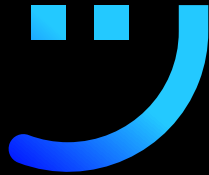


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Unleash the Power of Customer Lifetime Value

5 Proven CX Strategies





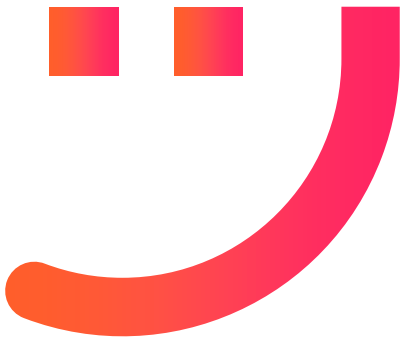
TODAYS PRESENTER



Mark Ungerman

Director, Product Marketing

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Agenda

- ✓ Introduction
- ✓ Thrive or Survive: Customer Lifetime Value
- ✓ How to Create Customer Lifetime Value
- ✓ Summary
- ✓ Question

Why should contact center leaders care about **customer lifetime value**?



4 Reasons why customer lifetime value (CLV) matters

- ✓ It will help you understand the economic value of a customer
- ✓ CLV is the **ultimate** *customer satisfaction* (CSAT) KPI
- ✓ It will create stronger alignment with company goals
- ✓ It can help secure resources for the contact center

What is the contact center's role in creating **customer lifetime value?**



How the contact center shapes customer experience

- ✓ Problem Resolution
- ✓ Personalizing Interactions
- ✓ Collecting Feedback
- ✓ Building Relationships
- ✓ Logical CX foundation

Imagine, it's a *very hot day* and
you've been outside ...



Customers
purchase
products when
they want to
satisfy a need

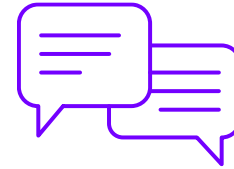


A customer will buy your products and services based on:

- ✓ How they **feel about you**
- ✓ The **perceived benefit** of your product or service
- ✓ **Trust** and reputation
- ✓ **Value** they receive
- ✓ **Easy** and risk free

These are qualities are improved with
the right **CX strategy**

Connecting Customer Experience to Customer Lifetime Value (CLV)



Customer Experience

What a customer thinks about a brand or business based on their past interactions.

Customer Engagement

When a customer chooses to repeatedly purchase from a brand, based on prior experiences.

**CX drives
Customer Engagement**

Customer Lifetime Value

The total value a business can expect from a customer over their extended relationship.

**Customer Engagement
enhances CLV**

Customer Lifetime Value is a key growth strategy



Investing in CLV **boosts customer acquisition and retention**, increases revenue, delivers competitive advantage, enhances reputation, and reduces cost.

- According to [Marketing Metrics](#), the probability of selling to an existing customer is up to 14 times higher than the probability of selling to a new customer.
- Bain & Company and Harvard Business School report that "[increasing customer retention rates by 5% increases profits by 25% to 95%.](#)"
- Research [found](#) that existing customers are 50% more likely to try new products and spend 31% more, on average, compared to new customers.
- New customer acquisition costs have increased [by almost 50%](#) in the past five years.

Customer Lifetime Value can help firms navigate uncertain market conditions



Customer Lifetime Value (CLV) can help firms improve resource allocation and **improve customer retention** by identifying high-value customers, improving targeted marketing, and delivering precise customer experiences.

- Amazon Prime customers spend, on average, about \$1,400 per year, compared to about \$600 per year for non-Prime customers, according to a [Consumer Intelligence Research Partners report](#).
- Bain & Company and Harvard Business School report that "[increasing customer retention rates by 5% increases profits by 25% to 95%.](#)"

How to create customer lifetime value

Customer Lifetime Value (CLV) goes beyond a single sale. It involves building long-term relationships with customers so that they become repeat buyers and brand advocates.



1 Prioritize customer experience

2 Provide loyalty programs

3 Deliver quality products and services

4 Monetize upsell- and cross-sell

Prioritize Customer Experience



Customers can interact *whenever* and *however* they choose.

Examples: voice and digital, self-service, physical and online locations, website, customer portal, mobile app, e-commerce apps, etc.

