Key Drivers Analysis

There are probably many things you would like to improve about your organization. Since it is unlikely that you are going to get the resources to address them all, the challenge to you as a manager is to use your limited resources where they will do the most good. So how do you know where they will do the most good? Where can you "get the most bang for your buck?" One way to determine that is via a key driver analysis.

A key driver analysis, sometimes known as an importance - performance analysis, is a study of the relationships among many factors to identify the most important ones. A key driver analysis can be used in many applications. One of the most common, and a good example for us to use, is in the area of customer satisfaction and loyalty.

For example: There are many metrics you can measure about agent performance in a call center that may have some bearing on customer satisfaction. Some of these include

- Agent technical knowledge
- Agent courtesy and friendliness
- speed with which the call was answered
- number of calls required to get a problem solved
- Agent's language skill
- Agent's patience

You can conduct a customer satisfaction survey and ask your customers how they felt about each of these qualities of the agent with whom they dealt. At the same time, you ask them how satisfied they were with the experience

Importance Performance Maps

The beauty of a key driver analysis is that it can help you understand what your customers feel is important to them having a good experience with your call center. By doing an analysis of their answers and correlating their satisfaction level answer to their rating of each agent performance metric you can derive which factors have the greatest impact on the customer's perceived level of satisfaction.

Key Drivers algorithm classifies the aspects measured in the survey into four categories

- Not important but highly rated
- Not important and poorly rated
- Important and highly rated
- Important and poorly rated

You can then plot this data in a scatter diagram called a key driver chart or an importance performance map.

Key Driver Chart

A key driver chart plots the results of a key driver analysis in a graphical format that can be quickly read and easily understood. Each agent metric from above is plotted on the graph by its **importance** to the customers' satisfaction (on the x-axis) and your **performance** in that area on the y-axis.

Key Drivers – Channel Group Inc.

This generates four quadrants. The most important is the lower right quadrant. The items plotted here have high importance to your customers, but your performance in those areas is low. These are the areas where your action will have the biggest impact and generate the greatest improvement in customer satisfaction for the effort expended.

How does Key Drivers algorithm work?

1. It computes the means of the scores of the items: high mean values indicate a good performance rating; a low mean values indicate a poor rating.

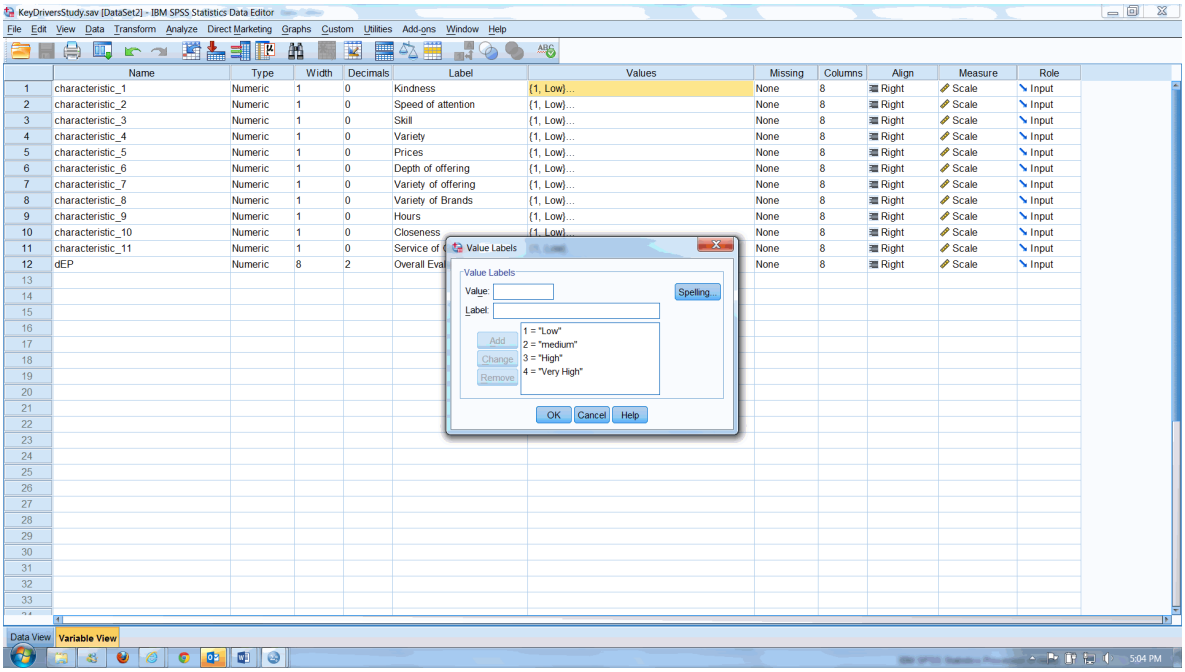
2. It runs a Regression (*) taking the scores of the items as the independent variables, and the score of the general level of your service as the dependent variable. The values of 'betas' indicate how important the items are.

