



16 ways to capture and capitalize on customer insights

Using customer insights for long-term company growth

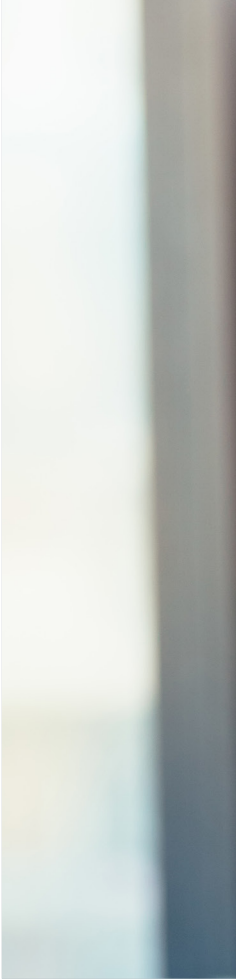


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Introduction

We live in the age of the customer. Customers have more power than ever to fuel business growth with glowing reviews or to damage brand reputation with social media rants. To fully engage with your customers, it's important to understand them at every stage of the customer journey. Understanding your customers offers the following benefits:

- + Understand your competitive advantages to attract and retain customers
- + Create a user-friendly website for potential customers to learn more and buy more
- + Discover what drives actual purchases Learn what factors contribute to wins and losses
- + Optimize customer training to provide a better experience and retain more value
- + Minimize the impact of negative customer experiences
- + Fuel growth by understanding customer needs

This ebook will outline 16 different research methods to use along the customer lifecycle. Capturing insights across each stage helps you attract, retain, and grow relationships with customers.

Awareness

During the awareness phase, customers may not even be aware that they need your product or service. Understanding the market and optimizing your marketing channels helps you attract new customers.

Consideration

Now that your prospects are gathering data about you and your competitors, capturing insights after customer interactions and purchases can give you data to help sway others to your brand.

Decision

The decision phase is that high-pressure period when your prospect is deciding whether to go with you or a competitor. Win/loss analysis and post-interaction feedback helps you know what is going right, and what you should improve.

Use

Use is the stage in which your customers are using your product or service. Understanding that experience lets you know where you can improve.

Support

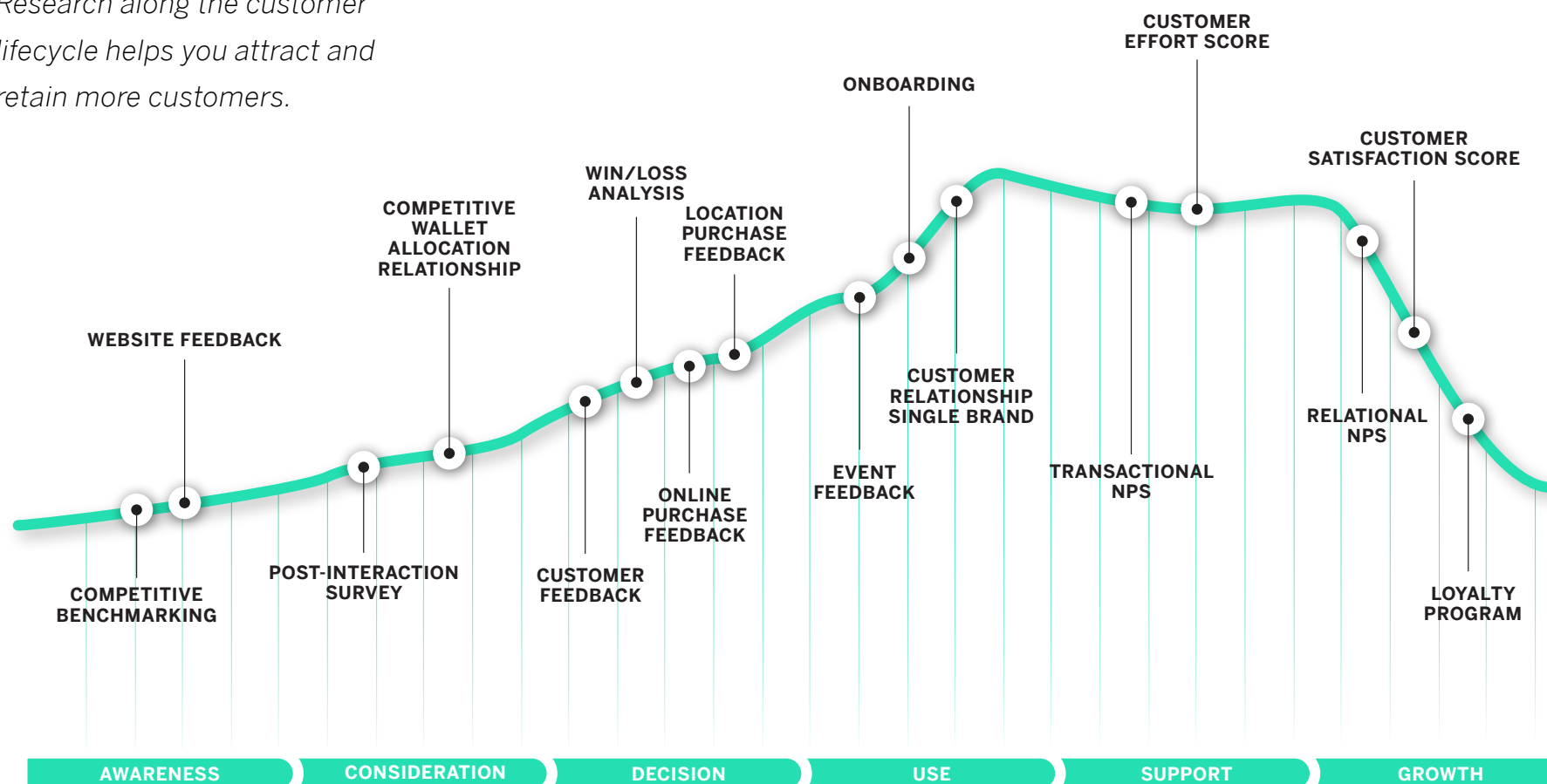
Problems are inevitable, and how you respond to them can make all the difference. Insights help you defuse situations, recover trust, and retain customers.

Growth

Attracting new customers and retaining them are two very different things. Customer insights help you know what delights customers about your brand so you can continue to deliver an exceptional experience.

