Hearing Aids

How well are you capturing the voice of the customer?

by D. Randall Brandt

In 50 Words Or Less

• The voice of the customer (VOC) is an important source of feedback, but many organizations don’t put much thought into how they gather it.
• A recent study revealed one means of collection usually doesn’t cover everything, so a more comprehensive approach is needed.
MOST ORGANIZATIONS understand the value of the voice of the customer (VOC). Investments in capturing VOC and related customer experience data have grown steadily from the early 1980s to the present.

Today, hundreds of organizations regularly conduct surveys and focus groups, solicit comments and complaints, scour social media and gather data from other sources. The expectation is that insights drawn from VOC sources will enable these firms to prioritize, focus and drive customer experience improvement efforts.

A 2010 Temkin Group study revealed that nearly 60% of companies have formal VOC programs in place, and at least one other study indicates that customer satisfaction data collection alone “is typically the largest item of firms’ annual expenditure on market intelligence.”

There is general agreement that no single method of capturing VOC data is sufficient to learn all that is needed to effectively manage customer experiences. As services marketing expert Leonard Berry pointed out, “The use of multiple approaches to customer listening is important because each has limitations, as well as strengths. A combination of approaches enables a firm to tap the strengths of each and compensate for weaknesses.”

Similarly, customer experience design expert Lewis Carbone said, “Gaining multiple perspectives reduces the risk of missing critical observations, and consequently provides greater opportunity to manage the full depth and breadth of the (customer) experience.”

Odds are your organization currently uses more than one method to listen to and learn about its customers. But it’s not just about using multiple methods. Understanding the strengths and weaknesses of alternative methods of obtaining customer data—and how they affect an organization’s ability to address diverse managerial objectives—is key to developing an effective VOC strategy.

The key is properly matching the number and mix of methods to the information and decision support needs of managers, employees and partners. Fortunately, there’s plenty of research on how most organizations gather VOC and related customer experience data. By exploring that research, it’s possible to illuminate the relative strengths and limitations of the most commonly used VOC methods and data sources, and determine which approach best suits your organization.

Do the research
How effective are companies at capturing and leveraging VOC? What methods and sources do they use, and which ones are monitored most closely? What practices either enable or inhibit the ability of managers to use insights drawn from VOC sources to improve quality and the customer experience?
These were the kinds of questions that led Maritz Research to conduct the “VOC Practices and Challenges Survey.” Input from exploratory research with managers representing multiple organizations and industries revealed a list of 33 issues that were repeatedly mentioned as challenges the managers face when trying to capture, analyze and take action based on VOC.

This list was used to design items included in the survey, which also contained questions regarding what specific VOC methods and data sources were currently in use, as well as perceived organizational effectiveness at VOC integration and deployment.

During the fourth quarter of 2010, managers from a sample of blue chip organizations were invited to participate in the online survey, and 360 managers completed it. Represented industries included automotive, consumer electronics, electric and gas utilities, retail banking, healthcare, hotel and restaurants, IT, insurance, pharmaceuticals, transportation and shipping, and telecommunications.

About 88% of the managers surveyed came from marketing, market research, customer service, brand management, operations, quality management, strategic planning, sales and business development, or new product development. All survey participants either had “primary responsibility for managing” or were “very familiar” with their organization’s VOC methods and data sources. Managers were asked to report:

- What methods of capturing VOC data their organizations use.
- How many such methods are in use.
- Which method is most closely watched by senior management.

**What was learned**

Results indicated the most common methods of capturing VOC and related data on customer experience are:

- Customer and market surveys.
- Focus groups and in-depth interviews.
- Information forwarded by customer contact associates.
- Mystery shopping.
- Individual customer communications and complaints captured through emails, letters and contact centers.
- Consumer-generated and social media.

Remember, this list is by no means exhaustive. Other methods of capturing customer intelligence include account reviews, customer advisory panels, usability laboratories and ethnographic studies.

Also keep in mind the number and mix of these methods vary from one organization to another. VOC data sources viewed as the most credible and valuable by one organization may be viewed differently by another. Still, there appear to be some general patterns and preferences regarding how to capture VOC data.

