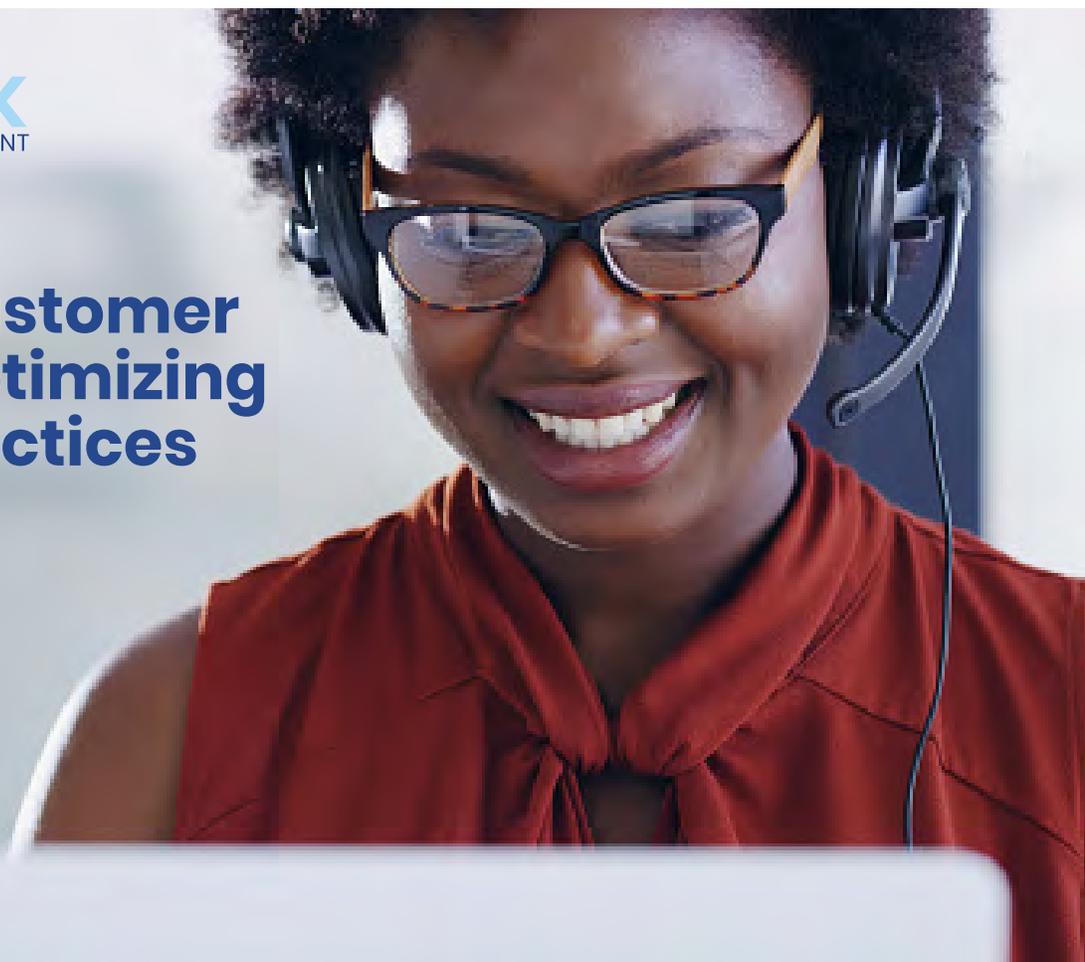




Improving Customer Service by Optimizing Feedback Practices



SUMMARY

Providing service that is informed by and responsive to customer input leads to improved consumer loyalty as well as significant financial advantages for today's companies. Crucial to providing this optimized level of service is the ability to gather and analyze customer experience feedback in the most strategic and effective ways possible. Innovative approaches to choosing what feedback to collect along with how and when to collect it differentiate companies benefiting from a satisfied customer base from those being hindered by poor customer service.

Great customer service is an important differentiator and critical priority for many companies, especially when you consider that poor customer service costs U.S. businesses **\$75 billion** a year! In fact, investing in customer service can result in significant profit. According to the Temkin Group, companies that earn \$1 billion annually can see around \$823 million in additional revenue over three years² when they proactively use customer insights to realign operational processes. Beyond potential gains in profit, investing in customer service means building a stronger and happier customer base that is likely to continue using and recommending your services.

