Factors influencing the use of customer satisfaction measurements

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Abstract

The purpose of this paper is to study factors influencing customer satisfaction information usage in relation to the various stages in a customer satisfaction information usage process. The paper is based on a study of 17 firms working with customer satisfaction measurements and two firms providing such measurements. The findings are that firms focus too heavily on the measurements per se, and too little on the purpose and use of these measurements. The actual use is supported not only by formal procedures but also by a customer focused mindset. Finally, it appears critical to link customer satisfaction to financial measurements.

Keywords

Non-financial performance measurements, customer satisfaction measurements, and customer satisfaction information usage

Introduction

As technology development is fast, combined with increased globalization and increasingly sophisticated customer demands (Bititci, Garengo, Dörfler, & Nudurupati, 2012), firms are in need of performance measurements that have the ability to apprehend past, present, as well as future performance (Taticchi, Tonelli, & Cagnazzo, 2010). One such measurement is customer satisfaction measurements.

Customer satisfaction (CS) measurements are recognized as an important indicator for future financial importance, and is the non-financial performance measurement (NFPM) that is the most widespread (Bititci et al., 2012; Fornell et al., 1996; Kristensen & Westlund, 2003; Stern, 2006). Having high levels of CS is argued to lead to e.g. decreased customer complaints, stronger company image, protection of current market share, and increased customer loyalty. Further it is also argued to have a positive effect on financial results (Fornell et al., 1996; Kristensen & Westlund, 2003). Despite this, a few decades ago, few firms used CS measurements when analyzing their performance, rather measurements of market size and market share were used (Stern, 2006). More recently an increase in the use of CS measurements has taken place. This development is reinforced by trends such as globalization, and servitization (Arvidsson, 2011; Bititci et al., 2012); as an example Ostrom et al. (2015), in their paper on service research priorities, state a need for non-financial measurements to be able to assess service investments.

Previous research within the field of CS measurements has largely focused on why firms should use these measurements. This research focuses on how CS measurements are used in contemporary firms. Other researchers addressing this question have focused on describing the processes firms employ in their CS information usage (CSIU), see e.g. Morgan et al. (2005) and Lervik Olsen et al. (2014). The CSIU process can be divided into three phases: Strategy, Measurement, and Analysis and implementation (Lervik Olsen at al., 2014). This paper focuses on firms' experiences of working in these processes. The purpose is to study factors influencing customer satisfaction information usage (CSIU) in relation to the various stages in a CSIU process. The purpose is addressed by studying 17 firms scoring high, mediocre or low on the Extended Performance Satisfaction Index (EPSI) group's CS index, and two firms providing NFPM.

Literature

To understand how NFPM in general, and CS measurements in particular, are used, a background to the development of performance measurement systems, followed by an elaboration on factors affecting the use of performance measurements will be provided. This can aid in explaining opportunities, as well as challenges, in regards to working with NFPM. Finally, in line with the purpose of this paper, CS measurements and the CSIU process will be dealt with in specific.

Development of Non-Financial Performance Measurements

Traditional performance measurements originating from accounting and costing systems, solely relying on financial performance measurements (FPM), have been critiqued for incentivizing a short-term horizon (Bourne, Mills, Wilcox, Neely & Platts, 2000), as well as lacking external focus (Bourne et al., 2000). Furthermore, it has been argued that FPM are suitable for summarizing past financial performance, whilst often failing when aiming to provide reliable indications for future financial performance, making them lagging, rather than leading, indicators of future performance (e.g. Jääskeläinen, Laihonen, & Lönnqvist, 2014; Kristensen & Westlund, 2003; Stern, 2006; Yeniyurt, 2003). A shift towards a more balanced approach, employing both FPM and NFPM, combining an internal and an external focus, has gained prominence with the recognition of the increasing value deriving from firms' intangible assets (Bititci et al., 2012; Nudurupati et al., 2011; Kaplan & Norton, 2004).

Prior to the increase in intangible assets, the firms' market value, defined by Kristensen and Westlund (2003) as the reflection of *"the investors' perception of the company's present (and future) value, as manifested by stock prices"* (p. 161), was more or less equal to the book value. The latter is the value reported in the official balance sheet, but with the development, and increased importance, of intangible assets, a gap between the book value and the market value arose (Fornell et al., 1996; Kristensen & Westlund, 2003). This trend is unlikely to cease in a knowledge-based and innovation-driven era (Arvidsson, 2011), and must hence be mirrored in the firms' performance measurement system (PMS) (Zsidó & Fenyves, 2015). Other dynamics in the global market place, such as servitization (Nudurupati et al., 2011), globalization (Bititci et al., 2012; Yeniyurt, 2003), and actions to take on corporate citizenship (Kristensen & Westlund, 2003), further fuel the development of the economy of intangibles.

