

The death of the customer survey... *and what comes next.*

Is it time to put customer surveys to rest? Between survey fatigue, low response rates, and sample bias, businesses are struggling to extract actionable insights—and are looking for other ways to better understand the customer experience.



IN THIS EBOOK, YOU'LL LEARN:

- + Why surveys are ineffective at measuring holistic CX
- + How conversation intelligence uncovers deeper customer insights
- + How AI and machine learning are eliminating the need for surveys
- + How real businesses are rethinking surveys and customer satisfaction

Customer surveys: *Where are they now?*



You order a latte at a coffee shop, and after you pay, the point-of-sale system displays a survey asking you how your experience was.

You log into your banking app and a pop-up appears, asking you how likely you are to recommend the financial institution to a friend.

You spend 20 minutes on the phone with your internet provider, trying to get a billing issue resolved, and at the end of the call, the customer service agent asks if you'll stay on the line to take a survey.

It's hard to escape customer surveys in our daily lives, but it is easy to bypass or ignore them—as evidenced by response rates that are frequently in the single digits.

If you're a customer service leader who relies on survey metrics like customer satisfaction (CSAT) and Net Promoter Score (NPS), that's a problem.

Businesses use survey data to shape their customer experience (CX), track brand sentiment, identify dissatisfied customers, and even measure their customer service team's performance (53% of contact center managers report that their bonuses are tied to CSAT).¹ But when only a small percentage of your customers complete surveys—and the people most motivated to respond are those who had either highly positive or negative experiences—the data you're getting isn't a reliable indicator of performance or CX.



1] <https://www.icmi.com/resources/research/the-state-of-the-contact-center-2022>

What metrics are CX leaders tracking with surveys?

Customer satisfaction (CSAT)

CSAT is one of the most widely used customer experience metrics. It's based on the question "How satisfied were you with your experience?" and asks customers to rate their satisfaction on a scale (typically 1-5 or 1-10). The response is intended to reflect how the customer feels about a single interaction, not their overall experience with the brand. A company's overall CSAT score is calculated by taking the sum of all positive responses, dividing it by the total number of responses, and multiplying by 100.

$$\text{CSAT} = \frac{\text{POSITIVE RESPONSES}}{\text{TOTAL RESPONSES}} \times 100$$

Net Promoter Score (NPS)

Two-thirds of Fortune 100 companies use NPS, a CX metric intended to measure customer loyalty.² Customers respond on a 1-10 scale to the question "How likely are you to recommend [brand] to a friend or colleague?" Companies calculate their Net Promoter Score by subtracting the percentage of detractors (people who responded 0-6) from the percentage of promoters (people who responded 9-10).

$$\text{NPS} = \frac{\% \text{ OF PROMOTERS}}{\% \text{ OF DETRACTORS}}$$

Customer Effort Score (CES)

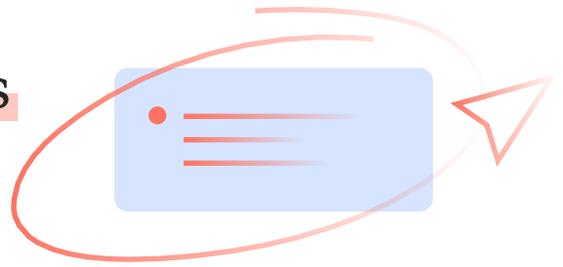
While not as widely adopted as CSAT or NPS, some businesses use Gartner's CES to measure effort, the strongest driver of customer loyalty. It's based on a single statement, such as "[Brand] made it easy for me to resolve my issue," and uses a 1 to 7 scale, with 7 meaning "strongly agree." A company's CES is the percentage of respondents who responded with a 5, 6, or 7 (at least somewhat agreeing that the company made it easy to resolve their issue or do business with them).

$$\text{CES} = \frac{\% \text{ OF POSITIVE (5, 6, OR 7) RESPONSES}}{\% \text{ OF TOTAL RESPONSES}} \times 100$$

2] <https://fortune.com/longform/net-promoter-score-fortune-500-customer-satisfaction-metric/>

