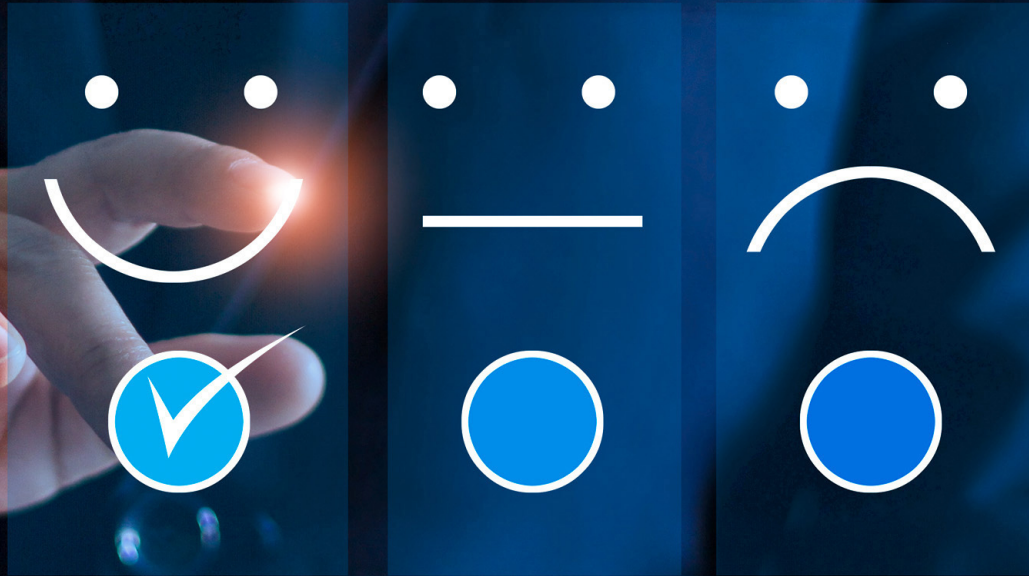


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THE ROI OF VOICE OF THE CUSTOMER IN GOVERNMENT INSTITUTIONS

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This report illustrates how using voice of the customer (VoC) insights help government institutions boost service excellence. It also highlights several key building blocks that elevate the benefits of VoC programs to maximize customer satisfaction.

VoC Users Enjoy Superior Business Performance

For many decades, VoC programs have been a key ingredient of customer experience (CX) programs in for-profit organizations. VoC can be captured directly from customers through methods such as surveys and email as well as indirectly by observing behavioral data such as churn rates and changes in spend. Government institutions are not immune to the tectonic changes affecting customer behavior and expectations. Customer expectations such as timely service, personalization, and quality carry over to the expectations from government institutions. As such, on Dec 13, 2021, the US announced a federal government [executive order](#) to transform CX and service delivery across government institutions.

CX programs are not just a recent focus area for government institutions. Already, numerous government institutions of varying sizes and nature around the world use CX programs to improve service delivery to constituents – referred to as ‘customers’ within this report. Voice of the customer programs (see sidebar for definition) are a critical pillar in monitoring and understanding the expectations of those customers as well as serving as a gauge to assess how institutions address those expectations. Figure 1 shows that contact centers and service organizations within government entities using VoC programs (from hereon also referred to as ‘VoC users’) achieve far superior success in service delivery versus those without it (from hereon also referred to as ‘non-users’).

