



Can customer satisfaction be monitored realistically?

...or why customer satisfaction monitoring should be called a snapshot of customer emotion measuring

Introduction

Customer satisfaction monitoring has historically been something that only large corporations have been able to perform due to its inherent cost and/or resource requirements. With the latest version of the ISO9000 standard however, small to medium sized organisations desiring ISO9000 qualification are now required to monitor their customers' satisfaction. With the subsequent high level of focus on this task, the fundamental question is, whether it is actually possible to monitor customer satisfaction. And if so, can it be monitored cost effectively?

Customer satisfaction

It doesn't take a genius to realise that in today's ever increasing competitive environment, customer satisfaction is the key to company success. Large corporations have been openly publicising the fact for many years. In a 1994 survey of 124 large US companies, Mentzer and colleagues found that 75 percent of those companies mentioned customer satisfaction in their mission statements¹.

In order to perform the task of monitoring customer satisfaction, such corporations have invested tens of thousands of pounds in either commissioning an external research firm to undertake the measuring and monitoring (by independently interviewing customers) or by instructing an internal department (typically the marketing department) to perform the task on behalf of the company. The techniques used to gather customer feedback have consisted of interviewing customers face-to-face or on the telephone or by using the now dreaded 'customer feedback questionnaire'. More on this later.

ISO9000 and customer satisfaction

The ISO9000 standard is a quality management system standard aimed at focusing companies on creating systems for their activities. With the introduction of the latest ISO9000 standard (in 2000) ISO have placed more emphasis on the customer by including the 'monitoring of information on customer satisfaction as a measure of system performance'² as a requirement. ISO justifies this addition as follows:

'Customer satisfaction is recognized as one of the driving criteria for any organization. In order to evaluate if the product meets customer needs and expectations, it is necessary to monitor the extent of customer satisfaction. Improvements can be made by taking action to address any identified issues and concerns.'²



Now this may be all well and good, but many organisations already certified to ISO9000 or wanting to become certified were not monitoring customer satisfaction per se and didn't have the necessary time, resource or money to begin monitoring it as now required. A solution to the situation for such companies was therefore needed.

Although in its ISO9001:2000 standard ISO requires that customer satisfaction be monitored, it actually states that 'The methods for obtaining and using (information relating to customer perception) shall be determined'³. The formulation of this sentence combined with the fact that the standard requires customer *perception* (not satisfaction) to be *monitored* (not measured) has lead companies to some very ingenious ways of fulfilling the requirement.

Fulfilling ISO9000's requirement for customer perception monitoring

Since the introduction of the new ISO9000 in 2000, quality consultants have been looking for cost effective solutions to fulfil the customer perception monitoring part of the standard for their clients, by looking at their clients' existing process monitors and relating them to customer perception. If a link could be established between a process being monitored and customer perception, then it could be inferred that customer perception was already being monitored, albeit indirectly. Some examples of such monitors where a link to customer perception have been established (albeit tentatively in some cases) are:

- 1) Customer complaints (number, type, level)
- 2) Returns (quantity, type, level)
- 3) Warranty/guarantee claims (quantity, value, cost)
- 4) Credit notes/allowances (quantity, value, causes)
- 5) Repeat business (volume, percentage)
- 6) Recommendations/letters of thanks (quantity, quality)
- 7) Tender requests (volume, quantity)
- 8) Turnover reduction (percentage)
- 9) Sales chain comments (from end-users, agents, dealers, sales reps etc)

As perception is a personal trait, it has to be assumed that customer perception is directly linked to customer satisfaction and that customer satisfaction is influenced either directly or indirectly by the process being monitored.

As an example, if an organisation has an internal process which regularly monitors customer complaints and in so doing sees a rise in the number of those complaints, that organisation could assume that customer satisfaction was decreasing.

However, as Coca-Cola discovered in 1982, with an increasing number of customer complaints they were able to use their complaints handling process to professionally respond to these complaints in such a way, that their customers were in fact more satisfied.⁴ As such, the increasing number of customer complaints enhanced their customers' satisfaction and therefore customer perception of the company.



This example goes to show, that even if using an indirect approach to monitor customer satisfaction by monitoring an internal process, the actual link between that process and customer satisfaction needs to be carefully defined and itself continually monitored. For example, if in the Coca-Cola example above the internal complaints handling process were to degrade, then instead of an increasing number of customer complaints resulting in an increase in customer satisfaction, the opposite would be true. So how does a company continually monitor this link? By talking to customers.

