Beyond Brand, NPS and CSAT

It's time to recognise the voice of the retail customer

Webhelp

Think Human

Contents

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Introduction

In our work with retailers across multiple sectors, it's clear that the relevance of customer experience (CX) to overall brand perception is greater than ever, accelerated by the pandemic and evolving customer demands. As a result, understanding the key factors impacting customer experience has never been more important. Most retailers recognise the importance of traditional brand and customer experience metrics in this context but it's the innovative retailers that truly listen to their customers and gather actionable insights from across their customer journey.

With continuing advances in the tools and methods available to analyse unstructured customer data, we believe there is a wealth of insight to be gained from Voice of the Customer (VoC) feedback in particular, which is often left untapped.

In this paper we explore how VoC feedback can be harnessed by retailers and deployed to drive improvements to both customer experience and, more broadly, to the perception of retailers, their brands and their products.

Authors:

Vanessa Flather,
Managing Director,
Retail, Travel &
E-commerce
Webhelp &
Gobeyond Partners

Email Vanessa

Chris Bryson,
Managing Director,
Global Analytics,
Gobeyond Partners

Email Chris

Let's talk about brand and customer experience

When retailers look to examine and measure the relationship they have with their customers, they typically focus on two areas – **brand experience and customer experience.**

Let's start with some definitions and understanding of the difference between the two.

Brand experience is defined by Columbia Business School as:

"Sensations, feelings, cognitions, and behavioural responses evoked by brand-related stimuli that are part of a brand's design and identity, packaging, communications, and environments."

Customer experience, on the other hand, takes over the moment a consumer begins a direct interaction with an organisation, from as little as a social media interaction to a full purchase

For any organisation that values actionable customer insights, tracking and measuring a range of brand and customer experience indicators are hugely important. In the past eighteen months, however, the importance has arguably never been more crucial, accelerated by the global pandemic and the intensity of customer demands.

Despite this shift in customer demands, our observation is that many retailers still continue to focus on the traditional core indicators of brand and customer experience to monitor the perception of their brand, products, services and customer opinion.

These are tried and tested approaches and provide a solid foundation to work from. Metrics such as brand recall, purchase intent and preference in category are all fundamental indicators of brand experience, and should be consistently tracked. It's within the area of customer experience, however, that we see real strategic opportunities for retailers.

Net Promoter Score (NPS) and Customer Satisfaction (CSAT) are core metrics in this area, metrics for which we strongly advocate and provide to clients on a regular, usually monthly, basis. We believe, however, that these metrics are only part of the customer experience puzzle. There's a lot more customer experience data out there, and it's the retailers who are harnessing this data, who better understand the voice of their customer, that are best set up to deliver exceptional customer experiences.

Before we look at the world of real-time, large-scale customer feedback in more detail, let's start with a deep dive on NPS and CSAT.

Defining NPS and CSAT

In measuring brand and customer experience, the five metrics below are the most typically used:

Purchase Intent

Brand Recall

Preference in Category

Net Promoter Score (NPS)

Customer Satisfaction (CSAT)

In the past decade, NPS and CSAT have grown in importance, with many retailers prioritising them as core to their understanding of customer experience, often focusing exclusively on them. But what makes them so powerful?

Arguably, it's their simplicity and ease with which the data can be collected and understood.

NPS measures the extent to which individual customers would recommend your product or service to their friends, on a scale of 0-10. It's easy to use, easy to understand, and easy to benchmark against other departments and other organisations. There's also the flexibility to apply at various stages of the customer journey, measuring the quality of a specific interaction, at the end of a major purchase, or more periodically in a brand review.

How likely is it that you would recommend our company to a friend?

CSAT is equally simple to deploy, usually with a single question along the lines of:

"On a scale of 0-5, how satisfied were you with your recent purchase?"

The question can be endlessly customised to apply to whatever service, product or department from which you want to gain feedback.

Customer Satisfaction (CSAT)

How satisfied were you with your experience today? *

0	1	2	3	4	5
○	○	○	○	○	○
Poor					Excellent

Submit

With regular, reliable levels of direct customer feedback available from NPS and CSAT, their continued use and popularity is not surprising and should not be underestimated. That said, with the continued advances in data and analytics , the opportunities for retailers to access even deeper, real-time customer insights has never been more plentiful, or impactful.

NPS and CSAT feedback
it's only part of the puzzle

Although NPS and CSAT are the most popular measures in a retailer's toolkit, they don't solve every problem, often lacking in the identification of truly actionable customer feedback.

One key limitation on both metrics is their ability to truly represent the end-to-end customer experience.

The Webhelp data and analytics team estimated that, depending on scope and response rates, **survey-driven CSAT and NPS data could represent as low as 5%-10% of all customer interactions**. For high volume retailers this is still a huge amount of feedback, and relatively indicative of customer experience. Nevertheless, it means that 90% of customer interaction data is at worst lost, or at the very least is unmined and not used to discover new, potentially transformative customer insights.

