

CONSUMER FEEDBACK ANALYSIS

What is consumer feedback and why is it so relevant for your business?

A short guide to making sense of consumer generated texts, and turning them into insights.





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*Created in Amsterdam
by Wonderflow BV*

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WHAT IS CUSTOMER FEEDBACK?

The term **customer feedback** refers to the information that comes directly from consumers about the satisfaction or dissatisfaction they experience regarding a certain product or service. In other words, it is all the information generated by consumers and/or buyers of a certain brand. This information comes in many formats (e.g., text or speech) and through different channels. Common sources of customer feedback are:

Surveys and questionnaires

As a result of your attendance at the event, has your view of the local area and surrounding region (where the event took place) changed?

	Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
More so than before, I think there is a strong sense of community in the area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
More so than before, I think the area is a good place for arts and culture	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
More so than before, I think the area is a good place for events and festivals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
More so than before, I think the area is a good place for sport	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

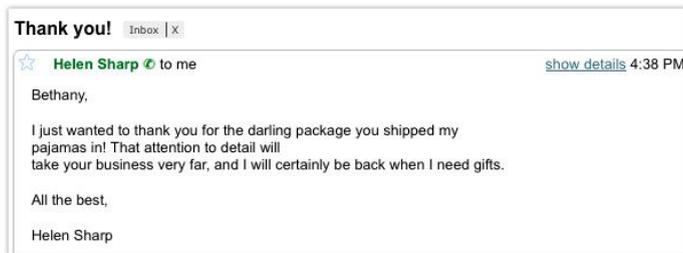
If you were visiting the area/region where the event took place for the day or overnight, did you plan your trip particularly to go to the event?

- Yes
- No
- Not applicable - I live locally

A survey is defined as the measure of opinions and experiences of a group of people about a specific topic. Information is obtained by asking questions. A survey differs from a questionnaire, which is defined as a set of printed or written questions with a predetermined choice of answers, devised for the purposes of a statistical study¹.

¹ Source Fluidsurveys

Emails and letters



E-mails are another common form of customer feedback. Some consumers e-mail companies with their experiences after they have purchased or used a product or service. They use e-mails to express their gratitude or the reasons for their dissatisfaction.

Phone calls and call centre data



A call centre is a centralised office that processes large volumes of telephone and electronic requests. A call centre manages the incoming product support requests or information inquiries from from users².

² Wiki

Product reviews



Online Consumer Product Reviews are written by people who have used a certain product or service. They represent a very important source of customer feedback for brands sold through online retailers.

There are two main reasons why Online Consumer Product Reviews are **the most valuable form of customer feedback**. First, reviews contain relevant insights about brands, products and services. Users write freely about their preferences, aversions and expectations. Managers can use this knowledge to optimize their products or marketing communication campaigns.

Second, reviews have the power to potentiate sales. More than 80% of consumers have stated that their purchase decisions were influenced by what they read on product reviews. In today's Internet-driven world, consumers have more power than ever. A single user can broadcast his praises or complaints to an audience of millions.

Customer Feedback Categories

Customer feedback can be classified into two different macro-categories:

1. **Questions and Answers:** include surveys and interviews. First, someone has to find the consumers willing to participate. Then someone needs to ask them some previously structured questions.

The outcome is a structured set of data and information that is easy to understand (e.g., charts, diagrams, curves) and usually includes key quantitative indicators. Or the results can be written in a storytelling format with qualitative interpretations of the data. Sometimes, these two types of results are combined.

The main drawback of using these methodologies is the potential bias that can result from the interaction between the organization (questions) and the respondents (answers).

2. **Voluntarily generated:** include e-mails, call centre data and online consumer product reviews. Usually, the information is not homogeneously structured. So, the main drawback of using this type of customer feedback lies within the complexity of the analysis. However, if approached correctly, invaluable unbiased insights can be obtained.

Why is customer feedback so relevant for your business?

Customer feedback is essential to managers and decision makers. It provides actionable market insights that can help them to improve the consumer experience and subsequently, their brand's performance.

We summarized the most important *reasons why* for you:

1. **Optimize products and services**

Consumer input is commonly used throughout the product development process to make sure that the end product will solve a problem or fulfill a need. Listening to your customers is the only way to know if you are offering something that they actually want to buy.

The world's most innovative companies are making sure that their products meet or ideally exceed their users' expectations. In today's competitive environment, the companies who understand the importance of customer feedback and use it during the product development process can build stronger competitive advantages. Listening to the voice of customers can help increase brand loyalty and even convert mere users into brand advocates³.

2. **Measure consumer satisfaction**

Monitoring this indicator helps you find out how your product is performing in terms of the consumers' expectations. Customer feedback provides important information about their satisfaction.

A simple way to measure it is to look at the star-ratings of your products that accompany reviews posted on e-tailers. Usually, if a product has more stars, it means that it has performed most favorably and vice versa.

Some brands use their own interpretation of the star-ratings. E.g, products with a rating of 1-3.5 stars are considered as *unsatisfactory*, products with 3.5-4.5 stars as *neutral* and products with 4.5-5 stars as *satisfactory*.

³ Clientheartbeat

This specific measurement is a quantitative one and is not enough to explain why consumers actually like the products or not. To deep dive into the reasons behind a certain score, it is important to analyse the full reviews.

3. **Insights for a better customer experience**

Optimizing the consumer experience should be your main motivation to gather customer feedback. Offering the best possible experience helps you gain more opportunities for up- and cross-selling. Furthermore, consumers that are satisfied with their experiences are more likely to recommend your brand to their friends.

In order to offer the best possible experience for your consumers, you must understand what they want and how they feel. If you can offer a better experience than your competitors, consumers are more likely to remain loyal to *your* brand.

Moreover, customer feedback can help you understand and better map the consumer journey for your product or brand and subsequently identify the areas of opportunity.

Using customer feedback throughout your product development process brings you closer to fuel consumer-driven innovation and better manage your product's life cycle.

4. **Help improve customer retention**

Analysing customer feedback regularly can help you make sure that you have continuous awareness of your performance. Unsatisfied consumers who find better offers from competitors may stop doing business with you. Listening to your unhappy consumers helps you design strategies to correct current mishaps and even prevent potential faux pas that can result in customers churning⁴.

5. **Run consumer data-driven decisions**

The best business decisions are based on data. But what if you end up with inaccurate data? Customer feedback is the holy grail of data that helps you understand how customers really feel about your product, service or brand.

Consider making customer feedback your guide to better business and marketing decisions. Consumers will have the best suggestions for your products. We recommend you to listen to them.

⁴ Clienthearbeat

How to Start?

Of course you can try to understand customer feedback on your own. However, the volume of data is so big, the sources so diverse and the information is so heterogeneous, that it's almost impossible to make sense of it without a specific tool. This is the reason why we created the Wonderboard.

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