**"Big Data" Meets Enterprise Feedback Management – Three BIG Mistakes to Avoid**

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It’s natural with the hype cycle of “Big Data” being at an apex that leaders are struggling for real applications to their business while they being are barraged with new promises of harnessing the power of analyzing huge datasets. At the same time, many managers are implementing new Enterprise Feedback Management (EFM) systems and are working hard to provide meaningful customer information throughout their organizations from frontline employees to senior executives. When combining the promises of Big Data and EFM we can see some great opportunities for improving decision making. There are also some serious traps. Here are three BIG mistakes to avoid.

**Big Data EFM Mistake Number 1 – Making it too simple.**

All of the talk about Big Data can lead one to think that collecting, analyzing, and reporting data simply more frequently or in “real time” can lead to greater insight. In fact, focusing on gathering more data from a single source or of a single type does not necessarily lead to better decision making and can actually provide dangerous guidance. Let’s take the example of customer satisfaction data collected via survey in an EFM system that allows survey responses to be reported instantaneously. Watching satisfaction scores without understanding the impact of customer growth rates on satisfaction can cause problems. For example, it is intuitive that a business which is growing extremely rapidly could be picking up new customers that do not have extensive experience with the business and therefore have not had the chance to gain high customer satisfaction. At the same time, shrinking by actually losing customers who are dissatisfied would naturally lead to overall higher customer satisfaction as only the highly satisfied customers remain (see exhibit below for a rough relationship between customer growth rate and satisfaction with an illustration of how reducing growth rate can increase customer satisfaction). So, tracking customer satisfaction, Net Promoter Score, or any other survey metric needs to be seen in the context of basic factors such as customer growth rates and our Big Data EFM systems need to recognize this.

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**Big Data EFM Mistake Number 2 – Being self-centered.**

Rank matters! Success is relative whether in Olympic sports, customer share of wallet, or stock market trading. How a business performs needs to be seen in the context of competition. Yet, Big Data applied to EFM can very easily fall into the trap of focusing inward. With the ability to almost instantly call up customer satisfaction reports across 1,000’s of locations in real time and trend data in nearly infinite ways, managers can quickly become executive navel gazers even while reviewing seemingly external information coming from customer surveys. Does anyone doubt that Samsung’s customer survey results for their mobile handsets continue to look good? The problem is the scores for Apple are better! The quick fix is that leaders can ask customers to provide feedback that rates their own business along with the other companies or brands that customer uses. Then we can apply our Big Data analytical tools to learn how to improve performance sufficiently to improve rank and consequently business results. [Go here](http://www.ipsos-na.com/knowledge-ideas/loyalty/ipsos-ideas/?q=know-and-grow-your-share) to learn more about managing to improve rank.

**Big Data EFM Mistake Number 3 – Emphasizing data rather than action.**

Just starting with its name, Big Data may guide leaders down the wrong path of focusing on gathering, analyzing, and reporting data instead of divining true insight and promoting significant action. Similarly Enterprise Feedback Management systems can be designed and deployed in a way that emphasizes the feedback rather than the management aspects of using customer understanding, performance measurement, and organizational alignment as a means to driving greater business success in competitive markets. The solution here is to ensure that executives design Big Data EFM analytics to use real time customer feedback to guide action both tactically at the front line and strategically in board room. EFM systems that alert employees when customers provide negative feedback and trigger a workflow which leads to “closing the loop” with dissatisfied customers is the order of the day. At a higher level, ensuring that the Big Data EFM system is being used for strategic budgeting and resource allocation decisions is core to moving past just monitoring data and into taking action.

With computing power, storage availability, and analytic tools constantly improving, the long era of Big Data is undoubtedly upon us. And with Enterprise Feedback Management systems becoming core to the way many organizations operate, we can expect more real time customer satisfaction data than ever before. By not making these systems too simple, being too self-centered or emphasizing data rather than action, leaders can gain the greatest value from Big Data EFM.

Contact John (john.e.carroll@ipsos.com) to learn more about this innovative research solution.