



5 KEYS TO CUSTOMER DRIVEN MARKETING

UNLOCKING THE POWER OF CUSTOMER FEEDBACK TO TRANSFORM YOUR BUSINESS

TO KNOW WHAT YOUR CUSTOMERS THINK, ASK THEM. *It doesn't have to be hard. By gathering regular customer feedback you will have the information you need to take actions that matter to your customers and your market.*

Today, we can be more customer-focused than ever. With a variety of information system improvements and integrations, we're able to track customer transactions, contact information, and accounts more effectively. Transactional systems, CRM systems, and other customer information systems capture *what happened*, but don't do a very good job of capturing *why it happened* or what's likely to happen next. When you harness the power of customer feedback you can not only understand why customers do what they do and what they're thinking of doing next, but you can also use this knowledge to transform your business.

The difference between tracking customer transactions and information, and truly *managing the customer relationship* is the customer dialogue that occurs. Creating this dialogue not only enhances the current relationships you have with your customers, but it helps you use customer feedback as a secret weapon to transform your business. Imagine what you could do differently if you always knew:

- What customers really need
- What they want
- What they'll buy

FIVE KEYS TO CUSTOMER-DRIVEN MARKETING

1. **To know what customers think, ask them.** It's much easier to do this than you might think.
2. **Make customer feedback actionable.** Gather information that will help you make decisions and take actions to improve your business.
3. **Understand the gap: know what is important to your customers.** It can be very different from what you think is important, and this difference can be critical.
4. **Make feedback an ongoing process, not a one-time event.** Always have current feedback and be able to monitor trends over time.
5. **Incorporate feedback as a regular part of your business process.** Use feedback everywhere to continuously improve your business.

- What kinds of experiences they've had with the company
- What improvements they'd like to see in how the company does business

This paper focuses on 5 steps you can take – today – to begin to better understand your customers' intentions, and gain much greater insight into their experiences and thoughts; for example:

- Which aspects of your products or services they value most
- Whether or not you are meeting their expectations
- What they would like you to provide in the future
- Which customers have been receptive to your promotions and why
- Why customers prefer your offerings over the competition
- Their level of satisfaction with your customer service
- The quality of experience being provided by your sales and service representatives
- Which customers are unhappy and why
- How customers perceive your brand or market position

Customer feedback can be the secret weapon that helps us understand the *why* and obtain much greater insight into customer's experience and thoughts. Armed with this information, we will be able to:

- Create the products and services customers need and want
- Increase revenues through better targeted marketing and sales efforts
- Improve the customers' lifetime value through better retention and up-selling
- Create a better experience for our customers — one that keeps them coming back

With a sound customer feedback process in place, we will be able to take advantage of market opportunities, increase revenue, reduce costs, and ultimately gain significant advantage over competition — all from getting closer to our customers. The key is creating a process that fits the way we do business.

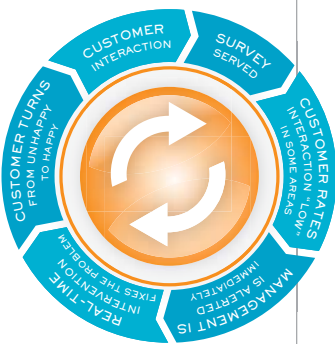
I. TO KNOW WHAT CUSTOMERS THINK, ASK THEM.

To know what your customers are thinking, you need to ask them. In the past, the daunting nature of a complex survey project meant that customer feedback was gathered in a one-time, irregular fashion. This meant it was hard to have up-to-date feedback available when it was needed. But with today's automated web survey technology it's very easy to ask customer to answer just a few questions and to gather, store, and analyze the feedback efficiently. If you respect customers' time by providing them with a short, carefully-worded questionnaire and a streamlined process, they will be happy to provide you with feedback that can really help your business.

The problem is not necessarily a shortage of feedback. In fact, many different people in an organization constantly receive customer feedback; call center representatives, sales consultants, marketers, customer support specialists, accounting representatives, and others all obtain some type of feedback during the course of their day. But this feedback is not captured in a consistent way that enables others to understand and analyze the information and use it to improve the business.

Customer feedback is valuable, and can be used across the organization to make better decisions, improve business process, improve staff interactions with customers, and improve products and services. You need to ask the right questions, and capture the information in a way that allows people in your organization to take full advantage of it. That means getting feedback out of one-person silos and into business processes.

If you are worried about asking too much of your customers, remember that the act of asking for feedback can, in itself, improve satisfaction levels. If you are careful to provide your customers with a good feedback experience and let them know how you will use their feedback, they will be more likely to take the time to respond the next time you ask.



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the problem was addressed appropriately and whether the service rep provided a good experience for the customer.

Regular customer feedback provides not only reliable overall metrics but also very granular information about individual customers and the representatives who work with those customers.

Once you have the feedback in hand, you can use it in aggregate, segment to focus on specific areas of interest, or drill down to an individual customer. Use aggregated feedback to:

- Understand the reasons for sales wins and losses
- Measure overall satisfaction levels
- Understand what customers think about products or services
- Understand where customer interactions can be improved at all touch points including sales, customer service, marketing, billing, and web sites
- Understand general market dynamics

Once feedback information is being gathered in a consistent way, it becomes possible to segment the information to look at an individual product, region, sales rep, or other subset.

- Which customers gave the company top ratings? Might they be good references?
- Are some sales representatives consistently receiving poor ratings?
- Which market segments are not being well-served?

