Customer Care Cube (C^3)™ Approach

Full details are available in a white paper "Customer Care Cube (C^3)™ A Customer Satisfaction and Retention Methodology. A copy can be downloaded from:

http://www.marketware.biz/white_papers.htm

Do you know what customer service components are important to your customers? Do you know how your customers rate your performance? Do you know how your customers rate you in comparison to your competitors/other suppliers? If you know, is it because you have made broad assumptions or have you taken the time to actually ask the customer? A formal performance review involves, on an annual basis, asking the customer to give you an honest assessment of your performance, and discussing and clarifying the rationale behind the performance rating.

The use of surveys to monitor and review customer service performance is a widely deployed methodology. Surveys can take the form of a questionnaire, with or without a face-to-face interview, a web-based questionnaire, or a telephone-based interview.

Customer satisfaction surveys typically ask a sample of customers how satisfied they are with particular components of the offering, such as product quality, price, after sales service, etc. The customers' satisfaction under each component is rated (1 Extremely dissatisfied, 2 Dissatisfied, 3 Neutral, 4 Satisfied, 5 Completely Satisfied). This provides useful feedback and allows the organisation to identify and address problems that will give rise to customer dissatisfaction and ultimately the loss of customers.

At its most basic level, this type of customer survey is one dimensional, in that it only rates customer satisfaction against a number of pre-selected customer service components without reference to their relative importance. A more sophisticated approach adds a second dimension by recognising that all service components are not of equal importance to customers and that the satisfaction rating should be weighted by the importance of the customer service component being rated. Thus, the second dimension rates these customer service components in terms of their importance to the customer (1 Not important, 2 Minor importance, 3 Important, 4 Very important, 5 Essential).

This allows the customer service effort to focus on those service components that are rated as most important by the customer.

However, this two-dimensional analysis does not fully address the competitive reality that exists in virtually all customer situations. What appears to be a satisfactory rating can be perceived by one customer as being as good as or better that other suppliers, while another customer giving the same rating can perceive the performance as poorer than that available from other suppliers. The results of such a two-dimensional survey can give rise to a false sense of security or inappropriate prioritisation of corrective actions.

The Customer Care Cube (C^3)™ methodology augments the two-dimensional customer survey approach by providing the third dimension of the Cube. This dimension asks the customer to rate the organisation versus the competition/other suppliers for each customer service component: (1 Significantly worse, 2 Somewhat worse, 3 About the same, 4 Somewhat better, 5 Significantly better). Clarifying this pecking order is of vital importance in understanding what the customer really thinks and which vendors are most likely to have a long-term strategic relationship.

Ideally, the comparison should be with direct competitors. However, where direct competitors do not exist, a comparison with other suppliers positions the company within the supplier pyramid. Those at the bottom of the pyramid are most likely to be replaced, while those at the top of the pyramid are most likely to be long-term strategic business partners.

This additional dimension validates the other data by allowing it to be put in a competitive framework. Thus, one can identify for instance, a customer who only scores a 3 in terms of satisfaction but rates the service as being significantly better than the competition as being different from another customer who also rates the service satisfaction as a 3 but rates the performance as being somewhat worse than the competition. This provides a level of insight that would not be possible by using only two dimensions i.e. taking the ratings of 3 at face value.

The graphic representation of the Cube allows one to quickly identify areas of exposure or risk and potential areas of competitive advantage. If one is consistently rated highly on a particular service component that is viewed as being very important by a segment of customers, and they also rate the service as being significantly better that the competition, this has the potential to be exploited as an important/significant competitive advantage

The Customer Care Cube (C^3)™ uses the Excel Bubble chart format to display the threedimensional Cube data. It currently allows data from 29 customers for each of 10 customer service components to be mapped. The 29 customers is an Excel limitation when using the CHOOSE function. The number of service components is limited to 10 for practical reasons; with more than 10, the chart becomes crowded with data points/bubbles overlapping Two charts are produced. The customer profile chart maps the data for one customer for each of the 10 service components. Any one of the 29 customers can be selected from a dropdown list. The Competitive Factor chart maps the data for one service component (quality, price, etc.) for each of the 10 customers. Any 10 of the 29 customers can be chosen for which to create a chart

