Seven Ways to Inspire Customer Loyalty through Voice of the Customer Initiatives

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Introduction

Making sure previous customers continue to buy from you is important to practically every organization. Often, great attention is paid to marketing efforts and customer service initiatives to accomplish this. Many organizations employ loyalty programs or give out rewards for customers' repeat business. However, reward points and sales incentives are not always enough to retain customers and inspire lasting loyalty.

Inspiring customer loyalty on a consistent, long-term basis requires a more comprehensive, systematic approach. Organizations with the most loyal customers tend to have an organized, all-inclusive approach to listening to the voice of the customer (VoC) throughout the customer experience, and incorporating customer needs into all aspects of their enterprise. Listening through a formal VoC program is a key element in the customer loyalty efforts of many successful organizations.

Verint® has identified seven of the most important practices for inspiring and stimulating customer loyalty, including:

1 Implementing a formal VoC program
2 Using a common platform to obtain VoC and Voice of the Employee (VoE) data
3 Integrating Customer Relationship Management (CRM) data into VoC programs
4 Sharing VoC data throughout the enterprise
5 Measuring and sharing VoC data with employees
6 Co-creating with customers
7 Sharing VoC data with customers

Organizations that have loyal customers typically have a formal customer experience strategy and the tactical plans to execute against it. But it's not enough to have a strategy – you must also have planned programs and tactics in place to achieve the strategy through practical, measurable changes. Further, to be effective, a strategy and plan must have the support of senior leadership and be communicated throughout the organization.

While many organizations say that they have a VoC strategy, they often don't have a formal VoC program in place or tie their senior executives'

compensation to the achievement of VoC goals. Having an executive sponsor and the buy-in of the senior leadership team are indispensable components of success, but they take time to achieve. Ultimately, this commitment to a VoC strategy and plan must translate into the organization in a way that allows the brand promise to be fulfilled.

Without a formal VoC program, it's difficult to translate those activities into higher customer loyalty. It's not enough to merely have a strategy – it must be articulated throughout the organization and executed in a coordinated fashion.

Periodic surveys can be an excellent way to keep your finger on the pulse of customers—provided they are conducted monthly or quarterly using a random sample of customers. That way, you always have a fresh perspective on current customer attitudes.

Unfortunately, many organizations fail to centralize management of VoC and VOE data obtained through surveys. Because feedback data tends to be dispersed, critical information that could be used to build a 360-degree view of the customer is scattered across dozens of survey systems throughout the business.

It's reminiscent of how customer profile data was dispersed throughout enterprises in the early 1990s, before CRM systems became popular.

Using a common technology platform across your enterprise is important for coordinating your customer feedback efforts and sharing data easily throughout functional areas. Similarly, it's also important to select a standard method of segmenting customers by satisfaction, loyalty, and customer experience and apply it globally across your organization.

Asking customers questions you already have the answers to in your CRM system gives the impression you don't know who they are, what they buy, or when they've called. That's why integrating data from CRM systems into customer feedback is important.

Savvy organizations integrate what they know about customers from their CRM systems into their feedback efforts. CRM integration enables personalization of surveys and invitations while helping reduce survey fatigue and maintain high response rates.

A customer's experience with a survey that already includes extensive information about him or her can offer many benefits. First, the questionnaire will be shorter. Not only is this more respectful of the customer's time, but it tends to provide a greater response rate and a lower abandonment rate, leading to data with greater statistical validity.

Second, information pulled from your CRM system tends to be more accurate than forcing customers to recall past details. Your customers probably can't remember the year they first started doing business with your organization, but the CRM system can provide it. Third, you can

ask customers more targeted, relevant questions. And finally, you can develop rich analyses of the survey data by cross-tabulating the results and segmenting customers based on CRM data.

