

How to measure customer satisfaction or customer experience in a B2B environment

Executive summary:

If you want to get actionable information from your customer, you should measure your customer experience. However, customer experience is quite different in B2B situations compared with B2C, mostly because of the complexity of the decision making process and of the intermediation effect. Despite this complexity, the customer experience is still critical. But before embarking on a survey, you should systematically identify your customers and their expectations through customer journey mapping, in order to clearly know what to measure and what to focus on. Finally, customer experience measurement is not a panacea and can never replace direct feedback from your front line.

I was asked during a recent conference I was chairing in Amsterdam with B2B Marketing Executives “how best should we measure customer satisfaction or customer experience?” I found this question surprising as it is a very basic input for a Marketing Executive. But at the time I had nothing more to say than: “It depends...”. Indeed it depends, but let’s look at what and how we can practically approach the measurement challenge.

Customer satisfaction or customer experience?

Whether it be in B2B or B2C, asking your customer his or her opinion is an invaluable exercise that will help your organization to become more customer intelligent. However this type of exercise is not a means to an end. Indeed, too many companies are measuring their customer satisfaction, recording high scores and are proudly broadcasting the result. And what’s the point? To quote the son of a colleague of mine: “You can’t fatten a pig by weighing it”. In this context that means that asking your customers about their opinions must be seen as an actionable tool to improve your offer, your services and your organization. And the most valuable feedback will come from giving your customers an opportunity to truly and freely express their opinion rather than answering a pre-determined set of questions.

Consequently, what is the best measure to tackle these challenges? Measuring customer satisfaction can be defined as asking your customer a set of questions on their satisfaction regarding the products or services delivered. In other words, you ask them about what you want to hear. On the other hand, measuring customer experience is asking your customer how they think and feel about their overall experience (usually through a question about their willingness to recommend the brand) and for what reason¹.

If you can sort your customers into those that love you (promoters), those that really don’t like you (detractors) and those in the middle (passives) you can respond with the appropriate treatment, either to increase their value to you, or to reduce churn. In a B2B environment in

¹ For more information on customer experience vs. customer satisfaction measure, see “Is Net Promoter the Best Measure” by Federico Cesconi and Alvin Jackson from Mulberry Consulting

particular, promoters are less price sensitive, are less likely to need lots of proposals and are more likely to recommend you to others.

What is the difference between B2C and B2B?

Our previous research with B2B² customer experience measures and loyalty programmes has pointed out 2 different parameters that must be tackled when designing a customer experience survey:

- The complexity of the decision making process: In complex organizations up to 5 or more entities can be involved into the decision-making process. The departments can have different expectations (such as price for Purchasing, ease of use for Operations, SLAs for Quality, etc.).
- The potential dissociation between the decision makers and the end-users: Most of the time, in B2B, there is an internal intermediary department in charge of dealing with the provider and dispatching the services to the end users. This point is crucial as an excellent customer experience delivered down to the intermediary can be wiped out because of lack of competence from the intermediary staff. On the other hand, intermediaries can be powerful partners to deliver a great customer experience as, they are committed to their customers.

How relevant is it to measure customer experience in B2B?

Given the complexity of this process and the number of stakeholders potentially involved, the relevance of measuring customer experience can be questioned. In other words, is customer experience sufficiently influencing over the purchasing/use process to justify the effort? We can address this question by simply analyzing some steps of the customer journey:

- Purchasing step: This step is most of the time far less rational than the strict application of a RFP or a tough negotiation round. Indeed, most of the time, parts of the selection criteria of an offer are quite subjective (brand reputation, seriousness of the offer, motivation to work for the company...). In that case, delivering a great customer experience means fulfilling both rational and emotional expectations.
- Consumption / use step: The effect of poor experience may vary depending on the environment. If the end-user is not captive, he can use the products or services from another provider. If he is captive, the impact of a poor customer experience can be weak, but most of the time, the user will have the opportunity to use an alternative service (ex. Instant Messenger as an alternative to mobile phone, car hire as an alternative to train transport) or to bypass the contractual agreement.

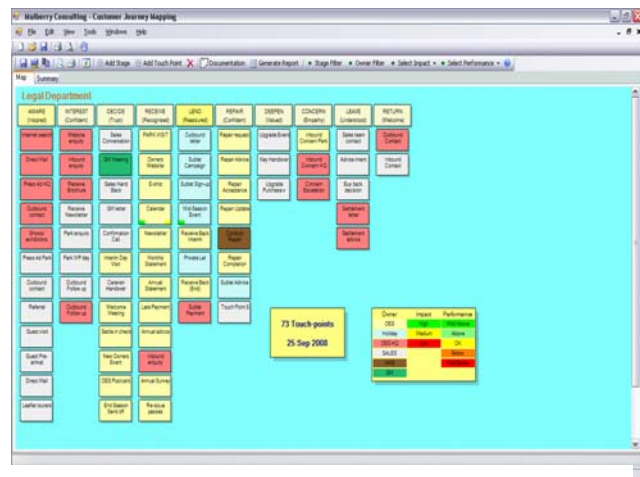
²We are here excluding the sole traders from the B2B definition

- Re-purchasing step: customer experience is variously taken into account during the re-purchasing process. It depends on the end users, the nature of the service and on the culture of the company. For example, a former client of mine in the public transport industry conducts benchmarks, pilots, and internal polls before renewing the contract with providers of very basic supplies such as screwdrivers.

