

vocatus:



Customer perspective

It is not uncommon for customer satisfaction studies to have problems with acceptance and believability. Furthermore, the findings are not worked with thoroughly enough within the company. But it doesn't have to be that way.

Challenges for satisfaction assessment

It is not uncommon for customer satisfaction studies to have problems with acceptance and believability. That doesn't have to be the case – as long as we (again) push the client strongly into the center of the survey.

Be honest: In your company to what extent are the results of a client satisfaction study actually worked with further? Apart from the bonus-relevant index numbers: How many of the results are merely regarded as “good to know” and then placed somewhere on a shelf? How many operationally concrete suggestions for action can be derived from the results – and how many of them are then also implemented?

Experience shows: Too often too little happens with the results of satisfaction surveys. This can be for several reasons:

First, the results point out time and again that customer satisfaction is not necessarily accompanied by customer loyalty. Customers will say that despite their good experience with the supplier, they have only a very low willingness to do cross-buying, or they will switch entirely

Satisfaction is sometimes only an interchangeable quantity with a short half-life.

over to the competition. On the other hand, despite weak customer satisfaction ratings, the intention to repurchase can be very high. The question arises periodically: Why measure customer satisfaction and spend so much effort and resources in trying to improve it, if in the process customer loyalty seems to be influenced so little?

A further problem: The recommended actions are often too generally described and are not formulated operationally concretely enough, take for example: “the staff should be friendlier.” Not only are the concrete starting points for improvement obscure and out of reach. Worse, no one in the company may feel that the recommendation speaks to his own personal behavior, or that he should feel responsible for any unfriendly employees.

In addition: some of the results from customer surveys seem to be rather implausible at first, for example, when the overall satisfaction ratings do not fit with those given in detail. These seeming inconsistencies do damage to the credibility of the evaluation as a whole and rob even concretely formulated recommendations for action of their relevance.

Yet this can proceed much differently. Reproducible results and precise recommendations for action can be achieved quite conclusively. To do this, however, the customer perspective must be consistently collected and the temptation to analyse the customer from the perspective of the supplier should be avoided. Most importantly, the motivation for why the customer attaches him or herself to the company at all must still be explored.

Satisfied customers may leave, whereas disappointed customers perhaps stay. It sounds paradoxical but illustrates that customer satisfaction is neither necessary nor





The quest for motives

Without question, customer satisfaction is an essential driver of customer attachment. However, it is only one of many motives. In order to be able to actively form customer relationships, it is not enough to determine the level of the attachment. It is at least as important to get to the bottom of the motives and thereby to the quality of the customer attachment.

sufficient for customer loyalty. Customer loyalty describes only whether a customer will stay or not. There is no information available about why this is so. Often one tries to draw conclusions about the quality of customer loyalty by examining the stated willingness to recommend or the intention to repurchase. Yet this is only meaningful to a point.

Certainly one may assume that only a satisfied client would answer yes to the question of whether he is willing to recommend a product. But will he himself stay for this reason? Not necessarily, if he is lured somewhere else by discounts and he happens to be the type of customer who is predisposed to them. And when asked about their intention to repurchase, unsatisfied customers would also have to answer with “Yes,” especially when the available alternatives were even less interesting, a contract binds the customer to the provider, or the cost of switching providers seems to be too high or too risky. This clearly shows that a higher customer attachment indicator in itself is not yet something to celebrate about. Customers form attachments for various reasons and these merge into customer loyalty to varying and qualitatively different degrees (Figure 1). On the one hand, customers attach themselves because, in fact, they really want it. They

have confidence in the provider, see that the promise of services has been fulfilled and feel perhaps emotionally attached. At this level of relationship, satisfaction is of course a very important driver for customer loyalty.

On the other hand customers also attach themselves because it either seems necessary or because they see themselves as being forced into doing so in some form. The former case would suggest that satisfaction is an interchangeable quantity of opportunity with a short half-life. The latter

