



HOW TO BUILD A FEEDBACK SYSTEM THAT ACTUALLY WORKS

By: **Guy Arnold**, Founder: Investors in Feedback



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INTRODUCTION

Everyone's telling you that you should be gathering feedback to build your reputation and make customers want to buy more and recommend you to their friends.

In the age of social media, the empowered customer and online reviews, you know that getting this right would be hugely valuable to you and getting it wrong could be deadly!

Yet somehow, the feedback systems you put in place don't seem to deliver the results that you really wanted.

- **You get low response rates,**
- **You don't get feedback from people you really want it from,**
- **You get no noticeable change in anyone's behaviour,**
- **The feedback you do get generally tells you what you already know.**



On top of this, you miss out on the massive opportunity, presented by using feedback systems, to encourage your customers to want to come back and buy again from you and spread the word to their friends...

The 5 main problems with 'normal' feedback systems

Low response rates

Very little new information

You miss the 'silent majority'

No change in behaviour

No real benefits like more referrals or a better reputation

So, it all seems like a bit of a **waste of time** for both of you!

But you know your customers are now empowered like never before: they can find out all about you and compare you to your competitors at the touch of a button.

Their opinion of you will not only heavily influence whether they want to come back to you, buy more from you and spread your reputation for the right reasons, but also influence other people who might want to do business with you.

In this market, effective, timely and accurate customer feedback is not just a tool, it is in fact the most powerful information you can gather to ensure you know what people think of you and what you need to do to keep attracting and retaining customers, improving your systems, and encouraging your customers to recommend and refer you to their friends.



Many feedback systems have sprung up to help you cope with this need using off-the-shelf simplistic web-based principles.

However, **most of these systems are far too simplistic**, they haven't been designed for your particular situation and are, very importantly, not liked by your customers at all. So, customers don't respond to them, they become uninterested in you, and unresponsive in general.

And this is why most feedback systems have the problems we mentioned:

- Very low levels of customer response
- Responses that are often incomplete, inaccurate and unhelpful
- No change in behaviour or results

In general, **a system that doesn't deliver any real value but that you still feel you ought to be doing.**

On top of this, poor systems produce feedback that is dangerously inaccurate at best, and misleading at worst.

AND your customer is left feeling uncared for, not listened to, and generally disengaged ...

Yet, you know there are always things you could improve, but all of the above issues stops them from telling you the genuinely valuable information you really need to hear!

It's a classic lose-lose situation.

- Your customers feel ignored and indifferent,
- and you don't get the information or loyalty that you need.

Because of this, feedback systems are so often seen as ineffective and frustrating by businesses, they get very little attention and investment, and the lose-lose cycle continues.

Perhaps it's time to stop using ineffective tools and face up to the fact that if something is truly valuable then surely, it's worth investing some time and effort in doing properly?

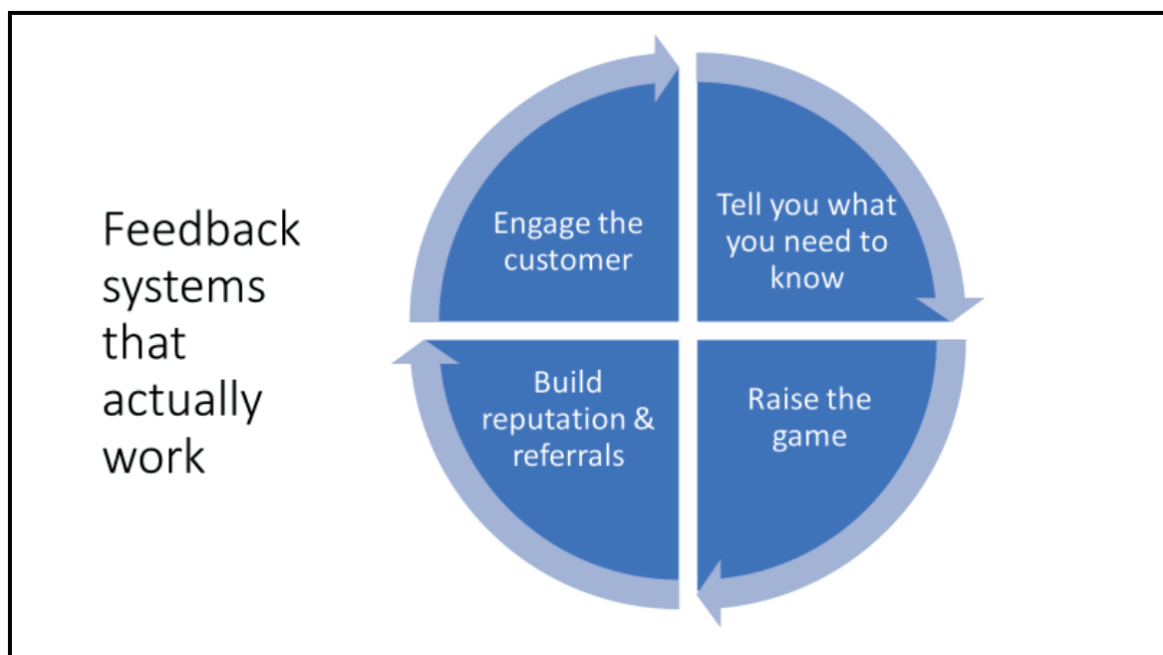
This short guide will help you create feedback systems that actually work for you.

That actually engage the customer.

That actually get the information you really need to know

That ensure everyone raises their game

and that actually build customer loyalty while encouraging them to recommend you to their friends.



WHAT DO YOU BELIEVE?

We are now living in a world where the customer doesn't need you to advertise yourself to them.

The customer isn't reactive...

The customer is proactive.

When they want something that you supply, they aren't going to look at adverts, they're going to go and search for it on the web or ask a friend.



In a nutshell, the customer is empowered, and your business reputation is transparent. This reputation will determine whether the customer will be attracted to you and will want to buy from you... or not.

In this market, feedback is the key tool that you need in order to understand what you are required to do to keep improving and keep being worthy of customer loyalty and customer referrals.

Do not listen to experts (even 'experts' like us!) on how to improve your business and get more customers! But instead, **the best expert in your business is the person or organisation who is actually buying from you yesterday, today and tomorrow.**

In order to find out what they truly think, what they want you to do differently, and what issues they are experiencing in getting what they want, you need to be listening to them through powerful, professional, effective, simple and customer-engaging feedback systems.

Now, of course, this is all common sense.

You don't need us to tell you this information, but as we've discussed, **despite the fact that you know how important and how valuable feedback systems could be to you, you often find that your feedback systems hugely under-deliver and don't give you the information or support that you really need in order to make these things happen for you.**

Because of this, so many organisations fail to grasp the opportunity that great feedback systems present, and instead put in place these simple off-the-shelf systems and treat feedback as a simple tool for PR and to look good rather than seeing it as one of the most important and valuable tools at their disposal.

The latter belief is required if they really want to get it right and grow continually without the need for ongoing marketing, advertising and offers.

So, you have a choice to make. Now is the time to make it.
What do you believe?

EITHER: you're convinced that if you could get your feedback working brilliantly for you, it could help you do amazing things and grow your business exponentially through loyalty, cross-selling, up-selling, reputation and referrals.



OR: You think, 'no, I've tried it before, and I really don't think it's going to work for me'; in which case I would suggest you stop reading this information now.



To summarise, feedback is:

- Either an add-on to use to vaguely promote your business and show a bit of PR,
- Or it's a foundational tool that affects everything you do.

If you agree that it could and should be foundational to your business, read on. If not, I suggest you stop and use a “cheap” off-the-shelf system to do the basics for you for a low cost.

If you agree that it could and should be foundational to your business, here are **7 steps to success** –

How to build a feedback system that actually works!

OVERVIEW

How to build a feedback system that actually works

- Step 1 – Start with the right intent
- Step 2 – Build feedback into the very DNA of your business
- Step 3 – Identify and publish tangible results
- Step 4 – Go The Extra Inch
- Step 5 – Use the right tools for the job
- Step 6 – Have clear scores and continual accountability
- Step 7 – Have an INTERNAL response, accountability and improvement system



STEP 1 - Start with the right INTENT

Make sure that you personally are 100% committed to the idea of your business strategy being to grow sales and profits through customer loyalty, cross-sales, up-sales, reputation and referrals, rather than through costly and time-consuming marketing, advertising and offers.

