



# Customer Satisfaction

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*Discover the future*

*"If you build a great experience,  
customers tell each other about that.  
Word of mouth is very powerful."  
Jeff Bezos*

Ensuring you have satisfied customers has a clear and direct impact on your business:

- Happy customers are more likely to become loyal customers.
- Loyal customers will generate more repeat business.
- Loyal customers are more likely to serve as enthusiastic advocates for your brand. Thus attracting new customers.

It is no surprise that measuring customer satisfaction has long been seen as a key performance metric by many businesses and their investors.

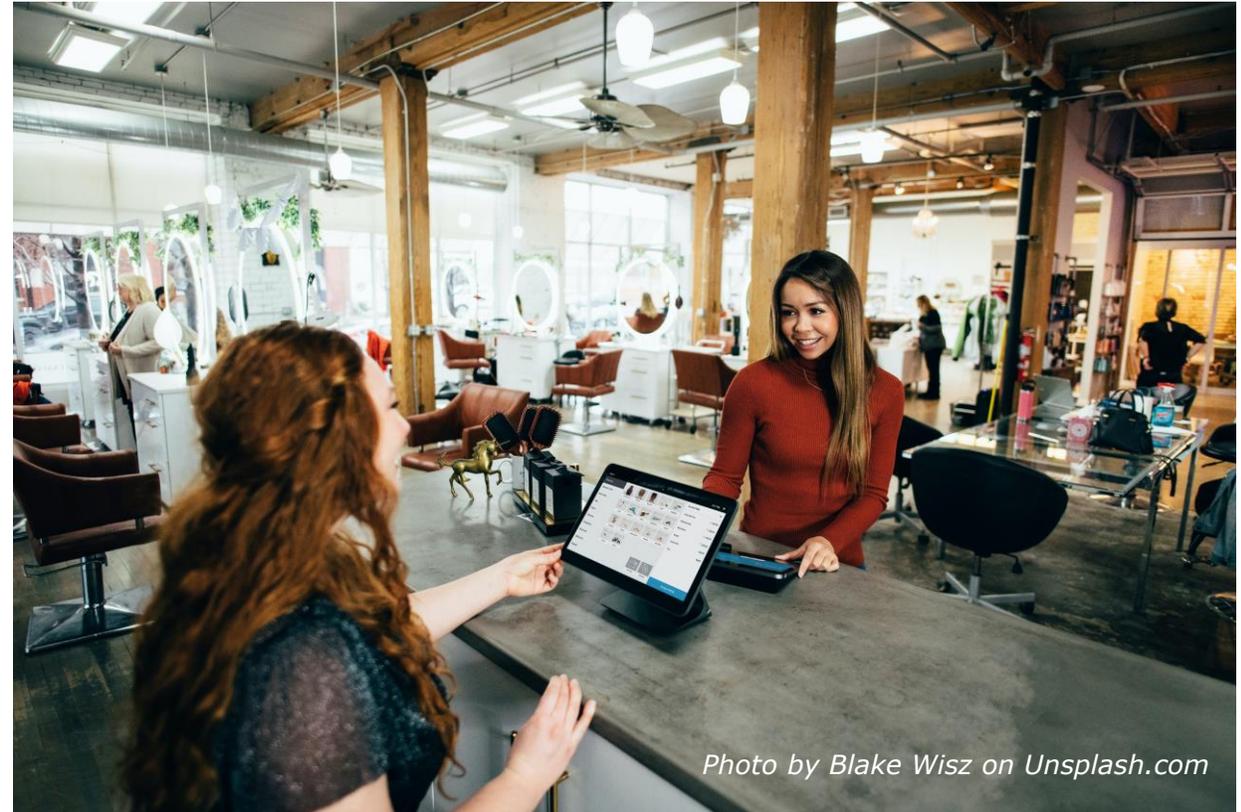


Photo by Blake Wisz on Unsplash.com

# How can a customer satisfaction survey help?

A well designed customer satisfaction survey should be able to provide you with a comprehensive picture of what your customers think about your products and services.

It will tell you:

- What is going well.
- What is not going so well.
- What your customers really value (as opposed to what they merely consider "*nice-to-have*").
- And, especially when tracked over time, what is really driving loyalty, advocacy and revenues.

A key metric often used in customer satisfaction surveys is something called "NPS". You may well have heard of it, but what actually is it and why is it considered such an important measure by many people?



# So what is NPS and why does it matter?

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Many customer surveys employ a technique called the Net Promoter Score (NPS) as a benchmark metric of customer satisfaction and loyalty.

The NPS measure is based on a simple question that asks customers to say how likely they are to recommend a product or service.