Customer lifecycle

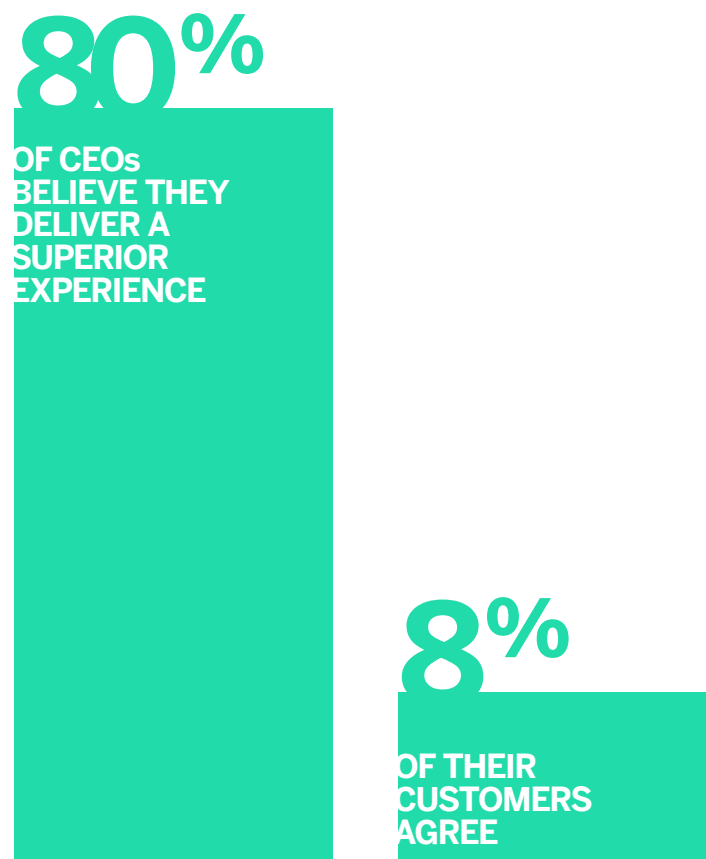
Research along the customer lifecycle helps you attract and retain more customers.



**ROI of customer
research**

ROI of customer research

Improving the customer experience is essential and top of mind for most companies. Eighty percent of organizations feel like they are providing a great experience, yet only 8 percent of customers actually agree, found Bain.¹ This chasm stretches between how customers actually feel and an organization's perception of those feelings.



Failing to bridge the gap can be costly. In fact, 80% of customers have opted to switch brands due to poor experiences. If you consider that costs for finding a new customer can be up to 25 times more expensive than simply retaining an existing one, focusing on a great customer experience can pay off.² The importance of customer experience is growing. More than 50% of organizations are making adjustments to be more customer friendly.³ Customer experience is so important that it is expected to overtake price and product as a key brand differentiator by 2020.⁴ Customer experience has tangible effects on revenue as well. Currently, 70% of buying decisions are made based on how a customer feels about the buying interactions.⁵

It's **25X** more expensive to attract a new customer than retain an existing one

Customer experience is a world of extremes. Great customer experiences help you build and capitalize on customer loyalty, driving sales and retention. On the other hand, poor customer experiences lead to decreased and damaged brands. Customer experience is a great place to understand — and then optimize — the customer experience.

1 <https://www.bain.com/insights/closing-the-delivery-gap-newsletter/>

2 <https://hbr.org/2014/10/the-value-of-keeping-the-right-customers>

3 <https://www.gartner.com/newsroom/id/3072017>

4 <https://www.walkerinfo.com/knowledge-center/featured-research-reports/customers2020-1>

5 <https://yourstory.com/2015/01/loyal-customers/>

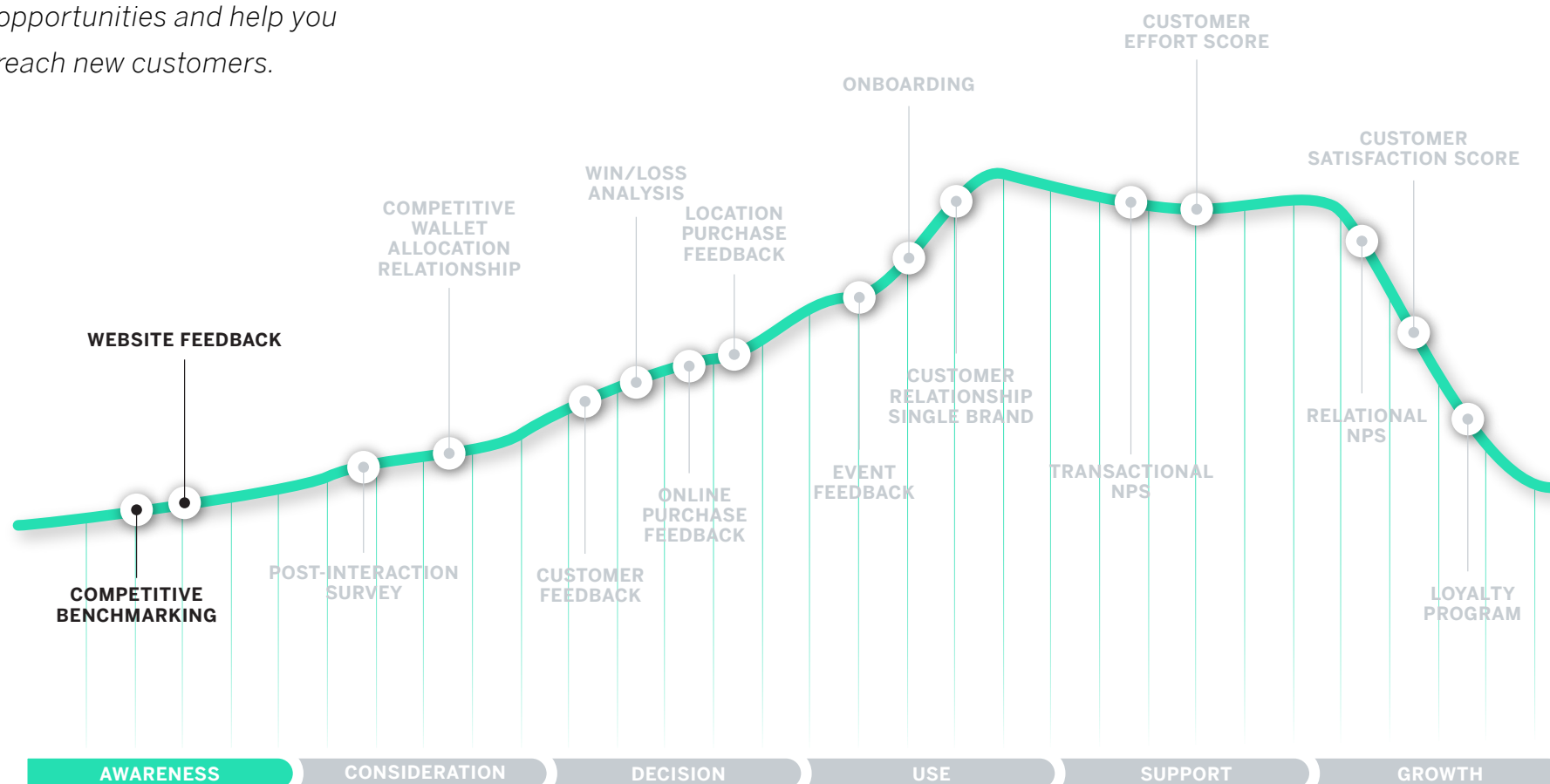
**Research throughout
the customer lifecycle**

Research throughout the customer lifecycle

Research during any portion of the customer lifecycle produces several key benefits. A mature customer experience program helps you close the loop at scale and track performance throughout an organization, but such programs can be daunting at first. Begin your customer insights journey by focusing on a few key areas and then growing your program.

