



The Difference Between Customer Experience and Customer Feedback

Why surveys alone paint an incomplete picture

According to Gartner's 2017 Customer Experience in Marketing Survey, 67% of companies feel they compete mostly or completely on the basis of CX, and 81% expect to do so in two years. Getting your brand's CX right has become a business imperative.

More than 5,000 organizations worldwide now have a dedicated customer experience (CX) leader, more than 40% of whom report directly to the CEO, according to Gartner research. This increasing level of CEO oversight shows the importance of CX to the bottom line, hence the need for measurement, says Ed Thompson, vice president and distinguished analyst at Gartner.

But are these organizations measuring the customer *experience*, or just customer *feedback*?

Managing CX means identifying and quantifying friction points in the customer journey, determining the root causes of those friction points, and resolving the problems at their origins. That's a tall order. Those friction points can occur anywhere in the customer lifecycle – marketing, purchase process, shipping & logistics, product or service issues, returns & exchanges, billing, online user experience, and more.

Furthermore, knowing “how” a customer feels about a brand or product is entirely different than **knowing “why” they feel that way, or “what” to do about it.** If your organization relies on surveys alone to provide the answers for “why” and “what,” then you're on a slippery slope.

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Most companies today have deployed one or more technologies to capture their customers' feedback. Net Promotor Surveys, Customer Satisfaction Surveys, Point of Sale Surveys, Product Reviews and more have been around for a while, and they're not just for retailers anymore. Many other industries, whether B2C or B2B, have turned to these feedback processes to understand how customers rate their experience with a product, a service, or a support function.

Having a numeric value associated with each experience provides some level of comfort for an executive team. In aggregate, the collective feedback score may give that team an idea of how customers *feel* about the brand and its products. Sub-questions within the survey may even provide a more detailed overview of that sentiment. Lastly, a verbatim from individual customers is meant fill in some of the gaps that the answers to specific questions can't provide. Sounds like a tidy way to consistently know the pulse of a customer base, right?

Here are two questions you should ask yourself before using customer feedback to guide decision making about your products, services and support:

- Is the feedback representative of your entire customer base?
- Are the findings from the feedback actionable at a root cause level?

To be sure, there *is* value in formal customer feedback. Being able to see trends in the scoring can create an alert system for growing problems. Surveys such as NPS can also provide a reasonable apples-to-apples comparison against competitors. That said, **companies who rely on their customer feedback as the primary source of data to manage “customer experience” are going to be left behind.** There is a far better data source, and the good news is that it's sitting in your data servers right now. Before we get to that, let's look at the two aforementioned questions in detail.

Is customer feedback representative of your entire customer base?

Generally speaking, take rates for surveys and product reviews are small – often in the low single digits. While it may check the box on statistical relevance, there are other factors to consider. Along with the small sample, the concept of *polarity bias* can affect the aggregate findings. Customers who take the time to complete a survey usually fall into two categories: those who had a uniquely satisfactory experience, and those who had a uniquely unsatisfactory experience.

One analogy might be a political debate in which only the far right and far left participate. The vast majority in the middle are not heard. In a customer base, that vast majority cannot be discounted. They will determine the future of a company's success. Unfortunately, they're far less apt to take a survey or fill out a product review.

Are the findings from customer feedback actionable at a root cause level?

As mentioned above, surveys and reviews can consist of multiple questions and a verbatim comment field. While that can be helpful in determining the general areas in which customers have poor or great experiences, they rarely, if ever, provide enough context to identify the root cause of problems for resolution. Think about the verbatim comments you've seen in surveys – they are either left blank, consist of a handful of words, or sometimes contain a short paragraph.

There simply isn't enough detail or context to have a clear picture of customer issues. Without that clarity, companies are often left with no clear actions to take. It's the equivalent of trying to affect broad scale change based on a small sampling of Twitter tweets.

A data source with exponentially more value

Now that we understand the limitations of common customer feedback approaches, let's turn our attention to a solution that will provide the scale, detail and context that are necessary to provide the actionable insights that will move a business forward.

Your customers are giving you rich, actionable feedback thousands of times a day – and you don't even have to ask for it.

Just stop by your contact center to listen to a few calls or read a few chats and emails. If you do, you'll immediately know how each customer feels about your company, your products and your support functions. More importantly you'll know the specific product for which the customer is contacting you, the exact problem, how the problem occurred,

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the requested resolution, the actual resolution, and more. This is the context that is needed to determine the root cause of the issue, and the number of customers that are affected. These are insights that are *actionable!*

Imagine an apparel company having the ability to know they received 455 contacts today about a newly launched jacket, that the jacket has a defective zipper, that the zipper is ripping near the neckline, that the vast majority were purchased from the same retailer, that the retailer is refusing to allow returns or exchanges, and that 75% of those customers were extremely upset about the situation.

How's that for actionable feedback? And the apparel company never had to ask for this input and hope for a response, or wait the weeks it would take via surveys if those were even capable of conveying that much contextual detail.

It Doesn't End with Calls and Chats

Phone calls and, increasingly, chat represent the bulk of customer interactions for most companies, but businesses now provide at least 3-4 different options to their customers for communication, with some offering as many as 10. That's a lot of complexity to manage, but the data from each of those channels has a specific value for a company. Let's look at some of the most common and high-volume channels.

Phone

Phone is clearly the most valuable of channels as a data source, in terms of delivering the contextual detail needed to understand the customer experience.

Typically the highest volume channel for most companies, phone is also the richest channel in content. Even in the age of ubiquitous online communications, people are talkative. They're far more inclined to give you details around issues over the phone than they are through native text channels. That comes at price, literally and figuratively.

