MarketingSherpa research discovers it's easier to lose customers with product reliability than it is to win them over

43% of satisfied customers say a product or service is very reliable; 34% of unsatisfied customers say a product or service is fairly reliable

JACKSONVILLE, Fla., March 9, 2017 /PRNewswire/ -- MarketingSherpa split 2,400 U.S. consumers into two groups. One group of 1,200 was asked, "Thinking about companies that you are generally satisfied with their products/services, how often do you do the following?" The other group of 1,200 was asked, "Thinking about companies that you are generally unsatisfied with their products/services, how often do you do the following?"

Each group was then asked, "How reliable are [chosen company's] products/services?" The most frequent response from satisfied customers (43%) was "very reliable," or a five out of five on the scale of reliability. The most frequent response from unsatisfied customers (34%) was "fairly reliable," or a three out of five on the scale of reliability.

The MarketingSherpa article, "Product Development Chart: A 'minimum viable product' is not enough to satisfy customers" includes the full data along with an analysis.

In the article, Daniel Burstein, Senior Director of Editorial Content, MarketingSherpa, said, "What really stands out to me about this data is how it is distributed. If a reliable product or service had the same effect on satisfaction as an unreliable product, we would expect the satisfied and unsatisfied customers to mirror each other."

"But we don't see that. The responses for satisfied customers skew heavily towards reliability while the responses from unsatisfied customers were much more evenly distributed. In other words, it takes much more to win over a customer than to lose her. You need a very reliable product to satisfy a plurality of customers, but will lose a plurality of customers with even a fairly reliable product. Three out of five just isn't good enough," Burstein said.

The data is from the MarketingSherpa Customer Satisfaction Research study of 2,400 consumers, sampled to reflect a close match to the U.S. population's demographics, conducted in September and October 2016 during the planning of MarketingSherpa Summit 2017's content. Half of the respondents (1,200) were asked to reflect on their experiences with a specific brand with which they are highly satisfied along with companies they were satisfied with in general, and the other half (1,200) were questioned about a brand with which they are not satisfied and companies they are unsatisfied with in general. The responses of these two groups were then compared and contrasted against each other. The respondents from each age group, the Silent Generation (71-93); Baby Boomers (52-70); Generation Xers (34-51); and Millennials (18-35) were nearly evenly split between the paired surveys.

View the entire study at <u>MarketingSherpa.com/ConsumerStudy</u>. For questions regarding the survey or its methodology, please contact Erin Donker at <u>erin.donker@meclabs.com</u>.

About MarketingSherpa Summit 2017

MarketingSherpa Summit 2017 is a showcase of inspirational stories of customer-first marketing. Building off Email Summit's heritage, the four-day 2017 Summit, taking place at the ARIA Resort in Las Vegas from April 10-13, 2017, will highlight some of the most successful digital marketing campaigns using email, data, mobile, social media and content, including award-winning case studies presented by brand-side marketers. There will be breakout sessions that offer interactive roundtables for marketing technology and messaging tips and advice from industry experts and brand-side marketers, as well as networking opportunities to exchange experiences. MarketingSherpa is a publishing subsidiary of MECLABS Institute.

For more information about MarketingSherpa Summit 2017, visit http://marketingsherpa.com/summit2017.

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Founded in 1997 and based in Jacksonville, Florida, MECLABS Institute is the world's largest research institute dedicated to discovering how people make choices.

MECLABS has been involved in direct Research Partnerships with companies throughout Asia, Europe and the Americas since 2001. As an institute focused on offer-response optimization particularly in the field of value

exchange, the Institute is dedicated to taking an academic approach to improving the discipline of marketing by teaching its discoveries through workshops, online learning and a graduate-level program in partnership with the University of Florida.

MECLABS' two publishing subsidiaries – MarketingExperiments and MarketingSherpa – publish experiments and provide insights to the marketing community.

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