

## **Methodology of Measurement of Customer Satisfaction for Business Growth**

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**ABSTRACT:** *Customer expectations are currently identified using various methodologies, including focus groups, surveys, and analysis of complaints. However, none of the methods offer an exhaustive means of determining customer expectations. This article details an organized methodology, useful in any type of organization that systematically identifies customer expectations using multiple viewpoints.*

**KEYWORDS:** *Customer expectations, Quality, Service quality, Quality Management System*

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### **I. INTRODUCTION**

Customer satisfaction is a critical business issue of the 1990s, particularly for services organizations. Services organizations possess unique characteristics that make assessing and improving customer satisfaction more challenging. If customer satisfaction is defined as “meeting or exceeding customer expectations” (Brown and Swartz 1984), then first step in addressing customer satisfaction is to assess customer expectations. Multiple methodologies exist for obtaining customer input, including focus groups, surveys, and analysis of customer complaints. However, none of these methods offers a systematic means of determining customer expectations, or uses multiple perspectives.

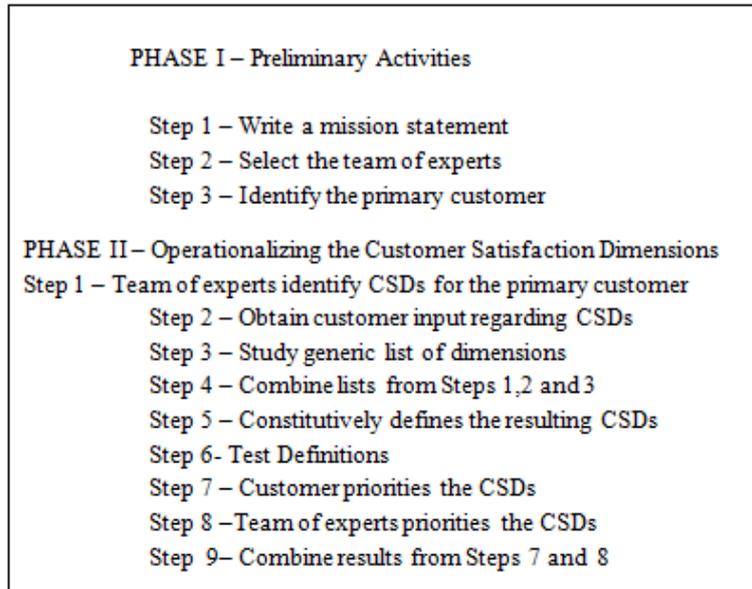
There is need for an organized methodology that systematically identifies customer expectations using multiple viewpoints and operationalizes the data for particular organizations.

This article proposes such a methodology.

### **II. METHODOLOGY**

It unique element of the methodology is the combination of three perspectives for the customer satisfaction dimensions (CSDs). Data for the CSDs is obtained from three sources: the direct customer, indirect, or surrogate, customers and prior research in dimensions of quality and service quality. The direct customer is defined as “anyone impacted by a product or process” (Juran, 1988). Surrogate customers are defined as “staff persons who interact closely with the direct customer.” Finally, the two research studies, by Garvin (1988) and parasuraman, Zeithaml and Berry (1985), are used for validating the dimensions. Both of these research studies were conducted with extensive contact with multiple customers.

The methodology progresses in two phases, shown in Figure1. The steps in phase I are important preliminary activities, while phase II lists the steps necessary to compile, define and prioritize the list of customer satisfaction dimensions.



**Fig 1**

### **PHASE I**

The three steps in phase I build the foundation for the organizations to successfully address customer satisfaction Dimensions in Phase II. Step 1 asks the organization to write a mission statement, if one does not exist. This important, yet often overlooked, step ensures that the organization has agreement on its purpose for existence (MIZE 1993). Step 2 identifies the team of experts who will be acting as surrogate customers in Phase II. The majority of the team members should have direct contact with customers.

Finally, step 3 identifies the primary customer. Although this seems obvious, in many organizations, there are multiple customers groups. The exercise of focusing on the primary customer is useful. This is accomplished by the first defining the term “customer” as “anyone impacted by our product or process” (Juran 988). Then, a structured group process, such as the Nominal Group technique (NGT), is used with the team to ask “who is our primary customer?”

The outcome of Phase I is 1) a mission statement, 2) a team of experts who thoroughly understand the product or process and 3) an identified primary customer. Phase II moves the team into Operationalizing the customer Satisfaction Dimensions for the primary customer.

### **PHASE II**

Phase II identifies, defines and priorities the customer Satisfaction Dimensions (CSDs) for the primary customer. A critical element of the methodology is three perspectives that are combined to obtain the lists of CSDs. This article proposes that multiple perspectives are necessary to obtain Valid Customer requirements data. Data from the customer, the team of experts, and previous research in the area, are all combined.

Perspective 1 obtains input from the customer; it seems obvious that the direct customer’s input would be solicited. After all, this is the customer the organization is trying to satisfy. Obtaining the input can be accomplished through several methods, including surveys, focus groups, or large NGT sessions. It is important to get information from a cross- section of customers, yet in enough detail to be helpful.

Thus, the latter two methods are preferred, since richer data is obtained in face - to- face encounters. Clarification of intended meanings is immediate and not assumed, as is the case with analysis of survey comments.

Merely using information obtained from the customer is not sufficient, however. Although data obtained directly from the customer is invaluable, there are numerous situations where customers do not have the knowledge, or the perspective, to understand all the issues involved in the delivery of product or service. These issues include legal, safety, and environmental issues, among others.

