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Guidelines for the execution of customer satisfaction analyses as a basis for international benchmarking

Guide pour la réalisation des études sur la satisfaction de la clientèle - Référentiel pour un benchmarking international

Leitfaden für die Durchführung von Kundenzufriedenheitsanalysen als Basis für ein internationales Benchmarking



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Summary

The importance attached to customer satisfaction analyses in both scientific theory and practice has grown in recent years and continues to grow, with customer satisfaction being seen as one of the central drivers of business performance. Satisfied customers are loyal customers that will continue to buy services from the company and even recommend it to others - correlations that have been proven through numerous empirical studies.

A further reason for the increasing focus on customer satisfaction as a topic is linked to the key importance of service quality as a competitive advantage, with service-providers in particular increasingly tending to have their services certified by independent institutions. A key role is played in this connection by the ISO 9000 group of standards published by the International Organisation for Standardisation. The ISO 9000 ff. standards set out a series of requirements to be met by quality management systems and stipulate, on the matter of customer satisfaction measurement, that a company should regularly monitor its customers' perception of the standard of quality offered. The methods by which customers' views are ascertained must also be clearly defined. In this respect, measuring customer satisfaction is essential to railway freight operators in order to conform to the ISO 9000 ff. standards.

What is crucial in this regard is for customer perceptions of service quality to be regularly recorded. In corporate practice there is a wide range of supplier-oriented indicators for measuring service quality, such as internal quality indices. Differences between the standard of quality perceived by the customer - expressed as customer satisfaction - and quality from the supplier's perspective should therefore be investigated by the company. In this process, the supplier's own quality indicators should be subject to critical scrutiny, as in a case like this they may not give an adequate picture of quality from the customer point of view, ultimately the most crucial perspective for a company.

In this context it is clear that regular measurement of customer satisfaction is also of the utmost importance for railway freight operators. Having said that, carrying out customer satisfaction analyses for a complex service like rail transport is not without its problems. These guidelines therefore offer recommendations for the execution of customer satisfaction measurements in the field of freight transport services. Whilst many of the component parts of this concept are applicable whatever the country - criteria like punctuality or transit time, for example, are universally relevant - the proposed concept also leaves room for adjustments in several areas to accommodate the specific features of countries or companies, as cultural differences may for example dictate. From this point of view, these guidelines by no means seek to legislate or impose a unification of the individual national customer satisfaction surveys, but rather seek to pass on the fruit of scientific research and practical experience in the field of customer satisfaction ("recommendation, not regulation"). The idea is to set out a basic model for the measurement of customer satisfaction that can (and indeed must) then be adapted to the needs of each individual company.

Nonetheless it would be beneficial if the recommendations in these guidelines were implemented at least in part by a large number of railway freight companies. By obtaining a **standard core** in this way, it would be possible to carry out international benchmarking on customer satisfaction in the various countries, an exercise that would bring important insights for both the International Union of Railways and the individual companies.

1 - Design of customer satisfaction analyses

Table 1 gives a synoptic overview of the steps to be followed in the design of customer satisfaction analyses and indicates the scope for variation from one company to another.

Table 1 : Overview of the recommendations

Topic area	Recommendation	Variable?
Survey design		
Structure and scope of population	Target population: current customers and intermediaries, like forwarders	Choice of target population depends on study objectives
	Sample size	Minimum sizes as per AMA must be adhered to, otherwise the decision depends on the company
	Selection procedure: the quota system is most applicable	Decision for individual companies
Carrying out the survey	Tried and tested method: telephone interviews	Face-to-face interviews are also a possibility, but we advise against anonymous written surveys
	Survey should be carried out on a regular basis (e.g. annually)	Strongly recommended
Structure and organisation of the questionnaire		
Feature-based measurement	Use of a three-level concept: - Overall satisfaction - Factor-level satisfaction - Criteria-level satisfaction	The three-level concept is recommended as the basic approach. The criteria in particular can be adapted to the specific situation of each company
	Response categories and scales: 7-point satisfaction scale	Strongly recommended Otherwise, at least 5 points
	Benchmarking: customers also evaluate satisfaction with the competition	Recommended
	Direct determination of criteria importance: combination of constant sum scales and priority ranking	Recommended
	Indirect determination of criteria importance using regression analysis	Recommended only for internal purposes (discussions among specialists)

Table 1 : Overview of the recommendations

Topic area	Recommendation	Variable?
Recording of critical events	Respondent describes specific incidents	Recommended
Data confidentiality issues	Compliance with specific national regulations and ESOMAR recommendations	Specific to each country
Pre-test	Questionnaire should be subject to preliminary testing	Strongly recommended
Evaluation of the survey and communication		
Assessment of the survey	Standard battery of basic assessments and more in-depth multiple range of evaluations	Basically depends on the company, though the basic assessments should be predefined and repeated for every survey
Communication about the survey	Communication must be tailored to the needs of individual target groups	Decision depends on the company

2 - Organisational implementation of customer satisfaction surveys

Right from the preparatory phase it is important to clarify how the execution and findings of a customer satisfaction analysis are to be publicised and implemented within the company - and not just in the marketing branch. Recording customer satisfaction statements cannot be considered an end in itself and only makes sense if the company as a whole can benefit from the exercise. To this end, it is first and foremost essential that the findings of the customer satisfaction survey be disseminated through the whole company, whilst broader implementation within the company can also be beneficial. As the design of the survey concept will depend considerably on the communications and implementation objectives pursued, it is important to devise a strategy addressing these points in advance of the actual study.

