

ROYAL YACHTING ASSOCIATION

CUSTOMER SURVEY 2005 Short Range Certificate



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TABLE OF CONTENTS	PAGE
1 INTRODUCTION – METHODOLOGY AND SAMPLING.....	5
1.1 INTRODUCTION	5
1.2 SAMPLING – WHO WAS INVOLVED IN THE SURVEY?	5
2 CUSTOMER REQUIREMENTS	6
2.1 IMPORTANCE	6
2.2 IMPACT.....	7
2.3 DRIVERS OF SATISFACTION	9
3 CUSTOMER SATISFACTION	11
3.1 REASONS BEHIND LOW SATISFACTION SCORES	13
4 SATISFACTION INDEX™	14
4.1 CALCULATING THE <i>SATISFACTION INDEX™</i>	14
5 RELATIVE PERFORMANCE.....	16
5.1 THE SATISFACTION BENCHMARK LEAGUE TABLE.....	16
6 STUDENT CONFIDENCE	18
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?	18
7 PRIORITIES FOR IMPROVEMENT (PFIS)	19
7.1 SATISFACTION GAPS.....	19
7.2 SIZE OF GAP.....	20
7.3 REASONS FOR DISSATISFACTION	21
7.4 SATISFACTION DRIVERS.....	21
7.5 BUSINESS IMPACT	21
7.6 TABLE OF OUTCOMES	23
7.7 PRIORITIES FOR IMPROVEMENT.....	24

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 2005 and January 2006. 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 16 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 will be conducted throughout the year. However, this report summarises the overall findings.

1.2 Sampling – who was involved in the survey?

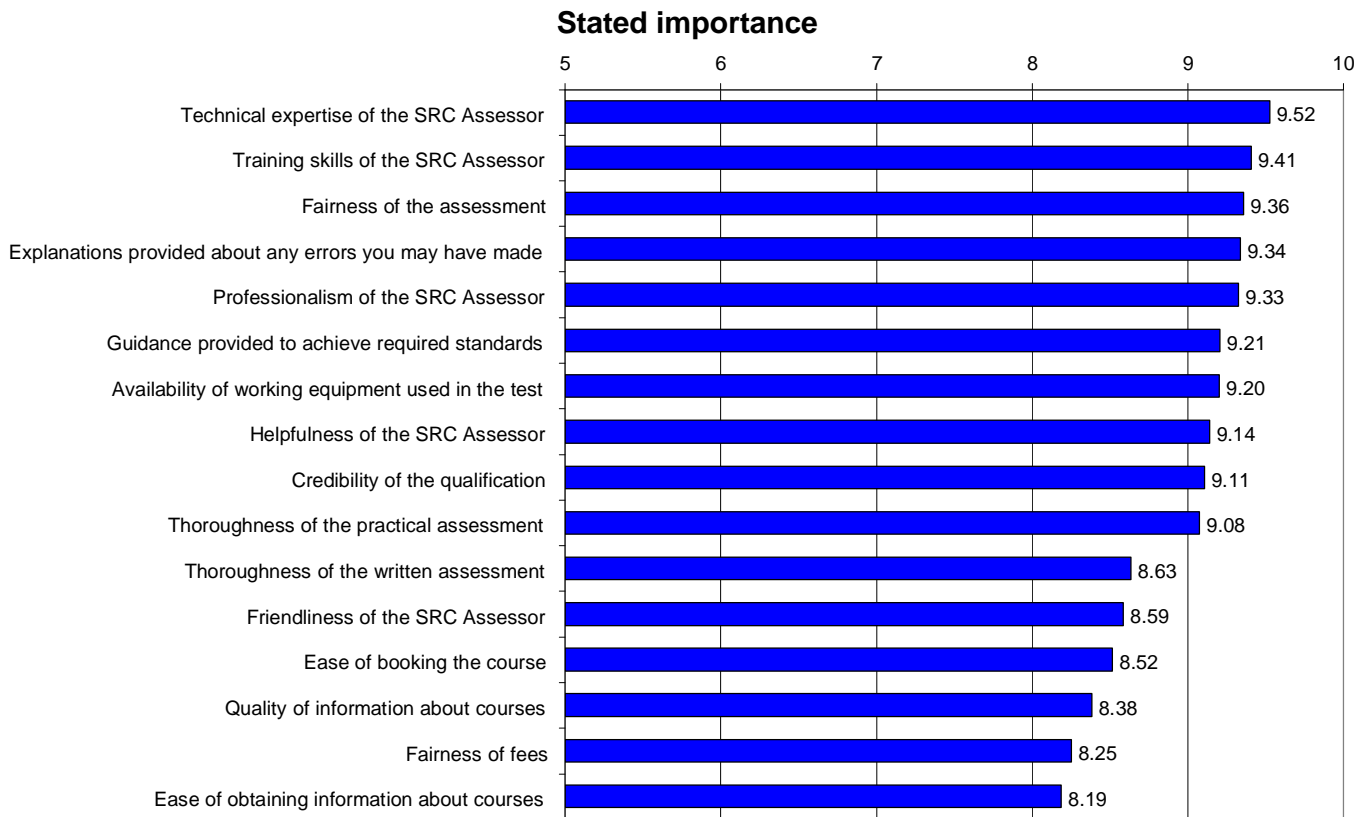
The sample of 600 customers provides a very reliable guide to the satisfaction of RYA's customers since the sample:

- 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 4.2.

2 Customer requirements

2.1 Importance

Using the 16 main customer requirements identified by the exploratory research, respondents 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.



Not surprisingly, the most important requirement to customers is ‘Technical expertise of the SRC Assessor’ with a mean importance score above 9.50. This is followed closely by the ‘Training skills of the SRC Assessor’ and ‘fairness of the assessment’, confirming that the ability of the SRC assessor is highly important to customers.

A further 8 requirements have a mean importance score above 9, indicating high importance to customers.

It is noticeable that there is then a decline in importance levels for friendliness and aspects related to booking courses.

It is interesting to note that unlike the YMCS scores, no requirement for Radio has received a mean importance score below 8, indicating all requirements are of high importance to customers.

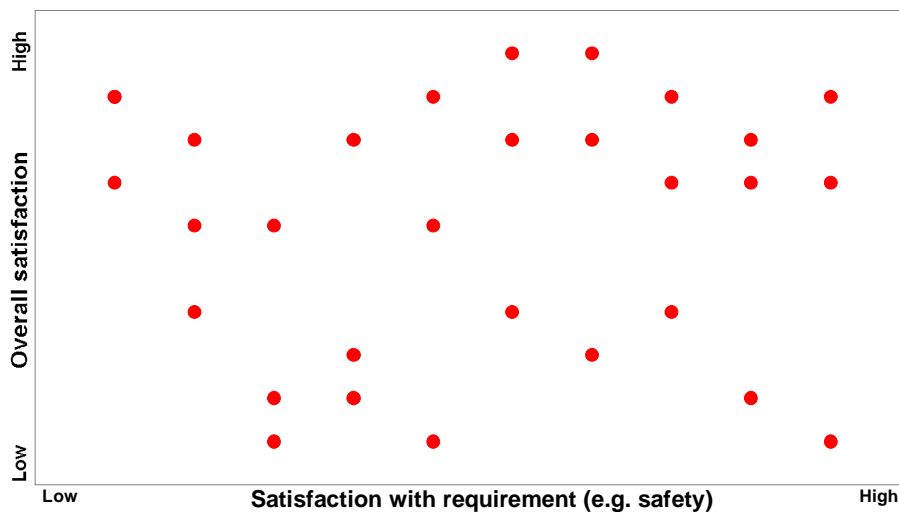
2.2 Impact

Respondents' 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.

