



Fast Guide

Fast guide to setting targets for satisfaction



The first thing most organisations could tell you about customer satisfaction is that they'd like theirs to be higher. But how much? Aiming to improve too much too quickly can demoralise staff when customer attitudes don't change as fast (or as much) as expected. Other organisations may feel that their satisfaction levels are "good enough" (good enough for what?). We'll run through 5 key points about targets for satisfaction.

1 Setting realistic targets

Progress is rarely linear - it gets harder and harder to improve as you get better. In other words a company starting with a low satisfaction score could expect to improve more in a year than one with a very high starting point.

A useful method for establishing what is realistic is to break the overall score down and investigate the views of different groups of customers. Internal benchmarking, where possible, can give you a good idea of the levels of satisfaction that are possible with current resources. This approach is very effective for businesses with many outlets or branches.

2 Is there an optimum level of satisfaction?

If it gets harder (and more expensive) to improve satisfaction, the obvious question is whether there is a point at which it is no longer worth the extra investment to achieve marginal improvements. Reasoning by analogy to direct mail campaigns we might expect the answer to be yes, albeit with the caveat that a business would have to improve just to maintain its current level of satisfaction. Calculating where this point

is, for any individual business, would be far more tricky.

3 Beyond the number

But is direct mail an appropriate analogy? Occasionally it is, but for many businesses it is dangerously misleading. Direct mail, despite the best efforts of marketers, is a broad brush form of communication. Customer relationships should be much more personal and individual. Improving customer satisfaction, especially when performance is already good, is more about eliminating lapses rather than across the board incremental change.

It is very difficult to move a high satisfaction score even higher, so focus on those customers (or branches/groups of customers) where performance is not so good. Enterprise Rent-a-Car, for example, achieved great improvements by putting pressure on those outlets that fell short of the national average, cementing a much more consistent (as well as higher) level of performance.

4 Action plans first, targets second

Overall improvement targets only make sense, and should only be set, in the context of individual priorities for improvement. If an organisation has lots of "low hanging fruit" then it will be relatively easy to improve. Rather than focusing on where you'd like the overall score to be it's more effective to think about how much change it would be realistic to expect on the priorities. Worked through this will give you a good idea of what's achievable overall.

5 Thinking long term

Target setting should be embedded in a

consistent long term strategy. Priorities for improvement must be adopted and addressed over the long haul, not changed every 3 months. Recognising that improving attitudes takes time will offset the demoralisation that can afflict employees when customers don't seem to be noticing their efforts.

A long term loyalty strategy also emphasises the lifetime value of customers, justifying a surprisingly large investment in building customer satisfaction and loyalty. The cut off point, if there is one, may be much higher than you first supposed. **S**