To this end, we suggest that an interdisciplinary Customer Satisfaction Steering Group be established, to be responsible for overseeing execution of the study and in particular drawing lessons from the analysis for the company as a whole. This Steering Group should pay particular attention to questions like **how to communicate about the results, how to enshrine customer satisfaction in the company and how to ensure systematic customer orientation.**

In the field of communications, care must be taken to ensure that the study findings are made accessible to all relevant **target groups** both within and outside the company. These target groups are:

- the company management,
- company strategic planning / cross-sector departments,
- senior management, e.g. branch directors,
- sales staff and other staff in direct contact with customers,
- staff with predominantly indirect contacts with customers, e.g. in the production sector,
- (possibly) customers of the company.

Discussions on how to organise communications around the findings should be held with the individual target groups in advance of the analysis. The results themselves should then be prepared for each individual target group, and depending on the target groups, further divided into customer groups or individual customers.

The Steering Group should also draw up measures to ensure that customer satisfaction as a subject is built into the company **incentive systems** and becomes enshrined in **corporate culture**. Here it is advisable for each member of the interdisciplinary Steering Group to try, each in his/her own organisational sector, to have customer satisfaction data integrated into the incentive system (performance-related pay, for example). Furthermore, the customer satisfaction results can be used at both department and company level for the purposes of staff motivation, by rewarding an employee or a group of staff that, according to customers, were especially instrumental in boosting their satisfaction.

Lastly, it is important for the implementation of customer satisfaction to be **monitored** in the company. This will involve checking whether the satisfaction targets set have been attained through measures taken. Where this is not the case, further batteries of measures must be launched.

3 - Recommendations for the organisation of customer satisfaction analyses

3.1 - Structure and scope of the population

The first thing to decide in a customer satisfaction analysis is who is to be surveyed. The process of identifying the final sample can be broken down into five steps as follows:

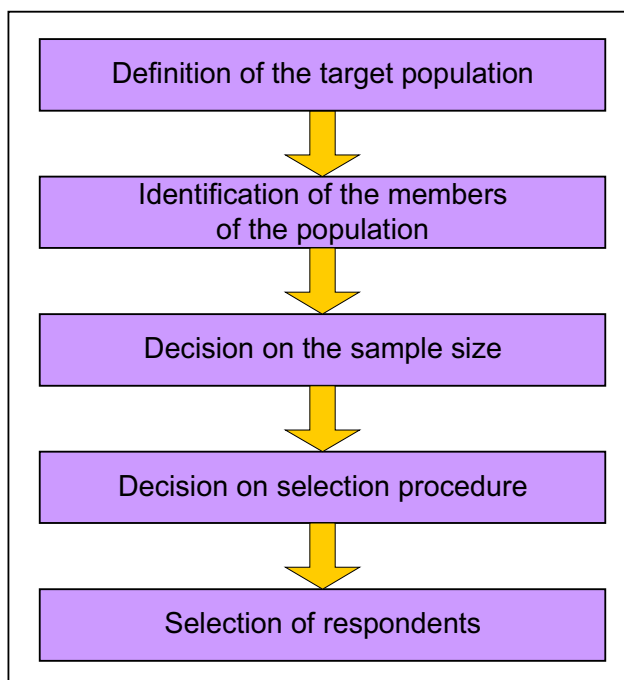


Fig. 1 - Stages in the selection of a sample

Basically, the **target population** can be made up of several groups of persons. The customer satisfaction study can for example cover existing customers, latent or former customers, and can also include intermediaries. Since it is what existing customers have to say that is of greatest significance to the company, this group is an obvious choice for the target population. However, it is important for intermediaries (like forwarders, for example) to be included as well. Ultimately, the choice of population to be surveyed will depend primarily on the objective of the customer satisfaction study and/or the groups of existing or potential customers about which information is sought.

Another question to be answered when defining the target population is how many people should be surveyed in a given company. For railway freight companies, as for many companies in the "business to business" sector, it is important to recognise that the choice of partner for a transport operation is often not made by a single person but frequently by a **buying centre** made up of several persons. Collegial procurement decisions of this kind are to be found especially in major firms, for example when one person in the company takes the basic decision on which company the contract is to go to and the operational responsibility for the transport operation is in the hands of someone else. Establishing the satisfaction of both of these parties is important for railway freight companies, which is why it is vital to check whether more than one person in the firm should be surveyed when a buying centre exists.