

Customer Feedback Strategies You Can't Ignore

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The Importance of customer feedback strategies

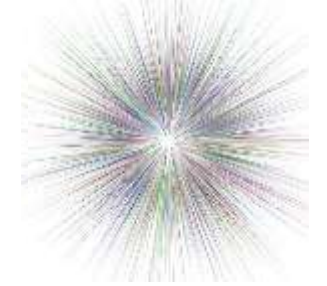


- Most companies collect or monitor customer feedback in some way. Some even incentivise customers to provide it.
- How they collect, collate, communicate and utilise the feedback is key to driving growth, profitability and getting ahead of the competition.
- It costs 5 to 25 times* more to acquire new customers than retaining and keeping existing ones.
- Highly-engaged customers buy 90%* more often and spend 60%* more per transaction.
- The most common source of new leads are referrals from existing customers.
- Companies with the highest NPS in their industry tend to outgrow their competitors by at least 2x**.

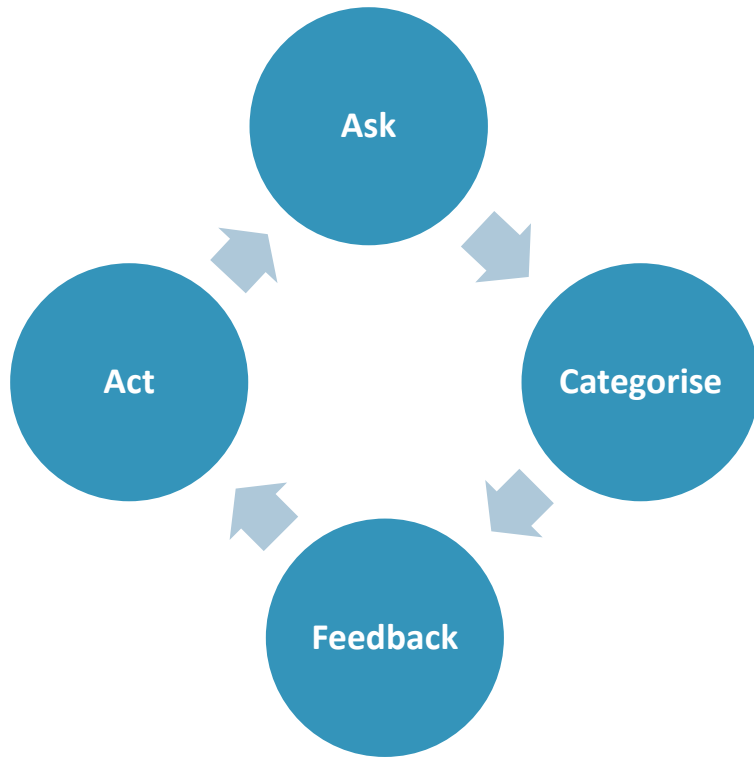
**Source: Harvard Business Review*

*** Source: Bain and Company*

Customer Feedback Strategies – The Basics



A.C.F.A Customer Feedback Loop



- **Ask** your customers for feedback/monitor what they are saying
- Ask for feedback at different stages of the Customer Journey
- **Categorise** the feedback you get
- Communicate the feedback (*to the people who need it*)
- **Follow-up** with customers who shared feedback with you
- **Act** on the feedback
- Let customers know what actions you have taken based on their feedback
- Monitor the impact of the actions you have taken

Asking customers for feedback -types



- Unless they have an amazing or horrible experience with your company, customers are unlikely to provide feedback voluntarily.
- It's important to be proactive and reach out to them.
- The most popular methods to acquire customer feedback are:
 - Customer Satisfaction Score (CSAT)
 - Customer Effort Score (CES)
 - Net Promoter Score (NPS)
- These methods can be used individually or in combination, depending on the nature and size of your business and the type of feedback you want.
- Limitations – they are far more effective at telling you something is good or bad but as to the 'Why?' not so much.

Asking customers for feedback – methods



CSAT

Please rate the quality of service you received today from {your business}.

