

# TOP TEN REASONS WHY CUSTOMER SATISFACTION SURVEYS FAIL

In the business world, customer satisfaction surveys are considered an integral part of measuring the quality of customer relationships, but Fred Reichheld says many customer surveys are flawed. Here are the top ten reasons why customer satisfaction surveys fail:

- 10. TOO MANY SURVEYS, TOO MANY QUESTIONS** Many surveys are too long and complicated to be practical. Most people simply don't have time to fill out the entire survey or are bombarded by too many surveys.
- 9. THE WRONG CUSTOMERS RESPOND** You must target the right customers. For instance, in a banking survey, more than 80 percent of the surveys are likely to be filled out by customers who generate less than 10 percent of the profits, rather than the bank's most profitable customers.
- 8. EMPLOYEES DON'T KNOW HOW TO TAKE CORRECTIVE ACTION** Companies don't establish ownership for customer feedback, therefore employees are unable to close the loop with customers who are dissatisfied or who make suggestions.
- 7. TOO MANY SURVEYS ARE MARKETING CAMPAIGNS IN DISGUISE** Some companies have no intention of fixing problems or improving customer experience; the survey is merely a marketing ploy. These phony marketing campaigns have helped destroy the credibility of satisfaction data.
- 6. SURVEY SCORES DON'T LINK TO ECONOMICS** Customer satisfaction surveys ask questions unrelated to economics as an attempt to cover for actual economic data. A question such as "Do you intend to repurchase?" as a proxy for proven loyalty is often misleading. Reichheld's research has shown only spotty correlation between intentions and actual purchases.
- 5. PLAIN-VANILLA SOLUTIONS CAN'T MEET COMPANIES' UNIQUE NEEDS** Companies fail to customize their surveys; they tend to use "cookie-cutter tools" which provide little in the way of useful data. What companies need are custom research solutions to address their unique customer relationship issues.
- 4. THERE ARE NO GENERALLY ACCEPTED STANDARDS** Many companies have several different types of surveys floating around; each one is completely different and no conformity exists. The absence of a standard, intuitive system makes it harder for customers to report their feedback consistently and harder for companies to interpret and use it.
- 3. SURVEYS CONFUSE TRANSACTIONS WITH RELATIONSHIPS** Companies get confused about the goal of a satisfaction survey; evaluating a customer relationship goes beyond the sum of all their transactions.
- 2. SATISFACTION SURVEYS DISSATISFY CUSTOMERS** Some companies conveniently forget the Golden Rule when it comes to large-scale surveys. They themselves hate to be interrupted at dinner, but it's okay to intrude on the lives of millions of their own customers.
- 1. GAMING AND MANIPULATION WRECK THEIR CREDIBILITY** Instead of focusing their energy on improving customer experiences and relationships, employees get creative about gaming the system. The car industry is a good example of this; they may artificially boost their scores as a way of ensuring generous allocations of the hottest-selling models.