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The Nine Habits of Leading Customer Feedback Managers

Introduction

Gathering customer feedback is the only way for a company to truly know and understand its customers' needs, wants, concerns, and issues, as well as create more and lasting value for them

However, while most companies receive customer feedback, whether unsolicited (e.g. via comments, suggestions, complaints, questions, concerns, etc.) or by proactively soliciting feedback through surveying, many still struggle to

manage and act upon that feedback in real-time. More importantly, sometimes crucial customer concerns and issues aren't being heard by the people who need to know most.

Regardless of whether customer feedback is managed by a single person or multiple people in an organization, or even a third-party provider, companies need to ensure that they are putting the right voice of the customer experience programs and processes in place to support their organization's collection, management and use of that data.

Charting Your Path to Success

Below are five critical steps that successful customer feedback managers employ in collecting, managing and acting on customer data:



Traditional Challenges in Collecting and Managing Customer Feedback

In the past, companies primarily received feedback from customers in person, over the phone or through comment cards or surveys. However, over the past several years, the number of channels through which customer feedback can be collected has risen (e.g. digital, mobile, social, QR codes, etc).

Today, customer feedback is also being collected, stored and used by a growing number of individuals and departments within the same organization, and in a variety of different formats. For example, marketing may be conducting web-based surveys, product development may be conducting regular focus groups, the contact center may be collecting customer feedback from the support line, etc. Plus, due to the rise of social networking sites

such as Twitter, LinkedIn, Facebook, blogs, etc., companies must also monitor and collect feedback from these sites as well. As a result, industry analyst group Gartner reports that “Some organizations have discovered they are using more than 100 different surveying and feedback tools across the enterprise, with little or no coordination of the data.”

The challenge this creates for companies is that they do not always know what feedback is being captured, who is capturing it, where it is being stored and who is responsible for following up on it. This also makes it difficult for companies to use this information to improve the relationships that they have with customers.

Building and Maintaining a Successful Voice of the Customer Experience Program

Today’s best practice companies are not only listening to their customers’ feedback,

but they are using that feedback to increase their customer retention and loyalty, quickly solve customer challenges before they become major problems, and develop new products and services that attract additional customer purchases. They are also taking advantage of new technologies to streamline their surveying and feedback management programs and processes, gain a better understanding of why customers do business with them, and identify those areas of their business that are doing well and those that are underperforming. As Scott McKain, author of the book “What Customers Really Want: How to Bridge the Gap between What Your Organization Offers and What Your Clients Crave” writes, “By consistently responding to and acting on their feedback, true value is created in the eyes of customers, resulting in very satisfied and truly loyal customers who repeat business with the organization and refer others with passion.

You need to know about customer feedback that says things should be better.

BILL GATES, FOUNDER OF MICROSOFT



How are today's best practice companies using customer feedback to improve their business? They're using it to:

- ✓ Develop new or improve existing products
- ✓ Measure and understand customer satisfaction, loyalty and engagement
- ✓ Determine which factors drive customer purchases
- ✓ Identify trouble spots in their organization
- ✓ Gauge perceptions of their company
- ✓ Make web site content more relevant to their customers

They are also taking action via:

TRAINING PROGRAMS

An effective way to build engagement is by providing leadership training for managers, as well as providing front-line employees with the right corporate talking points that resonate with your company's vision.

COMMUNICATION STRATEGIES

Speak to the values of consumers/customers. Develop specialized messaging for individual demographic groups.

ENGAGEMENT

The bond or attachment that a customer develops during the repeat and ongoing positive interactions that they accumulate with a business as a satisfied, loyal and influencing customer. When customers are engaged with a company they a) buy more products and services; b) are willing to pay more for a company's products and services; c) exhibit higher levels of customer loyalty; d) stay longer in a business relationship; e) refer a business more to family and friends; and f) provide a company with more feedback.

PROCESS IMPROVEMENT

For example, a medical product supplier identified a major disconnect between its sales and billing processes that adversely impacted the company's fulfillment of customer orders. The company improved this process and is now able to fulfill customer orders faster.

PRODUCT DEVELOPMENT

Engaged customers want a broader relationship with a brand. Make sure your company is providing them with opportunities to grow in the relationship that they have with your company (i.e. If you only offer one or two products, consider expanding your product and service offerings so that your engaged customers have more opportunities to buy from you). Process improvement – For example, a medical product supplier identified a major disconnect between its sales and billing processes that adversely impacted the company's fulfillment of customer orders. The company improved this process and is now able to fulfill customer orders faster.

Furthermore, when the loyalty process extends across the enterprise — to every customer touch point, from the reception desk to senior-level executives — companies glean more insight into what customers value and how the company can better meet their needs — for life.” Thus, to ensure your own company’s success in setting up and managing an effective experience program.

Be it furniture, clothes, or healthcare, many industries today are marketing nothing more than commodities — no more, no less. What will make the difference in the long run is the care and feeding of customers.

