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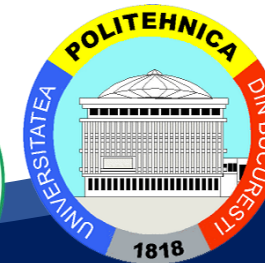


# Course 15: Customer Experience-Driven Design

**Module 2:** Customer Experience Value Creation

**Topic 2:** Customer Perceived Value Model

Pisut Koomsap (AIT), Duangthida Hussadintorn Na Ayutthaya (AIT)



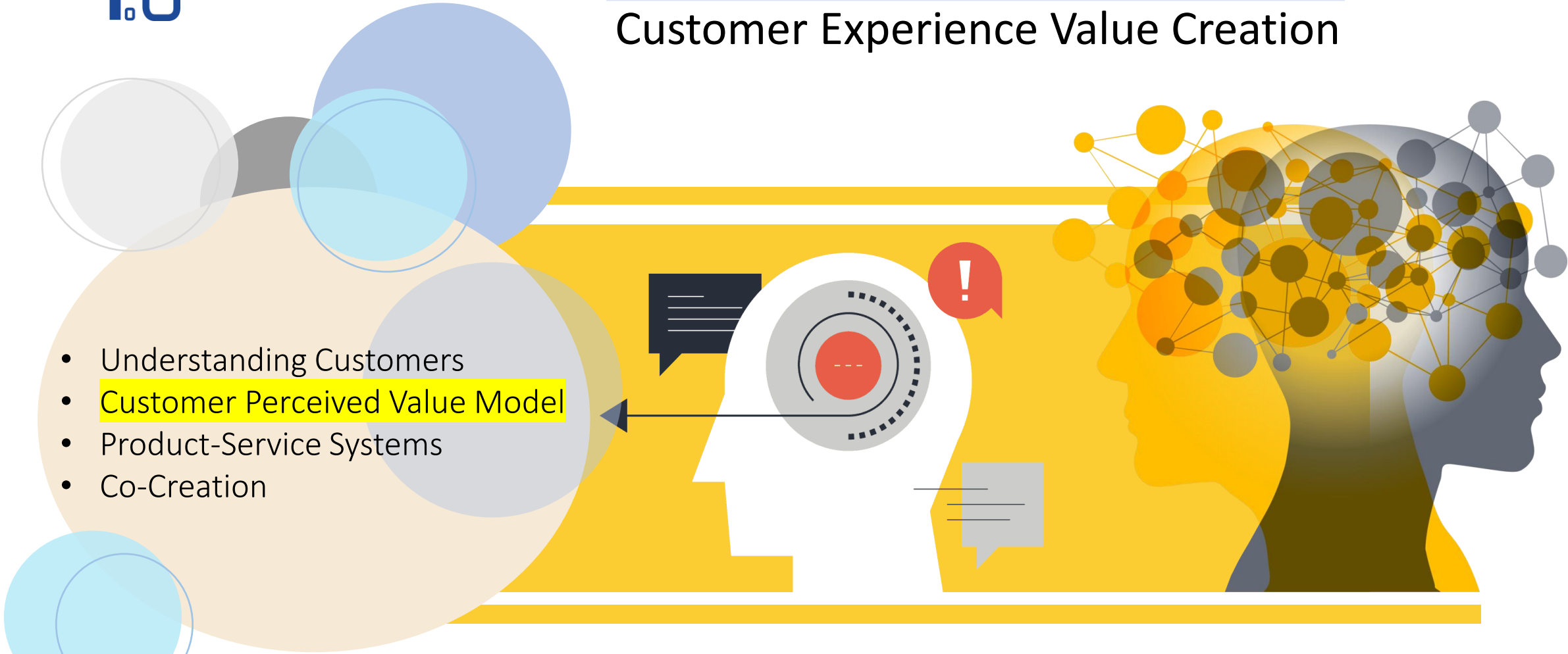
Curriculum Development  
of Master's Degree Program in

Industrial Engineering for Thailand Sustainable Smart Industry

## Module II

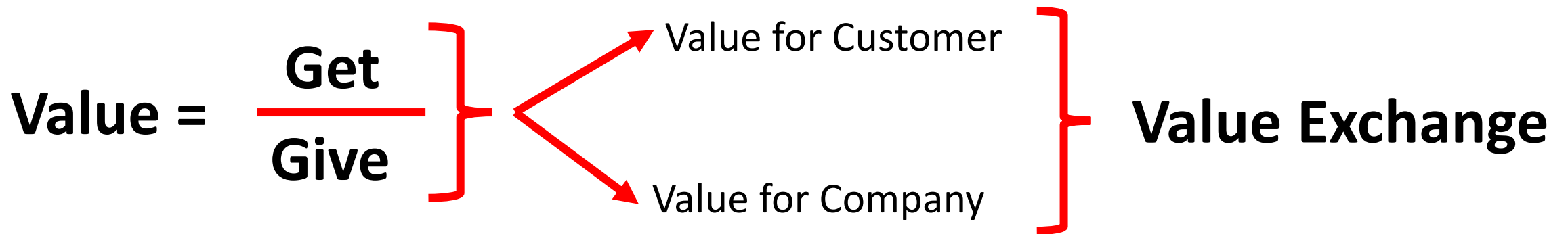
### Customer Experience Value Creation

- Understanding Customers
- Customer Perceived Value Model
- Product-Service Systems
- Co-Creation

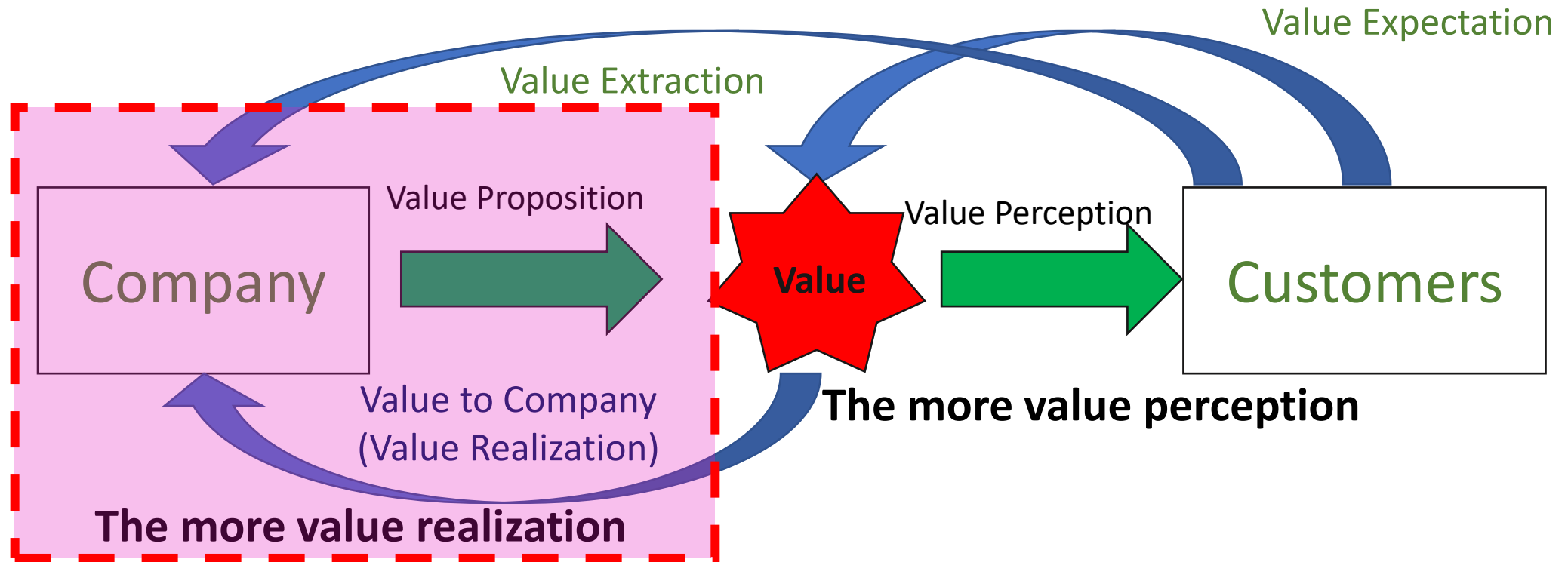


# Definition of Value

- Definitions for “Value”
- Value = Overall assessment of utilities towards an offering based on perceptions of what received and what given



