



Using Voice of the Customer Information to Improve Business Performance: 5 Keys to Success

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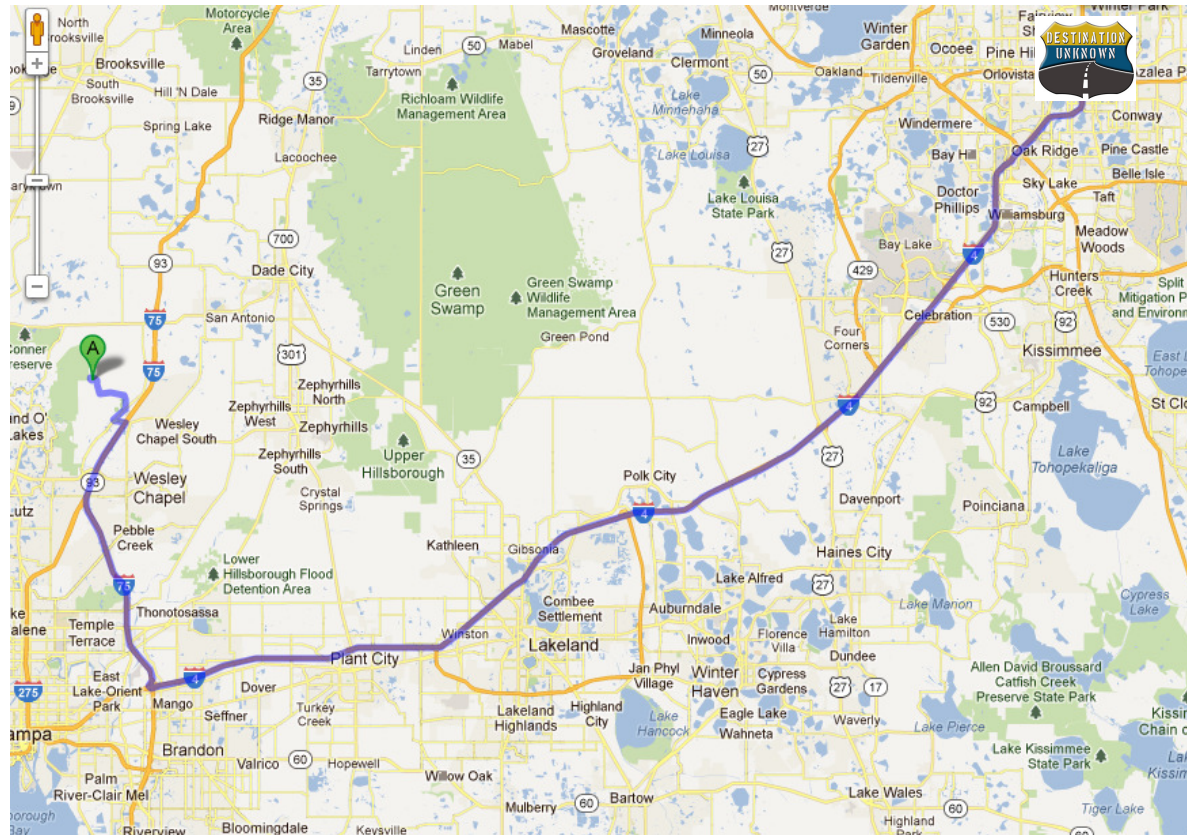
5 Keys to Success

- Where do we start?
- What do we measure and who uses it?
- How do we make the data actionable?
- What do we do next?
- How do we get buy-in?



5 Keys to Success:

1) Where do you start?



Start with a question:
Where do we want to go?

5 Keys to Success:

1) Where do you start?

Questions

- What primary problems/issues need to be solved?
 - Star with one to three clearly defined high priority items
- What business outcomes do we want to impact?
 - Reduce attrition?
 - Acquire new customers?
 - Improve efficiencies?
 - Develop new products/services?
- What does success look like?

...once we know where we want to go, we can figure out how to get there



5 Keys to Success:

1) Where do you start?

