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PUTTING YOUR CEM PROGRAM TO WORK: HOW TO DRIVE ACTION BASED ON CUSTOMER FEEDBACK



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THE CUSTOMER CONVERSATION CYCLE

Your Customer Experience Measurement (CEM) program is a continuous cycle: You ask the question, listen to and analyze the answers, take action to improve the customer's experience, and then start all over again. While there are any number of different strategies companies employ to differentiate themselves in the customer's eyes, decreasing cycle time is a key one. And in a world where "customer delight" is a vital goal for many firms, decreasing the cycle time for having conversations with your customer is an invaluable tool. The faster you can delight a customer, the more likely are to earn that customer's future business.

This executive guide will provide an overview of the five key strategies you will use to take advantage of the insight your CEM program provides and enable your company to take the right action ... quickly.

AUTOMATE WHAT YOU CAN

You already know there are certain actions you will take based on what the customer says in a survey. If a customer is unhappy with a service transaction, you will escalate the call to a supervisor (to address the customer's concerns) or quality team (for agent coaching). This alert can be as simple

as an email sent to the right address as soon as the survey is complete or a more complex message directly back to your CRM or operational system, ensuring there is an audit trail for the action to be taken.

You can use alerts and escalations in your quarterly Voice of the Customer survey to notify marketing about customers who might provide testimonials. Or ping the sales rep of an account who answers anything less than top-box to the "recommend" or "renew" question.

An even better tact is to automate action directly back to the customer *without* human intervention. If a customer says she is willing to recommend your products to a friend, send her back an email that thanks her for her time and input ...then offer an incentive discount to forward to a friend. If a customer says he is likely to renew his subscription or purchase additional products, send back an email that thanks him for his input and provides a link to the appropriate webpage.

Alerts can be smart as well as fast to ensure that you aren't overburdening your internal people and systems. Maybe your dissatisfied customer alert is only for new agents? Or highest-value customers? Or specific releases of a new product? Use operational data to direct your limited resources where they will have the biggest impact.

PUSH THE DATA THROUGHOUT YOUR ORGANIZATION

Above and beyond sharing your summary analyses every month or quarter, make the actual raw data available to others in your company. Access to the survey reporting tool is one way. If you are lucky enough to have a mature business intelligence or data warehousing initiative, make sure the survey data is included there ... that way the analysts who are tracking internal metrics can also track customer-facing metrics. This is a key component to any type of scorecarding (especially balanced scorecards) and an important part of ROI and priority discussions (see below)

Also consider integrating the raw customer opinion data (especially the free text comments and higher-level satisfaction and loyalty metrics) with your current CRM and SFA systems. Giving an agent or account rep the opportunity to see directly into the customer's feelings as they interact, takes that employee a long long way toward being able to provide a unique, personalized, and valuable experience. And while reporting tools designed for feedback programs have their advantages, if you can incorporate the new information into existing tools and processes, it will become much more valuable much more quickly.

ANALYZE SATISFACTION IN LIGHT OF IMPORTANCE

A common error with new CEM programs is that the company will take the drivers that score the lowest and make them the priorities for improvement over the course of the next year. This is not a bad strategy in and of itself. The problem is that just because a driver scores low does not necessarily mean changing it will increase customer satisfaction or loyalty.

There are two ways to determine importance of a driver: You can ask the customer directly or you can use statistical tools to derive it. Each method has its strengths and risks, depending on the specific type of feedback program.

Whichever way you look at it, though, make your plan to sustain those drivers with high-satisfaction-and-high-importance and improve those with low-satisfaction-and-high-importance. It also helps to make these plans in light of different customer profiles. High value customers are more valuable to you than free trial customers. Defectors from a competitor may take priority over long-term accounts in some respects. Think about importance-versus-satisfaction in light of who the customer is and what the customer means to your business.

