

# Business to Business Customer Satisfaction Surveys

## Best Practice - A Practical Guide

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# Best Practice in B2B Customer Satisfaction Surveys

## A Practical Guide

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## Introduction

This book has been written specifically for those who work in a B2B environment who want to get more from their customer satisfaction surveys. You know that you are in B2B because you don't have thousands of customers; you have key account managers looking after many (if not all) of your customers; and your customers are all different, in terms of what they need, want and demand from you – and what they contribute to your business in terms of volume and profit.

You may want to get a higher response rate to your surveys. You might want to pose more questions and wish that those questions could drill down further into the customer relationships. Or you might have seen how, when carried out using best practice, feedback from satisfaction surveys can lead to huge increases in both the top and bottom lines.

This book was written to explain best practice based on what has been seen and done – not on theory. Howard and I have, between us, spent nearly 40 years specialising in business to business customer satisfaction surveys working with InfoQuest. We have seen poor practices, ranging from ignored feedback through to really bad customer data. And we have seen best practices that we want to share with you, such as how to get a 90% response rate to a 60 question survey; and the best way to ensure that the feedback links directly with your company's continuous improvement (or kaizen) programme.

It should be clear that customer satisfaction is not simply an altruistic goal, trotted out as a platitude in the corporate annual statement. Totally satisfied customers will give your company references, referrals, case studies, more business and better margins for a fraction of the cost of gaining new customers. Our own research, based on 20,000 InfoQuest surveys, showed that a totally satisfied customer is worth 1.8 times as much revenue as a somewhat satisfied customer.

A well-planned and carefully implemented survey which is properly followed through should result in a minimum of a 10% increase in sustainable revenue. Howard and I have witnessed much higher results than this. Hopefully this book will help you to do the same.



## **The Definition of Business to Business (B2B)**

In order to define B2B, B2C (or Business to Consumer) has to be defined at the same time. These are two very different business models, requiring different skills, disciplines and mind-sets. Companies should never attempt to run with both without splitting the organisation and management structure.

B2C is where there is a buyer and a seller and they meet at the point of sale. The point of sale could be a store or a restaurant or a call centre or on-line. And at the point of sale there is an interaction, or an experience.

### **In B2B there isn't a 'point of sale'.**

In B2B there is a relationship. It is a developing relationship. In the honeymoon period, all should be going well. Later, things could go wrong (and often do). Or they could flourish and blossom, with trust, mutual respect, common goals, partnering, shared resources, making plans together and celebrating successes together.

The term B2B can be confusing. For example, an online business that sells office chairs purely on price is not in B2B even though it is one business selling to another. Why? Because there is no relationship and no added value services. Unfortunately the old adage that if it looks like a duck, walks like a duck and sounds like a duck then it probably is a duck doesn't work here.

Once the difference between B2B and B2C is understood then it becomes clear that both the Net Promoter Score (NPS) and Customer Experience Management (CXM) models are appropriate only for the more simple point of sale B2C discipline.

Equally, InfoQuest customer satisfaction surveys, which are the solution for in-depth B2B relationship audits, are inappropriate for B2C.

Two years ago I had a cold call from someone wanting to conduct a customer survey. They said that they'd been on our website and liked what they'd seen. I asked where they

were calling from and they said “Toyota”. I said “I’m sorry, but we don’t do B2C” and they said “Oh, we’re Toyota Material Handling – you know, fork lift trucks”. Ah-ha. Toyota Material Handling are the essence of B2B – strong relationships; solutions to problems; joint-ventures designing new warehouses; joint development and testing of new products. Yes, we got the survey.

Earlier I said that organisations should never run B2B and B2C together. Let me give you a couple of examples of how the two models are split out in real life.

### **Example 1**

Business machines such as franking machines and mail-room equipment.

A firm of lawyers or a marketing agency needs to send documents in the post. They have a franking machine. If it breaks down then, for a few days, they can get by if they use stamps from the post office. They don’t have a relationship with the manufacturer of the franking machine and they would fall under the B2C model.

A utility company or a bank needs to get statements sent out to customers. The statements might be three, four or five pages long depending on how many phone calls have been made or how many times the credit card has been used. The company may have two or more machines in the mail-room that can collate and fold the statements and put them into an envelope. Getting the statements muddled between customers would be bad. And if there is a problem with a machine then it would be terrible. (The manufacturer of the mail-room equipment might even have engineering staff permanently situated at the client’s premises). Here there IS a relationship. The equipment is business critical. And it is B2B.

The manufacturer of the machines needs two separate teams for both sales and service. The two separate teams need different systems, disciplines and mindsets in order to be customer focussed and successful.

