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GRADUATE SCHOOL OF SOCIAL SCIENCES

MASTER THESIS

**CUSTOMER SATISFACTION ON PRODUCT / SERVICE CUSTOMIZATION AND
APPLICATIONS**

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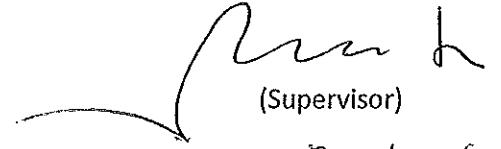
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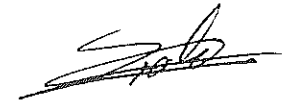
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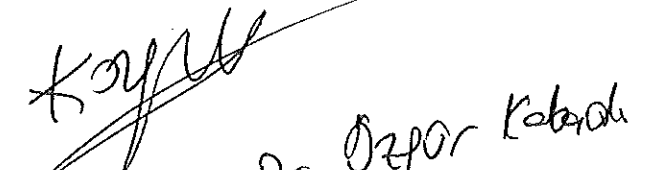
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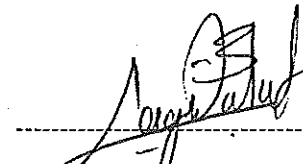

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YAŞAR UNIVERSITY

GRADUATE SCHOOL OF SOCIAL SCIENCES

FACULTY OF ECONOMICS AND ADMINISTRATIVE SCIENCES

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ATTESTATION

I Idris Halliru do here by declare and attest that this work is my independent research work.



ACKNOWLEDGEMENT

ALHAMDULILLAH, Glory and Gratitude to Almighty “Allah” for establishing me to complete my research work.

I wish to express my sincere thanks to my thesis advisor Prof.Dr.Ömer Baybars TEK who gave up his time and carefully, scrutinized the manuscript. Thanks for the encouragement and inspiration. Your useful contributions have greatly enriched this work.

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I take this opportunity to record my sincere thanks and gratitude specifically to my PARENTS, siblings and colleagues.

Finally, I’d like to register my sense of gratitude to all who directly or indirectly have lent their helping hand in this venture.

IDRIS HALLIRU

DEDICATION

To my dear parents (Dr. Idris H. Idris and Haj. Binta Bello Na`ande), together with my step-mom (Haj. Baraka Dayyib Rafindadi) I humbly dedicate this work. They are my heart's delight. They have supported me throughout my life. They have instilled in me high aspirations and determination. Their pleasure I do seek, and their prayers I do need.



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ABSTRACT

Customization as well as personalization has a very vital role for companies, even small businesses in improving customer satisfaction, influencing customer purchase and maintaining market competitiveness. The main aim of this study is to examine the effect of product / service customization and application on customer satisfaction. This research analyses the effect of mass customization and overall customer satisfaction. Survey method has been used for this research using questionnaire to collect data from 386 respondents by random sampling. Findings of this study revealed that customers derived more satisfaction from customized products and services compared to normal products and service. Moreover, software based applications that supports personalized configurations influence customers to purchase the product.

KEYWORDS: Customization, Personalization, Product, Service, Customer satisfaction.

ÖZET

Kişiselleştirmenin yanı sıra isteğe uygun olarak tasarlanmış ürünler, müşteri memnuniyetini artırmada, müşterinin satın alma güdüsünü etkilemede ve market rekabetçiliğinin sürdürülmesinde, büyük şirketlerde olduğu kadar küçük şirketlerde de büyük bir önem taşımaktadır. Bu araştırmanın temel amacı, alıcının kanaat ile talebe uygun üretim/hizmet etkilerini araştırmaktır. Bu araştırma, müşteri odaklı üretim etkilerini ele almakla beraber, Siparişi veren kişinin görüşlerini de ayrıntılı olarak ele almaktadır. Bu inceleme için anket aracılığı ile bir gözlem metodu kullanılmıştır. Bu metot, rastgele yapılan örneklemelerle 386 farklı cevaptan veri sağlanmasına yardımcı olmuştur. Bu verilerden elde edilen sonuçlara göre, alıcılar normal ürün ve hizmetlerdense, kişiselleştirilmiş ürün ve hizmetlerin daha memnun edici olduğunun kanaatine varmıştır. Son olarak, kişiselleştirilmiş yapılandırmaları destekleyen yazılım tabanlı uygulamaların da müşterinin satın alma güdüsünü etkilediği görülmektedir.

