

ROYAL YACHTING ASSOCIATION

CUSTOMER SURVEY 2006 Short Range Certificate



**Jim Alexander
Claire Hodgson
Lindsey Botha**

January 2007

TABLE OF CONTENTS	PAGE
1 INTRODUCTION – METHODOLOGY AND SAMPLING	3
1.1 INTRODUCTION	3
1.2 SAMPLING – WHO WAS INVOLVED IN THE SURVEY?	3
2 CUSTOMER REQUIREMENTS.....	4
2.1 IMPORTANCE.....	4
2.2 IMPACT	5
2.3 DRIVERS OF SATISFACTION	7
3 CUSTOMER SATISFACTION	9
3.1 REASONS BEHIND LOW SATISFACTION SCORES.....	11
4 SATISFACTION INDEX™.....	12
4.1 CALCULATING THE <i>SATISFACTION INDEX™</i>	12
5 RELATIVE PERFORMANCE	14
5.1 THE SATISFACTION BENCHMARK LEAGUE TABLE	14
6 STUDENT CONFIDENCE.....	16
6.1 HAVING BEEN THROUGH THE RYA TRAINING AND EXAMINATION PROCESS, HOW CONFIDENT ARE YOU THAT YOU HAVE GAINED THE LEVEL OF COMPETENCE YOU NEED?	16
6.2 HOW SATISFIED OR DISSATISFIED WERE YOU WITH THE SUITABILITY OF THE TRAINING VENUE?	17
6.3 DID YOU USE A MARINE TRAINING RADIO?	18
7 PRIORITIES FOR IMPROVEMENT (PFIS).....	20
7.1 SATISFACTION GAPS.....	20
7.2 SIZE OF GAP	21
7.3 REASONS FOR DISSATISFACTION	22
7.4 SATISFACTION DRIVERS	22
7.5 BUSINESS IMPACT	22
7.6 TABLE OF OUTCOMES.....	24
7.7 PRIORITIES FOR IMPROVEMENT.....	25

1 Introduction – Methodology and sampling

1.1 Introduction

This report outlines the overall summary results of an ongoing customer satisfaction survey carried out for RYA by The Leadership Factor in relation to the Short Wave Certificate. This overall summary covers the results recorded during the interviewing period between February 2006 and January 2007. The original 2004 survey was preceded by exploratory research involving depth interviews with a varied selection of RYA's customers. Having identified what matters most to customers, The Leadership Factor in conjunction with RYA designed a questionnaire covering the 13 criteria of most importance to Short Wave Certificate customers.

A total of 600 interviews were conducted during this period of interviewing.

The primary aim of the survey is to provide direct feedback at examiner level, a minimum of two interviews per examiner being conducted throughout the year. However, this report summarises the overall findings.

1.2 Sampling – who was involved in the survey?

The sample of 600 customers provides a very reliable guide to the satisfaction of RYA's customers since the sample:

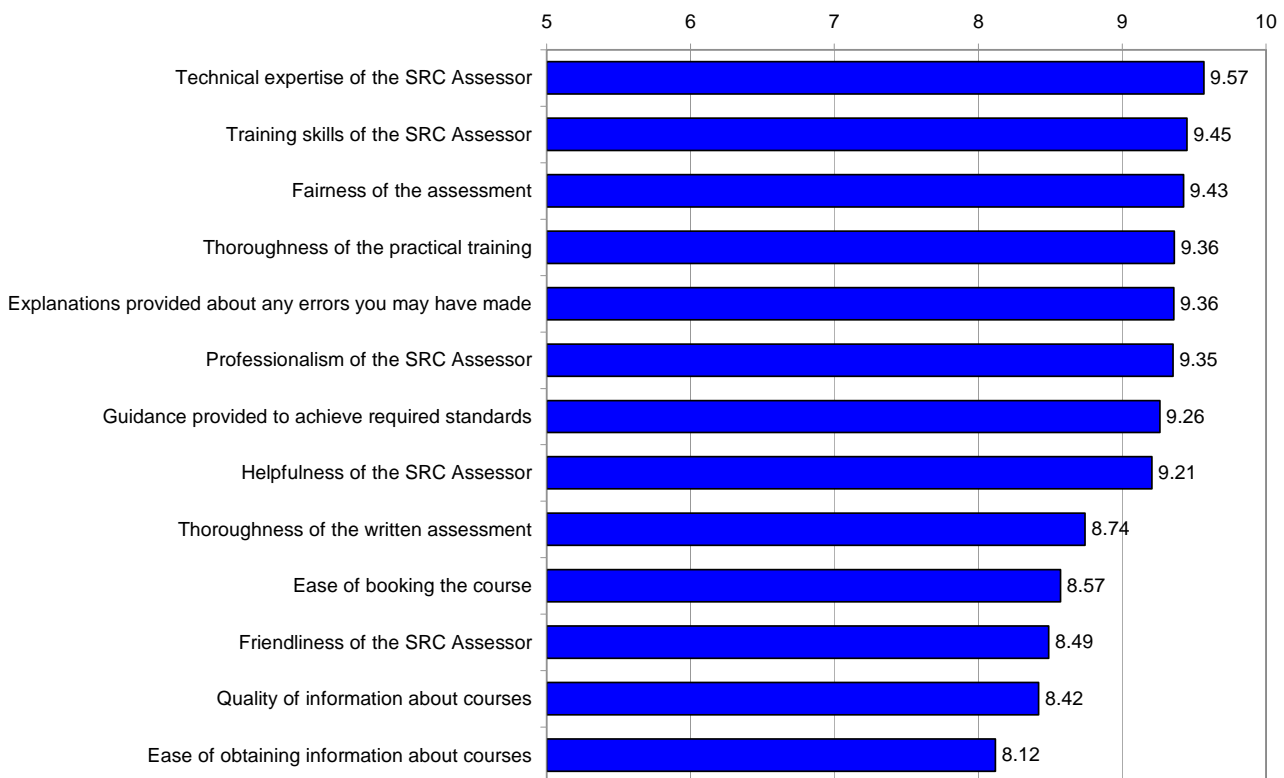
- Was randomly selected by The Leadership Factor
- Is sufficiently large to provide an accurate result. The statistical reliability of the results is shown in Section 4.1.

2 Customer requirements

2.1 Importance

Using the 13 main customer requirements identified by the exploratory research, customers were asked to indicate the importance to them of each one by giving it a score out of ten where ten signifies ‘extremely important’ and one signifies ‘of no importance at all’. The chart below shows the customer requirements in order of priority.

Importance ratings



Customers’ expectations have changed very little since 2005 and ‘Technical expertise of the SRC Assessor’ continues to be the most important requirement to customers with a mean importance score of 9.57. Similarly to 2005, the second and third most important requirements are ‘Training skills of the SRC Assessor’ and ‘fairness of the assessment’, which were rated at 9.45 and 9.43 respectively.