To improve customer service, it is important to benchmark current customer experience (CX) performance. One critical way to do this is by collecting customer feedback. It is important to be strategic and succinct in this process – you want to be able to collect feedback in a way that maximizes response rates and results in actionable feedback without annoying your customers. Successful CX programs contact the right customers at the right times using the customers' preferred methods of contact.





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There are three key points for gathering high-quality CX feedback:

1. Selecting the right CX feedback collection approach(es)
2. Implementing proven feedback collection and analysis methods
3. Innovating like a CX leader

By using a smart, relevant and proactive approach for collecting feedback, companies are now able to deepen their understandings of their customers and deliver the experiences that their customers not only expect but deserve.

Select the Right CX Feedback Collection Approach

While the customer base is different for every CX program, one thing is clear: Today's CX leaders know how to leverage the best channels to collect feedback from as many of their customers as possible. These customer-savvy companies gain higher response rates, more actionable data and opportunities to design a CX approach that bolsters brand and company loyalty.

Before investing in a specific strategy or strategies, it is important to understand the most common channels for gathering customer feedback.

EMAIL

Online surveys are a cost-effective way to gather customer feedback for companies large and small. They can be easily set up without a lot of technical expertise, including as links in the emails that invite customers to complete them. Online surveys typically have lower response rates than the next two approaches, as they incorporate weak calls to action and need to compete for attention in crowded inboxes.

SHORT MESSAGING SERVICE (SMS)

SMS text messages are increasing in popularity among companies and customers alike as a preferred mode of communication for providing feedback. There are two primary methods of SMS feedback gathering:

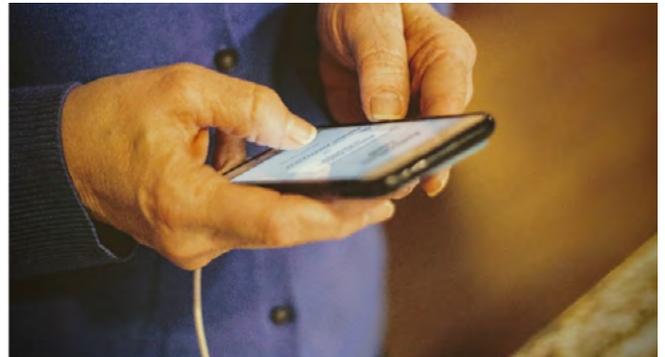


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- The Link to Online Survey model features a call-to-action message with a short URL link to a mobile-friendly online survey. This approach offers the ability to brand the survey and provide a better user experience for the customer when taking the survey.
- The Conversation model features an initial call-to-action message with additional questions after each response provided by the customer. This approach requires many more messages due to its conversational, back-and-forth nature, resulting in increased cost. It is also more likely to lead to survey abandonment should a message not be delivered in a timely manner or if the customer gets distracted.



INTERACTIVE VOICE RESPONSE (IVR)

IVR is easy to use and familiar to many customers. IVR surveys are an effective feedback gathering mechanism when best practices are followed. They are most effective when they incorporate the following:

- Professionally recorded voice prompts versus text-to-speech
- No more than six to eight questions
- Simple response scales, such as yes/no or a 5-point satisfaction scale
- The opportunity for customers to comment and provide open-ended feedback