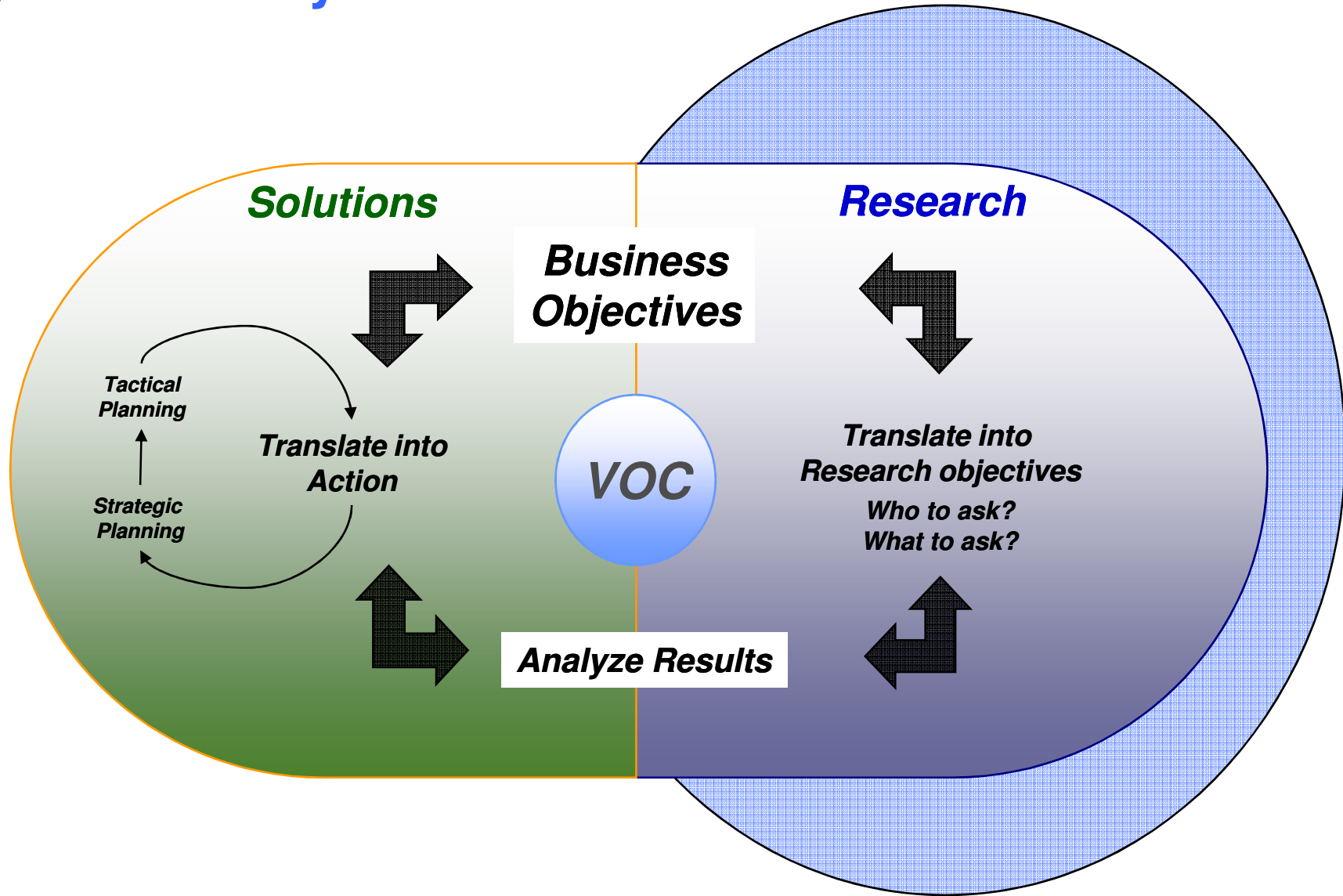
Answers

- With clearly articulated business needs defined, a research program can be designed to address those needs
- For example....
 - Reduce attrition → Assess why customers are leaving
 - Customer satisfaction experience
 - What can be improved
 - Benchmark competition
 - Assess self-reported and actual retention rates
 - Acquire new customers → Assess upper funnel behaviors
 - Brand image
 - Shopping behaviors
 - Advocacy (customer satisfaction and social media)
 - Develop new products/services → Assess customer wants/needs
 - Conjoint studies



5 Keys to Success:

1) Where do you start?



5 Keys to Success:

2) What do we measure and who uses it?

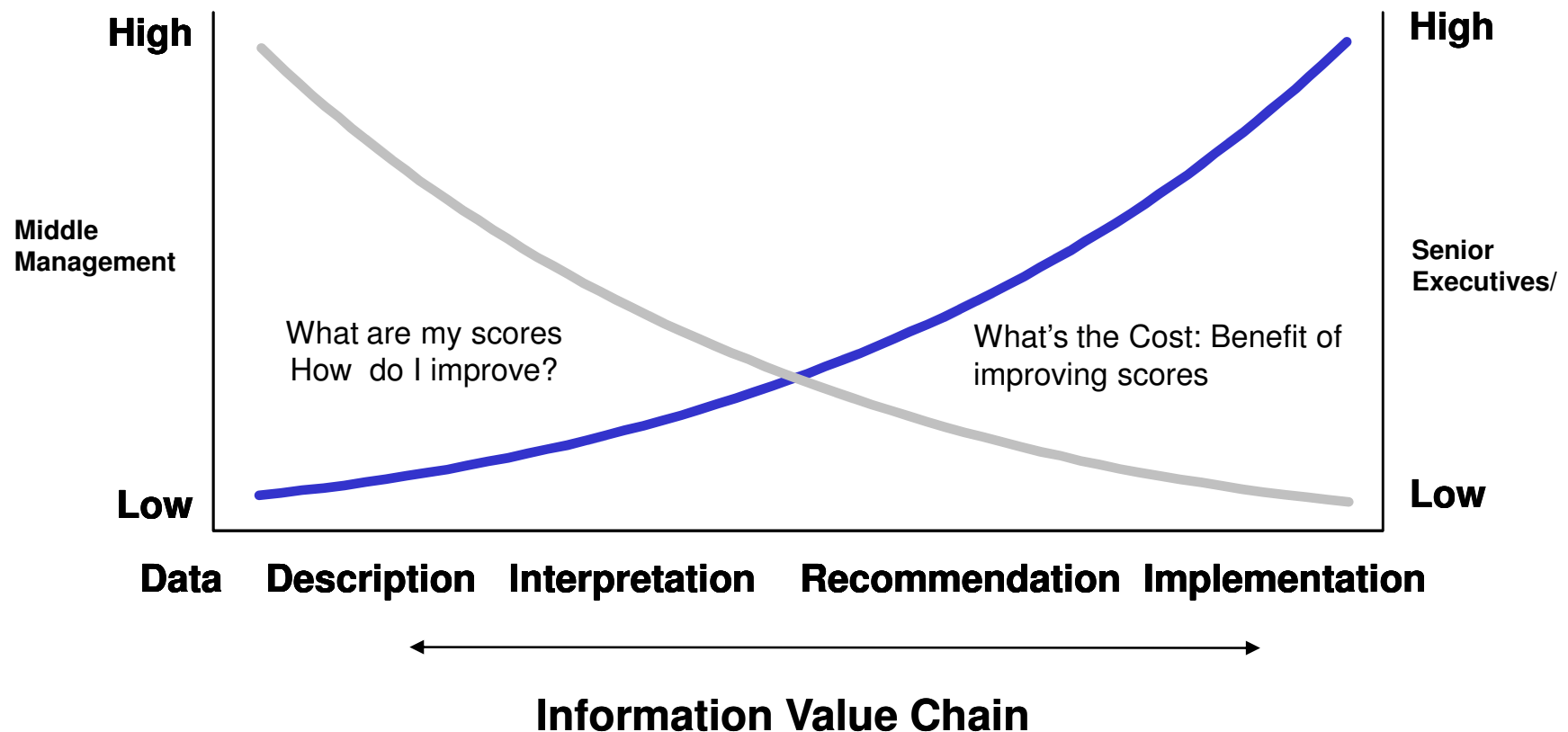
- Measure the right things at the right time
 - Which customers should be measured at which points during the life-cycle



5 Keys to Success:

2) What do we measure and who uses it?

