Kapiche

Playbook

Revenue-accountability for the insights-driven business

How to measure the ROI of your customer insights program

Why we wrote this book

There is one almost universal truth in business: *revenue is king*. Like it or not, the success of a business will likely be based on some function of revenue, growth, or profit. Executives measure success by how fast they grow revenue, margin and customer loyalty.

Today, we live in a customer-centric world and the modern business can no longer compete solely on the merits of their product or service. In a customer-centric world, competitive advantage comes from simply having a better overall customer experience than the competition.

In fact, customers don’t just want a great experience, ***they demand it***.

To highlight this point further, one study found that 54% of customers will never do business with a company again after one bad experience. That means that anytime you deliver a less-than-satisfactory experience, one out of two of your customers will leave you for a different company.

These days customers only want to do business with brands that they feel they can trust and have an emotional connection with. And the only way to build that kind of relationship is making sure that they have a consistently positive experience every single time.

Did you know?

While 80% of companies believe they deliver great experiences, only 8% of their customers agree. How would your customers feel about the experience your organization offers?

What's inside

Driving *revenue-accountability* with customer insights

There is one almost universal truth in business: revenue is king. Like it or not, the success of a business will likely be based on some function of revenue, growth, or profit. The success of your customer experience should always be measured the same way.

If great CX initiatives are designed with the help of deep and meaningful insights, it makes sense that Insights teams adopt a revenue-accountability mindset.

This playbook was designed to help insights teams translate their work into a language decision makers care about. You'll learn how to identify an actionable insight, how to measure the ROI of your CX initiatives against revenue metrics and how to get buy-in across your organization for a customer-centric culture.

What does it mean to be an insight-driven business?

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Saying that your company is insights-driven does not make it true.

Just because you have data doesn't mean that it's easy to understand, or even that it's easy to use. An insight-driven company, as opposed to one that is data-aware, will find a way to put every number to use—and that can be overwhelming when you have a lot of numbers to sort.

To be insights-driven, you must build a company-wide infrastructure. It must not only support providing detailed insights for each function, but must also be able to intake data and make the output useful. The benefits that you reap from being insight-driven are innumerable. Forrester says;

> **"insight-driven companies are on pace to make $1.8 trillion annually by 2021."**

These businesses grow faster because they know what customers want - and they deliver. According to McKinsey, these types of organizations are 23 times more likely to acquire customers and 6 times as likely to retain them.

But what does it actually mean to be insights-driven?

There are four markers of an insight-driven organization:

- Cross-functional data democratization
- The agility to pivot quickly based on customer feedback
- Implementation of available technology
- Constantly measuring the progress of customer-driven initiatives

1. Data moves cross-functionally

For many companies, specific metrics are usually siloed to one function. For example, customer satisfaction (CSAT) is used by customer success, net promoter score (NPS) is used by product, and annual recurring revenue (ARR) is used by sales.

However, 42% of organizations strongly agree that information silos reduce the quality of the insights a company gains. To solve this problem, the same report recommends that businesses "build a closed-loop insight process into every facet of their business".

Closed-loop analytics include metrics from every part of the customer journey: from the time they first interact with your blog, all the way through to when they potentially churn. They make use of data collected by every function within a company. Every team is then able to see the impact that their individual metrics have on other key business pulses.

2. Quickly pivoting based on customer insights

Using customer insights to impact your experience, marketing, sales structure, and product initiatives boosts key metrics like customer satisfaction. For instance, according to the CMO Council's Empowering the Data-Driven Customer Strategy study, 38% of marketers worldwide say their primary challenge in being more insight-driven is trying to use a fragmented system to deliver a unified view of the customer experience across touchpoints. In that same study, 30% cited silos of customer data as being one of the greatest barriers to moving quickly with customer focus.

In order to act quickly, organizations need a central customer data repository for timely data analysis. Secondly, these reports need to be accessible (and in a readable format) to the average user. If everyone needs to put in a work order to the data analyst to gather their insights, the speed of action will drastically decrease.

3. Using updated tools to supplement knowledge

Many companies have lots of data but nothing in place to properly handle it. Only 17% of businesses say that they have tooling in place to properly integrate insights across their whole company. Even for companies that do have the tools to properly interpret data, 78% of them struggle to know the right way to do so.

