



# CXaaS: Delivering on the promise of customer experience

Customer Experience—often abbreviated as CX—refers to the way customers see, interact with, and feel about the systems and services they receive from an organization. It's a reflection of the ongoing relationship between an individual and the organization when searching for information, goods, services, and ultimately, satisfaction. Customers are increasingly interacting digitally, which is becoming a significant measure of CX.

This whitepaper examines the impact customer experience has on loyalty and sales and the ways customer expectations are evolving.

Customers are seeking to engage with companies in new ways and the stakes are getting higher. Having a holistic view of the customer journey is a critical component to delivering an outstanding CX.

With so much at stake, understanding the drivers for efficiency, quality and security at each interaction and how to improve them will help businesses retain and grow their customer base.

## Executive takeaways

**You will learn the following from this whitepaper:**

- 1 The measured impact of customer experience improvements in various industries
- 2 Key factors in delivering a positive customer experience
- 3 Shifting trends in customer communications preferences and the touchpoints they drive
- 4 The impact IT infrastructure has on CX

## CX furthers what businesses want for themselves

Growing revenue and margins is not easy. This task is made more difficult when hard-won customers leave due to a poor customer experience. Companies today need to be proactive when seeking to attract new customers and deliver a positive CX at every touchpoint—keeping customers engaged and, ideally, loyal. Customer churn creates headwinds to growth and adds to the costs of doing business. In fact, by some estimates acquiring a new customer costs 5x more than retaining an existing customer<sup>1</sup>. The factors that contribute to churn can be complex, and make it a particularly vexing issue for organizations to confront and manage.

A meaningful way to tackle customer retention is to create engagement by investing in the best possible customer experience. Organizations that succeed at improving CX can gain considerable advantages. Businesses typically invest in CX as a way to improve customer retention, improve satisfaction and increase sales. If you take a step back, two of those three benefits relate directly to growth, where the third—improving customer satisfaction—contributes to retention.

## Quantifying ROI on CX

While CX improvements are generally understood to be good for business, going beyond qualitative measures sometimes poses challenges. That said, research shows that across all industries, even a modest increase in average CX scores can result in sizable revenue boosts. If we look at the impact on twelve large market sectors from a one-point increase in their CX scores, CX benefits become clear (figure 1).

The greatest benefits appear in industries where costs and selling prices for goods are high. But there is a noticeable impact on ROI across the board for CX improvements—as measured by average CX score from customer satisfaction (CSAT) and other, related survey instruments such as Net Promoter Score (NPS). With low execution risk, and tangible rewards, focused investments in CX improvements deliver high ROI metrics.

Acquiring a new customer costs 5x more than retaining an existing customer.<sup>1</sup>

Figure 1. Revenue impact of improving each industry's CX score by one point.<sup>2</sup>

	One-point improvement in CX Index™ score results in:			
	Annual incremental revenue per customer (from a one-point increase)	x	Average number of customers per company	= Total revenue
Auto manufacturers: mass market	\$ 48.50	x	18 million	= \$ 873 million
Hotels: upscale	\$ 7.54	x	44 million	= \$ 332 million
Wireless service providers	\$ 3.39	x	82 million	= \$ 278 million
Big-box retailers	\$ 2.44	x	100 million	= \$ 244 million
Auto and home insurance providers	\$ 14.32	x	15 million	= \$ 215 million
Airlines	\$ 3.49	x	48 million	= \$ 168 million
Traditional retail banks	\$ 8.27	x	15 million	= \$ 124 million
TV service providers	\$ 6.11	x	17 million	= \$ 104 million
Internet service providers	\$ 5.26	x	16 million	= \$ 84 million
Rental car providers	\$ 1.67	x	40 million	= \$ 67 million
Auto manufacturers: luxury	\$ 104.16	x	350,000	= \$ 36 million
Direct banks	\$ 9.96	x	3 million	= \$ 30 million
Credit card providers	\$ 0.15	x	61 million	= \$ 9 million

## Great CX is what customers really want (and really pay for)

Though customers may engage with businesses to acquire products or make use of services, what they're really after is a great customer experience. CX is arguably more important than the specific focus of any given interaction between a business and a customer. The customer experience represents the relationship that endures and (hopefully) improves over the course of multiple engagements, purchases, and interactions. The following survey results set the importance of CX in stark relief:

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CX matters as much as your product and can even compensate for product deficiencies.

