

SATISFACTION WITH PUBLIC SERVICES:

A Discussion Paper

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1. Introduction

1. This paper sets out to address the following questions:
 - What do we mean by satisfaction?
 - What do we know about satisfaction with key public services now, over time, and in comparison with international and private sector comparators?
 - How could we use satisfaction data to improve public services?
 - What successful strategies exist for improving satisfaction?
2. Two annexes set out first, more detail about the existing levels of satisfaction with key public services and second, how user satisfaction can be measured.

2. Key points

Conclusions

3. People tend to be satisfied when their perceptions of the service they have received match their expectations. When the service falls short of expectations they tend to be dissatisfied.
4. Expectations are formed by many factors including previous experience, word of mouth, service reputation, the media, communications by the service provider and, crucially, the needs and characteristics of the service user.
5. Perceptions of the service people have received will vary according to the individual and the nature of the service. However, common factors which people rate highly in qualitative research in private sector services include reliability, responsiveness, empathy and the ability to put things right if mistakes are made.
6. The aim of the government's public services reform programme is to improve the quality of, and users' experiences of, public services. In other sectors raising levels of customer satisfaction has involved ensuring that expectations are realistic and improving perceptions of service received.
7. There are many examples of practical steps services can take to improve user satisfaction. Sears stores in the USA focus on ensuring their employees are content. Sears have analysed a relationship between the satisfaction of their employees and that of their customers. Eurostar "recover" from delays by offering free single tickets to affected passengers and paying taxi fares if alternative methods of transport cannot be found. Tesco used consumer panels to ask mothers about what would make shopping easier: resulting in baby changing facilities and improved queue management.
8. People's views about public services are only partly formed by their direct use of those services. The role of the media is very important in forming people's overall views of an institution such as the NHS. Users of a service are almost always more satisfied than those who do not have first hand experience (for example, 80 per cent of users of local secondary schools are very or fairly satisfied but only 30 per cent of the general population are very or fairly satisfied with secondary schools.) Surveys of the general population which ask questions about satisfaction with, say, the NHS, are not useful guides to customer satisfaction and should be treated with caution.
9. Many private sector organisations use customer satisfaction measurement to improve their services. In the public sector Canada stands out as it has recently set a target of at least a 10 per cent improvement in user satisfaction with key Government services by 2005, alongside a major exercise in measuring satisfaction.

10. There will be occasions where maximising satisfaction is not an appropriate goal of public policy. Government may sometimes wish to damp down demand for certain publicly provided services, such as unemployment insurance. Government may also wish to institute other reforms, in the interest of safety, efficiency, or redistribution, which reduce satisfaction.
11. However, many public services involve face to face contact with users and it will be appropriate to seek to increase their satisfaction. There are three purposes for which increased use of satisfaction data might be useful in improving public services:
 - Identifying priorities for improvement
 - Benchmarking front line service “units” such as schools or hospitals
 - As targets – either public or for internal management use.
12. However, measurement of satisfaction has so far been of variable quality. Poor quality measurement, if used to guide service planning, will lead to the misallocation of resources and will be ineffective in increasing satisfaction.

3. Data and Trends

13. Detailed data can be found in the data and trends annex. This section provides some headline data which:

- shows satisfaction levels for a variety of UK public services
- shows how the importance of these services to the public has varied over time
- and provides international comparisons for selected services.

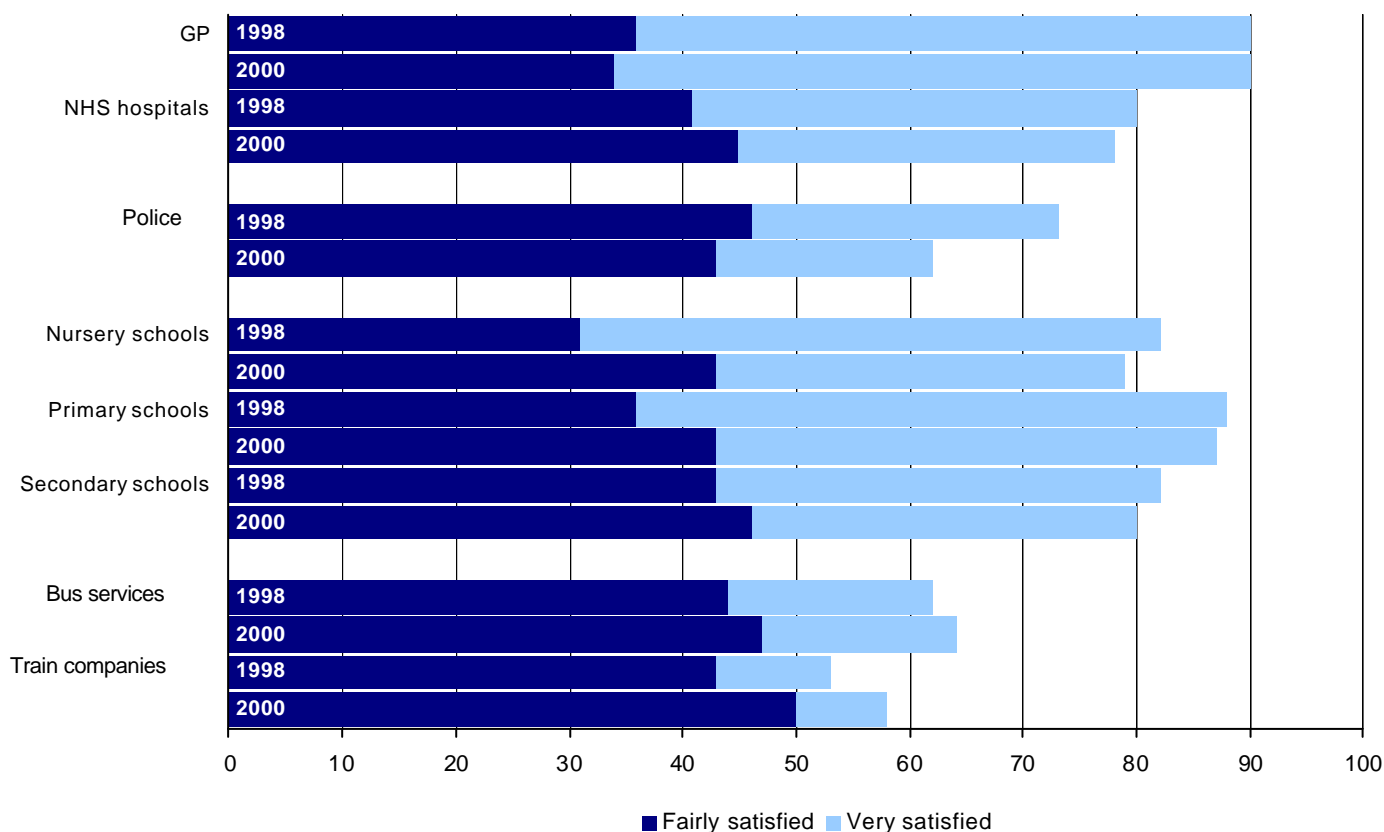
Box 3.1 Satisfaction data health warning.

Throughout this report we rely upon existing surveys of satisfaction. Unfortunately, there are some shortcomings with traditional questions that ask whether people are “fairly” or “very” “satisfied” or “dissatisfied”. For example:

- Averages can disguise a wide range of views – some sections of the community or different geographical areas may have very different levels of satisfaction with a service.
- Research has shown that different people have differing interpretations of “fairly” – often using it to say that they have no opinion of the service. Fairly satisfied may be the apathy option.*
- Satisfaction with an overall service is often influenced by the media – reducing its usefulness as a measure of service quality.
- Surveys of the general population (as opposed to client surveys) will also question many non-users of a particular service – possibly lending greater weight to their opinions. Service users generally have a higher satisfaction rating than the general population.

* See Customer Satisfaction with Benefits Agency Local Offices, DSS, 1995

Figure 3.1: Proportion satisfied with selected local services: 1998 and 2000¹

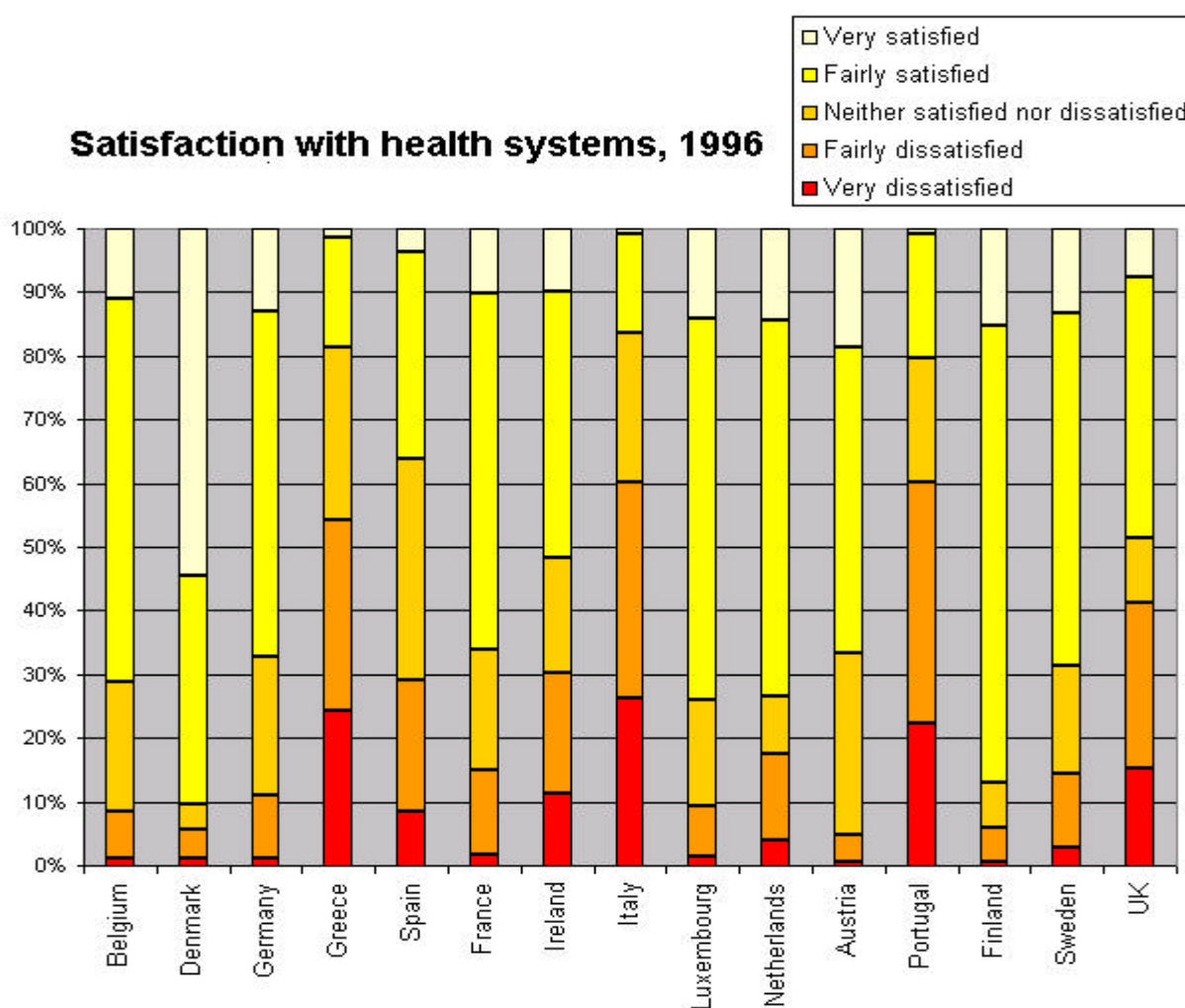


¹ People's Panel data: MORI, 2001. Base: users. Data on train companies collected before the Hatfield crash.

14. Figure 3.1 shows that generally users are either satisfied or fairly satisfied with public services – with the exception of transport services. When the general population is surveyed about their satisfaction with services their scores are much lower – with less than 60 per cent fairly or very satisfied with the NHS² 39 per cent fairly or very satisfied with primary schools and 30 per cent fairly or very satisfied with secondary schools.³

15. Satisfaction with health care systems varies quite widely (see figure 3.2), with Italians being relatively dissatisfied and many Danes extremely satisfied. The UK, alongside Ireland, Greece and Portugal has lower levels of satisfaction.⁴

Figure 3.2 Satisfaction with health systems, international comparisons, 1996



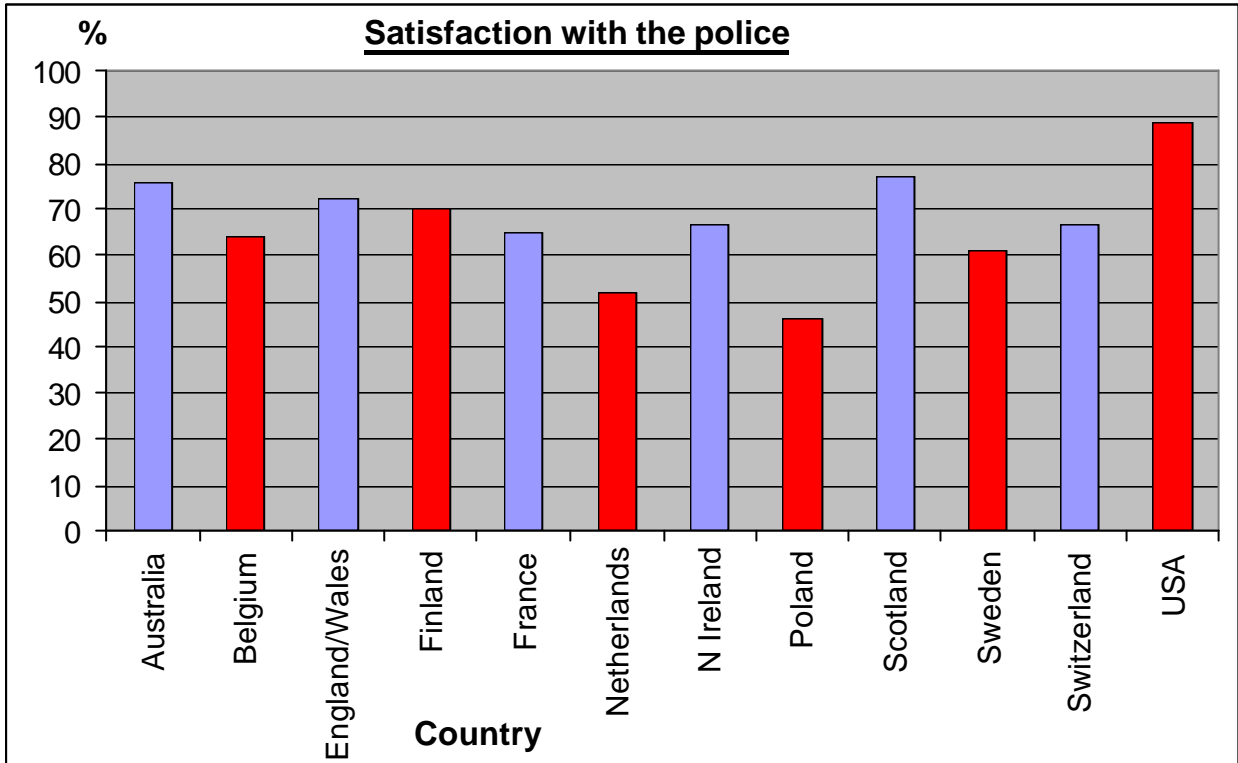
² MORI/BMA, 2000

³ MORI/Post Office, 1997

⁴ Eurobarometer 1996: Elias Mossialos, Citizen's Views on Health Care Systems, Health Economics 1997. Base: general population.

