

The Added Value of Customer Feedback





CUSTOMER FEEDBACK RESULTS IN 30X MORE VALUE

FROM YOUR CUSTOMERS AND PROMOTORS

& MARKET AND CUSTOMER NEEDS ARE SUBJECT TO CONSTANT CHANGE.

THAT'S WHY IT'S SO IMPORTANT TO COLLECT FEEDBACK TODAY

CUSTOMER FEEDBACK IS ESSENTIAL TO FIND OUT:
WHAT CUSTOMERS THINK OF THE COMPANY, PRODUCTS OR SERVICE,
WHAT THEY LIKE/DISLIKE AND FRUSTRATIONS

IF COMPANIES SUCCEED IN IDENTIFYING WHAT IS IMPORTANT TO THEIR
CUSTOMERS, THEY CAN REACT FASTER, MORE FLEXIBLY AND MORE
EFFECTIVELY TO CHANGES IN THE MARKET AND TO CUSTOMER
EXPECTATIONS AND NEEDS.

WHETHER CUSTOMER OR GUEST: IF YOU ARE A SATISFIED CUSTOMER,
YOU WILL BE HAPPY TO COME BACK.

ACTIVELY REQUESTING CUSTOMER FEEDBACK IS THEREFORE ALSO AN
EFFICIENT WAY OF RETAINING CUSTOMERS

ANYONE WHO WANTS TO BUY A NEW PRODUCT OR USE A SERVICE THESE DAYS HAS MANY WAYS OF FINDING OUT ABOUT IT IN ADVANCE. WHETHER SOCIAL NETWORKS, FORUMS OR RATING PORTALS - WITH PRAISE OR CRITICISM, EXISTING CUSTOMERS CAN INFLUENCE A COMPANY, ITS POTENTIAL CUSTOMERS AND THEIR SATISFACTION. BECAUSE THE MAJORITY OF CUSTOMERS FIND OUT ABOUT FEEDBACK AND PRODUCT RATINGS FROM OTHER CONSUMERS BEFORE MAKING A DECISION.

ALSO RECOMMENDATIONS FROM FRIENDS AND ACQUAINTANCES CAN CONVINCE UNDECIDED CUSTOMERS TO BUY. IT HAS NOW BECOME A MATTER OF COURSE FOR MANY COMPANIES TO OBTAIN FEEDBACK DIRECTLY, EVEN BEFORE IT BECOMES WIDELY PUBLIC.

AT THE SAME TIME, THEY CAN GATHER VALUABLE INPUT FROM THEIR CUSTOMERS' FEEDBACK AND THUS BE ONE STEP AHEAD OF THEIR COMPETITORS.

BUT IT IS OFTEN A LONG WAY TO GET THERE. BECAUSE EVEN WITH A LARGE CUSTOMER BASE, NOT ALL CUSTOMERS ARE WILLING TO EXPRESS PRAISE AND COMPLAINTS.

CUSTOMER RESPONSES OFTEN VARY IN QUALITY AND LENGTH. AS WITH PROSPECTING FOR GOLD, IT IS IMPORTANT TO TAKE A CLOSE LOOK AT THE FEEDBACK AND APPLY DUE DILIGENCE.

The following options are particularly effective for collecting customer feedback:

.POP UP EVENTS

.FEEDBACK EMAIL / PHONE

.ON SITE AND APP FEEDBACK

.USABILITY TESTING

.CUSTOMER SURVEYS

HIGH RESPONSE RATES, IT IS IMPORTANT TO MAKE IT CLEAR TO CUSTOMERS THAT THEIR TIME IS VALUED AND THAT THEIR RESPONSES WILL BE ADDRESSED.

.NPS SURVEYS

AUTOMATICALLY LEAD TO HIGH RESPONSE RATES BECAUSE THEY REQUIRE LITTLE TIME AND EFFORT ON THE RESPONDENTS PART.

NPS HAS PROVEN TO BE ONE OF THE MOST RELIABLE WAYS TO MEASURE CUSTOMER SATISFACTION.

.IT OFTEN TAKES YEARS OF RESEARCH AND AN ENORMOUS AMOUNT OF VALUABLE CUSTOMER ATTENTION FOR A SURVEY TO PRODUCE RELIABLE RESULTS.

BY CONTRAST, NPS WORKS WITH A LEAN, TIME-EFFICIENT PROCESS WITHOUT THE NEED TO STUDY STATISTICS.