And believe that top quality feedback from all is the key to help you achieve this consistently and continually.

The INTENT of our Business is:

- To grow sales and profits through customer loyalty, cross-sales, up-sales, reputation and referrals.
- And we believe that top quality feedback from all is the key to help us achieve this consistently and continually.



If you have any other INTENT, you'll see feedback as an 'add-on' and as a cost to your business – then you won't give it the time, attention and investment it needs, and you'll get disappointing results and be back to square one.

Feedback is not and never will be a quick fix.

You need to have the INTENT to be an 'Investor in Feedback'



STEP 2 - Build feedback into the very DNA of your business.

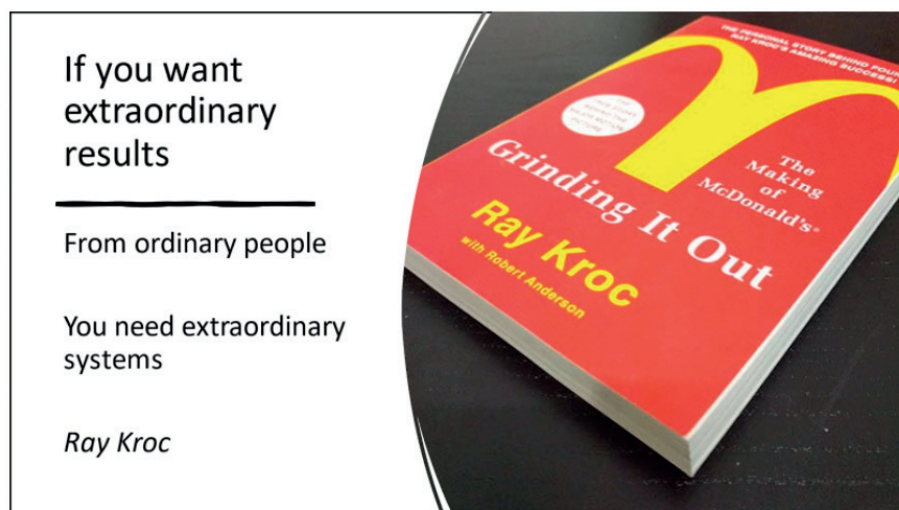
OK: you're committed because you're still reading. What now?

Like most things that are common sense, it's much easier to **say** that you need to gather effective, professional and customer-focused feedback, but of course it's much harder to actually **do** in a way that really works.

The key phrase here is that 'you can take a horse to water, but you can't make it drink.'

You can only set up the right sort of systems and continually improve them, but you can't change your business overnight.

However, if you do set up the right systems and continually improve them with the focus and obsession, we discussed in Step 1, then it's highly likely that over time this will start to work magnificently for you.



Your business will start to flourish and become ever busier and ever more profitable as customers buy more and you get more and more customers more easily without needing to spend time and effort on advertising and marketing, or give away your margin on promotions and offers.

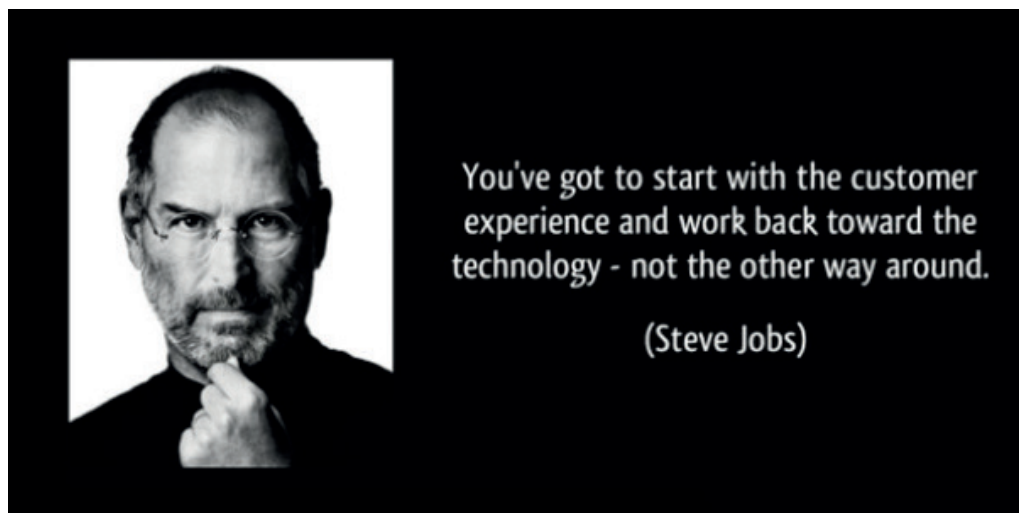
Indeed, if we look at the winners in the market of today, every one of them has grown through reputation driven by feedback from their customers.

This consequently provided these winning businesses with the information they needed in order to deliver an experience to the customer that would make them passionately loyal and proactively willing to refer the business.

Look at Google for example. Did you start using Google because you saw an advert? Or because someone told you how good it was?

Look at eBay. Do you use it because it's well advertised? Or because it does exactly what you want it to do and because it has been honed through years and years of feedback and tweaking?

Look at Apple. Are Apple's customers fiercely loyal because the marketing is sexy (granted it is fairly sexy!)? Or is it because Apple pay attention to what their customers really crave, and focus their products on design, power, and ease of use, rather than trying to jam in every single bell and whistle?



Your business is unique. You know what problems customers are looking to solve when they buy from you.

But your market is constantly changing, and your competitors are constantly arriving from all sorts of different areas.

On top of this, the whole world is changing, driven by two-way mass communication, artificial intelligence and Machine Learning. So, it is highly likely that what your customers want tomorrow will be very different, at least in some ways, from what they are wanting today.

This pace is not only changing but accelerating faster and faster.

Even though you feel you are currently an expert in what you do, I suggest that customer feedback - done right - will be the greatest tool and support that you can have in order to keep fresh and relevant to your market.

In a nutshell, Step 2 is, what do you really want?

Do you want to just do ok? Or do you want to really smash it, and keep on top of your game no matter how much it keeps changing and how much your competition try and buy your customers away from you through special offers and deals?

You are an independent business, and you cannot compete in the big leagues in terms of marketing, advertising, offers and deals.

There are oceans of trillions sloshing around the world looking for good ideas to invest serious money in, and any of this ocean of trillions could come your market's way very quickly, suddenly buy up your competitor and super-charge it with marketing and investment which would blow you out of the water overnight.

The only way to make sure that cannot happen is to be always absolutely tip-top sharp and on the top of your game by passionately and effectively listening to your customer and responding to what they say, both directly at the time, and in how you evolve your business.

Yes, it is possible to have it all:

- A really enjoyable job
- Wonderful people around you
- An excited and motivated team
- Fiercely loyal customers
- Growth through loyalty, reputation and referrals so you don't have to waste time and money on the latest fad in marketing and advertising
- Great systems to take away all the stress
- Spend your time on what you love doing rather than chasing your tail trying to do everything because life is so busy and frenetic

It is possible.

You do need the right systems to make this happen though.

Proper, consistent feedback will give you all the information you need to:

- Know what you need to do to create this.
- Know how to do it step-by-step and week-by-week through a continual improvement process... not a revolution.

Does this turn you on? or frighten you? Either is ok. Step-by-step is the key!

If this turns you on (and maybe also if this frightens you) we suggest the place to start is with your 'mission'.

We've worked with hundreds of businesses to try and create a 'mission'. What we mean by 'mission' is not some naff, marketing-driven catchphrase that sounds cool and was dreamed up at an away day at a 4-star hotel over a five-course meal with plenty of wine, but rather, **a true statement of beliefs about what you really want at your core. Your DNA of the business.**

What are your real passions for the customer?

Why did you choose to run or own an independent business?

What do you want people to say about you behind your back?



Your 'mission' is an exposure of your inner beliefs.

Set them out on the table so that customers, employees and suppliers alike, can see exactly what your beliefs are, what motivates you, so they can decide whether you're for them, because they share your beliefs and are happy to be also driven by them, or whether you are perhaps not the right fit for them.

Some good examples of 'missions':

Tesco: To earn a customer's lifetime loyalty.

Apple: To make a contribution to the world by making tools for the mind that advance humankind.

