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What Is Customer Satisfaction Score (CSAT)?

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By [Dom Nicastro](#)



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We explain customer satisfaction (CSAT) scores and what they mean for your business. Learn how to measure and improve these critical CSAT metrics.

The Gist

- **A key CX metric.** *CSAT measures customer satisfaction with a product, service or experience through surveys or feedback forms.*
- **CSAT best practices.** *To effectively measure CSAT, organizations should ensure their surveys are well-designed, ask the right questions and are distributed to the right people.*

Editor's Note: The article has been updated on Nov. 7, 2022, to include new data and information.

In the age of social media, viral reviews and user-generated content, consumer power is at an all-time high. It's time for businesses to leverage customer feedback to improve CX, inspire brand loyalty and increase profitability. And who better to provide input on how to improve your CX than the people who spend money with your company?

Gathering CX metrics like CSAT provides decision-makers with quantitative and qualitative actionable data at key interaction points.

What does CSAT stand for? Customer satisfaction score, a rating of how a customer feels about your company at the moment of purchase, during onboarding or after an exchange with support.

The information you glean from CSAT will help you better meet customer expectations and boost the overall customer experience.

Customer Experience Drives Business

As we say goodbye to 2022 and head into the new year, customer experiences — both physical and digital — are everything. People came to depend upon the new digital avenues that popped up during the pandemic. But they also want in-person and hybrid experiences.

CX is defined as how consumers feel about the way your company treats and interacts with them. Perception of customer experience can influence how likely clients are to recommend your brand or become a loyal customer.

According to a [Verint survey](#), great CX is the most important factor in maintaining customer loyalty, outranking both price and product. Plus, 64% of consumers polled said they've

stopped doing business with a company due to poor customer experience.

The customer satisfaction score is an excellent indicator of customer experience and loyalty. It lets you know how happy customers are with your company, helping you take action to increase retention rates and boost your brand's reputation.

What Is Customer Satisfaction Score (CSAT)?

Customer satisfaction score, or CSAT score, measures how happy a customer is with a product, service, interaction or any other customer experience. This metric is derived from customer satisfaction surveys that ask how satisfied the customer is.



Satisfaction scores are key performance indicators that measure customer satisfaction with a company's products or services. You can deploy a customer satisfaction survey at any point along your customer's journey to gain insight into how happy they are with your brand.

What is the CSAT meaning in terms of numbers? It starts by asking a simple question to measure a client's satisfaction with a service, product, transaction or interaction. The customer chooses a numerical score from one to three, one to five or one to 10.

If you're looking for qualitative data rather than quantitative, you can use verbal indicators, such as very unsatisfied, unsatisfied, neutral, satisfied and very satisfied. You can also go with international symbols like smiley faces or stars.

Whether you use numbers, words or symbols, the scoring process is the same.

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How to Calculate a Customer Satisfaction Score

CSAT scores are easy to calculate. All you have to do is add the positive responses together, divide them by the total number of responses and times it by one hundred. The final figure represents the percentage of customers who are satisfied with their brand experience.

Most people agree that four out of five and five out of five stars represent a positive outcome. Say 50 customers rate your company a five and 30 give a rating of four. The total number of positive responses is 80.

If 100 people took the CSAT survey, you'd divide the total number of positive responses by the total number of customers surveyed, giving you 0.8. Multiply this by 100 to get a final percentage of satisfied customers vs. unsatisfied customers. In this case, it's 80%, which is a great score.

The equation would look like this:

$$(80 \div 100) \times 100 = 80\%$$

The Benefits of Measuring Customer Satisfaction

Despite its simplicity, many businesses use the score as a key performance indicator (KPI) to measure customer success.

In fact, according to the [CMSWire State of Digital Customer Experience](#) survey, it's the most-used measure of digital CX, with customer retention rate coming in at second place and net promoter score in third.

Plus, more companies are beginning to use CSAT scores to tune into their customers' perceptions. The percentage of organizations reporting using CSAT scores has increased by 8% compared to last year.

Let's dig into the main advantages of using a customer satisfaction survey.

Learn About Your Customers

If your business meets customer expectations most of the time, you're more likely to retain customers.

By gathering feedback at key customer touchpoints, you learn how effectively you're meeting their expectations. Over time, you'll gather data highlighting any pain points or bottlenecks in the customer journey. The insights you gain will also help you understand what your customers want and expect.