Use of Performance Measurements

Utilizing a PMS in order to manage, and control, the firms' performance is common practice today (Franco-Santos, Lucianetti, & Bourne, 2012). Lee and Yang describe the function of a PMS as: *"allocating responsibilities and decision rights, setting performance targets, and rewarding outcomes"* (Lee & Yang, 2011, p. 84). Utilizing a PMS can potentially aid both managers and employees when conducting day-to-day operations, and when aiming to achieve long-term objectives (Hall, 2008). Further on, during the last two decades, firms have strived to compose comprehensive PMS, suiting the firm's needs, as well as the the specific traits of its market (Franco-Santos et al., 2012; Hall, 2008). This has resulted in the emergence of PMS comprising both financial and non-financial measurements, designed to capture all important areas of the firm (Franco-Santos et al., 2012; Hall, 2008). These PMS combining both financial and NFPMs, are referred to as Current Performance Measurement Systems (CPMS). Franco-Santos et al. (2012, p. 80), argue that a CPMS exists if *"financial and non-financial performance measures are used to operationalize strategic objectives".*

However, the roots of the PMS appear deep, as it has been argued that the management accounting profession favors the usage of financial measures, potentially leading to an unbalance of the employed performance measurements (Abdel-Maksoud, Dugdale & Luther, 2005). Another potential explanation to why some PMS risk being unbalanced, is that managers have been found to assess FPM as more important than the non-financial ditto (Cardinaels & van Veen-Dirks, 2010).

As the focus of this paper is firms' experiences of working with CS measurements, understanding the factors affecting the use of PMS is critical. Franco-Santos et al. (2012) review such factors, and divide them into two categories that are relevant for the purpose of this paper: people behavior and organizational capabilities. These categories are defined as: "people's behavior refers to consequences related to the actions or reactions of employees (e.g. motivation, participation) and their underlying cognitive mechanism (e.g. perception). Our organizational capabilities category refers to consequences associated with specific processes, activities, or competences that enable the organization to perform and gain competitive advantage (e.g. strategic alignment, organizational learning)" (Franco-Santos et al., 2012, p. 80). Table 1 provides an overview of factors influencing PMS usage, divided into People behavior and Organizational capabilities.

Table 1 Factors influencing PMS usage

Category	Cluster	Examples of descriptions of factors
People behavior	Understanding	- NFPM are often considered complex and vague (Stern, 2006) - Wrongly defined measurements can fuel an incorrect behavior of the employees (Ittner, Larcker & Randall, 2003) - "use of CPM system increases employee satisfaction when employees trust their supervisor and perceive fairness in the way performance is evaluated" (Franco-Santos et al., 2012. P. 92)
	Motivation	- "the adoption of a CPM system may actually have negative effects on motivation, especially when the system's performance measures are used to determine bonus payments" (Franco-Santos et al., 2012, p. 89) - "degree of employee motivation generated is influenced by the degree of participation in the measurement process" (Franco-Santos et al., 2012, p. 89)
	Role understanding and job satisfaction	- "…individuals have limited cognitive capacity, so when they are assigned multiple goals (such as the ones included in a CPM system) they may not be able to cope with the incompatible demands of these goals. Hence goal conflict will appear and the attainment of one particular goal may come at the expense of failing to achieve other goals." (Franco-Santos et al., 2012, p. 92) - The individual employee's experience and perception of goal difficulty influences how well the information provided in the CPM system aids the employee in understanding what is expected from them (Franco-Santos et al., 2012, p. 92)
Organizational capabilities	Organizational culture	- "CPM systems are powerful tools for bringing about change and new ways of managing people in organizations, but they are also subject to the effects that the organizational culture may have on them" (Franco-Santos et al., 2012, p. 93) - Using the CPM-system as a two-way communication "to encourage knowledge sharing, generate trust and avoid resistance" (Franco-Santos et al., 2012, p. 95)
	Organizational Competence	- "…at the top level control is still exerted by focusing only on financial performance information because of top management's need for simplicity and internal comparability, and because of capital market pressures." (Franco-Santos et al., 2012, p. 96
	Design & development of the PMS	- "In sum, the evidence suggests that it is as much the process of developing and using the CPM system, as it is the resultant performance measures that yield motivational benefits. To drive motivation the CPM system should be developed and used in a way that enhances the employees' participation, psychological empowerment, and goal commitment" (Franco-Santos et al., 2012, p. 89) - "degree of employee motivation generated is influenced by the degree of participation in the measurement process" (Franco-Santos et al., 2012, p. 89) - "…iterative and consultative process required for the development and implementation of the CPM systems enhances participation" (Franco-Santos et al., 2012, p. 84) - "The CPM system must be an effective management control device, including performance measures and targets that are controllable, challenging but attainable, and related to meaningful rewards. Secondly the CPM system must be supported by an effective communication mechanism that encourages feedback, dialogue, and participation." (Franco-Santos et al., 2012, p. 89) - "…the extent to which the measures included in the CPM system are captured in performance evaluation mechanisms […] will significantly influence the use of those measures for decision making" (Franco-Santos et al., 2012, p. 93)
	Utilization of the PMS	- "Processes are required to regularly review the measures against strategy." so that they remain strategically aligned (Bourne et al., 2000, p. 768) - "A forum is needed to review the measures and ideally to agree to action. To do this a regular meeting is required, attended by directors and managers who have responsibility for the performance being measured." (Bourne et al., 2000, p. 761) - Need for organizational structures and processes, which are able to capture and process this often complex and multifaceted information (Bititci et al., 2012) - Overcoming resistance to measurements occurring during the design of the PMS and the utilization of ditto (Bourne et al., 2000) - "Implementing a performance measurement system redistributes access to information which can be seen as threatening to senior managers whose power base is altered, therefore it is probably not surprising that resistance to performance measurement was observed." (Bourne et al., 2000, p. 768) - "…when the focus of CPM systems is on action and improvement rather than on reporting and control, these systems are effective mechanisms for facilitating organizational learning that supports growth and development at all levels" (Franco-Santos et al., 2012, p. 95)
	Maturity of the PMS	"…the impact of CPM systems on management practices highly depends on the maturity of the system, the organization's culture, the way the system is used, and the characteristics of the system's users (e.g. education, work experience). Thus, there is a relationship between CPM systems and management practices, but the positive or negative nature of this relationship is uncertain as there are a number of moderating factors" (Franco-Santos et al., 2012, p. 96)

