

What Drives Customer Satisfaction?

POWERING UP YOUR CUSTOMER SATISFACTION ENGINE

By Ron Wiens and Brian Kelly

What are the drivers of customer satisfaction? What does an organisation need to pay attention to in order to build customer satisfaction? We suggest that there are four key drivers.



AT A GLANCE:

- ◆ Building customer satisfaction needs to be a core competency of any organisation that wants sustained success.
- ◆ Public organisations need to pay as much attention to customer satisfaction as would any commercial organisation.
- ◆ Building customer satisfaction involves actively managing customer expectations, influencing perceptions, growing trust, having staff who believe in their organisation, and using customer feedback to get a little better each and every day.
- ◆ If you want customer satisfaction, don't think of it as an end goal. Think of it as a never-ending pursuit.

What Drives Customer Satisfaction?

Customer satisfaction is a critical success factor for any organisation, be it commercial or public. For commercial organisations this is obvious, since unsatisfied customers can and will go elsewhere. Government, in contrast, is a monopoly; its customers (citizens) cannot take their business elsewhere. So why should a government service provider divert time, energy and money into worrying about something as ethereal as customer satisfaction? Here's why:

- ♦ If citizens are unhappy with their government services and become vocal about it, this can result in the political masters becoming involved in day-to-day operations. Low customer satisfaction opens the door to politicians crossing the line from direction and policy-setting into mandating how services will be delivered.
- ♦ Funds are not unlimited, which means that government can't be all things to all people. It is the nature of government that demand for services will almost always exceed the capacity to deliver. So if the distraction of responding to dissatisfied customers is to be avoided, managing expectations needs to be an important part of a government service provider's world.
- ♦ Employee satisfaction and customer satisfaction are intimately connected. If the members of an organisation are constantly receiving feedback from their customers about how bad the service is, the inevitable result is a decline in employee satisfaction. When employee satisfaction goes down, organisational performance follows suit, which in turn negatively impacts customer satisfaction. If a public organisation wants to avoid a downward spiral of declining performance, it needs to pay as much attention to customer satisfaction as would any commercial organisation.

So, what is customer satisfaction?

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- ◆ Wikipedia defines customer satisfaction as ‘a measure of how products and services supplied by a company meet or surpass customer expectations’.
- ◆ ISO 9000 defines it as ‘a customer’s perception of the degree to which their requirements have been fulfilled’.
- ◆ Pearson Education* defines it as ‘a comparison of expectations versus perception of experience’.
- ◆ The *Financial Times* defines it as ‘a judgement following a consumption experience’.

Customer satisfaction appears to be about the degree to which customers perceive their expectations as being met or exceeded.

So the question becomes, What drives customer satisfaction? What does an organisation need to pay attention to in order to build customer satisfaction?

Given the above definitions, managing your customers’ expectations and influencing their perceptions is the most obvious driver of customer satisfaction. As important as this driver is, it is not the only one. We suggest that there are four key drivers, managing expectations being one of them. These drivers are:

- ◆ Continuous improvement
- ◆ Culture
- ◆ Trust
- ◆ Managing expectations

CONTINUOUS IMPROVEMENT

Customer satisfaction is not static; the better we are, the more the customer expects. Keeping customers happy means thinking every day about how to make the operation faster, better, cheaper. It means thinking every day about how to give customers a better experience than last time.

*Pearson Education is part of the Pearson Group, an international media company operating in 60-plus countries.

The foundation for continuous improvement is knowledge – knowledge that provides insight on how you are doing. Every customer interaction represents an opportunity to learn. It is these learnings that allow you to build a better product or service and even more importantly, build stronger relationships with your customers. For these learnings to be of any value, they need to be captured, digested, and acted upon.

Building customer satisfaction means making the leveraging of knowledge received from customer interactions a core competency.

CULTURE

Customer satisfaction is an outcome of a great customer experience. Delivering a great customer experience means paying attention to all the places where the customer makes contact with the organisation. It is the cumulative effect of all these contacts that in the end determines how the customer feels about the organisation's products or services.

Contact is made in many ways. For example, an organisation's brochures, web site and media presence all contribute to the customer experience. But it's when the customer interacts with the organisation's staff that the greatest opportunity to shape the customer experience occurs.

An organisation's culture is defined by the behaviours, values, and priorities of the people that make it up. It's the organisation's culture that determines the nature of staff–customer interactions. If staff are not happy, if they are not invested in their organisation, if they are just working for pay, then this will be reflected in their customer interactions. A prerequisite for customer satisfaction is having staff who believe in themselves and their organisation.

Building customer satisfaction means investing in your organisation's culture.

TRUST

Trust is about the customers' belief in your organisation and its intentions. No matter how good an organisation is, mistakes happen – things go wrong. Without trust, customer satisfaction is incredibly fragile. Without trust, every mistake becomes a reason to question the relationship. When customers believe in an organisation, they are prepared to view shortcomings in delivery as a temporary aberration and give the organisation the room required to put things right.

Trust comes from not only doing what you said you would do but also from acknowledging your own shortcomings when mistakes happen. Trust comes when customers see that you are genuinely interested in

their feedback and are using it to get better. Trust comes not from telling customers everything they want to hear but from being able to tell customers, in an open and caring manner, hard truths about product or service limitations.

Trust is not an abstract concept, nor is it simply a by-product of other initiatives. Trust is something very tangible. And if you want it, you need to be intentional about growing it.

Building customer satisfaction means having a focus on building trust.

MANAGING EXPECTATIONS

Unless customer expectations have been aligned with what is being delivered, the delivery of a great service, a great product is no guarantee of a satisfied customer. Also, as important as having a great product or service is, it is the customer's perception of what has been delivered that rules. This means that when it comes to customer satisfaction, managing expectations and influencing perceptions are vital.

Customer satisfaction is about investing the time to understand customer needs and wants, helping them differentiate between the two and then helping the customer develop a realistic expectation and appreciation of what can be delivered. As Henry Ford so eloquently said, 'You can have any colour you want, as long as it is black.'

Building customer satisfaction means actively managing expectations and influencing perceptions.

CONCLUSION

Building customer satisfaction needs to be a core competency of any organisation, public or commercial, that wants sustained success. The operative word here is 'building'; it is the ongoing building process that needs to be the core competency.

If you want customer satisfaction, don't think of it as an end goal. Think of it as a never-ending pursuit. A pursuit that involves actively managing customer expectations, influencing perceptions, growing trust, having staff who believe in their organisation and using customer feedback to get a little better each and every day.

ABOUT THE AUTHORS



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