

Touchpoints

a powerful Customer Research tool

Professor Angus Jenkinson

angus.jenkinson@stepping-stones.org

Tel: +44 1582 489303

Your Business Objectives

- ❖ An authoritative, cost effective, international research tool to understand and score customer attitudes on key service areas
- ❖ Model the impact of change on financial performance.
- ❖ A tool for comparative country/market/community benchmarking/learning
- ❖ Improve business, sell more, increase market share.

Classic problems with research

- ❖ “I can’t relate satisfaction to business results”
- ❖ “The satisfaction scores are too general, they don’t relate to specific customer service experience”
- ❖ “I can’t compare my different international markets or customer types, or if I do the managers think I’m not reflecting local conditions”

What we have

- ❖ A tool that can be adapted for each market and customer community to provide a robust set of performance scores, business insights and a tailored international benchmark database.
 - ✧ Behavioural loyalty (share of wallet) scores
 - ✧ Business Excellence satisfaction score
 - ✧ Emotional loyalty score
 - ✧ Service Satisfaction scores
 - ✧ Potential to use actual business data
 - ✧ Potential for database marketing data fusion
 - ✧ Potential to link to Integrated Marketing Diagnostics
 - ✧ Potential for training client field personnel to interview and/or a sales force interview tool to develop individualised service agreements (ISLAs)

Stepping Stones is a quality research and consultancy partner founded in 1991 by Prof Angus Jenkinson

- ❖ A consulting business using research to drive effective change.
- ❖ We tailor research/consultancy to the needs of the business using powerful and innovative methods.
- ❖ Linked to world-class research pioneering Integrated Marketing: Angus Jenkinson is Professor of Integrated Marketing at the Centre for Integrated Marketing, a research centre developing practitioner tools for the top 500 UK advertisers and their agencies.
- ❖ Stepping Stones licenses the tool or carries out research in conjunction with field agencies. (We have a European partner able to do international CATI)



Proven benefits of Touchpoints design

- ❖ 'Business Excellence' factors are powerfully correlated to capture customer rating of the firm/brand
- ❖ Based on a standardised template, service touchpoints are tailored for each market/customer type to identify the most critical customer experience to change
- ❖ Provides a business development model showing the potential for and likely outcome of improvement
- ❖ Benchmarking provides standardised model for comparison with tailored detail

The Touchpoints research tool

About the customer

Gender,
Job & functions
Sales district
Establishment type
Number of patients
Supplier policy
Client product usage

Loyalty factors

Principal supplier
Share of wallet
Happiness
Importance of category
& client
Difference between
competitors

Business excellence

Satisfaction with Client
on key measures of
service and business
performance

Service points

Individual service points.
Rated by importance
& the performance of
Client & its leading
Competitor

About the customer

Loyalty factors

Business Excellence

Service points

Differentiation by
customer type

Scoring Bonding/
Affection/Loyalty
& modelling
business success

Powerful and very
reliable overall
Business Excellence
Satisfaction score

Competitor performance
Key scores:
Service Satisfaction
& Advantage

Standard questions
& tailored to market

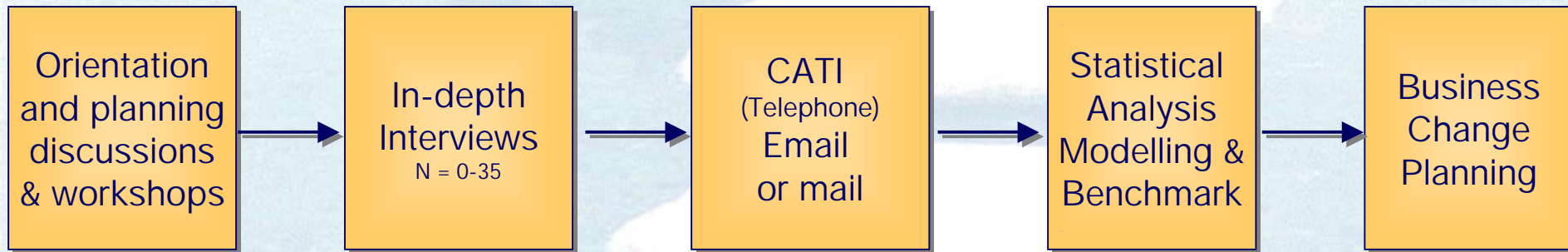
Standard questions
Potential tailoring

Standard questions

International template
Tailored for each market

Touchpoints Process architecture

----- Involvement of Client -----



Agree requirements for each market

Identify requirements for each country/ market and/or business unit

Customized template for each country/market or business unit.

