FEEDBACK & LOYALTY

ON THE MOBILE FRONTIER

RESEARCH SHOWS

Implementing Customer Feedback is Key to Success

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For decades, companies of all sizes have asked customers for their feedback in an effort to better understand their wants and needs. In that time, the practice of customer feedback has traditionally been limited to conversations with customer service reps, online surveys, or the occasional restaurant comment card before the days of Yelp. However, thanks to the prominence of mobile devices, it's now more important than ever to ask customers for their feedback in an always-on environment.

Consider this

Today, there are more than 8.6 billion active mobile devices worldwide

In four years time, 70 percent of the global population will be using smartphones, according to Ericsson's Mobility Report

Consumers today are more connected—to their friends and family, global events and trends, and businesses—thanks to their mobile devices. So what role does mobile play in asking, gathering, and understanding customer feedback?

To understand how customers and companies perceive feedback and the effects mobile has had on collecting feedback, Apptentive and SurveyMonkey conducted two surveys of more than 1,000 U.S. consumers and professionals ages 18 and older.

The most notable finding was a clear discrepancy in the way consumers and companies value feedback. Today's consumers have a desire to provide helpful insight for the brands they interact with, especially through mobile channels. However, companies undervalue asking their customers for feedback across touchpoints, which is problematic. By not making it a priority to ask for, listen to, and implement customer feedback, companies are missing a huge opportunity to closely align their business with their customers' wants, needs, and expectations.

The following research stresses the importance of gathering customer feedback on mobile devices, the value customer feedback can offer, and the importance of taking action based on customer feedback received.

Mobile is a Feedback Goldmine

In recent years mobile has skyrocketed to the top, replacing desktops as the most used digital channel. The sudden relevance of mobile platforms has surfaced gaps in our understanding of the role it plays in asking for and gathering customer feedback.

51%
About half of customers (51%) *expect* companies to ask them for feedback directly, whether it be over the phone, on the company's website or in any other form

64%
Of customers who prefer to leave feedback in-app, nearly two-thirds (64%) expect companies to ask them directly

98%
Moreover, almost everyone who prefers to leave feedback in-app is likely to do so when asked for it directly (98%)

Consumers expect companies to be even more communicative on mobile than other channels.

However, asking for feedback is not enough. When customers take time out of their day to provide feedback, companies should do the same to thank and acknowledge the customer's response. Companies who don't respond to feedback are ignoring their customers; an act that ultimately damages customer loyalty.

55%

More than half of respondents (55%) who leave feedback in a mobile app said they are not likely to remain a customer if their feedback goes seemingly ignored

67%

And yet, 67% of respondents who do leave feedback in a mobile app never receive a response from the company

The effect mobile apps have on customer loyalty was made clear in our results. Of companies that saw their levels of customer loyalty decrease a great deal over the past year, two-thirds (66%) don't have a mobile app. Companies with a mobile app reported lower levels of decline in customer loyalty over the last year.

Companies Aren't Capitalizing on Customer Feedback

By not asking their customers for feedback on a regular basis, companies are missing a tremendous opportunity. Based on survey results, customers are extremely willing to give feedback, especially when companies ask. 93% of respondents said they are at least somewhat likely to give feedback if a company asks for it.

However, despite customer willingness to leave feedback, a large portion of companies are not taking advantage of this opportunity. One in three businesses surveyed said they have never asked their customers for feedback. Clearly these companies aren't prioritizing customer feedback. Nearly half (43%) of the businesses we surveyed don't consider asking customers for feedback a priority regardless of company size.

One possible reason companies aren't asking for feedback is that there's a misconception that customers only leave feedback if they have a very negative, or very positive experience (for example, one star or 5 stars) —but it's simply not the case. Nearly three out of four (72%) respondents said they're equally as likely to give feedback regardless of if their experience was positive or negative, and almost half of the respondents said they leave both positive and negative feedback.

