

The Role of Research in Creating a Customer Centric Culture

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Key Topics:

Understanding Best Practices:

- How to integrate your customer satisfaction survey process into your business planning process
- Do's and Don'ts when implementing a Net Promoter System ®
- Developing the infrastructure to attain high levels of customer satisfaction
- Blending the voice of the Customer with the Voice of the Business Process
- Employee Engagement- the key to success
- Making it all work - Customization and Process Improvement



Creating a Customer Centric Culture is not an academic exercise in the view of world class organizations. There is a genuine appreciation and realization that a Customer Centric Culture results in a distinct competitive advantage. Performance measurement and research are tools supporting the Customer Centric Culture. Tools cannot create the culture but they can give clarity and guidance in the pursuit of a path. So let's explore the role of measurement and research in the process of creating and nurturing the Customer Centric Culture.

Best Practices

In order to fully appreciate best practices we need to begin by understanding where we are today in the world of surveys. It should come as no surprise that most companies who collect feedback from their customers, clients, patients, you name it, get very little in terms of actionable feedback. There are a variety of reasons for this dearth of information



Let's Look at 5 Reasons:

1. Looking for the magic bullet whiz-bang software program to do everything under the sun except complete the surveys for the customers.
2. Underestimating the value of the feedback
3. Limited appreciation regarding effective survey design and formatting questions
4. Focusing attention only on the data gathering process with limited forethought regarding how the results will be used
5. Failure to use process performance metrics as predictors of customer loyalty and satisfaction