# Value Exchange Model



The role of “Value Creation”

The role of “Value Consumption”



# Evolution of Value Proposition

## Evolution of Value Proposition

Time



### Commodity Extraction

Self-Value Extraction-  
Based  
→ Characteristics are  
proposed

### Goods Proposition

Tangible features of  
goods are the key  
to propose in order  
for customer satisfy

### Services Proposition

Intangible benefits  
are the key to  
deliver in order for  
customer to satisfy

### Experience Proposition

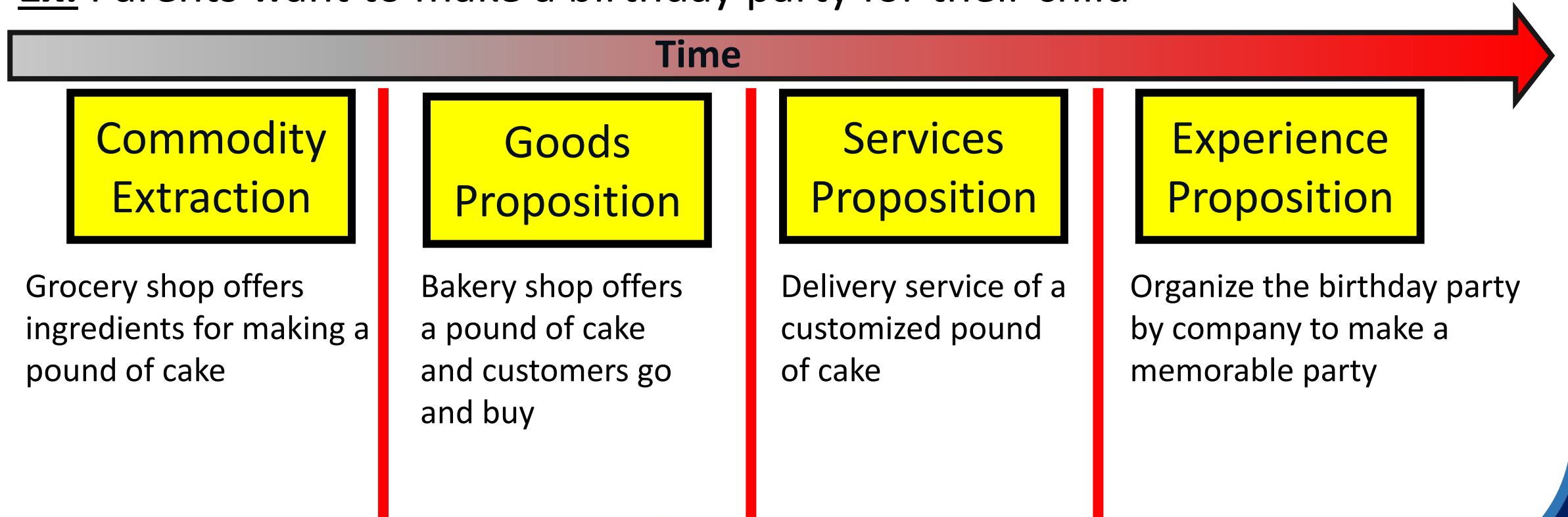
The focus is on the stimulation  
of “Feelings” through  
interaction with the offerings



# Evolution of Value Proposition

A Legendary Example on Evolution of Value Proposition

**Ex:** Parents want to make a birthday party for their child



Pine, B. J., & Gilmore, J. H. (1998). Welcome to the experience economy. *Harvard business review*, 76, 97-105.

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Differentiated

# The Progression of Economic Value: Coffee

Competitive Position

Undifferentiated



Market

Pricing

Premium

Pine, B. J., & Gilmore, J. H. (1998). Welcome to the experience economy. *Harvard business review*, 76, 97-105.

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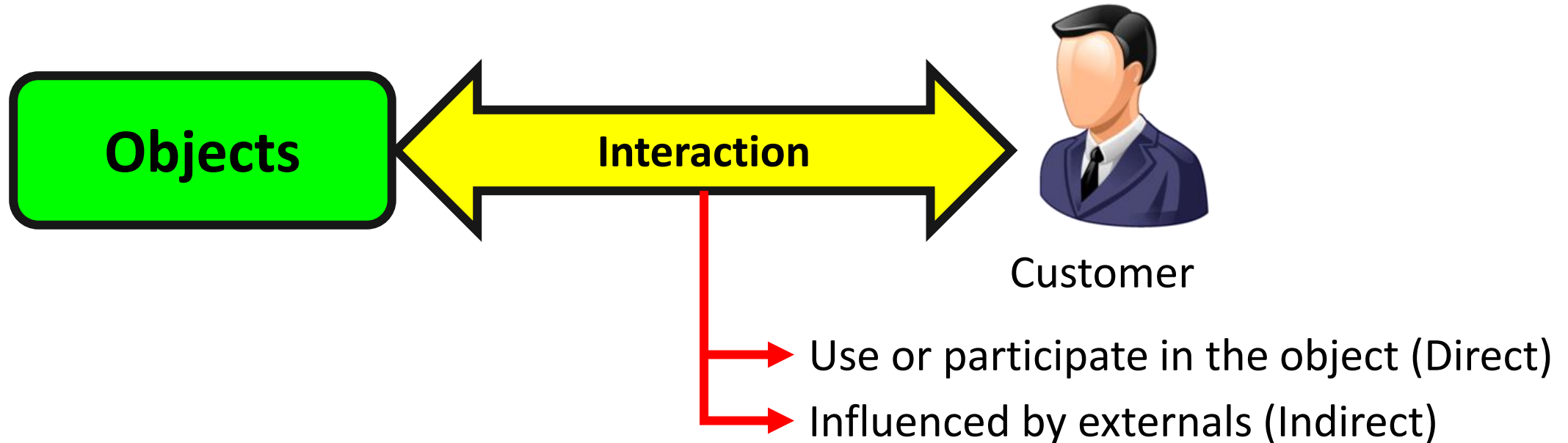
Experience proposition will be the next competitive battle ground

→ It's important to comprehend the way how customers perceive the experience



# Customer Experience (CX)

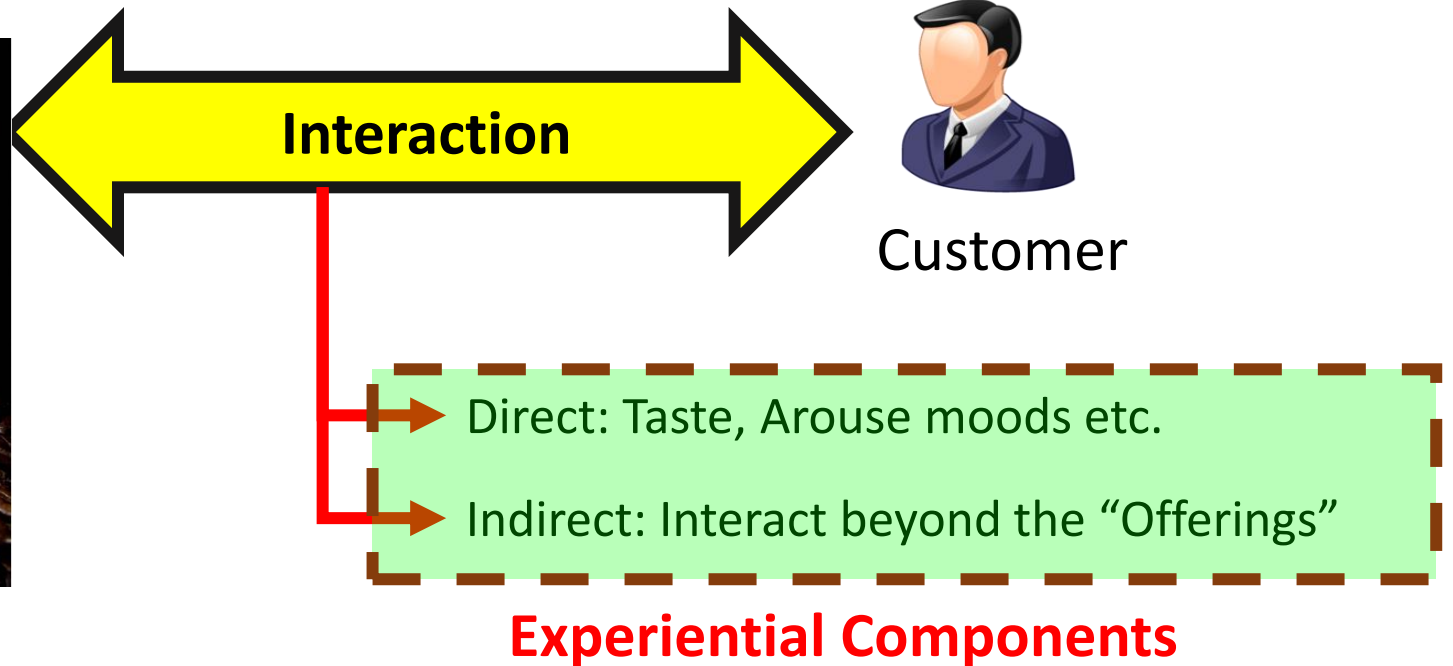
- CX: A set of interactions between customer and objects
- Direct & Indirect Interaction



# Customer Experience (CX)

- CX: A set of interactions between individual customer and objects
- Direct & Indirect Interaction

Ex.



