Customer Experience Analytics in Manufacturing: Unmasking the Touchpoints that Matter

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Customer Experience
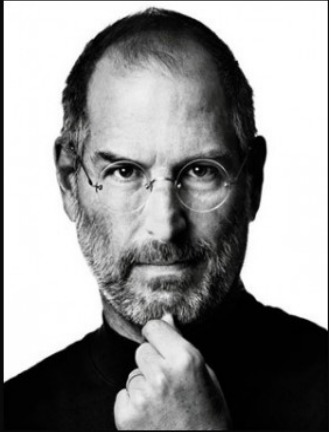
You've got to start with the customer experience and work back toward the technology - not the other way around.

(Steve Jobs)

izquotes.com

"Customer experience is the next competitive battleground. It's where business is going to be won or lost."
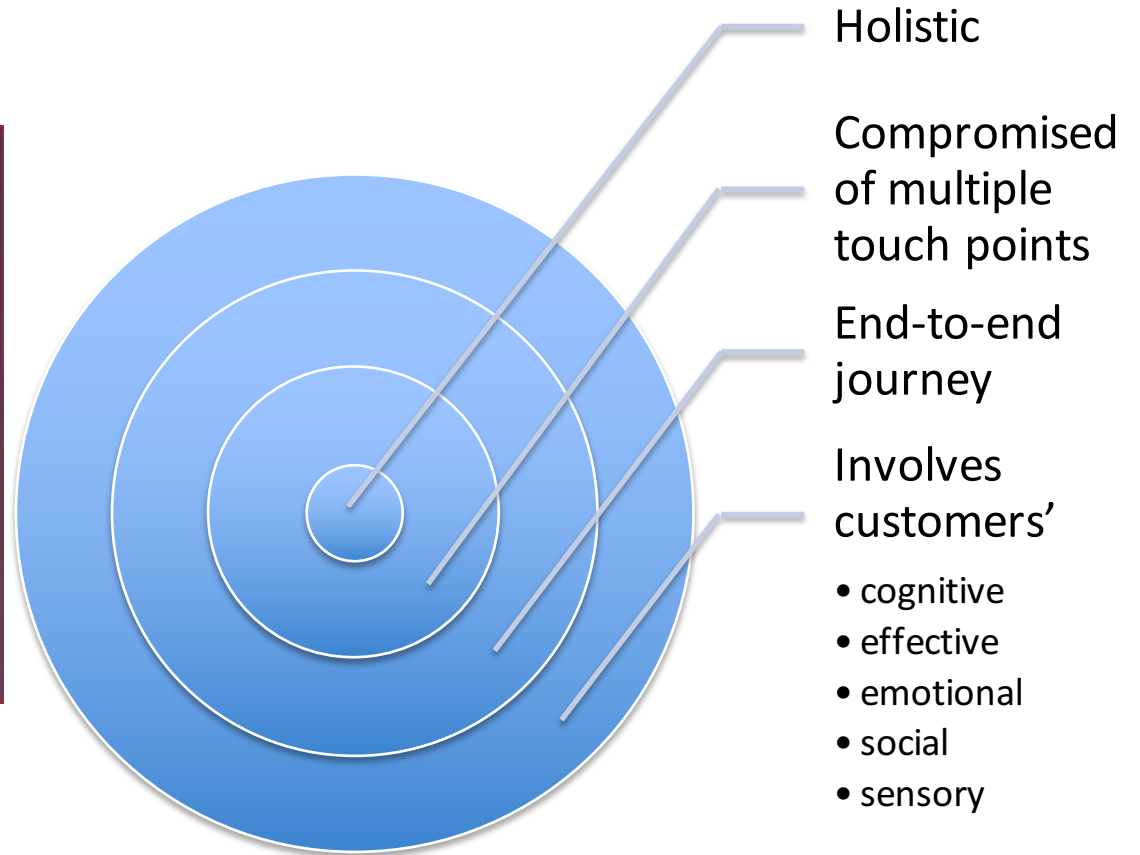Tom Knighton

86% of consumers will pay more for a better experience

89% of consumers began doing business with a competitor following a poor customer experience.

Poor customer experiences result in an estimated $83 Billion loss by US enterprises each year because of defections and abandoned purchases

Gartner finds that 89% of companies plan to compete primarily on the basis of the customer experience (CE)

What is it ?

