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Temkin Group Insight Report

The Future of Customer Experience Insights

Five Trends That Will Redefine the Role and Value of Customer Feedback and Insights

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When experience matters

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Executive Summary

Although most organizations describe their voice of the customer program as a success, we've found that companies do not get nearly the value they should out of these efforts. VoC programs currently suffer from bloated surveys, isolated datasets, and outdated technology. Our research into leading practices uncovered five trends that will redefine how customer insights teams operate: 1) Deep empathy, not stacks of metrics, 2) Continuous insights, not periodic studies, 3) Customer journeys, not isolated interactions, 4) Useful prescriptions, not past descriptions, and 5) Enterprise intelligence, not customer feedback. As companies embrace these new capabilities, insights teams will need to build new skills. The report includes a readiness checklist for companies to assess their current customer insights efforts.

Customer Insights Need an Overhaul

In the recent Temkin Group report, *State of Voice of the Customer (VoC) Programs, 2014*, we found that companies reporting positive business results from their VoC programs outnumber those reporting poor results by more than nine to one.[1] While most companies do gain value from these programs, we've seen a disturbing lack of advancement in their efforts. As a matter of fact, the percentage of companies in the top two levels of VoC maturity has actually dropped since last year (see Figure 1).

What's going on? Because almost any type of customer insights activity can deliver positive value, there's often little incentive for dramatic change. But this shouldn't make most companies happy; they could be gaining significantly more value from these efforts. Compared with leading-edge programs, too many customer insights efforts suffer from:

- **Bloated surveys.** Companies fall into the trap of trying to answer every potential question from every customer who answers a survey. The result? Overly long surveys. And this problem continues to worsen, as many people across an organization feel empowered to create new questions, while very few have the discipline to eliminate unnecessary ones.
- **Isolated datasets.** Companies tend to do analyses on individual data sources, like surveys and transactional data. This approach provides a very narrow understanding of customers, which limits the value of the resulting insights.
- **Generic insights.** The reliance on statistical analysis requires large datasets and meaningful variances in the data. Generally, these types of findings are limited to a few key observations and tailored for an executive audience. As a result, a myriad of "less significant" insights that might help people across the company make better decisions every day are hopelessly lost.
- **Inflexible processes.** Customer insights efforts often raise more questions than they answer. (As they should, because deep learning often requires an iterative approach.) However, insights efforts are often setup as fixed projects with no bandwidth reserved for the ongoing answering of new questions.

[1] See the Temkin Group Report, "State of VoC Programs, 2014" (October 2014).

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- **Outdated technology.** Doing analysis in SPSS and delivering the insights in PowerPoint may have been the state-of-the-art technologies 10 years ago, but now this approach is too slow and unproductive. Companies need to tap into new capabilities—such as Customer Insight and Action platforms—that deliver tailored insights to people in different roles across the organization.[2]

Five Trends That Will Redefine the Role of Customer Insights

Temkin Group believes that companies can dramatically improve the value they derive from their customer insight efforts. We interviewed a number of companies to learn about some of the advanced practices companies have already implemented.[3] While voice of the customer (VoC) programs have helped nudge these activities in the right direction, there's an opportunity for even more significant changes (see Figure 2). We've identified five trends that customer insights groups should immediately adopt (see Figure 3):

1. **Deep empathy, not stacks of metrics.** Companies need to tap into more qualitative methods to uncover richer insights.
2. **Continuous insights, not periodic studies.** Insights teams need to take responsibility for continuously educating the company about problems and opportunities.
3. **Customer journeys, not isolated interactions.** Insights teams need to analyze and frame findings in the context of customer goals and their paths to achieving these goals.
4. **Useful prescriptions, not past descriptions.** Insights teams need to optimize how they help the company make decisions that will improve the business.
5. **Enterprise intelligence, not customer feedback.** Companies need to combine customer feedback with the multitude of insight sources across the company.

Trend No. 1: Deep Empathy, Not Stacks of Metrics

Insights teams spend far too much time creating surveys and presenting data without any business context. Traditional, quantitative approaches fail to fully uncover customer needs, motivations, and emotions, which leaves decision-makers to fill in the gaps based on their own assumptions. Companies need deeper empathy, and here's how insights teams can deliver it:

- **Use more qualitative techniques.** When insights programs rely too heavily on surveys, they often miss key insights. Quantitative methods can't provide the depth of insights that come from qualitative research methods (see Figure 4). When the

[2] Temkin Group defines CIA Platforms as "technologies for automating multi-channel customer feedback, analysis, and response and the related workflow associated with closed-loop voice of the customer (VoC) programs." See Customer Experience Matters post, Enterprise Feedback Management (EFM) Is Dead (June 2011).

[3] For this report, we interviewed the following companies: Altuition, Allegiance, Andrew Reise, Chick-fil-A, Citrix, Clarabridge, Confirmit, Customer Innovations Inc., Dyson, Fidelity, Strativity, UMB Bank, and Verint.

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restaurant chain Bertucci's wanted to learn how it could connect the brand to Millennial diners, executives and researchers first interviewed diners in their homes, and then took them out to a restaurant of their choice.[4] At the restaurant, the researchers observed the diner's ordering process and talked with the diner about how they made their decisions. As a result of this research, the restaurant incorporated the attributes most important to these diners—dynamic, genuine, confident, and warm—into the Bertucci's dining experience.

- **Shift resources from tracking studies.** Large companies often spend millions of dollars on high-level tracking studies that yield little ROI as the companies don't make enough changes based on the studies' insights. Companies need to dedicate time at least once per year to reviewing how data from its tracking studies has influenced decisions over the previous year. One large manufacturer we worked with spent $8 million per year on its annual satisfaction study before deciding to end the program for a year and instead use the resources to act on insights from the previous year's data.
- **Walk the customer journey.** Employees are so immersed in their organizations' processes and policies that it's only natural for them to have a very internal perspective of the company. But to support CX efforts, employees need to see, feel, and hear what it's like to be in the customer's shoes. CVS used a piece of technology called AGNES—developed by the MIT AgeLab—to replicate the experience of elderly customers.[5] It's a jumpsuit that restricts hip movement, spinal rotation, and shoulder mobility so the person wearing it feels like they're in their mid-70s. Based on what employees learned from using AGNES, CVS made changes to curtail slick-floor slipping and reduce bending and reaching for shelves and checkout counters.[6] Blue Cross Blue Shield of Michigan created a Customer Experience Room—a 15'' x 20'' mobile, interactive room, designed to help employees better understand and empathize with customers.[7] When employees visit the room, a self-guided tour lets them experience scenarios as three different customer personas (Mike, Grace and Lisa). The scenarios expose each persona's pain points and inform employees of new and ongoing experience improvement initiatives.
- **Relay customer stories.** Insights communications typically focus too much on "what the data suggest" and not enough on what the customer is thinking, doing, and feeling throughout the experience. Sharing customers' stories reminds decision-makers that customers are people, not data points. Findel Education posts customer verbatims, satisfaction survey cards, and *Customer Voice* results up around the office to humanize its customers. The company also shows customer insights on TVs at its various sites, and includes VoC results and customer comments in training sessions.[8] USAA, meanwhile, relays even more personal customer stories. While many new hires come to the company from the military, it isn't a requirement.[9] One

[4] See the 1to1 Media article, "Case Study: Innovating the Fast-Casual Restaurant Experience" (November 2013).

