

SURVEY REPORT

The State of Customer Experience and Engagement Within Manufacturing

COPPERBERG

Columbus[®]

Content

SURVEY REPORT

2022

3

Introduction



35

Chapter 3
The Driving Forces Behind
CX Transformation



7

Chapter 1
The Objectives That
Shape CX Efforts Today
and a Future Outlook



45

Conclusion

21

Chapter 2
The Manufacturer's Journey of
Organisational Transformation
and a Deeper Look into CX
Challenges



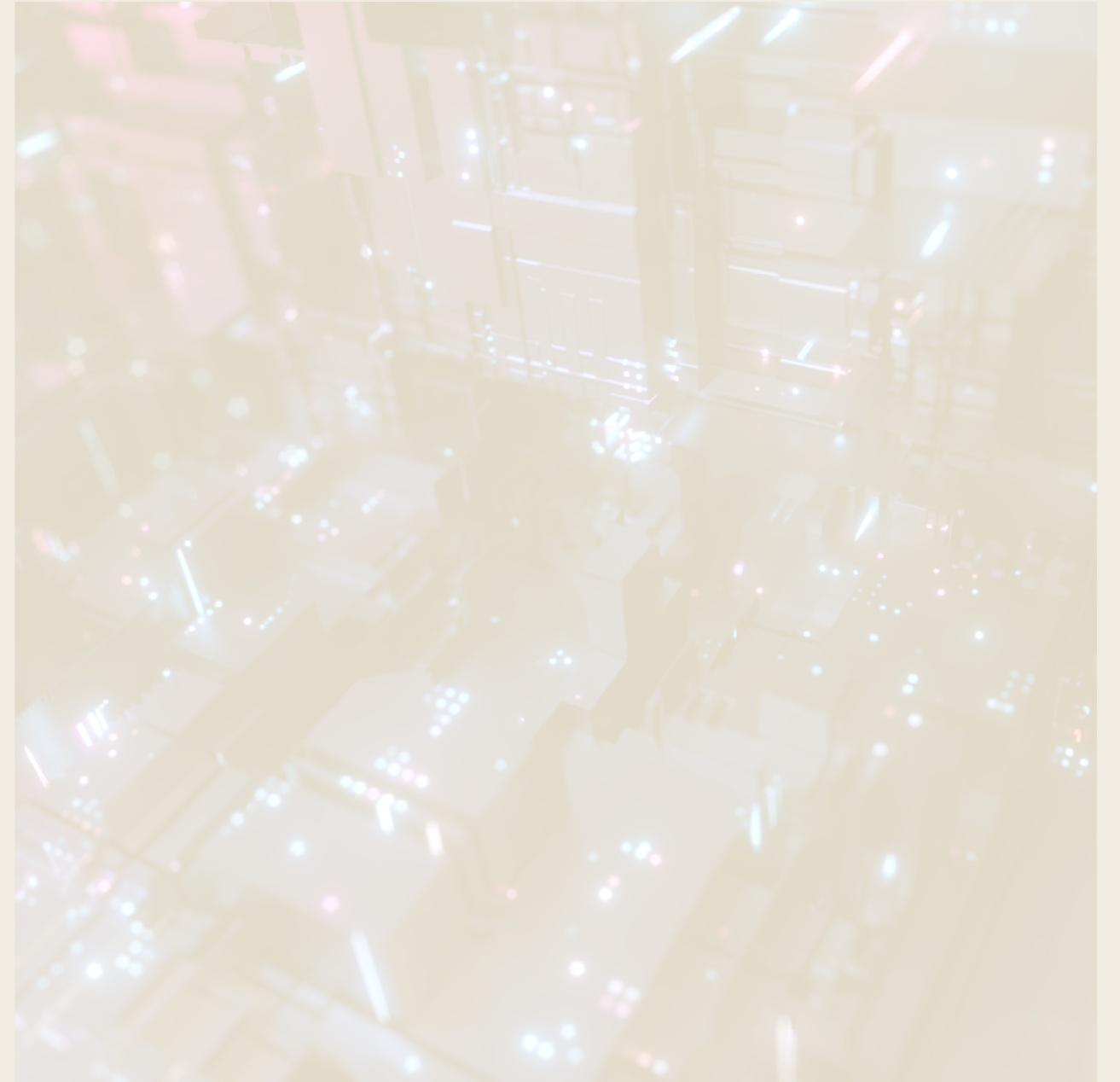
49

About





Introduction



Momentum continues to build for manufacturing organisations to focus more deeply on their customer experience and engagement (CXE) strategy.

With each passing year, the typical customer has evolved in ways that are impossible to ignore or neglect. A uniquely customised, relevant, and frictionless customer experience (CX) has become of particular interest to the modern-day client. Drove of buyers have also flocked online at the onset of the COVID-19 pandemic, seeking ever since to engage more digitally, even with manufacturing firms. Thus, a superior CX across multiple channels is needed for organisations to engage with and stay connected to their customers today and in the post-pandemic era ahead.



Manufacturers all over the globe have been at pains of late to rethink the ways they interact with clients. Facing up to the radical changes in customer behaviour and expectations has required many industry players to reimagine their organisation's CX approach completely. A few challenges have come up along the way, but not enough to push companies off the path to CX transformation or minimise the benefits it may bring. Pressing ahead with implementing a solid CX strategy will be vital for devising the impactful and memorable buyer-centric journey that customers have come to expect from manufacturers. A more efficient CXE approach will also be key for maximising business value and establishing a strategic advantage in a globally competitive environment.

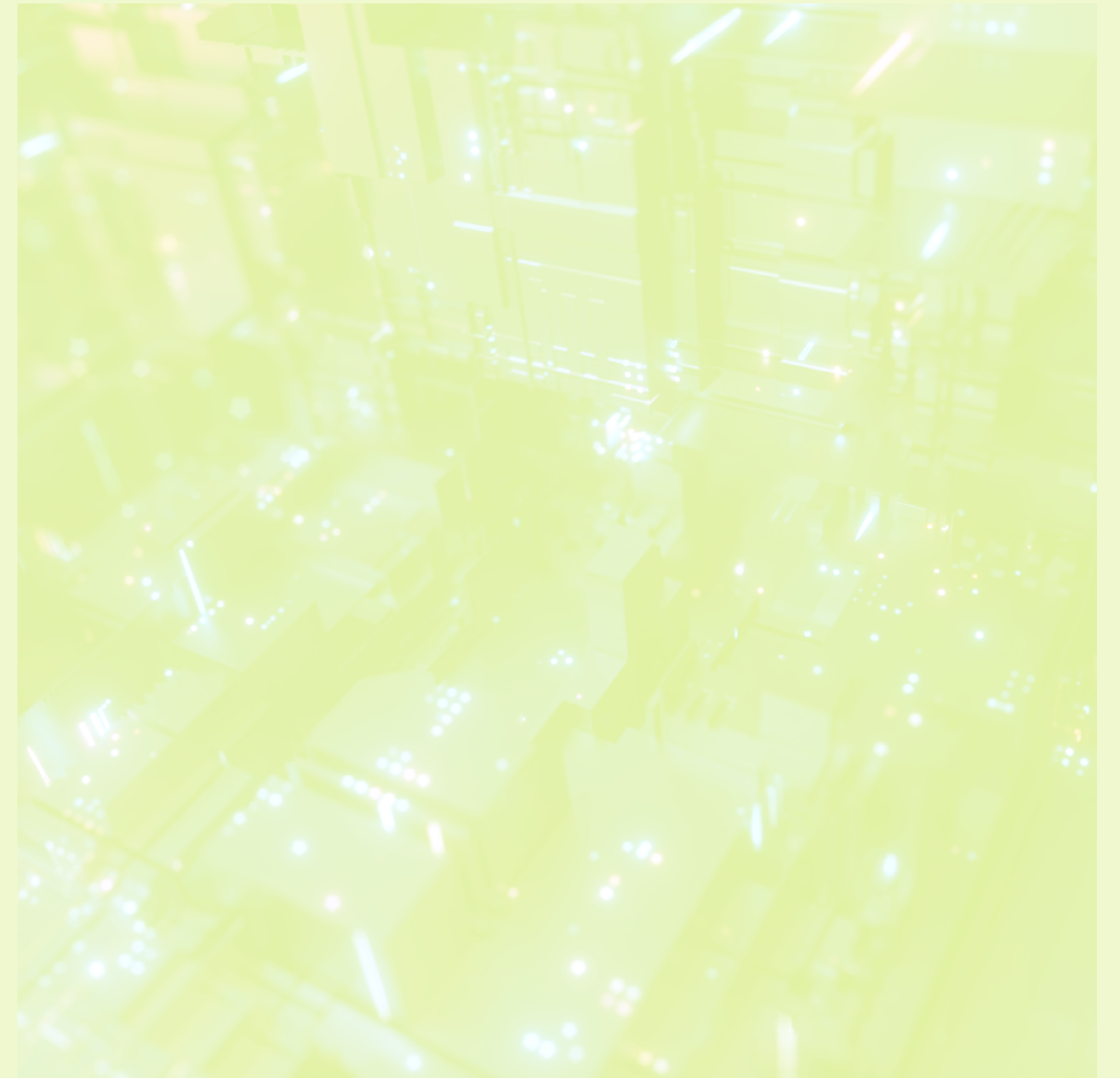
As more organisations mobilise to step up CX efforts in hopes to enrich customer engagement and realise business growth, Columbus has teamed up with Copperberg to take the present pulse on CX in manufacturing. Drawing on the survey responses of over 100 professionals who represent some of the world's most important manufacturing industries, this report sets out to discuss:

- To what extent are organisations within manufacturing industries focusing on CX today?
- Which are the organisational challenges that hinder the progress of manufacturers in reaching their CX goals?
- What are the key drivers of change behind CX transformation?
- What is the future holding for those who put CXE at the centre of their business strategy?