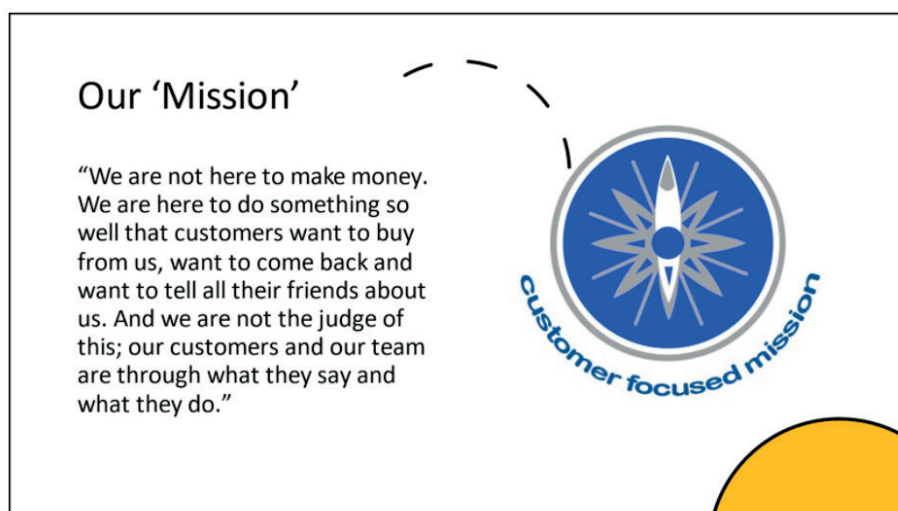
Amazon: To be the worlds' most customer-centric business.

Amazon's 4 unshakable principles that drive everything they do:

1. Customer obsession (note that's customer obsession and not customer focus!)
2. Continual innovation through feedback and failure (where have you heard that before!)
3. Operational excellence (learnt through feedback!)
4. Long term focus (learnt from what customers are saying they want but can't get, from their feedback! ... amongst other things.)

So we suggest that having some sort of 'mission' is absolutely vital because what we are asking you here is to build feedback into the very DNA of your business, so that you attract a team who want to be held accountable by feedback, and you also attract customers who want to become loyal to you, tell you what you need to do in order to continually improve, and refer you to their friends.

We suggest start with a 'mission' that is something like this:



Then you can distil and hone it until you get to something that generates real excitement and passion in your people.

Success goes to those who slow down, commit to this properly, think about what they are doing, make a public 'mission' statement and then start to get on with it step-by-step.

STEP 3 - Identify and publish the tangible results you're seeking.

Begin with the end in mind



First Goals

- Feedback scores
- Behaviour metrics
- Reputation

Second Goals

- Customers
- Sales
- Profits

So, the next step is to look at **what results you want** and find some hard figures to justify the time and effort you are going to need to spend in gathering and responding to feedback.

Because, let's face it, if doing feedback well and effectively were easy, then everyone would be doing it ... and we all know that they aren't!

Do some homework on the back of a fag packet:

- What is the **lifetime value of one customer?**
- How many **referrals** might one customer refer to you each year if you were remarkable in everything that you did because you listened and responded to feedback so well?
- What is your **average order size** and what could it be if you managed to continually up-sell and cross-sell?
- What is your **average order cycle** and how much could that be improved if you were so wonderful that customers turned to you as first choice every time?
- What **cross-selling** opportunities are there now and what might there be in the future if you managed to really get your house in order and put systems in place that meant that you could relax and stop chasing your tail all day and instead start strategizing and looking for opportunities to grow your business through **cross-selling, up- selling, new products and new ideas?**
- What would happen to your business if you could increase all of these by 10%, 20% or 30% per year and if you did that, **how much money could you make extra on your bottom line (with little or no extra costs)?**

Spend 10 minutes on that homework to get a rough figure. This is not A level maths, this is just basic 'back of fag packet' economics to give you some idea of the potential size of the goal.

What tangible results do we want from our feedback?

- Motivation of our people.
- Improvement of systems.
- Increase in the lifetime value of a customer.
- Number of direct referrals.
- Improvement in reputation and customer attraction.
- Average order size.
- Average order cycle.
- Cross and Up Selling.
- Ideas for innovation and development.
- What else?



Now you need to ask yourself...

Firstly, **if the goal is big enough**, how much of that extra profit are you willing to invest each year, with the confidence that by investing that money, time and effort you will actually reach that goal?

And secondly, what **if that goal or figure isn't big?** Are you really being truthful? Are you being too cautious? Do you need some support to look at things a little more holistically because if you can't see a massive upside from customer loyalty, reputation and referrals, then perhaps your business is much more fragile than you would like it to be?

And lastly, with all of these possible figures, just remember what's could come around the corner if you don't have great feedback systems in place. What are the threats that might be coming that are either **known unknowns, or even more drastically, unknown unknowns?**

The threat that closed 90% of bookshops when Amazon got going. The threat that put Yellow Pages out of business when Google got going. The threat that forced hotels and pubs to massively raise their game when Trip Advisor got going. The threat that's turning professional and transport services upside down.



What is the next threat on the horizon in your market?

How will you see it coming if you don't have GREAT feedback systems?

Softer Measures:

Now you have done a few basic financials, what about the softer measures? What results do your people/team want and what results do your customers want?

Your people first of all:

- How committed are they to putting themselves out for you and helping you find new and better ways to make more money and wow more customers?
- How committed would you actually want them to be?
- **How big is the gap between these two?**
- How can you ensure that you have the right people so that when you start to get feedback systems working really well, your people will flourish and be enthused rather than see them as a threat?
- How will you ensure that you use feedback constructively to make sure that you make the most of all praise that comes your peoples' way and use the criticism constructively to improve your peoples' skills, resilience and ingenuity?

Now your customers:

- What are the issues they really want solved when they buy your products from you?
- What issues might they start to have in the future?
- What inherent problems are there in your market?
- What, perhaps, is the opportunity to disrupt your market?
- What do you need to be in order for them to be fiercely loyal and rave about you?
And how can you ensure that you nail this?

Of course, the answer to all of these is developing step-by-step, powerful, professional, effective customer focus feedback systems that give you all this information continually into your business.

So in a nutshell, identify and publish tangible results for your people, your customers and your business that you could all enthusiastically support so that you maintain the drive to see how feedback will benefit you and the enthusiasm to support it at every step.

What gets measured gets done.

STEP 4 - Go the Extra Inch

Put Feedback Systems in place inch by inch.

This principle is not about getting your customer feedback systems perfect from the off, but about making a start and continually seeking to improve.

We would suggest that there are 3 areas that you need to look at in order to put great feedback systems in place:



Area 1 - Identify the key points in your customer's journey that you need to gather feedback from (and when your customer would like to tell you about it)

What experiences does your customer have when they come across you for the first time, start to look at what you do, start to contact you, start to buy from you, get served by you, and then go away from you?

Where in this journey do you need to know what they are thinking or doing in order to continually improve at every step?

So, if you could improve each of these steps by 10%, then you would have a 10% increased attraction, a 10% increased conversion, a 10% increased value of sale and a 10% increased loyalty. Based on sales of £10,000 a week, the first 10% improvement would turn that to £11,000.

The second 10% would turn that to £12,100, the third 10% would turn that to £13,310 and the fourth 10% would turn that to £14,641.

That is a **46% increase in profits from a 10% change in effectiveness** at every step of the journey and these sorts of things are easily achievable through effective feedback systems.

Area 2 - Put the right type of feedback in at the right place

In your customer journey there are key moments of interaction which we call 'moments of truth' and the simplest way to think about moments of truth are to see them in 3 sections:

1. The moment when a customer sees your product or service for the first time and formulates an opinion about it from what you say but most importantly, what other people say about it.