You might learn that your customers value:

- A robust and easy-to-find privacy policy that focuses on transparency

- Regular communication about product deals and new offerings via email
- Educational content that focuses on understanding the product or industry space
- A community forum where they can connect with other customers

Related Article: [4 New Ways to Use Customer Satisfaction Results](#)

Advertise Your CSAT Score

Another benefit to using CSAT scores is that you can publish great results to set yourself apart from competitors in your market. Have a great score that's higher than the industry average? Have you listened to customer feedback and improved your score over the past year or two? Tell people about it.

If you share scores alongside first response times, you'll assure potential customers that post-purchase customer care is fast and high-quality.

Improve Customer Loyalty and Experience

A CSAT score isn't there to make you feel bad about your brand or discipline your team. The point of gathering feedback is to make tangible improvements to your business that affect your customers. While your vision drives the company, customers are the only people who can tell you if they're satisfied with it or not.

It's easy to get caught up in your own standards and expectations. But ultimately, your customers are the ones spending money and are best placed to see issues you might be blind to.

As Nate Masterson, CEO of [Maple Holistics](#), said, "Vendors or service providers often have a predetermined definition of what a satisfied customer looks like. The cost of having your own standards can be detrimental to your business because you can't account for the problems you're blind to. It's obviously important to have standards, but you should be more concerned with your customers' expectations."

Reduce Customer Churn

It's a fact you've probably heard time and again: acquiring new customers is more expensive than retaining the ones you already have. To be more specific, it's five to 25 times more expensive to attract new customers than hold onto existing ones, [according to Harvard Business Review](#).

But when you have hundreds, thousands or millions of customers, it can be hard to determine who's unhappy and why. A customer satisfaction survey helps you identify unhappy customers before they churn, at key points of the customer lifecycle. This provides a unique opportunity to make amendments before losing that customer forever.

If you're able to turn an unhappy customer into a satisfied customer, there are a lot of benefits involved. [Research from Bain & Company](#) shows that increasing retention rates by just 5% can boost profits by 25% to 95%.

Related Article: [How to Optimize Customer Acquisition and Retention](#)

Inspire Loyalty

Customer loyalty describes when a consumer is inclined to do repeat business with your company. And one big driver of loyalty? Customer experience. Brands that can deliver exceptional experiences can ensure that customers keep coming back.

The CSAT score will tell you how your brand is faring in terms of delivering these great experiences. Other metrics you can use to measure levels of customer engagement and retention — significant factors in loyalty — are average order value and [customer lifetime value](#).

What Is a Good CSAT Score?

Expectations vary across industries, but a good score usually falls between 75% and 85%. A score of 75% represents four in five customers giving you a positive score as opposed to neutral or negative.

Let's take a look at the expected CSAT scores by industry, using data from the [American Customer Satisfaction Index](#):

- **Full-service restaurants:** 80
- **Fast food restaurants:** 76
- **Supermarkets:** 76
- **General merchandise retailers:** 75
- **Computer software:** 78
- **Internet retail:** 77
- **Specialty retail stores:** 77

When to Deploy Surveys

There are tons of interaction points for customers, and it's important to measure customer success at the most useful points. Once you've established a clear customer lifecycle, these touchpoints are a good place to deploy CSAT survey questions.

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An alternative method is to capture the entire customer service experience instead of single interactions. Joseph Ansanelli, co-founder and CEO of [Gladly](#), highlighted the importance of taking a holistic approach to customer experience.

With CX involving numerous interactions across multiple channels, he said, "Surveying a customer after one of these can lead to false results. This is especially true if the issue they called about hasn't yet been resolved. Triggering the survey once the entire conversation has been closed is a much more effective way to gauge true customer sentiment."

What Can You Measure With Survey Scores?

Surveys offer a simple way to measure customer experience across various service areas.

You can create a survey that asks customers questions upon the completion of customer support cases, focusing on:

- Knowledge and expertise
- Understanding of the issue
- Communication
- Professionalism
- Responsiveness
- Effectiveness of resolution

- Timely resolution

AI, CSAT and Customer Experience

Brian Slepko, executive vice president of global service delivery for [Rimini Street](#), has leveraged artificial intelligence (AI) to generate CSAT scores. Automated CSAT surveys provide better support to internal teams on the front lines with clients and reduce pressure on the workforce.

"With our AI components, each with a specific function as it relates to customer service, we are now able to solve support issues more quickly, which in turn drives customer satisfaction," he noted.

