Western Europe Satisfaction with Vendor Service

Ken Carter
Senior Consultant
Customer Service Programme
INPUT Europe

Theme

- User Satisfaction 1988
- Trends 1987-1988
- Quality Issues
- Pricing Trends

INPUT

NOTES:

CSPA-KC-2

INPUT User Sample, 1988

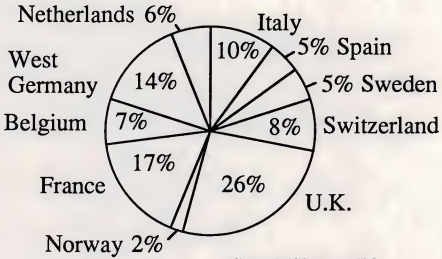
- 1,593 interviews
- 10 European countries
- Users of 14 vendors' systems

INPUT

NOTES:

CSPA-KC-3

Sample Distribution by Country



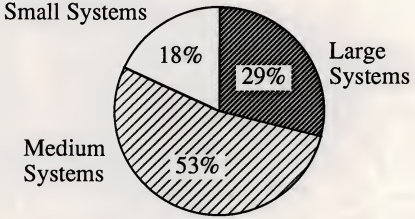
Sample Size: 1,593

INPUT

NOTES:

CSPA-KC-4

Sample Distribution by Systems Size



Sample Size: 1,593

INPUT

NOTES:

CSPA-KC-5

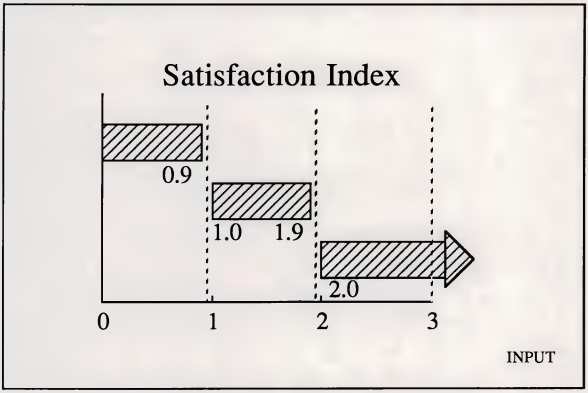
Satisfaction Index

Importance '—' Satisfaction

INPUT

NOTES:

CSPA-KC-6



NOTES:

CSPA-KC-7

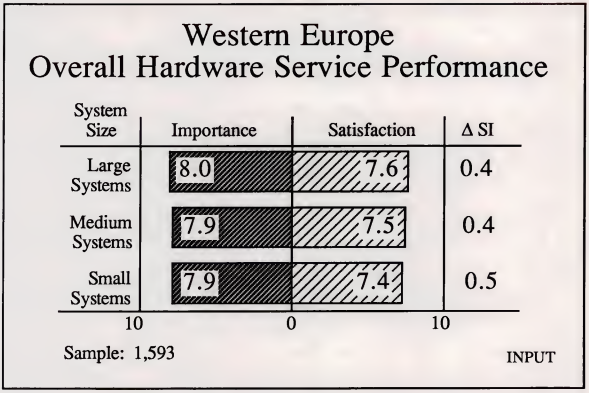
INPUT 1988 User Survey Main Characteristics

- System size is not a factor
- Decline in satisfaction
- User expectation margin

INPUT

NOTES:

CSPA-KC-8



NOTES:

CSPA-KC-9

Hardware Service Satisfaction

0 Satisfaction Index Δ SI 0.5

Most Satisfied

- Consultancy/planning
- Training
- Telephone support
- Service administration
- Remote diagnostics
- Out-of-hours

INPUT

NOTES:

CSPA-KC-10

Hardware Service Satisfaction

0.5 Satisfaction Index Δ SI 1.0

Least Satisfied

- Engineer skills
- Problem escalation
- Back-up support
- Call handling
- Documentation

INPUT

NOTES:

CSPA-KC-11

Hardware Service Satisfaction

1.0 Satisfaction Index Δ SI 1.5

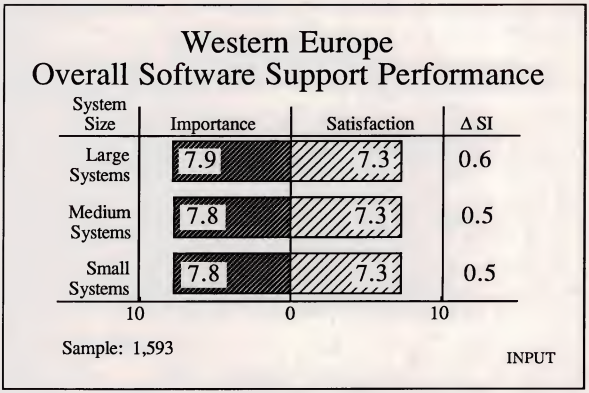
Concern

- Spares availability

INPUT

NOTES:

CSPA-KC-12



NOTES:

CSPA-KC-13

Software Support Satisfaction

0 Satisfaction Index Δ SI 0.5

Most Satisfied

- Hotline
- Capacity tuning
- On-site support
- Consultancy/planning
- Remote diagnostics
- Problem database

INPUT

NOTES:

CSPA-KC-14

Software Support Satisfaction

0.5 Satisfaction Index Δ SI 1.0

Least Satisfied

- Telephone fix speed
- Telephone access
- Software updates
- Software installation
- Training

INPUT

NOTES:

CSPA-KC-15

Software Support Satisfaction

1.0 Satisfaction Index Δ SI 1.5

Concern

- Engineer skills
- Documentation

INPUT

NOTES:

CSPA-KC-16

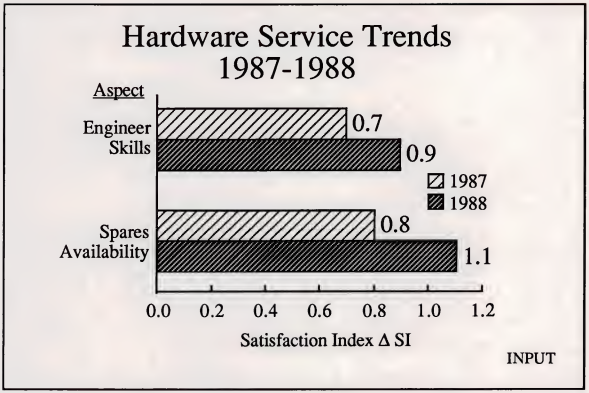
Major Challenges and Issues

- Hardware
  - Engineer skill
  - Spares availability
- Software
  - Engineer skill
  - Documentation

INPUT

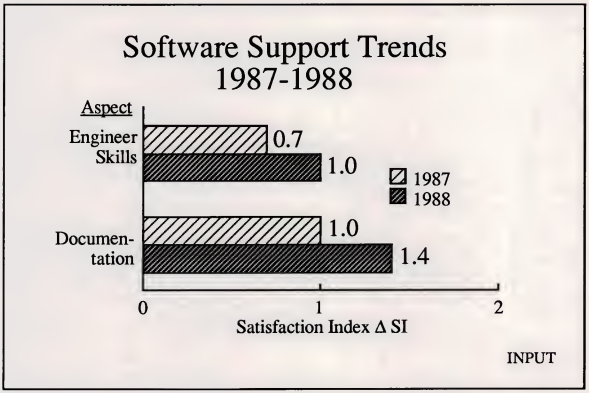
NOTES:

CSPA-KC-17



NOTES:

CSPA-KC-18



NOTES:

CSPA-KC-19

Major Challenges and Issues

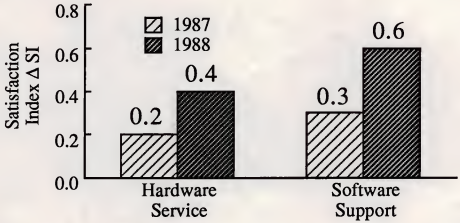
- Decline in user satisfaction
  - Software support
  - System failure rates
  - Systems availability
  - Response times

INPUT

NOTES:

CSPA-KC-20

Western Europe
Overall Satisfaction Trends, 1987-1988

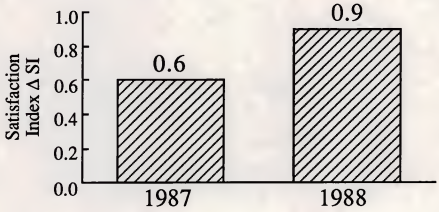


INPUT

NOTES:

CSPA-KC-21

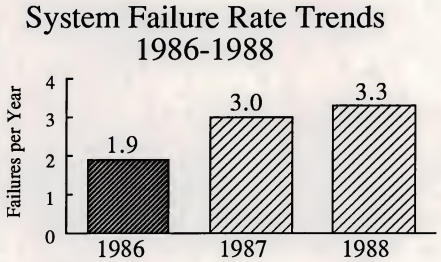
Satisfaction with Systems Availability Trends, 1987-1988



INPUT

NOTES:

CSPA-KC-22

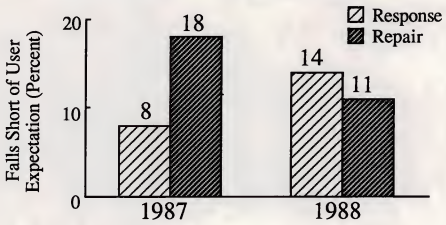


INPUT

NOTES:

CSPA-KC-23

Hardware Service Response/Repair Time Trends, 1987-1988

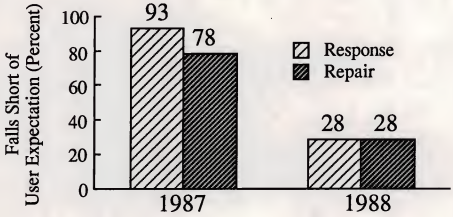


INPUT

NOTES:

CSPA-KC-24

Software Support Response/Fix Time Trends, 1987-1988



INPUT

NOTES:

CSPA-KC-25

Country Comparisons

- 10 countries
- Users of 14 vendors' systems

INPUT

NOTES:

CSPA-KC-26

Country Comparisons, 1988
Major Challenges and Issues

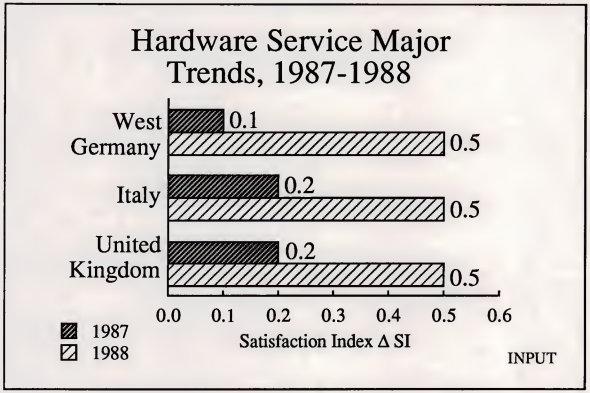
Hardware

- User concern in Spain
- Some decline in user satisfaction

INPUT

NOTES:

CSPA-KC-27



NOTES:

CSPA-KC-28

Hardware—User Concern

West Germany	• Spares availability • Documentation
Italy	• None
United Kingdom	• Spares availability • Problem escalation

INPUT

NOTES:

CSPA-KC-29

Country Comparisons, 1988
Major Challenges and Issues

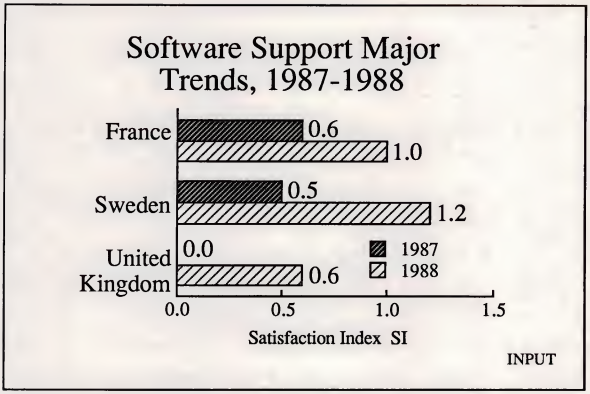
Software

- User concern in: France
  Sweden
  Spain
- Some decline in user satisfaction

INPUT

NOTES:

CSPA-KC-30



NOTES:

CSPA-KC-31

Software—User Concern

France and Sweden	• Engineer skill • Documentation • Software training • Telephone support • Software updates • Capacity tuning
United Kingdom	• Documentation

INPUT

NOTES:

CSPA-KC-32

Improving User Satisfaction
INPUT's Recommendations

- Respond
- Communicate
- Deliver

Quality Is Key

INPUT

NOTES:

CSPA-KC-33

Quality Is Key

- Users rate quality as more important than price
- 70% of users consider service has a good price/performance ratio
- 20% of users are "price sensitive"
- But, users are dissatisfied with service price?

INPUT

NOTES:

CSPA-KC-34

Quality Is Key

- User perceived quality can be quantified
  - Satisfaction levels
  - System availability
  - System failure rates
  - User response/repair expectation
- Vendor quality image

INPUT

NOTES:

CSPA-KC-35

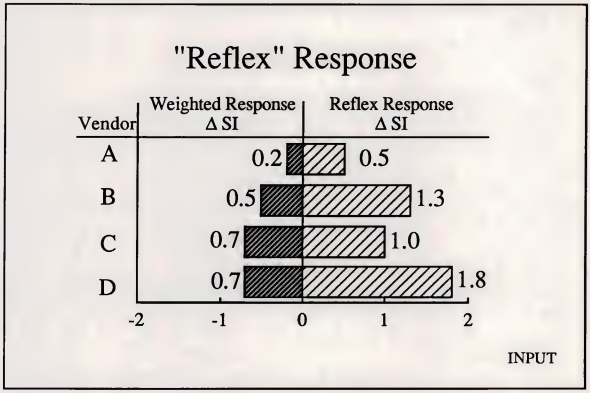
Vendor-Quality Image

- "Reflex" response
- Performance
- Thresholds
- Profile difference

INPUT

NOTES:

CSPA-KC-36



NOTES:

CSPA-KC-37

Poor-Quality Image

Failure in more than two criteria:

- Concern with more than two aspects of service
- Concern with systems availability
- Three or more system failures per year

INPUT

NOTES:

CSPA-KC-38a

Poor-Quality Image

Failure in more than two criteria:

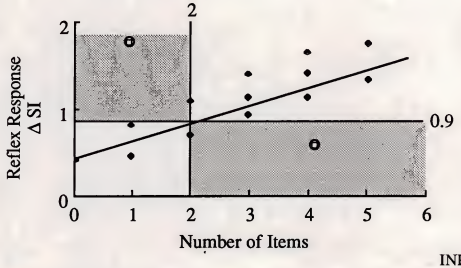
- Response time falls short of user expectation
- Repair/fix time falls short of user expectation

INPUT

NOTES:

CSPA-KC-38b

Quality-Image Profile



INPUT

NOTES:

CSPA-KC-39

Hardware Service

- User concerns
  - Engineer skills
  - Spares availability
- Vendor issues
  - Restore time
  - Quality/price
  - Flexibility
  - Operational impact

INPUT

NOTES:

CSPA-KC-40

Software Support

- User concerns
  - Engineer skills
  - Documentation
- Vendor issues
  - Software quality
  - Skill levels
  - User satisfaction

INPUT

NOTES:

CSPA-KC-41

Quality/Price Conflict

Users

- Quality more important than price
- 70% consider that service has good price/performance

INPUT

NOTES:

CSPA-KC-42a

Quality/Price Conflict

Vendors

- 40% consider that price restricts service quality
- 15% concerned that pricing pressure may impact quality

INPUT

NOTES:

CSPA-KC-42b

Pricing Issues

- Stagnation, hardware service market
- Price increases
- Selective pricing/profitability

INPUT

NOTES:

CSPA-KC-43

Price Stimulation

Historical vendor-pricing activities

↓

Influence

↓

Future users' price expectations

INPUT

NOTES:

CSPA-KC-44

Confidence in Computer Vendors

- 65%+ of users show preference for one-vendor services
- 85% to 89% prefer the "one-vendor" to be main hardware supplier

INPUT

NOTES:

CSPA-KC-45

Challenges

- Reversal of selective pricing trends
- Dominance of hardware service as a revenue stream
- Vendor-quality image

INPUT

NOTES:

CSPA-KC-46

Opportunities

- Hardware service
- Large systems
- Quality service

INPUT

NOTES:

CSPA-KC-47

Pricing Opportunities

Future Price Increase Expectation	Percent		
	Large Systems	Medium Systems	Small Systems
Hardware Service	4.4	3.5	3.1
Software Support	5.0	3.7	3.4

Notes (1) User expectation
(2) Corrected for selective pricing

Sample Size: 1,345

INPUT

NOTES:

CSPA-KC-48

Quality Is Key

- Quality is more important than price
- Quality is a key competitive strategy

INPUT

NOTES:

CSPA-KC-49

Ken Carter
Senior Consultant
INPUT

Ken Carter provides consultancy services for the Customer Service Program, Europe, and specializes in the analysis of customer services data and forecasting of trends within the industry. Mr. Carter has over 20 years experience in the computer industry, including ten years of management responsibility for vendor/customer interface.

QUALITY CONTROL PROOFREADING SIGNOFF

DESCRIPTION Presentation for CSP Conf.

PROJECT CODE CSPE – KC

AUTHOR Ken Carter

DATE TO PROOFREADER	TO BE PROOFED BY	INITIAL	DATE
3/29/89	Chen	MC	3/29
3/30	to author		
3/31	Eng	[illegible]	3/31
FINAL Q.C.			

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ADM 400/03 7/88

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WORK SPECIFICATIONS

DATE OF PRESENTATION: 4/19/ 4/20

Additional Information

- ☑ 35mm Slides
- ❑ Foils
- ❑ Exhibits
- ❑ Questionnaire
- ❑ Letter
- ❑ Business Card
- ❑ Note Paper
- ❑ Newsletter
- ❑ News Release
- ❑ Form
- ❑ Brochure
- ❑ Cover Design
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Number of pages submitted _____ Text

_____ Graphics

SPECIAL INSTRUCTIONS

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Quantity/Hard Copy

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Finished Size _____ X _____

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- ❑ Ink Color
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- ❑ Questionnaire
- ❑ Newsletter
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KEN CARTER
Consultant

SHEILA.

MY PRESENTATION
FOR CSP CONFERENCE
APRIL 19/20.

HOPE YOU DON'T HAVE
TO SPLIT ANY SLIDES,
SHOULD BE OK.

Thanks

Ke

P.S 1PM PRESENTATION WILL
BE COMPLETE EARLY IN
WEEK OF. 27 MARCH.

WESTERN EUROPE

SATISFACTION WITH VENDOR SERVICE

KEN CARTER

SENIOR CONSULTANT

CUSTOMER SERVICE PROGRAMME

INPUT EUROPE

CSPA-KC

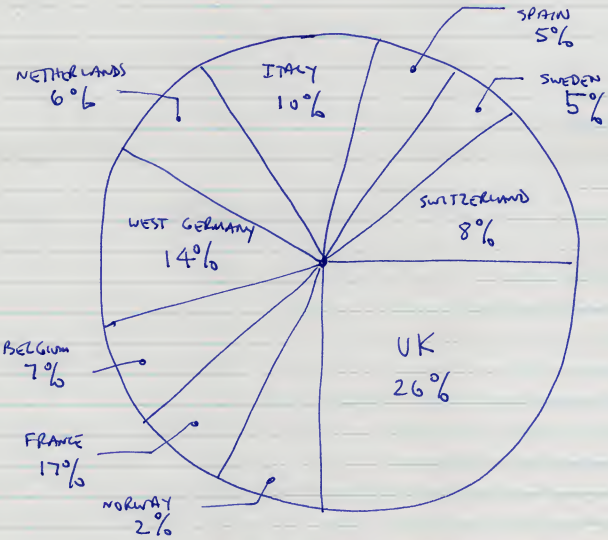
THEME

- USER SATISFACTION 1988
- TRENDS 1987 - 1988
- QUALITY ISSUES
- PRICING TRENDS

INPUT USER SAMPLE 1988

- 1593 INTERVIEWS
- 10 EUROPEAN COUNTRIES
- USERS OF 14 VENDORS SYSTEMS

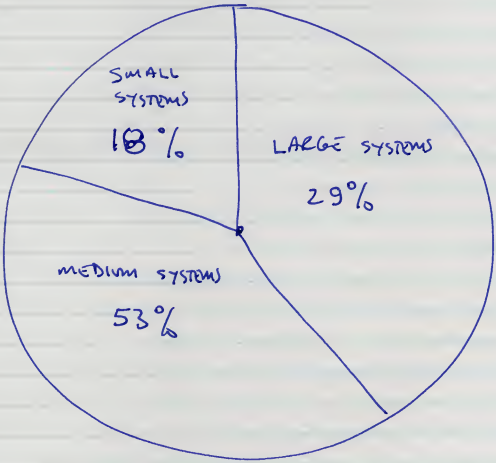
SAMPLE DISTRIBUTION BY COUNTRY



SAMPLE SIZE: 1593

SAMPLE DISTRIBUTION

BY SYSTEM SIZE



SAMPLE SIZE :- 1593

"Satisfaction Index"

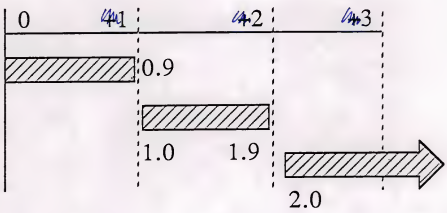
Importance '—' Satisfaction

INPUT

NOTES:

KH-4

Satisfaction Index



INPUT

NOTES:

KH-5

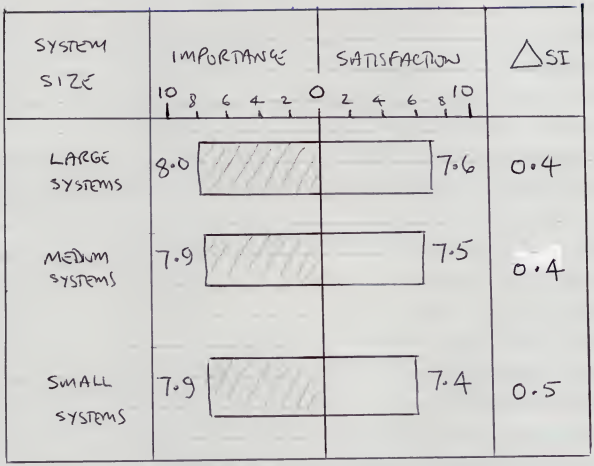
INPUT 1988 USER SURVEY

MAIN CHARACTURISTICS

- SYSTEM SIZE IS NOT A FACTOR
- DECLINE IN SATISFACTION
- USER EXPECTATION MARGIN

WESTERN EUROPE

OVERALL HARDWARE SERVICE PERFORMANCE



SAMPLE: 1593

Hardware Service Satisfaction

0 Satisfaction Index Δ SI 0.5

Most Satisfied

- Consultancy/Planning
- Training
- Telephone Support
- Service Administration
- Remote Diagnostics
- Out-of-Hours

INPUT

NOTES:

FPRE-KH-9

Hardware Service Satisfaction

0.5 Satisfaction Index Δ SI 1.0

Least Satisfied

- Engineer Skills
- Problem Escalation
- Back-Up Support
- Call Handling
- Documentation

INPUT

NOTES:

FPRE-KH-10

Hardware Service Satisfaction

1.0 Satisfaction Index Δ SI 1.5

Concern

- Spares Availability

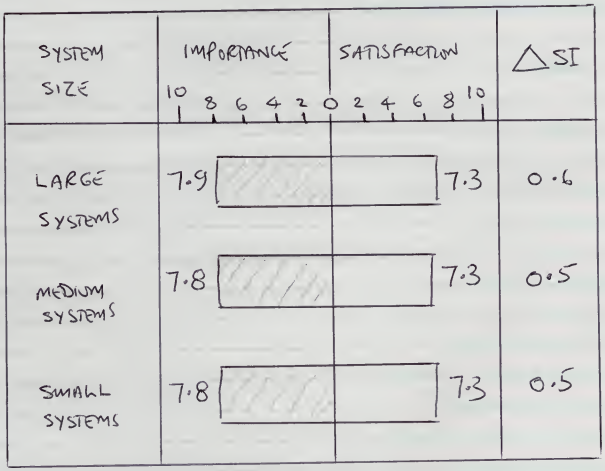
INPUT

NOTES:

FPRE-KH-11

WESTERN EUROPE

OVERALL SOFTWARE SUPPORT PERFORMANCE



SAMPLE : 1593

Software Support Satisfaction

0 Satisfaction Index Δ SI 0.5

Most Satisfied

- Hotline
- Capacity Tuning
- On-Site Support
- Consultancy/Planning
- Remote Diagnostics
- Problem Database

INPUT

NOTES:

FPRE-KH-6

Software Support Satisfaction

0.5 Satisfaction Index Δ SI 1.0

Least Satisfied

- Telephone Fix Speed
- Telephone Access
- Software Updates
- Software Installation
- Training

INPUT

NOTES:

FPRE-KH-7

Software Support Satisfaction

1.0 Satisfaction Index Δ SI 1.5

Concern

- Engineer Skills
- Documentation

INPUT

NOTES:

FPRE-KH-8

MAJOR CHALLENGES AND ISSUES

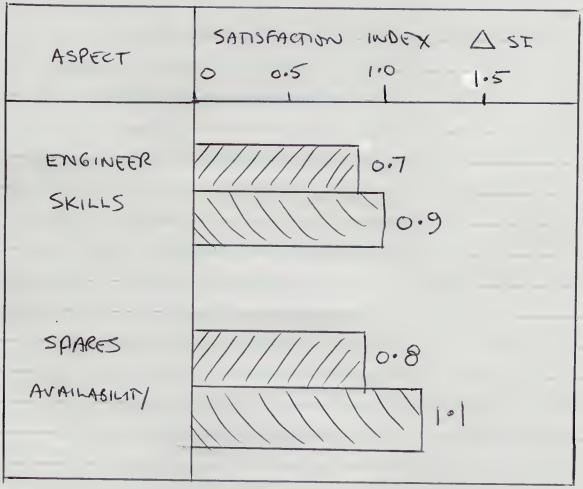
1 HARDWARE

- ENGINEER SKILLS
- SPARES AVAILABILITY

2 SOFTWARE

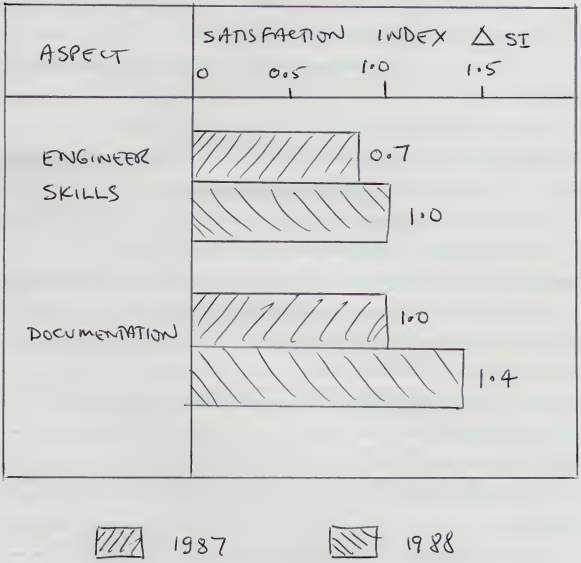
- ENGINEER SKILLS
- DOCUMENTATION

HARDWARE SERVICE TRENDS 1987 - 1988



1987 1988

SOFTWARE SUPPORT TRENDS 1987 - 1988



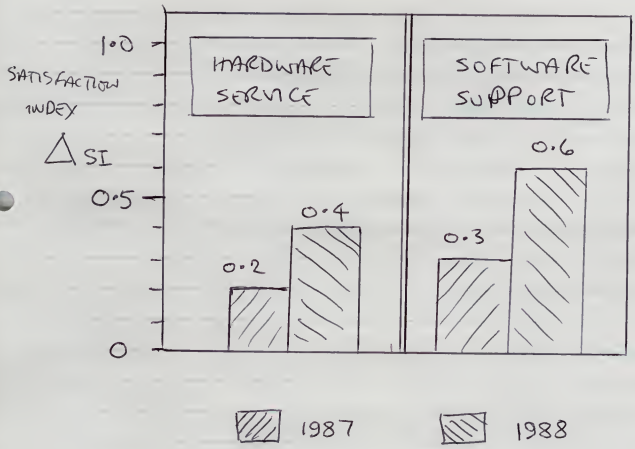
MAJOR CHALLENGES AND ISSUES

3. DECLINE IN USER SATISFACTION

- SOFTWARE SUPPORT
- SYSTEM FAILURE RATES
- SYSTEMS AVAILABILITY
- RESPONSE TIMES

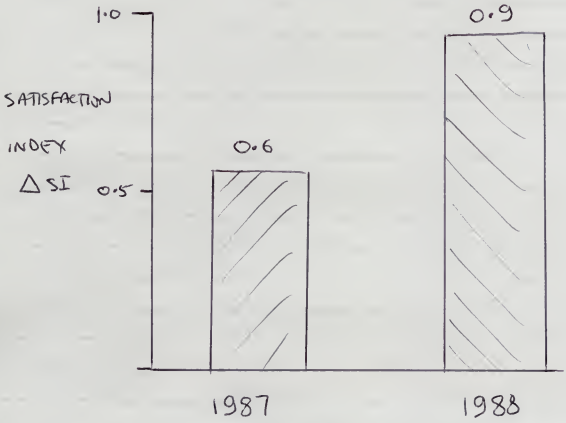
WESTERN EUROPE

OVERALL SATISFACTION TRENDS 1987 – 1988

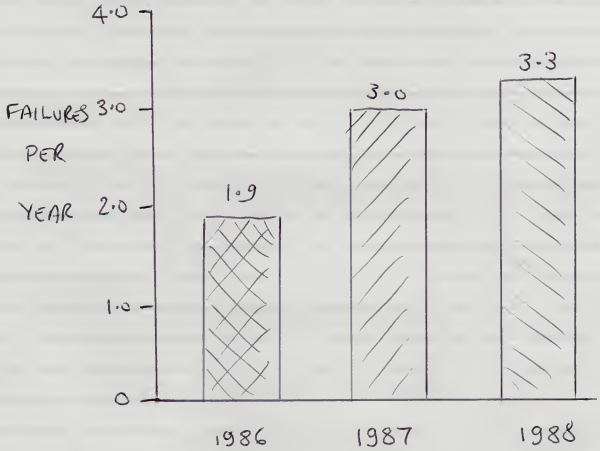


SATISFACTION WITH SYSTEMS AVAILABILITY

TRENDS 1987 – 1988

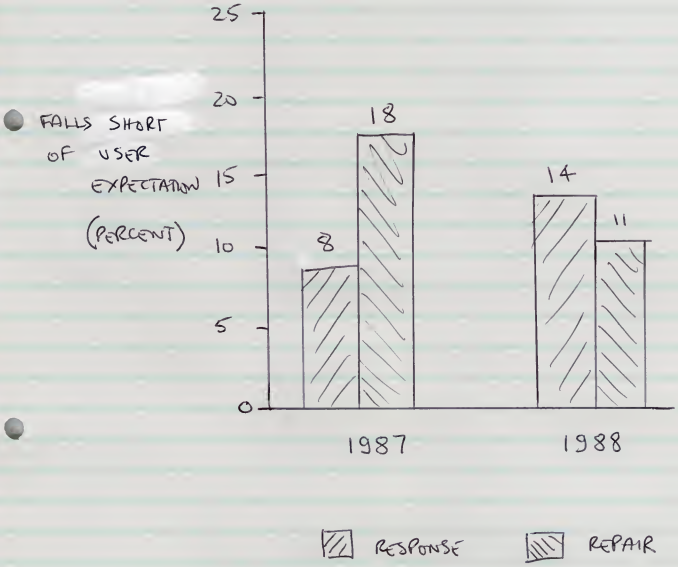


SYSTEM FAILURE RATE TRENDS 1987-1988



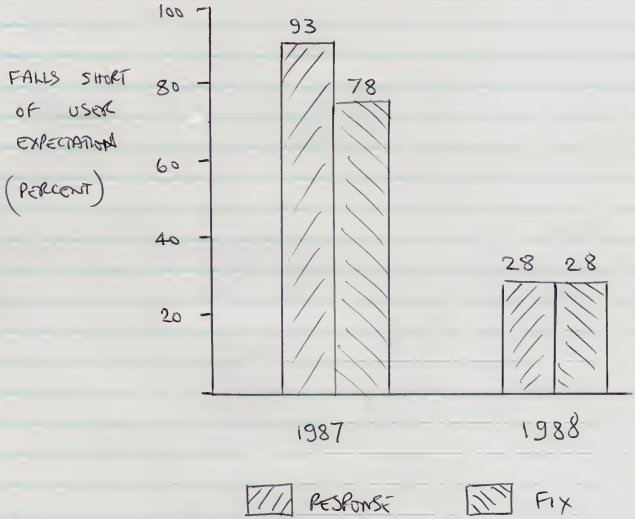
HARDWARE SERVICE RESPONSE/REPAIR TIMES

TRENDS 1987 – 1988



SOFTWARE SUPPORT RESPONSE / FIX TIMES

TRENDS 1987 – 1988



COUNTRY COMPARISONS

- 10 COUNTRIES
- USERS OF 14 VENDORS SYSTEMS

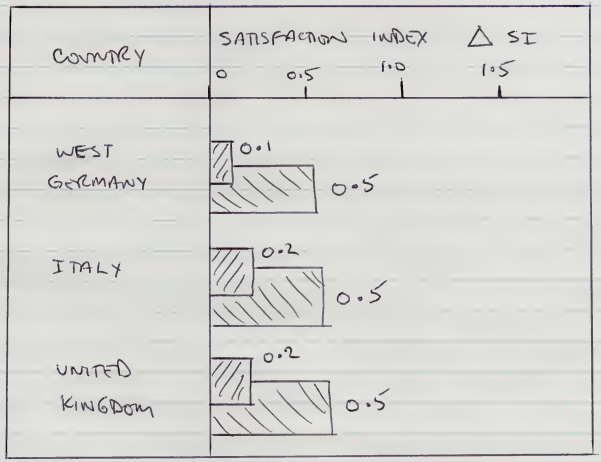
COUNTRY COMPARISONS 1988

