

Listen, learn, act 2

Optimise your customer feedback programs

Yes

By Karen Platt, Director of Customer Experience, Optus Business

Customer feedback programs can be a big investment, but extracting real business value from that investment isn't easy. The key is to treat customer feedback like a valuable business asset, and to capitalise on that asset by increasing the efficiencies and effectiveness of your programs.

For maximum value, feedback should be designed as part of a comprehensive customer experience (CX) program that's fully integrated into your business, rather than ending up as a report gathering dust in someone's inbox. This isn't easy, because by nature a successful CX program requires significant support and ongoing change inside your organisation. However, the benefits are compelling – reduced churn rates and customer acquisition costs, increased brand loyalty and customers that become brand advocates.

At Optus, we began formal programs to improve our customers' experiences in 2007. Since then, we've learnt 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 our first paper we explained how to design an effective customer feedback program. In this second paper, we offer further insights into how you can optimise your customer feedback programs, and increase your return on investment (ROI).

Improve the accuracy of customer data

As we explained in our first paper, targeting the right customers is critical to the success of a feedback program. For example, 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.

However, customer data is challenging to keep up to date, due to both human error and natural change, such as consumers moving house or business customers changing their jobs, and if your customer data is incorrect, it can waste market research time with cost implications. Customers choosing not to participate in a feedback program can further reduce its ROI.

What's the solution?

Unfortunately, there's no silver bullet – just lots of hard work to minimise inaccuracies and unproductive calls. At Optus, we put a lot of time and effort into qualifying our customers and data accuracy.

The best solution is to effectively engage the internal stakeholders responsible for customer contact details, such as sales teams. You need to develop an internal feedback loop that:

- encourages CX or market research teams to inform the internal stakeholders of data inaccuracies, so the contact details can be quickly updated
- offers incentives to stakeholders to keep contact data up to date
- ensure the stakeholders indicate which customers should be disqualified from the feedback program (and why) to minimise gaming behaviour
- ensures customers who have expressly asked not to be contacted or who are on the Federal Government's Do Not Call register are excluded from feedback programs
- assists your organisation in adhering to compliance and regulatory obligations such as the Privacy Act.

Putting together a system like this isn't easy, but the rewards are worthwhile – and not just to increase the ROI of feedback programs. Other divisions that use customer details, such as accounts or marketing, also benefit from more accurate data.

It also creates business opportunities. The feedback gives sales teams another reason to contact customers: to correct their details, find a new person in an organisation or discuss how to improve service – demonstrating you care.

Measure participation

To help improve the accuracy of customer data, you need to measure participation in feedback programs. Again, this is largely driven by sales and other customer-facing teams.

At Optus, we aim for a best-practice business-to-business participation rate of around 65 per cent. However, the overall rate provides only part of the story, because participation rates differ among market segments. For example, we find rates are higher among business customers who have a more strategic relationship with us. However, if all your top-end customers but none of your smaller customers are participating, then the program's outcomes and metrics are going to be unbalanced.

You need to ensure the program is getting a fair and equitable balance of participants so the results more accurately reflect the experiences of all customers. At Optus, we target all customers and measure participation at a segment, state and individual account manager level. We also put a lot of effort into getting smaller customers to participate to help uncover areas for growth.

Improve feedback accuracy

A key part of a successful CX program is to identify and improve weaker areas of customer

experience. This is often accompanied by incentive schemes for sales and service teams for meeting targets in improving feedback results and participation rates.

One of the pitfalls of incentives is their potential to encourage gaming behaviour. This is where an internal stakeholder attempts to influence the outcome of a feedback program for example, providing incorrect contact details for unhappy customers or coercing customers to give a high rating.

For this reason, it's vital to ensure your program is rigorous enough to eliminate any influences that may skew results. One way of doing this is to ensure leaders take ownership of data accuracy, as they're closer to the customers and better placed to spot inconsistencies and omission of key customer contacts

Feedback programs should also have tight exclusion policies. At Optus, we only allow exclusions if:

- customers have explicitly stated that they don't want to participate in feedback programs
- there's a legal dispute with the customer
- we're negotiating a new contract with the customer (and even then, it's only a temporary exclusion).

