Public Service Reform

Measuring & Understanding Customer Satisfaction

A MORI Review for the Office of Public Services Reform
Foreword

The Office of Public Services Reform was established last year to advise the Prime Minister and work with Government Departments on how reform of public services, including the civil service and local government, can be achieved. Working closely with 10 Downing Street, the Treasury, the rest of Cabinet Office and other government departments, OPSR aims to improve current structures, systems, incentives and skills to deliver better, more customer-focused public services.

The heart of the Government’s strategy for public services reform is that services must be increasingly responsive to the needs and aspirations of their customers. This requires a better understanding of what makes customers satisfied, and how this can be measured.

That is why OPSR commissioned MORI to prepare this report, which reviews the different methods of measuring customers’ views and offers advice on how to better understand customer satisfaction. The report provides an excellent overview of the complex field of customer research and is a valuable guide for practitioners. It therefore makes an important contribution to our objective of achieving more customer-focused public services.

Wendy Thomson
Prime Minister’s Advisor on Public Services Reform
April 2002
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Introduction

This report presents the findings from a review of approaches to measuring and understanding customer satisfaction with public services, carried out by the MORI Social Research Institute for the Office for Public Services Reform (OPSR) at the Cabinet Office.

The main aims are to summarise existing research and literature, and to inform the growing interest in measuring satisfaction with public services. We have also incorporated conclusions and lessons from our own experience of measuring service quality and satisfaction for a large number of public and private organisations. The importance of improving the way we gather perceptions through surveys and our interpretation of the results should not be underestimated: as Dinsdale notes in a review of approaches to customer satisfaction research in Canada “if the importance … is not immediately apparent, consider how survey results can have a dramatic impact on governments’ agendas for action, the public’s perception of government and public servants’ perceptions of themselves”.

There are a wide range of approaches to understanding satisfaction and service quality. Indeed, there are many who think the whole area is over-researched; a group of academics estimated that 15,000 trade and academic articles were written in the two decades up to the mid 90s. It is not surprising therefore that there are a number of disagreements and differences in concepts, definitions, measurement methods and interpretation. We have focused our review on highlighting what we think are useful elements from a number of approaches.

We also need to be clear about the different purposes that customer attitude research can be put to:

• to highlight priorities for improvement within an individual service;

• to compare different units providing the same service (e.g. regional offices);

• to compare different services;

• to monitor changes in perceptions and performance over time.

In order to make comparisons or monitor change additional factors need to be considered. In particular, normative comparisons require a greater understanding of whether these comparisons are fair (whether we are comparing like with like), and comparisons over time need to be sensitive to changes in wider factors than

1 Dispelling Myths and Re-drawing maps, Dinsdale and Marsden, March 1999
just service delivery (change in the make up of clients, change in global expectations or the image of the service etc).

**Structure of Report**

We start with a review of the role of expectations, which is seen to be central to just about all work on customer satisfaction. We then review different approaches to identifying priorities for improvement, and examine the factors seen to be key to service quality. We then look at the additional issues in comparing units/services or performance over time, and finally we consider some of the more technical aspects of measuring attitudes, including a review of respondent understanding of key terms and interpretation of scales.

Throughout this volume we consider the practical implications for measuring attitudes to public services, and raise options for further work to test the effectiveness of various approaches.

**The Public Sector Context**

Many of the models and theories that we outline were developed to inform research into satisfaction with private sector services and products. Throughout the review therefore it is important to bear in mind two key features of considering these issues in the public sector context.

Firstly, we are considering better and more systematic ways of measuring client or customer satisfaction, as opposed to citizen satisfaction. The two are distinct: when we are looking at customer satisfaction, we are asking questions directly about the delivery of services at an operational level; citizen surveys assess issues such as whether certain services should be provided by the public sector at all. The priority of users is for a better service, but as citizens they may also recognise that resources may be better used elsewhere. The challenge for the public sector is to balance the two distinct, and often competing, factors of value for money for citizens with high quality, accessible services for clients.

There are also a number of features of public sector services that make them different from private sector services, and which can reduce the usefulness of some of the models considered. Firstly, many models of service quality focus on the aim of increasing consumption of services and/or increasing customer loyalty. For many public services these considerations are in theory less relevant, as they are monopoly suppliers, customers are required to consume the services (such as regulatory services) or they are in fact the opposite of the aims of the service, where a reduction in consumption would be preferred (such as health and social services).

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3 Client Satisfaction Surveying: Common Measurements Tool, Schmidt and Stricklan, Canadian Centre for Management Development November 2000
4 Dinsdale and Marsden 1999
5 Ibid
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Having said that, it is also possible to overstate the differences between public and private services. Many actually face similar situations and a number of the key lessons are transferable. Perhaps a greater danger is over-simplifying our understanding of public services; they clearly cover an enormous range of types of services, which vary in a number of important respects, for example:

- the target group (the public as a whole, small sub-sets of the population, businesses, the community/voluntary sector, other public sector bodies etc);

- the nature of use (regulatory/compulsory versus voluntary services, those that are used on one-off occasions/episodically versus those used regularly, those that are free versus those with costs associated, the methods of contact/service delivery etc);

- market position (specialist services versus services that cover a number of functions, monopoly suppliers versus those who face competitors/where alternatives are available).

These differences are important to bear in mind and are returned to later in the review.
The role of expectations

There is a great deal of discussion and disagreement in the literature about the distinction between service quality and satisfaction. The service quality school view satisfaction as an antecedent of service quality - satisfaction with a number of individual transactions “decay” into an overall attitude towards service quality.\(^6\) The satisfaction school holds the opposite view, that assessments of service quality lead to an overall attitude towards the service that they call satisfaction. These different conceptions are worth bearing in mind, but are probably of limited practical use to us. It is clear, however, that expectations play a central role in both.

The model that has underpinned the satisfaction approach is the disconfirmation theory, which suggests that customer satisfaction with a service is related to the size of the disconfirmation experience, where disconfirmation is related to the person’s initial expectations.\(^7\) If experience of the service greatly exceeds the expectations clients had of the service then satisfaction will be high, and vice versa.\(^8\) In the service quality literature, perceptions of service delivery are measured separately from customer expectations, and the gap between the two provides a measure of service quality.

How are expectations formed?

Given the central importance of expectations, it is important to understand how they are formed. The graphic below outlines the key factors most commonly seen to influence expectations:\(^9\):

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\(^6\) Lewis in Brookes et al 1995

\(^7\) There are in fact a number of other ways in which expectations are defined, for example minimum/tolerable/acceptable levels of service and deserved (the performance level based on the time, effort and/or money invested). See Brookes for discussion.

\(^8\) This is the dominant way in which expectations are operationalised, but there are other models (e.g. the equity, attribution and performance theories). See Brookes 1995 for discussion

\(^9\) Can’t Get No Satisfaction: Using a gap approach to measure service quality Accounts Commission December 1999, developed from Parasuraman et al 1990
These are described as:

- **Personal needs:** any customer or user of a service will have what they regard as a set of key personal needs that they expect the service to address. These will vary from service to service and from customer to customer. A clear understanding of these needs is necessary to design an appropriate service.

- **Previous experience:** many will have had service encounters before. Their previous experience will in part influence their future expectations of the service. This can include their past experience of the service in question, but also of other services – for public services, expectations will be influenced by experience of similar private services.

- **Word of mouth communications:** expectations will be shaped by communications from sources other than the service provider itself. This can include family, friends and colleagues, but more widely the media and other organisations, such as audit agencies.

- **Explicit service communications:** statements from staff or from leaflets or other publicity material can have a direct impact on expectations.

- **Implicit service communication:** this includes factors such as the physical appearance of buildings e.g. renovation may lead the customer to expect other service aspects to be of higher quality.
The impact of brand image or service reputation (covered by word of mouth communications in the chart above) on expectations is seen as central in a number of public and private sector studies. This would seem to be a particularly important concern for public services, for two key reasons. Firstly, it is argued that in the absence of detailed information about competitor services or alternatives the importance of image is increased. This is likely to make this factor a central aspect of views of many public services, given the generally more constrained choice and limited benchmarks available to customers.

Further, the range of impacts on the image of public services is likely to be somewhat wider than for private services. In particular, it is argued that expectations of public services can be influenced by views of government and politicians. For example some contend that “….the distinction between politics, government and the public service may seem blurred in the eyes of many”\textsuperscript{10} and therefore “the public’s perception of honesty and integrity in their government will affect their assessment of the services they receive from these institutions.”\textsuperscript{11} Expectations of public services are not only influenced by direct communications from the service, or even what the media says about service itself, but also the reputation of the government as a whole.

It is generally thought that the impact of this factor may be relatively minor when asking about very specific service elements, but it is likely to have a major impact in more global ratings. This is reflected in a number of studies, including a MORI review of attitudes to key public services. Global assessments of public services were seen to result in stereotypical, critical responses – influenced by the negative connotations of big, inefficient government. However, the more specific questions are, the more positive perceptions are seen to be.\textsuperscript{12} Similarly, in a Canadian study, when the researchers compared overall ratings of public services with private services, views of public services were less positive. However, this was much less noticeable when respondents were asked to compare specific public and private services.\textsuperscript{13}

We would also argue that, in the context of public services in particular, there may be a case for including personal values or beliefs as an influence on expectations, independent of the other factors included in the model. This relates to what people view as the role of public services, reflecting their dual role as clients and citizens. The revised model of key factors influencing expectations of public services is therefore:

\textsuperscript{10} Dinsdale and Marsden 1999
\textsuperscript{11} Zussman, quoted in Dinsdale and Marsden 1999
\textsuperscript{12} Satisfaction with Public Services, MORI report for the Cabinet Office
\textsuperscript{13} Bachelet in Brookes et al 1995
It is widely recognised that the nature and impact of each of these influences will vary for different customers and services. This is not an additional determinant of expectations in the same way as those outlined above, but it is critical to understand when making comparisons between public services: for some services, the greatest influence on the level of expectations is likely to be the nature of the customer group that is being served. We return to this in later sections.

**Conclusions**

Expectations have a central role in influencing satisfaction with services, and these in turn are determined by a very wide range of factors. It is arguable that the range of influences on expectations are even wider for public services. This becomes particularly important to understand when we make comparisons between services or monitor change over time, points we return to in later sections.

There is, however, some confusion in the literature about the nature of expectation effects. According to both the disconfirmation theory and the service quality school, it seems to follow that lower expectations will result in higher satisfaction ratings for any given level of service quality. This would seem sensible; for example, poor previous experience with the service or other similar services are likely to result in it being easier to pleasantly surprise customers.