# Value Exchange Model



**Company**

Value proposition

Value realization



Value perception

Value expectation

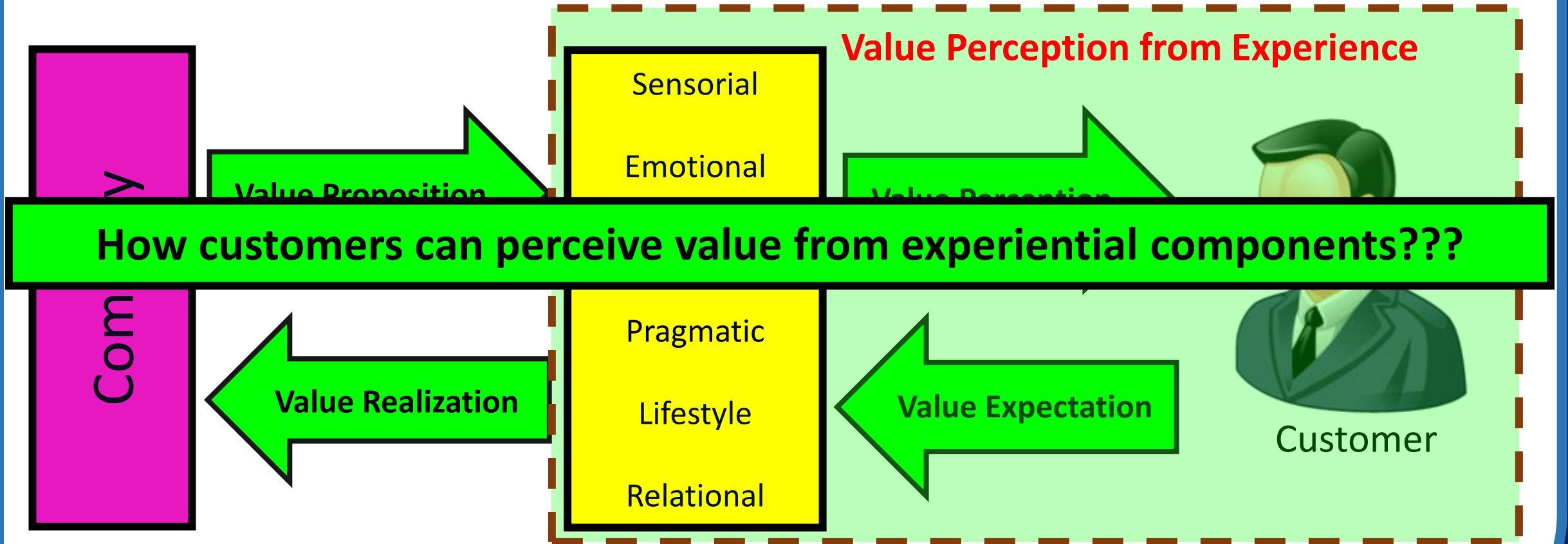


**Customer**



# Experience Proposition and Perception

- The existing model on experience proposition and perception

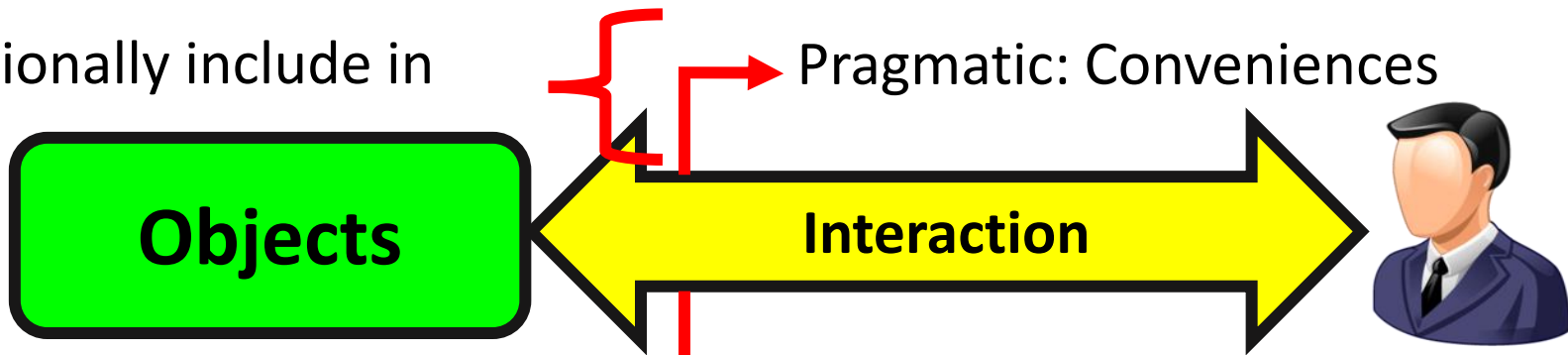


Gentile, C., Spiller, N., & Noci, G. (2007). How to sustain the customer experience: An overview of experience components that co-create value with the customer. *European management journal*, 25(5), 395-410.