3] <https://www.gartner.com/smarterwithgartner/unveiling-the-new-and-improved-customer-effort-score>

The biggest limitations of surveys



01 Low response rates

As consumers, we're inundated with surveys, and very few of us will respond to every one we receive. In a 2021 benchmarking study, Delighted, a Qualtrics company, found that the average response rate was 8% for website surveys and 6% for email surveys. ⁴Depending on the size of the customer base, single-digit response rates may not be statistically valid. In other words, many businesses are struggling to gather enough data through surveys to understand the experiences of the broader customer base and confidently make customer-centric decisions.

02 Sample bias

It's not just that response rates are low—it's that the people who take surveys aren't representative of the entire customer base. "As survey fatigue kicks in, the people who take surveys are polarized," says Mickelson, VP of Digital at TwinStar Credit Union (a Tethr customer). "Either you get the person with the really good experience or the bad experience. You never get the forgotten middle, which is actually the most important and largest group of your membership base."

Because the people most likely to take surveys are the ones who had the most positive or negative experiences, you get what Aaron calls a "squeaky wheel gets the grease" effect. Businesses make decisions based on what they're hearing from their most vocal critics and fans while missing out on trends, insights, and sentiment from customers who don't complete surveys.

03 Lack of nuance

The benefit of single-number survey metrics like NPS and CSAT is that they are easy to measure and track. The downside is that they eliminate room for nuance in the customer experience.

For example, while NPS groups customers into three categories—detractors, promoters, and neutrals—customers may move between these groups depending on context (e.g., who they are speaking to, which specific products they are referring to). One study shared in *The Harvard Business Review* found that 52% of people who had actively discouraged others from buying from a brand also said they had recommended the brand before.⁵ However, because of the format of NPS surveys, customers must choose one response rather than saying "It depends" and providing more details that could help the business improve the customer experience.

CSAT surveys, meanwhile, tell you that customers had a good or bad experience, but they don't tell you why. While some surveys include open text fields for customers to share more feedback, the response rates for these questions are even lower than for close-ended questions.⁶

Without understanding the why, or the contextual nuances, businesses can't make informed decisions to move the CX needle. They need to hear more from their customers and uncover deeper insights than they can get through surveys alone.

In the next section, we'll look at how businesses can use conversation intelligence technology to listen to their customers at scale, enabling them to hear from "the forgotten middle," uncover the why in the customer experience, and reduce their reliance on surveys.

4] <https://delighted.com/blog/average-survey-response-rate>

5] <https://hbr.org/2019/10/where-net-promoter-score-goes-wrong>

6] <https://medium.com/pew-research-center-decoded/why-do-some-open-ended-survey-questions-result-in-higher-item-nonresponse-rates-than-others-7fab4a1c328>

Conversation intelligence: *Hearing what customers **actually think***

Businesses often send out customer surveys after a service interaction, asking the customer how their experience was. But at this stage, the customer has already told the business about their experience. They may not have used phrases like, “I’m satisfied with the service” or “I would recommend you to a friend or colleague” (you’re unlikely to run into customers who talk this way). However, the language they used in their conversation contains valuable insights into how they felt, how much effort they had to put into resolving their issue, whether they are likely to recommend the brand, and more.

The challenge is that this language is unstructured data, and it’s difficult to manually organize it and extract insights when your company fields hundreds or thousands of customer service inquiries per day.

The majority of contact centers have a quality assurance (QA) program in place with supervisors or managers who are responsible for reviewing a certain number of calls per agent per month, but due to limitations in bandwidth, the typical QA team only reviews about 1-2% of customer conversations per month. Additionally, these audits tend to focus more on tracking compliance and agent performance than evaluating the customer experience. In ICMI’s 2022 State of the Contact Center survey, almost 70% of respondents said that their QA program is intended to ensure quality standards are met, but only 34% said they use their program to evaluate customer satisfaction.

So if contact centers aren’t able to collect meaningful customer insights from their manual QA program or their surveys, what’s the solution?

