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Customer Satisfaction Impacts on Product Life Cycle (PLC)
A Study Towards Services Industry

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ABSTRACT

From the beginning of the "Customer Service Revolution" almost 20 years ago, a body of business research has focused on customer satisfaction and customer-focused organizations. Business consultants, corporations and others have worked to identify the characteristics of organizations that consistently please their customers, to develop tools for monitoring customer satisfaction, and to build continuous, quality improvement systems that respond to consumer feedback.

Customer Satisfaction differs depending on the situation and the product or service. A customer may be satisfied with a product or service, an experience, a purchase decision, a salesperson, store, service provider, or an attribute or any of these. 3 some researchers completely avoid "satisfaction" as a measurement objective because it is "too fuzzy an idea to serve as a meaningful benchmark." Present scenario is always expects at par satisfaction in every aspect as in case of services industry also so the customer has to be cater with caring

- *Customers first*
- *Accept responsibility*
- *Reach out and help*
- *Initiate contact*
- *Nurture others*
- *Give attention to detail*

The vice president of Crothall Health Care developed customer service standards for the hospital housekeeping department by thinking about cleanliness from the patient's perspective. "One of the standard points of everyday cleaning is the floor around the patient's bed. However, when you think about it, patients spend most of their time looking up toward the ceiling and lights, or at the wall at the foot of the bed." The housekeepers subsequently added light checks as part of their routine.

Keywords : Customer Satisfaction, Product Life Cycle, Services

INTRODUCTION

Building on its longstanding work to improve the quality of services that affect public well-being, the Center for the Study of Social Policy has developed a Customer Satisfaction Initiative with sustainability of PLC. The Initiative tests whether successful consumer models used by market industries to ensure customer service and satisfaction can be applied effectively to improve the quality of services in targeted low-income neighborhoods. Goals of the initiative are to:

- Improve the responsiveness and effectiveness of service providers in target areas;
- Link regular customer feedback to quality service improvement plans;
- Change the power balance for customers in poor and vulnerable neighborhoods and the organizations, agencies and workers that serve them; and
- Promote a consumer base that is more informed and ready to take action in their neighborhoods and communities.

What is a product?

The term 'Product' is widely used to refer a market offering of any kind. In its broadest sense this may be anything from the physical to the abstract – an idea or a moral issue. Generally, however, most products are made up of a combination of physical elements and services. This is true in services marketing, where the service offering can include tangible features, such as food in a restaurant, or be a 'pure' service, intangible in nature.

A service product refers to an activity or activities that a marketer offers to perform, which results in satisfaction of a need or want of predetermined target customers. It is the offering of a firm in the form of activities that satisfies needs such as hair styling done by a barber.

Consumers will buy only what suits them. As customers, we buy different kinds of products and services to satisfy our various needs. We buy toothpaste, butter, shaving cream, pen, scooter, and ticket for the U.S.A and many other such items in our daily life. As we understand, our decision to buy an item is based not only on its tangible attributes but also on psychological attributes such as services, brand, package; warranty, image, and etc. discussions about the marketing of goods apply to services as well. Services have special characteristics that make them different than products.

At the time of product planning, the marketer has to think about FIVE types of benefits which are represented in figure 1.

Figure 1: Product Levels and Benefits
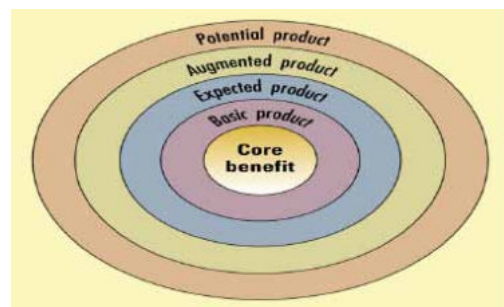
From Generic to Potential product - Most of you would be aware that a product has a personality of several components-like the physical products, the brand name, the package, the label etc. all of us know that most of the products are undergoing a constant change and the marketing man has been constantly engaged in enriching his product offer. In his attempt to score over competition, he has been bringing about refinement on his basic product offer, but managing the product was becoming more and more difficult. Hence the product traveled various levels:

The Core Product
➢ The Generic Product
➢ The Branded Product
➢ The Differentiated Product
➢ The Customized Product
➢ The Augmented Product
➢ The Potential Product

The Core benefits: what does the product mean to the customer? For example, a car offers generic benefits of convenience in traveling.

