

## **ROI on Customer Satisfaction – Doing Something With It!**

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Many companies spend a lot of money on generating customer satisfaction data and feedback, only to give the results a cursory glance before damning it with the faint praise of "That's interesting" . What's missing is the answer to the most important question, "So What?". This is a great opportunity to leverage research across the organisation by using it with your own operations and customer service organisation. Customer feedback data, or measurement, when properly used by operations, is a great foundation of change and an invaluable means to increasing satisfaction and thereafter loyalty and relationships with customers.

### **The perils of ineffectual data**

A large number of companies routinely measure satisfaction ratings on a variety of service aspects, including speed of answering calls, how knowledgeable staff are, whether they are friendly and polite and if they completed a timely and efficient follow-up with customers. They do this exercise monthly, issuing regular reports. However, the data pretty much remains the same and so do sales performances. Unsurprisingly, if the data isn't seen to be informing anything useful, many companies discontinue collecting it.

Much research doesn't allow companies to implement results of customer satisfaction data effectively which means that a leap of faith is required to believe that the better customers feel about how they are served, the more business the company will get as a result.

### **Using customer satisfaction to motivate operations**

Customer satisfaction can be used in many ways to motivate operations staff. One way ICD doesn't recommend is as a stick, since fear is rarely more efficient than engaging them in a collaborative approach to continuous improvement that benefits everyone.

It is critical to engage your operations staff in setting goals to share and then implement research results, as those closest to customers are a great source of ideas. Cross functional teams with the power to do this should include representation from all levels, from operations managers to effective sales and service representatives.

## **Developing a measurement framework**

From our work with clients, the first stage in measurement is to develop a baseline as a benchmark of customer satisfaction before planning follow-up studies.

The development of a measurement framework allows ongoing evaluation of the service, relationship and overall value as perceived by customers. Marketing management is often the owner of this process and, as such, based on an agreed segmentation base, differentiated customer experience and treatment strategies, specific targets or levels of service for improving customer ratings in key areas can be set.

## **Increased customer satisfaction, increased sales!**

Although every company is different, a good rule of thumb is that an increase of at least 10 percent in various customer satisfaction ratings will translate to ***at least a 1 percent increase in sales.***

Money is usually the best staff motivator, especially where there are some people who may benefit financially from improving customer ratings and others who may not. Starting a competition between groups can generate good results. By setting up a bonus pool for each operations department and creating another pool of funds if everyone reaches their target (perhaps worth 10% of the increase in profit from the increased sales), you can see substantial improvements. This reward scheme can be financed from the increase in sales, creating a win-win situation and positive experience for all concerned.

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