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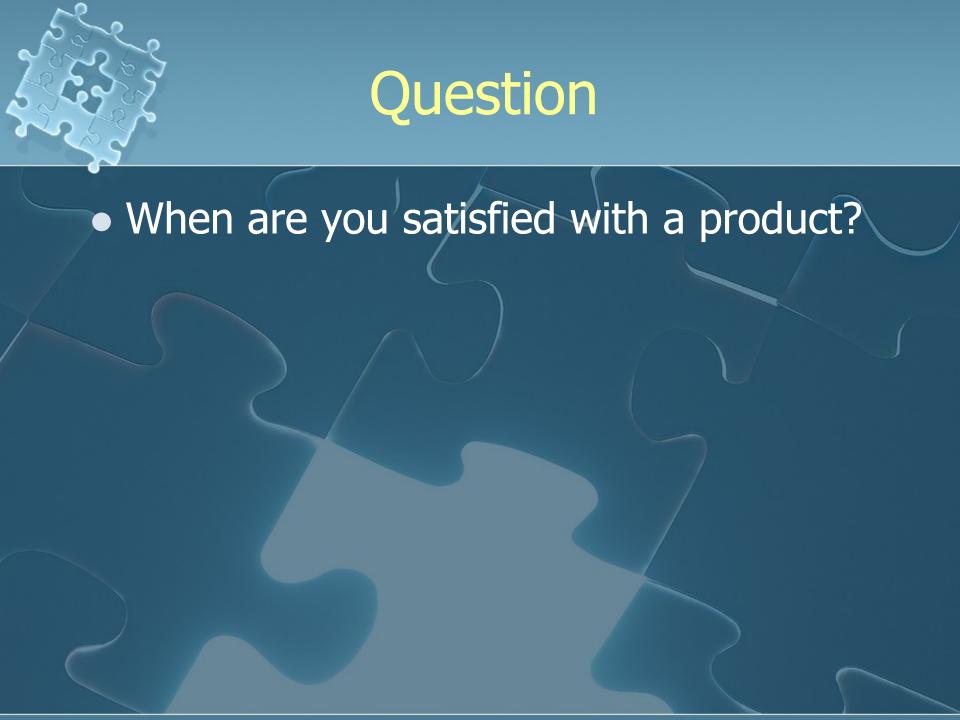
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Marketing for Lawyers

Measuring of clients satisfaction, strengthen client loyalty

Lesson 3

Question
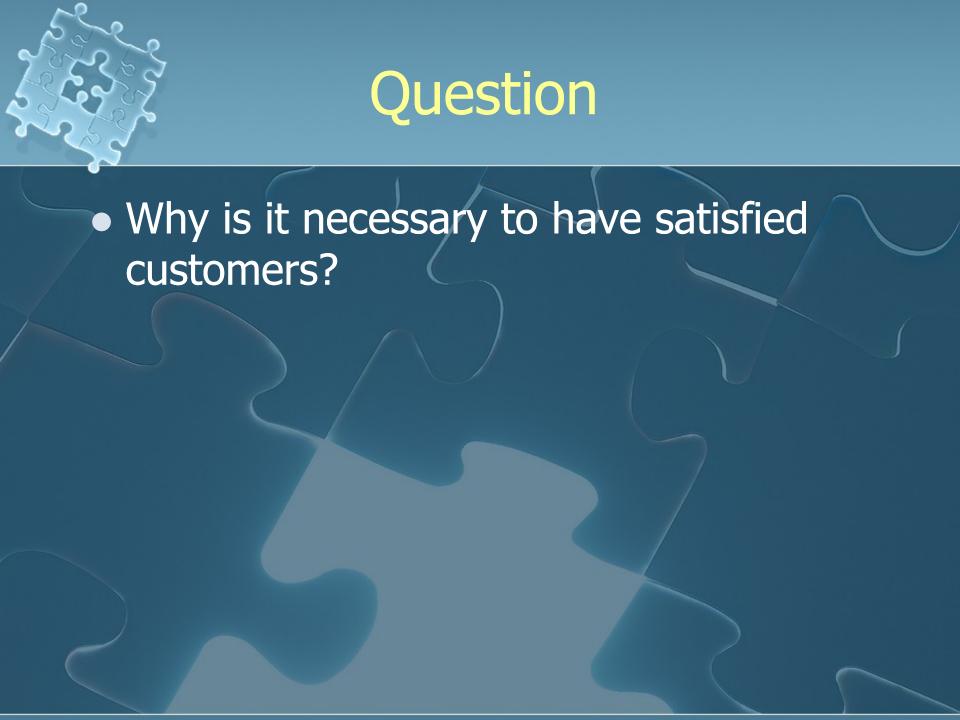
- When are you satisfied with a product?

