

# Improving Customer Satisfaction to Accelerate Your Business Results



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"How to be Creative, Faster, and More  
Profitable"

# Agenda

- About Presenter
- Why Customer Satisfaction (CSAT)
- Benefits of CSAT
- How to Implement a CSAT Process
- Examples of Results
- Getting Started



# About your presenter.....

Adrian Posteraro

- 27 years at **MEDRAD** Inc.:
  - Global Customer Satisfaction
  - Global Customer Support
  - Business Excellence
  - Regional Field Service
- **Winner of 2 Malcolm Baldrige National Quality Awards**
  - 2003
  - 2010



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- ☑ Full-service Customer Satisfaction & Loyalty research and consulting firm
- ☑ Web & Phone surveying
- ☑ Analytics & reporting
- ☑ Global capabilities
- ☑ 33 Languages
- ☑ Over 20+ years of C-SAT experience



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# Why Customer Satisfaction?



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# Why Customer Satisfaction

Providing exceptional customer satisfaction has never been more important than it is in today's competitive business environment.

- Organizations must differentiate themselves...

- Experience
- Support
- Products
- Quality
- Value

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Exceed expectations



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# Why Customer Satisfaction

Increasing competitive landscape:

- Shift to on-line media vs. print
- Limited differentiation on print quality
- Excess industry capacity
- Industry consolidation
- Fierce market competition
- Residual effects of weakened economy



IBIS World Industry Report

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# Why Customer Satisfaction

With limited opportunities to differentiate

Price will increasingly become a major competitive factor...



So what opportunity exists?



# Why Customer Satisfaction

Opportunity to differentiate?

- Response time
- Scheduling
- Project management skill

- **Customer Satisfaction**



# Why Measure Customer Satisfaction



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# Why Measure CSAT

- It allows us to “turn the lense” to ensure we are meeting and exceeding customer expectations.....
  - Order to Cash Support
  - Level of Communication & Care
  - Product/ Service Quality
  - Delivery
  - Receiving Value



# Why Measure CSAT

- If it's worth measuring, it's worth measuring always and it's worth measuring right:
  - Best way to determine if customers are happy or not is to ask
- Survey design flaws are very common
  - Internet questions
  - Unclear scale
  - Flow of questions
- Often no or limited analysis is done
  - Raw data is sent to managers
  - Difficult to determine clear trends
- Difficult to make data driven decisions from invalid data



# Why Measure CSAT



## 6 Benefits:

1. Identifies '**at risk**' **customers** who may be unhappy with your product/service and potentially going to cancel.
2. Verifies **happy customers** who become your advocates that can drive new business referrals and grow your business.
3. Enables you to **identify trends** to make **better business decisions** to improve the overall customer experience
4. Use intelligence to proactively **prevent problems happening again** which leads to a better experience for customers
5. Hold **employees accountable** for the level of service they are delivering. KPI's can be linked to incentive plans.
6. Encourages a '**customer first**' **culture** within your company. A culture that embodies customer service can actually form a strong competitive advantage



Are you delivering a Superior Customer Experience?

## Management vs. Customer Experience Delivery Gap

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## Impact of Customer (dis)Satisfaction

