

15 CUSTOMER EXPERIENCE FACTOIDS



Interesting data snippets from Temkin Group's 2015 research

1 Customer Experience Correlates With Revenues



The correlation between the Temkin Experience Ratings and the likelihood-to-repurchase is very high across 293 companies ($r = .84$). Across 20 industries, a modest increase in customer experience can generate additional revenues over three years between \$472 million and \$824 million for every \$1 billion in annual revenue.

(ROI of Customer Experience, 2015)

3 Recovering After a Bad Experience Is Good Business

On average across 20 industries, between 22% and 57% of consumers spend less with a company after having a bad experience. When companies do a very good job recovering after a bad experience, consumers are 63% less likely to lower their spending and they are more than 13 times more likely to increase their spending than if the company does a very poor job recovering.

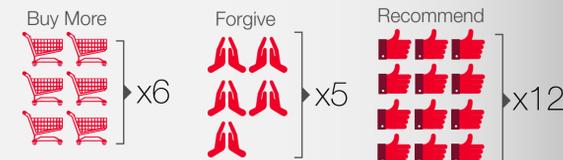
(What Happens After a Good or Bad Experience, 2015)

2 Customer Experience Needs More Emotion



Emotion is the strongest driver of loyalty, yet is the lowest-scoring component of the Temkin Experience Ratings. Compared with customers who have negative emotional experiences, those with positive emotional experiences are more than 6 times as likely to buy more, more than 12 times as likely to recommend the company, and more than 5 times as likely to forgive the company for a mistake.

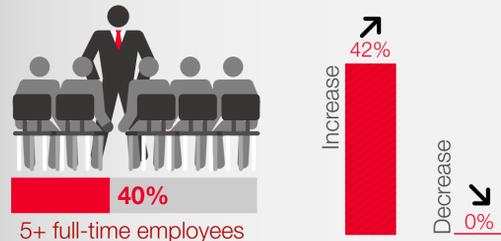
(Customer Experience Needs More Emotion (Infographic))



4 Customer Experience Remains a Critical Focus Area

Two-thirds of large companies expected their company to spend more on CX in 2015 than it did in 2014. 40% have more than five full-time employees on their centralized CX team, and 42% expected this number to increase, while none expected a decline.

(Data Snapshot: Customer Experience Expectations and Plans for 2015)



5 Customer Experience Is a Thriving Profession

98% of CX professionals believe that customer experience a great profession to be part of, and 90% are satisfied with the content of their job. The average annual compensation for CX professionals in large organizations ranges from \$92,000 for mid-level individual contributors to \$344,000 for CX executives.

(State of the CX Profession, 2015)



6 Consumer Expectations Outpace CX Improvements

For the first time in five years, a majority of industries' Temkin Experience Ratings declined. 14 of 19 industries dropped between 2014 and 2015.

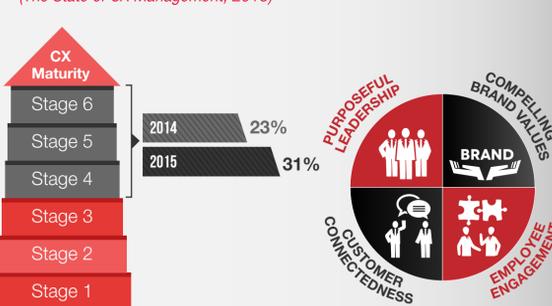
(2015 Temkin Experience Ratings)



7 CX Maturity Is Low, But on the Rise

31% of large companies have reached the highest three stages of customer experience maturity (out of six stages), an increase from 23% last year. However, the percentage in the top two levels of CX maturity remained at 10%. Average scores increased by at least 5 percentage-points for all four CX core competencies: Purposeful Leadership, Compelling Brand Values, Employee Engagement, and Customer Connectedness.

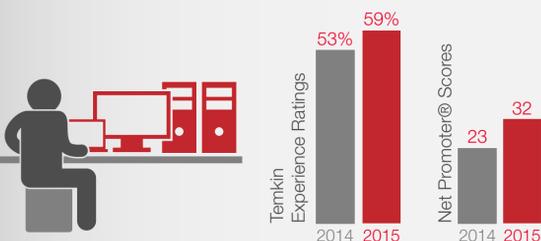
(The State of CX Management, 2015)



8 Tech Vendor B2B CX Is Improving

After declining for the past two years, the industry average Temkin Experience Ratings for tech vendors (based on feedback from IT decision makers in large organizations) increased from 53% in 2014 to 59% in 2015. The average Net Promoter® Scores also increased from 23 to 32.

