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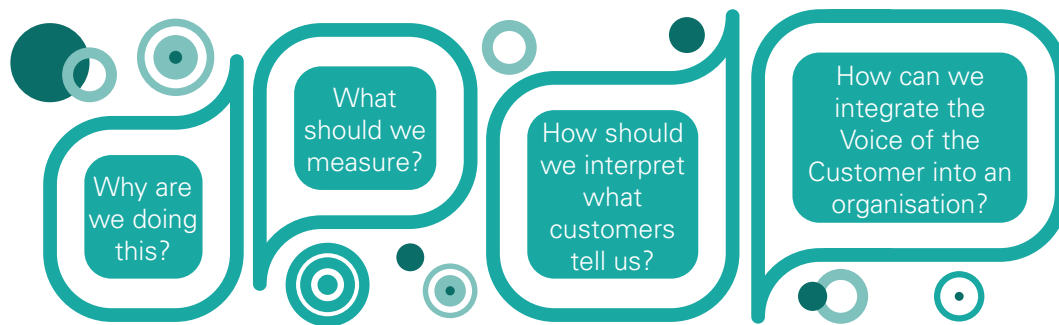
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# Introduction

In the ‘age of the customer’<sup>1</sup>, organisations are unified in their claims that delivering a superior customer experience is key to their future strategy. And looking at the size of the customer experience market it appears that most mean it. An annual growth of 20% over the past five years<sup>2</sup>, and expected further growth over the coming years, seem to point that way. However, as with any new discipline (and customer experience is still relatively new) there are no commonly agreed definitions. One of the least well defined ‘tools’ in the customer experience arena are ‘Voice of the Customer’ (VoC) programmes.

Everybody who focuses on customer experience manages VoC programmes. Yet less than 1 in 2 VoC programmes actually achieve their business objectives<sup>3</sup>. One of the reasons for that, we believe, is that there is no clear view on what a VoC programme actually is. Some range from relatively straight forward feedback analysis, others incorporate a full suite of insight tools, including a structured and consolidated approach to analysing the feedback gathered.

This paper aims to address the four key questions one should ask about VoC programmes:



In doing so, they don’t claim to be comprehensive in describing the value of VoC programmes. We hope this paper will encourage you to think in more detail about the objectives of your own VoC programme. Does it achieve what it has been set out to achieve? Does it really reflect the true voice of your customer? Or does it fall short of systematising what your customers talk about?

At the very least, we hope it triggers ideas and thoughts about your own programme that may help you to better hear and understand the voice of your customers.



# The importance of Voice of the Customer programmes

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

In today's world, where Voice of the Customer (VoC) has become the latest big thing in the business world, this statement is almost universally agreeable. Should it be, though? Is it really true that any input from your customers into the running of your business is better than none?

We think the answer is not quite as straightforward. Imagine yourself back to your childhood. You're overhearing a conversation amongst your parents, but can only hear snippets of the actual conversation. Imagine you hear: "[...] problem [...] boarding school [...] sort it out [...]."

Now, as a child, hearing just these three parts of a conversation, you can imagine the reaction it causes. Your behaviour as a child would from now on – at least for some time – be influenced by your understanding that your parents want to send you to boarding school.

It could, of course, be just the opposite. You haven't heard the whole conversation, and you haven't undergone a structured approach to analysing what your parents have really said. Your future behaviour is based on partial understanding of a relevant conversation about you.

We believe that many organisations act in the same way. They have the best intentions of listening to the voice of their customers, but because they do so unsystematically, they adjust their behaviour (the way they do business) to individual, isolated parts of the conversation.

A truly coherent customer experience can only come from a systematic review, adjustment and classification and interpretation of the snippets that you pick up. This bears two tangible consequences:

You should aim to identify the skew that is introduced by the mechanisms you apply to listen to your customers' voices. Be aware of what you're not hearing!

You should aim to maximise the part of the conversation you can hear – i.e. you should integrate as many sources of the VoC as possible.