- Effectively share information across the business
 - Deliver the right information to the right people at the right time and at the right depth



5 Keys to Success:

3) How do we make the data actionable?

- Analyze the data appropriately to capture actionable information
 - Improvement opportunities
 - Drivers of success



- Simply tracking a score doesn't make it improve
- The relationship between satisfaction and business outcomes can differ by industry
- Different measures do in fact predict and explain different business outcomes

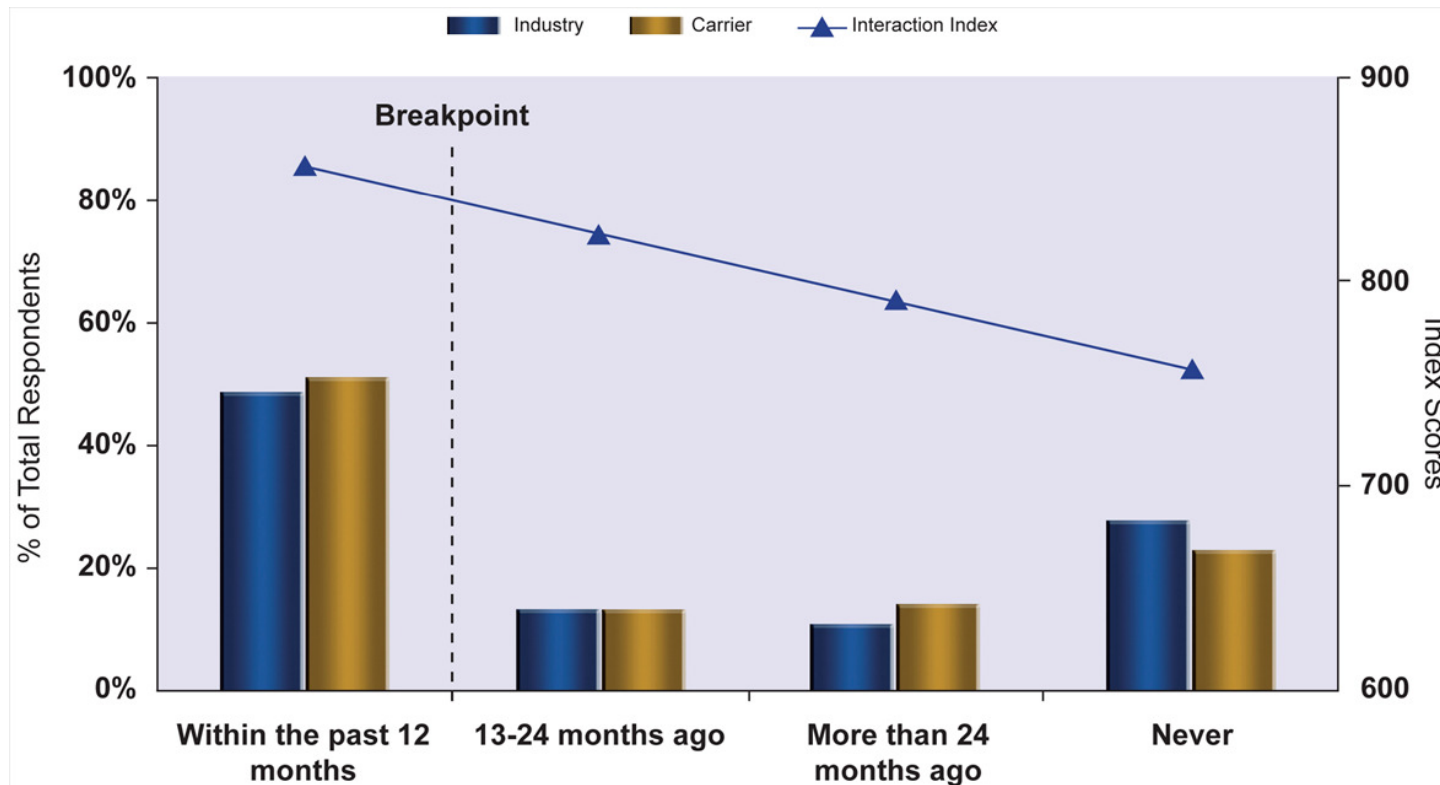


5 Keys to Success:

3) How do we make the data actionable?