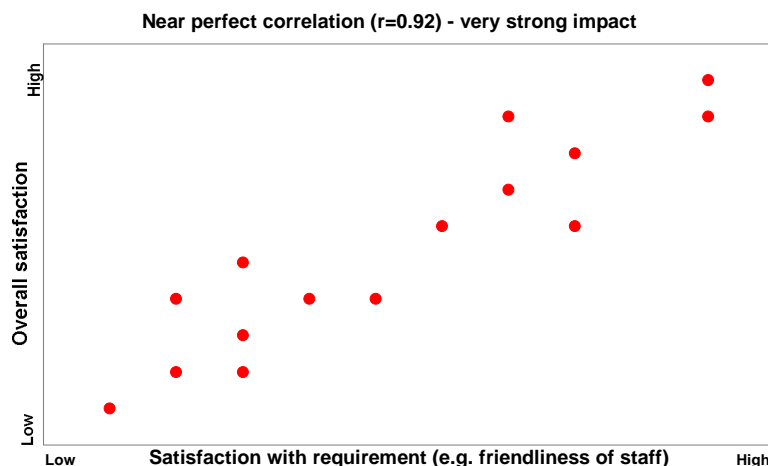
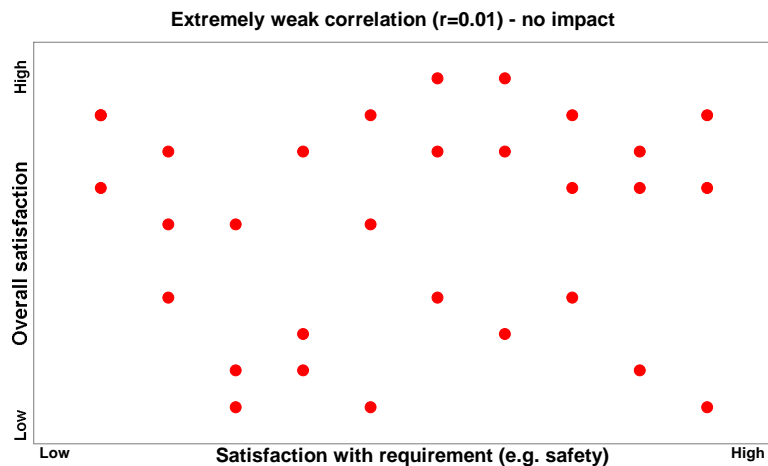
A further 5 requirements have a mean importance score above 9.00, indicating they are of high priority to customers.

2.2 Impact

Customers' view of the importance of requirements does not always reveal the true differentiating attributes, since certain requirements may be regarded as 'givens', whereas others may have a greater impact on their satisfaction judgement than they consciously realise. For example, 'safety' is typically very important but is an attribute on which all suppliers would be expected to achieve high standards and, provided they do, it will not be a reason for choosing a particular supplier. On the other hand, 'friendliness of staff' might well be what makes the difference between one supplier and another, although it may not initially seem important to customers when asked to judge the relative importance of a list of requirements.

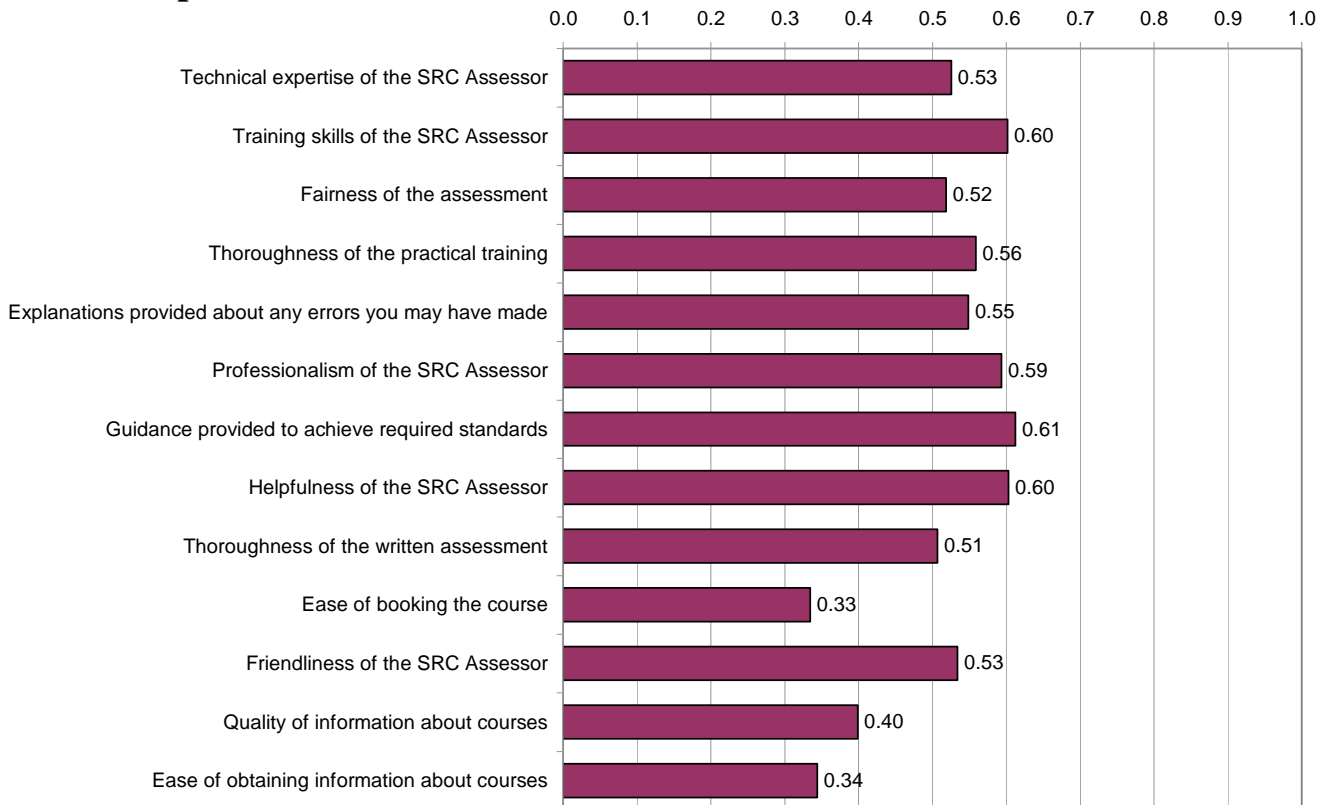
To identify the strongest differentiators in terms of creating satisfaction, we correlate overall satisfaction with satisfaction for each attribute. Such a correlation produces a coefficient in the range -1.00 to $+1.00$, where -1.00 represents a perfect inverse relationship and $+1.00$ a perfect positive relationship. A score of 0.00 indicates that there is no relationship at all between the two variables. From customers' satisfaction data we would expect to see only positive correlations between 0.00 and $+1.00$.