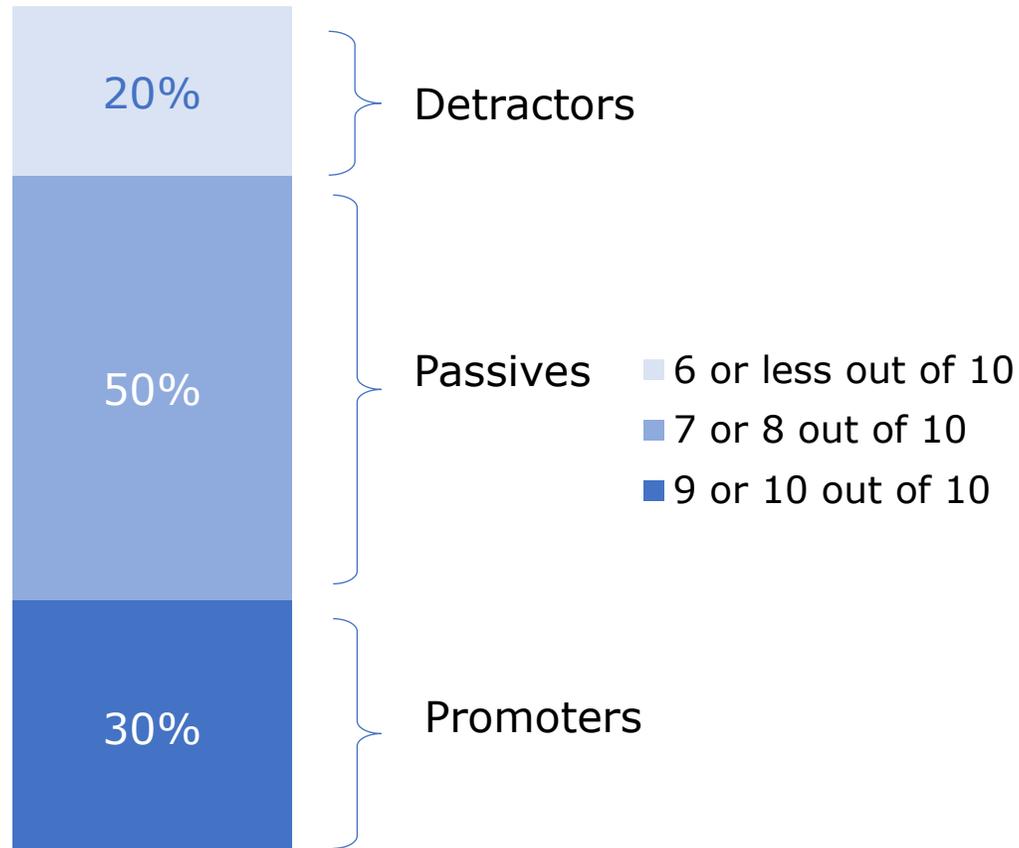
Their answer is collected on a scale from 0 (most negative) to 10 (most positive). A calculation is then performed on the results to create a score – this is the metric we refer to as the Net Promoter Score.

The popularity of NPS stems from the fact that it has been widely used in many customer satisfaction programmes across the world for many years (since its introduction in 2003).

Because it has been used by so many different companies, over such a long period of time, it has been possible to conclude that, in general, there is a real relationship between this score and trends in revenue.

i.e. companies with a higher NPS generally see revenue growth but those with poor NPS generally see revenue decline.

# Net Promoter Score (NPS) – an example...



## How NPS is calculated:

$(\text{Promoter \%} \times 100) \text{ less } (\text{Detractor \%} \times 100)$

In this example =

$(30\% \times 100) - (20\% \times 100)$

= 30 - 20

= 10

Therefore, in this case, **NPS = 10**

Q: How likely is it that you would recommend us to a friend or colleague?

# So what can be done to improve “NPS”?

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However, just measuring NPS in isolation is not that much use – we also need to understand what factors influence NPS.

It is important to measure different aspects of the customer experience – perceptions of the brand, the product and/or the service. What, specifically, we ought to measure will obviously vary depending on the category and the brand.

Preliminary qualitative research may sometimes be a useful way of ensuring you know what factors are actually important in the first place (and why). You might also conduct a brainstorming session with your team to draw up a list of those things you feel are likely to be most important.

However we do it, we need to ensure nothing important is missed. Equally importantly we need to ensure we are not measuring anything unnecessarily. After all, you don’t want to take up customers’ time asking them a lot of questions about things they find relatively trivial (that could be one way to actually reduce customer satisfaction!).

Once we have measured customer views on how we perform in relation to these factors we can then analyse their answers to see which of them play the strongest role in driving NPS. This tells us which factors are actually the “key drivers” of customer satisfaction.

