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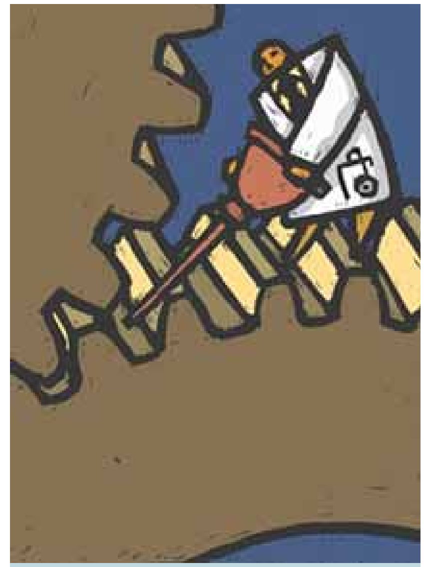
# Managing the satisfiers and dissatisfiers



By Bonnie Eisenfeld

**How market research vendors can maintain strong relationships with corporate clients**

If you're a market research vendor and you've never worked on the client side, you probably know an awful lot about how to run a research project but maybe not so much about the client's internal headaches. In this article, to help you create long-lasting client relationships, I will give you a glimpse of the client's-eye view of research vendor relationships.

First off, I cannot emphasize enough how important the vendor's project director is to the success of the research project and to the long-term relationship. To the client the project director *is* the market research vendor. The best project director helps the client define the research objectives and research design, executes the project flawlessly, monitors the project closely, delivers beyond expectations and provides insight about the findings.

The project directors that a client wants to use over and over again are those who the client doesn't have to worry about. This type of project director understands all aspects of the research process, understands the project's objectives and ensures that the outcome will be above expectations. The client may find out about problems that arise during the project but knows the project director will fix them. The project director provides a safety net; the client knows that at the end of the project there will not be a disaster, there will be excellence.

Project directors of this caliber raise the bar for other market research vendors. They are teachers, helping the research buyers and users to understand the research process better and how it can help them succeed.

## Drivers of dissatisfaction

In some ways, the drivers of dissatisfaction are even more important in the market research vendor selection process than drivers of satisfaction because the dissatisfiers are the reasons clients stop using particular vendors. Dissatisfiers are often the key differentiators between vendors. Dissatisfiers can exist at a relationship level or a project level.

A few examples of relationship-level dissatisfiers are:

• The project director is never around to take calls; he or she delegates everything to a junior person who can't answer questions or solve problems.

• The project director does not report problems that occur during the project and client is surprised when they finally erupt at the end.

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• Projects consistently come in late or over budget with no advance notice.

A few examples of project-level dissatisfiers are:

• The field service recruits unqualified respondents.

• Underqualified interviewers are used for special target populations.

• The moderator cannot keep up with changes that were made in the discussion guide.

• The report lacks depth, interpretation or insight.

• The presentation or report is disorganized and confusing.

Here is a case I heard recently. The vendor's project report was due to the client on a Friday. The project director was leaving for vacation that day and arranged for someone else in the firm to send the report to the client. However, the project director neglected to tell the client that she was going on vacation and did not give the client the name and phone number of the alternate contact person. The day the report was due, the client called the project director and got a message that she was on vacation. Naturally, the client panicked and called the senior executives at the firm: "Where's my report?" The client got the report that day as expected, but the relationship suffered severe damage.

Dissatisfaction with the first project with a new vendor is probably going to eliminate that vendor from future bids. In a long and satisfying relationship, dissatisfaction with only one project will not usually be fatal unless there is a serious, unresolved problem with that project. In all cases the vendor's method of solving problems can actually be a driver of satisfaction for the client. The best vendors deal with problems by reporting them promptly, fixing them and finding a way to deliver something extra to make up for the problem.

Clients naturally have a hard time continuing to use a vendor who has disappointed them. Disappointment with a project is often visible to a lot of people within the company, especially the users of the research data but also other managers who hear about the problem. The research buyer then has to explain how the problem happened and what was done to try to fix it. In extreme cases, an incomplete project is terminated with one vendor and given to another vendor to complete. When a research vendor underdelivers, the research buyer takes a hit on his or her reputation within the company. It can affect his or her ability to operate effectively and could even impact his or her performance rating. Next time a project comes up for vendor selection, this buyer is going to have a reason not to choose the vendor who messed up.

**Provide quality information**

The corporate buyer of market research, often a research director, has his or her own professional standards and has to satisfy other managers in the company who are the users of the research data. He or she needs to provide quality information, on-time and on-budget, to help develop business, product or communications strategies, or measure effectiveness, or feed information into other needs of the company.

The users of research in the company give their research objectives to the research buyer, who reviews and consults on the objectives, outlines the research design, requests proposals and selects the appropriate research vendor for a project. The research buyer tries to manage users' expectations regarding what data they can get, how soon and what the estimated cost will be. Once all objectives and expectations are set and the vendor agrees, it is important for the vendor to meet the expectations.

When I was head of corporate marketing research at a large multinational corporation and responsible for selecting market research vendors, I considered the top selection variables to be helpfulness and responsiveness of the project director, quality of the research and timeliness of delivery. Price was a factor to some extent but it wasn't the No. 1 factor. If the budget was small, research requirements were limited without sacrificing quality. However, because of budget constraints, I considered it very important that vendors make accurate estimates and meet their estimates rather than bidding low and then going over budget.

