

Did you think about asking your customers?

By Gerard Frey and Nora Laughton

You've been assigned the task of determining why your customers pay maintenance. You'd rather have a root canal with no anesthetic. Like many companies, you think about developing competitive intelligence and getting input from industry analysts, etc. Think about it, though—are they the ones buying? No. That's why you need to talk to your customers.

With so much pushback from customers about paying maintenance, will you just hear the bad things? Most vendors have 80-90% renewal rates, so regardless of the complaining you might hear, 9 out of 10 customers are still continuing to buy maintenance. Wouldn't you like to know why?

Frankly, most vendors know far more about their competitors than they do about their own customers. Whether you are trying to figure out if you are offering the right services in your maintenance packages, or perhaps you are validating your value story, or determining product direction, the bottom line is that customer input is invaluable.

These are the primary steps for gathering input from customers:

1. **Ask** – Find out how your product supports their business. Remember you are trying to build messaging from *their perspective*, not yours. Ask open-ended questions, such as “What is the cost of down time to your company?” “Who does it impact?” “How does our product help you manage this risk?” In addition to on-maintenance customers, talk to customers who chose not to renew maintenance from you, which may be even more telling.
2. **Listen** – According to a Northwestern Mutual survey, 2002, “...few people can recall 50% of what they just heard.” Don't let this happen to you. Get your customers to open up. Don't try to defend, just gather information. Listen for differentiators—the things that you do that other companies don't. If you don't uncover differentiators, watch for things that are strengths—things that you do well. If a customer has a gripe, let him vent, but get him back on track so you can finish gathering the information you need.
3. **Validate** – When you think you have figured out your solution or message, run it by customers to confirm what you *think* you heard.
4. **Communicate** – This should be a key point of your message: Plans, products or direction is built based on customer input. This is an extremely powerful message, and hard to argue with. In fact, many technology companies do not question their customers enough about product, services and maintenance direction because they already know what their customers want—at least they think they do. One last comment. Be sure to highlight the benefits—not the features—customers will receive. 24x7 support and upgrades are important features, but they are *NOT benefits!*
5. **Close the Loop** – When rolling out new products or features customers have requested, let them know it was based on their input. One large company told us that their ERP vendor does a great job of asking and listening, but they don't do anything as a result.

Customers are one of the best sources for direction and messaging. Ask them—you might be surprised at what they tell you.