The following two hypothetical charts illustrate how correlation works:



The impact coefficients for RYA are shown in the chart below:

Impact Scores



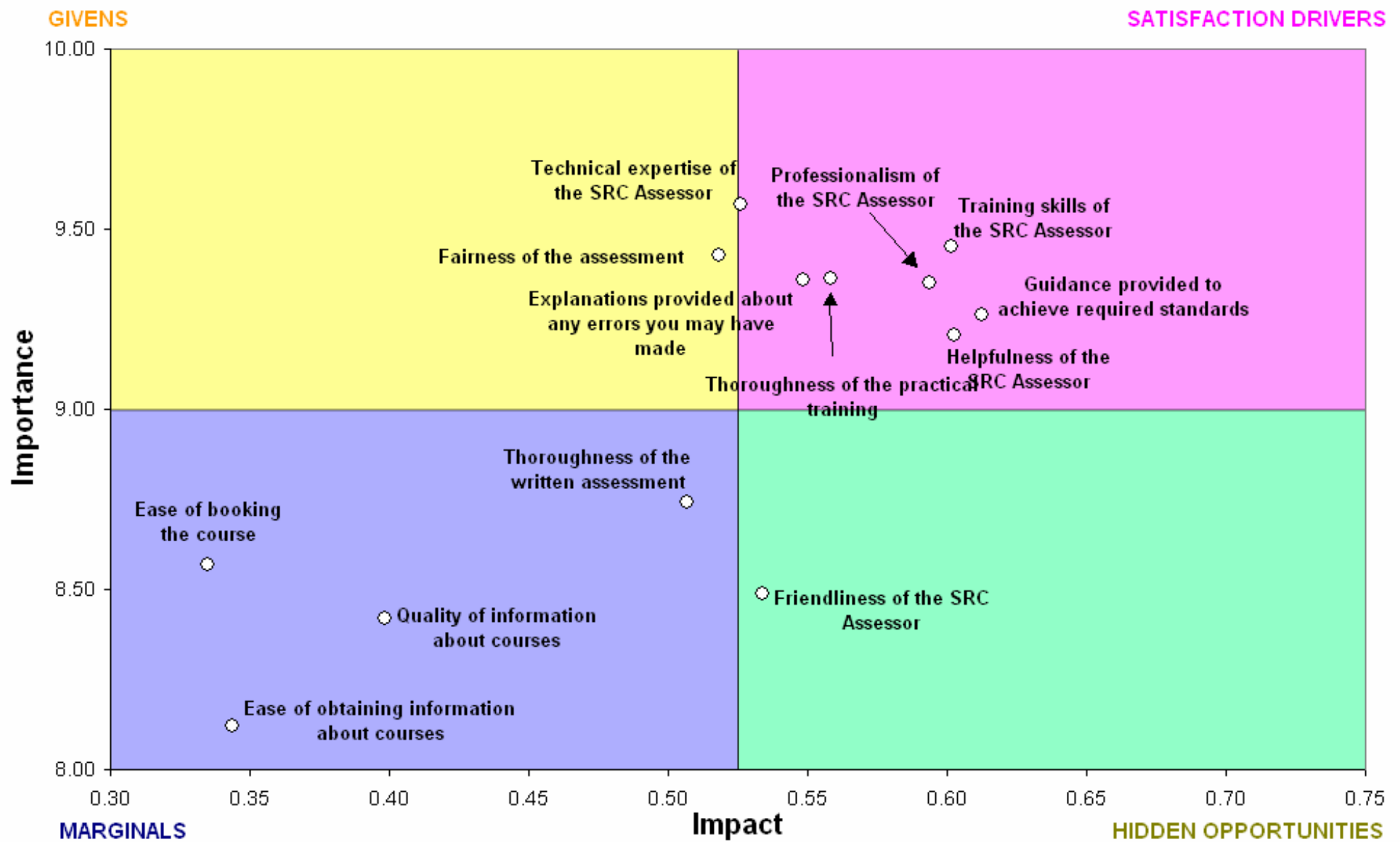
Those requirements with the largest bearing on overall satisfaction with RYA are:

- Guidance provided to achieve required standards (0.61)
- Helpfulness of the SRC Assessor (0.60)
- Training skills of the SRC Assessor (0.60)
- Professionalism of the SRC Assessor (0.59)
- Thoroughness of the practical training (0.56)
- Explanations provided about any errors you may have made (0.55)

2.3 Drivers of Satisfaction

By combining the importance and impact scores into one matrix, it is possible to define four broad categories of customer requirements:

- (1) **Satisfaction Drivers** – requirements with very high scores for both importance and impact. These are the strongest drivers of satisfaction and will usually feature strongly in plans for improving customer satisfaction.
- (2) **Givens** – items with high importance but low impact. Strong performance in these areas will often be taken for granted, and whilst performance beyond acceptable minimum standards will not necessarily result in an increase in customer satisfaction, poor performance (e.g. poor safety record) will have a strong adverse effect on customer satisfaction.
- (3) **Hidden Opportunities** – factors with low importance, but high impact. Whilst customers do not rate these factors high in importance, good performance in these areas will have a strong impact on overall customer satisfaction; a good customer experience will have a strong positive effect on overall satisfaction, whilst a bad one will have a lasting negative effect. Provided minimum standards have been achieved on Givens, and excellent performance is being achieved on Drivers, there is potential for further improving customer satisfaction by investing in Hidden Opportunities.
- (4) **Marginals** – requirements with both low importance and low impact. Such requirements cannot be dismissed as unimportant, since all of the requirements included on the questionnaire were rated as important by customers during the exploratory phase of the research. As far as customer satisfaction improvement is concerned, Marginal requirements will usually offer the least opportunity for a return on investment.

