

The Ultimate Guide to Engaging with Customer Feedback



CUSTOMER•RADAR



It was the last thing you needed.

After a long shift—your sixth this week as Store Manager—you come across a bad review about your business online:

“Terrible place to shop. After hearing their ads on the radio, I decided to pop in and see if I could grab something nice for my partner on the way to work. Straight away, I felt like I was being a pain—the floor staff were more interested in what was happening on their phones than in serving me, and when I asked one of them for ideas, they rudely said it was time for their break. I left without spending anything, and definitely won’t be going back.”

A one-star rating, a lost customer, and another mark against your reputation.

The worst part is, you can’t even fix the issue now. The review was placed last month and doesn’t mention who the staff member was—even the customer only goes by the name ‘Kathy H’ on their Google review.

Disheartened, you grab your bag from the staffroom, wondering as you walk out the door what it will take to get your store the good reputation it desperately needs to beat the competition. If only there was a way to stop this happening.

Have you heard this story far too many times from your store managers? If you have, you’ve come to the right place. We’re here to show you there’s a better way of engaging with customer feedback, and your business needs to prioritise it.



CUSTOMER•RADAR

What the research says about engaging with online reviews

In 2016, Cornell University performed a ground-breaking study into the world of online reviews, the implications of which should be known by any business owner in the service industry.

Essentially the researchers looked at two aspects of customer engagement in the hotel industry:

- Encouraging customers to leave reviews
- Engaging with online reviews once they have been posted

For the first aspect, the study found that the act of simply asking customers to post a review after they had stayed in a hotel, increased the hotel's TripAdvisor ranking by a whopping **72%**.

For the second, it was found that revenue increases for hotels that respond to customers' online reviews. But, there was a catch:

- Increases in revenue are at their highest when 40% of reviews are responded to.
- Hotels saw diminishing returns when responding to more than 40% of reviews, with revenue actually being lower than before, when 85%+ of reviews were responded to.
- Significant increases in revenue were seen by responding to negative reviews, as opposed to positive reviews.



Ultimately, this research tells us four things:

1. Businesses need to let customers know they want their opinions (by asking them for reviews).
2. Businesses need to show customers they are listening to their opinions (by responding to responses).
3. Some approaches to engaging with online reviews are more effective than others (the ideal approach is responding to 40% of reviews, and mainly negative ones).
4. Doing the above will directly cause revenue to increase.

These findings are hard to argue with. Grumpy customers are an opportunity—engage with them, respond to their reviews, and your business's revenue will increase.

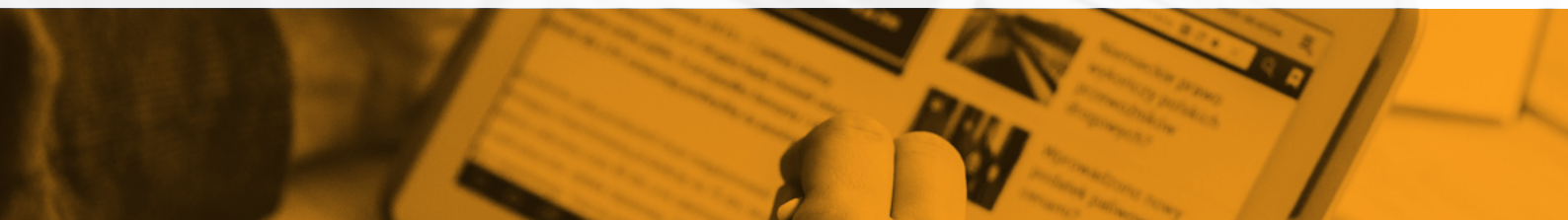


The boundaries of customer experience have grown

In this day and age, customer experience has become something of a buzzword. With disruption happening left, right and centre, the only way for businesses to compete with behemoths like Amazon is through providing a phenomenal customer experience.

What many businesses may not realise is that this customer experience extends to the online environment, and the post-purchase period.

That's right—the reason why the study from Cornell University is so conclusive is because they are effectively measuring customer experience. In fact, research from Harvard University builds on these findings and proves the need for a stunning online customer experience.



Online customer experience is the new battleground

Looking at two billion dollar companies, Harvard found online customer experience has a direct correlation to an increase in revenue.

By measuring customer feedback on the online experience, and then tracking subsequent customer spending, Harvard found that customers which had the best online experiences would spend 140% more. Not only this, but those who had the best experiences were likely to still be customers six years later, whereas those who had poor experiences would consistently take their business elsewhere within a year.

The findings were clear—how customers are engaged with online makes a difference, both to how much a customer spends, and how long a customer is willing to purchase from a business.



CUSTOMER•RADAR

What we know about engaging with customers online and what this means


Recent research has proven, beyond a doubt, that businesses need to prioritise their online experience. The low-hanging fruit in this area is by encouraging customer feedback, and then responding to a proportion of the negative responses.

Going back to our earlier story of the upset customer, imagine if the experience had panned out like this instead:

It's been a long day as Store Manager, and you're ready to clock out for the week. Just as you grab your bag from the staffroom and begin to walk out the door, you hear a 'ding' from your pocket. Checking your phone, you see a notification that a customer from this morning has given you feedback online.

Better deal with this, you think—you only get notifications to your cell phone when they're negative reviews.

Jumping onto your feedback dashboard, you see that the customer has written:



“Terrible place to shop. After hearing their ads on the radio, I decided to pop in and see if I could grab something nice for my partner on the way to work. Straight away, I felt like I was being a pain—the floor staff were more interested in what was happening on their phones than in serving me, and when I asked one of them for ideas, they rudely said it was time for their break.

I left without spending anything, and definitely won't be going back.”



CUSTOMER•RADAR

Her name is Kathy Hamilton, and the feedback she was prompted to give upon walking out of the store also captured her phone number. Picking up your phone, you give her a call:

“Hi, Kathy? This is Jade here, Store Manager at XYZ. I’m just calling to say how sorry I am that you had a bad experience this morning in our store. I agree with you completely—it’s unacceptable that our floor staff were on their phones, and as a customer, you deserve much better than this. I’ll have a chat to our team about making sure that doesn’t happen again, but in the meantime, we have a new product range that’s just come in. What do you say I send one of those out to your address with same-day delivery, so your partner can open it when they return home from work?”



After the phone call, you make a note to address the floor staff in tomorrow’s morning meeting about the use of their phones on the shop floor, making a particular note to speak privately with Keith about the timing of his breaks.



CUSTOMER•RADAR

Using technology to engage effectively with customers

It goes without saying: If a manager had the choice between the scenario above, or the earlier story of frustration, it's a no-brainer which one would be preferred.

But what was it about the above story that made it end so differently to the one earlier in this guide?



- The customer was **prompted to give feedback** as soon as they left the shop, rather than days later.



- The right person in the business was **notified** of the review **immediately**.



- The feedback platform **captured the customer's contact details**, so they could be contacted.



- The review process gathered the necessary feedback to be actionable, meaning the staff member responsible could be spoken with.



- The manager notified was **empowered to respond** to the situation in a way that would create a loyal customer.

Ultimately, these differences come down to technology. By employing a customer feedback platform that captures real-time, validated feedback, which is available to managers in a timely, actionable form, businesses are able to transform the way in which they engage customers online.

The evidence is clear—businesses can increase revenue by responding differently to online reviews. Unfortunately, few managers can say they've had the experience above, while most experience the first story on a regular basis.

Here at Customer Radar, we'd like to see that change.



CUSTOMER•RADAR