

# THE FOUR PILLARS OF CX ROI



Businesses everywhere are recognizing the value of customer experience (CX).

In fact, organizations that lead in CX outperformed laggards on the S&P 500 index by:

Nearly **80%**

But at the same time,

Only **14%**

of companies measure ROI for customer experience.

It's clear that the right CX program can drive value for your business, but are you able to trace your efforts directly to improvements to your bottom line? Build a case on these four pillars and you'll be able to attach a dollar amount to your program that every one (including your boss) will recognize!

## PILLAR ONE: Customer Acquisition

A well-built VoC program enables organizations to anticipate what new customers are seeking in a brand and be ahead of the curve. For example, a major athletic company sought to capitalize on acquisitions by optimizing its surveys to find new types of customers.

By targeting respondents between the ages of 18 and 35 with specific questions, the company was able to understand this demographic and expand to new cities and demographics.



The practitioners who ran this initiative were able to prove its worth by tracking the new customer acquisition, increases in unique customers, and market share growth that it generated.

## PILLAR TWO: Customer Retention

Organizations should never underestimate the power of service recovery.

**70%**

of customers who have a situation resolved in their favor will return to a brand.

**10%** ↑

increase in customer retention can grow a company's value by 30 percent.

Truly customer-centric companies can easily reach and maintain these percentages.

For example, America's largest cable and home internet provider leverages VoC technology in their regional customer care centers.



They discovered that **3%** of all respondents requested callbacks.

This totalled about 1000 customer recovery opportunities a month (or a whopping 12,000 per year).



By combining this insight with customer lifetime value, the company was able to identify \$23 million in recoverable revenue directly resulting from customer retention!



**\$23 Million**

## PILLAR THREE: Cross-Selling & Upselling

Given that it costs 25 times more to acquire a new customer than to retain an existing one, brands stand to gain a lot from finding new cross-selling and upselling opportunities.

**NEW**

 = **25x** 

**EXISTING**

 = 

Organizations can leverage CX listening tools to identify what about a brand spurs trust and loyalty from its customers and take action to make those offerings even stronger.

Nearly 50 percent of customers are willing to spend anywhere from 11 to 50 percent more with a brand they feel they can trust.



**50%** 

**11%-50%** 

An example of this is a large cafe group that was able to capture feedback from its existing customer base, analyze their sentiments, and make fundamental menu changes accordingly. As a result, the cafe group saw a noticeable revenue bump that it was able to link directly to their program insights and subsequent menu changes.

## PILLAR FOUR: Cost Reduction & Elimination

Organizations can use CX feedback and employee feedback to both save money within operations and to simplify their provided experience. Are there ineffective processes that are costing more than they're worth? Eliminating such costs can save companies time, resources, and revenue.

After all, training one employee can cost an average of almost **\$1,100!**

 **\$1,100**  
 **\$2,200**

A top-tier mattress retailer used CX tools to install an exit survey for departing employees, giving them a greater understanding of employee sentiment. After implementing the necessary changes to reduce turnover and new hire training costs, the company was able to establish a clear link between its CX strategy and the ROI it helped to generate.

Proving CX ROI doesn't have to feel like searching for a needle in a haystack. If you understand the four economic pillars and how they apply to your business, you can make a clear case for program value that everyone from the frontline to the top of the house will appreciate!

To see more examples of how CX rockstars prove ROI for their programs, check out the in-depth case studies at [www.inmoment.com/resources](http://www.inmoment.com/resources) today!