Best Practice in Customer Experience Management

This report looks at best practice in implementing voice of the customer programmes to help retail businesses understand what their customers want and how to turn that knowledge into return on investment.

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Introduction

While a fairly logical question for any retailer may appear to be ‘what do customers want?’ it might be far more useful to approach the issue along the following lines: ‘what’s the difference between what we think our customers want, and what they’re really asking for?’

The way modern communication works means getting a satisfactory answer to this question is more possible than it’s ever been before. Customers have the capacity to engage with brands across a wide range of channels and contexts, leading to opportunities to gather feedback and insights on the experience at different stages of any customer journey.

There are of course general trends and developments that affect almost all retail brands and businesses, irrespective of their proposition and customer demographic. A few examples of data IMRG have reported on recently for example:

- The growth of mobile: sales through tablets and smartphones are now driving all growth in the IMRG Capgemini e-Retail Sales Index. The percentage of online sales coming through mobile devices has grown from 0.4% in Q1 2010 to 23% in Q2 2013.
- Attribution models have become more complex: customers can switch device mid-journey, so an initial interaction through a smartphone might lead to research through a tablet before completing the purchase on a desktop, or even in-store. Understanding that it is the same site visitor can be difficult.
- Customers are purchasing smaller baskets: a general overall decline has been recorded in the Index, where average basket values (excluding travel) are down 6% (Q1–Q3 2013) to £78, compared with £83 over the same period last year. There are numerous reasons for this, including the second point listed above around customers shopping across multiple devices now.

Identifying and tracking these trends forms a crucial part of any retailer’s strategy, but how each of these macro trends translates into behaviour across a specific brand’s touchpoints can vary. The reason for this is that each customer demographic is slightly different; for example they may generally be young or old, low income or affluent, time-pressed or at-leisure, etc.

The brand’s retail proposition obviously influences the type of customer it attracts. There will be patterns that are consistent in behaviour across most sites; such as that the switching behaviour mentioned above leads to traffic peaks for smartphones during the morning commute, desktops at lunchtime and tablets after 9pm. However, any brand’s unique proposition creates a unique set of expectations among its customers that make focusing on their specific needs a valuable exercise, as it can lead to insights on how the macro developments should be catered for within that retailer’s touchpoints.

Taking the opportunity

Customer retention has become more important than ever, with satisfaction and loyalty now serving as key benchmarks. It is no longer enough to merely know who your customers are; a customer’s past behaviour, current preferences and predicted next actions need to be understood to ensure success.

Customer feedback, still today, is often collected without a clearly-defined strategy. In many cases feedback is kept in silos, often within the marketing or client services teams. By integrating best practices such as leveraging social media to drive brand advocacy, delivering better customer service with mobile tools, collecting and acting on customer feedback and increasing employee engagement, retailers are paving the way to establishing emotional connections between shoppers and their brands.
Interactions have become more social, more mobile, more personal, more creative and more collaborative. This emerging model for online retail has also resulted in a more discerning customer base; less patient perhaps, but they can be equally loyal, provided consumer experience is high in quality and consistency.

A good customer experience management programme can allow a retailer to respond quickly to feedback, limiting the effect of negative word-of-mouth. It also offers valuable insight into where investment will have the most financial impact, whether by reducing costs or increasing revenue.

By enabling customers to report back on experiences as they happen, businesses can build up a wealth of information that simply wouldn't be available to them elsewhere. The advent of effective mobile feedback collection means that businesses can test new ideas and get live insight from customers so they can make changes on-the-fly; customers can now capture or display video, audio and photo to show exactly what happened, not only proving rich insight, but delivering incredibly accurate information.

As the type of feedback we gather from customers evolves – from simple surveys and box-ticking to rich media provided via mobile devices on the customer’s terms – it’s vital that we understand how to bring all the data together to create a holistic, actionable view of the customer.

For all the data in the world means nothing if at some stage it does not enable you to say ‘I know what to do for my customers next.’

How to make mobile work within a VoC programme

As Voice of the Customer programmes evolve and mature, businesses are looking at the range of channels through which they communicate with their customers at key touchpoints in the customer journey. Whether it’s by email, IVR, telephone or good old pen and paper, every different touchpoint – and every different customer – has a channel that will fit best. More and more, the channel that will suit customers is mobile. But how easy is it to incorporate that channel effectively?

