The Power of Text Analytics in Customer Experience Programs

White Paper

Drive actionable insights and business results through the potential of unstructured data
INTRODUCTION

Today’s successful companies have already implemented a customer experience program in one form or another. Some of them might even be considered mature in their approach, meaning they have taken their program beyond the simple listening and measuring phases, to actually responding to customers, taking action, and delivering real insights across the organization. For customer experience professionals, the next challenge is to evolve their program in both depth and breadth, towards true brand-experience differentiation.

In order to achieve this, there is one area which they need to resolve efficiently and systematically: how to deal with unstructured data and analyze text from various sources in a meaningful and measurable way. The exponential rise in the volume of this type of data—whether it is solicited (e.g.: survey verbatims) or not (e.g.: customer forums, social media sites)—leads to the inevitable conclusion that it can no longer be ignored if companies want to stay on top. Text is, after all, the primary method used for recording thoughts and feelings, and for expressing ideas and reasoning. And more than ever before, customers are finding they have a voice, and it matters!

There are many reasons why most brands have, so far, focused mostly on structured data: it is far easier to collect, measure, and analyze. Responding to a customer who just submitted a survey is also far easier than being present on all online forums, ready at all times to take on any issues that might come up, anywhere. For most, this seems like an unattainable goal, but it isn’t. With the advance of text analytics software solutions, you can be everywhere at the same time, listening to everyone, and you can then make the right investments to respond and act on this feedback.

To claim to have a real Voice of the Customer program, you need to listen to the actual voice, in all its forms, and manage all customer feedback in one platform, in order for it to make sense and deliver what you really need: the insights necessary to make sound business decisions, distributed to the right people, at the right time. True leaders are those who will unlock the potential of unstructured data and translate it into business value, day after day, across the entire organization. A customer experience program, backed by a robust text analytics solution, is critical in achieving this goal. This white paper is intended to provide information about the key elements of such programs, and is organized into the following four components:

I. Listen to the Voice of the Customer
II. Interpret customer data to extract meaningful information
III. Deliver actionable insights and personalized reporting
IV. Measure and track metrics and trends over time, to continuously improve the program

I. LISTEN TO THE VOICE OF THE CUSTOMER

Unstructured data is often reported to represent around 80% of all data\(^1\) that is available to an organization, and it is often where the real knowledge gems remain dormant:

- Why do customers rate your product or services a certain way?
- What future innovations lie unchecked in your customer forums?
- What critical issues have been uncovered in Twitter and threaten both your customers’ loyalty... and your bottom line?
Companies spend millions of dollars every year on collecting feedback from their customers, whether through enterprise feedback software or through their market research agencies. And it is critical data. Yet these same companies often have no way of tapping into the vast majority of customer feedback, all of it just beyond their reach. Customers have taken over the conversation, and successful brands are those that know how to join in, rather than try to control it, and understand what customers are really saying.

More than ever, the sheer volume of data sources (survey verbatims, customer forums, social media sites, reviews, contact center notes, e-mails) and types (text, audio, video, SMS) has organizations and market research companies constantly striving to keep up. Where to look for the data and how to monitor it have become real challenges. The exponential growth in volume and importance of unstructured data, both solicited and unsolicited, has encouraged best-in-class organizations to embrace text analytics as a complimentary tool to customer experience programs, in order to retain their competitive advantage. Having the right technology and methodology are now critical. So is the need to hold all this information on the same platform to achieve a single view of the customer and deliver real insights to the organization.

Historically handled on an ad-hoc basis, with employees manually coding survey verbatims, for example, unstructured data has been largely neglected, and there has been limited resource spent on gathering representative, accurate and measurable information from these sources. The main issues with dealing with unstructured data are both technological and methodological. On the technological side, historically, the right tools have not existed to tackle the issue in the first place. Now, however, text analytics software has caught up with companies’ needs and it has enabled many of them, including Fortune 500 brands, to derive not only customer feedback, but competitive intelligence, business insights, product innovations, etc.

While text analytics has solved the challenges behind the collection, identification, coding, analysis, and interpretation of full text content from a variety of sources, it is not enough to decide to go after these largely untapped wells of intelligence. This is where the methodological issues lie. Identifying the relevant data sources, choosing a robust, scalable, and integrated software solution, prioritizing available resources: all this, and more, needs
to be decided upfront, and selecting the right partner is no doubt the first critical step in this journey.

II. INTERPRET CUSTOMER DATA TO EXTRACT MEANINGFUL INFORMATION

The challenge is now to make sense of all the data that has been collected from the multitude of sources, internal and external, solicited or not. This is where the true power of a text analytics solution comes into play, as a critical component of a successful customer experience program. Based on NLP (Natural Language Processing), text analytics has been proven to be more reliable, much faster, easier to analyze, and overall more cost-efficient than manual methods.