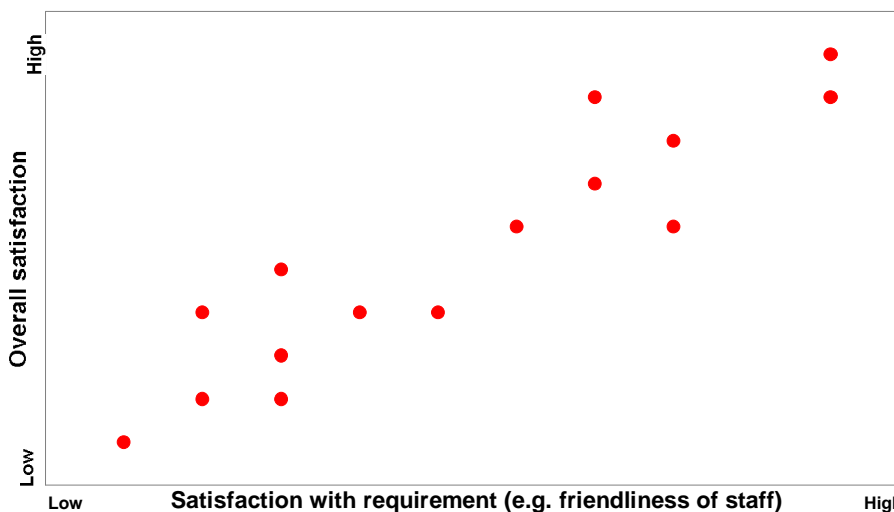
To identify the strongest differentiators in terms of creating satisfaction, we correlate overall satisfaction with satisfaction for each attribute. Such a correlation produces a coefficient in the range -1.00 to $+1.00$, where -1.00 represents a perfect inverse relationship and $+1.00$ a perfect positive 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:

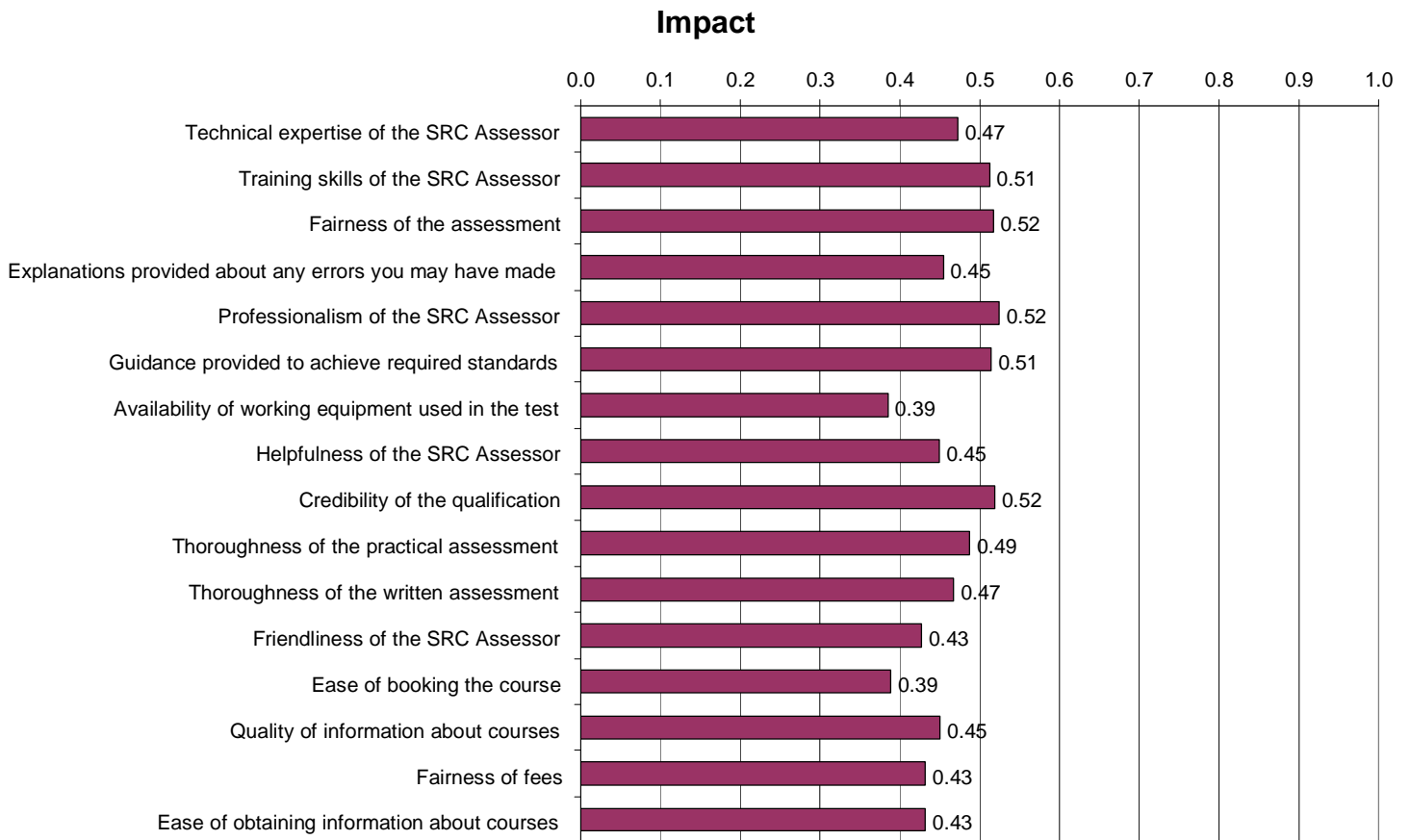
Extremely weak correlation ($r=0.01$) - no impact