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### Great products vs. great customer experiences: What matters most?<sup>3</sup>

**83%** of customers care as much about how you treat them, as what you're selling



**43%** would knowingly buy an inferior product if they love your brand



**73%** will spend more if they love your brand



A better CX not only improves retention, but can increase sales. In fact, CX matters as much as your product and can even compensate for product deficiencies.

## Customer knowledge and timely responses make the CX

While every customer has different priorities, delivering a great customer experience comes down to focus (understand your customer) and speed (don't waste their time). Customers who were surveyed about their interactions expected businesses to respond quickly and understand their needs, likes, preferences and history during their interactions. Growing and building a relationship comes down, in large part, to building a "great CX."

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- 50%** A quick response via email
- 45%** A short hold time when calling
- 38%** Being directed straight to a call center agent with expertise on my query
- 37%** A call center agent who understands my issue
- 28%** Being given the option for a call back rather than queue

A common theme shared by companies that deliver a great CX is speed driven by a great understanding of the customer. CX shines when it's enabled through efficient processes, on systems purposefully geared towards speedy access and useful customer knowledge.

## Meeting customers on their own terms

These days, delivering a superior CX requires a holistic view of the “customer journey” from initial query to final resolution so the various touchpoints they have with a business are not disjointed. Telephone interactions, emails, text messages, online chats, social media, and even video conferencing can all be steps along a single customer’s journey. Digital transformation enables businesses to connect with customers how and where they want, through its many channels for interaction.

To thrive, businesses must do more than accommodate these channels. They must also be able to hand-off interactions between and among them as customers’ preferences dictate. Thus, social media, web chat, and mobile apps are emerging as critical touchpoints for the customer journey, with the use of chat bots—interactive software that mimics intelligent interaction on the business side—expected to triple by 2022<sup>5</sup>. A Deloitte Contact Center Survey<sup>6</sup> lays this information out nicely (figure 2).

As customer interactions shift away from legacy voice-centric communications, successful businesses must keep-up with shifting customer expectations and demand—and meet them there.

## Focus, focus, focus

Delivering a great CX requires a targeted, focused approach. It starts with understanding the customer. This should be more than basic customer records. Data from internal and external sources is key—the more, the merrier. Mining customer interactions across channels and combining these with firmographics, technographics and intent data to create advanced analytics and predictive models, will yield actionable business intelligence to design interactions, improve business processes and provide better decisions. This understanding will lead to reduced churn and increased upsell and cross-sell opportunities.

Second, is a focus on delivering a seamless experience regardless of how customers choose to communicate with the company. This means multi-channel (ideally omni-channel) interaction support for the entire customer journey. This also means alignment in the support and sales organizations

(skills-based queues), business processes (customer tiering and prioritization, contact center structure) and systems (business rules and automation support). The goal is to deliver efficient customer interactions. It’s not about owning or managing infrastructure, it’s about putting the right pieces in place to deliver a great CX. Thus, the contact center must become a source of differentiation to yield a competitive advantage.

While on the path to great CX, businesses must be realistic about implementation timeframes, and be ready to learn from setbacks and adapt to changing circumstances. This requires building a culture where the customer comes first (which should start at the top of the organization). This kind of a culture will also serve to attract and retain the right kind of employees. A “customer-first” culture, coupled with a flexible business transformation strategy, is crucial for delivering a best-in-class customer experience.

Figure 2.

