

The Employee and Customer Survey Research Blog

National Business Research Institute, Inc.

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📅 **Monday, December 07, 2009**

(Un)Customer Service=Customer (Dis)Satisfaction



A friend's elderly mother purchased a new car. She opened the owner's manual, resigned to figuring out how to set her favorite radio stations before driving home. Imagine her surprise to find that the sales person had already programmed the radio stations in the new car from her old one! A friend stopped on her way home from a manicure, saying she just had to tell someone about the experience she had with her manicurist, who not only walked her to her car and opened the door but put the key in the ignition and started the car so my friend wouldn't muss up her nail polish.

Did my friends talk about the new car and the fabulous manicure or the **value added service** they received? Certainly both, but the value added services led the conversation in every telling!

We feel satisfied when we get something that we need or want; our desires are fulfilled. We know that customers can be anyone who receives something they perceive to be of value, a product or a service, from an individual or organization. Customers are both internal and external to the organization, each with his or her needs, wants and desires.

"Customer standards are on the rise," notes Chip Bell, co-author of **Managing Knock Your Socks Off Service**. "When customers deal with you, they compare you to anyone else from whom they've received (great) service, not just someone from the same industry."

Take grocery shopping, for example. Why am I drawn to Trader Joes when other stores are closer to home and, in some cases, less expensive? I shop there because it's fun; I like the experience of helpful staff and tasty food samples that get me to try something new. I feel like I'm being 'taken care of' while I'm there.

Why do we stand in line at Starbucks, paying a premium for a product we can make at home for mere pennies? Few of us return to Starbucks for the coffee



as much as we return for the total experience – that of perceived added value. We are willing to pay for a value-unique experience in the form of product or service excellence.

We enter a store because we trust we will get what we want or need there. We return because that store has exceeded our expectations. We are satisfied customers.

If, according to management guru Peter Drucker, the only valid purpose for any business is to create and satisfy a customer, how do businesses gather feedback to ensure success?

Toyota service departments leave a thank you card in the car following service, often following up with a telephone call to make sure problems have been resolved. Hotels routinely leave short questionnaires in rooms, asking guests to rate their level of satisfaction with staff efficiency, room cleanliness and food quality. GoDaddy emails a link to a quick online questionnaire. My accounting firm sends a **client satisfaction questionnaire** complete with a self addressed stamped envelope, asking me to rate their initiative in providing advice, availability for calls and meetings, timeliness of work and understanding of my concerns.

When seeking feedback, it is vital that businesses be prepared to act on information received and really listen to customers -- not just collect data that remains unused. Someone must walk the talk.

Bank of America



Many businesses, like Bank of America, include a phrase in the signature line of employee emails -- "My goal is for you to be 'highly satisfied.' If at any time you are not, please feel free to contact me or my manager at...(contact information). Have a wonderful day!"

If so many organizations are so concerned with providing excellence in customer service, why does customer service seem to be such a rare commodity?

"Leaders have to decide, what grade they want from their customers," says Chip Bell, author and founder of The Chip Bell Group. "If I want an A, then what do I need to do to get that grade? What will customers expect of me? What does it mean for my products, services and people?"

Interestingly but not surprisingly, many companies overestimate their delivery of customer service and customer satisfaction, which are inextricably and understandably intertwined. In his book, **What's the Secret to Providing a World-Class Customer Experience**, John R. DiJulius III notes that while 80% of companies surveyed reported providing superior customer service, only 8% of customers surveyed described their experience with those companies as superior.

"While customers are driven by their needs, customers judge businesses based on customer perceptions," cautions Chip Bell. "It's not enough for businesses to think they are doing a good job."

Leonard L. Berry, Ph.D., Texas A & M University Professor of Marketing, defined ten domains of satisfaction, which include quality, value, timeliness, efficiency, ease of access, environment, inter-departmental teamwork, front-line service behaviors, commitment to the customer and innovation. Employees must look at each of those domains and get internal feedback about those domains mean to each functional area of the organization. How does the distribution process contribute to customer satisfaction? Are products innovative? How timely is our service?

If companies need proof that **customer service** contributes to the bottom line, here is a look at the economic difference between high service firms and low service firms. Research by the Strategic Planning Institute shows that high service firms had a return on sales of 12% vs. the 1% return for low service firms and grew market share at a rate of 6%, while low service firms tended to lose market share by -2%. Enough said.

On the continuum of customer satisfaction, organizations can choose to be customer-hostile, -aware, -friendly, -focused or truly customer-centric, where services and products are designed through customer eyes and metrics are built around customer service. When customers stop returning, someone in the organization needs to find out why. The beginning is leadership; the end is a great customer experience.

And, one single comment can make a difference to your business.

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