

Thanking customers can reap rewards

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Companies rarely acknowledge customers who fill out those ubiquitous satisfaction surveys. But a sincere, well-timed "thank you" can reap huge rewards, finds first-of-its-kind research led by a Michigan State University marketing scholar.

According to the study, which focused on an upscale sit-down restaurant, satisfied customers who received an acknowledgement of their comments from the company president increased patronage to the business by more than 50 percent. The simple gesture of thanking customers was just as effective—and less damaging to the company's bottom line—as acknowledgements that included rewards in the form of gift cards and guaranteed reservations.

"Sweetening the pot with rewards really didn't matter," said Clay Voorhees, MSU associate professor of marketing and lead author of the study. "These findings suggest that simple, sincere gestures are enough to drive feelings of gratitude among consumers."

Voorhees and his fellow researchers tracked patrons' attitudes and behaviors for a year after they gave the eatery high marks. While firms routinely collect [customer](#) feedback, few act on this information. Further, little attention is given to managing feedback from highly satisfied customers.

Within a week of completing the online satisfaction survey customers were sent a thank-you email from the company president. During the next 12 months, the number of repeat visits increased 50 percent for

men and 57 percent for women. "In the restaurant industry, where 5 percent is a big deal, 50 percent blew our minds," Voorhees said.

In addition, the average size of the customers' party increased significantly. "So it wasn't just that they came back," he said, "but that they came back and brought more people with them." The increase in party size was particularly striking among women, jumping a whopping 79 percent (compared to a 42 percent increase among men).

The study also found that sending an immediate automated response after customers completed the survey did not provide any value to the firm. "Delaying the acknowledgement is critical to ensure it comes across as being more personal and sincere," said Voorhees.

The study is available online through the [Marketing Science Institute](#).

Provided by Michigan State University

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