

# Marketing vs Customer Experience ROI

**Are you seeing and  
listening to your  
customers?**



Are you listening to your customers?

# What is a Marketing ROI versus Customer Experience ROI?

## MARKETING ROI

At the most basic level, Marketing ROI compares the amount of money you spend on a project with the amount of revenue you gain from it.



The Power of Numbers

# Is this all part of social listening, analysing and implementing changes?

## CUSTOMER EXPERIENCE ROI

Customer Experience ROI captures the idea of customer experience. While products cost a fixed amount, you can not measure customer experience, or can you?



The Power of Listening Tools

# MARKETING RETURN ON INVESTMENT:

Whenever you launch a new marketing campaign, you should test whether the cost of the project is helping or hurting your business.

The Marketing ROI goal varies from marketing strategy in your industry to various distribution channels, but the rule of thumb is to make more than a pound for every pound spent.



Goal

Look at the return from similar tactics you've tried in the past, as well as your current sales numbers. That information should help you create ROI benchmarks and goals that are realistic for your business.



Strategy

Paid Campaigns are easily measurable versus Content Marketing



Measurable

Content marketing can be tough to compare when purchases are not linked to Landing Pages.



Linking

Audience growth is tough to apportion to purchased goods.



Growth

# A FORMULA TO CONSIDER FOR ROI WOULD BE:

$$\left[ \frac{((\text{Number of leads} * \text{leads\_to\_customer\_rate} * \text{average\_sales\_price}) - \text{cost\_of\_ad\_spend})}{\text{cost\_of\_ad\_spend}} \right] * 100$$



**Number of leads**

\_\_\_\_\_

How many people converted to a lead?



**Lead\_to\_customer\_rate**

\_\_\_\_\_

What percentage of leads became a customer? If 15 out of 100 leads become a customer, your lead to customer rate would be 15% or 0.15.



**Average\_sales\_price**

\_\_\_\_\_

The average price of your product. An average can be helpful if you occasionally apply discounts or alter pricing in other ways.



**Cost\_of\_ad\_spend**

\_\_\_\_\_

How much did you spend on creating and promoting the marketing campaign? Here, you can factor in costs including ad spend, hourly wages of people who put time into the project, or costs related to producing content.

# Other non-financial elements to consider

These include follows or likes on social media, unexpected traffic to your website, or even a sense of increased trust from your customers.

While these things don't offer an immediate financial return, they might indirectly boost purchases or customer relationships later on.



The Power of the customer



## Customer Experience ROI:

Improves revenue growth because it helps marketing and customer service teams strategise and make key business decisions.

Measuring the voice of the customers and using machine learning has the ability to optimise customer experience

Customer feedback software helps businesses understand the voice of customers at scale which derives the customer experience metrics.



The Power of Marketing Analysis

# BEST PRACTICES OF MEASURING MARKETING ROI

When it comes to marketing, determining ROI can seem tricky. While more traditional PPC and social media ads can provide more specific rates of return, it can still be challenging to link hard revenue numbers to marketing content like videos and blogs.

The following factors can help you determine if your campaigns are really successful:

## 1 - Time



How much time did it take to create the marketing materials?

## 2 - Production Costs



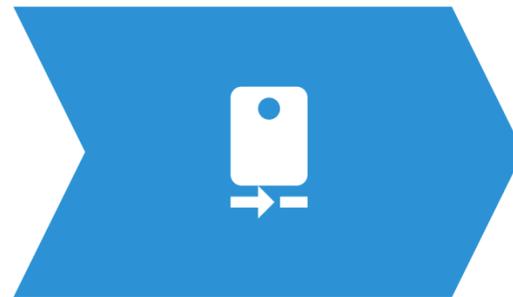
Track the total cost of supplies, services, and software needed to create the campaign.

## 3 - Promotional Costs



Did you spend anything for promotion? If so, add that to your total costs.

## 4 - Page Analytics



Use a tracking URL to determine if your content is driving traffic to your product's landing page.

## 5 - Non Financial Returns



Did you gain any social media engagement, unexpected traffic boosts, or other bonuses from your campaign? If so, this could still be helping your level of brand awareness.

# IDEAS WHEN MEASURING CUSTOMER EXPERIENCE ROI:

With Social Media Channels prevailing more and more, your Net Promoter Score is possibly your first immeasurable experience score. This being your word of mouth, referrals or bad reviews from friends or social media.

But what can be measured?



## 1 - Customer Lifetime Value

A projection of how much money a single customer will spend on your company's products. It's calculated by multiplying customer value by average customer lifespan.



## 2 - Churn Rate

Support costs are expenses that don't relate to production or manufacturing. This includes things like quality assurance and customer service programs.



## 3 - Average Transaction Size

Average transaction size is calculated by dividing the total revenue acquired during a given time by the total number of sales made during that same period. This gives you an idea of how your customers shop and which products they prefer most.



## 4 - Average Contract Value

This is calculated by dividing the total value of contracts you've signed during a period by the total number of new customers you've acquired.

From here, we can find trends within the data, so we know what makes one customer spend thousands, while another customer walks out the door.

Measuring metrics over time will certainly **uncover trends**, but without digging deeper, it's impossible to know what actions to take to improve overall performance.

# HOW TO IMPROVE YOUR ROI ON CUSTOMER EXPERIENCE

Here are some steps you can take to better understand your customers and generate a stronger return from your customer experience program.