16. Satisfaction with the police also varies between countries – with Poles having very low opinions of their police service and Americans high satisfaction ratings. Scotland has high satisfaction ratings, as does England and Wales. The population of Northern Ireland is slightly less satisfied with their police service.⁵

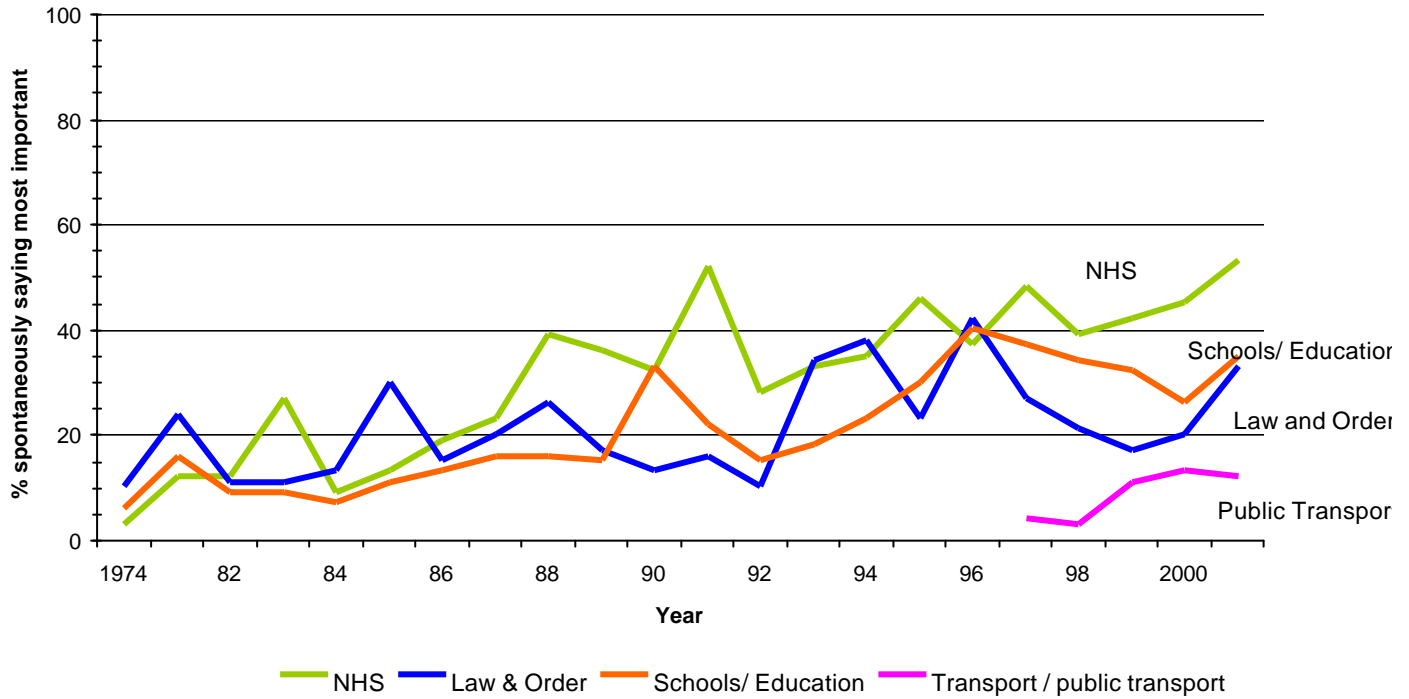
Figure 3.3 Satisfaction with the police, international comparisons, 2000



⁵ International Crime Victimization Survey. Question asks do you think police do a good job in controlling crime in your area? Base: general population.

17. Finally, the relative importance of these services in the public mind has varied over the last 25 years. The rise of the NHS up the public agenda is noticeable.

Figure 3.4: Proportions saying the service is the most important issue facing Britain. 1974 to 2001.⁶



⁶ Attitudes to Key Public Services – research review conducted for the Cabinet Office, MORI, 2001.

Box 3.2 Strategies for improving satisfaction: employee satisfaction

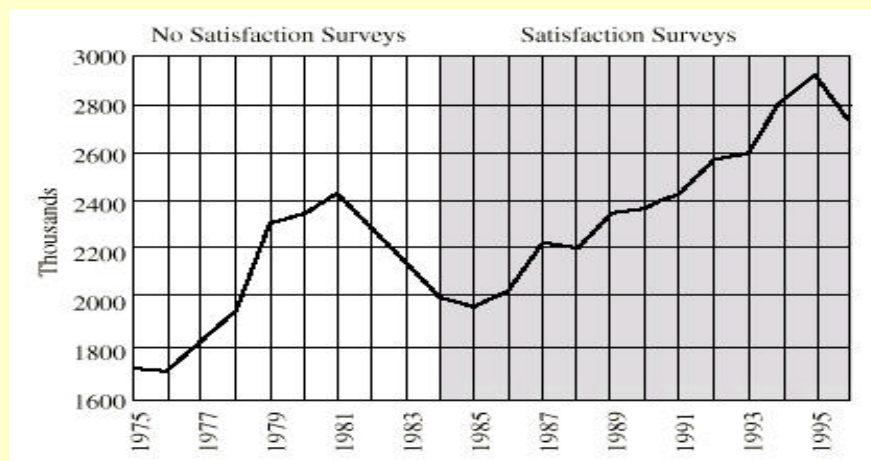
Sears Roebuck, the US chain store, employed statisticians at the University of Michigan to analyse the connection between their employee's satisfaction, their customer's satisfaction and their profits in their 820 stores. They found that employee's attitudes about their job and about the company are the two factors that predict their behaviour in front of the customer, which in turn predicts the likelihood of customer retention and of the customer recommending the store to others.

The employee satisfaction figures were the leading indicators for customer satisfaction and financial performance. If the employee satisfaction score increases by five points in one quarter, the customer satisfaction score is likely to increase by 2 points and the following quarter the store's revenue growth will beat the average of other Sears' stores by 0.5%.

Source: Fortune Magazine, October 13, 1997.

Box 3.3 The importance of measurement: British Columbia Parks, Canada

British Columbia Parks is one of the largest suppliers of overnight accommodation in the province. This organisation has about 11,500 campsites in 430 campgrounds, and almost 450 day-use areas (i.e. beaches, picnic facilities, boat launches etc.). BC Parks initiated client satisfaction surveys in response to declining visitor attendance at provincial park campgrounds. It launched a quality plan, which involved client surveys in the park on a rotating basis. These surveys specifically asked park visitors what their expectations for services were, how satisfied they were with services provided, and what service elements were important to them. Data collected indicated that visitors wanted showers/washrooms in the campgrounds. The information from these in-park user surveys and other household surveys with BC residents enabled BC Parks to present a strong business case for obtaining funds in the late 1980s to construct new visitors' showers/ washrooms in provincial parks. By meeting these expectations, client satisfaction was increased substantially. The end result was a general increase in attendance in provincial parks.



Source: Client satisfaction surveying: a manager's guide, Faye Schmidt and Teresa Strickland, Citizen-Centred Service Network, Canadian Centre For Management Development, December 1998.

4. What do we mean by satisfaction?

18. This section examines:

- how people judge a particular transaction with a service, for example an appointment with a GP.
- how some aspects of that encounter play a more important role in than others in determining satisfaction and how perceptions will differ between individuals
- how that encounter, together with other factors, shapes a more general view of the institution – for example, of the NHS as a whole.

How do people judge a service transaction?

19. There is no simple relationship between increasing the performance and quality of services and increased level of user satisfaction. The level of satisfaction or dissatisfaction that results from an encounter between a service user and provider depends both on the user's **expectations of the service** they will receive and their **perceptions of the service** they have received.

20. The leading model for thinking about satisfaction and perceptions of service quality focuses on whether the customer's expectations are "confirmed" or "disconfirmed" by their perceptions of the service they have received (see figure 4.1). If a user's expectations are exceeded by their perceptions of the service they have received then the user is satisfied or even delighted. If their perceptions of the service fall short of their expectations then the result is dissatisfaction. Other models that have not proved as popular among researchers are described in box 4.1.

Figure 4.1 The 'disconfirmation' model of satisfaction

$$\boxed{\text{Expectations}} - \boxed{\text{Perceptions of service received}} = \boxed{\text{Customer satisfaction with discrete transaction}}$$

Box 4.1 Other models

Other approaches that have been proposed for thinking about customer satisfaction with both goods and services include:

- **Equity theory.** Here satisfaction occurs where a customer feels that the outcome of a purchase of goods or service is in some way in balance with their inputs – such as cost, time and effort – and/or is proportional to the inputs of the seller.
- **Attribution theory.** Whereby the outcome of a purchase is thought of in terms of success or failure, and the cause of this outcome is attributed either to internal factors, such as buyer's perceived buying abilities or efforts, or to external factors, such as the difficulty of the buying task, the impact of other's efforts, such as people's advice to buyers on a specific product or service selection, or simply to luck.
- **Performance theory.** According to this approach customer satisfaction is directly related to the product or service's perceived characteristics which, preferably, can be determined objectively.

Source. Customer satisfaction research, ESOMAR, Richard Brookes.

How are expectations about the actual service formed?

21. Expectations can be shaped by a number of factors:

- **Personal needs.** Each user of a public service will have individual needs that they expect to be met. This will vary from service to service and from customer to customer.
- **Previous experience** shapes expectations. For example, if someone has received excellent care from one GP they may have high expectations of another GP.
- **Word of mouth and media communication.** The experience of friends and family, and the opinions of those in the media can be important in shaping expectations about the service.
- **Explicit service communications.** Printed material and statements from staff can have a direct impact on expectations. Sometimes for instance, it might be important not to raise expectations too high and to give a realistic assessment of the service the user might receive.

Box 4.2 Strategies for improving satisfaction: explicit service communications

One airline has an “embodiment” rule: meaning that they will not advertise new services (e.g. flat beds in business class) to customers until the majority of their planes have had them installed. This helps to ensure expectations are not raised unrealistically.

- **Implicit service communications.** For example, the physical appearance of buildings can be taken as a guide to the quality of services inside.
- **Service reputation.** The reputation of the wider service can raise or lower expectations about a single service encounter. Service reputation is determined by individual’s perceptions of their experience, the media and the reputation of the government (see figure 4.8).
- **Personal beliefs and values.** Expectations may also be shaped by user’s values. For example, strong supporters of public services may be more forgiving of poor service.
- **Nature of client group.** It is thought that the social class, age and ethnicity of the client group tend to strongly influence people’s expectations. For example, older people are consistently more satisfied with the health service, while richer people are less satisfied. It is thought that that part of the explanation lies in the differing expectations of the better off and the elderly.⁷

Do rising expectations affect satisfaction ratings?

22. There has been little analysis of the role of changing expectations over time. However, an evaluation of the Single Regeneration Budget conducted two surveys – one in a baseline year, and another at the end of the scheme. The initial findings of the research indicate that there was no change in the rating of satisfaction with the area as a place to live.

⁷ Public Opinion and the National Health Service: Patterns and Perspectives in Consumer Satisfaction, Ken Judge and Michael Soloman, Journal of Social Policy 22, 3, pp299-327, 1993.

However, researchers found that when they asked people retrospectively if their area had improved in the last few years there was a significant positive shift in the response. It is possible that the area had improved but that resident's expectations had also increased. Perhaps the announcement of additional resources and effort being targeted on the area resulted in resident's expecting, and so discounting, improvements.⁸

How are perceptions about the actual service formed?

23. There are many schools of thought on what determines people's perception of the service they have received. One measurement tool, SERVQUAL, groups the main factors into the following categories:

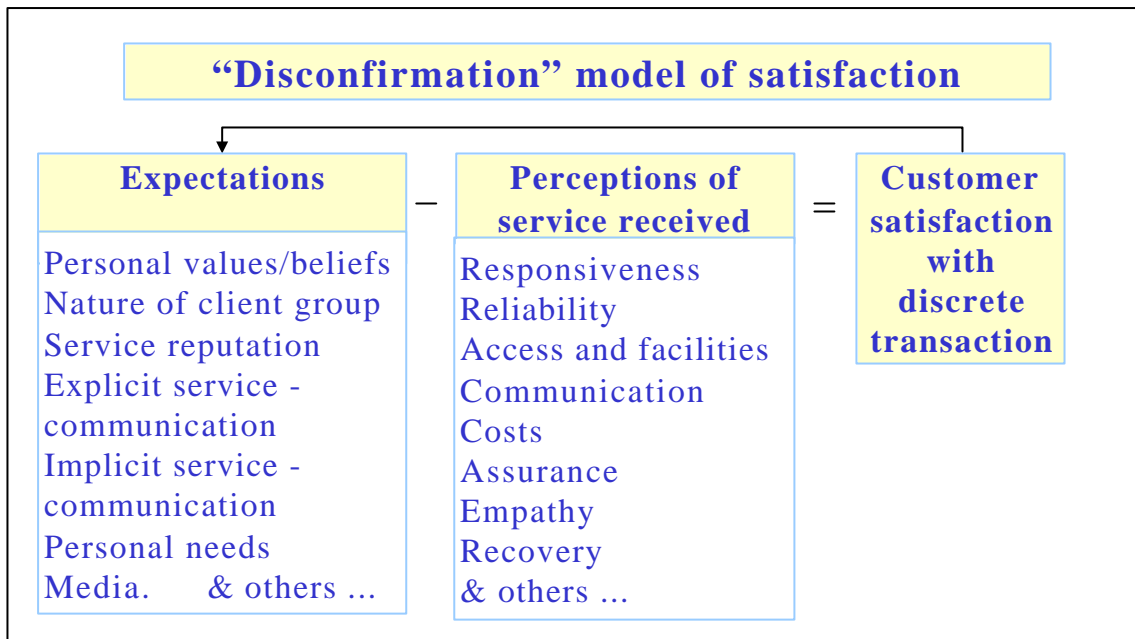
Dimension	Description
Tangibles	The physical facilities and equipment available, the appearance of the staff, how easy it is to understand communication materials
Reliability	Performing the promised service dependably and accurately
Responsiveness	Helping customers and providing a prompt service
Assurance	Inspiring trust and confidence
Empathy	Providing a caring and individual service to customers
Recovery	Putting things right when mistakes are made

24. Other approaches have resisted grouping and have produced lists of determinants: access, aesthetics, attentiveness, availability, care, cleanliness, comfort, commitment, communication, competence, courtesy, flexibility, friendliness, functionality, integrity, reliability, responsiveness, security.⁹

⁸ Evaluation of SRB, interim results.

