



GOING BEYOND ROI WITH ROX

An exploration of what return on experience means, how to measure and grow it, and more—for enterprise marketing leaders, content managers, and other cutting-edge business influencers who are ready to think beyond traditional ROI to more modern metrics that help them deliver the experiences consumers crave.

WHO SHOULD READ THIS EBOOK

The most successful organizations around the world are investing in content-driven digital experiences like never before.

Why? Because that's what the modern consumer craves.

The concept of return on experience (ROX), which was pioneered and continues to be popularized by Contentstack and its cutting-edge clients, provides a comprehensive gauge to assess the impact of an experience on a business' key performance indicators (KPIs).

Instead of the traditional assessment of "money in vs. money out" that often refers to a return on investment (ROI), ROX captures a more holistic view of the influence and effect of digital experience investments made by marketing and IT divisions.

In this ebook, we'll dive deep into what ROX means for the modern enterprise, how to calculate it, how to grow it, and—best of all—the big business benefits it's had for brands we all know and love.

Going Beyond ROI with ROX is an ebook for enterprise marketing leaders, content managers, and other cutting-edge business influencers who choose to think beyond established ROI metrics to champion ROX and deliver experiences that consumers and the market demand.

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WHY IT'S TIME TO LOOK BEYOND ROI



If there's anything we know for sure, it's that customers are the heart of every business.

From first-time buyers to life-long brand evangelists; without customers, a business is doomed to failure.

Back when selling products and services online was still a novel concept, it was relatively easy to win these customers, increase their conversions, and build their retention. For a time, measuring the success of sales and marketing efforts was as simple as comparing cash spent to cash made to determine the return on investment (ROI).

But today, things are different.

Businesses exist in a digital world where shoppers are continuously exposed to marketing messages. They have access to millions of options at thousands of price points literally at their fingertips. They're engaging across a multitude of channels. They're expecting personalization. They're *craving* dynamic experiences.

That's right, **the experience that a brand provides is one of the last bastions of differentiation** between themselves and the onslaught of competition.

It's by measuring the *return* on this experience (ROX) that brands get an exciting new metric with which to gauge success. Defining, quantifying, and growing this contemporary metric presents a golden opportunity for a business that is determined to remain relevant in the 21st century and beyond.



DEFINING ROX

AND WHY EXPERIENCE
MATTERS IN THE MODERN
BUSINESS ENVIRONMENT

Return on investment has long been the go-to when it comes to evaluating the efficiency of a business expenditure, and it's not hard to understand why. The (simplified) equation is quite straightforward: Return divided by cost, expressed as a percentage.



$$\frac{\text{VALUE OF THE INVESTMENT}}{\text{COST OF THE INVESTMENT}} = \text{ROI}$$

Example: Stark Industries generated \$1,000 in sales from a Q4 marketing campaign that cost \$100. Using the simplified ROI equation, the ROI from this campaign is 900 percent.

While ROI is a tried-and-true baseline metric for determining the profitability of a monetary investment, it's no longer enough to determine success based on the performance of financial investments *alone*. Modern businesses know it's also vital to look at the impact of experiences—even when they don't immediately translate to cash flow.

Why do experiences matter? Because customers crave them.

Personalized, accurate, and relevant experiences prove a brand is paying attention and cares about a customer's time and well-being. It's a proven fact that consumers reward brands that invest in experience by trusting them with more of their valuable personal information, becoming repeat shoppers, and referring them to their peers.

RETURN ON EXPERIENCE IS TANGIBLE

Consumers are willing to spend up to 16 percent more with—and tend to be more loyal to—companies that offer better experiences than their peers.

Source: Forbes

“ROX aims to answer the not-so-simple questions ‘How much is it worth to make your customers happy?’ and ‘How much should a business be willing to spend on this mission?’

From an ROI-only perspective, the answer is as little as possible. From an ROX standpoint—it’s all that matters.”



While there may always be a business that has more products than yours or has the most competitive prices—your chance to win lies in providing the best possible experience.

That’s why measuring ROX is a vital addition to finding ROI in today’s complex online business environment.