[5] AGNES stands for "Age Gain Now Empathy System."

[6] See Customer Experience Matters post, "Key Ingredient for CX Innovation: Love" (October 2013).

[7] See the Temkin Group Report, "Lessons in CX Excellence, 2013" (January 2013).

[8] See the Temkin Group Report, "Lessons in CX Excellence, 2014" (January 2014).

[9] See the CustomerThink post, "Do You Walk in Your Customers' Shoes?" (January 2013).

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of the ways new employees connect with the lives of its military customers is through reading letters from soldiers and their families.

- **Incorporate qualitative success measures.** Companies often measure the success of their efforts quantitatively, but overlook important qualitative measures (see Figure 5). For instance, a large investment firm may launch an innovative advisory service for its customers, despite knowing that there is risk that customers won't fully understand how the service works. So to determine how well customers actually do understand the new service, the insights team might observe advisors explaining the service and the customers asking questions about it, and then they might ask customers how well they understand the new offering. The firm may set a goal for 90% of observed customers to pass this qualitative evaluation before the service is launched nationally.

Trend No. 2: Continuous Insights, Not Periodic Studies

Although insights groups are well suited to run projects that answer isolated questions based on periodic studies, this approach does not provide the optimal flow of insights for the decision-makers managing ongoing operations. Companies instead need to build capabilities that continuously uncover useful customer insights. To make this shift, insights groups should:

- **Synthesize insights across sources.** Insights groups need to explore insights across the entire collection of their efforts. For instance, when Autodesk wanted to find out what was driving customer satisfaction with its support, it turned to existing attitudinal and behavioral data to establish a link between what people say and what they actually do.[10] To do this, the company linked survey data to transactional data from its CRM system. The result helped Autodesk understand how each of the 50+ survey and transactional variables impacted the support experience. Meanwhile, Oracle conducts a series of "integrated readouts" to over 100 key executives with P&L responsibility across Oracle's products, services, and field organizations.[11] These readouts extend across product and relationship lines and include data from Oracle's customer satisfaction surveys, targeted surveys, customer transactions, sentiment and text analysis, input from executive boards and councils, customer escalations, and user groups.
- **Foster a data-centric mindset.** Company decision-makers don't always know what insights are, or could be, available to support their decisions. Rather than waiting for individual leaders to request insights, insights teams should encourage decision-makers to embrace a data-centric mindset by proactively distributing feedback (see Figure 6).[12] When one large insurer recognized that the limited use of insights across the business diminished the value of the insights it collected, it added consultants to help different groups understand how to best use the data.

[10] See the CXPA, "2013 CX Innovation Awards" (May 2013).

[11] See the Temkin Group Report, "Lessons in CX Excellence, 2013" (January 2013).

[12] See the Customer Experience Matters post, "Seven Stages to a Data-Centric Mindset" (August 2014).

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- **Regularly expose leaders to customer feedback.** Many leadership teams don't fully understand how their decisions trickle down to affect customer behaviors that impact the company's financial and operational metrics. Customer insights groups need to help leaders make this connection by communicating insights on an ongoing basis. Leaders from different business areas at UMB Bank participate in the company's *Low Tech Listening Program*, personally calling customers within target segments to solicit feedback.[13] Hearing the client's voice firsthand helps the leaders internalize that input and use it to drive business decisions and enhance products and services. Barclaycard US developed a program that systematically delivers a random service call to the entire senior leadership team every morning.[14] One call led the company to change its cross-sell policy after the customer stressed the need for representatives to answer the original question or solve their initial problem before offering additional services.
- **Iterate insights throughout design cycles.** Today's experience design processes don't rely enough on customer insights. When experience designers do seek insights, it's typically only at the beginning or at the end of a project. When a new process or experience is being created, or when an existing one is undergoing significant changes, companies need to check in with customers and employees at multiple points throughout the design process. When Cox Communications launched its new personalized video experience, Contour, it continuously monitored feedback.[15] The product team managing the launch spent time reading customer verbatims, identifying bugs, and implementing solutions in real-time. Chick-fil-A also infuses customer and/or employee insights at every phase of its design process, which consists of five phases—understand, imagine, prototype, validate, and launch. The company uses an *Operator Innovation Team* to help incorporate employee insights throughout the design process. Four times a year, Chick-fil-A invites Operators from across the country to spend three days reviewing 12 to 15 different projects. The Operators provide their feedback on each experience, which the Project Teams then use to identify improvements.
- **Co-analyze with subject matter experts.** Rather than expecting insights and recommendations to flow directly from the data, insights groups need to work with subject matter experts to refine their analyses (see Figure 7). For instance, brand managers and product designers at a consumer packaged goods company could help an insights team determine that an increase in negative sentiment around the taste of a specific toothpaste is actually driven by a mismatch between the name of the flavor and the taste, rather than the taste of the toothpaste itself. At Genworth Financial, the CX team works alongside business leaders to review insights, and together they decide together which VoC findings are actionable, which are priorities, and what the best course of action for each would be.[16]

[13] See the Temkin Group Report, "Lessons in CX Excellence, 2014" (January 2014).

[14] See the 1to1 Media article, "Increasing Customer Centricity Through Better Listening" (August 2012).

[15] See the Temkin Group Report, "Lessons in CX Excellence, 2014" (January 2014).

[16] See the Temkin Group Report, "Raising Customer-Centricity Across the B2B Enterprise" (June 2014).

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- **Use insights to make real-time adjustments.** In order to help companies move beyond only using insights periodically, companies can start acting upon real-time customer feedback and then using this data to make ongoing improvements to experiences. Turkish Airlines, for example, takes real-time action on comments its customers make on social media.[17] Using in-flight wi-fi, one customer complained about the temperature on the plane after being told by the flight attendant that the temperature could not be adjusted. The social media team contacted the pilot who then adjusted the temperature and asked the flight attendant to inform the passenger.

Trend No. 3: Customer Journeys, Not Isolated Interactions

It's easy to isolate incidents and find ways to improve a single problem; however, without context for the customers' overall situation, these improvements tend to be only incremental. To truly improve the customer experience, companies need to know the full context of the interaction and how it fits into the customer journey. For this to happen, insights groups will need to:

- **Assess the journey for common interactions.** Most companies just focus on pain points and don't take the time to understand and assess common interactions. These interactions are often mundane activities that customers don't choose to engage in, but are still required to complete to achieve their goal. At a utility company, for instance, customers regularly call to move their service to a new address. Knowing this major life event causes a lot of stress for customers, the company may train employees to do things to ease the stress associated with this journey—like offering to send a list of moving companies or a moving checklist. USAA assessed its customer journeys and found about 100 experiences that customers considered key interactions. For each of these experiences, USAA assigned an owner who takes responsibility for the end experience as well as for all the smaller processes that bring that experience to life.[18]
- **Uncover critical emotional moments.** Companies should identify and continuously monitor moments of truth—those interactions that have the biggest impact on customer loyalty. A serious focus on these moments can help galvanize CX the efforts across an organization. When Fidelity interviewed its workplace-investing clients (i.e., 401k clients), it found that many of them felt very anxious about targeting a goal for retirement savings. To alleviate this anxiety, Fidelity created an ultra-simplified retirement calculation, called "8X," which eased clients' fears about planning for retirement by giving them a ballpark savings estimate, rather than using complicated processes to arrive at an exact goal for their retirement savings.
- **Discuss insights across company silos.** Many discussions about customer insights focus on the insights' impact on just one area of a company at a time. But in a world where most customer interactions cut across many organizational silos, these narrow examinations don't adequately address the customer insights. At UMB Bank, leaders from across the organization come together to review VoC insights on a

[17] See the 1to1 Media article, "Turkish Airlines' Social Media Journey" (January 2014).