Surfacing conversation insights with artificial intelligence.

Conversation intelligence software analyzes the words spoken (or written) in customer conversions to determine their meaning, organizes phrases into categories, and delivers reports with actionable customer insights. It enables contact centers to analyze 100% of their conversations and get more nuanced information about the customer experience than they could get from a manual QA process or survey data alone.



RIP
CSAT SURVEYS

How it works

- 01** Conversation intelligence software relies on two branches of AI: **machine learning** and **natural language processing (NLP)**.
- 02** **Machine learning models** ingest a large volume of customer conversation data for training—in other words, they use this data to find patterns and make predictions. A conversation intelligence platform comes with pre-trained machine learning models, but the models can be fine-tuned to improve their accuracy for specific businesses. The more data it ingests, the more it learns and adapts.
- 03** **NLP**, itself a type of machine learning, uses the mathematical relationships between words and phrases to determine the meaning of the language used in customer conversations.
- 04** **The end result:** The software processes phrases in customer conversations to determine their meaning, then organizes this unstructured data into insights that businesses can act on. For example, Tethr applies category labels to relevant agent and customer phrases so businesses can identify trends in difficult calls, churn risk, customer satisfaction, and more.

CONVERSATION INTELLIGENCE AND SURVEYS:

If two enter, does only one leave?

Conversation intelligence expands what your business can learn about your customers' experiences by listening to what they have to say. Does that mean it's no longer necessary to send out surveys?

Some businesses are ready to put their survey program to rest, especially when their conversation intelligence platform can deliver the metrics they previously tracked through surveys. For example, one of our customers, a leading lawn care service provider, chose to cancel their post-call survey solution after implementing Tethr's CSAT_{AI}, a machine learning model that predicts a CSAT score for every customer conversation.

Others plan to continue using surveys—sparingly—and augment them with a conversation intelligence solution to gain deeper insights. “We know surveys serve a purpose. They are solicited feedback on very specific transactions. Those need to be used appropriately because, let's face it, survey fatigue is real,” says Char Sears, VP of Member Experience and Product

Management at Unitus Community Credit Union (another Tethr customer). “Then there’s the unsolicited feedback we will be gaining in a much deeper way through conversational insights. This is where members are telling us everything else. And we think that’s where the gold is.”

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Ways to use conversation intelligence and surveys together:

Your chat platform will provide some important information about your chat conversations. Not every platform provides all of these metrics. What data you get out of your chats depends on which platform you use and what subscription level you’re under.

01 Using category filters within a conversation intelligence platform, you can drill down to interactions that received a negative survey score or that included indicators of a negative experience, such as customer frustration or chronic effort. You can look for common threads in these interactions to determine why customers are having negative experiences and identify opportunities for immediate improvement.

02 If you’re using a conversation intelligence platform that integrates with your survey tool, you can use insights from conversations to automatically send more targeted surveys. For example, if the conversation intelligence platform flags a specific product mention, it could trigger the survey platform to send a survey with questions about the customer’s experience with that product. Personalizing surveys has shown to have a positive impact on response rates (and can help your business collect more targeted feedback).⁷

03 Tethr’s conversation intelligence platform enables you to get a predicted CSAT score for every interaction (more on that later). Team members can review conversations with predicted negative scores and follow up directly with those customers when appropriate, improving their experience and decreasing the risk that they will churn or share a negative review.

7] <https://www.sciencedirect.com/science/article/pii/S2451958822000409>

EXPERT INSIGHTS:

Rick DeLisi

Rick DeLisi is the Lead Research Analyst at Glia and the co-author of *The Effortless Experience: Conquering the New Battleground for Customer Loyalty and Digital Customer Service: Transforming Customer Experience for an On-Screen World*.



Knowing that Rick wrote the book(s) on delivering an effortless customer experience, we asked him to share his thoughts on the state of the customer survey and how he sees the methods of collecting feedback changing in the future.

What do you think is the biggest mistake an organization could make when using customer surveys?

