# Market and Client Satisfaction Research and Management Applications

Peggy Hewson
Environment Canada
Canadian Parks Service
Hull, Quebec, Canada

The topic of this paper is market and client satisfaction research and management applications. It is a favorite of mine because it involves at least two essential elements – talking to your clients, and then actually using (not just reporting, but actually *using*) the information they give you.

It is also a favorite because it brings together what have all too frequently been two solitudes – research and management. And, of course, it is the very foundation of marketing.

The whole area of client focus and client satisfaction is emerging – particularly with Public Service 2000 – as a new and central thrust in the federal government of Canada. But, like many new things, the leap from theory into action is not always easy. We are, after all, talking about a dimension of change that is quite a departure from the past and will, consequently, require painful soul-searching and courageous decision-making.

Change is a difficult thing. Someone recently said "Well, you know, it's not that we're opposed to change exactly. It's just that we don't want new things tried here first."

That observation cuts pretty close to the bone when the areas for consideration are such things as business mission, objectives, accountability, empowerment, integrated effort, management systems, corporate structures, budgetary and human resource allocation, and the like.

I'd like to present to you a few observations made about the federal public service. They arise from the PS2000 review, particularly as it pertains to service to the public.

"Service is constrained by numerous factors in the public service today:
- 'As a result of the natural tendency for bureaucracies to solve every problem with a new system or policy, government departments have become extremely cumbersome, replete with barriers to efficient, client-oriented action.'

- 'Results are difficult to measure in public service. There is no profit and loss statement. How does the public servant even know when he or she had done a good job serving the public?'
- 'Leadership – the articulation, communication and alignment of employees around a vision – has been sorely lacking.' AND
- 'Public impact and feedback have generally been left out of the development of services, policies and programs'."

The PS2000 Service to the Public Task Force calls for the achievement of service excellence through integrated effort on the part of all functions and people in the organization. It calls for the views of clients – the public – to be a much more important yardstick by which public service outputs are measured. It calls on senior management to articulate this message in ways that are meaningful to their employees, and which actively demonstrate a commitment to follow through. And it calls for more effort to be devoted to ascertaining client views of service quality and relevance. These are, in fact, what the Canadian Parks Service has been striving to achieve through the integration of marketing principles and approaches. So we are delighted to have had such a compatible policy overlay emerge at the highest levels.

Simply put, the key is to ensure that, within the context of a program's mandate, the client is a critical element in planning, delivery and continuous performance improvement. This means we have to develop a keen ability to see, and use, our clients as "consultants" – not just the recipients of products, programs or services. We have to tap this resource in the best way possible. And we have to *respond* to what we hear.

So, the question then becomes "How can we go about doing this?" and "How can we bring together a cross-section of decision-makers and practitioners within the organization for whom there are implications in this approach; who need to know what's involved; and who need to assess what would be in it for, and required of, them?"

One of the things we did in the Canadian Parks Service to try to address this was to hold a cross-functional, cross-regional, cross-level workshop on the subject. The intent was to expose some key actors in the agency to tools and approaches being used, both in Parks and elsewhere, to start to cross-fertilize our thinking. Customer satisfaction is an important field, and it is developing quickly. Conferences on the subject are always full to overflowing with eager minds waiting to glean the best and newest developments to take back home with them. Our agency is no different, so we keep a watching brief as this field evolves.

I'm going to discuss some of the elements touched on in that workshop, and also some approaches espoused by others. Primarily, I'm going to discuss how we might see such a system working, and some of the ways research fits into the scheme of things.

Now, I have to confess that we haven't done all this yet. But the ideas are on the table to be looked at, picked up, and tested over time. Many of the concepts may already be familiar to you. Hopefully some will be new.

The starting premise, again, is that understanding client needs and expectations, and how well you meet them, is the central focus and driving force of the process itself. What we are looking for is relevance, accountability and efficiency. Not least among the pressing issues of the day for organizations such as ours is "Are we doing the right thing? Are we spending our strained resources on the right priorities? And, in fact, have we established meaningful priorities at all?" I'll talk more about this later.

