

SYSTEM FOR EXPRESS MEASUREMENT OF CUSTOMER'S OPINION - SEMCO

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Introduction

Customer service is the end-all to any company's success or failure. Therefore, it is of the utmost importance that a high level of customer service always be something to strive for. Without continued excellence in customer service, a company's success is over before it starts. Driving customer loyalty is not about coming up with new marketing messages or jumping through hoops when things go wrong. It's about creating positive experiences for customers through an endless string of needs understood and promises kept.

Creating Customer Service Excellence means consistently meeting and exceeding customer expectations. S. Towers and T. Schutter (2006) introduced "Customer Expectations Management" (CEM) as a 21st Century management paradigm where "the focus on the Customer, the Customer Value Proposition and the delivery against customer expectations determines the domain of business success a company can realize".

One of the main challenges CEM is meeting consists in the way of measurement of customer satisfaction. In order to manage properly customer expectations we need real-time feedback from customers. How to measure customer satisfaction without bothering too much the customer? What can we measure? Which are the main drivers of customer satisfaction?

The aim of this paper is to share the authors' experience in answering to the raised questions. The device and the system for express (in real time) measurement of customers' perceptions (SEMCO) related to the provided service are presented and the experience with the pilot implementations of SEMCO in two municipality's service centres and several petrol stations - described. The assumptions used in SEMCO's design are discussed.

Customer's Experience

The level of customers' satisfaction (the quality delivered by the organization) depends on their experience. It is ultimately determined by the way customers feel after their last interaction. If the customer is unhappy, the customer experience is bad. If the customer doesn't have a feeling one way or the other, your company's customer experience is

mediocre. If the customer feels good, your company's customer experience is satisfactory. But if the customer feels delighted, your company's customer experience is a substantial competitive advantage.

Drivers of Customer's Experience

Customers are getting smarter. And because customers have so much choice, they're starting to distinguish the companies that they will do business with, not just based on service, but based on the entire experience. The bar has been set by some of the experience leaders, those that were first out of the box in doing this. The aim of every company should be to achieve Customer Service Excellence, which could be defined as consistently meeting and exceeding customer expectations. By delivering on their service promise successfully at every opportunity, effective organizations go beyond "customer satisfaction". Achieving Service Excellence requires skills and practices that allow individual employees to intentionally and consistently provide impeccable service to internal and external customers. It is perfect as a core program for organizations focused on creating customer loyalty by defining, managing, and enhancing the customer experience.

What Constitutes a Great Customer Experience?

Research Study Conducted for the Office of Public Services Reform (2004) has identified a set of five factors that drive satisfaction across public services. This model should be seen as a tool to help all those involved in delivering public services identify and monitor the areas that are important to their customers. Individual public services will also have different elements they will need to cover, but these five factors should be applicable to all. The key drivers, in order of their impact, are:

1. **Delivery** - the service delivers the outcome it promised and manages to deal with any problems that may arise. It includes factors like: the final outcome; the way the service kept its promises and the way the service handled any problems.
2. **Timeliness** – the service responds immediately to the initial customer contact and deals with the issue at the heart of it quickly and without passing it on between staff. It includes: initial wait; how long it takes overall and number of times you had to contact the service
3. **Professionalism** – Staffs are competent and treat customers fairly. It includes: accuracy; comprehensiveness and being kept informed about progress.
4. **Information** - the information given out to customers is accurate and comprehensive and they are kept informed about progress. It includes: competent staff and being treated fairly
5. **Staff attitude** - staff are friendly, polite and sympathetic to customers' needs. That means to have polite, friendly and empathetic staff. Customers like knowing that you care. Care can be demonstrated by doing things that make it easier for customers to solve problems or access information.

We observed also the influence of other factors driving customer experience, which cannot be neglected. These are:

6. **The physical environment** (whether offices are clean, lighted and comfortable, and the appearance of staff). Access is also an important factor.

7. **Personalization.** Customers don't want to be treated like a number. They want to feel valued and understood. The differentiation of the experience delivered will therefore be at least in part contingent on the ability to personalize the interactions with customers – e.g. knowing their name, their previously expressed preferences, or the particulars of their current situation.