Poor Fair Good Great Excellent

CES

Overall, how easy was it to solve your problem with {your business} today?

Very Difficult Difficult Neither Easy Very Easy

NPS

How likely are you to recommend {your business} to a friend or colleague?

1 2 3 4 5 6 7 8 9 10

*Surveys are not 'King'.
Rich sources of feedback are created
without taking any action you just
need to monitor and analyse .*

phone
survey
email
webchat
community-group
sms
social-media

Asking customers for feedback –methods



- Customer Panel
 - Inviting customers to be on a panel makes them feel special and gives you a group of customers willing to provide feedback on an ongoing basis.
 - Check the profile of panellist against the profile of your whole customer base to ensure there is no bias.
- Community Groups
 - Often seen as risky and time consuming to manage however, you can create customer ambassadors for your product and let them manage the conversations (if you are brave enough).
- Customer Interviews and Customer Listening Sessions
 - Useful for drilling down deeper in to the detail and there is nothing better than hearing from a customer first hand face to face or on a call.
- FB or other Social Media Polls
 - Great for testing the water. For example, you could use this to test options for the best name for a new product or feature.
- Mobile Beacon Surveys & Feedback Cards & WiFi Surveys
 - Particularly useful if you have retail outlets or a high street presence.

Gathering customer feedback – methods



There are other rich sources of customer feedback which are less intrusive for the customer.

- Monitor Social Media Channels – use alerts to make it easier
- Review Live Chat transcripts
- Analyse recorded sales and service calls – speech analytics software can help you mine this rich data source.
- Record Website Visitor Session Replays – click, move and scroll heat maps provide a wealth of data about how customers/visitors use your website and pointers for improvement.

These methods can be useful to help you avoid 'survey fatigue' especially for companies who have a relatively small customer base.



Asking customers for feedback - timing



- Many businesses make the mistake of only asking for feedback at the point of acquisition i.e. from the point of sale through the on-boarding process.
- Great for insight, but less useful if you're looking to improve or drive loyalty and retention.
- Asking for feedback at key points throughout the customer lifecycle gives broader and deeper insight.
- Creating a map of CSAT, CES & NPS scores helps identify areas in your customer lifecycle/journey that need work
- And helps to drive more powerful strategies whether acquisition, customer value growth or loyalty and retention.



Categorising customer feedback



- The first step is having a system in place for categorising your feedback.
- It's wise to have a scalable system so you can cope with business growth and add categories.
- Categorisation enables easy analysis but how you categorise is critical to ensuring the data gets to the right person and action can be taken.
- Typically there are three main categories companies want to focus on:
 - Product
 - Customer Service
 - Marketing and Sales
- You can break down each main category into sub-categories to enable prioritisation of action to address the issues you identify.

Product feedback sub-categories



- **Major product flaws or bugs** - Typically, extremely urgent issues that prevent customers getting the core value out of your product.

For example; if customers normally access a feature or service online and it's not working.

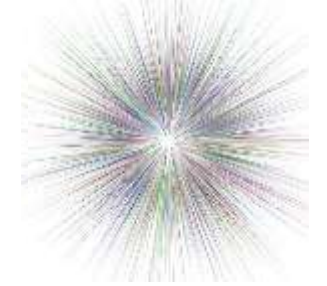
- **Minor product flaws or bugs** - For minor issues that don't distract from your core product value.

For example; an on-boarding email that has a typo or customers are receiving two copies of the same email.