3. It computes the Z-scores among the means of the scores of the items and among the betas from the Regression:
   - a positive mean Z-score for one item indicates that this item received a higher evaluation than the average
   - a negative mean Z-score for one item indicates that this item received a lower evaluation than the average
   - a positive beta Z-score indicates that this item is more important than the average
   - a negative beta Z-score indicates that this item is less important than the average

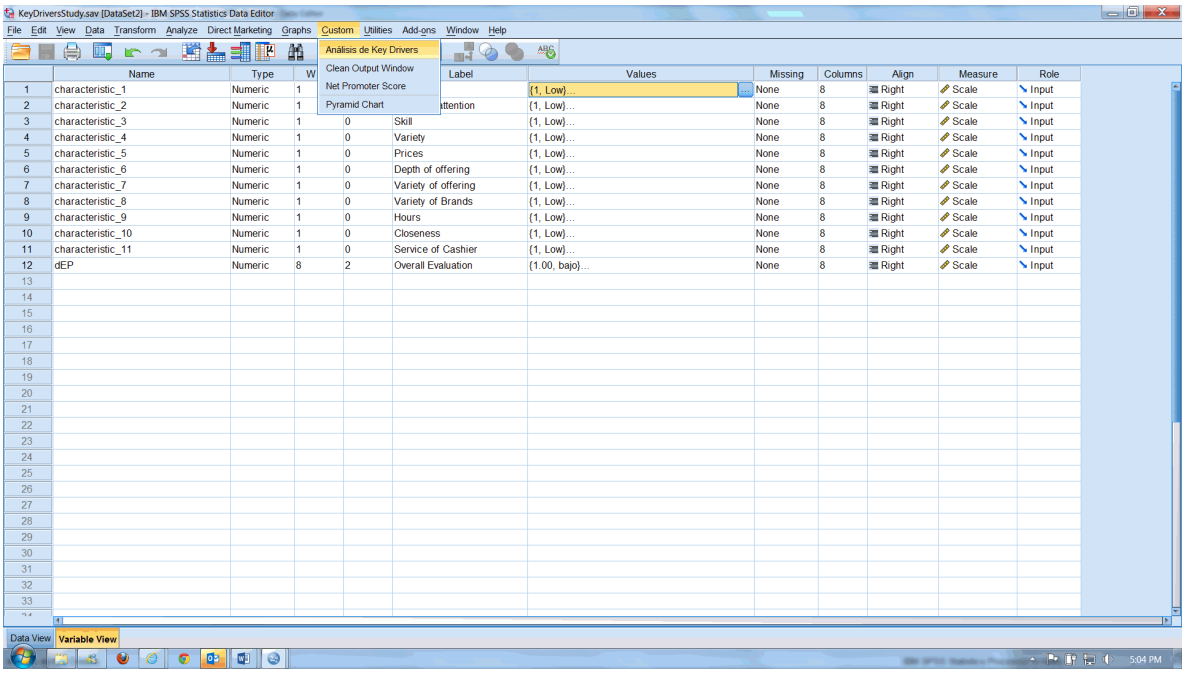
4. Finally, it draws a scatter plot with both the mean Z-score and the beta Z-score