Near perfect correlation ($r=0.92$) - very strong impact



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



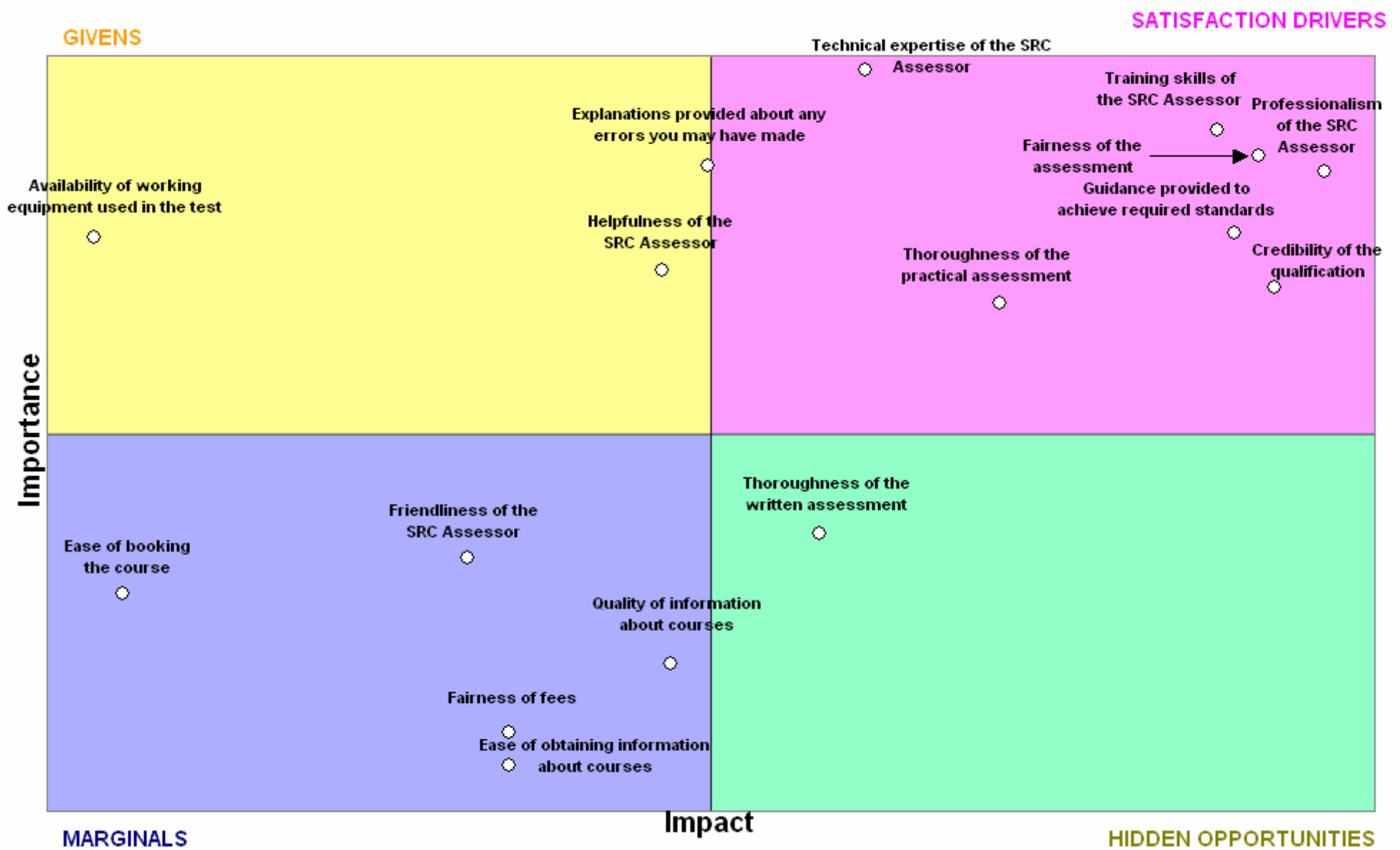
Those requirements with the largest bearing on overall satisfaction with RYA are:

- § Credibility of the qualification
- § Professionalism of SRC Assessor
- § Fairness of the assessment
- § Training skills of the SRC Assessor
- § Guidance provided to achieve required standards

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.

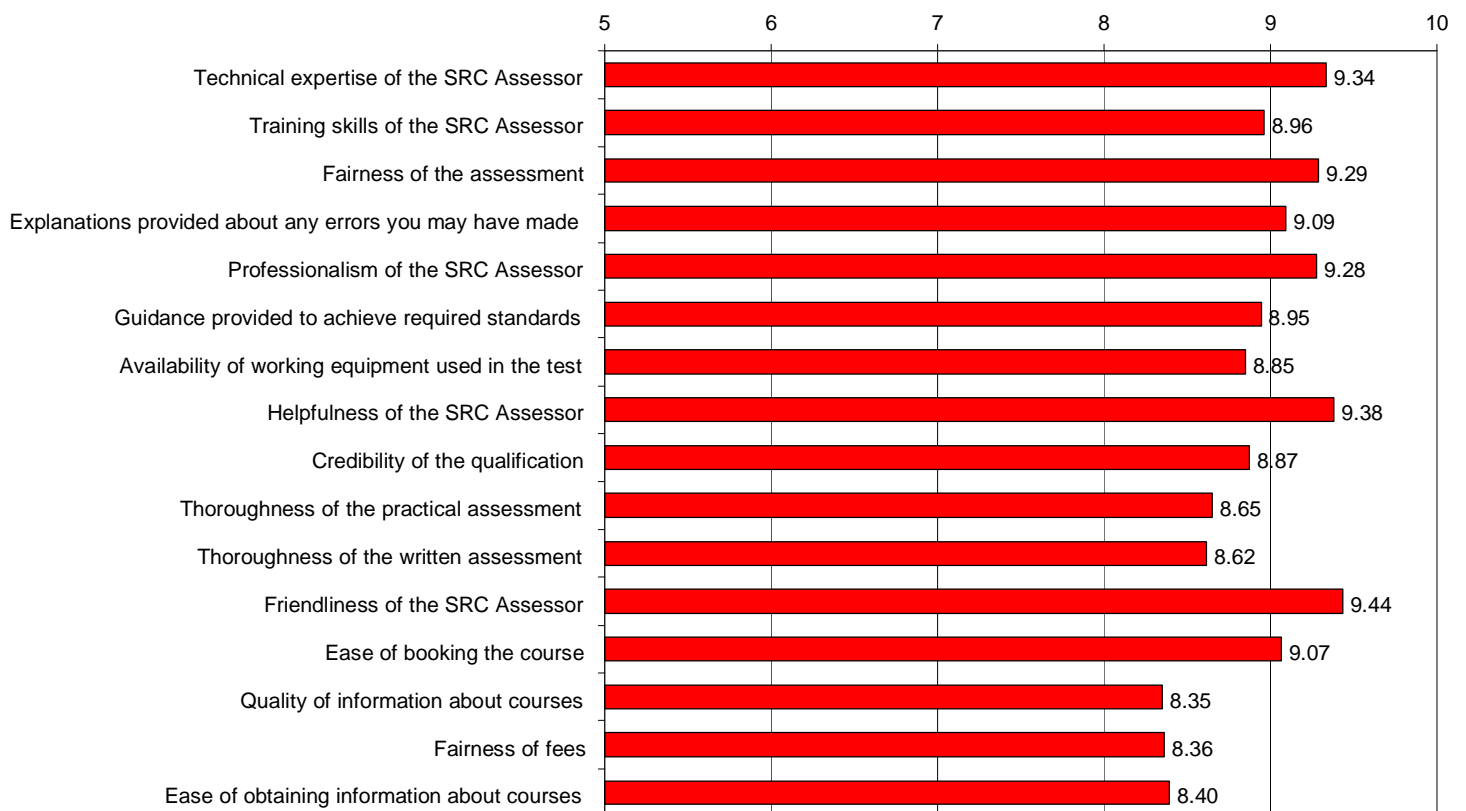


3 Customer satisfaction

Customers were asked to score their level of satisfaction with RYA’s performance on the same 16 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 ratings

