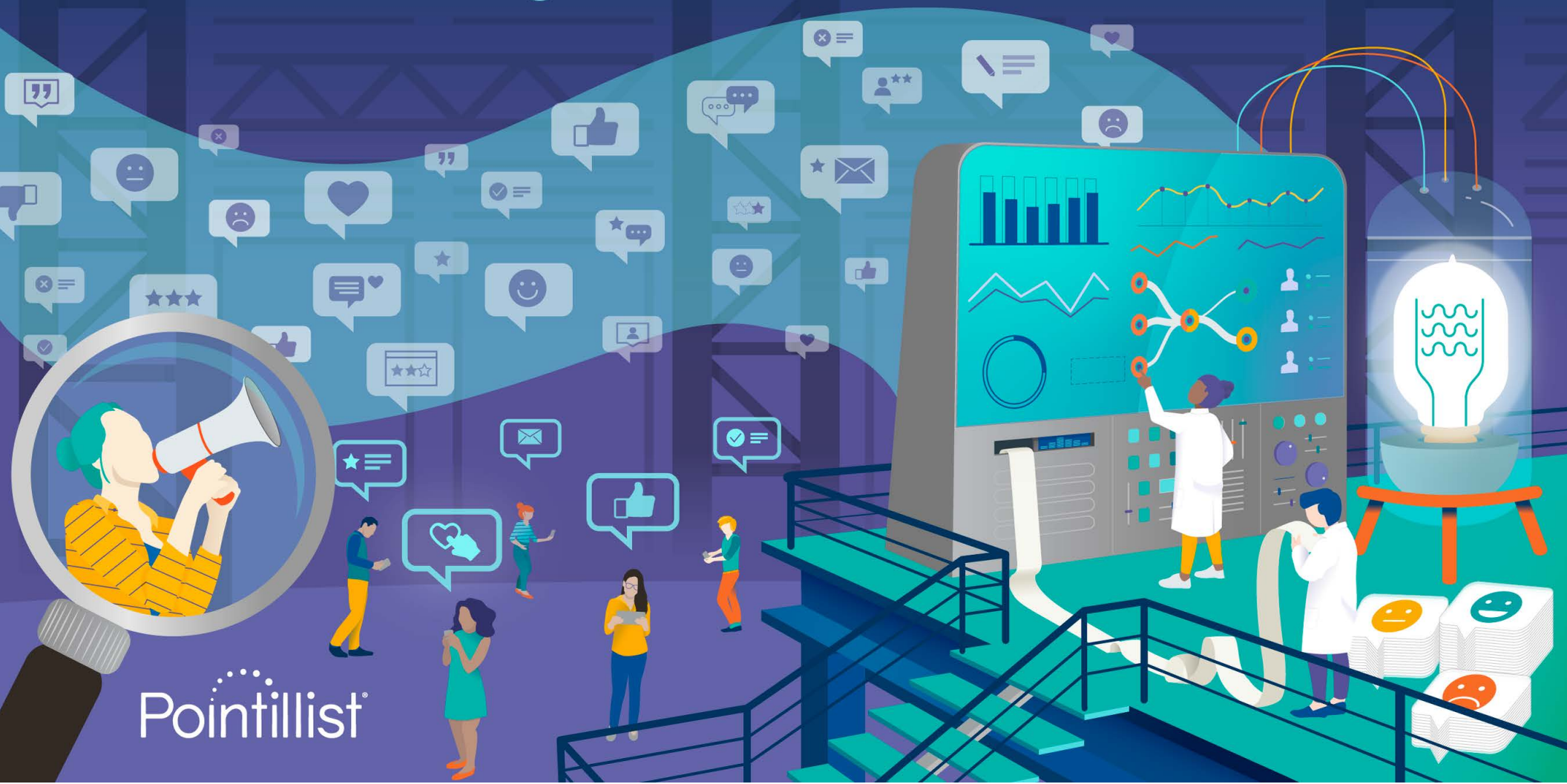# Essential Guide to Effective Voice of the Customer Analysis

How to Increase the Return on Your VoC Investments With Actionable Insights

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Most organizations that have implemented a voice of customer program are happily collecting and analyzing multiple forms of customer feedback.

But after an initial burst of excitement from obtaining real customer feedback, your CEO wants to know what's driving the low scores and negative responses. More importantly, she wants to know how your CX team will improve them. And before even considering your request for increased resources, your CFO wants you to show the ROI of your customer experience initiatives.

