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ORM EBOOK SERIES

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Why the Customer Experience should be top priority for manufacturers in 2019







w research from ORM & Acquia has identified customer experience as a "top priority" for the

manufacturing sector in 2019.

Until recently, manufacturers were able to differentiate themselves by having the latest technology or the most advanced products to stay ahead of the competition.

Yet today, they have to compete on service to meet the rising expectations of their digitally empowered customers, who want the same ease, transparency and frictionless transactions they experience with the likes of Uber or Amazon.

As manufacturing customers begin to increasingly behave like consumers, manufacturers now need to pivot strategically.

But what does it take to deliver a good customer experience in an always-on digital world?

Customer experience the differentiator

Almost three quarters of manufacturers we recently surveyed said they were planning on switching from a product-centric to a customer-centric business model this year, and digital technology will be the enabler for this transition.

For any business, including in manufacturing, the website is now more than a digital shop window. Linked to the CRM it is where organisations can collect customer data, and begin to truly understand who the customers are and what they want.

Manufacturers can learn from advanced sectors – where the customer experience is underpinned by the deployment of digitally joined up technology – and from the data arising from the customer's digital footprint.

Once manufacturers can do this, they will be able to respond to their customers' needs, where the new normal has become 24/7, response times are instant, and customers can track their goods from purchase to delivery at the touch of a screen.



73%

of respondents said that CRM and website development are two of the most important areas that will help them achieve their strategic objectives.



But what does it take to deliver a good customer experience in an always-on digital world?

Less focus on product

Until now, product has always been king for manufacturers. Their deployment of digital technology has always been to enhance the plant floor, to aid production speeds and bring costs down.

Yet, increasingly we are beginning to see a shift, where manufacturers are recognising the need for marketing and IT departments to use digital technology to deliver a seamless, omnichannel customer experience.

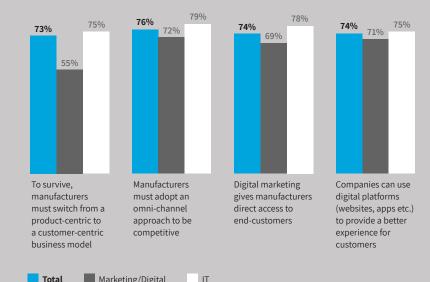
In order to empower their sales and marketing teams to deliver a best-in-class customer experience, manufacturers need to focus on utilising data sources and aligning information across all channels and customer touchpoints, rather than just driving sales.

Encouragingly, our research findings showed that more than three quarters (76%) of manufacturers recognised customer experience will become the differentiator in the years ahead, and that adopting an omni-channel approach will help them become more competitive in Industry 4.0.

"As a result of digital technology, our company's goals have now shifted to serve our customers better."

Anonymous comment from a surveyed manufacturer

% of participants who strongly agree versus slightly agree



Marketing/Digital

Direct to customer

The research findings show that digital is not only enabling manufacturers to provide a better customer experience, it is opening up other routes to market too.

As with other sectors, manufacturers are beginning to pivot and sell directly to their customers.

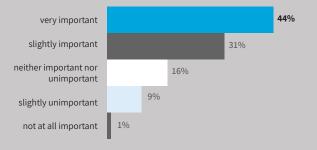
From those we surveyed, 75% believe digital will help open up a direct to customer sales route; with 35% suggesting that selling direct to the consumer will become their most important sales channel in the next three years as a result of digital technology.

Selling directly will have a two-fold effect.

It will enable manufacturers to collect first-party data, and increase their knowledge and understanding of their customer (in order to give them what they want, when they want). Plus, they can use this data to improve or refine product lines too.

In addition, new direct channels to customers will eliminate sales and service intermediaries, and the costs associated with these. To harness these opportunities, manufacturers will need to provide a much better customer experience, as they will be selling direct to the customer.

How important is technology to your company in delivering a great customer experience?





Use of digital platforms

ORM & Acquia's research has found that 75% of manufacturers are planning to use digital platforms, such as websites, to provide a better experience for their customers in the coming year.

From those surveyed, 63% of respondents believe their organisation should be using digital platforms more than they currently do.

Like with other sectors, manufacturers are having to respond to customer needs by offering them new digital ways to interact that allows them to 'self-service'.

The digital platforms will also enable manufacturers to provide tailored, personalised content to their customers, across an omni-channel customer-experience, to stay competitive.

"The integration of digital technology into all areas of our business is fundamentally changing how we operate and deliver value to our customers." Anonymous comment from a surveyed manufacturer.





Loyalty to brand and customer satisfaction

Our survey also showed that manufacturers believe that their customers are loyal to their brands, giving them an average score of 7.4/10.

Most interestingly, those manufacturers already using customer data as part of their sales strategy had the highest average perception of customer loyalty, scoring 7.9/10.

From the work we've done in other sectors, we know that there is a clear alignment between seamless digital interactions and customer loyalty.

