

Hansa LINKAGE ANALYSIS

Linking Customer Metrics to Business Results

Are you managing the business based on customer data? Firms are asking fundamental questions about how to connect the dots from customer measurement to business results:

- Does increased customer satisfaction and loyalty translate into increased business?
- If I increase customer satisfaction by “X%”, what increase could I expect in revenue?
- If I invest in a certain area of the customer experience, what kind of return on investment will I get?
- How do operational processes and their metrics predict how customers will feel?
- How does employee engagement affect customer engagement?

At some point, the questions above confront most companies that have invested in customer satisfaction or customer loyalty research. Companies wonder whether they are getting any more business because of their efforts to increase customer loyalty.

The first challenge for companies is to ensure they have in place the right system of customer measures (see our related material, “Customer Relationship Equity”). The second challenge is to connect the dots from customer measures to customer behavior like purchase volume or cross category sales; one could also link customer measures to business results like market or wallet share, revenue, and profit. Hansa’s Linkage Practice helps companies build these connections. Our senior-level consultants and analysts are skilled at sifting through customer survey data and internal customer and financial databases to find ways to link customer data to business outcomes. Our perspective is reflected in the following exhibit:



