



Using a Unified Voice of the Customer to Go From Firefighting to Prevention

HTHT Seminars
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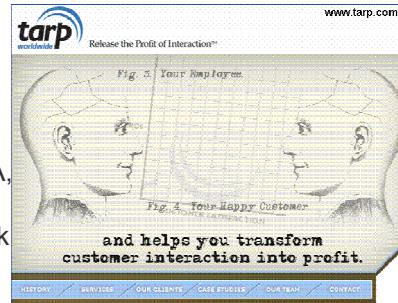
Agenda

- The Opportunity: How the VOC leads to CE management
- Drawbacks limiting actionability of VOC processes
- Eight factors leading to an effective VOC
- Critical data sources which must be included
- Collecting and integrating data (surveys, contact centers, operations and employee input)
- Quantifying the economic impact of improvement
- Identifying what specific responses lead to success, phrases, explanations and delivering Psychic Pizza

About TARP

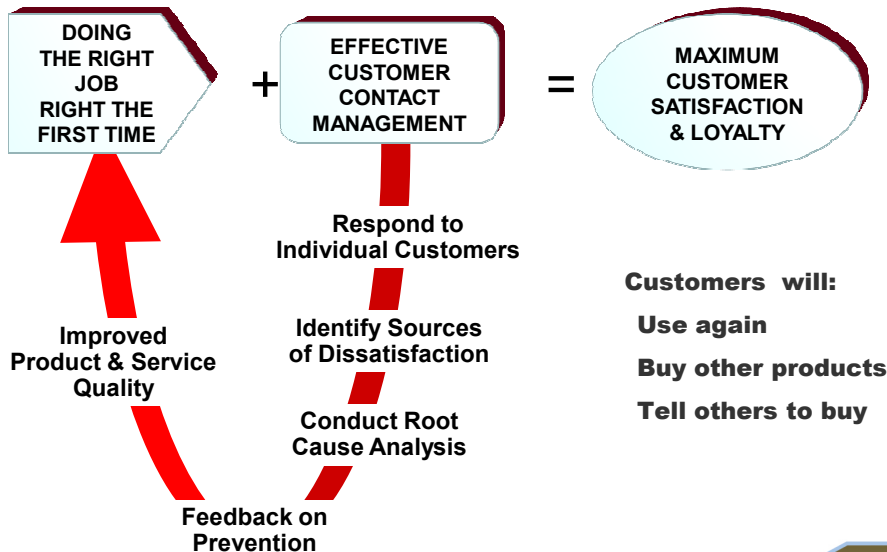


- Founded in 1971—40 years of customer experience leadership
 - White House Complaint Studies 1970s-80s (*instigated 800#s and GE Answer Center*)
 - Assisted 6 Baldrige Winners and 43 *Fortune* 100 Companies
 - Initiated concept of “word of mouth” (*TARP/Coca-Cola 1978 Study*) and “word of mouse” (eCare and Click & Mortar studies 1999)
- Credited with developing the approach for quantifying the impact of quality on revenue, cost & WOM for companies like Neiman Marcus, Toyota/Lexus, IBM, USAA, Cisco Systems, Xerox, 3M, MoMA, USO, HP, Honda, Hyundai, Pepsi Cola, Apple, Frito-Lay, Merck, Amway, Lexmark, Harley Davidson and Qualcomm.