# But not all product features and service attributes will have the same effect on NPS ...

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Once upon a time, many people believed that specific service attributes and product features would all have a similar affect on customer satisfaction and NPS.

It was commonly held that an improvement in satisfaction with, for example, "comfort" would automatically translate to an improvement in overall satisfaction.

In much the same way, a decline in satisfaction for "comfort" was assumed to depress overall satisfaction in much the same way.

But this is not necessarily true. In the 1980s Professor Noriaki Kano pointed out that not all product and service attributes impact

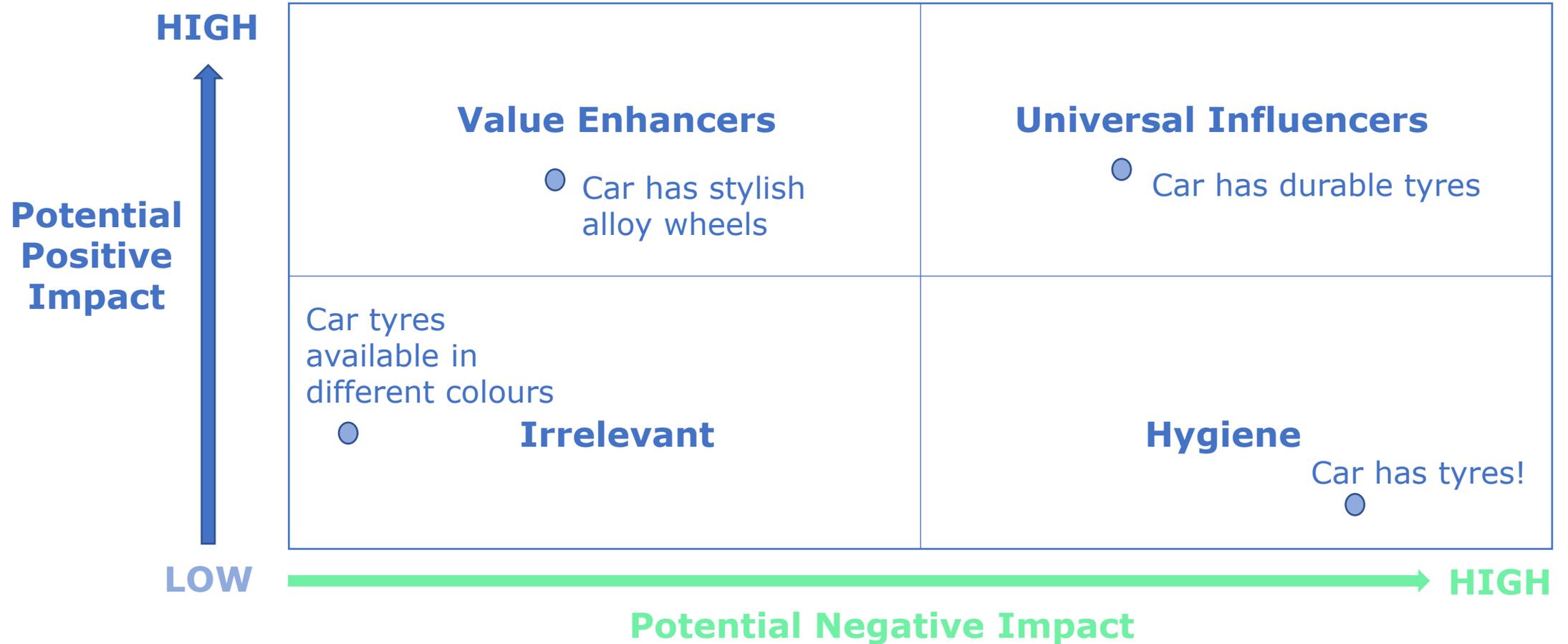
overall perceptions in the same way.

It is certainly true that some factors will be "universal influencers" – having a positive impact on NPS when they are done well and a negative impact when poorly done.

However, there will also be some factors that are "hygiene factors" – impacting negatively when done poorly but having little or no positive impact when done exceptionally well.

By the same token, some factors serve as "value enhancers". They boost perceptions when done well but are not expected as part of a standard service offer in the category.

# Kano theory – examples of how different factors may influence overall satisfaction and NPS differently



# But beware – NPS may not always be the ideal metric in some markets & here's why...

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- **Limited choice:** If there is a limited choice of suppliers, customer may be unhappy but may not be able to see any viable alternative and therefore remain loyal.
- **Locked in Loyalty:** Switching may be very painful and disruptive in some markets. Unhappy customers may be willing to stick with a supplier because the pain of change is so great.
- **Reluctance to recommend:** In some b2b markets corporate policy may forbid staff to recommend suppliers. Also businesses may well be reluctant to recommend suppliers to people they regard as their competitors.
- **Horses-for-courses:** If customers can use multiple brands rather than just one, they may prefer/ recommend different brands in different contexts.
- **Low engagement:** For some categories (especially commoditised markets) engagement with brands may be inherently low. Here, customers are less likely to recommend brands at all as they simply have a very limited interest in discussing the category with other people.