Customer Satisfaction Measurements

Up to a few decades ago, few firms employed CS measurements in their business performance analysis, instead market size and market share were the main measurements to

determine how well customers' needs were met (Stern, 2006). However, in more recent works CS measurement is argued to be the most commonly used NFPM (Bititci et al., 2012; Stern, 2006; Kristensen & Westlund, 2003).

Morgan et al. (2005) refer to CS information usage (CSIU) as a four step process: CS scanning, CS data analysis, CS information dissemination, and CS information utilization. Further, it is argued that there are contingencies that potentially affect the performance outcome of the CSIU in a firm, e.g. competitive intensity, but also the cultural orientation of the firm such as customer orientation. In their study of the use of CS measurements in service firms, Lervik Olsen et al. (2014) argue that the CSIU process consists of three phases: Strategy, Measurement, and Analysis and implementation. Lervik Olsen et al. (2014) have a focus on performed activities in their three phase process, hence this process is well suited for this study with its focus on CSIU activities and practices in firms. However, Morgan et al. (2005) elaborate on critical elements that could add to, or enhance, the process proposed by Lervik Olsen et al. (2014) (see Figure 1).

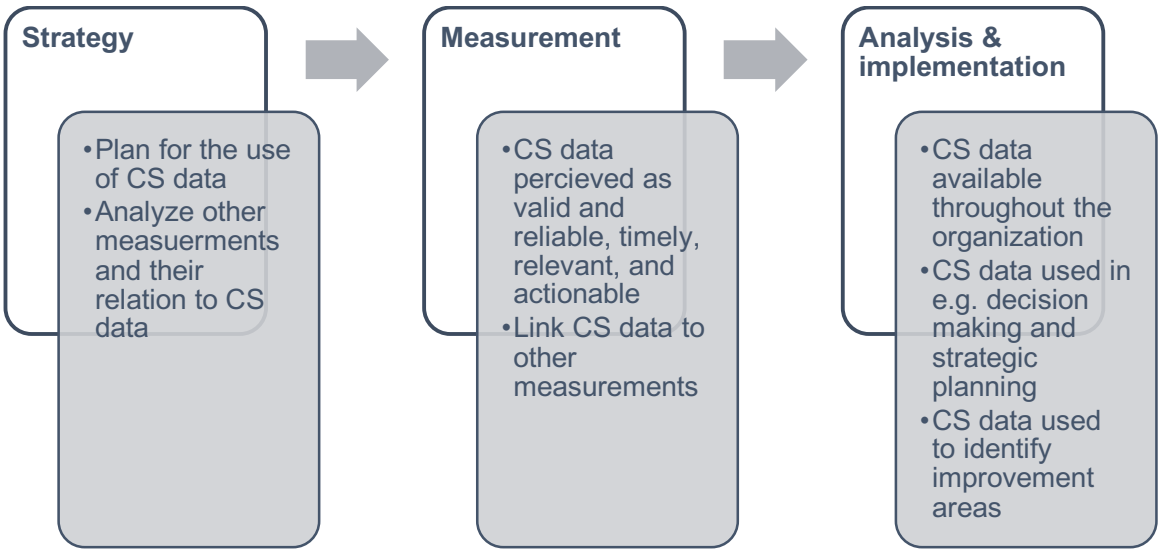

Figure 1 A model of a customer satisfaction (CS) information usage (adapted from Lervik Olsen at al. (2014) and Morgan et al. (2005))

First, the strategy phase is mainly focused on questions related to the planning of how the CS data should be used (Lervik Olsen et al., 2014), including how CS data is complemented by informal customer feedback (Morgan et al., 2005), as well as how it is integrated and related to other measurements (Morgan et al., 2005; Lervik Olsen et al., 2014). In essence, this phase prepares a firm for a CSIU that enables CS data to become a part of the decision-making process (Lervik Olsen et al., 2014).