Having collected the data, a Customer Satisfaction Index (CSI) can be calculated for each service component for each customer. A CSI is calculated by multiply the 3 ratings (importance, performance and competitive comparison) and dividing the result by 125. The maximum score is a perfect 5^3, 5 by 5 by 5 (125). Thus, the maximum CSI is 1, i.e. 5 by 5 by 5 divided by 125. The closer to a perfect 5^3 the better the performance.

An average CSI can be calculated for each customer across all of the service components. Similarly, an average CSI can be calculated for each service component, such as technology leadership, customer service, technical support, etc. An average CSI can be calculated for groups of customers and for the overall customer base.

For more detailed and critical analysis, a Customer Satisfaction Critical Index (CSCI) is appropriate. CSCI is similar to the CSI but eliminates those service components that are rated as less important bythe customer. Thus, the CSCI is based on those components that were rated a 4 (very important) or 5 (essential) by the customer. This approach is similar to that in financial liquidity ratios where one can calculate a Current Ratio and a more demandingQuick Ratio.

Both CSI and CSCI can be used as consistent metrics around which to set targets, e.g. one can have a target/goal to get a CSI score of 0.95 for “responsiveness” in next year's survey. Having established measurable metrics one can then implement strategies and action programs to achieve the targets. This can be part of an overall continuous improvement iterative process of target setting, planning, implementation, measurement, revising target, etc.

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Customer Care Cube (C^3)™ User Guide

User Instructions

The EXCEL model has a simple Push Button Menu system at the top of the Workbook in cell A2. The following general guidelines should be followed. Cells in Green are intended for User Input. Cells in Black are calculated and should not be altered by the user. On first use it is recommended that the Menu Options be used in the sequence in which they are numbered, 1, 2, 3, etc. On subsequent use, the options can be selected as required to make amendments to the data originally entered.

Enter the **Customer Evaluation Criteria**. These are the 10 factors/service components for which review/survey data is to be entered

Enter the **Customer Names**. These are the customers for which review/survey data is to be entered. Up to 29 customers can be entered (this is an Excel limitation when using the CHOOSE function).

Enter **Customers' Rating Data**. For each **Customer,** 3 data elements are entered for each of the **Evaluation Criteria**. These are the rating of the quality of the service provided, the importance of the factor/service component and the perceived comparison with competitors . The data can be entered with one decimal, thus one can have a rating of, say, 3.5.

Rating of the customers' **satisfaction** with the service

1 Extremely dissatisfied
2 Dissatisfied
3 Neutral
4 Satisfied
5 Completely satisfied

I**mportance** of **Evaluation Criteria** to the customer

1 Not important
2 Minor importance
3 Important
4 Very important
5 Essential

Rating versus the **competition** for each attribute:

1 Significantly worse
2 Somewhat worse
3 About the same
4 Somewhat better
5 Significantly better

When the data is entered, The **Customer Satisfaction Index (CSI)** and **Customer Satisfaction Critical Index (CSCI)** table and the various charts are automatically created.

The **Customer Profile Chart** has a dropdown list on the top left-hand corner of the chart to select the customer data to be displayed in the chart. The **Customer Name** is automatically displayed in the **Title Area** of the chart. The size of the bubble indicates the relative competitive performance, a bubble of diameter 3 indicates a performance "about the same as" the competition while a diam eter of 5 indicates "significantly better" than the competition.

The **Competitive Factor Chart** has a dropdown list on the top left-hand corner of the chart to select the **Competitive Factor** data to be displayed in the chart. The size of the bubble indicates the relative competitive performance, a bubble of diameter 3 indicates a performance "about the same as" the competition while a diameter of 5 indicates "significantly better" than the competition.