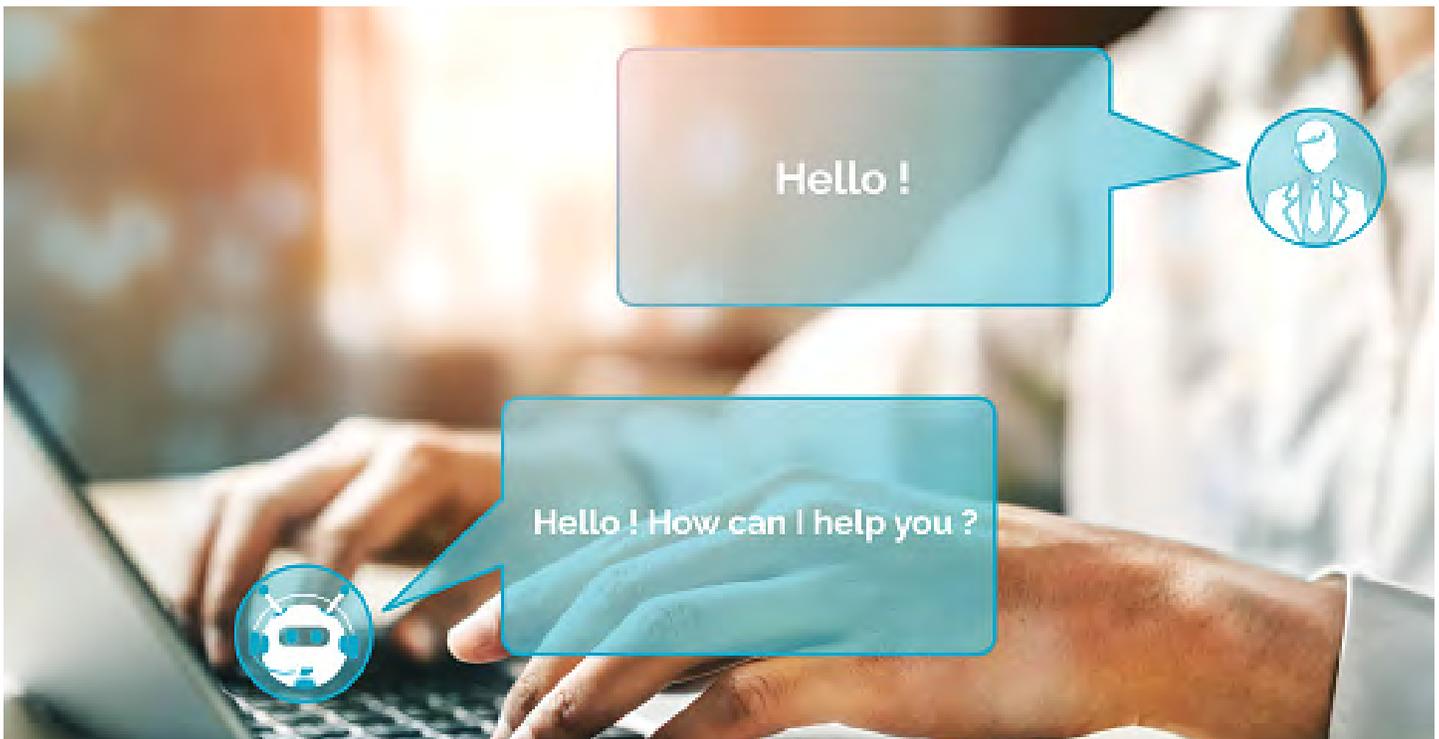
IVR surveys tend to be more expensive to implement and operate than other survey methods, but they also offer higher response rates compared to less personalized methods. With IVR it is important to ensure that you are not over-contacting or over-surveying customers, which can lead to survey fatigue as well as increased requests by customers to be put on a do-not-contact list.

CHATBOTS

Companies are increasingly using chatbots to engage customers directly. Think about a time when you have gone to a company's website and seen a chatbot window pop up, asking if you have any questions about their services or products. Chatbots can be used to not only provide key information and services to customers – and triage more complex inquiries to customer service teams – but to also solicit feedback.

Chatbots can provide a feedback mechanism to customers by prompting them to complete a short survey almost immediately after their interactions with a company have occurred. Chatbot records can be analyzed by customer service teams to better understand the interactions.

Chatbots can also provide reminder prompts to customers to provide feedback when the customers revisit the company's website, Facebook page and other platforms.



SOCIAL MEDIA

Social media has quickly emerged as a critical way for customers to provide feedback – often unprompted – on platforms such as Facebook, Twitter, Reddit and Instagram. Additionally, many companies have begun to use options like Facebook Messenger and WhatsApp to engage with customers directly and privately to provide support and address their questions or concerns.

