An Investigation into the Capture and Use of Customer Feedback by Small and Medium Enterprises

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ABSTRACT

This study is an exploration into the activity of customer feedback capture within SMEs in Nova Scotia. Market orientation and innovation, constructs seemingly related to customer feedback capture, are examined. External market forces as well as internal capacities that may impact this activity are also reviewed. The resulting small sample size and high percentage of micro sized firms in the sample impeded robust manipulation of the data. However, initial findings point to a high propensity for micro-sized firms to utilize social media for customer feedback capture. This result contradicts expectations set according to models of organizational complexity.

In analysis, T-tests were conducted using two groups created by mean splitting: a low market orientation group and a high market orientation group. The low market orientation group had significantly lower levels of total feedback method use, agility, and innovation as compared to the high market orientation group. In regression testing using total methods as the dependent variable and innovation, agility, competitive intensity, market turbulence and technical turbulence as independent variables, only market orientation was shown to be a significant predictor of total feedback methods used. Further, when market orientation was used as the dependent variable and the internal variables of innovation and agility and external variables of competitive intensity, market turbulence and technological turbulence were the independent variables, only agility was found to be a significant predictor of market orientation. More empirical testing on a larger sample size is needed to draw further conclusions.

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I. INTRODUCTION

We have all heard the old adage; "The customer is always right"; however, each of us can likely recall at least one interaction with a business that did not seem to support this approach. In frustration, we may have taken up an invitation from a nonplussed employee to file our complaint on a comment card, only to never again hear from the company regarding our concern. Adages come to be because they are time tested guides for good conduct; why then, is there such variance in how well businesses adopt a guiding philosophy of listening and responding to their customers?

1.1. The Importance of Customer Feedback

Perhaps the answer to the question lies in a lack of understanding around the importance of customer feedback to the overall success of a business. The specific benefits of feedback depend on what business function is being studied. In service delivery, focus on the collection and measurement of customer feedback is crucial for determining service satisfaction and implementing improvements that better serve customer needs (Wirtz & Tomlin, 2000). For product offerings, implementing customer feedback in product design and development leads to products of superior quality (Griffin & Hauser, 1993). In human resource management, linking customer feedback to performance management can lead to increased employee productivity (Sharma, 2008). Further, tuning in to customer feedback enables a firm to compare performance between business units, locations or time periods, and can alert management to shifts in customer preferences or changes in the competitive environment (Jones & Sasser Jr., 1995).

In today's increasingly online marketplace, being attuned to customer feedback and in so doing keeping customers coming back is no longer an optional 'nice to have' for businesses.

Today's customers become aware of competitor options very quickly and switching is easier than ever before, and retaining customers and inspiring customer loyalty is increasingly becoming a strategic necessity (Jaiswal & Niraj, 2011). This is because loyal customers buy more, buy more often, and tell others to buy (Jones & Sasser Jr., 1995). Loyal customers are not just satisfied customers; they are *totally* satisfied customers that, even if they have a viable alternative, will chose to stay with the company (Jones & Sasser Jr., 1995). In a time when the internet technologies and social media enable customers' instantaneous expression, knowing how to capture, manage and respond to that expression is increasingly becoming necessary for long term firm survival (Tripp & Gregoire, 2011).

1.1.1 TYPES OF CUSTOMER FEEDBACK

Methods for capturing customer feedback are many and varied. Informal, unsolicited feedback that is given verbally to frontline service staff is the most common form (Wirtz & Mattila, 2010). Feedback can also be directly solicited from customers through in-person, telephone, or online surveys, written evaluations, mystery shopping programs, or customer forums (Caemmerer & Wilson, 2010). In the online context, feedback can be gleaned through social media monitoring (Crosman, 2011), clickstream data and web analytics (Wilson, 2010). Transaction and call centre analytics can also be mined to provide a wealth of valuable feedback to a business (Leventhal, 2010).

1.2 MARKET ORIENTATION

Availability of tools and awareness of benefits are not all that is required for a business to properly capture and attend to customer feedback; a firm must be properly organized for doing so. The mere collection of feedback will not be properly utilized in a firm that does not have processes in place to benefit from the information obtained. Market orientation provides that context (Chen-Ho Chao & Spillan, 2010).

Since the 1990s, researchers have been studying what characteristics are required for firms to be able to implement the marketing construct, i.e. the management philosophy that firms must be wholly oriented toward the market in order to maximize the creation of value for the firm (Kohli & Jaworski, 1990). In their seminal work Kohli and Jaworski (1990,p. 6) define market orientation as “the organization-wide generation of market intelligence pertaining to current and future needs of customers, dissemination of intelligence within the organization and responsiveness to it”. Narver and Slater (1990), also noted for foundational research on the subject, proposed a construct of the market oriented firm that consisted of three components: customer orientation, competitor orientation, and interfunctional coordination. Deshpande and Farley (1998) made important contributions to early research through scale development for the reliable measurement of market orientation. All three sets of researchers set out to provide empirical basis for the link between market orientation with firm performance, with mixed results (Deshpande & Farley, 1998; Jaworski & Kohli, 1993; Narver & Slater, 1990). This ambivalence in results continues (Chen-Ho Chao & Spillan, 2010; O'Cass & Viet Ngo, 2007), and there remains to be much interest in what aspects of market orientation lead to business performance success, as well as what factors may impede or facilitate organizational market orientation. A search in any academic journal database will turn up a myriad of studies in a wide variety of business contexts.

1.2.1 Internal Influences on Market Orientation

Internal characteristics of an organization's culture can have an impact on how well an organization can adopt market orientation. Innovativeness and agility can be important internal moderators (Verbees & Meulenberg, 2004; Zelbst, Green Jr., Abshire, & Sower, 2000).

Innovativeness in the organizational context can be defined as how well an organization can develop and implement new ways of working in order to accomplish competitive advantage within its marketplace (Sabir & Kaylar, 2013). It includes examinations of culture, as well as propensity toward technical, administrative, and service innovation (Sabir & Kaylar, 2013).

Agility refers to a highly developed capacity for adaptation to change; it encompasses a distinctive ability to successfully interpret and respond to external events on a continual basis (Nunnally, 1978). It could be said that agilty is how quickly a firm can innovate in the face of environmental change (Coronado, 2003).

1.2.2 External Influences on Market Orientation

External forces can also have a part to play in how well businesses can adopt the characteristics of market orientation; environmental factors of competitive intensity and market turbulence may influence the degree of market orientation organizations will exhibit (Kohli & Jaworski, 1990). These factors refer to how quickly unanticipated changes in consumer preferences, government regulations, competitor activities, and technology take place within the market environment (Song & Parry, 2009).

1.3 Scope and Objectives of Research

The activity of capturing customer feedback can be seen as partially indicative of a firm's market orientation (Chen-Ho Chao & Spillan, 2010; Jaworski & Kohli, 1993). However, in the literature that supports the link between firm performance and market orientation, the market orientation of the firm must be robust, including processes to utilize the information and respond to it (Chen-Ho Chao & Spillan, 2010; Jaworski & Kohli, 1993; Narver & Slater, 1990). In examining customer feedback capture by SMEs in Sweden, Opoku (2006) found that while many of the SMEs studied engaged in solicitiing feedback, all of those that were doing so admitted that the processes of utilizing the information could be improved, yet nonetheless found the activity worthwhile and supportive of business performance. So, what motivates businesses to capture customer feedback? If they are not capturing feedback, why not? Do the internal and external forces on market orientation-innovativeness, agility, competitive intensity and market turbulence- have a more direct influence on the activity of customer feedback capture? Given the continued ambivalence shown in the mixed results of previous studies regarding the link between market orientation and performance (Chen-Ho Chao & Spillan, 2010; Deshpande, Farley, & Webster Jr., 1993; Jaworski & Kohli, 1993) it seems important to separate the activity of customer feedback capture from market orientation and examine it directly. And, given the importance of SMEs to our economy, examining these relationships in the SME sector seems appropriate.

