

Effective Voice of the Customer Techniques, Processes and Metrics



The IBM SPSS – The Leader in Predictive Analytics More Customers In More Industries

- Across industries
 - 10 of the top 10 global commercial banks
 - 8 of the top 10 telecommunication services companies
 - 21 of the top 25 retailers worldwide
 - 24 of the top 25 market research firms
- And throughout the Public Sector
 - All major national governments
 - Every branch of the U.S. Military
 - Every U.S. State Government
 - #1 statistical software on university campuses

Agenda

- Welcome
- Hypatia Research, LLC: Research findings presentation
- Wrap-up
- Q&A

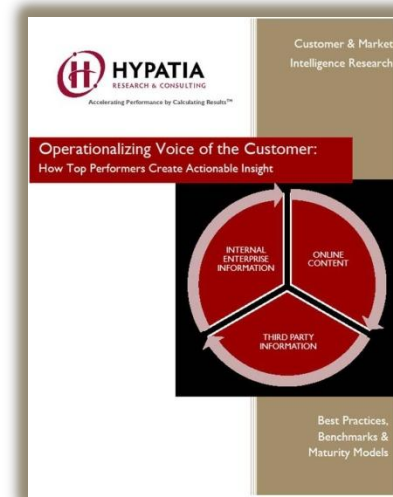
Operationalizing VOC: Maturity Models & Best Practices



 **ypatia Research, LLC**
Accelerating Performance by Calculating Results™

Leslie Ament
VP Research & Client Advisory

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Operationalizing VOC

- ❑ Customer Intelligence Research & Advisory Services
- ❑ Research Overview & Methodology
 - Market Pressures / Challenges
 - Actions Taken to Overcome Challenges
 - Responses to Pressures
 - Knowledge & Expertise
 - Enabling Technology
- ❑ VOC Features & Functionality Evaluated
- ❑ Corporate Importance
- ❑ Performance Benchmarks, Metrics & the Right Stuff
- ❑ Best Practices: Live Nation
- ❑ Summary
- ❑ About Hypatia & Contact Info

Hypatia Research: Actionable Insight That Drives Results!

Accelerating Performance by Calculating Results™

We are unique in the world of industry analyst firms in that we do not charge technology vendors for analyst access.