.NPS ALSO DETERMINES HOW SATISFIED YOUR CUSTOMERS ARE AND HELPS IDENTIFY THE SOURCE OF PROBLEMS. IN OTHER WORDS, NO-ONE'S TIME IS WASTED AND LOOPS INTO A CONTINUOUS FEEDBACK AND IMPROVEMENT CYCLE.

INTERDISCIPLINARY CUSTOMER FOCUS CAN BE ACHIEVED IN THE COMPANY AND CAN BE USED TO MEASURE BRAND AFFINITY, A SINGLE PRODUCT OR SERVICE EXPERIENCE, OR EMPLOYEE ENGAGEMENT.

THE CONSISTENT METRIC COUPLED WITH LIMITLESS VERSATILITY IS ONE OF THE REASONS THE NPS IS SO POWERFUL.

A SUCCESSFUL NPS PILOT
PROJECT CONSISTS OF
FOUR BASIC PARTS:

1. SELECTING THE SURVEY
GROUP

2. SENDING THE SURVEY

3. READING, ANALYSING
AND TRACKING FEEDBACK

4. MAKING IMPROVEMENTS
IN RESPONSE TO FEEDBACK

START WITH THE
CUSTOMERS WHO ARE
MOST LIKELY TO ANSWER.
THIS HELPS THE PROJECT
GET OFF TO A QUICK
START.



Survey & Interdisciplinary Action Board Set Up Tips

HERE ARE SOME TIPS ON FINDING THE RIGHT CUSTOMERS FOR YOUR SURVEY - HIGHEST BETWEEN 6 A.M. AND 9 A.M., MONDAYS AND TUESDAYS.

CHOOSE CUSTOMERS WHO HAVE EXPERIENCED THE ENTIRE PRODUCT

EVENT-BASED SURVEY: SURVEYS ARE SENT AS A RESULT OF A CUSTOMER DOING SOMETHING WITH YOUR PRODUCT. THIS IS USUALLY SOMETHING IMPORTANT THAT CHARACTERISES THE EXPERIENCE (FOR EXAMPLE, SUBSCRIBING TO A PACKAGE, PLACING AN ORDER, OR ENDING A SUPPORT INTERACTION)

/OR/

TIME-BASED SURVEY: SURVEYS ARE REGULARLY SENT TO A REPRESENTATIVE CROSS-SECTION OF CUSTOMERS ON A SCHEDULE (E.G. MONTHLY, QUARTERLY, YEARLY).

FOCUS ON CURRENT CUSTOMERS

B2B COMPANIES CAN SEND A SURVEY 3 MONTHS AFTER CONVERTING

SAAS SHOULD ONLY BE ASKED AFTER JUST OVER ONE MONTH.

ONLINE RETAILERS SHOULD SET THEIR SURVEY TO BE TRIGGERED AFTER A PURCHASE OR DELIVERY.

START SMALL BATCHES OF 200 PEOPLE

POST SURVEY FOLLOW UP TIPS

TIMELY - WITHIN 24 HOURS FOLLOW UP

FOLLOW UP - MORE EFFECTIVE TO DIRECT EACH GROUP (PROMOTERS, PASSIVES, CRITICS) TO MARKETING OR CUSTOMER SERVICE

OPT IN PLAN - ASK AHEAD OF SURVEY TO DETERMINE APPROPRIATE BEST CHANNEL FOLLOW UP

PROMOTERS BUILDING STRENGTHS AND LEARNING WHAT CUSTOMERS VALUE ABOUT THE COMPANY, WHAT CAN THEY NOT LIVE WITHOUT? WHAT COULD MAKE THE EXPERIENCE EVEN BETTER? CONSIDER REFERRAL PROGRAMME

TURNING A PASSIVE INTO A PROMOTER CAN BE A LOT EASIER THAN TURNING A CRITIC.

AS SOON AS A CRITIC GIVES FEEDBACK, THE CLOCK STARTS TICKING. THEY GIVE THE COMPANY A CHANCE TO PUT THINGS RIGHT AND THEY ARE WAITING FOR AN ANSWER.



