

Customer Satisfaction Surveys: Money Pits Or Business Critical Management Tools?

How much money are you spending on tracking customer satisfaction? Consider not just the costs for research, but internal costs of personnel managing research plus all the stakeholders who receive the tracking results or otherwise are involved in the process. Also consider whether there are opportunity costs – in other words, if you re-deployed these monies to other purposes what could you do with them that might be of value? Perhaps you are spending \$100,000. Or, might you even be spending millions like some companies do with massive global customer satisfaction tracking programs. This can be a significant investment for any enterprise and like any investment, we must ask, how can we get a return?

Companies often begin asking this question once they receive the research results. Unfortunately, this is way too late to be asking how to maximize results from the investment. Threshold questions should be asked before one item of data is collected.

A basic question is: Why collect customer satisfaction data? (By “customer satisfaction” data, I am including other labels and approaches like customer loyalty, net promoter, customer value, etc.) Truth be told, some companies collect customer satisfaction data because, well, other companies do it, so they feel they must as well – it’s what well-managed companies do, is it not? Okay, maybe this is a little jaundiced, but search the reasons behind your own company’s customer satisfaction program. Perhaps management has said, “We need to stay close to our customers, we need to run the business based on facts and data, or we need to hold people within the organization

accountable for delivering customer results.”

This is fine, but all these points beg the question:

What are you going to do with the data; indeed, what will you be able to do with the data?

Here’s where a disconnect often occurs.

Management may say they want a customer tracking survey to stay in touch with customers and monitor whether the organization is making progress in the customer experience, but the gap between this intention and the delivery against it could be significant. A vivid illustration is this:

The company develops a customer survey that I will call a strategic or relationship level survey. This type of survey would measure all relevant ways customer touch, or interact, with the organization – from web site to sales to service to customer service, and more. This type of survey can reveal

where the overall leverage points are to influence customer behavior. In contrast, the organization might decide to do a survey only in the customer service department—to gain tactical details on how customers reacted to a recent service experience, including wait time, service rep courtesy, problem resolution, etc. In either case, the organization decided to continuously (or periodically) track these customer surveys, either at the strategic relationship level or the tactical level. The gap emerges, however, when the survey approach disconnects with what management wanted to do with the data.

When a strategic survey delivers results to management, companies often respond by saying, “I knew this; tell me something new;” or, “This is well and good, but tell me what I should do;” or, “We have been tracking this data for 3 years and we have implemented all these programs and we are not seeing progress.” Many answers are possible around these issues, but a threshold issue is what management expected from the survey or what they wanted to do with the data and whether the type of survey was designed to deliver against their expectations. A strategic survey by its nature cannot drill down into the specific detail that yields tactical insight – the “tell me what to do” – that many on the management team might want. This becomes a disconnect between the customer satisfaction tracking approach versus what management wanted to do

with the data. I worked with one firm where they had received results from their strategic survey of customers and the results suggested their customer service area was in need of improvement. When this message, however, was delivered to the reps in the service center, their response was, “We’re smiling all we can, what else do you want us to do?” Unfortunately the survey did not answer that question, creating a bit of frustration.

Conversely, management may want to build customer loyalty, repeat purchase, cross-sell, and so forth. And the executive team turns to the results from a service center tracker to ask how to increase loyalty. Or, management may have a survey that tracks product feedback and the company asks, “How can we improve loyalty?” The gap here could be that management gets the service center results, takes action, and sees no lift in loyalty. Why? Because the service center is only one touchpoint among many that may be affecting overall loyalty. If you measure just the service center, yet management really wants to use the data to increase loyalty, then there is a disconnect. Recently I took a survey from a well-know bank about my ATM experience. I responded to their questions about my experience using the ATM with “10s” on all items, except when it came to the question of willingness to refer them to others – I gave them a “0.” I also gave their brand a low score. Why? Because there are other parts of their experience that go way beyond the ATM that affect my overall evaluation. They are probably still trying

to figure out how it can be that I love their ATMs but hate them. Or, they are ignoring my response. Or, who knows what? These gaps between management's desired use of customer data and survey approaches lead to four key points:

- 1. If you want overall insight into where the key leverage points are in building customer loyalty, conduct a strategic survey.** But, do not expect it to provide actionable details at a tactical level – the silver bullet answers. That's not the purpose for which it is designed. It can play a critical role in identifying the landscape of drivers of customer behavior and where to focus improvement work, but the specific, detailed actions that might be needed require another approach.
- 2. Expect to conduct “drill-down,” tactical, or other very focused research into areas of leverage from the strategic survey.** Expect, too, that it may not be just one thing that needs to improve to move the needle on customer loyalty; it could well require a collection of customer touchpoints to make a customer-perceived difference.
- 3. Be judicious about using strategic surveys as trackers** – yes, they can be valuable to gauge progress and assess changing customer expectations, but unless complemented by tactical level insight, do not be surprised if numbers do not change (or worse, they decline despite improvement efforts).

- 4. Do not use tactical surveys, providing feedback for one or limited touchpoints, as the basis for making decisions on what will drive loyalty.** Everyone knows the story of the blind men touching the elephant in different places, with each thinking it was a different animal. The same fragmented view can happen from using tactical surveys to assess loyalty.

Stepping back from strategic and tactical customer surveys, has your organization ever taken stock on the breadth of research surveys being conducted across the organization? Do you have confidence that research dollars are providing results in the most efficient and effective way? Is there alignment between survey approaches and management's desired uses of customer data and the business insights needed? If you do not know the answers to these questions, perhaps it is time to step back and ask whether there are ways to gain better returns from research investments.

In evaluating your customer satisfaction measurement systems, one area to consider is whether there are opportunities to create a system of linked customer satisfaction measures. This system could leverage strategic level data to inform tactical survey decisions and design so that the tactical survey results, collected on perhaps a continuous feedback basis, provide a leading indicator of results that will be reflected in the strategic survey of overall customer relationships. Gaining clarity about areas of high leverage for drill

down analysis from strategic surveys can provide a bridge from strategic to tactical insight to make business decisions that affect customer loyalty. So many organizations design myriad tactical surveys in multiple areas: service centers, tech support, delivery etc. It sometimes appears to be like the arcade game, “Whack-A-Mole” – where little moles keep popping up from holes on the player board, and the player has to beat them over the head with a rubber mallet. In trying to address any one mole, another pops up. Are you playing Whack-A-Mole in your company with all the different surveys that might be conducted?

Conduct a customer insights audit – identify not only all the surveys being done and their value, but most importantly, gain clarity on what management needs to run the business. Are there gaps between desired information and data uses versus the customer satisfaction data collected? Are there

opportunities to close the gaps and gain more actionable insight relevant to the business? Can you get a better return on your research investment?

If you would like to talk to us about how to build and measure your brand, we encourage you to contact us at the number listed below. We would be pleased to discuss how we might help with research and consulting.

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.