Moving to a client focus means that planning will be directed to identifying and addressing unmet or unplanned-for client, or prospective client, requests, and then on trying to set provisions or standards in place to make sure those things that can be met, are met, either by the agency itself, or through cooperative efforts with others.

The main thing you want to find out is what is driving client satisfaction. To be truly helpful, your research results should be diagnostic and remedial. They should not just establish that clients are, or are not, satisfied, but should provide precise information on steps to be taken to remedy the situation, if that is required. Your research should also help you identify what, among all the various factors at play, has greater and lesser impact on client satisfaction and, therefore, deserves greater or lesser attention among the range of possible actions you might take.

Not only customer satisfaction, but also customer dissatisfaction, must be taken into account in quality planning and quality improvement efforts. Your customer satisfaction monitoring program needs to be designed to help you both plan for satisfaction and manage, or reduce, dissatisfaction.

All this involves more than having an occasional chat with a few clients, or monitoring comment cards or complaint letters. These are helpful, of course, but they are only the tip of the iceberg and must be reviewed in the full context of other indicators. Client satisfaction measurement is, by its nature, longitudinal. The process must be broad, continuous and systematic. The information has to then be used strategically to direct management and employee efforts. The Burke Institute, who conducted the workshop we ran, recommends four steps in this regard. The steps are inter-related.

The first step is what they called "discovery." It is the qualitative stage of research. I expect a number of you have done focus groups, or similar work, to accomplish the same thing. The purpose is to begin to get a feel for how your clients talk about you and the service you provide. What you want to develop is an inventory of not only attributes, but also the importance and priority of these attributes to your clients and prospective clients. You want to use the issues they raise, and the language they use, as the basis for more sophisticated quantitative research during the next step.

At the very least, the "discovery" phase can help to challenge or confirm your own impressions. As in the case of the person who was described as being "hard of listening," the biggest challenge to many of our organizations – by far the biggest challenge – is to begin to get beyond our own stereotypes to understand how we are seen by those who look at us. Only then can we begin to determine what point we are starting from in our journey to identify, and get to, where we should be.

There is an inherent risk in spending large amounts of time, effort and resources in developing programs, services, facilities and communications without confirming what these efforts are designed to achieve. And there is an even greater risk when it comes to evaluating the impact of these efforts – particularly now, when accountability regimes, budget pressures, meaner/leaner organizations, constituency support, and competing priorities are the order of the day.

So – you start with discovery. Then you move to the second stage which is **benchmarking**. Building on what you found out during the discovery phase, the next step is to determine how representative the views expressed in that phase are among the publics you currently serve, or wish to serve. You want to know how your performance measures up to expectations, and to others' performances, on certain key attributes, and how this affects overall satisfaction.

Benchmarking provides a solid basis for strategy development and subsequent evaluation against an established baseline. In some cases, benchmarks are taken from other organizations which have already achieved the desired goals. Benchmark studies are, in most cases, major comprehensive initiatives, repeated, perhaps, every two to five years depending on your circumstances.

Among other things, your benchmark study should include a simple measure of overall satisfaction. In this regard, our workshop discussed a customer satisfaction index. The index was constructed with three questions:

1. Overall, how satisfied are you with this program/service/product?
2. Would you recommend this program/service/product to a friend?
3. If you moved to another area where this program/service/product was available, how likely would you be to choose it again?

The sum, not the mean, is used as the index. And within this, the "Happy Customer Index," if you like, is formed from a simple count of all those respondents who answered that they were *completely* satisfied, *would definitely* recommend the service, and *would definitely* continue to choose it. Burke called this a "top box" count.

This concept has a lot of appeal. It has more scope and sensitivity than a single item or a mean. In our case, and perhaps in your own, we have been getting very high satisfaction scores when using questions of the "How satisfied are you? – very satisfied to not at all" genre. Scores of 85-95% very or somewhat satisfied have not been uncommon. But that does not tell you very much. It doesn't help to identify which elements are contributing to this level of satisfaction – or possibly detracting from it – or allow for much differentiation over time if you are trying to monitor the impact of changes you make. In addition, there is a temptation with such high scores to become somewhat cavalier and assume that nothing needs improvement.

