

What you think you know can hurt you.

A White Paper on the Strategic Planning Process
and Voice of the Customer Research

Voice of Customer research can be one of your most valuable business tools.

But only if it is done properly.

It is not typical customer research.

It is not a routine customer feedback survey.

And it is definitely not a DIY job.

Gradually Growing Deaf

HOW COMPANIES COME TO NEED VOC

Most sales and marketing executives think they know their customers pretty well and, to a great degree, this is true.

But even in successful companies, understanding of customers and their needs can erode over time. That's why decision-makers like you in thousands of businesses across the country raise the same questions:



If the economy can't be blamed, many execs try to find answers by bringing on more sales people. Others push their current sales force to make more calls. Some may dust off an old promotion that worked in the past. Or hire a new ad agency to create a fresh campaign.

But when none of these tactics produces proportionately more, sustained sales (which usually is the case), the questions remain.

GOING TO THE SOURCE.

It's a situation that clearly calls for Voice of Customer (VOC) research — a custom-designed study that goes beyond ordinary research, to uncover your particular sales barriers and point the way toward overcoming them.

Many firms resist, however, feeling that they will learn nothing new — or they proceed with inadequate efforts under the guise of customer satisfaction surveys.

Typical rationales include:

"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."

"We don't need a VOC study," the rationale continues, "to tell us that we have to be more productive in the field ... that we have to open more doors, beef up sales, and sell value rather than play the price-cut game."

This, of course, merely restates the problems that they already face. And formulating "new" marketing strategies based on outdated assessments and eroded understanding of customer needs, dooms company growth and any new product introductions to mediocre levels at best.

The simple fact is, solutions to this dilemma rarely come from company-conducted customer surveys or from internal sources, because company personnel are too close to the situation — and at the same time, too far away. Consequently, they don't ask the right people. They don't ask the right questions. They don't get the answers you need.

You think not? Consider this:

ELEMENTS OF THE DECISION PROCESS UNCOVERED BY VOC RESEARCH

Attitudes	Needs identification
Behaviors	Problem-solution
Product perceptions	The purchasing process
Barriers to use	Perceptions of existing vendors
Pain points	Vendor selection
The purchasing environment	Making the purchase
Key buyers and influencers	Product on use
Quality definitions	Measuring performance
Existing knowledge base	Vendor retention

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

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.

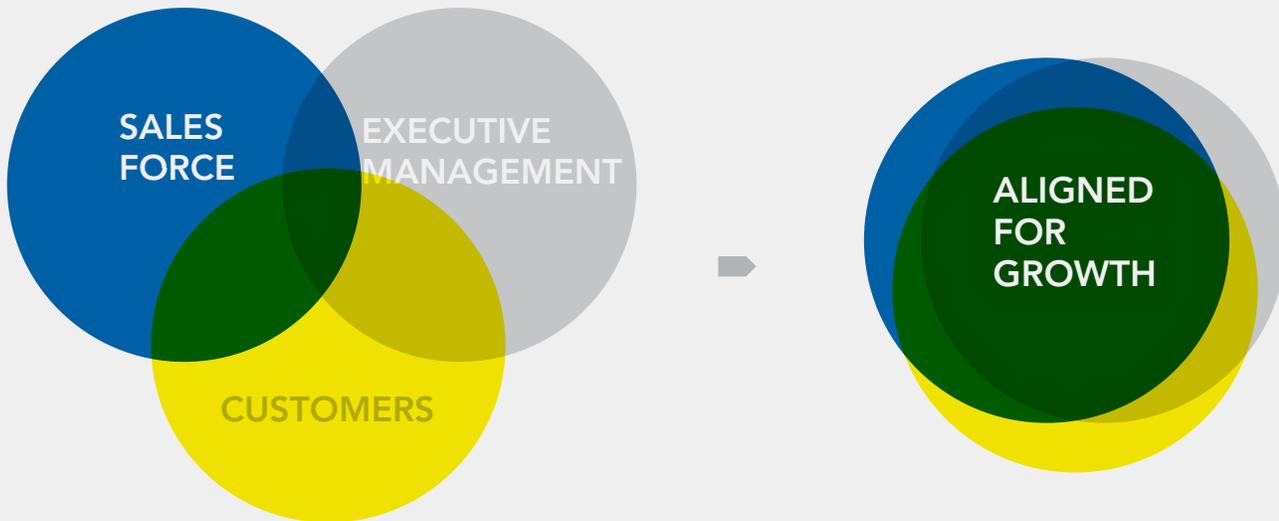
Sure, no one knows your customers better than you. But that's precisely why you and your people are least likely to get very far trying to uncover roadblocks to your own success.

Proof point one: Customers with whom your people feel most comfortable will head the list, while more-difficult types will be given short shrift. *(Note the 2nd bulleted point on the left. This is one way in which you start to lose touch in the first place.)*

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 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.

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

How we 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 studies avoid 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 overall marketplace 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.

VOC STUDY DELIVERABLES

Document the customer's buying and use experience

Identify key purchase drivers

Uncover points of pain and opportunities to delight

Define opportunities and obstacles

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 more-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 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 become very familiar with brand steward language and tools such as syndicated data, 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.

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



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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 provides the foundation upon which clients can more-effectively build strategic marketing initiatives 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

See how investigative VOC studies by The Drucker Group have helped diverse clients identify sales barriers as well as new opportunities, and ways in which we helped them utilize findings effectively. Visit "Case Studies" under "The Work" on our web site.



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