As part of a wider Voice of the Customer programme, the mobile channel delivers instant, engaging and effective insight. However, mobile is very different to other feedback channels and businesses who simply deliver existing surveys through mobile devices will risk alienating customers who expect an engaging and enjoyable mobile experience.

Here are a few things to consider as you add mobile to your existing VoC programme:

Design for mobile – even if you’re not using it!

A real issue to consider is control. Even if you’re not actively embracing the mobile channel in your VoC programme, your customers are using it. Sending out a feedback request by email doesn’t guarantee that your customer will open that email on a PC. A recent report by Knotice found that in the second half of 2012, 41% of emails were opened on mobile devices, up 14% on the first half of the year. Perhaps more importantly, only 2% of those emails will subsequently be opened on a PC.

A beautifully-designed feedback interface, which has so much impact on a PC screen, may not be what your audience sees. If they’re viewing on a mobile device, they might be subjected to buttons, check boxes and grids so tiny as to be virtually unusable, and certainly not engaging. It’s therefore critical to remember that the new breed of ‘super consumer’ expects to be engaged with...
in an interactive and dynamic manner. Surveys that were clearly created for another platform, and in effect, another consumer are simply not good enough.

**Communicate quickly**

Customers today have their mobiles with them all the time, and expect any interaction on their mobile device to be timely and relevant. Capturing customers’ opinions ‘in-the-moment’, close to the point of purchase or experience, will provide information with less bias, recall issues or influence from the brand. This leads to more accurate data, more truthful opinions, and more engaged participants.

Immediacy of communication also creates opportunities for you to validate what customers tell you. Rather than relying on 1-10 rating scales or short comments, customers can send you photos, videos and audio evidence that add richness to the data collected, and provides ‘proof’ of the experience in question.

Immediate communication enables much more effective action. As with other event-driven feedback channels, you can use alerting to ensure that when a customer tells you they’re not happy, you react quickly to rescue the relationship. By asking customers questions in the first place, you’re setting up an expectation that you’re listening, and given the personal nature of mobile devices, this expectation is higher than ever through this channel.

**Keep it brief**

Where you are creating mobile-specific feedback channels (whether it’s through a mobile browser-enabled survey, SMS or a tailored app) you must keep it brief and engaging. Otherwise, the mobile user can simply choose not to respond, or, worse, take their business elsewhere in future. Think about the questions you will actually take action on and ask only them. Remember that you’re able to come back to customers in the future, so stick with what you need from your customer right now.

**Integrate with your other VoC channels**

The opportunities offered by mobile with its rich data and immediacy mean it can seem like it provides all the answers, but that’s not the case. Your mobile VoC activities must be governed by the same framework as your broader VoC programme. As well as acting immediately to deliver tactical benefits, you must address the longer-term strategic issues, and that means delivering mobile feedback into the same reports as the feedback gathered through traditional web, IVR, telephone and any other channels you use. It also means regularly reviewing what you’re trying to achieve and refreshing your goals when necessary.

A danger of embracing mobile is that VoC professionals treat it as merely another data collection channel. This will result in limited success and a very real risk of frustrating customers. Mobile is more than a data collection channel, it is a dynamic and evolving way of engaging with your customers, ‘in-the-moment’, on their terms. Mobile customer engagement best practices are essentially the same as those for other channels, but emphasised when compared to other feedback methods: surveys need to be really short, they need to be integrated within a comprehensive customer programme, they need to be fun and engaging for the respondent, and they need to generate actionable insights for the organisation.

Businesses who succeed in mastering the art of integrating mobile within an end-to-end feedback platform, will achieve a holistic view of their customers and derive robust business actions from their insights, no matter how they were collected.

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How to integrate your VoC programme with other business systems

The success of a Voice of the Customer (VoC) programme depends on its ability to deliver actionable insight, not merely information. While asking questions of customers, even as part of a fairly comprehensive feedback campaign, goes a long way towards this goal, this data alone does not provide the insight necessary to take action quickly and effectively when required.

To operationalise insight, businesses must integrate their VoC programme with data from other business systems. Not only does this bring companies closer to the elusive ‘single view of the customer’ but doing so will provide a range of other benefits that help to make the Voice of the Customer a true driver for change across the business.

Where to begin?
Businesses run so many systems, many of them completely unconnected, that it’s crucial to identify those that hold information which will enhance and provide context to the Voice of the Customer. Before you start integrating key data systems, it’s important to look at what you’re trying to achieve. Here are five areas to consider when you begin your integration journey.

