Virtual Voice of the Customer:

Top-performing suppliers of coatings and their ingredients understand the value of B2B-optimized customer interviews. Nothing improves new-product innovation more than working on the right customer problems. But what do you do when a pandemic limits travel? You innovate, using virtual voice-of-customer (VOC) meetings so effective they'll become a fixture in front-end innovation long after the pandemic.

The AIM Institute grows, connects, and inspires the technology talent community through education and career development. Since 2005 it has taught thousands of B2B professionals how to better understand customer needs. This in turn leads to improved innovation, stronger business growth, and ultimately, stable and rewarding careers for these professionals.

The ideas highlighted in this article grew out of AIM's experience with travel restrictions during the 2008-2010 recession. AIM has further refined and taught these methods in dozens of webcasts and training webinars since the onset of this pandemic.

INTRODUCTION

Your new-product team understands it must interview customers to uncover and prioritize their needs. But what if health or budget concerns have severely limited your travel? Can you truly accomplish this remotely using a web conference? You can. In fact, there are hidden advantages to virtual VOC you may not have considered. We will examine 10 such advantages and offer seven suggestions for great virtual VOC.

A common question is, "Which is better: an in-person customer interview or one conducted by web conference?" If you're comparing a two-hour, in-person interview to a two-hour web-conference, the answer is easy: In-person interviews are the gold standard. You'll make a stronger personal connection, observe body language, and perhaps take a tour afterwards.

But what if you spent 10 hours of travel for the in-person interview and *no* travel time for the virtual interview? It's time to move beyond simplistic either-or comparisons of in-person vs. virtual VOC. They each have their attractions and limitations. The clever new-product development team understands what these are and skillfully deploys a mix of the two. Let's begin with some fundamentals.

THE FUNDAMENTALS OF VIRTUAL VOC

"Voice of customer" means different things to different people. The focus here is *gaining market insights for B2B innovation* through qualitative and quantitative interviews. You'll probably use a moderator, note taker, and (optional) observer to listen to a group of customer contacts, usually from the same company.

Traditionally, your team sits in the customer's conference room for the interview. With virtual VOC, your team could sit in your conference room while

How to Understand B2B Customer Needs Without the Plane Ride

By Dan Adams, The AIM Institute

customers sit in theirs. Or just your sales representative could meet in-person with customers while the rest of your team stays at your office. Or all participants could join the interview from their home offices.

All parties connect through a web-conference service, such as Zoom, Skype, or Webex. Why not just use a phone conference call for this? It's *critical* that your customers can watch as you record their thoughts.

Why? They'll be able to correct what you get wrong or omit. They'll be able to build off each other's ideas. Most important, this is the key to holding their attention and interest during the interview. *Don't underestimate how much visual feedback engages customers.*

New Product Blueprinting

Practitioners provide this feedback by displaying sticky notes and slider rating bars for discovery and preference interviews, respectively *(see illustration on page 24)*. The interview team records customers' needs on the sticky notes, much as you'd record ideas in a brainstorming session. The preference slider bars let the team record how important and satisfied customers are with the most popular needs on a 1-to-10 scale.

Discovery interviews are qualitative and divergent: "*What other outcomes are important?*" You might start by asking the customer—usually with several job functions represented—what problems they have. You'll record a customer "outcome" (desired end results) on a sticky note and then ask probing questions to better understand the outcome. Then you simply ask, "What other problems are you seeing," and record this outcome in the *next* sticky note.

If you produced corrugated packaging, you might hear these outcomes in your interview with Amazon:

- Minimize the time it takes to seal a box after inserting merchandise
- Minimize box damage from outdoor moisture
- Maximize the stacking strength of boxes during transit

Note that you're not looking for solutions—that's your job as the supplier—just outcomes customers are interested in.

Preference interviews are quantitative and convergent: "*What are your most important, unmet needs?*" You'll review several of the most popular outcomes you heard during discovery interviews. For each, you'll ask two questions: 1) How important is this outcome, and 2) how satisfied are you with this outcome today? You hope to find some outcomes that are both important and unsatisfied. These are the only outcomes customers might pay you a premium for improving.

In our discovery interview example for packaging, we didn't differentiate how *eager* customers were for each outcome. That's why preference interviews are needed. Stacking height might not be too important to Amazon. And they might already be reasonably satisfied with moisture resistance. But box-sealing time could be very *important* and *unsatisfied* today. So this is the *only* outcome they might pay more for.

