

Study looks at marketing benefits, pitfalls of customer-satisfaction surveys

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Though designed to enhance customer experiences, post-service customer surveys might actually harm a business's relationships with consumers, according to new research by Rice University professors. The research team found that customers who participate in firm-sponsored surveys delay doing repeat business with that company.

The study finds companies that use immediate follow-up customer surveys or multiple follow-up surveys may open themselves to [negative consequences](#) because customers who were satisfied with the specific service they received may jump to the conclusion that their service was comprehensive and that consequently they do not need to return in the near future for other services.

"Even when customers express high levels of satisfaction, the inferences they make from answering such questions could have the adverse effect of delaying their next purchase for businesses," said co-author Utpal Dholakia, associate professor of management at Rice's Jones Graduate School of Business.

The study, "Understanding the Effect of Post-service Experience Surveys on Delay and Acceleration of Customer Purchasing Behavior: Evidence from the Automotive Industry," was co-authored by Dholakia, Siddharth Singh and Robert Westbrook and published recently in the *Journal of Service Research*.

The findings are important to service-oriented businesses, because the

industry typically uses a significant amount of their marketing-research budget on customer-satisfaction surveys. These surveys also collect important data on customers, such as types of service used, name, e-mail, phone, address and customer history.

To combat the delay of repeat business that surveys create, Dholakia said, companies should consider offering their customers an attractive coupon redeemable only within a certain period, or free services on the next post-survey visit, to stimulate customers to come back sooner.

"After conducting service-experience surveys, companies should make sure that they have a plan in place to counter any of their negative effects. It is important for the company to better understand what inferences customers make from survey participation," Dholakia said.

While the study found these pitfalls of post-service customer surveys, Dholakia said that in the long run surveys do work for service-oriented businesses.

"In our study, although customers delayed their very next service visit to the company's stores, over the longer term, they came back more frequently and were more likely to redeem the company's coupons," Dholakia said. "In the long run, surveys have net positive effects on [customer](#) behavior."

The study was based on the quick-lube (oil change) industry and used information on purchase history, service information, vehicle data and demographic characteristics from 11,373 customers. The information was obtained from a national quick-lube's data warehouse. The data were obtained for all quick-lube service visits at the firm's outlets both prior to and after the survey over a seven-year period, for a total of 75,423 service visits.

More information: To read the complete study, visit
www.rice.edu/nationalmedia/multimedia/2010-11-02-surveys

Provided by Rice University

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