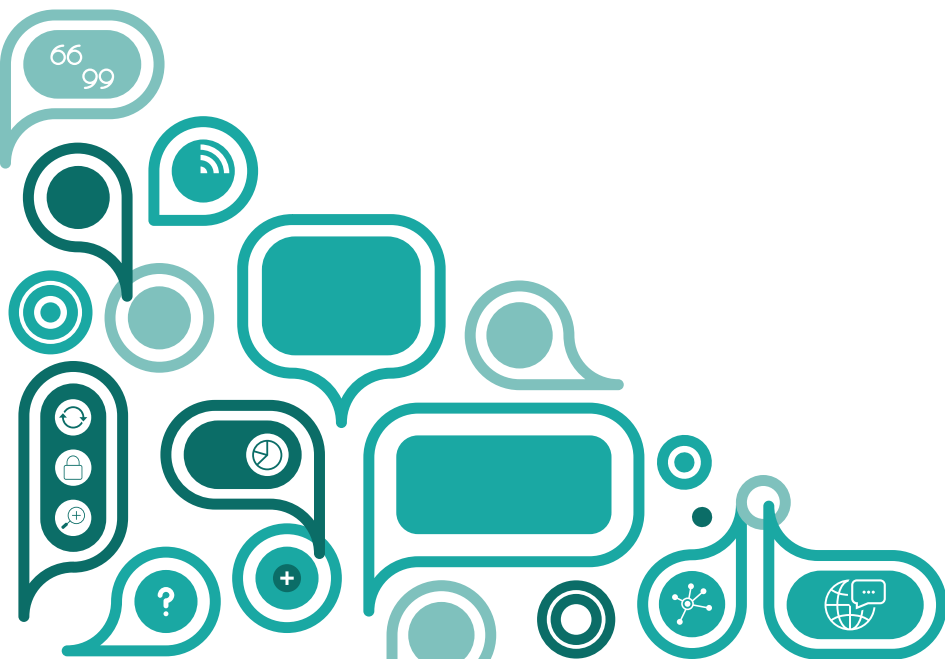


Now, these consequences are related, but certainly not the same.

The concept underlying the first is representativeness. The ever increasing view in a world of big data, where “n = all” is that conclusions can be drawn from customer feedback wherever it is collected. And there is certainly a place for immediate customer feedback. Providing this in real time allows for service recovery, which may impact an individual customer’s experience. But it doesn’t allow for a systematic change of organisational behaviour. This requires confidence that what you hear is a true reflection of your customers’ conversations and views. To achieve this, a VoC programme based on the principles of good research, considering representativeness of a sample (be that in primary customer research or through passive collection of the Voice of the Customer), is required. We all know, and love, great case studies. In fact, our *Customer Experience Excellence Centre* is full of the best case studies out there, typifying many ways of providing the best experience possible. But case studies are useful to show you a way forward to improve a particular issue. They are not the diagnostic tools to identify which issue to tackle first. This can only be achieved by a representative, valid understanding of what your customers talk about.

Establishing a systematic, representative way of analysing your customers’ voice does not mean your focus is narrowed. In fact, the opposite is true. By formulating a programme that provides guidance to your organisation in how to analyse customer feedback, you can broaden the skill sets within the organisation, enabling the appropriate analysis at the appropriate levels. Again, let’s think of an example: imagine you have established a programme of primary research, which enables collection of feedback from a representative subset of your customers. You have also established the framework within which you analyse this feedback. This is the time to open up the diagnosis and action planning processes to as much feedback as you can get. You identified your online presence as an issue area? Listen to social media to learn what you could improve. You’ve prioritised improvements to your IVR system? Listen in to your ‘in the moment’ feedback from the call centres. It’s the diagnostic stage of VoC programmes (as well as service recovery) that requires as much input as possible. Make sure your VoC programme is set up to achieve this.

Coming back to our original example, it turned out that our parents were actually talking about a case they had heard in the news – not about ourselves. It means that the two weeks of being on our best behaviour to avoid being sent to boarding school were two weeks of lost fun and excitement. Probably an affordable loss for a child. Changing organisational processes and behaviours based on incomplete information is likely to be much more costly.



# At what point do you collect the Voice of the Customer?

In the first part of this paper we discussed the relevance of systematically gathering the Voice of the Customer. Now we want to discuss whether it matters when (in relation to an experience) you gather customer feedback. In our view, it does.

