How to Operationalize Your VoC Program

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Voice of the customer as a discipline is growing in maturity, but the vast majority of organizations have yet to really operationalize their programs. To realize the benefits of providing a superior customer experience, application leaders must prepare for an operational approach to VoC.

Overview

Key Findings

- Collecting and analyzing customer feedback is far easier than taking action based on the insights generated. Access to the insights generated by voice of the customer (VoC) programs is often limited to a few stakeholders because companies lack a mechanism for sharing these insights with relevant employees at all levels of the organization.

- The operationalization of VoC allows for potentially thousands of employees across an organization to get access to relevant and contextual VoC data. The emphasis shifts from primarily uncovering broad insights for the entire organization, to providing actionable insights to specific business units and their associated employees. Gartner estimates that just 2,000 organizations worldwide have successfully operationalized VoC to this level of maturity.

- The transition to an operational approach to VoC typically takes several years. It requires extensive funding and can place a strain on internal resources.

Recommendations

Application leaders responsible for CRM strategy and customer experience should:

- Ensure that everyone is aware of their responsibilities and influence by setting up a VoC governance framework that assigns owners to key activities.

- Enable enterprisewise access to contextual VoC master data.

- Support business users in their day-to-day roles by contextualizing and distributing VoC data across the enterprise.
Introduction

Gartner estimates that a majority of organizations with over $1 billion in revenue have embarked on a VoC program to complement their customer experience (CX) initiative. This undertaking involves gathering and analyzing timely and relevant feedback from customers. The potential insight from VoC data can be far-reaching, but in the majority of implementations, only a handful of analysts and CX leaders have access to the data. For VoC to be operationalized, organizations must do more than simply gather, aggregate and analyze feedback data. This data must also be synthesized so that it provides meaningful actions and directive guidance to relevant employees. This contextual knowledge must be able to flow to every relevant department regardless of where and when it was initially captured.

Actions can involve “closing the inner loop” where the customer feedback triggers an action inside the organization within a short time period. This action may be to resolve negative feedback or to acknowledge positive feedback, and it is usually assisted by case management and escalation functionality. Alternatively, these actions can involve “closing the outer loop,” where the customer feedback triggers the formation of a “tiger team.” This team of specialists aims to identify a root cause and find a solution to more complex problems.

The operationalization of VoC ensures that potentially thousands of employees across an organization can get access to relevant and contextual VoC data (see Figure 1).
When moving from an analytical, power-user-based approach to VoC, to an enterprisewide and operational approach, the scope shifts from primarily “uncovering insight” to “assisting performance” at an employee level. The role of VoC has evolved from merely adding another dimension to customer analysis to impacting all facets of daily execution (for example, customer interactions, internal training and planned IT initiatives). In this way, operational VoC enables an organization to make a variety of decisions around, for example:

- Which technologies to invest in
- Which products to overhaul
- Which employees to reward
- Which customers to approach

These decisions can be made based on customer feedback and data, thus enhancing decision quality.

Analysis
Set Up a VoC Governance Model to Drive Accountability and Action

Uncovering VoC insight is not the difficult part of a VoC program. The biggest challenge is to motivate employees from across the organization — both front and back office — to see VoC engagement as part of their jobs. These employees will have their own pressures, commitments and goals. You must help them to understand why VoC is important and encourage them to actively engage in the process of using VoC insights in their daily working practices. This means ensuring that employees understand how they and the VoC program fit into the overall CX effort. Organizations should align all of their employees’ different commitments and goals to the VoC (at least in terms of visibility, if not extending to aligning compensation to it).

As part of a broader CX program, VoC initiatives typically fall under one of a variety of possible owners — for example, marketing, customer service, supply chain, operations, sales, customer intelligence or a central CX team. There is no dominant CX leadership hierarchy to which organizations are aligned, and multiple issues exist. CX leadership hierarchies are based on the span of “control” that the owner has versus their span of “oversight” (see Figure 2). This often results in pockets of CX activity, and commitment to the importance of acting on the VoC insight will vary from department to department.

The Issue of “Span of Oversight” Versus “Span of Control”

For the VoC initiative to thrive, a robust VoC governance framework is required. This should be supported at the executive level, so that all employees are aware of their responsibilities and actions that they can or must take to improve the CX, based on their commitment to the VoC. For example, in an organization that runs hundreds of survey campaigns each year across multiple departments, it will need to be
determined as to who has the appropriate authorization to authorize, create and quality-check each one. Who is entitled to see the resultant data (or subsets of data) and who dictates the rules that need to be in place to prevent overburdening the customer with requests?