An insight-driven business makes use of updated tooling, such as data pools, to help supplement cross-team knowledge. Data lakes are huge buckets of raw data that can be stored until they are needed for analysis. While these can be helpful for data-aware companies, an insight-driven company will realize that they need to take on a new form in order to be useful. Data pools are a smaller version of lakes—they break out function-specific data into smaller segments to make them more manageable for individual teams.

4. Measuring the impact of actionable insights

As businesses start to shift from being data-aware to insight-driven, there are five key benchmarks that are useful in measuring success. While data-aware businesses will still have markers for success, businesses that are driven by insights have a deeper set of metrics to benchmark by. Each initiative will move the needle on specific metrics - many of which are linked to the business's success. Insight-driven teams know how their work contributes to each KPI and measure their progress using these metrics. When aligning on revenue-accountability, Insights teams pivot toward KPIs that measure success toward their organization's growth goals.

How do you know if your insights are actually ‘actionable’?

We know that insight-driven businesses grow faster because they deliver the experiences customers actually want. This happens when decision makers are well equipped to make the right decisions. These '*actionable*' insights are the only insights you should be putting in front of those decision makers. How do you actually know your insights are actionable though?

Chances are high that your company is already doing a pretty good job of collecting data - gathering customer feedback, tracking customers via your CRM, and following engagement rates via web analytics. And maybe you've been doing more than just collecting that data, too! You've been organizing it, filtering it, mining it, looking for that metaphorical fleck of gold at the bottom of the pan: an actionable insight.

With all of that work, it probably seems reasonable that critical points of information with detailed information on customer behavior are just a click away at any time.

And sure enough, when you first begin to review findings from your data, it's easy to think you've hit the jackpot right away. That is until you realize that your analysis is merely skimming the surface and not delivering anything useful for informed decision-making. Customer behavior and brand relationships are more complex today than ever, and finding clear, impactful, actionable insights to grow your business requires a deeper strategy.

Definition:

"Actionable insights are the end goal of data analytics - a constellation of data points that correlate in a statistically and contextually significant way."

So what is an actionable insight?

Another way of thinking about actionable insights is to consider how they show the relationship between a specific part of your business and a specific segment of your customers, in a way that can be leveraged to drive change and grow your business.

Surface-level quantifiable metrics like CSAT scores are often labeled as "insights" on their own, even though they just represent simple data points without actionable levers. Managers need in-depth information that demonstrates a strong cause-effect correlation between data points to take action - basic scores or averaged metrics lack specificity, context and the financial evidence necessary for action plans.

Let's take a quick example. Say you've spent the last quarter gathering feedback via an NPS campaign and are reporting that your customer satisfaction has risen, your overall score has moved up by 5 points and your percentage of Promoters has increased. Congratulations! However, without context to explain why your customers are more satisfied, let alone what changes you made to improve, that NPS report doesn't offer anything you can take action on.

For example;

- Would investing more engineering time in the mobile experience improve your NPS?
- Does the speed of customer service positively or negatively impact NPS?
- What would the return on investment be from adding a new feature?

The point is, nothing in this analysis tells you what you need to do to keep customers satisfied - it simply doesn't translate into actionable feedback that can drive change at the bottom line.

Identify actionable insights by digging deeper

Instead of focussing on the averages, you need to turn your data into actionable insights by going below the surface to identify the context around feedback and trends. Then, apply even deeper analysis to locate the information that connects that context with your desired business impact.

Keep in mind - you're not looking for new data, just developing a strategy for digging further into the data set you already have to uncover actionable insights.

To make the most of the data you're gathering, it helps to leverage a fully integrated process to limit information siloing and maximize data comparison. The good news is that you don't need to hire a team of data scientists to do this - just develop a strategy and pair it with a killer analysis tool to make the most of your CSAT and NPS campaigns.

As you start digging beneath the surface of that initial CSAT or NPS score, map out a few questions to help guide you. A few points to get you started:

First: What is motivating the positive trend? Is there a specific element of the customer's experience, a feature set on the product, or other similar factors that can be identified?

What to look for: To dig in, take a close look at Promoters and their feedback. Pay attention to words and phrases they repeat and identify trends that suggest a correlation between experience and potential action. For example, Promoters who enjoy a specific feature and also intend to place another order in the near future. These indicate solid opportunities to explore further and find out why they love the product so much that they keep coming back.