The vast majority of B2B suppliers skip this quantitative interview step, and so allow guesswork, bias, and filtering into their product designs. For more on this, download the white paper, Guessing at Customer Needs, available at www.guessingatcustomerneeds.com.

So why conduct both qualitative discovery *and* quantitative preference interviews? Discovery interviews help your team avoid *errors of omission:* failing to uncover unarticulated customer outcomes. Preference interviews help you avoid *errors of commission:* choosing the wrong customer outcomes to work on.

Preference interviews are particularly powerful because they lead to the calculation of market satisfaction gaps, and these tell you *exactly* what customers do and do not want. No more guessing, bias or filtering. The calculation is shown in the panel below, with more information in a white paper at www.marketsatisfactiongaps.com.

TEN ADVANTAGES OF VIRTUAL VOC

We began studying and refining virtual voice-of-customer interviews in 2009. It's no coincidence that this work started in the depths of the great recession, when our clients had severe travel budget constraints.

At first, we were not hopeful. But the more we experimented, the more we realized virtual VOC doesn't have to sacrifice much compared to in-person VOC. We also discovered some "hidden" advantages of virtual VOC we hadn't considered. Let's explore both these obvious and little-known advantages.

Advantage 1: Lower cost.

We'll start with the most obvious advantage. Imagine you send two or three interviewers out on 6 to 10 qualitative and 6 to 10 quantitative interviews. You could spend $50,000 on travel expenses. If you are conducting your interviews globally, you can expect to pay even more.

Most companies pay close attention to the out-of-pocket travel expenses. Perhaps more concerning is the amount of personnel time. You've probably consumed two-to-three person-months of employee time, with at least 80% of it completely wasted in rental cars, security lines, and cramped airplane seats. These travel expenses and non productive personnel time disappear with virtual VOC.

Advantage 2: Dispersed Customer Contacts.

What if your customer's R&D staff is in Houston and its marketing staff is in Chicago? Or if some or all your customer contacts are working from home and your team is as well?

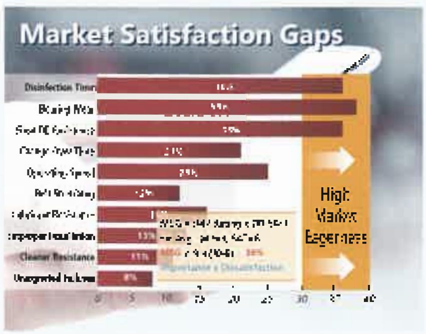
Calculating Market Satisfaction Gaps from Preference Interviews

1. Data-mine Discovery Interviews for the outcomes customers seem most eager to improve.

2. Ask customers for 1-10 scores on importance (IMP) and satisfaction (SAT) during Preference Interviews.

3. Be sure to anchor your 1-10 ratings. Example: A satisfaction score of 5 = "barely acceptable."

4. Calculate Market Satisfaction Gaps for key outcomes. (See formula to the right.)



5. MSG over 30% indicates high market eagerness. Higher scores indicate even more desire for change.

With virtual VOC, geography no longer matters. This is important for qualitative discovery interviews, because you should interview multiple customer contacts *simultaneously*. This lets customer contacts build off each other's ideas. Just like brainstorming.

For quantitative preference interviews, it's even *more* important to engage all decision-influencers at the same time. Why? Imagine the operations manager rates the importance of abrasion resistance at "3" and the market manager gives it a "9." If you gathered results *individually*, you'd have to average their responses at "6"... a terrible idea. But in a virtual session with all present, you can let them debate. You eventually resolve department-specific viewpoints with a simple question: *"From the perspective of your* entire company, *how important is abrasion resistance?"*

Advantage 3: Viewable Probing Tips.

The key to great VOC is great probing. One such approach is the "What and Why" method of probing. The moderator asks "What" questions, such as *"When does this happen?"* and *"Can you describe this?"* As you can see, the questions don't all begin with the word, "What." You're simply trying to understand what the customer is telling you. Think of these as questions of *observation*.

Then moderator asks "Why" questions, like *"How does this impact you?"* or *"Why is this a problem for you?"* These are questions of *implication*. Such questions are especially valuable when you're trying to understand how much value your new product delivers and how you should price it.

It's important to avoid closed-end questions, which can be answered with a simple "yes" or "no." This is one of the advantages of the "What and Why" method. These questions are always open-ended by their nature, and lead to more thoughtful responses, longer replies, and greater insight.

After customers respond, the moderator asks, *"Anything else we should know before we move on?"* Only after this does the moderator explore the customer's next outcome (*"What other problems are you seeing?"*).

