The High Cost of Bad Customer Experience

Why CX Failures Hurt Revenue, Loyalty, and Brand Equity



I AM BenBaker
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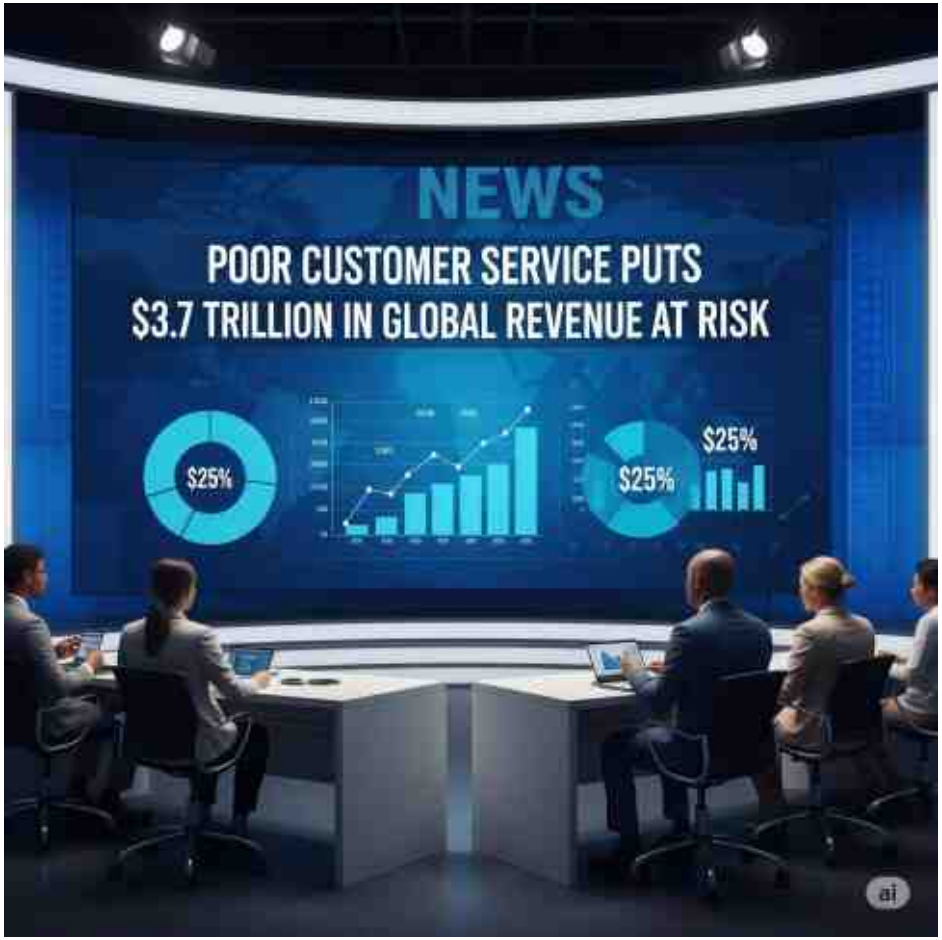
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Your Brand is only as valuable as your unhappiest employee on their worst day

– Ben Baker

$3.7 Trillion in Global Revenue at Risk



- Poor customer service puts **$3.7 trillion (2024)** in global revenue at risk annually.
- Source: Qualtrics XM Institute, 2024

Do you keep clients on hold for 30 minutes with an on-hold message that plays over and over about how important your customers are to them?

Or

Do you have an AI bot that, once it goes beyond its capabilities, shuts off the conversation rather than transferring the conversation to a human being who can help?

If your clients answer “yes,” you have a bad customer experience!

$856 Billion Lost Annually in the U.S.



- U.S. businesses risk losing **$856 billion annually** due to bad customer experience—up from the previously cited $75 billion.
- Source: February 2024 study by Qualtrics XM Institute

Bad customer experience is expensive and turns an organization from being a brand worth loving into a low-cost, low-value commodity that is easily replaced and soon forgotten.

61% of Customers Switch After a Bad Experience



- 61% of customers say one bad experience is enough to switch to a competitor.
- Source: Zendesk CX Trends Report, 2023

As organizations we need to continually be cognizant that what we say and what we do matters. Words without actions that match lead to brand confusion, mistrust and abandonment.

“A brand for a company is like a reputation for a person. You earn a reputation by trying to do hard things well.”

- Jeff Bezos

96% Will Leave Without Complaining



- Up to 96% of unhappy customers don’t complain—they just leave.
- Source: TARP Worldwide via Customer Service Group

Customer experience needs a variety of things to succeed. *It requires:*

- ✓ *Leadership*
- ✓ *Communication*
- ✓ *Executive Champions*
- ✓ *Training*
- ✓ *Coaching*
- ✓ *Ongoing Capital Investment*
- ✓ *Empowerment*
- ✓ *Trust*

Loyalty Drops by 73% After Two Bad Experiences



- After two bad experiences, 73% of customers abandon a brand.
- Source: PwC Future of CX Report, 2018

A great customer experience comes after a mistake has happened. It is how you own up to an issue, apologize as needed, and make things right. It is about ownership and responsibility.

