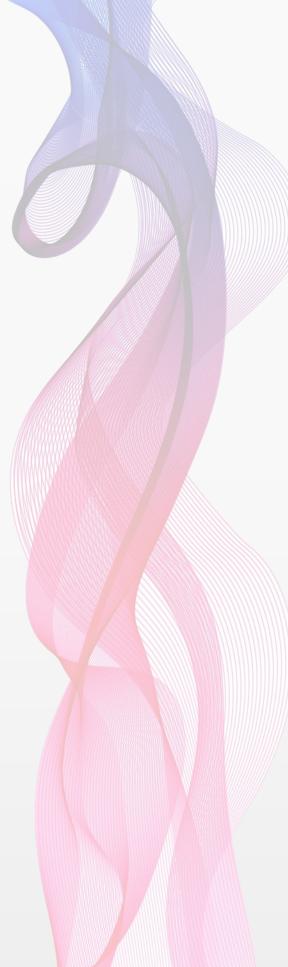


Customer Satisfaction vs. Loyalty

Improve service effectiveness

by

understanding & managing your client's expectations.



This document describes a process which will help you

- improve your understanding of your clients needs and expectations.
- Define actions to make your service more effective

and help the client

- Establish realistic expectations
- Understand the true value of the service
- Remember and respect the service and the people who deliver the service.

A service is an activity that is intangible, is not stored and does not result in ownership. A service is consumed at the point of delivery. The client may be charged for the service, or it may be given for free. It may be formal (IT support, legal advice) or informal (Emotional support, helping other team members)

You can also use this document to better understand a client's relationship with a product or brand. Simply replace the work service with product or brand.

This concept was adapted from the book "Market-Led Strategic Change" by Nigel F. Piercy, 2002, Butterworth-Heinemann (First published 1991 HarperCollins Publisher).

Pleaser note... I've designed this as an A3 sized document so that you can print the templates to use during meetings, brainstorming sessions and interviews.

The process

Understand the service

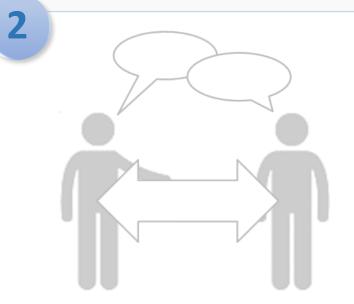
Fill in one of the following templates.

This will deepen your understanding of the service you provide and prepare you for the customer interviews.

You can use the templates to facilitate a team meeting designed to align a service delivery team's behaviour and values.

Either use the template as is, or take each element as the heading on a flipchart or pinboard.

Use colour codes to capture your ideas.



Conduct client interviews

Conduct client interviews based on your deeper understanding of your service.

During these interviews; compare your opinion to your client's, check your reality, uncover blind spots, and shape your client's expectations.

It's a great opportunity to have an informal chat with your client about your relationship, needs and values.

