

Promoting Customer Satisfaction

Guidance on improving the customer experience in Public Services



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HenleyCentreHeadlightVision

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1 About this Guidance

This Guidance discusses customer satisfaction measurement and its role in public service transformation. With the introduction in CSR 07 of a cross-government Service Transformation Agreement¹, departments, agencies and local government need to show how they are improving customers' experiences of their services. This Guidance explains the role that customer satisfaction research and measurement techniques should play in this. It is relevant to all those involved in leading and supporting cross-government service transformation.

In preparation for this Guidance, we have reviewed how customer satisfaction measurement is currently being undertaken across government. Many parts of government currently monitor customer satisfaction. Some are using this insight to transform service delivery. However, it is clear that in too many cases the research is not being properly acted upon. This is because of some key uncertainties around:

- i whether customer satisfaction measurement should be used for performance management;
- ii whether the research should focus on the experience that people have of public services, or the outcome of the service delivery;
- iii whether departments and agencies should use common measures to compare their performance;

- iv how to apply the research techniques to 'complex' services;
- v how government can cope with rising customer expectations and how satisfied customers need to be;
- vi and, most importantly, how to use the research to drive forward service improvements.

The Guidance addresses these issues. It focuses on how service providers should use customer satisfaction measurement techniques *strategically*. This includes internal changes within departments, as well as research to identify what matters most to customers. A parallel report, *How to measure Customer Satisfaction: a toolkit for improving the customer experience in public services*², (referred to from here as the toolkit) provides more practical information on the details of commissioning, carrying out and analysing the research itself.

The Guidance is a starting point for those considering embarking on customer satisfaction research. It has also been written for those who have a programme of customer satisfaction research in place and are interested in making better use of it.

The work was commissioned from Henley Centre HeadlightVision and BMRB Social Research by the Cabinet Office, on behalf of the Customer Insight Forum (CIF). The CIF was first formed as an informal network in 2006 following publication of the Transformational Government strategy to promote best practice in the use of customer insight across government. It now has a more formal and active role in the implementation and governance of service transformation.

Customer Satisfaction

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2 *The customer satisfaction imperative*

Current policy context

A key aim of the Transformational Government Strategy is better customer focus in the design and delivery of public services. As David Varney argued in “Service Transformation: A better service for citizens and businesses, a better deal for the taxpayer”:

“Deep insight into customer needs, behaviours and motivations, plus the ability for citizens and businesses to have better information on the services on offer, are all important for the design of public services that support the Government’s desired policy outcomes. Citizen or business insight is a starting point to answering this challenge.

It can work to reduce time and money spent on contact that has no value and ensure services are relevant and easy to use. It can help to address the complex social problems of exclusion through better targeted, earlier intervention. In many of the best performing [private sector] companies, insight forms an integral part of the design and delivery of their goods and services.”³

Understanding the customer in this way is a relatively new challenge for the public sector. It is also arguably a greater challenge than for the private sector, for whilst commercial companies

can focus on meeting the needs of their target customers, public services have to deliver equitably. They are also faced with limited resources, although this constraint is not unique to them.

While private sector organisations are compelled to understand their customers in order to drive revenue, customer satisfaction measurement can form a similar focus for the organisation in the absence of the commercial imperative. It can also help to build a connection with customer-facing staff, and provide a unifying motivating factor across the organisation.

Customer satisfaction measurement is an important part of the wider set of tools that provide insight into customer needs, behaviours and motivations.⁴ In terms of service transformation, it is key. It allows an organisation to understand what their customers value, how this varies between different types of people, and thus, where action can be taken to improve delivery.

Most importantly, it is a key strategic tool: customer satisfaction modelling approaches (see Chapter 3, and toolkit) allow an organisation to identify the ‘drivers’ of satisfaction or dissatisfaction – the factors that determine whether the customer is happy or not. This information supports the analysis of trade-offs between resource investment within a service. It gives organisations an understanding of the ‘drivers’ that they can actually shape (as compared to issues to do with perception and the media over which they have little control), and allows them to monitor performance and service evolution over time.

3. Service Transformation: A better service for citizens and businesses, a better deal for the taxpayer, Sir David Varney, December 2006: http://www.hm-treasury.gov.uk/media/4/F/pbr06_varney_review.pdf

4. Further information can be found in, Customer insight in public services -A Primer, October 2006: http://www.cabinetoffice.gov.uk/upload/assets/www.cabinetoffice.gov.uk/publications/delivery_council/word/cust_insight_primer061128.doc

“Our aim is to establish across the public sector a sustainable culture which uses an understanding of the needs and behaviours of citizens and businesses to create services which are better for customers. Services are simpler, more streamlined and intuitive, more accessible and convenient.”⁵

Historically, only a few departments and agencies have treated this type of insight as a strategic asset and managed it in a systematic way. This is changing rapidly and, with the introduction in CSR 07 of the cross-government Service Transformation Agreement, departments, agencies and local government will need to show how they are improving customers’ experiences of their services.

Customer satisfaction measurement is also a requirement for organisations that are keen to apply for the new Customer Service Standard, which replaces Charter Mark⁶. This Standard stresses the importance of using the ‘key drivers’ approach (discussed in chapters 3 and 4) to understand how to influence customer satisfaction, and using measurement alongside other forms of customer insight in order to improve the quality of public services. It also states that the main ideas behind customer focus and providing excellent customer service apply to all organisations – big and small, local and national. Equally, research shows us that many of the things service users value are common across all sectors. Therefore, this guidance has relevance across all areas of public services.

This Guidance is designed to support departments, agencies and local government as we move into a new CSR period, and to ensure that the full strategic value of customer satisfaction measurement will be realised across government.

What should customer satisfaction measurement do for an organisation?

In short, customer satisfaction measurement should be viewed as a tool to enhance:

Customer focus

Customer satisfaction measurement enables an organisation to assess how its customers feel about the interactions they may have with it or the services they receive. By carrying out this kind of research, the organisation is giving thought to the customer experience, and shifting the focus of the organisation to be more outward looking. Customer satisfaction measurement is also a straightforward and accessible starting point for introducing customer insight in organisations which may be unfamiliar or uncomfortable with using techniques such as qualitative research as evidence for taking action.

An understanding of the key drivers of satisfaction

Customer satisfaction measurement allows an organisation to understand the key drivers that create satisfaction and dissatisfaction; and can also, importantly, help an organisation to differentiate between what people say influences how satisfied they are, and what is *really* driving their satisfaction during a service experience.

Strategic alignment

In the medium term, a programme of customer satisfaction measurement can act as a powerful tool for strategic alignment within an organisation. It enables clear objectives to be shared across the different departments or agencies that touch the customer. It makes customer focus concrete for an organisation. It can also provide a common framework and language for motivating and connecting with customer-facing staff, which

can help organisations to tackle the challenge of culture change.

Performance management

Once customer satisfaction measurement has been put in place, the results can also be used for internal management, to hold people to account and to highlight good performance and areas for improvement.

Customer satisfaction can be one way to assess the performance of an organisation, a department within the organisation or even individual staff. This can be applied to rebuilding a failing service, maintaining or improving standards on an ongoing basis, and ensuring consistent delivery across different services, geographic areas and customer groups. However, it is best to not rely on these methods in isolation from other measures, as customer satisfaction measures tend to be influenced by many drivers, some of which may be outside of the control of the organisation.

Although the use of customer satisfaction measurement for performance management is not the main focus of this report, it does have an important role to play in monitoring the success of interventions. This is discussed further in Chapter 3.

Efficiency and cost saving

Customer satisfaction measurement also offers opportunities to reduce cost at the same time as improving service. Although it is important to recognise that this is not always the case and that there can be a tension between service and cost, there are also widespread examples of where this double benefit can be realised. These include situations such as reducing avoidable and repeated contact by improving customer communication, and reducing the cost of complaints by getting things right first time.⁷

The customer insight toolkit

Although customer satisfaction measurement is a powerful quantitative technique, it is not the only tool for addressing these issues. It has maximum benefits when used alongside qualitative research and techniques such as customer journey mapping, that also explore the customer experience.