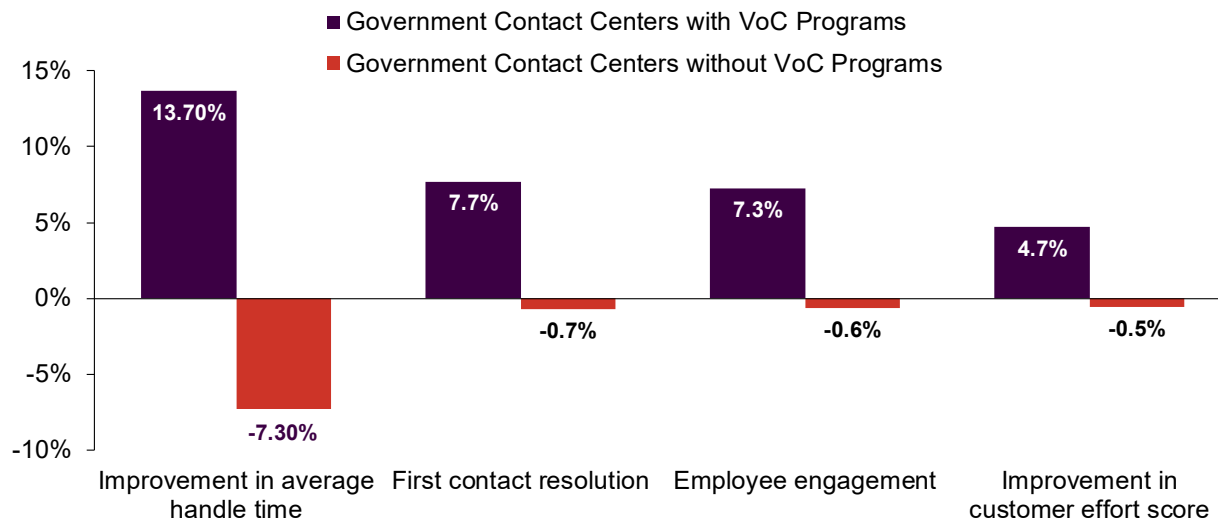
Definition: Voice of the Customer (VoC)

For the purposes of this research, Aberdeen defines **VoC** as an organizational activity institutions use to capture and use customer feedback and sentiment data.

This data is captured through multiple channels, including surveys issued online, via email, text message, or through interactive voice response (IVR).

Government institutions use technologies such as VoC platforms, text analytics, speech analytics, and sentiment analytics to analyze the VoC data, enabling employees to act on the resulting insights.

Figure 1: Government Organizations with VoC Insights Enjoy Superior Outcomes



Year-over-year performance change, n=859
Source: Aberdeen, March 2022

Data in the above figure shows that **VoC users enjoy 13.7% year-over-year (YoY) improvement (decrease) in average handle times** as compared to 7.3% worsening (increase) by non-users. Use of VoC enables government institutions to shorten handle times by observing direct and indirect customer sentiment and feedback and revealing the top reasons lengthening resolution times. In turn, contact center and service leaders can prioritize activities, workflows, and technologies that have the greatest direct impact on lengthy handle times and work on internal activities to alleviate.

Leveraging VoC insights also allows government institutions to observe repeat contact traffic in alignment with customer sentiment and feedback data to reveal which activities result in customers repeatedly contacting to receive support. As such, **institutions utilizing VoC data report 7.7% YoY improvement in first contact resolution rates** versus 0.7% worsening by non-users. This means that by improving their ability to address customer issues during the first contact, VoC users minimize customers' need to repeatedly contact for issue resolution. This, in turn, produces downstream improvements in customer effort scores where VoC users enjoy 4.7% annual improvement (decrease) vs. 0.5% worsening (increase). Regular and timely monitoring of customer sentiment and feedback is yet another reason why government institutions with VoC programs can deliver more effortless service experiences compared to other institutions without VoC.

One of the most common mistakes for-profit organizations typically make when managing CX programs in the contact center is assuming that customer satisfaction is a product of the technologies and processes used with little or no consideration of the employees who use those processes and technologies as well as those who select and maintain them. Savvy CX leaders, on the other hand, recognize the importance of employee engagement by training and educating employees on their role on customer satisfaction and overall organizational performance. Although government institutions are not measured on their ability to generate revenue and grow market share, employees in those institutions still have a direct and significant impact on customer satisfaction and sentiment. Top-performing institutions have employees that are educated on their role on meeting broader service excellence objectives and empowered with the tools and knowledge needed to do so. As a result, **VoC users report 7.3% YoY improvement in employee engagement rates**, compared to 0.6% worsening by non-users.

Steps to Operationalize VoC Insights

The benefits of VoC programs are amplified to new heights when used in combination with the right building blocks. Before highlighting those key building blocks, it's important to note that some government institutions have already been using VoC as part of their activities – yet in an unorganized and ad-hoc fashion. Through the conversations of contact center agents and other employees, even institutions without a formal VoC program have access to direct and indirect customer feedback and sentiment data via interactions such as phone calls and in-person conversations.