It would therefore appear that in order to monitor customer satisfaction, the customer needs to be involved at some stage. In fact, if the ISO9000 requirement is followed to the letter, meaning that customer perception is monitored, and because perception is a personal trait, there is no other option that to talk to customers.

And why indeed should that be so bad? After all organisations are continually improving their internal processes in order to produce cost effective products which their customers want to buy. Only by listening to their customers can companies really establish whether the activities they are undertaking are meeting their customers' requirements to their satisfaction. And, as mentioned previously, this is in fact why customer satisfaction monitoring was included as a requirement in the new ISO9000 standard.

Obtaining customer feedback cost effectively

The most productive way of obtaining customer feedback is by interviewing the customer directly either face-to-face or indirectly by 'phone, for example. These interviews can be carried out by employees within the organisation itself or preferably by an external agency (to establish anonymity). This method, however, is time consuming, resource hungry and expensive.

An alternative and more cost effective solution is to use a customer feedback survey, also known as a customer questionnaire survey.

The customer questionnaire survey

Just saying it makes people shiver. Nowadays, typical responses to a request to fill out a questionnaire include 'how long will it take?', 'what's in it for me?' or 'where's the rubbish bin?'. Unfortunately, because of its overuse and abuse over the last 20 years, people have come to resent any form of questionnaire. This is a shame, because using a questionnaire successfully is a most cost effective way of getting feedback on customer satisfaction.

However, even if a person agrees to complete the questionnaire, more often than not, the questionnaire will not be completed rationally but emotionally.



The daily emotional influence

Whereas a respondent's emotional response to a subject being surveyed is key, it is the underlying emotional state which is important. Unfortunately this underlying emotional state is always influenced by a person's so-called daily emotional state which can distort the results. Daily emotion plays a very important role in completing a questionnaire survey. For example, in 1997 the university of Münster in Germany conducted an experiment which consisted of requesting students to complete a general satisfaction survey for their university. The questionnaire was conducted three times to three separate groups of students, once at the beginning of July, once at the end of August and once at the beginning of November. The average results of the satisfaction surveys in July and August were within 7 percentage points of each other; the results in November were 23 percentage points lower. The conclusion was that the environment (longer nights and colder) and other external conditions (middle of term and vacation still at least a month away) in November had directly affected the results of the final survey and thus resulted in a lower reported level of satisfaction with their university, even though there was no reason for the students to be more dissatisfied.

In order to better understand a respondent's views on a subject, such satisfaction surveys tend to contain questions which start with 'How do you feel about... ' where the response is normally given on a graduated scale, typically between 1 and 10. Despite the popularity of such questions in a satisfaction survey, the results thus obtained do not necessarily reflect a respondent's satisfaction, but more their daily emotional state. In order to demonstrate this, in its seminars, The Gosling Group asks its audience to write down 10 words which could be used to describe how a person is feeling, such as 'happy' or 'tired'. Once completed, the audience is asked to rank their own words with the most positive being in position 1 and the most negative in position 10. The lists are collected and then the instructor compares the words at position 5 from each list. Typically, the results show that this 'neutral' value is weighted negatively or positively for each individual, as it is an indication of that person's current daily emotional state.

Filtering out daily emotion from a questionnaire survey

Several techniques exist which attempt to filter out daily emotion or 'inconsistent answers' from a questionnaire survey. Most, however, rely upon the technique of posing the same question in a different and/or an inverse way and mathematically combining the results.⁵ Whereas statistically this technique can indeed reduce the inconsistencies within the results, such techniques increase the number of overall questions, which in itself influences the respondents daily emotional state, thus compounding the problem.

Recording a respondent's level of conviction

When a respondent is asked to respond to a satisfaction related question, they may answer with "I strongly disagree". But what does this mean? They strongly disagree because they know it could be better, or they strongly disagree because it should be different? A subtle difference, but a very important one: the respondent who believes it should be different is more likely to air his grievances loudly with his colleagues and friends than the respondent who believes something could be better. Capturing this level of information in a standard satisfaction survey is important, but difficult, and therefore often disregarded. Attempts to



record this additional level of information typically also ask the same questions in different ways and average the results – not a very satisfactory methodology, and with questionable results.

Questionnaire survey response rates

The decline of interest in questionnaire surveys and the increase in frustration of them is clearly illustrated by research which shows that although in the late 1950s it was not unusual for survey researchers to obtain response rates of 90 percent; by the 1990s response rates had dropped to 70 percent or less.⁶ Today, the value hovers around the 50 percent mark. According to CustomInsight the typical value for customer satisfaction surveys lies in the 10 percent to 30 percent range.