"90% of customer interaction data is at worst lost"

An additional factor to consider is situational bias. Put simply, customers are much more likely to fill in feedback surveys when their emotions are heightened, be that negative or positive. The data is still valuable, of course, but it can be difficult to gain a full spectrum view of customer mood and intention from the surveys.

So what then, is the solution?

Introducing Voice of the Customer

Listen, Empower, Engage

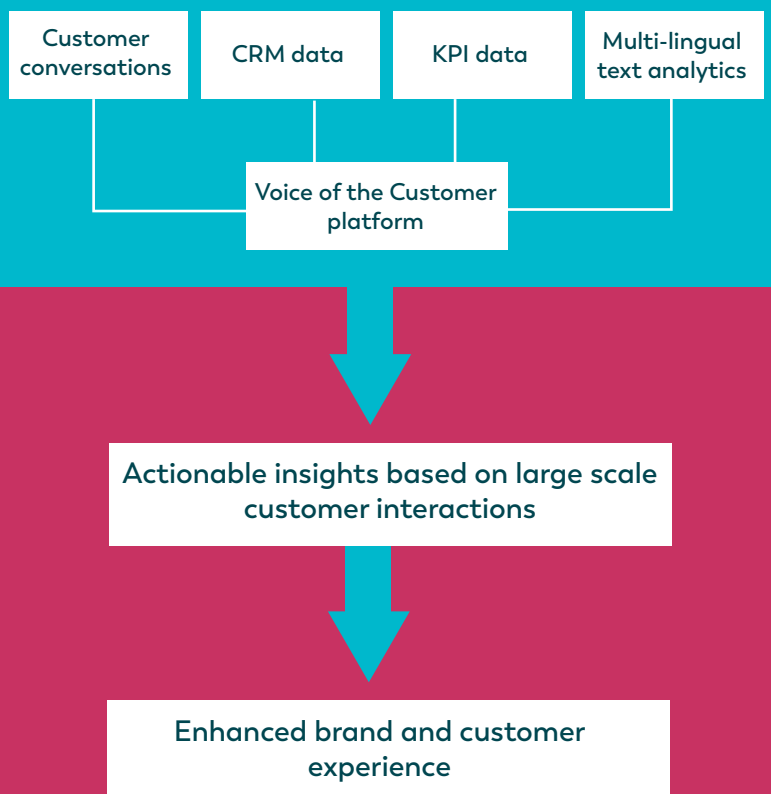Voice of the Customer (VoC) as a term was first coined in a 1993 MIT paper, stating it:

"*...provides a detailed understanding of the customer's requirements, a common language for the team going forward in the product development process, key input for the setting of appropriate design specifications for the new product or service, and a highly useful springboard for product innovation."*

For retailers in the 21st century, this need for "***detailed understanding of the customer requirements***" has never been greater with the sheer volume of online, phone and face-to-face interaction data now available far exceeding that considered possible when VoC was emerging in the early 1990s.

This is great news when it comes to enhancing the customer experience, but the sheer volume of data available can be daunting. This means that there's a necessity to work closely with data and analytics experts to properly mine and structure this data, before uncovering the actionable insights that can transform the customer experience.

We're finding that unlocking actionable insights is more straightforward when utilising the right tools, such as Natural Language Processing (NLP), and working with the right people – namely data scientists who are highly experienced in deriving meaning from large volumes of conversational data.

Indeed, Webhelp's VoC platform, combines KPI data, CRM content and multi-lingual text analytics to identify trends from the thousands of conversations held between colleagues and customers on a daily basis, feeding this back into the operating model of our clients, helping shape their customers' experience.

Customer conversations	CRM data	KPI data	Multi-lingual text analytics

Voice of the Customer platform

↓

Actionable insights based on large scale customer interactions

↓

Enhanced brand and customer experience

Armed with this VoC data, organisations can then deploy a
'**Listen, Empower, Engage**' approach to deliver valuable improvements to all
aspects of their customer journey:

Listen...

by mining conversations at scale, retailers can uncover opportunities to improve the customer experience; such as spotting process issues that are leading to unnecessary chasing by the customer, uncovering product quality issues that otherwise would go unnoticed, or reacting in near real-time to emerging issues or feedback from customers.

Empower...

by using Natural Language Processing, organisations can spot signals from conversations and link these to the customer experience, creating the environment for a great customer conversation. As a result, customer service teams become more empowered to help customers, to resolve their issues and to have engaging, relevant conversations that really matter.

Engage...

by understanding the topics, sentiment and emotion of the conversations from the customers' perspective, it's possible for retailers to deliver proactive, personalised communication strategies – and it's personalisation that takes brands out of the ordinary and to something that genuinely 'wows' customers.

Fuelling personalisation engines with structured data is a fairly typical, well-used example of this in action. However, the capability to overlay these types of interactions with VoC data represents the next step forward.

We believe that including VoC data will further enhance the power of personalisation to create personal journeys and solutions that show retailers genuinely understand their customers, and that they care.

