

Financial Linkage Case Study



Goal

Help the client make the most of its many opportunities to strengthen customer relationships in order to improve long-term profitability.

Study

The client interacts with a large number of customers at many locations in a wide variety of ways. To meet the challenge of (1) understanding the relative value and importance of each facet of its customers' diverse experiences and (2) devising a way to measure the effectiveness of the client's efforts at shaping customer behavior, we incorporated a broad array of data sources, everything from sales by store by region to employee behavior and tenure to customer satisfaction (of course).

Results

The findings of this complex study gave the client a comprehensive picture of its multifarious customer interactions. More importantly, it quantified how the quality of different kinds of customer experiences affect customer satisfaction and loyalty and thus future purchases and sales. The client was impressed with the importance of presenting a uniformly excellent experience. Customers highly satisfied across the board spend much more over the following weeks than those less satisfied. The cost of a single negative experience amidst numerous positive ones can cut satisfaction by more than one-half. The single biggest determinant of customer satisfaction turned out to be employee conduct. As a result, the client now works to ensure its employees are active, informed, and ever-helpful by training them to prevent problems from arising and resolve them rapidly if and when they do.

Comment

It is worth mentioning another study for another client that also assessed employee performance. Here we found that customer satisfaction was strongly affected by employee loyalty. The client implemented a modest training program for its customer service associates, and over the next three years, employee satisfaction rose 8% and customer satisfaction 11% (compared to 2% industry-wide). In light of the additional finding that a 10% increase in customer satisfaction would increase the client's revenue by 5% the following year, the simple expedient of elevating employee loyalty provided a powerful way to increase sales at little additional expense.

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About CFI Group (www.cfigroup.com)

CFI Group is a global leader in providing customer feedback insights through analytics. CFI Group provides a technology platform that leverages the science of the American Customer Satisfaction Index (ACSI). This platform continuously measures the customer experience across multiple channels, benchmarks performance, and prioritizes improvements for maximum impact.

Founded in 1988 and headquartered in Ann Arbor, Michigan, CFI Group serves global clients from a network of offices worldwide. Our clients span a variety of industries, including financial services, hospitality, manufacturing, telecom, retail and government. Regardless of your industry, we can put the power of our technology and the science of the ACSI methodology to work for you.