The 12 Step Program: How to Implement an Effective Customer Feedback System

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1 Introduction and Context

Over the next few pages we will lead you through the process of designing and implementing a reliable customer feedback system for your organisation.

Included in this whitepaper will occasionally be links to other resources that provide detailed information on the topic at hand.

Also there are homework questions throughout the document. If you answer them as you go, at the end of the process you will have designed your customer feedback system.

2 Step 1: Determine your goals - what are you really trying to achieve?

Why do you want create a customer feedback system and what do you want achieve?

This is the first and most important question that you need to answer.

Perhaps you have simply been told to "get some customer feedback" by your manager or your manager's manager. Or perhaps you are part of a larger organisational change process that demands new information on customer wants and needs.

Whatever the starting point, you need to agree with the other stakeholders in your organisation what those goals are and what you expect to achieve from the customer feedback process.

If you do not start with this key first step I can almost guarantee that you will not be successful. Most likely, you will get to the end of the process and the feedback you have carefully collected will not be applicable because it was not collected in reference to a specific goal.

Having said that, the most common goal we see tends to be: **understand what drives customer loyalty**.

When you start with this simple goal it immediately forces you to consider two more questions:

- How do we measure customer loyalty?

- What changes need to be made in the business to improve customer loyalty?

We will answer both of those questions later.

2.1 Homework Questions

- What do you want to achieve through the customer feedback process? Be as specific as possible.

3 Step 2: Ensure that you are set up for success

In order to be successful there are lots of pre-requisites but the first ones you must consider are:

- Do you have leadership (senior management) support?

- Do you have cross functional support?

If you don't these two types of support for your program then it is going to be difficult to succeed. So before you go any further make sure that your manager and other senior leaders in your company understand the value of the process and what it can deliver.

3.1 Homework Questions

- Do you have the support of the key leaders and cross functional peers that you need to be successful?

- If not, how will you sell the idea to them?

4 Step 3: Be aware that the survey is a customer touch point

Most organisations are very careful how their staff interacts with clients, the look of their written communications, telephone etiquette, etc, because they know that these all interactions affect customer perceptions. The customer feedback survey is no different.

Just performing a customer survey can have a positive or negative impact on a customer's purchase behaviour. Performed well the feedback process can enhance your company's reputation. Done poorly it can damage your reputation.

See this blog post for more information:
How customer surveys can affect customer purchase behaviors.

5   Step 4: Which customers should I survey?

All of them, right? Perhaps, but not necessarily. You know that not all customers are created equal. Some customers are, by their very nature, more valuable than others. Also your resources, time and money, are limited.

So there are very good reasons to focus attention on the most important customers. But, this does not mean that you should not include all customers. It does mean that you should make a conscious decision as to which customers you are going to include.

Another factor to consider is that some survey approaches are more expensive (face to face interviews) and give richer feedback. Others are less expensive (internet surveys) but provide less comprehensive feedback. So you might use a mix of approaches rather than just opt for a one size fits all approach.

How you determine the most important customers is up to you. Perhaps they are the newest or highest revenue or longest term or highest profit.

5.1 Homework Question

- Customer with which characteristics will be included in the customer feedback process.

6 Step 5:
When should I survey customers?

So you know what you are trying to achieve and who you want to survey now comes the "when" question; how often will you survey your customers.

Actually, answering the "how often" question is deceptively simple: survey your customers often enough that you can track the effect of the changes you make, but not so often that you can't react to the feedback it provides.

In most organisations this means picking a re-survey period between monthly and six monthly. If you survey less than every six months, staff will have real difficulty becoming excited about the survey outcomes. This is because they will not see the effect of the business changes that they make for too long.

There is one exception to this rule, using Transactional Net Promoter Score. This customer survey approach provides a continuous stream of customer feedback. In this case you need to determine how often you will update the results and publish them to the rest of the organisation.

See this blog post for more information:
Net Promoter Score® (NPS®) and service delivery styles

The last thing to consider in this section is over-surveying. If you survey customers too often the results you receive will become inaccurate and response rates will decline over time. This is because customers become tired of being surveyed and either just want to get it done quickly or ignore your request.

The solution to this problem is to survey a representative sub-sample of customers each time. For example, if you only want to survey each customer once every six months but want monthly feedback then survey a sixth of the customers every month.

6.1 Homework Questions

- How often will you survey you customers or update the results and publish them internally?

- Will all customers be surveyed every time or will you survey a sub-group each time?

7 Step 6:
Select your outcome questions

You need to ensure that you have one, or perhaps two, key outcome questions in your survey.