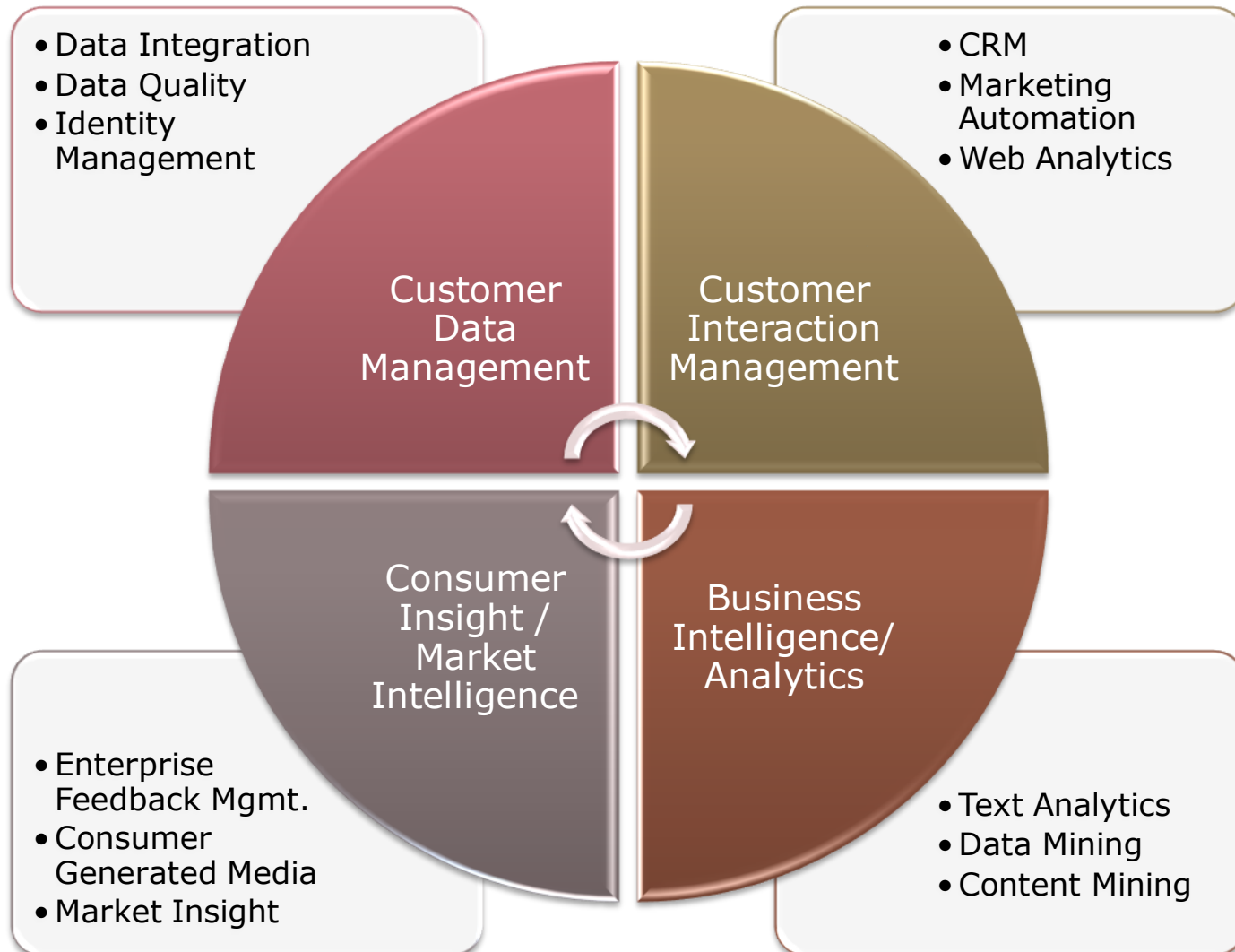
Primary
Quantitative
Surveys

Primary
Qualitative
Interviews
with B2C /
B2B end-
users

Market
Intelligence &
Analysis
Strategy
Workshops
Custom
Research
Competitive
Intelligence

- Research Reports
- Seminar/ Webinar
- Case Studies
- Vendor Selection
- KPI's & Best Practices
- Industry Snapshots

Enabling Technologies, Processes & Services End-Users Deploy:



Expertise & Partnerships

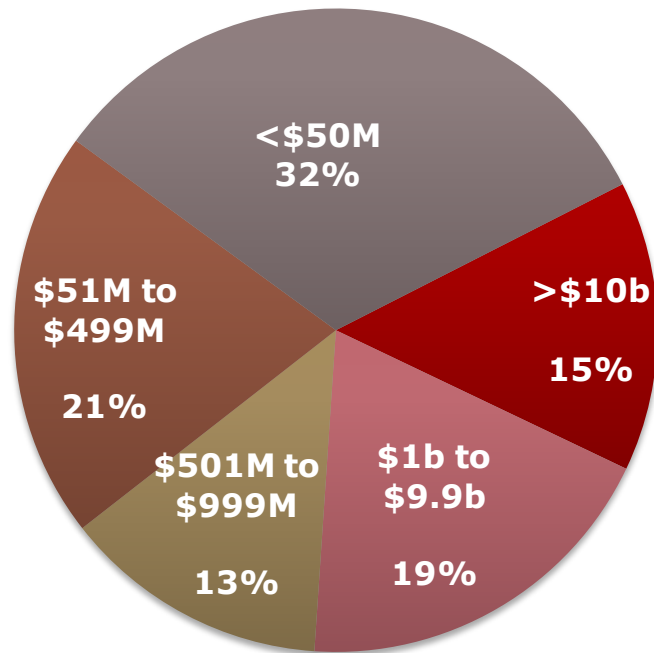


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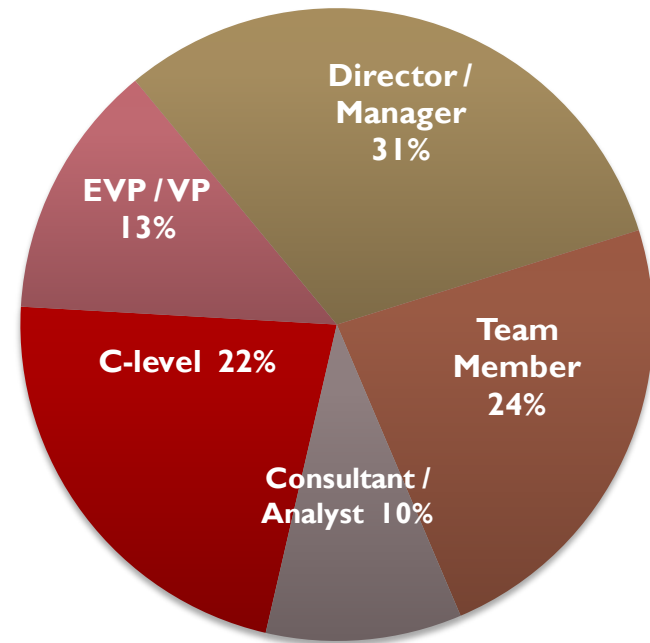


Survey Respondent Profiles:

Company Size

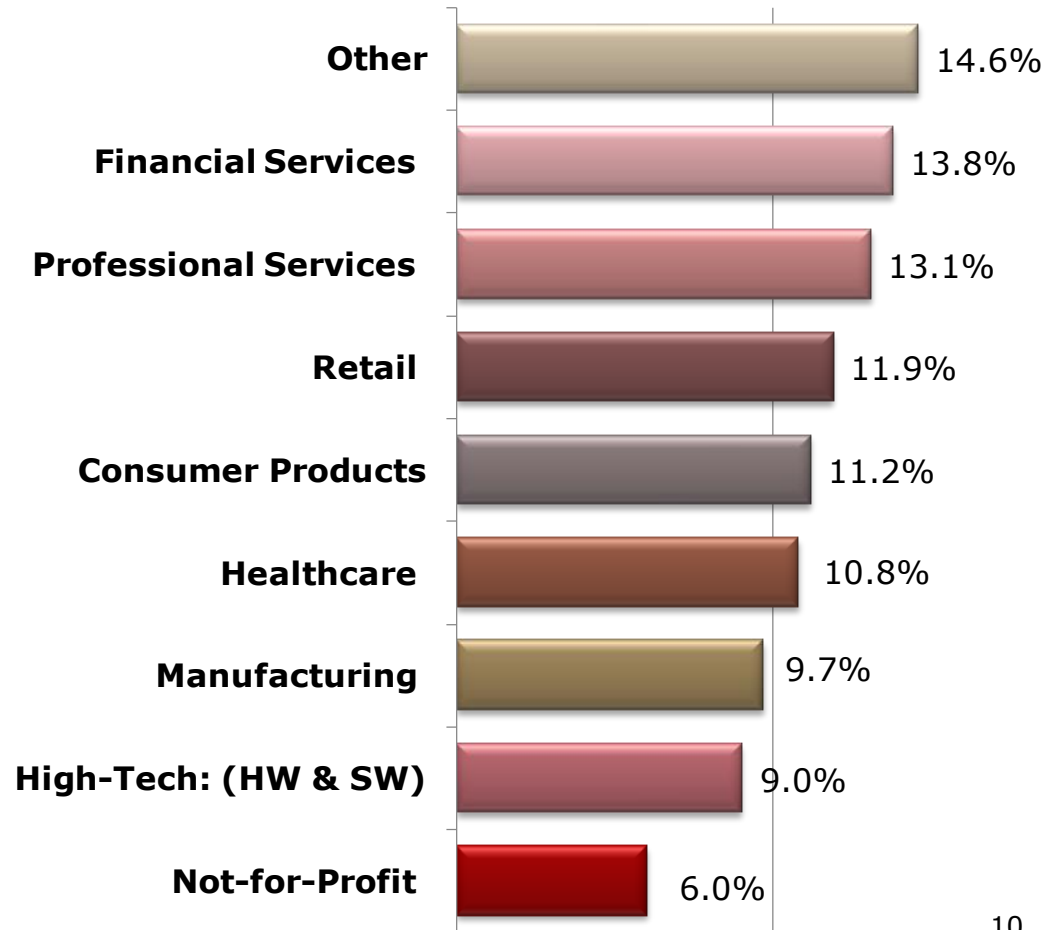


Respondent's Role



Respondent Profile

Geography	
Asia / Australia	1.1%
South America	1.9%
EMEA	3.8%
North America	93.3%



Market Pressures & Challenges

Goals	Response
Acquire New Customers ?	Enhance Customer Experience
Increase Customer Loyalty	Increase Customer Profitability
Understand Customer Preferences	Improve Retention Rates

Non-aligned responses illustrate lack of VOC process maturity at majority of organizations

Actions & Responses:

How Will Company Respond to Challenges

Internal resources usage	41.9%
External expertise usage	16.7%
Outsource to an agency, consulting firm or provider of research services	5.6%

Top Three Challenges Faced when Adopting VOC

Vendor selection	62.35%
Integration with existing systems	43.50%
Establish internal business processes / best practices	42.20%

Planned Investment in VOC

Steady increase in VOC usage planned

	Increase (10%)	Decrease (10%)	About the Same	None
Next 0-6 Months	19.4%	9.0%	42.2%	29.5%
Next 6-18 Months	20.9%	10.8%	39.9%	28.4%
Next 18-36 Months	25.0%	8.6%	39.2%	27.2%

Knowledge & Capabilities:

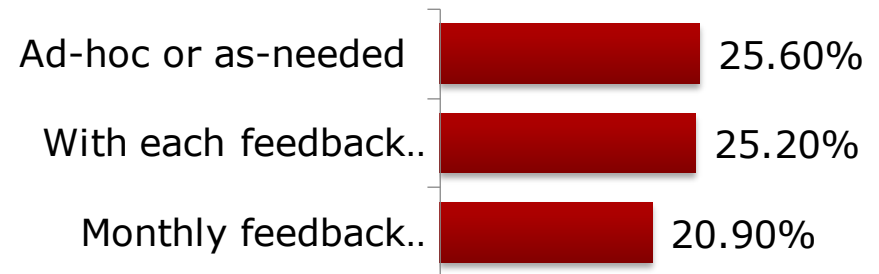
Primary Uses of Outside Expertise

Subject matter [analytics, research, data modeling] expertise	28.7%
Cost management	25.6%
Industry expertise	18.5%
Technical expertise	13.8%
Project management	13.4%