# Experiential Components

Additionally include in later



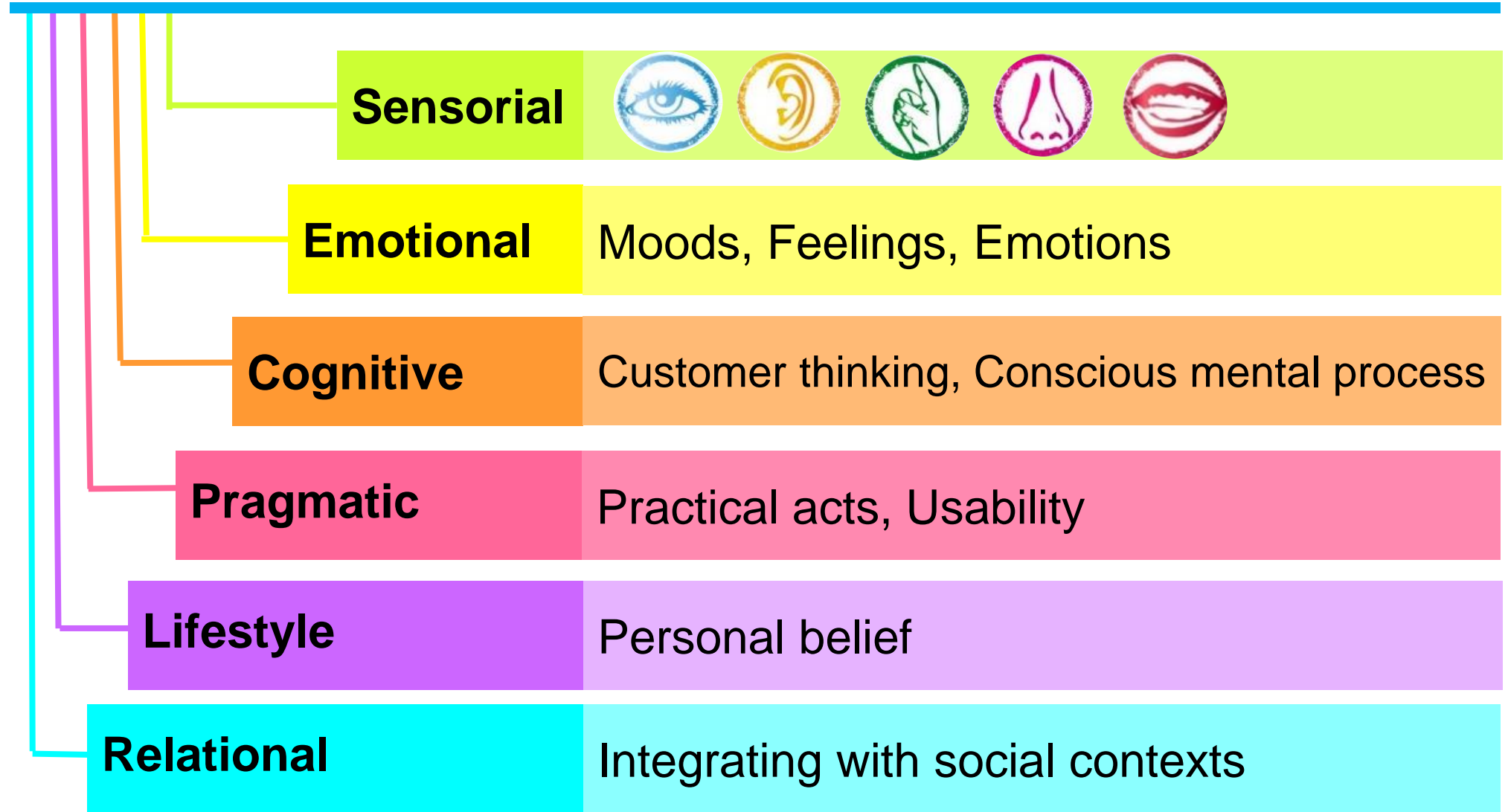
Customer

Initially: Only 5 Experiential Components

- Pragmatic: Conveniences
- Senses: multimodal of human senses
- Emotion: Feelings
- Cognition: Recognition of characteristics in the past
- Lifestyle: "Image of Individual"
- Relation: Relate individual to outside private state

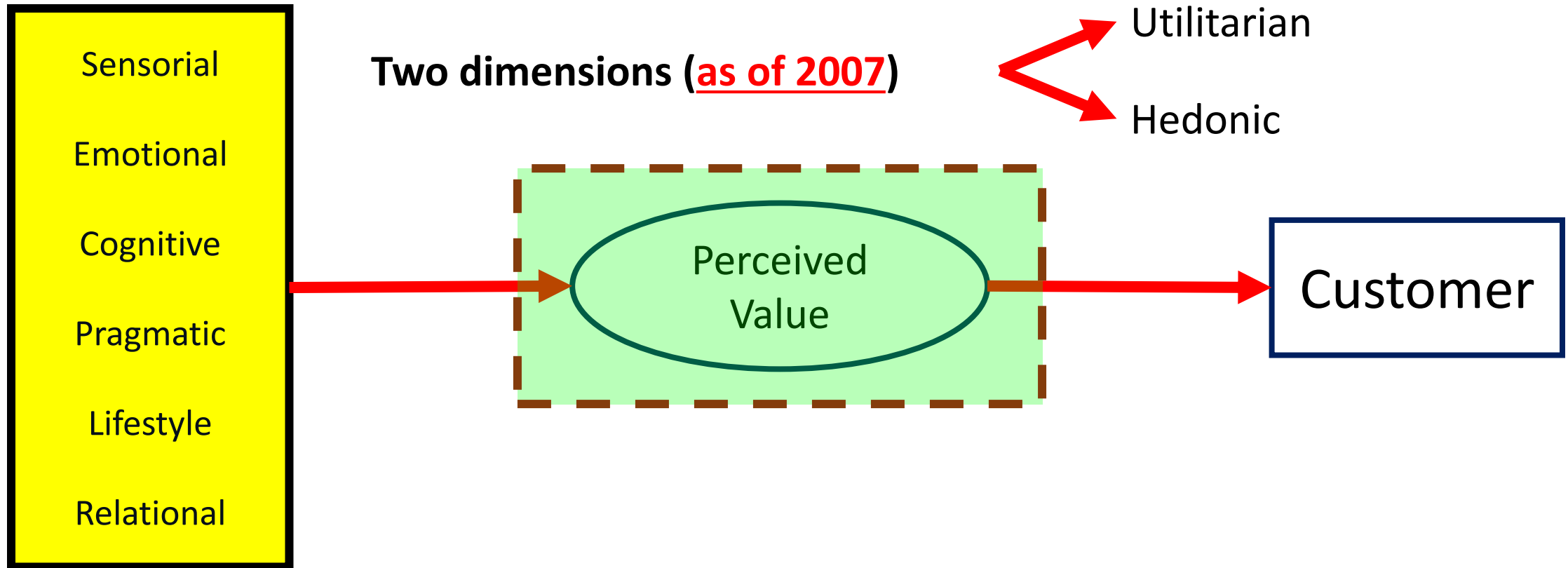


# Channels of Value Perception



# Value Perception through Experience

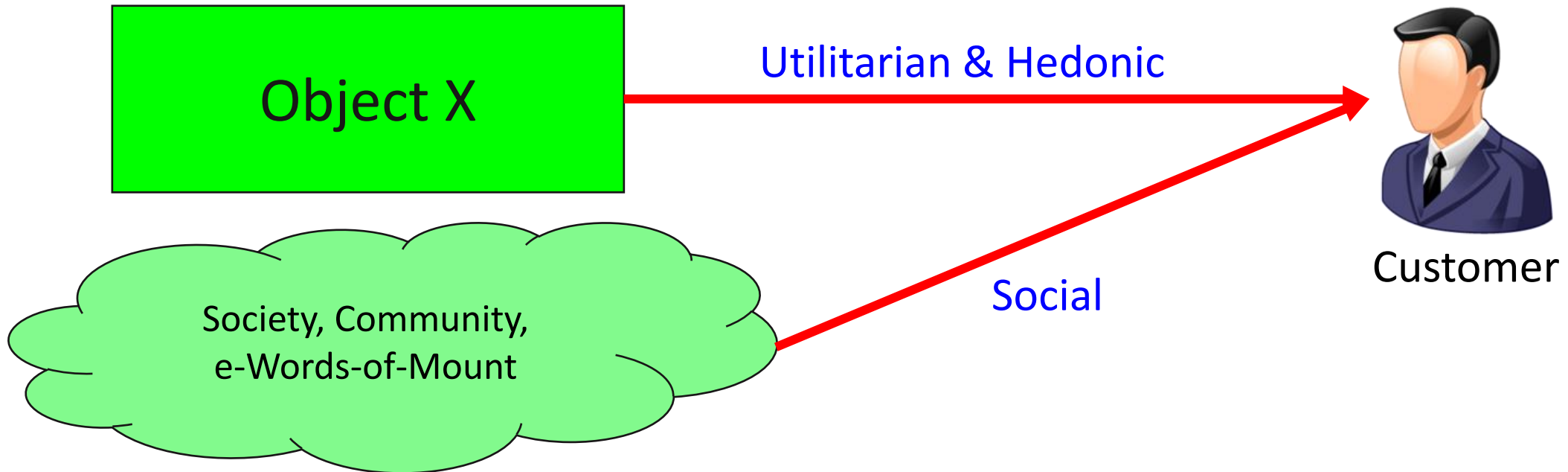
- Zoom in the forward pass of **Existing** Customer Perceived Value through experience





