

Customer satisfaction success

A guide to running customer satisfaction research projects

Research that delivers real business benefits

Contents:

Research that delivers real business benefits	1
Key Success Factors	1
A Blue Print for Customer Satisfaction Success	2
Communication Plans	3
Fredrick Reichheld and The Net Promoter Score	3
Additional Reading	4

Even in the current challenging economic climate organisations still recognise that delivering high levels of customer satisfaction must be a key business objective. Customer satisfaction research is conducted in many companies in the U.K as a means of measuring how they are meeting the needs of their customers. However, the results often aren't actionable enough to provide real business benefit. Some argue that customer satisfaction research has become an expensive means to an end because companies fail to link satisfaction to loyalty.



Early true of customer satisfaction studies. If done well they should provide detailed insight into customer perceptions and needs by highlighting areas of under performance that are directly related to importance as seen by the customer. However, the most crucial part of the customer satisfaction research process is the action taken by the company as a direct response to the results presented.

In recent years there has been a move through marketing management to deliver customer satisfaction by developing lasting relationships with customers. Improving satisfaction by increasing the quality of the perceived customer experience is seen as the best way to improve loyalty, and the need to implement successful customer satisfaction projects is a critical element of this marketing process.

Customer research in general terms is a very important way of identifying and defining strategies that will help a company build market share and increase profits. This is particu-

Key success factors for customer satisfaction

"customer satisfaction research has become an expensive means to an end because companies fail to link satisfaction to loyalty"

These can be summarised into two main areas - **Environmental** success factors relating to the culture of the organisation and **Process** factors related to the market research process.

Environmental

- Senior management involvement
- Satisfaction results that impact on staff bonuses and remuneration
- Customer facing departments involved in developing the programme
- The research becomes part of the culture of the organisation

Process

- The results are a true reflection of what is happening in the business
- Action plans are put in place and

ownership is given to business representatives to implement those actions

- Fieldwork is carried out in the timescales agreed and within budget.
- The methodology is appropriate for the types of customer being researched.
- Results are quickly turned into management information.
- The results identify tangible recommendations for improvement.
- The results also incorporate benchmarks and targets for the following year
- The results are communicated to the right people

A blueprint for customer satisfaction success

To ensure that a successful customer satisfaction project is implemented it is worth considering the following 12 points which cover all stages of the customer satisfaction research process.

1. Get a senior management sponsor to act as the business champion who will drive change on the back of the customer satisfaction research findings.

2. During the set up of the project, make sure that representatives from customer facing departments are all involved. Get their buy in early on.

3. Use a research partner to add credibility to the process. This credibility in the fieldwork will also mean that the results aren't questioned and are seen as a true reflection of how the customer perceives the company.

4. Choose a research partner who is experienced in managing the communication and dissemination of the research findings into organisations.

5. Keep the questionnaire simple by focussing on the issues that matter the most to the customer.

6. Test the Net Promoter concept to see if it correlates with business performance in your particular organisation.

(see opposite)

7. Use the technology available for fieldwork and analysis. For example, where possible use the web as a mechanism for collecting customer feedback.

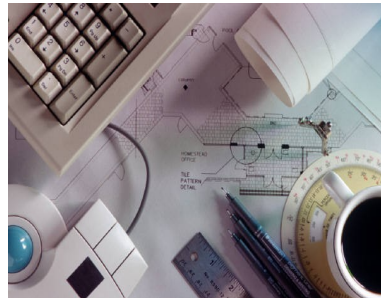
8. When communicating the research results make sure that the right information is delivered to the right people and in the right context. For example high-level strategic information for senior management and high-level operational information for customer facing staff.

9. Have clear action plans that are focussed on making improvements in the areas that are more likely to influence customer satisfaction.

10. Identify likely internal barriers to effective communication and define an internal communications plan to overcome those barriers.

11. Have a communications plan in place for telling both customers and staff of the research findings and the action plans put in place to address the issues raised.

