IT'S THE CUSTOMER'S WORLD, WE JUST LIVE IN IT

2017 Priorities for Customer Experience Feedback (December 2016)

Plus, feedback from the SandSIV Customer Experience Breakfast Seminar (January 2017)

Most companies now have a Voice of the Customer (VoC) programme in place. Often these are underpinned by technology platforms collecting customer data via feedback forms deployed following customer interactions with the business. These are served on the end of customer service calls, or emails triggered by customer purchase behaviour or links on the end of online chats, to name just a few methods.

It's become big business for the research-technology companies managing these systems collecting and analysing this data. At Lexden, we have been helping clients navigate their way through scoping, searching, selecting and set-up of new VoC partners. So, we know first-hand how impactful this insight is on the business and how quickly the business becomes dependent on effective VoC.

Get it right and the insight will inform the direction of business travel. But if the quality of insight is impaired the whole Customer Experience (CX) Strategy can be in jeopardy.

We invited some Voice of the Customer practising experts to tell us what 2017 holds for them.

In summary, our participants highlighted that VoC is going from strength to strength, with growth planned in 2017. However, we heard for it to remain integral to the business, more must be in terms of data collection techniques and analytics capability as well as improved application of VoC insights in the business. Below are the highlights:

1. VoC budgets to grow in 2017
2. Role still limited to tactically being a part of the 'fix the experience' team
3. Integrating customer feedback with existing customer transactional data

