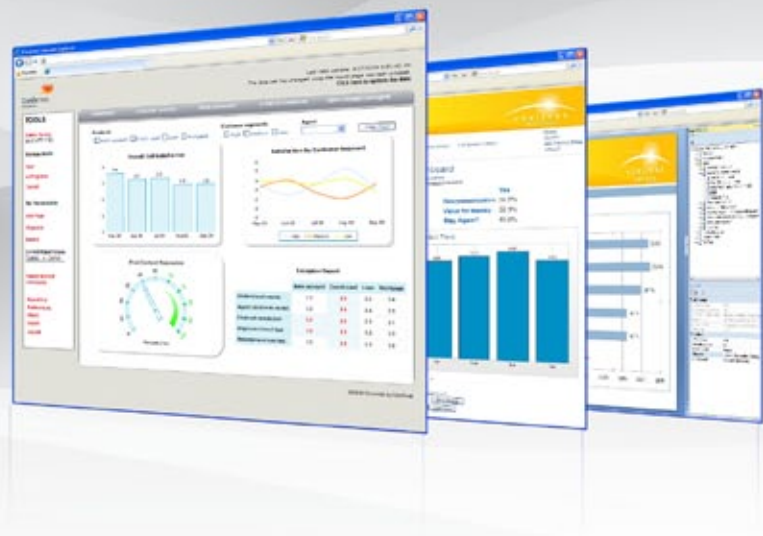


Are You Listening?

WHITE PAPER



Why Your Customer Experience Program Will Fail
Without the Voice of the Customer

Why Your Customer Experience Program Will Fail Without the Voice of the Customer

Customer Experience Management is gaining momentum as a method of improving customer retention. Research suggests that businesses who offer the best customer experiences have low customer churn and higher levels of business from referrals.

But customer experiences cannot be managed in a vacuum. The Voice of the Customer must be tightly integrated to ensure that your customer experience program is effective, and vital insight is not lost in silos. This white paper looks at why customer experience programs need to include the Voice of the Customer and discusses key requirements to ensure that voice speaks clearly.



INTRODUCTION

Customer Experience Management is receiving some serious executive-level attention in 2010. Boardrooms are buzzing with the idea that CEM might be the new CRM, with all the hopes and baggage that that expectation entails. As leading businesses create roles such as Chief Customer Officer, the people tasked with addressing the rather fuzzy issue of “The Customer Experience” have a lot to deliver.

Your business will have its own definition of the customer experience, but it is useful for the purposes of this paper to have a guideline of our own. Gartner defines the customer experience as **“the customer’s perceptions and related feelings caused by the one-off and cumulative effect of interactions with a supplier’s employees, systems, channels, or products.”**¹ With this definition in mind, let’s consider what is needed to successfully create a program of managing and improving the customer experience.

To begin, we must remember that improving the customer experience is not an end result in itself. It brings about a number of benefits, all of which ultimately affect the bottom line. When you improve your customer experiences, you can increase customer retention, drive more customer referrals, and reduce costs. As these benefits are recognized at a senior level, CEM is becoming a priority for 2010, with some significant budgets being allocated. Such budgets are entirely justified when Forrester estimates that large firms can gain between \$177million and \$311million per year by enhancing loyalty through better customer experiences.²

This paper addresses the vital role played by the Voice of the Customer in creating a customer experience program that will boost your bottom line. Gartner’s definition shows that it is the customers’ perceptions of your business that matter, and there’s only one way to understand those perceptions—ask.

MARKET DRIVERS: EXPERIENCE THE DIFFERENCE

The trend towards focusing on the customer experience has not come out of nowhere. In most industries customer churn rates are rising, and in this delicate economic climate customers are keen to ensure they’re getting the best deal available to them. More worrisome for particular industries, the advent of online comparison and switching Web sites have made it incredibly easy for customers to change suppliers without even leaving the house.

