

UNDERSTANDING DIVERSIFIED CUSTOMERS AND MARKETING MANTRA FOR 21ST CENTURY

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Abstract:

Marketing is not a magic rather it is customer satisfaction. The importance of customer satisfaction is gaining momentum day by day. It does not mean that earlier marketing organizations were neither keen nor equipped to evaluate customer satisfaction. But of late it has assumed greater significance because: (a) large number of competing brands are available; (b) better substitutes are coming in the market to replace old one; (c) consumer awareness has gone up tremendously due to mass advertising through electronic media; (d) better technology available to give sufficient information.; (e) modern marketing organizations are intend for customer retention through customer service. Therefore, the search for service excellence for those concerned with customer service and support for a product is being driven by factor cited above. Customer service with professional support management is emerging, the quality support perceived by a customer is generally rising and expecting higher level of customer service and support will be a major issue/challenge for many organizations in 21st century.

Introduction

Today, customer service, customer's rights, customer's delight are the buzz words doing rounds in banks, hotels, railways, shopping malls, telephones departments, mobile companies, Insurance business, shopkeepers etc. All these organizations whether in Government sector or private are spending lot of money in giving training to their employees to improve the customer service. The goal of all is one. To retain existing customers, add more customers, in order to garner more business and profits for the organization. A primary focus of customer service and support is to ensure that the customer has maximum use and drives maximum value from the purchase. Is logistics or distribution is often referred to as customer service? Answer is not alone. The term customer service is often used by people to cover the process of dealing directly with customers...dealing with different customers differently. This is how customer service and support is delivered and its impact on customers must not be overlooked and if it is neglected, this

would mean "customer dissatisfaction and loss of business. Some areas that are clearly covered by customer service are:

- ♦ Field service
- ♦ Maintenance contracts
- ♦ Warranties
- ♦ Customer information and advice
- ♦ Education and training
- ♦ Logistic management
- ♦ Accessibility of spares, etc.

Statement of the Problem

Service industries (SI) are playing a vital role today particularly shining market like India besides western countries (USA) where, in fact US population mostly employed in service sector and increased from 74% (1984) to 85% (2008) jobs created since 1984 have been in the service sector. In Japan, product quality and price are given utmost importance to achieve customer satisfaction. An industrial survey in UK indicated that in 2000, over 85% of the organizations were making profits out of service and support. As in the case of India, the importance of customer service is gaining importance tremendously particularly from semi-urban and rural customers.

Objectives of the Study

This study focused on the following objectives:

- ♦ To understand the growing importance of marketing strategies for enhanced customer satisfaction;
- ♦ To examine the situations of customer satisfaction as in the case of higher expectations of modern customer; and
- ♦ To highlight the emerging issues of concern.

Why Customer Service is an important area now?

There had always been customers from the time people started buying goods and services instead of producing it on there own. However as most of the services or goods were under monopoly of few, the consumers/customers had no choice of comparing the quality and cost of the goods/services. For example, in travel industry it was the monopoly of State i.e. Railways, Air India, and Indian Airlines. In

post, it was Post and telegraph, in public transport it was State transports like, Delhi Transport Corporation (DTC), a Delhi transport company running bus service in Delhi, BEST in Mumbai and so on in other States. In electricity it was Bombay Electric Supply and Transport (BEST) Delhi Electric Supply Undertaking (DESU). In other fields like Education, the school, Colleges were mostly run by Government. Even the big industries like BHEL, NTPC, NTC, ONGC, HAL, SAIL, GAIL, etc are Government companies providing different products/services to common people. In other words most of the goods and services were being provided by the State or State owned organizations. Further most of the people had very low income; they were only buying the necessities of life like food, cloth etc and were not exposed to comfortable life style.

In case of private sector though the motive was profit, there were no threat/competition from others, the producers/ providers of goods or services were neither conscious about cost nor quality of goods or services. Further the people were not having any forum where they could raise their voice about the quality of services or goods. In other words the providers of goods/services were not answerable to any body for their shortcomings.

