

# 3 Ways Your CX Program Can Save You Money

When you take the right approach, your customer experience (CX) program can be more than just a means of measuring satisfaction or collecting data. If you focus on improving rather than managing, your CX program will become a revenue-generating powerhouse.

**At InMoment, we help brands target four economic pillars to ultimately improve their business and boost their bottom line:**

- ✓ Customer Acquisition
- ✓ Customer Retention
- ✓ Cross-Sell & Upsell
- ✓ Cost Reduction

## FOCUSING ON COST REDUCTION

Reducing costs seems to be the most obvious justification for implementing experience programs, but historically, the phrase “lowering the cost of doing business” sent shivers down employees’ spines. Why?

### HISTORICAL COST REDUCTION

- ⌚ Cutting expenses by laying off employees, revoking benefits, eliminating contracts, etc.

### MODERN COST REDUCTION

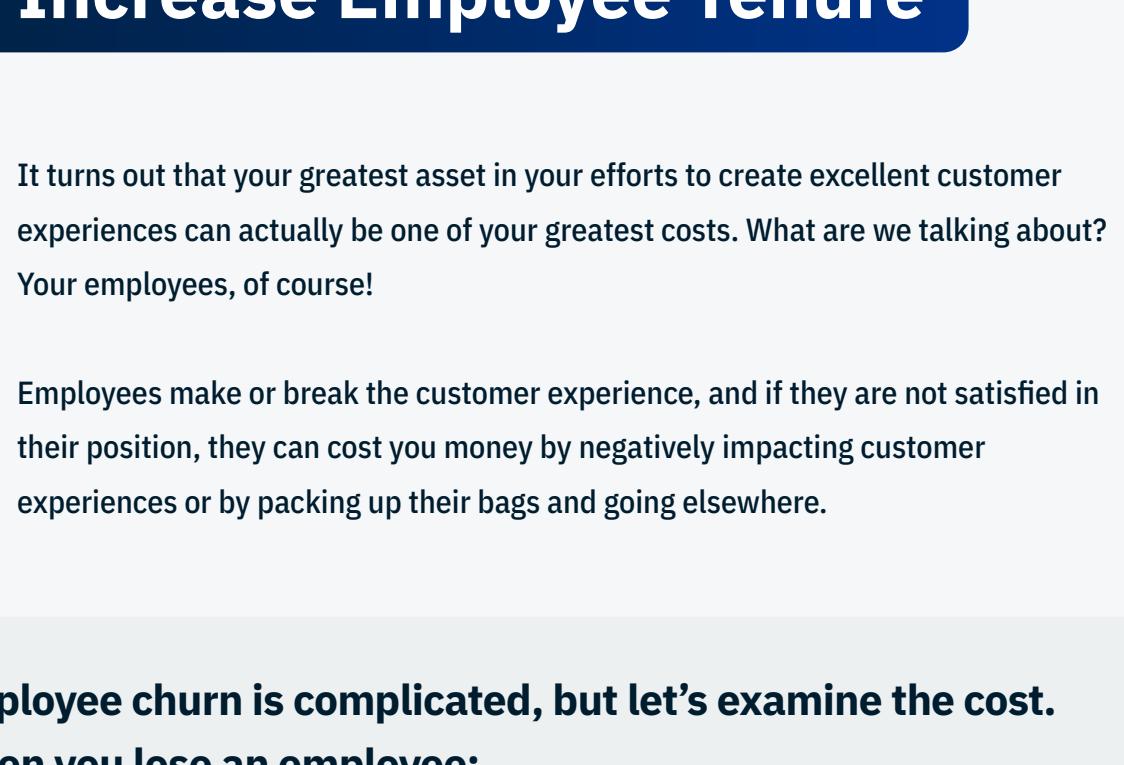
- ⌚ De-siloing data, creating more efficient touchpoints, empowering seamless experiences, keeping employees happy, and more!

When you look at that historical definition, it’s no wonder cost reduction had such a bad rep. But in our modern, digital age, there are ways to reduce costs that also improve experiences for both your customers and your employees.

## #1 Identify (and Reduce) Friction

If you’re looking to lower costs, start here! Friction can be an indicator of customer dissatisfaction, an inefficient process, or an operational flaw that inspires employees to search for another job.

The good news? Experience programs are an incredibly effective weapon against friction. They allow you to:



Now let’s jump into an example of how your CX program can help you identify and stamp out friction.

Let’s say that in your call centre, you can save \$100,000 (annually) for every second you save on a call.

You discover that 15% of customers felt too much time was spent discussing account add-ons and additional services.

You develop new training parameters that teach agents to only recommend one add-on per call.

\$1M If this reduces your annual average call length by even ten seconds, that means that you have saved one million dollars by making one CX program-informed change. Talk about a win!

## #2

## Improving Efficiency

As with most things in life, the way you use your time is everything. It’s no different for businesses, especially when we’re talking about processes.

In fact, inefficient processes cost businesses as much as 20-30% of their revenue every year!\*

\*According to research firm IDC

If the thought of these losses stresses you out, we can’t blame you. But your CX program is uniquely positioned to prevent wasteful processes from draining your bottom line.

A great modern example of this phenomenon is transforming in-person or call centre interactions into digital ones. Banks have seen success with this transition for features like mobile check deposit or virtual visits, while retailers have seen shoppers happily adopt in-store pickup options.

Regardless of industry, any business can enable digital chat features to handle smaller transactions, like checking a shipment status or statement balance.

How much would this save businesses? Well, digital chat costs about 56% of what call centres do!\*

\*According to research by McKinsey & Co.

This only goes to show that when you make changes to improve efficiency using experience intelligence, you have a lot to gain (or save).

## #3

## Increase Employee Tenure

It turns out that your greatest asset in your efforts to create excellent customer experiences can actually be one of your greatest costs. What are we talking about? Your employees, of course!

Employees make or break the customer experience, and if they are not satisfied in their position, they can cost you money by negatively impacting customer experiences or by packing up their bags and going elsewhere.

**Employee churn is complicated, but let's examine the cost. When you lose an employee:**

\*According to research by McKinsey & Co.

You lose Existing Customer Relationships Employee Knowledge and Expertise

YOU TAKE ON Cost to Recruit and Replace Cost to Train and Develop Knowledge

Here is a quick equation you can use to calculate the exact cost of training employees for your brand:

$$\text{TOTAL COST OF TRAINING NEW EMPLOYEES} = \left[ \text{COST OF TRAINERS} + \text{COST OF TRAINEES} \right] \times \text{TIME} + \text{COST OF TRAINING TOOLS}$$

Sounds like a lot, right? It is!

In fact, turnover can cost a company about 33% of an employee's annual salary.\*

\*According to Employee Benefits News

When you focus your experience programs on making employees feel heard, removing friction from their everyday lives, and making them feel engaged and inspired by their job, you are investing in keeping employees around. And when you reduce churn, you reduce churn costs!

Big Picture: Improving the Bottom Line & Experiences

It's easy to get caught up in combing through your experience data looking for opportunities to reduce the cost of doing business. But don't lose sight of that big picture!

Any changes you make to the experience should be executed with both improving experiences and boosting your bottom line in mind. These factors don't have to be mutually exclusive. In fact, they shouldn't be! If the happiness of your customers, employees, and all those who interact with your brand is your endgame, business success will follow.

**Want to learn more about how you can focus your efforts on Experience Improvement? Check out our resources page for everything you need to get started!**

[www.inmoment.com/resources](http://www.inmoment.com/resources)