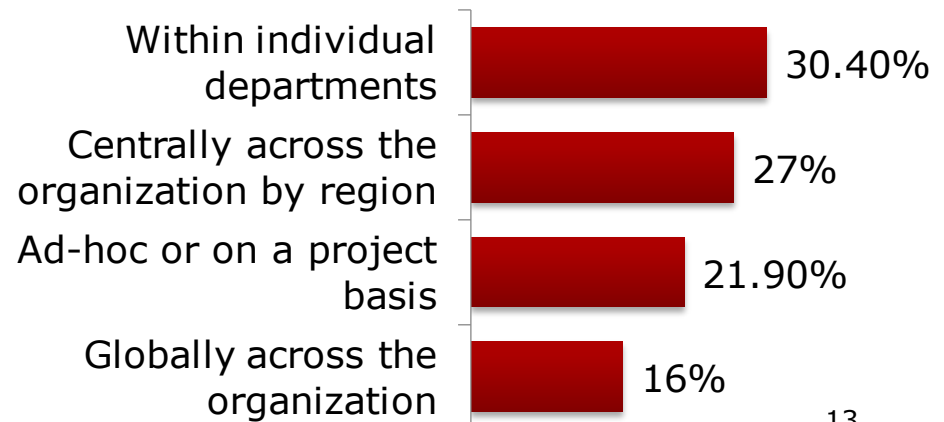
Sampling Rules Consistent Across the Organization ?

Yes	43.3%
No	56.7%

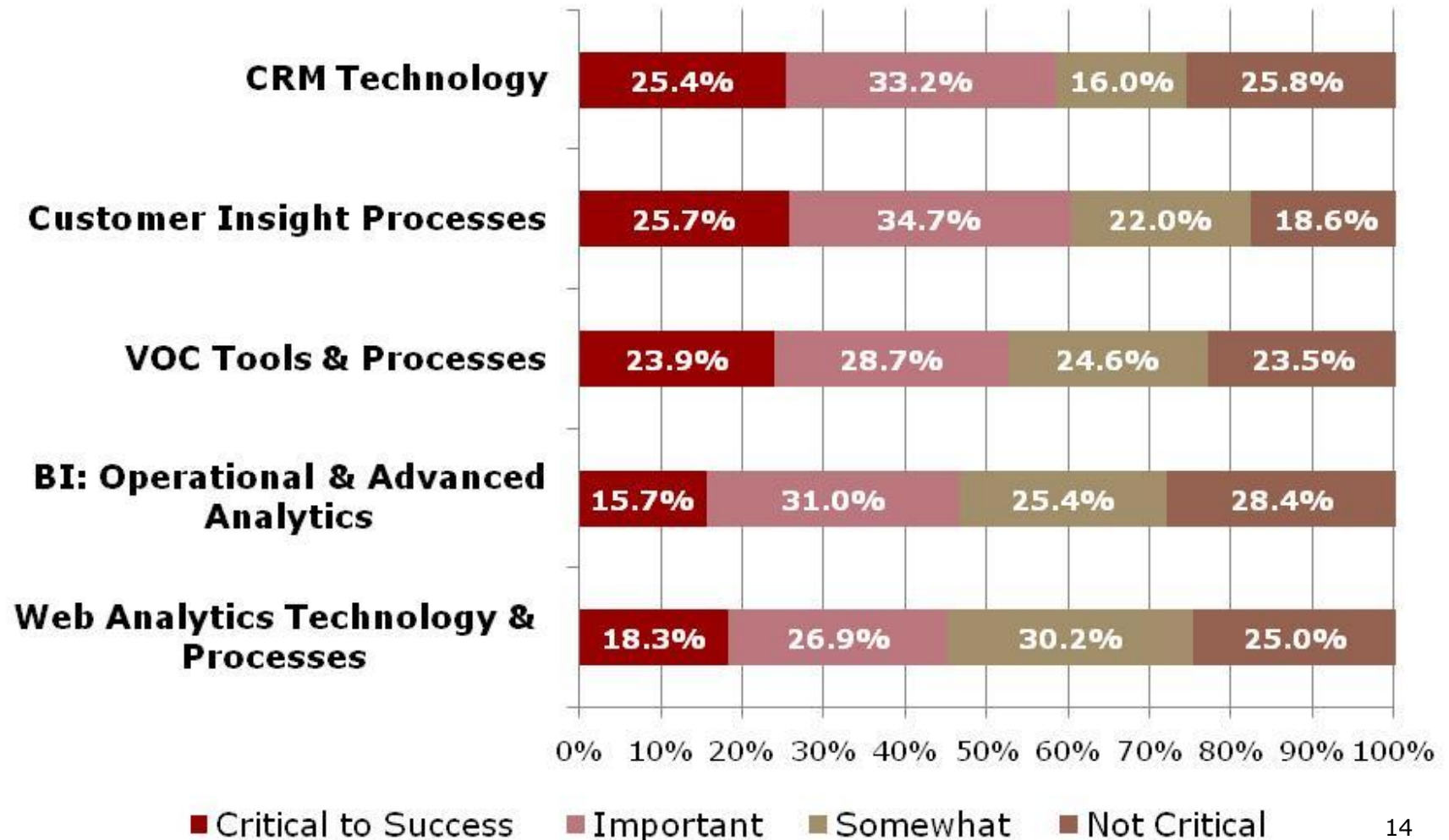
How Often is Analysis Distributed to Stakeholders?



