

Critizr. for Business

CUSTOMER FEEDBACK: THE NEW ERA OF FEEDBACK-DRIVEN MARKETING



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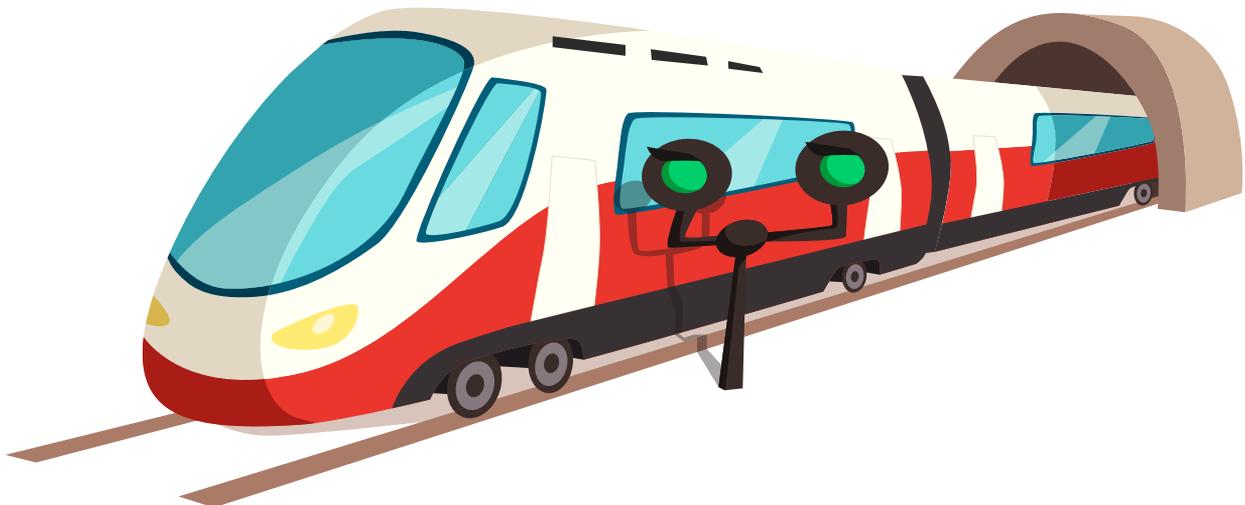
INTRODUCTION

Marketing strategists, it's time to get up to speed!

Let's face it—mass advertising isn't cutting it anymore and Traditional forms of media are no longer the publicist's weapon of choice. Consumers have become sceptical: they're well aware of what marketing tactics are out there and freely comment on their shopping experiences.

On the other hand, **almost 9 out of 10 consumers check customer reviews online before purchasing** and really put their faith in them. Customer feedback is a way of finding and securing loyal customers, and marketing strategists can no longer afford to pass up on this important tool.

Read this e-book **to find out how customer reviews have become the latest driving force in marketing!**



1. THE NEW ERA OF MARKETING

1.1 « *Big data* », an aid that has become a necessity

“90% of the world’s data has been produced in the past two years. This is the new world we’re living in when it comes to marketing. Hyperproduced data, kicked off by tech giants such as Google, Facebook and Amazon, is totally changing the game.

The advent of big data comes as a result of many factors, with technological advances coming in at number one. High-performing solutions have been created specifically to deal with massive volumes of data. Meanwhile, feedback collection methods via mobile technology, connected devices, CRM, etc. have multiplied. Two more factors that have bolstered this unprecedented data boom include general social media usage and the digitisation of business.

« 90% of the world’s data has been produced in the past two years. »

What's more, this data is like a goldmine when you look at the current problems affecting marketing strategy. Markets are saturated and highly competitive. Classic advertising techniques are gradually having less impact, as it has become harder to captivate consumers by using mass publicity. These days, consumers are more “in the know” and more self-reliant, making them very unpredictable creatures. Customers now change brands as often as they change clothes and it is difficult to win their loyalty.

In the current economic environment, data plays a key role in developing an effective marketing strategy, both in terms of customer acquisition and loyalty. The most successful companies are all using it—just look at Airbnb or Uber. By using big data when making strategic decisions, they’re providing a fully-optimised and personalised user experience.

