



customer plus

IMPACT EVALUATION RESEARCH

Executive Summary 2010



IMPACT RESEARCH

EXECUTIVE SUMMARY

INTRODUCTION

Through customer feedback and case study work Customer First UK has been aware that organisations who have achieved the Standard have derived a direct benefit. This research has been designed to quantify the long term benefits these organisations have achieved from meeting the Standard and to understand the difference the Customer First Standard has had on their customers' experience of the services delivered to them.

To measure these benefits Customer First contracted with Customer Plus Ltd to carry out a series of in-depth interviews. Customer Plus is a customer relationship consultancy, advising clients throughout the UK, and specialises in qualitative and quantitative market research

The overall aim of the research project was to identify the extent to which the Customer First Standard has increased the business performance of organisations who have successfully achieved the Standard.

Specifically the objectives of the project were to:

- Test the extent to which the Customer First Standard has increased the business performance of organisations that are currently compliant
- Test the extent to which the Customer First Standard has had a positive impact upon customers' experience of accessing services from compliant organisations.

BACKGROUND TO CUSTOMER FIRST

Customer First UK is the awarding body for the "Putting the Customer First" Standard – The National Standard for Customer Service. The Standard has three sections:

Customer Relationships – which examines how an organisation builds long-term successful relationships with customers; how customer needs are identified; how customers requirements are satisfied; how referrals are made and how customer relationships are managed.

Market Awareness – which examines the extent to which organisations understand the market they operate within; how they identify potential customers and market to them and how services are designed and developed.

People – which examines how an organisation ensures that their people are able to diagnose customer needs, able to broker relationships with others and have the training and development appropriate to their role.

The Standard has been adopted by organisations from over 40 different sectors and is currently being piloted in South Africa.

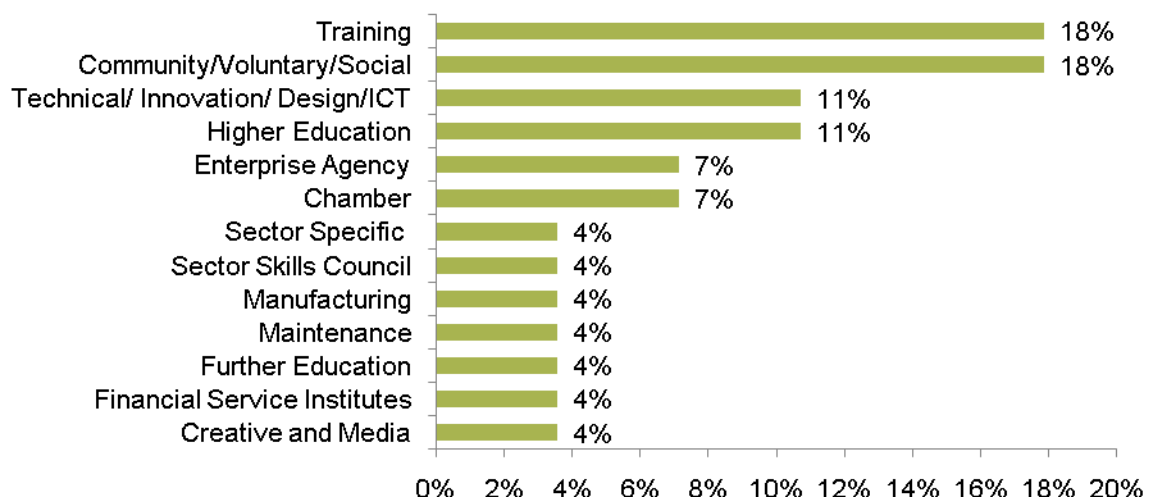
METHODOLOGY AND SAMPLE

28 in-depth interviews were undertaken with organisations that had held compliance statuses for the last 12 months across the Yorkshire and Humber region.

The interviews followed a structured questionnaire format, and were conducted over the telephone by a Customer Plus research consultant. Prior to the interview organisations received a copy of the questionnaire in order to prepare for the interview. Each interview lasted approximately 45 minutes.

The sample consisted of organisations from a variety of sectors, a breakdown of which is shown in Figure 1 below:

Figure 1: Organisations by sector



The research assessed if meeting the Customer First Standard has positively or negatively impacted organisations in the following areas:

- Market awareness and penetration;
- New service development;
- Customer relationships;
- Personnel and team work;
- Productivity and growth.

