



## Grow the Bottom Line With Voice of the Customer Research by Laura Patterson

In this article, you'll learn...

- How to effectively use Voice of Customer (VoC) research to affect your bottom line
- Questions to consider when beginning your VoC program

Only 57% of large North American firms have a formalized Voice of the Customer (VoC) program, according to a 2010 study by the Temkin Group.

The premise of VoC is that if you collect and analyze customer data, you can transform an organization into a truly customer-centric operation by taking action based on your findings. VoC is a market research technique designed to help a company better understand customers' wants and needs and prioritize those concerns (by importance and satisfaction level with current alternatives) to positively affect the customer experience.

When executed well, a VoC program enables you to acquire business insight about customers and what is important to them. You can then use that information to enhance the customer experience.

Maybe it seems obvious why it's important to have such information. But if it were so obvious, more companies would be deploying a VoC program. So what are the business benefits to making this type of investment of time and money? Forrester finds that a better customer experience drives improvement in three types of customer loyalty: willingness to consider another purchase, likelihood of defecting to a competitor, and likelihood of recommending to a friend or colleague.

Improvements in those areas directly affect a company's bottom line as a result of incremental purchases by customers, lower churn, and new sales from referrals.

Once you decide to move forward with a VoC study, the question to consider is this: What do we ask? Typically, VoC studies are designed to learn the answers to these kinds of questions:

- What are your customers saying about your company, brand, or product/service? Where are they saying it?

- How do your customers feel about your company, brand, or product/service? How does that affect their intent to buy?
- Why do they feel the way they do, and what is the root cause of their sentiment?
- Are there differences among different types of customers? If so, what are they, and which customer segments?
- Who or what influences your customers' perceptions and feelings?
- What are your customers' needs, wants, desires, and intentions? How do these relate to your company, brand, or products/services?
- What are your customers saying and feeling about your competitors? How well do the competitors meet their needs, wants, and desires?

Though many VoC studies are qualitative, they should ideally consist of both qualitative and quantitative research steps. VoC research is typically more than a customer satisfaction study, which is designed to measure how an organization's products and services meet or surpass customer expectations. VoC research should enable you to make customer-focused decisions.

To succeed with your VoC studies, you'll need, at a minimum, these two things:

1. A robust VoC process
2. Properly trained people to implement the studies

One of the challenges of analyzing the results of a VoC study is that customer voices are diverse. Most organizations—even those that work in only one market—have multiple customer voices, such as the voice of the procuring organization, the voice of the user, and the voice of the supporting organization. Those diverse voices must be considered, reconciled, and balanced during the analysis of the study. One technique for doing so is to set, in advance of the study, different priority ratings associated with each customer voice.

The next question often raised is this: How many customers do we need to talk with? Though there is no hard-and-fast rule—because the number depends on the complexity of the product, the diversity of the market, the use of the product, and the sophistication of customers—experts suggest that you can capture 90-95% of your customer needs by speaking with 20 customers.

Your first source of information, if you are trying to address your current market, should be current customers. But it is also a good idea to talk with prospective customers, especially if you're hoping to address a new market. (And I often recommend talking with competitors' customers.) Use ranking and paired comparisons to aid in prioritizing customer needs.

Remember, the ultimate objective of a VoC initiative is to understand how satisfying a particular need influences the purchase decision.

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