Anahtar Sözcükler: Talebe uygunluk, Kişiselleştirme, üretim, hizmet, müşteri memnuniyeti.

CHAPTER ONE

1.0 INTRODUCTION

Intense market competition, high demand, consumption, product techniques have made progress. Information technology has significantly grown, and product development has become diverse. With the rapid increase in quality of standard of living, taste and consumers` want change simultaneously, consumers are demanding higher product quality and are not satisfied with the mass production of similar products. Probably, consumers do not simply need the products or services with similar features, size and quality they aim to established their unique personality and style by purchasing or using products. A trend which has been noticed by relevant producers which in turn, thus by recommending mass customization (Huang 2009. Kuo. 2012, Pine, 1993).

Mass customization (MC) is a production strategy focused on the broad provision of personalized products and services (Davis, 1989; Pine et al., 1993), mostly through modularized product service design. Flexible processes, and integration between supply chain members. Studies, e.g. Fiore et al. (2003) and Salvador et al. (2009) identified MC as driver of important competitive advantage by companies in key economic sectors such as automobile, clothing, and computer manufacturing. Successful applications of MC have been vastly reported in the literature. High-visibility studies have covered sectors including the food industry (Macintosh et al. 2010). Electronics (Partanen and I laapasalo. 2004), large engineered products (Lee et al.), mobile phones (Cornstalk et al., 2004) and personalized nutrition (Boland. 200%). Authors have also presented special MC applications such as homebuilding (Barlow et al., 2003) and the production of foot or hoses (Pallari et al., 2010).

Based on individual customers` special needs, using information technology, flexible manufacturing and various modular or configuration processes, mass communication on produces and manufactures customized products to rapidly reflect market change, maintain cost advantage, create high value added products and services, increase service level for customers, and create customer value (Li, W. H. and Y. Bai, 2010. Song, Z. and S. Ii. Wang, 2010).

The rise of mass customization at the end of the 1980s, overthrew the thoughts of mass production thus aiming to provide customers with customized products and services through the use of flexible procedures, high output and reasonable prices (luang & Chen, 2012, Song, Z. and S. E. Wang. 2010). (Pine, Victor and A. C. Boynton 1993), introduction of mass customization in production management and suggested that it can satisfy individual customers' needs by low cost, high quality, and efficient production. Mass customization allows each customer to obtain diverse products or services at reasonable prices (Chang, 2011, Ych, C. Y, 2012). The concept emphasizes satisfying individual customers' needs by prices similar to mass production, rapid design, Production and product or service delivery. The production model can match different consumers' various needs and have high product quality and market potential (Li. W. II. and V. Bai, 2010, Pine, 1993). This shows the level at which customization can satisfy consumers' individual needs at a lower cost, and it has high product quality and more market potential.

The purpose of this research work is to provide a framework for exemplifying how product, service customization can determine consumer satisfaction.

The aims and objectives of this research work is to examine the effect of product / service customization and application on customer satisfaction. In order to do so we will try to examine the concept of mass customization, analyze the influence of mass customization in purchasing behavior, examine how customization enhances purchase of products or services and examine consumer satisfaction through the application of product, service customization.

1.1 The Scope of Marketing Strategy and STP

1.1.2 Definition of marketing strategy:

The scope of marketing is typically seen as task of creating, promoting, and delivering goods and services to consumers and businesses. There are different types of marketing that marketers are involved such as goods, services, experiences, events, places, properties, organizations, Information, and ideas.

There is no unique strategy that succeeds for all organizations in all slots. thinking strategically about marketing many factors must be considered: the extent of power diversity and geographic coverage, the organization, the number of market segments with marketing channels used, and the role of branding, the level of marketing, and the rule of quality. It is also necessary to consider the organization's approach to flow product development, in particular its position as a technology leader or follower, the extent of

innovation, the organization's cost position and pricing policy, and its relationship to customers, competitors, suppliers and partners.

