

Title	Customer experience and emotional value in industrial service systems
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Citation	Frontiers in Service Conference, 22 - 25 June 2017, New York, NY, United States. Fordham University Gabelli School of Business (2017), 1 page
Date	2017
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Customer experience and emotional value in industrial service systems

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Introduction / background

- Various studies emphasize the meaning of customer experience in consumer services: Hotels, restaurants, shopping malls and travel agencies are working hard for creating unique experiences for consumers in business to consumer (B2C) relationship.
- Machine and equipment manufacturers in business to business (B2B) relationships are usually trying to offer and market best available products with streamlined processes. Focus is typically on the lean management, cost reduction and smooth supply chains.
- Manufacturers are offering services (e.g. installation and maintenance), today also information and data services supporting product lifecycle.
- Services are today crucial part of the offerings, but the competitive advantage is becoming from the business model and the way of operating in service system.

Research Design

- This study indicates how the customer value is created and what are the value creation determinants in B2B service systems. This research is based on the multiple case studies.
- Research questions:
 - Why don't suppliers and manufacturers in B2B environment try to offer new experiences and good feelings for their customers, as in B2C context?
 - Do the companies have enough understanding what is valuable for customers and what they really appreciate?
 - Which kind of organization structure is needed for the value creation in the future?

Value creation in B2B context

- Success is increasingly dependent on the company's ability to extract value from knowledge resources rather than physical resources.
- Customers are looking for successful brands, trusty relationship and flexible operations, rather than lowest possible price or technical features for example -> need to understand value creation determinants
- Companies offering unique experiences and customer journeys should describe the process from start to finish and, take into account the business impact of optimizing the journey.
- Practitioners should analyze the future customer value; what is valued by customer in the future; which kind of technologies, products and services create added value for the individual customers
- Value determinants: functional, economic, emotional and symbolic value

Reliability	Price	Quality	Ease of doing business	Flexibility
Security of supply	Cheapest	Quality of service	Fast learning ability	Living with the customer
Accuracy	Transparency	Expertise	Accessibility	Change management
Faultlessness	Low total costs	Response time	Openness	Ability to easily change schedules
Sufficient capacity	Reasonable purchasing price	Product quality	Presence	No additional costs in case of schedule changes
Professional skills	Customer benefits	Durability	Simplicity	Offering alternatives
Honesty	Supporting customer's business opportunities	Fine-tuning	Multichannel	Response time
Previous experience	Quality	Uniform quality	Efficient time management	Problem solving
Keeping promises	Security of supply	No extra effort needed from customer	Seller's expertise	Supporting customer's business
Standardized processes	Availability	Exceeding the agreed level of quality	Clarity of options	Ability to respond to cyclical and seasonal needs
Accuracy of availability estimation		Supporting customer's customer promise	Ready-made solutions	Responsiveness
Interface management		Raw materials quality	Reliability	Commitment
		Security of supply	Personality of service	
			Ease of use	

Table 1. Value creation determinants in case studies

Future organizations and competencies

- The traditional business functions, such as product development, IT, manufacturing, logistics, marketing, sales, and after-sales service, are being redefined in digitalization era.
- The competencies today might not fit in the future requirements and in the new forms of creating new value for customers (e. g. big data analytics, usage of digital tools, sensor technologies, etc.)
- New business models are needed for industrial service systems in digital era.

Conclusions

- Emotional value determinants have an effect on customers' decision making and experience
- Companies ensuring the employee diversity have a higher likelihood to innovate and capability to create better customer experience and value.
- Companies should align their diverse resources and skills according to the strategic choices and customer requirements, by ensuring:
 - The right task (linking strategy to the actions)
 - The right people (employment, capabilities)
 - The right setting ("attitude", organizational environment)

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