The detailed findings of this survey report highlight where things stand now and what could change for those who prioritise investments in a robust CXE strategy. —

01.

The Objectives That Shape CX Efforts Today and a Future Outlook



Manufacturers are actively charting their way ahead to a CX-focused future, but not everyone follows the same path.

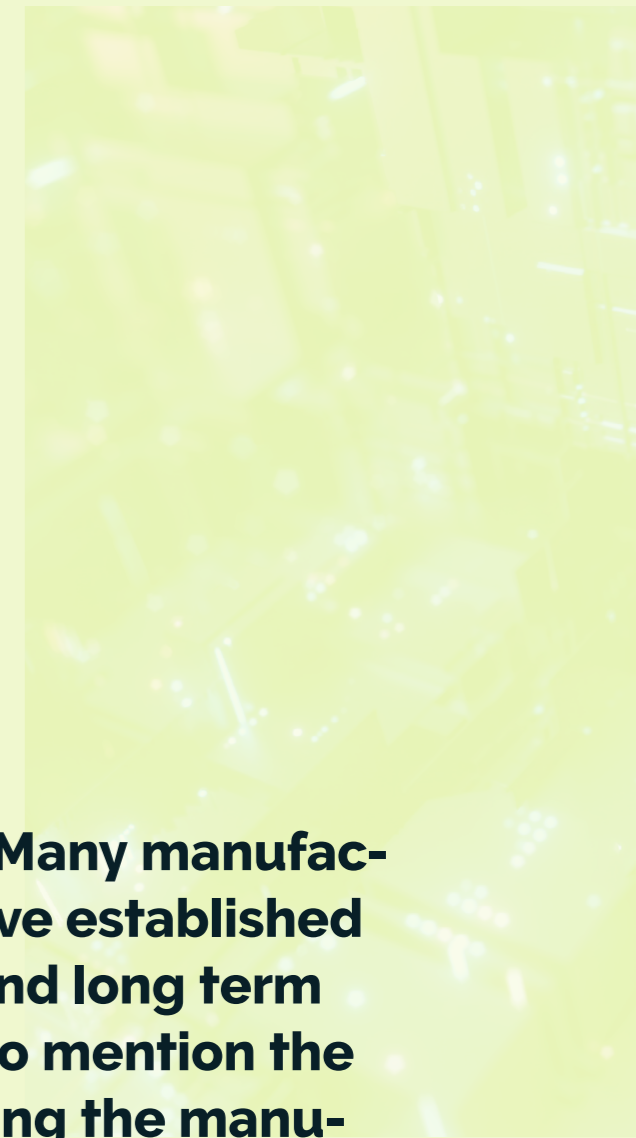
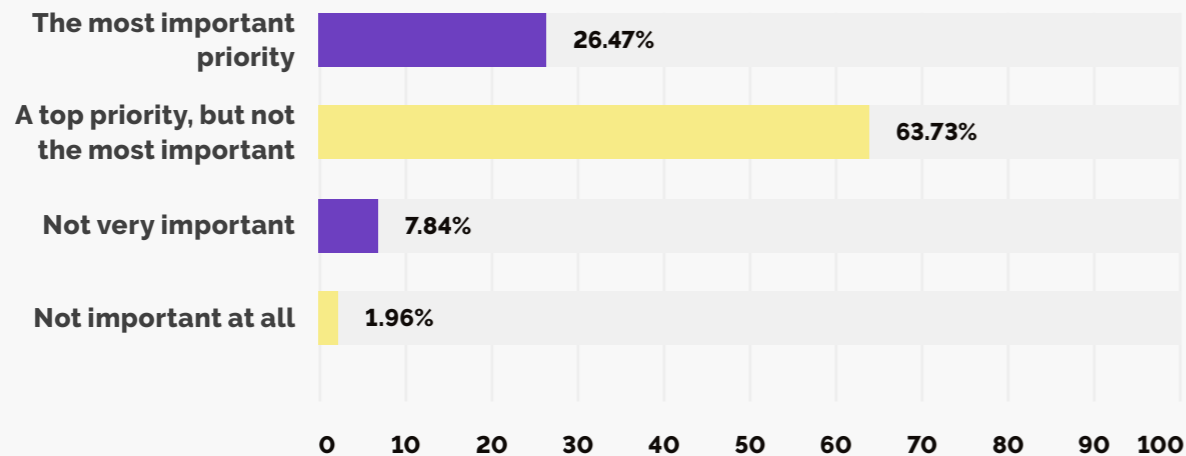
Strategies that manufacturers are currently using

Of those surveyed, **63.73%** place a top priority on devising a seamless CX. Yet, as they further reveal, the effort to build up a smooth CX doesn't take the most important position on their organisation's priority list.

A contrasting view, expressed by **26.47%** of respondents, shows that other manufacturers not only put a sizable focus on creating a seamless CX for customers; they also prioritise it as such. Only a few say this move is not very (**7.84%**) or at all important (**1.96%**) for their organisation at present.



How would you rate your organization's prioritization of creating a seamless customer experience?



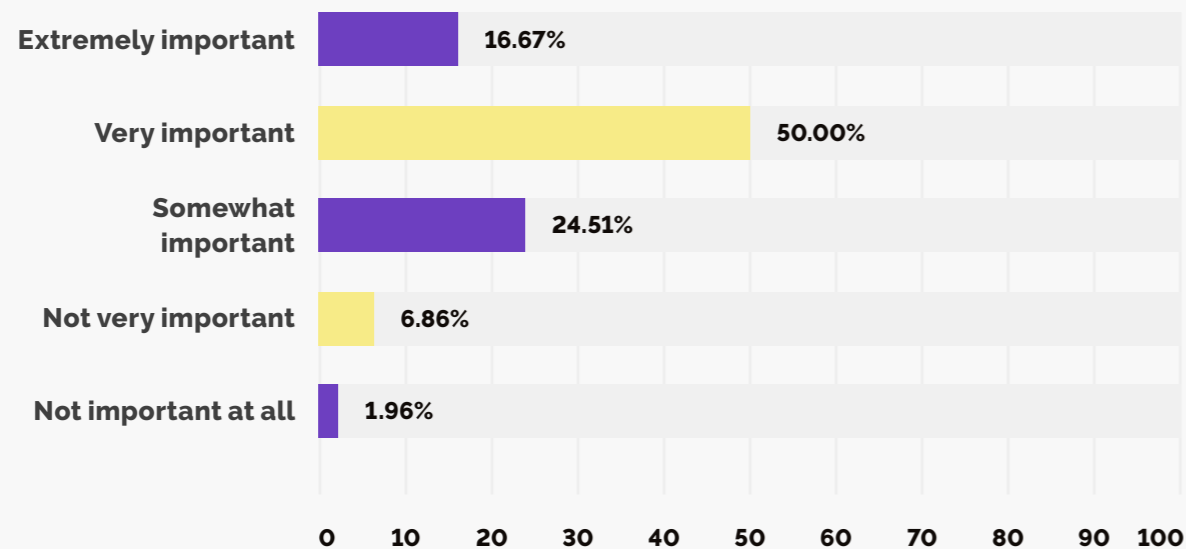
Perhaps this isn't surprising. Many manufacturing businesses already have established and stable customer bases and long term customer relationships, not to mention the other key challenges impacting the manufacturing industry at the moment such as supply chain issues, cost management and a skills shortage. However, even with these challenges, CX shouldn't be ignored for manufacturers, as has been seen throughout the pandemic, customer experience is impacting customer loyalty.

Though prioritisation differs across organisations, data strongly suggests that providing a CX devoid of friction is becoming a pressing matter for most industry players within manufacturing. So, too, is pivoting to omnichannel CX. More than half of all respondents (66.67%) advocate for the critical importance of delivering excellent CX in an omnichannel environment. Plus, a little over a fifth of manufacturers (24.51%) recognise that capitalising on the promise of omnichannel is somewhat important in providing a seamless CX.

Signs are there that manufacturers have started to be more sophisticated in their approach to CX, laying the groundwork for greater gains. Effectively optimising omnichannel CX, for example, will present companies with massive opportunities for driving personalised engagement across channels and realising long-term value.