ROX goes beyond ROI to include elements that are difficult to measure and can’t easily be attached to a “money in, money out” model. It aims to track the value an organization gets out of an experience they’ve created.

Where ROI captures the value created by a specific action, ROX focuses on how changes to the customer experience positively impact customer lifetime value and the financial well-being of the business. It’s a helpful gauge of how well a customer interacts with a brand and how likely they are to do so again.

In situations where brands are using personalization to deliver segmented, targeted, and differentiated experiences to their audiences; measuring return on experience helps them improve their efforts toward each group.

Other returns on experience may look like quicker time to market, higher employee satisfaction, better customer engagement, positive brand sentiment, improved operational efficiency, and more informed decision making.



Perhaps most aspirationally, ROX aims to answer the not-so-simple question, “How much is it worth to make your customers happy?” And, from there, “How much should a business be willing to spend on this mission?”

From an ROI-only perspective, it’s as little as possible. From an ROX standpoint, it’s all that matters.

When we *only* look at how much money we make from an investment, we miss out on the benefits and values that we can generate from great experiences.

Marketing leaders are always thinking about the next game-changing campaign. But if they’re stuck in the mindset that budget is all that matters, they’re missing out on opportunities to compete in brand-new and less-crowded spaces. Brands have had decades to optimize based on ROI—ROX gives businesses a new way to differentiate themselves from the masses.

ROX readjusts the business lens to focus on customer experiences instead of expenditures. And if, like us, you believe customers are at the heart of the brand—it’s easy to see why tracking and improving the experiences you create for them is paramount.



HOW TO MEASURE ROX

While we'd love to be able to offer a simple tool or turnkey methodology on how *exactly* to calculate your return on experience, part of the beauty of a metric that goes beyond ROI is that it's wholly unique—to your brand *and* consumers. This fact makes it difficult to lay out a single, cut-and-dried method by which every business can measure their ROX.

That said, there are still a few tactics that will help you better understand the overall customer experience so that you can identify where there may be interruptions in the flow as well as opportunities for improvement.

CONSUMERS TRUST BUSINESSES THAT INVEST IN EXPERIENCE

63 percent of consumers say they're willing to share more of their personal information (which is vital in creating relevant experiences) with companies where they enjoy a great experience.

Source: Forbes



63%

CAPTURE A HOLISTIC VIEW OF THE CUSTOMER JOURNEY WITH A DIGITAL EXPERIENCE PLATFORM

Organizations that invest in experience want to be able to map the consumer purchasing journey, identify touchpoints that drive their experience along the way, and smartly invest in those key elements that deliver measurable results—aka ROX.

And it just so happens that there is a platform that can help deliver on that goal: DXP.

Gartner describes a digital experience platform (DXP) as an integrated software framework for engaging a broad array of audiences across a variety of digital touchpoints. Organizations use this kind of framework to build, deploy, and optimize digital experiences on websites, portals, apps, smart devices, in-store kiosks, and more.

DXP is also the result of ever-evolving consumer technology and expectations.

It all started with the traditional content management system (CMS), a platform that enables enterprise organizations to create, manage, and distribute their content, images, data, and other digital collateral on their website.

But as new consumer channels outside of brand websites developed, web experience management (WEM) hit the scene. WEM platforms allow companies to gather the necessary data to personalize content and then use data and logic to distribute that content across relevant channels.



Now, organizations must expand beyond written content experiences to boost customer satisfaction and loyalty. Today's consumers expect video, voice, and other experiences that they can access across touchpoints including in-store kiosks, smart speakers and other smart devices, customer portals, ecommerce systems, and more.

It was this need to provide a vast variety of customer-centric, consistent experiences that led to the development of the agile digital experience platform.

Just like ROX goes beyond ROI, DXPs go beyond written content to bring together digital tools which deliver experiences that elevate customers from acquisition to brand advocates. In simple terms, DXP serves as a "control center" from which you can manage multiple integrated technologies, a wide span of touchpoints, and the expanded consumer experience.