MICHAEL AND TIMOTHY MESCON

BELOW ARE NINE HABITS SHARED BY LEADING CUSTOMER FEEDBACK MANAGERS IN COMPANIES THROUGHOUT THE U.S. THAT YOUR COMPANY MAY WANT TO CONSIDER EMULATING:

HABIT #1

They have specific and well-defined goals and objectives for collecting customer feedback.

Successful customer feedback managers have a well-defined roadmap for collecting customer feedback data that includes specific goals and objectives. They also ensure that their roadmap is in-sync with their company’s goals and objectives. They not only know what kind of data they need, why they

are collecting the data and how they are going to use that data, but they also know what types of reports they need to produce and who within their organization needs to have access to that information.

Plus, whenever they do conduct customer surveys, leading customer feedback managers identify an accurate and clearly defined group of people to survey and weigh both the pros and cons of contacting those individuals prior to reaching out to them. They also ensure that they have the right mix of

demographics for their survey audience, so that their survey results are balanced and truly reflect the bigger picture. (i.e. They understand that whenever they are doing surveys, it’s important to get the audience right!) Moreover, these feedback managers ensure that their survey questions are focused, and they avoid the temptation to ask too much, as they recognize that simple, short surveys will produce better results and enable them to survey the same people in the future.

HABIT #2

They obtain executive buy-in and rally internal support for their company’s experience program.

Critical to the success of any experience program is obtaining executive buy-in and rallying internal support for the program. Aside from being mere champions for their

experience program, highly successful feedback managers work alongside their company’s executive team in communicating and sharing important customer feedback and experience program goals and objectives with all employees. They also strive to keep their experience programs top-of-mind with executives and employees by including customer feedback and experi-

ence metrics in executive dashboards and sharing positive customer feedback with others during company meetings. What’s more, they make sure that everyone in their organization has/uses the same definitions and language when talking about customer feedback and engagement. (These semantics are imperative for success!)

HABIT #3

They help their company set up a formal experience program to better understand their customers' needs, wants, attitudes, preferences, etc.

Best practice customer feedback managers establish a formal experience program that encourages two-way communication between their company and its customers. This includes setting up multiple communication channels for customers to communicate with the company, whether

it's through the web, e-mail, comment cards, a letter, a kiosk, etc. Once these channels are established, these managers help their company create and implement formal processes to support their customer feedback data collection and management, including ensuring that they implement the right technologies to support a centralized and unified experience program across their organization.

They also work to rapidly respond to customer feedback, as they recognize that a quick response is not only important to preserve and improve the relationship that

a company has with its customers, but also impacts how likely customers will be to buy from a company again.

When companies listen and respond to customer feedback in this way, customers feel valued and have more confidence in the company's ability to meet their needs. Customers are then more apt to give feedback, which helps the company continue to improve its operations and provide its customers with better, higher quality service.

HABIT #4

They centrally collect, store, manage, & analyze their customer feedback

Best practice customer feedback managers are smart about how they collect and manage customer feedback data. They use enterprise feedback management (EFM) solutions to not only centrally collect, store and manage feedback, but also design and conduct surveys.

This is important because research recently conducted by Loyalty 360 found that "organizations of all sizes...utilize multiple vendors to accomplish their loyalty programs - often leading to potentially high duplication of effort and cost." The report further con-

cluded that "Reducing disparate vendors and separate processes into fewer tools and procedures simplifies the workload and lowers cost." The yield on the data collected through a single system is much greater while "Loyalty practitioners can realize greater insights and program results by combining disparate programs together."

By consolidating all feedback and survey data into a single centralized system and using that system across the organization, feedback managers are able to gain valuable insights into what customers need, want and value most, as well as identify important trends and patterns in the data. Furthermore, it can help a business understand what's working and what's

not in their organization so that they can continue to do more of what's working and discontinue or fix what's not.



HABIT #5

They serve as a true customer advocate throughout the entire feedback management process

While a company's feedback management processes help drive the effectiveness of its experience program, ultimately what makes the biggest difference to the customer is how the customer is treated once their feedback is received.

Best practice customer feedback managers not only serve as a true advocate for customers from the moment that a customer's feedback is received, but they also ensure that any issues that the customer has get resolved. Plus, they:

- Rapidly and courteously respond to customer feedback.
- Ensure that serious complaints and unhappy survey responses are automatically escalated to the right senior person.
- Keep the customer informed about the ongoing status of their issues and requests.
- Ensure that the feedback loop gets closed with customers.
- Let customers know when the company uses one or more of their suggestions.
- Do their utmost to help their organization address and resolve chronic customer complaints, concerns and issues.
- Track, measure and monitor customer feedback response times, and continually work to improve those (e.g. Average response time, average time to resolution, etc.).

In small organizations, one individual may be solely responsible for closing the loop with the customer and ensuring that a closed-loop process is in place. However, in large organizations with multiple departments and locations, multiple people may be responsible for following up with customers and closing the loop with them. While creating a closed-loop process in this environment can be a challenge, it can be accomplished via ongoing coordination between those individuals.

