ACTIONABLE CUSTOMER INTELLIGENCE: A GUIDE TO SURVEY BEST PRACTICES

7 Essentials That Will Produce Customer Intelligence From Your Survey

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Surveys are intended to get a snapshot of the landscape and garner customer and market intelligence about values, attitudes, or usage of your products and services. All too often, the information is either purely descriptive (e.g., frequencies in which participants responded) or perhaps a 2x2 crosstab (e.g., male/female by positive/negative product attitude). While descriptive statistics and crosstabs are important, they only give you a small glimpse of the essential information that can be derived from surveys. Accurate customer intelligence is based on good survey planning, execution, and analysis. **With EVERY survey you create, you need to ask, and answer, the following 7 questions.**

1. What is an appropriate sample size?
2. Is the survey reliable and valid?
3. What is the most important survey question(s)?
4. What survey items relate to that question?
5. What are the predictors of that question?
6. How do respondents differ on that question by demographics questions?
7. How generalizable are the findings?

Below is a mock survey and the traditional statistics that are reported.

	SURVEY QUESTIONS	SURVEY FINDINGS
1.	**Did you purchase xx product/service?**	Yes—60%, No—40%.
2.	**Would you most likely purchase xxx product/service online or in-person?**	70%--online, 30%--in-person
3.	**How likely are you to recommend xxx product/service to a friend or colleague?**	Average—7.5
4.	**What is your gender?**	80%--M, 20%--F
5.	**What is your age?**	Average 55.2 years old.
6.	**How long have you been in your current position?**	70%--9 years or less, 30%--10 years or more
7.	**Title?**	20%--CEO, 40%--marketing manager, 10%--CFO, 20%--sales manager, 10%--other.
8.	**How important is price?**	Average 6.3
9.	**How important is service?**	Average 8.7
10.	**How important is location convenience?**	Average 2.4
11.	**How did you hear about us?** ***(Select all that apply)***	
	a) **Website**	30%

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b)	**Blog**	10%
c)	**Direct mail**	60%
d)	**Seminar**	5%
e)	**Phone call**	4%
f)	**Email**	35%
g)	**LinkedIn**	10%
h)	**Paid online search**	50%
i)	**Referral**	15%

Simple survey, right? Now let's apply the 7 crucial questions…

HOW THE 7 IMPORTANT QUESTIONS PLAY A ROLE IN CUSTOMER INTELLIGENCE

The first question that needs to be asked is: What is an appropriate sample size for your survey? There are 2 types of sample size in the world, one is based on the population size you are studying and the other is based on the type of analysis performed (this one is also called a Power analysis). You can determine the 1st sample size using our Sample Size for Populations Tool, part of our Free Membership. The 2nd type of sample size is based on the particular analysis you are conducting. For example, if you are examining the relationship between purchase (Yes vs. No) and service (1=very dissatisfied to 7=very satisfied), the appropriate analysis is a point biserial correlation which requires between 28 and 85 participants to have a likelihood of finding relationships between the variables.

The second question asks if your survey is reliable and valid. Reliability is important because it shows the consistency in which people are responding, while validity is assessing that you are accurately measuring what you say you are measuring. A common analysis for reliability is a Cronbach alpha, which tells you the extent to which your survey items consistently measure the same thing. For example, if you are given a 10 item depression scale and you're depressed, you should consistently have high scores on all items. Validity is another animal all together—the validity of a survey tells you whether you are accurately measuring what you believe you're measuring. An 8" ruler that is supposed to measures 12" may be reliable, but not valid—it consistently measures incorrectly. There are several types of validity such as discriminant, construct, convergent—you should know what type of validity you're after and how to measure it.

The third question is "What is the most important question(s) in your survey? This sounds simple, right? "Did the customer buy?" or "how important is service or price?" You have to identify the most important question because this is the question that all of the other questions in your survey are going to be related to. Also, you want to identify this question because you may want to ask more questions around that topic. For example, "*When* did you last make a purchase?" Or "*how often* in the past month did you purchase?"

Or "*how many* items did you purchase on each visit?" Once you identify the most important question, think through what other questions make sense to ask along with it.

The fourth question is "What survey items relate to the most important question?" Let's say the most important question is "did you buy?" You'll want to see what questions relate to that question. For example, does gender or location convenience relate to that purchase? If gender is related to purchases, for example, males make significantly more purchases compared to females, maybe your ads should be more male oriented, or if a certain location is not related to purchases, perhaps you want to put more marketing dollars into that undeveloped area. The point is that unless you know what survey items are related to that most important question you can't make customer intelligence decisions and you are likely shooting from your hip!

The fifth question is "What are the predictors of your most important question?" To answer this, we can conduct a regression using all of the survey items to predict which survey items best predict purchase, for example. To know that service and blog advertising are better predictors of purchase, while price and phone calls are not, would be important marketing information to identify.

The sixth question is "How do respondents differ on questions by demographics questions?" Let's say that referrals are an important part of your business (the "how likely are you to recommend…?"). You may want to know if there are differences in this question by age group. Knowing that those who are in the 20-35 age group refer significantly less than those who are 50-65, may prompt you to create special referral offers for the younger group, while giving a special referral offer to the older group would be incentivizing those who would already have made the referral without the incentive.

The seventh question is "How generalizable are the findings?" Once you receive your survey results, or even analyzed your data, you may want to know if you can generalize them to a larger population. For example, you found differences in the referrals by age group in the Northeast, but does that apply to the Midwest? The answer to this question is really a sampling procedure issue. To be able to generalize to a larger population, you have to at least sample (with a proper sample size) from that population. Similarly, if your sample is all men, you cannot necessarily generalize to women. You get the point. Before making marketing decisions about your survey, think through whom you sampled, what time period, and the demographic data, prior to generalizing your findings.

Conclusion

Customer intelligence is a marketing essential, and surveys can be a part of your customer intelligence arsenal. You can see that there is a lot more to surveys than just looking at the frequencies, percentages or

average response. Why spend the resources designing, collecting data and then only use a small percentage of the customer intelligence it could provide? Get the most of your data by asking about sample size, reliability and validity, what the most important survey question(s) are, the relationship and predictors of that question, differences by demographic items, and generalizability of the findings.