

CHAPTER 3: MAINTAINING CUSTOMER EXPERIENCE

Unit of learning code: BUS/BM/CR/02/5

Related Unit of Competency in Occupational Standard: Maintain Customer Experience

3.1 Introduction to the unit of learning

This unit specifies the competencies required to successfully maintain customer experience. It involves conducting customer experience survey, establishing business competitive edges and innovations, performing product and service quality assurance, incorporating Customer Relationship Management (CRM) system, controlling customer virtual platforms and preparing customer feedback report

3.2 Summary of Learning Outcomes

1. Conduct customer experience survey
2. Establish business competitive edges and innovations
3. Perform product and service quality assurance
4. Incorporate Customer Relationship Management (CRM) system
5. Control customer virtual platforms
6. Prepare customer feedback report

3.2.1 LEARNING OUTCOME 1 CONDUCT CUSTOMER EXPERIENCE SURVEY

Introduction to the learning outcome

This learning outcome on conducting customer experience survey aims at gathering information and feedback from customers for decision making. It involves the following activities: identifying survey tools, identifying required personnel, collecting data and analyzing customer experience survey findings.

Performance Standard

1. Survey tools are identified according to customer survey procedures
2. Required personnel are identified according to survey procedures
3. Data is collected according to survey procedures
4. Customer experience survey findings are analyzed based on marketing strategies

Information Sheet

Definitions of terms

Customer

In sales, commerce and economics, a customer (sometimes known as a client, buyer or purchaser) is the recipient of a good, service, product or idea – obtained from a seller, vendor or supplier via a financial transaction or exchange for money or some other valuable consideration.

Customer experience

It is the customer's perception of a brand determined consciously and subconsciously by every interaction they have with an organization. It is in effect determined by everything a brand does.

Customer relationship management

CRM is about acquiring, developing and retaining satisfied loyal customer, achieving profitable growth, and creating economic value in a company's brand. CRM is not a new concept but an age-old practice, which is on the rise because of the benefit it offers, especially in the present market scenario.

Customer experience survey

It is a questionnaire designed to help a business capture customer's thoughts and feelings about a brand, products or services.

Research skills

Refer to the ability to search for, locate, extract, organize, evaluate and use or present information that is relevant to a particular topic.

Data analysis

It is the process of cleaning, transforming and modeling data to discover useful information for business decision-making.

Customer Satisfaction

Business always starts and closes with customers and hence the customers must be treated as the King of the market. All the business enhancements, profit, status, image etc of the organization depends on customers. Hence it is important for all the organizations to meet all the customers' expectations and identify that they are satisfied customer.

Customer satisfaction is the measure of how the needs and responses are collaborated and delivered to excel customer expectation. It can only be attained if the customer has an overall good relationship with the supplier. In today's competitive business marketplace, customer satisfaction is an important performance exponent and basic differentiator of business strategies. Hence, the more is customer satisfaction; more is the business and the bonding with customer.

Customer satisfaction is a part of customer's experience that exposes a supplier's behavior on customer's expectation. It also depends on how efficiently it is managed and how promptly services are provided. This satisfaction could be related to various business aspects like marketing, product manufacturing, engineering, quality of products and services, responses customer's problems and queries, completion of project, post delivery services, complaint management etc.

Customer satisfaction is the overall essence of the impression about the supplier by the customers. This impression which a customer makes regarding supplier is the sum total of all the process he goes through, right from communicating supplier before doing any marketing to post delivery options and services and managing queries or complaints post-delivery. During this process the customer comes across working environment of various departments and the type of strategies involved in the organization. This helps the customer to make strong opinion about the supplier which finally results in satisfaction or dissatisfaction.

Customer's perception on supplier helps the customer choose among the supplier on basis of money value and how well the delivered products suit all the requirements. The supplier's services never diminishes after the delivery as customer seeks high values post marketing services which could help them use and customize the delivered product more efficiently. If he is satisfied with the post marketing services then there are good chances for supplier to retain the customers to enhance repeated purchases and make good business profits.

It is necessarily required for an organization to interact and communicate with customers on a regular basis to increase customer satisfaction. In these interactions and communications it is required to learn and determine all individual customer needs and respond accordingly. Even if the products are identical in competing markets, satisfaction provides high retention rates. For example, shoppers and retailers are

engaged with frequent shopping and credit cards to gain customer satisfaction, many high end retailers also provide membership cards and discount benefits on those cards so that the customer remain loyal to them.

Higher the satisfaction level, higher is the sentimental attachment of customers with the specific brand of product and also with the supplier. This helps in making a strong and healthy customer-supplier bonding. This bonding forces the customer to be tied up with that particular supplier and chances of defection very less. Hence customer satisfaction is very important panorama that every supplier should focus on to establish a renounced position in the global market and enhance business and profit.

Methods of Measuring Customer Satisfaction

Managing customers' satisfaction efficiently is one the biggest challenge an organization face. The tools or methods to measure customer satisfaction needs to be defined sophisticatedly to fulfill the desired norms and include:

Direct Methods: Directly contacting customers and getting their valuable feedback is very important. Following are some of the ways by which customers could be directly tabbed:

- Getting customer feedback through third party agencies.
- Direct marketing, in-house call centers, complaint handling department could be treated as first point of contact for getting customer feedback. These feedbacks are compiled to analyze customers' perception.
- Getting customer feedback through face to face conversation or meeting.
- Feedback through complaint or appreciation letter.
- Direct customer feedback through surveys and questionnaires.

Organizations mostly employ external agencies to listen to their customers and provide dedicated feedback to them. These feedbacks needs to be sophisticated and in structured format so that conclusive results could be fetched out. Face to face meetings and complaint or appreciation letter engages immediate issues. The feedback received in this is not uniformed as different types of customers are addressed with different domains of questions. This hinders the analysis process to be performed accurately and consistently. Hence the best way is to implement a proper survey which consists of uniformed questionnaire to get customer feedback from well segmented customers. The

design of the prepared questionnaire is an important aspect and should enclose all the essential factors of business. The questions asked should be in a way that the customer is encouraged to respond in an obvious way. The feedback received by the organizations can be treated as one of the best way to measure customer satisfaction.

Apart from the above methods there is another very popular direct method which is surprise market visit. By this, information regarding different segment of products and services provided to the customers could be obtained in an efficient manner. It becomes easy for the supplier to know the weak and strong aspects of products and services.

1. Indirect Method: The major drawback of direct methods is that it turns out to be very costly and requires a lot of pre compiled preparations to implement. For getting the valuable feedbacks the supplier totally depends on the customer due to whom they lose options and chances to take corrective measure at correct time. Hence there are other indirect methods of getting feedback regarding customer satisfaction:

- **Customer Complaints:** Customer's complaints are the issues and problems reported by the customer to supplier with regards to any specific product or related service. These complaints can be classified under different segments according to the severity and department. If the complaints under a particular segment go high in a specific period of time then the performance of the organization is degrading in that specific area or segment. But if the complaints diminish in a specific period of time then that means the organization is performing well and customer satisfaction level is also higher.
- **Customer Loyalty:** It is necessarily required for an organization to interact and communicate with customers on a regular basis to increase customer loyalty. In these interactions and communications it is required to learn and determine all individual customer needs and respond accordingly. A customer is said to be loyal if he revisits supplier on regular basis for purchases. These loyal customers are the satisfied ones and hence they are bounded in a relationship with the supplier. Hence by obtaining the customer loyalty index, suppliers can indirectly measure customer satisfaction.

Factors affecting Customer Satisfaction

Customer satisfaction is the overall impression of a customer about the supplier and the products and services delivered by the supplier.

Following are the important factors that could affect customer satisfaction:

- Department wise capability of the supplier.
- Technological and engineering or re-engineering aspects of products and services.
- Type and quality of response provided by the supplier.
- Supplier's capability to commit on deadlines and how efficiently they are met.
- Customer service provided by the supplier.
- Complaint management.
- Cost, quality, performance and efficiency of the product.
- Supplier's personal facets like etiquettes and friendliness.
- Supplier's ability to manage whole customer life cycle.

Compatible and hassle free functions and operations.

The above factors could be widely classified under two categories i.e. suppliers behavior and performance of product and services. The supplier's behavior mostly depends on the behavior of its senior subordinates, managers and internal employees. All the functional activities like customer response, direct product and maintenance services, complaint management etc. are the factors that rely on how skillful and trained the internal and human resources of the supplier are. The second category is regarding all the products and services. This depends on the capability of supplier to nurture the products and services efficiently and how skilled the employees are. It's all about how the skills are implemented to demonstrate engineering, re-engineering and technological aspects of the products and services. The quality and efficaciousness of the products is also an important factor that enables compatible and hassle free functions and operations. This leads to lower maintenance and higher life of the product which is highly admired by the customers.

If the product is having some problem or compatibility issues and requires frequent maintenance and support the customers could get irritated and possibilities of sudden divert is there which lead to supplier's financial loss. In the same way if the product is expecting huge amount of financial and manual resources then customers could get a

feeling of dissatisfaction and worry. However, if these aspects are handled efficiently by giving class services and dealing with complaints effectively then dissatisfied customers could be converted into long time satisfied customers and retaining them becomes easy.

It is practically impossible for the supplier to provide all the above explained features. There are always some positive as well as negative features in products and services which could lead to delight or irritate customers. The final opinion is the sum of overall experiences which a customer perceives and likes. But it is also true that more the positive aspects, the more the customer is satisfied. Hence the aim of the supplier should be always to enhance these positive feelings among all the customers to increase customer satisfaction. The supplier must identify how to enhance these positive aspects to maximum level by analyzing the customer's data and information using CRM system. The individual liking and disliking of customers differ from customer to customer. It is hence required to target a customer and identify individual requirements to make them satisfied.

The higher the satisfaction level, the higher is the sentimental attachment of customers with the specific brand of product and also with the supplier. This helps in making a strong and healthy customer-supplier bonding. This bonding forces the customer to be tied up with that particular supplier and chances of defection are very less. Hence customer satisfaction is very important panorama that every supplier should focus on to establish a renowned position in the global market and enhance business and profit.

Survey tools are identified according to customer survey procedures

Every business has their unique customer service requirements, so this is a broad assessment of what to look for when choosing a customer survey tool. However, there are certain factors that determine the effectiveness of a tool. They include:

- Usability
- Effectiveness
- Value

The following methods may be used: interviews, questionnaires, focus groups, market analysis surveys, public opinion polls, literature review and file reviews

The following are some of the tools that can be used in an organization:

- Shared team inbox
- SaaS Call centers
- Help ticketing system
- Live chat
- Mobile apps
- Push notifications
- Instant messaging
- Social media
- Email automation
- Customer portal
- Self-service knowledge base
- Online communities
- Customer satisfaction surveys
- Reports dashboard
- Integrations
- Suggestion box
- Face to face interviews
- Telephone interviews

Metrics that a tool can measure include:

- Speed of service
- Quality of service
- Pricing issues
- Complaints
- Overall satisfaction with the product or service
- Attributional satisfaction

Customer satisfaction survey best practices:

1. Keep the survey short
2. Only ask questions that fulfill the end goal
3. Construct smart open-ended questions
4. Ask one question at a time
5. Make rating scales consistent
6. Avoid leading and loading questions
7. Make use of yes/no questions

8. Get specific and avoid assumptions
9. Think about timing
10. Offer survey respondent a bonus

Required personnel are identified according to survey procedures.

Being humble and open to criticism, building a social network, report writing, data collection, analysis of information, critical thinking, planning, scheduling, interviewing are desirable qualities of effective personnel.

Research skills involve intensive search, investigation and critical analysis usually in response to a specific research question or hypothesis. This makes it important to hire the right person for the job.

The customer satisfaction survey procedure activities include:

- Satisfaction survey preparation
- Satisfaction survey follow up
- Satisfaction survey review

Therefore a survey researcher has to:

- Conduct background research on survey area
- Plan and design surveys and determine survey method
- Test survey to make sure that people understand the questions being asked
- Coordinate the work of survey interviewers and data collectors
- Account for and solve problems caused by nonresponse
- Analyze data
- Summarize survey data using tables, graphs, charts and factsheets
- Evaluate surveys, their methods and performance to improve future surveys

Customer survey responsibilities include:

- a) The customer service manager who is responsible for follow up on all Customer Satisfaction surveys and for training Customer Service representatives in the use of the customer satisfaction survey when needed
- b) The Quality Manager who defines and reviews the effectiveness of customer satisfaction surveys
- c) The Sales and Marketing Managers who meet periodically with the Customer Service Manager and Quality Manager to review the customer satisfaction survey and make improvements when needed.
- d) Data collectors

e) Data entry personnel

The recruitment process of all personnel involved is a process of identifying the job vacancy, analyzing the job requirements, reviewing applications, screening, shortlisting and selecting the right candidate. A well designed job specification and job description will ensure the hiring of the right candidate and proper placement of the new staff.

Collecting data

Data is collected according to survey procedures

Certain steps are followed in gathering data, these include: determining the objectives, selecting respondents, creating a data analysis plan, developing the survey, pre-testing the survey, distributing and conducting survey, analyzing data and sharing the report findings. Most surveys collect three types of information: demographics of respondents, quantifiable information and open-ended questions. Questions can be asked in an open-ended and closed-ended format. Formats of closed-ended questions include: multiple-choice questions, dichotomous questions, rankings and rating scales. It is important to write questions that are

- Self-explanatory
- Unambiguous
- Meaningful to the respondent
- Exhaustive
- Mutually exclusive
- Short
- Free of jargon
- Visually appealing
- Without absolutes
- Matching the respondents language

Developing the research plan on how the information will be gathered.

Secondary data is information that already exists somewhere, having been collected for another purpose. Secondary data can be accessed by using *commercial online databases*, which are collections of information available from online commercial sources or accessible via the Internet. Internet search engines can be used to locate

secondary data, but the research must verify that the found information is relevant, accurate, current and impartial.

Primary data is information collected for the specific purpose at hand. It can be collected via *observational research*, which gathers primary data by observing relevant people, actions and situations. *Ethnographic research* is a form of observational research that involves sending trained observers to watch and interact with consumers in their “natural environments”.

Primary data can also be collected via survey research, which gathers information by asking people questions about their knowledge, attitudes, preferences and buying behavior. Experimental research gathers primary data by selecting matched groups of subjects, giving them different treatments, controlling related factors and checking for differences in group responses.