However, the best way to ensure the feedback program works is to gain the buy-in of internal stakeholders by making it a positive experience for them. They should be rewarded for good or improved feedback and not penalised for negative feedback. Even more important, the feedback program should be designed to be useful and relevant to their work, by giving them insights that they can act on.

Insights you can act on

Once you've implemented and optimised the participation and accuracy processes, you can turn your attention to the feedback programs themselves. As detailed in our first Listen, Learn, Act paper, a good program requires

- making a plan, including the target market, internal resources required and the type of program you need to drive the business outcome
- ensuring the program offers a strong value proposition to customers and your business
- delivering actionable insights for the internal stakeholders involved
- getting the right balance between quantitative and qualitative feedback

However, simply paying attention to detail can also improve the value of the program – such as rewording questions to elicit specific rather than vague responses.

For example, a question that asks "How do you rate your level of satisfaction out of 10" might be useful for obtaining comparable metrics, but satisfaction doesn't always correlate with a business outcome – satisfied customers don't always spend more money. A more specific question related to a business outcome might be more useful, such as: "What's the likelihood of you re-signing with us at the end of your contract – or of recommending us to your peers or other organisations?"

Of course, recommendation-related questions are vital in establishing your organisation's net promoter score (NPS¹), which has fast become a standard measurement of customer loyalty. These types of questions also allow you to tailor the way your organisation engages each customer based on what customers value.

At the same time, qualitative feedback should complement ratings-related questions, so you know exactly why a customer gave your organisation a particularly high or low score and what they expect you to do differently or keep doing.

Questions also need to evolve over time to keep pace with new business objectives. You should be constantly reviewing your program. However, changes need to be balanced by a base of historic questions that allows you to keep track of key trends. After all, you want to benchmark your business and see whether service is improving or otherwise.

Customer feedback optimisation checklist

✓	Improve the accuracy of customer data
✓	Measure participation
✓	Improve feedback accuracy
✓	Collect insights you can act on
✓	Tailor feedback time and frequency
✓	Close the feedback loop quickly

Actions speak louder than words – so it's critical to close the feedback loop with customers

Tailor feedback time and frequency

The length and frequency of the interaction with customers also plays a key role in maximising the program's value. For example, longer, more frequent surveys may potentially bring more business insights, but at the risk of irritating customers and affecting the participation rate.

It's best to start conservatively, with less frequent interactions and slowly increase the rate, because once you annoy a customer they are unlikely to engage again if unsure the feedback program delivers value.

Similarly, to minimise demands on your customers' time, you need to be ruthless with your surveys. If a question no longer provides value to either your business or your customers, remove it.

There's no perfect length and frequency for any particular type of customer or program. It depends on a number of factors, including the type of customer, your relationship with them, and on the program's value to customers and your business.

At Optus, we find that some high value customers are willing to spend 20 minutes or even an hour providing feedback, particularly if they have a strong, lengthy business relationship with us. The importance of the relationship makes it worth their time. However, we only do lengthy surveys like this once a year.

For transactional customers, the interactions should be much shorter, but they can be more frequent – possibly monthly or quarterly.

However, for all customers big or small, the key to maximising participation is to ensure the customer can see value in giving feedback.

Close the feedback loop with customers

Customers will be much more inclined to take part in a feedback program if they see value in it. Explaining to them how you're using the feedback is a good start, but actions speak louder than words – so it's critical to close the feedback loop with customers.

If the customer has given positive feedback, a simple follow-up 'thank you' note or call is generally all that is needed.

If their feedback is not so good, it needs to be addressed immediately. At Optus, we create internal action plans – which we'll cover in more depth in our third Listen, Learn, Act paper – but the ultimate aim of these plans is to always provide a fast resolution that will satisfy the customer.

The response should reflect the seriousness of the problem and your relationship with the customer. If it's a small billing mistake, fixing the bill quickly and making a follow-up call should suffice. A more serious billing problem on a major, long-term account may require a more significant response, such as organising a meeting with the head of your accounts department and the customer to demonstrate how the problem has been fixed and why it won't happen again.

Closing the feedback loop with a swift, appropriate response will increase the likelihood of that customer participating in future feedback programs – and may also improve your longer-term relationship with the customer. And after all, that's what a CX program is all about.

Stay tuned!

In the next Listen, Learn, Act paper, we'll explain how to use customer insights and change management to drive business outcomes.



Continue the conversation with Karen
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