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business-to-business research

Satisfaction in action

Pitney Bowes places a premium on soliciting and acting on customer feedback

In the business-to-business realm, how a vendor or technology provider measures customer satisfaction says a lot about how it will deliver satisfaction going forward. By learning more about a firm's approach to capturing and managing customer feedback, buyers can gain insight into the level of satisfaction they may expect after becoming a client.

Leaders in this discipline, including Pitney Bowes - a \$5.6 billion company based in Stamford, Conn., that provides software, hardware and services that integrate physical and digital communications channels - employ dedicated resources to measure customer satisfaction.

As a large and diverse company, Pitney Bowes does not use a one-size-fits-all approach. Customer satisfaction measurement programs are built, designed and managed around the distinct needs of customers. For instance, some divisions within the firm provide high-end, integrated multimillion-dollar systems and services. Here, dedicated sales and service executives may have close relationships with a few hundred enterprise-level accounts.

From a Pitney Bowes perspective, every single customer is vital to the organization's success. The company has in-depth conversations with multiple people in an organization to dig deep and understand their needs and concerns.

For example, monthly in-depth telephone surveys with multiple contacts at each customer company explore sales support, machine performance, response time, satisfaction with service reps, ease of doing business and overall satisfaction.

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snapshot

Using the practices of Pitney Bowes as examples, the authors argue that buyers of business-to-business products and services can learn a lot about a vendor by examining how it measures customer satisfaction.

If customers report that they are merely satisfied, service managers have three days to resolve problems and develop an action plan to make customers happy.

Managers review satisfaction results each week and analytic teams look for trends by region, sales rep, models, etc., to drive strategies and new programs. Reports track satisfaction but, more importantly, help uncover what drives satisfaction.

The goal is to talk about specifics but also to explore whether they would recommend Pitney Bowes and how it ranks among their most trusted providers. If Pitney Bowes is not the absolute best, it wants to find out what it needs to do to excel in their eyes.

Dramatic increase

Since reengineering its measurement program several years ago, Pitney Bowes has seen a dramatic increase

in customer satisfaction and business performance. Today, 86 percent of customers report that they are very satisfied and 96 percent of customers would recommend Pitney Bowes.

Other divisions within Pitney Bowes provide desktop applications to millions of customers who conduct millions of transactions every day. "Many of our customers purchase technology online and never actually meet with a Pitney Bowes representative, so we needed to build a robust mechanism that made it easy for us to capture, hear and analyze customer concerns," says Gael Lundeen, vice president of customer experience for Pitney Bowes.

Highlights of this measurement program include:

- Monthly e-mail surveys that focus on 20 critical customer-facing processes. Over the past 16 months, more than 180,000

customer satisfaction surveys have been completed.

- If any customer reports that they are dissatisfied, the appropriate business units are alerted, respond and are required to report results.
- As part of the survey process, customers are also asked to contribute ideas and suggestions. To date, 25 percent of customers have responded, which has led to 44,000 new ideas.

Constantly search

Vendors like Pitney Bowes constantly search for new ways to exceed expectations and act upon the insights they collect. They understand that there are limited pools of potential customers and that satisfaction, loyalty and purchase behavior are closely aligned. These technology providers measure satisfaction on many levels and don't try to rationalize poor service scores.



Above all, they measure satisfaction for the purpose of improving the overall customer experience.

For those in business-to-business markets, the ability to identify one of these top performers before signing a technology contract is an essential skill.

In simplest terms, taking a moment to ask who, what, when, how and why can help distill the players from the posers on the customer satisfaction measurement front.

Who: When it comes to customer satisfaction, whose opinion matters?

A best-in-class measurement program will solicit feedback from more than one individual in a company. For prospective buyers, the “who” question offers a quick way to assess whether a vendor understands the nuances of a business relationship.

Measuring satisfaction in business-to-business situations is more complex than consumer technology because there are multiple stakeholders. Companies that are serious about measuring customer satisfaction will gain feedback from multiple levels:

Users work with the technology on a daily basis. Their feedback is important for vendors when it comes to monitoring ease of use, system performance and overall employee productivity.

Project managers are responsible for installation, vendor management and end results. Their input can help shape how relationships are managed and are critical to overall satisfaction.

Business heads and executives look more at the big picture. Their observations help uncover ways to improve the long-term return on investment.

What: When it comes to customer satisfaction, what does the vendor actually measure?

When a company says “90 percent of our customers are satisfied” what exactly does that mean? Actually, leading technology vendors do not measure whether or not a customer is satisfied. They only care about whether a customer is very satisfied.

While surveys and feedback mechanisms vary from company to

company, most employ a sliding scale that runs from very satisfied, satisfied and somewhat satisfied down to neutral, somewhat dissatisfied, dissatisfied and very dissatisfied. Buyers should be wary of providers who cite anything other than top-box statistics.

