

# VOICE OF THE CUSTOMER: HOW TO COMPETE ON CUSTOMER EXPERIENCE IN 2016 (AND BEYOND)

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## Report Highlights

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**The ability to understand and address buyer expectations remains the number one customer experience challenge.**

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**Best-in-Class organizations are 91% more likely to use technology to enhance the quality of VoC data.**

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**Best-in-Class firms are 34% more likely to segment their audiences for a more granular understanding of buyer needs.**

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**Every Best-in-Class business uses role-based reporting to enable employees with relevant insights.**

Customer demands have changed rapidly over the past several years. Buyers today are more selective than ever when it comes to purchasing decisions and showing brand loyalty. This report will highlight how top-performing organizations go beyond capturing feedback and sentiment data, and actually use those insights to deliver superior omni-channel experiences.

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**Companies that truly differentiate themselves with VoC programs do so by using feedback and sentiment data as strategic assets. In doing so, they deliver personalized and consistent interactions across all channels – ones that meet and exceed the buyer needs.**

**On average, companies use four distinct channels to interact with buyers.**

## VoC is the Mirror Reflecting Organizational Success, Creating Happy Customers

Why do organizations today build or manage customer experience programs? The answer to this question will vary based on the business. However, one common goal across organizations is to create happy customers. This is true even for non-profit organizations that depend on the contributions and support of their respective communities.

As companies strive to delight their buyers, they face numerous challenges influencing their ability to do so. Table 1 illustrates the top roadblocks customer experience executives need to overcome to achieve their desired results.

**Table 1: Managing the VoC Keeps Customer Experience Executives Up at Night**

Top Goals (n=154)	All Respondents
Customers are empowered with a wealth of information on competitive products / services	50%
Customers expect consistent experiences across all channels	32%
Increasing cost of customer acquisition	30%

Source: Aberdeen Group, April 2016

Note: Respondents were allowed to select up to two answers when responding to the question on their top challenges. This means that a company might face multiple roadblocks concurrently when managing their VoC programs.

As illustrated above, adapting to the era of the empowered buyer is the number one struggle influencing modern customer experience management (CEM) programs. Addressing this challenge involves both the organization's ability to not just listen their customers, but be able to address their evolving needs. Table 2 shows that, in order to track and identify those

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evolving expectations as well as capture VoC data, organizations use a wealth of channels.

**Table 2: Multi-Channel is the New Normal in VoC Programs**

Channels Used to Capture VoC Data (n=154)	All Respondents
Online surveys	69%
In-person surveys	58%
Social media	42%
Feedback / complaint form on company website	39%
Dedicated email inbox	33%
Live chat on company website	14%
Mobile web surveys	11%
On-premise / store comment cards	11%

Source: Aberdeen Group, April 2016

The stream of VoC data gathered across channels in the above table presents organizations with a wealth of opportunities to improve their CEM program results. However, this requires companies to convert the feedback and sentiment data into actionable insights – a topic we’ll address in the next section.

It also requires the ability to maintain consistency in customer conversations across all channels of buyer interaction. For example, if a business captures feedback data through a customer-generated Facebook post, but this data doesn’t influence the next conversation in the buyer’s journey, then the feedback data provides minimal value helping the company achieve desired results. Such discrepancies in the ability to weave omni-channel capabilities (see sidebar) into VoC programs is the second top challenge influencing organizations.

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**Capturing VoC data, but not using it to influence customer conversations, is a short road to customer experience failure.**

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**Definition: Omni-channel**

Aberdeen’s December 2015 [Omni-Channel Customer Care: Best-in-Class Steps to Success](#) study defines omni-channel as a capability that enables organizations to deliver consistent *and* personalized customer messages across multiple channels.

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For the purposes of this research, Aberdeen identified the Best-in-Class organizations (top 20% of the respondents) based on their self-reported performance on five metrics. Below is an overview of those metrics along with details on how those top performers stack up against others.

