

3 steps to smarter customer surveys

By Joanna L. Krotz, [Microsoft Small Business Center](#)

Everyone talks a good game about trying to satisfy customers, but few business owners actually check whether they're hitting the mark.

There's a simple solution to that, of course. Start asking.

When conducted thoughtfully, and with appropriate follow-up, customer surveys can be your single most effective tool for growing sales and turning prospects and one-time buyers into loyal, repeat customers.

Perhaps you already know this and have done some surveying. If you aren't getting enough good feedback to make evaluations, you still need help.

See these tips below on how to produce meaningful customer surveys and then leverage the results to improve your business.

Why survey customers

Most of the time, when customers become dissatisfied, they don't stick around long enough to complain. They vote with their feet and disappear. But if you learn something's going wrong and, better yet, can correct it, you have a chance to retain and improve the satisfaction level of a customer. More importantly, you can make sure the same mistake isn't repeated.

A recent analysis by Fred Reichheld, a Bain & Co. consultant and author of "Loyalty Rules," found that even a 5% increase in customer retention rates results in a 25% to 95% increase in profits (depending on the business). It definitely pays off to keep customers happy enough to return.

The many other reasons to conduct satisfaction surveys, according to Jeff Miiller, director of client relations at Kohn Communications, a Los Angeles executive coaching firm, include:

- Your customers get an opportunity to think and talk about what you do for them, which underscores and articulates your value.
- Small annoyances are aired and don't snowball into the kinds of problems that erode relationships.
- You get a chance to identify your competitive differences and strengths in the marketplace.
- Compared to other marketing efforts, such as parties, gifts, lunches and the like, customer surveys are extremely cost-effective and efficient.

Here are three steps to create effective customer surveys.

1. Choose the right timing for surveys.

Do your homework here. Consider how often your customers use your products and gauge your surveys accordingly. Restaurants, for example, often have comment cards at their tables or included with the bill.

But let's say you run an event-planning business. Most clients will hire you once or twice a year or even every few years. So a monthly survey or a weekly e-mailed customer satisfaction form makes little sense.

Instead, you want to tap your client's reactions directly after each event, and perhaps follow up six months later to reinforce the impression and keep the relationship active.

2. Ask the right questions.

This is crucial. Take some time to think through the wording and goals of your survey. "Give customers open-ended questions," says Briana Marrah, senior account manager at Parker LePla, a Seattle marketing company. "Ask questions that help you identify what customers value about you."

Mike Avino did just that when he decided to mail surveys to prospects and clients as a marketing strategy. Avino owns a construction company in Long Island, N.Y., with about 15 employees and more than \$4 million in annual revenues. He once did most of his business for the federal government, but in 2003 that dried up. So he decided to send out a questionnaire to try to drum up new clients.

After doing research online, Avino sent a 20-item questionnaire, along with a self-addressed stamped reply envelope, to the top 25 architects in Long Island. He asked them to identify the greatest challenges about working with contractors, what problems architects most often encountered with contractors, what they liked and didn't like about construction companies, and more.

He netted five responses. He followed those up with phone calls and, eventually, one-to-one meetings and lunches.

Next, Avino expanded his list to a few hundred top architects in the New York metro area and, most recently, to a regional mailing for 600.

"We keep a database of potential clients in both Microsoft Access and Excel," he says. "We've used Publisher to create follow-on postcards. We also used Publisher to design our logo, letterhead, biz cards and brochure."

Avino says he's consistently getting a 15% to 20% response. And it's very positive. "We're getting some really good info from our questionnaires and it's been a boon to marketing." Plus, he's landed a contract to pave roads in a local condominium community.

3. Plan the right follow-up.

There's no point in mounting a survey if you don't follow through.

Whether your survey was done via phone, e-mail or surface mail, you should call and personally thank each customer who responded. "Tell them how much you appreciate their efforts and time," says Kohn Communications' Miiller. "Make sure you also tell them that you've heard their concerns and are making changes." And be prepared for results you may least expect.

For example, Miiller tells about an accountant who specialized in serving manufacturing companies. The accountant particularly prided himself on being knowledgeable about the industry and up-to-speed about his clients' problems and challenges.

Yet results from a phone survey Miiller conducted on his behalf revealed otherwise. Clients loved him personally, but a whopping 90% thought he wasn't as knowledgeable as he should be about their business. "And that question wasn't even on the survey," Miiller says. "Clients had to bring it up."

What was the upshot?

The accountant joined a high-profile trade organization and began regularly showing up at events. He registered for a few industry seminars and classes. He also wrote some articles and got those published in trade journals that his clients read and respected. Soon enough, his survey feedback was terrific.

Many owners avoid surveys because they worry it will turn up bad news. But if you get bad survey results, the good news is that you usually have something tangible that you can fix. If you keep losing customers, however, you'll eventually go out of business altogether.

This article was reprinted with permission from the [Microsoft Small Business Center](#) Joanna L. Krotz writes about small-business marketing and management issues. She is the co-author of the "[Microsoft Small Business Kit](#)" and runs Muse2Muse Productions, a New York City-based custom publisher.