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Market success with personalised customer service

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Customer experience management and Industry 4.0 are two of the most important trends in recent years. But what does customer experience management mean in an Industry 4.0 world? How are customer expectations and customer service evolving in a world where products are being developed at an accelerating speed, manufactured with greater customisability and used with increasingly more intelligent, personalised functions?

An enthusiastic customer is a good customer. Successful customer experience management does not just involve persuading people during the decision phase and convincing them to buy, but also reinforcing their decision and helping them realise or even surpass the long-term personal benefits afterwards. The main objective of customer experience management can only be achieved through satisfied, loyal customers who recommend the product to others, buy other products from the same manufacturer and act as stimuli for further development and innovations.

Service experiences with predecessor products – either the buyer's personal experiences or those of people they trust, such as friends and colleagues – are critical factors that influence buying behaviour. In a survey run by Oracle-owned software company RightNow, 89 percent of respondents indicated that they had stopped doing further business with a company after experiencing poor customer service. The globally operating management consulting firm Bain & Co. discovered that customers are far more likely to switch to a competitor of a company they are using as a result of poor service than because of the price or the product itself. Not entirely surprising either is the conclusion drawn by the Global Customer Service Barometer from marketing analysis experts Echo, which states that poor customer service is discussed twice as much as good customer service. As for capital goods, the value of a product also increases significantly with good customer service. General Electric calculated that for every 1 percent of fuel saved worldwide, well maintained aircraft engines and fossil-fuel power stations acquire an additional value of several billion dollars. Customer service is therefore crucial to customer experience and loyalty.

What does customer experience management now mean in an Industry 4.0 world? This trend postulates personalised production in high volumes (mass customisation), based on the use of robotics, highly networked machinery and sensors (the Internet of Things technology) and 3D printing. Industry 4.0 also includes the enhanced digitisation, intelligence and networking of the products themselves, the increased involvement of customers and suppliers in product development and a logistics chain that is designed with personalised production in mind from the very first unit. Customised products in Industry 4.0 require both individual consultation before the purchase and a tailored service afterwards.

Thanks to supporting information and consultation before buying, potential customers are able to navigate the variety of options and choices available and reconcile the product to their individual needs and financial means. However, there are still too few manufacturers using the customer profile to make this reconciliation process easier by providing personalised, relevant information. When setting up a product, the information supplied – installed in the product itself, or in the form of an app or traditional paper documentation – is playing an increasingly significant role in the customer experience. Although complex custom-made products call for documentation to be tailored to the user's needs (user manual or operating and installation instructions), most personalised informa- »

tion is dispensed with for financial or logistical reasons. Even highly customised products such as cars are only supplied with standard operating instructions, which diminish the customer experience because they describe options that are not installed in the customer's particular vehicle. By contrast, the electronic workshop literature (maintenance and repair instructions) from almost all car manufacturers is automatically personalised to the individual vehicle configuration registered under the vehicle identification number.

As mentioned above, it is not just experience of using and operating a product that is of crucial importance to Customer Experience 4.0, but customer service too: customising products increases the expectation that customers will receive a personalised service. This should not only fulfil their wishes in terms of deadlines, duration and cost, but also incorporate the individual configuration and the specific use, wear and service life of the product. An enhanced service operation is also of economic interest to manufacturers. A study published by Bain & Co. in 2015 shows that industrial service champions make as much as 30 percent of their turnover in service operations and thereby achieve an above-average gross margin (39 percent compared with 27 percent in production).

In addition, service operations grow by 9 percent, almost twice as fast as production at 5 percent. An attractive, personalised customer service does not just enhance customer loyalty and retention, but also opens up new potential for turnover and growth.

The practical reality of such personalised service is demonstrated by the example of a large European coach manufacturer. This manufacturer's customers are private and public transport companies all over the world, who personally configure their coaches to their needs and requirements. Even in the evaluation phase, clients request personalised operating and service documentation that is tailored to the configuration they have chosen. These are produced at the touch of a button using the product information management platform, GRIPS, from STAR Group, even before the coaches have been built. This detailed information assists with consultation and the calculation of return on investment and life-cycle costing in the pre-purchase phase, which improves the customer experience. If the coach is in operation and requires maintenance, dates on which the vehicle is available can be agreed flexibly (e.g. while a tourist group is exploring a town). The 'maintenance calculator' in the STAR Group service portal creates an individually tailored maintenance schedule. In addition to the maintenance work most recently carried out, the time available and the mileage, it takes the fuel and oil quality, as well as the coach's route profile (urban, regional or long-distance travel) into account. The suggested maintenance schedule may of course be adapted by a service expert in consultation with the customer. Once the schedule has been finalised, the definitive maintenance time and costs are calculated, and

the schedule goes to the workshop. The data is made available after the service for invoicing.

Considerable value is attached to this personalised service offer because commercial vehicles only produce turnover when they are in operation: personalised maintenance and repair, tailored to the customer's needs and the vehicle's usage profile, significantly reduces the overall costs across the service life of the vehicle and thereby makes the customer's transport service even more competitive. The coach manufacturer benefits from such a solution thanks to reduced maintenance periods, higher quality repair orders and accelerated billing. At the same time, the solution gives those responsible for the service more time, resources and freedom for customer care and acquisition.

Thanks to its personalised customer service and flexible service offers, Customer Experience Management 4.0 does not just enhance customer retention and loyalty, but also opens up new potential for turnover, profit and growth.

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