



Metric of the Month: Customer Satisfaction

By Jeff Rumburg

Every month, in the Industry Insider, I highlight one key performance indicator (KPI) for the service desk or desktop support. I define the KPI, provide recent benchmarking data for the metric, and discuss key correlations and cause/effect relationships for the metric. The purpose of the column is to familiarize you with the KPIs that really matter to your support organization, and to provide actionable insight on how to leverage these KPIs to improve your performance.

Customer Satisfaction

Customer satisfaction is the percentage of customers that are either satisfied or very satisfied with the quality of support they receive. It is equally applicable to the service desk and desktop support, and is the single most important measure of quality for a support organization. In this article we will use service desk examples and benchmarking data, but the principles discussed apply equally to desktop support.

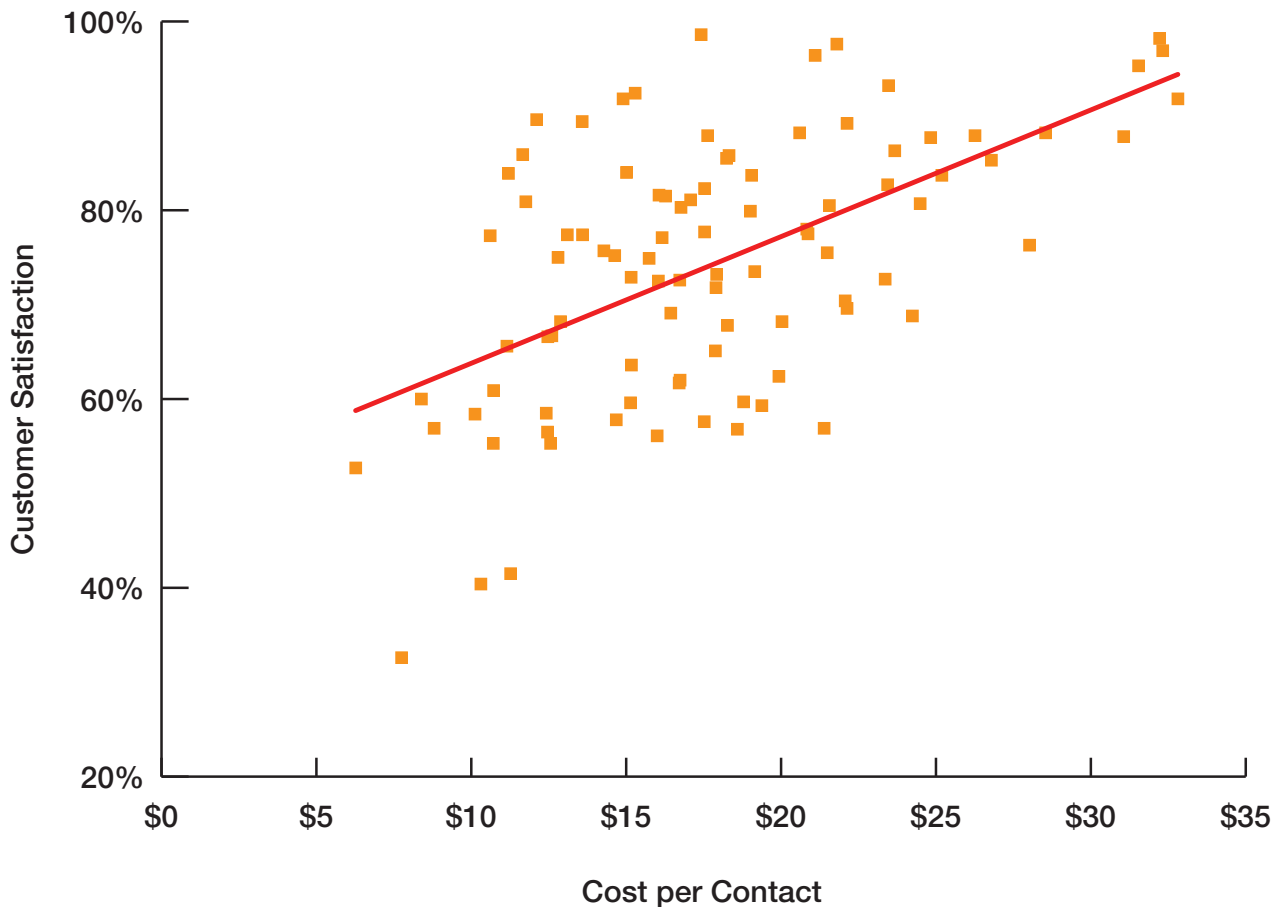
Why It's Important: Cost vs. Quality

Any discussion of customer satisfaction must take place in the context of cost. Customer satisfaction and cost per contact are the yin and yang of a service organization. These metrics are in constant tension, and every service organization grapples with how to strike an appropriate balance between the two. With no restraints on spending, it is relatively easy for a service desk to “spend its way” to high customer satisfaction. Conversely, if customer satisfaction is not an issue, a service desk can reduce its costs almost indefinitely.

Every support organization does, of course, operate with both spending limitations and quality standards. The objective, therefore, is to achieve the highest possible quality within the budgetary constraints placed on an organization. Some service desks that operate under severe budgetary restrictions are doing quite well when they achieve a 75 percent customer satisfaction score. By contrast, a service desk with a relatively generous budget that achieves an 85 percent customer satisfaction score may not be doing so well, despite having a higher absolute customer satisfaction score. The point is that cost matters, and customer satisfaction must be interpreted in light of the spending constraints a service desk operates under.

Figure 1 illustrates the relationship between customer satisfaction and cost per contact for a representative cross-section of global service desks. The tradeoff between cost and quality is apparent, but at any given spending level the more effective support organizations are able to achieve higher levels of customer satisfaction.

Figure 1: Cost per Contact vs. Customer Satisfaction



Cost per contact and customer satisfaction are often referred to as the foundation metrics of support because everything boils down to these two metrics. This insight is both enlightening and liberating. Management decisions can be greatly simplified by answering these two questions: Will it reduce cost? Will it improve customer satisfaction?