In addition to aggregating and segmenting customer feedback, you can use an individual customer's feedback to address his or her specific issue or follow up to gather more feedback. When customers are having trouble you may be able to know immediately, address the problem in real time, and transform a negative experience into a positive one that strengthens the customer relationship.

3. UNDERSTAND THE GAP: KNOW WHAT IS IMPORTANT TO YOUR CUSTOMERS

We all believe we know what our customers will tell us, which is why many companies do not habitually gather customer feedback. But through years of experience helping companies survey their customers and implement diverse feedback processes, we have observed that companies consistently find a difference between what they initially think is important to customers and what the customers say is actually important to them. Not only are executives at these companies surprised by the results, they also realize they narrowly avoided spending significant time, money, and effort on improvements that might not have mattered much to their customers or might even have had a negative impact on the relationship.

The most effective way to gather this kind of feedback is to ask customers for two pieces of input: their rating of a specific item and a ranking of its importance to them. If you are asking about product features, for example, you want to know not only how your customers rate you on each feature but also how much that feature matters to them. If you are asking about customer service characteristics such as wait time or courtesy of the service rep or efficiency of reaching a solution, you also need to know how your customer ranks the importance of each of these items to the overall service experience.

Understanding what customers truly value will help you prioritize the specific improvements that will make a real difference to your customers and your market.

4. MAKE FEEDBACK AN ONGOING PROCESS, NOT A ONE-TIME EVENT

With the rapid pace of change in many markets, feedback will not be useful to your business decision-making unless it is current. So you need to be asking for feedback on an ongoing, periodic basis to ensure that you always have up-to-date information. Rather than a yearly survey, consider quarterly or monthly surveys. Ask only a few

questions at a time to avoid burdening your audience with an “everything we could possibly want to know” survey that will take too much time and effort to complete.

Gathering feedback on a regular basis, using some questions that remain constant, will enable you to monitor and observe trends in how results are changing over time.

Fred Reichheld, in his book, [The Ultimate Question](#), says that a single question can often be used to determine whether a business will fail or flourish. That question is, “Are you likely to recommend us to friends and colleagues?”

Reichheld suggests having customers answer this question on 10-point scale, with 10 being extremely likely and 0 being not likely at all. To determine success, a business measures its percentage of promoters (scores of 9 or 10) minus its percentage of detractors (scores of 0 to 6). The resulting metric is dubbed The Net Promoter® Score (NPS).¹ The answers to this *ultimate question* can be used as an ongoing customer satisfaction metric.



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Ongoing, consistent feedback lets you know what is happening in your business.

5. INCORPORATE FEEDBACK AS A REGULAR PART OF YOUR BUSINESS PROCESS

In the past, the process of gathering customer feedback has been a “survey project” that was its own business process, separate from other business processes. Making the survey data useful to other business processes in marketing, sales, or customer service required separate communication steps and separate reports on the data. Today companies are finding that integrating feedback as a regular part of the way a business operates can be a valuable way to make feedback easy and actionable. Put yourself in the position of:

- A hotel guest who is asked to fill out a survey two days after checking out, when her stay is still fresh in her mind. (Feedback process integrated with fulfillment of a reservation.)
- A customer in an office products store who receives a printed receipt with a link to a survey about his purchase. (Feedback process integrated with point-of-sale transaction.)
- A customer who calls with a problem and, after the problem is resolved, receives an invitation to answer a few questions about her experience with the service representative. (Feedback integrated with customer service process.)
- A customer who decided not to purchase and is asked a few questions about why he made that decision. (Feedback integrated with selling process.)

These transaction-specific surveys are helping to bring feedback into the business process; they allow the company to gather information to improve that process directly, or to inform other areas of the business in a more automated fashion. Many companies are finding that the most valuable strategy for obtaining ongoing customer feedback is to use a combination of general surveys and transactional surveys. You may want to use a general survey to obtain a baseline of satisfaction information, and then use transaction-based surveys on an ongoing basis to keep your finger on the pulse of the process and understand how customer perceptions and experiences are changing over time. This enables you to measure how customers are responding to improvements you have made.

Finally, not only can you gather feedback as a routine part of your business process, but you can also completely embed the feedback process in your information systems.

Automating the feedback process in this way makes the “survey project” disappear as a separate task and enables you to gather feedback with little or no day-to-day intervention.

You'll be able to gather feedback on a consistent, ongoing basis, analyze that feedback with confidence in its validity, provide reports automatically to the people who need them, and provide real-time alerts to managers. Companies today are beginning to integrate feedback processes into CRM systems, so they can:

- Understand why they win or lose sales
- Understand the overall level of customer satisfaction
- Evaluate and mentor customer-facing representatives
- Continuously improve sales and service processes
- Through real-time alerts, intervene when a customer has a negative experience

THE BOTTOM LINE: THE CUSTOMER IS YOUR SECRET WEAPON

Whether your company is breaking new ground or fighting it out in a highly competitive market, you can gain significant advantage from knowing what your customers think.

Enlist customers as your secret weapon to achieve competitive advantage in every aspect of your marketing efforts.

To deliver the products, services, promotions, and touch-point experiences most appropriate for your customers, avoid wasting your company's money and time, and fine-tune business processes to become more agile, you will need to:

- Ask your customers for feedback
- Make the feedback actionable

- Understand the “gap”—know what is really important to your customers
- Create an ongoing feedback process
- Incorporate feedback into your business processes

It doesn't have to be hard. Perseus/WebSurveyor can help you get there from here. Solutions from Perseus/WebSurveyor are helping businesses take full advantage of customer feedback to drive competitive advantage. To learn more, contact your Perseus/WebSurveyor representative or visit www.perseus.com.

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