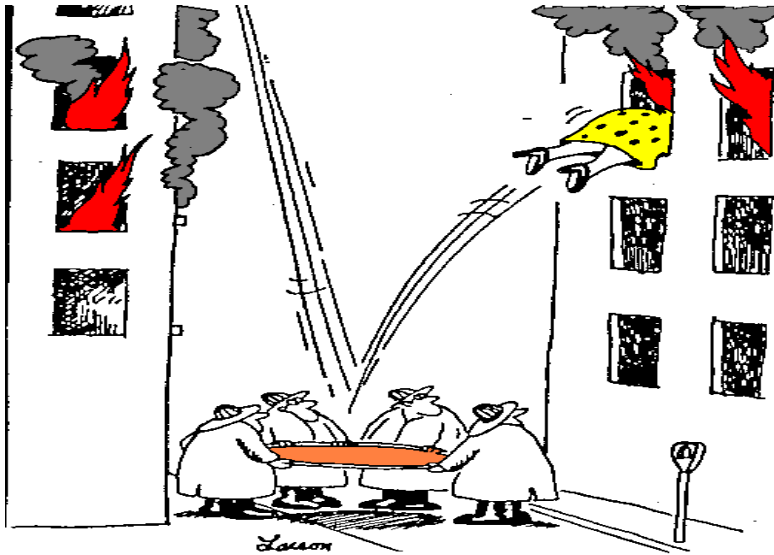
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Context of VOC within the Customer Experience



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Firefighting Mode



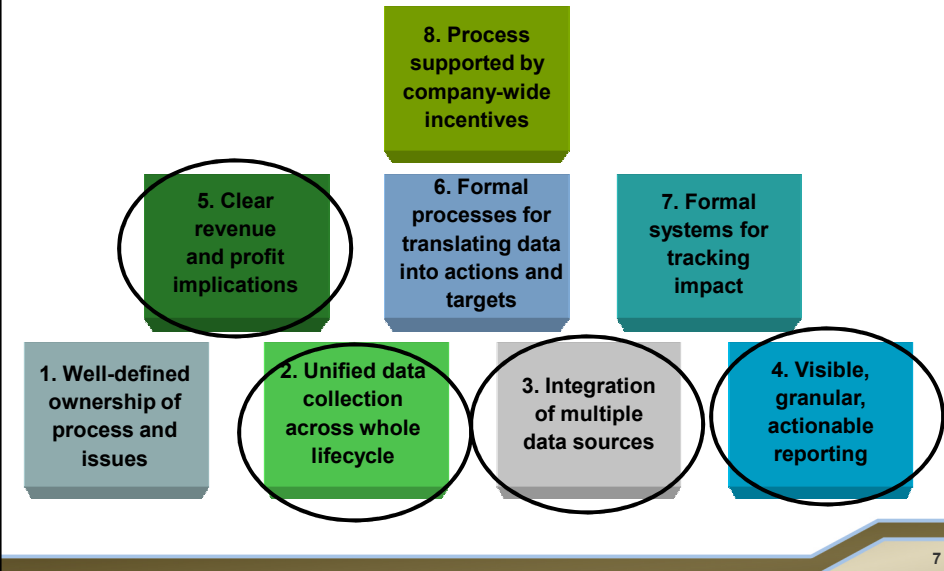
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Building an Effective VOC: Six Big Ideas From Strategic Customer Service

1. Staff doesn't cause most customer dissatisfaction – sales, products, processes and customers do
2. It is cheaper to give great service than just good service, the revenue payoff is 10-20X the cost
3. An effective Voice of the Customer includes all kinds of data describing the overall customer experience
4. People are still paramount – make the front line successful with flexibility and clear explanations
5. Deliver technology that customers will enjoy – delivering psychic pizza via any channel
6. Sensibly create remarkable delight

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Effective Voice of the Customer Process



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Why Most VOC Processes Lack Impact and are Cost Inefficient

- No unified picture of the customer experience (66% do not)*
 - Survey data is lagging indicator
 - Doesn't consider full range of causes
 - Unstructured data not systematically included (only 30% use social media)
 - Contact and internal data doesn't tie to survey (25% use operations data)
- Does not estimate revenue damage by granular issue
 - Little impact without economic imperative (CFO buy-in = 5X high impact)
 - Business case lacks WOM, margin and risk
 - Broad indices are not actionable and cause frustration
- Doesn't focus on root causes and why answers didn't work
- Doesn't track did issues get fixed (21% had no idea)

***See article: Improving the Customer Experience, CCP, Jan 2012
Survey of 160+ companies on using VoC to drive customer experience**

