalty Study	Measure overall customer experience provided to end customers either direct or via channel	End customers (enterprise, SMB)	▪ To understand direct vs. channel (indirect) experience from end customer view ▪ Key metric NPS score, CX driver and attribute analysis ▪ Customer or product/service segment, region, country specific insights to define CX improvement programs

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Figure 4

Establishing Partner Advisory Boards

Through interactive dialogue and more personal connections, partner advisory boards provide organizations the opportunity to acquire deeper understanding into partners' needs and expectations.

Establish sponsorship and define goals and objectives	▪ Identify an executive who will serve as the advisory board sponsor. The sponsor plays a key role in recruiting members, facilitating meetings and other interactions, and ensuring that mutual value is delivered. ▪ Define goals and objectives for partner advisory board. These may include providing input into company strategy, validating customer experience improvement opportunities and prioritizing actions, or contributing to developing new products and marketing messages.
Determine advisory board selection process	▪ Identify criteria to screen potential members based on partner tier, role, expertise, or other attributes related to their potential to contribute to the dialogue relative to advisory board's objectives. ▪ Work with channel management team to get their input into targeting and selecting members to ensure the right people are chosen for the advisory board. ▪ Prepare clear communications including goals, objectives, and participation to convey expectations to "recruits" up front. This includes length of commitment (e.g., 1 year, 2 years) and what expenses (e.g., travel) company will cover.
Define participation experience	▪ Participation typically includes a combination of in-person meetings and conference calls, based on current efforts. ▪ Many companies will take advantage of events where partners will be in attendance and schedule in-person meeting connected to that event. ▪ Interactions should be a balance of company-driven content and member-driven content. Sponsor/senior leaders should shape discussion agendas with input from members. ▪ Complement direct interactions with online virtual advisory board where company members and partners can interact with each other on an on-going basis.

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Figure 5

Page **17**

Figure 6

How to Create and Use Customer Journey Maps (CJM)

Seven Steps for Developing Customer Journey Maps

1. Define Objectives — Identify what you want to accomplish: fix current problems or build the experience of the future

2. Engage Executives — Make sure that relevant executives are bought into the objectives and are engaged in the process

3. Define Scope — Identify the specific journey(s) and target customers being examined in the customer journey mapping effort

4. Internal Research — Review existing customer insights and interview internal/partner stakeholders at all levels about the existing experience

5. Draft CJM — Develop a high-level outline of the key stages, actions, expectations, and obstacles across the customer's journey

6. Customer Research — Validate the stages and find out more information about individual interactions/steps in the stages, and identify importance and opportunities for improvement

7. Final CJM — Update the customer journey map to reflect the insights gathered during customer research

Getting the Most from Customer Journey Maps

Key outputs of CJM

- Identify moments of truth
- Establish baseline of experience
- Hypothesize future experiences

To-Do List After Completion of CJM:

- ❑ Share learnings across the organization and with channel partners
- ❑ Adjust voice of the customer listening posts to prioritize moments of truth
- ❑ Define metrics and track performance for moments of truth
- ❑ Prioritize and act upon opportunities for fixing problems
- ❑ Prioritize and act upon opportunities to wow customers
- ❑ Establish teams to design and roll out future-state experiences
- ❑ Embed learnings about customers in training and communications
- ❑ Do CJMs for other customers and other areas of the business
- ❑ Repeat CJM every 18 to 24 months or when something changes