Instead of focusing on how a specific asset is generating the greatest monetary payback in a single channel, a DXP helps business leaders look across channels at the entire experience to determine where to invest for the best return.

1 **CONTENT MANAGEMENT SYSTEMS**

Gives businesses control over content creation and distribution, but doesn't facilitate collaboration or omnichannel marketing

2 **WEB EXPERIENCE MANAGEMENT**

Empowers organizations to personalize and distribute content across relevant channels, but stops at delivering written content

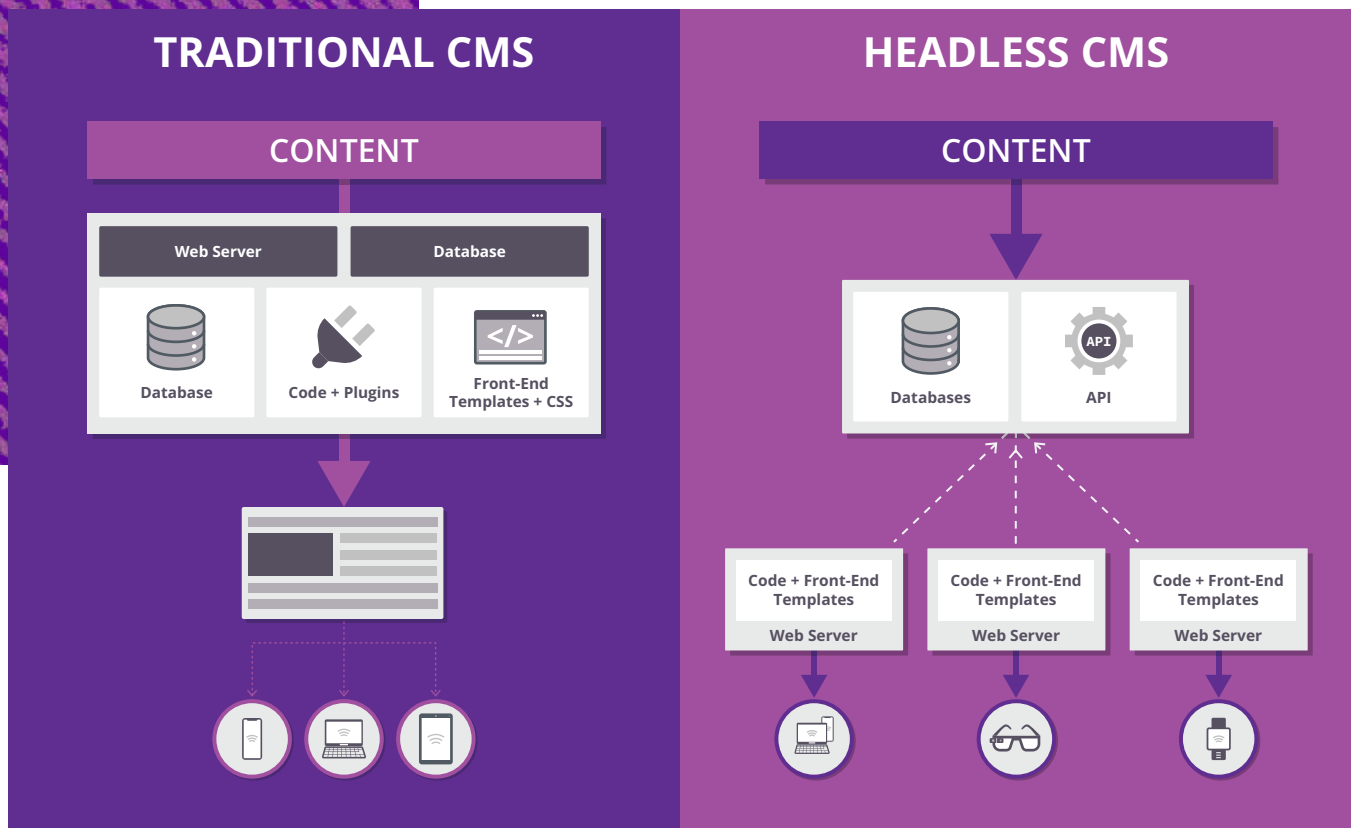
3 **DIGITAL EXPERIENCE PLATFORM**

Leverages microservices to unite CMS, WEM, and other tech to provide a control panel from which businesses create, deliver, and monitor personalized experiences across channels and devices

