

Topic:
Customer
Satisfaction
Research

How Loyal are Your Customers?

After sales analysis is critical to retaining your customer base – read how to understand and measure key drivers for customer loyalty – and causes of dissatisfaction – on an ongoing basis.

iCAD is produced by Business Advantage, a B2B research, business development and marketing consulting practice operating in the global IT, Digital and Telecommunication sectors.

We continue with our theme over the last two editions of **iCAD** looking at maximising the use of your [International B2B Market Research budget](#). Whether your customer base is global, confined to a particular country or region, niche market or cross sector, one vital element of research is understanding the key drivers for customer loyalty and, conversely, causes and effects of dissatisfaction.



We live in a world where products and services within a market sector are becoming more and more similar, and as suppliers, the advantage can often be gained by ensuring top quality customer service. In such an environment, retaining customers becomes the focus of attention, as holding on to the customer is many times less expensive than attracting a new one. Committed customers provide you with continued business success, not just in their own right, but also as advocates of your company by passing on the good word to others.

Understanding your customers' views of the service you offer is therefore essential to evaluate, and this is where research can play a lead role.

What will this do for me?

- Help you understand what your customers perceive your quality of service to be, and whether this matches their expectations
 - Highlight areas to invest in to improve the quality of service demanded by clients
 - Identify groups of customers that could be described as being at risk
 - Allow you to set realistic target levels and monitor them effectively
 - Motivate your staff by rewarding good performance
 - Identify strengths and weaknesses in your competitors
 - Receive early warnings of a change in customers' expectations
 - Monitor the loyalty of your customers - this is essential if they are to remain customers
 - Lower business operating costs
- Increase your active customer base – Customer Satisfaction Research helps decrease customer acquisition costs whilst increasing repeat business.



How?

Before satisfaction levels can be quantified you should first establish which areas of service are important to the customer. This can be done using **qualitative** research. A series of in-depth interviews or focus groups can be conducted with a number of customers in order to discover exactly which areas they consider important. The findings of this research can then be used as input into a **quantified** study. The quantified study should address three key issues for each service area:

- the importance of each aspect overall
- the degree to which the customer feels the supplier is meeting their needs
- the type of service they would expect from a leading supplier in their field



It is important to measure how important a service is to the client, how well the supplier delivers that service and what the clients' reasonable expectations of that service are. Without all three scorings a very misleading picture could emerge.

Verbal, descriptive scaling techniques or numerical scores can be deployed. Numerical scores, out of 10 for example, can be useful in some circumstances, but verbal scales describing the service offered can be more realistic, more interpretable and hence more actionable. However the scoring system used will depend on the individual circumstances and objectives.

Tracking performance over time

Customer satisfaction should not be viewed as a one off project but an on-going and integral part of a business development plan. Levels of performance should be tracked over time so that any changes in satisfaction can be monitored, any danger signs detected quickly and any changes to product or service portfolio or business development strategy implemented.



The Competition

Whilst your own customers' attitudes are paramount you must not lose sight of the competition.

- How are they faring?
- What are customer's opinions of your competitors?
- Are you ahead of the game or are they?
- What competitive advantage can you gain over them?
- How can you attract new customers?

Competitors can be looked at in several ways. Most simply you can ask your own users of their perception of key competitors. This can be done in detail for 2-3 competitors or more generally for a larger range of competitors.

Another way to understand your competitors better is to interview their customers - in effect carry out a competitor customer satisfaction study. The questions would be similar to those asked of your own customers and the results would enable you to compare levels of satisfaction amongst different competitors' customers. By understanding what competitor strengths and weaknesses are, you can use the information to improve your own relationship with clients and also make the most of your own strengths in your marketing and sales strategies - playing to your strengths, whilst improving on any weaknesses.

Prime Accounts

All customers are important, but everyone has their key accounts. These can, and should, be researched individually, the focus being to work together with your customers to set goals for improving the relationship in the future. Investigate those areas where you are performing well and those areas which need improvement. As a result you can develop an action plan for each of these key customers individually, and address tactical, as well as strategic issues accordingly, to help your company's continued growth. Your current customers are your most precious resource - well looked after they will provide revenue for many years - new customers are always attractive, but far more costly to obtain and then convert to your loyal customer base.



Can you do the research yourself?

Yes – but in order to obtain an accurate assessment of your customers' views the research must be totally objective and unbiased. Customers will be more honest when talking to a third party and therefore the resultant information will be impartial. Using an independent researcher also demonstrates a greater level of commitment.



Making the results actionable

Once the surveys are completed and to help your organisation embrace the findings, workshops can be carried out, so that an action plan can be developed. A third party independent research company can just deliver a presentation, however greater value is achieved if they work interactively with your management to develop a strategy to improve customer service levels.



Since 1992 Business Advantage's team of specialist researchers have undertaken Customer Satisfaction research projects on a worldwide basis. Our combination of in depth industry knowledge and B2B research expertise enables us to gather the accurate and actionable information you need to gain and maintain competitive advantage. Our expert interviewers are highly experienced at obtaining information and opinions where others may fail, and our determination and resourcefulness enables us to achieve outstanding results while remaining professional at all times. Our methods of collecting such data are conducted under the Code of Professional Standards and Ethics of the Market Research Society.

For Further Information on Business Advantage's Customer Satisfaction services:
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