

THE CASE FOR CX INVESTMENT:

# The Hard-Hitting FAQs from Leading CFOs



Let's be frank—establishing a customer experience (CX) program's ROI is one of the greatest challenges that CX practitioners and the organisations they serve face in the modern experience landscape. Across all businesses, the entire C-Suite leadership team is looking to validate an experience management program by understanding: **what is the financial impact of my CX investment?**

Here is how one of our retail clients with 169 stores nationwide would answer that question:

“Through the implementation of [CX] technology and best practices, we've tripled our feedback rate, responded to nearly 9,000 customer concerns, and realized almost \$9 million in new revenue. In under six months, the program paid for itself many times over.”

In particular, as Chief Financial Officers (CFOs) we know your highest priority is to protect enterprise value. We know that the nature of your role means that you are typically direct, results-oriented and focused on the quantifiable impact of any business investment. Whilst you are happy to fund new business ventures for the organisation, we know that in order to approve a business case for a new technology, you'll have a series of hard-hitting questions to vet a proposition before investment is made.

**We've collected the most common FAQs from our experience working with some of the CFOs in the APAC region to give you a guide on how to communicate the impact of experience management to your organisation.**

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## + Like most organisations in today's climate, we have limited budgets. Why should I invest in customer experience?

Experience management is one of the most impactful investments you can undertake during a time of uncertainty. By putting the customer at the centre of your organisation's universe and listening to valuable feedback along their journey, enterprise businesses are empowered with consumer insights that lead to business growth through cost saving and revenue generating opportunities.



### CASE STUDY: AUSTRALIA POST



Australia Post has seen tremendous growth as it leverages customer experience (CX) data to strengthen the influence of its program across the business. The Parcel Delivery Experience Transformation Team raised NPS by 27% by implementing the revolutionary idea of “text your choice” for package delivery. In this case, experience intelligence discovered an actionable insight that resulted in \$1.7m in cost savings.

In addition to identifying insights from customer feedback, having the capability to listen to your employees will help you to determine internal inefficiencies and opportunities to invest and divest in existing systems and processes. As business models adapt to today's climate, this source of the employee experience data is crucial to strengthening and validating the benefits of other business cases that land on in your inbox for prioritisation.

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## + In some cases, focused initiatives are not well justified, so can appear as more of a ‘nice to have’, compared to a clear business critical system. Can you please help me understand?

In an increasingly competitive marketplace, your brand's customer experience will ultimately be a key long-term strategic differentiator and advantage. But, the only way a software can be considered a ‘must-have’ capability is if, at its core, the software enables the business' strategic objectives. Of course, those will vary by industry and brand, but the most important thing that makes experience management a must-have, is the capability for *insights to action*.



**LISTEN**



**UNDERSTAND**



**IMPROVE**



**MONETISE**

It's important to understand that businesses can't manage what isn't being measured—but measurement alone doesn't effect change. When a business decides to put the customer at the center of the organisational universe, you'll need leading technology to collect their feedback, analyse patterns and most importantly, **act** on these consumer insights.

In Australia and New Zealand, our consumers have [some of the highest expectations in the world](#). In an economic climate where customers are typically expecting more for less, acting on consumer insights is a must-have for businesses to succeed. Feedback will show you who is a detractor and how to recover them so you can hold onto valuable customers. It will show you systemic themes to prioritise and problems to solve before they become too overwhelming. And finally, feedback will expose ways to reduce costs across the business, adding to growth and profitability.

## MITIGATE RISK

**Customer experience solutions are also helping businesses manage risk. Having an embedded experience management program that is capturing customer feedback and acting on important insights shows industry regulators that the organisation is fully-equipped to handle solicited and unsolicited feedback, any potential audit trails, and ultimately, avoid unnecessary exposure.**

