

## *From Data to Action: Putting the Voice of the Customer to Work*

### Edited transcript of the January 27, 2005, broadcast of “From Data to Action: Putting the Voice of the Customer to Work” from the AMA’s Online Seminar Series, Presented by Maritz Research

(MODERATOR/Lauren Hall)

Good morning and afternoon everyone. Welcome to today’s Web seminar, “From Data to Action: Putting the Voice of the Customer to Work.” My name is Lauren Hall, and I will be your host for this event. I will be in the background answering any general and technical questions that you may have. At the end of this event, I will let you know how you can learn more about Webex services. Before we begin, there are some tools I would like to go over. The first is going in and out of full screen view, and you can do this one of two ways. The first is by clicking the square icon at the top of the screen. Or, at the bottom of the screen, you will find a “View meeting window” tab. If you will click either of those now, you will go into the meeting room. You will be able to submit text messages and Q & A for our panelist. We will be addressing these questions at the end of the presentation. We’ll be having a polling session today at the end of the event and that will appear under the “Questions and Communications” window. So, please select your response and click (*inaudible*). We will make sure to share the responses with you. To change from polling back to questions, simply click on “communication.” Just as a reminder, you can ask a question at any time during the event. I also have a reminder: today’s participant list will be kept private so you won’t be able to see other attendees of the event today. And now, I would like to pass the ball over to Andy from the AMA.

(Andy Grieser)

Thank you, Lauren. Good morning and afternoon, everyone, and welcome to another in the AMA’s online seminar series. My name is Andy Grieser and I will be the moderator today.

The AMA provides this ongoing series of free Web seminars to help you drive the greatest return on your marketing investments. Whether it is marketing research, advertising, promotions, branch management or other key areas of marketing, such as today’s discussion on customer experience. Over the coming year, we will be bringing you more informative Web seminars featuring some of the most prominent thought leaders in marketing today. We do the Webcasts to give you a taste in what the American Marketing Association has to offer. There are many other free resources and tips on just about every topic in marketing at our Website, [www.marketingpower.com](http://www.marketingpower.com). Also, if you are interested in becoming an AMA member, you will find that information on the site, as well. Operator, can you quiet that line please? Thank you. We always address these two commonly asked questions upfront so you can sit back and enjoy the presentation. Will you be able to get copies of today’s slides and will it be available for viewing at other times? The answer to both of these questions is “yes.” We will provide an e-mail address at the end of the presentation to request copies of the slides, as well as show you how to view the Webcast at AMA’s Webcast archives.

And now, I would like to introduce today’s speaker from Maritz. As Vice President of Customer Experience and Loyalty Research, Dr. Randall Brandt is responsible for Maritz Research’s point of view on customer experience and loyalty measurement and linkage strategies. Randy is a leader of the Maritz Research Leadership Council, and works with sector and marketing science experts in the company to formulate and document Maritz’ point of view of customer satisfaction, customer loyalty, and employee

engagement research. In addition, he works very closely with other Maritz business units to help their clients utilize a full range of Maritz products and services to achieve their key business goals. And, he is fighting the flu today, so we especially welcome him and thank him for meeting with us. Please welcome, Randy Brandt.

(Dr. Brandt)

Thanks, Randy, and welcome to everyone here. As you can hear, my voice is a little scratchy, so I will periodically clear my throat. I apologize in advance for that, but hopefully I will be audible and the visual aids will also make up for some of the lack of audible times.

In this section, we are going to talk about putting the voice of the customer to work. I've outlined the session here on the slide that you should be looking at now. I want to start out by looking at a good case illustration of a company that has put the voice of the customer to work successfully, and talk a little bit about some of the things that they are doing well. And then, we will start to maybe extract from that three things in particular that we believe are keys to success in translating customer data into action. So to do that, we will spend a little bit of time talking about a customer-driven process of improvement. And then, we will segue into specific steps that are part of that process that we think, number one, too many organizing skip, and, number two, we believe are critical to making the entire process work. Those steps are clarifying what the customer wants you to do, making sure that the right people are taking action and focusing on the relevant business enablers. At that point we will try to wrap up, give a few concluding comments, and then I'll send this back over to Andy, and you can proceed with questions and answers.