Customer satisfaction

- Customer satisfaction measures how products and services supplied by a company meet or surpass customer expectation.

- The implementation of a customer service standard should lead to higher levels of customer satisfaction, which in turn influences customer retention and customer loyalty.

Question

- Why is it necessary to have satisfied customers?

Why is it necessary to have satisfied customers

- come back
- satisfied customers tend to loyalty customers
- low price sensitivity
- inform other people about their positive experiences
- low cost for hold current customers than to gain new customers
- less complains of the current customers
- important information resource for management

Measuring of customer satisfaction

- Measuring customer satisfaction provides an indication of how successful the organization is at providing products and/or services to the marketplace.

- Satisfaction depends on:
  - a number of both psychological and physical variables which correlate with satisfaction behaviors such as return and recommend rate.
  - other factors the customer, such as other products against which the customer can compare the organization's products.

Measuring customer satisfaction

- a survey with a set of statements using a Likert Technique or scale

- customer is asked to evaluate each statement in terms of their perception and expectation of performance of the product being measured

- Example – statements for a company:
  - We try to apply individual approach to customers.
  - We offer a wide range of customer services.
  - We regularly determine the degree of final customer satisfaction.
  - We know what image our products have at customers.
  - We implement the acquired information to our decisions.
  - We offer products reflecting the latest demands and wishes of customers (distributors).
  - We focus on gaining customers, for whom we can achieve a competitive advantage.
  - We are faster in responding to the wishes of customers than our competitors.
  - We respond as fast as possible to the marketing events of competitors.

Task

- Prepare Customer satisfaction questionnaire (use Likert scale) - questionnaire should be possible to use for clients of Lawyers

Methods of measuring 1

- SERVQUAL
  - provides the basis for the measurement of customer satisfaction with a service by using the gap between the customer's expectation of performance and their perceived experience of performance. (Parasuraman et al. 1988)

- J.D. Power and Associates
  - top-box approach for automotive industry rankings
  - customers are divided into 2 groups – the best one and the rest

- A.T. Kearney's Customer Satisfaction Audit process
  - incorporates the Stages of Excellence framework and which helps define a company's status against eight critically identified dimensions. A company should to respond on these questions:
    - What's missing?
    - What's misunderstood?
    - What could be done better?
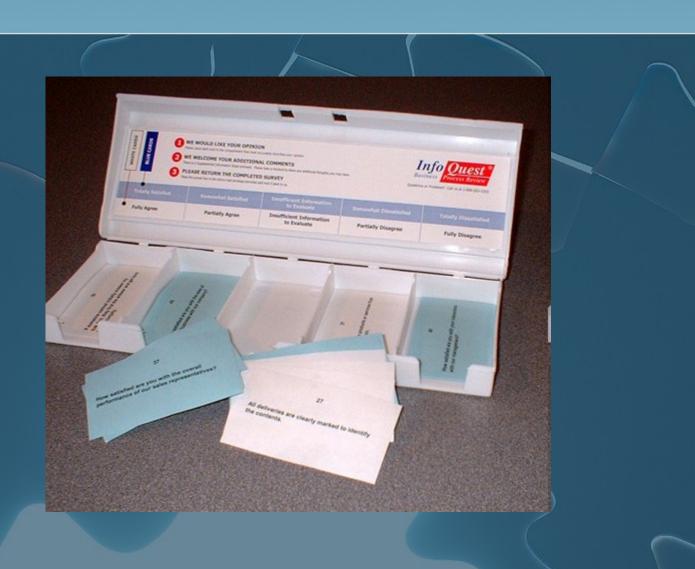
Methods of measuring 2

