

J.D. Power Knows How to Drive Satisfaction

If you had the bucks to improve customer satisfaction, where would you spend it?

By Bryan Rader ■ *MediaWorks*

J.D. Powers and Associates managers recently made the remark that “if your company understands the link between customer satisfaction and profits, you are already 90 percent of the way toward success.” In its new book, called “Satisfaction,” J.D. Powers management makes the case that many companies get it, and many do not.

Staples, Enterprise Rent-A-Car, and Jet-Blue get it. Sears, GM and Adelphia Cable do not.

You are probably thinking what I was just thinking when I read this book. “I want to be part of the group of companies that get it, not the ones that don’t.”

In every analysis J.D. Powers reports, there is a distinct relationship between satisfaction and shareholder value. Companies that see their ratings go up also experience improvement in their overall bottom line. And companies that go in the other direction in terms of satisfaction see their valuations decline.

Pretty simple stuff, right? Keep ‘em happy, make more money.

What do Customers Want?

Sure sounds easy. But suppose you had a fresh million dollars right now to improve customer satisfaction dramatically within 90 days. How would you spend it? Where would you allocate resources? What would you do differently that would drive better results, increase satisfaction and ultimately improve your net income?

The key to answering that question, according to J.D. Powers, is this: Companies must learn to look at how customer behavior will be altered by change in products, processes, or policies. Companies must analyze the return on investment of any customer satisfaction initiative before getting started. For instance, what is the optional wait time

for a customer in a call center, the optional number of expanded basic channels, or the length of time to be installed for new service?

The process to determine the answer isn’t too difficult, according to the J.D. Powers experts. It requires companies to look at things in a different manner. J.D. Powers suggests that companies need to determine how a change will impact the way customers *feel* about your product (measured in terms of customer satisfaction), and how the resulting change in satisfaction will impact how your customers *behave* (loyalty, word of mouth, and so forth).

Finding the Touchpoints

Some improvements may have minimal positive impact on customer satisfaction, while others can be dramatic. The key is to understand each of the “touchpoints” in our industry and which ones are most likely to move the satisfaction needle if we allocate resources to improve that touchpoint.

In our market, we may consider touchpoints to be hold time with our call-center, length of time to wait to be installed, the size of the schedule window, or the number of programming packages we may make available. And we’d better understand which element we want to improve before we spend a million bucks improving the wrong touchpoint.

J.D. Powers speaks about a company that spent millions to reduce customer hold-time from 90 seconds to 30 seconds, and customers didn’t care. They were willing to accept a 90 second hold time. What if the money had gone toward things customers cared about?

And J.D. Powers spoke about a plumbing contractor who realized the key touchpoint in his industry was having clean, well-mannered, smelling-good plumbers you were

comfortable inviting into your home. He spent his resources to hire the right people and to check daily to be sure his plumbers were properly dressed and cleaned. His customer satisfaction soared, and so did his profits.

My company has conducted customer satisfaction measurement twice a year for many years. The data has always given us good indicators of where to place resources to improve “touchpoints.” Some of the keys in our business include the following:

- The ease of signing up for service.
- The amount of time to wait for service.
- A solution to the customer not at home for the install.
- Access to customer care to report a problem, pay a bill, or check a balance.

Reliability, quick problem resolution and programming choices are also important.

One touchpoint we have focused on in my company is support for the on-site management staff. The staff members can go a long way in assisting your efforts toward improving customer satisfaction. And if we had an extra million dollars to invest in one area, that is certainly a spot I would look at closely. The return on investment can be worth the effort.

What about you? What do you think J.D. Powers would say? What touchpoint would you pay to improve with a million bucks?

In an industry that talks a lot about technology, we should also pay close attention to other touchpoints that really drive satisfaction. **BBP**

About the Author

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