Understanding Customer

When we talk about customer, we think all customers on same line. Most of the time organizations tend to make same rules, processes, and procedures for all customers putting strain on the organization and even then the desired customer satisfaction may not be there. Though all humans are equal in the eyes of GOD and Law still all customers can not be equated. The level of expectation and satisfaction differs from person to person depending upon various factors. This understanding is very necessary when planning the modules or strategies for customer services. The factors which differentiate one customer from other may be on the basis of:

- ◆ Educational level
- ◆ Economic level
- ◆ Type of business, job, profession of the customer
- ◆ Temperament of the customer
- ◆ Preferences and likes/ dislikes of customer
- ◆ Physical health
- ◆ Age profile
- ◆ Family background
- ◆ Area of activity i.e. City, town or rural area
- ◆ Sex
- ◆ Type of relationship

- ◆ Psychology of the customer.

The list is not exhaustive.

Who is a Customer?

The term customer may be defined differently under different circumstances and under different statutes. In terms of Consumer Protection Act, the meaning of customer may not be the same as in case of Negotiable Instrument act. In Banking Ombudsman scheme, it may be different, under Know Your Customer (KYC) rules it's different and so on. There may be an existing customer or a prospective customer. In general terms when we talk about customer service in any industry, all type of customers are covered. Any person who comes in contact or is contacted from business purpose is a customer. A person entering a shop or office becomes a customer whether he buys the product or not, when we talk about customer service.

What a Customer wants or when a Customer feels satisfied?

It is not difficult to know what a customer wants. The simplest way to know this is to place yourself in place of that customer and then analyze what things will satisfy you. However while doing this analysis you have to be very imaginative and realistic. Some knowledge of general human behavior coming from different background, personality, age, sex, health status and group should be studied. For example a retired person from an army background may have different type of expectations than a poor villager. A senior citizen may have different type of expectation than a young executive. A lady customer may feel more satisfied dealing with female staff. However in all the cases the efficiency, accuracy, costs and nice behavior of staff are very important factors. All these factors i.e. efficiency, accuracy, costs may not be the constant factors for all customers. For example a particular person is satisfied if he gets the service in 15 minutes time but another person may not be happy even if he gets service in 5 minutes. A service available free of cost may not make a customer happy but same service at Rs.100/- may make other customer very satisfied.

Each customer has its own standards of satisfaction. Another important aspect of customer satisfaction is the presumption of the customer related to that service. Suppose a customer enters a restaurant with expectation that in this eating place

1. The tables may not be covered with cloth
2. The waiters will not be properly dressed
3. The food will just good
4. The price will be about Rs250/- per meal

5. Time taken for serving will be not less than 30 minutes.

With the above pre-set standards of the restaurant in his mind he enters the restaurant and found that:

1. The tables were covered with cloths
2. The waiters were properly dressed
3. The food was very good
4. The price charged was Rs.180/- per meal
5. And he was served meal in 10 minutes.

The customer came out satisfied with the service of the restaurant as he got better services than he had expected. Now this satisfied customer recommended the same restaurant to his boss. The boss had only last week eaten food at a restaurant where;

1. The tables were covered with silken cloths
2. The waiters were in suite and tie
3. The food was just OK but served in good crockery
4. The price charged for meal was Rs.450/-
5. And the time taken was around one hour.

The boss went to the recommended restaurant and was served meal the same way his employee was served. However the boss was very dissatisfied with the service. Though the service was same for both, one was highly satisfied and other was highly dissatisfied. Reason both compared the service as per their pre-conceived values. They had different standards of satisfactions. In the above example if the restaurant in question had two wings catering to these two types of customers, both would have been the satisfied customers.

In the above example the first customer having enjoyed the satisfaction will expect some thing more than what he got in the first instance. In order to keep this customer happy and in its fold, the restaurant will have to give some-thing better/additional every time he visits them.

What a Customer looks for?

All customers basically look for maximum satisfaction at lowest possible cost. Here again the level of satisfaction and corresponding cost differs from person to person. A charge of Rs10/- for a product/service may be high for one where as a charge of Rs.100/- may be a cheap price for other. Other aspects of customer satisfaction depend on the weightage given by the customer to different aspects of service. They may be as under.

1. The need of that service or product
2. The attached cost of the product
3. The quality of product

4. The reputation of the product/ service as per market reports
5. The reputation of the provider of products/ service
6. Comparative advantages/ disadvantages vis-à-vis other products/services.

Other areas which a customer may also be looking for,

1. Response time of service provider
2. Staff behavior
3. Value additions available -customer value gives profit and market share
4. Previous experience with same/similar product and service providers
5. Constructive help/assistance /service provider to select right product/service.

