



## Effective Marketing And Business Development

### Customer Satisfaction

### Driver of Quality and Growth

#### Introduction

It is becoming generally accepted that, when it comes creating a successful organisation, quality is only part of the story. In order to ensure the delivery of profitable growth, an organisation must deliver products and services at a level compatible with the expectations of their customers. In other words, customer satisfaction should become a key driver of all processes within an organisation.

As Garry Corner (Founder of Lands' End) put it:

*"Worry about being better; bigger will take care of itself.  
Think one customer at a time and take care  
of each one the best way you can."*

This fact has also come to the attention of BSI, and to this end, the new standard, which comes into force in December 2003 also requires customer satisfaction monitoring to be a part of the equation.

In the past, ISO 9000 certification has focused on processes to ensure a consistent level of quality. The new standard (ISO 9001: 2000) extends this to include the idea that the levels of quality should also be consistent, with the expectations of customers.

The focus of this paper is customer satisfaction, and how to develop a feedback system that drives the improvement processes within your organisation. With this in place, fulfilling the requirements of the ISO 9000 standard in this area should be straightforward.

Any good customer satisfaction monitoring should consist of three elements:

1. Sample Selection (From whom do you request feedback)
2. Questionnaire Design (What questions do you ask)
3. Results Interpretation (How do you use the findings)

It is on these three elements that I intend to concentrate.

Sample Selection	Page 2
Questionnaire Design	Page 3
Results Interpretation	Page 4

## **Sample Selection**

This will depend on the type & quality of the feedback you require, and to some extent on the profile of your market. However in most cases it will fall into two categories:

1. Those from whom you want detailed and specific feedback – Key customers
2. Those from whom you want feedback re your general performance – Your marketplace

In order to accommodate both of these objectives, first a sample should be drawn at random from the general customer base. This should be broad enough to cover both live and dormant customers. To this you should add all key customers from which you want specific feedback.

The size of the sample required in order to get an accurate picture, depends largely on the size of your population, and the way in which you wish to analyse the results. However as a rule of thumb for most business to business markets, a sample of 50% or 40 individuals per segment to be analysed (whichever is smaller) should give meaningful results.

### **Example**

In a population of 1000 customers, where you wish to analyse customer satisfaction on a regional (North/South), and a sectoral (Market sector A/Market Sector B) basis, assuming the market split as follows:

250	Sector A North
250	Sector B North
250	Sector A South
250	Sector B South

A sample of 160 (40 from each sector/area to be analysed) would allow full analysis down to both regional and sectoral level.

The sample required however represents the number of completed questionnaires and thus, dependant on the research method used, you will need to start with a larger sample to accommodate for non respondents. This can therefore be a factor in choosing a research method.

Where a lower response rate is acceptable (maybe in the case of a large market where you are looking for general feedback) mailed questionnaires may be appropriate, whereas where a high response rate is required, (e.g. key customers, or where the market is small), telephone interviewing may be a better approach.

## **Questionnaire Design**

It is not my objective here to discuss in detail the design of questionnaires; however, it is important to consider a couple of things when designing this element of the process.

To be really effective, a questionnaire should include both closed quantitative and open qualitative questions.

The objective of the quantitative questions is to allow the measurement of key performance indicators that can be tracked over time. Qualitative questions on the other hand open the opportunity to develop a deeper understanding of current issues as they arise.

It is also important to ensure that questions are specific, and are not open to misinterpretation.

One general guide to questionnaire design has been published by Leeds University. A link to this document is available on the Links section of the [bsamarketing.com](http://bsamarketing.com) website.