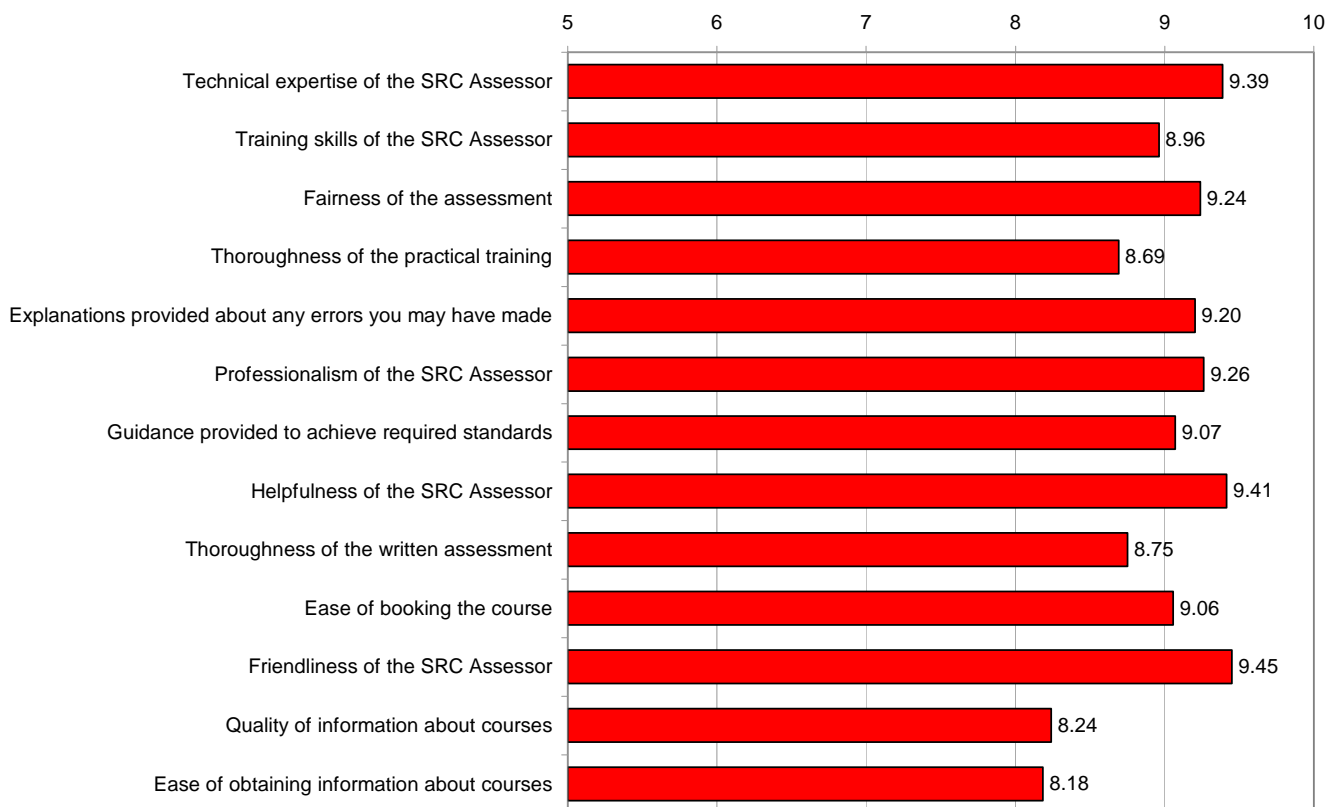


3 Customer satisfaction

Customers were asked to score their level of satisfaction with RYA's performance on the same 13 criteria giving a mark out of ten, where ten signifies 'completely satisfied' and one signifies 'completely dissatisfied'.

The results are shown in the chart below, with the criteria listed in order of their importance to customers.

Satisfaction rating



A total of 8 of the 13 requirements show a very high level of satisfaction, gaining mean satisfaction scores over 9.00.

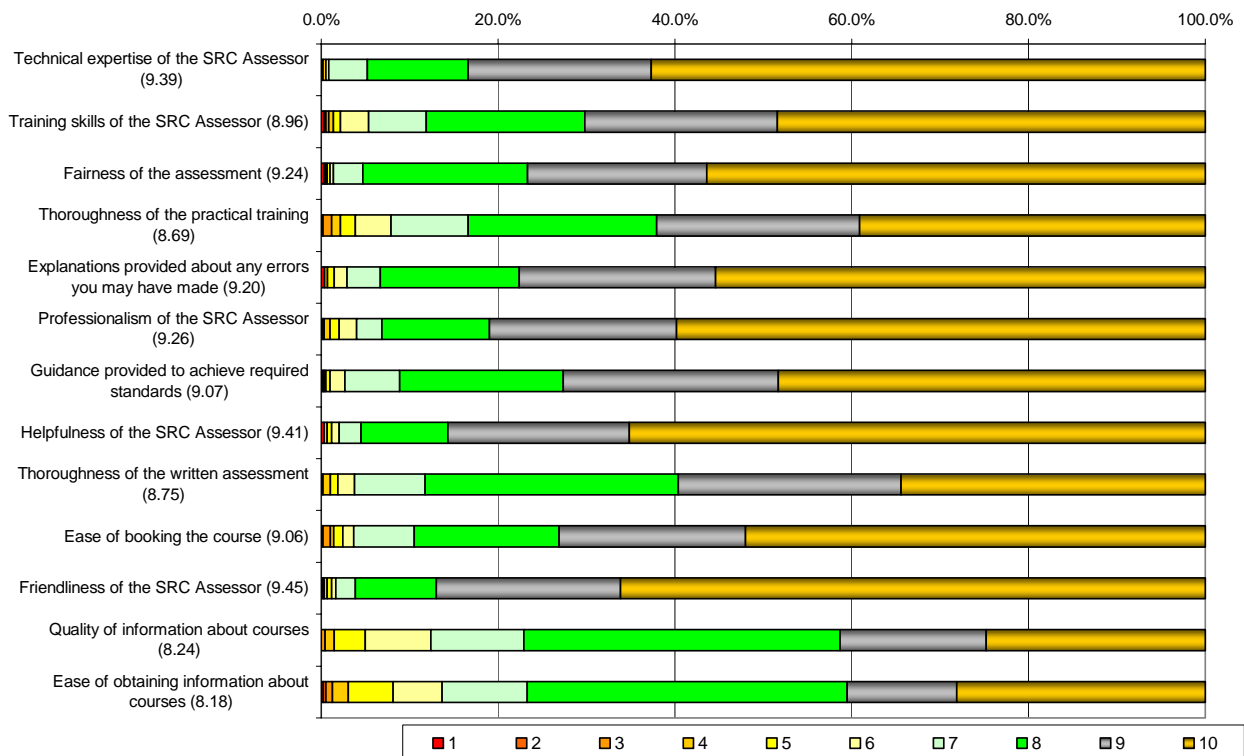
Customers are most satisfied with those requirements relating to the SRC assessor, particularly with the 'Friendliness of the assessor' achieving an average score of 9.45.

It is encouraging to note that none of the requirements score below 8.00 for satisfaction, indicating that customers are generally very satisfied with RYA.

Compared to 2005, there is very little difference in scoring. A total of 7 of the requirements increased in satisfaction, the most notable increases can be seen for the requirements ‘thoroughness of the written assessment’, ‘guidance provided to achieve required standards’ and ‘explanations provided about any errors you may have made’, which have all increased by at least 0.10.

One requirement has remained the same, ‘training skills of the SRC Assessor’, with a score of 8.96. The remaining 5 requirements have decreased in average satisfaction. ‘The ease of obtaining information about the courses’ has seen the largest, decreasing by 0.21 since 2005.

The following chart shows the spread of satisfaction scores given for each requirement, in order of priority. This indicates that there is a high level of consistency in performance.



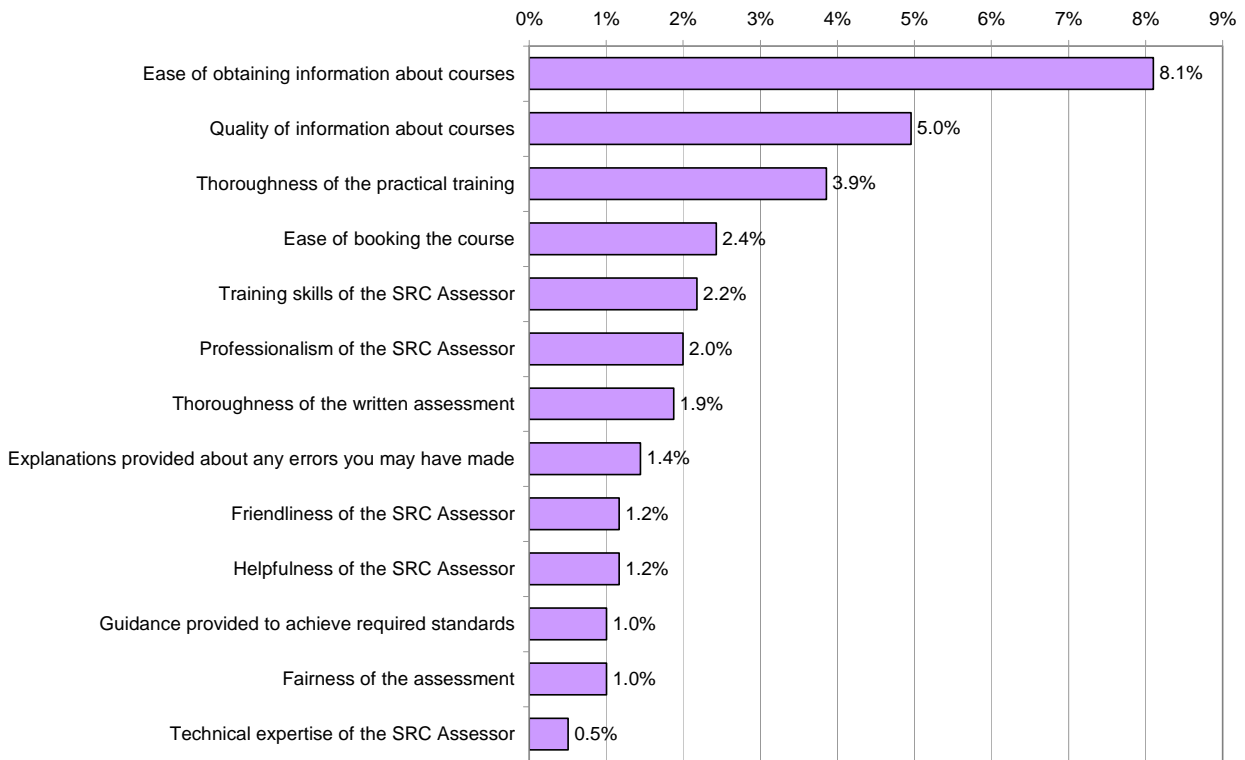
3.1 Reasons behind low satisfaction scores

