

CMOs' strategic empowerment by effectively managing customer feedback

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Abstract

CMOs are facing change driven by revenue and customer feedback, focusing on critical areas and on key business performance indicators, breaking down silos and aligning internal teams and external partners. They also need to align the customer-centric marketing's layers of meaning and brand authenticity with a continually improved CX, building trust and mutual value by using the best customer engagement strategies, decoding connectivity.

Keywords: Marketing's knowledge; Real-time customer feedback; NPS; CES; CMR; CCO

JEL Classification: L81; L86; M31; M37; O33

A current pledge for marketing's unique knowledge and business value

As to inform sales and marketing changes data and analytics are important, change (which is inevitable in business, digital transformation being considered for example a necessary change in order to innovate and compete) is driven by revenue and customer feedback, companies are trying to acquire and maintain customers by providing relevant experiences and meeting elevated customer expectations. (Calabrio, 2018) According to Gartner Blog, if for a CMO the pressing requirements to reach rapidly the exact ROI can be inhibiting (because, for example, the company doesn't have access to the necessary sales data or for the right time periods or its products have very long sales cycles), the "hack" can be "to find something you can measure that is a reasonable proxy for sales impact," which can involve "measuring engagement with a particular part of your website or mobile app, or tracking actions on social media" etc. (Kihn, 2018)

With regard to a new CMO's challenge to improve his probability of success, the same Gartner Blog underlined the need to focus on critical areas: stakeholder relationships (connecting priorities so as to understand their influence and support of his overall goals and priorities), his team (finding the right talent to support the above mentioned goals and priorities, and making this talent move quickly), and his time management strategy (making steady progress on his goals). (Brown, 2018) Gartner Blog also recently highlighted the current need of CMOs to re-imagine their role in relation with company's growth and business impact, by focusing on customer experience (CX), engagement, and readiness (as key business performance indicators), being more energetic in their partnering efforts, and proving their natural tendency in data analytics, CX, sales comprehension and long-established brand-building skills. (Brown, 2018)

And as marketing departments are considered to be on the most important position of digital transformation of a company (as revealed by the new eMarketer report entitled “The Modern Marketing Department 2018: Evolution Through Digital Transformation”), it is CMOs duty to break down silos and align internal teams and external partners, considering the current top 15 marketing functions, and balancing in-house and outsourced marketing services accordingly (as shown in the table below): (Ryan, 2018)

Tabel 1: In-house vs. outsourced marketing services according to CMOs, Worldwide, Jan 2018

In-House vs. Outsourced Marketing Services According to CMOs Worldwide, Jan 2018			
<i>% of respondents</i>			
	In-house	Outsourced	Both
Marketing strategy	86%	1%	13%
Product marketing	76%	5%	20%
Customer experience	75%	7%	19%
Social media	52%	10%	38%
Data and analytics	45%	13%	43%
Ad operations	45%	28%	30%
Content marketing	44%	6%	49%
Branding	43%	14%	42%
Events marketing	43%	20%	37%
Digital marketing	42%	12%	46%
Communications and PR	36%	20%	45%
Advertising	33%	36%	32%
Programmatic	32%	43%	27%
Research and insight	28%	28%	44%
Creative and design	24%	28%	49%
Note: among those with budget responsibility of top 15 marketing functions; numbers may not add up to 100% due to rounding			
Source: Newbase, "The Evolving Marketer 2018," March 28, 2018			
236689 www.eMarketer.com			

Source: Ryan, J. (2018). How to Transform into a Modern Marketing Department, eMarketer, May 24

On the other hand, it is also CMOs’ duty to track customer churn and associated revenue loss, and driving change in approaching managing company’s customers accordingly; (Sarfraz, 2018) to build trust and mutual value by using the best customer engagement strategies, strengthening the relationship between the company’s brand and its customers, centering on maximizing customers’ immediate and long-term rewards. (Hunsaker, 2018)

Disputing organizational silos about what the brand is and does

As it is only through customer interaction that the brand comes alive, a better strategy for the company involves the more closely alignment of:

- Brand authenticity (the expectations build by the brand proposition) with CX (the reality of the brand delivered by it in its interaction with the customer) as a source of competitive differentiation by becoming unique and easy recognizable; (Forsheew, 2018)

- Marketing (managing company's external brand, its reputation with external stakeholders; supported by the Human Resources Department which identifies the best talent to represent the brand) and Human Resources (managing the internal brand, its reputation with internal stakeholders, mainly employees; supported by the Marketing Department which clearly articulates the brand purpose to employees, including transforming former employees into brand advocates) Departments, and creating better synergy between. (Almeida & Molloy, 2018)

