

Most businesses don't have a clue what customers think
Customer Strategy Newsletter

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Two in three businesses do not have a reliable way of measuring customer satisfaction other than monitoring sales figures. And one in five of those surveyed do not measure the effectiveness of their marketing. Reasons cited: "Too busy" (38.9 per cent) and "don't know how" (33.6 per cent). Businesses are relying on customers telling them what they think, which means that if customers are going elsewhere marketers likely won't know why. It also suggests that companies don't understand enough about their client needs until it is too late.

These are headlines from Shape the Future's survey, into 1,500 UK businesses' marketing intentions. Historically, marketing budgets are one of the first victims of an economic downturn. Therefore, Shape the Future urges marketing practitioners to be able to demonstrate value to those in charge of the HR head count by ensuring that they know what customers are thinking and the most effective way of marketing to them to maximise loyalty and market share. This is especially important as other recent statistics predict that 81 per cent of cuts in the private sector will be compulsory.

During the 1991 downturn, 10 per cent of UK marketing directors were made redundant. In 1991 and 1992, 14 per cent of marketers lost their jobs and an average of 1,200 businesses went under every week. Shape the Future has come up with a six point recession busting plan based on understanding customers' needs and behaviour. According to Businesses seem to know what they want to spend money on. Shape the Future's latest survey results show that promotion activities most likely to receive a portion of the marketing budget over the next 12 months are:

- Websites (25.1 per cent are planning to increase their spend here)
- PR (11.9 per cent)
- Networking and Website Optimisation (SEO) (19.7 per cent of the sample)

Despite this, one in five companies still do not measure marketing effectiveness at all. This means they don't know what's working and what's not. Worse still, very few do much more than lead tracking and asking new customers where they had first heard of them.