Let's start out for a second here talking about programs called Standards for Excellence. This was a program that was implemented by Cadillac – let's try this again – implemented by Cadillac in 1994. Could we, whoever is showing the application, could we get them to stop moving the slides please? Thank you. We actually, at the beginning of this program in 1994, participation is at the dealership level and it is voluntary. There are a couple of things about Standards

for Excellence. Number one is that every aspect is implemented at the dealership level, so by and large the surveys themselves are customized for fit to the dealership, its region, its needs, and its customer base. It's also the continuous improvement of teams that are the core of turning the data into action, also are made of dealership personnel from various functions and each improvement initiative that they come up with is, again, customized to that particular need. Some of the things about these Standards of Excellence programs is that it is linked to compensation, and it is people who work at the dealerships have rewards tied into this, and it is specifically based upon achievement of sales and customer satisfaction objectives. Probably what is most important to the actionability of the program is the fact that the data are utilized at a local level (*inaudible*), specific continuous-improvement teams who are charged with ownership and develop the action plan to adjust very specific issues. As a result, what gets done in one dealership has not necessarily been a one-size-fits-all improvement strategy. But, to give you an idea of some of the things that have been implemented by some of the individual dealers... At one dealer, they found that when customers came in to pick up a new car, they were typically hitting a bottleneck because of the amount of paperwork that had to be completed. So, the simple solution to that, developed by the continuous improvement team, was to add both in the prepares and cashiers during peak time cause to drop so that they would be able to expedite that process.

Another example was in particular in the high-volume dealerships. Quite often, new cars would come into the lot and sales persons would attempt to take them out and use them for test drives before they had been inspected. And sometimes, some of the surface defects or cleanliness issues of the new car that has just been on the road or in transit had not been resolved. And this particular approach of inspection and cleaning of all vehicles upon arrival and before clearance for customer drives, ensured that every car went out ready and in the best possible shape for test drives, because that is the very first thing the customer sees.

Last, but not least, this was not linked to Cadillac, or individual dealers there. They also just, independently

through the research of one dealer, determined that it made a lot of sense at this dealership in the Northeast to offer free car washes every time customers brought their cars in, because they wanted to make sure that every car went out looking as good as it possibly could. Now this is a program, again, that has been around since 1994. And by all accounts, it has been very successful. That is to say that the participating dealerships have seen improved business results in several areas that include increased sales revenues, relative to the dealerships that are not participating. They have also seen a reduction in sales associate turnover, which means that the most experienced sales-oriented associates stick around longer. And, also, they have improved their first-time visit percent fixed rate, which is a direct driver of all customer satisfaction and loyalty. They have also found, in the process, that they have been able to successfully improve their competitive position in several key benchmarks, including, most recently, in the JD Power and Associates satisfaction emphasis for both sales and customer service.

So, where this (*inaudible*) according to a service magazine, is that there is no denying that the Standards for Excellence program works. They... Cadillac today has the best customer satisfaction ratings among all of the GM brands and among the products in the JD Power index, that I mentioned a second ago. The question that I want to raise now is, Why can't every company do this? And the answer is, actually, any company can, but many have not. As a matter of fact, for those of you who are regular readers, or perhaps recently started reading the Maritz Research Report, you know that one of the features that we have there at our Website is a little poll that asks, "What keeps you awake at night?" And, what we found is that of all the things listed, the topic of "how you use the customer feedback to drive performance improvement" is the most frequently mentioned issue that keeps readers awake at night. So, while many organizations clearly value customer feedback, the surveys through inbound communications and other mechanisms, a large number simply are not satisfied with their ability to use the results. What we want to do is to take you through a process that we believe makes it possible to put the voice of the customer to work. And throughout the remainder of the presentation, we will highlight and focus on three steps in particular that are critical.