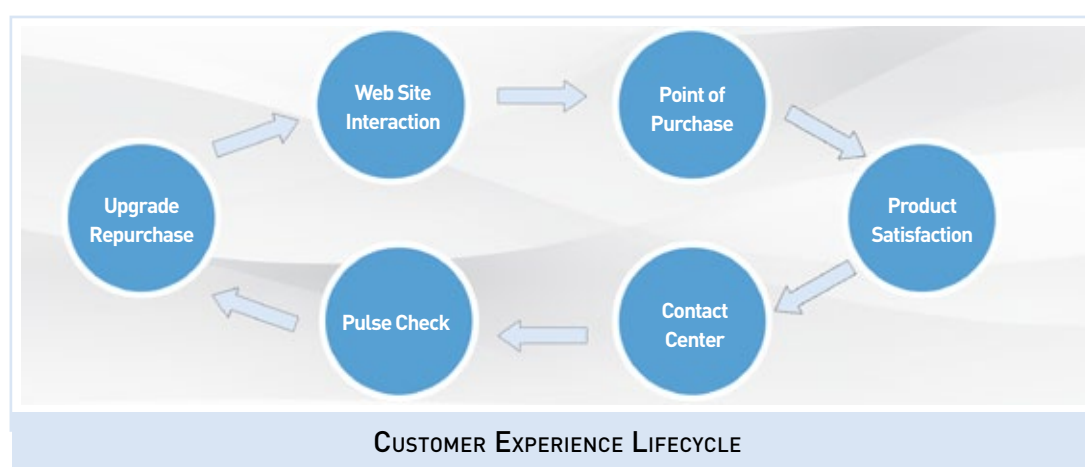
Price only takes you so far. Once you’ve established your optimum pricing policies, probably much in line with your competitors, you need to look elsewhere. Options are limited. You can’t reduce your prices further and you can’t develop an innovative product overnight, so this is where the customer experience becomes the battleground.

¹ Ed Thompson, Jim Davies, Ray Valdes (March 2010) Key Issues for Customer Experience Management, 2010. Gartner.

² Bruce D Temkin, (June 2009), Customer Experience Boosts Revenue. Forrester.

Forrester research suggests that among companies with the best customer experiences, the number of customers reluctant to move away was 8.2% higher than the industry average, while the number of customers likely to recommend that company was 8.4% higher than average.³ These are significant numbers, so it's not reasonable to dismiss a focus on the customer experience as a luxury. It is, unquestionably, a key differentiator.

Customer experiences drive word of mouth, and bad news travels fast. A recent survey by The Consumer Forum found that three times as many British customers will tell friends, family, and colleagues about poor customer experiences as good ones.⁴ This means that, not only do poor customer experiences drive customers away, they also hamper your ability to gain new ones. There's no escaping it, customer experiences matter.



CUSTOMER EXPERIENCE: MANAGING IN A VACUUM

Before you can improve customer experiences you need to understand what you're offering now and where you're failing to meet expectations. This may not be as simple as it sounds. Multiple sales and service channels, different regional offices, and varying touchpoints in the customer relationship all provide different experiences.

You can't create a meaningful CEM program without incorporating the Voice of the Customer. Decisions made in a vacuum are destined to fail, leaving you with disillusioned employees and a lot of explaining to do to the board.

Without the Voice of the Customer, you'll hit some or all of these problems:

1) You can't improve experiences you don't understand

You know which business processes support your customer interactions. But those processes translate into real-life customer experiences, and they may not translate as well as you expect them to. Business processes are designed to support your

³ Bruce D Temkin, (June 2009), Customer Experience Boosts Revenue. Forrester.

⁴ The Consumer Forum (2010) Consumer Forum research shows businesses ignore 'word of mouth' at their peril.

company internally, but you need to understand if they're putting up barriers to purchase, confusing customers, or simply making life more difficult for somebody who's trying to do business with you. Large companies, particularly those which have grown through acquisition, have myriad processes which impact customers and without asking customers about their experiences, you may be operating counter-productive processes.

2) Not all experiences are created equal

The customer experience is not a distinct entity. There are Moments of Truth throughout the customer lifecycle, and different customers will use different channels at different times. With most businesses operating online, by telephone, in retail stores, and increasingly through mobile devices, getting a view of the customer experience is not as simple as analyzing a single channel. For example, your contact center agents may offer the best experiences in the industry, but that doesn't benefit customers who choose to use your Web site, which might be badly designed and unreliable.

3) You can't enter into dialogue with mystery customers

While the long-term aim of a CEM program might be to streamline processes to offer better customer experiences, you can't ignore the customers who have poor experiences on the way to that utopia. When customers are unhappy with experiences, only a fraction of them will actually complain, leaving you unaware and them to complain about you to their friends. In many cases, these experiences can be rectified by getting back in touch with the customer and putting things right quickly. But to do that, you need to know who they are and what you did wrong. Again, without the Voice of the Customer coming into your company, you can't get back to them to resolve problems. Not only do you slow down the process of continual improvement, but you continue to disappoint people along the way.

