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THE ROI OF VOC: CREATE HAPPY CUSTOMERS, DRIVE EFFICIENCY & IMPROVE FINANCIAL RESULTS

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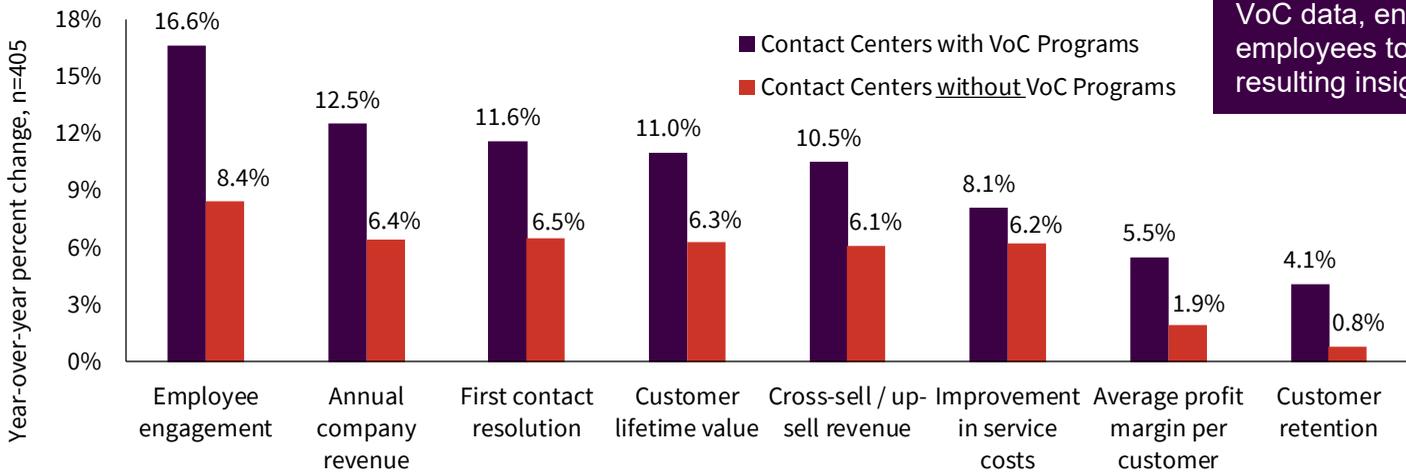
This report illustrates how infusing voice of the customer (VoC) insights within contact center activities helps firms boost efficiency, keep in-tune with changing customer needs, and improve overall financial health.

VoC Users Enjoy Superior Business Performance

Customer satisfaction and loyalty have long been top priorities for contact center and CX leaders. Yet, when asked about the top challenges impacting their activities, business leaders participating in Aberdeen's *CX Executive's Agenda* survey cite the struggle to keep up with changing customer expectations as their number one challenge. This is where VoC programs come in – see sidebar.

Aberdeen's research shows that **64% of contact center and CX leaders currently use VoC programs** to monitor, manage, and track customer sentiment, perceptions, and motivations. Figure 1 shows that enriching contact center activities with VoC insights helps firms transform their activities and excel against contact centers without VoC programs. There are three areas VoC users lead against non-users: 1. CX, 2. operational efficiency, and 3. financial results. Let's take a closer look at how VoC helps contact centers excel across those three key areas.

Figure 1: VoC Users Lead the Way in Maximizing CX, Operational & Financial KPIs



Source: Aberdeen, September 2021

1. Customer Experience

Figure 1 shows how VoC users have happier customers because monitoring customer sentiment and feedback and adjusting business activities to address client expectations increases the likelihood to satisfy existing and potential clientele. In turn, happy customers reward VoC users with their loyalty where the data shows that these customer-centric firms enjoy a 5.1x greater YoY increase in customer retention rates (4.1% vs. 0.8%).

Definition: VoC

For the purposes of this research, Aberdeen defines **VoC** as an organizational activity companies use to capture and use customer feedback and sentiment data.

This data is captured through multiple channels, including surveys issued online, via email, text message, or through interactive voice response (IVR).

Companies use technologies such as VoC platforms, text analytics, speech analytics, and sentiment analytics to analyze the VoC data, enabling employees to act on the resulting insights.

Besides retaining their spend with firms that listen and address their needs, happy customers are also more likely to increase their spend over time. Indeed, data shows that VoC users that boost client satisfaction also observe 75% YoY increase in customer lifetime value (11.0% vs. 6.3%). Customer lifetime value reflects the total spend a client makes with the business through the course of their relationship with that business. As such, driving such drastic increase requires firms to both retain their clientele and grow their spend by monitoring evolving buyer needs and addressing them. Hence, improvement in customer lifetime value signals that **VoC users are more adept in fueling business growth based on changes in customer expectations.**

2. Operational Efficiency

Although VoC programs are invaluable in helping firms understand and address buyer needs, a common mistake contact center and CX leaders often make is assuming that technology alone is enough to drive sustainable performance improvements. In reality, it's the employees who use technologies and processes involved in VoC programs who meet and exceed customer expectations. As such, empowering employees with the tools and information they need to help address client needs is vital. To this point, Aberdeen's *The State of the Contact Center* survey shows that on average, agents spend 14% of their time looking for information they need to address client needs. Providing agents with timely and easy access to VoC insights helps reduce agent time-to-information while also allowing agents to hyper-personalize conversations based on customer sentiment, feedback, and other journey-related insights. Figure 1 shows that VoC users achieve 98% greater YoY increase in employee engagement rate (16.6% vs. 8.4%).