Government institutions with VoC programs find ways to continuously improve efficiency in service delivery (average handle times) while simultaneously boosting employee engagement and customer satisfaction.

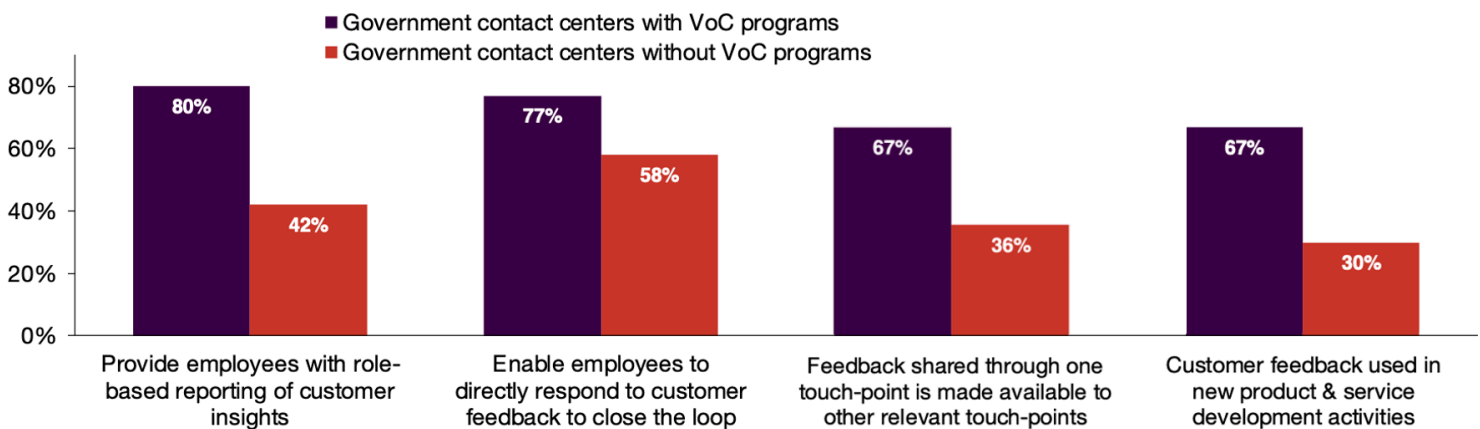
Because the use of VoC in these institutions is ad-hoc and not strategically executed to serve a specific broader mission and purpose, and neither is it formally tracked and measured for business impact, for the purposes of this research Aberdeen classified those institutions that may access and collect VoC data but don't yet have a formal VoC program as non-users. In contrast, institutions that are classified as VoC users also have access to customer feedback and sentiment data, but they differentiate themselves from non-users by establishing and nurturing a series of activities aimed at using VoC data in a strategic and programmatic manner to achieve their goals.

One of those building blocks established widely by VoC users is providing employees with access to customer feedback and sentiment data through role-based reporting – a capability adopted 90% more widely by institutions with VoC programs versus those without it (Figure 2). This means employees at different levels in contact center and service roles can see relevant insights based on their unique needs (80% vs. 42%).

As an example, a contact center agent can see customer sentiment data in real-time through the agent desktop by the speech analytics tool analyzing changes in customer's voice tone as well as the words used to signal the agent if the customer may be happy, neutral, or unhappy. Using this, the agent can better steer the conversation to minimize customer frustration. Similarly, agents can see if the customer has recently provided a negative feedback through an interactive voice response (IVR) survey and is calling shortly after that negative feedback to gauge if the customer may still be frustrated and adjust the tone and messaging of the conversations accordingly. In comparison, a contact center leader can view aggregate customer feedback and sentiment scores through an activity dashboard and drill-down into the top factors influencing positive and negative results to better manage activities. Additionally, reflected in the sidebar on the following page, Aberdeen's *CX Executive's Agenda* survey shows that VoC users are 81% more likely to use analytics to facilitate identifying key influencers of customer satisfaction and behavioral outcomes (77% vs. 41%).

Connect VoC data captured through all sources for a single and connected view of insights to implement a truly data-driven approach to managing customer expectations.

