USERVOICE

The Influence of Customer Feedback on the Product Development Process

Executive Summary

For decades, customer feedback has been key to product success. Product teams striving to build products customers love leverage their feedback to consistently make smart decisions about what to build and when.

Product feedback is an invaluable resource for informing roadmap decisions for both new and established products, and product teams across the board constantly seek more insight from their customers whether they have 10 or 10,000,000 to listen to. With insight derived from feedback, product teams can uncover customer pain points to solve, identify the features and functionalities customers care most about, and prioritize their product roadmaps accordingly.

Customer-centric product development is a widely embraced prerequisite for a successful product, but what does it look like in practice? That's exactly what we explored in our recent survey on the influence of feedback on the product development process. We looked at what channels product teams are leveraging as sources of product feedback and identified how much influence feedback from each of those channels has over the product roadmap. We also identified where product feedback from internal stakeholders comes into play, determined how much time product teams are spending collecting and managing feedback, and measured sentiment about the effectiveness of current processes for closing the customer feedback loop.

Key Findings

SOURCES OF PRODUCT INSIGHT
Traditional customer interviews are the most valuable source of customer feedback to product teams, yet they're also the most expensive. As a product gains more customers, in-app feedback becomes a more important and influential source of feedback.

To maximize efficiency and maintain customer-centricity at scale as their userbases grow, we see potential for product teams to explore and embrace in-app feedback tools early on in their products' development as a constant source of immediate product feedback.

INFLUENCE OF INTERNAL STAKEHOLDERS
Customer-facing teams like customer experience, sales, and customer support have the most influence over the product roadmap.

We highly recommend product teams put documented systems and processes in place for capturing and managing feedback from customer-facing teams to encourage internal teams to continue sharing feedback they hear from customers and to ensure this valuable insight is available to reference when important product decisions are made.

TIME SPENT COLLECTING AND MANAGING FEEDBACK
The length of time a product has been in the market plays a key role in the amount of time product teams spend collecting, managing, and analyzing customer feedback. Companies with products in the market for between 2 and 7 years spend the most time on customer feedback.

We believe customer feedback should play a significant role in the product development process regardless of how long a product has been in the market. We encourage product teams to reflect on what aspects of collecting and managing customer feedback are taking up the bulk of their time and search for ways to streamline their processes and improve efficiency.

CLOSING THE CUSTOMER FEEDBACK LOOP
Companies of all sizes struggle to effectively close the customer feedback loop.

Consistently closing the customer feedback loop is a must for organizations who want to embrace truly customer-centric product development processes, therefore product teams should prioritize finding a foolproof process or invest in a software solution for closing the customer feedback loop.

Methodology

Job Titles

We surveyed 200 people in product roles with a range of experience and seniority at organizations of varying sizes:

16%	
15%	
20%	
49%	

- CTO/CPO
- VP of Product
- Director of Product
- Product Manager
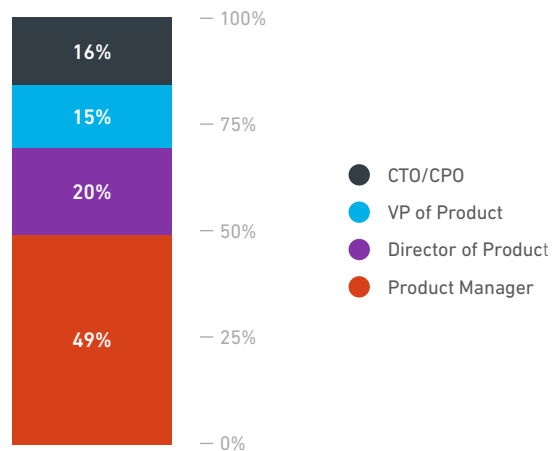
Product Time in Market

We also looked at how long the products our respondents were responsible for had been in market:

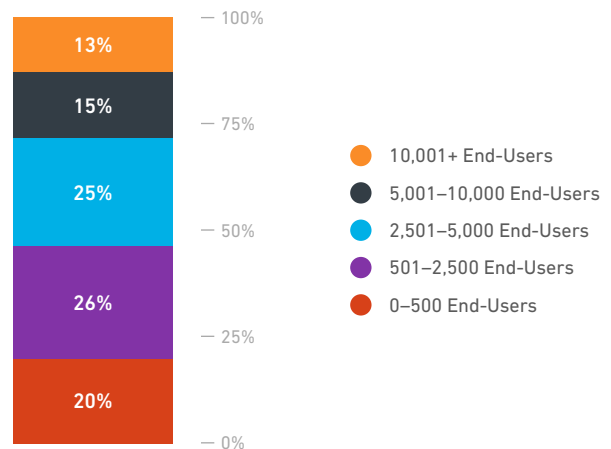|	
31%	
30%	
24%	
7%	
7%	

- 7+ Years
- 2–7 Years
- 1–2 Years
- Less Than 1 Year
- Pre-Launch
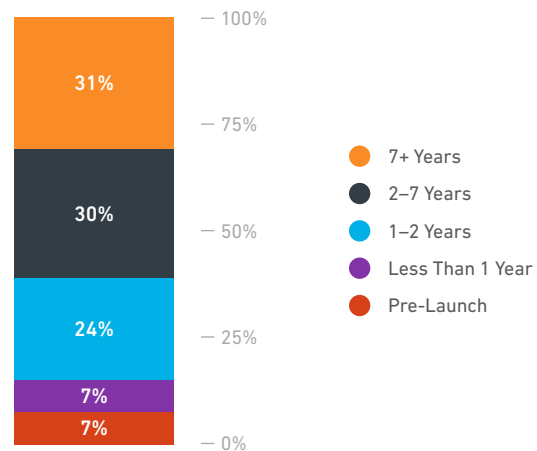
Company Size

We defined company size based on number of employees and grouped results into three distinct buckets:

22%	
41%	
37%	

- 1,001+ Employees
- 201–1,000 Employees
- 0–200 Employees
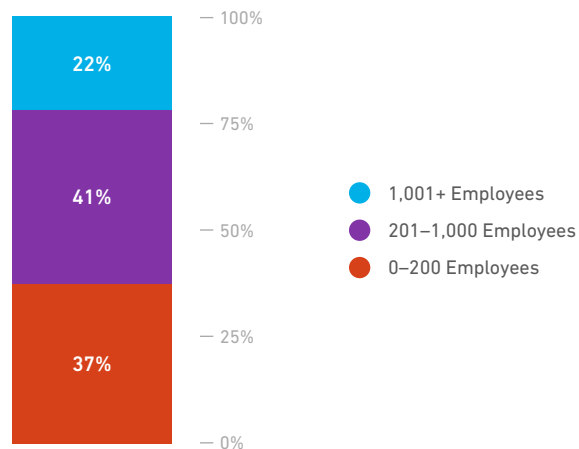
Number of End-Users

End-users refers to the number of customers of the product, service, or application respondents were responsible for.

13%	
15%	
25%	
26%	
20%	

- 10,001+ End-Users
- 5,001–10,000 End-Users
- 2,501–5,000 End-Users
- 501–2,500 End-Users
- 0–500 End-Users

Results

SOURCES OF PRODUCT INSIGHT AND THEIR LEVEL OF INFLUENCE

Product managers value the thorough product insight they can capture through traditional, low-tech feedback channels. Insight gleaned from personal one-to-one interactions with customers during customer interviews is highly influential when it comes time to prioritize product initiatives.

