What’s the difference between market research and customer insight?
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Let’s start with some basic definitions:

**Market research**

is an organised and systematic effort to gather information about customers or markets. It is a key component of any business strategy and provides information about market needs, market sizes, competitors and customers. It tends to be factual and statistic based. It is the “WHAT” of customers and markets.

**Customer insight**

is information that enables a company to determine why their customers behave how they do with regard to their brand. Armed with this information, organisations are able to use insight to affect purchase behaviour. It is the “WHY” of customers and brands.
To better demonstrate the difference, below are two very similar-looking surveys. But, as you can see from the questions, the market research survey asks the “WHAT”, and the customer insight surveys asks the “WHY”?

**Sample MARKET RESEARCH survey**

To know more about how often you visit our theme park and which other theme parks you visit.

1) How many times a year do you visit a theme park?
   - 0-2
   - 2-4
   - 5+

2) How many times a year do you visit Roller Coaster City?
   - 0-2
   - 2-4
   - 5+

3) Would you recommend Roller Coaster City to a friend?
   - YES
   - NO

4) Which other theme parks do you visit?
   - Adrenaline World
   - Twists & Turns
   - Thrills n Spills
   - Other

This information will be very helpful to us but is optional:

Your name: [ ]
Your email address: [ ]

If you do not wish to be contacted in response to your answers, please leave your email address blank.

SUBMIT YOUR SURVEY

**Sample CUSTOMER INSIGHT survey**

To understand how you feel about your experience with Roller Coaster City.

Considering your overall experience with Roller Coaster City, how would you rate us on a scale of 1-5?

<table>
<thead>
<tr>
<th>Rating</th>
<th>Stars</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>★★★★★</td>
</tr>
<tr>
<td>4</td>
<td>★★★★</td>
</tr>
<tr>
<td>3</td>
<td>★★★</td>
</tr>
<tr>
<td>2</td>
<td>★★</td>
</tr>
<tr>
<td>1</td>
<td>★</td>
</tr>
</tbody>
</table>

Using your own words, please tell us why you gave that rating.

This information will be very helpful to us but is optional:

Your name: [ ]
Your email address: [ ]

If you do not wish to be contacted in response to your comments, please leave your email address blank.

SUBMIT YOUR FEEDBACK
Let me give an example of how CUSTOMER INSIGHTS work in practice:

One of Feedback Ferret's automotive clients undertakes regular customer surveys with their Service clients and was keen to dig deeper into the reasons behind the lower Net Promoter Scores (NPS). By diving deep into the survey results, Feedback Ferret found that surveys containing comments about “oil change” were often from customers very ready to defect from either the brand or dealer, and the customer's propensity to recommend the dealer.

So why was this? Further insight was required. It was only by digging deeper into the verbatim comments that the following issues were uncovered:

**Unreasonable wait times:**
“The “express” oil change took over 1 hour from the time the vehicle drove off to be serviced until I checked out. I will be going elsewhere for my oil changes.”

**Appointment times were not always honoured:**
“How is it acceptable for an “appointment scheduled” oil change to take over 2 hours? The vehicle was in the service bay for less than 20 minutes, so 2 hours to write up the order, wash vehicle, and deliver vehicle. REALLY? Don’t overbook appointments! Get more car wash employees.”

**The oil change was too expensive:**
“Very, very expensive for an oil change and tire rotation. Will go to other service center for oil changes from now on + most service centers now offer free tire rotation.”
Customers were being quoted one price but being charged another:
“I was disappointed in the fact that I was told on the phone my cost for the oil change would be 14.95 and then it ended up being $40. That was a disappointing blow.”

The details of the service were poorly explained or not explained at all:
“They did not go over the paperwork with me at the end either. They were hardly busy at this time.”

Upselling was putting customers off:
“Went in for an oil change and 400.00 of services were recommended. I have only had the car for a few months. Do not like the pressure to get additional expensive services.”

Services have not been performed correctly:
“I would like to point out that this is the second time in a row that I have come into the same locations to have my oil changed & the tires rotated however both time when it comes to rotating my tires your tech has decided not to preform that task as required”

The car was not washed as promised:
“‘Complimentary car wash’ was not given, even though promised. For a $300, I believe the car wash was more than complimentary.”

As a result of this customer insight and analysis, the following recommendations were made to our client:

- Commence work at scheduled appointment time
- Manage customer expectations when services cannot be completed in timely manner... Tell them!
- Charge only quoted service price, unless customer is informed and consents to additional services and costs
- Explain services upon returning vehicle to customer
- Recommend additional services tactfully
- Provide all services requested in timely manner
- Perform work correctly, the first time
- Wash the car if promised/complimentary by dealer or requested by customer
- Honestly advise on upcoming necessary, high priority maintenance needs
- Evaluate high prices for routine maintenance services

This is real customer insight, not market research. And it’s insight that, if acted upon, can really make a positive difference to the customer experience.
Here are some further differences between market research and market insight – all food for thought:

- There is plenty of research out there. There is much less actionable insight.
- Research delivers facts, knowledge and statistics. Insight delivers this as well, but also delivers an additional layer of recommended actions that can help improve the bottom line.
- Research departments deliver to the marketing function. Insight departments work in partnership with the marketing function.
- Research departments deliver data and statistics. Insight departments deliver data plus narrative.
- Insights are more sought-after and prolific in Anglo and American markets, less so in Europe. Translation challenges of narratives appear to be the main obstacles (although here at Feedback Ferret, we are able to manage this very successfully).

In conclusion, research tells us WHAT is happening – whereas insight tells us WHY it is happening. More importantly, insight helps us understand what to do about it to increase customer satisfaction, customer loyalty and help boost the bottom line.

Both are equally important elements of any business but, if we are to create solutions to problems, we need deeper and more actionable insight.

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Using text analytics, Feedback Ferret transforms customer feedback comments into actionable insight. We make it easy for you to improve your customer experience.

1. We consolidate all your Voice of Customer feedback comments from any source into a single analysis and reporting platform.

2. We automatically transform the customer comments into easy-to-understand, actionable insight using our sophisticated text analysis engine.

3. We deliver the RIGHT information to the RIGHT people in the RIGHT format at the RIGHT time, so they can take action to improve customer experience and financial performance.

All our technology and services have been developed by, and are operated by, Feedback Ferret Ltd. The technology is our own intellectual property, designed specifically to address the needs of extracting insight from customer feedback.

Feedback Ferret is based in Bourne End in the UK, with offices in USA, South Africa and Poland.

For more information visit www.feedbackferret.com