

CUSTOMER EXPERIENCE METRICS

Up to 80% of Future Revenue Comes from Current Customers

CX Metric	Definition	Customer / Revenue Impact	Benefits
Customer Retention	Retention is defined as the number or percentage (retention rate) of customers who stay with a company and continue to buy products or services for a specified period of time. Customer retention rate is a standard key performance metric used to measure performance by month or year.	High	Happier customers More revenues Brand reputation Reduced expenses Reduced service costs More opportunity to up/cross sell
Customer Renewal	Customer renewal rates are similar to customer retention but different enough to be a separate metric. Renewal rates describe the number of customers who re-sign up for contracted services in a one year.	High	Happier customers More revenues Brand reputation Reduced expenses Reduced service costs More opportunity to up/cross sell
Average Order Size	The average dollar amount customers spend on a company's products and services each time they place an order.	High	More revenue More opportunity to up/cross sell
Average Order Frequency (repeat orders)	Order frequency describes the average number of times a customer purchases products or services in a specific period of time.	High	More revenue Increased Loyalty
Cross-Sell	The ability to sell additional, related products and services to current customers. Cross selling helps to create "sticky" customers - those who want to stay with a company because of convenience.	Medium-High	More revenue More customer value Increased Loyalty
Up-Sell	The ability to sell upgraded products and services to current customers.	Medium-High	More revenue More customer value
Customer Referrals or Advocacy	A key factor in NPS is the ability to gain new customers from current customers who refer or advocate on behalf of a company. NPS success depends on the frequency, value and close rates of prospects referred.	Medium	More revenue More customer value Brand Reputation Increased Loyalty
Customer Profitability	The amount or percent of net profits from any given customer, customer segment or company.	Medium-High	Increased Loyalty More revenue
Customer Lifetime Value	The dollar amount customers spend on products and services during their entire relationship with a company.	Medium-High	More revenue More customer value Brand Reputation Increased Loyalty
	A conversion rate is similar to closing a sale but typically refers to converting		

Conversion Rates	prospects that are using a trial service for free into a paid subscription. Customer experience affects whether customers will decide to pay for services.	High	More revenue
Product or Service Adoption and Usage	Helping customers to get value from products and services they purchase by effectively using them is called adoption. Effective usage that helps customers to achieve their goals directly affects perceived value and performance causing them to use services more often.	Medium-High	More revenue More customer value Increased Loyalty
Customer Loyalty (retention + referrals)	A customer's commitment to a company is demonstrated by how long they stay, continue buying products and services and if they recommend or refer other customers to a company.	High	More revenue More customer value Brand Reputation Increased Loyalty
Net Promoter Score	NPS measures a customer's desire to stay with a company and if they will recommend others to that company. NPS must be connected to CX metrics that are measurable to be totally effective.	Medium	More customer value Brand Reputation Increased Loyalty
Customer Satisfaction	Customer satisfaction measures the way customers feel about a company or their products and services. It's their attitude toward a company versus their actual behavior such as retention or loyalty.	Low-Medium	More customer value Brand Reputation
Customer Effort Score	Customer effort defines the amount of work customers encounter during any part of their lifecycle while doing business with a company.	Low-Medium	Increased Customer Satisfaction Higher Loyalty Brand Reputation
Business Efficiency (for customer and company)	Defines how streamlined and efficient it "feels" from a customer and company perspective to do business with you. Simplicity helps reduce customer effort and company costs.	Low-Medium	More Customer Value Brand Reputation
Total Cost of Ownership (TCOS)	Total cost of ownership calculates the entire cost of a business area. This has little or no impact on customers unless companies pass savings from reduced costs onto customers.	Low	More Customer Value Brand Reputation