Understanding Customer and Service: Issues of Concern

If we summarize the essentials of good customer service, following shall emerge as the focal issues of concern.

1. Mass Customize: Most consumers would agree that quality increases as the product/service is customized to the customer's unique circumstances. In many situations, consumers would also ready to pay more or wait longer for these customized offerings than for a mass-produced version. Mass customize means combining the uniqueness of customized offering with the efficiency of mass production.
2. Offer the product/service anytime: Many products/services are available only at certain times. Such constraints almost always detract from their quality. How can these constraints be removed? In some cases a technology breakthrough, such as the ATM, is needed. In other cases, prediction plays an important role - for instance, predicting what types of cars customers will order. Offering anytime is different from just reducing wait time. To achieve this goal often takes a totally new conceptualization of the offerings. For this reasons "anytime" is an important concept for expanding the expectations of customers.
3. Offer the product/service anyplace: An important dimension of quality for most offerings is convenience. To make them more convenient, free it from the constraints of space. Make it available anyplace.
4. Emphasize intangibles: Opportunities for improvement can be found by embellishing a offering with intangible features. There are three

ways to accomplish this are by miniaturizing, by providing information, and by developing producer-customer relationships.

5. Reduce the number of components: The way of simplification of product/service needs reducing the number of component parts. Assessment of the quality is made easy by simplification of offerings. Simplified offering perform better than multi-functional offering.
6. Influence or take advantage of fashion trends: Quality product/service should match with not only test and preferences but also fashion trends. Uniformity is often assumed to exist in a offering, while features can affect customer expectations and hence features are frequently subject to fashion trends.
7. Disguise defects and problems: In the short-term, it may be more effective to hide the defect in a offering than to remove it. However, as a part of organizational strategy is to remove the defect. It would help the organization to include the change concept right from the advertising to delivery in order to make defect more palatable to the customer.
8. Differentiate product using quality dimensions: Customer satisfaction is improved as the match between process output and customer needs/wants is increased. The degree of matching is determined by using customer research. Customer research can provide an understanding of customers' needs and wants.
9. Enhance the producer-customer relationship: No doubt that only quality and its improvement in offerings enhance this relationship. To benefit from improvements in quality offerings, the customer must recognize and appreciate the improvements. Marketers should understand this and take actions to interface between the producer-customer relationship provides opportunities to learn and develop changes that will lead to improvement. For which marketers must: listen to customers, coach customers how to use them, focus on the outcome to a customer, etc.

Reasons for these changes

1. Education
2. Growing incomes
3. Western influence
4. Changes in human values
5. Information revolution through Electronic media
6. Liberalization, Privatization and Globalization, etc.

Conclusion

So we can conclude that a customer is satisfied when he gets more than he had anticipated from the particular product or service. Another aspect of customer service is the changes in perception and expectations of customer as it is the human nature that he is not satisfied what he is getting at present. Market leader would always focus on the goals of enhancing customer service, maximizing return on customer satisfaction and creating strong interdependence between the customer and the company. The goal of 21st Century marketing strategy is to create and retain a satisfied customer through 'QUALITY SERVICE' at 'LOW PRICE'. Are we prepared to serve customers of Tomorrow? 'Marketing Mantra for 21st Century' **'DON'T GIVE WHAT YOU GOT AS A CUSTOMER; GIVE WHAT YOU EXPECT AS A CUSTOMER.'**

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No organization can ignore any of the above issues, if it wants to grow and remain in the business.

| Customer of Yesterday | Customer of Today | Customer of Tomorrow |
|--|--|------------------------------|
| Very simple living | Very complex | Individualistic |
| Non-complaining | Always complaining | Egoistic |
| Mostly satisfied with what he had | Normally craving for more than what he has | Futuristic |
| Content | Dissatisfied | Perfectionist |
| Easy going | Always in hurry | Very demanding |
| More religious | More materialist | Expecting one point services |
| Always thankful to God | Always demanding from God | Door service |
| Managing his expenditure within the incomes earned | Always ready to spend more than he earns | Techno-savvy |
| Believed in long term relationships | Do not believe in long term relationship | Very selfish |
| Not very ambitious | Very ambitious | Never satisfied |