2. The subsequent collection of experiences that they have while dealing with you and buying your product or service.

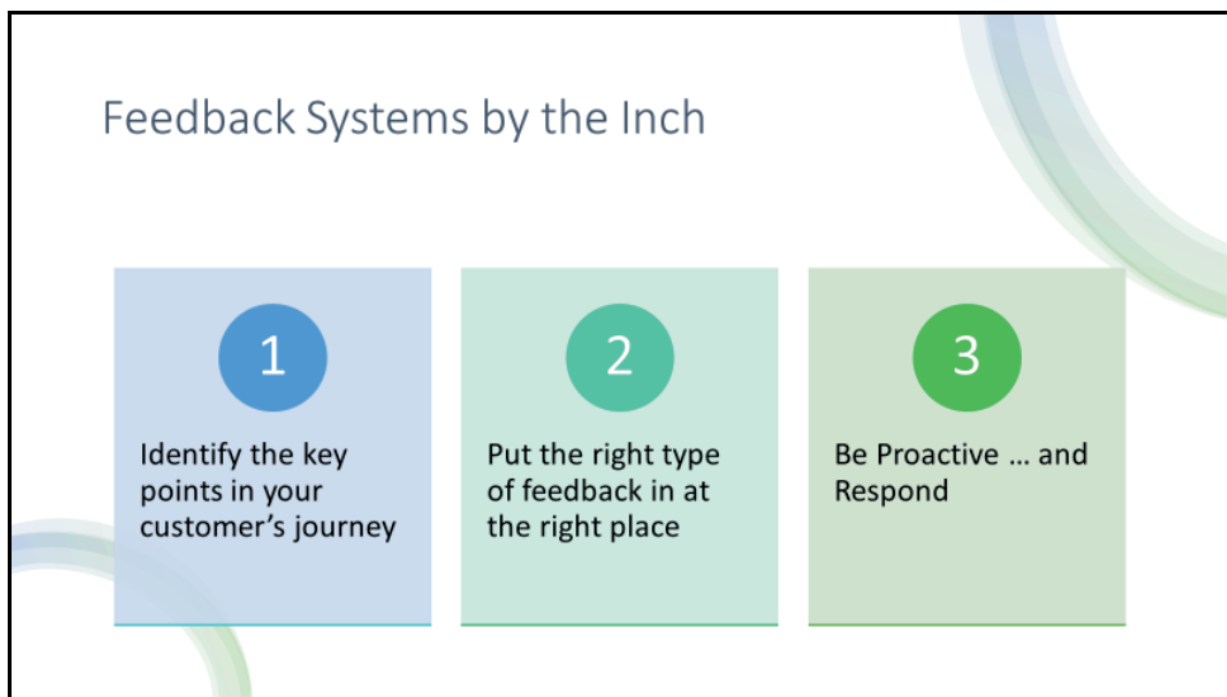
3. When they bring all of these together after they have purchased from you and form an opinion that they then will share with others about you behind your back.

On top of this, Google have coined the term called a 'zero moment of truth' to explain the event in which people search for your information online and make decisions about you before they even contact you. These decisions are based on what other people are writing about you and what reviews you have online that have come from previous customers.

Area 3 – Be Proactive ... and Respond.

So, the end of the process, after the third moment of truth, is when the customer has formed an opinion about you. But before they publish their opinion about you to others, take the huge opportunity to be proactive and find out what they really think (with a great feedback system) and respond to this in a way that will ensure your reputation spreads and grows for all the right reasons rather than the wrong reasons!

More details on this later!



3 TYPES OF CUSTOMER RELATIONSHIP

Remember to use the right type of feedback system for the right type of transaction. There are basically three types of customer relationship:

1: Transactional

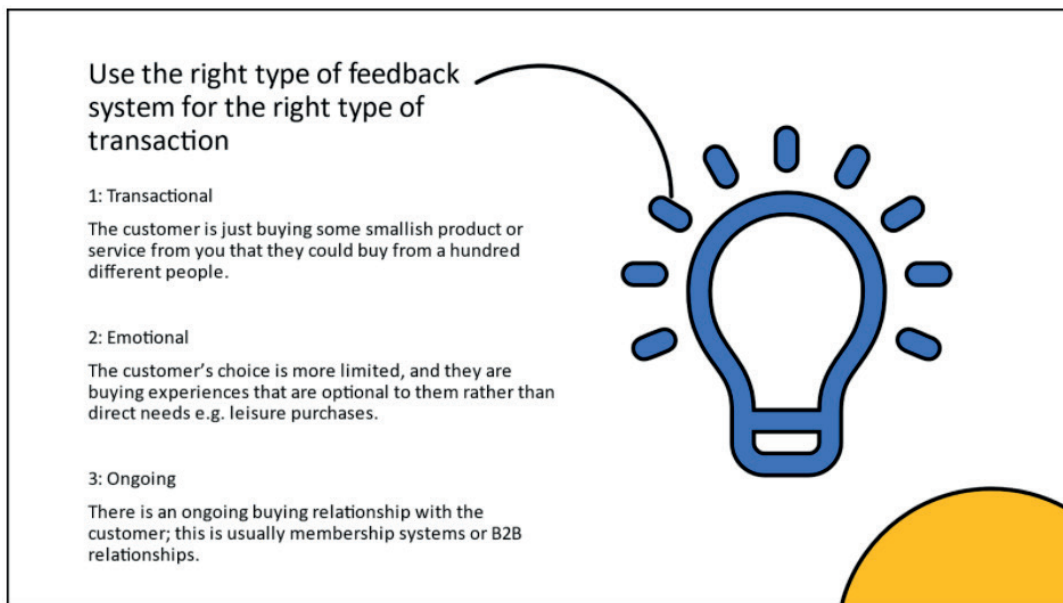
The customer is just buying some smallish product or service from you that they could buy from a hundred different people.

2: Emotional

The customer's choice is more limited, and they are buying experiences that are optional to them rather than direct needs e.g. leisure purchases.

3: Ongoing

There is an ongoing buying relationship with the customer; this is usually membership systems or B2B relationships.

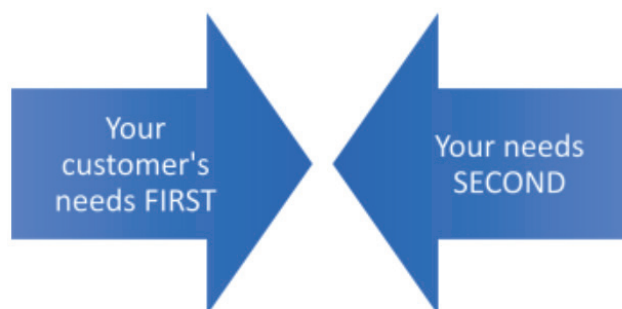


Customer's needs first

It is vital to focus on what works for the customer first and how to add value to the relationship.

Do this well (read on!) and the customer will understand why they are giving you this feedback, how much you will value it and how well you will respond to it therefore being keen to give it to you. This is an absolutely crucial point and something that you would be wise never to forget. So, your feedback systems have to be focused on the customers' needs first ... NOT YOUR NEEDS!

Make sure that you always ask for feedback from the point of view of the customer, not from your point of view. They need to see this as genuinely asking and listening to understand ... NOT as part of your internal systems.



You feedback systems need to:

- Be clear on what they're trying to achieve (feedback, not marketing in disguise!), so they build **TRUST!**
- **Make the customer's life easier or better** by the way they're designed and how the questions are asked (customers always prefer open questions, even if it makes life a little harder for you)
- Be **attentive to their needs** in the context of when they're being asked for the feedback: short and snappy when it's appropriate, more in depth when it's appropriate.

Another key principle: never mix feedback with marketing or solving: they are separate systems, and the customer expects them to be.

FEEDBACK FIRST – RESPONSE SECOND – NO EXCEPTIONS.

The next thing, now you've worked out what will work for the customer, is how can you then make that also work for you?

As you've probably noticed, this is a point that most businesses get massively the wrong way round!

2 key principles that most feedback systems violate



Ask from the customer's context.



Keep feedback systems and response systems separate

Consider that now you've got a feedback system that works for the customer first and works for you second, what can you now do with the information?

- You need systems to **react** to it, **respond** to it brilliantly, and find ways to **reward** the customer for giving it to you.
- You need to find ways to **rejuvenate** your systems so that you can continually improve and be fit-for-purpose.
- You need to find ways to use it to **renew** yourselves by developing people, improving systems, and putting continual innovation in place.
- You will have noticed those last five points as what we call the 5 Rs: react, respond, reward, rejuvenate and renew.

Use Feedback to

React

Respond

Reward

Rejuvenate

Renew

STEP 4: Go The Extra Inch

The idea is that you need to start somewhere. Look at your customer journey and your moments of truth and at the end of process put the right type of feedback in place step-by-step, inch-by-inch, depending on the type of customer relationship.

Remember, what works for the customer comes first, what works for us comes second and what we do with the information comes third.

