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VOICE OF CUSTOMER RESEARCH:
A COMPREHENSIVE GUIDE

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WHAT IS VOICE OF CUSTOMER RESEARCH?

Voice of Customer (VoC) research is the best way to understand what your customers want and need.

Developing empathy for your customers' most pressing pain points is key to building the right products and crafting the best messaging. With this data in hand, you are the company's window into your customers' needs and wants; insight that drives the kind of innovation that truly resonates in the market.

Your company's growth depends on your ability to answer these fundamental questions:

- Is my product roadmap headed in the right direction?
- Does this marketing message resonate with my potential audience?
- Is this the product my customers want?

VoC research answers these questions. But implementing effective B2B VoC programs requires thoughtful planning, research, and execution. How do you find the right customer segments? How do you make sure your results aren't biased? And, critically, how do you ensure your insights are actionable? In this guide, we will show you what best-in-class VoC research looks like and provide the tools to implement these practices at your company.

In this eBook, you will learn:

- The importance of getting accurate, unbiased, actionable VoC research
- The elements that constitute a successful VoC program
- Different ways to think about your customer segments
- How, when, and why to include a mix of qualitative and quantitative data
- Methods to ensure your research resonates with your stakeholders and delivers actionable results

"The customer's perception is your reality."

KATE ZABRISKIE,
THE COMMUNICATION JUNGLE

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WHY VoC MATTERS

In today's rapidly changing world, businesses face the pressure of building better and more useful products in less time. Product teams iterate faster than ever before, and marketing teams must respond with unique messaging and value propositions that quickly turn prospects into paying customers.

Therein lies the challenge. Many B2B organizations fall into a trap of talking to themselves to validate their own ideas. Product and marketing teams enter scenarios based on assumptions and insights they develop through internal meetings, product scrums, and conversations with senior management. They arrive at conclusions and make crucial decisions with little if any input from their potential customers. In some cases, the customers' viewpoints and those of the product and marketing teams may be miles apart, which leads to product failure and messaging that falls flat.

Only by talking to a broad set of customers and listening to their business needs, challenges, and requirements can teams better understand their pains, determine use cases grounded in real needs and expectations, and identify the pros and cons of their offering from the eyes of the potential buyer.

This is where VoC research becomes your most effective resource to communicate these ideas to your product and executive stakeholders.

ALL VoC RESEARCH IS NOT CREATED EQUAL

Thoughtfully planned and executed VoC research that encompasses the right customer segments and collects actionable data is necessary to build products people use and love.

Poorly conducted VoC research can stunt growth, send the product team down the wrong path, and result in marketing messaging that doesn't resonate and isn't effective at driving revenue. It's here where products lose to disruptive competitors and where businesses lose credibility with stakeholders.

Customer feedback programs have proliferated with the ease of deploying online surveys and the ability to create quick feedback loops, great for speed but not for reliable research. Understanding how to interpret their feedback is a major barrier to valid and actionable VoC research.

Many B2B tech organizations fall into a trap of talking to themselves to validate their own ideas.

PITFALLS TO AVOID		
Talking to the wrong people. Given enough incentive, anyone will answer a survey or participate in qualitative research, but they may not be the right target for the required feedback.	**Projecting qualitative insights as quantitative data.** Drawing conclusions based on a small sample of conversations leads to ill-advised priorities and biased results.	**Misunderstanding the context within which the respondent operates.** The respondent may not have true insight into the decision-making process at their organization. Or their decision-making involvement is outside the areas of the focus of the research.

KNOW THE OBSTACLES BEFORE YOU PLAN YOUR VoC STUDY

CREATE OBJECTIVES THAT TRANSLATE INTO RESEARCH QUESTIONS: Think deeply about your objectives and ensure you can turn these into questions for your respondents. If objectives aren't communicated clearly to the team doing the research, you may end up with unanswered questions and poor insights.

FIND THE "RIGHT" PEOPLE: Sample sourcing can be the greatest challenge and gaining respondent cooperation is always problematic. Plan on offering incentives to ensure good response rates and always arrange a system whereby you can screen specific respondents.

DEVELOP AN UNDERSTANDING OF THE TARGET RESPONDENT'S ENVIRONMENT AND CONTEXT: Tech professionals, for example, assume you understand technology and how it is deployed in their environment. If you lack industry knowledge, you could get into a discussion with a subject matter expert who uses an entirely different vocabulary.

If all the right elements aren't in place, VoC can quickly go wrong. The price of a bad decision is too high to risk research that doesn't tell you what want to know, or – worse yet – takes you down a wrong and expensive path.