Companies that rely primarily on surveys as the basis for their CX metrics (NPS, CSAT, even Customer Effort) often MISS insights that could have led to meaningful improvements. No matter how good your surveys or how high the response rate, the quest to become truly customer-centric requires companies to do at least SOME qualitative research as well. Focus groups, one-on-one interviews, any kind of two-way interactions (whether in-person or virtually) are the only way to dig deeper into how customers think and feel. Sometimes one comment made by one customer in an interview can uncover an idea you never would have thought of just from analyzing data from 10,000 survey responses.

TIP: Use your quant (surveys) to inform your qual (interviews), which further informs your future quant.

How do you anticipate the ways customer service departments use surveys will change in the next five years?

The smartest companies will be those that use survey data to "engineer" the digital interactions they are having with customers. By learning more about customer digital behaviors and expectations, it is now possible to better match the right interaction for each customer, each time they contact your organization. Companies will change the way they conduct customer surveys over the next five years as well, depending more on qualitative customer interviews and observational research as critical supplements to survey data.

How does the customer survey fit alongside customer analytics technologies?

Companies can now use analytics to better predict exactly what kind of interaction to offer each customer, based on their specific NEED—the reason they are contacting you at this moment. If overall live handle time (live chat, on-screen voice, phone) begins to measurably decrease, and customer experience metrics rise—you've found the sweet spot between cost and quality. Survey data can be useful here, helping you predict which interaction type is best suited for each customer's need. This is now a knowable thing.

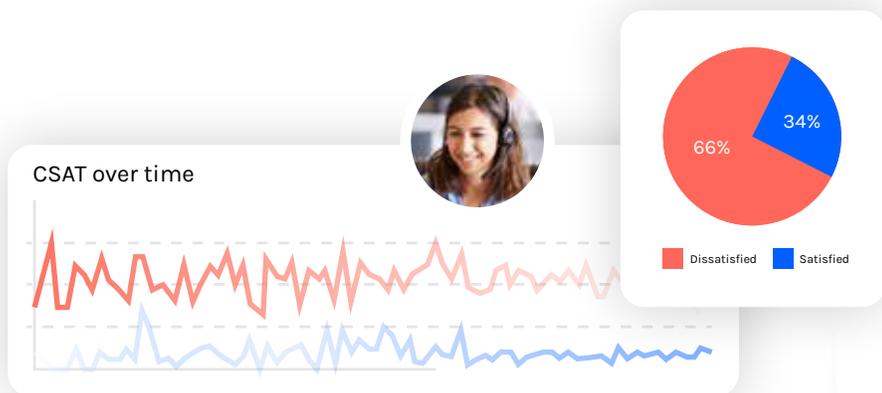
What would have to happen for a business to stop using post-interaction surveys?

Companies now have the opportunity to learn about a customer's experience without HAVING to ask. A customer's sentiment can now be measured within the interaction itself, and as this becomes the norm, surveys become superfluous. But nothing will ever replace what can only be gathered through human interactions—interviews, focus groups—where follow-up questioning can uncover the deepest and most valuable insights.

Delivering deeper customer insights: *Two Tethr approaches*

We've discussed how conversation intelligence technology delivers more nuanced, actionable information about the customer experience than businesses can get from surveys alone. Now we'll take a look at two ways Tethr is expanding on our platform's conversation intelligence capabilities to deliver insights into customers' emotions and satisfaction. These solutions provide predictive scores to help businesses understand how customers felt during service interactions based on the language they used. The scores can be automatically applied to service interactions once Tethr ingests the data, which means that contact center leaders can:

- 01 Get faster customer feedback than they could with surveys—and even proactively reach out to dissatisfied customers before they submit a negative survey.**
- 02 Understand the sentiments and satisfaction levels of every customer, not just those who submit surveys.**



Predictive CSAT

What it is

Tethr's CSATai is a machine learning model that predicts a satisfied, dissatisfied, or neutral CSAT score for every customer conversation—eliminating the need for businesses to rely on CSAT surveys to measure customer satisfaction.