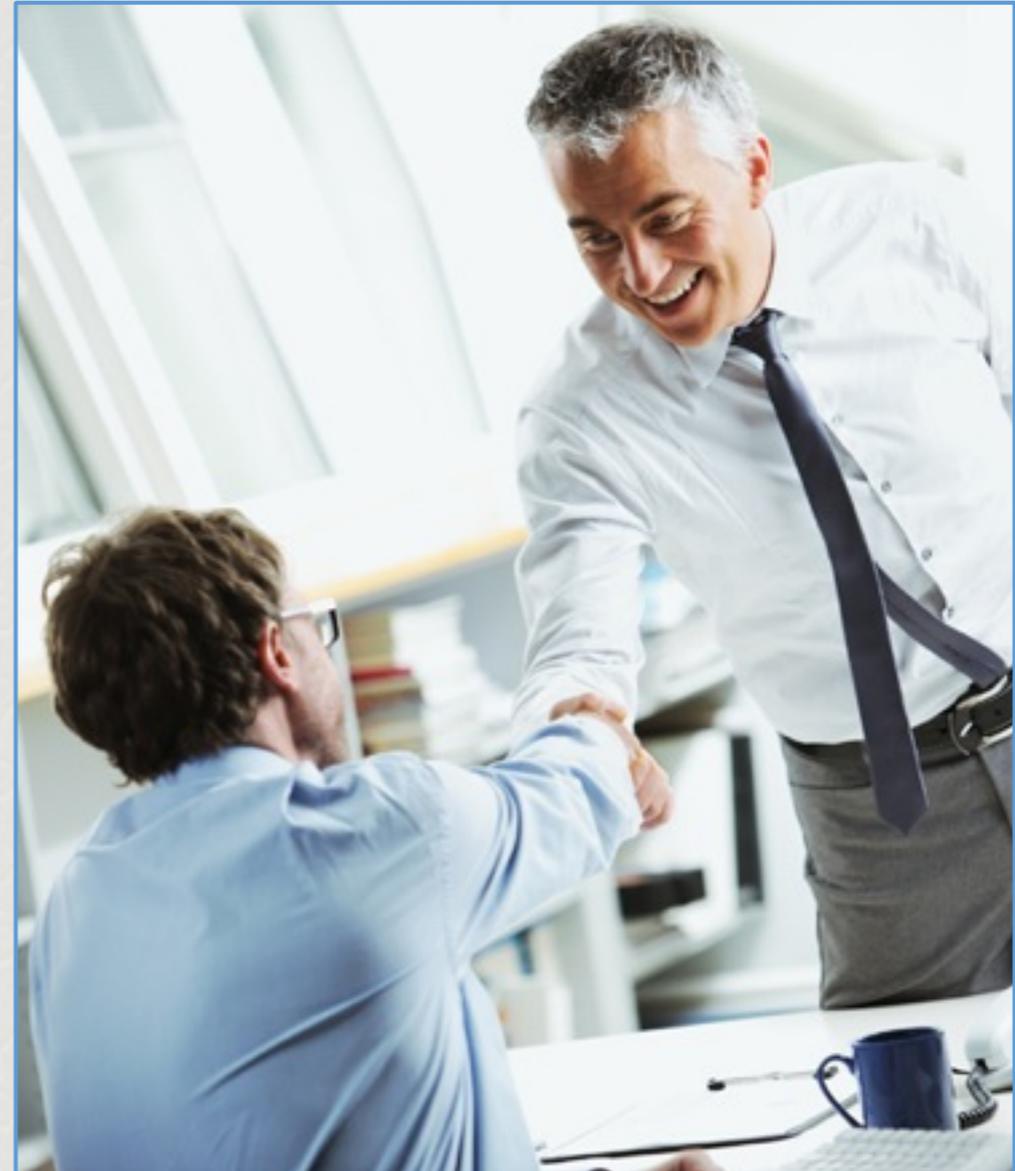
Software

Square Peg, Round Hole.

Today there are hundreds of software programs out there trying to convince you that for \$599 they can be the answer to your prayers in terms of surveys. Most of these programs are barely adequate in terms of a tool to collect feedback let alone help you tabulate and present the results in a meaningful way for your unique business requirements. As a result short cuts are taken on the back end of the process in order to get something / anything in front of the senior executives before they lose what little patience they have with the process.

The best organizations plan backwards. They figure out what the company needs based on how it is organized and how the business plans and sets strategies. These organizations also appreciate the fact they may need to have complimentary studies conducted throughout the year. So consider this, that \$599 software package probably doesn't have enough horsepower to keep up with the real needs and expectations of most senior executives.

If you are going to conduct a relationship survey to solicit feedback for the purpose of supporting your business planning process, it stands to reason the feedback should be collected, analyzed and presented well in advance of the "planning period" of the company. The survey should also be designed with input from the intended users of the results. To understand the drivers influencing customer experience, the relationship survey should collect performance feedback for each of the key touchpoints.



Feedback

Transaction Based Surveys

Over the past five years we have seen a significant increase in the use of transaction based surveys. Some companies however remain fearful of soliciting feedback more than once or twice a year. They may express concern that if they solicit feedback on individual transactions they will be accused of harassment or something worse. It's possible they are looking at their own personal experiences. Let's look at a negative benchmark to better understand what a world class company would never do.

My favorite example of pitiful customer feedback systems is the largest airline in the country. Due to the nature of what I do for a living, I fly this airline fairly often. For example, one of my trips had three destination points before returning home. To one of those destination points I needed to connect in Chicago. So in total there are five legs or segments. So how many surveys do I get in my email box? FIVE!!!@#\$ For the love of Pete they are a big company. Can't they use the locator number and send the poor passenger one survey with logic built into the survey to get feedback on all five legs or segments without clogging up my mail box. It's not that hard!!!



Survey Design

Creating Surveys Correctly

Logic can be built into the process of sending email invitations for your survey. You can establish all sorts of rules to avoid over-surveying people and making sure the right people are surveyed. The only problem is you can't do it with that cheap software.

On the other hand, let's look at PURE Insurance. From a research perspective, this company has demonstrated their commitment to understanding the voice of the customer. They pride themselves on delivering exceptional claims service and have remained focused on hiring, training and empowering their employees to serve their customers with empathy and compassion.

In order to measure this, they've devised a system to collect feedback from their customers regarding their claims experience. Not only are they learning about how enthusiastic their customers are about their service, they have the opportunity to address areas of concern. This is only made possible through the leadership of their SVP of Claims & Risk Management. He takes the time to read each survey result and routinely shares it with his team, giving him the opportunity to provide recognition and coaching. Internally, this practice has created a much stronger customer centric culture.

WOW! They certainly don't underestimate the value of the feedback but use it each and every day.

Survey Audience

If designing a survey was only about writing questions and creating a scale, companies would always have high response rates and no one would ever drop out halfway through a survey. When you design a survey you need to first think about your audience.

If your company sells hearing aids to predominately elderly people you might find that the old fashioned paper survey may be the best means to collect feedback. If you are designing an online survey you better make sure it's compatible with tablets and smart phones because as many as 30% or more of your respondents may take the survey using these devices. If you require a significant qualitative feedback you may want to consider a telephone survey.

