Closing the Loop to Surprise, Delight, and **Retain** Customers

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NICE

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CUSTOMERS want to be heard

Customer expectations are higher than ever, but one place those expectations haven't changed is when providing feedback. Customers want to be heard and they want to be assured that action will be taken on their feedback.

Listening to customers and incorporating their data and their feedback into your customer experience strategy is critical to improving the customer experience. Data-driven decisions are key to customer experience transformation success. That sounds easy enough, but plenty of companies are not seeing the results they expected to see from their Voice of the Customer (VOC) programs.

Why is that? What's going on?

Companies listen to customers, but many fail to change or update their processes based on what they hear. If you're getting actionable feedback, the next step must be to take action. Critical to that is closing the loop on your customer feedback.

We'll dive into what that means and what a closed-loop process looks like, but first, let's talk about the foundation for success in this endeavor. The goal throughout this eBook is to set you up for success as you develop your own closed-loop process.

CRITICAL to success

The first question to ask yourself in order to ensure that your VOC program is successful is this: Have you created the right culture within your organization such that employees won't view the process as "more work"?

Your VOC program and the work that you're doing to improve the customer experience will fall flat if two foundational things aren't in place: 1) leadership commitment to the work that lies ahead and to the resources required, and 2) a customer-centric culture in which the customer's best interests are always at the heart of the business.

A ***customer-centric culture*** is one where no discussion, no decision, no design happens without bringing in the customer voice—without asking: How will this impact the customer? How will it make her feel? What problems will it help her solve? What value will it create/deliver for her?

Key to that definition is the customer voice and bringing that voice into all you do. That's really the catalyst behind a closed-loop process. It's not about more work, but about continuous improvement and doing things more efficiently and more effectively, which improves both the employee experience and the customer experience. It becomes "the way we do things around here."

This closed-loop feedback process needs to be systemic; it has to be part of the culture. Technology can facilitate this process, making it more efficient and effective, but it's not all about the technology. Again, it's about how we do things around here—day in and day out. Over the years, we've heard from folks that receiving customer feedback in their inboxes every morning and responding to it is like their morning coffee. It's as natural as grabbing that first cup and getting on with your day. That's how you need to think about it.

Now let's dive in and get you on your way to developing a closed-loop process that helps to delight your customers and ensure they not only continue to provide feedback, but also continue to do business with you.

...no discussion, no decision, no design happens without bringing in the customer voice—*without asking:*

- *How will this impact the customer?*
- *How will it make her feel?*
- *What problems will it help her solve?*
- *What value will it create/deliver for her?*

Closing the loop—**WHAT AND WHY**

Closing the loop with customers is an important next step that every business must incorporate into their VOC program strategy. But what is it and why is it so important? Let's start with a definition.

In its simplest form, a closed-loop feedback process is a procedure or operational plan that outlines how to follow up with customers who have provided you with feedback, good or bad. It can be viewed as a way to talk to—and engage with—your customers in order to evolve the relationship and improve the experience. But it's also about sharing the feedback with employees across the organization who then use it to enhance the experience through product, people, and process improvements.