This alignment approach presupposes adequately using insight and data from inside and outside the company's business to develop an inspiring and engaging vision, and to deliver a more competitive brand through an improved CX across the whole physical and digital journey, by mapping the existing customers' journey and looking at the company's brand through the customers' eyes, by continually aligning their needs with the needs of the company's business and measuring: what the customers, prospects and marketing team think about the brand's alignment to its vision and values; if the company is delivering what is crucial to its business vision; whether company's action is meeting the expected results. (Andrew, 2017)

But as team performance depends on structure and shared norms of behavior, agility, clear direction, time management, talent management and cohesiveness within the holding environment, reviewing and improving processes and so on, it is important to consider some lessons to learn as those offered by the 2018 Widen Connectivity Report and entitled "Decoding connectivity for marketing and creative professionals" and showing how: (while looking at the way Maribeth used internal personas in order to support teams within Pampered Chef to work together to both drive collaborative conversations and improve cross-functional team processes) to create four internal personas (as representational roles making the process understandable and adoptable: business partner, marketing manager, marketing execution team, marketing operations) for the marketing team (one for each of the key team roles) so as to better work for customers' needs; to personalize CX (including avoiding being trapped in the so-called echo chamber, with regard to an isolated environment where existing views and beliefs are reinforced by repeated conversations, listening to positive and negative feedback), and reviewing analytics (on the basis of multiple data sources, types, and channels) and encourage cross-collaboration from many company's teams. (Widen, 2018)

A more holistic understanding of CX improvement initiatives, ensuring people are connected to the purpose

CX is seen as the new battleground for business and CRM (which is not focused on solving customers' problems) needs to struggle to improve CX (as shown recently by Paul Selby), while CX effectiveness has to be considered as an enterprise-wide understanding of customers' needs and behavior (combined with cultural and operational unceasingly intense focus on emotional and functional value delivery, according to Michael Lowenstein). As customers assess their options to meet their needs and expectations in the marketplace by making comparisons of what they like or not, it is useful for companies: to better understand the overall customer journey including by making a competitive measurement of CX (compared to other

businesses interacting with those customers) and receiving insights about customers' exposure to different experiences and their expectations for future experiences: to determine new strategies and plans accordingly and maintaining their position or gaining a better position in the marketplace. (Whitaker, 2018) It is well-known that different customers perceive differently the same experience, their perceptions being influenced including by personality, demographics, individual needs, relevant past experiences and how they align their expectations to certain frame of reference. That is why it is necessary for companies to have a more holistic understanding.

The creator of the 2003 Net Promoter Score (NPS) concept, the reputed Fred Reichheld (a partner at Bain & Company), highlighted over a year ago (Reichheld, 2017) companies' need of: working harder to earn their customers' loyalty and advocacy when the experience matters as much as the core product; doing that by delivering great episodes (as new key units of management reflecting what a customer wants to do and consisting of processes to redesign and improve, starting from considering their level of emotional impact, frequency and economics), reducing costs in the bargain. The Book of NPS 2018 – launched recently by AskNicely (a fast-growing SaaS company which is rated #1 by G2Crowd, and empowers entire organization with insights and understanding to reduce churn, increase customer retention and automate advocacy) – underlined from the very beginning that the real-time customer feedback is not just for the C suite, it is for everyone and everywhere within the organization, the Net Promoter framework being used by the loyalty economics to put an actual number to the lifetime value of detractors (the unhappy customers, and vocal about it, spreading the anti-gospel of company's brand), passives (the relatively neutral about company's brand) and promoters (the most satisfied company's customers, having a much longer lifespan and costing less time and financial investment). This Book of NPS 2018 also made: a comparison between CX Surveys: NPS (a simple 1-2 question survey to gauge customer happiness and brand sentiment), CSAT (a customer satisfaction survey; a multiple-question survey asking a customer to rate a recent experience), and CES (a customer effort score survey, on a 7-point scale, calculating how much effort a customer had to put forward to complete a specific request and sent immediately after a brand-customer interaction); a recommendation to HR teams to use NPS for driving a customer obsessed culture, by identifying strong and weak points cross organizationally and moving the company in the direction of customer-centric operations; a significant remark on the real need of studying, learning and embracing NPS to ensure company's rapid-growth and business transformation.

