

Executive Brief:

Closing the Customer Feedback Loop: Improving Customer Loyalty with Action Management

Are You Closing the Loop?

Most companies capture customer feedback, but only a small fraction act on it. Even fewer follow up with customers to address their issues, despite the fact that this can be the key to rescuing at-risk relationships. Companies that fail to close the customer feedback loop are susceptible to a range of problems, including reduced customer satisfaction and loyalty, which can lead to lost customers and lost revenue.

Closing the customer feedback loop is more important than ever, as consumers become more sensitive to service quality issues. According to Accenture's 2009 Global Consumer Satisfaction Report, 51% of consumers have higher service expectations than they did 5 years ago, and 69% of all consumers switched providers at least once during the past year because of poor customer service.

To begin to close the customer feedback loop, companies need to define and implement a process for responding to feedback. Leading customer-centric companies use a combination of business rules, alerts, and case management systems to complete the customer feedback loop through a process known as "Action Management."

Alerts: A Step in the Right Direction

Most companies are just beginning to understand the importance of sharing customer feedback internally in an automated, timely and meaningful way. Some organizations send out internal alerts or notifications to stakeholders once a particular type of feedback is captured. This is a powerful first step, but alerts themselves are not a process. It is essential to track and report on whether follow-up has occurred, and to understand the result of the follow-up.

A comprehensive Action Management process initiates, informs, coordinates, and accelerates corporate-wide ability to respond to customer feedback using business rules to automatically generate alerts, open cases, and assign case managers, team members, priority rankings, and deadlines. Effective Action Management also provides a process for gauging the result of the actions taken to address the feedback.

Why is Your Customer's Experience Breaking Down?

Most executives don't know exactly why a good customer experience turns bad because they don't have the right tools at their disposal. Comprehensive Action Management includes case management, enabling companies to create a real process for identifying issues, improving the customer's experience, and tracking and measuring results. The process allows companies to:

- > **Identify Root Causes** – Why are specific case types being opened? How many cases are open? What geographic location or business division has the most open cases? What is the average time for case resolution? Case management provides reporting that gives insight into the answers to these questions. Companies can see how often specific case types occur and analyze feedback to uncover the root causes.
- > **Accelerate Response Times** – How well and how fast a company responds to a customer's feedback has a big impact on customer loyalty. Using business rules to automate the process of opening

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cases enables follow-up to occur in real time. Automated escalation ensures that nothing falls through the cracks. Lastly, having the ability to track how long cases are open, run reports on case status, and review case handling notes enables companies to look at ways cycle time can be reduced and further efficiencies can be gained.

- > **See the Impact of Efforts** – Companies can see the impact of their initiatives to improve the customer experience through case volume levels, average case resolution time, and increases in satisfaction and loyalty scores.
- > **Identify Great Performance** – Case reporting can help companies identify which teams are doing an outstanding job of follow-up and deserve recognition, and which are struggling to perform and need more assistance. Reports that break out data by team make performance visible and help managers identify areas of improvement.

Increase Coordination and Accountability

The most responsive Action Management solutions allow businesses to dynamically assign case managers by geography, business unit, customer value, and more. These individuals can help triage and prioritize cases, coordinate the response to the customer, and serve as the single point of accountability to ensure action is taken. Case management capabilities also help cross-functional teams collaborate on a response to the customer.

Effective advanced Action Management solutions should provide a central place for documenting follow-up steps, and ensure that each member of the case team gets a notification whenever an update to the case log occurs. Some solutions should also facilitate collaborative follow up actions across internal and external team members, which is particularly important when partners need to be involved in addressing a customer issue.

Take Action: Increase Customer Loyalty and Revenue

Rapid and active response to customer feedback is becoming more critical to business success across industries. To close the customer feedback loop effectively, it is important for businesses to:

1. Establish an automated Action Management process for responding to customer feedback that uses a combination of business rules, alerts, and case management to facilitate timely follow-up
2. Optimize results using reports that track the process of following up with a customer from start to finish
3. Measure the results of the action taken and the impact it has on improving customer satisfaction

With a reliable process in place supported by a versatile Action Management solution, companies can save at-risk customers and prioritize investments that will improve the customer experience, increase loyalty, and ultimately increase revenue.

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