



**Benchmarks &
Galaxy™ Vendor
Evaluations Series**

**Operationalizing Voice of the Customer: How
Top Performers Create Actionable Insights**



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Coverage includes: CRM, Business Intelligence, Customer Analytics, Social Media, Marketing Automation, Information Management, Data Quality and GRC. *Since its inception by co-founder [Leslie Ament](#) in 2001, clients have relied on Hypatia for industry insight, expertise and independent research for guidance in assessing various technology and service options. Like our namesake, Hypatia, we are committed to Calculating Results™ for our clients.*

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T: 781-862-5106 ♦ E: research@hypatiaresearch.com

Lexington, MA 02421

www.HypatiaResearch.com

<http://istore.hypatiaresearch.com>

Hypatia of Alexandria (circa. 370-415 AD), invented several scientific devices--the astrolabe, plane sphere, and hydroscope (hydrometer). These instruments were used to calculate the distance between planets, the position of visible stars at any time of the year, and the gravity of liquids respectively. Hypatia was the first woman to make substantial contributions to the development of mathematics, astronomy & philosophy.

Executive Summary

Much has changed since Hypatia published the first industry analyst research on Voice of the Customer (VOC) software, services and technologies back in 2011. Leading vendors that supported unified VOC analysis via multichannel or Omni-channel VOC capabilities were comprised of IBM, Allegiance, Attensity, Confirmat¹, SandSIV (formerly CustVox), Questback (acquired Globalpark), Vovici (acquired by Verint²). Now, support of multichannel VOC is considered table stakes in this Galaxy™ evaluation study. In 2014, vendors such as Aspect, Medallia³, InMoment (Mindshare rebranded after its acquisition of Empathica), NICE (acquired Fizzback), OpinionLab, SDL (which acquired Alterian), and Walker Information have compelling multichannel offerings that vary based on specific business applications. (See chapter three, vendor landscape)

What has changed significantly is the volume and number of data sources and channels, inclusive of mobile device, kiosk, POS and tablet that are able to feed into the analysis of contextual VOC information via enabling VOC software, services and technologies. While our evaluation of VOC has always included both contextual information (qualitative) as well as structured information (quantitative), the sophistication, complexity, and expertise required to design an effective enterprise-level VOC program is lacking in most organizations. (See chapter four: best practices)

Voice of the customer (VOC) is a market research technique defined as the process of capturing a customer's expectations, preferences and aversions. Ideally, Voice of the Customer analysis produces a detailed set of customer wants and needs that is prioritized by company objectives or strategic goals. Additionally, VOC typically consists of both qualitative and quantitative research processes. Hypatia Research found that the majority of VOC initiatives are designed to address enterprise-level operational business process improvements for multiple business issues relating to:

- Brand Reputation & Risk Management (72.4%)
- Customer Engagement, Loyalty & Advocacy (65.3%)
- Product Pricing, Quality, Innovation & Ideation (54.1%)
- Customer Service & Support (52.2%)
- Customer Experience & Engagement Management (49.1%)

“You may know everything about your own business...but forget that those outside of your organization (customers) don’t have this same knowledge. We have worked and will continue to work hard to consistently improve this.”

—Susan Wakefield, Director of Customer Experience, Sky Italia

¹ Global Software Application & Managed Services Company Utilized Confirmat and recently switched: See Chapter Four for the business ROI evaluation entitled: VOC Solution Migrates Back to Managed Services

² Firstsource uses Verint as part of its managed VOC offerings to clients

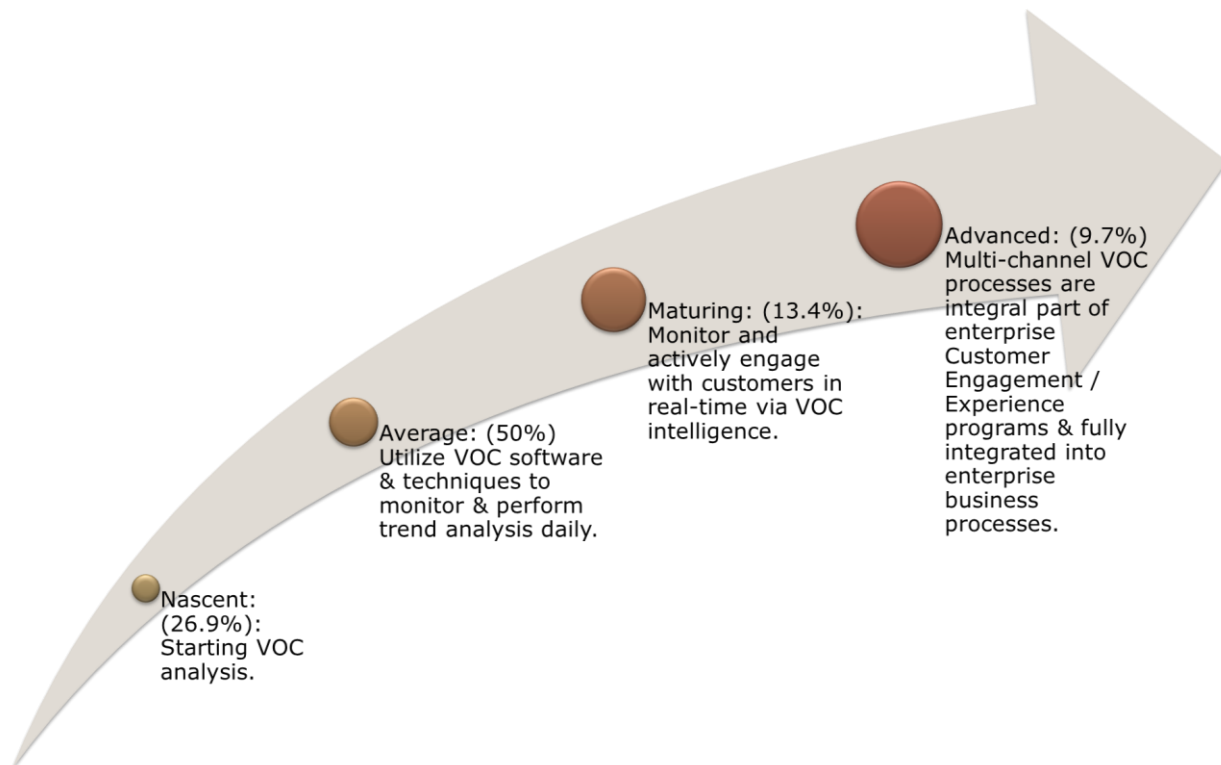
³ Gold's Gym International owned by Omni Hotels, has used Medallia for seven years and runs it for franchisees.

- Customer Analysis, Profiling & Segmentation (47.5%)
- Sales & Marketing (44.1%)

In creating our maturity model, benchmarks and best practices, we found a wide range of procedures, organizational structures and techniques in use among the 500 companies interviewed and surveyed. Nonetheless, we identified four main maturity categories that fit a majority of organizations.

- Level One: Nascent VOC Processes
- Level Two: Average / Limited VOC Processes
- Level Three: Maturing / Operational VOC Processes
- Level Four: Advanced / Visionary VOC Processes

Figure 1: Enterprise VOC Maturity Model: (%) Survey Respondents by Level



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Voice of the Customer (VOC) and Customer Experience Management (CEM) business processes along with enabling software technologies—solutions formerly known as Enterprise Feedback Management (EFM), Text Analytics (TA), Social Media Monitoring or Analytics —started to converge in 2011—and now are often used interchangeably to describe both the software category as well as the enabling business processes it support. In fact, we have identified numerous vendors that have added Social Media Intelligence (SMI) capabilities to these

solutions so that the ability to perform unified quantitative and qualitative customer analysis⁴ (holistic customer intelligence) becomes a part of this VOC equation.

This blending of the quantitative with the qualitative customer feedback is nascent still in many B2B industries such as manufacturing, process industries energy and utilities and professional services firms. In B2C sectors inclusive of retail, financial services, banking, consumer goods, electronics and telecommunications, maturity levels in operationalization of VOC processes are more advanced. However, less than 10% of all companies surveyed have attained an advanced level of maturity as defined through our primary research.

Fragmentation is the Norm

Currently, VOC practices are a collection of highly fragmented efforts/initiatives that encompass a wide range of methodologies, internal expertise, analytical techniques and enabling technologies that have two things in common, Each point of customer interaction has potential to be utilized as an:

- 1) Opportunity to either satisfy and/or enhance a discrete or transactional customer experience, or
- 2) Occasion to gather customer intelligence on the quality of a customer's experience with a company's brand reputation, products, services, pricing and support, and utilize this information to enhance customer-facing business processes at the enterprise level.

With many companies competing on razor-thin profit margins (courtesy of global sourcing

Hypatia's Key Findings

- ✓ Lack of solid business value justification and domain expertise are the biggest challenges companies face in creating VOC strategies.
- ✓ Nearly one-third of VOC initiatives (32.7%), are performed by managed service providers. This is a significant increase from the 22% of companies that outsourced in 2010. Keeping *proprietary* VOC insight in-house has become a key driver of software investment.
- ✓ Top performers spend anywhere from six months to two years planning how to best optimize VOC investment at an enterprise level by prioritizing why, where, how and who will be accountable for creating actionable insights and then operationalizing them with the wherewithal to measure performance and apply new insights when appropriate.
- ✓ Companies struggle to integrate and analyze qualitative customer information from disparate sources along with quantitative customer data prior to creating actionable customer insight.
- ✓ Enterprise VOC should be viewed as a subset or business application of big data analytics (BDA).
- ✓ Most organizations perform between one-to-four VOC programs annually, maturity levels and approaches vary as widely as the types of performance metrics used.
- ✓ In 2010, less than 5% of 526 global respondents effectively operationalized VOC across the enterprise. Now in 2014, that number has doubled; 9.7% of 500 survey respondents cite operationalizing enterprise VOC.

⁴ Defined as multi-source data acquisition for the purposes of performing holistic customer analysis with a goal of creating and applying customer intelligence.

practices and the resulting price pressures), customer perception of brand quality, product or service category ranking and quality of customer service are now critical to maintaining market share. In fact, a majority of C-level executives surveyed cited 1) customer retention and 2) customer acquisition, 3) increasing revenues or share of wallet and 4) operational performance improvements, as key reasons for investment in VOC initiatives. However the challenge experienced by a majority of organizations in turning customer voices into customer insights center on creating a measurable strategy combined with an operationally executable plan for leveraging VOC across customer-facing roles/functions. Our assessment is that these strategies and plans should encompass issues such as:

- What strategic, operational and/or tactical goals will VOC address for our organization?
- Which customer data source(s) should we utilize for VOC?
- How often should we capture VOC information?
- Which role / function should manage this customer information?
- Which role / function should be accountable for analysis of VOC information?
- How will we leverage VOC as decision support to apply this customer intelligence?
- What business processes, performance metrics and rules of engagement should we deploy?
- How often should we disseminate key findings, and to which key stakeholders?
- Which role/function should be accountable for taking action on customer intelligence developed from VOC initiatives?

“Before getting into this space, take the time to learn what the output is.

How many information source channels will need to be analyzed?

Have a well-thought out strategy before selecting a technology vendor.

Most companies can provide basic tools, but be sure to have a central team with the expertise to effectively leverage what the enabling technology supports.”

*–Aparajita Gupta, Vice President,
Service Excellence, Firstsource*

Converting Customer Voices into Operational Customer Insight

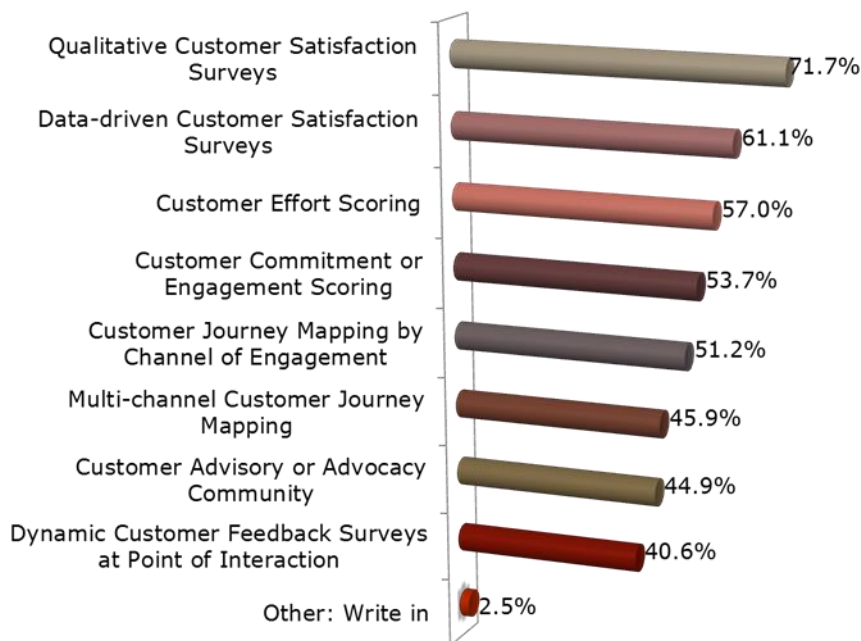
Many organizations are in “listen”, “dashboard visibility”, “categorize” or even “scenario scoping⁵” mode, but at best, utilize VOC information sources in a siloed approach by job function or role which is a good place to start. However, this often leads to too many VOC approaches being utilized at the same time in various departments across the enterprise in a “let’s toss spaghetti at the wall and if it sticks, it is done” manner. This adds significantly to the challenge of how to interpret and operationalize this disparate customer intelligence. (Figure 2)

Our assessment is that top performers spend anywhere from six months to two years planning how to best optimize VOC investment at an enterprise level by prioritizing why, where, how and who will be accountable for creating actionable insights and then operationalizing them with the wherewithal to measure performance and apply new insights when appropriate.

⁵ Scenario scoping, deep dive, sentiment, data visualization, and multivariate are typical analysis techniques used to explore correlations, assumptions and/or root cause analysis.

For example, customer satisfaction and loyalty surveys are largely quantitative in nature, and are analyzed and reported on via numbers or percentages. Contextual information such as survey verbatim, online content and emails between organizations and their customers are seldom analyzed or even shared with the same job functions/roles that perform quantitative customer satisfaction and loyalty survey analysis. In addition, mapping unique customer identities from quantitative data with unstructured information is either performed manually or is semi-automated and difficult for many organizations lacking in specific VOC domain expertise and/or multi-channel journey mapping techniques. We see a major shift in organizations moving budgets and accountability for VOC programs from marketing, consumer research, and market research to the operations department. Conversely, we also see many instances where customer service and support now report to the operations rather than the marketing function—which underlines the importance of customer-centricity as an enterprise business mandate rather than just the marketing teams’ responsibility.

Figure 2: Too Many VOC Approaches; Too Few VOC Strategies *



*Multiple responses possible: Will not + 100%

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Vendor & Service Provider Selection Criteria

In addition to the above challenges, companies will need to consider selection of VOC resources from existing internal expertise as well as from an abundance of external choices among service providers and vendors that supply enabling technologies.

Service Providers:

- Market Research Firms
- Marketing & Advertising Agencies
- Management Consulting Firms
- Marketing Services Providers

Enabling Technologies:

- Enterprise Feedback Management Software
- Survey Software
- Text / Speech Analytics Software
- Call Center Software: Online or Phone, IVR, etc...

The aforementioned market fragmentation compelled us to categorize VOC providers by 10 discrete yet interdependent dimensions as well as by product features and professional service capabilities. These criteria were utilized for both the Hypatia Galaxy™ rankings and our overall assessment of these software solution providers.

Table 1: Vendors Evaluated: 2014 VOC Research Study

Allegiance	ForeSee Results	InMoment	Satmetrix
Attensity Group	Gainsight	NetReflector	SDL
Autonomy	IBM	NICE Systems	Verint (Vovici)/KANA
Clarabridge	iPerceptions	Nielson	Visible Technologies
Confirmit	ListenLogic	OpinionLab	Walker Information
Crimson Hexagon	Maritz Research	Questback	
Etuma	Medallia	SandSIV	

VOC is a Business Use Case for Big Data Insights

In a previous study of the Fortune 500⁶, “*Delivering Big Data Analytics Insights: Why Choose Between Accuracy, Agility or Speed to Insight.*” we found that organizations prioritize their investment by the following business initiatives⁷. Not surprisingly—all relate to revenues, customers and products:

- 1) Increase top line growth via accurate, real-time decision support (49.9%)
- 2) Increase sales & marketing effectiveness (40.9%)
- 3) Refine corporate strategy decision making process via data-driven insights (40.5%)
- 4) Proactively uncover potential issues, makes course corrections and resolve customer complaints to better manage enterprise risk (29.8%)
- 5) Product innovation, ideation and design enhancement initiatives (32.5%)

⁶ Companies with greater than \$4.5 billion in revenues

⁷ Multiple responses possible: Will not = 100%

Based on our comprehensive analysis of 1000+ organizations, our assessment is that enterprise VOC should be viewed as a subset or business application of big data analytics (BDA). A comparison of the data sources utilized for both BDA and VOC are very similar in usage percentages—which serves to support our evaluation. (Figure 25)

Our Assessment:

The cost of not investing in enterprise VOC—either through investment in software, services or both—is very high if your competition is using it effectively and your organization does not. Since 2006, we assessed that global marketplace realities such as low cost country sourcing, product commoditization and multi-channel competition impel organizations to invest in improving the level of engagement and experience they provide to customers. All things being equal, an organization’s key differentiator is the quality and ease of doing business with the company brand at each point of a customer journey—from initial contact to post purchase engagement.