HOW TO GET STARTED WITH DXP

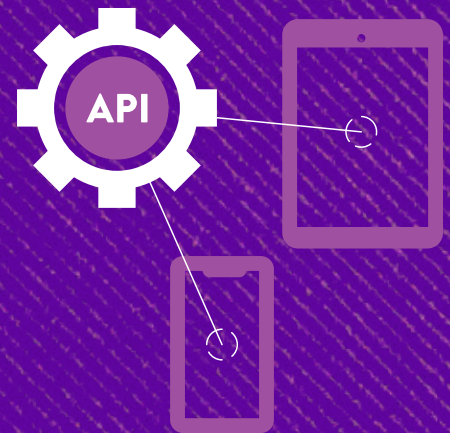
From SMBs to enterprises, the best way for any organization to start building a robust DXP is to replace their current content management system with a headless CMS.

Why? Because content is the heart of the experience—and headless CMS makes it possible to create, customize, and deliver content experiences across devices and platforms.



Just like a traditional CMS, a headless CMS provides a platform for storing and delivering content experiences as well as the tools to create, edit, and organize them. However, the reason headless CMS architecture provides an ideal foundation for a digital experience platform lies in its microservices architecture. Using flexible APIs, a headless CMS can quickly pull assets from any source and then leverage data logic to deliver those assets to the right individual at the right time.

Extensible APIs and ease of integration with industry-leading tools make it easy to integrate your preferred headless CMS with everything from mobile apps to conversational interfaces to personalization engines. Before you know it, you'll be using your headless CMS as a foundation for a robust DXP that helps you better understand, deliver, and reap the return on an experience consumers love.



QUANTIFY THE CUSTOMER EXPERIENCE

Like any other business expense, investing in an experience needs to generate some kind of return. With a metric like ROI, the only return that matters is monetary gain. But when you focus on financial outcomes alone, you lose touch with customers and, as a result, the heart of your business.

If you want your experience initiatives to return value, put customers first and think of financial results as secondary, longer-term goals. The following tactics will help experience champions quantify ROX so they can build a business case for keeping or even growing their organization's investment in great experiences.



TRICKS FOR MEASURING THE RETURN ON YOUR CUSTOMERS' EXPERIENCES

• ASK CUSTOMERS TO RATE THEIR EXPERIENCES

Sometimes, getting to the bottom of what causes customers to interact with experiences is as simple as asking them!

Thankfully, in our digital world, there are plenty of ways to collect this kind of feedback. Some commonly-employed surveys include CSAT, NPS, and CES. Try distributing one, or all, of these surveys to get an in-depth look into what kinds of benefits your experience efforts are returning.

- **CSAT (Customer Satisfaction Score)** measures how a customer feels about a specific experience you provided. Feedback doesn't get more straightforward than that!
- **NPS (Net Promoter Score)** asks a single question: How likely is the customer to recommend your business? This rating can help you determine whether your experience is returning the expected number of referrals and repeat customers. And when acquiring a new customer can be as much as 25 times more costly than retaining one according to Harvard Business Review, boosting this metric can be pretty powerful.
- **CES (Customer Effort Score)** asks customers how easy it was for them to complete an action. Assessing customer effort matters because research shows that a quick and easy experience pays off in the form of high satisfaction scores and loyal consumers.

While your scores on these and similar customer experience surveys can't guarantee that a customer will recommend you or interact with your brand again, when used in combination with some of the other metrics we'll explore here they do help show the positive business impact of a great customer experience.



* TRACK SPECIFIC KEY PERFORMANCE INDICATORS OVER TIME

What you can measure, you can manage—and improve! Monitor customer experience key performance indicators (KPIs) like retention, advocacy, lifetime value, acquisition, and more over time to get the gist of how your customer experience is paying off when it comes to loyalty, retention, and those all-important referrals.