Results show that nearly all organizations employ more than one method. As Figure 1 illustrates, a majority of firms (52%) use between three and five methods of collecting VOC data, and another 22% employ as many as seven. Only 5% rely on a single VOC data source.

Regarding the specific methods used by these organizations, the results in Figure 2 suggest customer and market surveys, along with focus groups and other qualitative methods, are the most commonly used techniques for capturing VOC.

Inbound customer communications rank next, followed by feedback from customer-facing personnel, mystery shopping, consumer-generated and social media, and customer comment cards. Fewer than two of 360 managers surveyed reported using any method other than the ones listed.

Perhaps the most intriguing question managers were asked was: “Of the data sources your organization uses, which one is most closely watched by senior management?” Results show that senior executives in more than 80% of organizations focus most closely on transactional, relationship or benchmarking surveys (see Figure 3, p. 22). No other data source garnered more than 4% of managers’ responses.

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**Voice of the customer (VOC) data sources**

*Figure 1*

- A majority use 3-5 VOC data sources
- Other VOC data sources
  - Number of VOC data sources used

Percentage

0 5 10 15 20 25 30 35 40

1 2 3 4 5 6 7 8 9 10 or more

5% 7% 12% 10% 7% 6% 1%
These findings clearly demonstrate most organizations employ multiple methods of capturing VOC, and that customer and market surveys are at the forefront in terms of incidence of use and managerial scrutiny.

At least one other recent study produced similar findings. When it comes to which data sources are viewed as being most valuable, a 2011 Hypatia Research Report revealed that ratings from customer satisfaction and customer loyalty surveys, along with verbatim comments from such surveys, top the rankings, along with customer emails.

What remains unanswered, however, is the question of which combination of methods for capturing VOC data is best. Will any mix of three to five methods suffice, or should the selection and combination of methods be driven by additional considerations?

Unfortunately, the survey results can't answer this question. To do that, you need to take a closer look at each method individually, with an eye toward identifying its relative strengths and limitations in helping managers address specific information needs and applications that rely on insights drawn from VOC.

Alternative methods

Broadly speaking, two areas of inquiry can provide a basis for evaluating the strengths and limitations of alternative approaches to capturing VOC data:

1. What is the informational objective? Into what aspect of the designed or actual customer experience are you trying to gain insight, and how appropriate is each method for this purpose?
2. What about the quality of the data? To what sources of error or bias is any given VOC method or data source prone?

VOC methods and data sources vary with respect to their relative appropriateness for addressing different information needs and objectives. In most instances, one method or data source will be identified as the most appropriate for a particular managerial question, and others—often because they are relatively more susceptible to error or bias—are treated as secondary, supplementary sources.

A comprehensive approach to capturing and leveraging VOC must ensure all key managerial questions and decision support needs are addressed. While specific learning and decision support needs vary from one organization to another, the following are some of the more common questions managers attempt to address based on VOC and related customer experience data:

- What do customers want, need and expect? What are the key elements of the customer experience? What specifically does the customer evaluate about his or her experience?
- Has the customer experience been designed to address these expectations and elements? To what extent are appropriate standards and specifications for delivering the designed customer experience in place?
- Are standards and specifications for delivering the designed customer experience being met consistently? What organizational policies, practices or other characteristics either facilitate or inhibit performance that meets standards and specifications?
- From the customers’ perspective, how well is the

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**Voice of the customer data source frequency** / FIGURE 2

<table>
<thead>
<tr>
<th>Data source</th>
<th>Percentage of managers who say their organization uses the source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transactional surveys</td>
<td>77%</td>
</tr>
<tr>
<td>Relationship surveys</td>
<td>74%</td>
</tr>
<tr>
<td>Focus groups and other qualitative research</td>
<td>69%</td>
</tr>
<tr>
<td>Benchmarking surveys</td>
<td>63%</td>
</tr>
<tr>
<td>Customer emails and letters</td>
<td>47%</td>
</tr>
<tr>
<td>Feedback from customer-facing personnel</td>
<td>44%</td>
</tr>
<tr>
<td>Mystery shopping</td>
<td>36%</td>
</tr>
<tr>
<td>Consumer-generated and social media</td>
<td>35%</td>
</tr>
<tr>
<td>Customer comment cards</td>
<td>28%</td>
</tr>
<tr>
<td>Call center/contact center data</td>
<td>5%</td>
</tr>
</tbody>
</table>

The sum of these numbers exceeds 100% because managers could indicate their firm uses more than one data source.
brand performing overall and in conjunction with each key element of the customer experience?