The challenge of strategic marketing is to manage marketing complexity, customer and stakeholder expectations and to reconcile the influences of a changing environment in the context of a set of resource capabilities. It is also necessary to create strategic opportunities and to manage the concomitant changes required within the organization. In this world of marketing, organizations seek to maximize returns to shareholders by creating a competitive advantage in identifying, providing, communicating and delivering value to customers, broadly defined, and in the process developing long-term mutually satisfying relationships with those customers.

In (2004), The American Marketing Association (AMA) adopted the following official definition of marketing (Marketing News 2004.) Marketing is an organization function and a set of processes for creating, communicating and delivering value to customer and for managing customer relationships in ways that benefit the organization and its stakeholders. In 2007, The AMA adopted the following as its new official doctrine for marketing (Marketing News 2008. p. 28): Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for Customers, clients, partners, and society at large. These definitions were preceded during the past century by four other definitions of marketing that were adopted by the AMA in 1935, 1941, 1961, 1985 (Gundlach, 2007).

A special section of the fall 2007 issue of the Journal of Public Policy and Marketing devoted a series of articles focusing on issues relating to the definition of marketing principles advancing alternative definitions of marketing and critiques and commentaries on extant definitions of marketing. While, over the years, the AMA has devoted considerable thought and attention to revisiting and revising its official definition of marketing, definitions of related constructs such as marketing strategy and marketing management have not received similar scrutiny.

In regard to the distinction between marketing management and marketing strategy in an editorial essay, Cunningham and Robertson (1983, P. 5) stated: 'in a marketing literature, marketing management is concerned with target market selection and the design of the marketing program. The marketing management literature addresses issues at the level of the individual product or brand. Marketing strategy, on the other hand, addresses issues of gaining long run advantage at the level of the firm or strategic

business unit.” A potential problem with distinguishing between “marketing strategy” and “marketing management’ along the above lines is that at the most fundamental level, while the former pertains to the marketing behavior of organizations, the latter pertains to managing the marketing behavior of organizations. However, both an organization’s decisions concerning target market selection (choice of where to compete) and design of the marketing program (choice of how to compete) are primarily concerned with its present and/or planned marketing behavior and not with managing marketing behavior.

1.1.3 Segmentation

Almost any marketing textbook will tell you that the key to successful marketing can be summed up by the STP strategy that is, segmentation, targeting, and positioning (see P. Kotler, Marketing Management, 9th Ed.) This approach suggests that the mass market consists of some number of relatively homogeneous groups, each with distinct needs and desires. STP marketers attempt to identify those market segments, direct marketing activities at the segments which the marketers believe that their company can satisfy better than their competitors, and position their product offering so as to appeal to the targeted segment. Undoubtedly, hospitality firm uses some form of this approach.

Critical to this strategic approach is selecting some segments to target and others to ignore. As David A. Aker writes, “positioning usually implies a segmentation commitment, an overt decision to ignore large parts of market and concentrate only on one certain segment (D. A. Baker 1991). One reason this segmentation commitment is necessary is that the needs of different segments are often conflicting and their satisfaction mutually exclusive.

Although STP marketing strategy involves segmentation commitment at the brand level, it does not preclude effort to capture many different segments at the corporate level. Companies can pursue either concentrated marketing, STP marketing strategy in which they strive to capture many different segments by targeting different brand to each segment (P. Kotler, J. T Bowen, and J.C. Mavens 2006).

1.1.4 Selecting target market

The selection of target market is the second major phase of the STP process, firms’ initially segment the market and as part of this process construct segment profile for each segments. Included in a segment profile is a detailed description of the segment, along with various size and profit measures. Using

this information in conjunction with the firm’s strategy, resources and goals organization appropriate target markets can be best selected. Some factor organization should consider in selecting target market are as follows:

Table 1.1

www.segmentationtudyguide.com

FACTORS TO CONSIDER ON MARKET SEGMENTATION	
Segment size	What is the size of the segment (mainly in terms of units and revenue sales)? And is this substantial enough for the firm to consider entering?
Segment growth	At what rate is the segment growing (or perhaps declining)? What is its future outlook?
Profit margins	Is this a high profit margin segment or one that is price competitive?
Competitors	How dominant are the established competitors? What degree of competitive rivalry exists? Are there significant indirect competitors or close substitutes products?
Distribution channels	How easy is it to gain access to the appropriate distribution channels? What level of new investment would be required in this regard?
Role of brand	Would firm be required to create a new brand? Or could an existing brand be leveraged into a new target market? Or is brand relatively unimportant?
Strategy and goals	How well does the proposed target market fit with the firm’s strategic direction and growth goals?
Resources	Does the firm have the capability interms of financial and marketing resources, to successfully compete in this segment?