The Customer Experience is...

Holistic

Compromised of multiple touch points

End-to-end journey

Involves customers'

- cognitive
- effective
- emotional
- social
- sensory

Customer experience is a process rather than an outcome

Capabilities for effective customer experience

Touchpoint Journey Design

Touchpoint Prioritization

Touchpoint Journey Monitoring

Touchpoint Adaptation

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Customer Experience Measurement

1. Customer Satisfaction (CSAT)

Key Question

Overall, how satisfied are you with this brand / product / service?

Rationale

"CSAT is adaptable, it can be applied with a range of scales to measure specific parts of the experience."

Overall Satisfaction Measures of Customer Satisfaction
How satisfied were you with [BRAND]?

Delighted	Pleased	Mostly Satisfied	Mixed	Mostly Dissatisfied	Unhappy	Terrible

The following faces express various feelings. Please select the face that best shows your feeling about [BRAND].

2. Net Promoter Score (NPS)

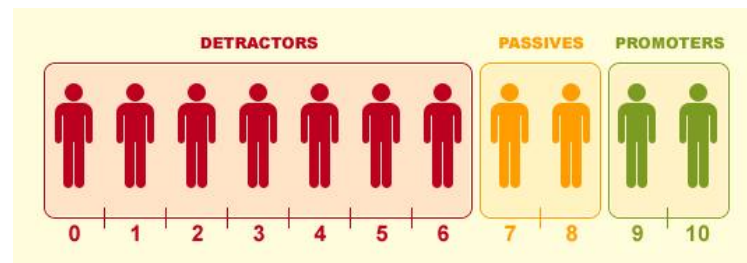**Key Question**

How likely are you to recommend our company/ product/ service to your friends & colleagues?

Rationale

"Loyalty is more efficient than acquisition, therefore focus on those who promote you"

NPS = % Promoters - % Detractors

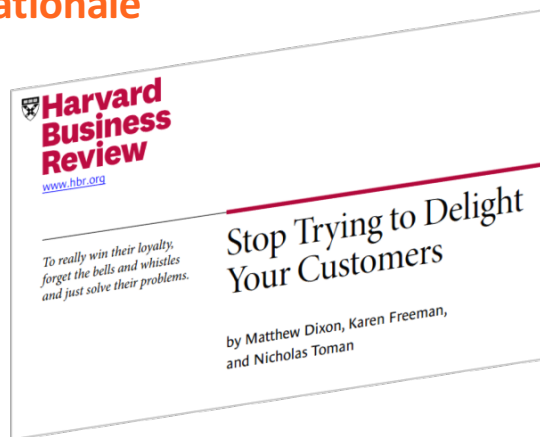| DETRACTORS	PASSIVES	PROMOTERS
0 1 2 3 4 5 6	7 8	9 10

Customer Experience Measurement

3. Customer Effort Score (CES)

Key Question

How much effort did you personally have to put forth to handle your request?

Scores range from 1 (low effort) to 5 (high effort)

Rationale

Harvard Business Review
www.hbr.org

Stop Trying to Delight Your Customers

To really win their loyalty, forget the bells and whistles and just solve their problems.

by Matthew Dixon, Karen Freeman, and Nicholas Toman

"Just make it easy for me"

Each claims to be the one metric that managers need to measure, monitor, and act on

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Issues with these measurements

#1 Single measures typically force customers to provide an "overall" assessment of the journey

#2 This snap shot approach does not account for the multiple touchpoints

#3 These aggregate single measures can mask the customer's true feelings and evaluations of their experience

#4 Customers could give high NPS scores (promoters), while a firm could lose a percentage of their customers' base.

#5 These metrics misinform managers and divert them away from marketing actions

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Example- Asset Heavy organization

Overall Satisfaction	Additional Comments
10	Yes i do ,when we have a problem with one of [competitor machine] and need to ring [competitor], 70% or 80% of the time when they come they have 2 or 3 parts with them and normally sort everything out on one day, with [company] they like to trouble shoot ,charge more
10	Part Service is the best part of XXXX and that one I will rate very high. However workshop costs a lot of money and is a waste of time. The problem is that [company] is only interested in doing business with big companies and doesn´t care about small one
10	8268 machine took back on November, had problems twice a week same problem. [company] got let in the dark by [company] that there is exactly the same issue with 3 other machines at other locations. [company] could not have known about this problem
9	They should have something like a code on the sensors we buy. Because if it is the wrong one and we send it back there is always an argument that the parcel was opened and they don´t know if that sensor in the retuned parcel is the new one they sent

How can analytics help ?

