OdinTEXT

jiffylube®

Jiffy Lube Uses OdinText Software to Increase Revenue. Text Analytics, The One Methodology You Need to Grow!

The Net Promoter® score (NPS) is considered the most important customer loyalty metric by many firms today. It is thought to be the ultimate question, allowing companies to get a clear measure of their performance via their customers' eyes. However, Jiffy Lube International (a wholly owned, indirect division of Shell Oil Company), discovered that using NPS alone is sorely insufficient. Yet by using Anderson Analytics' OdinText analytics software platform, Jiffy Lube was able to unlock the full power of NPS within its customer satisfaction program.

"OdinText analytics has uncovered insights that increase the value of our customer satisfaction program exponentially. The low correlation revealed between the quantitative survey metrics and our Customer Loyalty and Sales data was disappointing, but in retrospect makes sense. Fortunately text analytics can connect these important dots."

– AMY RAIHILL, JIFFY LUBE INTERNATIONAL INSIGHTS MANAGER

VOICE OF CUSTOMER SURVEYS AND NET PROMOTER® SCORE (NPS)

All successful companies realize the tremendous importance in keeping customers satisfied. As with many customer focused businesses, Jiffy Lube International uses a Net Promoter® Score (NPS) customer satisfaction survey program to stay on top of the "voice of the customer" and thereby continuously improve its business.

Since its 2003 debut in *Harvard Business Review*, where it was touted as "the one number you need to grow", NPS has perhaps become the most popular customer loyalty metric in use. The NPS is based on a simple rating question "How likely are you to recommend (your company) to a colleague or friend?" (answer scale: 0-10). This "likelihood to recommend" is considered so important, partly because it represents free word of mouth marketing, which is thought to greatly influence business growth. To calculate a company's NPS, the percentage of detractors (having lowest recommendation intentions; answers: 0-6) is subtracted from the percentage of promoters (highest recommendation intentions; answers: 9-10).

While customer satisfaction and loyalty are two obvious reasons for most survey tracking programs, these programs and especially NPS, are also believed to predict business success and profit growth.

ODINTEXT ANALYTICS SOFTWARE

Over 80% of all information is in text (unstructured) format. Even within customer surveys where most data tend to be structured (satisfaction scales), the one or two questions which allow customers to give any feedback they like using text comments have the opportunity for the greatest insights.

These comment data provide the only way for customers to tell businesses what they think is most important rather than answering specific questions which the companies assume are important.

In 2005, Anderson Analytics became the first marketing research firm to leverage text analytics; its patented approach to natural language processing is unique and developed specifically for the consumer insights field. Unlike other text analytics software, the OdinText platform allows users to leverage not just text comments but any and all contextual structured data as well.

Jiffy Lube uses OdinText to automatically filter out the noise so common in text data and to focus in on those issues which are most important in driving customer satisfaction.
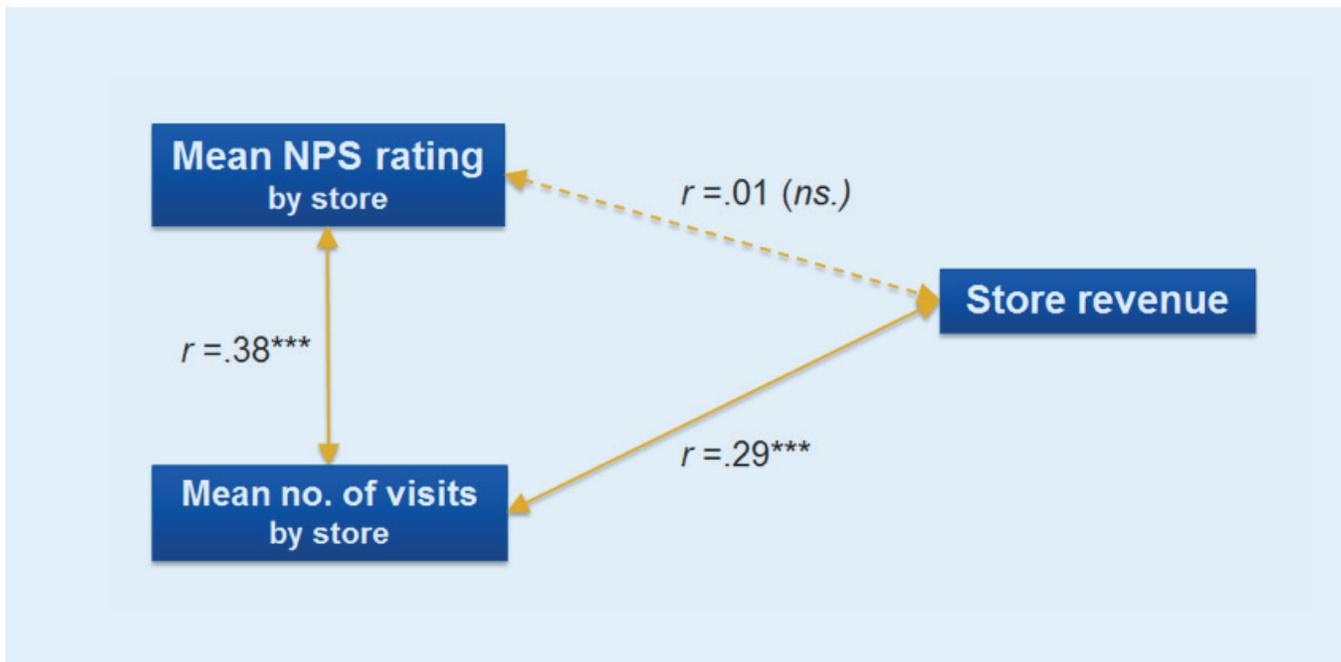
UNDERSTANDING LIKELINESS TO RECOMMEND