This eBook will explain how you can raise your voice of customer program to the next level by providing seven powerful ways to make it actionable, so you can maximize the ROI of your VoC investments.

"Any approach to listening to the customer voice is better than not listening to it."

Torsten Fritz, Research Director, KPMG

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How Mature is Your VoC Program?

While the merits of a voice of the customer program are well known, many companies struggle with how to make their VoC programs actionable. Organizations often encounter roadblocks and lack the knowledge and tools to take the next step.

A survey by The Temkin Group confirmed that more than three quarters of voice of customer programs are simply capturing and analyzing VoC data in isolation. The end result is the creation of yet another customer data silo that's far from actionable.

Moreover, the survey revealed that only 1% of companies are at the highest level of maturity, called *transformers*, because their voice of customer programs link customer insight data into operational activities and strategic decision making. These programs help teams throughout the company change how they operate to take advantage of insights obtained from customer feedback.

Voice of Customer Maturity Level

Level	Percentage
Transformers	1%
Collaborators	13%
Analyzers	40%
Collectors	37%
Novices	9%
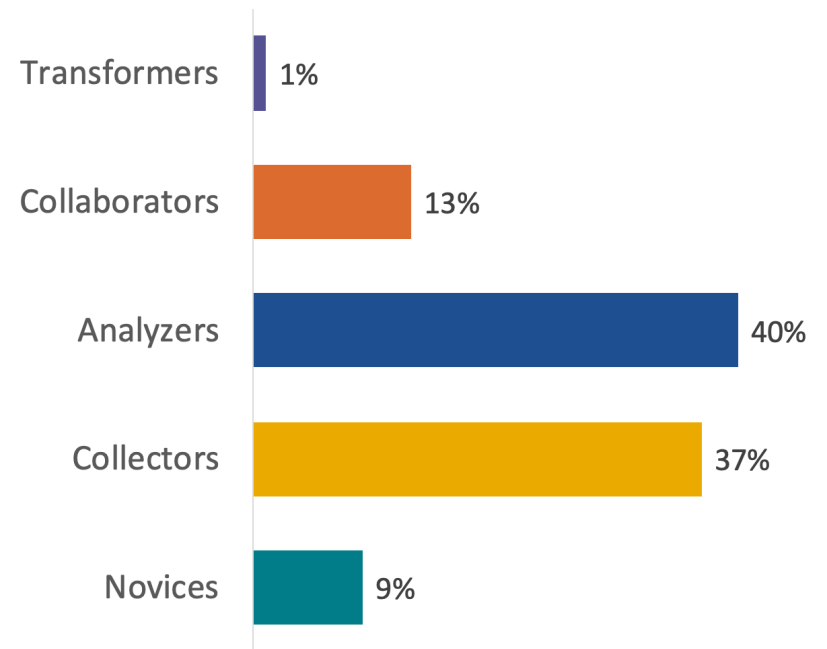
Source: Temkin Group Report: *State of Voice of the Customer Programs*

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Why So Many Voice of the Customer Programs Fail to Improve Customer Experience

In the most recent US Customer Experience Index report, Forrester revealed that the overall quality of the US customer experience rose by an anemic 0.4 points. Despite the almost universal adoption of voice of the customer programs, most industry front-runners were repeats and nearly all of their scores either stagnated or decayed.

Here are two reasons that may help explain why.

1. Have You Surveyed Your Customers Today?

One contributing factor is that in most organizations the VoC team's primary role is simply to execute customer feedback surveys. In fact, the customer feedback management (CFM) solutions employed by most enterprises to manage their voice of the customer programs are survey engines at their core.

These systems have long focused on helping VoC teams gather and report on post-interaction surveys. The most popular use of voice of customer feedback tools is simply to manage and track Net Promoter Scores® (NPS®).

1. Have You Surveyed Your Customers Today? (cont.)

While some CFMs are starting to extend into social media listening and even incorporate other data sources for analysis, they are fundamentally repositories of relatively static information. So, it's no surprise that **just 24% of large companies believe that they can use VoC insights to make changes to their business**, according to the Temkin Group.