Next: What is the impact on the customer? In other words, does this motivating element increase or decrease the chances they're achieving a successful outcome with your product? What to look for: Look at what customers are saying about their intentions (the same text analysis that identifies trends can be applied here) as well as their spending habits. This will help you corroborate that their positive experiences really are motivating them to engage with your product at a high level.

Additionally: Which customer demographic is being impacted? Are multiple customer groups engaging with your product similarly, or is this primarily restricted to a single group?

What to look for: It's easy to assume that the most vocal groups are those most affected, but that's not always the case. In NPS results, for example, Detractors and Passives also have something to say - close analysis of their comments will highlight areas where they are suggesting improvement, with the intent to engage more closely with your product if changes are implemented.

Strong actionable insights lead to force multipliers, or specific product modifications that have a net positive effect on multiple demographics simultaneously. Finally - How is your business being affected by this relationship? Is the outcome trending positive (customers spend more as a result) or negative (customers are churning as a result)?

What to look for: It's no secret that keeping good customers is more cost-effective than bringing in new ones. In your NPS data, look for trends between customers or customer groups who signal a tendency to disengage or re-engage, in correlation with verbal signals in their feedback comments. Serious Detractors will start their slide by reducing subscription levels or feature use, while genuine Promoters will renew their subscription and even reach out. Ultimately, you're looking for these data points to identify a specific action your company can take to grow, either by capitalizing on the positive relationship customers are having with your product, or taking steps to rectify a negative relationship.

Follow a winning formula to identify actionable insights

We can break this down into a simpler format to create a flexible, easy-to-follow formula:

Formula	Example
Thing X	"Chat response times over 30 seconds"
Has Effect Y	"Increases cart abandonment rates"
For customer Segment Z	"For website visitors"
With effect of $A on the business	"Losing us $100k in sales monthly"
And a cost of $B to rectify	"The cost to rectify would be hiring one additional support agent, approx $70k annually"

Find actionable insights with dedicated *insights* software

The solution to finding deeper data points that can lead to actionable insights isn't to gather more data, or even change your collection methods. In most cases, the data you need is already available, in the form of verbatim (open-ended) comments in your customer feedback.

Many organizations shy away from deep analysis of verbatim feedback because it can seem tedious or cumbersome - that's because they're still thinking of out-dated tagging and coding processes. While it's true that manually tagging and coding verbatim comments is time-intensive and often complex (developing a coding hierarchy, training analysts on procedures, manually reviewing and tagging each entry), there's a better approach - instead of tagging, implement an automated categorization system.

Thanks to developments in machine learning, you can leverage automated tools that can accurately process and categorize thousands of verbatim comments in a matter of seconds. No more barriers to digging in for important context and relational data points - just point the system at your data and then slice and dice your data as many ways as you want to uncover those deep, actionable insights.

Apply actionable insights to improve your product or service

Let's go back to our NPS example from earlier. Let's say your organization sees an increase in Promoters since last month. To formulate an actionable insight from this, we want to understand why your Promoters (Thing X) are so happy (Effect Y), which customers are the happiest (Segment Z) and how that is affecting the business ($A), with confident projections on what investments are needed to continue this trend ($B).

Simply put - you want to know how to increase the likelihood that any actions you take will produce a positive return - how to maximize positive value ($A) with a minimum overall expenditure ($B). Most of all, you want to know this data is as accurate as possible - inaccuracies and human bias in data analysis represents a risk that you'll invest in a project that fails to produce a positive result.

Working through the questions above and plugging information into the formula helps map the way from a basic data point - "our NPS score has gone up by 5 points over the last quarter" - to a truly actionable insight:

"Our simplified online checkout process is improving NPS by 5 points for highly engaged buyers, who are purchasing 2.5 times more frequently per month and are spending 30% more per transaction."

Now you finally have something to work with - a clear relationship between your company and your customers that is showing positive returns, which you can build on to grow your organization.

How to measure the ROI of customer insights

Did you know?

"The revenue impact from a 10% improvement in a company's customer experience score can translate into more than $1 billion." - Forrester

Companies are investing big into CX and Insights. The Boston Consulting Group frames this shift as the 'Introverted Company'. Companies today are listening more to their customers so they can find competitive advantage. This advantage comes from simply having the best experience compared to alternatives.