The benchmark study should also include more detailed questions on a number of key dimensions, or attributes, of the product, service or program you provide. And it should allow for comparisons on these attributes between how your clients and prospective clients see your performance compared to what they expect or desire, or compared to the performance of competitors. Determining whether your organization is under-performing, meeting these expectations, or over-performing on these attributes, and how this performance links to overall satisfaction, is the next step in the analysis. This is important information for strategic decision-making and for priority setting.

We can go further in this analysis through something Burke called "reward-penalty contrasts." Basically, this is a variation on performance/expectations analysis. The idea is to divide your clientele into three groups for any particular attribute:

1. Those who say the organization is under-achieving compared to expectations;
2. Those who say it is achieving what they expect; and
3. Those who say it exceeds expectations.

Then compare these three groups to their overall satisfaction ratings. What this analysis can help indicate is the strength of association between the attribute in question and the general satisfaction of your clientele. In other words, it can help identify if there is anything to be gained in overall client satisfaction by exceeding expectations on this attribute – or, conversely, if you fall short of expectations, how much you are penalized by reduced overall satisfaction.

This approach can help identify priorities by indicating which attributes are likely to have greater, or lesser, impact on overall satisfaction and therefore, which are strategically the best to focus on.

Not all attributes are created equal. Problems that arise, for example, with greater frequency may not be the ones that do the greatest amount of damage to client satisfaction. However, those problems that have both high frequency *and* high impact should be earmarked for quality improvement.

In the course of establishing strategy, a critical decision must be made as to whether the organization will focus on minimizing dissatisfaction or

maximizing high satisfaction. Organizations often address both objectives over time. The question is simply a matter of where to focus first if you can't do everything at once. It is often necessary to clearly differentiate between what is pretty important, what is very important, and what is critical.

Those who work in this field recommend that models designed to both minimize dissatisfaction and maximize high satisfaction be developed to show how they differ in terms of what actions would be required, and what costs would be involved, to achieve the desired impact. Typically, each model calls for a different emphasis and investment. The approach selected often depends, at least initially, on the proportion of clients who are dissatisfied.

The choice of emphasis is a management, not a research, decision. However, to make such a choice, management needs to be aware of how the two models were developed and what they imply, including those factors which management can influence, and those it cannot.

The third step, which is **satisfaction and problem tracking**, is done on a more regular basis and focuses on quantifying and tracking customer satisfaction, problem experiences and problem resolution. Whereas benchmarking helps to identify improvement opportunities, tracking is more of an ongoing way of managing dissatisfaction and keeping clients happy. It helps to establish priorities for corrective and preventive efforts, and to track the impact of such efforts over time.

I want to stress that in order to monitor and track, you have to be monitoring and tracking *something*. This means that you have to decide which areas of customer satisfaction or dissatisfaction require attention, and then you have to put effort into addressing them. And this is what quality assurance and continuous improvement are all about. This is why your strategies and plans *must* be linked to actual operations and implementation, which means they must be directly linked to budgetary and human resource deployment and training decisions, so that required actions can be undertaken.

The fourth phase is the actual application of **quality planning and quality improvement**. Basically, it entails the use of the inventory and priorization derived from the previous steps, and the translation of these into design standards and specifications to be used in quality planning and quality improvement.

This is still beyond where we are in the Parks Service, but it's an area I'd like to see us pursue with greater vigor. I think it holds a lot of potential to help decision-making about the focus and level of expenditures and effort.

Let me close by saying that to do quality planning and quality improvement, and do it well, requires an ongoing, strategically focussed, and operationally relevant, research base. Discovery and benchmarking studies

are only the beginning. You don't do one and then call it quits. It is a system. And it is truly, for everyone, a way of doing business.

In the words of William Neal of Sophisticated Data Research, Inc., the reason why customer satisfaction quality control has become so important is because if you don't do it right the first time, you are paying for someone to do it wrong.

The results of market and client satisfaction research and monitoring can facilitate decision-making in a broad number of areas of interest to organization. These include quality planning and improvement, strategic planning, internal marketing and training, complaint-handling and problem solving, customer relations, and advertising and market communications. It is a broad area with the potential for broad impact, as one would expect of an approach designed to move organizations from an inside-out to an outside-in way of doing business.