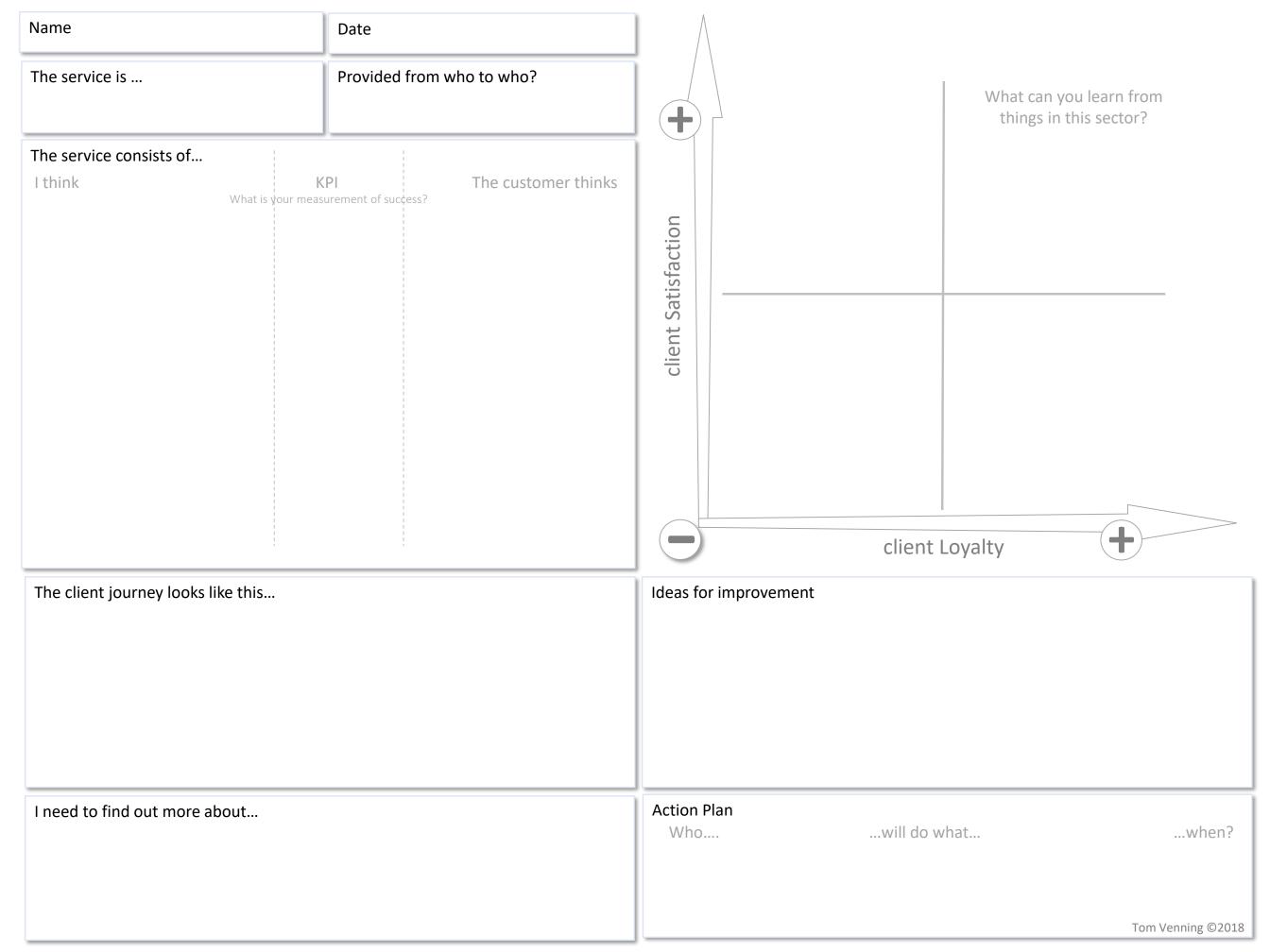
You, or the team, should conduct these interviews... Use the opportunity to learn and build relationships.

Improve the service

Update the templates and agree on what you need to do to improve the service quality and effectiveness.

Then act!

Repeat this process at regular intervals. How big an interval depends on the service.



Name

Date

The service is ...

Name, or briefly describe, the service you would like to investigate.

Provided from who to who?

Who are the stakeholders? People, depts., groups, etc. who give & receive the service.

Draw a diagram & reference it here.

The service consists of...

I think

KPI

They think

This area is for your opinion....

What is your measurement of success?

And

The client's opinion

What elements make up the service? List both tangible and intangible things.

Tangible elements of the service could be listed in the service description, have tangible KPIs and targets, may be described in someone's job role, and will be observable or physical.

The intangible elements are uniquely human; empathy, socialising, caring etc. All of these elements will show in how the service is delivered and why people think it is important.

Successful service delivery always includes both tangible and intangible elements.

For each of these elements ask yourself what's the KPI? How do you measure the element, or know when you are successful? Ideally KPIs will be tangible. However don't worry if some intangible aspects of the service have intangible KPIs... the point is to dig deeper into your understanding of the service. Answering the KPI question always deepens your understanding.