Increasingly competitive markets and rapidly shifting customer preference means that a third of all public companies today won't be around by the year 2025. That's an alarming figure but one that can be avoided by simply understanding what your customers actually want. Your organization stands a much better chance of surviving this experience tsunami if the CX and Insights teams work together toward the same goal.

This is no different to the relationship between Support and Operations or Marketing and Sales.

Referring to this shift as an Experience Tsunami is not an overreaction. What makes this new landscape competitive is the willingness for customers to punish companies that transgress or fail to deliver exceptional experiences. In a study by American Express, 50% of Americans did not proceed with a purchase due to poor quality service. 33% also said they considered switching to a competitor after each instance of poor service.

There are clear benefits to delivering a better customer experience. In a study by Genesys, a third of customers were actually willing to pay more for a higher level of service, while PWC identified 63% of U.S. consumers were more likely to share their personal information with a company that offers a great experience.

Despite what they think, most companies are not customer-centric.

Consider this bold finding: 80% of companies believe they are delivering great experiences, yet only 8% of their customers agree. How do your customers feel about the experience your organization offers? All companies have key business metrics that they measure, track and report on. These can include the obvious such as revenue, customer lifetime value and retention, but also any of the following:

- Average transaction value
- The viral coefficient
- NPS
- CSAT
- Weekly Active Users
- Pipeline metrics (leads, MQLs, SQLs, Opportunities etc.)
- Number of new customers/users
- Return visits
- Cart abandonment if you're an online retailer
- Average deal size
- Average sale value
- Average items per sale

Before you drown under the weight of not only customer feedback but also business intelligence metrics, consider what's truly important.

Executives care about:

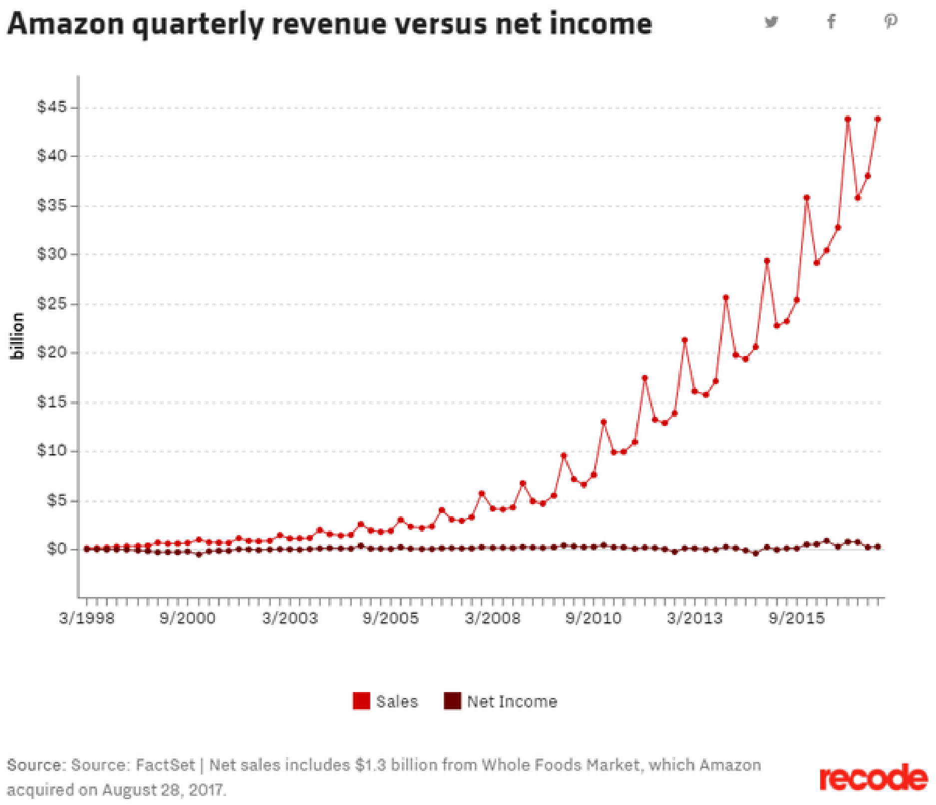
Revenue - How much are we making?

Margin - How much of that is profit?

Loyalty - Are our customers staying or going?