Surrogate customers, or staff personnel who interact closely with the direct customer, provide perspective 2 for Customer Satisfaction Dimensions. They are experts with respect to the process and the customers' interactions with the process. Not only do they have Knowledge of underlying issues, but they have the benefit of multiple interactions with multiple customers. Input from a single direct customer provides a sample of one. Surrogate customers can provide perspectives on numerous customers.

There is support in the literature for using surrogate customers. Bitner, Booms and Mohr (1994, p.96), state "Frontline personnel are a critical source of information about customers." Schneider (1980) states that services personnel are a good source of information about customer attributes, although he notes that this source cannot be assessing technical quality, while Mangold (1990) states that decision makers who want to maximize service quality will want input from both employees and customers.

Involving staff personnel in the effort to determine Customer Satisfaction Dimensions has multiple benefits. These include: 1) the synergy that is achieved when any functional group works together, 2) the intrinsic benefits of team involvement, 3) the sense of ownership that occurs when ideas are generated and 4) the increased knowledge and understanding that results when staff first place themselves in the customer's position to identify CSDs, and then receive actual feedback from customers on the same issue.

Perspective 3 is obtained from previous research in the area. Garvin (1988) conducted research with customers of product-based industries. He proposes ten dimensions of quality as a result. Parasuraman, Zeithaml and Berry (1995) conducted focus group interviews and survey research with customers of four service industries. They ultimately developed a list of five service quality dimensions. These two studies provide an additional check for the completeness of Customer Satisfaction Dimensions List.

Steps 1, 2 and 3 in Phase II obtain input from the three perspectives mentioned above, while Step 4 combines the three sources of input. Steps 5 and 6 define the dimensions and test the definitions. Steps 7, 8 and 9 prioritize the resulting CSDs.

Step 1 asks the team of experts to act as surrogate customers. They place themselves in the customer's position and are asked "what do you expect from the product/service Company XYZ provides?" This is accomplished very effectively in an NGT session. The output is a list of dimensions describing what the team thinks is important to the customer.

Step 2 obtains the same input from the customer. As mentioned earlier, two methods, focus groups, or large NGT sessions, are preferred. Both of these methods obtain substantive qualitative data, which is more useful at this point. It is critical that the customer understand that they are not being asked to evaluate how satisfied they are with the product or service, but what is important to them about the product or service. The output of step 2 is a list of dimensions describing what the customer thinks is important.

Step 3 consults the lists of dimensions proposed by Garvin (1988) and Parasuraman, Zeithaml and Berry (1985). This step is an attempt to ensure that the lists obtained from the customer and the surrogate customers are complete. Although no list of dimensions will ever be completely exhaustive unless every customer is spoken to, the use of the researched lists obtains additional input about generic dimensions.

Step 4 combines all three sources of input. This iterative process is performed by the team of experts, who look for similar meaning and examples in the dimensions identified by the customer, the surrogate customers and within the research lists. Emphasis is placed on data received directly from the customer. Affinity diagrams are useful for this exercise. The output of step 4 is a list of approximately eight Customer Satisfaction Dimensions. The dimensions now must be defined and prioritized.

Step 5 is the next step towards Operationalizing, or customizing, the dimensions. The team of experts is asked to constitute definitions. Constitutive definitions are descriptive in nature, as opposed to operational definitions, which specify the activities, or operations necessary to measure a construct. Deming (1986) states that an operational definition puts communicable meaning, or specifications of measurement, into a concept. The Customer Satisfaction Dimensions identified in step 4 need constitutive definitions. Any metrics later identified to track the dimensions will need to be operationally defined.

It is critical that the dimensions be defined in the language of the organization. This ensures that the CSDs are useful and clear to those who will assess them. The definitions are tested in step 6, by asking a selected group of customers and other experts if their meanings are complete, clear, and unambiguous

Step 7 asks the customer to prioritize the CSDs. In this way, the organization has information which will help them determine where to place their improvement efforts. One methodology for having the customer prioritize the CSDs is to use a survey with a random sample of customers. This procedure obtains input from a larger representation of the customer population. The definitions of the CSDs should be used, and the terms themselves. This is an attempt to eliminate bias that may result from the customer thinking they know what a term means, in another context. The focus needs to be on this organization and its culture. In addition input is obtained from a larger population, continuing the effort to obtain an exhaustive of dimensions.

The team of experts also prioritizes the dimensions in Step 8. The effort can be conducted in structured group process, such as the voting and ranking stage of NGT, or the team can use the same survey the customer did, with the wording changed appropriately. The team is reminded that they are speaking for their customer, so they must place themselves in the customer's position while prioritizing.

Finally, in Step 9, the results from Steps 7 and 8 are combined. The output of the methodology is a list of Customer Satisfaction Dimensions which are unique to a particular organization, and have been constitutively defined and prioritized.

### III. CONCLUSION

Knowledge of what the customer requires is the vital first step to studying customer satisfaction. The methodology presented formalizes a step by step procedure that has been demonstrated to be effective in a service environment. It has its basis in prior research and has been tested and proven. Combining and comparing input from both customer and process experts has proved to be particularly important aspect of the methodology. The comparison with recognized research provides a final check for omissions. A logical second step would be to measure the customer's satisfaction level: The framework obtained using this methodology is a valuable structure to begin this process.

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