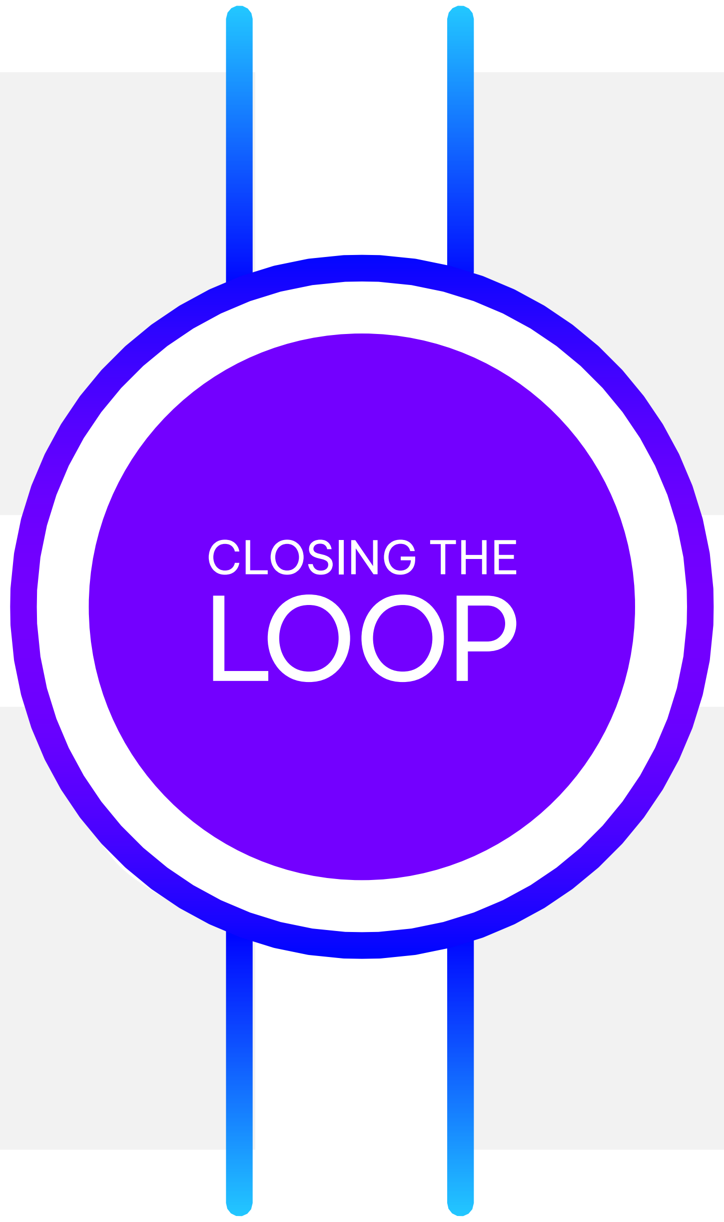
> Closing the loop with customers is one of the first steps in operationalizing your VOC efforts. It lets customers know their feedback:
>
> - Was received
> - Ended up in the right hands
> - Was or will be acted on and how
> - Is being used to make improvements

It's important to develop and implement this process for a variety of reasons, not the least of which is that your customers will feel heard and valued. As a result, they'll give your organization more of their time, feedback, and business in the future. If you've ever wondered what the best incentive is to offer customers in exchange for their feedback, it's simple: do something with what they tell you. There's no better way to annoy and frustrate customers than to ask for feedback and then do nothing with it—or fail to follow up with them to let them know what you've done.

Close the loop to ensure that customers feel heard and valued.

When customers respond to surveys or provide feedback, they honestly expect that companies will follow up with them, even if the survey doesn't indicate that they will. Closing the loop is a source of delight. It builds goodwill and improves your brand reputation.

Additional benefits of incorporating the closed-loop process into your customer experience strategy reach far and wide. Consider the following:



Through the closed-loop conversation, you'll be **earning trust and building or strengthening your customer relationships,** which can only lead to greater satisfaction and loyalty over time.

By using feedback to improve the tools, systems, policies, and processes that deliver, support, and facilitate the experience the customer is having, you're **saving money, reducing employee effort, and minimizing or eliminating customer effort.**

Closing the loop on customer feedback means that you'll use it to improve products and services, resulting in **increased revenue and recommendations.**

When you use feedback to coach employees about how they're serving their customers or to ensure employees deliver the experience more efficiently, you **will improve the employee experience.**

Research has shown that customers who report issues—and the brand then follows up and resolves those issues—are more satisfied and more loyal than those who've never had an issue. Do the right thing. Listen, act on what you hear, and reap the benefits!

ACTIONABLE FEEDBACK

Data that is not actionable is just data. Consider this both when you design your surveys and when you analyze the survey data, along with other customer experience data, in order to better understand your customers.

Asking for feedback about something you can't change—or in such a way that you're not sure what you need to change—is pointless. You're wasting your customers' time and your company's time. If you can't succinctly answer the questions noted on the right, then reconsider what you're asking.

When you're thinking about actionable data, *think about the following as you design your survey questions:*

- What will we do if this question is rated low (or high)?
- How will we act on it?
- Who owns this question?
- Who else needs this information?
- Who will act on it?
- How quickly can we make changes?
- Is this something we can actually change?
- Why are we asking this?

Closing the loop—**WHEN AND WITH WHOM**

Let’s dive into some of the different ways that you’ll close the loop, i.e., when to follow up and with whom. There are really five ways to close the loop on your customer feedback.