On the other hand, it is worth mentioning that a company like NGDATA – which is partnering with companies around the world to drive digital transformations (with the help of AI-powered Customer Data Platform - CDP and its Customer DNA, and Digital Transformation services and solutions) – enables its customers to deliver relevant, connected and timely customer experiences, considering among other aspects that: the best way to retain customers is to deliver excellent customer experiences and personalized services; a natural side effect of

improving CX is brand loyalty; happy customers can directly influence business growth by acting as advocates on company's behalf. (NGDATA, 2018)

Companies need to engage people in the innovation required by the improvement initiatives, ensuring people are connected to the purpose by adequate measures and plans communicating what is important and what is not. In order to measure effectiveness companies must understand the relative context of the function being measured, taking into account that effectiveness measures are a combination of leading (which predict performance) and lagging (which confirm performance or lack of, measuring the result of past actions) indicators relevant to the scope of an entire company, or a department, or a team member. (Harpst, 2018) And the last but not the least, the way employees make company's customers feel (the emotional component of their experiences) is what these customers are most likely to remember about their interaction with the company's employees breathing the values of the company's brand, and focusing on continually delivering a CX to be remembered, beyond resolving customers' issues at the point-of-engagement. (Golding, 2018)

Real-time company's action triggered by real-time customer feedback

We have seen above the real need for a company to map the existing customers' journey and to look at the company's brand through the customers' eyes, receiving the real-time customer feedback which is necessary for everyone and everywhere within the company. As recently was concluded by Local Measure, while approaching the 5 key principles to real-time feedback (put CX first; collect feedback in real-time; know when to ask for customer feedback; have a plan for responding to and managing feedback; make feedback visible across the enterprise) and strategies for implementation, (Local Measure, 2018) each company's employee needs using feedback analysis as a starting point in understanding the value of their actions and the results to company's customers.

Local Measure showcased, among other aspects: the importance of having one-on-one interactions with company's customers (within the different forms of feedback: surveys, social media, online reviews etc.), real-time feedback triggering real-time action, and company's transformation occurring when it truly cares about its customers' needs and desires; the need of outlining the most important moments of the customer journey in order to receive the best possible feedback; how to empower company's employee to become a differentiator by making him feel sure about the right type of response to customers.

On the other hand, it is necessary to note that to capture feedback in real-time in a brick-and-mortar context, for instance, is not so easy to achieve as in an online environment given the fact that: survey timing affects CX, customer advocacy, and company's ability to react; the shop assistant can be or not empowered to do something about the verbal feedback (made on an ad-hoc basis); customers can feel either reluctant (the majority) or comfortable to provide negative feedback on a face-to-face basis; web forms and kiosks rely on secondary communication

channels, the feedback and the follow-up being disconnected; mobile first channels (notifications by messaging apps, for example) facilitate not only the capture of feedback, but also the follow-up, being considered the optimum solution. (Ryan, 2018)

In other words, effectively managing customer feedback (shared with a company using different channels and platforms) allows the company to better understand its customers and measure the CX delivered, doing the right balance between solicited versus unsolicited customer feedback, making difference between structured data (which are clearly defined and easy to report on, collected, analyzed, and organized accordingly) versus unstructured data (which are more difficult to define, analyze, and report on; 80% of all data today is unstructured, according to IBM). (Bassig, 2018) In order to make the unstructured data more practicable, companies accepting this challenge are using natural language processing applications and analytical methods (such as text analytics and sentiment analysis), advancing on the way of exploring deeper into an improved CX. That is why effectively managing customer feedback in the current digital era involves mapping a strategy with the help of an adequate cheat sheet (shown in the table below):

Table 2: A 2018 Customer Feedback Cheat Sheet

Objective	KPIs	Ways to Measure Performance	Key Touchpoints for Managing and Requesting Feedback	Other Data Points to Analyze
Online Visibility	Higher SEO rankings	Keyword rankings, domain authority	Local business listings and Google My Business	Referring keywords, traffic, NAP consistency, and inbound links
Brand Reputation	Better reviews and higher ratings	Overall ratings, review volume	Online review sites and social media pages	Review volume and velocity
	Greater responsiveness	Review response rate	Responses to online reviews and social media comments	Trending feedback from text analytics and sentiment analysis
	Higher social media engagement levels	Post reach and engagement, audience growth rate	Social media pages	Retweets, comments, shares, forwards
Customer Satisfaction and Loyalty	Higher Net Promoter Score (NPS)	NPS methodology	Review request e-mails and customer surveys	Customer ID and survey response rate
	Increased customer interaction and engagement	Visit frequency, core user actions	Customer e-mails	Interaction history, testimonials, e-mail click-through and sharing
	Increased share of wallet	Wallet Allocation Rule	Checkout process	Interaction history, repeat visits
	Higher emotion scores		Review request e-mails and customer surveys	Text and sentiment analysis of reviews and social media posts
Sales and Revenue	Lower bounce rates and higher click-through rates	Bounce, click-through, and task completion rates	Product pages, checkout process and recommendations	Usability tests
	Improved mobile experience	Mobile interaction metrics	Mobile website and app	Geolocation data
	Higher conversion rate		Product pages	Campaign ID and shopping cart abandonment rate
	Optimized channel marketing		Review request e-mails and multi-channel touchpoints	Referring sites and advertising ROI
Customer Service and Support	Higher support satisfaction ratings	Customer effort scores	Online review sites and social media and support pages	Support content consumption rate
	Faster resolution time	First response and problem resolution times	Social media and support pages	Social media and support response rate