Where customer satisfaction measurement offers distinctive benefits, is in quantifying progress and galvanising the organisation to action. It has the significant advantage that it can be collected and used immediately at a grassroots level to improve the service offered to customers.

“Focusing on measurement is the wrong place to start. It’s not about data collection, it’s about changing what people think, so the challenge is how to create a shift in thinking in the organisation, not just to get customer information.”
(Professor Bob Johnston, Warwick Business School).”

⁷Please see: http://www.cabinetoffice.gov.uk/public_service_reform/contact_council.aspx
The Contact Council exists to provide oversight across the public sector on all matters relating to customer contact, including strategies to reduce avoidable contact.

Addressing rising customer expectations

Customer satisfaction measurement is an on-going process that helps an organisation continue to meet rising customer expectations.

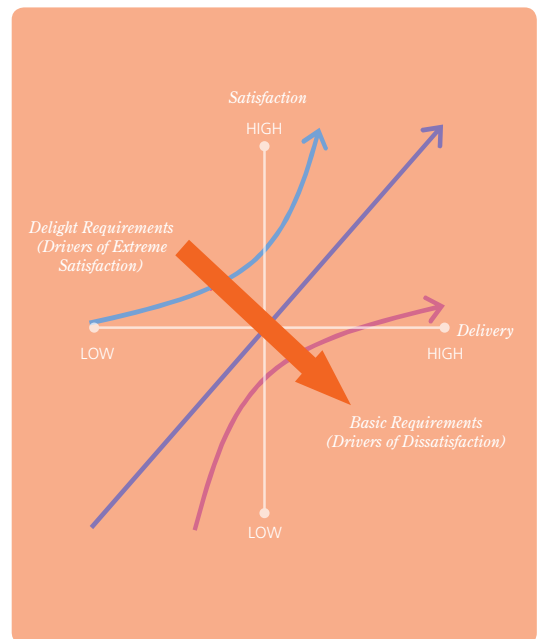
As customers have experienced improvements to the services they receive in the private and public sectors, this has led to rising expectations of those services. This means that the challenge of delivering increases in customer satisfaction generally becomes greater as service levels improve. This is illustrated well by the Kano satisfaction model, a widely used framework for understanding the drivers of customer satisfaction. The model, developed in 1984 by Professor Noriaki Kano, distinguishes between essential and differentiating drivers of customer satisfaction and shows how, over time, what were drivers of delight become basic requirements for products or services.

The Kano model suggests that customers are never, finally, 'satisfied' – that as new service standards are reached, so expectations rise to meet them. Service providers have to accept that maintaining customer satisfaction is an endless task – it has to become part of the fabric and culture of an organisation.

Customer satisfaction measurement techniques help organisations manage this ongoing demand for improvements in service delivery. They allow an organisation to understand how they can improve their services in a way that will directly impact on satisfaction levels and also, how to monitor and assess this over time.

The next chapter discusses how customer focussed organisations build virtuous cycles of service improvement around on-going customer satisfaction monitoring so that they can meet this challenge on a day to day basis.

Expectations increase over time – the Kano model for understanding the drivers of customer satisfaction



Customer Satisfaction

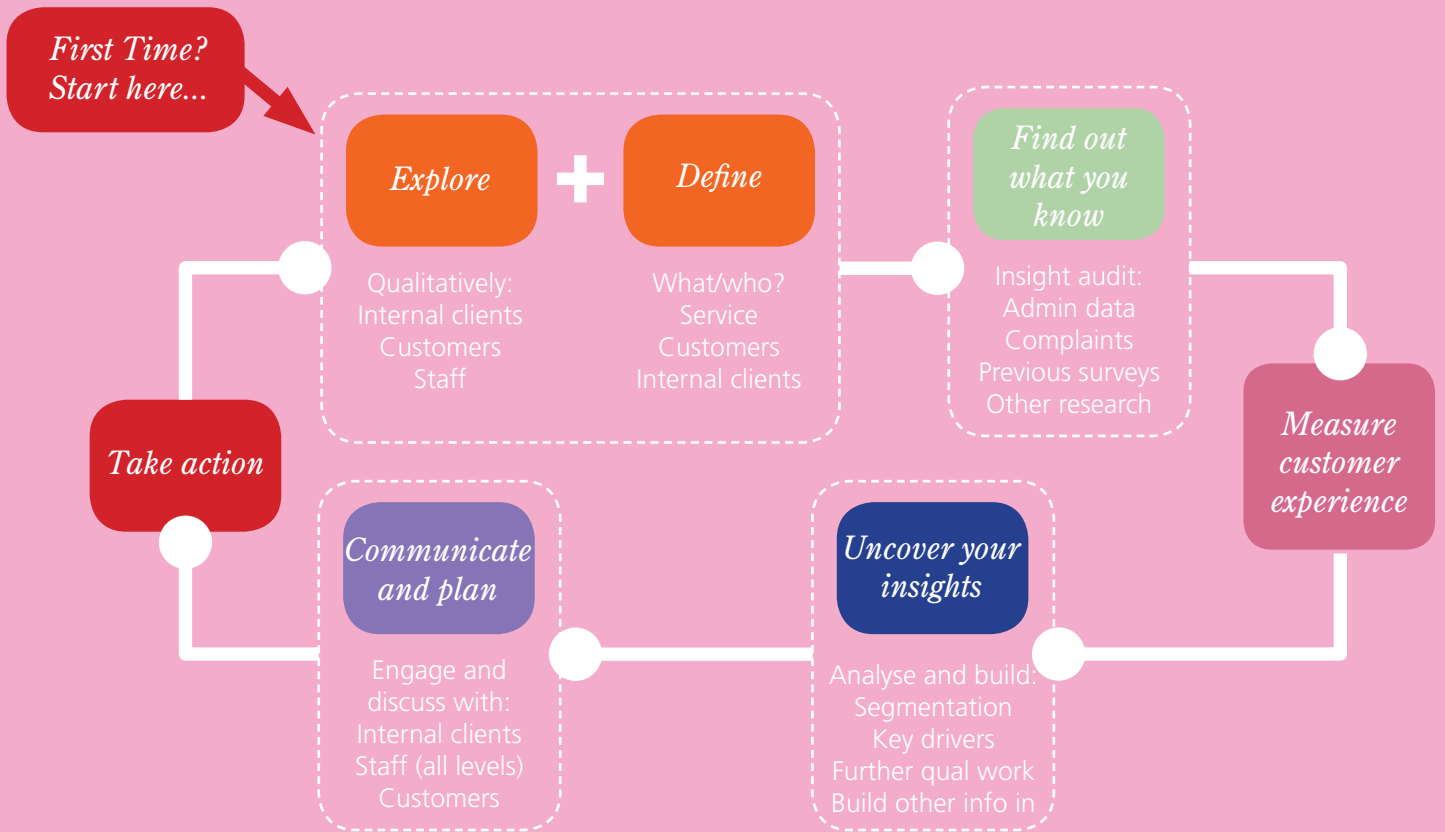
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3 *Ensuring customer satisfaction measurement delivers service improvement*

Quite simply, customer satisfaction measurement involves the collection of data that provides information about how satisfied, or otherwise, customers are with a service. As well as providing an organisation with 'scores', the data can be used to understand the reasons for the level of satisfaction that has been recorded. This information can be collected and analysed in many different ways, although generally it involves questionnaire based quantitative approaches. (The toolkit explores the basic processes, the relative benefits of different approaches and why qualitative research is an important precursor to the quantitative work.)

The research is, however, only part of the story. This chapter sets out the key considerations before, during and after research is carried out, which are essential to ensuring that a programme of customer satisfaction measurement will be effective in a strategic sense. These reflect some common principles in approach that can be applied across any service, no matter how complicated or complex it may be.