Information can be collected via mail, telephone, and personal interviews or online. Mail questionnaires can be quite massive, while telephone information is also quickly gathered. Personal interviewing can be individual or group interviews. **Online marketing research** collects primary data online through Internet surveys, online focus groups, web-based experiments or tracking consumer’s behavior online. **Online focus groups** gather a small group of people online with a trained moderator to chat about a product, service or organization and gain qualitative insights about consumer attitudes and behavior.

It is often impossible to collect information from the entire population, so marketers often base conclusions on samples. A **sample** is a segment of the population selected for marketing research to represent the population as a whole. Three decisions regarding the sample need to be made: the sampling unit (who), sampling size (how many) and sampling procedure (how should they be chosen). There are *probability samples*, in which each member of the population has an equal chance of being included, such as simple random samples, stratified random samples and cluster samples. But there are also *non-probability samples*, such as convenience samples, judgment samples and quota sample categories.

When collecting primary data, there are two research instruments: the questionnaire and mechanical devices. The questionnaire can be via email, phone or online and are flexible. Mechanical instruments can help monitor consumer behavior.

There are different ways of distributing surveys for example sending by email, embedding or advertising on a website or app or using a link, by use of pop-up windows on a website or app or posting on social media. The response rates can be improved by use of appealing invitations, keeping the survey short or offering respondents something for filling out survey.

Analyzing customer experience survey findings

The purpose of data analysis is to extract useful information from data and taking the decision based upon the data analysis. There are several types of data analysis, the major ones being: text analysis, statistical analysis, diagnostic analysis, predictive analysis and prescriptive analysis. Data analysis is extracting meaningful information from a mass of data involving four steps

1. Data clean up: it involves editing the questionnaires or research in coding, tabulation (frequency distribution).
2. Data reduction: This is to come up with single figures – measures of central tending (averages) mean, mode measures of dispersion – range, variance, standard deviation.
3. Data differentiation: for example are there significant differences eg. Computed arithmetic mean in sample 1 and 2? Are the differences real? Use statistics such as “T” test, the Z – test and Chi-square test, F – test (use when comparing more than 2)
4. Data explanation: when significant differences are found a researcher need to ask what are the explanatory factors – techniques used
 - Correlation analysis
 - Regression analysis $y=a+bx$

Customer experience survey findings are analyzed based on marketing strategies

When presenting the findings or communication the result of the study, the researcher should know the principles of good communication. One should be simple, concise, give complete information and avoid technical jargon.

Learning Activities

Knowledge	Learning activity	Special instructions
• Identifying survey tools	Trainees to prepare survey tools	Tools should possess the required qualities
• Identifying required personnel	Attend an interview meeting in an organization of choice	Carry the required documents
• Collecting data	Develop the tools and administer to a sample size	Follow the procedures and appropriate instrument
• Analyzing customer experience survey findings	Conduct a data analysis	Necessary methods and tools should be used

Self-Assessment

1. What measures should be taken when designing survey for data collection to ensure the desired results are achieved.
2. How would a data collector conduct a survey interview to make it effective?
3. What are the benefits of data collection on customer experience to an organization
4. What are ethical issues in data collection that researcher should adhere to
5. Which are methods used for data analysis in qualitative research

Tools, Equipment, Supplies and Materials

- Writing materials
- Developed questionnaires
- Tablets
- Computers
- Cameras

- Check sheets
- Control charts

References materials

- Company operating procedures
- Industry/workplace codes of practice
- Customer requirements
- organization strategic plans
- Company policies

References

1. Phillip Kotler and Kevin Keller, Marketing Management, 15th Edition, Pearson
2. Phillip T Kotler, Gary Armstrong, Principles of Marketing, 15th Edition, Pearson Education publishers
3. Olive Mugenda, Abel G Mugenda, Research methods: Quantitative and qualitative approaches, (1999), Acts Press

Responses Self- assessment

1. Measures that should be taken when designing survey for data collection
 - Avoid loaded or leading words or questions
 - Questions should always have reference to the intended context
 - Multiple choice questions should be mutually unique in order to provide distinct choices
 - Avoid the use of confusing/unfamiliar words
 - Avoid directed questions for they give respondents excessive leeway
 - Never force questions
 - Avoid use of long questions
2. How would a data collector conduct a survey interview
 - Occasionally verify the tape recorder (if used) is working
 - Ask one question at a time
 - Attempt to remain a neutral as possible

- Encourage response with occasional nods of the head, “uh huh”s, etc
 - Be careful about appearance when note taking
 - Provide transition between major topics
 - Do not lose control of the interview
3. Benefits of data collection on customer experience to an organization
- Data empowers to make informed decisions
 - Data helps to identify problems
 - Data allows to develop accurate theories
 - Data helps in backing up arguments
 - Data helps in making strategic approaches
 - Data helps in budgeting for funds
 - Data helps to conduct a SWOT analysis
 - Data saves time
 - Data increases return on assets
 - Data improves quality of life
4. Ethical issues in data collection
- Informed consent
 - Beneficence- do not harm
 - Respect for anonymity and confidentiality
5. Methods used for data analysis in qualitative research
- Content analysis, narrative analysis, discourse analysis and grounded theory

3.2.2 LEARNING OUTCOME 2: ESTABLISH BUSINESS COMPETITIVE EDGES AND INNOVATIONS

Introduction to the learning outcome

This learning outcome on establishing business competitive edges and innovations is aimed at making businesses become market leaders in their areas of operations. It involves: identifying business strengths and opportunities, identifying competitive edge, formulating product and service innovation strategies, analyzing product and service innovation strategies, training championing team, implementing product and service innovations, carrying out pilot trial of product/service, adopting new product/services, patenting innovations of products/processes and implementing areas of competitive edge.

Performance Standard

1. Business strengths and opportunities are identified based on SWOT analysis in line with strategic plan
2. Competitive edge is identified in accordance to analysis of surveys on competitors
3. Product and service innovation strategies are formulated based on product development policy and customer's feedback
4. Product and service innovation strategies are analyzed and recommendation made based on product development policy
5. Championing team is trained based on new product and services innovated
6. Product and service innovations are implemented based on strategy recommendation
7. Pilot trial of product/service is done based on the product innovation guidelines
8. New product/service are adopted based on product's pilot results
9. Innovations of products/processes are patented based on intellectual properties right (IPR)
10. Areas of competitive edge are implemented in accordance with business budget product/service innovation committee is formed as per organizational policy

Information Sheet

Definition of terms

Business

It is the organized efforts and activities to produce and sell goods and services for a profit.

Business environment

This means all of the internal and external factors that affect how the company functions.

Strategic plan

It is a written document that points the way forward for a business

Customer satisfaction

This is defined as a measurement that determines how happy customers are with a company's products, services and capabilities.

Competitive edge

In business, this is the attribute that allows an organization to outperform its competitors

Competitor

In business, this is a company which rivals another. Two companies that operate in the same industry, make similar products and target the same consumers are competitors.

Business strengths and opportunities are identified based on SWOT analysis in line with strategic plan

One way of assessing the organization's current performance and the factors in the external environment which might affect its plans for the future is by conducting a SWOT analysis. This is a review of internal strengths, weaknesses together with an assessment of opportunities and threats in the external environment. Current internal performance is usually assessed in terms of key performance ratios, such as sale turnover, net profit, output per head etc. in SWOT analysis; however, managers will be encouraged to make qualitative judgements about performance based on their

assessment of customer satisfaction and other non-quantifiable elements in the total performance of the organization.

Process of SWOT analysis

In a SWOT analysis, the strengths and weaknesses represent characteristics that are within your control referred to as internal factors. The opportunities and threats focus on external factors that could have an impact on your business, project, or product and which are out of your control.

Determine the strengths of your business

First step is to determine the strengths of your business, or product or project. The strengths refer to positive things that are within your control and allow you to have an advantage over others. When applying this to a business, areas that are in your control include the team, your financial positions, your experience, or processes.

Determine the Weaknesses of your Business

Second step is to determine the weaknesses of your business, or product or project. The weaknesses refer to negative things that are within your control and that could put you at a disadvantage over others. When applying this to a business, areas that are in your control include the team, your financial positions, your experience or processes

Determine the Opportunities for your Business

Third step is to determine the opportunities facing your business, or product or project. The opportunities refer to positive things that are outside of your control and that could have an effect on you. When applying this to a business, areas that are outside of your control include future trends, economic, laws, or political issues

Determine the threats to your business

Fourth step is to determine the opportunities facing your business, or product or project. The threats refer to negative things that are outside of your control and that could have an effect on you. When applying this to a business, areas that are outside of your control include future trends, economic, laws or political issues. Finally

- Leverage your strength and expand what you are doing well
- Minimize your weaknesses and avoid things that are not working

- Be prepared to make use of the opportunities that could be coming your way
- Be prepared to reduce the impact of threats that you could be facing

Strategic planning is an organization's process of defining its strategy or direction and making decisions on allocation of its resources to pursue this strategy. A strategic plan consists of five key components: a vision statement, a mission statement, goals and objectives, an action plan and details of how often the strategic plan will be reviewed and updated.

Strategic planning process involves the following steps

1. Determining the strategic position
2. Prioritizing the objectives
3. Developing strategic plans
4. Executing and managing plans
5. Reviewing and revising plans

Competitive edge is identified in accordance to analysis of surveys on competitors. To develop a robust content marketing strategy, a competitive analysis is crucial to make an impact and connect with the targeted audience. There are three types of competitors:

- i) Direct competitors: are the business that sells a similar product/service in the same category
- ii) Indirect competitors: These are the businesses that sell a product or service in the same category, but it's different enough to act as a substitute for a product/service
- iii) Replacement (phantom) competitors: These are competitors that sell a product/service that is both different in category and type than you, but one which your customers could choose to spend their money instead.

Profiling of competitors is based on: price, quality, durability, image/style, value, customer service and convenience. When a business is comparing itself with its competitors it is important to: interview stakeholders and customers, use of the sales team to extract information, vendors etc.

How to beat competition

1. Identify and solve the pain points for customers
2. Build a niche to have more room for business

3. Get the pricing correct
4. Make innovations
5. Improve customer service

Importance of competitive edge

- a) It contributes to higher prices of the product of the company
- b) It contributes to more customers
- c) It establishes brand loyalty

Establishing such an advantage is one of the most important goals of any company, it is essential to business success. Without it companies will find it difficult to survive. There are three strategies for establishing competitive advantage: cost leadership, differentiation and focus (cost-focus and differentiation-focus)

A **competitive advantage** is an advantage over competitors gained by offering consumers greater value than competitors do. Competitive marketing strategies exist of competitor analysis and developing competitive marketing strategies. **Competitive marketing strategies** are strategies that strongly position the company against competitors and give the company the strongest possible strategic advantage. **Competitor analysis** is the process of identifying key competitors, assessing their objectives, strategies, strengths and weaknesses and reaction patterns, and selecting which competitors to attack or avoid. It consists of three steps.

1. Identifying competitors. This might seem easy, but companies face a lot more competitors than can be identified at first sight. Competitors can be identified from an industry point or a market point of view.
2. Assessing competitors. When doing so, firms need to look at the competitor's objectives and identify competitor's strategies. A **strategic group** is a group of firms in an industry following the same or a similar strategy. It is also important to assess the strengths and weakness of competitors. This way, the firm can benchmark. **Benchmarking** is the process of comparing one company's products and processes to those of competitors or leading firms in other industries to identify best practices and find ways to improve quality and performance. Finally, the firm can estimate how competitors will react to changes and anticipate their moves.

3. Selecting which competitors to attack and avoid. A useful tool for assessing competitor's strengths and weaknesses is the **customer value analysis**: an analysis conducted to determine what benefits target customer's value and how they rate the relative value of various competitors' offers. The key to gaining competitive advantage is to take each segment and examine how the company's offer compares to that of competitors. Most companies compete with close competitors, but they will also have distant competitors. Firms also benefit from having competitors whom they share the costs of market development and which may increase total demand.

When the competitors are identified and evaluated, the firm must design a competitive strategy. Strategies differ for every company. Approaches to marketing strategy often pass through three stages: entrepreneurial marketing, formulated marketing and entrepreneurial marketing.

Entrepreneurial marketing: most companies are started by individuals who have no explicit strategy. **Formulated marketing**: as small companies are more successful, they move to more formulated strategies. **Entrepreneurial marketing**: many large companies get stuck in formulated marketing and should re-establish their entrepreneurial spirit.

Porter's strategies

Porter is famous for his competitive positioning strategies: three winning ones and one losing one. The three winning strategies are:

- *Cost leadership*: the firm has the lowest production costs and can therefore ask the lowest prices.
- *Differentiation*: the firm creates a highly differentiated product.
- *Focus strategy*: the firm focuses on a small niche market segment.

The losing strategy is the "*middle of the roaders*" and applies to firms with no clear strategy.

Companies can pursue any of three value discipline for delivering superior customer value:

- *Operational excellence*: the firm has leads in the industry by price and convenience.
- *Customer intimacy*: the firm provides superior value by precisely tailoring its products to match the needs of their customers.
- *Product leadership*: the firm provides superior value by offering a continuous stream of superior products.

There are multiple competitive positions in a given market.

1. **Market leader**
2. **Market challenger**
3. **Market follower**
4. **Market niche**

However, a company can also focus too much on its competitors. A **competitor-centered company** is a company whose moves are mainly based on competitor's actions and reactions. A **customer-centered company** is a company that focuses on customer developments in designing its marketing strategies and delivering superior value to its target customers. A **market-centered company** is a company that pays balanced attention to both customers and competitors in designing its marketing strategies.

Product and service innovation strategies are formulated based on product development policy and customer's feedback

New Product Development

New product development is a task taken by a company regularly and the reasons may include:

- a) The existing products may be technologically outdated,
- b) Different segments to target
- c) Need to cannibalize an existing product.

Stages of new product development

1). Idea generation- In this you are basically involved in the systematic search for new product Ideas. A company has to generate many ideas in order to find one that is worth pursuing. The Major sources of new product ideas include internal sources, customers, competitors, distributors and suppliers.

2). Idea Screening- The second step in new product. The purpose of idea generation is to create a large pool of ideas and narrow down to those that is genuinely worth pursuing.

Companies have different methods for doing this from product review committees to formal market research.

It is helpful at this stage to have a checklist that can be used to rate each idea based on the factors required for successfully launching the product in the marketplace and their relative importance.

Against these, management can assess how well the idea fits with the company's marketing skills and experience and other capabilities. Finally, the management can obtain an overall rating of the company's ability to launch the product successfully.

3). Concept Development and Testing. The third step in new product development. An attractive idea has to be developed into a Product concept. That is an idea for a product that the company can see itself marketing to customers, i.e. a detailed version of the idea stated in meaningful consumer terms.

This is different again from a product image, which is the consumers' perception of an actual or potential product.

Once the concepts are developed, these need to be tested with consumers either symbolically or physically. After being exposed to the concept, consumers are asked to respond to it by answering a set of questions designed to help the company decide which concept has the strongest appeal. The company can then project these findings to the full market to estimate sales volume.

4) Marketing Strategy Development. This is the fourth step in new product development. The strategy statement consists of three parts: the first part describes the target market, the planned product positioning and the sales, market share and profit goals for the first few years.

The second part outlines the product's planned price, distribution, and marketing budget for the first year. The third part of the marketing strategy statement describes the planned long-run sales, profit goals, and the marketing mix strategy.

Business Analysis – Once the management has decided on the marketing strategy, it can evaluate the attractiveness of the business proposal. Business analysis involves the review of projected sales, costs and profits to find out whether they satisfy a company's objectives. If they do, the product can move to the product development stage.

5). Product Development. Here, R&D or engineering develops the product concept into a physical product. This step calls for a large investment. It will show whether the product idea can be developed into a full- fledged workable product.

First, R&D will develop prototypes that will satisfy and excite customers and that can be produced quickly and at budgeted costs. When the prototypes are ready, they must be tested. Functional tests are then conducted under laboratory and field conditions to ascertain whether the product performs safely and effectively.

6) Test Marketing

If the product passes the functional tests, the next step is test marketing: the stage at which the product and the marketing program are introduced to more realistic market settings. Test marketing gives the marketer an opportunity to tweak the marketing mix before the going into the expense of a product launch.

The amount of test marketing varies with the type of product. Costs of test marketing can be enormous and it can also allow competitors to launch a “me-too” product or even sabotage the testing so that the marketer gets skewed results. Hence, at times, management may decide to do away with this stage and proceed straight to the next one:

7) Commercialization

The final step in new product development is Commercialization. Introducing the product to the market – it will face high costs for manufacturing and advertising and promotion. The company will have to decide on the timing of the launch (seasonality) and the location (whether regional, national or international). This depends a lot on the ability of the company to bear risk and the reach of its distribution network.

Today, in order to increase speed to market, many companies are dropping this sequential approach to development and are adopting the faster, more flexible, simultaneous development approach. Under this approach, many company departments

work closely together, overlapping the steps in the product development process to save time and increase effectiveness.

Product Innovation

Is defined as the development of new products, changes in design of established products, or use of new materials or components in the manufacture of established products

Numerous examples of product innovation include introducing new products, enhanced quality and improving its overall performance. Product innovation, alongside cost-cutting innovation and process innovation are three different classifications of innovation which aim to develop a company's production methods.

Thus product innovation can be divided into two categories of innovation: radical innovation which aims at developing a new product, and incremental innovation which aims at improving existing products

Advantages of product innovation

- Growth, expansion and gaining a competitive advantage: A business that is capable of differentiating their product from other businesses in the same industry to large extent will be able to reap profits.
- Brand switching: Businesses that once again are able to successfully utilize product innovation will thus entice customers from rival brands to buy its product instead as it becomes more attractive to the customer.

Disadvantages of product innovation

- Counter Effect of Product Innovation: Note all businesses/ competitors do not always create products/ resources from scratch, but rather substitute different resources to create productive innovation and this could have an opposite effect of what the business/ competitor is trying to do. Thus, some of these businesses/ competitors could be driven out of the industry and will not last long enough to enhance their product during their time in the industry
- High Costs and High Risk of Failure: When a business attempts to innovate its product, it will inject lots of capital and time into it, which requires severe

experimentation. Constant experimentation could result in failure for the business and will also cause the business to incur significantly higher costs.

- **Disrupting the outside world:** For product innovation to occur, the business will have to change the way it runs, and this could lead to the breaking down of relationships between the business and its customers, suppliers and business partners. In addition, changing too much of a business's product could lead to the business gaining a less reputable image due to a loss of credibility and consistency

Product Modification

It is an adjustment in one or more of product's characteristics. It is most likely to be employed in the maturity stage of the product life cycle to give a brand a competitive advantage. Product line extensions represent new sizes, flavors, or packaging. This approach to altering a product mix entails less risk than developing a new product.

There are three major ways of product modification, i.e. quality modifications, functional modifications, and style modifications.

(1) **Quality modifications:** These are changes that relate to a product's dependability and durability and usually are executed by alterations in the materials or production process employed. Reducing a product's quality may allow an organization to lower the price and direct the item at a larger target market.

The quality of a product may give a firm an advantage over competing brands and may allow the firm to charge a higher price because of increased quality. Or the firm may be forced to charge more because of higher costs to achieve the increased quality.

(2) **Functional modifications:** Changes that affect a product's versatility, effectiveness, convenience, or safety are called functional modifications. They usually require redesigning the product.

Functional modifications can make a product useful to more people, which enlarges the market for it. This type of change can place a product in a favorable competitive position by providing benefits not offered by competing items. Functional modifications can also help an organization to achieve and maintain a progressive image.

(3) Style modifications: Style modifications are directed at changing the sensory appeal of a product by altering its taste, texture, sound, smell, or visual characteristics. Through style modifications a firm can differentiate its product from competing brands and perhaps gain a sizable market share for this unique product. The major drawback in using style modifications is that their value is determined subjectively. Although a firm may modify a product to improve the product's style, customers may find the modified product to be less appealing.

Product and service innovation strategies are analyzed and recommendation made based on product development policy

A product innovation strategy is about creating winning products/services which attract market, target a profitable customer segment, address the right unmet needs and help customers get a job done better than any other competing solution. When innovation is broken down into two dimensions: technology and market, it gives us four types of innovation: architectural, radical, incremental and disruptive.

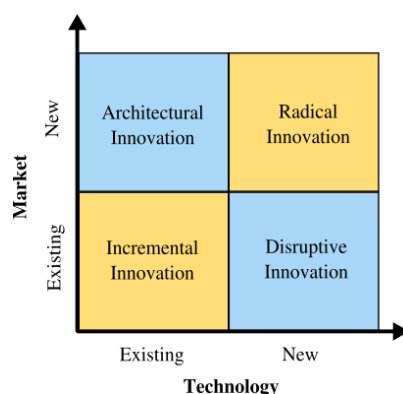


Figure 27: types of innovation

The most important thing is to find the type that best suits an organization. The factors influencing the level of innovation include the activities of customers, competitors and suppliers, labour market, legal, regulatory, competitive and economic conditions; and the supply of technological and other types of knowledge of value to innovation.

Factors influencing innovation strategy [\[ctrl+click\] to follow link.](#)

Championing team is trained based on new product and services innovated

Champion teams are designated by leadership to drive innovation processes. These teams can be tasked with finding innovation solutions, new products, and technological adoptions or even different ways to connect with stakeholders.

How organizations can identify innovation champions:

- Connector: someone who knows the right people in the organization who can open doors to resources
- Entrepreneur: someone with an entrepreneurial spirit who believes things can be done differently
- Leader: someone who is not afraid of accountability to bring in new ideas and subject matter experts
- Story teller: someone who can craft a vision how things will be and tell it in an emotional

Way

Roles:

- a) Carry out research to find out if the idea has commercial value
- b) Conduct manifestation of the discovery as a product
- c) Communicate the potential through a compelling business case
- d) Acquire resources needed to establish potential
- e) Use resources to reduce risk
- f) Seek approval of the project for formal development
- g) Translate the project into the criteria used for approval
- h) Make a decision on whether to approve or not approve project
- i) Develop and launch the product

Steps to build teams that champion innovation:

- i. Get the support of top management
- ii. Create a culture of innovation
- iii. Select the best team members
- iv. Set specific objectives

Product and service innovations are implemented based on strategy recommendation

The first step is to create a culture and embrace innovation.

Innovation Lifecycle

The following six stages as being the most representative of the process and the associated considerations:

- Identifying problems: Learning where and how an innovative response is needed
- Generating ideas: Finding and filtering ideas to respond to the problems
- Developing proposals: Turning ideas into business cases that can be assessed and acted on
- Implementing projects: Making the innovation happen
- Evaluating projects: Understanding whether the innovative initiative has delivered what was needed
- Diffusing lessons: Using what was learnt to inform other projects and to see how the innovation can be applied in other ways.

Ways of embracing innovation include:

1. Create an innovation team
2. Decide what areas need improving
3. Brainstorm solutions
4. Work together as a team
5. Engage technology partners

Pilot trial of product/service is done based on the product innovation guidelines

Implementing a pilot program:

- Set clear goals
- Decide the length of time
- Choose the testing group
- Develop a plan for on boarding
- Get feedback
- Address challenges

New product/service are adopted based on product's pilot results

Once you've surpassed proof of concept, tested your minimum viable **product**, and created a prototype, it's time to **pilot** your **product**. A **pilot** typically involves rolling out the solution to a small test group, in order to get feedback and smoke-test your technical capabilities in real-world scenarios

Innovations of products/processes are patented based on intellectual properties right (IPR)

It is important that an invention must not be disclosed to the public before a **patent** is filed. In order to obtain a **patent** in **Kenya**, the applicant is required to submit an application form in KIPi. The form can be downloaded from KIPi's website www.kipi.go.ke.

Areas of competitive edge are implemented in accordance with business budget product/service innovation committee is formed as per organizational policy.

Learning Activities

Knowledge	Learning activity	Special instructions
Competitive edge	Develop an assessment tool and conduct a survey on an organization	Proper preparations, necessary documents
Training of champions	Conduct a training program	Training plan
Formulating product and service innovation strategies	Visit a production company that has launched a new product in the market	Proper PPEs should be worn Prepare an assessment guide

Self-Assessment

1. What are the benefits of competition
2. Supa Company limited operates in an industry that has many players. As the Assistant Office Manager advise management on ways the company can gain competitive advantage over the others
3. The Assistant Office Manager at Pau Company limited is in the process of identifying a Product Champion for one of their products. What characteristics should the person possess
4. Which are the reasons that would lead to the failure of a new product in the market

Tools, Equipment, Supplies and Materials

Writing materials
Developed questionnaires
Tablets
Computers
Cameras
Check sheets
Control charts

References materials

Company operating procedures
Industry/workplace codes of practice
Customer requirements
organization strategic plans
Company policies

References

1. Phillip Kotler and Kevin Keller, Marketing Management, 15th Edition, Pearson
2. Phillip T Kotler, Gary Armstrong, Principles of Marketing, 15th Edition, Pearson Education publishers
3. Factors influencing innovation strategy [*ctrl+click*] to follow link.
4. Copyright Law of Kenya

Suggested answers to self- assessment

1. Benefits of business competition
 - Increases the demand. Competition leads to investment in more marketing activities by different players which increases the overall demand for the product in the market
 - Boosts innovation

- Helps business find its competitive advantage
 - Makes businesses serve customers better
 - Makes employees more efficient
 - Boosts constant business development
2. Ways a company can gain competitive advantage
- Charge more. There is value in charging more than slashing prices
 - Become an online influencer to reach more customers
 - Create own data which to work with and help in making decisions. Use of data points and statistics in the marketing content they create gives the appearance of authority and credibility
 - Niche down. Narrow down to target audience. Also use technology that nobody else is using
 - Speaking at conferences, meetings and other events helps in expanding the company's perceived authority
 - Delight the customers. Make this a competitive advantage
 - Invest in deeper customer relationships. Real relationships stand out and create a powerful competitive edge
 - Create a killer culture
3. Characteristics that a Product Champion should possess
- Pro-active
 - Risk-taker
 - Energetic
 - Aware of own roles
 - Deviant preference
 - Charisma
 - Persistent
 - Flexible
 - Socially independent
4. Which are the reasons that would lead to the failure of a new product in the market
- Poor product quality
 - High price
 - Poor timing

- Inherent defect
- Extent of competition
- Lack of promotional resources
- Faulty distribution
- Unavailability of spare parts
- Poor after sales service
- Imitation products

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3.2.3 LEARNING OUTCOME 3: PERFORM PRODUCT AND SERVICE QUALITY ASSURANCE

Introduction to the learning outcome

This learning outcome involves the following activities: assessing quality assurance system on services/product delivery and customer expectations, monitoring quality assurance system. Implementing quality management system, monitoring QMS, carrying out QMS external audit and certification and reviewing QMS for changes in the organization and ISO Standards

Performance Standard

1. Quality assurance system is assessed based on services/product delivery and customer expectations
2. Quality assurance system is monitored based on internal and external checks as per SOPs
3. Quality management system is implemented according to the organizations internal procedures
4. QMS is monitored using regular internal audits as per organization's policy
5. QMS external audit and certification are carried out by quality assurance certification bodies as per organization requirements
6. The QMS is reviewed for changes in the organization according to the standard operating procedures
7. The QMS is reviewed for changes in the ISO Standards

Information Sheet

Definitions of terms

Quality assurance

It is a way of preventing mistakes and defects in manufactures products and avoiding problems when delivering products or services to customers

Monitoring

A continuous inspection or observation of process performance or process output for a special purpose through a defined scope

Measurement

The activity of delivering data to a method in order to define objectively a quantitative or qualitative measure and capturing a situation without any reference to the significance

Analysis

A set of techniques for examining trends and tendencies of measurement of an output

Evaluation

The action of comparing a process or process output measurements against given criteria to determine the performance of the process or conformity of a process output

Quality assurance system is assessed based on services/product delivery and customer expectations

The terms quality control and quality assurance are used interchangeably to refer to ways of ensuring the quality of a service or product. Quality assurance comprises administrative and procedural activities implemented in a quality system so that requirements and goals for a product, service or activity will be fulfilled. It is the systematic measurement, comparison with a standard, monitoring of processes and an associated feedback loop that confers error prevention. This can be contrasted with quality control, which is focused on process output.

Quality assurance includes two principles: "Fit for purpose" (the product should be suitable for the intended purpose); and "right first time" (mistakes should be eliminated). QA includes management of the quality of raw materials, assemblies, products and components, services related to production, and management, production and inspection processes. The two principles also manifest before the background of developing (engineering) a novel technical product: The task of engineering is to make it work once, while the task of quality assurance is to make it work all the time.