However, there are clearly circumstances where negative preconceptions of a service provider will lead to lower expectations, but will also make it harder to achieve high satisfaction ratings - and where positive preconceptions and high expectations make positive ratings more likely. The expectations theory in much of the literature therefore seems to be an over-simplification. This seems to
come from confusion between low/high expectations and general negative/positive views of a particular service. In particular, a poor reputation or image of a service is often viewed as both a factor that will result in users viewing services more negatively and as an influence that can lower expectations.

This point about increased expectations resulting in increased satisfaction has been seen in other studies. It is important to bear this in mind when we consider the best ways in which to improve perceptions, which is the focus of the next section.
Identifying priorities for improvement

There are a range of models that attempt to provide a comprehensive understanding of the service factors that most need to be improved in order to improve perceptions of a service. We initially focus on the service quality “gap” approach, which is most associated with the work of Parasuraman et al., and resulted in the SERVQUAL tool. This has undergone a number of revisions and refinements by these researchers and others. It has been widely criticised and a number of shortcomings have been highlighted, but it still forms the starting point for most reviews of satisfaction and service quality.

We also examine the different applications of performance-importance grids in helping to identify priorities for action, before focusing on the Common Measurements Tool (CMT) approach developed in Canada, which combines elements from a number of models.

1. SERVQUAL

The basic gap analysis model used in SERVQUAL has three distinct elements:

- rating what an ideal or excellent service should have;
- rating how an individual service provider performs on this;
- assigning a weight to how important the top-level dimensions are in determining overall satisfaction.

The model gives rise to the proposition that the gap (G) for a particular service quality factor is:

\[ G = P(erceptions) - E(xpectations) \]

A negative gap (as shown in the diagram below) implies that customer expectations are not being met, and the larger the gap, the larger the gulf between what the customer wants and what they actually receive.

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14 For example, Delivering Quality Service, Zeithaml, Parasuraman and Berry 1990
15 For more information on CMT, please see http://www.ccmd-ccg.gc.ca/pdfs/tool_e.pdf
A questionnaire outlining a model approach is included in the appendices.

This approach has been widely criticised for a number of clear flaws. This includes the fact that as a result of asking what an ideal or excellent service should have, the approach almost always results in large, and similar, negative service quality gaps. It therefore fails to adequately discriminate between factors and so its usefulness in identifying priorities for action is limited. A second key problem with the approach is the way in which importance is assigned to the factors. This was initially only done at the very broad level of service dimensions, which again clearly has limited usefulness in identifying specific priorities.\(^{16}\)

These weaknesses can, however, be reduced through relatively straightforward adaptations (for example, asking about expectations of “adequate” as well as “excellent/ideal” services etc). Elements of the SERVQUAL approach still appear in a large number of customer satisfaction studies in both the private and public sector, and properly applied, can provide some useful insights.

\(^{16}\) Lewis in Brookes et al 1995
2. Matrix approaches

Another key tool that has been used in a number of models is the direct comparison of satisfaction levels/ratings of service quality factors and the importance attached to each. These are variously called quadrant, matrix and performance-importance grid approaches, and give rise to the following types of charts. This divides the factors into four types, with those that fall into the priorities for improvement quadrant being the focus for action.

<table>
<thead>
<tr>
<th>Satisfaction/performance versus importance</th>
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<tbody>
<tr>
<td>Satisfaction/performance</td>
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<td></td>
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<tr>
<td>Unnecessary strengths</td>
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<tr>
<td>Organisation strengths</td>
</tr>
<tr>
<td>Low priorities</td>
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<tr>
<td>Priorities for improvement</td>
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</table>

An example of this type of analysis is shown in the charts below, from a project using People’s Panel data for the Social Exclusion Unit. This looks across a range of services, rather than focusing on relative priorities within a particular service, but the approach is similar.

The charts plot the importance of the 16 most important services to users against a measure of their satisfaction with each. The average satisfaction and importance scores are shown as lines that split the charts into four quadrants. The two left hand quadrants contain services that are considered relatively less important from these services. The top right hand quadrant contains those services that are considered important and which users are also relatively satisfied with. This is where services aim to be, and this is where both post offices and, more surprisingly, banks are in deprived areas. The bottom right shows those services users are less satisfied with but which are also relatively important - these can be seen as the priorities for improvement. In deprived areas for example, hospitals, the police, buses and secondary schools are highlighted as relative priorities for improvement.
Overt and Covert Importance

There are a number of variations on this grid approach. For example, the QSA model developed by Gallup does not ask about the importance of factors directly, but rather derives importance through factor analysis and multiple regression stages. The factor analysis groups the service attributes asked about into a smaller number of meaningful themes. The multiple regression then relates all the factors to measures of overall satisfaction. The output remains the performance-importance grids seen above.
This modelling of importance, rather asking directly, raises an important point seen in a great deal of other work — that there may be a difference between the “overt” and “covert” importance of factors. Some argue that asking respondents directly what factors they think are most important in a service will provide only a partial understanding. Multivariate analysis is therefore also used to identify how strongly satisfaction with individual service factors are associated with overall satisfaction — i.e. this approach identifies the “key drivers” of satisfaction. This combination of direct questioning and regression techniques is seen to provide a deeper understanding of customer priorities. For example, Grogan and Smith argue that direct questioning can lead to an over-emphasis of “hygiene” factors (i.e. those that are necessary to be performed to an adequate standard, but where performance above this level does not lead to increases in perceptions of the service). \(^\text{17}\) Others have pointed to the difficulty that customers have in directly identifying important factors or priorities for improvement at all.\(^\text{18}\)

The comparison of overt and covert importance results in the following quadrant:

![Overt/Covert Priority Map](image)

In this model, the quadrants have the following meanings:

- **Loyalty issues** — these issues are seen to pay direct dividends in customer commitment as service levels are increased.

- **Hygiene issues** — aspects that are important to get right, but not necessarily to go beyond the acceptable standard.

\(^{17}\) Freeing yourself from the customer satisfaction straightjacket, Smith and Grogan ESOMAR 1997

\(^{18}\) 2001 Western Economic Diversification Canada Client Satisfaction Survey
• *Low priority issues* – aspects that require only low service maintenance, and where only extremely low standards will affect views of the service.

• *Opportunities* – an interesting category, which the researchers argue can add distinctive value to the service – to go beyond meeting expectations to delighting customers.

This model is clearly designed mainly for use in the private sector, where loyalty and repeat purchasing are key measures of success. However, it still provides useful lessons for public sector services, and it would be worth exploring further in the public sector context.

3. The Common Measurements Tool (CMT)

CMT is the result of an extensive study by researchers at the Canadian Centre for Management Development and others, which examined a number of approaches to standardising measurement of customer satisfaction with public services.\(^\text{19}\) The model they have developed provides a useful example of how elements of different approaches can be combined to improve our understanding of satisfaction and highlight priorities for improvement; a model questionnaire is included in the appendices. It incorporates five main questioning approaches, measuring:

- expectations of a number of service factors;

- perceptions of the service experience on these factors;

- level of importance attached to each of a number of service elements;

- level of satisfaction with these elements;

- respondents’ own priorities for improvement.

The approach is therefore made up of three distinct strands. The measures of expectations and perceptions of the service experience tend to focus on a relatively small number of very specific factors, such as how long customers wait to be served etc. This allows the gap analysis approach through comparing expected service quality with experience.\(^\text{20}\)

The second strand involves asking levels of satisfaction with a more extensive list of elements, followed by asking how important each of these aspects are to respondents. This allows the comparison of satisfaction and importance that

\(^{19}\) See Dinsdale and Marsden 1999 and Schmidt and Stricklan Client Satisfaction Surveying: CMT 1998 for discussion

\(^{20}\) It is worth noting that these questions ask about “acceptable” levels of service – rather than asking people to think about what should be provided by an ideal or excellent service. As noted above, this approach has also been taken by Berry in later studies.
results in the quadrants discussed above. In fact, in applications of the model, the analysis also involves modelling of covert importance outlined above and comparison with stated importance. An example of this element of the analysis is given in the appendices. This shows, for example, that follow-through is a high priority for improvement both when we compare stated importance with satisfaction and when we model importance against satisfaction, but the level of bureaucracy is only highlighted when we look at modelled importance.

In addition, respondents are asked to directly identify priorities for action. This also provides useful comparisons with factors identified by the quadrant approaches.

Conclusions

The approaches outlined above highlight some interesting and useful features. They all attempt to examine individual aspects of service quality to identify priorities for improvement. Each has strengths and weaknesses, and we suggest that it is possible to take elements of each, as outlined in the final section of the report.

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21 See 2001 Western Economic Diversification Canada – Client Satisfaction Survey
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Dimensions and determinants of service quality and satisfaction

As with the models for measuring satisfaction and identifying priorities outlined above, there are also a number of different constructions of the service factors that are most important in influencing perceptions of the service. Again we start with the factors that inform the SERVQUAL approach, before looking at refinements and alternative approaches.

1. SERVQUAL

The service quality literature usually attempts to categorise the factors that influence attitudes towards the service at a number of different levels. At the highest level this involves a small number of service quality dimensions. These can be disaggregated into a larger set of service quality factors or determinants, which are then developed into questions for measuring through a structured questionnaire.

The SERVQUAL researchers developed the most widely reported set of service quality dimensions. These started as ten that were refined to five, following further analysis that showed some were very closely related. A description of the final five dimensions is given below (the list of ten original determinants and an outline of how these were combined to define the dimensions is given in the appendices):

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Description</th>
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<tbody>
<tr>
<td>Tangibles</td>
<td>The physical facilities and equipment available, the appearance of staff; how easy it is to understand communication materials</td>
</tr>
<tr>
<td>Reliability</td>
<td>Performing the promised service dependably and accurately</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>Helping customers and providing a prompt service</td>
</tr>
<tr>
<td>Assurance</td>
<td>Inspiring trust and confidence</td>
</tr>
<tr>
<td>Empathy</td>
<td>Providing a caring and individual service to customers</td>
</tr>
</tbody>
</table>

There has been a great deal of discussion on the comprehensiveness and appropriateness of these dimensions for different services. One particular addition is worth noting\textsuperscript{22} - the dimension of recovery (how services deal with putting things right when they have gone wrong). This is widely seen to be a particular gap in the list, and has since been added to a number of approaches.

\textsuperscript{22} Lewis in Brookes et al 1995
2. Later constructions

As noted above, service quality dimensions and factors have been researched widely for a range of public and private services – and just about all individual studies include some amendments or additions to reflect the particular service being researched. There is therefore little to be gained in attempting to outline a comprehensive approach here. However, it is worth outlining a list of 18 quality determinants compiled by Johnston, based on a study in the banking sector, that is often seen to be more helpful and comprehensive than the SERVQUAL list:

- **Access:** the physical approachability of service location, including the ease of finding one’s way around the service environment and the clarity of route.