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Departments With Interest in an Effective VOC

1. Marketing – retention and word of mouth
2. Finance – margin and lower costs
3. Brand – brand-aligned service
4. Quality – needs contact data, loyalty impact and business case. Can provide assistance in analysis and action plans
5. Market Research – often uncomfortable using “dirty data”
6. Channel partner management – shelf space
7. Risk – better service reduces claims
8. Legal, Regulatory & PR – better service reduces visibility
9. HR – less problems leads to happier front line and lower turnover
10. Product development and market research – input and panels

Raising Your Influence

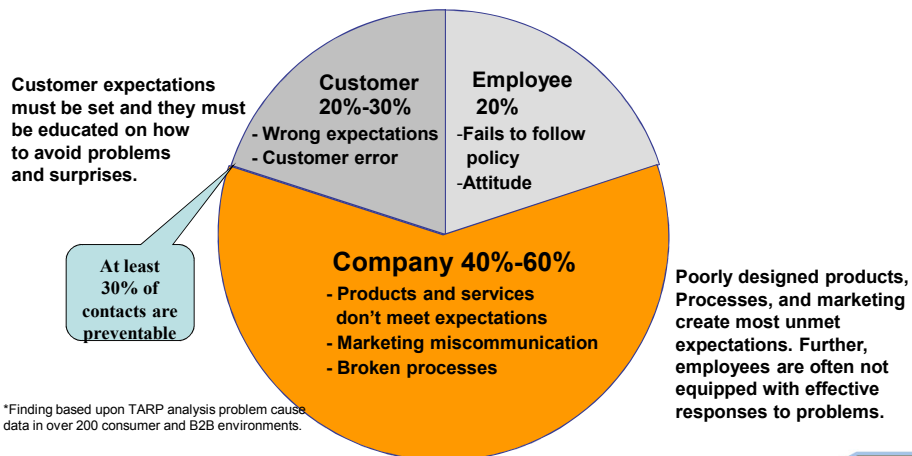
- Create an integrated Voice of the Customer
- Create alliances
- Act as a consultant
- Do the dirty work and the pilot testing
- Let other departments get the credit

See “The Future of the Call Centre”, J of Customer & Contact Centres, Feb, 2012

Understanding the Cause of Dissatisfaction

1. Employees Do Not Cause Most Customer Dissatisfaction

The majority of customer dissatisfaction is NOT caused by employee error or attitude but by products that cause disappointment and broken processes*





Customer Expectation: Key Factors Driving Satisfaction

- No Unpleasant Surprises
- If Trouble Encountered
 - Accessibility – not average speed of answer, hours of operation, preferred channel
 - Taking ownership, apology
 - Clear, believable explanation
 - Creating an emotional connection rather than just courtesy
 - Money is often not the best solution
 - Timeliness and keeping promises

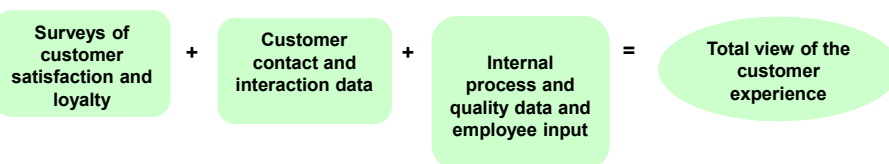
Short Exercise

- Review your complaint, support contact, quality failure or contact workload and identify
 - Highly repetitive contacts that are preventable via better expectation setting
 - Contacts that would be preventable via JIT proactive communication
- Select one type of contact
 - Describe a low cost strategy for preventing it

Creating a Data Foundation for VOC

Creating A Data Foundation for The VOC

- Customer surveys
- Customer contact and interaction data: coded and unstructured – key source of why it happened
- Internal operations process and quality measures
- Employee input – second source of why