The Complete **CSI & CSCI Table** can be printed by selecting **Option 6 Print CSI & CSCI Table** from the menu.

The **CSI & CSCI Chart** displays the CSI and CSCI data for an individual customer. The **CSI & CSCI Chart** has a dropdown list on the top left-hand corner of the chart to select the customer data to be displayed in the chart. The **Customer Name** is automatically displayed in the **Title Area** of the chart.

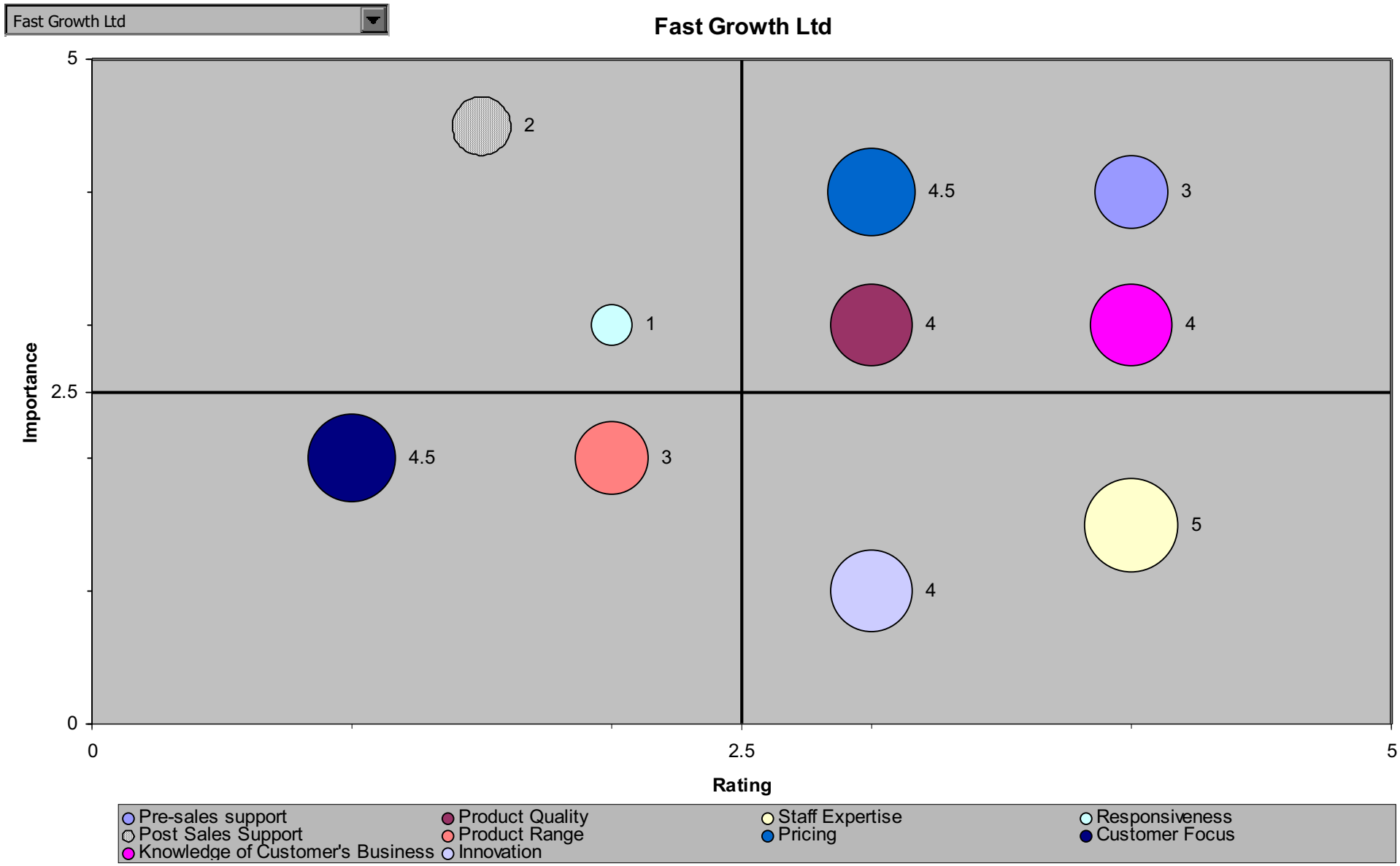
The 10 customers for which data is to be displayed in the in the **Competitive Factor Chart** are the first 10 for which data was entered. To select any other 10, enter numbers 1 to 10 in the **Priority** column (Column A) next to the Customer Names of the chosen customers and choose **Option 7 Sort Customer Data** from the menu. The chart will be automatically updated.

