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The good news for customers is that being customer-driven is a top priority in many, if not most companies. At least that's what these organizations say in advertisements, annual reports, and other communications, as well as statements made by their leaders and senior executives. A 2005 Forrester Research survey, for example, revealed that 96% of senior executives say improving the customer experience is either "critical" or "very critical" to the future success and growth of their companies. Yet, the same survey indicates that a majority of firms confess to delivering "sub-par experiences to customers."[1]

Why?

Some have argued that, in effect, the emperor has no clothes, and that "despite their rhetoric, most organizations have not made a significant and sustained commitment to customer satisfaction."[2] Undoubtedly, there are companies that fit this description. However, after decades of working with organizations in automotive, financial services, retail, hospitality, telecommunications, and other sectors, my colleagues and I have concluded there may be another factor in play.

As part of their efforts to be customer-driven, many organizations recognize the value of the Voice of the Customer (VOC) and work hard to capture and leverage this critical data source. Investments made by organizations in VOC methods and processes have grown steadily from the early 1980's to the present. Today, hundreds of organizations regularly conduct surveys, solicit comments and complaints, and gather data from other VOC sources in order to identify and pursue opportunities to improve customer experiences and relationships.

Yet, when we asked readers of the **Maritz Research Forum** to tell us "what keeps you awake at night?" the most frequently-mentioned topic was how to use the voice of the customer to drive performance improvement. Apparently, capturing the voice of the customer is one thing, but "putting it to work" is quite another.

Just how effective are companies at integrating the voice of the customer into day-to-day management and operations? How successful are these companies in taking action based upon intelligence and insights derived from VOC sources? What are the specific issues and challenges that inhibit translation of VOC data into practices and policies that lead to improved customer experiences and/or achievement of desired business results?

These were the questions that led us to conduct the **2007 Maritz VOC Challenges Survey.** In this article, we'll briefly describe how and with whom we conducted the survey, and then focus attention on what the findings reveal about the current state of organizational effectiveness when it comes to VOC integration and deployment. We also will describe briefly two strategies that may be used to overcome the most common obstacles to putting the voice of the customer to work.

Our Research
The objectives of the 2007 Maritz VOC Challenges Survey were to:

- Determine how managers assess their organization's overall effectiveness in putting the voice of the customer to work

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- Identify specific issues and challenges that may inhibit the ability of organizations to integrate and deploy the voice of the customer

Using input for exploratory research with Maritz Research clients, along with discussions with our own account managers and subject matter experts, we developed a list of 22 VOC issues and challenges reflecting the following basic themes:

- Creating awareness and managerial buy-in regarding the importance of the voice of the customer
- Developing methods of capturing the voice of the customer
- Using VOC data to manage individual customer relationships
- Using VOC data as basis for defining broad-based action items
- Linking VOC data/metrics to other business data/metrics
- Integrating the VOC into organizational management & operations
- Implementing broad-based actions on the basis of VOC data

This list was used to design items included in the survey instrument, which also contained questions about overall effectiveness at VOC integration and deployment, VOC practices and solutions that have been successful in respondent organizations, and respondent demographics and firmographics.

The target population was managers of "Blue Chip" companies, with a total of 131 managers completing the online survey. Industries represented include automotive, consumer electronics, electric and gas utilities, retail banking, healthcare, hotel and lodging, information technology, insurance, pharmaceuticals, transportation, and telecommunications. Approximately 80% of the managers interviewed came from marketing research, consumer research, marketing, customer service, or brand management. Since the data obtained from these interviews are proprietary, we have kept the names of managers and companies confidential.
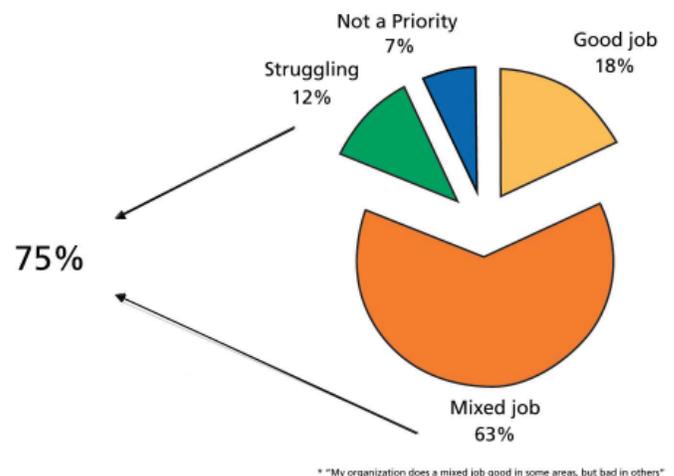
Our Findings

For the most part, the results of the survey confirm what my colleagues and I have suspected for some time: Most organizations have not maximized their ability to put the voice of the customer to work.