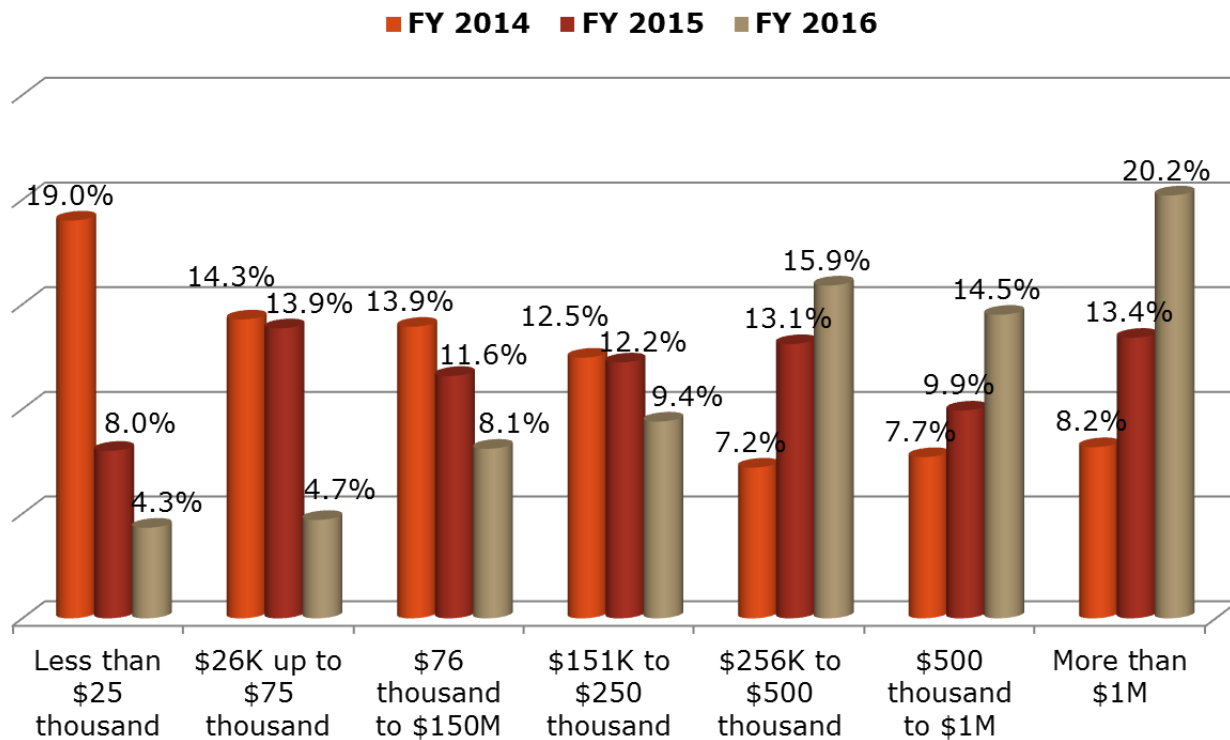
While each industry has its unique challenges to address, investment in VOC is increasing. (Figure 3) We strongly recommend that investment occur after organizations determine:

- What is the business case or mandate for investing in VOC?
- Should we outsource, use internal resources and/or invest in software and consulting services?
- In which business processes would VOC provide benefits to both the customer and the enterprise?
- What customer facing business processes should be redesigned or improved?
- Who will be accountable for creating insights prior to taking action?
- When and what types of actions should we take based on the creation of this VOC intelligence?
- What metrics should be measured and how will these metrics be utilized?
- Who will champion and be accountable for enterprise VOC at our organization?

"The cost of not investing in enterprise VOC is very high if your competition is using it effectively and your organization does not."

Hypatia Research Group, LLC

Figure 3: Company Investment in Enterprise VOC Forecast to Grow: 2014-2016



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Whether an organization has point solutions, outsources to a services provider, or creates an internal customer intelligence/VOC center of excellence team, the need to select, integrate (inclusive of processes and best practices) and utilize various enabling technologies to capture and leverage holistic analysis of customer feedback and interaction experience exists. Organizations that seek to become truly customer-centric no matter the channel or process of customer interaction with a goal of growing and retaining customers as well as share of wallet should review our research findings as part of internal due diligence.

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Introduction

Key Findings

- VOC information is a valuable, but often unorganized, corporate asset.
- Reasons for investing in VOC vary widely: although managing brand and risk perception, customer quality of engagement and retention are high priorities for investment.
- VOC is a subset of Big Data Insight technologies, business processes and performance measurements.

Omni-channel Voice of the Customer is Largely Fragmented

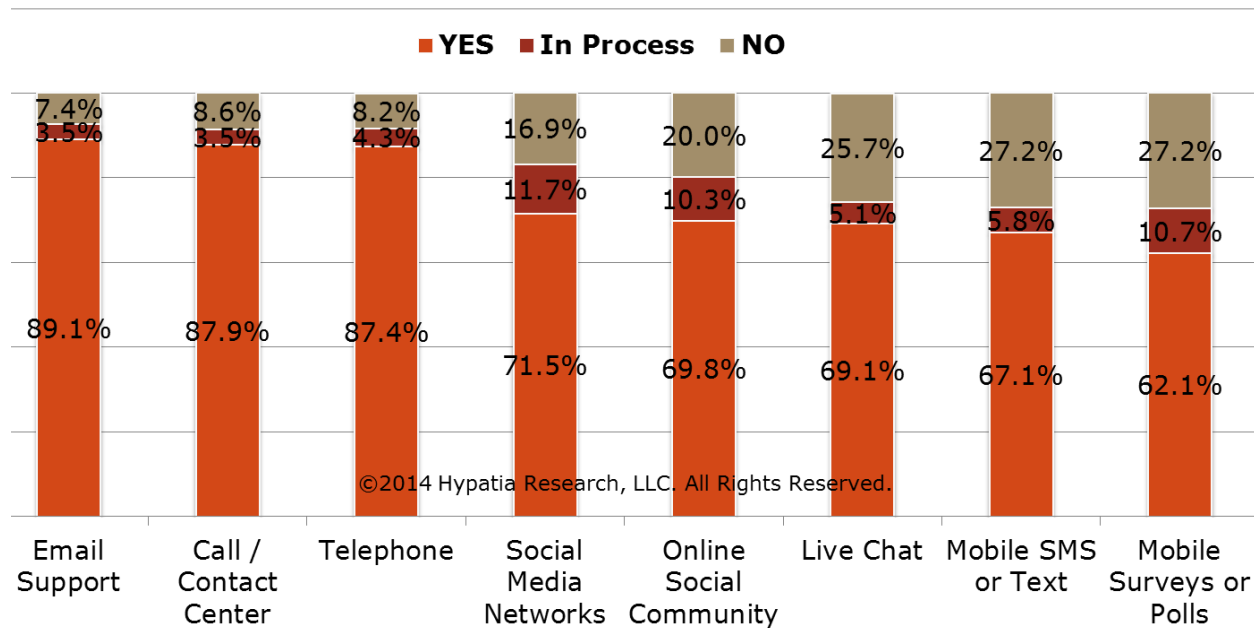
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- Customer Service & Support (52.2%)
- Customer Experience & Engagement Management (49.1%)
- Customer Analysis, Profiling & Segmentation (47.5%)
- Sales & Marketing (44.1%)

Technology is not yet able to supply a **completely automated** silver bullet that magically captures, manages, analyzes and transforms both customer data (the structured stuff) AND customer information (the contextual stuff like call center notes, social media and survey verbatims) into actionable customer insight—many vendors have made significant progress towards this goal. Thus, while many software providers do offer solutions and tools that facilitate the capture of VOC feedback, human expertise—combined with the creation of measureable and actionable insights—and the ability to operationalize these insights are still necessary.

Illustrated in figure 4 is a growing trend for organizations to provide ease of communication with their customers through whichever channel they prefer. This is a major improvement over our 2011 study in which mobile, online communities and chat were at least twenty percent lower than they are currently. Noteworthy is that this ease of communication is currently by discrete channel of engagement only. Customers may interact via their channel of preference, but not all channels of preference are 'fully blended' in real time. Nonetheless, immense progress has been made and will likely continue over the next three to five years.

Figure 4: Ease of Customer Interaction & Feedback Channels



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Research Approach

Hypatia Research surveyed 1,100 global VOC practitioners and executives directly involved with enterprise voice of the customer processes, software usage and selection criteria. Only the 500 respondents that actually utilize, recommend, influence, hold budget or veto power over the purchase of enterprise VOC software were utilized in our analysis of how, why or when organizations:

- Invest in VOC software solutions—and how much is budgeted through 2016
- Measure productivity and effectiveness of VOC initiatives and how often
- Prioritize specific VOC initiatives against software selection criteria
- Commit a percentage of company revenues to VOC program investment
- Expect a return on investment (ROI)
- Evaluate and ultimately select VOC vendors and/or marketing service providers or consultancies.

Our due diligence also included 1) vendor briefings, 2) product demonstrations and 3) customer reference interviews. In certain cases, customer references and product demonstrations were obtained without vendor involvement through our professional network.

Vendor Rankings

Hypatia presents the results of its survey of organizations using VOC products, describes the criteria for selecting VOC and the metrics that organizations use to judge the success of their customer content. Our study also

includes vendor evaluations of two dozen leading VOC vendors in the market utilizing 10 data-driven dimensional criteria coupled with end-user customer interviews, and product demonstrations.

Hypatia takes an end-user approach to customer intelligence research. Similar to Consumer Reports⁸ our industry experts are objective in providing end-user organizations with independent primary research assessments as decision-support in evaluating various enabling technologies, service providers and consulting firms. To maintain its independence and impartiality, Hypatia Research does not engage in syndicated research sponsorships⁹, accepts no outside advertising, provides no free samples, and utilizes proprietary research techniques to evaluate vendors.

Along with our trademarked Hypatia's¹⁰ Galaxy™ evaluation rankings of vendors that offer VOC software and managed services, this 50+ page study with 20+ figures provides end-user organizations with best practice benchmarking, vendor evaluations, business return on investment case studies and an analysis of how and why companies invest in voice of the customer software solutions, what tangible benefits are possible, and what metrics can be used to measure the ROI of an enterprise initiative. In short, our research provides actionable insight that companies may use in compiling a vendor short list, request for qualifications and best practice terms of engagement with software vendors and providers of services

Why this focus on actionable insight? Knowledge for the sake of knowledge without a purpose is outside our mission. Since 2001, Hypatia's tagline has been calculating results. Our research methodology, a hybrid approach that combines qualitative and quantitative input from end-users, benchmarks the business return on investment realized by organizations of all sizes.

Research-Based Due Diligence Services

Our research encompasses all aspects of customer information management that businesses leverage for decision support in regards to issues relating to vendor selection, operational improvements, market intelligence, or industry best practices. We focus on the internal processes, service providers and enabling technologies organizations deploy in order to leverage this intelligence—and we benchmark industry performance.

Our coverage areas include: Customer Analytics, Customer Management (CRM), Social Analytics & Intelligence, Text Analytics, Business Intelligence, Advanced Analytics, Big Data Analytics, Digital Marketing, Information Access and Management, GRC and Customer Data Integration & Quality.

In short, we investigate and assess return on investment for how customer insight and information is managed, analyzed and applied by businesses ranging from SMBs to billion dollar enterprises.

- [Vendor Evaluations Shortlist Recommendations](#)
- Industry Benchmarks
- Custom Research
- Request for Quote / Request for Vendor Information Validation

⁹ Vendors may license distribution rights to Hypatia Research studies after completion, but may not commission syndicated vendor evaluation studies.

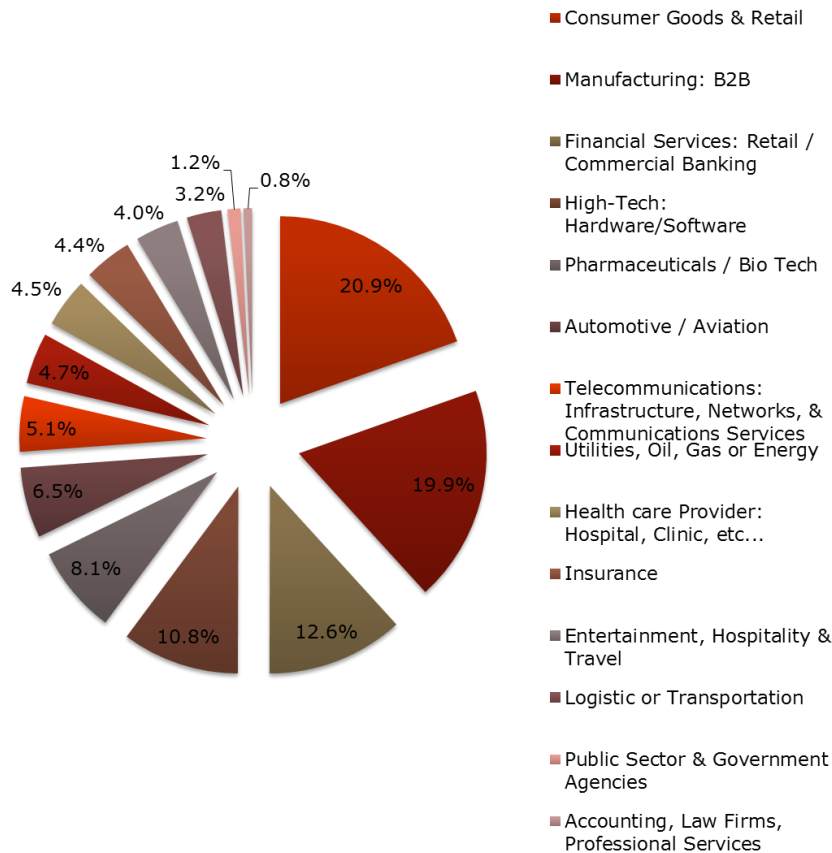
¹⁰ Hypatia of Alexandria (c.370-415 AD), a professor of astronomy, mathematics and philosophy, invented several scientific devices--the astrolabe, plane-sphere, and hydro-scope (hydrometer). These instruments were used to calculate the distance between planets, the position of visible stars at any time of the year, and the gravity of liquids respectively.

- Acquisition Referrals & Recommendations

Survey Respondent Profiles

According to our research, respondents came from a range of industries, with the largest sectors being consumer goods, electronics and retail at (20.9%), manufacturing at (19.9%), financial services (12.6%), high tech hardware at (10.8%) and pharmaceuticals and biotechnology at (8.1%). Both business to business (B2B) and business to consumer (B2C) industries were equally represented.

Figure 5: Respondents by Industry / Sector



Geographically, respondents operate primarily in North America (35.7%), with healthy representation from Asia Pacific—primarily China, Japan, Korea and Australia (34.7%), Europe (28.8%) and Middle East (<1%). In terms of size, the 500 global organizations skewed towards large enterprises with greater than \$2 billion in revenues, which comprised (61.5%) of the respondents. Mid-range companies (\$101 million to \$1.9 billion) represented 34.3%, and the smallest firms, with less than \$101 million comprised (4.1%) of all responses. Those who answered the survey were most likely to be directors or managers (26.4%), with (56.7%) at a vice president level or higher. The majority were in consumer or market research roles (22.7%), followed by corporate strategy and business analysts (16.2%), IT at (13.4%) and customer service and support operations at (13.2%).