4. With innovation in demonstrating customer value and improved data collection techniques

Below is the feedback highlighting areas which will receive more attention and where investment and improvement in VoC is anticipated to be focussed in 2017.
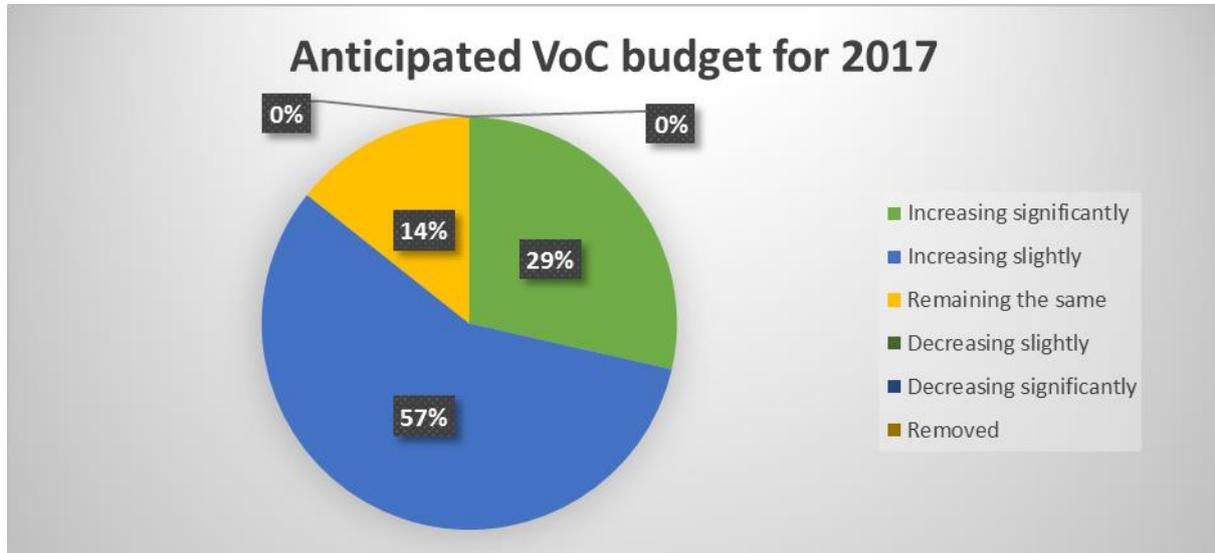
Most respondents stated budget would rise in 2017. Speaking to one Head of Insight they said that previously they'd missed including VoC as a specific line on the budget submissions so had pulled in spare budget from ad hoc research to cover it, whereas now it has its own budget line.
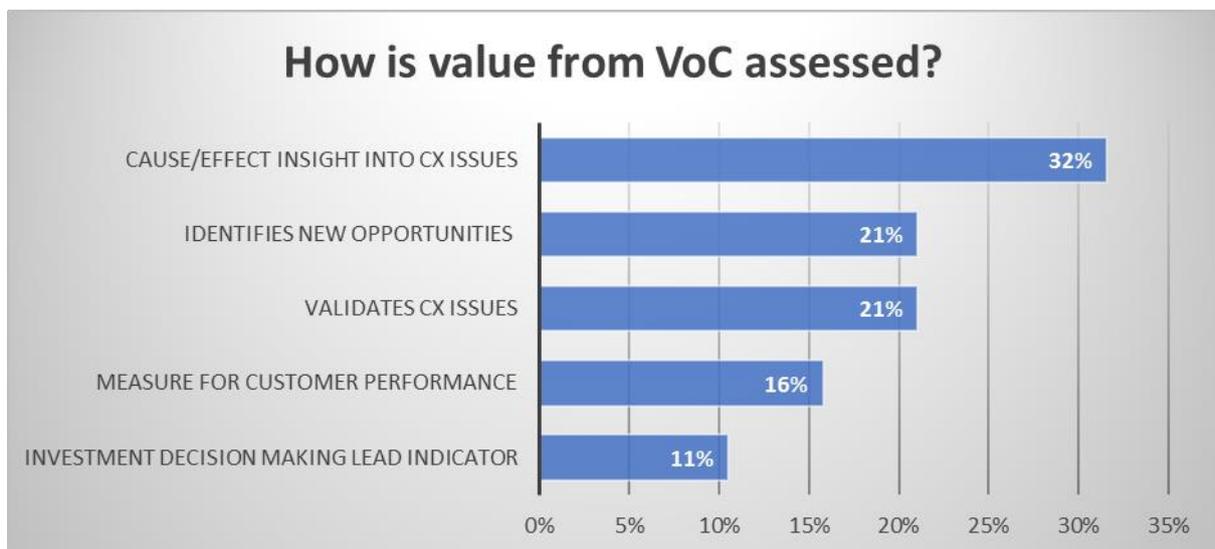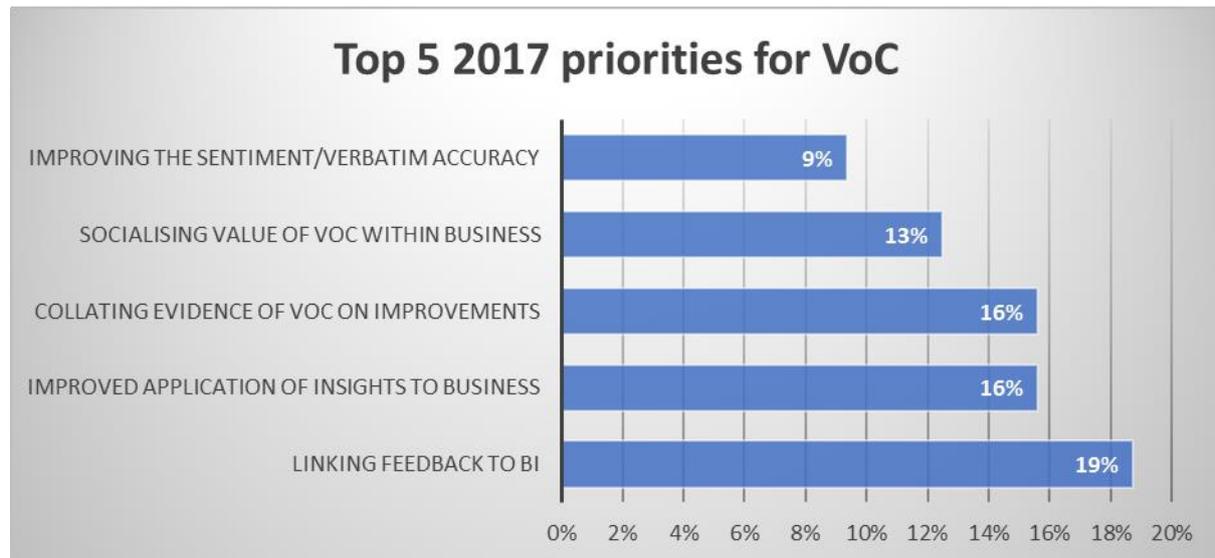

At Lexden, we very much see Customer Experience as a business model. One which if embraced by the board and will be aligned to objectives to drive greater profitability from more content and committed customers. So, whilst it's still disappointing, it's not altogether unsurprising that from a

broader list of options three of the top five answers for what value VoC provides are principally tactical.