1. CLOSE THE LOOP AT THE PERSONAL LEVEL

Also known as service recovery, this is one of the most important ways to follow up with customers about their feedback. It lets customers know that their opinions matter and that you are committed to improving the experience. Service recovery means that you’re following up with each individual customer who has provided feedback to thank them for positive feedback, resolve outstanding issues, or make good on a poor experience.

Critical to closing this loop is to not take the feedback personally; take it the heart, and do some good. The business benefits through customer retention, reduced negative word of mouth, product enhancements/ideas, and potential growth opportunities.

2. CLOSE THE LOOP AT THE TACTICAL/DEPARTMENTAL LEVEL

Closing the loop at the tactical level means you are closing the loop with stakeholders, with those teams or departments with a vested interest in the specific feedback. Share the feedback with them so that they can address the following:

- What are some of the common issues, themes, or trends that arise from the feedback?
- How can/will each department respond to their respective issues?
- What will they fix?
- What improvements do they need to make to their specific policies and processes?
- What additional training does their staff require?
- What tools do they need?
- What communication is required to ensure the entire team or department is on board with the required changes?
- Are there best practices that they can share with other departments?

3. CLOSE THE LOOP AT THE STRATEGIC LEVEL

Acting at the personal and tactical levels is paramount, but it's also necessary to step back and look at the big picture. Some of the improvements that need to be made are organization-wide and require C-level involvement to ensure the commitment is there for time, funds, and other resources. They'll need to view the insights you gain from customers under a wider lens:

- Are there common feedback themes across the organization?
- What structural changes does the entire business need to make?
- How should they incorporate the feedback into their decision-making processes?
- How can the feedback influence business performance and strategies?
- What communications are required to engage the organization in a more-strategic overhaul or transformation?

4. CLOSE THE LOOP WITH EMPLOYEES

If employees don't know what they're doing right or wrong, then they can't change their own actions and behaviors. Your employees are the ones who deliver the customer experience; keeping them in the dark about how they are performing or how they are meeting customers' needs is detrimental to the business. They have the ability to immediately change the customer's experience, so share the feedback with them. Recognize them for the right behaviors and for delighting customers. Or coach them when an experience didn't go so well.

One key point to keep in mind as you think about these five different ways to close the loop: *it's not just about acknowledging, addressing, and resolving the bad experiences; it's also a way to celebrate the good.*

5. CLOSE THE LOOP WITH ALL CUSTOMERS

This is a must! Again, customers spend their precious time providing you feedback about your products and services; the least you can do is tell them what you did with their feedback and what improvements you made as a result, including both tactical and strategic changes.

Communicating this information to your entire customer base reassures them that: their feedback is valuable, their time isn't/wasn't wasted, you actually use their feedback, and they can provide feedback again. Always communicate back to your customers what changes were made as a result of their feedback and thank them for taking the time to do so. (You might even end up encouraging those on the fence about providing feedback to do so in the future!) Given that this type of communication is more global in nature than personalized service recovery, it will cover more strategic improvements, but may also cover some of the tactical changes that you've made. Either way, don't forget this piece of communication. It resets the expectations for what the new experience will be, eliminating any (negative) surprises as a result of the changes.

One key point to keep in mind as you think about these five different ways to close the loop: it's not just about acknowledging, addressing, and resolving the bad experiences; it's also a way to celebrate the good. If the feedback is positive, thank your customers and perhaps delve deeper into why they would promote your brand, activate your advocates, share the good news internally to highlight what a good experience looks like, and give kudos and recognition to employees, where due.

Some companies close one of these five loops but not the others; some companies do none of these. They are all critical. Hard wiring customer feedback into your operational processes, whether tactical or strategic, and into meetings, discussions, and business decisions, is the only way you'll get value and results out of your VOC program. Using customer feedback for continuous improvement at the various levels outlined above ensures VOC program success.

Closing the loop—**WHO AND HOW**

As you're outlining your VOC program strategy, it will be critical to include details about your closed-loop feedback process. But first, it's important to consider where or how you'll be receiving that feedback.