In any instance where a satisfaction score of less than 6 was given, the customer was asked to explain the reason for their low level of satisfaction with that requirement.

It is important to note that only low satisfaction scores were probed, not high ones. This is based on the view that it is more important to understand reasons behind low scores, which explains why all the comments in this section are negative.

The chart below shows how many customers scored 5 or lower for each requirement. This is a particularly important chart since it highlights the main areas where RYA is making a fairly small proportion of customers dissatisfied.

Reasons for low satisfaction



‘Ease of obtaining information about courses’ is the requirement that has received the largest percentage of scores below 6. This is closely followed by ‘quality of information about courses’ and ‘thoroughness of the practical training’, which are also areas that have received some criticism from RYA customers.

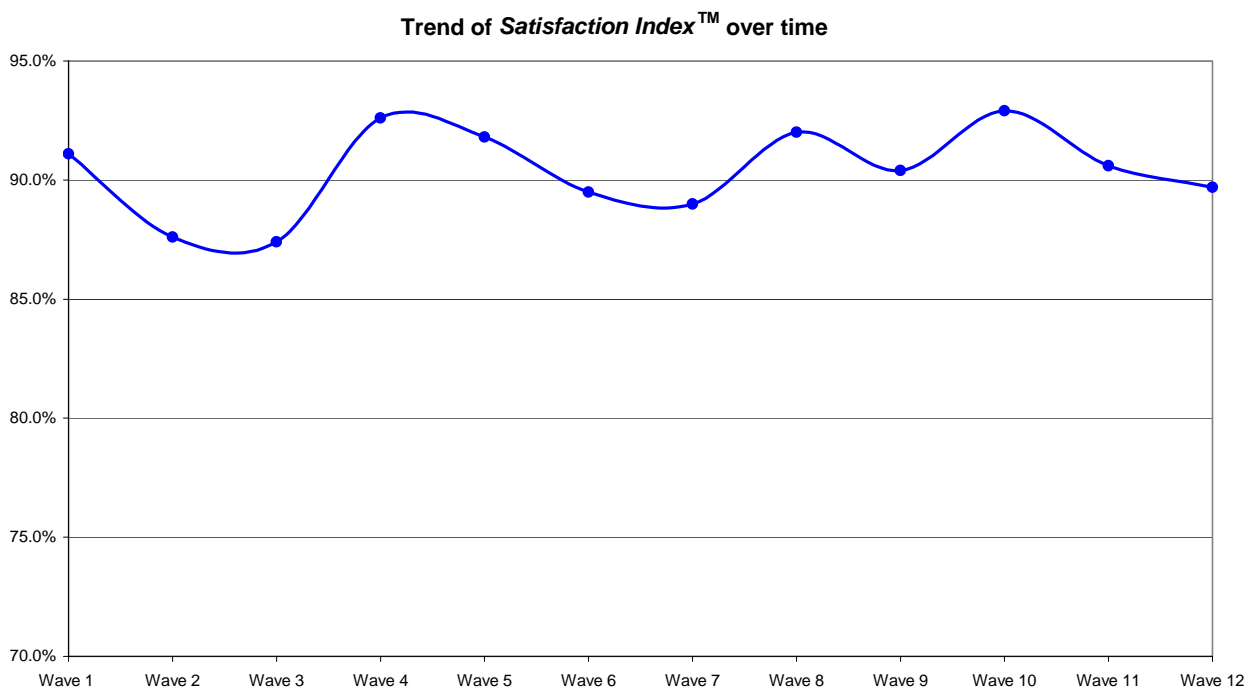
4 *Satisfaction Index*TM

4.1 Calculating the *Satisfaction Index*TM

*Satisfaction Index*TM is an overall measure of an organisation's success in satisfying its customers. Since some customer priorities will be more important to them than others, *Satisfaction Index*TM uses importance ratings to weight satisfaction ratings. The resulting index is therefore a weighted average score which is expressed as a percentage, a score of 100% representing total customer satisfaction with every aspect of their dealings with your organisation. This results in a totally accurate picture of the organisation's ability to satisfy its customers by 'doing best what matters most to customers'. As well as providing an accurate measure of customers' overall level of satisfaction this year, *Satisfaction Index*TM can be used to make valid survey to survey comparisons even if the questions included in the survey change as time passes (which they surely will as customers' priorities evolve).

RYA OVERALL		
<i>YEAR</i>	<i>SATISFACTION INDEX</i> TM	<i>Statistical reliability</i>
2006	90.5%	±0.7%
2005	89.6%	±0.7%
2004	88.4%	±0.8%

The following chart shows the change in Satisfaction Index overall the last twelve months.



5 Relative performance

5.1 The Satisfaction Benchmark League Table

RYA's *Satisfaction Index*TM is 90.5%. According to our databank, based on many customer satisfaction measurement projects, 90.5% represents an above average performance. It places RYA in the top quartile of suppliers, as shown in the league table.

RYA's overall percentile score is 97th. This equates to RYA being placed in the top 4% of companies. It provides a benchmark of relative performance compared with other organisations which can be monitored in the years ahead, since your absolute performance represented by the *Satisfaction Index*TM may change at a faster or slower rate than your relative performance represented by the percentile score.

The league table shows RYA's success in satisfying customers compared with other organisations generally. This is the most useful benchmark of customer satisfaction since customers make these judgements by comparing your performance against that of all other organisations that they have used.

Methodologically, the league table provides a comparable benchmark across industries because *Satisfaction Index*TM is a measure of an organisation's success in meeting its customers' requirements. Organisations operating in different sectors do not have to meet the same customer requirements, but to succeed in their markets they do have to meet (or exceed) whatever those customer requirements are. *Satisfaction Index*TM is a measure of an organisation's ability to do that as judged by the customers themselves.

Benchmarking more widely than your own industry is therefore strongly recommended. Of course, the league table is anonymous since data on the performance of individual companies is totally confidential.

