

EBOOK

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# The Five Steps to an ROI-Focused CX Program

Designing and measuring customer experience initiatives that deliver ROI across your organization

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# ROI: The Holy Grail of CX

Return on Investment (ROI) is the holy grail of customer experience (CX). Every CX practitioner wants to prove it's real, but the quest to find it can be fraught with peril and, in the end, many businesses end up believing it's completely fictional.

This ebook will delve into the mysteries of the financial impact of CX and how you can implement and measure CX initiatives designed to deliver ROI.





## Why is the ROI of CX so hard to establish? The answer is twofold:

1. ROI is not a single number; it's wide-ranging and can be found in any part of the enterprise connected with CX.
2. Many businesses focus too much on the end goal (ROI), but fail to establish a program with the necessary elements required for success.

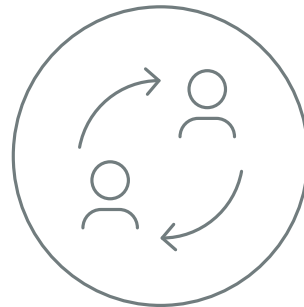
# Traditional ROI: A Straight Line

Traditional thinking around ROI goes something like this: Happy customers + happy employees = increased revenue.

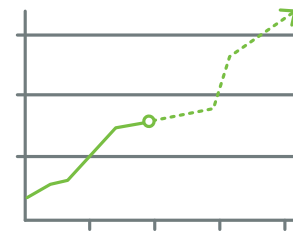
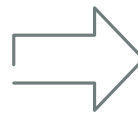
While that's true, most businesses today find it difficult to attach a single number to their voice of customer (VoC) or CX program because there are so many external factors involved. Separating CX initiatives from market conditions, product

releases, competitive trends, and the hundreds of other influencing factors in your business is virtually impossible.

Does this mean uncovering the financial impact of CX is impossible? Of course not. We just need to take less of a linear approach.