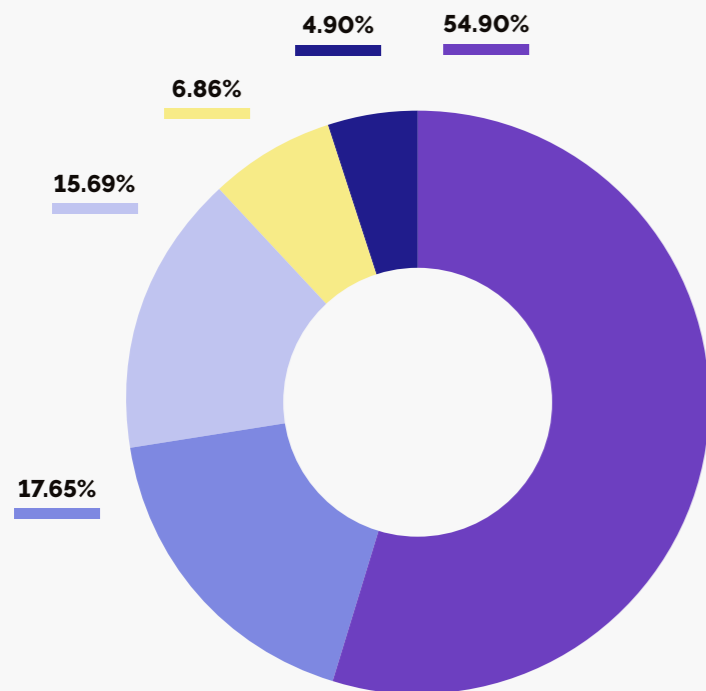
How important is it for the business to have a seamless customer experience in an omnichannel?



To provide truly exceptional customer experience, any friction needs to be removed and there should be a full understanding of the customer journey. Customers must be able to move seamlessly from one channel to another and receive top quality support throughout their journey. Consistency is key when looking to improve customer experience.

How high are manufacturers aiming in their CX efforts?

As necessary as it is to prioritise the delivery of a superior CX, it is equally vital to put targets in place to succeed in such ventures and achieve wider business objectives. Whilst manufacturers investing in CX are driven principally by an intent to maximise the revenue stream from existing customers through value-added services (54.90%), they also try not to miss any opportunity. That is why winning new clients remains a key target for some companies (15.69%).



Pick the MAIN objective of Customer Experience in your organisation:

- Broaden the revenue stream from existing customers through value added services
- Bringing new products/service offerings into the current market
- To win new customers
- Other
- Entering new and adjacent markets and industries



Retaining customer loyalty is vital and it is well known that it's much more cost and time efficient to ensure current customers are satisfied than to focus all efforts on winning new ones. In this guide, we explore how to keep customers for life and in turn, boost sales.

Other ambitious goals behind CX investments fixate on increasing customer satisfaction and retention or growing market share. Few organisations (4.90%) embark on CX programmes to enter new and adjacent markets or industries. Instead, many more (17.65%) aim to bring new products or service offerings into the current market.

According to [Gartner's Digital Commerce Maturity Framework](#), organizations with low digital maturity tend to think of digital transformation in narrow terms, having little to no execution in place and minimal investments kept within silos. As they ascend along the digital maturity scale, digital transformation begins to be seen in broader terms, and with more expansive initiatives being undertaken, especially opening up revenue streams from broadening your product and service portfolio as digitalization opens up the capability of undertaking a larger number of customers and offerings simultaneously.

Gartner's digital commerce maturity is measured in aspects like strategy, organization, execution and operations. For an intermediate level, firms should have a medium-term (1-2 years) strategy in place, C-level management support, hybrid organizational processes, omni-channel, structured execution and critical tools already rolled out.



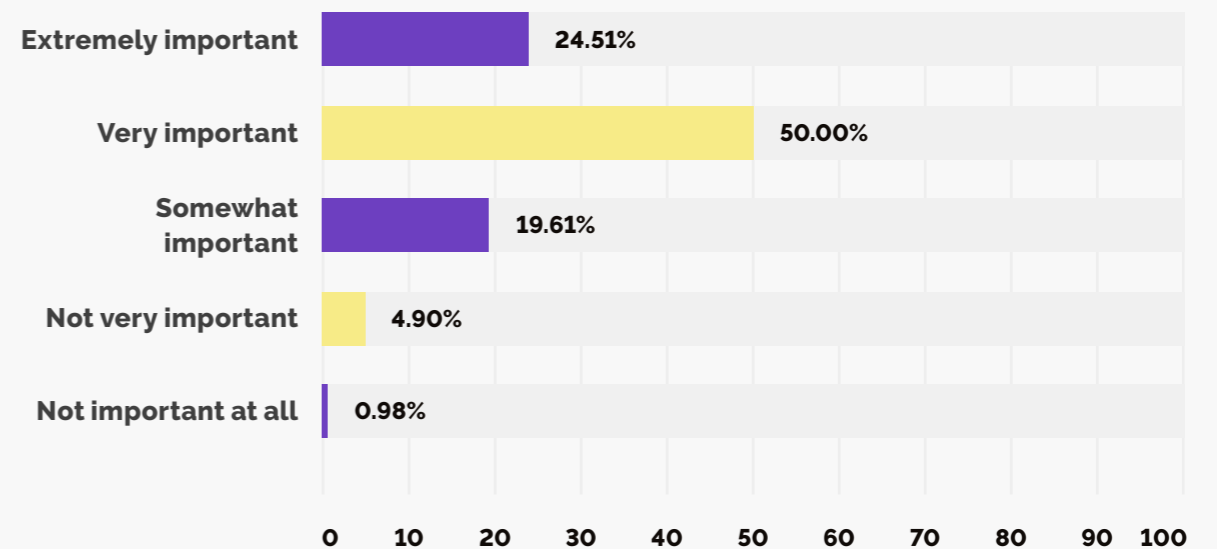
How organisations can meet the targets they have committed to

Nearly all survey respondents feel that coherent CX plans play an essential role in goal attainment. More specifically, a majority of those surveyed (74.51%) consider that having a clear CX strategy is key in achieving their business objectives this year. For many others (19.61%), CX plans that have complete clarity make a somewhat important contribution to reaching the aims set out for 2022.

CX is, therefore, a powerful vehicle for organisations to drive meaningful results, but only if the road ahead is unambiguous. There is no point in having a plan, without having a goal.



How important is a clear CX strategy to meet your business objectives in 2022?



“

How to build a successful CX Strategy

When building a CX strategy, the following elements should be including to ensure success:

- Understand customers by developing buyer personas;
- Customer journey mapping, which will help to show all interactions and touchpoints a customer has with an organisation;
- Define goals and KPIs for implementing a CX strategy including what value it will add to the business;
- Ensure the team are on board, everyone in an organisation plays a part in improving CX;
- Review channels and capabilities for elements such as personalisation and ease of use;
- Invest in the right tools and solutions;
- Measure results and make changes, this can include collecting feedback from customers.



What is next for CX-focused manufacturers?

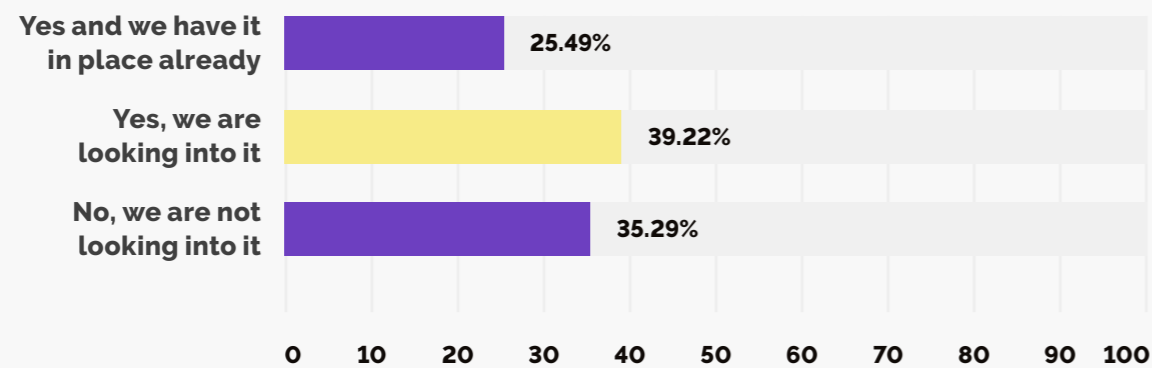
In the years ahead, action plans for CX improvement may open up strong avenues for manufacturers to reinvent the ways they engage with customers and shift to new business models.

The B2B2C model, in which a manufacturer relies, for the most part, on an intermediary to sell to customers, is rising in popularity among organisations looking to deliver a great CX. Though opinions are still divided, with **39.22%** of manufacturers making efforts to adopt B2B2C and the other **35.29%** ruling out the possibility of investing in it, various industry players already have this type of business model set in place. Precisely **25.49%** of survey participants pivoted successfully to a B2B2C model, leading CX with a more forward-thinking mindset.

