Book Review

The Handbook of Customer Satisfaction and Loyalty Measurement, 3rd edn

Nigel Hill and Jim Alexander

Gower Publishing Limited, Hampshire, 2006, ISBN: 0566 087448; pp. 273, £75.00

Journal of Targeting, Measurement and Analysis for Marketing (2007) **15**, 277–278.
doi:10.1057/palgrave.jt.5750053

Customer satisfaction has been studied for decades by both academics and practitioners. Not only is customer satisfaction itself a complicated construct to measure, but it also occurs at multiple levels in the organisation. The authors point out that ‘customer satisfaction measurement is about measuring how customers perceived your performance as a supplier’. Therefore, customers may evaluate their satisfaction on the basis of the contact person, the product, the overall service experience, the delivery and the organisation’s image.

This book brings in a fashionable methodological concept — mixed methods. By using mixed methods (qualitative first, then quantitative methods), the organisation can accurately identify customer expectations and priorities, the difference between the two being that customer priorities refer to the customer’s needs. The authors draw upon the analogy of a train journey to illustrate the priorities and needs of customers: is punctuality, seat availability or the wide range of choice in the buffet car more important for passengers? Although customer’s priorities may differ in similar markets, identifying the relative importance of each factor of customer satisfaction is the main concern.

An exploratory study is an appropriate method to discover these relative factors of customer satisfaction. By conducting in-depth interviews or forming focus groups, the organisation is able to clarify what these factors are and their interrelationships. The authors provide various

instructions for conducting research in the B2B and B2C markets. For instance, it is acceptable to use a tape recorder in B2C research, as one of the advantages is that nothing is missed. The authors do not suggest using such a medium in the B2B market, however, as managers may worry about divulging sensitive information. Therefore, note-taking would be appropriate in that situation. Exploratory research provides the organisation with more insights into the customers and generates accurate measures of customer satisfaction and loyalty. That is, it enables the organisation to target the customers and ascertain the way they perceive the performance of that organisation.

A step-by-step process leads readers through sampling, survey options and questionnaire design. It is vital to generate questions that enable customers to give truthful answers rather than responses they feel they ought to give. Moreover, the types of questions used in the questionnaire may influence the response rate. For instance, customers may be reluctant to complete open questions, which may result in inaccurate outcomes. Readers may use different methods depending on the kind of information required. If comprehensive information is desired, personal interviews would be a good choice.

The authors demonstrate several statistical techniques for analysing numerical (ie means and standard deviations) and verbal (ie frequency distribution) scales, and how to present these results in chart and table form. A combination of

tables and charts yields an effective and efficient way of depicting the results. In addition, the authors provide comprehensive guidelines for reporting and making internal presentations, starting with an introduction that is followed by sampling, research methodology, survey results and priorities for improvements (PFIs).

There are many surveys conducted everyday, everywhere. In general, customers receive at least one or two different types of questionnaire with different purposes each day. The most important thing is to share the results with customers as soon as possible, irrespective of whether the

survey has been conducted in the B2B or B2C market. In this way, not only will customers perceive that the organisations value their customers, but customers' perceptions of the organisations may also be modified. The report provides another opportunity for the organisations to highlight their successes. The book provides very good advice for both academic researchers and practitioners.

Chiao-Yun Connie Chang
Warwick Business School, UK