- Standard European Analysis.
- Customised analysis for each country/market.
- Agree format for output.
- Design & execute business planning workshop
- Facilitate change

Touchpoints uses 3 key actionable loyalty/satisfaction scores to improve business

Objective: Better Business

❖ Financial score

Behavioural loyalty: Share of next 10 sales
Actual data could be deployed where available

1. Business Excellence score

This is based on scores given by customers on a range of key indicators of business excellence

2. Bonding score

This is the "affection score". It is based on how happy customers are with the brand and the importance of the brand and category to them and is typically tightly correlated with share of wallet

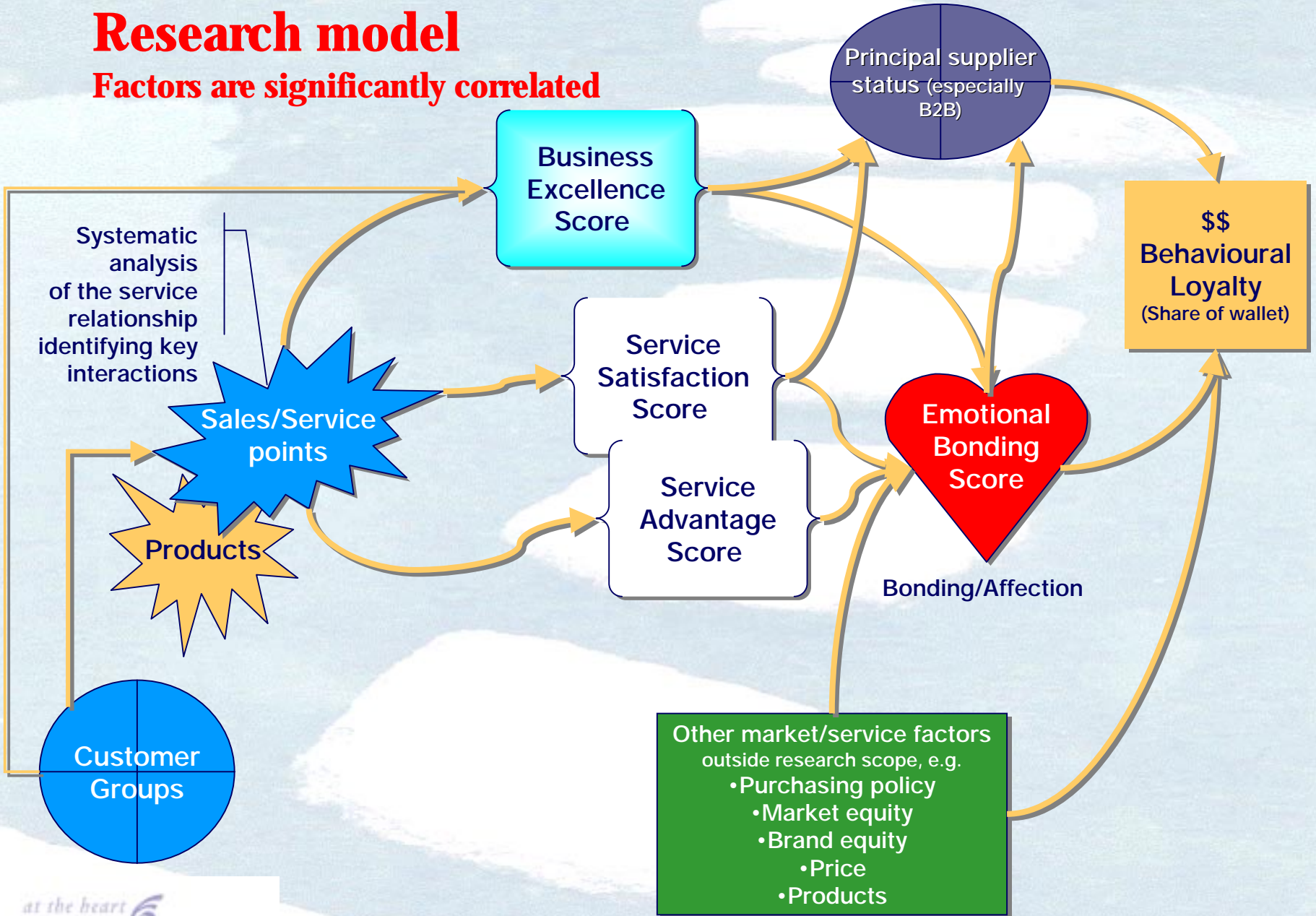
Loyalty groups for analysis: Bonded, Mid loyal, Ambivalent, Unhappy/Bonded to competitor

3. Service Satisfaction (and Service Advantage) scores

Based on satisfaction with custom generated key service touchpoints and performance relative to importance and best competitor