Put a value on the customer voice
A Voice of the Customer programme will generate a huge amount of content, both quantitative and qualitative. The key is how to make these insights come to life for the people in your organisation and drive an understanding of the impact that poor experiences or unhappy customers can have on your business results. One approach is to understand the value of each customer and tie it to your VoC programme, enabling you to prioritise the customers you respond to. Placing a value on the customer voice will ensure you manage your team’s time effectively, and to focus investments based on feedback from customers who matter most to your business.

How?
Ensure that the alerts created from your VoC platform when customers require follow-up are linked to your financial or CRM systems (depending on where customer value data is held). This will enable you to use an alerts management interface to quickly sort and prioritise those customers on whom you need to focus. Ideally all customers should receive an individual response to their feedback, but in the real world this isn’t always possible, so prioritise and manage everyone’s expectations.

Create a more effective workforce by driving customer centricity
Use customer feedback to help you identify how to best manage and motivate your workforce. A key opportunity is to ensure that you link customer feedback to the individual and/or team who was part of delivering to that customer, across all touchpoints, whether through a contact centre, retail environment or complaint process. This data can help you to identify training requirements so you can pinpoint needs effectively. It also means you can share positive feedback with the whole team who were involved in delivering to an individual client, helping to foster a positive environment across the team and a true understanding of how every member of the team impacts customer experience.

How?
In a contact centre environment, link your VoC data back to metrics and systems, so you can track which agent dealt with each customer and
correlate satisfaction figures by team or individual. As a next step, enabling colleagues to comment on the customer experience and tracking employee engagement alongside customer experience, in whichever industry you’re in, will demonstrate your commitment to involving the whole team and help nurture the right culture.

**Improve customer retention**

If you take the example of renewals-based businesses, like insurance or telecoms, timing is critical when talking to customers. Tying your renewals systems into your VoC programme is vital. There’s no point talking to your customer and finding out they’re unhappy with you at the point of renewal. Speaking to customers at key points in the customer journey (after purchase, following a claim or complaint, and at a sensible point before renewal) can ensure that your Sales and VoC processes complement each other rather than operating in parallel.

**Empower your teams**

This is probably the most obvious point, but it’s still worth emphasising. Voice of the Customer data sits naturally alongside your CRM data, but it’s still a rare organisation that actually links the two. If your business uses a satisfaction or recommend score to measure customer experience, this information should be available to complement standard CRM data. VoC provides the ‘why’ to CRM’s ‘what’ so failing to create this 2-way integration is a wasted opportunity.

**How?**

Pure CRM data will only provide your agent with data about a customer’s past purchases and demographic information. This is insufficient if that customer recently provided feedback as part of your VoC programme or contacted you proactively, for example to make a complaint. Agents need access to up to date, comprehensive and accurate information if they’re able to work effectively with customers and make the right decisions. The more advanced VoC platforms are able to integrate with CRM databases so this is one of the ‘quick wins’ available through integration.

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In this section we outline an engagement model which sets out five key stages in building a successful VoC programme.

1) DEFINE

Agree clear, phased objectives and success criteria. It is imperative to define the key business issues that you need to address – increasing revenue, decreasing costs through operational improvements, driving culture change – at the outset so that you can build a programme that will influence key business and customer KPIs. Otherwise you run the risk of building a VoC programme that languishes in a silo.

Next, map the customer journey from the customer’s perspective to ensure that you are prioritising the right touchpoints. It is vital that you understand when and how they wish to engage with your brand. Identify the key ‘Moments of Truth’ for customers so that you have a clear understanding of which interactions bear the most impact on customer experience.

**TIP** - Start with just one or two touchpoints and make sure you’re asking the right questions and taking the right action. As you prove your business case, expand your programme to other touchpoints until you’re covering—and improving—every important angle.

2) DESIGN

Ensure that you design the programme to deliver both tactical and strategic benefits, in line with your business objectives.

Decide what channels your customers will find most engaging (web, mobile, telephone, paper, or others) and take into account both relationship surveys, which analyse the health of the relationship on an on-going basis (once or twice a year for example), and transactional surveys which are better suited to identifying issues and process improvements at key touchpoints. Ideally there should also be a way to relate relationship surveys to transactional surveys, and vice versa, so that you can identify the critical drivers of loyalty or dissatisfaction.

Having carefully designed the most appropriate methods of data capture for your business, decide what reporting channels are required and build in closed-loop processes so that you can resolve issues as they occur.