- **Aesthetics:** extent to which the components of the service package are agreeable or pleasing to the customer, including both the appearance and the ambience of the service environment, the appearance and presentation of service facilities, goods and staff.

- **Attentiveness/helpfulness:** the extent to which the service, particularly of contact staff, either provides help to the customer or gives the impression of interest in the customer and shows a willingness to serve.

- **Availability:** the availability of service facilities, staff and goods to the customer. In the case of contact staff, this means both the staff/customer ratio and the amount of time each staff member has available to spend with each customer. In the case of goods, availability includes both the quantity and the range of products made available to the customer.

- **Care:** the concern, consideration, sympathy and patience shown to the customer. This includes the extent to which the customer is put at ease by the service and made to feel emotionally (rather than physically) comfortable.

- **Cleanliness/tidiness:** the cleanliness, and the neat and tidy appearance of the tangible components of the service package, including the service environment, facilities, goods and contact staff.

- **Comfort:** the physical comfort of the service environment and facilities.

- **Commitment:** staff’s apparent commitment to their work, including the pride and satisfaction they apparently take in their job, their diligence and thoroughness.

23 The determinants of service quality: satisfiers and dissatisfiers, Johnston 1995
• **Communication:** the ability of the service providers to communicate with the customer in a way he or she will understand. This includes the clarity, completeness and accuracy of both verbal and written information communicated to the customer and the ability of staff to listen to and understand the customer.

• **Competence:** the skill, expertise and professionalism with which the service is executed. This includes the carrying out of correct procedures, correct execution of customer instructions, degree of product or service knowledge exhibited by contact staff, the rendering of good, sound advice and the general ability to do a good job.

• **Courtesy:** the politeness, respect and propriety shown by the service, usually contact staff, in dealing with the customer and his or her property. This includes the ability of staff to be unobtrusive and non-interfering when appropriate.

• **Flexibility:** a willingness and ability on the part of the service worker to amend or alter the nature of the service or product to meet the needs of the customer.

• **Friendliness:** the warmth and personal approachability (rather than physical approachability) of the service providers, particularly of contact staff, including cheerful attitude and the ability to make the customer feel welcome.

• **Functionality:** the serviceability and fitness for purpose or “product quality” of service facilities and goods.

• **Integrity:** the honesty, justice, fairness and trust with which customers are treated by the service organisation.

• **Reliability:** the reliability and consistency of performance of service facilities, goods and staff. This includes punctual service delivery and an ability to keep to agreements made with the customer.

• **Responsiveness:** speed and timeliness of service delivery. This includes the speed of throughput and the ability of the service providers to respond promptly to customer requests, with minimal waiting and queuing time.

• **Security:** personal safety of the customer and his or her possessions while participating in or benefiting from the service process. This includes the maintenance of confidentiality.

The list of service quality dimensions used in the CMT approach is also somewhat different. The original model includes responsiveness and reliability,
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but identifies access and facilities, communications and cost as other key factors. The addition of costs is probably a useful step.

3. Methods of Identifying Service Quality Factors

How do we decide which factors to examine in studies of particular services? There are a number of approaches available, but most tend to be based on refining existing constructions through qualitative research techniques. For example, the original list of service quality dimensions in the SERVQUAL model was derived from 12 focus groups with customers from a range of services.

Johnston outlines two further widely used approaches. The Critical Incident Technique (CIT) involves asking service users (either in focus groups or through structured questionnaires) if they have experienced any particular incidents or service transactions that have made them very dis/satisfied with a service. Those that have are then asked to describe the incident fully in their own words. These are then coded by the researchers into generic service quality factors, that can then be reflected in questions in a full survey of customers. It is also suggested that examining the complaints and compliments that have been received by the service through routine customer monitoring can be helpful.24

We suggest that elements of these approaches can be used to test the lists outlined above for range of public services. It may also be useful to analyse existing survey data on the reasons for satisfaction and dissatisfaction.

4. The Importance of Factors

In general, the studies conducted by researchers using the SERVQUAL approach have found that reliability is the most important dimension, followed by responsiveness, assurance and empathy, with tangibles the least important of all. For example, in a study of customers of a range of large American companies Berry suggests that reliability should be accorded 32 points (out of 100), responsiveness 22 points, down to tangibles at 11 points.25

However, there have been a number of studies that have employed the SERVQUAL approach that suggest this does not apply to all services. For example, a project in the early 90s investigated general practitioner services through a large-scale survey of patients with a major SERVQUAL section, covering 55 aspects of the service. Results from the initial study found three major factors determining satisfaction: responsiveness (time pressure, willingness to assist patients, time for emotional problems and prompt service), reliability (GP effectiveness, home visits, effectiveness of other practice staff, dealing with emotional problems) and empathy (individualised attention from GPs, nurses and receptionists).

However, it should be noted that Berry does distinguish between the importance of factors in meeting expectations (where he maintains that reliability is key) and in

24 Ibid
25 Berry in Brookes et al 1999
exceeding expectations where process factors, particularly responsiveness, assurance and empathy, are most important.

Using a different construction, a Canadian study on public sector services identified five dimensions as particularly important – timeliness, accessibility, reliability, responsiveness and cost. In particular, the two key factors identified are the number of contacts required and the time required to complete the service episode. The importance of these is reflected in a qualitative study among Benefit Agency customers in Britain, where the amount of contact with the service is seen to be one of the key determinants of satisfaction. Having minimal contact or “hassle” with the Benefits Agency is often equated to a good service. Contact involves cost, effort or challenge to the customer, and can be seen as a lack of effort or efficiency on the part of the service.

Therefore it seems that measures of the amount of contact/effort/hassle involved in service encounters will be key factors to measure for many public services. This is probably a more central factor than for many private services – particularly for those public services that involve compulsion to consume, where the customer mainly wants to achieve an outcome with the minimum of effort on their part.

However, this will not be the case for all services. For example, the 2001 study of Western Economic Diversification Canada clients, using a CMT-based model, identified a number of different important factors (shown in the appendices). The most important were mainly a mixture of responsiveness, communication and reliability issues; the number of contacts required was not seen to be a key determinant of service quality.

This is not surprising, as it is widely recognised that the relative importance of service quality factors will be influenced by the nature of the service and characteristics of the client group. However, it is probably worth emphasising in the public sector context that the nature of the transaction is also likely to have a large influence, even for the same service and type of user. For example, the importance of service factors for health services is likely to be modified by the urgency of the need; those who are accessing emergency services are likely to have a different set of priorities to those who are using routine services. It will therefore be vital to collect details of the nature of the transaction.

Conclusions

A great deal of useful work has been done to identify which factors of a service are the most important in determining overall satisfaction. This is probably as close as we can get to a “generic” set of factors. It is likely that the relative importance of each factor will broadly reflect the findings from other studies, where those factors that relate to reliability and responsiveness seem to most often emerge as key. The final list of determinants and questions for any individual service should build on these, and use a range of qualitative and other

26 Quoted in Dinsdale and Marsden 1999
27 Exploring Customer Satisfaction, Elam and Ritchie 1997
approaches to ensure the particular features of the individual service are accounted for. It is worth noting that for many public services, measuring the effort required by the customer in achieving their aims is likely to be central. It will also be important to include measures that ascertain the nature of the use of the services, as this is likely to modify the salience of factors.
Impact of factors

The previous sections have outlined some of the main elements of key models of how satisfaction relates to performance and which factors are key priorities for improvement. When identifying priorities, it is also useful to consider in more detail how changes in performance on individual factors may impact on perceptions.

Early models infer a simple linear relationship between performance and perception, where any increase in performance (on any of the factors identified) leads to an increase in perceptions of service quality and vice versa. However, this is clearly too simplistic, and a number of researchers suggest we should split factors into different types according to the nature of their impact. There are two main theories about how impacts vary.

1. Type of quality factor

Quality factors have been split into four main categories:

- **Dissatisfiers (or hygiene factors)**: these can be thought of as existing at two levels, inadequate and adequate. If such factors are perceived to be inadequate, then dissatisfaction will result, but any increase in

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28 Exploring the Relationship Between Perceptions and Performance: Priorities for Action, Johnston and Heineke 1998
29 Ibid
performance above adequacy has little effect on perceptions. The example often given is of a fork in a restaurant with a small amount of food on it; the presence of a dirty fork is likely to make customers dissatisfied, but a very clean fork is unlikely to add to satisfaction.

- **Satisfiers (or enhancing factors):** those factors which, when improved beyond adequacy, have a positive effect on perceptions. However, when these factors are either not in evidence or poorly performed, they do not detract from impressions of service quality. The example given is that if a waiter does not remember you from your last visit to the restaurant you are unlikely to be dissatisfied, but if he does and also remembers your favourite wine, you are likely to be delighted.

- **Critical (or dual threshold factors):** these are factors that can be both satisfying and dissatisfying. For example, responsiveness is often seen as a critical factor; a speedy service from your waiter can delight, but a slow service can lead to dissatisfaction.

- **Neutral:** these are least sensitive to changes in performance.

The chart below, from the study in the banking sector by Johnston mentioned earlier, illustrates how factors can be classified according to their impact. This shows the classification of responses from a Critical Incident Technique (CIT) study, where anecdotes from service users on particularly satisfying or dissatisfying service experiences are coded into the key determinant list. Attentiveness is clearly a satisfying factor, being mainly highlighted in incidents that have been particularly satisfying for respondents. On the other hand, integrity seems to be a clear dissatisfying factor. Responsiveness is a critical factor (as reflected in a number of other studies), while comfort is a neutral factor, not mentioned in any anecdotes.
2. Sensitivity of factors

This still suggests a linear relationship between performance and perceptions, where improvement in each of the factors may impact on perceptions in different ways, but to the same extent in all circumstances. However, more recent work has shown this is not the case.\(^\text{30}\)

In particular, it has been noted that customers are willing to absorb some positive or negative disconfirmation of expectations before expressing satisfaction or dissatisfaction. Other researchers suggest a similar model, but reason that this is because the customer does not notice these relatively small differences. Whatever the reason, this model suggests there is a “zone of tolerance” where changes in service provision have little impact on the perceptions of the service, as seen in the diagram below.

\(^{30}\) Quoted in Johnston 1998
The model suggests that once outside the zone of tolerance there could be a disproportionate impact on perceptions – that relatively small changes in performance could have a large impact on how the service is viewed. The nature and size of the zone of tolerance is therefore clearly important to attempt to understand.

**Conclusions**

Ideally managers need to not only identify priorities for improvement but also to understand the type of impact these factors have. Even if a factor is highlighted as a priority, we need to understand the level of improvement required to ensure we make the best use of available resources. This can be summarised as follows:

- **dissatisfying**: these are key only if performance is not adequate. Once the zone of tolerance is achieved there is no real benefit to improving further. The adequate level should be maintained as efficiently as possible.

