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Taking The Pulse Of Your Clientele

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SURVEY POINTERS

Question Design Tips

- **Avoid loaded** or leading words
- **Ask one** question at a time
- **Keep questions** in logical order – easier for respondent to answer and better for programming
- **Avoid non-specific** questions
- **Avoid confusing** or unfamiliar words
- **If using technical** terms, make sure everyone understands them or include a definition
- **Be careful about** forcing answers
- **Which questions** should be "required"?
- **Offer DK/NA/RF** answer choice
- **Vague questions** may give too much latitude
- **If you offer** options, make sure the list is exhaustive or offer an "other, please specify" option
- **Use balanced** scales
- **Unbalanced scales** may be appropriate, but choose intentionally
- **Make sure answers** are independent if only one answer can be selected
- **Keep questions** short!
- **Keep survey** short!
- **Be careful about** asking about future behavior and hypothetical situations
- **Avoid negative** phrasing and double-negatives
- **If it doesn't** lead to a decision, don't ask it
- **"Nice to know"** is not a good reason
- **Do test** the link extensively before launch

Source: Polaris Marketing Research

Question: Would you agree that most of your clients are (a) intensely loyal to you; (b) moderately loyal; (c) neither loyal nor disloyal; (d) moderately disloyal; or (e) would happily bolt to another advisor at the first opportunity.

If you don't know the answer to this question, then it may be high time to conduct a client satisfaction survey. In addition to gauging the quality of your professional relationships, a survey can provide invaluable insights into what you're doing right—and what's overdue for improvement.

"Many clients aren't thinking about moving to another financial professional, but they're not in love with their own either," says Debra Semans, a senior vice president at Polaris Marketing Research, Atlanta, Ga. "Surveys let the advisor find out what they're thinking, especially whether they're committed to maintaining the relationship."

The critical starting point in this research is the formulation of the survey. Generally, the shorter the questionnaire is, the better the response rate. Sources say surveys should be limited to 10 to 15 questions and take no more than 10 minutes to complete.

Experts say a survey should also start with broad questions and thereafter seek more specific information. The initial questions might inquire, for example, about the client's overall satisfaction with the relationship; later questions might query the client about aspects of the practice or the depth of the commitment (as measured, for example, by a willingness to offer referrals).

If structured as multiple choice questions that call on respondents to assign a score then, says Semans, the survey should have a “bipolar scale” in which a neutral response is balanced by two positive and two negative answers. Example: Strongly agree, agree, neutral, disagree, strongly disagree.

Too often, says Semans, the advisor assigns a different scale to each question, which can be confusing for respondents. Advisors also often err by using technical jargon with which clients are unacquainted; by asking two questions in one (e.g., Is the newsletter interesting *and* useful?); and by asking questions that lack specificity.

“These are the most common rookie mistakes,” says Semans. “My first bit of advice for those who are new to conducting surveys is, don’t write your own questionnaire. Get a professional to do it.”

Outsourcing work on a survey to a specialist, she adds, has another benefit: Clients tend to express themselves more frankly if they know their answers will remain anonymous. Joel Bruckenstein, a Miramar, Fla.-based financial planner and publisher of the newsletter *Technology Tools for Today*, agrees.

“You can’t have your own people conducting the survey,” he says. “That’s not going to work because clients will fear giving offense. They’ll respond more frankly to an independent, third-party.”

Whether they respond at all could depend on the method of delivery. Older individuals, for example, may prove more amenable to surveys conducted via postal mail or over the phone than through e-mail.

Then again, not all clients need to receive a questionnaire. Particularly in cases involving mailed surveys, cost has to be factored in the size of the distribution list. Also to be weighed is the importance of the client.

“We regularly survey only the top 20% of our clientele—about 150 business owners and high net worth individuals,” says Dan Nigito, the chairman and CEO of Market Street Financial, Bethlehem, Pa. “These are the people we spend all our time with.”

