

Customer Research

Input: determining customer wants
Output: satisfying customer needs
Outcome: maintaining and growing customer profitability

Food For Thin Cats

Is your organisation healthy, well fed and contented. If so, then lucky you. Many organisations are lean and hungry; scavenging for scraps. Success is not easy to come by. According to Harvard Business Review, 60% of customers who said they were 'satisfied' with their supplier, changed to a different one within a year.

At a seminar on customer service, one of the UKs leading business experts, Professor John Oakland, referred to the delay that exists between initiating improvement and achieving result.

Let's say we want to change the organisation's culture and improve the satisfaction that people feel. The delay between 'people satisfaction' and 'customer satisfaction' is around 18 months. There is a further drag – the delay between 'customer satisfaction' and 'business results', adds another 18 months.

This lengthy period seems quite daunting, off-putting even; but consider the alternative. If we don't improve our employees satisfaction, we won't get the better business results we all strive for.

The environment in which we and our colleagues work, can be a powerful motivator or demotivator. A more subtle effect can result from the way sections treat each other; the internal customers. The way we deal with colleagues builds good, or ill will. We all prefer to work with people we like; we know that favours will be returned. If we are too busy or are off-hand, then we end up working against, or in spite of, one-another, not for one-another. If managers or colleagues treat one-another badly, how can we expect them to treat customers well.

So where do we start? One of the best ways to inspire change, be that culture, strategy or process, is to find out what customers think about us. People can relate to what customers say. It's not a manager telling us what he or she believes, rather, it's a customer telling us how it is. We may not always agree with them, it might not actually be true but if it's what customers think then it needs acting upon. The perception may be wrong but, for our customer, perception is reality.

An organisation that Birkby Lancaster Consulting worked with, thought it was close to its customers. Nevertheless, they decided to commission some qualitative research. A series of focus groups was conducted. During the reporting of results to the management team, a senior manager jumped up and said “this is not right, that doesn’t happen. it’s not fair.”. He went on in that vein for a short while before the Sales and Marketing Director interrupted him and said “John, this is what our customer thinks. It may not be correct but it’s up to us to do something about it to change that perception. We need to know how *they* see thing.”. He was absolutely right.

Where to start; that’s the question. Well, most people tend to think about using a questionnaire. After all it’s easy, relatively quick and doesn’t cost too much. However, the starting point might actually be to consider what the options are:

Marketing Research Continuum

*Personal
Qualitative*

*Impersonal
Quantitative*

| Depth Discussion | Focus Group | Contact Analysis | Mystery Shopper/ Caller Exit Survey | Street Interview | Postal Survey |
|---|---|--|--|--|--|
| one-to-one | group discussion | telephone research | visit or telephone research | one-to-one | questionnaire |
| individual interviews ½ to 1½ hours | customers, employees, suppliers: experiences requirements perceptions products 1½ to 2 hours | analysis of transactions: sale admin process lapsed prospects tracking study eg 3-monthly intervals or ad-hoc | simulation of real transaction survey of own/competitor operations ad-hoc or regular | individual interviews 5-15 minutes to prescribed format | customers, employees, suppliers: experiences concerns ad-hoc or regular |
| independent, objective external resource | independent, objective external resource | train and develop employees | independent, objective external resource | independent external resource | external or internal resource |

Concentrate efforts on areas that customers consider the most important

As most people start by conducting a questionnaire, then that must be right; wrong!
Here's a question – how do you know that the areas you are asking about are the important ones?

The starting point should be qualitative not quantitative. Find out what customers find important through focus group research. Then survey the numbers behind those important areas. If you are asking the wrong questions, no matter how high the response, the answer is relatively unimportant.

Public and not-for-profit sectors also need to serve customers. One organisation BLC worked with was concerned to provide a full service to all customer segments. It had installed a Minicom text-phone to help those with hearing disability, make contact. It wanted to know what its customers thought of the service and how greater use could be encouraged.

Focus group research was commissioned to gather qualitative data on needs, expectations and perceptions. This was a rewarding assignment as a wealth of relevant information was obtained including many low cost improvements.

When you know what customers value, you can progress to determine how you perform against those areas. The process of improvement which follows, will then be based on what customers appreciate. Appreciative customers are loyal customers.

To become a fat cat, we need to be more aware of where the best pickings are. These come from existing customers especially the high value ones that we delight. Providing what they want, not what we think they want, helps keep our coat sleek.

Birkby Lancaster Consulting specialise in improving service to customers through qualitative research, process improvement with teams including beta™ organisational improvement and skill transfer workshops.

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