2019 Q1 Quarterly Pulse Check Survey (QPCS)

Summary Report

NSW GOVERNMENT
Customer Service Commissioner

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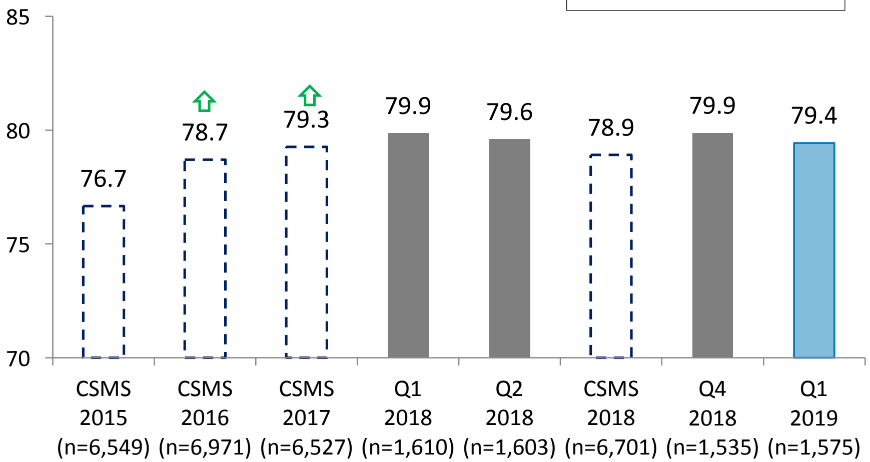
1. Executive Summary

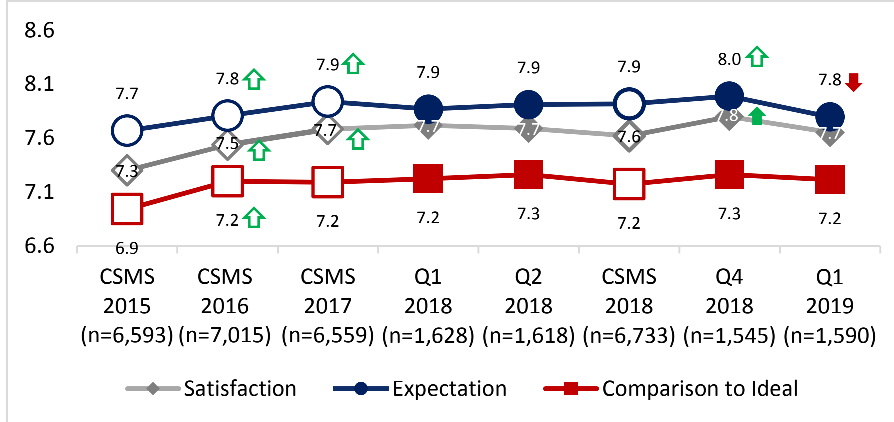
1.1 Customer Satisfaction Index (CSI)

Consumer – CSI

Margin of Error (QPCS)
Consumer CSI: ± 1.3

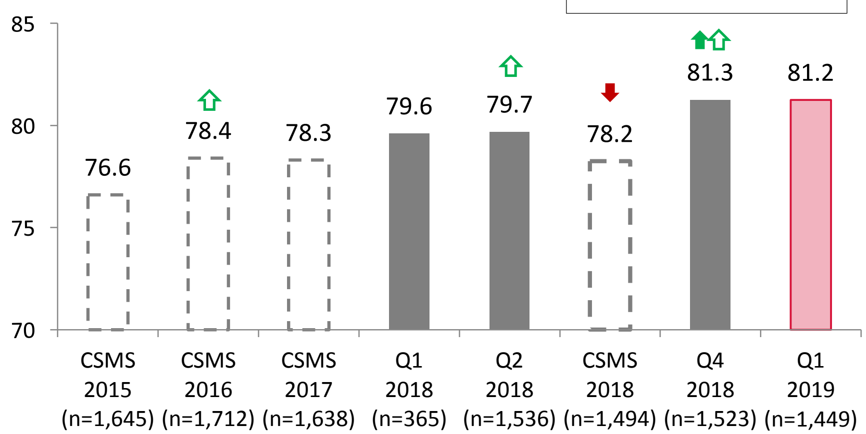


Consumer – Baseline Measures

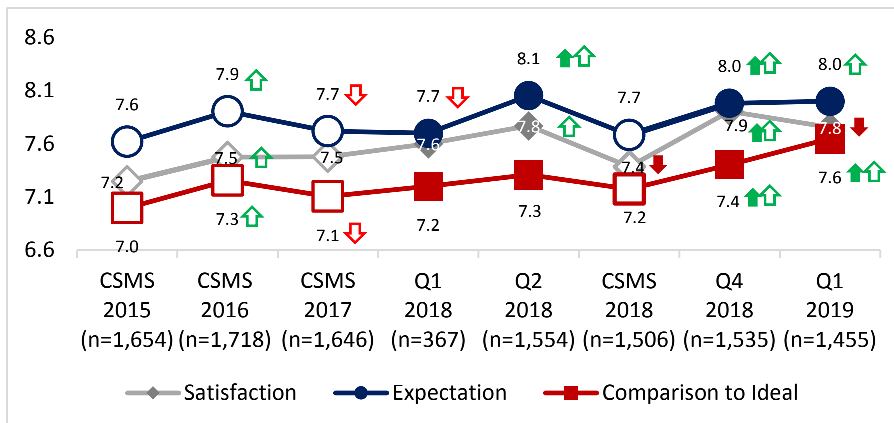


Business – CSI

Margin of Error (QPCS)
Business CSI: ± 1.2



Business – Baseline Measures



Sample size for CSI and Baseline measure may differ on the basis of "Don't Know" option selection
For comparison between CSMS and QPCS results, please refer to Appendix C
For CSMS at 99% confidence level, please refer to Appendix D

Statistically significant movement from previous quarter at 95% confidence level
Statistically significant movement from same quarter previous year at 95% confidence level

Note: Figures in the graph are subject to rounding

1.2 Key Insights (1/3)

Consumer Satisfaction Index

1. Whilst Consumer CSI continues to exceed the Premier's Priority target, expectation has significantly decreased with the gap closing between expectation and satisfaction

- Consumer CSI has decreased from Q4 2018 (not statistically significant) to 79.4, but continues to exceed the Premier's Priority target of 79.02.
- The decrease in CSI score is due to a significant decrease in Expectations (statistically significant), and decreases in Satisfaction and Comparison to Ideal (not statistically significant).
- While Expectation has decreased (statistically significant), the gap between Satisfaction and Expectation has narrowed since last quarter to 0.1, indicating that consumers' Satisfaction with their service experience is closer to their expectations. This gap is the second lowest since 2015.
- As the gap between Satisfaction and Expectation narrows, increasing the CSI will become difficult unless Satisfaction and Expectation continue to improve in line with each other.
- The qualitative research indicates that repeated bad experiences when interacting with services can contribute to larger drops in consumers' expectations.

Satisfaction Drivers

2. For consumers, drivers related to clear communication, openness, and honesty of employees have both decreased

- Looking into the Satisfaction drivers, *Employees were open and honest during the process* and *Communications were clear, prompt and easy to understand* both have decreased (statistically significant) since last quarter. Both attributes are positively correlated to each other.
- The qualitative research indicates that poor communication overall could be a key driver of lower expectations for consumers. Consumers may not know or understand what to expect, or what is required of them when interacting with the NSW Government services.

1.2 Key Insights (2/3)

Business Satisfaction

3. Business CSI has stabilised at a high level due to the net impact of high Comparison to Ideal scores and lower Satisfaction scores, the gap to Expectation is widening

- Business CSI has stabilised at an already high level of 81.2, above the Premier's Priority target of 81.16.
- Expectations remain stable since last quarter however the increase in Comparison to Ideal (statistically significant) and the decrease in Satisfaction (statistically significant) have contributed to the overall stabilisation of the Business CSI. The decrease in Satisfaction may be affected by the overall business sentiment.
- Since 2017, we have observed a seasonality trend in the Comparison to Ideal score across the change of calendar year. The trend is from Q4 to Q1 of the next year, where the Comparison to Ideal for business increases, indicating that business enters the calendar year with a positive impression of the NSW Government.

Satisfaction Drivers

4. For businesses, Satisfaction drivers stabilised

- While the attributes related to *The process was simple and efficient* and *I had access to information and could find what I needed* have increased (statistically significant) compared to the same quarter last year, the scores across all other business attributes have stabilised.
- Participants in the qualitative research reflected positively on their experiences for fast and efficient processes, specifically via online or face to face channels. This being said, the Satisfaction score may be subject to other factors beyond the Satisfaction drivers.

1.2 Key Insights (3/3)

Business Customer Effort Score

5. Business effort across industries and sectors have increased

- The business Customer Effort Score has increased (statistically significant), but it is still lower than the same quarter last year (from 6.9 to 6.5).
- Compared to other industries, businesses ranked NSW Government services as the 3rd highest effort behind Telephone service providers and Federal Government - consistent with last quarter. This increase in Effort may explain why Satisfaction slightly decreased.
- Business Customer Effort saw even greater increases across Airlines, Banks, My Local Council and Federal Government.
- Since 2017, a seasonal increase in business Customer Effort Score from Q4 to Q1 has been observed.

1.3 Customer Expectations Framework

The Customer Expectations Framework was created based on the qualitative and quantitative findings to understand what informs expectations and how they might be affected by positive or negative service experiences with NSW Government services. The framework looks at low to high expectations and positive to negative experiences.

Customer Profiles:

- Detractor: Customers with low expectations but first hand experience
- Advocates: Customers with high expectations and first hand experience
- Skeptics: Customers with low expectations no first hand experience
- Optimist: Customers with high expectations and no first hand experience

Key findings:

This framework supports the overall findings on service expectations from the participants of the qualitative discussions. Our key findings from qualitative insights revealed:

- **Customers' expectations are malleable** and likely to change after an especially positive or negative experience. In the absence of recent first-hand experience, customers' expectations are based on perception; informed through word of mouth, media and if the service is seen as a barrier or enabler to their overall goal
- **The first experience of a service is a 'moment that matters'** to make a good impression and positively impact customers' expectations
- **Expectations are influenced** by word of mouth, customer reviews, and brand; first hand positive and negative experience have a compounding effect
- **The channel used can impact expectations** especially face to face, where non-verbal queues can be observed
- **Customers feel strong emotions when service expectations are not met** often leading to the feeling of being personally attacked

2. Customer Satisfaction Measures

2.1 Customer Satisfaction Index (CSI) - Consumer

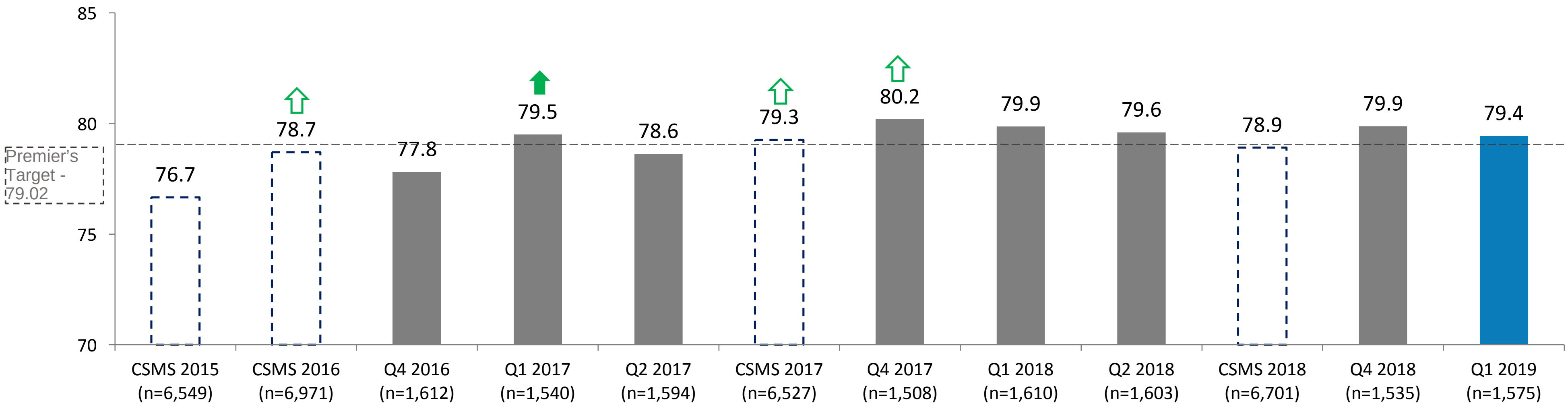
The Customer Satisfaction Index (CSI) for consumers has decreased when compared to both the last quarter of the previous year (Q4 2018) and the same quarter last year (Q1 2018). It should be noted that the CSI is currently higher than the Premier's Priority numerical target of 79.02, however year-on-year increase is required so continued focus needs to be maintained on customer experience initiatives.

Quarter-on-quarter comparison of QPCS results (Q4 2018 vs. Q1 2019)

- Customer Satisfaction Index (CSI) has **decreased** by 0.44 points (not statistically significant) to 79.4/100.

Year-on-year comparison of QPCS results (Q1 2018 vs. Q1 2019)

- CSI has **decreased** by 0.42 points (not statistically significant) to 79.4/100.



Q1 2019 QPCS Survey Details:

Number of respondents: 1,007 consumers (1,625 responses)

Fieldwork period: from 23 Jan to 29 Jan 2019

Statistically significant movement from previous quarter at 95% confidence level

Statistically significant movement from same quarter previous year at 95% confidence level

Note: Figures in the graph are subject to rounding

2.2 Satisfaction, Expectation and Comparison to Ideal – Consumer (1/2)

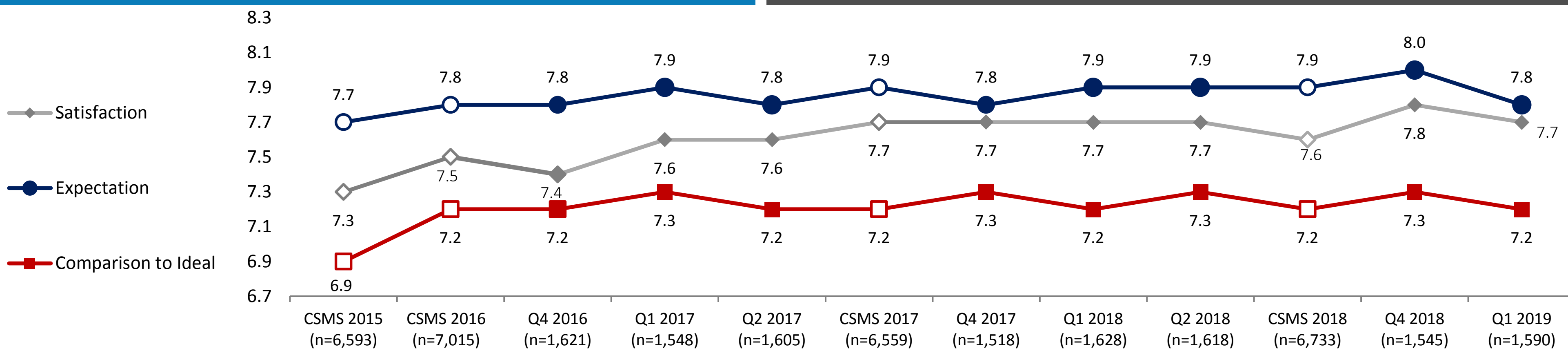
Compared to Q1 2018, the consumer results have stabilised, with no significant movement across the three outcome measures (satisfaction, expectation or comparison to ideal). Consumer expectations have experienced a decrease (statistically significant), while satisfaction and comparison to ideal services have stabilised compared to the last quarter of the previous year (Q4 2018).

Quarter-on-quarter comparison of QPCS results (Q4 2018 vs. Q1 2019)

- Expectation has **decreased** by 0.19 points (statistically significant) to 7.8/10.
- Satisfaction has **decreased** by 0.14 points (not statistically significant) to 7.7/10.
- Comparison to Ideal service has **remained stable** at 7.2/10.

Year-on-year comparison of QPCS results (Q1 2018 vs. Q1 2019)

- Expectation has **remained stable** at 7.8/10.
- Satisfaction has **remained stable** at 7.7/10.
- Comparison to Ideal service has **remained stable** at 7.2/10.



