

Tools for Maximizing Customer Relationships

At the end of the day, it's how well you understand your customer

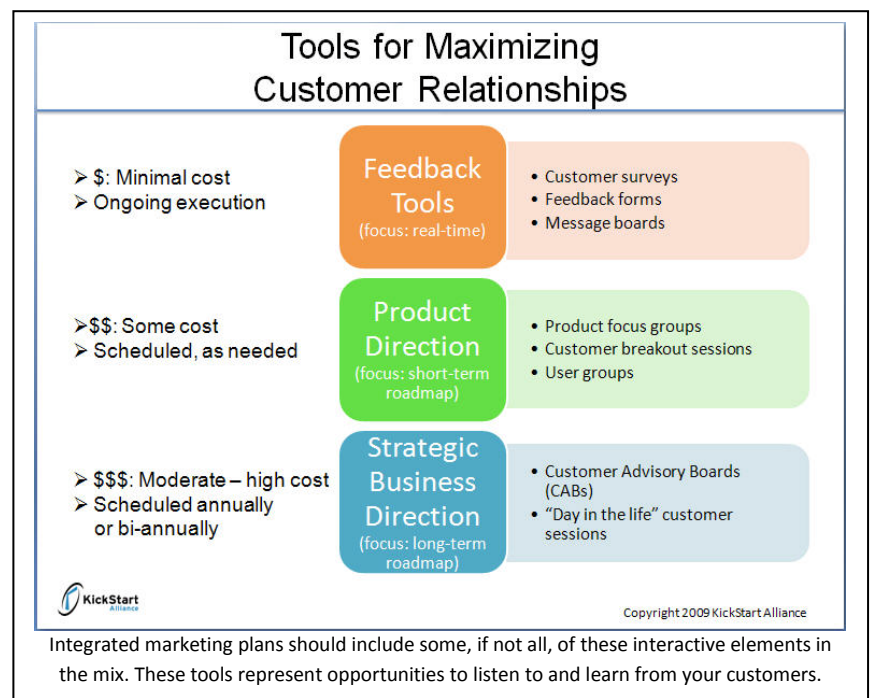
By Mike Gospe

Business is tough these days and the economy has caused companies of all sizes to rethink when and how to nurture their relationship with customers. While it may seem like an easy decision to cut back on investing in customer marketing, that may not be the wisest choice. As products and services continue to become commoditized, the only remaining differentiator becomes the vendor-customer relationship. There's no getting around that delighting customers and growing revenue will become more heavily based on how well you understand their evolving needs. This article explores three categories of tools used to engage customers and strengthen your relationship with them.

Feedback Tools

In today's climate of social media, people are eager to share their feedback and perspectives. In addition to the standard tools like customer surveys, feedback forms, and message boards, some companies are going further to capture the "voice of the customer" in real time. An [article](#) posted on [Examiner.com](#) showcased a new company called [Overtone](#) and their unique approach to collecting, categorizing, analyzing, and reporting on real-time customer comments and feedback. Here's an excerpt:

"If you have been using social media sites such as twitter and facebook for business related activities, you are familiar with the power of these tools, and the shift they are creating in online marketing and advertising. A company wishing to tap into the public's perception of their brand, will often find the volume of online chatter overwhelming. Overtone, a San Francisco based company, promises to come to the rescue to this social media anxiety.... It uses statistical algorithms which look for patterns in the text, as opposed to mere keywords. Once the data is analyzed, Overtone customers have the ability to log into the service online, track the trends on their brand perception and decide whether and how to act."



As Overtone suggests on their website, “Companies that listen, participate, and leverage this new customer voice gain significant advantages to outsmart the competition, focus their brand promise, and deliver unseen levels of direct, personalized engagement with every consumer. The new voice is constant, growing in volume, and ever changing. New methods are required to handle the scale and complexity of rapidly changing consumer conversations.”

