Alchemer

E-GUIDE

Closing the Loop with Customers

How to Take Your CX and VoC Program to the Next Level

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What's Next for CX?

To make your Customer Experience (CX) and Voice of the Customer (VoC) program work for you, you need to align your CX initiatives and outcomes with business results. Focus on what makes a difference in your business and to your executive team. What works for some may not work for you, so make sure the value of your solution works for your specific business.

THE BIGGEST STEP TO TAKE

The hardest step to take with your CX and VoC program is closing the loop in a timely fashion. Closing the loop with your audience – be they customers or employees – is the fastest way to turn their experience into a positive one. The first step in shortening the time from feedback to response is to decouple responding to feedback from analysis.

By decoupling feedback and analysis, you can respond immediately, rather than waiting for data to aggregate, and still make your CX program a goldmine of insights. You can look at small and large trends. It's like buying lunch while investing in the future – they're not mutually exclusive.

Most importantly, you want to connect your customer experience results with company metrics. This is how you show the value to the C-suite and the business.

The first thing you'll learn as you begin to close the loop with customers and turn experiences into insights is that CX and VoC are not one-size-fits-all.

This e-Guide is based on findings from three articles:

- Turn Customer Experience (CX) into an Insights Machine: Four Stages to Connect Customer Feedback with Company Revenue (CustomerThink)
- Three Methods to Close the Loop with Customers
- Why VoC and CX Cannot Be One-Size-Fits-All

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WANT TO LEARN MORE?

Learn more about Closing the Loop with Alchemer by talking to your customer success manager or calling our team at 800.609.6480.

STEP 1: Start with How You Work

If it was as easy as picking the right software or solution, then plugging it in, everybody would be **delivering exceptional experiences** for both customers and employees.

Unfortunately, it's much more complex than that. You need to understand your business, how your people work, and the systems they use every day.

The first place to start is how you work.

HOW DO YOU CONDUCT BUSINESS?

Look at your business structure. Are you B2C or B2B or B2B2C* focused? Do you have lots of customers or a few large ones? Do you focus on subscriptions, professional services, consumables, large sales, retail, or some other form of sales for revenue?

How you sell will definitely affect how you measure your customer experience. A solution that works really well for consumer sales might not work at all for business-to-business sales. Are all of the customers for your product or service equal in value to your business?

How your business sells and who they sell to makes a huge difference in how you measure your customer experience and how you record your Voice of the Customer.

Your product offering also dictates how you approach your Customer Experience and which Customer Voices carry the most weight. If your product is purchased by consumers equally, then all voices matter. If you have customers who purchase in large amounts, then their voices carry more weight. If the customers who purchase in volume make up a large percentage of your sales, then your experience should probably skew toward them.

The same goes for business-to-business sales. Typically, the higher value the customer, the more you want to skew your CX toward them. That way your sales and customer experience favors people who spend more with you, encouraging more of that behavior. Similarly, when you go to collect their opinions, the opinions of those with the most power and influence over the amount they spend with you carry more weight than others. This kind of weighted listening lets you hear every voice, yet not let low-value customers overly influence how you respond to feedback.

"When you're measuring customer experience in a business-to-business company, it's important to remember that not all voices are equal," says Tzachi Ben-Sasson, Head of Global Voice of the Customer at Amdocs. "Unlike a B2C relationship, which is one-to-one, a B2B relationship involves multiple voices and votes."

Three Types of Business

B2B = Business-to-Business (your end customers are other businesses)

B2C = Business-to-Consumer (your end customers are consumers)

B2B2C = Business-to-Business-to-Consumer (you sell to distributors or retailers who sell to consumers)

Step 2: Choose the Right Approach for You

Depending on your business and your customers, choosing the right approach can make all the difference in the kind of feedback you collect, the actions you take, and the net result.

ONE-TO-MANY

The product research team at Autodesk uses events and “sharebacks” to publicly prioritize the release of features and functionality. The team is candid when features or releases are delayed or canceled. “[S]ince launching ‘meet the product team’ events and research ‘sharebacks’ to keep its customer research community updated, Autodesk has seen a double-digit jump in satisfaction scores.”[1]

ONE-TO-ONE

The Amdocs Voice of the Customer (VoC) team interviews VP and C-Suite customers one-on-one as well as surveying mid-management and experts online. The face-to-face interviews match well with their business, where each account is worth a substantial share of revenue. The 1:1 method paired with online surveys netted over 60 account improvement plans last year to help Amdocs truly take advantage of feedback.

