



ISA Guide to Measuring Customer Satisfaction

MEMBERSHIP VALUE – \$75

Table of Contents

- Overview 2
- Create the Survey 3
 - Define Your Audience 3
 - Develop the Survey 3
 - Sample Questions 5
 - Sample Surveys 8
- Conduct the Survey 12
 - Internal Participation 12
 - Survey Administration 12
 - Vehicle and Response Mechanism 12
 - Timing 12
 - Invite Participation 12
 - Follow-Up 13
 - Sample Invitations 14
- Summarize the Results 16
 - Calculating the Results 16
 - Using a Computer to Compile Results 17
- Management Review/Develop Action Items 19
 - Select Your Review Group 19
 - Appropriate Use of Collected Data 19
 - Develop Action Plans 19
- Follow-Up 21
- Collect Data as an Ongoing Process 22
- Notes 24

© Copyright 2007. Power Transmission Distributors Association, Chicago, IL U.S.A. Limited rights are granted to purchasers of this product to customize it for their own use; commercial resale is strictly prohibited. All other rights reserved.

Overview

How do you know if you are achieving more as a company? What signs indicate that you may be having problems? How do you know if you are meeting your customers' needs?

There are many ways to determine the answers to these questions. However, the most effective strategy is to turn to your customers for advice. Customer feedback can be invaluable in determining the direction you need to take. Establishing a standard process is the key to measuring customer satisfaction.

Surveying customers on satisfaction is also an excellent tool to help you identify areas for improvement, as well as provide insight into which areas you should focus your resources. Customer satisfaction surveys are a critical input into your company's continuous improvement initiatives.

Measuring customer satisfaction is required for maintaining a good quality system. If you want your company to be certified under a quality system you must have a process. As an example, the criteria for the certificate of compliance of the Industrial Distribution Quality System, developed by the Industrial Supply Association, outlines the need to have a documented process under section D Quality System Outputs—4.0 Customer Satisfaction. A customer satisfaction survey is an example of objective evidence of a quality system.

Implementing a system to measure customer satisfaction may not provide you with immediate solutions, but it will raise important questions. Finding the answers to these questions will build the foundation for a successful, forward-looking organization.

Create the Survey

Surveys are a good way to measure satisfaction. They allow you to solicit actual feedback from your internal or external customers.

If you choose to survey your customers, your first step is to define the purpose. What information do you hope to gain? Will you measure customer satisfaction levels? Identify areas where service needs to be improved? Determine if you should add or delete services? Evaluate the strategic direction of your company?

In this guide, we focus on the measurement of customer satisfaction. The *ISA Guide to Understanding Customer Satisfaction* can help you understand strategic expectations of your customers.

This tool is written primarily from the perspective of a distributor or manufacturer who wishes to survey their end-use customers. However, it may also be used internally, within your own company, or by manufacturers wishing to survey their distributors.

Define Your Audience

Begin by determining who will be the survey's target audience. This may include:

- Existing or target customers
- External or internal customers
- Specific group(s) of customers or your strategic customers
- Different departments, such as purchasing, engineering, maintenance, receiving, payables, senior management, customer salespeople, applications engineers or operations

Develop the Survey

Develop survey guidelines for the type of questions to ask, categories of questions to cover and the type of survey to use. Ideally, you should have internal measures for tracking service to customers and then can use the survey to validate the results. The *Guide to Understanding Customer Satisfaction* explains

the use of open-ended and closed-ended questions when talking to your customers.

The following is a list of some vehicles you can use to conduct your survey:

- Personal visit
- Phone call
- Direct mail to individual
- Fax
- Survey incoming calls
- E-mail
- Web (provide a web address for customers where customers may complete the survey)

Below are general categories around which you can design questions:

- Customer satisfaction
- Customer service (timely, helpful, courteous)
- Overall impression
- Delivery/shipping/inventory
- Sales
- Support materials
- Order fulfillment
- Product knowledge
- Technical assistance
- Value/documented value
- Quality
- Strategic direction
- New products:
 - New services
 - Channels (i.e., where do you buy today, will you buy in the future)
 - Expansion/consolidation plans
 - Customers' future plans
- Internal questions:
 - Do you believe you impact customer satisfaction?
 - What makes it difficult for you to serve your customers?

When surveying your customers, it is useful to have them compare your company against others. This allows you to benchmark your performance and to gain insight into what is important overall to each customer.

ISA Guide to Measuring Customer Satisfaction

One simple way to do this is to ask customers to rate the performance of both your company and their best supplier. Given that a single customer may have a very small pool of suppliers of the products and services you

provide, asking them how you compare to their best supplier overall (versus their best supplier of the products you provide) likely will provide more meaningful results.