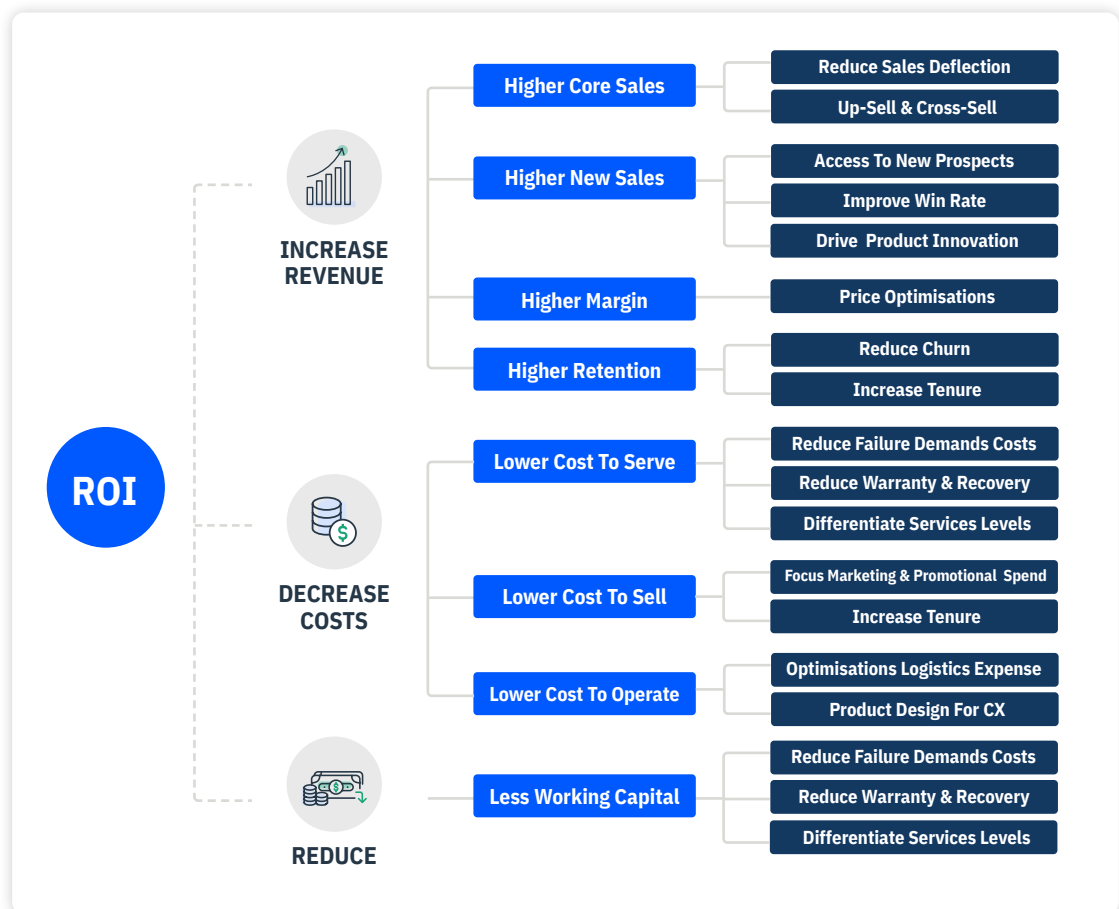
Source: [Adobe CXM Press Release](#)

**+ I've seen many other APAC organisations struggle to prove tangible value from CX, how do I make sure my business realises the full potential of our program?**

It's no secret that many customer experience programs haven't quite reached best practices. In fact, many businesses transition to InMoment's platform from another provider after they've harvested the quick wins from measuring customer experience but haven't been able to embed actionable insights. From the very start, you need a capability that has been designed with a framework to outline the

**Technology alone won't activate a successful customer experience, but the most effective programs have a strategic partner to help map the initial CX framework and discover those actionable insights. You need a motivated team behind yours to design the roadmap of experience management success.**

Return on Experience Investment (ROXI). The financial impact of the CX capability is outlined in the onboarding process, tested and controlled along the way and measured and reported against quarterly. As your experience management solution matures, there are multiple business benefits to be realised.



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## **+ I need to be fiscally cautious this year. How quickly can I get to ROI to justify this investment?**

In a post-COVID landscape, businesses are going to be expected to do more with less resources. CFOs need to be hyper-selective with investments moving forward, and in most cases, ROI is the only conversation that truly matters.

For most of our clients, it takes about 6-9 months to see a return on investment. In the example below, one way to show return on investment is to show the impact of a closed-loop feedback program. By saving one customer per month and per store by contacting their detractors, a retailer was able to value the cost of each customer and arrive at a total ROI of +\$2.5m saved to this particular business, which is about 10x.

The cost of the program is absorbed by the amount of money saved through reduction of customer churn, increase in first-call resolution, reduction in repeat calls and the ability to use root cause analysis for identifying systemic issues that cause businesses to lose revenue opportunity over time.

<b>SAVE ONE CUSTOMER PER MONTH WITH CLOSED LOOP PROCESS</b>	<b>12</b>
<b>AT EACH OF OUR TOP 1000 LOCATIONS</b>	<b>1000</b>
<b>TOTAL CUSTOMERS</b>	<b>12000</b>
<b>AVERAGE CUSTOMER VALUE</b>	<b>\$210</b>
<b>ANNUAL REVENUE "SAVED"</b>	<b>\$2,520,000</b>

Another opportunity for ROI is to consolidate multiple legacy platforms such as survey platforms, dashboarding, case management, text analytics, outdated Voice of Employee software, market research functions, analytics functions and more.

The best way to drive bottom line profitability is by saving money at the top line. That gives the organisation resources to then invest at the bottom line. Top line growth from an experience management perspective looks like **retaining existing customers, finding new customers, discovering opportunities to cut the costs involved with serving customers and establishing sustainable, recurring revenue.**



