The Bottom-Line Impact of Improving the Customer's Experience

- According to *Harvard Business Review*, The Employee-Customer Profit Chain, a 1.3% improvement in customer satisfaction scores results in .5% improvement in sales.

- The Profit Impact of Market Strategy found that companies who lead in service charge 9% more, gain 8% more market share, have 12x the profitability and 9% greater growth than poor service providers.

- A Bain & Company survey of 362 companies found only 8 percent of customers surveyed described their experience as superior. Yet, 80 percent of the companies surveyed believe that the service they provided was indeed superior. Bain found that only 22% of the world's major firms achieved a 5% growth rate over a ten-year period of time. Bain found that increasing customer loyalty drives growth. They show that a 12-point increase in the net promoter score doubles a company's growth rate.

- An ACSI study proved that the leading companies consistently outperformed the market by considerable margins. ACSI leading companies outperformed the Dow by 93%, the Fortune 500 by 20% and the NASDAQ by 335%.

In an article entitled "The Death of Cost-Cutting" that appeared in Smart Business magazine, James Lane and Hersh Chaturvedi point out that CEOs are realizing that there is a superior strategy for growing business other than cutting costs wherever possible. Price drives profits and superior customer service experiences drive price. Their survey found that businesses achieving a premium price are four times more likely to deliver a superior customer experience. A 5% increase in customer retention (highest customer loyalty); typically grow revenues at more than twice the rate of their competitors.

- Service Management Group, of Kansas City, who conducts over 28 million customer surveys a year, has discovered that businesses with higher customer satisfaction have higher comp sales growth. Having a loyal customer base drives top-line comp sales. Stores with the lowest "recommend scores" average comp store sales growth of 0.3 percent compared to those at the highest end of the range, which grow at an average of 4.0 percent.

- According to the Coke Study by Franklin Covey, customers of great-performing grocery stores talked about helpful and friendly employees when interviewed. They also identified as important things that were the result of employees who care—cleanliness, no waiting, items on the shelf. The research also shows that intensely loyal customers are rarely found in stores without committed employees. Intensely loyal customers are extremely valuable. Four key behaviors were identified in the customers with high repurchase rates: they continue to buy from you, they produce high referral rates, they have a propensity to expand the basket of things they purchase from you and, they have willingness to invest some of their time to help you succeed (in surveys).

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The research found great-performing managers focus on:

1. *Unleashing potential to generate maximum level of performance.*
2. *Encouraging each person's contribution to achieving the goal.*
3. *Helping everyone in the store make the corporate goals their own by sharing their vision and goals with their team.*
4. *Working together with employees to set clear short-term goals and measures for their team. Working together to arrive at new and better solutions.*
5. *Emphasizing the contribution people make to "moving the numbers."*
6. *Allowing a lot of autonomy, yet the employees know the manager has authority.*
7. *Allowing department managers to calculate their own numbers – like forecasted sales, labor hours, and shrink – with help from peers in weekly management meetings. This ensures they all know the "how and why" of the numbers.*

- The Jackson ROI Study found that companies with more formal recognition programs outperformed their counterparts 8.7% ROE to 2.4%. (166 companies involved, 220,000 employees)

- In the book, *The Carrot Principle*, the authors show evidence that companies with high employee satisfaction had 20% higher customer satisfaction ratings and that companies with highly engaged employees had 22% higher customer satisfaction ratings.

- In the Gallup Great Workplace Study of 5,000,000 employees, Gallup identified that an increase in recognition and praise leads to:
    1. *Lower turnover*
    2. *Higher customer loyalty and satisfaction*
    3. *Higher overall productivity*

I share this research to unequivocally show that improving the customer experience process will drive sales growth and profitability. To do this it takes leadership engagement which leads to employee engagement which creates better customer engagement and loyalty. Contact us to learn how create consistent and sustainable results.

About Rick Conlow

I've been in your shoes; I was a manager just like you may be now. I wanted to succeed just like everyone. I wanted to make a difference. Two of the companies I worked for believed in training, with this opportunity I attended over 100 training programs and conferences in a little over fifteen years. My results improved and I moved from teaching and selling to executive, with six promotions. Eventually, I founded Rick Conlow International. Collaborating with over 200 fine companies and thousands of managers we achieved:

- *48 quality service awards including JD Power, Ford's President Award, and Canada's Consumers Choice Award.*
- *Record-breaking sales year after year: 30%, 48%, 52%,75%, 122%, and 212% gains.*
- *15-20 points on CX surveys, NPS ratings 50-95%.*
- *12-19 points on EX surveys, eNPS ratings 50-84%.*
- *Authored of 22 books, including the best seller, The 5 Dynamics of Servant Leadership and Superstar Leadership.*

Partner with us today!

POSITIVELY,

Rick Conlow

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