# Customer experience in the
# **manufacturing industry**

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# Introduction

In today's highly competitive market, manufacturing companies must prioritize customer experience to stay ahead of the game. Customers expect personalized products, quick response times, and exceptional service, and manufacturers must deliver on these expectations to retain their loyalty and drive business growth.

In this whitepaper, we'll explore the challenges manufacturers face in providing a superior customer experience across all stages of the customer journey. We'll delve into practical solutions to these challenges, including the adoption of innovative technologies, the optimization of supply chain processes, and the use of personalized marketing tactics to generate quality leads. W'll also provide insights into the importance of effective communication channels and the significance of efficient query resolution to ensure customer satisfaction. By implementing these solutions, manufacturers can create a differentiated customer experience that fosters customer loyalty and drives long-term success.

Whether you're a small-scale manufacturer or a multinational corporation, this whitepaper will provide you with the tools and knowledge needed to enhance your customer experience strategy and stand out in the industry. So let's get started and transform your manufacturing company into a customer-centric organization!

# Rising cost of capital

Rising costs for manufacturers can present significant challenges, impacting not only their bottom line but also the customer experience they deliver. Let's look at the the factors contributing to these increased costs and explore how they ultimately affect customers, their expectations, and the overall customer experience in the manufacturing industry.

One of the primary factors contributing to higher costs for manufacturers is the increase in raw material prices. Fluctuations in global demand, trade disputes, and natural disasters can all lead to supply chain disruptions and drive up the cost of essential commodities. These rising costs have a direct impact on manufacturers' profitability, which can, in turn, result in higher product prices, longer lead times, or reduced product quality as manufacturers seek to cut corners to save on expenses.

Similarly, increased labor costs can contribute to financial pressures on manufacturers. As wages rise in response to various economic factors, companies must adapt to maintain a competitive edge. Some manufacturers may opt to invest in automation, which may require a substantial upfront capital investment, while others may choose to shift production to lower-cost countries, both of which can affect the customer experience in different ways.

The consequences of these cost pressures on customer experience can be

far-reaching. High product prices can alienate consumers, as customers naturally look for cost-effective alternatives, forcing manufacturers to strike a delicate balance between quality and affordability. In some cases, a decrease in product quality due to cost-cutting measures can lead to customer dissatisfaction and tarnish a company's reputation.

Additionally, increased lead times and delivery delays resulting from supply chain disruptions can frustrate customers and damage brandloyalty. As customer expectations for fast and efficient delivery grow, any breakdown in the fulfillment process can have a profound effect on the overall customer experience.

To mitigate the impact of high costs on the customer experience, manufacturers must seek innovative and sustainable solutions. Developing robust supply chain strategies, exploring alternative materials, and investing in technologies to improve efficiency are all viable approaches to address these challenges.

In conclusion, the impact of high costs on manufacturers is multifaceted and affects not only the companies themselves but also the customer experience they provide. By understanding these challenges and implementing strategic solutions, manufacturers can enhance their customer experience and maintain a competitive advantage in the industry.

# Increasing competition and customer expectations

In the modern manufacturing industry, the concept of ease of doing business has emerged as a key driver for increased competition and heightened customer expectations. As technological advancements and streamlined processes continue to break down barriers, the sector's landscape is transforming rapidly.

Furthermore, globalization and trade liberalization have fostered a more interconnected world, allowing businesses to source materials and components from a wider range of suppliers. This flexibility not only enables manufacturers to optimize costs and resources but also drives innovation and collaboration, which is crucial in a highly competitive market. Additionally, deregulation and streamlined regulatory processes have made it easier for businesses to enter new markets, intensifying the level of competition among manufacturers.

As ease of doing business transforms the manufacturing landscape, customer expectations have evolved alongside it. Customers now demand products that are tailored to their needs, delivered quickly, and supported by exceptional customer service. Moreover, the rise of digital channels has led to greater transparency and accessibility, empowering customers to make more informed decisions and raising the bar for manufacturers.

Manufacturers must prioritize customer experience as a key differentiator

to remain competitive. To meet these heightened expectations, they must focus on building strong relationships, providing personalized products and services, and ensuring seamless after-sales support. Moreover, leveraging data and analytics can help manufacturers anticipate customer needs and deliver proactive solutions, further strengthening their position in the market.

# Production line and supply chain inefficiencies

Today's customers have high expectations when it comes to product quality, delivery time, and customer service, so much so that they expect nothing less than personalized products and experiences. Manufacturing custom products while maintaining consistency in product quality is a huge load on manufacturers. In a best case scenario, defects or quality issues will only lead to returns or replacements—but it can also lead to customer frustration, churn, and bad publicity.