Good governance will ensure:

- Consistent management
- Cohesive policies, guidance, processes and decision rights for a given area of responsibility
- Proper oversight and accountability

Good governance will also help prevent silos of CX activity and ensure cross-enterprise collaboration.

Gartner’s Practical Governance provides a practical toolkit for improving or initiating governance initiatives.

Communication is at the heart of any governance framework. Communication must reach both the executive operating committee team and frontline employees. It is important to regularly demonstrate to executives the benefits of VoC governance and how effective VoC governance supports the overall CX strategy. Doing this requires both surfacing customer issues and identifying opportunities for innovation. For frontline employees, and even those further back in the organization, governance highlights the value in listening to (and acting upon) the VoC. Governance ensures that everyone knows what is being done and what has been achieved thus far as a result of VoC insight. An internal communication process needs to inform the relevant user communities as to how the VoC program will affect them, including changes to their day-to-day working practices and targets.

To appreciate why acting upon the VoC at an individual employee level is important, application leaders can refer employees to a mapped CX “journey” that shows the desired interactions and associated emotions at each stage of the customer life cycle. This will allow each employee to better understand and appreciate the extent to which everyone in the organization shares this common goal. They will be able to see how their department specifically fits into and contributes to its seamless delivery.

The challenge, however, is not only to encourage employees to act upon VoC data, but also to encourage them to take responsibility for capturing it where appropriate (see the example outlined below).

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A field service engineer may pick up on the fact that a customer finds their new remote control difficult to use due to the small font. The engineer would normally have no motivation to go out of their way to report this back to the product development team for future iterations of that product line. The way to overcome this is to make it a part of the closed loop workflow process for the front line. Employees would be tasked with capturing additional customer issues when speaking with the customer and fixing the immediate
issue as part of the standard process they follow. Once captured, this additional data can be analyzed and acted upon at higher levels.

Another option is to give employees an outlet to share these types of ideas and observations as they come up ad hoc. Either way, there should be a governance process in place to ensure that any ideas or issues remain as transparent as possible and that employees know that their thoughts and observations will be fully recorded. The governance framework will help enable this, but only if the right goals, metrics and rewards are in place at both the team level and the individual level. The right culture must be embedded to promote empowerment and recognition.

Enable Enterprisewide Access to Contextual VoC Master Data

The second biggest challenge associated with the transition to operationalized VoC is switching the organization's focus from integrating the VoC application with other applications in order to import data, to instead focusing on exporting data. When an analytical approach is adopted, the integration focus is typically on “import,” where VoC data is complemented with other data sources (such as the CRM platform) for deeper analysis. When an operational approach is adopted, the integration focus is on “export,” where relevant VoC data and insights become embedded in associated operational systems.

Most VoC deployments have role-based user interfaces (UIs) that contain relevant VoC knowledge and perhaps some associated data (for example, from the CRM) included via point-to-point integrations. This helps provide the right context around each piece of customer feedback (for example, customer information, organizational information, transactional information and call recordings) without having to switch between systems.

However, maintaining these point-to-point integrations can become increasingly complex and expensive over time, and the VoC perspective is still isolated from the remaining operational data to which employees have access. Consequently, alignment with the organization's customer master data management (MDM) strategy will become more critical. This alignment will ensure that the data is up to date in the MDM solution and is accessible in the most convenient and usable system for the employee. This might be the VoC vendor’s system, or the CRM platform, or any other operational system where this additional context would provide value. See Create a Master Data Roadmap With Gartner’s MDM Maturity Model for further guidance on this topic. At this time of evolution, it is important to work with the data management team to determine what master data is required for VoC insights and knowledge, and then align the two programs.

