

Customer Service Advantage, Inc.

"The Edge You've Been Looking For"



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Training Effectiveness/Return on Investment Sample Calculations

Customers have many choices for service providers. Loyalties are built based on technical quality and experience. Customer service skills building courses address the staff interaction component of the customer experience.

Just for fun:

Substitute your average customer transaction revenue and sales numbers per year to calculate the VALUE of a great customer experience for YOUR business.

Compare costs of satisfied and unsatisfied customers.

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|---|-----------------|
| a. Calculate "value" of happy customer example | |
| i. Average customer transaction revenue | \$25 |
| ii. Number of sales per year | 12 |
| iii. Revenue per year | \$300 |
| iv. Customer Lifetime in years (average) | 5 |
| v. Customer Lifetime Value | \$1500 |
| vi. Satisfied customers tell 5 people (average potential) | \$7500 |
| vii. Assuming 50% use service, revenue from referrals | \$3750 |
| viii. Total value of One Satisfied Customer | \$5250 |
| b. Calculate cost of lost/unsatisfied customer (\$ from previous example) | |
| i. Satisfied customer value lost | \$1500 |
| ii. 13% of unhappy customers tell 20 people (average) | \$30,000 |
| iii. Assume 50% don't use services (conservative) | \$15,000 |
| iv. Total loss from 1 unsatisfied customer | \$16,500 |