



Best Practices for **Customer Satisfaction Research** in the Auto Collision Repair Industry

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Customer loyalty is becoming an increasingly crucial element of business success. However, there are often questions about the best way to collect accurate and actionable satisfaction data. With 20 years of leadership in the collision repair industry, AutocheX, Mitchell International's customer experience management (CEM) group, has identified what we believe are the best practices for conducting satisfaction surveys with collision repair customers. We present the highlights in this series for the benefit of all constituents within the auto claims and collision repair industry.



Linking Cultural Factors to Hispanic Satisfaction Survey Outcomes

BY **JASON BERTELLOTTI**

Vice President, Mitchell Repair Solutions

As the Hispanic population in the U.S. continues to grow tremendously, so too does the level of interest in conducting customer research in Spanish. AutocheX (Mitchell International's voice-of-the-customer performance management unit) responded to this movement and recently began surveying collision repair customers in Spanish. Prior to starting, we researched how cultural factors can impact the survey process. Most of the available information pertained to general market research rather than customer satisfaction surveying, and we discovered that very little has been written about Hispanic research within the auto collision repair industry.

With 20 years of leadership in customer satisfaction research to guide us, AutocheX set out to establish a core understanding of the fundamental issues surrounding Hispanic research in the collision repair industry. To begin, we formulated some hypotheses to help us explore this uncharted topic. When we analyzed the early results from our Spanish and English surveys,¹ we found some rather surprising trends.

We turned to Ricardo López, president of Hispanic Research, Inc., to understand how our results align with established patterns in Hispanic research. Our goal was to gain insight into cultural factors that could explain our findings. Specifically, we wondered if there is something distinctive about the way Latinos perceive the collision repair experience that could affect the survey process and/or the satisfaction outcomes in this segment of the U.S. population.

A leading expert in the field of Hispanic market research, Mr. López gave us his thoughts about the collision repair experience from the Latino perspective. Based on data he has collected over 25 years surveying the U.S. Hispanic population, he helped shed light on the significance of our findings and why some of the results seem to diverge from the norm in Hispanic survey research.



About the Author...

Jason Bertellotti

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Jason Bertellotti is Vice President of Repair Solutions at Mitchell International, overseeing all products and services directed specifically to vehicle collision repair facilities. Mr. Bertellotti joined Mitchell in 2002 as senior product manager with AutocheX, and drove the development and implementation of a new reporting engine, firmly establishing his focus on workflow and information solutions. He holds an MBA from the Marshall School of Business at the University of Southern California and a bachelor's degree from University of California, Los Angeles. He may be reached at Jason.Bertellotti@mitchell.com.

Mitchell International (www.mitchell.com) is a leading provider of information and workflow solutions to the Property & Casualty Insurance Claims and Automotive Collision Repair industries. The company's comprehensive solution portfolio streamlines the entire auto physical damage, bodily injury and workers compensation claims processes. Mitchell enables millions of electronic transactions between more than 30,000 business partners each month to enhance partner productivity, profitability, and customer satisfaction.



AutocheX In general, is there anything about the auto collision experience or the vehicle repair process that could affect the follow-up customer satisfaction survey with Latinos?

Ricardo López The collision experience can be much more traumatic for Latinos than for non-Latinos for several reasons. First, there are lots of issues around insurance. Latinos, particularly new immigrants, often have no auto insurance, or if they do it's typically the bare minimum coverage. And they don't understand the concept of a deductible—they assume 100 percent is covered and may be upset if they need to pay a portion. If they are in an accident that involves injuries, they might also have big worries about health care insurance. Many do not have separate health care coverage, so they rely on the injury coverage on the auto insurance policy. It can be *extremely* stressful if injuries are not covered.

Many Latinos are also very emotionally attached to their cars. They frequently spend extra time and money fixing up their cars with sound systems, spoilers, etc. Their car often reflects who they are, so when their car is damaged it is **very** upsetting. Also, if insurance does not cover the repair of the extra “fixtures” on cars that have been customized, this is also cause for frustration.

