

Gauging satisfaction 10 years on

Customer satisfaction (CS) ratings and customer-oriented management are not new concepts. Slogans such as “the customer is always right,” or “the customer is king” are decades old. However, the plethora of choices and information available has resulted in very sophisticated, demanding customers. Consequently, companies require more effective strategies to ensure repeat business.

The Korea Productivity Center (KPC) recognized the necessity for accurate measurement of CS for companies needing a reliable indicator and as a standard index of sectoral and national competitiveness. The KPC worked closely with Prof. Claes G. Fornell, University of Michigan, the developer of the American Customer Satisfaction Index (ACSI) and launched the National Customer Satisfaction Index (NCSI) in 1998.

On 29 January, the KPC organized the NCSI 10th Anniversary International Conference at the Grand Intercontinental Seoul. The conference reviewed 10 years of NCSI research and the improvements it had made to Korean company income. The APO assisted by deputing two overseas resource speakers, Prof. Fornell and CEO Dr. Jan Eklöf of the European Performance Satisfaction Index (EPSI) under its Technical Expert Service Program. In the opening address, KPC Chairman and CEO Sung-Ki Bae stated that, “NCSI research was embarked upon to induce corporations to enhance their quality competitiveness through the scientific measurement of their customers’ satisfaction. I am proud to say that the NCSI has successfully promoted customer satisfaction-driven management over the past 10 years, based on the proven accuracy of the index and the authority that the government grants to the KPC.”



Two TES experts deputed by the APO

In his keynote speech, KPC Executive Director Dr. Chun Sun Lee, manager of NCSI research since its inception, highlighted three main achievements of the NCSI as “winning recognition as being a credible indicator of national quality competitiveness, playing the role of driving force for quality competitiveness enhancement, and finally contributing to a higher quality of life for the people of the country.” Dr. Lee also reported analytical findings from the past 10 years of NCSI research which confirmed a close correlation between



Bae (fifth from left) with representatives of companies ranked first in the NCSI for a decade

the NCSI and major economic indicators such as GDP, consumer spending, and unemployment rate.

“The NCSI method itself has been evolving and expanding for the past 10 years,” said Head of the KPC’s CS Management Center Hyung Bum Kim. “The subject of NCSI research was 37,000 customer responses, covering 161 companies in 37 industries. As of 2007, the subject had grown to 64,000 responses, covering 237 companies in 56 industries.” Kim also added that the average NCSI score was 58.8 in 1998, although it improved significantly to 71.6 in 2007. In comparison, the ACSI score was 75.2 in 2007.

“It is clear that economic growth in a global economy hinges on both productivity and buyer satisfaction. Productivity without customer satisfaction leads to loss of revenue. Customer satisfaction without productivity is too costly... with it [a national measure of CS] economic resources can be allocated for the benefit of all,” said Prof. Fornell, emphasizing the important role of the NCSI in his congratulatory message to the KPC. He also gave a presentation on the growing relevance of CS to business management, investment returns, and economic growth. Dr. Eklöf outlined the development of CS studies in Europe along with the methods of the EPSI, the pan-European counterpart of the ACSI.

An awards ceremony was held for companies ranked first more than six times in their subsectors, which included eight companies that had maintained first-place ranking for 10 consecutive years. Three of those eight companies, Telecom, Asiana Airlines, and Samsung Corporation, shared their experiences in using NCSI results to improve CS management. An NCSI innovation award was also presented to 13 companies and institutions that showed the most improvement in their sectors. The conference concluded with an affirmation of the seven NCSI visions, including NCSI coverage expansion, formation of an Asian regional CS network hub, development of a global CS index database, new-generation modeling, increased CS knowledge, determining consumer impact, and new projects. 