UNIT 15 A CUSTOMER VALUE STRATEGY II

Structure

15.0 OBJECTIVES

After studying this unit, you will be able to:

- Identify customer expectations linked to service levels
- Identify different challenges
- Explain counteractions to mitigate those challenges
- Discuss ways to manage customers for long term engagements

15.1 INTRODUCTION

India is a developing nation with a fast-phase approach at the world level. India's population is 140 billion, among the top five countries with the highest population on earth. India has a young population and a mobile literate population in general. Today, customers prefer to buy products where they get full satisfaction, which means meeting customer perceptions, expectations and aspirations combined is needed to build a customer base. Competition is becoming more demanding and tougher day by day in the market. Market is supporting companies that meet all the market's survival criteria. Companies serious about the word called customer value management can only survive in the market. Building a company is not a one-year affair. It is a long-term well, well-thought customer value management service-related designs that help in building a company. In this unit we will study the service-related actions companies can adopt to make the company.

15.2 SERVICE-LEVEL MAPPING PLANS

Providing customer value management through well-planned service improvement involves recognising the needs and wants of your customers and designing company services to meet or exceed those expectations.

Here are some steps you can follow to achieve this goal:

First Step - Doing Customer/ Consumer Research: Gather information about your customers through surveys, focus groups, interviews, online feedback forms and other feedback mechanisms. This will help to understand the current challenges in service levels and probable solutions suggested by customers to mitigate those challenges.

Second Step- Identify & List Areas for Improvement: Based on the feedback you receive, identify areas of your services that can be enhanced to provide better customer value. This could involve adding new features to the product, improving existing one's features, adding new product lines, or streamlining processes to improve service levels.

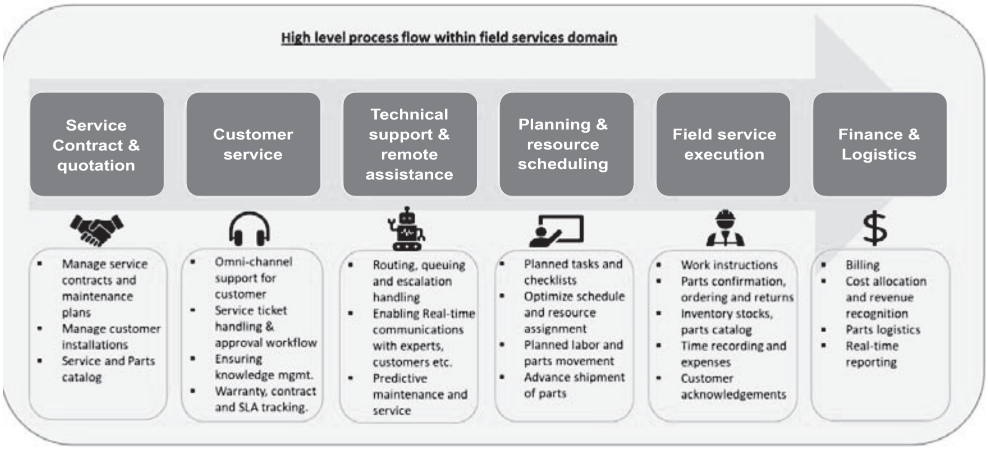
Third Step - Develop an Action Plan: Create a detailed plan that outlines the steps you will take to enhance your services. This should include specific goals, timelines, and responsibilities. Goals with specific timelines show the seriousness of the company. Companies can implement action quickly.

Fourth Step- Implement Changes is a Key in the Process Flow: Once a company has a plan, put the fundamental changes into action. This could involve training employees, updating systems, writing and training on processes, or making investments in new technology.

Fifth Step - Monitor Results: Regularly evaluate the effectiveness of your service enhancements. Collect feedback from customers and adjust as needed. Make necessary changes in the process on a time-to-time basis.

Sixth Step Continuous Improvement: Continuously seek new ways to improve your services and provide greater value to customers value management. Stay current with industry trends and best practices and be open to new ideas and suggestions from employees and customers. You may reward a customer for the best suggestions.

By following these steps, you can provide customer value management through service enhancement, which can help improve customer satisfaction and loyalty, increase sales and revenue, and set your business apart from the competition.