Second, the measurement phase concerns the actual use of CS data. Many of the activities in this phase are related to what Morgan et al. (2005, p. 140) describe as *"users perceive CSI as valid and reliable, timely, relevant, and actionable"*. This is supported by many activities outlined in Lervik Olsen et al. (2014), e.g. possibilities to find explanations for changes in the barometer, the content being correct, providing right measures for CS and loyalty, and that the factors that create CS are well defined. Moreover, this phase focuses on the usefulness of elaborating on links between CS data and other measurements and that CS data should be frequently used (Morgan et al., 2005). The latter is linked to the possibility to continuously use the data as a means of identifying improvement areas (Lervik Olsen et al., 2014).

Third, the analysis and implementation phase is focused on making CS data available throughout the organization, meaning that it should be used in cross-functional areas, e.g. as

an input to decisions and strategic planning (Morgan et al., 2005). Further, CS data should be communicated to everyone in a firm, so that all employees can take part of the results and be involved in its use (Lervik Olsen et al., 2014).

Methodology

The purpose of this paper is to study factors influencing customer satisfaction information usage (CSIU) in relation to the various stages in a CSIU process. As actual practices in firms' work with CS data is a contemporary phenomenon in a specific setting, there is a need for explorative, qualitative research, for which case studies are well-suited (Voss et al., 2002). In our work we align to the definition of case studies put forward by Barratt, Choi, and Li (2011, p. 329): *"an empirical research that primarily uses contextually rich data from bounded real-world settings to investigate a focused phenomenon"*.

Case Selection

The study underlying this paper is based on two sub-studies, referred to as the provider study and the user study. The provider study focuses on the EPSI Rating Group, a group providing a number of NFPM to a diverse set of industries and sectors. The study includes the European parent-firm as well as the Swedish subsidiary. It was deemed valuable to interview both the European and the Swedish Provider, as the industry-wide CS measurement provided by these firms, is well known and widely spread internationally as well as in Sweden, where this study has been carried out. The EPSI CS model, bases the concept of CS on seven components; Image, Customer Expectations, Customer Perceived Product Quality, Customer Perceived Service Quality, Customer Perceived Value, CS, and Customer Loyalty (Eklöf & Selivanova, 2008). More than 300 European firms subscribe to the yearly industry-wide studies conducted by the EPSI Rating Group (Skowron and Kristensen, 2012).

The user study included 17 firms. The firms studied were chosen in a way that provided a broad view of the use of CS measurements across different industries and sectors. In addition, there are some industries, e.g. the ICT, in which several firms were chosen. The 17 firms were further chosen based on their score on the EPSI Rating Group CS index. The selected firms were to represent top-scorers, mediocre-scorers, and low-scorers. The EPSI Rating Group CS index is given on a scale from 0 to 100, and the top-scorers received a score above 75, the scores of the mediocre-scores varied between 75 and 69.7, and the low-scorers had a score below 69.7. The firms were anonymized, and are referred to based on their scores. Top-scorers are referred to as green (G) (G1, G2, etc.), mediocre-scores are referred to as yellow (Y) (Y1, Y2, etc.), and low scorers are referred to as red (R) (R1, R2, etc.).

Data collection

The provider study entailed four interviews with the EPSI Rating Group. Both the European parent-firm and the Swedish subsidiary were interviewed, and the interviewees are depicted in Table 2. The European parent-firm will from here on after be referred to as European Provider, and the Swedish subsidiary as the Swedish provider. All interviews for the provider study were conducted by the first author, face-to-face at the company site, and were recorded, after receiving permission of the interviewees, and subsequently transcribed.

Table 2 Interviews in the Provider study

Company	**Position**
European Provider	CEO
Swedish Provider	CEO
Swedish Provider	Project Manager
Swedish Provider	Analyst

Second, 17 firms were chosen for the user study, resulting in 26 interviews from various industries on the Swedish market. The interviews followed a standardized interview guide focused on CS, and how CS measurements were used and communicated within the firms. Examples of questions included are “How do you use the results of non-financial performance measurements?”, “What difficulties and challenges have you experienced in the use of non-financial performance measurements”, and “Do you, and if so how, link the non-financial performance measurements to your strategy or your organizational goals?”.