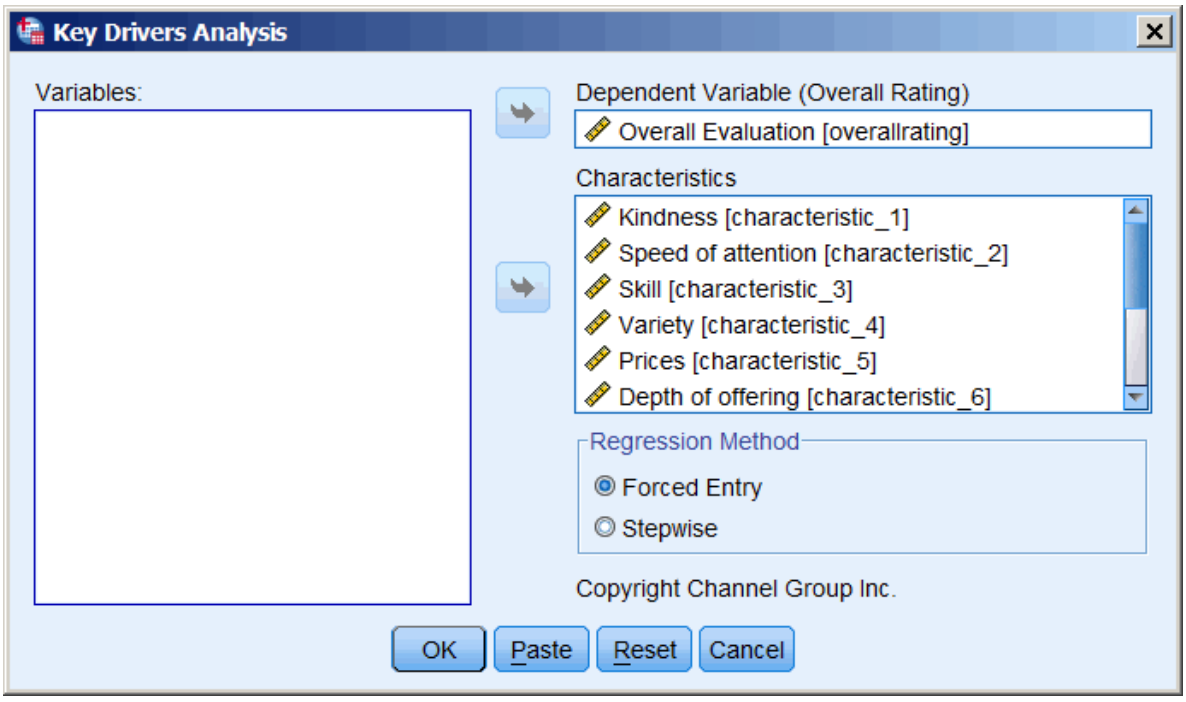
(*) The regression can be executed introducing all the independent variables or using a forward method. With the forward method, the scatter plot only shows the variables with the highest level of significance.