Research model

Factors are significantly correlated

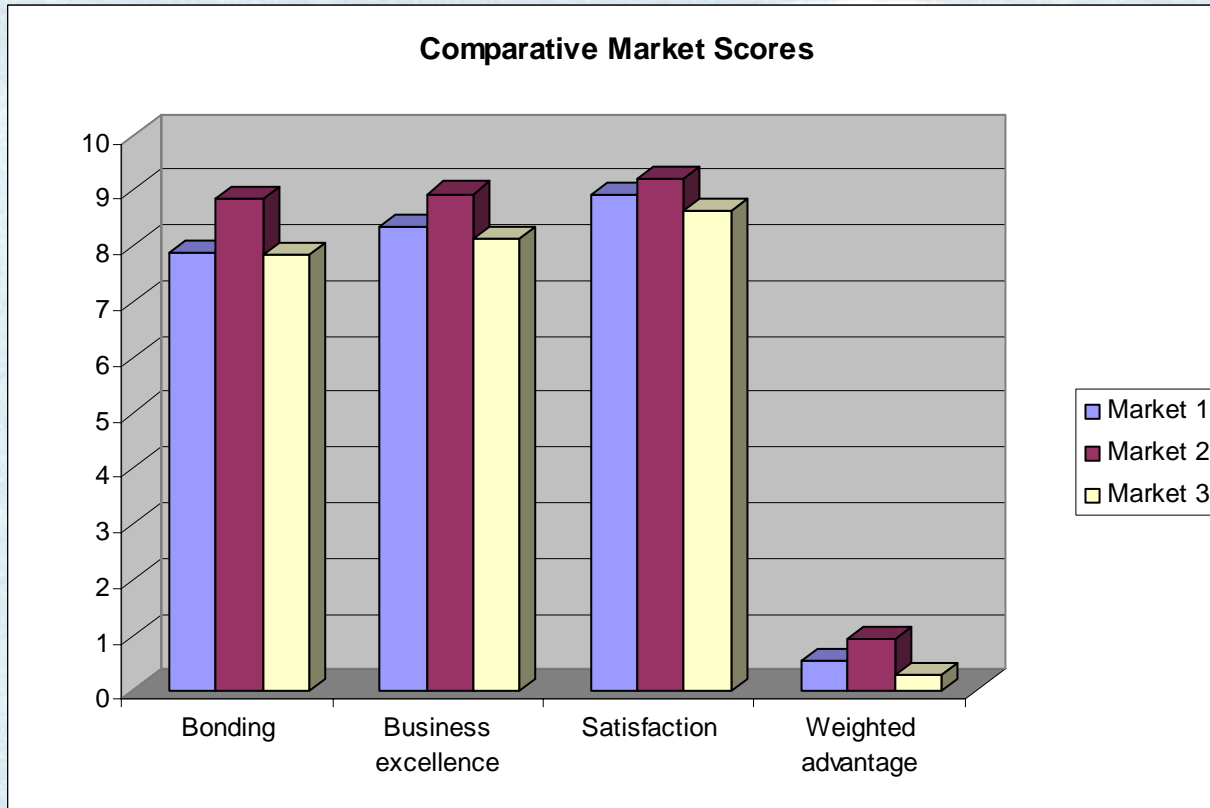


“An increase in the OVERALL satisfaction score of 5% leads to an increase in share of wallet of approximately 2% and an increase in profitability of at least 10 to 15% and probably more.”

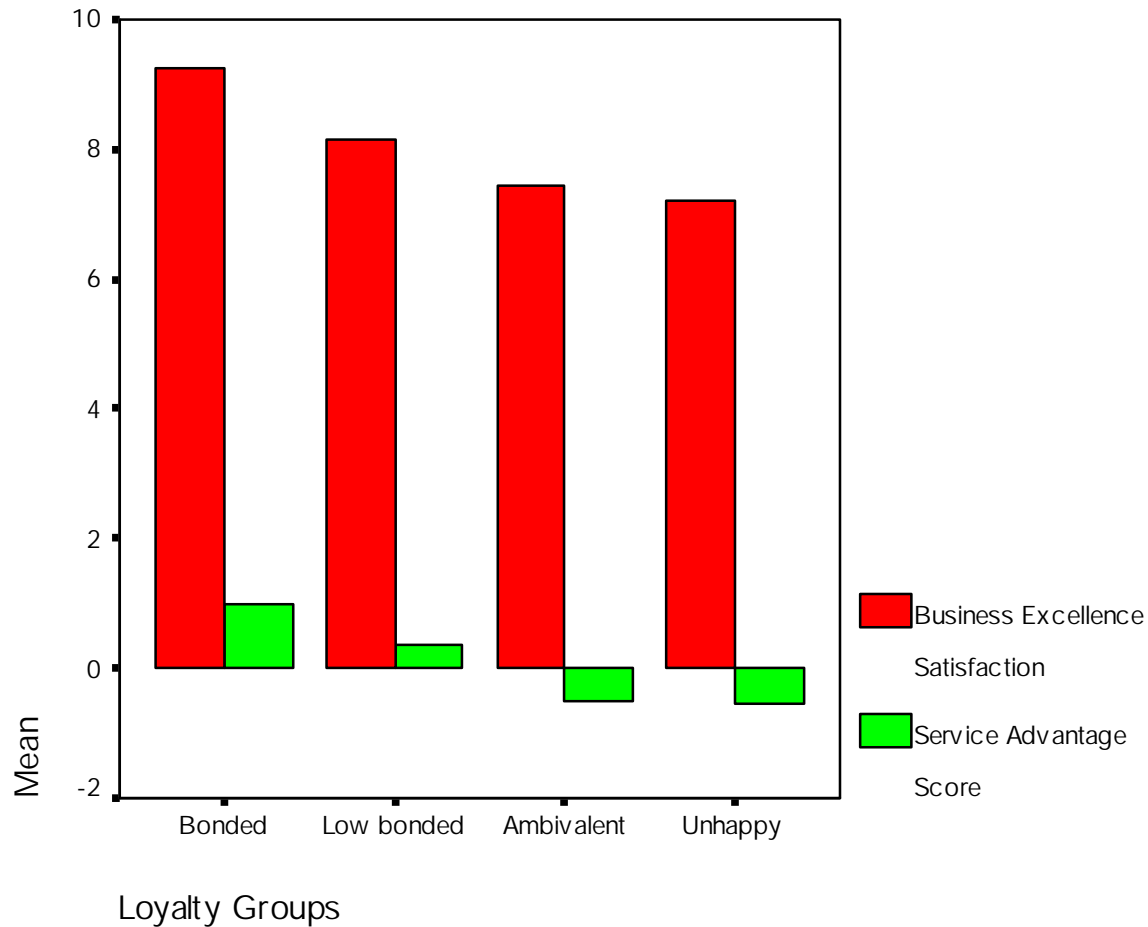
Actual example

Examples of findings

Compare customer groups and markets on key scores



“Higher satisfaction scores lead to more bonded customers, and the margin is small”