Access

Multichannel

Accessibility

Availability

Intuitive

Speed and Efficiency

Quality of Experience

Omnichannel

VOC / Orchestration

Personalization

Proactive Communications

Employee Empowerment

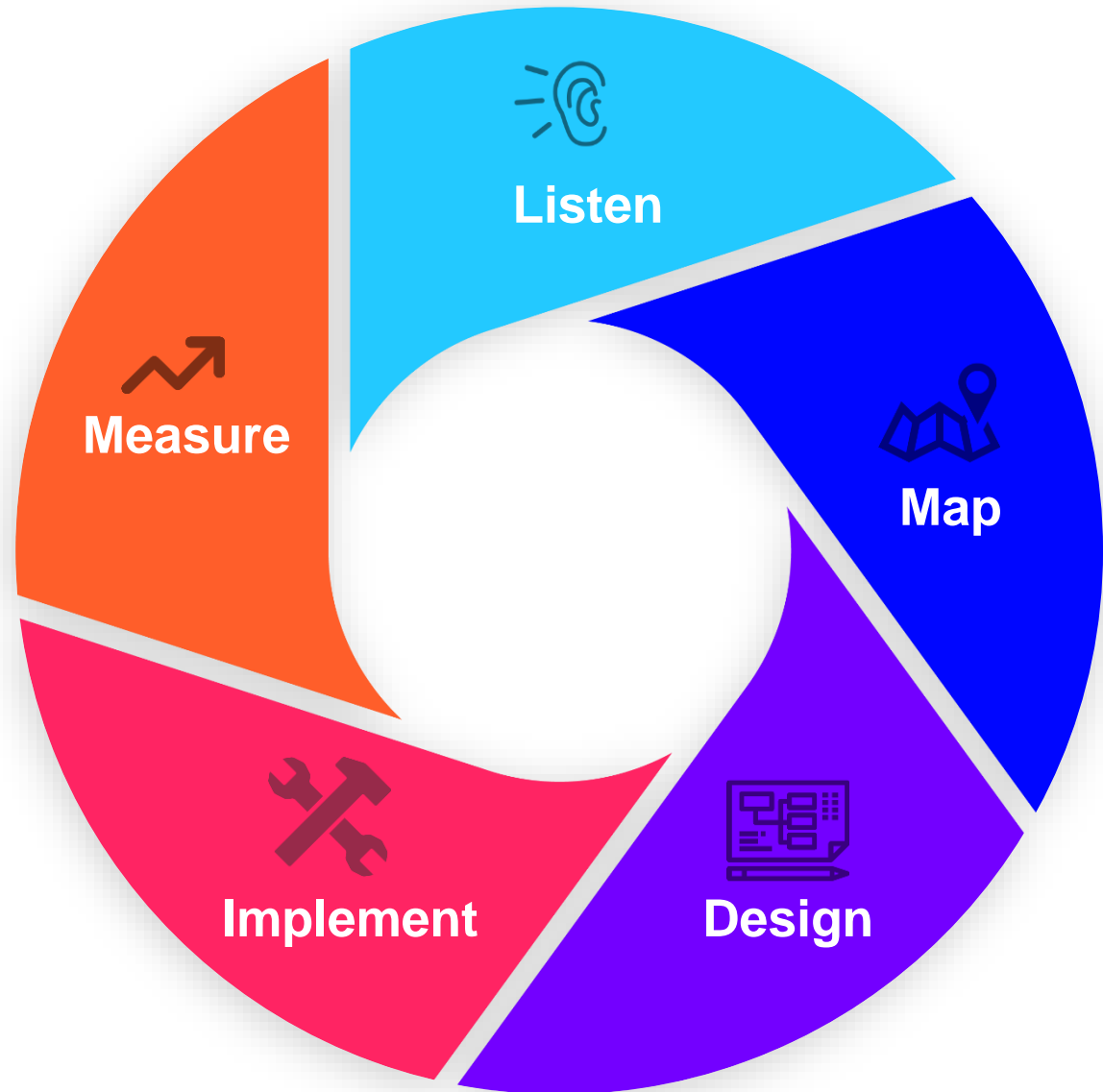
AI Analytics and Reporting

Every interaction builds satisfaction and loyalty.