	Email	SMS	IVR	Chatbots	Social Media
Cost	\$	\$\$	\$\$	\$	\$
Response Rate	3% to 15%	15% to 30%	17% to 30%	N/A	N/A
Ease-of-Use	Complex/Multiple steps	Moderate/Varies by method	Easy/2-3 minutes to complete	Moderate/Varies by method	Easy
Call-to-Action	Weak	Strong	Strong	Strong	Moderate
Adoption Rate by U.S. Customers	++	+++	+	++	++
Key Benefits	<ul style="list-style-type: none"> • Low cost • Easy to set up and administer 	<ul style="list-style-type: none"> • Growing adoption • Likely to get customers' attention 	<ul style="list-style-type: none"> • Quick and efficient • Supports multiple contact attempts, leading to higher response rates 	<ul style="list-style-type: none"> • Easy to set up, especially if business is already using a chatbot for customer service • Transcript data valuable for analysis of customer experience • Immediate feedback mechanisms can be employed, followed by reminders 	<ul style="list-style-type: none"> • Widely used • Free to use
Key Negatives	<ul style="list-style-type: none"> • Low response rates 	<ul style="list-style-type: none"> • Higher cost than email 	<ul style="list-style-type: none"> • Higher cost than email • Less utilized compared to other channels 	<ul style="list-style-type: none"> • May require time to set up (depending on complexity) if business does not already have a chatbot mechanism 	<ul style="list-style-type: none"> • May have to monitor multiple social media platforms (including hashtags and keywords) • Requires quick response time, as negative feedback can go viral • Time-consuming



Evaluating Feedback Gathering Methods: A Summary

There is no one-size-fits-all method for securing the highest survey response rates and attaining meaningful customer feedback. CX teams should examine the benefits and drawbacks of each approach, assess their customer demographics and select the right feedback gathering method – or use a combination of methods. Ultimately, the method must be relevant and contextualized to the customer base. If not, the results may be the same poor customer service experiences as before.

Implement Proven Feedback Collection and Analysis Techniques

Adopting the right feedback collection strategy is the first step for brands seeking higher response rates. Designing an effective feedback methodology is the next critical element in gathering high-quality CX data.

CAPTURE FEEDBACK SOON AFTER INTERACTIONS

To gain meaningful customer input, companies must seek out customer feedback soon after the interactions. The longer it takes to get feedback, the less meaningful and actionable the feedback could be. While delivering surveys within 24 hours is acceptable, contacting customers sooner allows companies to respond to incidents faster. For example, top-performing field service companies can reroute technicians to fix a “repeat” issue while still in the area versus having to schedule a repeat truck roll for another day. This minimizes customer frustration and reduces operational costs. Since the most valuable feedback often taps into customers’ emotions about interactions, sending surveys quickly enables CX programs to reach customers while those feelings are still fresh in their minds. As the time between the interaction and feedback opportunity lengthens, customers are more apt to have shifted perspectives or even forgotten key details and thoughts about transactions.

USE SHORT SURVEYS TO MAXIMIZE RESPONSES

Although companies may find it tempting to create long surveys that address many facets of customer experiences, they can often become too involved and result in lower response rates. Many people are just not that interested in answering in-depth questions about a brand or interaction – that is what focus groups are for! People are more likely to respond to surveys when they have had memorable experiences, be they positive or negative. Customers want to share their opinions and feedback quickly and then move on to the next thing. Providing customers with long surveys can frustrate them and potentially turn positive experiences into negative ones. Be sure to ask the most important questions first to ensure you get the critical insights you need. Additionally, it is important to offer customers the option to transfer to or contact support when there is an issue rather than forcing them to complete the survey and wait for a response, which can further exacerbate problem situations.

COLLECT QUALITATIVE AND QUANTITATIVE FEEDBACK

Closed-ended survey questions, such as multiple-choice questions or numbered-scale questions, can provide high-level snapshots of CX trends. They may quickly show, for instance, that 86% of customers have had positive experiences with Company X. However, snapshots may not provide information about what contributed to these positive experiences. They also limit customer perceptions to a narrow range of responses that may not accurately reflect their true impressions. For a more balanced approach, CX programs should incorporate open-ended questions in their surveys. This means providing free-form text boxes, where customers can share their experiences using their own words. This approach taps into customers’ true perceptions and can reveal hidden themes that may not be apparent through quantitative survey approaches.



