

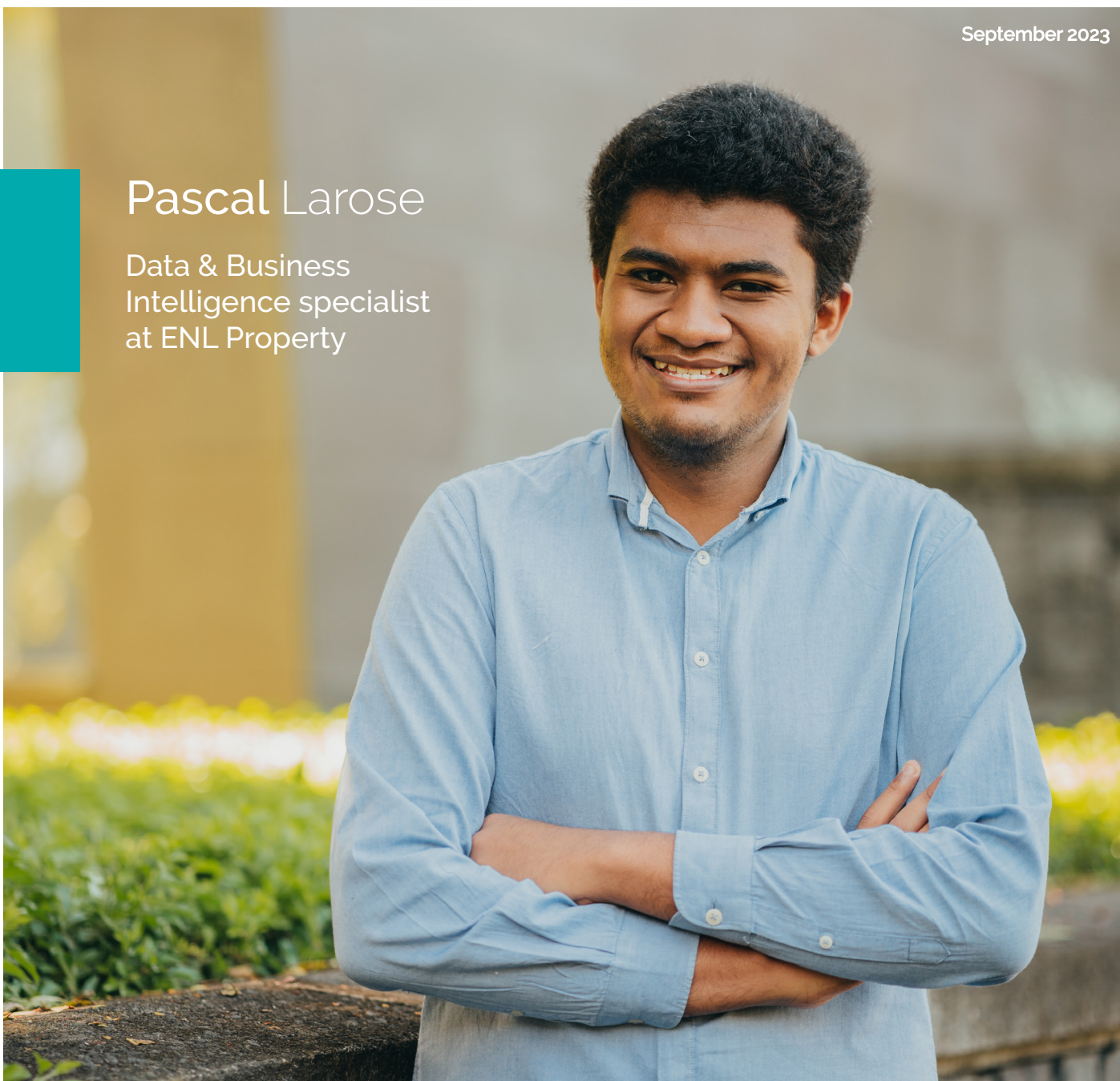
CUSTOMER EXPERIENCE RESEARCH (CX) : A PRIORITY FOR COMMERCIAL REAL ESTATE



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Pascal Larose is a Business Intelligence and Data Specialist at ENL Property. Originally from Rodrigues, he pursued his studies in Economics, Econometrics and Statistics in the UK and the Netherlands.

Pascal is passionate about the application of analytics and location intelligence to problem-solving in real estate. He is committed to promoting data-driven decision making at Oficea the leading office developer in Moka Smart City and a pioneer in the application of real estate analytics in Mauritius.

In the ever-changing world of office space provision and the challenges that remote working poses, understanding, and responding to tenants' preferences, both at the management and employee levels, has taken center stage.