How It's Measured

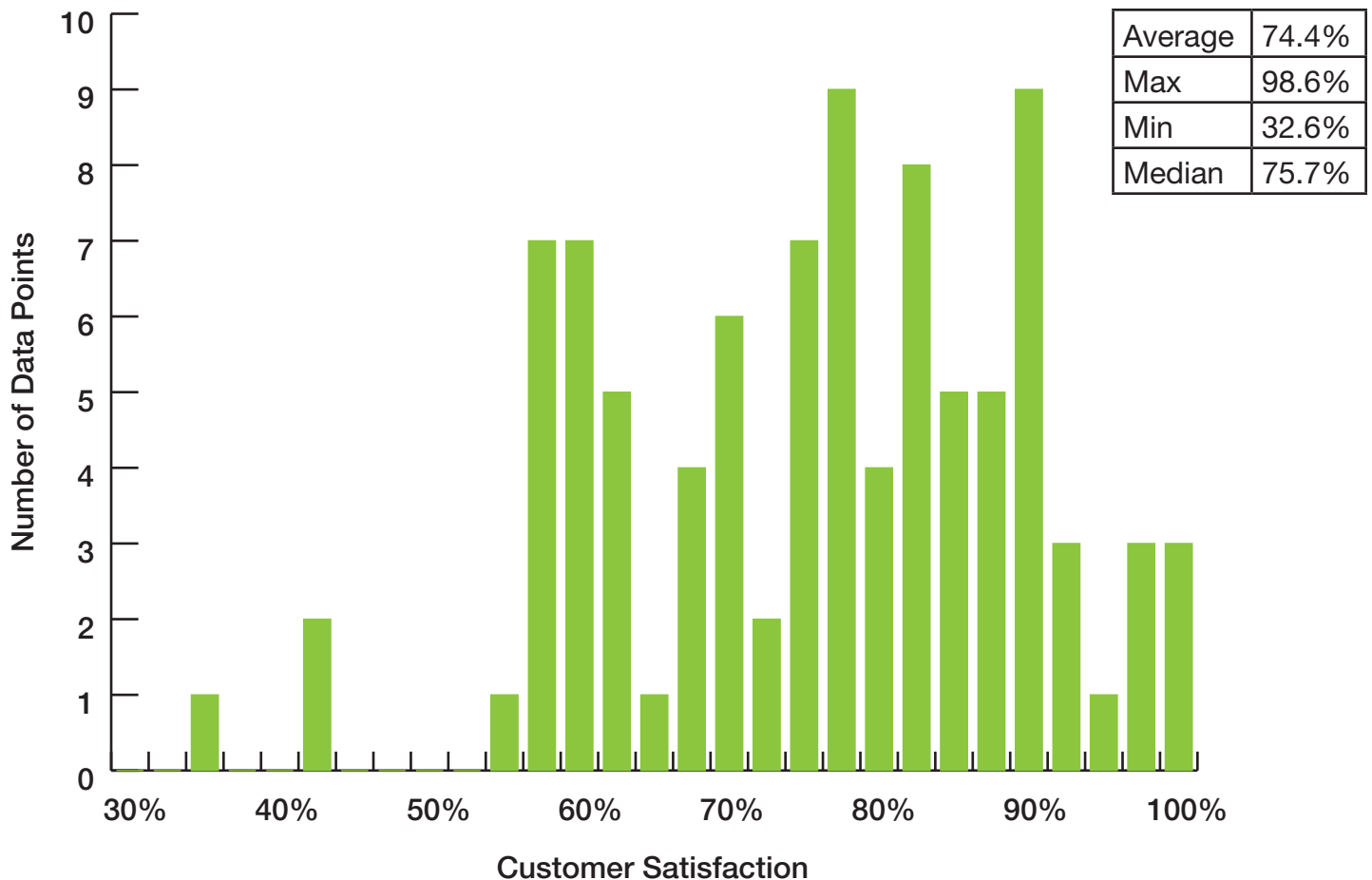
There are almost as many different ways to measure customer satisfaction as there are service desks that track the metric. I have seen surveys that contain as few as one question and as many as forty. I have seen multiple choice, fill-in-the-blank, and interview-style surveys. I have seen scoring systems that offer as few as two choices per question and as many as twelve. The result is that customer satisfaction has the greatest variability of any metric in the service desk.

When you think about the number of different survey questions, survey types, scoring scales, and survey populations, it is easy to understand why survey bias and invalid survey methodologies are so common in the industry. HDI's **Customer Satisfaction Index** has addressed this shortcoming, and presents a valid, standardized approach to measuring customer satisfaction for all support organizations.