In today's customer experience measurement market, most comprehensive Voice of the Customer programmes consist of three types of studies:

## Transactional studies

Transactional studies are typically presented to customers shortly or immediately after an interaction. The purpose of these (when employed appropriately) is a focus on tangible, direct and thus actionable feedback directly to the front line, which enables both service recovery (if required) and operational improvements.

## Journey studies

A more recent addition to the VoC tool kit, journey studies are targeted to customers who have recently completed a journey. They differ from transactional studies in that they capture holistic feedback on a complete journey, thus being better suited to capture omnichannel experiences, and enabling touchpoint prioritisation to better drive organisational decision making.

## Relational studies

Relational studies are targeted towards a representative sample of your customer base (again, if employed appropriately). Here, focus is not on recent experiences, but on overall perceptions of an organisation, which is formed by the sum of experiences with a provider, direct and indirect communications and perceptions of product and price.

It is immediately obvious that the content to be covered in these studies will be different. More detailed and in-depth around a specific experience in transactional, more focused on broader experiences and perceptions in the relational study.

Nevertheless, as researchers and CX professionals in client organisations alike, we are often faced with the dilemma of different scores (or trends) for similar metrics across various studies.



The typical (and often accurate) explanations of this phenomenon are:

- Difference in sample make up (e.g. representative customer sample vs. customers who contacted)
- Differences in methodologies (e.g. CATI vs online vs mobile)
- Framing effects (e.g. where a question is positioned in a survey)
- The impact of time between an experience and the survey (memory fade).

All of these reasons are based around research methodology. As such, the existence of different scores and trends is often attributed to limitations of the research, which – consciously or subconsciously – tends to undermine stakeholders’ trust in CX measurement outcomes.

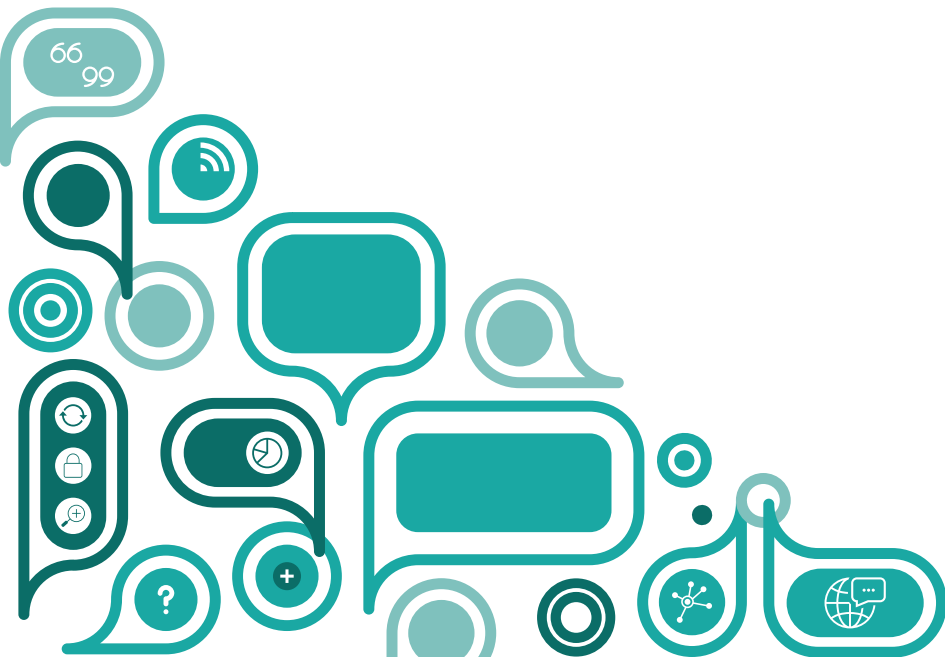
The differences we measure across surveys are more than just research artefacts – they are a true reflection of how customers remember. Failure to appreciate this may limit the value derived from VoC programmes.