Awareness of these factors is very useful in any effort to quantifiably improve the customer experience, provided by an organization. If you can respond to customers more quickly, if you can ensure your ability get them the right information at any given point of interaction, if you can make that information personal wherever necessary, and if you can do more things that let customers know you're genuinely concerned about them, then you can differentiate the company's customer experience—and reap all the business benefits associated with those improvements.

The Process Delivering Stakeholder's Values

Between most important TQM fundamental principles we found customer focus and continuous improvement. The results perceived by the customer are the primary reference for the company. T. Conti (2007) suggested a simple model schematically represented in Figure 1. In this model customer-centricity and continuous improvement are founded on the knowledge of customer expectations and on systematic “delivered quality” and “perceived quality” measurement. And they are pursued through a systematic analysis of the cause-effect relationship between organizational actions (left-hand part of the model) and customer perceived results (right-hand part of the model). Figure 1 focuses on the elementary “process-product-customer” chain and highlights the key measurements that the supplier must put in place in order to guarantee customer satisfaction in time.

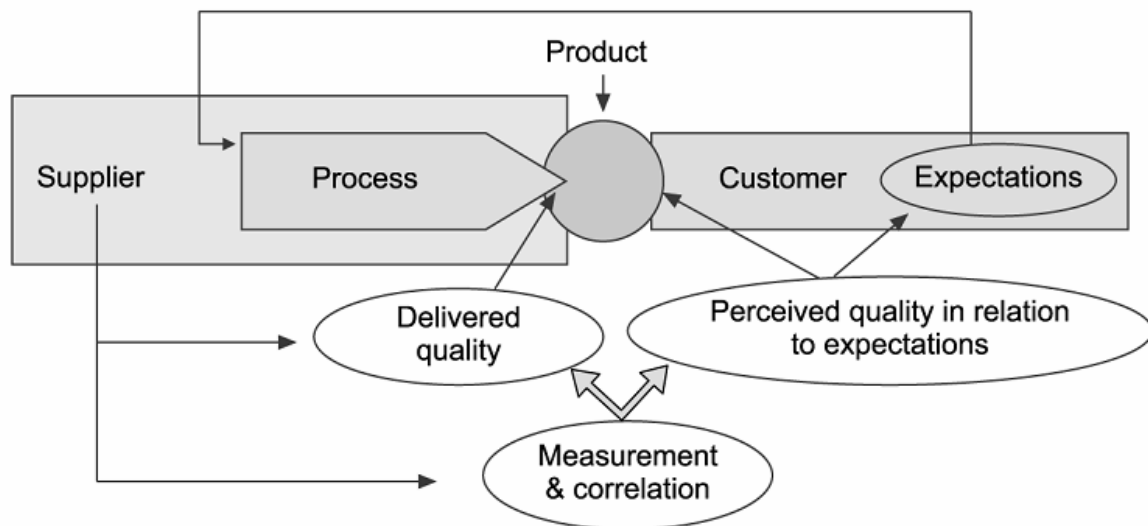


Fig. 1 Example of elementary process product chain - Conti (2007)

How Do Customers Want to Give Their Feedback?

Thompson & Sheth (2008) have undertaken research to investigate the behaviours and preferences of the public when giving customer feedback, relating to customer satisfaction.

There appears to be a strong bias towards onsite customer feedback, particularly using Touch Screens. The graph indicates the top 3 feedback methods which customers are happy to use:

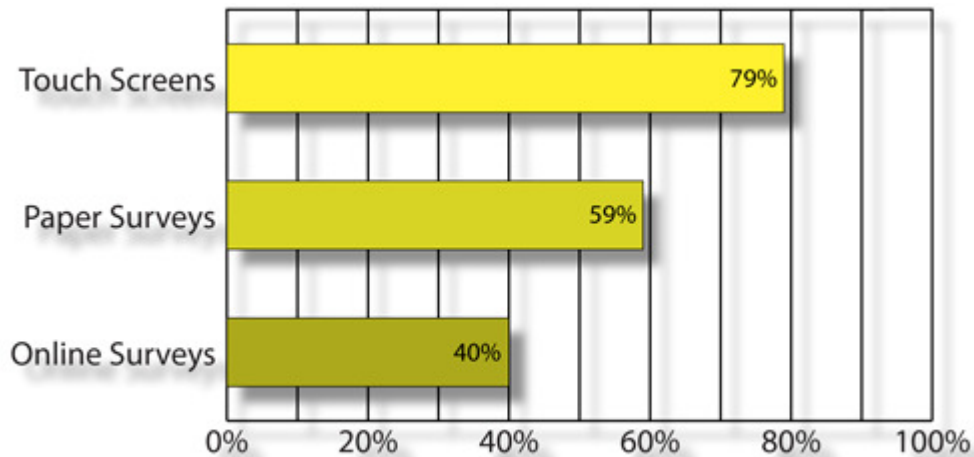


Fig. 2 Feedback methods preferred by customers - Thomson and Sheth (2008)

It was established that the vast majority of shoppers were happy to give customer feedback, on the proviso that it will take no more than 5 minutes.

80% of those surveyed wished to give feedback on exit or by the counter. This represents a great opportunity for retailers and service providers to hear fresh customer satisfaction views. Our observations also show that people are willing to give feedback when the feedback is: onsite, quick, visible, at the end of the transaction. The traditional methods of investigation customer satisfaction including surveys, focus groups, questionnaires, phone interviews and etc. are annoying for the respondents, high in costs and provide lagging information.

Surveys that demand staff resource to run can often have a negative effect. Employees can be distracted by the process of data collection and fail to implement worthwhile actions. They can be more focused on getting the right number of surveys than being absorbed in the customer service they are actually employed to provide. If they are personally responsible for collecting the feedback, this often results in the surveys being distorted, by only inviting positive customer feedback, or even worse, falsified.

The Role of Real-Time Feedback

Gartner Research (Kolsky (2006)) has established that "[Real-time] customer feedback is the pulse by which an enterprise can adjust and personalized its designed customer experience to ensure that it meets — and exceeds, where necessary — customers' expectations. ...The most important aspect of feedback is timing. ". They have looked at the importance of timing in feedback and customer research. Their findings show an astonishing effect: "It was determined that feedback collected immediately after an event is 40 percent more accurate than feedback collected 24 hours after the event". They also found that: "response rates increase 10% to 12% simply by requesting feedback as soon as the event is completed".

The customer feedback should be captured and measured on a continual basis. Companies identify those that have greatest impact on customer experience and capture attitude as quickly as possible after those events.

SEMCO

The conclusions for this analysis have been used for the design of a real-time measurement of customers' satisfaction. SEMCO is an acronym of System for Express Measurement of Customer's Opinion. The system firstly designed to achieve feedback about customer's satisfaction for the "one stop shop" services for citizens in municipalities. It was piloted in 2008 in Targovishte Municipality. SEMCO consists a device with emoticons which are used as a scale through which the customer gives feedback about his perception from the received service.



Fig. 3 Overview of SEMCO's device – "Evaluate the quality of the received service".

The device is situated near the touch point where the service is made or the product is transferred to the customer. The aim is to capture the spontaneous reaction immediately after the transaction of service is finished.



Fig. 4. SEMCO placed at the point of service.

In this way the organization receives information about the general perception of the customer. From this point of view such type of information looks more convenient than the detailed information from the different drivers.

Later versions of the SEMCO's device allow measuring not only the general perception but also the concrete factors which determine a particular service – for example the customer can give feedback about the atmosphere in the building, employee's behavior and other factor depending on the concrete business process. It permits to investigate the correlation between drivers and general perception.

The device is connected with a database where the information with the collected data from the customers is stored. Usually SEMCO is integrated with the management information system of the organization which allows additional information to be gathered for other important parts of the process (for example the type of service, customer information, lead time, etc.).

The information is processed and displayed in real time through web reports. The trends in the customer satisfaction are charted. The web interface allows the management to drill down in the details starting from the aggregated information. The access to the reports is limited according to the user's permissions.

Before the implementation the process of service delivery is reengineered and SEMCO's place and role in it is clearly defined. The device and the reports become a part of the business process.

Special notification system is developed which notifies the management when a certain event happened. For example, if negative feedback is received a window pop-ups on the manager's display with the details. Depending on the importance the manager can decide personally to check the case or leave it later for the meeting at the end of the day.