LINK SURVEY DATA TO EMPLOYEE PERFORMANCE

In the past, companies often relied on aggregate customer satisfaction data to assess their CX performance. Today's CX leaders take a much more granular approach to CX analysis. Leading CX solutions tie customer feedback directly to the employee who delivered the most recent interaction. With this approach, managers can quickly identify which frontline employees deliver quality interactions — and which employees need more coaching.

ASSESS AND REFINE SURVEY APPROACHES

As companies evolve and respond to competitive factors and market demands, they also need to refine their feedback gathering approaches. Even if a specific survey is garnering a reasonable response rate, it may not be asking the right questions to maintain a true understanding of customer sentiment.

Over time, CX owners should examine each question to understand if they have taken recent action based on the feedback collected. If not, this is a good indication that the question may no longer be relevant. In addition, customer demographics should be assessed periodically to ensure that the optimal feedback collection method is being used. Planning for periodic survey review and refinement ensures that CX programs keep pace with dynamic customer needs.

Innovate Like a CX Leader

Feedback gathering approaches and technologies have seen rapid change in recent years. Software platforms can contact customers more quickly after an interaction, and the calls to action across all collection mediums are more configurable and better able to engage end customers. New mediums like SMS and mobile phone-enabled surveys are expanding the reach of feedback collection around the world.

In addition to new software features, there are several innovative trends driving improvements in gathering feedback from customers.

MULTI-METHOD FEEDBACK COLLECTION

Most CX programs have traditionally leveraged one method, such as email, for engaging customers for feedback. However, this traditional approach is unlikely to be effective in the future, when customers will expect to be contacted how, when and where they prefer.

For example, customers are likely to engage with a brand across multiple channels during a single transaction. A customer may research an item online, order it online, receive SMS or email updates on fulfillment status and go to a brick-and-mortar location to pick it up. CX programs must mirror this multi-method communication approach in their customer outreach.



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This is known as an **omnichannel**, where customers' experiences are continuous no matter how they engage with the company. An integrated feedback collection approach that can easily leverage all available contact methods (e.g., email, IVR, SMS and social media) is more likely to engage all customer types, collect useful feedback for the CX programs and serve a variety of other needs:

- Customers can be contacted based on their stated preferences, thereby increasing the likelihood they will engage and respond.
- Feedback gathering can be dynamic, based on available customer contact information, thereby increasing the pool of possible respondents.
- Companies can utilize a more sophisticated process for gathering feedback that is not limited to one or two feedback gathering options.

CONTACT ALIGNED TO CUSTOMER PREFERENCE

For the best results, CX practitioners should seek to understand customer preferences and deliver surveys via customers' preferred channels. By using a short preference-gathering survey early in the customer relationship, companies can determine if the customer welcomes contact via SMS, IVR or email. By aligning survey contact with customer preference, CX programs can demonstrate that they listen to and value customer input, which can create positive impressions and drive higher response rates for their CX practice.

ARTIFICIAL INTELLIGENCE AND MACHINE LEARNING

Artificial intelligence (AI) and machine learning (ML) techniques are already playing a critical role in customer service today. Companies are recognizing the importance of creating tailored, personalized and consistent experiences for customers.

AI can be used to analyze customer feedback in several ways³:

- **SENTIMENT ANALYSIS:** This technique analyzes the emotion underlying any qualitative customer communication and can categorize it as positive, negative or neutral. This can help automatically prioritize and triage which customer tickets to respond to and forward them to the appropriate teams to address.
- **TEXT ANALYSIS:** This technique analyzes qualitative communication to extract any relevant and useful information. It is different from sentiment analysis because sentiment analysis categorizes the text, whereas text analysis does not. Text analysis is useful because the company can see what types of words are being used in association with their brand. It can be particularly useful if negative words are being used often, which can alert the company that something needs to be addressed or changed.
- **CUSTOMER SERVICE ANALYTICS:** This technique is used to evaluate all customer service-related activities to determine how to improve their quality as well as cut costs. It enables the measurement of customer retention rates, user satisfaction, goal completion rates, advanced call analysis and customer review analysis.