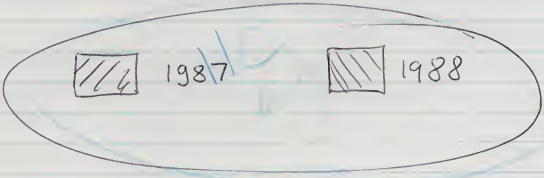
MAJOR CHALLENGES AND ISSUES

HARDWARE

- USER CONCERN IN SPAIN
- SOME DECLINE IN USER SATISFACTION

HARDWARE SERVICE MAJOR TRENDS 1987-1988





HARDWARE — USER CONCERN

WEST GERMANY	• SPARES AVAILABILITY • DOCUMENTATION
ITALY	• NONE
UNITED KINGDOM	• SPARES AVAILABILITY • PROBLEM ESCALATION

COUNTRY COMPARISONS 1988

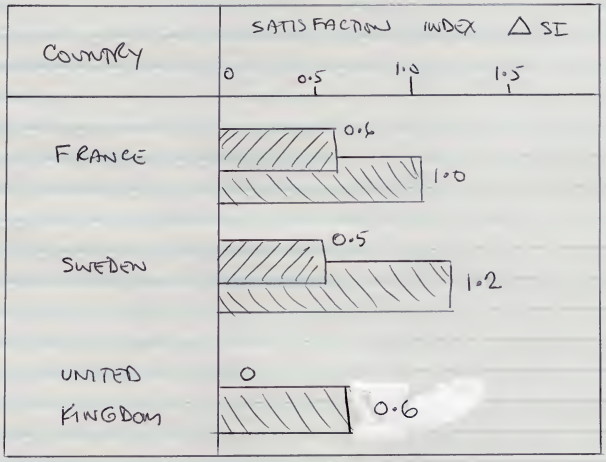
MAJOR CHALLENGES AND ISSUES

SOFTWARE

- USER CONCERN IN – FRANCE
  SWEDEN
  SPAIN

- SOME DECLINE IN USER SATISFACTION.

SOFTWARE SUPPORT MAJOR TRENDS 1987-1988



1987 1988

SOFTWARE – USER CONCERN

FRANCE AND SWEDEN
- ENGINEER SKILLS
- TELEPHONE SUPPORT
- DOCUMENTATION
- SOFTWARE UPDATES
- SOFTWARE TRAINING
- CAPACITY TUNING

UNITED KINGDOM
- DOCUMENTATION.

IMPROVING USER SATISFACTION

INPUT'S RECOMMENDATIONS

- RESPOND
- COMMUNICATE
- DELIVER

QUALITY IS KEY

QUALITY IS KEY

- USERS RATE QUALITY MORE IMPORTANT THAN PRICE
- 70% OF USERS CONSIDER SERVICE HAS A GOOD PRICE / PERFORMANCE RATIO.
- 20% OF USERS ARE "PRICE SENSITIVE"
- BUT, USERS ARE DISSATISFIED WITH SERVICE PRICE ?

