

Critics of customer satisfaction metrics say that satisfaction surveys often fail to correlate with business results. Avoid these pitfalls to make sure your satisfaction surveys don't succumb to the same fate:

- 1. Customers are suffering survey burnout.** Many satisfaction surveys collect both customer data and satisfaction feedback in the same survey. This makes the survey overly long and cumbersome and discourages your prime customers from filling them out. Gauge survey length by the approximate time it takes to complete the survey, not by the number of questions. 2-3 minutes is ideal; 5 minutes should be the upper limit. Design survey questions for quick completion (e.g. rating scales, pull-down menus, etc.), which will also streamline analysis.
- 2. Respondents don't represent your customer base accurately.** The best, most accurate survey results are captured from a representative sample of your customers. Collect feedback from random customer samples and use brief surveys to minimize sample bias.
- 3. Satisfaction surveys don't yield actionable insights.** Satisfaction surveys often fail to yield actionable information to guide improvements. Some surveys provide only a competitive ranking or a satisfaction percent (e.g., 89% satisfied), which doesn't tell you what or how to improve.

Other surveys yield only a gap analysis that shows you where you stand with your customers compared to where competitors stand with their customers... not how you can maintain market share and capture it at your competitors' expense. You need sufficiently detailed satisfaction data linked to financial results to make customer satisfaction surveys truly actionable.

- 4. There's no causal relationship between customer satisfaction scores and financial results**
Satisfaction survey methodologies that don't link to financial outcomes can feel like a waste of time. Few companies can tie customer satisfaction scores to financial outcomes because of multiple customer touch-points and purchase channels along the sales cycle. However, with over a decade of data and evidence, economists have found that customer satisfaction as measured by the American Customer Satisfaction Index is causally linked to financial metrics including stock performance, cash flow and shareholder equity.
- 5. Surveys don't strike the right balance between consistency and flexibility**
There is an enormous amount of variation across companies, customers, product and service lines, not to mention external influences. So, it's not surprising that a "one size fits

all” approach doesn’t work for everyone. That is a key flaw of the Net Promoter approach, which is being promoted as an alternative to customer satisfaction surveys.

Companies need a sophisticated econometric model that can be adapted to their own needs, customers and market situation. The ACSI is a customer satisfaction measurement system that is readily applied to nearly 40 industries across nearly half of the U.S. Gross Domestic Product.

6. Credibility is compromised if the measurement system can be easily gamed and manipulated.

The use of incentives or premiums introduces bias into the survey results. Incentivizing employees or customers based on scores (satisfaction, Net Promoter, etc.) provides the impetus for gaming the system. For example, employees might implore or bribe customers to provide top tier satisfaction recommendations, etc). Even using an incentive to encourage survey participation can introduce bias into the results.

Feedback solicited without incentives – and with the expressed intent to provide insights in how to better serve the customers -- yields the most credible, reliable results.

7. Customer satisfaction measurement isn’t standardized, making it difficult to benchmark.

There may be a perception that a generally accepted standard of customer satisfaction doesn’t exist. In reality, there is a gold standard of customer satisfaction measurement, the ACSI, with over 12 years of empirical evidence showing the link between customer satisfaction and financial performance. Increasingly, companies are adopting this customer satisfaction measurement standard. And, the leading business and trade press regularly report on this leading indicator of financial performance, which had more than 4 million media exposures in the past year.

8. It takes more than a series of transactions to make a lasting relationship.

Customer relationships are forged from the sum total of a customer’s interactions with the company and from external sources, such as recommendations from colleagues, analyst reviews, etc. Transactions are one part of the customer interaction. However, many companies find that the product and service support after the sale has as much or greater impact on customer satisfaction in the long run.

That’s why it’s important to measure customer satisfaction throughout the customer lifecycle: awareness – research – consideration – preference – purchase – fulfillment – post-purchase support – customer support.