1.3.1 Research Questions

Through primary investigative research through a social survey and an exploratory approach, this work will attempt to answer the following questions:

1. To what extent do SMEs in Nova Scotia capture customer feedback?
2. What methods do SMEs use to capture feedback?
3. If these businesses capture feedback, what are the drivers? If they do not, what are the barriers?

4. If these businesses capture feedback, how do they use it? Is there a process in place to facilitate its use in decision making?
5. What is the perceived value of capturing and using feedback?

1.3.2 Expected Contribution of Research

This is an exploratory study that aims to provide insight on the relationships between customer feedback capture, market orientation, innovation, competitive intensity, market turbulence and technological turbulence in SMEs in Nova Scotia for the purpose of future more empirically grounded studies. Measuring the activity of feedback capture as well as the degree of a firm's market orientation will give insight into how well SMEs are able to utilize the data they capture. Measuring the presence of innovation, agility, competitive intensity, and market/technological turbulence will allow for further insight into the drivers or inhibitors of feedback capture. In short, it is hoped that this work will provide useful exploration on how well SMEs are able to utilize current technologies in customer feedback capture, the robustness of their processes for utilizing the information gathered, and what internal and external forces promote or impede the activity

II. LITERATURE REVIEW

In keeping with the objectives of this research, this literature review will first focus on exploring the extant knowledge on customer feedback capture by SMEs, market orientation in SMEs, and subsequently the constructs of innovation, agility, competitive intensity and market turbulence in turn, within the context of SMEs insofar as research is available.

2.1 Customer Feedback Capture Within SMEs

The extant literature on customer feedback capture is found primarily in the domains of marketing and organizational performance management, most often within the context of large companies. Within marketing, most discussion of customer feedback comes indirectly within the context of market orientation, since customer feedback is part of market intelligence (Kohli & Jaworski, 1990). As such, customer feedback can be an important indicator on how well customers are being served, how they can be served better, and how likely they are to use a competitor's products and services (Chen-Ho Chao & Spillan, 2010; Jaworski & Kohli, 1993; Narver & Slater, 1990).

Customer feedback can come in many forms. It can be passive, or informal, unsolicited feedback that is volunteered by the customer (Caemmerer & Wilson, 2010). It can also be active-formally solicited feedback that the firm pursues from the customer (Opuko, 2006). Most feedback is informal, verbal feedback given to front line service staff (Caemmerer & Wilson, 2010; Opuko, 2006). However, it has been shown that much of this feedback is often uncollected or unreported to management (Caemmerer & Wilson, 2010). This is due to either a lack of processes in place to capture feedback, or a performance management process that does not encourage the honest reporting of feedback (Wirtz, S.K., & Mattila, 2010) In either case, feedback bias is the result, as the feedback that does reach management is not a reliable reflection of the true nature of customer sentiment (Wirtz, S.K., & Mattila, 2010). This is why the ability to collect active feedback that doesn't necessarily involve the customer or employees- through analytics- can be so valuable (Desouza, et al., 2008). Through analytics, firms can assess how well customers are interacting with websites, what they are buying, and what they may buy in the future without ever asking customer direct questions (Desouza, et al., 2008; Leventhal, 2010). However, analytics are only useful insofar as they can be analyzed properly. This is another major challenge that firms face with customer feedback collection: it is only useful if there are systems in place to appropriately process, and analyze, and disseminate the information (Burke, 2010 ; Chen-Ho Chao & Spillan, 2010; Opuko, 2006). Many studies have shown that smaller firms are challenged by the organizational processes that are required to do this well (Burke, 2010; Chen-Ho Chao & Spillan, 2010; Pelham & Wilson, 1996).

However,Voorhees, Fombelle, & Allen (2014) observed links in the activity of capturing and appropriately responding to customer feedback to customer loyalty and a positive, measured increase in purchase revenues in service firms (Voorhees, Fombelle, & Allen, 2014) without elaborate intelligence dissemination and multi-departamental organizational response. Since service firms comprise 70% of the Canadian economy in terms of GDP contribution (Government of Canada, 2015), it is reasonable to think that they comprise a comparable percentage of SMEs. This result causes one to question whether robust, full-blown market orientation is required for SMEs to realize an increase in performance from customer feedback capture. Given that SMEs are at once advantaged by their relative simplicity and thereby diminished need for formalized processes (Pelham & Wilson, 1996), and disadvantaged by their lack of monetary resources (Verhees & Meulenberg, 2004) needed to implement the processes of market orientation (Narver & Slater, 1990), these findings support an investigation that separate customer feedback from market orientation.

The issue of SME’s financial resource limitations (Verhees & Meulenberg, 2004) brings to mind this question: in the increasingly online commercial environment, what barriers exist when it comes to implementing more technologically advanced methods of customer feedback capture? In his 2006 study on online customer feedback collection by SMEs in Sweden, Robert Opoku found that email, databases, and e-meetings were the predominant online tools used by SMEs, in conjunction with offline surveys, focus groups, and letters, telephone, and fax. While all respondents involved in the case study were aware of more advanced tools, and all admitted that they could probably benefit from a more comprehensive “cocktail of feedback collection” as recommended by Wirtz and Tomlin (2000, p.109), none were planning on introducing more complexity into their feedback processes and measurement (Opuko, 2006). Further, Burke (2010) developed a model of internet and communication technologies (ICT) based on Churchill and Lewis’ Stages of Organizational Complexity Model for small firm growth (Churchill & Lewis, 1983). The five stages of Organizational Complexity, namely existence, survival, success, take-off, and resource maturity, are marked by advancing levels of organizational size, diversity and complexity. Using the stages as a guide, Burke (2010) developed a corresponding model of Information and Communication Technology (ICT) use by SMEs; she hypothesized that ICT use by SMEs also advanced according to organizational size. ICT use by SMEs ranged from the basics like using a computer, to instant messaging, chat forums, and blogging (Burke, 2010). Her hypothesis was supported by her analysis.

The development of market orientation as a concept and in the context of SMEs will now be examined.

2.2 Market Orientation: Construct Development

The work of Kohli and Jaworski is essential in any foundational discussion on market orientation. Through an extensive literature review and comprehensive fieldwork, they provided the first definition of the construct in their work, *Market Orientation: The Construct, Research Propositions and Managerial Implications* (Kohli & Jaworski, 1990):

> Market orientation is the organizationwide *generation* of market intelligence pertaining to current and future customer needs, *dissemination* of the intelligence across departments, and organizationwide *responsiveness* to it" (emphasis in original, p.6).

Market Intelligence generation includes feedback from customers as well as information on competitors, potential market regulations, and the anticipation of the future needs of customers (Kohli & Jaworski, 1990). The interdepartmental dissemination of this intelligence, rather than containment in the marketing realm, is necessary in order for an organization to be effectively responsive to its customers; responsiveness is defined as "producing, distributing and promoting products in a way that elicits a favorable response" (Kohli & Jaworski, 1990, p. 3).