Model Correlations to identify business goals

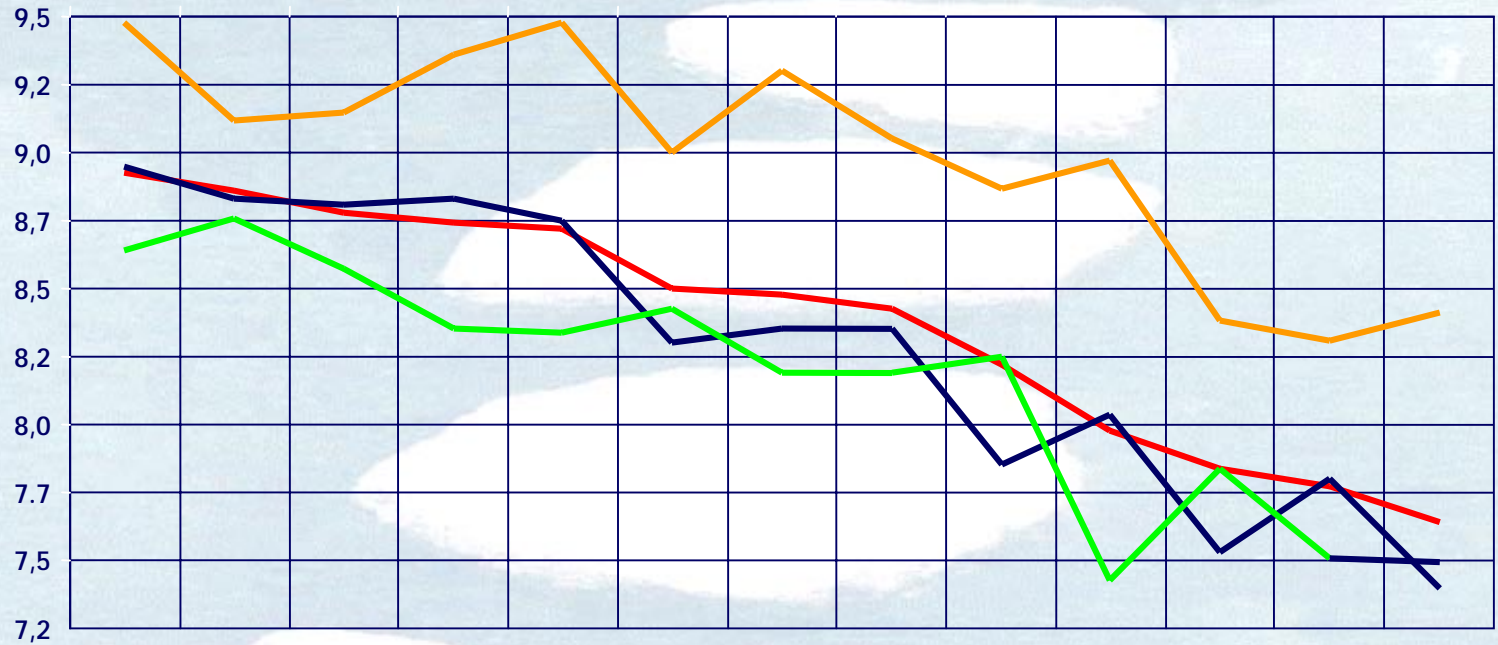
- ❖ “Nearly 50% of share of wallets is correlated with the purchasing policy”
 - ✧ “There is a strong correlation between Satisfaction score and becoming principal supplier”
- ❖ “The balance of the effect on share of wallet (behavioural loyalty) is highly correlated with Emotional loyalty/happiness and Business Excellence scores”
- ❖ “Approximately 45% of the changing emotional loyalty is explained by Business Excellence score”

See the implications of Business Excellence score improvements

- ❖ General satisfaction questions are an extremely reliable overall "BUSINESS EXCELLENCE" score (alpha = 0.89)

In some German markets a 1% increase in BUSINESS EXCELLENCE leads to 0.4% increase in predicted sales (with a probably much greater improvement in profitability) and 0.6% increase in the bonding factor:
'Happiness with Client'