- **satisfying**: these should be a high priority if the aim is to delight customers. Once beyond the zone of tolerance incremental improvement can lead to significant increases in satisfaction.

- **critical factors**: these have features of both satisfying and dissatisfying factors, and so will be key in all cases.

- **neutrals**: a low priority as they will have little impact whatever the level of performance.
Clearly we cannot be precise about this, in plotting current average perceptions of each factor at a single point on the appropriate curve. Further, some argue that the difference in the impact of factors is more to do with the threshold set than them having different types of impact.\textsuperscript{31} To re-visit the example given above, going to the same restaurant every day for a number of weeks to be served by a waiter who still does not remember your name or favourite wine could well result in dissatisfaction.

However, attempting to understand how improvements in particular service factors may affect satisfaction remains an important consideration, as it can help focus resources on priorities for improvement that will have the greatest impact on perceptions. In practical terms this will be based on previous research and our understanding of the service, and could be further explored through qualitative techniques, CIT, examination of complaints and compliments and further analysis of existing survey data.

\textsuperscript{31} Measuring Satisfaction; or the Chain, the Tree and the Nest, Bachelet in Brookes et al 1995
Benchmarking and tracking change

The discussion in previous sections has focused on identifying factors that are important in influencing satisfaction with a service, in order to inform priorities for improvements. This is essentially internally focused. However, a key issue for understanding satisfaction and service quality is being able to make comparisons between different units providing the same services (for example, local or regional offices of a public service), different types of service and to track changes over time. When these are the aims of our analysis it becomes essential to understand how expectations vary between different client groups, for different services and over time. The fact that expectations can vary systematically between different types of customer groups is recognised in a number of satisfaction and service quality texts:

*Individuals who in the past received low levels of service will as a result have low expectations and in turn will be satisfied with levels of service that would be unacceptable elsewhere.*32

If there are systematic variations between the profile of customer groups for services, or between units of a single service, then satisfaction and service quality ratings may not be an accurate measure of relative performance.33 Similarly, if expectations change over time, either through a change in the make-up of customers, or through a more general change in expectations across groups, different ratings will not necessarily reflect changes in performance. For example, data from MORI surveys on attitudes to key public services suggest that there can be an increase in ratings of services in expectation of coming improvements to service quality, rather than as a result of actual changes in the service.

A related consideration is the reputation or image of the service. Again if this varies between individual services or over time, differences or changes in ratings may be a reflection of this rather than differences or changes in performance.

From the available literature, it appears that there has been less work done on these issues than others covered so far. We suggest that this is explored further in the subsequent stages of this study.

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32 Conway and Knox 1990
33 The relationship between demographic characteristics and attitudes to services is explored in the further analysis being conducted as part of this study.
1. Benchmarking between services/units

Clearly one way to deal with potential differences in the expectations of different client groups is to ensure that we are, as far as possible, comparing like with like. Relatively simple approaches such as sub-group analysis or statistical techniques to control for differences in profile, such as regression, can be helpful in this.

This would be aided by introducing variables that attempt to measure how expectations differ between different groups or for different services. A group of researchers from Norway suggest asking respondents to rate the services on performance of factors that we know to be true – for example, that calls are answered within a certain number of rings. The theory here is that customers who rate the service poorly on these factors have high “global expectations”.34 This may be worth exploring further, but it appears a rather convoluted approach. Perhaps the most direct method of identifying general expectation levels for different customer groups or services is through analysis of responses to the service expectations questions asked as part of the gap approach. Expectation indices could then be developed for different types of client group and services, which could be taken into account when comparing individual services or units.

There are also a number of suggestions in studies for approaches to attempt to gauge the favourability of the service’s corporate image or reputation, to allow this to be included in comparisons of service satisfaction. For example, a study of views towards Norwegian Telecom asked both standard corporate image questions, as well as questions that attempted to assess customers’ more “emotional” or affective views.35 Responses to these questions can then also be used as controls when making comparisons.

Statistical techniques such as Data Envelopment Analysis (DEA) may also help in this. The origin of this approach is in public and private sector studies that attempted to identify branches or outlets that were particularly efficient at turning similar resources (inputs) into similar products (outputs). The key feature for our purposes is that it allows us to compare individual services or units with their peers, i.e. those that have similar characteristics on key factors that influence expectations. A paper outlining how MORI has applied this technique to data from local authority studies is available.36 This helps us to more fully understand relative performance, by taking into account how easy or difficult it is to achieve satisfaction among individual client groups.

2. Measuring change over time

It is possible that observed changes in satisfaction with a service over time reflect a change in customer expectations rather than a change in performance. This could be because the profile of customers has changed, the reputation or image

34 Customer Satisfaction Monitoring to Understand the Market, Djuvpik and Eilersten in Brookes et al 1995
36 Frontiers of Performance, MORI 2001
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of the service has changed or because expectations of services in general have changed.

These can be dealt with through the types of analysis outlined above, examining how expectations vary between groups and tracking changes in this and in the make-up of customers.

Recent research by MORI also indicates that it may be helpful to track responses to retrospective rating questions, as the example below, adapted from the National Evaluation of the Single Regeneration Budget for DTLR, suggests. The study involved conducting two surveys, one in the baseline year before any action had been taken and one at the end of the scheme, after all projects were completed. As the table shows, there are no real differences in how respondents would rate the area as a place to live between the two surveys. In isolation, this would seem to suggest that the scheme has had little impact on perceptions of the area. However, the study also asked whether the area had got better or worse in the three years previous to each study. This shows a significant positive shift in opinion – people are more willing to say that the area has improved over the last three years in 1999 than they were in the baseline study.

<table>
<thead>
<tr>
<th>Retrospective questions versus current ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>1996</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Base: (527)</td>
</tr>
<tr>
<td>Satisfaction with area as a place to live</td>
</tr>
<tr>
<td>Satisfied</td>
</tr>
<tr>
<td>Dissatisfied</td>
</tr>
<tr>
<td>Better</td>
</tr>
<tr>
<td>Worse</td>
</tr>
</tbody>
</table>

Source: MORI – example data

There are a number of possible interpretations of this, but the most likely seems to be that it reflects the fact that the area has improved over the period, but that residents’ expectations have also increased. This is often seen in regeneration studies, where the announcement of additional resources and effort being targeted on the area results in residents expecting, and so discounting, improvements.

37 National Evaluation of the Single Regeneration Budget Challenge Fund. Methodological paper forthcoming. Figures have been changed as they are not yet in the public domain.
Conclusions

There appears to have been relatively little work done on how we can account for varying or changing expectations when we are comparing services or monitoring performance over time. The common perception is that expectations of public services have increased as private sector organisations have improved the quality of their services – although we could find little evidence of this. It could be argued that this is not that relevant a consideration in any case; services need to react to customer expectations regardless of whether they are higher than for other services/units or are increasing over time. However, we would argue that it is central to understanding the impact of measures to improve services.

We therefore suggest that more work is done on exploring ways to control for varying and changing expectations, through further analysis of data and considering the use of retrospective questions in studies.
Understanding satisfaction

Meaning of terms and measurement issues

This section considers firstly the meaning of satisfaction to respondents, and then the relative strengths and weaknesses of different approaches to response scales.

1. The meaning of satisfaction

SCPR conducted a qualitative project for the Department of Social Security which looked at the factors that affect satisfaction with local Benefit Agency offices. This followed up respondents to the National Customer Survey conducted by the department among Benefit Agency users. The SCPR study included an attempt to explore in more detail what “satisfaction” actually means to customers.

The word “satisfied” itself had a number of different meanings for respondents, which can be split into the broad themes of contentment/happiness, relief, achieving aims, achieving aims and happy with outcome and the fact that they did not encounter any hassle:

Happy
- Content
- Happy, pretty happy, quite happy
- Pleased
- Walked out of there feeling good
- Walk out of there chuffed
- Grateful the service has been OK

Relieved
- Thank God for that
- Phew
- At ease
- Can relax
- Stress reduction
- Secure
- Safe
- Go to the DHS with a troubled mind and they sort it out for you
- Sleep at night without worrying what’s going to go on
- Everything is sorted out in your mind and you’re happy
- Secure, you know the money has been sorted out
- Knowing the money’s going to be there

Achieving aims
- Achieving your aim or goal
- Getting what you went in for
- Achieve whatever it is you wanted to achieve
- Come away with a proportion of what you want
- Got what wanted in the end
- Got what you went down for
- Everything went according to plan, the way it should have done
- Met expectations
- To be unsatisfied is when you come out and you are still on the same level as you were before

Achieving aims, and happy with outcome
- Happy with the results
- Happy with what you’ve got
- When you walk out you’re happy they’ve sorted everything out and quickly
- Happy with outcome
- Pleased with what’s happened
- Content with what’s been done for you
- A feeling of happiness having achieved your goal
- You go in there feeling down and the only way you are going to come out satisfied is if they have been good to you

No hassle
- Not frustrated
- Everything goes smooth
- No hassle
- No problems
- No hassle getting there
- Straightforward

Clearly then there is some variation in understanding of the term. Some of the interpretations fit with the definitions used in much of the service quality and
Understanding satisfaction

satisfaction literature, where “satisfaction” is viewed as a zero state, merely an assessment that the service is adequate, as opposed to “delight” which reflects a service that exceeds expectations. However, most respondents have more positive interpretations of the term.

The question that formed the basis for this study asked for an assessment of the services provided by the DSS/Benefits Agency as a whole on the following scale:

- very satisfied
- fairly satisfied
- neither satisfied nor dissatisfied
- fairly dissatisfied
- very dissatisfied

It is clear from the qualitative follow-up that a simple aggregation of the “very” and “fairly” satisfied responses (as is common practice) will cover a very wide range of service experiences and attitudes. The researchers’ conclusion is that very satisfied does in general represent a positive statement. However, “fairly satisfied” resulted from a much less uniform set of interpretations. Indeed, some respondents felt that the term did not convey a generally favourable statement, and in fact saw it as meaning “I’m not very satisfied”.

The very and fairly dissatisfied responses follow a similar pattern, with those who were fairly dissatisfied often expressing similar views to those who were fairly satisfied.

“Neither satisfied nor dissatisfied” responses were, in the view of the researchers, not expressing no opinion or sitting on the fence. They reflect a range of judgements, which generally involve the balancing of good and bad points or else reflect the fact that the piece of business is not yet complete in the eyes of the respondent, and it is therefore too early to say.