In their investigation into the internal factors that may facilitate or impede the implementation of market orientation, Kohli and Jaworski (1990) identified three classifications of antecedents: senior management factors, interdepartmental dynamics, and organizational systems. It was found that the role of senior management was very important in promoting market orientation within an organization; senior management must not only be committed, but clearly communicate this commitment through both word and behavior (Kohli & Jaworski, 1990). Interdepartmental dynamics are defined as the formal and informal interactions between departments in an organization; the researchers propositioned that tense relationships would impede intelligence dissemination and responsiveness, and conversely, "connectedness" would facilitate such (Kohli & Jaworski, 1990).With regard to organizational systems, they found that centralized decision making and departmental specialization may act as a barrier to information dissemination and responsiveness (Kohli & Jaworski, 1990).

Narver and Slater (1990), also major contributors to the development of the market orientation construct, posited that the purpose of market orientation was the creation of "sustainable competitive advantage", in that it "most effectively and efficiently creates the necessary behaviours for the creation of superior value for buyers, and, thus, continuous superior performance for the business" (p.21). Narver and Slater (1990) inferred that market orientation consists of three behavioural components: customer orientation, competitor orientation, and interfunctional orientation.

It is interesting to note that in some of the more recent literature on the subject, the work of Kohli and Jaworski has been classified as behaviour- based, while the work of Narver and Slater has been deemed culture-based (O'Cass & Viet Ngo, 2007; Verhees & Meulenberg, 2004). This may be a partial explanation for the extensive preocupation in the research to establish a comprehensive link between market orientation and performance that to date remains elusive (O'Cass & Viet Ngo, 2007). One reason for this preoccupation is the many different ways that performance can be measured. For example, Kohli and Jaworski (1990) used market share as a performance measure, however, following their mixed results, they indicated that a firm following a niche market strategy would not use market share as a measure of performance (Jaworski & Kohli, 1993).

The key similarity between Narver and Slater (1990), Kohli and Jaworski (1990), and Deshpande and Farley (1993) is that they all agree that market orientation requires a focus on the customer. Where they differ is in the degree of focus. Kohli and Jaworski (1993) believe that market orientation is largely a set of behaviours that when orchestrated correctly, produce a performance benefit for the firm. To them, the role of intelligence generation, dissemination and responsiveness are all equal sets of behaviours that attribute to this result. Narver and Slater (1990) essentially think that providing value to the customer is the reason for the firm’s existence; without the customer, the firm has no purpose. Thye believe that the organizational culture of the firm must be oriented toward the customer in order for performace to benefit; that it is far more than simply a matter of replicating behaviour (Narver & Slater, 1990). Deshpande, Farley and Webster Jr. (1993) also follow the cultural steam of thought, and believe that both customer orientation and innovativeness within a firms culture contribute to the link between market orientation and performance.

2.2.1 Market Orientation Within SMEs

This concern with examining the link between market orientation and performance continues within the context of SMEs; there are a wide variety of studies on both product and service firms, and with varying definitions of performance (for example Chen-Ho Chao & Spillan, 2010; Kara, Spillan, & DeShields Jr., 2005; O'Cass & Viet Ngo, 2007; Pelham & Wilson, 1996; Song & Parry, 2009; Verhees & Meulenberg, 2004; Van Egeren & O' Connor, 1998).

However, this current study is not focused on the link with performance; it is focused on the activity of capturing and utilizing customer feedback. Narver and Slater (1990) stated that while they conducted their test on the market orientation-performance relationship with the assumption that all three factors- customer orientation, competitor orientation, and interfunctional cooperation- were equal, they did suggest that separate analysis would be beneficial in illuminating if one factor had more effect on the relationship than the others. Further, Despande and Farley (1998) took a very decided view that customer orientation was the most important factor out of the three in the market orientation-performance link. Thus, since the understanding that customer feedback capture is part of “market intelligence”(Kohli & Jaworski, 1990) and “customer orientation” (Narver &Slater, 1990), then a separate examination is appropriate.

This review now turns to the constructs of organizational innovativeness and agility.

2.3 Internal Influences: Organizational Innovativeness and Agility

Innovativeness and agility are influential factors that impact how a company carries out its activities.

2.3.1 Organizational Innovativeness

Innovativeness seemingly has many definitions; it can refer to the process of developing something new, the new item itself, or the process of adopting the new item (Verhees & Meulenberg, 2004). It can present itself in many forms, such as product or process innovation, radical or incremental innovation, or administrative or technical innovation (Wang & Ahmed, 2004). As an organizational construct, organizational innovativeness has been defined as, “an organization’s overall innovative capability of introducing new products to the market, or opening up new markets, through combining strategic orientation with innovative behavior and process” (Wang & Ahmed, 2004, p. 2).

Research on innovativeness, its impact on business performance, its antecedents and consequences is as rich and varied as that of market orientation, and many studies examine the link between them (for example Deshpande, Farley, & Webster Jr., 1993; Han, Namwoon, & Srivastava, 1998; Verhees & Meulenberg, 2004).

Deshpande and Farley’s *Corporate Culture,Customer Orientation and Innovativeness in Japanese firms: A Quadrad Analysis* (1993), was the first empirical study to relate at once the concepts of market orientation, organizational culture, and innovativeness to business performance (Deshpande, Farley, & Webster Jr., 1993). These researchers held the view that organizational culture, that explains *why* we do what we do, was more important than market driven behaviours for firm performance. Narver and Slater (1998) agreed:

> “If market orientation were simply a set of activities completely disassociated from the underlying belief system of an organization, then whatever an organizations culture, a market orientation, could easily be implanted by the organization at any time. But such is not what one observes” (p.235).

These two sets of researchers formed the foundation for what is often referred to as the “cultural stream” of market orientation (Homburg & Pflesser, 2000), as opposed to the behavioral stream, which cites the work of Kohli and Jaworski (1990), O'Cass and Viet Ngo (2007); Verhees and Meulenberg (2004). This cultural stream provides the context for the discussion on organizational innovativeness. Research linking market orientation and innovativeness ranges between findings that present innovativeness as an integral part of the performance success achieved through market orientation (Verhees & Meulenberg, 2004), to the position that cultivating innovativeness can be a complete and separate strategy to positive firm performance (Wang & Ahmed, 2004), to the idea that innovativeness is the true driver of performance, and market orientation at best is the product of innovation (O'Cass & Viet Ngo, 2007), and at worst, by encouraging only incremental innovation, actually impedes performance (Atuahene-Gina, 1996). O'Cass & Viet Ngo (2007) express the different approaches to market orientation and their relationship with innovation best:

> "The principle reasons underlying the deficiency of a unified theory of the market orientation-performance relate to conflicting theoretical perspectives and differing levels of measurement. First, an extensive debate regarding the nature of market orientation (behaviour-based vs culture-based) still prevails in the literature (Narver & Slater, 1998; Deshpande & Farley, 1998). Market orientation, from a behavioural perspective, is described as reflecting market-driven behaviours (eg. Jaworski & Kohli 1993; Hunt & Morgan, 1995), whereas the cultural perspective of market orientation is described as an aspect of an organization's culture, especially an innovative culture, may question whether market-driven behaviours are the only way to achieve success" (citations in original,p.868)

This discordance regarding the nature of the innovation-market orientation relationship highlights the need to study customer feedback capture- a market-driven activity-against the two constructs- in order to see if the activity is driven more by market orientation, or innovative culture.

