

Obtaining Accurate and Actionable Customer Feedback

for Building Better Customer Experiences



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Presentation overview

- Why the customer experience is king
- The business opportunity
- What do your customers want?
- Putting information to work -- case studies
- Who we are
- Ways we can work together

Getting the customer experience right is the most powerful way to increase customer satisfaction and retention -- and, ultimately, profits

- After analyzing 3000 businesses, Harvard Business School and the Strategic Planning Institute found customer-perceived quality to be a better predictor of high profits than any other variable
- A 5% increase in customer retention yields a 25% - 125% increase in profitability, depending on industry
- Very satisfied customers are 4 times more likely to purchase other products/services from you than somewhat satisfied customers
- 98% of completely satisfied customers say they will recommend your product, vs. 17% of satisfied customers

Sources: The PIMS Principles, J.F. Rayport, L.A. Schlesinger.

Building profit-generating “customer experiences” is a new land of opportunity



- Your competitors don't always understand:
 - Who their core customers are
 - What their core customers want from them
 - What their core customers are willing to pay a premium for
- As a result, most organizations miss opportunities to engineer profit-generating “customer experiences.” Witness:
 - Widespread efforts to compete primarily on price
 - As Michael Porter says, this is a game only a few can win
 - Widespread marketing focus on new customer acquisition
- Notable exceptions are proving wildly successful
 - Best Buy
 - USAA
 - Accor Hotels

Companies spend 5 times more money on acquiring new customers as they do on retaining those they already have.†

† Source: "Leading on the Edge of Chaos", Emmett C. Murphy and Mark A. Murphy, 2003

Exploiting the customer experience opportunity



- Know your customer demographics
- Find out what your core customers want -- and what they will pay for
- Create a company vision for the customer experience
- Liberate your front-line customer champions
 - Help employees break barriers to implement service improvements
 - Reward them for successes, learn from failures
- Saturate your company with the voice of the customer
 - Continuously assess results & adjust

Public enemy number one: written surveys



While written surveys can be useful for collecting demographic information and (arguably) for identifying problem areas, more often than not they induce complacency. Your competitors, meanwhile, are finding new ways to improve their products and services...

“Beware of written surveys.”

-- Harry Beckwith, author of *Selling the Invisible: A Field Guide to Modern Marketing*

“You're asking your customers to paint a picture of their experience but handing them a coloring book and telling them to stay within the lines.”

-- Richard C. Whiteley, author of *The Customer Driven Company*

The problem with written surveys



- **Ambiguity**
 - No written survey can clarify every word or use words that need no clarification
- **Interpretation**
 - No researcher can accurately interpret each word a customer writes down
 - Surveyors interpret answers based on what they meant by their questions, but customers are individuals; they mean many different things by their answers
- **Omission**
 - Only 4% of dissatisfied customers complain, but 65-90% of those *will never buy again from you*[†]
 - Surveyors rarely ask all of the right questions
 - Customers rarely take the time to sufficiently explain their answers or to volunteer unsolicited information



Incomplete Information

[†]Source: *The Customer Driven Company* by Richard C. Whiteley.

The problem with focus groups



- Focus groups teach us more about group dynamics than about market dynamics
 - Control types try to dominate discussions
 - Shy types withhold valuable information
- You are selling to individuals, not groups

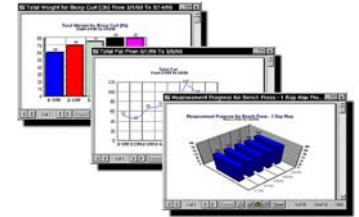


Talk to Individuals

“Why the hell should I spend money on focus groups? I read every letter customers write.”

-- Colleen Barrett, COO
Southwest Airlines

Oral surveys conducted by a third party produce far more information



- Customers say more than they write: it's physically easier
- Surveyors can probe outside of the script
- Voices convey feelings that written words obscure
- Personal contact demonstrates greater interest in your customers
- Oral surveys produce higher response rates

- Why a third party? Even your best friends won't tell you...
 - People are naturally disinclined to share negative feedback

Putting customer information to work – case studies

- Best Buy
- USAA
- Accor Hotels



We help organizations build better customer experiences



- We evaluate all customer “touch points”
- We engage your customers
- We identify profit-making opportunities
- We weigh practical implementation considerations
- We design and implement better customer experiences with...
 - Employee training, education, and support
 - Business process improvements
 - Supporting information technology
 - Project management support



Ways we can work together

- Evaluating customer touch points
- Engaging customers to identify profit-enhancing opportunities
- Prioritizing opportunities
- Creating a company vision for the customer experience
- Planning and managing implementation
 - People
 - Processes
 - Technologies

“The central economic imperative of the Industrial Age was to increase **productivity**. The central economic imperative of the network economy is to amplify **relationships**. Since a relationship involves two members investing in it, its value increases twice as fast as one's investment.”

-- Kevin Kelly, author of *New Rules for the New Economy*

Contact us -- we'd like to help

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