Leading VoC teams have moved beyond basic use cases. The most advanced CFM platforms now contain text analytics capabilities or integrate with third-party solutions. VoC teams typically use these to identify and study recurring feedback themes. For example, they can reveal whether your company is receiving frequent comments from customers on a given topic— such as "products," "services," or "pricing"—by scanning comments for relevant keywords. They can also be used to identify unhappy customers for special treatment and determine current customer "hot buttons."

These solutions can spur action by helping VoC teams identify and understand customer experiences that generate overly positive or negative sentiment. Specific patterns of keywords can trigger alerts for follow-up on customer concerns. CX leaders can then follow up with frontline representatives about interactions that may have caused alerts.

2. A Traditional Segmentation Approach Isn't the Cure

The most obvious approach for analyzing VoC data is to segment it. An article on *How to Improve Customer Experience through NPS Segmentation* provides a basic approach for VoC segmentation:

1. **Segment customers into three main classes: promoters, passives and detractors**

2. **Segment customers within each class in a variety of ways, for example by:**

   - Company size
   - Location
   - Industry
   - Product/service
   - Pricing approach
   - Revenue
   - Age
   - Customer persona
   - Role
   - Customer lifecycle stage
   - Preferred channel
   - User activity
   - Service frequency

3. **Determine the most valuable segments in each class**

4. **Determine marketing, sales and service strategies to improve loyalty and overall customer experience**
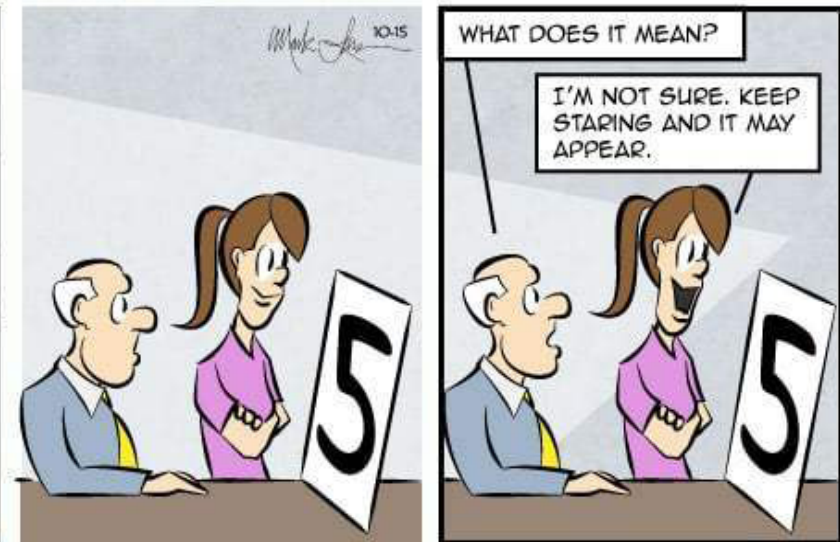
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2. A Traditional Segmentation Approach Isn't the Cure (cont.)
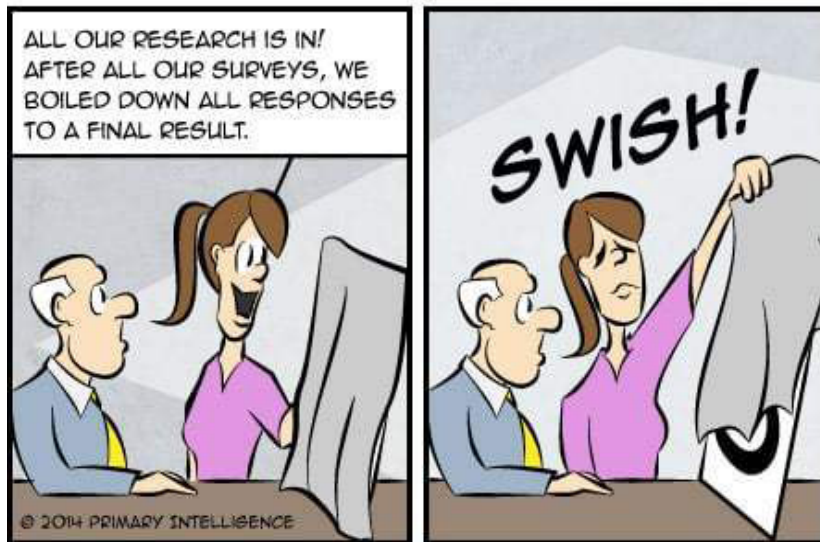
A traditional segmentation approach will initially provide valuable insights, but it soon runs out of steam. CX teams find themselves in the frustrating position of knowing that their VoC program remains tactical, reactive, and transaction-based. It doesn't do enough to help them really understand what's driving CX, so they can design and implement programs to improve it.