Source: https://www.businessprocessincubator.com/

Field service management (FSM) is the system for coordinating field service operations. It includes scheduling work orders, dispatching service technicians, tracking labour hours and job statuses and invoicing the completed job. However, field service management is much deeper and encompasses every aspect of service delivery. Effective people management and processes are necessary to make the field service efficient. This function is at the core of any organization that services clients, e.g., construction and repair of utilities infrastructure, mining, industrial and heavy engineering, HVAC industries, gas utilities, etc.

The steps are shown in a diagram. We will discuss this further in detail.

A) In order to provide the best service level, the first step is to identify the vendors, get their quotation and evaluate the vendor, which must be done with a lot of detailing. Their customers must be understood. If needed, a meeting with the customers and a review of the cost structure should be done in detail by the company.

B) Second step is to establish a customer service department where the team should be well-trained to answer all customer's queries with satisfaction. Omni channel support means customers may be able to give complaints about online processes in an easy way. The SLA of a company should be tracked to check planned vs. delivered service levels. All the complaints should be followed with ticketing methods.

C) Service levels should be prompt in action to resolve customer problems with 100% satisfaction.

D) The service levels should be prompt, which means the parts used to repair the machinery, etc, must be available on time in inventory. Pre-emptive approach should be followed while ordering parts in advance.

E) Predictive modelling of service levels to be achieved means the maintenance scheduling is made as a roaster. In case of more significant issues experts may be called to review the issues and give proper resolution to the problem. Use people as resources, and schedules or roaster must be optimised. Follow time and motion study to always make it more responsive to effective solutions.

F) Recording time and closure of complaints be recorded with customer feedback also to understand the effectiveness of the work.

G) Billing to customers and billing by the vendor to the company be seamless, and in and out of cash be checked in real-time. Real-time reporting is available of customer feedback on their maintenance charges paid so that the company can review the service level of the vendor as per Sla defined in the contract. The company also does regular audits further to check the quality of service levels.

15.3 TYPES OF SERVICE-RELATED ISSUES

In customer value management, service-related issues that negatively impact the customer experience and their perception of the company's value proposition can occur. Some common types of problems service-related in customer value management include:

- **Stock Availability and Reliability**: Customers may experience product-related service interruptions. The unavailability of stock in retail causes a lot of concerns to customers. They feel they are wasting time searching products that are ultimately not sold or unavailable. Also, product quality and reliability play a very important role in building customer and retailer engagement for the future.

- **Staff Service Level**: In retail, service-related issues are called quality-related issues like servicing customers on the floor, knowledge base of customers, and managing customer queries. Answering customer queries with confidence always builds the customer and retailer relationship. Satisfied customer queries always boost higher sales as customers feel confident about the answers and end up buying products.

- **Billing and Payment Issues**: Customers may experience problems with their billing or payment process, such as incorrect charges, duplicate billing, or difficulty paying their bill offline and online. In Retail, managing queue is always beneficial. Customers do not want to waste their time on the billingessential; hence, it is important to have good cashiers, a quicker checkout process, faster payment machines, and fewer bar code-related / price-related queries at POS machines.

- **Technical Support**: Customers may have trouble accessing technical support or may experience poor service from support representatives who are unable to resolve their issue. This is the biggest issue currently faced by almost all the customers. Hence, companies are focusing a lot on managing these issues. They are spending a lot of budgets on training employees, and the intake of employees at the time of recruitment is followed by a lot of due diligence processes.

- **Privacy and Security**: Customers may be concerned about the privacy and security of their personal information and transactions, especially if they have experienced data breaches or fraud. Data protection measures are essential. Companies must work with caution to take all the required precautions to protect themselves regularly.

- **Physical Infrastructure**: In retail, physical infrastructure is reasonably needed for example like, parking area, washrooms, POS standing area for customers, lighting to see the product with clarity, promotional signages, bay signages, Housekeeping and security staff to help them on the floor along with Staff.
- **Customer Service**: Customers may experience issues with the company's customer service process, such as long wait times, unresponsive or unhelpful representatives, or an inability to resolve their issue through self-service channels. The most vulnerable area where hostile customers are created. Companies show extreme levels of focus in managing it with a high success rate.

When it comes to online ecommerce type of complaints, here we have some issues which could come in online space.

