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How to Implement an Effective Customer Experience Improvement Programme.

A lot of effort is wasted on customer experience initiatives which, frankly, make little difference.

This paper describes how to deliver big wins for your organisation by delivering big wins for your customers.

To chat about improving your customer experience, contact: info@customersure.com – we can help.

Let us begin with a scenario that may or may not sound like your organisation.

You have some form of annual (or bi-annual) customer satisfaction survey in place. Brilliant. You know your overall CSAT, NPS or customer effort score, and better still you have some insights as to what levers to pull to influence these scores and improve customer satisfaction. You can benchmark these scores to your heart's content against other organisations if you so wish (although let's not go into the pros and cons of benchmarking here).

All very sound and a necessary building block of a good customer experience programme.

However, two issues arise time and again...

Paralysis by Analysis

The insights are great, but nothing ever happens with them. Whilst the insights might point to what needs to happen to improve the customer experience, these changes to systems, processes and behaviours simply never happen because they are not actionable. Or the insight team is in a silo and finds it difficult to influence other areas of the business (or the boardroom for that matter).

Water Under The Bridge

Views are collected from customers long after their experiences have passed.
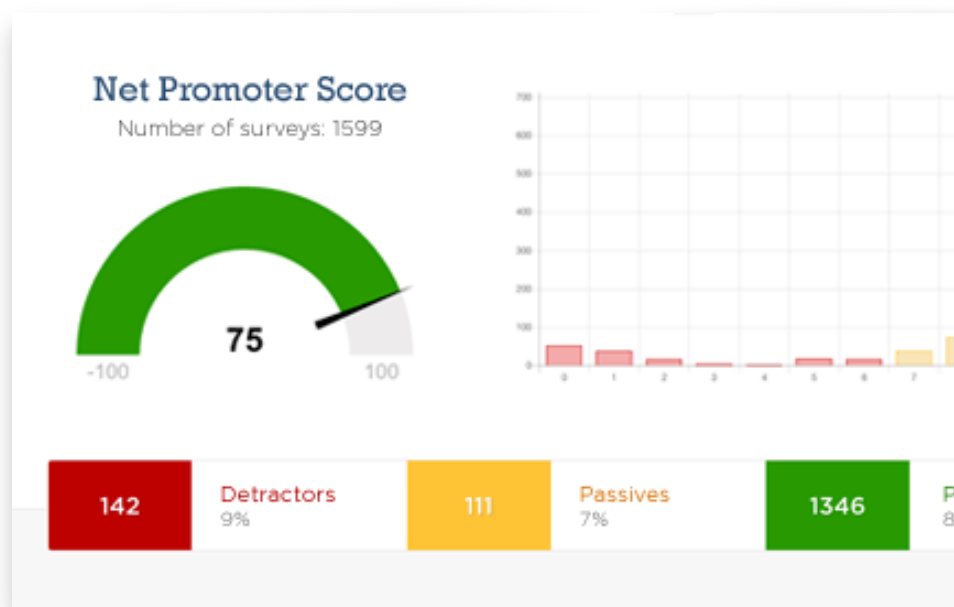
Annual satisfaction surveys sometimes have their place, however, they ignore the details of the experiences customers have with the organisation during their regular interactions. Or when they do capture this feedback, it is too late to do anything about it, not least because by this time the customer may even have left. Therefore, because this feedback is either not collected at all, or collected at the wrong time, nothing gets done to improve the customer experience **at the point that it is most important to the customer**.

Organisations generally carry out customer satisfaction surveys and obtain opinions from customers to help fulfil wider business objectives such as:

- Having customers who love them more

- Make customers more likely to buy more

- Create customers who are more loyal and less likely to leave for competitors

- Have customers who recommend more

- Make customers less price sensitive

- Have customers who cost less to serve

Is your typical customer satisfaction programme achieving these objectives?

Maybe, maybe not. Maybe a little, but not as much as it could and should do.

A widely recognised way to have happier customers is to improve their experience when they interact with your products and services.

"*Improving the customer experience*" has become a buzz phrase in recent years. You'll hear it a lot in interviews with CEOs of huge organisations, as they strive to 'become customer-centric', 'put the customer at the heart of what they do' and 'improve the customer experience'.