- Data need to be analyzed to identify key drivers of satisfaction and uncover improvement opportunities

Proactively Contacted by Company



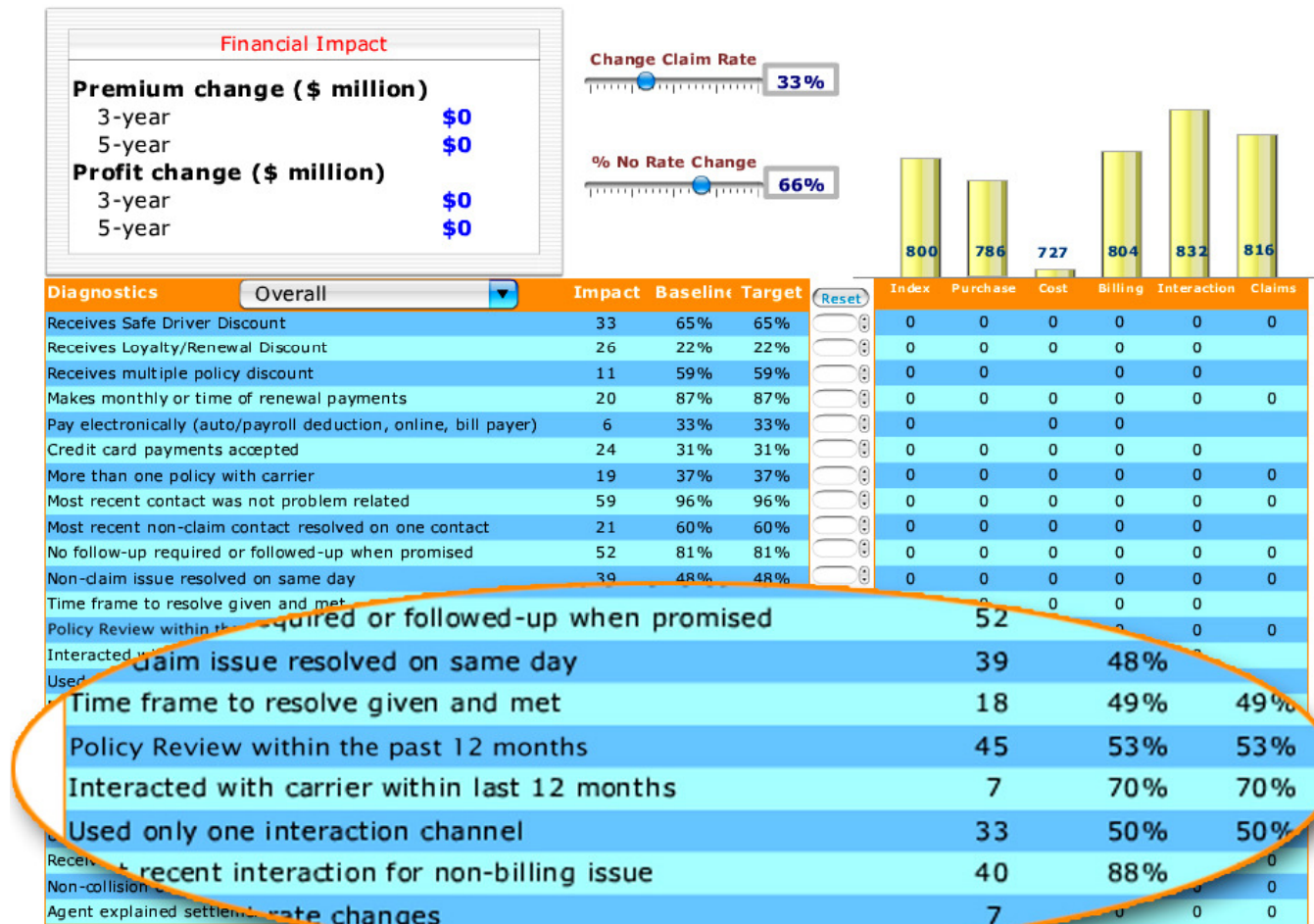
**Key Performance Indicator



5 Keys to Success:

3) How do we make the data actionable?