Figure 6: Respondents by Geography

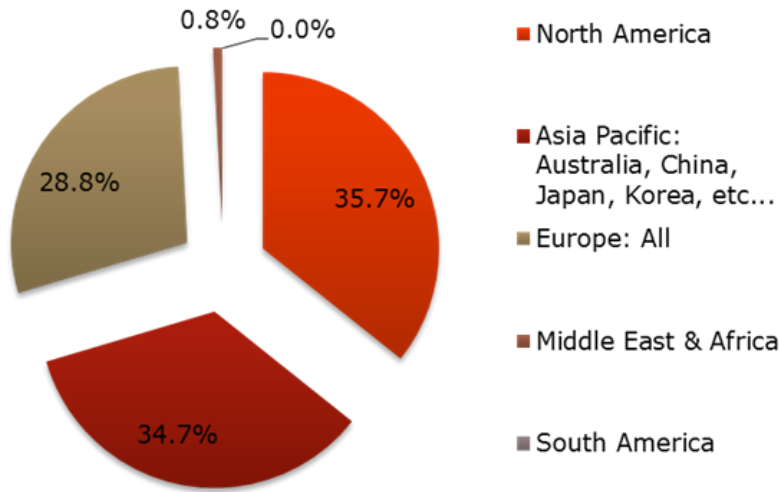


Figure 7: Respondents by Company Size

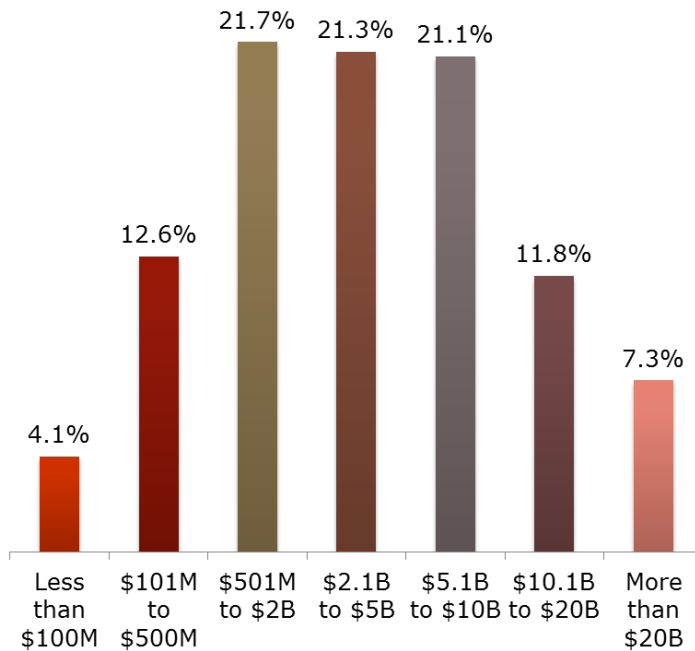


Figure 8: Respondents by Function

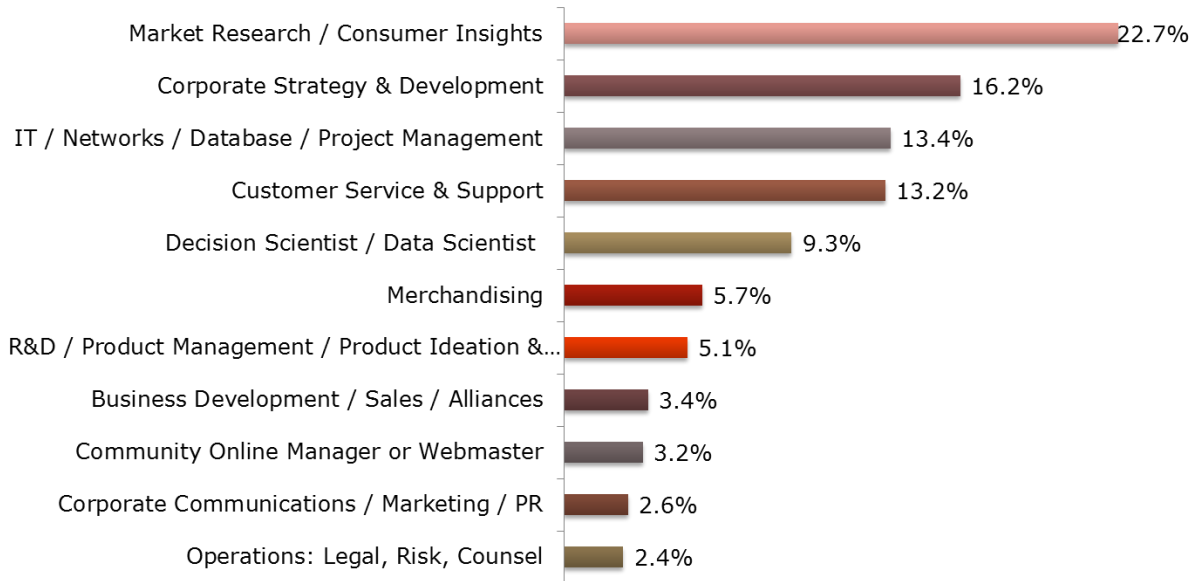
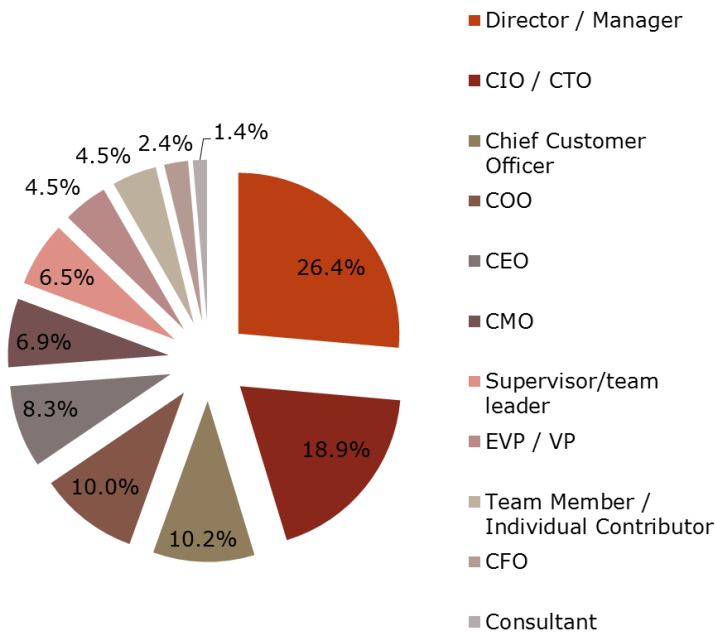


Figure 9: Respondents by Role



Chapter Two: Market Realities

Key Findings

- VOC software vendors that offer consultative professional services such as configuration of business processes mapped to realistic performance metrics by business use case are in a position to provide higher value to end-users as well as to themselves.
- Organizations of all sizes are attempting to leverage VOC insight—but many lack the domain expertise to link metrics to outcomes, or to derive actionable insights with popular metrics such as Net Promoter Scores.
- Companies that seek VOC solutions often invest for multiple reasons and without clear strategy and plan for operationalizing insights effectively.

With more than 50 software solutions claiming to be in the ‘customer experience management’ space, organizations are overwhelmed as they seek to understand which selection criteria are most critical in making the right investment for their organization. Samples include software vendors with a history of supporting clients in the customer service and support function, customer relationship management, text and social analytics, digital marketing, web analytics, market research (both quantitative and qualitative), digital asset management, content and web content management, and enterprise feedback management to list a few.

Moreover, conversations about the importance of providing an exceptional customer experience have taken over an enormous amount of digital ink in cyberspace. We see this in our analyst inquiry calls as well. Organizations of all sizes are struggling to:

- Correlate VOC initiatives to tangible results
- Convert VOC into actionable insight, and
- Create new business processes and rules to leverage VOC for the benefit of both customers and the brand’s bottom line.

There is only one boss. The customer. And s/he can fire everybody in the company from the chairman on down, simply by spending money somewhere else.

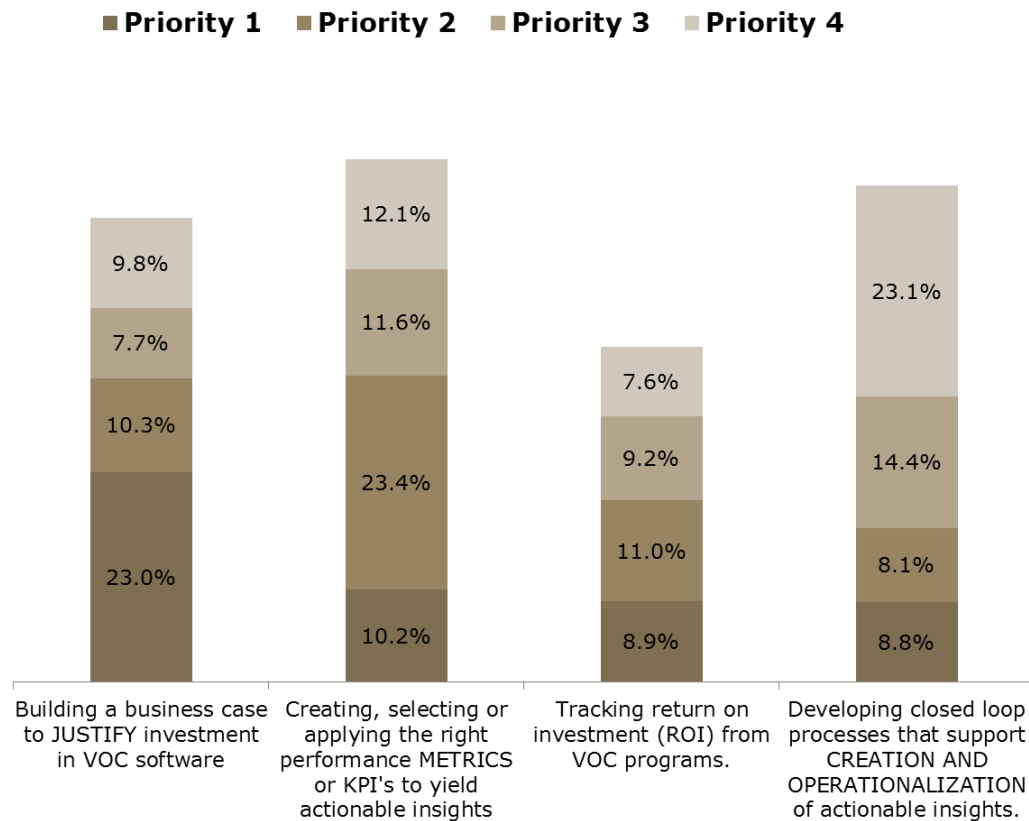
–Sam Walton, CEO Wal-Mart

The good news is that we have some, if not all of the answers for all of these end-user questions. Our research reveals that organizations cite building a business case to justify investment (23%) as a top priority followed by creating and applying the right metrics or key performance indicators (KPI’s) to yield actionable results (23.4%). Determining how to organize internally (20.3%) in order to best leverage VOC and to build closed-loop processes (23.1%) that support the creation and operationalization of VOC were cited as priority three and four respectively. This is not surprising as taking action requires numerous skills that are in limited supply and relies on multiple business functions to execute on the decision-support provided by analysis.

Most companies recognize the need to walk before racing competitively. So it is not remarkable that top priorities encompass; building a business case justification with metrics and closed-loop processes for leveraging insights, and

that these insights should align with taking actions; and that expectations for these actions, should lead to an improvement such as the design of more customer-centric business processes. Designing a blended or highly collaborative and integrated organizational structure is another attractive and top priority approach to facilitating a seamless customer journey. (See Chapter Four: Sky Italia)

Figure 10: Top Four Challenges: Effective VOC Program Creation & Deployment¹¹



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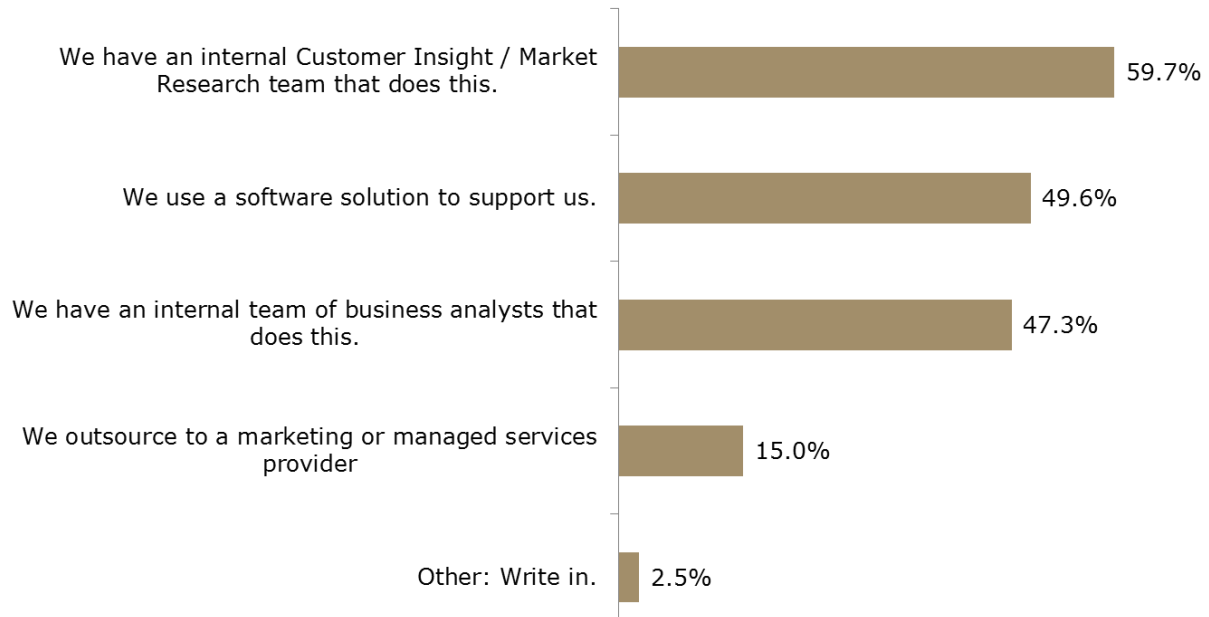
Divided by Function and Fragmented by Solution

Most companies take a siloed approach to capturing, managing, analyzing and applying enterprise customer and market intelligence. Unfortunately, this engenders multiple redundancies in expertise, budget investment, and personnel, not to mention the downstream impact this fragmented approach may have on customers endeavoring to interact with a brand. Currently (49.6%) utilize various software solutions internally, while (15%) of organizations outsource to marketing or managed services providers. Another (59.7%) rely on an internal team of

¹¹ Multi-response answers—will not equal 100%

customer insight or market research professionals to accomplish this in parallel or, perhaps in concert with business analysts that reside within the operations, corporate strategy, merchandising and marketing functions.

Figure 11: How Companies Capture, Aggregate and Analyze Enterprise VOC*



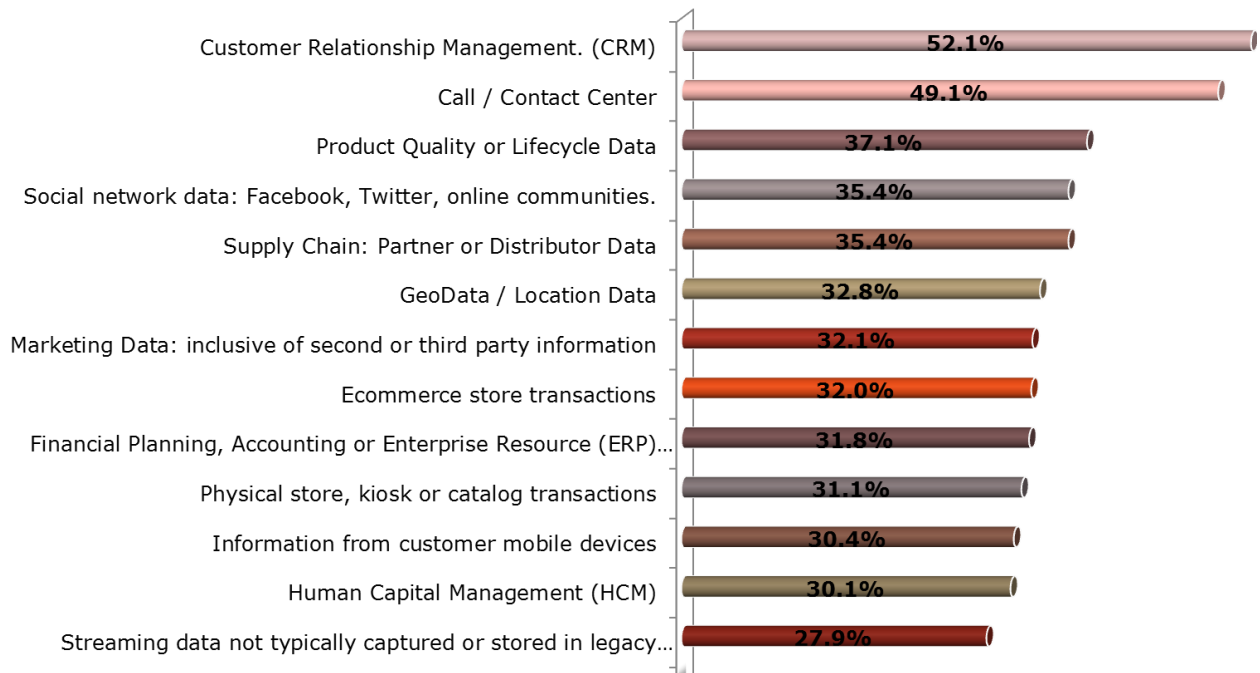
*Multiple responses possible: Will not + 100%

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Moreover, while knowing which enterprise or external sources of information are most relevant barely reached the double digits in terms of priority (7.7% up to 10.0%), the number and types continues to expand beyond the top sources of call center (49.1%) and customer relationship management (52.1%) systems of record. Product lifecycle (37.1%), social network (35.4%), and geo-location (32.8%) information have all slightly surpassed digital marketing (32.1%), ecommerce (32.0%) and mobile (30.4%) information in importance.

It is all about customers, products/services, and revenues. With timely (near real-time and dynamic) engagement making a difference in customer's perception of a brand, company, product or service, organizations should consider and prioritize which information sources will best support corporate goals for VOC.