Figure 2: Key Building Blocks to Optimize VoC Insights



Percent of respondents, n=859
 Source: Aberdeen, March 2022

Findings from government institutions participating in the *CX Executive's Agenda* survey also shows that VoC users are 68% more likely to use real-time reporting to alert key stakeholders of changes in key metrics (57% vs. 34%) as reflected in the sidebar on this page. This enables contact center and service employees to be notified of customer frustration issues in a timely fashion to take action. In fact, Figure 2 shows that institutions with VoC programs are 33% more likely to enable employees with the ability to directly respond to customer feedback following poor sentiment or feedback (77% vs. 58%). This activity works best when executed in real-time, and as such, real-time reporting and alerting is a critical enabler for government institutions aiming to succeed in closing the loop after negative feedback.

When capturing and using direct and indirect VoC data, it's vital for service and contact center leaders to remember that customer experiences are holistic. In other words, interactions across all channels and all departments form the customers' experiences. Hence, it's vital for VoC users to connect data across all sources. Savvy service and contact center leaders recognize the importance of this as Figure 2 shows that they are 86% more likely to connect VoC data across all sources so that employees can observe customer feedback and sentiment regardless of where that data was captured (67% vs. 36%).

Yet another important priority for forward-thinking government institutions is creating new ways of addressing customer needs such as paying taxes, checking property records, disputing bills, etc. For that, savvy contact center and service leaders are continuously seeking ways to enhance the customer experience by different products/services that can be used as part of the service delivery process. Again, those forward-thinking leaders turn to VoC to listen to customer feedback for ideas for transforming existing service delivery processes as well as customer sentiment to observe how existing products/services align with customer expectations. They are 2.2x more likely to have this capability in place versus non-users (67% vs. 30%). Close observation of VoC data yields opportunities to find ways to revamp service delivery through more innovative ways such as scheduling a parking dispute hearing through video on a mobile device versus expecting customers to take time off of their day to go to the city hall for the dispute. The opportunities for improving service excellence are virtually endless for institutions that continuously track and use VoC data to fuel their CX programs.

Key Takeaways

Customer satisfaction is no longer just a corporate objective. Government institutions around the world recognize that ensuring satisfaction of their constituents is a key enabler for improving the overall wellness of the communities they serve and that the expectations of those constituents mirror their expectations that they have as customers working with brands across many different industries. As such, VoC programs are coming to the forefront, as exemplified by the US federal government announcing an executive order to transform CX and service delivery. Particularly noteworthy in that order is the reference to unnecessary additional time customers spend on getting their needs met as a 'time tax.' This shows that forward-thinking government institutions are

Technology Enablers

Aberdeen's research shows that government institutions with VoC programs are more likely than non-users to use the below technologies to support their activities:

Database Management:

- ▶ VoC users: **80%**
- ▶ Non-users: **41%**

Customer Analytics:

- ▶ VoC users: **77%**
- ▶ Non-users: **41%**

Predictive Analytics:

- ▶ VoC users: **60%**
- ▶ Non-users: **27%**

Real-Time Reporting & Alerting:

- ▶ VoC users: **57%**
- ▶ Non-users: **34%**

Customer Sentiment Intelligence:

- ▶ VoC users: **50%**
- ▶ Non-users: **20%**

Reduce the 'time tax' on customers by using VoC data to find innovative ways to make it easier for customers to get their needs addressed.

taking steps to reduce the emotional and time tax burden of their constituents/customers by revamping service delivery activities to be more in line with customer expectations.

VoC programs play a pivotal role in accomplishing this goal as they reveal customer expectations as well as help track changes in those expectations to make it easier for institutions to keep up. They also enable employees with timely and accurate visibility to better tailor conversations to create happy customers as well as minimize activities that lead to added time and unnecessary costs – hence helping institutions control and reduce costs. Aberdeen highly recommends that all government institutions establish a VoC program by establishing a formal strategy on how to capture direct and indirect feedback but most importantly, building pillars to use the VoC data to streamline CX activities. Implementing the activities listed in this report will make it easier to get started with building such a forward-thinking and future-ready VoC program.

About Aberdeen Strategy & Research

Aberdeen Strategy & Research, a division of Spiceworks Ziff Davis, with over three decades of experience in independent, credible market research, helps **illuminate** market realities and inform business strategies. Our fact-based, unbiased, and outcome-centric research approach provides insights on technology, customer management, and business operations, to **inspire** critical thinking and **ignite** data-driven business actions.

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