While there's no arguing that this type is insight is of great value to product teams, traditional sources of product feedback have their own weaknesses, particularly when it comes to efficiency and scalability. Customer interviews are extremely time-consuming to plan and conduct, making them an expensive source of feedback, and data from a handful of customer interviews can't be relied on to paint a clear, representative picture of an entire user base.
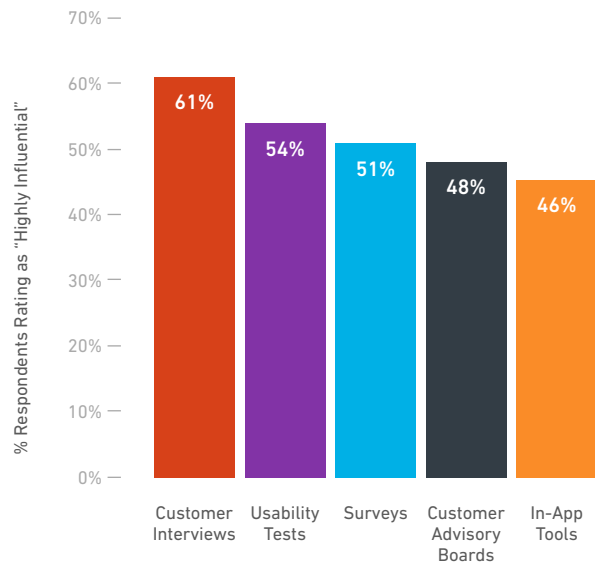
Interviews alone don't tell the full story, so product teams must also rely on other sources of feedback to help them gain a deep understanding of their customers. Finding and embracing efficient ways to do this at scale is critical, and more technical feedback sources are enabling this.

What customer feedback channels have the most influence over the product roadmap?
(ranked from most to least influential)

1. Customer Interviews
2. Usability Tests
3. Surveys
4. Customer Advisory Boards
5. In-App Tools

Chart: % Respondents Rating as "Highly Influential"
- Customer Interviews: 61%
- Usability Tests: 54%
- Surveys: 51%
- Customer Advisory Boards: 48%
- In-App Tools: 46%

Customer interviews were consistently rated the most valuable source of product insight. Out of all the sources of feedback included in our survey, customer interviews require the least technology to conduct and whether they take place in-person, over the phone, or through a conferencing tool, they are a good source of in-depth insight into a customer's needs, wants, and pain points. Despite the valuable, detailed insight they bring, planning and conducting customer interviews is extremely time and resource-intensive, making them one of the least scalable sources of customer feedback included in our survey.

Much like customer interviews, **usability tests**, which were ranked 2nd most influential, can yield highly detailed product insight, but they demand a great deal of time and resources to conduct. Third-party tools and technology are sometimes used to assist with usability testing, which usually involves observing how users interact with specific parts of a product to learn about user behavior, identify pain points, and find ways to improve.

Surveys are useful for getting quantifiable insight from a broad audience, making them a stronger source of feedback on a large scale than customer interviews and usability tests. That said, surveys usually don't yield the same in-depth qualitative insight that one to one conversations can and were ranked 3rd most influential.

Ranked 4th most influential in our survey, **customer advisory boards** are a source of product insight most frequently leveraged by B2B companies. Meetings and discussions with hand-selected groups of customers can help product teams better understand target customers and their day to day challenges, they can also provide useful industry insight to help inform strategic product decisions.