But before we do that, let's introduce the process. I want you to see this so-called closed-loop customer-driven process of improvement. We'll probably realize right away that the closed-loop customer-driven process is not new. It has been around at least as long as Shoehard, and more recently Deming. And, it has been applied in discussions of satisfaction measurement and management for at least 15 or 20 years. What we have got to suggest here is that, in fact, a closed-loop, multi-step process that you see illustrated here, by which companies should seek to first of all capture and integrate customer data and analyze that data to extract the learning and insight. Then, use that as a trigger for clarifying and deciding what needs to be done with regard to specific customer-driven action items. This step of clarifying that item, then determining who is responsible, and then identifying the relevant business enabler of things to work on – we believe that these three steps offer important prerequisite steps to start fixing the process, which is developing and implementing the action plan.

Unfortunately, there are a lot of organizations that don't do it this way. What I am going to show you now is what I would customize as a reduced closed-group process, that consists mainly of the capturing of the data steps, and analyzing the data steps, and then the development and implementation of the action plan. Unfortunately, we think there are too many organizations that complete steps one and two, and then they try to move directly to step six. That is, they attempt to get the data, analyze it to identify action items, then they basically turn to their organization, they turn to their managers, their employees, and their partners and they issue directives to go use this stuff. And we don't think that is a good way to do things. It may succeed, but it is hazardous for a couple of reasons.

One of the reasons that it is hazardous is that quite often, when you had results of things like surveys or end-bound customer e-mails where they have comments, you simply don't have enough information to know exactly what to do. So, for example, customer surveys typically have a variety of product and service and other attribute items, but those items are almost never granular enough to reveal specifically and engrain them with detail specifically what it is that the customer wants you to do. As a result, they either end up

not taking action, or you end up working on something that is not really what the customer wants. A second thing that can happen is that if we have not formerly gone through a process, whereby people are charged and essentially given responsibility for taking action, then that responsibility may not be clear. And either the wrong people take action, or attempt to, or no action is taken at all. And finally, if we have not clearly traced the task from a specific customer requirement, need, expectation that is driven by the initial analysis of customer data, we may end up attempting to fix the wrong things as target the wrong business enablers. We selectively try to guess at what it is that the customer wants us to do, and as a result, we do nothing especially well. So, the process again that we are recommending is one that consists of all six steps. Yes, you want to gather and integrate the voice of the customer data. We analyze it to identify potential action items or triggers for the action process. But then these three steps of issue clarification, determining who is responsible for action, identifying the relevant business enabler, and then developing and implementing action plans...these are the things that make the remainder of the process work. Then we can go back to step one, and we can continue to measure our efforts to address that the customer issue has been successful.

So these three steps highlighted in blue are three, four, five, and are the ones that would be the focus of the remainder of this Webinar today. And once again, those three steps are...number one, clarify what it is that the customer wants you to do. If you are not absolutely certain that you know what your customer wants or means about responses to survey rating scales or checklists or even open ended questions, then do the additional work it takes to clarify that issue so that you know exactly what it is that the customer means. The second thing is making sure that the right people are in charge of the taking action. Don't simply put a group of folks who are trained to deal with the process, such as billing, on the job in charge of the process and expect them to be the sole owners or people who are responsible for the issue. But rather, make sure that all of the right functions and all of the right partners are involved, to the extent that they touch the customer issue so that you have the right people involved. Last but not least, target the relevant business enablers. And that is just a fancy

phrase to say, make sure you work on the right things. Make sure that you identify the right operations, the right product and service, delivery characteristics, the right people, the things that actually are the means of delivering what it is the customer wants.

What I want to do now is go through each of these in a little more detail. I want to start with issue clarification. Again, clarifying the issue is the point at which we take an action item that has been initially identified through the results of analysis of survey, complaints, and other BOC data, and simply ask yourself the question, "Before we try to take action, do we understand what it is the customer wants us to do?" Once again, if the answer is "no" or more importantly, if you cannot specifically and emphatically say, "Yes, I understand what it is that the customer wants to do," then take the time to drill down and find out what it is that the customer needs. Survey items, for example, typically provide starting points, but they are almost never granular enough to provide the level of detail or insight that tells you what it is that the customer wants you to do. So that means, take the time to drill that into the issue.