How can manufacturers provide a certain level of customization while ensuring quality? By dividing customers into segments. Yes, the truth is, the needs of customers aren't really unique. There's always a segment of customers who want a certain product function. A detailed customer survey will help you estimate this number, and you can build custom products for each segment in batches. Devising quality standards and testing products at each level in the production line can ensure product quality too.

Delayed delivery, either due to longer lead time in the manufacturing process or supply chain issues, also negatively impacts customer experience. An ineffective supply chain can affect delivery of both raw materials and finished products, which further hampers production schedules, quality, and customer satisfaction, and even leads to wastage and a higher overall cost.
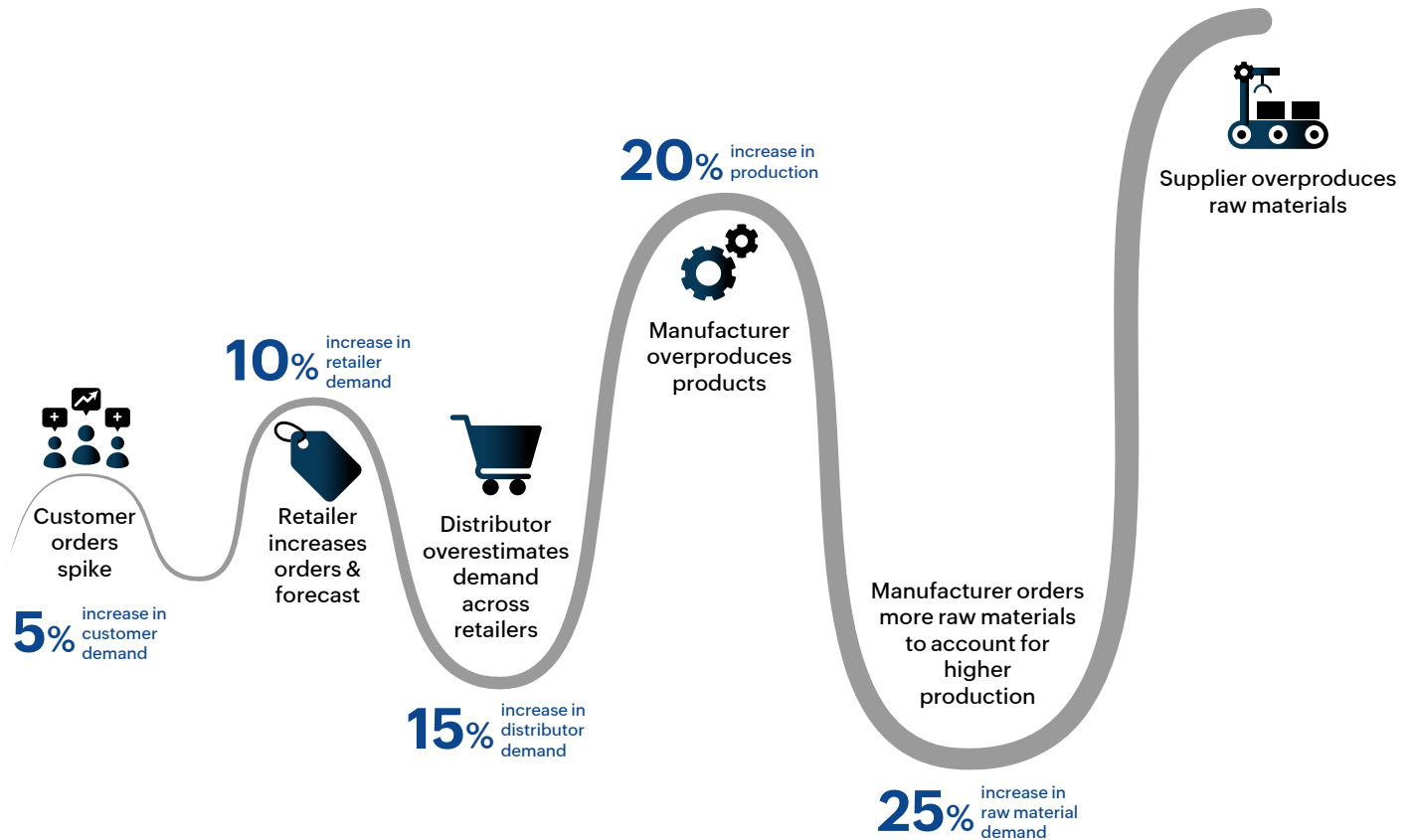
Insufficient stock of raw materials or finished products can lead suppliers,