Significant changes	CSMS 2015*	CSMS 2016	Q4 2016	Q1 2017	Q2 2017	CSMS 2017	Q4 2017	Q1 2018	Q2 2018	CSMS 2018	Q4 2018	Q1 2019
Satisfaction	NA	⇧	⬇	⬆	-	⇧	⇧	-	-	-	⬆	-
Expectation	NA	⇧	-	⬆	-	⇧	⬇	-	-	-	⇧	⬇
Comparison to Ideal	NA	⇧	-	⬆	⬇	-	-	-	-	-	-	-

* Data for comparison with previous period not available

⬆⬇ *Statistically significant movement from previous quarter at 95% confidence level*

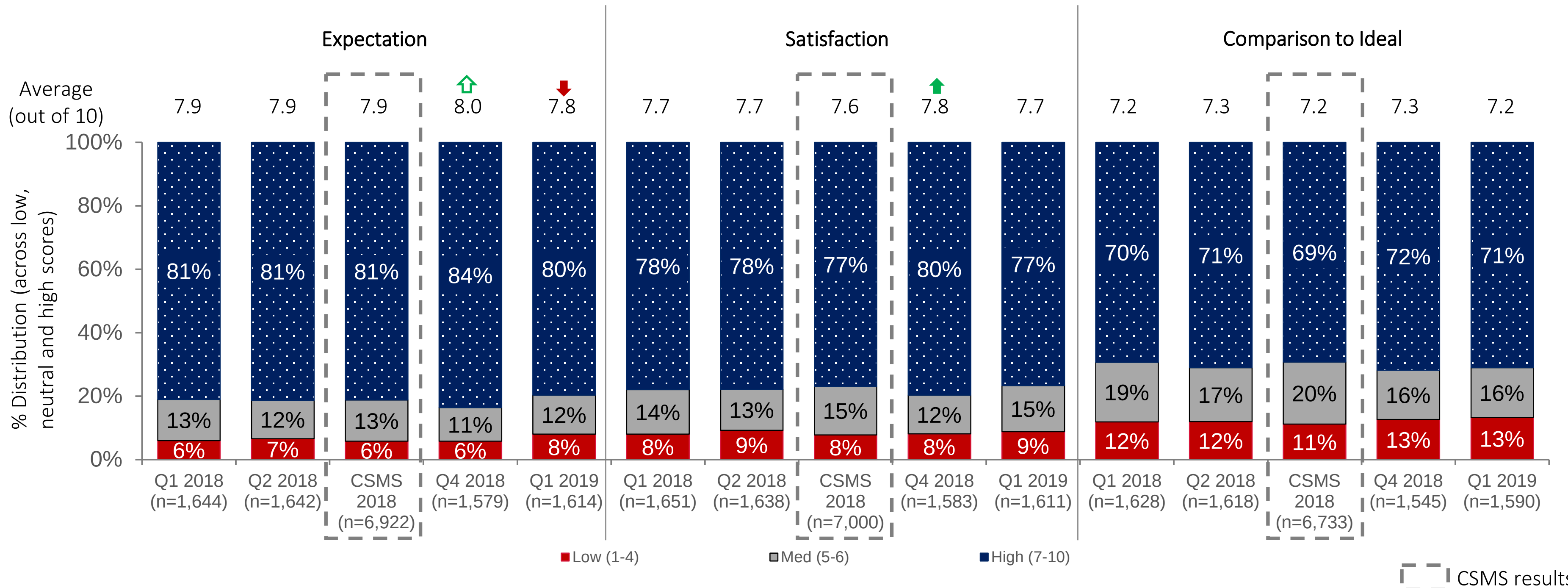
⇧⇩ *Statistically significant movement from same quarter previous year at 95% confidence level*

\- *No significant movement from previous quarter or same quarter previous year at 95% confidence level*

Note: Figures in the graph are subject to rounding

2.2 Satisfaction, Expectation and Comparison to Ideal – Consumer (2/2)

Consumer – Outcome Measures



The decrease in Expectations for consumers is being driven by a 4 percentage points reduction in the 'high expectation' customer segment and a 2 percentage points increase in those consumers that rate their expectations as low i.e. 1-4 out of 10.

Please refer to appendix section "Historical Consumer and Businesses Baseline Measures" for more historical data

Statistically significant movement from previous quarter at 95% confidence level

Statistically significant movement from same quarter previous year at 95% confidence level

Note: Figures in the graph are subject to rounding

2.3 Customer Satisfaction Index (CSI) - Business

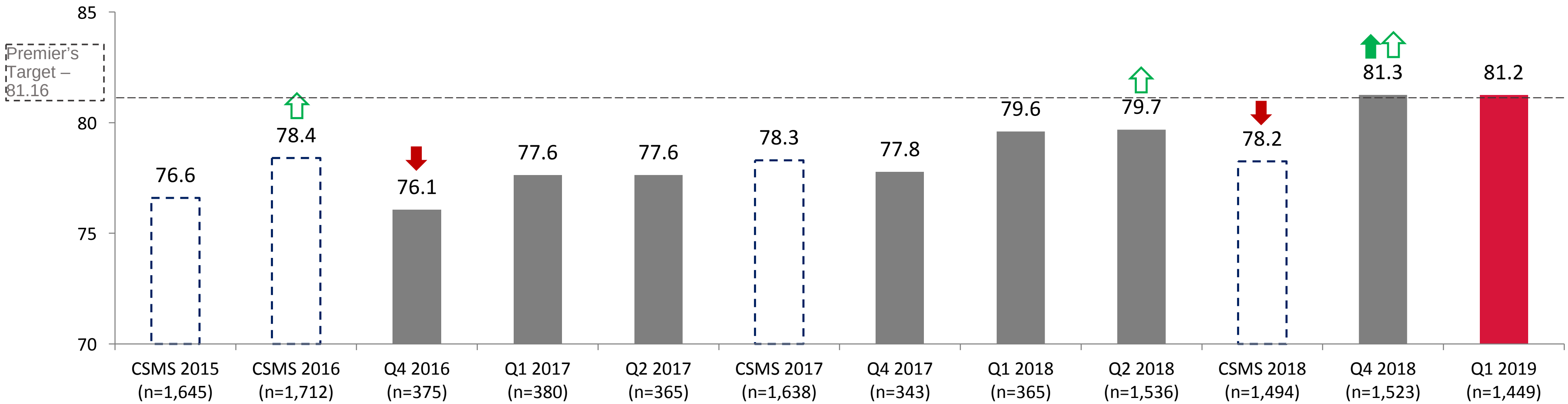
The Customer Satisfaction Index (CSI) for business decreased from last quarter (Q4 2018) and increased when compared to the same quarter last year (Q1 2018). The CSI has reached the Premier's priority target of 81.16.

Quarter-on-quarter comparison of QPCS results (Q4 2018 vs. Q1 2019)

- Customer Satisfaction Index (CSI) has **remained stable.** (Decreased by 0.01 points (not statistically significant) from 81.25 to 81.24/100)

Year-on-year comparison of QPCS results (Q1 2018 vs. Q1 2019)

- CSI has **increased** by 1.65 points (not statistically significant) to 81.2/100.



Q1 2019 QPCS Survey Details:
Number of respondents: 1,003 businesses (1,473 total responses)
Dates in field: from 23 Jan to 29 Jan 2019

Statistically significant movement from previous quarter at 95% confidence level
Statistically significant movement from same quarter previous year at 95% confidence level

Note: Figures in the graph are subject to rounding

2.4 Satisfaction, Expectation and Comparison to Ideal – Business (1/2)

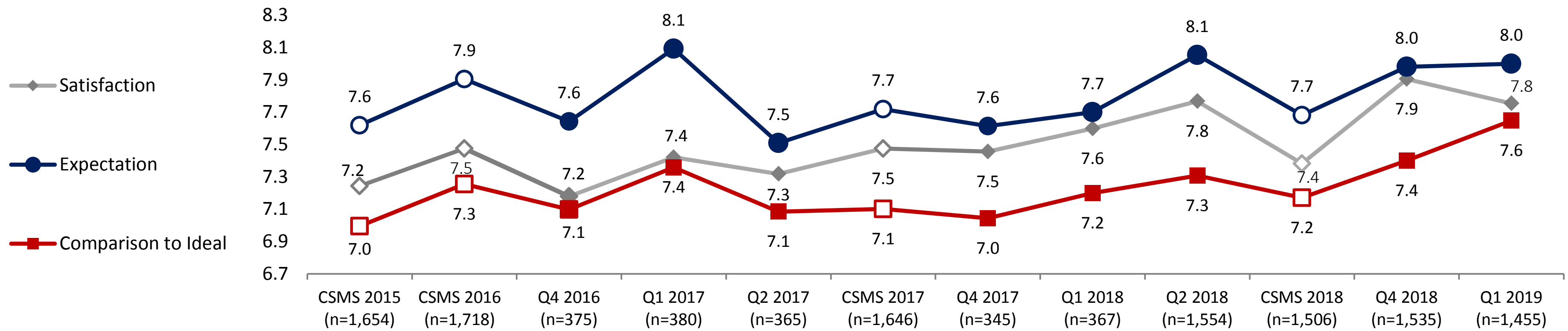
QPCS data suggests that business Satisfaction has experienced a statistically significant decrease while the Comparison to Ideal measure has experienced a statistically significant increase comparing to the last quarter (Q4 2018). Expectation and Comparison to Ideal for business have experienced a statistically significant increase and Satisfaction for business has experienced an increase (not statistically significant) compared to the same quarter last year (Q1 2018). The gap between Satisfaction and Expectation is widening indicating an inconsistency between what business expects and what they are experiencing.

Quarter-on-quarter comparison of QPCS results (Q4 2018 vs. Q1 2019)

- Expectation has **remained stable** at 8.0/10.
- Satisfaction has **decreased** by 0.15 points (statistically significant) to 7.8/10.
- Comparison to Ideal service has **increased** by 0.25 points (statistically significant) to 7.6/10.

Year-on-year comparison of QPCS results (Q1 2018 vs. Q1 2019)

- Expectation has **increased** by 0.31 points (statistically significant) to 8.0/10.
- Satisfaction has **increased** by 0.14 points (not statistically significant) to 7.8/10.
- Comparison to Ideal service has **increased** by 0.41 points (statistically significant) to 7.6/10.



Significant changes	CSMS 2015*	CSMS 2016	Q4 2016	Q1 2017	Q2 2017	CSMS 2017	Q4 2017	Q1 2018	Q2 2018	CSMS 2018	Q4 2018	Q1 2019
Satisfaction	NA	⇧	⬇	-	-	-	-	-	⇧	⬇	⬆ ⇧	⬇
Expectation	NA	⇧	⬇	⬆	⬇	⇩	-	⇩	⬆ ⇧	⬇	⬆ ⇧	⇧
Comparison to Ideal	NA	⇧	-	-	-	⇩	-	-	-	-	⬆ ⇧	⬆ ⇧

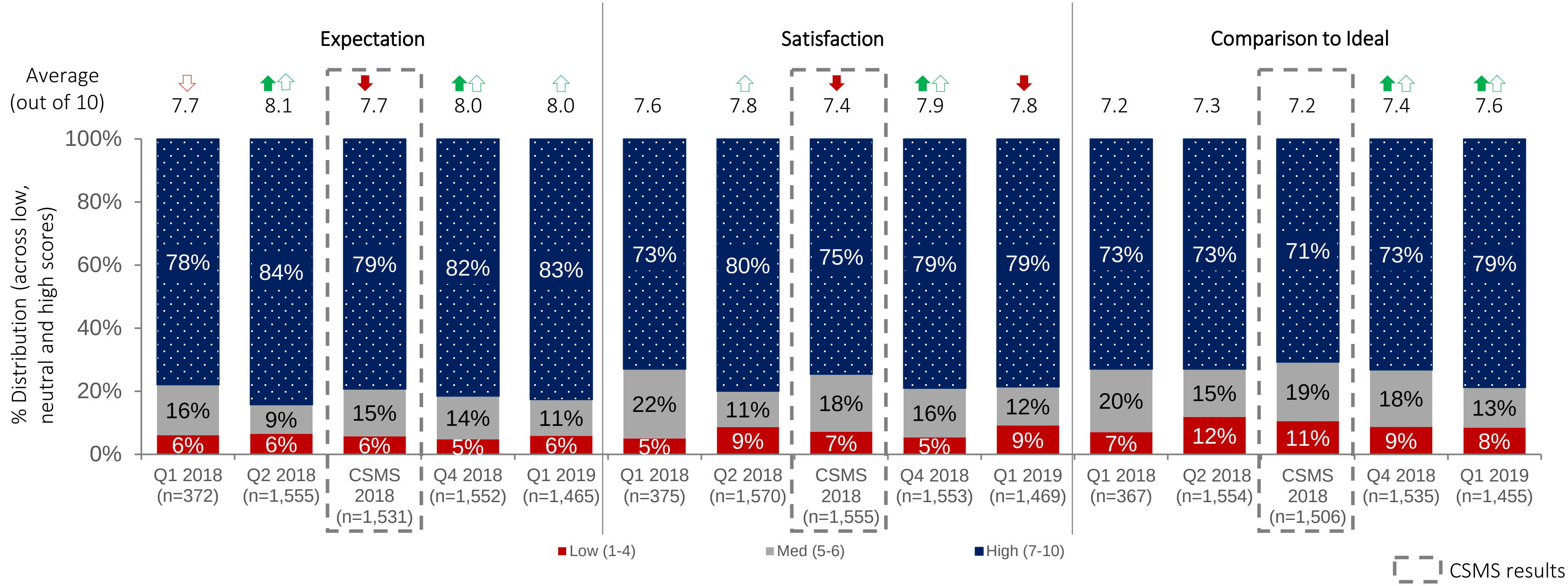
* Data for comparison with previous period not available

⬆⬇ *Statistically significant movement from previous quarter at 95% confidence level*
⇧⇩ *Statistically significant movement from same quarter previous year at 95% confidence level*
- *No significant movement from previous quarter or same quarter previous year at 95% confidence level*

Note: Figures in the graph are subject to rounding

2.4 Satisfaction, Expectation and Comparison to Ideal – Business (2/2)

Business – Outcome Measures



The decrease in Satisfaction for business is being driven by a 4 percentage points increase in the 'highly dissatisfied' customer segment i.e. those respondents that rated 1-4 out of 10 - there has been no movement in the 'highly satisfied' customer segment. The increase in Comparison to Ideal for business is being driven by a 6 percentage points increase in those businesses that rated the services as 7-10 out of 10.

Please refer to appendix section "Historical Consumer and Businesses Baseline Measures" for more historical data

Statistically significant movement from previous quarter at 95% confidence level

Statistically significant movement from same quarter previous year at 95% confidence level

Note: Figures in the graph are subject to rounding

2.5 Findings on Expectations - Qualitative Research

Businesses expect to be treated like a client of the state

- Business have high expectations of the Government. For the most part businesses want an efficient, transactional relationship. Further, they want relevant information, guides, and personalised support.
- The Government is seen as a trusted source of information and guidance. When businesses feel supported by the Government they feel more at ease and more confident.
- Similar to the findings for *2017 QPCS Q4*, businesses desire to be treated as a client of the NSW Government.
- Some businesses believe that the Government should make all processes as easy as possible for them because they are doing something productive for the state and the economy.

Consumers expect to be treated like an individual

- Consumers want and expect to be treated like an individual and not "just another number".
- They are more patient with inefficient processes than businesses as long as they have been treated with respect and individual care and attention.
- For consumers, positive interactions with Service NSW demonstrate that the Government is making improvements in this area.