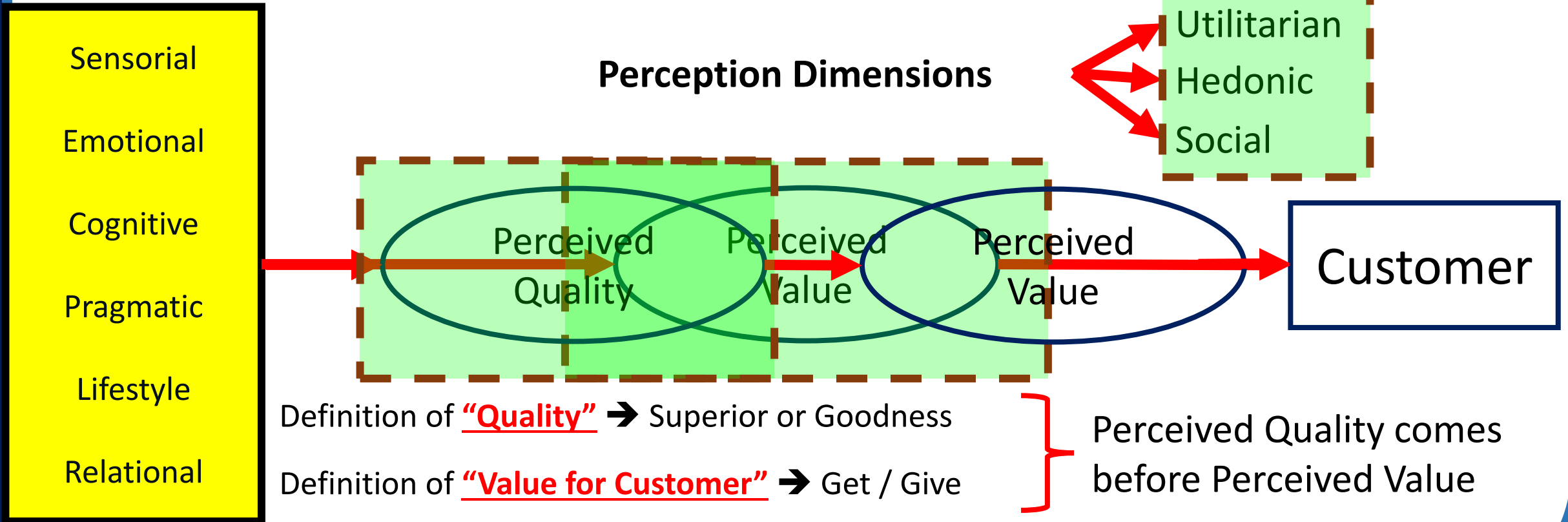
# Value Perception through Experience

- What happen in the “Sociology of the Internet” (since mid-2000s)?
  - → Internet is a source of information and communication
  - → Prevailing of “Social Media”, “Virtual Community”



# Value Perception through Experience

- → **Social** is important in the “Sociology of the Internet”:





# Value Perception through Experience

- To conclude the definition of each quality dimension:

## Customer Perceived **Utilitarian** Quality

→ The judgments on superior or goodness that customers have towards offerings regarding functions, performance of the offerings (Objectively)

## Customer Perceived **Hedonic** Quality

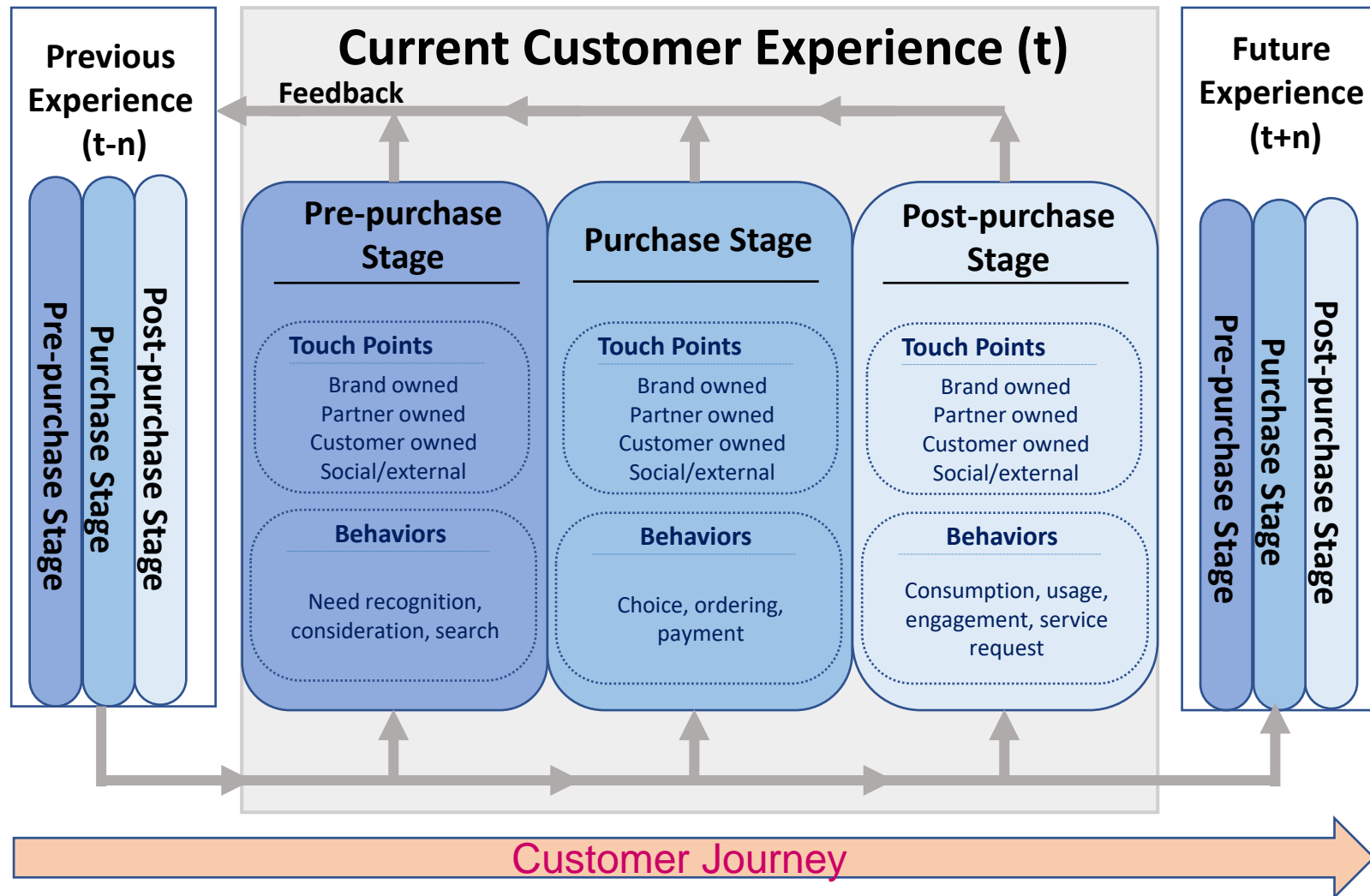
→ The judgments on superior or goodness that customers have towards offerings regarding affective systems of human: pleasures, fantasies, feelings and fun (Subjectively)

## Customer Perceived **Social** Quality

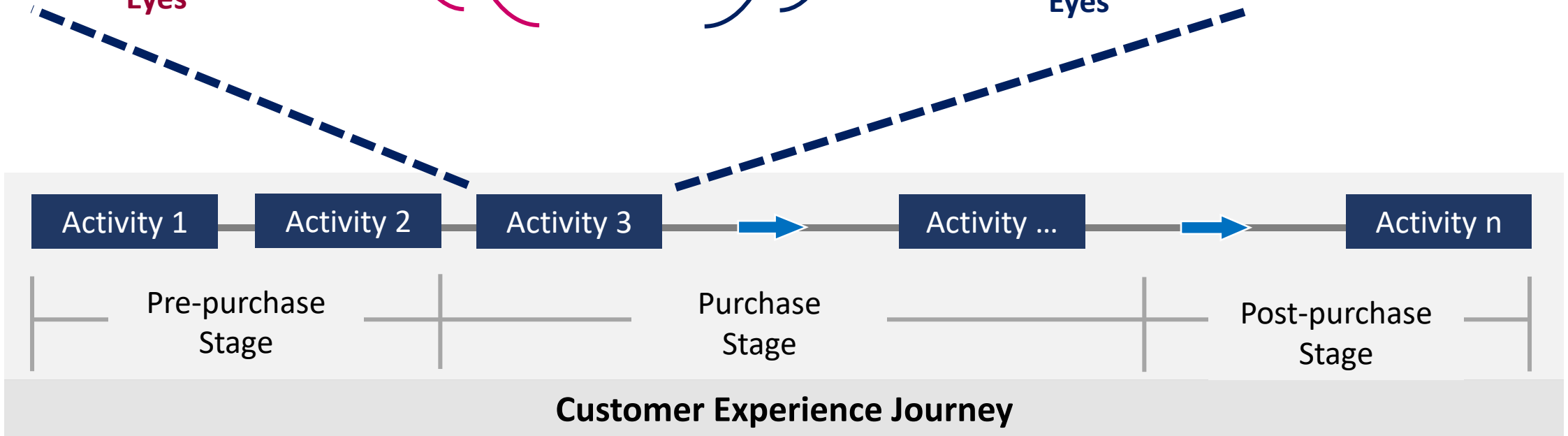
→ The judgments on superior or goodness that customers have towards offerings regarding various extrinsic cues involved the offerings (e.g. society, community, social media, WOM)



