

The economic impact of Pobuca Experience Cloud:

Business benefits and cost savings enabled
by Pobuca and Dynamics 365



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Pick any industry:

Chances are, customer experience (CX) is a top priority for most businesses, but only a few effectively measure the impact of their actions. The importance of customer experience management in building brand loyalty and understanding customers cannot be understated, but you also want your actions to increase revenue. If you're not seeing returns from your CX and loyalty investments, it simply isn't working for you.

According to respondents from large enterprises, every \$1 spent on customer experience delivers a \$3 return¹. However, less than 2% of midsize and smaller businesses know where they stand with their CX and loyalty investments in terms of profitability.

At Pobuca, we want to change the game and help you calculate your Return on Investment (ROI) when using the Pobuca Experience Cloud. **Pobuca Analytics offers a compass metric** to gauge your digital customer experience investments and calculate their impact on revenue and profitability. We analyse ROI in four focus areas: customer engagement, loyalty program, customer service, and employee experience.

¹ [A Vanson Bourne research](#) for Avanade & Sitecore, 2018



1

Customer engagement:

Engage customers with personalised campaigns and increase their average spending

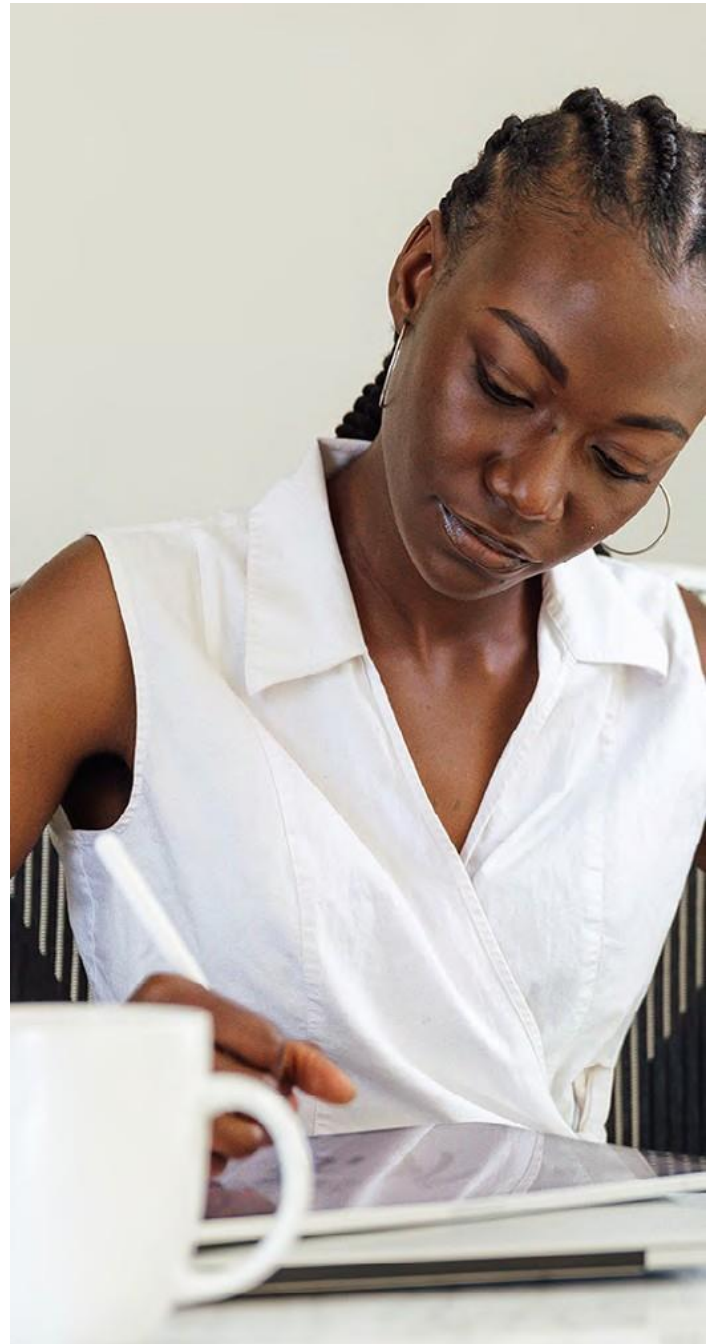


To succeed in customer engagement, it's crucial to have a deep understanding of your customers. This means creating a full 360-degree view of your customers by combining transactional, marketing and Voice of Customer data. Transactional data includes purchases and loyalty redemptions, while marketing data includes responses to campaigns and social media interactions. Voice of Customer data refers to what customers say when communicating with your customer service team.