## Example 2

### Insurance

Most insurance company activity would be classed as B2C, including motor, house and small business. However, property developers, ship owners and big businesses have specialist needs and will employ risk managers to liaise with their insurance companies in order to keep the insurance cover at appropriate levels at all times. And this is where the B2B relationships comes in. Insurance companies will have dedicated teams to look after these customers. When you add the insurance broker into the frame then the difference becomes clearer. The B2C relationship between customer, broker and insurer is linear whereas the specialist B2B relationship between customer, broker and insurer is triangular or circular.

One more example is the difference between accountancy practices and law firms. Accountants will have a long-term relationship with their client, helping with annual audits, tax returns, ongoing statutory reporting, mergers and acquisitions. Which is very much a B2B relationship. Lawyers on the other hand tend to work on one-off, discreet projects. "I want to call my lawyer" is the cry of a serial offender and tends to be exceptional (apart from on TV). InfoQuest helps a large number of accountancy firms, on both sides of the Atlantic, to audit their most valuable asset – their customer base. But we don't work with law firms.

## Budgeting for a B2B Customer Satisfaction Survey

If you were going to put a customer satisfaction survey into your budget, where should it go? Who should be responsible for spending the money?

Quality might be a good place if you've got ISO9000 or TS16949. Those of us who've been around long enough know that Tom Peters was right when he said that quality always pays. The cost of rework and re-calls, mistakes and errors have cost many companies the ultimate price. And it is a huge mistake to conduct the **wrong sort of survey**.

What do I mean by 'the wrong sort of survey'?

You are in B2B. You have Key Account Managers. You don't have huge numbers of customers and your customers all have different needs and wants.

Initiating a web-based survey, such as Survey Monkey, would be **wrong** because the response rate would be too low.

Using someone who belongs to the Market Research Society or ESOMAR, no matter how nice a person they are, would be **wrong** because they wouldn't be able to tell you who said what. And if you don't have attributed feedback then you cannot look after your customers' individual needs.

And the Net Promoter Score is **wrong** on many levels. It groups all the responses together. You don't have a point of sale which is auditable. It doesn't drill down. And you can't do anything useful with the results.

Marketing is the usual place to put a B2B customer satisfaction survey. Marketing has been described as the art of preparing the customer to buy. However, marketing's primary role is to produce a profit; and the raison d'être for every B2B customer satisfaction survey should be to increase profitable sales.



## Best Practice for Obtaining Feedback

This is a short but never the less very important chapter. It is the first of the best practices and applies only to the B2B environment.

Best practice for obtaining feedback from your customers requires two parallel systems.

The first is a regular, event-based telephone call from your own people to your customers, at an appropriate time following the delivery of your products and services. This is to make sure that all went well and, if it didn't, allows knowledgeable people to sort out any issues as quickly as possible. This is aimed at the recipients of your products and services who, by the way, are not necessarily the decision-makers.

We recommend that the 'phone calls are made by someone senior and knowledgeable. We have seen examples of best practice where general managers, managing directors and vice presidents have telephoned customers 'incognito', a bit like in the Undercover Boss television show. This can be effective if it is done for the right reasons (such as a 'The Customer is King' initiative) and done for the long-term good rather than a short-term gimmick. But you have to ensure that everyone knows what is happening and why, and make sure it doesn't look like spying. It should be just good old customer relationship management.

Long-term, key account managers are often the most appropriate people to make the call. It will help them to broaden their list of contacts and if they make just one call a day it quickly becomes more than 200 calls in a year.

The second system or method for obtaining customer feedback is an occasional (every 12 – 24 months) in-depth survey of the decision-makers. This will review your systems, disciplines and procedures from the customers' point of view, and should also identify any "people" issues that your company may have.

Don't be surprised to find people issues – in business people buy from people and we

can't all get on with everybody. There will be personality clashes. Accidents do happen. I often give the example of the first time that I, the new sales rep, came to visit you, one of my first customers. It was raining that day. You were an early-morning appointment. I arrived at your factory before you did. And I took your space in the car-park. You have [subliminally] held that event against me for all these years. You've never mentioned it because it is a) so trivial and b) historic – so it cannot be put right. You have continued to give me and my company some business – but we have never enjoyed either the lion's share of your spend or even the status of being a preferred supplier.

Your key account managers might have similar accidental clashes in their histories. Stuff happens. Best practice, once this has been identified, is to assign a different account manager to the customer whilst supporting the pride and ego of the displaced KAM with some new challenges. Customers in this situation often react positively to the new face and clean sheet. The best measure to use is to check that the share of wallet increases once the personnel change has been made.

## Skewed and Balanced Response Options

How you should scale the responses on a relationship survey? What scale is the best one to use in a customer satisfaction survey?

Most research academics that I've met use a seven point scale, with the balance or neutral point in the middle position (4).

