

Customer satisfaction is nice, but customer loyalty is profitable.

Customer retention is critical to running a successful marine services business. Do you know that finding new customers costs you ten times more than retaining your customers and expanding your business within your current customer base? According to one Fortune 500-company study, each dissatisfied customer shares his experience with at least 20 people. And this study was conducted pre-internet, so that number has probably increased five-fold.

As a business owner, you cannot rest on a solid reputation and strong past performance. You need to communicate regularly with your customers and to harness their feedback to drive your business decisions, so your business evolves as your customers evolve. After all, responding to your customers' needs is the fastest way to build customer loyalty and profitable repeat business.

The benefits of surveying

The primary benefit of customer surveying is that it captures feedback directly from your customer, providing hard data to support your decision-making. Customer feedback alerts you to problem areas in your business, so you can set your priorities and address them quickly. You also learn how you stack up against your competition and if you're in danger of losing a customer to a competitor, so you can intervene. Finally, feedback reveals unmet customer needs, which are growth opportunities for new product or service offerings. So once you quantify your customers' perceptions of your strengths and weaknesses, you know where to focus your time and resources to improve performance, retain customers, drive out complacency, and expand sales. There is no more guesswork.

Bill Munger, president of Conanicut Marine Services in Jamestown, Rhode Island, is currently going through his second round of electronic customer surveys. Bill emphasizes, "Any company that is serious about customer service needs to go through this process. You need to know when your guests are happy, but even more so when they're not happy. As an owner or manager, you have a sense of what's going on in your business, but this confirms whether your gut feel is right. As a result of the feedback we received, I was much more confident that we needed to spend some money in a few key areas. This exercise prioritized our issues for us."

A powerful offshoot of customer surveying is benchmarking, which compares your business' survey data to that of similar companies in your industry. Benchmarking with your peers, competitors, and your own past performance gives you a broader perspective of your business' strengths and weaknesses and helps you raise your performance bar.

And while customer surveying gathers critical information about your business, it also sends an important message to your customers: "we value your input and are working hard to better meet your needs." What better way to build customer loyalty?

Surveying past and present

Customer surveying has been around for decades, but has historically been out of reach for most businesses. Only big companies could devote the time and money necessary to create the survey, stuff the envelopes, mail them, following up, compile and analyze results, and write a report that was comprehensive yet actionable.

Within the last five years, however, new database technology, combined with the Internet and e-mail, have changed the face of customer surveying, making it entirely accessible for businesses of any size. For a few hundred dollars a year and about an hour of your time, you can setup, deliver, collect, and report feedback directly from your customers. Electronic data collection also allows you to “slice and dice” the data along the lines you choose, giving you insight into particular departments or issues you want to dig into. And where paper surveys generally had about a two percent return rate, online surveys typically see return rates of 30+%.

With email, marinas, boatyards, manufacturers, and other marine service operators now have the ability to share customer feedback with everyone in the organization. Direct customer feedback and performance metrics motivate everyone in the organization to focus on your business’ most important asset: your customer.

The ABCs of customer surveying

For customer feedback to be meaningful, it must be candid and specific. It also needs to be continuous, as your customers’ needs change, your competition changes, and your own organization changes. Here are some best-practice ways to set up a low-cost, highly effective customer feedback program:

- Make the process fast and easy for both you and your customer.
- Leverage e-mail to deliver surveys for ease and higher response rates, and to automate data collection, report generation, and analysis.
- Tie your survey questions to your goals and your customers’ expectations.
- Tweak your questions each survey to help you probe key areas.
- Give your customers the option to identify themselves or remain anonymous.
- Let customers choose how often they want to be surveyed.
- Encourage customers to make comments – you will learn a lot.
- Produce reports that are easy to digest and act upon.
- Close the loop with customers by thanking them and sharing results.
- Compare results with previous survey results and peer group results whenever possible to look for trends and to benchmark.
- Be prepared to act on your customers’ feedback – they will expect it.

Mike Casey is president of Survey Advantage, which specializes in low-cost, high-impact online surveying for small and medium-size businesses. Mike’s background includes 30+

years in business operations, data collection/analysis, sales, and customer service. Visit Survey Advantage at www.surveyadvantage.com.