Both those who say they are very or fairly satisfied with the service have had service experiences that “had very clear, even serious deficiencies”. This is not a fault in the scale, as it fits with the models seen throughout this study, which emphasise that the quality of service delivery is only one of many factors that influence expectations and satisfaction. In the case of the benefit recipients, the authors note that ratings of the service were in particular influenced by feelings towards the benefit system and the benefit they receive; some feel lucky and

38 This is, however, contrary to a number of studies of the interpretation of scales, which suggest that mid-points are variously interpreted as don’t know, don’t feel strongly either way or don’t understand the question. See Lewis 1994 and others
39 Exploring Customer Satisfaction, Elam and Ritchie 1997
grateful, while for others the main emotions are guilt, shame and feelings of inferiority. The fact that people with similar types of experience code themselves as having different levels of satisfaction is therefore not a surprise. It does help illustrate, however, that when analysing and interpreting survey results, an aggregation of very and fairly satisfied respondents will not represent a set of respondents who are “happy” with the service, as it is often interpreted.

2. Type of scale and questionnaire design

It is not possible to provide a comprehensive review of the strengths and weaknesses of different approaches to scales and the key features of questionnaire design in a general review such as this. However, we have outlined below some of the key points that should be borne in mind, and suggestions for further work.

Type of verbal rating scale

Friedman and Amoo outline a number of different types of verbal rating scale that can be used to measure overall attitudes, six of which are particularly relevant for our purposes:

- **satisfaction** scale (‘How satisfied are you with ….?’) with the response choices being ‘very satisfied’, ‘satisfied’, ‘neither satisfied nor dissatisfied’, ‘dissatisfied’, and ‘very dissatisfied’.

- **performance** scale (‘Overall how would you rate….’) with choices such as ‘very good’, ‘good’, ‘fair’ etc.

- **expectations** scale (‘Overall, compared with what you expected, how would you rate…’) with choices such as ‘much better than expected’, ‘better than expected’, ‘about as expected’, etc. A similar suggestion is made by some service quality researchers, of scales that run from disappointed to pleasantly surprised.

- **improvement** scale (‘Indicate the amount of improvement, if any, that is needed’) with choices such as ‘none’, ‘slight’, ‘some’, ‘much’, and ‘huge’.

- **compared to the ideal** scale (‘Compared to the ideal …., how would you rate ….?’) with the response choices being: ‘very good’, ‘good’, ‘fair’, ‘poor’, and ‘very poor’.

- **recommend** scale (How likely are you to recommend …. to a friend’) with the response choices being ‘very likely’, ‘likely’, ‘neither likely nor unlikely’, ‘unlikely’, and ‘very unlikely’.

40 Rating the Rating Scales, Friedman and Amoo 1999
41 Measuring Satisfaction; or the Chain, the Tree and the Nest, Bachelet in Brookes et al 1995
Various studies have shown that these different scales will elicit different responses. In general, it is found that expectations, improvement and compared to ideal scales tend to receive lower mean ratings than overall performance and satisfaction scales. Rust et al. (1994) claim that respondents are less likely to choose the most positive option in an expectations scale unless they really are extremely happy with the item at issue. They therefore suggest that it is more accurate than a performance or satisfaction scale, in which it is easier for respondents to give a positive answer. Similarly, a study by Friedman and Rosezweig (1999), comparing performance scales with improvement scales, suggests that respondents were more willing to describe an item as “very good” than to say it needed no improvements. They were also more likely to say the subject of the question needed a “huge” amount of improvement than to describe it as “very poor”.

The fact that different scales elicit different types of responses is not surprising, given that we are asking respondents to make different judgements. However, a study by Friedman and Friedman (1997) comparing responses to six types of rating scales using factor analysis suggested that they were all measuring the same underlying construct. Coupled with the points seen above in the study among Benefit Agency customers (in particular, that satisfied does not necessarily indicate a positive opinion), this suggests it may be worth considering scales that result in less favourable measurements.

However, it is clear that the other scales suggested bring their own problems, in understanding how respondents make their choices and how we interpret the results.

**Modifying Terms**

There has been a great deal of work done in the past on the impact of using different types of modifying adverbs (such as fairly, quite, slightly etc). The modifying term used has been shown to have a clear effect on the type of response elicited. This includes the fact that different words are interpreted differently – for example, fairly satisfied is seen as a more moderate a response than quite satisfied. However, it has also been seen that “fairly dissatisfied” is more negative than “fairly satisfied” is positive, as suggested in the qualitative research among DSS customers discussed above. It is therefore suggested by some that it may be preferable to use apparently unbalanced scales when measuring satisfaction – for example, running from very and quite satisfied to fairly and very dissatisfied.

There appears to have been relatively little research on these issues in more recent years or on customer satisfaction studies; it may be useful to include experiments in any future piloting of approaches.

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42 A Statistical Examination of the Relative Precision of Verbal Scales, Worcester and Burns 1975
**Numeric rating scales**

There are two key problems with using numerical scales in place of the type of verbal scales discussed above. Firstly, it is important to note that the assumption that there is equal distance between each point on a numeric scale is just as likely to be incorrect as the assumption that there are equal distances between points in a verbal scale. For example, respondents may interpret the scale with reference to schooldays; with this interpretation, any score below five, if the scale is based on 1-10 (or 50 if based on 1-100), is likely to be regarded as particularly low. There may therefore be a clustering of responses around points 5-8, which will make interpretation of responses more complex and less consistent.43

Further, there is a great deal of evidence to suggest that where only some points on a numeric scale have descriptions attached, for example the two extremes (as in the original SERVQUAL approach) there is a tendency for respondents to gravitate towards those points that have descriptions and ignore numeric only points. This can lead to obvious biases in response.

If numeric scales are used, work by a number of researchers suggests that care needs to be taken in deciding on the type of numeric scale.44 For example, in a study which compared responses to a scale that ran from 0 to 10 versus one that runs from –5 to +5, the 0 response in the former was interpreted as ‘not successful’, while negative values were seen as ‘failure’.45 Therefore, more favourable results were seen using a –5 to +5 approach than 0 to 10. In general, if a scale has only positive values it is seen as unipolar (running from absence to presence of feature), if positive and negative then bipolar (presence of feature to presence of opposite).46

The inclusion of 0 in a positive only scale also has an impact. Higher mean scores are seen when, for example, “rarely” is classed as 0 and “often” as 10, than when rarely is classed as 1 and often 11; respondents interpret 0 as a lower frequency than 1.

Thought should also be given to the number of points on any scale. Generally, the more points used, the more reliable the results, as fewer points on the scale encourages respondents to treat the alternatives more as discrete rather than continuous variables. However, using too many points can obviously lead to more variation without necessarily increasing precision. The literature therefore suggests using any number from 5 to 11 point scales.

**Approaches to rating importance**

There are widely recognised problems with using simple importance scales (e.g. very important, fairly important, not very important, not at all important or scales that run from very important to very unimportant, as in the CMT model) to provide a view of the relative importance of service quality factors. Chief among

43 Consumer Market Research Handbook, Morton-Williams, CMRH
44 Schwarz and Hippler, IJPOR, 1995
45 Schwarz, Knäuper, Hippler, Noelle-Neuman and Clark (1991a)
46 Schwarz, Grayson and Knäuper, IJPOR, 1998
these are that respondents tend to be both uncompromising and fail to
discriminate effectively.\textsuperscript{47} This can result in individual service factors assuming
similar, high levels of importance. It is possible to reduce this problem, by adding
terms such as “essential” to the scale – but the problem of a lack of
discrimination is likely to remain.

Some have therefore suggested the use of \textit{conjoint} questioning techniques, where
the respondent is forced to “trade-off” individual factors against each other to
produce a ranking. However, a full conjoint approach could clearly lead to a very
long and complex questionnaire. One way in which this can be reduced is to ask
respondents to allocate importance ratings to the full list, and then taking a
conjoint approach with just the top (8-10) priorities.

However, it would be more straightforward, and probably of similar value, to ask
respondents to directly rank the importance of individual factors. This has
greater discriminatory powers than assigning importance ratings to each factor,
but will take less interview time and will be easier to interpret than conjoint
approaches. Ranking in general has been shown to provide more thoughtful
results than rating approaches.\textsuperscript{48} However, this clearly has its own drawbacks, in
adding variability that may not reflect opinions, for example, on factors that are
viewed as equally important by respondents.

In all discussions about importance measurement techniques it is worth bearing
in mind the different ways in which importance can be interpreted for individual
factors, by different users and for different services. The thought process when
assessing importance of a doctor providing a correct diagnosis is likely to be very
different to when we are considering the importance of friendliness of reception
staff. Results need to be interpreted with a thorough understanding of the
service.

\textbf{Context effects}

Context effects are also particularly worth considering when designing
questionnaires on customer satisfaction. These occur when overall ratings are
preceded by questions that may influence the respondent. For example, a 1989
study by Fienburg and Tanur found that respondents were more likely to be
negative about welfare if they had earlier been asked questions about fraud and
waste in government spending.

A similar effect is found in \textit{“part-whole” questions}, in which one question asks about
the respondent’s attitude to part of an overall issue, and another question deals
with the whole issue. This is particularly relevant for our purposes, as it has been
found that asking about satisfaction with a particular part of a service before the
overall rating of the service can lead respondents to put more emphasis on their
satisfaction with these individual elements as part of their overall assessment.
However, different studies have found a \textit{“contrast effect”} which works in the

\textsuperscript{47} McNeil and Carpenter in Brookes et al 1995
\textsuperscript{48} The Threat of Satisficing in Surveys: the shortcuts respondents take in answering questions, Jon
Krosnick, NCSR Survey Methods Newsletter 2000
opposite direction – i.e. respondents ignore the earlier specific issue when thinking about the overall issue, in order to avoid repeating themselves. For example, Mason, Carlson and Tourangeau (1994) asked respondents about the general state of their country’s economy after asking about the state of the economy in their local area, and found that respondents were more negative about the prospects for the country’s economy than when the questions were asked the other way round. It was found that this was because respondents ignored important aspects of the local economy when considering the country’s economy, and as they tended to be more optimistic about their local economy this “subtraction effect” reduced their ratings of the country’s economy.

In both cases, asking about the specific before the overall has the effect of introducing a bias. We therefore suggest that overall satisfaction questions are asked before specific service quality questions (in contrast to both CMT and SERVQUAL approaches).

3. Data Collection Method

It is not possible to provide a detailed consideration of the impact of data collection methods on the representativeness of survey results in this general review. However, a large number of studies have been conducted, and most generally support the view that face-to-face research is most successful in reflecting the population and postal least. There are a number of postal studies that do achieve high response rates; returns around 50% or more are achievable with sufficient follow-up work. However, the key issue is not the absolute response rate but the degree of non-response bias in the sample – i.e. the extent to which respondents differ from the population we are trying to represent.