Examples: integrated experience, outstanding customer service, knowledgebase, interactive guides, intelligent virtual assistants, proactive communications, surveys and interaction analysis, AI and automation, etc.

5

Strategies to Build Customer Lifetime Value





Strategy 1: Listen

Listening to customers allows brands to understand their needs, preferences, and pain points. By addressing these factors, companies can tailor their products, services, and customer interactions, leading to increased satisfaction and loyalty.

Do this

- Gather customer feedback
- Monitor and analyze interactions
- Act on results



Using these tools

- Customer feedback
- Multi-channel interaction capture
- CX-trained AI customer data analytics



For these results

- CSAT and NPS
- Customer retention
- Sales conversion



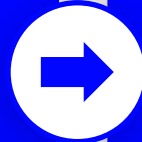
Strategy 2: Map

Customer journey mapping reveals actual insight into customer behaviors and can be used to identify pain points.

With this understanding, changes can be implemented that will lead to improved customer satisfaction, increased loyalty, and revenue growth, while enabling process optimization.

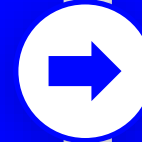
Do this

- Create user personas
- Identify all interactions for each persona
- Categorize interactions by intent
- Identify “friction” and prioritize improvements



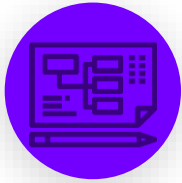
Using these tools

- CRM
- AI interaction analytics
- AI customer journey analytics



For these results

- Customer acquisition costs
- Sales cycle length
- Cost of product support
- Cross-sell and up-sell rate



Strategy 3: Design

Designing better customer journeys will enhance customer experience, leading to increased satisfaction, loyalty, and customer lifetime value.

This strategy aims to improve conversion rates, reduce customer churn, create brand advocates, drive operational efficiency, and generate valuable customer insights.

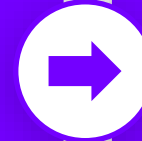
Do this

- Utilize CX vision and objectives to create requirements for each distinct touchpoints as an integrated element of an overall journey



Using these tools

- Personas
- UX tools
- Platform orchestration and administration tools
- Analytics



For these results

- Lower cost of service
- Lower customer effort scores
- Higher customer engagement



Strategy 4: Implement

Customer journey interactions should be built or improved for the express purpose of **improving customer experience** and **creating alignment with business objectives**.

This involves customer centricity, consistency, system integration, feedback analysis, testing, staff training, communication, and compliance.

Do this

- Conduct technical GAP analysis
- Acquire needed technical capabilities
- Implement improvements
- Empower teams



Using these tools

- CRM & marketing automation
- Content and knowledge management
- Customer engagement and experience management
- AI, virtual assistants, automation
- Workforce engagement



For these results

- Time to value
- MTBF and MTTR
- Performance
- Lower operating cost
- Compliance
- Employee satisfaction and retention



Strategy 5: Measure

Measuring CX performance is crucial to **1) understanding customer needs, 2) identifying problem areas, 3) establishing benchmarks, 4) validating changes, and 5) driving business success.**

It enables data-driven decisions that enhance customer experience and facilitate business growth.

Do this

- Define measures of success
- Monitor and report operational data
- Monitor customer behavior
- Listen to customers



Using these tools

- Reporting, BI and analytics
- AI and machine learning



For these results

- Employee satisfaction
- Operational efficiency
- Customer satisfaction
- Customer lifetime value