- **Website Slow:** When a website is slow, it leads to customers going away permanently. Filters on the website should be able to give customers space to search products with ease.
- **Checkout Issues:** If the kart has issues, then even if the customer is ready to buy will not be able to buy. Customers leaving kart reports can help the company to connect with customers again.
- **Delivery Issues**: Delivery not made on time is the biggest concern. This impacts customers a lot negatively. Companies focusing on deliveries on time are always in the good books of customers.
- **Product not Available**: Product shown on the website but after payment delivery does not happen on time, and the return of money paid by customers does not happen on time.
- **Customer Problem Escalation Issues:** Sometimes online companies lack an escalation matrix inside the company. In the absence of its customers often find themselves in big problems and avoid buying from such companies.

UI is not Friendly to Browse.: Website is not user friendly, any unnecessary steps to get customers information, etc. often irritate customers. Customers avoid such companies.

These types of service-related issues can significantly impact customer satisfaction and loyalty, and essentialcompanies need to address these issues quickly and effectively to maintain a positive relationship with their customers.

15.4 MAPPING CHALLENGES

There are several factors which can highlight service-related mapping challenges, including:

- **Data Collection and Integration**: Data collection and integration is always challenging. It can be done online or offline. Building the correct process is a key. What matters the most is ‘’ what type of information is needed ‘’ to understand customer behaviour, etc.

- **Customer Segmentation**: Segmenting customers/ consumers based on their value and customer behaviour can be demanding, as it requires a deep understanding of their buying/service preferences, self-motivation, and service-related interactions with the company.

- **Personalization Service Levels:** Providing personalized service to customers based on their value can be challenging as it requires a robust technology infrastructure and a thorough understanding of customer data. Today, technology deployment is quite expensive, and still, it does not provide enough information to act accurately. Hence, companies keep struggling to build personalisation in service-related challenges.

- **Measuring Customer Value Management**: Measuring customer value is not easy. It involves multiple variables, such as customer lifetime value, customer satisfaction, and loyalty.

- **Balancing Customer Needs Objectives**: Balancing the needs of customers with the business objectives of the company can be challenging, as it requires a deep understanding of customer behaviour and a clear definition of business goals.

15.4.1 How to Overcome Mapping Challenges

Here are some general steps and strategies that can help you overcome mapping challenges:

Define Your Objectives:

- Identify and build what you want to achieve with your mapping project. Identify and understand the purpose with goals to ensure that your efforts are focused and meaningful.

Collect Quality Data:

Collect relevant data points to have accurate to have accurate information on your mapping project. The quality of your data is critical to the accuracy of your maps.

Identify and Select the Right Tools & Processes along with Software:

- Choose the appropriate mapping tools and software that align with your objectives and the type of mapping you're doing. Popular options include

Geographic Information Systems (GIS) software, data visualisation tools, and mind mapping software.

Understand the Challenges:

- Identify the specific mapping challenges you are facing. Common issues include data inaccuracies, incomplete information, technical limitations, and insufficient resources. Identifying the mapping challenges specifics would help in planning effectively.

Data Cleaning Process

- Address data quality issues by cleaning and preprocessing your data. This may involve removing duplicates, correcting errors, and filling in missing information. Having complete data means confidence in delivery servicing effectively.

Data Integration:

- If you are working with multiple data sources, ensure you can integrate them effectively. Data integration tools and techniques can help create a unified dataset.

Use Visualization Techniques:

- Choose appropriate visualisation techniques for your mapping project. Different types of maps (e.g., thematic maps, heat maps, flowcharts) can convey different types of information more effectively.

Engage Stakeholders:

- Involve relevant and suitable stakeholders or stakeholders' team in the mapping process. Their input and feedback can help refine the mapping process and ensure it meets their needs.

Consider Scale and Detail:

- Depending on your mapping objectives, identify the scale and level of detail required for your maps. Many times, simplifying or zooming on to specific aspects of the data can make the mapping process more manageable.

Addressing Special Technical Challenges:

- If you are dealing with technical challenges such as software limitations or hardware constraints, seek technical solutions or workarounds. This may require customised programming or leveraging cloud-based services.

Keep Improving Processes

- Mapping is generally an iterative process. Review your maps regularly, gather feedback, and improve based on the results and user feedback.

Documentation and Training:

- Always document your mapping processes, data sources as a reference point, and any assumptions made during the mapping project. This documentation must always be valuable for future reference to train new team members.

Have Latest Information

- Stay informed of advancements in mapping technologies, tools, and best practices. Here, networking within the relevant industry is quite helpful. It enlightens the company officials with the latest best practices within the industry.

Planning of Budget with Resource Management:

- Ensure the company must plan the budget in detail, considering each cost and plan effectively quality resources in mapping projects with the right cost matrix in place.