MANY-TO-ONE

The customer marketing team initiated an NPS Council where special cases are elevated for cross-departmental solutions. It would be too time-intensive to use the Malwarebytes NPS Council for every customer issue, but it is astoundingly effective for complex challenges. “I would say we have reduced in half the time it takes to solve complex CX challenges, thanks to the NPS Council,” says Senior Manager for Customer Lifecycle Marketing Diane Beaudet.

HYBRID

You might find that a hybrid model works best for you. In this case, you might use one-to-one meetings with customers or executives, use standard surveys to deal with most users, and employ an NPS Council for complex cases that need a lot of brainpower to solve.

Whatever approach you decide to take, monitor it constantly and be prepared to adjust. Listen to your customers and they will tell you what works for them.

[1] Forrester: Answers To The Top 10 Questions About Closing The Loop With Your Customers, April 2022

Step 2: Choose the Right Approach for You

	ONE-TO-MANY	ONE-TO-ONE	MANY-TO-ONE
WHAT IT IS	The product research team updates their users, including when features or releases are on-time, delayed, canceled, or omitted.	The VoC team interviews VP and C-Suite clients 1:1; supplementing CX data with automated online surveys to provide a full 360-degree view.	The Customer Marketing team initiated an NPS Council where special cases are elevated for cross-deparmental solutions.
WHY IT WORKS	Large customer base; impossible to respond personally to each message. The level of candor and honesty make this different from most One-to-Many communications.	Small customer base; truly a hybrid bespoke model where interactions become more personal based on seniority.	Select issues require cross-funcitonal teams to find innovative solutions. Council members determine when to follow-up one-to-one, when to follow-up at the account level, and when a follow-up is not necessary.
PROS	Time-efficient, cost-effective	Tiered approach allows for different levels of personal touch.	Highly efficient at surfacting specific solutions to challenges.
CONS	Could be perceived as mass communication.	Could become resource-intensive if not tiered	Resource-intensive; best on high-value accounts/ solutions.

Step 3: Close the Loop to Connect

If you don't close the loop, it's the same as not listening. In some cases, that's even worse than not asking in the first place. The challenge for most companies is that 70% of customers say that automated interactions do not improve their connection with the brand (according to The Northridge Group).

Still, listening and closing the loop results in dramatic improvements. One major international pharmaceutical company's IT and Business Services group saw a 21% improvement in satisfaction and a 30% increase in response rates once they began acting on feedback. As the program lead for the project explained, "If you don't close the loop, they don't give feedback the next time."

HOW TO CLOSE THE LOOP

Ryan Tamminga, SVP of Products and Services at Alchemer, claims, "We need to decouple analysis from action." He goes on to say that you wouldn't try to analyze why a trashcan is on fire before putting it out. Don't wait for results to be aggregated and analyzed before acting on individual feedback. Instead, build in a way to send data to people who can take action immediately and to people who are analyzing it for macro trends.

The feedback contract – in which people trade feedback for something of value – has been broken. How often have you received a survey or request for feedback, you give it, and that's the last you hear from them until they want more feedback. People see feedback as a black hole down which their opinions disappear. So, unless you're willing to provide something else of value (money, gift cards, research), the goodwill around providing feedback has evaporated.

"We need to decouple analysis from action."

Ryan Tamminga
SVP of Products and Services at Alchemer

Step 4: Start Measuring Immediately

Before you can turn your CX feedback into a true insights machine, you need to put in place three key factors: You need to establish a CX beacon metric, create ways to take immediate action on feedback, and measure metrics while you're taking action..

ESTABLISH A BEACON METRIC

Forrester[2] recommends establishing a CX beacon metric that serves as your organization's key performance indicator for CX success: "CX professionals shouldn't automatically default to metrics like NPS or CSAT just because they're popular. Instead, they should find the beacon metric that's most effective for their organization."* Your beacon metric should help you gauge overall success, align employees, and serve as a starting point for creating a measurement architecture.