Many surveys never ask these critical questions. They ask loads of detailed questions about the colour of this and the time for that but at the end of the day you need to know how much customers like you as a business and match that to customer loyalty, i.e. profit. Only then can you determine what is important to customers.

There are two popular questions that you can ask as outcome questions:

- "Please think about all of your experiences with Company X. Please rate your overall satisfaction in your dealings with them, where 10 is very satisfied and 1 is very dissatisfied?"

- "How likely is it that you would recommend Company X to a friend or colleague, where 10 is very likely and 0 is very unlikely?"

The first is the standard customer satisfaction question. Research has shown that the higher customer satisfaction the higher the customer loyalty. But for most industries the relationship is not linear. You need to be rating very high on this scale (9s and 10s) to have real impact on loyalty.

This second question has been popularised by the research done by Frederick Reichheld and his development of the Net Promoter Score*. Analysed correctly this question has been shown to be a very good indicator of customer loyalty.

For a more comprehensive background on Net Promoter Score just download our "Introduction to Net Promoter Score"

7.1 Homework Questions

- What is the outcome question(s) for your survey?

8   Step 7:
Determine what might be important attributes to your customer

Now that you have an overall outcomes measurement you need to understand what drives that measure for your business. To do this you need to include a set of questions that measure your performance on the different drivers of customer loyalty in your business.

The goal here is to understand how you perform on each driver AND determine which drivers are most important.

These are the most common questions you see in surveys, for example:

- "How do you rate the technical competence of our staff?"

- "How accurate was our documentation?"

- "How quickly did we answer the phone?"

These questions should cover all of the different business attributes that you think might be important to your customers.

Coming up with this list is not always simple. Have a look at this blog post for a more detailed explanation of how to perform this step.

See this blog post for more information:
[How do you determine what is important to a customer?](#)

8.1 Homework Questions

- What are the business attributes that might be important to your customers?

9 Step 8: Design the survey questions

Now is the part where you actually write the survey questions. If you have followed the steps and answered all of the homework questions then all you need to do is write survey questions about the important attributes.

There are certainly some traps in this process. These two blog posts have more details on designing your survey questions.

[Consumer Research: Poor Research Approaches Give Poor Answers](#)

[Bad questions make for poor customer surveys](#)

9.1 How many questions?

One prospect I spoke to recently asked nervously how many questions I recommended for their survey; "10-15" was my answer. "Thank goodness" was their response as another organisation has recommended 40!

Yes, in some circumstances a 40 question survey is warranted but in reality your organisation you should be trying to find the 3 or 4 things that you need to focus on right now. Make sure that you focus on finding those 3 or 4 things.

9.2 Qualitative Vs Quantitative questions

These two question types go hand in hand.

Quantitative questions (1-10, true/false, etc) provide you with specific data that you can analyse using statistics. This is important because it will help you to understand what is most important to your customers and where you are performing poorly.

On the other hand qualitative questions (describe, explain, tell us more) provide you with information on how to improve the customer experience. The down side of qualitative questions is that for internet

surveys people are unlikely to provide very much information. They can also be difficult to analyse efficiently.

Make sure that you have a good balance of both types of question in your survey.

9.3 Question Wording

With apologies to Shakespeare - what is in a word - actually quite a lot. When you create the wording for the survey you need to be very careful how you do it. Otherwise you may get a very distorted perception of what the customer really thinks.

Common errors that we see include:

- **Asking about more than one attribute in the question**, e.g. "Please rate our customer service and responsiveness". Customers will rate one or the other attribute but not both, and you won't know which they are rating.

- **Pre-disposing the response**, e.g.: "How bad did you find the service on our customer support line". Make the question neutral in its wording so you are not pushing the respondent in one way or another.

9.4 Homework Questions

- How many questions will you have in the survey?

- What are your attribute questions?

- Are your attribute questions likely to be important to your customers?

- Do you have a mix of qualitative and quantitative questions?

10 Step 9: Delivering the survey

As you have seen in other areas of the survey process, the right approach to delivering the survey is often a balance of options. These days the most popular delivery approaches are: web (fixed or mobile with email invite), telephone or face to face.

There are plenty of cheap web survey tools available but this may not be the best approach and might give your customers the wrong impression. Remember that a customer feedback survey gives your customer information about how you view them as well as giving you feedback about your customer.

Do you really want a senior client executive to receive a web survey? How does it reflect the value that you place on the relationship? Are they even likely to respond?

