

Voice-of-the-Customer: A systematic approach to greater customer-centricity

How to design and implement a systematic, best-practices based VoC program—and how it drives better customer experience

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mcorp.cx



Your Presenter, Michael Hinshaw: President, McorpCX



- Teacher (and student) of customer experience innovation and digital strategy
- Mapping customer journeys and improving customer experiences since 1998
- CMO.com columnist and best-selling author: *Smart Customers, Stupid Companies: Why Only Intelligent Companies Will Thrive, and How To Be One of Them*
- Mentor and Teaching Fellow at UC Berkeley's Haas School of Business

Engaging globally, across industries with leading brands

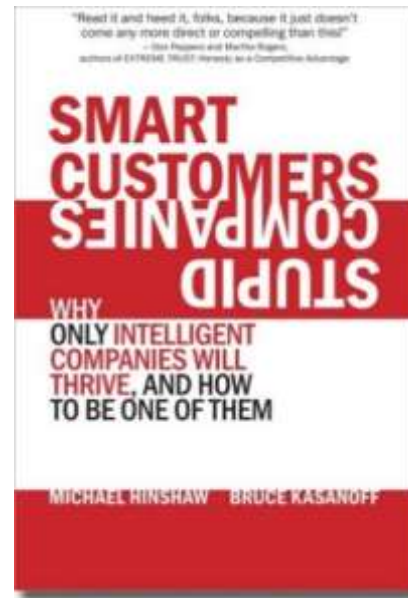


Wide recognition as experience strategy and design leaders

Media recognition for our thought leadership



Best-selling book on digital and CX innovation



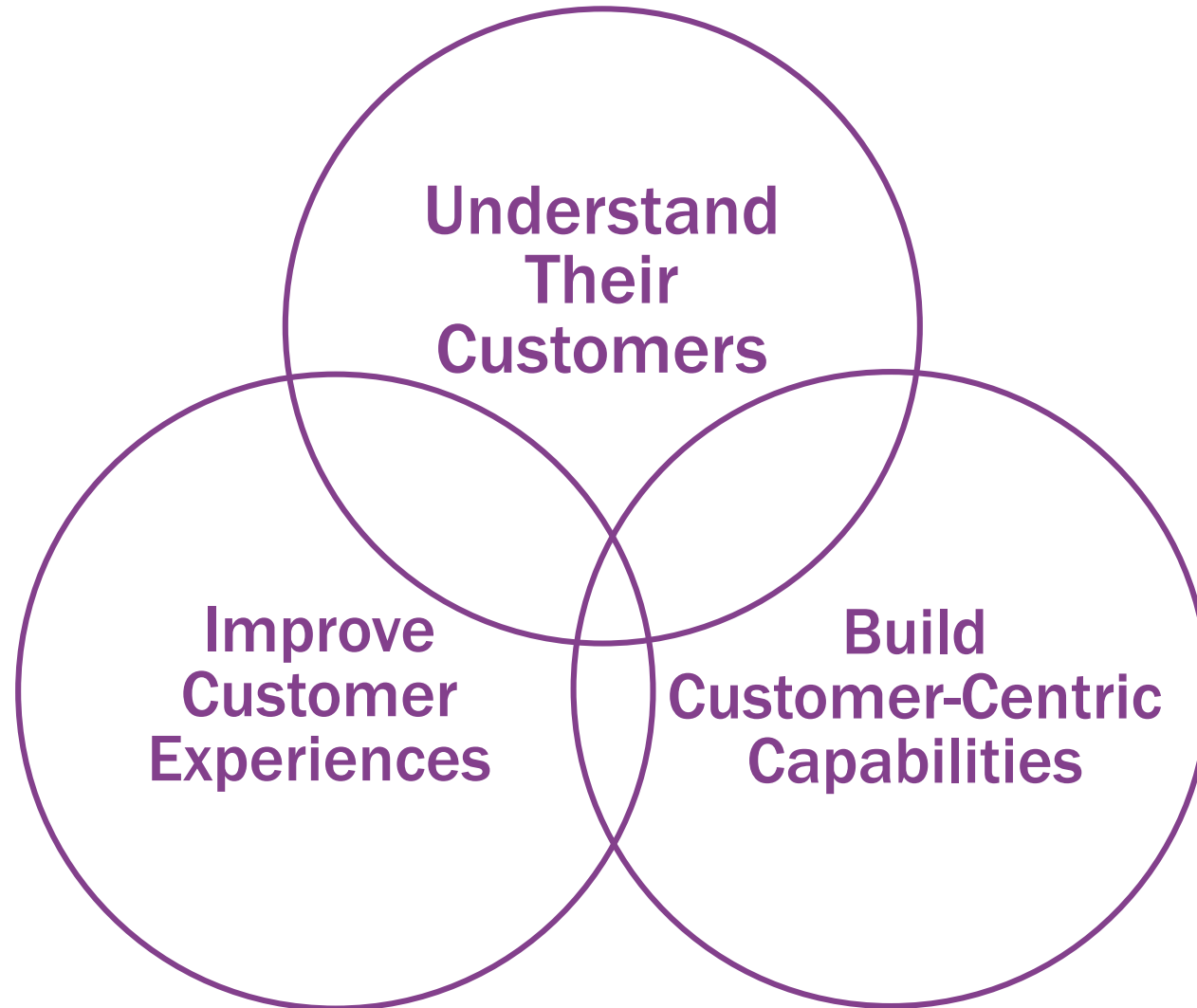
“One of the most exciting business books I’ve ever read.”

- Don Peppers
Founder, Peppers & Rogers

Analyst Recognition as a global customer experience and digital strategy expert



Helping the companies we work for do three things:



Today, we're going to discuss: Why you need a Voice-of-the-Customer (VoC) program, How VoC drives real value, VoC design best practices, and How to implement an effective VoC program at your company.

In a world of radically changing customer expectations, there is only one sustainable competitive advantage:



Deliver a better customer (and employee, and partner) experience, across all channels and interactions



Executives understand how important this is. But...

**89% of Companies
Think CX is Critical¹**

They plan to compete primarily on customer experience... now.

**Fully 95% Listen
to Their Customers²**

84% regularly ask customers for feedback, 11% do so occasionally²

**Yet 71% Don't Think
it Drives Actions³**

Only 29% think VoC is fully or mostly effective in driving action³

1) Gartner Group, September 2014 Gartner Survey Finds Importance of Customer Experience on the Rise 2) Forrester Research, Inc. March 2016: The State Of CX Management Maturity

3) June, 2014: The State Of Voice Of The Customer Programs, 2014



**Customer experience
lives in the minds of
your customers.**

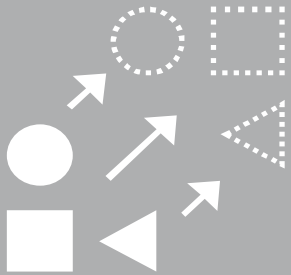
**To improve it, we need
to listen to them.**

Here's the thing: If customer experience is important to you, then so is the Voice-of-the-Customer (VoC).

