

The Opportunity for Customer Research: Consider Context

Clients want insight and actionability; these are almost cliché terms to the ears of market researchers. But, we keep hearing this feedback because it represents unmet needs. Ultimately businesses care about market research only in that it delivers these values so that they can make more informed and better business decisions. Better business decisions means that they can invest resources in areas and ideas that will yield desired customer behavior and business results.

Among the many challenges for market research is to raise the bar on delivering insight and actionability – and helping clients create their business outcomes. Sometimes we can get caught up in the analytic method or sampling technique (not that these are unimportant). What is an equal if not more pressing need is to alter the thinking that is applied to client issues.

I recall one of my first exposures to an idea in business school that continues to resonate. A professor charged my incoming B-school class with the words, “You have to ‘complexify’ before you simplify.” We sometimes shun this guidance. Our clients want the answer, the silver bullet, the simple solution and we should not blame them for that. But, this does not mean that we should take the simple approach at the outset. Starting simple unfortunately does not end up with simplicity; it ends up with complexity. Starting complex enables us to end up simple.

Customer satisfaction surveys are rampant and illustrative of this point. Usually they are fairly simple in design and in the thinking that goes into them. “On a 10-point scale tell us how satisfied you are. Did you have any problems, if so, please specify. Would you recommend us?” The result for many companies is a rather overwhelming administration of thousands of surveys with results built into performance management systems. Clients complain about how satisfaction is staying the same or even going up, yet business results are going down. They wonder whether their survey investment has an ROI. The survey is simple; the results are confusing, and the business is caught in the complexity of this confusion.

Businesses need to complexify their thinking about customer surveys so that they can simplify and get better insight. One dimension worth considering before conducting the next customer survey is to include the customer “context.” What is going on with and around the customer that could affect customer motivation and willingness to buy, buy again, etc?

As an example, consider whether satisfaction is even the right question. Do customers relate to the question of “How satisfied are you?” When did you last tell someone about an experience you had and used the word “satisfaction?” “I went to a movie yesterday and I was very satisfied, Sue, you should see it.” This is not a conversation I have ever had. Scale development folks caused this mischief a long time ago, but still we use the term. Wrong scale for the customer context.

We ask customers about their willingness to recommend. But, how many of them never recommend anything to anyone because it is just not something they are comfortable doing? They answer “No” on the survey and we think they are not satisfied. Probably not the best interpretation.

We model whether a customer is “loyal,” yet we fail to determine whether the customer has any propensity to be loyal. Does the customer even care about the product or brand? Some do, but maybe some don’t. One could spend a lot of money trying to develop loyal customers who will never be loyal. It may not be in their makeup for the category. In my case, that’s true for gasoline; sorry, I don’t care which gasoline brand I buy.

We sometimes approach customer measurement from an assumption that customers are independent thinkers. We ask what they think about a product or service. Yet, we hardly ever ask

whether someone might have recommended it to them. Or, whether they feel others would highly regard their choice. Or, whether the “in” product or service among their peers is a certain model or brand. For example, much was made of soccer moms and their SUVs. Talk about peer influence! Yet, customer satisfaction surveys don’t ask anything regarding what the respondent’s friends thought about the vehicle, or how many friends also own one.

In response to issues like these, Hansa developed its Customer Relationship Equity framework to consider emotion, context, and other key factors in customer satisfaction research.

We “complexify” and then simplify to give our clients rich insight into the motivators of customer behavior.

Hansa provides a full range of qualitative and quantitative research services. Our experienced research and consulting team, including PhD-level statisticians, uses innovative, data-driven methodologies tailored to our clients’ research needs.

We pride ourselves on our ability to truly understand the voice of the customer and translate that voice into winning strategies for brand development, marketing communications, customer relationship enhancement, and product/service innovation.