Qualitative Research on Use of Voice of Customer in Czech Organisations

Lucie Šperková
Department of Information Technologies, Faculty of Informatics and Statistics, University of Economics, Prague
lucie.sperkova@vse.cz

DOI: 10.20470/jsi.v10i2.372

Abstract: The article presents qualitative research conducted on a sample of Czech organisations operating in the B2C relationships within the Internet environment. The research aims to determine the approach of the organisations to the collecting and analysing Voice of Customer in measuring share-of-mind metrics as constituent elements of Customer Experience. Research improves the current knowledge and setting of Voice of Customer in Customer Experience and its measurement and management in a real business setting. From the interviews is observed the low maturity in Customer Experience in Czech companies and often a misunderstanding of the concept. The companies are not fully entrenched in analysing Voice of Customer with text analytics. The barriers of getting the full potential of analysing Voice of Customer within Customer Experience are identified. The article is a part of the initial research to ‘Voice of Customer integration in Customer Experience measurement’ in the author’s dissertation and will also be published as a chapter in the author’s dissertation.

Key words: Voice of Customer, Customer Experience, text analytics, measurement

1 Introduction

Measurement of Customer Experience plays a critical role in making insights actionable for the organisation. Increasing focus on Customer Experience emerges with more complex customer journeys resulting from multiple touch-points and channels the customers interact with companies. The idea of measurement of overall Customer Experience at each stage of the customer journey for every touchpoint (Lemon & Verhoef 2016) is still in an early phase of development, and no strong Customer Experience rigorous assessment of metrics that should be collected have been developed.

Prior research has suggested that the customer’s assessment of experience influences the share-of-mind metrics such as customer satisfaction, customer loyalty or Word of Mouth, but also customer profitability and Customer Lifetime Value (e.g., Bolton, Lemon & Verhoef 2004; Verhoef 2003). Many conceptual models were designed (e.g. Parasuraman, Zeithaml & Berry 1988; Lemke, Clark & Wilson 2011; Larivière 2008; Klaus 2015; Lemon & Verhoef 2016) with different dimensions of research - for comparison see (Havíř 2017). The approaches to gathering data are based mainly on questionnaires and surveys (e.g. Larivière 2008; Klaus & Maklan 2013; Klaus 2015; Khodadadi, Abdi & Khalili-Damghani 2016). Individual metrics and their cause-effect relationships are well described in the marketing literature (e.g. Klaus 2015, Buttle & Maklan 2015, Hayes 2008). The detailed understanding of Customer Experience in the context of the customer journey and related marketing theories and measures offer Lemon & Verhoef (2016).

According to (Lemon & Verhoef 2016) is Customer Experience a “multidimensional construct focusing on a customer’s cognitive, emotional, behavioural, sensorial, and social responses to a firm’s offerings during the customer’s entire purchase journey.” This definition reflects and generalizes other researchers concluding that “Customer Experience is the cognitive and affective outcome of the customer’s exposure to, or interaction with, a company’s people, processes, technologies, products, services and other outputs.” (Buttle & Maklan 2015) Author of this article understands Customer Experience as the roofing of all share-of-mind metrics which can be understood as constituent elements of Customer Experience.

The rich source of share-of-mind metrics is Voice of Customer. VoC is understood as any content the customer has written or said as feedback to the company in a structured form (in the form of ratings in scales or answers to structured questionnaires) and mostly in textual form. Interpretation of VoC can be divided typically into the automated and manual content analysis. The manual analysis is understood the case of human classification of text using a predetermined classification system without the aid of
advanced methods of text analytics. Text analytics is an umbrella term for adding structure to unstructured/semi-structured text, turning text into data and looking for meaning and cognition through making that text more understandable and usable. Text analytics is the use of software and semantic structure resources to analyse text with different linguistic and computational techniques and the applications that are built using this analysis (Reamy 2016).

Organisations tend to measure specific aspects of Customer Experience such as customer perceptions for a single transaction at a point in time, or as an overarching perception. Customer satisfaction is dominant customer feedback for measuring perceptions; however, it typically does not capture the full Customer Experience, instead directly evaluated at the end of the customer journey. The measurement of Customer Experience is currently dependent mostly on the evaluation of single metrics such as Net Promoter Score (NPS). Multiple share-of-mind metrics predict customer behaviour and future performance better than single metrics and should be combined within the Customer Experience. These metrics should focus more on perceptions and attitudes to gain a comprehensive understanding of customers from their perspective.