Some examples of the problems associated with postal surveys are given below, from a MORI study comparing the findings from matched samples of RSL tenants for the Housing Corporation. The results are based on 10,000 completed face-to-face interviews and 5,000 returned self-completion questionnaires. The charts below show the results from each sample as separate bars. There are significant differences in the age and household type profile of the two samples, with the postal sample achieving fewer returns from younger tenants (ages 16 through to 49) and two parent families. It also illustrates the data quality problems with self-completion approaches, with significantly more blank responses than face-to-face interviews. The third chart, showing the level of interest in further involvement in running housing in the area is particularly notable, with postal respondents much less likely to say they do not want to get involved. This ties in with the common perception that postal surveys are likely to under-represent less motivated sections of the population.
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### Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Face-to-face</th>
<th>Main Postal</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-29</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>30-49</td>
<td></td>
<td>37%</td>
</tr>
<tr>
<td>50-64</td>
<td>16%</td>
<td>18%</td>
</tr>
<tr>
<td>65+</td>
<td>32%</td>
<td>31%</td>
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<tr>
<td>Blank</td>
<td>0%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Base: All respondents

### Household Composition

<table>
<thead>
<tr>
<th>Household Composition</th>
<th>Face-to-face</th>
<th>Main Postal</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/2 adults either 60+</td>
<td>35%</td>
<td>34%</td>
</tr>
<tr>
<td>1/2 adults either under 60</td>
<td>19%</td>
<td>23%</td>
</tr>
<tr>
<td>Multi adult/other</td>
<td>11%</td>
<td>4%</td>
</tr>
<tr>
<td>One parent family</td>
<td>17%</td>
<td>16%</td>
</tr>
<tr>
<td>Two parent family</td>
<td>18%</td>
<td>11%</td>
</tr>
<tr>
<td>Blank/unclassifiable</td>
<td>0%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Base: All respondents
Conclusions

The study among Benefit Agency customers makes a number of useful points about the way in which “satisfaction” is interpreted among customers of this public service. In particular, it is clear that the interpretation of “fairly satisfied” as a positive assessment is problematic. This point has been made elsewhere, where it is noted that a “fairly satisfied” response should be seen as a less positive response than a fairly dissatisfied response is negative. However, the suggestion of researchers from the Benefits Agency study to switch to a performance (good to poor) scale is unlikely to help, as these have been shown to suffer from similar drawbacks.

It may be worth exploring alternative scales that produce less favourable outcomes, as outlined above. However, the key need is for scales that discriminate between opinions; for example a “compared to the ideal” or improvement scale is likely to suffer from the same drawbacks seen in the basic SERVQUAL model, where a wide range of factors appear to be similarly high priorities for improvement.

Numeric and graphic scales may offer alternatives, but to an extent we would be swapping one set of interpretation problems for another. At this stage, therefore, we suggest continuing with a satisfaction scale, but testing the impact and usefulness of qualifier terms such as “fairly”. In any case, it seems that it will be more meaningful to base target setting for perceptions of services on the proportion of those responding “very satisfied”. This appears to be a relatively unequivocal positive assessment, and will provide a basis for challenging targets.

49 A Statistical Examination of the Relative Precision of Verbal Scales, Worcester and Burns 1975
Understanding satisfaction

There does, however, seem to be more value in exploring alternatives to importance rating scales, and in particular the use of conjoint techniques and ranking. We suggest these are tested in future work.

More generally, context effects are likely to be a serious consideration in customer satisfaction studies, and we suggest that overall ratings are gathered before specifics. This is in contrast to a number of other approaches, including applications of SERVQUAL and the CMT.
Conclusions and further research

There are a number of conclusions from the review:

- “Public services” cover an extremely wide range of service types. A standardised approach to measuring satisfaction and priorities for improvement is therefore not appropriate. However, there will be clear benefits from developing a consistent model that can be adapted to meet the needs of individual services.

- Understanding expectations is key, as these appear to have an important impact on overall perceptions of services. However, the relationship is not as straightforward as some theories suggest, and attempts to manipulate expectations to improve ratings is likely to fail.

- The Common Measurements Tool (CMT) model appears to provide the most useful approach to identifying service factors that most need to be improved. This draws on a number of approaches, which can be broadly outlined as:
  - Identifying service quality “gaps” for a number of very specific factors (such as waiting times etc), through asking separately about service experience and expectations.
  - Asking respondents to rate importance of and satisfaction with a number of other service quality elements.
  - Asking respondents to directly identify their own priorities for improvement.
  - Asking respondents about overall satisfaction with the service.
  - These questions allow us to identify priorities for improvement by comparing satisfaction with stated (overt) importance, comparing satisfaction with modelled (covert) importance (from identifying key drivers of overall satisfaction), as well as respondents’ own stated priorities.

- There has also been a great deal of useful work on identifying the most relevant service quality factors to include in surveys focused on different types of services. These models should be kept in mind when designing questionnaires for each service.

- Even if a specific factor is highlighted as a priority, it is important to understand more about how improvements in performance on this
factor will impact on perceptions. It is clear that, given a finite set of resources, some factors that are identified as priorities should only be improved to an adequate level, while improving others to a greater degree will have significant impacts on perceptions.

- There appears to have been much less work done to assess how we can accurately compare performance between different services and track change over time, given differences and changes in expectations. We suggest these could be explored further through construction of expectation indices, the tracking of responses to retrospective questions and further analysis techniques, such as Data Envelopment Analysis.

- “Satisfied” has a range of meanings to individuals, but it generally seems to be a positive assessment of the service. However, the use of the moderating terms such as “fairly” does lead to some problems with interpretation. In particular, those who say they are fairly satisfied do appear to be rather less positive than common interpretations suggest, and in many ways are closer to the fairly dissatisfied group. A simple aggregation of the very and fairly satisfied responses therefore should not be interpreted as a group who are “happy” with the service. This could be explored further in future work, but in any case it may be more useful to set service targets on the proportions who say they are very satisfied.

- There are a number of alternatives to satisfaction scales that could be explored, including other verbal scales as well as numeric and graphic scales. However, each have their own set of drawbacks, and swapping approaches will not necessarily improve the accuracy or usefulness of results.

- It is worth examining the use of importance scales further, and considering alternatives such as conjoint techniques and ranking of factors. More generally, we need to be sensitive to the different interpretations of importance, depending on the particular factor being considered, the nature of the service and the particular circumstances under which it is being accessed.

- Context effects need to be considered carefully when following the model outlined above. In particular we suggest that overall ratings of services are asked before detailed questions on specific service factors, as these could bias responses in unpredictable ways.

A number of the findings and suggestions outlined in this review would benefit from being tested further through qualitative methods, piloting and experimental quantitative studies. These stages would clarify many of the uncertainties raised above, and would help provide a comprehensive model for understanding which measures are most likely to improve perceptions.
Addendum – The wider context

The purpose of this review has been to help understand and measure customer satisfaction with public services. It is not intended to take into account the wider context, such as the role of employees, the wider impact of actions on society or indeed the internal processes involved in managing the services. These are covered in a number of models, such as that devised by the British Quality Foundation/European Foundation for Quality Management.

However, it probably is worth widening the discussion somewhat to assess whether customer satisfaction should be our sole focus. As noted earlier, private sector models have moved from assessing customer satisfaction to look at customer loyalty, and re-purchase and recommendation behaviour. These are clearly less relevant considerations for most public services. However, a model developed by MORI may provide a useful way of thinking about the wider context of service use.

This argues that customer satisfaction is just one stage or level in a process of engagement with customers. In this model organisational success comes from building relationships with the relevant target audiences that move through a hierarchy from awareness through trust, transaction, satisfaction, commitment and advocacy.

High levels of satisfaction among those using the service is arguably not an indication of effective organisational performance if most of the people who are eligible to use it are not even aware of either the organisation or the services it offers. Even if they are aware, if they have little trust in it and their expectations
are such that they never have any interaction with it, then, again, the organisation cannot be deemed to have been particularly successful.

In this model, satisfaction is one level that follows from direct experience of/engagement/transaction with the service. Real success comes not only from customers being satisfied but then acting in a way which enhances the stature and acceptability of the organisation among other members of the target customer audience, and other stakeholders – in the public sector context this could include service employees, the media, other government departments etc. This fits in with a generic model that says that at the core of organisational success is a process of building relationships between organisations and their staff and their external stakeholders, such as seen in the BQF/EFQM models.

Successful organisations are ones that establish awareness of what they are and what they do, project this as relevant and attractive to customers, deliver to meet and surpass their expectations and encourage or inspire them to promote positive messages about them externally. This advocacy scale could be a useful concept to develop in the context of public services, given the real impact of service image/reputation on perceptions.
Appendices
SERVQUAL Model Questionnaire

Directions: Based on your experiences as a consumer of . . . . . . services, please think about the kind of . . . . . . company that would deliver excellent quality of service. Think about the kind of . . . . . . company with which you would be pleased to do business. Please show the extent to which you think such a . . . . . . company would possess the feature described by each statement. If you feel a feature is not at all essential for excellent . . . . . . companies such as the one you have in mind, circle the number 1. If you feel a feature is absolutely essential for excellent . . . . . . companies, circle 7. If your feelings are less strong, circle one of the numbers in the middle. There are no right or wrong answers – all we are interested in is a number that truly reflects your feelings regarding companies that would deliver excellent quality of service.

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th></th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Excellent . . . . . companies will have modern-looking equipment</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>2.</td>
<td>The physical facilities at excellent . . . . . . companies will be visually appealing</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>3.</td>
<td>Employees at excellent . . . . . . companies will be neat-appearing</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>4.</td>
<td>Materials associated with the service (such as pamphlets or statements) will be visually appealing in an excellent . . . . . . company</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>5.</td>
<td>When excellent . . . . . . companies promise to do something by a certain time, they will do so.</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>6.</td>
<td>When a customer has a problem, excellent . . . . . . companies will show a sincere interest in solving it</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>7.</td>
<td>Excellent . . . . . . companies will perform the service right the first time</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>8.</td>
<td>Excellent . . . . . . companies will provide their services at the time they promise to do so.</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>9.</td>
<td>Excellent . . . . . . companies will insist on error-free records</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>10.</td>
<td>Employees in excellent . . . . . . companies will tell customers exactly when services will be performed</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>11.</td>
<td>Employees in excellent . . . . . . companies will give prompt service to customers</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>12.</td>
<td>Employees in excellent . . . . . . companies will always be willing to help customers</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>13.</td>
<td>Employees in excellent . . . . . . companies will never be too busy to respond to customer’s requests</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>The behaviour of employees in excellent . . . companies will instil confidence in customers</td>
<td>Strongly Disagree</td>
<td>Strongly Agree</td>
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<tr>
<td>---</td>
<td>--------------------------------------------------------------------------------------------</td>
<td>------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>14.</td>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>15.</td>
<td>Customers of excellent . . . companies will feel safe in their transactions</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>16.</td>
<td>Employees in excellent . . . companies will be consistently courteous with customers</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>17.</td>
<td>Employees in excellent . . . companies will have the knowledge to answer customers’ questions</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>18.</td>
<td>Excellent . . . companies will give customers individual attention</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>19.</td>
<td>Excellent . . . companies will have operating hours convenient to all their customers</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>20.</td>
<td>Excellent . . . companies will have employees who give customers personal attention</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>21.</td>
<td>Excellent . . . companies will have customer’s best interests at heart</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>22.</td>
<td>The employees of excellent . . . companies will understand the specific needs of their customers</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>
Directions: Listed below are five features pertaining to . . . . . . companies and the services they offer. We would like to know how important each of these features is to you when you evaluate a . . . . company’s quality of service. Please allocate a total of 100 points among the five features according to how important each feature is to you – the more important a feature is to you, the more points you should allocate to it. Please ensure that the points you allocate to the five features add up to 100.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>points</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The appearance of the . . . company’s physical facilities, equipment, personnel, and communication materials</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>The . . . company’s ability to perform the promised service dependably and accurately</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>The . . . company’s willingness to help customers and provide prompt service</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>The knowledge and courtesy of the . . . company’s employees and their ability to convey trust and confidence</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>The caring, individualised attention the . . . company provides its customers</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total points allocated</strong> 100</td>
<td><strong>points</strong></td>
</tr>
</tbody>
</table>

Which one feature among the above five is most important to you?
(PLEASE ENTER THE FEATURE’S NUMBER)

Which feature is second most important to you?