In such cases, it is important to develop a line of questioning to measure these influences and potentially look at other measures of customer loyalty and satisfaction that may be more useful and appropriate.

# Data Privacy – GDPR / CAN-SPAM etc.

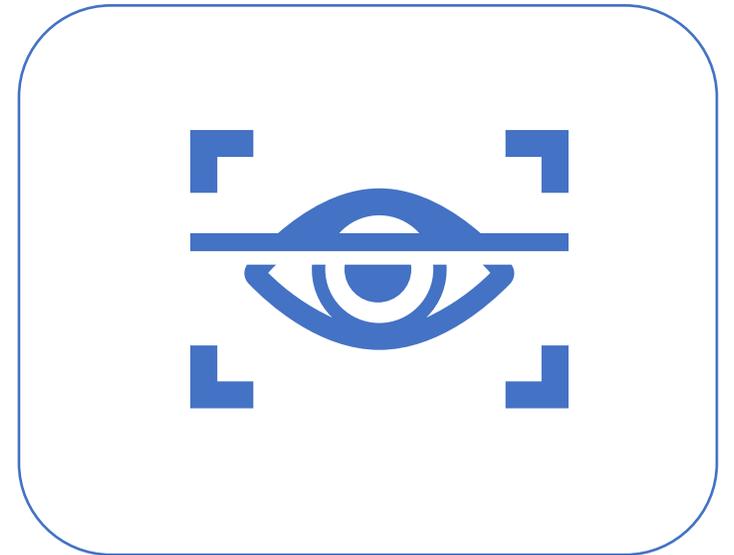
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In order to conduct a survey of customers it is obviously necessary to contact them – whether by email or by telephone etc. However, these days issues of data privacy are clearly a key consideration; i.e. who can see and use customer contact details and how they are permitted to collect and use them.

So, for this reason, **we would always advise clients who are looking to run customer surveys to speak to their compliance people before doing anything else.**

Find out what you can / cannot do with your customer contact lists before you start – it will save a lot of time and potential extra work later on.

We are happy to offer help and advice here. Indeed, it is possible for us to design and run a survey in way whereby we do not need to see or handle any personalised customer data.



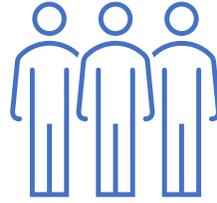
Working with us

# Our design approach

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## **We always start by getting to fully understand your needs:**

- It's important to ensure we get a full brief from your key people.
- So that we understand what you need to discover about the market.
- And we can make full use of existing knowledge in your organisation.
- And ensure we get full buy-in from key stakeholders early on.
- That way we get the clearest possible picture of:
  - a) what your business already knows, and...
  - b) what it needs to find out.



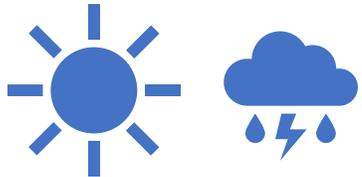
# What we deliver

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We feedback our findings in a report form best suited to your needs. In it we will:



Explain the key findings of the project. Creating a clear narrative that helps you discover important insights about your market.



Relate our findings to the specific circumstances of your own organisation; outlining the potential opportunities and threats that they represent. Recommending possible actions and strategies you might take.



Facilitate a suitable form of de-briefing to help your organisation to disseminate the information and make practical use of it. Depending on your needs, this might be anything from a simple de-brief presentation to a more interactive workshop/brainstorming event.

# Other options: Help with surveys you run in-house

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Some people may these days elect to run some of their own surveys in-house. Some may acquire simple online survey tools that enable the collection and analysis of data and, for a basic survey, that may well be sufficient.

However, running a survey in-house can be a time drain and the technicalities of designing and analysing such a survey can be a daunting prospect.

So before embarking on such a course it is important to feel confident about all the things you will need to do (and having enough time to undertake these tasks).

However, there is a middle road you can take here. You can choose to manage some tasks in-house and outsource others. We can provide you with a modular service, that enables you to select only the services you need:

- **Questionnaire design service:** Based on a brief you provide; we can design a survey questionnaire for you in MS Word format. You can then do the rest.
- **Analysis and Reporting service:** Maybe you've already designed and run a survey in-house and just need a helping hand with analysing the data and reporting the results.

# Contact us for more information or to discuss a potential project

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