One of the questions presented to managers in our survey was "overall, how would you assess your organization's effectiveness at **integrating** the voice of the customer into day-to-day management and operations?" The results, illustrated in Exhibit 1, suggest that nearly 8 of ten organizations are falling short in this area, or at least perceive the need to improve.
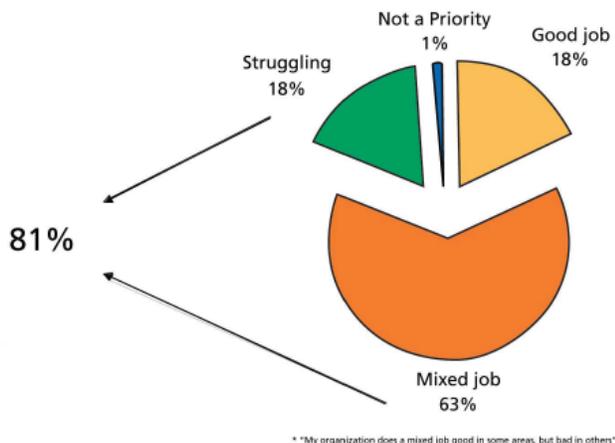
Exhibit 1
Summary of Responses to the Question: "Overall, How Effective Is Your Organization at Integrating the Voice of the Customer Into Day-to-Day Management and Operations?"

Not a Priority 7%
Good job 18%
Struggling 12%
75%
Mixed job 63%
* "My organization does a mixed job good in some areas, but bad in others"

A second and related question presented to managers in our survey was "overall, how would you assess your organization's effectiveness at **taking action** on the basis of the voice of the customer?" The results, illustrated in Exhibit 2, indicate that more than 8 of ten organizations are falling short in this area, or at least perceive the need to get better.

Exhibit 2

Summary of Responses to the Question: "Overall, How Effective Is Your Organization at Taking Action on the Basis of the Voice of the Customer?"

Not a Priority 1%
Good job 18%
Struggling 18%
81%
Mixed job 63%

* "My organization does a mixed job good in some areas, but bad in others"

Overall, these results indicate that a **majority of organizations are falling short when it comes to putting the voice of the customer to work.** A closer look at the results of our survey reveals why.
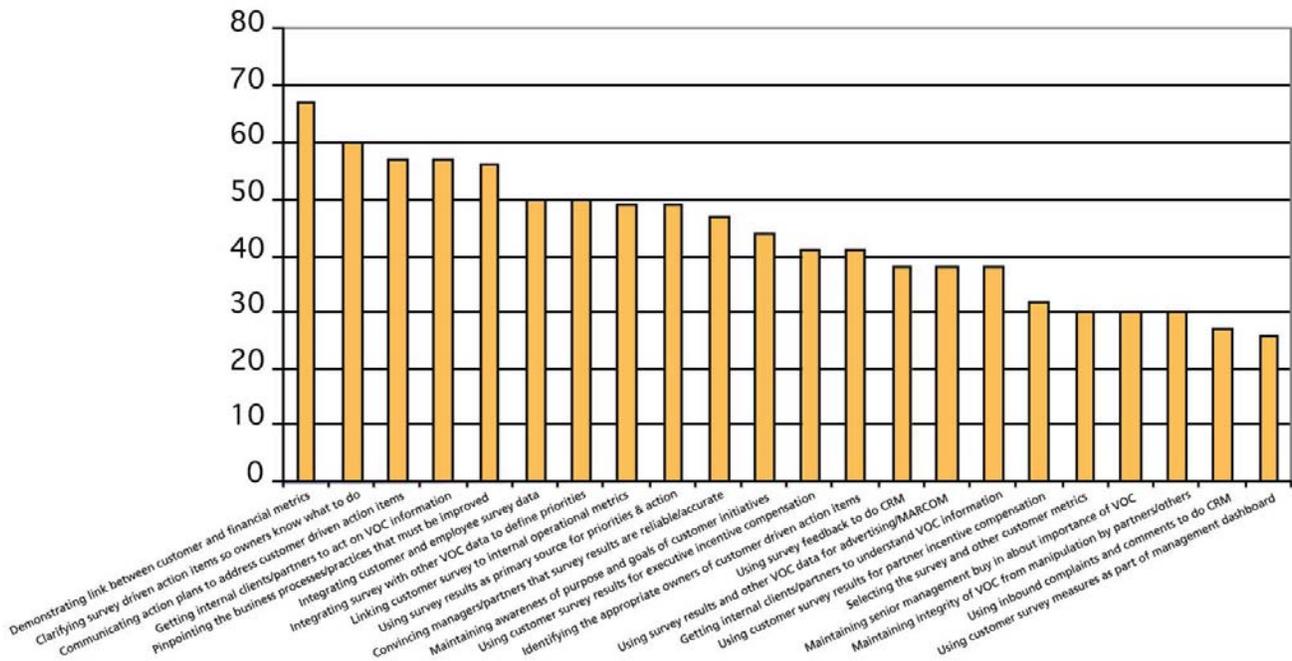
The managers who completed our survey were asked to indicate whether their organization "has developed an