HEDGE FOR SUCCESS

While every project and every company is unique, there are some basic tactics for success that you can employ to help tilt the scales a little in your favor:

- Start at the executive level: If you don't have a senior executive responsible for the change plan, it will never get off the ground. You need that individual to help secure budget and resources, fend off competing priorities, and get you the visibility you deserve when you succeed.
- Focus on the most important thing first: That is, intentionally, just one *thing* ... not *things*. You can't do more than one thing at a time anyways and this change plan is going to be hard enough to accomplish without spreading your time and energy too thin.
- Deliver results that are tangible and quantifiable ... quickly. Especially if your ultimate goal is farther away, by getting some early wins, you help sustain momentum and interest in the program.

By making sure the results are tangible (meaning, they have a visible impact on the business) and quantifiable (meaning no one can question your claims), you build credibility along with momentum, making it that much more likely you will see the project through to success.

This is easier when you look at customer opinion in light of not just what the customer said but who she is and what she means to your company. If you have low rates of repeat purchases, is that universal or just your low-end products you are planning to discontinue? If you have low satisfaction with agent professionalism, is that across all call centers or just agents who have been with the company for more than two years? Narrowly defined and targeted change plans are faster and easier to implement and to be successful.

- Think about the future. Even if you implement a plan the day after you receive detailed customer feedback, that plan is still in the past. You have a much better chance of improving the customer's experience if you try to anticipate what the

customer's experience will be like in the future. Obviously this includes changes to your processes, policies, or products. But it can also include changes outside your company that will impact your customer (competitors, technologies, regulations, trends). You need to look forward to where the customer experience will be, not just where it was.

- Tie compensation and rewards to performance. While that seems like a no-brainer, it can be difficult sometimes to change comp plans in the middle of the year. But the old adages "you get what you measure" and "you get what you pay for" most definitely apply. This is most important once you have made the changes and are institutionalizing them.
- Follow these practices for any kind of program or project management:
 - Communicate vision and status consistently, clearly, across the enterprise, not just the project team.
 - Involve employees (and customers) who will be affected by the change early ... and often.

- Clearly and repeatedly explain the benefits to the enterprise and link those benefits to the employees directly.
- Continuously monitor and publish performance
- Communicate successes early and often.

MOVE BEYOND ANALYSIS

Analyzing data is important. But you should move your CEM program beyond merely understanding and begin to forecast what will happen in the future. Advanced statistical techniques enable you to blend the opinion data from across your entire CEM program (transactional surveys, VOC surveys, employee surveys, etc) with operational, behavioral, and even competitive information into a truly comprehensive view of your business.

There are a number of different statistical tools, all based on a process called regression analysis, that help you understand the relationship between variables. You can use these tools to answer the question:

“Based on what I know today, if X change by a certain amount, what would I expect the impact to be on Y?”

X might be hold time or a price-to-feature bundle. Y might be satisfaction, actual repeat purchases, or defection rates. Whatever you want to measure and predict, the more data you have in your model (both operational and behavioral) the more narrow your predictions will be. The real advantage of this comes not just from determining what variables to focus on first but also in how much to invest in the envisioned change.

If you are considering a \$50,000 investment in your self-service website, wouldn't it be nice to know that, based on your analysis, the investment would decrease the number of service contacts by 1,500 / month?

And if service contacts are, on average, \$10 each wouldn't it be nice to predict that you would pay for the project in just three or four months?

And imagine how much quicker you could count the pay-off if you included the increase in cross-sells in your analysis.

Obviously any change plan for your company will be unique to the company, the plan, the competitive environment, the

people tasked with it ... but enough valid and reliable data processed through a stringent analysis methodology will help keep ROI discussions focused on facts, not conjectures.

ABOUT KNOWLEDGE WAVE INTERNATIONAL

Founded in 1999, KWI (“kee-wee”) provides innovative customer loyalty and employee engagement programs to clients in almost every market and industry. Our more than 250 clients drive business growth off of feedback programs in more than 35 languages, across all customer touchpoints. Our proprietary feedback platform forms the basis of a scientifically rigorous and effective research framework, where the philosophy is hard data and individual results rather than generic theory. Customer advocacy is different for every business and even for different types of customers within a business ... KWI helps you to understand and take advantage of the unique needs and expectations of your different customers quickly, effectively, and quantitatively.

To learn more about KWI, please visit us at <http://www.knowledge-wave.com> or call 1.800.329.9159 or email info@knowledge-wave.com.