Navigating the Alphabet Soup of Survey Methodologies

By David Jackson,
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Life used to be simple. People charged with implementing customer feedback programs had one focus for their surveys: customer satisfaction. Today, however, we are faced with an ever-growing plethora of survey methodologies -- an alphabet soup of methodologies. Many of the approaches are proprietary; their owners make claims and counter-claims about which is the best.

But which one is right for your business? That's not an easy question to answer, but in this paper I will give a brief description and a comment on each in the hope of helping you make the right choice. To avoid any suggestion of bias, I have listed them alphabetically.

American Customer Satisfaction Index (ACSI)

ACSI, a cross-industry benchmark of customer satisfaction with data on hundreds of US companies, was first used in 1994. A version - the National Customer Satisfaction Index (NCSI-UK) - operates in the UK. National and industry benchmarks are published quarterly. ACSI conducts the surveys for you; there is no choice in the content of the surveys. The index itself is a weighted calculation of three questions within the survey:

- **Overall satisfaction:** Very dissatisfied - Very satisfied
- **Meets expectations:** Falls short of expectations - Exceeds expectations
- **Comparison to an ideal:** Not very close to the ideal - Very close to the ideal

The weightings differ across industries and the calculation is proprietary.
ACSI is good for companies that value comprehensive benchmarking. The company behind the ACSI offers bespoke survey services.

Customer Effort Score (CES)

CES is predicated on four findings from research undertaken by the Corporate Executive Board (CEB), the company behind and owning the methodology, into the impact of customer service on customer loyalty:

- **Delight doesn't pay:** exceeding expectations generates virtually no additional loyalty compared with customers where expectations are met.
- **Satisfaction is not a predictor of loyalty:** the research showed only a weak relationship between a customer's satisfaction and their future loyalty.
- **Service interactions drive disloyalty:** a customer service interaction is four times more likely to drive disloyalty than to drive loyalty.
- **Reducing customer effort is the key:** minimizing the effort a customer has to make is the best way to minimize disloyalty.

CES seeks to gain a customer perspective with the question, "The company made it easy for me to handle my issue" using a seven point 'Strongly Disagree - Strongly Agree' scale. Additional questions can be used to identify the sources of high-effort scores.

UK telecoms provider BT has adapted the CES question into an approach they call Net Easy. They use the question, "Overall, how easy was it to get the help you wanted today?" They also calculate a net score by subtracting the bottom three scores from the top two, in the style of NPS.

CES is designed primarily for service transactions, although CEB argues that it can be applied to other areas. They also suggest it is used alongside other feedback metrics. The approach CEB developed focuses on how to make it easy for customers to do business with a company; the score is just one element of this.

Customer Experience Index (CXi)
CXi is a technique developed by analysts at Forrester Research as an annual benchmarking program and is therefore similar in concept to ACSI. The survey is carried out by Forrester on companies they select in 14 industries.

The core of the survey is two sets of questions, both using a five point scale. The first set addresses the quality of the customer experience:

- How effective were they at meeting your needs?
- How easy were they to do business with?
- How enjoyable were they to do business with?

These are supplemented with additional questions testing other industry specific experience attributes.

Forrester also uses a net scoring method: top two minus bottom two scores.

The second set of questions examines customer loyalty, asking:

- Willingness to consider the company for another purchase
- Likelihood to switch business to a competitor
- Likelihood to recommend to a friend or colleague

Correlations between the two sets can be used to identify which attributes have the greatest impact on loyalty.

The benchmarks are very US-centric with a greater representation of online businesses.

Customer Satisfaction (CSat)

I have included this although, unlike the others, it is not a tightly defined methodology. There are however more surveys using customer satisfaction as a measure than any of the others.

The question most people use is: "Overall, how satisfied are you with [Company]? This question is almost always part of a wider survey testing key attributes of the customer experience.

Net Promoter Score® (NPS®)

The most widely known survey method, NPS, has attracted attention because of its simplicity and claimed links to financial performance. There is no doubt that the NPS movement has been instrumental in the wider adoption of strategies that focus on the customer.

The purist approach to NPS suggests a two-question survey:

- How likely are you to recommend [Company] to a friend or colleague? Zero to 10 scale
- Why did you give that score?

The responses to the first question are then allocated to a category:

- **Zero to six:** Detractor
- **Seven or eight:** Passive
- **Nine or 10:** Promoter

The Net Promoter Score is calculated as follows:

NPS = % Promoters - % Detractors

Supporters of NPS point to its simplicity and the claimed relationship with financial performance. The original Harvard Business Review article's title made the bold claim: "The one number you need to grow." Its detractors (no pun intended) question the research, pointing out that others have been unable to replicate the results and that businesses and customers are too complex to be boiled down to a single number. There are also claims that a net approach is no more accurate or reliable than a simple mean average.

RAPid Loyalty (RAPID)

Loyalty is a multi-faceted phenomenon and cannot be measured in one dimension only. That is the basis of the approach developed by survey and big data specialist Bob Hayes of TCE Lab and Business Over Broadway.

RAPid measures three dimensions of loyalty:

- **Retention Loyalty Index (RLI):** Degree to which customers will remain as customers or not leave to competitors
- **Advocacy Loyalty Index (ALI):** Degree to which customers feel positively toward/will advocate your product/service/brand
- **Purchasing Loyalty Index (PLI):** Degree to which customers will increase their purchasing behavior

Hayes' data suggests that each index relates to a driver of financial performance. Retention is a driver of churn, advocacy of new customer growth, and purchasing of average revenue per customer.

RAPid questions can be built into surveys with other, additional questions testing experience attributes specific to the needs of that business.

The developer of this approach is research driven and, unlike some, is transparent with the research and underpinning data.

