

Don't Ask For Feedback If You Don't Want To Listen

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For businesses of all types to survive in a down economy, retaining existing customers is a huge imperative. Customer satisfaction and consumer loyalty top the list of business and marketing priorities.

Savvy companies that want to gauge reactions to their products and services ask customers for their comments and complaints. But, is your company walking the talk? When your customers give you their comments and complaints, do you listen—and respond?

Most companies have multiple mechanisms for customer feedback ranging from customer service phone lines, online inquiry and complaint forms to active solicitation for comments and feedback using a wide variety of marketing vehicles. Why is it then that so many of us have more than one story of how we attempted to communicate with a company to ask a question, resolve an issue or even say thanks only to have the message fall into a black hole? And, doesn't it irk you that the company who claims to be all about the customer doesn't bother to listen when they ask you to talk to them? It bothers your customers, too.

See how you match up right now. Pretend that you have a serious complaint, a glowing compliment, or a suggestion for improvement you want to communicate to management.

- Go on your Web site or flip through your catalog to see if you solicit comments. What is the mechanism your firm offers? Is it a link on your Web site or in an e-mail, or a comment card in your store?
- Follow the process from comment to company. Is there an electronic inbox or clerical function for physical mail set up in your organization to receive and route and respond to customer comments? Are the comments going to people who are empowered to act and are held accountable?
- Most customers that have a complaint or comment do not make it because they think they will not be heard. Or, they think that the vendor will not do anything about what they say. Do you count how many comments are received? How fast they are dealt with? How many classified as complaints actually get resolved to the customers' satisfaction?
- Customers with complaints are likely to tell more and more people about their bad experience. With blogs, Twitter and Yelp, etc. word can spread like wildfire in direct relationship to the amount of money and time they spent on a product or with a vendor. You can easily have one unhappy customer prejudice dozens of other customers or prospects with their horror story.
- How much money do you spend to acquire a new customer? \$500 to \$1,000 isn't uncommon.
- How much money do you spend to retain a customer that has stopped buying from you? \$100 a

- How much money do you think you should spend to satisfy a customer's complaint or to proactively address complaints that customers are not telling you? Subtract this ballpark customer-retention cost from the new customer acquisition cost. In this example, \$400 to \$900 would be the minimum amount to spend to reply to a customer just to retain them and avoid paying to replace them. If they really do bias dozens of potential customers, then you can see that spending several thousands of dollars on satisfying a customer is a bargain compared to the cost to correct negative perceptions or to find unprejudiced new customers.

You can quantify the impact of customers' complaints even with back-of-the-envelope calculations such as these. You can create a competitive edge out of soliciting and responding to complaints that your competitors are letting erode their brand, their customer base and their ROI.

You can build customer loyalty by actively listening to what your customers have to say about their brand experience. Their suggestions for improvement may fuel greater opportunities for customer retention and increased sales.

Then when you really listen to and respond to your customers' communications, good and bad, you'll know that setting up and using the process will be money well spent.

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