Respondents generally find telephone surveys less troublesome and time consuming if conducted by a professional call center such as Quality Solutions. When a well-designed telephone survey is administered by a professional call center interviewer, the respondent typically doesn't notice the total number of questions they've answered and is more willing to give more detailed responses to open ended questions.

Survey Design

Survey Audience

Sometimes the cost of a telephone survey is prohibitive or the survey must be conducted in ten different languages and all open ended responses need to be translated back into English; under these criteria the online survey is clearly the best option.

Designing the survey needs to be inside out or backwards. In other words keep in mind your goals and how you want the results to be tabulated and analyzed. Our research team has spent thousands of hours studying and analyzing how to best phrase and sequence questions so as to minimize survey fatigue.

Survey Results

Substantial Snapshots

The report should always be created with the users in mind. Executive summaries should be just that, summaries, not 50 pages of statistics. Results should be presented with supporting analysis, unless it is a dashboard and the dashboard is fairly self-explanatory. As a rule of thumb if it takes three weeks to collect the results it should take at least that or more to do the proper analysis. Analysis is not simply the creation of pretty charts and graphs.

Analysis requires some thinking and evaluation beyond what is capable through your simple software package. It can possibly take you in a direction that you did not consider until you began to review the preliminary results. You may find yourself analyzing the results of two questions to see if there is any correlation or conclusions which can be drawn. You may take some of the data from the database and attempt to further understand what is driving customer loyalty with this group and not another.



Net Promoter Score

Customer Loyalty Metric

Many companies today have discarded their use of measuring overall customer satisfaction and are now using the Net Promoter Score. The Net Promoter Score® (NPS) is a customer loyalty metric developed by Fred Reichheld, a Fellow of Bain & Co. In Reichheld's bestselling book "The Ultimate Question", he asserts that customers generally can be classified into three categories: Promoters, Passives, and Detractors.

Reichheld concluded through his research that if you only had one question to ask your customers which could be a predictive indicator of profitability and growth it would be:

"How likely is it that you would recommend [X company] to a friend or colleague?" By analyzing the feedback of the individuals and the cumulative results you get a clear measure of your company's performance through the eyes of your customers. Customers respond on a 0-to-10 point rating scale and are categorized as follows:

- Promoters (score 9-10) are loyal enthusiasts who will keep buying and refer others, and fuel growth.
- Passives (score 7-8) are satisfied but unenthusiastic customers who may be vulnerable to the competition's offerings.
- Detractors (score 0-6) are unhappy customers who can damage your brand and impede growth through negative word-of-mouth. They are the anti-Promoters.



NPS Outcomes

Why Promoters?

Studies have shown a much stronger correlation between profitability and sustained sales growth with companies with higher Net Promoter Scores as opposed to companies with high Overall Customer Satisfaction scores. In short, satisfied customers may not be as likely to purchase as much as or with the frequency of Promoters. The satisfied customer may like what you have done for them, but their personal experience is not so special that they would tell others about their experience. Promoters are a special breed of customers. They are the lifeblood of profitability and business success for your business, they buy more often, they represent upsell and cross sell opportunities and they promote your business.

To calculate your company's NPS, take the percentage of customers who are Promoters and subtract the percentage who are Detractors. Some quick do's and don'ts regarding implementation and use of the Net Promoter Score:

Do:

- Communicate your Net Promoter Score internally
- Conduct sentiment analysis from the qualitative feedback of Passives and Detractors
- Quickly respond to Detractor issues
- Address Passive issues as well
- Set objectives to improve your NPS each year

Don't

- Immediately link compensation to your NPS
- Forget to use the qualitative feedback from the Promoters
- Forget the enormous value of an effective closed loop system to take action and institutionalize change
- Forget the importance of ongoing reinforcement training for customer contact personnel
- Focus only on the corporate Net Promoter Score, also break the results down by sub-process or touchpoint

NPS Implementation

The Right Process

For companies considering implementing a Net Promoter Process, understand there is a need to develop the appropriate infrastructure to support success. Regardless of whether the surveys are to be transactional or relationship based, understanding the touch points and their impact on the “customer’s experience” is the key to success.

There are several key actions required. Determine the type of survey you will deploy, Transactional vs. Relationship; sampling methods; and naturally the data collection method- Telephone or Online. As part of developing the infrastructure we help clients develop the policies and procedures to support a closed loop system, (see below). Lastly it is important to identify the linkages between the survey questions and your company’s Key Performance Indicators.