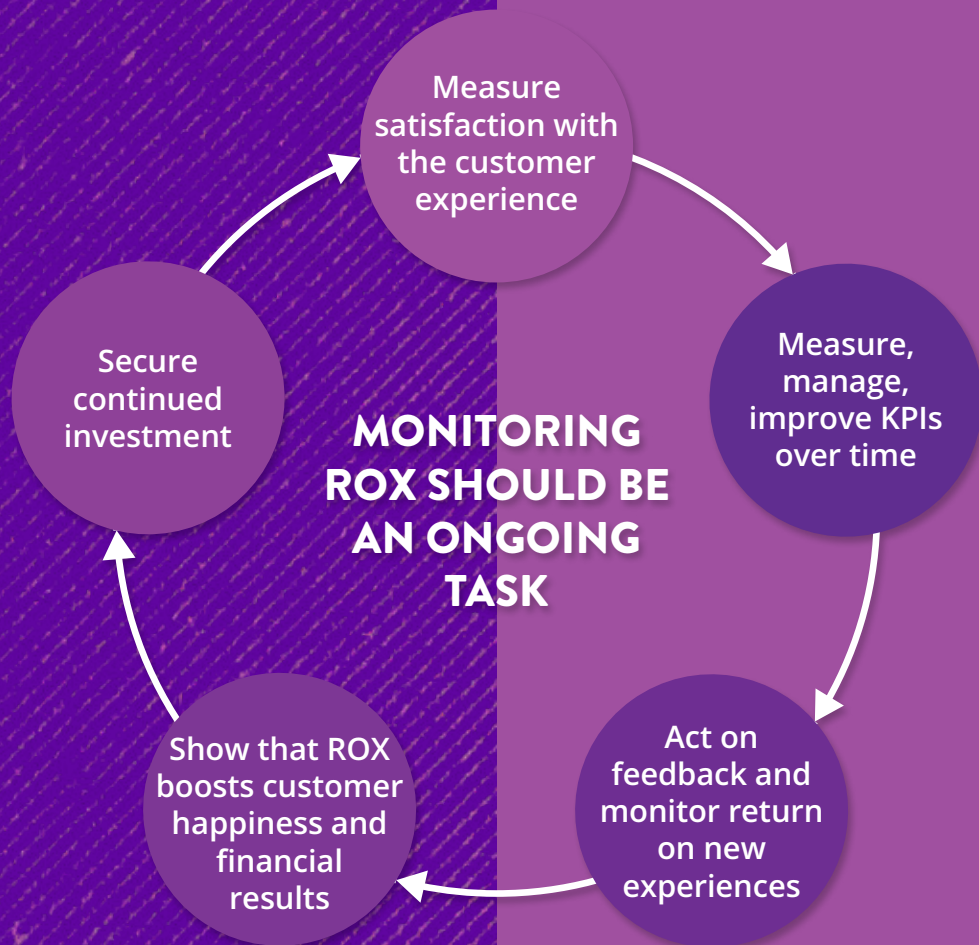


* MONITOR HOW ACTING ON FEEDBACK AFFECTS EXPERIENCE SCORES

What happens when you invest in delivering on insights? If you've made improvements to your product, operations, or even the customer journey; keep an eye on ROX before and after the change to see whether the enhanced experience boosts satisfaction, sales, or other key success metrics.

*** COMPARE ROX TO FINANCIAL GAINS OVER THE SAME PERIOD**

Chances are, you're still going to need to prove ROI when it comes to winning ongoing investments in the digital customer experiences you're building. And, in the longer-term, you should be able to do just that. Compare customer satisfaction metrics, and anecdotal evidence of ROX to financial gains over the same time frame to show how focusing on the experience can still pay off monetarily, even when it isn't the primary objective.





**SEE ROX
IN ACTION:
THE MIAMI HEAT**

When the Miami HEAT moved to Contentstack, they gained visibility into fan preferences and the ability to treat each like a VIP

50%

Decreased development time and costs

200%

Increased in-app traffic and active users

24/7

Realtime content delivery

Source: Contentstack

The internet and smart devices have made consumers out of all of us.