Not all survey questions need be presented in a multiple-choice or numbered format. Experts say there is value, too, in open-ended queries that allow respondents to offer written feedback on the quality of services rendered and suggestions for improving the practice. These questions often provide the most useful information, such as ideas for new products and insight into how the client is thinking.

“The best feedback conveys something I don’t know about how clients perceive my practice,” says Molly Reese Ward, a certified financial planner and financial professional at AXA Advisors, Houston, Tex. “On one survey, the client simply wrote, ‘I just trust you.’ What I took from this answer is how important trust is [to the relationship] and how much the client relies on me.”

Open-ended questions have also proven useful to Nigito—so much so that he employs them exclusively. Nigito says his surveys elicit written responses to just 3 or 4 such questions. Among other things, he seeks to learn through these polls what clients like and dislike most about his practice and how it can be enhanced.

Client feedback during the recent recession, he says, pointed up the need to adjust the company’s insurance portfolio. Because of a generally heightened aversion to risk, the firm adopted a more conservative investment allocation within its variable universal life policies. The survey responses also prompted the firm to offer equity-indexed life products, which allow clients to participate in stock market gains while insulating themselves against market downturns.

The surveys additionally spurred the firm to reorient the content of its newsletters and other presentation materials. Says Nigito: “We learned from the surveys that clients are less interested in finding out about new products than they are specific techniques, such as how to build a portfolio to facilitate asset transfers or to construct an IRA.”

Nigito’s experience illustrates another benefit of surveys: In addition to flagging practices that should be enhanced, they can alert the advisor to initiatives that should be deemphasized. And that can translate into smarter business investments.

“A key question to ask in a survey is whether clients would prefer that you refocus your efforts,” says Semans. “One advisory firm determined from a survey that it needed to spend less time communicating with clients via social media and more through e-mail contact because the customer base is older. Knowing that, they were able to [boost customer satisfaction] by reallocating project resources.”

Often, adds Ward, a survey will reveal the need to better educate clients (as to why, for example, the advisor is charging a certain fee for services); or to recalibrate expectations (some clients, she notes, have unrealistically high expectations for their portfolio performance).

Sometimes, too, a survey will require follow-up by the advisor to ferret out the reasons underpinning the responses. Depending on the sensitivity of the issue, as in cases involving personality conflicts, this might best be handled by a third-party. But observers say that advisors may also do well to contact respondents directly, albeit in a tactful manner.

The advisor, Bruckenstein suggests, could ask the client how—without referencing the client's own responses—a problem identified in the survey should be addressed; or whether the client would be receptive to a proposed solution (e.g., holding weekly teleconferences for clients at busy times, as when the market plummets and the advisor is difficult to reach because clients are seeking reassurance about their investments all at once.)

In-person polling may also make sense during annual plan reviews. Ward says she does an informal survey at every client meeting, where she asks general questions about the value of her services and the client's expectations for the relationship with her for the near- and long-term.

Often overlooked by advisors, says Bruckenstein, are exit surveys of clients leaving the practice. These surveys can be especially valuable in identifying failings in the advisor's screening process of prospective clients.

"The practice may be more focused on financial planning and achieving long-term goals, whereas the client expects short-term investment performance," says Bruckenstein. "That says the client wasn't a good fit from the start—and that the screening process was inadequate."

Ultimately, observers say, a client satisfaction survey is of little consequence if the advisor doesn't act on results that point to deficiencies in the practice. Yes, a survey has value inasmuch as it expresses the advisor's interest in clients' opinions. But if the advisor fails to follow through on areas that clients perceive as lacking, the exercise might prove counterproductive.

Conversely, experts say, advisors should leverage results indicating that they are doing a superior job. Clients who offer high score to the question, "How likely are you to recommend me to others?" could be contacted subsequent to a survey to ascertain whether they'd be indeed willing to provide referrals.

"We're building a database of promoters—people who will refer prospects to us," says **Roey Diefendorf,** a certified financial planner and principal of 3 Dimensional Wealth, Locust Valley, N.Y. "Clients who indicate in a survey that our service is excellent and that they're likely to refer are assigned a high net promoter score. We'll then follow up with these clients at a later time."