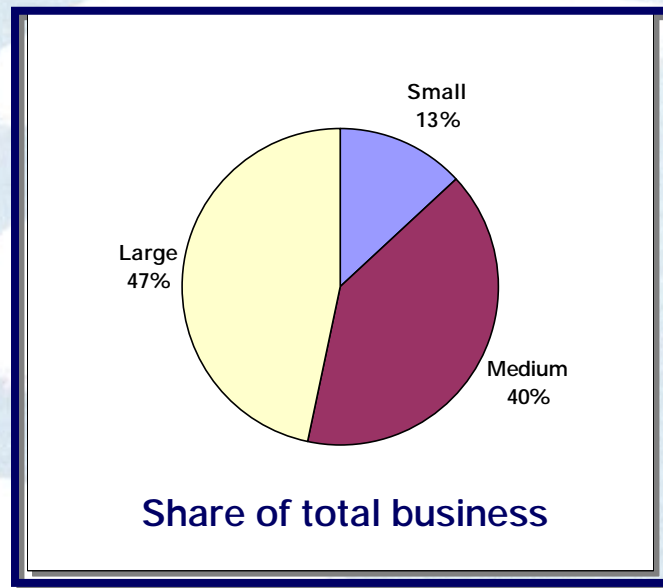
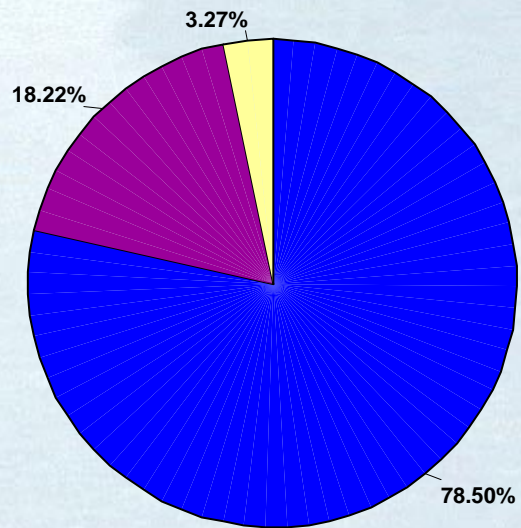
Compare markets