There are many different customer listening posts and sources of customer feedback. Examples include:

- **Transactional surveys** are post-interaction, e.g., after a purchase or after a customer service interaction, and allow companies to get real-time feedback about the experience at key touchpoints.
- **Relationship surveys** are higher-level listening opportunities that provide the company with a look at the overall health of the relationship with the customer.
- **Contact center interactions** provide a host of different options to hear from customers, including via customer service call recordings, customer service SMS and chat transcripts, and customer complaints or suggestions.
- **Online communities** provide opportunities to have ongoing conversations with customers about topics that are important to the business and to the customer. They can be used for experience feedback, product design, and more.
- **Customer advisory boards** are another way that companies can get direct feedback about not only overall performance, but also specific product needs and product design.
- **Online reviews and other social media** are another way that customers can provide their feedback to fellow customers. These are powerful tools that allow for customer-to-customer sharing of brand experiences.
- **Voice of the customer through the employee** is an important way to get feedback from your customers at various person-to-person touchpoints. Your frontline employees talk to customers all day long; by providing employees with a tool to capture customers' thoughts and emotions, you can incorporate valuable customer insight into continuous improvement efforts.
- **Journey mapping and customer co-creation efforts** result in a lot of feedback and data to be used to improve the customer experience.
- **Behavioral customer data** includes breadcrumbs of data that customers leave behind as they interact and transact with your brand, e.g., clickstream, app data, purchase process. A lot can be learned from this data, especially when combined with customer feedback.

Remember that closing the loop is not just about acknowledging, addressing, and resolving the bad experiences; it's also a way to celebrate the good. If the feedback is positive, thank your customers, share the good news, and give kudos and recognition to employees, where due. If the feedback is negative, respond to customers about the issues, but don't forget to coach employees so they can learn what's expected of them in the future.

There are several factors that you need to consider as you design your closed-loop process. At a high level, they can be summed up as: do you have the right people, tools, and processes in place to implement this process? The questions listed below focus primarily on service recovery, but can also be applied to the other ways you'll close the loop.

Outline a systematic approach for **service recovery to occur at the individual customer level**. Here are some considerations as you develop your approach:

TRIGGERS

- What questions or what type of feedback will trigger an alert? *(Typically, an alert is set for a certain threshold response to a survey question, signaling that follow-up is needed.)*

PEOPLE

- Who will you respond to? Every customer who provides feedback?
- What resources do you need to ensure that you can respond to customers in a timely manner?
- Who will respond to the customer? At what level?
- Who will coach employees on how to respond appropriately?
- Do you have enough people to handle the potential volume?
- Who's going to provide oversight and make sure that everyone involved is doing his or her part?

PROCESS: WORKFLOW

- What's the process workflow going to be?
- Within what time frame?
- How do you define responding in "a timely manner?"
- In what mode will you respond (phone, SMS/text, email, in person)?

PROCESS: FOLLOW-UP

- Will any of the responses be automated or will they all be individual/personal messages?
- What will they say/ask (e.g., apologize, ask for more information to get to the root cause, schedule a follow-up call for more details, etc.)?
- Will the response be an acknowledgement of the issue (if negative feedback) with a promise to follow up with a resolution or improvement when corrective action happens?
- How will you empower your staff to handle these calls?
- Will you provide a template to guide those who are responding?
- What information do they need to make the call?
- What is the intended outcome of the follow-up?

PROCESS: TOOLS AND ESCALATION

- When and how does the service recovery get escalated?
- Will escalation be manual or automated?
- Which tools will you need to keep track of the feedback loop?
- Where will the interactions with customers reside, in your VOC platform, CRM, somewhere else? How will you track responses/cases?
- How will you capture the discussion?
- Will you share best practices with others to learn from?

SUCCESS METRICS

- How will you know if the customer is satisfied with the follow-up?
- How will you know if you've "saved" the customer?

Let's touch on one point addressed in the questions above: automation. Not all customer follow-up will be the same. Over time, companies can evolve their closed-loop process to include automated email messaging to follow up on some feedback and/or have different layers of case owners depending on the issues. More severe issues or negative feedback from valuable customers may be automatically escalated, for example, to the right person to act on the feedback and to respond to the customer.

For the other closed-loop levels (beyond service recovery), **consider the following:**

- How will you share the feedback with employees, whether individual or departmental or the entire organization?
- In what format will you share the feedback internally?
- Who's analyzing the data?
- Who's conducting root-cause analysis?
- How do your executives want to see the data?
- Who is going to share the feedback and how?
- Who will provide oversight?