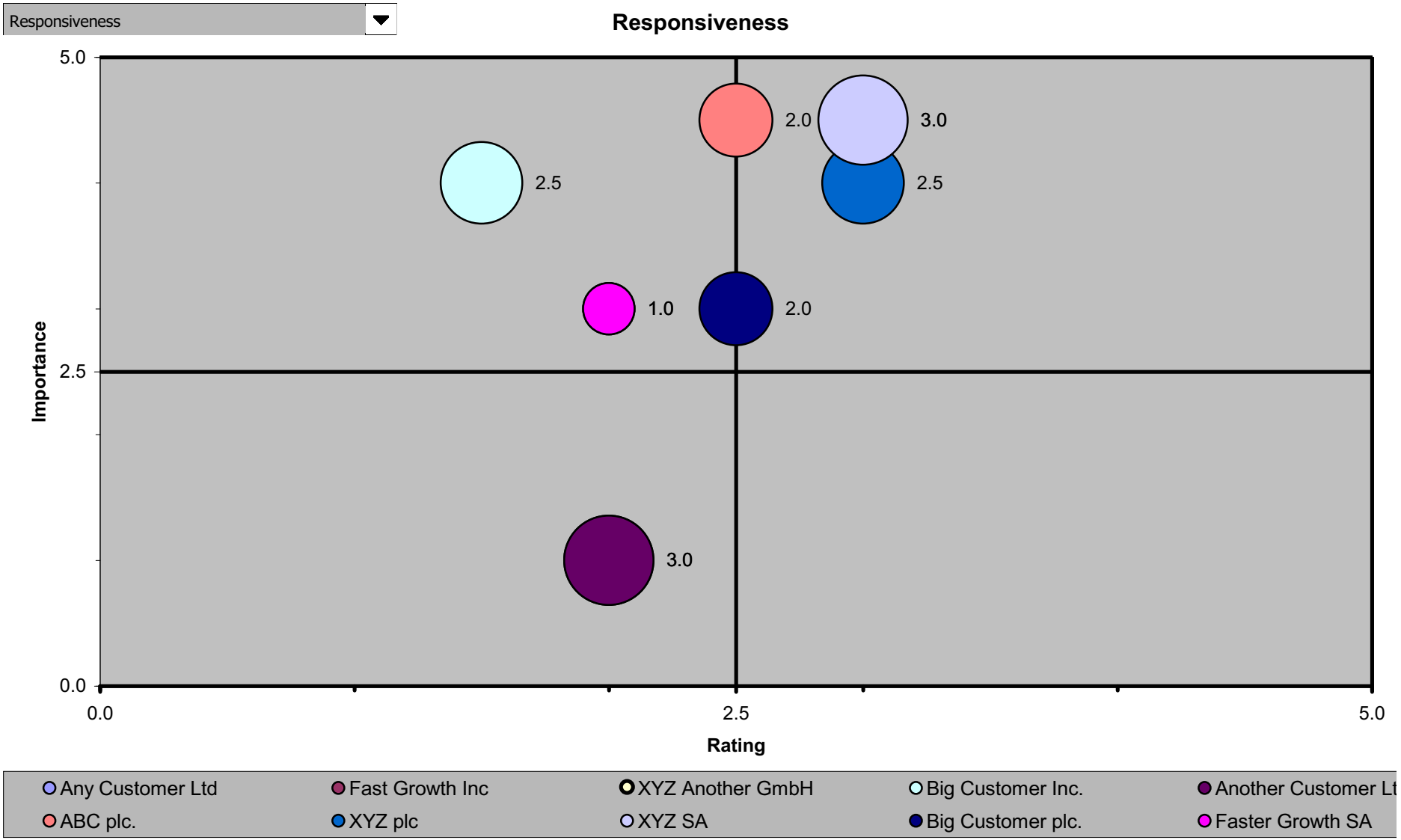
Customer Evaluation Criteria

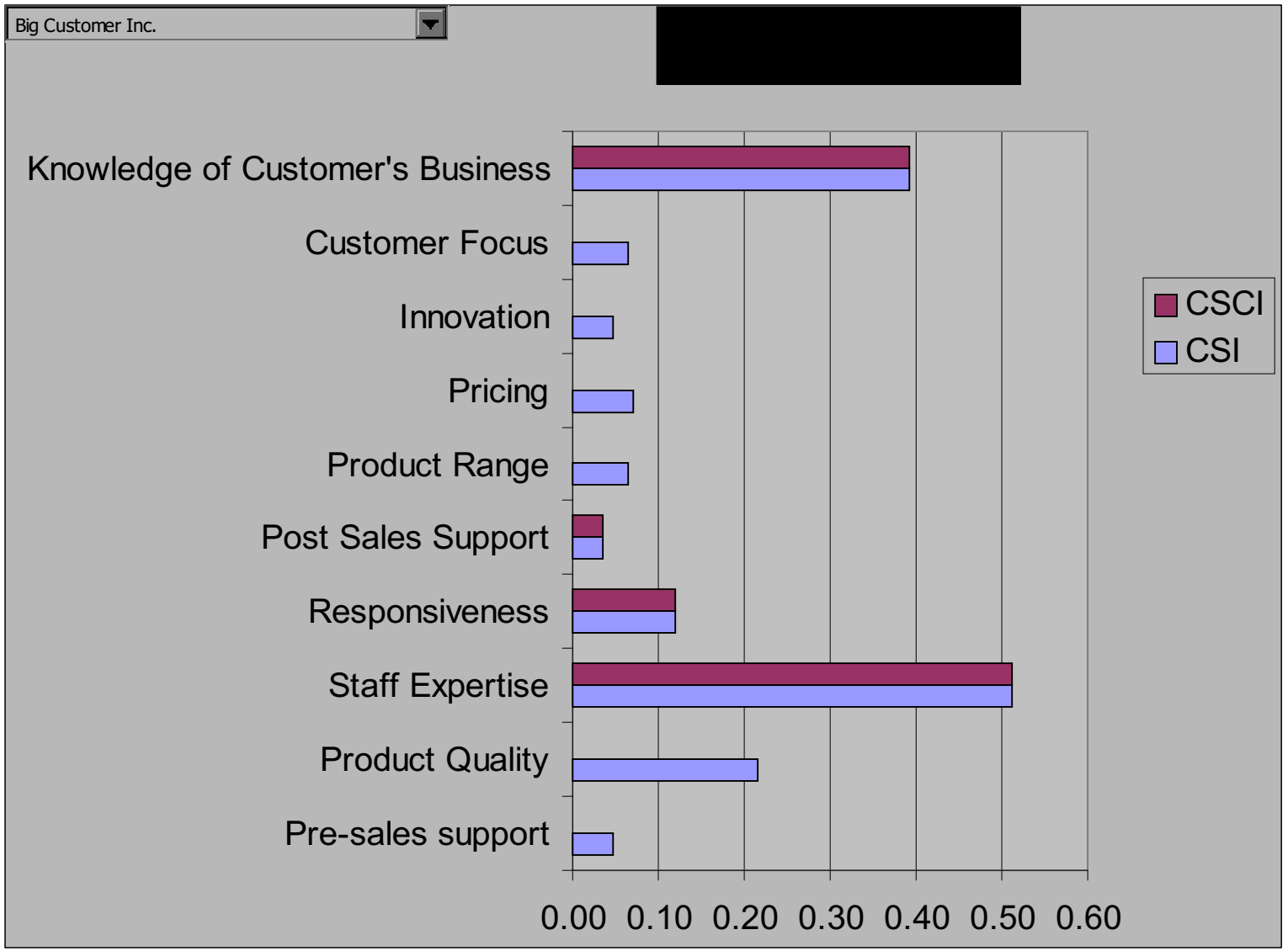
Pre-sales support
Product Quality
Staff Expertise
Responsiveness
Post Sales Support
Product Range
Pricing
Innovation
Customer Focus
Knowledge of Customer's Business