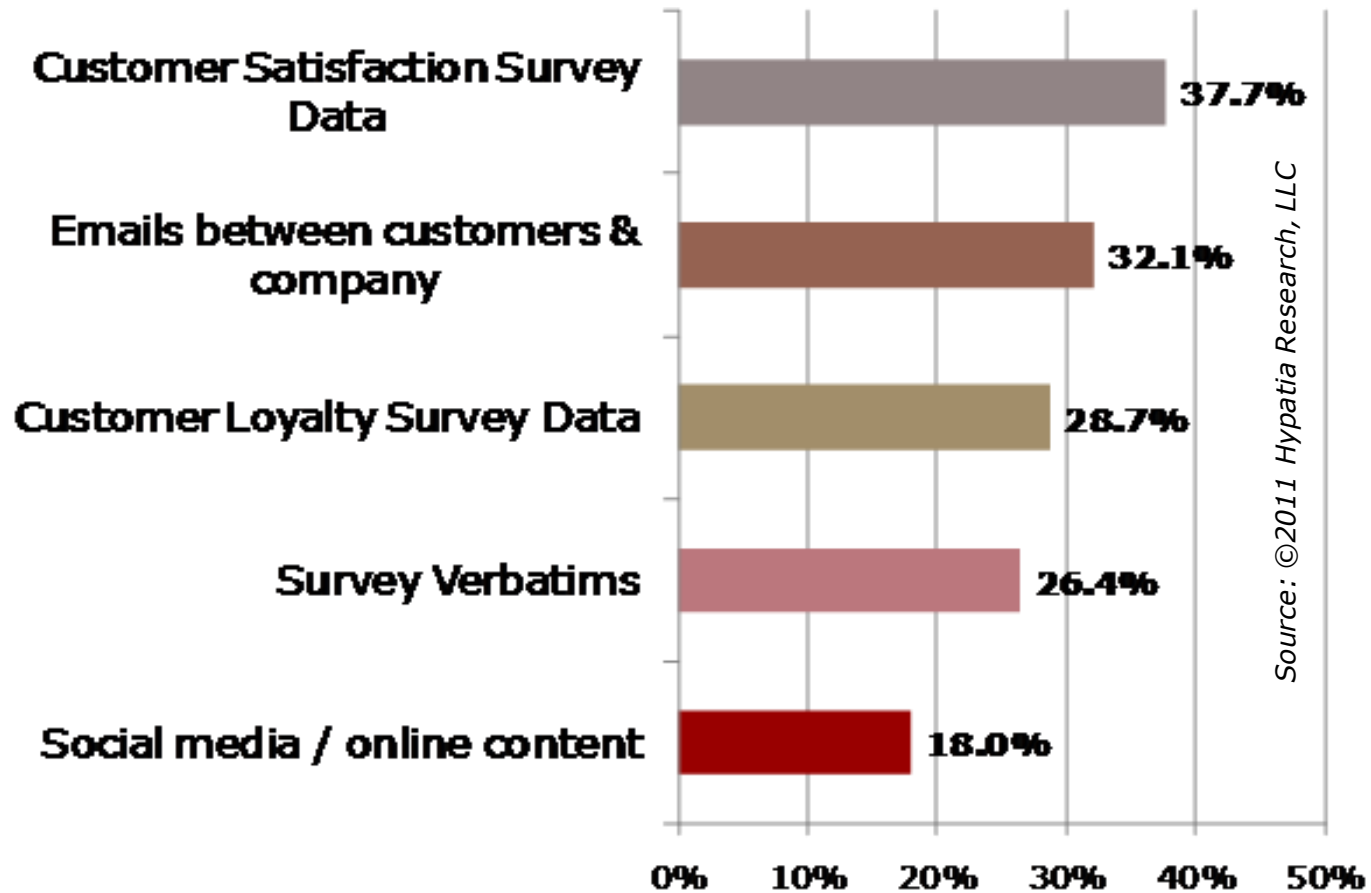
Sources of Data Collection



VOC Importance to Corporate Performance



Most Valuable Information Sources: VOC



Galaxy™ Evaluation Criteria

Quantitative VOC

- ❑ Multi-Source Survey Data Capture
- ❑ Reporting & Analysis
- ❑ Multi-Language Support
- ❑ Unified VOC Analysis
- ❑ VOC Visualization
- ❑ Product Roadmap/Corporate Vision