If you want to elevate your voice of customer program beyond periodic NPS measurement, sentiment analysis and individual customer interaction analysis and follow-up you must approach VoC in a new way.

7 Powerful Ways to Make Your Voice of Customer Program Actionable

Once your organization has completed several analyses of your VoC data, the pressure to show improvement and justify continued (or hopefully increased) investment will ratchet up.

Here are seven steps to take your voice of customer program to the next level!

1. Analyze Customer Feedback Within the Context of Each Customer's Journey

The first step to make your VoC program more actionable is to view your voice of customer data through a journey-based lens. This will reveal deep and actionable customer insights that will help you better understand and improve customer experience.

Strengthened performance on customer journeys has been shown to correlate with increases in customer satisfaction and key organizational metrics such as revenue increase and churn reduction. No wonder leading companies are striving to take a journey-based approach to improve CX.

To illustrate the difference, consider the typical way NPS is measured. VoC platforms calculate and report aggregate NPS without providing an understanding of where it was captured for each customer within the context of their unique journey.

What About Transactional NPS?

Transactional NPS (tNPS) is a specific form of NPS that is meant to determine the customer's opinion on a certain business transaction, such as placing an order online. Instead of being asked how likely they are to recommend your business in general, they are asked to rate your company "based on their most recent purchase or order."

But the tNPS capabilities available through Customer Feedback Management (CFM) platforms only provide you with information after a particular transaction, rather than within the context of more complex, end-to-end customer journeys. They don't help you understand the impact of an interaction further back in

time or predict the effect of customer behavior variations across multiple channels and segments.

To truly understand customer feedback and make your voice of customer analysis actionable, it is essential to take a journey-based view. You need to know where the voice of each customer is being measured within the context of their end-to-end customer journey to truly understand it's impact.

Customer journey analytics supplies this view. It has the power to look across millions of actual customer journeys spanning numerous touchpoints, channels and time periods.
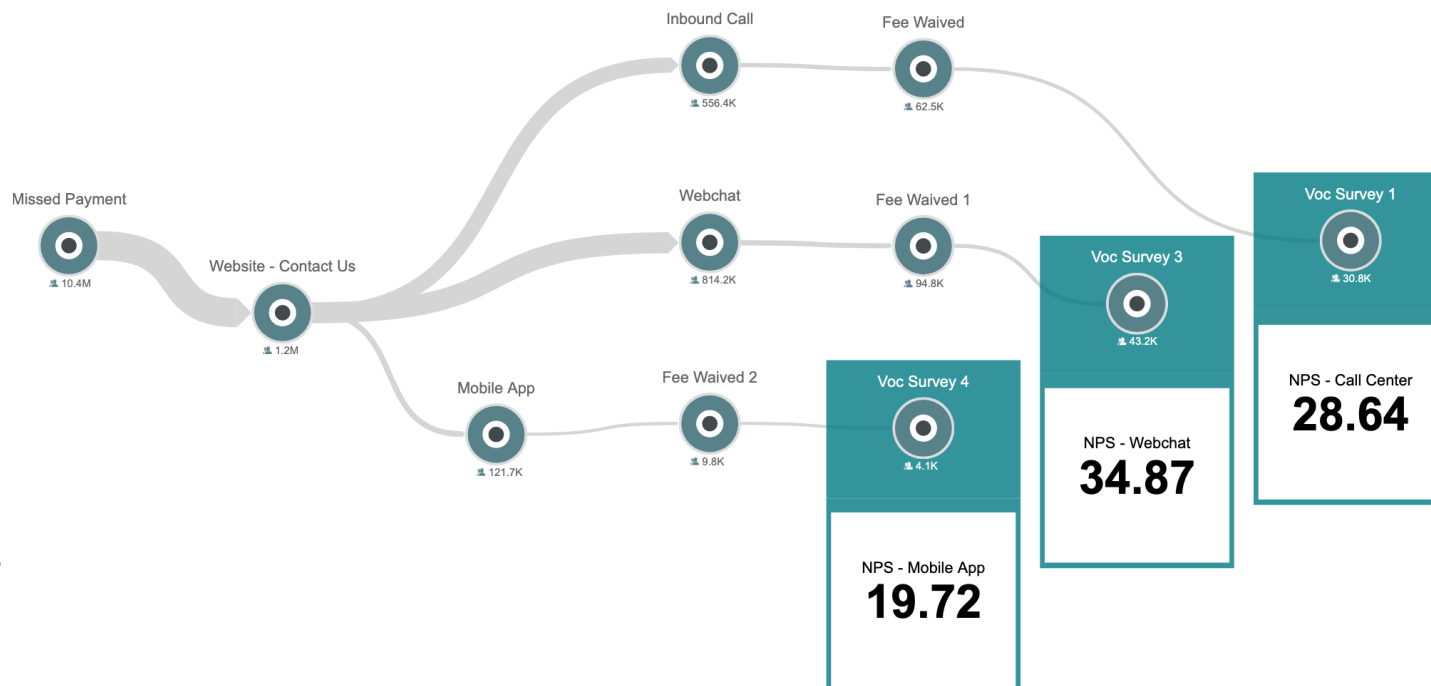
2. Analyze Your Voice of the Customer Data in Unison

