

# Customer Satisfaction



# Overview

- Defining customer satisfaction objectives:
  - Overall satisfaction % (total customer satisfaction?)
  - Satisfaction vs. delight
  - Objectives for individual aspects
- Practices:
  - Expectation management
  - Support & service
  - Relationship management
- Measurement & Metrics:
  - Customer satisfaction surveys
  - Reasons for selecting product
  - Metrics: satisfaction trends, customer complaints, market share, repurchase



# Satisfaction Objectives

- % of satisfied customers:
  - Target set relative to competition
- TQM approach is “Total Customer Satisfaction”
  - Must satisfy every customer fully
- Consider whether to target customer delight
  - Go beyond “absence of problems”
- How we define satisfaction depends on market characteristics & business objectives:  
“What makes business sense?”

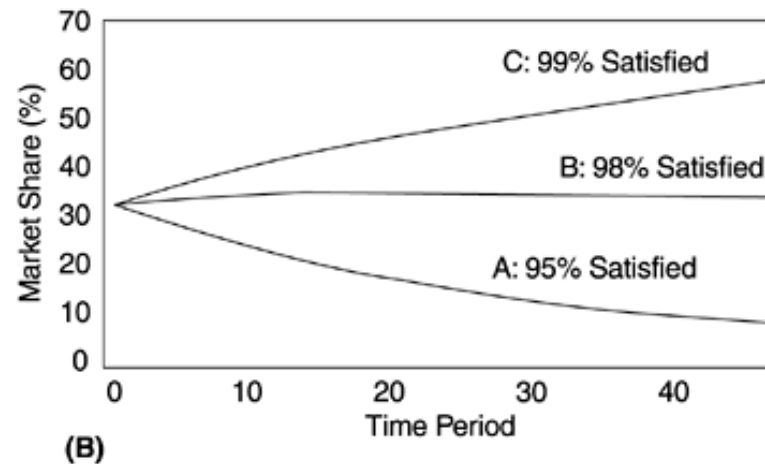
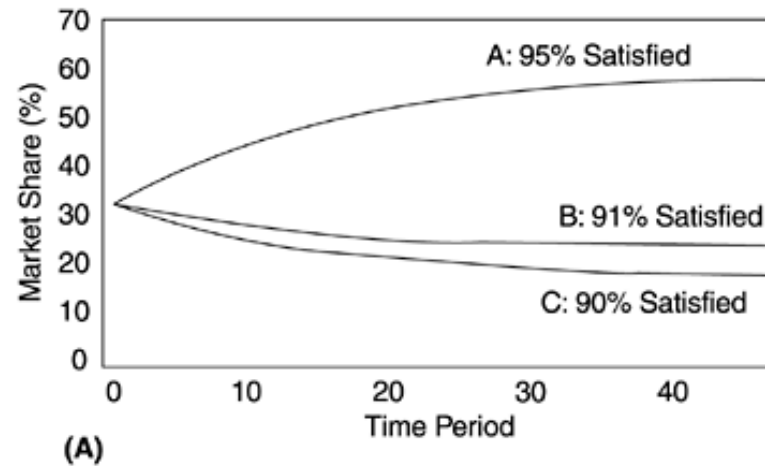


# Total Customer Satisfaction

- A TQM practice: no dissatisfied customer
  - For example, “Satisfaction guaranteed or money back”
  - Can have significant impact on corporate image, loyalty
- Requires willingness to address niche problems
  - For example, “Your software is incompatible with X that I use”
- Requires empowerment of employees
- Impacts cost, processes (need more flexibility)
- Can be exploited by unreasonable customers



# Why?



From "Customer Satisfaction: How Good Is Good Enough?" by Pete Babich. Quality Progress, December 1992



# Customer Delight

- Satisfaction only addresses “absence of problems”
  - “Met expectations”
- Can target customer delight
  - Exceeding expectations: superior user interface, automatically fixing/correcting erroneous input or problems, ...
- Requires pursuing opportunities for “going the extra mile”
- Significant impact on “willingness to recommend” & “willingness to repurchase”, loyalty, image
- Possibility of “gold-plating,” may increase costs



# Factors Influencing Satisfaction

- Product quality in all quality attributes
- Level of expectations
- Support & service
- Initial customer experience with product
- Interactions related to product:
  - Marketing, buying experience
  - Interactions with development team (if any)
  - Support experience



# Practices





# Expectation Management

- Satisfaction is relative to expectations:
  - For example, Lord of the Rings Part 3 vs. an unknown movie
  - Based on “value proposition”
    - More expected from Mercedes than Hyundai
    - Different expectations for Ferrari & Cadillac
- Expectation setting:
  - Marketing, delivery and feature promises
    - Requirements interactions
    - Eliciting requirements that cannot be met can be a major problem
  - Corporate image, past products
  - General expectations for the product category
  - Technical documentation, presentations
- Setting & meeting reasonable expectations leads to high satisfaction
  - For example, Southwest airlines



# Value Proposition

- “What it costs, what it provides”
- A product has a strong value proposition if:
  - It is strong on those attributes that are important to the customer
  - It provides better value for its particular group of customers than its competition – key to market share
- Often products are aimed at “market segments”
  - Group of customers with a particular set of needs
    - Particular combination of attributes that they value



# Value Proposition – cont'd

- Product design and satisfaction measurement should address the attributes that the customers care about
  - Designers and quality engineers must be conscious of the value proposition desires of their clientele: all quality attributes are NOT created equal!
- Articulating value proposition key to marketing
  - “Good on all aspects” often carries lower credibility



# Support & Service

- Helping people to get started using the system
  - Startup training / tutorials / documentation
- Helping users to be more effective in using product
  - Reference manuals, tips, training
- Providing support in resolving problems
  - Tech support lines, troubleshooting guides, FAQs
- Helping customers help each other
  - Customer groups, “sharing” facilities: space, mailing lists
- Systems for problem reporting & tracking
- Distributing patches & updates
  - Release notes on differences from previous versions, known bugs



# Problem Reporting & Tracking

- Tools for problem reporting & tracking.
  - Examples: Rational ClearQuest, Seapine's TestTrack Pro, Bugzilla
  - Problem reports may be filled in directly by customers or by customer support people
- Each problem “dispositioned”
  - Removal of duplicates / non-problems
  - Fix later / fix now, assigned to developer
  - Tracking of fixing status through to re-release
- Generates metrics on fixing cycletime, fixing effectiveness
- Can use same tools to track feature requests



# Relationship Management

- Working with customers in ways that build loyalty
  - “Studies show that it is five times more costly to recruit a new customer than it is to keep an old customer, and that dissatisfied customers tell 7 to 20 people about their experiences, while satisfied customers tell only 3-5.” [Kan textbook, p. 375]
  - The most effective advertising is word-of-mouth
- Addressing special needs, responsiveness to concerns of key customers
  - For example, special patches, features, feature prioritization, deadlines
  - Disclosure: proactive notification & resolution of known bugs
- Identifying and following up on issues & irritants
- Reducing “total cost of ownership,” such as with free upgrades
- More applicable to “major customers” than mass-market products



# Summary

- Customer satisfaction is the ultimate measure of quality
  - Move from Satisfaction to Delight
- Satisfaction depends on:
  - Product Quality
  - Support
  - Expectation Management

