Using satisfaction surveys to achieve a competitive advantage

How satisfaction affects your bottom line

Introduction
Consider these statistics:

- Only four percent of all customers with problems complain
- The average person with a problem eventually tells nine other people
- Satisfied patients and customers tell five other people about their good treatment
- Cost of acquiring a new customer is usually five to seven times greater than retaining current ones
- Cost of hiring and training a new employee is up to ten times greater than retaining current ones

These facts underscore the need to satisfy your current customers, employees, members and patients so that they remain with your organization. Ensuring their satisfaction is vital to your long-term business survival and profitability.

The technology available to both you and your competitors has made it easier to duplicate each other’s products or services. Because of this, it is increasingly difficult to rely on features alone to differentiate yourself from the competition. Excellent customer satisfaction is one of the few ways to achieve a sustainable competitive advantage.
Satisfaction (and dissatisfaction) affects your organization’s bottom line

The value of satisfaction is often underestimated. Loyal customers and employees affect an organization’s success, which can be difficult to quantify.

Loyal customers grow your business by increasing market share. Over a lifetime, a loyal customer purchases more, purchases at a premium (they are less sensitive to price), costs less to sell to and refers your business to others.

Loyal employees save organizations time and money that would have been spent on hiring and training. The value of their loyalty, however, goes far beyond these figures alone. Employees, especially those on the front line, directly impact customer satisfaction.

An essential part of assessing satisfaction includes identifying dissatisfaction. Dissatisfied customers and employees often hold the information you need to succeed. Understanding when and why dissatisfaction occurs helps you implement changes to gain and retain future customers and employees.

No matter what type of business you are in, surveys are an important tool to help you collect the information you need to understand and evaluate satisfaction.

Satisfaction surveys collect valuable information

Satisfaction surveys and questionnaires are used more frequently today. Think about how often you are asked to fill out a feedback questionnaire when you purchase a product or enjoy a service.

Satisfaction surveys are conducted through various media: mail, telemarketing and the Internet. You encounter surveys at restaurants, doctors’ offices, seminars and the movies.

Satisfaction surveys are an important vehicle for collecting your customers’ opinions and needs. They allow you to quickly capture information. And, depending on the method you use, they let you do it with relatively minimal expense and effort.
Overview

Satisfaction surveys are an important vehicle for collecting your customers' opinions and needs – no matter what type of business you are in. IBM® SPSS® Data Collection software solutions give you a way to create these surveys quickly and easily. Four examples of how organizations are successfully using satisfaction surveys are presented.

Satisfaction surveys answer tough questions

A well-designed satisfaction survey can give you the answer to your most critical question: Are my customers satisfied? Organizations use satisfaction surveys to meet these objectives:

- Understand the expectations and requirements of your customers, employees, patients and members
- Determine how well your company and its competitors are satisfying these expectations and requirements
- Develop service or product standards based on your findings
- Look at trends so you can take action immediately
- Establish priorities, goals and standards to assess how well you meet these goals
- Evaluate the impact of a change in a policy, product or service

Satisfaction surveys help you make the right decisions

How do successful organizations interpret responses and get value from satisfaction surveys? Once you have plenty of responses in hand, how do you transform this data into information you can use?

Successful organizations make satisfaction analysis an integral part of their business. They use statistics to translate responses into meaningful information to get the most out of their data.

This list of satisfaction survey benefits demonstrates how organizations have achieved success by using satisfaction surveys and analyzing with statistics.

Examples of satisfaction surveys

- Customer satisfaction with a service or product
- Program evaluation
- Employee satisfaction
- Patient satisfaction with a hospital or service
- Parental satisfaction with a school district
- Client satisfaction with the community transportation

Benefits of satisfaction surveys

- Improve customer, client, or employee loyalty
- React quickly to changes in the market
- Identify and capitalize on opportunities
- Beat the competition
- Retain or gain the market share
- Increase revenues
- Reduce costs (e.g., turnover or hiring)
- Maximize investment in changes by knowing which has the biggest payoff
Case study 1: Department store chain beats the competition

The consumer research department of a major department store chain uses satisfaction surveys to examine customer experience and perceptions at its individual stores. Customers are asked to give their view of the store’s performance on 20 aspects of service.

Satisfaction surveys give this organization the insight it needs to define what is extremely important to their customers. Once the researchers know what is most important, they use the surveys to compare each store’s performance on those items.

Surveys help the researchers identify which stores may need to improve so they can provide customers with a better shopping experience. Results of statistical analysis help management decide how and where to better allocate store resources, such as training and technology.

In a recent survey, the department store chain determined the most important factor of a customer’s satisfaction was the quality of help they received from store clerks and managers (Figure 2a).

Figure 2a: This bar chart reveals how important the quality of help is to customer satisfaction.
Further analysis identified a difference in one store, Portsmouth. In all other stores, people who were extremely likely to recommend the store and were satisfied overall had been in contact with a store employee. When people had contact with an employee in the Portsmouth store, as shown in Figure 2b, overall satisfaction was lower. Statistics tell us this is a significant difference.

