

## INTRODUCTION

# THE VISION FOR VOC-DRIVEN MARKETING

In a time when everything we know as marketers seems subject to instant change—a time of social media explosions and 24/7 connectivity and demographic shifts of seemingly infinite complexity—there remains one and only one factor that marketers can count on: the wisdom of the customer. The question is, how do we tap into that wisdom?

This book is the culmination of 37 years in the marketing trenches. In that time I have had the privilege of helping a wide range of companies, from IBM, Microsoft, and NBC Universal, to MSC Industrial Direct, to Palms Trading, one of the oldest Native American trading posts.

The executives and entrepreneurs in these companies and hundreds of others all had one trait in common: they were not willing to accept traditional marketing tactics that blast out undifferentiated e-mail, mail, phone calls, and other messages for obscenely poor returns on their marketing investment. (I call this “spray-and-pray marketing.”)

These executives realized that in no other part of their business would they tolerate a 0.25 percent response rate, or perhaps, on a good day, a 1 percent response rate. In no other part of their business would they consider it appropriate to throw away 99 percent of their effort—and celebrate a 99 percent failure rate.

They also realized that, in today’s environment, response rates would continue to worsen as buyers became better informed, thanks to the astonishing array of options and information available to them via the Internet. They knew too that consumers would be more inclined than ever to “opt out” of annoying or irrelevant marketing communications.

The entrepreneurs I worked with knew there had to be a better way to reach consumers. They trusted me to deliver on the promise of a dis-

ciplined marketing process, a process that tapped into the wisdom of the customer and engaged people to opt in to, rather than opt out of, relationships with marketers.

I've learned firsthand that, by creating a process that allows organizations to engage with, listen to, and learn from customers and prospects, companies can harness the wisdom of the customer . . . and generate consistent *double-digit increases in responses and sales*.

But there's a catch. To achieve those kinds of results, you must be willing to adopt a whole new vision of marketing.

This book was written to fulfill such a vision.

The vision is that we can transform the discipline of marketing by finding a way to engage our customers on their own terms and by being truly consumer focused. That we can treat customers the way we ourselves want to be treated when we make a purchase decision. That we can find a way to do what we all know, deep down inside, is the right thing for the consumer. By the way, when I say "we," I'm referring not only to my own team at Ernan Roman Direct Marketing but also to all the clients who have used the principles outlined in this book and who have taken part in the intensive process that helped me to create and improve its contents for you.

The vision that drives this book is that we can follow our own best intuitions about the way the art and science of marketing should be pursued in the twenty-first century . . . and that we can meet or exceed our financial objectives by doing right by customers and prospects.

The vision is that we can somehow, at long last, find a way to allow our own expectations of the marketing process, born from our own personal experiences as consumers, to drive the experiences we ourselves deliver to consumers.

And as if all of that weren't enough, the vision goes further. It demands that, in doing all of this, we pay no bottom-line price but rather experience dramatic *double-digit improvements* over what we have been doing up to this point.

This vision is not fantasy. It's what some of the most successful organizations in the world are experiencing right now. It's what we all could be experiencing. The vision is rooted in a principle known as *Voice of the Customer*, or VOC for short.

## VOC-ABULARY

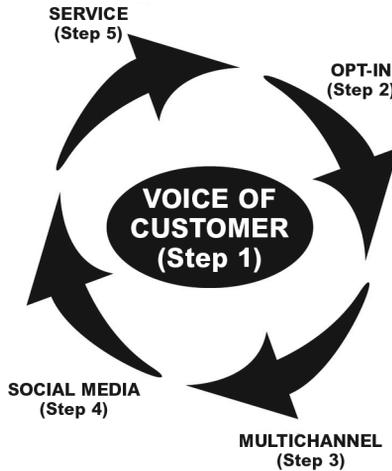
“VOC” is the *Voice of the Customer*—a term used to describe the process of capturing critical details regarding the desires, needs, and requirements of a given prospect, customer, or target group. VOC is both a way of looking at marketing and a specialized research methodology. VOC yields an in-depth understanding of customer and prospect preferences and actions—the kind of understanding that the marketer can use to develop powerful relationship marketing and engagement strategies. VOC is what allows us to give customers what they really want most from us—and avoid the annoyance and alienation that results from offering them what they don’t want.

The process that turns this vision into reality is a battle-tested, relationship-focused five-step system that gets us closer to the customer, treats the customer as we ourselves would want to be treated, and keeps the customer engaged with us as we navigate changes in technology, markets, and media—together. The benefits of adopting this customer-driven discipline are compelling: dramatically increased short- and long-term revenue, increased customer lifetime value and loyalty, and in this age of social media, greater advocacy for your brand where it matters: on the front lines. The cost of *ignoring* this five-step process is equally stark: increasing customer alienation, increased numbers of people opting out of your communications, and long-term damage to your brand that, all too often, goes unnoticed until it is too late to repair the damage.