 ← **Inside-Out**
Outside-In → 

So why isn't VoC feedback better leveraged?

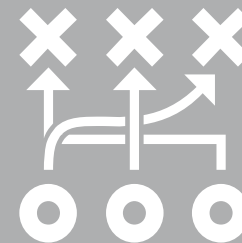
They gather customer data, but don't take action on it



Not sure how to use the data once it's analyzed



They lack a clear plan to guide their VoC efforts



They don't entirely understand how VoC drives value



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CX drives measurable value [and VoC drives CX]

CX leaders enjoy results like...

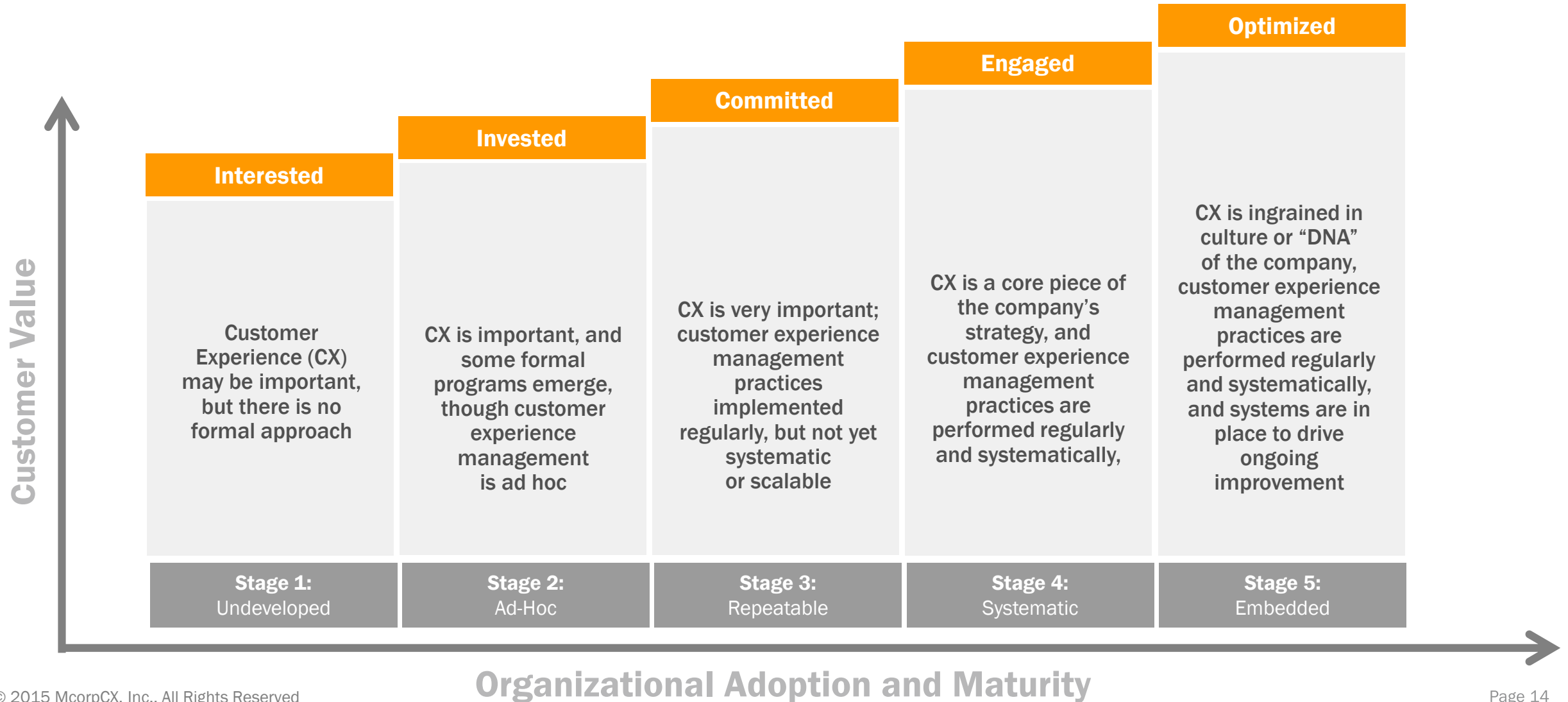


Up to 2.4 times annual revenue increase, per-customer¹

Reduces the cost to serve customers (For Sprint, 33%)¹

Typical growth over double that of their competitors²

CX maturity is driven, in large part, by VoC maturity



Because customer experience leaders are VoC leaders



“We respond to every single customer inquiry, whether it's via phone, email, live chat, Twitter, Zappos blog or Facebook.”



CEO Tim Cook reads—and sometimes responds to—up to a hundred customer emails every day.



Their entire Denim & Co. proprietary fashion line was built on suggestions and comments from customers.



CEO Jeff Bezos forwards emails from unsatisfied customers to his team and demands a fix within hours.

Modeled on the best practices of CX leaders, these key capabilities drive CX discipline, maturity and success

Developing better customer experiences requires:

Customer Experience
Strategy

Customer
Understanding

Design and
Innovation

Delivering better customer experiences requires:

Governance

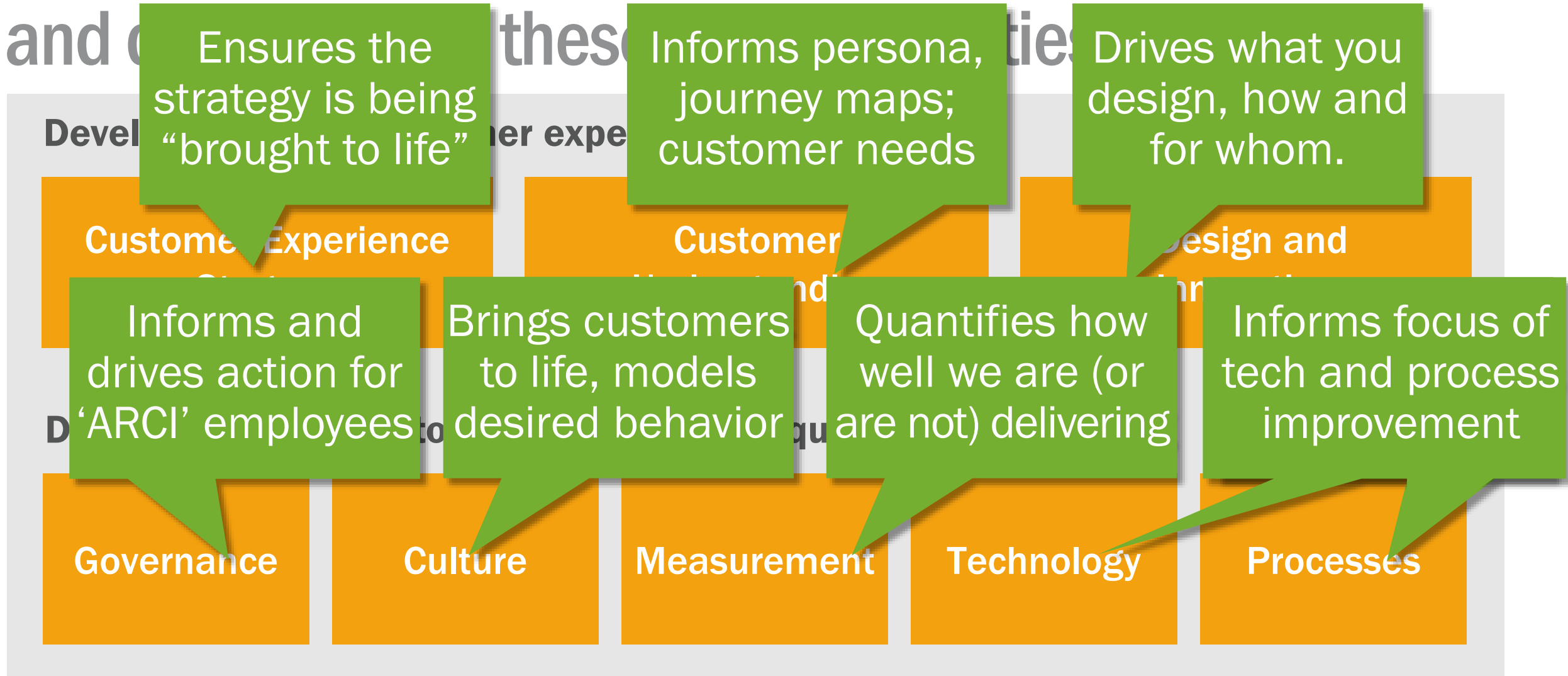
Culture

Measurement

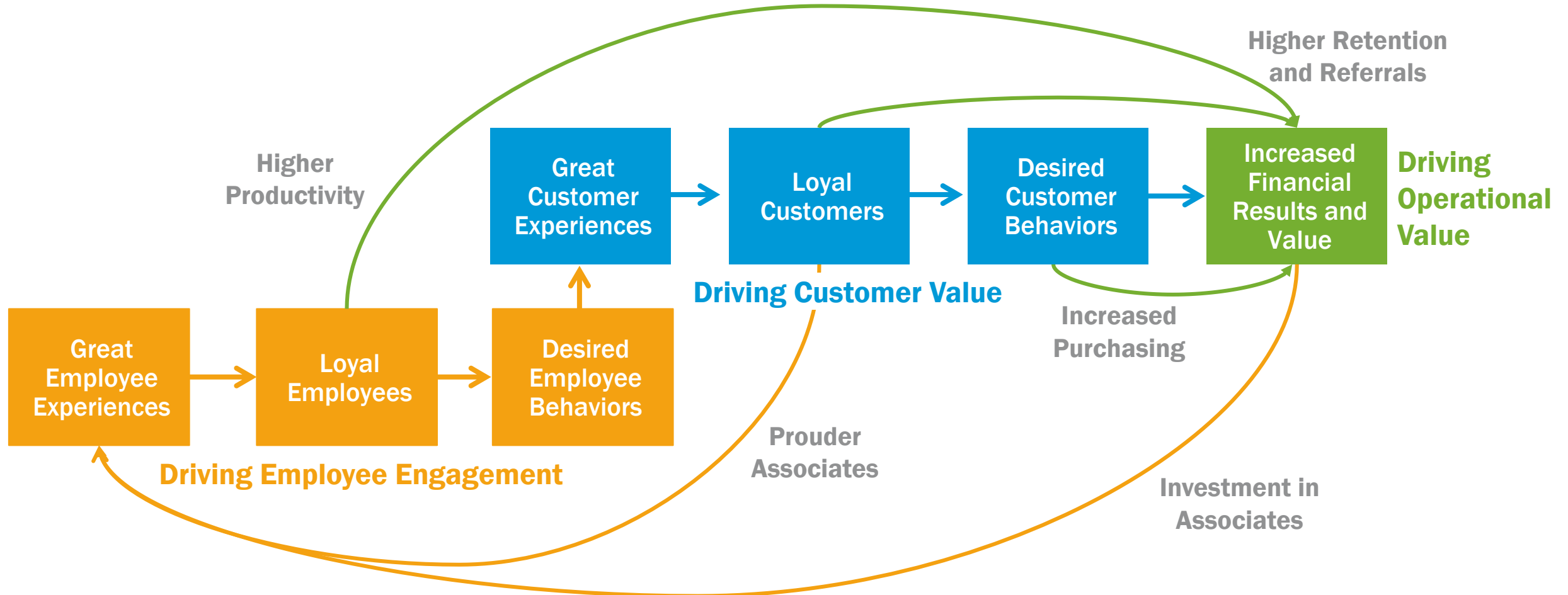
Technology

Processes

Voice-of-the-Customer inputs inform all, enable most, and create these outcomes



The ROI of VoC: Operationalizing Voice-of-the-Customer to drive better CX and business results



The ROI of VoC: Driving measurable business value

Best-in-class VoC users enjoy...



55% greater customer retention rates¹

23% decrease in year-over-year customer service costs¹

292% greater employee engagement rate¹

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Designing a VoC program that lets your organization:

Listen Across the Enterprise



Capture Voice-of-the-Customer across multiple Listening Posts

Analyze Against Business Drivers



Loyalty
Brand
Experience
Journeys
Touchpoints

Understand how feedback maps to business drivers

Assign Clear Responsibility to Act



Executives
Managers
Staff
Channel Owners
Back Office

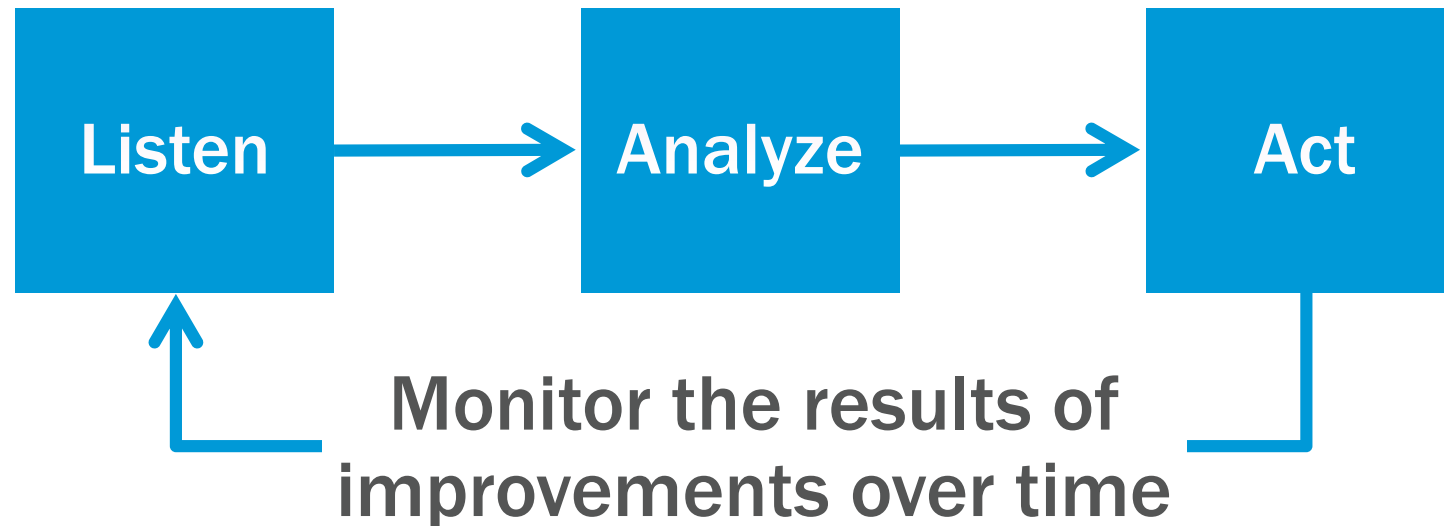
Assign clear ownership for reacting to insights

