

**An Empirical Study on Requirement of Customer Expectancy Management**

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ABSTRACT:- “Change is expected to occur during the life of any project, but this change must be controlled and managed if the project is to be considered successful”.

Organization may have certain ideas about the optimal mix of price, speed, and quality to optimize your own operations, but unless those offerings map closely to customer expectations and interests, that information means little. Evaluate market to understand customers' priorities: Once business is geared to the metrics that customer's value, it will be easier to create and deliver value propositions that serve their needs as well as yours.

Today there is a critical need for effective and successful customer expectation management; organizations do not wait for complaints to come in the door. They try to anticipate the needs and problems of customers and to set realistic expectations through customer education and communication strategies. Research shows that 40 percent of complaints come from customers having inadequate information about a product or a service.

Using customer feedback to understand customer expectations and needs, organizations educate their customers and/or the public on what they can expect from their products and services and what obligations and responsibilities their customers have.

Meeting customer expectations without exception impacts the business by: Expanding the customer base, reducing customer attrition, increasing profit per customer by extending the customer life-cycle duration.

AN EMPIRICAL REQUIREMENT OF CUSTOMER EXPECTANCY MANAGEMENT**INTRODUCTION**

“Change is expected to occur during the life of any project, but this change must be controlled and managed if the project is to be considered successful”.

Organization may have certain ideas about the optimal mix of price, speed, and quality to optimize your own operations, but unless those offerings map closely to customer expectations and interests, that information means little. Evaluate market to understand customers' priorities: Once business is geared to the metrics that customer's value, it will be easier to create and deliver value propositions that serve their needs as well as yours.

Managing customer expectations means consistently and accurately communicating with them. When dealing with technology issues that includes not only having an installation plan, but conveying that plan to your customers. It means that when someone closes a service order, they make sure that the customer was notified about the solution.

PURPOSE OF MANAGING CUSTOMER EXPECTANCY

Failure to understand and manage customer expectations successfully over the years will accelerate a company's downfall. Today, operational profitability is not the one, longer enough. Now business success is dependent on delivering successful customer outcomes that increase loyalty and reduce turnover and the associated high costs of customer acquisition.

$$\text{Customer Satisfaction} = \frac{\text{Your Performance}}{\text{Customer Expectations}}$$

Companies are scrambling to retain customers, induce loyalty, improve customer satisfaction, and deliver appealing revenue-producing products. This is becoming ever more difficult because of:

- Increased globalization
- Trends towards decentralization
- Proliferation of interactive digital media channels, social networks, mobile messaging devices, and online communities

Today there is a critical need for effective and successful customer expectation management,”

- ❖ To ensure customer satisfaction
- ❖ Activities are occurring as expected
- ❖ Deliverables meet expectations
- ❖ Deliverable are received when expected
- ❖ Anticipated value is received & Make good decisions

STAGES IN CONSUMER DECISION MAKING AND EVALUATION OF SERVICES



Factors Influencing Customer Satisfaction:

- ❖ Product/service quality
- ❖ Specific product or service features
- ❖ Consumer emotions
- ❖ Attributions for service success or failure
- ❖ Perceptions of equity or fairness
- ❖ Other consumers, family members, and coworkers
- ❖ Price
- ❖ Personal factors
 - * The customer's mood or emotional state
 - * Situational factors

Outcomes of Customer Satisfaction:

- ❖ Increased customer retention
- ❖ Positive word-of-mouth communications
- ❖ Increased revenues



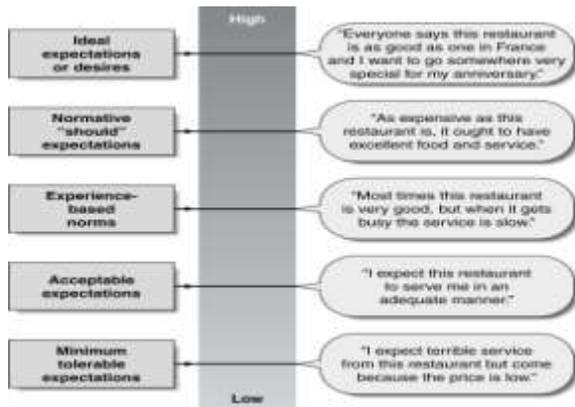
IMPACTS ON CUSTOMER EXPECTATIONS

Customer expectation management requires businesses to identify and define customer expectations. Once set, businesses have to ensure they meet these without exception.

Meeting customer expectations without exception impacts the business by:

- Expanding the customer base
- Reducing customer attrition
- Increasing profit per customer by extending the customer life-cycle duration

Possible Levels of Customer Expectations



THE REQUIREMENTS REFLECT IN THE CUSTOMER'S POINT OF VIEW

- ❖ Reliability represents: (dependability, accurate performance)
Ability to perform the promised service dependably and accurately.
- ❖ Service quality assessments are formed on judgments of: outcome quality, interaction quality and through physical environment quality
- ❖ Assurance reveals: (competence, courtesy, credibility & security)
Knowledge and courtesy of employees and their ability to inspire trust and confidence.
- ❖ Tangibles accrues: (appearance of physical elements)
Physical facilities, equipment, and appearance of personnel.
- ❖ Empathy reveals: (easy access, good communications & customer understanding)
Caring, individualized attention the firm provides its customers.
- ❖ Responsiveness represents : (promptness & helpfulness)
Willingness to help customers and provide prompt service.