In many countries, including the United States, “satisfaction” is akin to cultural politeness. When a customer claims they are satisfied or somewhat satisfied, that often means there are underlying issues with the vendor that have yet to be addressed.

“Very satisfied” is the gold standard. While few companies will be able to cite numbers in the 90+ percent range when using this scale, it says a lot when vendors set this as the goal. Companies that measure themselves against this top-box standard are more likely to find ways to delight their customers over time. Another variation of the “very satisfied” measurement is a “net sat” score. Here, companies take the number of customers who are very satisfied and subtract anyone dissatisfied or very dissatisfied.

Vendors who measure customer satisfaction well dig much deeper than a single question. The specific questions a company asks will depend on the type of technology and the businesses they serve. In general, four aspects of customer satisfaction are consistent across all technology vendors: sales and sales relationship; service and service support; technology performance; and ease of doing business. It is appropriate to ask a prospective vendor how they measure satisfaction across each of these four aspects.

When: How often does a vendor measure customer satisfaction?

To be successful, a customer satisfaction measurement program needs to be ongoing, a best practice that is often misperceived. Requesting feedback from customers once a year is not enough for anyone looking to improve business processes.

Given the critical nature of technology, software and systems need to demonstrate success in the eyes of a customer every day. Business needs and market conditions may

change quickly, which is why many vendors conduct satisfaction surveys on a monthly basis.

How: How exactly do you measure and manage customer satisfaction?

When a vendor claims that their customers are highly satisfied, it makes sense to question how it has come to that conclusion. There are several valid approaches to surveying customers, so buyers will have to use judgment to assess whether the survey mechanisms make sense given the technology in question.

For mass-marketed business technologies that perform a limited number of functions, it is possible that customers do not have a specific sales or account representative. Organizations may interact with the vendor remotely, via customer care centers, correspondence and the Web. In such cases, Web and e-mail surveys are effective. Questions should measure satisfaction across different touchpoints and should always include a section to capture verbatim responses.

When it comes to specialized, high-tech, big-budget systems, however, it makes sense to go deeper than a simple check-box survey. Here, vendors are more likely to employ methods that provide opportunities for in-depth dialogue, such as telephone or face-to-face surveys.

Some people question whether customer satisfaction surveys should be conducted in-house or outsourced to a third party. In general, outsourcing does not indicate a lack of commitment. Third-party survey specialists often employ the newest technologies and customers may also feel more comfortable providing honest feedback to a third party. In-house programs can also be effective at measuring satisfaction as long as the department conducting the surveys is not the same team responsible for delivering the service.

Whether surveys are conducted in-house or outsourced, your vendor of choice should have a person or team in place to manage customer satisfaction measurement. With centrally-managed programs, ven-

dors can look at satisfaction from beginning to end. They can also coordinate when and how surveys are fielded to ensure that each customer is never oversurveyed.

Why: Why exactly do you measure customer satisfaction?

There is one main reason vendors should measure customer satisfaction: to identify gaps and improve overall service delivery.

Be cautious of any technology provider that surveys customers solely for the sake of publishing a number or issuing a report. Companies that excel in customer satisfaction look to improve future performance and not only to record past results. As a buyer, the key is to learn what vendors do with the information they receive. Do they monitor results? How do they act upon them?

Within top companies, action teams respond immediately to any customer who is not satisfied. These teams or individuals will take responsibility and own the problem

- and the solution. Instead of managing numbers, leading technology providers look for ways to manage customer needs.

Firms that are serious about customer satisfaction don't bother asking questions unless they have infrastructure in place to take action. Surveys and systems are designed so that the information gathered is actionable; and senior management will be involved in review and planning sessions.

In many ways, learning the who, what, when, how and why of customer satisfaction processes may provide more important insights than any statistics. Organizations that set aggressive goals, acknowledge shortfalls and have a plan in place to address issues may be more responsive than those who have no formal plans.

Go a long way

When organizations procure new technology, they also enter into a relationship with a technology provider. Often, the success of that

relationship will go a long way in determining whether the actual software or systems deliver as promised.

Satisfaction with technology goes far beyond system capabilities. Do sales representatives listen, care and understand? How does the company handle upgrades? Can the customer reach the right person if there is a problem? Are billing statements clear and accurate? Understanding how a technology provider measures and manages customer satisfaction can provide insight into how it delivers service on a day-to-day basis.

Act upon the information

Best-in-class vendors like Pitney Bowes regularly solicit feedback from customers and act upon the information they receive to rapidly resolve customer issues. For buyers of business-to-business products and services, taking the time to learn more about the who, what, when, how and why of a prospective vendor's approach to customer satisfaction can lead to smarter, more informed purchase decisions. | Q