Furthermore, contrary to popular belief, giveaways do not entice customers to provide feedback. Only 7% of consumer respondents said they leave feedback for something in return. **So what's the real reason customers leave feedback? They want to be helpful**. When customers were asked why they leave feedback for companies, the top two reasons cited were to help other customers, and to help the companies improve their service in order to grow their business.
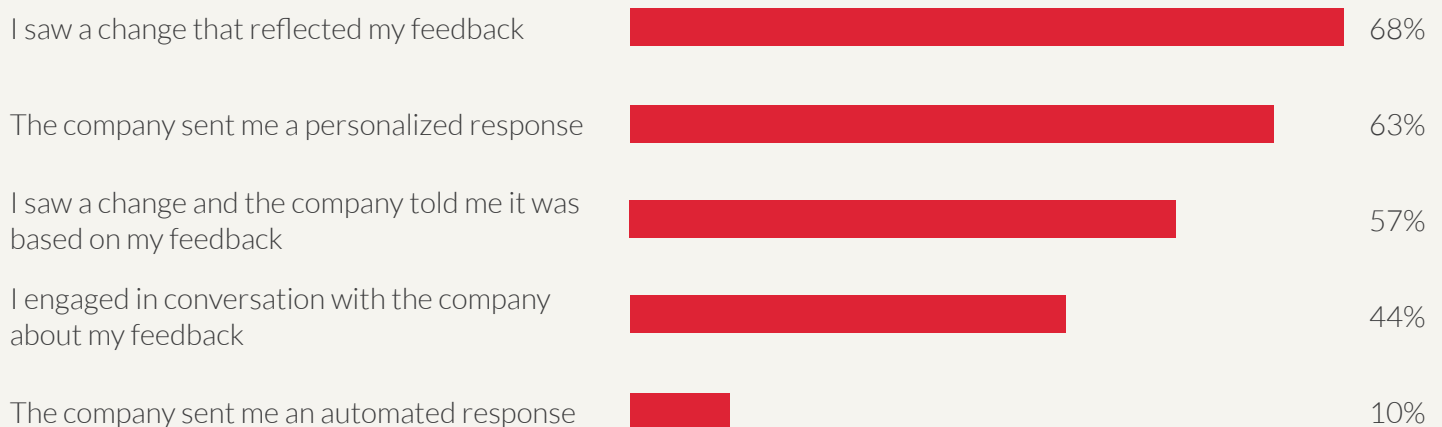
Customer Loyalty Starts with Feedback

Far too often, companies aren't taking action based on the feedback their customers provide. A lack of communication and implementation of customer feedback can affect brand loyalty and customers' willingness to provide feedback in the future. Our data shows that it's important for customers to feel heard when they give feedback, because when they are heard, they are loyal.

As such, communication and listening play a large role in establishing and improving customer loyalty. Listen to your customers wants and needs, then build solutions to meet those desires.

If people know their feedback has been implemented, 97% of them are at least somewhat likely to become loyal patrons to the company.

On the flip side, more than half of respondents said they are not likely to continue being a customer of a company that ignores their feedback. The majority of respondents said they are not confident they are heard after leaving feedback. **While 39% are not sure, and 23% say no, it's clear many customers feel unheard**. In contrast, the majority of respondents who said they did feel heard by a company after leaving feedback received a response within a week.

Respondents told us what it would take for companies to make them feel their opinions were valued, and here's what they had to say:

I saw a change that reflected my feedback	68%
The company sent me a personalized response	63%
I saw a change and the company told me it was based on my feedback	57%
I engaged in conversation with the company about my feedback	44%
The company sent me an automated response	10%

A response to feedback can go a long way, but roughly two-thirds of respondents say they typically don't get a response when they leave feedback. Not surprisingly, respondents' perception of how many companies actually listen to customer feedback is dim.

This is interesting, because many companies hold a positive view of their ability to implement customer feedback: nearly three-fourths (73%) of companies believe they are good at implementing customer feedback. This suggests a gap in communication between companies and their customers about the appreciation and implementation of their feedback.

Companies who focus more heavily on retention over acquisition rate themselves as more able to implement customer feedback. But those who focus both on retention and acquisition equally give themselves the highest ratings overall. Most insightful of all, though, may be the fact that companies that rate themselves as 'very good' at implementing customer feedback gather it with more frequency than companies that don't rate themselves as favorably.

Customers leave helpful feedback because they want to be a part of the process. Nothing demonstrates this better than the feedback respondents said they wish brands would ask them for:

"Give us a list of new, exciting features to vote on to feel like a part of the process of upgrading features"

"What could we do to improve on our product/ service?"

"What features is our product missing? What features are unused?"

"How can we improve your user experience?"

These findings clearly highlight the desire customers have to help businesses, and yet only half of the companies studied use customer feedback to influence their decisions. Conversely, if businesses acted upon the desires of their customers, response rates would rise tremendously. In fact, 99% of respondents said they'd leave feedback if they knew the company would actually use it to make changes.