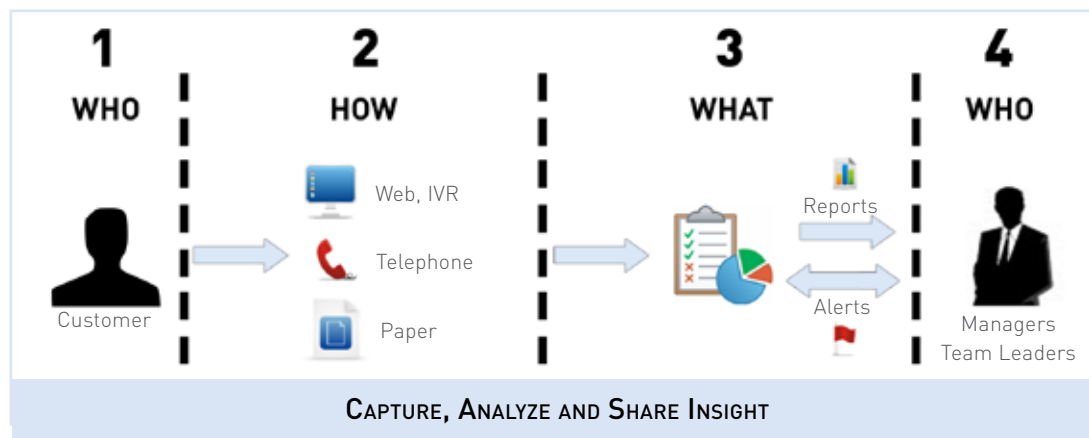
4) Process-driven improvements don't change company culture

A successful CEM program must involve employees at all levels of the business, and should change the way in which your employees interact with, and think about your customers. Simply fiddling with processes in an attempt to improve an experience will not engage your employees. That means it won't change your organizational culture and create a stronger customer focus. Employees may adhere to new processes but that's not about engaging them with customers, it's about pressing a different button during the interaction. Employees become far more involved in the customer experience when they hear real feedback attached to real interactions.

5) You might make it worse

Identifying ways in which you can enhance the customer experience is only one step. The effects of the changes you make might not be quite what you intended. It may resolve one problem, but create three more. It might confuse customers or force them into channels they're not comfortable with. Failing to maintain an

ongoing dialogue with customers prevents you from getting insight into what you're achieving. The Voice of the Customer is not a moment frozen in time, it must be treated as a conversation that provides value in the long term, and which gives you the ability to say "This hasn't worked. Let's try something else."



CAPTURING THE VOICE OF THE CUSTOMER: FEEDBACK MANAGEMENT PLATFORMS

You are not capturing the Voice of the Customer for the sake of it; you are seeking out vital input to your CEM program. This means you need to consider how you will gather the information, share it, integrate it with other information (such as CRM data), and how you can react to it quickly when the situation demands. The Voice of the Customer is not the same as an annual survey of all your customers. Regular relationship surveys are useful, for example, to help improve your marketing efforts and highlight underlying trends, but they don't give you the context that you need to act quickly to improve customer experiences. To get that context, you need to engage the customer at the time of a specific interaction.

Enterprise Feedback Management platforms provide the most comprehensive approach to bringing the Voice of the Customer into your CEM program. Gartner states that "In 2010, customer experience managers will aim to coordinate the complete customer experience, sharpen the digital user experience, and employ enterprise feedback management to bolster customer satisfaction, loyalty, and advocacy."⁵ Underpinning your CEM program with EFM technology is the standard for efficient, effective insight into your customer experiences.

Such platforms give you the ability to capture the Voice of the Customer at the **point the experience takes place**. This means that the feedback you receive is specific to a particular situation and while the experience is still fresh in the customer's mind. This increases response rates and data accuracy, so you know that you are basing decisions on solid information.

EFM platforms enable you to ask customers for feedback over **multiple channels**. This is crucial when your customers interact with you through multiple channels.

⁵ Ed Thompson, Jim Davies, Ray Valdes (March 2010) Key Issues for Customer Experience Management, 2010. Gartner.

Case Study: Multi-Channel Success

A worldwide publishing business was using e-mail invitations to ask customers for feedback following an interaction with their customer services team. Results were useful, but response rates were low and the time lag between the initial interaction and feedback being shared with the teams was too long.

The company has added IVR to its feedback portfolio, meaning that all customers who call into the customer services team are given the opportunity to answer a 3 question survey at the end of the call. E-mail surveys continue for Web-based customers to capture as many customers as possible.