Figure 12: Voice of the Customer: Most Valuable Information Sources*



*Multiple response possible: Will not equal 100%

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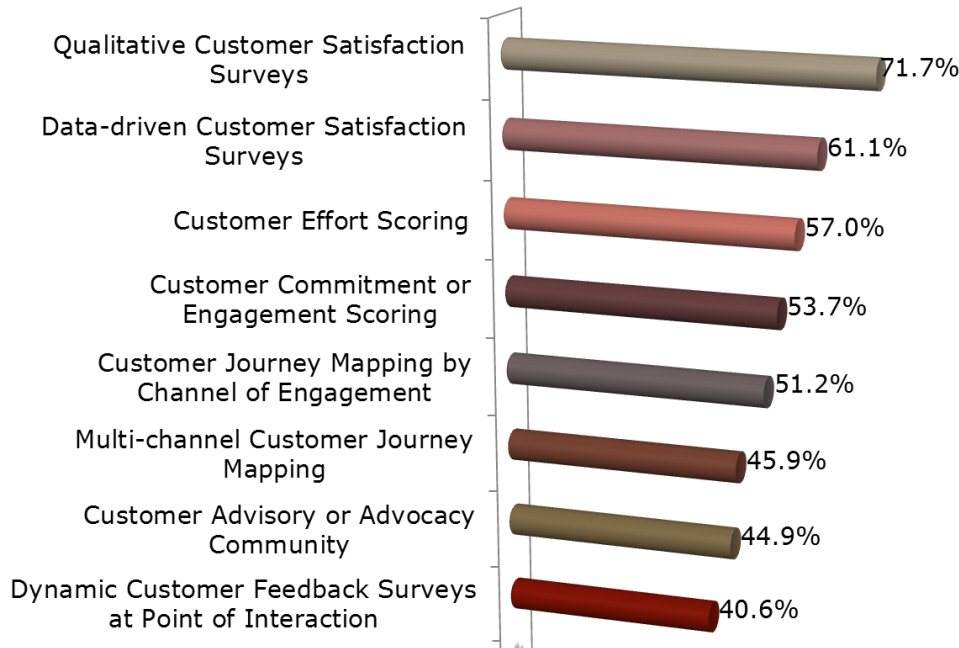
Converting Customer Voices into Operationalized Customer Insight

Many organizations are in “listen”, “dashboard visibility”, “categorize” or even “scenario scoping¹²” mode, but at best, utilize VOC information sources in a siloed approach by job function or role which is a good place to start. However, this often leads to too many VOC approaches being utilized at the same time in various departments across the enterprise in a “let’s toss spaghetti at the wall and if it sticks, it is done” manner. This adds significantly to the challenge of how to interpret and operationalize this disparate customer intelligence. (Figure 13)

Our assessment is that top performers spend anywhere from six months to two years planning how to best optimize VOC investment at an enterprise level by prioritizing why, where, how and who will be accountable for creating actionable insights. Only then should organizations operationalize VOC findings by tracking and measuring performance, applying new insights and refining business processes when appropriate.

¹² Scenario scoping, deep dive, sentiment, data visualization, and multivariate are typical analysis techniques used to explore correlations, assumptions and/or root cause analysis.

Figure 13: Too Many VOC Approaches; Too Few VOC Strategies



*Multiple response possible: Will not equal 100%

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For example, customer satisfaction and loyalty surveys are largely quantitative in nature, and are analyzed and reported on via numbers or percentages. Contextual information such as survey verbatim, online content and emails between organizations and their customers are seldom analyzed or even shared with the same job functions/roles that perform quantitative customer satisfaction and loyalty survey analysis. In addition, mapping unique customer identities from quantitative data with unstructured information is either performed manually or is semi-automated and difficult for many organizations lacking in specific VOC domain expertise and/or multi-channel journey mapping techniques. We see a major shift in organization moving budgets and accountability for VOC programs from marketing, consumer research, and market research to the operations department. Conversely, we also see many instances where customer service and support now report to the operations rather than the marketing function—which underlines the importance of customer-centricity as an enterprise business mandate rather than just the marketing teams' responsibility.

Organizations Invest for Multiple Reasons

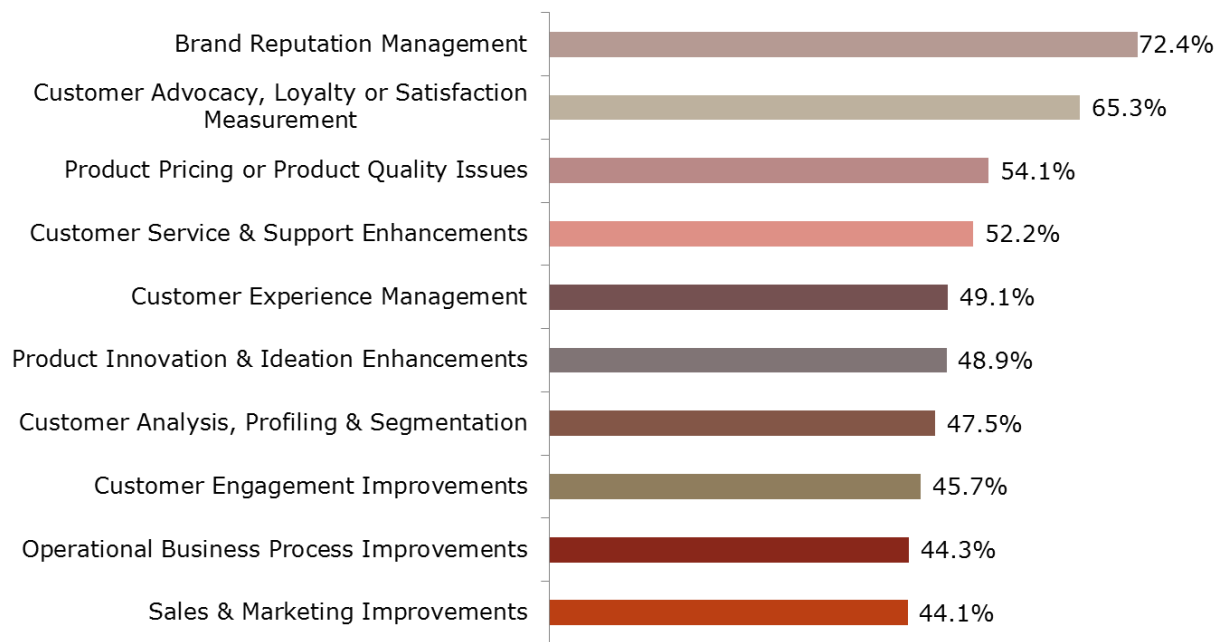
One of the many reasons companies continue to pour money into VOC software and services is the wide range of business use cases it can be applied to. Business functions such as customer service, marketing, sales, etc... are now more adept in using dashboard tools to inform their decision-making. Now that it is possible for line of business (LOB) functions to see the "why behind the BI" by leveraging contextual information (unstructured or content such as social media or user generated content versus data which is structured) along with data,

companies are eager to augment their customer intelligence initiatives. According to our findings, companies primarily invest in VOC software and services for these reasons which fall into five major categories:

- Corporate Brand Reputation Management
- Customer Management
- Product Pricing, Quality and Innovation
- Operational Business Process Improvements
- Sales & Marketing Enrichment

Bottom-line: It is all about customers and revenues—because without customers—there are no revenues.

Figure 14: Enterprises Use VOC Tools to Improve Customer-Facing Business Processes*



*Multi-response answers—will not equal 100%

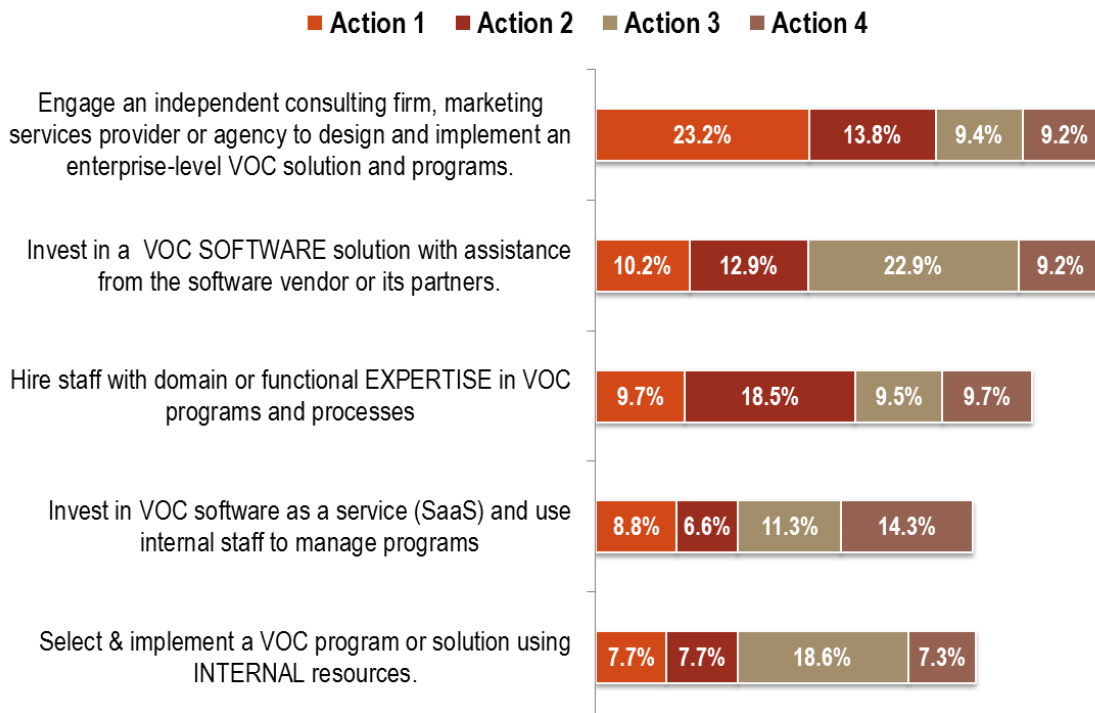
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Effective VOC Benefits From Consultative Services & Process Expertise

For the last three years, our research continues to demonstrate that software vendors that offer consultative professional services such as design and configuration of best practice business processes mapped to realistic performance metrics aligned with specific corporate objectives are in a position to provide higher value to end-users as well as to themselves. Benefits to providers of software plus consultative services accrue in the form of:

- Direct customer feedback on products and services—what is working well and why?
- Hands-on experience resolving business process mapping and configuration of rules, alerts or escalations
- A deeper understanding of pain points, challenges and resolutions experienced by various functions—as well as insight into which performance metrics need to be tracked or measured at each stage of customer engagement
- Domain and sector expertise gained during the engagement

Figure 15: Top Actions Planned¹³ to Circumvent VOC Challenges



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¹³ Multi-response answers—will not equal 100%

As the top action, (23.2%) of respondents plan to source expertise externally in order to get their VOC programs up and running and/or to augment or refine current programs followed by (18.5%) who cited hiring staff with domain or functional expertise combined with starting a pilot program (17.1%) with a software vendor before expanding investment across the enterprise. Investing in a VOC solution (22.9%) with assistance from the software vendor's services team or its partner network or selecting and implementing a software solution using internal resources (18.6%) came in third among the actions planned.

In assessing these responses through a different lens—via an aggregated perspective¹⁴, we noticed that organizations are nearly equally split in their plans to utilize external expertise (55.6%) from a consultancy versus engaging directly with a software vendor and its partners (55.2%) for designing and deploying VOC programs. Software vendors that supply consulting and advisory in addition to integration and deployment services are better positioned to provide their customers with effective VOC programs. Presented with eight potential answers to the question—“What are the top **three actions** planned to circumvent challenges?”—enterprises shared that:

- 55.6% plan to engage an independent consulting firm, marketing services provider or agency to design and implement an enterprise-level VOC solution and programs.
- 55.2% will invest in a software solution with assistance from the software vendor or its partners.
- 47.4% will hire staff with domain or functional expertise.
- 45.8% plan to invest in VOC software and services (SaaS) from a software provider.
- 42.4% will continue to let each department or division decide its own VOC strategy.
- 41.3% plan to select & implement a VOC program or solution using internal resources.
- 41.0% will invest in VOC software as a service (SaaS) and use internal staff to manage programs.
- Only 37.8% plan to start a pilot with a VOC software vendor before expanding investments across the enterprise.

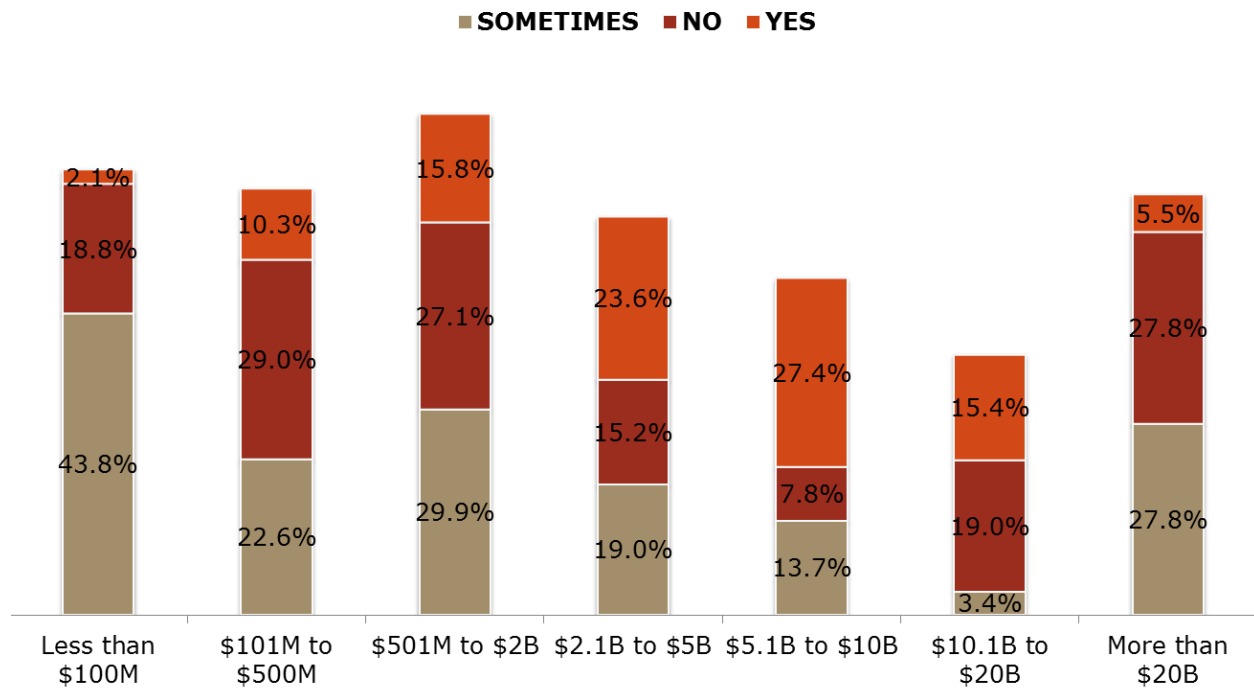
What does this mean for end-users of VOC solutions? Similar to gloves, hats and pantyhose, one size does NOT fit all. Organizations will likely continue to take a hybrid approach in addressing their challenges.

Company Size and VOC Maturity: Bigger is Not Always Better

Organizations' ability to effectively measure return on investment vary considerably by company size, industry, and geography.¹ Our research illustrates that both mid-market (\$101M-\$2b) and the largest enterprises (>\$20b) do not always measure the effectiveness of their programs. For those organizations that do implement enterprise VOC programs, length of usage does not always correlate to higher performance or return on investments. Maturity, clear business goals and functional accountability coupled with the ability to take action on insights result in higher performance (measured via key metrics) and return on investment (measured via cost reductions, productivity improvements, customer retention and other key metrics tracked).

¹⁴ Multi-response answers—will not equal 100%

Figure 16: Ability to Measure Return on Investment for VOC Programs by Co. Size



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Chapter Three: Current Vendor Landscape

Key Findings

- A fragmented vendor landscape confuses and challenges organizations that seek VOC solutions;
- Platform solutions outperform point solutions by integrating content from multiple channels: both interactional and transactional;
- Integration with CRM and ERP information still a challenge for many organizations and software vendors would do well to address this bottleneck.

H

ypatia Research Group defines voice of the customer as the process of capturing a customer's expectations, preferences, opinions, and aversions. Ideally, Voice of the Customer analysis produces a detailed set of customer wants and needs that is prioritized by business intent, company objectives and/or strategic goals and encompasses both qualitative and quantitative research and feedback processes.

Moreover, VOC is also a process of gathering customer information from multiple touch-points, channels, and vehicles that employ various methodologies. These range from individual interviews and focus groups through survey and analysis to even psychographic or ethnographic techniques. Whether the methodology utilizes phone/IVR, online, written, face to face, mobile device, behavioral and transactional analysis or observational techniques, convergence occurs when all of these customer voices are extracted, organized, standardized into a usable taxonomy or hierarchy and then analyzed to create actionable customer insight. Sounds complicated? It is.

Bottom-line: Voice of the Customer solutions are much more than a means of measuring Net Promoter Scores (NPS).

Evaluate Platform Solutions and Point Solution Integration Levels

Many of the VOC products often look similar at first glance at a features list. But the depth and breadth of the features may vary markedly, as will other potentially critical areas like the range of integration adapters available. For example, the integration abilities of different VOC systems vary greatly. Ideally, they should be able to capture, manage, normalize, and standardize all types of structured information (data) and unstructured information (content) with customer systems and applications such as CRM, call center, sales, social network, mobile device, and digital marketing via ready-made adapters. However, not every VOC vendor has specific adapters and often relies on integration via Web services or open APIs to enable customers to do their own integrations. That puts the burden on customers to either hire an outside integration firm, pay extra for the vendor to help, or climb the learning curve and do the work in-house. Any of those options will add either time, money, or both to the project.

Check for Consulting Services and Technology Partnerships

Speaking of integration, it also is worth looking at whether any of the important functionality – especially functionality that is critical to the organization's implementation – is provided by integration with a third party vendor when it is billed in the marketing literature as being part of the VOC solution. While it's good to have

integration API's or connectors to third-party product(s) for a more robust solution, customers need to know when that integration involves a critical piece of functionality and how seamless it really is in practice. In the case of SAP, they partnered with NetBase to resell its Enterprise Social Intelligence Platform solutions as the SAP® Social Media Analytics application by NetBase and recently terminated this relationship. Verint has its own text analytics capabilities, but also OEM's from Clarabridge as does Walker Information. Salesforce.com partners with several text analytics providers such as OpenAmplify, Clarabridge, and EpiAnalytics—which of these is part of the solution your organization is evaluating?