To take a journey-based view, you first need to integrate all of your customer data.

Enterprise customer data typically includes:

- Customer Demographics
- Web and mobile browsing activities
- Customer preferences
- Survey responses
- Sentiment
- Customer support team interactions
- Firmographics
- Sales team interactions
- Social media
- Customer service interactions (e.g. calls, IVR, chat)
- Transaction data

Your customer data will typically reside in separate applications, such as call center platforms, point-of-sale systems, email marketing platforms, marketing automation systems, and others.

With the exponential growth in the volume and velocity of data, VoC platforms are entirely unsuitable for integrating data from all these sources in a way that is efficient and cost-effective for your business.

Also, many large enterprises have multiple CFM solutions. CFM vendors' clients often say that despite their having an enterprise-focused solution, individual lines of business and channels within their company have their own tools. In some cases, the tools work together through the main vendor's data integration and ingestion capabilities—enabling a holistic view of the customer experience. In other cases, disparate tools create challenges because they inhibit the organization from getting to a holistic view.

There are a variety of tools and approaches for unifying your customer data, including data warehouses and data lakes, Customer Data Platforms (CDPs), customer analytics tools, and customer journey analytics platforms, to name a few.

3. Collect and Analyze Unstructured Customer Feedback

Today, customers provide their opinion of the brands they interact with and the experiences they have through various channels such as social media, inbound calls, online help forums and chatbots. Yet a vast majority of companies are still stuck analyzing customer feedback in the form of responses to feedback surveys.

Leading CX teams now collect unstructured customer feedback from customer emails, social media platforms, open-ended survey responses, phone call transcripts, search terms, and chat transcripts. Companies can use text analytics to mine through this unstructured feedback and extract meaningful information to start seeing patterns and identify previously unknown customer issues.

EXAMPLE:

A CX pro recently visited a popular resort for a short vacation. At the end of the 3-day stay in the resort, they received an email asking if they enjoyed their stay and would recommend the hotel to their friends and family. They conveniently ignored the email. But a few days later the CX pro posted a photo on social media in which they tagged the resort's rooftop restaurant, offered praise for the resort, and commented on how there was a lack of 'smoke free zones.'

Despite the positive comments and praise, this raises a red flag which merits a follow-up on the resort's part. If they measure customer experience purely by the traditional Voice of Customer system measured through the NPS, they will miss the customer's most important feedback. And, the public comments on social media have far greater impact than the private NPS feedback.

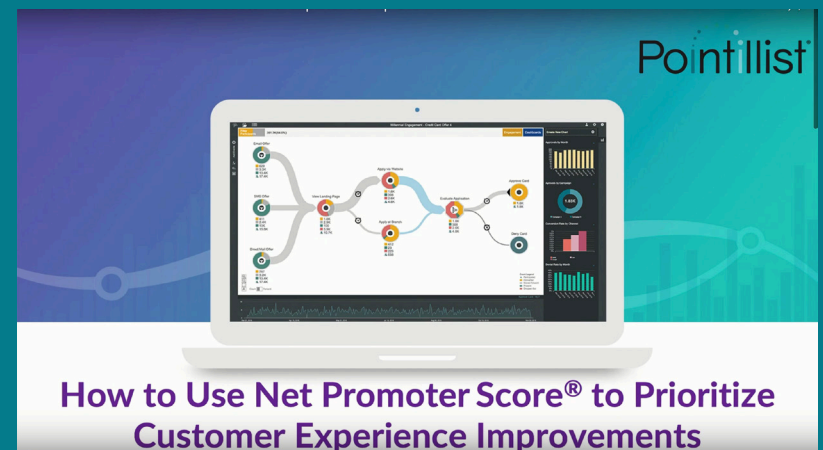# 4. Use VoC Data to Prioritize Areas for CX Improvement