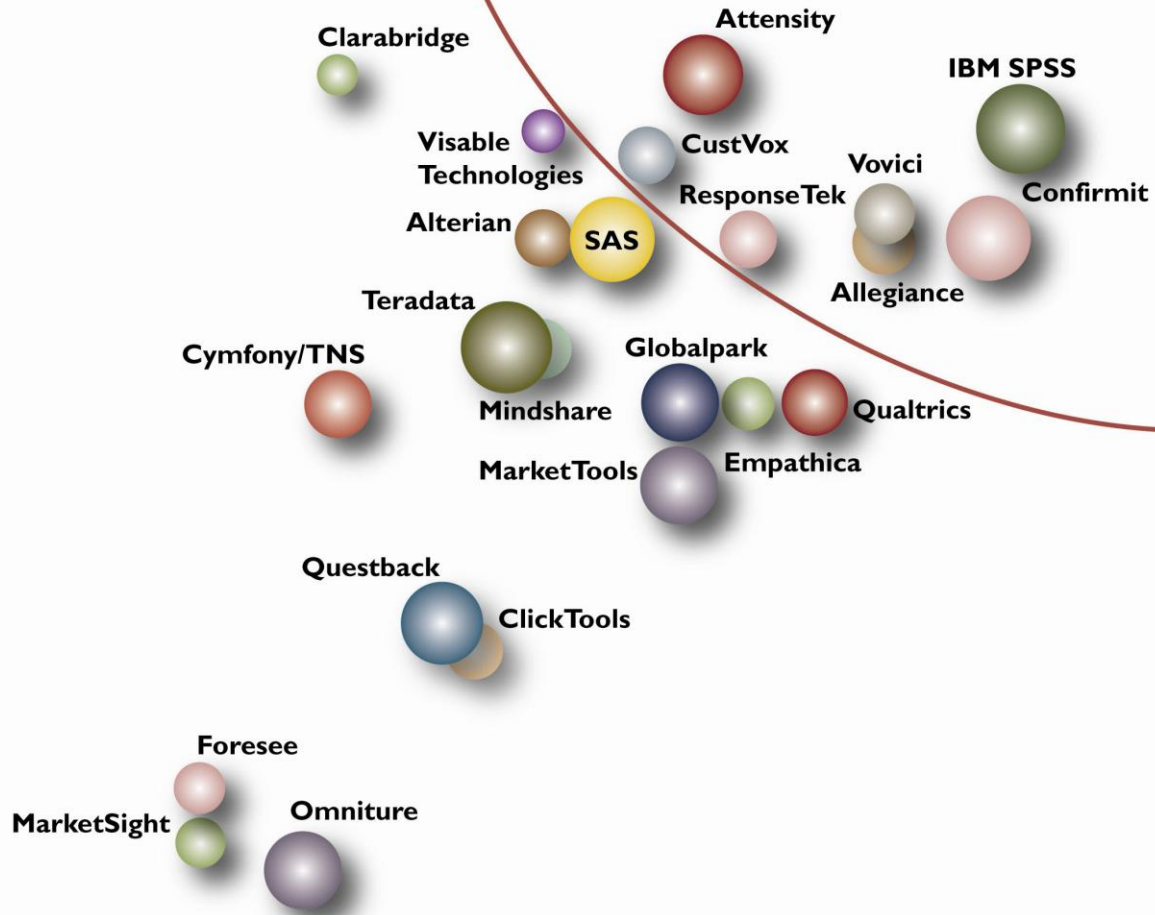
Qualitative VOC

- ❑ Multi-Source Contextual VOC Capture
- ❑ Contextual Analysis
- ❑ Multi-Language Support
- ❑ Unified VOC Analysis
- ❑ VOC Visualization
- ❑ Product Roadmap/Corporate Vision

Hypatia's Galaxy™: 2011 VOC Vendors



Contextual Strengths & Vision



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Comprehensiveness, Maturity & Strategic Vision