The research on customer loyalty, satisfaction or behaviour focuses more on structured VoC data or manual evaluation of textual VoC data. Customer Experience research mainly focuses on quantitative metrics like the amount and importance of reviews and their impact onsales expressed in quantitative indicators (Liu 2006; Wu & Zheng 2012) than on metrics that would be based on the text itself. However, researchers started to pay attention also to the content of the text and in latest years apply aspects detection techniques to analyse online reviews in textual form for measuring service or product quality (Vencovský 2018), which can be understood as a part of Customer Experience. The literature indicates the need and importance of more in-depth analysis of textual VoC for the improvement of Customer Experience as it uncovers the insights to customer understanding necessary to deliver a better experience through different channels. Also, textual VoC is a source of emotions and personality traits - elements accompanying the Customer Experience through the whole customer journey, which can recognise the behavioural patterns.

The 2018 research of Hotjar (Peralta 2018) conducted with two thousand of Customer Experience professionals around the world showed that only 12% of companies identify themselves as mature in Customer Experience. According to the literature review and research conducted by Schmidt-Subramanian in Forrester from 2014 (Schmidt-Subramanian 2014), surveys are still the dominant source of VoC, and only 29% of organisations use social media. The report is showing the immaturity in the field of VoC programs where companies are not able to use VoC to inform Customer Experience design decisions. The report also points to the issue of missing integration with the other processes and knowledge in companies. Based on the Forrester research from 2014, the author aims to explore the situation of analysis of customer textual data and its connection to the Customer Experience Measurement within the Czech environment.

2 Methodology

As a methodology was chosen the qualitative research in the form of a focused interview to gather data instead of first intention to conduct a broad quantitative formal questionnaire survey. The pilot testing of the questionnaire survey on a sample of e-commerce companies revealed the lack of theoretical knowledge of respondents in chosen terms. The testing led to a low return rate of responses as the questions needed to be further explained for a complete understanding of the topic. The lack of understanding of the issue may also create a room for errors in responses, and the results may not be relevant.

The process of the focused interview (Merton 2008) systematically and thoughtfully followed qualitative research in accordance with (Yin 2009, Molnár et al. 2012, Myers 2013). The beginning of each interview was strictly structured and focused on categorisation questions based on the prepared questionnaire survey with a full explanation of the meaning of the question. These questions may be further quantised in interview results. As the targeted-focused interview may lead to bias due to poorly articulated questions (Yin 2009), the author left space for open-ended questions to gain the full view of the participant and new knowledge which led to supplementary questions. Interviews were conducted between February 2017 and December 2018. Every interview took about 30 - 45 minutes. Results of this research are not guaranteed to be representative of the population but bring in-depth qualitative insight into the environment of Czech B2C companies operating within the internet environment. Gained statistical data from structured questions are intended to be used for descriptive and non-inferential purposes.
Thematization of the focused interview emerged from the structured questionnaire and resulted in a list of essential information that needed to be gathered:

1. The current extent of analysing VoC in B2C organisations in the Czech Republic about Customer Experience
   - Evaluation of Customer Experience elements and their reporting
   - Understanding the concept of Customer Experience
2. The current situation in analysing textual VoC in B2C organisations in the Czech Republic
   - Sources of textual VoC
   - Evaluation of textual VoC
3. The barriers to adopting the full potential of analysing VoC within Customer Experience and its management

As the author also asked structured questions based on an original questionnaire, she was able to quantify these responses, therefore following text contents percentages and numbers.

3 Interview Participants
The selection of interview participants was initiated through electronic communication. The addressed contacts the author collected in previous research in Customer Lifetime Value (Jašek, Vraná, Šperková et al. 2018, 2019a, 2019b), in pilot testing of the questionnaire survey gained by professional social network LinkedIn and analytical communities. Interviewed participants recommended others in the field. Among the requirements for the participated organisations belong:

- operating in the B2C relationships,
- operating within the Internet environment,
- existing analytical intentions (Business Intelligence, Customer Intelligence, marketing analytical department or similar) within the organisation,
- a capability of assessing the status of the analytics according to the interview context.