QUALITY IS KEY

- USER PERCEIVED QUALITY CAN BE QUANTIFIED

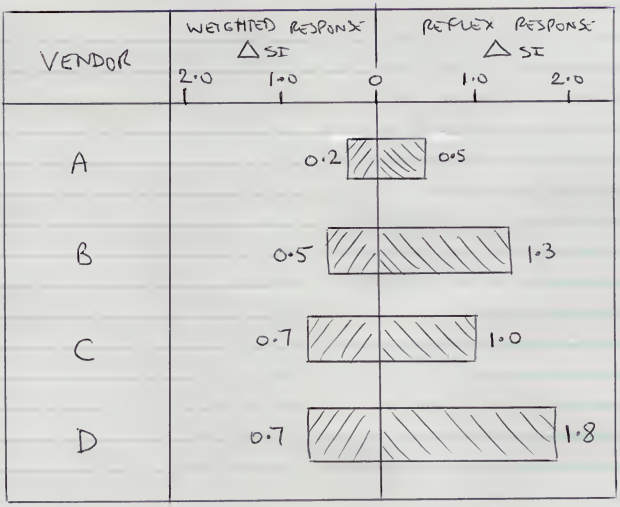
  - SATISFACTION LEVELS
  - SYSTEM AVAILABILITY
  - SYSTEM FAILURE RATES
  - USER RESPONSE / REPAIR EXPECTATION.

- VENDOR QUALITY IMAGE

VENDOR QUALITY IMAGE

- "REFLEX" RESPONSE
- PERFORMANCE
- THRESHOLDS
- PROFILE DIFFERENCE

"REFLEX" RESPONSE

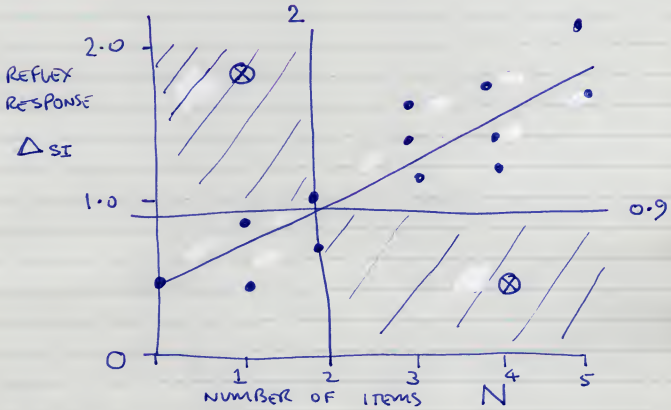


POOR QUALITY IMAGE

FAILURE IN MORE THAN 2 CRITERIA:-

- CONCERN WITH MORE THAN 2 ASPECTS OF SERVICE
- CONCERN WITH SYSTEMS AVAILABILITY
- 3 OR MORE SYSTEM FAILURES PER YEAR
- RESPONSE TIME FALLS SHORT OF USER EXPECTATION
- REPAIR/FIX TIME FALLS SHORT OF USER EXPECTATION.

QUALITY IMAGE PROFILE



NOTE FOR GRAPHICS:
THIS DIAGRAM IS ILLUSTRATIVE NOT ABSOLUTE. JUST MAKE SLIDE LOOK LIKE DIAGRAM, PRECISION OF PLOTTED POINTS IS NOT IMPORTANT. EXCEPT POINTS SHOULD ALIGN WITH WHOLE NUMBERS ON HORIZONTAL SCALE

HARDWARE SERVICE

- USER CONCERNS
  - ENGINEER SKILLS
  - SPARES AVAILABILITY

- VENDOR ISSUES
  - RESTORE TIME
  - QUALITY / PRICE
  - FLEXIBILITY
  - OPERATIONAL IMPACT

SOFTWARE SUPPORT

- USER CONCERNS
  - ENGINEER SKILLS
  - DOCUMENTATION

- VENDOR ISSUES
  - SOFTWARE QUALITY
  - SKILL LEVELS
  - USER SATISFACTION

QUALITY PRICE CONFLICT

USERS

- QUALITY MORE IMPORTANT THAN PRICE
- 70% CONSIDER SERVICE HAS GOOD PRICE/PERFORMANCE

VENDORS

- 40% CONSIDER PRICE RESTRICTS SERVICE QUALITY
- 15% CONCERNED THAT PRICING PRESSURE MAY IMPACT QUALITY

PRICING ISSUES

- STAGNATION, HARDWARE SERVICE MARKET
- PRICE INCREASES
- SELECTIVE PRICING / PROFITABILITY

PRICE STIMULATION

HISTORICAL VENDOR PRICING ACTIVITIES

↓

INFLUENCE

↓

FUTURE USER PRICE EXPECTATIONS

CONFIDENCE IN COMPUTER VENDORS

- 65% + OF USERS SHOW PREFERENCE FOR ONE-VENDOR SERVICE

- 85% - 89% SHOW PREFER THE "ONE-VENDOR" TO BE MAIN HARDWARE SUPPLIER

CHALLENGES

- REVERSAL OF SELECTIVE PRICING TRENDS
- DOMINANCE OF HARDWARE SERVICE AS A REVENUE STREAM
- VENDOR QUALITY IMAGE

OPPORTUNITIES

- HARDWARE SERVICE
- LARGE SYSTEMS
- QUALITY SERVICE

PRICING OPPORTUNITIES

FUTURE PRICE INCREASE EXPECTATION	PERCENT		
	LARGE SYSTEMS	MEDIUM SYSTEMS	SMALL SYSTEMS
HARDWARE SERVICE	4·4	3·5	3·1
SOFTWARE SUPPORT	5·0	3·7	3·4

NOTES (1) USER EXPECTATION
(2) CORRECTED FOR SELECTIVE PRICING

SAMPLE SIZE : 1345

QUALITY IS KEY

- QUALITY IS MORE IMPORTANT THAN PRICE
- QUALITY IS A KEY COMPETITIVE STRATEGY

P4