KEY ELEMENTS OF VoC RESEARCH

Now that you know what can go wrong when conducting VoC research, let's explore what it takes to get it right. When you adopt the following key requirements, you are more likely to produce effective research that drives sound decisions.

Define Your Objectives and Create a Methodology that Answers Your Questions

If you need to test new messaging, in-depth focus groups can provide deep insight from a sample of your ideal customers. Or, you may want to collect projectable data–surveys based on significantly larger samples–to give you answers to your biggest business challenges. Better, however, is a blend of the two. With the right mix of qualitative and quantitative approaches, you can meet your objectives and allow for accurate, advanced analysis to better understand the attitudes and behaviors of your customers.

Let's say you want to determine what is driving satisfaction (or dissatisfaction) of your product. An ideal VoC engagement starts with qualitative methods to identify the drivers: What makes customers happy? What makes them frustrated? Through qualitative data–meaningful and deep conversations with vital customer segments– you begin to understand the key variables that drive decision making.

RULES OF THUMB

ENSURE Ensure your objectives correctly translate into the research methodology and survey instruments, and lead to actionable insights.

CREATE Create a methodology that assists in obtaining a high completion rate or response level.

SOURCE Source the right people in the right organization to ensure you are getting the results you need.

SCREEN Screen the right respondent with effective and in-depth questionnaire.

UNDERSTAND Understand the nuances of the customer's world–know their industry, understand the product space under investigation, and create an engaging dialogue.

Your next step is to translate this into a quantifiable study where you obtain projectable data. This is when it's important to get the help of data scientists to run advanced surveys that determine the relative influence of each of your key variables (i.e. What's more important, pricing or customer support?). A data scientist can help migrate the findings from the qualitative interviews into a quantitative survey. They'll help you build the screening materials to identify your ideal respondents, after which you can administer the survey to your audience.

After you've received responses, you once again provide this data to your data scientists and they help determine the relative influence of the drivers, and if drivers interact. All this data can be used to determine essential product features, places for improvement, and marketing messaging that increases sales.

Remember that regardless of the methods you choose, make sure you have clear objectives, know the correct variables, and talk to the right people.

The right mix of qualitative and quantitative approaches allows for accurate, advanced analysis to better understand the attitudes and behaviors of your customers.

Be Able to Identify and Reach the Right Respondent

Identifying the "right" respondent is a considerable challenge in VoC research. The universe of customer segments is larger than ever. Your team might have differing views of the customer. Your first step is to build internal alignment on your key segments.
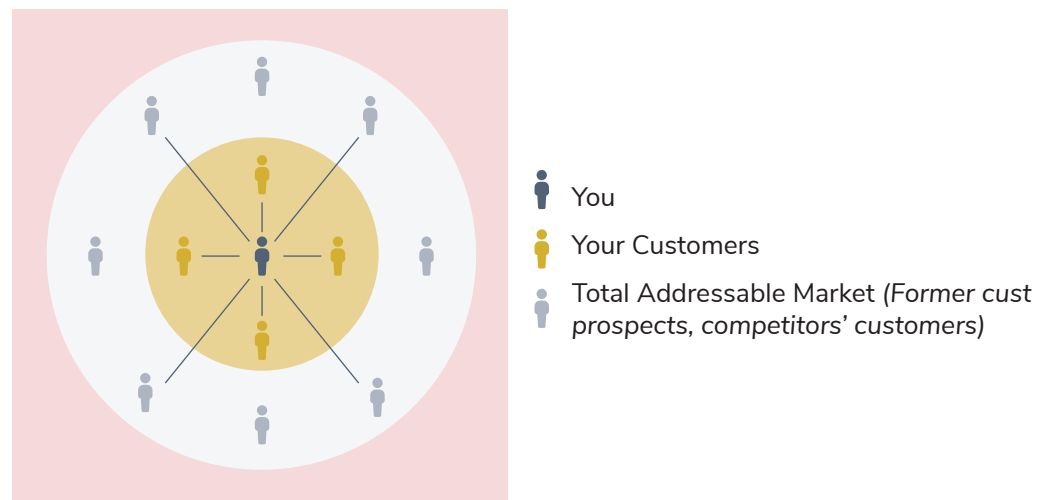
- You
- Your Customers
- Total Addressable Market (*Former cust prospects, competitors' customers*)

For quantitative research, the industry has evolved from the more time- consuming telephone surveys to online surveys. This does indeed save time, but at the risk of sacrificing quality. While you're able to reach a larger sample set, the tradeoff is that you might lose control over who you're talking to. Reliance on online research panels, where respondent fraud–respondents who aren't who they say they are–is high, can hurt the validity of your research. Consider running parallel studies that might include focus groups, research panels, telephone surveys, and in-depth interviews.