'GREAT OR POOR'

In my First book, 'Great or Poor' I outline in full detail a very simple but powerful 'general feedback' process, using 3 + 1 questions: there isn't room to republish this here, so if you'd like a free copy of this book, please do contact us – support@slow-selling.org and we'll send you a copy with our compliments.

This will enable you to see a full example worked though step by step, to help you put these ideas into practice quickly.

STEP 5 - Use the right tools for the job.

So, now we have got a little bit of a start, what tools could we use? When could we use them? What are the guiding principles?

The tools that we use will depend on when is the most appropriate time to use them.

So in a **transactional** relationship you may need **only one or two tools** because it's a simple transaction.

In an **emotional** relationship it may be slightly **more involved**, and the feedback system may need to be thought through in a lot more depth. How you inform the customer and earn their loyalty will also need to be considered carefully and with continual review and reflection.

In a **deeper ongoing relationship** situation with your customer: perhaps where it's B2B, continual purchasing or some form of membership, then the feedback system may well be very **in-depth and continual** in all sorts of ways to ensure that your customer stays loyal, wants to perhaps buy more from you, and definitely wants to recommend and refer you behind your back.

So, the tools to use depends on the situation and every situation has its own customer journey that will need to have its moments of truth identified for you to put the right feedback system in place.

So, there are 7 types of tool that you can use:

1. Simple automated feedback systems

Now these are the systems that you are probably fairly familiar with and you will see all around you, but you will have noticed that some of them are much better designed than others and encourage you as a customer to give feedback because it's quick and very focused on you and your needs.

2. Slightly deeper automated feedback systems

These are the systems where you request the customer's permission to ask them a few more questions in order to find out a few key things. An example of this would be where you have asked them what they thought of you and why. You then might want to ask them what words they used to find you on the web, or could they tell you why they chose you instead of one of your competitors, or how they found you.

3. In depth feedback systems (usually done by phone)

Phone feedback systems are particularly valuable for emotional and relationship situations. We have worked with hundreds of companies where we have put phone feedback systems in place that have had the following three massive outputs for their business:

- They have automatically and immediately **raised their business and team's game** because everyone now knows that there is a powerful all-encompassing phone feedback system happening on everyone's performance.
- The customer has felt **more engaged and more cared about** because they have been asked permission to be called after the transaction so that the company can understand how they've been treated and so the company can continually improve their experience and have the opportunity to earn their future loyalty.
- In a situation where there has been a problem, i.e. the feedback has told you that really things haven't gone well at all, then the opportunity is to **blow their socks off with your response** to this problem and earn their loyalty and future engagement through a fantastic response to negative feedback.

This phone feedback has massively increased cross sales, up sales, sales value and sales frequency because it has included a system that we call 'Elastic and Velcro marketing' that is specifically designed for phone feedback systems to ensure that you get a fantastic output no matter what the customer answers.

- For example, if the customer has had a 'great' experience, you would want to ask them if they would like to join a VIP club that gets all sorts of special offers and first notifications of new deals and likewise.
- If they have had an 'ok' experience, then you want to get permission to be able to do something to earn their loyalty and that of course will be very dependent on what business and what service you are offering. A good example would be in a professional services experience; the opportunity to earn loyalty would be a call from one of the partners to listen to the feedback in more detail and to perhaps offer some sort of significant thank you gift for giving the feedback.
- And if the experience has been 'poor', then you'd want to ask for the chance to put it right, regain their trust and earn their loyalty.

Remember always to separate the feedback systems from the response systems: you may be able to do 'Elastic & Velcro Marketing' on the call, but be sure to judge this by the situation, and ASK PERMISSION TO ASK ONE MORE QUESTION first! Never violate this principle!



4. Using responses

I always say **there is no such thing as bad feedback, it's how you respond to feedback that matters** and indeed the key here is always responding to feedback in some way because I am sure, as you know as a customer, most feedback that you give is rarely responded to and even if it is responded to, it's rarely responded to well.

We talked earlier on about how big the goal was for you and how committed you were to feedback, and I would say that this is the key point where you need to put your money on the table.

You need to make sure you put the right feedback system in place that, up-front, costs a little bit of time and a little bit of effort of course... but put real investment into ensuring some real time and effort is invested on how you respond to feedback.

So, when you get great feedback how much you are prepared to invest in a VIP club or loyalty club that people are so delighted to be part of, they recommend and refer you to your friends because you treat your loyal customers so much better than anyone else?

What sort of time and resource are you prepared to put into responding to 'ok' feedback to turn that into an experience that earns the customer's future loyalty?

And, of course, lastly, what sort of response can you make sure that you give automatically when a customer has had a poor experience and they're on the point of never dealing with you again and, on top of that, telling the world about how awful you are? What can you do to genuinely blow their socks off through time and focus on the right responses to this sort of issue? Of course, this is a massive opportunity! Remember: every complaint is a massive opportunity to blow the customer's socks off.

5. Loyalty systems

We have touched on these above, but the key is to invest in a loyalty system that isn't just some sort of naff off-the-shelf points collection afterthought - but is in fact designed to be so powerful and so attractive to loyal customers that they actively want to rave about you to their friends and create an environment where people want to be part of the club.

For example:

A Hotel in Devon used this type of system to reward loyal customers with first choice of rooms in high season, and significantly increase bookings and room rates in the shoulder seasons.

A Bank increased it's new customer acquisition rate, and reduced it's customer churn by delivering events and services to add value to customers and make their lives easier across all business areas.

6. Lapsed customer recovery

This is investing in proactive feedback systems that engage customers who've previously bought from you, but now no longer do. Putting these sort of feedback systems in place alongside your continual customer feedback systems will help to turbocharge and reinvigorate customers and get them to want to come back to you and refer their friends to you.

For example:

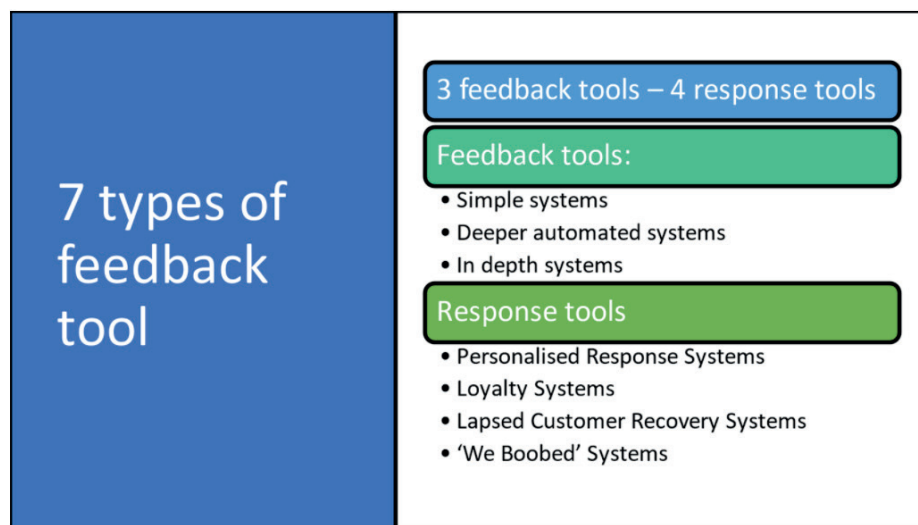
A Car Dealership used this type of system to rejuvenate over 1000 lapsed customers and increase their service work by over 30% in 6 months.

7. 'We boobed'

This is the tool to use when something has gone wrong and how to turn problems into triumphs. This in itself is a massive piece of information that we teach in Slow Selling and it is something that you absolutely need to have in place for your feedback systems. You will get feedback where you have 'boobed' and if you have a powerful system in place to make sure that you respond to this powerfully and effectively to blow your customer's socks off every time, then you will turn these boobs into massive opportunities for growth, reputation and profits.

For example:

A Home Delivery Company focused on creating such an amazing 'We Boobed' response, that this became their greatest source of new customers ... from referrals!



So we've discussed the tools to use and when to use them. But what are the guiding principles for all tools and how do you put them in place?

There are 5 guiding principles for all tools:

1. Every feedback and responses system you put in place must add value to the customer's experience.

There is absolutely no point at all in putting systems in place that the customer dislikes in any way. It really is worth slowing down and doing this properly so that the systems you do put in place add to the customer's experience and are engaging, fun and interesting. Get this right and the customer is impressed and is grateful for you asking.

