

# Enterprise feedback management

The missing piece of the predictive analytics puzzle.



**Y**ou see it everywhere. In trade publications, business journals, industry reports, in articles and seminars and webcasts. It's become a corporate obsession: a focus on the customer. And regardless of what the initiatives surrounding this obsession are called – customer relationship management, customer interaction management, customer experience management or one of several other labels – there's one term that is pervasive: 'customer'.

Customer-focused initiatives such as these recognise that as businesses have become far larger and more complex, they have lost the customer focus they once had. However, recent experience shows that in order to improve corporate bottom lines and gain a competitive advantage, this focus must be regained.

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Previously with SD-Scicon and Quintec Systems, he was one of the founders of Integral Solutions Ltd. (ISL) in 1989. When SPSS, the world's leading supplier of analytical solutions for the enterprise, acquired ISL in December 1998, Shearer became responsible for a worldwide team of data mining consultants and for SPSS' Advanced Data Mining Group. In 2002 he became head of SPSS' newly formed Customer Analytics Business Centre, a group formed to support SPSS products and solutions that apply predictive analytics to customer data for analytical CRM. He has held his current position since March 2005.

**CXO. Do you think that many of these initiatives that were introduced over a decade ago have delivered on the promises they made?**

**CS.** Thus far, these initiatives, many of which were first introduced more than a decade ago, have not delivered on the promises they have made. Companies have certainly improved their ability to capture and store both transactional and descriptive customer data. But there's clearly something missing. If recent news articles in *BusinessWeek*, *Fortune*, and others are to be believed, customer satisfaction is still much lower than it was several decades ago.

**CXO. What do you think is missing?**

**CS.** A small number of particularly savvy organisations have discovered a solution to this dilemma. They've identified the missing component in these customer-focused initiatives – customer insight. What's more, they've discovered the key ingredients to maximising the value of this customer insight: continuity, centralisation and integration. These companies have implemented centralised systems specifically designed for the continuous collection, management, and use of customer feedback within their organisations. These systems are re-

ferred to as 'enterprise feedback management', or EFM systems, and can result in a 30 percent uplift on traditional predictive analytics.

**CXO. When you say continuous, what do you mean in terms of feedback collection?**

**CS.** Many organisations perform some form of feedback collection, often in the form of surveys. In fact, most organisations perform multiple surveys. The problem is that these surveys are typically carried out in an isolated fashion within different parts of the organisation. Each survey may be conducted with solid research best practices behind it. But what happens next? For example, what happens to the data? Does it continue to live only within the department that originally collected it?

Or is it joined centrally with the data from other feedback initiatives, as well as the data from other corporate systems, such as operational and transactional data, so that a much more complete view of the customer can be gained?

And do these surveys become one-time attempts to gather customer feedback? Or are they a part of a continuous, integrated program to gather customer input so that, as customer perspectives and opinions change, timely steps can be taken to retain at-risk customers or better identify client segments for more targeted marketing campaigns?

The companies that have found a solution to this challenge now answer these questions very differently than they did in the past.

**CXO. Do the analysts recognise this difference in collection of feedback?**

**CS.** Yes. In a recent report Gartner, Inc., the leading provider of research and analysis on the global IT industry, highlighted the rapid market adoption of enterprise feedback management (EFM) solutions. The Gartner report projects that 40 percent of total feedback system deployments will be done through EFM solutions by 2008.

**CXO. Looking to the future, what benefits will be gained by the organisations that embrace EFM?**

**CS.** By centrally managing the feedback that they collect, regardless of the communication channel through which it was originally collected, they will have a much more accurate, complete understanding of their customers' preferences, motivations and intentions. They will then be able to use this insight to drive business improvement enterprise-wide, improving their bottom lines and securing a competitive advantage.

In short, as market sectors are becoming more competitive and/or increasingly regulated and monitored, improved customer satisfaction only comes with true consumer insight.

Consumer insight only comes with understanding customers' preferences, motivations and intentions. EFM supplies the operational means to gain that understanding and act upon it. Therefore, EFM has become a key element of the predictive enterprise, allowing organisations to gain maximum value from their data assets and to improve decision making in all consumer interactions ■

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