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Customers' Voice Necessary for Complete Satisfaction

Customers are vitally important to organizations. Forming lasting relationships with customers is essential to developing loyal customers. Completely satisfied, loyal customers, who believe organizations are interested in their needs, are more likely to repeatedly seek organizations' products and services. By developing a strong partnership with customers, organizations can achieve differentiation from competitors, grow revenues and increase market share.

Before reading more, let's make something clear. This article isn't about customer satisfaction surveys. While these can be useful, they are reactive, occurring post-sale. This article addresses a much different, proactive process.

While most companies recognize customer partnerships are critical to success, few clearly understand customers' needs. Some are preoccupied with reacting to customers' requests versus proactively adding value.

To gain and maintain completely satisfied customers, organizations must invest time into understanding what customers want. This involves closing the gap between what an organization perceives its customers' needs are versus uncovering actual needs. The best way to accomplish this is to ask customers what their wants, needs and expectations are.

Many organizations have not asked questions such as, How do customers decide what to purchase or what post-sale interactions do they require? By inquiring about these, customers are defining satisfaction in their own terms.

Mere satisfaction is not enough. A recent study discovered that 67 percent of satisfied customers may leave a current supplier, while 93 percent of completely satisfied customers will remain with a supplier. The word *completely* makes a large difference.

There are five steps to effectively understand customers' needs. These are:

1. **Identifying target customers.** This includes current, lost, and/or prospective customers.

2. **Understanding customers' needs and perceptions.** This is the foundation for success and growth. It involves qualitative and quantitative analysis, and focuses on buying behaviors, budget size, decision makers, etc.

3. **Developing messages.** Once needs and perceptions are known, messages are developed to align the market positioning to deliver what the customer wants.

4. **Aligning the organization.** As the external customer view is determined, employees must understand this information and market positioning.

5. **Measuring.** Ongoing analysis to ensure customers and employees understand the positioning, customers' changing needs, and increased productivity and success.

Obtaining this pertinent customer information can be time-consuming, but essential. Based on what organizations learn from customers, organizations can align their market positioning with customers' needs, reposition for growth, re-evaluate strategic plans, and improve processes – all leading to increased revenues.

Companies also need to proactively identify lifetime customer value. By recognizing lifetime customer value, a company ultimately can meet the customers' needs. This can be achieved by developing a customer profile that targets customers' profitability.

All customers do not contribute the same to the bottom line. A recent article noted the most profitable 20 percent of customers contribute up to 300 percent to profitability. The least profitable 20 percent detract up to 200 percent, while the middle 60 percent break even. Companies should focus on the most valuable customers.

To gain a competitive advantage and partnership with customers, a voice of the customer process is recommended (instead of, or in addition to, a customer satisfaction survey). The process combines the best practices of customer satisfaction, loyalty, lifetime value, and customer service. We define voice of the customer as a proactive process that identifies, measures, communicates and implements what the customer really wants. Customer satisfaction is reactive and typically does not identify, communicate, or implement anything. It's also past tense – identifying what the customer wanted. Big difference!

Several aspects should be considered during this process:

- ☐ Engaging several contacts within the customer organization – not just one person. An organization shouldn't base expectations on one person.
- ☐ Engaging several employees, as the customer interacts with more than just salespeople.
- ☐ Engaging an external partner to facilitate the process, as this increases success.
- ☐ Acting on the information and following up with the customer on a timely basis.

The value of an open and honest dialogue is priceless, yet not always possible with a sales/customer relationship. Sometimes, customers and sales may be too close of friends, so the customer doesn't want to share any bad news to hurt sales' feelings. Customers are more likely to state issues with a third party having no direct ties to the supplier.

The benefits?

- ☐ Prioritizing customer requirements and needs.
- ☐ Identifying gaps and implementing action plans to address these gaps (proactively).
- ☐ Enhancing communication with customers.
- ☐ Strengthening the customer/supplier partnership.
- ☐ Continuously improving.
- ☐ Increasing revenues.

With this valuable customer information, organizations can generate a higher ROI because their limited marketing budgets will be spent more wisely in the right venues. In addition, they also can structure their products, services and messages accordingly.

An example relates to strategic planning. As most valuable customers identify their needs, similar issues appear. This may relate to service issues, slow response time, product development, trust, etc. These issues need to be addressed, and integrating them into the strategic planning process is a perfect method as the issues become corporate priorities.

Alignment between the customers, employees and overall organization begins to occur. All from asking, listening and learning from customers.

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