ACTION PLANNING

With your closed-loop processes for service recovery and beyond in place, it's time to consider who and how you'll take action on the customer feedback you receive.

At an ***individual level,*** the case owner will review the feedback and look at the specific response that triggered the need for remediation or recognition. Go back and look at who the customer is, what the relationship with the brand is/has been, what the scenario and interaction was, and what the feedback and customer data holistically tell you. If there's an issue, do some root-cause analysis. What happened and why? (Positive or negative, if it was a situation in which someone helped the customer, discuss with that person what happened.) Come up with a solution, and then reach out to the customer to discuss. If you need more details before providing a solution, get those from the customer first and then follow up with a solution that takes into account everything the customer has told you.

At a ***strategic level***, you'll want to engage in a larger action planning process. Most VOC programs often end with closed-loop processes and service recovery efforts that are only tactical, at best. These act merely as bandages for the organization, when what is really needed is an overhaul of policies, processes, and infrastructure. Real customer experience transformations require organization-wide adoption and execution of strategic initiatives that lead to meaningful change.

Action planning unites teams, departments, and, ultimately, the organization, as it allows for cross-functional collaboration to ensure that the next best actions uncovered through their data analysis are prioritized, operationalized, and tracked over time.

Your analytics tools identify actions to take, but often users become stuck and wonder, "Now what?", "What next?", "How do I fix this?" and, "Who fixes it?" Action planning helps teams dig for root causes, assign ownership, and make the improvements necessary to achieve desired outcomes.

Create a cross-functional committee to work on and oversee the action planning process. Having this committee ensures input and involvement from across the organization and creates a conduit between departments and the committee to keep the plans on track.

The cross-functional team can:

- Make sure that action plans and roadmaps get created
- Provide oversight and monitoring that help drive the projects outlined in the action plans and roadmaps to completion
- Design and implement a measurement program to evaluate and measure the customer's experience after improvements are made
- Educate the organization on the *why* behind the improvement efforts
- Communicate progress against the plans to the respective departments
- Share outcomes with executives and the entire organization

There are various approaches to action planning, but ultimately, you should outline:

- The issue/improvement area
- The root cause
- The intended outcome
- Steps to achieve the outcome
- Feasibility and impact
- Ownership/accountability
- Goal dates
- Success metrics

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The first step you'll take is to conduct a root-cause analysis of the issue to get to the heart of what needs to be fixed. One of the simplest approaches used for root cause analysis is *5 Whys*.

Once you've identified the root cause, you can then outline what the corrected process should look like and the intended outcome. Then you'll brainstorm ideas on how to resolve the root cause and achieve the outcome. That ideation is important because not every idea is feasible from a timing, cost, or resource perspective, yet they should all be explored.

For each solution/idea, assign a feasibility rating based on cost to fix, time to fix, resources to fix (including availability), impact on the customer (including which customers and how many), and impact on revenues. Prioritize each idea based on that rating and relative to other solutions for other issues/change initiatives. Select the "winning" idea and assign ownership and accountability.

Next, the owner will outline a step-by-step corrective plan or strategic roadmap that spells out exactly how the solution will be executed, when, and with which specific resources (e.g., human, financial, capital). A budget will be developed and needs to be approved before the team can move forward with executing the plan. Outcomes need to be stated and clarified. Project plans with timelines need to be established and ownership for each milestone assigned. Progress touchpoints and success metrics need to be identified, and a final deadline must be established. And, of course, then the work must get done.

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COMMUNICATION PLANNING

Communication is the most-overlooked part of the customer experience. But the closed-loop process is all about communication—with employees and with customers. Given that, it's important as part of the planning that goes into designing your closed-loop process to outline a communication plan for how you'll keep both employees and customers in the loop on your improvement efforts. As you develop this plan, keep in mind that communications are well-received when they are:

- **Timely:** sent/received at a time that is closely related to the event in question or the topic at hand
- **Proactive:** often unexpected and gets ahead of further questions or contact from the customer
- **Personalized:** appeals to each customer's unique needs for follow-up
- **Contextually relevant:** pertinent to the customer and his/her relationship with the brand

As you develop your communication plan, you should take into account the following:

- **The audience:** Who are you messaging to? Can you personalize the messages?
- **The channel:** How will you send the message, i.e., email, phone call, newsletter, training, etc.?
- **The timing:** How frequently will you communicate? What's the cadence?
- **The source:** Who's it coming from? The CEO? The CCO? Someone else?
- **The type:** Will it be explanatory, informational, coaching, training, rewards and recognition?