How to manage the survey

1-Define your customer

In B2B, the customer is all the stakeholders in the purchasing process or the use of the product or the service. Given the complexity and the interdependence of this process, it is crucial to carefully analyse and formalise it before proceeding to a survey. This can be done very effectively through customer journey mapping that will detail all the steps, all the players involved and the rational and emotional components of each touchpoint.



Example of customer journey mapping by Mulberry Consulting

2-Define what to measure

Measuring your customer experience means how well you fulfil your customers expectations (previously analysed through the customer journey mapping). The most common, and probably the most relevant, measure of the customer experience is the Net Promoter® Score (NPS)³.

The NPS can be calculated for the overall customer journey or for each step (or a group of steps). We recommend, at least, splitting the measures between the steps involving the end-users and the steps involving the rest of the stakeholders.

The NPS score enables you to segment your customers into the 3 different clusters we saw previously: Promoters, Passives and detractors. The promoters are an outstanding potential of advocacy

How calculate your NPS?

a- Ask your customer 2 questions:

- How likely is that you would recommend this brand/product service to a friend or colleague on a scale from 0 to 10?
- What is the single reason you give us this score?

b- You can then consider that customers scoring 9 or 10 are your promoters and those scoring 0 to 6 are your detractors.

c- The NPS can be calculated by subtracting the % of detractors from the % of promoter

³ Net Promoter® and NPS is a registered trademark of Fred Reichheld, Satmetrix Inc and Bain & Co

and growth while the detractors represent a risk of churn.

In addition, the reasons why your customers are willing to or not recommend you will give you invaluable pieces of information about the strengths and the weaknesses of your offer.

3-Implementing the survey

Practically, you will have to find the details of all customers involved, choose the media, the frequency and the provider of the measurement survey.

Finding the details of the customers involved

Given the high number of people involved, it can be a headache to build a representative panel and to get their details. Some practical solutions can be to:

- Ask your customers: The results of this survey will be used to improve the products or the services delivered. Consequently it's a win/win situation where some customers will be happy to help. It can also be included in the contract between the provider and the clients.
- Ask your client to handle the survey: If the client is not willing to communicate all the details, you can ask him to handle the survey, eventually by giving him the tools and/or the assistance to do so.

Selecting the appropriate media

You will have also the choice to question your customer through email surveys, IVR, postal surveys, telephone interviews and face to face interviews. The simpler the question the more automated the media can be. As customer experience surveys are quite simple (2 questions), emails or an IVR (eventually with voice to text translation) are ideal.

Defining the frequency

The frequency of your measurement depends on how often you use the product, how dynamic the competition and how mature the business. If the use rate is low and the competition weak, a survey once a year or every two year is enough. On the other hand in environments such as car rental or mobile operating companies, surveys are consolidated every month or so. But whatever be the frequency of its measurement, as any other customer intelligent metric, customer experience must be analysed as a trend rather than as an absolute number.

Choosing the carrier

The interview can be managed internally or outsourced. It depends on your budget and your time. If internally managed, is is recommended not to get the question asked by your front line. Indeed, the answer may be biased, either through censoring by the respondent or through filtering by the questioner. In this case, it is recommended to use an internal third party.

What to expect from a customer intelligent measure and what not to expect?

What to expect?

Customer experience measures will give you invaluable actionable data to make your offer / service / organization more customer intelligent. You will be able to:

- Segment your customers by their willingness to recommend you, giving you precious hints on how strong is your promoter base is and how exposed you are to the risk of churn
- Collect information directly from the mouth of your customers on your strengths and your weaknesses, which is particularly precious in a B2B environment where you can have several intermediary layers between the provider and the user.
- Partially forecast your financial performance (NPS is strongly linked to customer retention and acquisition and so to financial performance)
- Improve your direct marketing campaigns by targeting leads who match the profile of your most valuable customers

Those things a customer experience survey won't replace

Customer experience measures are just one metric among others. They are not better or worse. Our opinion is nevertheless that customer experience gives you the most actionable data. It could (and should) be completed with other customer measures such as customer satisfaction or customer lifetime value.

Even if an experience survey is rich in learning, it will never replace the information provided by the front line employees. Both sources are relevant and a gap or a distortion of information between your front line and your customers is certainly due to organizational issues.

Conclusion:

In B2B environment, companies have to face complex decision making processes and have to deal with an intermediary on behalf of the end users. Despite this complexity we have found that customer experience does influence the purchasing process and the use of the product or of the service. So it is still important to measure the experience you deliver to your customers.

However, as pointed out at the beginning of this white paper, measurement is not a means to an end: customer intelligent metrics must be used to manage your customer better and to make your organisation more customer intelligent. That means, once you have achieved your customer experience measurement, you will have to act to ensure that the innovations are deployed, and that resulting improvements in customer management are measured.

How Mulberry Consulting can help:

Mulberry Consulting specialises in helping organisations across the globe to become more customer intelligent and to optimise the customer experience they deliver. Mulberry Consulting does this using a range of consulting approaches. Our Experience Excellence Assessment™ will assess the current capabilities that are in place to deliver the desired customer experience and provides the basis for implementing customer centred change. Our Customer Journey Mapping approach provides a visual map of the rational and emotional journey that customers go through at each stage of the lifecycle and identifies the key touchpoints that can make and break the experience. Our approach to Customer Intelligent Measures, including Net Promoter® is highly practical and helps organisations to focus on the areas that are most important to customers.

About the author:

Jean-Philippe Dubost is a Senior Consultant at Mulberry Consulting. He has consulted widely in B2B and B2C environments on customer experience management and customer relationship management. Jean-Philippe holds a Master of Sciences in Business Administration from the Bordeaux Business School.