# Process Model for Customer Journey and Experience



# Customer Perceived Value on Customer Experience Journey

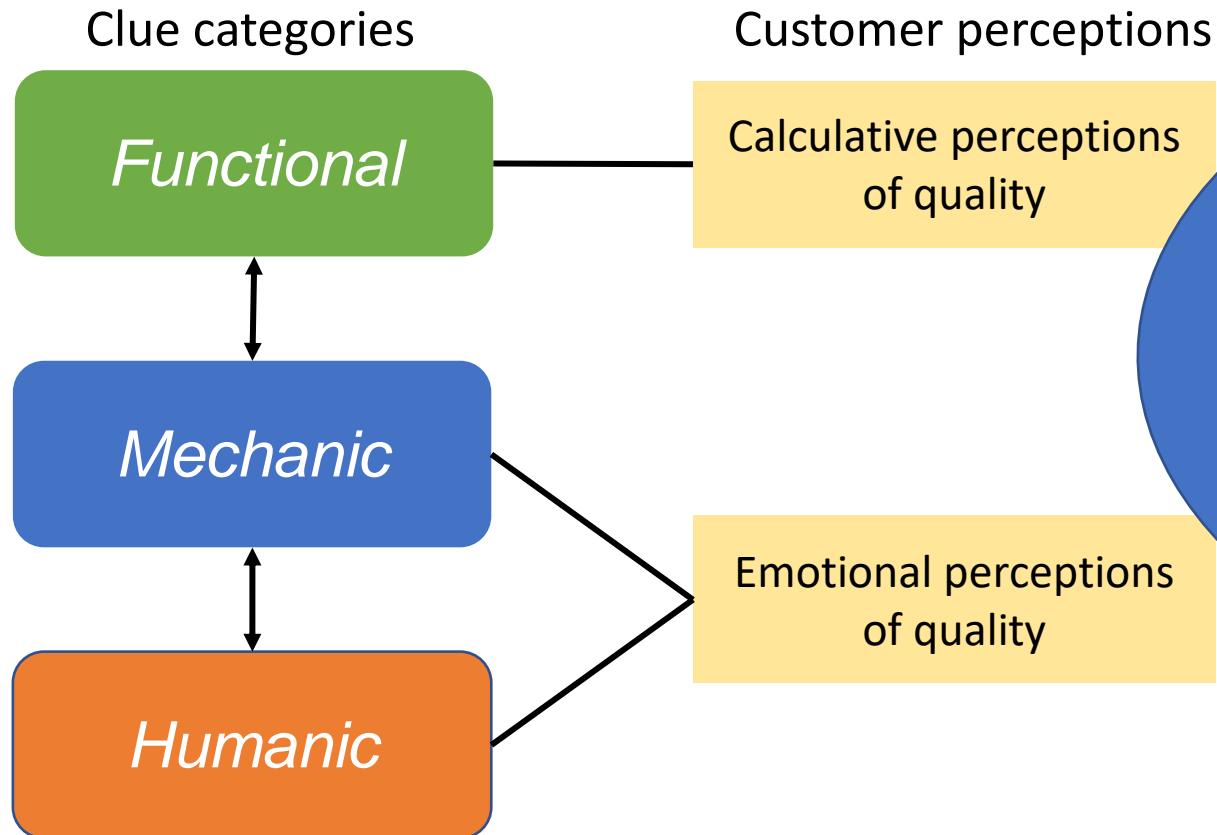


Hussadintorn Na Ayutthaya, D., & Koomsap, P. (2019, November). Improving Experience Clues on a Journey for Better Customer Perceived Value. In *Transdisciplinary Engineering for Complex Socio-technical Systems: Proceedings of the 26th ISTE International Conference on Transdisciplinary Engineering, July 30–August 1, 2019* (Vol. 10, p. 53). IOS Press.

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# Experience Clues: Impact of clues on customer perception



Technical competence in performance is not enough if they aspire to build a reputation for superior provider and build preference for their company. How the service or product is performed is important to customers, too, because it influences the emotional perceptions of quality.



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Osha Thai Restaurant

*Mechanic Clues*



99 Witthayu Rd., Pathumwan, Bangkok

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Source of Image: <https://www.bkkmenu.com/>



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## Thai Signature Dishes with Perfect Presentation

*Functional Clues*

*Mechanic Clues*



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Source of Image: <https://www.bkkmenu.com/>



