

What you think you know can hurt you.

A White Paper on Voice of the Customer Research

the
drucker
group

INVESTIGATIVE MARKETING

Be cautious with research. The feedback you get from customers and prospects may be very misleading.

FOREWORD

Suppose an acquaintance of yours opens a restaurant. You go there for a meal and find the ambience “okay,” but the food not worth the price. Then your acquaintance, the owner, stops by your table. He buys a round of drinks and asks, “So, how was your meal? How do you like my new place?”

What do you tell him? How critical can you be without worrying about offending him?

Think about this the next time you, or somebody from sales or customer service, personally ask customers to rate your company’s offerings.

Are you looking for faint praise? Or do you really want to know what you’ve got to change to succeed?

Voice of Customer research can be one of your most valuable marketing tools. But it’s critical that it be done properly. On the following you’ll find an experienced view of the dos and don’ts. We hope you take the time to read, reflect and consider the points this white paper makes before embarking on your next strategic initiative.



Gradually Growing Deaf

HOW COMPANIES COME TO NEED VOC



Sound familiar? Every day the same questions are raised by decision-makers like you in thousands of businesses across the country.

If the economy can’t be blamed, many of you will then hope to solve these problematic questions by bringing on more sales people. Others of you will push your current sales force to make more calls. Maybe you’ll dust off an old promotion that worked in the past. Or hire a new ad agency to create a fresh campaign.

But, as you probably know, unless you’re selling nirvana, none of these tactics is likely to produce proportionately more sales unless you’re delivering a relevant sales message.

So instead, you might look to bring customers to you, or at the very least, pre-qualify your targets.

For that to happen, however, customers must recognize value in your product. Which means you must first understand their needs, and be able to clearly delineate how you can meet them.

GOING TO THE SOURCE.

It’s a situation that clearly calls for Voice of Customer (VOC) research. But too often, this research is inadequately conducted under the guise of customer satisfaction surveys.

The typical scenario:

“We know our customers and they know us. So why should we spend a ton money for a lengthy Voice of Customer research report that will take months to complete? Our sales people stay in touch and we do periodic feedback surveys.”

“What we’ll most likely find,” they continue believing they can predict the answers, “is that we have to be more productive in the field. We have to open more doors. Beef up sales. We have to sell value rather than play the price-cut game.”

The pratfall here is that a company’s understanding of their customers and their needs has most likely eroded over time.

And if that understanding is going to formulate marketing strategy based on outdated assessments, this company’s growth and any new product introductions are doomed to mediocre performance levels at best.

The take-away point is this: revealing solutions rarely come from within, because you and your people are too close to the situation. At the same time, too far away. Consequently, you don’t ask the right people. You don’t ask the right questions. You don’t get the answers you really need.



BEING “IN TOUCH” IS NOT THE SAME AS BEING “IN-TUNE”

Although you’ll hate to admit it, you’re probably not as tuned-in to customers as you once were.

You’re not alone.

The Drucker Group has documented similar patterns with dozens of companies for whom it has done VOC studies. The following are very common contributing factors to the erosion of a company’s understanding of customer needs:

- Customers are entertained and talked to, but not really listened to
- Sales people call on those with whom they have the best relationships, and avoid those they find more difficult
- Organizational policies restrict who can talk to a customer
- Internal departments become institutionalized, reducing exposure to the market
- Industry reports and field sales memos replace live customer interactions
- A unified view of the market and customers devolves into individual perspectives and opinions that often differ greatly
- Companies increasingly answer to industry analysts and regulators
- Marketers focus excessive attention on their distribution channel partners, rather than on end users of their products and services
- Finger-pointing and the blame game ensue when sales don’t reach company goals

IT’S A MALADY SUFFERED BY ALL TYPES OF BUSINESSES

Such problems aren’t limited to long-time marketers. Innovative entrepreneurs or established firms trying to penetrate new markets can likewise find themselves “doing what’s supposed to work” with no positive resonance in the marketplace. Prospects aren’t taking the bait. Distributors are less than excited. And retailers say “not now,” if they’ll take a meeting at all.

VOC IS NOT A DIY PROJECT

While the cost, time and less-than-actionable results from studies by some VOC providers may tempt many companies to forgo outside help, VOC research is definitely not a DIY project.