HEADLINE RESEARCH RESULTS

The graph on the following page presents the overall findings from this impact research.

The graph sets out the percentage of organisations that reported either an increase, decrease, no change or did not know for a number of criteria taken from the Customer First Standard.

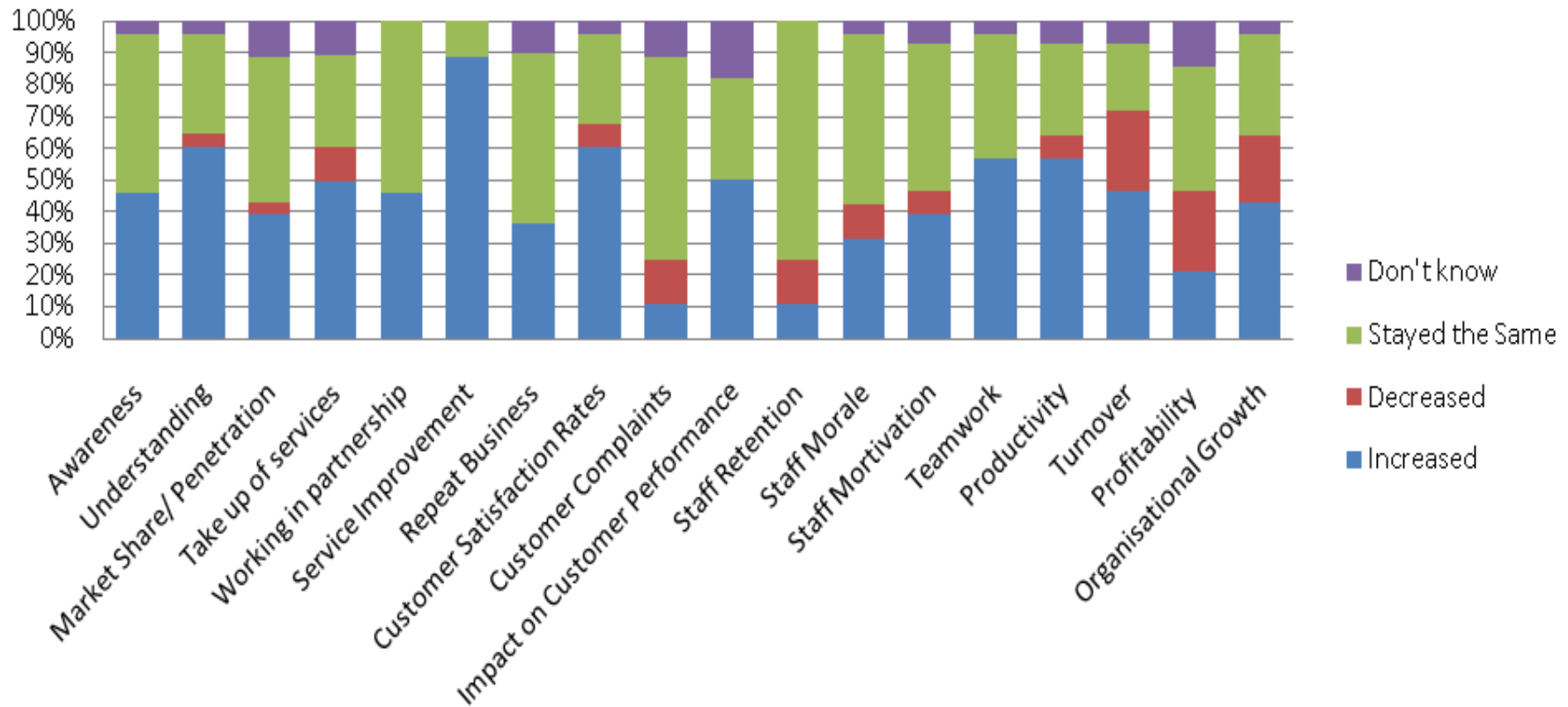
Organisations reported that the most significant areas of increased performance since becoming involved in Customer First were in the following areas:

- Service improvement activity;
- Customer satisfaction rates;
- Service delivery;
- New service development.