Another traumatic aspect is dealing with police if they have been called to an accident scene. There may be immigration status problems, racial or discrimination issues, as well as a language barrier that prevents them from understanding exactly what is being said or what they need to do.

AutocheX Based on our research, we expected that Spanish-dominant respondents might give mostly high scores, but the customer satisfaction scores from our Spanish surveys are consistently lower than the English surveys. Why would that be?

Ricardo López The entire experience is very complex and many factors may contribute to lower scores. When all the issues that I mentioned are considered together, Latinos may simply recall the **whole** experience as being a **bad** experience, and that is what comes out when they take the satisfaction survey. It can be difficult to separate the body shop repair from the overall trauma of the collision experience.

Latinos might also perceive the repair as less satisfactory if there was a language barrier with the body shop. If they didn't understand something about the repair process, that could sour the experience. Latinos have a tendency in surveys to tell you what they think you want to hear. So, if they believe you **want** to hear about their problems, they will give you their honest opinion—even if it is a negative response—to be helpful.

AutocheX Latinos are often unfamiliar with survey research and opinion polls, so we expected that they would be less willing to take our telephone survey. But the cooperation rate for our Spanish surveys was significantly higher than the English surveys. Is this typical?

Ricardo López This totally makes sense because the collision experience is very emotional, so they have a lot to say. Latinos actually enjoy being targeted for their opinion, especially if the survey is offered to them in their own language. They appreciate the effort. Also, Latinos don't get called often, so to be surveyed for their opinion really carries some weight. We



always recommend mentioning the name of the company sponsoring the survey, especially if it is a “big name” like a major insurance carrier. Not only are Latinos more likely to take the phone call, but they are also more likely to complete the survey once they say yes to participating.

AutocheX Does willingness to answer the phone in itself indicate a certain level of acculturation? Due to a possible language barrier, it seems like Spanish-dominant Latinos would be hesitant to answer the phone, especially if they have caller ID and don't recognize the caller.

Ricardo López My sense is that Latinos are **more** likely to answer the phone. This may seem old fashioned, but they are not used to screening calls so when the phone rings, they answer it.

AutocheX Is age a significant factor in the level of acculturation of the Hispanic population? Our phone agents tell us that most of our Spanish respondents are older (possibly because younger people have learned English and are more acculturated). Does this fit the “normal” pattern for the Hispanic population in the U.S.?

Ricardo López Actually, most new immigrants are young and speak only Spanish. They usually have just the bare minimum insurance coverage. Depending on how the insurance company is targeting the Hispanic market, it could be that older Latinos are more likely to use a major insurance carrier, and so they are more likely to take your satisfaction survey.

AutocheX We were surprised to find that Spanish-speaking respondents were consistently more likely to answer the rating scale survey questions (i.e. “on a scale of 1 to 10”) than yes/no questions.

Ricardo López The main problem Latinos have with yes/no questions is that there is no opportunity for interpretation or storytelling. Yes/no is too definite. They might not be 100% sure one way or the other, but if their opinion is not definitely a “yes,” then a “no” is too negative. They would rather not answer than commit to yes or no. Rating scales can be problematic, too, especially for new immigrants. It's vital to make sure the scales are explained carefully and that respondents know they can select numbers in between 1 and 10.

The immense growth in population and buying power of the U.S. Hispanic community ensure that Latinos will continue to have a significant impact on all industries, including collision repair and auto insurance. According to the Pew Hispanic Center, “From April 1, 2000 to July 1, 2007, the Hispanic population increased by 10.2 million to 45.5 million, a growth of 29 percent. During this same period, the much larger non-Hispanic population of the U.S. grew by 10 million, a growth of just 4 percent.”² This population growth corresponds with a growth in Hispanic purchasing power: from \$490 billion in 2000 to \$951 billion in 2008, and to almost \$1.4 trillion projected in 2013.³

Considering these facts alone, the need to understand the collision repair experience from the Latino perspective and the cultural factors that may affect their level of satisfaction is very clear. Mitchell and AutocheX are focused on the issues surrounding Hispanic research and will continue to implement strategies and services that address this growing segment of the population.