With so many boardrooms acknowledging that improving the customer experience is the right thing to do, and something they are focused on, why is it so many are still failing to consistently deliver a great customer experience?

This white paper is a blueprint for conquering those elusive improvements.

Introduction to Customer Experience Programmes.

In order to improve the customer experience, you need to understand exactly what customers think of you, not what **you think** they think of you. A widely recognised approach to this is by **asking customers what they think** of you, your service and your products, through a customer satisfaction programme.

Methodologies, metrics, rating scales and questionnaires vary, but the fundamental principle of a customer satisfaction programme is to engage with customers, find out what they think, report on it, act on it, then hopefully over time customer satisfaction will increase.

This is a sound principle, however, why is it some organisations are still not improving the customer experience, even if they are following this process?

You can look at the pros and cons of sampling, question types and rating scales, but there is a more fundamental issue.

This issue is the **lack of action** taken by the organisation once they have engaged with customers and found out what they think. Either the customer experience programme is not yielding any actionable insights – so the information is interesting but not actionable, or the findings are not translating into actions which will improve customer experiences.

In order to understand and solve this problem, we need to look at two different types of customer experience programmes.

Relationship and transactional CX programmes

Relationship

Relationship customer experience research is most often an annual or bi-annual survey with a sample of customers, and data collection is often carried out by telephone interview or online survey. These surveys can vary in length, but typical completion time is 10-15 minutes. Questions generally focus on **overall satisfaction**. Headline metrics used are either **NPS**, **CSAT customer effort**, or a combination thereof. Relationship surveys provide an extremely useful benchmark of satisfaction. Many organisations carry out surveys of this kind annually and compare results with previous years to see **trends** and differences by customer groups.

Whist valuable, a criticism of relationship surveys is the lack of actionable insight, and although the findings are interesting, nothing or very little changes to actually improve the customer experience. Often this is down to 'paralysis by analysis', where the survey provides lots of data and a substantial report, but the recommendations are either lost in the noise of day to day business, or too large to be implemented any time soon. As a result, very little changes. If this happens, it is perhaps not surprising when the headline scores remain the same or drop when the survey is carried out again 12 months later.

Worse still, when customers tell you what they think, what they like and don't like, they expect to see some sort of response. Doing nothing just increases dissatisfaction and makes getting feedback from customers in future doubly difficult.

Transactional

Transactional or tactical customer experience programmes are quite different to relationship surveys. Fundamentally, they are based on obtaining customer feedback at critical moments in the relationship. Much shorter than relationship surveys, a good transactional survey will contain a maximum of five closed questions and at least one open question to obtain opinions. Transactional

surveys should ideally be based on a recent customer interaction, and the survey should be sent to the customer soon after their experience.

Transactional programmes are typically higher volume, technology based, with high frequency or real time reporting.

Headline metric questions should also be included in the transactional survey, whether that be NPS, CSAT or customer effort. Transactional surveys are ideal for tracking performance by agent, team, location, etc. depending on the survey or experience.

Staff Heatmap		How would you rate your overall experience?	How likely is it that you would recommend us to a friend?	How would you rate our product?
Adam Barber	910	9.23	8.75	7.1
Alexander Atkinson	795	9.09	8.88	7.45
Chris Stainthorpe	905	8.85	8.97	7.51
Corey Allan	885	7.38	6.88	6.98
Emily Sheppard	900	9.11	9.17	8.93

Transactional feedback programmes have three substantial advantages that usually render them preferable to relationship surveys:

1. The feedback is highly actionable. This provides an opportunity for the company to respond immediately to any customer who reports a problem, thereby improving their experience rapidly and measurably. As a means of increasing customer retention this also translates into increased profit.

2. Real-time feedback allows performance and service quality to be measured accurately by the people who are best placed to rate it - customers. The resulting improvements in processes, systems and behaviours can also yield efficiencies and cost reductions, for example by increasing first-contact resolutions.

3. By aggregating the insights from transactional feedback most, if not all, the apparent benefits of relational surveys can be achieved, with the significant (and perhaps ironic) additional advantage that a 20 second transactional survey itself represents a dramatic improvement in customer experience compared to a 10 minute relational survey.

Implementing Transactional Customer Experience Improvement.