ISA Guide to Measuring Customer Satisfaction

Sample Questions

Note: The following is an extensive list of possible survey topics and questions, from which you should select a much smaller number of questions to develop your own survey.

For samples of how to develop a survey for a particular audience or topic, turn to page 9.

Please circle the number that best indicates your rating of both our company's performance and that of your overall best supplier on each of the following criteria, where 5 = Excellent, 4 = Good, 3 = Fair, 2 = Needs Improvement, 1 = Poor and N/A indicates Not Applicable.

	Our Company						Your Best Supplier					
Customer Service/Inside Sales												
a. Product knowledge.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
b. Recommend complementary products as appropriate.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
c. Courtesy.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
d. Integrity.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
e. Responsiveness.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
f. Technical assistance.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
g. Flexibility compared to competition.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
h. Twenty-four (24) hour emergency services.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
i. Calls are answered by an operator vs. a machine.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
j. Minimal time placed on hold.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
k. Prompt return of voice-mail messages.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Outside Sales												
a. Courteous.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
b. Technical assistance.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
c. Communications.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
d. Follow-up.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
e. Frequency of sales calls.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
f. Sales calls are for appropriate reasons.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
g. Sales calls are an effective use of time.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
h. Response to my requests.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
i. Professional.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Management Personnel												
a. Easy to reach.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
b. Responsive.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
c. Communications.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
d. Professional.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Technical Assistance												
a. Technical expertise.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
b. Responsiveness.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
c. Knowledge of product and services.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
d. Product identification.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
e. Understands my product requirements.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
f. Training.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A

ISA Guide to Measuring Customer Satisfaction

Technical Assistance—Continued	Our Company						Your Best Supplier					
g. Knowledge of my applications	5	4	3	2	1	N/A	5	4	3	2	1	N/A
h. Interchange parts where applicable.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Invoicing												
a. Invoices are clear	5	4	3	2	1	N/A	5	4	3	2	1	N/A
b. Invoices match purchase orders.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
c. Pricing is accurate.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
d. Freight terms are competitive	5	4	3	2	1	N/A	5	4	3	2	1	N/A
e. Payment terms are competitive	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Delivery/Shipping/Inventory												
a. Condition of product.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
b. Packaged well.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
c. Order fulfillment (complete vs. partial).....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
d. Order vs. shipment accuracy (100%)	5	4	3	2	1	N/A	5	4	3	2	1	N/A
e. On-time delivery	5	4	3	2	1	N/A	5	4	3	2	1	N/A
f. Proper inventory available to service my requirements.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Support Materials												
a. Technical assistance.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
b. Training	5	4	3	2	1	N/A	5	4	3	2	1	N/A
c. Product quality	5	4	3	2	1	N/A	5	4	3	2	1	N/A
d. Communication	5	4	3	2	1	N/A	5	4	3	2	1	N/A
e. Timely delivery	5	4	3	2	1	N/A	5	4	3	2	1	N/A
E-Commerce												
a. Online catalog	5	4	3	2	1	N/A	5	4	3	2	1	N/A
b. Electronic invoicing	5	4	3	2	1	N/A	5	4	3	2	1	N/A
c. Electronic payments.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
d. Response to online requests for information	5	4	3	2	1	N/A	5	4	3	2	1	N/A
e. Ability to submit online Requests for Quotes.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
f. E-mail communications.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
g. Online product information availability.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
h. Online product information usefulness	5	4	3	2	1	N/A	5	4	3	2	1	N/A
i. Online service information availability.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
j. Online service information usefulness.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Value												
a. Quality product.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
b. Competitively priced.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
c. Technical assistance.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
d. Good communication	5	4	3	2	1	N/A	5	4	3	2	1	N/A
e. On-time delivery	5	4	3	2	1	N/A	5	4	3	2	1	N/A
f. Value-added programs to reduce cost.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
g. Overall value	5	4	3	2	1	N/A	5	4	3	2	1	N/A

ISA Guide to Measuring Customer Satisfaction

Quality	Our Company						Your Best Supplier					
a. Product.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
b. Service	5	4	3	2	1	N/A	5	4	3	2	1	N/A
c. Support.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
d. Expertise	5	4	3	2	1	N/A	5	4	3	2	1	N/A
e. Response	5	4	3	2	1	N/A	5	4	3	2	1	N/A
f. Delivery	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Overall Impression												
a. Company.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
b. Personnel	5	4	3	2	1	N/A	5	4	3	2	1	N/A
c. Product quality	5	4	3	2	1	N/A	5	4	3	2	1	N/A
d. Responsiveness.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
e. Telephone service.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
f. Communication	5	4	3	2	1	N/A	5	4	3	2	1	N/A
g. Easy to do business with	5	4	3	2	1	N/A	5	4	3	2	1	N/A

Who is your best supplier? _____

If you could give us one comment or suggestion to improve your satisfaction, what would it be?

