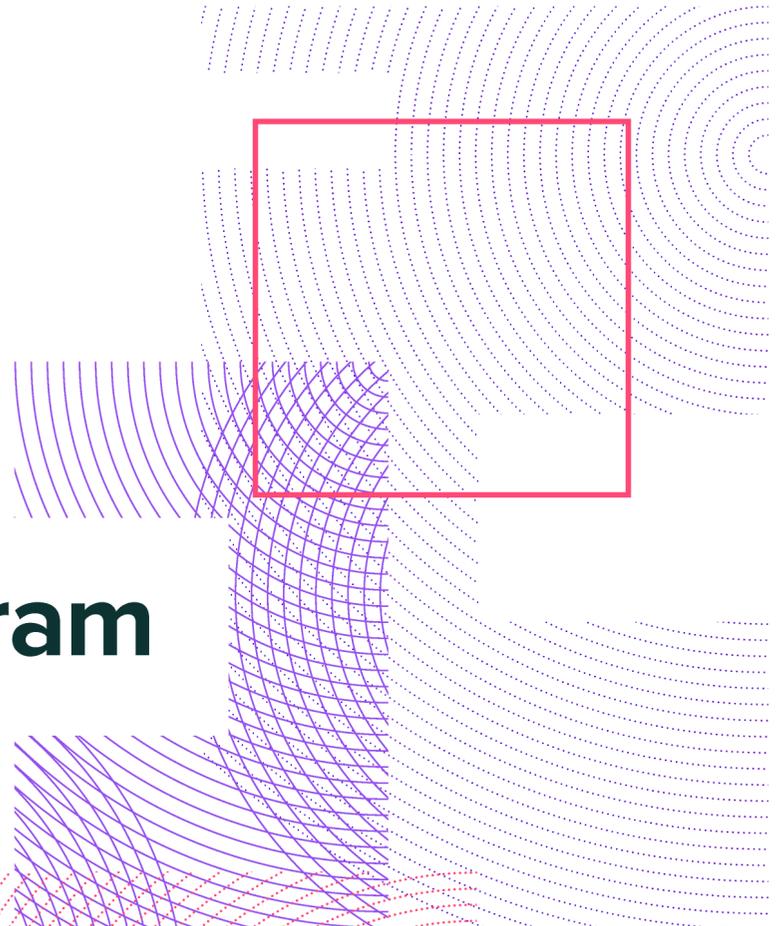
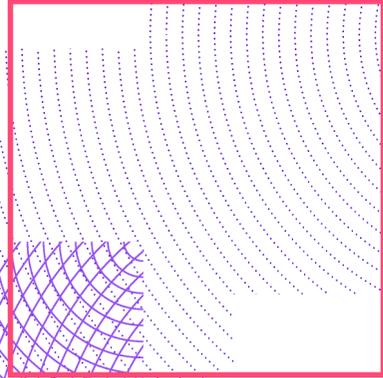
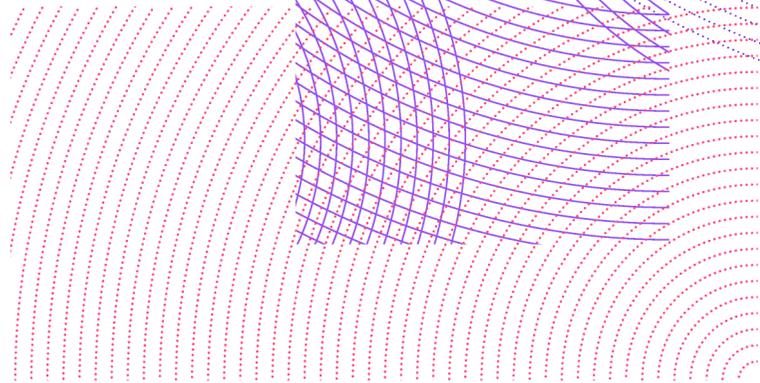
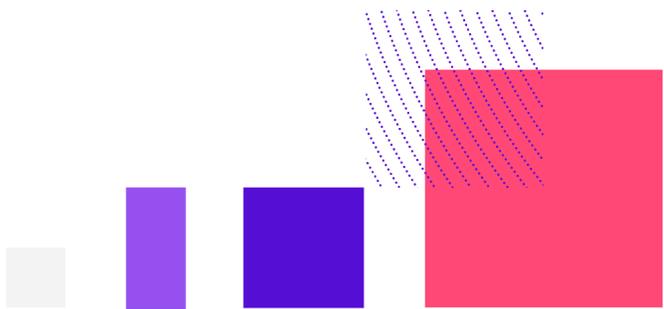




The building blocks of a successful **voice** of the **customer program**



Introduction:

The rise of the voice of the customer

Chapter 1:

What is a voice of the customer program?

