

10 Signs You Need a Customer Feedback Program

“We already know what our customers think.”

Have you heard this around your organization? Even said it yourself? The only way to **really** know what your customers think is to ask them. Relying on your team’s perceptions instead can end up hurting your business.

When customers are dissatisfied, this unhappiness shows up in many ways. If you see any of these signs, you may well have an underlying customer service problem you’re not aware of.



You’re losing customers and aren’t sure why.

Research shows that a typical business only hears from about 4% of its dissatisfied customers—the other 96% just leave. What’s worse is that 91% of these people will never come back.¹ A good customer feedback program identifies how well you’re meeting customer needs and alerts you when you’re not...before it’s too late to take action.



There are inconsistencies in performance across your company’s locations.

Most companies have strong locations and others that struggle. However, do you know what’s responsible for these differences? Benchmarking and comparing results on specific service experience attributes allow you to pinpoint problems and identify best practices based on what’s really working.



When a customer has a problem, you’re not sure how or if it’s being resolved.

This is a big deal, as 95% of complaining customers will do business with you again if you handle their complaint successfully and in a timely manner.² If problems are falling through the cracks or your team is not following up on them promptly, that’s a big missed opportunity. Happy customers who get their issue resolved tell 4-6 people about their experience.³ The right feedback program helps you manage service recovery effectively.

¹ “Understanding Customers” by Ruby Newell-Legner

² Lee Resources Inc.

³ White House Office of Consumer Affairs



Every department has their own standards and methods of communicating with customers.

Customers do business with you in multiple ways but these various service experiences lead to one overall perception of your company and brand. When different departments—say your call center and physical locations—have their own service goals and employee incentives, it creates an inconsistent experience for the customer and makes it difficult for leaders to see how the company is doing overall. Multi-channel measurement ensures everyone is speaking the same language.



Customers are sharing their negative experiences with others—like on social media—but not with you.

No one likes seeing their company's name in negative references floating around the internet. What's worse is when the complaint is a surprise and you never had a chance to make it right before the customer took it to the rest of the world. An established feedback program gives you the opportunity to address problems with customers up-front, nipping the situation in the bud.



You can't answer this question: "Why is our service better than the competition?"

Clearly, it's a highly competitive world out there. If you don't know why what you're doing is better than what the company across the street does, chances are your customers don't either. However, saying you have the best service isn't the same thing as actually providing it. Having service scores you can compare to regional and national benchmarks, as well as your competitors' ratings, clarifies your position.



You want to share kudos with your staff but you don't have specifics, or the number of positive comments you have to share is too low.

Passing on compliments is just as important as sharing complaints, certainly more so when it comes to increasing morale and making your employees feel like you value their efforts. Unfortunately, people don't always take the time to share when they're happy with what you're doing. Regularly collecting customer feedback provides opportunities to hear the "good stuff" and recognize your employees.



You're adding new products/services but not seeing the growth you expect and desire.

Adding products and services is a common way to increase customers' spending and attract new customers. When these additions don't pay off as you expected, there are many possible causes. Finding ways to incorporate customer feedback can provide a great deal of insight as to what's going wrong.



Your competitors are gaining market share at your expense.

"It's got to be our prices, right?" While prices or rates may be the first thing that comes to mind for propelling your customers to the competition, the 2008 Accenture global customer satisfaction report shows price is not the main reason for customer churn. It's actually due to the overall poor quality of customer service. If you're not fully committed to keeping customers satisfied, you may be driving them away. Without asking them, how will you know?



You're not getting customer referrals for new account openings or purchases.

Customers who like doing business with you will recommend you to others. That's important, because people are four times more likely to buy when referred by a friend.⁴ When this isn't happening, something is wrong. Find out what it is and fix it to shore up both your customer retention and your new business.

A customer feedback program won't magically solve your problems. However, it can make you aware of them and enable you to focus your team's efforts on how to better meet your customers' needs. After all, that's the best way to build loyalty and increase your future business.

The MSR Group is a nationally known, full-service market research company specializing in the measurement and improvement of customer satisfaction and advocacy. To learn more about customer feedback programs, contact us at 1.800.737.0755 or visit our website at www.theMSRgroup.com.

⁴Nielsen