

How Surveys Influence Customers

New research shows that simply asking customers their opinion can increase their profitability over the long term.

by *Paul M. Dholakia and Vicki G. Morwitz*

Marketers have long appreciated that surveys engage people; a single yes-or-no question on a direct-mail envelope can induce them to look inside. But can a company survey influence customers' loyalty or buying habits? Research over the past two decades has shown that it can, but the studies have been narrow looking at how surveys affect attitudes in the short term or influence one-time behavior, like a single purchase. We set out to study the scope of this survey effect, and we were astonished by what we found.

We conducted a field experiment with over 2,000 customers enrolled in the customer relationship program of a large U.S. financial services company. One randomly selected group of 945 people participated in a single, ten to 12 minute telephone survey investigating customer satisfaction. During the call, they were asked to rate various feature of the program, like estate planning, account monitoring, and retirement planning. At the end of the call, they were asked to rate their overall satisfaction with the company; most said they were highly satisfied. A second group of 1,064 randomly selected customers was not surveyed and served as the control. We tracked these two groups for a full year, measuring their purchasing behavior, defection rates, and profitability. Neither group received any direct marketing from the company for the duration of the study.

A year after the survey was conducted, the customers we surveyed were more than three times as likely to have opened new accounts, were less than half as likely to have defected, and were more profitable than the customers who hadn't been surveyed. These differences reached their maximum levels several months after the survey was done and persisted throughout the year. Even at the end of the year, surveyed customers continued to open new accounts at a faster rate and defect at a slower rate than the people in the control group.

How could ten minutes on the phone lead to these broad, sustained effects?

Several theories of consumer psychology might apply. The simplest is that satisfaction surveys appeal to customers' desire to be coddled, reinforcing positive feelings they may already have about the surveying organization and making them more likely to buy its products. Surveys may also increase people's awareness of a company's products and thereby encourage future purchases. More subtle is the idea that the very process of asking people their opinions can induce them to form judgments that otherwise would not occur to them—that they really do like a company's estate-planning services, for example. These so-called measurement induced judgments, the theory holds, can influence later behavior.

Surveying people may induce them to form judgments that otherwise

At first blush, the results of our study may excite marketers seeking new ways to influence customers. And, indeed, one could imagine legitimately surveying customers with the hope of enhancing their loyalty. But we would sound some notes of caution to anyone considering using a survey as a marketing tool.

Our study looked at customer behavior in a single organization in a single industry and involved mostly long-term, satisfied customers. We do not know if the effects we saw can be generalized to other businesses, industries, or customer groups, although research now under way may clarify this. And, if surveys do exert influence by crystallizing existing opinions and focusing attention on them – causing satisfied customers to realize that they like some specific products, for example—the opposite could occur as well.

Surveying dissatisfied customers might conjure up and strengthen negative opinions, reducing purchases and decreasing profitability.

Finally, selling under the guise of conducting marketing research (called “sugging”) is not only ethically dubious, it’s illegal. Federal law requires marketers to disclose if their purpose is to sell goods or services in addition to collecting information when they first contact a customer. For example, a survey conducted with this dual purpose in mind might be introduced with the comment, “We’d like to ask you a few questions about your satisfaction with our products and tell you about products you may be interested in?”

Our findings may dismay marketing researchers, who strive to gather information untainted by their survey instruments. But they raise the compelling possibility for marketers that conducting surveys, especially when customers are satisfied with the organization, can also enhance loyalty and profitability. The challenge is to balance the competing interests of marketers and researchers when a company surveys its customers

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