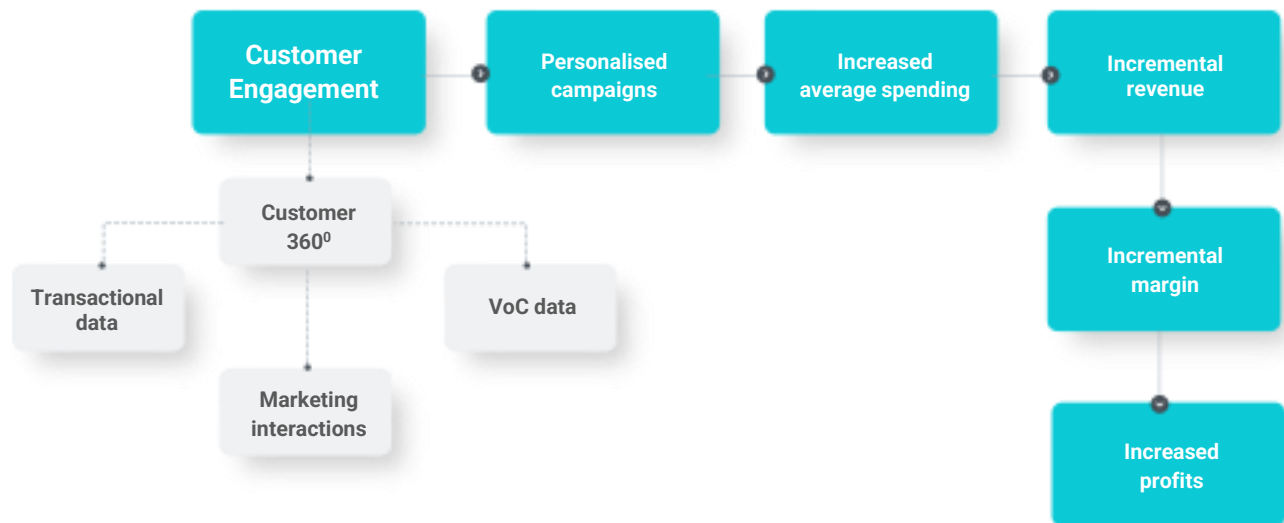
In addition to understanding your customers, it's important to create meaningful content that resonates with them. This involves addressing their problems, motivations, and aspirations, and providing solutions that can help them achieve their goals.

To maximize the effectiveness of your customer engagement efforts, retargeting programs can be used to remind customers of your products and services and encourage them to complete their purchases.

Finally, an omni-channel campaign tool that leverages AI can help personalise your communication, segment your audience, optimize your campaigns, and measure your results.



The customer engagement path to profitability



When customer engagement is combined with customer 360° it enables businesses to gain a deeper understanding of their customers, their behaviors and preferences. This information can be used to create personalized campaigns that effectively engage customers, leading to increased brand loyalty and revenue:

1. Personalized campaigns can help you tailor your marketing efforts to each individual customer's preferences and interests.
2. By doing this, you are more likely to offer them products or services that they are interested in, leading to a higher average spending per customer.
3. This increased average spending then translates into incremental revenue for your business.
4. As your revenue grows, without the costs growing proportionally, you can also increase your margin on each sale, resulting in incremental margin for your business.
5. Finally, by generating incremental revenue and margin, you are also increasing your profits over time, which is the ultimate goal of any successful business.

2 Loyalty program:

Reward customers for doing business with you, improve their retention rates, and increase profits and advocacy



Rewarding customers with a loyalty program is a crucial component of any successful customer engagement strategy. Not only does it increase revenue by incentivizing customers to make repeat purchases, but it also allows for targeted communication that can further enhance the customer experience.