Qualitative research often requires a mix of people: a key decision-maker in a purchasing situation, a crucial influencer in the company, or a user who shapes the product's value proposition. If you are in a niche field that has a small number of subject matter experts, you may fall into the trap of repeatedly using the same respondents. You know what your expert looks like, but if this is happening you need to consider ways to expand your universe. This is where it can be helpful to talk to experts in VoC research who likely have different connections all over the world who fit your customer segments.

Finding the right respondent also means understanding how much time you need to spend with certain segments – it may vary – and making that clear in the selection process. Spending quality time with a respondent in a 60-minute interview may yield far greater insights than six simple 10-minute online survey. You need to have a dynamic learning conversation, and you need to speak the expert's language in order to do so.

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Allocating Resources to Get It Right

You now know the essential elements for VoC research:

- Build clear objectives that will help you uncover actionable insights
- Deploy effective methodologies
- Know your customer segments
- Find the right respondents
- Engage in meaningful conversations

There's one last element to understand: the resources required to do this quickly and successfully.

A one-time intensive VoC study might happen in a shorter time period, but the demand on your team's time can be far greater. Ongoing VoC programs have dedicated resources allocated throughout the year, and the goal might be to produce two studies per year, which spaces out the demand on your team. How you plan for the studies–including the cost and time–are variables to consider.

HOW TO CONDUCT VoC RESEARCH THAT PRODUCES ACTIONABLE INSIGHTS

This is where the rubber meets the road. Determining the best ways to capture VoC depends on the information required by your team and key stakeholders. You will need to know whether to choose qualitative or quantitative research– or likely some combination–to get to the actionable insights your teams need.

When to Choose Qualitative Research

Qualitative research is best if you want to:

ALIGN your product development with customer needs

EXAMINE habits and practices of a target audience

DISCOVER opportunities based on the needs or pain points of a target audience

DEVELOP or fine tune positioning or messaging

You can conduct qualitative research in a focus group setting or by using in-depth interviews. Also, consider whether you want to prepare respondents for the interviews. If something is highly specific and technical, you might consider telling them the topic area in advance, so you get the most out of the interview.

WHEN TO USE IN-PERSON FOCUS GROUPS	WHEN TO USE VIRTUAL FOCUS GROUPS
• When group dynamics and rich discussions will add to the research inquiry. • Enough targeted respondents are located within a single metro area. • The right types of people would attend a focus group (consider that C-level executives likely won't attend focus groups). • Research benefits from the sharing of materials or collateral with respondents (e.g., message development and testing).	• There is a minimal amount of material you want to cover (likely half what you can cover during an in-person focus group). • The research must be done quickly. • There's no need to expose respondents to any stimuli. • You have a good technology platform to run the research.

WHEN TO USE IN-PERSON IN-DEPTH INTERVIEWS	WHEN TO USE TELEPHONE IN-DEPTH INTERVIEWS
• Your ideal respondents reside within specific metro areas. • Research questions require a real in-depth approach (e.g., persona research, customer journey mapping). • Respondents need to be exposed to and respond to stimuli or conduct a product test. • Because scheduling for in-person interviews is more in-depth, and incentives are usually larger, better respondent attendance usually occurs. Given this caveat, in-person IDIs can often be completed within a shorter time frame, if this is a requirement.	• Target audiences are hard to find and/or geo-graphically located in a variety of locales. • It is unlikely the respondents will attend a face-to-face venue (e.g., senior executives, C-levels). • Cost is a concern–this is usually the least expensive of all approaches.

When to Choose Quantitative Research

Quantitative research is best if you want to project the results to the universe or general population, such as to:

• Develop pricing structures
• Determine a product's features inclusion or prioritization
• Understand market share or sizing
• Conduct segmentation
• Collect customer satisfaction feedback
• Arrive at a go/no go decision for a "finished" product

CONSIDER THE FOLLOWING WHEN CONDUCTING QUANTITATIVE RESEARCH

• Sample is crucial. You must have a verifiable sample that ties respondents to specific titles and organizations.

• If a sample is problematic, a telephone survey may be preferred.

• Develop a questionnaire no longer than 15-20 minutes in length. Anything longer drastically im-pacts response rates and leads to questionable results.

• Even though the data collection may be completed in a relatively short time, plan on a lengthier time frame for the entire research study. Questionnaire design always takes much longer than planned. Post-survey analysis may take several rounds and different approaches.

Should you Blind or Unblind a Respondent?