That's why, more and more, we yearn to make meaningful connections with the brands from which we're consuming. And, more and more, brands that create those kinds of connections are learning that they pay off big time in the long run.

Just look at behemoths like Apple and Disney. They provide such emotionally moving experiences that their customers continue to purchase their products, visit their parks, and celebrate their brands year after year after year.

We'll be the first to admit that ROX isn't always the easiest to measure, but we stick with expounding on the importance of great experiences because we know they ultimately result in life-long customers who champion their favorite brands, refer their friends, and make more valuable transactions.

On that note, let's take a deep dive into how an investment in experience helped one brand generate the highest ticket and retail sales in the entire NBA: The Miami HEAT.



COMPANY PROFILE

The Miami HEAT, commonly known as “The HEAT,” is one of the most successful sports franchises. Based in Miami, Florida, The HEAT holds 3 NBA championships, 5 Eastern Conference titles, and 13 division titles.

Website: www.heat.com

Industry: Sports, Entertainment

Size: 201 - 500 employees

CASE STUDY

The Miami HEAT, one of the most successful franchises in sports, were struggling.

However, their struggles weren't on the court—they were in the IT department. The technology upon which they had built their entire customer experience could no longer keep up with a growing fan base and increasing expectations.

So they hit the pavement looking for a flexible CMS that could provide experiences beyond written content and would be able to scale as their needs and their technology stack changed over time.

And they found what they were looking for with Contentstack headless CMS.

Now, The HEAT is a prime example of how excellent user experience pays off. With a new foundation for their DXP, the marketing team for The HEAT began to uncover user data that allowed them to

serve up personalized, compelling offers. The HEAT's fans are so engaged now that one retail offer delivered via their primary digital channel achieved a whopping 94 percent mobile open rate! A single push notification delivered via The HEAT's mobile app (powered by Contentstack) regularly drives tens of thousands of dollars in sales.

That's how the HEAT made back their \$750k investment in Contentstack in just over a year. Direct transactional revenue from the app amounted to \$40k per month in ticket sales and \$10k per month in retail sales. That's right—highest in the entire NBA!

But beyond traditional monetary return, The HEAT's award-winning Digital Fan Experience (also powered by Contentstack) has set records for mobile venue access with 16,000 mobile scans per game and 85 percent of fans entering the arena via the app.



Today, The HEAT's followers take pleasure in personalized updates, stats, and scores via the app. And as the ticket-buying experience goes digital across the entire industry, the app continues to double as a lead-generation tool.

Even outside of the sports industry, The HEAT has become known as an innovative, tech-savvy organization. They're attracting a new set of fans, wooing tech-savvy employees who bring with them a fresh perspective, and even winning innovation awards that attract a variety of publicity that few sports teams will ever enjoy. In addition, Contentstack earned the title of "Most Effective Tech Platform" in the 2019 Effective Digital Marketing Awards thanks to their successful partnership with the organization.

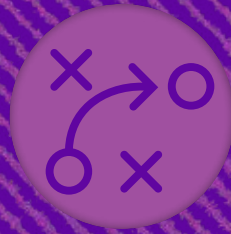
Powered by Contentstack, The HEAT's return on experience has been industry-shattering, internationally-recognized, and profitable.

This project is not just something that's exciting to our IT organization. This is what our president (Eric Woolworth) is exulting about in front of his peers. What we're powering with Contentstack today represents one of the most important initiatives for the Miami HEAT."

– **Matthew Jafarian**

Executive Vice President Business Strategy
Miami HEAT

Jafarian was one of the earliest recorded champions of ROX who has helped turn the concept into a powerful tool that has positioned the HEAT as a digital leader that wins awards, delights fans, and, of course, generates ROX.



TACTICS FOR IMPROVING YOUR ROX

Just like measuring ROX is a delicate process that's unique to each organization, so is growing the return on experience. That's why these universal tactics will focus on aiding brands in creating better experiences that should, in turn, lead to a better return on those experiences when the time comes to measure results.



