

Why Conduct a Consumer Survey?

Research Objective:

To create competitive advantage by understanding consumer needs, wants and preferences.

Executive summary

This paper discusses what businesses can learn by conducting a customer or consumer survey, and argues why good research focused on the right types of questions can deliver insight that enables companies to avoid potential problems, identify opportunities for growth and pursue strategies and tactics to increase profitability.

Every business can benefit from a better understanding of their current and prospective customers

Business managers understand that maintaining and expanding a solid customer base is essential for achieving revenue growth and increased profitability. This maxim holds true among retail and commercial businesses. However, too often managers make critical business decisions based on anecdotal feedback from a few customers or incomplete information about their target market. These problems are only compounded by an ever-accelerating pace of business, and continuing changes in consumer behavior based on the constant introduction of new technologies and information sources. To manage effectively in the face of these challenges, marketers and managers need increasingly accurate, consistent and fully-representative feedback that enables them to understand and connect more directly with their current and prospective customers.

When done properly, consumer/customer surveys (administered by phone or online) provide managers with the information needed to manage to shifting consumer expectations. A precise and comprehensive understanding of consumer preferences and expectations gives managers the insight to execute scientific, evidence-based changes to operational and communication tactics and strategy. Consumer/customer surveys can also provide managers with customized solutions to increase loyalty and profitability among current customers, acquire new customers and identify the precise marketing messages that will most effectively influence consumer behavior.

Whether the goal is to boost customer loyalty, increase profitability, acquire new customers, launch a marketing campaign, introduce new products and services or enter new markets, managers can use consumer surveys to identify the most efficient and effective course of action. Carefully crafted and well-conceived research delivers this insight, identifying the causal relationships between consumer/customer attitudes and opinions with actual behaviors. For managers to derive valuable, strategic insight into the mind-of-the-market, the research must be based on a complete and comprehensive theoretical understanding of market processes and a precise understanding of how to attract and keep customers among specific target market segments.

Surveys of consumers/customers serve another important function. Specifically, surveys can help managers be more effective through a deeper understanding of what matters most to their current and prospective customers. Perhaps more importantly, this information provides managers with a reliable, market-based information to adjust their operational, marketing and communications tactics in ways to formulate a coherent brand strategy.

WHY CONDUCT A CONSUMER SURVEY?

Consumer/customer surveys conducted over time can demonstrate if changes in operational, marketing and communications have improved a company's *Awareness, Differentiation, Reputation, Consideration* and actual *Purchase Decisions*. Many companies will conduct a "baseline" survey to measure consumer/customer perceptions prior to introducing any changes in operational, marketing and/or communication tactics. Then follow-up surveys can be conducted on a monthly, quarterly, annual or biennial intervals to measure progress over time. This can be a very effective way to justify continued funding for the operational, marketing and communication initiatives that are positively correlated with organizational improvements in performance. While objectives vary, some of the most widely shared questions that many companies seek to understand are the following:

- What is our awareness and reputation among current and prospective customers, and how does it compare with our competitors?
- How are we differentiated from our competitors, and is it an advantage or disadvantage?
- Do we have any perceived image problems that we are not aware of?
- What are the direct, indirect, media, online and social media sources our current and prospective customers use to learn about our products and services, and which ones are most effective?
- What are the most common complaints, or negative experiences, that our customers experience – and how does that compare with our competitors?
- What are the most common positive feedback themes, and positive interactions, that our customers experience – and how does that compare with our competitors?
- How many of our customers experience any type of problem or frustration using our products and services, and how can we make sure they do not happen in the future.
- What are the perceived barriers that prevent prospective customers from purchasing our products and services?
- Are our current marketing initiatives (and advertising) working, and why or why not?
- What is the likely reaction going to be when we introduce a new product or service?
- What is the likely reaction going to be when a new competitor enters our market?
- What is the most effective way to promote our products and services?
- How satisfied, loyal and excited are our customers with our products and services, and why?
- How likely is it that our customers would recommend us to their friends and family members, and why or why not?

Getting accurate and systematic data from current and prospective customers about these types of questions delivers the following benefits:

A precise understanding of how to achieve higher sales and revenue goals, and higher profits.

An actionable plan to increase customer satisfaction/advocacy and the spread of positive word-of-mouth about our products and services.

A clear identification and prioritization of actions that will increase customer loyalty and profitability among current customers.

A definitive understanding of the marketing messages that will most efficiently and effectively influence consumer behavior.

A detailed understanding of potential image problems before they impact sales and profitability.

An exact understanding of problem incidence and gaps in service delivery before they result in lower sales and loss of profits.

How can we help?

When managers are informed with a precise understanding about what customers/consumers prefer, want and desire most, they can implement tactical changes to deliver the right products and services to the right markets.

To help managers make the best possible business decisions, we have developed a portfolio of leading research products and services that allow our clients to be more competitive and more profitable. Specifically, we can provide managers with customized solutions to: 1) attract new customers; 2) craft compelling brand and buyer personas to reach broad and narrow markets; 3) increase retention and the lifetime value of every customer relationship; 4) establish benchmarks to measure changes in consumer preference and purchase intent over time; and 5) measure the performance of a marketing/advertising campaign to demonstrate return-on-investment (ROI) over time.

It is the quality of thinking that goes into the design, execution and analysis of our research that separates our firm. We have a passion for problem solving. We believe that nothing is more exciting than a challenge, and nothing more rewarding than discovery. We use a proven method to frame our thinking about a project from beginning to end to ensure that our work is focused on the precise and specific objectives of each individual assignment. Our modeling techniques exceed industry standards, which is a function of better thinking and better measurement, both of which contribute to better behavioral prediction.

Consumer/customer surveys also provide managers with market-based insight into how consumers get information about their products and services through direct, indirect and mediated sources. Equally important, surveys can empower managers with information about which sources of information are most influential in moving consumers from *Awareness* to *Consideration* to a *Purchase Decision*.

Good research creates competitive advantage

Companies and organizations exist to serve their customers' needs in ways that create meaningful value. However, the perception of value is a subjective and relative one, and what consumers currently value may not be the same as what they valued in the past or will value in the future.

To make effective and efficient business decisions in an ever-changing competitive environment, managers need timely and accurate information about the preferences and expectations of their current and prospective customers. Good market research is the process of systematically and objectively collecting and analyzing consumer information for the express purpose of helping managers make better decisions to improve business performance. Understanding shifts in consumer preferences, behavior, attitudes and evolving trends gives managers the strategic insight to stay ahead of the market and the competition.

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