Product Direction

The next level of customer relationships is captured under the heading of “product direction.” With an emphasis on user groups and a focus on specific features and benefits for improving its short-term roadmap, a company can not only gain great insight into their product’s value, but also deepen customer relationships. Whether conducted as an exclusive product feedback session one customer at a time, or a more general “birds of a feather” breakout session conducted as part of a user group meeting, this type of interaction allows customers to network with key executives, product managers, and engineers. The bonds forged in these sessions encourage and enrich the vendor-customer dialog, help solidify customer loyalty, and can provide extremely valuable tactical and tangible product feedback. As the name implies, product focus groups are focused on the product, its capabilities and how it is (or should be) used. This interactive dialog can be extremely powerful in providing tactical, short-term feedback and product direction. However, they won’t provide a good roadmap for future business planning. For that, a more strategic form of customer engagement is required.

Strategic Business Direction

Planning for the future is not as simple as just asking customers what they think they will need from you in the future. They haven’t been sitting around thinking about how to help your business grow. That’s not their job. So, rather than asking customers about the next generation of your product’s feature requirements, it’s more appropriate to ask them about the drivers and trends shaping their business. What trends do they see? How are their priorities likely to change? How is the relationship likely to change with their customers? At first glance, these are weighty questions which may not seem relevant to your business. But they most definitely are.

A “day in the life” customer research program is designed to explore how your customers (e.g. IT managers and their staff) manage their day-to-day interactions, make decisions, and plan for the future. Executing a program like this takes some careful planning and usually lasts several months in order to conduct a number of full-day interactive interviews. Visits are best when held face-to-face, and the agenda is all about the customer, never about how to sell more products or services. While this type of engagement takes a fair amount of effort, the ROI and deep customer insight is equally rewarding. Companies who have conducted “day in the life” programs find that in addition to gaining some incredibly valuable market research, they catapult their relationship forward simply by taking the time to sit down and ask customers a few key questions about how they run their business.

This is why “day in the life” customer research sessions and [Customer Advisory Boards \(CAB\)](#) or Customer Advisory Councils (CAC) are so valuable. Whereas the “day in the life” sessions allow a marketing team to conduct deep-dive research into an IT organization’s operations (as an example), a CAB is a business-level focus group which invites (usually) eight – 12 strategic customer decision makers to come together to talk about drivers, trends, and priorities shaping their businesses. The objective of the CAB is two-fold: to deepen executive relationships and to gain some insights and perspectives that will help shape your long-term business plan and roadmaps.

Designing a Voice of the Customer Program for your Business

These three categories illustrate only a few of the creative elements that form the basis of a comprehensive “Voice of the Customer” program some companies are using to strengthen their

relationships with customers. Here are a few ideas on how to learn more from your customers while strengthening your relationships:

- Include a “feedback” button on your website to make it easy for customers to provide real-time feedback, and setup a process for monitoring this feedback and routing it accordingly. (Visit Overtone.com for more information, case studies, and best practices.)
- Have marketing and customer support teams partner together to conduct quarterly customer surveys
- Establish a standardized approach for conducting product focus groups, complete with templates and a communication plan for sharing insights and results internally
- For companies already collecting customer data:
 - consider kicking off a “day in the life” customer research program, or
 - architect a bi-annual Customer Advisory Board (CAB) program

For more information, check out the following articles and blog posts:

- [Are you getting strategic insight from your best customers? - Customer Advisory Boards help you validate and refine your product direction](#)
- [CAB or no CAB? That is the question](#)
- [Customer Advisory Boards: Frequently Asked Questions](#)
- [What came first, the CAB or the executive relationship?](#)
- [KickStart’s “Customer Advisory Boards” blog archive](#)

For information on KickStart’s executive relationship services, including CABs and “day in the life” programs, click [here](#), or contact **Mike Gospe**. You can also follow [Mike on Twitter](#) and visit [Marketing Campaign Development blog](#).

About the Author

Mike Gospe is one of the founding members of the [KickStart Alliance](#), a team of senior marketing and sales leaders who assist companies of all sizes to develop and execute a variety of marketing and sales programs. Since 2001, Mike has led KickStart’s CAB practice. Our methodology and facilitation style has been put to use by companies such as Aspect, BEA, Citrix, HP, Informatica, Sun, Trend Micro, Tumbleweed, and many others. Mike holds a BSEE and an MBA from Santa Clara University.