**Customer retention rate:**

Best-in-Class: 85%  
All Others: 40%

**Year-over-year improvement in customer satisfaction rate:**

Best-in-Class: 37.4%  
All Others: -0.8%

**Year-over-year improvement in annual company revenue:**

Best-in-Class: 35.4%  
All Others: 7.7%

**Year-over-year improvement (decrease) in response time to customer requests:**

Best-in-Class: 32.0%  
All Others: 3.6%

**Year-over-year improvement in customer profit margin:**

Best-in-Class: 18.2%  
All Others: 2.9%

## Use Technology to Convert Feedback Data into Actionable Insights

We just mentioned that the wealth of feedback and sentiment data companies collect across multiple channels is only useful when it’s converted into actionable insights. Implementing a manual process where an employee goes through this data to identify trends and correlations is not a viable option, due to the sheer volume of VoC data most organizations capture. It’s a very labor-intensive process and one prone to error. The good news is that businesses have numerous tools at their disposal to convert VoC data into insights that help employees do their jobs. Table 3 provides a list of these tools.

**Table 3: Best-in-Class Put the Power of Analytics to Work to Convert Data into Insights**

Technology Adoption Rate (n=154)	Best-in-Class	All Others
<b>Business intelligence</b>	67%	64%
<b>Data quality / integration</b>	65%	35%
<b>Real-time decision assistance and guidance</b>	54%	14%
<b>Digital dashboard / visualization tools for reporting customer activities</b>	50%	38%
<b>Real-time reporting and alerting</b>	48%	28%
<b>Predictive analytics</b>	35%	22%
<b>Prescriptive intelligence or recommendation engine</b>	31%	17%
<b>Speech analytics</b>	23%	7%

Source: Aberdeen Group, April 2016

A quick look at the above table should reveal that a majority of the tools are analytical tools (e.g., business intelligence and predictive analytics). Overall, the use of analytics helps VoC practitioners take large sets of historical and recent data and analyze them to reveal trends, identify correlations, and conduct

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root-cause analysis. For example, a business using business intelligence tools would be able to identify customers that are most likely to share positive feedback about their interactions with the brand. This information would then be used to target other buyers with similar attributes through marketing campaigns designed to drive earned-media results (see sidebar on next page).

Additional technology enablers highlighted in Table 2 include data quality and integration tools. These tools are critical in ensuring the quality of data used to manage VoC programs. For example, if a sales representative is provided with incomplete information regarding feedback from an account, they can't use it to fully personalize their conversation with the buyer. Therefore, companies should place heavy emphasis on both integrating the [structured](#) and [unstructured](#) data captured across multiple channels and ensuring its quality.

### Key Activities Needed to Put VoC Data to Work

Upon enriching the VoC technology toolbox with the aforementioned tools, companies must then turn to optimizing existing processes. We have already noted the struggle companies face delivering consistent customer conversations across multiple channels. Figure 1 shows that top-performing businesses overcome this challenge with a focus on building a unified view of customer data across all enterprise systems (e.g. CRM, ERP, and marketing automation). Indeed, they are 30% more likely to have this capability in place than All Others (65% vs. 50%). Companies establish a single view of VoC data by first identifying all the touchpoints used to capture feedback and

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### Definition: Earned-Media

For the purposes of this research, Aberdeen defines 'earned-media' as a term used to define publicity earned by companies without the need to buy any programs to drive such mentions.

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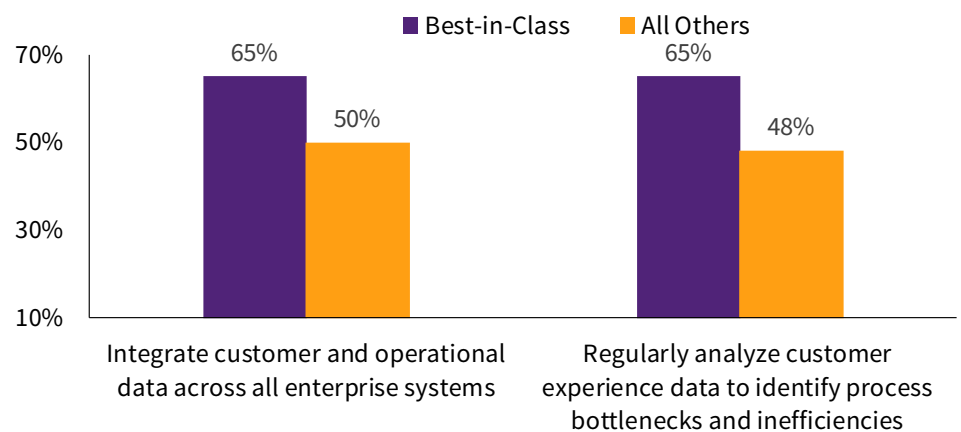
➔ [Related Research:](#)  
"A Best-in-Class VoC Strategy in 2016: Stop Hoarding Data, Start Putting it to Work"

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sentiment data. They then work with the IT team and utilize technology, such as database management tools, to ensure that data flows seamlessly across all enterprise systems. In the absence of IT resources, there's also the option to use third-party service providers to help with such systems integration. In the end, each employee in the business should have the same view of the VoC data for each account, thus minimizing the risk of delivering inconsistent messages.