The following are some of the most popular quality assurance methods and processes:

- Benchmarking

- Business process re-engineering
- Kaizen
- Operations analysis
- ISO accreditation
- Ishikawa diagrams
- Specifications
- Standard operating procedures
- Cost-benefit analysis
- Statistical sampling
- Quality management methodologies e.g. Six Sigma, Lean Manufacturing

Factors Affecting Quality Assurance

The effectiveness of the quality assurance process in an entity will be based on various factors such as:

- Complexity of the end product.
- Number of processes through which a product passes.
- Level of precision in the processes

Quality assurance system is monitored based on internal and external checks as per SOPs

Approaches to quality control include: failure testing, statistical control, total quality management, model and standards and company quality.

The purpose of quality assurance is to fulfill front and back-end processes in the most efficient and fluid manner, delivering the intended product or service on-time and within-budget, and going above and beyond in all transactions and interactions with the consumer

Best practices for Quality Assurance:

- Create a Robust Testing Environment
- Select release criteria carefully
- Apply automated testing to high-risk areas to save money. It helps to fasten the entire process.

- Allocate Time Appropriately for each process
- It is important to prioritize bugs fixes based on software usage
- Form dedicated security and performance testing team
- Simulate customer accounts similar to a production environment

Quality Assurance Functions:

There are 5 primary Quality Assurance Functions:

1. **Technology transfer:** This function involves getting a product design document as well as trial and error data and its evaluation. The documents are distributed, checked and approved
2. **Validation:** Here validation master plan for the entire system is prepared. Approval of test criteria for validating product and process is set. Resource planning for execution of a validation plan is done.
3. **Documentation:** This function controls the distribution and archiving of documents. Any change in a document is made by adopting the proper change control procedure. Approval of all types of documents.
4. **Assuring Quality of products**
5. **Quality improvement plans**

Quality management system is implemented according to the organizations internal procedures

QMS consists of written and controlled guidelines and procedures that form a foundation for all procedures. An organized QMS ascertains the steps for key processes and forms methods in preventing failures in a timely manner. QMS is organized to protect the brand, organization processes, and the customers' interest.

Implementation of quality management system should result in many long-term financial gains. Here is the list of few benefits of effective implementation of a QMS:

1. Achieve organizational goals.
2. Reduce costly errors.
3. Improve customer satisfaction.
4. Market your business more effectively.
5. Manage growth more effectively.

6. Improve documentation availability.
7. Correct issues to improve products and services.
8. Grow market share in new territories and market sectors.
9. Creates a culture of quality.
10. Embed vision for all projects.
11. Better internal communications.
12. Consistent products.
13. Measure performance of individuals and teams.
14. Improve compliance.

What does a QMS need?

A quality management system requires many important elements. Here are few of them:

- Documented quality policy and quality objectives.
- A quality manual which will document scope, exclusions with justification.
QMS includes documented procedures, guidelines, checklists. This will allow observed quality and continuous improvement.
- Document procedures mandated by the compliance standard.
- Documents required by the company for effective planning, operation, monitor, and control

Steps for the Creation of an Effective QMS

The steps required for the conceptualization and implementation of a QMS include the following:

Define and map your processes

Process maps creation will force the organization to visualize and define their processes. In the process, they will define the interaction sequence of those processes. Process maps are vital for appreciating the responsible person. Define your main business process and converse the flow.

Steps for the creation of an effective QMS:

1. Define and map the processes

Quality System Documentation Overview

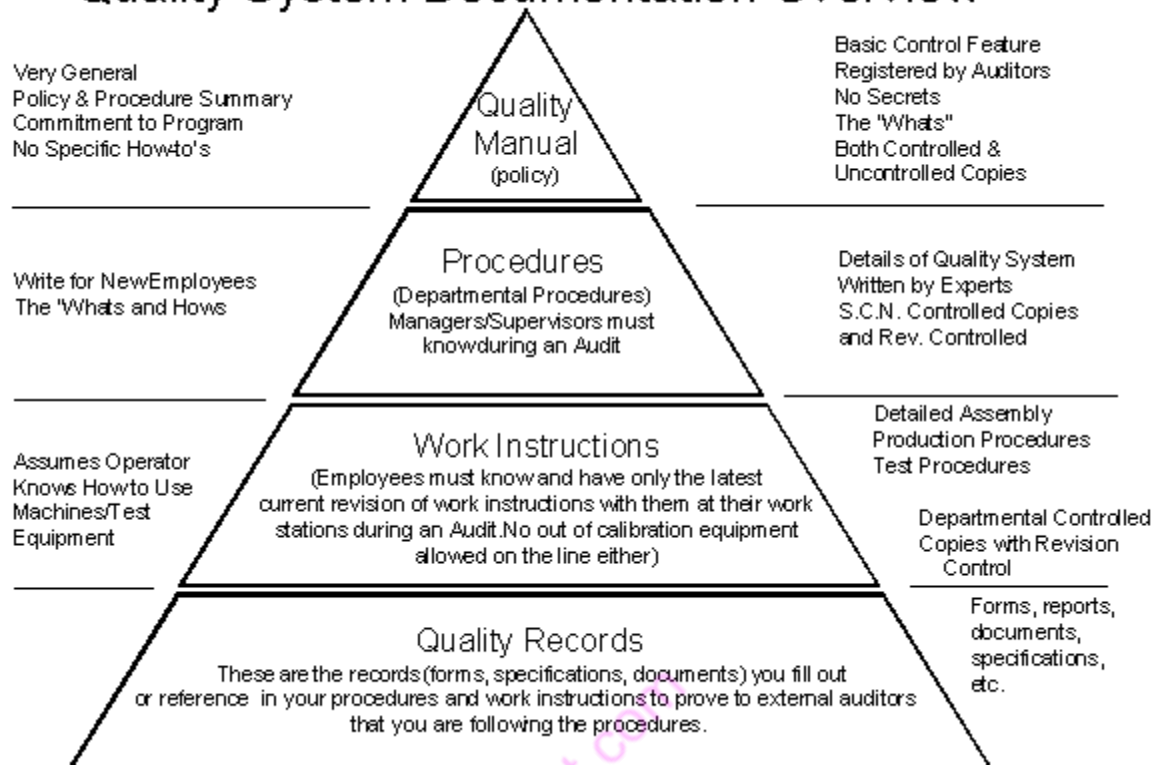


Figure 28: steps for creation of an effective QMS

2. Define the quality policy
3. Define quality objectives
4. Develop metrics to track and monitor critical success factor data
5. Define defects for every process
6. Develop documents and records
7. Define quality process
8. Determine training needs
9. Use quality management system
10. Measure, monitor and implement activities to improve the performance

Tools to be used in QMS:

- Process maps or flow chart
- Measuring systems and tools

QMS is monitored using regular internal audits as per organization's policy

The goal of monitoring, measurement, analysis and evaluation is to provide the decision makers an understanding through a situation report concerning the performance of processes. The data that the monitoring, measurement, analysis and evaluation provide shall relate directly to the controls suggested by the standard.

Those activities shall indicate the effectiveness of the QMS and the extent to which the QMS achieves its quality objectives. It's important to:

- Determine the processes needed for the QMS
- Evaluate these processes needed for the QMS
- Improve the processes and the QMS

What are the advantages of implementing monitoring, measurement, analysis, and evaluation?

- Implementing a systematic control of the realization processes
- Identifying deviations in time and submitting them to a controlled process for treatment
- Allowing users of the QMS to make decisions regarding results of processes
- Allowing the users of the QMS to prevent nonconformities by identifying gaps in a process and preventing the transition of non- conforming outputs to the next process
- Determining the effectiveness and efficiency of processes
- Using the monitoring, measurement, analysis, and evaluation as means for continual improvement
- Promoting the achievement of quality objectives through key process indicators related to the objectives of the organization

When monitoring and measuring a process, the following issues shall be referred:

- a. Identification of the processes or process outputs that must be monitored and measured
- b. Identification of those parameters or outputs that may indicate how the process behaves

- c. Identification of the function or the role responsible for conducting the activities of measurement (designated employees, a certain department, organizational unit, etc.)
- d. Definition of parameters for monitoring such as process conditions, interval, sampling rates, batch loads, and quantities
- e. Description of the stages during the process where measurement activities shall be undertaken
- f. Tools, equipment, or software required to perform or assist in the measurement
- g. The activities and the use of techniques of measuring the process
- h. Where and how the results must be documented
- i. The criteria necessary for the evaluation of the results (the objectives)
- j. Action required in case nonconformities are detected

The QMS is reviewed for changes in the ISO Standards

ISO 9000

This standard was first established in 1987, and it is related to Quality Management Systems. This helps the organization ensure quality to their customers and other stakeholders. An organization who wishes to be certified as ISO 9000 is audited based on their functions, products, services and their processes. The main objective is to review and verify whether the organization is following the process as expected and check whether existing processes need improvement.

This certification helps -

- Increase the profit of the organization
- Improves Domestic and International trade
- Reduces waste and increase the productivity of the employees
- Provide Excellent customer satisfaction

Learning Activities

Knowledge	Learning activity	Special instructions
Quality assurance system on products/services	Assessing Quality Assurance System on services/product delivery and customer expectations	Prepare a checklist
Monitoring Quality Assurance System	Conduct a monitoring exercise on the QMS system	Prepare a checklist
Carrying out QMS external audit and certification	QMS external audit	Necessary documents should be availed
Reviewing QMS for changes in the organization	Conduct a survey on reviewing changes on QMS	Data collection tools should be prepared

Self-Assessment

1. What are the principles of QMS that organizations should adhere to
2. What are the reasons that may lead to failure of quality management systems
3. Which are the responsibilities of management representative
4. How can an organization identify the triggers that can cause a change to a QMS
 - Provide sample answers for self-assessment items in a separate document

Tools, Equipment, Supplies and Materials

List of Recommended Resources

Tools and equipment

- Writing materials
- Developed questionnaires
- Tablets
- Computers
- Cameras
- Check sheets

- Control charts

References materials

- Company operating procedures
- Industry/workplace codes of practice
- Customer requirements
- organization strategic plans
- Company policies

References

1. Phillip Kotler and Kevin Keller, Marketing Management, 15th Edition, Pearson
2. Phillip T Kotler, Gary Armstrong, Principles of Marketing, 15th Edition, Pearson Education publishers

Responses to self-assessment

1. Principles of QMS that organizations should adhere to:
 - Customer focus
 - Leadership
 - People involvement
 - Process approach
 - Systematic approach to management
 - Continual development
 - Mutually beneficial supplier relations
2. Reasons that may lead to failure of quality management systems:
 - Lack of proper training
 - Lack of communication
 - Inability to integrate cross-functional interactions
 - No focus on metrics
 - Standards not being set
 - Lack of incentives for improvement
3. Responsibilities of management representative
 - Training new staff
 - Management liaison

- Overseeing internal audits
4. How an organization can identify triggers that can cause change to a QMS
- Customer feedback
 - Customer complaint
 - Product and service failure
 - Employees and other stakeholders feedback
 - Innovation
 - Determined risk
 - Determined opportunity
 - Internal or external audit results
 - Management review results

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3.2.4 LEARNING OUTCOME 4: INCORPORATE CUSTOMER RELATIONSHIP MANAGEMENT (CRM) SYSTEM

Introduction to the learning outcome

Incorporating customer relationship management (CRM) system involves the following activities: assessing customer relationship management systems, developing customer relationship management strategies, developing customer relationship management software, implementing customer relationship management software and reviewing customer relationship management (CRM) system.

Performance Standard

1. Customer relationship management systems are assessed based on customer's expectations
2. Customer relationship management strategies are developed based on organizational strategies
3. Customer relationship management software is developed as per customer relationship management strategy
4. Customer relationship management software is implemented as per customer relationship strategy
5. Customer relationship management system is reviewed and monitored in accordance with CRM strategies

Information Sheet

Definitions of terms

Customer relationship management

CRM today is a discipline as well as a set of discrete software and technologies, which focuses on automating and improving the business processes associated with managing customer relationships in the areas of sales, marketing, customer service and support.

Key performance indicators

A CRM key performance indicator is a standard measurement used to evaluate the process of delivering satisfaction to all the customer needs from the organization.

Automation

The use of automatic equipment in a manufacturing or other process or facility

System

A set of principles or procedures according to which something is done; an organized scheme or method

Software

The programs and other operating information used by a computer

Customer relationship management systems are assessed based on customer's expectations

CRM is about acquiring, developing and retaining satisfied loyal customer, achieving profitable growth, and creating economic value in a company's brand. CRM is not a new concept but an age-old practice, which is on the rise because of the benefit it offers, especially in the present market scenario.

Customer relationship management strategies are developed based on organizational strategies

Relationship Marketing was first defined as a form of marketing developed from direct response marketing campaigns which emphasizes Customer retention and Satisfaction rather than a dominant focus on Sales transactions. According to Liam Alvey, Relationship marketing can be applied when there are competitive products alternatives for customers to choose from and when there is an ongoing and periodic desire for the product or service.

CRM is a tool for servicing the customer. Firms of late are making use of technology to serve the customers by using and application of latest development in information technology.

Galbreath defines "CRM has activities of an enterprise performed to identify, to select, acquire, develop and retain loyal and profitable customers." CRM aims at developing new customer base by designing marketing and its product to suit their need.

CRM is an approach that integrates people, processes and technology to maximize the relations of an organization with its customers. Firms make use of the development in communication and technology to collect information regarding product and its marketing to meet expectations of people. Firms keep on developing customer's data base to update their need and designing marketing strategy to satisfy such needs.

Customer relationship management software is developed as per customer relationship management strategy

The concept CRM is the methodology which enables the organization to understand the customers' needs and behavior better. It introduces reliable processes and procedures for interacting with customers and develops stronger relationships with them.

The process helps organization in assimilating information about customers, sales, marketing effectiveness, responsiveness and market trends. Then this information is used to give insight into behavior of customers and value of retaining those customers.

The whole process is designed to reduce cost and increase profitability by holding on to the customer loyalty.

A simple installation and integration of the software package does not ensure success. It has to be absorbed into the system. Employees have to be convinced about its positive attributes and then they have to be trained.

The existing business processes have to be modified. The company has to decide what kind of information is to be collected about the customers, what is to be done with the information and priorities this accumulated information.

The company must drill into this database of its customers and ascertain their buying patterns, product preferences, the potential for add-on sales etc.

A good strategy will be to integrate every area of touch point with customers like marketing, sales, customer service, and field support. This is achieved with the integration of the people, process, and technology in the business.

