

EBOOK

# Shifting to an ROI mindset

Best practices for upleveling your CX Program



stratifyd

# Introduction

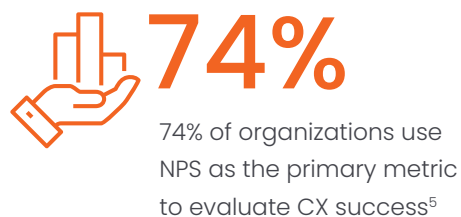
While this is good news for your CX team, it adds significant pressure to illustrate the ROI of your CX programs – and if you're like most CX professionals, generating an ROI is a struggle. According to Forrester, 54% of CX teams are unable to prove the ROI of their projects.<sup>2</sup> What's more, less than half of CX teams have ever invested time in making a business case for their programs.<sup>3</sup> This puts teams at risk for losing investments, particularly if metrics that executives historically look at in an attempt to measure CX success – like NPS and CSAT – remain low or unchanged.

How can your CX team drive toward better business outcomes and a proven ROI? It all comes down to data. A recent study from IDC Research found that organizations with high data management and analysis maturity experienced a 72% improvement in customer

Businesses are spending more than ever before on customer experience (CX) programs. **In fact, more than 65% of companies report a planned increase on CX spending in 2023, with expenses kicking up by nearly 25%.<sup>1</sup>** Given budget cuts across nearly every other piece of the corporate ecosystem, the message is clear: **CX is critical to business success.**

satisfaction and, consequently, a 69% increase in revenue; these companies also reported a significantly shorter time-to-market for new products and services, and 66% reduction in operational costs.<sup>4</sup>

Of course, this begs the age-old question: Where do I start? We've outlined a few best practices that your team can put into motion to uplevel your CX programs and drive toward better business outcomes.



1. Metrigy. "Factors Influencing Strong CX Spending in 2023." December 15, 2022.  
2. Forrester. "Q1 2022 Global State of Customer Experience Programs Survey." June 2022.  
3. Forrester. "The State of Customer Experience Teams, 2022." June 21, 2022.  
4. IDC Research. "The Data-Forward Enterprise: How to Maximize Data Leverage for Better Business Outcomes." May 2020.  
5. Forrester. "Customer Experience Market Insights." January 17, 2023.  
6. American Customer Satisfaction Index. "Decline in Customer Satisfaction Continues but at a Slower Pace, ACSI Data Show." May 10, 2022.

**BEST PRACTICE:**

## Unify your data, technology and processes

If your team struggles with data, technology and process unification, you're not alone: Only 34% of CX professionals say that their program is centralized.<sup>3</sup> Today's CX programs are comprised of people and technology across the entire business ecosystem. While it's encouraging that organizations are dedicating company-wide resources to CX, fragmentation naturally leads to challenges like confusion over ownership and duplicitous work. Perhaps more importantly, data sprawl across multiple systems often leads to an inability to holistically analyze the entire customer landscape.

A simple place to start – and way to remove this roadblock to building your CX program's ROI – is to implement a software solution capable of ingesting and thoroughly analyzing data from multiple sources. Establishing a single source of truth eliminates the data silos that plague organizations and ensures transparency across CX teams. Most importantly, it helps teams establish the holistic view into the entire customer ecosystem necessary to extracting accurate insights into the customer experience. When done correctly, this drives better, more accurate analysis and improved business decisions.



## Stratifyd Tip

Transitioning to a solution full of bells and whistles sounds appealing, but research shows that overly complex solutions often discourage user adoption. Choose a platform that is easy to implement and use to ensure your team is able to maximize your investment.

4. Deloitte. "How to win on customer experience." 2021.

5. Forrester. "What Is The Secret To Winning on Customer Experience?" December 2019.

6. VentureBeat. "Report: 50% of execs report improving customer data management is top CX priority." October 24, 2021.



**BEST PRACTICE:**

## Expand your customer feedback sources and analysis

A prosecutor building a criminal case doesn't rely on just one piece of evidence to sway a jury; a multitude of facts, sources, and items are required to paint a picture of events for the jurors. It stands to reason that unlocking the full story behind the customer experience requires a similar strategy: Leveraging different types of sources and data reveals the insights necessary to reach conclusions. Unfortunately, most organizations rely heavily on customer surveys as the primary source of truth for the customer experience. Although surveys can provide powerful insights into the perception of what happened within a given situation, they don't provide the detail necessary to fully understand the facts and circumstances involved. What's more, the rate of survey refusals has steadily increased; considering the average response rate is already only 20-30%, this doesn't bode well for organizations that depend upon surveys to provide insight into their customers' experiences.