Uses of Customer Feedback

Understanding customer sentiment	64%
Understanding customer behavior	44%
Understanding customer demographic	30%
Product roadmapping	21%
Determining their Net Promoter Score (NPS)	13%
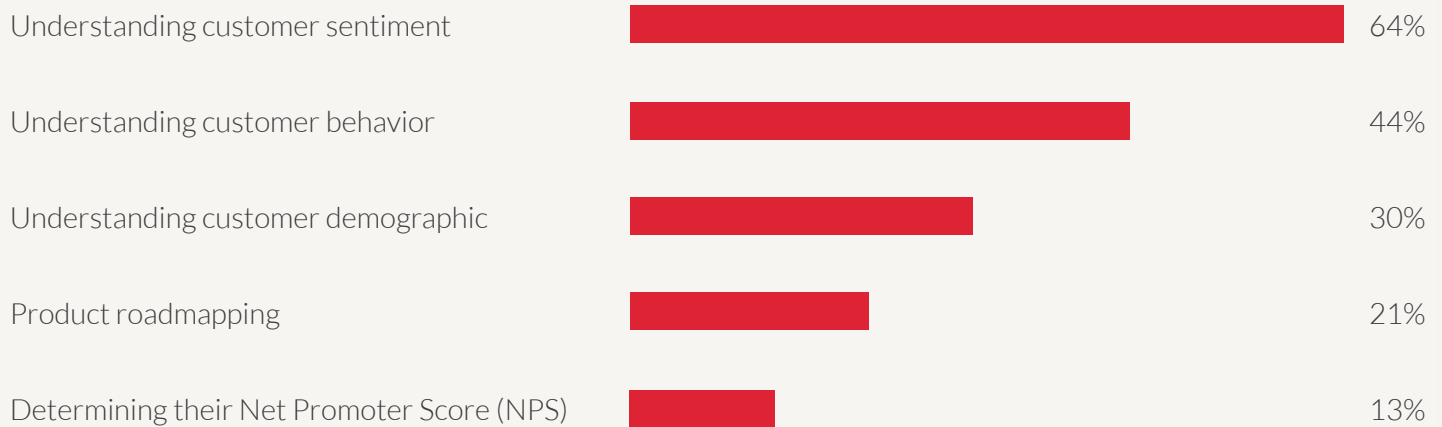
It's clear feedback can be beneficial to many business segments, but there is a caveat. Using customer feedback can be problematic when companies make decisions from feedback they are passively receiving.

Unless asked directly, only about 1% of consumers leave feedback. Thus, decisions made based on this feedback are at risk of isolating 99% of the overall customer base.

Takeaways

By now, the importance of customer feedback is clear. So what can companies do to activate the silent majority? To increase the volume of customer feedback, here are three tips:

1 **Ask for feedback IN the mobile app**
Ask and you shall receive—asking customers for feedback directly has proven to increase the percentage of customers who provide feedback from 1% to more than 50%.

Something to keep in mind when asking for it is that the number one reason respondents gave for not leaving feedback was because it's too time consuming. Make it easier for your customers by keeping your questions short, concise, and direct. The quality and quantity of answers will be sure to rise.

2 **Make it easy for customers by asking them at the right place and right time**
Customers will be more willing to leave feedback if they don't feel bothered or interrupted. Make sure to be mindful of when and where you're asking your customers to answer questions. Our best practices for asking for feedback at the right place and time include:

- Let your customers complete their intended task before asking them for feedback.
- Be sure your customers have sufficient experience with your product or service before asking them for feedback.
- Be respectful. Don't ask for feedback multiple times within a short period of time, especially if a customer ever says "no thank you."

3 **Consistently measure customer feedback using NPS**
One of the keys to effectively gathering customer feedback is consistency; pick a method and make it repeatable. Net Promoter Score® (NPS) is a great barometer of customer sentiment, and is useful to gauge how customer sentiment changes over time. For example, if your NPS score shifts downward, meaning customer sentiment has decreased, it's a signal that you should follow up with the customer to learn more about what's causing the dip. Use their feedback to course correct and make changes based on what your customers tell you. Conversely, when your NPS score increases, evaluate what could be causing the spike so you can rinse and repeat. In each instance, you're deepening your understanding of your customer base, and thus, are able to create a better customer experience going forward.

Survey Methodology

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