**Don't forget to integrate the structured and unstructured VoC data in order to establish a single view of your clients.**

**Figure 1: Put the Building Blocks of Omni-Channel in Place**



Percent of respondents, n=254

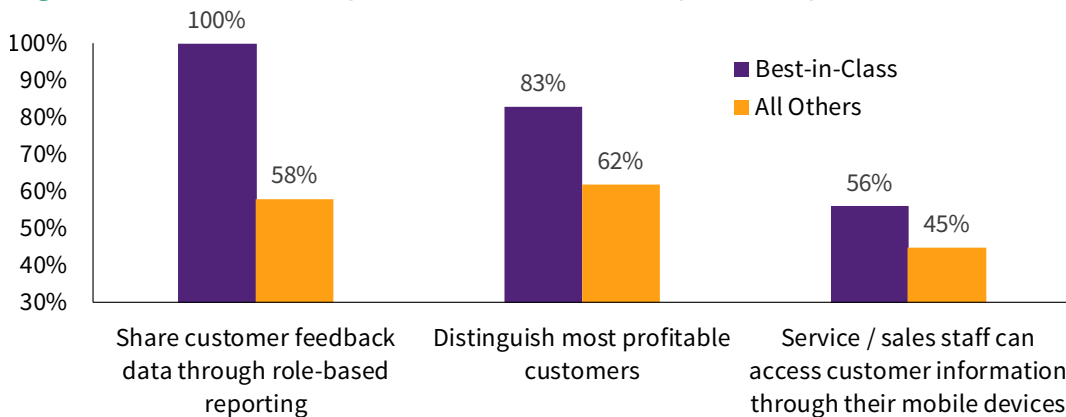
Source: Aberdeen Group, April 2016

In addition to providing employees with a consistent view of VoC data, the Best-in-Class also focus on using this information to identify their own strengths and weaknesses. Specifically, they are 35% more likely than All Others to use analytical tools to regularly analyze feedback and sentiment data to determine the root-causes of client satisfaction and dissatisfaction (65% vs. 48%). These insights ultimately help executives modify VoC programs to help minimize customer churn and increase the likelihood of creating loyal buyers.

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Top-performing companies are also 34% more likely to have a process that helps employees identify the most profitable clients (83% vs. 62%). Every customer is important, but the ability to keep the most profitable ones is a “no-brainer,” considering their contribution to the financial health of the business. Given that Best-in-Class companies outpace their competitors in revenue growth as depicted in the sidebar on page 4, this validates the concept that knowing the customer base and building targeted retention strategies helps companies maximize their success.

**Figure 2: Provide Employees with Clear & Timely Visibility into VoC Data**



Percent of respondents, n=254

Source: Aberdeen Group, April 2016

One of the common mistakes many organizations make when building and managing a VoC program is ignoring the importance of providing employees with the information and tools they need to do their jobs. The Best-in-Class are once again ahead of their competition in addressing this issue and are 24% more likely than All Others to enable their employees with VoC insights “anytime and anywhere” (through mobile devices). A field service technician, for example, would be able to use this capability to access contact center interaction history and

**Enabling employees with timely and relevant data needed to do their jobs ultimately helps convert VoC programs from being reactive into proactive.**

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identify the specific model of the product used by the client in order to bring the right parts for a service call.

Top performers also provide employees with VoC insights via role-based reporting capabilities. This means providing employees only with the relevant feedback and sentiment data they need to do their jobs. For example, a customer success manager in the business might require detailed views of product utilization data, along with buyer profile insights, in order to effectively manage interactions with that account and drive renewal business. The VP of Customer Experience in the same firm, however, might only need to know the percentage of clients renewing each month and overall customer satisfaction scores. Data shows that fully 100% of Best-in-Class businesses have this role-based reporting capability in place, compared to only 58% of All Others.