The participants who were interviewed for the organisations had to be in a role of organisation owner (CEO), marketing analyst, BI/CRM analyst or a manager or executive of staff in these roles to qualify for an interview. The communication was conducted in person or through electronic channels (instant messaging, Skype) in a real-time manner in the Czech language. Interviews were conducted between June 2016 and December 2018.

The focused interviews were conducted with representatives of 25 organisations. Due to confidentiality agreements, personal or sensitive business information is not provided within the results of the research. 52% of respondents are in business for more than ten years, 20% between two and five years and 20% between five and ten years. The rest 8% are newcomers in the market.Except for four participants who have their central location outside the capital city, the organisations have their headquarters in Prague. The most represented industry in the interviewed sample is retail and e-commerce (15 respondents). 24% of organisations operate in finance and banking; the rest are represented by one in healthcare, IT security, consulting to end customers and providing SaaS. 28% of participated companies have more than a thousand employees, 24% have between 250 and 1000, 28% have 50 to 250 and the rest less than ten employees. Only one company has 10 to 50 employees. 55% of organisations serve to hundreds of thousands of customers, 28% have tens of thousands of customers, 9% have 1000 to 10 000 customers, and only one company have less than thousands of customers. From this sample, nine organisations are in business for more than ten years, with hundreds of thousands of customers and more than 250 employees. These nine organisations contain except the SaaS provider representatives from all mentioned industries and can be considered as large well-established organisations.

4 Interviews Results and Discussion
According to thematisation of the interviews, three key topics formalising this research: 1) The current extent of analysing VoC, 2) Current situation in analysing textual VoC, 3) The barriers to adopting the full potential of analysing VoC within Customer Experience. Key findings are described in the same manner and order. Conclusions were generalised if similar answers appeared in a majority of interviews. Gained statistical data are also presented.
4.1 The current extent of analysing VoC in organisations in relationship to Customer Experience

From the interviewed organisations can be summed up that VoC plays a more or less important role in measuring and managing the Customer Experience. Only two from 25 interviewed organisations do not measure any share-of-mind customer metrics and not engaged in the evaluation of VoC even in a structured form. In line with literature research, customer satisfaction is the most measured metric in organisations (80%), followed by customer behaviour (64%) and customer loyalty (60%) – see Fig 1. 64% of companies also claim they measure Customer Experience, but the understanding of the conception is different in companies. Some respondents understand experience as a satisfaction – “Satisfied customer who wrote a positive review.” The company from the healthcare industry understands Customer Experience rather like User Experience: “Our Customer Experience is clear - we usually monitor the side effects of the medicaments, and then we attach it to the package leaflet.” In retail and e-commerce industry is common to understand experience as a classic expectation-disconfirmation construct: “When the customer buys, the purchase arrives on time, and he finds everything there is to be. It is a good Customer Experience, which is reflected by the customer giving a good review.” Other participant said his company is deeply involved in Customer Experience during the whole customer lifecycle: “For example, when a customer calls to customer support, we track what issue or requirement he has and if something happens after this call. We also make different incentives in the e-shop and track customer reactions to these incentives.” The other representant of the smaller company selling experiences concedes they read only satisfaction reviews to the products they sold and admitted “But it does not say anything about the satisfaction with our websites, the purchase process, call-centre, reservations or availability of terms. We would need to define KPIs and measure and analyse them to have a comprehensive view of a customer.”

When the authors asked differently, if organisations collect VoC for measuring comprehensive customer experience, the number of positive answers dropped to 36%. That means 28% of companies measure Customer Experience only with the help of hard structured numeric data like delivery time, number of purchases, the elapsed time between two purchases and similar.

According to respondents in the interviewed sample, only two organisations measure all mentioned (Fig 1) share-of-mind metrics. Both organisations are large from the financial and banking industry. Customer personality traits measure in some way four organisations; emotions determine seven organisations and sentiment detect six organisations. 52% of respondents claim these measures are parts of a more comprehensive view of the customer within periodically monitored complex dashboards. Other 48% perform only on-demand ad-hoc reporting designed to specific needs of stakeholders. In the manner of the definition of Customer Experience in Introduction, only three studied subjects could be classified as active adopters of Customer Experience – two from financial and banking industry and one from retail and e-commerce environment. Even the approach to analyses of the retail company could be significantly improved; the company understands the conception according to (Lemon & Verhoef 2016) and (Buttle & Maklan 2015).