The interviews for the user study were conducted both by employees from the Swedish Institute for Quality, and by the first author of this paper. The interviewees were middle- to top-managers of Swedish firms from a variety of industries, such as ICT, recruitment, and transportation. All the interviews were conducted face-to-face at the firms’ offices, recorded, and subsequently transcribed. The position of the interviewees, the industry, and the anonymized company identifier are presented in Table 3. All interviews were recorded and transcribed.

Table 3 Interviews in the User study

Identifier	Industry	Position of interviewee
G1	Banking	CEO
G2	Energy	Customer Service Manager
G3	Health & Fitness	Communication Manager
G4	Insurance	Manager
Y1	Staffing Industry	Quality Manager
Y2	Banking	Customer Insights Manager
Y3	Staffing Industry	Business Process Development Manager
Y4	Energy	Energy Business Area Manager
Y4	Energy	Energy Business Area Manager
Y4	Energy	Energy Marketing and Sales Manager
Y4	Energy	Energy Business Area Manager
Y5	ICT	Quality Manager
R1	Energy	Net Promoter Score Manager
R2	ICT	Senior Business Analyst Manager
R3	Public Agency	Brand Manager
R4	Public Agency	Area Manager
R4	Public Agency	Key Account Manager
R5	Energy	Quality Manager
R6	Transportation	HR Manager
R6	Transportation	Customer Insights Measurements Manager
R7	ICT	Communications Manager
R7	ICT	Director of Customer Experience
R7	ICT	NPS Manager
R8	ICT	HR Director
R8	ICT	HR Business Partner
R8	ICT	CRM Manager

Data Analysis

For the purpose of this research, an abductive research strategy was chosen, a strategy that facilitates continuous interaction between theory and empirical observation (Dubois & Gadde, 2002). Hence, the data was analyzed in an iterative manner, meaning that the data collection, the literature study, and the analysis were performed simultaneously. In order to facilitate the analysis of the qualitative data from the interviews, the Nvivo software was used. Nvivo allows the user to code the transcribed interview material based on a set of defined key-nodes. The coding process was preceded by an initial literature study as well as by reading through the transcribed interview manuscripts, this as a means to identify suitable key-nodes. The key-nodes were later on clustered, in order to facilitate the analysis of the material.

The analysis was performed jointly by the two first authors, to increase confidence in the findings as well as to increase the chances of complementary insights (Meredith, 1998). As the second author did not participate in the data collection, she acted as an external

investigator which can be seen as a means of challenging the interpretations emerging already during the data collection and the initial analysis (Eisenhardt, 1989).

Findings

In the following section, the empirical findings will be organized based on the factors influencing the CSIU, as presented in Table 1; for reference to individual interviewees the identifier from Table 3 is used.

People Behavior

The factors concerning people behavior in relation to CS measurements in the studied firms, have been clustered into understanding, motivation, and role understanding and job satisfaction.

Understanding

An often mentioned influencing factor is the challenge of making CS measurements specific and relevant enough, in order for the employees to understand what they mean and how it translates into their daily work. This is often emphasized in the contrast with FPM, which appear to be experienced as easier to understand. Since all the studied firms employ a combination of FPM and NFPM, e.g. CS measurements, the comparison between the two is ever present. Employees are reported to be more used to, and more comfortable with, working with financial measurements, which influences the understanding of the CS measurement. *"I would not say that it is more difficult to act on them [CS measurements], but everyone is more used to acting on financial measurements. There is a sense of security and comfort regarding the financial measurements […] you can se the dollars and dimes, and you are used to make decisions based on that kind of information"* (HR Director, R8). Further, it appears challenging to understand the cause and effect relationship between performed actions and the outcome of the CS measurement, which is perceived easier between e.g. a sales activity and a positive influence on financial measurements.

Motivation

In terms of motivation, numerous interviewees mention the linkage between the degree of how much an employee perceives that she/he can affect the outcome of a performance measurement and their motivation to strive towards goals related to that measurement. A Quality Manager (Y5) vocalizes this by stating: *"I think the difficulty [of working with CS measurements] lies in understanding to what extent I as an individual can influence these measures. It is too abstract, it does not influence how I go about my daily work. I would need goals and measurements that I feel like I can actually influence, in order for them to have a positive effect on my actions."*

Role understanding and job satisfaction

Working with CS related information appears to have the potential to positively influence job satisfaction: *"I see a major change in my organization since these measurements have gained attention and focus. It has been a longed for change to create a better balance between focusing on gaining new customers and establishing good relationships with the customers in a clearer way. It is not that we haven't cared about the customer relationships before, it has just become more prominent within the organization. And you feel a lot better when knowing that your work means something, and that it is not just some activity you perform somewhere far away. It creates energy and engagement"* (Customer Experience Manager, R7).

Organizational Capabilities

Within the category of organizational capabilities, there are five clusters of factors: organizational culture, organizational competence, design and development of the CS system, utilization of the CS system, and maturity of the system.

