

The Measurable Value of Investing in CX

How Customer Experience investments can create significant ROI for enterprises of all sizes

Why engage customers through a CX program

A well-designed Customer Experience (CX) program offers plenty of ways to help you achieve your business objectives. Whether you are a retailer, B2B company, hotel chain, financial services business, or any other type of enterprise, your challenge is to provide world-class customer service as you scale.

[PwC](#) recently published a study that found consumers were willing to pay up to a 16% premium for a better experience across a wide variety of industries. But on the flip side, 32% of people will walk away from a brand they love after just one bad experience. While most experience management solutions can return your initial investment, a scalable CX program provides greater returns over the years.





telco company achieved a
higher Net Promoter Score® of
9 points after following up with
customers at risk of churn



Reduce churn, turn detractors into promoters

Successful customer feedback management can allow you to efficiently reduce your churn rate by tackling the issues behind shopping cart abandonment, increasing the renewal rate, boosting customer loyalty, and turning detractors into promoters.

And reducing churn is great for your bottom line. According to [Harvard Business Review](#), increasing customer retention rates by just 5% has been found to boost profits by 25% to 95%.

Cox, a cable and telecom company, relaunched a new centralized CX program that allowed the team to increase issue resolution time by 47%, and consistently follow up with detractors who were at risk of churn – leading to a 9-point increase in NPS across all channels.

Prioritize investments based on customers, not assumptions

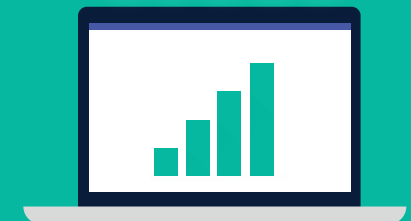
Processing customer feedback efficiently can help reduce the likelihood of your management making (often costly) wrong assumptions about what your customers need or want. Once you quantify your customers' burning issues, it's easier to prioritize what to tackle first or last.

Just be careful about relying too heavily on highly self-selective, limited forms of feedback, like social media recommendations. A robust customer feedback program relying on more than a single channel will provide you with a greater volume of feedback that's less biased, so you can find out what your customers really want – not just what a select few pipe up about.

Strategically placed customer web surveys allowed Electrolux to understand exactly which webpages of its sub-brand, Frigidaire needed to be improved and how. This saved them time and money on website development and redesign because decisions were based on evidence rather than assumption.

The question is no longer whether to invest in CX, but how to build an effective CX program. Read on for ways a successful program can help you drive business results [➤](#)

 Electrolux



Customer feedback let Electrolux know exactly what website changes and improvements to make, rather than assuming



A multi-survey approach helped RingCentral achieve an average of nine out of ten Customer Satisfaction Score (CSAT)



1. Unburden your contact center

Implementing an experience management program in your contact center can help consolidate your feedback and get the most out of it. It makes it easier to coach individual agents to provide better service and take action on customer complaints, measure factors such as wait time and effectiveness of telephone menu options, save at-risk customers, and increase satisfaction.



Expert Insight: Collect specific feedback (for example, about a particular agent's helpfulness) via email following every customer's interaction with your call center. Then make sure this feedback is immediately and automatically routed to the agent who provided the service, allowing the agent to learn and improve his or her weak points.

Customer case study

RingCentral, a leading cloud communications system provider, took a multi-survey approach to its call center. It started capturing customer feedback at every stage of the relationship: a new customer survey, a biannual relationship "checkup," a survey following interactions with support reps, and a sales survey. Over time, this four-step personalized approach helped contribute to the nine out of ten average customer satisfaction score (CSAT) for RingCentral's customer care team.

RingCentral®

2. Turbocharge your retail experience

Retailers, whether brick and mortar or eCommerce, can incorporate customer feedback to get to the heart of what delights and annoys customers. This allows you to better understand what drives (and hinders) customer loyalty, identify points of friction, and ultimately remove purchase barriers in store and online.

 **Expert Insight:** Adjust how you collect feedback depending on your audience and objectives. For instance, retailers with multiple geo-locations across the country can tailor survey questions to reveal location-based specific issues or address local buying patterns.

Customer case study

Benefit Cosmetics launched its CX program for both executives and store managers. Executive teams monitor the performance of different store branches at various touchpoints, from the interaction stage to the point of sale. Meanwhile, each store manager can view and personally respond to customer feedback in real time using dashboards on the Medallia mobile app. This allows every branch to make relevant improvements that reflect positively on the overall brand. As a result, after just nine months, Benefit experienced a 5.8-point increase in average store NPS across the country.

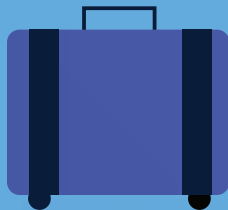
benefit
SAN FRANCISCO

By allowing store managers to view and respond to customer feedback in real time, Benefit Cosmetics achieved a 5.8 point increase in NPS in just 9 months





Frontier Airlines' combination of an Always-On button and Intercept surveys led to a 70% decline of negative online feedback regarding luggage



3. Understand digital journeys

Collecting customer feedback at critical digital touchpoints allows you to identify what's influencing web and mobile conversions – and what's preventing them. As you start to understand your customers' online journey, you'll be better equipped to make changes that drive engagement, improve conversion rates, drive user acquisitions, and reduce points of friction or bottlenecks.