Through this advanced technology, text analytics can map 100% of the meaning of any textual content to reveal customer sentiments, concerns, intentions, and ideas, clearly and reliably. In effect it transforms unstructured text into structured data that can then be used to understand and predict customer behavior, using for example, multivariate or logistic regression, cluster analysis or modeling techniques. Basically, text analytics quantifies and analyzes textual information in real time to generate immediate, actionable insights. Provided you choose a solution that integrates with a customer experience program and your CRM system, you can then divide this data into categories, themes, emerging issues, and root causes that can then be formatted into reports, visualizations, and presentations.

Take, for example, a hotel chain that processes 250,000 guest surveys every quarter. The survey is intentionally short, with a customer satisfaction score and an open-ended question, “Why have you given this score?” The answers to this question might talk about service, cleanliness, billing, surroundings, food, even pillow quality—or more likely, a combination of these. And the sentiment behind these criteria might be positive, negative, or again a combination. For example, “Service was excellent, but I was overcharged for the mini-bar.”

This is where text analytics does its magic; categorizing comments into concepts and assigning sentiment, or “qualifiers”, to these concepts. By integrating this data into a customer experience platform, this hotel chain can only
analyze customer satisfaction trends quarter on quarter, but also understand the underlying causes for loyalty or dissatisfaction.

The power of extracting meaning out of survey verbatims is only a small part of what text analytics can achieve. Imagine all the conversations that are happening right now involving your customers and prospects. Even if you have a monitoring platform that allows you to join in the conversation, what are you doing to “record” it, extract its key meaning, integrate it with the rest of your data, and report on it? Most organizations think it is simply too complex, but technology has now made it within their reach, whatever their size or resources.

III. DELIVER ACTIONABLE INSIGHTS AND PERSONALIZED REPORTING

So you have now unearthed and interpreted a vast amount of data ... the million-dollar question is, what are you going to do with it? There are generally two ways to react to customer feedback, whatever its form:

1. Take immediate action and close the loop with your customers, by showing their feedback has been received and taken into account.
2. Aggregate the data by type, region, customer segment, etc., and get an overall picture of the key issues that customers face, in order to make long-term business decisions. It is generally advised in most industries that both methods, often characterized as operational and strategic, be used in conjunction with each other for maximum efficiency.

**Operational actions**

By combining structured and unstructured data, at the same time, using a unique feedback platform, employees on the front line can quickly act on customer feedback. The obvious example is when a dissatisfied customer sends back a survey complaining about the quality of a product he has just purchased. By setting up alerts within your customer experience program and using text analytics to pre-determine the specific issue, the right front-line employee will receive an automated e-mail and will be able to deal quickly and efficiently with this...
customer. Leading brands have already caught on with the immense benefits of "operationalizing the data" in this way—making it a part of every employee’s workflow and ensuring customer experience stays at the forefront of everyone’s agenda, no matter where they sit within the organization.

Dealing with unsolicited data poses greater challenges than verbatims in a survey. Organizations today may run customer forums, social media sites, and blogs, but how can they continuously tap into the “chatter” online, and empower their employees to respond? A customer experience program backed by text analytics will deliver the right information to the right people (Fig. 1), although it does raise further issues, including human resources, operations, and customer support. And, as we have all witnessed on YouTube, ignoring the complaints of an influential customer can quickly become a PR disaster of global proportions!

**Structural improvements**

Issues are rarely created in a silo, so analyzing them purely in the context of a single department is ill-advised. For example a low satisfaction score in customer service might actually stem from a widespread product defect, or a delivery issue. Extracting insights from the volume of data is what the organization needs to make informed strategic decisions about structural improvements. The last thing the CEO wants to do is make a significant investment based on incomplete data. This is why the data, and the insights it generates, needs to serve as a catalyst for a cross-functional, customer-centric approach. Not just some of the data, when it’s convenient or easier to collect and visualize—but the whole picture that the data indicates. And only an integrated customer experience solution backed by powerful text analytics can deliver this in a reliable, meaningful, representative, and cost-efficient way.

![Source: Clarabridge](image-url)
Another issue here is how to prioritize which feedback to respond to. For most organizations, especially those in B2C, it is simply not possible to respond to all feedback, one customer at a time. So how can management tackle this issue? In most cases, they take an inside-out approach based on their resources, departmental processes, and available technologies. Rarely do they take a customer-centric approach. Companies engaged in a successful customer experience program know one of the necessary steps at the start is to design the customer journey, and to build their feedback collection and closed-loop process around the touch points along that journey.