There are actually a couple of sources that give the necessary detail. One of these can be verbatim comments that you get from surveys or that you get from other sources of BOC data. Quite often, those open ends...you can structure it in a way, for example, dissatisfied ratings, and when the customer expresses dissatisfaction in particular ratings, you can go back and say "... and what was the reason for your dissatisfaction?" Quite often, that will give you some of the detail that you need to take action. However, to the extent that the detail is not available through existing data, then it probably means that you will have to go out and do some additional drill-down research done on an ad hoc basis. And, it is done specifically in respect to the targeted action items that were driven by the – if you will – first go-round of customer data analysis. This particular case, the type of research you do really depends on the nature of the issue being addressed. It is the nature of the customer issue...is linked to something that is quantifiable, such as waiting time, or the number of times that they have to visit the dealer for service, or the number of times they see an

account or sales rep for a year. Then they quantify this data, focusing on the cycle; specifically, what is ideal in the customer's mind. What is minimally acceptable and how much elasticity is there around that quantitative target?

For the majority of items, what we will need is more qualitative information. When customers talk about things like helpfulness or knowledge ability of the in-store associates, or their account rep or a technical support representative, it is very difficult to define a specific target for helpfulness in units of helpfulness. Rather, what we have got to identify is critical behaviors and characteristics of those associates or other employees who are perceived to be especially helpful or knowledgeable. And we wanted to track that with characteristics with those same types of folks who, perhaps, are not as effective. And we found that the critical incident interview technique, which is generally done through desk interviews, is a very good way of going about achieving that. So, again, clarify the issue to make sure that what the customer wants and what particular survey or other VSE of measure means before taking action.

The second of the three key steps that we think typically are left out is establishing ownership of the issue. What we mean here is that as you identify a customer-driven action item, just as we want to make sure that we know what exactly it is that the customer means, we also want to know, who's responsible within our organization? Who touches this customer issue? Who impacts it? And quite often, that will not simply be one function or one employee, but it will be a variety of functions, departments, and it may also involve suppliers or channel partners.

There's a couple of ways you can do this. You don't necessarily have to wait until results are in to go about assigning ownership. For example, survey items in advance of the data... you can actually do that well in advance of collecting the data. If you don't take that approach, you certainly need to go back, and when you have one or more issues that have been identified through an office of customer data, you need to go back and ask yourself for each one, who is responsible? And there are at least two benefits to this step that are very important. Number one, we see that the right parties are

involved; that is, those people that touch and impact the customer in connection with this action item. Number two, this also will make it very clear what the scope of the action of training effort will be. Quite often it makes it clear that this is a dealership service department issue. Quite often, it can be something related to shipment and delivery, which then not only implies the dealership, but also the manufacturer and the manufacturers. The logistics and transport system for those other functions probably need to be involved in developing and implementing the efforts, as well.

So, those of you who would like to see a related approach to this, I would recommend you go out to [ecm.com](http://ecm.com), (*Inaudible*) Chemical is a company that won the 1993 Malcolm Baldrige award. And they had a process they referred to as stewardship, which they applied to a lot of areas, but one of them is the responsibility for the criteria customers use to actually evaluate and develop preferences and evaluations as far as respect to (*inaudible*) chemicals, plastics, and other products. They actually describe a lot of that in the Web site in the section that talks about their journey to the award. So, again, to get another example of a company that has, I think, done this well, I would recommend that you look at those folks.

So, we have talked about two key enablers, one being "make sure you know what the customer wants." Don't jump from the survey or other structure items directly to action planning. Make sure you know what the customer wants and then make sure the right people take responsibility or ownership for taking that action. Last but not least, in terms of the three items, which is "targeting relative business enablers." In other words, identify and then focus on the business processes, resources, and activities that address the customers. Now, in the case of Cadillac, again, there are customer improvement teams that are developed at the dealership level who are, if you will, led by facilitators, who is a trained expert in that industry. They actually go through these items and establish ownership and identify the relevant enabler. That is part of their continuous improvement process. That is at the dealership level. That is not the other way to do it.