Use all these details as discussion starters between the service giver and receiver. Being clear about these elements, for all service stakeholders, helps create effective, harmonious services.

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Satisfaction

Customer

Customer satisfaction is emotional.

It may be very short term.

What can you learn from things in this sector?

Map your customer's satisfaction and loyalty here.

For each elements of the service ask yourself how satisfied (happy and / or emotionally connected with the service) and how loyal (how likely they are to use the service again) the customer is. Map the result on this grid.

What KPI do you use to make this assessment? How do you measure *satisfaction* and *loyalty* of each element? What formal or informal measurements do you use? Answering these questions will deepen your understanding of the service.

When you conduct client interviews, show them this grid and ask them to position the different elements of the service. Ask them why they chose the position ... what are their measurements of success... what are their KIPs?

The next slide explains the Customer / Loyalty grid in more detail.

Customer loyalty is behaviour. Does the client come back for more?

Customer Loyalty

The customer journey looks like this...

The customer journey is the timeline of service delivery.

It starts before the client even knows they need the service because as the client realises they need the service, who should they think of? The service provider. The client then prepares to use the service, engages for the first time and interacts with the service provider. This kicks off a number of internal processes. The client is continually assessing the service. Eventually the client will finish using the service and assess the final results... which effects the likelihood of them using the service again... How likely they are to use the service again is customer loyalty.

Write a chronological list or draw a time line here.

Ideas for improvement

Throughout this service brainstorming process and client interviews you will get ideas of how to improve the service.

Capture all ideas and suggestions. Do not filter or qualify them. Some of the best solutions originate from the craziest ideas, others come from combinations of many suggestions, and some occur through continuous improvement.

You can qualify, group and cull ideas at a later date.

I need to find out more about...

While you are answering the above questions, thinking about the details of the service, KPIs and the client journey, you will realise there are lots of things you don't know about the service, client needs and perceptions, and what other stakeholders do or think.

List these things here. At a later date you can find them out, and deepen your knowledge of the service, which will help improve the service quality and effectiveness.

Action Plan

Who.... ...will do what... Capture short and medium term actions here.

...when?

What is the maximum point of leverage? The smallest action with the biggest impact?

Act immediately! You should have at least one thing you can do within the next 24 hours. Tom Venning ©2018

Questions you could ask during the client interview

Use the satisfaction / Loyalty grid to interview the customer.

Which service did you select?
Why did you choose to speak
with this customer?

Why did you position the service where you did?
What criteria (KPIs) did you use?

Where would the customer position the service? What criteria do they use?

In an ideal world where should the service be positioned?
What's realistic?

What do you / customer need to do to get it there? Think of expectations vs. reality

Where is the maximum point of leverage? The smallest thing you can change for the maximum impact?

Customer satisfaction is emotional. It may be very short term.

Wanderers

Clients see little differentiation between services.

They are happy with the service, but this does not lead to brand loyalty.

They don't really care, as long as there is no reason to complain.

Dealers

New clients who have no experience with the service. Carefully manage their experience.

Clients who are not willing to invest their effort & resources to ensure success.

Some extremely critical people who are difficult to please.

Stayers

Believe they are getting the best. An ideal client – provider relationship.

Clients become advocates. They give positive recommendations.

What can you learn from your interactions here, that can be applied to other clients?

Hostages

Clients feel locked into these services by tight contracts, high switching costs or lack of choice.

Regardless of reality, many people think they are service hostages.

Many service providers forget that clients have informal alternatives.

Customer loyalty is behaviour. Does

the client come back for more?

What can you learn from your service delivery in this sector? What can you do to keep your customers here?

Do any misunderstandings drive satisfaction & loyalty?

Who are the stakeholders in the service? Is your success dependent on someone else?

Are the customer's expectations realistic? What do you need to do to ensure they are realistic?

Hostages. What will happen when the hostage is freed?

