

# Customer satisfaction monitoring

There are several ways of monitoring information relating to customer perceptions, some are overt such as monitoring customer complaints and others covert such as observing competition. There is no single method but a range of techniques from which customer perceptions can be derived.

## Repeat orders

The number of repeat orders (e.g. 75% of orders are from existing customers) is one measure of whether customers are loyal but this is not possible for all organizations particular those that deal with consumers and do not capture their names. Another measure is the period over which customers remain loyal (e.g. 20% of our customers have been with us for more than 10 years). A marked change in this ratio could indicate success or pending disaster.

## Competition

Monitoring what the competition is up to is an indicator of your success or failure. Do they follow your lead or are you always trying to catch up? Monitoring the movement of customers to and from your competitors is an indicator of whether your customers are being satisfied.

## Referrals

When you win a new customer find out why they chose your organization in preference to others. Find out how they discovered your products and services. It may be from advertising or maybe, your existing customers referred them to you.

## Demand

Monitoring the demand for your products and services relative to the predicted demand is also an indicator of success or failure to satisfy customers. It could also be an indicator of the effectiveness of your sales promotion programme, therefore analysis is needed to establish which it is.

## Effects of product transition

When you launch a new product or service, do you retain your customers or do they take the opportunity to go elsewhere?

## Surveys

There are several types of survey than can be used. There is the impersonal form and the personal form. The impersonal form relies on responses to questionnaires and seeks to establish customer opinion on a number of topics ranging from specific products and services to general perceptions about the organization. The questionnaires can be sent to customers in a mail shot, included with a shipment or filled in before a customer departs as with hotels and training courses. These questionnaires are somewhat biased because they only gather information on the topics perceived as important to the organization.

It should be noted that questionnaires by themselves are not an effective means of gathering customer opinion. Customers don't like them and are not likely to take them seriously unless they have a particular issue they want to bring to your attention. It is much better to talk face to face with your customer using an interview check list. Think for a moment how a big customer like Ford and General Motors would react to thousands of questionnaires from their suppliers. They would either set up a special department just to deal with the questionnaires or set a policy that directs staff not to respond to supplier questionnaires. Economics alone will dictate the course of action customers will take.

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The personal form of survey is conducted through interview such as a customer service person approaching a customer with a questionnaire while the customer is on the organization's premises. This may apply to hotels, airports, entertainment venues and large restaurants. With this method there is the opportunity for dialogue and capturing impromptu remarks that hide deep-rooted feelings about the organization.

When designing the survey or questionnaire:

- Don't ask more than 50 questions
- Probe low satisfaction scores rather than high satisfaction scores unless there are no low scores
- Spread the questions over 4 pages (four sides) as it looks more balanced and gets a higher response rate
- Provide instructions on the first page
- Don't use complex questions that require two or more answers
- Always seek measures of importance/unimportance as it reflects what is of value to customers
- Low satisfaction with a characteristic of low importance is not as critical as low satisfaction with a characteristic of high importance
- Separate questions on satisfaction from questions of importance and position questions on satisfaction before questions on importance
- Always place questions concerning the interviewee on the last page
- Avoid jargon and acronyms
- Don't ask how satisfied are you.... – better to ask how satisfied or dissatisfied are you....
- Ratings such as Excellent, Good, Average and Poor tend to bias the answers
- Numerical scales of 1 to 10 are more discriminating and are better for data analysis

## Focus meetings

A personal form of obtaining information on customer satisfaction is to arrange to meet with your customer. Seek opinions from the people within the customer's organization such as Marketing, Design, Purchasing, Quality Assurance and Manufacturing etc. Target key product features as well as delivery/availability, price and relationships. This form is probably only suitable where you deal with other organizations (Business to Business)

## Complaints

Look at the overall number of complaints the upward or downward trends and the distribution of complaints by type of customer, location and nature of complaint. Coding conventions could be used to assign complaints to various categories covering the product (or parts thereof) packaging, labelling, advertising, warranty, support etc.

Any complaint no matter how trivial is indicative of a dissatisfied customer. The monitoring methods need to take account of formal complaints submitted by the customer and verbal complaints given

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in conversation by telephone or meeting. Everyone who comes into contact with customers should have a method of capturing customer feedback and communicating it reliably to a place for analysis.

## Compliments

Compliments are harder to monitor because they can vary from a passing remark during a sales transaction to a formal letter. Again, all personnel who come into contact with customers should have a non-intrusive method for conveying to the customer that the compliment is appreciated and will be passed on to the staff involved.

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