> "*I expect NSW government to be approachable, helpful and offer more exclusive guidance because many start ups are struggling to get on the right start and they are all looking at the NSW Government for guidance. If the NSW Government are being more approachable then I feel more assured and have more confidence in making my first steps as business owner.*"

> "*When thinking about starting a new business, I expect NSW Government to be available as a guide for every step of the way because that would make a large difference not only for the business but also for the Government as well. If the NSW Government was there to provide support and guidance then I feel safe and more confident in my actions, particularly during times [that are] filled with turmoil.*"

> "*If there was one case worker saw you before, during and after the transition, they would be up to speed on your case instead of having to go over everything again and again with someone different, then I would feel like an individual and not a number."*"

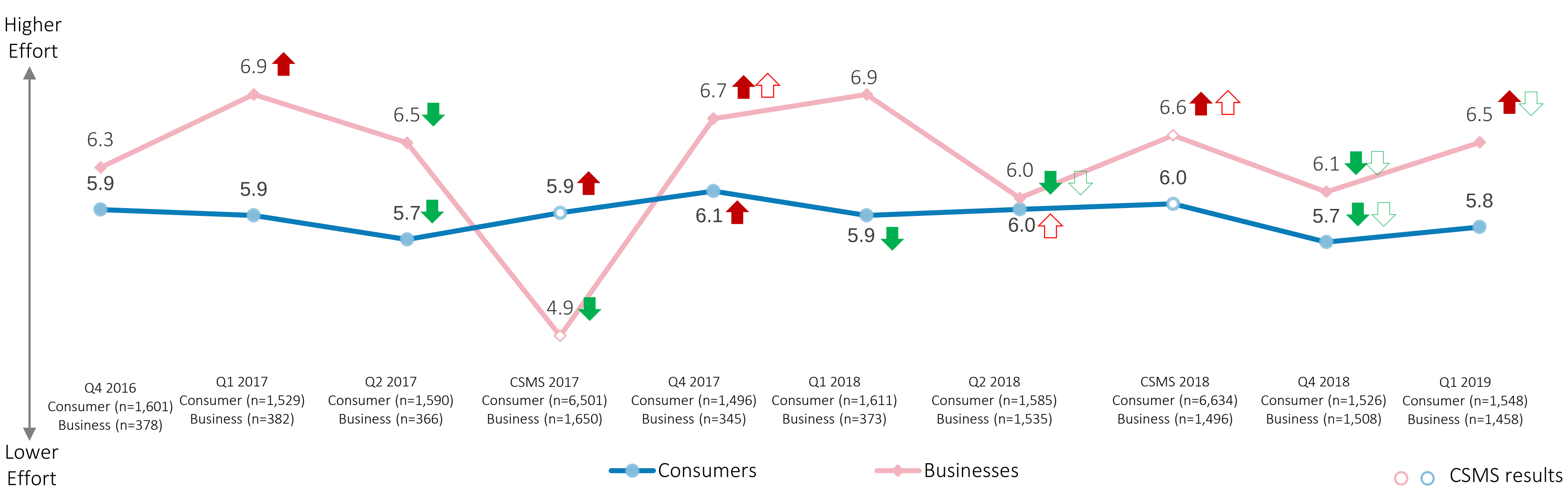
> "*I expect the Government to make this an easy thing and be helpful. I will no doubt find out tomorrow at Service NSW. No doubt I will feel like a number, not someone who has just suffered a stressful situation. If they are helpful, that would make me feel a lot better.*"

Insights from Q1 Qualitative Discussion

2.6 Customer Effort Score

Customers rated the level of effort for individual services; this graph shows the average of those ratings

NSW Government service interaction Customer Effort Score.



Overall, businesses have to put forth higher effort than consumers when interacting with NSW Government services.

Since Q4 2018, the Customer Effort Score (CES) has **increased** by 0.13 points (not statistically significant) among consumers to 5.8/10 and **increased** by 0.41 points (statistically significant) among businesses to 6.5/10. Since the same quarter previous year (i.e. Q1 2018), CES has **decreased** by 0.08 points (not statistically significant) among consumers to 5.8/10 and has **decreased** by 0.39 points (statistically significant) among businesses to 6.5/10.

Since 2017, a seasonal increase in business CES from Q4 to Q1 has been observed.

**The lower the average Customer Effort Score, the easier customers perceive interactions to be with different services. A decrease in CES is a positive shift.*

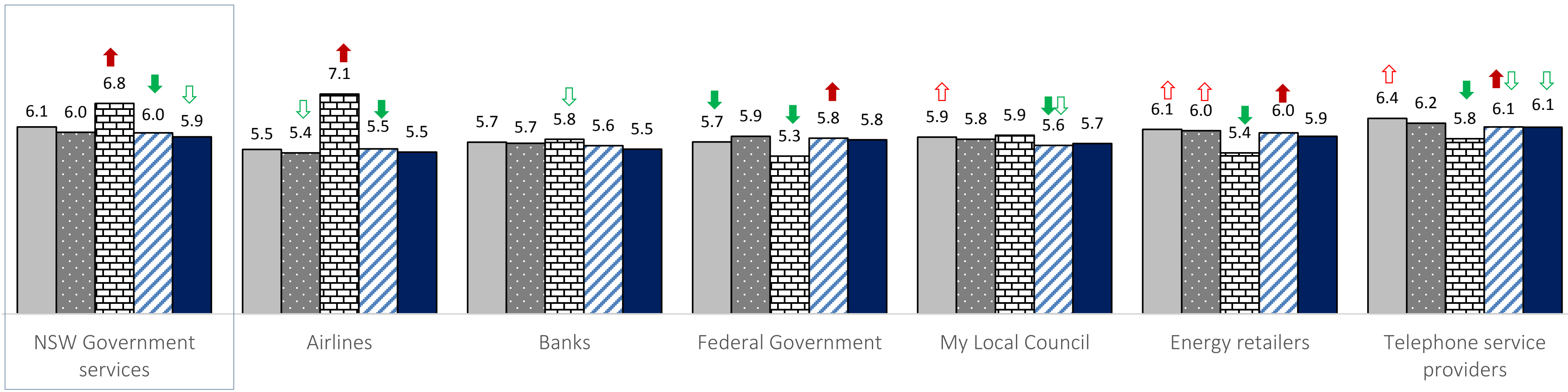
Statistically significant movement from previous quarter at 95% confidence level
Statistically significant movement from same quarter previous year at 95% confidence level

Note: Figures in the graph are subject to rounding

2.7 Customer Effort Score: Comparison of NSW Government Services Overall to Other Industries – Consumer

Customers provided a rating for overall effort with NSW Government services in comparison to other industries/sectors

Customer Effort Score benchmarked at a Whole of Government level against other industries/sectors.



Customer Effort Score for NSW Government overall is relatively high when compared to other industries - consumer effort improved over the last quarter placing NSW Government services as the third highest effort behind Telephone service providers and Energy retailers.

When compared to the same quarter, previous year (Q1 2018), NSW Government services and Telephone service providers have seen a statistically significant decrease in the relative effort required for interactions among consumers.

**The lower the average Customer Effort Score, the easier customers perceive interactions to be with different services.*
A decrease in CES is a positive shift.

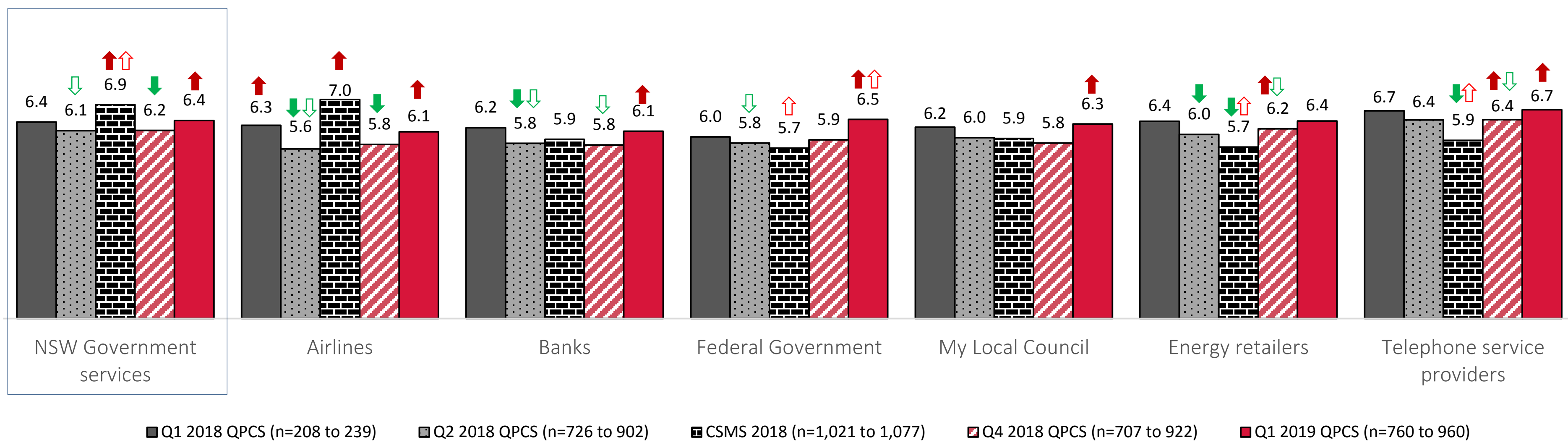
Statistically significant movement from previous quarter at 95% confidence level
Statistically significant movement from same quarter previous year at 95% confidence level

Note: Figures in the graph are subject to rounding

2.7 Customer Effort Score: Comparison of NSW Government Services Overall to Other Industries – Business

Customers provided a rating for overall effort with NSW Government services in comparison to other industries/sectors

Customer Effort Score benchmarked at a Whole of Government level against other industries/sectors.



Compared to other industries, businesses ranked NSW Government services as the third highest in terms of effort behind Telephone service providers and Federal Government - consistent with last quarter. Businesses reported a greater increase in effort across Airlines, Banks, My Local Council and Federal Government.

**The lower the average Customer Effort Score, the easier customers perceive interactions to be with different services. A decrease in CES is a positive shift.*

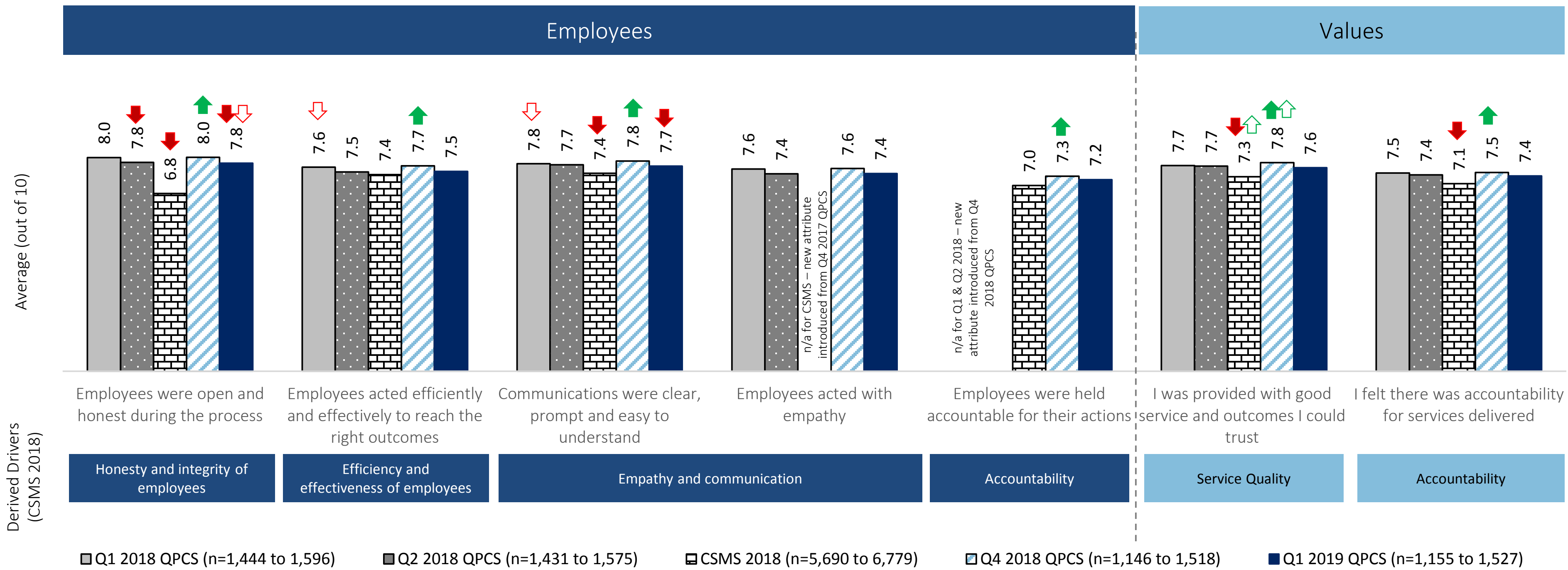
Statistically significant movement from previous quarter at 95% confidence level
Statistically significant movement from same quarter previous year at 95% confidence level

Note: Figures in the graph are subject to rounding

3. Insights on Satisfaction Drivers

3.1 Impact of Satisfaction Drivers – Consumer (1/2)

Drivers of Satisfaction (agreement with statements: 1 is 'Strongly disagree' and 10 is 'Strongly agree')



Comparing to Q4 2018, "Employees were open and honest during the process" and "Communications were clear, prompt and easy to understand" (within the "Empathy and communication" driver) have decreased (statistically significant), resulting in a lower CSI. These attributes are positive correlated so when employees are open and honest, communications are seen as being clear and easy to understand. When compared to the same time last year (Q1 2018), only the driver "Honesty and integrity of employees" decreased (statistically significant).

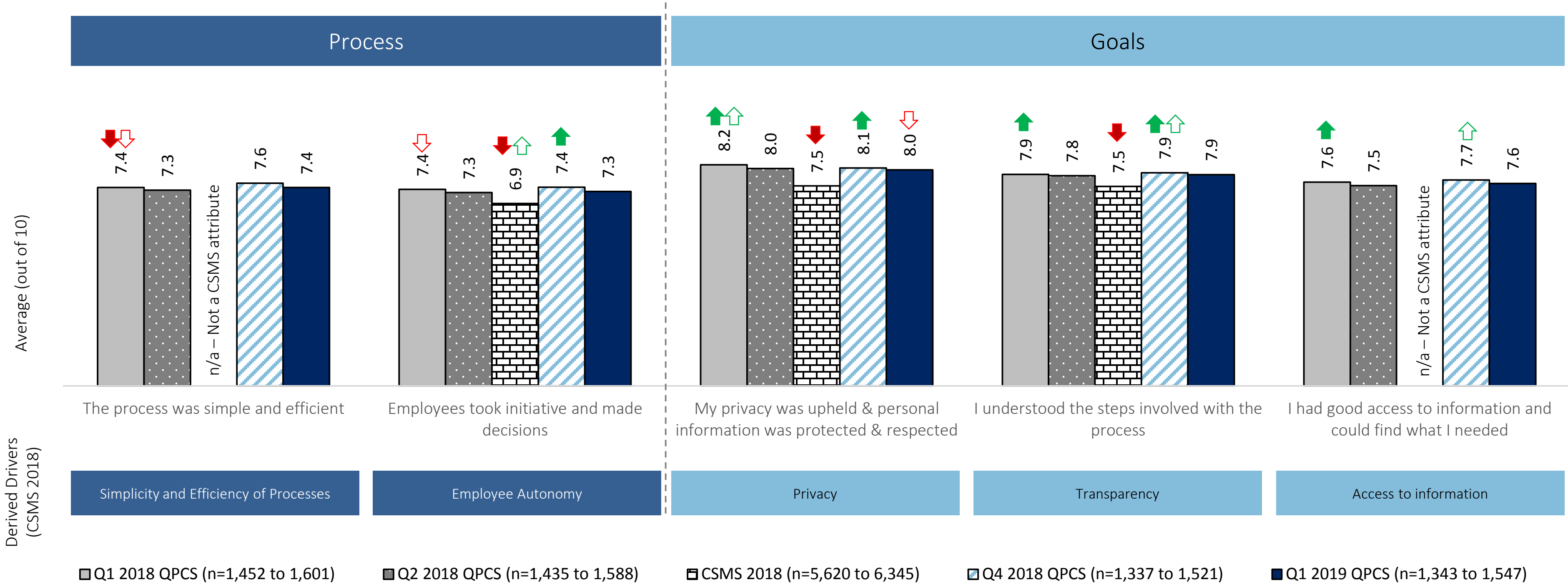
Statistically significant movement from previous quarter at 95% confidence level

Statistically significant movement from same quarter previous year at 95% confidence level

Note: Figures in the graph are subject to rounding

3.1 Impact of Satisfaction Drivers – Consumer (2/2)

Drivers of Satisfaction (agreement with statements: 1 is 'Strongly disagree' and 10 is 'Strongly agree')



For Process and Goal related drivers in Q1 2019, there were no statistically significant changes since Q4 2018. When compared to the same time last year (Q1 2018), only the driver "Privacy" has experienced a statistically significant decrease.

