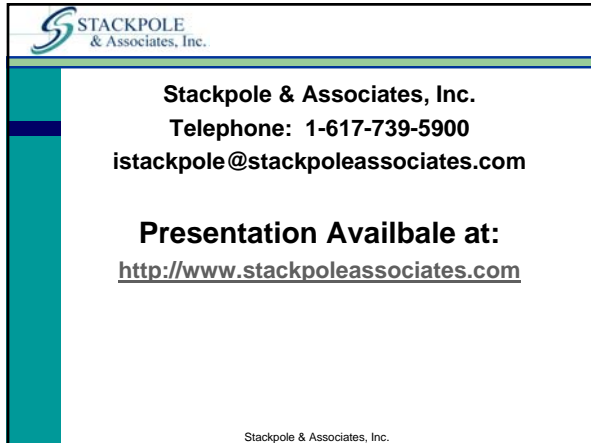






*Satisfaction is Cheap –
Loyalty is Priceless*

presented by
Irving L. Stackpole, RRT, MEd

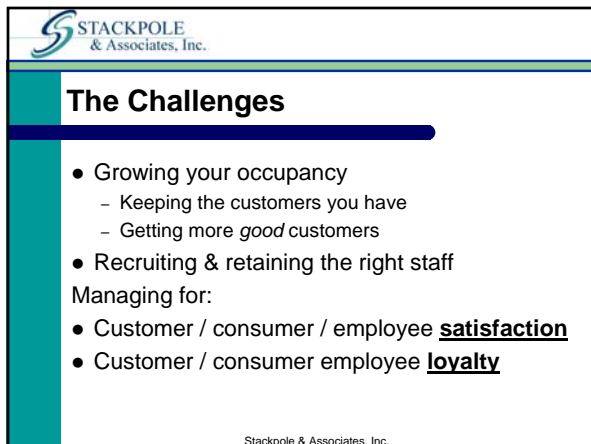
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The Challenges

- Growing your occupancy
 - Keeping the customers you have
 - Getting more *good* customers
- Recruiting & retaining the right staff

Managing for:

- Customer / consumer / employee **satisfaction**
- Customer / consumer employee **loyalty**

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What Is Satisfaction?

- Definition: fulfillment of a need
- Measured by self-reported rating, e.g.,

	Completely Disagree	Completely Agree
Overall, I am completely satisfied with the dining services.	1 2 3 4 5 6 7 8 9 10	

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Thinking about the **FOOD and DINING SERVICES** at WW Lakeside:

	COMPLETELY DISAGREE	COMPLETELY AGREE
25. I am satisfied with the menu choices.	1 2 3 4 5 6 7 8 9 10	
26. The temperature of the meals is appropriate.	1 2 3 4 5 6 7 8 9 10	
27. The food at WW Lakeside tastes good.	1 2 3 4 5 6 7 8 9 10	
28. The table service is prompt.	1 2 3 4 5 6 7 8 9 10	
29. The dining room hours are convenient.	1 2 3 4 5 6 7 8 9 10	
30. Each course is presented and removed politely and quietly.	1 2 3 4 5 6 7 8 9 10	
31. The dining staff is patient and caring.	1 2 3 4 5 6 7 8 9 10	
32. The dining staff is responsive to my individual needs.	1 2 3 4 5 6 7 8 9 10	
33. Communicating with the dining services staff is easy.	1 2 3 4 5 6 7 8 9 10	
34. Overall, I am very satisfied with the Food and Dining Services at WW Lakeside.	1 2 3 4 5 6 7 8 9 10	

COMMENTS _____

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STACKPOLE & Associates, Inc. A Meal vs. "There, you're fed."



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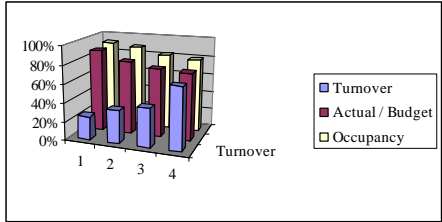
What Is Loyalty?

- Behavioral: frequency / proportion of re-use
- Attitudinal: frequency / proportion of recommendation / advocacy
 - Do your customers recommend?
 - Do your employees recommend?

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The Cost of Turnover



Turnover Category	Turnover (%)	Actual / Budget (%)	Occupancy (%)
1	~25	~85	~95
2	~35	~75	~90
3	~45	~65	~85
4	~55	~55	~80

Stackpole & Associates - Unpublished Data: A Study of the Relationship between Marketing Staff Turnover and Key Business Metrics. 2002

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STACKPOLE & Associates, Inc. Motivational Technique...



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What's the Difference?

- Satisfaction → Subjective Domain
- Loyalty → Objective / Observable / Behavioral Domain

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So What?

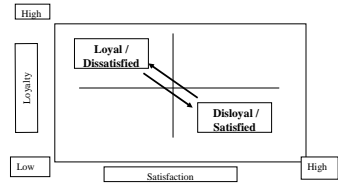
- Do ↑ Satisfaction Levels = ↑ Levels of Loyalty?
- Aren't Satisfied Customers Loyal Customers?
- No, Not Necessarily!

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Things Change!