manufacturers, wholesalers, and retailers to add a certain quantity as a buffer to prepare for an out-of-stock situation. At an individual level, the wastage may be insignificant, and supply chain members often balance it out in the price, but this can quickly add up, leading to higher product or delivery cost for the customer.
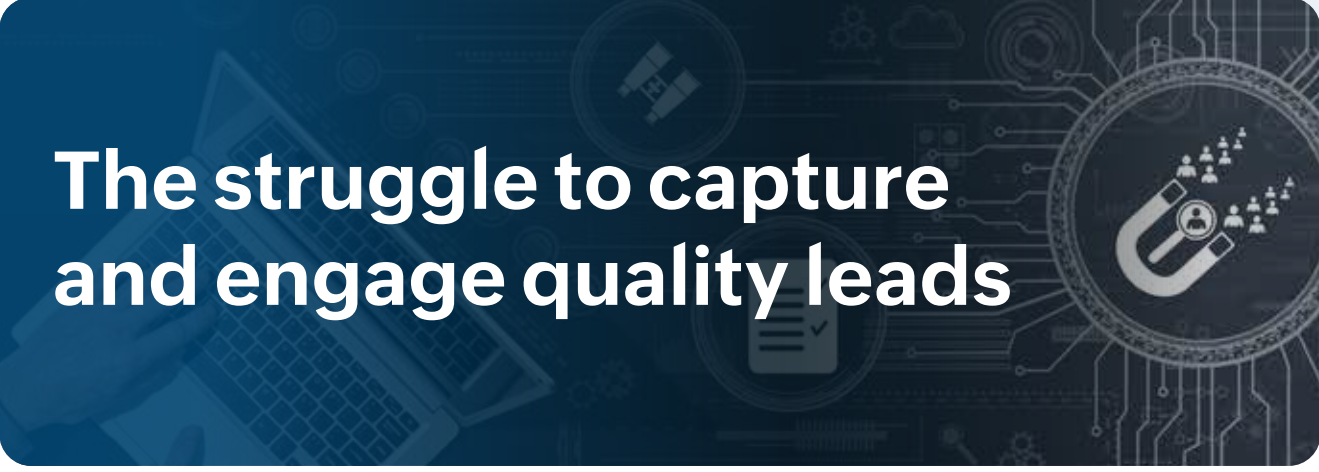
**Wastage adding up throughout the supply chain**



**20**% increase in production

Supplier overproduces raw materials

Manufacturer overproduces products

**10**% increase in retailer demand

Retailer increases orders & forecast

Customer orders spike

Distributor overestimates demand across retailers

Manufacturer orders more raw materials to account for higher production

**5**% increase in customer demand

**15**% increase in distributor demand

**25**% increase in raw material demand

This can be prevented by ensuring each member of the supply chain has real-time knowledge of inventory, delivery time, and any unforeseen issue by creating a mobile app specifically for your supply chain members, complete with live chat handled by a chatbot and live chat agents for further clarification.

[1] "Understanding the Supply Chain Bullwhip Effect" TrueCommerce
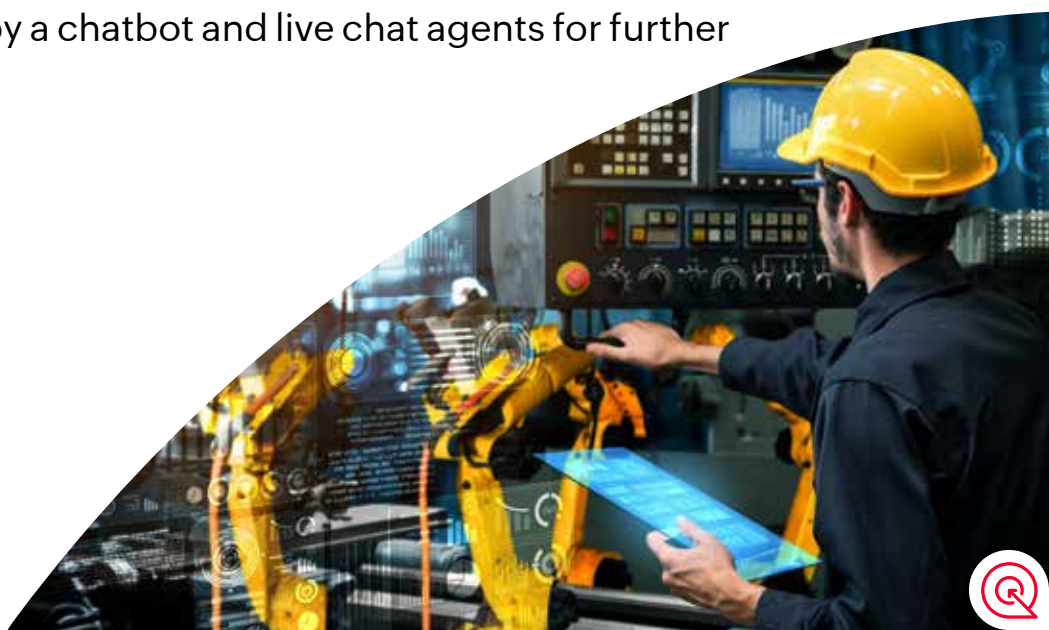
# The struggle to capture and engage quality leads