POOR EXPERIENCES COST BUSINESSES LOYAL CUSTOMERS

Over 30 percent of consumers leave brands they love after even just a single poor experience.

Source: Forbes

PERSONALIZE THE CUSTOMER EXPERIENCE AT EVERY TOUCHPOINT

Personalized experiences aren't "cool extras" or "next-gen" marketing tactics. They're here *now*—and the way businesses deliver them will separate the winners from the losers when it comes to the war over consumer attention and retention.

Consumers have come to expect brand experiences that are compelling, consistent, personalized, and accessible across a range of digital touchpoints throughout the purchasing journey. Thankfully, delivering on these lofty desires is possible for brands who build their DXPs upon a headless CMS foundation.

With a well-rounded headless CMS like Contentstack, brands can incorporate unique, turn-key integrations that work with best-in-class marketing tools to track customer activity, behavior, and location to deliver hyper-relevant experiences.

STATISTICS SHOW THAT CONSUMERS CRAVE PERSONALIZED EXPERIENCES

79%

79% of consumers will only engage with an offer if it has been personalized to reflect previous interactions

78%

78% of U.S. internet users say relevant content increases their purchase intent

50%

Close to or well over half of Baby Boomers, Gen Xers, and Millennials all say they'd share personal data in exchange for personalized experiences

PERSONALIZED EXPERIENCES HAVE POWERFUL BUSINESS RESULTS

88%

88% of U.S. marketers have seen measurable improvements due to personalization—with more than half seeing a lift of more than 10%

500%

Increasing personalization across channels has been shown to grow consumer spending by up to 500%

30%

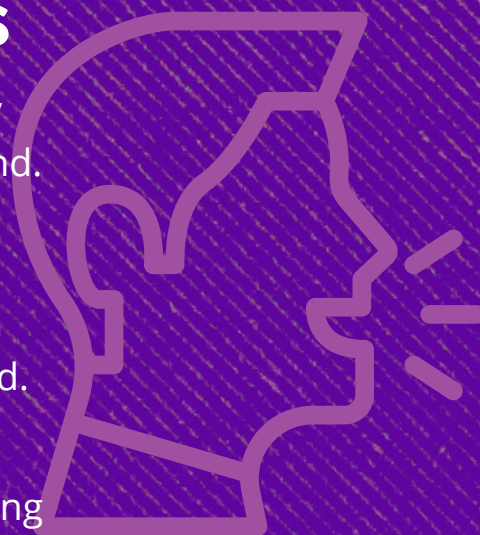
Personalization can cut acquisition costs in half and increases the effectiveness of marketing spend by as much as 30%

Source: Contentstack

BUILD A COMMUNITY WITH ENGAGING EXPERIENCES

With ROI, the goal is typically to display the immediate profit of marketing spend. But with ROX, the goal is a longer-term one that goes beyond profit. With ROX, it's all about taking the time to grow an engaged community around your brand.

Engaged communities return your commitment to the experience by getting involved and invested, telling others about you, and developing a bond of loyalty that they aren't likely to soon break.





DON'T SHY FROM SELF-SERVICE

While poorly-executed solutions have given self-service a bad name, that doesn't mean it can't help create a great customer experience when done right.

Today's tech-savvy consumers are eager to help themselves when the situation calls for it! Nearly 70 percent of people prefer self-service experiences to speaking with a company representative and over 90 percent would use a knowledge base if it were available. Why? For speed, for the convenience of around-the-clock access, and because, frankly, they're accustomed to using their smart devices to take care of day-to-day tasks.

Self-service may look like the aforementioned online knowledge base, a customer-focused portal, a robust FAQ page, explainer videos, or even chatbots enabled with machine learning.



30%

**POOR EXPERIENCES
COST BUSINESSES LOYAL
CUSTOMERS**

Over 30 percent of consumers leave brands they love after even just a single poor experience.