Support Users With Case Management and Process Automation to Assist With Their Operational Response

As well as populating relevant operational systems with VoC data insights, there is still the need to manage whatever actions are deemed relevant from the analysis of VoC data. However, not all operational systems have the ability to manage these activities. The most common organizational approach used to achieve this is via integration to the incumbent CRM platform (such as those provided
by Salesforce, Microsoft Dynamics, Oracle CX, SAP Hybris, Adobe or Pegasystems). When an action or alert is triggered, a case is opened in the CRM platform and assigned to an employee. The issue with this approach is that, when an issue arises linked to (for example) product quality or pricing or billing, the employees in these departments do not have licensed access to the CRM platform. Therefore, they cannot be assigned the case. Consequently, organizations need to use a third-party case management platform (usually supplied by the VoC vendor) to manage the enterprisewide distribution of VoC-triggered action items. Such a platform is required to take responsibility for the end-to-end execution, including all associated escalations. A key aspect of this is the tight integration between the case management platform and the organization's HR systems. This helps the organization to understand the employee hierarchy — that is, who works in what department and how their line management is organized.

Likewise, the email system for distribution of alerts and reminders is essential to accurately assign tasks to relevant employees and enable the associated escalation process should it be required. An additional aspect to be considered here relates to the notification of customers based on VoC insight. This may not be achievable with existing in-house technologies and so would be contained within the remit of the VoC vendor's case management and associated communications ability. This ability to proactively reach out to customers automatically with timely insight based on feedback collected is an emerging aspect of operationalizing the VoC. It is moving the scope of VoC from simply understanding and reporting on the experience to helping deliver it. A few VoC vendors are taking this concept a step further — working with their customers to automate relevant operational processes (determined by VoC insight) that are currently detracting from the overall customer experience. For example, one vendor is working with a mobile telecommunications provider to automate the phone activation process, so that when a customer complains that it has been 48 hours and their phone is still not active, the VoC vendor can initiate this process and activate the customer's phone. We expect more of these custom developments to be undertaken by vendors, ultimately being packaged as part of a broad, industry-focused CX offering.

One final consideration here is the sophistication of the engine that determines what merits an action. Most VoC platforms rely on a simple rule-based approach that triggers actions when a score is under or over a specific threshold, or when the sentiment of a customer comment is deemed negative or extremely good. This is a good starting point, but for optimal real-time operationalization, this needs to be enhanced through use of an event stream processing (ESP) platform. These platforms can perform real-time or near-real-time calculations on event data from numerous sources while the data is “in motion.” They process the input data as it arrives and retain a relatively small working set of stream data in memory — just long enough to perform calculations on a set of recent data for a set period of time. These advanced systems are only supported by a few leading VoC vendors, but more will move into this area over the next few years.

For more information on ESP platforms, see:

- Market Guide for Event Stream Processing
- How to Use Real-Time Analytics When Building an Enterprise Nervous System
Measure Ongoing Business Value and Provide Evidence for Different Individuals and Leadership Roles

Economic pressure is driving the need to justify the investments made in a VoC program (see How to Measure and Justify Investments in Voice of the Customer Programs). The third biggest challenge is justifying the value created by investments in the VoC program. Continuously proving the business value of a VoC program takes time and effort. This requirement for business value measurement adds a fourth functional requirement for VoC applications, because these applications need to help by capturing and reporting the value that is being created (see Figure 3).

Figure 3. Adding Value Measurement to VoC Program Design

Adding Value Measurement to VoC Program Design

Collect Feedback Analyze Feedback Recommend Actions

There are various ways an organization can collate anecdotal evidence of the “value” of VoC. Examples may be classified under the following headings:

- **Program health (from the customer perspective)** — Admittedly, activity is a poor substitute for ROI, but tracking core operational metrics can highlight the scope and potential the program is delivering. Some leaders might dismiss a VoC system as an investment that is relevant to only a single department, such as the customer care group, but activity data can demonstrate otherwise. Typical basic metrics that can be tracked include:
  - Number of survey invitations
  - Survey response rate
  - Number of sources of indirect and inferred data ingested
  - Volume of indirect and inferred data ingested
  - Number of listening posts along the customer journey
For example, an individual may have used the requested data to justify discontinuing a process that was not delivering value. This would enable tabulation of the associated cost savings. Alternatively, the data may have been used to diagnose a service issue and help lift Net Promoter Score (NPS). This approach does not give a final ROI figure, but it does help make a case for ROI. By capturing the sheer scale of

- Number of channels supported per listening post

- **Program health (from the employee perspective)** — Many leaders may not be aware how many people use VoC information. For example, capturing the number of active users (in total, as well as by region or department or product line) who access the data and reports produced from a VoC system is one way to demonstrate the scope of impact. Leading VoC vendors have embedded functionality within their applications to track “program health” by monitoring aspects like:
  
  - Percentage of licensed users who log in daily
  - Number of alerts/actions/recommendations/cases generated
  - Number of reports accessed per day
  - Number or percentage of assigned actions closed by employees
  - Number of actions automated by the VoC application

- **User satisfaction** — We recommend periodically conducting an internal satisfaction survey by identifying the key leaders served by the VoC program. Create a simple survey to capture satisfaction, relative improvement as a result of the VoC initiative, and opportunities for further improvement. This will provide further evidence of how VoC data is used to create demonstrable value.

