Why ROX is more important than ROI

As can be seen in PwC's 2018 report Experience is everything: Here's how to get it right, if you give customers a great experience they will buy more, be more loyal and share with their friends the positive experience they had with your company.

The biggest challenge executives face when embarking on a customer experience (CX) improvement programme is the uneasy tension between short-term results and the long-term nature of customer experience investment returns. Proactively investing in customer experience earns trust, which in turn leads to more business. But to reap the benefits of your CX initiatives requires investing in the short term and seeing the cost impact, while only expecting the rewards in the future.

Rest-assured that the long-term view will eventually balance the interest of shareholders and customers, but staying true to your CX vision requires leadership commitment and buy-in, lest your customers see your intentions as a fad, and not authentic, which will reverse any benefits you would have created.

The success of a company like Amazon in using the customer centric approach to create deep trust with consumers by always doing right by them can give the impression that this is something every business could, and should, easily be doing. The harder part is understanding that this apparent overnight success actually came about after many years of investing in customer experience and being questioned by shareholders for not focusing more on the bottom line.

As business leaders we need a new way to measure our investment, which goes beyond return on investment (ROI). This is why the time to introduce return on experience (ROX) into our corporate landscapes has arrived.

What does this mean? As can be seen in the **2019 PwCGlobal Consumer Insights Report**, it means shifting from measuring your return on advertising spend, investment in technology and cost savings from shared service centres to measuring the return on customer and employee experience initiatives.

The PwC ROX framework focuses on those employee and customer interactions that need shoring up and aligns all your resources from technology, business processes and performance metrics behind core business capabilities you need to deliver exceptional experiences. A ROX framework focuses on driving a few habitual behaviors that will make a lasting impact on your customer experience and finding a way to measure the key experience metrics that show you are on the path to success.

To get this right you have to think beyond the business unit silos using an outside-in, customer centric view. You need to plot your customer journey from awareness to loyalty and map that expectation back to your core business processes, capabilities and technology enablers. Understanding the interaction points between your business and the consumer, removing friction from the interactions and finding ways to make doing business simpler and faster will help you create a richer, yet less noticeable customer experience. Because that is what our customers expect of us - efficient and invisible service that makes doing business easy. They want us as business leaders to spend time thinking about what they need from us, and then find ways to make it convenient in a channel of their choice and get it done with one request, not multiple requests and follow ups.

Why does this matter, you may ask? As can be seen in PwC's 2018 report Experience is everything: Here's how to get it right, if you give customers a great experience they will buy more, be more loyal and share with their friends the positive experience they had with your company.

The report highlights a few key take-aways:
The price premium is real -and its big deal

The payoffs for valued, great experiences are tangible: up to a 16% price premium on products and services, plus increased loyalty.

Bad experience is driving customers away—fast.

You won't have many chances to get it right. One in three consumers (32%) say they will walk away from a brand they love after just one bad experience.

Companies need to get the must-dos right

Speed, convenience, helpful employees and friendly service matter most, each hitting over 70% in importance to consumers. Those who get it right prioritise technologies that foster or provide these benefits over adopting technology for the sake of being cutting edge.

The employee experience is the corner stone

Human interaction matters now—74% of consumers want more of it in the future. Regardless, the technology supporting human interaction must be seamless and unobtrusive across platforms.

Give up generational fixation

What matters most to all generations surveyed holds true for Gen Z, too. But what passes for speed and knowledge to Gen Z might be different. Instant is expected. Convenience—seamless transition from tablet to smartphone to desktop to human—is a baseline expectation.

Final words

Using the report take-aways as a guiding light, identifying the critical few behaviors you want to cultivate and investing in your employees, technology and key business capabilities, you can differentiate your business and win more in the market. With trust being a central theme that consumers expect, it's worth remembering that excellence in creating customer experiences is how you earn trust. Are you on the right path to generate return on experience or are you still measuring the wrong KPI's?

This piece by PwC South Africa's Quinton Pienaar was first published here https://www.pwc.co.za/en/publications/why-rox-is-more-important-than-roi.html

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