



# **Mastio & Company**

## **Polypropylene Resin Supplier Customer Value & Loyalty Benchmarking Study**

### **2018**

**Metrics to Manage the “Customer Experience”**



## OVERVIEW

Mastio & Company is pleased to present the findings of our 14th Edition Polypropylene Study. This study identifies and quantifies the perceptions and needs of resin processors. The 2018 study findings are based on interviews with 167 customers providing approximately 360 total observations. There were 9 suppliers included in this 2018 report. The electronic edition allows the inclusion of all rated companies for additional analysis.

The 2018 study also includes approximately 1,300 qualitative responses to twelve (12) open-ended questions about individual suppliers. The data was collected by telephone interviews with key decision makers during the months of September through November of 2018.

### PP RESIN SUPPLIERS INCLUDED IN THE 2018 REPORT

Braskem	LyondellBasell
ExxonMobil	Phillips 66
Flint Hills Resources	Pinnacle Polymers
Formosa	Total
INEOS	

### SAMPLE OF THE CUSTOMER EXPERIENCE METRICS MEASURED IN THE REPORT

Accurate invoices.	Proactive communication in the event of a potential supply problem.	Supplier always meets commitments.
Competitive pricing.	Provides effective conversion process assistance and testing services.	Supplier is committed to my business long term.
Consistent and accurate on-time delivery.	Quality of online ordering and tracking system.	Supplier is honest and trustworthy.
Customer service representatives are proactive about improving my service needs.	Resin processability.	Technical representative communicates knowledge of products, properties, and applications.
Customer service representatives communicate effectively.	Resin quality issues are addressed in a timely manner.	Technical service issues are addressed in a timely manner.
Customer service representatives responds to my needs in a timely manner.	Resin quality issues are resolved adequately.	Technical service personnel respond in a timely manner.
Expertise of technical representatives.	Sales representative understands the PP market.	The relationship with my Customer Service Representative meets my needs.
Flexible in accommodating my needs.	Sales representatives are accessible as needed.	Timely invoices.
Innovation and new product development.	Sales representatives are problem solvers.	Value received for the money paid.
Lot-to-lot consistency.	Sales representatives responds in a timely manner.	Overall performance rating independent of price
Original order acceptance is error free and quickly processed.	Sufficient inventory is maintained to accommodate operational incidents.	How likely would you be to recommend this company to a colleague? (Scale: 1 - 10 with 10 being the most likely)

## WHY A MASTIO STUDY?

Successful organizations collect competitive customer metrics because they understand that it is the customer who has the money, and without customers they don't have a reason to exist! Organizations succeed by offering a "package" that wins more loyal customers than the competition. This is not to say that it does not take great executives, directors and managers to set the tone, articulate the corporate culture, see the vision, and empower employees, foster innovation and integrity, and all of the other things that make good companies successful. But in the end, if you do not have customers who want to do business with you, especially in tough times, you are destined for failure. Possessing competitive customer metrics that approximates the market instead of relying on hunches or just talking to your customers alone allows organizations to align their strategy, processes, structure, people and rewards to deliver maximum value to customers and shareholders.

## STUDY ANSWERS

Subscribers to **MASTIO's PP Resin Supplier Benchmarking Study** learn customer perceptions of Supplier Performance, Value, and Loyalty by a multitude of data segmentations (i.e. geographic, volume purchased, market, etc.) that will specifically answer questions such as,

1. How do buyers make their purchase decisions? What factors are the most important drivers of buyers perceptions of overall value and loyalty? What key buying factors (attributes) do resin buyers consider to be the most important when selecting between PE resin suppliers both from a **stated** and **derived** basis? The key buying factors will be classified as a *Baseline Requirement*, *Conscious Differentiator*, *Latent Differentiator* or *Low Impact Factor* to make it easier to understand what is really most important to customers.
2. What are the factors that lead to **defection**? What are the factors that result in **retention** - greater share of the wallet? This is a further refinement of the customer needs mentioned above where the key buying factors will be prioritized regarding defection. Thus, subsequent monitoring systems can be established after the proposed study to track and respond in real time to mitigate defection. Note: most defection is partial.
3. How do PE resin buyers perceive your overall value and loyalty relative to **key competitors**? How competitive is your position in the marketplace? Where do you and your competitors fall on a value map - *inferior*, *economy*, *superior*, or *premium position*? Who should be losing or gaining market share? What are the biggest drivers of you and your competitors' position? What is required to change your position?
4. Additionally, how do buyers perceive your performance on the key buying factors? What do they perceive as **strengths** and **weaknesses** relative to key competitors? Which factors should you target for improvement? Which factors will have the greatest impact on your ability to win and retain more business? What factors should be emphasized in marketing communications that will resonate with customers?
5. How large a role does price play in the purchasing decision? What performance factors will allow a premium?
6. Which suppliers are the most vulnerable and which are strongest in their ability to gain and retain customers? How do resin buyers perceive the performance of competitors on the key buying factors? How do you use this knowledge to have a direct impact on your growth and profits?