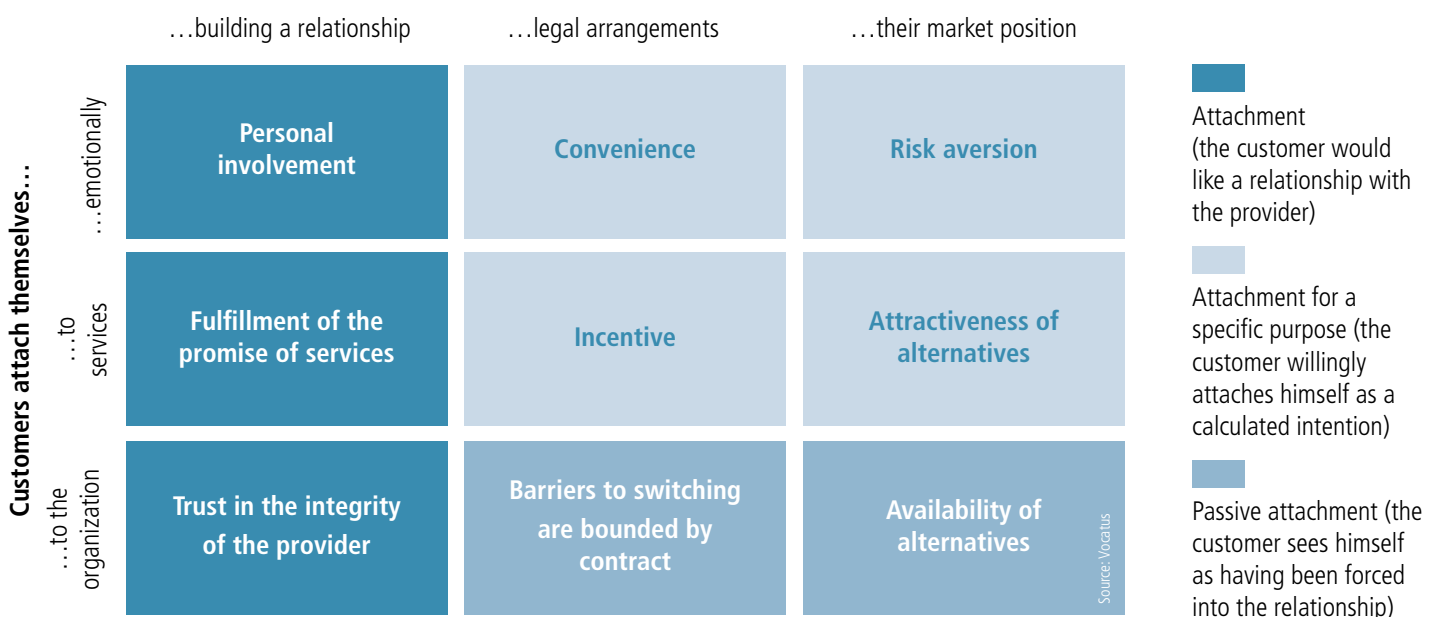
Customer loyalty only describes whether someone will stay or not – but it does not explain why.

case would mean that satisfaction does not play any role in customer loyalty. Under these conditions one shouldn't be surprised to find low correspondence between customer satisfaction and customer loyalty.

This demonstrates: The satisfaction ratings must be analysed in the context of the reason for the customer attachment and the original choice to go with which provider. Only then does the association between satisfaction and attachment become comprehensible. And only then is the starting point reached where the customer relationship can be actively formed, changed and qualitatively enhanced.

Figure 1:
The quality of customer loyalty depends on its motives.

Providers create customer loyalty through...



Different perspectives, different studies

The demands placed on a satisfaction study and the expectations about what results it should deliver have become more complex. As such, a “big” satisfaction survey in the classic sense can hardly meet all of these requirements.

A differentiated modular approach promises to help.



Tomohide Ikeya, detail from Breath Nr. 001, 2008

Often a broad collection of diverse business objectives will be put into one satisfaction study: There are management-oriented indicators to be derived. Detailed information about the strengths and weaknesses of many and various customer contact points – preferably with comparisons to the competition – should be identified, as ideally should those factors which generate enthusiasm, or which, when they are absent, lead to considerable dissatisfaction. Process-related service-levels should also be defined. And not least, these insights should serve as the basis for deriving operationally practical methods for improvement.

Yet a single satisfaction study cannot meet this many demands. First there is the problem of enough space – simply including everything is not possible, and even if it were, it would ask too much of the respondent. To complicate things, the demands can be contradictory: management-oriented indicators require a broad approach to the topic without going too deeply into it. On the other hand, going into depth is important for identifying strengths and weaknesses. Questions which allow external benchmarking require comparability between the rated performance aspects, but they are not worded to provide a custom-fit, operationally relevant framework. Precisely this is indispensable to arriving at operationally concrete procedures for improvement. Thus, the findings of many satisfaction studies are neither fish nor fowl – for certain purposes they are too comprehensive, for others not precise enough.