Organisations were asked to state the extent to which positive changes were a consequence of being involved with Customer First. The Customer First Standard was identified as having the greatest direct impact on the performance of organisations in the following areas:

- Service delivery;
- Performance impact;
- Customer complaints;
- Staff morale.

Impacts Attributable to Customer First



DETAILED RESEARCH RESULTS

Customer Relationships

Repeat business

No respondents stated a decrease in levels of repeat business with the majority (54%) stating levels had 'stayed the same'. Typical increases in repeat business were between 21-30%. Of those that stated an increase, 90% stated the increase was a consequence of their involvement with Customer First 'to an extent' or 'to a great extent'.

Customer satisfaction

61% of organisations stated that customer satisfaction rates had improved. Typical increases were between 21-30% or respondents were unaware of the level of improvement. All respondents that stated an increase stated that the increase was a consequence of their involvement with Customer First 'to an extent' or 'to a great extent'.

The most common aspect of service delivery to improve was professionalism of staff, followed by increased satisfaction with specific services.

All respondents stated that improvements to professionalism of staff and increased satisfaction with specified elements of service delivery were a consequence of their involvement with Customer First 'to an extent' or 'to a great extent'.

Customer complaints

The majority of organisations (64%) stated that the level of customer complaints had 'stayed the same' since their involvement with Customer First. Of those that stated a decrease (14%) typical decreases were between 51-75%.

All respondents that stated a decrease stated that the decrease was a consequence of their involvement with Customer First 'to an extent' or 'to a great extent'.

Impact

The majority of organisations (68%) stated that they measured performance impact prior to their involvement with Customer First.

Organisations that measured the impact of their services prior to using Customer First were asked if the measurement of impact had changed since their involvement with Customer First, with the majority (58%) stating that it had changed.

Organisations were asked how the positive impact they make on the performance of their customers changed since becoming involved with Customer First. Half (50%) stated an increase in positive impact. 93% stated that the increase was a consequence of their involvement with Customer First 'to an extent' or 'to a great extent'.

Market Awareness

Awareness

Half of the responding organisations stated that market awareness had stayed the same since their involvement with Customer First, with just below half (46%) seeing an increase in market awareness. The most commonly stated increase in market awareness was between 31-75%.

Almost three quarters stated that the increase in awareness was a consequence of their involvement with Customer First 'to an extent' or 'to a great extent'.

Understanding

Over 60% of organisations stated that understanding had increased since their involvement with Customer First. 32% stated that understanding had 'stayed the same'. Typical increases were between 11-20% and 51-75%.

Over three quarters (77%) stated that the increase in understanding was a consequence of their involvement with Customer First 'to an extent' or 'to a great extent'.

Perceptions

Almost 60% stated that their customers' perceptions of them had become more positive since becoming involved with Customer First.

Market share/Market penetration

46% of organisations stated that their penetration of their business market had stayed the same since their involvement with Customer First, with almost 40% stating an increase in market penetration.

Typical increases were between 21-30%. The majority (63%) stated that the increase in market penetration was a consequence of their involvement with Customer First 'to an extent' or 'to a great extent'.

Take up of services/Volume of business

Half of respondents (50%) stated that take up of services/volume of business had increased since becoming involved with Customer First.

Of those that stated an increase, half (50%) stated an increase of between 21-30%. 57% stated that the increase was a consequence of their involvement with Customer First 'to an extent' or 'to a great extent'.

New service development

82% of organisations stated that they now use customer feedback to inform new service development, with 64% stating that they now develop new services based on customer need.

The majority of organisations (68%) had actually developed new services or products based on customer needs or gaps in the market place.

Working in partnership

The majority of organisations (54%) stated that partnership and collaborative working had 'stayed the same' since becoming involved with Customer First, with 46% stating an increase. Typical increases were between 11-50%.

70% stated that the increase was a consequence of their involvement with Customer First 'to an extent' or 'to a great extent'. 15% stated that the increase was 'not at all' a consequence of their involvement with Customer First.

Improvements to services

Almost 90% of organisations stated an increase in service improvement activity. Increases varied from between 0-5% up to 51-75%. 80% stated that the increase was a consequence of their involvement with Customer First 'to an extent' or 'to a great extent'.

People

Staff retention

Three quarters of organisations (75%) stated that retention rates had 'stayed the same', with 14% stating a decrease and 11% stating an increase. Typical increases were between 11-20%.