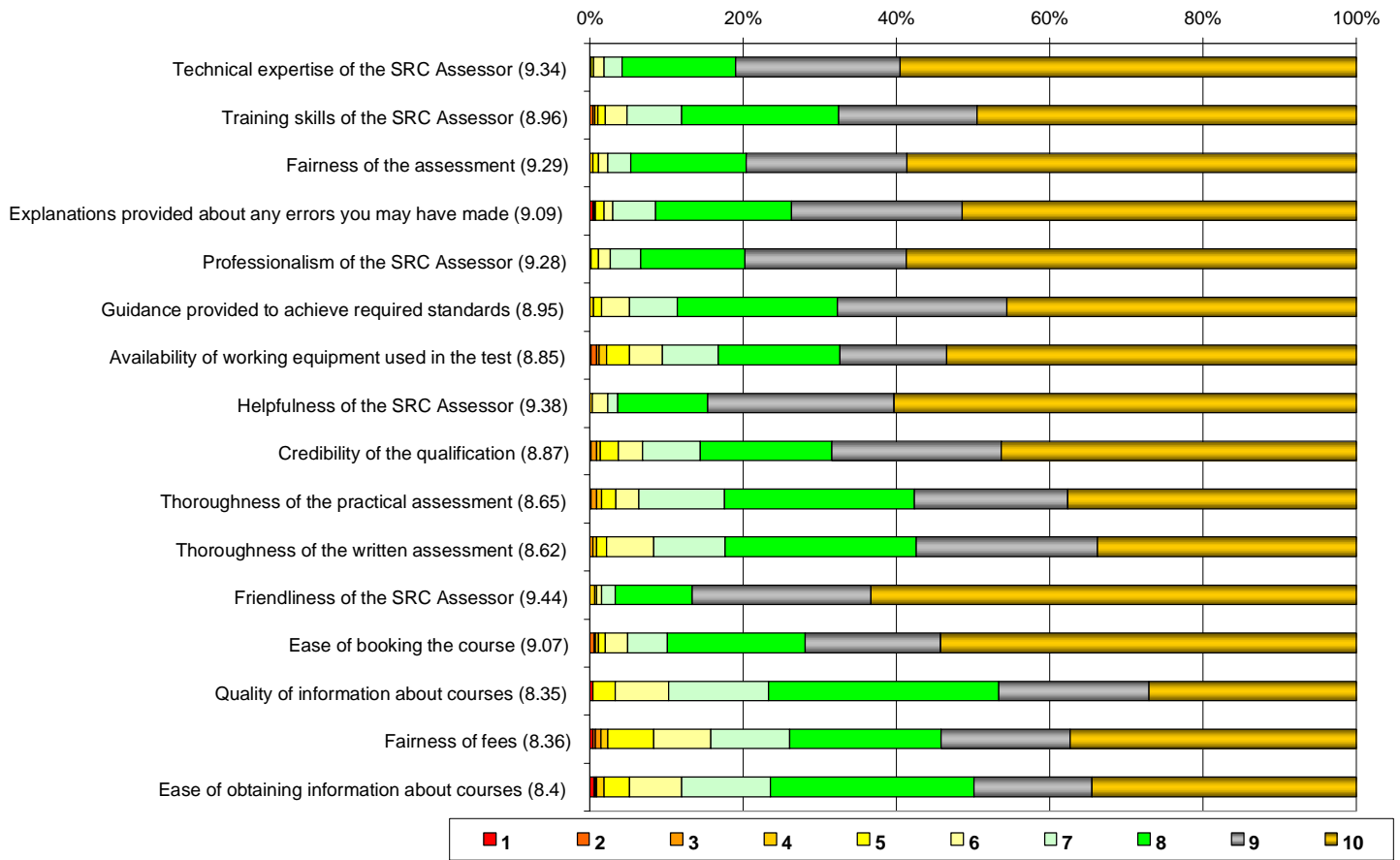


7 of the 16 requirements show a very high level of satisfaction, gaining mean satisfaction scores over 9.

Customers are most satisfied with those requirements relating to the assessor, with ‘Friendliness of the assessor’ recording the highest score.

No requirements have average scores below 8.30, indicating overall high satisfaction levels with RYA.

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



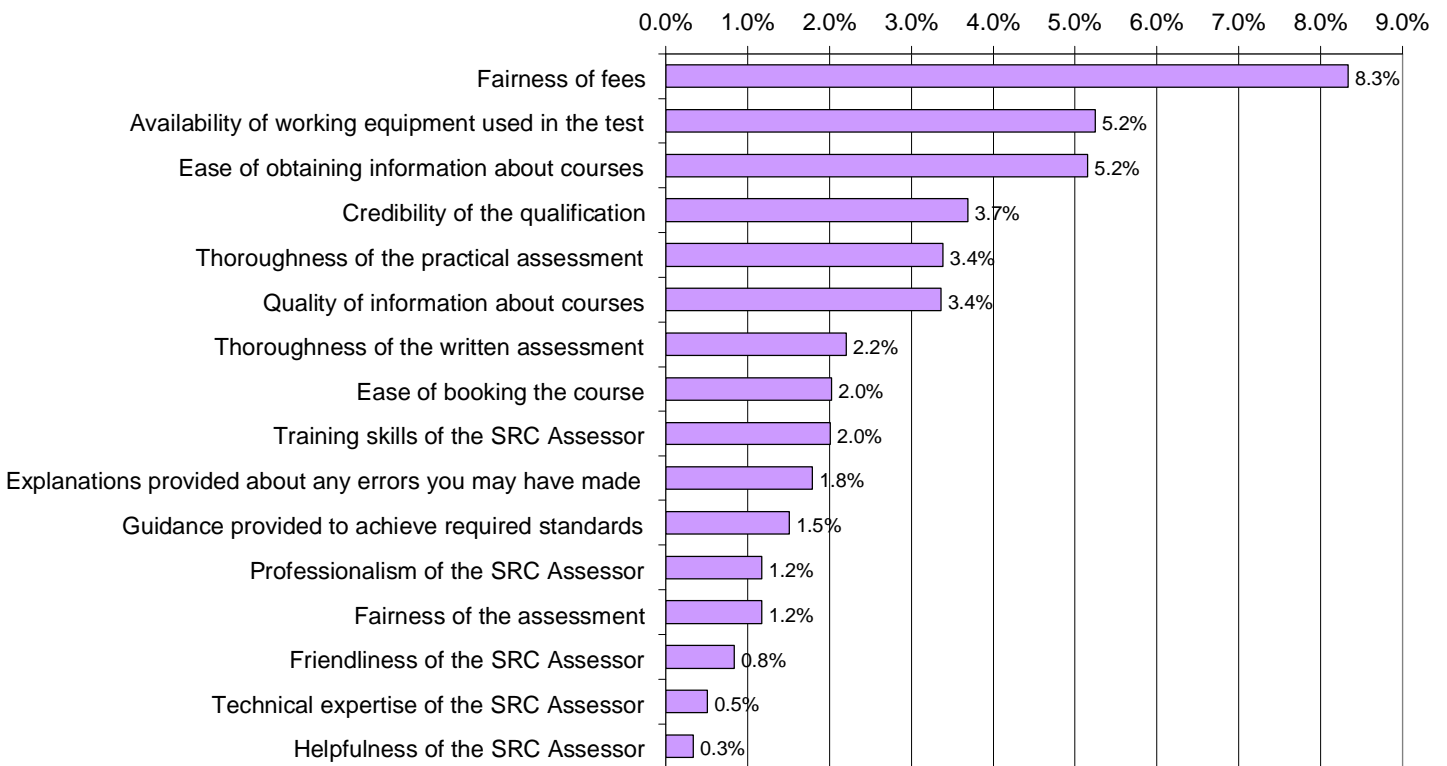
3.1 Reasons behind low satisfaction scores