While customer satisfaction is a top priority for contact center leaders, driving operational efficiency also plays an important role in the contact center executive's agenda. For improving first contact resolution rates, reducing average handles, decreasing wait times, etc. allows contact centers to address customer issues more rapidly and effectively. Data shows that **VoC users report 78% greater YoY increase in first contact resolution rate** – a measure reflecting the percentage of conversations where client needs are addressed without the need for repeat contact (e.g., phone calls, chat sessions) (11.6% vs. 6.5%). Analyzing VoC insights about why customers repeatedly contact the business along with using operational data such as automatic call distribution (ACD) and CRM data helps firms reveal repeat contacts and use of root-cause analysis helps reveal the top drivers of repeat traffic, allowing firms to minimize customer effort.

3. Financial Results

Traditionally contact center activities are managed from a cost-centric perspective. As such, decreasing service and operational costs are often top of mind for contact center leaders as they aim to also improve CX results. However, with increased focus on CX competitively, firms also realize that customer satisfaction and loyalty influenced by contact center activities also have a direct benefit in driving and maintaining top-line revenue growth. To this point, Figure 1 shows that **VoC users enjoy 31% greater YoY**

Customer-centricity is the mantra of modern contact center organizations.

VoC insights are invaluable in helping firms reveal evolving customer expectations and address them in a timely and effective fashion.

improvement (decrease) in service costs (8.1% vs. 6.2%) **while achieving 95% greater YoY growth in annual company revenue** (4.1% vs. 0.8%). Together, growth in revenue and decrease in costs allows these customer-first VoC users to enjoy 2.9x greater YoY increase in customer profit margins (5.5% vs. 1.9%).

Capturing and using customer feedback and sentiment insights are pivotal in helping firms achieve such financial growth. In fact, contact centers with VoC programs enjoy 95% greater growth in their annual revenue (sidebar). Using VoC data, firms can reveal which activities are falling short in meeting customer expectations and adapt those activities to reduce unnecessary costs from activities that didn't deliver desired results. Similarly, leveraging VoC insights, firms can uncover changing customer expectations, monitor operational efficiency such as ease of doing business, and make it easier for clients to purchase products and grow their spend with the business.

Operationalize VoC Insights

Although capturing VoC data provides contact center and CX leaders with the foundation needed to keep up with changing market conditions, firms maximize the benefits from VoC programs only when they fully act on (operationalize) VoC insights. This means that customer sentiment and feedback data captured across all channels must be integrated with existing account data within CRM and other systems to build and maintain a holistic view of customer needs and behaviors. Once firms ensure that all customer data is connected, this then allows using analytics to reveal trends and factors influencing customer sentiment and feedback. For example, using analytics to observe VoC insights can reveal top issues customers are most likely to complain about and their impact on client churn. This, in turn, allows contact center and CX leaders to prioritize these issues to address 'broken' processes.

Leveraging VoC insights also helps companies design and execute a top-notch digital transformation strategy. Many contact center and CX leaders aim to transform manual and outdated business processes with future-ready digital capabilities. Yet, many also struggle with where to start. Analyzing VoC insights provides business leaders with crucial insights on where the business is currently struggling in addressing client expectations and how it can transform those activities with digital capabilities to better address buyer needs.

When operationalizing VoC insights, it's not enough for firms to react to customer feedback and sentiment when observing poor results or when clients have issues. Rather, firms must take a proactive approach by designing and managing processes that allow the business to proactively update clients and prospects about events (e.g., service outage, late order delivery) that may impact customer experiences. Such proactive alerts must also be provided to agents and other employees in the business when customers have issues. This means that agents must not learn that they fall behind in meeting customer expectations during periodic performance management and training processes, but rather should receive automated alerts and have visibility through dashboards on how their activities influence customer sentiment and feedback.

Contact centers with VoC programs enjoy

95%

greater growth in their annual revenue.

Capturing VoC insights is just the beginning. Leading firms excel in operationalizing customer feedback & sentiment data to achieve their business goals.

Key Takeaways

Modern contact center programs have transformed from being cost-centric to customer-centric. Yet, visibility into changing customer expectations and behavior remains as the top challenge affecting contact center and CX executives' activities. Aberdeen's research shows that enriching business activities by capturing and operationalizing VoC insights helps firms address these challenges. Modern contact centers with VoC capabilities report significant improvements across CX, operational, and financial performance metrics as compared to counterparts without VoC programs.

Based on the performance gap between VoC users and non-users, Aberdeen highly recommends firms without a VoC program to consider implementing one. Firms that already have a VoC program as well as those that plan to implement one must make sure that the program isn't centered on solely capturing customer sentiment and feedback data. Business leaders that get the most benefits from VoC investments are the ones that operationalize VoC insights. This means ensuring that customer data across the whole business is connected, using analytics and AI to analyze VoC insights for finding opportunities for improvement as well as transforming contact center activities from reactive to proactive by automatically monitoring and using VoC insights to address customer issues. Contact centers using these activities in combination with their VoC capabilities will far outpace their competitors and differentiate themselves in the eyes of their clientele as a truly customer-first organization that enjoys continuous business growth.

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