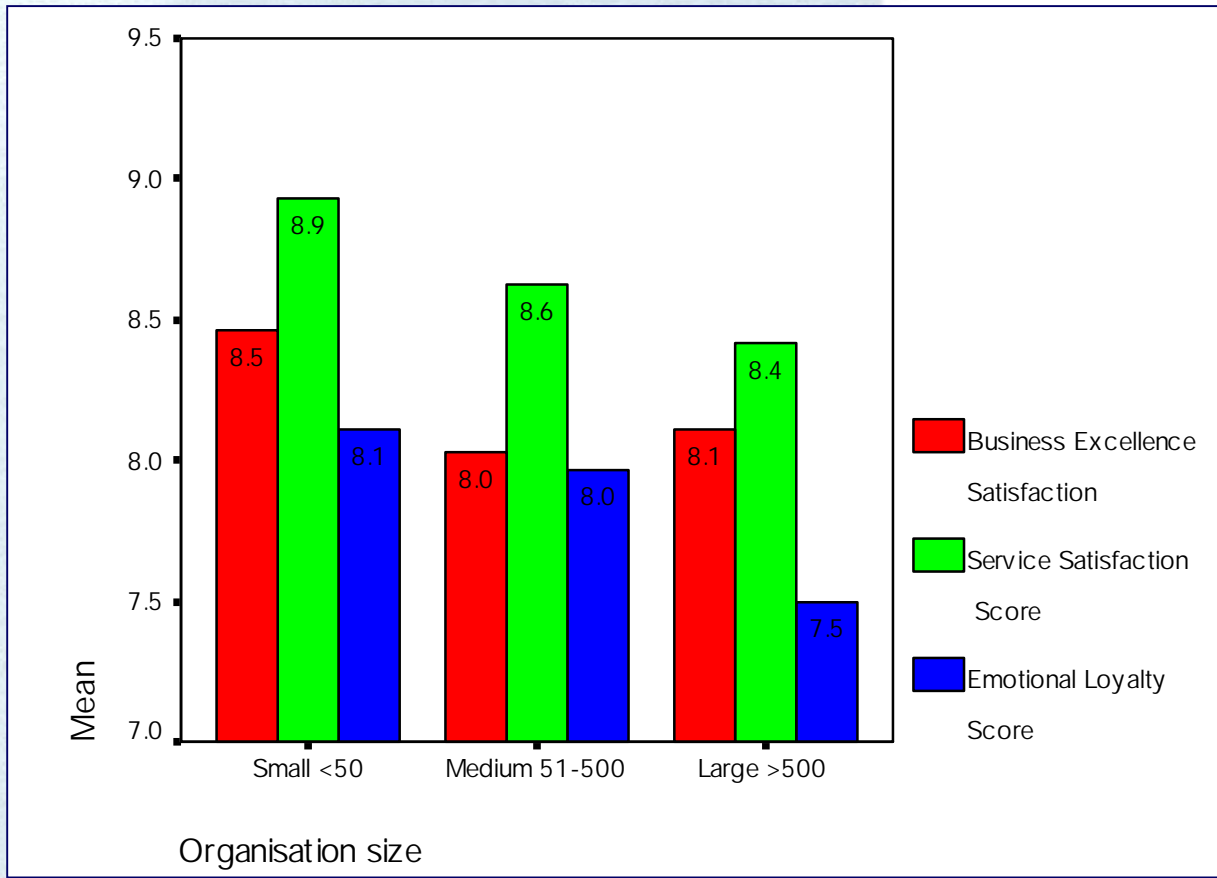
Business Excellence Factors

Give differential marketing feedback

Large firms are a minority (3%) but bring nearly 50% of business

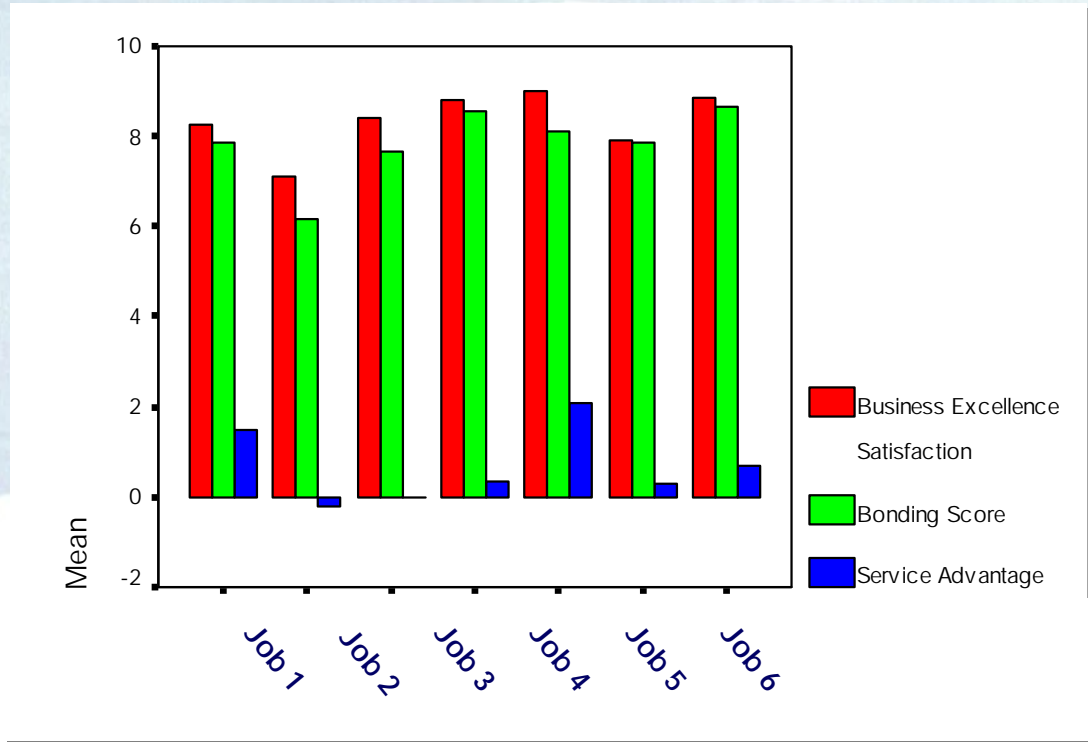


