

- Do you intend to have a periodic study and what is the objective of the satisfaction study? Sometimes, certifications such as COPC or quality frameworks like Malcolm Baldrige mandate getting feedback from customers.
- Does the study have the buy-in of management? Who is the champion of the study and what are their drivers? It is absolutely critical to have the buy-in of senior and middle management to ensure corrective actions post the study is carried out effectively.

In general, we recommend a periodic customer satisfaction study for companies that has between 40 and 50 contacts or more across customer organizations with a good mix of senior and middle level contacts.

A customer satisfaction study establishes a framework to elicit feedback in a systematic and structured fashion. It helps you address gaps in the strategic as well as operational aspects of your relationship with your customer and is a necessity for companies looking to strengthen existing accounts and move into a true partnership mode.

In conclusion, a quote from Levitt seems appropriate – *“In Marketing, the objective is to get and keep a customer, and also to get existing buyers to prefer to do business with you rather than your competitors.”*

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## CSAT – Gauging Success of Customer Relationships

## Customer Satisfaction Survey – Why take the trouble?

Industry experts repeatedly emphasize that mining an existing customer delivers significantly higher RoI than acquiring a new customer, but are companies listening? There are several approaches to mining strategic accounts, but the end objective remains the same – ensuring high potential customers stick with you and remain impervious to competing offers.

In principle, all companies may agree with this – but, the question is, what do they do and where do they start?

The recommended starting point is to understand your customers better through a customer satisfaction study (CSAT). After all, you need to understand what your customers think of you and expect from you before you can institute customer loyalty and stickiness programs. A CSAT will help companies understand the experience they are delivering to their customer - this goes much beyond meeting SLA's. It is about understanding and delivering what the customer needs and sending a strong message that you care.

## CSAT - Five keys to ensure customer delight

A customer satisfaction study is akin to a periodic health check-up with a doctor-it is as simple as that – and can achieve multiple objectives.

It helps you determine if there any hiccups in the relationship and whether you are meeting customer expectations on all parameters important to the customer. This is critical – companies typically are inward looking and their view (on meeting expectations) may be quite different from the customer's. While companies are in regular touch with their customers and feedback is exchanged, a customer satisfaction study forces the customer to view the relationship holistically and highlight positives and pain points experienced over a period of time as opposed to basing opinions on sporadic incidents.

Particularly, when the study is anchored by a neutral and independent entity rather an internal sponsor, it becomes easier for the customer to have an objective discussion on their experiences.

By asking probing questions, an experienced interviewer can draw out the customer and understand their priorities, unstated issues and perceptions. This is not possible during interactions at an operational level, however regular it is. In fact, during our interviews, customers have confirmed that having an independent entity anchor the feedback exercise makes them feel important and cared for. When this perception is created among your customers, you have truly reached an important milestone.

Second, understanding the customer's priorities and, more importantly, your performance against those priorities will help you determine if you are in a transaction-based or value-based relationship. This will help you formulate ideas to add better value to your customers. Thus, not only do the study findings throw light on customer perceptions, but it also forces your company think-tank to validate your customer strategy.

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Third, you can map your customer organization better. In one of the studies that we conducted for a customer, we discovered who the champions, fence-sitters and detractors of our customer were through extended interviews. To our customer's surprise, the contacts they had considered champions turned out to be detractors and vice-versa. This was a valuable insight and helped our customer take necessary measures quickly to neutralize the negative perception. Companies also need to be wary of fence-sitters as they are indifferent users of your service/product and are more likely to switch to competition.

Fourth, findings from the study can indicate which function in your company needs attention. Stories of sales over-promising and the operations team under - delivering are common. This kind of feedback motivated one of Prayag's clients to hold a workshop internally that helped the sales and delivery teams to work together as a cohesive unit rather than function in silos. With frequent interactions between delivery organizations and the customer, the study can shed useful light on this vital aspect of a successful relationship.

Finally, the findings will give an insight on how different levels within an organization view yours. Senior management feedback will give inputs on how to elevate the relationship whereas operational-level feedback will help you understand areas of improvement typically in delivery.

## Doing it right – but, how?

A multi-pronged approach across all levels is essential to ensure customer delight. Companies need to be prepared to make changes to internal processes as well as external interfaces to strive for customer delight. Companies therefore need to ready their internal stakeholders for feedback from customers to ensure improvements are carried out as needed.

Also, if you launch such a study, you need to commit to a periodic exercise to convince the customer that you genuinely care about soliciting feedback and instituting improvement initiatives. The periodicity can be quarterly, semi-annual or annual based on the kind of customers you have. In fact, this could be the first step towards establishing a loyalty program.

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## Prayag's Perspective

At Prayag, we suggest the following framework which will determine the way in which the customer satisfaction study will be deployed. This involves findings answers to several questions, a sample of which are –

- Does your business model involve having many accounts or building relationships with a few accounts? In either case, it is necessary to get feedback but the approach is different.
- How many high-potential customers do you have? The definition of potential or strategic will be customized for each company. For example, a product company can start with a study when they have hit a critical mass based on licenses sold. A service provider may not have many customers but can consider one based on the value of the accounts as well as number of contacts per account.