To that end, the direct relationship between customer feedback capture and innovativeness must be examined in the literature. While there is some literature that suggests innovation stems from alternate organizational processes rather than the collection of customer intelligence, which includes feedback capture (O'Cass & Viet Ngo, 2007), most research suggests that information from customers is the starting point for innovation. For example, in their examination on product innovation in small firms, Verhees & Meulenberg (2004) find that, " innovativeness, being an elementof entreprenuerial orientation, is expected to stimulate customer market intelligence because customer information is a key resource for innovation" (p.139). Further, in Customer Driven Innovation, (Desouza, et al., 2008) found that not only are leading organizations soliciting feedback from their customers, they are getting even closer to them, engaging customers in the co-creation of new products through workshops and intensive customer engagment at multiple organizational levels. They stress that, in some industries, customer-driven innovation processes have become absolutely necessary in order to survive (Desouza, et al., 2008). However, the late Steve Jobs, founder of Apple Inc., was infamous for his view that customers don't know what they want until you show it to them, thus taking the view that customer orientation can actually slow down performance (Forbes, 2015).

2.3.2 Organizational Agility

Closely related to organizational innovativeness is organizational agility. Where innovation is the ability instigate novel change, agility is the capacity to make that change quickly, in response to environmental stimulus (Coronado, 2003), and on a continual basis (Nunnally, 1978). Thus, agility encompasses at once the concepts of innovation and environmental turbulence, and enables a business to seize advantageous opportunities when they appear in the marketplace (Coronado, 2003).

In the literature, organizational agility is most often discussed in terms of manufacturing, and more specifically, in the use of innovative technologies within manufacturing supply chains (Vazquez-Bustelo, Avella, & Esteban, 2007; Zelbst, Green Jr., Abshire, & Sower, 2000). There is very little literature that deals with the topic within the context of SMEs, and and virtually none within service firms.

However, a few studies were found that can provide some basis for hypothesis development. Zelbst, Green Jr., Abshire, and Sower (2000) examined the relationship between market orientation and agility within the context of supply chain manufacturing. Since agility is the ability to change supply chain operations in response to a environmental stimulus, they posited that environmental stimulus included changes in customer needs and preferences, and, that in order to be agile and *respond* to stimulus, businesses must first be able to *perceive* changes in customer demand, and market orientation provided the vehicle for that perception through its focus on intelligence generation (Zelbst, Green Jr., Abshire, & Sower, 2000). Thus, they hypothesized that market orientation was a precursor for organizational agility, and found significant support for this in their analysis.

Therefore, since capturing customer feedback is a part of market intelligence generation (Jaworski & Kohli,1993), and, by extent market orientation, it can be said that it can also be a precursor for agility.

2.4 External Influences: Competitive Intensity and Market Turbulence

Kohli and Jaworski *(*1990) posited that the presence of external market forces may influence the benefits that a business could expect from implementing a market oriented strategy; since the implementation of any strategy takes time and resources, it would be prudent for any business to weigh the costs of implementation against a reasonable expectation of returns. These influential environmental factors were competitive intensity, market turbulence, and technological turbulence (Kohli & Jaworski , 1990). The researchers proposed that under conditions of limited competition, stable market preferences, and technologically turbulent industries, a market orientation may be less needed for strong performance and thus be of less benefit to a business.

In a subsequent study, they tested their hypotheses and did not find any moderating effect on the market orientation- performance relationship in any of the three potential moderators (Jaworski & Kohli, 1993). However, they noted that this result could have been affected by the relatively low sample size and low reliability measures of the scales used to test for the potential moderating characteristics (Jaworski & Kohli, 1993). Since then, the study of the relationships between these external measures and market orientation has continued.

Capturing customer feedback is an integral factor of market orientation, and as such these studies have relevance to our purpose, as the moderators may be motivators or barriers to the activity of customer feedback capture. An examination of the literature regarding each factor follows.

2.4.1 Competitive Intensity

Competitive intensity refers to the amplitude of competition that exists within a market (Jaworski & Kohli, 1993). It includes the concepts of competitor hostility and competitor concentration: the more competitors aggressively attack each other on multiple dimensions (e.g. product, price, placement, promotion), and the more power is concentrated among a few firms, the more competitively intense the marketplace (Slater & Narver, 1994).

Extant research that relates competitive intensity and customer feedback capture is light; however, studies examining the relationship between competitive intensity and market orientation is available. Since customer feedback capture is a factor of market orientation, review of the literature relating the competitive intensity and market orientaton should provide some basis for hypotheses development.

Kohli and Jaworski (1990) posited that in non-competitive environments, such as in monopolies, customers have no options; they must purchase a firm's products regardless of whether or not the firm is market-oriented or not. Conversely, the more intense the competition and thus the more alternatives customers have, the more diligent a firm must be in discovering customer wants and needs in order to satisfy and retain them, and thus the more potential benefit there is to be gained by investing in market-oriented activities (Kohli & Jaworski, 1990; Slater & Narver, 1994).

Kohli and Jaworski subsequently tested this proposition, and actually found that there was no increased performance benefit –as measured by market share, return on equity, and subjective measure of overall performance- of market orientation to the firm in the presence of increased competitive intensity (Jaworski & Kohli, 1993). It is important to note that this is not to say that that there is *no* performance benefit to being market-oriented in competitive environments; only that there is no i*ncreased* performance benefit resulting from the isolated factor of competitive intensity. Slater and Narver (1994) also tested the impact of competitive intensity on the market orientation-performance relationship using slightly different measures of performance- subjective assessment of return on assets, sales growth, and new product success- and arrived at the same result; the performance benefit of market orientation did not increase as competitive intensity increased.

Two more recent tests of the impact of competitive intensity on the market orientation-performance relationship warrant mention. In his doctoral dissertation, Gonzalez (2005) exercised highly rigourous analysis to test the impact of competitive intensity on the market orientation-performance relationship, with performance measured by return on investment and sales growth. Gonzalez' (2005) results were also in line with those of Jaworski and Kohli(1993). Further, Mahmoud, Kastner and Yeboah (2005) tested the market orientation-performance relationship, with performance measured by sales growth, new product success, and profitability, in pharmaceutical firms in Ghana, which the researchers noted was largely dominated by small and medium scale enterprises. Interestingly, they had a different result; increased competitive intensity was found to increase the overall performance benefit of market orientation (Mahmoud, Kastner, & Yeboah, 2010).

Given the findings in the literature, it would seem that, in large part, the benefits of market orientation are not increased by the presence of competitive intensity and thus it is likely that competitive intensity is not a potential driver for the capture of customer feedback. However, Mahmoud, Kastner, and Yeboah (2010) found a different result within the context of small and medium sized pharmaceutical firms; that context aligns with that of this study.

2.4.2 Market Turbulence

Market turbulence refers to the degree and speed of change in customer composition and preferences that occurs within a market (Kohli & Jaworski, 1990). After conducting their literature review, Kohli and Jaworski (1990) suggested that, when market turbulence is low, firms can rely on existing knowledge about customer needs and preference, and thus may not need to make extra investment into market-oriented activities. However, when turbulence is high, they predicted that firms would see increased benefit from investing in the collection, dissemination, and response to timely, valid input from customers (Kohli & Jaworski, 1990). Interestingly, their findings differed from their expectations: when they tested the moderating effect of market turbulence on the market orientation-performance relationship, they did not register any significant effect (Jaworski & Kohli, 1993). In other words, they found that market turbulence neither strengthened nor weakened the effect of market orientation on firm performance. Since then, many researchers have also tested the impact of market turbulence on the market orientation-performance relationship.