In any instance where a satisfaction score of less than 6 was given, the respondent 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 respondents 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.

Number of low satisfaction comments



‘Fairness of fees’ is highlighted at the top but it should be borne in mind that in most cases when asked about prices in any survey, respondents mark it lower than the other aspects of the relationship.

Equipment needed for the test, and finding out about tests are areas which have been criticised.

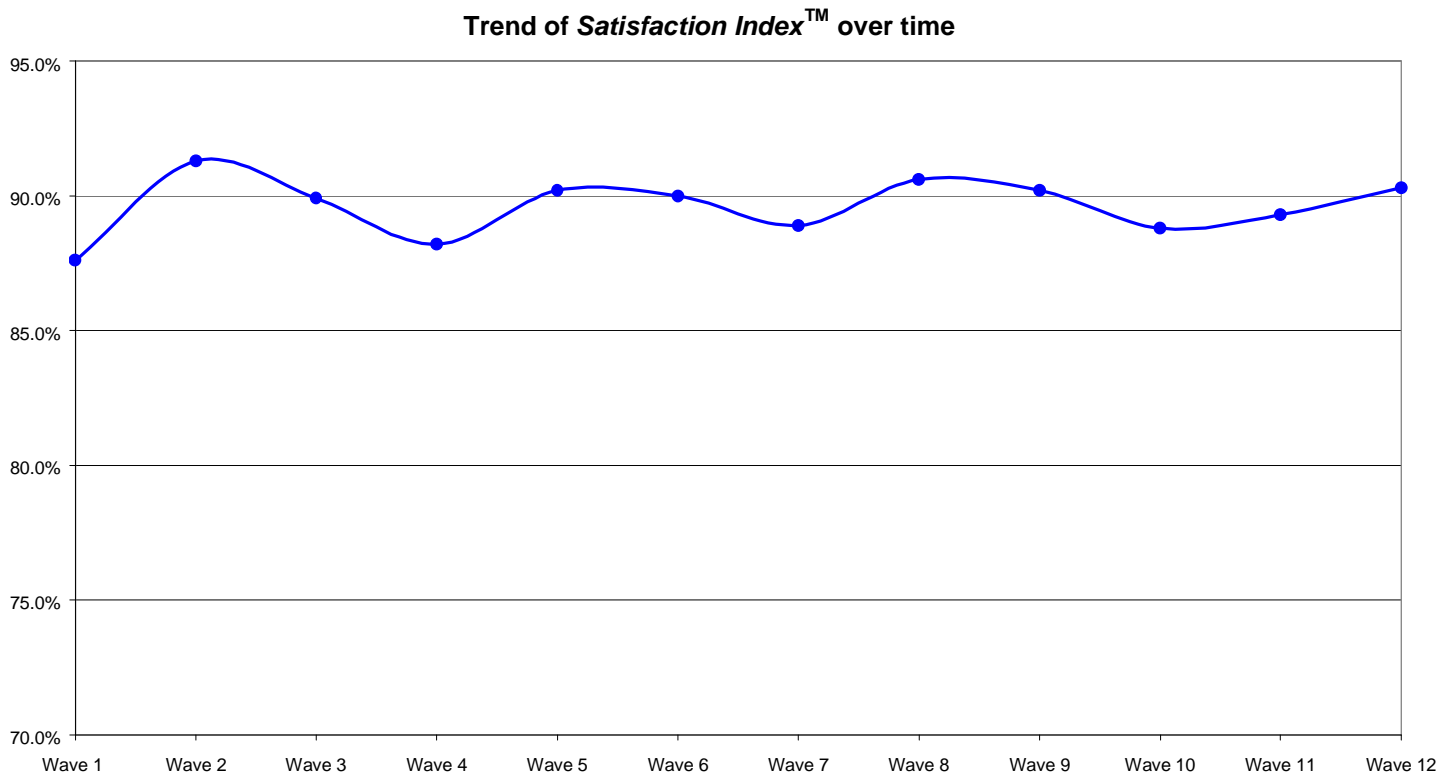
4 *Satisfaction Index*TM

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	Statistical reliability
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 89.6%. According to our databank, based on many customer satisfaction measurement projects, 89.6% represents an above average performance. It places RYA in the top quartile of suppliers, as shown in the league table.