- How important is each customer experience element? Which ones make the most significant impact on the customer's overall evaluation of his or her brand experience and, ultimately, on customer decisions and behaviors that drive revenues and other downstream business results?

- Which elements of the customer experience should be given top priority for action planning and improvement? If the organization's actions produce their desired effect, for which elements will the improvement in customer experience provide the greatest return on investment of money, people, time and other resources?

- With respect to each of the preceding customer-driven action items, what do customers like or dislike about their current brand experience? What do they want the organization to start doing, stop doing or do differently?

This list of questions is by no means exhaustive, but it should provide a sense of the information managers typically seek. Generally speaking, each question is best served by a specific VOC data source or, better yet, by a specific combination of primary and supplementary sources.

For example, survey ratings often supplemented by verbatim answers to appropriately worded open-ended survey questions can be useful in determining which elements of the customer experience are most important. But if managers are seeking more granular detail regarding specific customer likes and dislikes, or the root causes of customer dissatisfaction, then comments and descriptions from survey verbatims, in-depth interviews with customers, inbound customer communications or consumer-generated media are likely to be of greater value.

Table 1 illustrates a suggested mix of VOC methods and data sources selected to address typical managerial questions regarding customer experience. For most of the questions, the first method or data source listed is the most appropriate. But the use of multiple methods and data sources for each question is strongly encouraged. Integration and triangulation of these sources frequently furnishes convergent intelligence and insight, leading to increased managerial confidence that an accurate answer to the question has been developed.

**Data quality**

VOC data sources are not equal when it comes to data quality or the extent to which data reflect an accurate, representative and projectable view of the experiences of a customer population or segment of interest. At least three factors should be considered:

1. Coverage of customers.
2. Number of observations or data points.
3. Independence of observations or data points.

Coverage of customers refers to the extent to which the VOC method or data source excludes some members of the customer population of interest and over-represents others. For example, inbound communications from customers tend to include more complaints and negative comments than compliments or positive comments. Essentially, customers having negative experiences are overrepresented in this data source, and the experiences of other customers are underrepresented, if not completely excluded.

Customer complaints directed to an organization or a third-party
watchdog agency are a good example of inbound customer communications. Unfortunately, the hazard of bias in customer complaint data does not prevent occasional misuse of such data.

The U.S. Department of Transportation statistics on late arrivals and lost baggage, for example, are routinely used to rank domestic air carriers on customer satisfaction. It would be more appropriate to use these data to rank the carriers with respect to customer dissatisfaction, but even then, the representativeness or projectability of these data still could and should be questioned.

This does not mean inbound customer communications are of little or no value—quite the contrary. It does, however, mean they probably should not be treated as representative of the experiences of most customers.

The number of observations or data points also can represent a good first-line perspective on customer experience.