When measuring the success of CX initiatives, always try to place it into one of these three buckets. For example, you could use NPS to measure customer loyalty and then measure the impact a particular CX initiative has had on NPS. If you know what every 1 NPS point is worth financially to your organization, it's easier to measure the impact CX is having on the metrics executives care most about.

SaaS companies are obsessed with product-led growth strategies and new user acquisition. Amazon is a great example of this, prioritizing revenue and loyalty over margin.



As you can see in the above chart, Amazon's sales grew quarter-on-quarter but their net income remained relatively flat. Their goal is less about turning a profit and more about growing market share at all costs.

For Insights to add value to Amazon's CX department, it would have to quantify the impact each CX initiative is having on sales revenue rather than margin or customer loyalty.

Calculating ROI

What is ROI?

"Return on investment (ROI) is a financial metric that is widely used to measure the probability of gaining a return from an investment. It is a ratio that compares the gain or loss from an investment relative to its cost. It is as useful in evaluating the potential return from a stand-alone investment as it is in comparing returns from several investments." - Investopedia.

There are two ways to calculate ROI:

$$ROI = \frac{\text{Net Return on Investment}}{\text{Cost of Investment}} \times 100\%$$

and the other approach is:

$$ROI = \frac{\text{Final Value of Investment} - \text{Initial Value of Investment}}{\text{Cost of Investment}} \times 100\%$$

SaaS companies are obsessed with product-led growth strategies and new user acquisition. Amazon is a great example of this, prioritizing revenue and loyalty over margin.

The main advantages of ROI is that it provides an approximate measure of an investment's profitability and has a wide range of applications across many industries and departments. ROI is a fairly straightforward calculation to make. The main downside is that it is difficult to account for the length of time after an investment was initially made.

So how exactly would you calculate the ROI of your Insights program?

1) Identify the metric category (revenue/margin/loyalty) your organization wants to measure success by

2) Assign a dollar value to that metric (eg. every 1 NPS is worth $12 million)

3) Analyze the voice of every customer at-scale and figure out what's driving their behavior for each CX initiative.

4) Let technology help you automatically identify the impact each identified theme is having on that metric.

5) Report not just the customer insight but also its impact on the key metric.

6) Consistently monitor, evaluate and repeat the process.

Assigning a dollar value to your NPS results

Converting your NPS results into a dollar value is important because it helps develop those all-important actionable insights. These are the six steps towards connecting your NPS data with financial returns.

By itself, your Net Promoter Score doesn't mean a lot. A score between -100 and +100 can't tell you what to do next. It can't tell you how to improve your customers' experience. And it can't tell you how much revenue you have at risk.

Converting your NPS results into a dollar value is important because it helps develop those all-important actionable insights.

There are two problems that a revenue-associated NPS solves:

1) We don't always know where to start.

Deciding which project to embark on can be tough. One way to prioritize improvements is by identifying which action will result in the highest return on investment (ROI). To do so, you need to understand the revenue impact of your NPS. Are you more likely to lose money on detractors? Or is the bigger opportunity hidden in your enthusiastic promoters?

2) We need to justify using resources to improve CX.

Every company has a limited budget. Determining how that money is spent is a careful balancing act. When CX teams can point to financial metrics and say "spending X would result in an increase of $Y" they are far more likely to receive the budget allocation they are looking for. Not only that, but it's also a more responsible way to spend money.

"Instead of going by gut instinct, use the hard numbers to decide what projects will be more profitable and more likely to grow your business in the long term."

Here are the six steps towards connecting your NPS data with financial returns.

Step 1: Measure your NPS

The first step to understanding the revenue impact of your NPS is to measure it - correctly. In order to use your survey responses for further calculation, you'll need to know which account each response is coming from.

If you're surveying customers over email, you can likely trace their email back to their customer account and purchase history. If you're using another channel, you may need to ask customers to provide their account information or self-identify their plan type. Whatever method you are using, anonymous NPS surveys are not helpful.

Secondly, you'll need to be asking the right follow-up questions. Once you've calculated the dollar value of your NPS results, this information will be invaluable to understanding your next steps.

Step 2: Calculate your customer's ARPU (or other metrics)

Decide which financial metric is most appropriate for your company. For many, the average revenue per user (ARPU) makes the most sense. However, you may also consider monthly recurring revenue (MRR), gross margin per customer, or lifetime value (LTV).