The outlook for the next few years appears especially favourable for those who exploit new CX-centric business models. —



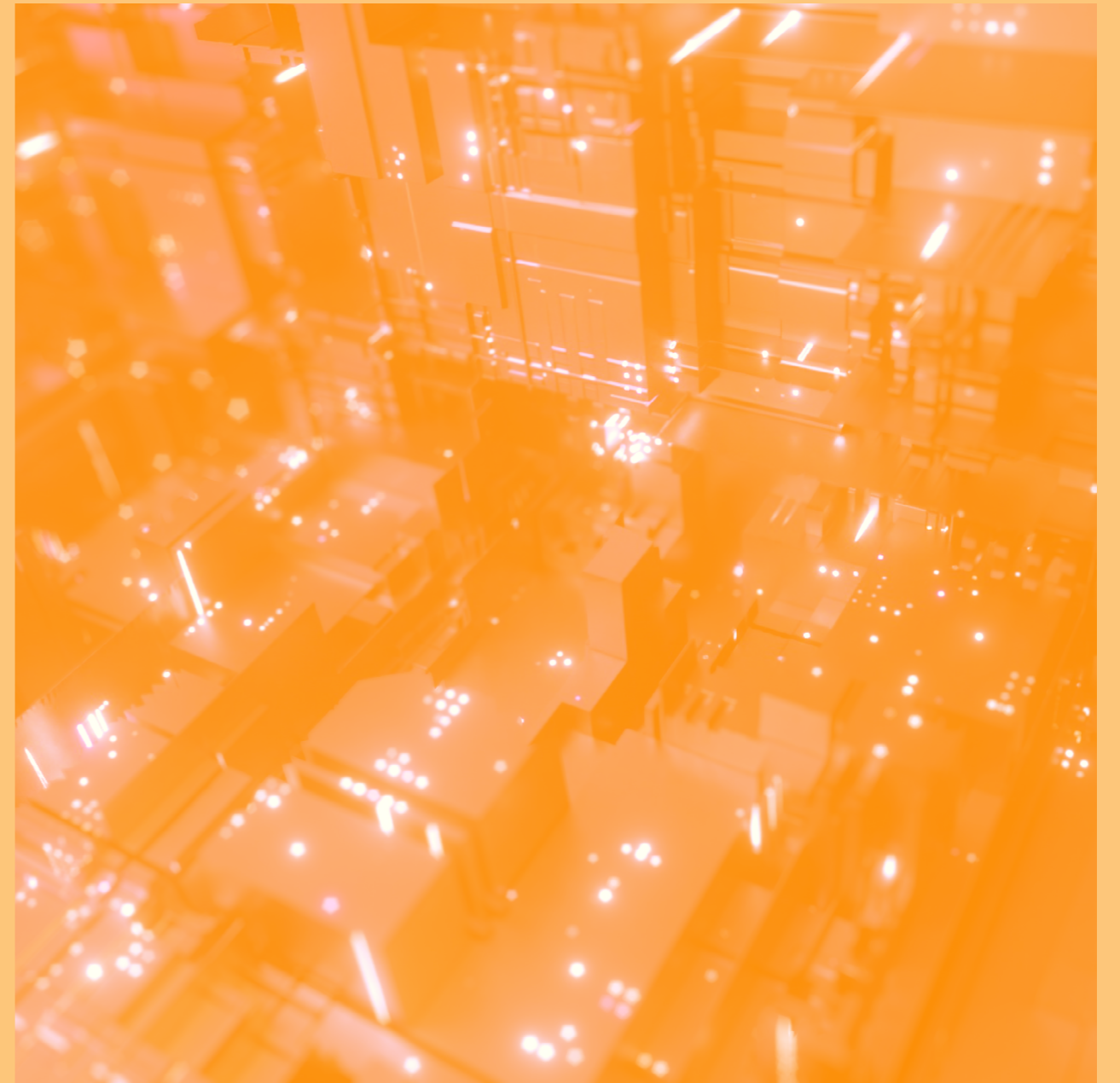
Is your organisation currently looking to adopt B2B2C business models?



B2B2C (business to business to consumer) is an e-commerce model where businesses access customers through another business but are able to interact directly with customers under their own brand. B2B2C differs from a channel partnership in that customers are fully aware that they are buying from the business.

02.

The Manufacturer's Journey of Organisational Transformation and a Deeper Look into CX Challenges



CX is an organisation-wide effort. It takes people with different skills from different parts of the company working closely together to deliver a CX that stands out in a burgeoning crowd of competitors. Yet getting all parts of a firm to function as one unit geared towards the same goal requires a fundamental reconsidering of the organisational structure.

How is the organisational structure of manufacturing firms shifting to support CX-centric ambitions?

Manufacturers appear to have already succeeded in restructuring their organisations, specifying that representatives from sales (83.33%), customer service (69.61%), marketing (65.69%), aftermarket (55.88%), and management (49.02%) make a significant contribution to CX programmes.

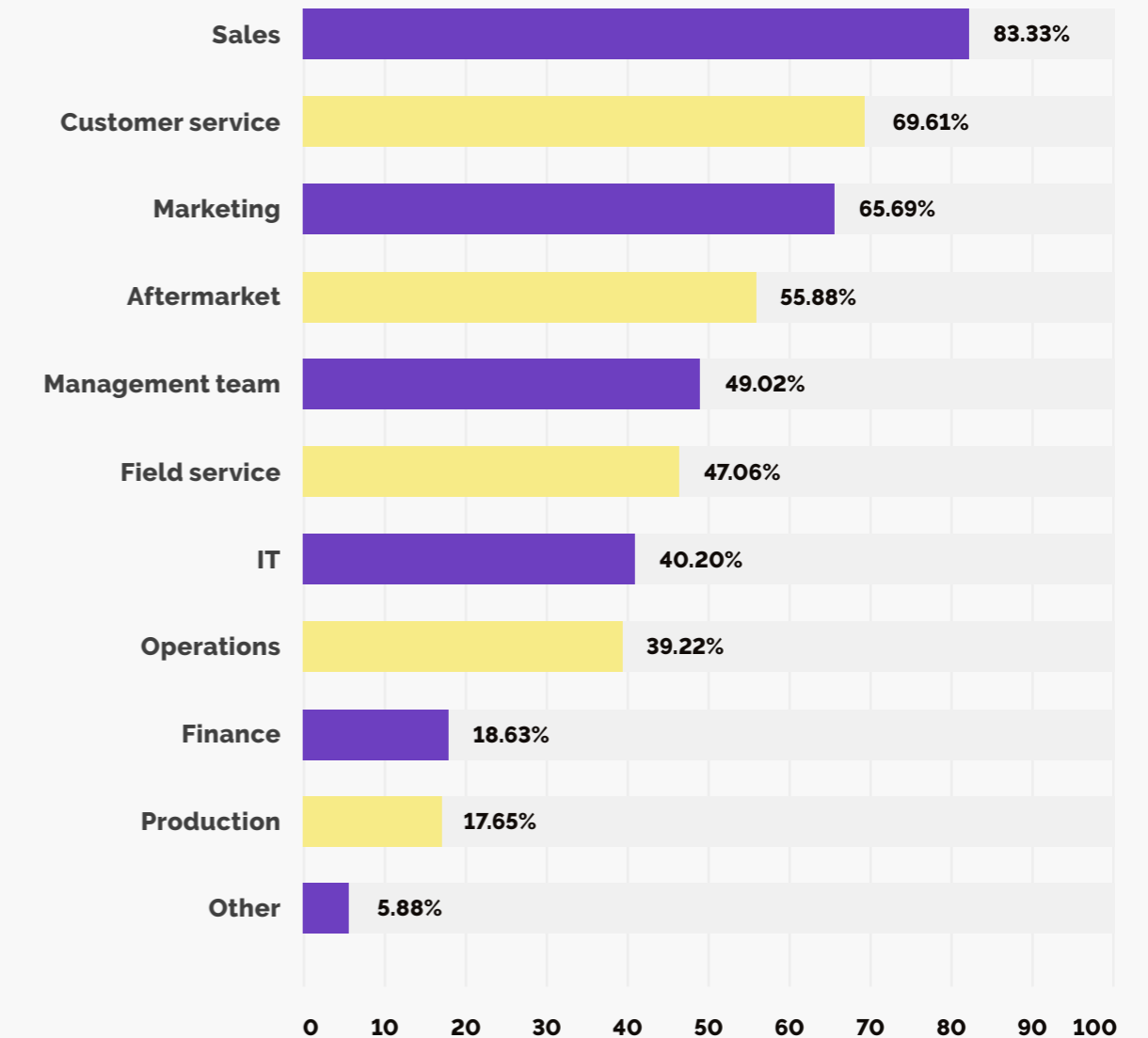
Professionals like sales, customer service, and marketing experts are, by far, the popular choices to lead transformational CX initiatives within manufacturing firms. To many,



those who work in field service (47.06%), IT (40.20%), and operations (39.22%) are just as essential for a successful deployment of CX plans. In general, the finance (18.63%) and production (17.65%) departments are less involved in CX.



Which areas of the business are included in your customer experience project?





Learn here how an initiative to automate business and field service operations resulted in improved customer experience.