Companies that provide a frictionless experience for their customers are rewarded by greater loyalty. This is why customer experience is becoming the new battleground in winning new customers.

In fact, it is becoming so important that some analysts have suggested that companies offering an exceptional customer experience can not only exceed the gross margins of their competitors by more than a quarter, they can achieve revenue growth of 5% to 10% and cost reductions of between 15% to 25%, within just two or three years.

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"Crawl, walk, run" approach

We recognise that every manufacturer is at their own stage in their digital transformation journey, and while not all are ready to leap ahead and introduce personalisation and automation in their marketing strategies (yet!), many are now open to using digital technology in some way to help put the customer first.

The diagram on the next page shows a 'digital maturity scale' that outlines a graded approach to adopting digital within an organisation. We believe it is important to get the foundations right, before taking the next step.

Manufacturers at the **Foundational** stage may for instance have a basic "brochure" website, or maybe a multi-site environment on a single platform. By introducing some basic analytics on their websites, which can also integrate into their email platform too, this will give them a more joined up and holistic view of their customers.

Equally, those at the opposite end of the scale, in the **Optimised** stage can use contextual intelligence to understand their customer behaviour, to seamlessly manage their digital and marketing platforms, and to deliver the most contextualised content and experiences, in real time, regardless of channel.



Solutions at every stage Freedom to Grow

M	lany Sites lanage many sites vith a single platform	Personalised Experiences Relevant content to drive action	Beyond the browser Native Apps, Digital Signage, Digital Asset Management	Integrated Personalisation Build robust personalisation with integration to 1st party data	Omni-Channel Customer Experiences Orchestrate your marketing tech to drive the "next-best-action"
Foundational		Innovative		Optimised	

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Digital Capabilities and Maturity

Summary How can manufacturers enhance the customer experience?

We've identified five areas where manufacturers can adapt their business models to improve the customer experience.

1 It all begins with reviewing the customer journey. We know that compelling customer experiences are born out of a deep understanding of the customer journey. Manufacturers need to understand how, when, and where customers interact with their company, and where customers are encountering problems. Based on that, manufacturers need to decide what 'customercentric' looks like to them and what it will take to get there.

2 Then, it's about collecting customer data. Manufacturers should collect data along every touchpoint of their customer journey (from awareness to support) to create a 360° view of their customers.

3 Next, there needs to be an internal mindset change. All stakeholders, from the C-level right through to the supply chain, need to switch from a product-centric to customer-centred operation. Running a business in distinct silos may have worked a decade ago, but this practice will no longer cut it in the digital era. Now, the whole business needs to get behind the sales and marketing team in order to help them create an omni-channel experience for the customer. This means making sure that all content published aligns on every channel, including offline. It needs to be relevant, up-to-date and available in real-time, in order to provide a consistent experience for the customer.

5 Finally, a word for the top brass: adopting a customer-first approach has to come from the board and senior management team to encourage the acceptance of new digitised processes and tools, and to foster collaboration. This involves finding the right talent to help you achieve your goals and establishing a new governance model to drive digital change within the business.

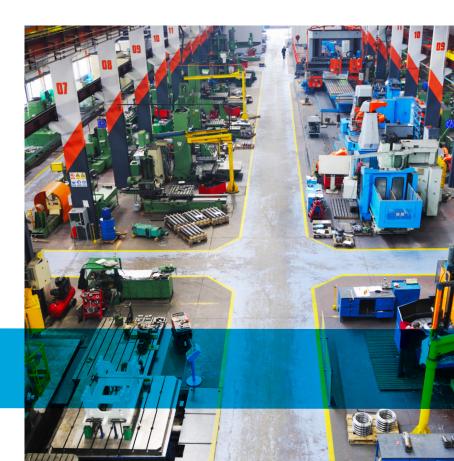
Sounds scary, but it is possible, and it is what every business is doing, regardless of their sector, in order to survive the digital revolution.



Research Methodology & Sample

Vision One conducted an online survey of decision makers in marketing, Digital, an IT roles in the Manufacturing sector. Vision One used its partner panels to complete the fieldwork, which took place between the 5th and 18th March 2019.

A total of 200 interviews were completed among a target sample of respondents working in defined manufacturiung idustries. Data has not been weighted.



About ORM

ORM is helping organisations accelerate through complexity to achieve their digital freedom. We are a digital partner to leading brands across multiple sectors. We've built our expertise on truly understanding your sector, and working with our clients so they can grow, scale and change in the rapidly changing digital environment.

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About Acquia

Acquia is the open source digital experience company.

We provide the world's most ambitious brands with technology that allows them to embrace innovation and create customer moments that matter. At Acquia, we believe in the power of community — giving our customers the freedom to build tomorrow on their terms.

Acquia is helping some of the world's leading brands succeed, including Syngenta, Conagra Brands and Sealed Air. More than 4,000 organizations are using Acquia's solutions for content, community and commerce.

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