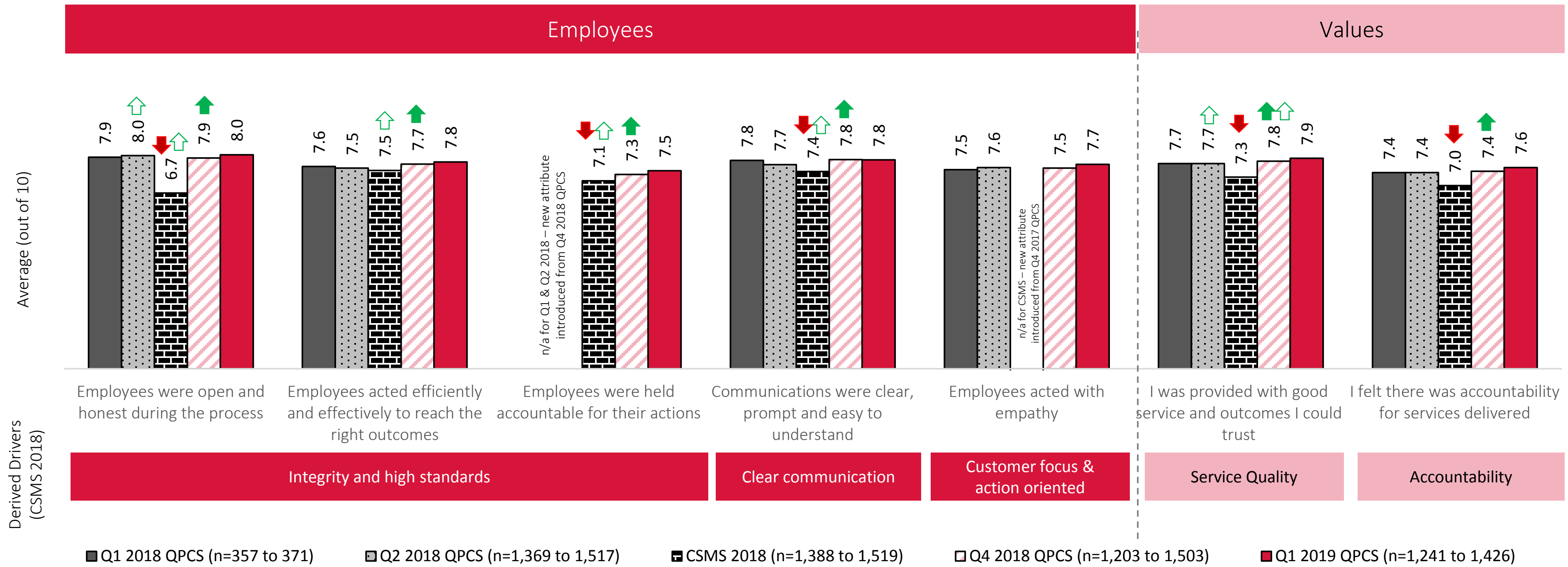
Statistically significant movement from previous quarter at 95% confidence level

Statistically significant movement from same quarter previous year at 95% confidence level

Note: Figures in the graph are subject to rounding

3.2 Impact of Satisfaction Drivers – Business (1/2)

Drivers of Satisfaction (agreement with statements: 1 is 'Strongly disagree' and 10 is 'Strongly agree')



In Q1 2019, there was no statistically significant change for the drivers since Q4 2018. Similarly when compared to the same time last year (i.e. Q1 2018), none of these drivers above had statistically significant movement.

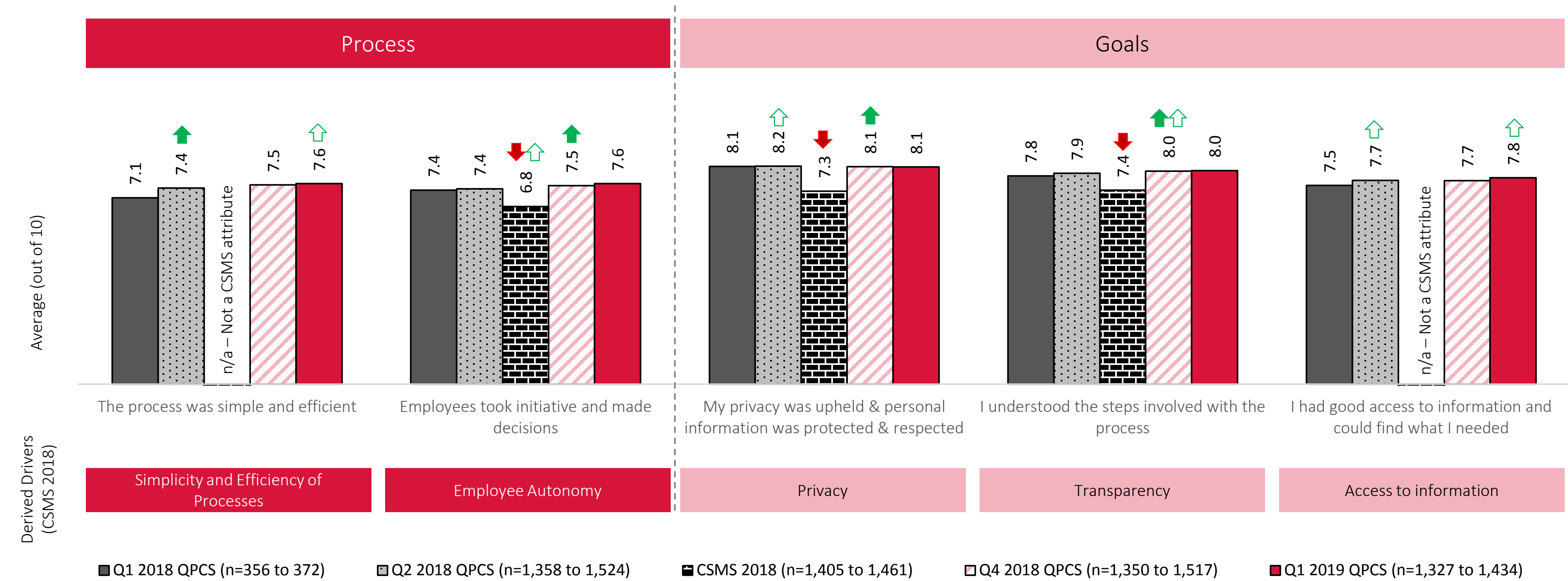
Statistically significant movement from previous quarter at 95% confidence level

Statistically significant movement from same quarter previous year at 95% confidence level

Note: Figures in the graph are subject to rounding

3.2 Impact of Satisfaction Drivers – Business (2/2)

Drivers of Satisfaction (agreement with statements: 1 is 'Strongly disagree' and 10 is 'Strongly agree')



In Q1 2019, there was no statistically significant change for the "Process" and "Goals" drivers since Q4 2018. When compared to the same time last year (Q1 2018), "Simplicity and efficiency of processes" and "Access to information" drivers experienced a statistically significant increase.

Statistically significant movement from previous quarter at 95% confidence level

Note: Figures in the graph are subject to rounding

3.3 Key Drivers for Meeting Expectations – Qualitative Research

Clear communication

- For customers, communication is vitally important for both setting and meeting expectations.
- For some customers unclear communication led to a disappointing and alienating experience.
- Clear communication plays a vital role across the various stages of the customers' journey

"No one seemed to know why I had to get the tests done. There isn't really any other way I could approach it. You have to do what the hospital tells you or they could postpone my upcoming procedure. This phrase was repeated again and again."

Simplicity and efficiency of processes

- Efficient processes is particularly important for business customers as inefficient processes can act as a barrier to their earning potential.
- Time is also precious for businesses so anything which they perceive to be inefficient is a source of high frustration.
- Consumers are more forgiving of inefficient processes than businesses.
- Consumers value a clear process where they don't have to navigate multiple channels to find the answer to their question.

"I had a disappointing experience renewing my working with children's check. Due to an undisclosed delay in processing times it took over 5 weeks to be returned. During that time my business had to cease running as this is a requirement of my business. Phone calls and emails to chase it up didn't seem to work and I simply had to wait it out with no income."

Employees are open and honest

- If a customer feels that an employee is rude or unhelpful, that negative experience can have a significant impact on the customer's experience and therefore their overall expectations of that service.
- Conversely, when employees are felt to be open and honest, there is the potential to exceed customers expectations.
- Customers value highly an empowered employee who is dedicated to supporting the customer to complete their tasks.

"While I was in hospital and then Rehab after the surgery, I was pleasantly surprised by the caring nature of all the staff, from the doctors, nurses, the ladies who brought meals, the men who wheeled me to my treatments, (I had on going Radiation and Chemo for a few more weeks), even the cleaners, everyone was so caring and helpful and provided lots of encouragement for me."

Insights from Q1 Qualitative Discussion

4. Channel Usage and Preference

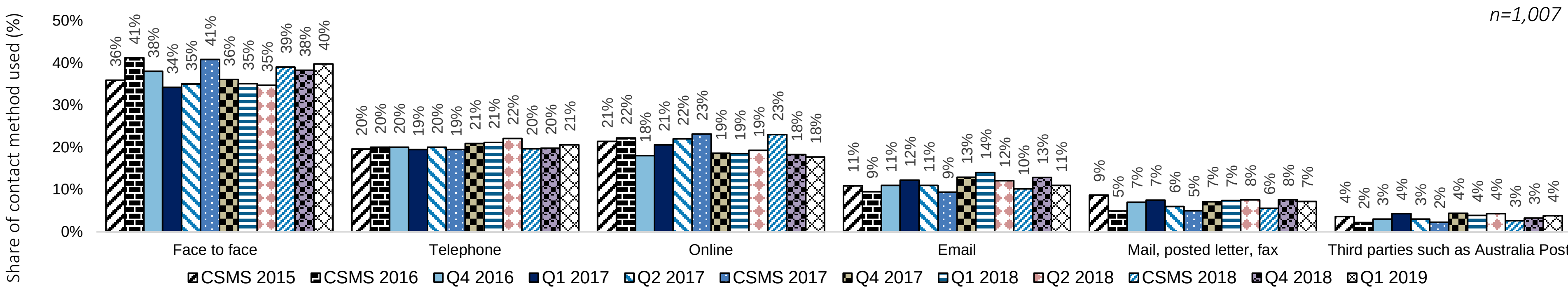
4.1 Channel Usage and Preference - Consumer

4.2 Channel Usage and Preference - Business

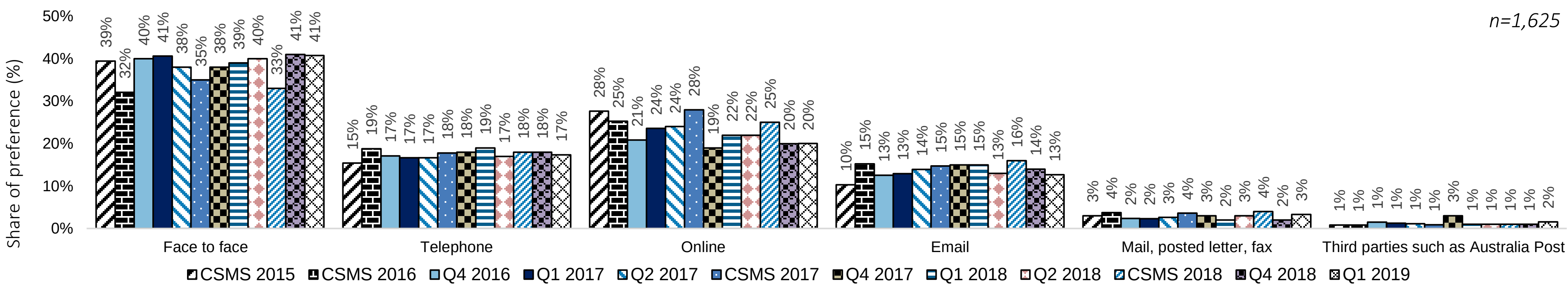
4.3 Impact of Channel Expectations – Qualitative Research

4.1 Channel Usage and Preference - Consumer

Contact Methods Used



Contact Methods Preference

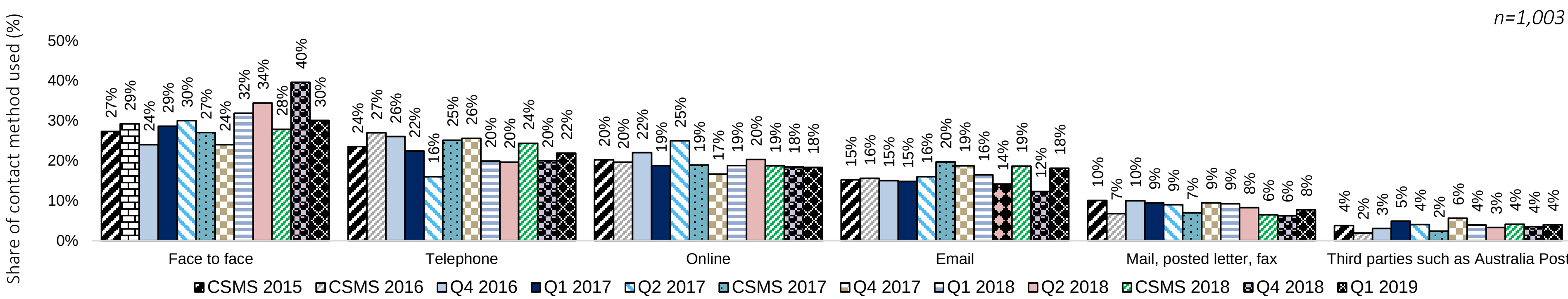


For consumers, usage of all contact methods remained stable compared to last quarter. “Face to face” remains the most used channel among this group and the percentage of respondents interacting face to face has increased by 5 percentage points since Q1 2018. “Face to face” interactions are also the most preferred contact method for consumers when dealing with NSW Government since 2015. Consumers who use online or interact face to face have the highest expectations and satisfaction with these channels. This is also a historical trend.

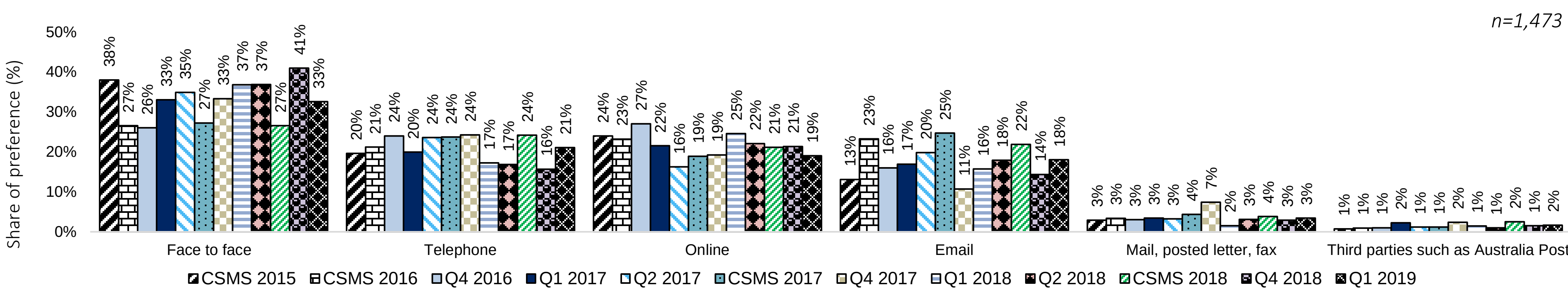
Customer Service Commissioner

4.2 Channel Usage and Preference - Business

Contact Methods Used



Contact Methods Preference



"Face to face" is the most used channel for businesses, however its usage declined by 10 percentage points since Q4 2018. The use of email has increased by 6 percentage points since Q4 2018. Businesses prefer face to face contact, but this preference has decreased by 8 percentage points since Q4 2018. In Q1 2019, businesses' preference for "Telephone" and "Email" has increased[1] by 5 and 4 percentage points respectively compared to Q4 2018, while preference for "Online" has decreased by 2 percentage points. Similar to consumer results, businesses who interact face to face or online have the highest levels of Satisfaction and Expectations.

Note: Figures in the graph are subject to rounding

[1]Indicative only - does not indicate statistical significance.

4.3 Impact of Channel on Expectations (1/2) – Qualitative Research

Face to face

- As found in the quantitative research, face to face interactions can have a powerful impact on expectations of NSW Government services.

- When interacting face to face customers want the employee to be an expert with a comprehensive knowledge who can facilitate a 'one stop shop' experience
- Businesses prefer not to interact face to face, as this is perceived to lengthen the process. When businesses do interact face to face, they have higher expectations of service quality.

- Service NSW service centres are consistently meeting or exceeding customers' expectations primarily due to the efficient queuing system and knowledgeable and friendly staff.

- However, face to face interactions are likely to not meet expectations when there are delays or disruptions. This is particularly true when these aren't communicated clearly.

- A negative face to face experience can cause significant damage to both the customers' expectations and their satisfaction.

> *"Well for a start I prefer dealing with people face to face, rather than online or by telephone. And generally the wait in store is quicker than waiting on the phone, plus I have found the staff to be more than helpful and efficient in processing my requirements."*

> *"Most individuals one has to deal with seem to respond better when dealing with a face rather than a voice on the phone."*

> *"Face to face as I prefer it this way because that way I know updating my details after relocation it has been done properly compared to doing it online and it is less stressful for me to do it in person and that's the channel I prefer."*

> *"I want to interact with an expert because I have had experience in the past online where I couldn't find the info or answers to my questions I wanted answered so having an expert to interact with helps as they know a lot and can help me more then if I do it on my own."*

Insights from Q1 Qualitative Discussion

4.3 Impact of Channel on Expectations (2/2) – Qualitative Research

Online

- The focus that organisations, both private and public, have on enhancing User Experience has increased customers' expectations of any digital environment.
- A number of customers acknowledge that NSW Government online processes have been made significantly easier and these customers were grateful for these improvements.
- One key factor that leads to unmet customers expectations is if a task is initiated online but has to be completed via a different channel, particularly if this is not clearly communicated at the beginning of the interaction.
- Another source of frustration for customers interacting online is the process of logging in to online platforms. For example, when customers have forgotten their password or have had difficulty verifying their identity, the time and effort required has increased leading to a poorer customer experience.
- Further, customers' satisfaction has decreased when efficiencies made to one channel have not been not applied to the other channels.