What technologies are used by manufacturers seeking CX success?

CX leads to a radical organisational transformation. Technology plays a catalytic role in that transformation.

One way organisations can grow into operating as a CX-centric firm is through the effective use of technology.

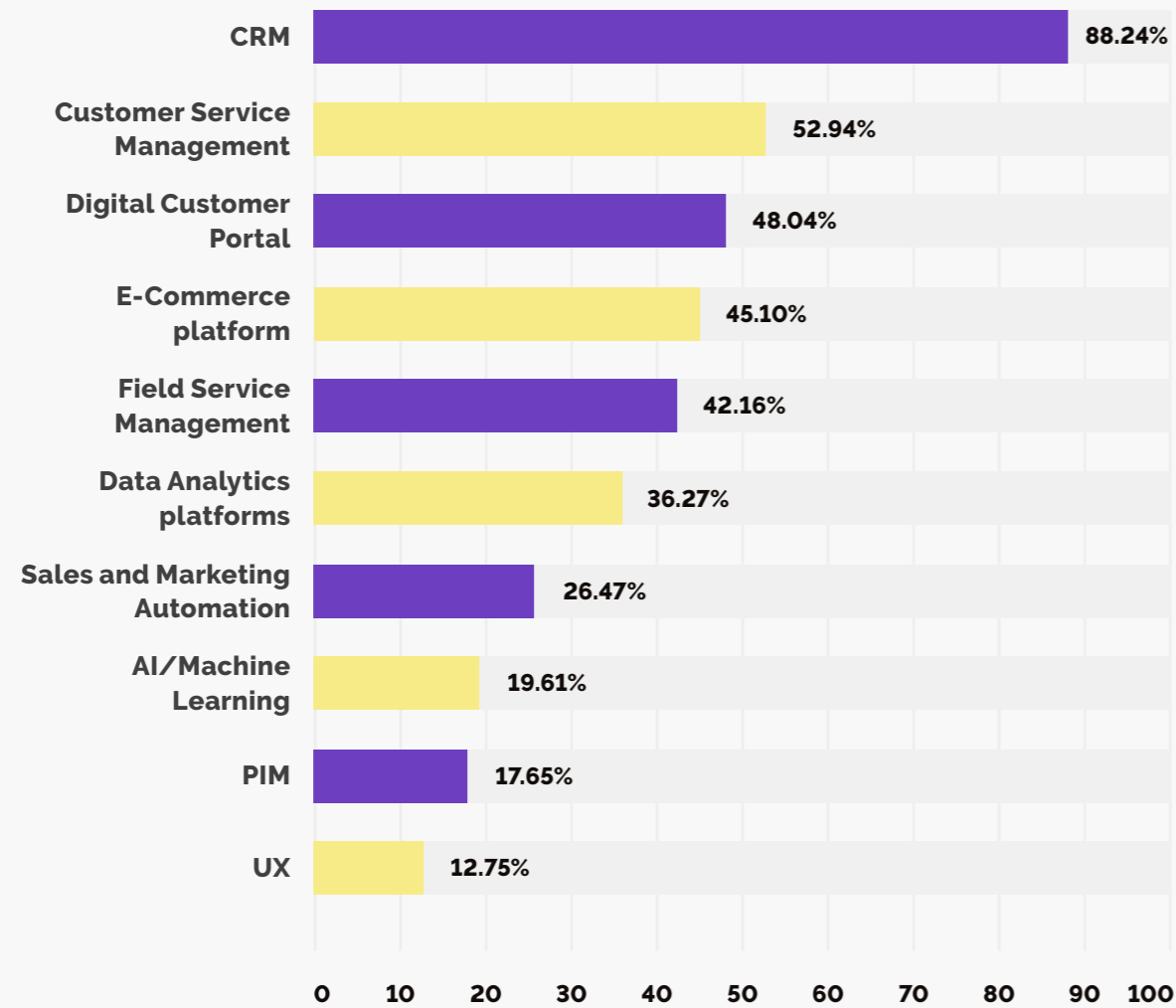
For **88.24%** of the manufacturers surveyed, customer relationship management (CRM) software is the most relied-on tool in their CX technology stack. This type of software offers organisations a great chance to manage customer interactions effectively.

Many (**52.94%**) choose to invest in technology for customer service management, perhaps recognising the growing necessity of responding to and resolving buyer issues faster. Unsurprisingly enough, digital customer portals (**48.04%**) and e-commerce platforms (**45.10%**) are also part of manufacturers' robust CX technology arsenal. In the wake of COVID-19, firms have had to redefine CX in e-commerce and provide top-notch service through customer portals. But many still go one step further. Those who participated in the survey indicate that their companies turn to field service management (**42.16%**), data analytics (**36.27%**), or sales and marketing automation (**26.47%**) platforms to pursue CX goals with the view to providing a consistent experience across all customer touchpoints.

In short, we see a shift towards a digital customer-relationship strategy that meets customer needs as they unfold—focusing specifically on building a seamless customer experience, using data-based insights and incorporating the human touch—or risk losing customers in an already competitive marketplace.



What solutions/tools do you have in place to support your customer experience initiatives?



A CRM solution creates a 360 degrees view of the customer as it captures all interactions and brings to the surface information that is needed to ensure productive and personalised conversations with a customer. Most CRM solutions have the ability to track interactions across multiple channels too; email, phone, live chat or even social media. Without a common platform, these communication points can be missed, leading to an unsatisfactory customer engagement.

- In the past year, many businesses were forced to take their customer relationships remote. This virtual nature of relationships and customer service seems to be an enduring trend.
- Research has shown that a steadily-increasing majority of customers prefer remote engagement over face-to-face interactions.
- Remote customer-relationship strategies that simplify and improve customers' interactions in the virtual world will be integral to success this year and beyond.

Almost every business has had to redefine how to work with customers virtually. Some businesses may have considered these temporary measures. Yet, it's becoming clear that many adaptations made last year should be permanent—in particular, the move to virtual customer relationship maintenance.

With some customers preferring self-service and virtual interactions, the effectiveness of a company's remote sales process, customer experience management and customer service will fuel growth.



Meanwhile, frontier technologies, like artificial intelligence and machine learning, also attract investments from **19.61%** of manufacturers. This is especially promising, as incorporating advanced technologies into CX strategies offers a unique opportunity for organisations to personalise and deliver a real-time CX—thereby strengthening customer engagement. Plus, as companies move to drive a better CX, some also find it is worth pouring finances into technology for product information management (**17.65%**) and UX (**12.75%**).

A product information management (PIM) solution has many benefits for manufacturers, such as:

- Data integration from multiple sources like an ERP solution or MRP, this could even shorten time to market;
- Data validation to maintain one source of truth;
- Digital asset management;
- Content enrichment, especially beneficial if using or looking to use an e-commerce solution;
- Consistent customer experience.



Having a better picture of customer interactions across multiple touchpoints, and increased visibility through real-time dashboards, can enable manufacturers to make more data driven decisions. For example, which channels customers prefer to be communicated with and which products are often purchased together through an e-commerce website.

What is holding manufacturers back from CX progress?

No matter how carefully planned a CX effort is, obstacles will exist. Though manufacturers have made great strides to deliver new value-added offerings in a world that has shifted constantly for the past two years, they occasionally grapple with communicating this to customers **(14.71%)**. Effectively articulating value is essential to growing buyer engagement. The difficulty is that not all organisations have enough qualified workers to progress toward CX goals.

Manufacturers have put in years-long efforts to address the industry's existing skilled worker shortage, which was further exacerbated by the pandemic. To this day, however, CX plans are periodically constrained by the lack of skills in the workforce **(13.73%)**.

A greater challenge to reckon with is, for many **(38.24%)**, integrating new technologies into their current IT infrastructure. Failing to capitalise on technology investments may



