



## Proposal: Conduct a Midstream Services Customer Value Study

MASTIO has been approached by a few major midstream service companies regarding the need for a customer benchmarking study. MASTIO and a few companies that have already agreed to subscribe believe this need can be met with a MASTIO Midstream Customer Value Benchmarking Study.

### Background

MASTIO has been measuring customer satisfaction / customer value since 1989 with over 150+ industry-wide reports published. MASTIO specializes in business-to-business opinion research in several industries. We provide independent third party information to clients who want to assess their corporate image, discover their perceived level of customer satisfaction, understand the strengths and weakness of industry suppliers and supplement their market intelligence.

### Objective

In order to accomplish this, the Midstream Customer Value Study will answer these key questions:

- How do producers make their purchase decisions? What factors are the most important drivers of producers' perceptions of overall value?
- How do producers perceive your overall value relative to your key competitors? What are the biggest drivers of your overall value position?
- Which factors should your company target for improvement? Which factors will have the greatest impact on your ability to win and retain more business?
- How large a role does price play in the purchasing decision?
- Which competitors are the most vulnerable and which are strongest in their ability to gain and retain customers?
- What factors should be emphasized in your marketing communications that will resonate with customers?

### Project Scope

**Telephone survey:** MASTIO will conduct an industry-wide survey of professionals responsible for the selection of midstream service providers – leveraging in-depth telephone interviews to collect quality data and information. Each company/professional interviewed will be specifically asked about their most important needs and requirements affecting their selection process. These customers will also be asked to rate only the midstream companies they have used in the last 12 months across a host of critical factors. In addition, a series of open-ended questions will be asked, so that respondents can offer specific suggestions for improvement. MASTIO will use its in-house call center to conduct the research.

**Questionnaire:** The questionnaire will be a mixture of demographic questions, opened-ended questions and approximately 20 attributes will be measured within three performance categories - company reputation, operations, and customer service. MASTIO will work closely with subscribing companies to design this comprehensive study questionnaire.

**Total number of interviews:** MASTIO anticipates that 300 - 500 total interviews will be conducted. The actual number depends on the number of subscribing companies and specific regions targeted.

**Survey Sample:** Before collecting data, each subscriber will be asked to provide a sample of customer and prospect names to be surveyed. MASTIO will treat this information as proprietary and confidential and under no circumstances will MASTIO offer or submit this data to any participant or non-participant in any form. Subscribers will be able to prioritize their list, not only by company name, but also by the people within the respective companies. MASTIO will work each subscribers list based on this priority. MASTIO will also utilize its very extensive list of producers that has been developed over the last 12 years of conducting other energy related studies.

**Deliverable:** The comprehensive study will come with a printed report, a Microsoft Excel version of the raw data, custom tagging features, and a proprietary segmentation software package that includes tools to conduct analysis, and a head-to-head comparison with key competitors. The segmentation software, which is instantly responsive to your commands, allows subscribers to quickly, by region, volume, strategic importance level, etc. see where you stand vs. the competition and be quickly underway with actions to improve your performance in the producers' eyes. The proprietary software can be installed on your computer or network, and up to 50+ individuals can query the software at the same time. MASTIO's software also provides clients with a custom tagging feature. The custom tagging is proprietary for each client. This feature allows the grouping of your customers, for example, by the key person responsible for each customer interaction, customer service teams, profitability, strategic importance, volume, etc. These options are virtually unlimited. This powerful feature allows additional in-depth analysis and the customization of the data.

**Timing:** The proposed timing of this comprehensive study is for the second half of 2007. The actual start date will depend on the subscribing companies. Once the start date is determined and the field work begins, MASTIO will have results within 3 months. The plan is to repeat this study either annually or every two years.

**Professional Fee:** The cost for the full version is \$34,950.00. The full version provides the subscriber with all of the information from the entire study. As a subscriber, you receive a printed book, MASTIO's proprietary toolset software and all of the raw data in Excel spreadsheet format. The cost for the targeted version is \$13,950.00. As a subscriber to the targeted version you receive only the interviews (performance data) that rated your company along with any other midstream service providers rated in those particular interviews. You will also receive the performance data on four (4) other midstream competitors in a selected geographical area of your choosing.

**Methodology:** We utilize two key methodologies. The primary methodology is based on the work of Dr. Bradley Gale, the father of Customer Value Analysis. We also employ the Net Promoter concepts of Dr. Fred Reichheld, the father of Customer Loyalty. Both methodologies are backed up with significant empirical evidence showing that on average there is a strong correlation between a companies performance i.e. growth rate, market share and profitability and their respective CVA or Net Promoter Score.

## In Closing

MASTIO invites you to subscribe to the North American Midstream Services Customer Value & Benchmarking Study. For more information please contact Bart Thedinger or Kevin Huntsman at 816-364-6200.