If you use a ten point scale you will find that a) it isn't balanced and b) there will be a tendency to group the results – 9 & 10, 7 & 8, 5 & 6 and so on – when the results are being analysed afterwards.

What do we mean by “balanced”? The scale should have as many negative options as positive options. Having a scale that reads Excellent, Good, Fair and Poor is not balanced; it is what is known as “front-end loaded” with three positive options and only one negative option. Psychologically respondents are subliminally prodded toward a more positive answer.

Where an alpha scale is employed, a “C” is usually seen as “average”, just like it was in school. On a numeric scale, the yardstick for “average” will usually be based on a percentage; 80% being considered middle of the road, and anything below 60% considered a failing grade. Yet, companies will look at a survey score derived from a 10-point numeric scale and conclude that an average of 5 (or 50%) is “middle of the pack”. In reality, they are probably looking at a measurement that indicates abject failure.

Think back to surveys you have seen over the years and consider the metric, or response options that were employed. Remember seeing surveys with an alpha scale (Please rank the following from A to F, with A being the best ..... ) or a numeric scale (Please rank from 1-10, with 10 being.... )? Both are commonly used but flawed approaches in which respondents tend to be subliminally driven, their responses influenced by their experience with school grading systems.

Other scales may use various labelled derivatives – Good, Fair, Bad, Poor for example, or Meets Expectations, Does Not Meet Expectations, and so on. The problem there, of course, is that none of those carry a precise definition, so how can they be expected to produce a precise set of responses or lead anyone to a precise set of conclusions?

A metric can also be impacted by cultural and language issues. We once saw a global survey where the top box metric was “Very Satisfied”, followed by “Satisfied”. Looking at the reports, the company was troubled to see that responses from Japan lagged behind other areas in Asia. It was only after considerable teeth-gnashing and hand-wringing that someone did some research and found out there was a language problem. In Japan, when you had a modifier to something, you diminish its value. That is to say, “Satisfied” is the best possible response; by adding “Very” to it, a lesser degree of satisfaction was suggested.

### **Totally Satisfied vs. Very Satisfied**

.....Debates have raged over the scales used to depict levels of customer satisfaction. In recent years, however, studies have definitively proven that a “totally satisfied” customer is between 3 and 10 times more likely to initiate a repurchase, and that measuring this “top-box” category is significantly more precise than any other means. Moreover, surveys which measure percentages of “totally satisfied” customers instead of the traditional sum of “very satisfied” and “somewhat satisfied,” provide a much more accurate indicator of business growth.

### **Other Scale issues? There are other rules of thumb that may be used to ensure more valuable results:**

- Many surveys offer a “neutral” choice on a five-point scale for those who might not want to answer a question, or for those who are unable to make a decision. This “bail-out” option decreases the quantity of opinions, thus diminishing the survey’s validity. Surveys that use “insufficient information,” as a more definitive middle-box choice persuade a respondent to make a decision, unless they simply have too little knowledge to answer the question.

- Scales of 1-10 (or 1-100%) are perceived differently between age groups. Individuals who were schooled using a percentage grading system often consider a 59% to be “flunking.” These deep-rooted tendencies often skew different peoples’ perceptions of survey results.

With our scale the response alternatives are balanced – [Totally Satisfied](#), Somewhat Satisfied, Somewhat Dissatisfied and Totally Dissatisfied.

A fifth alternative, No Reply, or Insufficient Information to Evaluate, provides a catch-all for uncertainty, but does not encourage any specific reply.



## “Totally Satisfied” - Defined

What does ‘Totally Satisfied’ mean in a customer satisfaction survey?

There are many ways to “score” or “scale” a survey. How the scale is devised and how the resulting responses are analysed and interpreted can have a dramatic impact on how surveys are responded to and how the results are used.

One example of a badly designed survey is the “front end loaded” scale, as in the picture

on the left. This is offering you a choice between excellent, very good, good, fair and poor.

In the series above there are four positive responses and one negative response. The scale is “front end loaded” in that there are more “good” responses than “bad” ones.

The subliminal message the scale delivers is that the sender of the survey presumes there won't be that many negative replies. The subconscious mind gets the message and responds accordingly.

### **“Totally Satisfied” is unambiguous**

With our scale the response alternatives are balanced –

**Totally Satisfied,**

**Somewhat Satisfied,**

**Somewhat Dissatisfied and**

**Totally Dissatisfied.**

A fifth alternative, ***No Reply, or Insufficient Information to Evaluate***, provides a catch-all for uncertainty, but does not encourage any specific reply.