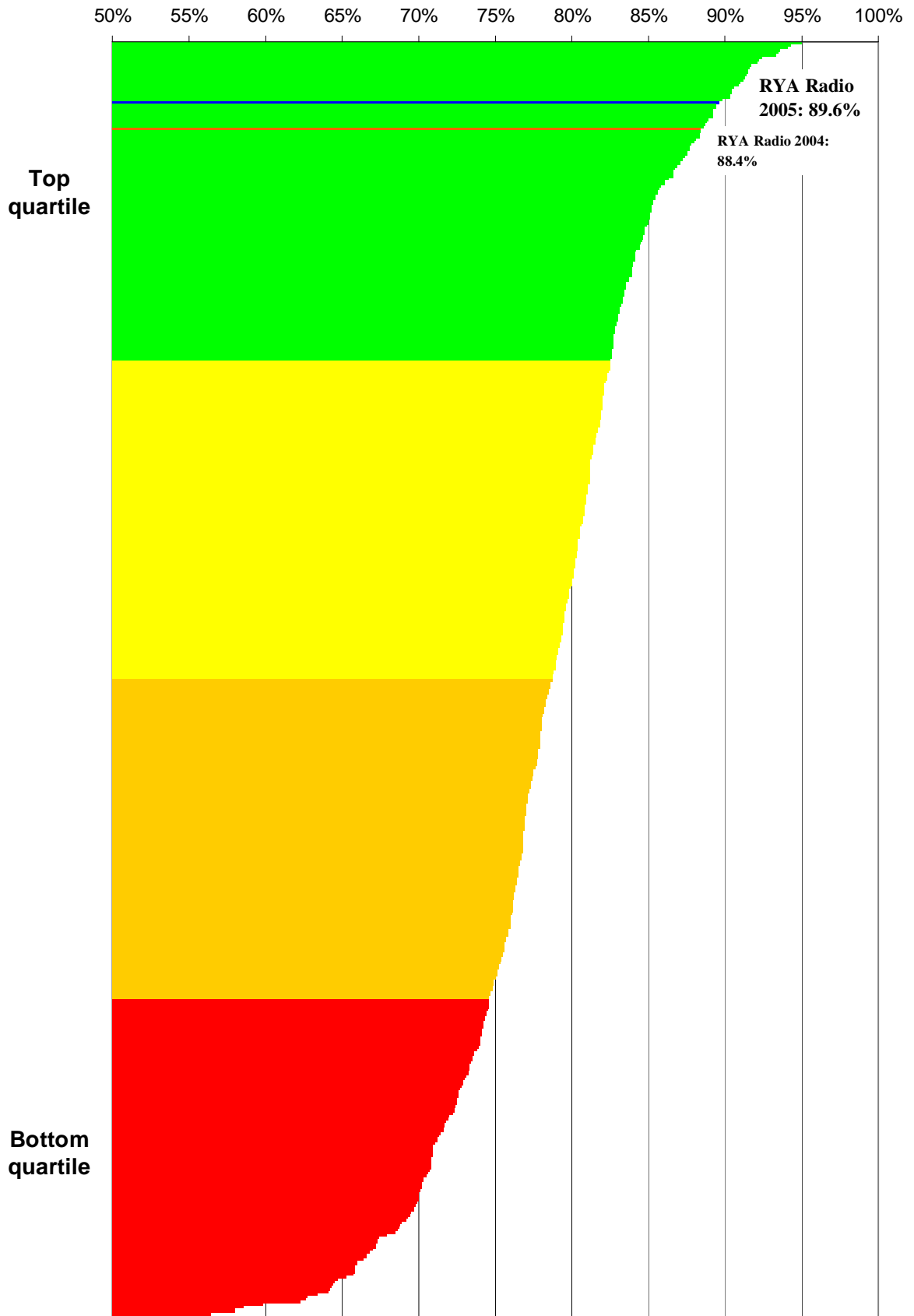
RYA's overall percentile score is 95th. This equates to RYA being placed in the top 6% of companies. It provides a benchmark of relative performance compared with other organisations which can be monitored in the years ahead, since your absolute performance represented by the *Satisfaction Index*TM may 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

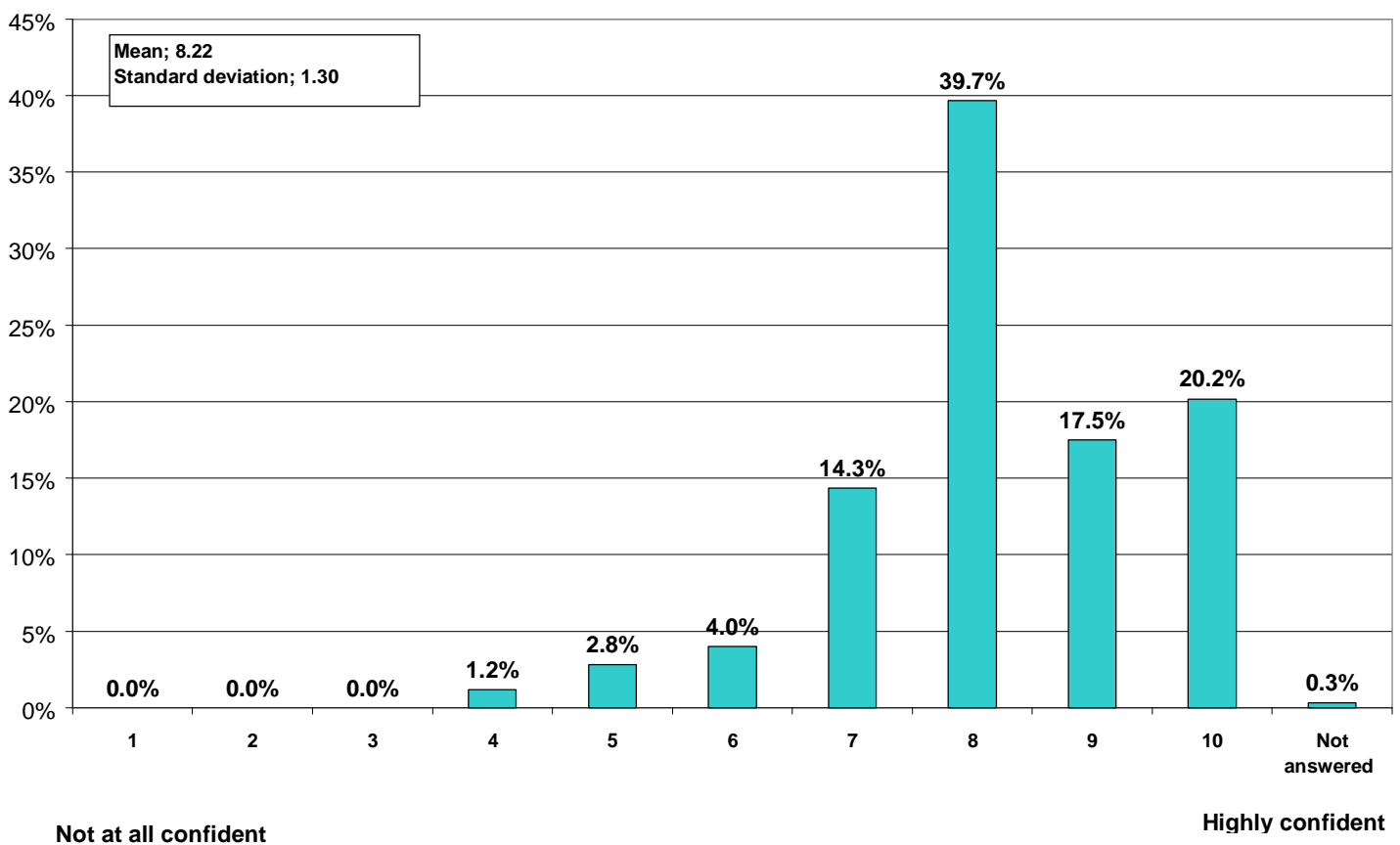


6 Student confidence

Towards the end of the interview, an additional question was asked. The question and its 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?