# Thai Signature Dishes with Perfect Presentation

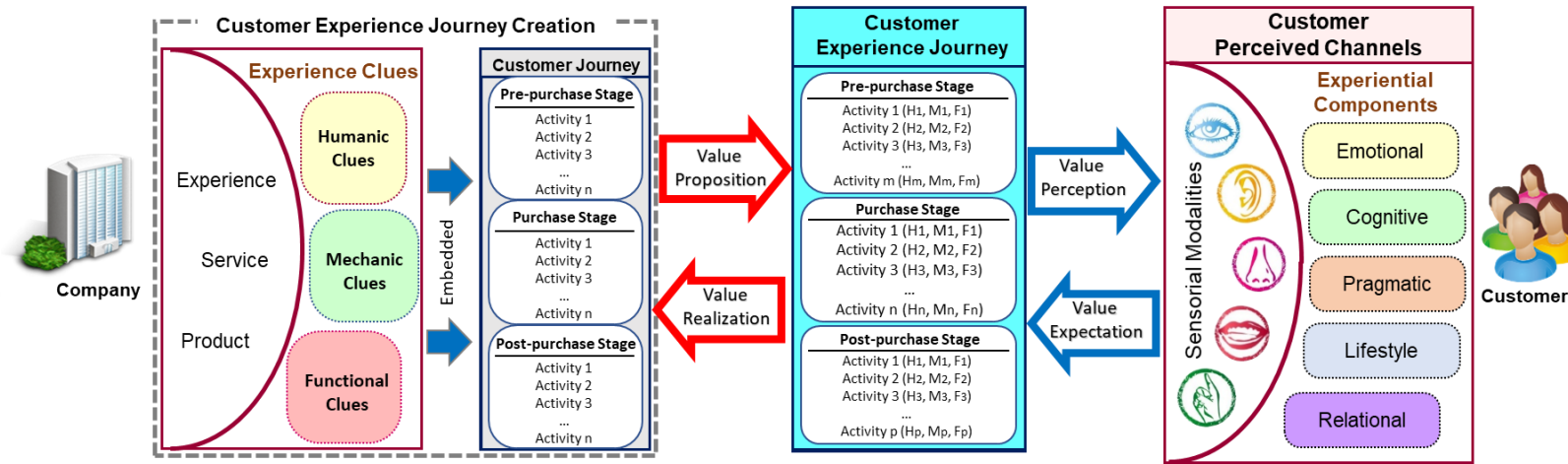


*Functional Clues*

*Mechanic Clues*

*Humanic Clues*

# Customer Perceived Value Model

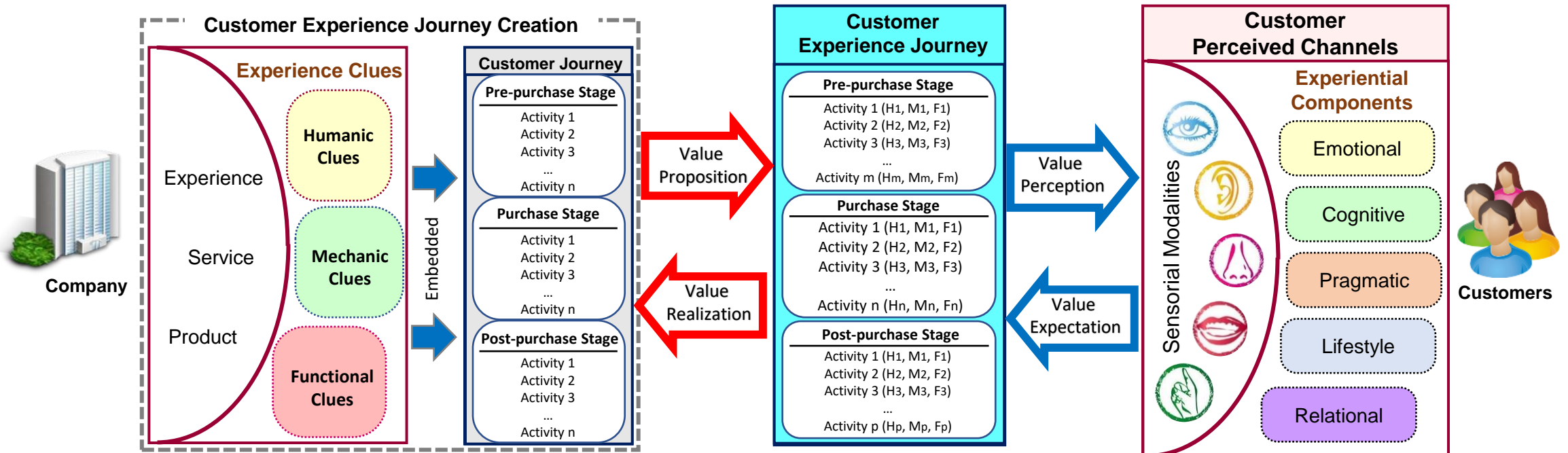


## Customer Perceived Value Framework on Customer Journey: Experience Clues-Driven Design

### Content Based on:

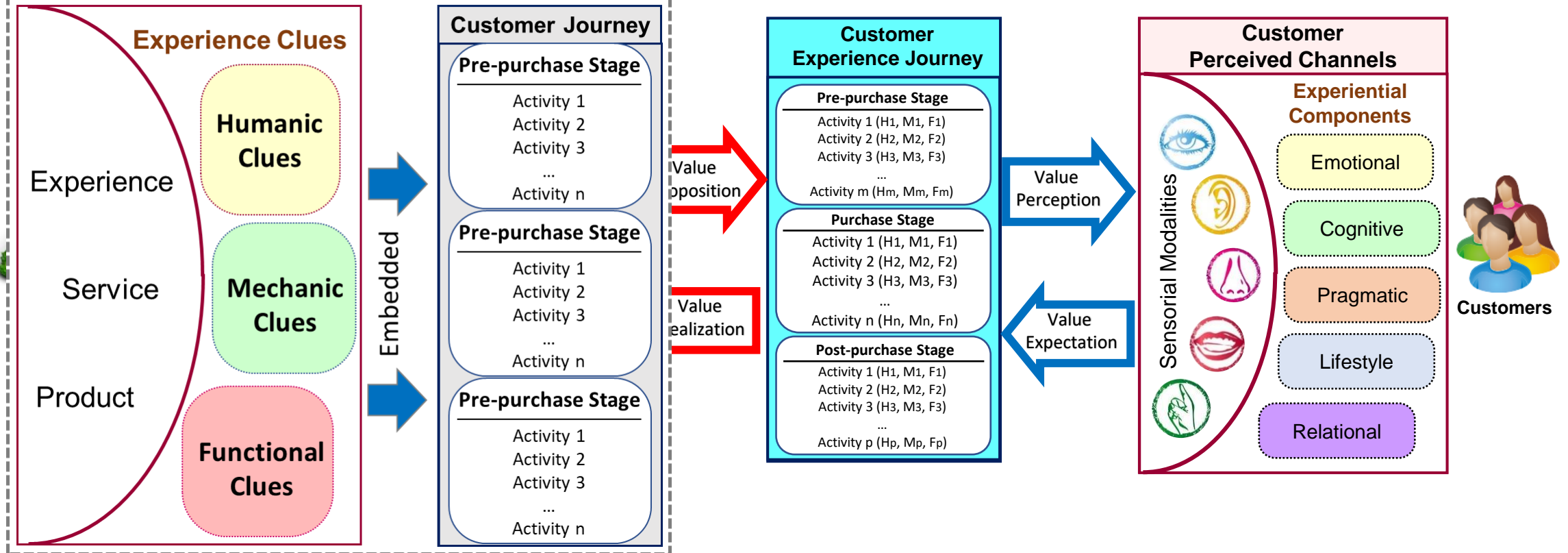
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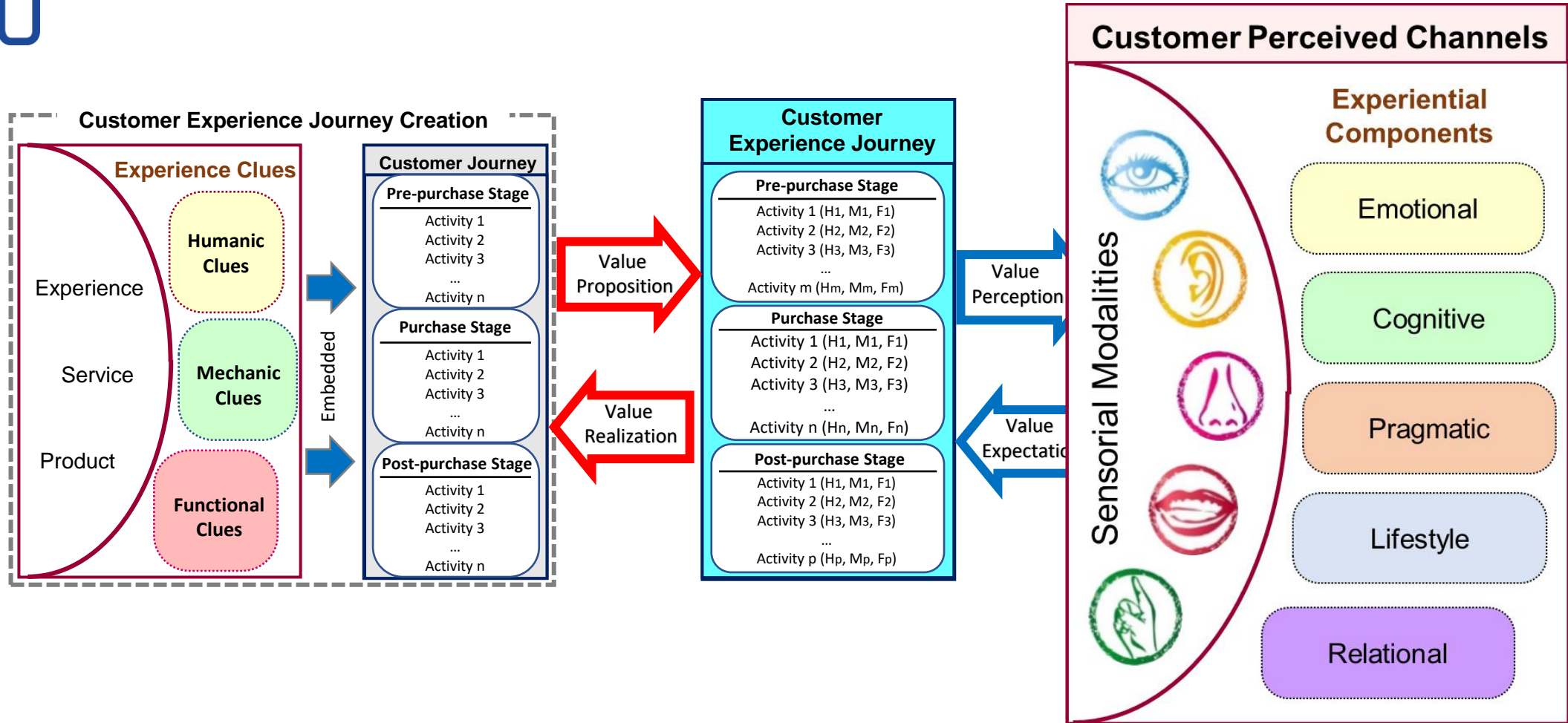
# Customer Perceived Value Framework on Customer Journey: Experience Clues-Driven Design





