



The Value of Closing The Loop

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Closing the loop is not a new topic in the world of customer experience. Any company striving to retain customers (read: any company striving to keep its doors open) is familiar with this very real challenge. Brands are most likely also familiar with some underwhelmingly real stats, including the usual Forrester reports about how few companies actually accomplish this vital task.

Indeed, there's a clear and conspicuous gap between how many companies try to close the loop (or say that they do), and how many actually succeed at it. How can this be, especially when closing the loop comes up constantly in discussions about customer experience (CX) programs? For that matter, Googling the phrase "closed loop feedback best practice" yields a whopping 15 million results. It's time to revisit why so many companies have trouble closing the loop, and, more importantly, how they can start doing it now.

WHY CLOSE THE LOOP?

Before we continue, let's take a quick step back to recap the traditional case for closing the loop. Why should brands engage in solving single problems (a process known as the inner loop) and creating a company-wide culture dedicated to continuous customer-centric improvement (the outer loop)?

Well, first and foremost, if the customers who sustain a brand provide feedback, that brand

owes it to those customers to respond. A survey invitation creates an implicit understanding that a company values its customers' feedback, that it's listening, and that it's responding. Hopefully, this point begs no further explanation.

Additionally, responding to customers ultimately drives both loyalty and retention. Even an upset customer is much more likely to stick around if a brand truly listens to them. There is no easier way to lose credibility than by asking for feedback and doing nothing with it—companies that do this risk worsening an already bad experience.

Moreover, closing the loop allows companies to become aware of and fix pain points in their experience. A lot of companies underestimate the value of a detailed complaint—yes, criticism stings, but as Bill Gates once said, "your most unhappy customers are your greatest source of learning." When a customer submits process criticism, they've done the job of finding issues for the companies they're critiquing.

Perhaps the strongest case for closing the loop has to do with both customers and processes. A well-developed loop-closing process highlights problems that brands may not even know are occurring. Not every customer who experiences an issue will actually submit a comment about it, which is why it's crucial for companies to listen carefully.

Once brands receive feedback, they need to quickly assess whether a reported issue is a one-off or a systemic problem. Additionally, by codifying and ingraining this process, brands will be afforded continuous opportunities to improve by leveraging the

employees to personalize the feedback experience—the more personalized a closed-loop process, the more information a customer will divulge. It is essential that customer-facing employees own their piece of this process and understand that their role



closed loop. Finally (and this cannot be emphasized enough), having a consistent and well-executed closed-loop process allows companies to build one-on-one relationships with their customers by demonstrating that those brands care about customer concerns.

EXECUTING A CLOSED-LOOP PROGRAM

Now that we've outlined a few of the traditional reasons for closing the loop, let's circle back to discussing how companies can actually pull it off. What are a few ways that organizations can take closing the loop to the next level?

First, it's important for companies to get their employees involved in the loop-closing process because they have an inside track toward the issues that drive complaints in the first place. Brands should encourage

employees to personalize the feedback experience, not just solving issues.

Next, companies need to develop a methodology that enables them to create initiatives based on both personal and online customer feedback. Frankly, too many brands stop at just having information or correcting the superficial "symptoms" of a problem. *Acting* on feedback is essential to fundamentally correcting an issue. It's worth repeating that employee involvement in this process is critical.

SHARING RESULTS

Implementing change based on customer feedback is a win for any brand, and companies that truly want to attain transformational success create closed-loop processes that strengthen customer relationships.

Brands shouldn't be shy about sharing the closed loop-based changes they've made. An important part of closing the loop is reaching back out to the customers who submitted critiques and letting them know about it, as well as alerting other customers. This lets customers know that their voice was heard and resulted in actual change, which does wonders for their connection to that brand.

It's also important for companies to circle back to the employees involved in the loop-closing process and acknowledge that their input has been executed. This can help organizations build a company-wide CX culture. CX teams and practitioners should make a point of visiting customer-facing employees in-person to thank them for their efforts and to let them know about any new changes implemented as a result of their help. Employees who feel recognized will be more productive, take more pride in their work (incentives like food, bonuses, and certificates never hurt, either), and be more willing to make suggestions in the future.

REAPING CONTINUED SUCCESS

Closing the loop is an essential part of any CX program. The benefits are easy to spot, especially in the customer arena. As we

previously discussed, customers who can see that their problems have been heard and addressed will not only be happier, but will also become more loyal even if they were previously frustrated. These individuals will spend more with a brand that goes the extra mile to resolve their problems. They will also tell their friends and family that they were taken care of.

The employee benefits are tremendous as well. Employees who participate in the closed-loop process and see change occur because of it will feel more engaged and that they can truly make a difference in their workplace. Besides, broken processes are a two-way street, and can be just as frustrating for workers as customers. Thus, identifying and fixing problems can lead to happier employees, too.

All told, companies can succeed in creating Experience Improvement (XI) by leveraging technology to gather customer feedback, identifying action items within that feedback, creating initiatives to meaningfully change or fix processes, and letting all parties involved know that their participation wasn't for naught. Brands that can pull all of this off will drive key business outcomes like customer acquisition, customer retention, and lowering cost to serve.

For more information about closing the loop contact us at:

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