CRITICAL IMPERATIVES TO BE CONSIDERED TO MANAGE CUSTOMER

Responsiveness: Design all customer-facing and impacting processes from an “outside-in” view of the business. “The customer’s perspective makes processes responsive to customer expectations”

Impact: Maintains enterprises need to measure all their business decisions by their impact on customers. “A detailed assessment of the impact on customer value yields insights into non-customer-facing decisions that are otherwise unavailable,” For example, calculating the impact of a new factory on customer value requires estimating not only the change in product costs, but also any change in product mix, product development time, delivery schedules, and quality.

Agility: Customer expectations in the global real-time economy shift quickly to align with the best value proposition in the market at the time. “This has a profound impact on business success,” she says. Having the ability to redefine customers’ expectations is “the best way to extend market share by expanding the customer relationship,”

Transparency: Complete, up-to-the-minute information about the business relationship is a critical component of customer expectation management. Today’s consumers expect to have the data available, both in a self-service mode and when they ask a company representative for help. **Reliability:** “Customers demand consistent service delivery without exception,” Businesses can only do this by standardizing their processes and creating execution metrics based on customer expectations. Companies must include the ability to determine real-time failure of any process.

Predictability: Companies can leverage business process simulation tools to predict operational barriers to deliver on set customer expectations under various market scenarios. The goal: to define mitigation in advance. “The key to creating

intentional positive customer experiences is increasing the predictability of successful customer interactions at every customer touch point.

Accountability: Companies accountable for delivering on set customer expectations. "Companies have to acknowledge customer failures when they occur," End-to-end process visibility can help them understand inter-departmental handshakes and identify contradicting key performance indicators, which they have to correct.

Managers gain from this visibility "because it lets them understand what's happening in their organizations," This improves their ability to make changes and be accountable to customers. **Empowerment:** In a world where security and control are lacking on so many levels, gaining even a small measure of power gives customers great psychological comfort and tightens their bond to any organization that is kind enough to do so," Companies can achieve customer empowerment by giving customers access to critical processes such as product configuration, returns, and payments through self-service channels.

OPPORTUNITIES IN UNDERSTANDING CUSTOMER PERSPECTIVE

Encourage Customer Complaints:

Many customers think it's simply not worth the hassle to complain. They are skeptical that the organization will do anything or they may even fear retribution.

Best-in-business organizations actively encourage customer complaints. Some companies even refer to what they do to encourage complaints as "marketing" their complaint system. Companies make consumer service cards available at the place of business. Many solicit feedback wherever they post or publish customer service standards, on all correspondence, on bills, and in the telephone directory. Some offer discount coupons to encourage customer feedback. Many publish information on how they can be contacted in more than one language. They publish 1-800 and other numbers for the company where consumers are most likely to see them;

e.g., on the product packaging. Companies also market their complaint handling systems during conferences and meetings, in annual reports, newspapers, association circulars, videos, audio tapes, letters, press releases, speeches, and training sessions and via electronic mail.

Delighting Their Customers:

The benchmarking partners often use the phrase "delight the customer" and go out of their way to exceed expectations. Often this means a compassionate ear. An insurance company has a special team that deals with the needs of grieving spouses. Companies give front-line employees the authority to award customers who have complaints with products, coupons, or even cash when it is necessary to resolve a complaint. Even public sector employees are able to give certain products and services to customers with complaints. For example, the U.S. Postal Service can give up to \$20 in stamps when it is appropriate.

One service company sets no limits on the front-line employees' authority but tracks company norms for what it takes to resolve particular types of problems. Team leaders look at and discuss variances from these norms. Additionally, employees share ideas for ways to resolve complaints creatively within or below company norms.

Customer Survey:

Organizations demonstrate a commitment to understanding the customer's perspective. Most of the benchmarking partners send surveys to customers who have complained recently to see how satisfied they were with how the complaint was handled. Some call the customers to determine satisfaction. One organization surveys every fourth customer with a complaint. Another described complaints as "free information" about their customer's needs and expectations.

Organizations supplement surveys of people who complain with routine and often extensive data collection tools in order to understand their customers. Customers are surveyed to determine their level of satisfaction with existing services. Surveys are sent with questions, often in a Likert Scale format where the customer can select the degree of satisfaction on a scale, e.g., from one to five.

These surveys assess customer satisfaction with existing services, delivery of services, helpfulness of employees, and overall performance of the organization. Some companies add a few short questions to the end of customer calls or correspondence. Companies also survey their front-line employees for their attitudes as well as for their ideas for improved service, asking their employees to take the customer's perspective. After the nearby community complained about noise levels, the Red River Army Depot changed the times they detonated ammunition and put "listeners" (members of the

community) at check-points throughout the surrounding area to monitor noise levels. It focus on clear customer target groups. One company that serves a wide variety of customers decided to focus on its high-volume business customers.

Three months after a high-volume business customer has complained, the company follows up to find out whether they are still using their services and, if not, the reasons for dissatisfaction. In addition, the company routinely solicits feedback before, during, and after service. It conducts focus groups and has established a Customer Advisory Council to drive decisions related to this key target group.

CONCLUSION

Organizations do not wait for complaints to come in the door. They try to anticipate the needs and problems of customers and to set realistic expectations through customer education and communication strategies. Research shows that 40 percent of complaints come from customers having inadequate information about a product or a service. Using customer feedback to understand customer expectations and needs, organizations educate their customers and/or the public on what they can expect from their products and services and what obligations and responsibilities their customers have. Rarely, it is not possible for a customer to give what they would like, in that moment customer will feel that he or she has been heard and has been treated fairly. Customer expectancy managed in this 2013 with a number of techniques convey concern--calling customers and telling them the company understands; giving the customer the best explanation they can; and being open and honest with customers concerning laws and policies of the organization.