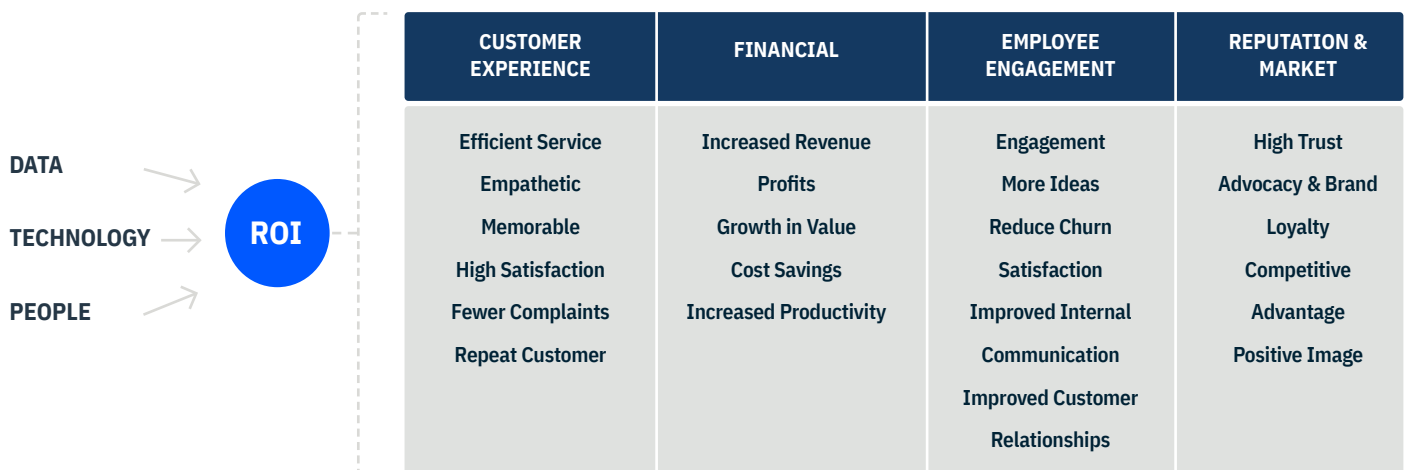
**CASE STUDY: nib NEW ZEALAND**



Health insurance provider nib New Zealand was able to demonstrate profitability by continually simplifying the customer journey and improving the overall experience for its members. In just six months of rolling out the closed-loop feedback process, the business saw a strong increase in NPS and a 6% reduction in customer churn.

Through the automated, closed loop feedback program, the InMoment platform uses churn propensity modeling to identify and save those customers who are showing signs of discontentment.

The insights discovered in a Voice of Customer program shine a spotlight on systemic areas of failure demand, the best areas to save on costs and the best drivers of customer satisfaction that will reduce cost to serve.



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## + Do I need to be prepared for unanticipated costs with an experience management investment?

You should always be looking for a partner that allows you to run your experience management capability in the most flexible and scalable way possible, which reduces operating costs from the start. Whilst many do-it-yourself platforms require hiring a full analytics team to help you get from insights to actions, this capability should be included within your platform investment. Don't hesitate to ask your partner whether they can be a self-service solution, fully managed or a hybrid of the two, depending on your unique business needs. This will help eliminate unanticipated costs and avoid expensive change requests.

A progressive approach to enabling a full closed loop feedback capability across the company can minimise the gap between initial software investment and obtaining returns from an improved experience for customers, where failure demand costs have been reduced in parallel. For example, starting with one known area where customers are indicating issues with the experience and outcomes they are getting, then scaling from there to include other customer touchpoint areas (i.e. inbound, outbound call centres, branch/retail, chat, or digital enablement).

The more important question is the unanticipated costs that will surface if customer feedback is not collected, not considered and not implemented. The opportunity cost of not having an experience management platform in place should be carefully considered, as customer-centricity has become a non-negotiable lens for businesses across all industries.

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## + So what's the next step?

Reference checks are one of the most powerful tools for validating the full capability of our platform, so we are happy to provide access to current clients of Asia-Pacific's largest brands to showcase the power of experience management first-hand.

The effectiveness of InMoment's ROI-focused approach is seen through 100% of clients expanding their programs year on year and over 97% retention. The company was also recently awarded 'Best CX Partner of the Year' at the Australian and New Zealand CX Awards, and named a leader in the Forrester Customer Feedback Management and Employee Experience Wave reports.

InMoment serves an impressive list of award-winning clients that includes over 50% of Fortune 500 companies; 90 percent of the world's automotive companies; eight out of 10 of the leading banks; four of the top five Australian insurers; nearly 20 percent of the top 50 retailers and 40 percent of the top hospitality companies.

## If you find this article useful, here are similar resources:

- > **Infographic:** [The Four Pillars of Customer Experience ROI](#)
- > **Thought Leadership:** [How to Prove the Business Value of your CX Program](#)
- > **Point of View:** [How CX Intelligence Can Drive Product Innovation](#)

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## Get in touch with our experts and we will walk you through a tailored ROI calculation for your organisation

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## About InMoment

InMoment™ helps organisations deliver more valuable and inspiring experiences to their customers and employees at every moment in their journey. Our clients gain the wisdom of our experts—who bring deep domain knowledge in experience design and delivery—coupled with our award-winning Experience Intelligence (XI)™ platform that continually analyses and evaluates enterprise experience data and customer feedback. Recognised as a leader and innovator in our sector, we collaborate with the world's leading brands to attract, engage and retain their customers. We are fiercely proud that our clients continually tell us they love the experience of working with our company, as we constantly stretch to exceed their expectations. Take a moment, and learn more at [inmoment.com](https://inmoment.com)