Overall, companies succeed at collecting structured, solicited data, but they struggle to expand their data universe to things like social media posts, product reviews, blog comments, or call center chats. According to Forrester, **86% of CX professionals report effectively collecting structured, solicited feedback, but that number plummets to 37% for unsolicited, unstructured data.**<sup>10</sup> By leaving unsolicited feedback on the table, CX teams fall short of collecting unbiased, unfiltered feedback that can make a significant difference in understanding what's really happening in your customer ecosystem.

To bring it back to the example of the prosecutor, by leveraging multiple feedback sources of different types, a CX team can develop a more accurate, proven story around the customer experience; "building the case" makes it easier to gain executive buy-in for changes to customer lifecycles and investments into your programs.

<sup>10</sup> Forrester. "Four Questions to Stop Asking Your Customers, And What To Do Instead." August 16, 2022.







## The power of unsolicited, unstructured feedback in action

Stratifyd analyzed Reddit conversations to help a company in the food delivery industry understand how drivers made decisions on which companies to work for. In addition to addressing the targeted issues, conversations revealed that drivers shared “hacks” for earning more with certain companies. This intel provided the company with **real-time, actionable insights to make changes** that would stop drivers from manipulating their systems.



### Stratifyd Tip

Your customer feedback sources will only be as powerful as the analysis conducted on them. During the solution evaluation process, ask vendors whether they analyze data sources in a holistic or siloed environment; evaluating everything together helps make connections and draw contextual insights that might otherwise go unnoticed.

## BEST PRACTICE:

### Put your insights into action via closed loop processes

Let's say you've successfully unified your CX program; you're collecting and analyzing customer data from every source available, resulting in superior data insights. We hate to break it to you, but that's not enough. Unless you're turning those insights into actions that drive better business outcomes, your program is falling short. Bridging the gap between insights and action is repeatedly cited as one of the top challenges that CX teams face. For most companies, turning insights into actions feels like a daunting process that requires making huge strategic shifts, like product changes or updates to the tech stack. But there's actually a smaller initiative that has a proven, significant impact on customer retention: Closed loop processes.

A staggering 61% of CX professionals admit that they lack a formal closed loop process. However, CX subject matter experts believe that closed loop processes are a surefire way to show customers

you take their feedback seriously and care about their feelings, resulting in improved customer retention and loyalty. Chewy – the pet e-retailer – recently gained a significant brand boost when the story of a customer trying to return dog food after the death of a pet went viral; not only did Chewy process the return, but they sent the customer flowers and a card to express their condolences. This exercise in compassion set a gold standard for closed loop done right, but experts say that even simple gestures like personalized messages or phone calls to follow-up with customer is sufficient to reduce churn. And given the current emphasis on customer retention as the key to improved revenue, there are few metrics as powerful as churn reduction to illustrate that your CX team is on the right track.

**According to Forrester, closed-loop processes have significant impacts on businesses<sup>4</sup>:**



Increase in revenue



Reduction in churn



Increase in customer survey/feedback engagement

## Stratifyd Tip

One of the biggest challenges CX leaders face in measuring success is the dearth of benchmarking data they collect on “day one” to track program impacts. To ensure you're able to measure the success of your closed loop program over time, collect “before” metrics and KPIs; if you don't know where to start, ask your CX software provider for help.



4. Forrester. “The Case for Closing the Customer Feedback Loop.” April 11, 2022.

## Making the shift to an ROI mindset

Process changes can feel uncomfortable, but in the long run, even incremental changes can lead to big results. CX teams that can't scale and shift into an ROI mindset will find it increasingly difficult to build business cases for their programs and, consequently, are at risk of losing credibility and resource investments from executives. If you're not sure where to start, **consulting firms, analysts, and CX software providers can help you build process that drive toward successful business outcomes.** Business buy-in for CX has never been better than it is today, but if it's up to you to turn that into a corporate ROI.





## Want To Learn More?





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### About Stratifyd

Stratifyd's connected intelligence solution bridges the gap between insights and outcomes through a powerful engine that unifies all structured and unstructured data sources, surfaces hidden themes, and provides actionable intel. Unlike competing solutions, Stratifyd leverages augmented intelligence to apply unsupervised rules to analysis, enabling users to identify the "unknown unknowns" buried within their data. Fortune 500 companies worldwide turn to Stratifyd to optimize medical insights, customer intelligence, brand management, and contact center, product, and employee experiences. To learn more, visit [www.stratifyd.com](http://www.stratifyd.com).