Organizational culture

The organizational culture of a firm, appears to influence on the way firms work with CS measurements. In the low-scoring firms, none of the interviewed managers mention that their employees are committed to, or interested in, working with CS measurements. One top-scoring and two mediocre-scoring firms, however, claim that their employees have an outspoken interest in working with CS measurements. *"In general, I think that our employees feel that it is fun to work with customer satisfaction... If you have satisfied customers, then your job is more fun, and if you have dissatisfied customers, then your job is not that fun. I think that breeds interest and commitment"* (Quality Manager, Y1). How interested employees are in working with CS measurements, is by the Communications Manager of G3 argued to be in direct relation to how well a certain part of the firm is performing in regards to their CS measurements*: "Those who are performing well, are always very interested in the results and embrace the reports of the customer satisfaction measurements, whilst those who need it the most just put the report aside."*

Further, managers from one mediocre-scoring firm and two low-scoring firms explicitly mention visible top-leadership commitment as an integral part of their work with CS measurements. An interviewed NPS Manager from R1 illustrates this by noting that *"the global top leadership decided four years ago that we need to work customer focused, and since then, the leadership board in every country continuously sets goals to improve the NPS [firms CS measurement] results. Initially, this was met by frustration […and…] perceived as just another burdening work task, but as the knowledge and understanding has grown, as well as the employees seeing that working with these matters actually improves our business, the force is starting to come from within the organization."*

However, an organizational culture in which work with CSIU is encouraged, is by a Quality Manager at Y1 deemed as insufficient: *"Initially, when we were a small company, we could drive this commitment merely through the organizational culture. The top leadership always spoke about customer focus, and they were visible out in the hallways discussing these topics with the employees, all of that made it possible to let the culture drive these issues […]. As we have grown bigger, it has become difficult to merely rely on the top leadership establishing a culture which creates customer focus, we have had to systemize things, to ensure that this mindset permeates all of our processes."*

Organizational Competence

In regards to possessing a customer focused corporate mindset, there appears to be a difference between the low-scoring and the top-scoring firms. Whilst half of the interviewed managers from the top-scoring firms mention that their firms are permeated with a customer focused and service mindset, a majority of the low-scoring firms explicitly state that customer focus is not regarded as fundamental aspect of their operations. *"We have started to realize that we might have to listen to our customers, and take advantage of our employees' competence, in a way that we haven't done in the past. It is not out of malice that we're not doing this today, I just think that we believe we know best regarding what our customers want... But I guess sometimes we should listen to the people that are actually using our services"*, the Project Manager of R3 suggests.

Moreover, it appears as if the organizational competence, meaning the knowledge within the firm related to the usage of performance measurements, is more developed in regards to working with FPM than NFPM. Several interviewees state that their firms are more comfortable leading their operations based on FPM than on NFPM, such as e.g. CS measurements. *"The further up in the organization you go, the easier it becomes if you are able to put dimes and dollars behind every action and proposition. It is a language that everyone understands, and that everyone can relate to. Therefore, [CS measurements] might be assigned a lower priority"* (Director of Customer Experience, R7).

When working with CSIU, the potential impact of possessing a visible top-leadership commitment has been mentioned previously. However, some interviewees further mention (the lack of) knowledge among managers in regards to CS measurements as a factor influencing their work with CSIU: *"…there is a lack of understanding and knowledge, and everything is so focused on profitability and financial numbers. I think [leadership] does not really understand that there are many other things influencing the financial numbers. These are not stupid people, they are really, really smart, but for some reason I think that there is a need to constantly remind them that these parts [CS] drive profitability. I talked to the CEO about the employee satisfaction measurement results, and I had to explain that the results were not primarily about how we perceive our working environment, the results are an indication of how much your organization will contribute to your profitability. That is the mindset one needs to have, to turn the funnel upside down in a sense"* (Director of Customer Experience, R7).

Design and development of the CS system
Several of the employees point out challenges associated to the CSIU which seem to address issues when designing and developing CS measurements. The most commonly stated areas of improvement are stated to be the establishment of linkages between CS measurements and FPM, as well as between CS measurements and other NFPM, such as e.g. employee satisfaction.

A related issue concerns lack of ownership over the CS measurements and their results, as stated by an NPS Manager (R7): *"The greatest challenge is to feel ownership for these measurements, and to truly understand what they mean, so that the measurements don't just become some fluff somewhere in the organization. To make the measures understandable, I need to understand the linkage between these measurements and my actions."*

Utilization of the CS system
The above described influencing factors, all affect utilization of the CS system to some extent. There appears to be an agreement that the missing link between CS measurements and financial measurements results in a lack of motivation to work with CS measurements. Further, all firms argue that however important the firm might gauge CS measurements, the FPM are seen as even more important. As stated by the Director of Customer Experience, R7: *"If we are close to our quarterly report, the FPM will without a doubt take precedence over the NFPM, such as customer satisfaction"*. In order to counteract this imbalance, some interviewees propose elaborations on the missing link between CS measurements and FPM, as well as matching e.g. CS with employee satisfaction, instead of handling them separately.