Satisfaction Index™ League Table

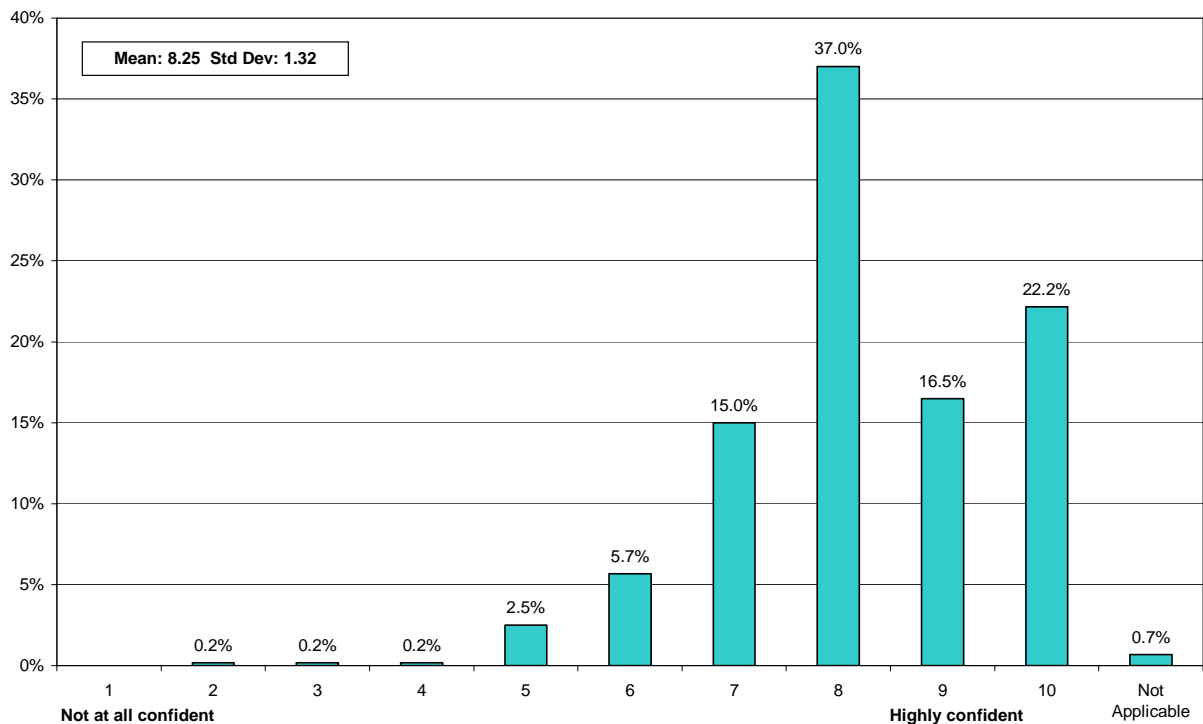


6 Student confidence

Towards the end of the interview, additional questions were asked. The questions and the results are shown below.

6.1 Having been through the RYA training and examination process, how confident are you that you have gained the level of competence you need?

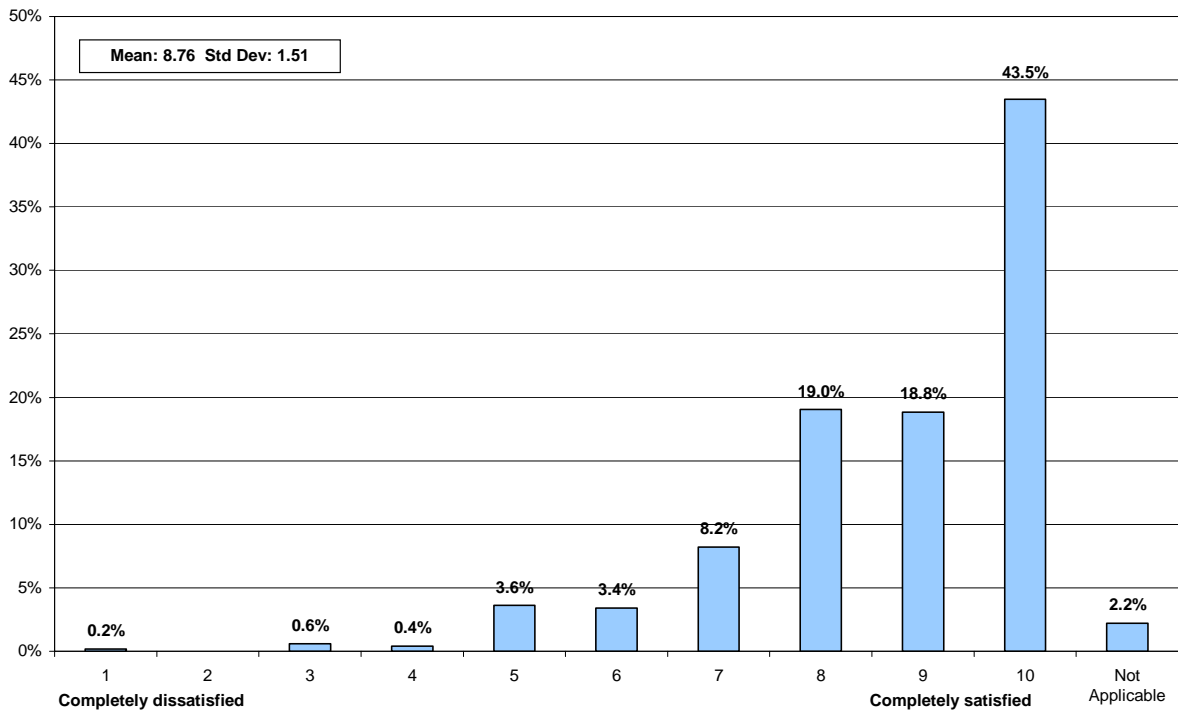
Customers were asked to give a score from 1 to 10, where 1 means 'not at all confident' and 10 means 'highly confident'.



It is positive noting that customers feel that the training and examination have made them feel more competent with their skills. This is a slight improvement on 2005, where the mean was 8.22.

6.2 How satisfied or dissatisfied were you with the suitability of the training venue?

This question was included in the questionnaire from Wave 3 onwards. Customers were asked to give a score from 1 to 10, where 1 means 'completely dissatisfied' and 10 means 'completely satisfied'.



Clearly, customers are highly satisfied with the suitability of the training venue, with 81.4% scoring 8 or above.

6.3 Did you use a Marine Training Radio?

This question was also added from Wave 3 interviewing onwards.