Channel	2017	2019
Video	1%	2%
SMS/Text	2%	6%
Fax	2%	1%
Social Media	4%	9%
Web Chat	6%	16%
Email	18%	16%
Voice	64%	47%
Mobile Apps	+47% Growth	

## The foundation of a solid CX

Because CX happens whenever customers interact with your business, and they interact in numerous ways, businesses must make sure that every customer interaction counts. That includes offering the best call-in experience for telephone and video communications, coupled with a wide array of high quality digital experiences from text to email to web to social—whether connecting with sales or customer service.

All customer touchpoints require a robust, reliable and secure foundation. These include:

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**Contact Center as a Service (CCaaS)** is equipped to handle all touchpoints of the customer journey with multi-channel and omni-channel capabilities. It can be leveraged for sales and support interactions within a single data environment to engage with customers and prospects. Account history, prior interactions, customer data and preferences can be accessed intuitively.

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**Unified Communications as a Service (UCaaS)** helps increase employee productivity with access to email, voice, video, and other communications channels under a single, unified umbrella. Texts can transition to calls. Social media can transition to web chat, and so forth. Robust employee communications to deliver a robust customer experience.

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**High speed transport and hybrid network connectivity** provides reliable access to headquarters, datacenters, large corporate offices and call centers. It provides real-time communications, cloud connectivity for CRM, and seamless back-office support. Only the best network quality will deliver the best CX.

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**SD-WAN** delivers flexible and reliable connectivity for distributed businesses to ensure optimal available bandwidth utilization. Thus, locations enjoy optimal quality communications and never lose cloud connectivity for mission-critical applications.

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**Security and consulting** services provide protection and compliance for sensitive, confidential, or private customer data. They also help businesses architect, implement and manage the resources they consume with the best possible performance-price tradeoff.

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### Building blocks of CXaaS

These service offerings collectively empower organizations to deliver the CX they want for their customers, with the speed, reliability and efficiency that those customers expect.

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UCaaS

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CCaaS

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SIP Trunking

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SD-WAN

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Hybrid Networks

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Switched Ethernet

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Wavelength Services

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Managed Network Security

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DDoS Mitigation

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Professional Services

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## Planning for optimal CX in your business

A great CX is the outcome of a complex set of inputs that spans your whole organization. We believe your network services provider should understand the components that go into implementing a best-in class CX and partner with you to deliver them. You want a provider who understands what drives your business, and how you define success, not just a technology platform. You'll do best if you work with a single provider who can bundle appropriate solutions together, and help you plan out and implement a phased strategy. The results will be more efficient and more cost-effective. Better yet, by dealing with a single provider, you'll avoid the finger-pointing, ducking, and weaving that goes on in so many multi-vendor environments.

At the same time, it makes sense to use managed resources so your IT resources can focus on your business. If you choose an industry-leader, you'll be in good hands. Let them be the experts who deliver the infrastructure and services you need, while you concentrate on taking care of your customers, and focusing on the business that you do best.

## The Windstream Enterprise advantage

From protecting your website against attackers, to optimizing your network quality, to helping you engage your customers across channels, Windstream Enterprise is your CX partner. WE enable you to encounter a multi-layered experience with the potential to interact with several services, which together function as a kind of "Customer Experience as a Service." In fact, think of us as your CXaaS provider—or PXaaS, GXaaS or MXaaS.

### CASE STUDY

A direct energy provider had been handling 1.2M calls annually with 200 agents. After involving Windstream Enterprise, not only are they providing a superior customer experience by getting customer calls to the appropriate resource in a timely manner, but they are able to handle two-thirds higher call volume (2M calls) with the same workforce (no increase in staff). Plus, they saved \$2M annually by better IVR-to-resource mapping and reduced call handle times. Let Windstream Enterprise help you turn up the volume, too.



**CXaaS**

Customer Experience as a Service



**PXaaS**

Patient Experience as a Service



**GXaaS**

Guest Experience as a Service



**MXaaS**

Member Experience as a Service

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### About Windstream Enterprise

Windstream Enterprise collaborates with businesses across the U.S. to drive digital transformation by delivering solutions that solve today's most complex networking and communication challenges.

To learn more about Windstream Enterprise, visit [windstreamenterprise.com](http://windstreamenterprise.com)

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