Best Practices for B2B CX Research
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Challenges with B2B CX Research

As Customer Experience (CX) research increases in the B2B environment, there is a temptation to simply borrow what has worked in the B2C world. And while many CX program best practices learned in the B2C world are still valid, the B2B environment presents unique challenges. Smaller sample sizes, more personalized and often more complex customer relationships, and a smaller proportion of customers often providing a larger share of revenue to the business, make B2B vastly different from B2C.

The main challenge in B2B research is small sample size. Many companies already start with fewer, larger dollar value customers, with the sample size further reduced by the need to segment by industry, size, country, and roles within the customer to provide a valid understanding of customer feedback. Feedback from the c-suite is not the same as feedback from day-to-day users/contacts. Similarly, feedback from a top 10% customer will need to be weighted differently than a low value customer in terms of importance to the organization.

The smaller sample size leads to less validity of the data for analysis and difficulty identifying significant differences.

To overcome these challenges, best practices for B2B CX research include:

- Implement an integrated qualitative/quantitative feedback system, not just a survey

- Maximize response through careful contact management strategy

- Turn feedback into action through closed loop processes

Integrated Feedback System

Regardless of a B2B or B2C environment, an effective CX program is not about just a survey or a single metric, but that is even more true in the B2B environment where the smaller sample sizes result in lower validity of quantitative metrics.

While quantitative data is still important to measure improvement over time, in many B2B organizations that often means looking at data on a quarterly or annual rolled-up basis to provide sufficient base sizes, especially with high value customers that represent a smaller share of overall customers.

Therefore, an important element of an effective B2B CX feedback system, is qualitative feedback. These normally come in the form of phone or in-person executive interviews, conducted by a third party or neutral department (e.g., Customer Experience department) within the organization. The third party or neutral department interviewer is imperative to ensure the collection of unbiased feedback. Customer contacts often welcome the opportunity to speak with an objective third party, particularly if they feel the third-party can help influence the B2B company's leadership to act on their comments.

Qualitative interviews are typically 15-30-minute interviews conducted on an annual basis, although in some cases, especially for in-person interviews with top executives, can be longer. While the ideal would be to interview all customers, practicality and budget normally result in a carefully crafted plan to interview a sample of customers.

The strategy for determining who to interview is discussed more under the next section (contact management strategy), but include criteria such customer value, interviewee role/position, industry segment, customer tenure and products/services used.

Qualitative feedback can also be collected through other interactions, e.g. quarterly business reviews and interactions at industry conferences. The key is to have a system for collecting feedback on some common structured questions that can be reviewed in an integrated fashion, along with quantitative survey data and interview data, on a regular basis. This can often be accomplished through regular account reviews that consider other business metrics alongside CX feedback data.

Contact Management Strategy

B2B relationships typically involve multiple people within a single organization at various levels and with varying degrees of familiarity with the product/service and impact on the buying decision.

A three-step process for developing an effective CX feedback contact management strategy is:

1. Identify customer segments
2. Develop a Customer Journey Map with customer roles
3. Map data collection strategy

Identify customer segments. The first step in CX feedback contact management strategy is to group customers into like segments. The most frequent is by industry or by size/value (e.g., large, high value customers vs. small businesses). Organizations normally already have established customer segments that can be used for this step.

Develop a Customer Journey Map.   The next step is to map the customer journey for each customer segment that clearly defines the key touchpoints and the roles/positions in the customer organization that are involved with each step along the journey. The designation of roles/positions may require consolidating many titles/positions into broad roles, e.g., user, decisionmaker, purchasing/finance. Additionally, identify interactions that are key moments of truth and potential points of pain. This will help later in identifying priority areas for feedback collection.

Map data collection strategy. The next step is to identify _who_ should be designated for qualitative interviews vs. quantitative surveys, _when_ they should be surveyed/interviewed (i.e., frequency), and _what_ they should be asked about.

> *Who*. While this can vary by organization size and number and value of customers, budget and practicality normally limits the number of qualitative interviews to a sample of 10-20% of customers. The most common is to prioritize qualitative interviews with executives of high value customers. However, other considerations for selecting qualitative interviewees are ensuring representation by industry, type of product/service used, or customer tenure. Another way of segmenting customers for interviews is to interview some customers who fall into one of three categories (1) high-performing relationships, (2) stagnant relationships and (3) struggling relationships. Once the targeted group to be interviewed has been selected, the company CEO or other senior executive should send an email to all prospective participants at the customer organization before scheduling any interviews. The email should highlight the importance of the review and ask for participants cooperation. This will help to increase participation.