So why do we consider this an advantage of *virtual* VOC? You can set these probing tips in front of you during the interview and keep referring to them. You can also do this with in-person interviews, of course, but it's *much* smoother in a web conference because customers don't see you checking your notes.

Advantage 4: Training for Colleagues.

Perhaps you want to train additional employees in B2B VOC. Imagine if they could observe real interviews without travel costs, without taking much time, and without disrupting the interview dynamics.

Virtual VOC comes through again. Introduce them at the beginning of the interview—no one should ever eavesdrop—and then let them observe the interview. They can easily do this in a conference room with the rest of the interview team or from their home office. And after the interview you can go beyond debriefing the interview *content* as discussed in Advantage 7 below. You can spend time with your trainee going over the techniques used—what worked and didn't work—and answer any questions they have.

Advantage 5: Probing Suggestions.

If your interview team is meeting in a conference room together, make sure it has a whiteboard or flipchart. If possible, have two observers supporting the moderator and note-taker.

As the observers think of probing questions the moderator missed, they write them on the whiteboard, making sure to also record the number of the sticky note. Then your brilliant-sounding moderator can say to the customer, *"I had another question about something you said on note number 3 ... product damage due to moisture."*

This team approach to asking probing questions is *highly* effective. You can even have a list of pre-prepared questions that get crossed off the white board one-by-one . . . whenever it seems *natural* during the interview to ask them. This is far better than going through a boring questionnaire. And it works particularly well in virtual VOC.

Advantage 6: Assistance for Note-taker.

We've noticed something peculiar about in-person interviewing: Customers sometimes forget about the poor note-taker. Because they're so engaged in the discussion, they may fail to notice that the note-taker is falling behind.

These dynamics change with virtual VOC. Since the only thing customers *can* watch is the web-conference screen, they quickly notice any lagging notetaking. We find customers are more helpful in slowing their pace, repeating points, and suggesting text changes. Sometimes teams leave some members back at the home office while others travel to the customer. Because of this, we suggest you let the note-taker stay home.

Try to debrief *immediately* after your interview.

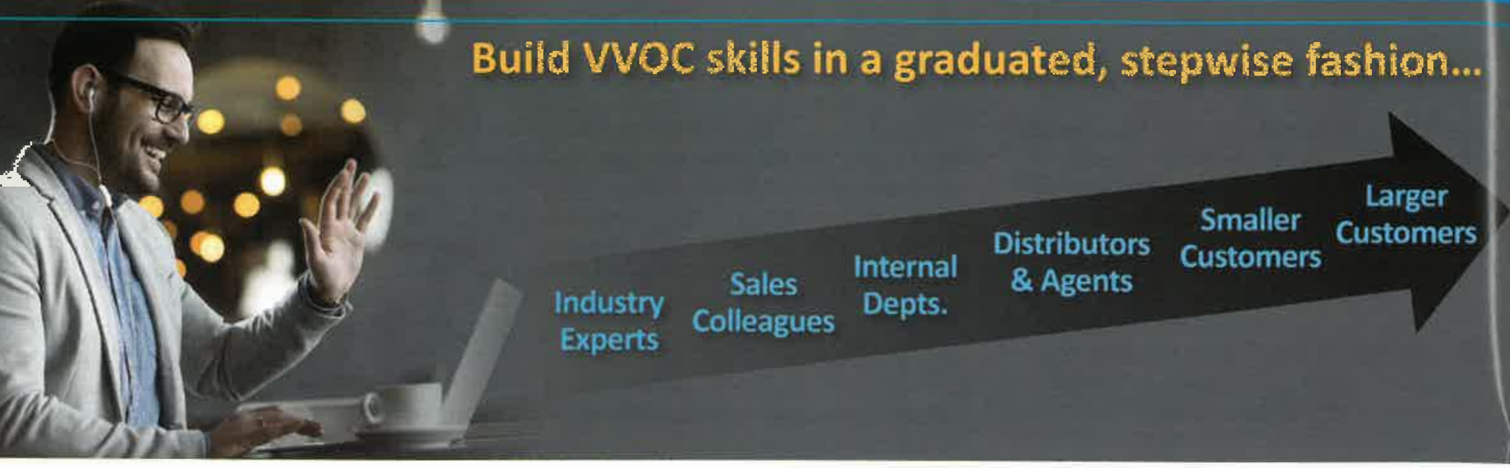
Advantage 7: Rapid Debriefing.