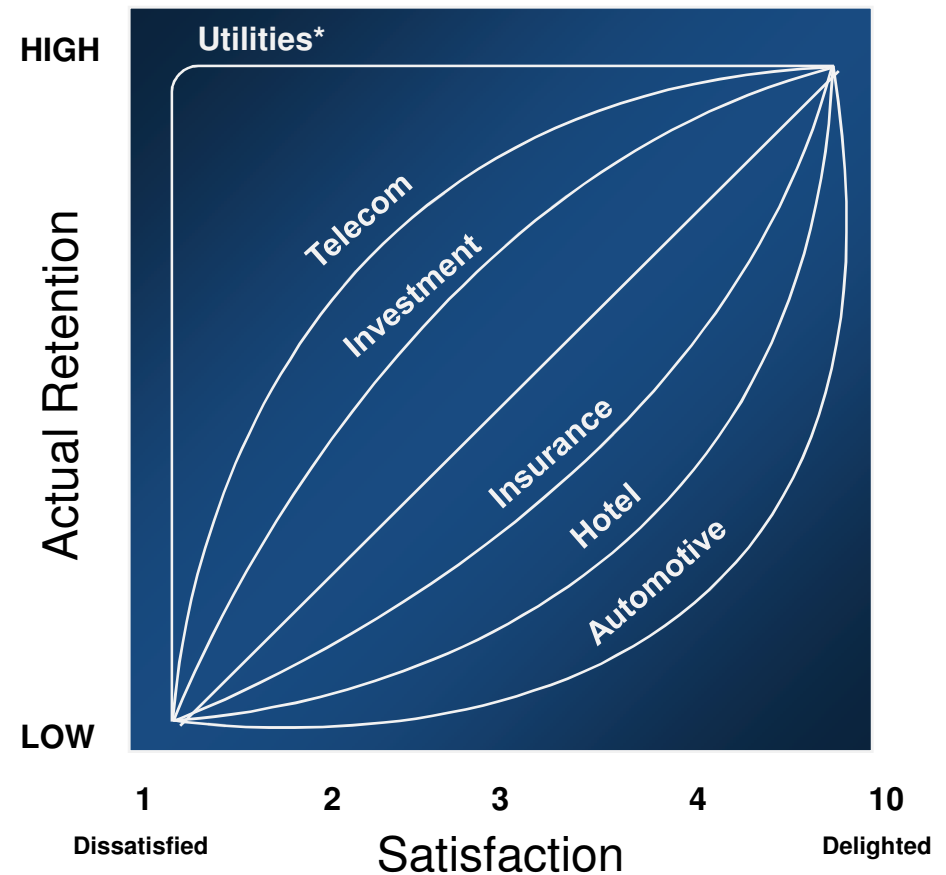
- Another example...



5 Keys to Success:

3) How do we make the data actionable?

- In competitive, high-involvement industries with numerous choices, delighting customers drives actual retention
- In less competitive, low-involvement industries with little or no choice, customers remain loyal unless they are dissatisfied



Source: Harvard Business Review: Nov-Dec '95; J.D. Power and Associates research
*Utilities in regulated markets



5 Keys to Success:

3) How do we make the data actionable?

What has J.D. Power and Associates Found?

	Findings Aggregated Across Numerous Industries					
	3 Yr. Sales Growth	3 Yr. Net Income Growth	ROE	ROA	Total Shareholder Return	Tobin's Q
Index	High	High	High	High	High	High
Satisfaction	High	High	Weak	High	High	Nil
Likelihood to Repurchase	Weak	Negative	Weak	High	Nil	Nil
Likelihood to Recommend	High	High	Negative	High	Negative	Weak
Net Promoter	Nil	Nil	Negative	Nil	Negative	Nil
# Recommendations	High	Negative	Negative	High	Nil	Weak

Note: Findings are adjusted for market concentrations, market share, Industry 5 year growth, Advertising spend, R&D, Firm size

The Single-Question Trap; Gina Pingitore, Neil Morgan, Lopo Rego & Adriane Gigliotti, (2006) Market Research



5 Keys to Success:

4) What do we do next?