- InfoQuest box
  - box is targeted at "the most important" customers and avoids the need for a blanket survey
  - InfoQuest is a three-dimensional plastic box with five compartments, each labeled with dual scales of satisfaction and agreement. Reponses range from Totally Satisfied to Totally Dissatisfied and Fully Agree to Fully Disagree.
  - The InfoQuest survey includes a deck of cards, with each card containing either a satisfaction question or a statement. The participant simply reads each card, then drops it into the appropriately labeled compartment to record their response.
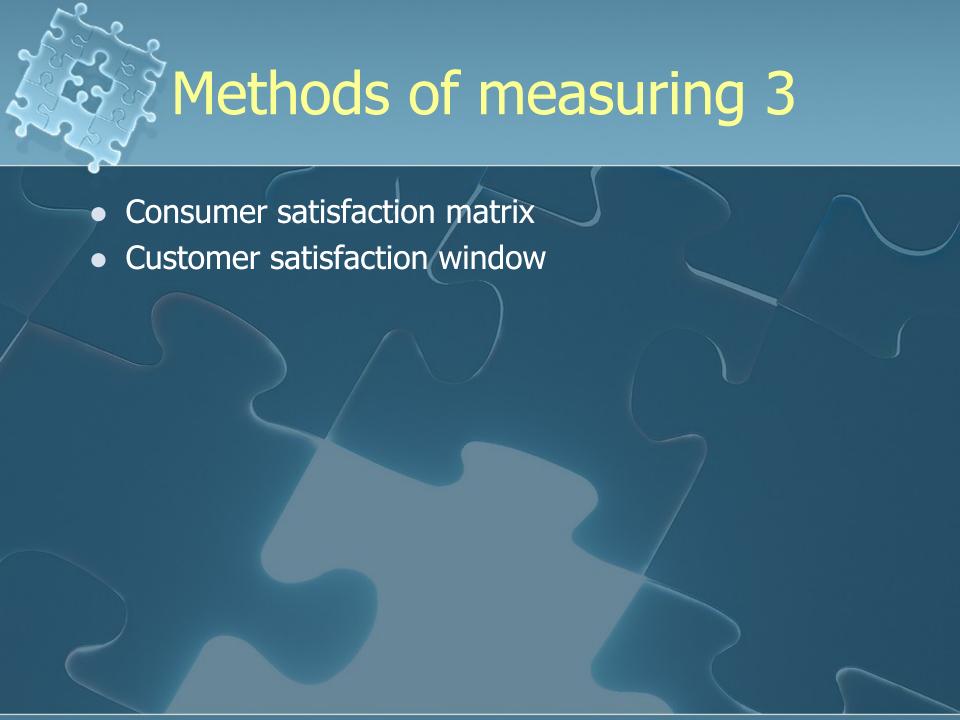
- Gustometria
  - is real time measurement of customer and employee satisfaction. Customers are invited to answer a short survey by touching the "gustometer" screen with their fingers. The responses are collected immediately by the Gustometria servers which tabulate the results in real time.
  - Management can then log into their private website and use the sophisticated business intelligence reports which are built in to the Gustometria system.

InfoQuest box

Methods of measuring 3

- Consumer satisfaction matrix
- Customer satisfaction window

Consumer satisfaction matrix

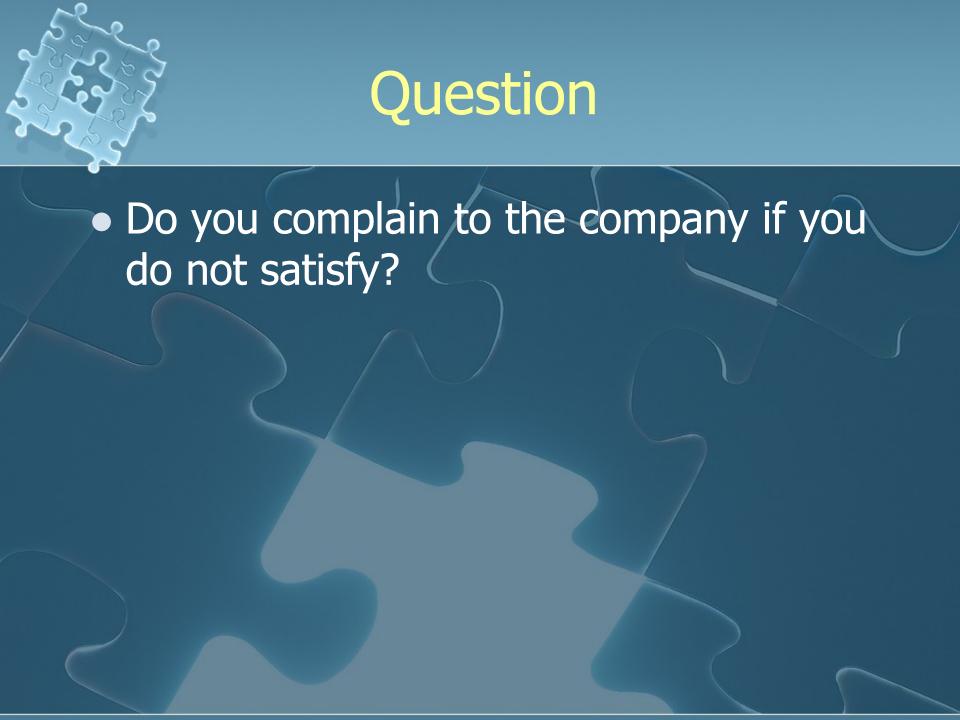| Consumer satisfaction matrix			
	High Importace	Medium Importance	Low Importance
High Satisfaction			
Medium Satisfaction			
Low Satisfaction			