1.1.5 Preparing marketing mix (4Ps)

(Borden 1965) claims to be the first to have used the term marketing mix and that it was suggested to him by Colton's 1948 description of a business executive as mixer of ingredients. An executive is a mixer of ingredients, who sometimes follows a recipe as he goes along, sometimes adapts a recipe to the ingredients immediately available and sometimes experiments with or invents no one else has tried" (Colton 1948).

Marketing mix is originating from single P (price) of microeconomics theory (Chong, 2003). (McCarthy, 1964) offered the marketing mix, opted offered to as the (4Ps), as a means of translating marketing planning into price (Bennett, 1997). Marketing mix is not a scientific theory, but merely a conceptual framework that identifies the principal decision making managers make in configuring their offerings to suit consumers" needs. The tools can be used to develop long-term strategies and short-term tactical programmes (Palmer, 2004). The idea of the marketing mix is the same idea as when mixing a cake. A baker will alter the proportions of ingredients in a cake depending on the type of cake we wishes to bake. The proportions in the marketing mix can be altered in the same and differ from the product to product (Hodder Education). The marketing mix management paradigm has dominated marketing thought. Research and practice (Gronroos. 1994). And "as a creator of differentiation" (Van Watershoot) since it was introduced in 1940s. Kent (1986) refers to the 4P's of the marketing mix as the holy quadruple of the marketing faith "rotten in tablets of stone. Marketing mix has been extremely influential in informing the development of both marketing theory and practice (Moller 2006).

The main reasons the marketing mix is a peaceful concept are it makes marketing seem easy to handle allows the separation of marketing from other activities of the firm and the delegation of marketing tasks to specialists: and - The components of the marketing mix can change a firm's competitive position (Gronroos. 1994). the marketing mix concept also has two important benefits.

First, it is an important tool used to enable one to see that the marketing manager's job is in a large part a matter of trading off the benefits of one's competitive strengths in the marketing mix against the benefits of others.

The second benefit of the marketing mix is that it helps to reveal another dimension of the marketing manager's job. All managers have to allocate available resources among various demands and the marketing manager still in turn allocates these available resources among the various competitive devices of the

marketing mix. In doing so this will help to instill the marketing philosophy in the organization (Low and Tan, 1995)

1.1.6 Positioning

A market position reflects to consumers perceive the products or Organization's performance on specific attributes relative to that of the competitors (Kotler, 1994). Positioning is a competitive marketing tool that goes beyond image-making. It is an attempt to distinguish an organization from its competitors. in order to be the most preferred firm for a certain market segment. It is establishing and maintaining a distinctive place and image in the market for product offerings so that the target market understands and appreciates what the organization stands for in relation to its Competitors (Ries and Trout, 1986). A firm that positions itself favorably within a particular marketplace relative to competitors can earn high profits irrespective of average Profitability within the market. Competition and profitability pressures mean that firms must be increasingly responsive to market considerations in terms of their positions.

1.2 Definition and Scope of Marketing Segmentation with Respect to Customer Satisfaction

Since the introduction of market segmentation by Smith's (1956), marketing practitioners and academics have adopted the concept diligently, many standard marketing texts now include at least a chapter describing segmentation and the benefits and bases for segmenting product & consumer markets including appropriate techniques to be adopted by marketers. These benefits seem appealing: a full Understanding of a market; the ability to predict behavior accurately; and an increased likelihood of detecting and exploiting new market opportunities (Kotler, 1988).

When the term market Segmentation is used, we often immediately think of psychographics, lifestyles, values, behaviors, e.t.c. Market segmentation is a much broader concept, however, and penetrates the practice of business throughout the world.