Service Transformation Cycle

The cycle of insight and improvement

The different steps in measuring, analysing and communicating the findings from customer satisfaction measurement all feed into a cycle of insight and implementation which should become an ongoing process driving service improvement throughout an organisation.

This model is an illustration of how to develop a programme of customer satisfaction measurement. It is aligned with the SIMPLE toolkit, an HMRC initiative to build customer understanding into every stage of a project. It also compliments the Government Communication Network's Engage programme, which provides an excellent framework for the effective use of customer insight, taking well tried principles of strategic communication and adapting them for Government to develop communications that shift attitudes and change behaviours. (For further guidance on embedding customer insight in your organisation, contact the Customer Insight Forum or your local customer insight team.

The success of the process depends on the effective delivery of specific and relevant customer insight into all levels of the organisation and the commitment of senior management to fostering a culture of customer focus. Most organisations will not in fact be starting this process for the first time but will already be carrying out some of the activities in the cycle. The objective then becomes to ensure that these join up and identify weak links where customer insight could be analysed and communicated more effectively to drive service improvement.



The basic 'rules' that follow are relevant if you are about to begin customer satisfaction measurement. They are also relevant if you currently have measurement in place, and want to ensure that you are getting the best from it.

Understand your context

Before getting started on the research and measurement, an organisation needs to look at itself from an internal perspective and, just as crucially, from the viewpoint of the customer.

An important part of thinking about how best to measure customer satisfaction is to understand what kind of organisation you are and what kind of service you deliver. We recognise that most government communication is now multi-channel and understanding your channel footprint and how it maps against different customer groups is one factor in shaping the approach taken to customer satisfaction measurement.

Another important factor to understand is how close your service is to a simple transactional process. The table below sets out what we see as the key defining features of transactional as opposed to complex services.

Transactional Service	Complex Service
Typical Characteristics	
Impersonal	Personal interaction
Straightforward	Complicated
Undifferentiated	Highly differentiated
Quick to deliver	Takes time
Single occasion	Multiple occasions
Typical Examples	
Renewing passport	Applying for benefits
Purchasing Car Tax	Healthcare
Refuse collection	Education

Transactional services are in general those that are most amenable to customer satisfaction measurement. Despite this, with a good understanding of the customer experience, complex services can often be broken down to identify transactional elements for which the same approach can be followed to drive improvements. However, the results should always be interpreted in the context of the broader service experience. This makes the need to use other forms of

customer insight alongside customer satisfaction measurement even greater in the case of complex services.

These same characteristics are discussed in greater detail in section 3.1 of the toolkit. They are also highly relevant when considering which services are most likely to be comparable in the context of common measurement as discussed in the next chapter.

Finally but critically, when assessing what needs to be measured it is important to understand if the customer defines the 'service' in the same way as the organisation; in some cases the customers' definition of the service may cross organisational boundaries and the contribution of different agencies or departments will need to be taken into account.

Understand the big picture – clarify objectives

Customer satisfaction measurement can be used to fulfil a variety of objectives. These can range from tactical issues around how a particular part of the service is delivered, to wider issues about how the organisation is perceived by its users and the wider public.

Before initiating a programme of customer satisfaction measurement, it is therefore critical that key decision makers are clear about the particular priorities for carrying out the research. The insights gathered in customer satisfaction measurement can deliver transformation across an organisation, but this can only be achieved if there is agreement and 'buy in' from all the necessary stakeholders.

Our research suggested that there is a lot of money wasted on customer satisfaction research in public services at the moment. Great research can be hidden away in small research teams, whilst strategy and policy teams remain oblivious. This is often the consequence of the failure of those

involved to integrate the programme fully into the whole organisation. This is less likely to happen if there are clear objectives for the research from the outset against which its results can be assessed.

Assess the current situation – your ‘service evolution’

Customer satisfaction measurement is not an end in itself; it is part of a broader cycle of

insight, measurement and improvement. Some organisations are already doing a good job of delivering services to happy customers; others have a longer road to travel. An organisation will need to ask itself where in this cycle of improvement it is in order to understand what it needs to measure.

Maintaining a service that is recognised as high quality is very different to fixing a service in crisis. A service that is seeking to achieve transformation

Case study: From crisis to maintenance

UK Passport Service (UKPS)

Back in 1999, UKPS suffered a serious crisis in customer service provision which led to immense negative media publicity and ultimately resulting in what its Chief Executive Bernard Herdan termed ‘a run on the bank’, as customers panicked over renewing passports nearing their expiry dates. The 1999 crisis combined with declining customer service standards for the two years prior to that meant that the service’s Charter Mark accreditation was temporarily revoked.

Following the crisis, a major strategic review took place out of which came the establishment of a customer satisfaction measurement programme. An initial exploratory phase identified a number of key areas for improvement. One factor which was highlighted as contributing to the crisis was a failure to communicate. Members of the public were unable to get through on the telephone and the UKPS’s website contained only limited information and no interactive capability to deal with their enquiries.

Measures now in place to ensure continued focus on customer satisfaction include:

- mystery shopping;
- a survey of complainants;
- the opportunity for customers to comment at all counters;
- KPIs for speed, accuracy, etc; and
- focus groups and hall tests to research the impact of changes to processes on the customer experience.

As a result of the introduction of the above changes and improved technology, the Service was able to turnaround its service and the improvement was recognised through the re-award of the Charter Mark in 2001. The Passport Service is a government agency that now performs extremely well in terms of the level of service it provides to customers – its customer satisfaction scores outrank those of private sector competitors such as Tesco, eBay and Amazon in surveys carried out for it by research agency FDS.

The focus of customer satisfaction measurement has now shifted towards maintenance and innovation, and findings from the research have been used to identify ways in which the service can realise cost efficiencies and raise security without damaging customer satisfaction.

“Any research needs a core product, communications or business owner at a high enough level who is willing and able to get stuck into the nitty gritty, who takes a real interest in the research and who is able to take action. This is the single most important thing.”

(Teresa Randall, Head of Brand and Customer Insight, Directgov)

or a step change in delivery will also have different needs. Each of these will use different kinds of measures to support the outcome that the service owner is trying to achieve.

It is also worth considering how the organisation is placed in terms of customer-focussed culture: is this universally accepted and part of the day to day business of managing the service or are there parts of the organisation for which the customer viewpoint will be a new approach? This will affect how well-prepared stakeholders are to receive the findings, how best to communicate with them and what support they will need in terms of additional evidence in order to take action.

There are advantages in focussing initially on areas of the organisation which are well-prepared to take action on the research in order to establish the effectiveness and credibility of the approach before rolling it out more widely. Alternatively it can be beneficial to focus on turning around areas of poor performance, for higher impact.

Ultimately, those embarking on a customer satisfaction measurement programme have to be open to exploring in depth all areas of the customer experience, even those where the organisation has not focussed in the past.

“It’s the expectations of the people who own those services and to whom you’re giving all the findings on a plate that’s so frustrating. They shouldn’t need me and my work before they take some ownership and responsibility for what’s happening. They should know their services better than that – the research shouldn’t be a surprise.”

(Government official, central government)

Integrate and involve stakeholders

A key dimension to successful customer satisfaction measurement is recognising the full range of stakeholders, and their roles, not just in terms of commissioning and establishing the research, but also in relation to how they will use the insights later on. This is a vital first step to developing an effective communication plan for the research. The following communities within a service delivery organisation need to be engaged:

- **Senior management:** need to provide adequate resources, buy-in and visible sponsorship and championing of customer satisfaction measurement. They have to make it clear how they will ensure that the implications of the research will be heard and used at a strategic level.
- **Policy and strategic functions:** research must not be an end itself but in alignment with the strategic vision of service transformation; therefore, the policy function within an organisation must be involved from the outset.
- **Research and insight functions:** will analyse the research and deliver the insights to the rest of the organisation. As is discussed later in the chapter, analysis will identify the key factors (drivers) which have the most impact on satisfaction and dissatisfaction. How the findings are delivered and communicated to each set of stakeholders is critical to the effectiveness of the research.
- **Service ‘owners’ or directors:** need to understand how the research can be applied to their area of responsibility. Customer satisfaction research will give a sense of how customers feel about the service they are providing and the performance of staff within this. However, this is not sufficient; service directors will also need to understand why they are obtaining these results and how they can be used to drive forward transformation.

