

### 3.1 Customer Listening

#### Purpose

This item asks about your processes for listening to your customers and determining customer groups and segments. It also asks about your processes for determining and customizing product offerings that serve your customers and markets. The aim is to capture meaningful information in order to exceed your customers' expectations and improve marketing.

#### Commentary

**Customer listening.** Selection of voice-of-the-customer strategies depends on your organization's key business factors. Most organizations listen to the voice of the customer via multiple modes. Some frequently used modes include focus groups with key customers, close integration with key customers, interviews with lost and potential customers about their purchasing or relationship decisions, customer comments posted on social media, win/loss analysis relative to competitors and other organizations providing similar products, and survey or feedback information.

**Actionable information.** This item emphasizes how you obtain actionable information from customers. Information is actionable if you can tie it to key product offerings and business processes and use it to determine the cost and revenue implications of setting particular improvement goals and priorities for change.

**Listening/learning and business strategy.** In a rapidly changing technological, competitive, economic, and social environment, many factors may affect customer expectations and loyalty and your interface with customers in the marketplace. This makes it necessary to continually listen and learn. To be effective, listening and learning need to be closely linked with your overall business strategy.

**Social media.** Customers are increasingly turning to social media to voice their impressions of your products and customer support. They may provide this information through social interactions you mediate or through independent or customer-initiated means. All of these can be valuable sources of information for your organization. Negative commentary can be a valuable source for improvement, innovation, and immediate service recovery. Organizations need to become familiar with vehicles for monitoring and tracking this information.

Social media is both a means of listening to customers and a means of communication, outreach, and engagement. Effective use of social media has become a significant factor in customer engagement, and ineffective use can be a driver of disengagement and relationship deterioration or destruction.

**Customer and market knowledge.** Knowledge of customers, customer groups, market segments, former customers, and potential customers allows you to tailor product offerings, support and tailor your marketing strategies, develop a more customer-focused workforce culture, develop new business, evolve your brand image, and ensure long-term organizational success.

SOURCE: 2019–2020 Baldrige Performance Excellence Framework Criteria Commentary - This commentary provides brief summaries of the Baldrige Criteria for Performance Excellence categories and items. It also includes examples and guidance to supplement the notes that follow each Criteria item in the Baldrige Excellence Framework booklet. For additional free content, and to purchase the booklet, see [www.nist.gov/baldrige/publications](http://www.nist.gov/baldrige/publications).