

# The Customer Service Assessment



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## Gaining Competitive Advantage

Service has never been more important - or difficult - to deliver in a meaningful way

- Customer satisfaction and loyalty are linked to financial performance
- Higher levels of satisfaction are related to positive customer behavior
- The link however is not a straight line but more like an "S" curve with two points of inflection. The steepness of the curve at these 2 points indicates that these are where the greatest gains are made.

# The Service Curve

## Customer Loyalty

Higher levels of satisfaction are related to positive customer behavior

- Come back more often
- Tell others
- Spend more money
- Rate service higher



Customer Satisfaction

# The Service Curve

## Customer Loyalty



# Does Customer Service Pay Off?

- There is a strong link between customer service and positive customer behavior
  - Companies that reported losing customers due to dissatisfaction with service had an average score of 30
  - Companies that described customers as enthusiastic fans had an average score of 72

# Does Customer Service Pay Off?

- Customer Service also relates strongly to a companies image in the market
  - Companies that reported a variable reputation had an average score of 37
  - Companies that customers associate with unique and satisfying experiences had an average score of 66

# Does Customer Service Pay Off?

- Customer Service linked directly to the bottom line
  - Companies that reported mixed or disappointing results had an average Service score of 47
  - Companies that reported consistently exceeding their targets had an average score of 64

# Research Behind the Assessment

- Validated by surveying 250 managers & executives from a cross section of companies and industries
  - Included; financial services, manufacturing, high technology, retail
  - Average company size; 15,000 employees and \$1 billion in annual revenue
  - Respondents completed the survey then also rated their company's results in terms of customer satisfaction, market reputation and financial performance



# Research Behind the Assessment

- Statistical analysis performed to determine how well the Service Assessment predicted these results
  - Each of 12 questions highly related to customer satisfaction, market reputation and financial performance
  - The scoring was determined by assigning points to each question based on how strongly it relates to results, then creating a summary score that represents a position on the service curve

# Interpreting The Service Score

0 - 34	Customer service is random
35 – 59	Customer experience is somewhat predictable
60 – 79	Customer experience is highly predictable
80 – 98	Customer experience is differentiated