Manufacturers are constantly looking for ways to generate quality leads that can help them grow their business. However, many manufacturers still miss out on quality leads despite their best efforts. One of the main reasons for this is that they don't have a proper lead-generation strategy in place.

Often, manufacturers rely on outdated tactics like cold calling or sending mass emails to a generic list of contacts. This approach rarely yields results as most people have become immune to these types of sales tactics. In addition, these tactics don't take into account the specific needs and preferences of the target audience.

Another reason manufacturers miss out on quality leads is that they don't invest enough time in building relationships with potential customers. Instead of taking the time to understand their customers' needs and preferences, manufacturers may focus solely on promoting their products or services. This approach may work in the short term, but it doesn't build long-term relationships with customers.

To generate quality leads, manufacturers need to adopt a more personalized and targeted approach. This involves understanding the needs and preferences of their target audience and tailoring their marketing efforts accordingly. They should also focus on building relationships with potential customers by providing them with valuable information and resources that

can help them make informed decisions.

Creating on-demand content, such as whitepapers, ebooks, and webinars, can attract potential customers actively seeking information in the industry. These resources help position the brand as a trusted authority and capture leads from those interested in learning more.

Participating in industry events, trade shows, and conferences provides valuable opportunities for face-to-face interactions and showcasing products or services. Such events allow manufacturers to capture leads from engaged attendees who've shown interest in their offerings.

Live chat can also be an effective tool for manufacturers to generate quality leads. By offering live chat support on their website, manufacturers can engage with potential customers in real time and provide them with personalized assistance. This can help build trust and credibility with potential customers and ultimately lead to more quality leads.

# Delayed responses to prospect queries

To convert leads into customers, manufacturers, like all businesses, need to differentiate themselves from their competitors. The first way to do that is by giving them a great first impression. The face of your business is your website. Ensure your website has all the information prospects would need to make a decision, in a visually appealing structure and format that's easy to access and understand.

Considering the costs associated and complex decision-making process involved with a purchase, manufacturing customers need numerous questions answered before they commit to a purchase. Setting up live chat on your website gives your customers a way to reach out to you with their questions. Currently, most manufacturers focus only on procurement, manufacturing, and distribution, and are yet to devote resources into marketing and customer experience, which gives you a head start already.

Setting up live chat on your website doesn't mean you need to invest a lot in human resources to handle your live chat operation. Making answers to frequently asked questions (FAQs) and documents like product information, spec sheets, safety guidelines, comparisons, and returns and replacement policies easily accessible in your live chat window gives customers a chance to find the information they need on their own before reaching out to you. Further, you can also set up chatbots to handle most incoming queries so your team only needs to step up if prospects need further help.

# Multichannel mayhem

In today's digital age, customers have become more tech-savvy and have higher expectations when it comes to customer service. They want quick and convenient ways to reach out for help and expect businesses to be available around the clock. One of the most significant changes in recent years has been the proliferation of communication channels available to customers. No longer are phone and email the only options available for reaching out to businesses. Customers can now choose from an array of channels, including social media, live chat, messaging apps, and even video chat. Each channel has its benefits and drawbacks, and it's up to businesses to provide a range of options that cater to customers' preferences and needs.

The advantage of offering multiple channels is that it gives customers greater flexibility and choice. They can pick the channel that they feel most comfortable with and that's most convenient for them. For example, customers prefer social media for quick questions or inquiries, while they prefer email for more complex issues requiring detailed explanations.

However, managing multiple channels effectively can be a daunting task. It requires businesses to invest in the right tools and technologies, such as multi-channel live chat, to ensure seamless and consistent experiences across channels. By doing so, businesses can enhance customer satisfaction, loyalty, and retention, leading to long-term success and growth.

# Challenges in after-sales support

## Lack of personal touch in customer interaction

Since most manufacturers focus only on the production and distribution aspects of their business, great after-sales support can be the element that makes an organization stand out in the industry. Even though customer support hasn't been a strong suit of the manufacturing industry, customers have always needed help installing or using a product, warranty information, and the like.