In non-pandemic times, the team would complete its in person interview, and go to a nearby coffee shop or airport lounge and debrief: Picture the team gathered at Starbucks with the observer recommending changes.

But with virtual VOC, the debriefing can begin *immediately* after the interview. No hunting for a place to speak openly, setting up the laptop again, worrying about catching flights, etc. This is important because the Ebbinghaus Forgetting Curve suggests we forget half of what we've learned in the first 24 hours.

Advantage 8: Easier Scheduling.

Sometimes the hardest part of B2B VOC is scheduling the interview. The issue usually boils down to *availability* and *reluctance*, and virtual VOC helps with both. The availability of your team can be dicey if all three of you need the *same* open travel day that the customer is available. But it's easier finding a time when you're all available for a one- to two-hour virtual interview.



What about customer "reluctance"? Would you rather have a traveling salesman come to your *home* or call you on the *phone*? OK, perhaps a bad analogy, but you get the idea. Some customers will feel more comfortable giving up an hour or even two, if they know they can say at the end of the allotted time, *"Well, I need to go to my next meeting now."*

Advantage 9: Low-impact Cancellations.

Face it, you'll likely have some canceled customer interviews, for any number of reasons:

- Your main customer contact got sick.
- Their company just had a business emergency.
- Their boss called an all-hands meeting.
- Their conference room was taken over by a VP.
- Your contact made a calendar mistake or simply forgot.

With virtual VOC, you don't need to limp back to the airport empty-handed at the end of a wasted day. You simply reschedule.

Advantage 10: Greater Project Speed.

We saved our favorite for last. If your new product eventually has annual sales of $5 million with average profits, can you guess the net present value (NPV) of accelerating the launch by one month? About $80,000. You create $4,000 of NPV for every business day you accelerate your project.

Virtual VOC lets you move faster with more productive scheduling and the ability to schedule two or possibly more interviews per day. Converting many of your in-person interviews to virtual VOC can *easily* trim a month or two off your timeline.

One more suggestion: As you finish up each discovery interview, ask the customer for a good date and time for the preference interview. Get it on the calendar right now, and you'll accelerate your timeline *and* save the hassle of setting up preference interviews later. Use this tip with both in-person and virtual VOC to rapidly complete your interviews.

SEVEN TIPS FOR BETTER VIRTUAL VOC

Do these advantages inspire you to include virtual VOC interviews as part of your customer insight? Before you start scheduling your web conferences, be aware we *have* seen some go badly: Connection problems. Poor audio. Stilted, awkward dialogue.

Fortunately, you and your team can come across as highly polished *and* gain impressive customer insights. It just takes some preparation. Let's explore seven recommendations to put you on a path to becoming a VVOC pro.

Tip 1: Choose Wisely. We've seen projects where interviews were done a) all in-person, b) all virtually, and c) with a mix of the two. Consider the following factors to determine the best approach for your project:

- *Team experience.* Virtual VOC is easier if your team has already mastered the dynamics of in-person interviews.
- *Customer relationship.* Virtual VOC works especially well when you've already established a relationship with a friendly customer.
- *No need for a tour.* Consider virtual VOC after you've completed enough customer tours with earlier in-person interview sessions.
- *Interview type.* Virtual VOC works well for both discovery and preference interviews, but it is especially productive for the latter.
- *Scheduling.* If you're having a hard time coordinating calendars, consider scheduling a virtual interview.
- *Travel costs.* Virtual VOC eliminates your travel costs, which is especially helpful in difficult economies or when international interviews are needed.
- *Interviewing progress.* Many teams conduct their initial interviews in-person, and then move to virtual VOC. The latter is most helpful for preference interviews when you want more 1-to-10 outcome ratings to boost your statistical confidence.

Tip 2: Build Your Team's Skills. Practice interviewing as a team in a graduated, stepwise fashion. When you do this, your interview team—which should include marketing, technical, and sales—will develop skills that truly impress customers. Begin with safe audiences, such as industry experts you pay to interview, then your own sales professionals, and so on.

- *Industry Experts:* If you pay to interview a GLG, AlphaSights, or similar industry expert, use this time to improve your skills. Forget the phone-only approach and conduct a web-conference interview. Ask your market-specific questions. Then for the rest of your time, ask the expert to respond as he or she believes customers would.
- *Sales colleagues:* Set up a web-conference interview and ask them to reply "as the customer would." Besides great practice, you'll get your sales team comfortable with these interviews, so they'll be more effective in requesting them.