⁹ Cited in Attitudes to Key Public Services – research review conducted for the Cabinet Office, MORI, 2001.

Figure 4.2 The ‘disconfirmation’ model of satisfaction, including determinants



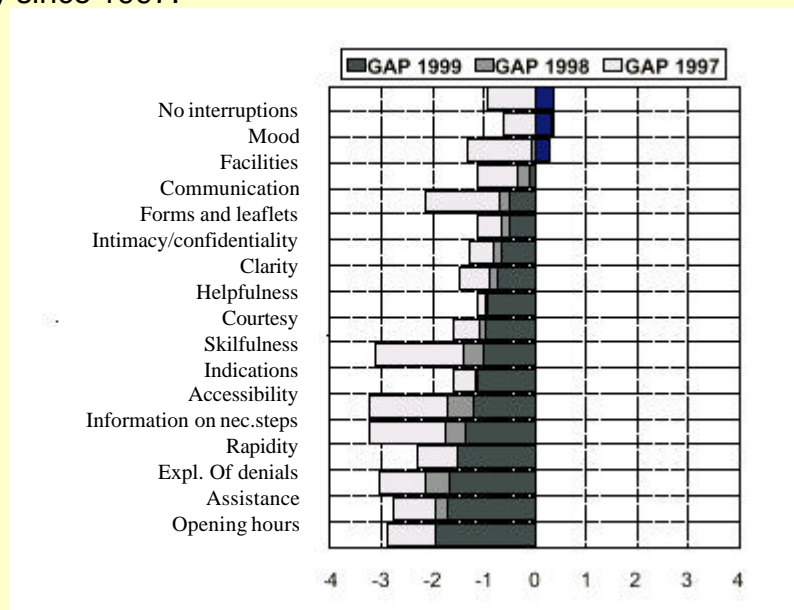
The disconfirmation model in action: gap analysis

25. When satisfaction is measured using approaches based upon the disconfirmation model researchers measure the gap between expectations and perceptions of service quality. Box 4.3 gives an example of how gap analysis has been used to improve public services in Madrid.

Box 4.3 Gap analysis in action: La Comunidad de Madrid

The "Comunidad de Madrid" is one of the 17 regional governments in Spain. In 1995 it decided to implement a quality plan based upon the disconfirmation model of satisfaction. The Comunidad de Madrid measured both the satisfaction of its citizens as well as the satisfaction of the clients of its public services.

The Comunidad de Madrid has developed and registered its own satisfaction measurement model called CAL-MA (Calidad-Madrid: Quality-Madrid), based on SERVQUAL (see technical annex). CAL-MA is based upon the concept of a service quality "gap": expectations and perceptions of service received are measured separately. The gap between them (usually negative) is taken to be the scope for improvement. Surveys are carried out every year on different representative samples of clients. Measurement of expectations takes place separately from that of perceptions of the service. The chart below shows that the Comunidad de Madrid has been successful in closing the gap between expectations and perceptions of service quality since 1997.



Source: La Calidad del Servicio Publico 1999, Comunidad de Madrid. www.comadrid.es/

26. Other measurement techniques usually weight different factors according to the importance accorded them by consumers. For example, researchers using the SERVQUAL technique have often found that reliability is the most important dimension, followed by responsiveness, assurance, and empathy, with tangibles the least important of all. For example, in a study of customers of a range of large American companies Berry suggest that reliability should be weighted 32 points (out of 100) responsiveness 22 points, down to tangibles at 11 points.¹⁰

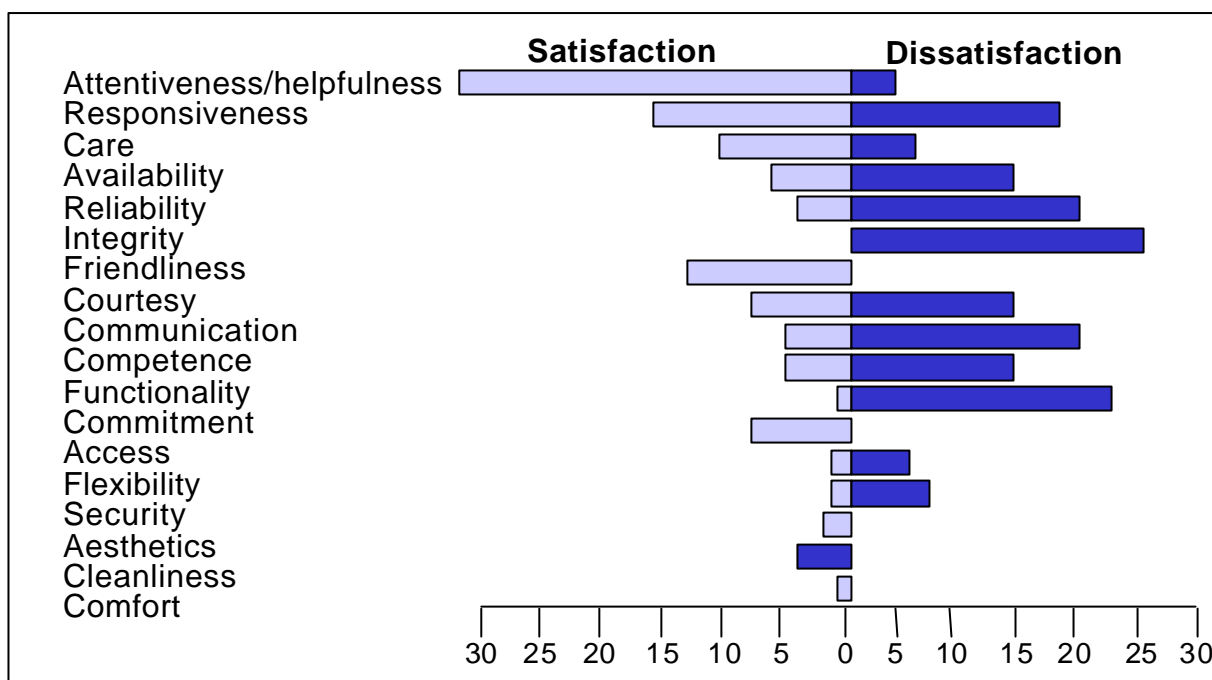
27. The relationship between single dimensions of perceptions of a service and overall satisfaction is not simple. The section below explains how certain factors are more important than others and how increases in performance of one factor may not increase overall satisfaction.

¹⁰ Cited in Attitudes to Key Public Services – research review conducted for the Cabinet Office, MORI, 2001.

Which factors are most important in determining satisfaction?

28. Different factors make different contributions in determining people's perceptions of the service they have received. The **absence** of some factors – for example, reliability – can have a strong impact on dissatisfaction levels. However, the **presence** of reliability may sometimes be taken for granted and hence increased performance may not lead to higher satisfaction levels. Moreover, people may be willing to tolerate small movements in some of these factors without any impact upon their satisfaction with a service. These points are explored in more detail below.
29. Types of factors
- **Dissatisfying factors.** If such factors are perceived to be inadequate, then dissatisfaction will result, but any increase in performance above adequacy has little effect on perceptions. For example, the presence of a dirty fork is likely to make customers dissatisfied, but a very clean fork is unlikely to add to satisfaction.
 - **Satisfying factors** are those which when improved beyond adequacy have a positive effect on perceptions. When these factors are absent though there is little effect on satisfaction. For example, If a waiter does not remember you from your last visit to the restaurant you are unlikely to be dissatisfied, but if he does and also remembers your favourite wine, you are likely to be delighted.
 - **Critical factors** are those where changes in performance affect both satisfaction and dissatisfaction ratings. In the example of a restaurant, slow service can cause dissatisfaction, while speedy service can increase satisfaction.
 - **Neutral factors:** satisfaction is not responsive to changes in performance
30. The chart below, from a study in the banking sector, shows clearly how some factors differ from others in the contribution they make to satisfaction ratings. Comfort is a neutral factor, the presence of attentiveness strongly contributes to satisfaction, while the absence of integrity is a strong driver of dissatisfaction.

Figure 4.3 Factors causing satisfaction and dissatisfaction in banking.¹¹



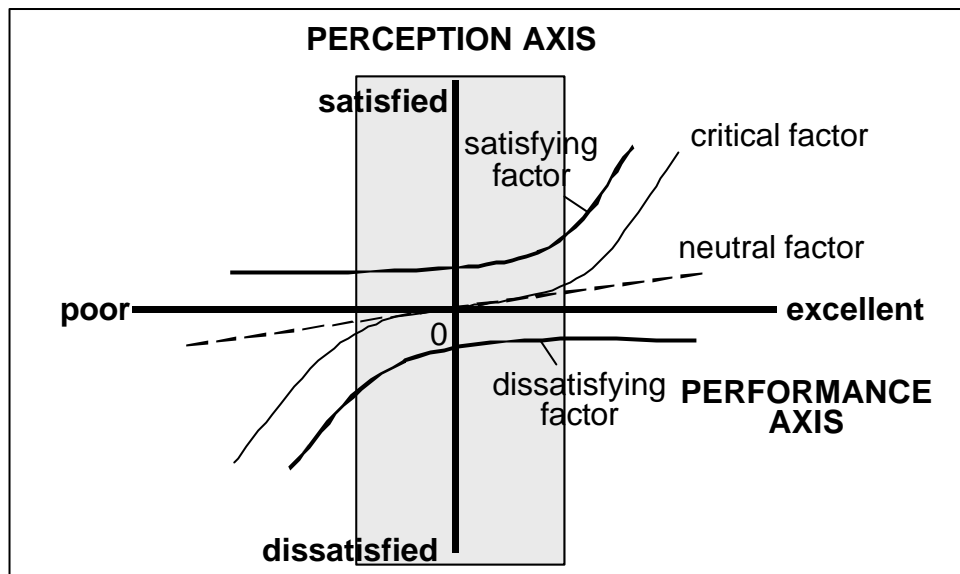
Zones of Tolerance

31. Changes in performance do not always lead to increases in satisfaction. Some people do not notice small changes in performance in some factors. People may also tolerate quite large changes in performance until a critical mass is reached: then their perceptions of the service they receive changes rapidly.

32. This relationship between perceptions and performance is represented in the following diagram. It shows how increases in performance of a satisfying factor (movement from left to right) will not have an impact on overall satisfaction until improved beyond adequacy. Similarly the deteriorating performance of a dissatisfying factor may not make much overall difference to overall satisfaction levels until outside the zone of tolerance (represented by the grey shading). This is possibly what has occurred with satisfaction with the railways.

¹¹ Cited in Attitudes to Key Public Services – research review conducted for the Cabinet Office, MORI, 2001.

Figure 4.4 Types of impact and zones of tolerance¹²



Different people will perceive determinants of satisfaction differently

33. One individual will differ from another in both their expectations and how they perceive the service they have received.
34. In the health service older people consistently rate their satisfaction with the health service higher. This may stem from lower expectations and a more deferential attitude. However, it remains unclear whether lower expectations reflect the attitudes of older generations or whether as people grow older their expectations decrease.¹³
35. Other research has found that there is little difference between the residents of deprived areas and more affluent areas in their attitudes to public services. However, those on high incomes or from higher social classes who live in deprived areas were far less satisfied than poorer residents in deprived neighbourhoods. When other factors such as age and gender are controlled for, richer people in poor neighbourhoods were less satisfied than their poorer neighbours – perhaps indicating that they had higher expectations.¹⁴
36. Finally, it is possible that different personality types will perceive the same service differently. People who are more deferential will respond to a GP differently to those who are more proactive in finding out information about their own health.
37. If true, the implication is that to we need to segment consumers of public services in order to understand, measure, and improve their satisfaction.

¹² Attitudes to Key Public Services – research review conducted for the Cabinet Office, MORI, 2001.

¹³ Public Opinion and the National Health Service: Patterns and Perspectives in Consumer Satisfaction, Ken Judge and Michael Soloman, Journal of Social Policy 22, 3, pp299-327, 1993.

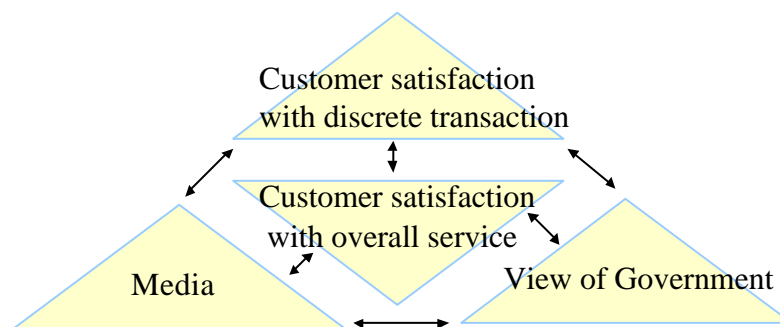
¹⁴ Satisfaction and Expectations: Attitudes to public services in deprived areas, Bobby Duffy CASE, CASE paper 45, 2000.

If a methodological study is undertaken to determine how to improve the measurement of satisfaction then the usefulness of segmenting consumers should be considered (see paragraph 2.12).