For each customer who has responded to the survey, map their response to their ARPU. This is easier if your survey tool is connected to a CRM that stores demographic and operational data on your customer. Having the context for each customer's past behavior attached to their NPS response makes calculations a breeze.

Step 3: Check your customer's behavior

It's a commonly accepted assumption that your detractors will likely churn within the next 90 days, passives will churn within the next 180 day and promoters are more likely to repurchase or even recommend your services to their friends and family.

If you like, you can simply continue this assumption and calculate the overall revenue that is at risk for the next 90 and 180 days (and the potential revenue available from expansion or referrals).

However, if you have historical data available, you can check these assumptions for your own customers. Perhaps detractors don't actually churn that often. Maybe passives are more likely to upgrade than promoters.

Whichever approach you'd like to take, state your assumptions so anyone who uses the data understands what they are looking at.

Step 4: Bucket your detractors, passives, and promoters

Instead of calculating an overall value for your calculated NPS score, it's best to calculate each bucket of customers individually.

Why? Because you'll have a very different result depending on the distribution of your high-value customers.Consider the following two scenarios:

Business 1: NPS of 27

Business	MRR	NPS	Bucket
Enterprise A	$2000	4	Detractor
Customer B	$10	9	Promoter
Customer C	$100	7	Passive
Enterprise D	$5000	3	Detractor
Customer E	$50	10	Promoter
Customer F	$20	8	Promoter

Result: 50% Promoters - 33% Detractors = NPS of 27.

However, their only detractors are Enterprise customers with a combined MRR of $7000 (a substantial part of their $7180 MRR). While their NPS would be considered a fairly average score, they are in serious trouble if they ignore the revenue that's at risk.

Business 2: NPS of 27

Result: 50% Promoters - 33% Detractors = NPS of 27

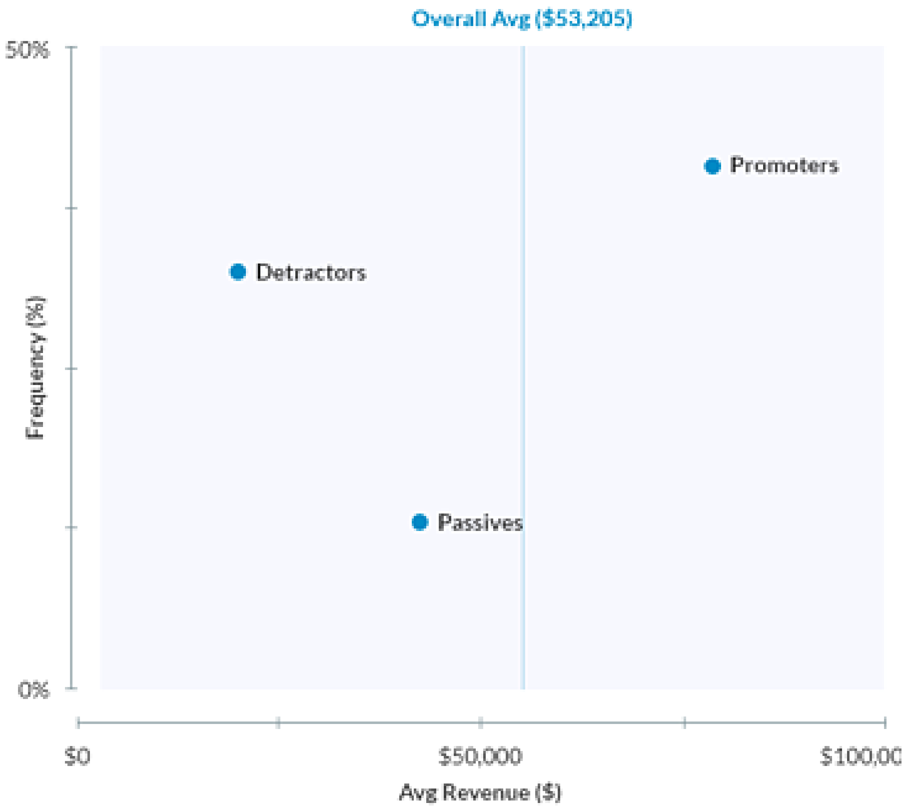
This business has the same NPS as the other company. However, they are in much better shape as $7000 MRR (out of their $7180 total) comes from Promoters. If they made big changes to appease their Detractors, they may be at risk of disappointing their top clients (who are currently quite happy!)

