

## PRESS RELEASE

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# Voice of Customer – do you speak “customerese”? (3)



## Part 3: Interpretation of customer satisfaction scores

The measurement of customer expectations and customer satisfaction is an essential prerequisite for targeted quality management. In our periodically published series “Voice of Customer” we will provide an overview of the most important methodological aspects. Part 3 of the series deals with interpretation and utilization of results from customer satisfaction surveys.

Achieved scores indicate fulfillment of customer expectations towards the company. However, interpreted in an isolated fashion without reference to the outside world, these scores are only of limited value for identifying relevance for action. Instead, an anchored interpretation that puts the results in perspective is required to achieve a realistic assessment of status quo and market position and to derive relevant and effective measures.

The main approaches can be summarized as follows:

### 1. Qualitative anchoring of the scale

For evaluation of the company's performance, you should use a qualitatively anchored rating scale that assigns a semantic statement to each scale point, e.g. capturing the degree of fulfillment of customer expectation. This provides a basis for back-reference of the quantitative data: for each of the queried performance criteria, the aggregated results indicate whether the company meets the needs and requirements of its customers or if there is a majority of dissatisfied customers who see need for improvement.

### 2. Satisfaction in relation to importance

In addition to satisfaction scores, you should also explore the importance of the targeted performance criteria in order to assess their relevance for future business relationships and the leverage effect of derived measures. For small samples, it is advisable to query importance directly, e.g. based on ratings or rankings. The Kano model provides an alternative survey scheme that permits categorization of the criteria as basic, performance and excitement factors.

Large samples allow the use of multivariate methods such as correlation analysis, regression analysis and structural equation models to assess the influence of individual performance criteria on target variables such as overall satisfaction or customer loyalty. The collected or derived importance assessment can now be used to determine improvement measures in a target-oriented fashion, based on customer preferences. The main focus should be on performance criteria with high importance and low satisfaction, since they offer the largest and usually most easily achievable improvement. Rather less efficient are measures for already high-rated criteria, since it generally requires much more effort and significantly greater use of resources to achieve further improvement. And finally, criteria of low importance are not in the focus of customer perception and expectation, thus improvement measures would have only little or no influence on overall customer satisfaction.

### 3. Performance development over time

Next to the assessment of current satisfaction, you should also capture a comparison over time, in order to recognize whether customers see improvement or deterioration of the company's performance at the targeted criteria or touch points. Based on this anchoring, the scores can serve as development indicators: they allow monitoring of the effectiveness of previously adopted improvement measures and provide an early warning system to derive accurate countermeasures for individual criteria in case of negative development.

### 4. Performance in competitive comparison

In principle, next to the assessment of the company's own performance, you should conduct a comparative assessment of the performance of the relevant competitors. Even if the company achieves good satisfaction scores, customer loyalty and stability of market position may be in doubt if the competitors' performance is superior in relevant criteria. Thus, anchoring the achieved scores in competitor comparisons is of immediate relevance for further interpretation of results and derivation of measures: any competitive advantage could potentially be marketed as a USP, any competitive disadvantage, however, is a potential weak spot and provides the customer in the worst case with a reason for a change of his supplier. And even worse, central selling points of the company are at risk if an assumed USP confronts the customers' perception of competitive disadvantage. It should always be kept in mind when undertaking a competitor comparison that the company's own customers may take a rather positive stance towards their self-chosen supplier and thus may have a biased perspective. Thus, for a more complete picture of the competitive situation in the market, you should additionally consider surveying non-customers and lost customers.

## 5. Internal benchmarks and best practices

Ideally, participating customers can be assigned to appropriate categories, e.g. by region of origin, used product class, function or department of the contact person, company size, market segment or business type (OEM, component supplier, operator, service organization, etc.). First, a comparison of ratings within these categories provides a better understanding of the distribution of ratings and additional insights into possible root causes of criticism. These detailed insights are of help in deriving measures that are directly targeted towards the needs and issues of the customer subgroups concerned. Secondly, by comparing the evaluations split, e.g., by sales responsibility (key account, sales subsidiary, etc.) or by the product line the respective customers use, you can set up internal benchmarks and best practices.

## 6. External benchmarks and best practices

In parallel to the competitor comparison, you can compare the performance of different providers within similar industry segments to acquire a better understanding of the positioning, competitiveness and USPs of the company in its field of activity. Comparative data can be generated in single client benchmarking studies or purchased as existing benchmark databases from service institutions. Utilized as best practices, these data help you to identify which competitors use appropriate and effective measures for increased customer satisfaction.

**Schlegel und Partner is an experienced provider of Voice of Customer studies with over 500 customer satisfaction projects and a wealth of expertise, specifically focusing on the specifics of the B2B sector. In any given year we conduct about 3,000 telephone and personal interviews and record more than 10,000 online questionnaires. We can provide a comprehensive range of evaluation methods and multivariate approaches for derivation of profound and reliable analyses and assessments.**

If you have any further questions, please do not hesitate to contact:

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