4 Revenue KPIs to demonstrate ROI on your CX Programs

Chris Dunn Consulting

Revenue KPIs Support CX Metrics

Tracking standard CX success measurements such as NPS, CSAT, CES and Star Ratings help you understand whether your customers say they are becoming more satisfied and more loyal.

But you need to be sure that this increased satisfaction and advocacy is translating into higher revenue.

So, it's time to add revenue metrics to your CX dashboard.

Here are 4 revenue KPIs that correlate with improved customer success.

Chris Dunn Consulting

1. Attachment Rate (AR)

Attachment rate is the number of complementary products and/or services sold in addition to a primary product or service. For example, extended warranties added to the sale of a consumer electronics device.

If your attachment rates are high, your customers are likely to be happy with your primary product and open to purchase add-on products.

Sales, service and marketing teams then have the opportunity to make customers aware of the benefits of buying additional products and services and increase overall revenues and profits.

$$fx \quad \frac{\textit{Number of secondary products sold}}{\textit{Number of primary products sold}}$$

X 100%

2. Customer Retention Rate (CRR)

Customer retention rate (CRR) is the percentage of existing customers who remain customers after a given period.

Your customer retention rate is a measure of churn linked to the value that you offer to customers and the quality of the customer service that you provide.

Improvements in your product and service offerings and the customer experience that you deliver will translate into an increase in your customer retention rate.

[Number of customers at end of time period – Number of new customers acquired during time period]

Number of customers at beginning of time period

X 100%

3. Net Revenue Retention (NRR)

Net Revenue Retention (NRR) is the percentage of revenue retained from existing customers over a given time period.

Mainly used in subscription business models, NRR is measured on a monthly, quarterly or annual basis and tracks the amount of revenue lost as a result of customers reducing or ceasing their use of your products and/or services.

Improvements in your product and service offerings and the customer experience that you deliver will translate into an increase in your net revenue retention rate.

$$\frac{\left[\text{Revenue at start of time period + Expansion Revenue – Churn}\right]}{\text{Revenue at start of time period}} \times 100\%$$

**Expansion Revenue includes upgrades, cross sales and price increases. Churn includes downgrades, cancellations and non-renewals*

Chris Dunn Consulting

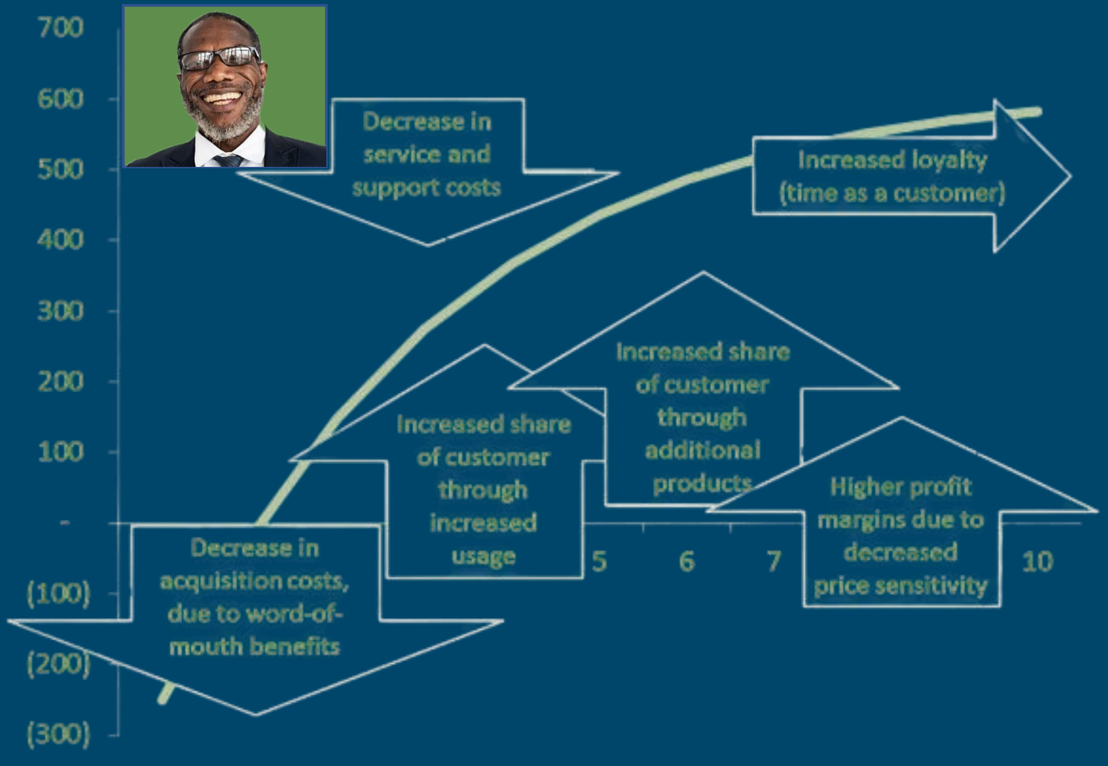
4. Customer Lifetime Value (CLTV)

Customer Lifetime Value (CLTV) tracks the revenue and profit that a company earns from an individual customer throughout the time that they buy products and services from you.

CLTV can be measured on an actual or predictive basis.

Excellent customer experience drives the overall value achieved throughout the customer life cycle as shown in the graphic opposite.

Increasing net promoter scores (NPS) often correlate with the potential for improved customer lifetime values.



Order Value
X
Order Frequency
X
Period of Time From First to Last Order

Looking To Drive Profitable Revenue Growth By Delivering Outstanding Customer Experience?

Contact Chris Dunn Consulting:

+44 7927 638711

enquiries@chrisdunnconsulting.co.uk

http://bit.ly/cdcbookonline

https://www.chrisdunnconsulting.co.uk