

Customer Experience Management-As a Key strategy to build Brands in International Markets

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Abstract

Today's market is very dynamic and increasingly competitive. In a market crowded with brands, models and multiple options, how could one create a difference – this was a challenge faced by many companies in the International market. The focus on brands and the importance of brands is a growing trend among business owners and business managers in global era. This is hardly surprising, because a strong brand is an asset for any business generating income and creating business value. The global market is littered with selection of brands that died too soon. Management thinkers today strongly believe that the customer is the king. The important job in the management is the job of creating and retaining a customer. Many research studies have proven that the best way of creating and retaining the customers is by building strong brands by using customer experience management as a tool for successful branding in international markets. The present paper focuses on how customer experience management helps the companies to survive in the fully competitive world of globalization.

Introduction

In the present scenario, the success of the company depends on how it outperforms its competitors in a sustained manner. Everyday new products are entering the market, which face tough competition and to succeed in the competition they must differentiate their products from others. Today consumers need a product with good quality at a cheaper price. Organizations follow different ways to attract customers and one such way is creating a strong brand name, i.e. the brand name should be remembered by customers at any time. A company can succeed in the business if it creates a memorable brand name in the minds of the consumer. A great deal of thought needs to go into developing a name that will allow the target market to recognize it as a leader. However, the ultimate aim of any business is to gain the customer satisfaction and retain the customers lifelong, i.e. it has to establish better relations to the customers. In the competitive world, each company must give more priority to customer experience management. It reflects in the number of loyal customers to the company. However, gaining customer satisfaction is a tough task in any business. Ultimately, the entire benefits of the brand is enjoyed by the customer, so managing the customers is the only best solution to sustain the brand since they are the true profit centre of the company. The strategic planning for a brand starts with the understanding of an organization's business strategy. Business strategy is aimed at achieving particular consumer behavior. Only if consumers actually purchase, use goods (more often), pay a high price or donate (more), can the objectives of a business strategy be met by doing so, Brands are designed to persuade consumers to exhibit the behavior that will make the objectives come true for the organization. Thus the influence of business strategy upon brand strategy is direct uncompelling. Brand expression is a result of brand strategy and it is a promise to consumers, providing them with expectations that need to be met.

Brand expression consists of three elements:

- * Brand Positioning
- * Brand Identity
- * Brand Personality

Many of the beliefs and the assumptions about the brand expression are rooted in the local conventions. The role of marketing is to define and deliver the actual products and services. The important area of responsibility of marketing is the marketing mix. The marketing mix involves formulating the policies for new product and service developments, distribution channel choice, pricing strategy and marketing communications.

The three important influencing local conventions that circumscribe the opportunities for a brand to reach its full potential in various markets and societies include

- * Category conventions
- * Need conventions
- * Cultural conventions

In every product or service category there are customs and unwritten rules that mostly all players abide by. These conventions generally have a particular value to the players and in many cases even to customers. The three types of category conventions are

- * **Conventions of representation** - which surround how and where a brand portrays itself. These consist of such factors as advertising, packaging, brand name and logo.
- * **Conventions of medium** - which concern the way a brand is delivered, both physically and emotionally. This includes distribution as well as message delivery.
- * **Conventions of product experience** - which have to do with the product offered and the surrounding experience it delivers.

Customers shift through their brand experience with an eye to their personal needs. These needs are also governed by conventions which describe how needs are manifested. This means that, although a particular need may be common to all people, this same need may be satisfied in a different manner in different societies. The culture is a system of shared beliefs, values, customs and symbols that the members of a society used to cope with one another. Each society develops specific cultural conventions, which influence the way in which the members are supposed to think and behave. A brand reputation consists of certain qualities that consumers ascribe to the brand.

There are three types of reputation qualities namely

- * Contextual to the brand
- * Intrinsic to the brand
- * Associative to the brand

Having this into consideration, CEM is considered as the soul for brand sustainability.

Customer experience management (CEM) is "the process of strategically managing a customer's entire experience with a product or a company". CEM is a methodology that tries to overcome the gap between the company and the customer.

CEM helps to achieve a truly customer focused management concept by strategically managing the customer's experience with a brand.

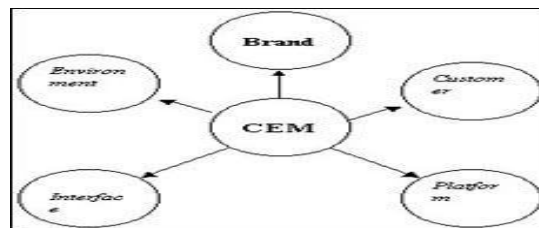


Figure-1

Bernd Schmitt – Customer Experience Management, published by Wiley, New York, January 31, 2003-pp-37.