At the beginning, do not overthink it. It is better to choose an imperfect metric now than to be without data later. NPS is the most popular beacon metric because it is simple and easy for everyone to understand. If you are just starting (or re-starting) your CX program, you need to establish a measurement. NPS is not perfect, but it is a great place to start the journey.

Pro Tip: "People are more likely to participate and complete the entire survey if there is something in it for them," explains Anne-Marie Roerink of 210 Analytics. "In the cover note, I always reference how the data will be used to create a better event the next year or to fine-tune benefits for better value."

[2] Forrester report: https://www.forrester.com/report/how-to-select-the-right-cx-beacon-metric/RES117061?ref_search=3421067_1672236428713

* Net Promoter, NPS, and the NPS-related emoticons are registered U.S. trademarks, and Net Promoter Score and Net Promoter System are service marks, of Bain & Company, Inc., Satmetrix Systems, Inc. and Fred Reichheld.

Step 4: Start Measuring Immediately

Pro Tip: Start tracking a key metric, then take action on that key metric. As you get more comfortable, move to a more advanced beacon metric to fine-tune the benefits your CX program offers for better value.

MEASURE CONSISTENTLY

CX is not something you can measure once a year. You need to measure consistently. You'll find the most useful information in the changes that your CX measurement shows over time. This is where you'll see how well your program is doing – not just in the numbers increasing, but in the type of comments you get. Initially a new CX program is likely to get great reviews before people acclimate to it.

NPS is not perfect. It allows CX professionals to understand nuance and enable action. But NPS is simply a number; one indicator at a moment in time. As Ryan Tamminga says, NPS can be directionally accurate and precisely wrong.

ITERATE CONSTANTLY

No matter what you start with, plan to iterate on your beacon metric. You can begin with adding an open text box to your survey question in order to initiate an action. An open text box empowers customers to raise issues that you can act upon. The most powerful information you may receive across your CX program is the feedback you receive when asking your customer precisely what you can do to improve their experience.

Alchemer has many customers who integrate Alchemer with Slack or Microsoft Teams, giving them the ability to broadcast NPS survey results across the company. As companies evolve, they add places to drive action from their NPS survey— for instance, a company could use certain NPS results to trigger customer support tickets ensuring the loop is closed with the customer providing the feedback. The best CX companies route feedback to the departments and individuals who can address each customer's feedback. Integrations with your CRM, case management, and enterprise communication tools can make this process effortless.

If the first step is simply tracking a key metric, the next step is about taking action on that key metric. Set up a more advanced beacon metric, like NPS plus open text, to enable your team to distribute and act on customer feedback.

Step 5: Connect CX with Company Metrics

CX Professionals will be in a stronger position by connecting and aligning CX initiatives with business results. In their 2021 report, "**How to Select the Right CX Beacon Metric**," Forrester explains, "Executives at the corporate level and those leading lines of business or channels must feel comfortable with the CX beacon metric. Present pros and cons of each metric, and ask executives to vote on the final choice."

"**CX professionals** shouldn't automatically default to metrics like NPS or CSAT just because they're popular. Instead, they should **find the beacon metric that's most effective** for their organization."
Forrester, How To Select The Right CX Beacon Metric, August 2021

"NPS is the top choice as a CX beacon metric," the Forrester report explains. "However, the share of CX practitioners who say their executives use NPS to gauge CX success declined from 44% to 39%."

At Alchemer, we have discovered that an NPS survey with an open text field allows teams to collect enough data to measure the degree to which a pair of variables are linearly related (known as correlation analysis). You will need to take a strategic step back to see where the patterns lie within the business, then you can organize the patterns to capitalize on efficiencies or make other process improvements.

CORRELATION ANALYSIS ENABLES NEW LEVELS OF PATTERN RECOGNITION

For instance, Alchemer does more than just track our NPS score. We analyze segments like Promoter, Detractor, and Passive to determine their conversion and re-subscribe rates, and to make more informed business decisions.

Correlation analysis may highlight some interesting patterns you would not have thought would emerge. For example, would you be surprised to learn that the customers with passive scores are more likely to churn than detractors? Understanding who the data correlates to in your business operation may lead to new and insightful approaches to engaging your customers that, at first, may not have been obvious.

