



Project Team
Michael Starr (MichaelS@Strativity.com)
Lior Arussy
Rachel Yurowitz
Michael Blackmire

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US Office: 365 West Passaic Street, Suite 255, Rochelle Park, NJ 07662, USA

Europe Office: No.1 Farnham Road, Guildford, Surrey GU2 4RG, England

www.Strativity.com info@Strativity.com



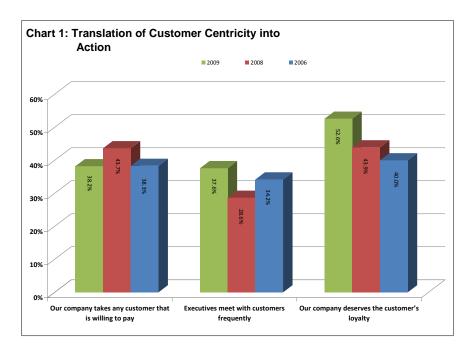


## Summary

Companies that invest 10% or more of their revenue in customer experience have lower attrition rates and higher referral rates and customer satisfaction scores than companies that invest less in customer experience.

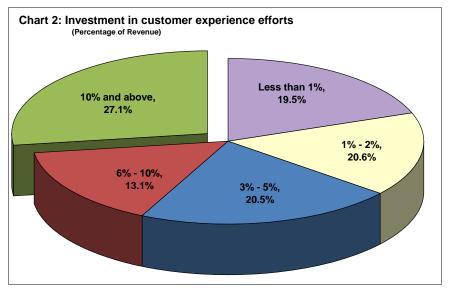
Customer experience strategies continue to be a more important part of organizations' agendas than in the past three years despite the current economic downturn, according to 80% of executives surveyed in Strativity Group's 2009 Customer Experience Management (CEM) Benchmark Study. Further, the consensus regarding the importance of customer experience as a business strategy is beginning to result in improvements in several key measures of customer focus as shown in Chart 1 below:

- Executives are more likely to visit customers than in the past
- Companies understand the need to focus on target customer segments and, as such, are less likely to take any customer that is willing to pay, despite the recession



Despite this overwhelming consensus, however, Chart 2 shows that almost 50% of executives surveyed report that their companies invest less than 2% of revenues on customer experience; in striking contrast, some companies are bucking this trend, even during this economic downturn. More than 20% of executives surveyed report that their companies invest 10% or more of their revenue on customer experience.

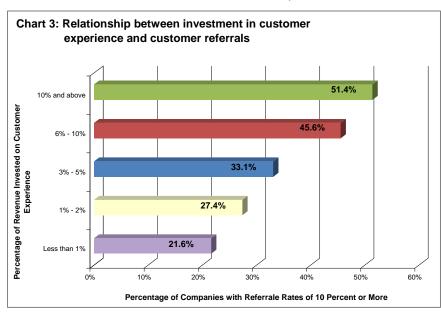




Further, while more than 50% of executives surveyed state that investments in customer experience have remained flat or declined over the past three years, 48% report that their companies have increased investments in customer experience over the past three years by 10% or more. In fact, 17% reported increasing investments by 20% or more during this time period. These actions indicate a clear commitment among leading companies to retain customer loyalty and not to succumb to a traditional price strategy.

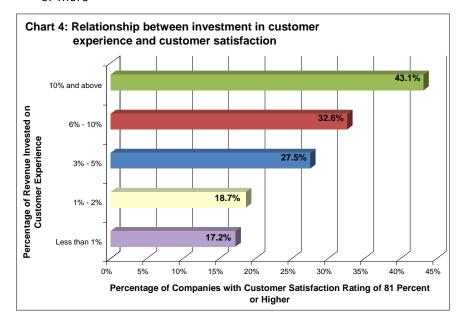
As a result, for the first time since Strativity's 2003 CEM Benchmark Study, slightly more than half of the executives surveyed believe that their company deserves their customers' loyalty.

The dividends for companies that have invested in customer experience are significant, as reported in Charts 3 and 4. The study indicates that, in contrast with their counterparts investing less than 2% of their revenues on customer experience, companies that invest 10% or more of their revenue in customer experience:





- Have significantly lower customer attrition rates
- Enjoy referral rates that are twice as high
- Are twice as likely to have customer satisfaction scores of 81% or more



Similarly, companies that have increased their investment in customer experience over the past three years report better satisfaction and attrition results than those that have decreased their investments during the same period. Specifically, companies that have increased their investment:

- Report satisfaction scores that are 60% higher
- Are 30% more likely to have attrition rates of 5% or less

The study demonstrates that some companies are electing not to fall into the traditional boom-and-bust cycle with their customers. These companies avoid the rollercoaster nature of the relationship during tough economic times and instead opt for continuing, and even increasing, investments in customer experience in order to both shore up any fluctuation in customer behaviors and set themselves up for success when the economy turns around. These smart companies will emerge stronger because they have demonstrated to their loyal customers that they respect their relationships during difficult times.



#### About the Study

This study, based on the responses of 869 corporate executives from North, South and Central Americas, Europe, Asia and Africa explores the complete journey of customer experience programs, including:

- Trends in customer demands
- Investment and planning decisions
- Brand and experience definition
- Allocation of resources and efforts
- Organizational alignment
- Drivers of the Economics of Customer Experience
- Customer Dialogue



The study holistically explores the commitment to customer experience as well as the execution it requires and the impact it delivers. As indicated by the study results, the impact of customer experience investments and strategies on corporate success is clear and measureable. The study provides a profile of successful companies and how they differ in their behaviors from other companies and offers recommendations for companies seeking to profit from transforming the experience they deliver at a time when it is more critical than ever to retain and grow relationships with existing customers and increase business at lower costs.



#### Survey & Research Methodology

The research was conducted via a structured, anonymous, on-line survey that was used for assessment and qualitative insight. 869 surveys were submitted by executives from North, Central and South Americas, Europe, Africa and Asia. The survey was conducted in English, Spanish and Portuguese from February 3, 2009 through May 4, 2009. Respondents were not compensated for their participation in the study. Participating companies represent a wide range of sizes and business types.

For more details about the Global Customer Experience Management Benchmark Study, please visit http://www.Strativity.com, email info@Strativity.com or call (201) 843-1315.

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The full report of the 2009 Global CEM Benchmark Study is available for \$595. To learn more about the full report or to purchase a copy, please contact Michael Starr at (201) 843-1315 ext. 1009 or michaels@strativity.com



#### **About Strativity Group**

Strativity Group, Inc. is a global customer experience research and consulting firm specializing in design, innovation and deployment of differentiating, profitable customer experiences. Utilizing a multidisciplinary methodology that includes diagnostics, consulting innovation, organizational readiness, employee education and communication we ensure successful execution and realization of the financial benefits. Our focus is very simple: successful execution of your customer experience strategy.

Strativity Group. Inc. works with both Global 2000 companies as well as emerging businesses around the world. Our clients include Nokia, Computer Associates, SAP, American Management Association, Seagate Technology, Honeywell, Siemens, Dimension Data, FedEx, CATIC, Circle K, University of Pennsylvania, The Fund, Capital One, Jacada, Wyeth, Sage, Herbalife, Akibia, National, Lockheed Martin, Crown Plaza Hotels & Resorts and Nordea.