What could we do to help you improve your business' profitability?

ISA Guide to Measuring Customer Satisfaction

Sample Survey A

Target Audience: Maintenance Personnel

We are interested in your input on the quality and responsiveness of our service. To help us to measure our performance and to improve our service to you, please take a few minutes to complete and return the survey below no later than DATE. Thank you for your time and feedback.

Please circle the number that best indicates your rating of both our company's performance and that of your overall best supplier on each of the following criteria, where 5 = Excellent, 4 = Good, 3 = Fair, 2 = Needs Improvement, 1 = Poor and N/A indicates Not Applicable.

	Our Company						Your Best Supplier					
Customer Service/Inside Sales												
a. Product knowledge.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
b. Courtesy	5	4	3	2	1	N/A	5	4	3	2	1	N/A
c. Integrity.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
d. Responsiveness.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
e. Technical assistance.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
f. Knowledge of interchange parts where applicable	5	4	3	2	1	N/A	5	4	3	2	1	N/A
g. Flexibility compared to competition.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
h. Twenty-four (24) hour emergency services	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Outside Sales												
a. Courteous.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
b. Technical assistance.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
c. Training	5	4	3	2	1	N/A	5	4	3	2	1	N/A
d. Knowledge of my applications	5	4	3	2	1	N/A	5	4	3	2	1	N/A
e. Communications	5	4	3	2	1	N/A	5	4	3	2	1	N/A
f. Follow-up.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
g. Frequency of sales calls.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
h. Response to my requests	5	4	3	2	1	N/A	5	4	3	2	1	N/A
i. Professional	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Value												
a. Competitively priced product.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
b. Availability of value-added programs to reduce cost	5	4	3	2	1	N/A	5	4	3	2	1	N/A

Who is your best supplier? _____

If you could give us one comment or suggestion to improve your satisfaction, what would it be?

What could we do to help you improve your business' profitability?

Please fax this completed survey to FAX NUMBER no later than DATE.

ISA Guide to Measuring Customer Satisfaction

Sample Survey B

Target Audience: Purchasing Personnel

We are interested in your input on the quality and responsiveness of our service. To help us to measure our performance and to improve our service to you, please take a few minutes to complete and return the survey below no later than DATE. Thank you for your time and feedback.

Please circle the number that best indicates your rating of both our company's performance and that of your overall best supplier on each of the following criteria, where 5 = Excellent, 4 = Good, 3 = Fair, 2 = Needs Improvement, 1 = Poor and N/A indicates Not Applicable.

	Our Company						Your Best Supplier					
Customer Service/Inside Sales												
a. Product knowledge.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
b. Responsiveness.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
c. Technical assistance.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Outside Sales												
a. Courteous.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
b. Technical assistance.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
c. Frequency of sales calls.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
d. Response to my requests	5	4	3	2	1	N/A	5	4	3	2	1	N/A
e. Professional	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Management Personnel												
a. Easy to reach	5	4	3	2	1	N/A	5	4	3	2	1	N/A
b. Responsive.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
c. Communications	5	4	3	2	1	N/A	5	4	3	2	1	N/A
d. Professional	5	4	3	2	1	N/A	5	4	3	2	1	N/A
E-Commerce												
a. Response to online requests for information	5	4	3	2	1	N/A	5	4	3	2	1	N/A
b. Ability to submit online Requests for Quotes	5	4	3	2	1	N/A	5	4	3	2	1	N/A
c. E-mail communications	5	4	3	2	1	N/A	5	4	3	2	1	N/A
d. Online product information availability	5	4	3	2	1	N/A	5	4	3	2	1	N/A
e. Online product information usefulness.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Value												
a. Quality product	5	4	3	2	1	N/A	5	4	3	2	1	N/A
b. Competitively priced.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
c. Value-added programs to reduce cost.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A

Who is your best supplier? _____

If you could give us one comment or suggestion to improve your satisfaction, what would it be?

What could we do to help you improve your business' profitability?

Please fax this completed survey to FAX NUMBER no later than DATE.

ISA Guide to Measuring Customer Satisfaction

Sample Survey C

Focus: Customer Rating of Your Customer Service Function and Personnel

We are interested in your input on the quality and responsiveness of our customer service staff. To help us to measure our performance and to improve our service to you, please take a few minutes to complete and return the survey below no later than DATE. Thank you for your time and feedback.

