



TenStep Supplemental Paper

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Introducing... “Customer Plus-Delta”

Remember, waiting for customer feedback to arrive on its own is fraught with peril!

Take a moment to ponder over a simple and basic question...what is an organization's most valuable asset? *Indubitably, its customers!* Being ‘customer-focused’ though is just not enough. Organizations have to walk ‘the extra mile’ for every customer to exceed their expectations and delight them.

Have a customer's hat on!

However, before doing this, first put on your customer hat. When you call an organization, don't you expect the following?

- Prompt and accurate responses
- Your details and preferences to be well recorded
- Your feedback to be responded to and incorporated in product development
- Marketing efforts targeted to the needs you have communicated to the organization

Now, how would you rate your own organization in meeting similar expectations of its customers? After all, customers can spend their hard-earned money wherever they choose, and most often, they do so where they feel most valued. Remember, the first step to make them feel valued is to *listen* to them.

Overcoming Fear!

However, the biggest obstacle that prevents an organization from trying to listen and understand what customers really think about its products and services is... fear! Organizations often fear that customers will complain that their products and services are not up to their expectations. They may complain of poor standards, improper attitude and so on. Surprisingly though, most organizations seldom hear such painful feedback. This is because they do not proactively gather customer feedback. Instead, they wait for feedback to arrive on its own. This is fraught with peril.

Studies by a leading US research firm revealed that for every one customer that complains, there are about 5 who do not. Implying if 10 customers complain, there are almost 50 who quietly look for products/service elsewhere, creating negative word-of-mouth.

Strongly positive!

On the contrary, organizations with strong word of mouth and customer loyalty have sound focus on customer feedback. Customer feedback drives their marketing strategies, product development and service deliveries.



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A simple instance is that of the Australian beer manufacturer Blowfly. Blowfly has integrated customer feedback into major decision making processes by asking customer ‘shareholders’ to determine marketing plans, product names, team strategies and operational decisions, which are usually made by executive committees. It has thus turned the ownership of the company over to customers. The word-of-mouth was so positive that Blowfly landed a hefty North American distribution deal even before it was a year old.

What is “Plus-Delta”?

The principle behind customer ‘plus-delta’ is very simple. Understanding what customers love forms the *plus* and what the company would improve is the *delta*. Organizations using this plus-delta model have reported quick and efficient improvements in their operations.

In order to overcome fear of customer feedback, let us look at the **Golden Rules of Customer Plus-Delta**.

1. Believe that customers possess good ideas

Innovative ideas for products/services often face opposition with arguments that customers are incapable of knowing what really makes a product or service valuable and hence, inputs are unnecessary. Another typical form of resistance to customer feedback is ‘All customers may not like that’. However, records reveal that customer preferences indicate otherwise. Remember, involving customers in idea generation and problem solving is an act of courage, not weakness.

2. Gather customer feedback at every opportunity

Every customer interaction is an opportunity for feedback. It is prudent to avoid the excuse “we do not want to bother our customers”. If they are busy or uninterested, they will decline politely.

3. Focus on continuous improvement

Organizations need to enlist the aid of their highly affiliated, most passionate customers to help improve any aspect of their business periodically so that it builds periodic momentum. When quality improves, word will quickly spread, especially when the organization thanks individual customers for their assistance.

4. Actively solicit good and bad feedback

The former is relatively simple. The latter is the main source of feedback fear. In these situations, the pressure can be lightened with questions like “What is the one thing you would change or improve about your experience with us or our product?”

5. Do not spend vast sums of money gathering feedback

Conducting customer surveys through multiple-page questionnaires or forms that are expensive and take months to complete may impress top management. However, the data can be outdated by the time it is compiled. Instead, short and quick surveys deliver better

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response rates and allow an organization to react rapidly to issues raised. It is also easier to solve one or two problems at a time, not all at once. Remember to inform customers how their feedback directly contributed to the organization's changes.

6. Seek real-time feedback

The Chief Operating Officer (COO) of a leading chain of hotels lists his three crucial duties in a day:

- a. Review revenue targets
- b. Manage people and operations
- c. Call 8-10 customers

With this customer plus-delta on his daily schedule, the COO was not the last to hear about problems. Often, he was the first. Hence, customer issues were solved quickly. Think about how quickly word spreads when a COO resolves a complaint.

7. Make it easy for customers to provide feedback

To encourage customers to provide feedback, organizations set up multiple input points: In person, emails, Web sites, point-of-purchase cards or receipts, conferences and through call centers. It is also important to convey the criticality of service recovery to employees, training customers on how to complain, using technological support like call-centers and the Internet.

8. Share customer feedback throughout the organization

Responsibility for customer feedback should not be limited to service departments. It should include everyone down the ladder, from the executive level to the sales team. In order to ensure that everyone in the organization knows what customers are thinking, it is important to document and classify feedback. Moreover, it is essential to have cross-departmental customer processes with information systems designed around customer information.

9. Use feedback to make quick changes

Every customer looks forward to interacting with a responsive organization. Compiling and documenting feedback for future use is not appropriate. Though it is not possible to make changes overnight, steps can be taken to implement change at the earliest.

Larry Light, a leading brand management author says, 'it costs five times as much to replace a typical customer, as it does to keep the customer in the first place'. Just having satisfied customers, is not enough in today's business world. Authors Blanchard and Bowles in their book *Raving Fans* say, "If you really want a booming business, you have to create Raving Fans". Logic proves that the first step for this is gathering customer feedback!