Before implementing a transactional customer experience programme, there are some important aspects to consider:

- Which customer journeys to obtain feedback on

- How you will use the feedback

- How you will respond to customers

Which customer journeys?

Each organisation has slightly different interactions with its customers, but there are some common customer journeys that should be considered for obtaining transactional feedback.

Basically, any journeys or interactions that are **important to customers**: so-called 'moments of truth'. Moments of truth are points in the customer relationship which have a high impact on overall satisfaction, and if handled badly, can have a significant adverse impact on the relationship and be a source of complaints.

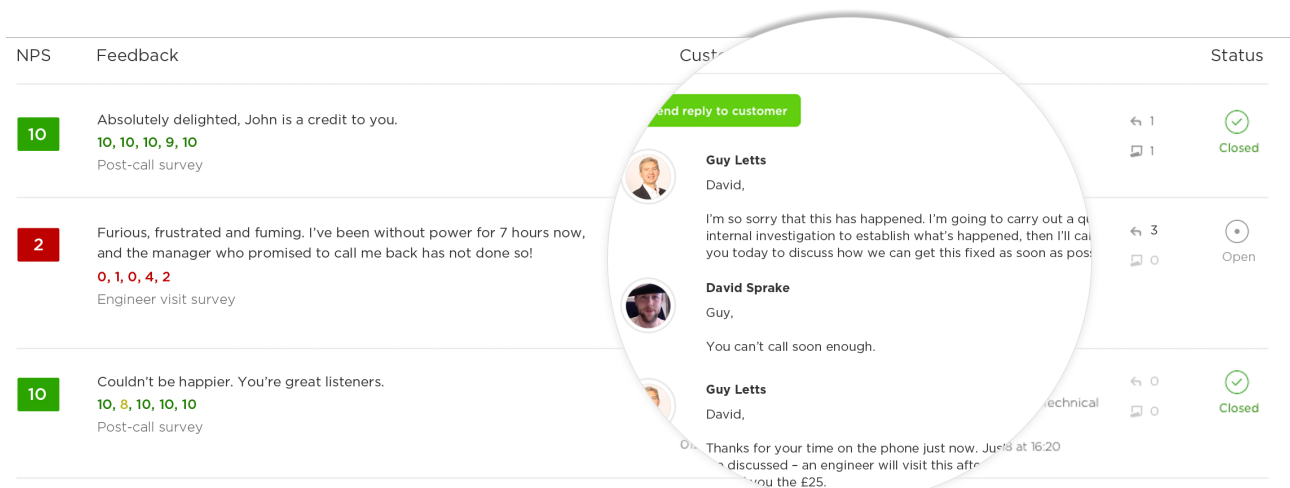Examples of areas to collect transactional feedback would include the following:

- After a product purchase

- After an enquiry with the business

- After an experience: For example, an insurance claim, or after a home move

- After a professional or technical service has been delivered

Most businesses have a good idea where transactional feedback is required – for instance, common sources of complaints, but a customer journey mapping exercise will identify the key moments of truth where customers are most likely to want to give transactional feedback.

Using the feedback

The feedback obtained in the transactional programme will provide insights into how the business is performing, and the headline scores can be tracked over time. However, in order to improve the customer experience, the insights must be actionable, and **action needs to be taken to increase satisfaction**.

Transactional feedback allows the business to quickly respond to customers, solving any problems and putting the customer at ease if any issues have been raised.

It is important the feedback is **read, assigned and actioned quickly as appropriate**. A common pitfall is obtaining feedback from customers then doing nothing with it. If a dissatisfied customer completes a feedback survey, and they get no response back, it is highly unlikely that customer will recommend the business and they will be significantly less loyal as a result.

In situations where a high volume of feedback is obtained, it may sometimes feel impractical to read and respond to every comment, in which case lower satisfaction scores should be prioritised for action. But what should never be underestimated is the lifetime value of a customer and thus the potential cost saving for an organisation in retaining an existing customer compared to acquiring a replacement. There are many case studies proving that the return on a small investment in retention can be very substantial indeed.

The nature of the business and its structure will in part determine who responds to the customer, for example, in business-to-business relationships it may be best the Account Manager responds to the customer.

Responding to customers

Even the best companies receive complaints and have occasions where things go wrong, but what sets them apart is how they respond to customer feedback and problems.