Another factor influencing the CSIU in the daily operations, as well as in the decision making process, appears to be whether or not the firm has a long-term performance focus. The Director of Customer Experience, R7, vocalizes that the CSIU *"requires a long-term performance focus, which is challenging for many companies […] needing to have their financial numbers right every quarter. This creates a battle between acting with a long-term performance focus and a short-term ditto. You might have to take a hit on profitability in the short-term, in order to gain an increase in profitability long-term."*

The organizational structures put in place to facilitate the utilization of performance measurements, also appear to be developed predominantly for FPM, compared to NFPM, such as CS measurements: *"The organizational mechanisms are a lot clearer when it comes to dealing with financial performance measurements"* (Quality Manager, Y5). It is further argued that the decision making process is easier when dealing with FPM: *"When working with FPM, the decision making process is very easy. You make a business case and see whether it is profitable or not. If it is profitable you go ahead with it, if not then not"* (HR Director, R8). In addition to being more established, the processes dealing with FPM appear to be more frequently used. As HR Director, R8, explains: *"We follow-up on our FPM every month, whilst the majority of the NFPM are only followed up once a year. Naturally, you are able to spot deviations faster when you follow up more often, and you don't risk to forget about those measures"*.

In terms of organizational processes for dealing with performance measurements, the low-scoring firms appear to have more structured processes in place than the top-scoring ones. An example is that whilst none of the top-scoring firms declared to employ regular meetings devoted to discussing the results of NFPM, such as CS measurements, two mediocre-scoring and two low-scoring firms did.

Maturity of the system

When asked if the challenges that the firms face in their CSIU are market specific, the interviewees unanimously agree that this is not deemed the case. Some interviewees argue this to be true since they have worked in different markets, and thus have experienced these issues across industries.

One differentiating factor between top-scoring firms and low-scoring firms, however, appears to be the reason for why companies choose to utilize CS measurements. The top-scoring firms all had a defined purpose of utilizing CS measurements, e.g. to identify areas with poor performance: *"Whenever we receive the CS measurement results, we get a list of things to improve on. It doesn't matter if we come in first place, second or fourth. The interesting thing is if our score would change dramatically one year, making a significant drop for example. Then we need to ask ourselves: Why did this happen?"* (Customer Service Manager, G2). Concerning the other firms, half of the mediocre-scoring firms, and a third of the low-scoring firms, stated benchmarking as the primary reason for employing CS measurements, whilst none of the top-scoring firms state benchmarking as a reason to work with CS measurements. The remaining low-scoring firms did not vocalize any reason to why they choose to measure CS.

Discussion

The purpose of this paper was to study factors influencing customer satisfaction information usage (CSIU) in relation to the various stages in a CSIU process. Seventeen firms employing CS measurements have been included in the study performed to address this purpose, Table 4 summarizes the firms' experiences of CSIU processes in relation to factors enabling or hindering such processes. In relation to previous research focusing on why firms should use CS measurements (see e.g. Bititci et al., 2012; Fornell et al., 1996; Kristensen & Westlund, 2003), our study of firms' practices in working with these measurements points to the almost sole focus on the measurement phase of CSIU processes, the criticality of establishing a link to FPM, and the act of balancing formal structures against organizational culture and competence.

Table 4 Factors related to the use of performance measurements linked to the CSIU in the firms investigated; G (green), Y (yellow), and R (red) refers to rank on the EPSI CS index

			Strategy			Measurement			Analysis & implementation		
Category	**Cluster**	**Factor**	**G**	**Y**	**R**	**G**	**Y**	**R**	**G**	**Y**	**R**
People behavior	**Understanding**	Understanding how one's actions influence the outcome of the PM				-	-	-			
	Motivation	Degree of perceiving that she/he is able to influence the outcome of the PM				-	-	-			
	Role understanding and job satisfaction	CSIU is reported to increase job satisfaction and increase role understanding				+	+	+			
Organizational capabilities	**Organizational culture**	Employees display interest for working with CS measurements				+		-			
		Top-leadership is reported to show visible commitment for the CSIU	-	+	+	-	+	+	-	+	+
	Organizational competence	Possessing a customer focused corporate mindset				+		-	+		-
		Organizational knowledge equally well (or better) developed than for working with FPMs				-	-	-	-	-	-
	Design & development of the CS system	Established linkages between CS and other NFPM/FPM				-	-	-			
	Utilization of the CS system	CS seen as an equally important PM as FPMs				-	-	-	-	-	-
		Regular meetings devoted to discussing CSIU							-	+	+
	Maturity of the system	Identified "constructive" reasons for why they employ CS measurements	+		-						