Take The Role Of Chief Customer Officer

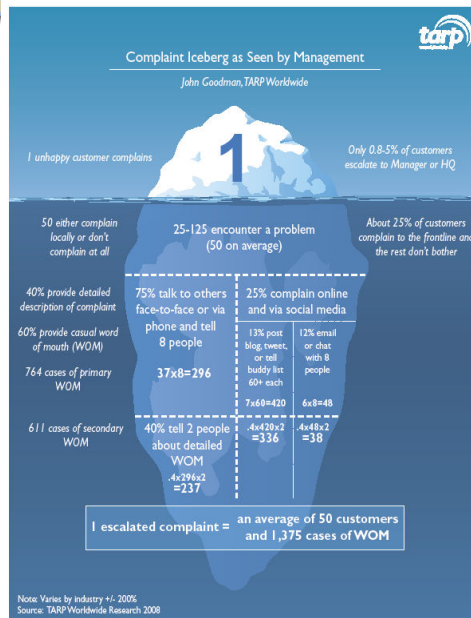
Unifying Sources into a Single Picture

- Understand how representative the source is of the marketplace
- Understand how to extrapolate to the marketplace as a whole
- Classify in a manner compatible with other sources

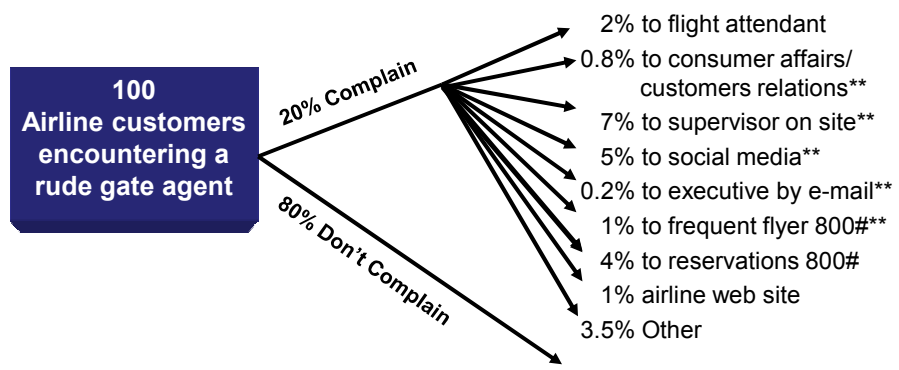
TARP's Enhanced Tip Of the Iceberg With Social Media

VOC must extrapolate complaints to the market place

Ratio of complaints to problems is "the multiplier", usually 1:20-1:200



Estimating Number of Customers and Market Impact from Contacts to Different Touch Points



** For these channels, the consumer may have first complained elsewhere and then escalated their complaint to this channel.

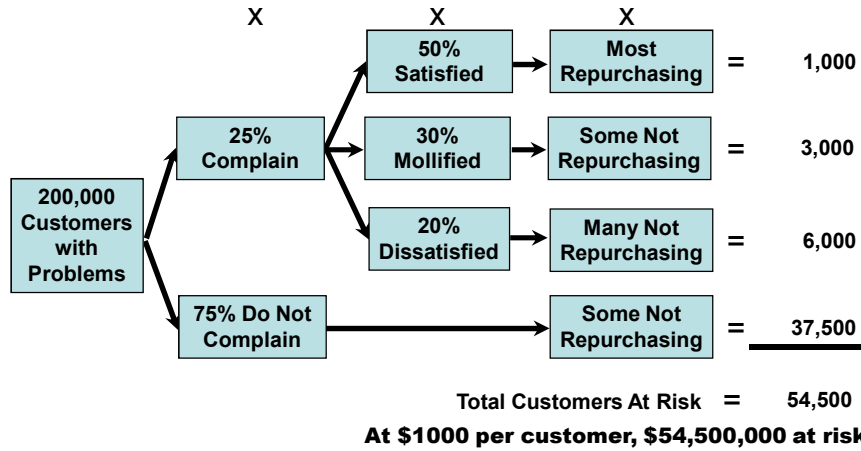
Integrating Touch Point Data (Airline Example)

