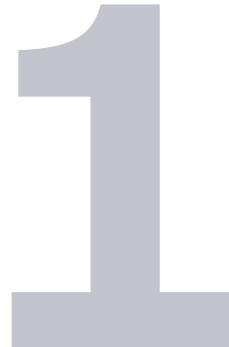




■ The better the question

How can you balance the customer business equation?

Dow explores customer experience as a pathway to business success.



Dow is a company with a passion for advancing science and innovation to find solutions to change the world for the better. It has a long history dating back over 125 years, serving customers in high-growth markets such as packaging, infrastructure, mobility and consumer applications. With manufacturing sites in 31 countries, Dow employs nearly 36,000 people and generated sales of approximately \$45 billion in 2023. It is striving to become the most innovative, customer-centric, inclusive and sustainable materials science company in the world.

In alignment with that ambition, Dow's executive leadership recognized immense potential in intensifying the company's focus on customer experience (CX) and collaboration. So, in 2017, Chief Commercial Officer Dan Futter and his team set out to unlock the connection between customer experience and Dow's overall business-to-business (B2B) success. Interestingly, two years earlier, research group Forrester had posited that superior CX drives revenue growth in certain industries.¹ Yet in 2017, it had found that CX quality in the US was declining year-on-year.²

"At the time, we had business, functional and regional teams running instinctively on delivering good customer experiences," said Dan. "But the big opportunity was to tie our efforts together with a common approach to listening to customers, shared goals, and new digital systems for connecting and evaluating information. That allowed us to prioritize and pull together in the same direction."

In a crowded market, exceptional customer experience can be the catalyst needed to jump-start the equation between customer satisfaction and business growth, as it helps

businesses stand out by delivering value to customers in ways that competitors may not be able to match.

"At Dow, our purpose is finding solutions to the world's toughest challenges – which requires collaboration with customers and other stakeholders," says Riccardo Porta, Dow Global Director of Customer Experience. "With that also comes a leap of faith and a fundamental belief that if we do good by our customers, it will be good for Dow, our employees and our stakeholders."

Customer experience work was unfamiliar territory for Dow. Typically, customer satisfaction scores (CSAT) and net promoter scores (NPS) are the domain of business-to-consumer (B2C) organizations. Still, Dow wanted to explore customer experience in a new way – one that would eventually have tremendous significance across many B2B organizations within advanced manufacturing.

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At its highest level, the customer experience program's goal was to make it easy, enjoyable and effective for customers to do business with Dow.

Riccardo Porta
Dow Global Director of Customer Experience

Channeling its commitment to science and innovation, Dow asked Ernst & Young LLP (EY) professionals to help identify the compound linking customer experience to business success in the B2B environment.

Creating new bonds with customers

A superior customer experience program links improved customer journeys to better business outcomes.



To uncover what each customer valued, Dow developed a relationship survey and conducted a series of customer journey mapping sessions. These activities allowed customers to describe each interaction they had with Dow – from lead generation to product usage. “At its highest level, the customer experience program’s goal was to make it easy, enjoyable and effective for customers to do business with Dow,” says Riccardo. “But these three criteria by themselves are not extremely actionable. So, we complemented these survey questions with more granular conversations to fully understand the experience customers were having along their journey with us.” This shift allowed Dow to move from merely asking for feedback to truly listening. The results provided a rich source of data for the team to analyze.

“Dow had developed multiple ways of assessing its customers’ satisfaction, but they wanted to take it further. They wanted to generate the insights necessary to build differentiated, high-impact customer experiences that would add long-term value to their customers, their organization and their industry,” said Jay Finnane, EY Global Consulting Account Lead.

The team quickly realized the cross-functional nature of customer journeys. Consistent delivery of positive customer experiences requires strong collaboration of functional and business teams, and a common definition of success. This insight highlighted the need for all parts of the organization to work in harmony and offer a unified “one Dow” experience. Following this, the team redesigned workflows, previously centered around internal efficiency, to align to customer needs.

“It can be exceedingly difficult to separate the noise from what we call the ‘moments that matter.’ When doing so, it’s incredibly important to identify the customer touchpoints that have the most influence,” noted Riccardo. “These insights led us to identify how we could create better experiences for our customers while driving purposeful growth for our organization.”

The learnings from Dow’s listening and research prompted the team to propose a revised enterprise-wide customer segmentation, a portfolio of service offerings, and a framework to help prioritize both customer needs and internal projects. Some customers value efficiency and low price, others flexibility and speed, or collaboration and innovation. The combination of customer segmentation

framework to guide a broad range of services, including managing credit limits, offering technical support and determining the level of dedicated customer service.