Automate the process of analysing customer satisfaction data

Combine qualitative and quantitative measures

Insights into the sources of friction, enabling touchpoints to be monitored and adapted

Unmasks important underlying concerns, compliments and suggestions for improvement

Identify segments of customers that are vulnerable to leaving

Text Mining Approach

Apply sentence analysis level to extract insightful information using linguistic patterns

Annotate each sentence in terms of CX elements: *resources, activities, interaction, interaction durations, emotions, customer role, contextual, suggestions*

Identify touchpoints from the customer's point of view

Customers' service evaluations (compliments, complaints and suggestions)

Assign each sentence to one of the root cause categories (domain-based)
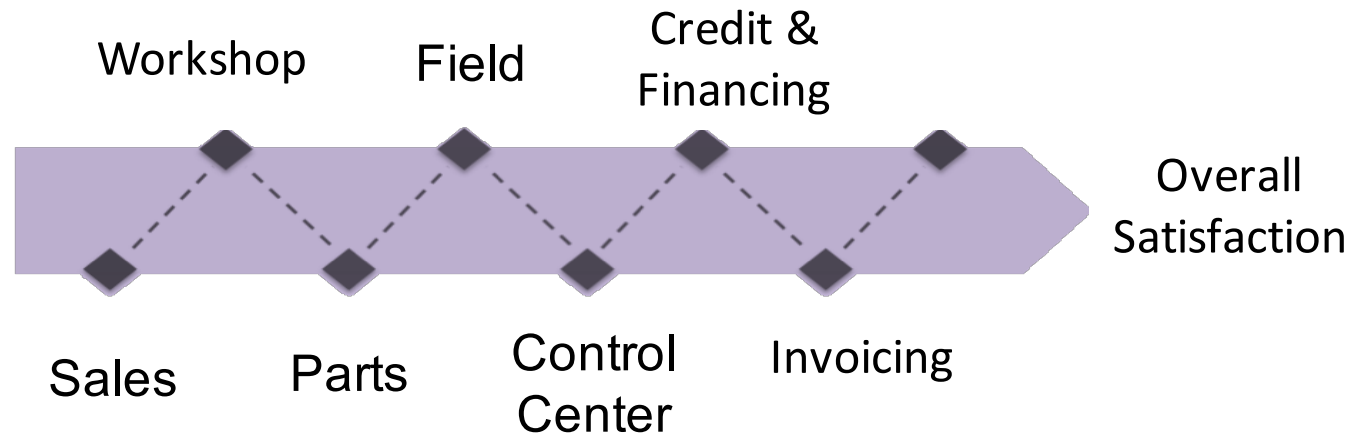
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Touchpoints Identification