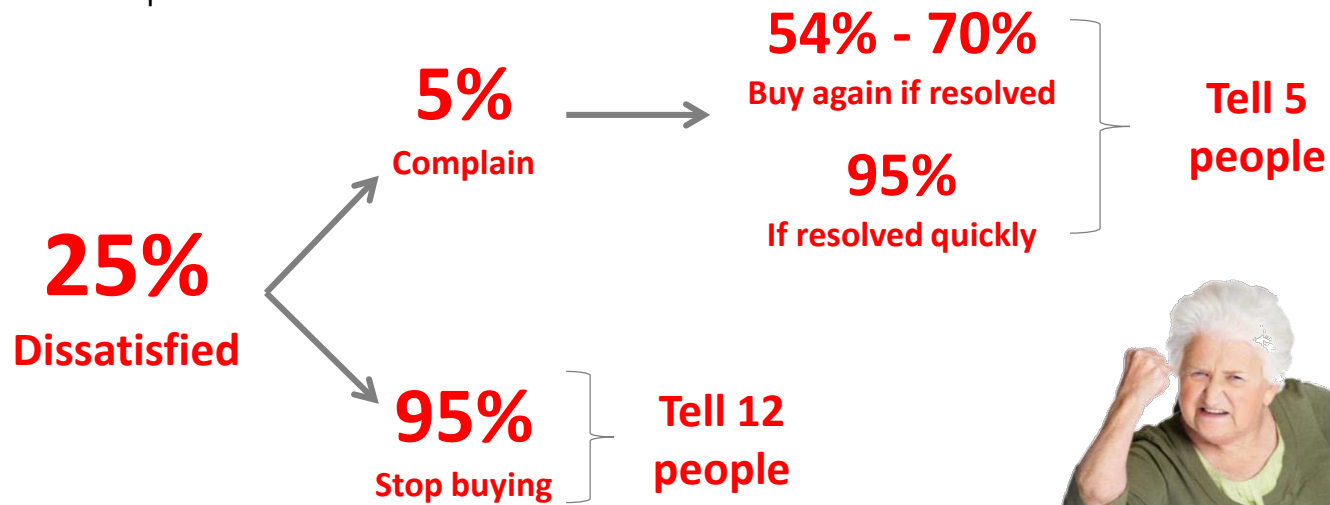
- The average business can lose 10-30% of its customers each year **(often without knowing why lost)**
- It's more costly to win a new customer than to retain an existing one (6 times greater)
- 70-85% of dissatisfaction is due to customer service not product
- Dissatisfied customers on average tell 12 people of the poor service; satisfied people tell 5 friends (2:1 ratio)
- 75% of complaints reported to front line person do not get reported to management





## Impact of Customer (dis)Satisfaction

### Customer Complaints



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# The Benefits of a Formalized Customer Satisfaction Survey Process

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# Benefits of Customer Satisfaction

- Classified as the **Four R's**:

1. **Retention**
2. **Referrals**
3. **Reputation**
4. **Revenue**



# Benefits of Customer Satisfaction

## 1. Retention :

- Customer who rate you a 9 or 10 on a scale from 0 to 10 are ***six times*** more likely to buy from you again
- A Harvard Business Review study showed that just a 5 percent increase in customer retention boosts profits by 25 to 125 percent.



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# Benefits of Customer Satisfaction

## 2. Referrals:

- Lower acquisition cost.
- Act as an extension of your marketing team
- Stats:
  - Highly satisfied customers are **six times** more likely to recommend your organization to a colleague or friend.
  - Dell computers said that \$1 million of every \$4 million of new customer revenue was from **word of mouth promotion**, or \$210 million to the company

Are you talking about us?



# Benefits of Customer Satisfaction

## 3. Reputation:

- Delivering an exceptional customer experience will develop an enhanced brand and financial results
- Stat:
  - Companies with a reputation for achieving high customer loyalty grow revenues more than ***twice the rate of their competitors***  
– Bain & Company



Apple WATCH



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# Benefits of Customer Satisfaction

## 4. Revenue:

- Loyal customers ....
  - Make incremental purchases (open to up selling and cross selling)
  - Make positive referrals to drive incremental revenue
- In fact.....



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## Customer Satisfaction Improvements Increase Revenues in the US

Additional revenues over 3 years for a \$1 billion company with a modest improvement (+1) to customer satisfaction.