End goal: A formal Voice-of-the-Customer program that systematically drives insights to, and through, your org

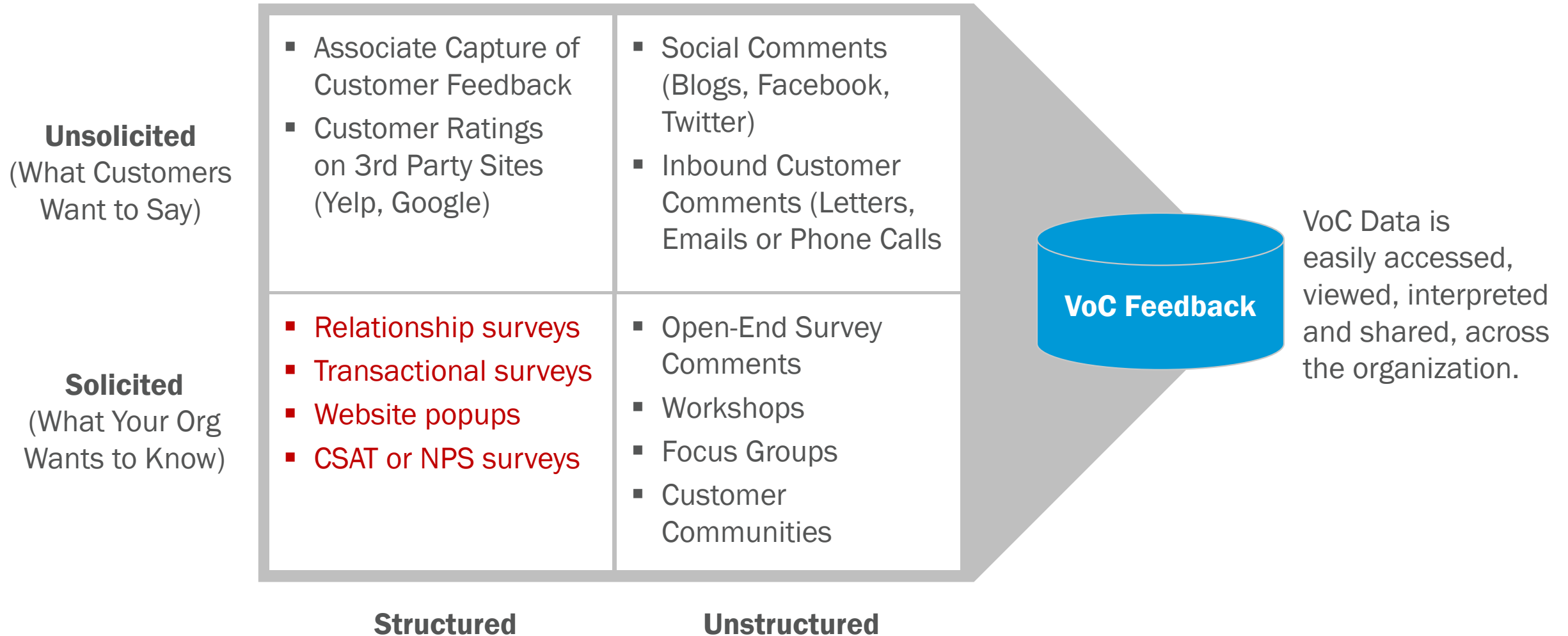
**Collect
feedback across
segments and
channels**