There are two steps involved in CEM

- * CEM integration
- * CEM organization

The CEM integration

CEM stresses four aspects of International markets:

- * CEM focuses on all sorts of customer-related issues
- * CEM combines the analytical and the creative
- * CEM considers both, strategy and implementation
- * CEM operates internally and externally

the following five steps help us to understand and manage the "customer experience":

Step 1: Analyzing the Experiential world of the customer

Step 2: Building the Experiential platform

Step 3: Designing the Brand experience

Step 4: Structuring the Customer interface

Step 5: Engaging in Continuous Experiential innovation

The CEM organization

Organizing for customer experience management includes three tasks:

- * Financial planning of CEM in terms of customers.
- * Allocation of organizational resources.
- * Enhancement of the employee experience.

MERITS OF CUSTOMER EXPERIENCE MANAGEMENT

The CEM approaches go beyond the emotional marketing tactics

CEM is not about smiling faces in advertising. Or putting up a retail store in which people feel good because it's got such a wonderful atmosphere. CEM understands the essence of the brand, and the essence of what customers want from that particular brand and then managing everything surrounding that. So it's about understanding the lifestyle of customers. It's about broadening your marketing view from the product to the consumption situation.

Suitability of CEM approach for international markets

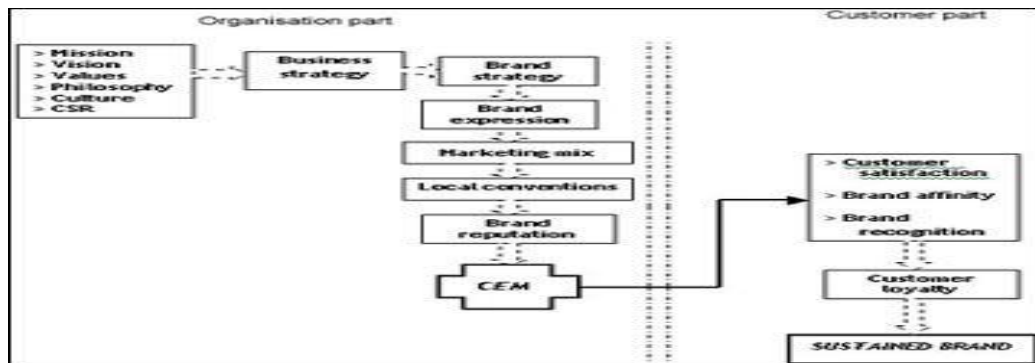
The International Market is really different in many ways from other markets. Price sensitivity is one of the issues. It has very different distribution channels. Retailing is also very different. But most experts in International markets agree that experience is the next step. Service is already an important issue in this global market, and now experience will be the next. Service is a part of the experience. But experience also includes things like packaging, how the company website is designed and many other things.

Since International markets are very heterogeneous, people and their consumption patterns differ from one country to another. So how one must go about customizing the CEM programme is to suit the different country preferences, hence it is important to localize in the global market, to deal with different preferences, cultural lifestyles and even different languages. To do so, certain things must be kept constant and customize other things. Basically the brand identity should be the same - name, visual appeal etc. But the way certain experiential outreach are done - whether it's an event or promotional activities or even communications and advertising - there it has to be localized in order to relate to the customer

more closely. How to do that, how to localize - well that's how the experiential world of the customer comes in. it can be used for different market segments and those segments could be different regions. The way it works is that the company will get a broad-based, in-depth understanding of how customers are living their lives. E.g. "funneling." i.e., following the customer around and understanding the broad based consumption patterns, and how they are relevant for a particular product category or a particular brand. So it really starts from the broad-based assessment - from the outside in. CEM is concerned with perceptions, feelings and interactions that are harder to quantify but so valuable. Instead of just looking at how valuable the customer is to the enterprise, CEM requires an inspection of the enterprise's value to the customer.

So, providing a valuable experience to the customer will make them to remain permanently loyal to the particular brand without switching over to any other brand. Having this into consideration, a model for sustaining the brand taking CEM as the soul for brand sustainability is framed.

A new model to sustain any brand though CEM



Bernd Schmitt – Customer Experience Management, published by Wiley, New York, January 31, 2003-pp-52.

Applying the new customer experience management model to some examples to have a sustained brand in International Markets

Examples of companies that have implemented CEM

* Pizza hut

it recognizes frequent callers and the context of their call enabling the customer to be routed to the agent who can best fulfill their requirements, whether it's a new order, changes to an existing order or a status inquiry on an existing order. Pizza Hut operators can access up-to-date information on its outlets in the catchment area, enabling them to select the Pizza Hut store that can fulfill the customer order quickest, thereby meeting its commitment to deliver hot pizza quickly.

* Taj group of hotels

providing the 'frequent customer' with much higher luxury facilities at no extra cost.

* Crossword bookstall

this bookstall allows its customers to go through any book without any compulsion to purchase the book.

Conclusion

Customers are the company's only true profit centre. The main aim of the CEM is to maximize the customer value i.e. cultivating long term relationships with the customer and making them permanently loyal to the brand. Nowadays the whole global market follows the best solution as CEM to sustain the brand in this highly saturated market, countries like USA, UK, China and India are very successful (at this point of time) because of marketing its products successfully in the international markets simply because they realized the importance of providing a 'brand experience' to customers. Therefore, customer experience management can be used as a powerful stimulator to create and sustain the brand in International markets.

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