This paper delves into the rationale and mechanics behind customer experience research in commercial real estate (office spaces). It explores the different facets of feedback gathering and outlines key satisfaction metrics such as the Customer Satisfaction Score (CSAT), Customer Satisfaction Index (CSI), and Net Promoter Score (NPS). It then emphasizes the role of these metrics in enhancing the tenant experience and attracting potential clients. Finally, it provides an overview of our Customer Experience Research (CX) and use of actionable insights at Oficea.

THE POWER OF TENANT INFORMATION

Strategic decision-making: Tenant satisfaction metrics empower landlords to make informed decisions, allocate resources effectively, and continually enhance services based on real-time feedback.

Tailored offerings: By delving into tenants' demographics (age, residence, job status), preferences, and habits, office space providers can curate personalized amenities and services that resonate with individual needs, fostering a strong sense of loyalty and satisfaction. Insights into transportation preferences and dietary choices may help refine the provision of bus shuttles, parking options, and on-site dining.

Referral and loyalty: A satisfied tenant is more likely to refer others to the same office space, creating a positive feedback loop that enhances the reputation and attractiveness of the space. Furthermore, a loyal tenant base can significantly reduce churn rates and contribute to long-term success.

Talent magnet: A reputation for tenant satisfaction enhances the appeal of the office space to potential employees, fostering a positive workplace culture and contributing to employee recruitment and retention.

Attracting new clients: Positive feedback and high satisfaction rates from existing tenants can serve as powerful endorsements, enticing other companies to consider relocating to the same office space.

Tenant selection and collection:

In the case of retail, regular surveys can help a space provider:

- Profile and gauge popular demand
- Select potential tenants based on demand – e.g., choosing a restaurant operator or a bank ATM within a business park
- Assess the performance and perception of current retailers and provide feedback to their management

Public Accountability: Increasingly, reporting on tenant satisfaction metrics is becoming increasingly mandatory for public accounts. Office space providers are expected to transparently communicate their commitment to tenant well-being and continuously strive to improve their services.

HOW TO COLLECT FEEDBACK FROM TENANTS

Regular surveys via:

- Cloud-based satisfaction questionnaires with quantitative (ratings) and open feedback – Microsoft Forms, Google Forms, Qualtrics on a regular basis
 - Sent via Mailer
 - Prompts from Website
 - Prompts from Mobile Apps
 - Face-to-Face
 - QR code
- Face-to-Face Interviews by & interaction of tenants with the Sales and Customer Service Teams
- Private mandated research via research agencies such as Nielsen, Gartner, Kantar, Ipsos and JLL for example

THE ROLE OF SATISFACTION METRICS

Customer Satisfaction Score (CSAT)

CSAT measures the satisfaction level of a particular product or brand.

It is obtained by asking a simple question:

"How satisfied are you with your office space?"

The CSAT question can be presented on the following scale:

- Numeric - 1 to 3, 1 to 5, or 1 to 10
- Textual - Very dissatisfied to Very satisfied
- Smileys, stars, and other symbols

CSAT SCORE
(weighted average)



How to Calculate the CSAT:

Option 1: As a percentage

Customer Satisfaction Score

$$\text{CSAT} = \left(\frac{\text{Satisfied Customers}}{\text{Total Customers Asked}} \right)$$

Option 2: On a scale 0-10

CSAT =
Sum of ratings (answers) / Number of respondents

A high CSAT score (8-10) reflects very happy clients, while 1-6 implies room for improvement. However, since it is a holistic question, it does not help identify specific issues.

DECODING METRICS, ACTIONABLE INSIGHTS AND THE WAY FORWARD

Currently, there is not a specific barometer of customer satisfaction in Mauritius undertaken at a national level with public disclosure of satisfaction scores by industry. Globally, on the other hand, there indices such as the American Customer Satisfaction Index (ACSI) and the UK Customer Satisfaction Index (UKCSI) which provide regular snapshots of customer satisfaction per industry, region, and national level.



For example, the American Customer Satisfaction Index is the national cross-industry measure of customer satisfaction in the United States. It was first published in 1994 at the University of Michigan with releases made public since 2010 multiple times a year for different sectors ranging from utilities to insurance to travel and tourism. This is powerful metric for businesses to track their performance and benchmark themselves in terms of perception at industry, regional and national level. Policymakers as well rely on this metric to gauge customer sentiment for example, the ACSI for Full-service restaurants results in 2023 are shown below. Consistently for this business activity in the United States, the benchmark has been around **80%** for the ACSI. Hence a restaurant to be classed as good needs a rating of 80-100 to be perceived as a good restaurant in the US.

