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Those in customer service live by the admonition never to say or do something you wouldn't want to read about on the front page of the newspaper. But in today's digital age, how do we continue to manage impressions when the platform for feedback has grown exponentially with Yelp!, Facebook, Twitter and other social media portals?

The opportunity for satisfied customers to share kudos and recommendations is immense, but an unsatisfied customer can use those same avenues to spread complaints far and wide. A Tarp survey from 2006 showed 96 percent of unhappy customers chose not to complain to a company but instead told an average of nine to 12 acquaintances. With social media proliferating since this survey, that number of acquaintances is now far higher.

Thankfully, the same technological advances that drive social media are also enabling customer service tools to more easily hear real-time feedback, recalibrate, and improve customer services approaches.

Today's Voice of the Customer (VoC) tools have evolved to produce a detailed quantitative and qualitative picture of customer needs. The data is prioritized and draws on diverse forms of input -- from focus groups and taste tests, to individual conversations and online surveys.

The mandate for customer service professionals is clear: maintain a proactive Voice of the Customer (VoC) program to keep your company in the loop on what buyers are thinking, and leverage what you learn to continually improve customer service.

Many organizations truly understand and implement the first part of that mandate, but not the second. A 2010 survey by the Tempkin Group showed 57 percent of North American companies had a formalized VoC program, but only five percent of those same companies had a way of using that data for decisions and driving change.

A Gartner study also found an enormous gap between collecting feedback from

customers and acting on it. Some 95 percent of companies collect feedback in one way or another, but just 45 percent alert relevant staff about the feedback. And a mere 35 percent of departments collecting customer feedback ever found a way to use the data internally. Finally, only five percent brought the process full circle by telling customers how it was responding to their feedback.

As bad as these numbers are on the surface, there is the exponential impact of lost sales, lost customers, and lost resources trying to attract new customers.

Many VoC Programs Limited

Companies spend plenty of time agonizing over exactly what questions to ask customers during surveys but then do little with the feedback, often siloing it and never passing it throughout the company where the information could do the most good. Timeliness is another problem. Even if a company gathers feedback in a timely way, the information does little good without a consistent plan to respond quickly – especially when it comes to a time-sensitive issue like a product release. This can lead to more quality-related problems and competitive losses.

Satmatrix, a net promoter company, found in its 2011 study that poor customer service trumped all other reasons cited in customer defection. Thirty-four percent of respondents cited "rude or disinterested employees" as the top reasons for customer alienation and their subsequent defections. Poor product quality was a distant second at 20 percent.

This data indicates that customers value positive sales or service rep interaction as equal if not slightly more important than even the product or service itself. These problematic statistics share a common solution: listen to the customer.

A generational shift in expectation may also contribute to these market trends. CRM Magazine's February <u>Generation X article</u> offered a helpful theory posited by Bill Schroer, principal of WJ Schroer Co., a consulting firm specializing in social change and generational marketing. He says Generation X has high expectations for customer service; it should be there at whatever hour and via whatever medium they need. Schroer advises that Gen X rewards good customer service with strong brand loyalty, so customer service agents must be warm and pleasant rather than authoritative.

A Purdue University Call Center Campus survey presents encouraging results on investing in quality customer service programs. The Purdue study found that having a problem solved builds even more customer loyalty than if there was no problem with the product to begin with. Purdue found 78 percent of customers said they would likely repurchase a product that had no problems. However, 89 percent would repurchase a product that had some problems but that had been addressed with an effective Customer Care Center.

Customers build affinity and trust for collaborative partners in fixing problems, and the kinship is long-lasting. If that isn't motivating enough, it's worth remembering that attracting new customers is five times more expensive than retaining existing customers. It seems that encouraging customers to direct complaints to the company is potentially a win-win – or at least avoids a lose-lose.

Collaboration as Key to Creating a Successful VoC Program

One major telecom company, which has more than 500,000 customers across 30 states,

had been calling 500 customers a month with a fairly long satisfaction survey. But the survey lagged a full day after the initial contact with the customer and didn't evaluate specific customer service agents.

That company now has a VoC program that collects 7,000 customer surveys a month immediately after their experience with a customer service agent. The quicker turnaround has given the firm more accurate data. In addition, its brief five-question format is no longer focused on customer satisfaction, but customer loyalty.

An energy utilities provider that has one million customers in North Carolina, South Carolina and Tennessee used to have no real-time customer feedback and no database charting performance to identify issues and trends. The company began a post-call, sixquestion survey asking customers simple questions like whether the issue was resolved and if the customer service agent was professional.

The data from the program has resulted in better customer satisfaction and reduced call volume. Agents are more likely to resolve problems the first time, reducing the likelihood of follow-up calls.

Their advice: don't introduce the program and make it part of an agent's performance review in one step.

Using Knowledge and Action as an Advantage

Jack Welch, former CEO for GE, once said "we have only two sources of competitive advantage: 1) the ability to learn more about our customers faster than the competition and 2) the ability to turn that learning into action faster than the competition."

It is interesting how an old industry titan could verbalize what turned out to be the key to today's nexus of technology and customer service. With all the means for customers to broadcast their experiences with a company over the Internet, it makes sense for any company to offer tools for customers to directly and meaningfully engage.

The new social media landscape has added complexities, but some basic human tendencies are still at play: as the Purdue study showed, people care most about a relationship with the company. Good customer service builds a shared bond between customer and merchant that pays off with loyalty and profit.

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