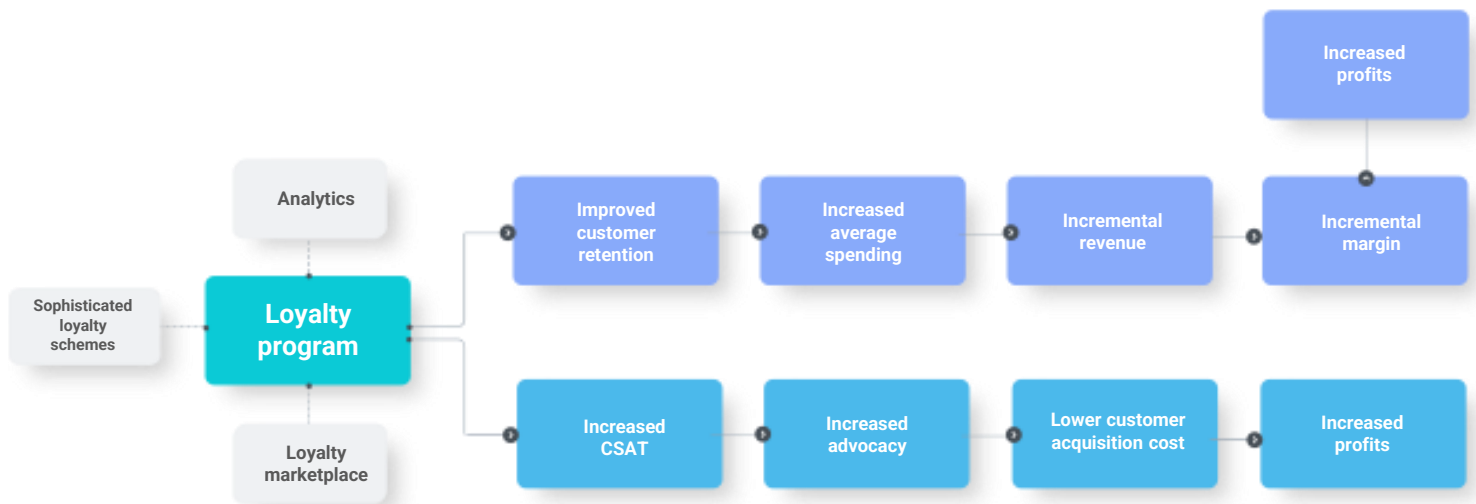
To ensure the success of your loyalty program, it's important to have loyalty analytics that can help you understand what you're doing well and where you should focus your attention. By analysing customer behavior and engagement with the loyalty program, you can make data-driven decisions that optimize the program's effectiveness.

In addition, offering sophisticated loyalty schemes that are customisable to your business's unique needs and preferences can further enhance the program's effectiveness. This means allowing customers to earn and redeem loyalty points in any structure and scheme that you like, tailoring the program to your brand and your customers' needs.

Finally, giving customers more selection and freedom in how they use their loyalty points can also drive engagement and advocacy. By joining a loyalty marketplace, customers can use their points for a variety of rewards and benefits, instead of letting them sit unused. This encourages ongoing participation and loyalty, ultimately leading to increased revenue and customer satisfaction.



The loyalty rewards program path to profitability



Companies across industries leverage loyalty programs to identify their most engaged customers, collect behavioral and preference data, and incentivize purchases. When customers feel rewarded for doing business with you through loyalty programs, it leads to improved customer retention and satisfaction:

Improved customer retention

1. Improved customer retention leads to customers who are more familiar with your products and services, and therefore more likely to spend more each time they do business with you.
2. Increased spending by loyal customers can lead to incremental revenue, as the more a customer spends, the more revenue your business earns.
3. Incremental revenue, in turn, can lead to incremental margin, as the costs of serving an existing customer are typically lower than those of acquiring a new one.
4. Increased margin, finally, can lead to increased profits, as the more margin your business earns, the more profit you can realize from each customer interaction.

Increased customer satisfaction

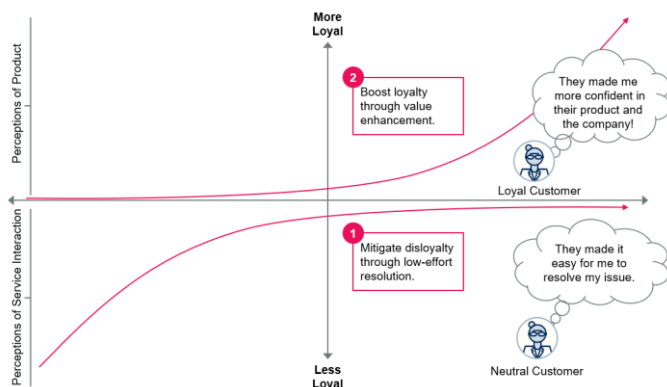
1. Increased customer satisfaction leads to positive word-of-mouth advertising and customer advocacy.
2. Advocacy leads to a larger pool of potential customers, who are more likely to make a purchase due to the trust and recommendation of their peers.
3. This reduces the cost of customer acquisition, as the marketing spend required to attract new customers is reduced.
4. With lower customer acquisition costs, the incremental revenue generated by new customers contributes more to the bottom line, leading to increased profits.