Song and Parry (2009) took an interesting approach in testing the impact of market turbulence on the market orientation- performance link in that they set out to test whether a firm's *desired* level of market orientation, rather than *actual* level of market orientation, would provide a different result from Jaworski and Kohli. Their reasoning was that since the benefits gained from market oriented activities may not supersede investments made into those activities in stable conditions, measuring the desired level of market orientation would provide deeper insight on the motivation behind market oriented activities and their expected impact on performance (Song & Parry, 2009). Specifically, they hypothesized that as market turbulence increased the desire to have timely information, and thus the desire to invest in obtaining that information, would increase. The researchers found that high market turbulence did indeed increase the desire to collect, disseminate and respond to market intelligence, including customer feedback capture (Song & Parry, 2009). Joshi and Sharma (1999) also found support that environmental turbulence was positively related to the first two components of market orientation: market intelligence generation and market intelligence dissemination (Kohli & Jaworski, 1990; Joshi & Sharma, 1999).

Gonzalez (2005) found a different result. He supported the view that organizations operating in a turbulent environment would likely benefit from changing products and services continually in order to successfully retain customers. Through multiple regression analysis, he tested the moderating effect of market turbulence on the market orientation-performance relationship within the context of web-based service firms. He found that there was no significant moderating effect for market turbulence, supporting Kohli and Jaworski (1990) and Joshi and Sharma, 1999, yet contradicting Song and Parry (2009).

Mahmoud, Kastner, and Yeboah (2010) also found a negative relationship in pharmaceutical firms in Ghana. The researchers found that there was a significant and negative moderating effect of market turbulence on the market-orientation- performance relationship. They found that “ under conditions of high market uncertainties, engendering in market oriented activities do not generate better results in terms of performance” (p.239). The researchers attributed this to the poorly developed marketing processes for small and medium sized businesses in general (Mahmoud, Kastner, & Yeboah, 2010).

III. METHODOLOGY

3.1 Description of Research Design

This study incorporates an exploratory research design employing a social survey via an online questionnaire measured at the level of the individual. The scales that were used in each section were previously verified through reliability testing.

3.2 Questionnaire and Measures

The survey consists of eight categories of questions: Customer Feedback Capture; Market Orientation; External Moderators; Innovation; Agility; Demographic; Respondent; and Performance. See Appendix A for complete survey questions.

(1.) Customer Feedback Capture: these questions were designed by Dr. Ramesh Venkat and aim to test what types of feedback SMEs are utilizing and how often data are collected.

(2.) Market Orientation: the synthesized, 10-item MORTN scale designed by Deshpande and Farley (1998) was used. (see Appendix B for 10 item scale).

(3.) Two questions for each External Moderator of Competitive Intensity, Market Turbulence and Technological Turbulence were taken from Gonzalez (2005) as noted in Appendix O of that work (see Appendix C for 6 item scale).

(4.) A 10-item scale to measure Innovation was developed from the items with the highest reliability scores presented by Wang and Ahmed (2004) (see Appendix D for the 10 item scale).

(5.) A 7-item scale on Agility was developed from the top two highest reliability scored items in Charbonnier-Voivin (2011)- Appendices 1,2, and 4, and the highest scored item in Appendix 3 (see Appendix E for the 7 item scale).

(6.) Demographic questions on company age, type of industry, size and location.

(7.) Respondent- one question on position held in the company

(8.) Performance- one question on receipt of quality or service awards.

3.3 Sampling

While numerical definitions vary, there is wide acceptance for the definition of a small and medium sized enterprise(SME) as being under 250 employees, with a micro sized business being 1-10 employees, a small business being 11-100 employees, and a medium sized business to be 101-250 employees (Organization for Economic Co-operation and Development, 2015). Since over 57% of the Canadian labour force is working in SMEs, the success of this sector is paramount and important to explore (Ayyagari, Beck, & Demirguc-Kunt, 2007).

The desired sample was managers and owners of small and medium sized enterprises in Nova Scotia. As such, local business community organizations were recruited to facilitate survey distribution throughout their respective memberships. Three Nova Scotian business community organizations agreed to facilitate survey data collection: the Halifax Chamber of Commerce, the Truro and Colchester Chamber of Commerce, and the Saint Mary's University Business Development Centre. Survey invitations took the form of either a featured hyperlink within an electronic newsletter or an email with a hyperlink sent directly to members. Clicked hyperlinks took participants to the survey introduction page. Respondents participated voluntarily.

The survey was administered online for ease of use, cost and time efficiency, and convenience for participants. Computer and internet use is widespread in small and medium sized businesses, thus the online medium was appropriate for the targeted sample. The survey itself was hosted on Qualtrics.com, a professional grade online survey tool. Responses were gathered during the first three weeks of March.

Given the anonymous nature of the survey, it was not possible to tell which organization's membership provided the most responses. In total, sixty-six surveys were initiated and forty-one completed, for a completion rate of 62%.

3.4 Data Collection Procedure

Local business community organizations were recruited to facilitate survey distribution throughout their respective memberships. Invitations took the form of either a featured hyperlink within an electronic newsletter or an email with a hyperlink sent directly to members. Clicked hyperlinks took participants to the survey introduction page, where participants were given a brief outline of the purpose of the study and informed that their participation was voluntary. The Halifax Chamber of Commerce ran a featured hyperlink within its electronic newsletter continuously for two weeks. The Truro and Colchester Chamber of Commerce issued an initial email throughout its membership database, and two reminder emails within a two week period. Consultants with the Saint Mary's University Business Development Centre issued an initial email and one reminder email throughout their respective client databases within a two week period.

3.5 Data Analysis Procedures

Data were downloaded on to SPSS spreadsheet and prepared for analysis. Using IBM SPSS Statistics software, data were manipulated to determine sample characteristics. Scale Reliability was then tested. T-test, Crosstabs, and regression analysis was conducted. Comparisons and ideas for future research were identified.

3.6 Ethical Considerations

Approval for primary research involving humans from the Ethics Review Board was obtained as required (see Certificate of Ethical Acceptability for Research Involving Humans in Appendix F).

IV. RESULTS

4.1 Sample Characteristics

In total, sixty-six surveys were attempted, forty-one were completed, and thirty nine were validated. The completion rate of 62% is relatively low. The researcher attributed this to the relatively long length of the survey.

4.1.1 Organizational Size

Respondents had a choice of selecting an organizational size of 1-10 employees, 11-50 Employees, 51-250 Employees, over 250 Employees. Sixteen respondents or 41% of the valid sample indicated that they worked in a micro- company, or firm of fewer than 10 employees. This could have also led to the high drop off rate of the survey, as respondents from micro companies would find it difficult to relate to the questions asked. Respondents from small-sized company (11-50 employees) comprised 28% of the sample; 15% belonged to medium-sized companies (51-250 employees), and 15% classed themselves as larger than medium-sized.

4.1.2 Organizational Age

Age of businesses ranged from one year to one hundred and four years, for a mathematical range of one hundred and three years. Mean company age is twenty-seven years. The most frequently occurring age, or, mode, is sixteen years. Given these averages, it seems that the sample is somewhat representative of established firms.

4.1.3 Seniority of Respondents

Most of the respondents, or 59% of the valid sample, indicated that they were senior management. Given the high percentage of small businesses in the sample, these are likely the owners of the firm. Middle managers comprised 31% of the sample, while 10% of respondents indicated that they were non-management.

4.1.4 Industry

Two industries tied for highest frequency in the data: Healthcare and Pharmaceuticals, and Construction of Homes and Machinery each scored five respondents. These two firms represented 35.6 % of the sample. Two industries also tied for the next highest frequency: Entertainment & Leisure and Finance & Financial Services each had four respondents. Food Services and Automotive Services tied for third highest frequency. These three pairs of Industries represented respondents in 61.6 % of the valid sample. The first paring is interesting, since the Healthcare and Construction industries seem so vastly different in terms of skill set. The second and third pairings of all service sector industries seems appropriate.