● **Customer-facing staff:** are particularly valuable in customer research programmes but are all too often neglected. From their day to day work, customer-facing staff will already have a clear idea about how customers view the experience and the reason why experiences are satisfactory or not. This insight must be tapped into early on as it can guide the focus of the research. Customer-facing staff are also critical stakeholders for the implications of customer satisfaction research: it will often be within their remit and scope to deliver the changes which can bring improvements in the customer experience. Their commitment and buy-in is needed from the outset.

“Front line staff will strive to do their best for the customer and will be sensitive to the impact of any service changes on the customer experience. They are the ones who will notice that, for instance, measures to reduce fraud can in fact lead to increased complexity for the customer.”

(Bernard Herdan, Chief Executive, Identity & Passport Service)

● **Customers:** the most important stakeholders in customer satisfaction measurement are, of course, the service’s customers. Communicating with them about the purpose of the research, the findings and what action you are going to take as a result are all vital if you are to gain their cooperation in the process of improving the service.

Overall, stakeholders must not only understand their own role, but also have a shared vision of how they are working together to achieve their goals.



Assessing current knowledge – an ‘Insight Audit’

Customer satisfaction measurement generally involves a major programme of research. For this reason, it makes sense for any organisation involved in this kind of activity to begin by assessing its current customer knowledge or insight. This may mean carrying out a review – or ‘audit’ - of existing research programmes and findings. Key here is to understand both what has been learned about customer satisfaction in the past; and also in some cases, why previous or current research programmes have not been fully acted upon. This may sound obvious – but again, a lot of money and customers’ time is wasted in the public sector each year on the duplication of research.

Customer satisfaction surveys and measurements may have been undertaken, but have not been used to drive service transformation. This could be because the information is not made available to staff in a form that targets and prioritises key areas. Another situation might be that the information is not reaching policy-makers or service owners which means they are not regularly redefining their vision of service provision informed by customer satisfaction. Or it may be quite simply that the research findings have not been ‘believed’.

Consider your “customers”

Alongside the internal “due diligence”, some work needs to be done upfront on defining the organisation’s customers – deciding which “customers” you are focussed on in terms of deepening your understanding of their experience and needs, and seeing your service “through your customers’ eyes”. Below we outline the basic issues that need to be considered, all of which are discussed in more detail in the toolkit.

Customer versus citizen?

All of us play different roles in our day to day lives; as users of particular products and services; as parents or carers; as citizens of a particular nation-

By Insight Audit we mean an assessment of the current position of customer satisfaction measurement and other sources of insight into the customer experience across the organisation as a whole. The following points should be considered:

- Who is responsible for customer insight or customer satisfaction measurement (if anyone) in the organisation?
- What customer satisfaction measurement is currently undertaken?
- How is any measurement used?
- What qualitative research has been carried out into the customer experience / journey or customer needs?
- What customer segmentations are in use within the organisation and does this identify segments with specific needs in the future? Is there a need for customer satisfaction measurement to take account of these?
- How do customer-facing staff gauge the satisfaction of the customers with whom they deal? Is their feedback systematised in any way? Are the results of customer satisfaction measurement made available, for example as local management bulletins?
- How is information from customer complaints used? How are these recorded and reported on? What action is taken in consequence?
- What can you learn from other customer correspondence? How is feedback collected and used?
- What management information is available that can help inform and link with customer satisfaction measurement (e.g. number and duration of calls to contact centre, or volume and causes of avoidable calls)? Who receives this? How is it used?
- What research has been conducted outside the organisation which may be relevant (if accessible)?

state. For customer satisfaction measurement, public service organisations need to be clear as to the particular 'customer' role in which they are interested at any point in time.

In their work for the Canadian Government, Schmidt and Strickland⁸ distinguished between 'clients' and 'citizens'. The former are direct recipients of government services via dealings with a service provider. 'Citizens', on the other hand refers to taxpayers who do not actually benefit from a service but may draw an indirect benefit, and who contribute to it and therefore have an interest in it. The public sector simultaneously serves both these constituencies, with sometimes conflicting interests. Similar distinctions can be made between 'users' and 'non-users'. In most cases, it is advisable to focus on users to drive service improvement; this is explored further later in this chapter and in the toolkit. General opinion surveys can often provide context for customer satisfaction measurement and ensure the view of the citizen is not neglected.

Segmentation

Recognising the customer base is not uniform and making allowance for a customer segmentation can often help organisations to navigate the issues of 'customer' vs 'citizen' and 'user' vs 'non-user' and yield deeper insights into customer behaviour and needs. Section 3.2 of the toolkit has more information on this topic; see also the Customer Insight Forum Primer.⁹

It is particularly important to note that service providers have an obligation to ensure that all current customers have a voice. Section 3.3 of the toolkit has more information on methods for incorporating the views of hard to reach and vulnerable groups. Customer satisfaction measurement itself can help to ensure equity by giving a voice to the 'silent majority' who do not actively seek to influence public services by complaining or lobbying for their needs.

Finally, it is important to remember that there is

likely to be more than one type of customer using your service and therefore many different customer viewpoints and customer journeys. This needs to be borne in mind whatever approach is taken to this stage of preparing for customer satisfaction measurement, whether making use of information from the initial insight audit or carrying out a full customer journey mapping exercise. Either way, this is a stage which cannot be omitted if customer satisfaction measurement is to be relevant and effective in understanding the service experience and what contributes to satisfaction.

Qualitative Research and Customer Journey Mapping

Qualitative research with customers is invaluable as a precursor to customer satisfaction measurement. It allows organisations to understand what really matters to customers. Often, the easiest things to measure are not the right things to measure. Qualitative research allows an organisation to unpick the issues - emotional, practical and experiential - that influence satisfaction.

Customer journey mapping - a research tool that explores the experience of using the service through customers' eyes - is also a valuable precursor to approaching or reviewing customer satisfaction measurement, as it reveals the range of journeys that customers encounter. These may differ widely, especially for more complex services or those that involve inter-department or inter-agency working. More information about researching different types of service can be found in section 3.1 of the toolkit. Indeed, customer journey mapping can be most revealing in understanding how different parts of the experience that may have previously been managed separately relate to each other in the customer's eyes. Guidance on how best to use customer journey mapping as a tool to drive service improvement will be covered in a publication by the Customer Insight Forum in December 2007.¹⁰

8. Canada, Treasury Board of Canada Secretariat, Quality Services Guide XII: Who is the Client? - A Discussion Paper (Ottawa: June 1996)

9. Customer Insight in Public Services - A Primer, October 2006:

http://www.cabinetoffice.gov.uk/upload/assets/www.cabinetoffice.gov.uk/publications/delivery_council/word/cust_insight_primer061128.doc

Channels

A key factor that must also be considered when assessing the customer experience is how different channels are used and how these relate to each other. It is important to think about the most appropriate approach to measurement for each channel, the specific issues that need to be dealt with and the other sources of insight which are available. It is also vital that any assessment of the customer experience has the ability to identify situations when issues with one channel reflect on others.

Understanding what actually makes up the customer experience

There is a common perception that customer 'satisfaction' for some services is strongly influenced by perception rather than reality – that satisfaction measures have more to do with newspaper headlines than the experience an individual has had in their doctor's surgery or local school.