\*Based on 206 US companies across 18 industries

Copyright Temkin Group

Industry	3 YR Rev Improvement (\$ millions)
Fast Food Chain	\$382.3
Retailer	\$343.7
Grocery Chain	\$343.6
Parcel Delivery Service	\$325.9
Hotel	\$282.1
Bank	\$273.0
Airline	\$256.3
Credit Card Issuer	\$246.1
TV Service Provider	\$236.9
Internet Service Provider	\$236.0
Wireless Service Provider	\$233.2
Car Rental Agency	\$230.3
Investment Firm	\$222.1
Computer Maker	\$203.8
Major Appliance Maker	\$198.7
Insurance	\$197.8
Auto Dealer	\$165.1
Health Plan	\$140.8

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# Benefits of Customer Satisfaction

## 4. Revenue:

Customer satisfaction means **money!**



- The lifetime value of a business customer is estimated at 30 to 50 times a customer's monthly purchases ( $\$10,000 \times 40 \text{ (avg.)} = \$400,000$ )
- IBM in Rochester, Minn., calculates that a 1 percent increase in customer satisfaction is worth \$257 million in additional revenues over five years.
- Marriott found that each percentage point increased in the customer satisfaction measure was worth some \$50 million in revenues.
- Winners of the Malcolm Baldrige National Quality Award (heavily oriented toward customer satisfaction) outperform the Standard & Poor's 500-stock index by 3:1 in ROI

## CSAT Industry Leaders out perform the Industry Averages

Airlines = 15%  
Auto Insurance = 35%  
Banking = 18%  
Brokerage & Investments = 35%  
Cable & Satellite TV = -3%;  
Computer Hardware = 32%  
Credit Cards = 9%  
Department, Wholesale Stores =  
Grocery and Supermarkets = 49%  
Health Insurance = -5%  
Homeowners Insurance = 27%  
Internet Service = -4%  
Life Insurance = 0%  
Online Search and Information = 43%  
Online Shopping = 47%

Jet Blue = 60%  
USAA = 73%  
USAA = 73%  
Verizon = 56%

Every 5 highly satisfied customers leads to two new customers. A single point change in JetBlue's satisfaction scores is valued between \$5 million and \$8 million.

Trader Joe's = 82%  
Kaiser = 28%  
USAA = 78%  
Verizon = 13%  
State Farm = 19%  
Google = 53%  
Amazon.com = 70%

# Benefits of Customer Satisfaction

- A Formalized Customer Satisfaction survey process is...
  - an opportunity to **Differentiate** the business
  - a strategy for business **Growth**



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# How to Implement a Formalized CSAT Survey Process



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# Survey Implementation

## Survey design consideration...

❖ Was it designed with the end in mind?

- ✓ Action
- ✓ Recognition
- ✓ Resolution



❖ Are you measuring transactions and overall relationship?

❖ Are you optimizing qualitative and quantitative results?

❖ Does it capture top of mind verbatim?

❖ How long does survey take to complete?

# Survey Implementation

- ❖ What key processes need measured?
- ❖ What is the best metric
  - ❖ % Satisfied, Top box, NPS
- ❖ Are you using the best channels?
  - ✓ Phone, web
- ❖ How often will the survey be conducted?



# Using Survey Results

## ***Taking Action:***

Perform customer follow-ups:

- Open issue
- Low score
- Negative comment
- Wow the customer!!!

Improvement Initiatives

- Tactical corrective action
- Strategic improvement initiatives

Using Survey Feedback for...

- Employee coaching
- Identify need for employee training
- Employee recognition



# Example of Listening & Taking Action



Sales of Fish **double** by listening to the customer

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# Example of Listening & Taking Action

## #1 Root Cause- Information/Contact

Action: Email Education Bulletin



Year	Root Cause %
Initial	16.5%
After 1 Yr	13.1%



**20.6% reduction**

E-bulletin has contributed to the reduction in customer requests while improving value to customers

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# Customer Satisfaction Results at MEDRAD

Over a 4 year period:

- Customer satisfaction increased by 7.5%
  - Avg. 16% per year revenue growth
  - 10% growth in disposable market share
  - 4.4% profitability improvement (EBITA)