Please circle the number that best indicates your rating of both our customer service personnel's performance and that of your overall best supplier on each of the following criteria, where 5 = Excellent, 4 = Good, 3 = Fair, 2 = Needs Improvement, 1 = Poor and N/A indicates Not Applicable.

	Our Company						Your Best Supplier					
Product knowledge.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Technical assistance.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Flexibility compared to competition.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Twenty-four (24) hour emergency services.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Calls are answered by an operator vs. a machine.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Minimal time placed on hold.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Prompt return of voice-mail messages.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Product identification.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Understands my product requirements.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Knowledge of my applications.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Knowledge of interchange parts where applicable.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Responsiveness.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Service.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Support.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Expertise.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Integrity.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Courtesy.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Easy to do business with.....	5	4	3	2	1	N/A	5	4	3	2	1	N/A

Who is your best supplier with regards to customer service? _____

If you could give us one comment or suggestion to improve your satisfaction with our customer service staff, what would it be?

What could our customer service personnel do to help you improve your business' profitability?

Please fax this completed survey to FAX NUMBER no later than DATE.

ISA Guide to Measuring Customer Satisfaction

Sample Survey D

Focus: Customer Rating of Your Engineering Personnel

We are interested in your input on the quality and responsiveness of our engineering personnel. To help us to measure our performance and to improve our service to you, please take a few minutes to complete and return the survey below no later than DATE. Thank you for your time and feedback.

Please circle the number that best indicates your rating of both our engineering personnel's performance and that of your overall best supplier on each of the following criteria, where 5 = Excellent, 4 = Good, 3 = Fair, 2 = Needs Improvement, 1 = Poor and N/A indicates Not Applicable.

	Our Company						Your Best Supplier					
Technical expertise	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Responsiveness	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Knowledge of product and services	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Product identification	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Understands my product requirements	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Training provided	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Knowledge of my applications	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Knowledge of interchange parts where applicable	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Good communication	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Recommends value-added programs to reduce cost	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Provides quality service	5	4	3	2	1	N/A	5	4	3	2	1	N/A
Easy to do business with	5	4	3	2	1	N/A	5	4	3	2	1	N/A

Who is your best supplier? _____

If you could give us one comment or suggestion to improve your satisfaction with our engineering personnel, what would it be?

What could our engineering personnel do to help you improve your business' profitability?

Please fax this completed survey to FAX NUMBER no later than DATE.

Conduct the Survey

Internal Participation

Responsibility for the process should be assigned to a neutral participant, working in conjunction with the internal stakeholders, who will help ensure the process and measurements are unbiased. If available, training and quality departments are good resources for managing the process.

Depending on your goals and objectives, participants in the process may vary. For example, if you are conducting a customer survey to determine your company's level of problem-solving abilities, the internal participants should be drawn from outside and inside sales, along with select senior management. The survey will be sent to external customer participants with responsibilities in the areas of engineering, production and maintenance.

Survey Administration

The decision to administer the survey internally with your own staff or externally by hiring someone to manage the process should be based on availability of resources. If cost constraints are not an issue, the use of a third party may invoke improved customer candidness and lead to more neutral results. In particular, customers may feel more comfortable with a third party if they are dissatisfied and wish to communicate criticism.

Utilizing internal resources to administer the survey has its own benefits in addition to cost savings. Timeframes can be shortened or expanded easily. Using internal personnel communicates a caring organization. It also may ensure better understanding of the topics under discussion, leading to improved probing to clarify participants' responses, particularly if the survey is administered in-person.

Vehicle and Response Mechanism

Mail, fax, phone, in person or e-mail are all available methods to administer and collect the data. The best, most effective method depends on your target audience. For example,

purchasing agents are unlikely to take the time to respond to a mail survey. Maintenance and production participants may prefer mail or fax, while engineering and management may respond better to e-mail.

Some companies have customer service/inside sales staff conduct brief surveys while on the phone with customers. This system works best when the survey is part of the order process and utilizes the existing information structure.

Timing

When determining the best time to conduct your survey, you should keep in mind the following:

- Time of year—summer and holiday months generally have a negative impact on participation rates. Late winter, fall and spring months will improve participation rates.
- Key customer dates—avoid months of known shutdown and year-end closings.

A key part of administering the survey is setting the period of time you will leave written or faxed surveys in the field (time in field equals the estimated time for delivery and allotted time to complete the survey), which will directly determine your due date. Generally, longer surveys require more time in the field, as do mail surveys. For shorter fax surveys, a week's time may be sufficient.