[18] See the 1to1 Media post, "The Path to Customer Maturity Starts With 4 Phases" (July 2013).

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monthly basis.[19] This group, called the *VoC Steering Team*, uses VoC insights to develop products, services, and experiences that differentiate UMB in the marketplace. The cross-functional steering committee also assigns priority to and governs CX improvements (see Figure 8).

- **Create customer-focused success measures.** Temkin Group research shows that only 19 percent of large companies make feedback goals a core requirement for new products and services.[20] Companies frequently launch products that have the right functionality but don't meet the broader set of customer needs and expectations. Rather than waiting for problems to arise, companies need to make customer experience a key success metric for all new offerings. For example, to align key measures with customer success, Belgacom, a Belgium telecom provider, changed its key call center metric from average handle time to a combination of two metrics—one on first call resolution and the other on likelihood of customers to recommend the company.[21] The new approach reduced the overall volume of calls by 20 percent and drove higher customer and employee ratings. When Activision, a gaming company, launched a new marketing campaign, it monitored customer satisfaction scores with the new campaign. By listening to their feedback, the company found that customers were not satisfied with a policy related to the offer. The company loosened the policy, and as a result, it saw the customer satisfaction score improve from a 5.9 to a 8.5
- **Close the loop with customers, employees, and partners.** To improve customer journeys, a company must involve each of the key players along the way. Cisco keeps customers informed about the company's progress improving pain points on its *We're Listening* blog.[22] On this blog, Cisco's customers can interact with company experts about the improvements, and the company can communicate specific details about the improvements to its sales teams, helping them follow up with customer concerns. SanDisk takes a slightly different approach. After reviewing VoC insights, account managers work with the CX governance board to identify a subset of customers to meet with face-to-face to discuss survey results.[23] When Dyson noticed that customers who had recently obtained service from an independent service partner were giving lower NPS scores, the company decided to begin sharing feedback with partners. Dyson also added NPS as a key measure on each partner's scorecard. As a result, Dyson saw NPS scores for its partners increase by over 30 points.

Trend No. 4: Useful Prescriptions, Not Past Descriptions

As the quality and quantity of the data increases, companies expect more and more out of their data. This means that insights groups must be pioneers, continuously exploring the

[19] See the Temkin Group Report, "Lessons in CX Excellence, 2014" (January 2014).

[20] See the Temkin Group Report, "State of VoC Programs, 2014" (October 2014).

[21] See Customer Experience Matters post, "Contact Centers Must Morph Into Relationship Hubs" (October 2013).

[22] See the Temkin Group Report, "Lessons in CX Excellence, 2014" (January 2014).

[23] See the Customer Experience Matters post, "CX Tip #17: Discuss Feedback with B2B Clients" (September 2013).

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data to help decision-makers discern how to take action based on its insights. This goes well beyond high-level read-outs of interesting findings; it requires insights groups to develop a stronger understanding of both *what* decisions will be made and *how* these decisions will be made. Success requires insights groups to:

- **Search for root causes.** Quantitative data from surveys and transactions typically describe *what* customers did, but not *why* they did it. Insights teams must therefore do a better job of uncovering root causes, which they can do using a variety of detection methods and analysis techniques. For instance, through analysis of comments from its post-visit survey, Gaylord Hotels uncovered an issue with room noise. While this wasn't the most common complaint, it was among the most serious because it correlated to a "wouldn't return" or "wouldn't recommend" response from customers.[24] Crowe Horwath, used feedback from its voice of the customer program to identify the four drivers that play the biggest role in moving clients up to the "fully engaged" level.[25] These drivers have been translated into a checklist of actions that guide employees' day-to-day interactions.
- **Work backwards from decisions.** If insights groups are going to make more meaningful recommendations, they must have a strong understanding of the decisions to be made (see Figure 9). For example, if a large software company is planning on significantly changing its billing process, the decision criteria might hinge on whether or not customers find the new process confusing. Formally stated, the decision criteria in this case may be: *If more than one out of ten customer in our top two segments show confusion about the new billing process, we will revise the process and re-test with customers.* A survey may capture some information about customer processes, but it may not be the best method for accurately capturing feedback throughout the process, which could extend several weeks. A more appropriate method would be a series of interviews with clients as they go through this process.
- **Predict future behaviors.** As companies begin collecting more ongoing feedback and linking it to customer records, they should use this data to predict future behaviors (see Figure 10). With the rise of text analytics, which systematically quantifies text feedback, companies can even include customer comment categories in their models. Sprint uses a technique called "Next Call Prevention," where customer service agents proactively offer to help customers solve issues that they are likely to contact Sprint about in the near future.[26] The conversation is guided by prompts queued from predictive analytics. If, for instance, someone with an expiring contract calls about billing, a prompt will encourage the agent to arrange an upgrade to a new handset. TriCare Management uses a routing system that predicts which of its agents is best suited to meet the needs of each individual caller.[27] The predictive

[24] See the InformationWeek article, "How Text Analytics Drive Customer Insight" (January 2010).

[25] See the Temkin Group Report, "Raising Customer-Centricity Across the B2B Enterprise" (June 2014).

[26] See Customer Experience Matters post, Contact Centers Must Morph Into Relationship Hubs (October 2013).

[27] See Customer Experience Matters post, Contact Centers Must Morph Into Relationship Hubs (October 2013).

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engine makes decisions to optimize metrics, like customer satisfaction or first call resolution, for example.

- **Innovate around latent needs.** Asking customers to provide feedback on their recent experience may identify problems for the company to fix, but it will not identify opportunities for the company to differentiate itself. Therefore, insights teams need to help their companies discover needs that customers may not be able to articulate. When PNC Financial Services wanted to attract more Gen Y customers, for example, it didn't follow the industry's lead by offering a low-balance, high-fee package. Instead, PNC conducted in-depth research with Gen Yers and uncovered their deeper needs and motivations, like their desire to use technology to simplify their financial lives.[28] As a result of this research, the company created PNC's Virtual Wallet, a different type of account built to make current and projected balances more visible. Research by Sovereign Assurance NZ found that many new parents don't have time to review their life insurance, even though a new baby makes having life insurance more important than ever.[29] So, the company created a new offering called "Choose Precious," which offers new parents $10,000 free life insurance up until their baby's first birthday.