Chapter 2:

Elements of a voice of the customer program

- Passive feedback
- Active feedback

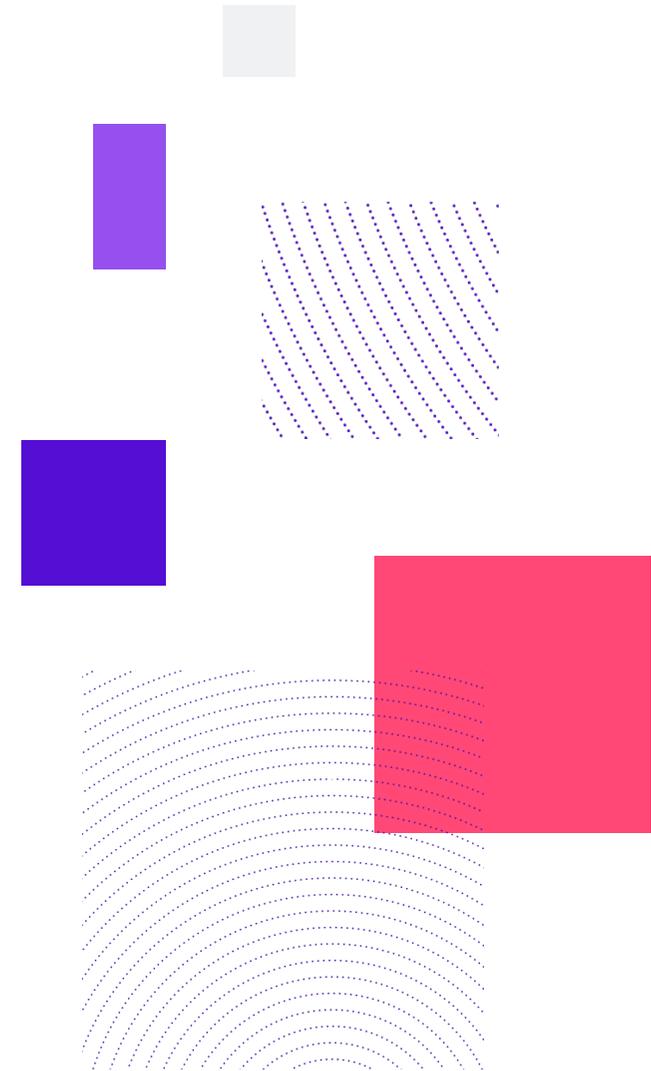
Chapter 3:

How to create a voice of the customer program

- Set the vision
- Choose the right systems
- Create clear processes
- Close the loop

Chapter 4:

VoC best practices



The rise of the voice of the customer

Think about the last time you complained about a company's product or service. Maybe you kept it to yourself—ingraining a newfound frustration with the brand in the back of your head—or vented about it to a partner or friend. Or maybe you told the company about it directly, which poses the question: What happened next?

Whether it's through a "contact us" button, social media post, email, or in-product feedback portal, today's customers have more of a voice than ever before. Communication is no longer a one-way channel from companies to consumers, and software users not only expect to be able to share feedback, but that this feedback will be heard and acted upon, too. While it's promising that customers have so many mechanisms with which to share their opinions, it can be difficult for a company to manage and make sense of it all.