In recent years, several tools for collecting **in-app product feedback** (ranked 5th) have emerged on the market with available solutions ranging from simple smileys to gauge user satisfaction to data-rich solutions that can quantify raw feedback data. They require minimal resources up front to implement, and once set up, can provide a continuous flow of unsolicited feedback from a product's entire user base, making them ideal for product teams looking to streamline how they manage customer feedback at scale.
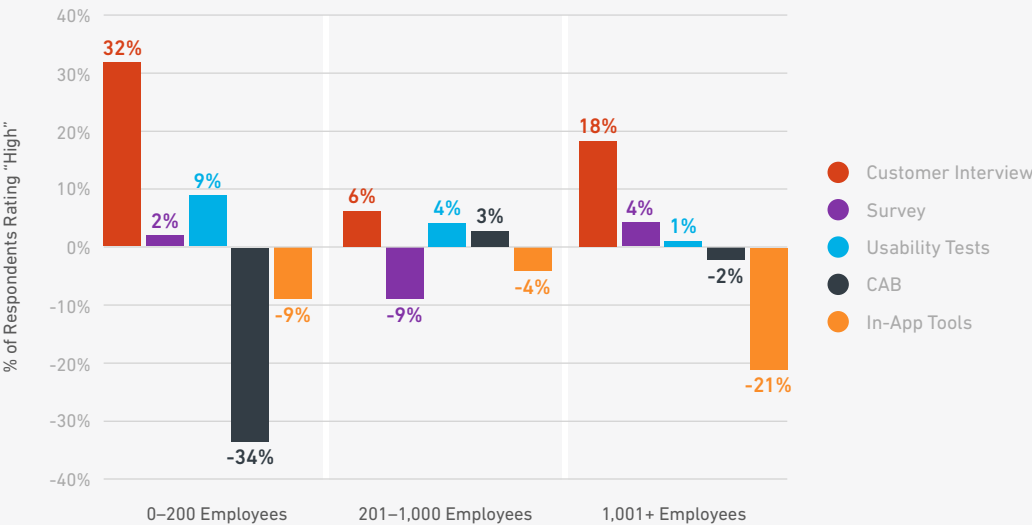
Influence of All Sources by Company Size
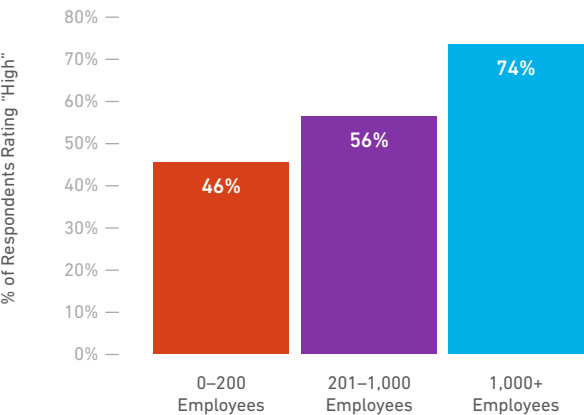
When we dug further into the data, we discovered as companies grow they tend to rate all the sources of feedback as more influential. Larger organizations likely have more resources at their disposal than smaller companies, enabling them to leverage multiple feedback sources on an ongoing basis.

In the graph below, we've normalized the data to account for the differences in the overall influence of feedback across company sizes. You can better see how the influence of each feedback source differs by company size.

Influence of Source by Company Size (Normalized)

While customer interviews were consistently ranked the most influential source of feedback, their level of influence in relation to other feedback sources varies greatly by company size. For smaller companies (0–200 employees) and larger companies (1,001+ employees), customer interviews stand out as much more influential than all of the other sources. Meanwhile, the the weight given to each of the different feedback sources is fairly level for companies with between 201–1,000 employees.

Customer advisory boards aren't as influential at smaller companies but become more influential as companies grow. This could be attributed to resources – while smaller companies can certainly leverage other feedback channels, they need more resources before they can really invest in creating and maintaining a customer advisory board. However, it's also possible that smaller companies do not have enough customers yet to warrant the creation of customer advisory boards.

Large organizations in particular, who may have customer success or user research teams at their dispense, are better situated to invest resources into high value, high cost feedback collection methods such as customer interviews and usability tests. Smaller companies, on the other hand, also need quality customer data to inform product decisions, but must be more efficient in their efforts to collect this data as they likely have less available resources to do so.

Regardless of how many resources are available, getting useful product insight often becomes more challenging as user bases grow. As products gain more customers, insight pulled from customer interviews alone are not a scalable method for capturing a fair representation of the entire customer base.