Awareness

Market understanding can identify new product opportunities and help you reach new customers.



Attracting new customers begins with understanding what makes your business and company different. This is where competitive research and website optimization comes into play. Competitive research helps you identify your strengths and weaknesses, knowing where to leverage them. Sun Tzu had it right — understanding the competitive landscape gives you several advantages over the competition.



If you know the enemy and know yourself, you need not fear the results of a hundred battles.

Sun Tzu

For example, Hamburgini is a restaurant in Riyadh specializing in burgers — from fresh-baked buns to locally sourced beef. This sole focus on hamburger quality is a competitive advantage over similar burger joints. As a result, Hamburgini has a huge demand with lines that are often two blocks long.⁶

Another crucial part of awareness is making your competitive advantages easy and accessible for your prospects. In the US, nearly 60% of respondents were more likely to purchase a product after learning about it online according to a study by Nielsen.⁷ Keeping your website visitor-friendly means customers can easily learn about you and better position you for the subsequent customer phases.

⁶ <https://www.bain.com/insights/focus-on-the-customer/>

⁷ <http://www.nielsen.com/us/en/insights/news/2013/digital-influence-how-the-internet-affects-new-product-purchase-decisions.html>

Types of research

Competitive benchmarking

Also applicable in decision, use, and growth

Competitive benchmarking illuminates the strengths and weaknesses for your brand and each of your competitors. This process starts with surveying your own customers as well as customers from each of your top competitors about key issues like response time, product quality, future direction and more. This type of research will help you identify (or solidify) your competitive advantages — strengths that you alone possess to attract future customers. Competitive research applies throughout the customer journey, as these types of insights can help you attract and retain customers.

Getting started with competitive research?

Here are some sample questions to get you started.

- + Which companies did you evaluate before selecting your product/brand?
- + Why did you decide to go with the product/brand?
- + Which features or services convinced you to pick the product over the competition?
- + What channels did you engage with during the sales process (i.e., online, in-person, phone, etc.)?

More respondents are always better. For a valid study, include at least 300 respondents, including at least 50 that use each competitor you want to track.

Website feedback

Also applicable in decision, use, support, and growth

Your website is one of your best tools to attract new customers and build awareness of your products. It also plays a key role at every stage of the customer journey.

For example, existing customers may search your site for web help, while customers looking to make a decision may leverage your site for detailed product information to compare your products with your competitors. Continual website feedback and research is critical to attracting and retaining customers.

Getting started?

Use these three questions in your first web feedback project:

- + *What was your first impression of our website?*
- + *What is the goal of your visit?*
- + *Did this page answer all of your questions?*

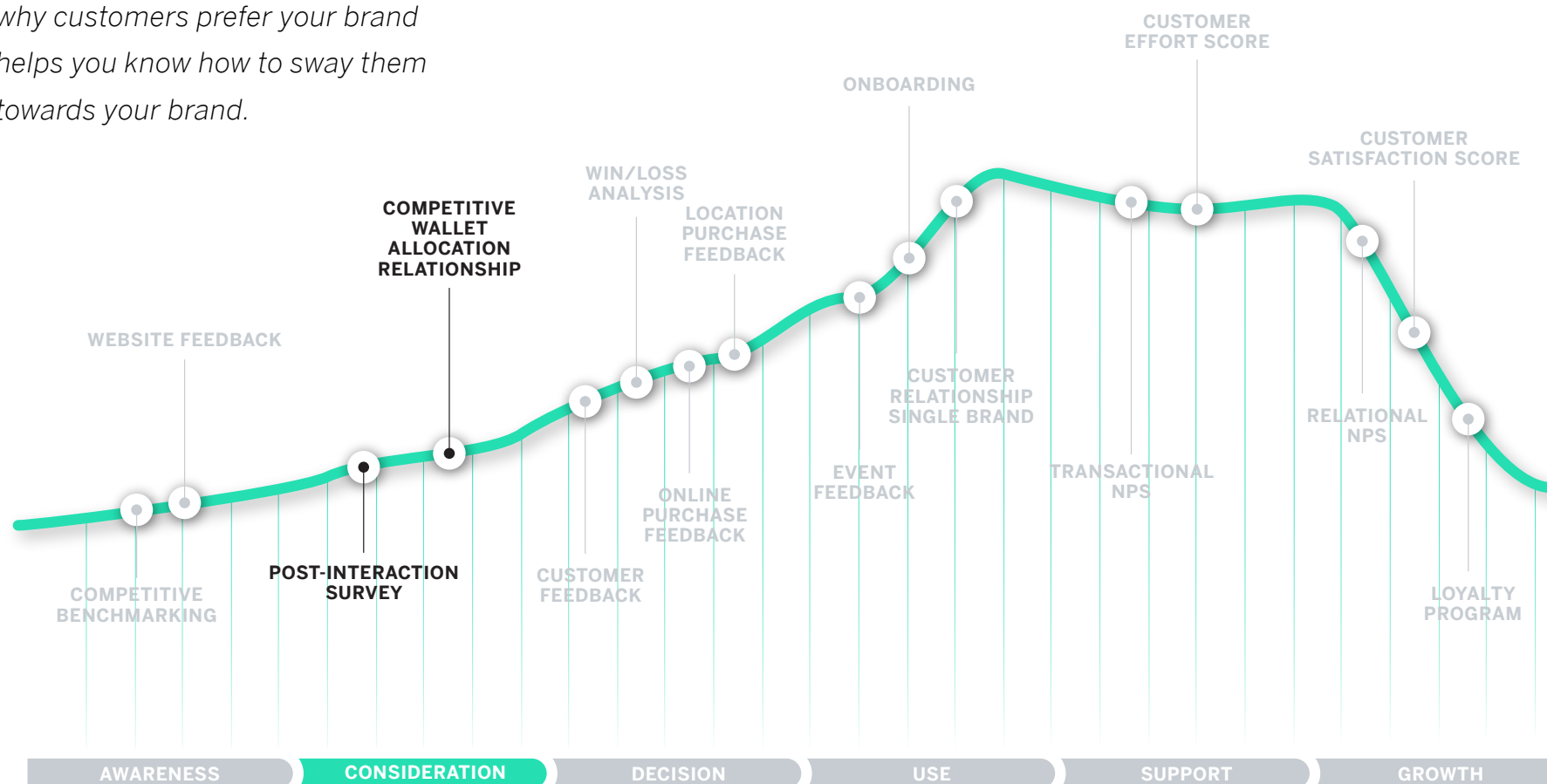
More respondents are always better. For a valid study, include at least 300 responses.