McKinsey predicts the continuing growth of personalisation in the next few years – and for retailers this can easily start with using the VoC data that's already available from their contact centres. From our own work with multiple clients, we can say with confidence that using VoC data can be truly transformative on both a customer experience and an operational level.

Of course VoC data analysis doesn't just extend to conversations that take place 'with' an organisation via the contact centre, some of the same principles can be applied to monitoring conversations that take place 'about' an organisation through social media channels and in other areas such as customer reviews.

Implementing the right social listening strategy, tools and techniques for those indirect brand conversations will enable you to pick up valuable insights about your brand, product and target audience - empowering you to channel those insights into providing better experiences for your customers. The use of techniques such as Natural Language Processing can again play a big part here, allowing you to understand conversation topics across multiple channels; highlighting issues which may need quickly addressed.

Helping clients realise
Voice of the Customer success

Being able to access your Voice of the Customer data and, crucially, understanding how to make actionable insights from it, can have a transformational effect on your retail operation and brand. There's opportunities to be gained across the customer journey, from sales, to delivery, to service; there's a direct impact to brand experience and customer experience, alongside opportunities to better manage operational costs across the board.

Transforming your business with Voice of the Customer

Brand perception
By considering the end-to-end customer journey, customer experience improves, driving enhanced brand perception

Increasing revenue
Increase value from data driven sales and service offers across the customer lifecycle

Managing cost
Use fact-based contact and workflow insights to prioritise improvements in front clind back office operations

Improving customer satisfaction
Improve customer satisfaction by analysing Voice of the Customer and proactively responding to the issues identified

Transformational, strategic and tactical success with a global retailer

Our partnership with a leading global retailer is a powerful example of the tactical, strategic and transformational effect that properly harnessed VoC data can have for a retail brand.

Deployed in 2020 across multiple countries and languages, our VoC platform is now in daily use across this retailer's customer journey, delivering insights to continually enhance brand and customer experience. Here's a few examples:

Transformative customer experiences

Analysis of our client's customer contact trends revealed a channel shift from the more traditional email channel to instant messenger (IM). As a result, IM is now presented as the preferred channel in the UK (currently on-trial across Europe), with customers receiving a more efficient service and better brand experience. In addition, on-going IM trials have delivered

19% revenue growth.

Driving marketing strategy success

High impact events form a key part of our client's marketing strategy, used to drive awareness in areas including promotions and new product launches. In utilising VoC insights, understanding the end-to-end campaign impact was possible, with multiple customer interactions tracked to enable the true customer and brand experience to be reflected as part of a successful marketing campaign.

Delivering tactical improvements

The VoC platform is highly effective in identifying those daily issues and problems that, if left unmanaged, can have a big impact upon brand and customer experience. For example, we identified a logistical issue, which impacted customer deliveries. Quickly spotting and remedying this issue prevented a predicted

6% drop in NPS, and avoided causing the customer undue effort and frustration.

VoC success across
the retail and travel sectors

Partnering with a world leader in smart home products, we delivered an in-depth analysis of verbatim responses from customer surveys to better understand drivers of poor customer experience. A number of actions including reducing the time taken to respond to customer tickets and complaints, improving customer support on key product lines and enabling better resolutions to customer website queries, combined to **help increase NPS by up to 5 points.**

A pilot initiative with a major travel operator focused on solving customer problems before they become real issues. A predictive model was built to score customers by their likelihood to be a detractor (even if they didn't fill in a survey). By proactively contacting the top tier of customers identified as potential detractors, issues could be resolved "in the moment", with **more than 75% customers leaving the interaction satisfied** that their problem had been solved.

It's time to transform your brand and customer experience

By focusing on brand experience metrics, retailers will continue to introduce new customers to their products and services. With NPS and CSAT, they'll get a sense of how their customers are feeling about those products and services.

Innovative retailers want more than this. Innovative retailers want to plug all the gaps – to encourage repeat custom, to create brand advocates, and to create customer delight.

They know that by listening to their customers like never before, by challenging themselves to better understand their customers' needs, and by embracing the wealth of data available from their front-line, real-time customer interactions, they can deliver a holistic, transformative and innovative brand and customer experience. This drives value across the full customer spectrum; from awareness, to purchase, to service, to advocacy, and to repeat custom.

We work in partnership with our retail clients to organise and improve understanding of their data, to turn that data into actionable insights, to embed these insights into operational decision making and to deliver game changing customer experiences.

Interested in finding out more?

Vanessa Flather

Managing Director, Retail, Travel & E-commerce
Webhelp & Gobeyond Partners

📞 +447774179805

✉ vanessa.flather@gobeyondpartners.com

in linkedin.com/in/vanessa-woodfine-flather-333aaa16/

Chris Bryson

Managing Director, Global Analytics,
Gobeyond Partners

📞 +447876882407

✉ christopher.bryson@gobeyondpartners.com

in linkedin.com/in/chris-bryson-6b13481/

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