To improve customer experience, CX teams must go beyond simply reporting VoC data and insights. Leading companies link customer experience metrics like NPS to business outcomes and use them to prioritize areas for CX improvement. By taking a journey-based approach using an advanced customer journey analytics platform, your voice of customer program can provide the actionable insights that your customer experience team is looking for.
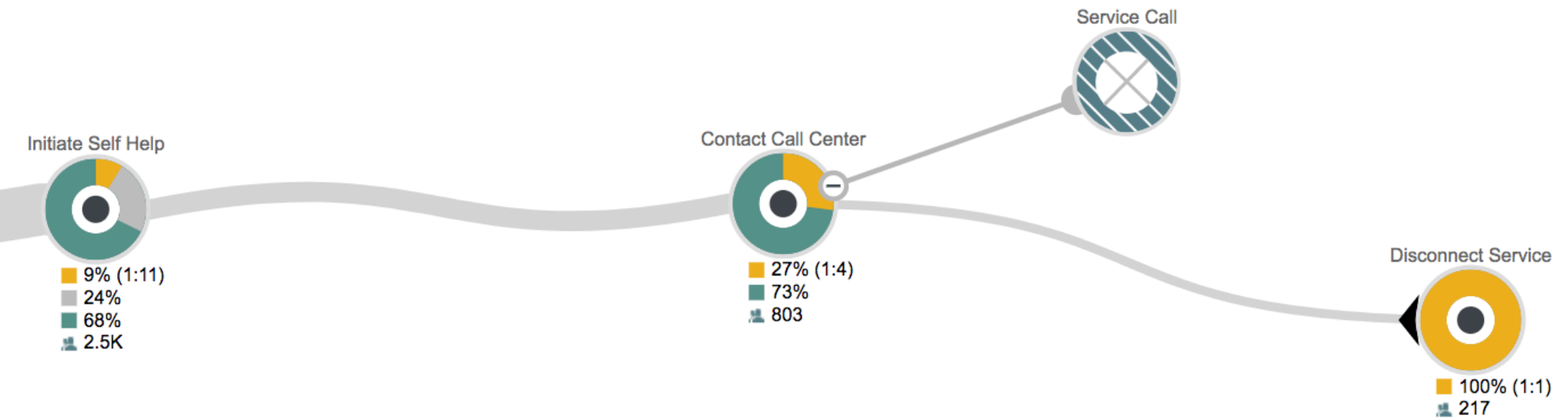
VoC leaders focus on proving value. They model the impact of potential CX improvement projects on the customer and the business. Because CX improvements affect many different parts of the business, today's leading VoC programs continously monitor the results that they drive.

A RETAIL BANK USES A CUSTOMER JOURNEY ANALYTICS PLATFORM TO MAKE NPS ACTIONABLE

A retail bank successfully used the Pointillist customer journey analytics platform to measure NPS for specific customer journeys, so they could identify and prioritize areas for CX improvement.

Watch the video at http://bit.ly/2L8J6zq to see how they did it.

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How to Use Net Promoter Score® to Prioritize Customer Experience Improvements

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Initiate Self Help
- ■ 9% (1:11)
- ■ 24%
- ■ 68%
- 👥 2.5K

Contact Call Center
- ■ 27% (1:4)
- ■ 73%
- 👥 803

Service Call

Disconnect Service
- ■ 100% (1:1)
- 👥 217

5. Identify At-risk Customers and Take Proactive Measures

VoC data can inform journey-based analyses aimed at identifying customers who are at risk of churning. Most companies erroneously focus on a single VoC survey and the last customer interaction to identify customers at risk and understand the reason they churned.

But in reality, customers can have experiences that make them feel neglected or indifferent long before they end their relationship with your organization. To discover the root causes of churn and take corrective action, you need to look at the complete customer journey or you will likely the reach wrong conclusions. Using customer journey analytics, you can analyze your voice of customer data within the context of each individual's unique journey. It enables you to visualize and discover the root causes of customer problems in real-time, based on your customers' complete history of interactions with your business over time.