Which feature is least important to you?
Directions: The following set of statements relate to your feelings about XZY Company. For each statement, please show the extent to which you believe XZY Company has the feature described by the statement. Once again, circling a 1 means that you strongly disagree that XZY Company has that feature, and circling a 7 means that you strongly agree. You may circle any of the numbers in the middle that show how strong your feelings are. There are no right or wrong answers – all we are interested in is a number that best shows your perceptions about XZY Company.

<table>
<thead>
<tr>
<th></th>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>XZY company has modern-looking equipment</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>XZY company's physical facilities are visually appealing</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>XZY company's employees are neat-looking</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Materials associated with the service (such as pamphlets or statements) are visually appealing at XZY company</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>When XZY company promises to do something by a certain time, it does so</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>When you have a problem, XZY company shows a sincere interest in solving it</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>XZY company performs the service right the first time</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>XZY company provides its services at the time it promises to do so</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>XZY company insists on error-free records</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Employees in XZY company tell you exactly when services will be performed</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Employees in XZY company give you prompt service</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Employees in XZY company are always willing to help you</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Employees in XZY company are never too busy to respond to your requests</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>The behaviour of employees in XZY company instils confidence in you</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>You feel safe in your transactions with XZY company</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Employees in XZY company are consistently courteous with you</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
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<td>17</td>
<td>Employees in XZY company have the knowledge to answer your questions</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>XZY company gives you individual attention</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>XZY company has operating hours convenient to all its customers</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td></td>
<td>XYZ company has employees who give you personal attention</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>---</td>
<td>---------------------------------------------------------</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>20.</td>
<td></td>
<td>Strongly Disagree</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td></td>
<td>XYZ company has your best interests at heart</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>21.</td>
<td></td>
<td>Strongly Disagree</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td></td>
<td>Employees of XYZ company understand your specific needs</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>22.</td>
<td></td>
<td>Strongly Disagree</td>
<td>Strongly Agree</td>
</tr>
</tbody>
</table>
CLIENT SATISFACTION QUESTIONNAIRE
Western Economic Diversification
for use over the telephone

INTRODUCTION: (Get in touch with the person identified on the list.) Hello. My name is . . . . and I work for . . . . We have been commissioned to conduct a study among organisations who have recently been in contact with Western Economic Diversification Canada. Of course your participation is voluntary, but we are really counting on you to give us your opinion. It won’t take more than 10 minutes, and your answers will be kept strictly confidential. May I start now? (ENSURE THAT THE SAMPLE DATA CONTAINS THE WD PROVINCE CODE AND THE CLIENT TYPE CODE. CHECK QUOTAS)

SCREENING
Q1 According to records from Western Economic Diversification Canada, your organisation has had some dealings with WD over the past three months. Can you confirm that? (SPELL OUT THE ACRONYM: WD)
  Yes .....................................................................................................1
  No .................................................................................................2 >> TERMINATE
  Dk/nr .........................................................................................9 >> TERMINATE

Q2 Are you the person to whom I should talk about your organisation’s dealings with WD?
  Yes .....................................................................................................1
  No .................................................................(GET THE RIGHT PERSON AND RESTART)
  Dk/nr .................................................................................................9 >> TERMINATE

Through the next questions, when I refer to “your organisation”, I mean the individuals or the company which have been in touch with WD.

EVENT DESCRIPTION EVENT DESCRIPTION

Q3 How would you describe your most recent contact with WD? Was it...
  (READ)
  A telephone call ..................................................................................01
  A meeting in person ...............................................................................02
  An exchange of letters or e-mails ...........................................................03
  Or another kind of contact (PLEASE, SPECIFY __________) .................98
  Dk/nr ..................................................................................................99

Q4 Was that your preferred method of contact in that instance?
  Yes .................................................................................................1
  No .................................................................................................2 >> GO TO Q6
  Dk/nr .................................................................................................9 >> GO TO Q6

Q5 Which method you would have preferred that WD officers use to deal with you?
Telephone .................................................................01
In-person .................................................................02
E-mail .........................................................................03
Correspondence ......................................................04
Other (PLEASE, SPECIFY __________) .........................98
Dk/nr .........................................................................99

Q6 What was the main reason for that most recent contact? Was it...

(READ)

To obtain business information or advice.........................01
To obtain information on applying to a government program .....02
To apply to a government program ..................................03
To follow-up on an application to a government program ........04
Or for another reason (PLEASE, SPECIFY __________) ........98
DK/NR ........................................................................99

Q7 Was it about a WD program or about a program from another government department?

A WD program.............................................................1
A program from another government department..................2
DK/NR .........................................................................9

The next questions are organised into four sections dealing with the sensitivity of WD service to your needs, its reliability, access to WD services and communications from WD.

SENSITIVITY TO NEEDS

(The respondents are randomly and automatically divided into two groups, the size of which remains to be determined. The "Satisfaction" group will be asked the questions that concern their satisfaction with services. The "Importance" group will be asked the questions that concern the importance to them of various features of the service.) (Wherever the questionnaire requires randomisation, this operation will be performed by the software used to assist interviewers.)

(Ask "Satisfaction" group only)

Q8 Feel free to say that you’re not in a position to answer. Thinking of your most recent contact with WD, would you say you were very dissatisfied, dissatisfied, neutral, satisfied or very satisfied with the following aspects of the sensitivity of WD to your needs? (Randomise the order)

8.1 the speed of the service
8.2 the flexibility of the service
8.3 the amount of bureaucratic requirements
8.4 the number of contacts before getting an answer
8.5 the efforts made by officers to assess your needs
8.6 the helpfulness of officers
8.7 the way you were kept informed of the status of your request
Q9  Do you find each of the following aspects of sensitivity to your needs to be very unimportant, unimportant, neutral, important or very important in deciding to deal with WD? (RANDOMISE THE ORDER)

9.1 (SAME ITEMS AS IN QUESTION 8)

Q10  Thinking of your most recent contact with WD, overall, would you say you were very dissatisfied, dissatisfied, neutral, satisfied or very satisfied with WD sensitivity to your needs as defined in the previous prompts, that is speed, flexibility, etc.?

Q11  In general, if only one area of WD's sensitivity to your needs could be improved, which one should be focussed on? (DO NOT READ THE LIST)

(Items in question 8)................................................................................01
Some other answer (SPECIFY) _______).................................................98
DK/NR .....................................................................................................99

RELIABILITY

Q12  Thinking of your most recent contact with WD, would you say you were very dissatisfied, dissatisfied, neutral, satisfied or very satisfied with the following aspects of the reliability of WD service? (RANDOMISE THE ORDER)

12.1 delivering on promises made
12.2 the business knowledge of the officers
12.3 the competence of the officers
12.4 the courtesy of the officers
12.5 the fairness of the service process
12.6 keeping information confidential
12.7 making corrections if there is a problem
12.8 the guidance provided by officers
12.9 the identification of services offered by other organisations
12.10 the follow-through to see if you got what you needed

Q13  Do you find each of the following aspects of service reliability to be very unimportant, unimportant, neutral, important or very important in deciding to deal with W-D? (RANDOMISE THE ORDER)

13.1 (SAME ITEMS AS IN QUESTION 12)

Q14  Thinking of your most recent contact with WD, overall, would you say you were very dissatisfied, dissatisfied, neutral, satisfied or very satisfied with the reliability of WD service?

Q15  In general, if only one area of the reliability of WD service could be improved, which one should be focussed on? (DO NOT READ THE LIST)

(Items in question 12)................................................................................01
Some other answer (SPECIFY) _______).................................................98
DK/NR .....................................................................................................99

Q16  In the context of the most recent contact, did WD officers make any referrals to other sources of information or people who might be of assistance to your organisation?
Q17 Did you follow-up with these referrals?

Yes .............................................................................................................1
No .............................................................................................................2
DK/NR ........................................................................................................9

Q18 How would you rate the value of these referrals? Were they...