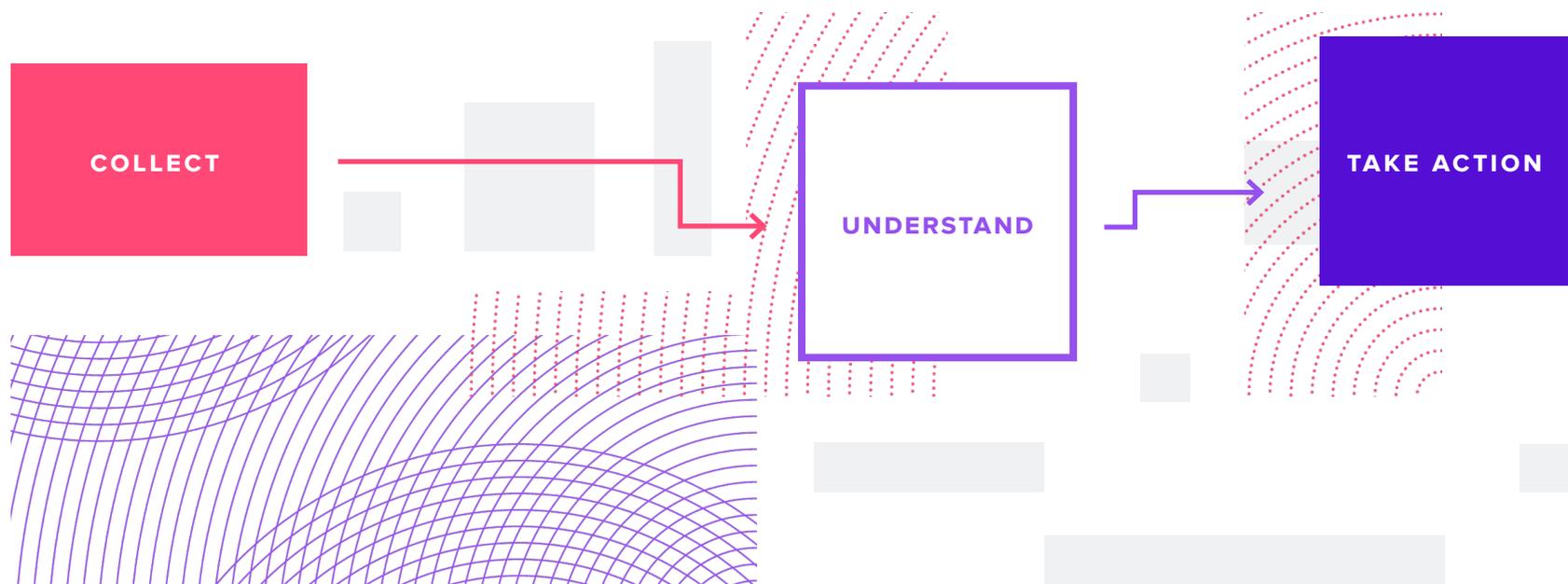
When feedback falls through the cracks, gets lost in translation, or doesn't make it onto prioritization lists, this comes at the organization's expense. By not taking customers' feature requests and product ideas into consideration, you're ignoring the very people whom you're building the product for in the first place. Not to mention this qualitative data is extremely valuable in informing what you build and helping to drive your business' growth.

The customer voice is even more critical as nearly every business has shifted their focus to optimizing or building digital capabilities. In a 2020 [report](#) from the IBM Institute for Business Value, 84 percent of surveyed executives said that customer experience management will be a high priority over the next two years, compared to only 35 percent just two years ago.

Product teams should always strive to understand and incorporate customers' needs in everything they build, and this can't be done effectively without clear strategy, processes, and feedback loops in place. Enter: a voice of the customer program.

What is a voice of the customer program?

A voice of the customer (also referred to as VoC) program is a way to operationalize what customers say. Companies use VoCs to collect, analyze, and distribute customer feedback to all internal stakeholders—whether it’s collected in the product itself, on sales calls, through support channels, or otherwise. Most importantly, though, is the idea of closing the loop; **a voice of the customer program hinges on letting customers know that they have been heard and explaining how you plan to address their concerns.**