Trend No. 5: Enterprise Intelligence, Not Customer Feedback

Many companies have built their insights programs around collecting customer feedback. While this data is valuable, it only tells a small portion of the story. Insights teams need to tap into the entire ecosystem of data from feedback, interactions, and operations to fully understand what customers are thinking, doing, and feeling. To move from customer feedback to enterprise intelligence, insights teams should:

- **Embrace the voice of employees.** Employees can offer valuable insights that connect customer pain points to failures in company processes or systems. USAA has an online portal known as "Courtyard," where employees can discuss company happenings (see Figure 11).[30] For example, when the company posted a story announcing changes to a member service tool on "Courtyard," many employees immediately commented that these expected improvements did not reflect what they were hearing from members. The immense volume of employee feedback caused USAA to re-examine and adjust the member service tool before the changes were widely rolled out to members. TELUS developed a collaboration platform for knowledge sharing and idea exchange called "Habitat Social."[31] Within the platform, team members can engage in company-wide conversations about customer issues, can share ideas and best practices, and can identify ways to delight customers by delivering on the company's Customers First promise.
- **Mine contact center interactions.** Many critical customer touchpoints occur in the contact center, making this area rich with untapped insights. Companies can gain significant knowledge about customers by analyzing the rich content from phone

[28] See the Slate post, "Why Designers Need Empathy" (November 2013).

[29] See Customer Experience Matters post, "Key Ingredient for CX Innovation: Love" (October 2013).

[30] See the Temkin Group Report, "Best Practices for Actively Listening to Employees" (August 2013).

[31] ibid.

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conversations, online chat sessions, and more. When Firstsource began analyzing phone calls using speech analytics, it found that the company only resolved 45% of calls for one of its clients, a retail bank.[32] Furthermore, the analysis uncovered that one major contributor to this low resolution rate came from customers who had requested a call back from their branch office but never received one. This insight triggered an investigation that uncovered a breakdown in the communication process (see Figure 12). In another example, Symantec's customer service ratings dropped when it issued download insurance for Norton Antivirus products, which allowed customers to reinstall a purchased product.[33] When the company ran an analysis, it found that the offering generated hundreds of thousands of support calls, so the software maker decided to offer a re-download of the insurance for free. This change reduced contact rates and improved customer service ratings.

- **Link data across systems.** To help leadership make more data-driven, customer-focused decisions, companies need to create processes that allow leaders to connect data across sources more easily. In addition, insights teams need to use existing insights to add context new insights. EMC combines insights from its comprehensive *Voice of Experience (VoX)* listening posts with data from its unified analytics platform to create its *Total Customer Experience* program. Each of these listening posts uses different sources to gather feedback, including executive interviews, quarterly relationship surveys, rolling transactional surveys, partner-focused surveys, competitive double-blind studies, and ad-hoc deep dive or special topic surveys. Likewise, Mercedes-Benz US combines data and information from multiple sources—like third-party surveys, voice of the customer data, market share, and customer surveys—to create a fuller understanding of its customers.[34]
- **Learn from partners.** Companies don't often have a full view of customers, but partners can help fill in the gaps. VMware tackled a problem with its strategy and product roadmap by enlisting feedback from partners, who helped it better understand how to address customers' needs.[35] At the insurance company Safeco, *agent councils* are responsible for giving the company feedback on the pain points its independent agents experience while working with the company or serving customers. Safeco then maps these pain points back onto agent and customer moments of truth.[36]
- **Monitor industry insights.** Companies do not exist in a vacuum, so changes across an industry or with a competitor will impact customers' behaviors, expectations, and emotions. Companies can incorporate these more generic insights into their decisions. PetSmart partially based its decision to pilot a new offering on a statistic from the National Retail Federation that suggested that when shoppers can't find

[32] See the Temkin Group Report, "Text Analytics Reshapes VoC Programs" (May 2014).
[33] See Customer Experience Matters post, "Contact Centers Must Morph Into Relationship Hubs" (October 2013).
[34] See the Customer Experience Matters post, "CX in the C-Suite: Webinar with Mercedes-Benz CEO" (October 2014).
[35] See the Temkin Group report, "The Secret to B2B2C Customer Experience Success" (December 2014).
[36] ibid.

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their brand in store it can result in a negative association with the entire brand.[37] So PetSmart equipped store employees with tablets. If a customer was looking for an item that was not in stock in the store, the employee could use the tablet to order the item directly from the company's website. And when GE combined feedback from its own customers with information from competitors' brochures and general market data, it uncovered a popular service capability that its competitors offered but it didn't.[38]

Customer Insights Teams Will Need New Skills

How ready are you to push your customer insights efforts into the future? Use our checklist to assess your current efforts (see Figure 13). As companies propel their capabilities forward, they'll need to develop new skills (see Figure 14). Successful customer insights professionals will need to become:

- **Research generalists.** Insights teams will focus less on specialization and learn how to capture and analyze both qualitative and quantitative data across a variety of sources (research, interactions, employee feedback, etc.).
- **Business consultants.** Insights professionals will work closely with different parts of the organization to understand how insights can help them drive business improvements.
- **Compelling communicators.** Instead of developing communications as an afterthought, insights teams will master weaving insights together with customer stories to drive action across the company.
- **Portfolio managers.** Insights teams will continually reallocate their budgets to support the data sources and analytics that will drive the most value.
- **Value creators.** Rather than being measured by the completion of projects, insights groups will be evaluated based on the value they create for their organizations.

[37] See the instant.ly post, "For the Love of Pets: PetSmart Enhances the Customer Experience with Mobile" (March 2014).

[38] See the Temkin Group report, "Text Analytics Reshapes VoC Programs" (May 2014).

