



The Challenge

Estimating the ROI of Customer Experience Management

A financial institution had been conducting customer satisfaction research for years but had not managed to improve customer experiences. Executives agreed they lacked the motivation to change because they saw better ways of increasing revenues.

Schmalensee Partners' Approach

We . . .

1. Revised their customer research to include questions on willingness to recommend and remain as customers
2. Developed a model of the impact of improving customer experiences and satisfaction on 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 experiences, satisfaction, retention, new business, market share and revenues grew even more than projected