The department store chain invested in extra customer service training for the employees at the Portsmouth store. In addition, they instituted an employee recognition program in which customers nominated employees.

Since instituting the recognition program and training, customer satisfaction and sales in this store have surpassed other stores. Consequently, the department store chain is now rolling out the program in its other stores. By using satisfaction surveys, they were able to beat the competition by providing this successful, innovative program first.

**Case study 2: Service organization improves loyalty**

A service organization was experiencing a sharp downturn in sales. Sales staff turnover had become extremely high, including two different sales directors within two years, which adversely affected sales performance.

High turnover caused the organization to take a closer look at employee satisfaction. They distributed a satisfaction questionnaire to all their employees. This comprehensive survey covered 50 issues, including satisfaction with communication, personal development and attitude toward management.
The survey revealed average to low overall employee satisfaction in the sales department; no surprise. However, some interesting news: what management perceived as strengths were actually areas of weakness uncovered by the survey.

Analysis identified the highest priorities were to establish an employee training and a performance evaluation program. Despite an open-door policy, employees were dissatisfied with communication. A quality chart, called a Pareto chart (Figure 3), helped prioritize these concerns.

![Figure 3: This Pareto chart identifies top priorities for improving employee satisfaction: performance reviews, training and statistical analysis communication.](image)

With this valuable information in hand, the organization was able to target its efforts to increase employee satisfaction and loyalty. The organization scheduled regular team briefings and hired a human resources specialist to lead the implementation of employee training and performance evaluation programs.

While the organization still has many opportunities to improve, turnover is decreasing. Now they conduct a survey every six months. They compare results to the previous survey to monitor improvement and to identify key problems earlier.

**Case study 3: Telco gains market share**

The telecommunications industry is increasingly competitive, and one organization wanted to grow its market share. By tracking loyalty and satisfaction, it discovered the quality of customer service was key for its customers. With this information, the company decided to increase market share by offering the best quality of service. They looked to their own customers’ satisfaction as a measure of how well they were meeting this objective.
This organization's satisfaction surveys focus on the provision, speed and effectiveness of new services; the effectiveness of repairs; and the handling of customer questions and complaints. Analyzing satisfaction ratings and customer service response times revealed that satisfaction decreased as response time increased.

Efforts to identify the problem revealed that although the average response time is adequate, the demands on the customer service area and its performance are dramatically different throughout the week, as you can see in Figure 4. On average, Monday had the longest wait time; however, the response time Tuesday through Friday was over 300 minutes for some customers.

![Figure 4](image)
*Figure 4:* This boxplot clearly shows the range and difference in service response by day.

In a standard report or graph, this information would have been hidden. By using a statistical graph, called a box plot, we can see the median and range of times. In a box plot, the thick line inside each box represents the median response time. The lines (whiskers) extending above and below each box indicate the maximum and minimum response times. The box shows the range of data between the 25 and 75 percentiles.

Based on what they learned in the satisfaction program, the organization identified the problem and helped alleviate it. The data identified peak times when more customer service representatives were needed, and slow times when fewer were needed. Since revising the schedule, the organization has enjoyed an increase in market share, as well as in customer retention.
Case study 4: Hospital reduces costs

A hospital surveys its patients by phone one to two weeks after they are discharged from the hospital. It asks questions that measure the patient's satisfaction with services on 30 aspects of their stay, including dietary, housekeeping, nursing and treatment.

The hospital uses a five-point scale ranging from “highly satisfied” (5) to “highly dissatisfied” (0). It used the responses to evaluate the quality of service by department and patient group. By comparing satisfaction scores across patient groups and demographics, the hospital identified how satisfaction varied among different groups of patients.

One important finding was that different factors contributed to the satisfaction of emergency and walk-in patients versus patients with planned and routine medical care. The hospital found that emergency and walk-in patients cared more about waiting times, while planned and routine care patients were most concerned about the quality of staff (Figure 5).

Statistical software helped identify the two segments of patients, which would have gone unnoticed with spreadsheet analysis. As a result, the hospital made the following changes.
In the emergency room and urgent care services, admission employees started timing and monitoring the length of all stages of the patient visit. The goal was to reduce waiting times by identifying bottlenecks. They found that by streamlining the admitting process, they could reduce waiting times without adding extra staff, thus reducing costs.

For planned care patients, the hospital administered an additional survey. The goal was to identify characteristics associated with the quality of staff and measure satisfaction with each.

By focusing efforts on specific changes in certain departments, rather than throughout the entire hospital, the hospital can deliver higher quality service and save money.

**Statistics provide deeper insight into your responses**

In each of these situations, the value of the responses increased with the use of statistics. Statistical analysis helps translate your survey responses into meaningful information. Statistics provide more insight into your data. And more insight leads to better decisions. Without statistics, you may make big decisions based on incomplete or superficial information.

**Satisfaction guaranteed**

Investing in satisfaction survey research is practically guaranteed to achieve high returns. The tools, experience and resources are available to help you get started today. In no time, you will be taking steps to guarantee the satisfaction of your customers, patients, members and employees.
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