Ask for Domain Expert Advice:

- For complex solutions, it is advisable to look for domain experts who can add value instantly and the right solutions are mapped on time.

Check Your Progress A

1 Define key challenges in service level.

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2 Can you define more personalisation-related service issues?

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3 Why is data privacy important for protection? Explain?

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4 What do you mean by stock availability to meet service level?

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15.5 ADVANTAGES AND DISADVANTAGES OF CUSTOMER VALUE MANAGEMENT (ON SERVICE SIDE)

Advantages of Customer Value Management:

- **Enhanced Customer Satisfaction**: By understanding the value that customers show on the products and services sold by the companies, companies can tailor the different offerings to meet the specific needs and preferences of their target market segment, resulting in higher customer satisfaction.
- **Growth in Customer Loyalty**: When customers feel that their needs and preferences & expectations are being met, they are more likely to remain loyal to the company, leading to repeat business from loyal customers and positive word-of-mouth referrals always
- **Focused Target Marketing**: Customer value management helps companies understand which segments of their target market efficiently which are the most valuable focus pointers, allowing them to focus their marketing efforts on these high-value customers ,increase the efficiency of their marketing spend and achieve higher ROIs (Return on investments)
- **High Profitability**: By tailoring their offerings to meet the specific needs of their target market, companies can increase their profitability by reducing the cost of serving low-value customers while focusing on high-value customers.

Disadvantages of Customer Value Management:

- **High Implementation Cost**: Implementing a customer value management program can be expensive, requiring significant investment in technology, data analysis, and personnel.
- **Difficulty in Measuring Customer Value**: Determining the value that customers place on different products and services can be challenging, and companies may need to invest in market research or surveys to assess customer value accurately.
- **Resistance to Change**: Some employees may resist changes to traditional business practices and may resist adopting new customer value management strategies.
- **Privacy Concerns**: Gathering and analysing customer data can raise privacy concerns, and companies must ensure that they comply with privacy laws and regulations while collecting and using customer information.
- **Potential for Oversimplification:** While customer value management can help companies better understand their target market, there is a risk of oversimplifying customer preferences and needs, leading to inaccurate or incomplete assessments of customer value.

Check Your Progress B

1 Define resistance to change as per your understanding.

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2 Can technology enhance customer value management?

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3 Why does profitability delivery happen through customer value management? Explain

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4 What do you mean by value proposition?

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15.6 LET US SUM UP

Customer Value Management (CVM) can be considered a strategy to deliver the highest possible level of customer service by understanding the value that customers place on different products and services. This allows companies to tailor their offerings to meet their target market's specific needs and preferences, resulting in higher levels of customer satisfaction and loyalty. Companies can increase their profitability by focusing on high-value customers while improving the overall customer experience. To effectively implement CVM, companies must invest in technology, data analysis, and personnel, while also addressing any privacy concerns and potential resistance to change. Ultimately, CVM aims to provide a higher level of customer service by understanding and meeting each customer's unique needs and preferences.

Key Learnings:

CVM Definition; Customer Value Management (CVM) is a strategy that aims to deliver customer service by recognizing the significance customers attach to products and services.

Customized Offerings; CVM involves tailoring company offerings to align with the requirements and preferences of the target market leading to increased customer satisfaction and loyalty.

Prioritizing High Value Customers; Companies can improve profitability by focusing on high value customers while simultaneously enhancing the customer experience.

Implementation Requirements; implementation of CVM necessitates investments, in technology data analysis and skilled personnel. It is crucial to address privacy concerns and potential resistance to change.

Objective of CVM; The ultimate objective of CVM is to elevate customer service levels by comprehending and fulfilling each customers needs and preferences.

15.7 KEYWORDS

Growth Stage: New product is being accepted in the market

Customer Retention: Maintaining the existing customers in the business.

Customer Relationship: Keeping the Customers happy and satisfied to have them in the business for a long time

Customer Value Management: It is a potent tool to make the company truly customer oriented and bring success to the company/ business.

Customer Defined Value: Value of the product and services perceived by the customers.

15.8 TERMINAL QUESTIONS

Here are some questions regarding service-related points on Customer Value Management:

1. How well do we understand our customers' needs and preferences?
2. How do we measure our customers' value on different products and services?
3. How can we tailor our offerings to meet the needs of our target market better?
4. How can we improve the overall customer experience?
5. How do we ensure that we provide the highest possible customer service level?

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