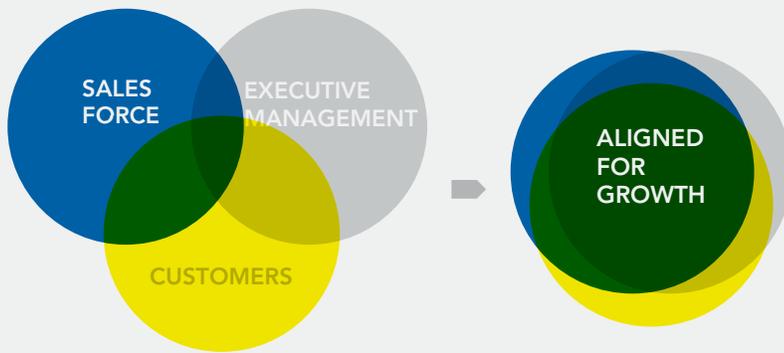
Sure, no one knows your customers better than you. But that’s precisely why you and your people are least likely to get very far trying to uncover roadblocks to your own success.

Proof point one: Customers with whom your people feel most comfortable will head the list, while more-difficult types will be given short shrift. This is how you start losing touch.

Proof point two: Even disgruntled customers are usually inclined to be polite. They may temper criticism, gloss over or skip issues altogether when queried by your people. But, they’d rather do this than risk hurting individuals or the supplier relationship.

Consequently, you may fail to obtain significant details. Even worse, you may end up gathering nebulous information that could confuse issues and ultimately misdirect the post-VOC steps you decide to take.

THE ADVANTAGE OF ALIGNMENT



Companies with sales forces who are in synch with the company's messaging platform will outperform the market by a substantial margin in revenue, market share and profitability."

Sales & Marketing Management

BEWARE OF THE SALES-MARKETING DICHOTOMY

Another barrier between you and the results you seek may be that sales and marketing within your own organization are not in-tune with each other.

When management, sales and marketing are all aligned and focused on customer needs, great things happen. Yet, only 8% of the companies in a recent survey of Business-to-Business leaders¹ said that their sales and marketing are closely aligned.

Over two-thirds of them rated sales-marketing collaboration in their organizations as mediocre or worse.

The greatest obstacle? Most survey respondents pointed to short-term vs. long-term thinking (sales vs. marketing) in messaging and approach. Nearly half also cited different goals and measurements as an obstacle to alignment, as well as lack of time.

The solution to all this: With a properly conducted Voice of Customer study you can put your sales and marketing in-tune with customers as well as with each other. And with the resulting harmonious, tandem attack on the marketplace, you can dramatically increase your chances of success.

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SOCIAL MEDIA MAKES STAYING CURRENT EVEN MORE CRITICAL

The explosion of "Social Business" via social media offers marketers more contemporary vehicles that, nevertheless, carry a double edge.

- The "plus" edge offers opportunities to more frequently and easily connect with customers in new, dynamic, interactive venues.
- The "minus" edge is that social media expand and intensify the barrage of messages your targets face daily. They may not be ready to embrace such overtures, and could even find them annoying. And certainly the fleeting, instant-hit/instant-delete nature inherent in social media could reduce potential for sustained, meaningful impact.

All of which makes it even more imperative for you to sharpen and clarify every message you send. To do this you need to have a current and clear understanding of your Customer's Voice.

¹ Source: "B2B Sales and Marketing Alignment Starts With The Customer" – Forrester Research, 10-11/2010

Finding The Voice

HOW TO STRUCTURE A VOC STUDY



WITH THE DRUCKER GROUP, YOUR VOC STUDY STARTS WITH YOU

One reason our VOCs work so well is that before we get to your customers, we tap the knowledge cached within your organization. Views of executive management, sales, marketing, product development, operations and other key players all provide crucial bases for formulating our initial customer questionnaire.

As you may suspect, we inevitably find divergent views between departments and individuals regarding their own activities and accomplishments, and how they believe customers perceive their company and its products or services.

Consequently, when probing for new insights from customers, we can concurrently test or validate your company's internal perceptions.

CUSTOMERS LOVE TO TALK. BUT "JUST ANY LISTENER" WON'T DO

Ironically, people do love to talk about their businesses. The trick is to leverage this, to engage them in meaningful conversation about their markets, products, competitors and what they want from their suppliers.