4.1.5 Region

Nineteen respondents, or 49% of the valid sample, indicated that they were located in Truro Colchester area. Eleven were in Halifax (28%), five were in Dartmouth (12.8%) and four were in Bedford (10.3%). Truro Colchester is a semi-rural to semi-urban area, which would seem aligned with the high percentage of micro-sized companies.

4.2 Reliability of Scales

Cronbach's Alpha was calculated to determine scale reliability. A value of .70 was considered acceptable, below that threshold, unacceptable (Nunnally, 1978). A value above .80 is considered to indicate good scale reliability (Nunnally, 1978). Results are displayed in Table 1.

TABLE 1: RELIABILITY OF SCALES

Scale	Cronbach's Alpha
MARKET ORIENTATION	.782
INNOVATION	.875
COMPETITIVE INTENSITY	.463
TECHNOLOGICAL TURBULENCE	.849
MARKET TURBULENCE	.302

Results indicate that the scale with the strongest reliability is Innovation scale. Technological Turbulence is also highly reliable. Market Orientation scale has acceptable reliability. Competitive Intensity and Market Turbulence did not produce acceptable reliability.

4.3 RESEARCH QUESTIONS

The data were examined in order to answer the research questions posed in the introduction.

4.3.1 FREQUENCY OF FEEDBACK CAPTURE

Slightly over half of the sample, or 53%, responded that feedback was sought from their customers. Data analytics was used by 57% of respondents. This indicates that most organizations have at least an expressed interest in utilizing customer feedback to benefit their organization.

Slightly over 59% of respondents indicated that customer feedback was an ongoing process in their organization. This seems in line with the small organizations that make up the majority of the sample, as processes would be informal in a small firm.

There was a different distribution with regard to data analytics: just over 39% of respondents indicated that data analytics were engaged in an ongoing way, while 32% indicated a timeframe of once a month and 25% of respondents indicated that data analytics were run occasionally. The relatively high indication of monthly analysis may be indicative of more formalized processes with a regular schedule.

4.3.2 Capture Methods Used

Of the sample portion that indicated use of feedback capture, informal verbal feedback was the most common type of feedback capture reported, with 77% of respondents indicating that it was used. Surveys and social media monitoring were tied for the second most frequently used type, at 53% each. This result may indicate that social media awareness as a feedback tool is increasing as compared to the results noted in the literature review. Focus groups were used by 23% of respondents and 13% indicated use of mystery shopping.

In terms of data analytics, 77% of respondents indicated that they used social media analytics to gain customer feedback. Google analytics was used by 61%, 32% used transaction data analytics and 10% used call centre analytics.

4.3.3 Capture Drivers and Barriers

In terms of drivers and barriers, data indicates that drivers are largely external, while barriers are largely internal. Lack of human resources was indicated as the reason the company was not engaged in feedback capture by 44% of respondents. Lack of financial resources was given as the reason by 24%. Thus, nearly 70% of respondents indicated that the barriers were due to resource constraints. Only one respondent indicated that customer feedback was not valued by management.

Operating in an industry in which competition is intense and customer focus is paramount was the leading reason that respondents gave as to why feedback was sought.

4.3.4 Feedback Capture Processes

Just over 40% of respondents indicated that information was shared widely throughout the organization, most commonly (61% of the time) through a staff meeting.

4.3.5 Perceived Value of Feedback

Respondents were asked how the information was used in the company. The leading reason that feedback was valuable to the organization was to make improvements to processes (55%), second was to track brand perceptions (38%), third was to make decisions regarding existing products or services (48%), and fourth was to identify new products and services (41%). A very high percentage of respondents, 84%, indicated that customer feedback capture was valuable or extremely valuable to the company.

4.4 Analysis

Statistical analyses were performed on the data in order to derive deeper insight.

4.4.1 T-tests

Based on a mean split of the market orientation score (which was a summation of the 10-item market orientation scale), two groups were created – high and low market orientation (MKTORGRPS). Using these two groups, a comparison of Total Customer Feedback Capture Methods (TOTALMETHOD) and Total Analytics Methods (TOTALANALYTICS) was conducted. TOTALMETHOD and TOTALANALYTICS were computed from a set of binary measures where the respondents were asked to select the feedback capture methods and the analytics methods used by their company. There were six feedback capture methods and 4 analytics methods presented. For each of these items, a respondent could select (1) or not select (0) the item. TOTALMETHOD and TOTALANALYTICS were created by summation across the feedback capture methods or analytics methods. TOTALMETHOD could, therefore, be a value between 0 and 6, and TOTALANALYTICS could have a score between 0 and 4.Independent Samples T-test was conducted using MKTORGRPS as the grouping variable. The results are shown in Table 2.

TABLE 2: T-TEST TOTAL METHOD AND TOTAL ANALYTICS

Variable	T	df	Sig. (2-tailed)
TOTALMETHOD	-3.009	43	.004
TOTALANALYTICS	-.531	43	.598

In the case of TOTALMETHOD, companies with low market orientation had lower TOTALMETHOD scores, compared to those with higher market orientation. The result for TOTALANALYTICS was non-significant.

Next another T-Test was conducted using composite measures of Agility and Innovation. In each scale individual scale items measuring agility (7 items) and innovation (10 items) were added to create the composite measures – AGILSUM and INNOVSUM. The question of interest here was if companies that had high vs. low market orientation differed in the extent to which they were agile or innovative. The results of the t-test are reported in Table 3.

TABLE 3: T-TESTS AGILSUM AND INNOVOSUM

Variable	T	df	Sig. (2-tailed)
AGILSUM	-3.040	43	.004
INNOVSUM	-1.229	38	.227

In the case of AGILSUM, companies with low market orientation has lower AGILSUM scores (Mean=23.72), compared to those with higher market orientation (Mean=27.00).   A similar pattern was found for INNOVSUM (low market orientation mean = 35.71, high market orientation mean = 38.13).

The frequency of feedback capture as well as the frequency of analytics did not vary by level of market orientation (high vs. low).T-test showed no significant difference. See Table 4.

TABLE 4: T-TEST FREQUENCIES

Variable	T	df	Sig. (2-tailed)
Frequency of Feedback Capture	-.131	22	.897
Frequency of Web Analytics	-.246	15	.809

4.4.2 CROSSTABS

A crosstab was performed using feedback capture methods and company size. Companies were split into three sizes (less than 10, 11-50, 51 and above). The three groupings had 16, 11 and 12 companies respectively in the sample. There were six feedback capture methods in the survey. No statistical test was performed. As companies increased in size, there were generally more feedback capture methods used, but the differences were not tested for statistical significance. It is interesting that larger companies relied a lot on verbal feedback from customers. The results are in Table 5.

Table 5: Crosstabs

Feedback Capture Method	Less than 10 Employees	11-50 Employees	51 or More Employees
Customer Satisfaction Survey	4	4	5
Mystery Shopping	1	2	3
Focus Groups	1	2	3
Social Media Monitoring	3	4	3
Comment Card	1	2	1
Verbal Feedback from Customer	5	5	8
Average Per Company	0.94	1.72	1.92

4.4.3 Regression

A regression was conducted with TOTALMETHOD as the dependent variable and the composite measures of market orientation (MTKORSUM), Agility (AGILSUM), Innovation (INNOVSUM), Competitive Intensity (COMPINTSUM), Market Turbulence (MKTTRUBSUM) and Technological Turbulence (TECHTURNSUM) as the independent measures. The model had an R-square of 0.288. The coefficients and t-values are reported in Table 6. It is worth noting that only market orientation was a significant predictor.

