

CUSTOMER SATISFACTION: A KEY BUSINESS DRIVER FOR CANON U.S.A.

Using MarketTools[®] CustomerSat[™], Canon U.S.A. distinguishes itself with a superior customer experience.



CUSTOMER Canon U.S.A., Inc.

CHALLENGE Differentiate in a very competitive digital products market by delivering a superior customer service experience.

SOLUTION MarketTools CustomerSat: a comprehensive Enterprise Feedback Management (EFM) system to measure and improve customer experiences across the company.

RESULTS

- > 10% decrease in the number of unresolved customer issues
- > 15% increase in resolved customer issues
- > Awarded PC Magazine's prestigious Readers' Choice Award four years in a row

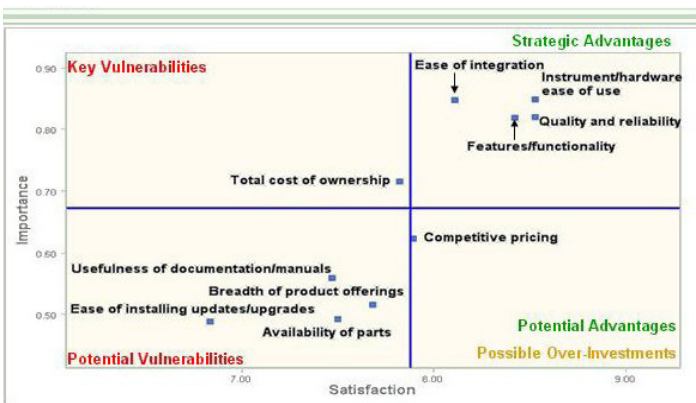
Perfecting the Product Experience with Award-winning Customer Service

“The customer support experience is unquestionably a major differentiator, especially among digital products,” said Cathleen Combs. As Senior Manager of Support Planning in Canon U.S.A.’s Customer Support Operation, she and her team take customer satisfaction very seriously. It’s a key driver of business decisions.

Customer satisfaction metrics are also tied to the well-recognized “Balanced Scorecard” methodology used by Canon U.S.A. and many other Fortune 500 companies, as a means of articulating strategy and measuring performance.

“The market for digital products is so competitive that a company cannot distinguish itself just by what it sells anymore,” Combs continued. Providing a valuable product experience is just as important as providing great products. To thrive, a company must find a way to forge a genuine emotional connection with customers, a connection that must be reinforced with every customer interaction.

“When a company realizes that its customers judge it by the entire product experience, the nature of support changes,” Combs said. “It’s no longer enough just to fix the problem. Our customer feedback tells us that not only do we have to be there when they need us, but we have to provide added value that enriches the overall customer experience.”



Trendlines and quadrant charts, like the example above, are a few of the graphical tools CustomerSat Enterprise™ uses to ensure in-depth understanding of your customer feedback data.

“Survey data delivered in easy-to-understand quad charts, trendlines, and other graphical tools, clearly showed us where to go and what to do.”

—Cathleen Combs, Canon U.S.A.

Accurate customer feedback helps Canon U.S.A. keep its fingers on the pulse of its customer’s ever-changing needs, wants and expectations. That’s how Canon U.S.A. has emerged as the reigning champion of Customer Support in its field, winning PC Magazine’s prestigious Reader’s Choice Awards for both digital cameras and printers four years in a row, 2004 - 2007.

But it wasn’t always this way. Before Canon U.S.A. began mining the rich vein of customer intelligence, satisfaction ratings were “totally unacceptable,” Combs remembered. “That motivated us to get very serious, very quickly, so we could discover the driving factors behind those ratings and learn how to improve our customer satisfaction.”

Canon Surveys: Then and Now

Originally, Canon U.S.A. measured customer satisfaction via telephone surveys conducted by an outside vendor. But these became steadily less effective for a variety of reasons, including low response rates due to the widespread adoption of voice mail and answering machines, the length of time required for live Q&A sessions, and the risk of alienating customers by interrupting them at inconvenient times.