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Consideration

Focus on customer satisfaction is not enough. Understanding why customers prefer your brand helps you know how to sway them towards your brand.



The consideration phase is one of the most critical, and it's important to focus on each customer interaction, from website visits to product demonstrations. By ensuring each experience with your brand is a great one, you increase the odds of your prospect opting for your brand.

However, focusing on customer interactions is not enough. While a great experience is always a positive, that may or may not drive sales. In 2008, Walmart launched a new initiative to redesign its stores to align with customer feedback. These initiatives included tidying up the store, improving shelf and aisle appearance, and minimizing endcap displays. While the customer satisfaction scores improved, sales declined.⁸

Understanding what factors drive preference for your brand over your competitors' brands will help you maximize consideration.

⁸ <https://hbr.org/2011/10/customer-loyalty-isnt-enough-grow-your-share-of-wallet>

Types of research

Post-interaction survey

Also applicable in use, support, and growth

When your customers are ready to make a purchase decision, every interaction with them counts. Capturing data at this stage can help you learn from your mistakes and increase your odds of the customer choosing you over the competition. Post-interaction surveys can come in the form of website interactions (shopping cart abandonment, navigation research, etc.) or after a demonstration or other in-person interaction. Understanding customer interactions is useful, from knowing how to approach and sell to prospects to knowing how to delight long-term customers.

Getting started?

Use these three questions in your first post-interaction survey:

- + *What was the goal of [interaction]?*
- + *Did we answer all of your questions?*
- + *Is there anything we can do to improve your experience?*

Competitive wallet allocation relationship

Also applicable in decision and growth

The competitive wallet allocation relationship is a form of competitive analysis that helps you understand which brands your customers prefer and, more importantly, why. If you are not the top brand, you can leverage this information to make adjustments to your offering to entice prospects towards your brand and away from competitors.

This specific type of competitive analysis impacts more than just customers evaluating your brand. Ideally, this type of analysis impacts decisions and also helps you retain customers long-term.

This analysis helps you contextualize your own scores, and predict whether customers will spend more with you (a first-choice company) or less (when your brand is second-choice or lower).

Getting started?

Ask your customers to rank your brand and any other brands they use in the same category:

- + *When thinking about [product], what brand comes to mind first?*
- + *Which organizations are you familiar with who provide similar services?*
- + *Of the following organizations, which ones are you most familiar with?*

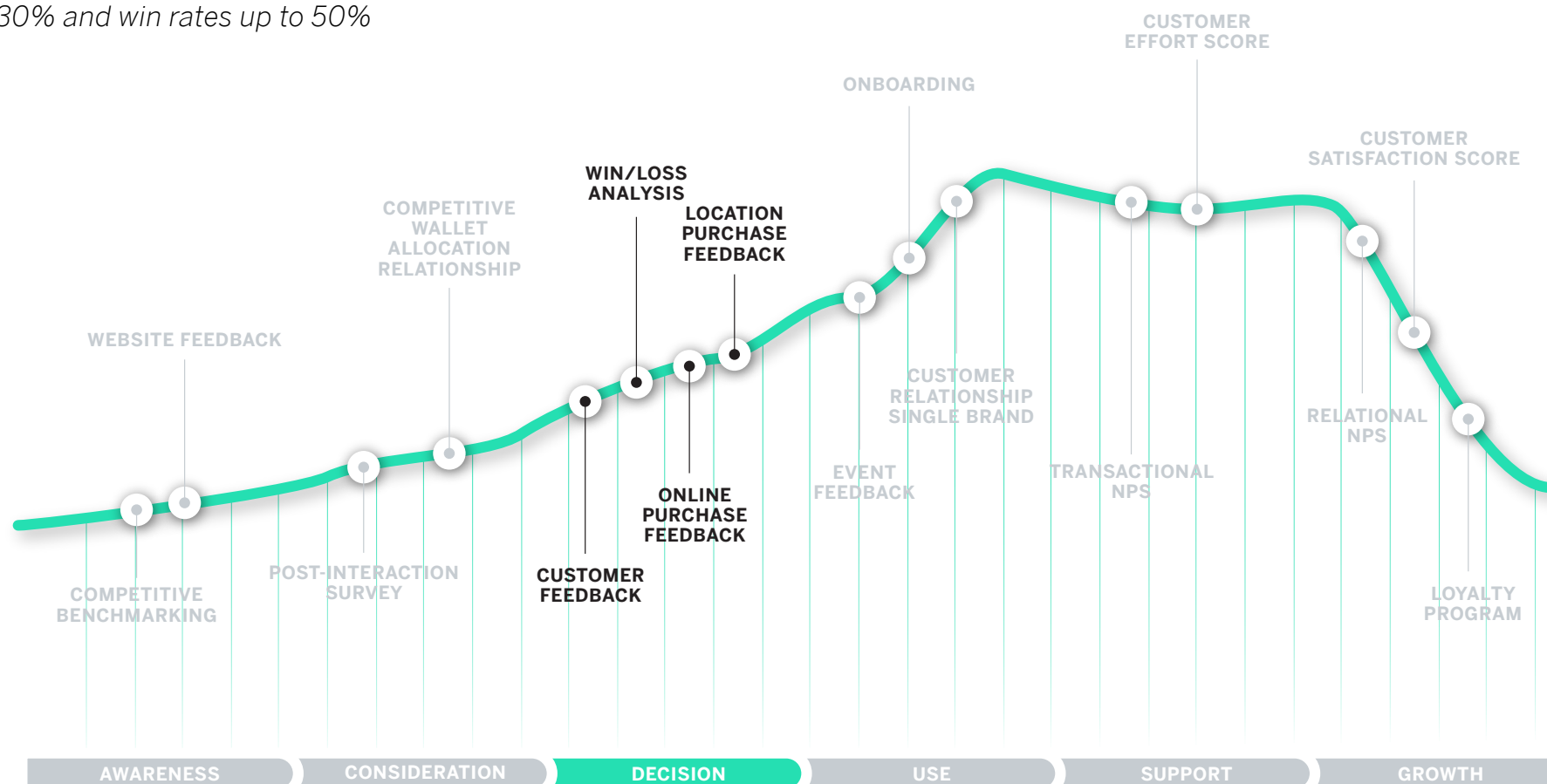
Ask follow up questions about why they prefer one brand over another including questions about price, quality, mission, and more. Aim for 300 respondents for statistically significant responses.

[VIEW WEBINAR](#)

Learn more about share of wallet

Decision

Comprehensive approaches to win/loss analysis can increase revenue up to 30% and win rates up to 50%



The decision stage is that nail-biting moment when you learn if you've won a new customer or if they've opted to go elsewhere. After all, there are no prizes for coming in second place.