Customer Response

Priority		Pre-sales support			Product Quality		
		Rating	Importance	Comparison	Rating	Importance	Comparison
1	Any Customer Ltd	4.5	4.5	3.5	3.0	4.0	3.5
2	Fast Growth Inc	4.0	4.5	3.5	3.0	3.0	4.0
3	XYZ Another GmbH	3.0	4.0	3.0	4.5	4.5	4.0
4	Big Customer Inc.	2.0	3.0	1.0	3.0	3.0	3.0
5	Another Customer Ltd	4.5	4.5	3.5	3.0	4.0	3.5
6	ABC plc.	4.5	3.0	4.0	4.0	2.0	3.0
7	XYZ plc	2.0	4.0	2.5	4.0	4.0	4.0
8	XYZ SA	3.0	4.0	3.0	4.5	4.5	4.0
9	Big Customer plc.	3.0	3.0	2.0	4.0	3.0	3.0
10	Faster Growth SA	4.0	4.0	3.0	3.0	3.0	4.0


Fast Growth Ltd
Fast Growth Ltd
5
2.5
0
Importance
0
2.5
5
Rating
2
1
4.5
3
4.5
4
4
4.5
3
5
4
Pre-sales support
Post Sales Support
Knowledge of Customer's Business
Product Quality
Product Range
Innovation
Staff Expertise
Pricing
Responsiveness
Customer Focus


Responsiveness
Responsiveness
5.0
2.5
0.0
Importance
0.0
2.5
5.0
Rating
2.0
3.0
2.5
2.5
1.0
2.0
3.0
Any Customer Ltd
Fast Growth Inc
XYZ Another GmbH
Big Customer Inc.
Another Customer Lt
ABC plc.
XYZ plc
XYZ SA
Big Customer plc.
Faster Growth SA


Big Customer Inc.
Knowledge of Customer's Business
Customer Focus
Innovation
Pricing
Product Range
Post Sales Support
Responsiveness
Staff Expertise
Product Quality
Pre-sales support
CSCI
CSI
0.00
0.10
0.20
0.30
0.40
0.50
0.60