In short, the study will identify improvements and marketing actions that will make customers choose a specific PP Resin supplier more than its competitors.

## DELIVERABLES

The comprehensive study will come with a printed report, a Microsoft Excel version of the raw data, custom tagging features of the data, and a proprietary segmentation software package that includes tools to conduct your own detailed analysis including a head-to-head comparison with key competitors. The segmentation software also allows subscribers to segment the data by demographics selected by you such as by state, volume, strategic importance, etc. to see where you stand vs. the competition and thus be quickly underway with actions to improve performance.

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.

## ANALYZE RATINGS ACROSS MULTIPLE SEGMENTS

- **Volume Level** – How much PE Resin does the respondent purchase on an annual basis.
- **Supplier Usage** – Does the respondent purchase from only one supplier or do they work with multiple suppliers.
- **Respondent's Vertical** – The data can be sorted by the respondents end-use market.
- **Respondent Role** – Is the respondent a Primary decision maker or does he/she share in the decision process.
- **Additional Respondent Role Information** –
  - What type(s) of PP does the respondent process
  - What is the primary process the respondent uses to process PP resin
  - How is the respondent classified in their organization (purchasing, engineering, technical service, production or executive management)

## EXAMPLES OF OPEN-ENDED QUESTION INCLUDED IN THE STUDY

- What do you feel is the most significant challenge you are facing as a processor of PP Resin?
- Of the PP Suppliers you rated, who are you the most satisfied with and who are you the least satisfied with?
- Besides price, if you could improve one thing about each of your PP suppliers, what would it be?
- Are there any other comments you might have about each supplier that we did not cover in any of the previous questions?
- Who do you view as the industry leader in the PP market & why?

## METHODOLOGY

Unlike customer satisfaction, our approach is grounded with empirical evidence of its validity; thus, you are ensured actionable results that can be implemented to win more business profitably. MASTIO utilizes two key methodologies - **Customer Value & Customer Loyalty**. Both methodologies show, on average, a strong correlation between a company's performance i.e. growth rate, market share, profitability, etc. and their respective Customer Value or Loyalty Scores. These two dashboard type of metrics allow managers an easy way to track performance in achieving customer relationship goals just as the use of financial reports allows managers to monitor whether they are meeting their profit goals. For example, empirical evidence shows the Loyalty (Net Promoter) leader has superior growth - averaging more than twice the rate of growth vs. their competition.

## BACKGROUND

Mastio & Company is a research-consulting firm that helps its clients maximize business performance by conducting studies that address three critical aspects of managing every business, which are to understand your customer, your competition, and your organization.

Mastio & Company conducts numerous multi-client and proprietary studies on a yearly basis. The majority of our engagements deal with organizational alignment. This concept uses metrics to design an organization that is better aligned with customers than the competition to win more business and increase profits. We also help clients bridge the gaps between analysis, interpretation, actions and successful deployment of a value based strategy.

Mastio & Company is celebrating over 30 years of providing actionable information to its clients. We are headquartered in St. Joseph, Missouri with an additional location in Houston, Texas. Our research is done primarily through telephone interviews from our call centers in the U.S. and the U.K. We also collect data from web-based platforms, mail and focus groups. All research is collected by an industry-experienced staff that adheres to stringent quality-control procedures. Mastio has served over 300 clients and has developed and managed over 300 successful business-to-business industry-focused projects, primarily in commodity driven industries such as but not limited to energy, utilities, transportation, logistics, plastics and chemicals. Our staff has extensive experience guiding successful research projects in North America, Europe and AsiaPac.