Therefore a modular staircase approach is needed, whereby in multiple steps, the information of particular interest is

Many satisfaction studies are neither fish nor fowl – for certain purposes too comprehensive, for others not exact enough.

collected through separately executed modules which are topically related and which both dovetail and build upon one another (Figure 2). The building block principle offers the advantage that the studies are not overloaded with content, but instead, each of the specific needs can be built to fit in.

The goal of the basic module is to represent the strategic contexts from the perspective of customer management and to derive management-oriented indicators. Thereby it will be broadly constructed and cover questions regarding customer loyalty (motives and behavioral intention), image and customer satisfaction – although only at a general level for the agreed upon customer contact points. These can be defined as stages of business (for example the proposal phase), as processes (perhaps the resolution of a claim of damaged goods) or as classical Touch Points (contact at the Point of Sale, etc.).

This information may be complemented with comparisons to the competition. Through the comparatively short length of the survey, the basic module can be used periodically as a short tracking and, in addition, contains an early warning

function for future satisfaction studies at the next higher level of detail.

The quantitative complementary modules can then address individual contact points and illuminate these in detail, in order to identify possible areas which need improvement, to prioritize them and to make the management of the improvement efforts operationally concrete. Still, this works only when these in-depth measurements follow a very recent experience, such as right after the placement of an order.

Still it remains far more important for a study to enable the provider to look at the world through the customer's eyes, even while bringing customers into focus. Much too often a survey concentrates on asking questions about routine aspects, such as friendliness or time to delivery. The exceptional situations could fall by the wayside, for example, exploring how the company has dealt with a

It isn't enough to only bring the customer into focus – one must also see the world through his eyes.

complaint. And it can be exactly the qualities which are found in the exceptions that will be those to deliver some initial valuable information about the drivers of enthusiasm or frustration, as well as the starting points for a lasting increase in satisfaction as a whole.

Figure 2:

Differences in objectives require different approaches.



Customer experience

To obtain a comprehensive view of customer satisfaction it is not only essential to analyse the quantitative structures but also and especially to uncover their surrounding context. This requires qualitative studies, in which the customer is accompanied in his own shoes for at least a part of the way.

In quantitative satisfaction studies the most important thing to do is quantify, quantify, quantify. It is also important of course to obtain statistically robust indicators for the decision making processes and customer points of contact.

The responses of the right customer are more important than the answers of the most possible customers.

And it is good to know that the majority of customers have complained about such things as the late delivery or the long waiting times on the customer-hotline, or they have criticized the professional competence of their assigned contact partner, or have expressed the feeling that their problem was not taken seriously by the employee with whom they spoke. Only, what exactly does all of this mean?

It is comparatively simple to respond to a survey regarding expectations of service levels for aspects such as delivery periods and waiting times. The matter is not entirely so simple if focus is on soft-factors such as competence and appreciation – and there are quite a few of these. A variety of services are performed by people, so their “modest humanity” saturates every nook and cranny of the customer-provider relationship accordingly.

In order to bring an effective operational improvement management into gear, it is not enough to “just” measure satisfaction. It is important to fill in the quantitative results additionally with qualitative life. An answer distribution is and stays abstract, and it can never approach the original

quality of the customer’s voice. The spontaneous answers that one obtains from the few open-ended questions in quantitative satisfaction studies in fact generate too few real insights. There are many reasons: in one case the original question lacks substance, for example: “Exactly why are you dissatisfied with the punctuality of the delivery?” In another case, the vast majority of satisfied customers do not have anything important to report. The worst, however, is that the answer is usually torn away from the context of the customer’s experience.

Customers do not experience isolated performance aspects, but rather a chain of experiences in whose context all of the detailed evaluations can be found. For example, it may not be possible for a customer to lament, in the detailed evaluation of a trouble-free visit to the auto workshop, that he first had to contact many other shops until he could find an acceptable appointment. In the survey, perhaps this aspect is left entirely unevaluated. While from the customer’s point of view, the aspect is crucial to his evaluation.