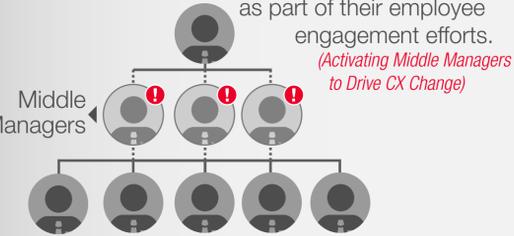
(2015 Temkin Experience Ratings of Tech Vendors)



10 Middle Managers Need More Attention

Inconsistent buy-in among middle managers is a significant obstacle to employee engagement efforts at 48% of large companies, making it the second most prevalent issue. Yet less than one-third of large organizations significantly focus on middle managers as part of their employee engagement efforts.

(Activating Middle Managers to Drive CX Change)



9 Engaged Employees are the Foundation of Great CX

Companies that outpace their competitors in CX have 50% more engaged employees than those with worse CX than their peers. Compared with disengaged employees, highly engaged employees are 3.3 times more likely to do something good for the company—even if its not expected of them—and 3.4 times more likely to make a recommendation about an improvement.

(Employee Engagement Benchmark Study, 2015)



12 Companies Collect, But Don't Act on, Customer Insights

67% of large companies rate themselves as being good at soliciting customer feedback, but only 26% rate themselves as being good about making changes based on the insights.

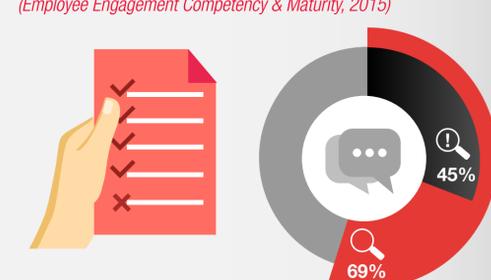
(State of VoC Programs, 2015)



11 Employee Feedback Is Not a High Priority

69% of large companies measure employee engagement at least annually, but only 45% of companies have executives that put a high priority on taking action on the results.

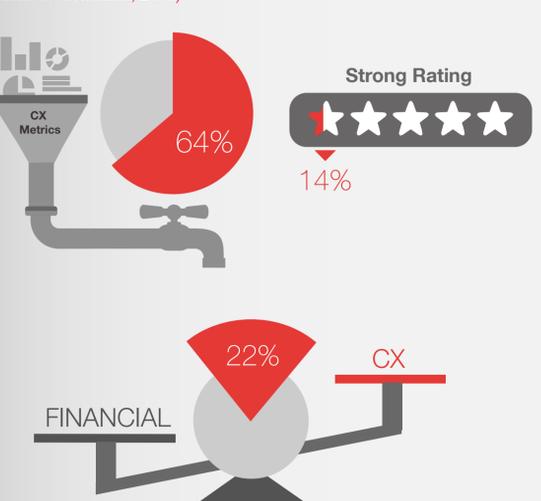
(Employee Engagement Competency & Maturity, 2015)



14 CX Metrics Are Being Shared, But Not Really Used

While 64% of respondents rate their company as good or very good at collecting and sharing CX metrics, only 22% gave themselves those high marks when it comes to making trade-offs between CX metrics and financial metrics. Only 14% of companies earned strong ratings in Temkin Group's assessment of their CX metrics programs.

(State of CX Metrics, 2015)



13 Unstructured Data Will Fuel Customer Insights

Looking ahead to the next three years, more than 70% of large companies believe that customer interaction history, contact center interactions, and open-ended verbatim will be more important sources of customer insight. Only 28% believe that multiple-choice surveys will be more important than they are today, and an almost equal amount believe they will become less important.

(State of VoC Programs, 2015)



15 Consumers Feel Less Financially Secure

The Temkin Well-Being Index (TWI) measures consumers' beliefs about being happy, healthy, and financially secure. After two years of increases, the TWI dropped slightly because of a decline in financial security. Females between 45- and 54-years-old feel the least financially secure.

(Temkin Well-Being Index Dips in 2015 for U.S. Consumers)