Customer relationship management software is implemented as per customer relationship strategy

CRM consists of:

- (i) Helping an enterprise to enable its marketing departments to identify and target their best customers, manage marketing campaigns and generate quality leads for the sales team.
- (ii) Assisting the organization to improve telesales, account and sales management by optimizing information shared by multiple employees and streamlining existing processes (for example- taking orders using mobile devices).
- (iii) Allowing the formation of individualized relationships with customers, with the aim of improving customer satisfaction and maximizing profits; identifying the most profitable customers and providing them the highest level of service.
- (iv) Providing employees with the information and processes necessary to know their customers understand and identify customer needs and effectively build relationships between the company, its customer base and distribution partners.

Types of CRM:

There are several types of CRM. Among the most common are Sales force, Automation, Customer Service, Marketing Automation and Analytics Automation.

1. Sales Force Automation (SFA): In sales force automations, software is used by the company to improve the efficiency of the sales process. This results in sales representatives having to spend less time on different parts of the sales process, which allow them to spend more of their available time pursuing clients.

It allows the company to track or record each stage of the sales process and pay attention to each client served by the company. Additionally, SFA software applications may also provide information on territories, opportunities, work flow automation, sales forecasts and knowledge of products.

2. Customer Service: In customer services technology may be used by companies to improve the quality of service they can offer customers, while at the same time increasing the efficiency and minimizing the cost of that service. Comprehensive call center solutions are commonly applied here, such as computer telephone integration (CTI) and intelligent call routing (ICR).

3. **Marketing Automation:** In marketing system the automation assist the company in locating and reaching its best customers, as well as in finding leads the sales team can pursue. A valuable feature in marketing is the ability to not only track but also measure diverse campaigns, including domains such as social media, direct mail, email and searching. Data monitored by marketing include deals, responses, revenue and leads.

4. **Analytics Automation:** System involving analytics are typically integrated with applications related to service, sales and marketing. The purpose of sales analysis is to allow companies to develop a more comprehensive understanding of why clients do what they do and hold the preferences they do.

Web analytics for example, have increased in complexity from their initial functions as means to track mouse clicks to their current implementations as methods of predicting likely purchases and identifying difficulties of customers facing in making purchases.

5. **Small Business:** Small business solutions that assist both individuals and organizations in monitoring and documenting interactions such as jobs, emails, faxes, documents and scheduling. Tools for small businesses generally focus on account management. Small businesses are increasing turning toward online solutions, particularly for workers who travel and telecommunicate, to solve their business needs.

6. **Integrated and Collaborative Practices:** Integrated and Collaborative practices refers to interaction and collaboration between department inside companies and enterprises, the goal here is to increase levels of cooperation among different departments such as marketing, sales and service. Collaborative systems involve the use of technology to bridge distances between departments.

7. **Non Profit Organizations:** Non Profit Organizations are used to track constituents, as well as the actions they take related to the org itself. Such systems typically include capabilities for tracking features such as fund raising membership levels, volunteering demographics and communications with target individuals.

Objectives & Context of CRM:

CRM, the technology, along with human resources of the company, enables the company to analyze the behaviour of customers and their value.

The main areas of focus are as the name suggests customer, relationship and the management of relationship and the main objectives to implement CRM in the business strategy are:

- (i) To simplify marketing and sales process.
- (ii) To make call center's more efficient.
- (iii) To provide better customer service.
- (iv) To discover new customers and increase customer revenue.
- (v) To cross sell products more effectively.

Context of CRM:

The context of CRM can be summarized as follows:

- (i) **Increased Sales Revenue:** Increased sales result from spending more time with customers, which results from spending less time chasing needed information, (i.e., productivity improvement).
- (ii) **Increased Win Rates:** Win rates improve since companies can withdraw from unlikely or bad deals earlier on in the sales process.
- (iii) **Increased Margins:** Increased margins resulting from knowing customer better, providing a value-sell and discount prices.
- (iv) **Improved customer satisfaction rating:** This increase occurs since customers find the company to be more responsive and better in touch with their specific needs.
- (v) **Decreased General Sales and Marketing Administrative Costs:** This decrease occurs since the company has specified its target segment customers, it knows their

need better, and thus it is not wasting money and time, for example, on mailing information to all customers in all existing and potential target segments.

Purposes of Adopting CRM Processes:

- (i) Develop better communication channels.
- (ii) Collect customer related data.
- (iii) Create detailed profiles of individual customers.
- (iv) Increase in customer satisfaction.
- (v) Access to customer account history, order information and customer information at all touch points.
- (vi) Identity of new selling opportunities.
- (vii) Increased market share and profit margin.
- (viii) Increased revenues.
- (ix) More effective reach and marketing.
- (x) Improved customer service and support.
- (xi) Improved response time to customer requests for information.
- (xii) Enhanced customer loyalty.
- (xiii) Improved ability to meet customer requirements.
- (xiv) Improved quality communication and networking.
- (xv) Reduced costs of buying and using product and services.
- (xvi) Better stand against global competition.

Features of CRM:

A well- designed CRM has the following characteristics:

- (1) Customer Based: Customer Relationship Management is a customer oriented feature with service response based on customer input, one-to-one solutions to

customer's requirements, direct online communications with customer and customer service centers that help to solve customers' questions.

(2) Automation of Sales: Every sale transaction can be recorded, by tracking sales records that is name of a customer, purchase details etc. Firms have to install automation system to record such transactions. This function can implement sales promotion analysis tracking of a client's account history for repeated sales or future sales and also coordinate sales. Helpline and call centers may be installed to keep record of customers.

(3) Use of Technology: Firms make use of technology to keep detail information of customer needs. Use of ICT, Computer to store information, e-mail Systems, Mobile phone data and even paper note cards etc. storing all the data from all departments (ex- Sales, Customer service, marketing and HR) in a central location gives, management and employees immediate access to the most recent data when they need it.

It applies data warehouse technology in order to aggregate transaction information, to merge the information with CRM solutions and to provide key performance indicators (KPI). Such information is used to revise product and its marketing to match to need of customer and ensure effective CRM.

(4) Opportunity Management: This feature helps the company to manage unpredictable growth and demand and implement a good forecasting model to integrate sales history with sales projections.

Functions of CRM:

CRM performs various functions for the marketing department of the organization.

These functions are as follows:

- Managing Leads – It refers to generating and retaining potential customers.

- **Qualifying and Converting Leads** – It refers to the assessment of generated leads to know potential and profitable customers.
- **Managing Opportunities** – It refers to utilize every possible opportunity to get long-term benefit from customers.
- **Keeping a Track on Activities** – It refers to capture information, such as customers' buying pattern, quantity purchased, and time spent by customers in the store.
- **Managing Reporting and Forecasting** – It refers to process input data, such as average time spent by the customers in the store and their preferences for the product.

CRM also performs several functions in **one-to-one marketing**.

These functions are mentioned in the following points:

- **Identify Customers** – It refers to differentiate between profitable and non-profitable customers.
- **Differentiate the Needs of Customers** – It refers to finding variation in the requirements of customers. The organization makes different groups of customers as per the needs of customers.
- **Customize Products and Services** – It refers to the products and services produced as per the requirements of individual customers.
- **Build Stronger Relationship** – It refers to establish a relationship between an organization and customers by facilitating a personalized way of communication.

Importance of Customer Relationship Management:

Looking at some broader perspectives given as below we can easily determine why a CRM System is always important for an organization:

1. A CRM system consists of a historical view and analysis of all the acquired or to be acquired customers. This helps in reduced searching and correlating customers and to foresee customer needs effectively and increase business.

2. CRM contains each and every bit of details of a customer, hence it is very easy to track a customer accordingly and can be used to determine which customer can be profitable and which not.

3. In CRM system, customers are grouped according to different aspects according to the type of business they do or according to physical location and are allocated to different customer managers often called as account managers. This helps in focusing and concentrating on each and every customer separately.

4. A CRM system is not only used to deal with the existing customers but is also useful in acquiring new customers. The process first starts with identifying a customer and maintaining all the corresponding details into the CRM system which is also called an 'Opportunity of Business'.

The Sales and Field representatives then try getting business out of these customers by sophisticatedly following up with them and converting them into a winning deal. All this is very easily and efficiently done by an integrated CRM system.

5. The strongest aspect of Customer Relationship Management is that it is very cost-effective. The advantage of decently implemented CRM system is that there is very less need of paper and manual work which requires lesser staff to manage and lesser resources to deal with. The technologies used in implementing a CRM system are also very cheap and smooth as compared to the traditional way of business.

6. All the details in CRM system is kept centralized which is available anytime on fingertips. This reduces the process time and increases productivity.

7. Efficiently dealing with all the customers and providing them what they actually need increases the customer satisfaction. This increases the chance of getting more business which ultimately enhances turnover and profit.

8. If the customer is satisfied they will always be loyal to you and will remain in business forever resulting in increasing customer base and ultimately enhancing net growth of business.

Need for Customer Relationship Management:

Customer relationship management is a corporate level strategy focusing on creating and maintaining relationships with customers. CRM is a term not only used by the business organizations but also in any type of organizations to create a beneficial environment among the customers. This is a business approach that combines people, processes and technology to maximize the relation of an organization with all types of customers.

It helps in understanding the customer better and according to the needs of the customer; the organization can effectively customize their products and services in order to retain the customers and also to increase customer's loyalty and satisfaction.

The ultimate purpose of CRM is to increase profit, which can be achieved mainly by providing a better service to customers than competitors. CRM enables companies to gather and access information about customer orders, complaints, preferences, and participation in sales and marketing campaigns. This information can then be used to better react to customer needs, automate some operations, and capture customer feedback to improve products and services.

The need of CRM arises because of the following reasons:

- a. To enable the company to identify, contact, attract and acquire new customers.
- b. To obtain a better understanding to the customers- their wants and needs.
- c. To define the appropriate product and service offering and match it to the unique needs of the customer.
- d. To manage and optimize company's sales cycle.
- e. To increase retention of existing customers through improved sales, service and support.
- f. To identify cross selling and up selling opportunities.

Relationship Marketing Strategies:

1. **Make Every Customer Interact:** The first strategy to build a strong customer relationship and make every customer interact. Each and every interaction with a customer is a gift and should be valued. Getting into the mind of customers and knowing their needs will help know what the customer want and try to give that.
2. **Follow through on Commitments and Claims about Products or Services:** The business must make a specific promise to the customer and deliver on that promise if it intends to win the heart of the customer. False claims however should be avoided at all cost as it can harm the credibility. Promise made must be fulfilled.
3. **Offer Benefits and Product Value that Responds to the Customer's Desires:** Another positive step to build a strong customer relationship is to offer value to the customer. Customers should know that firms provide the best quality.
4. **Treat Customers as Individuals who are Respected and Valued:** A retailer knows how difficult it is to find a customer and further retain such customer. Each customer is an individual his needs and preferences differ. His tastes and likings differ. Retailer has to understand such individual differences and try to meet each individual customers need.
5. **Listen to Customers:** If complaints are handled properly and quickly then they become a gift to the retailer. Retailer should be available and accessible when customers have questions, concerns or comments. If the shopkeeper can listen to the customers, that itself will help to develop a bond and relationship between them.
6. **Build a Strong Brand Identity:** The customers should identify the products in the midst of the crowd and that is possible by creating a winning slogan, tagged with a catchy logo and a unique theme. Most important, if a specific promise is made they have to deliver on that promise.
7. **Surround your Customers with Valuable Information:** Keep the customers informed on the latest trend, price or development by using emails, website content, social

media and other methods of outreach. The firm must also make it easy for customers to reach them. Customer should be regularly updated with product its marketing and any change in that.

8. Business must have a Website: The firms should consider making their website user – friendly and easy to navigate for new and existing customers. The World Wide Web (www) is making it easier for businesses to build a strong customer relationship with their customers.

9. Reward Loyal Customers: Most of the business goes after new customers while forgetting that the existing customers need to be taken care of. Introducing a loyalty program is an effective relationship marketing strategy. Nothing strengthens a bond more than appreciation.

Thanking the customers for sticking to the brand will go a long way to make them know that they are very important. A simple thank you package might be all the business needs to connect personally with the existing customers.

Benefits of CRM:

A complete view of all customer information, knowledge of what customers and the general market want and integration with existing product and services to verify how much does it match with customer's needs. To consolidate all business information and gather feedback from customers, understand their needs and improve product or services and enable a firm to design and deliver the products as dreamed by the existing and prospective customers.

CRM system will gather data from a huge variety of source social media, online chat, customer's calls etc. This allows the company to get a complete picture of what the customer wants and how they feel about the products services. This gives the firm the opportunity to improve the offerings based on what the customers are saying.

(1) Provide Better Customer Service: CRM system gives advantages such as the ability to personalize relationship with customers. CRM maintains Customer Profiles, there by treating each client as an individual and not as a group. This way every

employee can be better informed about each customer's specific needs and transaction profiles.

Better Customer Service improves the responsiveness and understanding which helps in building Customer loyalty. It also helps the company in getting continuous feedback from the Customers on the Product they have brought.

For Example: LG Company always make a follow- up with its Customers on the items the, Customers have bought, so as to rectify the problem (if any) even before it gets logged as a complaint.

(2) Increase Customers Revenues: Regular updating of customer information will help a firm to keep on revising its product and marketing strategy. Adaptation of product and its marketing to match the changing needs of a customer make the organisation customer friendly resulting in increase the sales and revenue.

(3) Discover New Customers: CRM systems help the organization in identifying potential Customers by keeping a track of the profiles of their existing client, the business can easily come up with a strategy to determine the kind of people they should target so that it returns them maximum revenue.

(4) "Cross Sell" and "Up Sell": CRM system facilitates Cross-selling (offering customers complimentary products based on their previous purchases) and Up-Selling (offering customers premium products in the same category) It helps them to gain a better understanding of customers and anticipate their purchases.

For Example- (Cross sell – A Bluetooth head set along with the smart phone and up sell – Surf Detergent has introduced Surf Excel a better quality product.

(5) Help Sales Staff Close Deals Faster: CRM helps the business in closing deals faster through quicker and more efficient responses to customer needs and customer information. The organizations have to implement CRM Systems effectively.

(6) Customer Loyalty: Firms can gain loyalty of the customer by regularly understanding their needs and meeting their needs. Customer develops regular association with the firm due to the products and marketing style of a firm that is of customers liking.