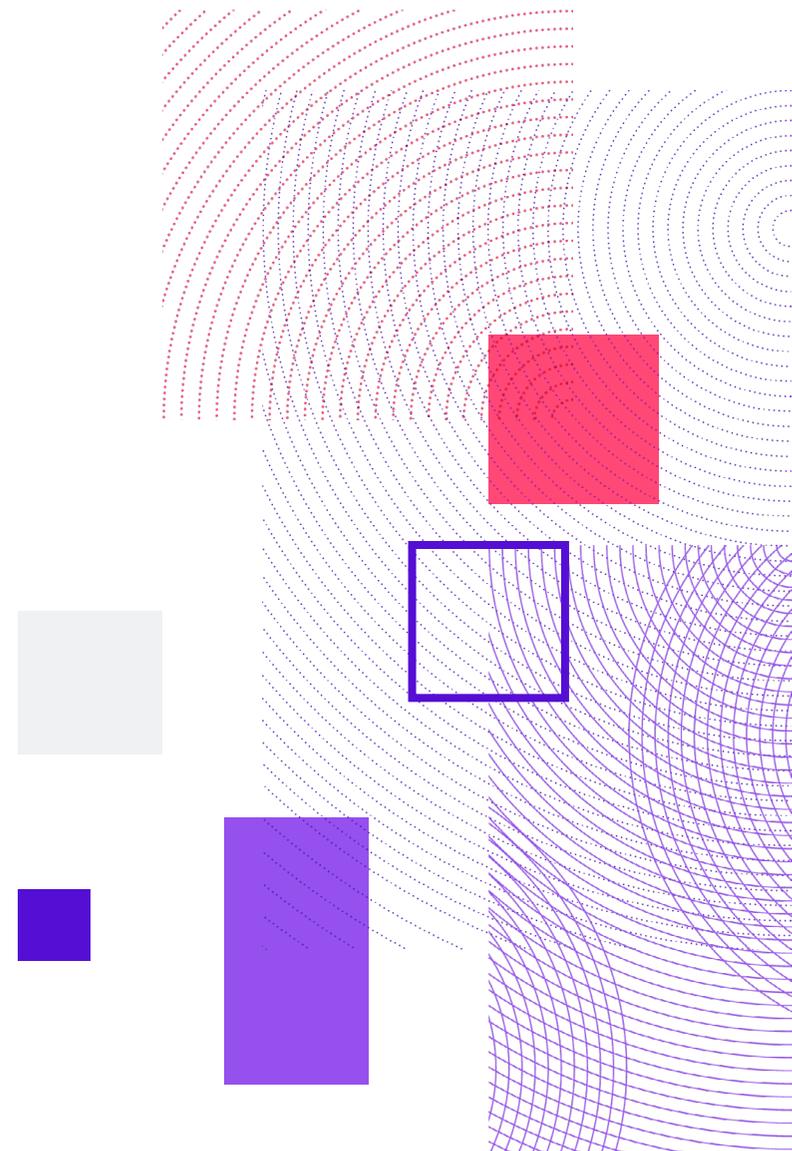


CHAPTER 1

Instead of simply collecting feedback, a VoC program focuses on understanding it, and then taking action. This requires a centralized place for all of this information to live, as well as clear structure around who is responsible for each component (more on this later in Chapter 3). Having these processes in place gives teams across the organization better visibility into what customers are saying and doing, creating immediate, actionable takeaways.

For example, customer support team members hear feedback all the time through the support cases they handle. But does this feedback ever make it back to the product team? Do PMs know which product areas or features are the subjects of support tickets time and again? Manually tracking feedback in multiple spreadsheets or systems can only work for so long, especially for companies that are quickly scaling and trying to keep up with customers' evolving needs.

When all of this data lives in one location, it empowers team members beyond the individual who heard the feedback verbatim or handled the support ticket.



The benefits of a robust VoC program

Instituting a voice of the customer program has both short and long-term benefits. Some of the most pertinent include:

1. Better prioritization

No matter how maniacally focused on the customer you are, product teams shouldn't listen to every feedback request and act on it right away. A voice of the customer program helps you determine which product requests and ideas will be most impactful for your customers and your business. Since you should always be balancing feedback with internal demand, the broader market, and your company's overall strategy, VoC allows you to see the full picture as you make prioritization decisions and communicate back to customers along the way.

2. Improved customer experience

Put simply, the best way to improve the customer experience is to listen to what customers are telling you. Voice of the customer programs allow you to better understand your customers and make more informed product decisions that align with their needs. Users want to feel like the software they access day in and day out was made to solve their problems. Knowing what those problems are (and how they change over time) is a key component to doing this successfully.

3. Competitive advantage

As customers ourselves, we all have our favorite brands for everything from task management software to cleaning products. Companies that incorporate the voice of the customer into everything they do have a more favorable brand presence, since customers feel heard and that the product experience meets their needs. This serves as the ultimate competitive advantage, especially since low switching costs make it easier than ever to abandon a product and move on to a seemingly better alternative.

