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Measure and Improve Customer Satisfaction

In order to measure and improve customer satisfaction, it is essential to understand what factors actually drive customer satisfaction. These are the factors that really matter to your business because they increase customer loyalty and cause repeat purchase. Thus, it is these drivers that determine which attributes should be measured and which functions or processes should be improved.

PRODUCT PERFORMANCE OR SERVICE QUALITY

Product Performance

The first step in measuring customer satisfaction is obviously to assess the quality and performance of the product or service that you provide. The goal is to determine how well your product or service fulfills the function or need for which it is purchased. This involves obtaining ratings of specific attributes that relate to product performance or service quality. You will want to determine how well you are doing on an absolute basis and relative to your competitors.

Clearly, measuring the performance of your product or service is necessary to determine customer satisfaction. However, performance ratings by themselves are insufficient. There are three additional, less obvious factors which, taken together, provide a more accurate measure of customer satisfaction. These three additional measures are described below:

MEETING/EXCEEDING EXPECTATIONS

Customer Expectations

Understanding customer expectations and then meeting or exceeding them is fundamental to creating satisfaction. Customers become satisfied only when a company meets or, better yet, exceeds their expectations. This is true regardless of the intrinsic quality of a company's product or service. Thus, customer expectations are as important as company performance in determining customer satisfaction.

It is important to recognize as well that expectations are not static. Performance which satisfies a customer today may not be sufficient to satisfy that same customer in tomorrow's competitive environment. As a result, companies need to track changes in customer expectations over time and continually adjust in order to meet those changing expectations.

Although customer expectations are not straightforward or easy to measure, changes in expectations can be measured and understood using ongoing marketing research.

QUALITY OF THE INTERACTION

How Customers Feel

A customer's perception of his or her interactions with a company is another key driver of customer satisfaction. Quite frequently how a customer feels about the transaction (how he or she is being treated) is actually more important than the underlying quality of the product or service being purchased. Being treated poorly by a company leaves a damaging and lasting impression that is difficult to overcome.

Attitude or tone of voice is the key factor influencing how a customer feels about a service interaction. Company service people must listen and also indicate that they understand the customer's problem. Most importantly, service people need to express empathy for the customer's situation.

PROBLEM RESOLUTION

Resolving Problems

An important but frequently overlooked element of customer satisfaction research is the in-depth exploration of customers' problems. Respondents should be given the opportunity to report and describe in detail any problems that they have experienced. After learning about customers' specific problems, it is essential to find out how well these problems were resolved.

Problem resolution is crucial to maintaining customer satisfaction. Most customers recognize that occasional problems are unavoidable and even inevitable. But the way in which a company responds to those problems is often the difference between retaining and losing a customer's business.

In many cases, we have found that good problem resolution actually increases customer satisfaction beyond the level which existed before the problem occurred. Customers who report that a company has exceeded their expectations frequently cite quick, customer-oriented problem resolution as the source of their satisfaction.

HOW TO USE RESULTS



True customer satisfaction research should help you determine the sources of your competitive strengths and weaknesses. It should identify specific functional areas that need improvement and provide direction about how to improve them. In particular, customer satisfaction research should help you increase customer retention and stimulate repeat purchase. Lastly, it should provide an understanding of what customers think of your company (your image) and even identify opportunities to re-position your company in the marketplace.

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