In today's climate of increasing customer expectations, businesses should respond to customers with a problem in less than 24 hours. Responding to customers, solving their problems and providing help is a way to differentiate the business from competitors and elevate trust in the brand.

Outline best practice for responding to customers when they give feedback as part of a transactional customer experience programme:

- Respond within 24 hours, ideally much faster

- Thank the customer for their feedback

- Show empathy and apologise if necessary (an apology is an expression of sympathy not admission of guilt)

- Clearly explain next steps

- Set any time frames and expectations

- Give the customer contact details for any necessary follow-up

- Own and resolve the issue

The process will vary depending on the business, but the core steps of responding quickly, thanking and empathising, setting expectations, keeping promises and any necessary follow-up, should be followed.

This process of obtaining feedback at the key points in customer journeys and quickly responding to customers to improve their experiences will increase overall satisfaction and ultimately help nurture a customer population who is more loyal, buy more, recommend more, complain less and cost less to serve.

How to Use Insights to Drive Change.

It's clear that in order to increase customer satisfaction and have higher scores for NPS, CSAT or customer effort, the organisation must improve the customer experience and that an effective customer experience research and feedback programme will ascertain what customers think.

It's equally clear that some customers will respond concerning issues that affect them and only them as individuals.

Insights are of course invaluable as we've seen, but ultimately the business needs to make changes to systems, processes, policies and behaviours to deliver improvements which will be felt by all customers. Typically these will be delivered over a longer period of time than the rapid response and resolution an individual might reasonably expect.

Although having a transactional customer experience programme and responding to customers' feedback is a highly effective way to increase satisfaction, these 'broader' changes need to be made, and will take time and resources to happen effectively. Companies who are doing this effectively have several traits in common:

Senior management commitment
The people at the top are serious about improving the customer experience and it's given time and attention in the boardroom.

Understanding that 'perception is reality'
What customers think and what they say is the reality the business needs to understand, even if they think the customer is wrong.

Don't let 'paralysis by analysis' cause inaction
Focusing too much on the data and making no changes to improve is a pitfall to avoid.

Focus on priorities for improvement
The insight programme should highlight issues which have the biggest impact on customer experiences linked to profitability, and these should be the focus.

Implement actions and do it quickly

The smallest action to improve the customer experience achieves more than the greatest of intentions.

Strong communication to all levels of staff of customer needs

Internal communication is vital to inform staff what customers think, what the company is going to do about it, and how they can assist.

Set satisfaction-aligned targets (but don't target satisfaction!)

Having targets and bonuses for customer acquisition and retention, supported by rigorous measures (but not targets) of satisfaction, keeps the focus on how important it is and how seriously the business takes it.

Keep external and internal suppliers responsible for customer satisfaction

Where possible align suppliers to customer experience thinking too.

Have a robust process for handling problems and complaints

The business will always have some problems and complaints, but the way these are handled is an opportunity to differentiate from competitors.

Impactful communications to customers using the 'you said, we did' mantra

It's important to close the 'outer loop' and feedback to customers on broader issues, to show you are listening and making changes based on their feedback.

In conclusion

In recent times there has rightly been an increased realisation that improving the customer experience is not only 'the right thing to do', but **it is also a key differentiator and driver of business success**. As customers' expectations continue to rise, it is vital businesses continually look to understand customer opinions and adapt and respond accordingly.

Customer satisfaction research is not a new concept, however, businesses are increasingly realising that insights alone are not enough and **action is necessary based on what customers experience** and what they think.

Relationship surveys provide an effective temperature check of customer satisfaction and identify wider priorities for improvement, but suffer from being 'at a point in time' and from themselves being a poor experience to complete.

More frequent transactional feedback embedded into 'business as usual' processes gives the organisation the chance to **retain more customers** by responding individually, **improve customer experience** generally by aggregating data and observing trends, and to **achieve cost savings** by closely monitoring service quality and performance over time.

In order to best improve the customer experience, transactional feedback, combined with relationship surveys in certain circumstances, provides the organisation with the tools and voice of the customer insight it needs to make improvements which **improve profitability** and **increase the strength of the brand**.

If you're interested by the issues raised in this white paper and would like advice on what do do next, contact: info@customersure.com – we'll listen and help.