



# Better Customer Experience = Higher Revenue Growth

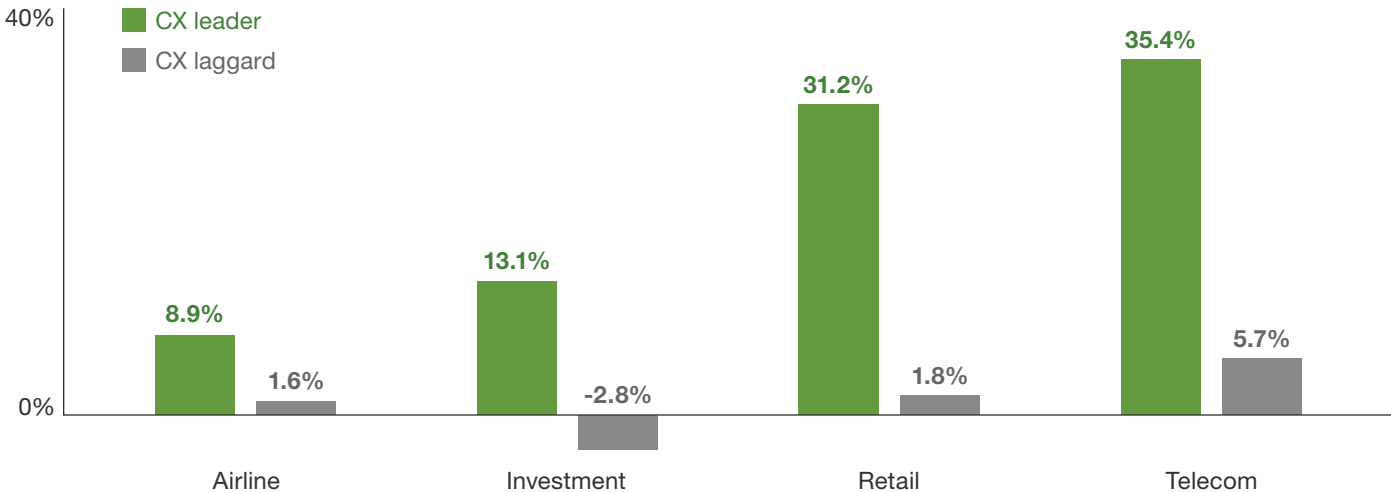
## Forrester Correlates CX With Revenue Growth In Most Industries

Good customer experience (CX) drives customer loyalty. Companies that deliver a better customer experience tend to retain more of their customers, get more incremental purchases from their customers, and attract more new customers through positive word of mouth. All of this may seem rather obvious.

But what may not be obvious is that CX leaders out-earn their CX laggard counterparts.

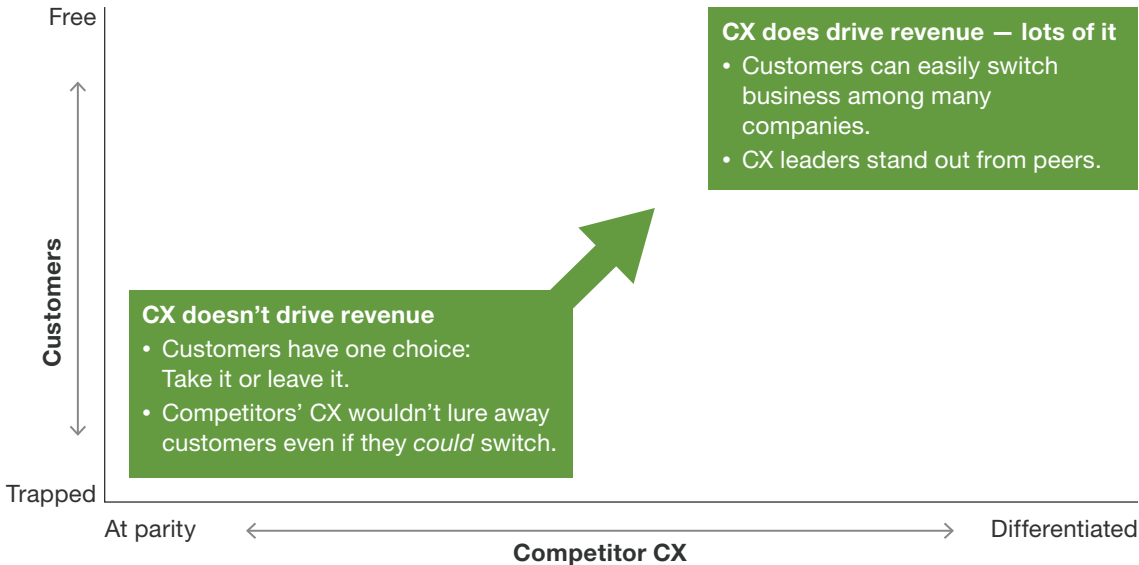
Does the correlation always apply? Yes, when customers have choice and when companies offer differentiated experiences.

### COMPOUND ANNUAL GROWTH RATES, 2010 TO 2014












Source: US Securities and Exchange Commission filings

### THE CX/REVENUE GROWTH EQUATION



Industries with high revenue impact and ok-to-poor scores on our CX Index™ leave the most money on the table. Here's the revenue opportunity associated with improving your score by just one point:

#### RESULTS OF A ONE-POINT IMPROVEMENT IN CX INDEX SCORE

		Annual incremental revenue per customer*	x	Average number of customers per company†	=	Annual impact per company
	Wireless providers	\$2.13	x	82 million	=	\$175 million
	Luxury auto	\$337.10	x	350,000	=	\$118 million
	Upscale hotels	\$6.52	x	10 million	=	\$65 million
	TV providers	\$3.56	x	17 million	=	\$61 million
	Retail banks	\$3.92	x	15 million	=	\$59 million
	Insurance firms (home and auto)	\$3.25	x	15 million	=	\$49 million
	Internet providers	\$3.09	x	16 million	=	\$49 million
	PCs manufacturers‡ (excluding Apple)	\$2.07	x	10 million	=	\$21 million
	Credit cards	\$0.25	x	61 million	=	\$15 million

Base: 28,823 US online adult customers (ages 18+) of these industries who interacted with at least one brand within the past 12 months (bases vary by industry). Source: Forrester's Customer Experience Index Online Survey, US Consumers Q1 2015

\*This analysis shows the effect on revenue potential of increasing CX Index scores by one point from the industry average CX score. Curves for individual brands differ from this industry curve. For brands that don't have a linear relationship between CX and revenue, the revenue effect of improving CX by one point will vary greatly depending on the CX score that serves as the starting point for this analysis.

†Number of customers represents number of customers of a big player in the industry based on inputs that include Forrester's Consumer Technographics®, Forrester's analysts, and publicly available industry data.

‡Excluding Apple due to the high difference in price points.

### So what are your next steps?

- › Use this research to prove to your CEO that CX can drive revenue growth.
- › Assess where your company is on the “map” of customer choice and supplier difference.
- › Determine whether your corporate culture contains enough customer obsession to embrace CX.
- › Build your strategy, execute, measure, and optimize to drive revenue growth.

### Explore more CX resources.

Curious how emotion impacts CX? Or how to best execute digital CX?

Check out Forrester's CX Cast for a weekly dose of CX knowledge at [forr.com/cx-cast](http://forr.com/cx-cast).

If you're ready to discuss your CX program, email our data specialists at [data@forrester.com](mailto:data@forrester.com).