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ClearActionCX.com
+1 408 687 9700 tel

Customer Experience Management is a Lucrative Opportunity for Marketers

by Lynn Hunsaker

Ability to grow a business is what distinguishes a truly great marketer, according to an article by consulting firm Booz Allen Hamilton: "In an era of unlimited opportunities but constrained resources, the only marketing metric that matters is growth. Driving growth means stretching the traditional boundaries of the marketing function to encompass activities many companies don't even think of as marketing - yet."

If growth is the only marketing metric that matters, how can growth best be measured and impacted? Growth is commonly measured as revenue, profit, or market share. Some firms also measure growth as brand equity and customer lifetime value (CLV). As authors such as Peppers & Rogers point out, CLV can be viewed as a composite measure of revenue, profit, market share and brand equity. CLV may be the ultimate marketing metric indicating growth.

It's well-known that a firm's existing customers are generally five times less expensive compared to new prospects for generating sales. Retention efforts can entice your customer base to adopt up-sell habits, cross-sell behaviors, and positive word-of-mouth (WOM) inclinations. Research shows that a 1% improvement in customer retention can increase CLV by 3-7%.

While typical customer advocacy programs are designed for immediate gains, constant effort is generally necessary to maintain momentum. The methodology of Customer Experience Management (CEM) can relieve marketers of the constant campaign treadmill by addressing the heart of the customer experience per se. In addition to sustainable revenue and share growth, CEM reduces waste within the company and in turn, prevents customer hassles, naturally improving profit and sustaining customer retention.

Wisely, CEM is a growing practice among leading companies. As author Leigh Duncan outlines, CEM is the "process used to comprehensively manage a customer's cross-channel exposure, interaction and transaction with a company, product, brand or service." An *outside-in* operational excellence focus is one of the key components of CEM, with a "comprehensive evaluation and improvement of people, process, policies, technology, and systems that facilitate, track, and measure customer interaction and transaction".

Marketers have an awesome opportunity to assert their authority and value as a conduit for the customer's voice into all areas of the company. They can really help all the functional areas realize how they impact customers and the company's growth. This expands the definition of marketing well beyond lead generation and product management. It brings an outside-in perspective to many organizations that are otherwise sheltered from their connection to delivering the brand promise.

Managing customer experience may stretch the boundaries of what many companies have traditionally viewed as marketing's job. Driving company-wide action on the less attractive feedback from customers, represents a chance to own CEM and improve CLV at the top-line and the bottom-line. CEM may be the ticket for marketing to play a more integral and strategic role in the company. And be acknowledged as a truly great marketer - playing an instrumental role in the business' growth.

Let's discuss how to customize this to your situation; contact us at OptimizeCX@ClearActionCX.com