![Fig 1: Number of organisations measuring mentioned share-of-mind metrics; 25 respondents](author)
The satisfaction is mostly measured in companies by well-known Net Promoter Score (NPS) metric and qualitatively with customer surveys in the form of a questionnaire or on-site surveys, but open-ended questions are evaluated mostly manually. Highly watched are also customer’s complaints or issues. Among the quantitative metrics organisations track purchases, retention rate and customer churn, the share of turnover costs, product portfolio, cancellations or damages to the client. In general, companies analyse their structured customer behavioural data primarily within the web analytics with tools like Google Analytics or Hotjar or extract data from their ERP/CRM databases. The company which selling software as a service is tracking the app usage and interactions to determine behaviour and engagement and ratings from the support team to determine behaviour and satisfaction. Some companies perform usability testing.

Companies in general claim they evaluate VoC to satisfy customer needs and desires better and to become more customer focused. Other reasons are marketing purposes – to know what channels allocate the budget for marketing communication. Participants admitted that optimising resources on advertisement through digital marketing channels is one of their essential analytical goals. However, there is no consensus on the right approach, and different companies use different sources of data and models to measure attribution. Evaluating of VoC also helps companies with the identification of opportunities for innovations, product and service planning, and developing new business opportunities. In some companies, the evaluation of VoC also enhances the work system and work process improvements, which are directly related to the employees’ effectivity and satisfaction.

The exciting finding appeared regarding the financial and banking industry, the maturity of Customer Experience management and analysing VoC is not correlating with the size of the company and its operation in the market as somebody would suppose. One participant answered they do not measure share-of-mind customer metrics at all; the other two banks do not even collect textual VoC. On the other hand, the most mature organisation in evaluating VoC and text analytics usage is a large financial institution. The institution claims to have consolidated Customer Experience system and measuring all share-of-mind metrics including detection of sentiment, emotions and customer personality. However, these elements of Customer Experience are not the goal of analysis with textual analytics. They use different channels for this measurement from many VoC sources, including social media feedback, feedback from open innovation platforms or focus groups. Next to regular agency measurement like NPS, they have back-end analytics operating by the whole department of data analysts, which is further reported regularly in complex dashboards and spread through the whole company. It is necessary to mention, that company have considerable resources to spend in innovation and analytics as with more than thousand employees it operates in the market more than ten years to more than hundreds of thousands of customers.

4.2 The situation of analysing textual VoC in organisations

Only 36% of interviewed respondents answer that their organisation collects and automatically analyse customer textual data with text analytics. Another 40% of organisation analyse collected textual VoC manually. 12% of companies collect some sources of textual VoC, but do not further analyse them. 12% do not collect textual VoC at all. Three largest organisations in the sample admit that next to the sophisticated automatic solutions, they still analyse the text manually. Some companies use the help of specialised tools for building customer surveys, but this software is not able to analyse textual data and offer only basic counting of answers which cannot be considered as textual analysis. Another large company is involved in the proof of concept with a commercial package for textual analysis. 20% of companies analyse their textual VoC data automatically with in-house tools or solution, 12% are next to their in-house solution dependent on a consulting vendor or/and technology to support these analyses or bought a special software package to perform textual analytics, two of them are entirely dependent on external sources. One company analyses text with the help of open-source and free software.

<table>
<thead>
<tr>
<th>Tab. 1: Collecting and analysing textual VoC in organisations; 25 respondents (author)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisations collecting textual VoC and automatically analysing data with text analytics</td>
</tr>
<tr>
<td>Organisations collecting textual VoC and analysing manually</td>
</tr>
<tr>
<td>Organisations collecting textual VoC and analysing both manually and automatically</td>
</tr>
<tr>
<td>Organisations collecting textual VoC without further analysis</td>
</tr>
<tr>
<td>Organisations not collecting textual VoC</td>
</tr>
</tbody>
</table>
From organisations analysing automatically:
(organisation may fall into several categories)