Satisfaction / Loyalty Connection



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Factors → Loyal & Dissatisfied

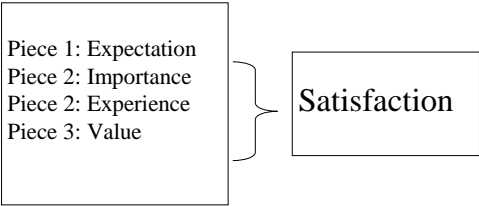
For Example

- Loyal (behavioral) / Dissatisfied
 - Doesn't see an alternative
 - Others arguing against change
 - Thinks that "cost" or barriers to change too great
- Loyal (attitude) / Dissatisfied
 - Considering the alternative, this is pretty good
 - Aging in place
 - Inverse correlation LOS v. Satisfaction

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Satisfaction: The 4 Part Story



Piece 1: Expectation
Piece 2: Importance
Piece 2: Experience
Piece 3: Value

Satisfaction

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Loyalty: The Recovery Story

- Loyalty behavior when experience is good
- Loyalty behavior when experience is bad
- Effective Recovery = Loyalty

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What Can/Should We Do?

1. Look more closely at satisfaction
 - Expectation, Importance, Experience, Value
 - How to / should we measure them?
2. Measure & manage for loyalty

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A Closer Look @ Satisfaction

Satisfaction – Expectation

- Initial Marketing & Sales Claims
 - Pre-Conceived Ideas (prior providers, prior venue, e.g., home or nursing home)
 - Exposure from visits – tours or social
 - Referral sources
 - Word of Mouth
- Measuring Expectation

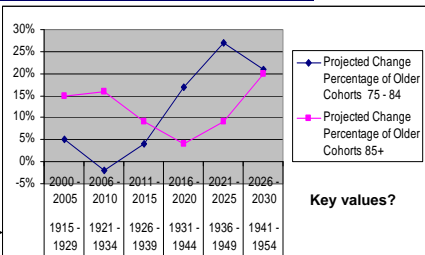
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Whose Expectations?

Year ➔

Birth Year ➔



Key values?

Source: Adapted from US Census Bureau, Current Population Reports, 1996

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 **Our Consumers Are Tough!**




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 **Our Customers – Adventurous!**



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 **Expectation Connection**

Satisfaction – Expectation
When is / was The Decision Made?



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 **Meal Delivery Service?**






“Some grocery stores have better technology than our hospitals and clinics.” – Tommy Thompson, HHS Secretary.

Source: Special report on technology in healthcare, *US News and World Report* (07.04)

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Satisfaction/Loyalty Connection

Satisfaction – Experience

- *Customer Service*
- *On What do Customers / Consumers base their assessments?*
 1. *The Pain / Pleasure Trend*
 2. *The High and Low Points*
 3. *The Ending*

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The Pain/Pleasure Trend

Satisfaction – Experience

- *Customers prefer a sequence that improves over time*
- *Recommendation: Get the bad stuff over quickly*

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The Pain/Pleasure Trend

Satisfaction – Experience

- *Customers are sensitive to the duration of pain and of pleasure*
- *Recommendation: Segment / stretch the pleasure, combine the pain*
- *Recommendation: If pain is anticipated, choice helps*

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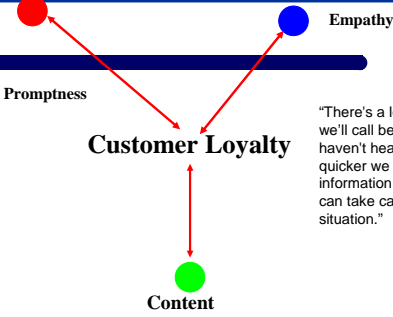
The Pain/Pleasure Trend

Satisfaction – Experience

- Negative experiences may be overwhelmed by positive endings
- **Recommendation:**
- **End Strong, e.g., goodbyes, notes**

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Customer Loyalty


Promptness

Empathy

Content

“There’s a lot of times that we’ll call because we haven’t heard ... The quicker we get the information, the better we can take care of the situation.”


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What About Recovery?

- The Correct Recovery
- Task Errors (Outcome, e.g. wrong meal, lost item)
 - ✓ Recovery – correction / compensation &
 - ✓ Add confirmation
- Process Errors – Rude, offensive behavior
 - ✓ Recovery – apology / explanation / demonstration
 - ✓ Add confirmation

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What About Loyalty?

Service Errors and Recovery

- Effective Recovery → Loyalty
- Recovery Must Be:
 1. Prompt
 2. Authoritative
 3. Follow-ThroughAdd confirmation

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Recovery

-Why Don't We All Get this Right?

- Personal Defensiveness
- Professional Pride
- Culture of CYA
- Loss of Wisdom → Turnover

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Satisfaction/Loyalty Connection

➤ Managing Loyalty


- Don't major in the minor things
- Know what's important, and how satisfied consumers & customers are.
- Ask "Willingness to recommend" and then...
- Ask them to recommend!
- Testimonials
- Testimonials with photographs
- "Who should we contact?"

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Improve Satisfaction Threshold

Appeal to altruism of depression era cohort



Collect Recipes
Sell the Cookbooks
Proceeds Donated

www.healthshares.org

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Satisfaction/Loyalty Connection

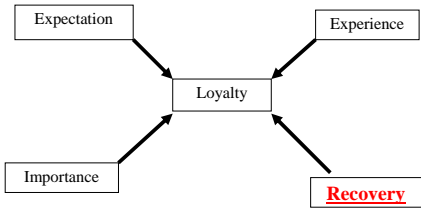
Managing Loyalty

- Track Referral Source
 - Internal vs. External
 - Details!
- Employee, Customers and Colleagues
- "Word of Mouth" too vague

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Satisfaction/Loyalty Connection




```
graph TD; Expectation --> Loyalty; Experience --> Loyalty; Importance --> Loyalty; Recovery --> Loyalty;
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(Cheap Subliminal Suggestion)




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