If the time in the field is over two weeks, you should plan on doing a reminder one to two weeks before the due date. Keep in mind that timely responses will improve the quality of data collected and ensure you are measuring customer satisfaction with current initiatives.

Invite Participation

For mail or fax surveys, a cover letter or brief introductory paragraph that explains the survey's intent and scope and asks the participant to share their views will assist in "breaking the ice." When utilizing a phone or in-person survey, ask the customer if now is a good time, or if they would prefer to schedule a

time in the future. Do not assume that because you have reached them over the phone or had a meeting on another topic already scheduled that they have time to participate in the survey. Sample invitations are shown on pages 14-15.

Follow-up

For print surveys, whether distributed via mail or fax, reminders and/or a second distribution of the survey are an excellent way to improve your response rate. Reminders should reiterate the intent, purpose and scope of the survey. If respondents have identified themselves, those who completed the survey should be removed from the reminder list.

When sending reminders for anonymous surveys, it is important not to alienate those who have already responded. To avoid this, state at the beginning of the notice that those who have already responded should disregard the reminder.

Follow-up options include all possible channels to conduct the actual survey (i.e., mail, fax, phone or e-mail). Follow-up does not necessarily need to be via the same medium—for example, by using an e-mail reminder and mail survey, you may maximize your rate of return.

ISA Guide to Measuring Customer Satisfaction

Sample Cover Letter to Mail with Survey

Dear Customer:

Our goal is to generate 100 percent customer satisfaction. For continuous improvement, your input is needed to further our efforts to improve the quality and responsiveness of our service.

Please help us measure our performance and improve our service to you by completing and returning the enclosed survey by (date) in the self-addressed stamped envelope provided, or fax it to my attention at (fax number). If you prefer, you can complete the survey online at (web site URL).

Thank you for taking the time to complete this survey. We firmly believe that accurate and constructive feedback is an invaluable tool in helping us serve you better.

Sincerely,

Name
Title

Sample Letter to Schedule a Personal Visit

Dear Customer:

As a valued customer, your opinions are important to us. As part of our ongoing process to measure customer satisfaction, I would like to schedule a meeting to discuss ways that our company can provide you with better service.

I will contact you in the next two weeks to determine a convenient time for us to meet. We have a short, structured survey to aid us in this interview process. Once we have scheduled an appointment, I will send you a copy of the survey to review in advance. I expect our meeting to take no more than ½ hour of your time.

Feedback from customers like you is important for our company's continuous improvement efforts. I look forward to meeting with you.

Sincerely,

Name
Title

ISA Guide to Measuring Customer Satisfaction

Sample Script to Request Participation in a Phone Survey (For use at the end of a customer call to your company)

(Customer Service Representative or Inside Sales Person):

“Is there anything else I can help you with today?”

If not, then:

“Do you have a few minutes to complete a short on phone survey? There are just a few questions.”

If hesitation:

“Is now a good time for you? We use this information to measure how well we are serving you and to look for new ways to serve you.”

Do not press the customer to participate.

If customer participates:

“Thank you for participating in our survey.”

Sample Introduction to an E-mail Survey.

Dear Customer:

Our company would like to know your opinions about our performance. Attached is a brief customer satisfaction survey. Your feedback will provide guidance to help us continually improve our service. If you prefer, you can complete the survey online at (web site URL).

The survey should take only a few minutes of your time. If you have any problems completing the survey online, please contact our quality coordinator at (phone number) or (e-mail address).

We realize the value of your time and thank you in advance for your participation.

Sincerely,

Name
Title

Summarize the Results

To ensure that results from your efforts to measure customer satisfaction can be easily interpreted and acted upon, you should develop a summary of the results that:

- Explains the information collected in easy-to-understand language.
- Avoids overstatements or exaggerations.
- Compares your performance to that of your customers' best suppliers (if collected).
- Presents results in the context of the source of that information (i.e., all customers, large customers, OEM customers, etc.).
- Provides a clear picture of trends over time (if data has been collected for more than one period).

Overall, your summary should strive to highlight:

- Common issues raised by a significant number of customers, a particular group of customers (e.g., MRO versus OEM, a particular end-use industry, etc.) or your most important customers.
- Strong opinions held by a small number of customers or a single important customer.
- New issues that have not been previously mentioned.

- Changes in satisfaction levels (positive or negative) for the group as a whole and for individual customers.

Calculating the Results

It is generally useful to calculate the number of respondents who responded to a particular question and what percentage of the total they comprise. In general, people leave questions blank when the question is not important to them, they do not understand the question or none of the answers provided seem to apply to them. If a large number of survey respondents do not respond to a certain question, it may imply that the question should be rewritten and reused.