Source: Forbes

START MEASURING SUCCESS BY THE GROWTH OR LOSS OF THE CUSTOMER ASSET

This tactic suggests that instead of focusing solely on ROI, businesses shift their idea of “success” to be based upon how many “customer assets” are won and lost due to the brand experience.

When the customer is the ultimate asset, the business focus changes from dollars to how customer behavior adapts as you make adjustments to their experience.


IMPORTANT METRICS FOR MEASURING SUCCESS BASED ON THE “CUSTOMER ASSET”

- Whether or not you “earned the right” to grow your customer asset by improving the lives of consumers
- How many new customers were acquired and their total value
- How many customers were lost and their total value
- What changes you made to the overall customer experience to grow or shrink this asset

At their core, customer asset-based metrics inspire action and change. When business leaders pursue customer asset performance with the same fervor with which they go after sales and revenue, your customer experience and ROX will be transformed.

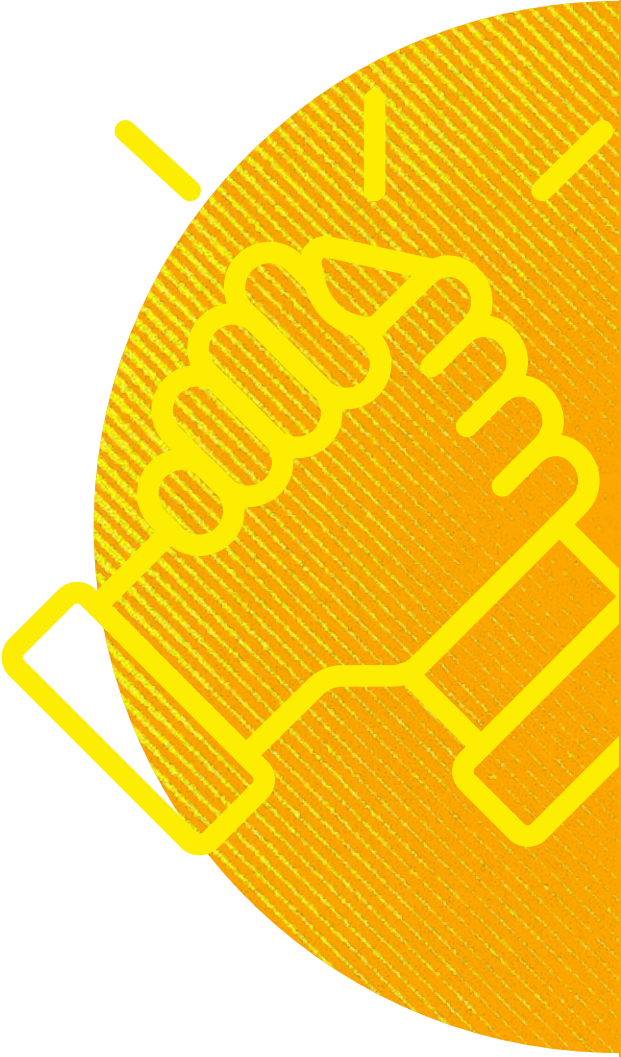


SUMMARY



We've explored what ROX means for the modern enterprise, how to calculate it, and—best of all—the benefits that one of today's most cutting-edge brands is seeing after investing in it.

NOW, LET'S TALK ABOUT HOW TO GET STARTED ACCELERATING AND INCREASING YOUR ROX.



If you are an enterprise marketing leader, a content manager, or any other kind of business influencer who is looking to push their organization to think beyond obvious ROI metrics to more complex, but more rewarding, ROX measurements—you're right where you need to be.

As pioneers in both ROX and headless CMS, Contentstack headless CMS is uniquely positioned to help organizations go *beyond* ROI to make and measure amazing customer experiences. We did it for Icelandair, Express, and The Miami HEAT—and we can do it for you.

Deliver experiences that consumers crave and the market *demand*s by getting in touch with the Contentstack team at 415-255-5955, info@contentstack.com, or contentstack.com/company/contact-us. Or, sign up for a free trial to build out your proof of concept today at contentstack.com/pricing.

SOURCES

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