EMPLOYEES +  
CUSTOMERS

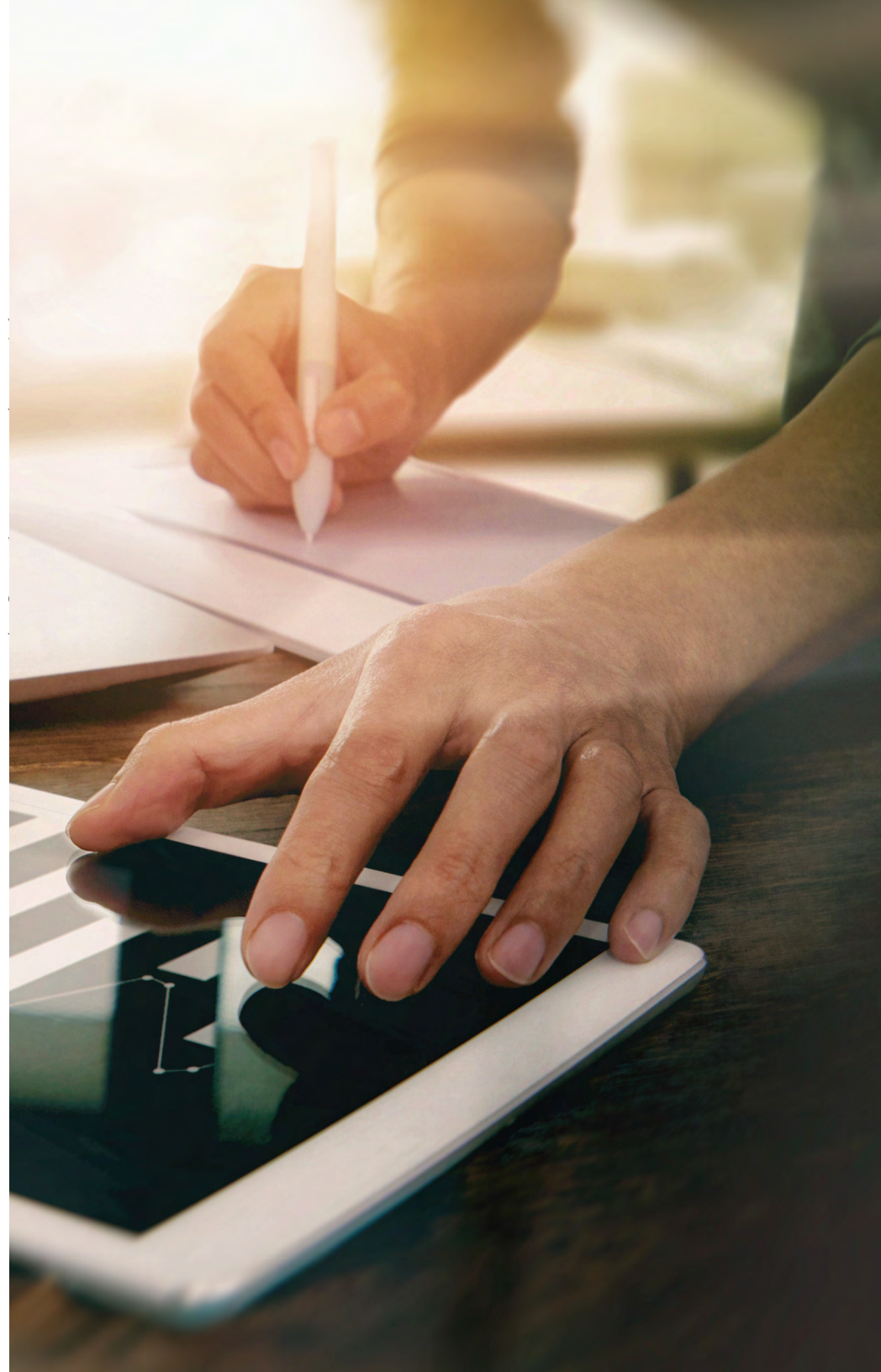


BETTER BUSINESS  
RESULTS

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**“In the relatively short amount of time we’ve been with InMoment, we have already seen significant impacts. Through the implementation of InMoment’s technology and best practices, we’ve tripled our feedback rate, created a more customer-friendly and effective survey, 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.”**

Jocelyn Wieser  
Senior Retail Business Intelligence Analyst  
Cabela’s Inc.



# ROI Today: A Spiderweb

Today's picture of ROI is less of a straight line and more of a spiderweb or jungle gym. Because every employee and department—from marketing to operations—owns the customer experience, each can focus on finding ROI in an area of the business that affects them.

For example, marketing might use a VoC program to understand the ROI of customer loyalty, while HR can use a CX program to find the ROI of employee retention.

## Beyond the Score: The True Value of Customer Feedback

### Marketing

- ☐ I value customer loyalty
- ☐ I value social engagement
- ☐ I value effective marketing campaigns

### Operations

- ☐ I value inventory management
- ☐ I value operational consistency
- ☐ I value vendor performance

### Product

- ☐ I value accurate product pricing
- ☐ I value successful products and services

### Human Resources

- ☐ I value customer satisfaction
- ☐ I value positive company culture
- ☐ I value employee performance and retention

### Finance

- ☐ I value low customer churn
- ☐ I value increased spend
- ☐ I value lower acquisition costs

# **The Five Steps to an ROI-Focused CX Program**

Now that we know where to look for ROI, we can focus on creating initiatives that are aligned with this new understanding. At InMoment, we focus on five steps:

- 1. Design with the end in mind**
- 2. Create CX advocates throughout your business**
- 3. Assemble your customer wisely**
- 4. Tailor behavior**
- 5. Run your best race**

# Design with the End in Mind

Like architecture, great customer experiences don't happen by accident; they are highly engineered. When you begin building your program—or even adjusting it—bring intention to what you build. Each “brick” must be placed with purpose to enable not just the finished product, but also the future need.

What this ultimately means is that you're focusing on optimizing the entire journey. Optimizing this journey can mean many things, including embracing the journey your customers want to be on or being open to a journey you hadn't even considered. An optimized customer journey is 30-40% more strongly correlated to overall customer satisfaction and 20-30% more correlated to business outcomes (*Harvard Business Review*, "The Truth About Customer Experience," 2013).



# Create CX Advocates Throughout Your Business

It's impossible to stress how important it is to have a cross-functional team responsible for CX governance and application. This cross-functional team will be the beginning of a group of highly engaged CX advocates in your business. Together, this team is responsible for:

- Collaborating to flesh out root cause in all disciplines of the business. Don't discount non-core groups; they will have recommendations that will drive efficiency and reduce costs.
- Canvassing key stakeholders to understand their mandates, KPIs, and business beliefs. These are almost guaranteed to be different from yours, so pivot to incorporate them.
- Constantly adjusting your CX program to capture and provide new value. This will specifically address and surface pockets of ROI for different stakeholders.