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



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:

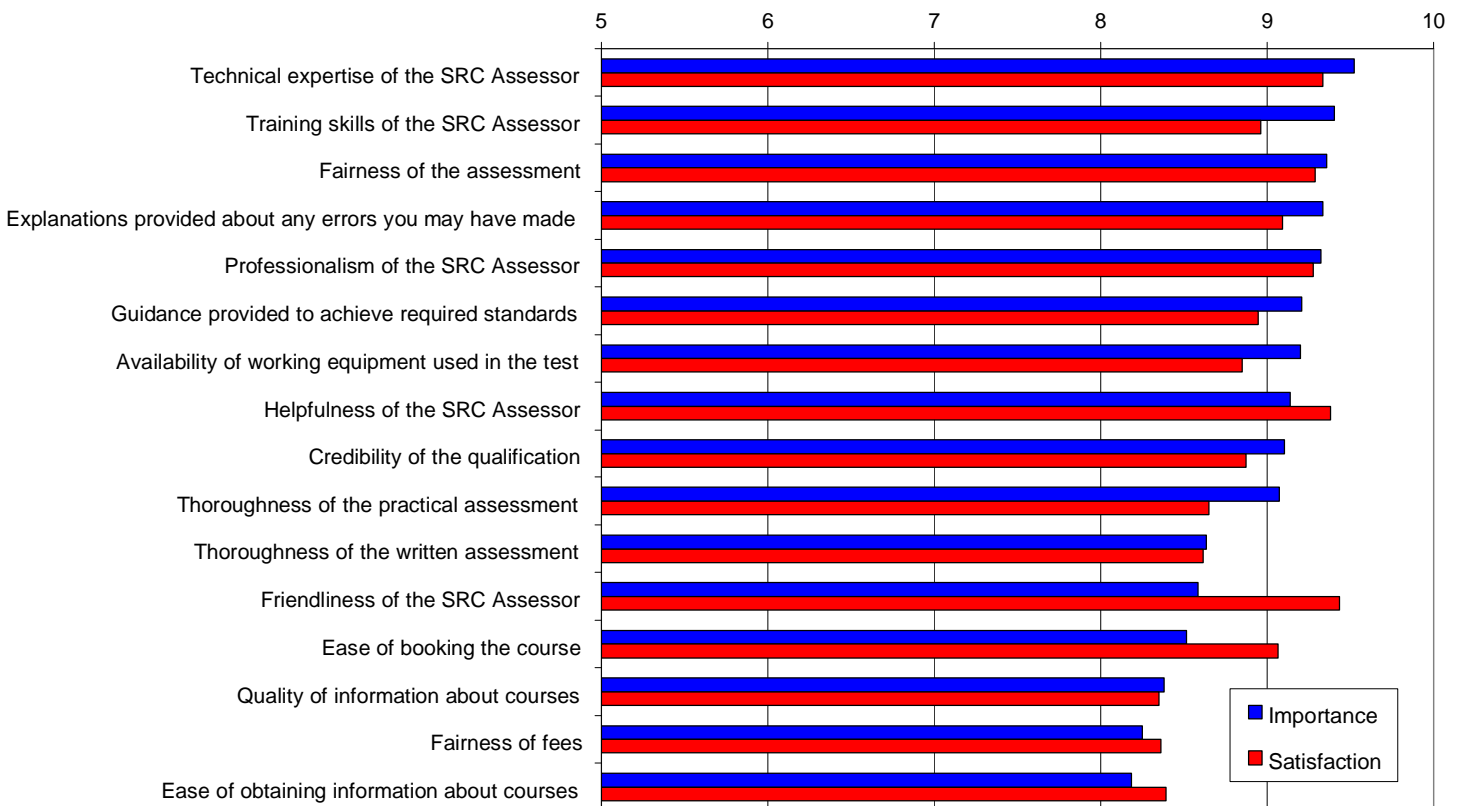
- Q Satisfaction gaps
- Q Causes of dissatisfaction
- Q Satisfaction drivers
- Q Business impact

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:

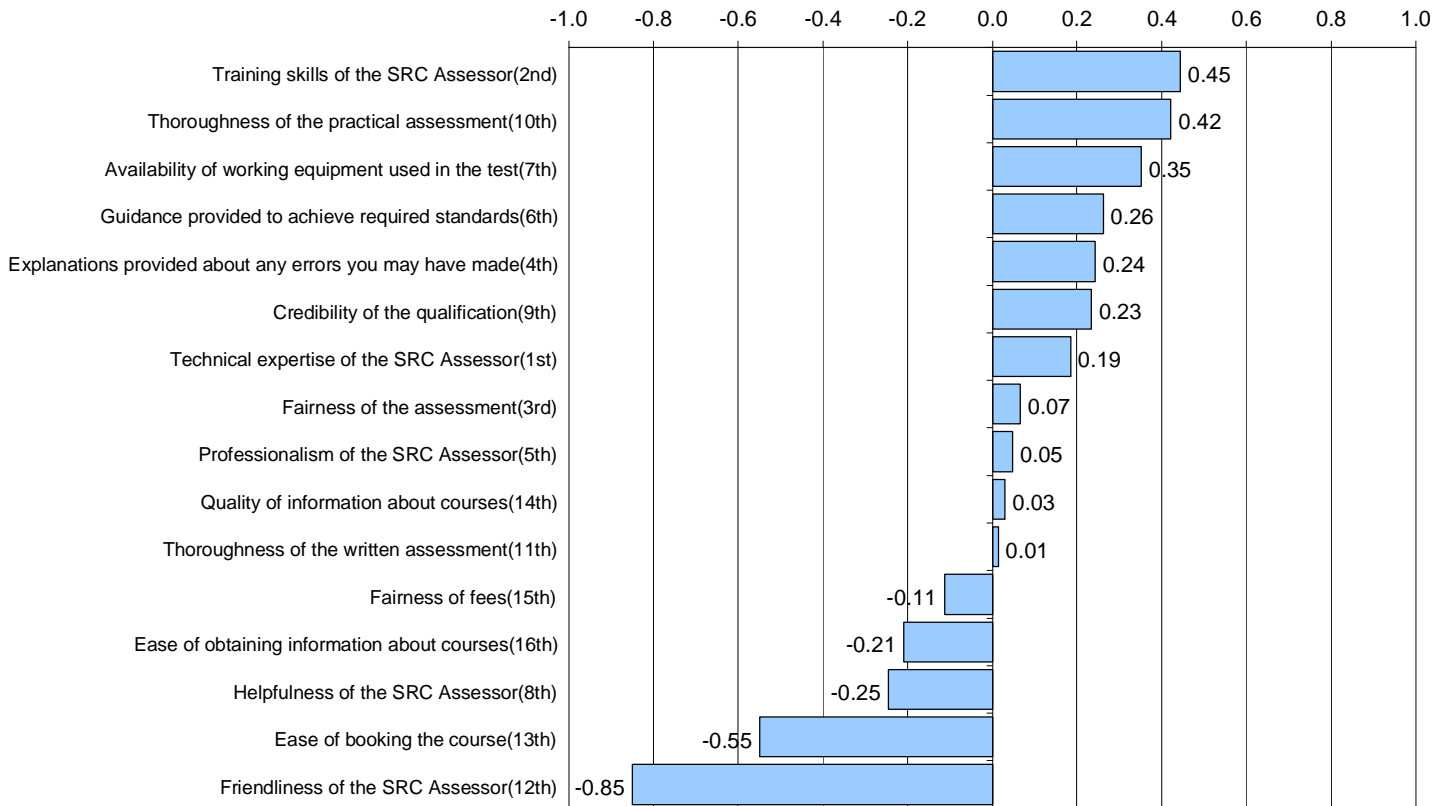
Doing best what matters most



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:

- Q Fairness of fees
- Q Availability of working equipment used in the test
- Q Ease of obtaining information about courses
- Q Credibility of the qualification

7.4 Satisfaction drivers

As described earlier (in sections 2.3), as well as looking at the importance scores that respondents 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:

- Q Professionalism of the SRC Assessor
- Q Fairness of the assessment
- Q Training skills of the SRC Assessor
- Q Guidance provided to achieve required standards
- Q Credibility of the qualification
- Q Technical expertise of the SRC Assessor

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.