There are actually other techniques that are around for a long time that are designed for a similar purpose, such as QFD, or Quality Function Deployment. These tools have been around and applied in the customer entity settings for at least three decades. And in fact, they go back even earlier to, in terms of their usage, and became popular in manufacturing in certain firms in the US. Potentially, what that technique amounts to is making sure that you take each customer issue – sometimes called in QFD terminology, “the what” – and you connect it to one means of accomplishment for addressing that customer issue – often times referred to as “the how.”

So, to provide an illustration to what I am talking about in the case of a repeal, let’s say that the issue could be the total time it takes to check out. Let’s say that we were conducting exit interviews or surveys of customers, and gave them an opportunity to complete a follow-up Web- or IVR-based survey. One of the items that came through was a lot of dissatisfaction with the total time it takes to check out. Well, let’s assume that we weren’t sure exactly what that meant. We went in and did some research for exactly what is acceptable, what is unacceptable checkout time. How much of that variation is there across customers? Now, we need to figure out how are we going to address that. And that is where – in an effort to press the issue – we need to target and focus on improving the relevant business enablers. We see things here like the checkout length and the logistics of checkout ... how we decide how many checkout counters. Where are they located? Are they visible? The cashier behaviors and interaction with the customer. Are there opportunities to make some of those behaviors and steps more efficient?

Similar with items with processing technology, and payment processing and technology. Are there opportunities to either improve the technology or the process itself, to eliminate steps to make it more efficient, thereby cutting down potential wasted time?

And, last but not least, packaging of purchased items. Typically, the closing step of the checkout process, it may well be one that adds steps and that is, again, what we usually want to look at. Target the relevant business enabler, so that

we know what to focus attention on and so that we work on, effectively, the right things. There are a couple of benefits of taking these three extra steps, if you will. I know that some folks will look at them as extra, perhaps unnecessary; absolutely not. Because first of all, one of the benefits that you get from taking the time to clarify what the customer wants, is now you have a detailed understanding of what it is specifically the customer wants you to address. It is not just a matter of saying “improved service” or improve the helpfulness of your people. Now, you are starting to identify specific behaviors, specific cycle times, and other specific elements of the customer experiences that need to be addressed.

Another benefit of taking these extra steps, is that now the people in the organization the impact is on, have taken ownership of it. You ensure, or at least you increase, the chances that the right people will be taking action. And the third benefit with this is that these owners will be focusing on the right things. That is, they will focus on business resources, technologies, and things that will actually provide the means of accomplishing what the customer wants. When in fact, what you have done is taken the guesswork out of customer-driven performance improvements. By simply introducing customer information into the organization and telling people to take action, you are systematically putting them in a position where they understand what to do, the right people, and the right things that they have targeted. You have taken the guesswork out of the process.

So, just to summarize and to conclude, as we said in an article that just came out this week in the most recent Research Report, customer-driven performance can and does work. It is more than just sharing customer feedback with managers; it is telling them to use it. It requires that you enable them or prepare them; make them ready to use it. This is why we think that these three steps we discussed come in. Just to summarize...unsuccessful efforts to use customer feedback to drive action – that is, to put the voice of the customer to work – almost always can be traced to one or more of the following causes. Either we don’t understand what the customer wants. We have not successfully or effectively established responsibility for actions, especially with putting the right people to work on the job. And finally,

we've not focused, not the action plans in the right page. We have not systematically worked our way from what the customer wants, to what it is we do. There are ways to avoid these three pitfalls, the things that we talked about in this presentation. At this point, I will be pleased to hand it back over to Andy and to take any questions that you might have.

(Andy)

Thank you so much, Randy. We'll try and give your voice just a little bit of a break here. And, as Randy said, we will be taking some questions now. You can ask any questions over here on the meeting window to the right of your screen. You'll see two panes, the chat pane and the Q&A pane. Of course the Q&A questions, we can take direction. If you do want to submit your question in chat, as some of you have, then please make sure it is sent to all panelists so that we can read it and hand it over to Randy. So, we will start with a couple of the questions here. "Randy, do you have any advice or best practices for how a company should be organized around its implementation efforts?"