Source	Problem Reports	Multiplier	Total Estimated Instances	Best Estimate # Instances
Web Site	6	100	600	} 555
Social Media & Unstructured Data	20	20	400	
Reservations	14	25	350	
Executive Complaint	2	500	1,000	
Consumer Affairs	4	120	480	
Survey	0.5%	100,000	500	

# Customers in Month	Damage to Loyalty	Value of Customer	Monthly Revenue Impact
555	x .25	x \$2,000	= \$277,500

Quantify the Damage of a Poor Customer Experience

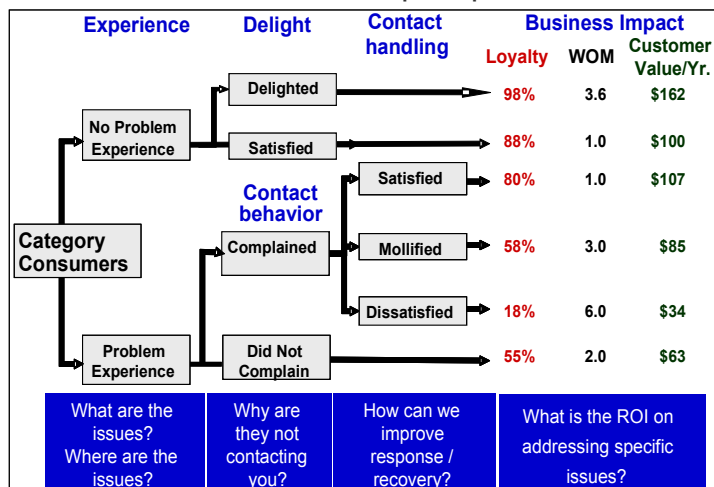
Demonstrating financial impact with the CFO, CMO and the General Counsel



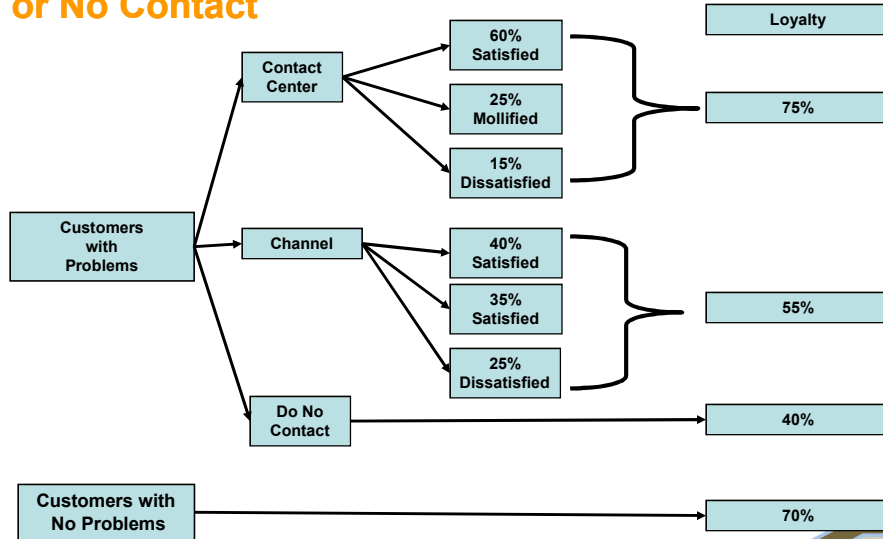
Three strategies: Prevention, Solicitation of Complaints and Improved Response