Gathering VoC data is not in itself a best practice; however, distributing it throughout the organization and providing it to employees in a way that pertains to their responsibilities, is. Feedback should not be held in silos; it should be shared freely throughout the organization and viewed as a strategic corporate asset. Organizations with the highest customer loyalty tend to be those that share VoC feedback across organizational boundaries.

In the near term, you want to implement a feedback intelligence tool or reporting system that will share data with employees, managers, and executives appropriately. Employees should be able to review VoC data for their location, department, or product. Managers should be able to compare and contrast the areas they oversee. And senior executives need dashboards to alert them to sudden issues, with the ability to drill down to any level of the data, when appropriate.

Long term, you want to diffuse the smaller, easier-to-implement ideas throughout the organization and foster an organizational culture centered on customer-driven innovation. Online communities can help immerse your employees in the thoughts and attitudes of your customers. Make sure that employee participation in your customer community is broad and deep.
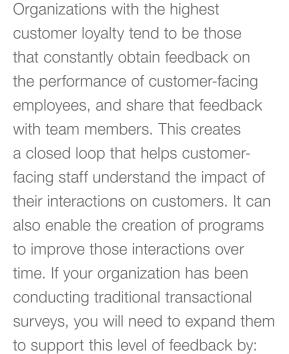
Organizations with the highest customer loyalty tend to be those that constantly obtain feedback on the performance of customer-facing employees, and share that feedback with team members. This creates a closed loop that helps customer-facing staff understand the impact of their interactions on customers. It can also enable the creation of programs to improve those interactions over time. If your organization has been conducting traditional transactional surveys, you will need to expand them to support this level of feedback by:

▶ **Switching from random sampling to an attempted census.** For most organizations, random sampling doesn't work once you begin cross-tabulating results by employee. You won't have enough responses per employee to be able to compare and contrast employee performance with a high degree of confidence. A census style of collecting feedback is more appropriate.

▶ **Developing new employee reports.** Give employees a standard weekly report that shows their results for the prior week compared against other employees at their level and compared against the overall average.

▶ **Developing new management reports.** Build management reports that list all employee averages. Consider sharing weekly or monthly statistics and useful open-ended comments, rather than individual survey results from individual customers.

▶ **Developing HR guidelines for the use of these employee reports.** The employee-employer relationship tends to be highly regulated, making it important to involve the HR department in the creation of employee reports.

Organizations with the highest customer loyalty often engage in a co-creative process with their customers. They have a formal process for obtaining customer input and then incorporate those ideas into strategic initiatives and tactical process improvements.

You can apply this best practice by creating a formal process to engage in co-creation activities with customers through quantitative surveys and qualitative means, such as social media and online communities. Leverage relationships you've built with customers to engage them in this process. Ask them for ideas about products, services, promotions, etc. Enable members to vote and comment on others' ideas. Inquire about the reasons behind a participant's ideas.

For improved customer loyalty, implement a formal process for obtaining customer input, and then incorporate those ideas into strategic initiatives and tactical process improvements. Qualitative and quantitative research into the VoC should be infused throughout the product lifecycle. Integrate such research into the planning, development, implementation and marketing of each product or service.

Now that you are engaging your customers in co-creation, report back to them the ideas that have been accepted, and their timeline for implementation. Provide regular updates on what participants have helped create.

Your customers contribute because they value their relationship with you, and they want to see you improve. Close the feedback loop by explaining what you're using the data for, share your data, and identify actions you're taking as a result. Consider using web seminars, video conferences and meetings

to share what you've learned. Use this to stimulate additional participation and ongoing feedback.

When customers see that you listen and act, they are more likely to provide you feedback in the future.

Conclusion

Inspiring true customer loyalty on a lasting basis requires a comprehensive, systematic approach to listening to the VoC and incorporating the needs of the customer into all aspects of your organization. By following best practices for inspiring and stimulating customer loyalty, you can build a comprehensive VoC program that can maximize customer satisfaction, generate repeat business, and inspire lasting customer loyalty.

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