How it works

- 01** We trained CSATai on millions of CSAT surveys and their preceding interactions (both phone calls and chats). By ingesting this data, the model learned about the relationships between survey scores and the words or phrases used in interactions.
- 02** We fine-tuned the model to ensure equal accuracy for positive and negative scores, eliminating some of the affirmation bias present in the survey data.
- 03** We tested the model parameters against untrained data to ensure it could generate CSAT predictions with a high degree of accuracy.
- 04** Our customers can deploy CSATai and continue to fine-tune it using their own customer conversations and survey results. The more data CSATai digests, the better it gets at predicting customer satisfaction.
- 05 The end result:** CSATai can reliably predict the satisfaction of every customer your contact center serves, not just the ones who completed a survey.

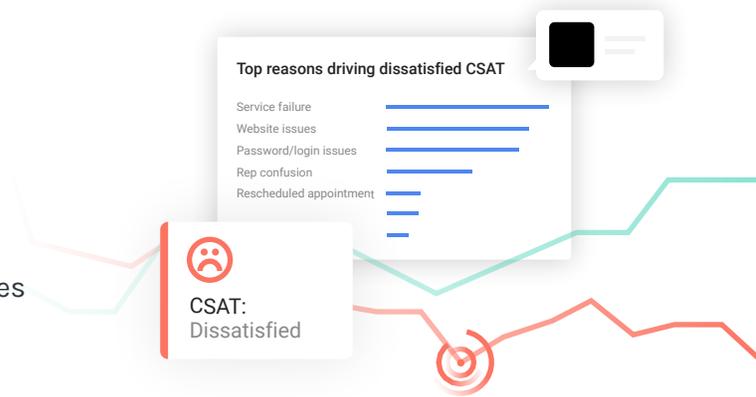
How to use it

You may choose to use CSATai alongside your current CSAT survey to validate its accuracy. Once your organization is confident in the predicted CSAT scores, you may decide to eliminate or reduce your usage of CSAT surveys. This offers several benefits:

- 01** Eliminate the cost of your survey platform
- 02** Reduce survey fatigue for your customers
- 03** Measure CSAT based on what customers said, not how they chose to respond to a survey

However, we know not every business is ready to eliminate CSAT surveys—and that's okay. You can use CSATai to enhance the data you're already getting from your CSAT surveys: think of it as adding color and depth to the outline of the customer experience picture you already have.

CSATai helps you uncover the why behind a customer's level of satisfaction, whether they filled out a survey or not. You can segment conversations by CSAT score and identify trends, helping you uncover common factors that impact satisfaction. From there, you can prioritize process improvements, agent coaching initiatives, or other changes proven to increase customer satisfaction.





PREDICTIVELY ENHANCING CUSTOMER SATISFACTION:

Thrasio's CSAT_{ai} game plan

Thrasio, a next-generation consumer goods company with over 200 brands, has an 89% CSAT score, putting it in the top 10% for all industries. One of Thrasio's leadership principles is "Good Isn't Good Enough." The company is constantly striving to elevate its top-tier customer experience.

"We're comparing our performance to our own high CX standards, not anyone else's," says Gershwin Exeter, VP of Global Services at Thrasio. "We're committed to being at the pinnacle of excellence in customer service by putting the customer first. This is another Thrasio leadership principle."

Tethr and Thrasio developed a custom CSAT_{ai} model. Exeter and his team have big plans for using this predictive model, along with Tethr's sentiment analysis, to uplevel Thrasio's customer experience.

1. Thrasio uses Cal, its generative AI application, to create personalized responses to customer service tickets.
2. Human agents review the tickets when the confidence rating is below a specific threshold and modify, enhance, or rewrite the responses as needed.
3. Tickets are marked as solved in Zendesk.
4. Tethr automatically evaluates the full history of the solved tickets and determines the probability of a positive (CSAT) or a negative (DSAT) customer survey reply and sentiment score.
5. Tethr appends the predicted CSAT or DSAT score to the customer service ticket in Zendesk.
6. Tickets with CSAT probabilities remain closed. If there is a probability of a negative response (DSAT), the ticket will be reopened, and a human agent is notified.
7. Tickets with DSAT probabilities are either returned to the human agent who handled the ticket or the next available human agent, if Cal replied. The human agent determines if they need to reach out to the customer directly to address the issue. This improves the customer's experience and reduces the likelihood that they will submit a negative survey response.

