

How CX Delivers Business Value



Valuable perspective from Forrester Principal Analyst Maxie Schmidt after a recent Voice of Customer webinar with Verint®.

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Question: *Strategic Customer Experience (CX) programs deliver measurable business outcomes. In what capacity do you see companies deriving immediate business value from CX initiatives?*

Answer: There is overwhelming evidence that improving CX is not just the right thing to do but that it also creates concrete and sizable business benefits. Improving CX drives two business metrics all CEOs care about: revenue growth and profitability.

To show the impact on revenue growth, Forrester models the effect of improving CX on business growth. Using data from Forrester's CX Index benchmark, we've proven that when customers have a better experience, their intentions to stay with a brand longer, buy more from that brand, and recommend that brand all increase. This in turn generates a revenue potential of millions of dollars. For example, a large wireless provider has an annual revenue potential of \$281 million from improving the firms' CX Index score by one point. You can find more results and the details behind the model [here](#).

Forrester is also conducting another analysis regularly: We examine the financial filings of publicly traded companies. We find that year after year, brands with higher quality CX grow revenue faster than direct competitors with lower quality CX.

With regard to profitability, companies have linked CX improvements to reductions in service, acquisition, processing, and engineering costs. For example, a major airline implemented call routing with a natural language recognition tool to automate inquiries. As a result, the number of misrouted calls decreased by 15%. Not only could the airline serve customers faster but it also saved over \$3 million in the first year alone.

Question: *You describe the need for an upgrade to Voice of Customer (VoC) programs 2.0 amid a wave of digital transformation. Where across critical business functions should business leaders expect to see value from digital VoC?*

Answer: The problem with VoC programs now is that many are stuck in a pre-digital era: Teams responsible for digital experiences and enterprise VoC teams aren't well linked, ownership of metrics and insights is fragmented, and there are few common processes to act on feedback. But we have arrived in a world of digital transformation: When we surveyed firms globally, 55% of decision-maker say they are undergoing a digital transformation. And in this world firms need VoC 2.0 — they need to understand their customers across channels and to quickly disseminate these insights to improve omnichannel customer journeys.

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To get there, firms must first integrate digital channels more prominently into the feedback collection because that's where many customers spend an increasing portion of their time. And while customers interact digitally, they will share feedback about digital experiences but also about physical experiences (like a store visit) and about blended physical-digital customer journeys.

But VoC 2.0 isn't just about collecting feedback also in digital channels. Instead, firms must connect digital feedback with other feedback, as well as online and offline data to diagnose the key issues or opportunities. Finally, they should feed these insights into a common prioritization and action process.

Question: *How can companies embrace digital feedback channels to accelerate their CX programs?*

Answer: The shift from feedback silos to a digitally grounded, customer journey-oriented feedback system requires a different mindset. Customer experience professionals trying to bring about such a change in their organization need to prove that bringing together digital and non-digital feedback and data sources is worth it.

To do so, they can share inspirations from companies such as:

- A popular online travel site uses insights from calls to the call center to pinpoint digital issues. That's because it knows that a higher likelihood to call indicates a failed site interaction — and lower Net Promoter Score (NPS) — as most of its customers prefer to avoid the phone.

In one case, the site gave visitors confirmation that a refund was on the way, but they still called to ask questions after three to four days because the timeline and process were unclear. To reduce needless and frustrating calls to the contact center, the company clarified language on the site and in emails about timing and refund method.

- One of the largest global insurance providers mines digital feedback to pinpoint potential customer issues. The firm adds data from interaction analytics tools to the feedback. That helps identify how many customers might be having the same experience. And because feedback and interaction analytics tools are integrated, its employees can select feedback comments and see the digital interactions that preceded each comment.

To learn more how customer experience can drive tangible business value, visit [verint.com/cx](https://www.verint.com/cx).

The Customer Engagement Company™

Americas

info@verint.com

1-800-4VERINT

Europe, Middle East & Africa

info.emea@verint.com

+44(0) 1932 839500

Asia Pacific

info.apac@verint.com

+ (852) 2797 5678



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