According to a study conducted by MarketsandMarkets, the market value of big data is set to reach almost \$67 billion by 2021. This represents an annual growth rate of 18.45% over the next five years. The value of data is constantly growing and new jobs such as “data scientists” are quickly cropping up.

In terms of opportunities, big data usage is about to become indispensable for companies. It's the ultimate challenge for marketing strategists: entering the realm of big data quickly to avoid falling behind the competition, particularly data giants like Amazon, the current leader in the race.

1.2 The relevance of traditional marketing techniques

Listen up marketing professionals: the days of outbound marketing are long gone. Buying up masses of online ad space is no longer having the same impact. Major publicity campaigns for your products have never been less effective. According to a Nielsen study, only 35% of today's consumers buy into TV adverts. As for newspapers, the statistics show 32% and just about 31% for radio.

Why? Over time, consumers have become only too wise about marketing tactics and are increasingly sceptical towards publicity. Traditional forms of media are no longer the publicist's weapon of choice.



Even the impact publicity has online is dwindling. Banner blindness is a phenomenon affecting more and more Internet users. In France, 30% of users have an ad-blocker to hide online ads. Similarly, marketing emails have a click rate of only about 3.3% according to an Experian study from 2016. And this figure keeps going down.

Users no longer want information about products they don't need. Forced advertising is off-putting and users would rather do their own research online when they have a specific need. In 2016, 85% of French people said they regularly use the Internet to research a product before buying it. Thanks to the web, they can easily get information and compare it to find the best option for their needs.

1.3 The growing significance of customer reviews

Now when researching, customers are increasingly relying on reviews, no matter what it is they're buying. 88% of internet users check customer reviews to prepare for making a purchase in a store or online. Despite not knowing who wrote the reviews, 68% of consumers put their trust in them. In other words, they find reviews twice as trustworthy as ads from traditional media.

« You shouldn't be saying "my product is the best" anymore, you should be making your customers say it. »

Nevertheless, ideas of trust and loyalty are not all lost. Customers can still be loyal to a brand. It's just that high competition has made consumers more demanding and unpredictable. Online reviews provide transparency about other user experiences and encourage customers to try a competing product. Trust and loyalty have become difficult to obtain yet they're a major talking point in marketing, now more so than ever.

The freedom of expression the Internet offers has totally overturned the power relationship between brands and customers, and customers are taking note. Customers now see themselves as being really involved in the industry—no longer just passive users, they freely share their opinions and positive or negative experiences. 79% of people, or roughly 4 out of 5, who do their research online before buying have already shared a customer review.

The conclusion is clear: you shouldn't be saying "my product is the best" anymore; you should be making your customers say it. This is what is disrupting traditional marketing strategies. Customer reviews have become the driving force behind marketing.

1.4 Marketing when customer reviews are key

Well aware of what it takes, marketing departments should be handling reviews in a proactive manner, taking control of what customers are saying. Overseeing customer reviews is without a doubt a very effective marketing strategy. Not only that, customers are usually positive when solicited! Know that on average, 83% of customers solicited after a purchase give positive feedback.

Consumer opinions are progressively becoming more central to new marketing strategies. French sporting good giant Decathlon is a perfect example. This global market leader defines itself as a "user-centric" company, i.e., they put the user at the centre of all strategic decisions.

Decathlon pays attention to its customers and gathers nearly a million reviews each year on its products. Product managers reply directly to these reviews and use them as constructive feedback for continuous improvement and innovation. By encouraging the Voice of the Customer (VOC), Decathlon is creating genuine brand ambassadors throughout its customer base and their communication strategy revolves around discussion and recommendations.

2. BOOSTING BUSINESS BY USING CUSTOMER FEEDBACK

2.1 *Improving customer acquisition via the Internet*

BOOST YOUR CLICK RATE

How so? Customer reviews are above all a very powerful SEO booster. Full of SEO-friendly key words such as the name of your product, offer type, words like “delivery,” “price,” etc., this content can push your website up through the ranks in Google’s search results. An added bonus for any brand looking to improve their natural referencing.