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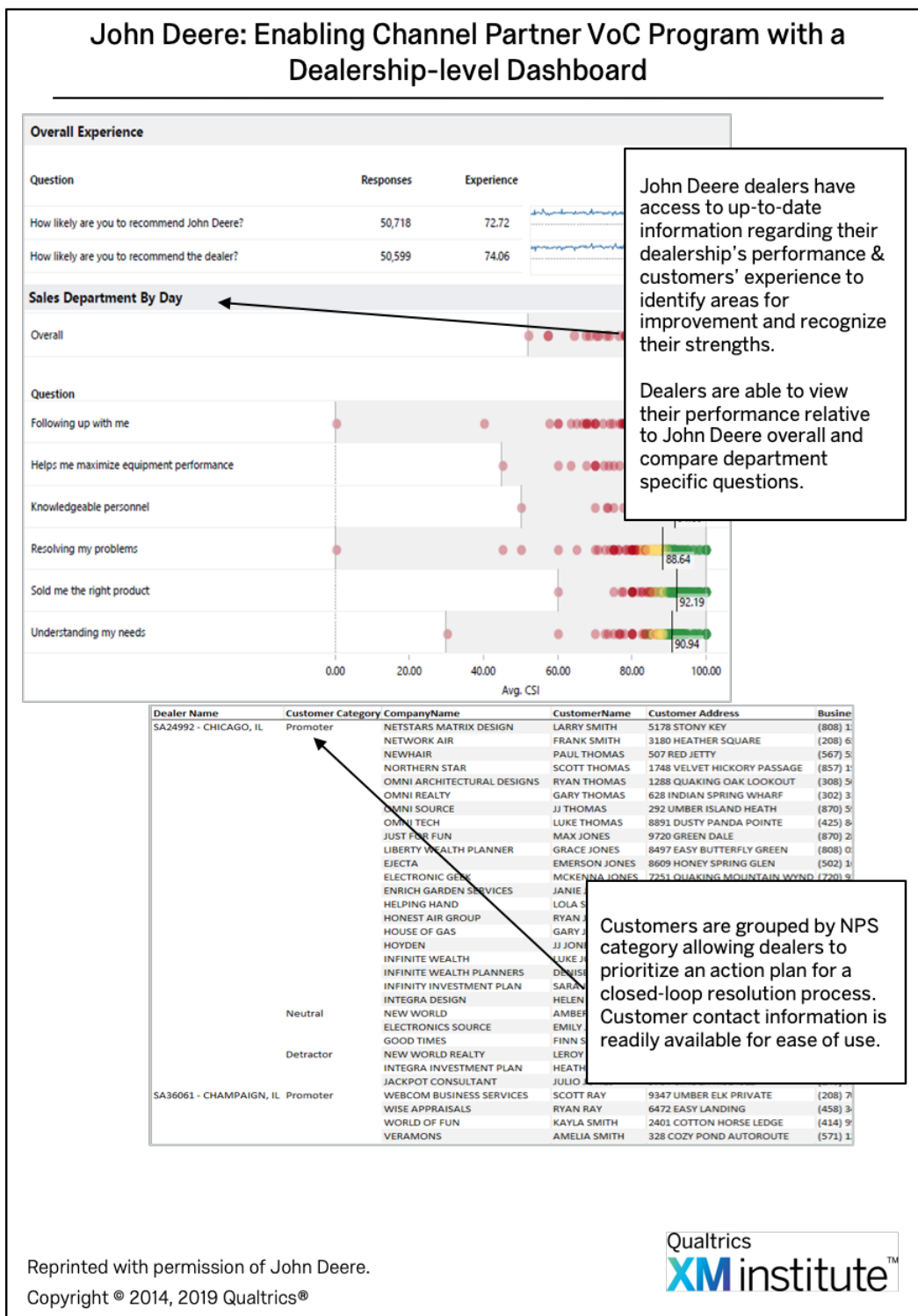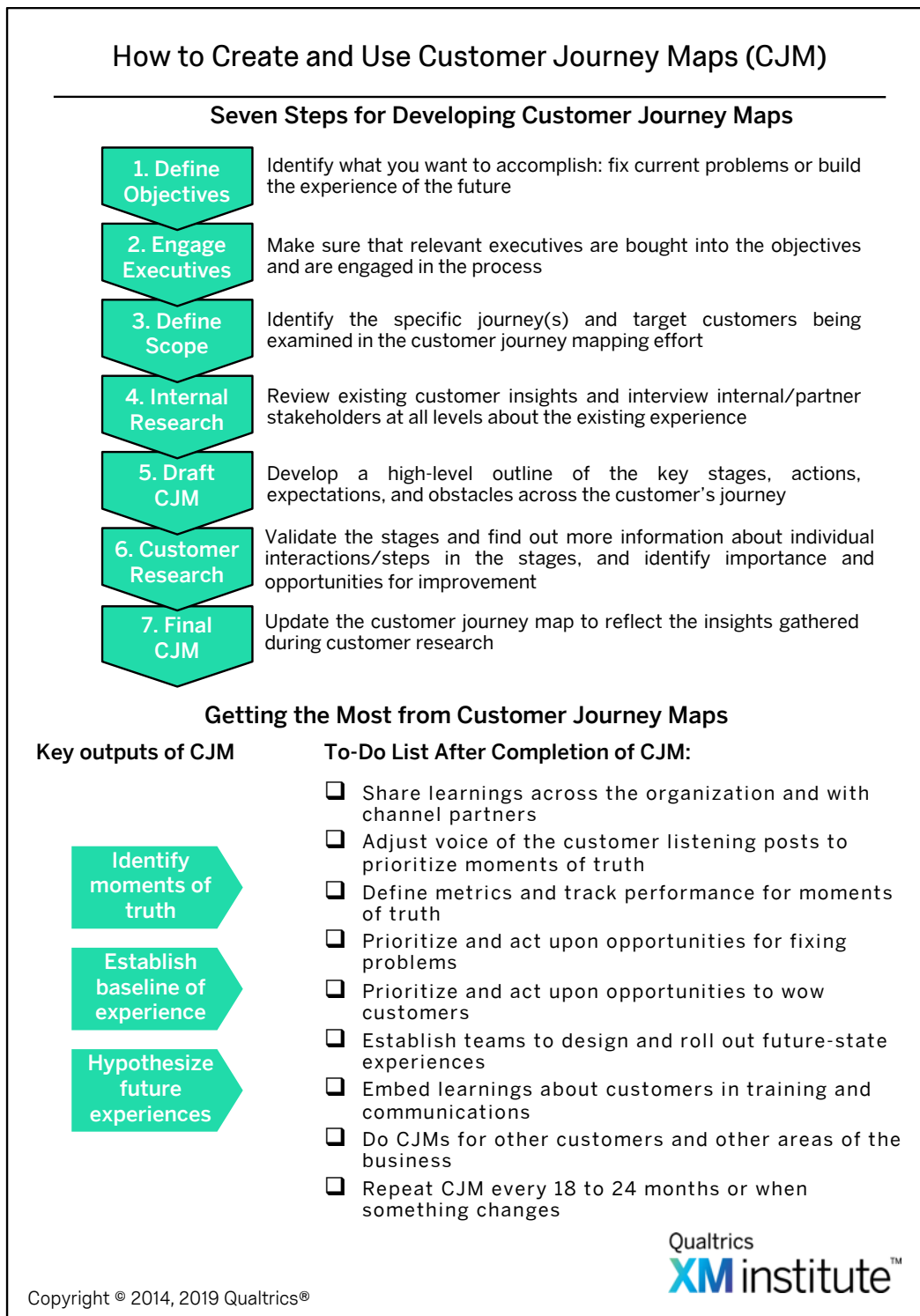
Figure 7