People will forgive a mistake if it is corrected. They may not be so generous to someone if they feel they are not being taken care of.

Lifetime Value Drops by 33%



- Customer lifetime value falls by 33% after just one bad experience.
- Source: CallMiner Churn Index, 2020

The hardest part about business is not acquiring a client; it is about having them come back to you repeatedly as a trusted partner.

The goal is not to sell a thousand people once, but rather to sell one person a thousand different times.

To do this requires consistency, trust and reliability.

Contextual Insight – Acquisition vs. Retention



- It costs 5–25x more to acquire a new customer than to retain one.
- Source: Harvard Business Review

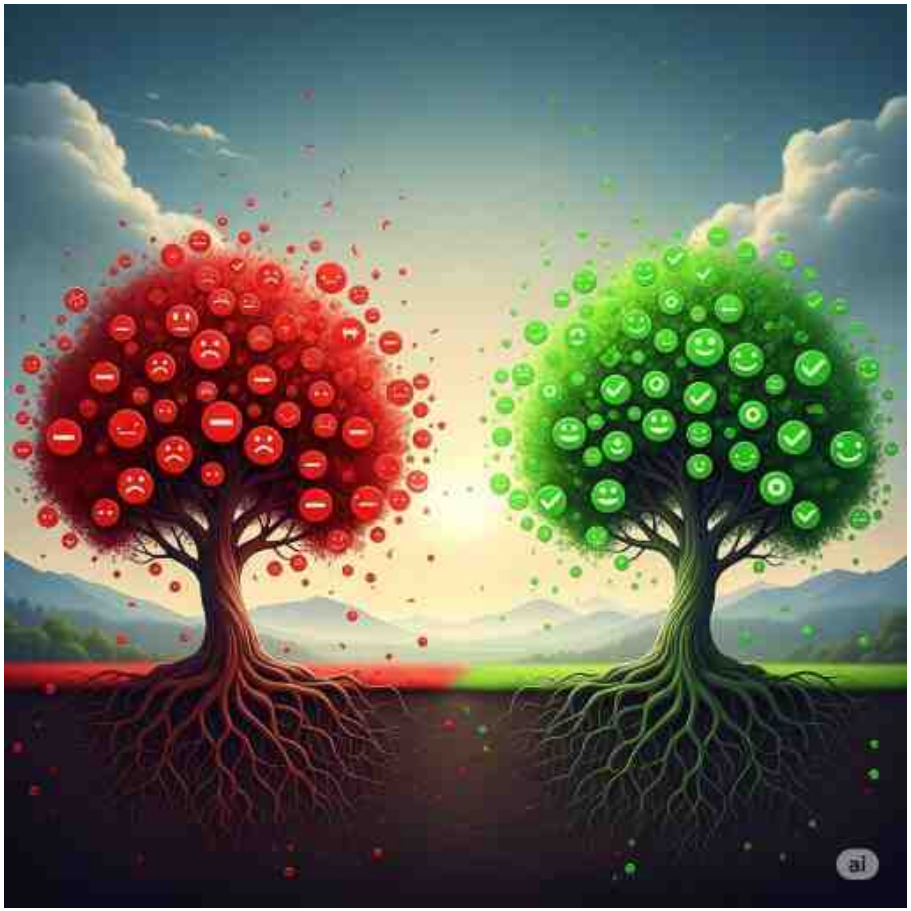
“When people use your brand name as a verb, that is remarkable.”

– Meg Whitman

“Focus on building the best possible business. If you are great, people will notice and opportunities will appear.”

– Mark Cuban

Contextual Insight
Word-of-Mouth Damage



- A customer with a bad experience tells 9–15 people. A happy one tells about 6.
- Source: American Express Customer Service Barometer

Don’t think that a bad customer experience affects you and your business?

When was the last time you “Googled” your business to hear what the market is saying about you?

The magic happens when you engage with people online and rectify challenges when possible.

Contextual Insight – Online Reviews Impact



- 86% of people hesitate to buy from companies with bad reviews.
- Source: BrightLocal Consumer Review Survey, 2023

Sources & Further Reading

QUALTRICS XM INSTITUTE: HTTPS://WWW.QUALTRICS.COM

PWC FUTURE OF CX REPORT: HTTPS://WWW.PWC.COM/FUTURE-OF-CX

ZENDESK TRENDS REPORT: HTTPS://WWW.ZENDESK.COM/BLOG/TRENDS

CALLMINER CHURN INDEX: HTTPS://CALLMINER.COM

VONAGE (NEWVOICEMEDIA): HTTPS://WWW.VONAGE.COM

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I can help you navigate and alleviate the high cost of systemic bad customer experience

Let's Talk!

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