(Dr. Brandt)

Yeah, Andy. I guess maybe two or three things come to mind. Number one, and this is going to sound a little bit like the saying, "Think globally and act locally." In connection with that, there are a couple of things. One is, I've not seen any of these succeed that didn't start with C-level sponsorship of any improvement process, including customer driven improvements. So that being a senior-level leader and representatives from the key functional areas probably ought to be involved early on. Again, I would encourage people to look at data from the past, as far as the method of organizing the stewardship process, because it represents it from the standpoint of getting senior-level sponsorship and having those folks steward the process or the steps.

Having said that, the other, in my mind is just as important. The other factor is to try to drive action down to the most local level earlier. That is one of the things that stands out about the Cadillac process, is that they had been able to very quickly nail the action to the dealership level. Not surprisingly, some efforts and improvements that are implemented by one dealer end up being used by others because it makes sense to their respective dealership. But that is

their choice. We look at the survey items themselves, which means that the items separately, to keep them from getting too detailed and to keep from generating a survey that's too long. You have got to keep them in it. There is a level of abstraction that I like from the standpoint of interpretability, but for action, and so it is again...there is a chance that the necessary detail will not be (*inaudible*).

And last but not least, that research that was done, the homework that was done to develop the survey item needs to be updated on a regular basis. Some of these issues change, and our detailed expectations around them change as a result of the ability to continue to do that work. You have to make sure that you have that information. You have to say that doing that homework would put you in a better position to take action on certain items. I think that there are still a lot of hazards along the lines that I have just described.

(Andy)

Randy, I am going to give your voice just another quick break here. A couple of items for our audience members. To replay this Webcast, it will be available at some point tomorrow, January 28. You can go to [www.marketingpower.com](http://www.marketingpower.com) and watch the CRM series. You will find a recorded version of the Webcast there. For copies of today's presentation, of course, you can visit [Maritz Research.com/datatoaction](http://Maritz Research.com/datatoaction). That is all one word. To contact Dr. Brandt, you can e-mail him directly at [randy.brandt@maritz.com](mailto:randy.brandt@maritz.com) And, of course, if you have any questions for me about the AMA or other Webcasts, you can e-mail me at [agreiser@ama.org](mailto:agreiser@ama.org) At this point, I would like to open up an audience feedback poll. You will be asked a few questions here. Please fill them out, and when you are done, just move back to the participants and communications window in that drop-down up there at that top, and we will continue with the questions while you fill that out. Randy, I am going to see if I can find some really good ones here. And, of course, if you did ask a question, all of them will be answered eventually. We are just going to pick out the first few so that we can hit on the high points from the audience. "Rather than conducting additional research to clarify what items mean, isn't it possible to build this into the survey, as in open-ended questions, for ratings that fall below a certain level?"

(Dr. Brandt)

Yeah ,Andy. And in fact, I think I had mentioned that as one option when I was talking about clarifying it. It may be the existing data, or dictated, that attempt to provide more detail. Our capture in survey instruments so that they are all doable at the same time or from the same sources from which these surveys come, but in and of themselves, are one source of detailed data. For example, when I go back to my instance or illustration of an issue like waiting time or total check-out time, it is – at least in our experience – unlikely that people will specifically articulate the types of detailed ideal waiting times, acceptable waiting times, and unacceptable waiting times thresholds that you could get much more precisely by doing drill-down research using appropriate quantitative techniques on an ad hoc basis. So it is not the additional detail is not there; it is that quite often, the detail needed is not available in those types of open-ended data sources, and in such cases, that would be a reason to add to the follow-up research.

(Andy)

And, we have another really good question here from an audience member. “What would you recommend if you had pinpointed an owner, but they feel improvement isn’t necessary, even after showing supporting evidence?”