In fact, only 1 in 10 CX programmes achieve their ROI* which is line with these findings where 11% use VoC to results to lead investment decisions. Some commented that VoC is a support indicator in their business, but as leaders become more comfortable with customer experiences importance and impact on customers they expect this to change.

*Customer Experience Measurement. Author: Prof Dr Phil Klaus

Top 5 2017 priorities for VoC

Priority	Percentage
IMPROVING THE SENTIMENT/VERBATIM ACCURACY	9%
SOCIALISING VALUE OF VOC WITHIN BUSINESS	13%
COLLATING EVIDENCE OF VOC ON IMPROVEMENTS	16%
IMPROVED APPLICATION OF INSIGHTS TO BUSINESS	16%
LINKING FEEDBACK TO BI	19%

We run 'Client Only VoC groups' (free to join – new entrants always welcome) where practitioners meet to share customer feedback challenges and solve each other's problems. So, these results very much reflect the discussions in the groups.

Answers 1-4 can be grouped as *demonstrating strategic value of VoC*. Which we highlighted was a shortfall on how VoC value is currently assessed. The primary focus will be on connecting VoC feedback to BI to express value in ways in which the business is more familiar such as sales and profit.
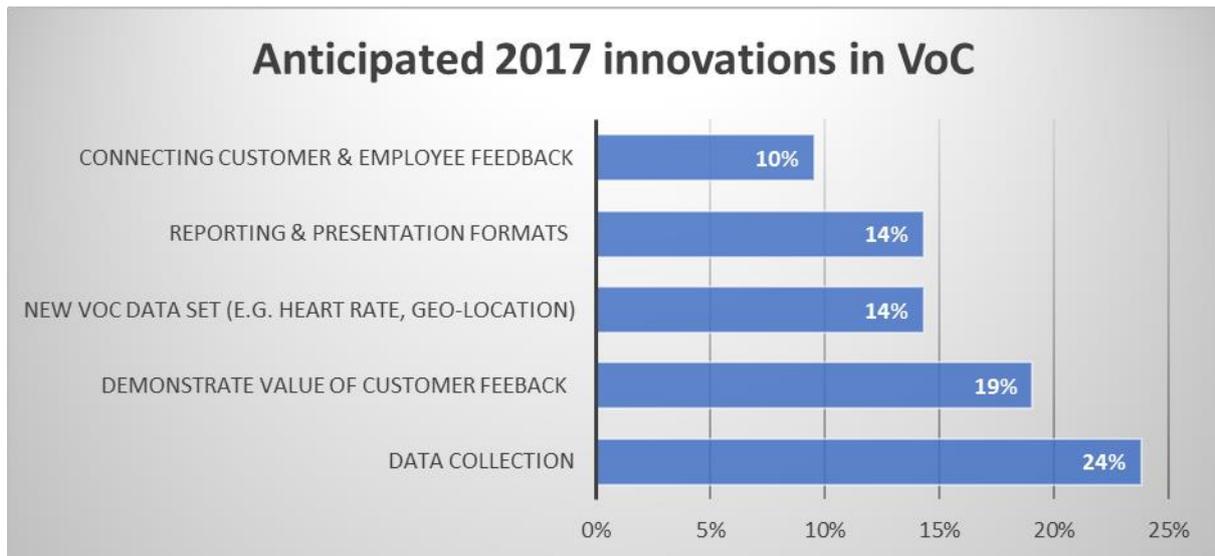
We are aware that CFO's are now challenging Customer Experience investment which is proving to be difficult to specifically account for. But like sponsorship or brand investment, CX must be accounted for. The newer CX measures can identify much better where ROI is achieved against CX investment.

Conventional customer experience performance measures are not designed to provide such an answer, but are being used in this way. And whilst Net Promoter Score, Customer Satisfaction and Customer Effort have their role in focussing colleagues on customers, we've seen numerous client examples showing they have a low correlation to customer share of category accountability.