In late 2002, Canon U.S.A. began evaluating other potential survey and analysis partners, looking for the one that could best help it take customer satisfaction to the next level. Its requirements included:

- > **Web-based surveys** that enable respondents to share their thoughts and feelings whenever it is most convenient
- > **Ability to harvest** detailed customer information at a variety of touch-points
- > **Web-accessible interface** that is clear and easy to use
- > **Comprehensive survey and analysis functionality** that clearly points the way to effective action
- > **Measurable ROI** that justifies its cost

A True Enterprise Solution

In March 2003, Canon U.S.A. first deployed MarketTools CustomerSat Enterprise to measure customers’ satisfaction with Canon U.S.A.’s two primary channels of support delivery at the time: phone and e-mail.

CustomerSat Analytics allows the customer support contact center to quickly target particular action items and efficiently follow up. Survey data, delivered in easy-to-understand quad charts, trendlines and other graphical tools, Combs said, “clearly show us where to go and what to do.” Targeted action driven by customer feedback helped Canon U.S.A. quickly elevate its rating in the Reader’s Choice survey

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2003	2004	2005	2006
Phone Support E-mail Support	Online Support	Order Fulfillment Repair Service	Customer Relations
Ongoing: employee surveys and ad hoc activities			

to an “A”, earning it the 2004 Reader’s Choice Award for both printers and cameras—an honor it repeated in 2005, 2006 and 2007.

“Because we had so much success with our phone and e-mail surveys, and knew it was an effective vehicle for managing our business, we immediately had MarketTools begin an Online Support Survey,” Combs said. Canon U.S.A. later added Repair Service, Order Fulfillment and Customer Relations surveys.

“The MarketTools team is incredibly responsive,” Combs said. “They were just fabulous working with us through all the changes.” Combs’ team is especially delighted with the CustomerSat user interface which makes it very easy to spot variations in satisfaction levels. “We can drill down, zero-in and take effective action that helps increase scores by accommodating the needs of every customer segment.”

Online Support Survey

Like most large enterprises, Canon U.S.A. wants to migrate its customers toward more convenient and cost-effective support channels. CustomerSat data helps them identify key opportunities for enhancements to their web support programs, to wean more customers away from costly “direct support” employing live support reps, and to encourage them to use so-called “indirect” support channels, primarily the Internet.

Combs feels web-based support offers Canon customers many benefits, including:

- > **Convenience**—They can log on and find answers 24/7/365
- > **Efficiency**—No waiting on hold; just click and go
- > **Speed**—Online support is much faster than waiting for a call center agent to listen to your question, diagnose the problem, identify the solution and then walk you through the procedure

“CustomerSat Enterprise is a complete solution, and yet very user-friendly. I can’t tell you how thrilled we are with the interface, the account management tools, and most importantly, the results. It’s easy to use, and it really delivers.”

—Cathleen Combs, Canon U.S.A.

Another important benefit is financial. Web-based support costs a fraction of what a call to a live support agent costs. So it’s a win-win for both the customer and Canon U.S.A. However, online support can be risky. If poorly delivered, it can negatively impact the customer experience. Imagine a customer who simply cannot find the information he or she needs. The customer becomes frustrated and dissatisfied, and must then take an additional step: place a phone call to get the answer. As a result, the company not only pays the financial cost of the support call, it must also expend additional resources to remedy the emotional dissatisfaction of that customer.

Discovering ways to improve their ability to answer customers’ questions online without having to escalate is the Online Support survey’s primary purpose. “CustomerSat quad charts clearly identify and target the areas that are most important to our end users,” Combs explained.

Updating the KnowledgeBase

Customer needs change quickly, so a top priority for Canon U.S.A. was the ability to easily analyze survey data, determine what improvements were needed, then make quick, responsive updates to their KnowledgeBase.

However, their existing platform couldn’t accommodate changes quickly enough, so the company spent almost a year choosing and deploying a new platform. It went live in December, 2006.

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Meanwhile, the questions in the Online Support Survey were further refined and targeted. Three critical questions were:

- > Why did you come to the support site?
- > Were you able to answer your question/resolve your issue?
- > If not, what specifically were you looking for that you couldn't find?