What’s more, customer reviews can also affect the click rate through rich snippets. These extracts were added to Google’s search results in 2009. Rich snippets are the stars you see below certain links when using the world’s most powerful search engine.



They contain micro-data embedded in a website's HTML code and this structured data provides search engines with additional information. When a user reads the meta description of a link on a result's page, they can quickly identify information such as names, places, products, etc. This information allows them to assess the link.

Take the following example from a user who searched for "supermarkets Paris." Among all the search results, there will be Carrefour, Match, Auchan and E.Leclerc. This is where rich snippets step in as they open the platform for companies to stand out from each other in the search results.

As well as boosting your site's ranking in search engines, rich snippets have higher click rates than results without structured data. And seeing as you're giving users information they're looking for, this encourages them to go further. In Carrefour's case, by including Google stars in search results, the click rate to their website increased by 24%.

REASSURE AND CONVERT

Another benefit of rich snippets is that they give you the chance to display your online reputation and reassure the user. With a score of 4.5 out of 5 (based on almost 400 reviews), visitors are confident in the link displayed and as such, the brand. It's also very important in terms of user searches as they're often looking for practical information like opening hours, addresses, and phone numbers. For stores with high-traffic websites, integrating rich snippets and displaying customer scores is a great opportunity.



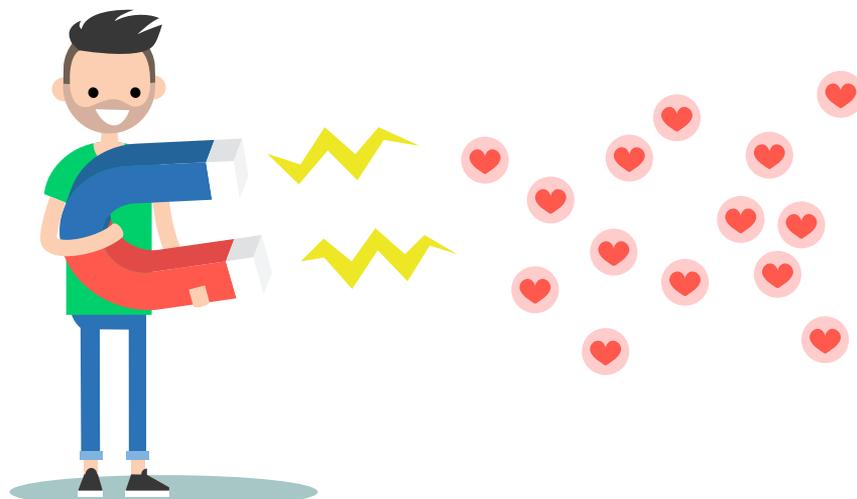
Besides search results, customer reviews can also make your website more reassuring for visitors. A/B tests have proved that by displaying the satisfaction score in strategic places such as the home page, basket, footer etc, you can reduce the bounce rate, increase the basket add rate and especially improve the conversion rate. Major brands boost communication around their satisfaction score by displaying it in their emails, through social media and on display banners.

This also applies to retailers: although 53% of French people use the internet to find out about products, 60% go to an actual store to make the purchase. As such, customer reviews are a source of traffic and conversion rates, both online and in-store.

2.2 Improving online reputation

“One negative review on TripAdvisor means €10,000 in losses for Pierre & Vacances.” Rodolphe Roux, Marketing Director for the French tourism group, effectively demonstrates the hard-hitting stakes of an online reputation. Many companies have gone bust due to a poor reputation or a lack of online reputation.

It is very much in the interest of the company to handle reviews in a proactive manner, taking control of what customers are saying. Overseeing customer reviews is without doubt a very effective marketing strategy. Not only that, customers are usually positive when solicited! Know that on average, 83% of customers solicited after a purchase give positive feedback.



So, marketing managers, it's up to you! Take the initiative and start collecting customer reviews! This will drastically change the influx of reviews; without any effort on your part, only 1% of customers will spontaneously give their feedback. By reaching out to them, after a purchase for example, you can achieve a feedback rate of almost 25%. By collecting customer reviews, either by reaching out or spontaneously, you'll get a realistic insight into satisfaction levels.