Create the Economic Imperative for Action

Quantifies the cost of inaction to precipitate action

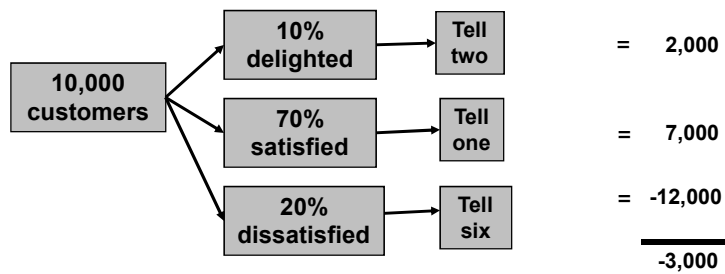


Impact of Contact Center vs. Channel/Field Force, or No Contact



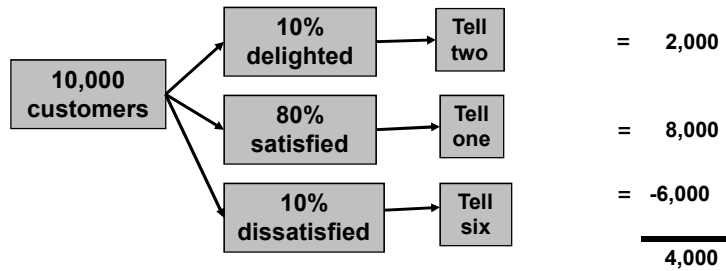
Show The CMO That Negative Word Of Mouth Can Trump Marketing

Example calculation of potential impact



20% dissatisfaction can counter 80% satisfaction

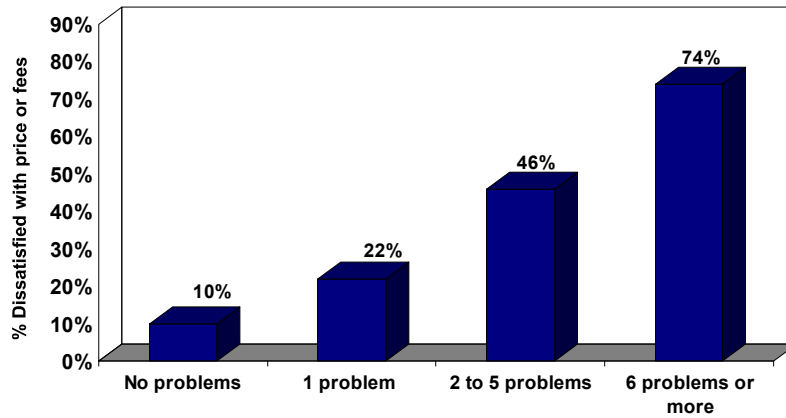
Great Service Is A Word of Mouth Management Mechanism



10% decrease in dissatisfaction results in net positive WOM
 See BrandWeek article on getting CMO buy-in to service driving WOM

Problems Raise Sensitivity to Price, Hindering High Margins

Percent of customers dissatisfied with fees rises with number of problems.



Making Reports Impactful

Outputs of Analysis

- Points of pain and revenue damage
- Word of mouth damage or benefits
- Impact of word of mouth and word of mouse
- Payoff in incremental sales
- Comparisons to competitors
- Potential pricing opportunities
- Potential for line extensions and new products
- Reduced risk due to flagging of issues earlier

Enhancing Report Impact

- Simplify to three issues
- Elimination of need for interpretation
- Provide action plan and metrics to measure to show progress
- Humanize data with quotes and recordings

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Practical Exercise: Evaluate Your VOC System

Grade 1 to 10, 10 being best	Grade
VOC Process Owned by One Person	
Unified Data Collection Plan	
Understand Non-complaint Rate and Multiplier	
Integration of Multiple Data Sources	
Actionable, Visible Reporting	
Understand Impact of Word of Mouth	
Revenue and Profit Implications of Issues Calculated	
Issues Translated Into Targets	
Tracks Do Issues Get Fixed	
Tied to Company-Wide Incentives	

If you rate less than a 75, you're **wasting 20% of your service budget** Total Score _____

Summary

- Create a unified VOC to identify opportunities with payoff
- Understand root cause
- Quantify the revenue and word of mouth impact
- Take control of the VOC and then become the Chief Customer Officer
- Proactively educate, connect, explain and deliver psychic pizza
- Outlined in detail in **Strategic Customer Service** published by AMACOM – on Amazon for <\$20.
- For package of articles - jgoodman@tarp.com or 703-284-9253