EXPRESSED IN NUMBERS:

ON AVERAGE, A PROMOTER
BUYS AROUND FOUR TIMES
MORE THAN A DETRACTOR

A PROMOTER'S AVERAGE
SHOPPING CART IS AROUND
62 PERCENT LARGER THAN
THAT OF A DETRACTOR

PROMOTERS ARE
SIGNIFICANTLY MORE LIKELY
TO BUY ADDITIONAL
SERVICES AND PRODUCTS
THAN PASSIVES OR
DETRACTORS
IN ADDITION,

ON AVERAGE TEN
PROMOTERS GENERATE ONE
NEW CUSTOMER, DRIVING
ADDITIONAL SALES

MORE ABOUT THE NPS SYSTEM

THE NET PROMOTER SYSTEM GIVES YOU AN EXTREMELY EFFICIENT YET UNCOMPLICATED TOOL TO GENERATE INFORMATION ABOUT CUSTOMER SATISFACTION FROM THEIR FEEDBACK.

WITH THE HELP OF NPS FEEDBACK, BOTH YOUR PRODUCTS AND YOUR CUSTOMERS' EXPERIENCE CAN BE CONTINUOUSLY IMPROVED.

AS AN EXTRA BONUS, IT ORIENTS YOUR ENTIRE COMPANY TOWARDS CUSTOMER SATISFACTION AND CREATES A STRONG CUSTOMER FOCUS

ANYONE WHO WANTS TO BUY A NEW PRODUCT OR USE A SERVICE THESE DAYS HAS MANY WAYS OF FINDING OUT ABOUT IT IN ADVANCE.

VIA SOCIAL NETWORKS, FORUMS, INFLUENCERS AND RECOMMENDATIONS FROM FRIENDS OR ACQUAINTANCES CAN CONVINCE UNDECIDED CUSTOMERS TO BUY.

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VALUE OF CUSTOMERS

WHAT ROLE DOES CUSTOMER VALUE PLAY IN CUSTOMER RELATIONSHIP MANAGEMENT?

WHICH CUSTOMERS SHOULD COMPANIES PAY SPECIAL ATTENTION TO?
TO ANSWER THIS QUESTION, SEVERAL FACTORS NEED TO BE CONSIDERED.
BECAUSE IF YOU ONLY EVALUATE CUSTOMER RELATIONSHIPS ACCORDING TO
POTENTIAL SALES,
YOU ARE SOMETIMES THINKING FAR TOO SHORT-TERM.

IN THIS ARTICLE, WE SHOW HOW BRANDS RECOGNISE THE TRUE POTENTIAL OF THEIR
CUSTOMERS AND WHAT SEGMENTATION OPTIONS ARE AVAILABLE.



WHAT POTENTIAL DOES A CUSTOMER HAVE?

SALES POTENTIAL >

•REVENUE POTENTIAL IS OF GREAT IMPORTANCE. BECAUSE IT IS NOT ONLY DECISIVE HOW MUCH A CUSTOMER HAS ALREADY SPENT ON A COMPANY'S PRODUCTS OR SERVICES. EQUALLY IMPORTANT ARE THE SALES TO BE EXPECTED IN THE FOLLOWING YEARS IN ORDER TO BE ABLE TO GO THROUGH THE INDIVIDUAL STAGES OF THE CUSTOMER LIFETIME VALUE IN FULL.

CROSS-SELLING POTENTIAL >

•GET LOYAL CUSTOMERS ENTHUSIASTIC ABOUT NEW PRODUCTS AND THUS INCREASE THEIR CURRENT CUSTOMER VALUE EVEN FURTHER? WITH CROSS-SELLING, COMPANIES CAN ALSO GENERATE ADDITIONAL SALES WITH EXISTING CUSTOMERS THROUGH ADDITIONAL OFFERS. EXISTING CUSTOMERS SHOULD BE ENCOURAGED TO PURCHASE ADDITIONAL PRODUCTS OR SERVICES. THE AIM IS TO SELL AS MANY DIFFERENT PRODUCTS AS POSSIBLE FROM A COMPANY, WHICH IDEALLY COMPLEMENT EACH OTHER IN A MEANINGFUL WAY.

CONTRIBUTION MARGIN POTENTIAL >

•THE CONTRIBUTION MARGIN POTENTIAL OF A CUSTOMER IS CALCULATED FROM THE SUM OF THE CURRENT CONTRIBUTION MARGIN AND THE CONTRIBUTION MARGIN PREDICTED FOR THE FUTURE . THE CONTRIBUTION MARGIN POTENTIAL THUS ALSO INCLUDES FUTURE VALUES. THIS MAKES PERFECT SENSE IF COMPANIES WANT TO MAKE LONG-TERM DECISIONS.

CONTRIBUTION MARGIN USUALLY GOES HAND IN HAND WITH HIGH CUSTOMER SATISFACTION .