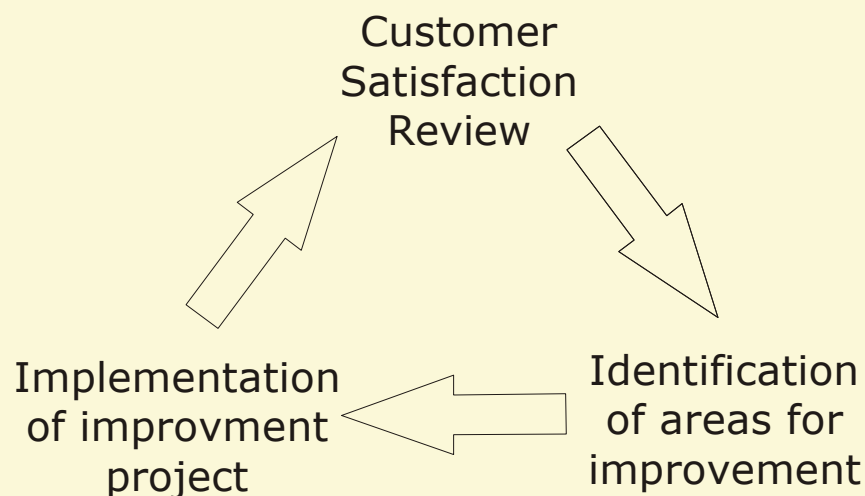
## **Results Interpretation**

The key to effective customer research is what you do with the results. The focus here should be on using them to drive improvements within your organisation.

This improvement can be at 2 levels:

1. General improvements throughout the organisation
2. Improvement of service given to individual key customers

In either case the results should be part of a continuous cycle of review, identification of improvement areas and implementation of improvement strategies.



**Fig 1** continuous improvement cycle

This process should be in your mind when deciding on research objectives, and when selecting the questions to ask. As a starting point, the best solution is to select a number of areas that you believe are critical to your competitive advantage, and then to design a research programme to identify how your customers believe you perform in these areas. This can then be scored and through this, the areas most needing improvement identified.

Once identified, these areas can become the subject of improvement programmes. In parallel with these programmes, targets should be set as to the desired scores for this area. These scores can then be fed back into the customer satisfaction research programme, and tracked to measure the effectiveness of improvement programmes.

### **Example**

It could be that delivery reliability is one part of your offering that you believe is an important element of your competitive advantage. In this case it would be sensible to include this in the customer research to measure your performance in this area. One element of the questionnaire could therefore be:

Please indicate how much you agree with the following statements (1 totally disagree to 5 totally agree)

1. The delivery times quoted are acceptable
2. We always deliver on the date promised
3. Where there are issues with delivery these are communicated efficiently etc.

If we assume that the average score for this area was 3.5, with question 3 scoring an average of 2.5, we can see that generally there is room for improvement, and that specifically point 3 (communication of delivery issues), is a definite area for improvement. It would therefore be sensible to develop and implement an improvement programme for this area. The effectiveness of which can be measured over time by tracking the future scores for these questions.

### **Key Customers**

The above illustrates how customer satisfaction feedback can drive improvements within the organisation. However there will be some customers on whom the future success of the organisation depends more heavily (Key customers). In these areas, it is important to look at feedback individually, and identify issues & improvement areas for each Key customer.

In this situation, the improvement process would become much more interactive ideally involving the customer as much as possible.

A typical process would be that once the feedback has been received, it is passed on to the person responsible for the management of each customer. They could then sit down with their customers to discuss the results and identify the most pressing issues. These can then be built into improvement projects either internally, or across both organisations as appropriate.

### **Conclusions**

By combining the two approaches outlined above, to customer satisfaction feedback, it is possible to build an effective mechanism for ensuring that your organisation is continually improving in areas that really add value to the customer base. In doing this, as Garry Corner said, "Bigger will take care of itself". Furthermore, as a by product, the Customer Satisfaction Processes required by ISO 9001: 2000 will be in place.

### **Who is BSA Marketing?**

BSA Marketing is a Marketing Services company, which specialises in assisting SMEs to develop and implement effective marketing strategies.

Our aim is to take Marketing Processes & ideas that are implemented with great effect in large organisations, and translate them into the SME sector. Here the principals are equally relevant, but often the resources to develop and implement these programmes are more restricted.

It is our experience that it is often a lack of focus in areas (like marketing) peripheral to an organisation's core business which can hold back the growth. At BSA Marketing, we aim to deliver both the expertise and resources to ensure that Marketing receives the focus it deserves in a professional, customer focused company.

© Business Services Agency Ltd 2003