Respondents supporting products with more than 5,001 end-users rated in-app tools as the most influential source of product feedback, demonstrating the great value they bring to product teams who need an efficient means to understand the needs of large user bases.

Influence of In-App Feedback vs. Average Influence of Other Feedback Sources
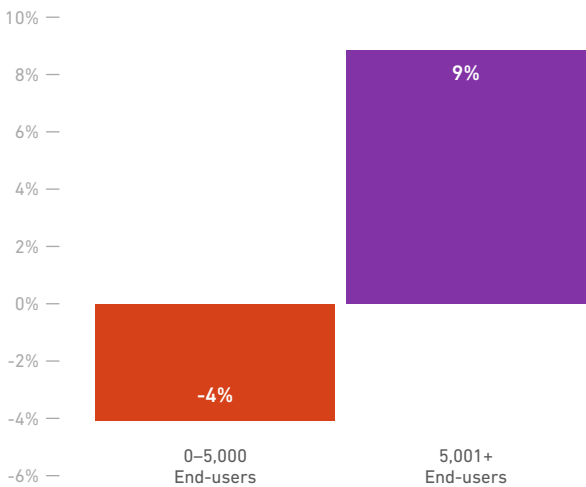
In-app tools are an automated, passive, constant, immediate source of feedback from all users, therefore are a more efficient means of gathering product insight at scale than customer interviews and other active feedback collection efforts. Due to their recent arrival in the marketplace, in-app tools have not been widely adopted just yet. However, we expect adoption of in-app feedback tools to grow substantially over the next few years.

For most product teams, leveraging a combination of active and passive sources of feedback is necessary. For example, in-app tools can help teams get a general sense of what all their users are thinking, then, that broad insight can be supplemented with in-depth, specific, information gathered through customer interviews.

INTERNAL STAKEHOLDER INFLUENCE ON THE PRODUCT ROADMAP

Customer-facing teams have substantial influence over product roadmap decisions, indicating product teams see great value in the feedback teams like customer experience, sales, and support hear directly from customers on a daily basis.

Which internal teams have the most influence over the product roadmap?

(ranked from most to least influential)

1. Customer Experience
2. Sales
3. Customer Support
4. Marketing
5. Engineering
6. Executives

Internal Influence by Team
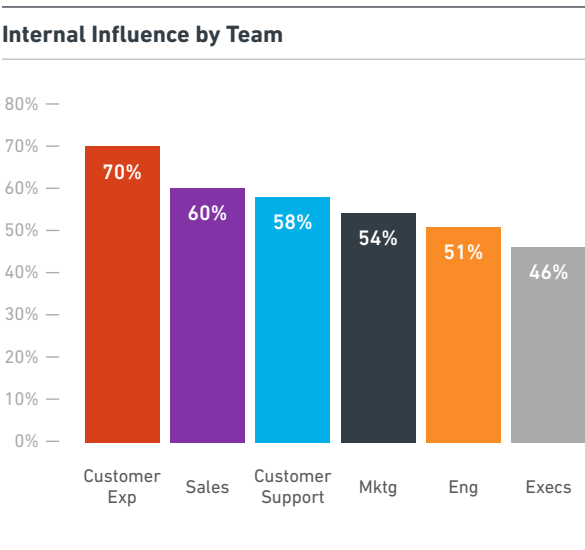
We asked respondents to rank the degree of influence feedback received from internal teams has upon their product roadmap. Compared to other internal teams, customer experience teams have the most say in roadmap decisions, with 70% of respondents rating their customer experience teams' as highly influential.

Sales and support come in second and third place overall. The high level of influence held by these teams is a great indicator of how much product values customer feedback and sentiment and relies heavily on these teams since they interact closely with customers and prospects, receiving feedback directly from them on a daily basis.