The two concepts that help explain this human behaviour are the ‘Peak End Rule’ and the ‘Experiencing self vs the Remembering self’\*

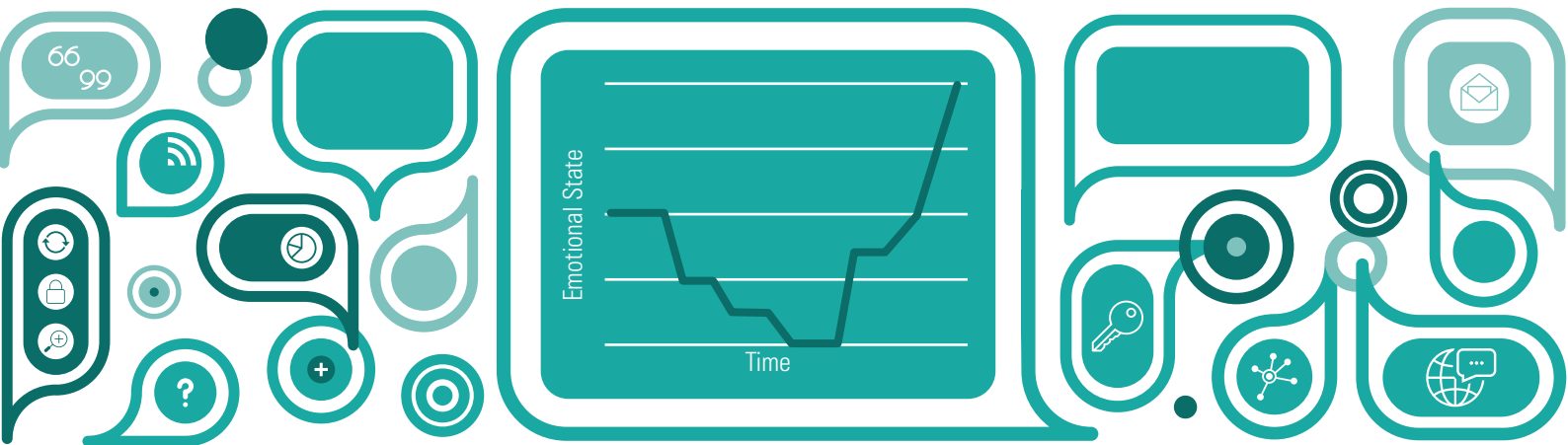
The concept of the experiencing vs remembering self essentially says that human perceptions of a situation differ depending on the time passed between the experience and the time of talking about it. The experiencing self provides feedback on a situation based on ‘right now’, which means that experiences impact on what customers tell us in an immediate manner.

The remembering self, on the other side, forms perceptions on the basis of an ‘average’ memory of an experience. This ‘average’, in turn, is influenced by two elements of an experience: the peak (positive or negative) and the end (again, positive or negative).

This all sounds very complicated, so let’s try and make it more relevant with an example: You are on the phone with a utility provider. You were on hold for five minutes (which you don’t think is that bad) until you spoke to an advisor. This advisor tells you that some of the information provided to you previously was incorrect, which does annoy you quite a bit. They then tell you that you need to speak to a colleague to get the issue resolved, which means you end up in another queue. The new person you speak to resolves your problem and apologises for the inconvenience caused. They are very understanding and really take their time to get everything sorted.



Collecting feedback from the remembering self at different stages during this experience would likely result in a graph a little like this:



It is clear that feedback is provided immediately, without taking into account elements of the experience that happened before, or that will happen afterwards.

The remembering self, in contrast, won't consider the call experience as a succession of individual experiences. It will think about the call as a whole, and form its perceptions on that basis – but with the important limitation that it will likely weigh the end of the call more strongly than any other element.

We're aware that, at this point, this part of our paper has become very abstract and academic, but there are some clear implications for any VoC programme.

Feedback collected from the experiencing self (= transactional studies) provides greater detail on specific experiences, and thus enables detailed root cause analysis at customer touchpoints. It also enables identification of negative experiences, which can feed into service recovery, thus creating a positive end to an experience (this explains the service paradox, that sometimes, when things go wrong but are handled well, customers end up more positive than if nothing had gone wrong in the first place).

It is the remembering self that influences future behaviour. As such, relational surveys are designed to speak to this part of ourselves, as this will allow us to understand (and statistically model) the impact of remembered experiences on claimed future behaviour.