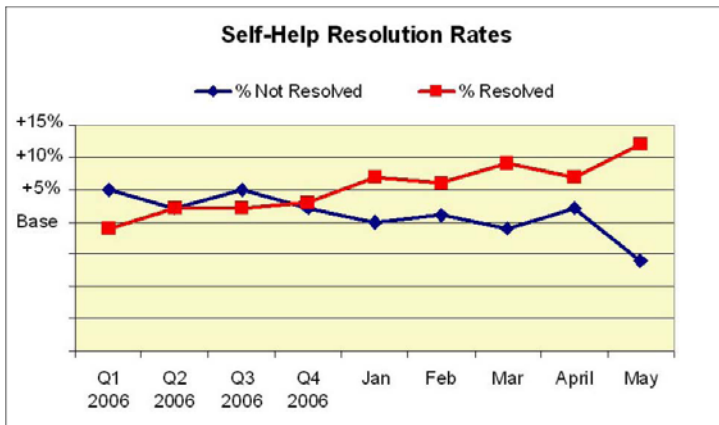
Follow-up questions pursued specifically which content needed to be enhanced. "Tuning into the Voice of the Customer allows us to focus our efforts in very specific areas," said Combs, "Then we can go in and quickly create useful content to address those particular needs."

Results, Lessons and Challenges

The results clearly show that the efforts paid dividends. Resolution rates for support issues have improved steadily as a result of the December 2006 KnowledgeBase implementation.

- > Issues not resolved have dropped over ten percent.
- > Resolved issues have increased by nearly fifteen percent.

Canon U.S.A. tracks support resolution rates by visit type (e.g., installation, how-to, troubleshooting), then cross-tabulates that data by product type (e.g., digital camera, camcorder, printer).



Hearing the Voice of the Customer and improving the online KnowledgeBase has resulted in steadily improving resolution rates. The number of resolved issues has soared nearly 15%, while the number of issues not resolved has decreased more than 10%.

"This is a solid incremental progress, and we expect it to continue as we update and expand our KnowledgeBase content," Combs said.

Challenges remain, of course. For example, customers remain generally more comfortable with direct support experiences involving a live support representative than they are with indirect/online support, so finding ways to migrate more traffic to Canon U.S.A.'s support site remains a priority.

"An Indispensable Tool"

"The use of MarketTools CustomerSat in our customer satisfaction process is a key component of our strategy," Combs said. "The power of their system and responsiveness of their research consultants help us more easily manage our activity and identify the right areas to invest our efforts. Canon U.S.A. has been very satisfied with CustomerSat, as our expanding relationship indicates."

Three additional surveys were added in 2005 and 2006. The first, an Order Fulfillment Satisfaction survey, probes the customer purchasing experience. A Repair Service Satisfaction survey focuses on turnaround time and repair quality of Canon cameras and camcorders. Combs believes this is another big opportunity for customer segmentation.

"For example, a professional photographer shooting a sporting event or wedding needs fast repairs wherever they are. These are mission-critical situations with serious professional accounts. It's another opportunity for us to shine."

In 2006, a Customer Relations survey was launched for callers with actual complaints. "Most people who call Canon U.S.A. are not upset with us. They just want information. Our Customer Relations group handles the small percentage of customers who do have a complaint." After they are directed to Canon U.S.A.'s Customer Relations Group for resolution of their issue, the customers are surveyed to see if Canon was able to improve the relationship.

And there's still more to come. "Our Online Survey has been so successful, and everyone's been so satisfied with it, that the Customer Support Operation is now working with Canon U.S.A.'s Internet Marketing Division to expand it and to make it more holistic, to discover how our customers feel about our entire web site, not just the support areas." Once implemented, this new survey will allow Canon U.S.A. to capture satisfaction levels in much broader areas throughout their consumer web site. "MarketTools CustomerSat

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is a complete solution, and yet very user-friendly,” Combs said. “I can’t tell you how thrilled we are with the interface, the account management tools, and most importantly, the results. It’s easy to use, and it really delivers.”

About MarketTools

MarketTools is the leading provider of Customer Insight Management solutions for the world’s market leaders. Through a unique combination of best-in-class insight and feedback platforms, quality-assured global panels and research innovation, MarketTools enables companies to innovate and identify new opportunities, optimize product success and build customer loyalty. As the first company to make online surveys widely available on the web, MarketTools continues its market-leading position by providing the broadest range of powerful, accurate and integrated customer insight technologies that empower companies to become the most customer-centric organizations in their industries. MarketTools’ premier portfolio of technology-based insight brands includes MarketTools.com,[™] Zoomerang,[™] CustomerSat,[™] TrueSample,[™] and ZoomPanel.[™]

MarketTools is a privately held company with corporate headquarters in San Francisco and European headquarters in London. For more information, please visit www.markettools.com.



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