



Measuring the ROI of Customer Experience Management and Improvement

The Challenge

A financial institution had been conducting customer satisfaction research for years but had not managed to improve. Executives agreed they lacked the motivation to change.

Schmalensee Partners' Approach

We . . .

1. Revised their customer research to measure the cost of lost opportunities due to poor customer experiences.
2. Developed a model of the impact of increasing satisfaction on conservative assumptions about the institution's ability to attract new customers and retain existing customers.
3. Verified the model's predictions of how the institution could gain \$335 million more a year in revenues by making reasonable investments to increase satisfaction.
4. Encouraged top executives to invest \$30 million over two years to increase satisfaction and gain over \$300 million in revenues – an excellent ROI.

Results

- The institution made the \$30 million investment – for improved technology and for improvement teams.
- Customer satisfaction, retention, new business, market share and revenues grew even more than projected.