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**Price-conscious shoppers were unhappy with their inability to compare prices across retailers. One retailer leveraged insights to create the Ultimate Price Center—an in-store kiosk that allows for friction-free product research and price comparison—creating a new journey and eliminating a major pain point for shoppers. When customers use the research tool, overall satisfaction scores increase 30 points.**

# Assemble Your Customer Wisely

Having a single data point about your customer is simply not enough anymore. You need to know your customer. And knowing your customer means bringing all the different data together: from CRM, to VoC, to loyalty, financial, transactional, and beyond.

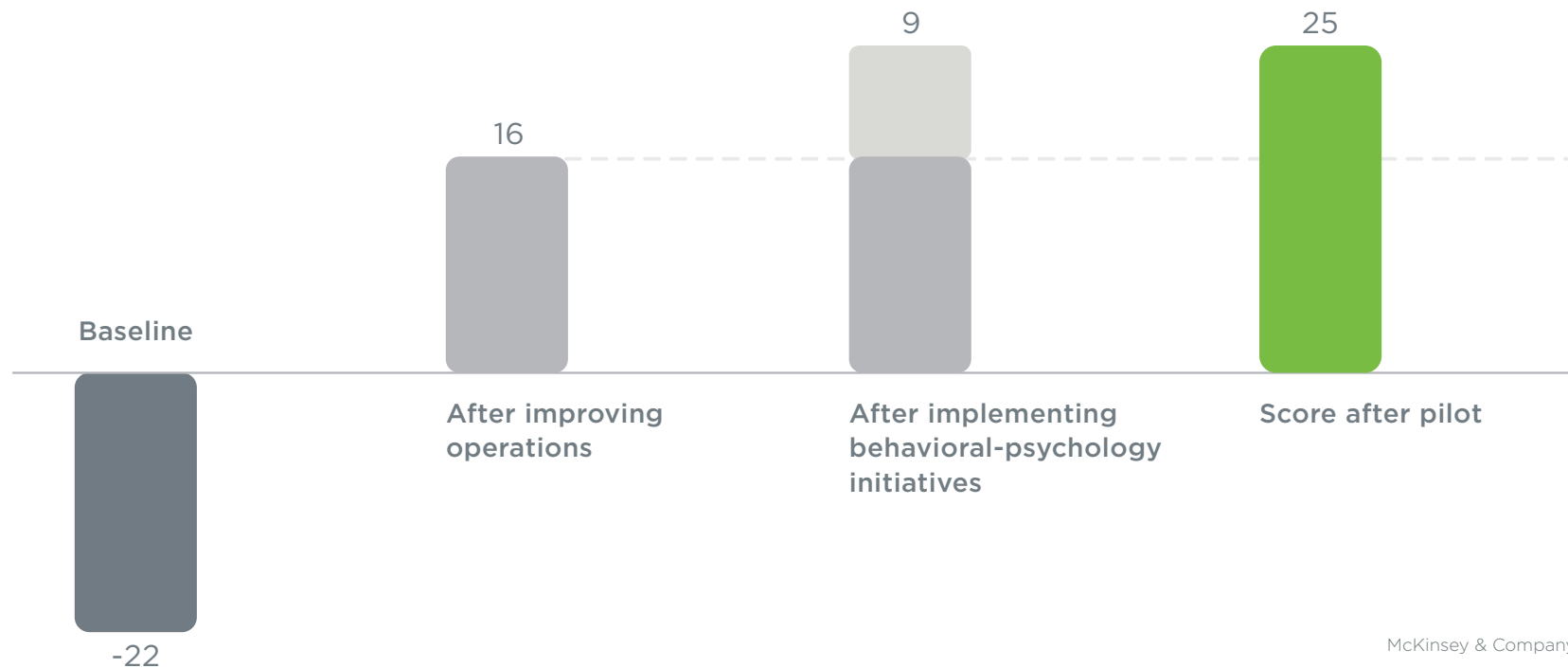
When you truly understand who your customer is and how they are behaving, you can more easily tie that behavior to business benefit.