**Identify
insights, and
share across
the org.**

**Drive real
improvements
with your VoC
insights**

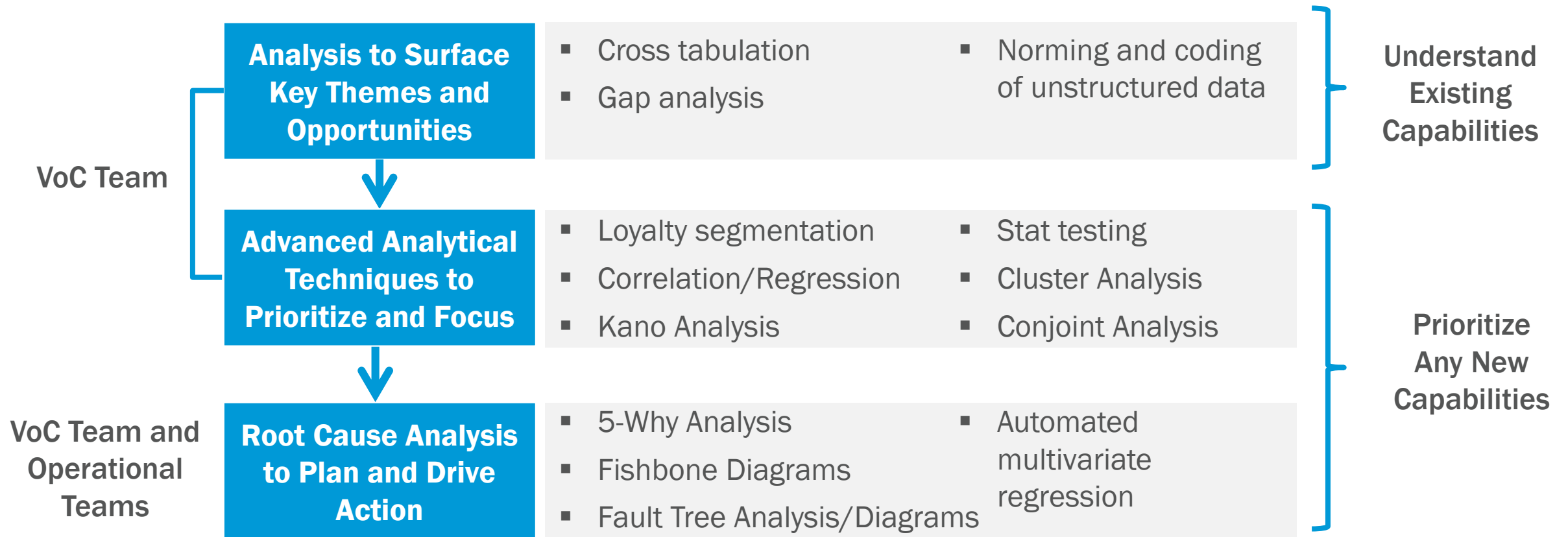


Listen: Example listening posts and data sources

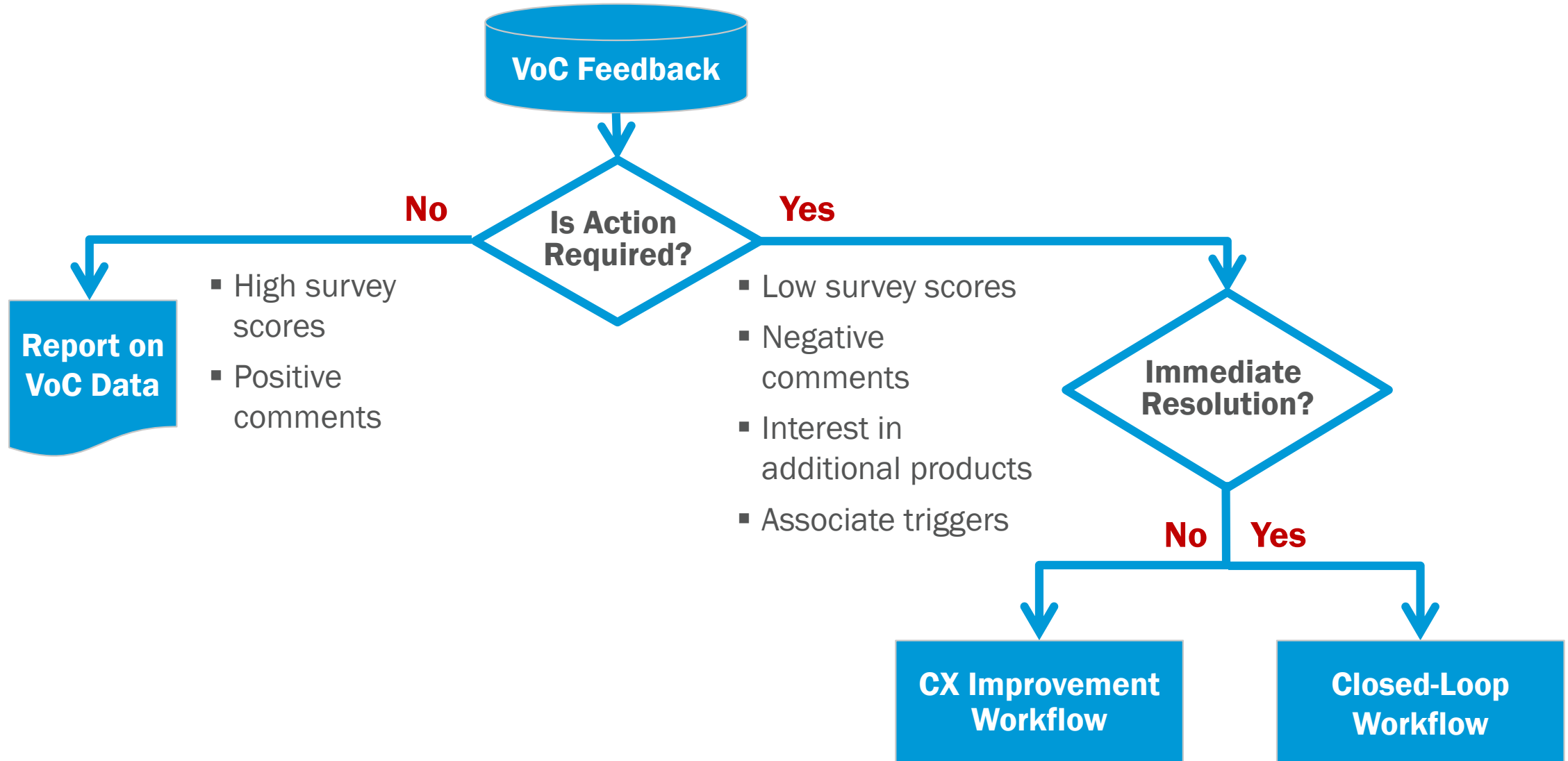


Red text indicates VoC program focus in year 1.

Analyze: Example analytical techniques



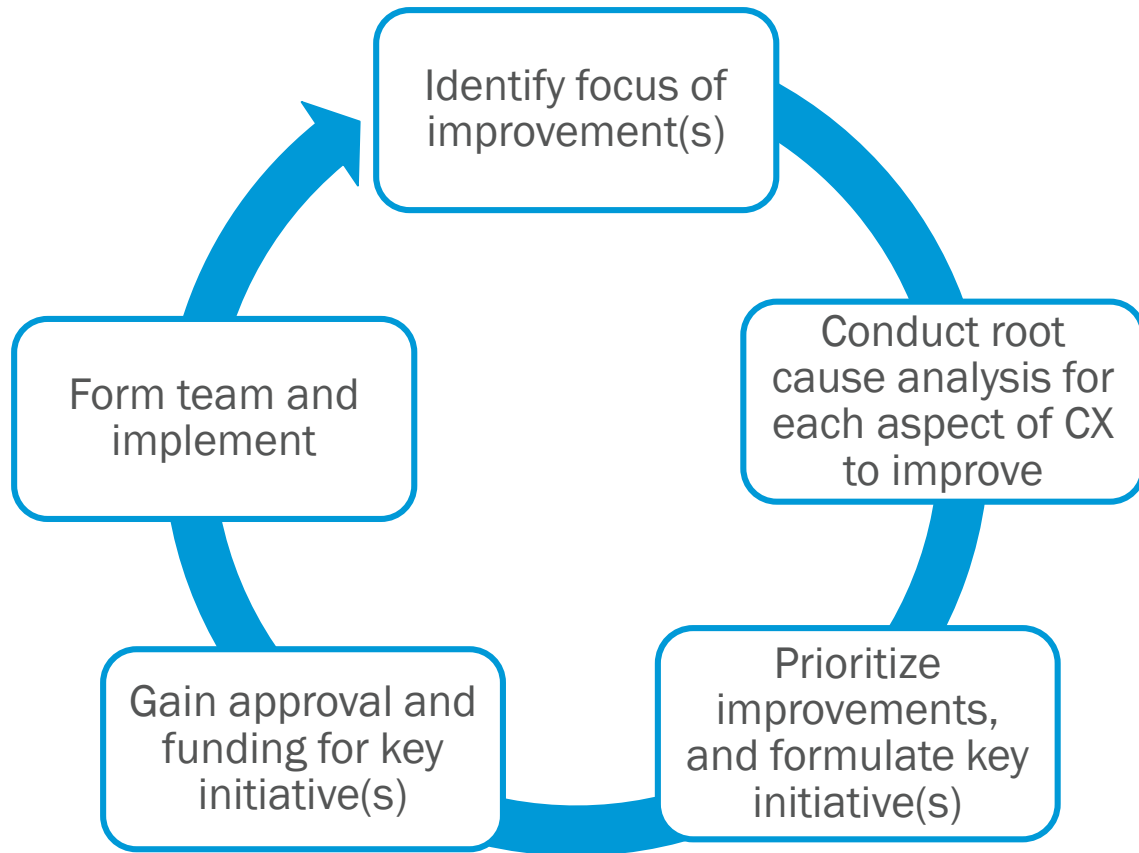
Act: Example “Act” workflows (Do we take action?)