Benchmarking Data for Customer Satisfaction

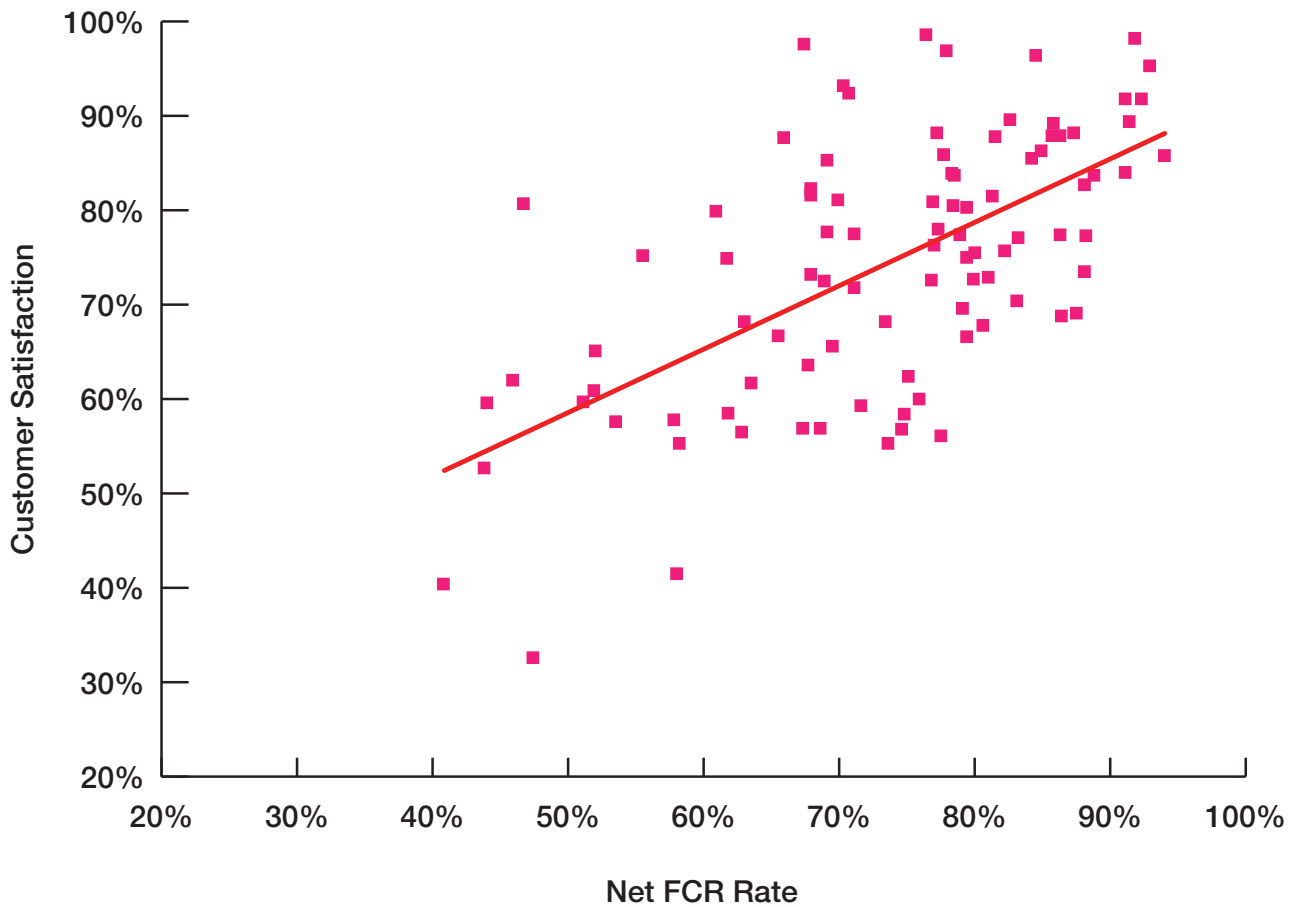
Industry data from MetricNet's global benchmarking database shows that the average customer satisfaction is 74.4 percent, but ranges widely, from a high of 98.6 percent to a low of 32.6 percent.

Figure 2: Industry Benchmarks for Customer Satisfaction



Finally, it is worth pointing out, as we did in the August 2011 Metric of the Month, that the biggest driver of customer satisfaction is first contact resolution, as shown in Figure 3. The implication is that the surest way to improve customer satisfaction is to increase the first contact resolution rate.

Figure 3: First Contact Resolution vs. Customer Satisfaction



Please join us for next month's Metric of the Month, **mean time to resolve**, one of the key drivers of customer satisfaction for desktop support.

Jeff Rumburg is a managing partner and cofounder of MetricNet, LLC, the leading source of service desk and desktop support benchmarks for IT service professionals worldwide.