

Not very satisfying

Line managers explain why they don't see much value in satisfaction measurement programs

While most large and medium-sized businesses have implemented some sort of customer satisfaction or customer experience measurement program, the lack of impact of these programs on the day-to-day management of organizations is striking. Technological innovations over the past decade have given analytically-oriented managers much more sophisticated real-time reports and tools but we find that the actual benefits from these advances have plateaued.

For some historical perspective, let's look back on a decade of rapid change:

New CRM systems and powerful data warehouses have made it possible to solicit feedback almost immediately after customer transactions. The time and cost required to set up the data feeds to enable programs to trigger a feedback request, and later connect the customers' responses to account and transactional data, is a fraction of what we saw just a few years ago.

For example, in 2004 we set up a continuous feedback program for a national homebuilder, collecting responses at key points in the purchase and post-purchase process. All told, the company invested close to \$200,000 to set up the necessary queries and links in the data warehouse to support the effort. Today, that would have cost \$50,000, at most.

Automated data collection via online, telephone or mobile device has had a huge impact. Even old-fashioned pencil-and-paper questionnaires can be processed in seconds rather than the minutes needed for hand-transcription. We asked a long-time data collection vendor, Joe Post at The Research Partners, how he has seen the change. "Back in 2000, we had 80 percent of our customer satisfaction work by telephone; today it's 15 percent," he says.

Automated reporting delivers important data to the "people who need to know" in real time. Tables and charts that once required weeks to create, print and mail can be a simple keystroke away. Software applications are available to allow anyone in an organization to query the data to create custom crosstabulations and charts. Pivot tables in Excel, Tableau, SPSS and OpenOffice are just a few of the off-the-shelf solutions.

snapshot

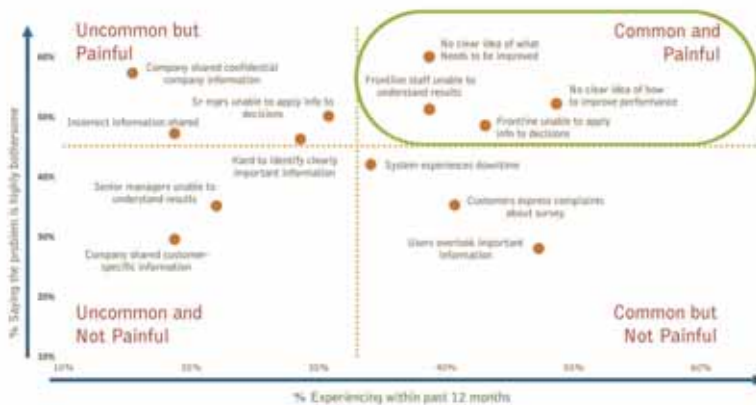
Though widely used, customer satisfaction measurement programs are not fulfilling their promise. The authors draw on a survey of line managers to explore why and offer thoughts on how to improve their effectiveness.



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Figure 1: The Most Common Problems with Customer Experience Measurement Programs



Source: Chadwick Martin Bailey research among managers who are the internal customers of customer feedback measurement programs - April, 2011

Overall, the past decade represents a huge advance in how companies listen to and engage the customer. But very little has been done on the other side of the equation to engage managers at different levels of the organization to improve the business as a result. It's very common, even expected, that companies today have a wide range of listening tools: customer feedback, social media, employee feedback, brand tracking, etc. Given these advances and, hearing from more customers, the number of companies facing the problem of translating all this data into real actions to improve the business is distressing.

Heard the same thing

Over the past several years, in hundreds of conversations across industries and sectors, we have heard the same thing consistently: Line managers are unable to use their customer experience measurement results to improve business outcomes.

Step back and think about that for a second. Thousands of companies spend tens, hundreds of thousands or even millions of dollars to collect, analyze and distribute the results of customer experience measurement programs. And then, line managers at all levels of those organizations say these programs don't help them

take action to improve the business. Ouch!

These aren't just informal observations either - they echo a more formal study we conducted with 150 line managers in a cross section of companies and industries. In the study, we asked managers at all levels of organizations about their experiences using customer satisfaction results - what problems they experienced, how frequently and, for each of the problems they cited, how bothersome it was when they occurred. The results validated the common and very painful realities we have been hearing in conversations with the managers who use customer feedback programs.

More specifically, as charted in Figure 1, they complain that: they have no clear idea of what needs to be improved and no clear idea of how to improve; it's hard to identify the most important information; senior managers are unable to apply information to decisions; frontline staff is unable to apply information to decisions; and frontline staff is unable to understand the results.

Why so much pain and so much money wasted on deliverables that go unused? In a nutshell, it's because traditional programs are good at keeping score but bad at providing the support and enabling tools that help managers at every level act on the insights gained.

To quote one senior manager, "Getting insights into the hands of managers at the different levels of the organization in a way that is readily useful to them - that's what's needed. We don't want them spending their time analyzing data and reports. We want them managing toward business outcomes."

The source of this problem can be traced to the different mindsets that companies bring to their customer experience measurement programs and the strengths and shortcomings associated with those mindsets. You can categorize customer experience measurement programs as either analytic or data-centric or customer transaction-oriented.

The analytic or data-centric group is focused primarily on "keeping score" and the diagnostic analysis of data to make comparisons and identify trends. Programs that serve this mindset tend to provide lots of data, both to staff analysts and to mid-level and frontline managers. Often managers find the information they get from these programs to be overwhelming. It's both the sheer volume of data and the need for additional analysis that often hinders managers from finding the meaningful conclusions. Further, they struggle to directly connect the data to actions that will drive improvement within their spheres of influence and responsibility.

The customer transaction mindset, in contrast, focuses primarily on customer relationship management at the individual or location level. Their programs tend to be focused on identifying and closing the loop on individual customer service failures. They are characterized by a sense of urgency and action to maintain strong individual customer relationships through proactive service recovery. These programs tend to be much weaker at enabling diagnostic analysis of systemic problems, whether at a branch, regional, departmental or corporate level. This can lead to a management dynamic of addressing individual symptoms over and

over while the underlying diseases go undiagnosed and untreated.

Act on the insights

What is needed are tools that help line managers at every level act on the insights gained and enable senior managers to (fairly) hold their employees accountable for taking the actions that will have the most impact. The ideal customer experience measurement and management program would combine the strengths of each of these mindsets while overcoming the weaknesses. Such a program would be characterized by a real-time close-the-loop service recovery system while also providing the analytical horsepower and tools to allow managers (at

all levels of the organizations) to easily see, diagnose, prioritize, plan and act on systemic customer experience issues.

Is having such a program even possible? And if so, can it be implemented at a reasonable cost? The answer to both these questions is, fortunately, yes. The measurement methodologies have long existed and the technology is available. What would have required a huge investment just a few years ago is available today for a fraction of that cost.

So if the elements of the solution exist and can be combined cost-effectively, why is there still so much widespread pain around the lack of usefulness of customer satisfaction measurement programs?

Once again, it comes down to mind-set. Many customer satisfaction programs are built and managed by third-party vendors or by internal market research teams. These folks, despite their marketing jargon and positioning as “business partners,” are in fact in the data business. And if you’re in the data business you deliver data. It may be very impressively packaged and displayed, but it’s still just data.

Those who understand, and most importantly commit themselves to combining measurement techniques with technology to build tools that directly facilitate and support management action – at all levels of the organization – are the ones who will change the game. | Q