EMPLOYEES WANT TO KNOW:

- What is it?
- What's changing?
- Why is it changing?
- How long will it take?
- What's the impact on the business?
- How does it affect me?
- What are the desired outcomes?
- What's my role?
- What happens if we (company) don't change?

CUSTOMERS WANT TO KNOW:

- What is it?
- What's changing?
- Why is it changing?
- How long will it take?
- What does it mean for me?
- What can I expect?

A simple template for a communication plan might look like this. You can expand on it or add other details for specific communications, as needed.

CX COMMUNICATION PLAN					
WHAT	WHY	FROM WHOM	TO WHOM	HOW	WHEN

One other type of communication that you ought to consider is *remeasure.* What does that mean? Follow up with customers after you've resolved their issues or redesigned the experience. This could be in the form of a survey or simply a conversation. Do they consider the issue to be resolved? How well did you improve the experience? What do they think of the new experience?

MEASURING SUCCESS

For any type of project or initiative that you undertake, it's important to be able to track progress and measure success. In order to do that, you have to first outline what success looks like and what metrics you'll use to measure it. Outlining what success looks like starts with specifying the problems to solve, establishing the objectives, and defining the desired outcomes.

CX initiatives—including your VOC program—require you to identify and outline those items for (at least) three different constituents, since the initiatives will impact the business, the employee, and the customer. What matters most to each of these? What are the outcomes for each one?

What are the success metrics for your program? Be sure to include specific and measurable process improvements, cost efficiencies, culture changes, and customer retention as some of your critical KPIs. These things cannot be achieved without taking real action on the feedback.

As for specific metrics, go back to your desired outcomes and align the metrics to those outcomes. For the business, you might look at increased retention/reduced churn, lifetime value, share of wallet, increased revenue, reduced costs, call volume, and more. For the customer, consider customer effort, customer satisfaction, expectations met, quality of problem resolution, and first call resolution. For employees, think about satisfaction, happiness, engagement, productivity, expectations met, and employee effort. Again, the most important thing to do is ensure the metrics align with the outcomes you are driving to achieve.

WHAT SUCCESS LOOKS LIKE

An insurance company built a world-class customer listening program that included a closed-loop process for immediate service recovery upon receipt of feedback that indicated the customer was at risk, as well as larger communication efforts around the strategic improvements. In the first year of this program, the company was able to save 63% of their at-risk customers, which translated into more than $11 million of revenue saved.

As part of an initiative to embed a customer-first culture, a global financial services organization partnered with NICE to build a holistic VOC program with a closed-loop program that reaches customers and employees across five regions. The program triggers action on key drivers that impact loyalty, while increasing stakeholder program adoption. To date, 500+ colleagues across six regions have completed more than 3,000 follow-up activities with clients, and NPS® is now 24 points above average. The closed-loop program's additional successes include more than 50 ideas submitted for product and service improvements, and 36 new business opportunities identified—valued at $3.8 million.

A telecom company that serves more than 650 communication providers partnered with NICE to increase the quality, quantity, and actionability of customer feedback. Today, real-time actionable feedback reaches over 500 managers and 1,000+ team leads to drive personalized coaching that has improved performance across 22,000 field service engineers. Satisfaction with field service engineers has increased five points, while communication provider satisfaction has jumped 10 points. The organization has realized significant savings per a 10% reduction in repeat visits to customers to resolve issues.

A human resources services organization is working with NICE to modernize CX. As part of this, they established a closed-loop VOC program that leverages in-depth analytics to increase customer satisfaction and loyalty and improve agent performance. The program automates how supervisors follow up with detractors, acts on root cause of customer issues, while also tracking the effects of remediation on CSAT. Results to-date include a 36% increase in NPS and a 55% increase in overall satisfaction. Thirty-two percent of the organization's clients have realized an improvement in issue resolution, while 45% have reported an increase in agent professionalism.

TRANSFORM CX
by taking action on feedback

In the end, just listening to customers or just saying that you've got data is meaningless. Uncovering insights and not doing anything with them is incomprehensible. Customer experience is the most powerful and sustainable business differentiator today, but, as you know, transforming the customer experience is a lot of work.