> *"The website is clean and easy to read, the front page is incredibly accessible and allows you to find what you're after with ease and the online savings finder worked like a charm, taking only a minute of my time."*

> *"I prefer both Face to Face and Online. Face to face for complicated and long-explanation issue, while online for straight forward and easy matter like registration and ID verification."*

> *"I always update car registration online which saves up a lot of my time, paying fines are not one of my favorite moments but paying them online make it a lot easier. NSW Services are pretty good website and it gives me all the information, I can. It took maybe 5 min for car registration, as long as I have the right documents, very easy, didn't have to interact with anyone."*

> *"The ease at which I breezed through this process made me believe that the NSW government really do want people to be able to access these rebates without hassle or loopholes. It's not just talk, but actual action. Though the cost of living may be difficult, the NSW government do seem as though they want to do this little bit to help."*

5. Understanding Expectations from Qualitative Research

5.1 Customer Expectations Framework (1/2)

Expectations are influenced by previous experience and perception of the service customers are interacting with

This framework has been designed to understand what informs expectations and how they might be affected by a good or bad experience. This has been informed by qualitative data on both governmental and private organisations.

The top quadrants are both informed by previous first hand experience with the product, service or process.

The bottom quadrants are informed by external interactions, such as word of mouth, media and advertising.

Low expectations sit on the left hand side based on a negative perception and on the right sit the high expectations based on a positive perception or experience.

The framework is applicable to consumer and business.

Significant Previous experience

Detractor

- Low expectations
- Likely to be a sole or forced use experience e.g. energy, Telco's, government services
- Hardest to move customers out of this quadrant
- Biggest impact if we are able to move customers from this quadrant into Advocate

Advocate

- High expectations
- Likely to be from a number of positive experiences
- A negative experience that has an emotional impact is likely to move customers into the left hand quadrant

Negative Perception

Neutral Perception

Positive Perception

Skeptic

- Expectations are low or neutral
- Negative expectations likely to be informed by media, customer feedback and word of mouth
- Customers more likely to use comparison to ideal to compensate for their lack of knowledge
- Biggest opportunity to surprise or delight customers

Optimist

- High expectations
- Expectations informed by media, advertising and word of mouth
- If initial experience does not meet expectations customers are less likely to engage with this service again or if they have to they will move into the top left hand corner

No previous experience

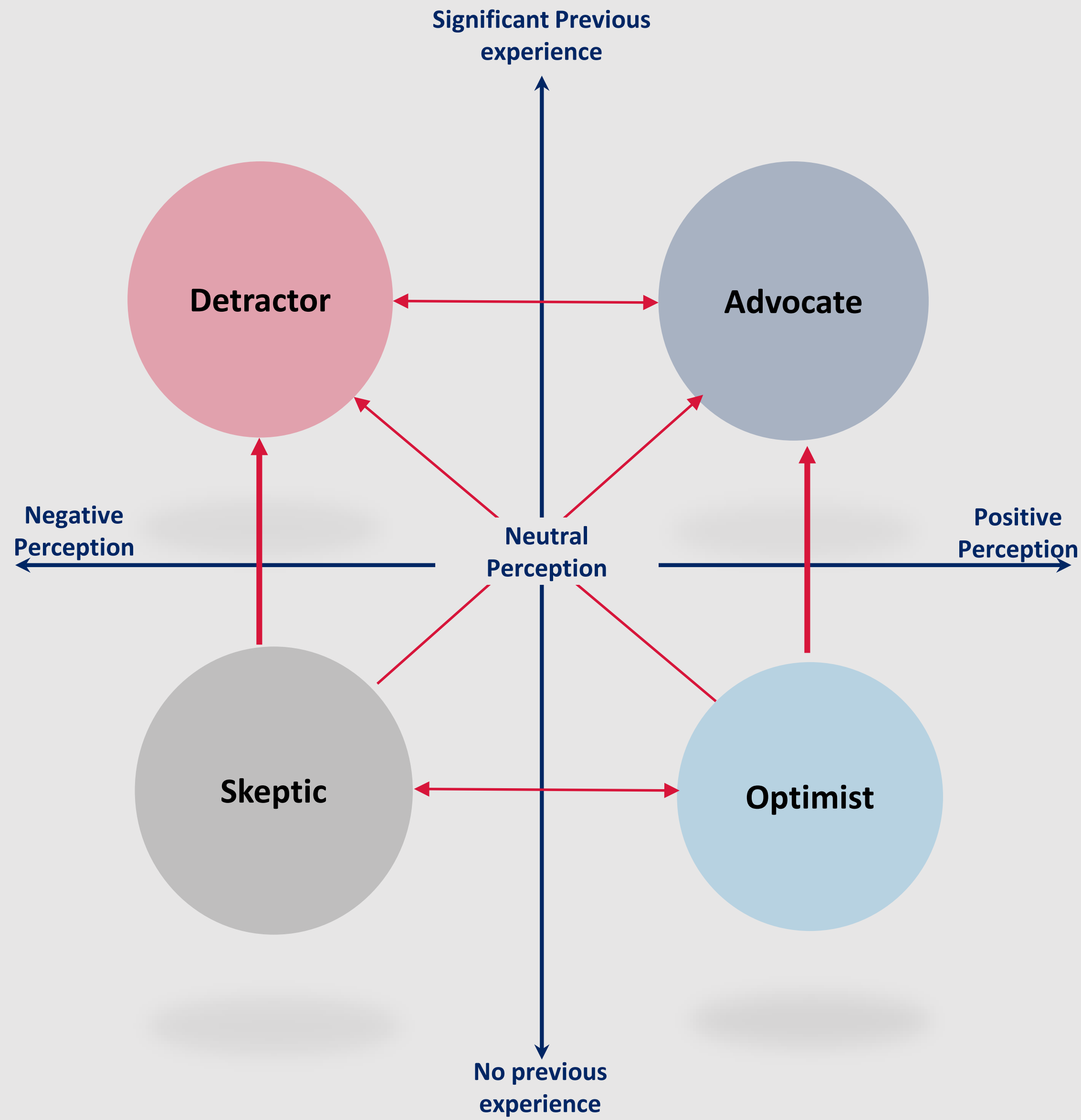
Consumer Business

5.1 Customer Expectations Framework (2/2)

Expectations are not static, each customer has the capacity to move across quadrants

Each customer has the capacity to move depending on how their perception or experience changed.

- **Detractor** customers will be the hardest to shift but have the potential to become **Advocates** through personalized and meaningful experiences. If a **Detractor** has a bad experience there is a compounding affect leading them more and more to the left of the matrix.
- **Advocates** have the capacity to become **Detractors** if they have a particularly bad experience and feel that their loyalty has not been rewarded or taken into consideration. If an **Advocate** has a bad experience there is a compounding affect leading them more and more to the left of the matrix.
- An **Optimist** can easily become a **Detractor** or an **Advocate**. An **Optimist's** first interaction is important. As much as possible, this interaction needs to match what customers have been promised through advertising or word of mouth
- A **Skeptic** is only one neutral or negative experience away from becoming a **Detractor.** A seamless onboarding experience or positive experience could convert a **Skeptic** to an **Advocate.**
- Media campaigns or word of mouth can influence **Optimists** and **Skeptics** to shift.



5.2 Consumer Expectations of Government Services – Before Interacting

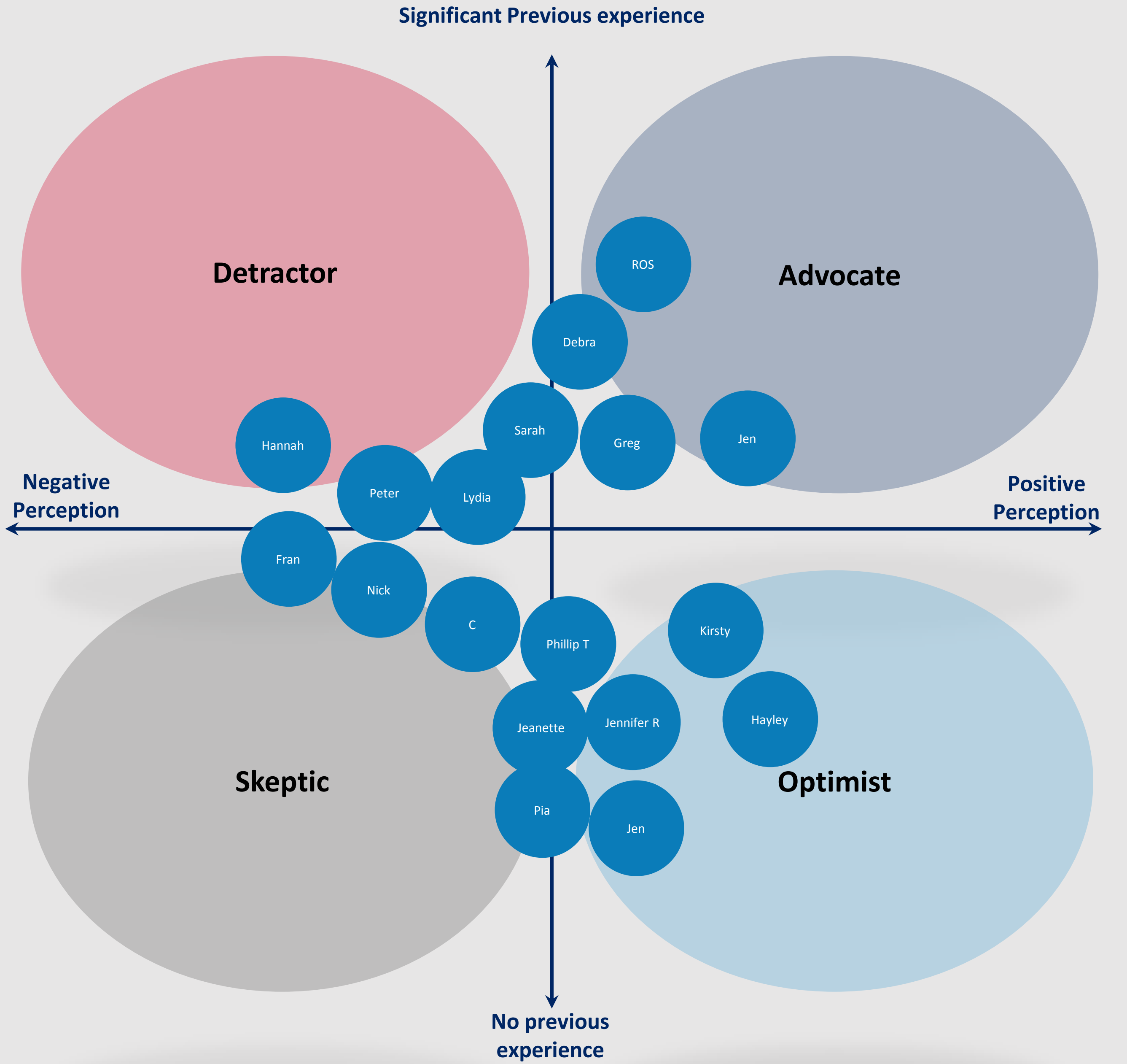
As part of the qualitative research we asked customers to take part in a "Service Safari" where we asked them to select a NSW Government service to interact with over three days.

Day 1: Asked participants to say what their expectations were for the service, prior to interacting

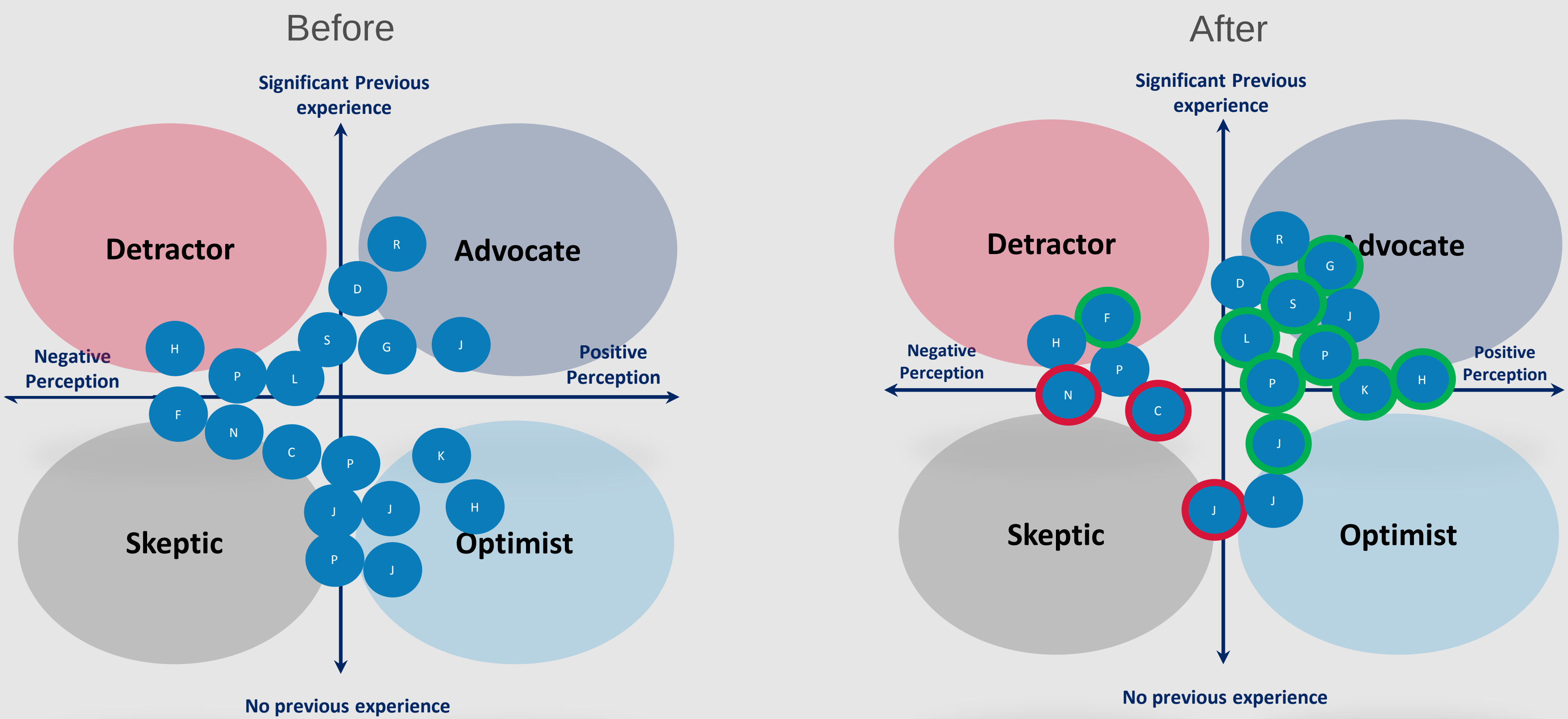
Day 2: Asked them to go out, interact with that service and report back on what they observed/experienced

Day 3: Asked them to reflect on their experience and how it met their expectations

The blue dots represents each consumer that took part in the Service Safari and where their expectations were on day one - prior to interacting with the service.



5.2 Consumer Expectations of Government Services – After Interacting



The blue dots in this chart represent each consumer that took part in the Service Safari. The before image shows consumer expectations on day one and the after chart shows consumer expectations on day three after interacting with a NSW Government service. If the dot has a green circle around it the customer moved in a positive direction, whilst a red circle indicates that expectations moved in a negative direction.

