

Title: Customer Experience – The Voice of the Customer
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Customer feedback is kick starting CRM programmes, improving product design and enabling six sigma projects. Feedback is the petrol driving 'sense and respond' organisations. But what is feedback, how do you get hold of it and, crucially, how do you refine it into an asset?

What is feedback?

Feedback is information about experiences – a.k.a. the 'voice of the customer'. It's a step on the path to customer collaboration, for its strength lies in listening. It takes many forms - from unsolicited complaints to word of mouth monitoring. It can be positive or negative or neutral. It enters organisations in numerous ways, even when people try to block or eradicate it - which many do!!

It combines well with market research, but isn't done anonymously and doesn't need the strictures of representative sampling to be of use; unless it's for staff incentives or KPI's. At a customer lever, it supports personalised service and builds advocacy.

Costs and benefits

Feedback needs refining to release its potential; otherwise it seeps into organisations diverting resources, incurring unnecessary contact costs and annoying ignored customers. Ideally, it should be a planned and organised quality control system for customer experience – otherwise the CFO has every right to ask about benefits. (See **The 'Must Have' Customer Strategy - Linking Vision to Execution** - by Jennifer Kirkby <http://www.insightexec.com/item/131296>)

Feedback is a customer service, a key resource for a change programme, a vital ingredient in six sigma process improvements. If feedback is used effectively, resource can be allocated more efficiently, customer brain power can be used for innovation and 'bonded' customers increased. (See **Refocus your investment - less is more** - by Jane Hodson, Ogilvy One <http://www.insightexec.com/lib/4887>)

Feedback is the harbinger of root cause issues, but conversely the discipline of listening is more useful than any method. It can be manipulated by incentivised staff e.g. car salesmen who plead for good satisfaction scores, otherwise the children will go hungry; or used to encourage pride in a job well done.

Organising for feedback

Those responsible for collating feedback soon realise the asset they have - it's power! Many an ugly duckling complaints department is transforming into a customer excellence function, whilst customer care is turning into customer relations;

often under the auspices of the service function. In mature customer focussed organisation feedback is taken up as part of the marketing discipline – as indeed is service. But the big issue for many is still getting others, particularly market research, to understand the value of linking messy operational data with precise research data – and using it.

Using feedback

Although 95% of companies collect feedback only 50% brief staff on its contents, a mere 30% use it, and a paltry 5% bother to tell the customer what action they took. Prime causes of this sorry state are poor cross functional collaboration and lack of information culture. But the main culprit is the disparate sources of feedback with no overall owner, plan or use. (See **Squeezing more value from marketing information** - by Professor Robert Shaw, City of London Business School <http://www.insightexec.com/lib/5413>)

The choice of feedback method depends on use:

- **Senior Managers** need methods to keep them in touch with reality, enabling them to champion the customer focussed cause in relation to corporate objectives
- **Operational Managers** need feedback methods that guide strategies and day to day decisions, rather than threaten them with a beating.
- **Staff** need feedback to do the best they can in their day to day job. Some feedback owners pompously say that feedback should be divulged on a need-to-know basis. But if people are not delivering or supporting the customer experience, what are they doing? Front line service causes less customer frustration than back office support, but it's the former who pays the cost incurred by the latter who gaily carry on in their misguided ways.

Planning

Feedback needs a co-ordinated system; a plan for what, how and why. Decide what information is important based on strategic market research; brand values, value drivers, hygiene factors, service levels, satisfaction, advocacy or KPI's . A feedback plan is your constant CVP audit. Some of the factors to be assessed will be rational and some emotional. Choose the method for the use.

As companies wake up to the value of feedback, methods are moving from being:-

- Formal to informal
- Reactive to proactive
- Patchy to organised
- Looking at the rational to looking at the emotional

Use of Story

When asked for feedback customers often want to tell their story so why always force them to use a tick box? Stories are rich in content and meaning and provide a better outlet for frustrations or even compliments. In some parts of the feedback plan build techniques where you ask:-

- Tell me a time when...
- Have you ever seen?
- Describe a time when...
- How did that feel?

In others use the tick box, but make it easy, relevant and entertaining.

If analysing 'story' is difficult, the advent of unstructured data analysis technology will help. But the power of stories is their use in relating the organisation to the customer - bard fashion. It is stories that motivate. (See **STORY: Harnessing the power of conversations** - By David Firth <http://www.insightexec.com/lib/4902>)

Feedback Techniques

Below is a selection of feedback techniques employed in organisations today. Segmented roughly by use they are:-

1. Traditional methods
2. Operational methods
3. Collaborative methods
4. Performance related methods
5. Stakeholder methods

1. Traditional

Complaints - or '**reactive** event feedback'! Complaints happen, but clever customer management pros nurture them, code root causes into performance indicators and track them. They also realise regular complainants may be influencers and form them into a collaborative panel. (See **Complaint Management: The Heart of CRM** - by Bernd Stauss and Wolfgang Seidel <http://www.insightexec.com/lib/5441>)

Enquiries - 'The road to divorce is littered with signs'; formal complaints arrive as frustration builds but brewing problems appear first in enquiries e.g. 'how does this work?' or 'I couldn't seem to find'.

Customer satisfaction - strategic satisfaction studies get used as feedback, whilst feedback gets used as strategic satisfaction. Both are needed. The first should look at satisfaction, loyalty and key relationship drivers, on a periodic basis and set assessment criteria; feedback then does the regular assessment.

2. Operational

Experience management - or **proactive** event feedback. Gathered near an event e.g. a purchase, a call out service. Used by sales and service more than marketing. Collected via any channel: web, telephone, sms, airline seats, application forms. Collection is an art; analysis is a science. Unable to do queries, many resort to traffic light dashboard which then assigns problems to process owners. Emotional content is a new development but these systems have to be easy and quick in gathering and using data. Often used for performance incentives.