Along with this, the focus will be on getting the right customer insights to the right stakeholders internally in a format which is more accessible to them, such as business ready solutions. VoC often resides with Customer Insight which in turn is within the Customer Research function. For many it will also be about repositioning the function as a proactive intelligence centre in the business.

Answer 5 – 'sentiment quality', is worth dwelling on. The quality of sentiment analysis as well as coding and categorising of verbatim is a hotly debated topic. During some of the pitch meetings we ran with vendors in 2016 it was an area we found some vendors falling short on. Many systems are not able to interpret expressions such as "it's sic, hah!" as positive or negative leading to mis-categorisation or exclusion of some insights.

There are now data collection tools which dynamically update questionnaires based on the customer's feedback. But it's still up there as an industry thorn to be removed.

Anticipated 2017 innovations in VoC

CONNECTING CUSTOMER & EMPLOYEE FEEDBACK	10%
REPORTING & PRESENTATION FORMATS	14%
NEW VOC DATA SET (E.G. HEART RATE, GEO-LOCATION)	14%
DEMONSTRATE VALUE OF CUSTOMER FEEBACK	19%
DATA COLLECTION	24%

So, what next? Which areas do our participants see VoC innovations coming through? Well I was interested to see data collection or 'feedback fatigue' as it was put to me has surfaced as a priority area where innovation will be driven from. Customers are bombarded with so many requests and it is impacting 1) who bothers to respond and 2) the quality of their response.

From personal experience, I receive between 4-5 feedback surveys from various companies I've interacted with on flights, in restaurants, at hotels etc. per trip. In addition, respondents to our survey expect new data sources to come through. With the arrival of data capture such as heart monitoring activity, companies such as Fit Bit, PlayStation and Apple will be able to read exactly how you felt when you fed back. This will provide great context.

Presentation of content features which is understandable when dealing with large amounts of complex data. A decent VoC reporting tool can take weak data and cut through with a less familiar audience. More customer video footage, live customer interactions and 'issue demos' are ways we anticipate this will grow.

We are currently trialling a simultaneous customer and employee feedback platform which enables the business to react quicker to a live data feed. It also has a compelling impact on audience confidence and trust in the data when it's built by them.

So, there we have it. The future for VoC is bright, for 2017 at least. With much opportunity to make the feedback programme a part of the extended customer experience.

Hopefully, this will prove useful insight and the supporting narrative gives you some areas for further consideration.

Feedback gathered from practioners at the SandSIV Customer Experience Breakfast Seminar 26th January 2017 – by Christopher Brooks, Lexden | Independent Customer Experience Consultants

Customer Experience Leaders and Voice of the Customer Practioners gathered at Simpsons on the Strand to hear about the priorities for Voice for 2017. As part of the presentation I gathered feedback from the group on several points relating to their own programmes and priorities.

Below are the key findings.