7 Priorities for Improvement (PFIs)

In order to decide where best to focus a resources on making the improvements that will contribute most to increasing customer satisfaction, a number of factors may be taken into account. Detailed in this section, the factors are:

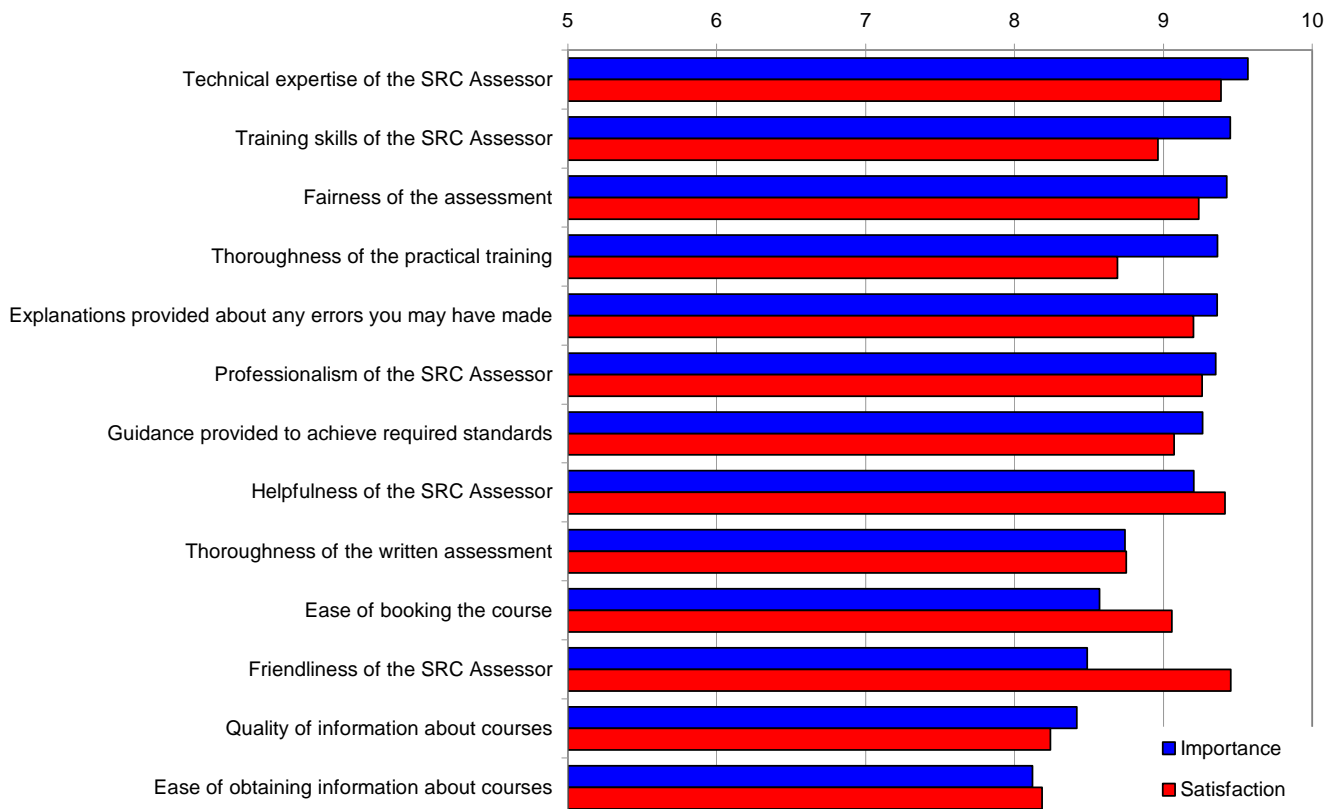
- Satisfaction gaps
- Causes of dissatisfaction
- Satisfaction drivers
- Business impact

7.1 Satisfaction gaps

By comparing customers' requirements (importance ratings) with their perceptions of your organisation (satisfaction ratings) the areas in which you are exceeding, meeting or failing to meet customers' needs can be identified.

The following chart compares RYA's overall importance and satisfaction scores for each requirement:

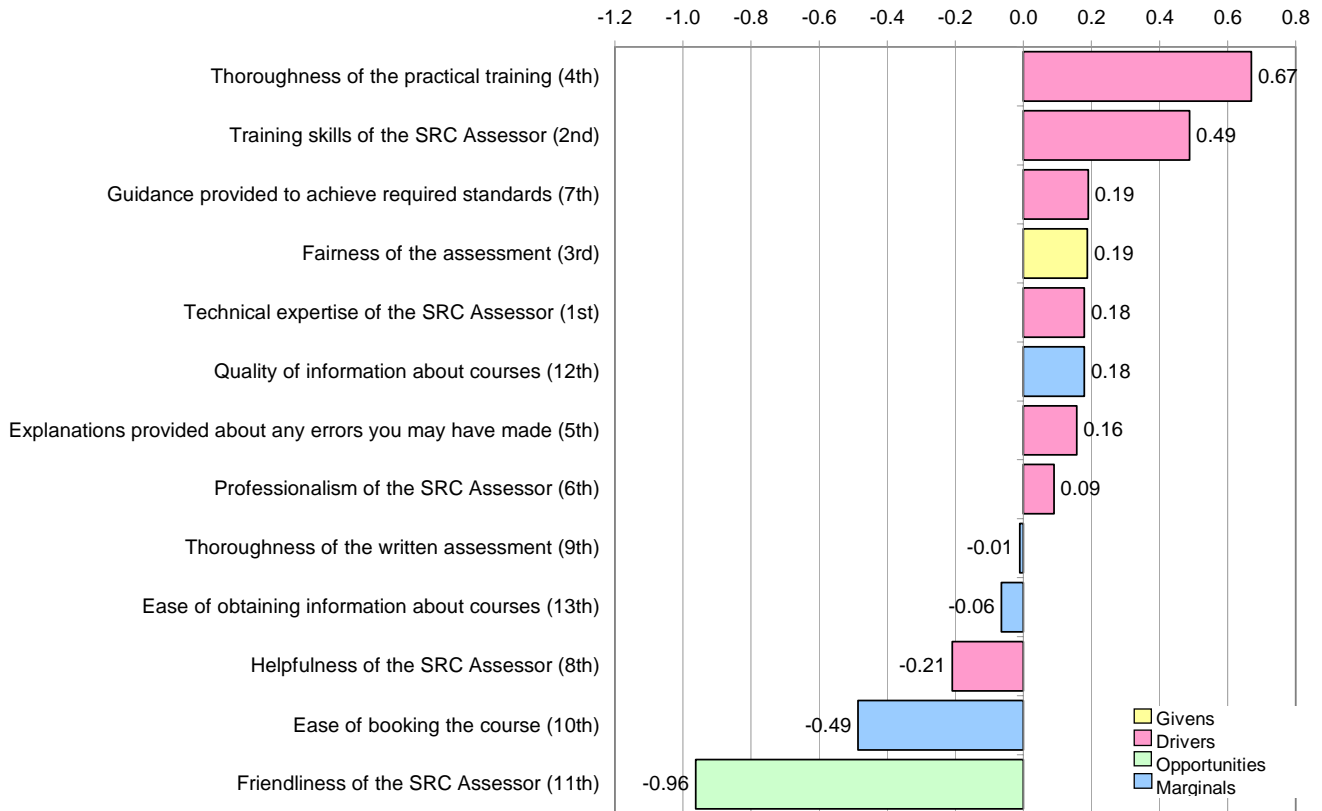
Doing best what matters most



7.2 Size of gap

Placing the factors in order by size of gap, as in the following chart, allows greater focus. The stated importance rank of each requirement is also shown. Any gap above 1.00 is significant.

Satisfaction Gaps



7.3 Reasons for dissatisfaction

Shown in section 3.1, the main reasons for dissatisfaction are:

- Ease of obtaining information about courses
- Quality of information about courses
- Thoroughness of the practical training

7.4 Satisfaction drivers

As described earlier (in sections 2.3), as well as looking at the importance scores that customers have given, it is also interesting to consider the impact of each factor on customers' satisfaction.