REFERENCE POTENTIAL >

•IS A CUSTOMER A MULTIPLIER WHO INSPIRES FRIENDS AND ACQUAINTANCES WITH THE COMPANY AND ITS PRODUCTS? THEN IT MAY HAVE HIGH REFERENCE POTENTIAL FOR A COMPANY. THE REFERENCE POTENTIAL DESCRIBES THE NUMBER OF ALL POTENTIAL BUYERS THAT AN EXISTING CUSTOMER CAN INFLUENCE POSITIVELY OR NEGATIVELY THROUGH RECOMMENDATION. TWO FACTORS USUALLY DETERMINE THE SIZE OF THE REFERENCE POTENTIAL: CHARACTERISTICS OF THE REFERRER AND CHARACTERISTICS OF THE PRODUCT OR SERVICE IN QUESTION

CUSTOMER LOYALTY POTENTIAL >

•HOW HIGH IS THE POTENTIAL FOR LONG-TERM CUSTOMER LOYALTY? AN IMPORTANT PRINCIPLE IS THAT THE GREATER THE CUSTOMER SATISFACTION, THE LONGER THE BUSINESS RELATIONSHIP USUALLY LASTS . A LONG BUSINESS RELATIONSHIP IN TURN REFLECTS HIGH CUSTOMER VALUE. IN SUMMARY, THIS MEANS: THERE IS A RELATIONSHIP BETWEEN CUSTOMER SATISFACTION AND CUSTOMER VALUE. BUT THE REFERENCE POTENTIAL OF A CUSTOMER IS ALSO LINKED TO THE EXTENT OF HIS SATISFACTION. THE HAPPIER A CUSTOMER IS, THE MORE LIKELY HE IS TO RECOMMEND A COMPANY OR ITS PRODUCTS TO FRIENDS AND ACQUAINTANCES.

MANY OTHER MODELS WITH OUR DATA SCIENTISTS

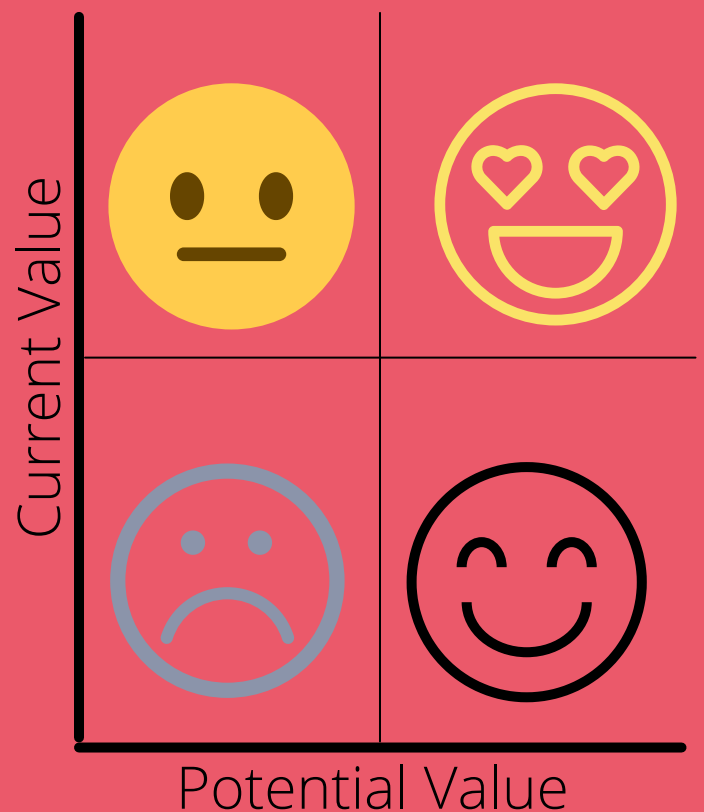
CUSTOMER LOYALTY POTENTIAL >

WILLINGNESS -TO-PAY POTENTIAL >

CUSTOMERS



SEGMENT VALUE MATRIX



WHAT MODELS OF CUSTOMER
SEGMENTATION ARE THERE?

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ABC ANALYSIS >

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CUSTOMER PORTFOLIO >

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CUSTOMER LIFETIME VALUE >

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SCORING MODELS >

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CUSTOMERS AND BUSINESSES - IN A
DIALOGUE OF UNDERSTANDING CREATES
SYMBIOTIC GROWTH AND VALUE
OPPORTUNITY

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