Feedback is shared across the company from the COO to the agents who talk to customers every day. Team leaders have access to a live reporting portal which shows up-to-the-minute metrics and customer comments. Agents are encouraged to make suggestions about how to make improvements to the customer experience and have the autonomy to make decisions themselves. The ability to see quickly how those decisions affect customers has turned the Voice of the Customer into the most powerful influence in the business.

Whether a customer used your Web site, your store, or called into your contact center, you can gather timely, accurate information through the appropriate channel. For example, if a customer made a purchase online, it may make sense to direct them to a Web survey, either through a pop-up on your site, or by e-mail invitation. For people who used your contact center, you can divert them into an IVR survey to immediately gather feedback on that interaction. Again, it's about getting the right feedback at the right time, in the way that best suits your customer.

EFM platforms also make it easy for you to share data across your business. Gathering feedback is only the first step, and if that feedback languishes in silos, then its value is significantly limited. The customer experience is influenced by processes that encompass many departments, so you need to share feedback to ensure that the right stakeholders can identify how their department can improve those

experiences. **Dynamic reporting dashboards** provide clear insight, while being able to drill down enables you to get into the detail of individual interactions. The ability to share feedback in the way that best suits your stakeholders is as important as gathering that feedback in the way that suits your customers.

WHAT TO LOOK FOR

When you are ready to start bringing the Voice of the Customer into your CEM program, there are some key features to look for that will ensure you're able to benefit fully from the opportunities above.

1) Multi-Channel Feedback Capture

All EFM platforms will offer Web as a feedback channel. This is powerful but limits the access you have to some customers. Web surveys are not suitable for certain demographic groups, and if you don't have customer e-mail addresses, then it is limited as a tool. IVR is a very powerful way to gather feedback while you have a customer on the telephone, while in retail situations, face-to-face feedback is extremely valuable. Even if you only need a single channel as you start out, it's likely that you'll want to expand your program, so ensure that your provider has the

facilities for you to add more channels as you need them. Setting up a successful Voice of the Customer program is not an overnight task, so avoid the requirement to repeat it in 12 months if you need to add a new channel.

Tip

List all your customer touchpoints and consider how you could best gather feedback for each of them. Ensure your vendor can handle each of these channels effectively so you can roll out feedback collection for each one, in turn. Don't feel compelled to launch them all at once; there'll be a lot to learn in the early stages so roll the program out at a steady pace. Trial and error is unavoidable.

2) Clear Reporting

Customer feedback and customer insight are not the same thing. Without reporting that gives you the information you need to take action, then feedback is nothing more than a series of snapshots of how your customers feel about a particular interaction with your business. Consider what information you need, who needs access to it, and how detailed that information needs to be. Look for a solution that enables you to view both the big picture and detail in a single place. This will reduce the time that stakeholders have to spend looking for the crucial piece of data that they need. Ensure that whatever channel you collect feedback through, it all ends up in a single report—silos will only reduce your ability to gain insight.

Create Key Performance Indicators around your CEM program and ensure that your reports are geared around those metrics. KPIs not only provide focus, but also give executive management an immediate view into the general direction of the program, helping to cement senior buy-in. Seek out a vendor that offers live reporting. This reduces the lag between what customers are saying and you taking action, and makes it more “real” to your employees.

Tip

Get stakeholders involved in creating KPIs and designing the reports to ensure that everyone gets the data they need. By involving staff at multiple levels you engage employees with the program, preventing it from being seen as an abstract concept that doesn't relate to their actions.

3) Alerting

Your CEM program should drive changes that deliver better customer experiences. Whether that means smoother business processes, better trained staff, or making more sales channels available, it's a long term project and won't be achieved overnight. However, you can improve experiences before you reach that stage, doing so doesn't necessarily mean getting it right first time. EFM platforms should include an alerting function that helps you to immediately respond to situations where your customer has come away from their interaction dissatisfied. When a customer receives a survey and states that they were unhappy with the interaction, pre-defined rules will forward the details of that customer to the relevant person

within your business. You can follow up with the customer and rectify the situation, providing an excellent customer experience and preventing disparaging word of mouth.

Tip

Ensure that your alerts contain all the information you will need to follow up. Some EFM systems can be integrated with CRM systems making it easier to transfer customer data between the platforms. Following up with customers can be made much simpler when the alert contains the responses that the customer gave, along with their name, contact details, and even past purchase history. In addition, give the staff following up on alerts some autonomy in resolving issues to help engage employees with the process.