Moreover, organizations should know which vendor developed the technology, is accountable for licensing, upgrades or maintenance, and who will provide professional services such as training, knowledge transfer or integration services.

A technology partnership often works fine – even providing access to best of breed components – as long as the integration is:

- Really seamless (smooth from a business user perspective)
- The vendor isn't charging extra for a feature billed as part of the suite
- The partnership remains intact for the life of the license and/or implementation

However, vendors that provide an enterprise approach, either through a platform or via tight integration with partners, scored higher in our data-driven Galaxy evaluations than point solution providers. With more than 23% of global companies challenged (highest priority) in justifying the expense via return on investment results, vendors would do well to address the requirements of multiple business functions within the enterprise. In short, provide a scalable solution that addresses numerous functional requirements so that companies are not tempted to take a siloed approach to VOC initiatives

Hypatia's Galaxy™: 2014 Evaluations for Enterprise Voice of the Customer Solutions

Ten dimensional criteria comprised the scoring for Hypatia's Galaxy™ rankings and our overall assessment of these software providers. Each vendor was scored with range of offering, corporate product/service roadmap and vision charted on the X axis while maturity, execution strength, global reach, and number of customers were charted on the Y axis. Weighted modeling ensures that only 10% of top scoring vendors would place as Galaxy Leaders, while the next 50-60% is categorized as Satellite Contenders and the bottom 20-30% place as Nebulae Competitors. As a result, there is often less than one percentage point separating Galaxy leaders from each other and only three percentage points separating the top Satellite vendors from those in the Galaxy. We recommend that organizations shortlist all Galaxy Leaders and evaluate Satellite vendors carefully for consideration before making a final selection.

In the Galaxy chart below, planet size illustrates estimated company revenues for VOC offerings from a relational perspective. For example, IBM sells many different enterprise software and hardware products, but only approximate sales from its offerings in enterprise voice of the customer software were factored into revenue size. Other aspects of the companies and their products were derived from end-user interviews, product demonstrations and vendor briefings. In total, twenty-three software vendors were evaluated by Hypatia Research Group (HRG).

Hypatia also evaluated companies on 10 categories of functionality. Overall Galaxy leaders and Satellite Competitors scored well in most categories relating to the criteria listed below. However Galaxy leaders evidenced greater capabilities for converting information to actionable insight via text analytics, relationship visualization & correlation, [also known as root cause analysis], configurability and customization of business rules & workflow.

(A separate companion study scheduled for publication in October 2014 entitled “**A Practitioners' Guide to Enterprise Voice of the Customer Vendors: Product Capability Matrix™ & Best Practices for Operationalizing Insights**” evaluates vendors differently than the Galaxy studies by focusing primarily on VOC software strategy and functionality.)

Galaxy Leaders

Top vendors evidenced the most comprehensive offerings, exhibited a roadmap with innovative new product or feature releases, a clearly defined product methodology and vision for VOC services inclusive of strategic, operational and technical services, as well as integration partners. This integration is critical for many, but not all vendors in order to take action on VOC intelligence through complimentary enabling technologies such as customer interaction and relationship management, or marketing automation. Overall, Galaxy leaders were more likely to:

- Have offered VOC functionality, tools or solutions for 5+ years
- Offer more sophisticated analytics that provides actionable intelligence rather than merely trending statistics for guidance
- Exhibit a customer base in multiple industry verticals and/or geographies
- Present a strong product vision, roadmap, and product development methodology
- Supply professional consulting and integration services to assist customers with customization or configuration of KPI's, metrics, workflows, alerts, best practice expertise and knowledge transfer in support of business objectives and/or corporate goals

Satellite Competitors

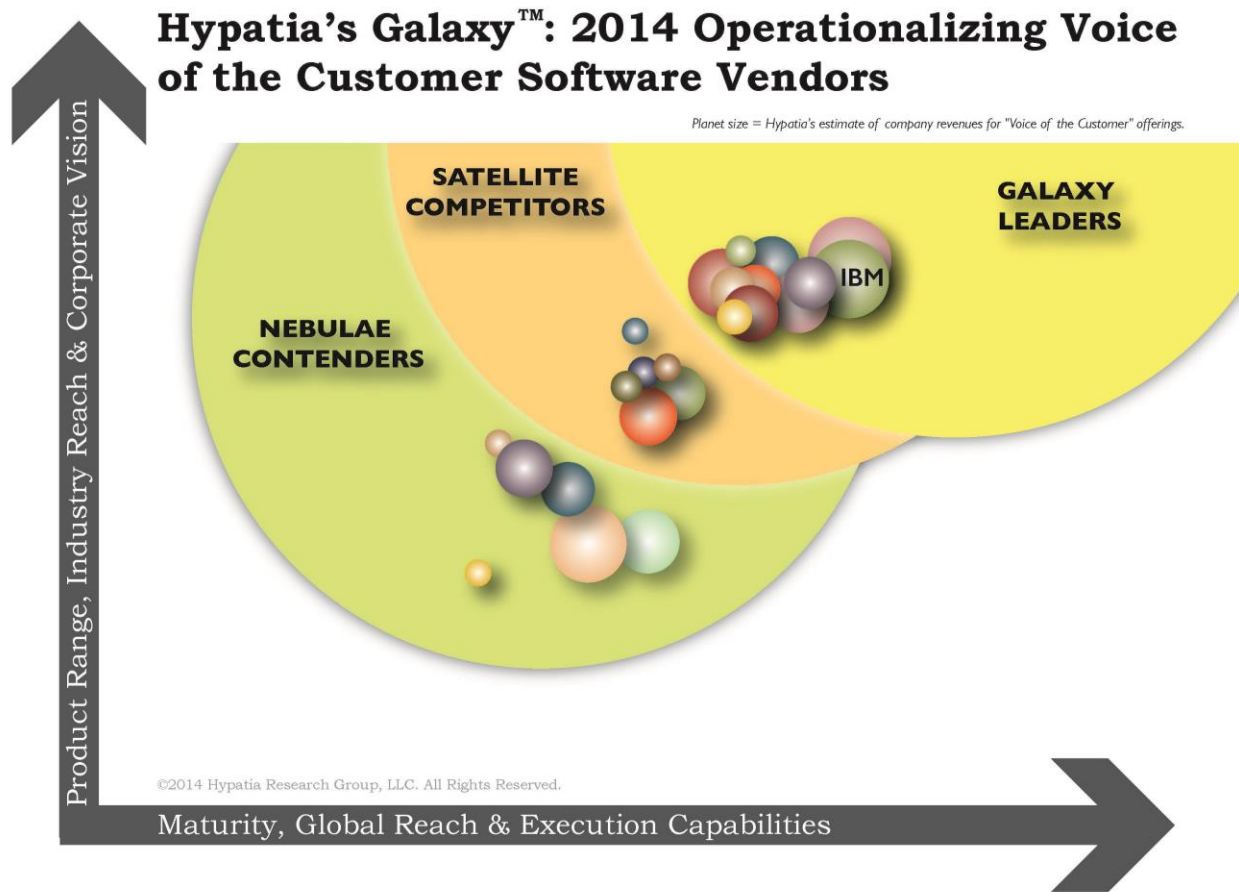
Companies that nearly missed placing in our Galaxy, landed in our Nebulae. These vendors were often quite strong in functionality, but lacked either business maturity – having smaller customer bases or fewer years in business—or global reach. In one or two cases, a company with average scores had two or three features that were exceptional. These companies should be strongly considered by customers in need of specific functionality or domain expertise. Examples of this include iPerceptions, NetReflector and OpinionLab, the latter having a partnership with IBM for the retail sector.

Nebulae Contenders

Nebulae ranked vendors had greatly varying scores in the maturity category with some who scored low in the quantitative areas such as years in business or geographic range, yet scored high in dimensions relating to corporate vision, product strategy or global reach. Aspect, ClickTools and Etuma for example, lower scores on the X axis with higher scores on the Y axis, thus Nebulae companies are well worth including on the short list of potential investments if they scored well in the key categories needed for the business initiative, be that range of features, range of services, or the strength of their customer base and geographic coverage.

Consider also that these vendors offer either a point solution with limited capabilities or have a slightly higher business risks in terms of time in business and other factors relating to maturity such as funding, leadership, or lack of a strong product roadmap or ability to execute. However, while these companies may not meet the definition of a robust VOC platform, they often excel in specific areas where customers may need extra expertise or a best of breed product with budget-friendly pricing. In other cases, the lower scoring vendor may be an open source provider who lacks sufficient number of proprietary customers or depends heavily on third-party open source products to fill gaps in the product line.

Figure 17: 2014 Galaxy Scores: Enterprise Voice of the Customer Solutions



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IBM—Galaxy Leader

For the second time, IBM has placed at the top end of Hypatia’s leadership orbit largely due to its unrivaled portfolio of software components, consultants (IBM Global Business Solutions (GBS)) and professional services team (Global Technology Solutions GTS).

IBM’s VOC offerings were developed within a framework of *capture, analyze & predict, engage and act*¹⁶ that empowers organizations to combine Omni-channel customer information with information residing in multiple legacy systems prior to converging it into insight, predict optimal next best actions and outcomes, and act upon or operationalize this consumer insight for business gain.

Core strength in predictive analytics, text analytics and data mining provide operational decision-support for an organization’s ability to act on the consumer insight created. External data such as attitudinal, behavioral, transactional and demographic are easily incorporated as part of the data capture process. Moreover, insights may be used to react and engage with consumers in near real-time; learn from repeatable behaviors, inferences related to product affinity or purchase intent (via propensity models); and refine further interactions with prospects, partners and customers.

Select solution components that support enterprise VOC encompass:

- *IBM® Tealeaf® cxConnect for Voice of Customer (VOC)*—allows customers to integrate Tealeaf’s rich customer experience dataset with any VOC application for analysis with the context of customer behavior.
- *IBM® SPSS® Data Collection*—combines a robust market research survey tool with enterprise-level multi-channel customer feedback management capabilities.
- *IBM® SPSS® Modeler*—accelerates use of predictive models to reveal customer insights that can be leveraged to make smarter decisions, solve problems and improve business results.
- *IBM® Predictive Customer Intelligence*—supports in-context, cross-channel and Omni-channel interactions and infuses predictive best practices into operational decision support.
- *IBM® Social Media Analytics*—facilitates analysis of brand sentiment, emerging topics, share and volume of “voice.”
- *IBM® Interact*—facilitates delivery of real-time offers

IBM’s portfolio of customer-facing solutions supports line-of-business functions by empowering them to be more proactive, agile and responsive to customer demands and opinions by listening, measuring and analyzing large volumes of publicly available content on the Internet.

Customers: BBVA (Financial Services), Cincinnati Zoo, and United Stationers. Industries currently licensing include consumer goods, consumer electronics, food and beverage, hospitality sports equipment, and telecommunications.

Geography: Worldwide

Website: <http://www.ibm.com>

Chapter Four: Benchmarks, Metrics and ROI

Key Findings	<ul style="list-style-type: none">• Maturing organizations identify consistent process standards that can be applied across customer lifecycles and multiple customer channels,• Advanced organizations identify a specific business application and create discrete objectives, performance metrics, information sources, internal processes and resources for use of VOC techniques prior to investment• Actionable insight should leverage multiple data points to deliver higher precision and confidence in the action recommended—which should directly link to corporate objectives• Effective organizations incentivize employees <i>appropriately</i> to foster a comprehensive customer-centric environment
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Calculating return on investment from VOC programs can be a challenging, complex and imprecise endeavor. However, measuring the results of operational business process improvements made as a result of analysis and interpretation of VOC feedback is very possible. The bigger elephant in the room typically encompasses:

- Which role or function is responsible for measuring key performance metrics?
- Which metrics are worth measuring AND most importantly for what business purpose?
- Which role takes action (corrective or initial) on actionable VOC insights?

We see a major shift in organization moving budgets and accountability for VOC programs from marketing, consumer research, and market research to the operations department. Conversely, we also see many instances where customer service and support now report to the operations rather than the marketing function—which underlines the importance of customer-centricity as an enterprise business mandate rather than just the marketing teams' responsibility.

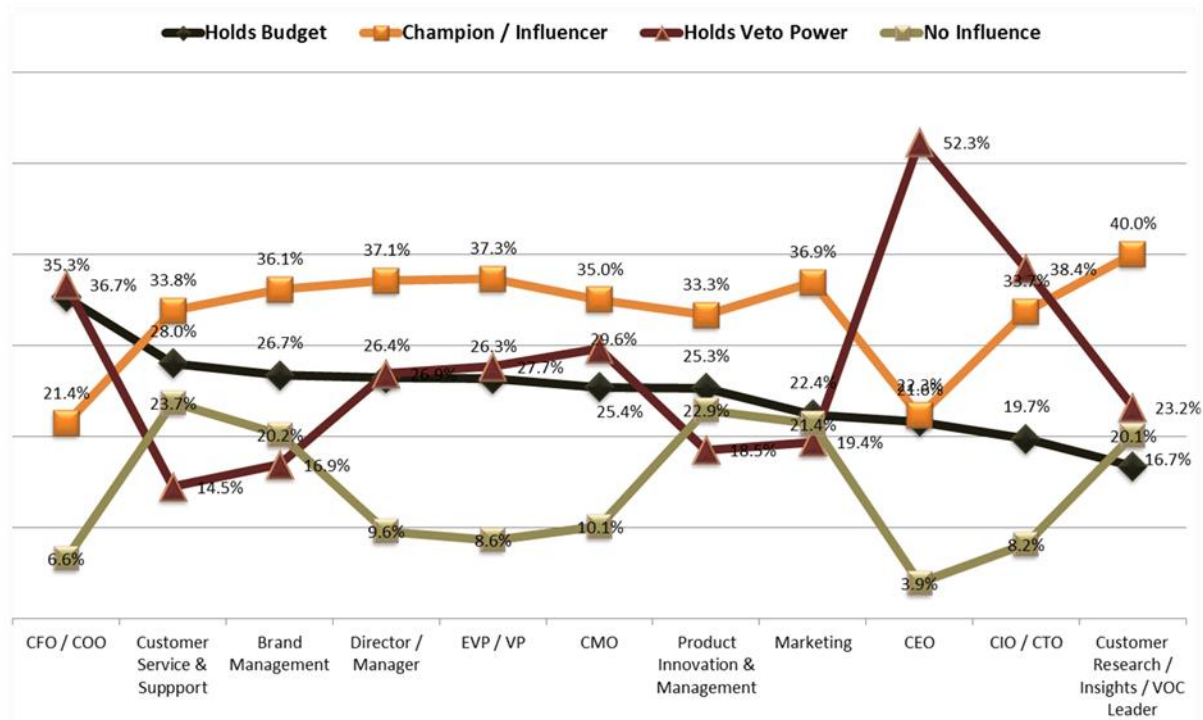
“A few stores were the control group and compared average dollar sales and conversions to the rest of stores for one year of tracking to learn what elements went into conversions and average sales by store. Now, all participating stores have access to our internal VOC solution—leadership teams from stores and district managers who have access to dashboards to view results.”

*– Jim Kaniaris, VP of Customer Experience at **Express***

Adding to this complexity, the mix of cross functional decision makers involved in VOC investment continues to evolve. In our 2011 study, we found that marketing and/or market research teams with the occasional involvement of the IT department were the primary decision makers when it came to selection and investment in

VOC solutions. Now that **enterprises** are beginning to recognize that this customer intelligence may have significant impact on business operations, there are many more stakeholders in the process.

Figure 18: Decision Makers: Champions, Influencers, Budget & Veto Holders



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In analyzing who holds budget, veto power, or influence over the selection process, our research revealed that the budget has shifted to the chief operating officer and/or chief finance officer (35.3%) —albeit with strong influence from market research (40%), marketing (36.9%), brand management (36.1%), chief marketing officer (35%), customer service and support (33.8%) and product innovation/research (33.3%) functions. Surprisingly, veto power is held by the CEO (52.3%), the CIO/CTO (38.4%) and the CFO/COO (36.7%) giving the C-suite ultimate power over the investment.