Not at all valuable .....................................................................................1
Not very valuable .....................................................................................2
Somewhat valuable ..................................................................................3
Very valuable ............................................................................................4
DK/NR ........................................................................................................9

ACCESS

(ASK "SATISFACTION" GROUP ONLY)
Q19 Thinking of your most recent contact with WD, would you say you were very dissatisfied, dissatisfied, neutral, satisfied or very satisfied with the following aspects of access to WD service? (RANDOMISE THE ORDER)

19.1 the convenience of the office location (SKIP Q19.1 IF Q19.4 OR Q19.5 OR Q19.9 IS N/A)
19.2 the variety of methods to access the service (e.g., phone, in-person, e-mail, etc.)
19.3 the hours of service
19.4 the comfort of the waiting areas (SKIP Q19.4 IF Q19.1 OR Q19.5 OR Q19.9 IS N/A)
19.5 the signage to find the office (SKIP Q19.5 IF Q19.1 OR Q19.4 OR Q19.9 IS N/A)
19.6 the ease of making appointments with officers
19.7 the ease of reaching officers
19.8 the timeliness of responses to telephone or e-mail messages
19.9 the waiting time at the office (SKIP Q Q19.9 IF Q19.1 OR Q19.4 OR Q19.5 IS N/A)

(ASK "IMPORTANCE" GROUP ONLY)
Q20 Do you find each of the following aspects of access to service to be very unimportant, unimportant, neutral, important or very important in deciding to deal with WD? (RANDOMISE THE ORDER)

20.1 (SAME ITEMS AS IN QUESTION 19)

Q21 Thinking of your most recent contact with WD, overall, would you say you were very dissatisfied, dissatisfied, neutral, satisfied or very satisfied with access to WD services?
Q22  In general, if only one area of access to WD services could be improved, which one should be focussed on? (DO NOT READ THE LIST)

(ITEMS IN QUESTION 19) .................................................................01
SOME OTHER ANSWER (SPECIFY) ........................................98
DK/NR .........................................................................................99

COMMUNICATIONS

(ASK "SATISFACTION" GROUP ONLY)
Q23  Thinking of your most recent contact with WD, would you say you were very dissatisfied, dissatisfied, neutral, satisfied or very satisfied with the following aspects of WD communications? (RANDOMISE THE ORDER)

23.1 the clarity of the information provided
23.2 the availability of the information you needed
23.3 the consistency of the information provided
23.4 communications in the official language of your choice
23.5 the ease of understanding of the information provided
23.6 the information provided on the requirements to get the service

(ASK "IMPORTANCE" GROUP ONLY)
Q24  Do you find each of the following aspects of communications to be very unimportant, unimportant, neutral, important or very important in deciding to deal with WD? (RANDOMISE THE ORDER)

24.1 (SAME ITEMS AS IN QUESTION 23)

Q25  Thinking of your most recent contact with WD, overall, would you say you were very dissatisfied, dissatisfied, neutral, satisfied or very satisfied with WD communications?

Q26  In general, if only one area of WD communications could be improved, which one should be focussed on? (DO NOT READ THE LIST)

(ITEMS IN QUESTION 23) .................................................................01
SOME OTHER ANSWER (SPECIFY) ........................................98
DK/NR .........................................................................................99

Q27  What is the main method you use to access business information? (DO NOT READ)

Discussions with WD officers .............................................................01
Networking .......................................................................................02
Internet .........................................................................................03
Literature .........................................................................................04
Other (PLEASE, SPECIFY) ..............................................................98
DK/NR .........................................................................................99

Q28  Do you have ACCESS to the Internet for work purposes?

Yes .........................................................................................................1
No ..........................................................................................................2
DK/NR .................................................................................................9
Q29 Have you ever USED the Internet to access business information?
Yes ................................................................. 1
No ........................................................................ 2
DK/NR ............................................................. 9

Q30 Have you ever used the Internet to access information about government programs?
Yes ........................................................................ 1
No ........................................................................ 2
DK/NR ............................................................. 9

Q31 Have you ever visited the WD Web site?
Yes ........................................................................ 1
No ........................................................................ 2
DK/NR ............................................................. 9

Q32 If you knew that WD offered access to its information and services through its Web site, how likely would you be to use it? Would you be...
(READ; ROTATE THE ORDER)
Not at all likely ..................................................... 1
Not very likely ....................................................... 2
Somewhat likely .................................................... 3
Very likely ............................................................ 4
DK/NR ............................................................... 9

Q33 If WD offered access to on-line application of its programs through its Web site, how likely would you be to use it? Would you be...
(READ; ROTATE THE ORDER)
Not at all likely ..................................................... 1
Not very likely ....................................................... 2
Somewhat likely .................................................... 3
Very likely ............................................................ 4
DK/NR ............................................................... 9

GENERAL QUESTIONS

Q34 On the whole, would you say you were very dissatisfied, dissatisfied, neutral, satisfied or very satisfied with your most recent contact with WD?

Q35 Thinking of your most recent contact with WD, did you get what you needed?
Yes ........................................................................ 1
In part ................................................................. 2
No ........................................................................ 3
DK/NR ............................................................... 9

Q36 What didn’t you get that you needed?
VERBATIM __________
DK/NR ............................................................... 9

Q37 As far as you can tell, was the service provided without error?
Q38 Do you find each of the following general aspects of service to be very unimportant, unimportant, neutral, important or very important in deciding to deal with WD? (RANDOMIZE THE ORDER)

38.1 sensitivity to needs
38.2 reliability of the service
38.3 communications
38.4 access to the service

Q39 If only one general area of the WD service could be improved, which one should be focused on? (READ LIST)

(ITEMS IN QUESTION 38) ................................................................. 01
SOME OTHER ANSWER (SPECIFY) ____________________________ 98
DK/NR ......................................................................................... 99

Q40 Overall, would you say that the services provided by WD have made your organisation much more successful, somewhat more successful, a little more successful or that they have had no impact on your organisation's success? (ROTATE THE ORDER OF PRESENTATION)

Much more successful ................................................................ 1
Somewhat more successful .......................................................... 2
A little more successful ................................................................. 3
No impact on success ................................................................. 4
DK/NR ......................................................................................... 9

Q41 Over the coming 12 months, do you intend to consult with WD... (READ; ROTATE THE ORDER)

Considerably less ........................................................................ 1
Somewhat less ............................................................................... 2
The same ..................................................................................... 3
Somewhat more ........................................................................... 4
Considerably more ...................................................................... 5
DK/NR ......................................................................................... 9

Q42 Would you recommend WD services without reservation, recommend with reservation or not recommend WD services at all?

Recommend without reservation ............................................... 1
Recommend with reservation ....................................................... 2
Not recommend ......................................................................... 3
DK/NR ......................................................................................... 9

BACKGROUND

Q43 I have a few final questions for statistical purposes. Over the past 12 months, approximately how many times have you been in contact with WD?

_____________ NUMBER OF TIMES
DK/NR ......................................................................................... 9999
Q44  How long ago did you first contact WD for services? Is it...

Less than 1 year ago......................................................................................1
1 to 2 years ago............................................................................................2
3 to 5 years ago............................................................................................3
More than 5 years ago..................................................................................4
DK/NR .........................................................................................................9

Q45  Is your organisation commercial or not for profit?

Commercial ..................................................................................................1
Not for profit.................................................................................................2
DK/NR .........................................................................................................9

Q46  For how many years has your organisation been in existence?

Not in operations yet ....................................................................................1
Less than 1 ....................................................................................................2
Record the number of years __________ .....................................................3
DK/NR .........................................................................................................9

Q47  In a few words, what is the primary business of your organisation?

Verbatim __________ .................................................................................01
Not applicable.............................................................................................98
DK/NR .........................................................................................................99

Q48  In which region are most of your organisation's clients located? (DO

NOT READ; ACCEPT AS MANY AS APPLY)

Manitoba......................................................................................................01
Saskatchewan ...............................................................................................02
Alberta ..........................................................................................................03
British Columbia .........................................................................................04
USA .............................................................................................................05
Other, SPECIFY __________ .................................................................98
DK/NR .........................................................................................................99

Q49  In which of the following categories does your organisation's gross

revenues belong? (READ)

Less than $100,000........................................................................................1
$100,000 to less than $250,000......................................................................2
$250,000 to less than $1,000,000.................................................................3
$1,000,000 to less than $5,000,000.............................................................4
$5,000,000 or more ....................................................................................5
DK/NR .........................................................................................................9

Q50  Including yourself, how many people are employed full-time by your

organisation? Is it... (READ)

Less than 5...................................................................................................1
5 to 9............................................................................................................2
10 to less than 25........................................................................................3
25 to less than 50..........................................................................................4
50 to less than 100........................................................................................5
100 or more.................................................................................................6
DK/NR .........................................................................................................9
CMT – Example of Quadrant Analysis Approaches

EXHIBIT 4.1
Modelled vs. Stated Importance

Stated importance

1 speed 9 promises 20 location 30 clarity of info
2 flexibility 10 bus. knowledge 21 access methods 31 availability of info
3 bureaucracy 11 competence 22 hours of service 32 consistency
4 # of contacts 12 courtesy 23 waiting areas 33 official language
5 assessing needs 13 fairness 24 signage 34 understanding
6 helpfulness 14 confidentiality 25 appointments 35 info on requirements
7 info. on status 15 corrections 26 ease of reaching 36 COMMUNICATIONS
8 SENSITIVITY 16 guidance 27 timely responses
9
8
7
6
5
4
3
2
1

Item group
- Sensitivity
- Reliability
- Access
- Communications

Modelled importance
<table>
<thead>
<tr>
<th>Determinant</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Access</strong></td>
<td>the ease and convenience of accessing the service</td>
</tr>
<tr>
<td></td>
<td>Neighbourhood offices; one stop shops; convenient operating hours; 24 hour telephone access; internet access</td>
</tr>
<tr>
<td><strong>Communication</strong></td>
<td>keeping customers informed in a language they understand; listening to customers</td>
</tr>
<tr>
<td></td>
<td>‘plain English’ pamphlets and brochures; communication material tailored to the needs of individual groups (ethnic minorities, visually impaired etc); suggestions and complaints systems</td>
</tr>
<tr>
<td><strong>Competence</strong></td>
<td>having the skills and knowledge to provide the service</td>
</tr>
<tr>
<td></td>
<td>all staff knowing, and able to do, their job</td>
</tr>
<tr>
<td><strong>Courtesy</strong></td>
<td>politeness, respect, consideration, friendliness of staff at all levels</td>
</tr>
<tr>
<td></td>
<td>staff behaving politely and pleasantly</td>
</tr>
<tr>
<td><strong>Credibility</strong></td>
<td>Trustworthiness, reputation and image</td>
</tr>
<tr>
<td></td>
<td>The reputation of the service in the wider community, staff generating a feeling of trust with customers</td>
</tr>
<tr>
<td><strong>Reliability</strong></td>
<td>provide consistent, accurate and dependable service; delivering the service that was promised</td>
</tr>
<tr>
<td></td>
<td>Standard defined in local service charters; accuracy of records; accuracy of community charge bills; doing jobs right first time; keeping promises and deadlines</td>
</tr>
<tr>
<td><strong>Responsiveness</strong></td>
<td>being willing and ready to provide service when needed</td>
</tr>
<tr>
<td></td>
<td>Resolving problems quickly; providing appointment times</td>
</tr>
<tr>
<td><strong>Security</strong></td>
<td>physical safety; financial security; confidentiality</td>
</tr>
<tr>
<td></td>
<td>Providing services in a safe and secure manner</td>
</tr>
<tr>
<td><strong>Tangibles</strong></td>
<td>the physical aspects of the service such as equipment, facilities, staff appearance</td>
</tr>
<tr>
<td></td>
<td>up-to-date equipment and facilities; staff uniforms</td>
</tr>
<tr>
<td><strong>Understanding the customer</strong></td>
<td>knowing individual customer needs; recognising the repeat customer</td>
</tr>
<tr>
<td></td>
<td>Tailoring services where practical to meet individual needs</td>
</tr>
</tbody>
</table>
SERVQUAL Dimensions and Determinants