

Whitepaper

# Measuring and Increasing the ROI of Customer Experience



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# Executive Summary

Experienced leaders instinctively know that delivering a brilliant customer experience is valuable. But in many boardrooms, instinct isn't enough. Competing projects with simple cost-saving numbers often win out over customer experience initiatives.

This whitepaper outlines how to calculate the **Return on Investment (ROI) of customer experience**, overcome common objections, and design programmes that deliver measurable financial returns. It also provides practical advice on increasing ROI and presenting it convincingly to stakeholders.

“ ROI doesn't come from measurement.  
It comes from action. ”





## Why ROI of Customer Experience Matters

Customer experience can feel like an obvious priority. Poor experiences drive churn, lost revenue, and reputational damage. Great experiences, by contrast, fuel growth, referrals, and loyalty.

**£75BI**

are lost annually from poor CX.

**80%**

of customers will switch after more than one bad experience.

**53%**

of businesses believe they offer good CX, but only

**15%**

of customers agree.

Companies with average CSAT grew

**8.1%**

while those just one point above average grew

**17.6%**



# Why ROI Calculation Is Essential

Despite the evidence, customer experience initiatives are often questioned. ROI calculations are the way to **prove their value in financial terms**, shifting debates from “opinion vs opinion” to facts and numbers.

ROI also allows leaders to compete fairly for budget against projects framed around cost-cutting. When CX is shown to directly retain customers, grow revenue, and improve efficiency, it stops being “a nice to have” and becomes a **core driver of business success**.



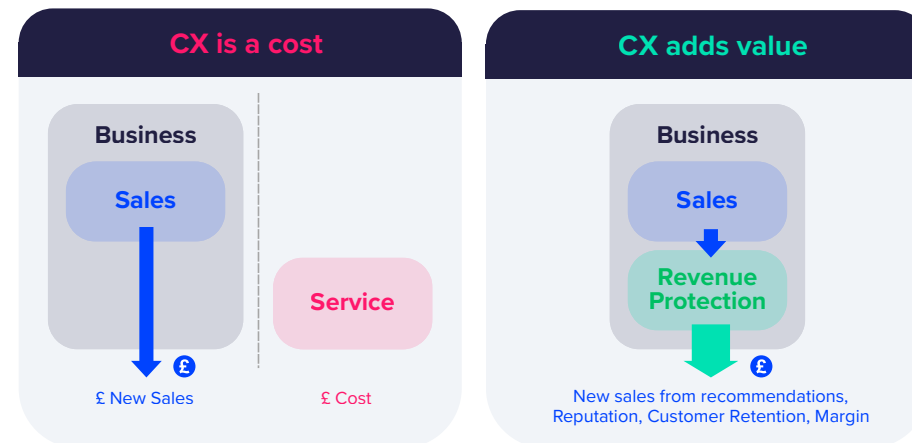
# Common Objections to CX Investment

## Objection 1: “Customer service is a cost.”

Cost-cutting projects often dominate because their benefits are simple to quantify. But treating CX as just a cost misses its role in:

- Winning new sales through recommendations
- Strengthening reputation
- Retaining profitable customers
- Justifying premium pricing

Here’s an unclear vs clear contribution of CX:



# Common Objections to CX Investment

## Objection 2: “Customers hate satisfaction surveys.”

The truth is: **customers only hate bad surveys.**

Checklist of what makes surveys bad:

- Wrong timing
- Too many questions
- Too long to complete
- Poorly worded or irrelevant
- No follow-up
- Incessant reminders
- No benefit to the customer

“ Customers don’t hate surveys.  
They hate bad surveys. ”





# Calculating the ROI of Customer Experience

## Definition and Formula

ROI is how much profit is generated relative to the cost of an investment.

$$\text{ROI} = \frac{(\text{Financial Value} - \text{Project Cost}) \times 100\%}{\text{Project Cost}}$$

The principle is simple: any investment must return more than it costs, and the more the better.





# Calculating the ROI of Customer Experience

## Definition and Formula

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$$\text{ROI} = \frac{(\text{Financial Value} - \text{Project Cost})}{\text{Project Cost}} \times 100\%$$

Lower project cost = Higher ROI

Discover more on the following page

The principle is simple: any investment must return more than it costs, and the more the better.

# Calculating the ROI of Customer Experience

## Financial Value of CX

ROI comes from both value added and costs saved:

### Value Added:

- New customers referred by word of mouth
- Customers attracted via strong reputation/reviews
- Ability to charge premium prices
- Retention (customers saved)
- Growth in cross-sell and up-sell

### Costs Saved:

- Reduced firefighting (fewer complaints)
- Lower compensation/reputation costs
- More efficient processes
- Fewer systems or headcount requirements

## Case Example

“One Customer Experience Director avoided significant churn simply by following up swiftly on at-risk customers, adding £1m recurring revenue to the bottom line.” - Guy Letts



## ROI by Design – Or No ROI

ROI doesn't come from measurement alone. A survey in isolation rarely delivers financial return. To succeed, programmes must be designed from the ground up to generate ROI.

“ It's follow-up processes, not measurement, that deliver ROI. ”

# ROI by Design – Or No ROI

## Principles of ROI by Design

- Follow-up is critical. Measurement without corrective action delivers no value.
- Design follow-up processes with clear roles, responsibilities, and procedures.
- Ask: If a customer gave negative feedback or suggested a good improvement, what exactly happens next? Who responds? How effectively? How quickly?







# How to Increase ROI

## Checklist:

- ✓ **Act fast on negative feedback** – turn service recovery into saved revenue.
- ✓ **Identify systemic improvements** – feedback highlights friction points; fixing them improves CX and reduces cost.
- ✓ **Target premium customers** – those willing to pay for better service-stay longer and are less price-sensitive. But you must deliver.
- ✓ **Measure new things** – retention numbers, referrals, lost sales analysis, value of saved accounts.

# Presenting ROI to Stakeholders

## How to Win the Argument

When presenting, remember you're competing with cost-saving projects that seem simpler. To win:



Communicate how feedback improves customer sentiment, not just performance metrics.



Stress that scores are not the goal; outcomes are. Everyone wants a 10, but low scores are often more valuable because they highlight risks and opportunities.



Set targets for real outcomes: fewer lost customers, faster resolution of issues, more referrals.



Show how a CX programme and platform help each department succeed. It's not "another initiative," it's a tool to do their jobs better.



Share customer comments directly. Hearing customers in their own words engages even the most sceptical teams.

“

Never set targets for satisfaction scores – it always leads to gaming the numbers. Set targets for fewer lost customers, faster resolution, and more referrals.

”

## Conclusion

ROI of customer experience isn't a mystery. With a clear calculation model, designed follow-up processes, and stakeholder-ready presentation, organisations can prove and increase the financial return of their CX investments.

**Measure + Act = ROI**

Leaders who embed purposeful VoC programmes into their operations not only secure budgets but build stronger businesses: more loyal customers, better reputations, and higher growth.

## About CustomerSure

CustomerSure helps organisations capture, act on, and evidence the impact of customer feedback.

Our software is designed to turn insights into improvements that boost ROI.



 **customer  
sure**



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