The media and views of the government play an important role in shaping overall satisfaction with an institution

- 38. Overall satisfaction with an institution is not simply the sum of satisfaction with its constituent parts. For example, many measures of satisfaction ask questions of people who are not users of the service – and who can only form their opinions through second hand reports from the media and friends and family.
- 39. In most cases the rates of satisfaction with a service will be higher for users than for non users – often associated with a large number of “don’t knows”. For example, 82 per cent of users of local secondary schools are satisfied¹⁵ but only 30 per cent of the general population are satisfied with secondary schools.¹⁶
- 40. Even users of a service will rate their individual experience higher than that of their global view of the service. Thus, while only five per cent of parents rate their child’s school experience as poor, 10 per cent of parents believe standards in the nation’s schools as a whole are poor.¹⁷
- 41. Users’ views of the service they have received are influenced by the media and possibly are also bound up in people’s views about the government. This is particularly the case for non-users of services – whose views are, by definition, formed by second hand accounts of the service.

Figure 4.5 The relationship between satisfaction with a single transaction and satisfaction with the overall institution



- 42. People may view publicly provided services as extensions of the government – and hence, their global views may be bound up with their view of the government of the day, or with their views of the state. For example, when people were asked who they felt was responsible for the

¹⁵ People’s Panel, 1998.

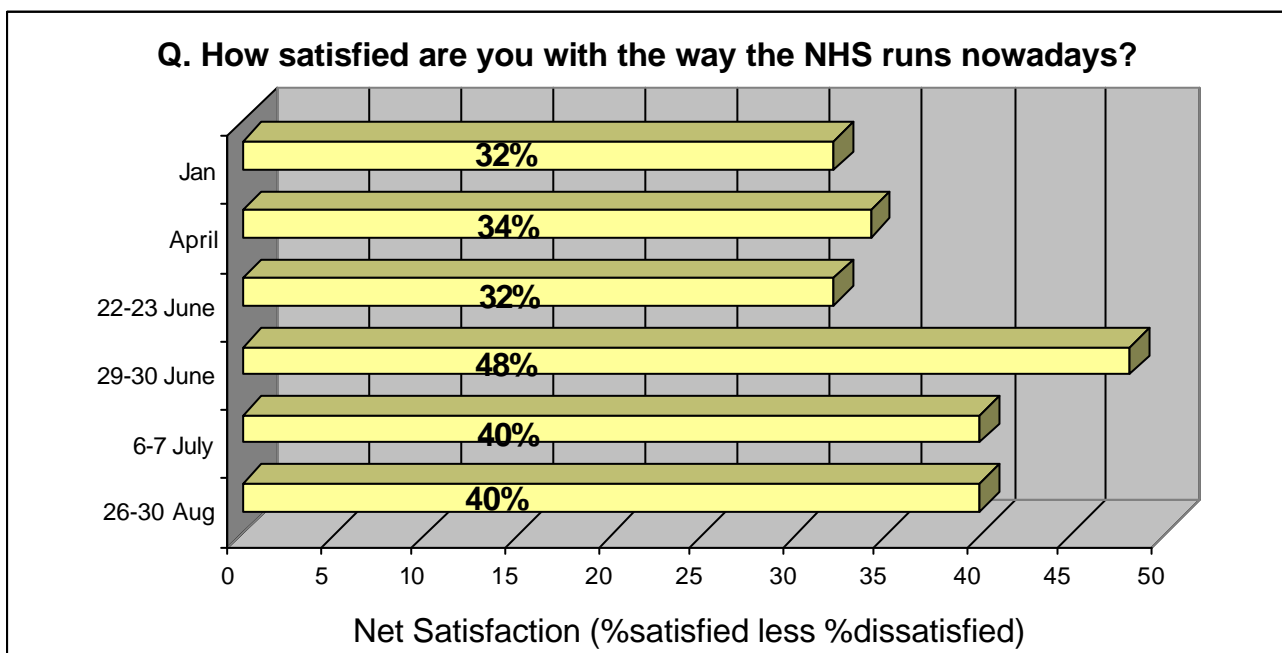
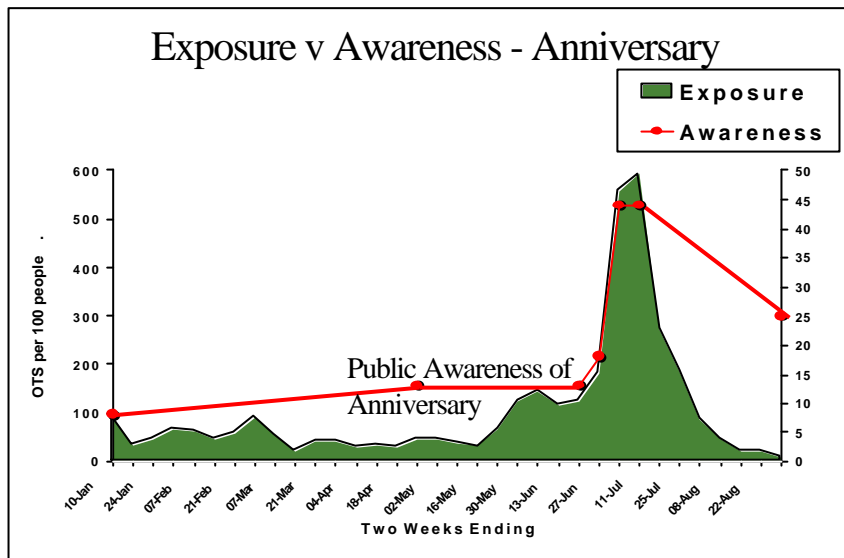
¹⁶ MORI/Post Office, October 1997.

¹⁷ Times Educational Supplement, 7 January, 2001

state of the NHS: 44 per cent blamed the government, 16 per cent NHS managers, 2 per cent doctors.¹⁸

43. The media can be important in influencing satisfaction ratings, particularly amongst non-users. For example, the net satisfaction ratings of the NHS rose by 16 per cent during the week of the NHS anniversary. Figure 4.6 maps media coverage of the NHS anniversary, and public awareness of the event. The right hand section of figure 4.6 shows how satisfaction with the NHS jumped in the week of the anniversary – probably reflecting increased awareness and media coverage.¹⁹

Figure 4.6 Impact of media coverage of the NHS anniversary on satisfaction.



¹⁸ MORI/BBC, 2000

¹⁹ Understanding Satisfaction: Customer Attitudes to Public Services – research review conducted for the Cabinet Office, MORI, 2001

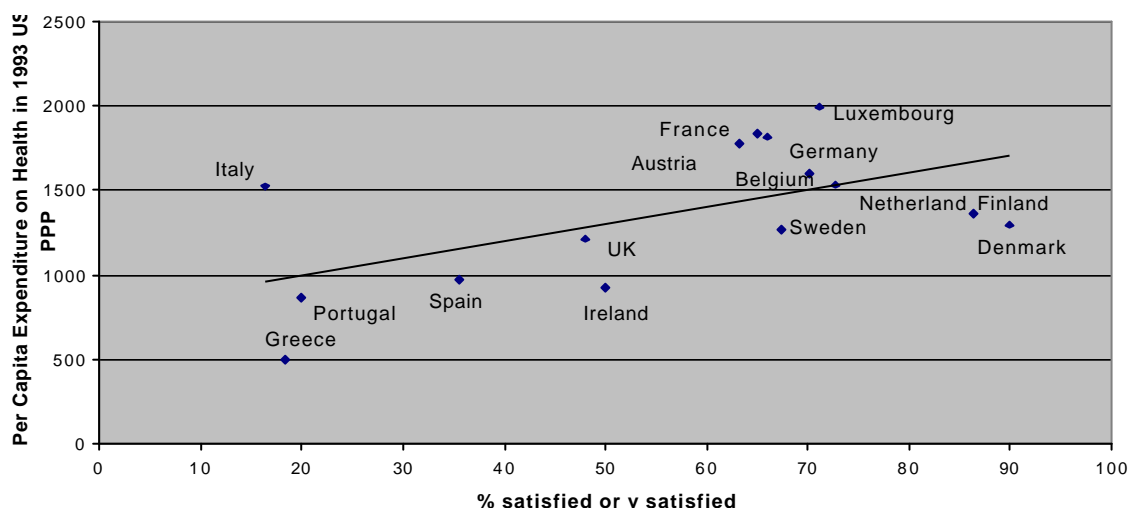
Is satisfaction related to objective measures of inputs or outputs?

44. There is some evidence that shows that there is a correlation between satisfaction and certain inputs of service quality and also some objective measures of service output. As satisfaction measurement covers a wide range of factors, including subjective impressions such as friendliness, it is not surprising that the relationship is not perfect.

Inputs: the example of health spending.

45. By comparing levels of satisfaction in different countries with expenditure per capita we can see a correlation (+0.57) between levels of spending and overall satisfaction.²⁰

Figure 4.7 Per capita expenditure on health vs. satisfaction (US\$ PPP, 1993)



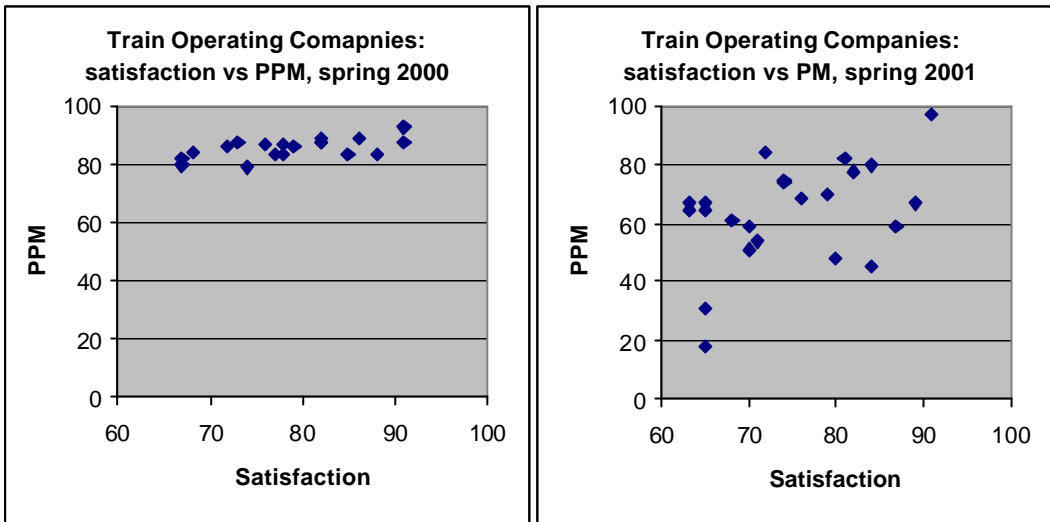
Outputs: the example of train reliability.

46. The following chart compares overall customer satisfaction with an indicator that measures train arrival within 5 minutes of schedule (PPM).²¹ In 2000, before the delays in the months following the Hatfield crash the relationship between performance and satisfaction is strong – with a positive correlation of 0.57. In 2001, during the aftermath of Hatfield, performance significantly worsened. Interestingly, satisfaction ratings did not move in tandem with performance – and the relationship between satisfaction and performance breaks down slightly (correlation +0.34). This suggests satisfaction consists of many different components and some have a greater influence at certain points – for example, perhaps certain companies were better at providing accurate information and “recovery” – the actions taken to correct a mistake after it is made.

²⁰ Elias Mossialos, Citizen’s Views on Health Care Systems, Health Economics 1997

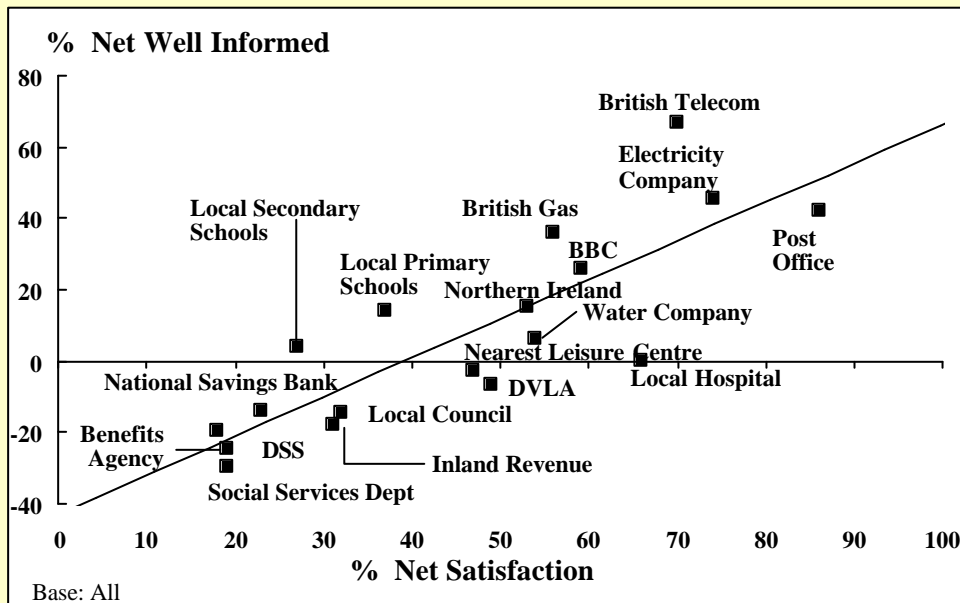
²¹ Strategic Rail Authority

Figure 4.8 Train operating companies performance vs. satisfaction, 2000-2001



Box 4.4 Strategies for improving satisfaction: increased information

Research among local authorities has found that where people feel well informed about an institution their satisfaction is higher than those who feel ill informed. This is also true at a macro-level – where there is an association between whether people feel well informed about an institution and their satisfaction with it.



