

The Best Way to Listen to Customers
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There was a time, not long ago, when companies could generate new business by simply listening to and following the advice of their investors and business advisers. To remain successful today, however, companies must collaborate directly with their most important stakeholders—paying customers. In fact, by launching a "Customer Advisory Council" program, organisations can identify and leverage new business opportunities to better serve customers—before their competition does.

Listening to Customers

A customer advisory council is a representative group of customers who agree to share their buying and usage experiences as well as evaluate new sources of value. Unlike traditional focus group research, a company gathers ongoing feedback from this larger group of customers. And since these participants are ready to contribute, the company spends less time and money capturing customer input and valuable insight.

The first step toward creating a customer advisory council is to establish goals for the program. One company may elect to have program participants guide product planning. Another may use participants to fine-tune marketing messages to ensure that they resonate.

By defining the program goals at the onset, companies know what they are trying to learn and how they will measure the impact of their actions based on this insight.

After determining their customer advisory council program goals, companies identify the customers needed to provide the required insight. A company that decides to have participants share feedback on their products will recruit product users. Whereas a company that chooses to have customers react to their marketing messages will invite product buyers to join the program.

In addition to the customer's role, companies use other criteria to select program members. Companies that sell to businesses, for example, may choose their participants by company type, sales volume, employee size, purchasing history and revenue potential. By closely managing the customer advisory council composition, companies can maximise the contributions that customers make to drive business growth. This entails continually nurturing the council by adding and removing customers based on their relevance to the company's direction. It also involves tapping the best subset of customers for each discussion when their profile matches the session's topics.

When joining the customer advisory council, customers agree to specific participation requirements. They are rewarded for their ongoing contribution, which may span a year or more. Participants may be asked to react to new product and service ideas, prospective strategic partners or potential programs. Participants are engaged in phone and face-to-face discussions and share feedback via online surveys. Their responses shape the company's product, partnership and marketing strategies.

Once the goals and participants are determined, a customer specialist is appointed—from either inside or outside of the organisation—to effectively plan the program, facilitate the sessions and engage participants on an ongoing basis.

The customer specialist ensures that...

- The program is designed from the "customer's perspective" (e.g., the program goal, frequency of contact, sequencing of the contact methods, scope of content for the discussions, etc.).
- The right mix of customers is ready to participate.

- The concepts (i.e., products, services, programs) are clearly presented and concept parameters are explored during the customer conversations.
- Actionable feedback is captured and used to drive the company's marketing and sales initiatives.

Is It for Your Company?

Whether you sell to consumers or businesses, your company can benefit from a customer advisory council if it has two or more of the following characteristics:

- **Extensive competition.** For many businesses, growth comes at the expense of competitors. How can your company become the chosen provider for your products and services?

You have a strategic advantage when gathering competitive intelligence from your customers. You can learn how they feel about your competitors' offerings, surface gaps in their products and services, identify unmet customer needs and define offerings that will keep your customers coming back to you.

- **Many growth options.** As you search for ways to grow your business, you may consider different paths to new offerings, partnerships or markets. You can leverage your customer advisory council to identify, evaluate and prioritise your options. You can also drill down to validate the development and launch activities that you are planning.
- **Significant impact on customer's business.** Your customers will be more interested in helping your business if your offerings have a higher impact on theirs.

For example, Intuit is a company that successfully engages CPAs with its "Professional Advisor" customer advisory council program. CPAs use the QuickBooks product on a daily basis with their clients and see the benefit of contributing their thoughts back to Intuit on new product features and functionality.

- **Large customer base.** Remember when your company had only a few customers? You had the luxury of staying close and hearing their comments first hand. You knew what they liked and wanted. As your customer base grew, you noticed the challenge of remaining connected and aligned with their needs. Your customer advisory council program can serve as a bridge to your customers, helping you stay in touch with their world and their evolving needs.
- **Add-on sales opportunities.** Do you search for ways to capture a larger share of your customers' business? Are there additional products and services that you can sell to them? Although you may be able to develop a list of possible products and services of interest, a customer advisory council session can help you prioritise these offerings and understand the best approach for targeting them and sequencing their launch.

Driving Business Success

Involving customers in your business decisions significantly reduces the risk of moving in the wrong direction; that is essential for companies operating with limited resources. A customer advisory council program is a cost-effective way to leverage existing customer assets to move business forward.

Companies that have implemented a customer advisory council program view it as an integral element of doing business. They make more-informed investments, shift resources into valued offerings and are rewarded with higher revenues from their customers.

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