Unsolicited feedback, however, poses some new challenges when it comes to precedence. Because it is not formally collected at a moment of truth in the customer journey, it is markedly more difficult to prioritize. And the volume and complexity make it much harder to analyze. Yet another reason why unstructured data gets ignored, often because organizations are not aware how far technology has advanced in the field of collection, interpretation, analysis and reporting of unstructured information from internal and external sources.

A truly powerful customer experience program integrated with text analytics enables companies to combine the business benefits of both operational and structural improvements. They can identify front-line actions in order to save at-risk customers in the short term, and through advanced reports, they are able to make viable decisions about long-term customer investments that will yield solid ROI.

IV. Measure and Track Metrics and Trends Over Time

“What gets measured gets managed”. This saying is truer today than it has ever been. It is also possibly one the reasons text data has not been analyzed and treated in quite the same way as quantitative data. Without the proper means to extract meaning, trends, and metrics out of it, it has simply been ignored, or at best, used to illustrate scores and business metrics. Text analytics has changed that, by converting text into a measurable entity, which can then sit intelligently alongside financial KPIs and loyalty metrics, and furthermore, make sense out of them.

Anyone involved in running a customer experience program knows choosing the right metrics for the organization is critical, and understanding the economic impact of these metrics going up or down is essential to ensuring growth and profitability. But focusing on the score is a fundamental mistake, and a trap that many organizations still fall into. If the birth of customer experience as a discipline revolved around the right metrics, the future lies in the “why” and the “how” behind the score. Indeed, without a clear and representative analysis of what needle to move, [i.e.: what customers really feel and think], how do you know where to invest to ensure the metric is going to move in the right direction, and at the right speed? As always it’s about ROI—and text has a prime place to play in this never-ending quest. The key to success is to ensure this is part of a continuing process that must be reviewed and developed over time, in order to remain up to date with the changing behavior of customers.

Text analytics not only delivers business insights out of information, chatter, and opinions, it also delivers metrics and trends, and adds a critical dimension to your quantitative data. And it represents a key component of what some believe to be the holy grail of customer experience: the single view of the customer. Integrating all data, structured and unstructured, solicited or not, with your CRM and CEM platforms, delivers the perfect 360-degree view, from the
company’s and from the customer’s points of view. All this to power sound business decisions, based on powerful, yet intuitive analysis of unlimited volumes of quantitative and qualitative data gathered and analyzed together.

Key Take-Aways
The goals and challenges of customer experience programs and text analytics solutions are essentially the same. It is, after all, about making sense out of myriad data types and sources, in order to extract reliable business insights that can help steer the organization in the right direction, from the customer’s point of view. Effectively, text analytics can add a critical and powerful dimension to your customer experience program, by enabling you to tap into your customers’ universe, and not just your own. Integrating your program with the correct technology fit for your businesses means you can do this in a way that is:

- scalable
- consistent
- thorough
- reliable
- cost-efficient.

“The future success of companies and organizations will increasingly be based on their ability to unlock hidden intelligence and value from unstructured data, and text in particular,” The 451 Group wrote in a recent report. “... Those [companies] that do not buy, build or license unstructured data analysis (UDA) technology will be overtaken by competitors moving to assume leadership in delivering intelligence and insight to businesses.”

To continue to meet or exceed customer expectations, organizations need to listen to, interpret, act on, and measure all available sources of customer feedback, whether internal or external, structured or unstructured. Integrating the Voice of the Customer in one platform, designed to enable you to act on this feedback and help you make informed decisions, is key to growth and profitability.

The business benefits of such a program have already been proven by a wide range of organizations who have embraced the voice of the customer early, including:

- spotting new delivery issues early
- identifying emerging trends
- reducing operational costs by addressing common customer support issues
- developing product innovations based on the wealth of customers’ ideas
- understanding the root causes of customer satisfaction scores

Sharing the voice of the customer across the organization has become imperative, and empowering your employees to participate actively in the delivery of a better customer experience is a challenge that needs to be addressed. Ensuring that your customer management program, backed by text analytics, is user-friendly, intuitive, customizable, and scalable will mean the difference between overall adoption and failure. Data can no longer be the territory of experts and researchers—it now needs to be converted into meaningful and actionable insights for the whole organization.
As Forrester researchers predict, “...market researchers will be pressured to incorporate more innovative tactics like social media into the research mix and broaden their research scope to include more diversified (global) target groups, while maintaining a critical focus on budget and accountability.” This vision is simply not achievable without a powerful and customer experience program that incorporates the ability to measure your customers’ voice, whichever channel it comes from.

REFERENCES
ABOUT CONFIRMIT

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