Source: Bassig, M. (2018). Your 2018 Customer Feedback Cheat Sheet, Customer Think, May 2

Instead of conclusions: Coming back to Customer Managed Relationships (CMR) and Chief Customer Officer (CCO)

It is well-known the pertinent pledge highlighted in December 2016 by the European Business Review – excerpted and adapted with permission from Beyond Advertising: Creating Value Through All Customer Touchpoints, by Yoram (Jerry) Wind, Catharine Findiesen Hays, and the Wharton Future of Advertising Innovation Network, New Jersey, John Wiley & Sons, 2016 – for brands to view people as participants in a mutually beneficial symbiosis (within the context of the fundamental relationships among brands, media, and people), considering every point of interaction between them (online, real-time, in a store, on the street, in groups or in the privacy of people homes) and orchestrating value creation across all touchpoints in a beneficial way to all parties involved. The so-called “All Touchpoint Value Creation Model” (ATVC) is a model developed by the Wharton Future of Advertising Program (WFOA) within the framework of the Wharton Future of Advertising Program’s Advertising 2020 project, the elements of this model being: aligned objectives among the key players; a brand purpose defined and supported by the entire organization; a brand purpose orchestrated across all touchpoints; each touchpoint is designed for both content and context following the “R.A.V.E.S.” (Relevant and Respectful; Actionable; Valuable and Value-generating; Exceptional Experience; Shareworthy Story) and “M.A.D.E. to the power of S” (Multisensory Aesthetic; Audience Frame of Mind; Delivery Mechanism, Interface, and Platform/Medium; Environment and Location; Synergy). After initiating this ATVC innovation the next important step is to start adaptive experimentation with the different aspects of the model, giving people permission to try truly innovative initiatives (embracing creativity). Going on this way of customer managed relationship, brands’ and people’s relationship is becoming tailored to the distinctive nature of individuals, relying on individuals’ choice of having a relationship with a brand and to what extent.

We see here a strong link with:

- the big picture on why improving CX is good for business, offered in March 2018 by a long standing CRM practitioner – Thomas Wieberneit – explaining today’s importance of Customer Experience Management (see the figure below):

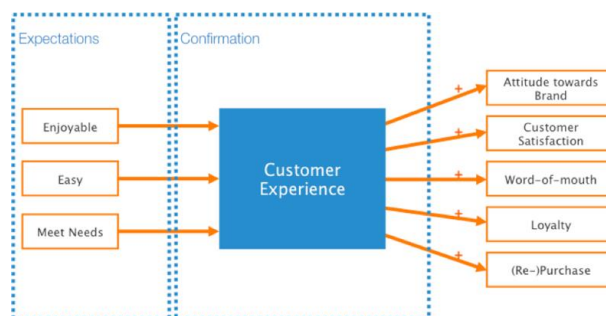


Figure 1: Improving CX is good for business

Source: Wieberneit, T. (2018). Rethink CRM to be CEM, CustomerThink, March 16

- what a board member of CXPA and ClearAction Continuum where she is also Chief Customer Officer (CCO), Lynn Hunsaker (CCXP), showed also in March this year, (Hunsaker, 2018) respectively that customer-centric marketing has four layers of meaning (All Customer Touch-Points; Consistency; Serving Customers; Managerial Rituals) which have to be aligned in order to more confidently predict growth;
- what a distinguished Friend of the Romanian-American University, Mohamed Latib (Ph.D. CEO of CX University), underlined in the same Month of March 2018: (Latib, 2018) the need of carrying customer centricity by a representative of the customer and this is the Chief Customer Officer (CCO), who requires clear capabilities and characteristics (*“capacity to interpret streams of data; characteristics of empathy and compassion; understands and can communicate strategic position; ability to build teams focused on sharing insights to influence customer and internal stakeholder behaviors at every level in the organization; ability to collaborate across functional borders; innovative thinker who focuses on creating, not fixing”*), and once entered the strategic conversation builds a “cascading collaboration” by partnering with all functions.

All this above highlighted arguments confirm what we showcased in the previous issue of our journal with regard to the need of consolidating the customer culture and integrating customer thinking across the business performance and customer perception, of using customer intelligence tools to create a better CX, taking into account both the customer journey and the employer journey.

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