CRM Benefits

It offers a win situation for everyone that is:

- Customer is benefited as he gets product of his choice.
- Retailer is benefited as he has less difficulty in selling the product.
- Manufacturer is benefited due to regular sales.

Disadvantages of CRM:

Implementation of CRM system has following limitations for an organization:

(1) Investment: A firm has to invest capital in developing the CRM system and technology to gather information about the customer regularly. Small firms with the limited capital may find difficult to install the CRM system in their organisation.

(2) Technology: Collection of information regarding the customer's needs and its regular updating requires use of modern information technology. A firm must not only have adequate capital but needs necessary knowledge to install and implement the technology.

(3) Liaison between Production Marketing and CRM Team: CRM is undertaken to understand to needs of customer and accordingly device product and its marketing. It needs cooperation between manufacturer, retailer and their infraction with the final customer to know customers' needs and accordingly market the product.

Lack of coordination between them will make the task of CRM unsuccessful. That is information collected must be communicated to manufacturer. Manufacturer must redesign product based on such communication. If the communication is not proper or manufacture does not respond to communication CRM will be in effective.

(4) Regular Exercise: CRM is a regular activity it is not a one-time affair. Firms have to regularly monitor to under and customer's needs. The CRM system has to work 24×7 to regularly get feedback from the customers. In such case use of technology like, Website, Toll free communication, email may be effective.

(5) Wrong CRM Tool: A mistaken tool choice may make CRM more complicated. So the companies need to consider in advance what kind of tools would be appropriate in order to follow its relationship with its customers.

Customer relationship management system is reviewed and monitored in accordance with CRM strategies

CRM measurement frameworks

How a company measures its CRM activities depends on who is doing the measuring and what activities are being measured. Below are the common CRM measurement frameworks:

1. Brand-building
2. Customer equity building
 - a. Customer behavioral modeling
 - b. Customer value management
3. Customer-facing operations
 - a. Marketing operations
 - b. Sales force operations.
 - c. Service center operations.
 - d. Field service operations
 - e. Supply chain and logistic operations.
 - f. Web site operations
4. Leading indicator measurement
 - a. Balanced scorecards
 - b. Customer knowledge management

Key performance indicators can be set up across key activities that are critical to the satisfaction of the customer.

CRM Metrics

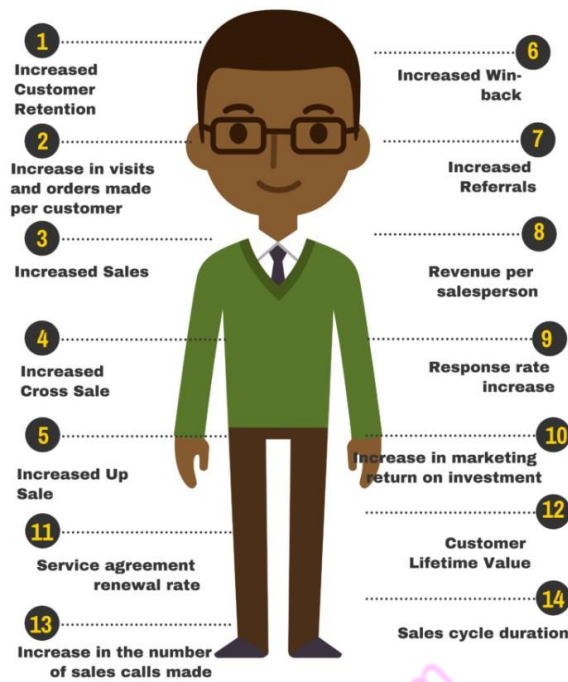


Figure 29: How to measure the performance of CRM

Learning Activities

Knowledge	Learning activity	Special instructions
Customer relationship management systems	Assessing Customer relationship management systems	Prepare the assessment tools and observation checklist
Customer relationship strategies	Developing Customer relationship management strategies	Case study a particular organization and develop customer relationship management for them.
Customer relationship management software	Developing Customer relationship management software and implementing it	Qualities of appropriate software. Follow the laid down procedure

Reviewing Customer relationship management system	Monitoring and evaluation	Implement and analyze the tools
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Self-Assessment

- 1 In what ways does a company benefit from effective customer relationship management
- 2 A newly established restaurant has sought your advice on ways of building better customer relationships. Prepare a report and submit it to them with recommendations.
- 3 What are the challenges of phone surveys

Tools, Equipment, Supplies and Materials

List of Recommended Resources

Tools and equipment

- 1 Writing materials
- 2 Developed questionnaires
- 3 Tablets
- 4 Computers
- 5 Cameras
- 6 Check sheets
- 7 Control charts
- 8 Company operating procedures
- 9 Industry/workplace codes of practice
- 10 Customer requirements
- 11 organization strategic plans
- 12 Company policies

References

1. Phillip Kotler and Kevin Keller, Marketing Management, 15th Edition, Pearson

2. Phillip T Kotler, Gary Armstrong, Principles of Marketing, 15th Edition, Pearson Education publishers
3. Jill Avery, Susan Fournier and John Wittenbrake, Unlock the mysteries of customer relationships, Harvard Business Review

Sample answers for self-assessment

- 1 Ways in which a company benefits from effective customer relationship management
 - Enhanced ability to target profitable customers.
 - Integrated assistance across channels.
 - Enhanced sales force efficiency and effectiveness.
 - Improved pricing.
 - Customized products and services.
 - Improved customer service efficiency and effectiveness.
 - Individualized marketing messages also called campaigns.
 - Connect customers and all channels on a single platform.
- 2 A newly established restaurant has sought your advice on ways of building better customer relationships. Prepare a report and submit it to them with recommendations.
 - Understand what customers value
 - Show genuine care to the customers
 - Adapt to their space
 - Let the brand be the guide
 - Model the expected behavior
 - Remember that relationships are built over time
- 3 Challenges of phone surveys
 - The telephone is becoming obsolete, making the data less diverse
 - Limited by space
 - They are unavoidably constrained by time
 - More expensive than web-based and direct mail survey

3.2.5 LEARNING OUTCOME 5: COORDINATE ORGANIZATION VIRTUAL PLATFORMS

Introduction to the learning outcome

Coordinating organization's virtual platforms involves: identifying virtual platforms, training virtual platforms' personnel, assigning virtual platforms to personnel, identifying and addressing concerns on virtual platforms , monitoring and evaluating virtual platforms' feedback and Preparing and sharing management of Virtual platforms report.

Performance Standard

1. Organization's virtual platforms are identified as per organization requirement
2. Virtual platforms' personnel are trained in accordance with HR training policy
3. Personnel are assigned virtual platforms in accordance to customer relationship management strategies
4. Customer's concerns on virtual platforms are identified and addressed according to customer relationship management
5. Virtual platform feedback is monitored and evaluated in accordance with PR policy and procedures
6. Management of virtual platform report is prepared and shared based on organization policy

Information Sheet

Definitions of terms

Virtual

Created, simulated or carried on by means of a computer or computer network

Platform

The computer architecture and equipment using a particular operating system

Digital marketing

Refers to any marketing initiative that leverages online media

Organization's virtual platforms are identified as per organization requirement

Common digital marketing initiatives center on distributing a brand message through search engines, social media, applications, email and websites.

Today, digital marketing often focuses on reaching a customer with increasingly conversion-oriented messages across multiple channels as they move down the sales funnel. Ideally, marketing teams will be able to track the role each of these messages / channels played in reaching their ultimate goal.

Gartner notes that in the context of modern business, platforms are tools that provide multiple business or technology capabilities. While there are tools to address specific functions within one business need, such as a single tool to schedule social media updates alone, platforms support multiple functions across these needs. Platforms typically enable a more extensive set of functions with APIs, integrations, and partnerships with other applications or data sources.

Now, let's revisit the initial question. What is a digital marketing platform? A digital marketing platform is a solution that supports a variety of functions within the realm of marketing over the internet. According to Gartner, it is important to note that to classify as a platform, the solution cannot claim to support every component of digital marketing – but will rather cover functionality like media buying, performance measurement and optimization, and brand tracking. However, it may not cover other marketing efforts like SEO, social media.

Types of digital marketing:

- a) Social media marketing platforms
- b) Influencer marketing
- c) Email marketing
- d) Content marketing
- e) Search engine optimization marketing
- f) Pay-per-click (PPC)
- g) Affiliate marketing

Advantages of digital marketing platforms:

- Track and allocate spend
- The right advertisements to drive conversations

- Correlate qualitative and quantitative results

What to look for in digital marketing measurement platform

- Clean data
- Relationship with third parties
- The ability to look at campaigns holistically

Platforms to share your message via social media

Take into consideration the following tips as your organization decides to use various channels to deliver your message.

Facebook

- Create a Page for your organization: your organization should have a Page on Facebook where you can share stories and connect with people. Pages are only open to real organizations and businesses and is used to communicate with the public (who like the Pages), and may only be created and managed by official representatives of the organization. Groups, on the other hand, are spaces for people to communicate about shared interests; therefore, it is more limiting.
- Keep the message simple: most users only skim through their newsfeed on Facebook, so it's ideal to keep your message short and on-point. Keeping your message under 40 characters has been proven to generate the highest engagement – so keep it short!
- Engage, engage: the key to amplifying your advocacy is to engage your audience! Use Facebook to have conversations, not monologues. Engage your key audience by asking questions and encourage interactivity.
- Post frequently: to keep your audience engaged, post no more than 2x a day. If you post more, your followers may unfollow or hide your content. If your organization posts content more constantly like how news organizations do, do not post more than once every 3 hours.
- Directly post articles and visuals: you can now directly embed and post articles and videos on your Facebook Page. This will help you directly engage with your audience, it is more work since it will require you to edit and tailor the article or video for Facebook format.
- Add photos and videos: adding visuals to your message will help make the content more exciting. Facebook's new feature, Facebook Live, lets you livestream video. It's

best to use your organization's photos, but you can also find and use free and shared photos on creative commons.

Twitter

- Use relevant #hashtags: tweets with hashtags get 2x more engagement. By using hashtags, Twitter aggregates conversations and creates affinity groups. To create momentum for your advocacy campaign, it's best to create a specific hashtag that resonates and sends a clear message on what the issue is. Or if there's an existing hashtag about the issue that's being discussed, use that popular hashtag to add your organization's voice to the discussion. You will get more attention if you use event or cause specific #hashtags instead of using generic hashtags like #countryname or #keyterm.
- Retweeting = increased engagement with audience: retweeting is a way to show support or build your content on Twitter. By retweeting, you send three messages, including (1) share the information with your audience, (2) create a deeper connection between your organization and the original tweeter, and (3) helps expand your network because retweeting usually results in gaining new followers.
- Shorter message = more likely to be retweeted: just like Facebook posts, shorter Tweets that are 120-130 characters are more likely to get retweeted and garner more engagement.
- Add visuals: similar to Facebook, you get more engagements if you include photos or videos. You can also share a short video on Twitter via Vine – a mobile app where users can share 6 second videos.

Blogs

- Explain your advocacy campaign: blog is a great way to explain why your organization is leading a specific advocacy and what action you'd like your community to take. Use free sites like WordPress or Tumblr and post updates regularly on your advocacy campaign.
- Cross-post on Facebook and Twitter: using your organization's Facebook or Twitter to spread the word about your blog is the best way to redirect traffic to the blog. It's also the most effective way to reach a broader audience than using each of the channels alone. Just remember to add descriptions about the post within the Twitter or Facebook post.

InfographicsData is your starting point: infographic combines information and image. It relies on your data, and uses images to tell the same story as the numbers tell on their own.

- Visualize your data in an easy way: infographic is a powerful way to grab your audiences' attention. By using charts, maps, or diagrams, you can illustrate a more complicated story and provide more contexts around the data you are presenting.
- More compelling information = more sharing: a well thought-out, informative infographic is more likely to be shared by people, thus driving traffic to your organization's Facebook page or website that explains your advocacy campaign.
- Tools for data visualization: depending on your budget, you can create infographics using different tools. Check out free infographic tools like am, canva, or mapping tools like CartoDB. (Extra tip: here's a CIPE video tutorial on how to use

How to create a digital marketing strategy:

- Determine what you want to accomplish
- Understand the digital sales funnel (discovery, research, purchase and loyalty)
- Create buyer personas(attributes)
- Determine where to find users at all funnel stages
- Implement specific guidelines to reach the goals: by placing lead generation widgets or lead magnets on the sides of blog posts, sharing influencer's content on social media to build a relationship, encouraging testimonies with email plugins that can then be placed on the site.
- Incorporate automation and personalization
- Look for loopholes in the digital marketing strategy (troubleshooting)

A guide on content development strategy:

- Define the goals to be achieved
- Do research on the audience
- Focus on the niche
- Measure results
- Prepare consumption metric
- Prepare social sharing metrics: conversations, assisted social conversations and last interaction social conversations
- Prepare lead metrics

- Build and solidify the company's online authority
- Create content the right way
- Set a budget

Virtual platforms' personnel are trained in accordance with HR training policy

The roles of employees can be categorized into: event lead, production lead, technology lead, social media lead and subject matter experts.

Employee training is a program that is designed to increase the technical skills, knowledge, efficiency, and value creation to do any specific job in a much better way. Training increases the needed skill set and helps in development of an employee as well as overall growth of the organization. It is also one of the most essential components of the hiring process.

Ways of creating a successful training program

1. Set short term goals and draft a plan
2. Embrace the right technology for remote employee training
3. Recognize the strengths and weaknesses of the team
4. Improve product learning
5. Provide responsive Support
6. Track productivity regularly
7. Address pain points and build fellowship
8. Foster transparency and clear communication
9. Validate employee and elevate leadership
10. Have reasonable expectations.

There are a number of different types of training that can be used to engage employees. These types are used in all steps in a training process; that is orientation, in-house, mentorship and external training.