- *Internal departments:* Do you have others in your company with experience in this area, perhaps based on their prior work at another company? These could be helpful interview candidates.
- *Distributors:* If you use distributors, interview them before the "real" customers that use your product. It will be good practice for you, let's you understand how much market insight they have, and turns your distributors into more effective partners.
- *Smaller, safer customers:* If you have smaller customers, start your interviews with them. Also, consider interviewing "friendly" customers who will overlook your lack of "smoothness" until you get comfortable with this type of interviewing.
- *Larger, high-stakes customers:* By the time you "build up" to these customers with prior practice, you and your teammates will be one, highly polished, impressive interviewing team!

Tip 3: Prepare Your Customer. If you're looking for great virtual VOC, you'll need to carefully prepare your interviewees:

- Work hard to get *several* customer contacts joining each interview, not just one. You'll get more valuable information this way and raise the overall energy level.
- Make sure all customer attendees—not just your main contact—receive a copy of the meeting agenda.
- Don't call this an "interview," as this can have a bad connotation. Instead, call it a discovery or preference "meeting" or "session."
- Provide customers with the WIIFM: "What's in it for me?" Tell customers you could be one of their sources of open, external innovation. You're already staffed with industry experts. You're eager to work on *their* problems. You expect no up-front payment. They can decline your innovation. There's no risk on their part. *But* to do this you need to understand their needs first!
- Ask your main contact to join the meeting 10-15 minutes early in their conference room, so you can get the web conference working and do a sound check.

Tip 4: Make This Enjoyable for Customers. With a little effort, your virtual VOC will engage and energize your customers. Here's how:

- Use your webcams so they can see your smiling faces, especially at the beginning of the session. At a minimum, display photos of yourselves.
- At the onset, go around the room with introductions. Start with your team members and keep it light and friendly.
- You might order some food to be delivered to them from a local restaurant, such as Panera. (Check with your main contact first.)
- Use lots of visual cues during the meeting. If you're using discovery sticky notes, refer to the sticky note number so all can follow along. Or if you want to draw their attention to some text, be sure to highlight it.

Tip 5: Probe Like a Pro. Getting the right customer contacts into your interview is the most important part of VOC success. After that, top-flight probing separates great VOC from mediocre VOC. Go for "great" with these tips:

- Put probing tips in front of you during virtual VOC. As discussed earlier, you can keep referring to your "what and why" probing questions throughout the interview.
- If your interview team is meeting in one conference room, have your observer(s) write good probing questions on a whiteboard, as suggested earlier.
- Invite VOC "trainees" into your virtual VOC for firsthand experience. By the time they start conducting their own interviews, they'll be well past the novice stage.

Tip 6: Consider Sending a Local Colleague. Do you have a sales representative in the customer's geographic area to physically represent your company? They can be helpful in several ways:

- Have your sale professional arrive early and help with meeting setup. Then everything is ready to go when the first customer walks into the conference room.
- It's a great icebreaker if your colleague is in the customer conference room for greetings and introductions.
- Your local person can be your primary interview "observer." They should watch body language, monitor signs of impatience, notice if one person isn't getting a chance to speak, etc.

Tip 7: Ensure Strong Follow-up. This is true for in-person as well as virtual VOC, but it bears mentioning: *Be sure to follow-up after your interview.* The worst possible outcome of a B2B interview is your customer saying this: *"Yes, that company did a nice interview... but then we never heard from them again."* Consider these approaches:

- Ask the customer how they'd like to be updated . . . and do it.
- Use a phone call or e-mail to say thank you.
- Send a PDF of the interview notes and ask them for any updates.
- Call them to ask for help in clarifying some points.
- Share summarized industry results of your interviews.
- Call or e-mail to indicate that your project is still active.
- Have your sales representative provide them with periodic updates.
- Share your new product prototypes with the customer.

What does this all mean for the B2B innovator seeking to understand customer needs? We believe companies will "blend in" virtual VOC with their in-person VOC much more in years to come. And this brings real advantages to the front-end of B2B innovation: It will take place faster and cheaper. And it's likely these innovators will do *more* interviews, especially the critical quantitative interviews that remove bias and filtering.

Said another way, the "excuse" for not doing B2B-optimized customer interviews will dissipate. It will be harder to say, *"We don't have time for interviews, so let's just imagine we know what customers want."* Commercial risk will be reduced as development-stage work is done on *known* needs, not *guessed* needs. Not bad if we can accomplish all that and skip a few plane rides. ❄

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