

Finding the value embedded in brand and customers transactions

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Abstract

This study is based on the exploratory study based on the previous researches and making inferences from the researches. This study discusses various value concepts. Customer value perception and firm value concept is discussed. The concept of value with various form is discussed. Measurable value concept is discussed with reference to futuristic monetary output. These underline values are defined and discussed for strategy development. This study is based on the data the secondary data and framework is based on the tertiary data sourced from the various sources.

Key Words:

Superior customer value, customer value, word of mouth, business value.

Introduction

“The target of the organisation to take over the competition was internal improvement which includes quality management, reengineering, downsizing, and restructuring and we need outwards orientation as well which is the future that is superior customer value delivery.” (Woodruff,1997).Satisfaction and value are two different concepts but they are complementary and associated concepts. (Eggert, &Ulaga,2002). If we find the applied value concept and capable of measuring the value. It will help in developing the better business strategy and provide us with edge over the competition. (Parasuraman,1997).Woodruff defines the concept of customer value as”

“Customer value is a customer's perceived preference for and evaluation of those product attributes, attribute performances, and consequences arising from use that facilitate (or block) achieving the customer's goals and purposes in use situations.”

Customer satisfaction, customer loyalty and switching cost have strong interrelation. (Lam, Shankar, Erramilli, & Murthy,2004). Service quality and customer value perception have positive relationship and customer value perception has negative association with pricing and no relationship with the service quality. (Oh, 1999). This research is secondary and tertiarydata-based research which basically focuses on the concept of the qualitative arena and which is an attempt to provide the quantitative links to the study. The hidden and inherent value associated with brand is discussed and this study will definitely help to develop basic understanding of the concept of the value creation.

