

PECB

When Recognition Matters



BENEFITS OF LISTENING
TO THE VOICE OF
CUSTOMERS

“Your most unhappy customers are your greatest source of learning” – Bill Gates

We live in a world where negative online reviews can bankrupt a business. Dissatisfied customer can lead to loss of current and potential customers, loss of market share and reputation damage. Companies worldwide are becoming aware on the importance of reputation in the pressure of today's extremely competitive market. Maintaining a good reputation has proven not only to increase revenues but that sometimes it is more important than the quality of goods and services itself. These are different ways how businesses can manage their reputation, but the one that has proven to be successful is to listen to the Voice of Customers (VOC).

Avoiding bad customer experiences will certainly have a positive impact in your business, because one bad experience can spread through the power of the word-of-mouth and impact the business negatively. A study conducted by Oracle in 2013 shows that “businesses can lose 20% of revenue from poor customer experiences.” The study also shows that although 91% of the businesses wish to be considered a customer experience leader in their industry, only 37% of them have a formal initiative in place. One important fact that the study points out is that the voice of customers is becoming louder through social media, yet executives still underestimate its power on customer behavior (i.e. switching brands).¹

Voice of the Customer is a process which is used to capture customer's preferences and experiences to provide them with the best product or service quality. This process is used to determine the stated or unstated customer expectations and deliver products accordingly. There are different ways how an organization can capture the VOC, and they include focus groups and interviews, customer and market surveys, customer specifications and complaints found in emails, letters and complaint logs, observation, warranty data, social media, mystery shopping, and so on.

Voice of the customer gives businesses the opportunity to learn and improve. This technique makes businesses customer-centric by making them prioritize customer expectations and offer a better customer experience. Improvements in this area do not only focus on customer satisfaction with regards to products or services meeting their requirement, but also enable organizations to make customer based decisions. The following are some of the benefits of the VOC initiative:

- Improves customer satisfaction by having access on the opinion of customers and improve the products in accordance with their expectations. Having satisfied customers leads to retention of current customers and acquisition of new ones.
- Enhance reputation by learning about your brand, and manage any issue before it spreads into online networks and media. Enhancing the reputation leads to an increase in revenue, market share and customer loyalty.
- Increase product innovation by learning about customer preferences. Customer feedback can be used to understand new trends and use the information to produce new and innovative products.
- Enrich the marketing strategy by evaluating the influence of promotional activities. Marketing effectiveness can be achieved through the word-of-mouth because satisfied customers will spread their good experience.
- Offer better customer services by listening to customers and manage issues before they expand.

Amazon.com

Amazon is the largest online retailer in the world with the highest customer satisfaction rates. They are leaders in customer services, receiving the highest percentages of “excellent” responses. Amazon's ‘Voice of the Customers’ initiative has proven to be successful. Their system is comprised of the Customer Advocacy and Customer Experience team. They have established an internal email system to observe the interaction between customers and third party sellers. All the data entered in Amazon's system are saved in a pool of data. The collected customer feedback, data and metrics are used to identify customer problems and resolve them before they happen to future ones. Fixing customers problems is a priority and a success driver at Amazon.

¹ <http://www.oracle.com/us/global-cx-study-2240276.pdf>

Voice of the customers has become a powerful tool to beat competitors. One quality initiative that strongly recommends this technique is Six Sigma, because it has proven to drive a positive project change. The Six Sigma project should be implemented in alignment with VOC in order for organizations to increase their market share, stay competitive, and generate higher profits. According to ISO 13053, "the 'voice of the customer' should provide a permanent feedback loop for the duration of a Six Sigma project." In addition, the standard suggests that it is important that Six Sigma project starts with the customers' expectations and is checked regularly to verify whether it has any deviations.



PECB (Professional Evaluation and Certification Board) is a certification body for persons on a wide range of international standards. PECB offers ISO 13053 training and certification services for professionals wanting to gain a comprehensive knowledge in Six Sigma, its principles, core subjects and issues. This training provides a thorough explanation of different tools and techniques used in Six Sigma, among them the Voice of Customers. ISO 13053 Certificate proves that you have the knowledge and skills to develop a Six Sigma projects and shows that you can undertake initiatives such as the 'Voice of the Customers'.

ISO 13053 and Six Sigma Trainings that will be soon offered by PECB:

- Certified ISO 13053 Lead Implementer (5 days)
- Certified ISO 13053 Lead Auditor (5 days)
- Certified ISO 13053 Foundation (2 days)
- ISO 13053 Introduction (1 day)

ISO 13053 Lead Auditor, ISO 13053 Lead Implementer and ISO 13053 Master are certification schemes accredited by ANSI ISO/IEC 17024.

Lorika Bina is the Transport, Telecommunications and Energy (TTE) Product Manager at PECB. She is in charge of developing and maintaining training courses related to TTE. If you have any questions, please do not hesitate to contact her at: tte@pecb.com.

For further information, please visit <http://pecb.com/site/renderPage?param=139>