Source: What do the Public Want to Know? MORI, 2001

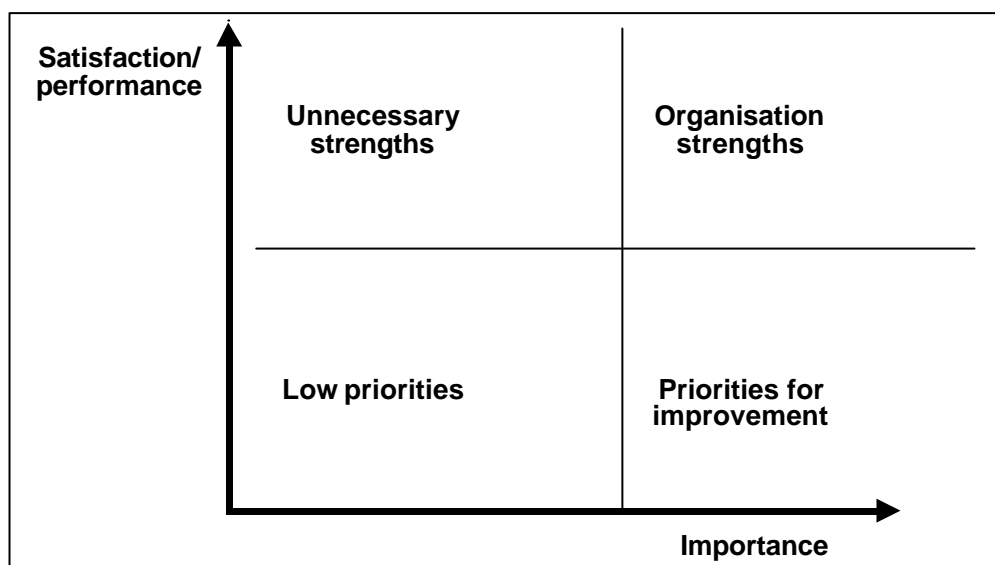
5. How could we use satisfaction data in improving services?

47. There will be occasions when the legitimate objective of government will not be to maximise satisfaction:
- Most research into satisfaction involves the production of “priceless surveys”. Respondents are not asked to “pay” for any of their answers, and are rarely asked to trade off one improvement against another. Implicit in these surveys is an assumption that the marginal benefit of any increase in satisfaction will exceed the marginal cost – which may not, in fact, be the case. Governments have to balance the needs of public service users with those of taxpayers.
 - As a consequence of this Government may sometimes wish to damp down demand for certain publicly provided services, such as unemployment insurance. This will often mean that satisfaction can never be fully achieved.
 - Government may also wish to institute other reforms, in the interest of safety, efficiency, or redistribution, which reduce satisfaction. For example, General Practices with only one GP may be popular with patients because they can be friendly and provide continuity of care. However, there may be reasons of safety (enhanced GP peer review in larger practices) which lead the Government to favour larger practices.
48. Thus as an ultimate goal of policy there will be occasions when increasing satisfaction will not be appropriate. For instance, the objective of public health might be to keep people healthy – i.e. to keep them out of GP clinics, and hospitals. Satisfaction is therefore not a legitimate goal of overall health policy – though it may be the objective of one section of the health system – the NHS.
49. In many front line services, however, satisfaction of customers and citizens will be the policy objective. The following sections discuss how satisfaction measurement could be used to improve services. It summarises a few of the methods of measuring satisfaction, and examines three possible uses of satisfaction data:
- **Identifying priorities for improvement** – data can be used to identify the key drivers of satisfaction and therefore priorities for improvement.
 - **Benchmarking** – satisfaction data can be used to benchmark the performance of different organisations.
 - **Targets** – targets can be set using satisfaction data.
50. In all cases best practice suggests that it is important that leaders of organisations, both public and private, are aware of their user's experience. Within an institution, management board-level knowledge of levels of customer satisfaction is vital.

Identifying priorities for improvement

51. Satisfaction data can be very useful in determining customers' priorities for improvement. One useful approach is to design a matrix where satisfaction with different aspects of a service is directly compared to the importance the user attaches to each. By mapping satisfaction against importance we can identify which areas of a service are most in need of improvement (those in the bottom right quadrant).²²

Figure 5.1 Satisfaction versus importance



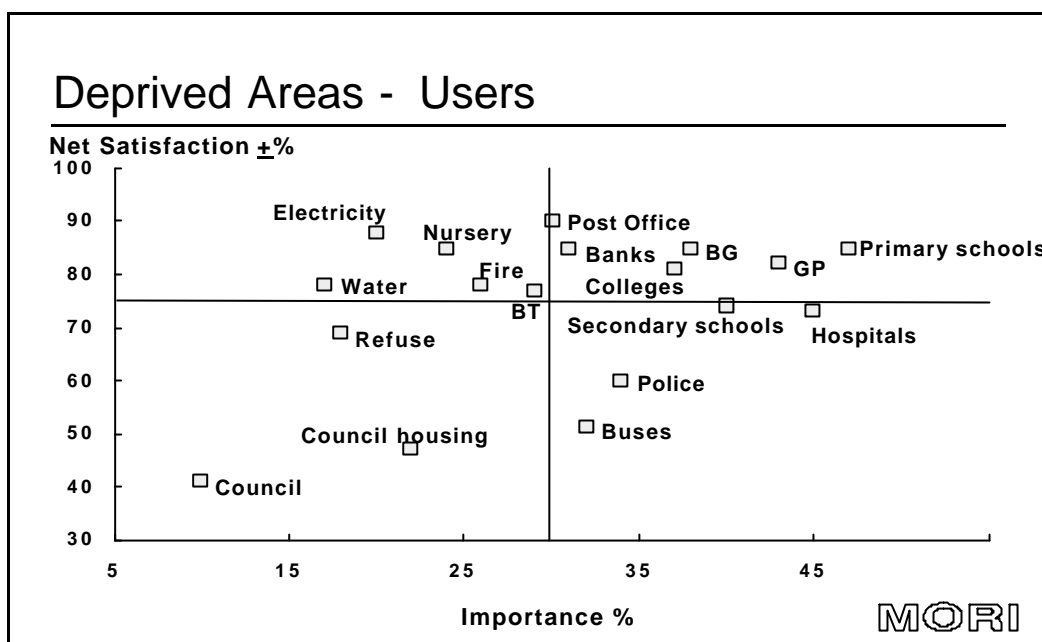
52. This approach can be applied at several levels:

- **Inter-service priorities.** To compare public priorities between different services. An example of this type of analysis is shown in figure 4.7, which examines public priorities for improvement to different services in deprived areas.
- **Intra-service priorities.** To determine which aspects of a service are priorities for improvement. For example, existing surveys ask about importance of various factors. For General Practitioners the appointments system is one of the main areas of dissatisfaction mentioned as in need of improvement.²³
- **School/clinic/hospital priorities.** The users of a service may prioritise certain aspects of the service they receive: for example, users of train services consistently rate reliability as the factor that is the most important to them.²⁴ Paragraphs 4.11 - 4.20 describe in more detail how users rate different determinants of perceptions of service received as more important than others.

²² This analysis of stated preferences could be augmented by statistical techniques, such as multivariate analysis, which help to identify any "hidden" priorities that contribute to overall satisfaction ratings.

²³ People's Panel and NHS Patient Survey.

²⁴ People's Panel.

Figure 5.2 Satisfaction vs. importance of services in deprived areas.²⁵

Benchmarking

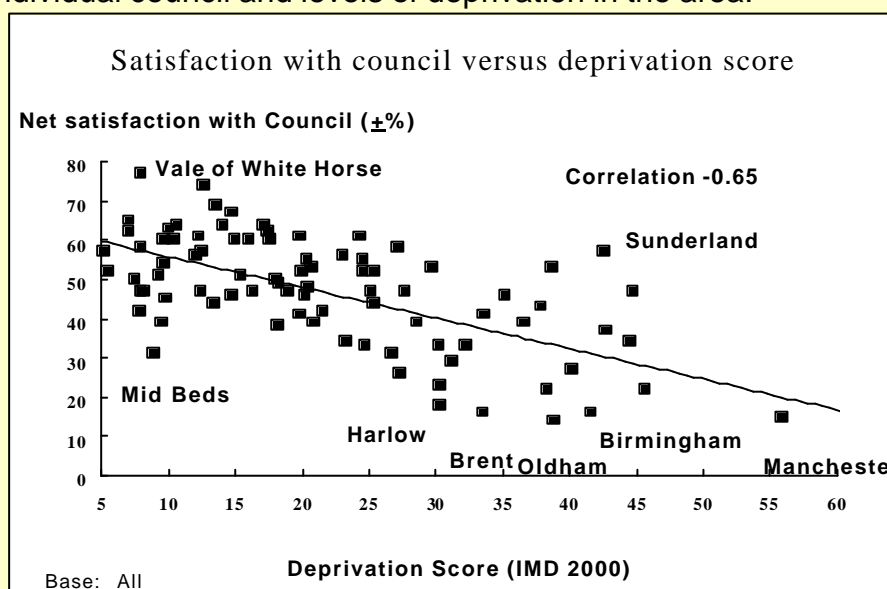
53. Satisfaction data can also be used to benchmark the performance of one organisation against another. Benchmarking can be used for several purposes: as an internal management tool to show the potential for improvement, as a public information tool to shame providers into improvement, and as an information tool for consumers seeking to differentiate between providers.
54. Benchmarking against private sector comparators can be empowering for public sector employees. Results from the German *Kundenmonitor*, the American Customer Satisfaction Index and the Canadian CMT – all measures of satisfaction which benchmark against the private sector – found that often the public sector organisation outperforms their private sector comparators. It is thought that this has been empowering for public service workers.
55. If it is wished to compare institutional performance then it will be necessary to ensure that institutions are measuring the same client group and asking similar questions. For example, several US Federal Agencies participate in the American Customer Satisfaction Index. However, there are flaws in the design of some of the surveys. Some agencies attempt to measure the satisfaction of their end users - for example the Veterans Benefits Administration measures the satisfaction of veterans. However, other agencies have taken a very idiosyncratic view of who their end users are. For example, the Environmental Protection Agency surveys reference librarians using the EPA website. This makes benchmarking impossible.

²⁵ MORI

56. Where the users of the service differ from say, school to school, then benchmarking becomes problematic. As with school league tables more generally, it sometimes is the characteristics of the respondent which are the most important factor in their answers to satisfaction surveys. People from ethnic minorities and those living on low incomes answer differently than other users of public services. See box 5.1 for an analysis of the importance of taking the characteristics of users of a service into account when benchmarking satisfaction data.

Box 5.1 The importance of value-added measures in benchmarking

Benchmarking local authorities against each other on attitudinal measures is a key feature of Best Value, and authorities are now required to collect a series of consistent measures of resident opinion. But achieving a high level of satisfaction from residents will be harder in some authorities than others. As the chart below shows, there is a strong negative correlation between satisfaction with an individual council and levels of deprivation in the area.



Data envelopment analysis can be used to compare satisfaction ratings by taking inputs such as ethnicity, local authority spending and deprivation into account. The concept is not dissimilar to the debate about value-added league tables for schools – where exam results are heavily dependent upon the social background of the school intake.

Source MORI

Satisfaction targets

Advantages

57. In certain circumstances satisfaction targets seem attractive. They focus on one of the most important outcomes – not a proxy. Unlike most service delivery targets they do not imply or impose either a method for reaching a target (input) nor an end result to be delivered (output). Satisfaction measurement also reflects the presence or absence of “soft” aspects of services such as friendliness or helpfulness, which are often missed when “hard” output targets are constructed.
58. These considerations are taken very seriously by the Canadian Government in its attempts to improve public services: “the essence of the Service Improvement Initiative is that the continuous and measurable improvement of client satisfaction is the most reliable indicator of improvement in service quality and service performance: it is what quality and continuous improvement should now mean, and how they should primarily, though not exclusively, be measured.”²⁶ See box 5.2 for more details.
59. The advantages of targeting satisfaction are that:
- targets are a symbol of political commitment
 - they focus minds on an outcome measure, rather than inputs or outputs
 - they focus managers on the consumers of the services they provide
 - if expectations rise, they provide a way of emphasising continual improvement.

Disadvantages

60. The disadvantages are that:
- it is thought that most targets become less useful over time. Goodhart’s Law states that any statistical relationship will break down when used for policy purposes. For example, monetarist targeting of one measure of money is held to have become less effective over time as the supply of other forms of money increased;
 - targets, including satisfaction targets, are often badly designed. For example, Canada has introduced a global target of a 10 per cent improvement in customer satisfaction in key government services. This may have the effect of mis-allocating resources. For example, a body with an 80 per cent satisfaction rating will have to increase satisfaction by 8 percentage points, while another organisation with only a 30 per cent satisfaction level will only have to increase its level of satisfaction by 3 percentage points. See box 5.2.
 - it is possible that, when large reform programmes are announced, sometimes users discount perceived increases in service performance - leading to static satisfaction ratings. Baseline years will need to be chosen carefully and expectations managed so that announcements of reforms

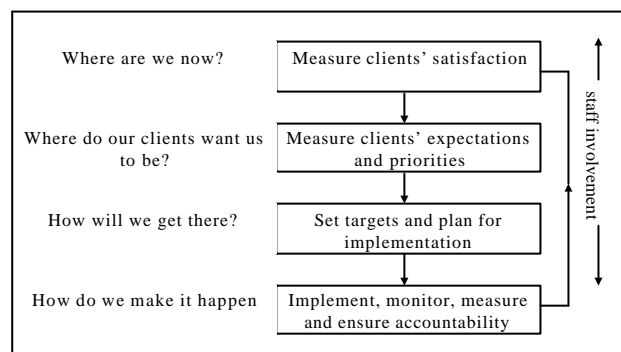
²⁶ A Policy Framework for Service Improvement in the Government of Canada, Treasury Board of Canada Secretariat, 2000

occur much closer in time to when the results of any improvements or reform will be felt on the ground. See paragraph 4.5.

Box 5.2 Results for Canadians: Management Framework for the Government of Canada

The Canadian Government has committed itself to achieving a significant, quantifiable improvement in client satisfaction with its services. The Treasury Board in Canada has approved a five-year *Service Improvement Initiative* – establishing a target of a minimum of a 10 per cent improvement in satisfaction with the delivery of key Government services by 2005.

Service Improvement Initiative Planning Process



When fully implemented, the *Service Improvement Initiative* will require departments and agencies to:

- Adopt a comprehensive continuous improvement planning and implementation approach to service improvement and client satisfaction;
- Establish documented baseline measures of citizen satisfaction for key services to the public, using the metrics of the Common Measurements Tool;
- Prepare and implement annual service improvement plans based on clients' priorities for service improvement;
- Establish a 10 per cent improvement target for improved client satisfaction over the five years of the initiative for each key service to the public;
- Adopt and publish core service standards for each service channel;
- Incorporate results-based service improvement accountability for managers as part of existing performance management systems, commencing with Deputy Ministers;
- Report within the existing annual planning and reporting process on:
 - Service standards for all key public services
 - Performance against service standards
 - Annual improvements in client satisfaction
 - Progress towards 5 year satisfaction targets

As this initiative is only just being implemented it is too early to tell whether it will be successful.