Here are some basic technology skills that employees should now have:

1. Word Processing Skills
2. Spreadsheets Skills
3. Database Skills
4. Electronic Presentation Skills

5. Web Navigation Skills
6. Web Site Design Skills
7. E-Mail Management Skills
8. Digital Cameras
9. Computer Network Knowledge Applicable to your School System
10. File Management & Windows Explorer Skills
11. Downloading Software From the Web (Knowledge including eBooks)
12. Installing Computer Software onto a Computer System
13. WebCT or Blackboard Teaching Skills
14. Videoconferencing skills
15. Computer-Related Storage Devices (Knowledge: disks, CDs, USB drives, zip disks, DVDs, etc.)
16. Scanner Knowledge
17. Knowledge of PDAs
18. Deep Web Knowledge
19. Educational Copyright Knowledge
20. Computer Security Knowledge

General Benefits from Employee Training and Development

There are numerous sources of online information about training and development. Several of these sites (they're listed later on in this library) suggest reasons for supervisors to conduct training among employees. These reasons include:

- Increased job satisfaction and morale among employees
- Increased employee motivation
- Increased efficiencies in processes, resulting in financial gain
- Increased capacity to adopt new technologies and methods
- Increased innovation in strategies and products
- Reduced employee turnover
- Enhanced company image
- Risk management, e.g. diversity training

Training process

1. **Needs assessment:** The first step in the training process is to assess the need for training the employees. The need for training could be identified through a diagnosis of present and future challenges and through a gap between the employee's actual performance and the standard performance.

The needs assessment can be studied from two perspectives: Individual and group. The individual training is designed to enhance the individual's efficiency when not performing adequately. Group training is intended to inculcate the new changes in the employees due to a change in the organization's strategy.

2. **Deriving Instructional Objectives:** Once the needs are identified, the objectives for which the training is to be conducted are established. The objectives could be based on the gaps seen in the training programmes conducted earlier and the skill sets developed by the employees.
3. **Designing Training Programme:** The next step is to design the training programme in line with the set objectives. Every training programme encompasses certain issues such as: Who are the trainees? Who are the trainers? What methods are to be used for the training? What will be the level of training? Etc. Also, the comprehensive action plan is designed that includes the training content, material, learning theories, instructional design, and the other training requisites.
4. **Implementation of the Training Programme:** Once the designing of the training programme is completed, the next step is to put it into the action. The foremost decision that needs to be made is where the training will be conducted either in-house or outside the organization.

Once it is decided, the time for the training is set along with the trainer who will be conducting the training session. Also, the trainees are monitored continuously throughout the training programme to see if it's effective and is able to retain the employee's interest.

5. **Evaluation of the Training Programme:** After the training is done, the employees are asked to give their feedback on the training session and whether

they felt useful or not. Through feedback, an organization can determine the weak spots if any, and can rectify it in the next session. The evaluation of the training programme is a must because companies invest huge amounts in these sessions and must know it's effectiveness in terms of money.

Thus, every firm follows the series of steps to design an effective training programme that serves the purpose for which it was intended.

Methods of training

On- the- job training (internal training)	Off-the-job training (external training)
<ol style="list-style-type: none"> 1. Apprenticeship 2. Job instruction training (JIT) 3. Planned progression 4. Job rotation 5. Creation of assistant –to position 6. Temporary promotions 7. Committees and junior boards 8. coaching 	<ol style="list-style-type: none"> 11. lectures 12. Straight lecture 13. Discussion methods 14. Demonstrations 15. Seminars and conferences 16. Reading, television and video instructions 17. Business simulations 18. Case presentation 19. Equipment simulations 20. Business games

	<ul style="list-style-type: none"> 21. Experimental exercise 22. Role-playing 23. Behavior modelling 24. Computer modelling 25. Vestibule training 26. Sensitivity training (T-groups) 27. Computer-based training
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Table 15: methods of training

Personnel are assigned virtual platforms in accordance to customer relationship management strategies

Assigning responsibilities for project team members boosts efficiency. Having a clear understanding of project roles allows the leader to develop a timeline. Such a chart lists who is in charge of which task and when the specific portion of the project is expected to reach completion.

ALLOCATING ROLES AND RESPONSIBILITIES

Identifying team roles and responsibilities will enhance team performance, as it provides clarity about who does what and encourages team members to take responsibility for their contribution to overall team goals. Additionally, where one member becomes unable to meet deadlines or if someone leaves, it is easy to identify outstanding work and re-allocate it.

When allocating roles and responsibilities it is important to:

- Identify all the tasks that will be needed to complete the project/assignment.
- Allocate tasks evenly amongst team members, making use of team strengths or areas where development is desired.
- Ensure agreement from team members to taking on specified tasks.
- Provide frequent opportunities feedback to team members from individuals.
- Re-allocate roles and responsibilities only after agreement with all of the relevant team members.

Addressing Poor Performance

Incidences of poor performance in the team need to be addressed quickly and effectively. Identifying poor performance, investigating reasons why and finding mutual agreeable solutions will not only ensure optimum member performance, but also overall team effectiveness and meeting project team goals. Poor performance, left unaddressed, will result in individual member de-motivation, reduces levels of teamwork and productivity and may endanger the success of the project.

Some tips and strategies for addressing poor performance are:

- Informal reviews, conducted properly, will both energize the team and produce more sound solutions.
- Open and honest channels of communication will ensure instances of poor performance are identified at the earliest opportunity.
- Clear identification of roles and responsibilities will provide clarity about who is (or should be) doing what tasks.
- As a team leader, have an approachable attitude.
- Develop supportive communications skills.
- It may be useful to undertake a review to assess the situation and agree an action plan for

Virtual platform feedback is monitored and evaluated in accordance with PR policy and procedures

Every company has a digital marketing strategy. Customer opinions about a company's brand are formed based on mention of company's name by users on digital platforms.

Therefore it is important to regularly evaluate how well the strategy is working. The following are ways of doing it:

1. Evaluate digital marketing goals: These include things like the number of social shares a blog post receives, the size of fan base on networking websites, mentions of brand name on social media sites, the number of positive reviews left about the company, inbound website visitors from social networks and total number of conversations resulting from social traffic
2. Reexamine the target customer profiles
3. Take a look at the digital presence: by examining the customers targeted and whether the company is actively participating on the right digital properties.
4. Evaluate the messaging strategies: the type of messages performing best with the audience, the words chosen resonating with the audience and how frequently the marketing materials are being shared virally amongst users.
5. Check the digital marketing return on investment (RIO): by tracking two variables, that is the amount invested into digital marketing campaigns and the financial benefit of any conversations being tracked.

Management of virtual platform report is prepared and shared based on organization policy

If a company wants to drive more business from digital channels like search engines, email marketing and social media it is important to have a strategy in place. It should drive more prospective buyers to the website; convert these into leads and the leads into sales. It is important to have a strong team to guide all the integrations on the backend, create a holistic approach and build a solid digital marketing framework.

Learning Activities

Knowledge	Learning activity	Special instructions
Training Virtual platforms' personnel	Role play on training personnel	Required materials and proper preparation
Identifying and addressing concerns on Virtual platforms	Prepare tools for identifying the concerns	Should be appropriate. Different platforms use different tools

	role play on ways of addressing the concerns	
Monitoring and evaluating Virtual platforms' feedback	Watch a video	The content should be relevant
Preparing and sharing management of Virtual platforms report.	Prepare a report and present it on power point slides	Content should be relevant and use of good ICT skills

Self-Assessment

1. What are the advantages and disadvantages of internet marketing
2. How would the management of an organization make on-the-job training effective
3. What are the factors to consider when choosing the right virtual event platform
4. While assigning work in managing virtual platforms, why would an employee decline to take up delegated work
5. What is your opinion of the impact of information technology on customer service? Offer at least two specifics in your answer.

List of Recommended Resources

Tools and equipment

1. Writing materials
2. Developed questionnaires
3. Tablets
4. Computers
5. Cameras
6. Check sheets
7. Control charts
8. Company operating procedures
9. Industry/workplace codes of practice
10. Customer requirements
11. organization strategic plans
12. Company policies

References

1. Phillip Kotler and Kevin Keller, Marketing Management, 15th Edition, Pearson
2. Phillip T Kotler, Gary Armstrong, Principles of Marketing, 15th Edition, Pearson Education publishers
3. Jill Avery, Susan Fournier and John Wittenbrake, Unlock the mysteries of customer relationships, Harvard Business Review.

Sample answers for self-assessment items

1. Advantages of internet marketing

- Low cost promotion strategy
- Reaching a global market
- Reaching the target easily
- Convenient payment collections

Disadvantages of online marketing

- Lack of instant trust
- Competition
- Skill and knowledge required

2. Ways of making on-the-job training effective

- Understand the employees need to match them to the objectives
- Be inclusive
- Choose the trainers well
- Consider different training styles
- Evaluate and follow up

3. Factors to consider when choosing the right virtual event platform

- Future prove on investment
- End-to-end engagement
- Ability to customize
- Audience engagement tools
- Connections and networking

4. Reasons that would an employee decline to take up delegated work

- Fear of making decisions
- Lack of authority commensurate with responsibility
- Lack of skills
- Lack of enough motivation/incentives
- The employee may have made mistakes in the past which caused embarrassment

5. What is your opinion of the impact of information technology on customer service? offer at least two specifics in your answer. A wide range of responses are possible here including negative, neutral, and positive. On the negative side, all the e-mail ads can be annoying, and so can being routed through a long menu of options to answer a question asked on the telephone. On the neutral side, calling in utility reading, or reporting them online seems satisfactory. On the positive side, many people enjoy paying bills online, and receiving account information from the bank through voice-recognition systems.

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3.2.6 LEARNING OUTCOME 6: PREPARE CUSTOMER FEEDBACK REPORT

Introduction to the learning outcome

This learning outcome covers competencies in preparing customer feedback report. It involves: conducting customer satisfaction surveys, analyzing customer satisfaction surveys, measuring customer satisfaction and Preparing, evaluating and disseminating customer satisfaction reports.

Performance Standard

1. Customer satisfaction surveys are conducted based on product/service performance
2. Customer satisfaction surveys are analyzed based on product/service performance and SOP
3. Customer satisfaction is measured based on regular customer surveys
4. Customer satisfaction reports are prepared, evaluated and disseminated based on management procedures

Information Sheet

Definitions of terms

Empowerment

It refers to managers transferring, or sharing, power with lower-ranking employees. In terms of customer relations it means pushing decision-making and complaint resolution down to customer-contact employees.

Customer satisfaction

It is a measurement that determines how happy customers are with company's products and capabilities.

Survey

It is a research method used for collecting data from predefined group of respondents to gain information and insights into various topics of interest.

Bond

It is a relationship.

Customer satisfaction surveys are conducted based on product/service performance

Introduction to customer satisfaction

Customer Satisfaction Skills

Customer satisfaction receives the highest priority in today's business environment. Many companies today emphasize total customer satisfaction over short-range profits because excellent customer service leads to good will, repeat business, and referrals.

- External customers are paying customers including clients, guests, and patients.
- Internal customers are the people one serves within the organization, or those who use a person's job output.

All workers in contact with customers are required to have customer satisfaction skills. Despite all the talk and writing about customer service in recent years, poor customer service particularly at the retail level remains a major problem. Many customers purchase over the Internet to avoid dealing with rudeness and indifference they sometimes receive from store associates.

General Principles of Customer Satisfaction

Certain general principles will sharpen a person's ability to satisfy customers and thereby improve customer retention. Satisfaction, however, is considered a minimum expectation. Customer delight should be the ultimate goal. Customer satisfaction is also highly valued because it breeds customer loyalty, which in turn is very profitable.

A set of key principles follows:

- B. Satisfied Employees Provide Better Customer Service. Employees who are satisfied with their jobs are the most likely to satisfy customers.
- C. Employees want recognition and compensation that relates to their achievement of customer-service goals.
- D. Employees can control some attitudes and beliefs related to customer satisfaction. 1. Interest in the work itself 2. A feeling of self-esteem 3. Optimism and flexibility 4. Positive self-image 5. Positive expectations about the job
- E. Understand Customer Needs and Put Them First

The most basic principle of selling is:

- To identify and satisfy customer needs. To help identify customer needs, the customer service worker may have to probe for information. Customers now

have more power because of the availability of information and more competition. Satisfying customer needs adds value for them.

- After customer needs have been identified, the focus must be on satisfying them rather than on personal needs or those of the company.
- Focus on Solving Problems, Not Just Taking Orders. Effective selling uses sales representatives to solve problems rather than merely taking orders. The focus on problem solving enables sales representatives to become partners in the success of their customers' businesses. Using this approach, the customer is receiving consulting services in addition to the merchandise or services being offered.
- Respond Positively to Moments of Truth an effective customer contact person performs well during situations in which a customer comes in contact with the company and forms an impression of its service (a moment of truth). If the customer experiences satisfaction or delight during a moment of truth, the customer is likely to return when the need for service arises again. The customer who is angered or frustrated during a moment of truth will not return.

One way to track moments of truth is to prepare a cycle of service chart. Such a chart summarizes the moments of truth encountered by a customer during the delivery of a service.

- Be Ready to Accept Empowerment. A major strategy for improving customer service is to empower customer-contact employees to resolve problems by themselves. For empowerment to work, the company must grant decision-making latitude to employees, who in turn must be willing to accept empowerment.
- Enhance Customer Service through Information Technology. Information technology can play an important role in recording customer preferences and individualizing service. One such application is to use databases to have information on hand about customer preferences.
- Sending customers information they are likely to use is another way of enhancing customer service through information technology. A major challenge in providing good customers service when using information technology is to preserve the human touch. For example, (a) when you respond

to a voice-mail outgoing message, leave specific, relevant information, and (b) use the customer's name when sending e-mail messages.

- **Avoid Rudeness.** Although rudeness to customers is obviously a poor business practice, the problem is widespread. Rude treatment creates more lost business than does poor product quality or high prices.

Creating a Bond with Your Customer

Creating a bond or emotional relationship with a customer helps bring about customer satisfaction and delight. Warm, constructive customer relationships enhance customer retention. Creating a bond is aimed at increasing sales, but also enhances service. If the customer relies on and trusts the sales representative, the customer will perceive the service to be of high quality.

Five key principles are as follows:

1. Create a welcoming attitude, including a smile. (Smile at customers, but not in a sexy manner.)
2. Provide exceptional service.
3. Show care and concern.
4. Make the buyer feel good.
5. Build a personal relationship.
6. Invite the customer back. (You come back, now!)

Dealing with Customer Dissatisfaction

Most customers put honest effort into preventing customer dissatisfaction. Despite the many efforts to achieve total customer satisfaction, some customer dissatisfaction is inevitable. One reason for this dissatisfaction is that mistakes in dealing with customers are inevitable. Three different approaches to dealing with customer dissatisfaction follow.

A. **Deal Constructively with Customer Complaints and Anger Customer:** satisfaction specialists recommend the following techniques for dealing with angry customers:

1. Acknowledge the customer's point of view.
2. Avoid placing blame.
3. Use six magic words to defuse anger. (I understand [that this is a problem]; I agree [that it needs to be solved]; I'm sorry [that this happened to you].).