Business

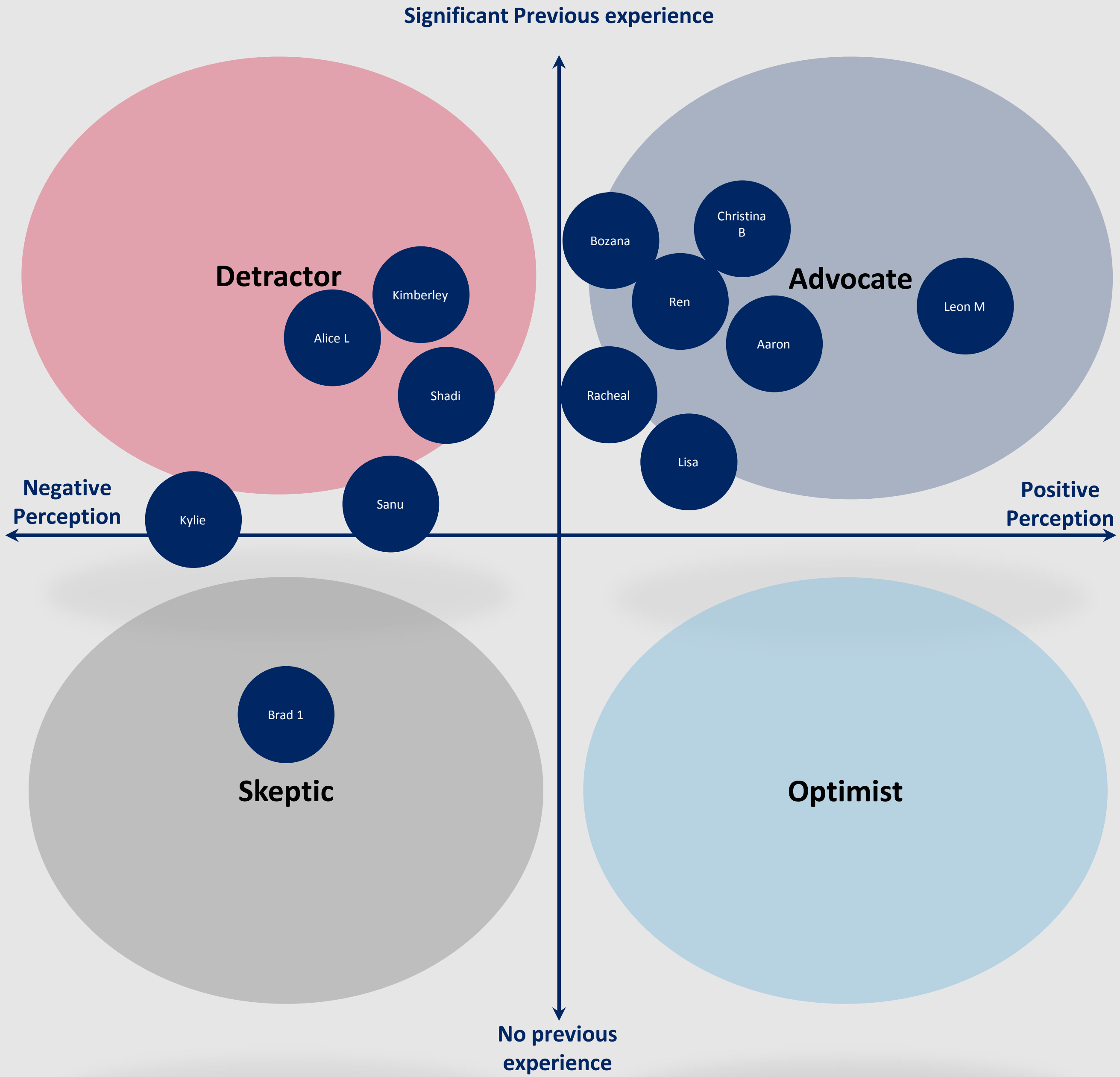
5.3 Business Expectations of Government Services – Before Interacting

As part of the qualitative research we asked customers to take part in a 'Service Safari'. We asked them to select a NSW government service to interact with over three days.

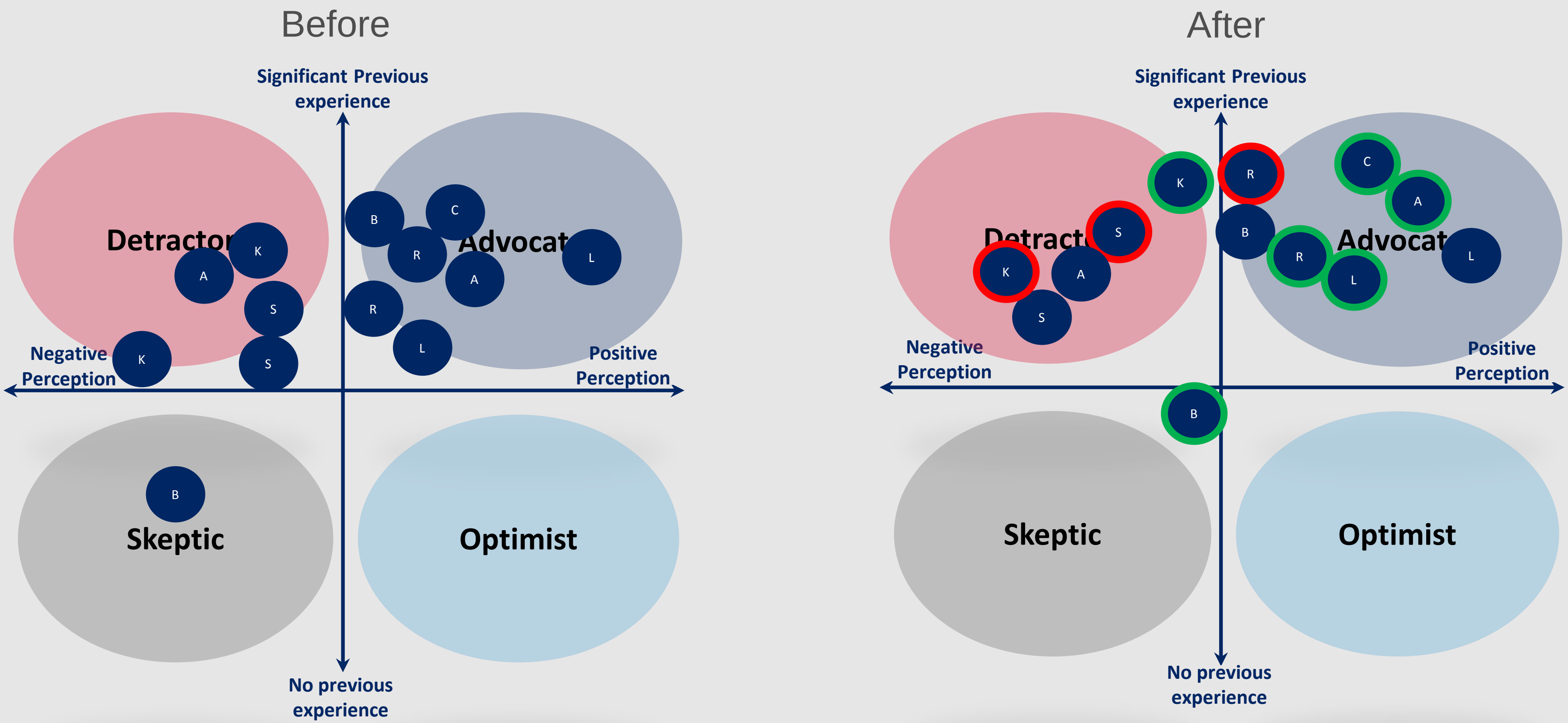
Day 1: Asked participants to say what their expectations were for the service, prior to interacting

Day 2: Asked participants to go out and interact with that service and report back on what they observed/experienced

The blue dots represent each business respondent that took part in the service safari and where their expectations were on day one.



5.3 Business Expectations of Government Services – After Interacting



The blue dots in this chart represent each business that took part in the Service Safari. The before image shows business expectations on day one and the after chart shows business expectations on day three after interacting with a NSW Government service. If the dot has a green circle around it the customer moved in a positive direction, red means expectations moved in a negative direction.

5.4 Impact of Unmet Expectations (Private and Government)

Consumers have a strong emotional reaction when their expectations haven't been met

- An emotional reaction occurs when the consumers have a particularly bad experience where their expectations have not been met. Consumers describe negative feelings of being 'cheated' or taken 'advantage of'.
- After expectations have not been met, consumers change their behaviour in subsequent interactions with the service to ensure that their expectations are met going forward.
- Without the opportunity to change behaviour, consumers feel resentment which can compound each time they have another negative experience with the NSW Government.

For business, unmet expectations leads to distrust

- Businesses typically have higher expectations of the NSW Government services that they interact with.
- Unmet expectations can lead to a loss or decrease of revenue for business.
- For businesses, the loss of money or unfair treatment can have an incredibly damaging impact on overall perceptions of the NSW Government.
- Unmet business expectations lead to a sense of distrust and an unwillingness to engage in the future.

This has been informed by qualitative data on both governmental and private organisations.

> "*I truly hate bad or poor customer service, it is free to smile, when I was in hospital recently one of the weekend nurses was abusive to patients and both staff. I felt quite angry but I know some of the elder patients were feeling upset as were the young nursing staff.*"

> "*I had an experience with Target retail Australia who refused to refund an item for me after I purchased it by cash, they refunded it for me via an exchange store coupon. I felt very disappointed and betrayed considering I always shopped there and I was a familiar face with staff and management. I didn't even receive an apology and have since stopped shopping there.*"

> "*I had a disappointing experience renewing my working with children's check. Due to an undisclosed delay in processing times it took over 5 weeks to be returned. During that time my business had to cease running as this is a requirement of my business. Phone calls and emails to chase it up didn't seem to work and I simply had to wait it out with no income.*"

> "*I felt extremely disappointed and unappreciated as a loyal customer of the bank. I have been with this bank for almost a decade and I thought I will be appreciated for staying this long with them. This really created distrust and I have a strong feeling to move to another bank.*"

5.5 Resolving Unmet Expectations (Private and Government)

Customer service is a powerful tool to resolve unmet expectations

- When customers' expectations aren't met, customers want to hear an apology and an acknowledgement of fault or error.
- It is important that the customer does not have to seek a resolution when things go wrong. The entity the customers are interacting with should proactively drive the resolution process.
- It is possible to have unmet expectations that still result in a positive or neutral experience. For example, friendly staff who are capable and willing to resolve the issue can compensate for a bad experience.
- Conversely, if staff are perceived to be rude by the customer, the interaction becomes personal and as a result there is likely to be strong negative sentiment.

This has been informed by qualitative data on both governmental and private organisations.

> *"I gave my company a call to say, there is a better offer, what are you going to do and they said, they cannot do anything and they wont match it. It was very disappointing. I wasn't expecting that and they didn't even try to convince me to stay. So I left for other one with no regret."*

> *"What could have been done to improve the situation was for the restaurant to take responsibility for this and not be so rude about the whole thing. The experience impacted me to the point I would no longer use or recommend them and won't return or give them my business anymore."*

5.6 Impact of Exceeded Expectations (Government)

Easy process and friendly staff help to exceed expectations

- Customers' expectations are often exceeded when the process is easier to complete than anticipated.
- For telephone and face to face channels, a personalised customer service interaction is likely to exceed expectations.
- Customers have a positive perception of staff that are friendly, knowledgeable and eager to proactively resolve their queries.

When expectations are exceeded there is a positive emotional result

- The positive emotional result of exceeded expectations has less impact than that of a negative experience.
- However, when expectations are exceeded by Government, customers are more likely to feel proud of the Government and the way that it looks after its citizens.

This has been informed by qualitative data on both governmental organisations.

> *"The website is clean and easy to read, the front page is incredibly accessible and allows you to find what you're after with ease and the online savings finder worked like a charm, taking only a minute of my time. The ease at which I breezed through this process made me believe that the NSW government really do want people to be able to access these rebates without hassle or loopholes. It's not just talk, but actual action."*

> *"Looking back on my interactions with NSW Government Services, I am pleasantly surprised at how this went. From the on schedule bus service, to the efficient and friendly staff at Services NSW."*

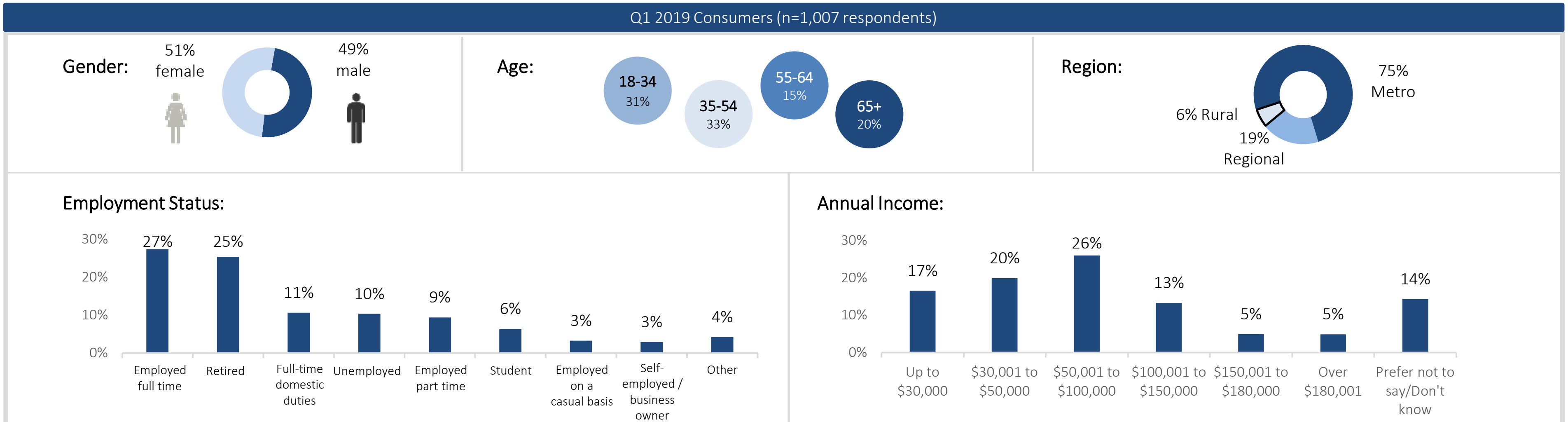
> *"Visited my local Service center to complete my application for a WWCC. Greeted straight away and assigned a number, only waited a minute or 2 before my number came up and I was seen to by a very nice man who finalised my application. Overall I was very impressed with the service I received and the amount of time it took."*

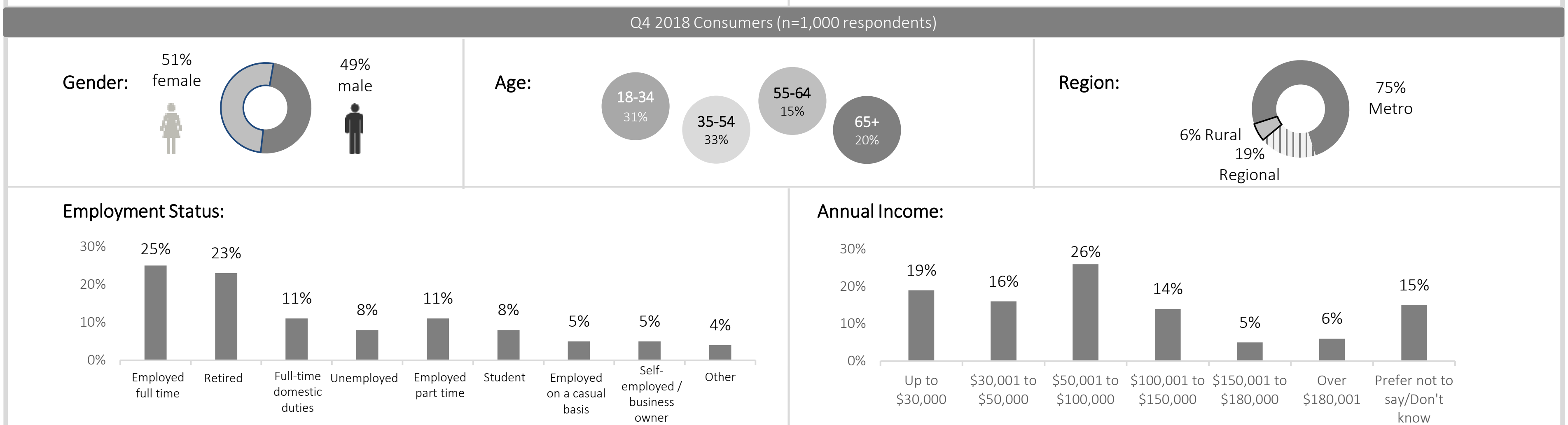
> *"Nowadays I find the customer is usually treated with respect as an individual and a person rather than a number. my expectations exceeded because of beautiful greeting smile from the clerk, accurate advice accurately explained. Top marks to the people who did the 'polishing' of the service, so that it saves money [greater throughout] at the same time as improving customer experience."*