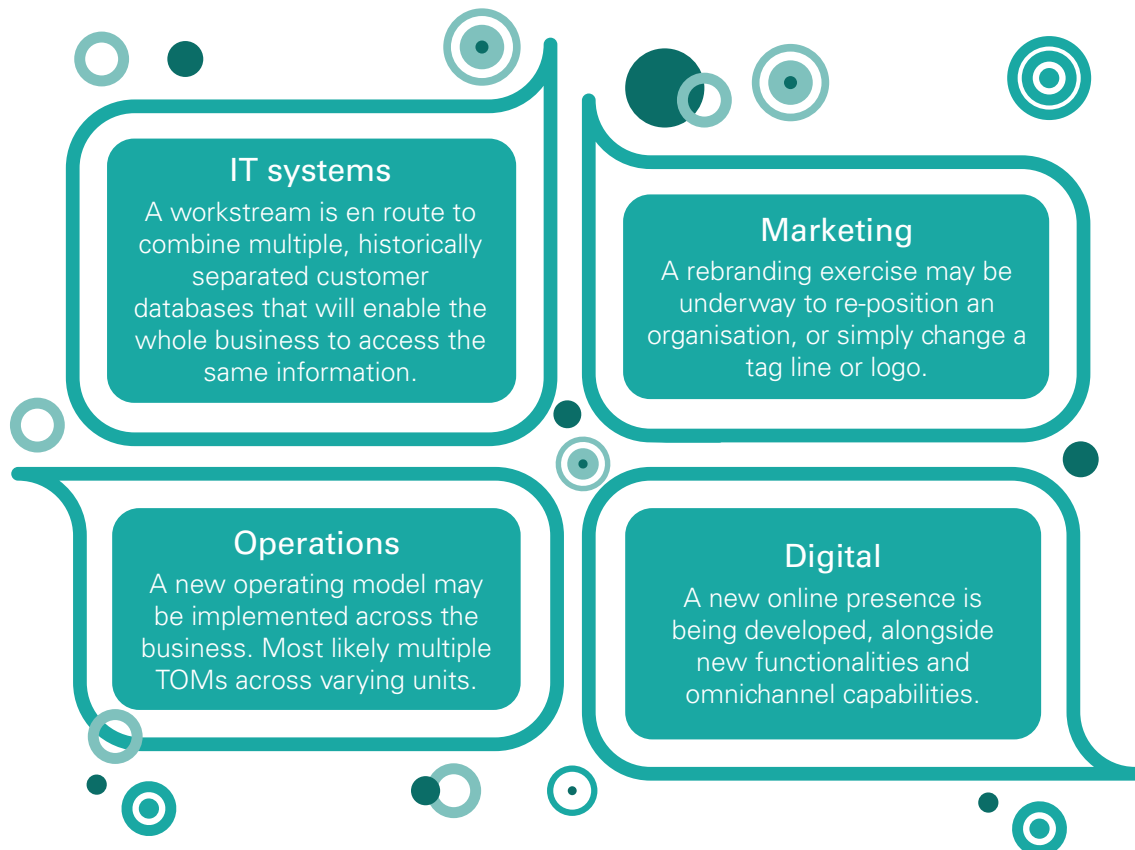
The consequence from this should be to analyse feedback gathered through different surveys in their own right. This is as much a stakeholder management task as it is a programme design task. Through a deeper understanding of their customers, the credibility of CX measurement programmes and thus, their impact, can be maximised throughout an organisation.



# Voice of the Customer programmes and their wider context

Voice of the Customer programmes are everywhere, in many disguises - sometimes more, sometimes less sophisticated - but always with the definite intention of driving change. The more advanced CX and VoC advocates have promoted the view that VoC programmes are more than just measuring customer feedback. VoC programmes are seen as inspiring change to improve the customer experience, and as such, where employed appropriately, they are a source of continuous change driven by customers.

One could argue that with this appreciation of VoC programmes as a change catalyst, the maximum integration into wider organisational change has been achieved. We disagree. Interpreting VoC programmes in-isolation from wider organisational realities poses the risk to – once again – creating an insight driven initiative that doesn't fulfil its promises. And the reason for that is VoC programmes tend to be only one of many change initiatives at any point in time. Let's broaden our view into other business areas:



This is only a short list of examples of the change that is taking place in large organisations.