Performance Benchmarks & Metrics

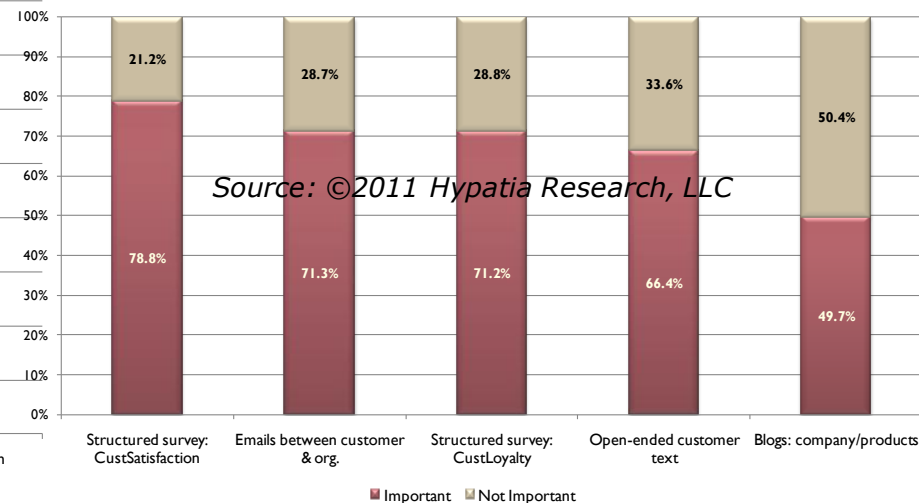
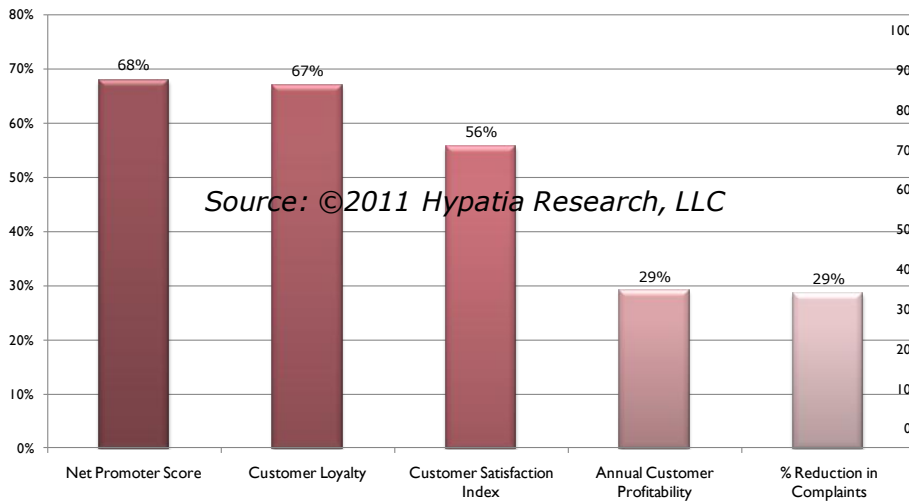


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Establishment of Operational Standards

Metrics: Are We There Yet?

Capturing the Right Stuff?



Performance metrics should vary by business application and purpose—right? Common sense would suggest this; however, as we might well know from reading Dilbert or viewing “The Office”, this is not always the case 😊

Best Practices: Live Nation

- ❑ Live Nation Entertainment (NYSE:LYV) is the largest live entertainment company in the world: connecting 200 million fans to 100,000 events in over 40 countries. Their business model includes selling concert videos via Apple and iTunes as well as sponsorship, ticket sales and service fees generated from TicketMaster.
- ❑ Currently Live nation performs all of their VOC techniques internally with a team of 15 and is responsible for providing decision-support to multiple departments.
- ❑ Priority one was to create a self-sufficient research & analytics group that could operate without depending on external resources or internal IT resources.

Live Nation: Vendor Selection

- ❑ Collaboration with the Chief Strategy Office and Chief Marketing Officer led to a bake off between SAS & IBM SPSS.
- ❑ During the pilot program evaluation, the team determined SPSS was a better fit for their needs.
- ❑ Investment and reliance on the internal IT team would be minimized if SPSS were chosen.
- ❑ Ultimately, the global research & analytics team determined the integrated approach of the IBM SPSS Data Collection suite would facilitate creation of actionable customer insight for all LOB departments supported.

Live Nation: Operationalization

- ❑ Live Nation has increased their velocity by 10X. Automation has enabled unique links to be embedded in outbound email that authenticates and validates that the person who purchased ticket actually took the survey.
- ❑ All customer transactions are stored in one database (Infor) and then fed into the survey database to authentic customer information such as concert genre selected, demographics, etc...
- ❑ Now that the team is empowered to perform both data mining and survey functions in terms of customer knowledge---i.e. transactional behavior + survey attitudes in one group—a critical goal has been achieved.
- ❑ Global research is able to put the **why** into VOC insight rather than continue to disseminate operational BI reports.

Live Nation: Results

Now that the team is able to capture, manage, and analyze VOC by comparing results from different channels [phone versus, retail, versus online] and points of view—clear cause and effect in regards to issues is apparent.