The results of each study should be evaluated and presented using a scorecard. Your scorecard should quickly point out which direction to take. Each of our reports also includes a Net Promoter driver analysis. This analysis provides you with a clear understanding of what is influencing the behaviors and feelings of Detractors, Passives, and Promoters based on their individual customer experience.

The best companies have clearly defined their company-wide closed loop system. Front line personnel such as sales, customer service, and technical support personnel should be trained in techniques on how to follow-up with respondents in order to improve the customer relationship. The best closed loop systems are within organizations whose goal is looking for the best solution for the customer. They see value in customization for the best total solution.



The Quality Solution

NPS Cultural Index

While the process of collecting customer feedback has been widely adopted, the process of obtaining feedback from employees lags considerably. Service organizations have generally done a better job implementing employee feedback processes.

With the use of online surveys in multiple languages there is no excuse not to solicit feedback on a worldwide basis. The very best companies know that human capital is vital to their success and competitive advantage. Companies can ill afford to have turnover of personnel regardless of position or skill set. Employees can be some of your best and most candid critics. Many companies are beginning to use a variation of the Net Promoter process to assess employee engagement and loyalty.

Quality Solutions developed a tool incorporating Net Promoter with other questions to establish a **Net Promoter Score Cultural Index**. This helps companies better understand how to respond effectively to their Net Promoter Score by looking at the dynamic factors which influence employee engagement and loyalty. Some companies conduct their surveys annually while others conduct pulse surveys of 10% of the workforce in odd years and companywide surveys in even years.

The key is to have an effective tool to analyze the results and provide meaningful and actionable guidance.

Creating a Customer Centric Culture of course requires more than just effective research tools and practices. Corporate culture is a mindset which emanates from the top of the organization. Senior management if serious about establishing a Customer Centric Culture will encourage and reinforce specific values. For years, Quality Solutions has held the belief that measurement drives behavioral change.



Key Metrics

Customer Centric Organizations

“Understanding of the value of lifetime customers”- One pet food company in New Zealand begins to recruit lifelong customers through school programs designed around pet health, grooming, and nourishment.

“Getting firsthand customer feedback in the hands of product managers”- One large international food company has their product managers staff the consumer call center once a week. They get ideas for recipes and a better understanding of how their products are actually used.

“First Call Resolution”- Many call centers are able to measure the effectiveness of their representatives by tracking the frequency of return calls to address the same issue through their CRM tracking system.

“Measuring and monitoring performance of the customer’s experience from point of sale through post sale activities.”
Measurement drives behavioral change.

If an organization is truly committed to a Customer Centric Culture they will provide feedback to their employees throughout the customer value chain. These touch point metrics or Key Performance Indicators will facilitate changes in policies and procedures, training, and information systems. At some point in the improvement cycle your organization will face the realization that fundamental changes are necessary in order to match the commitment of creating a Customer Centric Culture.



Choose the Right Partner

Consider This:

Companies today have so many options it become difficult to separate one service provider from another. When it comes to selecting a firm you may want to consider the following criteria:

1. Responsiveness of support- Can you reach them at any time? Do they put your needs first?
2. Ability and willingness to provide custom solutions based on your needs- Do they offer an out of the box solution that forces you to compromise on your goals and objectives?
3. Willingness to listen to your needs- Do they care to listen? Do they care about your concerns? If the answer is no or maybe then they will never meet your customization requirements.
4. Price- What are you getting for the price? Do they provide value for their price?
5. Depth of experience- How long have they been in business? For example we have been in business for 24 years. Most of our competitors are less than 10 years old. Also do they offer follow-up support? Are they only interested in the short term sale or are they interested in helping you beyond the short term to get the most out of the product or service offering?

Customization Counts:

Don't underestimate how much customization you will need to support your research studies. You are the customer! You should not have to change your needs to fit within someone's cookie cutter software offering. When it comes to customization requirements you may want to consider the following:

- 50% of your customization requirements will relate to analysis, presentation of results and report preparation.
- 25% of the customization effort will be related to instrument design.
- 25% of your customization needs will be related to data collection methodology, protocols, and translation service capabilities.

Lastly, you may want to remember: **Quality Results begin with Quality Solutions.**

Thank You

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