For additional information and resources about Hispanic survey research, visit the Hispanic Research, Inc. at <http://www.hispanicresearch.com>.

Notes

1. The analysis was based on Spanish telephone surveys conducted in the first six months of 2009. Results were compared to English surveys conducted with customers of the same collision facilities during the same time period.
2. "Latino Settlement in the New Century," Richard Fry; Pew Hispanic Center: <http://pewhispanic.org/files/reports/96.pdf>.
3. "The Multicultural Economy 2008," Jeffrey M. Humphreys; Selig Center for Economic Growth, Terry College of Business, University of Georgia: http://www.terry.uga.edu/selig/docs/executive_summary_2008.pdf.



Questions of Validity in Hispanic Survey Research

BY RICARDO LÓPEZ

President of Hispanic Research, Inc.

The article below was originally published in the July 2008 issue of the Marketing Research Association's national publication, "Alert! Magazine." Excerpts are reprinted here with permission from the author.

By now everyone knows about the growth of the U.S.'s Hispanic population, and many companies now include Latinos in their research plans. The research industry has responded eagerly with an unprecedented number of companies offering Hispanic research services. This is a positive development.

Today almost every big player (and many smaller ones) claims to have the ability to conduct Hispanic market research. The problem is that research companies are surveying Latinos using the same "proven" processes that have been established to be successful and appropriate for general market studies. There is ample evidence, however, that conducting research with Latinos using this "proven" approach yields invalid research data.

Is it Latino or Hispanic?

One question that always pops up is the appropriateness of using the term "Latino" versus the term "Hispanic." Which one is correct? The answer is both. The terms "Latino" and "Hispanic" are used synonymously in business and are both generally accepted when referring to the U.S. Latino community.

However, in the Latino consumer's perspective, the term "Latino" is often preferred as it is the correct Spanish word to define people who come from Latin America. "Hispanic" as a term is rarely used in Latin America and it sounds odd in Spanish.

About AutocheX

AutocheX is a leading provider of comprehensive and impartial voice-of-the-customer measurement, analysis, and reporting for the auto physical damage claims industry. Founded in 1989, AutocheX conducts more than a half-million surveys annually for clients throughout the U.S. and Canada, and maintains an industry benchmarking database that comprises millions of completed customer satisfaction surveys. AutocheX is a fully integrated business unit of Mitchell International..





To understand how Latinos respond to surveys we need to appreciate the cultural differences between Hispanics and non-Hispanics. After all, Hispanics come from as many as 20 different countries of origin and include individuals of every race. However, there is no denying that most Latinos share a common language as well as certain cultural characteristics and values that unite them as a group. These commonalities set Latinos apart as a market segment and differentiate them from non-Hispanics.

What follows is a closer look at cultural factors in Hispanic research and how they affect data collection methods and data validity.

Q How familiar are Hispanics with the concept of market research?

Many Hispanics are new immigrants who were born outside of the U.S. and are not as familiar with opinion polls and survey research. In most of Latin America consumers are not as exposed to marketing research as we are in the U.S.

Q How does this affect the way Hispanics view surveys?

Many Latinos approach survey questions as if they are an academic exam or a government form because this is their only frame of reference. In that mind set, the Latino respondent struggles to come up with the correct answers to the survey questions. Logically, giving the wrong answer always has negative ramifications when completing tests or government forms. In researching Latinos, especially unacculturated new immigrants, great care must be taken in explaining the research process.

Q What are some of the other specifics to keep in mind when designing a survey for Hispanics who may not be familiar with surveys?

We assume that people are familiar with the concept of a number scale. When asked to rate something on a scale of 1 to 10, many new Latino immigrants will select either a 1 or 10 because they do not know that they are allowed to use numbers in between.