In order to address the obvious decline in response rates, survey initiators have used numerous techniques to improve the results, including the specific targeting of respondents; but research has convincingly shown that incentives sent with survey requests have always been the most effective.⁷

Presenting the questionnaire survey results

Outputting the results from the survey in a form which is both understandable and allows conclusions to be drawn and recommendations made requires some form of statistical analysis - if only to average the results. This is where another potential problem for the questionnaire survey can arise.

'Lies, damn lies and statistics'

These 'three kinds of lies' are credited to Benjamin Disraeli and illustrate the feeling of many people towards statistics. Evan Esar (American humorist) described statistics as "the only science that enables different experts using the same figures to draw different conclusions", and highlights the problem faced when making recommendations based upon the results from a questionnaire survey.

The safest way to use statistics when summarising the results from a questionnaire survey is by using the results in a comparison mode only. Choosing the right comparison depends upon the type of survey, but for a customer satisfaction survey the comparison could be made geographically, by product, by industry, by discipline or over time, for example. Of course, such a comparison can only be made if the method of analysing the results is the same each time, i.e. if the method chosen is repeatable. In fact, if the objective is to continually monitor survey results, it is imperative that the method of analysis be repeatable.

In summary

Despite the obvious benefits of using a questionnaire survey to monitor customer satisfaction, conducting a representative customer satisfaction survey which draws the correct conclusions is not easy. As has been illustrated above, there are three main problems which need to be addressed to ensure the validity of the survey, and can be summarised as follows:



1) Daily Emotion:

In order to conduct a meaningful customer satisfaction survey, a respondent's daily emotion needs to be filtered out of the results. This should ideally be accomplished without having to burden the respondent with additional (superfluous) questions.

2) Response rates:

For customer satisfaction surveys, response rates typically fall between 10 percent and 30 percent. In order to maximise these rates additional techniques, such as giving the respondent an incentive, need to be employed. However great care needs to be taken when using incentives for a customer satisfaction survey, as this technique works by evoking a "sense of reciprocal obligation"⁷, which although maximises the response rate, may not be what is desired for a satisfaction survey, as it directly influences the respondents emotional state.

3) Results analysis

The results of the customer satisfaction survey need to be analysed statistically and in a repeatable fashion in order to allow for sensible comparisons and thus monitoring. Although using human assessment at the data analysis stage can give a more in-depth and clear summary of the results obtained, human nature means that the results are not repeatable and can not therefore be relied upon. Ideally, an analysis of the results should be made by computer (which is repeatable) to deliver the conclusions, with human interpretation then being used to make the necessary recommendations.

The Gosling Group

In order to address the issues raised in this article, The Gosling Group has developed its Dynamic Questionnaire Engine™ (patent pending) which allows a customer satisfaction survey to be conducted on the internet cost effectively. Using this engine it is possible to assess a respondent's satisfaction, as well as the level of conviction in their answers, with just 21 questions, whilst filtering out any daily emotional responses from the answers.

As an incentive, following completion of the survey, the questionnaire engine delivers an assessment of the respondents inputs back to the respondent. In the normal supplier customer relationship this allows the respondent (as the customer) to measure their company's satisfaction with the supplier. The respondent can therefore use this assessment for supplier benchmarking purposes. It is thus in the respondent's interest to not only partake in the survey but also to give representative inputs.

Finally, being internet based, the survey is almost completely computer driven. This not only means that surveys can be turned around in a very short space of time cost effectively, but also provides a repeatable statistical analysis of data input. The repeatability of the analysis not only allows continual monitoring of customer satisfaction, but also allows for easy benchmarking of the results.



¹ *Improving your measurement of customer satisfaction*; Terry Vavra; American Society for Quality; ISBN: 0-87389-405-7

² Excerpt from ISO Website at <http://www.iso.ch>

³ Excerpt from the ISO9001:2000 standard: sub-clause 8.2.1 (Monitoring and Measurement – Customer Satisfaction)

⁴ *How to sell against competition*; John Fenton; Heinemann; ISBN: 0-43490-575-5

⁵ *Sample survey principles and methods*; Jill Barnett; Arnold; ISBN: 0-34054-553-4

⁶ *An introduction to survey research, polling, and data analysis*; Weisberg, Krosnick and Bowen; ISBN: 0-80397-402-7

⁷ *Mail and internet surveys*; Don Dillman; Wiley; ISBN: 0-47132-354-3