<table>
<thead>
<tr>
<th>Organisation Type</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisations using an in-house solution</td>
<td>5</td>
</tr>
<tr>
<td>Organisations dependent on vendors</td>
<td>3</td>
</tr>
<tr>
<td>Organisations using free software</td>
<td>1</td>
</tr>
</tbody>
</table>

The market and customer surveys are still the dominant sources of textual customer feedback, even in Czech companies (63.6% - see Fig. 2). “In general, we prepare surveys to analyse the market (before the release of new product, service or benefit). We also have some external sources to see how the customers/public perceive our company.” For building and evaluating customer surveys companies use dedicated software, but dedicated software usually cannot help with the more profound analysis of open-ended answers in textual form. 68% of companies also collect emails from customers; even not all have the knowledge and tools to analyse their content automatically. Emails got a more accessible source of VoC than surveys. As was told, emails serve mainly as a source of requirements and complaints: “Serious internal reports are related to complaints”. Other important sources of VoC are customer reviews (59%) (also in price comparison systems) and social networks (54.5%), followed by website feedback, chat, calls to contact centres and their transcripts. Not very popular sources are blogs and microblogs, online forums and product ratings. Only one respondent answers they collect information from the personal dialogue with the customer during his visit at a branch office (shop) and one participant answered his company is involved in ethnography when they visit customers at home and perform in-depth interviews. Only 32% of organisations collect textual data from more than four sources. Three companies do not collect any textual data.

![Fig. 2: Number of organisations collecting mentioned sources of textual VoC; 22 respondents (author)](image)

77% of those who analyse in some way textual VoC stated they do it for the purposes of Customer Experience (see Fig. 3). 15 of 22 of those participants who analyse textual VoC contended they analyse textual data to measure customer satisfaction or loyalty and 14 to detect customer expectations, needs and requirements. Three companies look in the text for sentiment and emotions together, while the other four companies look either for sentiment or emotions. Personality extracts from the text only one organisation.
QUALITATIVE RESEARCH ON USE OF VOICE OF CUSTOMER IN CZECH ORGANISATIONS

When analysing text automatically or manually, companies looking in text mainly for topics and themes or named entities like locations, people, companies, products and similar. “The main purpose of the textual data analysis we do is to alert us when a specific term or topic starts appearing in the text so that we can identify potential problems and act as fast as possible. However, we are not really grouping and looking at the data regarding the categories you describe.”

Interestingly, relationships and facts try to extract from the text the more companies analysing only manually (60%) than automatically. It is a time-consuming task for them needing people who read every single contribution. Abstract groups or entities analyse 40% of the automatically analysing companies. Five of all companies extract metadata from customer contributions. Sentiment, opinions, attitudes, perceptions, emotions and intents currently try to extract automatically five companies. The one respondent from the financial industry answered that social networks are essential for the detection of emotions and have a high priority in analysing text. This company analyse manually and has a dedicated employee to reading social networks. Only two companies automatically extract semantic annotations in text. Only one company mentioned it analyses the VoC in multiple languages as it has international customers.

4.3 Barriers of getting the full potential of analysing VoC within Customer Experience

Despite the known potential of analysing VoC and its contributions to better Customer Experience and its measurement and management, only a few companies achieve its full potential. The identified barriers and issues to full the potential in respondents’ answers are:

- **Sharing VoC insight across the organisation:** The main issue of analysing the VoC is the results are rarely spread through the organisation, but serve to only a handful of employees, usually in the marketing department or on demand on management and not broadly embedded in the organisation. The analysis of share-of-mind metrics is usually dependent on a dedicated small team, often only on one or two employees in smaller companies or department in bigger organisations. The gained insights are rarely used for employee incentives and performance reviews. Only 52% of interviewed companies involve the share-of-mind metrics into a comprehensive view in the form of complex dashboards which are periodically updated. The rest realise ad-hoc reporting based on their actual needs or tailored on demand of management. Some respondents assert that the departments in the organisations are so overwhelmed with their own KPI’s and problems that they are not ready to embrace the customer experience program.