For all services, there is a balance between perception and experience in shaping customers' views of services which needs to be taken into consideration when measuring and analysing customer satisfaction. There are techniques available that allow an organisation to better understand the degree to which the drivers of satisfaction of their own services include factors external to their control (see key drivers section later in this chapter).

A general rule of thumb is that, where contact with the service is frequent and/or memorable, the actual experience of using the service is likely to be more important in driving customer satisfaction than perception. For some services, particularly those where contact is less frequent, perceptions formed from previous encounters, word of mouth reports or media coverage are likely to significantly influence customer satisfaction. This can lead to a delay between changes being made in the service and their impact being seen in customer satisfaction measures.

The customers who are best placed to provide detailed and accurate information on their experience of using the service are those that have done so most recently. Therefore, to drive through service improvement, the research should be focussed on recent users. Other audiences can be addressed if necessary once this essential requirement for service improvement and ongoing monitoring has been covered.

The role of expectations

Customer expectations have a strong role in driving satisfaction. These can be formed by previous experiences of using the service, as discussed in the context of the Kano model in chapter 2. However, expectations are also driven by a number of other factors which help form the customers' view of what the service experience is going to be like. These include the broad public perception of the service as communicated through the media; the individual experiences of friends, family and acquaintances; and how the service itself communicates about what it will deliver.

These factors need to be understood in the context of the specific service, and the last in particular needs to be seen as a potential area for action. By communicating accurately and reasonably about the level of service the customer should expect (e.g. waiting time, time to receive documents, etc), it can be possible for a service to increase satisfaction without the need for additional resources.

A focus on process or outcome?

Finally, there is also a need to recognise the impact of service outcome on customer experience.

For simple transactional services the outcome is typically straightforward and so the impact of outcome on experience is easy to understand. But for more complex services such as education or healthcare, satisfaction with the process by which the service is delivered and the outcome for the customer are harder to separate. Process failures are likely to contribute to a poorer outcome (or

Case study – Focus on process

Department of Health / National Health Service

In the NHS there is a clear recognition of the importance of both 'health outcomes' and 'patient experience' and a desire to better understand, consolidate and (possibly) rationalise the variety of surveys currently undertaken.

The closest to a broad 'customer satisfaction' survey – though it goes beyond traditional measures – is the National Patient Survey Programme.¹¹ This is a setting-based series of surveys that are conducted by all healthcare organisations that provide care in each setting (e.g. inpatients, outpatients, A&E, community mental health services, maternity services, primary care). Survey results are used by local

perceived outcome), while a negative outcome may cause the customer to have a more negative perception of the process (e.g. in the case of a failed benefits claim or refusal of planning permission).

Even where process and outcome are entwined, it is still possible to use customer satisfaction measurement to drive service improvement. The focus of measurement can be kept on the process by having a thorough understanding of the experience and careful survey design. Analysis can also be used to identify which parts of the process contribute most to customer satisfaction and are therefore the priorities for intervention. For example, Police Forces around the country measure satisfaction for victims of crime at a number of levels, recognising that communications with the police can be as important a driver of overall satisfaction with the process as a positive outcome in terms of bringing the criminal to justice.

organisations to inform their improvement activities, by the Healthcare Commission in the Annual Health Check,¹² and they form the metrics for the "improving patient experience" national PSA target.¹³

Each questionnaire contains around 50 questions asking detailed questions about patients' actual experience, all of which can be defined as falling under one of five domains:

- Access and waiting
- Clean friendly comfortable place to be
- Better information, more choice
- Safe high quality coordinated care
- Building closer relationships

The national patient survey programme is not designed to examine health outcomes – for example, it doesn't ask 'Did you get better / were you cured?'. This would require a different instrument, and survey programme, and in many cases this will not be the main determinate of customers' satisfaction with the service received, since they recognise that this is not entirely within the control of the service provider.

In a highly devolved organisation, there are also issues about the extent to which the centre can impose requirements on the delivery periphery.

The centre of the department is also trying to understand what customer satisfaction means in a health context and whether it is possible to distil that down to a few key measures as 'proxies' for satisfaction. For example, providers might ultimately care about:

- Referral/recommendation/advocacy rate
- Repeat/loyalty rate
- Staff attitude

"There is a general opinion that satisfaction with service could be affected by the outcome of the visit to court. The HMCS questionnaire tests this as part of the survey so that any feedback is given the appropriate context."

(Karen Hoyte, HMCS)

11. Further information is available on the Healthcare Commission website: <http://www.healthcarecommission.org.uk/healthcareproviders/nationalfindings/surveys/healthcareprofessionals.cfm>

12. Further information is available on the Healthcare Commission website: <http://www.healthcarecommission.org.uk/serviceproviderinformation/annualhealthcheck.cfm>

13. Further information is available on the DH website: <http://www.dh.gov.uk/en/Publicationsandstatistics/PublishedSurvey/NationalsurveyofNHSpatients/index.htm>

Driving the findings through the organisation

The analysis and interpretation of customer satisfaction measurement should always be driven by the needs of stakeholders and the objective of delivering strategic and operational change. This means that those responsible for measurement need to think about how they will address the needs of each of these audiences: the level of detail, the form of communication and the frequency of information they require.

Use other sources of insight to support customer satisfaction measurement

Other sources of customer insight should be incorporated wherever possible when analysing and presenting customer satisfaction data. Management information data, feedback from customer-facing staff and complaints data and analysis can help operational staff to place the findings in context and identify opportunities for service improvement. Where these links are made through analysis it can also help to build confidence in the results of measurement. Verbatim quotes and reference to previous qualitative understanding are also important when analysing and interpreting data to ensure the results are set in context and the true voice of the customer is not lost.

'Key drivers' analysis

As mentioned previously, the aim of key drivers analysis is to define the most important drivers of satisfaction or dissatisfaction with a service in order to identify the areas in which changes to the service will have the greatest impact on the customer experience. At a high level there are key drivers in common across many public services as discussed in chapter 4. However, it is at the detailed level that the most valuable insights are likely to emerge for individual service providers. Importantly, key drivers analysis can help distinguish what people say influences how satisfied they are, from the key points in the

customer experience which really have an impact.

Customer satisfaction measurement provides an organisation with overall numerical 'scores' for the levels of satisfaction that customers are experiencing with different areas of service delivery. Key drivers analysis provides a deeper level of insight. This allows each driver to be isolated and evaluated according to the size of its impact on overall satisfaction. In some cases, sub drivers can also be isolated and evaluated and their relative elasticities measured.

At the same time as identifying priorities for action, key drivers analysis also allows an organisation to understand what they can't control, and the extent to which perception (via the media or word of mouth) is shaping peoples' reported satisfaction levels. This is important from a strategic point of view and needs to be taken into account when setting objectives for service improvement.

Further information on the statistical techniques behind drivers analysis is provided in section 5.3 of the toolkit.

Segmentation

As highlighted earlier in the chapter, it is worth considering what segmentations are in use within the organisation before starting customer satisfaction measurement. Segmentation is also relevant when it comes to the analysis of the results.

At its simplest, this may mean looking at how the results vary for different types of customer based on basic characteristics such as age, gender, frequency of contact or the variant of the service used. Existing segmentations may also be used to understand what the key issues are for individual customer segments. This can be useful for targeting actions on specific problem areas which may not be obvious from the high level results.

The data from customer satisfaction research can also be used to define a segmentation which identifies different types of customer by

their attitudes towards the service or their needs (e.g. efficiency, relationship, advice). A range of statistical techniques can be used to perform segmentation analysis in this way. However, great care should always be taken before undertaking segmentation analysis to ensure that it will complement whatever segmentations are already in use within the organisation and will not lead to duplication or confusion.

Both of these forms of segmentation can be used in conjunction with key drivers analysis to help identify actions to improve services for specific groups.

Communication

Effective communication is a crucial step in the process of ensuring that customer satisfaction measurement plays an active role in driving service improvement. Senior and customer-facing audiences have very different requirements in terms of the information they receive about the research findings and how it is presented.

