How was everything?

Customer feedback can help fuel company growth

By Gary A. Witte • CONTRIBUTING WRITER

If you want to keep your customers, it’s usually a good idea to listen to them. Of course, there are a lot of ways for businesses to do this. They can conduct surveys, questionnaires or interview focus groups. They can hire a marketing firm to do it. Or they can look to social media to discover what their customers are thinking.

Two Atlanta firms, Polaris Marketing Research Inc. and User Insight Inc., have differing methods for seeking customer input, but their principals agree on its importance.

“Companies worried about customer satisfaction and customer feedback tend to do better than companies that leave it to chance,” Polaris Senior Vice President Debra Semans said. User Insight President Kevin O’Connor said whether businesses are dealing with products or services, thoroughly understanding customer motivations is key.

“The company can start at any point in the life cycle,” O’Connor said. “If you do it right the first time, you understand who your customers are at the core … you can continue to build on it.”

V Kumar, the Richard and Susan Lenny distinguished chair, professor of marketing for the J. Mack Robinson College of Business at Georgia State University, said customer feedback is particularly important for small businesses.

“They don’t have a large budget to innovate,” he said, noting customers can provide new ideas. “Here is where it’s all the more critical.”

Kumar, who also consults for Fortune 500 firms, added that unfiltered information gathered by smaller businesses is more likely to go right to those in charge — and therefore has more impact.

“It gets acted on,” he said. “Information doesn’t get lost on the way.”

Polaris conducts full-service marketing, including surveys and analyzing data, Semans said. Typical surveys can involve hundreds or even thousands of people.

The company recently expanded its Web-based services, offering packages and advice to companies that want to do the work themselves.

“A lot of them have stopped outsourcing,” she said. “They’re trying to find the least expensive way of doing these things. … We’re offering them resources to ensure they’re doing it right.”

Semans estimated 95 percent of survey questions are the type businesses can ask for themselves. Some have done studies on their own to save initial costs, then turned to Polaris to analyze the results.

Yet she also said customers may be more honest with someone else asking the questions.

“Having a third party involved … can sometimes give you pretty surprising results,” she said.

Typically, questions should be focused on one subject to yield accurate results, Semans said. Additional surveys can be used to clarify why people answered the way they did.

“It’s really better to be focused,” she said.

Another beneficial technique is to survey customers when they decide to stop being customers, Semans said. Instead of guessing what caused someone to leave, asking the questions can pinpoint the truth.

“The truth is also the concern of User Insight,” O’Connor said his company focuses on highly detailed interviews of individuals from focus groups of up to two dozen people.

O’Connor said their questions seek to determine why these customers make certain choices. Because of the similar way people react to products or services, patterns begin to emerge during interviews and observational sessions.

“By time we get to 24 [people], we know what those patterns are,” he said, adding that deep inquiries avoid misunderstandings. “You may have to ask the same question multiple ways.”

Companies can do these types of interviews themselves, but they have to be careful to remove their own biases and assumptions from the questions, he said. Otherwise, they may get misleading results.

“Assumed knowledge is a dangerous thing,” O’Connor said.

Previously, User Insight only worked on individual projects for companies, but has expanded into consulting and conducting its own customer research.

Kumar advocated companies doing their own information-gathering on a constant basis, particularly focusing on social media.

Discussions of products and services can provide an impromptu survey of dedicated customers, especially when you can see their approval or disapproval for an idea, he said.

“How many people like it is a big indication whether a company should act on it or not,” Kumar said. “You want to engage the customers.”

The danger is that rival businesses may seek to skew results by providing false feedback, he said. This trick can be avoided by monitoring the site and making certain comments are not coming from a rival’s computer system.

“You need to do some due diligence,” he said.

However, there can be good outcomes when it’s done right. In one case, an eatery chain decided to expand their hours on the basis of customer feedback on a social network, Kumar said.

“Things like that make a big difference in terms of their profitability,” he said.

O’Connor said implementing what one learns is a matter of determining what will make the product or service the most successful. He recommended making essential changes based on the initial study, then taking another survey to judge its impact.

“Did that something actually fix the problem?” he said. “You kind of do that double check.”

Semans said choosing to follow customer recommendations and thereby maintaining high customer satisfaction is not always easy for businesses.

“It takes a lot of commitment for a company to say we will improve customer satisfaction by X and measure themselves by that goal,” she said.