Five steps to designing CRM-supporting online surveys

By Paul Squires (President, AS&K) and Arturo Coto (CEO, Inquisite)
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In today's consumer markets, we must often move quickly to adapt to new consumer needs. But how do we know what's needed? That's easy if we have the technology and the desire to know our customers...

In today's highly competitive marketplace, business owners are continuously forced to act quickly in order to increase profits, create effective customer acquisition programs and reduce customer defection. While much attention has been placed on selection and installation of customer relationship management (CRM) systems in order to bolster their customer acquisition and retention efforts, an equally important question has gone unanswered. Why? Why has a customer chosen to do business with you, or equally as important, why did a prospect not choose to do business with you?

Although CRM solutions are adept at delivering valuable quantitative data that helps an organization characterize a customer and answer questions such as who, what, when, where, and how much, these solutions are incapable of providing insight into the 'why' of the relationship. Without understanding 'why' a customer chooses to do business with your company, it is virtually impossible to know what keeps them loyal to you, and what needs to be done to garner greater profits from them. While CRM systems are great at handling the account and transactional data, organizations are turning to online surveys as a cost effective and immediate way to ensure that the data on 'why' customers have a relationship with them is current and up to date.

An example
For example, in the ultra-competitive insurance industry, executives are continually faced with increasing competition and an overarching objective to increase their efficiency/cross-sell opportunities and improve their ability to evaluate risk. To differentiate themselves from their competitors, many companies are working to develop more innovative offerings, in addition to their traditional commercial business and personal insurance products. Web surveys can play a pivotal role in the insurance value chain by capturing actionable information from every link including agents, brokers, adjusters, clients, and partners that can then be translated into key actionable business initiatives and processes. Insurance executives can utilize results from web survey technology to incorporate the voice of the customer into business decisions to optimize marketing decisions, speed product development, drive process improvements and answer the elusive question of 'why'.

Web-based surveys continue to take on a strategic and instrumental role in the customer life-cycle process regardless of industry as it enables companies to gain valuable feedback, and hear the "voice" of the customer. While traditional research methodologies have provided this "voice," a new dimension in efficiency is achievable by simply integrating web survey technology into the existing CRM and HR information systems infrastructure. While technology simplifies this process, it does not guarantee success nor does it create a corporate-wide "feedback culture".

Best practices for online surveys: Five steps
Creating a survey whose results provide an organization with quality and accurate information to make sound business decisions, is more difficult than most people realize. Typical questions an organization faces when embarking on a survey tend to fall into five areas, with each step being critical to the success of the project:

1. **Determine the business process**
   The survey designer is faced with many important questions that need to be addressed about the content and design of the survey and require consensus from all members of the team prior to execution. So, before embarking on the survey design, users need to determine the business objectives and answer questions such as:

   - What is the purpose of the survey?
   - What am I trying to measure?
   - How many questions should I write?
   - What type of rating scale should I use?
   - How do I know that my survey worked?
   - Will the data be actionable?

   These questions are important to the design of any type of survey, whether it be a customer satisfaction survey, a product evaluation survey, an employee attitude survey or a program evaluation survey. Determining who the key stakeholders are, if a similar survey has ever been conducted before, and how the results will be used are questions that should be asked well in advance of the survey design as they will be key to determining the business purpose.

   An important factor in determining the business purpose of a survey is to involve multiple departments in the process in order to gain consensus. Mistakes tend to occur when this procedure is not followed. For example, marketing may want to ask if there is interest in a product feature that engineering knows cannot be developed. If a question is asked in a survey, you should assume that certain expectations are formed in the mind of the respondent. When all business units are involved upfront, your chances of asking the right questions and not collecting unnecessary data are greatly improved.

2. **Design the survey**
   The most important part of the five step process is designing the survey. Good survey design ensures that you are able to get the results your organization needs. Some of the steps, although simple, are often overlooked which results in significant reductions to response rates. To be successful, users should:

   - Begin with a title and a preamble - explain the overall aim of the survey; whether it is part of the survey invitation or at the beginning of the survey itself. People want to know certain pieces of information upfront such as the length of the survey and the level of confidentiality.

   - Balance white space - balancing the use of white space between both questions and sections greatly improves readability, without unduly increasing the apparent size of the survey.

   - Prepare instructions - provide general instructions to the respondents at the beginning of each section and clearly define specific instructions associated with the different question types to order to aid in the correct completion of that question. This includes phrases such as "Please check one box only" or "Please rank in order of 1 to 5" (actually 1 to any even number is sometimes better as it leaves no 'middle ground' and forces a decision one side or the other).

   - Use filter questions - provide the ability for your respondents to be able to bypass questions (or whole sections) that are not relevant to them. For example, if you ask your respondent if they have ever used Product A and they have not, you may want to take them to an entirely different set of questions then someone who is familiar with your product.

   - Allow "don't know" and "not applicable" selections - if a respondent is unsure about whether to answer a question, or which answer is the most appropriate, they should be provided with a "let-out" selection, such as "Don't Know" or "Not Applicable". When a large number of respondents choose such options, it is time to examine whether the question is badly worded, or in the wrong place in the questionnaire.

   - Keep It Short & Simple. Be clear and specific when writing survey items. Your survey should be organized into sections or topics, with easier items first. Avoid common problems such as long sentences (more than 8 words) as it increases reading difficulty or having too many questions on a page. Surveys that are excessively long leads to survey fatigue, which in turn increases abandonment rates.

- Check readability - the reading difficulty level of the instructions and questions should be kept at the eighth grade level or lower, without being condescending. Use as few words as possible in both the question and the alternatives and avoid the use of polysyllabic words.