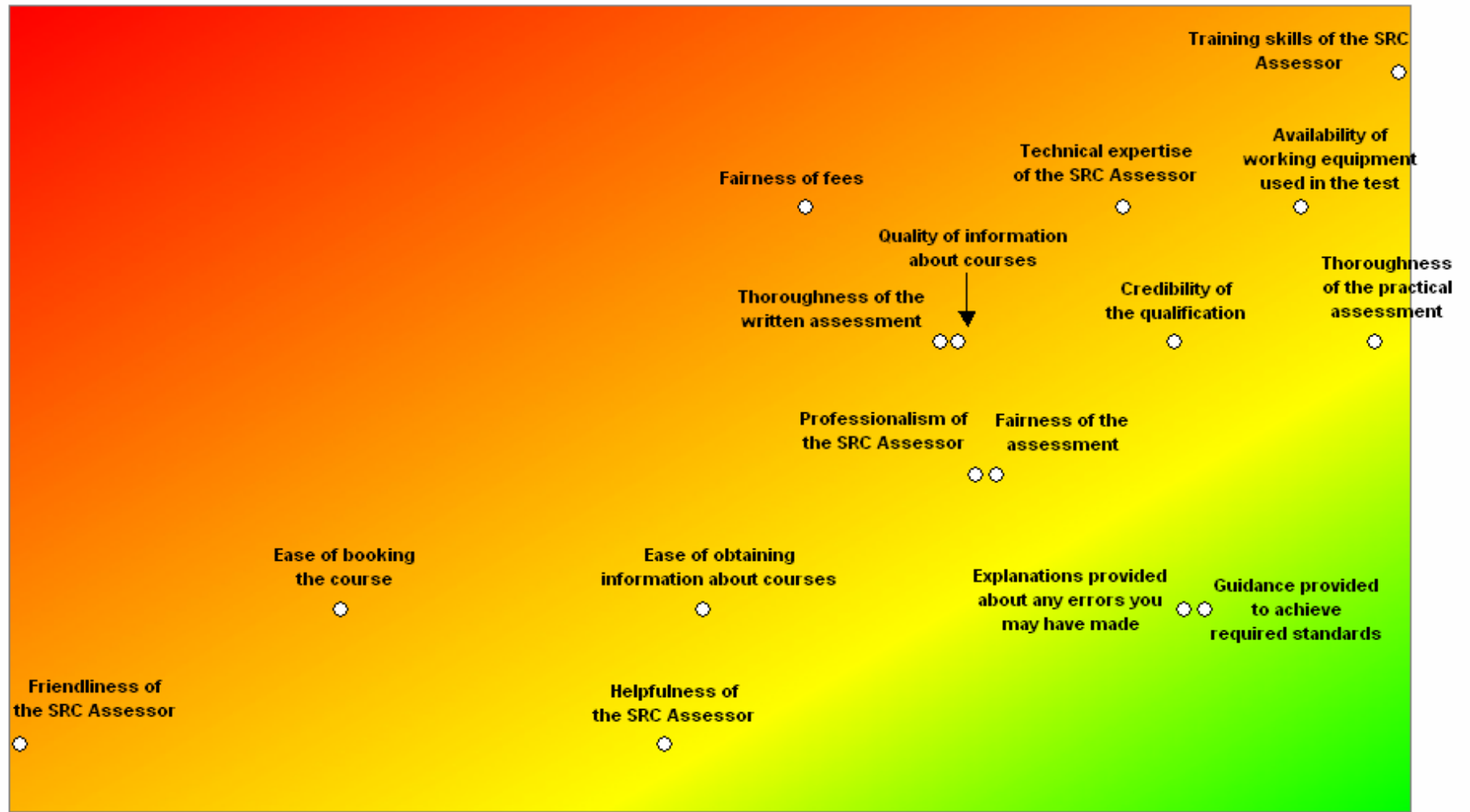
Adopting PFIs which will generate the greatest possible gains in customer satisfaction at the lowest possible cost will have the most positive business impact. The Cost-Benefit Matrix below illustrates where the most cost-effective gains may be made. The customer requirements have been categorised into 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.

Difficulty

High

Low



Low

Benefit

High

7.6 Table of outcomes

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

TABLE OF OUTCOMES						
REQUIREMENTS	STATED IMPORTANCE	IMPACT	SATISFACTION SCORES	SATISFACTION GAP	INVESTMENT-BENEFIT	TOTAL
Training skills of the SRC Assessor	σ	σ		σ		σσσ
Guidance provided to achieve required standards		σ		σ	σ	σσσ
Explanations provided about any errors you may have made	σ			σ	σ	σσσ
Professionalism of the SRC Assessor	σ	σ				σσ
Thoroughness of the practical assessment			σ	σ		σσ
Fairness of the assessment	σ	σ				σσ
Credibility of the qualification		σ				σ
Ease of obtaining information about courses			σ			σ
Quality of information about courses			σ			σ
Technical expertise of the SRC Assessor	σ					σ
Thoroughness of the written assessment			σ			σ
Availability of working equipment used in the test				σ		σ
Fairness of fees			σ			σ
Ease of booking the course						
Friendliness of the SRC Assessor						
Helpfulness of the SRC Assessor						

7.7 Priorities for Improvement

We recommend that RYA focus its efforts on a maximum of 3 PFIs:

- **Training skills of the SRC Assessor**
- **Guidance provided to achieve required standards**
- **Explanations provided about any errors you may have made**

TRAINING SKILLS OF THE SRC ASSESSOR

This is the 2nd most important requirement to customers and although it is not in the bottom 5 requirements for satisfaction, it does have the biggest Satisfaction Gap of all requirements.

GUIDANCE PROVIDED TO ACHIEVE REQUIRED STANDARDS

This requirement has the 4th biggest Satisfaction Gap. Although it is only the 6th most important requirement to customers, it has gained a satisfaction score of 8.95, indicating there is some deficit between the importance that customers place on this requirement and RYA's performance. It has a fairly high impact scoring, indicating this requirement has a bearing on customers' overall satisfaction with RYA.

EXPLANATIONS PROVIDED ABOUT ANY ERRORS YOU MAY HAVE MADE

This is the 4th most important requirement to customers and although it has a high satisfaction score over 9, it has the 5th biggest Satisfaction Gap. It is vital for participants to gain as much feedback and information from assessors and examiners to enable candidates to feel confident on their ability to use radios.