However, customer decisions, even ones that don't go your way, provide an excellent opportunity to learn how to improve and increase your chances to capture future customers. Organizations that take a comprehensive approach to win/loss analysis have seen up to a 30% increase in revenue and 50% improvement in win rates.⁹

⁹ <https://www.gartner.com/doc/2742417/tech-gotomarket-ways-marketers-use>

Types of research

Customer feedback

Also applicable in consideration, use, support, and growth

A continuous flow of customer feedback helps you understand what went well and what didn't in terms of an actual decision. Most important for this phase is to capture feedback about the overall experience. For example, you may ask about how the prospect learned about you, what additional information may be useful to help them make decisions, what impacted their decisions, and ultimately, why they did or did not select your brand.

Capturing customer feedback across the entire journey is critical as it gives you insights into what is working and not working for all facets of your company. These insights can help you improve and drive further growth.

Getting started?

Use these questions in your first interaction survey:

- + *How did you hear about us?*
- + *What did you like/dislike about our sales process?*
- + *Do you have any suggestions about how we can improve?*

Win/loss analysis

Also applicable in growth

Win/loss analysis is just like it sounds: a deep dive into reasons why you won or lost a customer. While approaches may vary by industry, the core concept is the same: Ask your prospects a series of questions about their purchase decisions including the experience with your staff, pricing expectations, product features, and more. Win/loss allows you to identify any disconnects you have with your customers and adjust for future sales.

While win/loss is primarily useful during the decision phase, it may also be applicable during the growth phase if there are upsell opportunities.

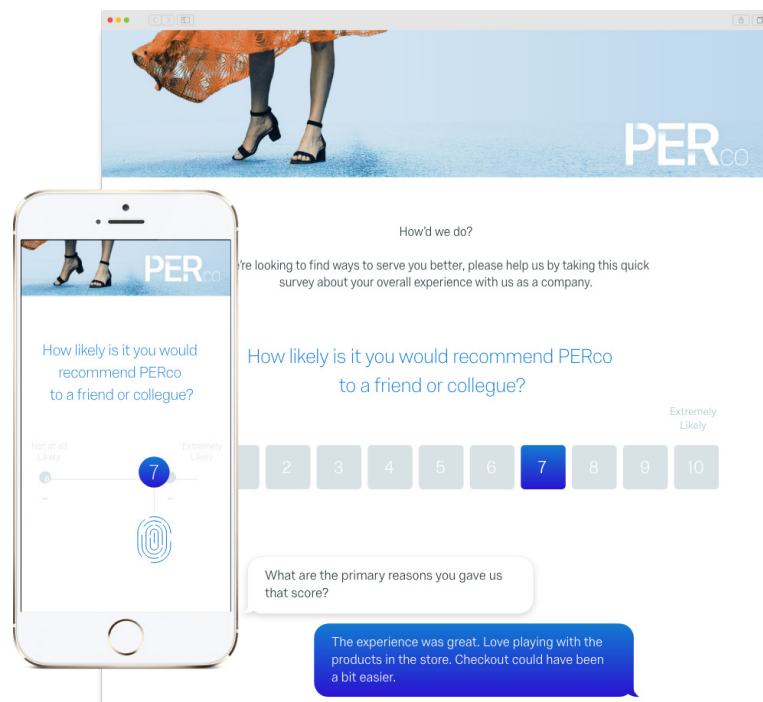
Getting started?

Use these questions as a basis for your win/loss analysis:

- + *What was the top consideration you based your decision on?*
- + *What problem were you trying to solve?*
- + *Do you have any other feedback for working with our staff?*

Online purchase feedback

Capturing feedback about the purchase experience can shed light on the user-friendliness of your website and the overall experience for your customers. If your experience is easy and intuitive, this may entice your customers to purchase more from your site. You may ask questions about how easy the process was, if the customer was able to find the product easily, and suggestions for improvement.



PERco

How'd we do?

You're looking to find ways to serve you better, please help us by taking this quick survey about your overall experience with us as a company.

How likely is it you would recommend PERco to a friend or colleague?

Extremely Likely

1 2 3 4 5 6 7 8 9 10

What are the primary reasons you gave us that score?

The experience was great. Love playing with the products in the store. Checkout could have been a bit easier.

Getting started?

Use these questions in your first online purchase feedback survey:

- + *Based on your recent visit to our website, how satisfied or dissatisfied were you with your overall experience?*
- + *Thinking about your most recent purchase on our website, how easy or difficult was it to shop for what you wanted?*
- + *Thinking about your most recent purchase on our website, how satisfied or dissatisfied were you with the products in stock?*

Location purchase feedback

As with online purchasing, understanding in-person interactions can provide insights into what attracts or drives away customers from your store. You might ask questions about store organization, staff friendliness, cleanliness, product selection, and more. Improving in these areas can invite more potential customers into your store or coax them to linger longer.

Getting started?

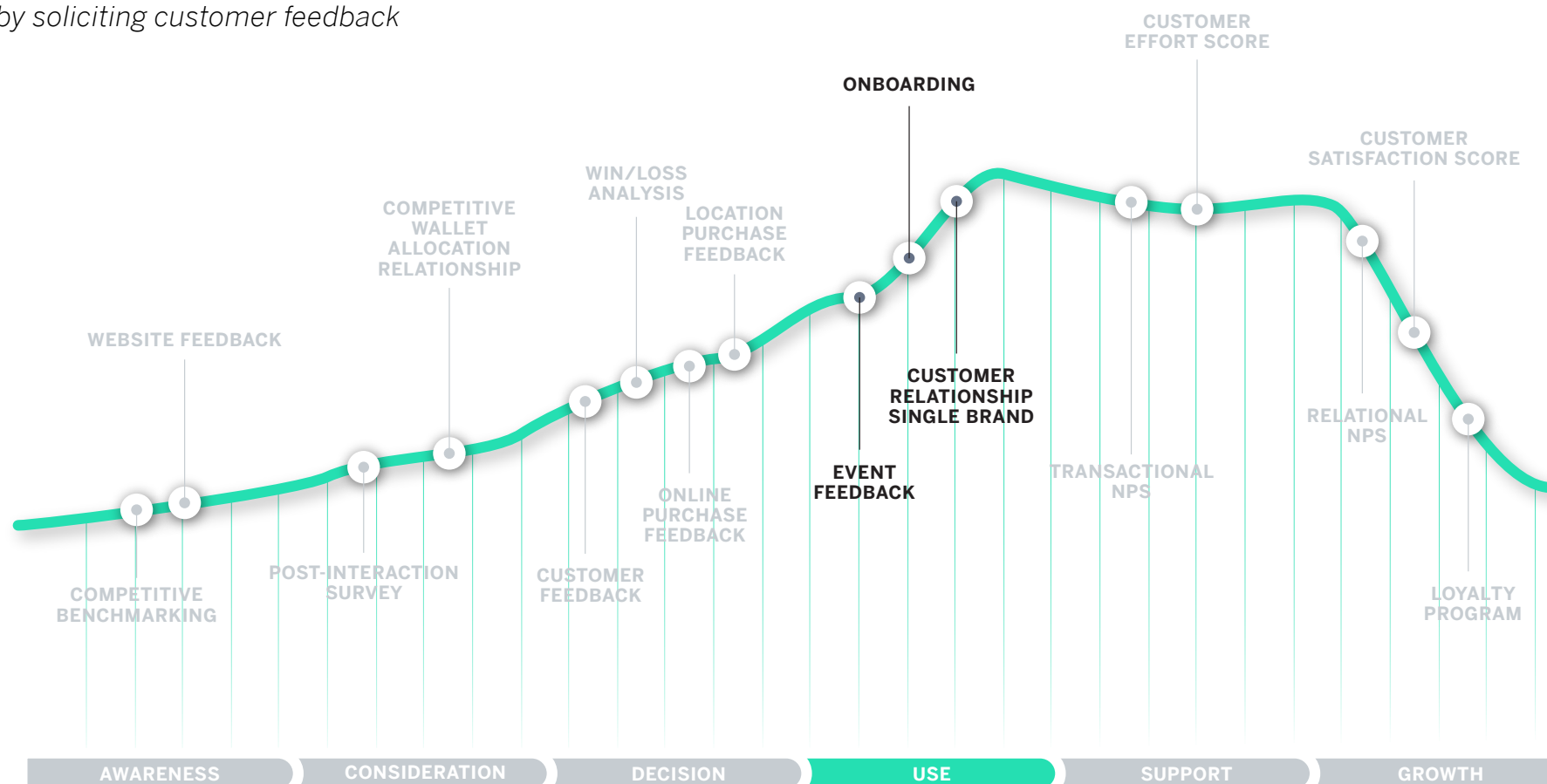
Here are a few questions for your first location purchase feedback survey:

- + *Based on your recent visit, how satisfied or dissatisfied are you with our company?*
- + *Thinking about your most recent visit, please indicate your level of satisfaction or dissatisfaction with the products in stock.*
- + *Thinking about your most recent visit, please indicate how easy or difficult it was to locate the products.*

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Use

Mastering implementation means capturing maximum profits. Optimize that experience by soliciting customer feedback



Understanding how your customers interact with your products can provide valuable insights into new opportunities to delight and retain your customers or to maximize your profits.

Take implementation for example. Some products require detailed training and project management to implement. Monitoring that process and capturing feedback along the way gives insights into how your team can optimize the process both from your customer's perspective and internally. Teams that do this well not only provide better experiences for the customer, but they also capture more revenue at every implementation stage compared with their peers.¹⁰

Tracking usage is also valuable post-implementation. For example, Progressive monitored customer feedback at every touchpoint with their customers. Insights showed that there were issues with customers receiving payment after totaled vehicles. By shortening the time to payment, Progressive's customer satisfaction ratings jumped dramatically.¹¹

¹⁰ <https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/secrets-to-implementation-success>

¹¹ <https://www.bain.com/insights/protect-and-grow-customer-loyalty/>

Types of research

Event feedback

Also applicable in consideration and growth

Events are a great way to interact with your customers and prospects and give you a great forum to show off your brand. Event feedback is simply capturing your customers' experiences to make sure your event aligns to their needs and objectives. You may want to ask about feedback for sessions, content, logistics, or just overall impressions.

Event feedback is also helpful when a customer is vetting potential vendors, and events (with attendant feedback) can be a huge help to companies looking to sell additional services to existing customers.

Getting started?

Here are a few questions for your first event feedback survey:

- + *Overall, do you have any feedback about our event?*
- + *Did the content presented at our event offer value?*
- + *From a logistical standpoint, what are some areas we could improve?*

Implementation and onboarding feedback

Implementation and training are great opportunities to capture feedback, as implementations often determine the success or failure of your project. There are several opportunities to solicit feedback, including after status meetings, following major milestones, post-training, and more. Monitoring feedback throughout not only improves long-term customer interactions, but also gives you a chance to solidify the partnership between your customer and your brand.

Getting started?

Here are a few questions for your first implementation or customer training survey:

- + *On a scale from 1-5 with 5 being the best, how satisfied are you with your implementation experience?*
- + *On a scale from 1-5 with 5 being the best, how satisfied are you with your implementation consultant?*
- + *Would you be willing to serve as a reference for us?*

Customer relationship for a single product or service

Also applicable in support and growth

You likely have multiple products and services. While monitoring overall satisfaction for your organization is valuable, understanding how customer satisfaction rates differ between products or services gives you an idea of what you need to rally around to become more customer-centric. Customer relationship tracks overall satisfaction for each product.

Many customer sentiments may be related to support, and tracking at that phase may provide useful insights on how to retain or upsell new and existing customers.

Getting started?

Here are a few questions for your first implementation or customer training survey:

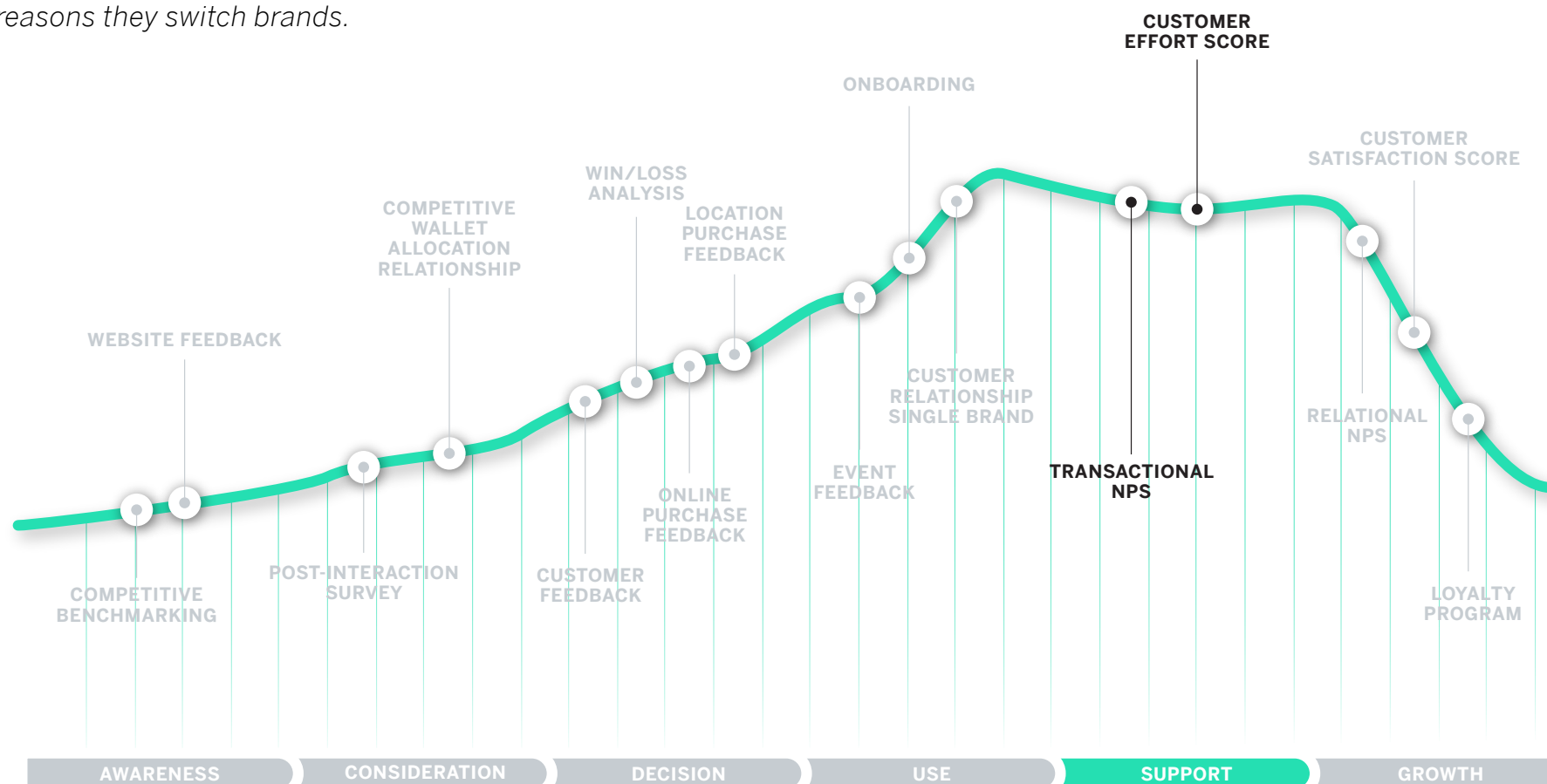
- + *How satisfied are you with your overall experience with us?*
- + *Overall, how satisfied or dissatisfied are you with our company with respect to our products and services?*
- + *Overall, how satisfied have you been with [company] staff with whom you have interacted?*