OdinText was used to analyze satisfaction ratings and customer comments from more than 100,000 recent Jiffy Lube customers. In addition to the "likelihood to recommend" question (NPS rating), Jiffy Lube also asks its customers to elaborate by explaining their reasons for positive or negative assessment. The answers to this open-ended question can be a tremendously rich source of voice of customer information.

Text analytics is used in order to reveal meaningful customer issues (verbatim concepts). These verbatim concepts reflect the most important meanings within the customer comments, including their attitudes [praise and concerns], emotions, behavioral intentions, etc. Relationships between verbatim concepts and key metrics are also carefully evaluated using a wide variety of statistical techniques. An outcome of this approach is a deep understanding of what Jiffy Lube customers like or dislike about their customer experience, their attitudes towards the brand, and various behavioral intentions.

MORE DATA–RICHER DATA–BIG PROBLEM!

Prior to software such as OdinText, most market researchers were limited to analyzing survey data in isolation. Even without leveraging the text comments, most statistical software packages have difficulty managing just 12 months' worth of structured survey data.

In addition to their annual customer satisfaction data, Jiffy Lube further integrated data from its CRM data base (including actual number of visits for each customer) as well as sales data (revenue by store).
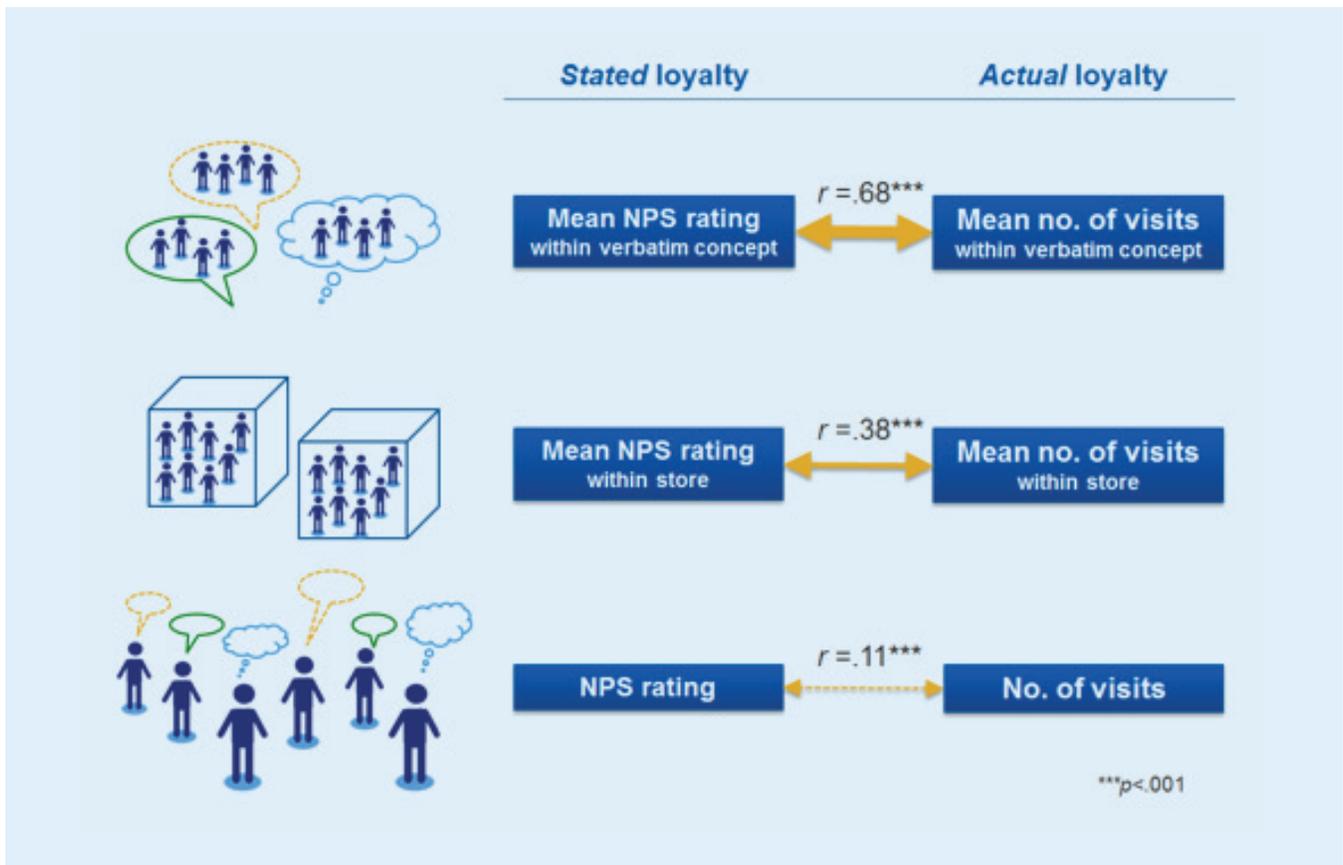
That is when the shock came. While the survey metrics such as NPS, Overall Satisfaction, Ease of Use, etc., correlated highly with each other, there was no correlation to actual visit behavior or sales!