Business	MRR	NPS	Bucket
Enterprise A	$2000	9	Promoter
Customer B	$10	8	Passive
Customer C	$100	10	Promoter
Enterprise D	$5000	9	Promoter
Customer E	$50	2	Detractor
Customer F	$20	1	Detractor

Step 5: Calculate at-risk and potential revenue

Using your assumptions, calculate the total revenue represented by each category.

Your dashboard might look something like the following:



Keep in mind that this only represents the revenue associated with customers who have responded to your survey. Depending on your survey response rate, you may have a large number of clients unaccounted for - which is dangerous to make assumptions on. To increase your overall data set, keep surveying customers periodically through different channels (email, SMS and in-app).

Step 6: Use this data to help make decisions

Now comes the fun part: action!

Dig deep into each bucket of your NPS results to understand what drives each customer's response. What could you do differently to improve their responses in the future?

Questions to ask:

- What would be the financial impact of moving X% of our detractors to passives?
- Which bucket represents the biggest opportunity for us to focus on?
- How can we validate or improve on our assumptions?

Many of these questions can be answered using text analytics. Uncovering the underlying themes hidden within customers' qualitative responses and combining this with your quantitative data will help you decide what to focus on first.

5 strategies to translate a customer-centric culture into revenue

We've already covered the rise of the 'introverted company' - the idea that organizations are more inward looking, surveying and understanding their customers at-scale to find competitive advantage. They're doing this because markets are becoming increasingly competitive and they recognize their customer data they already have in-house is a goldmine for insights.

One way Insights teams can support the revenue-accountability revolution is helping to get buy-in across the entire organization for CX.

In this final section, let's explore 5 strategies for communicating the benefits of having a CX-centric culture into a language that everyone in your company speaks and understands: **money**.

Strategy 1: Demonstrate the impact on lifetime value

Customer loyalty is built via trust—oftentimes through the hard work of the customer-facing experience teams within your company. It takes time, resources, and clever branding from your marketing team for people to grow loyal to your company and become emotionally invested in your brand. Funnily enough, customers are extremely receptive to becoming emotionally invested. Most consumers nowadays want to feel aligned with the brands that they purchase from.

Due to heavy market saturation for most products and services, the modern customer looks for a brand with ethics and philosophies that align closely to what the customer themselves value and may switch to another product if they find that they're not aligned with the brand. A customer-centric culture is the only environment that promotes this type of emotional connection.

But, how do you measure this loyalty and emotional bond so that someone on your sales team more readily "buys into it" and understands what you're talking about?

How to take action

Talk to them about lifetime value. Consumers with an emotional connection to a brand have a 306% higher lifetime value, stay with a brand for an average of 5.1 years vs. 3.4 years, and will recommend brands at a much higher rate (71% vs. 45%) (source: Clarus Commerce). By focusing on the values of the people using your product, you heighten their value to your company exponentially.

Strategy 2: Communicate the reduction in customer acquisition cost

Customer acquisition cost (CAC) is a metric that a customer-centric company may reap the most benefit from: it is significantly less expensive to retain an existing customer than to acquire a new one. In fact, just a 2% increase in customer retention can lower costs by as much as 10%.

While retention can certainly be improved with continuous product updates and changes, customer experience is one of the best levers to pull to make an almost-immediate impact. By focusing on leveling up your support and success offerings, both proactive (things like documentation and email reach outs) and reactive (responses to incoming support inquiries), you ensure that the customer has an excellent experience even when they are at their most vulnerable and frustrated. An angry customer is one of your best opportunities: if you can win them over there, you are building customer loyalty for life. Another behavior that loyal customers often display, beyond being super sticky, is talk about products and brands that they are loyal to with their friends and family. In fact, 60% of customers will share about an experience they had with a company that they love. Consider how many of your customers have the potential to become vocal advocates right now, based on the experience that you are providing them.

What would that additional boost look like in tandem to the marketing outreach your company is currently doing to acquire new users or customers? As you create loyal customers, you lower CAC by maintaining the customers you already have and saving yourself money on new acquisitions through customer word of mouth.

How to take action

By communicating the impact that each delighted customer could have on your organization, even the most revenue-focused employee might start bending over backwards to create wow moments.