Act: Example “Act” workflows (What action do we take?)

CX Improvement Workflow:

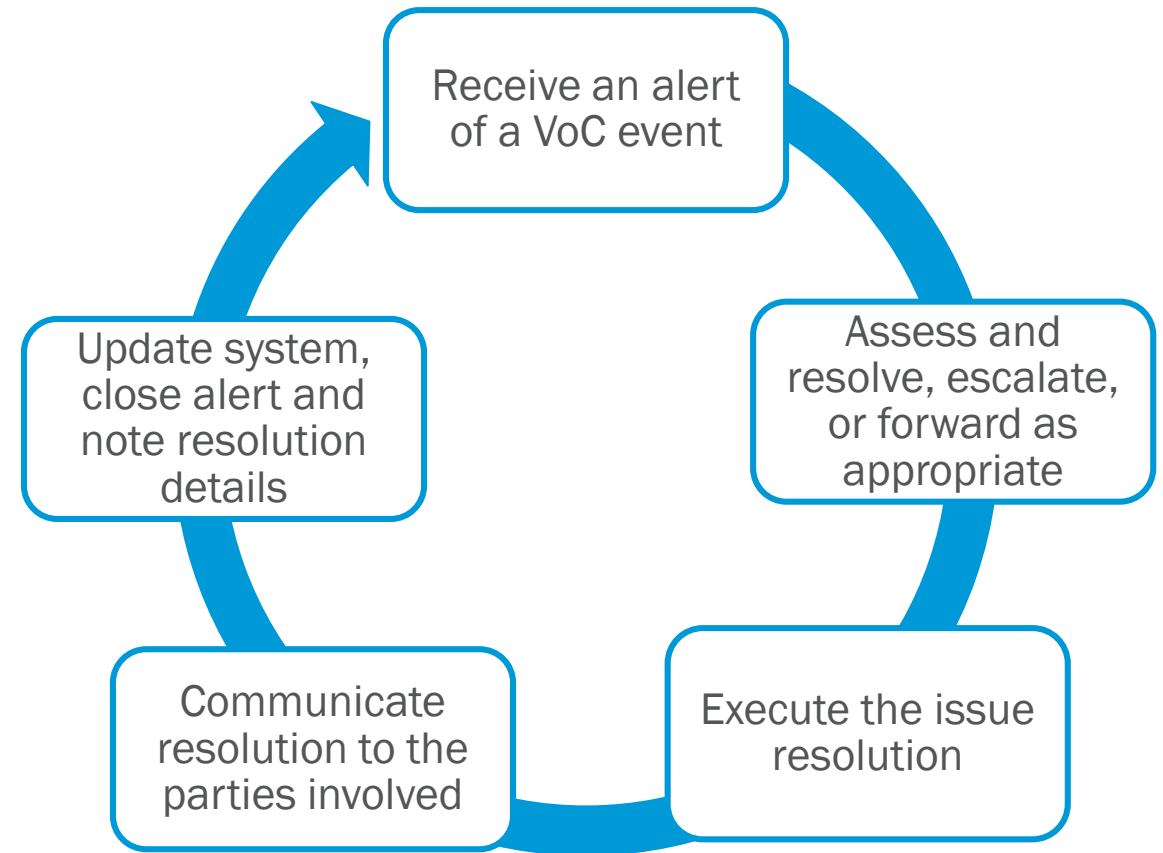
Solve for Groups of Customers (Persona)



Periodic, based on strategic or competitive urgency

Closed-Loop Workflow:

Drive Immediate Action for Individual Customers



Real-Time, or based on SLAs

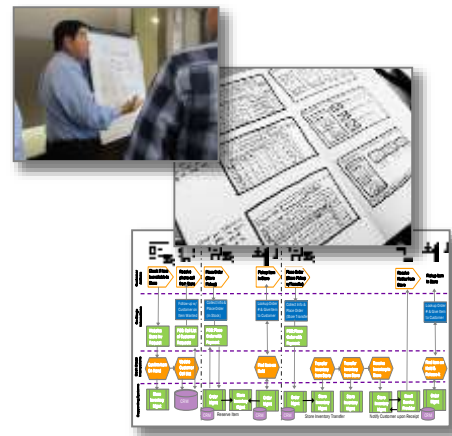
Bonus: Use VoC data to inform CX design

Outside-In
Customer
Understanding



VoC Provides Clear
Picture of Customer
Wants and Needs

CX Design
and Experience
Blueprinting



Unmet Needs
Drive Design and
Blueprinting Initiatives

Prototype,
Test and
Iterate



Designs Tested with
Customers, Improved
Based on Feedback

Implement,
Monitor and
Improve



Monitor Results, to
Continually Improve
Over Time

How others have leveraged VoC to improve CX...

Huge increases in “actively recommended” scores

Decreased problem resolution time for all customers

Increased customer satisfaction scores by over 100%

Significantly increased share of customer spend

Drove dozens of CX innovation ideas from associates and customers

Reduced active dissatisfiers for most valuable customer persona

Credit Union: VoM drives “next-level” performance

Situation: Lack of actionable data, no consistent metrics across the organization

Statewide CU with 135,000 members and \$1.7 billion in assets



“VoM is critical to our reaching “next level” performance [through a] deep understanding of our members—who they are, what they want and why they do what they do.”

– *VP Member Experience*

VoC Program Highlights:

+100%

Call Center Experience

+8%

Branch Experience

+43%

New Member Referrals

Global apparel retailer: VoG delivers on omni-channel

Situation: No formal approach to customer feedback, or segment understanding



300+ stores,
wholesale and
ecommerce
channels.

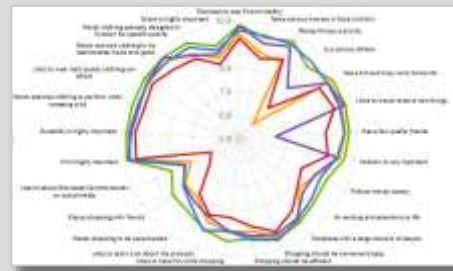
VoC Program Highlights:

94%

**Positive
Word-of-Mouth (!)**

New

**Segmentation
Model**



“The VoG program has been critical; it’s given us the ability to align cross-functional stakeholders on customer experience execution.”