First, phone calls must be transcribed to text before any classification model can be applied for analytics. Second, extended conversations, slang, accents, etc. can cause "noise" in the data that can be misleading. Fortunately, speech-to-text technology has improved, and classification models have been developed to weed out much of the noise from the data.

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Chat

Usually the second highest volume channel, chat sessions are generally more succinct than phone calls but there is still a good two-way dialog. It's sometimes easier to identify the specific customer issue in chat, but customers are less verbose so there are generally less details; more clarity of the problem, but less context around it.

One of the other benefits of chat is that product names are more easily identified in native text for classification purposes. Speech-to-text technology for phone has been known to struggle with accuracy where product names are concerned, due to the fact that many product names are not part of any common lexicon.

Channel	Volume	Contextual Detail	Analytic Value
PHONE	High	High	High
CHAT	Medium	Medium	Medium
EMAIL	Low	Medium	Medium
SOCIAL	Low	Low	Low
SURVEYS	Low	Low	Low

This table provides a high-level summary of analytic value for the most commonly deployed communication channels

Email

Email is normally the lowest in volume of the traditional contact center channels, and it is not usually the channel of choice for issues that need to be addressed in short order, but that doesn't mean there isn't value in email. **Consumers tend to use email for higher level complaints, suggestions or feature requests, and positive praise.**

Email can communicate more complex ideas or sentiments, so they tend to contain a depth or information supporting the subject. Those supporting comments can contain details and context needed for analytics.

Social Media

Arguably the lowest value channel from an analytics perspective, **social media comments tend to be terse, emotional and contain slang that can create noise. However, it is relatively easy to discern sentiment from these comments, and depend-**

ing on the company in question, they can be high-volume enough to deliver analytic value.

Surveys

The limitations of surveys have been discussed above, but it bears repeating that the combination of low volume, minimal details and polarity bias results in minimal analytic value. That said, the **numerical representation of a customer's satisfaction with a company and its products can be a consistent indicator of overall sentiment over time.**

Now that we've covered the analytic value of each of the primary channels, let's focus on how the value of each can be collectively leveraged to generate actionable insights for customer experience improvement. Fortunately, disruptive technology has been developed for this purpose.

Omni-channel customer experience analytics

Cloud-computing has paved the way for thousands of new technologies to help companies solve the problems that have been plaguing them for decades. An example of this is omni-channel customer experience analytics.

While speech analysis has been a prevalent part of the contact center suite of tools for a while, it has never truly delivered on its promise. Perhaps the existing providers didn't invest enough in that area, or maybe most potential users were priced out of the game. Either way, the inability to leverage speech analysis tools in meaningful ways has made companies more reliant on surveys.

The cloud has provided new options to free companies from these limitations. **Buyers are no longer confined to "workforce optimization" suites that include speech analysis along with call recording, workforce scheduling, and quality assurance tools, and can now look to best-of-breed point solutions for each, at affordable prices.**

Further, the cloud and APIs have made it possible to integrate disparate data sources. For example, it doesn't matter which suppliers provide your call recordings, your chat hosting, your email management, or your surveys. All of them can be integrated and analyzed as a unified whole, just like the customer experience they represent. A true omni-channel customer experience analytics platform is not encumbered by restrictions around your communication platform providers.

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The magic in these platforms is the ability to aggregate customer interactions regardless of channel, normalize the disparate sets of data (different communication platforms, CRM tools, etc.), and apply a classification model across the normalized data. By doing this, a user can look across the entire customer communication ecosystem for themes, trends and patterns of customer friction points in the data.

A user of an omni-channel CX Analytics platform can harness the unique value of each channel for synergistic results. Let's focus on surveys again. While we've thoroughly discussed the analytic limitations of surveys and product reviews, we also pointed out that the numerical representation of a customer's experience with a brand or product does have value.

A user of an omni-channel customer experience analytic platform can easily see that there is a particular product or promotion with low survey scores. Next, they can analyze the verbatim comments (normalized and classified) from those specific surveys to look for high-level themes.

Knowing that a handful of surveys and a cursory theme aren't enough to quantify and pinpoint the root cause of an issue, the user can quickly pivot to the high-volume, high-context channels such as phone or chat for more clarity around the source and scale of the problem. They can even drill down to the level of individual interactions, listening to call recordings or reading chat transcripts for empirical verification of root cause.

Because all this data is available in the same platform and has been synthesized using the same classification model, this can be done with a few clicks. **The surveys point to a possible issue with a specific product, but the phone calls and chats are what is leveraged to understand scale and context. This is a good example of how the survey channel can be complementary to the high-volume channels, and that's the value of an omni-channel platform.** This simply couldn't have been done with separate tools and disparate data.

Conclusion

Managing the Customer Experience is vastly different from soliciting customer feedback. Traditional customer feedback approaches such as surveys and product reviews provide a numerical representation of how a customer "feels" about a brand or a product. While there is value in affixing a number to the Customer Experience, that's largely where the value ends.

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Fortunately, your customers are providing that detail every day in the form of phone calls, chats, emails and more. Cloud computing has made harnessing the potential of that comprehensive data set more achievable than ever before.

An omni-channel customer experience analytics platform is the key to leveraging that information to make fast, data driven decisions about your products and services, your marketing, and your business processes. To manage the customer experience across that spectrum, you must be able to identify and resolve customer friction points quickly and effectively. The data and technology exist to do exactly that. The companies that are moving to implement that technology are gaining a huge advantage over those that are not.

ABOUT TOPBOX

Topbox's customer experience analytics software is the only omni-channel solution to aggregate and synthesize data from every customer interaction for deep analysis. A sophisticated classification model normalizes data from disparate channels, technology platforms, and languages, and applies a contextual framework specific to your business to deliver the most relevant and actionable analysis. This intelligence powers a transformative, customer-centric approach to product management, sales and marketing, and support services. To learn more visit www.topbox.io