- **Sponsorships**—helping them illustrate customer segments & validate value of sponsorship
- **Marketing**—correlating the effect cannibalization rates have on incremental sales
- **Retail sales**—comparison of gift tickets versus online purchasers
- **Venue/Artist**—results have lead Live Nation to make changes based on VOC input
- **Products Offered**—customer input resulted in changes:
 - Consumers want all in one pricing
 - Desire paperless tix rather than having brokers snatch up good seats
 - Consumers found retail outlets such as Wal-mart convenient
 - Brand favorability 80% due to consumer friendly pricing
 - Only a *certain percentage* purchased via retail outlets in *specific* regions...and some will *never* purchase online
 - Return policy & exchange policy implemented within 3 days of purchase for full refund

Summary: Early Stage

- ❑ VOC not yet widely deployed
- ❑ Data gathered departmentally (in silos)
- ❑ Non-standardized operational reporting: annual to ad-hoc
- ❑ Emerging expertise / usage across functions
- ❑ Inconsistent sampling practices
 - Inconsistent practices across departments
 - Incomplete Integration: legacy systems & processes
 - Establishment of performance metrics & standardized benchmarks lacking

Summary: Rules of Road

□ End-User Investments

- Create a measurable goal and operational plan for execution AND performance based incentives for staff
- Improve ability to collect, analyze & apply feedback more frequently: Integration of survey analysis {data + unstructured text} with enterprise data
- Establish standard performance metrics, benchmarks & processes to help improve consistency of VOC practices
- Organize: Hire expertise & train employees / Create a Customer Intelligence COE comprised of:
 - Market Researchers
 - Consumer Insight / Analysts
 - Marketers, Merchandising, Customer Service
 - Supply Chain, Professional Services, R&D, IT
 - External Partners & Stakeholders

Summary: Vendor Evaluation

❑ Critical Requirements

- Multi-channel data capture; online, phone/IVR, survey, transaction, call center, mobile etc...
- Integrate survey analysis with enterprise data; CRM, Transactional Systems, & Contextual Stuff
- Analysis & Reporting: BI, Text Analytics, Advanced Analytics & Data modeling
- Create a competitive advantage: Collect & apply CI more frequently within organization

❑ Secondary Requirements

- Multi-language support
- VOC visualization capabilities

Summary: Benefits

- ❑ Improve customer experience/satisfaction, loyalty, NPS
- ❑ Acquire & retain profitable customers: Improve profitability per customer
- ❑ Reduce costs: product quality defects / service & support
- ❑ Establish service line extensions and/or product innovations
- ❑ Manage brand reputation via proactive monitoring
- ❑ Defend competitive position & market share via VOC insight

Contact:

Leslie Ament
Vice President, Research &
Client Advisory
Hypatia Research, LLC
O: 781-862-5106
M: 617-230-0067
LAR@hypatiaresearch.com
www.hypatiaresearch.com

Twitter: Hypatia_18

The image shows a slide from a presentation. At the top left is the Hypatia Research & Consulting logo, which consists of a stylized 'H' inside a circle, followed by the text 'HYPATIA RESEARCH & CONSULTING' and the tagline 'Accelerating Performance by Calculating Results™'. To the right of the logo is the text 'Customer & Market Intelligence Research'. Below the logo is a red banner with the title 'Operationalizing Voice of the Customer: How Top Performers Create Actionable Insight'. The main part of the slide features a circular diagram with three segments: 'INTERNAL ENTERPRISE INFORMATION', 'ONLINE CONTENT', and 'THIRD PARTY INFORMATION'. Arrows indicate a clockwise flow between these segments. At the bottom right of the slide is the text 'Best Practices, Benchmarks & Maturity Models'.

Customer Intelligence



Customer Intelligence

**Voice of the Customer &
Customer Experience
Management**

**Enterprise Feedback Management &
Enabling Technologies**

SPSS software and solutions enable customers to predict future events and proactively act upon that insight to drive better business outcomes

Capture

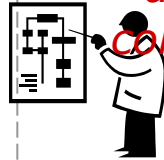
Data Collection delivers an accurate view of customer attitudes and opinions



Data Collection

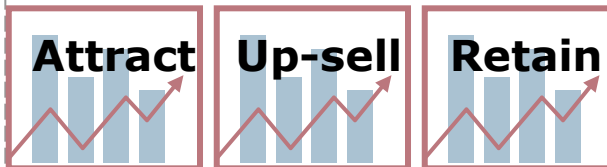
Predict

Predictive capabilities bring repeatability to ongoing decision making, and drive confidence in your results and decisions



Platform

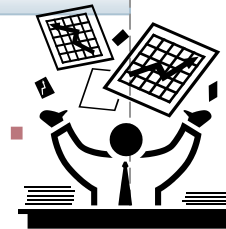
Pre-built Content



Act

Unique deployment technologies and methodologies maximize the impact of analytics in your operation

Deployment Technologies



Thank You

- Resources
 - Deepen Understanding, Improve Business Performance
 - http://www.ibm.com/common/ssi/cgi-bin/ssialias?infotype=PM&subtype=BR&appname=SWGE_YT_YV_USE_N&htmlfid=YTB03017USEN&attachment=YTB03017USEN.PDF
 - Predictive Analytics Overview Demo
 - <http://www.spss.com/media/demos/pa-overview-demo/>

- Contact your IBM SPSS Sales Representative
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