Strategy 3: Demonstrate valuable product insights

There's a reason that user testing is becoming a more and more valuable service to up-and-coming companies—there's no one who is better positioned to tell you about where your product rocks and lacks than the people using it everyday. However, wouldn't it be great if you could get real, in-depth customer feedback without having to pay for user testing? Further, wouldn't it be excellent if getting that feedback and acting on it helped to keep the flywheel of customer loyalty flowing? Good news! It does.

90% of customers who feel high levels of trust and loyalty to a brand are significantly more likely to provide feedback in the form of numerical ratings on that brand, and 70% are willing to share detailed commentary (read: open-ended feedback) about their experiences. The important distinction here is that these loyal customers feel invested in your product and what you are offering—their insights will likely reflect both constructive and positive aspects of feedback and be detailed enough that you can either take action on them or respond. By taking the time to engage with customers about their product feedback, you create even more loyalty by making them feel seen and heard.

How to take action

Using direct insights to make your product better and increase loyalty is an excellent way to improve revenue drawn from both new and existing customers.

Strategy 4: Boost monthly & annual recurring revenue

For SaaS companies, two related business metrics that are relevant and important across all departments are monthly recurring revenue (MRR) and annual recurring revenue (ARR). While we often talk in terms of CSAT, NPS and sometimes churn, MRR and ARR are just as heavily affected by having a customer-centric culture as they are by other efforts. In fact, customers that are loyal and continue to support your brand over time will spend 67% more than new customers you've just acquired.

For the retail industry, growth looks different with an emphasis on margin and profitability. You might have high turnover but your margins are tight. The cost of not delivering the experience shoppers expect will inevitably hurt your growth. Banking is another industry where insights teams can thrive. Growth will come from retaining customers and preventing churn over to competitors.

In a highly competitive banking industry, rivals will compete to offer commission bonuses to consumers in addition to brokers to sweeten the deal. When addressing the concerns of your customers and delivering the seamless experience they expect, you can put the brakes on churn over to competitors.

As you can see with the above three examples, Insights can align on almost any metric provided it supports growth in one of three areas (revenue, margin or retention). This is the essence of revenue-accountable Insights.

Strategy 5: Help identify the perfect customers

Creating a customer-centric culture means that everyone within the company will be closer to customer needs and wants, and thus better able to advocate for and act on them when the time comes. Having your finger on the pulse and a more holistic view of every customer helps your organization to identify opportunities for growth as well as customer types that might not be the best fit.

Generating this knowledge allows internal teams such as marketing and sales to go after ideal-fit customers that, in the long run, will be more loyal and easier to retain. If you help these customers make the right choice for a product or service that will be the best fit for them, you'll earn yourself a loyal non-customer who will advocate for your brand despite not moving forward with using it.

How to take action

Armed with this knowledge, build programs that directly connect decision-makers with customers. From all-hands support days to arranging customer interviews, anything that helps marketing teams do their job better will be an easy sell.

Shifting the focus to revenue-accountability

Revenue-accountability is simply a mindset shift for Insights leaders and teams. When you focus on the metrics executives care about the most, you're making it easier for those people in your organization to make decisions.

Here are some important takeaways for Insights teams wanting to support CX with revenue-accountability:

1. Understand what CX means financially to the business. Know how to calculate ROI.
2. Understand what growth metric is most important to your organization (it's possible to have more than one or indeed or all three).
3. Quantify the impact a key metric has on that growth metric (for example, if customer loyalty is important for growth, what is every 1 NPS point worth in dollar terms?)
4. Identify behavior drivers for each CX initiative by understanding customer feedback at-scale

Connect the dots between a CX initiative, the drivers behind it and how it's impacting your organization's growth metric.

This approach has a few advantages:

1. Executives have an easier time understanding the specific experience their customers actually want.
2. It's easier to measure the success of each individual CX initiative and make reliable, accurate decisions around whether to invest more, scale down or completely eliminate each one.
3. You build trust, respect and buy-in from across all departments in your organization. This helps Insights build strong, long-term relationships with these departments and helps you to access siloed customer data. This in turn helps you produce deeper, more contextual reports to those departments that build trust, credibility and so on. It's a virtuous cycle!

Supercharge your customer insights

The traditional approach to uncovering customer insights is outdated, expensive and inefficient. Kapiche is a new way to bring together customer data from any source, for deep, contextual insights into your customers.