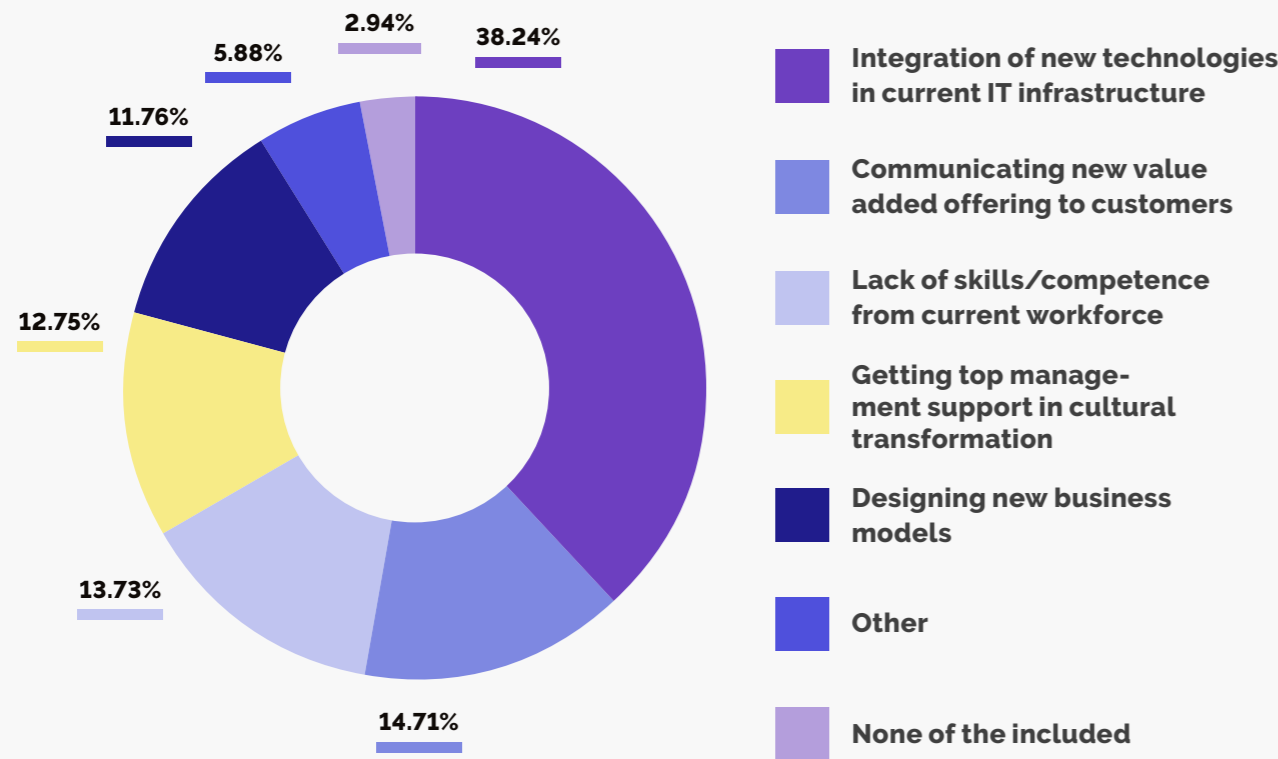
significantly stall manufacturers in their progress towards modernising the IT infrastructure. So moving forward, more pressure will mount on companies to nudge technology integrations along.

Along the same vein, concerns about getting top management support in cultural transformation (12.75%) and difficulties with designing new business models (11.76%) leave manufacturers struggling to approach CX efficiently.

This calls for renewed efforts from organisations to counteract challenges that presently limit their success and optimise CX through a new perspective. —



What, if any, is the main challenge for your business in terms of customer experience projects?



Learn how a large food manufacturer approached finding new value within their business and ensured mindsets of business leaders were aligned before embarking on a transformation project here.



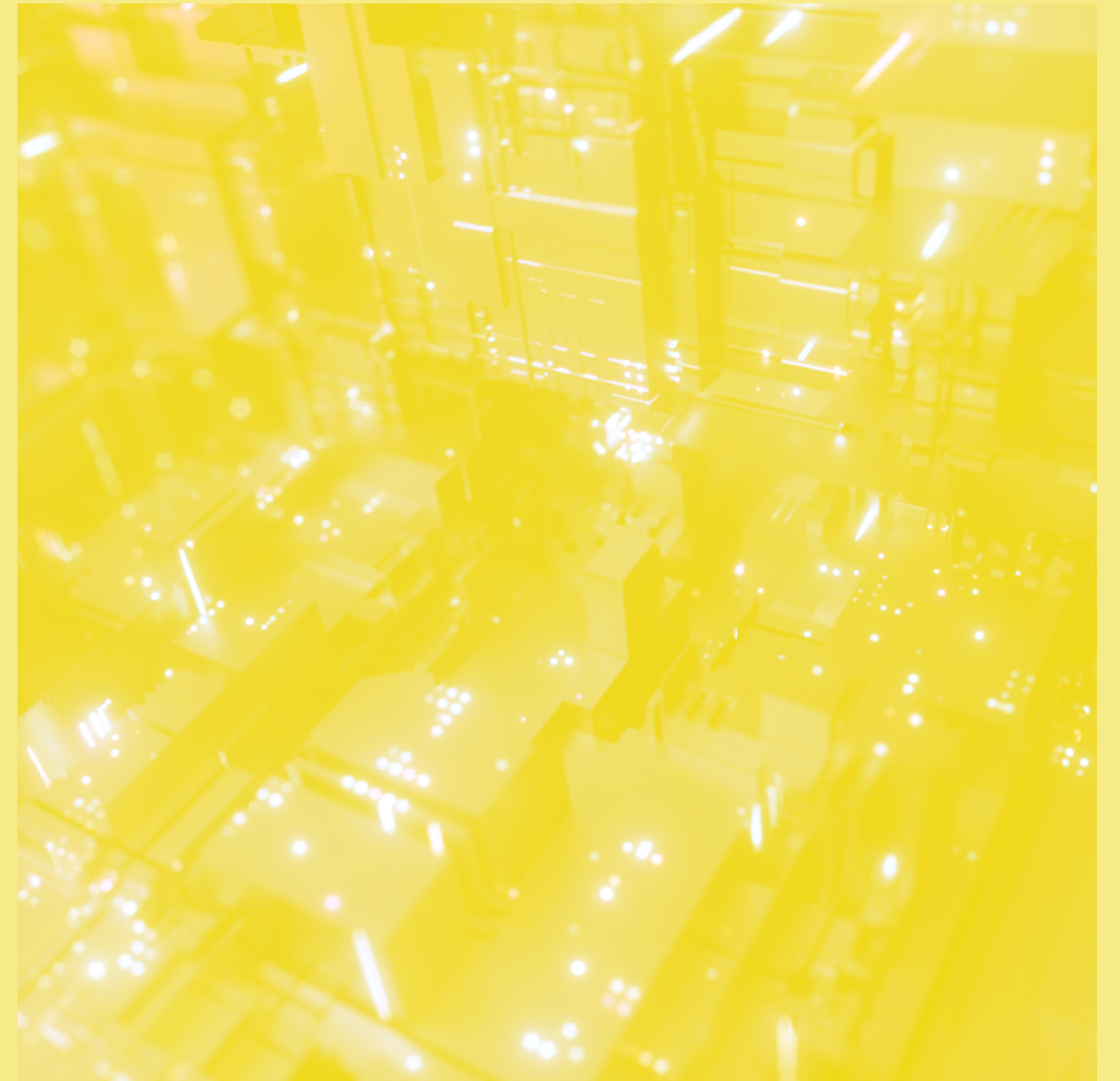
It's always difficult when embarking on a transformation project, which is why starting at the right place, with the right goals in mind is key. **Discover** how to tackle transformation and change management here.

03.

SURVEY REPORT

2022

The Driving Forces Behind CX Transformation



Manufacturers have continued to make concerted efforts in hopes of optimising CX for better results as they battled continual pandemic upheavals. Much of what has happened over the past two years led organisations to transform CX in its entirety. Thankfully, any challenges along the way far outweighed the benefits that a robust CX strategy brought—and still brings—to modern-day manufacturers.

How are CX initiatives creating value for manufacturers today?

In the manufacturing sector, the majority (62.75%) expect to see improvements in responsiveness and customer service resulting from CX endeavours. A particularly high number of industry players (56.86%) think that moving forward with CX plans may be of real value in measuring and improving customer satisfaction. Interestingly, a similarly high percentage of manufacturers (55.88%) look forward to enabling end-to-end CX.