4. Increased revenue

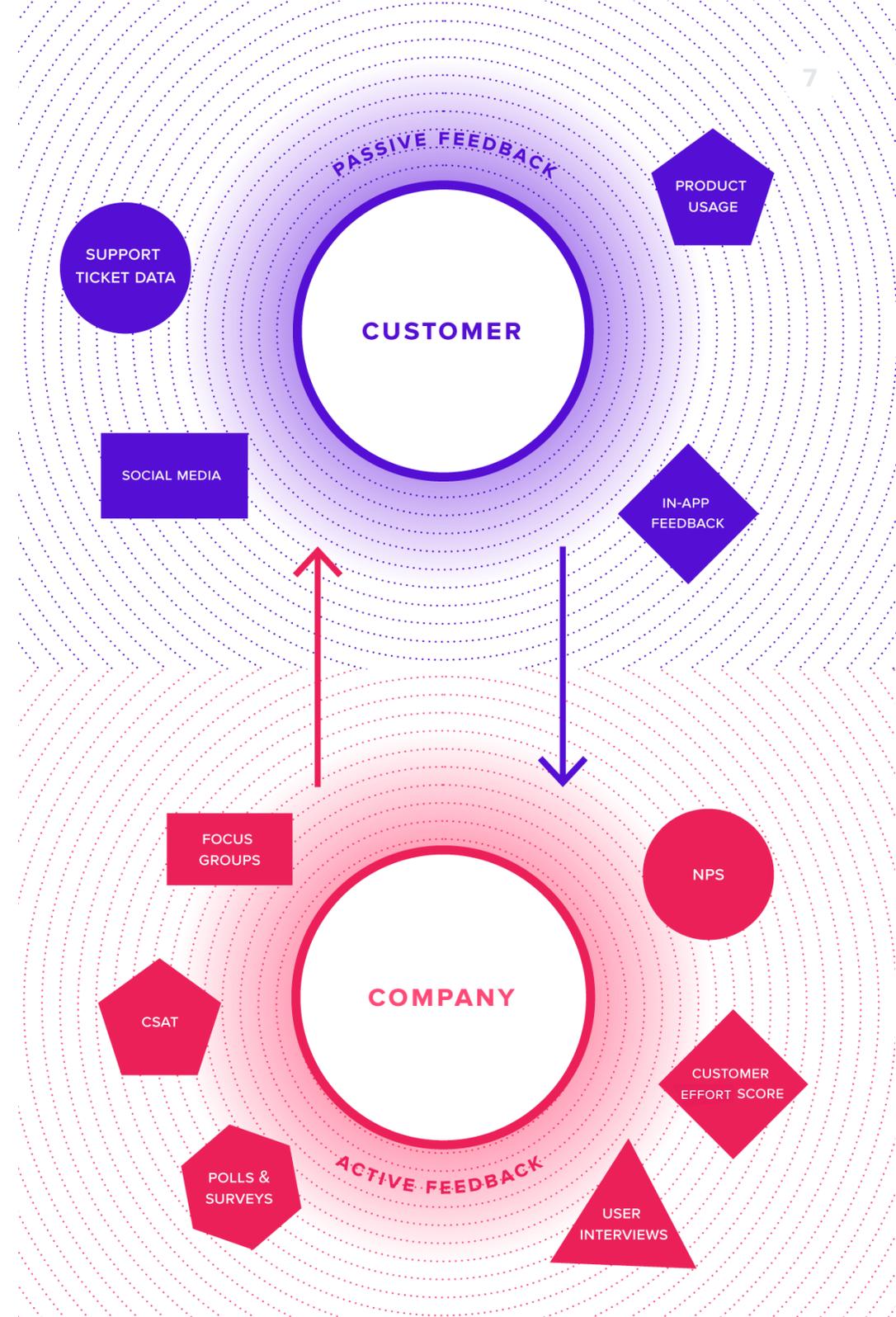
It feels intuitive to connect VoCs with positive customer outcomes in the short term, but establishing these programs can have a positive impact on your company's revenue, too. Voice of the customer helps ensure you're building a product that customers truly want and will continue to pay for, and even pay more for as they utilize additional functionality or product offerings.

It's also been found that higher NPS (a key sign of a positive customer experience) is [correlated with](#) a company's growth. Your Promoters help drive real value for your business, and building a VoC helps you identify the characteristics, habits, and opinions of Promoters, so you can foster them throughout the rest of your customer base.

Elements of a voice of the customer program

As you consider what to include in your VoC efforts, it's helpful to think of it as a two-way street: sometimes you'll directly ask for feedback from your customers, and sometimes customers will proactively share their feedback and requests. Both types of feedback are valuable, and a voice of the customer program excels when teams are able to combine multiple forms of feedback to get a complete picture of the customer experience.

There are a lot of different inputs to choose from, and what makes the most sense to include in your VoC program will ultimately depend on your business, customer base, and overall strategy. For example, social media is especially relevant for B2C companies, and employee NPS is a key indicator for product teams who work on employee-facing software.



Voice of the customer inputs can be broken down into two categories: **passive feedback** and **active feedback**. Here are some of the most common types of each:

Passive feedback –

Passive feedback refers to feedback that is instigated by the customer, and not the company. It's helpful to think of these as “always on” methods for collecting customer feedback.

In-app feedback

One of the most effective ways to ask for feedback from customers is through a widget inside your product. This way, you can track feedback constantly (and on an ongoing basis) and meet customers where they already are. Additionally, asking for feedback while people are using your app will likely generate more valuable responses, since their experience and feelings are top of mind.

Social media

What your users say about your product (and company) on social media platforms can be extremely valuable, especially when social media posts spark conversations with multiple users. Ultimately, the nature of your business will determine how important social media is to your VoC strategy, but there are plenty of solutions available to help companies connect this data with the rest of their systems.

Support ticket data

When it comes to support tickets, it's useful to track your team's response time as well as any common issues that continue to arise. Ideally, an effective VoC program will help you better understand which areas of the product cause the most problems for customers, and enable you to take action quickly.