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[Read more about CX core competencies](#)

Support

67% of customers list a negative experience as one of the primary reasons they switch brands.



Unfortunately, even the best designed products and services run into problems. While preventing all problems is impossible, choosing how you respond to them can mean the difference between a loyal customer and one that will leave you for a competitor.

Poor experiences are costly. At best, your customer will most likely damage your brand by telling others about it. Ninety-five percent of dissatisfied customers tell others about their bad experience.¹² At worst, your customers will ditch altogether. In fact, 67% of consumers list a negative experience as one of the primary reasons for switching brands.¹³ Such experiences result in \$62 billion of lost revenue each year.¹⁴

On the flipside, great customer experiences are rewarded. Twenty-three percent of customers who have a good customer experience have told more than 10 people about it.¹⁵

Capturing data during the support phase helps ensure that you can identify and correct for consistent bad experiences to protect or even enhance your brand.

¹² https://d16cvnquvjw7pr.cloudfront.net/resources/whitepapers/Zendesk_WP_Customer_Service_and_Business_Results.pdf

¹³ <https://www.slideshare.net/ekolsky/cx-for-executives>

¹⁴ <https://www.newvoicemedia.com/blog/the-62-billion-customer-service-scared-away-infographic>

¹⁵ <https://hbr.org/2010/07/stop-trying-to-delight-your-customers>

Types of research

Transactional or touchpoint NPS

Also applicable in use

The Net Promoter Score® or NPS is an easy way to measure customer satisfaction. Simply ask your respondents to rate how likely they are to recommend you to their friends or colleagues on a scale from 0 to 10.

+ **Promoters** are respondents who provide a score of 9 or 10

+ **Passives** are respondents who provide a score of 7 or 8

+ **Detractors** are respondents who provide a score of 0 or 6

To find your score, subtract the percentage of detractors from the percentage of promoters. You can also ask any follow-up questions to determine what you're doing right, what you're doing wrong, and how to transform passives into promoters.

For transactional NPS, you can send your customers an NPS survey after every support interaction or at the conclusion of major customer touchpoints like implementation sign-off.

Getting started?

Here are a few questions for your transactional NPS survey:

- + *Based on your support interaction, how likely are you to recommend [company] to a friend or colleague?*
- + *If you were to categorize your answer according to the choices below, which part of your experience was most responsible for your score?*
- + *Would you like someone from [company] to contact you about your experience with us?*

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Read more about Transactional NPS

Customer effort score

Also applicable in use

The Customer Effort Score or CES is another measure for customer support interactions. Like NPS®, CES is a relatively simple survey. Respondents simply rate how easy it was to work with your company with simple options from easy to difficult on a five-point scale. Track your score over time with the goal of increasing the average and reducing responses on the difficult side.

Customer effort score can also be applied during the use stage to gauge the success of factors like implementation.

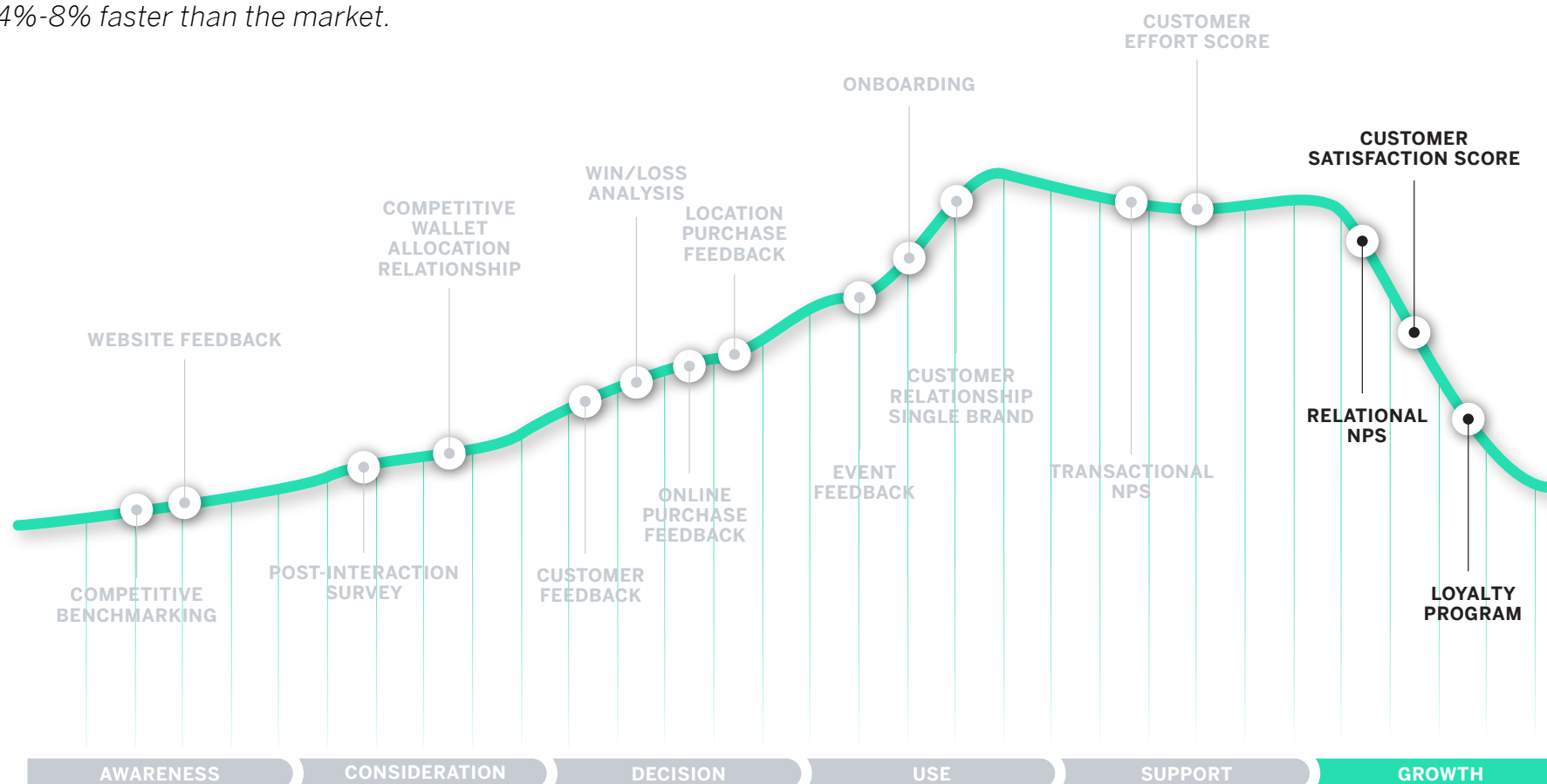
Getting started?