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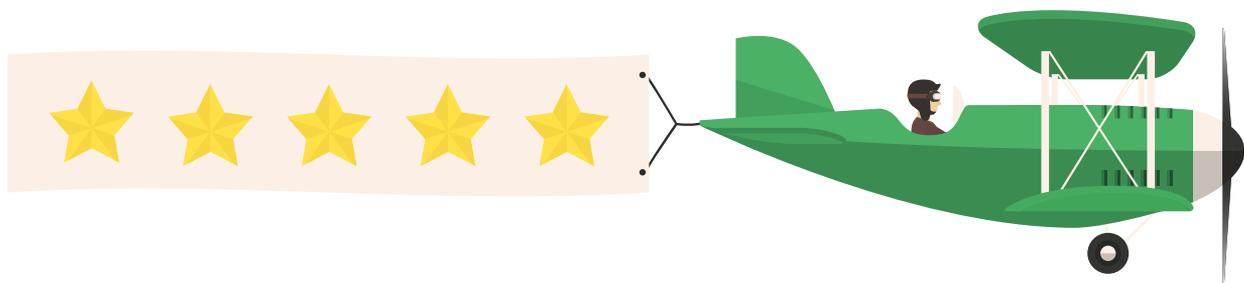
By using this satisfaction indicator wisely, you can make your online reputation a legitimate ROI for your brand. Your satisfaction score can become a "hook" that is central to your acquisition strategy. A perfect example is that of Save, a French electronic device repair company and Critizr client since March 2016. The victim of a few detractors who shared their views online, Save has implemented measures which facilitate an impressive amount of customer feedback: over 17,000 reviews in the first month!

These reviews, positive for the majority, have effectively outweighed the few negative ones online. Save displays their customer reviews in strategic parts of their website such as the footer, product descriptions and basket. These reviews are certified by Critizr and provide reassurance for undecided visitors. Likewise, due to reviews, the website goes up in the search algorithm's ranks. Without a doubt, key words in customer reviews are a very effective SEO booster.

2.3 Capitalising on positive customer experiences

MAKE THE MOST OF CUSTOMER SATISFACTION

Now that you've collected customer reviews, you can make a true assessment of their satisfaction levels. Make the most of it! Although your customers can play a key role in recommending your business, you don't always need their input. You can use your customer satisfaction score as a genuine means of reassurance in your communications.



We all know of communication campaigns, such as those by Yves Rocher that highlight customer satisfaction. Take for example a message like: "9 customers out of 10 recommend this product," appearing at the end of a commercial spot. Blablacar uses customer reviews to reassure: on their home page, the startup displays the most recent reviews posted by customers satisfied with the service. Enough to reassure people who are sceptical about or new to carpooling.

French food chain Flunch is another example: the franchise really focused on a newsletter sent to customers to promote their new service: Flunch Drive. The newsletter stated: "Do you know about Flunch Drive?" and displayed a customer review from a very happy user of the service. The trust shown in the customer review, paired with a discount coupon valid for the first time using the service, created excellent results for Flunch.

These strategies mean you can make the most of customer satisfaction, and use customer reviews as an advantageous communication tool. Although effective, these communications are nonetheless disseminated by the company and are not deemed as trustworthy as recommendations directly from customers. Let's see how you can turn your customers into brand ambassadors.

REFERRAL MARKETING: TURN YOUR CUSTOMERS INTO AMBASSADORS

First off, it is essential to know how to identify an ambassador customer. Not every happy customer is a brand ambassador. An ambassador customer is loyal and committed. They develop exchanges with the brands and actively recommend it to others. To harness the potential of an ambassador customer, starting a customer commitment process is essential.

How can you recognise the ambassador potential of a customer? By asking their opinion! This is one of the benefits of collecting customer reviews: identifying the potential best customers. The NPS indicator, which measures customer recommendation rates, is the best tool for finding potential ambassadors in your customer base. We consider a customer who gives a score of 9 out of 10 as a "promoter."