- Have the courage to act on the information
 - Empower employees to make decisions that balance customer's needs with business needs
 - Find innovative ways to use the information

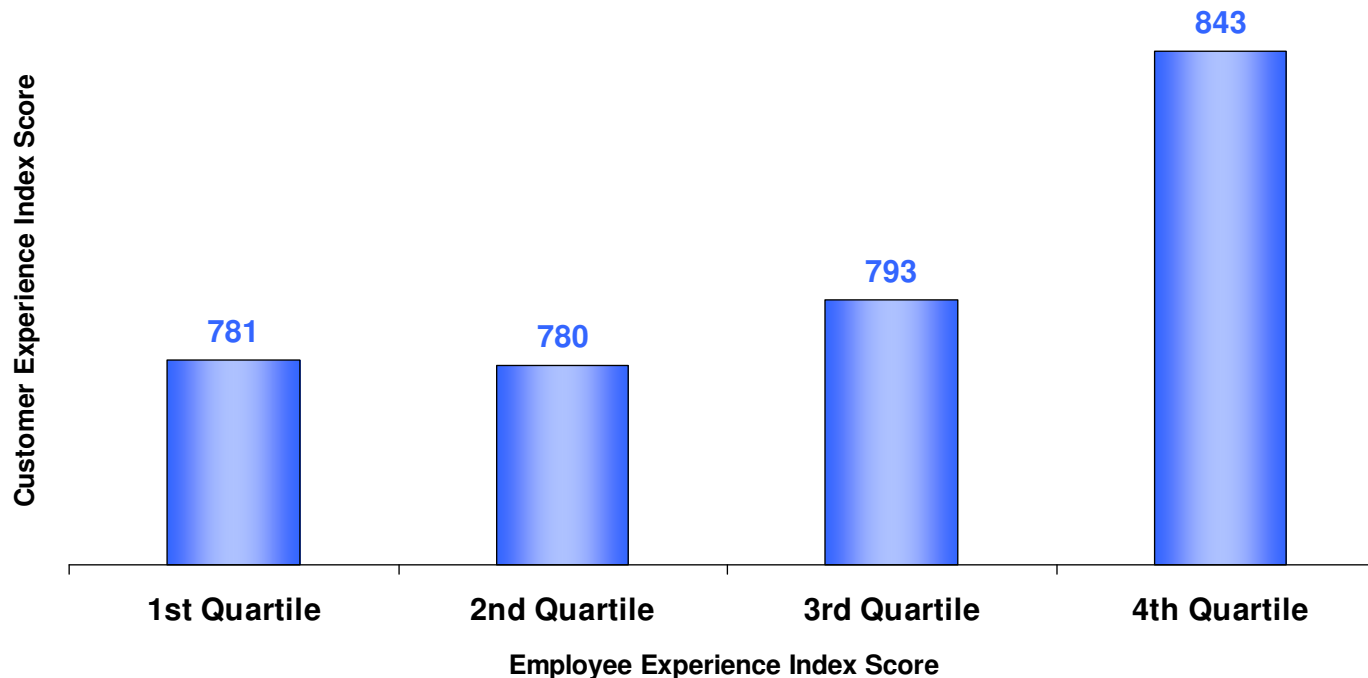


5 Keys to Success:

5) How do we get buy-in?

- Align customer and employee interests
 - Applies from executive level down
 - Goals and incentives have to be meaningful
 - Customer experience is a team sport, incentives need to be as well

Satisfied Hotel Employees Yield Satisfied Customers



Where Do You End?

...it's an infinite journey



Continue to monitor and adjust the VOC program to ensure it is aligned to the business needs

Get the right information to the right people at the right times

Take action to drive change



Questions and Answers





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Thank You

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