It's important to remember that providing employees with such tailored reports also helps drive proactive interactions with customers. For example, in the case of our customer success manager above, by providing detailed and timely views into product utilization, employees can proactively reach out to clients in the event of lower than usual utilization rates and determine if the buyer needs training on how to use the product. The finding from such a conversation might also be that the buyer's needs have changed since the time of the purchase, and that the product is no longer aligned with customer needs. If that's the case, one option for retaining the client would be to offer another product that better aligns with their evolving needs. This not only helps with customer retention, but also demonstrates that the company cares about building long-lasting, win-win relationships.

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**Balance use of  
technology with the  
right VoC processes to  
achieve desired  
business outcomes.**

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## Recommendations

It's no secret that companies must listen to their customers to identify how they can best meet their evolving needs. Findings outlined in this research show that most organizations clearly understand the value of this activity, with the proof being found in the fact that companies use a wide set of channels to track and capture customer feedback and sentiment data.

While casting a wide net to keep in tune with buyer demands is helpful, achieving Best-in-Class results also requires blending VoC programs closely with omni-channel efforts. Specifically, this means that each employee in the business has the same view of feedback and sentiment data at the same time. It also means that each employee delivers consistent and personalized conversations across all channels. Companies with these capabilities ultimately enjoy improvements in overall responsiveness to buyer needs, enhanced financial results, and a more loyal clientele. If your performance is not yet aligned with that of the Best-in-Class, or if it is, but you're looking to maintain your competitive strength, then we highly recommend adopting the following activities:

- ➔ **Balance data capture and analysis.** Findings from Aberdeen's April 2016 [CEM Executive's Agenda 2016: Aligning the Business Around the Customer](#) study shows that, on average, companies use four distinct channels to interact with buyers. Despite this wealth of data, unfortunately, many organizations remain poor in insights. This is primarily due to the lack of analytical capabilities required to convert feedback and sentiment

➔ [Related Research:](#)  
"CEM Executive's  
Agenda 2016:  
Aligning the Business  
Around the  
Customer"

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**VoC data is the gift that keeps on giving. In addition to identifying buyer sentiment and feedback, it also helps firms gauge their success executing omni-channel conversations.**

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data into insights. If you struggle with the same challenge, we highly recommend enhancing your VoC technology toolbox with the tools outlined in this report.

- **Empower your employees with VoC insights.** Throwing technology at a problem is hardly the sole answer for complex programs such as managing customer experience. To this point, Best-in-Class firms understand that they must also focus on people – their employees – to ultimately improve results. They do so by providing VoC insights in a timely and relevant manner to their employees. For example, they utilize role-based reporting to ensure that each employee only sees the data they need to do their jobs. If you aren't focused on getting the right information into the hands of your employees in a timely fashion, then we recommend doing an audit of how employees currently access VoC data. This will help reveal inefficiencies and help identify a roadmap for process improvements.
- **Use VoC data to support omni-channel programs.** Once employees have a timely and accurate view of the data they need to their jobs, the focus should be on ensuring that the messages delivered by each employee across the business, including the back-office (e.g., billing), remains consistent across all channels. If you are unsure of your ability to ensure consistency in messages across all channels, then we highly recommend analyzing the VoC data to identify if clients complain of inconsistency in conversations with your business. If executing omni-channel interactions is indeed an area in need of improvement, then we recommend you first identify all the unique touchpoints you have with your buyers along

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with the systems that store data across those channels. Once you have this insight, partner with your IT team – or use an outsourced IT services provider – to help integrate data across those disparate systems.

For more information on this or other research topics, please visit [www.aberdeen.com](http://www.aberdeen.com).

## Related Research

[\*CEM Executive's Agenda 2016: Aligning the Business Around the Customer\*](#); April 2016      [\*Omni-Channel Customer Care: Best-in-Class Steps to Success\*](#); December 2015

[\*A Best-in-Class VoC Strategy in 2016: Stop Hoarding Data, Start Putting it to Work\*](#); April 2016      [\*Customer Analytics: How to Make Best Use of Customer Data\*](#); July 2016

[\*Content as a Customer Experience Imperative: Think Global, Act Local\*](#); February 2016      [\*Customer Engagement: From Interactions to Relationships\*](#); March 2015

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### About Aberdeen Group

Since 1988, Aberdeen Group has published research that helps businesses worldwide improve their performance. Our analysts derive fact-based, vendor-agnostic insights from a proprietary analytical framework, which identifies Best-in-Class organizations from primary research conducted with industry practitioners. The resulting research content is used by hundreds of thousands of business professionals to drive smarter decision-making and improve business strategy. Aberdeen Group is headquartered in Boston, MA.

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