



The Value of Customer Feedback

Using Customer Survey Results Effectively

Every company wants to know what its customers think of its products and services, but too few businesses use the information they gather on customer opinions in an effective way.

"Some companies are lured into a false sense of performance when customers award them a 4 or 5 on a five-point scale," says Marlene Stone, president and CEO of Intellitrends, a firm that works with companies to develop survey strategies. "Merely satisfying your current customer base just keeps you in the game, but it may not be enough to make a customer say, 'Wow, I would never look at anyone else or go anywhere else.' It simply keeps you in their sphere of choices. Companies need to search for what's past the 5."

Another flaw in the use of customer surveys is that companies tend to survey only those customers still doing business with them. They fail to include former customers who have left, individuals who may be able to provide the most important information: why did they leave and what should the company be doing to retain and grow its customer base. "The pool of people who are no longer customers is a huge wealth of information," Stone notes. "Some 68% of consumers who have a problem with a company aren't going to say anything but will just go elsewhere."

Therefore, while surveying current customers is important, the best information on customer attitudes often can be derived by those who have turned away from the company's products and shop with competitors. Corporations seeking to stay ahead of the curve today are using opt-in panels to obtain qualitative opinions of

their products and services. These are groups of consumers who fit particular profiles and who are selected to participate via the Internet. They evaluate products, review marketing messages, conduct in-home trials, review Web site changes and otherwise provide new ideas and serve as sounding boards for companies offering consumer products and services. These "think-tank" panels are supplemented with random customer surveys.

Consumers today are more willing than ever to offer their opinions and to find out more about the products in which they're interested. Stone notes that one recent mail survey from Intellitrends generated a 30% response rate—a monumental figure compared with the single-digit rate that has been standard for direct mail.

"People feel more empowered," she says. "They feel the responses they provide do make an impact. At the same time, companies are more sensitive to feedback and more of them are soliciting it."

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Stone advises that businesses should not just focus on a huge once-a-year research project but, rather, integrate research more periodically into their activities to obtain continual feedback which they can follow with phone calls, bounce-back Web surveys or other response mechanisms for customers.

Whatever the survey base and the methodology employed to gather consumer information, companies should consider how they can maximize the results of their customer surveys. Stone recommends ten ways these findings can be applied to help businesses enhance their market and better understand their customers.

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Ten Ways to Use Customer Survey Results!

1. Make the most of your Strategic Plan

Many companies spend considerably more time focused on “where they want to be” in five years than gathering information critical to developing the “how to get there” strategies. Gathering input from the market, from customers, from competitors’ customers, guarantees greater focus and alignment of your organizations resources for the optimum fit with customer needs and return on your investment.

2. Understand who your customer is

Whether you have a few customers or hundreds of thousands of customers, having an in-depth understanding of why they choose to buy from you and not your competitor can provide tremendous competitive leverage.

3. Benchmark how you stack up against competitors

Having a clear measurement and awareness of how you compare to other providers in your industry (mind-share, market share, purchase re-purchase intention) can give you critical intelligence on which to capitalize for your own gain.

4. Keep customers

Your organization can't fix problems they don't know about. Research findings can isolate and point to ways in which organizations can fix problems before customers defect.

5. Understand “value” through your customer’s eyes

The research data can tell you immediately what customers value most about your products and services and allow you to create value in the areas of most importance to your customer.

6. Establish a customer “WOW” Index (CWI)

Beyond simply “satisfaction,” measuring and tracking issues that make a company “WOW” – above and beyond - will serve as a strong competitive tool.

7. Increase and expand sales among current customers

Surprisingly, many customers are unaware of all the products and services that a company can provide. By being alert to market trends and changing customer needs, companies can continue to expand their sales potential.

8. Attract new customers

Providing feedback and results of satisfied customers/clients coupled with the percentage who would “use/buy the service again” are strong messages that can propel sales efforts into sales success.

9. Increase employee productivity

Companies can use the findings of customer surveys as one of the criteria to compensate, motivate and train employees, enhancing customer experience and solidifying loyalty.

10. Maximize your marketing dollars

Companies can focus their marketing communications with messages and media that increase awareness, competitive advantage and purchase decisions.