



Measuring Customer Satisfaction

Q: Jeff, do you know anyone in the country that has an objective method to measure the quality of performance of an institute on a weekly basis, a monthly basis or a semester basis other than by the retention ratio?

A: Over the years, I have thought a lot about an effective customer satisfaction measurement. I have tried retention as a measurement of customer satisfaction and have come to believe that retention is NOT a good comparison measurement (teacher to teacher, program to program) because there are so many variables beyond the teacher's/program leader's ability to control. For instance, all else equal: girls are always going to have higher retention than boys; soccer is always going to have higher retention than basketball; more talented kids are always going to have higher retention than less talented kids; fall is always going to have higher retention than spring; team is always going to have higher retention than classes. Of course, the specifics of my examples are arguable but the primary issue remains, there are variables that make retention data lousy for comparison (except, perhaps, year over year comparison for the same program during the same period).

Another, less talked about reason to avoid using retention as comparison data are the varieties of business models by

which a club may operate. For example, in our earlier days, when we were smaller and primarily focused on "gymnastics as a sport" our retention was 10 percentage points higher than it is today now that we focus on "gymnastics as an activity." We used to intentionally make it difficult to "drop out" and now we make it easy to "drop out" (and easy to "drop in"). The paradoxical results of this model shift: our business is much more profitable. In fact, looking at Kids First's historic retention data superimposed over profit growth, one would conclude that seeking lower retention is the path to profit growth ("I'm not making up the rules, I'm just reporting the news")!

Enough about what doesn't work, let's look at what might work. Arguably, the most accurate measurement of customer satisfaction is profit growth, measured over time. When I say "over time" I mean "over a few years" and unfortunately such a lengthy time span renders profit as not too useful a tool in many situations.

Is there anything else? The customer satisfaction measurement to which I am heading is a SIMPLE customer service survey. Envision a 3 x 5 index card with, say, four to five questions. The customers will complete this survey, say, three to five times per year and the answers will be assigned a one to five value: 1 (strongly disagree) to 5 (strongly agree). Here are some questions you might consider. My

child's teacher is VERY helpful and friendly; my child's teacher is VERY knowledgeable; my child has learned a LOT; my child LOVES his/her teacher; my child REALLY wants to continue next term; I enjoyed MY time and experience at Kids First; I feel my Department Leader would be happy to give me or my child special help when we to need it. Obviously, the questions should be related to that behavior which you want repeated/improved.

The strategy: Every term, compile the survey results and find creative ways to massage the results higher and higher.

The theory behind the strategy is, theoretically, if your questions accurately measure the essential things that make up a strong and vital business, then your business will become stronger and more vital as the numbers improve.

So, in a nutshell, my latest thinking on the subject is to identify the essential subjective qualities, quantify them, and manage by the results. If you try a version of this, keep me posted and I will, too.

Make it a great month! Jeff Metzger ✘

Jeff Metzger

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