

# MEASUREMENT COMPANY GAINS CUSTOMER INSIGHTS AND DEVELOPS CUSTOMER METRICS

## THE SITUATION

Tektronix, Inc. (TEK) is a worldwide leader in the test, measurement and monitoring industry that provides measurement solutions to the communications, computer and semiconductor industries. With more than 55 years of experience, Tektronix enables its customers to design, build, deploy and manage next-generation global communications networks and advanced technologies. Tektronix has operations in 19 countries worldwide. Tektronix is a market leader in four core product categories: oscilloscopes, logic analyzers, video test and network management and diagnostics. A key part of the company's efforts to improve their value to shareholders is their commitment to continuously improve their understanding of their customers in order to anticipate customer needs and to serve them better.

Tektronix embarked on a project to conduct primary research among its top customers in order to capture new insights that would help them service their customers more effectively. Specifically, the company

wanted to better understand their current and potential Share Of Wallet (SOW) among their customers as well as how brand preference and loyalty impact customer purchasing behaviors. The company intended to use the results of this research to drive marketing and sales strategies for their global customers.

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## THE NEED

Martyn Etherington, Vice President of Worldwide Marketing, Tektronix, and his team had invested considerable time over the past few years developing and formalizing their marketing metrics. Many of the metrics they tracked are focused internally on marketing

operations and were designed to make his group more efficient and effective, however they were backward looking and not necessarily outward looking.

Tektronix needed external customer-related metrics that would complement their well developed internal metrics efforts. "We have a lot of anecdotal information regarding customers and secondary research on brand preference and awareness," said Martyn. "However in order to support our sales teams, the marketing organization needs to be able to make recommendations and decisions based on specific customer data that is selected to help us understand our customers' satisfaction, loyalty, supplier preferences and purchasing intentions."

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Additionally, the company wanted to create a baseline Net Advocacy Score and benchmark this score against its competitors as a driver to continuous improvement. It was time to take their metrics outward to the next level.

## **THE DECISION**

The Tektronix team reviewed several companies – both those that provide research and those that provide tools for customer study and analysis. In each instance, Tektronix objectively evaluated each potential provider's level of expertise to enable final selection. In the end, Tektronix chose VisionEdge Marketing (VEM) as their partner in the study because VEM understood Tektronix's business and had clearly demonstrated advanced metrics expertise and utilizes a proven research methodology. "We wanted a company that could help us as much with the education process as well as with getting the data. VisionEdge Marketing was capable of doing both," added Martyn."

## **THE PROCESS**

VisionEdge Marketing employed its QuickStart Intelligence Service™ to conduct a Share Of Wallet and Customer Loyalty study. The company also incorporated select metrics related tools and techniques from its Metrics First™ Service to develop the customer metrics that were necessary to the study. These two proven VEM products provided an integrated approach to meet Tektronix's customer research and metrics requirements.

Using a qualitative research methodology from the QuickStart Intelligence Service™, VisionEdge Marketing and Tektronix worked collaboratively to develop an in-depth

interview guide directed at their customer base. Individuals from Tektronix's top customers were then recruited to participate in in-depth telephone interviews. The results from the interviews were compiled and analyzed to determine Share Of Wallet and Net Advocacy Score amongst many other insights about the customer base. Again, the questions were formed and the analysis was done to support the need for rigorous, customer centric metrics that can be tracked in the future. "An ancillary component of the process required us to have access to IT and data and to work closely with our sales organization," said Martyn. "We discovered even in these early stages of the process that we didn't know as much as we thought we did about our customers and that we had some major gaps in our data. The process facilitated much welcomed conversations with operations, sales and customer service and enabled us to focus on a shared goal."

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## **THE RESULTS**

The findings from the research provided Tektronix with a baseline Net Advocacy Score and leading indicators related to Share Of Wallet. Tektronix was also able to look at the analysis and develop strategic account plans based on real account feedback. As a result of the research, Tektronix has a picture of the ideal customer account as well as a picture for a key account at risk and is developing plans of action for the latter. The Share Of Wallet information for participants surveyed indicates which of these accounts are most likely to increase their budgets and their spending with Tektronix. This is enabling the company to decide how to best allocate its resources.

Tektronix also discovered the average number of products typically used by a customer in their markets and are developing specific plans to increase their presence in each market segment. Finally, Tektronix was also able to use this research to identify the three most critical factors to their buyers when purchasing the type of sophisticated electronics equipment developed and manufactured by Tektronix. The study provided Tektronix with a new and more developed understanding of their competitive advantages and the places in which they need to focus their efforts for improvement.

"The project initiated all the right conversations between sales and marketing," said Martyn. "As marketers, there is a tendency to focus on the

customer acquisition side of the equation. Yet we must not forget the rest of the equation, keeping and growing the value of existing customers. Our metrics must also reflect this aspect of the equation. I encourage all of my colleagues to engage in this type of work and to develop customer related metrics. You can never know too much about your customers."

## **ABOUT VISIONEDGE MARKETING**

VisionEdge Marketing ([www.visionedgemarketing.com](http://www.visionedgemarketing.com)) is a data-driven metrics-based strategic and product marketing consulting firm recognized as a trusted authority in the area of marketing performance management.

The company excels at helping companies strengthen their competitive advantage, accelerate their ability to acquire, keep, and grow profitable customers, and measure Marketing's contribution to business goals. Founded in 1999, VisionEdge Marketing is located in Austin, Texas.

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