### Addressing managerial questions about customer experience

<table>
<thead>
<tr>
<th>Key questions to be addressed</th>
<th>Voice of the customer methods and data sources</th>
<th>Comment</th>
</tr>
</thead>
</table>
| • What are the key elements of the customer experience? What are the things that customers perceive and evaluate? | • Focus groups and depth interviews  
• Individual customer communications  
• Consumer-generated or social media  
• Survey verbatims | Focus group and depth interviews can be supplemented by data from individual customer communications, consumer-generated or social media, and survey verbatims to develop a master inventory of key customer experience elements. |
| • How well has the organization implemented standards and specifications for addressing key customer expectations and customer experience elements? | • Customer contact associate observations  
• Individual customer communications  
• Consumer-generated or social media  
• Survey verbatims | Observations from customer contact associates, supplemented by periodic updates of the master inventory of key customer experience elements, furnish a basis for customer experience design that is enhanced by using formal tools such as quality function deployment. |
| • To what extent are standards and specifications for product and service quality, and customer experience design being met?  
• What policies, practices and other organizational characteristics facilitate or inhibit performance to standards or specifications? | • Mystery shopping  
• Customer contact associate observations  
• Customer/market surveys  
• Individual customer communications  
• Consumer-generated or social media  
• Survey verbatims | Mystery shopping enables a firm to conduct quality assurance audits and compliance checks from a perspective similar to that of the customer. Customer contact associates can provide a first-hand perspective of what helps or hinders delivery of the designed customer experience. |
| • To what extent are promises and claims made in advertisements and other external communications to customers being fulfilled? | • Mystery shopping  
• Customer contact associate observations  
• Customer/market surveys  
• Individual customer communications  
• Consumer-generated or social media  
• Survey verbatims | Mystery shopping and observations forwarded by customer contact associates furnish a good frontline perspective on alignment of external communications with product/service standards and delivery. They can be enhanced by insights drawn directly from customers. |
| • How well is the brand performing overall and in connection with each key element of the customer experience?  
• How important is each customer experience element?  
• Which elements of the customer experience should be given top priority for action planning and improvement? | • Customer/market surveys  
• Survey verbatims  
• Individual customer communications  
• Consumer-generated or social media  
• Customer contact associate observations | Properly designed and executed, surveys provide the most projectable results of any of the methods. All of these methods provide the basis for quantifying customer satisfaction and dissatisfaction. When the data from these sources are integrated and triangulated, managers can establish convergent intelligence and insight. |
| • What are specific customer likes and dislikes?  
• What do customers want us to do differently? | • Focus groups and depth interviews  
• Survey verbatims  
• Individual customer communications  
• Consumer-generated or social media | Periodic focus group and/or depth interviews may be conducted to drill down into survey-driven issues to gain additional granularity and detail needed to facilitate action planning and implementation. |
### Assessment of alternative voice of the customer (VOC) methods and data sources

<table>
<thead>
<tr>
<th>Method or data source</th>
<th>Coverage</th>
<th>Number of observations</th>
<th>Independence of observations</th>
<th>Key strengths</th>
<th>Key limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer and market surveys</td>
<td>Fair/good</td>
<td>Fair/good</td>
<td>Good</td>
<td>• Direct VOC • Representativeness and projectability • Furnishes precise answers to specific questions • Quantitative data can be used for advanced analysis and modeling, benchmarking and tracking over time</td>
<td>• Can be expensive and time-consuming • Not always customer-friendly • Lack detail and granularity needed for action planning and implementation</td>
</tr>
<tr>
<td>Observations of customer contact associates</td>
<td>Poor/fair</td>
<td>Poor/fair</td>
<td>Fair/good</td>
<td>• Provides frontline perspective • Relatively easy to obtain • Can be used to corroborate direct customer feedback • Customer contact associates often have insights into the root cause of and potential solutions to sources of customer dissatisfaction</td>
<td>• Subject to filtering and screening • Not all issues that are important to customers will surface because of conflict with associates’ interest • Estimates of relative importance of customer experience often are inaccurate</td>
</tr>
<tr>
<td>Mystery shopping</td>
<td>Poor/fair</td>
<td>Fair/good</td>
<td>Fair/good</td>
<td>• Furnishes quality assurance and compliance data from the &quot;customer's side of the table&quot; • Gauges compliance with customer experience standards and specifications, and brand promises • Can be used to evaluate impact of employee training and performance improvement initiatives</td>
<td>• Shoppers are not real customers • Criteria used by mystery shoppers will only be useful in managing customer experience to the extent they represent what customers care about • Continuous efforts to keep these criteria updated must be undertaken</td>
</tr>
<tr>
<td>Inbound customer communications</td>
<td>Poor/fair</td>
<td>Fair/good</td>
<td>Good</td>
<td>• Direct VOC • Provide opportunities for recovery with customers • Furnishes quantitative data on customer problems • Quantitative data is useful for benchmarking and tracking over time • Often furnishes detail and granularity</td>
<td>• Customer must be reactive and take the initiative to post a review and/or commentary • Generally over-represent customers having negative experiences and under-represent other customers • Complaints only reflect the dissatisfaction side of the coin</td>
</tr>
<tr>
<td>Social and consumer-generated media</td>
<td>Poor/fair</td>
<td>Fair/good</td>
<td>Poor/fair</td>
<td>• Direct VOC • Often furnishes detail and granularity • Provides opportunities for recovery with customers and/or intervention in “the discussion” • Quantitative data is useful for benchmarking and tracking over time</td>
<td>• Customer must be reactive and take the initiative to contact the organization • Generally over-represent customers having negative experiences and under-represent other customers • Results can be biased due to lack of independence among reviews and posted comments</td>
</tr>
<tr>
<td>Focus groups</td>
<td>Poor</td>
<td>Poor</td>
<td>Poor/fair</td>
<td>• Direct VOC • Furnishes detail and granularity needed for action planning and implementation</td>
<td>• Limited projectability • Logistics and resource requirements can be challenging • Focus groups susceptible to excessive influence of vocal participants</td>
</tr>
<tr>
<td>Depth interview</td>
<td>Poor</td>
<td>Poor/fair</td>
<td>Good</td>
<td>• Provides impactful stories and rich anecdotes • Opportunity to probe for clarity and deeper understanding of customer experience</td>
<td></td>
</tr>
</tbody>
</table>
affect data quality. A focus group conducted among 10 customers may provide powerful stories and detailed explanations of customer likes and dislikes. But the degree to which these 10 customers reflect or are representative of the experiences of most customers would be highly questionable.

