

Business Builder Newsletter # 25: “Can You Read My Mind?” September 8, 2010

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Wouldn't you love to read your customers' minds?

Whether you call it VOC (Voice of the Customer) or plain old feedback, building your business depends on understanding your customers. It can be as simple as a phone call or as sophisticated as an online survey – there are many ways to tap into your customers' thoughts.

Even if you talk to your customers now, chances are you may be missing additional opportunities for obtaining valuable insight. Take a look at the following list of reasons to ask for feedback and see if you are covering them all:

10 reasons to ask for customer feedback:

1. Evaluate or brainstorm ideas for new products or services
2. Ask for referrals
3. Troubleshoot a problem
4. Identify potential problems you don't know about
5. Solicit testimonials
6. Obtain suggestions for service or product improvements
7. Understand clients' current concerns
8. Evaluate where you stand versus competition
9. Probe for why your customers use you – and when they don't
10. Update customer records

You can see the varied applications for this information: relationship management, marketing communications, business development, new product development – the list goes on.

Remember that feedback can be both positive and negative. But most important, it must be *honest*. This can be tricky because many people will tell you only what they think you want to hear – at least to your face. And of course, what they don't tell you might be very, very important.

So what's the best way to get honest customer feedback? It depends...

First of all, consider what type of business you have, and how many customers you have. An online retailer, a law firm, a restaurant, and a software provider each have a very different customer base – and types of customer interactions. Feedback is often easier to obtain when transactions are short-term and no personal relationship is involved. When more is at stake, you must often work harder to get at the truth.

Second, is why you want the feedback. Is this routine, or are you dealing with a problem? Is the issue general, or limited to one or a few individuals? How quickly must you understand the situation and deal with it?

There are no cookie-cutter solutions for the best way to obtain customer feedback, but **here are some general guidelines:**

- With your most important clients, a personal one-on-one chat in their office or over lunch shows you value their time and opinions. (If you suspect something is wrong, however, consider using a third party to neutralize the situation.)
- Phone interviews can be an excellent way to gain insight and probe certain issues.
- Online surveys are relatively inexpensive. They are best for multiple choice questions, since you cannot probe too much. Also, limit the length to avoid respondent fatigue.
- Focus groups and customer roundtables are a good option for assessing process improvements, new service or product ideas.
- Monitor social media if customer word-of-mouth communication is important for your business.
- Use a professional researcher to solicit the most honest responses from your customers.

Finally, here are two more tips for maximizing the value of your VOC efforts:

- 1) Incorporate an on-going feedback program into your business operations, rather than using ad hoc measures.
- 2) Once you ask for feedback, you must act on it appropriately. At the very least, close the loop with the customer and acknowledge that you have heard them. Better yet, tell them what you are going to do and when.

Unfortunately, we can't read the minds of our customers. But if we ask them in the right way, they will share what's on their mind.