Touchpoints

Company-Centric View

Sales → Field → Parts → Workshop

Customer-Centric View

Workshop — Field — Credit & Financing

Sales — Parts — Control Center — Invoicing

Overall Satisfaction

Customer Experience Elements are evident

Words Frequency

- Positive 19%
- Neutral 17%
- Company Activities 15%
- Company Resources 11%
- Contextual 10%
- Unknown 8%
- Negative 7%
- Negative budget 4%
- Suggestion 3%
- Customer Resources 3%
- Customer Activity 3%
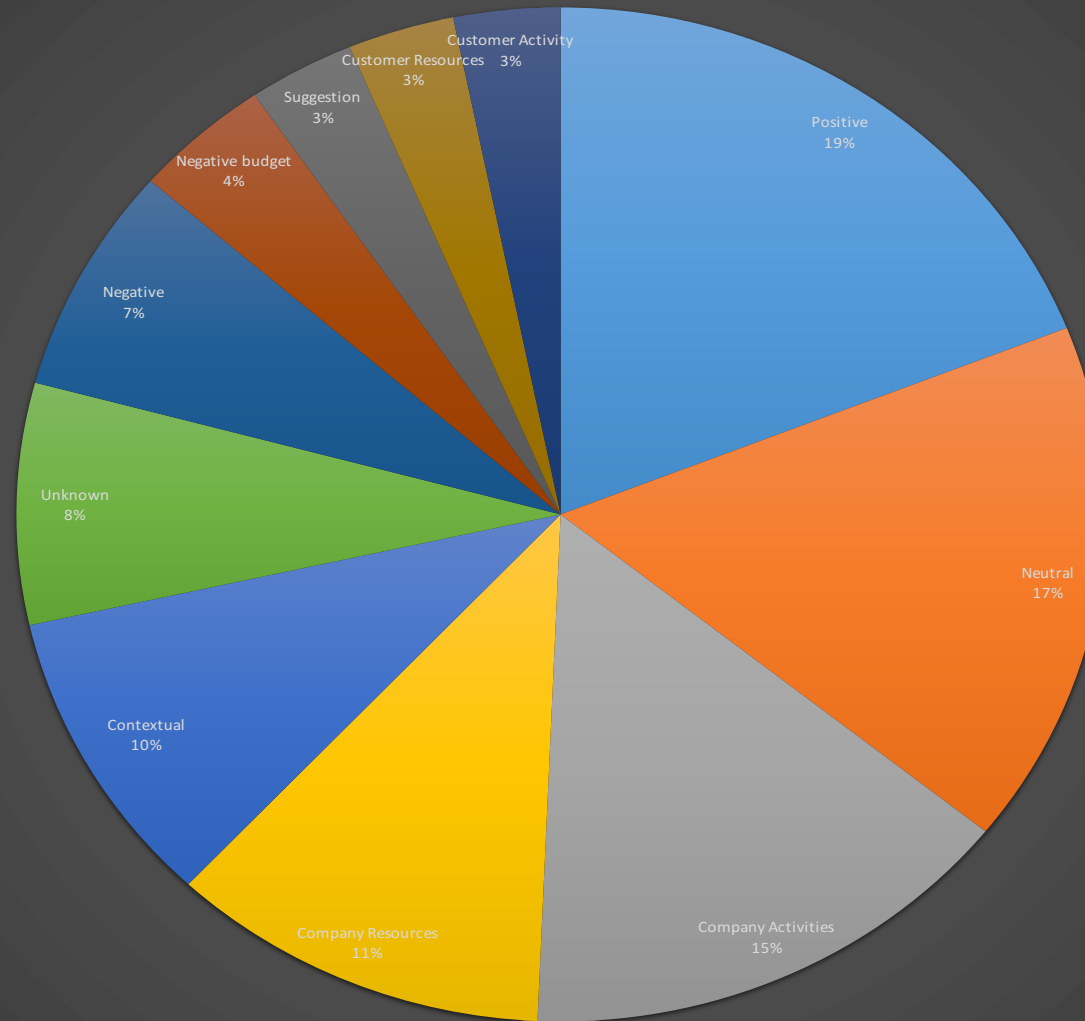
Legend: Positive, Neutral, Company Activities, Company Resources, Contextual, Unknown, Negative, Negative budget, Suggestion, Customer Resources, Customer Activity

Verbatim comments contain service meaning-related words

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Quantitative Measures Alone Mask Sources of Friction