To ensure this highly valued insight is available for product teams when they need to make strategic product decisions, establishing a process for capturing feedback from customer-facing teams and making it easily accessible is imperative. In the absence of an effective process for capturing and managing feedback from internal stakeholders, it's easy for this feedback to get lost or forgotten in a sea of post it notes or emails. Fortunately, there are many solutions such as dedicating a shared spreadsheet to feedback from internal teams, facilitating recurring meetings in which internal teams can share their feedback, or even implementing tools built specifically for capturing feedback from internal stakeholders.

TIME SPENT COLLECTING AND MANAGING CUSTOMER FEEDBACK

We asked respondents to tell us how much time they spend in the average week collecting and managing customer feedback and found that product stage (or, the length of time a product has been in the market) plays a role in the amount of time spent on feedback.

On average, per week, how much time do you spend collecting and managing customer feedback?

Overall average: 12.4 hours a week or 2.48 hours a day

Time Spent by Product Stage
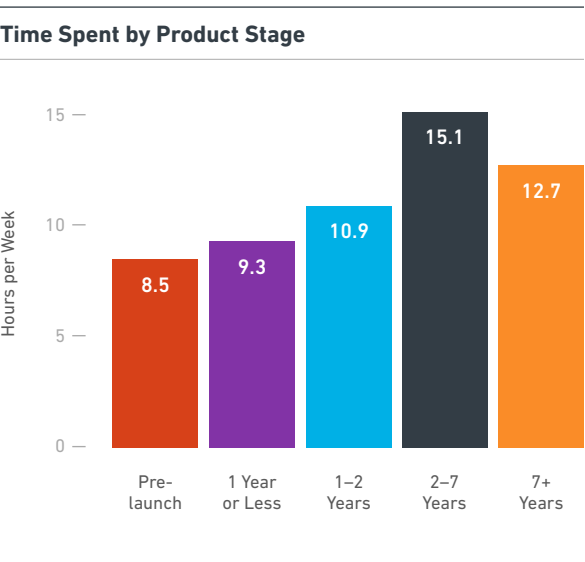
Members of product teams, regardless of role, spend a significant part of their work week on feedback. Our overall average indicates they spend 2.48 hours a day collecting and managing feedback, or 12.4 hours a week. However, time spent on customer feedback increases as products mature.

After 7 years on the market, the main focus is on strengthening relationships with customers and encouraging retention. Enhancing existing products with new features and functionalities becomes a critically important way to ensure mature products stand the test of time. Product managers of mature products spend a large portion of their week on feedback compared to those with younger products, indicating that attentiveness to customers and their needs does not and should not fade over time.

Respondents managing products that have been in the market for between 2 and 7 years spend the most time on customer feedback, averaging about 15 hours a week, or 3 hours a day. This suggests that between years 2 and 7, listening to and understanding customers to continue to improve existing products is critical to product success.

We would like to acknowledge that the two groups in our survey that spend the most time managing feedback are product managers and those in C-level roles, and there is a distinct bias in the distribution of PM and C-level respondents in the 2–7 year group compared to other groups. It is unclear at this time whether this is an accurate representation of the distribution of roles in the market as a whole or if it is unique to our survey sample.

CLOSING THE CUSTOMER FEEDBACK LOOP

Product teams spend a substantial amount of their time collecting and managing feedback, and most product teams involved in our survey are actively making efforts to close the customer feedback loop, indicating that they see the value in a closed loop feedback process. However, the majority of respondents do not have a consistently effective process for following up on customer feedback.

Feedback Follow-Up Effectiveness Rating
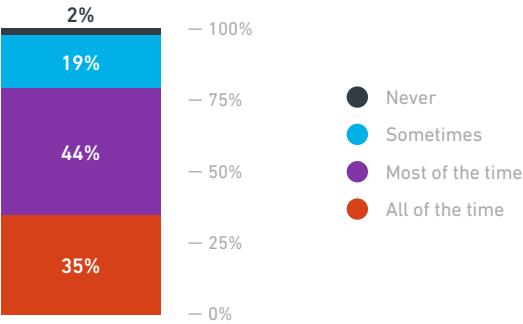
Less than 50 percent of respondents, regardless of product age, said their process for following up on customer feedback is effective all the time.