PROBLEMATIC NPS RATING AND LACK OF CORRELATION

The analysis conducted by Anderson Analytics revealed no correlation (rs=.11, p<.001, N=134,544) between an individual's NPS rating (stated loyalty) and their "number of previous visits" (an actual measure of customer loyalty). One would expect to find at least a weak positive relationship between a customers' likelihood to recommend a company and their number of past visits. Specifically, we would expect that those customers who give higher NPS ratings are also those who have visited more in the past and have built a more positive attitude towards the company over time.

As expected, analysis at the store level proved just a bit better. At the store level there was a weak correlation between mean NPS rating and mean number of visits (r=.38, p<.001, N=1569).

Finally, the relationship between mean NPS rating per Jiffy Lube store and store revenue across the approximately 1600 locations (see Figure below) was also investigated. We found absolutely no relationship between store NPS rating and store revenue (r=.00, p>.10), suggesting that stores whose customers give on average higher NPS ratings do not have greater annual revenue.

Stated loyalty — **Actual loyalty**

Mean NPS rating within verbatim concept	$r = .68^{***}$	Mean no. of visits within verbatim concept
Mean NPS rating within store	$r = .38^{***}$	Mean no. of visits within store
NPS rating	$r = .11^{***}$	No. of visits

$^{***}p<.001$

TEXT ANALYTICS ADDS EXPLANATORY POWER!

Initial correlations between structured data were alarming. In retrospect, the reasons for the low correlation between survey metrics, including NPS, behavioral data, and revenue, made sense. There may be multiple reasons for the low correlations, but most importantly, stated 'likelihood to recommend to others' exerts only minor influence on customer loyalty and return behavior in the category of personal automotive care, where visits are infrequent, not wholly discretionary, and often predicated by vehicle age and make.

All was not lost. Jiffy Lube's multi-year investment in NPS tracking was not in vain. Anderson Analytics quickly discovered that using customer comments (OdinText verbatim concepts) in conjunction with NPS ratings provided the link needed - a strong positive relationship with mean no. of visits ($rs=.68$, $p<.001$, $N=25$), see Figure.

This finding suggested that while the NPS rating alone may not be sufficient, as it cannot be used as an indicator of actual customer visit behavior or sales, looking at the NPS rating in combination with text filters out the noise from the data and provides a meaningful context in which the NPS rating can be used to understand visits and sales.

Said differently, giving an "8" on a recommend scale is not as telling as getting a customer to actually mention specific issues, such as "it's so easy" or "I feel like I can trust you".

Let's look at this meaningful context in more detail.