The main challenge with after-sales support in manufacturing companies is that it's often handled in a very impersonal manner. Customers often find themselves dealing with automated phone systems, online forms, and templated email responses. This can be especially frustrating, and customers may feel their problem isn't being taken seriously.

The first step in turning this over is offering real-time customer support via live chat and having a knowledgeable and friendly team to handle it. Next, you need to ensure you have all your customer data and their interaction history with your business readily accessible while assisting them. Adding voice calls to the equation without the IVR and waiting can take your customer support to a whole new dimension.

# Inefficient query resolution

Personalization isn't the only missing piece in customer support in manufacturing companies. Their customers often need help with product usage and have complex questions that require timely, thorough, and knowledgeable responses that properly address their issues. But a lot of times, customer service representatives take too long to respond to customer inquiries or fail to provide accurate or helpful information.

This is often due to organization resources being heavily skewed towards R&D and production, leading to inadequately staffed support teams or a lack of knowledge and training. Customer service agents also fail to ask the right questions to get to the root of the customer's problem.

Customer service representatives must be properly trained on the company's products and services, troubleshooting any product issue, as well as customer service best practices. But even with the best training, it's impossible for everyone in your team to have equal expertise in everything, so businesses need to ensure that customer queries are assigned to the agent with the right expertise.

TTR (Time to Resolution) can soar with an increasing influx of support chat requests. Making answers to FAQs and product, safety, and logistics-related information available to customers right on your website or live chat window helps customers self-serve before reaching out to your team. You can also set up chatbots as a second line of defense to handle basic support queries. This way, customer support agents can focus on solving the more complex support queries faster.

Even with all this in place, there may be holes in your customer support operation. To uncover these, encourage customers to share their feedback on the support experience they've had. Use this feedback to make regular improvements to your after-sales support and to better understand and cater to customer expectations.

# Conclusion

To succeed in today's manufacturing industry, it's crucial for manufacturers to prioritize customer experience. This involves tackling the challenges discussed in this whitepaper, including rising costs, increasing competition, product and supply chain issues, lead generation gaps, and inefficient after-sales support. By understanding their target audience, generating quality leads, and ocusing on personalized products, an efficient production line and supply chain, and seamless after-sales support across multiple channels, manufacturers can perfect their customer experience and stay ahead in the market.

Now that you know the importance of a great customer experience for manufacturing companies, the challenges associated, and their solutions, let's now take a look at how Zoho SalesIQ can help you implement most of these solutions.

# How can Zoho SalesIQ help you?

**Capture leads right within your website:** Identify who your visitors are, filter your best potential customers based on what they do on your website, and nurture them to turn them into warm leads.

**Turn visits into RFQs with proactive chat:** Your leads could be leaving your website without purchasing due to one of these reasons:

- They may not have found what they need.
- Your checkout process is too long or confusing.
- They have concerns regarding your products, pricing, or payment security.

Proactively reach out to them to solve their concerns and increase your conversion rate.

**Provide multi-channel support:** Connect your Facebook Messenger, WhatsApp, Telegram, and Instagram to SalesIQ to assist customers on their preferred channels, manage all this communication from one place, and even automate them with chatbots.

**Make product/logistics-related details readily accessible:** Display answers to common customer queries, return and replacement policies, product information documents, and more in the live chat window so that prospects can find anything they want instantly.

**Chat with context, including customer history and inventory numbers:** Improve your customers' support experience by ensuring they don't have to answer too many questions. Have the customer's details, purchase, support tickets, and chat history at hand before a chat session with custom widgets connected to your CRM, helpdesk, and all your internal databases.

**Scale your customer support with chatbots:** Automate product recommendation and routine queries with chatbots so you can focus on more complex issues that need your attention.

**Engage customers globally:** Assist your prospects and customers in their own language with SalesIQ's real-time chat translation.

**Communicate with your suppliers and distributors:** Not only is live chat for manufacturing an excellent way to assist your prospects and customers, it also helps you keep the lines of communication open with your suppliers, contractors, distributors, and wholesalers. With departments in SalesIQ, you can ensure that each type of stakeholder is connected to the right teams.

**Optimize your manufacturing business with data analytics:** Get complete insights on how your website performs and what your customers are most interested in so you can stock up on raw materials and tweak your production lines accordingly. You'll be able to meet the gap between customer expectations and what you offer, and even optimize your live chat team based on when you're likely to get the most chat requests.

**Sign up for a 15-day free trial**