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## How Surveys Help Firms Keep Customers

Customers who are dissatisfied with your firm usually tell 10 to 15 people how unhappy they are. Conversely, satisfied customers tend to tell people that your company is great. Clearly, it's in your best interest to identify customers' problems and solve them quickly.

Many forward thinking companies are using customer surveys to do so. Customer satisfaction expert Joel Perelmuth of Perelmuth & Associates in New York tells how companies use surveys to improve relationships with their customers.

### What questions can surveys answer?

Why do my customers buy from me? How do they evaluate my product or service?

Many marketing executives can only guess the answers to these questions. Or worse, they think they know the answer but may be wrong. The only way to know what customers think is to ask. That's why surveys are so important.

### Toyota: Uses surveys to penetrate local markets

Every time Toyota customers purchase a new car, they get a survey in the mail within 10–45 days. The survey starts by asking how happy they are with their new car. If the customer isn't happy, Toyota wants to know, in detail, why not. The survey is returned to Toyota headquarters in Torrance, CA, and then passed on to local dealerships, where individual customer problems are resolved.

The surveys contain a toll-free number that customers can call to ask questions about their cars.

About 41% of the 350,000 calls received by the toll-free number each year address problems.

Recently Toyota started inserting cards into the surveys that ask customers for basic demographic information such as age, gender and education level. This will help identify potential problems in a local market (e.g., if dealers aren't addressing the needs of female car buyers).

What does Toyota get out of it? According to John McLaughlin, national customer administration manager, a great deal. Since the program was launched in 1986, Toyota's U.S. market penetration has increased from 5.5% to just under 10%.

### American Express: Follow-up on service rep performance

When American Express cardholders run into a problem with their bills, they call a company service line to resolve the issue. But how happy are customers with the resolution process? Amex uses that call to check up on how quickly and pleasantly reps fix the problem.

Amex calls back or mails a survey card to thousands of customers annually to see how satisfied they were with the call. It asks customers three things: 1. What is their overall perception of Amex? 2. How did the service rep perform? 3. What were the positive and negative aspects of the encounter. The key is getting in touch with customers a day or two after the problem is settled, says Bill Yacker, VP of quality re-engineering. The longer you wait to ask customers what they thought, the more likely they are to forget the details that provide you with useful information.

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Does it work? According to Yacker it does. He says Amex measures the satisfaction levels of its customers and regularly logs close to 100%.

## **Aetna Health Plans: Improve service to all customers**

Aetna used to focus its marketing efforts exclusively on corporate prospects and clients who purchased its various health plans. But the market is now much more competitive and it must also target doctors and company personnel, who can choose between a broad array of options.

To determine the needs of its broader client base, the Hartford, CT-based firm began conducting customer satisfaction surveys a year ago. Head of service quality, Marlene Yanovsky, says Aetna is getting closer to current customers, signing up more new ones, and providing better service.

Aetna is using a three-step approach:

- Step One: Conduct focus groups to identify issues important to customers.
- Step Two: Develop test survey questions based on focus group feedback.
- Step Three: Implement the survey.

Right now, Aetna is in Step Two, but it's already made changes based on Step One. Employees of corporate customers told Aetna they wanted immediate access to an Aetna representative when they had questions right after enrollment. So Aetna provided more service reps to answer questions for new members.

Yanovsky used a creative approach to sell the survey program to top management. She videotaped the original focus groups of customers discussing Aetna's service. When management saw live customers discussing customer service—and the emotions that drove purchasing decisions—they gave the go ahead for an extensive survey program.

## **Close up on customer surveys**

Surveying customers may sound easy, but it's not. Some conventional wisdom:

- If surveys don't ask the right questions, or are implemented badly, they can hurt rather than help.
- Remember that front-line employees, such as sales people or customer service reps, are a great resource for help in designing good surveys.
- Test survey on a small group of customers first, monitor the results carefully, then adjust questions so they work.

## **Benefits**

- Increases the satisfaction levels of customers so they'll be loyal and less likely to buy from competitors.
- Makes your company more marketing driven and customer focused.
- Saves money by identifying problems early.
- Improves penetration in local markets by getting closer to customers.

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