Oklahoma City Thunder – "CLICK!'ing With Your Guests"

At the start of each new NBA season, the Thunder strives to educate new and returning partner employees on its five Guest Care service values. These are:

- **C** - Communicate Courteously
- **L** - Listen to Learn
- **I** - Initiate Immediately
- **C** - Create Connections
- **K** - Know Your Stuff

Guest Care service values are supported three ways:
- **Educate**: Train new and returning employees every season
- **Evaluate**: Use metrically based research and overall fan feedback to determine areas in need of improvement and areas of strength
- **Congratulate**: Encourage staff to continue excelling in caring for their Guests via three separate recognition programs, which form the "Pyramid of Recognition"

Pyramid of Recognition:
- **"100% Guest Care" Team**: Secret shoppers recognize front-line team members utilizing all five CLICK! service values resulting in an above-and-beyond Guest Care experience. Each "100% Guest Care" team member is recognized during one of two halftime presentations throughout the season with a *100% Guest Care* lapel pin, custom framed presentation photo, and two CLICK! chips.
- **Fan Favorite Award**: Fans recognize front-line team members caught doing a little extra through FAN-tastic acts of service. Each recipient is individually presented a $100 gift card for the Thunder Shop and an *I'm A Fan Favorite* lapel pin during an in-game presentation.
- **CLICK! With Your Guests CLICK! Chip Program**: Full-time staff recognize front-line team members CLICK!'ing with their Guests – demonstrating one of the five service values by *doing special things that make a big difference*. Team members are awarded CLICK! chips, which they can redeem after earning four chips for a Thunder gift of their choosing and an *I CLICK! With My Guests* lapel pin.

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Figure 8

John Deere's Key Customer Experience Drivers

John Deere has defined five key drivers of its global customer experience for the sales, service, and parts interactions at the dealership level. These drivers correlate dealers' market share performance—a key financial metric.

Dealership Shared Key Drivers	1. Knowledgeable personnel 2. Understanding my needs 3. Helping me maximize equipment performance 4. Following up with me 5. Resolving my problems
Department Specific Key Drivers	▪ **Sales**: Sold me the right product ▪ **Service**: Service completed as promised ▪ **Parts**: Availability of in-stock parts

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Figure 9

Considerations When Linking CX Metrics to Incentives

Three Underlying Principles

1. If there is significant incentive tied to any metric (including CX), then people will look for ways to manipulate the measure.
2. If people don't understand a metric, then tying incentives to it will have little impact on their behavior and any downside in rewards will create a very negative response.
3. If people don't understand how they *personally* affect a metric, then tying incentives to it will have little impact on their behavior and any downside in rewards will create a very negative response.

Recommendations for Linking CX Metrics with Incentives

- **Create a metric that is easy to understand.** Educate partners about what it is, why it's important, and what they can do to affect it. Allow time (at least two quarters) for educating partners.

- **Provide reporting that shows how the company and partner are doing in terms of the metric.** Make sure you can provide an analysis of customer-facing activity along two dimensions: (1) how correlated is the activity to the metric and (2) how well is the partner performing in those areas based on customer feedback.

- **Develop specific goals for partners that mirror goals set for the company's customer-facing groups.** Start by using shadow goals—without any incentive impact—for at least two quarters so partners can understand how they can affect the measurement.

- **Establish performance bands, not absolute targets.** Because many CX metrics have unexplainable variance, tie incentives to bands of performance instead of to a single number. This focuses partners on making progress in the right direction and away from obsession about a single number.

- **Start with an incentive plan that is biased towards the upside.** To help eliminate some of the negative perceptions early in a program, introduce a plan where this is little negative impact on rewards if the goal is not hit, but there is positive impact if the goal is exceeded.

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Figure 10

How Partner CX Advocacy Programs Can Help

As CX advocates, partners can evangelize a company's CX strategy and extend its reach with both other partners and their own employees.