Of those that stated an increase in staff retention rates, 67% stated that the increase was a consequence of their involvement with Customer First 'to an extent'.

Staff morale

The majority of organisations (54%) stated that staff morale had stayed the same since becoming involved with Customer First, with 32% stating that it had increased. All respondents stated that the increase was a consequence of their involvement with Customer First 'to an extent' or 'to a great extent'.

Staff motivation

39% of organisations stated that staff motivation had increased since becoming involved with Customer First, with 46% stating that staff motivation had 'stayed the same'. Of those that stated an increase, 91% stated that the increase was a consequence of their involvement with Customer First 'to an extent'.

Teamwork

The majority of organisations (57%) stated that teamwork had increased since becoming involved with Customer First. 39% stated that teamwork had 'stayed the same'.

Of those that stated an increase, 81% stated that the increase was a consequence of their involvement with Customer First 'to an extent' or 'to a great extent'.

Impact of training

The vast majority of organisations (94%) agreed that staff training had improved the services delivered.

Core Business

Productivity

The majority of organisations (57%) stated that productivity had increased since becoming involved with Customer First; with 29% stating that productivity had 'stayed the same'.

Typical increases in productivity were between 11-20%. 69% stated that the increase was a consequence of their involvement with Customer First 'to an extent' or 'to a great extent'.

Turnover

Just under half of organisations (46%) stated that turnover had increased since becoming involved with Customer First, however, one quarter (25%) stated that turnover had decreased.

Typical increases were between 6-10%. 62% of those that stated an increase stated that the increase was a consequence of their involvement with Customer First 'to an extent' or 'to a great extent'.

Profitability

39% of organisations stated that profitability had stayed the same, with 21% stating that it had increased. Typical increases were between 6-20%, no respondents saw an increase over 20%. All respondents that saw an increase stated that the increase was a consequence of their involvement with Customer First 'to an extent'.

Growth

43% of organisations stated an increase in size, with 32% staying the same since becoming involved with Customer First. Of those that saw an increase in size, half (50%) stated that the increase was 'not a great deal' or 'not at all' a consequence of their involvement with Customer First. 42% stated the growth was a consequence of their involvement with Customer First 'to an extent'.

CONCLUSIONS

Overall Impact

Organisations were asked to rate the overall impact of Customer First on their organisation on a 10 point scale where 10 was 'very positive' and 0 was 'totally negative'. The average score was 8.5.

Organisations were asked to provide reasons for their response. Responses included:

- *"It has given us a baseline standard to work towards and forced the introduction of a number of positive business procedures and structures within the organisation."*
- *"Initially Customer First had a significant impact on clarity around internal processes and gave us a focus. The support from the assessor was very good."*
- *"It provides a framework to work with which examines your existing policies and procedures for the impact on the customer. Having someone external come in helps you see things from another perspective which is really helpful, as sometimes you cannot see the wood for the trees!"*
- *"Customer First has forced us to reevaluate our approach and focus. We would not have done what we have so comprehensively otherwise. We have put together a more consistent approach towards clients and are now more targeted and effective in our approach. We also now use feedback more effectively. The sharing of positive feedback improves morale."*
- *"We have a good portfolio of services but Customer First has helped us to align our services and the customer is now really at the centre of what we do. As our customers are happier we have seen a higher retention on our programmes and a higher uptake of our services."*
- *"It gives us a benchmark on which to focus our service delivery. We do mention that we have the award as part of our sales strategy and while it does not guarantee work we feel it gives us recognition."*
- *"Internally, staff feel proud to be accredited with the Customer First Standard and it reaffirms that they are doing their job properly. Everyone was thanked after we were accredited which boosted morale. Customers benefit from us having the Standard as it means we are fully funded."*
- *"The benefit has been predominantly internal and has given a boost to the internal culture and given us a feeling of pride that we are good as it is coming from an external organisation. It is a validation of our processes which has also highlighted any gaps in terms of our customer insight activities. It has acted as a trigger to drive our customer research and to scope our future customer proposition."*

customer plus

Customer Plus Ltd
Court House
Golf Lane
Duffield
Derbyshire
DE56 4GA

t: 01332 840422
f: 01332 840477
e: care@customerplus.co.uk
www.customerplus.co.uk



Registered in England No. 2176279