Q What communication style is best to use for Hispanic surveys?

Latinos usually prefer a more informal/emotional communication approach. In interacting with each other Latinos strive to connect emotionally before any exchange of information takes place. This tendency transcends all communication topics. Latino communication relies heavily on non-verbal gestures, tangents, and storytelling. The communication thrives when it occurs in a typical Latino laid-back setting; only then do Latinos feel comfortable expressing their true feelings and opinions. A rigid structure brings out the feeling of governmental or academic communication.



Q How can cultural affinities contribute to Hispanic research biases?

The Latino tendency to “be nice” in answering survey questions is culturally based. Once a Hispanic respondent agrees to the research interview, he or she usually feels compelled to do his or her best to be respectful to the interviewer and to not offend the sponsor by giving negative opinions. From a research standpoint, this cultural affinity results in Latino respondents working very hard to answer the questions according to what they think the interviewer or research sponsor wants to hear.

Q Are certain data collection methods better suited to Hispanic surveys than others?

The more personal the interaction, the more effective the survey is in engaging Hispanic respondents. This means that in-person administered interviews generally work best, followed by interviewer-administered phone interviews. Computer-administered phone interviews and self-administered online surveys are not as effective because they are considered impersonal and “too structured” for the way most Latinos prefer to communicate. Self-administered paper surveys are far at the end of the effectiveness spectrum and should be avoided when interviewing un-acclimated Hispanics.

Read the full article at www.hispanicresearch.com/articles/mra-alert-article.pdf.



About the Author...

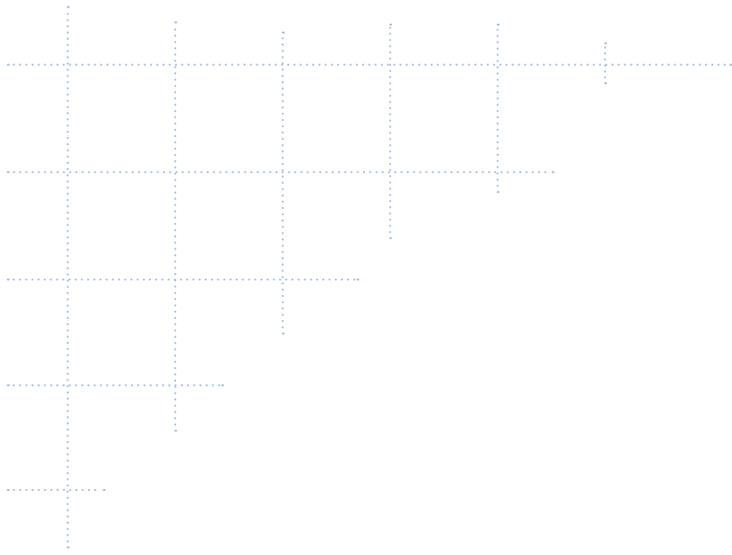
Ricardo A. López

President, Hispanic Research, Inc.

Mr. López has been studying the U.S. Hispanic market for over 25 years. He is often quoted as a Hispanic market expert in business and consumer publications. Some of these publications include QRCA Views, Quirks, Advertising Age, Marketing News, Star Net, as well as many national and local newspapers. Mr. López understands the complexity of the U.S. Hispanic community. His own Hispanic heritage includes Venezuela, Cuba, Puerto Rico, Costa Rica, and Spain. He has also worked extensively in Mexico, for the government of Spain, and is fluent in both English and Spanish.

Mr. López started his career in the quantitative side and continues to make inroads in quantitative research. He has developed several models to improve Hispanic survey validity, and in 2007 presented at an MRA conference on how to conduct survey research among Latinos. Mr. López is also well versed in the qualitative side; he is past President of the Qualitative Research Consultants Association (QRCA) and conducts hundreds of individual and group interviews every year. He received both a BS and a BA degree in Marketing and Mass Communications from King’s College and an MBA in Marketing Research from Syracuse University.

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