Sentiment analysis

What it is

Tethr's sentiment analysis is a machine learning model that has been trained to identify 28 different emotions based on the phrases customers and agents use in conversation. The model assigns each conversation an overall customer sentiment rating and an overall agent sentiment rating of positive, neutral, or negative. It also identifies individual instances of different emotions within the conversation and shows where they occur in the transcript.

How it works

- 01** We initially trained our sentiment analysis models on a data set of 250,000 phrases, labeled with the emotions associated with them. Using this large training data set allowed the models to learn to identify emotions based on the mathematical relationships between the phrases and the labels.
- 02** We tuned the models to identify emotions in new phrases that weren't part of the training data set. This involved using a test data set to evaluate a model's accuracy and then modifying its parameters until both the training and test data were accurately identifying emotions.
- 03** Fully trained models representing different emotions are applied to conversation transcripts. When there is a high probability that a phrase represents a specific emotion, a label is placed at that point in the transcript. The models generate an overall sentiment score based on the emotions present in the conversation.
- 04 The end result:** Conversations receive overall customer and overall agent sentiment scores as well as individual emotion labels throughout the transcript. This helps you identify not just how a customer felt but why they felt that way—and what your business can do to improve their experience.

How to use it

Sentiment analysis adds another dimension to your voice-of-the-customer insights. Getting a sentiment score for every conversation gives you a high-level look at how your customers felt about their interactions with your business, and being able to view the different emotion labels in each transcript helps you understand the nuances of your customers' sentiment and the factors your business can control.

You can look at sentiment analysis as a standalone metric or use it alongside surveys or CSATai to get to the root causes of negative customer experiences. For example, when you receive a negative CSAT survey response (or a negative CSATai score), you might have your team look at the transcript and its emotion labels to determine why the customer had a bad experience.

You could use this information at the individual customer level to tailor personalized outreach to unhappy customers, giving your business a chance to remedy the issue and reduce the risk of churn, negative reviews, and bad word-of-mouth. You could also look for trends across negative customer interactions and pinpoint areas for improvement in your overall customer experience.



Going beyond the survey with *conversation intelligence*

Some of the most widely adopted contact center metrics, including CSAT and NPS, rely on customers reporting on their experiences with a business. The intent behind these metrics is good: businesses want to hear directly from customers rather than making assumptions about their experience. Historically, sending out surveys has been one of the most straightforward methods of collecting customer feedback, but it's not the most efficient and effective path to hearing from customers.

As Aaron Mickelson, the VP of Digital at TwinStar Credit Union, put it: "Why do I need to ask my members about their experience? They told me about it in their conversation."

Conversation intelligence technology enables your business to hear from every customer and surface actionable insights from their conversations with your frontline agents. With predictive models like Tethr's CSAT*ai* and sentiment analysis, you can even gauge how customers felt about their interactions without them ever having to submit a survey.

The real value of conversation intelligence isn't just that it reduces or eliminates the need to rely on surveys. It's that it provides insights into why customers feel the way they do about their experiences with your business. Once your business pinpoints the controllable factors that are impacting satisfaction, you can prioritize the policy, process, and agent coaching changes that will improve the overall customer experience.



Learn more about Tethr

Tethr is an AI-powered conversation intelligence platform that turns unstructured customer conversation data into actionable insights, allowing contact centers to automate their QA, improve agent performance, combat churn, reduce operational costs and identify new business opportunities. It gives contact center and CX leaders a 360-degree view of every customer interaction, regardless of channel. Backed by over a decade of customer service and experience research, Tethr delivers easy-to-read reports and dashboards that empower contact center leaders to track and meet their goals, including reducing average handle time, improving first-call resolution, and increasing customer satisfaction. Industry leaders in financial services, insurance, consumer services, and more use Tethr to build a better customer experience.

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