Verbatim concepts predicting Jiffy Lube store revenue
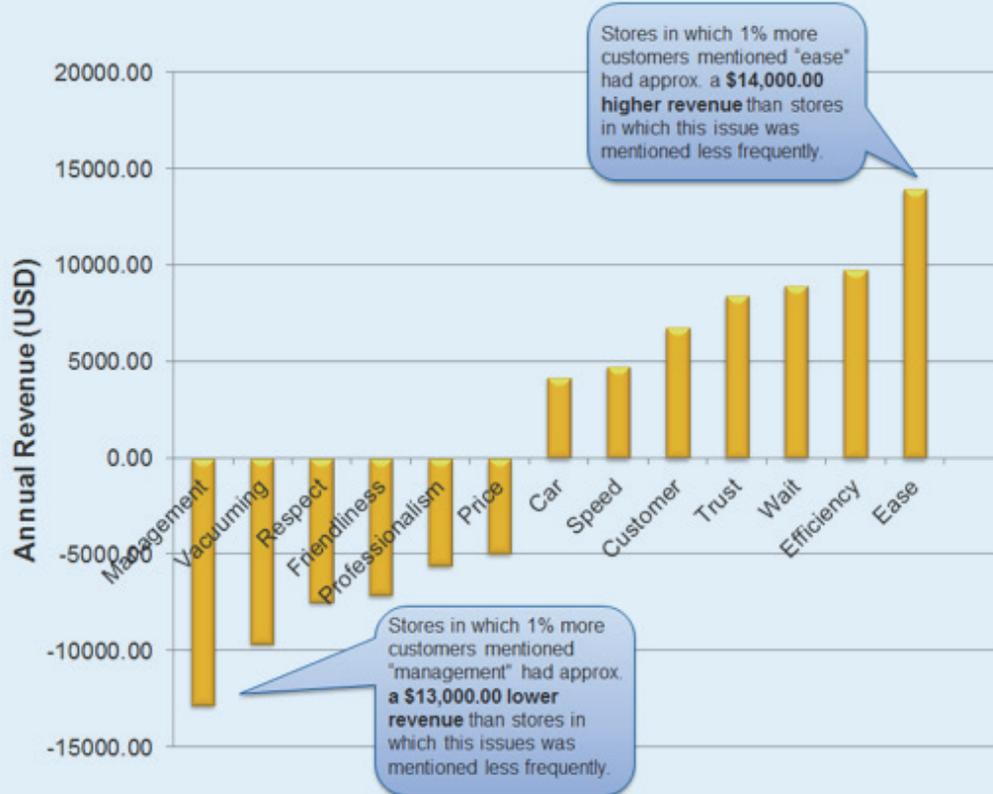
FROM CUSTOMER COMMENTS– WHAT ACTUALLY DRIVE SALES?

OdinText revealed 13 verbatim concepts that significantly predict Jiffy Lube store revenue (Figure 3). Unstandardized regression coefficients plotted on the y-axis signify that, for instance, stores in which 1% more customers make comments related to "ease" have approximately a $14,000 higher revenue than stores in which this verbatim concept is mentioned less frequently. Verbatim concepts that increase store revenue include "ease", "efficiency", "waiting time", "trust", "customer" and "speed". This group of concepts reflects the most valued aspects of Jiffy Lube customer experience that the company should continue to commit to. Conversely, verbatim concepts that decrease store revenue include "management", "vacuuming", "respect", "friendliness", "professionalism" and "price". These concepts are "red flags" for Jiffy Lube as they indicate potential areas of problems and customer dissatisfaction, which affects both customer loyalty and revenue.

CONCLUSION

Whereas your NPS rating alone may not be a predictor of repeat purchase or revenue, when used in combination with text analytics it can become a powerful tool for an in-depth understanding of customers' intentions, perceptions, and behavior. Text analytics can increase the value of your customer satisfaction program as well.

Jiffy Lube and Anderson Analytics are currently exploring a new composite loyalty metric which leverages text analytics and predicts not just stated likeliness to recommend but true loyalty.

"As a result of these findings we are in the process of rethinking many elements of our customer satisfaction program. The insights delivered really are actionable and management now routinely asks us to "OdinText" various issues."

– AMY RAIHILL, JIFFY LUBE INTERNATIONAL INSIGHTS MANAGER

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Do you have lots of customer comment data from customer service calls and emails, surveys or even social media?

Request an OdinText demo via Webex with your own data or contact us today at 888.891.3115 or inquiries@odintext.com.