

Journey Analytics: the Science of Winning and Keeping Customers



Part 5 of a 6-part series
Return on your
CX Investment



THE PLANET'S SMARTEST CX ORCHESTRATION PLATFORM

*Voice-of-the-Customer, Social Media, Journey Analytics and Engagement
unified on the Planet's Smartest Customer Experience Software Platform.*

PART 5

RETURN ON YOUR CX INVESTMENT



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Journey orchestration methods and approaches have an immediate and positive impact on business. These methodologies result in essential boosts in the important metrics: acquisition, retention & cross-selling - all of which boost gross revenue. Essentially, enhancements in customer experience also result in improved loyalty which translates into improved customer lifetime value (CLV). Today's CX professional needs to delight customers but also needs to illustrate return on CX (ROCX), satisfying external and internal demands.

Many businesses and CX professionals start their CX and Journey Management journeys clutching a bug list – a list of problematic and tiresome touchpoints. These are touchpoints that need to be fixed somehow, and are frustrating those who are trying to move the CX needle. The trouble is that the business is often examining them in isolation. Journeys are end-to-end in nature, and are better ways of understanding customer experiences and related business outcomes.

Helpfully, they also serve as containers for the experiences and associated touchpoints. Not surprisingly, studies (notably by [McKinsey](#)) have therefore shown that journeys are far better predictors of business outcomes than customer satisfaction.

In earlier parts of this series we looked at the importance of data driven methods in constructing a view of the real customer journey. Customer paths cannot be meaningfully captured in a workshop but can only be built by data which represents real customer activity. Journey Management approaches provide this visibility and the tools required. Real activity highlights other insights, such as the paths of one profile of customers against another profile, or the likelihood of one sequence of steps resulting in an achieved goal. The exposure of these truths leads to the possibility of interventions – systematic service recovery, personalised nudges, and informed operational improvements.

The above activity is intuitively correct for the business of today because it displays customer centricity and actions based upon objective information (real data). However, the CX professional still needs to illustrate a return on CX efforts and link these efforts to pleasing changes in important metrics.

[Aberdeen Group](#), the international market intelligence company that collects and analyzes data on buyer behaviour in over 200 B2B sectors, published a report called 'Bridging the Gap Between Love & Money'. For the study, over 200 businesses were engaged in order to investigate how professionals balance the expectations of both customers and shareholders. Many of the insights which follow will be based upon this independent report, referenced at the end of this paper.



BRIDGING THE GAP

The modern CX professional & CMO have a daunting task.

They need to balance the needs and expectations of empowered customers while displaying shareholder value, by providing positive quantifiable results through their activities. This is not an easy gap to bridge.

They are continuously split between customers' demands for more personalized and timely experiences and shareholder expectations for financial results.

96% of marketers are not satisfied with their ability to use existing data for designing and orchestrating journeys

Marketers generally struggle with understanding and managing the customer journey. Having a timely and deep understanding of customer needs is the top challenge keeping marketers awake at night. While marketers accept that buyer/seller conversations are best represented as a journey made up of multiple channels (with customer expectations varying at each), a massive 96% of them are not satisfied with their ability to use existing data for designing and orchestrating journeys.

CUSTOMER JOURNEY ORCHESTRATION AND BUSINESS PERFORMANCE

As mentioned, CX professionals need to achieve quite different things: they need to attain the short term and financial expectations of shareholders, and also meet and exceed the rapidly expanding expectations of customers. This is challenging to say the least, but Journey Management approaches and methodologies have shown to be effective in these areas.

Businesses that are orchestrating customer journeys are outpacing competitors across several key metrics. Here are some of the important areas to take note of, according to the study:

- **Greater return on marketing investment (ROMI).**

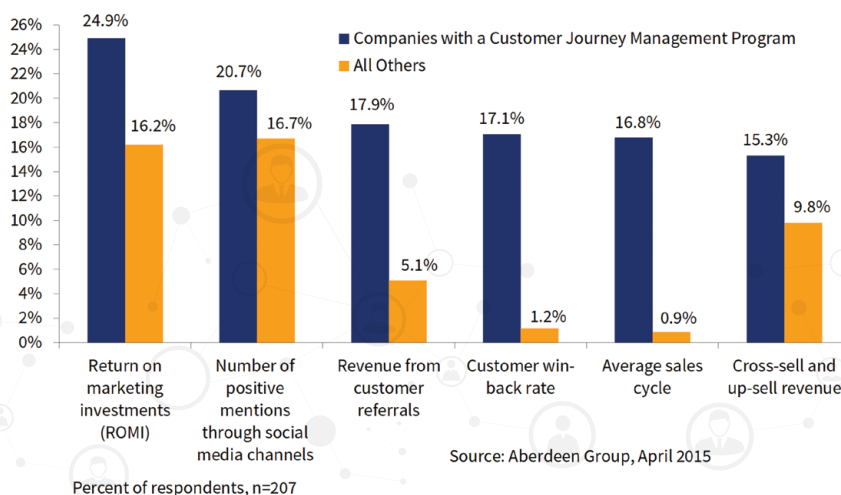
Companies that have a customer journey management strategy enjoy a 54% greater annual improvement in return on marketing spend, compared to other companies (24.9% vs. 16.2%).

- **Greater revenue from customer referrals.** Companies that have a customer journey management strategy increase revenue from referrals by more than three times, compared to other companies (17.9% vs. 5.1%). This speaks to success in creating brand evangelists.

- **More positive social media mentions.** Companies that have a customer journey management strategy enjoy 20.7% positive social media mentions, versus 16.7% for other companies.

Other areas where these journey-focused companies are winning are in the areas of customer **win-back rates, faster average sales cycles and greater cross/up-selling revenue**. See the inserted chart.

MANAGING CUSTOMER JOURNEYS BOOSTS PERFORMANCE



It's important to note that these results are relevant for companies that have a formal journey management program. Tactics executed in an ad-hoc manner without an awareness of end-to-end journeys do not yield the same benefits.

HOW THE TOP PERFORMERS ACHIEVE THIS

The business performance numbers speak for themselves. The report also noted that professionals face a series of challenges that impact their ability to manage journeys. Here is how top performers achieve these business performance boosts through journey management:

- **Streamline company data management.** Business data from all channels needs to be captured and made available for analysis. This needs to include enterprise systems and touchpoints.
- **Collect customer feedback and behavioral data.** The business needs an integrated and real-time view of customer conversations which are taking place.
- **Analyze with role-based reporting.** Implementation of role-based views and analytics differentiates the top performers from the others.
- **Segment & personalize.** The study results indicate that top performers and savvy marketers are more likely to personalize and segment their customer base for communication campaigns.
- **Go omni-channel.** Ensure that context is consistently carried from one channel to the next. Those businesses that marry omni-channel with journey approaches do indeed meet the differing demands of both customers and shareholders. Relevancy and timeliness of messages are also key. Businesses successfully using an omni channel strategy enjoy 14.6% year-on-year increase in annual revenue, compared to the 10.8% of the others.
- **Provide ease of use.** It's essential that marketers and other teams can easily respond to market needs and create and distribute communications when required.

Formalized journey management initiatives have a positive impact on the important business metrics: acquisition, retention and cross/upselling. They also impact positively on customers and their experiences because they are engaged meaningfully and their issues are resolved comprehensively. inQuba's CX and Journey Analytics platform empowers today's CX professional to achieve both internal and external objectives.

Please contact inQuba to discuss how this can be achieved in your business.

Aberdeen report:

"The CMO Dilemma: Bridging the Gap Between Love and Money"

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