



Workshop notes from Gordon Shields, Research Director, JD Power and Associates  
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### **What drives an organisation to improve customer feedback and performance management?**

- Customer feedback is a critical part of the performance improvement process of any organisation. It allows an organisation to determine what is important to customers and therefore direct actions to align activities to best meet these needs.
- It helps an organisation to determine what performance gaps it has in respect of its customer needs, as well as against competitors (benchmark activities). By using attitudinal and behavioural metrics in the feedback process, it also allows an organisation to determine what operational changes have to be made in order to deliver an improved customer experience.
- Intrinsic in measuring customer satisfaction or using any customer feedback process is the need to determine the drivers of a specific outcome. In a commercial environment this is often increased loyalty or advocacy. However, in non-profit based organisations, the outcome may be related to decreased service usage (call centres call volumes, enquiries at a government department, etc.) or improved program uptake.
- Therefore, the ideal output for an organisation is to use customer feedback to improve profitability, reduce waste and increase efficiencies.

### **What are the key barriers to achieving effective customer feedback?**

- Applying the appropriate research instruments. Often the most appropriate methodology can be the most expensive, thus reliance on mail surveys, phone or even group discussions in order to reduce costs, may limit the value of the research and skew results. In Africa, often face-to-face interviews in situ and in the local vernacular are best.
- It is vital that customers using a particular service or product are able to provide honest responses to an experience that matters to them, in a language that is both appropriate and unambiguous.
- Feedback processes can fail if respondents believe they have to provide a set answer in order to gain favour or to be seen to be aligned to a specific point of view (acquiescence bias). Traditional negative influencers may be for example, incentives from a car dealer for a service survey, access to funds from a local authority, or concern about being seen to have non-traditional or accepted views on a particular social norm.
- The subject matter is too complex or intricate for a customer to provide accurate feedback on. Often organisations measure performance on metrics which cannot easily interpreted into succinct and easy to understand questions.
- The outcome measure is not clear for the feedback process. The most effective feedback process is based around a set of clear outcome metrics: e.g. increased customer loyalty, reduced number of return calls, improved profitability, etc. When a feedback process resembles a “catch-all” approach then the focus and design of the improvement activities is often impaired.

- All stakeholders should agree on the key metrics to measure and the validity of the research tool should be agreed upon across all parts of the organisation it touches.
- Organisations that have no incentive to listen to customers, either because they are a monopoly with a captive market, or they are not directly accountable for the type of service or products delivered to customers.

### **Evidence of effective feedback**

- The results become a currency for the organisation. Each stakeholder owns their specific results and understands the value of the measures. For example, improving the speed of delivery of a product from 2 weeks down to 5 days is owned by the sales team and plant. The impact on satisfaction is known to be X% and overall influence of loyalty and advocacy Y and Z%, respectively.
- The organisation is aware of all the key drivers of customer satisfaction and has mapped out the touch points (via the customer journey) for its customers and identified ownership across departments and stakeholders.
- The organisation has been able to develop an improvement priority list with clear line-of-site targets with allocated resources and owners. Each target has been agreed upon by the organisation and owner and incentives are in place for meeting targets.
- Customer feedback is measured regularly to determine changes in performance, as well as measure changes in importance. For example, as one solution is created for a specific service issue, then the importance of that issue may be reduced. This may be the installation of a mobile phone transmitter in a local area placating the need for improvements in the quality and reception in the immediate vicinity. Thus, reviewing the needs and priority of customers is an on-going process.
- There is a culture developed in the organisation for continued improvement and customer feedback monitoring. Customer needs and expectations are continuously changing and it is incumbent on the organisation to counter these changing requirements. Toyota uses the Kaizen approach to reduce waste and help to continuously improve efficiencies. For other organisation customer feedback is integrated into a variety of improvement processes (Six Sigma, Lean, BPM, etc.).
- Customers are aware of the importance and value of their feedback to an organisation, encouraging honest and detailed feedback on specific experiences. Organisations which demonstrate that they act upon customer feedback, either directly to the customer or indirectly through product and service improvements, gain the trust and confidence amongst their customers and help to develop an on-going dialogue between both parties.