



Creating a customer feedback system

The Power of Customer Feedback



Hoot Ratings

VALUE OF A CUSTOMER FEEDBACK SYSTEM

Consumers have more options than ever for where they want to spend their money and more resources than ever to learn about a business before they step out the door. Despite these figures, 70 percent of purchase decisions are still made in-store. In this environment, it is critical that you do everything possible when running a business to not only provide the best service when a customer enters your business, but also provide them with a channel for expressing their feedback while they are there. Whether you are a shop owner, restaurateur, doctor, stylist, designer, accountant, or any business owner, you must make the most of every customer interaction, so you can be assured you are giving the customer reason to return again in a world that is filled with other alternatives.

This paper explains how to create a simple feedback system and the value it can bring to any business. The collection and management of customer feedback should sit at the center of any customer centric business, but less than two percent of businesses have a standard process for handling customer comments. Why don't more businesses actively solicit feedback if they know it

will improve their business? Because it is hard!

Business owners and managers have enough headaches to deal with each day, so why introduce another process that may require dealing with a bunch of unhappy customers?

Key items in an effective feedback system

1. Be easy for the customer to leave feedback whenever, wherever, however and about whatever they want
2. Be persistent, 24*7, 365 days a year
3. Be measurable, so you can track and monitor behavior over time
4. Be affordable
5. Be easy to implement
6. Be easy to manage
7. Take employees out of the process
8. Be able to motivate personnel
9. Include an escalation path for emergencies
10. Integrate private and social media feedback in a single location

In reality, collecting customer feedback is not hard.

Feedback is made hard because a business lacks a system for collecting and managing this information in a structured fashion. Typically, each piece of feedback is dealt with on an ad hoc basis, which then gets lost in the haze of weekly activities. Rarely is feedback

captured and leveraged to its full extent for training purposes, testimonials, employee performance evaluations, product changes or any other business purpose.

A feedback system does not need to be an elaborate process involving new technologies or large capital expenditures, it just needs to be a set of steps outlining why, when and how to solicit feedback and what to do when it is received.

Customers should always be encouraged to leave feedback with any staff member. However, for many customers offering feedback in person may be uncomfortable. Alternatively, the staff may be busy dealing with other customers or the issue may seem too trivial to warrant taking the time to do it in person. In addition, there may be times when it is inappropriate to share feedback with an employee or manager if the feedback does not reflect well on that employee or manager's performance. In all of these cases, a business needs to offer alternative feedback channels and make it easy for the customer.

Is feedback another word for complaints?

A typical business does not proactively solicit comments from customers after every interaction, so left to their own devices, customers will only leave feedback if the experience negatively impacts their life. If you were to request feedback from every customer and make it extremely easy to leave this feedback, you would find that consumers are happy to provide comments and suggestions that are not only positive, but also help improve the business. Changing the question from "how was your experience" to "how can we serve you better" takes the focus away from critical analysis, engages your customer in the process of improvement and lets them know you care about their opinion.

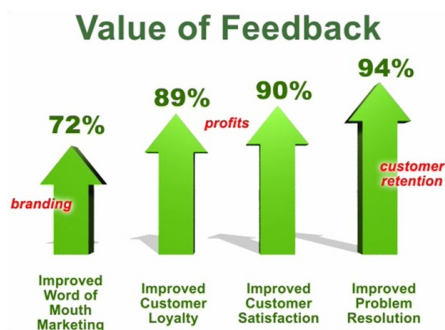
Everyone loves to hear positive feedback, but it is human nature to feel badly after someone is critical of our business. Negative feedback offers a valuable opportunity for your business to improve, but when it is dealt with haphazardly and without priority it becomes more of a nuisance than a benefit. When all feedback is organized and manageable, you can make the most of the feedback and use it to drive your business forward.

BENEFITS OF AN EFFECTIVE FEEDBACK SYSTEM

The effective collection and management of feedback delivers benefits to traditional business owners in three critical areas: profits, personnel and peace of mind.

1. Profits

Customer feedback is a topic rarely talked about independent of its larger counterpart customer service, but the activity of soliciting and managing customer feedback is a crucial business process in its own right. Feedback directly impacts a business's profits by improving word of mouth marketing, improving customer loyalty, improving customer satisfaction and



Source: Aberdeen Group ROI of Customer Feedback

improving customer problem resolution. In addition, studies have shown that incremental brand loyalty will occur just because you allow your customer to provide feedback. A system for the gathering and managing of customer feedback should create immediate, recognizable benefits to a business with limited additional effort. (Insert call out with Aberdeen Study)

2. Personnel

Customer-facing employees are a key component of any business, and their behavior can determine the success of a business. Motivating employees to serve every customer is difficult and monitoring performance at all times is nearly impossible. Regardless of whether they choose to use your feedback system, customers ability to report their experiences will be a motivating factor for those employees that are not currently providing superior service to every customer.

With feedback managed in a central location it can be used to measure and compare employee performance and simplify employee reviews, training and retention. Evidence of performance excellence or failure can be collected in the form of voice messages, pictures or emails, making defense of any personnel decisions simple and easy.

3. Peace of Mind

A continuous feedback system gives you peace of mind that there is always someone monitoring your business, and if anything out of the ordinary arises, whether it is good or bad, there is a good possibility

THE FUTURE OF FEEDBACK

it will be delivered directly to your ears. You are empowering your customers to be an on-site supervisor with the ability to let you know that your business is running optimally and that their interests are being served.

For businesses already operating at peak efficiency, maintaining a high level of customer satisfaction requires continually going above and beyond customer expectations. Continuous feedback will allow you to gather quality information for improving your business and will ensure you are giving customers what they want. Moreover, even the most successful businesses will benefit from a tool that helps get an early warning of any customer satisfaction issues.

Gaining Peace of Mind through Feedback

- Monitor your business at all times.
 - Early identification of minor service failures before they escalate.
 - Keep your feedback private.
 - Understand your customers and be the first to serve their needs.
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Controlling Your Brand

Over the last several years social media has grown tremendously with sites like Facebook and Twitter becoming focal points for sharing personal experiences between a community of users. Niche social media sites, like Yelp and Citysearch, have become a platform for exchanging feedback where consumers can directly post business ratings and reviews online for anyone to see. It is extremely important for a business owner to monitor comments posted on the Web to understand how their business is being reflected.

Unfortunately, a business has little control over what is posted online and one bad rating can have significant impact on your reputation and revenue. This increases the importance of enabling a confidential feedback system for your customers, so they have an alternative to sharing their feedback on public websites. It also gives you the ability to participate with confidence in an open forum when needed because you already know what the majority of customers think about your business.

CONCLUSION

Traditional businesses need to embrace feedback with a new passion that elevates feedback to a mission critical system within their business, rather than an ancillary business function. With 90% of consumers owning mobile phones and the rapid adoption of mobile email and text messaging, traditional business owners have new capabilities that can be leveraged for collecting feedback.

Making the Most of Mobile

- 230 million unique mobile phone users
- 127 million text message users
- 49 million mobile web users
- 30 million smart phone users

With a simple click of a picture from a phone, a customer has the ability to communicate “a thousand words” in seconds. Everything should be done to ensure these words are sent to you first before posting for all to see. As technology evolves it offers benefits and challenges for traditional businesses, so it is critical you make the most of the benefits and limit the distractions. Feedback does not need to be hard, but it does need to be collected and managed if you want to be assured you are doing everything to make your business a success.