**TIP** - Bring in stakeholders from across the company, not just those in customer-facing roles. Customer experience is impacted by sales, marketing, operations, finance and product teams. Understanding the role of each department at every touchpoint will ensure that the right team is brought together to resolve any issues identified.

3) LISTEN

Use multi-channel data collection to drive high response rates and deliver deeper insight. Identify a solution that will provide a secure and highly scalable way to gather customer feedback, automate alerts, and generate tailored reports that provide stakeholders with live insight.

Key components of a VoC programme

Bringing together data from across the business and analysing it effectively is critical to driving action.
The most valuable insights are achieved when customer feedback is combined with other data that is available within your organisation. Make sure you collect information from all sides of your organisation – add VoC data to ERP and CRM platforms as well as employee feedback systems and external benchmarking data - to ensure that you are able to build a holistic, single view of the customer. What matters here is to gather robust, representative, balanced information, using appropriate and relevant channels and integrating it with your internal systems.

**TIP** - Bring your customer feedback alive by combining it with data from your financial systems. This will enable you to segment your client base and understand what is critically important to each segment and how to move customers up the value chain.

### 4) ANALYSE

Improve business results by analysing data and creating a clear view of the issues and opportunities. It’s vital that you cater to the needs of your audience when building reports if they’re going to be engaging, so provide clear dashboards to the people who need an immediate view of what’s happening, but ensure there’s the ability for managers to dig into the data when they need to.

As well as analysing quantitative data, bring in additional insight through text analytics and media such as video so you can really bring the Voice of the Customer to life, whether you’re talking to front line employees or board members.

**TIP** - Focus on sharing and celebrating results as often as you can to build a sense of community around the Voice of the Customer. Use positive customer feedback to reward and recognise your best team members, and use negative comments as an opportunity to train and develop those who may need a little help.

### 5) ACT

Beyond the analysis, it’s vital to ensure real change takes place. From a tactical perspective, this means using alerts, for example about dissatisfied customers or poorly performing team members to improve problem resolution and retention, or about happy customers to motivate your employees and leverage positive word of mouth.

To achieve strategic results, undertake root cause analysis to identify the cause of issues that occur regularly. For example, by redesigning a key touchpoint, such as your website, or even your reception area, you may be able to dramatically reduce customer complaints or increase satisfaction. Once you understand what improvement activity needs to take place, prioritise it and make it the responsibility of a member of your steering group.

As well as making these changes, use your VoC solution to monitor the changes that are taking place so you’re able to measure the results. This will also help individuals see how their actions have a real, immediate impact on customers so they can change their own behaviour to drive great experiences.

**TIP** - Have a pre-defined budget for the smaller changes that you need to make. This will speed up the process of implementing many of your activities by avoiding the need for board approval for everything. If you can make your business case easily and ensure budget and operational approval within your steering group, you’ll see results faster – further proving the case for your overall programme.
The age-old maxim has it that the customer is always right, but in the modern communications landscape we might also say the customer is always talking.

There are clear opportunities open to brands who are able to focus on listening to the potential feedback on offer. It is not an easy process to convert that into understanding, but the rewards from gaining a comprehensive view of what customers both think and want can greatly increase the efficiencies of retail strategies.

Building a plan that puts the customer at the centre of the organisation is a key focus for many retailers, and Voice of the Customer programmes are a logical extension of this. Getting this area right can lead to highly useful learnings that influence the attribution of business time and resource.

After all, the customer’s voice may just turn out to be the most important input in internal discussions.

**Conclusion**

Confirmit enables organisations to develop and implement Voice of the Customer, Employee Engagement and Market Research programmes that deliver insight and drive business change. Confirmit’s clients create multi-channel, multi-lingual feedback and research programmes that engage customers, empower employees, deliver a compelling respondent experience, and provide high Return on Investment.

Confirmit’s customer engagement model provides the power to listen to the Voice of the Customer, integrate it with financial and operational data to generate powerful insight, and take action that will deliver effective business change and create competitive advantage. Confirmit has 400 employees and is headquartered in Oslo, with offices around the world.

**IMRG** (Interactive Media in Retail Group) is the UK’s industry association for e-retail. Formed in 1990, IMRG is setting and maintaining pragmatic and robust e-retail standards to enable fast-track industry growth, and facilitates its community of members with practical help, information, tools, guidance and networking. The strength of IMRG is the collective and cooperative power of its members. For more information please visit www.imrg.org or email membership@imrg.org