Product usage

In addition to tracking what customers say and how they feel, voice of the customer programs should capture how they act, too. Product usage data allows your team to see how customers navigate your app, including which features users access the most, where they get stuck, or when there is drop off in a certain workflow. When combined with other VoC inputs, this information becomes even more powerful. For example, if you examine product usage and segment by NPS, you'll be able to see which features your Promoters use the most, and can then work to encourage the rest of your customers to use those features as well.

Active feedback –

Active feedback is when a company directly asks customers for feedback. This type of feedback is often used for specific product releases or updates, or is measured over time to assess progress.

NPS

The Net Promoter Score is an industry standard for measuring sentiment, asking users to rate how likely they are to recommend a brand to a friend or colleague from 0 to 10. From there, scores of 9 or 10 are “Promoters,” 7 or 8 are “Passives,” and 0 through 6 are “Detractors,” and NPS is calculated by subtracting the percentage of Detractors from the percentage of Promoters. The value in NPS comes from tracking it over time to see how sentiment changes—ideally you’ll see it increase as you work to improve your product and customer experience.

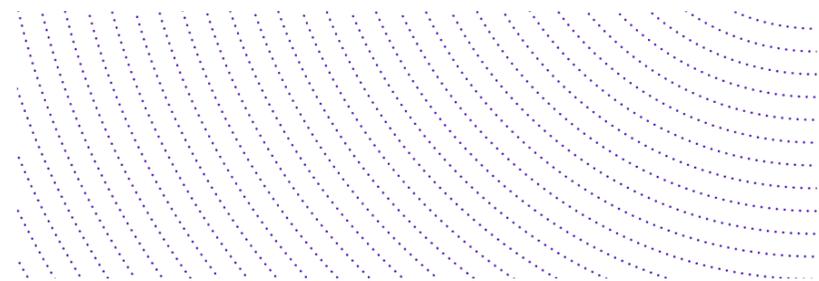
You can deploy these surveys in a variety of ways (e.g. via email, a popup on your website, SMS) but serving them in-app tends to elicit the highest response rate. Most importantly, NPS isn’t just about measurement, but what you do with that information. For example, have someone on your team personally follow up with any users who took the time to leave a write-in comment with their score. It’s also useful to reach out to Detractors and have a conversation with them about what led to their low score.

CSAT

A customer satisfaction score measures customer service and/or product quality, expressed as a percentage from 0 to 100. The single-question survey asks some variation of, “How would you rate your overall satisfaction with the [product/service] you received?” and users respond from 1 (‘Very unsatisfied’) to 5 (‘Very satisfied’). Similar to NPS, track CSAT over time and try to be as consistent with measurement as possible.

Customer Effort Score (CES)

A Customer Effort Score measures how much effort a customer has to give in order to complete a task—whether it’s getting an issue resolved, uploading a data set to the product, finding the right help documentation, or otherwise. CES surveys ask, “On a scale of ‘very easy’ to ‘very difficult,’ how easy was it to interact with [company name]?” It’s useful to track CES over time and leverage other customer experience metrics (e.g. NPS) to get the full picture.

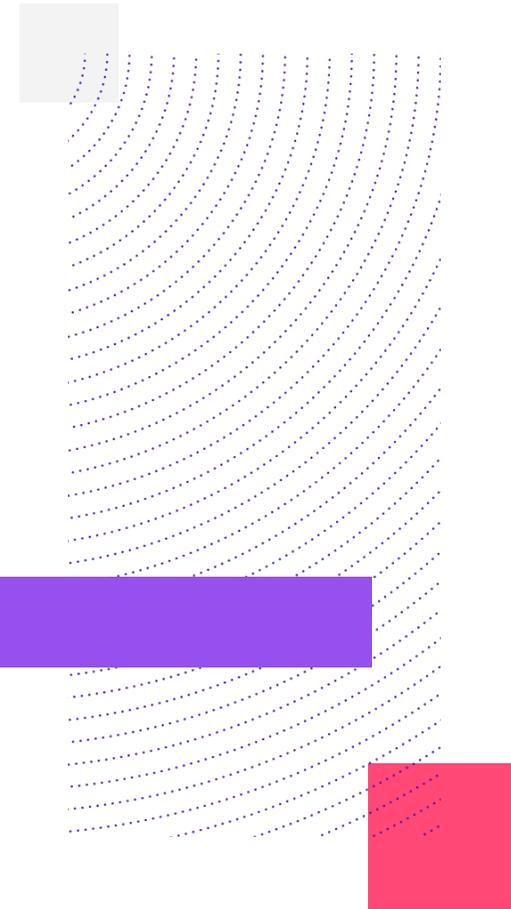


Polls and surveys

For polls and surveys, it's helpful to first think about when you want to leverage them. For example, you could create an in-app survey for new users to fill out after onboarding and implementation, or create a one-question survey for users to fill out after their support case is closed. With polls, it's best to stick to simple yes/no questions, for example asking, "Do you think this feature will be useful to you?" for a newly-released feature. You could also combine this with your CRM data to view responses by company size and see if customers from smaller or larger companies find the feature more valuable.