Appendix

Appendix A: Demographic Profile of Respondents - Consumer

Consumer Respondent Profile*



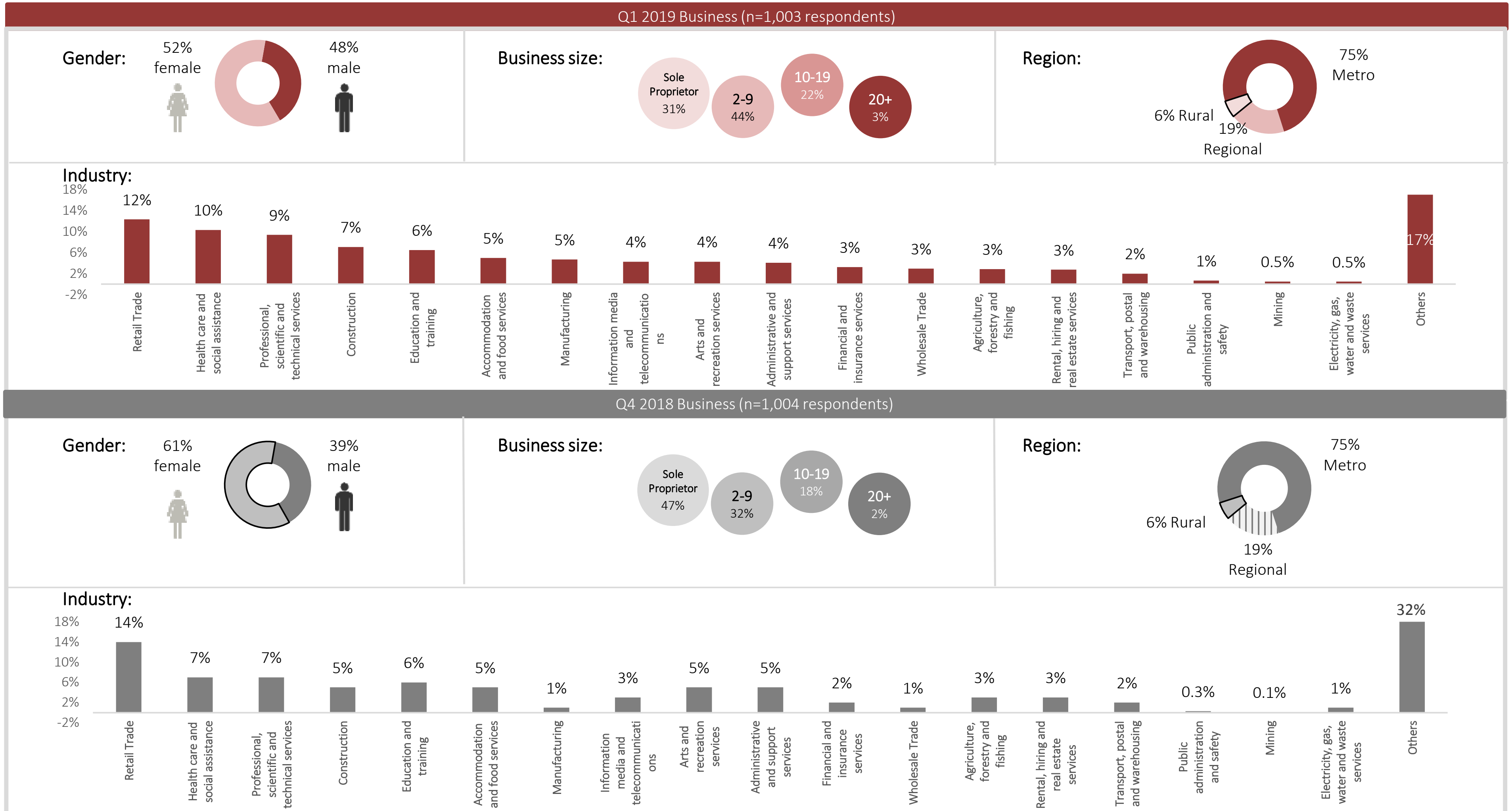


- Data is weighted to be representative of the NSW population (ABS) based on gender, age and region

Note: Figures in the graph are subject to rounding

Appendix A: Demographic Profile of Respondents - Business

Business Respondent Profile*



- Data is weighted to be representative of the NSW population (ABS) based on business size and region

Note: Figures in the graph are subject to rounding

Appendix B: Background - Research Scope and Approach

- The QPCS Methodology is aligned to the Annual Customer Satisfaction Measurement Survey (CSMS) approach:
  - Captures feedback across 23 different NSW Government services (described in the customers language).
  - Feedback received from customers about each of the individual services is aggregated to provide a view of the performance of NSW Government services overall.
  - Each respondent provides feedback regarding one or two services (as a result, the total number of responses received across services is greater than the total number of customers who completed the survey).
- The survey was completed from 23rd January 2019 to 29th January 2019 and results are therefore reflective of experiences with services over the six months prior i.e. from August 2018 to January 2019.
- The Q1 2019 QPCS was completed with:
  - N = 1,007 consumers, and
  - N = 1,003 businesses
- As each respondent provides feedback regarding one or two services, the Q1 2019 QPCS number of responses:
  - N = 1,625 for consumers, and
  - N = 1,473 for businesses
- All scores reported in this document are out of 10, with the exception of the Customer Satisfaction Index which is out of 100.

In scope services

Industry
- Agricultural Advice and Funding Services
- Business Advisory Services
- Water Supply
- TAFE Services

Justice
- Police
- State Emergency Services
- Prisons
- Courts
- Fire Brigades

Family & Community Services
- Public Housing
- Disability Services
- Child Protection Services
- Services for Older People

Transport
- Public Transport
- Car and Boat Registration
- Major Roads

Health
- Public Hospitals
- Ambulance Services

Education
- Public Schools

Finance, Services & Innovation
- Consumer Affairs (Fair Trading)

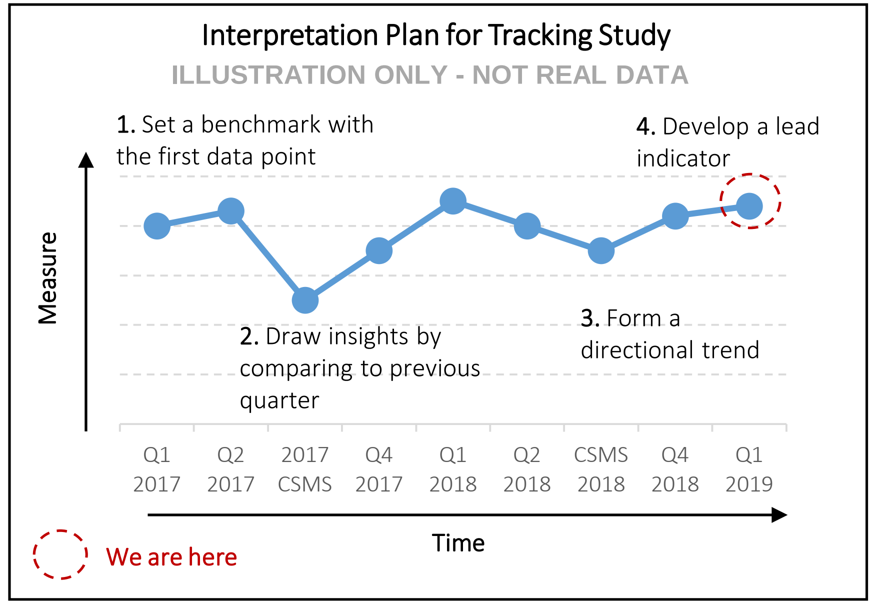
Planning & Environment
- Environment and Wildlife Protection
- Art Galleries and Museums

Multiple clusters
- Documentation Services (including certificates for births deaths and marriages; trade licenses and certificates; and drivers licenses)

Appendix B: Background - Key Considerations for Interpreting QPCS Insights

General Considerations:

- The QPCS results do not replace the Annual CSMS results, but rather provide a directional indication of the shift in the results.
- Although the QPCS sample characteristics are closely representative of the NSW population, different customers have been surveyed and as such the results are directional indicators of shifts in the Annual CSMS results only.
- The margin of error (MoE) for the QPCS needs to be considered when interpreting the results.



Considerations for interpreting the QPCS data points:

- The QPCS results need to be interpreted in the context of the time of the year and in light of events in order to normalise seasonal trends in the data. Therefore, overall caution should be taken when interpreting the QPCS findings until a minimum of a full year of results has been collected, so that any seasonal impacts can be examined and adjusted accordingly.
- Contextual factors for the following results (Q1 2019) have been considered and include factors such as train delays and strikes, stadium upgrades and light rail construction. Contextual factors will be further explored as part of the analysis of the summary report.
- In the following slides, the results of Q1 2019 QPCS have been compared to the results of Q1, Q2 & Q3 2018 QPCS. Significance testing is based on the comparison to Q1 2018 and Q4 2018 results at 95% confidence level. We have allowed the longitudinal trend analysis for CSMS to QPCS having applied a 95% confidence level to both CSMS and QPCS datasets.
- The Annual CSMS results have been provided as additional context for the QPCS data point and should not be used as a comparison to QPCS results.
- A longitudinal dataset will need to be built over time in order to identify 'real' trends in the QPCS results and to strengthen the reliability and validity of any conclusions drawn.

Appendix C: Overview of Historical Results

Results at a glance	Consumers											
	CSMS 2015	CSMS 2016	Q4 2016	Q1 2017	Q2 2017	CSMS 2017	Q4 2017	Q1 2018	Q2 2018	CSMS 2018	Q4 2018	**Q1 2019**
Satisfaction	7.3	7.5 ⇧	7.4 ⬇	7.6 ⬆	7.6	7.7 ⇧	7.7 ⇧	7.7	7.7	7.6	7.8 ⬆	**7.7**
Expectation	7.7	7.8 ⇧	7.8	7.9 ⬆	7.8	7.9 ⇧	7.8 ⬇	7.9	7.9	7.9	8.0 ⇧	**7.8** ⬇
Ideal Service	6.9	7.2 ⇧	7.2	7.3 ⬆	7.2 ⬇	7.2	7.3	7.2	7.3	7.2	7.3	**7.2**
CSI	76.7	78.7 ⇧	77.8	79.5 ⬆	78.6	79.3 ⇧	80.2 ⇧	79.9	79.6	78.9	79.9	**79.4**

Results at a glance	Businesses											
	CSMS 2015	CSMS 2016	Q4 2016	Q1 2017	Q2 2017	CSMS 2017	Q4 2017	Q1 2018	Q2 2018	CSMS 2018	Q4 2018	**Q1 2019**
Satisfaction	7.2	7.5 ⇧	7.2 ⬇	7.4	7.3	7.5	7.5	7.6	7.8 ⇧	7.4 ⬇	7.9 ⬆⇧	**7.8** ⬇
Expectation	7.6	7.9 ⇧	7.6 ⬇	8.1 ⬆	7.5 ⬇	7.7 ⇩	7.6	7.7 ⇩	8.1 ⬆⇧	7.7 ⬇	8.0 ⬆⇧	**8.0** ⇧
Ideal Service	7.0	7.3 ⇧	7.1	7.4	7.1	7.1 ⇩	7.0	7.2	7.3	7.2	7.4 ⬆⇧	**7.6** ⬆⇧
CSI	76.6	78.4 ⇧	76.1 ⬇	77.6	77.6	78.3	77.8	79.6	79.7 ⇧	78.2 ⬇	81.3 ⬆⇧	**81.2**

Note: CSI is out of 100; all other measures represent scores out of 10

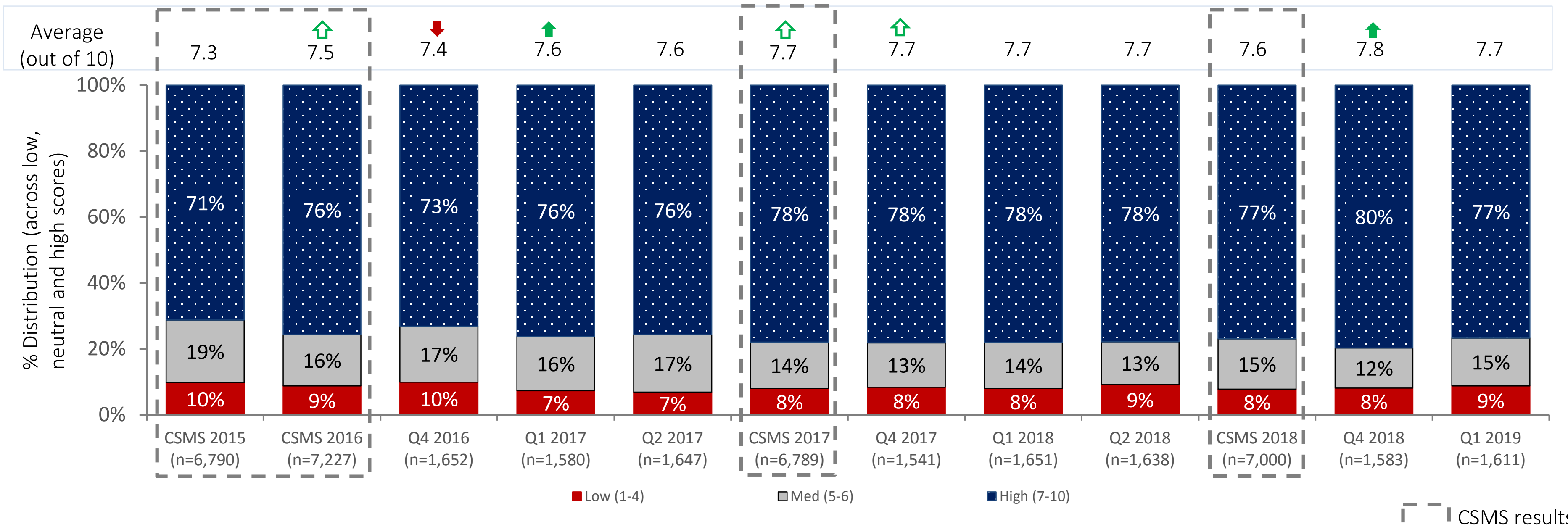
⬆⬇ *Statistically significant movement from previous quarter at 95% confidence level*

⇧⇩ *Statistically significant movement from same quarter previous year at 95% confidence level*

Note: Figures in the graph are subject to rounding

Appendix C: Satisfaction - Consumer

Consumer – Outcome Measures



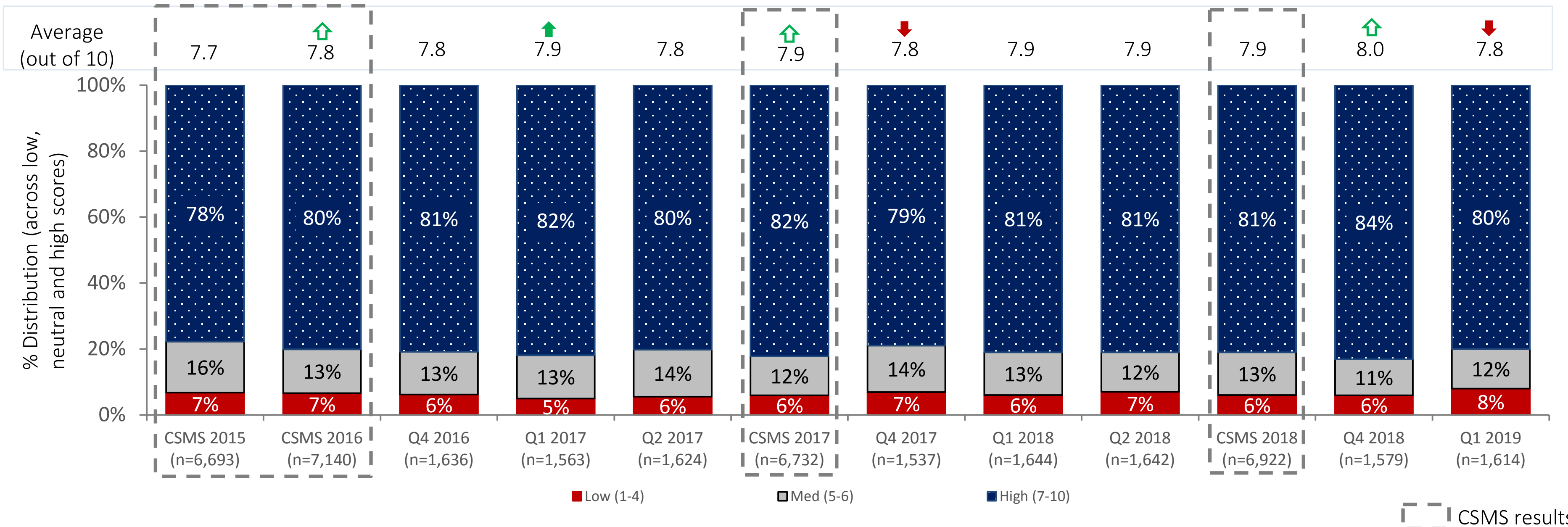
Statistically significant movement from previous quarter at 95% confidence level

Statistically significant movement from same quarter previous year at 95% confidence level