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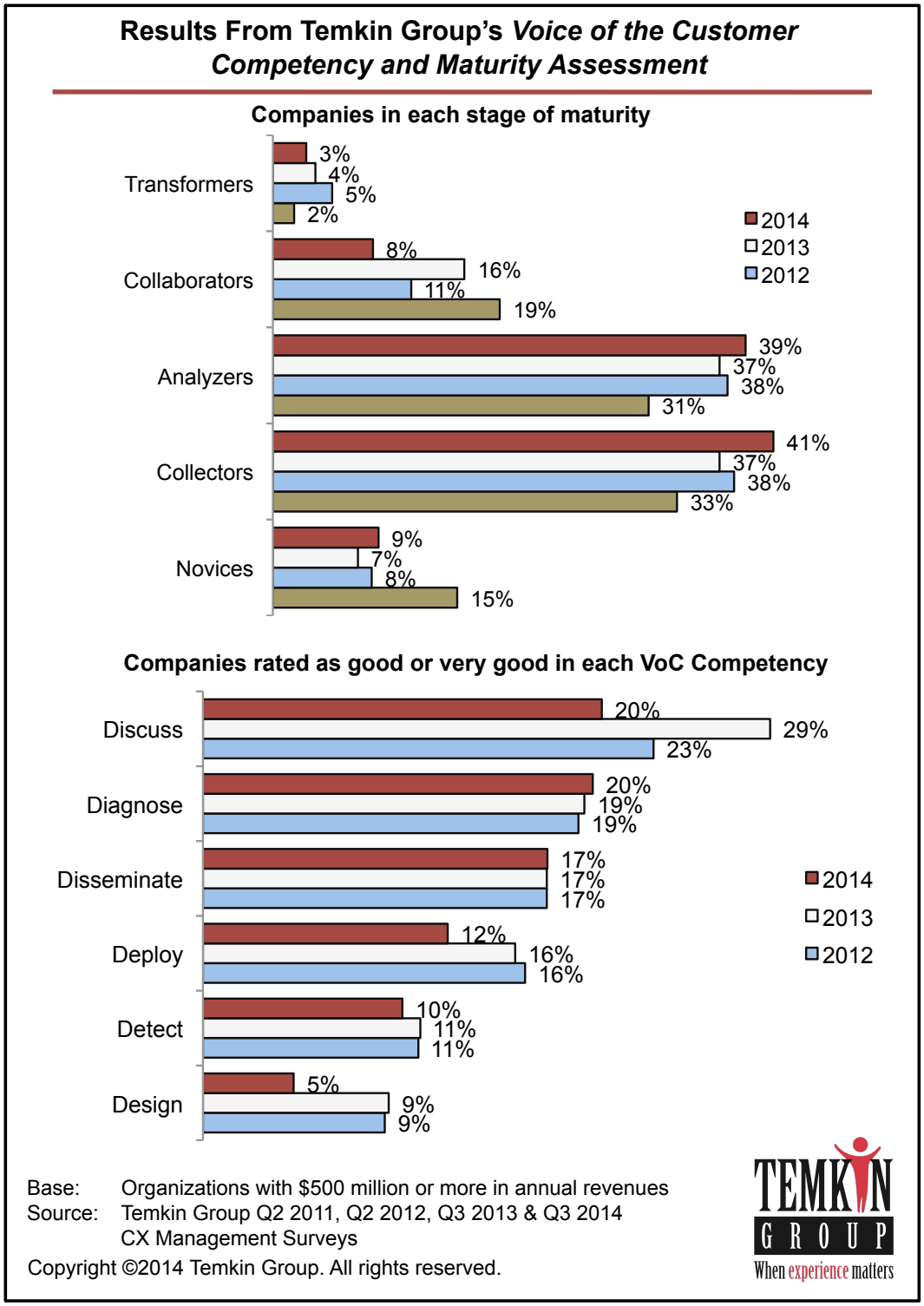

Figure 1

Future Customer Insights Efforts Will Change Every Aspect of Voice of the Customer Programs

Six D's of VoC Programs	Today	Future
Detect	• Detection method is driven by business questions. • Surveys are the go-to detection method. • Insights work is mostly limited to a specific product/interaction.	• Detection method is driven by business decision criteria. • Companies use a variety of qualitative methods. • Detection spans entire journeys and crosses interaction channels.
Disseminate	• Broad insights communication focuses on topline scores. • Employees receive insights upon request. • Communications are generally limited to one source.	• Share customer stories, not just topline statistics, companywide. • Employees receive regular insights with role-specific updates. • Communications regularly include data from multiple sources.
Diagnose	• Analyze to describe behaviors. • Analyses focus on the project at hand. • Diagnose for specific products or interactions.	• Analyze to uncover emotions, motivations, and unstated needs. • Build upon existing knowledge. • Consider implications across the entire journey.
Discuss	• Discuss specific data points. • Sometimes spend time discussing next steps. • Discussions end with lots of questions about what the results mean for the business.	• Discuss what customers do, think, and feel. • Discuss whether or not to implement prescribed action. • Richer insights leave decision makers with fewer questions.
Design	• For new/revised experiences, gather insights only once, if ever. • Designers use insights only for the current project, if at all. • Designers are unsure how to apply the insights to their work.	• Designers use iterative insights to improve designs. • Designers realize the impact of the experience on the journey. • Designers spend less time trying to interpret insights and more time applying the insights.
Deploy	• Companies mostly launch experiences without gathering post-deployment insights. • Companies identify post-deployment changes, but don't have resources to implement. • Post-deployment insights seldom lead to improvements.	• With empathy for customers, companies more quickly spot opportunities for change. • Companies have resources to make ongoing improvements. • Fixes are often implemented because insights teams include viable recommendations.

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Mature Customer Experience Programs Require New Insights Capabilities and Practices

Five Trends for Customer Insights	Examples of Future Practices
Deep Empathy, Not Stacks of Metrics. Companies need to use qualitative insights to uncover richer insights.	• Use more qualitative techniques. • Shift resources from tracking studies. • Walk the customer journey. • Relay customer stories. • Incorporate qualitative success measures.
Continuous Insights, Not Periodic Studies. Insights teams need to take responsibility for continuously educating the company about customers.	• Synthesize insights across sources. • Foster a data-centric mindset. • Regularly expose leaders to customer feedback. • Iterate insights throughout design cycles. • Co-analyze with subject-matter experts. • Use insights to make real-time adjustments.
Customer Journeys, Not Isolated Interactions. Insights groups need to study journeys to obtain a fuller understanding of the impact of interactions.	• Assess the journey for common interactions. • Uncover critical emotional moments. • Discuss insights across company silos. • Create customer-focused success measures. • Close the loop with customers, employees, and partners.
Useful Prescriptions, Not Past Descriptions. Insights communications need to focus on action, not just observed data.	• Search for root causes. • Work backwards from decisions. • Predict future behaviors. • Innovate around latent needs.
Enterprise Intelligence, Not Customer Feedback. Companies need to transition from viewing customer feedback as *the* program to customer feedback as one *piece* of the insights program.	• Embrace the voice of employees. • Mine contact center interactions. • Link data across systems. • Learn from partners. • Monitor industry insights.

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Commonly Used Qualitative Research Methods

Method	Description	Common Usage
Focus Group	Moderated group discussion, two or more people, conducted in person or online.	• Understand attitudes, beliefs, or perceptions of a cross-section of people • Gauge reactions to marketing, advertising, or new product concepts
In-Depth Interview (IDI)	One-on-one interview that may be conducted in person, online, or over the phone.	• Discuss sensitive issues • Obtain in-depth feedback on an experience
Observation/ Ethnographic Study	A method for observing and documenting behaviors in a contextual environment (at home, in-store, etc.)	• Gain and in-depth perspective of a person's real-world experience with a particular product, service, or process
User Experience Assessment	A method to assess a person's interaction with a system (e.g., website or mobile app). Can be conducted at a lab, in the contextual environment, or online.	• Assess a person's use of a system to identify whether changes need to be made to improve the ease-of-use or intuitiveness of the system
Contextual Inquiry	A method that combines an in-depth interview with observation/ ethnography or a user experience assessment.	• Speak directly with the person about their experiences while also assessing the user experience or observing contextual factors
Diary Study	A form or research where a person documents their experience, reactions, and other requested information in writing or video form.	• Capture information over time • Track a process and the details related to the process (success, emotions, etc.)
Unsolicited Text Feedback	Feedback that is captured in the course of day-to-day customer interactions through email, chat, or over the phone, for example.	• Analyze existing feedback to identify hot topics, current pain points, needs, etc.
Solicited Text Feedback	Most often comments from customer surveys.	• Obtain a large volume of feedback on a specific topic or from a specific group of people