3 Customer service:

Reduce churn and increase loyalty by turning customer service into a value center



Providing great customer service is essential for any business looking to reduce churn. In addition to resolving issues and answering questions, great customer service should pay attention to the Value Enhancement Score (VES) metric²: By confirming the purchase and offering tips on how to better use the product, businesses can increase the perceived value of their products, leading to increased customer satisfaction and loyalty.



After migrating to an AI-powered Customer Service in the cloud, customer service professionals across the organizations are in a better position to deliver a seamless and efficient service experience that customers have come to expect. Handle times decrease as agents have access to the right information in a timely manner amid decreases in call volumes and service requests.



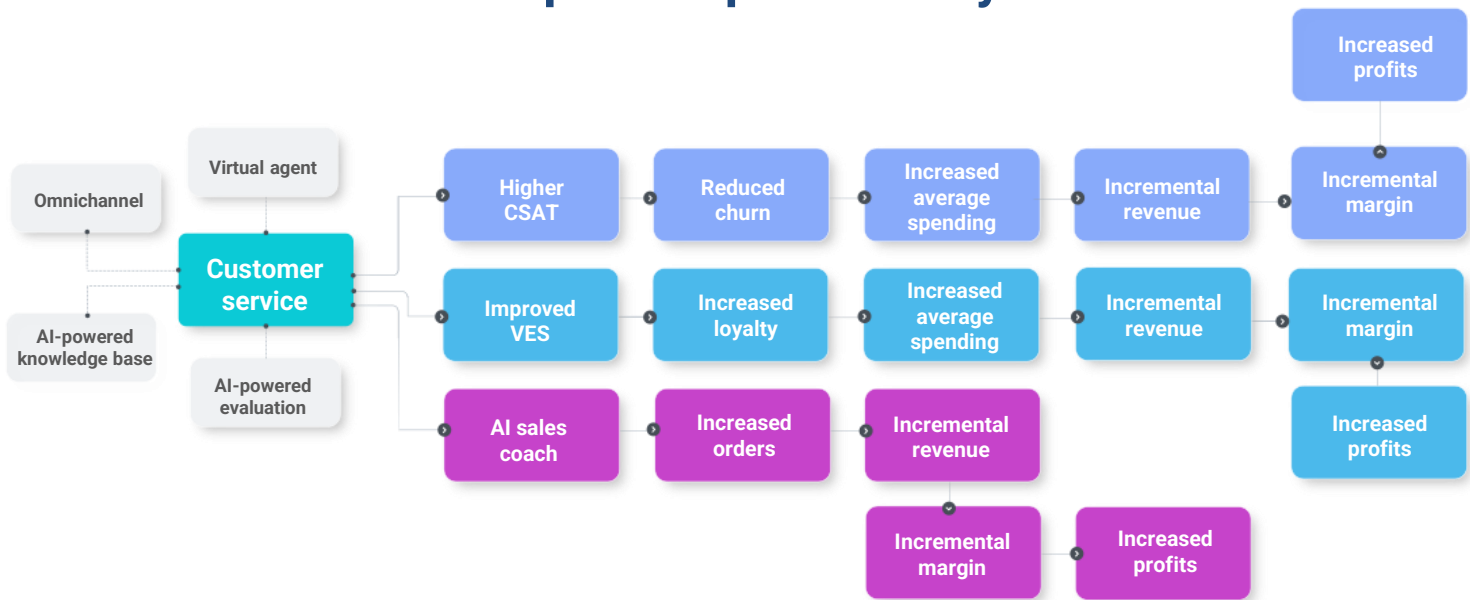
To achieve success with your customer service, it's important to embrace an omnichannel approach that allows customers to connect with your business on their preferred channel. This means offering support via phone, email, social media, and chat, among others.