Here is a sample data set asking customers their opinions on 11 characteristics.



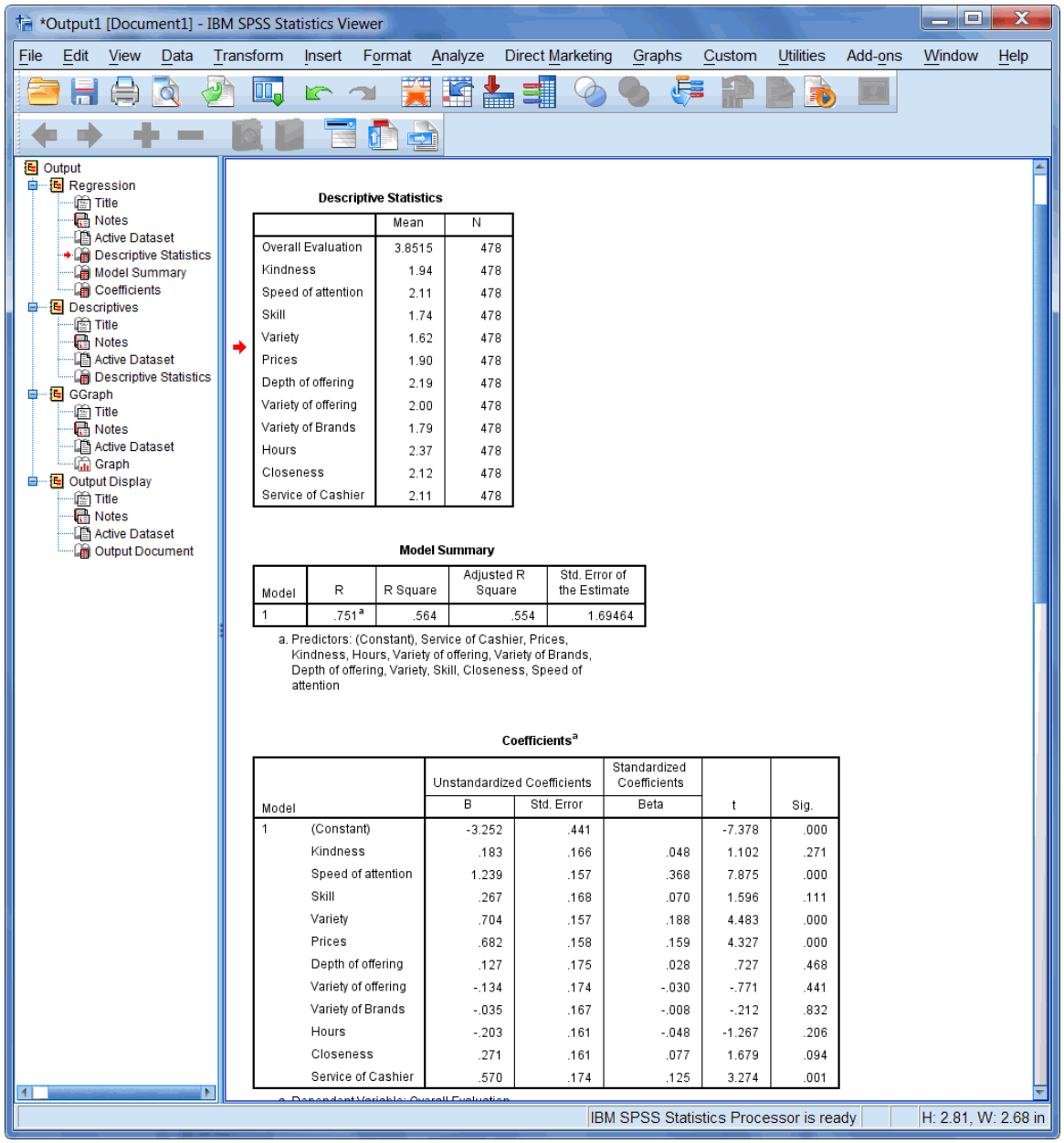
The custom Key Drivers menu (from Channel Group Inc.) has been installed in SPSS and will now appear to the SPSS end-user as (just) another procedure within SPSS.