Most interesting is that those who are the ‘deciders’ or investors in VOC are not accountable for the actual results or benefits to be gained. Chief marketing officers (56.8%) and VOC program leaders (45.9%) are on the hot seat for ensuring these initiatives are effective while the CEO, COO and CIO/CTO don’t enter into the equation at all. Functions supporting and contributing on an

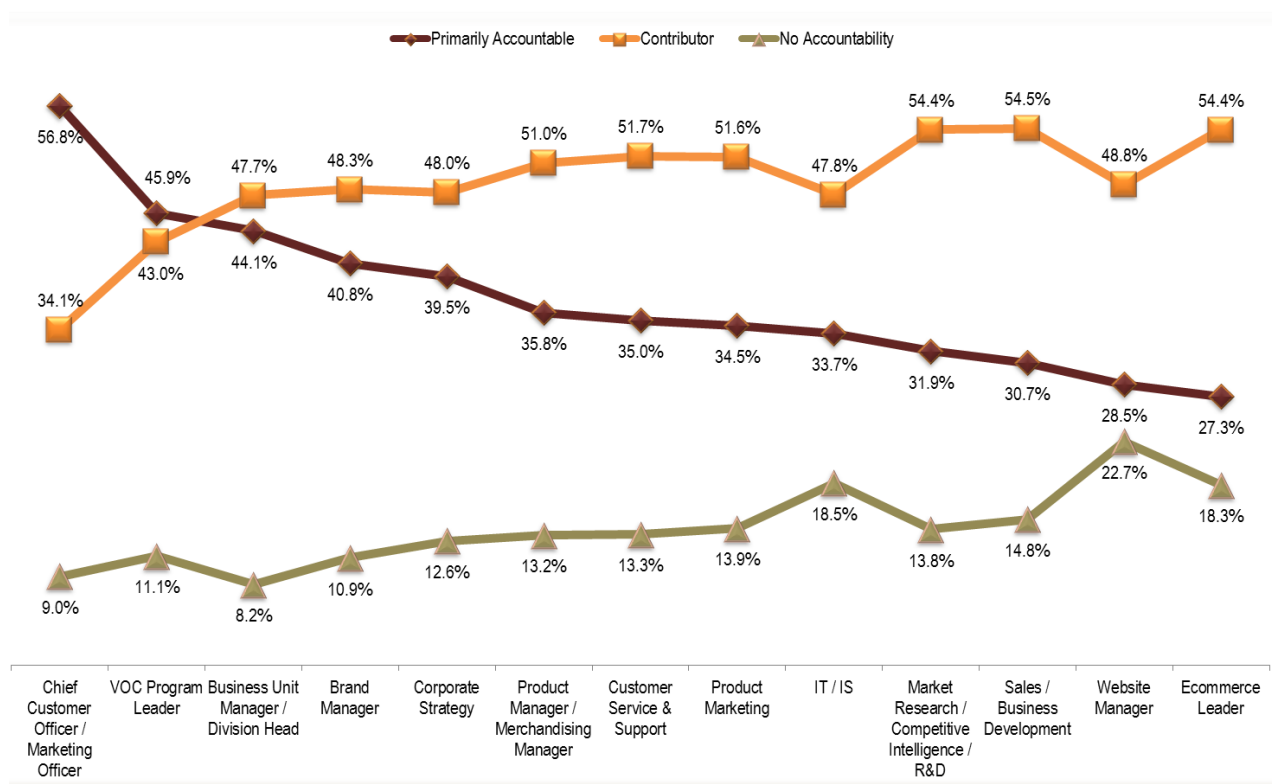
"The difference between EFM and VOC is like the difference between Physics & Engineering—static data capture versus applied insights"

Hypatia Research Group, LLC

operational level include just about everyone who touches the customer—either directly or by interaction and influence on a daily basis.

- Business development (54.5%)
- Market research (54.4%)
- eCommerce (54.4%)
- Market research or competitive intelligence roles (54%) roles
- Customer service and support (51.7%)
- Product marketing (51.6%)
- Brand managers and product marketing functions (51.9% each), and
- Ecommerce leaders (51.5%)
- Product management or merchandising (51%)
- Brand managers (48.3%)

Figure 19: Accountability for VOC Initiatives & Performance Metrics



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Finding the ROI in VOC

Relying on consultancies and advisory services is a valuable and efficient way to prove the business case for VOC investment. Political agendas, turf wars and egos aside, most internal employees have their plates full just doing their jobs—and one or two of their colleague’s jobs while they are on vacation or traveling. While there is no single metric or set of metrics that can determine the success of a VOC program, there are a number of benchmarks available for evaluating how these solutions add value to the business.

Corporate executives surveyed by Hypatia Research shared that the most important metrics for measuring the success of their enterprise VOC efforts are:

- Capture of customer information such as product likes, design suggestions, merchandising feedback
- Propensity to recommend brand, product or service: Net Promoter Score
- Customer Effort Score
- Customer Commitment or Engagement Score
- Call Resolution Time
- Customer Satisfaction Score
- Reduction in costs due to business process improvements

Figure 20: Impact on Operational Process Improvements: (%) Effective Annually

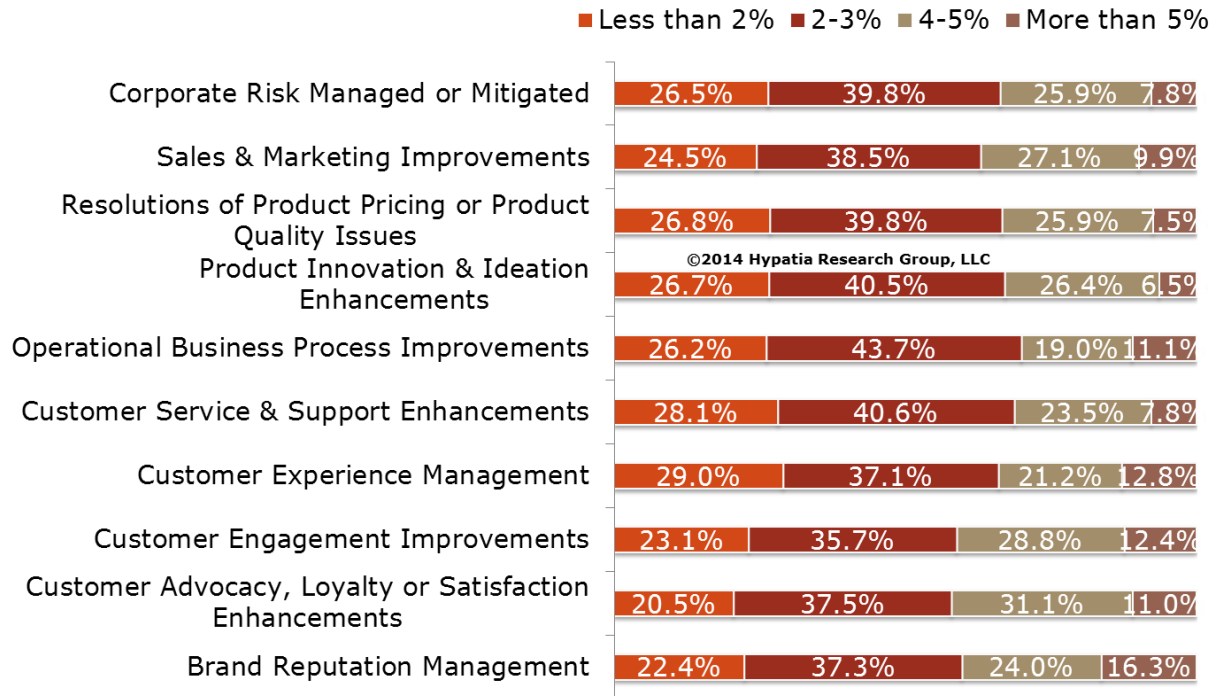


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A majority of respondents (60%+) at the manager level on up to the C-Level believe their organization is achieving an annual return on VOC investment that is between 2% and 5%. A lucky 7%-165 cited capturing more than 5%

ROI annually. Moreover, they cite that VOC programs are *effective and have high impact* on improving these operational business processes annually.

Figure 21: VOC ROI: Customer Retention via Business Process Improvements

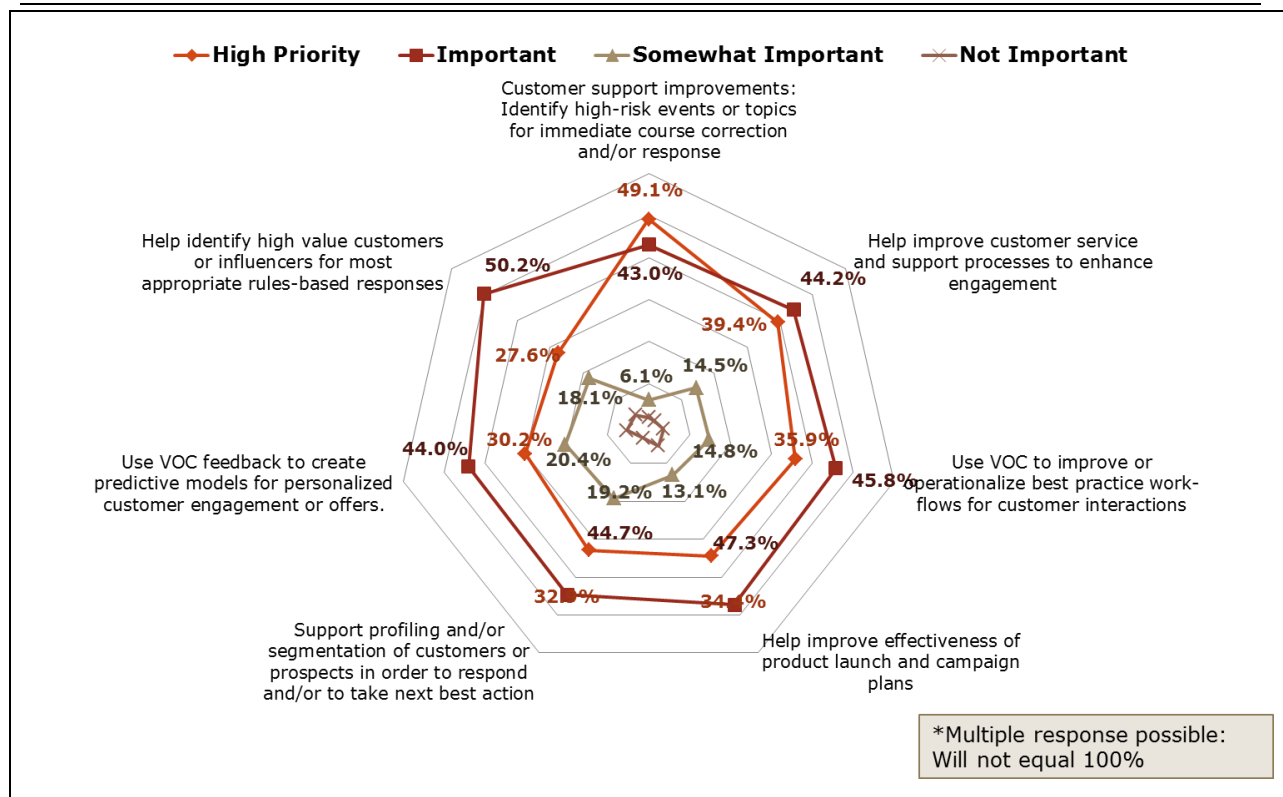


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When assessed by level of priority, (Figure 22) the scenario changes slightly, but overall, organizations priorities are aligned with their perception of effectiveness.

- 49.1% cite customer service and support improvements as high priority versus effectiveness (42.2%)
- 47.3% cite improving product launch and campaign plans as high priority versus (42.7%) effectiveness
- 39.4% cite refining customer processes to enhance customer engagement as high priority versus (38.7%) effectiveness

Figure 22: Business Process Impact: VOC Programs by Business Priority



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ROI Differs by Industry

Each sector’s benchmarks differ significantly, although variations are not split between B2C versus B2B or even B2B2C. In most cases, distinctions are the result of domain standards and expectations, operational expenses, resources, company size and/or maturity level of each industry. For availability of industry-specific studies contact HRG@HypatiaResearch.com.

ROI Tied to Maturity Level Rather than Timeframe

Among all timeframes of usage, sixteen percent of survey respondents said they were not tracking ROI from VOC. This reflects the relative newness of today’s current multi and Omni-channel customer interaction environment. However, timeframe of usage differs GREATLY from maturity level usage. The former reflects the old adage ‘practice makes perfect’, while our analysis illustrates that ROI is closely tied to effectiveness of usage as defined by maturity level.

For example, consider the initial investment cost of software licensing, deployment, integration and training. One would expect the return on investment to improve over time—if maturity levels advanced as well. However, they often do not. The reasons why ROI increases with the maturity level rather than length of usage encompass:

- VOC is an enabling technology, rather than a magic bullet; and therefore it requires time to fully implement and operationalize.
- Optimization of VOC often requires domain expertise that is either externally sourced or internally acquired after knowledge transfer, hands-on experimentation or professional development.
- VOC solutions are often deployed in phases: one department, region, or channel at a time.
- Departmental and cross-enterprise processes frequently need to be re-designed and enhanced to fully realize benefits.

“We use extensive internal data merged with survey results—which can identify impact drivers and trigger points...now we are working with our VOC solution provider on a predictive model to take proactive action on those who have not been surveyed but generated poor CSAT.”

— Brad Barker— Sr. Director, Customer Service at EMC Corporation

Best Practice Business ROI Evaluations

Hypatia briefed more than twenty vendors and even more end-user organizations while researching this study. Our research revealed that contextual information such as customer verbatim, online content and even mails between organizations and their customers are not consistently analyzed or even shared with the same roles that perform quantitative customer survey analysis. When turning customer voices into customer insights, most organizational challenges center on creating a measurable strategy combined with an operationally executable plan for leveraging VOC across customer-facing roles/functions. At an operational capabilities level this means:

- Finding the right customer signal, issue, perception or event within large volumes of contextual information, text feedback or survey data.
- Analyzing, interpreting, and disseminating critical decision-support insights to key personnel, and
- Creating appropriate business processes (manual or automated) for rapidly leveraging VOC insights.

Sky Italia: Transforming Customer Engagement with Enterprise Voice of the Customer Solutions

Founded in July of 2003 by Rupert Murdoch, Sky Italy, is acknowledged as revolutionizing media entertainment in Italian television by combining the best deal of programs and events, national and international, with innovative technologies. In fact, Sky was the first Italian television to broadcast in High Definition, to provide its subscribers with a Personal Video Recorder, MySkyHD, Sky OnDemand (an advanced on demand service), and Sky Go and to provide a wide selection of channels and on-demand content on the move, via tablets, PCs, Mac, and smartphones.

“We found that folks who subscribe with premium services are less likely to churn.”

—Susan Wakefield, Director of Customer Experience, Sky Italia

An estimated 4.73 million Italian families have chosen to subscribe to Sky which translates into a television audience of approximately 15 million viewers. This media company offers more than 170 channels and pay per view - including 62 in High Definition and one in 3D - and more than 80 audio channels and digital radio-thematic. Has given rise to new format, involving big-name entertainers and talent, and has gradually increased its commitment in the original production and investment in technological innovation.

Subscription products and services encompass:

Table 2: Sky Italia subscription products and services

Sky Products	Sky Technology
<ul style="list-style-type: none"> ▪ Sky TV ▪ Sky Family ▪ Sky Cinema ▪ Sky Sports ▪ Sky Calcio ▪ Sky Primafila ▪ Sky 3D ▪ Optional Channels 	<ul style="list-style-type: none"> ▪ My Sky ▪ Sky Multivision ▪ HD - High Definition ▪ Sky Go ▪ Sky Go live ▪ Sky On Demand ▪ Fastweb and Sky ▪ Applications ▪ SMS

On the Road to Customer Centricity

Not content to rest on its past success, the company’s CEO Andrea Zappia decided to launch a new department and appointed Susan Wakefield to head it as director of customer experience. For nearly two years, she and a cross functional team studied various performance metrics, how to best align and measure these key performance indicators in regards to quantifying customer relationships, lifetime value, preferences, potential new products or services etc...

From an organizational perspective, Sky Italia differs from many companies outside of EMEA. In fact, this fairly new customer experience team resides within the operations group and is considered part of the media company’s change management initiative in transforming Sky Italia into a customer centric organization by influencing all departments that touch the customer at various points of engagement.

For example, the customer experience (CX) team is separate from the marketing & insights functions which report into Marketing. Conversely, the CX function reports directly into Operations, and the group is divided into two teams—CX analysis & CX projects. Comprised of four fulltime analysts and support personnel, the CX Analysis team is responsible, amongst other things, for the analysis of customer verbatim and the providing of actionable insights to the business. Another of their roles is to supervise the handling of the close-the-loop calls proactively made to all heavy detractors¹⁵ and the insertion of any additional feedback into the analysis loop.

¹⁵ Reference to Net Promoter Score terminology: those who have low scores are termed detractors as opposed to influencers

Operationalizing Voice of the Customer 2014

With only two fulltime project managers assisted by an intern, the CX projects team coordinate the individual department initiatives and also work with nominated ‘journey managers’ on any improvements that impact more than one department. Project managers then provide feedback to the CX Analysts so they are able to assess the impact of the improvements as perceived by Sky Italia clients. The CX project team is also responsible for the creation and updating of all customer journey maps.

Bottom line: business owners are responsible auctioning and executing the recommended business process improvements.

Operationalizing Voice of the Customer Insights

Having determined which touch-points within the customer’s journey would be most informative for measuring customer engagement, potential for greater share of wallet, commitment or dissatisfaction with its brand or services, Sky Italia focused on these six areas—which extended across functions and departments.

- Sales to consumers: The journey from initial contact to conversion.
- Installation scheduling and completion for consumers: The process from start to finish.
- After receipt of first bill: Were services as described and billing correct and easy to understand.
- Two months after installation: Survey of six questions is sent to ascertain if service and options are clear and easily understood and if information is easy to find online.
- Inbound calls to call center and back office performance: Interaction and issue resolution were professional, timely and accurate
- Random sampling of customers to elicit input at various customer touch-points and journeys to discover any insights or issues to resolve.

To keep things simple and actionable, the primary measurements or scores utilized are:

- Net Promoter Score (NPS)
- Customer Effort Score
- Call Resolution Metrics

“You may know everything about your own business...but forget that those outside of your organization (customers) don’t have this same knowledge. We have worked and will continue to work hard to consistently improve this.”

*—Susan Wakefield,
Director of Customer Experience, Sky Italia*

Sky Italia selected SandSIV AG, a Swiss-based technology company that delivers leading edge customer intelligence and big data analytics software solutions combined with Voice of the Customer (VOC) and Customer Experience Management (CXM) consulting expertise acquired in part through the acquisition of both CustVox AG and Alliera AG.