SERVQUAL/RATER
This may be the grandfather of published survey methodology, originally published in 1985. The approach is based on identifying the gaps between customer expectations and performance (as measured by satisfaction) in five areas:

- **Reliability:** Consistent and dependable delivery of the experience
- **Assurance:** The ability of staff to build confidence and trust in customers
- **Tangibles:** The quality of facilities, materials used
- **Empathy:** Understanding each customer and providing individualized service
- **Responsiveness:** Responding to and helping customers

The survey generates a measure of five gaps between expectations and performance. These gaps are between:

- Company and customer perceptions of what is important in the experience
- The designed experience and how the company is set up to deliver it
- The designed experience and what customers experience
- What is communicated to customers and what customers experience
- What customers expect and what they experience

The method is based in service quality, an adaptation of the measurement of quality in manufacturing businesses. Some believe the factors are dated compared with some of the more recent methods. While that may be valid, the five gaps provide a useful framework for assessing where improvements are needed.

Word of Mouth Index℠ (WoMI℠)

The most recent arrival in the alphabet soup bowl, WoMI, is a derivative of NPS. Its developers ForeSee, claim that NPS overstates detractors by applying arbitrary boundaries on the definitions of promoters, passives, and detractors. WoMI℠ claims to address this by asking "How likely are you to discourage others from doing business with this company?" in addition to willingness to recommend. Both questions are asked on a zero to 10 scale. Respondents scoring nine or 10 on the recommend question are called True Promoters® and those scoring nine or 10 on the willingness to discourage called True Detractors®.

WoMI℠ is calculated as follows:

WoMI℠ = % True Promoters® - % True Detractors®

I believe there is an inherent contradiction in WoMI. ForeSee claims that NPS is flawed because *""detractors" do not always detract, and "promoters" do not always promote.*" It then goes on to label True Promoters® and True Detractors® in a similar arbitrary way. I am aware of a number of companies that have analyzed their own feedback and can show that customers scoring seven upwards actually have recommended the company.

Our view

An hour spent researching survey methodologies will quickly uncover claim and counter-claim proclaiming each methodology being the better than the others. It brings to mind a saying I like: "Question: What's the difference between a terrorist and a methodologist? Answer: You can negotiate with a terrorist!"

Here are a few things learned while compiling this paper, summed up in some of my other favorite quotations.

- **"It is often easier for the world to believe a simple lie than a complex truth."**
  -- Alexis de Toqueville

  Customers and business are a complex and inter-connected web of factors. Simplicity, while elegant is not always right and complex systems can rarely be understood with single measures.

- **"Lies, damned lies and statistics."**
  -- Mark Twain

  Don't take what is said for granted. Test the supplier's claims and ask them to share the underlying data and calculations. For example, there is research that shows that a mean score is just as good as net score and that satisfaction is as good a predictor as advocacy. Build and test your own hypotheses
  .

- **"For every complex problem there is an answer that is clear, simple and wrong."**
  -- HL Menken

  If customer focus and loyalty are important, they deserve a well-thought and considered approach, not an off-the-shelf solution. Even the best models are generic and do not reflect the intricacies of your business.

- **"Build a better mousetrap and the world will beat a path to your door."**
  -- Ralph Waldo Emerson

  There is no doubt that while they have some merit, many of the methodologies are developed as a means of capturing market share. Whether all of them give <u>you</u> an edge in your market is questionable.

- **"If you can't explain it to a six year old, you don't understand it yourself."**
  -- Albert Einstein

  In our experience, there is evidence of a correlation between the ease with which a metric is understood and the level of adoption and acceptance. Overly complex methods are likely to fail because people are at best skeptical and at worst forcefully resistant.

At Clicktools, we are methodology agnostic, focusing instead on what is right for each customer. We can implement any methodology or help you design an approach that is best for you.

Rather than devising a new acronym for the survey alphabet soup, we have developed a feedback design framework built around eight simple but searching questions:

Question	Deliverable
What are the main touchpoints on our customer journey?	Customer journey map
At each touchpoint, what matters most to the customer?	Content for your surveys
Which channels do customers want to use at this touchpoint?	Feedback channels required
What do we need to do to deliver a winning customer experience?	Designed customer experience
What internal measures help us measure our performance at this touchpoint?	Customer journey scorecard
Who needs what data do to what?	Reporting requirements
How do we follow up to improve customer experience?	Insight into action processes at different levels
How does feedback relate to financial and process measures?	Integration data structures

Hopefully, this gives you a basic foundation to do more research and select the approach that best benefits your customers and your company. As mentioned above, we are comfortable working with you within the context of any of these methodologies or we can help you design an approach that supports your organization's processes, systems, and goals.

About David Jackson

David Jackson is founder and CEO of Clicktools. He developed the Excellence in Customer Experience assessment framework and is widely recognized as an expert in the area of customer focused organizations. Much of his time is spent with clients, working with senior managers to design and implement effective feedback measurement and management strategies to build organizations that can continually adapt to meet changing customer needs. David is a popular speaker around the world. He has published countless articles and is the author of several books, including "Dynamic Organisations: The Challenge of Change" and "Becoming Dynamic."

About Clicktools

Clicktools develops cloud applications that integrate with CRM to help businesses better understand and serve their customers. Since 2001, companies have relied on Clicktools' flagship offering, SURVE, the premium survey software for business, to integrate customer feedback in CRM. Syncfrog, Clicktools' low-cost, intelligent data loader, empowers non-technical users to centralize data from multiple cloud applications. Clicktools is owned by Callidus Software Inc. (NASDAQ: CALD), which operates as CallidusCloud®, the leading provider of sales and marketing effectiveness software.