In addition, offering a virtual agent as a frontliner can help customers help themselves, freeing up your customer service team to focus on more complex issues. An AI-generated knowledge base, with automatic Q&A generation, can further streamline the support process and improve the customer experience.

Finally, utilizing AI-powered evaluation of agents can help identify and highlight best practices, leading to continuous improvement. Especially for customer service agents who also handle orders, AI-powered sales coaching can lead to a substantial increase in revenues. By prioritising these elements of great customer service, businesses can reduce churn, increase loyalty, and drive long-term success.

² [A Better Way for Service to Predict Future Customer Loyalty](#), Gartner, 2020

The customer service path to profitability



Good customer service leads to higher customer satisfaction and an improved Value Enhancement Score (VES), which measures the value added to a customer's experience through purchase confirmation and product usage tips:

Higher CSAT

1. Higher CSAT leads to reduced churn as satisfied customers are less likely to leave.
2. Reduced churn leads to increased average spending as loyal customers tend to spend more with the brand.
3. Increased average spending leads to incremental revenue, as customers are spending more over time.
4. Incremental revenue leads to incremental margin as the cost of servicing existing customers is typically lower than acquiring new ones.
5. Incremental margin leads to increased profits, as the business is generating more revenue and profit without significant additional costs.

Improved VES

1. Customers with high VES are more likely to remain loyal to the brand and make repeat purchases.
2. Increased customer loyalty leads to increased average spending, which leads to incremental revenues and margins. Finally, increased profits are the ultimate outcome of this cycle.

AI sales coach

1. Especially for agents who also handle orders, AI-powered sales coaching can lead to a substantial increase in orders' size.
2. This leads to increased profitability because larger orders mean higher margins and lower costs per unit. Additionally, AI-powered sales coaching can help agents upsell and cross-sell more effectively, resulting in more loyal and satisfied customers.

4 Employee experience:

Offer to your people collaboration and business intelligence tools that will help them be more productive and take better decisions



To offer the best experiences to your customers, it's important to ensure that your employees are productive and engaged. This means avoiding time-consuming and enthusiasm-draining manual workarounds and instead focusing on tools and systems that streamline processes and improve collaboration.

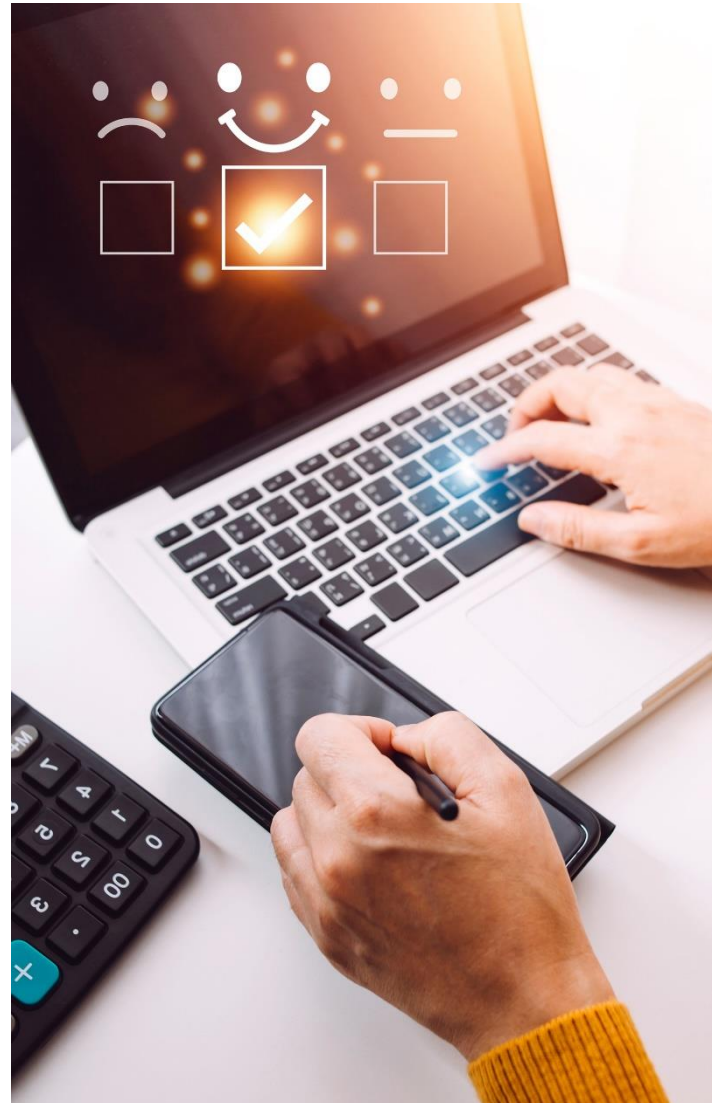
To achieve this, businesses need to invest in a few key areas to improve employee experience. First, a collaboration platform is essential for effective teamwork, allowing employees to communicate, share information, and work together seamlessly.