For senior audiences, detailed explanation of survey processes and analysis is likely to be less relevant than the final findings. Supporting information should be tightly focussed to substantiate key points and enable the audience to understand the implications of the results. This need not all be drawn from the survey and need not even be quantitative information – qualitative insights can bring the customer experience to life for senior managers in a way that ‘data’ will struggle to replicate. Customer satisfaction measurement can thus provide an important point of connection with the ‘voice of the customer’.

Ensuring there are no barriers to accessing research information is critical. The findings only have meaning and value if different stakeholders across the organisation are able to engage and use them as part of their day to day activities, drilling down as relevant to their area of responsibility. Information sharing tools, such as intranets which can even pick up and analyse data, are helpful in

allowing this to happen.

Sharing insights from customer satisfaction measurement with the people who deal with customers on a day to day basis creates the opportunity to improve services directly by encouraging them to act on the feedback they have gained. This can help a large organisation connect with its customers, listen to them and act on the results.

Nor should communication to the customers themselves be forgotten. Having participated in the research, it is important to provide feedback on how the findings are being used and what this will mean for users of the service. The goal of service improvement can only be reached by involving customers throughout the cycle of service transformation, which necessarily requires their belief in the commitment of the organisation to taking action in response to their feedback.

Taking action

Once key drivers have been identified they can be used to assess the potential for service improvement. At the beginning of the process the focus is often on the drivers of dissatisfaction, and in reducing this to an acceptable level. However, for many organisations there is also increasing interest in understanding the experience of those who appear to have no strong views, the ‘fairly satisfied’ who can often account for about 40% of respondents, but who are still likely to be experiencing problems in some areas of the service. These problems need to be understood if the benefits from customer satisfaction measurement are to be maximised.

When making decisions about which drivers to take action on, it is important to consider their impact on the broader customer experience as well as on satisfaction scores. This includes understanding:

- the impact on customer behaviour of changing the driver (e.g. keeping customers informed can reduce the number of inbound enquiries;

“Though you should test any assumptions with customers to find out what really matters to them, it’s possible to save money by doing less well at something you are currently doing very well at. The Identity & Passport Service have changed their service levels so that instead of guaranteeing same day delivery of replacement passports, they now guarantee next day delivery. Customers are still very happy with the service and this has saved them about £3million.”

(Bernard Herdan, Chief Executive Identity & Passport Service)

improving the experience of using the health service can encourage participation in preventive care)

- the impact on other drivers within the analysis (e.g. if inbound calls are reduced, speed of response is likely to improve; higher participation in preventive healthcare can mean congestion in services)
- what would be required in order to change the driver (e.g. is there something wrong with a process that can be fixed relatively quickly, or is the driver influenced by perceptions that will take time to change)
- whether there are changes that can be made to the service (e.g. which deliver cost efficiencies) but which will not have an adverse effect on customer satisfaction.

Once action points have been identified, it is critical to reiterate the importance of involving all stakeholders in the process of intervention and change, and to ensure there is buy-in at a senior level for any 'difficult' decisions.

It is also important to recognise that there may be limits to how far customer satisfaction measurement can take you. There may be factors influencing satisfaction which the service can do nothing about as they are out of their control such as media impact, or even the context of the contact experience.

Tracking progress

Transforming service delivery through customer satisfaction measurement is a journey rather than a one-off process. The survey will need to be refreshed over time and for this reason many customer satisfaction measurement programmes are run as tracking surveys, carried out and providing results on a regular basis at intervals ranging from every few years to monthly or even weekly according to the type of service and its needs. For most public services customer satisfaction measurement will need to be carried

out on at least an annual basis if information is to be timely enough to drive service improvement. A transactional service undergoing a process of rapid change and improvement might track top-line measures through their call centre on a weekly basis to monitor progress.

The availability of consistent customer satisfaction measurement over time has two major advantages.

- Firstly, it opens the door to different types of analysis based on time-series data. This can be particularly useful in understanding the relationship of potential drivers and measures of satisfaction which are external to the survey (e.g. waiting times, number of complaints) with the main customer satisfaction measure. This can help to identify areas for action and alternative measures for tracking success which are based on data sources which are available more regularly and quickly than survey data.
- Secondly, it enables progress to be tracked over the short and medium term. If changes to customer satisfaction and its drivers are to provide useable feedback on the service improvement process, it is important to align frequency of measurement to the speed of change in the service. This may be achieved by carrying out additional 'boost' surveys to cover significant service changes, which may not need to cover the full scope of the main survey.

A note of caution: although customer satisfaction measurement is very useful for monitoring progress in the short to medium-term, long-term trends often have little to contribute to service improvement. Changes in customers' attitudes and perceptions outside both the scope of the survey and the control of the organisation are likely to have such a substantial impact on customer satisfaction, as to make such comparisons of little value. Also, quite simply, customers get used to higher levels of service and over time (see Kano model, page 6) their satisfaction drops. Therefore, it is usually more important to ensure measures are as effective as possible in understanding the

Case study: BT Group

How BT have embedded customer satisfaction measurement throughout the business

Since 2000, BT has used customer satisfaction measurement as a key part of improving their service to customers. All customer groups are measured over time through surveys appropriate to that group. BT works with agencies to develop models to understand the drivers of customer satisfaction and dissatisfaction at a high level, and to quantify this model in a consistent and rigorous way. Models are used to set targets, track performance, and extend the principles of customer satisfaction measurement to different parts of the organisation.

The BT Consumer model was launched in 2001 and has been subsequently been revised to take into account the changing telecommunications market, the needs of different parts of the organisation and the evolution of BT strategy from delivering satisfaction to delivering to the customer and building advocacy. The model has also helped BT to understand the role played by specific parts of the business, such as marketing communications, product ownership and contact centres in contributing to customer satisfaction.

A planning tool was also developed to encapsulate the model, enabling BT to track progress on a monthly and quarterly basis, identify emerging issues and respond to internal and external challenges which threaten customer satisfaction.

“The process of adopting the model enabled BT to reach a common understanding of customer satisfaction that has been benchmarked, widely communicated and accepted throughout the organisation. Assessing the impact on customer satisfaction has become an essential part of every business case and quarterly meetings are used to review customer satisfaction measurement at a senior level and monitor the progress on specific issues that have been identified.”

(James Turner, Head of Research, BT Marketing Services)

Since the introduction of the research programme, BT has been able to evaluate and improve customer satisfaction, acting on the findings as they emerge and responding to rising customer expectations.

current customer experience, than to maintain the continuity of existing measures which may be outdated. Organisations that have been tracking the same drivers for several years will benefit from fresh qualitative research to ensure that they are still measuring the right things.


The timescale for change

Customer satisfaction measurement is a valuable tool to galvanise an organisation behind a relentless customer focus; to provide the measurements that support strategic trade-off analysis; and to provide the insight needed to support customer-facing staff in their day to day interactions with the public.

Customer satisfaction measurement is never finished but is part of a process of insight, action and monitoring which should evolve as the service changes.

The timescale required to deliver service transformation will vary depending on the challenges faced by the organisation. In the case of the Passport Service, recovery from crisis took around six months to deal with the immediate problems and a further year to restore the confidence of customers and staff. In an organisation where the shift to being customer-focussed requires substantial cultural and behavioural change, the process is likely to be slower and will evolve over a period of 2-5 years. Customer satisfaction measurement is a valuable tool to create a common language and maintain consistent momentum for this process.

Although care needs to be taken to ensure consistency of measurement for tracking purposes, it is necessary to review the measurement approach every 2-3 years to ensure that it still reflects the customer experience and is meeting the needs of all users, providing the insight needed to drive action. This becomes part of the continual cycle of insight and implementation leading the drive towards service transformation.