2. The feedback system must allow the customer to contact you directly easily.

Although we are suggesting here that you put in place feedback systems that will encourage the customer to follow a system, the customer of course at any time may want to contact you directly, so you need to make sure that that is really easy and there are quick buttons or options for them to speak to or contact someone straight away, because, although you want the customer to fit in with your system, the customer isn't the slightest bit interested in your system and they want you to fit in to their needs.

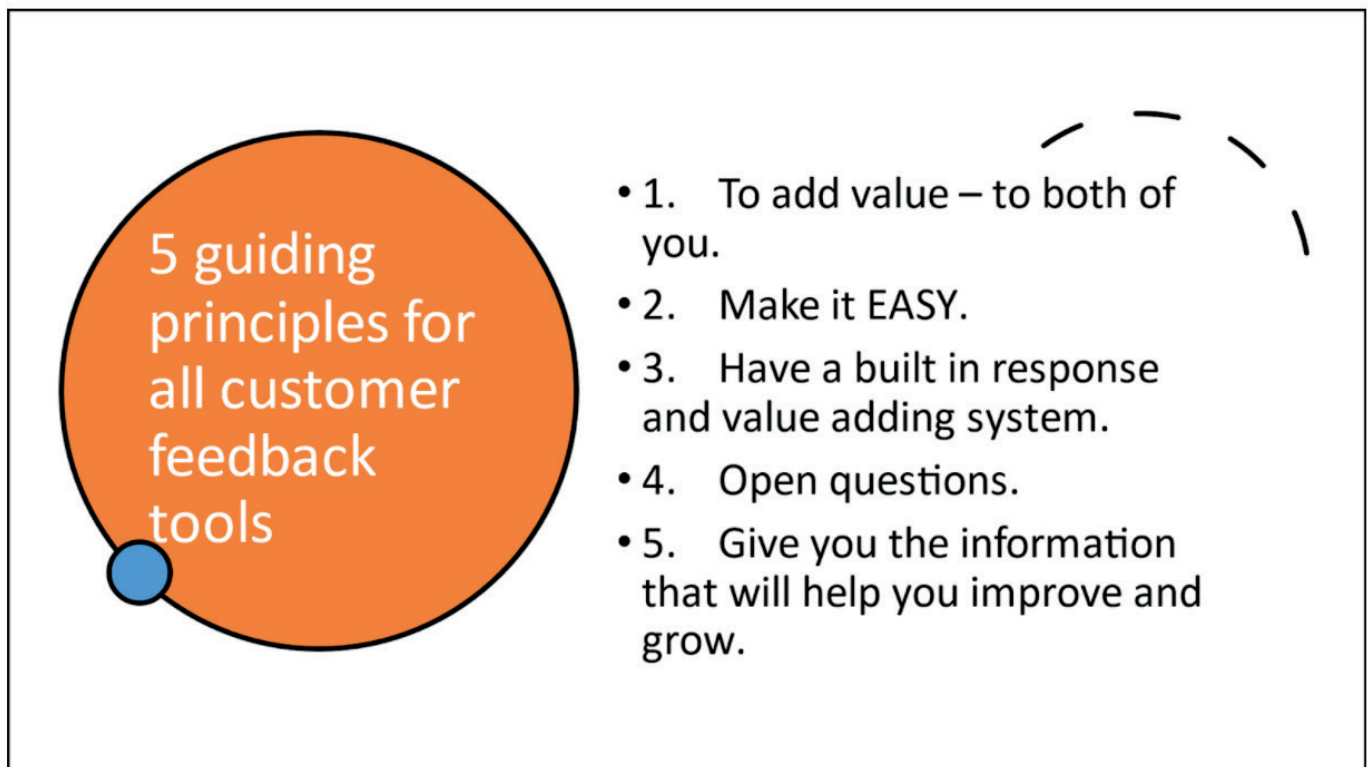
3. It needs a built-in response and value adding system for everything.

So, we have discussed both of these above for you to make sure that every feedback system has a built-in response system so the customer knows that you've heard them and can see that you are responding. This can be automated or done personally depending on the size of the sale and the relationship (be it transactional, emotional or ongoing) and it must also add value, obviously to you, because that's the whole point of all of this, but also to the customer from how effectively you've thought this through and how professionally you blow the customer's socks off by engaging these systems.

4. Customer feedback systems must have open questions in them.

As already mentioned, the last thing a customer wants to do is to answer your closed questions or to fill in your customer survey. It will drive them absolutely crazy! All they really want to do is just tell you what they think in their words as simply and quickly as possible. So, your systems need to ask open questions and allow them to do exactly that.

5. All systems need to make sure they give you the information that will help you improve and grow.



So, you can see that the skill to this is slowing down and considering all these factors continually and professionally so that you can put a tick in all these boxes to make sure that you put the right systems in place at the right time for the right relationship with the customer, using the right tools and responding in the right way.

Again, this isn't simple, but it is powerful and effective, and we do suggest you get external support to guide you with this.

STEP 6 - Have clear Scores and continual Accountability

Now you've got the right tools in the right place for the right reasons, how do you actually make this work?

Will this work first time? Of course, the answer to that is 'no'.

The key to this is trial and error ... and to be ok with messing up as long as you don't keep messing up.

The whole purpose of messing up and getting it wrong is to learn what works and what doesn't.

It's the same as A B testing in marketing - you continually test things, change things, tweak things, improve things inch-by-inch.



What we suggest you do to make sure that you have the right information to make this work, is to:

1. Put in place a measure or series of measures of feedback, input and response.
2. See these measures as absolutely critically important to your business.
3. Make sure you have a clear and compelling scoreboard in a prominent place, and hold people accountable to them ... rigorously.

These measures are not only measures of your feedback systems, but they are also what we call 'lead measures' i.e. measures of what customers think of your business, how they are then likely to behave in the future and, because of this information, what your reputation and attractiveness in the marketplace probably is.

So, they are not only simple measures of your systems, but they are also barometers of your future business success.

Here is a list of measures you might want to consider:

1. The number of responses you get
2. The quality of the responses
3. The number of Go The Extra Inch actions you have each week
4. Your 'Net Promoter score'
5. The changes that you make to your systems
6. The referrals you get from customers
7. The responses you make
8. The membership of your customer loyalty group
9. The reviews you get online
10. Your customer order size and frequencies

What you need to do is to make sure that when you have all the measures that are right for your business (and of course there may be other measures that are suitable for you that need to be identified through looking at your business processes and your customer journey) you make sure you have a clear and compelling scoreboard that shows how these measured figures and how they're moving in a traffic light format compared to your goals and targets.

Of course, it's also vital, as you get comfortable with the measures, that they are split down into individual departments, teams and people so that there is an individual responsibility at every level and so that these measures improve the performance of everyone.

If you want to improve something, then you have to measure it and what gets measured gets done.

- If you want to improve customer loyalty you need to measure it.
- If you want to improve customer value you need to measure it.
- If you want to improve people's behaviour you need to measure it.
- If you want to improve your reputation you need to measure it.

Feedback is the absolute breakfast of kings that will help you do all of this and put all these scores in place to help you make sure that you have a clear and compelling scoreboard and place the key measures to help you take the right actions to continually improve your customer reputation, loyalty and referrals.

There are 3 ways of operating all of these systems:

1. Totally in-house

You design and execute all of these systems yourself. Of course, this is possible to do, but we would suggest that it's very hard to do your own marketing, it's very hard to do your own auditing and it's even harder to design your own feedback systems; because first of all they have to be designed to be attractive to someone who is not part of your business and who is not an expert in what you do. So, we strongly recommend that doing this totally inhouse is probably not the most effective or profitable way to do this.

2. In-house with audits and advice from a third party

Please see below for the services we can offer to help you with this. This is often the best way to get started and to keep the quality high.

3. Outsource all of the process to a third party and pay them on results

This key here is to find a proper professional supplier and get them to put their money where their mouth is: pay them on results, not activity. And we advise this because it's very easy for unqualified suppliers to say that they can do all your feedback for a low price, but the point behind this is not to get the cheapest price but to get the best outputs.

The last thing to consider is to make sure that you have a **regular review of your whole system** built into your business strategy and, depending on your situation and relationship you have with your customers, this could either be quarterly, half-yearly or annually.