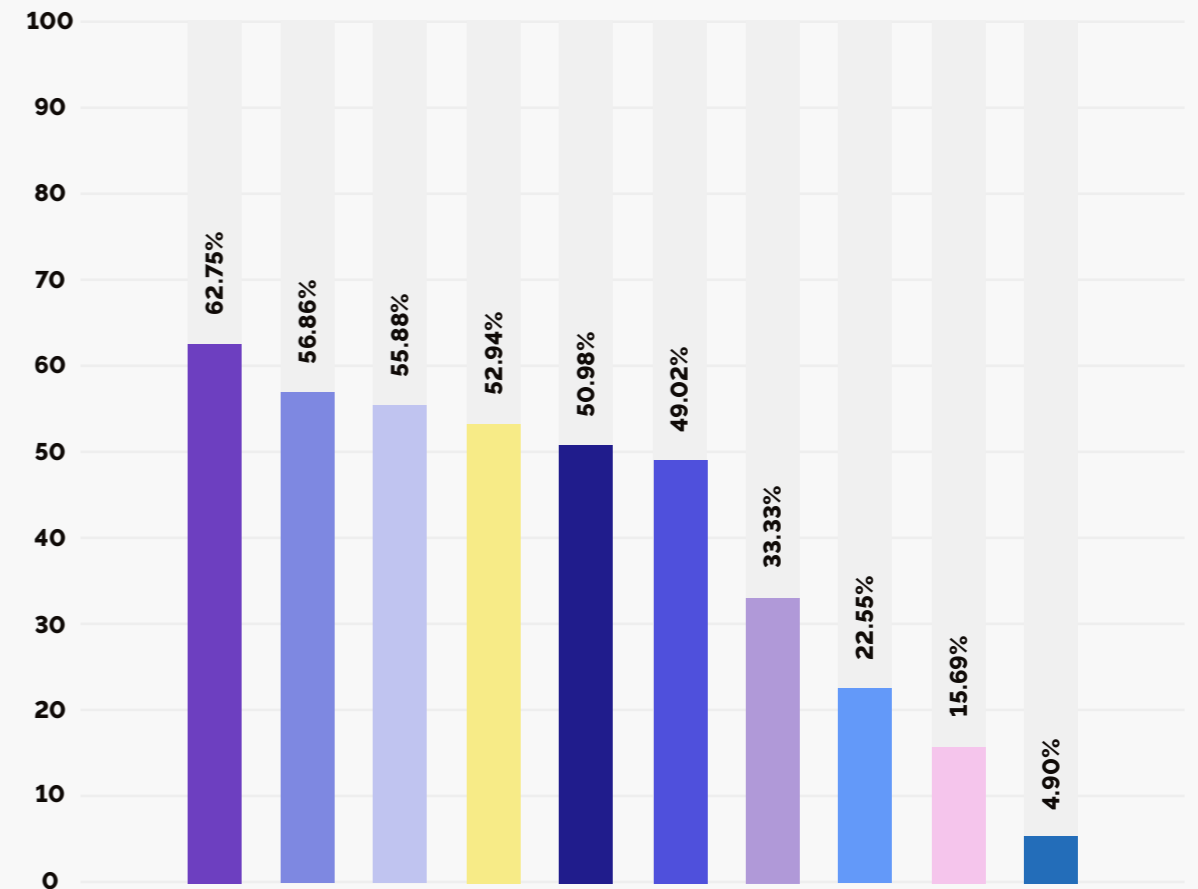
Others presume that efforts undertaken to boost CX will result in them:

- Creating partnerships that improve CX (52.94%);
- Improving customer retention and minimising churn (50.98%);
- Giving customers more control through self-service (49.02%);
- Increasing sales and profits (33.33%);
- Improving leads from marketing (22.55%).

Fewer organisations (15.69%) assume that CX efforts will open up opportunities for identifying new target markets.



What values from your customer experience initiative do you expect to see?



- Increasing responsiveness and improve customer service
- Giving customers more control, self service
- Measuring and improving customer satisfaction
- More products purchased so increased sales/profits
- Enabling the end-to-end customer experience
- Improved leads from marketing
- Creating partnerships that improve customer experience (e.g. payment/shipping)
- Identifying new target markets
- Improving customer retention and minimizing churn
- Other

How has customer behaviour shifted in the past few years?

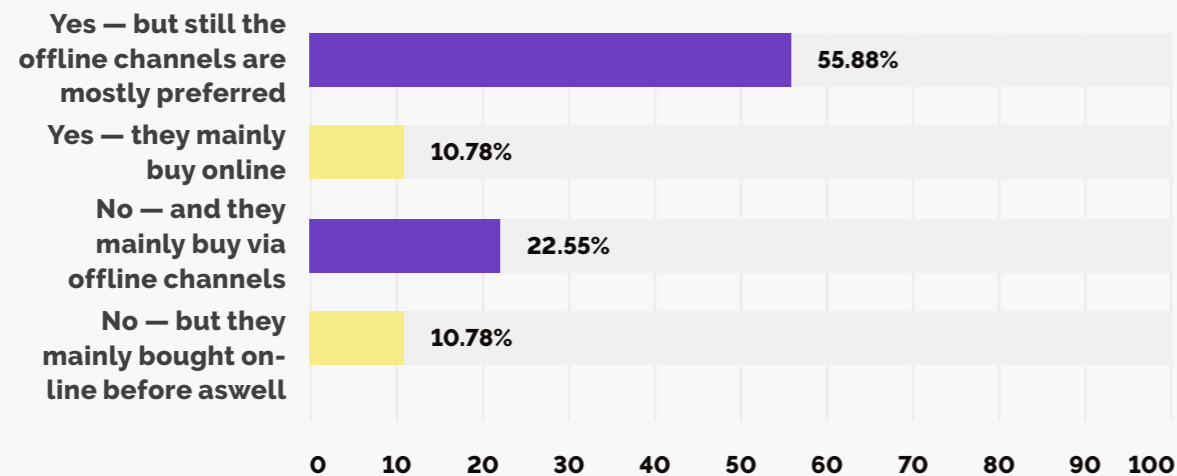
Two years ago, the COVID-19 pandemic accelerated a pivot to digital buying. The new habit of online purchasing may stick, but it isn't likely to mark a permanent shift in customer behaviour.

Most manufacturers (**55.88%**) have noticed that customers shopped online more frequently over the past few years. They say, however, that clients still favour offline channels the most—indicating that digital buying is not yet deeply ingrained in the customer's behaviour. But will this change as many business models move more towards B2B2C?

In fact, **22.55%** of those who took part in the survey note that not only had their customers bought mainly via offline



Have your customers shifted their buying behaviour towards digital channels in the past 2-3 years?



channels, but they have not switched to online purchases at all in recent times. Another **10.78%** of manufacturers haven't observed a shift in buyer behaviour either. Yet, as these industry players explain, their customers predominantly used online channels for making purchases long before the COVID-19 pandemic disrupted global markets.

Digital buying, while not the first choice for most customers, will not go away. **10.78%** of manufacturers claim that buyers have shifted to digital platforms for purchases during the past years, and, what is more, they continue to head to online stores at present, emphasising the importance for investment in e-commerce solutions.

The pandemic visibly impacted customer behaviour in many other ways, too. Now, customers do not shy away from seeking remote service and support (**61.76%**). At least half of them (**50.00%**) demand simpler and faster service,



proving to be more impatient (23.53%) than previously known.

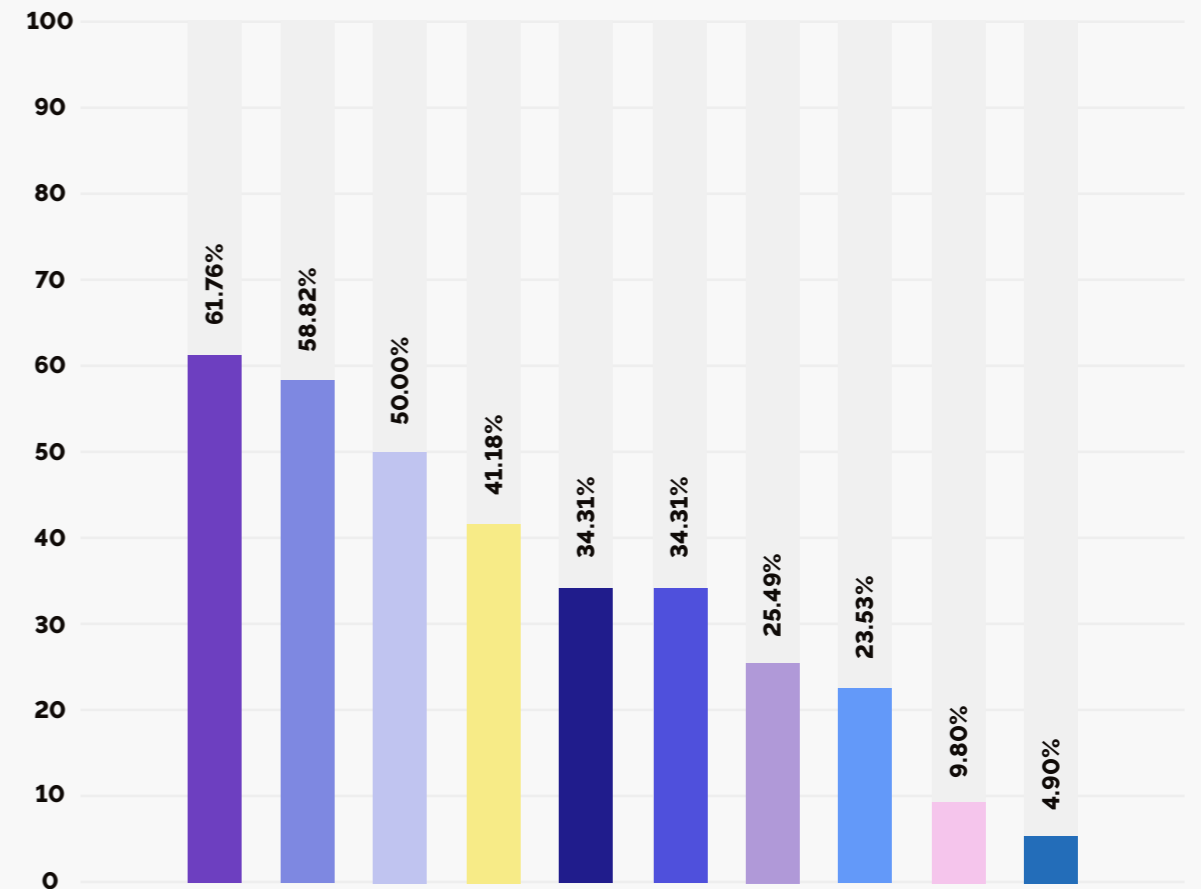
Under COVID-19's influence, buyers also demonstrate a greater willingness to utilise self-service portals (41.18%). Furthermore, they go the extra mile looking for transparent and real-time information on products and prices (58.82%) in a bid to make informed purchasing decisions.