(Dr. Brandt)

That is an excellent question. It sort of goes back to my answer to the first question about key success factors. This is where I think having that senior-level sponsor really, really helps address the issue that has been raised in these questions. On the assumption that improvement is not an option – especially given a process that is being championed by a senior leader who says that he helps build buy-in for that process and participation in it – the chances of that first stack, is likely. Number two, they are less likely to be effective with the pushback effort because it sounds like this is where the person, the purveyor of the customer issue, needs to go get help from that senior sponsor. I honestly don’t run into that situation very often if you have that senior level sponsorship, and I have to believe that there is a connection there.

(Andy)

We are getting a lot of great questions here. Don’t be afraid to ask them. We will be providing the chats and the Q&A to Maritz after, so your questions will be answered. Let’s move on to this next one here, Randy. “Can you talk more about experiences you have had with one-on-one research versus groups, and specifically are the benefits in one-on-ones worth the reduction in data points received?”

(Dr. Brandt)

That is a difficult question to answer on a limited basis, but let me try to answer it this way. I can speak from experience about one very specific advantage of using one-on-one in-depth interviews over focus groups: when you are doing drill-down research to get a critical entity. Again, the critical entity techniques, for those of you who are not familiar, is essentially a process where you can put people for these interviews who have either...you have either determined that they have had very favorable or very unfavorable experiences. And the focus of each case is to sit down with them and to have them recount an account of their experience in detail. You get opportunities to ask, what is the critical event? What happened? Why was that bad? What would you want the provider to do that didn’t happen? And so on.

The reason that I would recommend in-depth interviews in that scenario for drill-down over focus groups, is because focus groups are not nearly as effective in allowing you to drill down to individual customer experiences. They are not really designed for that purpose. They are much better at allowing you to use that individual customer experience to trigger thoughts and to synergize agreement or disagreement or other observations from the group. So by definition, it would play down the information about individual customer experience. And I think that is the reason, in terms of the quality and type of information you are seeking during drill-down for qualitative type issues. Personal issues are better, simply because they are more effective for that type need. Having said that, I can also go to, or identify, instances where I would probably want to use focus groups because of what to use focus groups...because of their efficiency. For example, if the task is a more general discussion of an issue that is driven by

surveys...what that really is for a series of issues driven by surveys, that really require you to spend a lot of time exploring a lot of different aspects that relate to that customer experience, such as technical support of the Website or telephone center. So, I might well want to use the focus groups because of experiences being covered and the level of people involved. But that would be the one that I mentioned regarding drill down; but for critical events, I definitely would favor in-depth interview.

(Andy)

We are getting some feedback from some of you that the presentation link here does not work. You should be able to copy and paste that directly into your browser once the presentation is over and it has had a chance to be put up there. Moving onto the questions, Randy..."Can the same principles be applied to a custom research component firm, where the service differs according to individual customer needs?"

(Dr. Brandt)

That is a great question. And I can tell you from experience that we are in fact doing that. Maritz and I believe that that's a part of our business, as well. Yes, that is very applicable. If you think back to the Cadillac Standards for Excellence, their whole process is deployed at the dealership level. Because by and large, the key point of contact for...with customers for the dealer and the manufacturer is the dealer personnel. And in a minority fashion for a research or a consulting firm, having dedicated account teams and account personnel. But that is the place to start, or at least would be a place to start, as far as an organizing unit or an organizational unit for action plan and implementation. That is useful for two reasons. It allows you to only ask core questions and get feedback about core issues from all clients and all customers. But that each account team will all take the opportunity to ask individual questions that are specific to that client relationship, and that is with the individual dealer, are able to ask those questions in the Cadillac program. I think, then, from that point, the remaining steps apply: You still have to identify who is responsible and what their level of ownership is within the account team and within the rest of the organization that supports it. You still have to identify the relevant business philosophy, operations technologies and activities.

(Andy)

We have time for a couple more questions here. I'm going to try and get to as many as we can. "You referred to automotive and (inaudible) in your presentation. Are there limitations to industries where you would apply this approach?"