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Examples of Qualitative Success Measures

Sample Company	Sample Rollout	Quantitative Success Measures	Qualitative Success Measures
Online Retailer	Improvements to online ordering/cart process	% of customer purchase after place items in cart, sales, order/cart completion time, satisfaction score with online purchase experience	When observed proceeding through the order/ cart, customers display fewer signs of confusion, and more signs of excitement and success
Software Provider	Improvements to billing process	Satisfaction score with billing process, number of support calls about billing mistakes	Customer can explain, in her own words, everything on the bill
Consumer Package Goods Company	Changed toothpaste tube design (no change to toothpaste formula)	Sales, NPS for the specific SKU, customer satisfaction with the new tube design	Customer who was already using the specific toothpaste can quickly and easily find it in the new tube on the shelf
Restaurant Chain	Added a second lane to the drive-through	Total time in drive-through line, sales, customer satisfaction with drive-through experience	When asked, customer describes the drive-through experience as “faster,” “easier,” and “better”
Health Insurance Provider	Revised the onboarding process for new customers	New customer satisfaction, new customer calls into the support line	After the onboarding period, customers sentiment is positive

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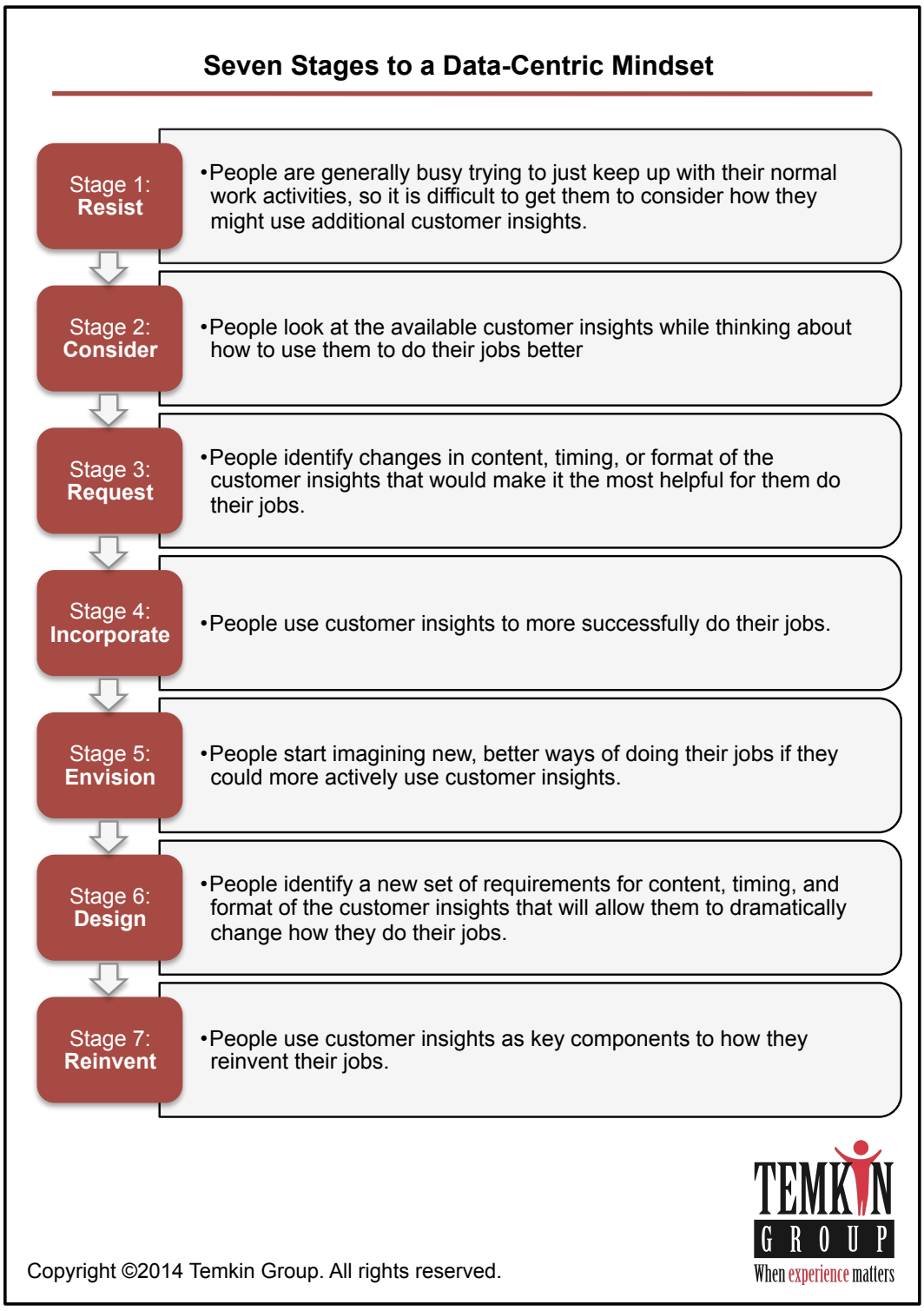

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Subject Matter Experts Can Contribute to Insights Across Every Aspect of Voice of the Customer Programs

Six D's of VoC Programs	Future Customer Insights Activities	Future Subject Matter Expert Activities
Detect	• Choose insights detection method. • Gather insights for the entire journey across interaction channels.	• Submits decision criteria or reviews decision criteria with customer insights. • Suggests best sources for getting data and customer feedback to support the specific decision.
Disseminate	• Send out topline insights with role-specific updates. • Begin to share customer stories.	• Gather real customer stories to help tell the story to the broader organization. • Immediately communicate critical insights to their teams.
Diagnose	• Analyze to uncover emotions, motivations, and unstated needs. • Incorporate existing knowledge and insights. • Consider implications across the entire journey.	• Review topline insights and add context. • Suggest theories for root causes. • Send additional questions to customer insights. • Consider implications across the entire journey.
Discuss	• Discuss what customers do, think, and feel. • Discuss whether or not to implement prescribed action.	• Assess initial recommendations before proposing to broader team. • Discuss what customers do, think, and feel. • Discuss whether or not to implement prescribed action.
Design	• Mine existing data and feedback to answer additional questions. • Plan to gather additional data, if needed.	• Use iterative insights to improve designs. • Send additional questions to customer insights.
Deploy	• Monitor and assess feedback. • Communicate new post-launch insights.	• Inform customer insights of launch dates so they can capture and monitor feedback. • Help monitor and assess feedback.

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UMB Bank's VoC Steering Team

UMB's VoC Steering Team provides governance for the VoC program. Some of the key pieces are described here.

Purpose:
Lead use of VoC insights to develop products, services, and experiences to differentiate UMB as fresh and different.

Approach:
Add rigor to VoC by scoping, staging, measuring impact, and sharing customer experience improvements.