Loyalty Status

56%	35%	8%
LOYAL (OVERALL SATISFACTION > 9.5)	VULNERABLE (OVERALL SATISFACTION 7.4 – 9.4)	AT-RISK (OVERALL SATISFACTION 7 OR LESS)
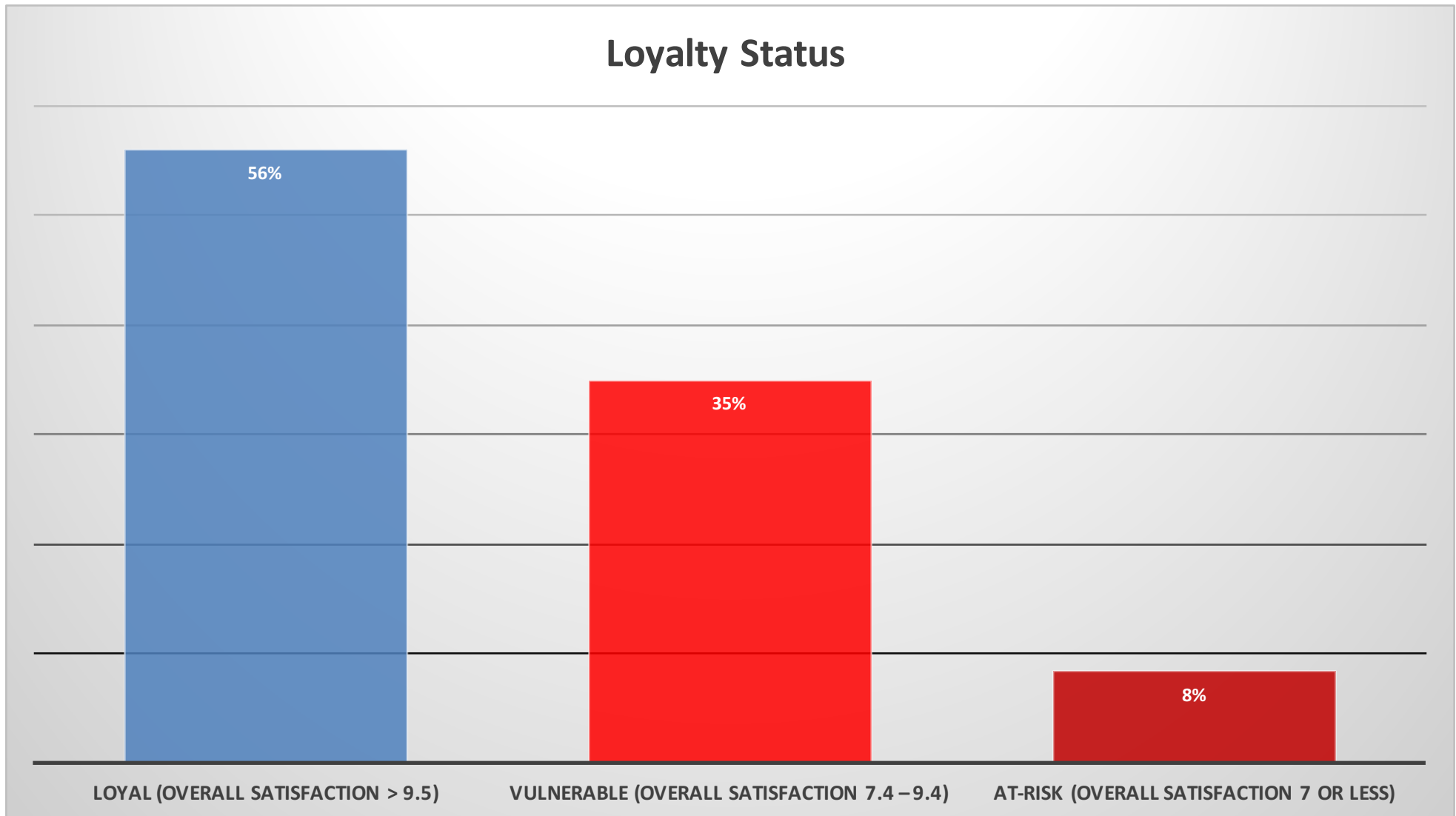
90 % of these loyal and vulnerable customers actually focused on complaints in verbatim comments