					<b>Universal Lift Equipment, Ltd.</b>	
					<b>Sales Rep: J. Andersen</b>	
Totally Satisfied Fully Agree	Somewhat Satisfied Partially Agree	No Response	Somewhat Dissatisfied Partially Disagree	Totally Dissatisfied Fully Disagree		
X					<b>[Overall]</b> On an overall basis, how satisfied are you with our company?	
X					How satisfied are you with the ease of doing business with our company?	
X					I would purchase products or services from your company again.	
X					I would recommend your company to an associate.	
X					<b>[Billing and Invoicing]</b> How satisfied are you with our billing and invoicing?	
	X				Invoices from your company are complete and accurate.	
			X		Billing issues are fairly and satisfactorily resolved.	
X					When there is an issue with an invoice, your personnel are accommodating and helpful.	
X					<b>[Pricing]</b> How satisfied are you with the procedures we use for providing quotes?	
	X				Price quotes are provided quickly and accurately.	
X					When providing quotes, your availability of information is readily accessible and up to the minute.	
X					When providing quotes, the prices you quote or the availability of product meets my needs.	
	X				<b>[Communication]</b> How satisfied are you with our company's overall communication efforts?	
X					Your personnel routinely stay in touch with me to keep me apprised of issues that may affect me.	
			X		Everyone in your company seems committed to helping meet my business needs.	
X					I do not need to rely solely on my sales representative to meet my informational needs.	
	X				<b>[Customer Impressions]</b> How satisfied are you with our company as a business partner?	
X					I intend to continue my business relationship with your company.	
			X		When I think of quality products and services, I think of your company first.	
X					Your company listens and responds to me when I have a problem.	
X					<b>[Sales Performance]</b> How satisfied are you with the overall performance of our sales representatives?	
X					Your sales representatives thoroughly know and understand your products and services.	
	X				Your sales representatives understand my business needs.	
X					Your sales representatives suggest solutions to improve our business.	
	X				<b>[Delivery]</b> How satisfied are you with the delivery of our products or services?	
		X			Your deliveries arrive when promised.	
	X				Your deliveries are complete and accurate.	
X					All deliveries are clearly marked to identify the contents.	
X					<b>[Management Interactions]</b> How satisfied are you with your interactions with our management?	
X					The management people I have contacted in your company are customer focused.	
	X				I know that your management is available to address my problems and concerns.	
X					I can always contact someone in your company who can make decisions that affect me.	
		X			<b>[Ordering]</b> How satisfied are you with the effectiveness with which we process your orders?	
		X			I never experience problems when I place an order by telephone.	
		X			Ordering from your company is an easy process.	
		X			Your company is flexible and accommodating when we need to make changes to an order.	
X					<b>[Customer Service]</b> How satisfied are you with the customer service we provide?	
X					The customer service personnel are pleasant and knowledgeable.	
	X				Whenever a problem arises, I know who to contact.	
X					If someone cannot initially answer my question, they find the answer and get back to me promptly.	

The importance of using “Totally Satisfied” is simple. Those who are only “Somewhat Satisfied” will generally check out the competition – shop around for alternatives – before deciding whether or not they will come back to you. Those who are “Dissatisfied” are probably lost customers.

Totally Satisfied customers are, by and large, loyal.



## How to Increase Response Rates

The following tips can be applied to whatever method you use to gather feedback – whether you survey your customers using free on-line surveys; employ an agency to telephone them; or use InfoQuest and the box survey technique. There are no apologies for how basic they are (and none of us win friends by pointing out the obvious), but here goes.

### **Tip 1 – Do Something With The Feedback**

(Yes, I know, we're starting at the end of the process, but bear with me, please).

As in any relationship, not listening to feedback, especially when you've asked for the feedback, is at best rude and at worst insulting.

In InfoQuest's full-day's post-survey workshops we work with our client's senior people, helping them come up with action plans, based on the survey report, to achieve the *raison d'être* for doing the survey in the first place – that is “To increase profitable sales”.

However you do it, you need to do the same. My advice is to take a balanced approach when examining the responses. I'll use the example customer survey report to help you, which you can find at <http://infoquestcrm.co.uk/sample-customer-satisfaction-survey-report/>. In sections 1 and 3 you'll find top-level aggregated figures (and in section 3 you'll also find benchmark scores comparing your results with the hundreds of thousands of other responses we've had since 1989). The top-level results are good for strategic aims – the helicopter view, if you like – to set corporate goals and check progress.

In sections 5 and 6 you will find the detailed, granular results, showing how each person answered every question. (Many agencies belong to the Market Research Society [MRS] or the European equivalent, ESOMAR. Both the MRS and ESOMAR have a similar code of conduct that doesn't allow its members to identify how individual people respond to surveys. This makes absolute sense in political opinion polling and B2C surveys, but in business-to-business customer satisfaction surveys, where people buy from people, it

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