Prioritization Criteria:
- ✓ Strategy and Guiding Principles Alignment
- ✓ Customer Impact
- ✓ Raving Fans Impact
- ✓ ROI and Share Factor

VoC Steering Committee Will:
- ✓ Prioritize TUCE in Action Portfolio
- ✓ Scope Tsunamis
- ✓ Assign owner and/or SWAT Team
- ✓ Make CSLT Recommendations
- ✓ Create Roadmap and track milestones

VoC Objectives and Repeatable Process Framework:
1. Humanize our target segments and bring clients to life for all associates to inform our strategy, set priorities, and make decisions and interactions personal and relevant.
2. Use insight to develop products, services, and experiences to differentiate UMB as fresh and different.
3. Increase rhythm and visibility to key client metrics.

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How to Align Insights to the Decision Criteria

Category	Source	Questions
Business Goals	Decision Makers	• What decision are you facing? • Why is this decision important right now?
Existing Theories	Decision Makers	• What do you already know about the experience? • What do you assume about the experience? • What do you expect the outcome to be?
Decision Criteria	Decision Makers	• What specific outcome would encourage you to take action (including specific customer segments, products, lines of business, etc.)? • What specific outcome would result in no action?
Insights Objectives	Insights Team	• What information or data is currently available that could support the decision? • What information or data is needed to support the decision, but is not currently available? Where could this information or data be obtained? • What audiences (customers, specific segments, prospects, employees, etc.) do we need to gain insights from? • What, if anything, do we need to quantify to support the decision?

Combine the previous information to determine:

- Target audience
- Existing data to analyze
- New data to gather
- Method(s) for gathering new data

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Figure 9

Examples of Customer Insights Driving Predictive Actions

Sample Company	Input Data	Event Predicting	Action Prescribed
Credit Union	• Speech analytics of phone call • Previous interaction history	Very low satisfaction with call (without getting survey)	Supervisor calls the customer within two hours of the interaction to uncover the root cause of the low satisfaction
Online Retailer	• Website intercept survey history (including open-end comments) • Online purchase history • Website page navigation history	High likelihood of negative emotion when attempting to complete online purchase	Online chat pops up if the customer exhibits specific behaviors indicating negative emotion is about to surface
Travel company	• Demographics • Travel patterns • Mobile app usage history • Real-time flight information	Area likely to cause traveler the most frustration when arriving at airport (for that specific trip)	Text to traveler with link to mobile app functionality tailored to alleviate his/her likely area of frustration
Telecom provider	• History of plans • Usage of services • Service interactions	Highly likely to churn because of perceived lack of value	Proactively offer a more appropriate cost-effective plan
Software company	• Software usage pattern • Tech support and customer service interactions • Product ownership	Low likelihood of renewing SaaS license	Trigger alert to customer success managers to help client get more value from software

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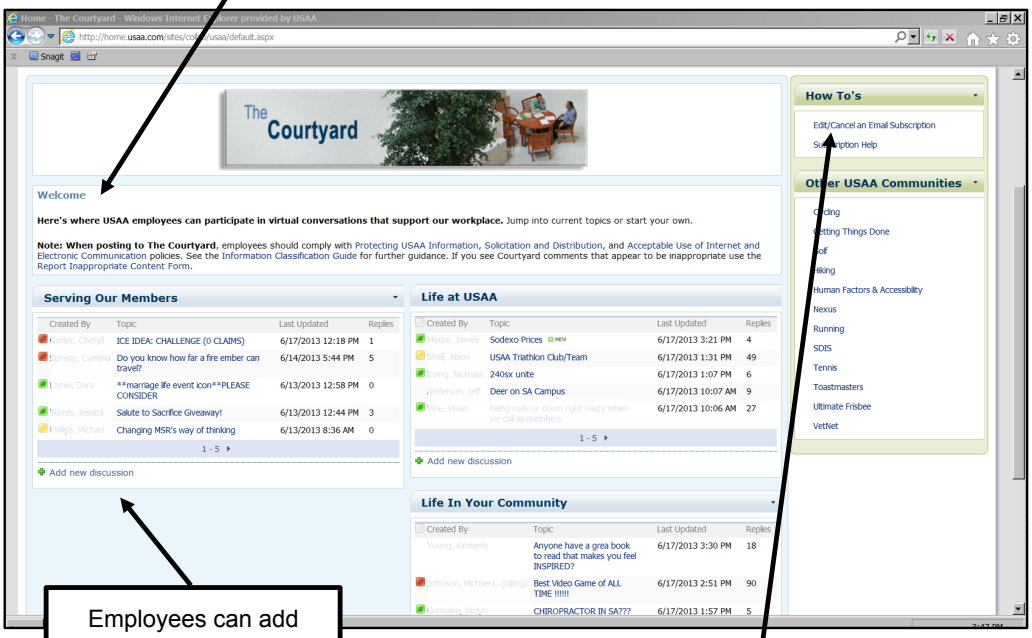
Figure 10

USAA: Ongoing Listening through *Courtyard*

Courtyard is the equivalent of an online water cooler that provides employees with a platform to engage each other on topics related to both the employee experience and member experience.



Employees can add new discussions or join existing threads. At any given time there are hundreds of conversations underway in Courtyard.

Employees also have the ability to subscribe to notification emails on the topics / conversations that they are most interested in.

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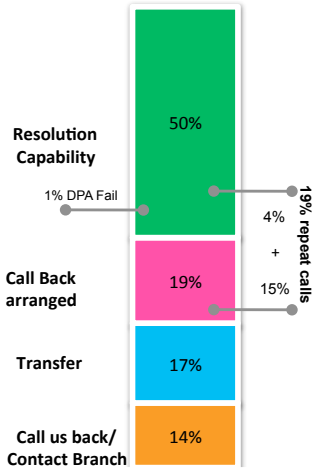
Figure 11

Firstsource Uses Speech and Text Analytics for Calls to the Contact Center

1. Firstsource's First Customer Intelligence analyzed its call data on interactions with the customers of a large UK bank and found that only 45% of calls were being resolved.

2. Firstsource conducted further analysis:
   - Speech and text mining on 11,000 calls plus customer comments on satisfaction surveys
   - 19% of customers were calling back and displaying a strong negative emotion during the call indicating dissatisfaction with the service, saying things like "I was promised…it didn't happen"



3. Additional research uncovered that policies, communication breakdowns, and system inconsistencies at the bank were the cause of the broken promises to customers.

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Customer Insights Readiness Checklist

Check the items that are mostly true about your company. Here's how to interpret the number of items that you checked on the list:

Less than 10: Totally antiquated. 10 to 13: Mostly outdated.
14 to 17: Almost current. 18 to 20: Ready for the future.

Deep Empathy, Not Stacks of Metrics

☐Executives review, and ask for, insights from qualitative research methods.
☐Communications of insights include what customers are thinking and feeling.
☐Presentations on customer insights spend a majority of time discussing implications of insights, not data.
☐Customer insights are derived from unstructured sources such as customer comments and online chats.

Continuous Insights, Not Periodic Studies

☐Employees receive customer insights tailored for the needs of their specific roles.
☐New products and services are created using customer insights throughout the entire process, from design through deployment.
☐Space is available in ongoing customer feedback surveys to investigate new questions as they arise.
☐Employees across the organizations review customer insights as part of their day-to-day operations.