CUSTOMER	Pre-sales support		Product Quality		Staff Expertise		Responsiveness		Post Sales Support		Product Range		Pricing		Innov
	CSI	CSCI	CSI	CSCI	CSI	CSCI	CSI	CSCI	CSI	CSCI	CSI	CSCI	CSI	CSCI	CSI
Any Customer Ltd	0.57	0.57	0.34	0.34	0.72	0.72	0.05		0.05		0.24		0.16	0.16	0.01
Fast Growth Inc	0.50	0.50	0.29		0.24		0.05		0.11	0.11	0.10		0.43	0.43	0.10
XYZ Another GmbH	0.29	0.29	0.65	0.65	0.05		0.32	0.32	0.10	0.10	0.48	0.48	0.06	0.06	0.02
Big Customer Inc.	0.05		0.22		0.51	0.51	0.12	0.12	0.04	0.04	0.06		0.07		0.05
Another Customer Ltd	0.57	0.57	0.34	0.34	0.72	0.72	0.05		0.05		0.24		0.16	0.16	0.01
ABC plc.	0.43		0.19		0.43	0.43	0.18	0.18	0.32	0.32	0.03		0.11		0.05
XYZ plc	0.16	0.16	0.51	0.51	0.22		0.24	0.24	0.18		0.01		0.11		0.07
XYZ SA	0.29	0.29	0.65	0.65	0.05		0.32	0.32	0.10	0.10	0.48	0.48	0.06	0.06	0.02
Big Customer plc.	0.14		0.29		0.64	0.64	0.12		0.05		0.08		0.14	0.14	0.05
Faster Growth SA	0.38	0.38	0.29		0.24		0.05		0.11	0.11	0.10		0.43	0.43	0.10
ABC Again plc.	0.43		0.19		0.43	0.43	0.18	0.18	0.32	0.32	0.03		0.11		0.05
ABC High Street plc.	0.43		0.19		0.43	0.43	0.18	0.18	0.32	0.32	0.03		0.11		0.05
ABC Inc.	0.80	0.80	0.45		0.19		0.02		0.14		0.34		0.11	0.11	0.01
ABC Up Town plc.	0.43		0.19		0.43	0.43	0.18	0.18	0.32	0.32	0.03		0.11		0.05
Another XYZ GmbH	0.29	0.29	0.65	0.65	0.05		0.32	0.32	0.10	0.10	0.48	0.48	0.06	0.06	0.02
Any Other Customer Ltd	0.57	0.57	0.34	0.34	0.72	0.72	0.05		0.05		0.24		0.16	0.16	0.01
Big Customer SA	0.05		0.22		0.51	0.51	0.12	0.12	0.04	0.04	0.06		0.07		0.05
Bigger Customer Inc.	0.05		0.22		0.51	0.51	0.12	0.12	0.04	0.04	0.06		0.07		0.05
Biggest Customer Inc.	0.05		0.22		0.51	0.51	0.12	0.12	0.04	0.04	0.06		0.07		0.05
Fast Growth GmbH	0.20	0.20	0.10		0.48	0.48	0.22		0.16		0.14	0.14	0.10		0.19
Fast Growth Ltd	0.38	0.38	0.29		0.24		0.05		0.11	0.11	0.10		0.43	0.43	0.10
Fast Growth SA	0.38	0.38	0.29		0.24		0.05		0.11	0.11	0.10		0.43	0.43	0.10
Faster Growth Inc	0.38	0.38	0.29		0.24		0.05		0.11	0.11	0.10		0.43	0.43	0.10
Good Customer Inc.	0.05		0.22		0.51	0.51	0.12	0.12	0.04	0.04	0.06		0.07		0.05
New Customer SA	0.51	0.51	0.72	0.72	0.22		0.32		0.19		0.06		0.12		0.38
Smart Customer Ltd	0.57	0.57	0.34	0.34	0.72	0.72	0.05		0.05		0.24		0.16	0.16	0.01
Smarter Customer Ltd	0.57	0.57	0.34	0.34	0.72	0.72	0.05		0.05		0.24		0.16	0.16	0.01
XYZ Again GmbH	0.29	0.29	0.65	0.65	0.05		0.32	0.32	0.10	0.10	0.48	0.48	0.06	0.06	0.02
XYZ Ltd	1.00	1.00	0.65	0.65	0.05		0.32	0.32	0.10	0.10	0.48	0.48	0.06	0.06	0.02
Average CSI & CSCI	**0.37**	**0.46**	**0.35**	**0.51**	**0.38**	**0.56**	**0.15**	**0.21**	**0.12**	**0.13**	**0.18**	**0.42**	**0.16**	**0.21**	**0.06**