


# Customer satisfaction drives corporate success

**T**he business imperative for creating a satisfied customer is as old as the practice of trading. In a free market, it is based on a mutually beneficial proposition: sellers make more profit and buyers are better off. Economic growth is about producing more and better goods and services and about buyers and sellers engaging in more economic transactions. It is not too hard to find someone with something to sell, but how does one encourage consumers to engage in additional transactions? One way is to increase their satisfaction with the outcome of the transactions. A company that fails to satisfy a buyer will not retain that customer unless there is nowhere else to go, or it is too expensive to get there. In a competitive marketplace that offers meaningful consumer choice, companies that do well by their customers are rewarded by repeat business, lower price elasticity, higher reservation prices, more cross-selling opportunities, greater marketing efficiency, and a host of other things that usually lead to earnings growth.

How do we know how well a company is doing with respect to satisfying its customers? How can we tell where it is heading? What are the appropriate measures? These and other questions were addressed at an APO training course on Customer Satisfaction for Improving Corporate Competitiveness in Seoul, Republic of Korea, 15–18 May. Eighteen participants from 13 APO member countries and three resource speakers presented and discussed experiences, challenges, and best practices in providing customer satisfaction. The participants represented finance and telecommunications, consultancy, and policy bodies. The group was aware that to understand customer satisfaction one must measure it and was eager to share and learn more about various approaches and experiences in measuring customer satisfaction to improve the competitiveness of individual companies and improve the health of economies generally.

As a resource speaker, I presented the methodology and findings of one ongoing effort to measure customer satisfaction on a national scale: the American Customer Satisfaction Index (ACSI), which has measured satisfaction with the products and services of more than 200 US companies over the past 13 years and reported its findings to companies, investors, government, and US consumers. I was very impressed by the wealth of knowledge on the subject of customer satisfaction that each participant brought to the course and the friendly, collegial atmosphere that facilitated productive discussions.

One key outcome of the course was a commitment from participants to consider the concept and value of measuring customer satisfaction for their own countries on a national scale similar to the ACSI and sharing the findings and best practices from these measures across countries. For this to become reality, it will be of critical importance to seek the involvement of the governments of member countries in such initiatives. It should be demonstrated to governments that measuring and reporting the customer satisfaction with the companies that make up a nation's economy has important implications not only for individual consumers, investors, and corporate managers, but for the health of the economy as a whole and therefore contributes to the improvement of the material well-being of societies. 

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