We would suggest that you consider employing the services of a third party to come in at these regular intervals, work with you to support you and audit your systems to help you make sure that you are moving this forward as effectively and profitably as you can.

This is, of course, exactly what we can do for you at Investors in Feedback if you want some help.

Some more ideas on Measures, Scores and Accountability

There are, of course, many other measures that can be used to help you continually go the extra inch with your C&CI CX. All should be considered with reference to the principles discussed above, and here are some suggestions to help you further:

1. Customer Effort Score:

How much effort does it take a customer to either tell you about something that's not right, or buy something from you?

- This score is a good predictor of customer loyalty, and of course, the lower the score the better.
- Research suggests that about 90% of customers who've had to expend higher effort than anticipated to do either of the actions above, will buy from someone else next time (and tell their friends to do the same)
- Some things you can do to make up a 'customer effort score' include:
 - Measuring customer hold time
 - Measuring speed of resolution / % of 1st contact resolution
 - Assessing traffic flow across your sales processes and looking for
 - bottlenecks
 - Customer repeat sales data / customer churn data
 - Simple feedback of 'how easy' was it to do X Y Z ...

2. Customer Loyalty Score:

A simple score of average length of customer loyalty

3. Referrals score:

The % or number of referrals achieved (for a more detailed exploration of reputation and referral system, please see my books 'Slow Selling' and 'The Reputation Book')

4. Recruitment:

If you find it hard to recruit great people, then you're probably not super attractive. When John Lewis opened a store near us recently, they had over 10 applicants for every job – and 70% of these people were already in a job – so a great 'Great or Poor Score' of your offer to internal and external customers is your recruitment score: how many applicants you get for any vacancy ... and indeed whether you ever need to advertise any vacancy or not because you have a 'waiting list' of people desperate to work with you.

5. Transfer rate:

One of the main customer annoyances is the inability of a problem or question to be resolved at first contact. This affects 'customer effort' and again reduces customer retention. It's also a big issue for your people: if they feel unempowered to resolve things at first contact, they will be less motivated and less energised.

Some things you can do to measure and influence transfer rate

Personal feedback from your people

(Preferably using an independent 3rd party) to listen to their views on empowerment and customer effort (in fact, having a system like this in place can be a hugely powerful 'go the extra inch' process at the very heart of your strategy, processes and behaviours. It can be done by a 3rd party quarterly, 6 monthly or annually, depending on your needs, and this is a very popular service we perform regularly for our clients).

Active contact resolution:

To identify the areas where there was a need for a call back, one by one and to start to go the extra inch on

- What caused the issue, and
- What caused the callback.

Remember: the issue will always be one of 3 things:

- **Systems:** The systems took the customer to the wrong place, or there wasn't a system in place to allow adequate information sharing, etc
- **Training:** people haven't been trained what to do in these circumstances
- **Behaviour:** something stopped the person behaving in the way we set the systems up and trained them in
- And all of these can be developed and changed inch by inch

6. Personal feedback from your people:

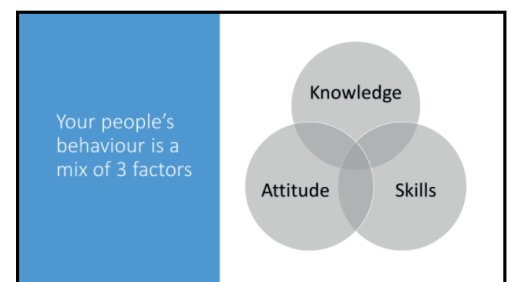
As outlined above. Also remember that this feedback will help you identify all gaps in strategy, processes, behaviour and measures. On top of this, if your people are engaged, energised and consulted on your C&CI CX, it's highly likely that they'll want to act in a knowledgeable, friendly and helpful way in your business: after all, as your business grows, you're totally dependent on them and how they act.

- **Basic feedback**

Will be something like: from your point of view and from your customer's, what do you think works particularly well, what perhaps could be better, and what would you do differently if you were in charge?

- **More in-depth questions could include:**

- How good is your knowledge to easily solve any issues that come your way?
- How effective and helpful are the tools you have?
- How well do your skills fit with what you are asked to do?
- How empowered do you feel to resolve a customer's issue first time every time?
- How happy and fulfilled do you feel in general in your job?



7. Customer Lifetime Value

(CLV): $CLV = \text{Average Purchase Amount} \times \text{Average Purchase Rate} \times \text{Average Customer Lifespan}$

As you can see, this can be increased by:

- Increasing purchase amount
- Increasing purchase rate
- And increasing customer lifespan
- The first two measures can be influenced by short term marketing tools like offers and deals, but the only thing that will affect ALL these measures, consistently and continually, is the Great or Poor system...

What you can do is: work out the average value of one happy customer (see below) and the average cost of one unhappy customer (including the negative reputation they'll spread), and ensure everyone's aware of this.

Then measure and incentivise everyone to increase the CLV in your business.

Step 1 – Start with the right intent

Step 2 – Build feedback into the very DNA of your business

Step 3 – Identify and publish tangible results

Step 4 – Go The Extra Inch

Step 5 – Use the right tools for the job

Step 6 – Have clear scores and continual accountability

There's just one more step!

When you've got those 6 steps in place, what then could you do in order to make sure these processes and this investment in time, effort and money has the right consequences and the right outputs for your business?

What could you look at and say: "I am so pleased - this is really helping me and my business"?

The answer is step 7.

STEP 7 - Have an INTERNAL response, accountability and improvement system

In order to get this clarity and peace of mind, it is crucial to agree the consequences of the outputs of the measures

Why success first and failure second?

Most people only consider the consequences of failure; 'what if this goes wrong?'. Failure is definitely something to use to learn, grow and improve.



However, it's vitally important to firstly consider the consequences of success;

- 'How will success help us improve?'
- 'What other opportunities will this open up for us?'
- 'How can we use this information to continually grow and get more successful and profitable?'

We recommend that you split your follow-up systems for both success and failure into 3 sections:

Section 1 – Immediate follow-up

You need to have your immediate response systems in place as we've already discussed. You need to grow your relationships and use your response to feedback to get continual upsell, cross sell, referrals and importantly to:

Catch your people doing something well!

This is so important and so often overlooked by businesses.

Consider Aesop's Fable of The North Wind and The Sun. They had a bet between each other as to which one could get the coat off the man's back.

The North Wind went first and blew and blew and blew - and the more The North Wind blew, the more the man wrapped his coat around himself.



Then The Sun shone, made the world warm and beautiful, and the man immediately took off his coat himself!

It's the same with your people. They need The Sun; they need encouragement, inspiration and to be caught doing things well rather than the normal tactic of always using feedback to catch them out when they are doing it badly.

If you want to continually improve people, catch them doing something well, spread the best practice and celebrate best practice.

Of course, you can also hold them accountable to where they need to improve, but if they've already been caught doing it well three or four times before each 'improvement needed', then you are going to be on the right side of The North Wind and The Sun story; people are going to flourish and grow... and so is your business.

Section 2 – Short term follow-up

In the short term, there is an unbelievably valuable action you can do. Go the Extra Inch.

We suggest you use a series of 'Go The Extra Inch sessions'.

These are set regular sessions of continual improvement where everyone gets together to identify:

- One thing that went really well
- One thing that they would like to go better
- One inch (small proactive action) that they will personally take responsibility for with support of the team

For more information on the 'Go The Extra Inch session', please contact us and we will send you some free information to help you get it up and running.

If you continually look at your feedback and use 'Go the Extra Inch Sessions' in ways that fit into the day to day running of your business, you can identify where things are going wrong and how you could improve and develop your strategy, process, behaviour and measures.

This is where you can drive those little 10% improvements continually throughout your business that results in that massive bottom line profit increase.

Step by step, inch by inch.

Section 3 – Long term follow-up

Over the long term you can use the feedback for:

- People development, step-by-step through your continual HR processes.
- Continual innovation, both in small steps and large steps, by listening closely to what issues people are having, and how they're frustrated by other things in the market.

3 types of Follow-Up



1. Immediate
2. Short term
3. Long term

In General

Proper and rigorous follow-up systems open up huge opportunities for BOTH improvement in your market, AND cross-selling & upselling AND new avenues of profitability.