The use of AI has changed their approach to problem-solving for clients. Now, CX teams can use this information to proactively solve problems, according to Slepko.

"We still reach out to every client with a lower than average score to understand what happened and of course correct as needed. But our ideal state is to correct any systematic problems before they actually happen in the first place."

One way brands can reach out to unsatisfied customers is through email. Ask the customer what would have made their experience better. Would they like improved resources, educational content or quicker follow-up contact after a purchase? Perhaps they want the option of a free trial for your service to try before they buy.

Read through each response you receive carefully to determine where you can make improvements and come up with solutions.

Related Article: [The Most Important Components of the Customer Experience](#)

A Long- and Short-Term Key Performance Indicator

According to Slepko, a client satisfaction survey is the "bedrock of how we measure our effectiveness as a support provider." The score vectors remain consistent, giving employees a cumulative view on service delivery and allowing them to compare and contrast over time.

"If there are changes to our scores, this flags some external factor that needs to be investigated more closely," Slepko said. "It also keeps us focused on maintaining our very high scores."

Slepko explained that the average score is consistently 4.8–4.9 out of 5.0 points. 5.0 is “excellent” and is based on approximately 33,000 cases closed a year.

Measure CSAT in Real-Time

CSAT is the ultimate test of performance, according to Ansanelli. Are you delivering a customer experience that keeps buyers coming back?

"Positive feedback can be motivating and negative feedback provides an important opportunity to improve," he added.

When feedback is batched and shared with agents weekly, its effectiveness is limited. Ansanelli said, "We're seeing companies integrate feedback into the service experience. This lets advisors see the results of their interaction with a customer in real-time, and use that to inform future conversations."

He noted that this also helps agents who engage with the same customer in the future to know where they're starting. "If the last survey yielded a low-star rating, they can start the

conversation by acknowledging it." This proactive, honest approach drives customer loyalty and boosts your brand's reputation.

CX Metrics: CSAT vs. Customer Effort Score vs. Net Promoter Score

Now that you know what the customer satisfaction score is, you can compare it against other KPIs. Below are breakdowns of the other two most popular customer satisfaction metrics used in business.

NPS

The **net promoter score** (NPS) is best described as a growth indicator because it measures how likely a customer is to recommend your brand. Like CSAT surveys, they're short and best deployed at key touchpoints in the customer lifecycle. Scores are usually on a scale of one to 10, with the following points system:

- **0–6: Detractors:** Customers at risk of churning or posting negative reviews.
- **7–8: Passive:** These people like your brand but don't love it.
- **8–10: Promoters:** These clients adore your brand and are highly likely to recommend it.

To work out the score, subtract the percentage of detractors from that of the promoters. You can also deploy NPS software or use an NPS calculator to make it easier.

CES

The **customer effort score** (CES) measures consumer satisfaction levels by quantifying how easy customers find it to interact with your brand. They're normally deployed directly after an interaction with customer support, immediately after purchase or subscription or at quarterly intervals.

A CES survey asks a single, simple question to measure how easy or hard it was to perform an action. Consumers choose from multiple choice answers, ranging from very difficult to very easy. If there are lots of negative answers, you should focus on making it easier for customers to interact with your company.

Related Article: [How Do You Make Customer Effort Score Data Actionable?](#)

Which Customer Satisfaction KPI Is Best?

Of all the customer satisfaction score metrics listed above, which is the best for your business?

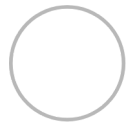
CSAT offers helpful information about key areas of your business, CES helps you measure ease of use and NPS offers deep insight. To get the best results, experiment with using all three CX metrics and see which delivers the best results across different situations.

CSAT and Customer Experience Matter More Than Ever

Now that you know the CSAT score meaning, how to deploy satisfaction surveys, what good and bad scores indicate and what to do about unsatisfied customers, you can start coming up with a strategy to implement CSAT into your brand's metrics.

Ultimately, aim to center your focus on the customers and how you can improve their experiences.

About the Author



Dom Nicastro is managing editor of CMSWire and an award-winning journalist with a passion for technology, customer experience and marketing. With more than 20 years of experience, he has written for various publications, like the Gloucester Daily Times and Boston Magazine. He has a proven track record of delivering high-quality, informative, and engaging content to his readers. Dom works tirelessly to stay up-to-date with the latest trends in the industry to provide readers with accurate, trustworthy information to help them make informed decisions. Connect with Dom Nicastro:

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