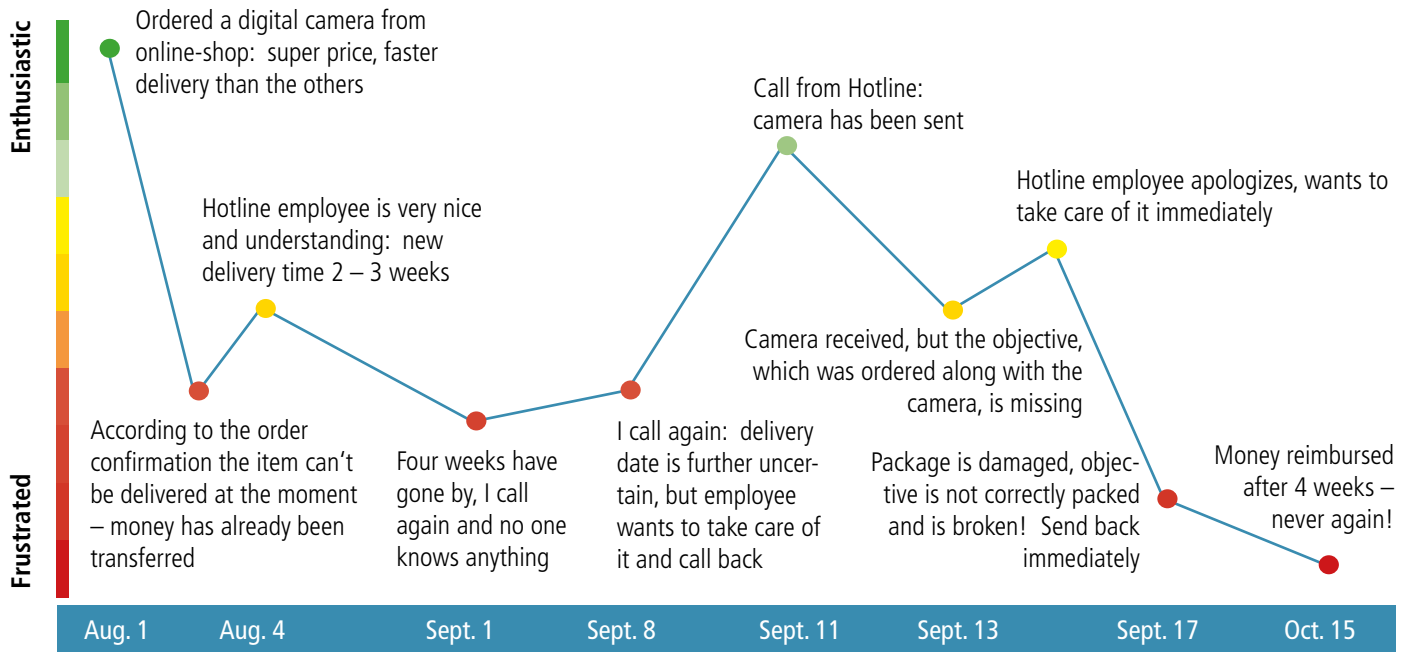
In order to extract the customer’s wealth of experience, he must be accompanied on his customer journey.

To obtain deeper insights into the customer experience, it is logical to switch from the structural level to the level of experience: What exactly has the customer experienced? Which experiences generate (enduring) enthusiasm, which



Figure 3:

The Customer experience consists of positive or negative individual unique fates.



Source: Vocatus

provide “only” satisfaction? And which deficits cannot be compensated for and lead to frustration?

Still we are usually not paying attention when the interesting things happen. In order to extract the customer’s wealth of experience, one must accompany him part of the

The greatest potential for innovation when measuring satisfaction lies in capturing the customer experience in a frank and candid manner.

way on his trip with the provider, the so-called customer journey. With a qualitative approach we can open up the customer’s experience of his contact with the provider by sampling in cross-section. Then we are able to understand how individual experiences are connected, how they will either have a lasting impact on a customer’s attitudes or will change them.

This can happen for example with online diary studies. Here the provider can be present quasi “live,” if and when

a customer is given consultation in a shop, tries out a newly purchased product or shops around at the end of a contract to look for other possible alternatives. But also a retrospective exploration conducted close in time to the experience can be documented post-process and narrated colorfully in an “experience diagram.”