Generic product- Is the unbranded and undifferentiated commodity like rice, bread, flour or cloth.

Branded Product- The branded product gets an identity through a 'name'. Modern bread, Harvest is branded product. We would study in detail about brand name in the brand section.

Differentiated Product- The differentiated product enjoys a distinction from other similar products/brands in the market. The differential claimed may be 'real', with a real distinction on ingredient, quality, utility, or service, or it may be 'psychological' brought about through subtle sales appeals.

Customized Product- Customer specific requirements are taken into account while developing the product. Commonly practised in the industrial product marketing, where the manufacturer and the user are in direct contact and the product gets customized to the requirements of the customer.

The Augmented Product -The augmented product is the result of voluntary improvements brought about by the manufacturer in order to enhance the value of the product, which are neither suggested by the customer nor expected by them. The marketer on his own augments the product, by adding an extra facility or an extra feature to the product.

The Potential Product - The potential product is tomorrow's product carrying with it all the improvements and finesse possible under the given technological, economic and competitive condition. There are no limits to the 'potential product'. Only the technological and economic resources of the firm set the limit.

Why Organizations Focus on Customer Satisfaction?
Businesses monitor customer satisfaction in order to determine how to increase their customer base, customer loyalty, revenue, profits, market share and survival. Although greater profit is the primary driver, exemplary businesses focus on the customer and his/her experience with the organization. They work to make their customers happy and see customer satisfaction as the key to survival and profit. Customer satisfaction in turn hinges on the quality and effects of their experiences and the goods or services they receive.

Product differentiation - Is the act of designing a set of meaningful differences to distinguish the companies offering from competitor's offerings? The number of differentiation opportunities varies with the type of industry. The Boston consulting group has distinguished four types of industries based on the number of available competitive advantages and their size.

1. **Volume industry:** One in which companies can gain only a few, but rather large, competitive advantages.

2. **Stalemated industry:** One in which there are a few potential competitive advantages and each is small.
3. **Fragmented industry:** One in which companies face many opportunities for differentiation, but each opportunity for competitive advantage is small.
4. **Specialized industry:** One in which companies face many differentiation opportunities, and each differentiation can have a high payoff.

PRODUCT LIFE CYCLE
PLC portrays distinct stages in the sales history of a product. Corresponding to these stages are distinct opportunities and problems with respect to marketing strategy and profit potential. By identifying the stage that a product is in, or may be headed toward, companies can formulate better marketing plans.

To say that a product has a life cycle is to assert things:
❑ Products have a limited life.
❑ Product sales pass through distinct stages, each posing different challenges to the seller.
❑ Profits rise and fall at different stages of the product life cycle.
❑ Products require different marketing, financial manufacturing, purchasing, and personnel strategies in each stage of their life cycle.

Most discussions of product life cycle (PLC) portray the sales history of a typical product as following an S-shaped curve which has been represented in figure 2. This curve is typically divided into four stages, known as introduction, growth, maturity, and decline.

❑ **Introduction:** A period of slow sales growth as the product is introduced in the market. Profits are nonexistent in this stage because of the heavy expenses of product introduction.

❑ **Growth:** A period of rapid market acceptance and substantial profit improvement.

❑ **Maturity:** A period of a slowdown in sales growth because the product has achieved acceptance by most potential buyers. Profits stabilize or decline because of increased marketing outlays to defend the product against competition.

❑ **Decline:** The period when sales show a downward drift and profits erode.
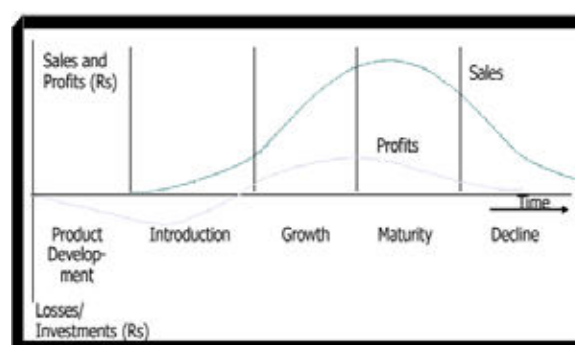

Figure 2: Product Life Cycle

Designating where each stage begins and ends is somewhat arbitrary. Usually the stages are marked where the rates of sales growth or decline become pronounced. Polli and Cook proposed an operational measure based on a normal distribution of percentage changes in real sales from to year.

