

How to Improve Service Quality and Satisfaction
Or
“My boss wants you to like my essays, so please give this a good rating”

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Imagine that you are the CEO of a business that provides services to customers. Many years ago, in an effort to produce higher quality service and higher customer satisfaction, you instituted a satisfaction survey that is given to all customers. You let customers know that they will be surveyed to see if they are satisfied.

One day, a professor friend tells you that studies show that when customers expect to receive a satisfaction survey, they are less satisfied with the services. Ofir & Simonson (2001) obtained these results in a series of cleverly designed field experiments across a number of industries: these included a computer company, an electric utility, a supermarket, an electronic equipment company, and a magazine. The experimenters let some people know that they would be asked about their satisfaction (after receiving services), while others were not notified. All were contacted after receiving the services to assess their satisfaction. The experiments were all conducted on large samples of actual business transactions. The findings were clear: customers who were told they would be asked about their satisfaction reported less satisfaction than those who did not realize they would be asked for their opinions.

In addition, your friend tells you that pre-announced satisfaction surveys are expected to be detrimental to employee morale (e.g., Gray & Bergman 2003). She further points to evidence that the actual quality of customer services is expected to be reduced as a result of this approach (e.g., Armstrong 1998). Finally, your friend says that she has been unable to find evidence of *any* benefits for pre-announced full-population consumer satisfaction surveys. As you are already aware, the collection and analysis of such surveys consumes time and money.

Almost all other firms in your industry use similar satisfaction surveys. They believe this to be an effective approach for improving service quality.

What would you do as the CEO? Mark with an X:

- A. Censor academic materials from circulating in your organization (you might call it peer review). Advise your employees that they should not read unapproved academic studies on company time because it creates strife within the organization. You are looking for team players.
- B. Call a meeting and encourage your employees to discuss the issue. Then explain why nothing will be done.
- C. Form a committee to address the issue.
- D. Nothing (i.e., keep current system). Research by professors is hopelessly impractical for running a business or making any real decisions.
- E. Encourage your employees to experiment with other approaches.
- F. Discard your satisfaction survey, perhaps replacing it by unannounced small-scale sample satisfaction surveys.
- G. Assess actual quality (e.g., what percentage of the patients died?), not perceived quality (did the families like the doctors?)

Now step out of your assumed CEO role. Put an * next to the decision that your boss would make, given this information. I assume that most of you work in the educational services industry.

My Opinions About Pre-announced Satisfaction Surveys

Recently, after I purchased an auto from Acura, the salesman told me that I would be getting a satisfaction questionnaire. He then asked me if I would give him a good rating. He had done an excellent job by avoiding the car-seller games, but this was a painful moment for both of us.

Like Acura, my organization forces me to use satisfaction surveys for all customers. (In my industry, they are called “teacher evaluations.”) What would you do if you believed the professor and were forced to administer such surveys?

Your Opinions About the Service that I Have Provided to You

Did you like my essay? 0 = hated it, to 10 = loved it! _____

Please be kind. I will share these with my boss. And remember, I really worked hard on this essay. I received peer review from 17 people and it went through 26 versions.

Note: If you are aware of any organizations that have abandoned pre-announced satisfaction surveys in favor of alternative approaches (E, F or G above), please send a description of the changes to armstrong@wharton.upenn.edu. I will purge names and provide a summary report for ELMAR.

References

- Armstrong, J. Scott (1998), "Are Student Ratings of Instruction Useful?" *American Psychologist*, 53 (November), 1223-1224 (see full text at <http://jscottarmstrong.com>).
- Gray, Mary & Barbara R. Bergmann (2003), “Student Teaching Evaluation: Inaccurate, Demeaning, Misused,” *Academe*, (September-October), 44-46.
- Ofir, Chezy & Itamar Simonson (2001), “In Search of Negative Customer Feedback: The Effect of Expecting to Evaluate on Satisfaction Evaluations,” *Journal of Marketing Research*, 38, 170-182.