– Sr. Director, Store Ops

Global technology: VoC drives product experience design

Situation: Lack of customer feedback to drive iterative product improvements

Online product group serving business customers around the world.



“The outside-in VoC approach captures and measures CX [to help] us make the right design decisions... in ways we never previously considered.”

– *Director, Product Dev.*

VoC Program Highlights:

+150%

CX Improvement in Target Journey Stages

+44%

CSAT Increase Across Full Journey

New

Customer-Driven CX Design Capabilities

Today, we're going to discuss: Why you need a Voice-of-the-Customer (VoC) program, How VoC drives real value, VoC design best practices, and How to implement an effective VoC program at your company.

4 Steps to create your VoC program [We'll review step 1]

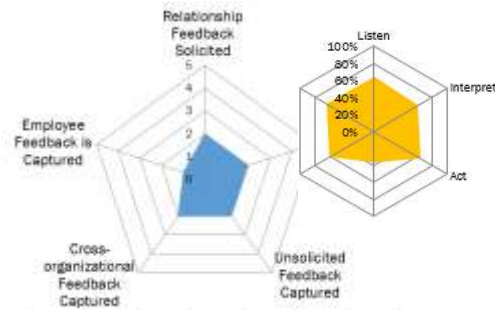
1.

Assess quality and use of insights, across listening posts



2.

Assess VoC capabilities across key best-practice criteria



3.

Design your VoC Program based on “as is” vs. “to be” gaps



4.

Define a tactical implementation plan for staged VoC rollout



Build a business case for VoC, and ensure executive support

Assessment: First, catalog all listening posts

Program	Name of Listening Post (=Source)	Value Rating	Listen	Analyze	Act	Monitor	Filter								Analysis								Full Lifecycle Status			History
							Listening Post Type	Category	Focus	Target Audience	Self-Initiated or Mandated	Data Collection or Vehicle	Frequency	Available / Period	Survey Response Rate	Health	Associated Data	Unstructured Data	Analysis Method	CX or CX KPIs Key Metrics	Generated to Measure KPIs	Intended Intended Audience	Process Description	Tracking Automation / Communication	Insights Discrimination	
M Corp	Associate Engagement Survey	3	X	X	X	X	Associate	Survey	Monthly	Self-Initiated	Survey	Monthly	80%	High	Structured Data	Unstructured Data	Survey Data	CX or CX KPIs Key Metrics	Generated to Measure KPIs	Intended Intended Audience	Process Description	Tracking Automation / Communication	Insights Discrimination	Associate Engagement Survey	History	
M Corp	Executive Committee	2	X	X	X	X	Executive	Meeting	Quarterly	Mandated	Meeting	Quarterly	70%	Medium	Structured Data	Unstructured Data	Meeting Notes	CX or CX KPIs Key Metrics	Generated to Measure KPIs	Intended Intended Audience	Process Description	Tracking Automation / Communication	Insights Discrimination	Executive Committee	History	
M Corp	Product Team	3	X	X	X	X	Product Team	Meeting	Weekly	Self-Initiated	Meeting	Weekly	85%	High	Structured Data	Unstructured Data	Meeting Notes	CX or CX KPIs Key Metrics	Generated to Measure KPIs	Intended Intended Audience	Process Description	Tracking Automation / Communication	Insights Discrimination	Product Team	History	
M Corp	Internal Brand	2	X	X	X	X	Internal Brand	Meeting	Monthly	Mandated	Meeting	Monthly	75%	Medium	Structured Data	Unstructured Data	Meeting Notes	CX or CX KPIs Key Metrics	Generated to Measure KPIs	Intended Intended Audience	Process Description	Tracking Automation / Communication	Insights Discrimination	Internal Brand	History	
M Corp	Executive Committee	2	X	X	X	X	Executive Committee	Meeting	Quarterly	Mandated	Meeting	Quarterly	70%	Medium	Structured Data	Unstructured Data	Meeting Notes	CX or CX KPIs Key Metrics	Generated to Measure KPIs	Intended Intended Audience	Process Description	Tracking Automation / Communication	Insights Discrimination	Executive Committee	History	
M Corp	Product Team	3	X	X	X	X	Product Team	Meeting	Weekly	Self-Initiated	Meeting	Weekly	85%	High	Structured Data	Unstructured Data	Meeting Notes	CX or CX KPIs Key Metrics	Generated to Measure KPIs	Intended Intended Audience	Process Description	Tracking Automation / Communication	Insights Discrimination	Product Team	History	
M Corp	Internal Brand	2	X	X	X	X	Internal Brand	Meeting	Monthly	Mandated	Meeting	Monthly	75%	Medium	Structured Data	Unstructured Data	Meeting Notes	CX or CX KPIs Key Metrics	Generated to Measure KPIs	Intended Intended Audience	Process Description	Tracking Automation / Communication	Insights Discrimination	Internal Brand	History	
M Corp	Executive Committee	2	X	X	X	X	Executive Committee	Meeting	Quarterly	Mandated	Meeting	Quarterly	70%	Medium	Structured Data	Unstructured Data	Meeting Notes	CX or CX KPIs Key Metrics	Generated to Measure KPIs	Intended Intended Audience	Process Description	Tracking Automation / Communication	Insights Discrimination	Executive Committee	History	
M Corp	Product Team	3	X	X	X	X	Product Team	Meeting	Weekly	Self-Initiated	Meeting	Weekly	85%	High	Structured Data	Unstructured Data	Meeting Notes	CX or CX KPIs Key Metrics	Generated to Measure KPIs	Intended Intended Audience	Process Description	Tracking Automation / Communication	Insights Discrimination	Product Team	History	
M Corp	Internal Brand	2	X	X	X	X	Internal Brand	Meeting	Monthly	Mandated	Meeting	Monthly	75%	Medium	Structured Data	Unstructured Data	Meeting Notes	CX or CX KPIs Key Metrics	Generated to Measure KPIs	Intended Intended Audience	Process Description	Tracking Automation / Communication	Insights Discrimination	Internal Brand	History	

Summary

Program	Name of Listening Post (=Source)	Value Rating (1-5)	Listen	Analyze	Act	Monitor
M Corp	Associate Engagement Survey	2	X	X	X	X

Exhaustively catalog ALL efforts across your org. (FYI, you will be surprised).