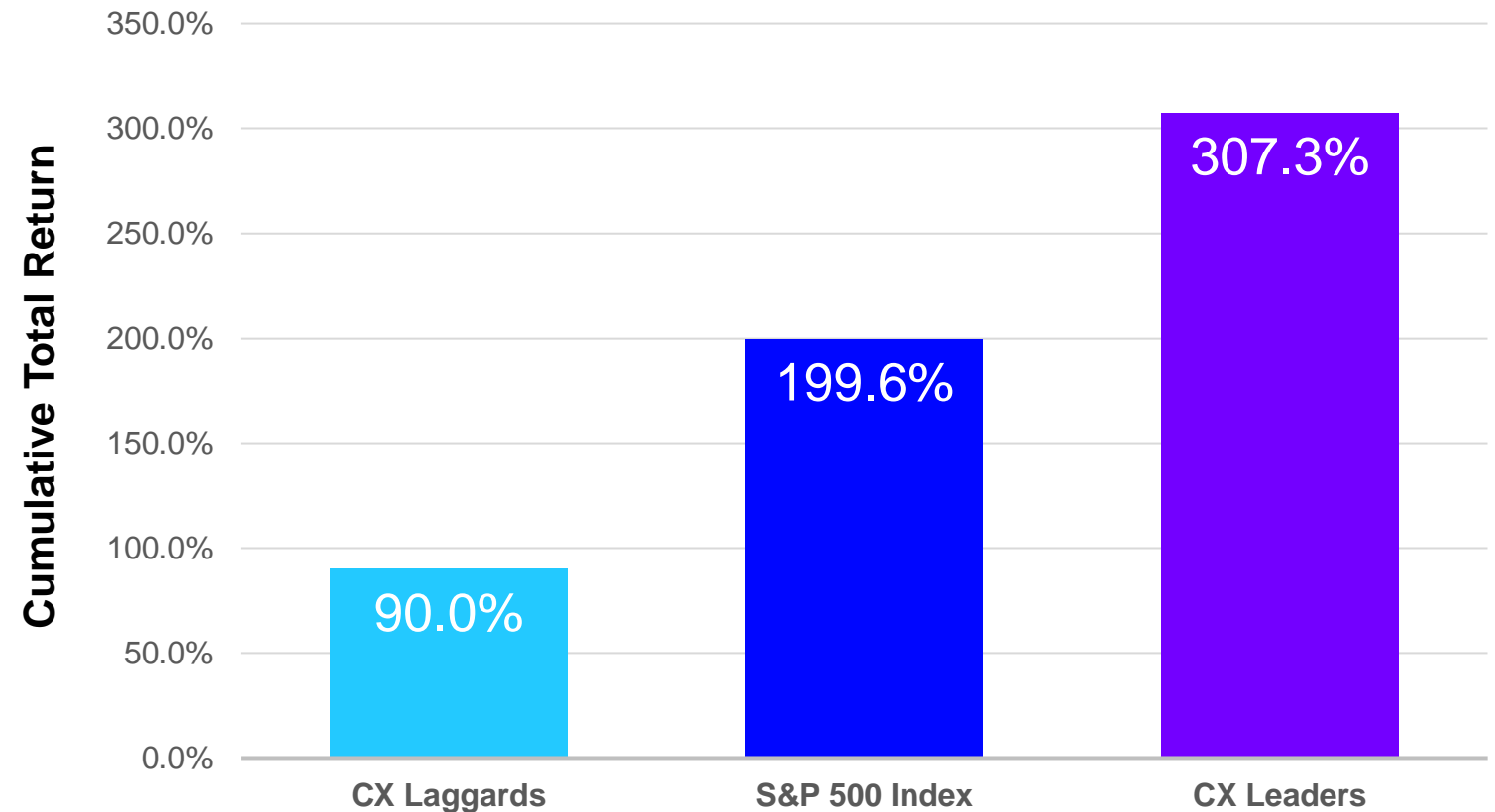
Customer Experience Leaders outperformed the broader market, generating a total return that was **108 points higher** than the S&P 500 Index.”

– *Watermark Consulting*



Customer Experience Leaders Outperform the Market

13-Year Stock Performance of Customer Experience (CX) Leaders vs. Laggards (2007-2019)



Source: Watermark Consulting, Customer Experience ROI Study

Key Takeaways

Observations

- CX is much larger than CSAT and extends beyond the contact center
- CLV is a value driver, not a cost containment strategy

Questions to Explore

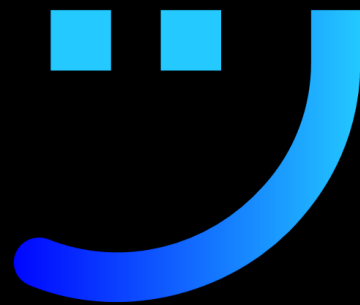
- How can the contact center drive CX improvements?
- How much customer data do you have?
- How can you illuminate known sources of friction?
- What interactions involve the contact center?
- What capabilities already exist (or can be upgraded) to improve the customer journey?
- What are you going to do right now to create greater CLV?

Q&A



Thank You

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Make
experiences

flow