

Measuring customer experience

Why delivering memorable quality service is far more important than settling for customer satisfaction

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Casinos, like other service industries, have only recently emphasized the role of marketing in achieving their strategic objectives. At a casino property with around a billion dollars in revenues that I have consulted with, over 25 percent of the revenues are spent (invested?) in marketing activities.

Having realized the importance of attracting and retaining valued customers, many casinos are conducting periodic surveys to assess how satis-

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fied their customers are with the various touch-points within the casino resort.

I have a piece of bad news for you. Such surveys could be an enormous waste of time and money, and could even lull management into a false sense of customer-centricity. But the good news is that you can avoid such waste if you read, reflect, and act on what is said in the following paragraphs.

Satisfaction or quality?

Most casinos try to assess customer experience through the level of satis-

faction reported by a customer. This serves to be of little value. Numerous studies have shown that customer satisfaction alone does not ensure that you are going to retain your customers.

There is a wide chasm between customer satisfaction and customer loyalty. When tracking repurchase loyalty, one car manufacturer was dismayed to find that although 90 percent of its auto users described themselves as "satisfied" or "very satisfied" with their vehicles, the repurchase rate hovered only around 30 to 40 percent.

As the loyalty aficionado Frederick Reichheld points out, "Companies can avoid the satisfaction trap if they remember that what matters is not how satisfied you keep your customers, but how many satisfied and profitable customers you keep."

Don't confuse the two, otherwise the exit doors of your property will be lined with thousands of seemingly satisfied customers.

It makes better sense to measure *quality* of the customer experience you are providing. The difference between satisfaction and quality is not merely semantic. Satisfaction relates to a single transaction and is consumption-specific. For example, I may be very satisfied with the *Pollo Alla Francese* that I order at Foxwoods' Al Dente restaurant. My experience with Foxwoods, on the whole, could still be negative. My satisfaction relates to a single transaction and this provides little by way of insight into my attitude towards Foxwoods as a whole.

It could even be that I had heard terrible things about Al Dente from other customers and this formed the basis of my low a-priori expectations about dining at Al Dente. Having these expectations disconfirmed was what resulted in my pleasantly high level of satisfaction. The high satisfaction, therefore, may not have a whole lot to do with Foxwoods' service quality even in regard to Al Dente.



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While perceived service quality is a global judgment or attitude relating to the superiority of the service, satisfaction is related to a specific transaction. Services research is replete with incidences where people are satisfied with a particular services provider but did not perceive the service firm to be of high quality. If you feel that customer loyalty and retention are the bottom-line drivers, then satisfaction is indeed a poor if not dysfunctional surrogate for measuring these constructs.

Linking specific items to overall satisfaction

Most customer satisfaction surveys I have seen capture the customers' assessment of various experiences at the property (food quality at the various restaurants, cleanliness of rooms, friendliness of valet staff, etc.) These are then linked to the overall measure of customer satisfaction to determine whether each individual item is a key driver of overall satisfaction.

Service/Product Satisfaction	Quarter 1 Key Driver Status	Quarter 4 Key Driver Status
Beverage Service on Casino Floor	No	Yes
Mix of Table Game Limits	No	No
Cage Services	No	Yes
Mix of Slot Game Types	No	No
Parking Facilities	Yes	No

Consider the extreme example of a casino that does quarterly satisfaction surveys and reallocates existing resources based on key driver analysis. (See chart)

If management erroneously decides to reallocate resources based

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on the first quarter satisfaction results, it may choose to reduce the number and training of the cage staff or casino floor waitresses in order to free funds for enhancing parking facilities. Such resource reallocation yields a completely different set of drivers in the fourth quarter.

Since the cage and food and beverage staff was cut back and not as well-trained, waiting time at the cashier's increased, and customers naturally became less satisfied about this aspect of their relationship with the casino. In all probability and on numerous occasions, they walked away from their blackjack table >>

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because they were tired of waiting for the beer they ordered an hour ago! In fact, the dissatisfaction was sufficiently acute to affect overall satisfaction.

This example underscores the dynamic nature of key drivers and the need to focus on more robust measures for evaluating customer experience.

Measuring drivers of service quality

Parsuraman, Zeithaml, and Berry, eminent scholars in services marketing, have identified five key aspects of service quality. These are:

- *Tangibles*—the appearance of facilities, equipment, personnel, and communications material,
- *Reliability*—the service provider's ability to perform the task dependably and correctly,
- *Responsiveness*—the service provider's willingness to help customers and provide prompt service,
- *Assurance*—knowledge base and courtesy of employees and the level of trust and confidence they instill,

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- *Empathy*—the level of caring and individualized service provided.

These five dimensions will drive customer perceptions of service quality across touch-points. Even more noteworthy, they point to specific areas in which the casino may be underperforming.

A periodic review of customer perceptions along these dimensions will ensure that the gap between the quality of service delivered by the casino and customer perceptions of what they think should be delivered is constantly and systematically reduced.

Closing argument

W. Edwards Deming, the quality guru wrote, "...it will not suffice to have

customers that are merely satisfied. Satisfied customers switch, for no good reason, just to try something else. Why not? Profit and growth come from customers that can boast about your product or service—the loyal customer. He requires no advertising or other persuasion and he brings a friend with him."

Customer satisfaction surveys seldom provide any insights into customer loyalty, the "brass ring" of business. Understanding the customer experience is vital, if not indispensable to the long-term profitability and growth of casinos.

Instead of pouring money into the coffers of well-meaning but conceptually unenlightened market research firms to obtain customer satisfaction ratings, you will be better off investing in sound instruments that track service quality. Casinos are in the business of destination-based entertainment, and the quality of experience they provide will alone determine how much sustainable competitive advantage you have. **CJ**