Expert Insight: Combine a passive and proactive approach when you solicit customer feedback at critical stages in their online journey. Intercept users with a survey after checkout, following user interaction with app functionality, on product pages, when users abandon the site or app, and places in your funnel where you identify frequent drop-offs. It'll help you get to the heart of what's working and what's not quickly and precisely.

Customer case study

Frontier Airlines used a combination of an Always-On feedback option and Intercept Surveys to reveal that over 30% of customers were unable to find out how to purchase luggage online after booking due to a flaw in the website flow. Based on this feedback, Frontier created a "How to Buy Bags" webpage on the main navigation – resulting in a 70% decline in web feedback mentioning "luggage", immediate increase in check-in luggage up-sell on their website and significant reduction in calls regarding luggage issues.



4. Discover customer patterns with Text Analytics

Automatically analyzing your customers' free-form text feedback for recurring issues, sentiment, and themes can help you uncover meaningful insights at scale that ultimately drive innovation.

 **Expert Insight:** Don't underestimate the importance of including open-ended questions such as "How was your experience?" in your surveys. This allows you to unveil the "unknown unknowns," or issues you wouldn't necessarily think to ask about. Text Analytics uses machine learning to analyze the feedback submissions and reveal trends, themes and patterns in the customer journey, including the ability to identify the nature of sentiment (positive, negative, or neutral) in context.

Customer case study

Sunrise Communications, a Switzerland-based telco provider, added a Text Analytics engine to their CX program to set up alerts to flag types of comments that tended to predict negative customer behaviors. They then had their team reach out to these at-risk customers. After implementing the program, their share of promoters increased by 9% and they saw a significant drop in churn.

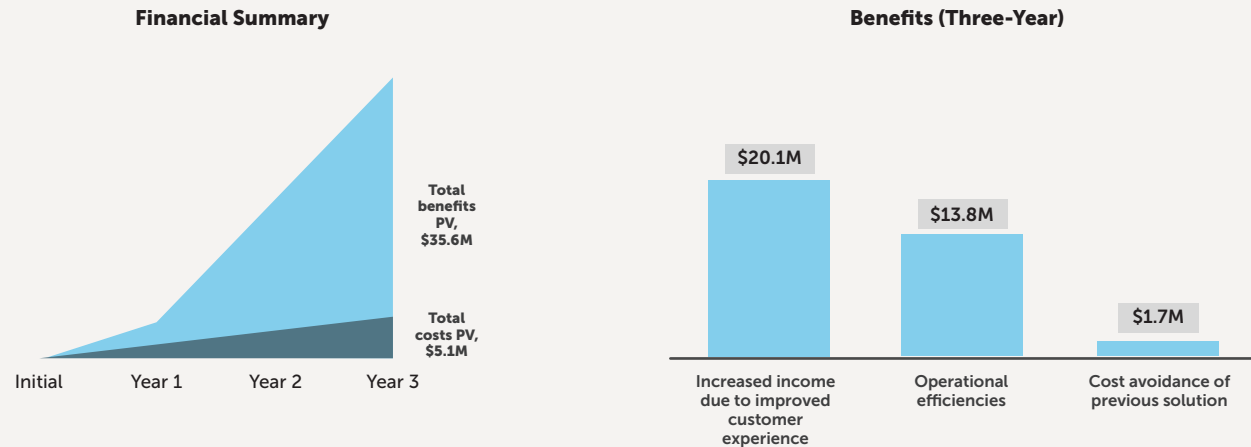
Sunrise

15%

Companies using Text Analytics to extract insights from feedback are on average 15% more likely to innovate based on that feedback

Medallia is the CX vendor of choice for companies of all sizes

Forrester's Total Economic Impact™ (TEI) study discovered that companies leveraging Medallia's enterprise-grade expertise can gain up to 591% in return of investment over three years (in other words, almost 6X in return). It didn't take long for them to see the ROI, with payback occurring in less than six months.



Even if you are just starting to invest in CX, you must ensure your chosen vendor can scale up together with your organization when your needs require more attention.

Medallia, named a world-class leader in [The Forrester Wave™ 2018](#) for Customer Feedback Management, does more than just improve customer experience based on feedback. It's an enterprise-grade, self-service product that's built to scale. And it has a real quantifiable impact on the companies that count on it.

While the world's best-loved brands and the most prominent companies trust Medallia to transform their customer experience, it's considered the only Experience Management vendor that can cater to all kinds of enterprises, from Fortune 500 to fast growing enterprises. Our customers range from giants like Macy's and Western Union, to younger enterprises like Airbnb and Beeline.



Medallia

Our experts are here to guide and support you on your CX journey, with a competitive package tailored to your needs.

Speak to a Medallia CX expert today:

medallia.com/contact-us

About Medallia

Medallia, the leader in Experience Management cloud technology, ranked #15 in the most recent Forbes Cloud 100 list. Medallia's vision is simple: to create a world where companies are loved by customers and employees alike. Hundreds of the world's largest companies and organizations trust Medallia's cloud platform to help them capture customer and employee feedback everywhere they are, understand it in real-time, and deliver insights and action everywhere—from the C-suite to the frontline—to improve business performance. Medallia has offices worldwide, including Silicon Valley, New York, Washington DC, Austin, London, Buenos Aires, Paris, Sydney, and Tel Aviv. Learn more at www.medallia.com.

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