Nine key points for successful customer satisfaction measurement

- 1** Establish what the objectives for customer satisfaction measurement are and how they relate to the strategic direction of the service.
- 2** Understand the current situation and what the priorities are for measurement before you start.
- 3** Involve all the stakeholders from the outset including senior management, those responsible for delivering the service and customer-facing staff. Plan early-on for how you will share the results.
- 4** Don't reinvent the wheel: carry out an insight audit and build on what is already known within the organisation.
- 5** Work out who your customers are and which groups you need to understand in greater depth: use an appropriate segmentation to help you achieve this.
- 6** Make sure you understand what the customer experience is actually like and how the customer defines the service: consider customer journey mapping if there are gaps in your knowledge.
- 7** Following research, identify the key drivers of customer satisfaction and work with your stakeholders to decide where to take action first. Often this will mean starting with the drivers of dissatisfaction.
- 8** Use customer satisfaction measurement to track progress and provide feedback to those responsible for making change happen.
- 9** Act: the research findings are the beginning rather than the end of service improvement.

RATING

Exceptional

Exceeds

ets

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4 Common Measurement: help or hindrance?

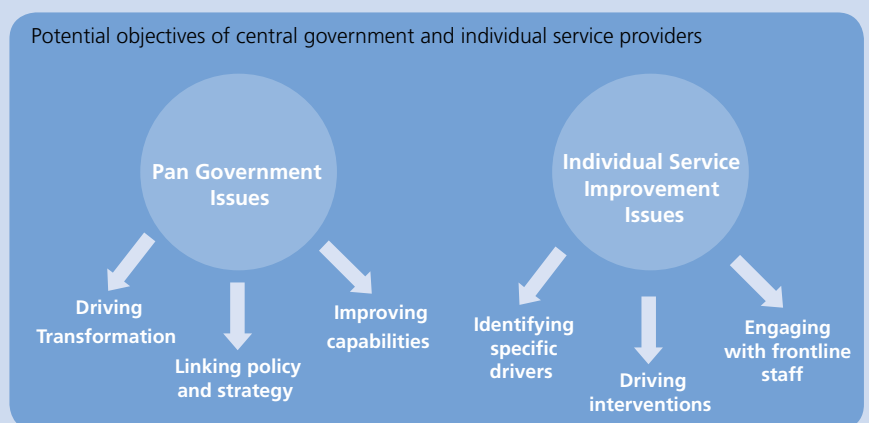
By common measurement, we mean that a customer satisfaction survey is carried out using standard questions and methodology across a range of different organisations. This allows for comparison and benchmarking to check performance over time, against peers, and against goals or targets.

Some organisations within the public sector have been measuring customer satisfaction for decades and during the past few years there has been increasing interest in using this data to benchmark service providers against one another. This can be linked to the rise of the drive towards choice and contestability of public services and as a natural progression as measurement becomes more sophisticated over time.

Common measurement between government service providers is appealing in that it encourages a focus on service improvement, internal 'competition' and a sense of cross-government performance management. There is also a powerful logic in pursuing a common measurement approach since public services share common customers who do not necessarily distinguish between different parts of government. There are many reasons, therefore, why pan-government common measurement approaches are potentially a powerful driver of 'transformational' government.

However, taking a common approach to customer satisfaction measurement can also cause a number of problems. At the core of these difficulties is a tension between the objectives of central government and those of individual service providers. Whilst there are indeed common drivers for all services, there will also be drivers of satisfaction that are peculiar to specific services and each service needs to understand its 'own patch'. While some senior managers need high level measures that enable comparisons and can help drive policy, individual service providers require detailed, tailored information that can identify specific issues and drive intervention.

This challenge is particularly pertinent where services are controlled centrally but delivered locally, such as education and health. Since local government is responsible for delivering 80% of public services in the UK, the trade-off between the needs of local & central government is a good example of the challenge of common measurement.



“We need to provide more than just a framework for measurement – we need to help organisations to learn and share best practice.”

(Roy Stevenson, Cabinet Office)

The need for common drivers of customer satisfaction?

As described in chapter 3, one of the most important forms of customer satisfaction analysis for delivering service improvement is key drivers analysis. The aim of key drivers analysis is to identify the most important drivers of satisfaction or dissatisfaction with a service in order to identify the areas in which changes to the service will have the greatest positive impact on the customer.

Establishing a consistent framework for common measurement requires the identification of similar criteria by which to evaluate customer satisfaction across different services; namely, the common key drivers of customer satisfaction. A starting point for these has already been established by research carried out by MORI for the Cabinet Office in 2004, which led to the identification of five key drivers of customer satisfaction within public services, as shown below.

These five key drivers of delivery, timeliness, professionalism, information and staff attitude, are now widely accepted and can provide a valuable starting point from which customer satisfaction

and experience can be measured.¹⁴ The new Customer Service Standard emphasises the need for reliable measurement of customer satisfaction, and encourages organisations to use these key drivers as a starting point to ensure best practice.

These common drivers are clearly necessary, but they are a starting point: they are not *necessarily adequate*. They are not in themselves easily actionable, which limits their usefulness for service improvement. For instance, though timeliness has been identified as an important driver, other research suggests customers want to know when a service will be delivered and for this guarantee to be kept, rather than it being offered as quickly as possible.

Concrete drivers are more useful than broad generic measures when trying to identify actions to improve service, and although some of these drivers will be common to many services, others will require tailoring. For example, how timeliness is measured will be very different for healthcare than for applying for a parking permit.

There are then, positives and negatives in aligning the public sector around common measures of customer satisfaction. Below we provide more detail on the trade offs that have to be made.



Lessons learnt: pain and gain in common measurement

Benefits and opportunities

- Cross-learning from other services: the establishment of a common measurement framework between comparable services opens the door to greater exchange of learning between service providers across public services. Understanding relative performance means that it is possible to establish where centres of excellence in service exist, and a robust approach will also identify what drivers and actions have delivered these. Services and departments can learn from one another in how to improve the customer experience.
- Resource efficiency: pooling expertise in research and acting on implications allows for valuable resource efficiency. One department or function in a service can use the insights from a comparable function in another, whether this is in terms of understanding the drivers of customer satisfaction or how to implement changes to improve the customer experience.
- Getting started more easily: at the very least, a common measurement approach should mean that it is easier for those with no programme to get started. A common framework which provides some standard questions and guidelines will help deliver a high-quality survey on a limited budget. A common approach can also help organisations with no existing survey to set priorities for research, and avoid spending money on measurement that fails to translate into action.

Disadvantages and risks

- Lack of customisation: the most fundamental disadvantage of common measurement is the danger that there is insufficient customisation to deliver specific and relevant insight for individual service providers. A more flexible approach to

common measurement, with the ability to tailor measures within the guidance and structure of the common approach, may go some way to addressing this problem. However the risk that the requirements of common measurement take precedence over the need for tailored insight remains, especially where resources are limited.

- Difficulty in implementation: the consequence of insufficiently tailored customer satisfaction measures is likely to be difficulty in implementation as it becomes hard to connect the findings from measurement with the realities of the customer experience. This can be compounded if key stakeholders lack confidence in the relevance of the framework to them – a test which any common measurement approach would have to pass from the outset if it were to enjoy success in the longer term.
- Inability to compare services: although one of the chief attractions of common measurement is the ability to compare findings within and across services, the nature and context of public services varies so widely that in reality the scope for meaningful comparison is relatively limited.
- Putting the focus on scores rather than interventions: where the principle purpose of customer satisfaction measurement is to drive service improvement, introducing common measures raises the risk of the focus shifting towards 'scores' and performance management. Although this may have its own benefits, if the culture and cycle of customer insight and service improvement is not already embedded within the organisation there is a danger that the exercise becomes one of managing to the scores rather than supporting the underlying objective of service improvement. There is also a risk that a focus on numbers becomes demotivating for staff rather than inspiring.

“The key question is whether we can measure customer satisfaction accurately, meaningfully and comparably.