4. Apologize for the problems created by you or your company.
 5. Take responsibility, act fast, and be thorough.
 6. Follow up on the resolution of the problem.
- B. Involve the Customer in Working out the Problem: To minimize the perception of poor service, the customer should be involved in deciding what should be done about the problem. By involving the customer in the solution to the problem, the customer is more likely to accept a deviation from the service promised originally.
- C. Anticipate How to Handle an Unreasonable Request: The customer who makes an unreasonable demand is usually aware of the unreasonableness, and therefore may not expect to be fully granted the request. A few of the suggestions for dealing with an unreasonable request are as follows:
1. Let your customers retain their dignity by stating your position politely and reasonably
 2. Avoid arguing with an upset customer.
 3. Appeal to your customer's sense of fair play and integrity.
 4. Be firm by repeating the facts of the situation, but keep your temper under control.
 5. Accept responsibility for your decision.
 6. Be willing to say no to a customer when it is justifiable. D.

Customer satisfaction survey is an excellent way to measure whether or not business is meeting its customers' expectations. Customer satisfaction surveys should be a core tool for any business. Customer satisfaction surveys bring to light problems that need to be addressed and problems that left unattended, which may eventually lead to customer turnover and a loss of profits. By regularly conducting customer satisfaction surveys, the company can build trust with its customers.

Customer satisfaction surveys are a very cost-effective way to identify what businesses need to do to execute changes and achieve breakthrough increases in customer satisfaction, customer engagement and loyalty, generating increases in sales and profit. Achieving consistently high levels of customer satisfaction is one of the best ways for any company to compete effectively, grow their customer base and increase profit.

Need for Customer Satisfaction Survey:

Customer satisfaction surveys are carried out for following reasons:

a. To assess the level of customer satisfaction with a particular product, service or experience.

b. To find if company's representatives are professional, polite and helpful.

c. To check if customer service issues are handled properly and in a timely manner.

To check if there is a growing market trend that needs to be addressed.

e. To check if their website is easy to navigate.

f. To check any problems with product quality.

g. To find out any problems with shipping or delivery.

To check if companies have a favorable business location, store layout, parking lot etc.

i. To identify communications problems within and across organizational units, this is a significant cause of dissatisfaction and poor performance.

Steps in Conducting Customer Satisfaction Survey:

The reason for a survey is to gather information from customers to enhance company's relationship with them and provide better services in the future. It is very important in today's marketplace to make sure that companies have happy customers. The steps are:

Step 1: The first step in conducting a customer satisfaction survey is to determine which customers a company wants to survey. The goal for the survey is either for improving service or to gather information about what customers would like the company to provide in addition to what they are getting.

Step 2: The next step is to decide upon the way of conducting the survey. The survey is to be done in personal way or over the telephone or by e-mail.

Step 3: The next step is to make every customer understand that there is a single purpose to the survey. It is not a sales call. Be very clear, that company appreciate their honesty and need them to be honest when answering the survey questions to improve serving them.

Step 4: Those questions should be asked in survey, which allow the customer to impart information about what is most important to them.

Step 5: The next step is to summarize all the answers given by the customers and check its correctness by repeating the answers.

Step 6:

The next step is to ask the customers about improvements they would like to see.

Step 7:

The last step is to thank the customer for providing required information.

How to Ask Whether Customers Are Satisfied

You have several options for asking your customers whether they're satisfied with your company, your products and the service they've received. You can do it face-to-face as they're about to leave your store or office. You can call them on the phone after their visits if you have their phone numbers and permission. You can also email or snail-mail a questionnaire or survey, but if you use email, take care not to violate spam laws. You might email an invitation to take a survey instead. Mail-in survey results tend to be predictable.

Ways of making a survey effective:

1. Keep it short
2. Only ask questions that fulfill the end goal
3. Construct smart, open-ended questions
4. Ask one question at a time
5. Make rating scales consistent
6. Avoid leading and loaded questions
7. Make use of yes/no questions
8. Get specific and avoid assumptions
9. Take care of the timing

10. Offer survey respondent a bonus; entice the customer to participate

When to Conduct a Customer Satisfaction Survey

The best time to conduct a satisfaction survey is when the experience is fresh in your customer's minds. A customer's response may be less accurate if you wait. It is easy for any customer to forget some details over time, or respond regarding a later event.

What to Ask in a Customer Satisfaction Survey

There's a school of thought that says you only have to ask a single question in a customer satisfaction survey: "Will you buy from me again?" Although it can be tempting to reduce your customer satisfaction survey to this supposed "essence," you'll miss a lot of valuable information and can easily be misled. It's too easy for a customer to simply answer "Yes." Instead, ask questions to get closer to the expected behavior and to collect information about what to change and what to keep doing.

By all means, ask the basic customer satisfaction questions:

- How satisfied are you with the purchase you made of a product or service?
- How satisfied are you with the service you received?
- How satisfied are you with our company overall?

Ask customer loyalty questions, too:

- How likely are you to buy from us again?
- How likely are you to recommend our product/service to others?
- How likely are you to recommend our company to others?

Don't neglect to ask what the customer liked or didn't like about the product, your service or your company.

Customer satisfaction surveys are analyzed based on product/service performance and SOP

What you ask your customers is important when you conduct a customer satisfaction survey. How, when and how often you ask the questions are also important. But what

you do with their answers is the most critical component of conducting a customer satisfaction survey.

It is important to compile the answers from different customers, keeping an eye out for trends, differences by region or product. However, the most important thing is to act on the information you get from your customers through the survey. Take the time to fix the things the customers have complained about and to investigate their suggestions. That way, you will improve your company and product in the areas that mean the most to your customers, all while avoiding changing the things that they like.

It's also important to let them know that their answers were appreciated and that they're being acted upon. That feedback can be individual responses to the customers if this is appropriate, or it can simply be fixing the things they've told you need to be fixed.

Tips to analyze customer satisfaction data

- Be clear about the most important few metrics
- Help managers tell the meaningful story behind data
- Create a clear concise guide about how to access the data
- Create short team huddle template:
- Help your managers explore key data with their teams, too.

This should be a two-way conversation and should include:

- i. The reason the data matters to the business (Does it drive sales? Profit? Loyalty?)
- ii. The current score
- iii. The reasons why the score is what it is – Ask the team to recall the previous period: *Who was on shift? What was happening? Did we do anything different?* This isn't about blame – for team members or customers. Instead, it's about having an upbeat and engaged conversation about how the team can improve or build on momentum.
- iv. The goal or benchmark
- v. Progress to celebrate
- vi. One action to improve a metric (the team isn't told this action – they come up with it together)
- vii. A plan to hold each other accountable and follow-up

Customer satisfaction is measured based on regular customer surveys

Reasons for measuring customer satisfaction:

- a) Customer dissatisfaction is costly
- b) It is easier to retain customers than to acquire new ones
- c) Customer dissatisfaction is detrimental to the brand image
- d) Measuring customer satisfaction enables enhancement of the customer experience

Customer satisfaction measurement indicators:

- a. Customer satisfaction score (CSAT)
- b. Net promoter score (NPS): enable identification of promoters and detractors
- c. Customer effort score (CES)
- d. Intentions to repurchase
- e. Loyalty measurement

Tools and methods that measure customer satisfaction:

- Satisfaction surveys
- Mystery shoppers
- Qualitative interviews
- Customer feedback
- Active listening on forums and social networks



Figure 30: model of customer satisfaction

How Often Should You Conduct a Customer Satisfaction Survey?

The best answer is "often enough to get the most information, but not so often as to irritate the customer." In reality, the frequency with which you conduct customer satisfaction surveys depends on the frequency with which you interact with your customers.

- D. Maintain a Realistic Customer Retention Attitude: Some customers are too unreasonable, and therefore may not be worth keeping. A realistic goal is to retain as many profitable customers as possible. Airline passengers who engage in air rage are not worth keeping.

Steps in monitoring and measuring customer satisfaction:

1. Define the business objectives
2. Create comprehensive plan to gauge customer satisfaction
3. Prepare the customer service satisfaction survey questionnaire
4. Select the right communication channel (chat surveys, email surveys, website surveys, in-app surveys)
5. Monitor the key customer satisfaction indicators
6. Analyze and evaluate the collected data
7. Manage social media with monitoring tools. Social media listening helps to analyze brand conversations and use insights for better business decisions.
8. Implement the feedback

survey don'ts

While there are many survey "do's," it's important to keep a few "don'ts" in mind, too:

- **Don't over-survey.** Bombarding customers with too many surveys can wear them out — and hurts response rate. One suggestion is to survey customers annually, and survey the same audience no more than twice per year.
- **Don't jump to conclusions.** When it comes to analyzing results, be sure to research all the factors that might cause them rather than making an assumption.
- **Don't operate in a vacuum.** To truly validate results, it's important not to analyze them alone. Instead, involve key staff in both the analysis and action planning.

Customer satisfaction reports are prepared, evaluated and disseminated based on management procedures

Guidelines to help when preparing the customer satisfaction report:

- do thorough assignment/home work to ensure comprehensive information
- rely on past experiences
- target information to areas of concern
- determine the format of the report
- make it easy to read and follow the flow of information
- once complete, look for trends
- follow up

Elements of a formal report

1. Heading
2. Terms of reference
3. Procedure
4. Findings
5. Conclusions
6. Recommendations
7. Closing section

Tips for Customer Service Success

1. Always practice two-way communication with the customer.
2. Provide staff with regular customer-service training.
3. Strive for excellence in every interaction — from the way the phone is answered to the cleanliness of the vehicle upon return.
4. Always show respect for customers and make them feel important.
5. Show customers how much you value their business — not just in words, but in actions, too.
6. After each service, the mechanic should make a personal call to the driver to make sure everything is running right.
7. Make your waiting area comfortable, and consider supplying magazines, the newspaper, and/or coffee.
8. Hold a customer appreciation event — this can be as simple as providing popcorn and soda for a day.

9. After a visit, explain the services you've provided and how they will benefit the driver.
10. Always thank customers for coming in.

Learning Activities

Knowledge	Learning activity	Special instructions
Conducting Customer satisfaction surveys	Carry a student's customer satisfaction survey in a Technical college within your locality	<ul style="list-style-type: none"> • Prepare survey tools • Follow the appropriate procedures
Customer satisfaction surveys	Analyze the data collected from the survey above	<ul style="list-style-type: none"> • Right procedures • Right tools
Measuring Customer satisfaction	Measure the customers satisfaction with the products and services offered at the local supermarket	Measurement tools appropriate for the exercise should be prepared
Evaluating and disseminating customer satisfaction report	Prepare two reports from the two exercises above	<ul style="list-style-type: none"> • Include all parts of a reports • Good grammar and logical arrangement of information

Self-Assessment

1. Which are the ways in which an employee may deal with unreasonable customer request?
2. For what reason is a satisfied employee more likely to provide better customer service
3. Describe a situation in your life when you experienced customer delight. What made the experience delightful?

4. Imagine any sales situation involving a major purchase. How would you identify customer needs
5. Describe several customer moments of truth you have experienced this week. What made you classify them as moments of truth
6. Visualize yourself as an executive at Target. Develop a policy to empower customer service desk associates to resolve customer problems, including the limits to their empowerment
7. Which are the ways in which customers are rude to customer-contact workers?

Tools, Equipment, Supplies and Materials

Writing materials
 Developed questionnaires
 Tablets
 Computers
 Cameras
 Check sheets
 Control charts

References

1. Phillip Kotler and Kevin Keller, Marketing Management, 15th Edition, Pearson
- 1 Phillip T Kotler, Gary Armstrong, Principles of Marketing, 15th Edition, Pearson Education publishers
- 2 Jill Avery, Susan Fournier and John Wittenbrake, Unlock the mysteries of customer relationships, Harvard Business Review.

Suggested responses to the self-assessment questions

- 1 Suggestions for dealing with an unreasonable request are as follows: ☹(1) Let your customers retain their dignity by stating your position politely and reasonably. (2) Avoid arguing with an upset customer. (3) Appeal to your customer's sense of fair play and integrity. (4) Be firm by repeating the facts of the situation,

but keep your temper under control (5) Accept responsibility for your decision. (6) Be willing to say no to a customer when it is justifiable

2 For what reason is a satisfied employee more likely to provide better customer service?

- A satisfied employee is less likely to be harboring discontent that he or she might take out on customers.
- A satisfied employee is also less preoccupied and can therefore concentrate better on customers, thereby serving them better.
- Another consideration is that when one is satisfied, it is easier to deal with the challenges of human interaction.

3 Describe a situation in your life when you experienced customer delight. What made the experience delightful? Students who can identify incidents of customer delight will help provide insight into the nature of customer delight. It will be helpful to share these episodes of delight with classmates to look for trends.

4 Imagine any sales situation involving a major purchase. Describe how you might identify customer needs. Whichever description the student chooses for identifying customer needs, it should realistically involve an interview along with probes for more details. The investigation should also take indirect paths such as asking about the customer's lifestyle and professional activities.

6. Describe several customer moments of truth you have experienced this week. What made you classify them as moments of truth?

An appropriate answer to this question includes an understanding of the concept of moments of truth: interactions in which the person forms an impression of the company's service. Many of these moments of truth will be negative, such as two store associates conducting a conversation while the student was waiting to be served. Another negative many students have experienced is not being taken seriously because they were dressed as students.

7. Visualize yourself as an executive at Target. Develop a policy to empower customer service desk associates to resolve customer problems, including the limits to their empowerment.

Policy development is a stretch exercise that students enjoy. Here is a sample policy for the customer service desk personnel: Target customer service associates are granted the authority to resolve a wide range of customer problems without approval from their supervisor. Customer service workers are authorized to grant full refunds when it appears the customer has tried out but not regularly used merchandise. Full refunds and exchanges can be granted for defective merchandise. Customer service personnel, however, are not authorized to make payments to customers in excess of the retail price of the merchandise. A supervisor must be consulted before a customer service worker can grant refunds or exchanges without proof of purchase. (Students might be asked to critique this sample policy from the point of view of the customer service worker and management.)

- 8 Which are the ways in which customers are rude to customer-contact workers? Customers are rude to customer-contact workers in numerous ways, such as displaying impatience, distrusting them, speaking to them in terms of endearment, sexually harassing them, and accusing them of cheating the customer on change.