

Consumer Surveys: Are They Asking To Become Ineffective?

A report argues that as companies engage in survey overkill and collect skewed information, the value of customer feedback will likely fade.

by Coreen Bailor, CRM Magazine, Wednesday, July 11, 2007

Companies are increasingly turning to surveying as a means of capturing the coveted voice of the customer. But customer feedback collected through surveys may soon become a victim of its own popularity, according to a report from Jupiter Research. In the end, thanks primarily to a plethora of surveys and a self-selecting survey audience, the usefulness of customer survey data will fade.

The report, "U.S. Customer Service Consumer Survey, 2007: Consumers' Attitudes and Behavior," contends that companies depending solely on feedback data must shift to a combination of customer feedback and other existing data to craft more insightful feedback-management initiatives.

Report findings indicate that there is a sizeable difference in survey-participation rates for customers following good and bad service experiences. The report uses responses to a November 2006 Jupiter Research/Ipsos Insight survey of consumers who contacted customer service about an online purchase during the previous six months. Of those who opted to participate in a survey, 59 percent said they were providing feedback on a good interaction, while only 40 percent said they were discussing experiences that were unsatisfactory.

As it becomes common knowledge that companies are relying more heavily on customer feedback to gauge and improve service performance, consumers are overwhelmingly responding by providing feedback across a variety of channels, notes Zach McGeary, a Jupiter research associate and lead analyst on the report. In fact, Jupiter's findings undermine the conventional wisdom that irate customers are louder than happy ones in every channel. "Although service seekers are relatively more willing to provide feedback about negative customer service experiences, 19 percent more of them take surveys after good experiences, compared with the percentage taking surveys after bad experiences," McGeary says.

This unevenness, McGeary continues, will ultimately contribute to inaccurate and positively skewed information collected through surveys, leading companies to believe they are providing a more satisfying service experience than they actually are: "Service executives will be challenged to look beyond feedback surveys for informing their service optimization initiatives going forward," McGeary says.

As of May, just 1,941 contact centers had deployed formal survey applications, according to DMG Consulting's "Contact Center Surveying and

Analytics Report." But the penetration of surveying in the contact center is on the cusp of realizing significant gains: The DMG report contends that growth rates will hit 10 percent, 15 percent, and 14 percent over the next three years, respectively. Donna Fluss, president of DMG Consulting and author of that report, told CRM magazine that "demand for surveying is growing as companies begin to appreciate the strong correlation between customer satisfaction and customer loyalty."

McGeary, for his part, says that while he sees surveying as an effective way to capture the voice of the customer, companies must not rely on customer feedback alone. "Our mandate is that companies leverage customer feedback in a more tactical manner, driving insight down to the customer level, allowing companies to affect customer experiences in real time," he says. Currently, satisfaction and feedback data is largely leveraged for macro-level initiatives that provide little actionable insight beyond branding and marketing initiatives, according to McGeary.

"To inform more tactical initiatives that would have a more direct impact on the customer experience, companies must also bring customer profile/history data as well as Web-site analytics data," McGeary says. "The ultimate use for customer feedback should be to understand why consumers are satisfied or dissatisfied, not simply whether they are satisfied or not."