61. There are also problems with the use of surveys as measurement tools for judging whether targets have been met:
- surveys, by their nature, produce estimates. Where targets involve very small movements in satisfaction then surveys are not accurate enough to capture these changes.
 - surveys of satisfaction with a service overall (such as the Police, or the NHS) need to be treated with extreme caution. The role of the media, among other factors, is important in shaping satisfaction ratings. The fact that levels of satisfaction are generally higher amongst users of that service than among the general public, and that satisfaction with the NHS jumped 16 per cent in the week of the NHS anniversary (see NHS figure 4.6) points to a level of volatility which makes such measures unsuitable for use as a performance target.
 - professional researchers suspect that many satisfaction surveys are substandard in their design and implementation – with misleading or worthless data being produced. This renders many results useless as a guide to the allocation of resources or as a tool in the setting of service priorities. For example, within the American Customer Satisfaction Index the administrators of the Head Start programme were allowed to nominate which parents should be surveyed - thus skewing the results. When parents were selected randomly the following year satisfaction levels fell to a more realistic level.²⁷

Satisfaction targets could also be used in more decentralised organisations

62. While targets traditionally have been used within a hierarchical, centrally controlled organisations it may be possible to use satisfaction targets within systems where power and responsibility is more devolved. For instance:
- the centre could set outcome satisfaction targets for hospitals and schools. It would be up to local managers to design and implement service improvement plans – which might vary considerably according to local circumstances – without the centre ceding control over the specification of the outcome it desires.
 - the centre could allow local managers to set their own satisfaction targets while placing emphasis on ensuring that the targets are sufficiently rigorous and the quality of the measurement is of a high standard.

Box 5.3 PSA Targets.

There are two PSA targets that focus on satisfaction.

- The NHS is asked to “secure year on year improvements in patient satisfaction, including with standards of cleanliness and food, as measured by independently audited local surveys.”
- For the Criminal Justice system the target is to “Improve by 5% points the satisfaction of victims and witnesses with their treatment by 2002 and thereafter at least maintain that level of performance.”

²⁷ Federal Agencies Government-wide Customer satisfaction Report for the General Services Administration, 2000, p.6.

What types of targets are available?

63. There are several types of targets that could be set:

64. Aggregate population vs. individual

- Aggregate population. We can aim for more users to be satisfied or less to be dissatisfied: the percentage of satisfied users will increase from x per cent to $x+y$ per cent. E.g. “Improve by 5 per cent points the satisfaction of victims and witnesses with their treatment by 2002 and thereafter at least maintain that level of performance.” (Criminal Justice System Public Service Agreement)
- Individual. Or we can aim for each user to be more satisfied than before – so those who are very dissatisfied move into fairly dissatisfied, those who are satisfied become very satisfied.

65. Aspirational vs. incremental

- Aspirational. These set a target to be reached. E.g. By year 2005 90 per cent of patients will be fairly or very satisfied with the NHS.
- Incremental. These are targets based upon recent performance. E.g. “Secure year on year improvements in patient satisfaction, including with standards of cleanliness and food, as measured by independently audited local surveys.” (Health Public Service Agreement)

66. Global vs. specific

- Global. E.g. All schools will increase parents’ satisfaction with their child’s schooling by 10 per cent.
- Specific. Here the target takes into account background factors for each school (say, intake and funding) and a target is set for an individual school.

67. In general, specific targets are more sensible than global targets for a service – if less eye catching. Where radical changes to satisfaction are required then aspirational targets might be better – rather than those based upon past performance. However, care needs to be taken that such a target is achievable. Finally, though harder to measure, individual targets have the benefit of tackling depth of dissatisfaction and encouraging service providers to focus on all users.

Box 5.4 Does choice increase satisfaction?**Case study 1: informed choice in transport, Perth, Western Australia**

Perth Council undertook a pilot study of using marketing techniques to persuade people to walk, cycle or use public transport in the city of South Perth. The aim was to provide people with information and encouragement to make informed choices about which mode of transport to use. The individualised marketing technique involved:

- Contacting households by phone to ascertain interest
- Following up with information such as personalised route planners; combining maps of bus routes and cycle routes with maps of shops and amenities together with what the shops sold and their opening hours. In some cases home visits were used.
- Free one-month trials of bus passes.

The pilot involved 15½ thousand households and cost A\$1.3 m (£468,000). The effect was a 35% increase in walking, a 61% increase in cycling, a 17% increase in public transport and a 14% decrease in using a car as driver. This translates into quite large shifts in the use of public transport: 300,000 extra bus passengers per year. It is also estimated that pollution and CO2 emissions have been decreased by up to 18%.

Mode	1986	2000 before	2000 after
Walking	14%	12%	15%
Cycle	3%	2%	3%
Motorbike	0%	0%	0%
Car as driver	55%	60%	55%
Car as passenger	20%	20%	20%
Public transport	7%	6%	7%

Satisfaction with public transport in Perth has increased:

	1998	2000
Satisfied	31%	47%
Dissatisfied	55%	39%
Don't know	14%	14%

Source: Travelsmart. <http://www.travelsmart.transport.wa.gov.au/>

Case study 2: Education Vouchers, Milwaukee

In Milwaukee vouchers for students from low-income families were introduced in 1990. The scheme started has risen from 1% of enrolment to 15% by 1998. A recent evaluation found that achievement of pupils had risen dramatically, for example, math scores rose by about 7 percentile points in those schools with the highest number of voucher students.

However, these results should be treated with caution. First, some studies show that other factors, notably improvements in accountability are likely to have been much more important in raising standards. Second, the effects seem to be limited to African American children. It may indicate that previously these children were in very bad schools and that removing them from these schools would have had the same impact as introducing choice. Third, it is far from clear that the applying vouchers to all schools would generate the same results. It may be that the schemes are most effective for helping disadvantaged pupils in sink schools.

Interestingly, it was found that voucher recipients were much more satisfied with their schools than non-recipients, with about 40% giving their school an "A", compared with 10% of non-recipients. This satisfaction extended across almost all dimensions of school performance, even though any improvement in standards was very small. Enhanced choice, in this project, increased satisfaction.

Source: Caroline Hoxby, 2001, *School choice and school productivity* NBER

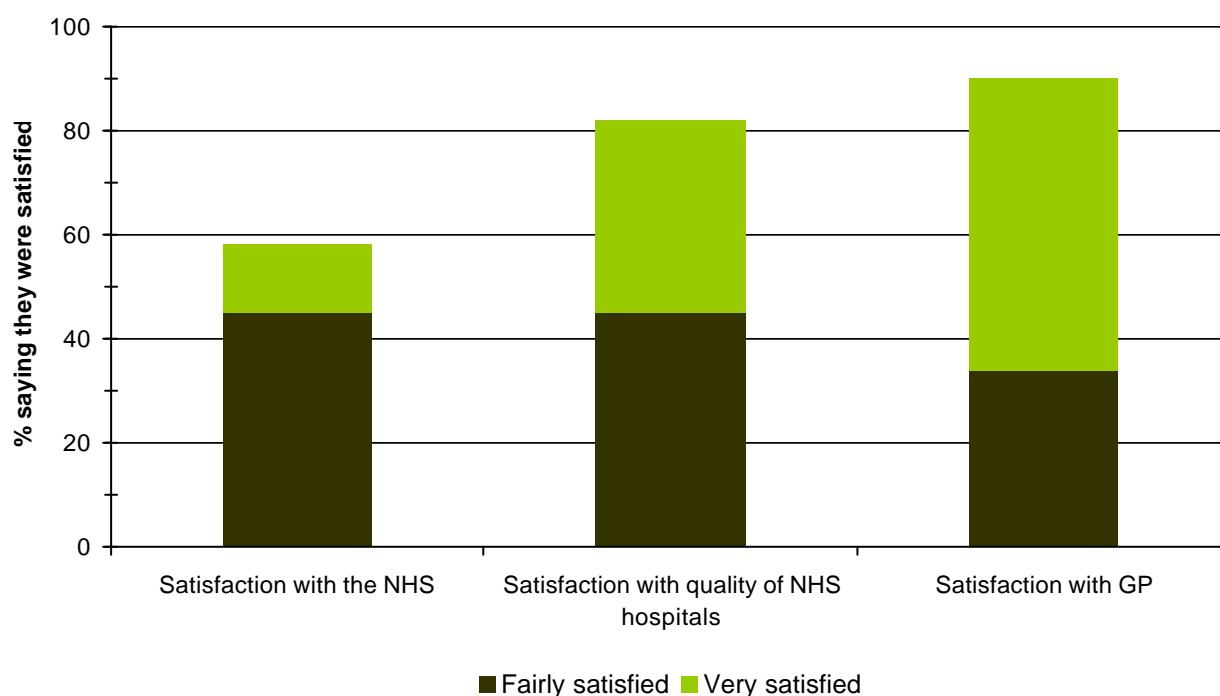
Annex 1. Data and Trends

Health

In the year 2000, 58 per cent of the public were satisfied with the NHS,²⁸ satisfaction levels tended to be higher among women and people aged over 65 years. People who had actually used health services in the last 12 months were more satisfied than those who have not.²⁹ 78 per cent of respondents were satisfied with the quality of NHS hospitals. However, 47 per cent of respondents to a BMA survey in 2000 thought that the NHS was in much need of improvement.²⁸

Generally, GPs had a high satisfaction rating (90 per cent in 2000),²⁸ Dentists however only had an approval rating of 52 per cent.²⁸ These ratings are based on all respondents and not just users of the services. One area of discontent with GPs was the appointment system and 45 per cent of respondents would like to see this changed.²⁹

Figure 1
Proportions reporting they were satisfied with health services, 2000²⁸



Satisfaction ratings from respondents for inpatient and outpatient care in 2000 were 52 per cent and 55 per cent respectively.²⁸

Changes over time

Satisfaction of users with GP services has not changed between 1998 and 2000, while satisfaction with NHS hospitals among users has risen slightly

²⁸ MORI, 2001. NHS hospital data based on users of the service; rest based on all respondents

²⁹ Trends in Attitudes to Health Care 1983 to 1999. Report Based on Results from the British Social Attitudes Surveys, Lindsey Jarvis and Kerstin Hinds, National Centre for Social Research, 2001

from 80 per cent reporting being satisfied in 1998 to 82 per cent in 2000. The levels of satisfaction for dentists has been falling consistently from 74 per cent in the mid 1980s to 52 per cent in the mid 1990s.

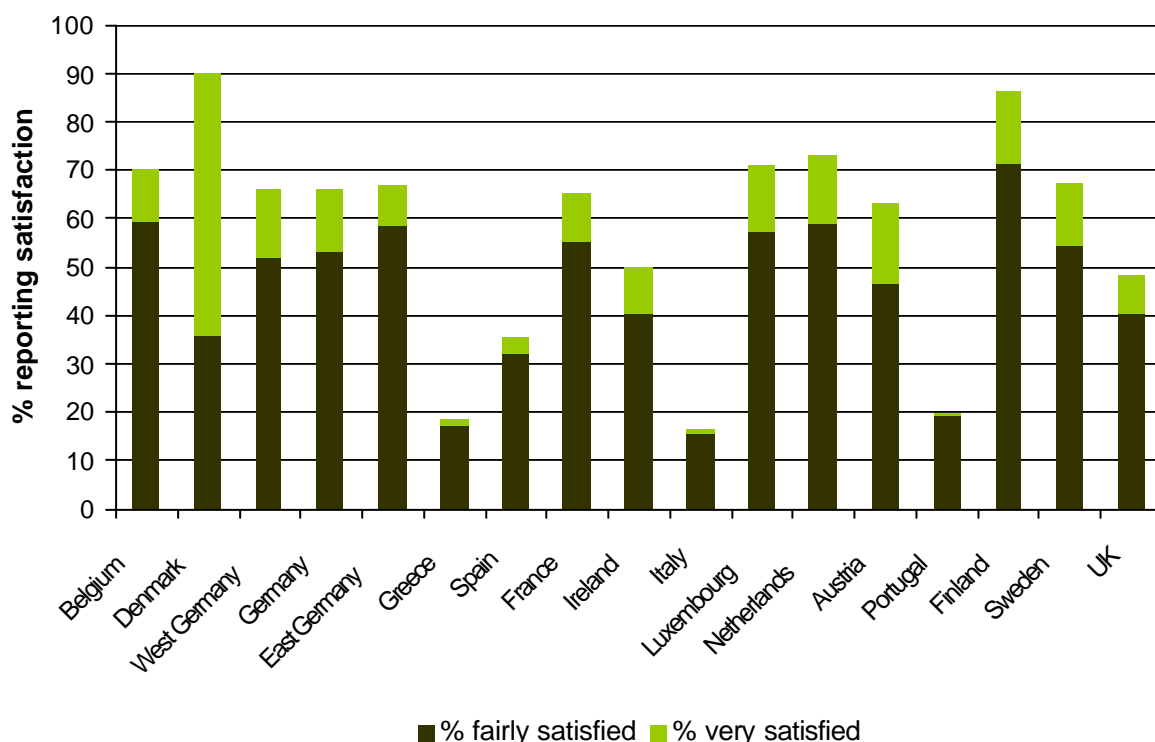
Table 1 Proportions of people who used the service reporting satisfaction with local health services, 1998 and 2000³⁰

	Wave 1 1998		Wave 5 2000	
	Satisfied %	Dissatisfied %	Satisfied %	Dissatisfied %
Your GP	90	3	91	4
NHS Hospitals	80	11	82	11

International comparisons

In 1996, the Eurobarometer Survey of the fifteen EU Member States asked several questions related to the running of health systems. Figure 2 below shows that people in Denmark have the highest levels of satisfaction with the running of the health system (90 per cent), as well as having the largest proportion of people saying they were ‘very satisfied’. The UK ranked 13th, with 48 per cent of respondents saying they were ‘very’ or ‘fairly’ satisfied. In Italy, only 16 per cent of respondents felt satisfied with the way their health system was run. The same survey found that more than three-quarters of Italian people supported major changes to the health system. In the UK, the figure was 56 per cent.