In terms of developing new strategies, you can use feedback to look how customer behaviours are changing; what are they not doing that they used to do? What are they now doing instead? What is the profile of your customers? What are they telling you about? What problems are they experiencing? What opportunities are they looking for?

What is the context that your customer is operating within that you need to know about so you can continually develop your strategy and move with the times and not become a dinosaur?

STEP 7 Have a response, accountability and improvement system.

Respond, be held accountable and improve through systems; continually operating like a flywheel driving your business forward, continually, continually, continually at the heart of everything you do.

THE FEEDBACK JOURNEY, ONCE AGAIN

So, there we have it.

The 7 steps to building a feedback system that actually works:

How to build a feedback system that actually works

- Step 1 – Start with the right intent
- Step 2 – Build feedback into the very DNA of your business
- Step 3 – Identify and publish tangible results
- Step 4 – Go The Extra Inch
- Step 5 – Use the right tools for the job
- Step 6 – Have clear scores and continual accountability
- Step 7 – Have an INTERNAL response, accountability and improvement system



STEP 7½...

Before we finish, there is one more thing.

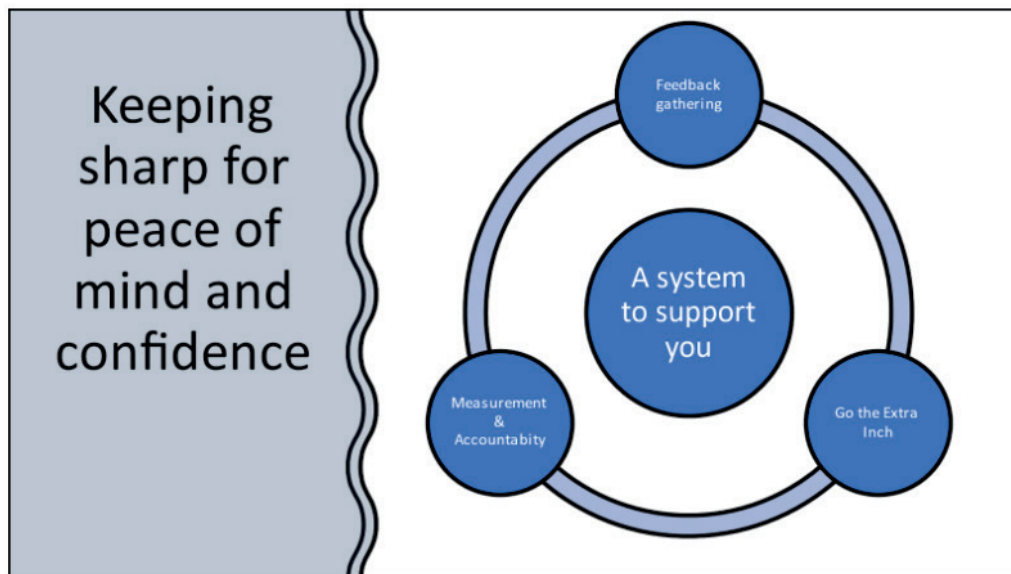
You're going to forget things and get it wrong: that's normal! You're busy chasing your tail and the world around you is continually changing as well.

What works well today probably won't work as well tomorrow.

The key here, Step 7½, is to keep **'sharpening the saw'** because all of these things are going to blunt you going forward.

Staying sharp is about:

- Reviewing your whole process in the planned timescale,
- Improvement inch-by-inch,
- Continual measurement & accountability
- Using an outside adviser to help you do this.



We already mentioned this earlier on, **but we strongly recommend now that you consider the use of an outside adviser to help you put the right systems in place**, keep the right systems running in the right way and continually keep sharpening the saw as the world around you changes and develops.

All this can be done for less than £20 a week in the smallest of businesses, and of course upwards from there, depending on the size of your organisation, complexity of what you are trying to achieve and the amount of involvement you would want the advisor to have within your business.

STEP 7 ½

Put a 'keeping sharp' system in place to give you peace of mind and confidence.

In the same way you use an Accountant to help you get your books right and a Stock taker to keep on track of stock, we recommend you use a Feedback Adviser to Audit and Accredited your systems ... and help you keep sharp.

This will give you confidence and peace of mind that there is always someone there who specialises in this area, complies with the principles we've discussed, won't suggest a cheap off-the-shelf quick-fix type of approach and who can get involved as much or as little as you want.

And if you use an 'Investors in Feedback' adviser, you'll be able to proudly display the IIF logo everywhere in your business to give your customers trust that you're listening and confidence to reach out to help you and tell you what you need to know.

To contact 'Investors in Feedback' please go to
www.investorsinfeedback.com



SO NOW YOU HAVE A CHOICE - Take action

You have the information at your fingertips, so please go ahead and use it; put it into practice step-by-step within your business. Use it to help continually develop your feedback systems inch-by-inch.

You can do this without the help of anyone like us, and a lot of it is common sense but as we have previously discussed, common sense is so rarely common practice.

Perhaps the best way we can suggest to help you is to outline a 'Go the extra Inch' approach:

1. **Read the information** - DONE!
2. **Share with your people** or people you trust: what do they think?
3. If you like these ideas and want a bit more help, **Book a 2 hour in depth chat or systems check for the fixed price of £100.**
4. Then, if that goes well for you, you can choose to **access our other in-depth services**, listed below, to help you keep improving, inch by inch, as and when it suits you.

*Why isn't this 2 hour chat free? We make this small charge so you'll only take us up on it if you're serious about making a difference in your business, and we can put all our efforts into helping you without wasting time and effort trying to sell you something: you can then decide what to do next depending on the value you get from the chat.



Action Plan by the inch



Read, learn & inwardly digest this ebook!



Share the ideas with someone you trust:
what do they think?



**Book a 2 hour in depth chat at the fixed rate
of £100 to get you started**



Buy further services as and when you need
them.

The Services Offered by Investors in Feedback

Step 1 – Easy - ‘Audit and Change’

Easy steps to get started and cut out annoying unnecessary problems.

- Reputation & market position check
- Feedback and loyalty systems check
- 2 hour bespoke coaching

£100 per service

£295 for all 3 services

Step 2 – Effective – ‘Develop & Improve’

Effective systems to grow consistently and continually through loyalty, reputation & referrals.

- In depth customer experience & reputation audit
- Customer journey mapping
- Half day high impact training on CX systems
- Half day high impact training on referral systems
- Full day on site ‘Business Surgery’

£470 per service

£1990 for all 5 services

Step 3 – Remarkable – ‘Take Off!’

Really grow your business through consistently improving, growing and wowing the customer!

- Bespoke systems design, audit, implementation & support
 - Create consistent growth through loyalty, cross sales, reputation and referrals
 - Focus & listening groups
 - Ongoing coaching, mentoring & training
 - Virtual Customer Experience & Loyalty Director
-

Other benefits

- All tools benefit from ‘Investors in Feedback’ accreditation: this allows you to display the ‘Investors in Feedback’ logo on all your communication, to help attract customers and keep them loyal to you.
- All work covered by our unconditional guarantee. If you’re not 100% happy with anything we do, tell us and we’ll put it right: if you’re still not happy, we’ll only ever expect you to pay what you think the work was worth to you.

Case Studies

- A pub restaurant grew by over 1200% in one year by focusing on feedback and accountability across the business.
- An Independent Accountants doubled their business in a year by gathering effective feedback and implementing improvements and additional services.
- An online services Company grew by 25% in 6 months by gathering feedback, publishing it openly and using it effectively in social media.
- A Hotel developed a VIP club using feedback which increased out of season bookings by 20% and room rates by 15%, whilst also reducing marketing costs.
- A wholesaling business turned a 10% sales decline into a sustainable 20% year on year growth by executing a powerful feedback and response system, and developing new ideas, products and services from what they heard.



To contact us and get a quote for any of these services, please go to **www.investorsinfeedback.com** or email **support@slow-selling.org**

Thanks for reading and investing a little time in yourself and your business.

Thanks for reading and absolute best wishes to build your feedback system that actually works!

Investors in Feedback is a system owned by Slow Selling.

Slow Selling is a not-for-profit organisation dedicated to helping independent businesses and start-ups, to help them attract customers away from bigger and better funded businesses, by sticking to principles and consistently focusing on customer reputation, loyalty and attraction ... through step-by-step systems.

You can access the Slow Selling systems by going to:

www.slow-selling.org

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www.investorsinfeedback.com