Intelligent automations can also reduce operational costs, improve efficiency, and handle complex tasks with ease and accuracy.

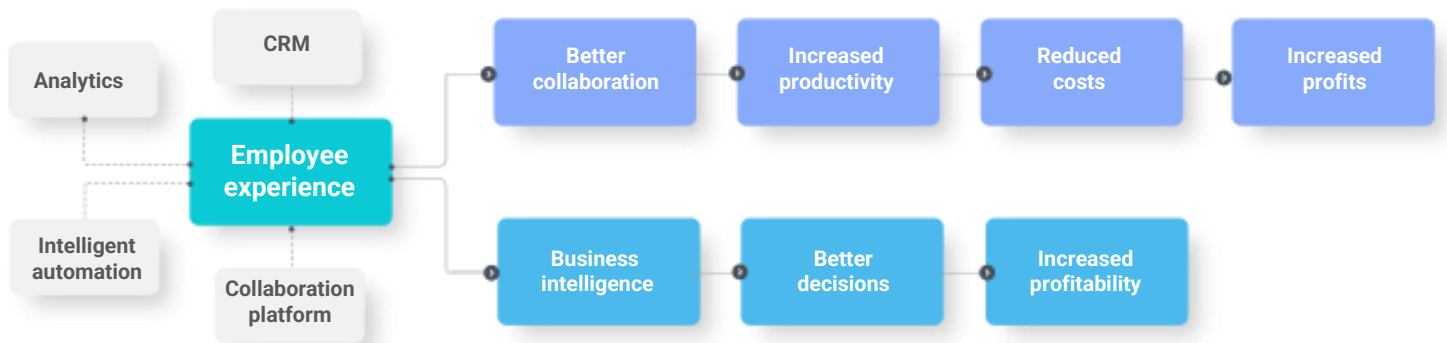
In addition, a business intelligence system that offers reports and KPIs can help employees make data-driven decisions and stay informed about key business metrics. This can lead to increased productivity and better decision-making across the organization.

Finally, a CRM system can automate sales and marketing processes, freeing up employees to focus on more strategic initiatives and providing a more efficient and effective customer experience.

By investing in these key areas, businesses can improve employee experience, leading to increased productivity, optimal decision making, and ultimately, better experiences for their customers.



The employee experience path to profitability



Good employee experience enables better collaboration and decision-making through the use of business intelligence tools:

Better collaboration

1. Better collaboration improves communication and coordination among employees. Moreover, intelligent automations can help deliver faster, more personalized, and more consistent services.
2. Increased productivity results from better teamwork and tools that automate tasks.
3. Reduced costs arise from less time wasted on manual workarounds and errors.
4. Increased profits come from higher efficiency, optimized resources, and improved outcomes.

Business intelligence

1. Business intelligence provides valuable insights and analytics about customer behaviour, market trends, and business performance.
2. These insights help in making data-driven decisions, enabling businesses to optimize their operations, products, and services for better profitability.
3. By having access to real-time data and predictive analytics, businesses can identify opportunities and threats early, and take proactive measures to stay ahead of the competition.
4. With better decision-making, businesses can allocate resources more efficiently, reduce costs, and focus on high-impact activities that generate more revenue and profits.

Level up your customer experience with Pobuca

If you're investing in customer experience management projects, it's essential to measure your Return on Investment (ROI). By doing so, you can quantify the impact of your CX initiatives and ensure they're delivering tangible business results. With ROI data in hand, you can optimize your CX investments to generate even greater returns while providing exceptional experiences that keep customers coming back for more. So don't miss out on the opportunity to supercharge your CX efforts – calculate your ROI today with Pobuca Analytics and unleash the full potential of your customer experience strategy!



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