To compile data from closed-ended questions, simply count how many people selected each answer and what percentage of total respondents selected this answer. To determine an average response (on questions with a continuum of answers), assign each potential answer a numerical value, add the total and then divide by the number of answers. A sample of this calculation is shown below.

Sample Calculation of Average Response:

Question: Please rate our performance in customer service responsiveness:

Potential Response	Assigned Value		Number of Responses	Subtotal	
Excellent	5	x	4	=	20
Good	4	x	3	=	12
Fair	3	x	1	=	3
Needs Improvement	2	x	2	=	4
Poor	1	x	1	=	1
				Total	40
				Total Number of Responses	11
				Total / Total Number of Responses = Average Response	3.6 on a 5 point scale

ISA Guide to Measuring Customer Satisfaction

Using a Computer to Compile Results

Depending on the number and nature of questions in your survey, the number of people you surveyed and the resources available, you may find a computer a valuable tool in compiling the results of your survey. In most cases, you will find that a spreadsheet program (such as Microsoft Excel®) will be adequate for your purposes.

As shown in the sample below, to set up the spreadsheet, simply label each column across the top with the question numbers and each row down the side with the customer number or data label. The spreadsheet can automatically calculate key pieces of information. Formulas for various calculations are shown below in column F.

Sample Analysis Using Microsoft Excel®

	A	B	C	D	E	F
1	Sample Analysis Using Microsoft Excel®					
2						
3	<i>Where 5 = Excellent; 4 = Good; 3 = Fair; 2 = Needs Improvement; 1 = Poor; and</i>					
4	<i>blank = N/A or no answer.</i>					
5	<i>Note: For Q1e, formulas are shown for the various summary lines instead of the value.</i>					
6						
7		Q1a	Q1b	Q1c	Q1d	Q1e
8	XYZ Distributor					
9	Customer					
10	102	4	2	5	4	3
11	115	5	3	5	4	3
12	137	3	2		5	
13	158	4		4	3	4
14	200	4	4	5	5	4
15	298	5	3	4	4	3
16						
17	Total	25	14	23	25	=SUM(F10:F15)
18	No. of Resp.	6	5	5	6	=COUNT(F10:F15)
19	Average	4.2	2.8	4.6	4.2	=F17/F18
20						
21						
22	Best Supplier					
23	Customer					
24	102	5	4	5	4	5
25	115	5	5	5	5	4
26	137	4	4		5	
27	158	4		4	4	5
28	200	4	4	5	5	4
29	298	5	4	5	5	4
30						
31	Total	27	21	24	28	=SUM(F24:F29)
32	No. of Resp.	6	5	5	6	=COUNT(F24:F29)
33	Average	4.5	4.2	4.8	4.7	=F31/H32
34						
35						

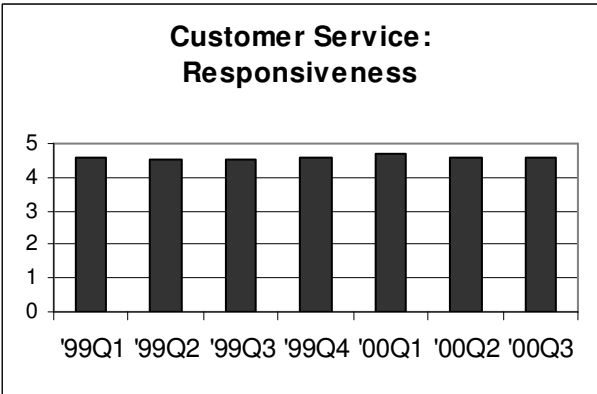
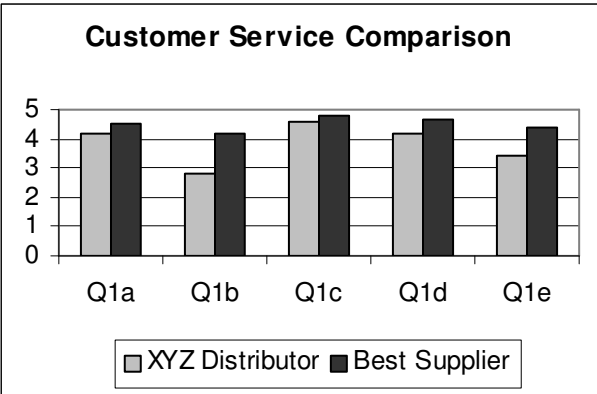
ISA Guide to Measuring Customer Satisfaction

Developing a familiarity with a database program, either one designed specifically for surveys or a more general one (such as Microsoft Access®), can be very helpful if you wish to develop cross-tabulated data. Cross-tabs are useful when you want to show the responses to one question divided into categories derived from the answers to a second question. While cross-tabs can be easily set up in Excel or another spreadsheet

program, they can be created automatically using a database program.