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Root Cause Analysis

Root Causes
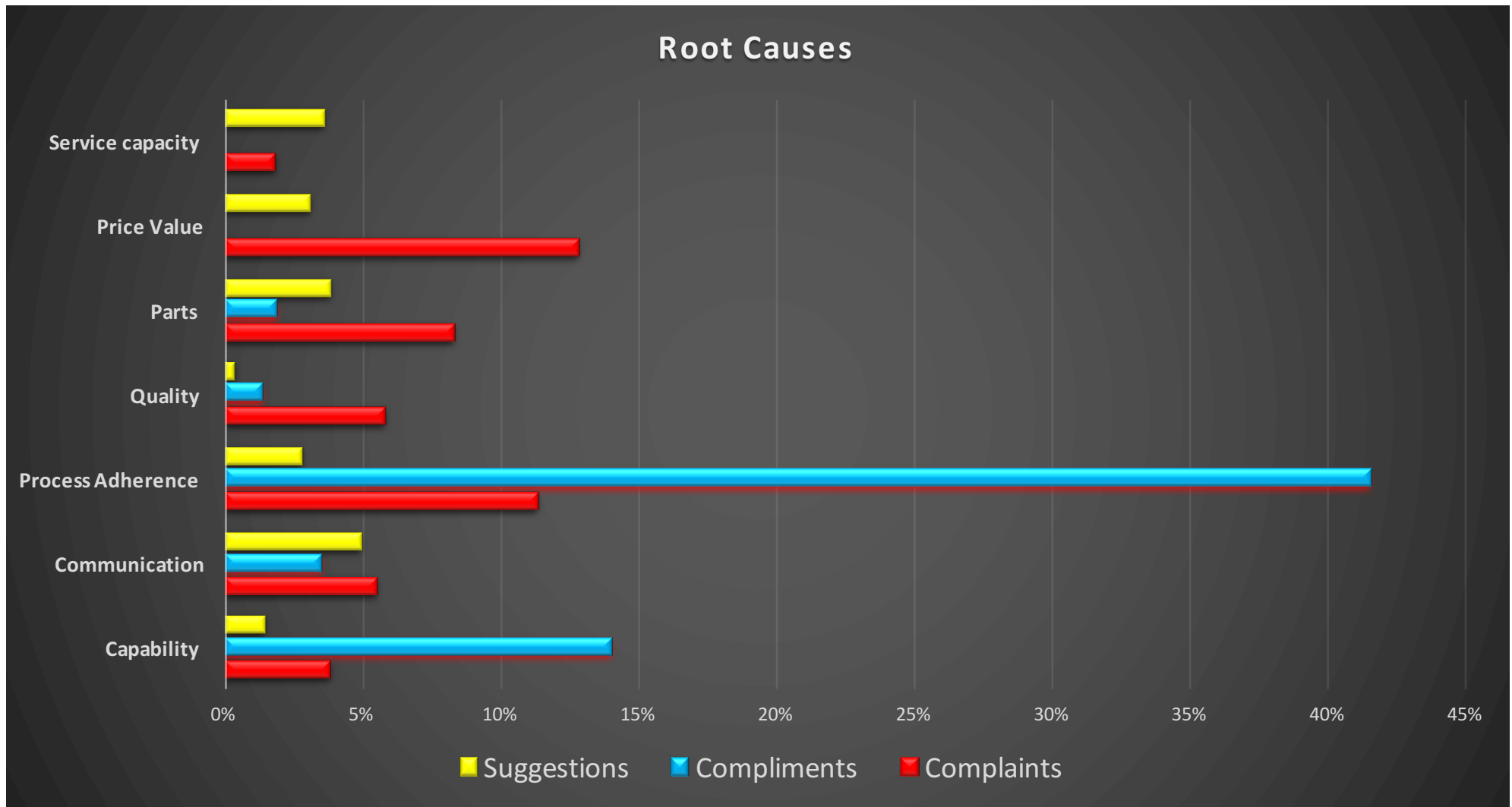
Loyal customers sources of frictions: price value (15.8%), process adherence (11.3%), parts (8.3%), quality (5.8%) and communication (5.5%)

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Customer Loyalty Status Longitudinal Analysis

Customers H and I were both categorized 8 times in the "vulnerable" category and 6 times as "loyal."

Customer H Verbatim Comments:

"*I would like someone from XXXXXX to read the comments in this survey and come out and inspect the machine and discuss it because I'd asked for an extended warranty on the machine because it wasn't right for several months...*"

This suggests segment of customers is vulnerable to leaving because the company is not responding to their complaints

I'm due to replace them next year, the communication from the sales person is bad. I have never seen or spoken to an area manager. They only ever want to talk to you when the contract is up. Commitment to the customer is poor"