Call centre customer feedback - a goldmine frequently overlooked in the rush to get through calls. Methods include, recordings used for training; regular insight briefings by agents to marketing; dividing calls into conversations and quick transactions; using unstructured speech technology (in its infancy); capturing caller emotions with smiley faces. What agents cannot do well is code root causes.

Customer care calls - If you don't capture calls, call the customer as a service, ask for feedback and improve advocacy. Use after purchase, before renewal dates. A good time to gather stories to use in training.

Observations of customer behaviour - Ranges from logging customers who storm angrily out of a branch (they're upset but may not complain), to monitoring website usage. Systems designed for fraud detection can show behavioural indicators of defection.

3. Collaborative

Customer forums/communities – A semi-permanent group whose role is to report on their experiences. This can be in diary form, blogs, chat rooms, customer surgeries or regular meetings. Some video discussion groups for effective staff training. Councils are powerful if made up of influencers (see below) and are important milestones towards customer collaboration

Usability panels – Companies keep panels of customers and non-customers who will do usability testing for them of new products and services. Model office, concept store and product trials are also growing in use. Typical cost can be 8-10% of development costs. Some US companies combine customer communities with usability panels.

Customers in the Board room or staff meetings – Different customers are asked to board meetings to share their experiences, this is particularly useful in B2B organisations and especially with non key accounts who tend to be over looked.

Customer immersions – Taking customers to have an experience e.g. stay in a hotel or shop in a store, and monitor closely what they do and how they feel.

Word of mouth monitoring - It's important to listen to network feedback, the word of mouth, often told in story form, by one customer to others. Emerging techniques can scan internet chatrooms and blogs for the 'word' on your organisation.

Social feedback – At one time every bank manager was tasked with socialising with clients to gain business and feedback. The practice died out, but some financial institutions are bringing back formal systems to capture comments reported during business or personal engagements. That dinner party might be a good time to air your views!

4. Performance Related

Mystery shopping/calling – Instead of listening directly to customers, researcher trial the service and report against preset scenarios. Often used for benchmarking service across branches or channels for incentive schemes and quality control.

Account reviews and plans – An annual review of activity against planned requirements and service levels. Especially useful in B2B organisations, but also used in B2C e.g. financial reviews, holiday reviews. Can be carried out by account managers or independent researchers – there are pros and cons for both. For the account manager it is a good relationship building tool, whilst the researcher may gain more frankness.

5. Stakeholders

Customer feedback is only one area of research. A growing band of organisations -mutuals, not for profit and PLC's - monitor and manage stakeholder feedback. For

some the business is targeted on stakeholder objectives and KPI's. Others struggle to see the link between complaints and market research, yet alone influencer feedback.

Employee feedback – This can range from useless staff satisfaction surveys, to staff road shows, brainwave schemes and intranet forums. An important part of regular operations and change management.

Supplier feedback - Whilst many think it's the suppliers job to create a relationship, the enlightened know that this is a two way process. There are those who have systems for suppliers to complain about company systems. Others use supplier experience management and workrooms.

Investor feedback – Companies need loyal investors. AGM's are not particularly effective at getting general investor feedback so new event methods are being used; especially for institutional investors.

Community feedback – Used a lot by credit card companies and contact centres who need to recruit in local areas.

Influencer feedback -

Identify your grass root market and company influencers and ensure you are getting specific feedback from them. In the past, influencer feedback was done through opinion surveys with people like the media, and NGO's but new work takes this into individual influencers, of which there are 3 types, Social, Category and Brand. (See **Targeting the optimal word-of-mouth leaders for your category** - by Brad Fay, GfK-NOP <http://www.insightexec.com/lib/5451>)

Recommended Reading

Total Experience Management in CRM - by Scott MacStravic
<http://www.insightexec.com/lib/2039>

The Integration of CRM and Market Research - by Dr Raymond Petitt, NOP World Group
<http://www.insightexec.com/lib/1144>

Best practises in measuring the customer experience - by David Jackson, Clicktools Ltd
<http://www.insightexec.com/lib/5427>

Making your business Fast+Simple for your customers - by Peter Massey & David Naylor, Budd
<http://www.insightexec.com/lib/4894>

Refocus your investment - less is more - by Jane Hodson, Ogilvy One
<http://www.insightexec.com/lib/4887>

The Way I See It... The Motivational Customer - by Sophie Ejsmond, Attiva
<http://www.insightexec.com/item/131575>

The 'Must Have' Customer Strategy - Linking Vision to Execution by Jennifer Kirkby
<http://www.insightexec.com/item/131296>

Squeezing more value from marketing information - by Professor Robert Shaw, City of London Business School
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Targeting the optimal word-of-mouth leaders for your category - by Brad Fay, GfK-NOP
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Jennifer Kirkby is an independent analyst and practitioner in 'state of the art' marketing and customer management practices. She is a professional presenter, post graduate lecturer and author, described by peers as one of the leading independent CRM consultants and writers in EMEA.

Currently Director of White Waves Ltd, she was formerly CRM Research Director for Gartner, where she was a primary architect of the Classic Gartner Model - The Eight Building Blocks of CRM. She has advised many Fortune 500 companies across Europe and Asia on how to improve their customer management over the last 5 years.

Prior to that Jennifer was with the UK's Modernizing Government programme demonstrating how CRM techniques were applicable to Public Services. This followed 15 years of marketing practice in financial services and manufacturing, where she had roles in CRM programme management, marketing research, brand and product management, business development and strategic marketing. She has a degree in Economics from Leeds University and professional qualifications in Marketing, Market Research and Programme Management.