Listening to customers is only half the battle. Doing something with what you've heard wins the battle. Don't get stuck focusing on the numbers. Customers are telling you what you need to do; do it. Use their feedback to transform the experience, and the numbers will follow.

> *Customer understanding is the cornerstone of customer-centricity.*

Bringing the customer voice into all you do is a defining principle of a customer-centric organization. Listening to customers and closing the loop on what they tell you is critical to success and brings about a competitive advantage. Take the time to build out your closed-loop process and get everyone on board with craving customer feedback—like they do their morning coffee. Make it a part of what you do every day.

Drive more value from your VOC program

Learn how NICE can help you close the loop, uncover valuable insights, and take meaningful action from customer feedback.

Watch the Demo Video

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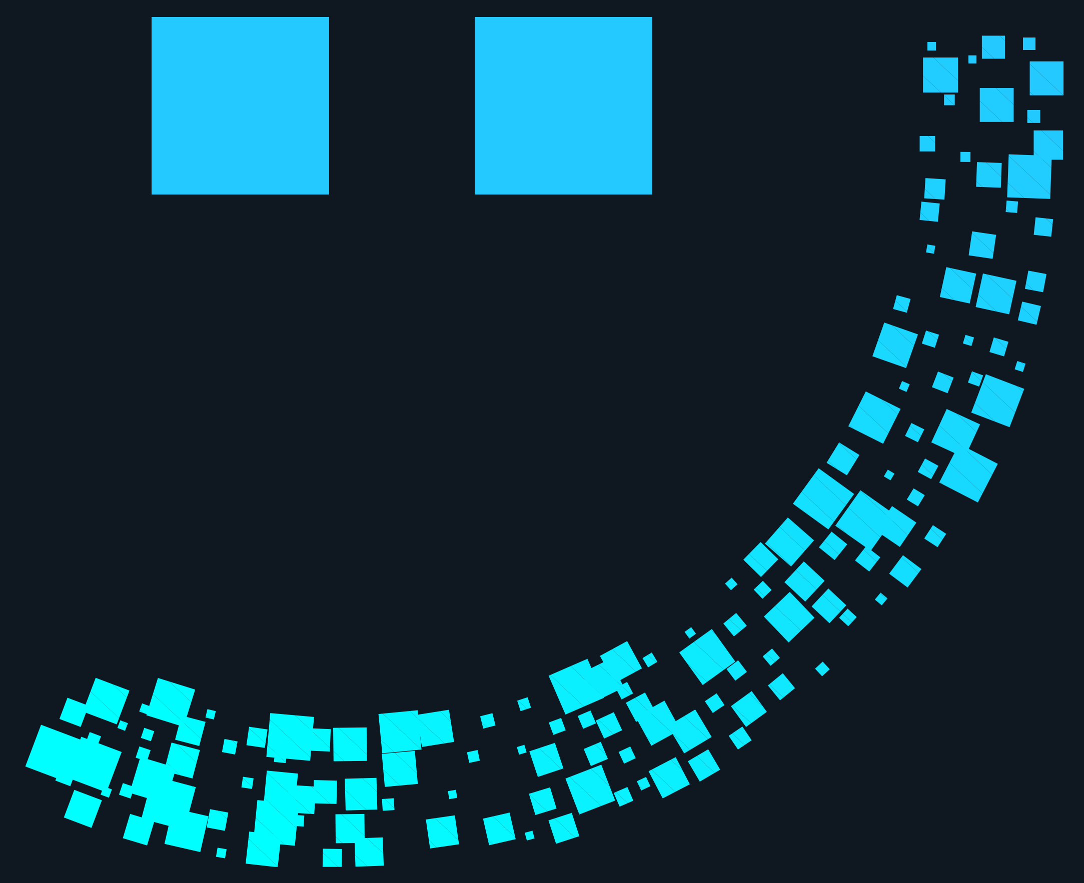

About NICE

With NICE, it's never been easier for organizations of all sizes around the globe to create extraordinary customer experiences while meeting key business metrics. Featuring the world's #1 cloud native customer experience platform, CXone, NICE is a worldwide leader in AI-powered self-service and agent-assisted CX software for the contact center—and beyond. Over 25,000 organizations in more than 150 countries, including over 85 of the Fortune 100 companies, partner with NICE to transform—and elevate—every customer interaction.

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