## 1 -Segment your customer base.

To better understand the customers you work with, it helps to categorise them into groups based on their personal characteristics and behaviours. Not every customer acts the same and identifying different buyer personas can help you uncover opportunities to increase revenue.



## 3 -Look for historical trends.

Once you've gathered a significant amount of data, look for patterns that outline what has worked or hasn't worked in the past. Looking at data through this lens can help you compare your customer experience program against the metrics that you're measuring. You'll have a better idea of what initiatives are working and where you can make changes for a greater return.

## 2 - Use text analytics to review qualitative data.

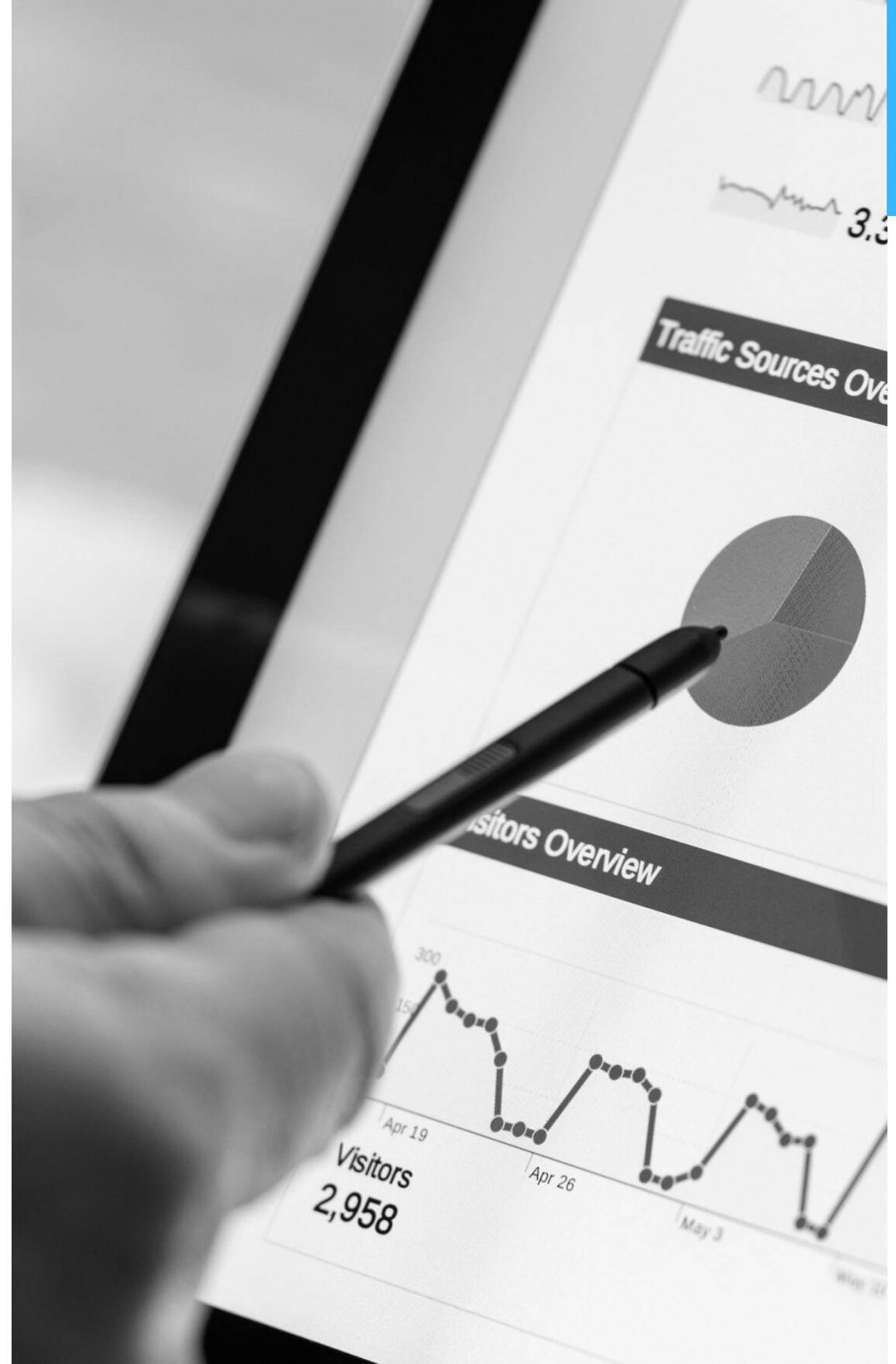
Text analytics software can analyse qualitative data from survey responses, customer conversations, online reviews, social media conversations, and more. This technology helps you process tons of valuable information without having to personally review each piece of customer feedback.

## 4 - Identify opportunities that will yield the most impact.

Looking for a specific buyer persona or group where you can make a significant impact on their customer experience. Look at the initiatives you've launched in the past that have been successful with similar audiences. Use quantitative data to measure financial success and qualitative data to personalise your next initiative for your new target persona.

## CONCLUSION:

The key to calculating customer experience ROI is to **connect metrics** that you already measure to the Marketing metrics listed. By **comparing that contextual information with customer feedback**, you can better understand whether or not your ROI is going to be profitable.



The Power of ROI

# SOLUTION ACTIVATION

Contact us at  
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Are you listening to your customers?