Of course, modern-day customers expect, in a similar way, an optimised online CX (34.31%) and a seamless integration between online and offline channels (34.31%). But some (25.49%) also wish manufacturers would know them better as they ask for service.

With this in mind, manufacturers need to invest heavily in analytics and business intelligence solutions. There is a wealth of data available in a manufacturing organisation, which holds a tremendous amount of value. By ensuring this data is collected, connected to all sources and is visible with real-time insights, manufacturers will be able to optimise many of their process and learn more about customer behaviour. The more data that is collected, the more patterns will appear, and manufacturers will be better informed to advise their customers on what they need (and on the right channels), before the customer realises this themselves.



Which of the following statements do you agree with as a RESULT of the pandemic?



- Customers are more willing to adopt to remote service and support
- Customers expect an Optimized Online Experience
- Customers seek transparent and real time information on products and price
- Customers expect that you know more about them when seeking service
- Customers want simpler and faster service
- Customers have a lower tolerance and are more impatient
- Customers are more willing to use self service portals
- Customers want to share more
- Customers expect a Seamless Integration Between Offline and Online
- Other

How are the driving forces for CX change helping organisations to optimise for growth?

The new expectations and behaviours of manufacturing customers are the strongest forces driving CX's transformation today.

There are obvious benefits to doubling down on CX transformation. Those optimising CX for today's era of shifting customer demands and behaviours will differentiate from competitors and likely see a vast increase in their business value. Ample evidence of this comes from manufacturers who took part in the survey.

The benefits of a CX transformation include:

- Not only a better customer experience, but also a better employee experience;
- Increase in sales (and conversion rates) with both new and existing customers;
- The opportunity to open additional revenue streams (e-commerce);
- Faster responses to customer feedback and challenges;
- Reduced inaccuracies and waste through improved forecasting and customer behaviour insights;
- Increased innovation through more awareness of customer needs;
- A streamlined, data-driven and customer first manufacturing organisation.

As part of the broad effort of improving CX, most manufacturers plan to form a trustful partnership with their

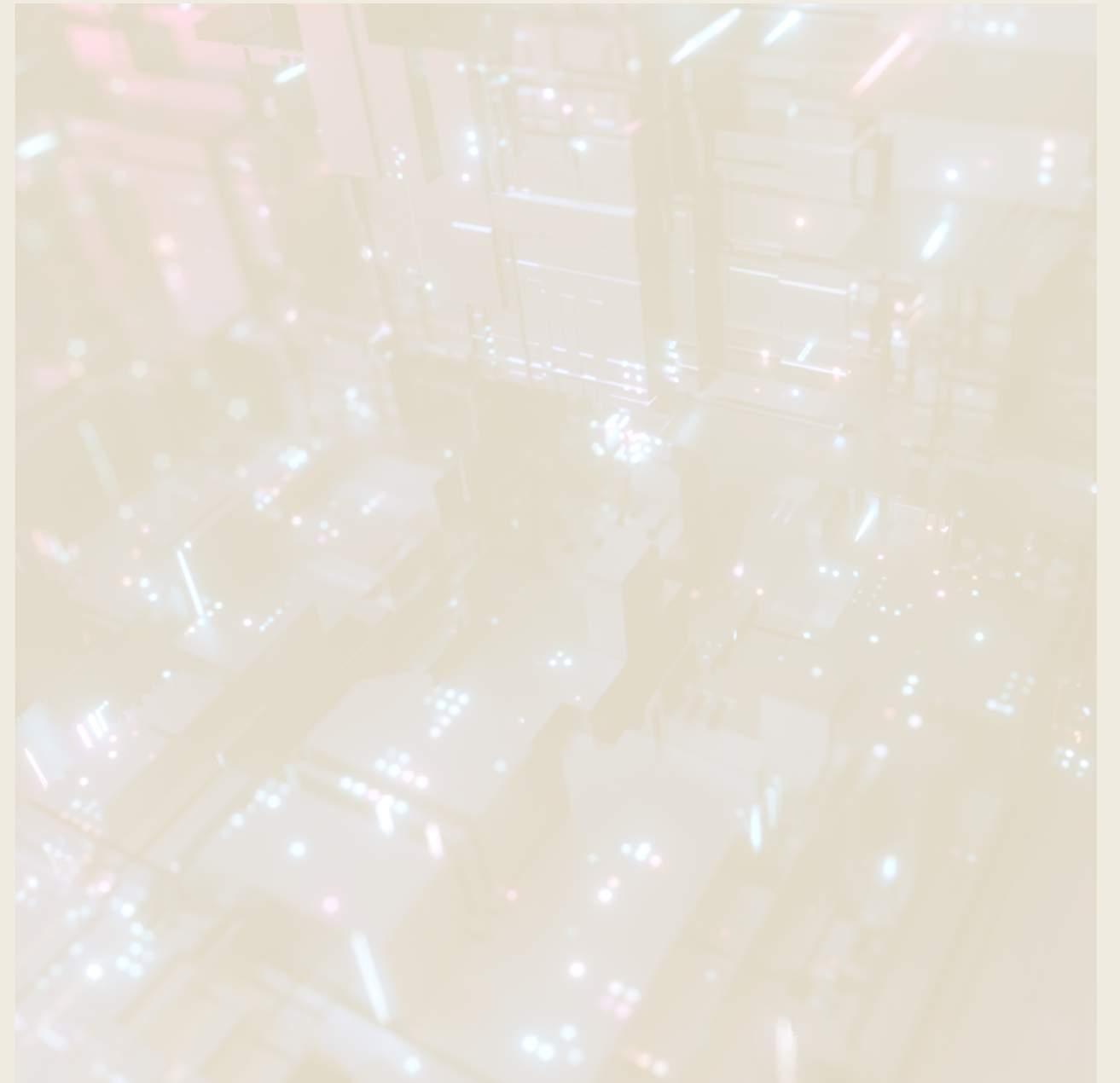
customers. Having a closer relationship with clients allows manufacturing firms to understand customer needs and behaviours much better. They can, just as well, become nimbler in pinpointing the issues clients may face throughout the buyer's journey. Thus, treating customers as partners gives organisations all the insights they need to drive change and offer an all-around better CX that both provides and realises value.

Manufacturers working to create a first-class CX find that buyers need to get transparent and much simpler access to services. Organisations evolving from manufacturing to a service economy see an opportunity in using timely, relevant, and value-added service offerings to enrich the overall CX. Some choose to exceed customer expectations through streamlined service interactions and quick response times. Eventually, all such efforts result in a positive CX—which, in turn, drives up customer satisfaction, loyalty, and retention. Many of those surveyed say that having more satisfied, loyal, and committed customers will make it easier to increase profits and business value. Their chances of being the supplier of choice for more customers are greater, too. —





Conclusion





The manufacturing sector is well placed to make meaningful progress toward CX excellence. More work still needs to be done, but there are hints that manufacturers are growing upbeat about a CX-focused future. Many pour investments into new technology and business plans specifically to advance their CX performance.

Improving CX matters a lot for manufacturers. CX is, after all, the foundation upon which profitability is built. Yet a profitable CX programme puts a strong emphasis on customer engagement.

What are the opportunities on the horizon for manufacturers who prioritise CXE?

Organisations will see the greatest success when they put CXE at the centre of what they do. A uniquely tailored CXE gives manufacturers the power to rise above individual customer expectations before competitors make a move. It also nurtures long-term relationships with more satisfied customers. And, what is more, CXE leads to sustainable business growth, helping firms to sell value.

Manufacturers pursuing CXE initiatives must keep an eye on the competition, too. This business-critical priority pushes organisations to take bigger risks for CX change and create interactions that maximise the customer's lifetime value. —

About Copperberg

COPPERBERG

Herbert Spencer once said: "The great aim of education is not knowledge, but action".

Copperberg creates physical and digital platforms bringing together the manufacturing community in order to grow and build relationships globally. During the recent global pandemic, we have been focusing on virtual events and digital content—ensuring our community remains connected. So, how do we actually do that?

On a daily basis, we work hard to improve, develop and innovate our concepts and original content in order to ensure the best hands-on, real-life strategies for all our community members. Our ambition is to provide ideas, networking, and industry exchange between peers, that inspires and leads to action.

info@copperberg.com

copperberg.com

About Columbus

Columbus

Columbus is a global IT services and consulting company with more than 2000 employees serving 5000+ customers worldwide. Columbus helps ambitious companies transform, maximize and futureproof their business digitally. We are specialized within the industries retail, distribution, food and manufacturing.

We offer a comprehensive solution portfolio with deep industry knowledge, extensive technology expertise and profound customer insight. Columbus has offices and partners all over the world and we can deliver our solutions and services locally—on a global scale.

info@columbusglobal.com

columbusglobal.com



COPPERBERG

Columbus