

### CUSTOMER EXPERIENCE MANAGEMENT

In previous lectures, we have discussed Internal and External Customers. In this lecture, we will discuss CUSTOMER NEEDS AND EXPECTATIONS and identify as to how we in Marketing attempt to satisfy them.

#### NEED

Needs can be described as human requirements. Need is there and its natural. We need food to satisfy our hunger, water to quench our thirst. Of course need can be more than just food, water and shelter. We need recreation, education, entertainment and lots of other things to sustain our living.

#### WANT

Need becomes Want, when they are directed towards a specific object. When hungry we need food; but we want say a burger. Want can vary from place to place and from people to people. A man in USA can want a burger to eat when hungry whereas a man in Country needs a \_Nanll. Want can be different at different income levels and in various times.

#### DEMAND

Want becomes a demand when backed up by an individual's ability to pay for it. A hungry person can want a burger, but does he have money to demand a burger. Or is there a burger available to him?

**MARKETING JOB** is not to create Need. Need is there. Marketing function is to offer a specific product at a certain price and at a certain place (where need is) and at the time when Need is. If marketing function is performed properly, the product is sold. Or else it would not sell, no matter what?

#### CUSTOMER LIFETIME VALUE (CLV)

Marketers' job is to build long-term association with Customer and his need. Since need is re-occurring, Marketers long-term principle is to look at the value of the customer to the Company over the whole time of his being a customer. This relationship IS BUILT WITH A CUSTOMER over a long period of time and for a long time. Whenever the need arises, the customer relate to that product to satisfy need.

Whenever he feels hungry and wants to eat fast, he reverts to burgers and he decides in favor of a specific brand. Even if he tries other brands of burgers, he would revert back to that brand more strongly and shows his loyalty.

#### CUSTOMER EXPERIENCE MANAGEMENT (CEM)

This term is related to managing strategically customer's entire experience with the product and company.

Market Research has shown that 70% to 80% of all products are perceived as commodities. Commodities, more or less, have the same features as competing products. For example burger is a burger. It has many common features in almost brands and types that is why it is called a

burger. But marketers difficult job is drive some competitive edge. Such edges can be achieved through branding, product differentiation, segmentation or what we call Relationship Marketing. Relationship Marketing focuses on establish and building long term relationship between the company and customer. We also call it loyalty marketing.

CEM perceives that customers are the most valuable asset. Besides customer usage of the product his utility relationship, the customer also evaluate other things as well. Such as price, promptness and service, hygiene cordiality etc.

### **CEM TECHNIQUES AND STEPS**

Marketers' job is to apply Customer Experience Management very systematically-

#### **STEP No 1**

Analyze the experiential world of customers

- Get to know customer needs, wants and lifestyles

#### **STEP No 2**

Build the experiential platform

- Connecting strategy and implementation
- Connecting customers expectations

#### **STEP No 3**

Design brand

- All intangibles such as ordering, delivery, attitude behaviour
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#### **STEP NO 4**

Structure customer interface

#### **STEP NO 5**

Continue experiential innovation

- Anything that can improve customer's own viewpoint on your products and services.

CEM accepted purpose is to enable organization to better service through Introduction of reliable processes and procedures for interacting with customers

### **GENERAL RULES OF CEM**

Apply the following rules of CEM for better marketing approach and results

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| <ul style="list-style-type: none"><li>• Provide product information to the customers</li><li>• Help to identify potential problem before it occurs</li><li>• Provide user friendly customer complaint registration</li><li>• Have prompt complaint handling system</li><li>• Provide fast back up service</li></ul> |
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- Provide quick correcting service
- Provide close mechanism on customer point of interaction
- Keep environment clean neat and fair