effective approach or method of addressing" each of the 22 specific VOC issues and challenges. Results, summarized in Exhibit 3, reveal that 50% or more of these managers identified the following issues as the ones their respective organizations have successfully addressed:

- Maintaining senior management buy-in to importance of VOC
- Selecting survey and other customer metrics
- Using customer survey as part of management dashboard
- Using inbound customer complaints to manage relationships
- Getting internal clients/partners to understand VOC
- Identifying owners of customer-driven action items
- Using survey results as basis for defining action items
- Maintaining awareness of VOC purpose and goals
- Convincing managers/partners that surveys are accurate
- Using customer survey data to manage relationships

Thus, on the "good news" front, a majority of organizations have been generally successful at: **(a) establishing awareness and buy-in regarding the importance of the voice of the customer, (b) selecting and capturing VOC data and metrics, (c) using these metrics to "keep**
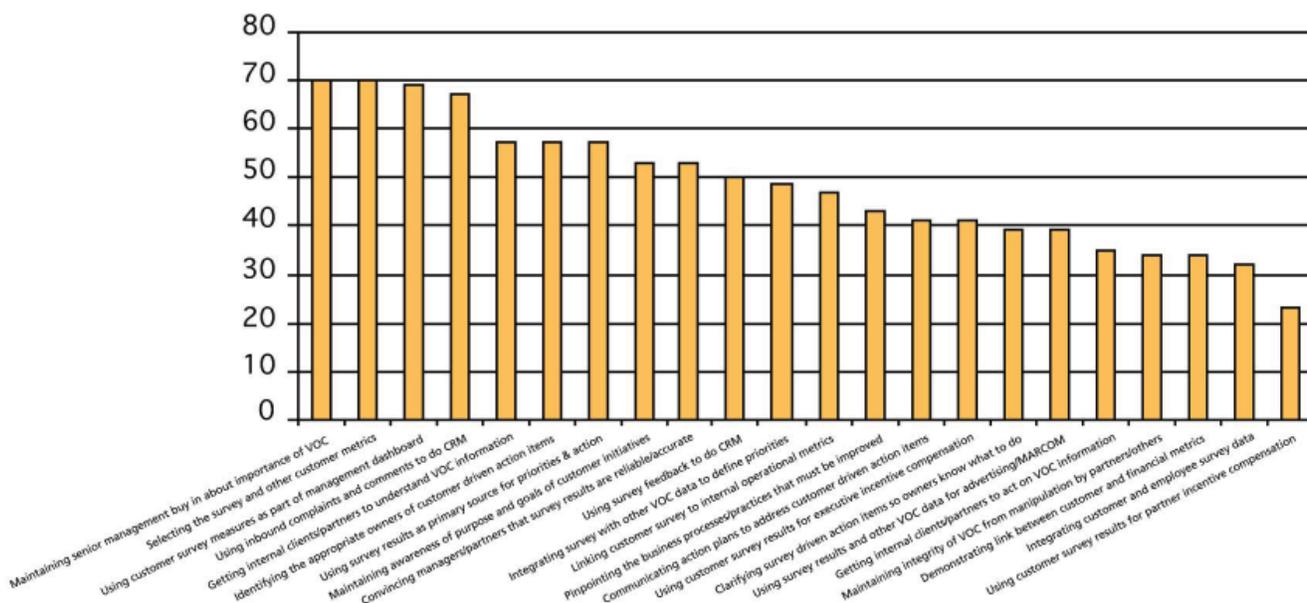
score," and (d) using these metrics to take action on a limited scale (e.g., to manage individual customer relationships).