As soon as the “promoters” have been identified in your CRM, use this data to create marketing campaigns specific to their profile. To boost loyalty, propose an effective loyalty programme or exclusive special offers such as a discount when you buy a second item or sneak-preview information. This way you’ll increase their purchasing frequency.

In terms of a customer’s recommendation power, social media has a very important role to play. Encourage your fans to share posts on social media by providing interesting content or using the community feel of your brand to its advantage.

NPS is the best tool for identifying your potential ambassadors

Furniture distribution chain MADE has integrated social network “Unboxed” into their website. Their most loyal customers proudly post photos of their sofa or sideboard bought from MADE in their home setting. Fans can like and comment on other photos and share them on Facebook, Twitter or Pinterest. MADE encourages customers to share their photos through competitions for discount coupons.

The chain uses these photos to post on their own social media sites. MADE even visits some customer homes to film their interior design and have an interview with them. This approach is hugely popular with customers who dream of having their home selected by MADE. Customers of the franchise feel important and share even more photos on social media.

There may be opinion leaders hiding among your committed customer base. Opinion leaders are admired by their peers and have an even higher ambassador potential than your customers. Some brands identify these customers to take advantage of their potential.

This is the case with ASOS, the leader in online high-street fashion in the UK. The brand identifies bloggers and social influencers and suggests they become part of their Asos Insider programme. In exchange for free clothing and accessories, these Insiders elaborate on selected products on the site and show off their style on social media. With major followings, these micro-fashion-influencers have various profiles in terms of height, weight, skin colour, etc. Customers of the brand can easily identify with them.

A more classic, but just as effective, approach is the referral programme. It's a very effective way of turning your customers into ambassadors. This strategy is based on the win-win principle. Due to a series of advantages, customers will recommend your offer to others. Referral programmes are a very popular marketing strategy for recommendations; it is one of the most efficient ways of acquiring customers with little effort.

Car manufacturer Tesla is known for its cutting-edge marketing strategy. They offer a \$1,000 reduction to anyone who refers a customer and offers the same again to the customer. Uber is also well-known for its referral programme among both users and drivers. When a customer has been referred, both parties receive a €10 voucher for the first ride.

Amazon has also launched its referral marketing programme with Amazon Prime. Every time a referred customer spends \$5 on Amazon Prime, the person who referred them receives a \$5 voucher. So, you see—even the world leader in e-commerce and one of the best-known brands worldwide has developed a referral marketing programme.



3. INCREASING LOYALTY BY USING CUSTOMER FEEDBACK

3.1 *Optimising CRM campaign performance*

PERSONALISING MARKETING MESSAGES

Bruno Herrmann, Digital Director of The Nielson Company, is an expert on the current climate and says: “Customers don’t need more, or less, content than before. They need the right content in the right format, in the right place at the right time.”

In other words, overwhelming your customers with ill-adapted generic marketing messages and suggesting ordinary products to your entire database is out of the question. Going to the trouble of sending these messages could tarnish your image: 33% of French people would unsubscribe from a brand’s faulty communication programme, 22% would share their bad experience with friends and 19% would write a negative comment on the web.

It is time to personalise marketing messages and put them into context by using newsletters, texts, push notifications, geolocation etc. These communication techniques can boost marketing efficiency by 20%.



HOW BIG DATA CAN HELP MARKETING

We all know it by now, personalisation has become the norm. The most innovative marketing departments are already personalising messages in a big way. They're using big data they've collected about their customers.

Netflix is an impressive example. The company has classed its entire catalogue of films and TV series into 76,897 genres by using a tag system. An extreme example of segmentation which allows them to send users very precise recommendations. It's incredible!

So how can you begin personalising like this? Marketing messages can often be personalised depending on sociodemographic data, geolocation, web browsing, purchasing channel and/or RFM. Not enough marketing messages are being personalised by using customer satisfaction!

Netflix has segmented its range into 76,897 genres to provide ultra-personalised options

Yet, customer satisfaction will significantly impact their reaction to the message you send. Imagine a regular customer who had a bad experience with your brand. After their purchase, you reached out to them for their feedback, and they give you a poor result.

