

CX Series: the Basics of Customer Experience

Part 2 of a 5-part series

Customer Feedback:
How to collect it and
what to do with it



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PART 2

CUSTOMER FEEDBACK: HOW TO COLLECT IT AND WHAT TO DO WITH IT

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CX SERIES PT 2: FEEDBACK COLLECTION

We're excited to bring you the second instalment of our 5-part CX series! We're going to focus on the collection of customer feedback. As an experienced CX professional you'll know that your customers are talking about their experiences with your business whether you like it or not. That's no longer the question. The question is whether you're able to listen and learn from what is being said and experienced.

THE LISTENING IMPERATIVE

The first part of the series reminded us that the way that customers interact with your business is not static. They move from channel to channel and use multiple touchpoints, switching from one to the other and sometimes using several in parallel in order to achieve something. Listening to your customer

is much more valuable when you do it consistently and in the context of the customer journey. Whether the feedback is reaching the business through structured or unstructured channels (discussed in this paper), it's essential to listen, organise and make sure that different areas of the business have

access to the insight. If you're listening and learning at all of the necessary points, all of the time, you'll build an unbroken view of the customers' journey and general sentiment. But let's slow down and look at why this is even necessary.

It's important to recognize that feedback has many forms, and the business needs to be able to gather from all channels, process and analyse both structured and unstructured forms in order to react appropriately in real time.

WHY IS CUSTOMER FEEDBACK EVEN IMPORTANT?

Top performing companies understand the importance of customer feedback. These companies are listening all the time, for a couple of reasons:

SATISFACTION MEASUREMENT

Customer satisfaction and loyalty determine your financial future. They can only be measured through feedback collection, whether the feedback is structured or unstructured. An example of a broadly accepted metric is NPS which measures and benchmarks customer loyalty with a single question.

ENHANCED CUSTOMER EXPERIENCE

Asking a customer how their experience was actually enhances their experience. Whether the experience was positive or quite poor, a genuine request for feedback will improve the experience, and also provides the business with an opportunity to correct the experience.

PRODUCT AND SERVICES IMPROVEMENT

Customer feedback provides insight into what is working well and could make the experience better. Customer insights will always be more valuable than opinions and professional knowledge in the business. Fulfill the customers' needs and ensure future business.

CUSTOMER SENTIMENT IS VALUABLE

Customers need to believe that their opinions are valuable to the business. This happens when customers are asked for their feedback and their feedback is acknowledged. This involves customers in the shaping of the business and creates a stronger relationship with them.

SINGLE VIEW OF EACH CUSTOMER

Every item of feedback should be adding to what you know about each customer. This may include customer preferences or interests, or simply what each customer values. These serve as additional colour when looking at the picture of the customer, and can inform the personalization of future communications and campaigns.

RETENTION

Satisfied customers stick around. Unhappy or marginal customers will respond to competitive offers which find them. Feedback helps you keep a finger on the pulse of your customers' state of mind. Unhappy customers are an opportunity for real time service recovery, which can recreate a customer's experience.

Gathering customer feedback and ensuring it ends up in front of the correct people in the business so that important decisions can be made will improve customer experiences, inform the direction of the business, and ensure future business. That said, it's crucial to establish the importance of both structured and unstructured feedback.



WOULD YOU RECOMMEND YOUR BUSINESS?

Let's look at an example of a global-accepted, structured measurement standard: Net Promoter Score. NPS, measured with a single survey question, quickly categorises all respondents into three categories – promoters, passives and detractors. The question is usually asked periodically, and sometimes after specific customer experiences. NPS is measured by asking customers “How likely would you be to recommend [company/product] to a friend or a colleague?” Respondents giving high marks are promoters (your most loyal customers). The lowest scorers are the detractors, and NPS is basically the percentage of promoters less the percentage of detractors. This provides a quick view of customers' loyalty and whether experiences to date have been a success or a failure. Harvard Business Review has called NPS “The One Number You Need to Grow”.

This is an important measurement when considering structured feedback, because it's globally accepted and benchmarks exist. It's equally important to consider unstructured feedback though. What is meant by this?

FIND THE SIGNAL IN THE NOISE

It was stated earlier that your customers are providing feedback all the time, but this is only sometimes through structured mechanisms like surveys. More often than not customers are providing unstructured feedback. Consider the open-ended comment left at the end of a survey where the customer mentions their recent experience, and their opinion on a recent advertisement, and that the documentation is poor quality. This is unstructured because it's feedback on things that the business may not have even thought to ask about. The customer also could have mentioned these issues on social media (an increasingly noisy and insight-rich channel) through a series of tweets,

or they could have popped the details into an email to the company. A Text Analytics solution is able to process this verbatim feedback and extract important themes and general sentiment, and an integrated solution will even associate these themes and sentiment with individual customers. It's important to recognize that feedback has many forms, and the business needs to be able to gather from all channels, process and analyse both structured and unstructured forms in order to react appropriately in real time.



NOW THAT WE HAVE FEEDBACK...

Thousands of lines of customer feedback can be overwhelming if you don't have a mechanism for dealing with it. It needs to be organized and made visible to different areas of the business, as appropriate.

Sales teams don't want to receive feedback on claims processes, for instance. A best-in-class customer feedback system, such as inQuba CX, will organise the feedback according to areas of the business, issues mentioned or even customer profiles and make those feedback streams available to the appropriate business audiences. The solution will also anchor feedback themes to the steps of the customer journey so that the business can easily identify hot spots and areas needing attention.

Of course, gathering and listening are essential activities, but you also need a toolbox that empowers you to intervene and change customer experiences. The CX professional requires notifications of poor experiences in real time, and the ability to assign responsibility and drive to resolution. The customer-centric company also needs to ensure that customers' profiles are updated with insights gathered so that they can be appropriately engaged in future.

Service recovery best practices will be looked at more closely in the next part of this series.

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