Using a computer to compile results also allows you to easily present information graphically. This is particularly valuable when presenting trend information on variations in customer satisfaction levels or comparing your performance ratings to that of other vendors. Samples of using graphs to present results are shown below.

Sample Graphical Presentation of Trends:



Management Review/Develop Action Items

Select Your Review Group

Who should be involved in reviewing the results and determining appropriate actions to address any identified issues? From a manufacturer perspective, options include vice president of sales, vice president of marketing, vice president of engineering, customer service manager, one or two customer service representatives and/or someone from the shipping department. From the distributor perspective, options include president, vice president of sales or sales manager, vice president of operations or customer service manager, vice president of engineering or technical manager and/or one or two customer service representatives. (Note: Titles may vary by distributor or manufacturer.)

You may also consider inviting your partners (i.e. key manufacturer-suppliers if you are a distributor or key distributors if you are a manufacturer) to participate in this process. This allows you to work together to address mutual issues and may provide support in areas where your customers have indicated they are dissatisfied with your performance. For example, if as a distributor your inside or outside salespeople are rated low on product knowledge, your key suppliers are a logical source of additional training on product selection and application.

Appropriate Use of Collected Data

Things to keep in mind when reviewing collected data:

- The purpose of the survey is to illuminate areas for improvement. This tool should be an element of whatever program is employed for continuous improvement.
- The data should point out areas where further training is needed. In some cases it may point out where discipline for variance from accepted procedures or protocols is lax.
- Do not rule out the possibility that data may uncover problem employees and may result in disciplinary action.

- Criticism from customers should be accepted in an unbiased manner. No animosity or retaliation should be directed toward customers who have expressed their honest opinions.
- Data should be compiled for benchmarking purposes. This allows you to measure future improvements.

Data should be interpreted and shared throughout your organization. Whether this is accomplished in groups or in private, the whole story should be communicated to all affected employees. If you don't understand the comments, follow up for clarification.

Complaints point out problems that need focus, but diagnosing the real issue may need additional investigation. Is the cause of a complaint the system or an individual? For instance, does a slow response to a quote mean that the quote department is overloaded? That the method for preparing quotes is too cumbersome? Or that your quote manager is not performing adequately?

Develop Action Plans

As you review the collected data, determine whether there are indications that action should be taken. Alternatively, if the data indicates that your performance is strong, the results should be used for promotional purposes. For example, "Company X delivered 98% of our orders on time" is an endorsement that could be used with other customers or in print promotions.

If a number of issues are raised by the survey, consider focusing your organization's resources and energy on one problem at a time. Deciding which issue to address first should be part of the evaluation process.

Implement programs to address weak areas. Be sure you get employee buy-in by giving employees a voice in designing the program to meet their stated objectives and goals. Share these action plans with your customers to let

ISA Guide to Measuring Customer Satisfaction

them know their comments have been heard and are being addressed.

Educate and train employees to improve performance in needed areas. Use the data to set benchmarks and evaluate training programs against subsequent surveys.

Verify if corrective measures taken in response to previous survey feedback are reflected in succeeding years' results. Focus and act to improve those ratings.

Follow-Up

Eliciting customer input during the survey process should stimulate follow-up. Having expressed genuine concern for the issue at hand, you have created an expectation of action. Your customers now expect to hear from you, and it is imperative that you fulfill this expectation.

All participating customers should be acknowledged. A brief note—either a letter, postcard or e-mail—is recommended to recognize their contribution, thank them for their input and promise future follow-up.

For the initial thank you, something as simple as the following sample postcard may be sufficient.

<p>XYZ Logo</p>
<p>Thank you for taking the time to complete our recent customer satisfaction survey. Your comments will be carefully considered by our management team as we strive to improve the service you receive. We will be in contact soon to share the results of our research.</p> <p>Sincerely,</p> <p>Name Title</p>

The second stage of follow-up is to review your company's overall performance and develop action items to address issues identified by customers. With this process you have created the perfect situation to stage a presentation of your company's strengths, which have been confirmed by your customers. Customers may not be aware of all that you offer, so it is important that you regularly inform them about what you do well. At the same time, this provides an opportunity to develop a customized presentation that addresses the specific issues important to each customer.