Here are a few questions for your customer effort score survey:

- + *To what extent do you agree with the following statement: The company made it easy for me to handle my issue.*
- + *If you were to categorize your answer according to the choices below, which part of your experience was most responsible for your score?*
- + *Would you like someone from COMPANY to contact you about your experience with us?*

Growth

Focus on CX fuels growth.
Companies that do it well grow
4%-8% faster than the market.



At the growth stage, your focus is around retaining and upselling to your existing customer base. The good news is that a focus on customer experience fuels growth. CX leaders grow 4%-8% faster than average. Growth happens because amazing customer experience turns customers into promoters with a lifetime value of 6-14 times detractors.¹⁶

Another way to fuel growth is to implement a customer loyalty program. These programs help you reward your most loyal customers while persuading them to stick with your brand. Done well, loyalty programs can be very effective. Members of top loyalty programs are 78% more likely to pay higher prices to stick with their brands and 100% more likely to increase frequency of purchases.¹⁷

¹⁶ <http://www2.bain.com/infographics/five-disciplines/>

¹⁷ <https://sloanreview.mit.edu/article/why-customer-experience-is-key-for-loyalty-programs/>

Types of research

Relational NPS

Also applicable in use

From a methodology perspective, the relational Net Promoter Score® is identical to the transactional NPS®. The major difference is that relational NPS focuses on your brand as a whole, while transactional NPS focuses on feedback after an interaction. Relational NPS gives you insights into how your brand is performing as a whole and if your customers have a positive or negative perception of you. Like transactional NPS, you can ask follow-up questions to your customers after they provide a rating to get deeper insights into what is going well or not so well within your organization.

Getting started?

Here are a few questions for your relational NPS survey:

- + *How likely are you to recommend [company] to a friend or colleague?*
- + *Why did you provide that score?*
- + *Would you like someone from [company] to contact you about your experience with us?*

Customer satisfaction score

Also applicable in use

Customer satisfaction (CSAT) is the original CX score and still a useful metric you can use to track your customer success. Typically CSAT is measured on a scale of 1-5 ranging from highly satisfied (5) to highly unsatisfied (1). To calculate the score, take the number of satisfied customers (those who mark a 4 or a 5 on the survey) and divide by the total number of responses to find a percentage. You can also track the average aggregate number between 1-5 over time.

Like other metrics, CSAT can also be applied in the use phase of the customer lifecycle.

Getting started?

Here are a few questions for your customer satisfaction score survey:

- + *How would you rate your overall satisfaction with the [products/service] you received?*
- + *Why did you provide that score?*
- + *Would you like someone from [company] to contact you about your experience with us?*

Loyalty program

Also applicable in use

Loyalty programs are a great way to retain and upsell customers. Loyalty research focuses on measuring the effectiveness of your loyalty rewards program. Capturing and acting on data helps you understand what adjustments will make your program more enticing or more profitable.

Loyalty programs can begin as soon as your prospect opts to select your brand over your competitor's. In fact, this may help you identify the attractiveness of your program to new customers.

Good loyalty programs help you drive adoption and preferences of your products or services. You can also uncover rich insights about customer preferences and the underlying drivers of continued loyalty.

Getting started?

Here are a few questions for your loyalty program survey:

- + *How frequently do you visit [company] over a 6 month period?*
- + *We would like to understand your sentiment towards [company's] loyalty rewards program. How likely are you to recommend our loyalty program to a friend or family member?*
- + *How satisfied or dissatisfied are you with your overall experience with our loyalty rewards program?*

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Read more about voice of customer research

Conclusion

Conclusion

Putting the customer first is more than a platitude. Customer centricity drives profits: from enticing prospects to pick your brand to retaining your best customers long-term. While customer experience is crucial, there is a major discrepancy between how companies perceive their performance and how companies actually feel. Eighty percent of companies think they are providing a great experience, while only 8% of customers agree.

Failing to capture and manage the customer experience can be costly. Losing a customer is up to 25 times more costly than retaining them. In the US alone, organizations lost \$62 billion due to bad experiences.

On the bright side, there is a great opportunity to improve customer experience, and getting it right has several advantages.

Customer research across each stage of the customer journey offers several key advantages:

Awareness

Understanding and promoting what makes your organization different helps you reach the right audience in the right way with the right message.

Consideration

Capturing data about how your prospect interacts with your brand early on can help you entice them to choose you over your competitor.

Decision

Understanding why you win or lose business sheds light on critical elements of the customer experience and highlights key brand strengths and weaknesses.

Use

Details about how your customers use your products or services gives you rich insights into where to optimize and provide a better experience for your customers.

Support

Trends in support issues are a spotlight highlighting opportunities to improve your organization and improve customer loyalty.

Growth

Overall relationship metrics and loyalty help you know how to retain and grow your current customer base.

Customer research gives you vital insights to improve your customer centricity and reap the advantages of loyalty.

READY TO GET STARTED?

Learn how Qualtrics CustomerXMTM is helping the world's most iconic brands turn customers into fanatics.

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