Another factor in designing the survey is to determine a rating scale. Scales are critical to the success of your research. Well designed scales are easy to understand and accurately represent the respondent's true attitude, preference or opinion. However, two or three point scales are traditionally not distinct enough to rate the importance of various attributes. For instance, scales with 4 - 8 points provide far more insight into the subtle distinctions and value of an attribute. Clear and well thought out rating scales, as well as clearly defined instructions, are key to minimizing rating errors.

3. **Select the sample**
A sufficient sample size is an important requirement for a successful survey. If the sample size is too small, erroneous conclusions are possible. For example, a researcher may make a conclusion that no differences between groups exist when in fact they do exist but were undetectable from the insufficiently large sample size. Factors that affect a sample size are how large the group difference you wish to detect, how variable your measure is in the sample or populations, and how precise you want the results to be.

A sample should be chosen at random from the population, so that it is representative of the population. In this manner decisions based on the characteristics of the sample can then be generalized to the entire population. Random sampling enables the researcher to draw statistical inference based on information collected from a small group representative of the population under investigation. With a random sampling technique, each subject in the population has an equal chance of being included in the sample. For example, the business objective is that you want to know if public safety personnel will favour a new radio feature. Your sample may include police, fire-fighters, and medics. This representative sample encapsulates the public safety population at large. Personnel from any agency, performing any job, have an equal chance of being selected.

In order to avoid sampling errors, your minimum sample size should be kept between 30 - 50. Larger populations don't require larger samples. Once the sample size is over a few hundred, the level of precision doesn't improve proportionately with the increases in sample size. In order to achieve an accurate sample, you must decide on a level of granularity to reach a conclusion. For example, if you want to evaluate a new B2B product offering, you might want to break that market down into just Fortune 1000 companies and then further break that down into a specific department such as human resources. If another factor in your decision will be industry, then you can further break down the HR department sample into more specific areas. For this example, if you had 8 industries and need a sample size of at least 30, you would need 240 responses from human resource departments within the Fortune 1000 for an accurate sample. You should also use a larger rate of sampling in both smaller populations and populations with higher variability.

4. **Implement the survey**
Response rate is the single most important indicator of how much confidence can be placed in the results of a survey. A low response rate can be devastating to the reliability of a study; therefore, testing your survey is essential. What may seem obvious to the survey author may be completely unclear to the typical receiver. Or worse, a difficult question will be misunderstood or skipped and a difficult to understand survey is most certainly destined to be thrown away.

So how does one go about increasing these rates? One of the most powerful tools for increasing response rates is to use follow-ups or reminders. Traditionally, between 10 and 60 percent of those who are sent questionnaires respond without follow-up reminders. However, these rates are too low to yield confident results, so the need to follow up with targets is imperative to the success of the survey.

Other things to consider are cost elements such as incentives, technical and telephone support, analysis and the distribution of the final report. Online surveys are gaining in popularity because they decrease some of the more costly elements such as consulting fees and data entry. They also provide a way to eliminate interviewer bias, something which is often associated with phone or in-person surveys.

5. **Analyze and report the results**
   The analyses of the survey responses should address two concerns: first, the validity of the survey questions and second, the substantive business issues that were the purpose of the survey. The validity of the questions can be assessed by examining the number of respondents who chose each response option. No single option should have more than 85% of the responses and none less than 5%. The business issues can be assessed by examining responses to individual questions and groups of questions on a single theme that are treated as separate measures. The inclusion of key demographics provides valuable opportunities for insightful subgroup analysis.

Reap the benefits of asking why!
While CRM systems can get an organization 90% of the way towards reaching its customer relationship management objectives, these systems do not answer the key question of 'why.' By taking the time to ask yourself the reason you need an online survey and by following the five simple steps mentioned above, you will be well on your way to answering the most crucial question of any CRM initiative - 'why' your customers do business with you and 'why' they choose to be loyal.

About the author...

Dr. Paul Squires is President of Applied Skills & Knowledge (AS&K), a management consulting and outsourcing company. AS&K's industrial psychologists and human resources professionals assist organizations to operate more effectively, grow their business, and reduce costs. AS&K has provided these services in a wide range of organizations including manufacturing, information technology, telecommunications, call centres, pharmaceutical, finance, and retail sales.

AS&K offers special expertise in creating and evaluating measurements. AS&K uses the most current concepts and statistical techniques to develop and evaluate the reliability and validity of organizational measurements such as employment tests, productivity measures, quality metrics, customer satisfaction monitoring, etc.

Dr. Squires is an industrial psychologist with twenty years of experience with training development, assessment development and validation, computer-based training and project management. Paul can be reached at +1 (973) 631-1607 or via email at **Paul_Squires@AppliedSkills.com**, or by visiting **http://www.appliedskills.com/**

Arturo Coto is CEO for Inquisite, an Austin, Texas-based provider of online survey technology. Inquisite is an enterprise provider of feedback solutions, including web survey technology and services. Inquisite empowers organizations with the ability to ask, analyze and act upon their findings, promoting an effective feedback culture. Inquisite's feedback process enables managers to make better decisions, while its ease of use promotes enterprise-wide installation and adoption, resulting in superior ROI

and competitive leverage. Many of the world's leading organizations use Inquisite for their mission-critical B2B, B2C and B2E evaluation and feedback initiatives.

Headquartered in Austin, Texas, clients include industry leaders in the education, energy, financial services, government, healthcare, manufacturing, pharmaceutical and retail sectors. Arturo can be reached at +1 (512) 225-6800 or via email at **acoto@inquisite.com**, or visiting **http://www.inquisite.com/**