Customer Loyalty

Dealers. Do you want to work with them?

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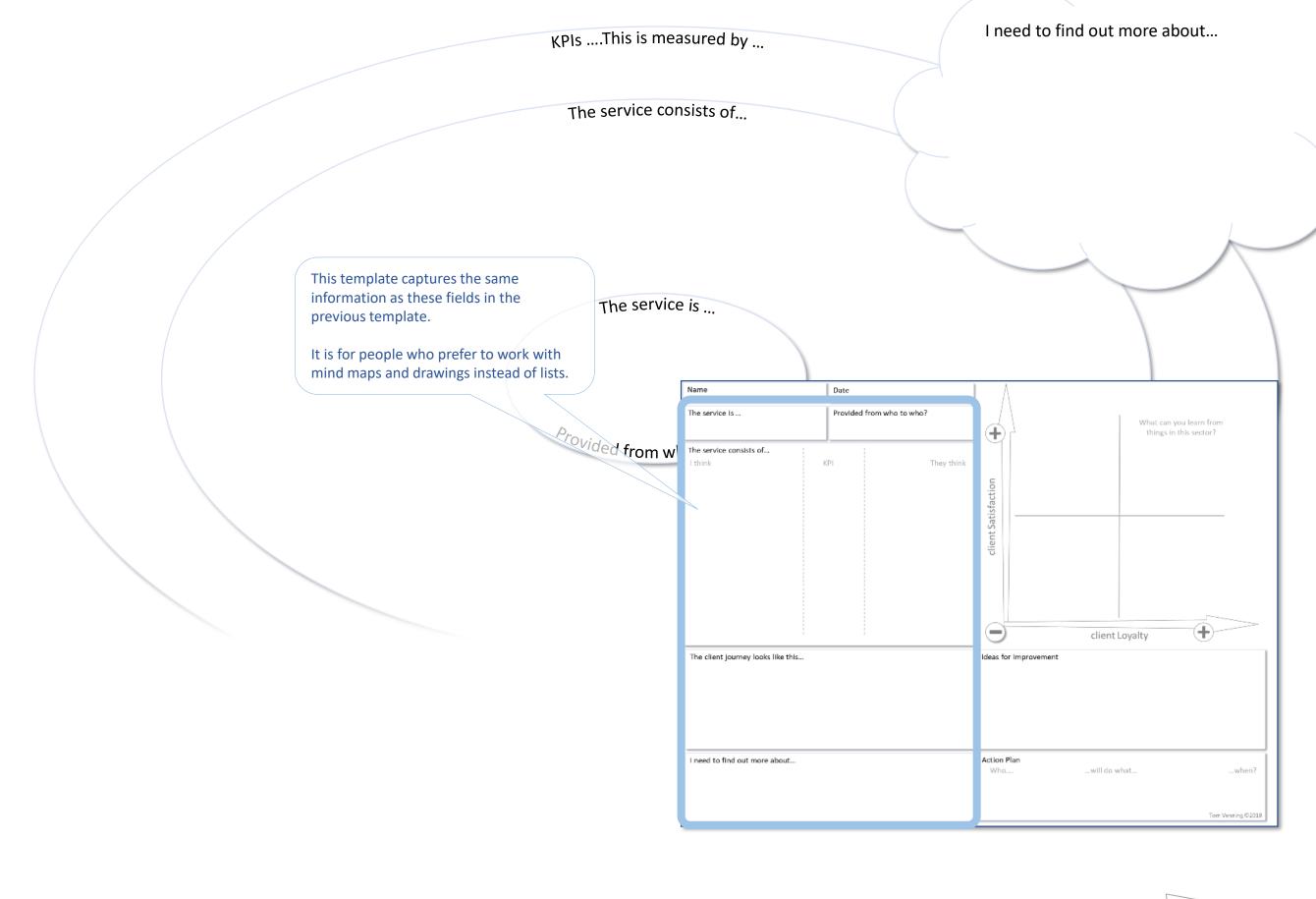