+ refers to an overall strong performance in the specific group of firms
- refers to an overall weak performance in the specific group of firms
Empty cells indicate a neither strong nor weak performance
Grey cells indicate that the factor has not been mentioned in relation to this phase

First, Table 4 points to a strong focus on the measurement phase in contrast to research on CISU emphasizing activities in the strategy phase, see e.g. Morgan et al. (2005) and Lervik Olsen et al. (2014). However, few of the firms studied perform deliberate activities in the strategy phase. As pointed out in Lervik Olsen et al. (2014) the strategy phase is critical as a foundation for the use of CS measurements in firms' decision making process. The lack of focus on the strategy phase, preparing the firm for using CS measurements, might also be a part of the explanation to the scarcity of activities in the analysis and implementation phase. Interestingly, the factors mentioned by the firms as enablers in the analysis and implementation phase are all related to factors that Franco-Santos et al. (2012) categorize as organizational capabilities. To support CSIU in the analysis and implementation phase, factors related to people behavior are likely critical. The relation to people behavior is important in order to realize the potential of PMS to affect employees in their daily operations to better contribute to achieving long-term objectives (Hall, 2008).

Second, the firms in unison view CS measurements as less influential than FPMs. This is well in line with previous research suggesting that managers assess FPM to be more important than NFPM (Abdel-Maksoud, Dugdale & Luther, 2005; Cardinaels & van Veen-Dirks, 2010). The difference in assigned importance is by the interviewees explained by a lack of established linkages between CS measurements and financial ditto. According to Lervik Olsen et al. (2014) and Morgan et al. (2005) a key element of the strategy phase is how the CS measurement is integrated with, and related to, other performance measurements utilized within the firm.

Third, previous research has emphasized formal structures, e.g. *"to review the measures and ideally to agree to action […] a regular meeting is required, attended by directors and managers who have responsibility for the performance being measured"* (Bourne et al., 2000

p. 761). Bourne et al. (2000, p. 768) further argues that *"processes […are…] required to regularly review the measures against strategy."* Hence it could be expected that such procedures should be a distinguisher between firms scoring high and firms scoring low on the CS measurements. However, taking the example of employing regular meetings devoted to discussing CISU, an activity which could be argued to fit in the analysis & implementation-phase (Lervik Olsen et al., 2014; Morgan et al., 2005), this is utilized more frequently in firms scoring low than in the top-scoring companies. In contrast, the studied top-scoring firms all possess explicit reasons for why they choose to employ CS measurements, whilst the low scoring firms appear to lack such articulated reasons. Furthermore, top-scoring firms to a greater extent than low scoring firms speak about possessing a customer focused mindset, and more interviewees from top-scoring firms mention that their employees displayed interest in working with CS measurements. One potential analysis could be that formal structures are present in the low-scoring firms whilst top-scoring firms, in addition, have an organizational culture permeated with a customer focus, which in turn has the potential to affect the daily operations of the employees and increase their interest in CSIU. In other words, however important formal procedures might be, they alone appear insufficient.

This study is limited to a few informants per studied firm, thus making generalizations difficult. To counteract this, in-depth single case studies focusing on how to get a positive performance impact from, and well-functioning, CSIU processes would be recommended for future research. Further, as to the perceived impact from a customer focused mindset it is also of interest to study how firm characteristics such as size, or type of industry, potentially influence CSIU.

Conclusions

This paper reports on experiences from 17 firms using CS measurements to varying degrees. In summary, the paper shows a relatively low maturity in regards to working with CS measurements within the studied firms. The knowledge regarding how these measurements are able to influence the firms' performance and the understanding of the firms' customers, is, at best, fragmented within the firms. The conclusions of this paper can be clustered into three areas: a too heavy focus on the measurement phase of CSIU processes, the missing link to financial performance measures, and the criticality of organizational culture and competence as a complement to formal procedures.

First, among all firms studied there are few, if any, activities in the strategy phase of a CSIU process. This makes the firms' preparedness for using CS measurements low. Further, activities are scarce also in the analysis and implementation phase. This might also be influenced by the lack of focus on the strategy phase; activities in the strategy phase to a large extent concerns planning activities in the analysis and implementation phase.

Second, in many firms, short-term financial reporting drives a focus on financial results linked to financial reporting, which supports the use of FPM. Results deriving from working with non-financial ditto are often perceived as vague, thus risk to be overridden by FPM. Hence, a means of increasing the use of NFPM in general, and CS measurements in particular, is to elaborate on the link to FPM.

Third, there are many factors affecting the use of NFPM that have been elaborated on in previous research, e.g. link to strategic goals and establishing responsibility for taking actions on the measurements. However, even when systematic processes to measure NFPM and top leadership commitment are in place, CS scores can still be low. Low scores can be a result of e.g. specific market properties, wrongly defined measurements, or inability to act on the measurement results. The top performers, however, have other enablers in place more connected to the organization per se, such as a customer focused mindset and employee engagement in the CS measurement work.

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