Those planning to use the PLC concept must investigate the extent to which the PLC concept describes product histories in their industry. They should check the normal sequence of stages and the average duration of each stage. Cox found that

a typical ethical drug spanned an introductory period of one month, a growth stage of six months, a maturity stage of 15 months, and a very long decline stage – the last because of manufacturers' reluctance to drop drugs from their catalogs. These stage lengths must be reviewed periodically. Intensifying competition is leading to shorter PLC s over time, which means that products must earn their profits in a shorter period.

CUSTOMER SATISFACTION SURVEYS
Surveys and questionnaires are the most common marketing research methods. Typically, they are used to:

- Assess the level of customer satisfaction with a particular product, service or experience;
- Identify factors that contribute to customer satisfaction and dissatisfaction;
- Determine the current status or situation of a product or service;
- Compare and rank providers;
- Estimate the distribution of characteristics in a potential customer population; or
- Help establish customer service standards.

STRATEGY FORMATION TOWARDS CUSTOMER SATISFACTION
The strategy issue is also a very important element of customer satisfaction, primarily because it sets the tone for the appropriate training, behavior, and delivery of the specific service. There are four items that the strategy for service quality ought to address

1. Customer service attributes. The delivery of the service must be timely, accurate, with concern, and with courtesy. One may ask why these elements are important. The answer is that all services are intangible and are a function of perception. As such, they depend on interpretation. In addition and perhaps more importantly, service by definition is perishable and if left unattended, it can spoil on the organization.

For example, caring will show that, indeed, you are interested in what the customer will have to say. You may spend time with a customer to find out the customer's real needs, wants, and expectations.

Furthermore, you may go as far as suggesting the services of someone else or some other company.
- You must be observant.
- You must be mindful.
- You must be friendly.
- You must be obliging.
- You must be responsible
- You must be tactful.

2. Approach for service quality improvement. The basic question one must be able to answer is why bother with service quality? The answer is in a three prong approach. The first is cost, the second is time to implement the program, and the third is the customer service impact. Together, they present a nucleus for understanding and implementing the system that is responsive to both customers and organization for optimum satisfaction.

3. Develop feedback systems for customer service quality. The feedback system one chooses will make or break the organization. Make sure not to mix the focus of customer satisfaction and marketing. They are not the same. The focus of customer service and satisfaction is to build loyalty, and

the focus of marketing is to meet the needs of the customer profitably. The concern here is to make sure that a goal exists (a reporting system for measurement is appropriate and useful for the particular service) and to reach the reward of service quality.

4. Implementation. Perhaps the most important strategy is that of implementation. As part of the implementation process, management must define the scope of the service quality as well as the level of customer service as part of the organization's policy. Furthermore, they must also define the plan of implementation. The plan should include the time schedule, task assignment, and reporting cycle.

METHODOLOGY

Classical tools and methodologies to identify and focus on customer satisfaction include:
- Quality function deployment
- Benchmarking
- Focus groups
- Survey instruments
- Interviews
- Internal auditing

Perhaps one of the most difficult issues in non-manufacturing organizations in identifying customer concerns is not so much what the customer needs, wants, and expects, but rather understanding what the organization's core processes and enabling functions are and how they work together to deliver what the customer needs, wants, and expects. To appreciate the six sigma methodology in any organization and to receive the most out of the methodology, the main processes and the enabling functions should be identified and simplified to sub-processes.

CONCLUSION
The characteristics and strategies of successful customer service organizations outlined in this paper apply to public as well as entities:
- Customer-focused mission statements,
- Customer-oriented organizational culture,
- Attention to the total customer experience,
- The key role of frontline staff and strategies for promoting complete
- customer satisfaction by staff, and
- Strategies for monitoring and improving customer satisfaction.

In addition to directly applying these business-derived strategies to the public sector, emerging strategies are being developed to counteract some of the challenges that public service customers experience.

To put these principles into practice will require fundamental changes in public services, including:
- **More fully informed citizens.** "Public agencies must fi nd much more innovative ways of informing people about their rights, listening to their ideas and proposals and helping them to navigate through bureaucratic labyrinths."
- **Putting user involvement at the core of agencies' missions and tasks.**
- **Public policies that create national cultures of user involvement** and consistent commitment from different sectors of society.
- **Users as recipients and actors** who, in addition to having the right to be involved, are responsible for playing a full and active part in services.
- **User involvement in evaluation of service outcomes,** including selection of criteria for evaluation

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