Now put yourself into your employees' shoes. How confusing it must be to be told what needs to change on a daily basis, by different change teams – all with different agendas and priorities. Yes, a successful VoC programme must get buy-in from the C-suite to have a chance to succeed, but it must also be understandable and accepted by those colleagues who will have to implement any improvements.



In short. If you're an employee working for a large organisation, you'd be forgiven for thinking that an unconnected VoC programme is just the latest type of project pursued because it's 'en vogue' at the moment. 'Just ride with it for a while, it'll surely disappear.'

Naturally, we don't agree with that view. VoC programmes are pivotal elements of a customer connection that will be instrumental in driving organisations' success in the 'age of the customer.' But how can we convince stakeholders (across all levels, from front line staff to C-suite) that VoC programmes are complementary to existing work, and not just another pet project?

This comes from a thorough understanding of the above described interdependency between change initiatives, and from appreciation of the complementary nature of different programmes. An example:

The best VoC programmes are structured along the customer journey. They capture customer feedback at various stages of each journey, and enable a thorough understanding of inter-dependencies of channels used. However, many organisations are not (yet) structured like that. Therefore, in order to provide actionable insights, you are most likely to refer to current organisational structures that need to be changed to improve the customer experience.

The solution seems simple: speak to colleagues who work in these areas, invite subject matter experts (internally or externally) to debrief sessions based on VoC input, and request from your VoC supplier to consider this wider commercial context when coming up with customer feedback-based recommendations.

It sounds very sensible, and certainly easily agreeable. But more often than not, it's just not happening. We've been to plenty of debriefs in the past where, for example, improvements to IVR systems are recommended, without anyone in the room understanding a) what is feasible, b) what is already happening and c) how such a change could be achieved with the current systems.

Even when the right people are in the room, feeding back on VoC findings without considering wider implications does undoubtedly undermine the impact of the message delivered. And I'm not just talking about naive recommendations often lamented by research clients a la "make your product cheaper to gain more market share." It is more subtle: stakeholders come to the VoC debrief primed with conceptions of how to change their business driven by other work streams. At best, a VoC debrief held in isolation can nudge them towards considering the Voice of the Customer in their day to day work. At worst, it's just too complicated to triangulate all inputs that should be relevant but that seemingly contradict each other. In this case, a VoC debrief was a really interesting session, which led to nothing.

Some of this hard work of triangulating should be done as part of any VoC debrief – and that any recommendations made should be linked to an understanding of other activities that are ongoing. This requires both client side researchers to be well connected internally and agency researchers to have an appreciation of different and often competing initiatives. It does, however, also require the expertise and understanding of such wider initiatives, which may require, as a minimum, to have the right stakeholders in the room.

If connected to wider organisational initiatives, both when it comes to interpreting the VoC and when it comes to recommending actions on the back of it, VoC programmes are essential in pulling all of these initiatives together on the basis of the opinion that should matter most – the customer. If done well, VoC programmes can be instrumental to informing initiatives about their impact on the customer – at which point they really will be indispensable to organisations.

# Conclusions

In concluding this paper, we are keen to reinforce the following main points:

1. Systematise listening to the voice of your customer. Make sure you are aware of which parts of the conversation you hear – and which part you don't.
2. Know the context of the Voice of the Customer. The same customer gives seemingly differing feedback in different situations. Understanding this drives the right actions at the right level of the organisation.
3. Measure the Voice of the Customer in the way customers experience your organisation. This may require multiple feedback mechanisms, including journey measurement, to capture omnichannel experiences.
4. Ensure the colleagues that need to implement changes driven by the Voice of the Customer don't see it as 'just another management initiative'. To achieve this, embed Voice of the Customer outputs into the organisational change agenda.

Many of the principles underlying these points still seem to be ignored when it comes to implementing Voice of the Customer programmes. We hope that this paper helps summarise the debate and shapes practitioners' awareness of some of the key elements in making Voice of the Customer programmes a success.

KPMG Nunwood works with many leading organisations on their Voice of the Customer programmes. To learn more about our capabilities and Fizz: Voice of the Customer software, please contact one of our VoC experts:



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