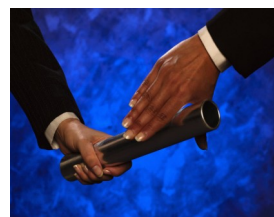
12. Where possible incorporate customer satisfaction measures into bonuses and remuneration packages.



“Have clear action plans that are focussed on making improvements in areas that are more likely to influence customer satisfaction”

Involving the organisation in the research process

Customer satisfaction research programmes need to deliver credible results. This is achieved by involving the whole business in the development of the customer satisfaction research programme. Buy-in from customer facing staff in operations is



essential, as is the need for a senior internal champion to drive the organisational culture shift putting the customer at the heart of the business. Action plans and process improvement can then be implemented more easily across the business as a result.

Communication plans

It cannot be stressed enough the need to have clear communications plans which act to mobilise the business around research findings .

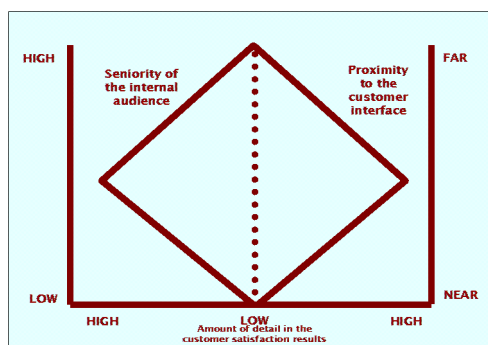
Poorly planned communication causes results to stay in the market research department and future research continues to report the same issues time and time again.

Communication needs to occur both internally within the organisation and externally to customers and stakeholders.

when communicating customer satisfaction results. Front line staff need to have information that is relevant to their day-to-day job. They need to have clear instruction of what they need to do to either maintain or improve on customer satisfaction.

As the audience becomes more senior and more distant from day-to-day dealings with the customer then the detail of the information needs to increase, but only up to a point. This point

stops at a middle management level where responsibility for day-to-day management sits. When communicating to senior managers, results need to be succinct and provide clear and actionable direction.



Communications Relevance

The communications diamond (inset) has been developed to describe the level of detail required

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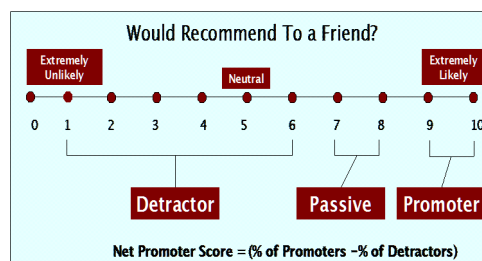
Fredrick Reichheld and the Net Promoter Score

In his earlier work, loyalty guru Fredrick Reichheld described the role of customer satisfaction as being to form part of the business measurement process on which to generate customer loyalty. However, more recently he has focussed on simplifying customer satisfaction measures by honing in on the real factors that drive customer loyalty. He has identified that the measurement of customer satisfaction is not a significant predictor of growth in many industry sectors. Reichheld has stated that most customer satisfaction studies aren't useful, arguing that they tend to be long and complicated, yielding low response rates and ambiguous implications that are difficult for operational staff to act upon.

To solve this problem he created the Net Promoter Score, which is

calculated from asking the customer the likelihood they would recommend the organisation to someone else. The theory is that if you have more promoters than detractors then this has a more positive impact on business growth. Customers who rate a company from 0-6 are classed as detractors and customers who rate a company as a 9 or 10 are classed as promoters and are responsible for all the organisational growth and goodwill. Only the most enthusiastic advocates are

called promoters to avoid the concept of grade inflation that is common in traditional customer satisfaction studies when only slightly satisfied customers are placed into the "satisfied" bucket. A benchmark target net promoter score (NPS) that companies should be aiming to achieve is a score of greater than 80%.



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For further information on how Research4 can help you to deliver successful customer satisfaction projects contact John Clay on 01926 423749, or john@research4.co.uk



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Additional Reading

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