This is why managers often rely on other data sources—such as surveys conducted among large, representative samples of customers—when they need projectable data that have a relatively small margin of error.

Remember that a large number of observations does not ensure data integrity or projectability because inbound customer complaints and consumer-generated media often furnish a large number of observations, but the self-selection bias inherent in these data still call their integrity into question.

**The power of influence**

The impact of the independence of observations on data quality is subtle but important. To the extent the feedback provided by a given customer is influenced by his or her exposure to the perceptions or opinions of other customers, another source of bias is introduced.

For example, at websites such as TripAdvisor or Orbitz, customers can read comments and ratings before posting their own opinions. This does not guarantee these readers will be influenced by exposure to other customers’ ratings and comments, but the possibility cannot be discounted.

To the extent that such influence is present in web-based ratings, the perspective of customer experience provided by such ratings will be different than it would be if data were captured from each customer independently. This could mean ratings appear more favorable or unfavorable than they should, or that the incidence of some customer experience topics becomes inflated as new customers add to topic-specific comments others already have made.

Table 2 offers an assessment of alternative data sources and methods with regard to data quality. Each source or method has been assessed in relation to customer coverage, number of observations and independence of observations. Key strengths and limitations of each source or method also are summarized.

For the most part, provided they are designed and executed properly, customer and market surveys stand up to tests of data quality better than other methods. Therefore, in the case of managerial information and decision support needs for which surveys are appropriate, use of survey data as the primary data source is recommended.

The key phrase is “designed and executed properly.” Without question, some opinion polls and other forms of survey research are highly biased due to noncoverage, self-selection, inadequate sample size, poorly worded questions, survey length and duration, among other reasons.

As illustrated in Table 1, other methods are better suited for many managerial questions and information needs, and therefore should be treated as primary data sources for those issues. Moreover, analysis of supplementary data sources should be used to reinforce conclusions drawn from any primary data source, and to establish convergent intelligence and insight.

**No simple answer**

Simply having more than one method of capturing VOC is not the answer. As the Temkin Group pointed out, “Most companies have myriad customer listening posts. … Unfortunately, the insights from these are rarely connected. The result: A small portion of employees end up with a very partial picture of the customer experience.”

It’s critical not only to employ multiple methods of capturing VOC, but also to ensure the method selection is based on appropriateness for the organization’s key information needs and applications. This must be done in a way that minimizes the biasing effect any single method can have on conclusions drawn from VOC-driven insights. **QP**

**REFERENCES AND NOTE**

5. Several other authors recently have echoed the importance of using multiple listening posts as part of a next generation VOC process. For examples, see Andrew McInnes, “Executive Q&A: Voice of the Customer Programs,” Forrester Research Report, April 2011; and Bruce D. Temkin, “Voice of the Customer: The Next Generation,” Forrester Research Report, February 2009.

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