Correlation analysis has given our business a unique view of our specific customer segments and this has allowed our Service, Support, and even Marketing teams to respond in ways customized to better serve that customer.

Step 5: Connect CX with Company Metrics

"**Net Promoter Score** (NPS) can be **directionally accurate**, but **precisely wrong**."
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COMBINE DATA FOR A FULLER PICTURE OF CUSTOMER FEEDBACK

The next evolution of CX programs is to incorporate VoC across the enterprise. Combining and analyzing this data along with other critical business data can be done within Business Intelligence (BI) or customer data platforms.

When you can fuse survey data with operational and transactional data at a customer level, and put it into action, it is indeed powerful. For example, combining your CX data with your customer data from your CRM really provides the platform to start taking your business decision making processes to the next level.

By combining customer feedback with operational and transactional data, you are enabling a correlation between CX metrics (like your beacon metric) and key business and financial results. This effort will continue to prove the organizational value of CX, which will help you secure resources and internal support for your program.

TRUE SUCCESS MEASURED OVER TIME

The value of your CX program only becomes apparent when you measure key metrics over time and close the loop with your customers. Your challenge is to select the best metric for your business, add complimentary metrics to develop context, leverage your customer feedback to drive customer action, evolve your CX program to run more complex analysis, and feed the expectations for data you are creating in your C-Suite.

Build your CX program over time by baselining and tracking the metrics that matter to your business, as outlined in a recent Forrester report, The ROI of CX Transformation:

"Models predict success (or failure), while measurement programs prove success or failure. To determine whether your CX transformation achieved the ROI you predicted, pick the metrics you'll use to gauge success — like increased satisfaction and reduced customer churn — and record your current baseline or starting point...If reality falls short of your original forecast, adjust the model with new assumptions based on what you observe."[3]

[3] Forrester: The ROI Of CX Transformation, Jan 22, 2021 (US)

Step 6: Measure True Success Over Time

Don't just track your NPS score. ***Analyze segments*** *like Promoter, Detractor, and Passive to determine their conversion and re-subscribe rates and to* ***make more informed business decisions.***

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Business leaders tend to understand the importance of CX; but they often do not know how to initiate and grow a CX program. We know that CX is critical to business success, but a key component of any CX role is communicating that value out to the rest of the organization.

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CONTINUE TO MATCH YOUR METHODS TO YOUR CUSTOMERS

As your program grows and improves, don't be surprised if your customers' preferences change over time. When you start out, you might find that surveys work great. But as you grow and segment your business, you might find that you need to conduct one-to-one interviews with certain customers. Or you might find that some issues require a team approach. Most likely, you'll discover that you need a hybrid mix of all the methods to best address and serve your audiences.

AVOID OVER-EXTENDING

The right blend is when your customers' expectations and your ability to deliver meet. The worst thing you can do is set your customers' expectations that you will dedicate resources you don't have. For example, if you offer to have account executives meet with your major accounts in person, you need to budget for the travel and time that will take. It's better to under-promise and over-deliver than set expectations you cannot meet.

PROVE THE VALUE

The value of your CX program only becomes apparent when you measure key metrics over time and close the loop with your customers. Your challenge is to select the best metric for your business, add complimentary metrics to develop context, leverage your customer feedback to drive customer action, evolve your CX program to run more complex analysis, and feed the expectations for data you are creating in your executive team.

The value of your VoC or CX program is something you need to prove constantly. You need to start measuring from the start, so pick a metric. The nice part is that you can set it up to automate many of the activities that help you report and showcase the value. The rewards of a successful CX program will be felt by both your customers and the success of your business.

How to Close the Loop Fast

"Typically, employee engagement is a once-a-year type of conversation. Alchemer Workflow can help us to ***transform that into more of an ongoing conversation****, where we're constantly sending little pulse surveys* ***based on how employees respond to previous questions.****"*
~ Kyle Burnam,
CEO of Infosurv Research

WANT TO LEARN MORE?

Learn more about Alchemer Workflow by talking to your customer success manager or calling our team at 800.609.6480.