And test the attitudes of the high value customer



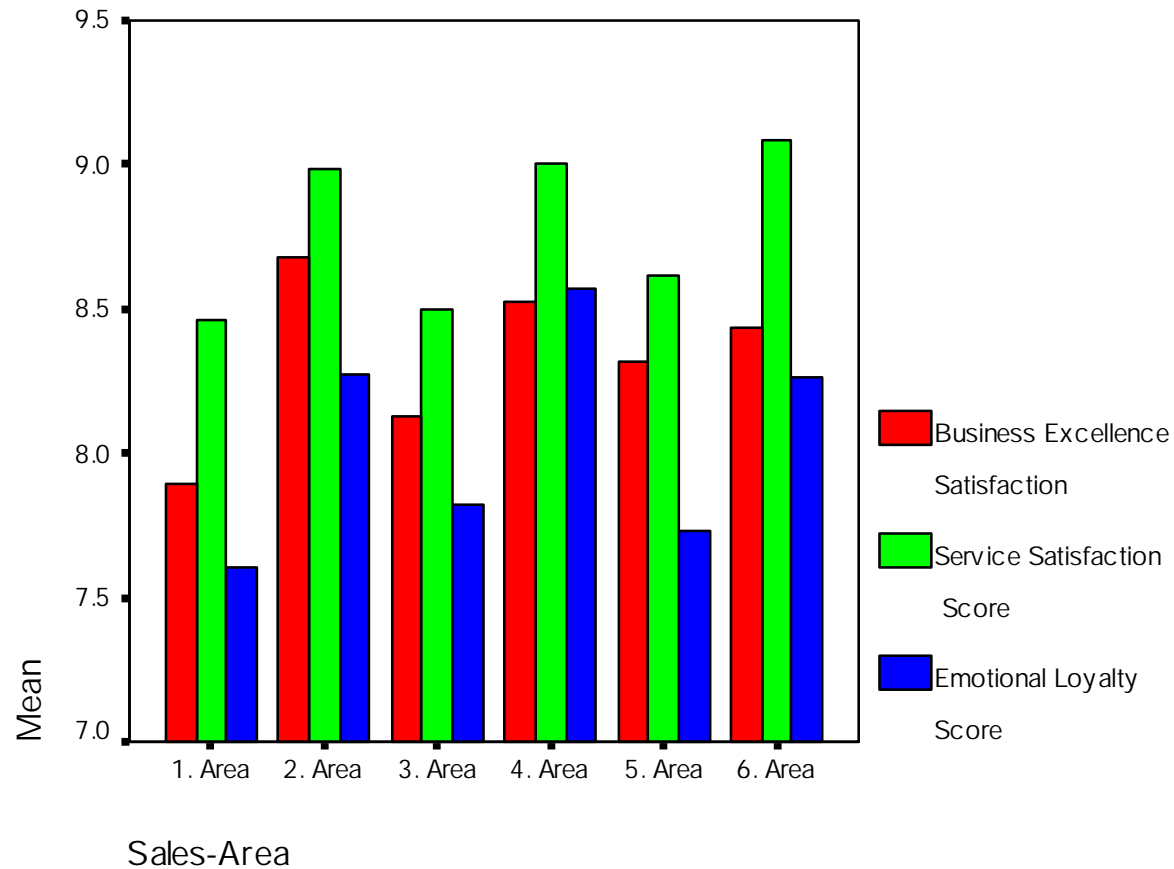
In B2B, see how job functions and other factors affect loyalty ... or in B2C test income, age and other key demographics