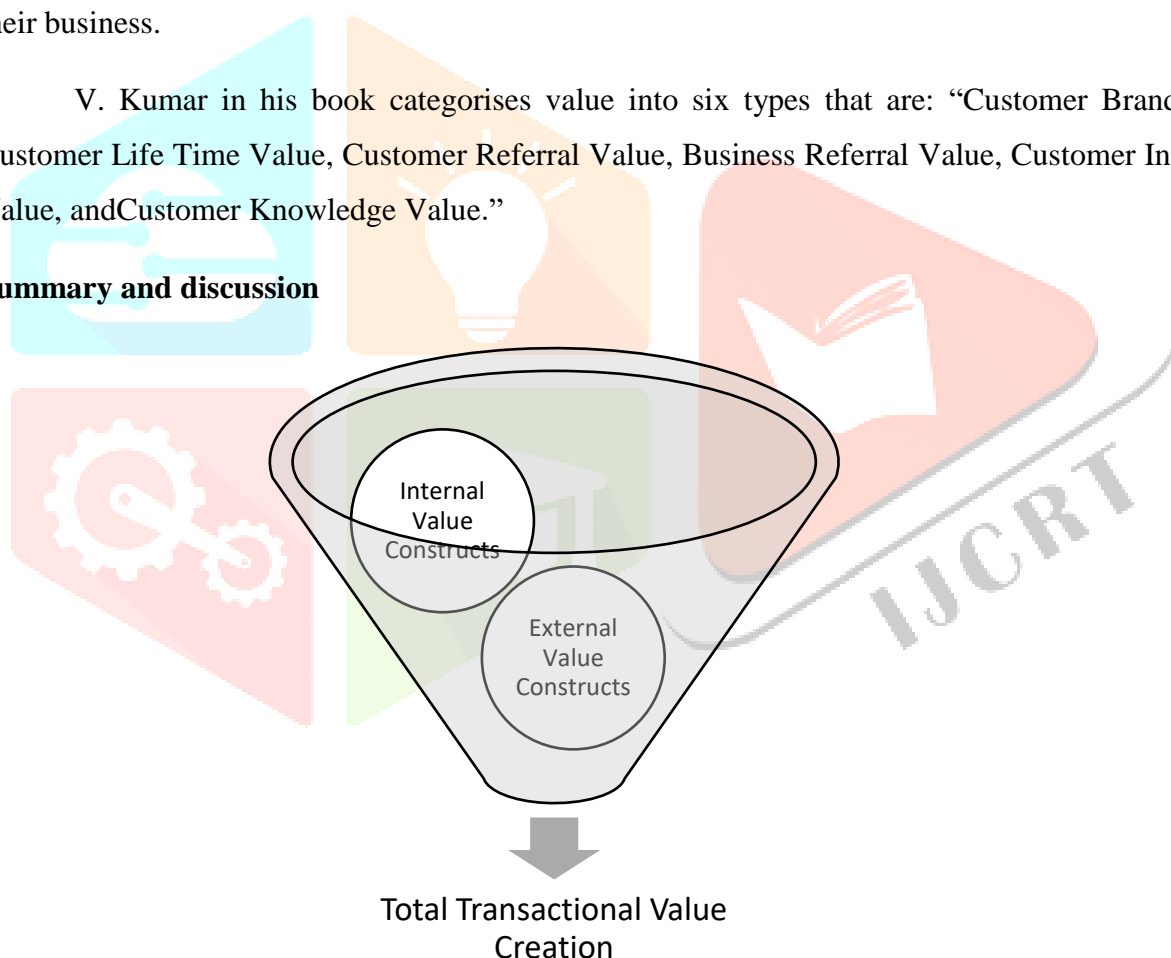
Conceptualisation of the value

A business can tap the business/brand value if they are capable to provide the customer with the superior customer value in accordance with their perception. Classification of concept of value can be defined with frames of reference. Instrumental value, experimental value, symbolic value, expressive value, functional value, hedonic value, financial value and invested value are some examples of value concepts.

Orientation of the value can be in two another way like customer prospective and the value the organisation getting from the customer. In this study the basic focus of the study is to define and find the connections between these two. This will be the great business strategy if implemented with the proper way. Customer orientation is the basically what he is getting in the transactional relationship. Customer is the heart of the business as every business house wants to grab them into their business.

V. Kumar in his book categorises value into six types that are: “Customer Brand Value, Customer Life Time Value, Customer Referral Value, Business Referral Value, Customer Influential Value, and Customer Knowledge Value.”

Summary and discussion



(Woodruff,1997).

Internal constructs of the value are on which firm investing for improving the internal structure of the organisation. This is focusing on the employees' capability, efficiency of the manufacturing system, product features etc. But argument is that the most important identity for business transaction is customer for any organisation. Hence, company should shift their approach towards strategy development whose cardinal point is customer.

We are now transferring the discussion from what customer get in the form to what brand get from the value creation through various techniques.

➔ Customer Life Time Value

If we are using proper strategy to make customer satisfied and loyal. There is the great possibility get this value. Customer lifetime value is defined as the value that company can get in the form of money from the customer throughout their relationship life. Customer life time value is a good tool if we are able to measure with proper accuracy. Knowing this tool will help company into deciding the investment prospective on the specific customer.

➔ Customer Referral Value

Customer referral value is the term which covers the pushed form of referral initiated by the firm by giving some benefitted to the existing customers. In this situation organisation has to decide. How much of the investment should be done and in which way? But this concept is also associated with the future prospects on the ground created by existing customer referrals.

➔ Business Referral Value

This is the case where the business to business relationship is taking place similar to the above discussed value. The different from above as this is the case of business to business relationship as client referrals are associated, and the point of concern is extent of monetary benefit associated with the referrals.

➔ Customer Influential Value

This concept or tool is tough to manage but it has great opportunity to create value for the firm if developed and utilised. It can be said as that this is the tool which is nearly same as word of mouth(WOM). Brand has to decide future returns from the specific customer and the second important thing to consider is the influence of the person on the other prospecting customers. The tough thing in the situation is measuring this future value in the form of the monetary benefit and invest accordingly.

➔ Customer Knowledge Value

Innovation is well known concept, but is it only possible by the employees, owners or outside researchers? This innovation is not only associated with manufacturing of the goods and services but also the uses of the product. Customer can help in innovation of the product and the innovative uses of the product. Customer can help in customisation of the product and services. This is another way using customer knowledge into firm value creation. This value is also measured in the context of future monetary return by investing on the existing customer.

➔ Customer Brand Value

The concept of all social science research is that most of the concept under developed needs qualitative research and asking a quantitative output. The same problem with the value measuring concept is arises. Some researches created a framework of measuring the value creation. But further research needed as there are various problems associated with the concept.

Conclusion

This value concept is having reversible action based that means have both action and reaction-based concept. Value creation can be done for customers and the value will be provided to the brand in other form. This methodological process of value delivery from customer to brand and brand to customer is discussed. The measurable concept of value creation is discussed. This value can provide with adding new products and accessories. Marketing mix can be created with the help of observing behaviour of customer purchase. Consider the customer as brand ambassador by observing their interaction with the firm in visiting, calling form etc. Provide them with the proper incentives for referrals, customisation or any other reason. Provide the customer with new experiences for associating with the brand.

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