Listen, learn, act 1

Design an effective customer feedback program
By Karen Platt, Director of Customer Experience, Optus Business

Improving customer experience (CX) is now a high priority for many organisations – and there is no doubt it can deliver real value to your business. A successful CX program can reduce churn rates and, in turn, customer acquisition costs. It can increase brand loyalty, increase win rate and share of wallet and, at its most effective, turn your customers into advocates who recommend your brand and products.

However, CX is a relatively new business function with plenty of potential pitfalls. While many organisations are investing heavily in market research to gain an understanding of the customer experience, fewer are using that research effectively.

The key to success is to take a holistic approach that includes a strong focus on change management. In other words, you have to be prepared to listen to customers and make meaningful changes to your business.

As such, CX is not just a function of a department or agency – it needs to have buy-in from the entire organisation, from the top down. In fact, CX has fast become a critical component of business success in what research firm Forrester is calling the ‘age of the customer’.

As Forrester executive Moira Dorsey said: “The only source of sustainable competitive advantage is customer experience”.

At Optus, we began formal programs to improve our customers’ experience in 2007. Since then, we’ve learned plenty of lessons and developed a mature CX program that has become a core part of our business.

To pass on the benefits of our experience, we’re providing our Listen, Learn, Act series of papers. In this first paper, we explain how to design an effective customer feedback program.

**Define the purpose**

In a market saturated with customer feedback forms, polls and other mechanisms, how do you make yours count? First, you need to ask why you’re doing it.

It may seem basic, but defining the purpose of collecting customer feedback goes to the very heart of an effective CX program. It needs to be designed with the end result in mind, because it’s vital that you can use the feedback to add value for your customers and to your business.

What’s more, being able to demonstrate the purpose of the feedback to customers will make it more credible and therefore increase participation rates.

The purpose of the feedback program needs to be clearly defined. For example, ‘to gain a good understanding of the customer experience’ is, on its own, too vague to be of significant use. The purpose needs to include specific business outcomes, and behind that a commitment to act on the feedback.

**Plan your program**

You also need to understand why your customers engage with your organisation, and then break that down into particular channels, times and events.

If you’re concerned about a particular type of interaction, such as when customers make a service enquiry at the contact centre, a specific feedback mechanism could be tailored around that. Alternatively, the program could be designed around the interactions that are most important to customers.

You also need to think ahead:

- When you start getting feedback, how are you going to feed it back into your business?
- Does your organisation have the resources to handle the feedback? For example, can the contact centre handle a wave of negative feedback – by responding quickly, and also dealing with specific issues that customers raise?
- How do you ensure feedback becomes the centre of your strategies?
- How can you link customer feedback outcomes to incentives and how do you get people to listen to you?

**Get internal buy-in**

Feedback should be used for positive change, not for punishment, because it’s vital that the program is accepted throughout the organisation, from the top down. At Optus Business, our Managing Director is heavily involved in our programs, personally reviewing and acting upon customer feedback. To effect real change, all feedback programs should have an executive sponsor who is active and visible.

But to achieve broad acceptance, each program needs to provide much more than numbers. It should provide actionable insights that prove its value to staff. All relevant staff members should be empowered to use feedback – though that requires a balancing act. For example, customer-facing staff should encourage but not coerce feedback.

Getting internal buy-in isn’t easy. It has taken a number of years for Optus Business to develop a broadly accepted CX program, but it’s been well worth the effort. Our CX team now has people begging for more and more customer feedback.

**Target the right customers**

Gaining internal support and organising logistics is one part of the planning process; the other comprises designing the program itself, such as the target customers, feedback method and frequency.

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Of course, knowing who you want feedback from is vital. You’re going to ask different questions of business customers than you would consumers. Even within a business-to-business environment, customers may differ. For example, they may have operational or strategic roles, each of which will have different problems and priorities. Understanding whether the customer is an end user, influencer or decision-maker will play a big part in what questions you ask and how you ask them.

You’ve got to ensure you ask the right people for the right type of feedback at the right time. For example, at Optus Business, we have a strong relationship feedback program with customers who are key decision-makers. But ensuring we get to the right customers is challenging, because people are busy and change jobs. We rely heavily on the accuracy of customer information, which in turn depends on having a disciplined sales team.

Choose the method and frequency

Once you’ve settled on the target customers, you can then plan how often you obtain feedback. It could be as simple as asking them to respond to a text message after a service interaction or complete a short email survey. If it’s a more strategic customer relationship, a face-to-face interview with a third-party researcher might be more appropriate.

Each method has its pros and cons. For example, there are significant differences in the response rates for different feedback mechanisms. But your choice comes down to balancing convenience for customers and eliciting the most valuable feedback for your business.

For example, if an Optus customer reports an issue with their bill to our service desk, we ask for brief feedback specific to that interaction. It allows us to respond rapidly if there’s still an outstanding issue and gain a broader business insight.

Of course, you need to be sensitive to the frequency of the feedback. If customers have provided feedback last week, asking them again this week is likely to be irritating.

If you have multiple feedback programs, it’s important that you’re very clear about how the programs align. They should have different objectives. When feedback programs overlap with the same customers, you need to explain to customers and internal stakeholders the purpose of that feedback.

You must of course ensure that you have all required permission from your customers to contact them by your chosen method.

Qualitative or quantitative?

Deciding on whether to ask for qualitative or quantitative feedback is a key part of deciding your approach. Quantitative feedback – based on simple yes/no or multiple-choice questions – is easier for customers and useful for providing comparable metrics. Qualitative feedback allows customers to respond in their own words, providing more context to problems and deeper insights. Quantitative feedback is cheaper, while qualitative feedback can be time-consuming and expensive.

At Optus, we use both types of feedback. We rarely ask for quantitative feedback only because, on its own, it doesn’t offer the business insight we need. Nevertheless, it’s a constant balancing act between staying within investment budgets and getting the best returns.

Maximise the response rate

A number of factors contribute to the level of customer participation, including the method and frequency of feedback. However, most important is being able to show customers how you’re going to use the feedback. For example, making a commitment that senior executives will read the feedback report is a good start, but it needs to go further. Feedback should be designed as part of a ‘closed loop’ CX program that’s integrated into account planning, service delivery and operations, rather than ending up as a report gathering dust in someone’s inbox.

If feedback highlights a customer’s particular problem, that individual problem needs to be acted on, either retrospectively or when the issue is still active. There’s nothing more frustrating for customers than to have a bad service experience, being asked for feedback and, after providing it, never hearing from anyone in the organisation.

If you ask questions that you aren’t going to use, you’re simply wasting money and annoying your customers.

Conclusion

The bottom line for your feedback programs is that they must add value for customers and to your business. In short, you need to use your feedback as an asset. The best way to ensure this is to include feedback as part of a closed-loop CX program.

This is an important part of Optus Business’s CX programs: we get the feedback, we take action on it, we show customers how we are taking action, and we follow up by improving service immediately for individual customers and inform improvements in systematic problem areas.

These measures together help drive our market-leading participation rates.

Stay tuned!

In the following two Listen, Learn, Act papers, we’ll explain how to improve the efficiency and effectiveness of your customer feedback programs, and then how to use customer insights and change management to drive business outcomes.
Give us a call

To discuss how Optus can help you through advanced security solutions; contact your Optus Account Manager or call the Optus Business hotline on 1800 555 937.

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