TABLE 6: REGRESSION TOTAL METHOD

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.612	1.852		.871	.390
	MARKORSUM	.132	.045	.547	2.909	.007
	AGILSUM	-.041	.074	-.116	-.554	.583
	INNOVSUM	-.074	.048	-.315	-1.567	.127
	COMPINTSUM	-.201	.136	-.236	-1.481	.148
	MKTTURBSUM	-.094	.170	-.091	-.555	.582
	TECHTURBSUM	.149	.114	.205	1.309	.200

a. Dependent Variable: TOTALMETHOD

A similar regression was conducted for TOTALANALYTICS with the same independent variables. The model had an R-square of 0.071. Coefficients are in Table 7. None of the independent variables was significant.

TABLE 7: REGRESSION TOTALANALYTICS

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.934	1.679		.556	.582
	MARKORSUM	.031	.041	.160	.745	.462
	AGILSUM	-.033	.067	-.116	-.485	.631
	INNOVSUM	-.014	.043	-.072	-.314	.755
	COMPINTSUM	-.137	.123	-.203	-1.113	.274
	MKTTURBSUM	.088	.154	.107	.573	.571
	TECHTURBSUM	.117	.103	.203	1.134	.265

a. Dependent Variable: TOTALANALYTICS

Lastly, the internal vs. external factors that drive market orientation were used in a regression as independent variables to predict market orientation. Internal factors are agility and innovativeness. External factors are competitive intensity, market turbulence and technological turbulence. The regression model had an R-square of 0.370. Coefficients are shown in Table. Only agility was a significant predictor of market orientation.

TABLE 8: REGRESSION INTERNAL AND EXTERNAL

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	11.200	6.838		1.638	.111
	COMPINTSUM	.847	.500	.240	1.694	.100
	MKTTURBSUM	-.552	.645	-.128	-.856	.398
	TECHTURBSUM	-.495	.429	-.164	-1.154	.257
	AGILSUM	.696	.258	.475	2.698	.011
	INNOVSUM	.145	.181	.148	.804	.427

a. Dependent Variable: MARKORSUM

V. CONCLUSION

5.1 SUMMARY

This preliminary investigation into the customer feedback capture by SMEs in Nova Scotia was meant to provide a starting point for future research. The data collected indicate that customer feedback capture is being undertaken by just over half of the companies that responded to the survey. The most common form of feedback is informal verbal feedback, which is consistent with the literature review (Caemmerer & Wilson, 2010; Opuko, 2006; Voorhees, Fombelle, & Allen, 2014). Given the small organization size of a large percentage of the respondents, the indication of social media analytics used is quite high, diverging from expectations arising from the model of organizational complexity. Human and financial resource constraints are indicated as a strong barrier to customer feedback capture activities. External market conditions seem to be the leading motivation for collecting customer feedback. The information collected from customers is strongly valued by the responding firms.

The T-test results for MKTORGRPS indicated that the differences found between the low and high group were significant for TOTALMETHOD, but not for TOTALANALYTICS. One reason for this could be the small sample size; however, another reason might be that the respondents from both groups did not have an accurate understanding of what analytics are. The T-test for AGILSUM indicated that the difference between the high and low market orientation groups was significant, but in the case of INNOVSUM the mean difference was not statistically significant although high market orientation group scored higher on INNOVSUM. This suggests that market orientation is related to agility and innovation. One explanation for this could be that companies that are more customer-focused would be more responsive to change in consumer preferences, and would also be more motivated to make innovative changes to suit customers. However, the opposite could also be true; companies that are more innovative and agile may be more customer-focused. Causality has not been established.

In the regression test for MARKORSUM, only agility proved to be a significant predictor of market orientation. More empirical testing is needed to explain this result. The non-significant results in the external factors could be due to the nature of the industries in the sample, the high percentage of micro-sized companies, or the small sample size.

5.2 LIMITATIONS

The small sample size was a significant limitation in this study. The sample that indicated it was capturing customer feedback barely passed the threshold for the assumption of normal distribution, and thus the statistical significance of the results is borderline. Further, the sample was skewed toward micro sized companies, further reducing the significance of the results for small and medium sized companies. Also, most respondents were located in a semi-rural or sub-urban setting, which may impact access to or knowledge of customer feedback capture benefits or methods.

5.3 IMPLICATIONS FOR FURTHER RESEARCH

Since this was an exploratory study, much empirical testing must be done before any formal conclusions can be drawn. Of most interest is the apparent high percentage of SMEs utilizing social media to capture customer feedback; this should be examined in order to determine why SMEs use this method. Further, while crosstabs indicated that as companies became larger, they used more methods, this was not statistically tested; this would be a useful area of further research. Lastly, more empirical testing on the direction of causality between the external factors of agility and innovation and market orientation would provide useful insight.

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VII. APPENDICES

Appendix A: Survey Questions

Default Question Block

Does your company capture customer feedback using any method on an ongoing basis?

- Yes
- No

Does your company engage in ongoing analysis of your web site or social media traffic data or call centre data or transaction data?

- Yes
- No

Which of the following methods does your company use to capture customer feedback? Check all applicable choices.

- Customer satisfaction surveys
- Mystery shopping
- Focus groups
- Social media monitoring
- Customer comment card
- Verbal feedback given to employees is passed on to management

Does your company engage in any of the following? Check all applicable choices.

- Google Analytics
- Social Media Analytics
- Transaction Data Analytics
- Call Centre Analytics

You said that your company does **not engage in customer analytics** on an ongoing basis. Please select the most important reason.

- Not valued by management
- Lack of human resources
- Lack of financial resources
- Irrelevant in our industry
- Other

How often is customer feedback captured, analyzed and reported within the company?

- It is an ongoing process
- Once a month
- Quarterly
- Annually
- Occasionally
- Other

How often is web site or social media traffic data or call centre data or transaction data analyzed and reported within the company?

- It is an ongoing process
- Once a month
- Quarterly
- Annually
- Occasionnally
- Other

What are the reasons why your company is actively capturing and using customer feedback? Please rate each of these statements based on your level of agreement.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
We have a culture of being customer-focused.					
Industry dynamics require us to be very responsive to customer preferences.					

We use customer feedback in our decision-making.	○	○	○	○	○

What are the reasons why your company **is not actively capturing and using customer feedback**? Please rate each of these statements based on your level of agreement.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Our industry is fairly static and regular customer feedback is not essential.	○	○	○	○	○
We have not thought about it.	○	○	○	○	○
We have considered it, but not allocated funds for it.	○	○	○	○	○
We are in a monopoly situation, where customers do not have a choice.	○	○	○	○	○
We have not found customer feedback very useful.	○	○	○	○	○

Please rate your company on each of the following statements according to your level of agreement.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Our company's processes enable us to make decisions quickly when circumstances change.	○	○	○	○	○
We have a culture of change among employees	○	○	○	○	○
Employees are encouraged to suggest ideas and new solutions.	○	○	○	○	○
Employees are called upon to act with a view to continuous improvement of products, processes and/or working methods.	○	○	○	○	○
In order to reach objectives, we tend to organize in teams.	○	○	○	○	○
We organize activities to encourage creation of value for our customers.	○	○	○	○	○
We anticipate market expectations by offering innovative products.	○	○	○	○	○

Please rate your company on each of the following statements, according to your level of agreement.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree

Our business objectives are driven primarily by customer satisfaction.	○	○	○	○	○
We constantly monitor our level of commitment and orientation to serve customer's needs.	○	○	○	○	○
We frequently communicate information about our successful and unsuccessful competitor experiences across all business functions.	○	○	○	○	○
Our strategy for competitive advantage is based on our understanding of our customers' needs.	○	○	○	○	○
We measure customer satisfaction systematically and frequently.	○	○	○	○	○
We have routine and regular measures of customer service.	○	○	○	○	○
We are more customer focused than our competitors.	○	○	○	○	○
I believe this business exists primarily to serve customers.	○	○	○	○	○
We poll end users at least once a year to assess the quality of our products and services.	○	○	○	○	○
Data on customer satisfaction are disseminated at all levels in this business unit on a regular basis	○	○	○	○	○

Please rate your company on each of the following statements, according to your level of agreement.