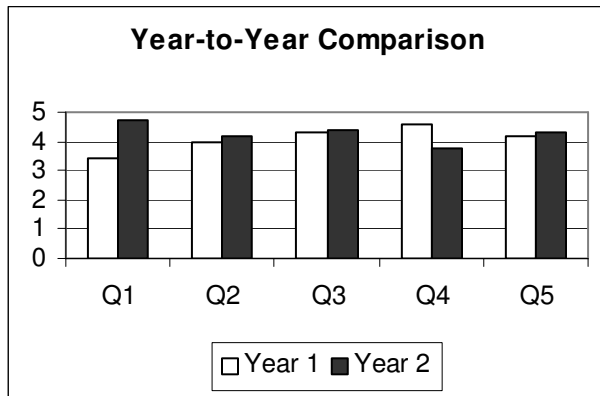
Continuing the follow-up process can be very beneficial. A planned program of continued contacts via various vehicles will serve to remind customers of your company's strengths and reinforce them. As new strengths are developed and recognized, they should be continually shared with your existing customer base and used to attract new ones. Potential vehicles to communicate the value you provide include a one-page flyer attached to your invoices, personalized letters, postcards, newsletters, phone calls or face-to-face meetings.

The data you have developed internally should be used to compare your organization with your competitors and benchmarked with known industry leaders. These comparisons can then be communicated and discussed within your own organization and used in establishing the next continuous improvement initiatives. If the "Best Suppliers" referenced on any surveys are non-competing companies, they may be open to discussing their business practices with you.

Collect Data as an Ongoing Process

In order to measure any changes in customer satisfaction, you should plan to survey your customers as an ongoing process. Surveys tracked over time may note improvement or decline in customer satisfaction. By tracking over multiple periods, you can compare results for each question. This allows you to document the success of any improvement actions taken and also helps identify any remaining or new potential problem areas.

The following chart is an example of how you could compare data from two different periods for closed-end questions used with a 5-point scale.



In the above graph, question 1 (Q1) shows a significant improvement in the second year results over the first year. This improvement may be a result of actions taken after the year 1 survey. Question 4 shows a decrease in year 2. A new policy or program may not have been well received. Perhaps there is a quality problem. What changed since last year? Action items may be required to get things back on track.

You should maintain a consistent survey format and set of questions from period to period. This will allow you to compare the results over time. If you use a rating scale with your survey, you should maintain the rating scale. If you change the scale, it will be difficult to compare results from prior periods.

Survey formats and questions should be reviewed periodically to assure that they are still appropriate. Customer needs may change. You want to make sure you are still measuring what is important to your customer.

If you add questions each survey period, review existing questions and see if any should be kept growing. You do not want your survey to keep growing. By keeping your survey short and easy to use, you increase your chances of response.

A core group of survey questions should remain constant from year-to-year so you have a basis for comparison. However, a section on the survey may change every period to allow you to ask questions about the latest trends or new programs or products.

Part of developing your ongoing program is the determination of the frequency for conducting surveys. Should you survey your customers once a year? Twice a year? Should you survey every other year?

Strike a balance between surveying too often and overburdening your customers and surveying often enough that the results from one period to the next are comparable. If you survey only once every five years, you may not be able to identify what caused any improvements or declines in satisfaction since too much has happened between the periods. You should also keep in mind the burden placed on your staff when determining a survey schedule.

You may want to break down your population and conduct surveys by geographic regions or by customer groups. You may choose to survey Region 1 during the first quarter, Region 2 in the second quarter, and so on. This may reduce the strain on your resources by allowing you to spread out the workload. If you space out your surveys during the year by using different target groups, consider results in the context of any changes you made that may

ISA Guide to Measuring Customer Satisfaction

have affected your results (i.e., new programs, policy changes, quality issues, etc.). Results may vary significantly between regions if a change has occurred between the survey dates.

You should use a constant population from period to period for your surveys. Using the same population each survey period allows for a better comparison. If you change your population, the value of your comparison is at risk. You may show improvements or declines when nothing has changed but the group surveyed. If you did affect satisfaction between the periods, you will not be able to show the changes.

You may choose to survey groups of customers on a rotating basis that allows you to survey

each customer after several survey periods. Keep the groups separate for comparison purposes. You may choose to focus on a specific group of customers for each survey period and rotate other customer groups over several periods. For example, you may choose to survey strategic customers on an annual basis and non-strategic OEMs and MROs customers in alternate years.

Adopting an ongoing process for measuring customer satisfaction is critical. If you measure customer satisfaction once, you only know how the customer felt at a given time. If you measure it over time, you now know whether you have been able to affect customer satisfaction through your actions.

Notes