☐ Customer Satisfaction

The hidden facts

by Martin Gosling

Whether we are aware of it or not, our personal satisfaction has a big impact on the business world.

Our personal satisfaction determines, for example, what we buy, how much we pay for it and whom we buy it from. As such, it is important for companies who supply products and services which we may want to buy, that we are satisfied, not just with the product and/or service they have to offer, but also with their company as a whole; only then are we likely to become a loyal customer and return to them for a repeat purchase.

It therefore follows that companies wishing to increase the number of repeat buyers should measure their customer satisfaction regularly, ensuring that what is being measured is representative of the true sentiments of the majority of their customers.

Statistics

According to statistical theory, it is not necessary for companies measuring their customer satisfaction to receive feedback from all of their customers to determine actual customer satisfaction: statistically it is possible to define a smaller sample size than the whole, which can then be taken as representative of the whole. Therefore the responses gathered from a representative cross-section of customers for example, could be used to give a good indication of the satisfaction of all customers.

The Hidden Dimensions

When it comes to satisfaction, which is, by definition, emotional in its nature, there are three dimensions to the data which can be recorded: the value itself, the 'daily emotional state' and the 'weighted value'. As a statistical analysis can only ever take the actual value into account, the other two 'hidden' dimensions are typically neglected. See the box-outs for more information on these two hidden dimensions.

Garbage In - Garbage Out

Suppliers of satisfaction survey services argue that for customer satisfaction, the two hidden dimensions can be neglected if the sample size is large enough. However, because of the hidden nature of these two dimensions it is not possible to say with enough certainty at what sample size they actually become negligible, thus making the summarising of customer satisfaction and the art of benchmarking across customer groups, difficult, if not meaningless.

Also, the question must be asked, as to whether we actually want to lose this additional information. Typically, those customers questioned who have a strong opinion and thus a heavily weighted value for satisfaction are more likely to want their opinions to be heard than those with a lesser weighted value. As such, a company may actually want to develop a strategy which addresses these heavily weighted opinions before those of others.

And how are you feeling today?

Satisfaction is based upon a person's emotional state. But a person's emotional state is not always consistent. A single person, for example, who completes the same satisfaction survey on two different days is very likely to give answers on those two days which result in a different level of satisfaction for that person being recorded. This is due to the influence of the so-called 'daily emotional state' which always affects an individual's current way of thinking.

When making buying decisions, however, we tend to be more rational in our thinking, meaning that our 'daily emotional state' plays almost no part in our decision process. As such, when recording a customer's satisfaction within a business environment, the 'daily emotional state' should be filtered out from the results, for the results to be meaningful and representative.

DQE Technology

The Gosling Group's patent pending Dynamic Questionnaire Engine™ (DQE) technology enables satisfaction surveys to be developed which not only measure respondents' satisfaction, but also filter out the influence of the 'daily emotional state' whilst preserving the 'weighted value' within the results. A statistical analysis of such results therefore ensures a summary which more accurately represents the whole, and also enables both representative benchmarking and focus programmes to be correctly defined.

The third dimension

When measuring customer satisfaction using a survey technique, the values obtained do not typically capture the whole story: a third dimension - that of how convinced the customers are with their answers (or their level of conviction in their answers) - is often overlooked.

As way of an example, if satisfaction is measured on a scale from 1 to 10, with two customers' values being 8 and 2 say, then the mathematical average of 5 of these two values may not actually represent the true summary of the feelings of both customers. A more likely 'average' value would be nearer to 8 or 2, depending on each customer's level of conviction in their own answers. This is similar to summarising percentages, where the average value of 2% and 8% need not necessarily be 5%, as it depends upon the value of the number of which each individual figure is actually a percentage.

In order to summarise the values recorded by a satisfaction survey representatively therefore, it is important that not only the actual value for satisfaction be recorded, but also the so-called 'weighted value'.

http://www.d-q-e.com