Satisfaction Benchmarks by Company - Full-Service Restaurants

Company	2022	2023	% Change
Full-Service Restaurants	80	81	1%
Outback Steakhouse	77	83	8%
Cracker Barrel	78	82	5%
LongHorn Steakhouse (Darden)	80	82	3%
Texas Roadhouse	80	82	3%
All Others	80	81	1%
Olive Garden (Darden)	77	80	4%
Applebee's (Dine Brands)	73	79	8%
Buffalo Wild Wings (Inspire Brands)	74	79	7%
Red Lobster	75	79	5%
The Cheesecake Factory	76	78	3%
Chili's	76	77	1%
Denny's	75	77	3%
Fridays	78	77	-1%
Red Robin	77	77	0%
IHOP (Dine Brands)	73	72	-1%

Full-Service Restaurant Benchmarks - Customer Experience Benchmarks Year-Over-Year Industry Trends

Benchmarks	2022	##
Accuracy of food order	87	88
Quality of mobile app	78	87
Reliability of mobile app (minimal down time, crashes, lags)	85	87
Beverage quality (taste, temperature)	84	86
Courtesy and helpfulness of waitstaff	84	86
Food quality (taste, temperature, freshness of ingredients)	86	86
Restaurant layout and cleanliness	84	85
Website satisfaction	86	85
Variety of food on menu	84	84
Speed with which food order was received at table	82	83
Variety of beverages on menu	83	83

Though informative, metrics can be subject to:

- **Sampling** – ensuring that enough respondents respond.
- **Survey design and bias** – Question ordering, choice of scale, wording could incite upward or downward bias for a respondent.
- **Metric bias** – Numbers on a scale may carry various meanings for different respondents. For example, for NPS, a loyal customer could put 8 thinking it is a good score whilst the NPS methodology would only class him or her as a passive.
- **Choice of weights** – for composite metrics like the CSI, the choice of weights is essentially based on value judgments' – there could be a significant divergence in perception between the assessors and respondents on how each factor is or weights could be engineered to bank on fortes and discard the weaker points of performance.

To supplement, metrics, it is important also to give respondents the chance for open-feedback – For example, through “Do you have any comments?” or “What is your opinion on the new gym on the business park? This usually gives respondents the chance for unfiltered feedback with sometimes solutions to existing problems that the landlord facilities departments may seize on to solve issues. It can also give a more nuanced picture to customers' feedback than metrics. The use of word clouds and sentiment analysis can highlight the recurrence of issues and their nature – either positive or complaints.



ACTIONABLE INSIGHTS

After each survey exercise it is imperative to analyse the results, share actionable insights with the relevant internal decision-makers and operational teams and craft an action plan to respond to the pain points highlighted whilst doubling down on areas where they excel. It is also important to communicate with the tenants on the way forward according to the following tenets:

- *Thank you for your feedback!*
- *We hear your concerns!*
- *This is what we can do to fix the issues in X time frame!*
- *This is what we cannot do!*

Survey exercises should be undertaken on a regular basis followed by actionable responses – Annually or bi-annually to sustain the perception of tenants that they are being heard, remedied and for benchmarking against competitors.

CX RESEARCH AT OFICEA: HOW DO WE TRACK TENANT SATISFACTION?

At Oficea, since 2018, we conduct an **Annual Workplace Survey** to pulse check **tenants** on their **satisfaction**, collect feedback and assess whether improvements made have been well received. Feedback is processed, analysed, and visualized for decision-making and action planning with key stakeholders (Asset Management, Marketing, Commercial and Workspitality Teams). We then communicate elements of the results to our tenants via mailing with our **action plan** and **improvements** to be brought over the coming year.

We consistently achieve positive tenant satisfaction rates with **75-85% satisfaction rates** on aspects such as the working environment, security, and meeting and conference rooms by Oficea Meetings.



SOME EXAMPLES OF ACTION TAKEN BASED ON TENANTS' FEEDBACK:

At Oficea, since 2018, we conduct an Annual Workplace Survey in March of each year to pulse check tenants on their satisfaction, collect feedback and assess whether improvements made have been well received. Feedback is processed, analysed, and visualized for decision-making and action planning with key stakeholders (Asset Management, Marketing, Commercial and Workspitality Teams). We then communicate elements of the results to our tenants via mailing with our action plan and improvements to be brought over the coming year.

- Increased the number of parking slots available
- Introduced food vending machines at 1827 and The Factory
- New restaurant offer, café and new food kiosk
- Introduced new concierge service
- Introduced new gym



CONCLUSION

Satisfaction metrics like CSAT, CSI, and NPS backed by textual analysis of open feedback are now as essential tools to pulse-check tenant sentiment, enhance overall experiences and promote transparency. Beyond compliance, these metrics serve as catalysts for growth, enabling tenants' pain points to be identified and resolved expediently. Customer Experience (CX) Research therefore provides valuable tenant information to Office and Commercial space providers to create ecosystems that attract, satisfy, and retain tenants as well as talent. Concurrently, new areas of collaborations and business development opportunities can emerge from insights gathered from CX research.