Figure 2 Satisfaction from health systems in the fifteen EU member states in 1996³¹

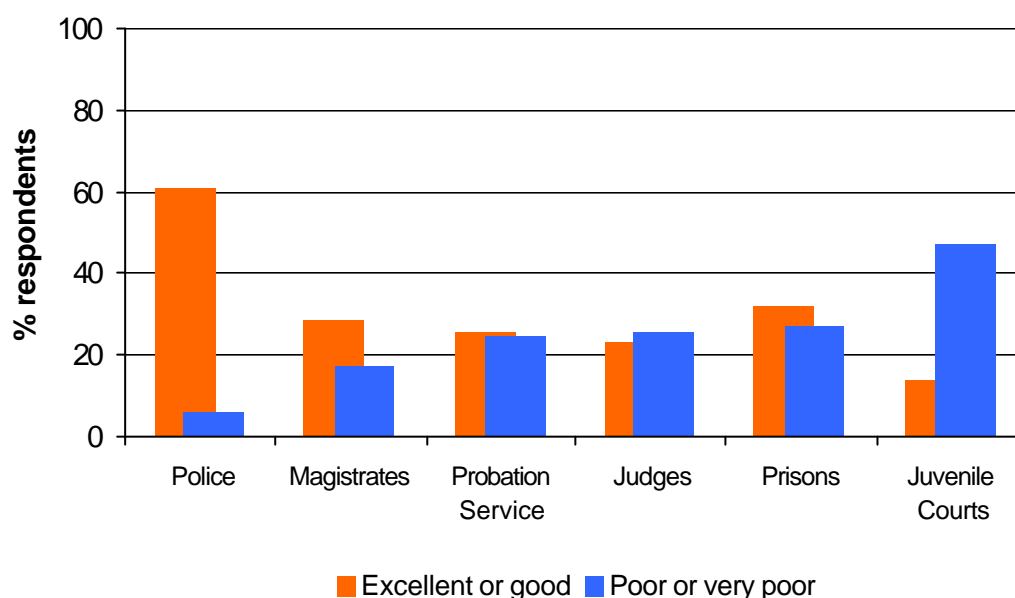


³¹ Elias Mossialos, Citizen’s Views on Health Care Systems, Health Economics 1997

Crime

The police are the most popular of the crime prevention services, with 61 per cent of all respondents to the British Crime Survey in 1998 rating them as 'excellent' or 'good'. The results for the rest of the criminal justice system are lower. Figure 3 shows that juvenile courts have the lowest ratings, with 47 per cent of respondents considering the service to be 'poor' or 'very poor'.

Figure 3 Public opinion of criminal justice agents and agencies³²



The People's Panel found 62 per cent of all respondents (users and non-users) were satisfied with police services, younger people and those in Social Classes A and B tending to be the most critical. Overall, people feel that the service provided by the police is less than that expected, and 13 per cent of respondents said they are dissatisfied.³³ Satisfaction levels are lower if there has been contact with the police; 57 per cent of victims of crime surveyed in the BCS reported being satisfied with the police response, but if police investigations had a positive result, this tended to make the responses more positive. In cases where police knew the offender but made no charges, satisfaction is only 39 per cent.

Changes over time

In the 2000 British Crime Survey the results showed all respondents' satisfaction with the police at 79 per cent, down from a peak of 92 per cent in 1982. 57 per cent of victims of crime are satisfied with police response, but this is down from 67 per cent in 1994.³⁴ The People's Panel found

³² Policing and the Public, Findings from the 1998 British Crime Survey. Home Office, Research findings no 113, 2000

³³ MORI, 2001.

³⁴ International Crime Victimization Survey. Base: general population.

satisfaction levels with the police had fallen from 73 per cent of respondents reporting they were satisfied in 1998 to 62 per cent in 2000.

Table 2 Proportions of people reporting satisfaction with police and court services, 1998 and 2000³⁵

	Wave 1 1998		Wave 5 2000	
	Satisfied %	Dissatisfied %	Satisfied %	Dissatisfied %
Police	73	11	62	13
The Courts	49	18	49	15

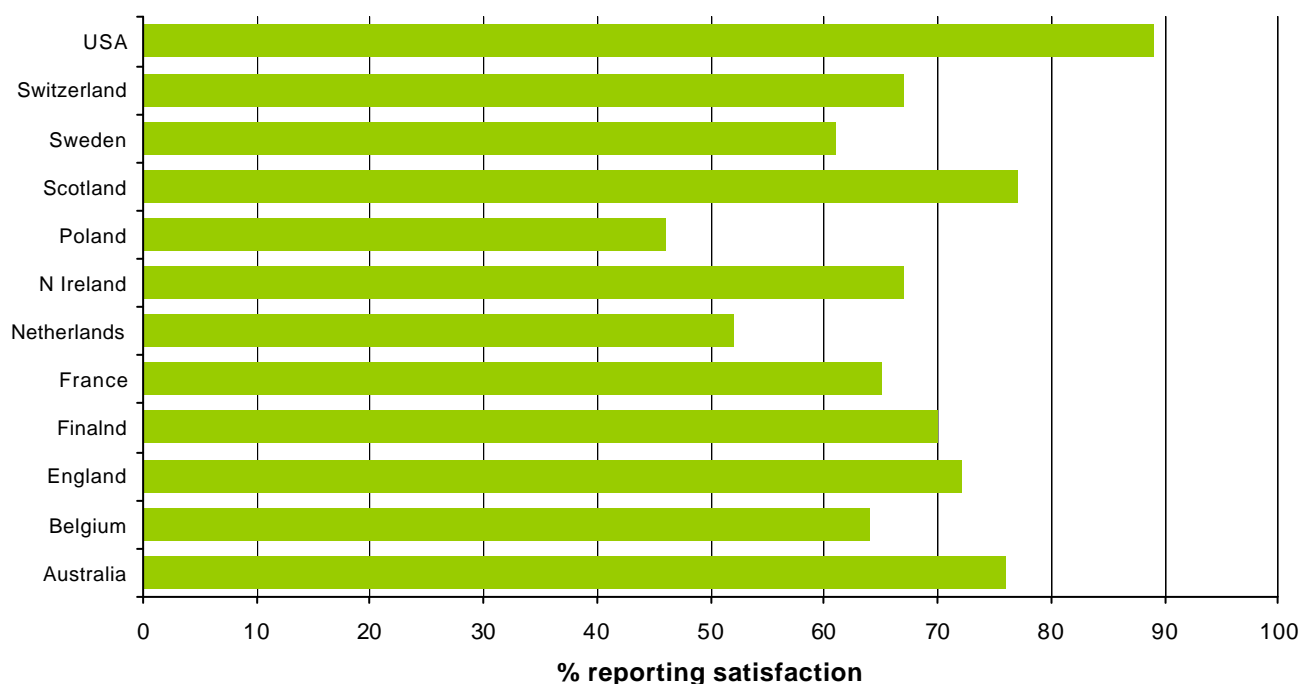
Base: All/service users (5,000 in 1998, 1,086 in 2000)

Data from the Best Value pilot scheme of 42 local authorities, while not representative of the country as a whole, indicate a fall in satisfaction with the way local authorities deal with crime, from 46 per cent feeling they were successful in 1998 to 38 per cent thinking so in 2000.²⁸

International comparisons

Figure 4 shows the proportions in different countries thinking the police do a good job in their local area. The police get a very high rating (89 per cent) in the USA; the lowest rating is 46 per cent in Poland. People in England and Scotland have higher opinions of the work of the police than do people in Northern Ireland.

Figure 4 Proportion thinking the police does a very good or fairly good job in controlling crime in their area. 2000³⁶



³⁵ MORI, 2001.

³⁶ International Crime Victimization Survey. Base: general population.

Transport

Transport is a major area of concern on the local agenda.³⁷ Only 5 per cent of respondents to a survey in July 2000 said that they were very satisfied with the road system in their local area. 45 per cent said they were fairly satisfied. Car owners are twice as likely to think the system is deteriorating than others.³⁸ 67 per cent of people said road congestion was a serious problem in their area.³⁹

Data from the People's Panel show that almost 60 per cent of people were satisfied with rail services in 2000. However, this survey was conducted before the Hatfield rail crash in October 2000, since when the rail industry as a whole has suffered from disruption. The Commission for Integrated Transport (CfIT) found that satisfaction with rail services generally was lower than other transport services (see table CCC). When users were asked about 'train companies generally' satisfaction ratings were lower (25 per cent) than when asked about 'local train services' (46 per cent).

Table 3 User satisfaction with service quality – England 2001³⁸

	Very satisfied	Fairly satisfied	Fairly dissatisfied	Very dissatisfied
	%	%	%	%
Local bus services	11	45	16	8
London Underground	8	38	15	7
Local train services	8	38	16	8
Train companies generally	3	22	26	13

For bus services, satisfaction levels are higher. According to the CfIT, 56 per cent of users were satisfied with the local bus service in 2001. The People's Panel found that two-thirds of users were satisfied with their local bus services, people who use the service most (women, the elderly, and people in the lower Social Classes) were more likely to be satisfied than all respondents.³⁸

Changes over time

Very few people think that transport related issues in their area have improved in the last two years. The quality of local bus services shows most improvement, but even here only 15 per cent of people thought they had improved. 24 per cent thought they had got worse, but the majority thought they had stayed much the same.⁴⁰ The CfIT found that the net satisfied⁴¹ proportion of the English population had fallen for all transport categories, and that for rail companies generally, more people were dissatisfied than satisfied in 2001 (see table 4).

³⁷ Commission for Integrated Transport, 2001.

³⁸ MORI, 2001.

³⁹ British Social Attitudes Survey

⁴⁰ Office of National Statistics, 2001.

⁴¹ Satisfaction less dissatisfaction.

Table 4 Net satisfaction with transport services, England 1998 and 2001⁴²

	net satisfied 1998	net satisfied 2001
	%	%
Local bus services	+39	+32
London Underground	+44	+24
Local train services	+37	+22
Train companies generally	+28	-13

The People's Panel found that satisfaction with bus services had risen between 1998 and 2000; and satisfaction with rail services had risen by 5 per cent. 33 per cent of users thought that the bus services had improved over the previous 5 years, and 26 per cent thought that train services had improved, (though once again, this survey was conducted before the Hatfield crash).

Table 5 Proportions of users reporting satisfaction with local transport services, 1998 and 2000⁴²

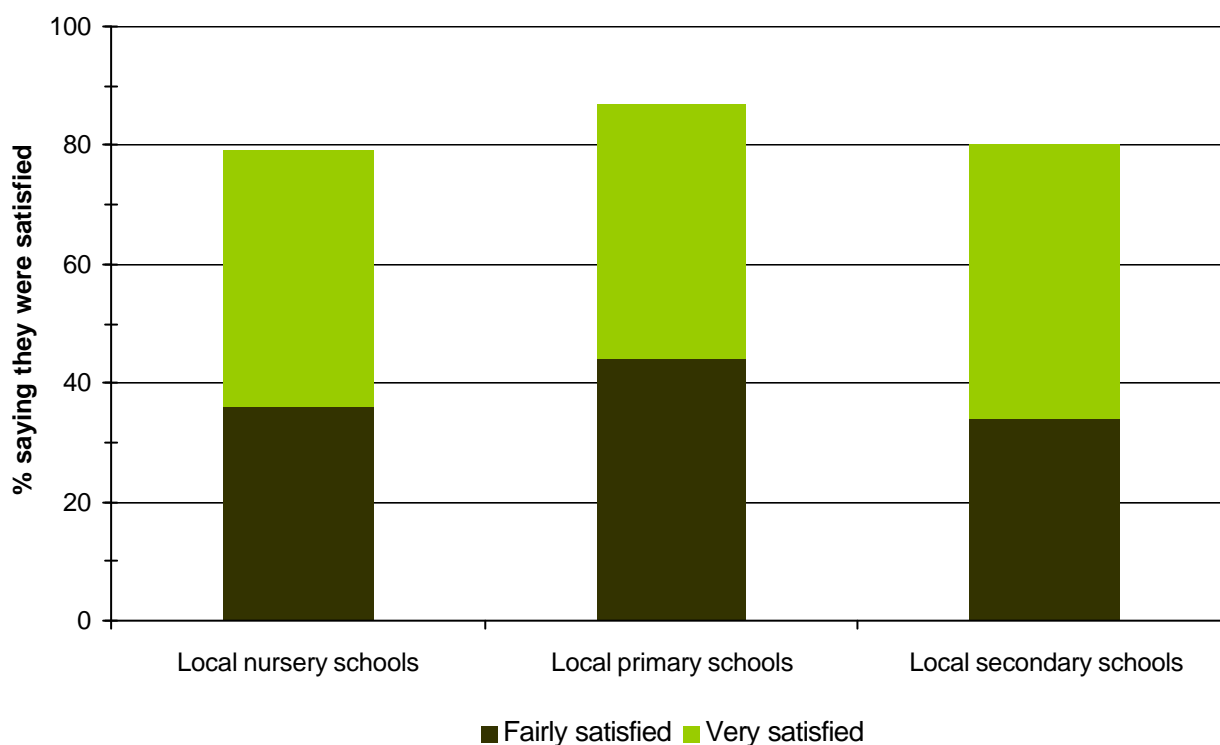
	Wave 1 1998		Wave 5 2000	
	Satisfied %	Dissatisfied %	Satisfied %	Dissatisfied %
Local Bus Service	62	23	68	21
Train Companies	53	21	58	22

⁴² CfIT, 2001. Base= all/service users (5,000 in 1998, 1,086 in 2000)

Education

Parents are generally happy with the education their children receive. A People's Panel survey showed consistently high ratings of satisfaction with education services.

Figure 5 Proportion of users reporting satisfaction with local education services, 2000.⁴³



83 per cent of users were satisfied with the standard of teaching in their local primary school in 1994, 82 per cent were satisfied with the teaching standard in secondary schools.²⁸ Another poll found that only 5 per cent of parents rated their child's school experience as poor and only 4 per cent complained about poor teaching. However, general perceptions of standards of education in Britain are lower than parents' satisfaction with their own child's schooling with 10 per cent of parents believing standards in the nation's schools as a whole are poor.⁴⁴ Parents of children at independent schools are more satisfied than those of children who are at state schools. In 1998, 32 per cent of users were very satisfied with colleges and universities, and a further 49 per cent were fairly satisfied.⁴³

There is less research on children and young people's satisfaction with the education they receive. However, there are indications that there may be concerns as a MORI survey⁴⁵ of secondary school students found 29% reported that they found "school too stressful to do my best"

⁴³ MORI, 2001.