Note from the previous section that companies with products in the market for 2–7 years spend the most time culling and analyzing feedback. While companies at this stage invest more resources than any other cohort into gathering and analyzing feedback, the majority of them do not have a follow up process that works all of the time.

Feedback Follow-Up Effectiveness Rating by Product Stage
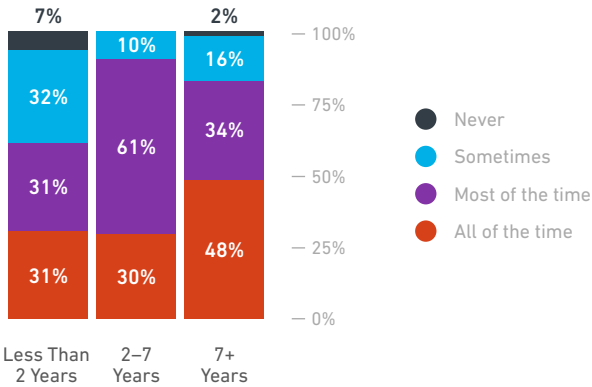
Closing the customer feedback loop is an important component of a customer-centric product development process and our results indicate organizations of

all sizes could benefit greatly from allocating resources to improving their follow up processes for customer feedback.

Customer-centric organizations, and those who focus heavily on improving customer experience tend to boast higher levels of customer satisfaction, which is directly correlated with driving business value.* Organizations who consistently provide timely updates on the status of customer requests can not only improve customer satisfaction, encourage loyalty, and reduce churn, but also can help drive engagement and encourage users to champion new features.

Organizations who can (and do) consistently follow up on customer feedback reap the many benefits of a closed loop feedback process, while organizations who struggle to do so regularly and efficiently risk leaving customers in the dark wondering what's being done with their feedback, or worse, questioning whether their input has been heard at all.

Summary

Product teams strive to maintain a deep understanding of their customers in order to anticipate and effectively serve their evolving needs. Customer feedback is a critical part of the product development process for companies of all sizes, and product teams take various approaches to getting the feedback they need to inform product decisions.

Traditional sources of feedback such as customer interviews produce valuable product insight and are regarded as highly influential over the product roadmap. However, need for scalable methods for capturing and managing feedback increases significantly as a product's users increases. Feedback mechanisms that leverage technology (i.e. in-app tools) to gather insight from broader segments of users and improve efficiency are increasingly embraced as user bases grow.

Insight shared by internal teams also helps inform product roadmap decisions. In an effort to get as close to the source as possible, product teams place a premium on feedback passed on by customer-facing teams such as customer experience, sales, and support.

Product teams across the board spend a significant amount of time collecting and managing customer feedback, and they invest an increasing amount of time into feedback as products mature. Despite this, most product teams don't have a consistently effective process for closing the customer feedback loop, and are therefore missing out on some of the benefits of a closed loop feedback process.

There is no questioning the importance of customer feedback in the product development process. However, collecting and managing feedback is just the necessary foundational work that ideally leads to rigorous analysis and complements data-driven decision making. Therefore, it's in product teams' best interest to find and embrace efficiencies in feedback collection wherever possible so they spend less of their time managing data and more time uncovering insights and understanding their users.

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* Alvarez, G., Thompson, E. (2016, April 13). Creating Value Through the Customer Experience [Webinar].
  Gartner Research. Retrieved from http://www.gartner.com/webinar/3244617

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ABOUT USERVOICE

UserVoice develops product feedback management software that helps product teams prioritize feature requests and drive strategic product decisions. Today, we are transforming the way companies like Microsoft, Intuit, Yahoo, and Salesforce gather and analyze product feedback and work with customer-facing teams so they know they are ultimately building the right things, improving user engagement and customer retention, and maximizing their development resources.