

# ROI of Customer Engagement



**When it comes to overall business success, few drivers are more important than the customer experience (CX) – indeed one recent study suggested that CX has already overtaken price and product as the key brand differentiator. Regardless of the business sector, companies increasingly recognise the value of happy customers – and the inevitable costs of unsatisfactory customer interactions.**

This is clearly placing an increased emphasis on every touchpoint that a customer has with an organisation – especially the contact centre. There's a growing pressure on contact centre managers to deliver quantifiable improvements in customer engagement – and on advisors to provide a consistently high-quality CX.

However, while everyone across the business recognises the benefits of improved customer engagement, it's often much harder to identify and quantify the Return on Investment (ROI) needed to secure financial support for engagement initiatives. In this CCMA Good Practice Guide we look at different ways contact centre managers can address this challenge - through an increased focus on business performance, improved advisor engagement and strategic technology investments.

## Tracking the impact of a great CX

While an estimated three out of four customer engagement teams currently track their NPS (Net Promoter Score) or CSAT (customer satisfaction) scores, research suggests that just a third actually measure the performance of their CX investments with financial metrics.

Building and maintaining customer loyalty has never been more crucial to gaining or maintaining a competitive edge, especially when there is so much focus on making the customer switching

process so easy. Contact centre managers need to reflect on these factors when they're building their ROI case for increased investment in customer engagement.

Potential areas where quantifiable financial business outcomes can be identified, and positive ROIs secured include:

- **Unlocking increased revenues** – Satisfied customers are more likely to buy again or spend more. Effective customer engagement can also lead directly to increased cross- and up-selling.
- **Reducing customer churn** – identifying the cost to the business of customer churn provides an immediate insight into the value of any churn reduction. Keeping customers for longer also leads to higher customer lifetime value.
- **Empowering advisor engagement** – happier advisors lead to happier and more engaged customers, increasing customer loyalty, improving advisor efficiency and securing improved financial results.
- **Improving advisor attrition** – advisor turnover can quickly lead to higher recruitment and training costs. Even minor improvements here can lead to a significant ROI on retention programmes.

- **Improving ROI on technology** – adopting cloud tools can reduce the total cost of ownership (TCO) of the communications tools used to connect employees and engage customers.

## How advisor engagement impacts customer engagement ROI

Concentrating on advisor engagement is a fundamental way of improving customer service – both now and in the future. In a contact centre environment, advisors need tools that streamline their everyday tasks and provide rapid access to comprehensive customer histories if they are to fully engage and satisfy customers. Access to these tools can transform the advisor experience, allowing them to perform at their best and make your contact centre a great place to work.

However, it's vital that advisors are equipped to provide the best experience possible. Analyst firm Aberdeen Group found that just looking for customer information takes up around 17% of an advisor's time, and that – on average – collecting the information they need to resolve customer needs takes three separate applications!

One of the key reasons for this disconnect is that, over time, technology has splintered customer engagement from a channel point of view. Contact centres need to use technology to bring all these elements back together in a single interface – making life much quicker and easier for advisors. This would mean integrating customer engagement channels such as live chat, voice and social media, as well as the CRM system for customer records and key knowledge bases for common shared information. Simplifying access and navigation here can play a key role in delivering a consistent, personalised experience for customers.

Having a contact centre solution that offers access to advisor-centric tools and data, means advisors can support customers more effectively and help them find the answers they need. From an ROI perspective, your team of advisors will be able to accomplish more during shifts – cutting costs on overtime, while improved first contact resolution will limit the number of times customers have to contact you. Additional benefits here include increased advisor job satisfaction, greater retention and increased productivity as a result.

When advisors have immediate access to a customer's history during their interaction, it's also much easier for them to understand the customer's full context. This insight helps them to personalise each interaction, addressing problems quickly

and helping them to anticipate the next best action. When CX is aimed at their specific needs, customers feel heard and valued, and are much more likely to remain engaged.

## Secure significant operational savings by modernising your contact centre infrastructure

While many contact centres still use legacy on-premises PBX telephony systems, moving to a more agile communications platform can help unlock significant benefits thanks to increased flexibility. Whether it's connecting multiple offices to provide a more consistent customer experience, engaging with customers via their social media channel of choice, or matching callers to the right expertise, effective CX ROI can extend far beyond standard platform efficiencies.

## Tactics for communicating the value of CX to gain funding

It's essential that the value of any CX funding is also clearly communicated to Chief Finance Officers and other executive team members. Building a convincing ROI case will require:

- A clear focus how the company will benefit financially – only then should you raise the cost of the CX initiative that will deliver this.
- Don't just major on the up-front cost – software-as-a-service solutions enable a shift from capex to opex costs, and spending adjusts depending on how much you're using the service.
- Don't explain all the in-depth details of your Employee Engagement programme or cloud migration initiative – pitch your business case, detail the benefits and the ROI.
- Frame your CX solution requirements around business need – is it intended to lower costs, improve CSAT or improve the experience for customers and employees? CFOs will want to know.
- Make it difficult to delay the decision – try and explain why this must happen now, perhaps by detailing exactly how big a revenue opportunity is currently being lost by not having your project in place.

**For further details on how to measure ROI and other KPIs in your contact centre, visit [RingCentral](#).**