The first question posed related to the maturity of participants Voice of The Customer programme. There was an even spread from start up through to mature programmes which are more focussed on the accountability of customer experience. From our experience, many programmes fail to move beyond reporting and fixing the issues, either a victim of their own success or a lack of broader business capability to connect feedback to business intelligence to make it commercially significant.
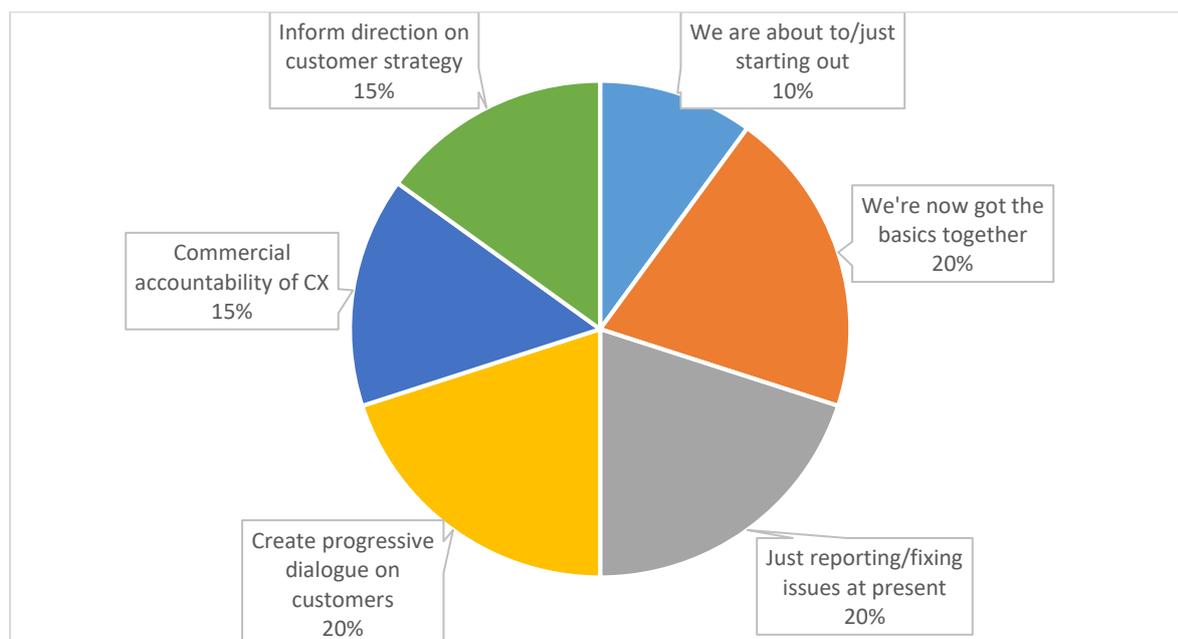
The second question posed related to the interest senior management take in customer feedback. We've encountered CEO's with feedback verbatim feeds and NPS scores constantly pulsing on TV's in their room through to Board Directors who in two years had never opened the VoC report sent to them every month.

The frequency for reporting is pegged around monthly from the group. A response which echoes not just VoC feedback, but standard management reporting frequency. We have encountered one client who worked with daily reports being triggered if scores fell outside permitted tolerances. But having been involved in rebuilding more than one customer experience team, I've long seen the value of the Research Reporting Executive being a priority head count to ensure the rest of the team can focus on driving improvements rather than the CX team being weighed down with reporting deadlines.
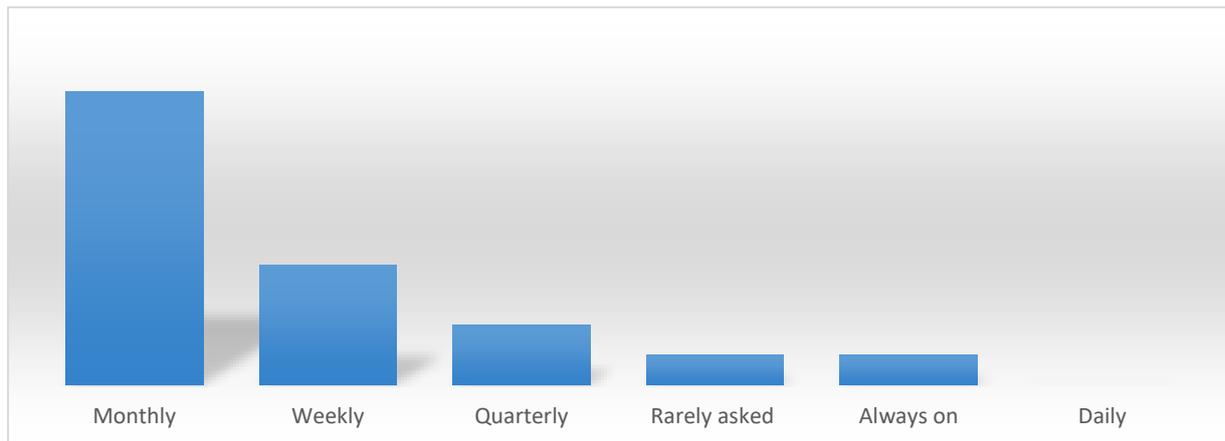
Moving on, we wanted to know what practioners were looking to improve in their own programmes. We have undertaken many evaluations for clients looking to improve the potential returns from their Voice of The Customer Programme. A fresh look from an organisation who have looked at several programmes from several sectors designed in partnership with several vendors reveals shortfalls and identify opportunities otherwise missed.