(Dr. Brandt)

There may well be some, but I have not...it has not occurred to me, I have to say, but so far I have not seen any industry where these principles don't apply. Here is how I will try to answer the question. While the specific approach that each industry takes may have some nuances, by and large, I think you find that customer surveys, inbound communications, the types of questions that are asked in call centers and customer care centers, tend to be pretty similar across industries. And the types of measures that are gathered in customer satisfaction surveys or the types of scales used in those, tend to be more similar than different across industries. The analysis used tends to be very similar across a lot of industries.

For example, there are at least a couple of different industries of customer satisfaction in use today by many companies in very different industries. For example, JD Power has the index, by and large, to other industries. So, the mechanics of gathering and analyzing data are quite similar. And I think the process and performance improvement tools used in most industries of both manufacturing and services, both B-to-B and B-to-C, are similar, although the location and the level may differ. So, if you see the similarities there and you buy into the notion that the process is at least...or try to propose the six step closed-group process works, those three steps that we have talked about today provides a bridge from data to action. I see no reason to believe that it wouldn't be applicable. Unfortunately, the only instances I can see where perhaps they don't apply at all arise because people have not used those extra three steps we talked about, and as a result, the jury is still out.

(Andy)

All right. "You spoke mostly about a push strategy of distributing information and targeting solutions. What about a pull strategy, where business metrics are in place such that individual managers have the incentive to pull the voice

of the customer data in order to achieve their product satisfaction metrics?”

(Dr. Brandt)

I don't think that the latter, that the pull approach, is necessarily in conflict at all. But if you were to try to marry that idea with the approach that we have been talking about for the last hour, then I think what would make that work best would be an approach whereby those doing the pulling have already gone into a relatively uniformed approach. If the level at which they deploy it is relatively local, and it is geared to the basics of the customer base; still, if they bought into a relatively uniformed disciplined approach to customer-driven improvement along the lines of the closed group process that we have described today. If they are in a position to expedite customer-driven action, they also will be doing so in a way that ...that facilitates consistency to the extent that consistency is desirable. I think that a lot of organizations – especially those who operate through decentralized entities like local retailers, dealerships, outlets, franchisees, and other intermediaries -- that you see a lot of advantages to trying to be able to maintain that consistency.

(Andy)

Okay, Randy, I am not going to torture your voice for much longer. I am going to ask you one last question. “Do you have any recommendations for using this process when you have multiple surveys to look at for customer feedback, when each survey has a slightly different overall purpose? Loyalty, satisfaction, positioning, etc.”

(Dr. Brandt)

Well, there is a phrase that the shortening of three shifts, there are some (inaudible). I probably don't have time to go over the techniques here, but let me try to answer it in about 60 seconds. There is a phrase that I have seen out there now for at least a year. I believe it was introduced by a gentleman who spoke at a Casro conference about a year ago. My apologies in advance to that gentleman; I can not think of his name at the minute. He used the term, “convergent intelligence.” It may not even be his term, but that was my first exposure to it. What he is talking about is that to the extent that you are asking about we are gathering similar, i.e. comparable

measures, for more than one survey or focus group. Or, to the extent that you are capturing and organizing all of the customer data, as long as it is for the same set of products sold and not extreme categories. You can essentially compare what one source is telling you with what another is telling you, by virtue of the fact that they are made comparable -- or apples to apples – because they are captured and organized in those common categories. To the extent that you can do that, that allows you to – if you will – get more than one opinion, are you reaching the same conclusion? Are you coming to the conclusion that the same issue is...really needs to be addressed from more than one customer source? If the answer is “yes,” I think that the advantage of that -- for those of you who are gathering multiple sources of data-- is that you have the chance to be more confident. You really are focusing in on the critical customer issues. Beyond that, there are some other techniques that are available. For example, something that has been referred to as (inaudible) that allows you to begin connecting the different surveys if you are interested in building a type of simulator that links customer experience to customer loyalty to customer behavior. But that is really beyond the scope of this Webinar...so maybe another time.

(Andy)

That sounds great. I would be happy to be in on that one, and hopefully your voice will be back up to speed by then. Randy, I really want to thank you a lot.

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