The remaining customer contacts should be included in the pool to be sent one or more quantitative surveys.

When. Qualitative interviews are normally conducted only once per year. Quantitative surveys can be sent more often, but care should be taken to not over survey, resulting in both decreasing response rates and damage to the relationship. A longer relationship survey should be limited to once per year, with shorter surveys (3-6 questions) (either relationship or transactional) no more than quarterly.

What. Tailor and personalize questions to only ask what is pertinent for that role/position at that time. For example, asking more detailed questions about product/service experiences only of users, with broader relationship questions of those higher in the customer organization. It is better to have smaller, more targeted surveys more often than longer, broader surveys. When developing interview guides for the qualitative interviews, consider adding a single structured question (e.g., Overall, how would you rate your satisfaction or Willingness to Recommend) that can be integrated and tracked over time with other quantitative data from the customer organization.

Maximize participation. B2B has an advantage over B2C of more direct and personalized relationships. Therefore, the key to maximizing participation in B2B research is to take advantage of these relationships. This includes personalized invitations and using existing relationships to reach out to customers before the survey is sent to explain the research and why the organization values their opinion.

Incentivizing participation has only moderate success for B2B research. Never use money. Instead consider donations to charity or access to specialized knowledge through a white paper or report that is only available to participants in the CX research.

A more productive approach is to incentivize internal stakeholders to drive participation. For example, create recognition of regional teams with the highest customer response rates or biggest increase in response rates. Avoid providing incentives based on metrics or scores as this is likely to lead to undesirable behaviors.

Other practices that will increase participation include:

- **Use a vanity url** with the company email domain, e.g., feedback@brand.com. This will be less likely to get caught in the client's spam filters, since they are already receiving emails from your company email domain.

- **Brand the survey**, with a logo and catchy name that dovetails with your brand. For example, when the USO initiated a survey to get feedback from members they called it "Tell USO" and rolled it out with advertising that encouraged members to "Sound Off" with their feedback.

- **Send an advance letter.** Once a year, send a letter from Sr. Leadership prior to the survey. The first year, the letter should alert customers to the upcoming survey, the email that the survey will come from, the frequency, and why their feedback is important. Every year after, a similar letter should be sent out, but the letter should highlight how valuable the feedback has been and what actions the company took as a result of the feedback, and encourage continued participation.

Communicate internally. Don't forget to let client-facing employees (e.g., CSMs and call centers) know when you are sending out surveys to clients, what the survey asks and when it will be deployed. Clients will often ask them about the survey and they need to be knowledgeable and prepared.

Turn Feedback into Action

A key to getting the most out of your quantitative surveys is to have strong closed loop processes in place. Closed-loop can be split into two distinct areas:

> *Inner loop* – this happens at a customer level and typically means following up with an individual customer contact based on their feedback and triggered by a specific score or comment. It is important to have clearly identified processes on <u>who</u> will follow-up on what types of triggers, <u>what</u> action is expected with both the customer and internal process investigation, and <u>how</u> the information will be used moving forward. The documentation of these follow-up actions become another important qualitative feedback element that becomes part of the Outer Loop process.

> *Outer Loop* – This takes place at an organizational level and affects groups of customers. Outer loop processes include root causes analysis, action planning and subsequent changes to processes or technology to drive organizational change and improve the overall customer experience.

Leverage strong scores in marketing. If you have high NPS or satisfaction scores, you can continue to reinforce those feelings of good will by including your company's score in company email signatures or footers.

Tie to Business Results

At the end of the day, the value of any CX program is how effectively it contributes to organizational improvement and impacts business results. The key to showing this value is linking experience data (quantitative and qualitative CX feedback) with operational data (business KPIs). It is also important to remember that not all B2B customers are equal. So, when linking data sets, care should be taken to weight the data based on customer importance or a relative metric. Once this linkage is made, CX improvement efforts can be prioritized based on the impact on the business.

A strong B2B CX program based on integrated quantitative and qualitative feedback, with well thought out contact management and closed loop actions can have a dramatic impact on improving the customer experience and driving positive business results.

For more information about this paper and to see how we can help you in designing or conducting your organization's B2B research, please contact Cynthia Grimm at CX Solutions: (703) 284-9256