This voice of customer analysis can be passed on to the right frontline customer service employees together with the complete journey information in order to take proactive measures to retain the customer.

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6. Empower Front-Line Customer Reps with Real-time Information

The success of your VoC program is highly dependent on happy and engaged employees that will take action with your customers.

Comcast's VoC team empowered its front-line employees to drive outcomes by using a range of techniques, including monthly surveys and team huddles. In the initial phase, average employee Net Promoter Score (eNPS) increased by 20 points across its call centers and overall NPS jumped by 14 points.

Like Comcast, VoC teams are now taking the next step by using journey analytics software to arm front-line customer service representatives with the complete journey history of each customer. Advanced journey analytics

platforms use machine learning and artificial intelligence to determine the 'next best experience' for a customer based on their unique journey.

By providing real-time information, VoC teams can empower customer representatives to take actions that prevent customer loss, increase cross-sell and upsell and ultimately improve overall customer experience.

7. Prove Business Impact by Demonstrating the ROI of Customer Experience

The importance of calculating the return on investment (ROI) of your VoC program cannot be overstated. How will you build, measure and regularly optimize your efforts if you don't know the return on your investments?

In order to put your voice of customer program and other CX initiatives on a level-footing with other business programs, it isn't enough to simply convey the soft benefits. You need quantitative ROI to make a strong business case and obtain approval for continued investment.

Measuring benefits is the toughest part of an ROI calculation and the reason why most CX teams avoid it. It requires that you calculate the impact of customer experience changes on the hard, quantitative metrics your business is measured by.

To calculate CX benefits, first choose a business metric that is a key performance indicator (KPI) for your company (e.g. revenue, churn, cost to serve). Then use customer journey analytics to show the link between these business metrics and real customer experiences. Finally, add up the cost of any customer experience investments that will be required to achieve those benefits.

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Discover and Optimize Your Customers' Journeys

Pointillist makes it easy for CX professionals to uncover and optimize the journeys that matter to your customers, so you can improve customer experience results and impact the KPIs that matter most to your business.

- Quickly understand customer behavior across all touch-points and channels over time

- Uncover and predict high-impact customer journeys

- Drive personalized, multi-channel customer experiences

Unlike other journey analytics solutions, Pointillist lets you connect the dots between customer interactions and business goals in seconds, rather than days or weeks. By using artificial intelligence to reveal high-impact journeys and predict likely behavior, Pointillist is like having a personal data scientist that's always on call.
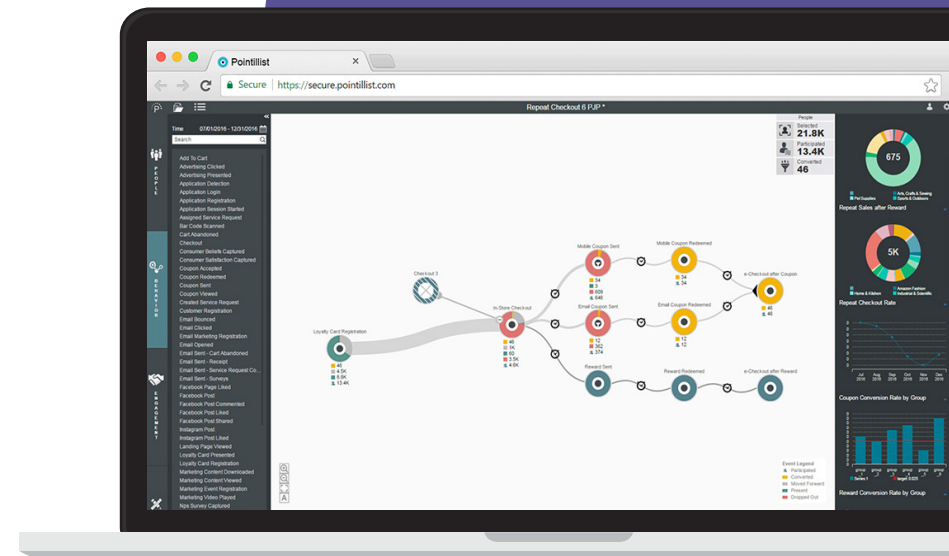
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