❖ Job 2 less happy than Job 6.

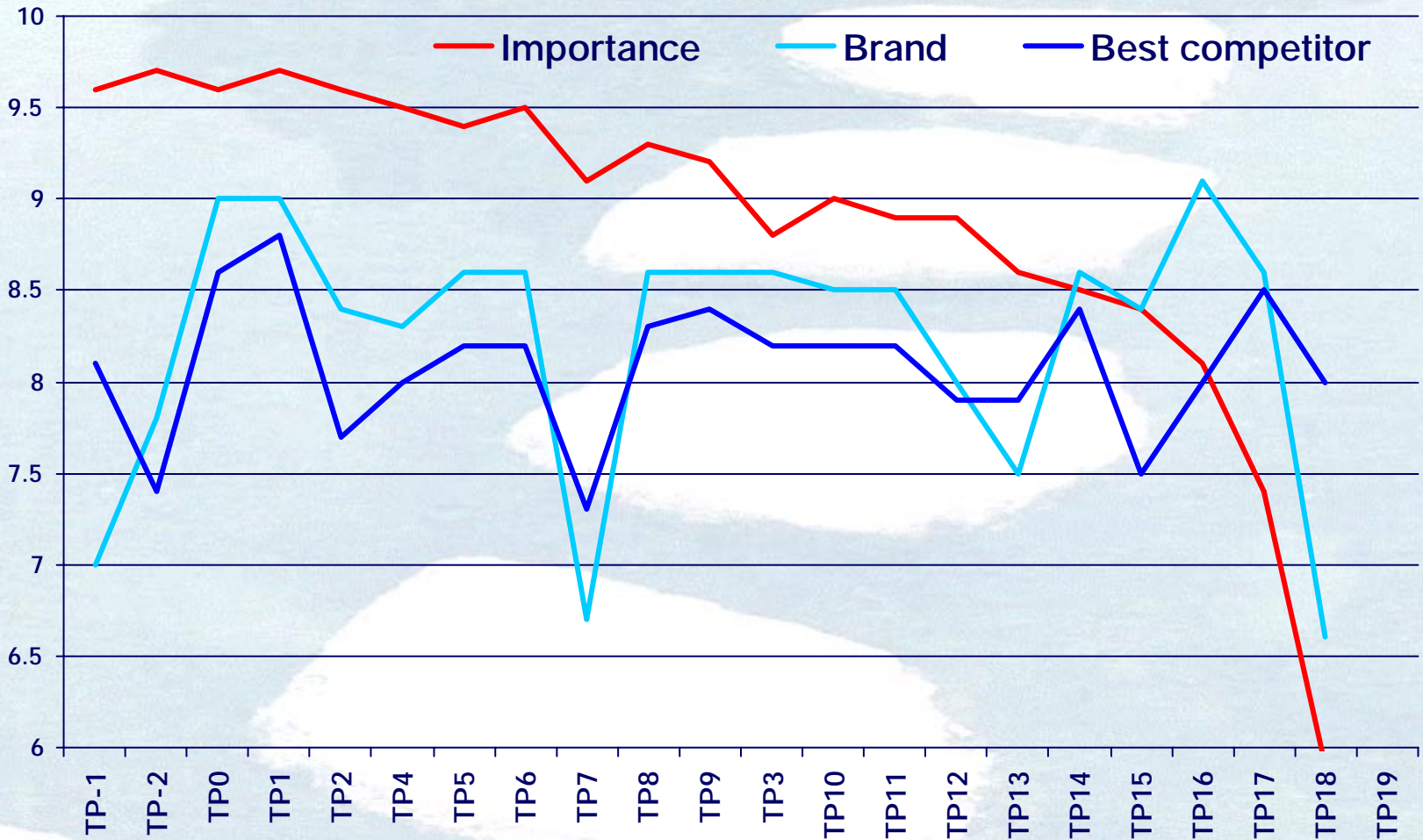


Compare Sales regions

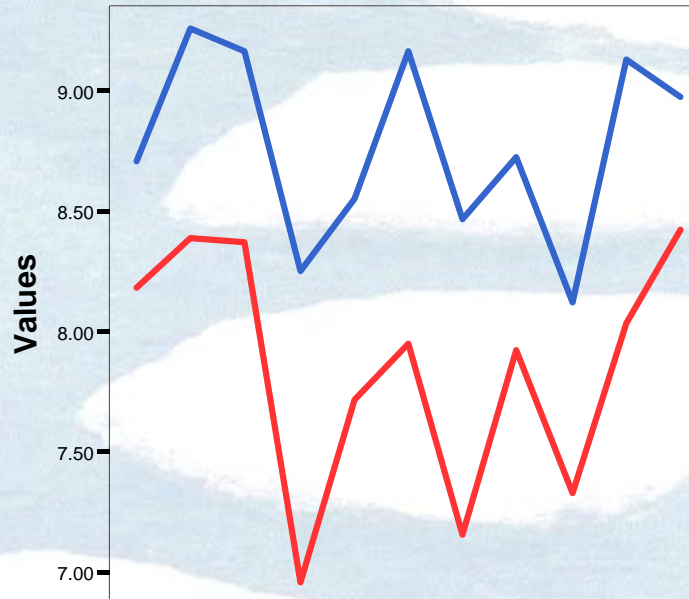
Performance by sales region



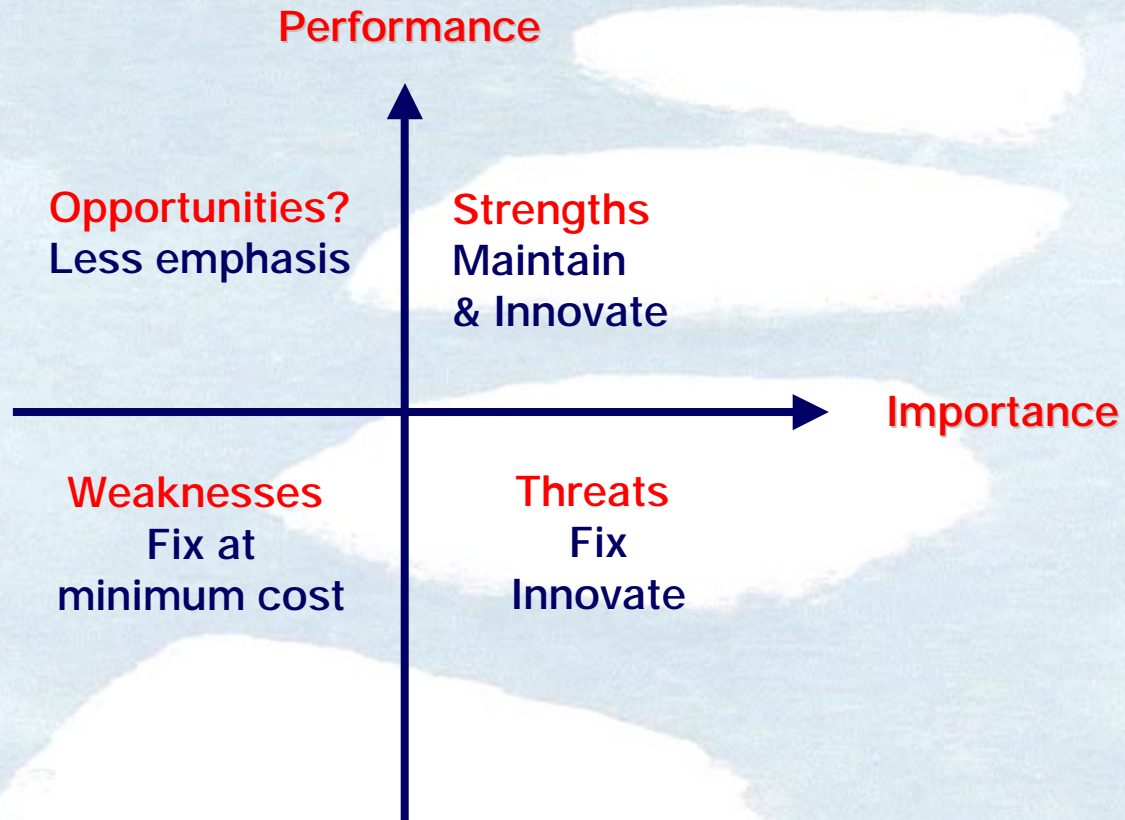
Show performance against the best competitor at statistically or business-significant service Touchpoints



Compare scores against competitor and see satisfaction effect on 'principal supplier' status



Importance & Performance strategies

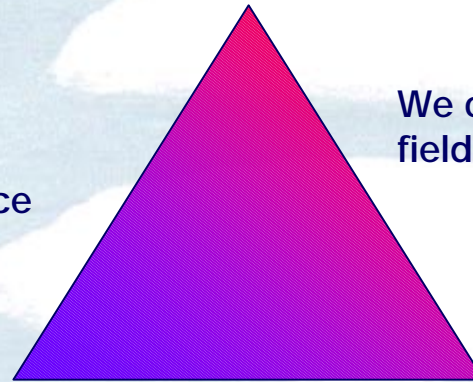


Options: your choice

We can license the tool
to you and help you
develop your own
International competence

We can partner with your local
field research company/companies

We can do it all -
even strategic
consultancy





Putteridge Bury

Stepping Stones Consultancy Ltd
Putteridge Bury
Hitchin Road
Luton LU2 8LE

Telephone: +44 1582 489303

Facsimile: +44 1582 743150

angus.jenkinson@stepping-stones.org

FREEPOST STEPPING STONES

www.stepping-stones.org