When a subject knows the brand (or the party behind the research) it can influence or impact the results of the study. To mitigate this, you may want to consider conducting all (or at least some) of the interview on a blind basis. Situations where you want to consider blind vs. branded include:

BLIND	UNBLIND
There may be a historical perceptual halo surrounding the brand, either negative or positive	The clients plan to leverage the brand as a differentiator in product development and messaging
The sponsor has been prevalent in recent media postings (e.g., just had a major data breach)	The market generally has a neutral impression of the brand
The client may "own" the category and will be given the benefit of the doubt throughout the interview (e.g., certain companies in the datacenter networking space)	The brand will play a major role in market share activities
The client is relatively new to the products space or even the industry (e.g., Start-up) and lack of knowledge of the brand may be equated to immaturity in terms of product or service	If you really want to determine the overall impact of messaging and communications, brand is an essential element
U.S. Corporations with "mixed" market perceptions internationally	

Using VoC Research to Customize Product and Messaging

Let's look at an example to understand how to use VoC research in product and marketing decisions. Consider a product that has more than 30 features. Your product team probably has their favorites, and your senior management team likely has their own preferences. You need to know what features your product team should focus on and what you should emphasize in your messaging.

Beginning with qualitative research with end users and decision makers, you conduct in-depth interviews to better understand the importance of various features. This ultimately helps you understand the drivers of sales acquisitions, with "likelihood to purchase" being the dependent variable.

From this data, you translate the qualitative results into a quantitative survey. Once you get the quantitative data from the survey, you can use research models, such as conjoint analysis or discrete choice, that are designed to help prioritize features within a given product. This step identifies the features your team should spend time on improving or emphasizing, as well as the ones that might be removed from the product offering altogether. You now have the data to build powerful messaging with a value proposition that aligns to customers' needs.

Getting Stakeholder Buy-In

While stakeholder buy-in is one of the final steps in a VoC study, it is extremely important.

While stakeholder buy-in is one of the final steps in a VoC study, it is extremely important. In fact, it essentially ensures your research is used for critical business decisions.

Actionable insights are crucial. From your VoC research, you should be able to help people in your organization learn something new. In situations where people say they've learned a lot from VoC programs, it's often because there was a nuance discovered that they hadn't previously known.

Stakeholders want VoC research to:
- Be valid
- Uncover new insights
- Provide a value add
- Give actionable recommendations

Your insights should provide information that considers the product and its place in the market. Stakeholders seek recommendations from a product point of view, as well as advertising, communications, and business perspectives, such as the features that drive sales, the target audience, where to buy advertising, and what marketing content should look like.

There may be situations where your research reaches conclusions that stakeholders do not want to hear or identifies that certain paths forward are impossible, or do not make sense in the market at this time. Create alternative ideas and develop suggestions of new ways to approach the challenge. Always think: actionable.

An essential component to stakeholder buy-in is to develop a distribution plan for your research. Think about the people in your organization who have influence. The more that the research gets passed around and the more widely it is read, the more the recommendations will gain traction.

WORLD-CLASS VOC RESEARCH

The B2B market is a busy one. You must differentiate your organization, define your value proposition, and build products that customers need and use. The only way to do this in an informed way is to leverage a well-designed VoC program.

VOC CHECKLIST
- ☐ Create actionable objectives
- ☐ Deploy effective methodologies
- ☐ Know your customer segments (Remember: go far beyond your current customer into the broader ecosystem)
- ☐ Find the right respondents
- ☐ Engage in meaningful conversations
- ☐ Develop actionable insights that drive stakeholder buy-in

GLOSSARY

VOICE OF THE CUSTOMER A research process used to capture customer's expectations, preference and aversions. Organizations conduct VoC research in order to build products that meet actual customer needs and create messaging that truly resonates with their customers and prospective customers.

QUALITATIVE DATA Data that characterizes but does not measure the attributes, characteristics, properties of a thing or phenomenon. Qualitative data describes whereas quantitative data defines.

QUANTITATIVE DATA Data that measures a thing or phenomenon and can be expressed numerically. Quantitative data defines whereas qualitative data describes.

PROJECTABLE DATA Data based on information gathered through surveys and other sample-based techniques, with is then projected to the entire universe of customers and prospects.

CONJOINT ANALYSIS A survey-based statistical technique used in market research that helps determine how people value different attributes that make up an individual product or service.

DISCRETE CHOICE Discrete choice models describe, explain, and predict choices between two or more discrete alternatives, such as entering or not entering the labor market, or choosing between modes of transport.

ABOUT BILL DEATON, PH.D.

Bill Deaton is a GLG Network Member and principal and founding partner of ConStat, Inc., which began operations in 1987. During his four decades of experience in marketing and social science research, he has served in such positions as the Director of Marketing research for Pacific Bell Directory, Manager of Marketing Research at Pacific Telesis, Research Fellow at the Stanford Research Institute, and Research Associate at the University of California.

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