Currently SEMCO is implemented in two municipalities and in the petrol stations of a leading oil company in Bulgaria.

The Case of Targovishte Municipality

In 2006 began in Targovishte Municipality the project “Targovishte Municipality on the Way of Excellence – The Continuous Improvement Process for Public Services Delivery” with consultants from the School of Management – New Bulgarian University. During 2006 a self-assessment based on the CAF methodology took place for the first time in the Bulgaria. Based on it an improvement plan was created. In the first stage (2007-2008) it was focused on the issues about increasing the administrative capacity and more precisely on the building and putting into operation of the Center for Administrative Services (CAS). It was expected that CAS, with its advanced design of work places and main processes, will serve as leverage for the development of organizational culture focused on the citizens, process thinking and continuous improvement. The Center was put into operation in June 2008.

One of the specific objectives of the plan was to design and implement effective processes of service execution and delivery and its management in order to assure citizens' satisfaction.

SEMCO was introduced and designed as a part of the process of administrative services delivery. The intention of SEMCO is to measure the customers'/citizens' satisfaction, delivering a real time feedback to process managers and staff. The SEMCO IT architecture is connected with the MIS system of the municipality. In this way additional information is collected about the context of the service including the type of service, employee, customer, the stage of service and so on. In real time are offered web-based reports with which every

manager in the municipality can review the information received from the customers in the front office of CAS.

Through SEMCO the general perception of the received services of the customers was measured. The general perception includes all reasons influencing the customer satisfaction – lead-time, kindness and friendliness of staff, CAS environment and conditions, etc. The citizen’s reaction corresponding to the level of satisfaction is measured by SEMCO. The citizen has five possibilities to express their level of satisfaction:

- Delighted – my expectations were exceeded;
- Satisfied – the service quality corresponded to my expectations;
- I have no complaints;
- Dissatisfied – the service could be better;
- Angry – I have substantial remarks.

The emoticons were put as a part of the design due to the Turkish minorities in the county which have difficulties to read in Bulgarian.

The integrated results from all the services, updated in real time, are displayed on the municipality’s web site. The web address is public and can be access via <http://targovishte.bg/eobshtina/chartsmain.php> . The aggregated customers’ feedback from the introduction of SEMCO is displayed as a pie chart.



Fig. 5 Aggregated customer feedback in Targovishte Municipality

In this way the municipality informs to citizens and other stakeholders the current situation and trends for improvement.

Benefits

From customers’ point of view SEMCO offers:

- common and easy to understand symbols used to “interpret” customer’s feedback into a scale with five levels;
- fast and intuitive reaction without time engagement;

- appropriate for foreigners which can't read the local language.

From society's point of view SEMCO offers:

- transparency and systematic preview of customers' satisfaction levels from the service process;
- easy to use, convenient, web-based interface where aggregated information with customers' feedback is presented;
- opportunity for intervention based on facts;
- monitoring of quality over the organization.

From management's point of view SEMCO offers:

- fast and convenient system for receiving feedback;
- option for connection with the organizational management information system for gathering additional process information about the service (e.g. type of service, service group, employee, lead time and etc.);
- opportunity for monitoring more precisely the arising problems and taking measures to solve them;
- opportunity for combination with questionnaire or other methods for obtaining greater insight about the problems;
- presence of a data base which can be used as a base for implementation of a process of continuous improvement.

From employees' point of view SEMCO offers:

- an incentive for more precise and customer's focused work;
- increased engagement in the service delivery process.

Conclusion

A development work on evaluation and feedback of quality of service delivery based on customer experience was done. This work has shown that:

- customer satisfaction depends on the customer experience from the service;
- customer satisfaction is more effective when it is spontaneous and received immediately after the service fulfillment;
- it is advisable to use systems like SEMCO as a part of the service management process. These systems impact and change in positive way management and staff activities and engage them to be more customer focused;
- customers prefer systems like SEMCO because they are convenient and are not time consuming;
- systems like SEMCO could have great impact in public sector service centers, restaurants, bars and fast food, banking & insurance, retail sector, petrol stations, medical centers, hotels, car rentals, conferences and exhibitions, movie theaters, etc.;
- implementing systems like SEMCO could improve significantly the process of service delivery.

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