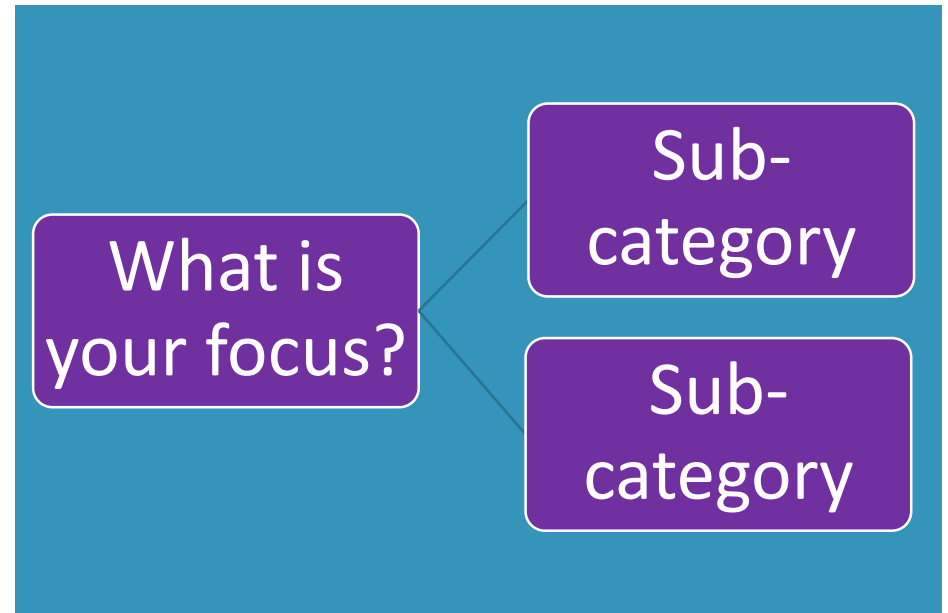
- **Feature requests** – Requests for or feedback covering ideas for additional features or functionality requested by your customers.

These might not come in the form you think, for example ' I couldn't find x, y or z.', which would suggest it's missing and you will enhance your product/customer experience if added or made easier to find.

Customer Service feedback sub-categories



- It's more difficult to categorise customer service related feedback.
- It depends on what you want to focus on e.g. minimising complaints about your product(s) or service(s), reducing call volumes, reducing AHT or improving customer experience and engagement.
- In some cases, you don't need to ask customers for feedback you receive.
- For example; analysing the questions your live chat or phone agents get asked most frequently, can help you improve the information available to customers during on-boarding or in your FAQs and content.
- This can drive down call or chat volumes and reduce operational costs.

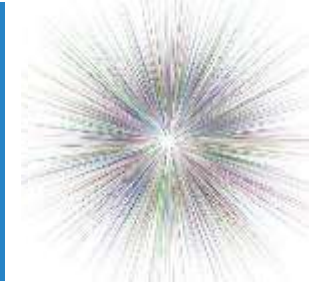


Sales & Marketing feedback sub-categories



- Categorising feedback relating to Sales and Marketing also needs careful thought.
- Do you need to know;
 - about errors e.g. if your marketing materials or sales people are making unrealistic promises.
 - if your customers understand what they are buying and that your product delivers value to them.
 - what good things customers are saying about the sales experience, your product and the company (brand).
 - if your content is engaging and driving new business, repeat business and loyalty.
- Don't go overboard on the number of sub-categories. Too much granularity can make it difficult to identify themes that you need to act on quickly.

Follow-up



- Customers want to know that you're listening.
- Letting customers know you're listening and acting helps create more engaged and happy customers.
- Critically, it helps to generate ongoing feedback i.e. 'you heard me so I'll continue'
 - Follow-up thank you emails (personalised if possible)
 - Thank you gift (vouchers, corporate branded items, badge of honour, invite as ambassador)
 - Display board on website – 'You told us XYZ, we did XYZ' (works particularly well for product features, changes or new products)
 - 'Shout out' in Newsletters or Blogs
 - Display customer reviews/recommendations on your website



Act



- Acting on the feedback you receive, both good and bad is clearly important.
- Acknowledge that you may not need or be able to act on all feedback.
 - Involve the right people in agreeing categorisation of feedback. Not just Product, Service, Sales & Marketing – Training, Compliance, Legal ??
 - Identify preferred formats and frequency for receiving the data, it may be different for each department.
 - Make sure you know who should receive the feedback and can drive action
 - Agree actions to be taken
 - Track progress and completion of action
 - Monitor impact



Next steps



- Ask yourself ‘Is your feedback strategy working as well as it could?’
- How can you enhance it?
- Act