Using the solution from SandSIV, Sky Italia is able to receive multi-source and multi-channel input from clients, analyze and categorize the information by issue and sentiment (positive, negative or neutral), and take deep dive analysis to uncover root cause or correlations among entities, issues or circumstances. Comments received are fed into the existing enterprise Customer Relationship Management (Siebel CRM), in parallel so that agents are

able to rapidly respond to issues. In addition, analysts have visibility to review and analyze comments prior to sending alerts to appropriate team members.

Becoming customer centric at Sky Italia meant that strong governance processes were required to be put in place as well as involving the Human Capital Management (HCM/HR) department or the personnel officer to insert NPS as an additional key performance indicator (KPI) in employee incentive programs. Culture changes necessitated educating the entire organization. For example, does the legal department even think about consumers when creating legal documents? Are they easy for consumers to understand? Is the language clear without multiple pages of “fine print”? Being customer centric at Sky Italia is not just the call center’s responsibility. Everyone from sales, installation to billing and marketing needed put the customer at the center of their work-day.

Lessons Learned & Results

One of Sky Italia’s major findings was that their education and information sharing processes with customers required improvement. Support for walking clients through a technology upgrade process earned them less than satisfactory feedback. For example, a significant number of customers believed that Sky Italia merely provided installation, upgrades and billing and then walking away once they signed up.

The company quickly realized that while the existing customer engagement processes make perfect sense from an internal perspective—customer perception was altogether different. It became readily apparent that customers receiving upgrade or updated instructional information for the first time were confused and not fully satisfied with the level and type of communication they received. To its credit, Sky Italia moved quickly to correct this perception by improving their communication and education materials making them more customer friendly in tone and style. Simple things such as instead of “We provide XYZ during the trial period” a more customer centric tone such as “Welcome to our trial period during which you may sample XYZ at your leisure” was used. Additionally, the CX projects team kept track of language and ensured that all definitions and words are used consistently across all touch-points.

Moreover, Hypatia recommends that companies should learn how to do journey mapping according to each enterprise’s customer priorities and key customer engagement processes, and align them with metrics that will lead to actionable insights rather than more reports or dashboards. For Sky Italia, this meant creating journey mapping and measuring the customer lifecycle according to five key journeys.

- 1) Decision—sales through conversions
- 2) Onboarding—welcoming and educational processes
- 3) Resolution—of technology or administrative problem via all channels
- 4) Evolution—upgrading technology or service packages
- 5) Re-evaluation—downgrading or customer churn

“Our education process was our biggest surprise. We realized that we were not really helping our clients understand our services as well as we could. We had forgotten that while we understood it internally, we weren’t as proficient at communicating effectively to our customers.”

—Susan Wakefield, Director of Customer Experience, Sky Italia

Developing measurable metrics or scores along with closed loop processes around these five journeys was critical in empowering Sky Italia to enhance their customer engagement processes through a fluid horizontal flow that puts the customer at the center of each and every process, interaction, communication or touch-point. Moreover, HCM involvement facilitated changes in employee payment plans so that customer-facing KPI's would be part of every employee performance review, bonus, and commission or incentive program. Customer-centricity and employee compensation packages would be intertwined.

In short, the company redesigned the business so that *vertical business processes* (i.e. in silos where sales only cares about conversions and commissions, installation doesn't care about education or about the handoff to billing, and call center agents don't care about what comes after a successful resolution of an issue handled) were effectively transformed to enterprise level, *horizontal customer-centric business processes*.

Early results of Sky Italia's enterprise VOC initiatives include:

- Substantial reduction in calls relating to confusion about first bill received
- Significantly higher rates of upselling, capturing greater share of wallet from customers who understood the service and product options more clearly.
- Additional revenue from install base customer recommendations
- Lower churn rates from customers that subscribe to premium channels

As Wakefield shared, "You may know everything about your own business...but forget that those outside of your organization (customers) don't have this same knowledge. We have worked and will continue to work hard to consistently improve this."

Firstsource: Multichannel Voice of the Customer as a Managed Service

Firstsource (NSE: FSL, BSE: 532809, Reuters: FISO.BO, Bloomberg: FSOL@IN) is a provider of customer-centric Business Process Management (BPM/BPO) solutions to the world's leading organizations – across the Telecommunications & Media, Banking & Financial services, Insurance, Healthcare and Publishing industries. Founded in 2011 originally as InfoTech Upstream Ltd, the company has focused its efforts on the development of in-depth business domain knowledge and insight that may be leveraged to convert complex business processes easy, efficient, and effective.

Utilizing a "right-shore delivery model", the company serves more than 100 global clients – from multiple delivery centers and in various languages and is supported by 31,000 global staff located in India, The Philippines, Sri Lanka, the USA, Ireland and the UK.

"Before getting into this space, take the time to learn what the output is. How many information source channels will need to be analyzed? Have a well-thought out strategy before selecting a technology vendor. Most companies can provide basic tools, but be sure to have a central team with the expertise to effectively leverage what the enabling technology supports."

–Aparajita Gupta, Vice President, Service Excellence, Firstsource

Challenges:

As the company is responsible for handling interactions across channels for its customers, it wanted to ensure agents offered high quality services across channels. After reviewing performance levels and client feedback, Firstsource received feedback that some clients' business processes were not working for a few of their valued customers. In fact this feedback came to Firstsource directly from their client's customers.

Actions Taken:

In order to find any existing process gaps, 250 distinct customer journeys—among one client each in telecommunications and financial services—were analyzed. When the results were shared, it was found that clients valued the analysis and insight provided by Firstsource—who then turned these valued added insights into opportunities to offer higher value outsourced services. Moreover, the outsourcer determined that investing in software automation would enable them to do more than doing most of their work manually while empowering them to provide significant value for additional clients.

“We are now able to produce high value reports for clients. Within ten months, our call center has now become a revenue center with an additional \$500K in revenues since commercialization of extra value services now on contract with clients.”

–Aparajita Gupta, Vice President, Service Excellence, Firstsource

Vendor Selection

The vice president of service excellence, team, and the leader of the IT department drove the selection process. Initially, ten vendors were on their due diligence list, however the finalists were comprised of NICE technologies, Nexidia, and Verint. Top selection priorities included the following:

- Omni-channel interaction capabilities
- Speech Analytics and Text Analytics functionality
- Architecture and infrastructure compatibility due to the complexity of Firstsource's internal server and configuration requirements
- Willingness to offer a customized solution such as robust analytics for offline and online interactions
- Flexible licensing of specific stand-alone solutions and/or modules desired
- Value for investment

Since all three of these vendors offered the basics, it was a close decision. Ultimately, Firstsource selected Verint and the timeframe for deployment took about five months to complete due to complexity of their internal server configuration.

Operationalizing Voice of the Customer Insights

Firstsource developed a productized voice of the customer service called First Customer Intelligence—that encompasses customer information from all customer journey channels and provides this analysis to clients. In fact, Firstsource is now partnering in clients' customer engagement strategies as a trusted advisor. Now the company is

regularly analyzing over 100 thousand interactions daily and is able to get back to clients faster with high level insights on how to improve their customer-facing business processes.

Moreover, Firstsource is now able to produce high value reports for clients. Within ten months, their call center has transformed itself into a revenue center with an additional \$500K in revenues since the commercialization of extra value voice of the customer services now on contract with clients.

Lessons Learned & Results

Before getting into this space, take the time to learn what the output is. How many information source channels will need to be analyzed? Have a well-thought out strategy before selecting a technology vendor. Most companies can provide basic tools, but be sure to have a central team with the expertise to effectively leverage what the enabling technology supports.

Results were varied based upon client industry, region, and engagement level; however a few examples of return on investment include:

- A North American Financial Services firm—was able to significantly reduce the number of agents required by uncovering a glitch and modifying an existing business process used by them.
- United Kingdom Telecommunications firm— Increased Net Promoter Score (NPS) from +10 to +17, and reduced 100 thousand calls (8% of total calls to customer support) relating to on-screen television messaging by suggesting business process improvements which involved:
 - Increasing the availability of engineers to respond promptly
 - Reducing the cost of the service call based on customer value / loyalty
 - Crediting the customer for each day without TV service
- Global Telecommunications firm—Increased online sales by between 12% to 19% by analyzing over 50 thousand online customer journeys in order to discover:
 - What products are used?
 - What works best for them?
 - Are they confused about products, services or terms of service?
 - Why are they chatting via phone with agents versus using online text chat?

Global IT Management Software & Solutions Provider: VOC Solution Migrates Back to Managed Services

A global company that creates software intended to fuel transformation for companies, from planning to development to management and security, this organization works with thousands of companies in diverse industry sectors worldwide. Current customers include 44 of the Fortune 50 and the majority of the Global Fortune 500, as well as government organizations, and educational institutions. Founded in 1976, the company has over 13,000 employees in 45 countries. This provider of IT management software and solutions prides itself on delivering value across multiple environments – mobile, private and public cloud, distributed and mainframe.

History

The company had been using SatMetrix for customer feedback (EFM) and voice of the customer (VOC) programs previously and found that some of their options limited. For example, it was hard to modify reporting or to update historical data for trending studies and it was very costly to use as a managed service. It was decided to bring their feedback and VOC, customer service and support, education and EFM survey programs in-house in order to gain greater flexibility over when, how many and what types of customer input to solicit and analyze using an internal survey team. This provider selected Confirmat and found the solution easy to update, modify, and configure especially when using it for nimble ad hoc projects such as, how to improve business processes, reduce inefficiency, and Six Sigma initiatives.

Organizationally, the VOC/EFM team was accountable for making recommendations to various lines of business teams, for example:

Software product quality issues—bubbled up in certain regions which lead the company to re-evaluate their style of testing which combined with quality assurance (QA) with agile development processes and not do lengthy Six Sigma. The goal was to deploy software rapidly without impacting the software quality. The team used customer feedback to address the need for speed while balancing agile development timeframes with minimum error levels on behalf of customers.

Customer service team training issues—were identified and resolved for a new call center designed for after-hours support.

For the initial five years of using Confirmat, the company found it integrated with nearly every software system or application data. In fact, ten systems of data fed into Confirmat on a weekly basis. Reporting was easily configurable and allowed for a seamless process for making changes—not just on autopilot and kicking out standard reports. The team was able to finesse the system according to its varied requirements.

“Previously we evaluated Confirmat, CustSat, MarketTools, SatMetrix and Vovici (acquired by Verint). We used SatMetrix and switched to Confirmat for nearly five years, but found they keep promising that things (new functionality) will be rolled out and then don’t deliver.”

– Manager, Customer Feedback

Vendor Selection

Recently the company decided to spend more time on the development of VOC programs which would lead to specific types of business insights, so they evaluated solutions with newer types of EFM/VOC services. Another catalyst for considering a move back to a managed services delivery model was that their current vendor Confirmit, kept promising to add new features and functionality—and ultimately neglected to deliver on its promises.

Additionally, Confirmit software requires that users be able to draw insights themselves which requires organizations to have skilled expertise in-house such as:

- Survey Design—ability to conceptual, design and phrase questions so that results are not skewed or unduly influenced.
- Programming and Development—ability to work with the survey software, survey respondent software or mobile devices and ensure capture of links and other relevant information.
- Business Analysts—with the ability to slice, dice and filter the data to find patterns, trends, correlations and to create relevant business insights.
- Domain expertise—in consulting, survey methodology and the-know how required to create and present a story with actionable insights and recommendations.

Since the VOC team is a shared service within this organization, a cross-functional group of decision-makers comprised of customer service and support, operations, information services, procurement and finance, assisted with input from the VOC team manager will all play a role. Interestingly, the CMO is not part of this selection committee while customer service and support which is part of the operations group *holds the budget* and works through the procurement office in finalizing the selection process.

You read correctly—the CMO does NOT hold the budget for VOC software or participate in the selection process. The enterprise operations group has taken the lead. Vendors considered this time around encompassed Vovici (now part of Verint), Medallia, MarketTools (acquired by MetrixLab), and Confirmit.

Ultimately, Medallia was selected for its domain expertise in designing VOC programs complete with closed-loop business processes and relevant performance metrics, knowledge transfer capabilities and managed services delivery model. Tangible results are expected by the end of the 2014 calendar year.

Lessons Learned

Previously, the market research group was just kicking out reports while the operations team wanted to improve processes iteratively and needed different styles of reporting that could automatically kick out alerts to the right people when appropriate. For example, interacting and engaging with clients was once owned by the customer success teams. Based on VOC insights, account teams are now responsible for proactive client engagement which translates into significantly larger deal sizes from a business process and accountability perspective.

“The market research group was just kicking out reports while the operations team wanted to improve processes iteratively and needed different styles of reporting that automatically kick out alerts to the right people.”

– Manager, Customer Feedback

Other process changes made include enterprise operational enhancements that positively impact client approval levels (measured via metrics such as NPS, Customer Effort, Customer Commitment, etc...) as well as revenue figures associated with higher scores. These operational business processes encompass issues such as:

- How customer requests and inquiries are addressed in customer service and support interactions.
- Is product development aligned with customer expectations for costs, functionality and delivery timeframe?
- What product features and functionality should be added to customers' original project scope to ensure delight and success?
- Should internal and external communications be realigned to improve collaboration, productivity and expectations and if so, how?
- What sales opportunities are emerging from voice of the customer feedback?

Bottom line: Most solutions providers, such as those that ranked within Hypatia's Galaxy evaluations address these challenges by supporting organizations that seek to proactively utilize comprehensive customer insight. Advanced and visionary VOC practitioners have found that providing employee incentives for appropriately applying customer intelligence created from VOC initiatives works wonders. Customers gain a better experience, the employee is compensated for aligning her/his actions with corporate objectives and of course the company benefits from both a short and long-term perspective.

Chapter Five: Conclusions & Vendor Checklist

Key Findings

- VOC is a business use case for Big Data Insights and can impact a variety of business initiatives—prioritization and selection is critical prior to investment.
- Establishing metrics that align correctly with desired outcomes is difficult for most organizations.
- Multiple products, brands, channels, regions and markets increase business process workflow challenges.
- Vendors able to provide best practice services, knowledge transfer and consulting for VOC will continue to make inroads at a higher pace than vendors that provide software alone.
- There will be continued demand for point products and integration tools to augment legacy systems and/or integrate with other customer interaction technologies—CRM, Call Center, Digital Marketing, eCommerce, etc...



Our assessment is that vendors able to provide best practice services, knowledge transfer and consulting for VOC will continue to make inroads at a higher pace than vendors that provide software alone. Organizations should carefully evaluate not just the technology, but which providers are able to partner with them so that a tangible return on investment is realized within the first 2 years...or earlier if possible.

Companies that already have or are now planning their VOC investments will expect their vendors to combine customer information from all channels both external (online, third-party, mobile, etc..) and internal. These sources include legacy software applications such as digital marketing automation, eCommerce, Customer Relationship Management, (especially customer interaction management and customer service & support along with sales, marketing functionality) business intelligence, financial, and operational applications. While some vendors have a good range of adapters, a few have only a several connectors and/or rely on an open or Web architecture to enable customers to handle all of their business process workflow configuration and their integration requirements in-house.

Hypatia's Assessments

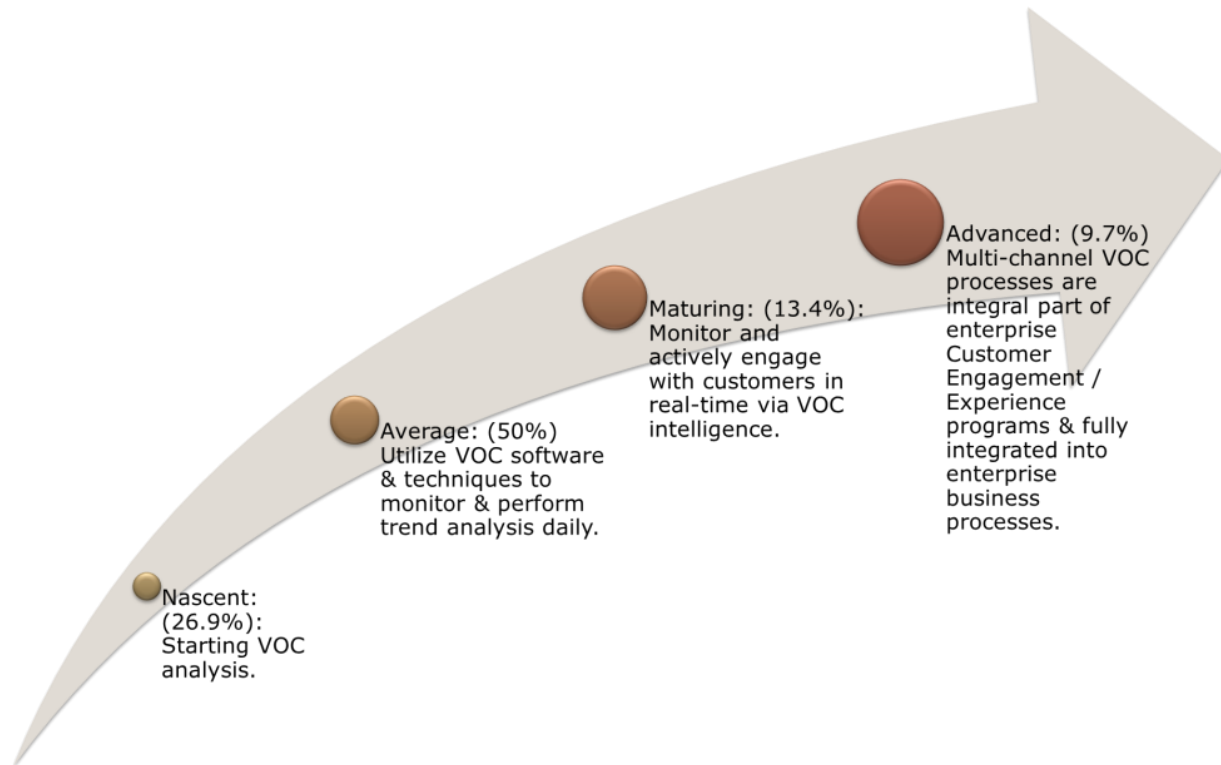
When it comes to creating a closed-loop strategy that identifies clear business objectives, operational processes with performance metrics and executable plans that leverage comprehensive customer intelligence, most organizations are grappling with how to optimize outcomes.

