GUEST COLUMN | *By M. Muneer*

Satisfied, But No Buy

CUSTOMERS HIGHLY rated Jet Airways on most metrics and yet, the business has failed to deliver returns for shareholders. Many loyal customers have shifted loyalty quietly while it competed with low-cost airlines to acquire new customers. As pundits continue to dissect Jet Airways' travails, the issue everyone should focus on is the correlation between customer satisfaction ratings and business goals.

Jet Airways' decline was predictable. Its once-excellent services have been on the southward path ever since it hived off its loyalty programme to a new entity, hoping to make profits without having to share it with its strategic investor, Etihad. Nowhere in the world will a company take its loyalty programme, meant to build customer loyalty and business for the mother brand, to a separate company. The metrics monitored by Jet Airways never probed the loyalty programme deliverables.

There are many other businesses in the era of e-commerce with varying customer service standards and we can all try our hands at predicting whether they will all go the Kingfisher way; namely Flipkart, Snapdeal, Myntra, and many other me-toos. Who will start making profits? Can they copy-paste Amazon's deep pockets too? Do not get swayed by the amazing valuations and funding they are getting today. The cost of capital in the US and Japan is almost zero and any return beyond one per cent is good for them! Only time will tell whether Walmart made the right choice in Flipkart.

The digital era holds the promise of making it much easier to not only satisfy customers by creating an online experience tailored to the individual – but also to measure and understand customer satisfaction levels. However, enterprises often find that even when satisfaction is high, sales is down. So does satisfaction rating indicate business success?

In a recent research, holiday shoppers were asked to visit a popular chocolate selling website and provide their feedback. Many stated that they were pleased: the prices are good, the site is well organised, and the selection is great. However, upon closer examination, it was clear that while the site appeared to deliver high customer satisfaction, it did not deliver high customer conversion.

About half the users either failed or gave up, when asked to find a particular chocolate box and put it in their shopping cart. In fact, many customers found that the site stood in the way of making a purchase. Overall, people thought the site was easy to use, but there were little things that bothered them. There was no single click buying that Amazon has made into a benchmark.

This should act as an eye-opener for brick-and-mortar businesses trying to get into the e-commerce mode. Especially with the onslaught of Flipkart and Amazon, many of them are actively setting up e-commerce sites as a knee-jerk reaction.

To make sure that their sites are delivering both customer satisfaction and revenues, retailers should ask the following questions: Are we building our online store to support our revenue goals? Many companies behave as if the answer to the above question is "No."

They organise their sites using company-driven categories, communicate in jargon and offer little customer guidance. These sites may effectively promote more general branding and produce adequate customer satisfac-

tion metrics, but they often miss the mark when it comes to supporting revenue-generating transactions. Successfully converting visitors to customers requires greater investment of thought, customer research and iterative development. Copying from Amazon will not help, unless there is also solid innovation to build the next level.

What's the bigger picture? Online marketers are often elated when satisfaction rates improve, but the numbers do not always correlate. A common reason is competition

Are we measuring the right people? Web users do not exclusively visit sites intending to make purchases. If asked about their experiences, these window-shoppers often give positive remarks, providing proof of the visited sites' appeal. Measure the right people and you will get meaningful answers to your questions. For instance, if you need to drive online purchases, start with people who intend to buy and you will see where your site gets in the way. Measure the wrong people, and you will be letting window shoppers drive your marketing strategy.

Are we measuring the right things? Some sites clearly frustrate shoppers with dead links and broken pages. But seemingly well-crafted sites can go wrong too. They might measure layout, colour scheme and home page design without having users engage in core tasks, such as creating an account, checking out or requesting information from a dealer. As a result, the sites may please the eye, but fail to drive profitability.

Let's look at one example: the retail shopping process. Some sites don't offer a clear path from product information to checkout. Other sites turn potential purchasers by asking for too much personal information. These issues might not necessarily make shoppers feel they have had a bad experience, but they present a barrier to sales. By measuring the right things, companies can resolve real problems that contribute to overall business success. Did we ask 'why'? We are in the era of 10-question surveys. That businesses regularly collect customer feedback is encouraging, but these surveys often fail to go deeper than a seven-point rating. At best, a high score gives the site owner bragging rights, but neither a high nor low score provides clear guidelines for making business decisions or gives concrete feedback on the "why" behind the rating.

One way to solve this dilemma is to ask questions that capture a fuller picture of satisfaction. For example, don't only ask how satisfactory the total experience was, but identify what levers drove that satisfaction. Match up self-reported answers with actual user behaviour, and probe as deeply as possible into the reasons behind the response. Asking "why" makes all the difference between a useless satisfaction score and the beginnings of an action plan for business success.

What's the bigger picture? Online marketers are often elated when satisfaction rates improve, but the numbers do not always correlate. A common reason is competition. Sites may fix fundamental problems, but they may still lag behind other sites in the industry. To ensure that the retailer site continues to drive revenue, marketers and designers can pay attention to the entire customer experience, evaluating over time and monitoring best practices in the business. BW

The author is Co-Founder and Chief Evangelist at the non-profit Medici Institute.
muneer@mediciinstitute.org