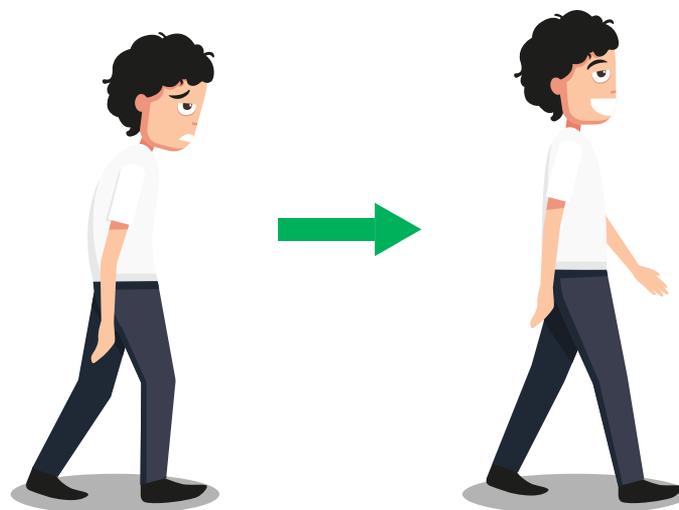


At this stage, if you send the customer a newsletter with a commercial offer, it's likely they're going to be peeved. You, as marketing director, should be aware of your budget in this precise incidence. Not only is this message unsuitable, it could also tarnish the image of your brand in the customer's eyes.

3.2 *Winning back unhappy customers*

Like we said before, unhappy customers should be dealt with carefully. Let's put ourselves in the customer's shoes. After a bad experience during their last purchase, this loyal customer receives a feedback request from you. They take the time to express their dissatisfaction by giving an NPS score of 3/10 for example.

Following this score, the customer won't appreciate your latest newsletter about the company's upcoming anniversary celebrations. Receiving a message like this could make them frustrated, they may even unsubscribe from the newsletter. Sending commercial offers to this customer is not a good idea! On the contrary, you should adapt your automated marketing for this unhappy customer by reducing the marketing pressure. As such, the customer won't receive any commercial offers for a while.



At the same time, win-back campaigns can be put in place:

- An apology email with a discount on the next purchase: nothing new, but it's the least you could offer the unhappy customer. Even if it is automatic, this apology email might make the customer feel like the company cares about them. If it was only a minor issue, the discount on the next purchase may be accepted as an apology and encourage the customer to buy again. Companies are experts in wording their apologies: Estonian start-up Sorry As A Service can send personalised messages or gifts to unhappy customers.
- The call-back campaign: this means the person directly involved with the issue calls the unhappy customer, the retail outlet manager for example. This type of campaign often means a situation can be defused quickly; when dealing directly with a human being, the customer is more likely to be forgiving than with an entire franchise. What's more, the customer will really feel considered and listened to. This approach also has the benefit of involving on-site staff and creating a bond with customers. It's a very successful strategy among several of our clients.
- Pushing positive reviews: a campaign that reduces the feeling of frustration on your customer's behalf and proves that this is an unusual occurrence within the company. This involves showcasing positive reviews to the customer about the negative points mentioned in their review. For example, if Mr. Smith complained about a late delivery, it would be a good idea to show him reviews from customers who reported a faultless delivery. This content can be displayed via retargeting tools such as social media and banners, as part of a newsletter or on the website.

There are many win-back-customer campaigns out there. It's up to you, as marketing manager, to be creative and to kick start these personalised measures. The aim above all is to keep customers, decrease churn rates and continue to make customers loyal. Some approaches can even get the customer involved with the brand in a positive way – companies like Zappos can make unhappy customers genuine brand ambassadors thanks to well thought-out messages.

CHECKLIST

USE CUSTOMER FEEDBACK TO

- Improve your SEO
- Install rich snippets in Google search results
- Improve your overall online reputation
- Reassure prospects/customers about the website
- Capitalise on customer satisfaction in marketing campaigns
- Identify ambassadors and harness their ambassador potential
- Personalise CRM campaigns based on customer satisfaction
- Develop campaigns to win back unhappy customers
- Collect more data and gain better customer knowledge

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