Customer Satisfaction Survey Report
For
City of El Segundo – Businesses
Reporting Period: December 2018
Key Findings

Methodology

Web surveys were conducted with businesses within City of El Segundo. Respondents were selected from the master survey list supplied by City of El Segundo. A final sample of customers was obtained. We sent 3,581 invitations, 108 were undeliverable for a total of 3,473 sent out. We had a 9% response rate or 325 total responses. We did receive more responses than last year though the response rate was slightly lower. This is not surprising given the fact the survey was done closer to the holidays this year.

Results

As we have discussed in the past, Net Promoter Score is a tool to measure customer loyalty and the predictive indicators for customer defection. In case study after case study, companies with higher NPS scores generally are more profitable than their competition.

City of El Segundo’s NPS score is 47%. This is a respectable score given the fact that secondary research indicates scores are typically lower for public institutions. When compared with the private sector the score is much lower than the best companies who range between 60 and 75%.

More importantly the NPS score rose from 32% last year to 47% this year!!

Targeted action plans should also be developed for select companies who make up the Detractor businesses.

The detailed responses will be provided as part of this report in a separate file. City Managers are encouraged to examine this raw feedback in more detail.
Key Findings

The following areas are viewed as modest strengths by the majority of businesses: (4.00 to 4.33)

- Business License Renewal Process
- Responsiveness, knowledge and competency of Fire Department & Field Inspection services
- Availability & Responsiveness of Police Department

Ideally, we would like these scores to rise to above 4.33, which would most likely occur if some of the NPS issues with individual businesses were addressed.

There are three areas which represent an Issue & Opportunity due to their mean scores coming in below 4.00

- Responsiveness, knowledge and competency of working with the Planning and Building Safety Department for plan checks, permits or inspection services
- Business Development and Attraction policies
- City Zoning Policies

The primary issue among Detractors is staff responsiveness. Business Friendly has become the second most important issue since last year’s survey. The real issue for the city is to get to the root causes of each individual concern among the Detractors and to a lesser extent the Passives.
Measuring your Net Promoter Score™

Promoters are your customers who are so enthusiastic about your company or brand that they buy more than the average customer and delight in referring your business to their friends, peers, and colleagues. These customers give you a rating of 9 or 10.

Customers who give you a rating of 7 or 8 are Passive customers. They may become Promoters if you improve your product, service or overall customer experience, but for now they do not factor into the Net Promoter Score.

Detractors feel mistreated, abused, and hurt. Their experience is going to drive them to cut back what they purchase from you and switch to your competition. They are also not shy about sharing with others their plight and warning current and potential customers to stay away from your company. Detractors are customers who give ratings of 6 or lower.

Your Net Promoter Score is calculated by subtracting the percentage of Detractors from Promoters to get an overall NPS as number as shown below:

% of Promoters - % of Detractors = Net Promoter Score (NPS)

Example:
Promoters = 56%
Passives = 36%
Detractors = 8%
Net Promoter Score: 56% - 8% = 48%

NPS Methodology

We begin with the ultimate question. “How likely would you be to recommend this company to a friend or colleague?” Respondents are asked to respond using a 0 to 10 scale where 5 is neutral. An effective Net Promoter process is not simply based on asking customers a single question and ending the survey. It is important to understand why each respondent gave you the score they did. Understanding what needs to be improved (or specific actions taken) to raise your score to a 9 or 10 gives you actionable information which can be targeted for corrective action or process improvement. Understanding why a customer gave you a 9 or 10 helps you to better understand your core competencies. Our qualitative analysis of follow-up comments from Promoter, Passives, and Detractors is the key to increasing customer loyalty and profitable growth.
City of El Segundo

City of El Segundo - Business

Net Promoter Score

Promoters 62% - 15% Detractors = NPS of 47%

A Net Promoter Score of 47% is very respectable given that secondary research suggests that cities using NPS will score in the range of 23 to 28%. The NPS score of 47% represents a 15% increase in one year!

City of El Segundo needs to develop plans to address some of the concerns of the Business Detractors (Those giving scores of 6 or less).

This process of gaining more Promoters is not an academic exercise, it directly correlates to customer’s purchase/repurchase intentions. Loyal customers/businesses are more likely to purchase other products and services from you. This will relate to greater business activity and development within the community. Lastly, their referrals are not simply to colleagues outside of their business it can be from within. This leads to the transfer of businesses to El Segundo.

There are 36 comments among the detractors. Each comment should be reviewed independently. NPS is a customer centric process; meaning that action plans address individual customer concerns. It is important that each of these businesses are contacted for follow-up and attempts made to address their concerns.

Quality Solutions, Inc.

Customer Satisfaction Survey 2018
These areas represent significant opportunities for improvement among Detractors. Individual comments follow for Passive and Detractors.
# Satisfaction Data Summary

## Exhibit 2.1 - Respondents

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Importance</th>
<th>Satisfaction City of El Segundo Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>n= 323</td>
<td>323</td>
<td>323</td>
</tr>
<tr>
<td>Responsiveness, knowledge and competency of working with the Planning and Building Safety Department for plan checks, permits or inspection services</td>
<td>0.47</td>
<td>3.66</td>
</tr>
<tr>
<td>Business Development and Attraction policies</td>
<td>0.46</td>
<td>3.69</td>
</tr>
<tr>
<td>City Zoning Policies</td>
<td>0.44</td>
<td>3.52</td>
</tr>
<tr>
<td>Business License Renewal Process</td>
<td>0.34</td>
<td>4.24</td>
</tr>
<tr>
<td>Responsiveness, knowledge and competency of Fire Department &amp; Field Inspection services</td>
<td>0.33</td>
<td>4.27</td>
</tr>
<tr>
<td>Availability &amp; Responsiveness of Police Department</td>
<td>0.28</td>
<td>4.25</td>
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</tbody>
</table>

**Strengths:**

- Business License Renewal Process
- Responsiveness, knowledge and competency of Fire Department & Field Inspection services
- Availability & Responsiveness of Police Department

**Issues & Opportunities:**

- Responsiveness, knowledge and competency of working with the Planning and Building Safety Department for plan checks, permits or inspection services
- Business Development and Attraction policies
- City Zoning Policies
City of El Segundo

Exhibit 2.2 - All Business Respondents
"How has the city improved over the last year?"

- Significant Decline: 3%
- Slight Decline: 4%
- No Improvement/About the Same: 35%
- Some Improvement: 41%
- Significant Improvement: 17%
Comparing last year to this year

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of participants</td>
<td>202</td>
<td>325</td>
<td><strong>61% increase in participation!</strong></td>
</tr>
<tr>
<td>Net Promoter Score</td>
<td>32%</td>
<td>47%</td>
<td><strong>15% improvement over last year!!!</strong></td>
</tr>
<tr>
<td>Primary Issue Among Detractors</td>
<td>More Business Friendly 30%</td>
<td>Staff Responsiveness 23%</td>
<td>More Business Friendly cut in half to 15%!!</td>
</tr>
<tr>
<td>Attribute with Highest Score</td>
<td>Availability &amp; Responsiveness of Police Dept 4.24</td>
<td>Responsiveness, knowledge and competency of fire dept &amp; field inspection services 4.24</td>
<td></td>
</tr>
<tr>
<td>Attribute with lowest score</td>
<td>City Zoning Policies 3.49</td>
<td>City Zoning Policies 3.52</td>
<td></td>
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</tbody>
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