(*) The regression can be executed introducing all the independent variables or using a forward selection method. With the forward selection method, the scatter plot only shows the variables with the highest level of significance.

This is traditional output/results from the Regression Procedure. We are now going to interpret those results and 'translate' them into "english' (or any other language) so they can be easily interpreted by the end-user (and their internal clients).



Descriptive Statistics

	Mean	N
Overall Evaluation	3.8515	478
Kindness	1.94	478
Speed of attention	2.11	478
Skill	1.74	478
Variety	1.62	478
Prices	1.90	478
Depth of offering	2.19	478
Variety of offering	2.00	478
Variety of Brands	1.79	478
Hours	2.37	478
Closeness	2.12	478
Service of Cashier	2.11	478

Model Summary

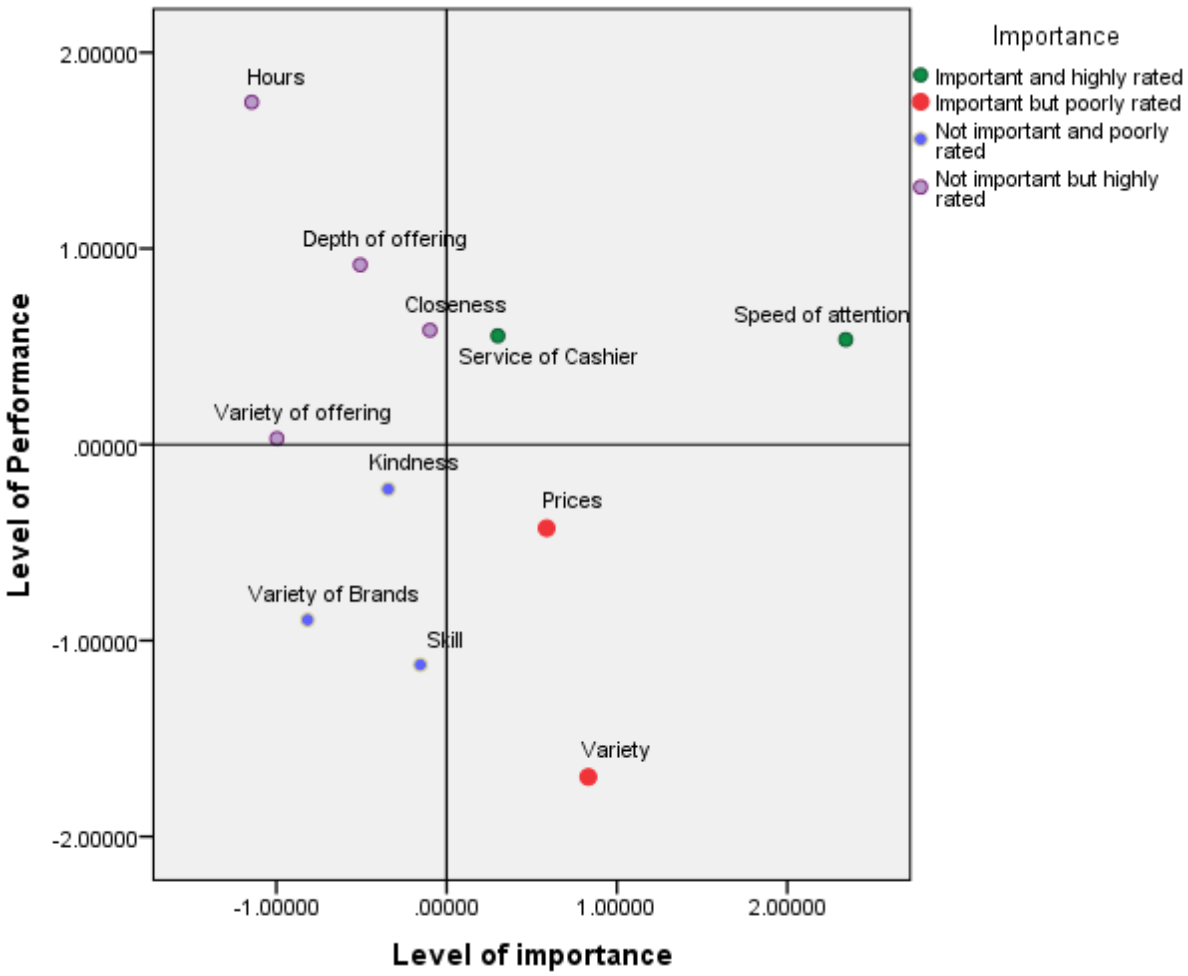
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.751[a]	.564	.554	1.69464

a. Predictors: (Constant), Service of Cashier, Prices, Kindness, Hours, Variety of offering, Variety of Brands, Depth of offering, Variety, Skill, Closeness, Speed of attention

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-3.252	.441		-7.378	.000
	Kindness	.183	.166	.048	1.102	.271
	Speed of attention	1.239	.157	.368	7.875	.000
	Skill	.267	.168	.070	1.596	.111
	Variety	.704	.157	.188	4.483	.000
	Prices	.682	.158	.159	4.327	.000
	Depth of offering	.127	.175	.028	.727	.468
	Variety of offering	-.134	.174	-.030	-.771	.441
	Variety of Brands	-.035	.167	-.008	-.212	.832
	Hours	-.203	.161	-.048	-1.267	.206
	Closeness	.271	.161	.077	1.679	.094
	Service of Cashier	.570	.174	.125	3.274	.001

First, we produce a custom chart that should make things easier to understand.



And then we help them interpret the chart, just in case.

Characteristics by Category sorted in descending order of perfromance rating

Importance	Mean	Variable3
Important and highly rated		
	2.1109	Service of Cashier
	2.1067	Speed of attention
Important but poorly rated		
	1.8954	Prices
	1.6172	Variety
Not important and poorly rated		
	1.9393	Kindness
	1.7929	Variety of Brands
	1.7427	Skill
Not important but highly rated		
	2.3724	Hours
	2.1904	Depth of offering
	2.1172	Closeness
	1.9958	Variety of offering

And we do the same, again.

All characteristics sorted in descending order of performance rating

Variable3	Mean	Importance
Hours	2.3724	Not important but highly rated
Depth of offering	2.1904	Not important but highly rated
Closeness	2.1172	Not important but highly rated
Service of Cashier	2.1109	Important and highly rated
Speed of attention	2.1067	Important and highly rated
Variety of offering	1.9958	Not important but highly rated
Kindness	1.9393	Not important and poorly rated
Prices	1.8954	Important but poorly rated
Variety of Brands	1.7929	Not important and poorly rated
Skill	1.7427	Not important and poorly rated
Variety	1.6172	Important but poorly rated

The Key Drivers tool has added custom functionality to SPSS, allowing you to easily perform a Key Drivers analysis, a technique that is not in SPSS.