Once you get them talking, it then takes skilled, objective listening to decipher the truth. Try this on your own, and you or your people will have a tendency to hear just what you want to hear. Sure, positive comments will come through loud and clear. But "defensive listening" will also come into play. A customer's plea for help may be completely misinterpreted. Or, a criticism may merely trigger internal finger-pointing.

PROBLEMS ARE MERELY OPPORTUNITIES IN DISGUISE

Drucker Group VOC avoids such issues altogether. As third-party, outside interviewers, we guarantee confidentiality for those with whom we speak.

More importantly, when we do encounter complaints, we can probe and clarify what's behind them. Often, the causes are not for obvious reasons. Also, we maintain focus on what your customers are looking for, rather than dwelling on what they're shying from.

Granted, you can't solve a particular client problem unless you know what it is. But that client's needs and competitive challenges will provide primary insights for ultimately creating and conveying your most compelling messages.

ASKING THE RIGHT PEOPLE THE RIGHT QUESTIONS

Because The Drucker Group specializes in what we call investigative marketing, there's much more to our VOC studies than mere pulse-taking. Our interviews dig deep for the kinds of details that can create sound marketing strategy.

With our backgrounds and experience in both client- and agency-side marketing management, we're able to:

- formulate highly relevant target questions
- clearly comprehend the factual "face value" of responses, as well as meaningful nuances
- pursue related avenues to uncover additional relevant details and insights.



It's important to note that, as targeted as our interviews may be, we do not follow rigidly designed questionnaires. That would presume we know all questions that need to be asked.

Instead, friendly, inquisitive dialogues allow participants to self-define what they feel is most important and wish to talk about. It's a very iterative process which helps deepen our understanding of customer wants and needs quickly. This in turn enables us to probe well beyond surface issues to mine for real meaningful data.

For example, if a concept for a new product emerges during an interview, we can explore it further through our open dialogue process because we're not locked down to a script. This is a very big difference between ordinary VOC studies and those conducted with the investigative marketing process of The Drucker Group.

In short, your customers will tell us things that they won't tell you. We make it easy for them to do so, while keeping your goals clearly in mind.

A CASE STUDY IN POINT

"Customers love us," we heard as we began preparation of a VOC study for a manufacturer of metal food cans. "Just look at the ratings and positive comments we get in feedback surveys."

So why were their continued attempts to grow sales so unsuccessful? Because, as our VOC told them, their feedback came from the wrong people.

Operations people at food companies may have liked this client of ours for quality, service and problem-solving. But brand stewards (marketing, product and packaging development people) were the real decision makers and

they considered our client's metal cans dinosaurs when trying to attract consumers with new ideas.

Not only did our VOC investigative marketing point this out, it identified the right people, all those brand stewards, that needed to be targeted. Furthermore, it also revealed that if our client's sales people wanted to be successful, they needed to get very familiar with brand steward language and tools such as IRI, demographics, psychographics, structure design, differentiation, prototype concepts...

All of this and more was uncovered by The Drucker Group and delivered with a full report that included strategic marketing and directional sales communication recommendations.

The time frame: just eight weeks. **The cost:** much less than you think. **The findings:** invaluable.

IN ORDER TO CONNECT THE DOTS, YOU FIRST HAVE TO FIND THEM

Couple today's tight economy with stepped-up competitive pressure, and finding your VOC could not only be important to growth, but survival.

As such, Drucker Group VOC studies can offer your business unprecedented opportunity to gain crucial insights in a timely, affordable manner. With our investigative marketing approach, we first help you discover the dots, and then show you how to connect them with a sound marketing strategy.

Thus grounded, you get more than a "report" from your investment. TDG/VOC results enable formation of target-specific sales strategies and executions that will get you on track — before your best competitive opportunities disappear.

ABOUT THE DRUCKER GROUP

At our very core we are investigative marketers who specialize in finding out what the marketplace truly feels, and how it connects to the brand, product or service we're investigating. What we uncover helps clients build the foundation for strategic marketing and persuasive communications.

In addition to our research, marketing and strategy development capabilities, we also offer clients media analysis and buying, creative development and execution, plus public relations, promotions and online programs.

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VOC CLIENTS

Some of the clients that have used The Drucker Group for VOC research.