4) Share Your Feedback

Along with being able to create reports that give you the information you need, sharing data is vital to get real value out of customer feedback. It doesn't really matter how you share the data, as long as it is in a format that people in your company will understand, embrace, and use. Live reporting dashboards, as

Case Study: Sharing Data for Cultural Change

Farmers Insurance has implemented a Voice of the Customer program to follow up on calls into their contact center. They e-mail up to 600 surveys every day, receiving over 100 responses.

They have created rules within their program that automatically create alerts when a response reports a very low satisfaction score. At a tactical level, it means they can resolve that particular issue, but at a more strategic level, it helps them to prevent it being repeated in the future.

To share feedback, all employees have access to a feedback dashboard where they look at top-line and team scores. The managers with responsibility for processes use deep dives of the data to guide their decision making. Executives and front line employees alike look at the data and discuss how they can use it to improve services further. It has driven cultural change across the company, with the Voice of the Customer forming a crucial role in redesigning customer experiences.

highlighted above, are the most interactive, up-to-date way to do this. Look for a solution that offers personalized reporting functionality. This will allow, for example, a customer services manager to see data only relating to his team, while a CEO would only see the top-level view that shows general trends.

Portals like these might not be suitable for all your users; ensure that you are able to easily export the data in a format that suits your company. MS PowerPoint is one of the most popular options, so if this would suit your business better (e.g.: to share amongst contact center staff), then ensure that you can regularly and quickly export live data because sharing out-of-date information will quickly cause employees to lose interest.

Tip

Think about who your stakeholders are. Remember that customer-facing employees must be involved and engaged in the process for it to be effective. Buy-in from executive management is important in gaining credibility for the initiative. Different groups of people will want to see their data in different ways, so find out what they require and make sure that your vendor can accommodate all these needs. Forcing users to look at data in a way that doesn't suit them won't work. The technology must suit your needs, not the other way round.

CONFIRMIT HORIZONS:

MAKING THE VOICE OF THE CUSTOMER SHOUT LOUDER

The customer experience cannot be improved using technology alone. But by implementing feedback management platform Confirmit Horizons, your business can capture the Voice of the Customer in a way that provides clear insight into the experiences that you provide now, and how you can improve them. Confirmit Horizons includes:

Multi-Channel Feedback Capture: You can gather customer feedback via the Web, IVR, face-to-face, telephone, and even on paper to ensure that whoever and wherever your customers are, their voices can be heard.

Confirmit Reportal: Data from any channel is seamlessly incorporated into a single reporting solution, Confirmit Reportal. You can create simple, high level dashboards for an executive level view, with the ability to drill down into detail as required. Confirmit's advanced reporting also helps keep users engaged by giving them only the information they need; share data at a regional, team, or departmental level according to their needs.

Easy Export: To share data further, you can export to a range of formats to suit your audience. The platform integrates seamlessly with MS PowerPoint which delivers professional presentations, matching your corporate branding, that can be updated with live data at any time.

Alerting: Confirmit Horizons' Alerts Console helps to ensure that you follow up with unhappy customers as soon as they submit their feedback. Web surveys include all the comments the customer made, while for IVR surveys you can listen to recordings of customer comments which gives you the clearest possible insight into your customers' opinions.

By implementing Confirmit Horizons to run your Voice of the Customer initiative, you create a stronger and more flexible CEM program which will help your business to differentiate itself and retain more customers. Engage employees by turning customer feedback into a real business focus, and make customer's stories more engaging through the inclusion of live reporting, alerts, and results that they can see and relate to.



ABOUT CONFIRMIT

Confirmit is the world's leading SaaS vendor for Customer Feedback, Employee Feedback, and Market Research applications. The company has more than 200 employees and offices in Oslo (headquarters), Guildford, London, Moscow, New York, San Francisco, and Yaroslavl. Confirmit's software is also distributed through partner resellers in Barcelona, Kuwait City, Madrid, Milan, Pattaya, Sydney, and Tokyo.

Confirmit targets Global 5000 companies and Market Research agencies worldwide with a wide range of software products for feedback / data collection, panel management, data processing, analysis, and reporting. Customers include British Airways, Dow Chemical, Farmers Insurance, GlaxoSmithKline, Halifax Bank of Scotland, HSBC, Intrawest, Ipsos, Nielsen, The NPD Group, Safeco Insurance, Statoil, Symantec, Virgin Media, and Wells Fargo. Visit www.confirmit.com for more information.



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