To bring it home, the team identified another correlation – customer experience and employee satisfaction. “One ‘aha’ moment during our customer journey mapping exercise was when we found, in the vast majority of instances, customer pain points aligned to employee pain points,” explained Riccardo. “One example was customers having to wait to get answers to specific questions. Typically, the reason for the delay was that employees were struggling to find the right information in a timely manner.”

The design of Dow’s new standard customer experience program underpinned all these discoveries – they were equipped to listen to and understand the customer, identify and design the right service offerings, and activate and scale the program across the organization. Following this methodology has allowed everyone within the business to gain line of sight on the impact their work has on customer experience and subsequently correlate it to financial performance.

Dow employees can now connect customer experience to financial performance.

New centralized Dow teams support and manage the program, including a CX steering committee, chaired by the CCO and made up of global functional leaders; a North Star Team that includes all business unit presidents, the CIO, CCO and functional VPs; a CX implementation team; and passionate CX change champions volunteering from all parts of the business.

Finally, to help put the methodology into everyone’s hands, Dow also launched a customer-experience website where employees can learn more about the program and have access to the tools required to improve the customer experience at every touchpoint.

From industry pioneer to modern customer experience champion

Dow's best-in-class customer experience program helps shape the future of advanced manufacturing.



When this work began, Dow had multiple approaches to and ways of measuring customer experience. Now, Dow has the systems and processes needed to put customers front and center throughout their entire journey.

Dow actively integrates end-to-end customer experience thinking into its operations. Employees across the organization recognize that customer experience considerations are fundamental because of the link established between customer, business and employee. By actively embedding digital capabilities and redesigning work processes, which were historically focused on internal efficiencies, Dow creates a more compelling customer experience and drives internal productivity. That is because delivering a consistently positive experience to customers requires all parts of the organization to function in a very well-orchestrated way - which results in wide-ranging improvements to processes, tools and people's skills. Dow proactively eliminates defects and addresses inefficiencies that generate unnecessary costs and rework.

"As you work on and drive customer experience and customer-centricity, you are improving the organization's efficiency and effectiveness overall, and that in itself is a structural competitive advantage," says Riccardo.

"Focusing on the outcomes of the customer experience can be a whole new way of thinking. But this approach has really paid off for Dow. With a data-driven mechanism to gather and analyze customer feedback, Dow is ahead of the competition and a recognized leader in the industry," says Brad Newman, EY Americas Advanced Manufacturing & Mobility Industry Market Leader and EY Global Client Service Principal for Dow.

Customer Experience Index score

30%

Increase between 2018 and 2023

The results were clear and compelling. Dow's Customer Experience Index score increased 30% between 2018 and 2023, with demonstrable positive impacts on the wider business, including double-digit reductions in complaint

frequency and time to resolve complaints, a 10x increase in business leads generated via digital channels, and record levels of employee retention.

Superior customer experiences set businesses apart from competitors.

Dow has also been able to balance previously competing needs. "If we compare end of 2022 to end of 2021, we were able to operate with lower inventory volumes, while improving product availability, customer satisfaction, and customer confidence in product availability by double digits," says Riccardo. "For us, that's a huge success because it's also a great example of how you can turn a trade-off scenario on its head and achieve both goals."

"People may look a bit surprised to hear these measurements, because there is a common misconception that the most critical outcome of customer experience programs is improving survey responses," continues Riccardo. "But the goal of our program is to improve our operations to enable better experiences that, in return, result in customer preference and loyalty that rewards Dow."

Dow's commitment and hard work earned them five accolades in the 2023 US Customer Experience Awards™, taking the overall award for top-scoring entry; gold awards for Digital Transformation, best use of Insight & Feedback, and Best Measurement in CX; as well as a silver award for Best B2B Customer Experience.

Dow and the EY teams have set their sights even higher, realizing many manufacturing companies are dealing with similar challenges. The two are now working to make the CX methodology available for all advanced manufacturing businesses to adopt.

"We are chairing the Advanced Manufacturing CX Consortium (AMCX). Our goal is to help establish a benchmark for measurement of CX, and over time show that companies that have superior customer experience also have above average return for their shareholders," says Riccardo. "That will help us build the case for CX across B2B and help all B2B companies grow their CX programs and value to customers."

¹ "Customer Experience Drives Revenue Growth, 2016," Forrester website, www.forrester.com/blogs/16-06-21-customer_experience_drives_revenue_growth_2016, 21 June 2016.

² "The US Customer Experience Index For 2017: CX Quality Worsened," Forrester website, www.forrester.com/blogs/16-06-21-customer_experience_drives_revenue_growth_2016, 27 September 2017.

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