



Investing in Customer Relationship is 5 times more profitable than Digital Marketing and would create 250 to 500,000 jobs in Europe!

Why attract new customers if you cannot retain those you already have?

Who has never lived this horrifying scene where he gets caught in the arcane of a call centre where no one is responsible, nor can solve the problem? Loss of time, annoyance and often questioned, the real capacities of the supplier to do his job. In short, the client wants to be respected today ... and he is definitely right to demand it.

This increasingly assertive requirement should have implications on customer management of corporations. It's not always the case.

"It must be admitted that it is more sexy to announce in the specialized press that we invested 100.000 euros per month in "Search Engine Marketing (SEM)" for a whole year to attract customers on a brand new website than implement a smart voice portal that will recognize the customer with a real problem and put him in touch with the agent most likely to solve it", explains Luc Francis Jacobs, Chief Executive Officer of Nixxis. "I am surprised how many people I meet who tell me that they have had a terrible customer experience with such a large telephony operator or energy suppliers, even though they had been attracted at great expense a few months ago by an absolutely fantastic digital marketing campaign."

Everyone knows, on the other hand that attracting a customer to buy your product or service only once and then let him go to your competitors is not very profitable because the cost of acquiring this customer is well above the cost of keeping it.

Moreover, in SEO / SEM (Search Engine Optimization & Search Engine Marketing) it is not uncommon to see SMEs spending from 9.000 to 10.000 euros per month, or 100.000 to 120.000 euros per year, and large Groups several million euros a year, to ensure themselves a place in the sun on Google, Facebook and other social media.

"Let's be clear, I'm not saying that we should not do digital advertising on social media, but I think a rebalancing with the little money spent on customer relations, and that is, when the customer has decided to use your product or service, is at least necessary", according to Luc Francis Jacobs.

Behind this reasoning, a very simple calculation: the price of a prospect on the internet:

1. If you choose a "cost per click" (or CPC) model on Google Adwords for example, which uses a bidding model to fix its prices, you will quickly find yourself with an average cost between 1 and 2 euros per click (although some very sought-after keywords can go up to more than 50 euros per click!).

Then, this potential client, prospect or suspect as normally denominated, will have to be converted into a qualified prospect (i.e. identified) and there, experts agree that a website with a rate of Conversion of 2 to 5% is quite standard. Of course at this point, the prospect has not yet bought your product or service. After this "call-to-action" that will identify this future customer, you will have to let your sales mechanism (telemarketing, sale in a shop, e-commerce or sale at home, etc ...) act in order to convert this prospect into a customer.

If we take, for example, an average conversion rate of your sales force of 20%, we obtain on average: $(1.5 \text{ €} / 3.5\%) / 20\% =$ a cost of acquisition of a little more than 214 euro in order to attract a single customer, a significant amount for an SME.

And this is without even counting the amortization of the website development; the salary of your marketer who manages the campaign or even the creative people who make sure to make your web site is interesting.

2. Of course, there is still the option of "Search Engine Optimization" (SEO), which often has to be combined with "SEM", but here too the costs are not negligible. Indeed, if you decide to publish an article a week in the blog section of your website, you will quickly have to devote about 2 hours per week of an external consultant to write this article, at 100 euros per hour, a cost of 200 euros per week, 800 euros per month. Again, to make Google's "robots" pay some interest in you and move you from the 12th page of search to the "holy grail" first 10 of the first page, you will often need hundreds of articles written and several years of work (and still, nobody really knows the mysteries of the algorithms used by Mr. Google).

In short, a cost of acquisition of 250 to 300 euros per client at least is common. If this client stays 18 to 24 months, usually this is not a problem. On the other hand, if it leaves you only after a few months, you will have to spend this amount again to replace this client on departure and even then, you are not sure that the newcomer will stay longer than his predecessor.

“With 10% more efficiency, we could create between 250 and 500.000 jobs, and avoid the bleed of money to social networks”

Now, imagine that, tired of throwing your money in a bottomless hole, you decide to invest a minimum amount in your customer interaction management (a few tens of euros per month).

If you now have a customer relationship management policy that uses both home-based ("on-shore") and/or off-shore staff, did you know that with good tools, making these agents more productive by only ten percent, you can completely change the face of your customer relationships.

“So, if we succeed by equipping your agents correctly to make them more efficient by only about ten percent, there would be such a productivity gain that it would correspond to nearly 250.000 to 500.000 jobs that could be created in Europe. Businesses could then also avoid having to replace one leaving customer by another, and by doing so, put more money in the pockets of Google, Facebook and all the others”, concludes Luc Francis Jacobs.

About Nixxis:

Nixxis is a publisher of professional contact/call centre and customer interaction solutions. Thousands of users in the world trust the Nixxis team totalling more than 100 years of experience in customer interaction solutions. Nixxis Contact Suite software is a modular and visionary solution conceived by anticipating all the future needs of contact centres in customer interactions (phone, email, chat, SMS, and social media). 80% of their customers are witnessing up to 20% of productivity increase. For more information, visit www.nixxis.com and call [+32 2 307 00 00](tel:+3223070000).

Some References

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