YOU'RE NOT ALONE

If you're struggling to close the loop with people, you're not alone. Our research shows that 71% of enterprise professionals say that closing the feedback loop is challenging. Which explains why 61%[1] say they have no formal process for closing the loop.

THE FASTEST, EASIEST, MOST EFFECTIVE WAY TO CLOSE THE FEEDBACK LOOP

Alchemer Workflow solves this by giving you a no-code, drag-and-drop interface to build workflows that listen to your surveys so you can take immediate and ongoing action on the feedback you collect. Alchemer Workflow helps any team or department – customer experience, employee experience, UX research, business processes and operations, and market research – improve their relationships with the people they collect feedback from.

MOVE FROM COLLECTING DATA TO CONNECTING PEOPLE

Alchemer Workflow simplifies and streamlines the creation of behind-the-scenes automations that bring people closer to your brand, while building connected surveys that get you closer to your customer's truth.

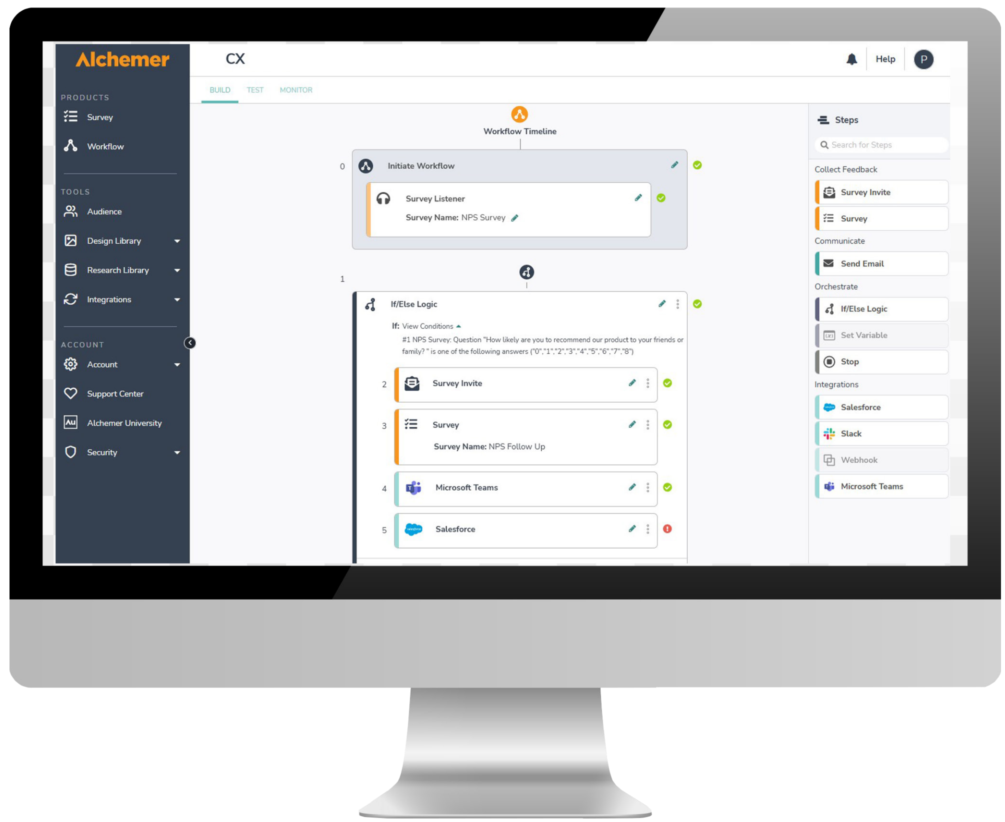
IDEAL FOR NON-PROGRAMMERS

Because it is a no-code engine that expands on Alchemer's market-leading survey heritage, even non-programmers can easily build workflows that connect the feedback you collect to the people on the front lines with the people giving feedback.

YOUR GUIDE TO THE PROCESS

The intuitive drag-and-drop interface also guides you through the process of building action-driven workflows that connect surveys and automate behind-the-scenes processes to improve customer experiences.

That way you can move from collecting data to connecting people.



[1] Forrester: Answers To The Top 10 Questions About Closing The Loop With Your Customers, April 2022