These tools allow companies to engage in predictive analytics, which are more adept at recognizing, prioritizing and triaging customer complaints. For instance, a McKinsey CX report shared a story about an airline company using predictive analytics to prioritize customers who were "at-risk of defecting"⁴. This resulted in an 800% increase in customer satisfaction and a 60% decrease in attrition⁴.

In addition to AI, ML techniques can also be used to further categorize customer feedback by product features, price points, quality of customer service and online availability, among others⁴.



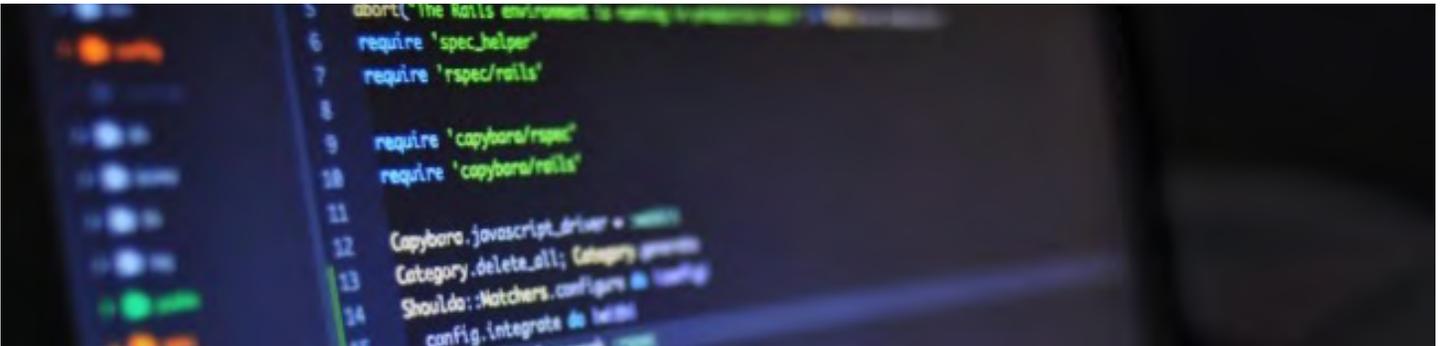


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ACTIVE VS. PASSIVE FEEDBACK COLLECTION

Customer survey programs typically focus on “active” feedback collection, where the companies initiate contact with customers to ask them to complete surveys. CX innovators are beginning to leverage “passive” collection opportunities, where customers take to social media to provide feedback. There are a variety of social networks that have been set up to allow customers to share their thoughts on almost everything. Some of these are even focused on a specific area, to assist consumers in deciding which products and/or services are its “best”.

Paying attention to what is being said on social media can minimize the impact detractors have on the brand and provide insights into what customers ultimately want. This enables companies to better support their customers and continue to innovate.

Making the Most of Critical Data

Depending on the dynamics of your customer base, you may opt for a single channel – either IVR, SMS or email – but for broader reach and enhanced customer input you may need to employ multi-method feedback gathering. Whatever feedback collection approach you choose today may need to evolve as customers’ expectations rise and their opportunities for interactions with your brand multiply.

Let SkyCreek Be Your Guide

Whether you aim to retain customers, fortify your brand or deliver a higher quality customer experience, you can rely on SkyCreek’s flexible, scalable solutions to capture and understand customer feedback. With over twenty years of experience working with Fortune 500 leaders, we are one of the most experienced CX firms in the industry. Our robust feedback collection options, proven closed-loop alerting approach and advanced CX reporting platform gives the real-time insights needed to gather customer feedback, identify and manage unhappy customers and maximize enterprise-wide customer experience practices.

¹ <https://www.forbes.com/sites/shephyken/2018/05/17/businesses-lose-75-billion-due-to-poor-customer-service/?sh=465e97b216f9>

² <https://www.qualtrics.com/experience-management/customer/improve-customer-experience/>

³ <https://www.countants.com/blogs/importance-of-artificial-intelligence-in-customer-service/>

⁴ <https://www.mckinsey.com/business-functions/operations/our-insights/elevating-customer-experience-excellence-in-the-next-normal>