Consumer satisfaction window

Dimensions of customer satisfaction

- Here are a few of the possible dimensions for measurement:
  - quality of service
  - speed of service
  - pricing
  - complaints or problems
  - trust in employees
  - the closeness of the relationship with contacts in the firm
  - types of other services needed
  - positioning in clients' minds

Task

- Choose 1 product and prepare Consumer satisfaction matrix or Consumer satisfaction window

Question

- Do you complain to the company if you do not satisfy?

Why customers do not complain?

- they think that complain does not help them
- it is difficult to complain
- they have the feeling that they put businessman to inconvenience
- competitors offer more opportunities to solve their problem

Disappointing experience

- A single disappointing experience may not significantly reduce the strength of the business relationship if:
  - the customer's overall perception of quality remains high,
  - switching costs are high,
  - there are few satisfactory alternatives,
  - if they are committed to the relationship, and
  - there are bonds (contract, dependence, knowledge, technology etc.) keeping them in the relationship.

7 steps for customer satisfaction

- Prefer Face-to-Face Dealings
  - customer finds easier to relate to and work with someone they've actually met in person, rather than a voice on the phone or someone typing into an email

- Contact customers about news as soon as possible
  - It is necessary to keeping customers informed and to respond to messages promptly

- Be Friendly and Approachable
  - keep a clear head, respond to customers' wishes as best is it possible, and at all times is necessary remain polite

- Have a Clearly-Defined Customer Service Policy
  - clearly defined customer service policy is going to save a lot of time and effort in the long run

- Attention to Detail
  - (e.g. send a Happy Birthday email or card from a company) It shows the care about customers - the customers feel welcomed, wanted and valued

- Anticipate Customer's Needs
  - customer is heartily impressed, and remarks to his/her colleagues and friends

- Honour Promises
  - when somebody promise something, he/she should to deliver. The most common example here is project delivery dates

Customer loyalty 1

- quality of a product or service leads to customer satisfaction, which leads to customer loyalty, which leads to profitability

- The service quality model
  - customer satisfaction is first based on a recent experience of the product or service.
  - This assessment depends on prior expectations of overall quality compared to the actual performance received. If the recent experience exceeds prior expectations, customer satisfaction is likely to be high.
  - Customers are said to have a "zone of tolerance" corresponding to a range of service quality between "barely adequate" and "exceptional."

Customer loyalty 2

- Customer loyalty is determined by three factors:
  - relationship strength (CRM)
    - Threats:
      - the customer moves away from the company's service area
      - the customer no longer has a need for the company's products or services,
      - more suitable alternative providers become available,
      - the relationship strength has weakened,
      - the company handles a critical episode poorly,
      - unexplainable change of price of the service provided
  - perceived alternatives and
  - critical episodes

Advantage of customer loyalty

- keeping existing customers is less expensive than acquiring new ones:
  - The cost of acquisition occurs only at the beginning of a relationship.
  - Long term customers tend to be less inclined to switch and tend to be less price sensitive.
  - Long term customers may initiate free word of mouth promotions.
  - Increased customer satisfaction and loyalty makes the employees' jobs easier and more satisfying. Happy employees feed back into higher customer satisfaction.

Task

- Are you loyalty customer?
- Choose one company which products you still prefer. Why?