- **Struggle to prove financial results.** The value of analysing VoC for Customer Experience is known in organisations. However, more than half of respondents do not track any revenue impact or cost savings resulted from their efforts, so they do not precisely know the financial value of their intentions. Missing financial results are also the reason why evaluation from share-of-mind metrics and some textual analytics incentives do not have the priority in company pipeline. Less than half of organisations get active executive support for their efforts as the priorities are elsewhere, mostly in smaller companies, the attention is directed to quantitative metrics in the form of revenues.
• **Textual VoC is not profoundly analysed.** 24% of the interviewed companies does not analyse textual VoC, and from those who do that, more than half still analyse manually. They do not have the tools to integrate customer textual data from across channels into one location where they would be analysed and identified insights made relevant and accessible for employees across the company.

• **Fragmented view of the customer and missing integration of data.** Companies track customer journey on their website through web analytics tools but are not able to analyse Customer Experience through his whole journey through all channels. Only a few companies can extract VoC and expand its analysis results across channels and departments in the organisation. Bigger companies use their CRM systems for a customer-centric view. Same as web analytics tools can describe customer journey through the company’s website, consolidated Customer Experience management can go beyond and measure experience at every touchpoint the customer interacts. Various departments in the company, primarily the medium to a large one with more than 50 employees, use different tools for different channels, so the reports from these tools are also not consolidated. Most of the monitored metrics like retention rate are measuring Customer Experience from the perspective of the organisation based on aggregated customer data and not the perspective of the individual customer.

• **A missing action with individual customers.** Almost one-third of respondents admitted that they leave their insight without a direct action to the individual customer, which is so crucial in today’s one-to-one marketing. In this individual approach are better the smaller companies and newcomers with fewer customers, where every customer is a critical non-tangible asset, and every requirement is manually processed. The larger organisations with more customers and no automatic processing of requirements are not always able to access the customer individually. “We stick to the principle of ‘first response solution’ when we want to handle the request with the first answer to the customer. We also track the top 10th decile in the longest speed of resolving customer tickets, that means we track the solution time of single requirements and focus on that cases which took the longest time for their resolving. After, we solve which department is responsible for the specific case and what is the exact content of the case.” This approach is very reactive, which would not be wrong if it would not be selective to only the worst cases. Companies need to establish a proactive mechanism for reacting either positive or negative feedback on the base of customer sentiment and not quantitative measures of the reaction time. Only 41% of organisations with text analytics automatically determine customer sentiment in text. Some companies also ask customers to fill their surveys but leaving their feedback without a reaction, which leads to unresolved problems and missed opportunities. Respondents also admit that their efforts almost always serve for reporting but missing the effectivity in driving actions. “In our company, three employees handle orders and solve customer problems through different channels – email, chat, calls. They handle everything manually, and in seasonal peaks, they are overwhelmed with requirements. We would be happy for some solution which would be able to sort the requirements automatically and enable employees to action faster.”

• **A missing formalisation of the processes.** Companies, in general, missing the formal processes in managing the customer experience. They need to make their reports more actionable which need reviews of metrics, metric owners and prioritisation of issues periodically. This maturity exists only in three of interviewed companies.

### 5 Conclusions and Further Research

Results of the interviews show no consistent definition of the concept of Customer Experience. Few companies share the general idea of the concept in the way described in the Introduction section. However, they are far from fulfilling its measurement. Most of participating organisations understand Customer Experience generally as customer satisfaction during the purchase phase of customer lifecycle but not beyond it. From the research follows that companies are not fully entrenched in analysing VoC with text analytics. VoC is vital for improving Customer Experience, but companies are not able to realise the full potential of the resources of information. A great deal of the textual VoC is still not entirely used in organisations, so even though companies are mainly successful in gathering this data, they fail in deep analysing of the feedback with advanced text analytics capabilities and further actions from the insight they generate in their business. Several barriers to achieving the potential of the analysing textual VoC within the Customer Experience Measurement were mentioned in the results.
Majority of participating organisations demonstrated missing utilisation of Business Intelligence to understand Customer Experience.

The author's objective in the dissertation is to mitigate barriers detected by participants of the research to gain a thorough insight from textual VoC within the Customer Experience. She suggests measuring Customer Experience within the Business Intelligence solution and designs a holistic Customer Experience multidimensional data model based on proposed metrics mirroring the Customer Experience elements. The textual VoC is analysed through the text analytics methods and extracted information loaded in its structured form to the data model. The data model reflects the customer perspective. Thus the information about the individual customers is not lost.

6 References


**JEL Classification: M31, C80**