

# Forget Customer Feedback!

*Try customer intelligence instead.*



by **Chip R. Bell and John R. Patterson**

**E**VER HAD A MAITRE'D, WAITER OR waitress saunter up to your table and ask the ubiquitous "How's everything?" and even though you were unimpressed and underwhelmed, you said "Fine?" Congratulations—you have participated in one of the most meaningless efforts in modern business—useless feedback solicitation

What the restaurant learned from your "Fine" is not only irrelevant; it's probably an absolute lie. The front line employee thinks he or she has heard an accurate evaluation of the meal and service. The customer thinks he's just given a generic greeting—the other side of "Good morning, how are you?" And, management thinks they have another satisfied customer.

Evaluative customer feedback of this sort is sold to organizations as a critical tool in understanding customers' needs and expectations. "How can we know how good our service is," ask the well meaning but ill-informed, "Unless we ask customers?" That belief leads to a lot of money being spent on irritating dinnertime interrupting phone interviews and long winded market research reports replete with cross tabulations and PowerPoint, presentations.

What's wrong with soliciting evaluative customer feedback? It is a piece of superstitious corporate behavior built on five myths.

**Myth 1:** *A satisfied customer is a loyal customer.* **Fact:** Over seventy-five percent of customers rate themselves as "satisfied" or "very satisfied." It takes more than satisfaction to ensure long-term loyalty.

**Myth 2:** *If customers say they are satisfied, it's true.* **Fact:** Most customers would rather tell a little lie about being satisfied than to engage in a possibly confrontive dialogue explaining why they were not satisfied.

**Myth 3:** *Customers want the organizations they do business with to ask them for feedback.* **Fact:** Customers want organiza-

tions to read their minds! Only the raving fan or the super angry have the motivation to provide feedback.

**Myth 4:** *Customers believe that if they give feedback, something will actually change.* **Fact:** Some do. Most are twice bitten cynics. Most customers believe organizations solicit feedback because they are either directed to by some edict or incented to by some prize, not because the organization is sincerely anxious to improve. Even if improvements are made using the customers' feedback, most never learn of the changes so the perceptible effect is "they don't care."

**Myth 5:** *Complaining customers are your most at-risk buyers.* **Fact:** The noisy ones have either hope or larceny in their souls. It's the quietly disappointed



ones you have to look out for. Those are the ones who will abandon you.

Customers often view solicitation of their feedback as a redundant activity. Customers believe they are giving the organization feedback each time they buy another product or service, a different product or service, recommend you to others, and remain a customer over time. So how can an organization remain current on customers' ever-changing needs and expectations without annoying or estranging them?

## Focus on Learning, not Evaluation

Customer feedback is about evaluation; customer learning is about problem solving. Problem solving means learning for improvement and requires more customer intelligence than customer evaluation. Shifting

your focus to customer learning requires new tools, new methods and above all, new mindsets.

**Rule #1:** *Stop expecting surveys to be tools for learning.* Customer surveys yield mildly interesting demographic and psycho-graphic information that can, generally, be useful in marketplace positioning or strategy. But customer intelligence is best achieved face-to-face and ear-to-ear.

**Rule #2:** *Train customer contact people to ask open-ended, problem-solving questions.* Learning begins with a spirit of openness. If customers feel free to move the conversation as they see fit, they will gravitate to areas of significance to them. Problem solving questions can be fun for customers to answer and generally taken seriously. Ask a customer questions like "If this were your restaurant, what would you do differently?"

**Rule #3:** *Honor customers for taking the time to teach you.* Most customers have no particular interest in instructing you in their perspective on your service. It is incumbent on you to give the customer some incentive to provide you a quick lesson. Let the customer know how you plan to report on the improvements made from their lesson.

**Rule #4:** *Listening to customers is good; watching customer behavior is even better.* People often behave in ways different than they predict, and customer behavior is often more telling than the customer's words.

**Rule #5:** *Service wisdom comes from customer intelligence not just customer feedback.* Service wisdom comes from valuing an assortment of sources for customer intelligence. The security guard's assessment of the demeanor of a departing key customer can be more instructive than forty focus groups and sixty surveys; talking with a customer you lost last year might be more helpful than with the one you acquired last week.

**Rule #6:** *Spread your customer learning's as widely as possible.* Let as many people as possible know what customers think as quickly as possible.

Customers will more likely give you their lessons that "fertilize" your customer service if you approach them as a student eager for a lesson rather than as a student uneasy about getting a grade. SSE

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**ACTION:** *Talk to your customers in person.*