- **Internal case studies** — By capturing examples of case studies, specific wins and successes, or rescues, it is possible to build up a body of evidence supporting VoC ROI. Gartner knows of a number of chief customer officers who can provide evidence of how listening and acting helped retain high-value customers.

- **Individual instances of impact** — Tracking every special request for data (there may be hundreds every quarter in a large organization) adds another important dimension to this list. Rather than simply responding to each request for a special dataset or analysis, the VoC team can start tracking each request, by asking:
  
  - Why was it needed?
  - What was learned after the data was provided?
  - How was the data used?
  - What demonstrable value was delivered?
impact, across potentially dozens of areas, VoC data can be used to deliver improvements in satisfaction or process.

- **Aggregate impact** — A subjective, but simple and direct way to demonstrate a nonfinancial outcome of a VoC program is to track improvements made to NPS (or whatever CX metric is preferred). Ideally, application leaders will see this metric increase monthly, quarterly and annually across regions, call centers, product groups and so on. Obviously, many factors impact NPS, but inferences can be drawn that, without VoC data, the organization could not measure the impact of its actions and employees would not know what to improve. The VoC team cannot claim that all NPS improvements were as a result of VoC. Nonetheless, much of the credit may rub off on them, as they are the ones reporting it. This link can be strengthened by ensuring that VoC data is communicated to each individual employee. For example, within customer service, VoC data can be used to drive compensation that rewards employees for lifting NPS, thus creating and maintaining a relationship between VoC and outcome.

- **Financial correlation** — A crude assessment can be made by conducting regular studies to correlate NPS with customer spending. The correlation may not prove causation, but it gets executives interested and motivated to learn and invest more. This exercise is worth undertaking if only to confirm whether the correlation is coincidental or not. First, the organization needs to determine that a point of NPS increase is associated with a certain dollar value increase in spending for each customer. It enables the VoC team to estimate the spending impact of CX projects identified through VoC (see Justify Customer Experience Initiatives Using 4 Approaches).

However, anecdotal evidence will only get an organization so far. Ultimately, a more analytical approach should be adopted. Achieving this requires advanced prescriptive analytics to provide employees with a contextually relevant set of prioritized actions, access to relevant operational data and deep industry-specific domain knowledge. For example, in retail, this would involve helping a store manager to determine whether an employee would be better utilized to stock shelves or open another cash register. It would need to be calculated which task would have a bigger impact on NPS and daily store revenue. This is not a simple or generic analysis. Leading VoC vendors are gaining maturity in this area and several can now fulfill complex scenarios (see the examples outlined below).

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*A survey conducted after a phone call reveals that customers are frustrated by the lack of customer service agent knowledge, resulting in them having to call back several times to get an appropriate answer. The recommended action is to train specific, named agents on the new product — resulting in a theoretical 3% increase in first call resolution (FCR) and savings of $17,000 per year.*

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*Customer service interaction audio analysis reveals that customers are confused by the recent TV marketing campaign. The recommended action assigned to the associated campaign manager is to terminate this investment and allocate the funds elsewhere, saving a potential $26k.*
Not every organization will need to fully operationalize value measurement to this degree but in order to fully operationalize a VoC program, it is important to determine what level is deemed necessary (and if it will likely change over the coming years). When this is done, application leaders will be able to ensure that an appropriate level of value measurement is in place.

Evidence
This research draws on analysis found in *How to Operationalize Your VoC Program*.

Acronym Key and Glossary Terms

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<td>VoC</td>
<td>voice of the customer</td>
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Document Revision History

*How to Operationalize Your VoC Program* - 5 March 2018

Recommended by the Author

- Three Key Decisions to Prevent Your Voice of the Customer Strategy From Falling Into Disarray
- Magic Quadrant for Voice of the Customer
- Build a Voice-of-the-Customer Strategy to Harness the Power of Customer Data