Customer Journeys, Not Isolated Interactions

☐Stories about customers are used to communicate customer insights.
☐Customer insights activities are focused on moments that have the most impact on customer loyalty.
☐Employees are trained to understand the most significant customer journeys.
☐Customer insights are reviewed in the context of customers' entire journeys, not individual interactions.

Useful Prescriptions, Not Past Descriptions

☐Actions are prioritized based on analyzing the expected impact on key customer metrics.
☐Customer feedback is used to fine-tune a model for predicting loyalty across all customers.
☐Customer insights teams spend more time helping other groups take action on insights than they do handling and analyzing data.
☐Organizations are prepared to take action based on customer insights.

Enterprise Intelligence, Not Customer Feedback

☐Employee feedback is used to improve the understanding of customers.
☐Customer insights teams collaborate with different organizations to form hypotheses and update ongoing studies.
☐Customers' voice and text interactions are mined for insights.
☐Insights are synthesized across qualitative and quantitative data sources.

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Figure 13

Customer Insights Trends Require New Skills

Five Trends for Customer Insights	New Skills Required
Deep Empathy, Not Stacks of Metrics.	• Understand a wide variety of qualitative research design and analysis techniques • Possess skills to translate insights into customer stories • Skilled at facilitating insights-based action planning conversations
Continuous Insights, Not Periodic Studies.	• Can uncover contextually meaningful, not just statistically significant insights • Have a deep understanding of the organization and varying insights needs • Partner with product and service design groups
Customer Journeys, Not Isolated Interactions	• Know how to create customer journey maps • Understand interaction data (e.g., web and contact center data) • Can identify moments of truth • Skilled at connecting insights across interactions
Useful Prescriptions, Not Past Descriptions.	• Ability to uncover root causes • Have the skills and tools to create predictive models • Strong communication and collaboration skills • Understand internal goals and needs well enough to anticipate action items
Enterprise Intelligence, Not Customer Feedback.	• Strong understanding of the industry in which the company operates • Know how to effectively gather insights from employees • Can use text and speech analytics tools and interpret results from the tools • Skilled at synthesizing insights across sources

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About Denise Bahil

Denise Bahil is a Customer Experience Transformist at Temkin Group. She is a customer insights professional with 10 years of experience building and implementing dynamic customer experience programs.

Before joining Temkin group, Denise built a CX program from the ground up at Scottrade, including governance, measurement and continuous improvement. Her program helped the firm win national customer loyalty and satisfaction awards.

Denise has also led insights and VOC programs leveraging market research, customer analytics and text analytics. She has been responsible for customer experience strategy, marketing research and marketing analytics. Additionally, she is an expert in structuring and managing teams with the right blend of skills and experience to be successful. Denise has experience with high-profile financial services, retail, consumer goods and non-profit organizations.

About Bruce Temkin

Bruce Temkin is a Customer Experience Transformist & Managing Partner of Temkin Group. He is also the co-founder and Chair of the Customer Experience Professionals Association (cxpa.org).

Bruce is widely viewed as a leading expert in how organizations build differentiation with customer experience. He has worked with hundreds of large organizations on the strategies, operational processes, organizational structures, leadership, and culture required to sustain superior customer relationships.

Bruce is the author of the popular blog *Customer Experience Matters*® where he regularly posts insights on topics such as customer experience, branding, leadership, and employee engagement.

Prior to forming Temkin Group, Bruce was Vice President & Principal Analyst with Forrester Research. During his 12 years with Forrester, he led the company's business-to-business, financial services, e-business, and customer experience practices. Bruce was Forrester's most-read analyst for 13 consecutive quarters and remains one of the most respected analysts in the industry.

Prior to Forrester, Bruce co-founded and ran a couple of Internet start-ups. He also held management positions with GE, Stratus Computers, and Fidelity Investments.

Bruce has been widely quoted in the press, including media outlets such as The New York Times, Wall Street Journal, and Business Week. Bruce is a highly demanded public speaker who combines deep expertise with an engaging, entertaining style.

Bruce holds a master's degree from the MIT Sloan School of Management, where he concentrated in business strategy and operations. He also holds an undergraduate degree in mechanical engineering from Union College.

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TEMKIN GROUP OVERVIEW

TEMKIN GROUP

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Temkin Group is a leading customer experience (CX) research and consulting firm. We help many of the world's largest brands lead their transformational journeys towards customer-centricity and build loyalty by engaging the hearts and minds of their customers, employees, and partners.

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TEMKIN GROUP IS BASED ON FOUR CORE BELIEFS:

CX drives loyalty. Our research and work with clients demonstrates that interactions with customers influence both how much business they'll do with you in the future and how often they recommend you to others.

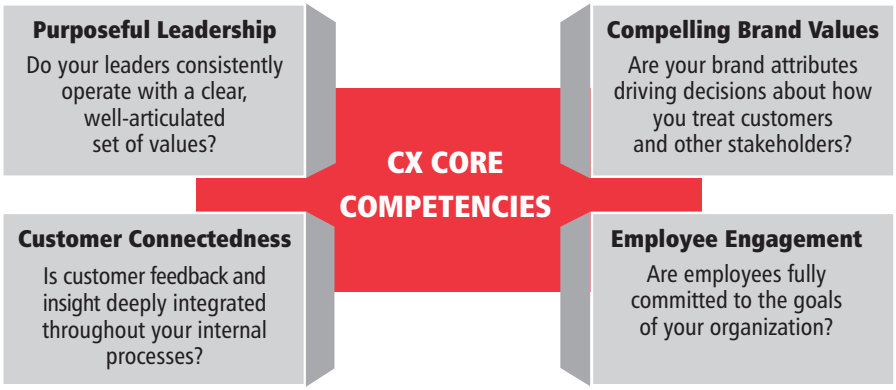
CX is a journey, not a project. Building the capabilities to consistently delight customers doesn't happen overnight. Companies need to plan for a multi-year change program.

Improvement requires systemic change. Companies can improve isolated customer interactions, but they can't gain a competitive advantage until customer experience is embedded into their operational processes and culture.

We can help you make a difference. Transformation isn't easy, but becoming more customer-centric is worth the effort. We help our clients accelerate their results and avoid many of the stumbling blocks along the way.

HOW WE ARE DIFFERENT:

Temkin Group combines thought leadership and benchmark data with a deep understanding of the dynamics of organizations, which enables us to accelerate customer experience results and help companies build the four competencies that are required to sustain long-term success.



HOW WE CAN HELP:

Temkin Group provides a number of different services including:

Research and Advisory Subscriptions. Access to all of our research on trends, best practices, and benchmark data as well as the option to ask questions or seek feedback on your efforts.

CX Planning and Innovating. We'll examine your organization's goals and make sure that you have the right plans and priorities for CX, whether you're just starting the journey or looking to take your CX efforts to a much higher level.

Engaging Workshops and Training. We deliver interactive workshops to help your organization understand the importance of CX and what it takes to achieve long-term success. We run workshops for executive teams, extended leadership groups, CX organizations, and broader sets of employees.

Compelling Speeches. If you're planning a meeting or an offsite event, we'll infuse compelling CX content into the event. We can engage your audience on a wide range of topics related to customer experience, focusing on elements of our four customer experience competencies.