Many only see targets when presented with measures. It's easy then to delegate (abdicate) responsibility to others who focus on the target rather than the customer. The less common approach is for leadership to drive improvement from feedback and use measures that are relevant. Feedback provides insight whereas targets distort actions.”

(Tony Hinkley, Dudley Council)

Case study: Canada and the Common Measurements Tool¹⁵

An experience of common measurement in practice

The Common Measurements Tool (CMT) was first developed in 1998 to facilitate customer satisfaction measurement across the public sector by enabling managers to construct a survey by selecting from standard questions according to the needs of their organisation. By using the questions set out in the CMT, service providers would be able to compare their results against their peers, identifying best practices and sharing lessons learned.

Perhaps the biggest achievement of the CMT has been the degree of customer focus that it has encouraged across departments and service providers. This has been helped by a clear set of “core” questions that measure the key drivers of satisfaction - those elements or attributes of the service experience which, when positive, ensure high levels of satisfaction and provide an effective starting point for service improvement.

At the level of individual organisations, the experience is more complex. As “common” questions, the questions in the CMT are relatively high-level and are not always specific enough to get the information an organisation needs for designing and implementing a service improvement plan. Therefore, questions often need a significant degree of customisation or supplementation to address specific issues. If the CMT were to be implemented without enough involvement from managers responsible for delivering the service, there is a risk that results could be felt to bear little relevance to their business.

Some organisations using the tool have also experienced problems finding suitable comparators for benchmarking. The data that is currently available comes from a wide range of services delivered through various service channels by different levels of government, meaning that finding “apple-to-apple” comparisons is difficult.

The implementation of the CMT has attracted much international attention and organisations in many countries are trying to learn from the Canadian experience. In the UK, the Suffolk County and Mid-Suffolk District Councils have created a single-service (Customer Service Direct) for residents to contact if they need to interact with their local authority. Suffolk Customer Service Direct has chosen to use the CMT to assess and drive forward customer service standards and is reporting some good results.

A way forward?

In conclusion, there is much to be learnt from the Canadian experience of common measurement, particularly from its success in driving forward the agenda for customer focus.

Common measurement of customer satisfaction can be a valuable tool for promoting consistency in best practice across some areas of government. It allows for benchmarking, comparison and evaluation which can instil a sense of accountability for the services being offered. Common measurement may therefore be seen as very necessary from the perspective of some stakeholders. It is of benefit for similar services to 'team up' to share best practice with each other, compare research findings and learn how similar organisations have driven improvements through their service.

However, when considering how common measurement might be used, it should be recognised that this approach will be most effective and relevant for simpler and more straightforward services.

For organisations that do adopt a common measurement framework approach with similar bodies, it is important to ensure that the framework encourages sufficient customisation to deliver findings that are relevant and actionable for individual users, and to avoid the trap of focussing too much on comparing scores rather than identifying how services can be improved.

Finally, it is necessary to emphasise that any common measurement approach, even one which has established its value as a tool for customer service improvement, will not be sufficient in and of itself. Customer satisfaction measurement requires the support of varied sources of customer insight, effective communication and commitment and confidence across the organisation if it is to translate into action.

Case study: Local Government Association / National Consumer Council

In 2006 the Local Government Association and the National Consumer Council jointly commissioned research on the best way to develop customer satisfaction measures for local government.¹⁶ Part of the key conclusions from this research was the recommendation that Local Authorities adopt 'bottom-up' rather than a 'top-down' approach to introducing greater comparability to customer satisfaction measurement, advocating local flexibility but with investment in common tools to aid best practice.

The first step in this was to commission Tetlow Associates, working with Dr Foster Research, to work with four case study local authorities: Birmingham, Somerset, Taunton Deane and Uttlesford, and a wider stakeholder group of different types of councils from all around the country, to develop a customer insight protocol: a practical and standard way of gathering and holding data about people that use local services. This includes key information about their personal characteristics and about how to ensure that information can be shared anonymously between service providers. The protocol includes an approach to segmentation. By using the building blocks set out in the protocol, councils can segment their customers in ways that work for their local circumstances. They can combine their own information with Area Classifications from the Office for National Statistics or commercial segmentations.¹⁷

One of the key aims of the customer insight protocol is to enable councils to get maximum value from information and insights by sharing them across service providers. This can happen more effectively if there is a common approach to describing the personal characteristics of survey respondents, and consent is obtained to share anonymous data for research purposes.

16. Customer satisfaction with local services: what it is, why it matters and how to take it forward: <http://www.lga.gov.uk/Documents/Publication/customersatisfaction.pdf>

17. Further details are available in, Customer Insight: research commissioned by LGA, NCC and IDeA: http://www.ncc.org.uk/nccpdf/poldocs/NCC177pd_customer_insight.pdf

5 Conclusions

Customer satisfaction measurement is a well known, yet underused, research tool in government. Many departments and agencies have failed to utilise the strategic benefits of this research technique. This Guidance has reviewed the steps that need to be taken to ensure that customer satisfaction measurement drives the transformation of service delivery.

Getting customer satisfaction measurement right – not just in terms of the research process itself, but in terms of the engagement of stakeholders, the communication of findings and the successful implementation of improvements in a service – requires energy, commitment and resources. The detail explored in chapter 3, in terms of what needs to be considered to ensure that an organisation fully benefits from a programme of customer satisfaction measurement, might seem onerous. But our research has shown that once a programme has been properly established, it quickly becomes part of the internal fabric of a customer-focussed organisation. The up-front effort is worth it because of the benefits of galvanising an organisation around service transformation.

Our research with government departments, agencies and local authorities uncovered some key uncertainties about the application of customer satisfaction measurement approaches that we have set out to resolve. Below we review the main points and summarise the guidance on them.

Should customer satisfaction measurement be used for performance management?

Once measurement has been put in place, the results can be used for internal management, to hold people to account and to highlight good performance and areas for improvement. However, it is best not to rely on these methods in isolation, as customer satisfaction measures tend to be influenced by many drivers, some of which may be out of the control of the organisation.

Should the research focus be on the experience that people have of public services, or the outcome of the service delivery?

This depends on the type of service. For simple transactional services the outcome is typically straightforward and so the impact of outcome is easy to understand. For more complex services, satisfaction with the process by which the service is delivered and the outcome for the customer are harder to separate. Even when process and outcome are entwined, it is still possible to use customer satisfaction measurement to drive service improvement.

Should departments and agencies use common measures to compare their performance?

Common measurement of customer satisfaction can be a valuable tool for driving forward the agenda for customer focus in government. However, the common approach to measurement will be most effective and relevant for simpler and more straightforward services. Although the common measures in use are necessary ones, they are not necessarily adequate in revealing the detailed analysis necessary for service transformation. This requires a service to explore its own particular features.

Can the research techniques be applied to 'complex' services?

The techniques can be applied to any type of customer service. Complex services will need to be disaggregated, according to different customer journeys and customer segments, so that satisfaction can be measured separately if necessary for discreet parts of the service.

How does government cope with rising customer expectations and how satisfied do customers need to be?

The challenge of delivering increases in customer satisfaction generally becomes greater as service levels improve. Applying customer satisfaction measurement techniques is the best way of managing this ongoing demand for improvements in service delivery. It allows an organisation to understand how they can improve their services in a way that will directly impact on satisfaction levels and allow them to monitor this over time.

Organisations can therefore decide whether they need to invest heavily in improving their service at any given moment in time, or whether they are satisfied that the current level of service is appropriate for the time being. Only on-going tracking will enable an organisation to differentiate between periods of investment and periods of maintenance. Senior management will need to decide when they are themselves satisfied that their customers are receiving an excellent standard of service delivery and track over time to ensure that it is being maintained.



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Promoting Customer Satisfaction

Guidance on improving the
customer experience in
Public Services



 HM Government

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HenleyCentreHeadlightVision