Exhibit 3
Summary of Responses to the Question: "Please indicate whether your company has developed an effective approach or method of addressing this issue"

On the flip side, when asked to indicate whether their organization "is still seeking or trying to develop an effective method of addressing" each of 22 specific VOC issues and challenges, 50% or more of the managers we surveyed identified the issues shown in Exhibit 4 as the ones with which their respective organization continue to struggle:

• Demonstrating link between customer and financial metrics
• Clarifying survey action items so owners know what to do
• Communicating action plans to address survey action items
• Getting internal clients/partners to act on VOC information
• Pinpointing practices/processes that must be improved
• Integrating VOC and VOE (voice of employee) data
• Integrating multiple sources of VOC data to define priorities

• Linking VOC to internal operational metrics
• Using VOC information for advertising and MARCOM
• Convincing managers that survey results are accurate

Exhibit 4
Summary of Responses to the Question: "Please indicate whether your company is still seeking or trying to develop an effective method of addressing this issue"

Thus, while they may be succeeding at capturing and making some use of VOC data, a majority of managers surveyed still perceive the need to improve with regard to: (a) integrating multiple sources of VOC data to develop insights and establish priorities for improving the customer experience, (b) linking VOC data/metrics with other business process and results data/metrics, and (c) taking action.

To furnish additional insight into the issues and challenges that may be preventing companies from putting the voice of the customer to work, we compared responses of managers who said their organizations do "a good job" at integrating VOC data into day-to-day management and operations, with those of managers who said their organizations have either achieved "mixed results" or are "still struggling." Results of this comparison, summarized in Exhibit 5, indicate

organizations doing a good job overall are less likely than other organizations to be seeking an effective method of addressing 14 specific VOC issues and challenges: [3]

Exhibit 5
Issues and Challenges that Distinguish Organizations Having Successfully Integrated the Voice of the Customer into Day-to-day Management and Operations from Other Organizations

• **Selecting survey and other customer metrics**
• **Using survey feedback to manage customer relationships**
• **Using customer complaints to manage customer relationships**
• **Using survey results as basis for defining action items**
• **Using customer survey as part of management dashboard**
• **Demonstrating link between customer and financial metrics**
• **Integrating multiple sources of VOC data to define priorities**
• **Linking VOC to internal operational metrics**
• **Integrating VOC and VOE data**
• **Identifying owners of customer-driven action items**
• **Clarifying survey action items so owners know what to do**
• **Pinpointing practices/processes that must be improved**
• **Getting internal clients/partners to act on VOC information**
• **Communicating action plans to address survey action items**

We did a similar comparison among responses of managers who said their organizations do "a good job" at taking action on the basis of VOC data, and those of managers who said their organizations have either achieved "mixed results" or are "still struggling." Results of this comparison, summarized in Exhibit 6, indicate organizations doing a good job overall are less likely than other organizations to still be seeking an

effective method of addressing 12 specific VOC issues and challenges: [4]

Exhibit 6
Issues and Challenges that Distinguish Organizations that Are Effective in Taking Action on the Basis of VOC Data from Other Organizations

• **Maintaining awareness of VOC purpose and goals**
• **Using survey feedback to manage customer relationships**
• **Convincing managers/partners that surveys are accurate**
• **Demonstrating link between customer and financial metrics**
• **Integrating multiple sources of VOC data to define priorities**
• **Linking VOC to internal operational metrics**
• **Integrating VOC and VOE data**
• **Identifying owners of customer-driven action items**
• **Clarifying survey action items so owners know what to do**
• **Pinpointing practices/processes that must be improved**
• **Getting internal clients/partners to act on VOC information**
• **Communicating action plans to address survey action items**

Two things stand out from the preceding results:
• The issues and challenges that prevent a majority of organizations from maximizing their effectiveness in putting the voice of the customer to work center on:

– Integrating multiple sources of VOC data to develop insights and establish priorities for improving the customer experience;
– Linking VOC data/metrics with business process and results; and
– Developing methods of planning and implementing actions on the basis of VOC data

• Organizations that are not "doing a good job" overall at integrating and taking action on the basis of the voice of the customer, not only wrestle with the above issues/challenges, but also are more likely to be seeking effective methods of addressing even the most basic VOC issues and challenges:

– Building awareness and buy-in regarding the importance of capturing and leveraging the voice of the customer;
– Selecting customer metrics and implementing effective methods of capturing VOC data;
– Using VOC metrics to "keep score" and monitor trends in customer satisfaction; and
– Utilizing VOC data and metrics to manage individual customer relationships.

Taken together, the preceding findings suggest that organizations may go through a developmental process of VOC integration and deployment, such as the one illustrated in Exhibit 7. During the early stages of this process, companies progress from building awareness and buy-in regarding the importance of the voice of the customer, through capturing and analyzing VOC data, and reporting

key insights/action items derived from these data. Much of the action taken in response to the voice of the customer is relatively limited in scope, such as using customer feedback to respond to individual customer problems or complaints. Most organizations we surveyed currently are somewhere in these early to mid-stages of VOC integration and deployment, and managers in organizations that are "still struggling" to put the voice of the customer to work continue to wrestle with the basic challenges.

In order to progress to a more advanced stage of VOC integration and deployment, organizations must find means of linking the voice of the customer to business processes and results. They also must develop effective processes for taking action based upon VOC data, so that the voice of the customer is successfully integrated into day-to-day management and operations. A few of the organizations we surveyed have progressed to this stage, but they are in the minority.

Exhibit 7
A Continuum of VOC Integration and Deployment
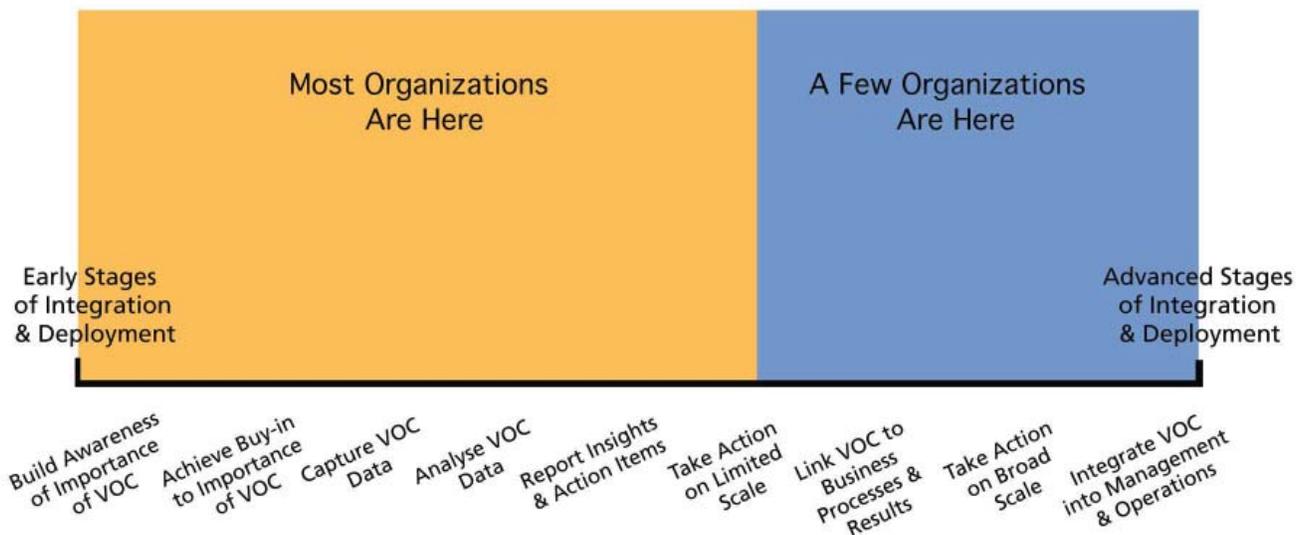
Two Solutions

Clearly, there is more to success at putting the voice of the customer to work than just capturing and sharing VOC data with managers, and telling them to use it. Yet, this appears to be as far as many organizations have gotten in their efforts to integrate and deploy the voice of the customer.