	Strongly Disagree	Disagree	Neither agree nor Disagree	Agree	Strongly agree
Innovation in our organization is encouraged.	○	○	○	○	○
We are constantly improving our business processes	○	○	○	○	○
People are not penalized for new ideas that do not work.	○	○	○	○	○
We get a lot of support from managers if we want to try new ways of doing things	○	○	○	○	○
During the past five years, our company has developed many new management approaches	○	○	○	○	○
Key executives of the firm are willing to take risk to seize and explore “chancy” growth opportunities	○	○	○	○	○
In our company, we tolerate individuals who do things in a different way.	○	○	○	○	○
We are willing to try new ways of doing things and seek unusual, novel solutions.	○	○	○	○	○

We encourage people to think and behave in original and novel ways.	○	○	○	○	○
When we cannot solve a problem using conventional methods, we improvise on new methods.	○	○	○	○	○

Please rate your company on each of the following statements, according to your level of agreement.

	Strongly Disagree	Disagree	Neither agree nor Disagree	Agree	Strongly agree
Competition in our industry is cutthroat.	○	○	○	○	○
Anything that one competitor can offer, others can match readily.	○	○	○	○	○
New customers tend to have product related needs that are different from those of our existing customers.	○	○	○	○	○
Our customers tend to look for new products all the time.	○	○	○	○	○
Technology in our industry is changing rapidly	○	○	○	○	○
Technological changes provide big opportunities in our industry.	○	○	○	○	○

How does your company handle the customer feedback capture, analysis and reporting process?

- ○ We outsource this function
- ○ We have a dedicate team or individual to handle this function
- ○ The work is shared among a few employees, but we do not have a dedicated team.
- ○ Whoever has the time handles it.

Are the results shared with the key employees in the following areas? Check all that apply

- ☐ Accounting
- ☐ Human Resources
- ☐ Marketing
- ☐ Operations
- ☐ Sales
- ☐ Project Teams
- ☐ Other

At what level are the results shared within the organization?

- Senior management only
- Senior and middle-management
- On an as needed basis, based on job function
- Throughout the organization

How is the information shared? Check all applicable answers.

- In a formal presentation
- In a staff meeting
- Hardcopy report
- Online (e.g., intranet or portal)
- Other

Does your company utilize Customer Relationship Management/ Customer Experience Measurement software or databases for any purpose within your company?

- Yes
- No

How are the results from customer feedback and/or customer analytics used?

	Never	Rarely	Sometimes	Most of the Time	Always
Reward employees for good performance.					
Train employees based on customer feedback.					
Make decisions about changes to our product or service.					
Identify new products or services.					
Make changes to pricing or advertising.					
Make improvements to processes.					
Track perceptions regarding our brand.					

In your opinion, how valuable is customer feedback to your organization?

	Not at all Valuable	Slightly Valuable	Neutral	Valuable	Extremely Valuable
Value of customer feedback to our organization.	○	○	○	○	○

Please rate the following statements according to your level of agreement.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Our senior management is strongly committed to measuring and using customer feedback	○	○	○	○	○
We have had success in using customer feedback to make key decisions	○	○	○	○	○

We regularly conduct employee satisfaction surveys.

- ○ Yes
- ○ No

Our company has won awards for excellence in quality and/or service within the past 3 years.

- ○ Yes
- ○ No

What industry is your company in?

[▼]

When was your company established? Please indicate the year by typing a four digit number.

[ ]

Please indicate your position in the company?

How many employees does your company currently have?

Where is your company located?

Appendix B: Market Orientation: MORTN 10 point Scale

		Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree
1.	Our business objectives are driven primarily by customer satisfaction.	1	2	3	4	5
2.	We constantly monitor our level of commitment and orientation to serving customer needs.	1	2	3	4	5
3.	We freely communicate information about our successful and unsuccessful customer experiences across all business functions.	1	2	3	4	5
4.	Our strategy for competitive advantage is based on our understanding of customers' needs.	1	2	3	4	5
5.	We measure customer satisfaction systematically and frequently.	1	2	3	4	5
6.	We have routine or regular measures of customer service.	1	2	3	4	5
7.	We are more customer focused than our competitors.	1	2	3	4	5
8.	I believe this business exists primarily to serve customers.	1	2	3	4	5
9.	We poll end users at least once a year to assess the quality of our products and services.	1	2	3	4	5
10.	Data on customer satisfaction are disseminated at all levels in this business unit on a regular basis.	1	2	3	4	5

Appendix C: External Influences: Six Item Scale

	Strongly Disagree	Disagree	Neither agree nor Disagree	Agree	Strongly agree
Competition in our industry is cutthroat.	○	○	○	○	○
Anything that one competitor can offer, others can match readily.	○	○	○	○	○
New customers tend to have product related needs that are different from those of our existing customers.	○	○	○	○	○
Our customers tend to look for new products all the time.	○	○	○	○	○
Technology in our industry is changing rapidly	○	○	○	○	○
Technological changes provide big opportunities in our industry.	○	○	○	○	○

APPENDIX D: INNOVATION: TEN POINT SCALE

	Strongly Disagree	Disagree	Neither agree nor Disagree	Agree	Strongly agree
Innovation in our organization is encouraged.	○	○	○	○	○
We are constantly improving our business processes	○	○	○	○	○
People are not penalized for new ideas that do not work.	○	○	○	○	○
We get a lot of support from managers if we want to try new ways of doing things	○	○	○	○	○
During the past five years, our company has developed many new management approaches	○	○	○	○	○
Key executives of the firm are willing to take risk to seize and explore "chancy" growth opportunities	○	○	○	○	○
In our company, we tolerate individuals who do things in a different way.	○	○	○	○	○
We are willing to try new ways of doing things and seek unusual, novel solutions.	○	○	○	○	○
We encourage people to think and behave in original and novel ways.	○	○	○	○	○
When we cannot solve a problem using conventional methods, we improvise on new methods.	○	○	○	○	○

APPENDIX E: AGILITY: SEVEN POINT SCALE

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Our company's processes enable us to make decisions quickly when circumstances change.	○	○	○	○	○
We have a culture of change among employees	○	○	○	○	○
Employees are encouraged to suggest ideas and new solutions.	○	○	○	○	○
Employees are called upon to act with a view to continuous improvement of products, processes and/or working methods.	○	○	○	○	○
In order to reach objectives, we tend to organize in teams.	○	○	○	○	○
We organize activities to encourage creation of value for our customers.	○	○	○	○	○
We anticipate market expectations by offering innovative products.	○	○	○	○	○