In recent years, there have been many customer relationship management (CRM) initiatives that have not listened well to the Voice of the Customer. As well intentioned as these initiatives have been, we must acknowledge that today’s customers do not feel like being “managed” (or, for that matter, manipulated). Going forward, the premise of marketing and indeed the entire enterprise must begin **not** with the idea of “managing” relationships—as we might “manage” a crisis or “manage” risk. Rather, we must begin with the vision of creating a

community in which customers know their voice is being heard and acted on and in which they therefore look forward to engaging with us because they derive value from doing so.

The five steps that allow us to engage customers in this way are illustrated below. Notice that the first step, Voice of Customer, drives the subsequent four steps and that all five steps are interrelated.



## **STEP 1. CONDUCT AND APPLY VOC RELATIONSHIP RESEARCH**

This involves in-depth interviews with prospects, customers, and key stakeholders to understand how they expect the marketer to satisfy their needs for a high-value relationship that includes increasingly relevant offers, services, and communications.

By doing this, MSC Industrial Direct, a Fortune 1000 industrial supply company, was able to:

- Avoid investing time and resources in a campaign to “win back” customers who had not really left at all, but instead had changed their buying patterns.
- Develop competitively powerful strategies for strengthening relationships with high-value customers.
- Identify significant opportunities to drive incremental sales among critical customer segments.

## **STEP 2. CREATE VOC-DRIVEN OPT-IN RELATIONSHIP STRATEGIES**

This means engaging prospects and consumers to tell you exactly what they value and want from you . . . and what they don't want from you.

By creating an opt-in relationship marketing program, software giant Microsoft experienced the following “unprecedented” results:

- Opt-in rates that range between 45 to 95 percent
- Response rates that are currently performing in the *double digits*
- Revenue that is expected to continue being significantly greater than the revenue from the control population

## **STEP 3. CREATE A VOC-DRIVEN MULTICHANNEL MIX**

This means creating an integrated, multichannel marketing program that engages and inspires your customer.

The Walt Disney Companies created such a program for its resort operations. As a result, Disney has achieved the following:

- Grown the database by over 100 percent
- Increased the number of targeted interactions by over 10 times
- Expanded e-mail coverage by over 10 times

## **STEP 4. CREATE A VOC-DRIVEN SOCIAL MEDIA PRESENCE**

This means creating strategies for real-time engagement with your customers and prospects.

By doing this, Ford Motor Company not only took control of a public relations crisis but also generated the following:

- 4.5 million YouTube views
- 3.5 million Twitter impressions
- 80,000 “hand raisers” who asked to be kept up to date on the U.S. launch of the Ford Fiesta (A staggering 97 percent of the hand raisers did not own a Ford vehicle.)

## **STEP 5.**

### **INVEST IN AN EXCELLENT CUSTOMER SERVICE EXPERIENCE**

This means not pretending that customer service is something for operations to worry about.

By building this philosophy into its corporate culture, QVC experienced the following:

- 20 percent reduction in complaints and/or queries from customers
- 93 percent repurchase rate among the most satisfied customers

These companies prove that the VOC-driven vision is attainable and drives remarkable increases in revenue. I believe we all should be striving to attain this level of excellence—no matter how “customer centric” we consider our organizations to be right now.

Social media facilitate and accelerate this level of customer engagement. This phenomenon has changed forever the field upon which all marketers must play. The constantly shifting channel mix, trending inevitably toward more and more personalized engagement, could not have happened at a better time.

Social media are first and foremost media that reach their recipients on the recipients’ terms—meaning that information must get past a certain set of filters that the prospect or customer has deliberately applied over time. The difference between traditional messaging and social media messaging might thus be compared to the difference between buying a new pair of sneakers based on a TV ad versus buying it based on a recommendation tweeted by an NBA player whom you follow on Twitter. One involves a passive spray-and-pray approach; the other involves direct, active engagement with people one knows and trusts. As we shall see in later chapters, the difference is significant, and it has rocked the marketing world (in a very positive way).

More and more information is getting to users in this highly personalized, highly filtered way. That means less and less traditional marketing information is going to reach users via the traditional routes. For marketers, the implication is that ever fewer users are reachable through the traditional channels that allow *us* to select *them*—and ever

more users are reachable only via the user-filtered sources that allow *them* to “follow” *us*.

We marketers are experiencing these changes firsthand. Today, each of us operates his or her own network of networks. Whether that meta-network comprises bloggers, friends on Facebook, people or companies we follow on Twitter, and/or videos we watch on YouTube, we will opt in to it, and we will use the meta-network as a filter—that is, as a kind of gatekeeper—to determine what information reaches us and what doesn’t.

The five steps detailed in this book will show you how to succeed in getting today’s empowered consumers to embrace you as an integral part of that meta-network.

In the next part of the book, we’ll begin looking at Step 1 of the process.