So, what can be done?

There are at least two strategies that can employed to address the preceding challenge. One involves developing and implementing an **Integrative Voice of the Customer Architecture.** Properly designed and implemented, an Integrative VOC Architecture enables an organization to:

- Deploy "listening posts" for all key touch points, elements, and episodes of the total customer experience
- Establish convergent intelligence and insight regarding how to manage and improve the customer experience
- Link critical aspects of the total customer experience to: (a) financial and other "downstream" business results; and (b) internal processes, operations, practices, and other "upstream" enablers

Implementing an Integrative VOC Architecture means more than just gathering data about customer experiences and relationships. It requires collecting such data and also:
- Organizing these data in a manner which maximizes their comparability and complementarity (i.e., allows them to "work together")
- Constructing models and performing analyses that demonstrate how customer experiences and relationships are linked to key financial and other business results, and
- Establishing how product and service delivery, and the management of operations and employees, are connected to and "drive" how the customer perceives and evaluates his/her experience with a company.

Thus, an Integrative VOC Architecture, once constructed, typically harbors a combination of customer and other

critical business data and metrics. In addition, it specifies connections among these metrics that reflect how the customer experience is linked to business processes and results.

Elsewhere in the **Maritz Research Forum**, we have described the process of designing and implementing an Integrative VOC Architecture in greater detail. That article appears at http://research.report.oct04.mr-2.us/feature1.phtml.

Over the years, my colleagues and I have observed that unsuccessful efforts to use VOC data to drive performance improvement usually can be traced to one or more of the following root causes:
- The organization does not know what the customer actually wants, need, or expects.
- It has not charged the right people or parts of the organization with taking action to address what the customer wants, needs, or expects.
- The improvement effort is focused on fixing or changing the wrong things.

Accordingly, a second strategy for improving effectiveness at putting the voice of the customer to work centers on using a closed-loop process of customer-driven improvement that employs three commonly-overlooked steps:

- Clarify what the customer wants or is trying to tell you before attempting to take action.
- Make sure the right people are charged with taking action.
- Make sure the right business elements and processes are targeted for action.

A recommended customer-driven improvement process also has been described in detail elsewhere in the **Maritz Research Forum.** Readers can find that article at http://research.report.jan05.mr-2.us/feature1.phtml.

Summary and Conclusion

Senior executives may make commitments to being customer-driven, and they may acknowledge the importance of the voice of the customer. Companies can make investments in capturing, crunching, and sharing insights derived from VOC data. These steps will allow organizations to make some progress toward putting the voice of the customer to work. However, unless the necessary methods and processes of VOC integration and deployment are put in place, progress likely will be stalled. The results of the 2007 Maritz VOC Challenges Survey reinforce the last point: Most organizations have not progressed beyond early-to-mid stages of VOC integration and deployment because they have not yet implemented the necessary strategies.

Two strategies that may enable organizations to move to an advanced stage of VOC integration and deployment are: (a) developing and implementing an Integrative Voice of the Customer Architecture, and (b) adopting a closed-loop, customer-driven improvement process. An Integrative Voice of the Customer Architecture enables an organization to maximize the meaningfulness and impact of VOC data and metrics. A closed-loop, customer-driven improvement process ensures the right people can determine what to do to create better customer experiences and relationships.

References

[1] Temkin, Bruce D. *Customers Will Get More Attention In 2005: Survey of NA Firms Identifies Customer Experience Priorities.* Forrester Research White Paper, March 15, 2005.

[2] Denove, C. and J.D. Powers IV (2006). *Satisfaction: How Every Great Company Listens to the Voice of the Customer.* New York: Portfolio; p.1.

[3] In organizations that are "doing a good job" overall at integrating the voice of the customer into day-to-day management and operations, the percentage of respondents "still seeking a method of addressing" the issues listed in Exhibit 5 is significantly lower that the percentage of such respondents in other companies. All differences are statistically significant at or beyond the 95% confidence level.

[4] In organizations that are "doing a good job" overall at taking action on the basis of VOC data, the percentage of respondents "still seeking a method of addressing" the issues listed in Exhibit 6 is significantly lower than the percentage of such respondents in other companies. All differences are statistically significant at or beyond the 95% confidence level.

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