# Steps for Getting Started



1. Get buy-in from key stakeholders
2. Conduct SWOT
3. Consensus meeting to determine "Go" or "No Go"
4. Begin a communication campaign
5. Pilot a relationship or transactional survey
  - Share success stories to build momentum

# Example: DDI Relationship & Product Research Surveys

- CSAT Partners designed customized surveys
- Implemented a web based survey with +30% response rate
  - Measured health of customer relationships
  - Received feedback on product, support, degree of satisfaction & loyalty
  - Identified positive attributes
  - Identified opportunities for improvement
- CSAT Partners performed in depth analytics:
  - Customer dashboard
  - Root cause summary reports
  - Power Point summary deck
  - Recommendations for action
- How data used by DDI:
  - Internal communications to celebrate success and positive results
  - Sales meetings to drive tactical actions
  - Selection of strategic improvement initiatives
  - Employee recognition



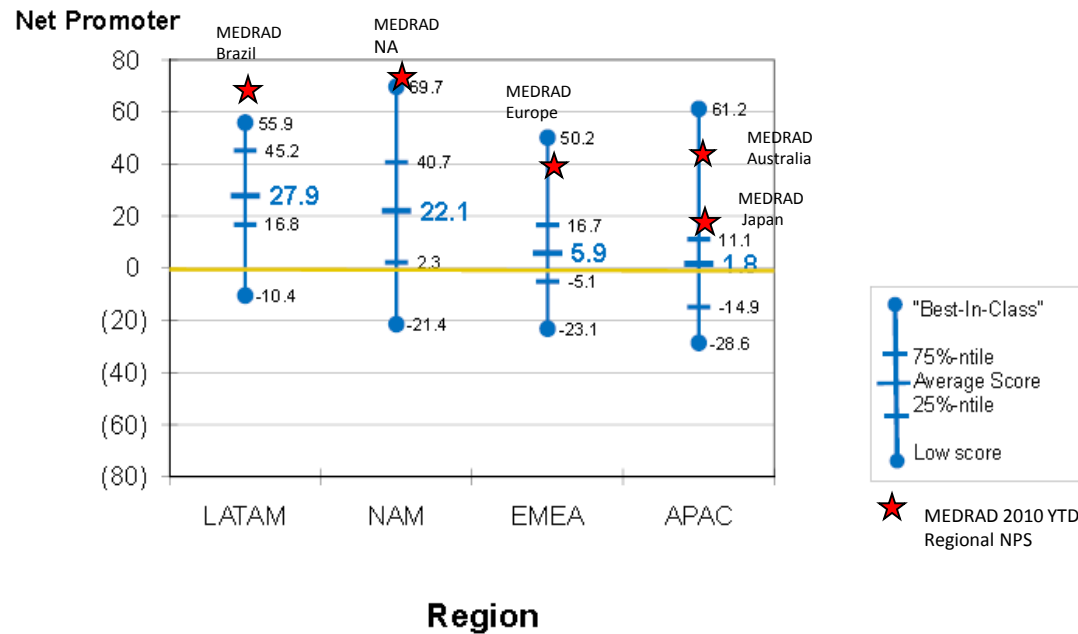
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# Opportunity



- Difficult to gain industry benchmark data
- Members of FPPA could create an industry benchmark survey
- Each organization will privately receive own fully analyzed results
- All organizations will receive (blind) combined survey results showing:
  - High, Mean, Low score for all participants
  - Where your organization scored

## Example: Industry Benchmark



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# Summary

## By Implementing Customer surveys:

- Measure degree of satisfaction & loyalty +
- Identify strengths and pain points +
- Proactively resolve customer issues +
- Make informed customer decisions +
- Implement tactical and strategic improvements +
- Build customer satisfaction & loyalty

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# Thank you!



**C-SAT Partners**

Listen > Action > Results

## **Customer Satisfaction & Loyalty Research & Consulting**

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