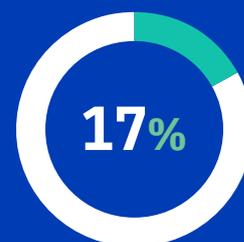
HABIT #6

They communicate/share customer feedback with others

Successful customer feedback managers quickly distribute real-time customer feedback, and create and share reports and survey data findings with others in their organization — from the c-suite to top-line managers and employees — so that everyone in their company can better serve the customer. They also openly share actionable insights with employees and conduct post-mortem meetings to discuss what did and did not work, and what the organization needs to do to improve.

Every 1% increase in loyalty intentions is associated with a 17% higher likelihood of repurchasing.

LARIVIERE, BANKING STUDY



HABIT #7

They collect feedback from their customers in real-time on an ongoing basis

An important ingredient in building strong, lasting and engaging relationships with customers is gathering and responding to their feedback in real-time. To accomplish this, best practice customer feedback man-

agers make it easy for customers to submit feedback (e.g. comments, complaints, suggestions, concerns, etc.) at virtually every interaction point, whether over the phone, on the Web, through the mail or in person, and even anonymously if the customer wishes. They also regularly conduct surveys and use the knowledge that they gain from every survey to create and conduct their

next survey. Furthermore, regardless of how customer feedback comes in, successful customer feedback managers ensure that that data is entered into a centralized system and tracked and responded to in a timely and organized manner.

HABIT #8

They make sure that customer feedback is integrated into all areas of their business

Customer feedback data is only valuable if it gets to the right people and is integrated into a company's business. Leading customer feedback managers not only develop feedback management plans, establish priorities and take action on their

customer feedback and survey data, but they also work with other departments throughout their organization to ensure that the customer feedback they do collect gets incorporated into their company's strategic planning and goal setting efforts. What's more, they work with company leaders to identify problem areas and best practices; address and resolve the most critical issues; share best practices among departments and different office locations; identify longer

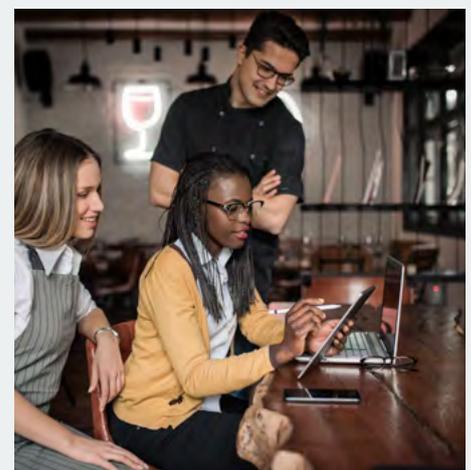
term areas of need; and roll out organizational changes in phases. Plus, they sort through open-ended customer comments to see whether a customer has complimented any individual employees. Then, they make sure that that feedback makes its way back to the employee, and that the employee is recognized for the positive customer service that they provided.

HABIT #9

They tie customer feedback programs to business outcomes and benchmark their efforts against industry leaders

Finally, leading feedback managers tie feedback programs to business outcomes. They do this by measuring and monitoring

customer-related metrics such as customer retention, average number of products purchased per customer, likelihood to recommend the company's products or services, likelihood to purchase again, etc. Or they create a hybrid measurement that uses more than one metric. They also benchmark their programs against other industry leaders and are driven to constantly improve.



Positive Impact of Customer Engagement on Financial Performance

According to the Economist Intelligence Unit, companies with engaged customers enjoy:

80% Improved Customer Loyalty

76% Increased Revenue

75% Increased Profits

Furthermore, research from industry analyst firm Aberdeen Group shows that leading organizations with effective employee engagement strategies in place are seeing a 22% year-over-year improvement in customer satisfaction/loyalty and a 21% year-over-year improvement in turnover/retention.

BONUS BEST PRACTICE

Use a valid scientific measure to rally employees, create important incentives & nurture culture change

Even the most powerful experience practitioners run up against one common obstacle: cultural adoption that creates and supports real change. Embracing a scientific measure, such as the InMoment Engagement Index, a customer satisfaction (CSAT) score, etc., helps executives and line workers get behind the cause. Plus, it helps everyone understand what it means when a CEO says, "lets improve our score!"

Conclusion



The purpose of gathering customer feedback isn't just about finding out and addressing customer concerns — it's about gaining a solid understanding of customer needs, wants, concerns, and issues via their compliments, complaints, concerns, issues, and questions. Regardless of whether customer feedback is managed by a single person or multiple peo-

ple at an organization, companies need to ensure that they are putting the right experience programs and processes in place to support their customer feedback data collection and management efforts, as well as their employees' ability to quickly address and resolve customer concerns and issues.

WHAT'S NEXT?

if you'd like to discuss your unique requirements and our experience in your industry, we'd be delighted to assist. Please schedule an introductory discussion with us by reaching out to infoapac@inmoment.com

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