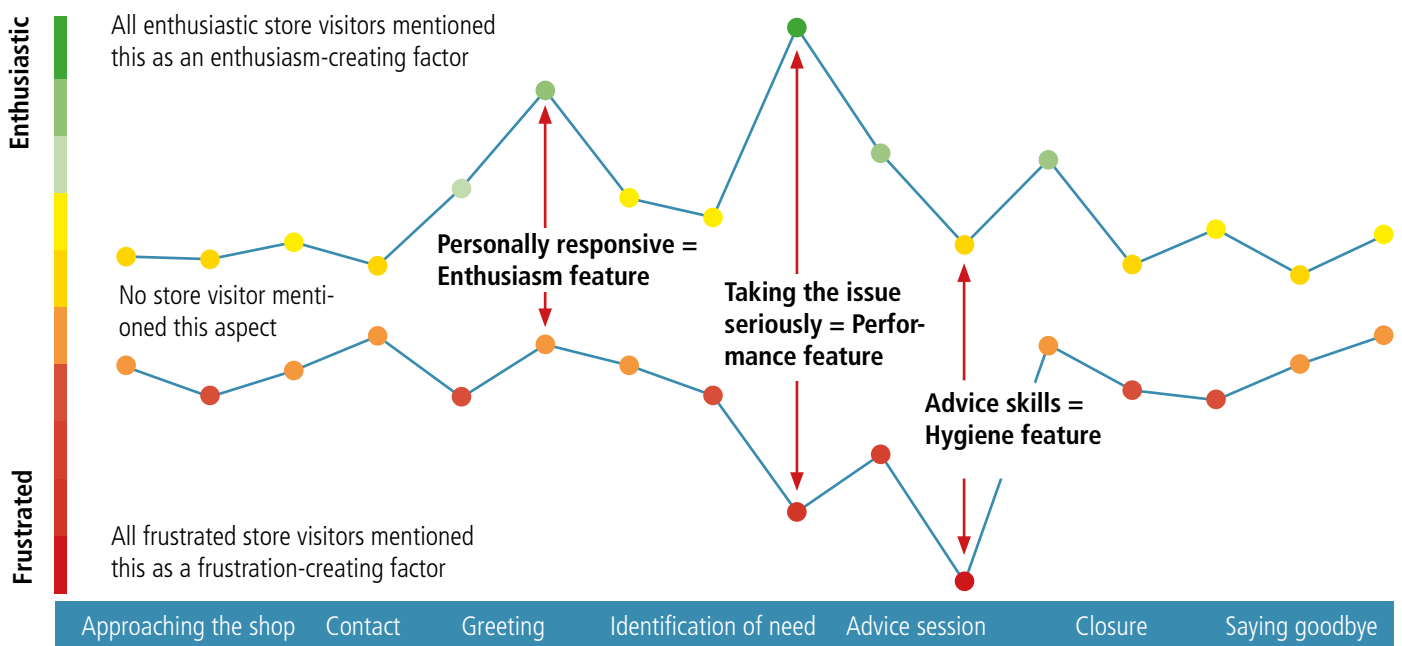
Both methods give very lively insights into the individual customer’s experience. Their advantage is that only those events which are really relevant from the customer’s point of view are considered. In this way the connections and

the changes in attitudes are kept track of and explained conclusively (Figure 3).

Through experience we know that it is reasonable to concentrate on both the positive and the negative individual destinies while leaving out the larger group of satisfied customers. The ultimate goal is to learn from the positive exceptions and to bring the negative outliers under control. Therefore it is more important to obtain the responses of the “right” customers rather than to collect answers from as many customers as possible.

Figure 4:

A comparison of the ‚chain of experience‘ reveals moments of enthusiasm and frustration.



Source: Vocatus

Added value is not only generated at the individual case level. With a comparison of the experience-chains of enthusiastic as well as frustrated customers, one can recognize very well which aspects refer to hygiene features, performance features or features which create enthusiasm (Figure 4).

The analysis of the Customer Journey offers exciting and new chances to gain insights into the thought processes of

customers. In the illustration of dynamic processes and in the open and detailed recording of the customer experience, there is great innovation potential for the satisfaction survey. Relevant exceptional situations in customer contact are not only better and more strikingly identified in this way; they also allow precise and concrete recommendations for action to be arrived at without the need for statistical significance.

MICHEKO GALERIE

The photographs in this issue come from the photographic artist Tomohide Ikeya, born in 1974 in Kanagawa, Japan.

He loves to combine his passion for the ocean with his personal photo-projects. The results recall Butoh, a modern Japanese form of dance developed after the 2nd World War. Dramatic in its form of expression, it is constantly aesthetic, elegant and highly expressive. In these photographs, Ikeya visualizes the essential power of water in "Breath" in his own always challenging individual way.

Meanwhile internationally renowned, Ikeya now shows, in his second solo exhibition, new work from the series "Breath" and "Moon" in the

Munich Gallery Micheko, a gallery which is completely dedicated to Japanese and South Korean contemporary Art. The Exhibit can be viewed from June 22nd to September 22nd in Munich.

Micheko Gallery, Theresienstr. 18, 80333 Munich
Opening times: Tuesday to Friday 15:00 to 20:00 and
Saturday 11:00 to 16:00.

Further information about the Micheko Gallery and its artists can be found at www.micheko.com.

vocatus:

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