This analysis highlighted the key drivers of satisfaction as:

- Professionalism of the SRC Assessor
- Training skills of the SRC Assessor
- Guidance provided to achieve required standards
- Helpfulness of the SRC Assessor
- Thoroughness of the written assessment
- Explanations provided about any errors you may have made

7.5 Business impact

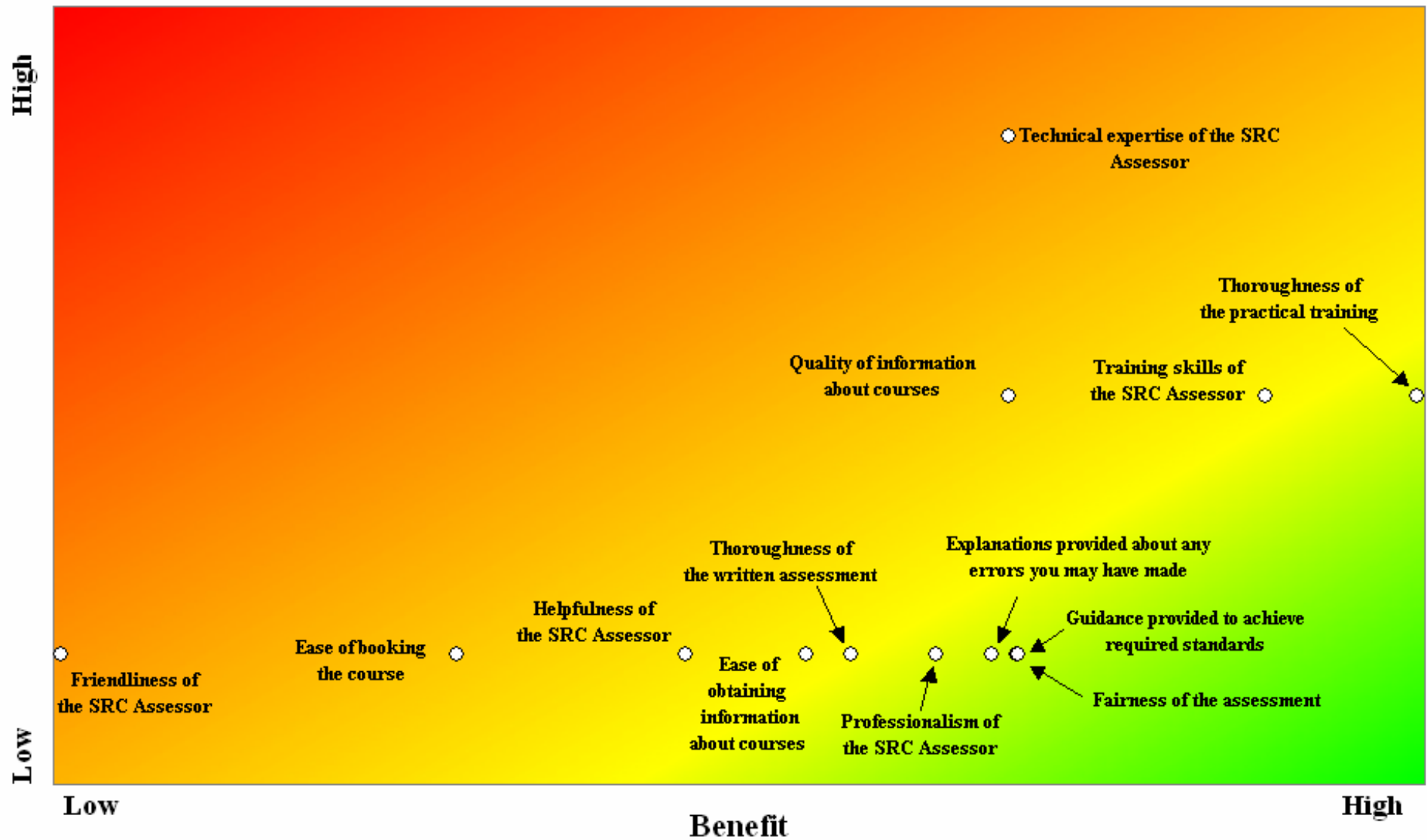
Some PFIs will be more difficult, more time consuming and more costly to address than others. We are certainly not advocating avoidance of the difficult issues but do believe it important to adopt at least one PFI which can be addressed relatively easily – a quick win. It is very helpful if both customers and employees can see prompt action being taken as a direct result of the survey.

Adopting PFIs which will generate the greatest possible gains in customer satisfaction at the lowest possible cost will have the most positive business impact. The Cost-Benefit Matrix below illustrates where the most cost-effective gains may be made. The customer requirements have been categorised into bands according to the assumed cost and time involved in making improvements, and this is compared against the benefit of improving each requirement, as determined by the satisfaction gap.

As shown in the matrix, some requirements, particularly those in the green area, should bring high returns due to the high benefit of improving each factor and relatively low cost. However, requirements in the red area bring less benefit and have a high relative cost.

Investment

Investment-benefit matrix



7.6 Table of outcomes

By setting thresholds for each of these factors we can quickly identify where the biggest gains can be achieved.

REQUIREMENTS						
REQUIREMENTS	STATED IMPORTANCE	IMPACT	LOW SATISFACTION SCORES (%)	SATISFACTION GAP	INVESTMENT-BENEFIT	TOTAL
Thoroughness of the practical training	σ	σ	σ	σ		σσσσ
Training skills of the SRC Assessor	σ	σ		σ		σσσ
Explanations provided about any errors you may have made	σ	σ			σ	σσσ
Guidance provided to achieve required standards		σ			σ	σσ
Professionalism of the SRC Assessor		σ			σ	σσ
Fairness of the assessment	σ				σ	σσ
Helpfulness of the SRC Assessor		σ				σ
Technical expertise of the SRC Assessor	σ					σ
Ease of obtaining information about courses			σ			σ
Quality of information about courses			σ			σ
Thoroughness of the written assessment						
Ease of booking the course						
Friendliness of the SRC Assessor						

7.7 Priorities for Improvement

We recommend that RYA continue to focus its efforts on the following PFIs:

- Training skills of the SRC Assessor**
- Guidance provided to achieve required standards**
- Thoroughness of the practical training**

TRAINING SKILLS OF THE SRC ASSESSOR

As this continues to be the 2nd most important requirement to customers and is also highlighted as being influential in overall satisfaction by obtaining an impact coefficient of 0.60, we recommend that RYA continue to focus its' efforts to ensure that the training skills of the SRC Assessor continues to develop in terms of meeting customers' needs.

GUIDANCE PROVIDED TO ACHIEVE REQUIRED STANDARDS

It is encouraging to note that the satisfaction gap for this requirement has decreased since 2005 from 0.26 to 0.19. This shows that RYA is improving in this area and that they are closer to meeting their customers' expectations. We recommend that RYA continue improving this area as it is not only highly important but also has a high impact coefficient so continual efforts to bridge the gap between importance and satisfaction will result in improving overall satisfaction.

THOROUGHNESS OF THE PRACTICAL TRAINING

This is the 4th most important requirement to customers and although it has a high satisfaction score over 8.69, due to its high importance, it has the biggest satisfaction gap recorded, a gap size of 0.67. This shows that there is scope for improvement with this requirement. It has also been identified as a driver of satisfaction so continual improvement will result in RYA customers being even more satisfied.