⁴⁴ Times Educational Supplement, 7 January, 2001.

⁴⁵ MORI Schools Survey for ATL, Jan 2000.

Changes over time

Overall there is a perception by parents that quality of education is improving. In November 2000, 35 per cent of respondents to a telephone poll thought that education services had improved under this government. Table 6 shows that the proportions of satisfied respondents to the People's Panel has remained fairly constant between 1998 and 2000, although satisfaction with local adult education services has risen more than other services.

Table 6 Proportions of users reporting satisfaction with local education services, 1998 and 2000⁴⁶

	Wave 1 1998		Wave 5 2000	
	Satisfied %	Dissatisfied %	Satisfied %	Dissatisfied %
Local Nursery Schools/ Classes	82	4	79	4
Local Primary Schools	88	5	87	4
Local Secondary Schools	82	8	80	10
Local Adult Education	78	5	84	4

Base: All/service users (5,000 in 1998, 1,086 in 2000)

⁴⁶ MORI, 2001.

Annex 2. Measurement of service quality and satisfaction

This annex summarises the major models for measuring customer satisfaction. It starts with the concept of the 'service gap' before moving on to the different applications of performance importance grids and the identification of priorities for action. It then focuses on the Common Measurement tool (CMT), developed by the Canadian government, which combines elements from a number of models. Finally, the key determinants of satisfaction are discussed, followed by a short health warning on comparing satisfaction levels over time and across groups.

SERVQUAL

This model was developed in the 1980s and has been refined ever since. It is not a perfect way of measuring satisfaction, but it is a very common starting point and introduces the concept of a gap between expectations and perceptions.

SERVQUAL is based on 3 elements:

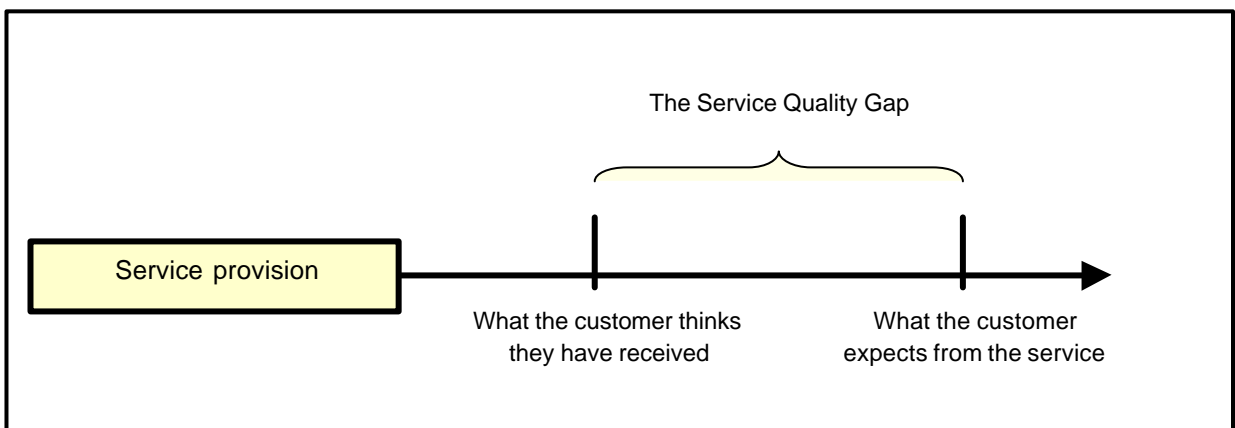
- A rating of what an ideal or excellent service would be like
- A rating how an individual service provider performs
- Assigning weights at to the different dimensions

The measurement can be written as follows

$$\text{Gap} = \text{Perceptions} - \text{Expectations}$$

Where the gap is negative, the expectations are not being met. This relationship is summarised in Figure 1 below.

Figure 1. The Service Quality Gap



Qualitative research has been used to develop dimensions of service quality. They are summarised in table 1 overleaf.

Table 1 Five dimensions of service quality

Dimension	Description
Tangibles	The physical facilities and equipment available, the appearance of staff, how easy it is to understand communication materials
Reliability	Performing the promised service dependably and accurately
Responsiveness	Helping customers and providing a prompt service
Assurance	Inspiring confidence and trust
Empathy	Providing a caring and individual service to customers

The appropriateness and comprehensiveness of these five dimensions has been discussed at length, and an addition to them is ‘recovery’ – how effective the service provider is at putting things right when they have gone wrong. Studies of SERVQUAL have found that reliability is the most important dimension, followed by responsiveness, assurance, and empathy, with intangibles being the least important. However, the SERVQUAL approach does not apply uniformly to all services; for example a study of general practitioner services found reliability, responsiveness and empathy to be the three major factors in determining satisfaction. Further work has attempted to distinguish between the importance of factor in meeting expectations, where reliability is key and in exceeding expectations, where responsiveness, assurance, and empathy come into play. This has implications for ways to improve satisfaction levels.

SERVQUAL is very popular, but its approach has a number of flaws. To start with, asking about an ideal or excellent service leads to the resulting gap nearly always being negative, which reduces the potential for identifying priorities. Secondly, because the weighting is applied only at a very broad level, once again, the usefulness in identifying priorities is limited. Thirdly, it focuses on the process of the service delivery, not on the outcomes of the service encounter. However, these weaknesses can be overcome

The service quality gap can be categorised into 5 areas:

Customer expectations versus management perceptions. This gap stems from a lack of market research, inadequate upward communication and too many layers of management.

Management perceptions versus service specifications. This results from an inadequate commitment to service quality; a perception of unfeasibility; inadequate task standardisation and an absence of goal setting.

Service specifications versus service delivery. A result of role ambiguity and conflict; poor employee job-fit; inappropriate supervisory control and a lack of teamwork.

Service delivery versus external communications. A result of a propensity to over-promise

Customer expectations versus their perception of what has been delivered. This results from word of mouth communications between service users, past experience of the service, and personal needs.

to some degree and elements of SERVQUAL appear regularly in measures of customer satisfaction. It can provide some useful insights.

Conceptual criticisms of SERVQUAL include arguments that it is the current performance of a service that affects customer perception. An important debate surrounds what is meant by 'service quality'. It is agreed that it is a judgement about the superiority of a service, but the exact nature of this judgement is not agreed. Some believe that service quality is distinct from customer satisfaction – service quality being an overall attitude towards a service provider, customer satisfaction being specific to an individual service encounter. Thus, it is possible for consumers to form opinions about the quality of a service without having experienced it, but experience is a prerequisite to forming a satisfaction judgement.

Quality function deployment

This method is based upon assessing the strength of the customer requirements against the major parameters of service provision. The customer requirements are termed the 'wants' and the service the 'hows'. The basic components of QFD are as follows:

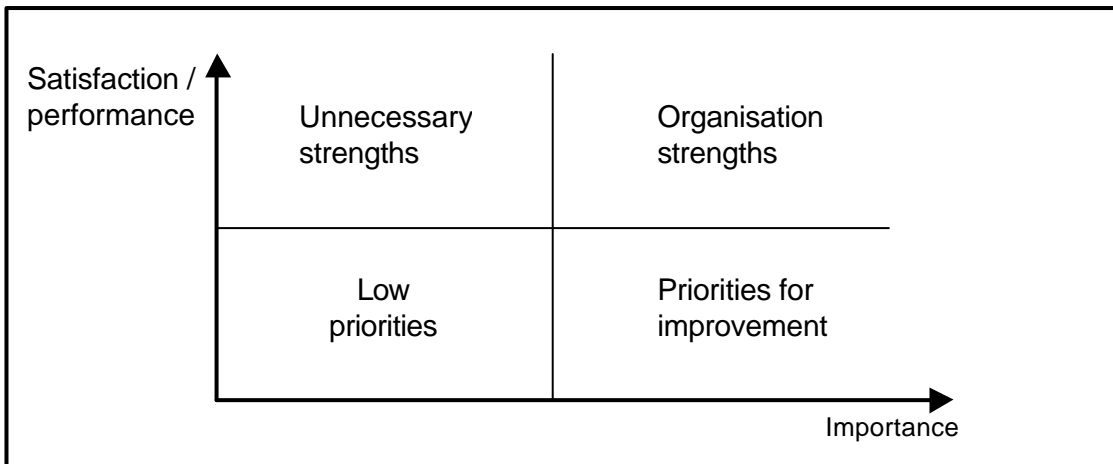
- Identify customer 'wants'
- Rank these wants in terms of order of importance
- Specify the major service parameters (the 'hows')
- Establish the relationship between the 'wants' and the 'hows' using a scoring system
- Use this scoring system to rank the 'hows' – thereby showing the priorities for the 'hows' in order to maximise customer satisfaction.

QFD can be refined in a number of ways, one of which is by correlating the relationship between the 'hows' and constructing a benchmarking analysis to compare the performance of the individual 'wants' and 'hows' with the rest of the competition. QFD is a powerful tool in understanding customer requirements, as hidden desires become more visible, it is also a logical development of the SERVQUAL model.

Matrix approaches

Another common method of measuring satisfaction is the direct comparison of satisfaction levels with service quality factors with the importance attached to each of them. As can be seen from Figure 2, this approach allows the service provider to identify and focus action upon elements falling into the bottom right quadrant.

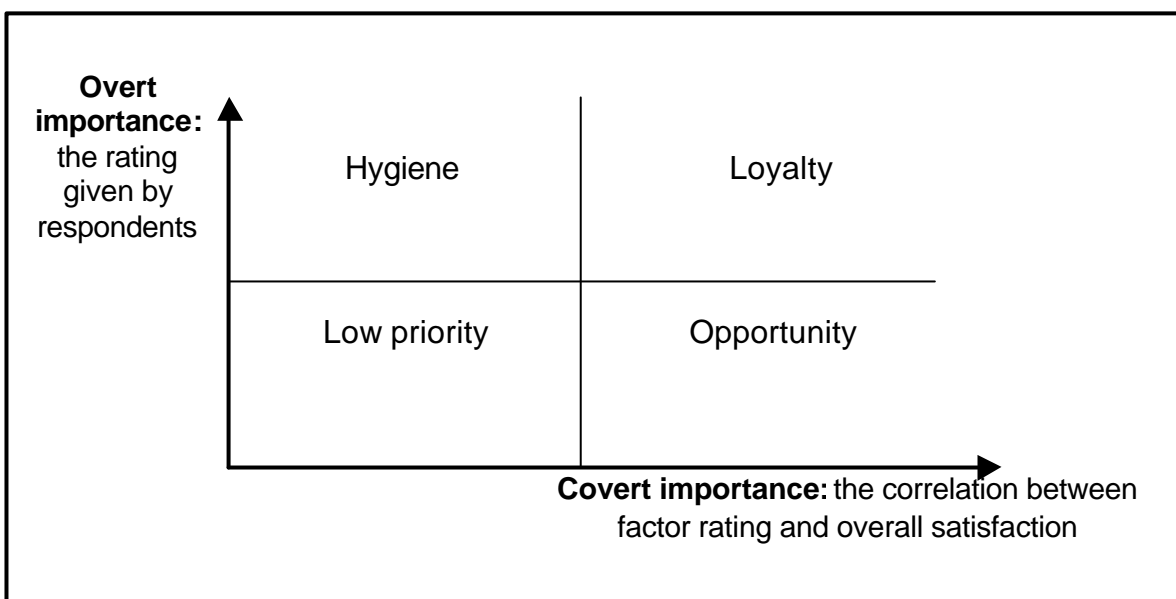
Figure 2 Satisfaction / performance versus importance



Source: MORI 2001

There are a number of variations to the matrix approach. QSA, a tool developed by Gallup, does not ask about the importance of factors directly but derives importance levels through a number of statistical manipulations of the data. The output remains similar to the grid in Figure 2. This modelling approach highlights the potential problem of differences between the ‘overt’ and ‘covert’ importance of factors. It is argued that asking respondents directly what they think are the important aspects of a service will not give a complete picture; respondents may overemphasise ‘hygiene factors’ (factors that contribute to an adequate service but where improvement above a certain level does not result in better performance) for example. By using multivariate analysis, the key drivers of satisfaction may be identified. Key drivers are defined as those factors most strongly associated with overall service satisfaction.

Figure 3 A comparison of covert and overt priorities



Source: MORI 2001

In this model, the quadrants have the following meanings:

- Loyalty issues – issues that are seen to pay direct dividends in customer commitment as service levels are increased.
- Hygiene issues – aspects that are important to get right, but not necessarily go beyond the acceptable standard.
- Low priority issues – aspects that require only low service maintenance, and where only extremely low standards will affect views of the service.
- Opportunities – where distinctive value can be added to the service and where the provider can go beyond meeting expectations.

The Common Measurement Tool

This is the result of work by researchers at the Canadian Centre for Management Development and others, who examined a number of approaches to standardising the measurement of customer satisfaction with public services. It is the main tool used by the Canadian government in measuring progress toward the target of a 10 per cent improvement in the delivery of key customer services by 2005. The model incorporates five main approaches to questioning:

- Expectations of a number of service factors
- Perceptions of the service experience of these factors
- Level of importance attached to each of a number of service elements
- Level of satisfaction with these elements
- Priorities for improvement

This approach is made up of three distinct strands. It measures expectation and perceptions of the service experience (thereby measuring the service quality gap); measures how important elements are to respondents (allows modelling of covert and overt priorities); respondents are also asked to directly identify priorities for action, which provides useful comparisons with the quadrant approach.

Some other methodologies

Customer satisfaction index

A number of countries have adopted a Customer Satisfaction Index (CSI), which is generally used as an economic indicator. The model uses a multi-equation econometric model to produce four levels of indices and is designed to assess served markets' expectations, which assumes direct consumption. Thus some public sector services, such as agriculture, forestry and fishing, are excluded because there is no reachable end user.

The American CSI defines loyalty as the dependent variable. Complaints are described as leading to exits from the market. This is not always the case with public services as exit is not always an option.

Measuring drivers of satisfaction

Another approach can be to measure user experience. Here qualitative research is used to determine which factors are most important in determining customer satisfaction (e.g. in the NHS, the patient experience might be broken down to include waiting times, food quality, friendliness of staff, responsiveness etc.) Then surveys are used to measure the quality of each of those factors – in the case of the NHS patients will be asked to rate, say, food on a scale from very bad to excellent. This approach can be augmented by other tools such as mystery shopping.

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