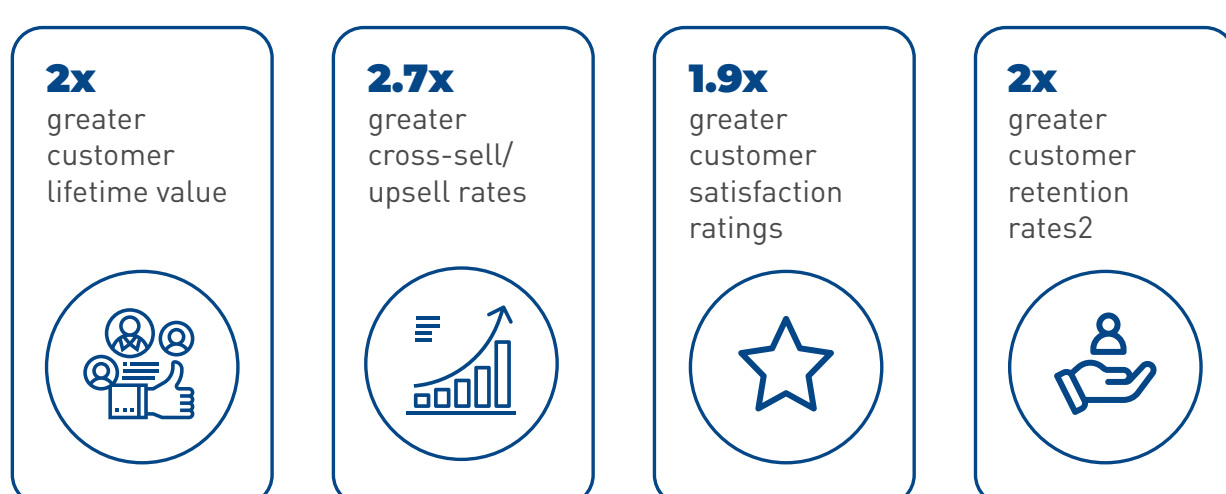# BETTER CX LEADS TO BETTER REVENUE

We are now in a time where customers are in charge. Digital innovation has enabled customers to have more options and higher expectations than ever before. Customers look for a tailored experience and to get what they want 'on demand'. As customers place increasing weight on CX when choosing one brand over another, a company's ability to deliver great CX has a direct impact on its bottom line.

In a recent Chief Marketer article, Des Cahill, CMO of Oracle CX, referenced research which indicated one third of consumers are willing to leave a vendor after one bad experience. While the cost of a negative experience is clear, there is a positive flipside. The study also showed that up to 40 percent of consumers are willing to pay 20 percent more for a better experience.

Over the last few years, increasing research has shown the positive relationship between customer satisfaction and business outcomes. A PWC survey indicated that in the US, 65% of respondents report that a positive experience with a brand is more effective than good advertising. Adobe and Forrester found that CX-driven businesses have superior performance across the customer lifecycle leading to:

2x greater customer lifetime value

2.7x greater cross-sell/ upsell rates

1.9x greater customer satisfaction ratings

2x greater customer retention rates2

The connection between CX and revenue has become clear. The question is now how organizations deliver great experiences across the customer journey in order to gain new customers, keep existing customers happy and bolster revenue.

KEY SUCCESS FACTORS FOR DRIVING REVENUE WITH CX

The term 'customer journey' has become ubiquitous in the marketing realm, however for most organizations delivering great CX is also a journey. It requires leadership, organizational buy-in and significant investment of time and resources. As companies make strides in the development and delivery of their CX programs, key success factors can be observed.

The importance of data

Today, companies must have the measures in place to understand what customers need and expect at each stage of their customer journey. This requires:

• Collecting customer feedback across all touchpoints at critical moments in the customer journey. In order to do this, data needs to be brought together from across the organization and not siloed.

• https://www.chiefmarketer.com/oracle-cx-cmo-talks-customer-experience-trends-for-marketers-in-2020/

• https://www.adobe.com/content/dam/acom/au/landing/Adobe_Biz_Impact_CX_APAC_Spotlight.pdf

• Leveraging the right research helps organizations understand their customers and their own capabilities to enhance CX. This encompasses quantitative and qualitative data as well as external and internal research.

• Organizations must have the capability to interpret 360-degree data in real time.

Culture of CX

In order to deliver a uniform customer experience, companies should foster a culture of CX and take an 'all hands on deck' approach. Having a holistic overview of how a customer perceives its experience requires departments to work together.

Staying connected

While companies have striven to provide omni-channels to communicate with customers via websites, chatbots, 800 numbers and social media, it's important to be aware of the channels where a company's customers spend their time. For example, this could mean providing customer service via a DM in Instagram or chatting on WhatsApp. Most customers find it important to receive an immediate response to their customer support question and so companies need to be prepared to meet their customers in the appropriate channels.

Increasing role of Chief Marketing Officer (CMO)

Recently, there has been a lot of attention focused on the role of the CMO. It has been cited that "marketing leaders are best positioned not only to champion CX, but to take ownership of that experience and establish a pivotal role in setting the course for the company". In the Chief Marketer article, Des Cahill shared, "CMOs are the logical people within the organization to take a leadership role on driving good experiences. Not just in marketing, but across marketing, sales, commerce and service." As CMOs take on this mandate, they need to be equipped with a specific skill set. They need to be data driven, vigilant to signs of impending disruption and agile in interpreting and acting on 360-degree data. CMOs need to possess a sophisticated understanding of the business and its market in order to measure the impact of CX on revenue.

Measuring the bottom line

While improving CX has become a priority for many organizations, it can require significant time and resources before an impact to the bottom line can be measured. The challenge lies in how difficult it is for brands to obtain granular enough data to see how CX has directly reduced customer churn or influenced them to buy more or get other customers to buy. There also can be a time lag between one purchase and the next, i.e. physical assets with long life spans. To complicate matters further, revenue doesn't always increase in direct proportion to an increase in the level of customer experience. Despite these challenges, it is still undeniable that CX has become a competitive strategy that impacts a company's bottom line. Once again, this speaks to the importance of a marketing leader who can guide a company along the CX journey, foster a culture of CX within the organization, measure progress and determine how CX can best drive revenue within an organization.

https://martechseries.com/mts-insights/columnists/marketings-role-digital-transformation-sales-owns-last-mile/

https://www.chiefmarketer.com/oracle-cx-cmo-talks-customer-experience-trends-for marketers-in-2020/