Assessment: Understand each listening post in-depth

Listen										Analyze										Evaluate Effect			Monitor		
Program	Name of Listening Post (-Source)	Marketing	Finance	Operations	Product	Listening Post Type	Category	Focus	Target Audience	Solicited or Unsolicited	Data Collection Vehicle	Frequency	# Insights / Period	Survey Response Rate	High/Low Representative	Associated Data	Unassociated Data	Analyze Method	CO or CX KPIs Key Metrics	Generated to Business KPIs	Intended Internal Audience	Process Description	Tracking mechanism / Communication	Insights Discrimination	Ongoing Measurement
HR	Employee Engagement Survey	3	0	0	0	Survey	Relationship	Engagement	Associates	Solicited	Web (Qualtrics)	Annual	6,800/year	87%	0	0	0	This job score of associates type engagement survey which covers all 12 areas of engagement (total 100% engagement score) and tracks survey of management effectiveness and satisfaction leading to percentage improvement over past 3 years	Employee Engagement Survey that you to ask whether	Manages listening engagement using the job posting leads survey frequency of providing performance score complete results	0 Associates	Manages and track scores associated to this job score to secondary engagement survey to this job score and all 12 survey 100% score and leads through listening management team score the engagement score survey and provide ongoing performance and take through the survey	Tracking of scores over time using program communication	Improve to secondary management listening to secondary score and track	Manages listening

Listening Post Type	Category	Focus	Target Audience	Solicited or Unsolicited	Data Collection Vehicle	Frequency	# insights / Period	Survey Response Rate
Survey	Relationship	Engagement	Associates	Solicited	Web (Qualtrics)	Annual	6,800/year	87%

Understand what each effort is, what it does, and what it hopes to accomplish.

HR	Product Training Survey	3	0	0	0	Survey	Transaction	Transaction	Associates	Solicited	Web (Survey Monkey)	Monthly	1000/year	50%	0	0	0	Manages and is associated engagement, includes as prompt into them	Employee and performance	Manages and track scores associated to this job score to secondary engagement survey to this job score and all 12 survey 100% score and leads through listening management team score the engagement score survey and provide ongoing performance and take through the survey	Tracking of scores over time using program communication	Improve to secondary management listening to secondary score and track	Manages listening
HR	Internal Brand Survey	3	0	0	0	Survey	Transaction	Employee	Associates	Solicited	Web (Survey Monkey)	Yearly	400/year	40%	0	0	0	Manages and is associated engagement, includes as prompt into them	Manages and track scores associated to this job score to secondary engagement survey to this job score and all 12 survey 100% score and leads through listening management team score the engagement score survey and provide ongoing performance and take through the survey	Tracking of scores over time using program communication	Improve to secondary management listening to secondary score and track	Manages listening	

Assessment: Understand how action is taken today...

Program	Name of Listening Pool (Source)	Marketing	Sales	Product	Internal	Collect					Analyze					Disseminate/Act			Priority				
						Listening Pool Type	Category	Focus	Target Audience	Solicited or Unsolicited	Data Collection Vehicle	Frequency	Insights / Period	Sampling Strategy	Analysis Approach	Analytics	Structured Data	Unstructured Data		Analysis Method	CX or CX KPIs Key Metric	Generated to Business KPIs	Intended Internal Audience
HR	Employee Engagement Survey					Survey	Employee	Annual	Executive	Internal	Survey	Quarterly	90%+	90%				HR	The purpose of this survey is to gauge employee engagement, which is a key driver of organizational success. This survey assesses employee attitudes, engagement, and loyalty, as well as organizational effectiveness and performance. Results are used for strategic planning and performance improvement.	Employee Engagement Survey. Results are shared with HR leader to inform strategy.	Results are shared with HR leader to inform strategy.	Employee Engagement Survey. Results are shared with HR leader to inform strategy.	HR
HR	Employee Survey Committee (ESC)																		Act (Includes Plan)				
HR	Peer-Review Survey																						
HR	Internal Brand Survey																						
HR	Net Promoter																						
HR	Employee Engagement Survey																						
HR	Employee Survey Committee (ESC)																						
HR	Peer-Review Survey																						
HR	Internal Brand Survey																						

Learn how insights are distributed, to whom and how they drive action.

Process Description

Tracking mechanism / Communication

Insights Dissemination

Stage VoC program design and implementation, based on what you can reasonably accomplish

Start Slowly

- Design VoC with the intent to scale
- Begin with surveys
- Share data broadly
- Begin in one part of the org (“proof of concept”)



Build Momentum

- Use results to drive high-impact, low-effort fixes
- Quantify business results
- Continue to build executive support



Follow Through

- Take action on the data you gather
- Prioritize improvements
- Don't expand until the program you have is systematic

Why VoC programs don't deliver (or get started at all)

No formal VoC program



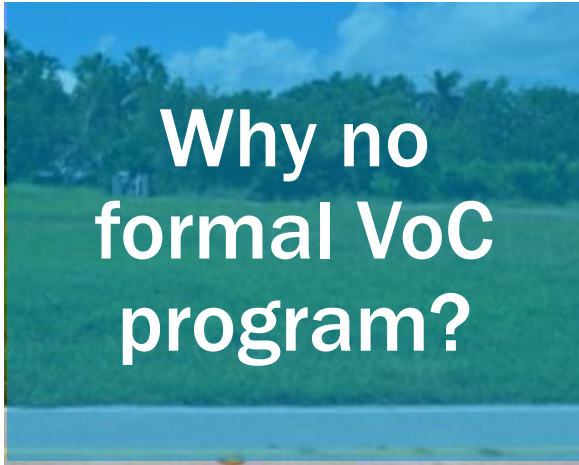
Formal program doesn't get built in the first place.

VoC not as good as expected



Program gets built, but doesn't deliver as hoped.

Common obstacles to spinning a VoC program up...



“We don’t need a formal VoC program.”

Knowing individual customers is different than knowing all.

“We have enough customer data.”

It’s rare these insights are widely shared, or systematically drive action.

“We don’t have the budget.”

The cost of NOT gathering VoC data is much, much higher.

Common pitfalls that can hurt an active VoC program...



Not taking action on the data gathered

Less data used more effectively is much better than lots of data gathering

Not listening to Voice-of-the Employee

Employees do hear customer feedback, and have good ideas for CX

Not quantifying business results

With the right frameworks, it's easy to build an ongoing value story for VoC

Food for thought: In “Next Gen” VoC programs...

Life is limited for traditional survey methodologies... (Relevance!)

Speech analytics becoming easier and more effective at driving insight

The importance of social listening (and response) will continue to increase

Mobile, text and SMS will rule (e.g. location-based feedback...)

The ability to mine unstructured or open text is a core capability

Customer emotion and beliefs must be captured and measured

You're ready to get started. Cool. You will have...

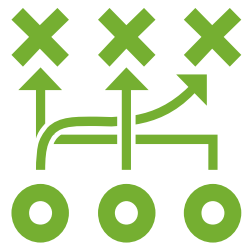
1.

Built your business case, and enlisted executive support



2.

Designed your VoC Program, and defined your plan for VoC rollout



3.

Lobbied for, and created, a cross-org (centralized?) VoC team



4.

Begun a staged VoC rollout, based on where you're starting



In closing, just a couple things...

VoC Program design: 6 key takeaways...

1. Secure executive support for your VoC efforts.
2. Share VoC data across your organization: To all stakeholders, from the executive suite to the frontline.
3. Show the impact of VoC on business metrics and value.
4. Design your VoC program to scale... But start slowly.
5. Make customer insights your number-one priority...
6. And use it to drive meaningful change: Act on it.

Any questions? Let's talk...