User interviews / focus groups

While getting feedback in-product is convenient, sometimes you need to talk with customers directly. You should think of user interviews and focus groups as elements of your VoC program, and make sure this information makes its way into your central system of record. These conversations help you gain a deeper understanding of users' needs, use cases, and behavior, and serve as complements to things like product usage data and survey responses.



How to create a voice of the customer program

Building a voice of the customer program requires organizational change, both to how teams interact with customers and each other.

This can be difficult. Individuals and teams are often set in their ways, unwilling to admit that there's a better way to do things. When creating a voice of the customer program, it's important to instill a company-wide mindset of collecting feedback at every turn and using this information to improve the customer experience. Everyone at your company will benefit from this shift in process and culture, and your job is to ensure they know this right from the start.

Putting in the pre-work and setting the foundation for a VoC program is crucial. We've broken it down into four key steps.



Step 1: Set the vision

Start by thinking about and identifying your overall goals. As we discussed in Chapter 1, there are many benefits to implementing a voice of the customer program. Narrowing down what you hope to achieve will help you focus your efforts on the most important areas, especially in the beginning when there are so many options available. Don't be afraid to start small and tackle one piece of a wider VoC program at a time.

Some of your goals could include:

- Improve your customer service experience
- Reduce customer churn/improve retention
- Increase employee productivity and satisfaction
- Uplevel your product strategy
- Increase free trial conversions

From there, you should already start evangelizing the initiative internally. Share your vision with the rest of the company, walking through what you're looking to achieve with VoC (bonus points if you can point out the benefits to each stakeholder or team).



Step 2: Choose the right systems

On the operational side of things, think about how you can make it as easy as possible for customers to provide feedback. Are there new channels you need to implement or existing channels you need to improve? If you don't have one already, consider creating a channel for customer requests within your product itself to capture day-to-day commentary that, taken together, can represent how customers feel about your product and highlight small improvements that will make a big difference to your customer base.

Similarly, arguably the most important part of creating a VoC program is to determine where you will house all of this feedback. Since you can (and should) collect feedback from so many different places, there needs to be a central place where all of it lives. Some factors to consider are how easy the system is to update with new feedback (e.g. is it a spreadsheet that requires manual input?), how easy it is to organize and manipulate the information, and how accessible it is to everyone at your company.

When your customers are your coworkers

Voice of the customer programs aren't just for teams that work on customer-facing products. Sometimes, your customer is a fellow employee at your organization—and their feedback matters, too. For companies that have both employee-facing and customer-facing apps, it might make sense to split your VoC program into two. Otherwise, just because your customer isn't someone outside your organization doesn't mean you shouldn't build the foundation and processes to collect and act on their feedback.



Step 3: Create clear processes

Getting people to change their mindset around customer feedback is one thing, but getting them to change their actions can be even more challenging. This requires clear and consistent processes to ensure team members understand that everyone is responsible for customer feedback, not just the customer support team.

Understand what your VoC inputs will be and identify a process and/or owner for each. For example:

- Who will be responsible for responding to Net Promoter Score (NPS) responses?
- Which teams will use customer satisfaction (CSAT) scores?
- How will you route feedback from social media to the appropriate team(s)?
- Who will create and send out user surveys?
- How will you solicit ongoing, in-app feedback?

Each team should have a clear sense of which item(s) they are responsible for, how to take the appropriate course of action, when to pass feedback on to the product teams, and where they can access additional VoC information.

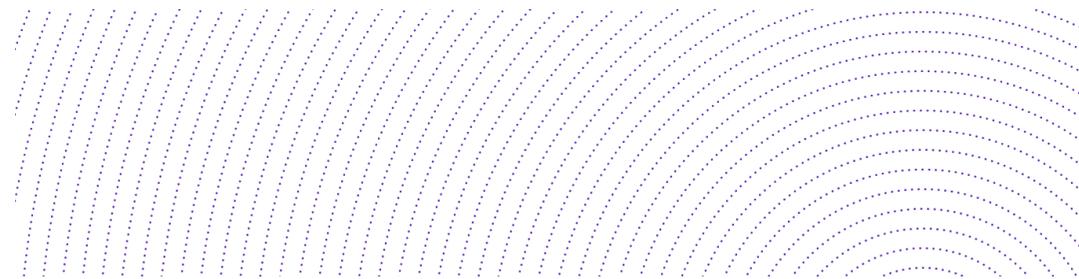
Additionally, make sure everyone at your company knows how they can submit their own product feedback—fellow team members are often one of the best sources of product feedback and ideas.



