

Companies in the dark about their customers

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According to frankly disturbing new market research three quarters of UK businesses are confident about their futures - yet have no idea what their customers really think.



Market research company Shape the Future looked at the customer satisfaction measurement strategies of UK based companies. The statistics show that while 70.3 percent claim to measure customer satisfaction most are only employing very basic and informal tactics, such as relying solely on unsolicited customer feedback. Worryingly, the remaining 29.7 percent cited reasons for not measuring customer satisfaction as:

- Belief that customers would tell them if there were problems (69.4 percent).
- Never thought about it (20.2 percent).
- Too busy (19.0 percent).
- And only 22.6 percent (almost 10 percent of the total sample) planned to measure customer satisfaction in the future.

Businesses that rely on unsolicited customer feedback are not getting the information they need. Of those that do measure customer satisfaction, 55.7 percent are only employing the most basic and informal techniques or are waiting for clients to complain. This means that in reality only about a third of businesses (36.1 percent) are really bothering to find out what their customers think, while well over half (56.3 percent) are waiting for their customers to tell them. Previous research by Shape the Future indicates that the majority of clients are very unlikely to volunteer this information - they are much more likely just to go to a competitor.

Peter Martin, managing director at Shape the Future said: "What's interesting about the results is that too many businesses assume that people will give them useful feedback. In reality, unhappy customers often leave without telling them why. Falling sales are not always related to falling demand. Companies may simply be losing market share to their competitors and not even know about it. Given the current economic downturn, business owners and managers need as much detail and business information ammunition to hand as possible."

The research also indicated that the larger the company, the more likely it is that customer satisfaction will be measured formally. Among companies of 50 employees or fewer (which make up 99% of the UK business community), 57.6 percent are not measuring customer satisfaction by any formal means.

It is generally recognised that it costs four to six times to acquire a new customer than keeping existing clients happy. It makes sound business sense to spend a fraction of this to help ensure your current clients stay just that - current.