Currently, one-half of organizations (50%) surveyed are at an average maturity level for operationalization of VOC insight while slightly more than one quarter (26.9%) are just beginning their journey. Progress has been made by the 23.1% categorized as either maturing or advanced which is a significant gain since our last benchmark report. Companies are eager to exploit the rich insight inherent in VOC for operational improvements that will provide multiple benefits. However, our assessment is it will take time for organizations to fully process what is feasible in regards to capturing, managing, analyzing and above all, creating Omni-channel voice of the customer intelligence.

In creating our maturity model, benchmarks and best practices, we found a wide range of procedures, organizational structures, methodologies and techniques in use among the 500 companies interviewed and surveyed. Nonetheless, we identified four main maturity categories that fit a majority of organizations.

- Level One: Nascent VOC Processes
- Level Two: Average / Limited VOC Processes
- Level Three: Maturing / Operational VOC Processes
- Level Four: Advanced / Visionary VOC Processes

Figure 23: Enterprise Voice of the Customer Maturity Model



Source: ©2014 Hypatia Research Group, LLC. All Rights Reserved

Corporate executives surveyed by Hypatia Research shared that the most important metrics for measuring the success of their enterprise VOC efforts are:

- Capture of customer information such as product likes, design suggestions, merchandising feedback
- Propensity to recommend brand, product or service: Net Promoter Score
- Customer Effort Score
- Customer Commitment or Engagement Score
- Call Resolution Time
- Customer Satisfaction Score

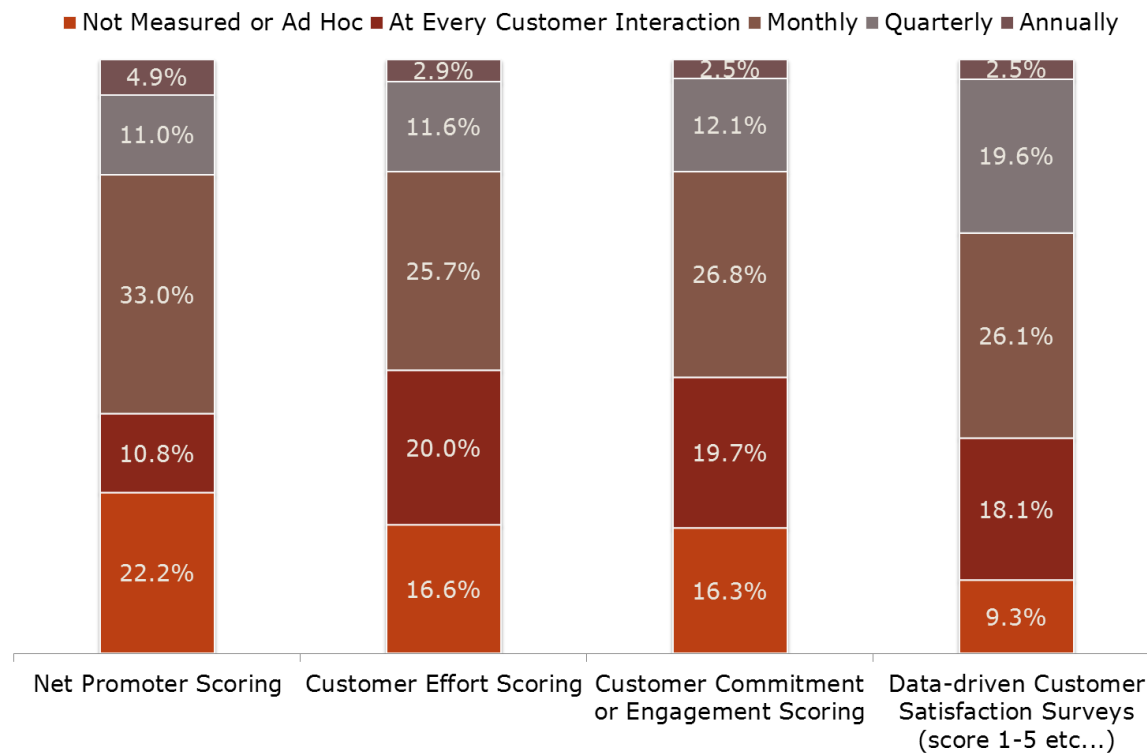
- Reduction in costs due to business process improvements

Although NPS scores¹⁶ receive a lot of coverage in media and many vendors support this metric, our point of view is that “likelihood to recommend” is not a scientifically valid indicator of the influence held by the recommender.

Bottom-line: NPS scores do not influence, predict nor guarantee growth based on an influencer’s network.

However, it may be an indicator of a consumer’s likelihood to purchase again.

Figure 24: Timeframe of VOC KPIs Distribution to Stakeholders



Source: ©2014 Hypatia Research Group, LLC. All Rights Reserved

However, as discussed in chapter four—these are benchmarks of current usage and not recommendations for taking action. Each organization will need to determine which KPIs to track and how often results should be distributed to stakeholders in order to align with over-arching corporate goals such as:

- Top line growth
- Operational cost reductions
- Organizational productivity
- Customer acquisition and/or retention rates
- Employee performance and productivity levels

¹⁶ "Net Promoter Score" is a customer loyalty metric developed by (and a registered trademark of) Fred Reichheld, Bain & Company, and Satmetrix. It serves as an alternative to traditional customer satisfaction research and claims to be correlated with revenue growth.

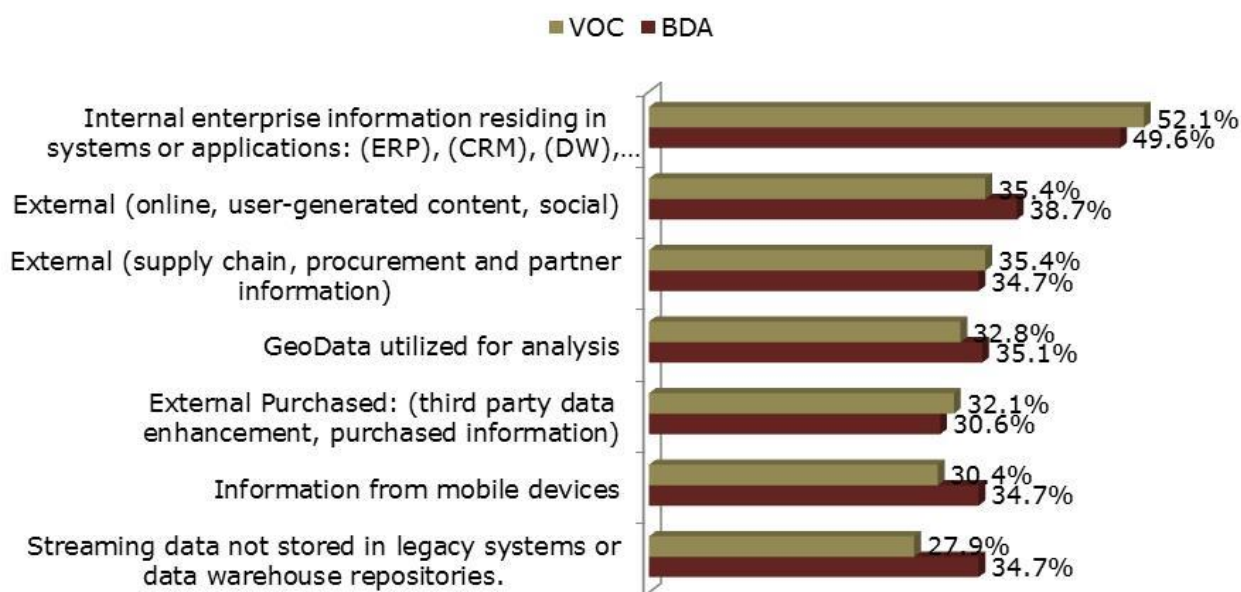
VOC is a Business Use Case for Big Data Insights

In a previous study of the Fortune 500¹⁷, “*Delivering Big Data Analytics Insights: Why Choose Between Accuracy, Agility or Speed to Insight*”, we found that organizations prioritize their investment by the following business initiatives¹⁸. Not surprisingly—all relating to revenues, customers and products:

- Increase top line growth via accurate, real-time decision support (49.9%)
- Increase sales & marketing effectiveness (40.9%)
- Refine corporate strategy decision making process via data-driven insights (40.5%)
- Product innovation, ideation and design enhancement initiatives (32.5%)
- Proactively uncover potential issue, makes course corrections and resolve customer complaints to better manage enterprise risk (29.8%)

Based on our comprehensive analysis of 1000+ organizations, our assessment is that enterprise VOC should be viewed as a subset or business application of big data analytics (BDA). A comparison of the data sources utilized for both BDA and VOC are very similar in usage percentages—which serves to support our assessment.

Figure 25: Comparison of Information Sources Utilized: Big Data Insights and VOC*



*Multiple responses possible: Will not = 100%

Source: ©2014 Hypatia Research Group, LLC. All Rights Reserved

¹⁷ Companies with greater than \$4.5 billion in revenues

¹⁸ Multiple responses possible: Will not = 100%

Due Diligence: Kick the Tires

Hypatia briefed more than twenty vendors and even more end-user organizations while researching this study. Regardless of which VOC vendor(s) a company considers, thoroughly understand its software capabilities; consulting services and/or training offered, its terms of service; and its underlying infrastructure. We urge potential purchasers to evaluate vendors against enterprise-level business requirements.

Vendors that already have enabling VOC technologies in use by current customers should also be willing to provide multiple references for your specific industry, function or role-based application and similar volume and velocity of daily data.

While B2C sectors gain the clearest VOC benefit, the fact remains that most companies, regardless of its industry, have a sales cycle and concerns about customer onboarding, retention, product or service quality, customer satisfaction or loyalty and profitability.

Structured VOC programs provides companies the

opportunity to track their progress, using key performance indicators, with baselines and milestones in a way that may not have been possible in the past. Ultimately, the brass ring is for organizations to turn transform these customer insights into repeatable business processes-- either manual or automated—designed to address customer issues rapidly. Tangible benefits captured from among the 500 companies researched included:

- Enhanced customer engagement or experience levels
- Reduction in customer churn rates
- Increase in customer retention or satisfaction levels
- Decrease in product or service quality complaints
- Better customer service via first call resolution
- Higher employee productivity
- Expansion of product innovation opportunities
- Improved brand reputation

Although there may be challenges on a micro-level to choosing a VOC vendor(s), we believe that the vendor landscape currently represents a strong opportunity for companies of any size. The number of VOC solution providers is quite large and this study focuses primarily on software solutions, software with consulting services, managed services and/or SaaS companies. Some target low-end capabilities with trial versions, others offer capture of text and/or data from multiple sources, analytics and reporting capabilities. In today's software landscape, even small businesses can start conducting customer trend and pattern analysis in order to improve its sales, customer satisfaction, product quality, employee productivity or its profitability levels.

More importantly, a previous barrier to entry for most companies —expertise, cost and time of deployment — is alleviated by software + services, on demand subscription or managed services delivery options. These include easy and flexible set-up from multiple data sources. To be sure, companies should work toward using more consistent taxonomies within their company (that is, referring to specific items in a consistent way) in order to take the most advantage of VOC initiatives. But such a concerted effort offers a clear payoff in terms of customer insight quality.

"The right KPIs and metrics utilized within a closed-loop business process are necessary to understanding what kind of value voice of the customer programs contribute to your business."

—Hypatia Research Group

Operationalizing Voice of the Customer 2014

Ultimately, Hypatia believes that customers will continue to select VOC solutions and services as an effective method for capturing, managing, analyzing and applying key customer insights that have the potential to enhance both business operations as well as the quality of customer engagements.

As with most enabling technology usage—the people, business processes, and metrics utilized are often equal to or more important than the software itself. For advisory services or assistance with vendor selection, requirements gathering or business process mapping, contact Research@HypatiaResearch.com.

About the Author

Leslie Ament, Senior Vice President and Principal Analyst at Hypatia Research Group is a Customer Intelligence Management thought-leader and industry analyst who focuses on the business value of technology in regards to how organizations capture, manage, analyze and apply actionable customer insight to improve customer management techniques, reduce operating expenses and to accelerate corporate growth. Her research & advisory services include: Customer Analytics & Interaction, Advanced Analytics, Business Intelligence and Big Data Analytics, Social Media Intelligence/Text Analytics, CRM, Digital Marketing Automation, Customer Data Management/Data Quality and Governance, Risk & Compliance.

Previously, Ament served on management teams and lead global marketing and market research groups at Demantra, Inc. (acquired by Oracle), Arthur D. Little Management Consulting, Harte-Hanks, Banta Corporation, International Thomson Publishing (Chapman & Hall, UK) and Carnegie Hall, Inc. She is a member of the American Marketing Association, Society for Competitive Intelligence Professionals, Customer Relationship Management Association, DataShaping Certified Analytic Professional, Arthur D. Little Alumni Association, Software Industry Information Association and a Board Member of the Product Management Association.

She frequently shares expertise on webinars and at conferences such as: CRM Evolution, IBM Information on Demand, SAP Sapphire, and the American Marketing Association, and is published on SandHill.com, destinationCRM, and hosts the Customer Analytics & Insights Channel on the B-Eye-Network. Ament also serves on the Editorial Board of the Journal of Applied Marketing Analytics, a practitioner focused publication.

Recent keynotes presented to the Marketing and Technology Summit hosted by Direct Marketing News and to Product Camp, hosted by the Product Management Association have included “How CRM, Big Data, and Multichannel Customer Engagement Enhances Profitability” and “Marketing, Big Data, and the Customer Experience” Ament also performed business requirements gathering, business process mapping and implementation of numerous CRM deployments and data migration projects prior to becoming an industry analyst.

Ament has authored highly pragmatic yet forward thinking primary research studies, exemplified by “Operationalizing Voice of the Customer: Benchmarks & Maturity Models”, “Decision Science & Customer Analysis: Competitive Advantage or Necessary to Compete”, “The Precision Marketing Imperative”, “Customer Data Management: Attaining Tangible ROI”, “CRM is Not Pantyhose: One Size Doesn’t Fit All”, “Sales Productivity Tools: Closing the CRM Gap” “Collaborative Planning, Forecasting & Replenishment as a Service: Evaluation Guide” & “Business Intelligence: Connectivity & Licensing Options for Software-as-a-Service

Ament completed her doctorate Phi Kappa Phi at the University of Illinois, Urbana Champaign and her Master's and Bachelor's degrees at Indiana University-Bloomington. Her passions are international travel, spicy food, classical music, jazz, and Chicago-style rhythm & blues. Contact her at LAR@HypatiaResearch.com.

Appendix A: Research Methodology

Hypatia Research surveyed 1100 global VOC practitioners and executives directly involved with enterprise voice of the customer processes, software usage and selection criteria. Only the 500 respondents that actually utilize, recommend, influence, hold budget or veto power over the purchase of enterprise VOC software were utilized in our analysis of how, why or when organizations:

- Invest in VOC software solutions—and how much is budgeted through 2016.
- Measure productivity and effectiveness of VOC initiatives and how often.
- Prioritize specific VOC initiatives against software selection criteria.
- Commit a percentage of company revenues to VOC program investment.
- Expect a return on investment (ROI).
- Evaluate and ultimately select VOC vendors or consulting firms.
- Which market pressures and internal challenges serve as catalysts for investment?
- Which roles or functions have access to VOC dashboards, the ability to visualize insights, or the responsibility to create VOC insights?

Our research also explored:

- What opportunities exist for vendors that seek to enter this market space?
- How do companies structure and organize for VOC processes and what external resources are utilized for VOC initiatives?
- What types of service providers and software vendors have comprehensive offerings comprised of VOC platform and/or services?
- Which company roles or functions are most accountable for VOC benefits realized?
- Which performance metrics are indicative of tangible return on investment versus which are most often measured?

Our due diligence also included 1) vendor briefings, 2) product demonstrations and 3) customer reference interviews. In certain cases, customer references and product demonstrations were obtained without vendor involvement through our professional network.

MARKET Research Approach

Hypatia Research applies a hybrid methodology [quantitative & qualitative] that evaluates the Market-drivers, Actions, Responses, Knowledge, Enablers, and Technology enablers (MARKET) that influence corporate behavior in specific business environments. These terms are defined as follows:

- ✓ **Market Pressures** — external forces that impact an organization’s market position, competitiveness, or business operations.
- ✓ **Actions** — the strategic approaches that an organization plans in response to industry pressures.
- ✓ **Responses**—how organizations invest and overcome business challenges.
- ✓ **Knowledge & Expertise**—competencies, skills and processes required to execute on corporate strategy.
- ✓ **Enabling Technology**— the key functionality of technology solutions required to support the organization’s enabling business practices.

¹ For further information on VOC research by industry, geography, company size or job function, contact HRG@HypatiaResearch.com.)