Step 4: Close the loop

Some of the processes above hint at the idea of communicating back to your customers, but it's worth calling out as its own step. Make sure your voice of the customer program doesn't just involve feedback collection; you have to close the feedback loop, too.

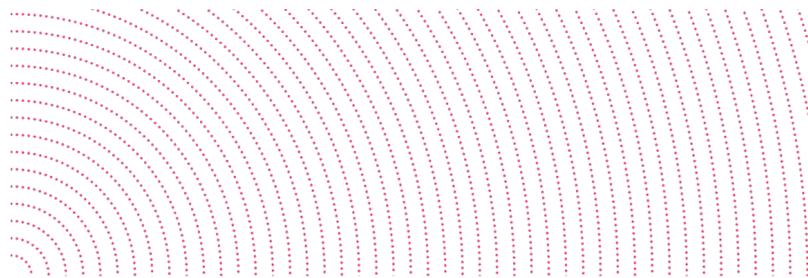
For each method of feedback collection your VoC program entails, make sure the team responsible is closing the loop and communicating back—this is just as important as listening in the first place.



VoC best practices

Voice of the customer programs are about more than simply collecting feedback. They have a lot of moving parts, and require buy-in from every department in an organization. If you're feeling overwhelmed by the sheer task of creating a voice of the customer program, try to keep your focus on the overall mission at hand: to improve the way customers experience your product, and feel about your brand. This will help guide you through the (sometimes messy) process changes and workflow shifts.

Additionally, we've identified five best practices to keep in mind as you build out your voice of the customer program. When in doubt, resort back to these:



1. Everyone needs to view VoC as a priority

Everyone at an organization is responsible for customer feedback. A voice of the customer program makes this job a lot easier, but it's important to emphasize its significance from the very beginning, and on an ongoing basis.

In addition to everyone being able to access feedback data, your VoC owner(s) can also share highlights internally on a regular cadence. This will help shed light on any insights that are particularly relevant to the broader organization, and rally team members behind this initiative. Remember: When people feel like something can provide value to their own work, they are much more likely to put in the effort to make it successful.

2. Product feedback from any VoC activity should live in a single place

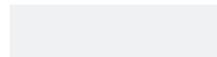
Since voice of the customer is made up of so many different components, you need to ensure any product feedback or feature requests coming out of any of these inputs gets funneled to a central location. As you begin your VoC efforts, start by mapping all of the places you gather (or could gather) feedback from your customer base.

Then, educate teams so they know what to do when they receive a piece of feedback or feature request from a customer (e.g. if it's included in a survey response or comes up during a one-on-one conversation). The last thing you want is for this valuable feedback to slip through the cracks.

3. Balance passive and active feedback

As we discussed earlier, there are a lot of different elements that can make up your VoC program. Every company will prioritize different types and methods of collecting feedback, but you should always make sure you're utilizing both passive and active feedback.

Create multiple ways for customers to easily submit feature requests and one-off feedback when it's convenient for them (i.e. while they're using your product). Then, supplement this with more structured surveys, polls, and interviews to get answers to specific and timely questions that will inform development efforts.



4. Segment your feedback data

When analyzing feedback data, one of the most powerful tools at your disposal is segmentation. In other words, do not only view customer feedback as a whole, but instead separate it in order to learn what different types of customers are asking for. You can segment feedback data by things like company size, ARR, location, role, industry, NPS response, or subscription type (if you have a free and paid version of your product).

The way you choose to segment will likely depend on your business' current goals, for example if you're trying to move up market and target larger enterprise customers, you'll want to look at feedback from these users specifically to see if there are any patterns.

5. Prevent the black hole of feedback

If you remember one thing about the voice of the customer, let it be this: collecting feedback is only half of the equation—the other half is communicating back to customers. This is something that often eludes companies when they are working to improve their feedback efforts. But you can't let the customer voice disappear into a black hole.

A key differentiator for VoC programs is that they require teams to take action on the information they are collecting. This means responding whether feedback is positive or negative (in fact, you can often learn the most valuable information from your unhappy customers). Additionally, you might not always understand a piece of feedback, which requires some follow up to clarify what the customer was trying to express.

In the end, collecting feedback from customers, internal teams, and the broader market is pointless if you don't intend to act on it. Voice of the customer gives your teams a framework to work within, and a way to align the entire organization around a customer-first mentality.



www.pendo.io