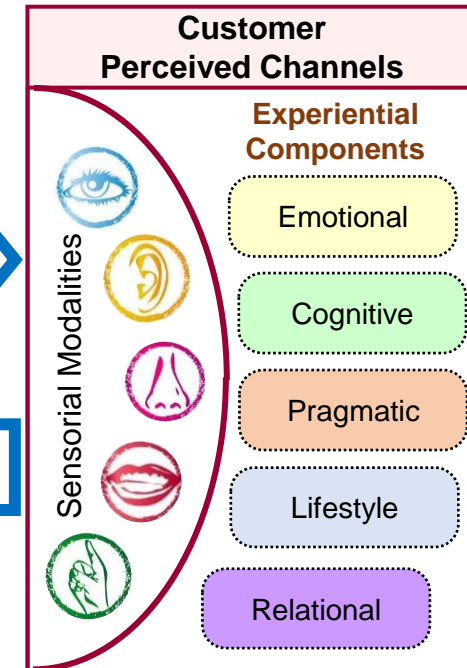
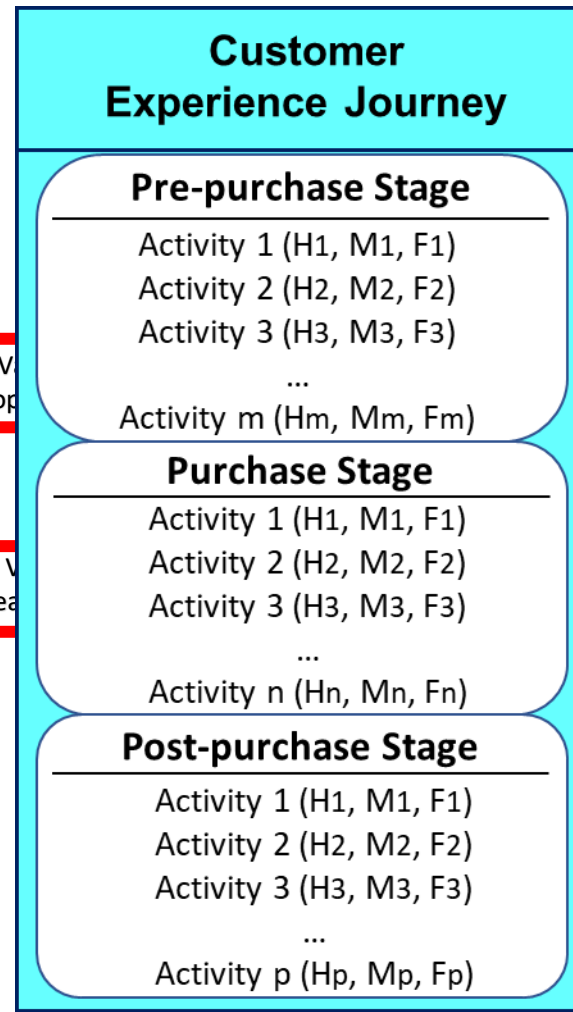
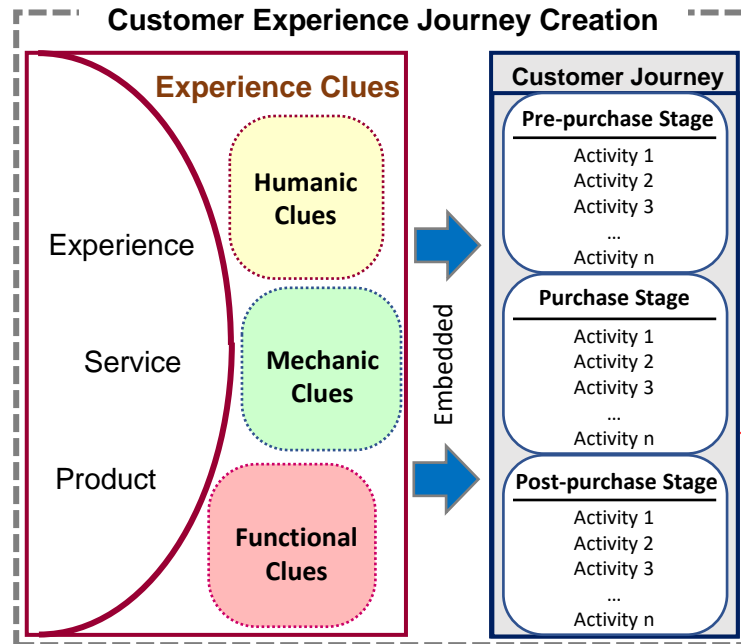
## Customer Experience Journey Creation





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# Case Study on Mobile Broadband Service

Halvorsrud et al., 2016



Hussadintorn Na Ayutthaya, D., & Koomsap, P. (2019, November). Improving Experience Clues on a Journey for Better Customer Perceived Value. In *Transdisciplinary Engineering for Complex Socio-technical Systems: Proceedings of the 26th ISTE International Conference on Transdisciplinary Engineering, July 30–August 1, 2019* (Vol. 10, p. 53). IOS Press.

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## List of Activity and Customer Behavior for the MB Planned Journey

No.	Activity <i>(Halvorsrud et al., 2016)</i>	Behavior <i>(Lemon and Verhoef, 2016)</i>
A <sub>1</sub>	Customer orders MB through the call center	choice, ordering, payment
A <sub>2</sub>	Receives e-mail confirming the purchase	usage, encouragement, service requests
A <sub>3</sub>	Receives e-mail confirming dispatch of hardware	
A <sub>4</sub>	Receives welcome letter with information	
A <sub>5</sub>	Receives letter containing the SIM card	
A <sub>6</sub>	Receives letter containing the PIN code	
A <sub>7</sub>	Receives package containing modem and installation guide	
A <sub>8</sub>	Receives invoice for hardware	
A <sub>9</sub>	Customer installs the MB system	

**A1:** Customer orders MB through the call center  
**Behavior:** choice, ordering, payment









No.	Experience Clue	Customer Perceived Channel					
		Sensorial	Emotional	Cognitive	Pragmatic	Lifestyle	Relational
A <sub>1</sub>	Functional: The process of order is easy and short. A customer obtains the right and complete information. The customer would be able to complete the order shortly.	👂			✓		
	Humanic: An operator greets and introduces herself/himself to a customer. S/he then provides choice and related information according to personal needs and interests, guide, and direct the customer to the completion of the process very quickly with care and, at the same time, her/his tone of voice stimulates a sense of pleasure. Additionally, s/he should be able to provide insights and related technical information for the customer to have the best choice.	👂	✓	✓	✓	✓	
	Mechanic: Relaxing music is run in the background with appropriate volume during waiting moments of the call.	👂	✓				

# Results (Continued)

No.	Experience Clue	Customer Perceived Channel					
		Sensorial	Emotional	Cognitive	Pragmatic	Lifestyle	Relational
A <sub>2</sub> A <sub>3</sub>	Functional:			✓	✓		
	The messages of the emails refer to the customer' name, order number, and other important related information. The messages are well written, clear, concise, chronological, correct and easy to understand.						
A <sub>4</sub> A <sub>5</sub> A <sub>6</sub> A <sub>7</sub> A <sub>8</sub>	Mechanic:		✓	✓			
	The wording of the messages expresses sincerity, politeness, and care. The next process and contact information are provided clearly.						
A <sub>4</sub> A <sub>5</sub> A <sub>6</sub> A <sub>7</sub> A <sub>8</sub>	Functional:			✓	✓		
	The messages of the letters/invoice refer to the customer' name, order number, and other important related information. The messages are well written, clear, concise, chronological, correct and easy to understand. Customers obtain the right set of SIM card, PIN code, modem, installation guide, and invoice.						
A <sub>4</sub> A <sub>5</sub> A <sub>6</sub> A <sub>7</sub> A <sub>8</sub>	Mechanic:		✓	✓			
	The wording of the messages expresses sincerity, politeness, and care. The next process and contact information are provided clearly.						



# Results (Continued)

No.	Experience Clue	Customer Perceived Channel					
		Sensorial	Emotional	Cognitive	Pragmatic	Lifestyle	Relational
A <sub>9</sub>	Functional:	 			✓		✓
	The SIM card and the modem are well functioning. The PIN code is usable. The installation guide is easy to follow with illustrated pictures in all steps. Other related information regarding the installation process is provided clearly in the guide book.						
	Mechanic:	  		✓	✓	✓	✓
An easy access link is available for customers to watch a VDO clip for installation procedure and contact information to technical staff if they require any further assistance.							
	Humanic:	  		✓	✓	✓	✓
The technical staff greets and introduces herself/himself to customers. S/he would be able to retrieve information of the customer's order in order to provide the right guideline and assistance for the installation process. The staff must consider customers' understanding, personality, and additional requests during assistance with care and sincerity. Her/his tone of voice is polite and stimulates a sense of pleasure.							







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# Thank You

Together We Will Make Our Education Stronger



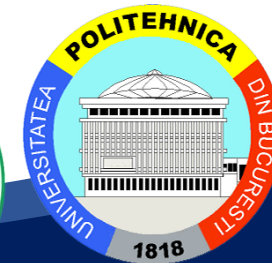
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