As independents, we keep close to the developments and innovations within the sector spending time at events, reading reviews, quizzing vendor presentations, trialling products, regularly meeting with the established and new vendors, researching evolving consumer expectations, providing advice on clients and hearing how they are making improvements. We also run free VoC client only communities where problems VoC programmes managers have get aired with a group of non-compete peers and solutions emerge. All of which improves our knowledge and ideas bank, to objectively support and advise clients on the efficient options the can include to get the most from their programmes.

Over 2/3rds of the group indicated as a 1st, 2nd or 3rd level answer that linking Customer Experience results to profitability is where they need to apply attention. We undertook an analysis for a UK bank last year on this very point. The VoC programme structure was focussed on reporting promoters, but along the way the link to profit hadn't been established although was assumed. Following the introduction of an alternative measure for CX based on behaviour we identified much of the activities which made up the NPS and increased profit. it also did highlight the inefficiency of such measures as a read for profit. We recognise they were never designed for that purpose, but have become assumed to be exactly that by many. In the main research report, we saw this type of attention as a key priority with CFO's waking up to the cost of CX and its general lack of ROI against it.

For others 'Applying VoC insights to business improvements' is an area for attention. What is the cause of this? I'm sure there are many, but two we've seen are 1) the VoC programme is being run out of the old research function which has historically been a 'reporter' rather than a 'resolver' of customer challenges, and 2) silo set ups within companies mane worse when there are many physical sites responsible for delivering different aspects of the Customer Experience meaning the VoC team has too much ground to cover to get involved in anything more than spreading the word of what customers are saying. In this instance, we have seen companies spend all their effort on apportioning responsibility for cause and reconciling the impact of this, meaning there was no capacity left to do anything about it for customers. A negative bi-product of pegging bonuses to customer satisfaction scores.
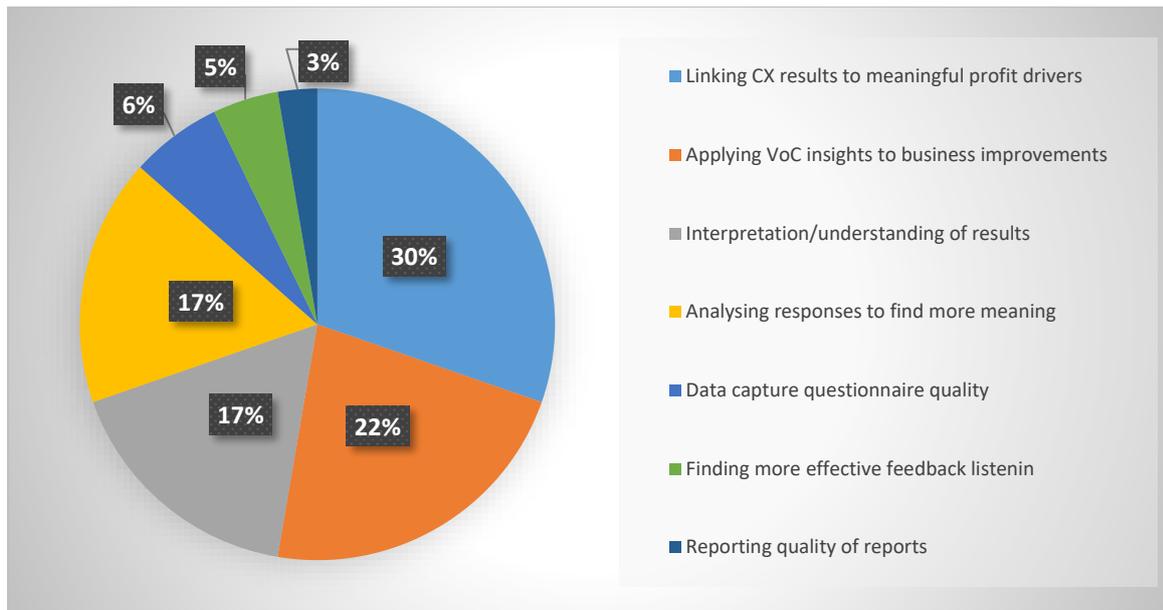