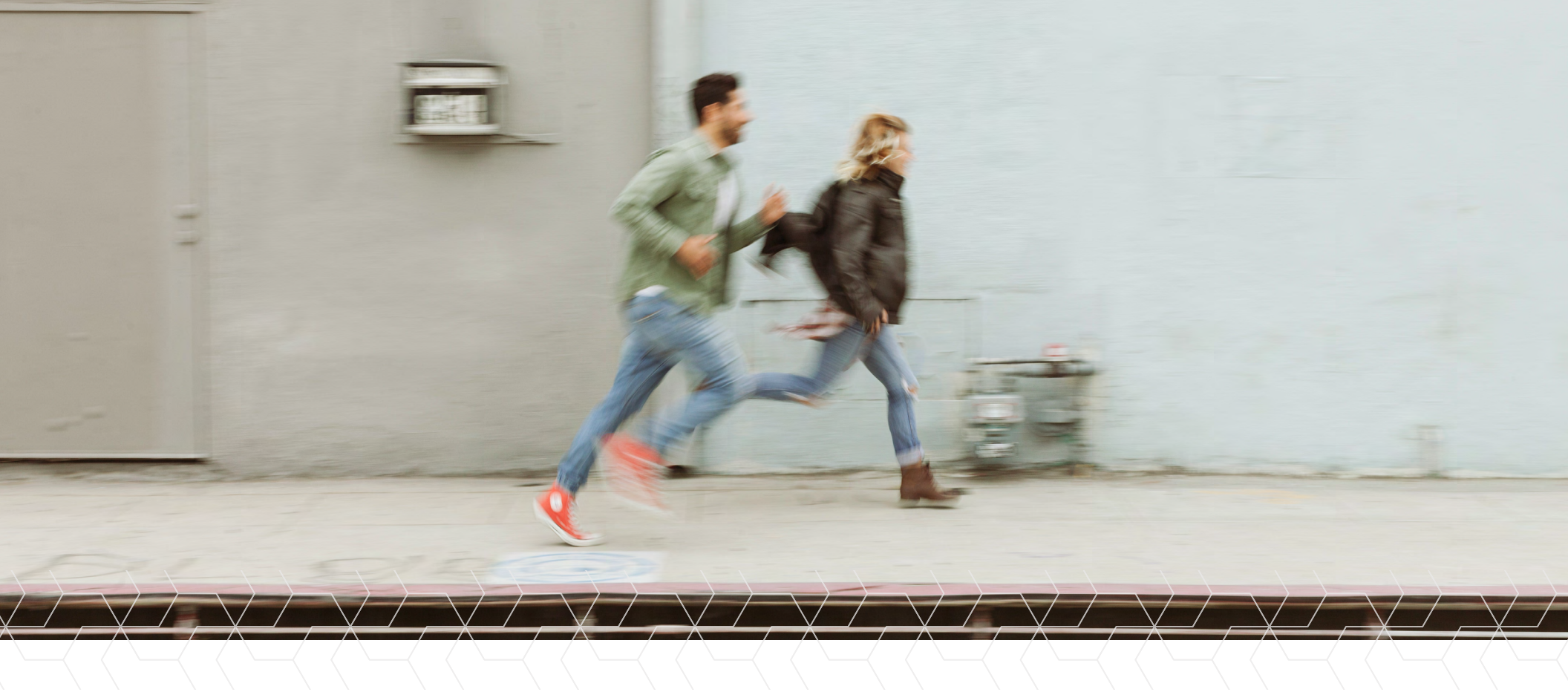


**“InMoment appends upwards of 300 customer-specific data points to each response. As a result, Hawaiian Airlines understands the impact that seat location, aircraft type, departure time, delays, food, flight crew, stops, travel history, and other variables play in each customer experience. This extremely detailed analysis enables Hawaiian Airlines to understand trends and pinpoint the exact factors most likely to have significant impacts on customer satisfaction.” —Hawaiian Airlines**

# Tailor Behavior

Your employees are a critical advantage in building ROI-focused initiatives. We know that in every customer interaction there are certain behaviors that resonate most in building loyalty and increasing spend. Always consider how you use your employee resources most effectively so that they are exhibiting the behaviors that customers will give you credit for. As this case study clearly shows, there was an additional lift in Net Promoter Score when the brand pursued behavioral initiatives above and beyond their operational improvements.





# Run Your Best Race

Finally, bring a discipline to your organizational practices that result in harmony between what's best for the customer and what's best for your business. It's about doing the right things, the right way; always being careful to not improve the customer experience at the customer's expense.

For example, rather than passing along costs to the consumer, Vanmoof bicycles simply printed an image of a flat screen TV on their shipping box to influence behavior that would reduce shipping damage. Run your best race with the customer in mind and everyone wins.

# Turning Customer Insights into Business ROI

Want to learn more about how you can create and implement CX initiatives designed to deliver ROI?

## Contact Us

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