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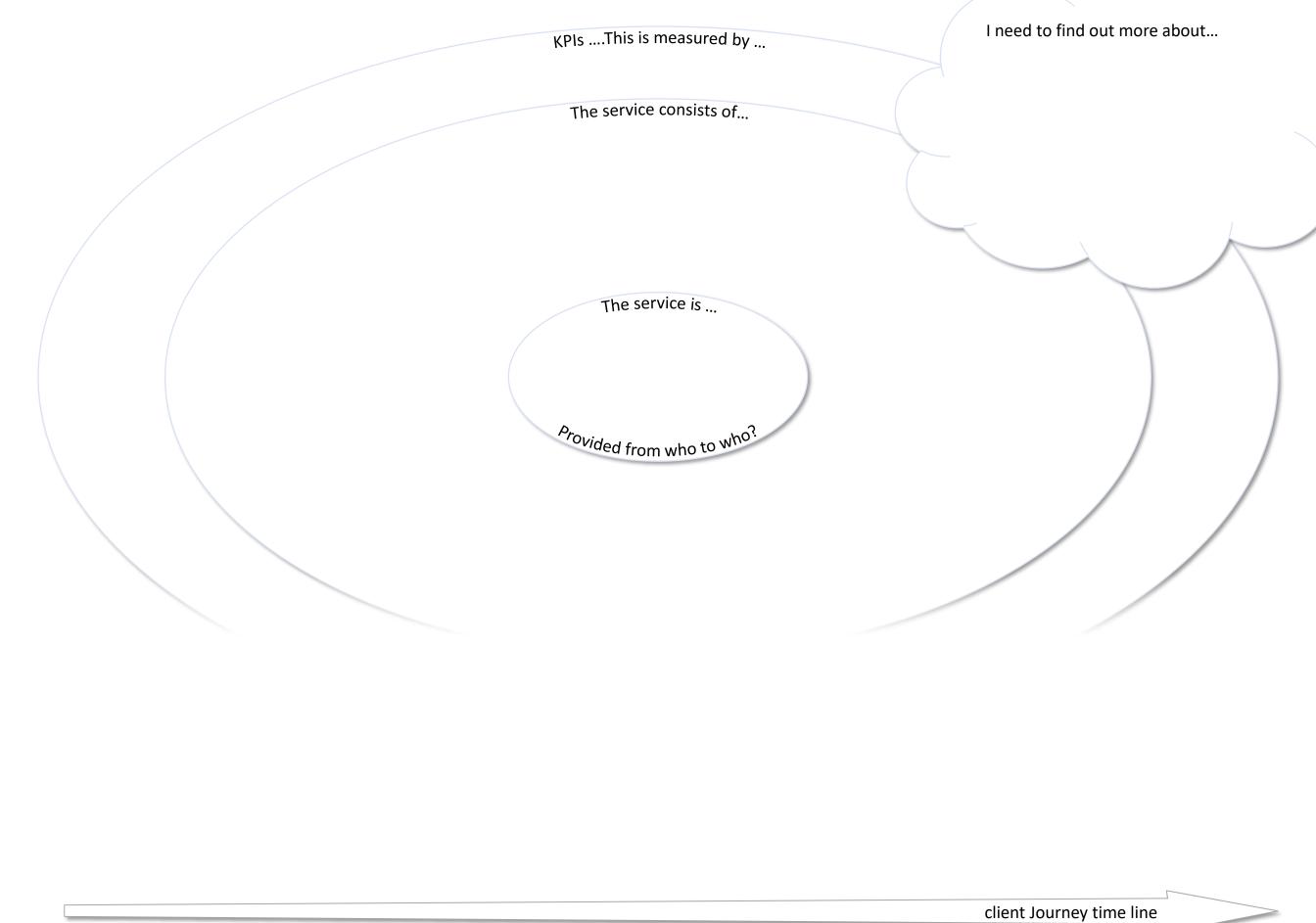
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