Another approach to consider is to have a mix of survey delivery mechanisms: high value customers receive relatively higher cost approaches; lower value customers receive lower value approaches.

10.1 Face to face interviews

We often use face to face interviews for high value customer contacts. This approach creates the best rapport with the interviewee and gathers the largest amount of qualitative information regarding the users' perceptions and how to improve those perceptions.

It is true that these interviews are relatively expensive in terms of time and effort but if your customer is very valuable then it should be easy to justify.

Face to face interviews are best performed by senior staff with an appropriate business skills background to ensure that the tone and value of the survey is understood by the customer.

10.2 Telephone interviews

In the same way that face to face interviews provide excellent feedback from key staff, mid-importance customer contacts can be interviewed by telephone. As more interviews can be completed in a given time this approach is relatively less expensive than face to face interviews.

Interviewers should be trained to conduct in-depth surveys with high-level executives with your firm's most important customers.

10.3 Internet Survey

Providing the ability to reach larger numbers of customers at lower cost, this approach provides solid quantitative outcomes for the scoring of various service elements but provides relatively less qualitative information.

10.4 Who will deliver the survey?

Ever had a friend ask you how they look when they are wearing a terrible outfit? Then you know that telling the truth to someone you know well is not always easy. It's the same for your customers.

If you ask them directly what they think of different aspects of your business then you may receive a distorted, and false, view of your performance. Is that what you want?

In general, 50% of people that we interview do not want our client to know which comments they made. They value the confidentiality because it means that they can be more honest.

So it is often better to have the survey run by a third party company that can assure your customers of the confidentiality of the process. It comes at a cost but you will get more accurate feedback.

(Yes I know this is an argument for using our services, but it is also true.)

10.5 Homework Questions

- What method will you use to contact high value customers?

- What method will you use to contact medium value customers?

- What method will you use to contact low value customers?

- How many of each type of survey will you perform?

- Who will deliver each type of survey?

11 Step 10:
Analysing the data

As the saying goes "lies, darn lies and statistics". Analysing the results from a customer feedback survey is not as straight forward as it might seem. Just because the line on a chart goes up doesn't mean that anything has changed in the customer's mind.

Without the right statistical analysis you can draw the wrong conclusions from the data. This could easily lead you to do nothing when you should be reacting, or to do something when you should be leaving things alone. Worst of all it could lead you to do the wrong thing at the wrong time driving down customer satisfaction.

There are three key things that you want to know:

- What is important to the customer?

- How well are you performing?

- How can you improve?

The whole process to this point has been aimed at answering these three questions and now it's time to find the answers.

There are a wide range of data analysis tools and techniques that can be used in this step, beyond the remit of this email series. Suffice to say that you will need to do more than simply graph that data in a chart. You need to understand how the importance/performance profile of each business attribute lines up.

12 Step 11: Communicate the survey outcomes

You've probably seen them before, 100 page reports with charts everywhere but when you get to the end of the report you don't really know what it's telling you.

The results and conclusions from the report should provide you with three or four clear areas for your business to work on. Don't try for 10 or 20 important ideas because most people/ teams/ divisions/ companies can only focus on 3 or perhaps 4 things at any one time.

If you don't have a very clear view of what you need to focus on then the report is not doing its job.

Also when you communicate make sure that you include both customers and staff in the communications process.

13 Step 12: Do something with the results

Turning data into action is the final step in the process and requires effective change management.

If all you do with the customer feedback is take it to a meeting and have everyone comment on how nice/terrible they are then you have wasted your time and money.

With the information you have collected you now know which experiences customers' value and where you perform less well. Now you can design some customer experience initiatives to improve your performance and increase loyalty.

For instance, if you determine that hold time in the call centre really is important then you can design some processes to reduce that hold time. At this point all of the hard work you've put in to understand which are the most important customer experiences make the actual initiative design relatively straight forward.

13.1 Questions

- Which changes will you make in the next period to improve the customer experience?

14 About Genroe

Headquartered in Sydney, Australia, Genroe has been a driving force in helping companies better understand and generate higher value from their existing customers since 2002. Banks, insurance companies, IT companies and others used Genroe's wide customer management services and tools to maximize customer profitability and revenue potential.

Our core deliverables are in the area of customer feedback management and customer experience management.

14.1 Our Customer Experience Management Services

- Customer Experience Management implementation

14.2 Our Customer Feedback Management services

- Customer feedback Services

- Net Promoter Score Practice

- B2B Customer Feedback

14.3 Contact Us

We run projects across Australia, New Zealand and South East Asia. Below are our contact details. Please feel free to contact us at any time.

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