One area of much debate at the SandSIV event, and often an emotive topic on LinkedIn is the impact of poor feedback capture, too much of it and a lack of action taken on the back of it. I was caught in a discussion regarding the 'happy or sad' button devices in airports on LinkedIn. There were academics contributing on this unsafe research environment, the lack of connection between score and cause and the shortfall of not knowing 'why' rendering the number interesting but not to be taken as imperative. In fact, many who saw them as part of the feedback fatigue problem. However, to keep it balanced, commented, 'so what – we get a score to measure store performance and pay bonuses', as well as proposing every customer score at any touch point is equally valuable regardless of customer type or value of purchase and loyalty through to one comment explaining they don't see these devices used as research tools but workflow management devices (used outside toilets in airports) as an efficient way to prioritise janitor's rounds. All of which highlights that consumers will continue to be served feedback requests for many purposes beyond putting a voice of the customer into the business. Although you could argue, these later uses of feedback are an inevitably of the popularisation of feedback thanks to the technological ease of deploying surveys almost everywhere and anywhere by anyone.
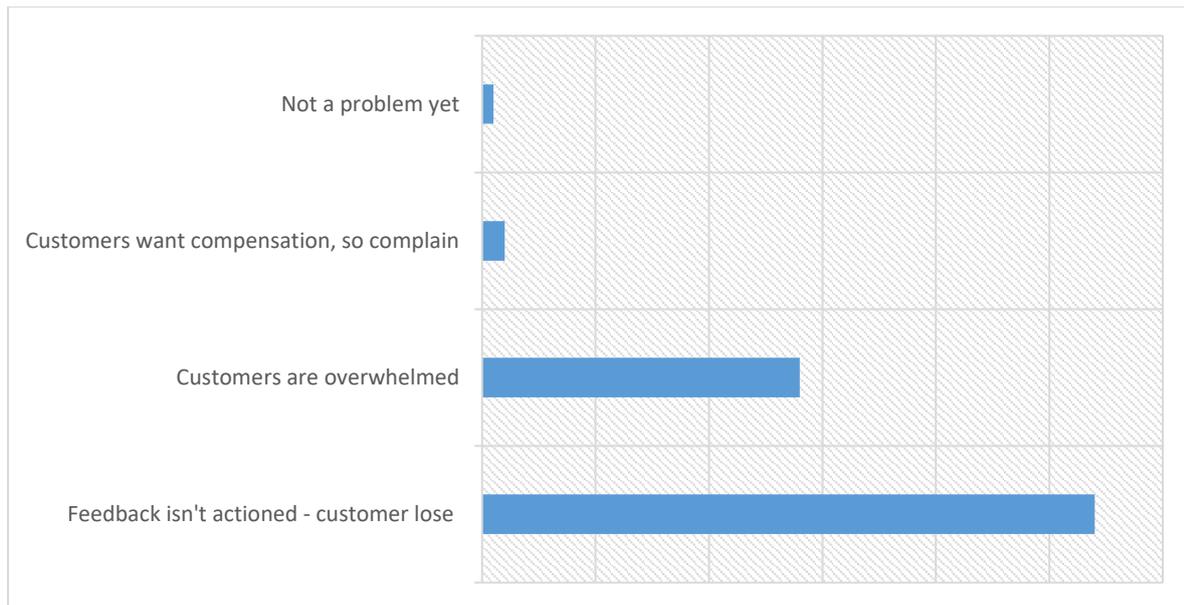
The result could be that customers stop responding, or only certain customer types engage. The group recognised this with the biggest cause of feedback fatigue being that companies looking at the insight as a one-way channel. Customers provide feedback in good faith that it will both get heard and be acted upon. And when it doesn't why will they continue to provide it? No one enjoys being ignored after all.

The other area highlighted was the volume. Customers don't have ability to filter like they can for marketing messages. Even if the best practioners' practice best practice, it doesn't stop the world's worst behaving badly! The group suggested innovative ways to attract customer attention (including gamifying feedback) and show customers that feedback results in action.

Overall, it's clear the feedback mechanic has become part of the overall customer experience rather than just a way of measuring it!

Updated by Christopher Brooks, Director, Lexden | Customer Experience Consultants

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