Customer Loyalty Status Versus Customer Evaluation
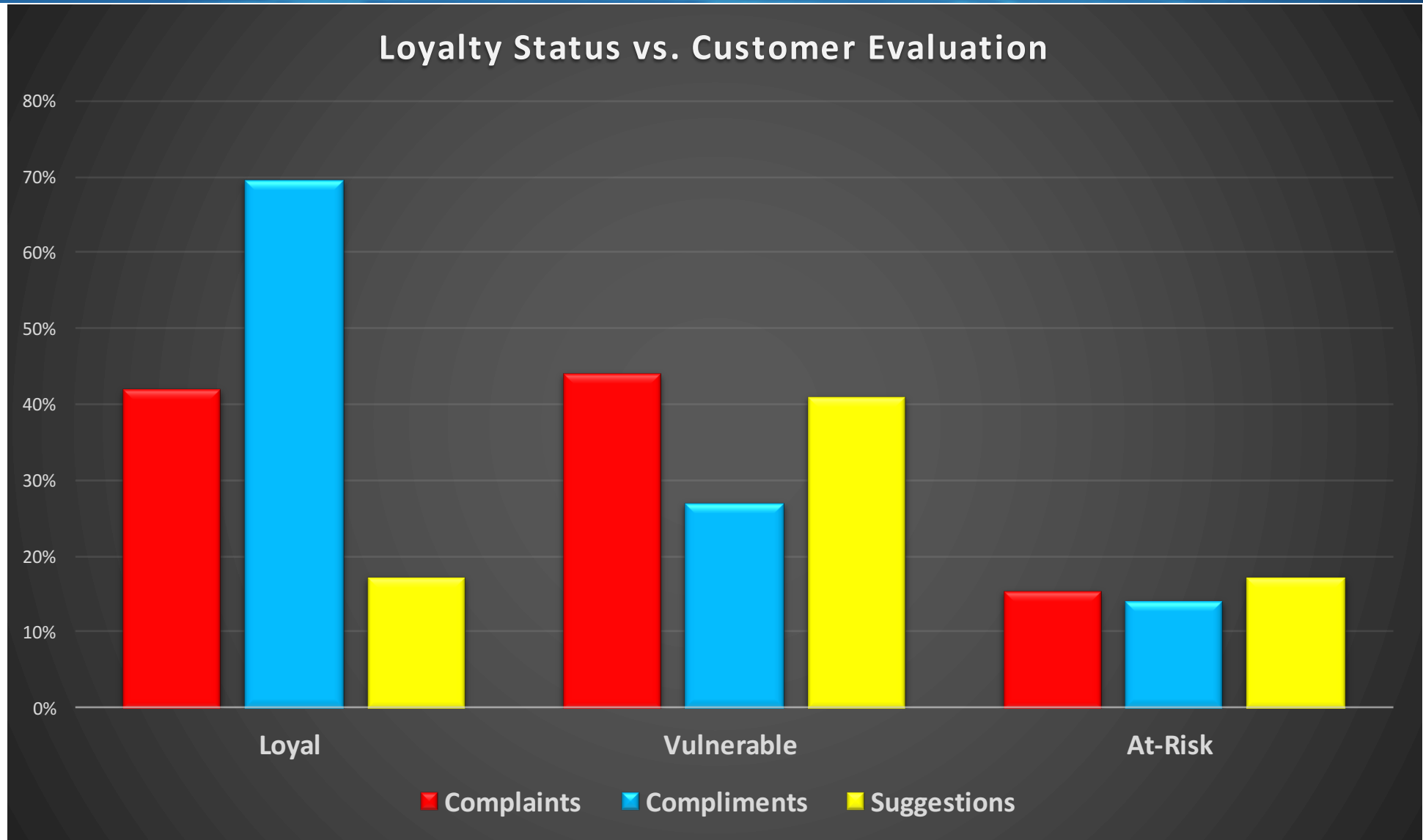
Customer Evaluation for each Touch Point
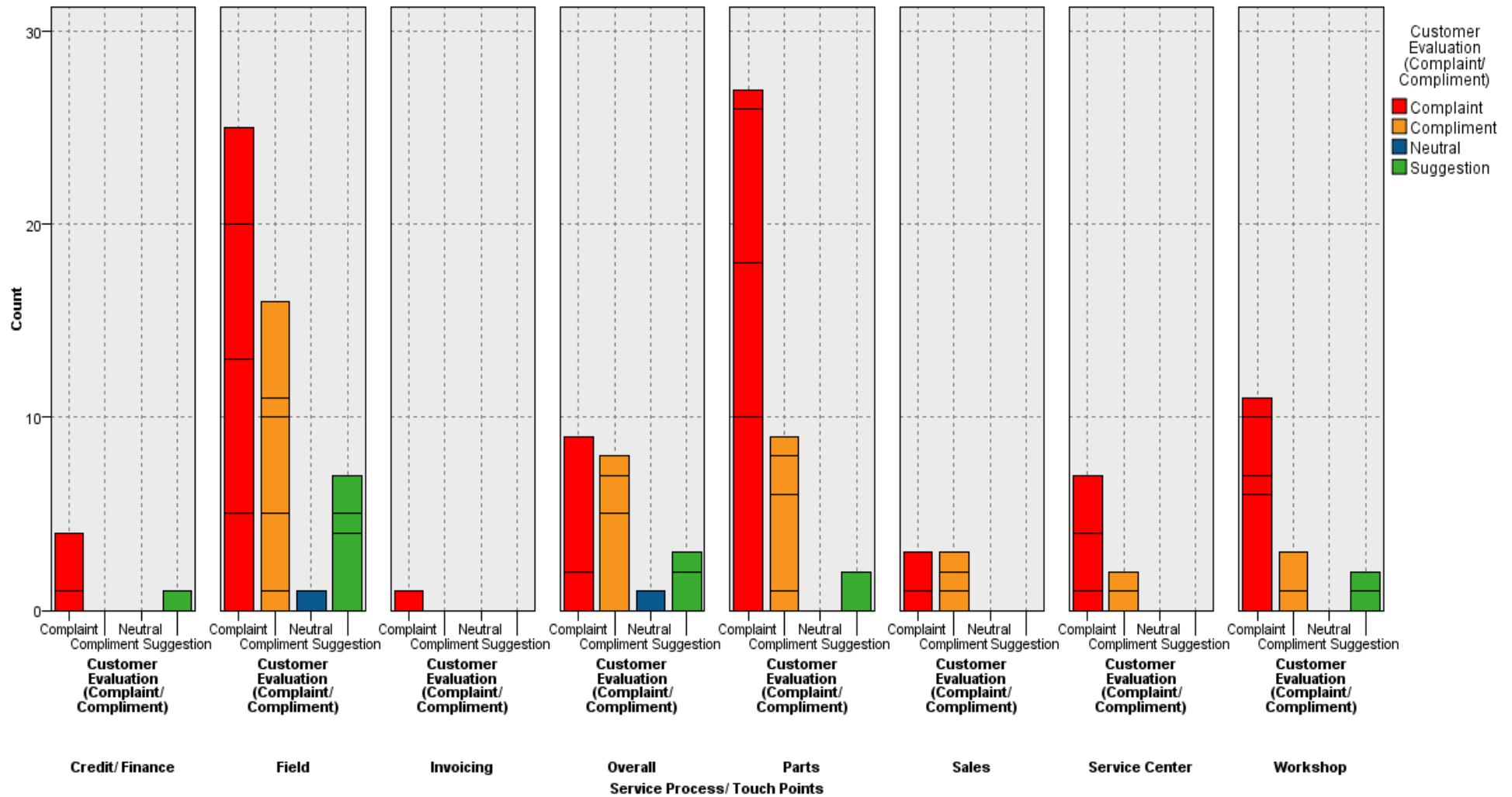
Spotlight on Improving the Customer Experience

STOP doing ……(from Complaints)

Charging high prices for repairs and parts.

Providing inconsistent information about when the repairs will be competed

START doing …. (from Suggestions)

Sending email updates of any part upgrades as or when they become available in the machines.

Providing more communication from the field service controllers regarding when they're coming and time of arrival.

CONTINUE doing …. (from Compliments)

Providing quality products

Hiring and training highly qualified engineers

Service being provided when promised

Key Takeaways

Customer Experience Analytics enables firms to……

map the customer journey from a customer-centric rather than company-centric perspective

identify important touchpoints that matter to the customers

identify specific points of friction in the customer experience

Identify potential vulnerable customers

re-design and adapt specific touchpoints, prioritizing which pain points to strengthen

prioritize the touchpoints that require attention

monitor touchpoints over time much more accurately and adapting the service provision

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