Note: Figures in the graph are subject to rounding

Appendix C: Expectation – Consumer

Consumer – Outcome Measures



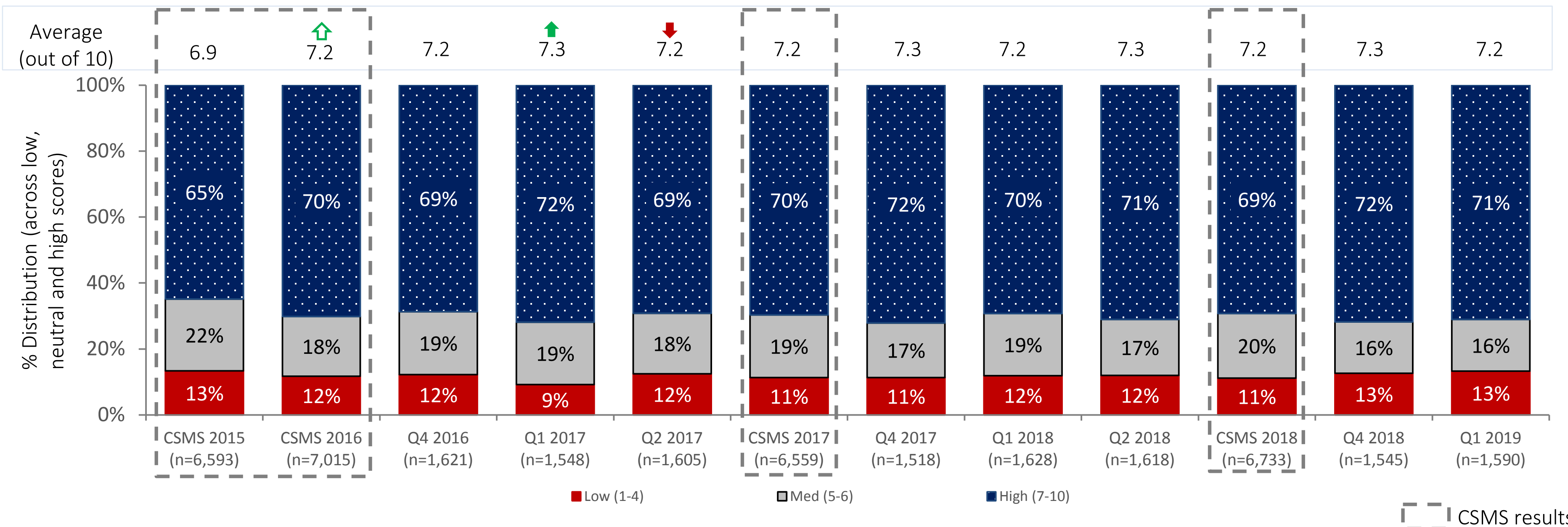
Statistically significant movement from previous quarter at 95% confidence level

Statistically significant movement from same quarter previous year at 95% confidence level

Note: Figures in the graph are subject to rounding

Appendix C: Comparison to Ideal - Consumer

Consumer – Outcome Measures



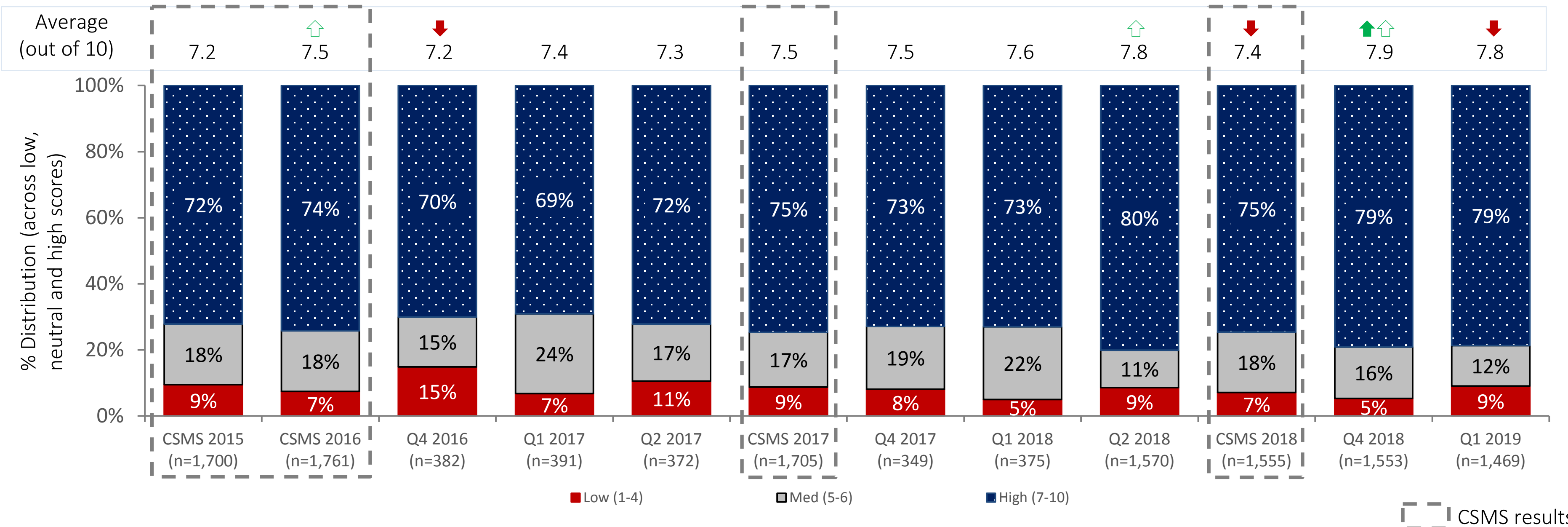
Statistically significant movement from previous quarter at 95% confidence level

Statistically significant movement from same quarter previous year at 95% confidence level

Note: Figures in the graph are subject to rounding

Appendix C: Satisfaction- Business

Business – Outcome Measures



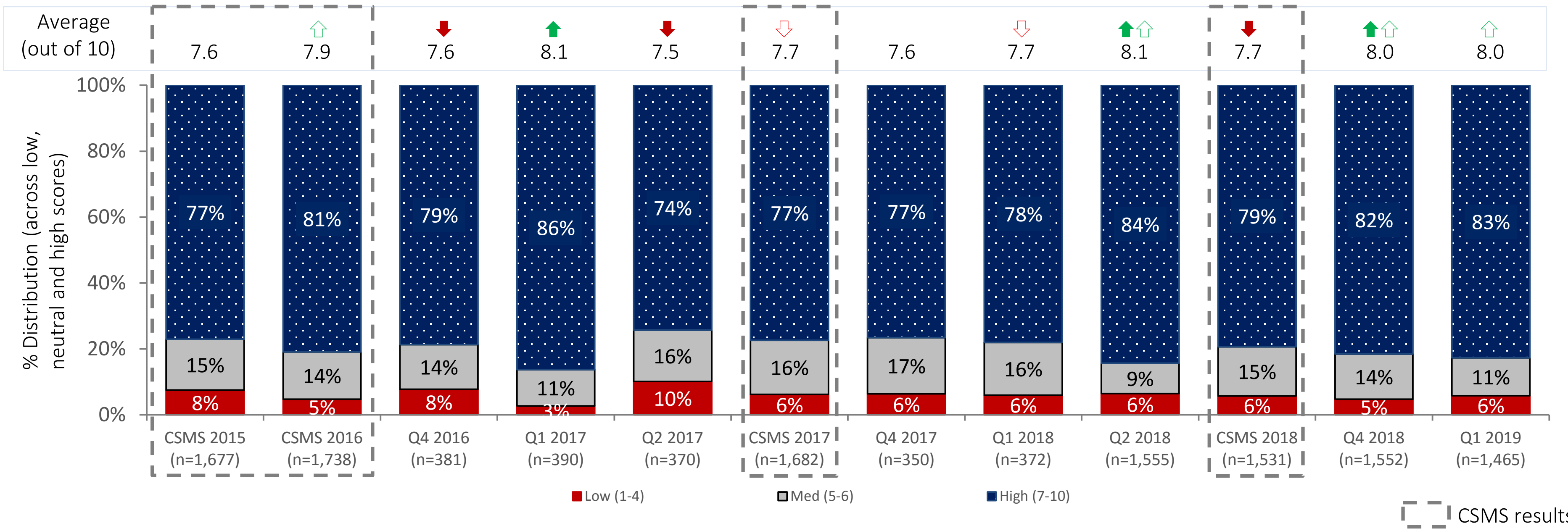
Statistically significant movement from previous quarter at 95% confidence level

Statistically significant movement from same quarter previous year at 95% confidence level

Note: Figures in the graph are subject to rounding

Appendix D: Expectation - Business

Business – Outcome Measures



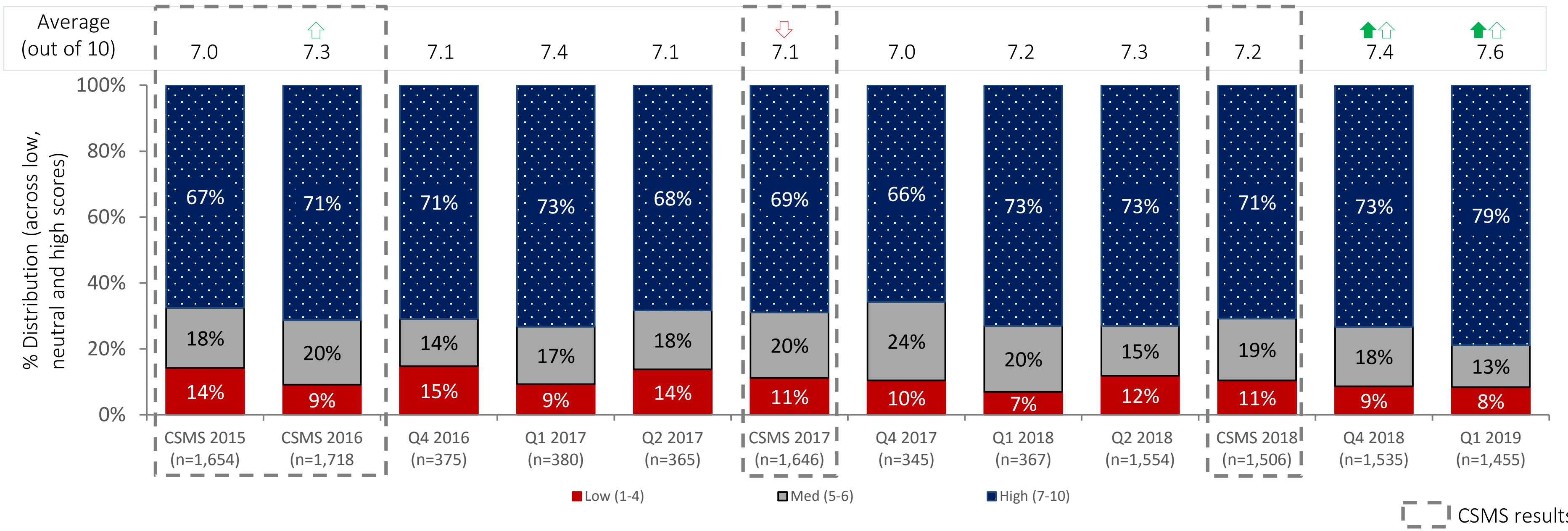
Statistically significant movement from previous quarter at 95% confidence level

Statistically significant movement from same quarter previous year at 95% confidence level

Note: Figures in the graph are subject to rounding

Appendix C: Comparison to Ideal - Business

Business – Outcome Measures



Statistically significant movement from previous quarter at 95% confidence level

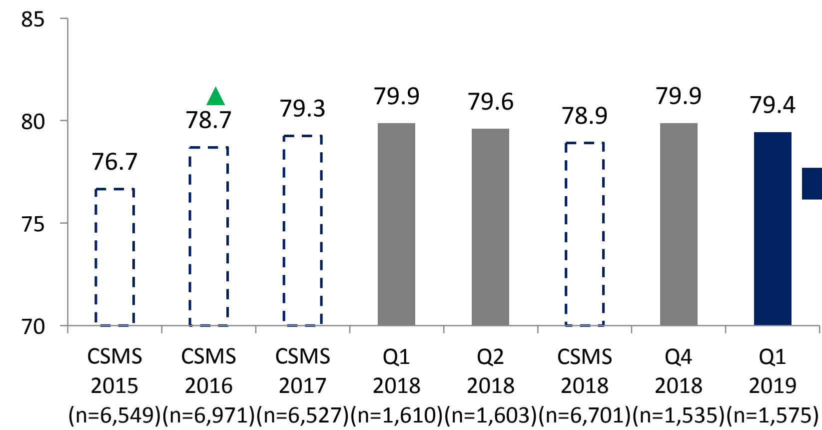
Statistically significant movement from same quarter previous year at 95% confidence level

Note: Figures in the graph are subject to rounding

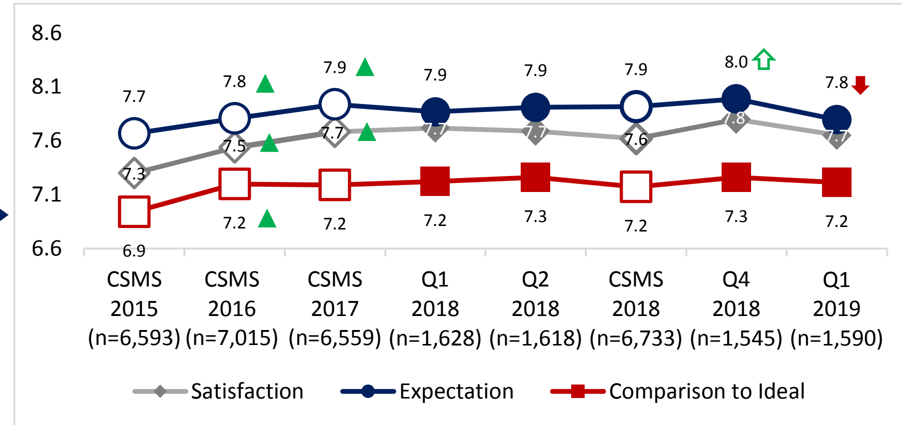
Appendix D: Customer Satisfaction Index Q1 2019 QPCS (CSMS Sig-test at 99% significance level)

Consumers – CSI

Margin of Error (QPCS)
Consumer CSI: ± 1.3

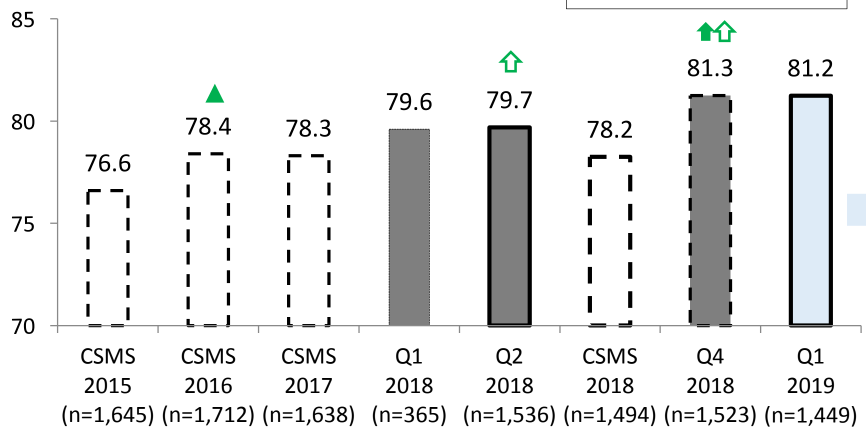


Consumers – Baseline Measures

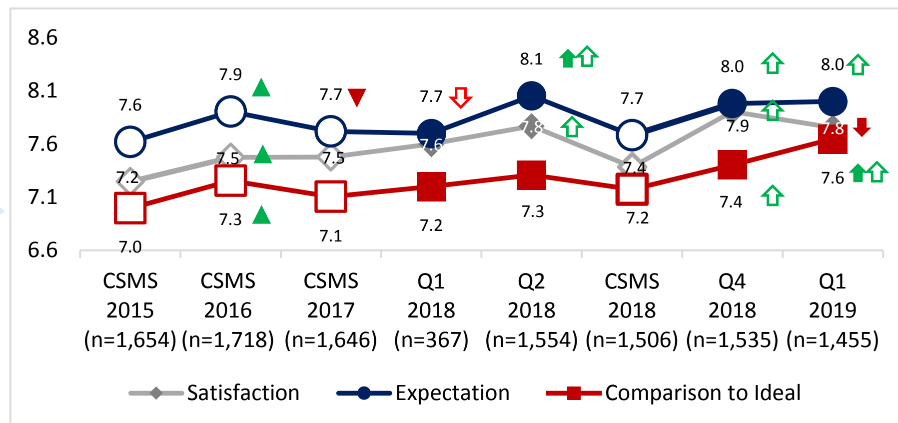


Businesses – CSI

Margin of Error (QPCS)
Business CSI: ± 1.2



Businesses – Baseline Measures



***Note** - Sample size for CSI and Baseline measure may differ on the basis of "Don't Know" option selection*
***Note** – Significance testing between CSMS and QPCS is not possible due to differing confidence intervals*

Statistically significant movement from previous quarter at 95% confidence level
Statistically significant movement from same quarter previous year at 95% confidence level
Statistically significant movement from the previous CSMS year at 99% confidence level

Customer Service Commissioner

Note: Figures in the graph are subject to rounding

NSW GOVERNMENT

Customer Service Commissioner

NSW GOVERNMENT

Customer Service Commissioner