Target Audience	Partner CX Advocates Can:
Other Partners	▪ Participate in company's CX pilot/beta programs and build a case to help bring others onboard ▪ Talk about elements of CX program in language and terms that are meaningful to other partners ▪ Share success stories at channel partner gatherings/events ▪ Contribute to partner testimonials on the value of participating in CX program to drive business results ▪ Share best practices with other partners to cross-pollinate ideas and approaches on an on-going basis ▪ Identify opportunities for improvement and amplify Voice of the Partner back to company
Partner's Employees	▪ Model desired CX behaviors to all employees ▪ Proactively communicate internal CX updates and progress reports ▪ Lead daily huddles across organization to discuss lessons learned from customer feedback and how to change ▪ Encourage employees to shift perceptions from "fear of failure" to "empowerment to help customers" ▪ Deliver training to employees to connect CX goals and objectives to their daily actions ▪ Initiate and support customer-centric programs at local level ▪ Drive internal recognition efforts tailored to organization's needs and culture ▪ Share feedback on efforts back to company

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Figure 11

Identifying Your B2B2C Structure

Select the description that most reflects how your organization operates:

	Dedicated Partnership	Interdependent Partnership	Pass-through Partnership
Orientation of End Customers	End customer sees channel partner as primary point of contact and service provider; may feel affinity to company's brand	For end customer, channel partner critical at front-end of relationship; relationship with company grows over time	End customer does not desire close relationship with channel partner nor company
Orientation of Channel Partner	Channel partner has strong desire for long-term relationship with customer; customer loyalty is critical	Channel partner desires to sustain relationship with end customer for future expansion; takes passive approach in company-owned interactions	Channel partner primarily connected with end customer through transactions to supply specific product(s); very little value-add beyond the sale
Ownership of Customer	Channel partners control access to customer data; partial information may reach company via transactional interactions such as warranty registration and support calls	Ownership often begins with channel partner, but company gains visibility and increasing access over time after the initial sale	Channel partner controls transactional information; company may or may not have visibility to individual end customers until contacted by them
Reliance on Channel	Company has heavy reliance on channel partners as primary face to the market in role of dealers, franchisees/ownership groups, exclusive agents, etc.	Company may or may not have direct sales force; channel partners play key role in reaching end customers and growing market share	Company has heavy reliance on distributors as channel; may or may not offer direct purchase options
Scope of Representation	Channel partner is dedicated to single company yet may be associated with multiple brands or product lines of that company	Channel partners represent multiple companies/vendors	Channel partners represent multiple competing brands along with other related and unrelated products

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Figure 12

Applying Five CX Capabilities Across B2B2C Structures

	Dedicated Partnership	Interdependent Partnership	Pass-through Partnership
Voice of the Partner	Because of reliance on dedicated partners, loyalty is important; use multi-faceted feedback approach to identify their expectations, their feelings about company, and other market feedback	Interdependent partners are key in bringing in new business; invest in identifying what they need for success and how to make it easy for them to do business with the company	Pass-through partners typically have many options they represent, so closely monitor their feedback when introducing changes to products or partner processes/policies
Customer Insights Cooperation	Partners usually control access to customers, so help them enable their own VoC processes and share any transactional feedback collected by company	Because of shared relationships, use insights to uncover issues that partners and customers have in common	While insights may be hard to come by, work with partners to respond to customer feedback with urgency
CX Capabilities Development	Because of partners' primary role in delivering CX, work with them to raise CX knowledge and skills and to influence their design of customer processes & interactions	Include partners in customer journey mapping to identify touchpoint ownership and key hand-offs impacting CX	Support partners with the CX training and tools focused on helping them succeed with end customers and build preference for brand
Partner Engagement	Enlist partners as CX champions to extend reach of company's CX efforts and to build advocates supporting company's CX vision	To reinforce consistent CX delivery by both company and channel, select partners with similar brand values and extend internal communications and training to partners	If linking CX metrics and incentives together, do so carefully; partners must see how they can impact measures successfully
Channel Management Collaboration	CX team should work with channel management team to diagnose partner feedback and take joint visits with Sales to get to know partners and customers better	Take action on feedback together in order to better collaborate on supporting channel partners	Take advantage of existing communication processes to reach partners and ensure channel management closes the loop on any partner feedback

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Figure 13