In some companies, there is another pressure point added to the mix and driving the selection process: purchasing departments are increasing the pressure for a lower price. As a vendor you may find a conflict between the need to deliver quality work and the pressure to lower price. If you can't deliver quality within the budget restraints, it is better not to bid on those projects. Ultimately, the client will not be satisfied with your work and your reputation will suffer.

**Referrals and recommendations**

Market research vendors' reputations are driven by client satisfaction. Some companies maintain internal databases on their vendors to share satisfaction ratings and comments. Research buyers also contact colleagues to get referrals and recommendations. When a vendor supplies references, many buyers will actually contact the references and get their opinions. Some surprises will occur during these conversations. Sometimes a reference given by a vendor will not be totally satisfied with that vendor and will report problems that occurred. The vendor should have found out about those problems and worked to correct them before giving out that name as a reference.

If you are excellent at one methodology, subject area or target population and you consistently keep up the level of excellence, you should have no problem retaining clients who want that specialization. Some satisfied clients may ask you to do other types of research. Your dilemma then is to decide whether you will be able to maintain your level of excellence in an expanded role. If you're sure the answer is yes, you should go ahead. There have been success stories about vendors who learned new areas to satisfy client demand and delivered excellence in all of them. However, when a vendor does not devote enough resources to develop a new area, it may fail. The client will then be dissatisfied, and the whole relationship is at risk.

### Measure satisfaction

Market research vendors often do not take the time to measure their clients' satisfaction. I personally can remember only one time in my entire career when I was asked to participate in a vendor's client satisfaction survey.

If you are a vendor and over time you find you are getting fewer RFPs from some clients or experiencing a decline in winning proposals, you would benefit by conducting a client satisfaction study to find out the reasons for the decline. Some clients may be choosing competitors for certain projects and may say price is their reason. In many cases, however, price is not the sole reason. The problem may be a decline in client satisfaction relative to competitors or changes in the buyers' decision process or needs.

For such a study, you need to obtain information on who are the participants in the vendor selection process, their needs and preferences, how they rate vendors, their perceptions of vendors, their preferred vendors and any changes in corporate structure that may affect the selection process.

Create a special quota of clients who received proposals submitted within the past three to six months and ask them their opinions about the elements of your proposal process. For those where you lost to a competitor, you need to find out which competitor got the business and why.

The client satisfaction study should use a combination of quantitative and qualitative methodologies. I recommend that you have interviews with clients conducted by an experienced executive interviewer who does not have prior relationships with those clients. The interviewer needs to be someone to whom the buyer will speak openly and honestly. Buyers are often reluctant to give specific negative feedback directly to the project director they have to deal with. It's an unpleasant task, like giving a negative performance review to an employee. Ideally, the best interviewer is an outside independent executive interviewer, who will bring no bias or defensive posture to the interview.

Once you determine the basis on which vendors are rated, your next step is to measure satisfaction with your company and competitors. Rating scales are useful as a starting point, but it is most important to ask the reasons for the rating. Any rating less than the highest on the scale should trigger a question about what could be improved. The comments then become the basis for your diagnostics and corrective actions.

As for rating scales, I prefer a 10-point scale, where 10 means exceeded expectations and 1 means below expectations. When I interpret the results, I consider 7 to be an average rating, 8 above-average, and 9 or 10 a top rating. I base this opinion on the fact that, in school, most of us were told that 70 was a C or passing, 80 was a B and 90 or more was an A. I believe that responders consciously or unconsciously use those guidelines.

If you get ratings of 9 or 10 on any item, it is still useful to ask for comments about what the reasons are behind the rating. These comments may help you find out what actions you are doing right and develop intentional strategies that include those actions.

### List of factors

You will end up with a list of factors ranked by high to low importance to clients and ratings of your firm and competitors on each factor. Since you probably did this study because your company was losing business, you need to look first at the high-importance factors on which you received low ratings, particularly those on which competitors were rated high. Those gaps are the areas that need improvement.

Diagnostics should lead to identification of specific areas or processes to improve. Maybe you need to create a higher-level project director position or improve training in client management for project directors or you might need to review your respondent recruiting standards, your report-writing process or your proposal-writing process.

If it turns out that your competitors have a major offering that is much better than yours, then it is time to revise your business strategy. For example, if your clients are demanding online research and you don't offer that methodology, you need to offer it or get different clients.

If your findings show that your prices are higher than competitors but no additional value is perceived, these are your strategic options: You can find a way to add perceived value or you can target a segment that is not price-sensitive. Lowering your prices should be a last resort or you risk turning your services into a commodity.

If there are factors of high importance on which you received a high rating and competitors a low rating, you can feel confident communicating those strengths in your sales materials and presentations.

Last but not least, if you do not promise anonymity and confidentiality to the clients who are interviewed, their responses can be reported individually by client name. (Clients usually will cooperate because they know it is going to benefit them.) Individual company reporting is recommended for large clients especially those with multiple buyers within a company. Based on the findings, you may want to create specific strategies for specific clients. Your most frequent user and most satisfied buyer within the company is your ally for cross-selling within that company and may suggest ways in which you can do a better job for that client. At minimum, a satisfied buyer may give you other names of prospective buyers within that company.

### Take action

Subsequent to measurement and diagnostics, you need to take prompt corrective action and communicate those actions to your clients. You may need to revitalize your communication program. If you've made the right improvements and the message about your improvements is received and perceived, you should start to experience improvements in number of RFPs offered and number of proposals accepted. To ensure that you do not fall behind again, an annual tracking study is recommended. The world changes and so do your clients! | Q