What is market segmentation? At its most basic level, the term market segmentation refers to breaking down markets along some commonality, similarity. That is, the members of a market segment share something in common. The purpose of segmentation is the concentration of marketing energy and force on the subdivision (or the market segment) to gain a competitive advantage within the segment.

Concentration of marketing energy is the essence of all marketing strategy, and market segmentation is the conceptual tool to help achieve this focus.

Before discussing psychographic or lifestyle segmentation, which is what most of us mean when using the term segmentation, let's review different scholarly definitions of market segmentation.

(Charles W. Lamb 2003). Segmentation is the process of dividing the market into groups of consumers with similar needs. The more closely the needs march up, the smaller the segment tends to be, but the higher the premium customers are likely to be prepared to pay to have a product that more exactly meets their needs (Blythe, 2003). Segmentation allows marketers to identify distinct groups of customers whose behaviors' significantly differ from others. This allows firms to adjust (their marketing mix, to cater to particular needs of different market segments. Our segmentation bases have emerged as the most popular in segmentation studies (Kotler, Armstrong, Saunders, & Wong, 2002) geographic segmentation (i.e. markets segmented by geographic region, population density or climate); demographic segmentation (i.e. markets segmented by age, sex, size and family type, etc.); psychographic segmentation (i.e. markets segmented by life-style variables); and behavioural segmentation (i.e. markets segmented by purchase occasion, benefits sought, user status). The segmentation base chosen to subdivide a market will depend on many factors such as the type of product, the nature of demand, the method of distribution, the media available for market communication, and the motivation of the buyers" (Chisnall 1985).

One of the key elements of modern marketing is being mentioned as market segmentation and is, as mentioned, the process of breaking down the market into several groups and/or segment(s) based on factors such as demographic, psychological, geographic, and behavioural factors. By so doing the marketers will have a greater understanding of their target audience and thereby make their marketing more efficient (Gunter & Furnham 1992). This is due to the fact that by using segmentation process that put customers first, the marketer will get more satisfied customers and thereby gain a leading advantage over competitors (Dibb & Sirkin, 1996). Market can be described in a distinctive or different ways. One way is to describe the presence of the target customers: homogeneous references, referring to customers that practically have the same references. Secondly, there are diffused references which means that customers vary in their references and finally, clustered references which means that the natural market segments emanate from group of customers with shared references (Kotler & Keller, 2009).

When discussing about market segment it is necessarily important to mention about the three areas of marketing which must be taken into consideration when marketing a product.

The first area is mass marketing. It covers the area of mass production, mass distribution, and mass promotion of product to all buyers (Gunter & Fumharm, 1992). However, marketers have to actualize the great potentiality in each individual customer and therefore, the market segmentation serve as a helpful tool for the marketers to customize their programmes for each individual customer (Dibb & Simkin, 1996).

The second area is product differentiated marketing (segmented marketing): here the marketer produces two or more product that display different features, styles, quality, size. e.t.c.

The third and the dominating area is target marketing: the marketer distinguishes among variety of market segments, choose one or more of the segments and develop product and marketing mixes customized to each segment (Gunter & Fumharm, 1992).

Subsequently, the variables used in segmenting consumer markets will be explained. There are various variables to define market segments; however, it is only the demographics, geographic, psychographics, behavioural segmentation that would only be dealt with.

1.2.1 Demographic Segmentation

The demographic segmentation divides customers into segments based on demographic values such as age, Gender, family size, family life cycle, income, occupation, education, religion, race, social class, generations, and nationality (Armstrong & kotler, 2005).

The demographic segmentation is often used in market segmentation for easy identification of variables and measures. Moreover, the demographic variables are associated with sales and services of many products and finally providing a concrete description of the target customers so that media buyers and others can target a desired target market.

Each of the variables is useful knowledge when segmenting market and of the above mentioned variables will be elaborated in the following (Gunter & Furnharm, 1992:9).

1.2.2 Age and Life Cycle Segmentation

The customer needs and wants changes with age. Thus, life cycle segmentation is being used by some companies where age and life cycle segmentation determined the marketing approach. For instance telecommunication industries using telephones (land lines and mobile) as an example. The marketers must take into consideration that although some 70 year old people use land line telephone due to the lack of technological advancement, other may only use a mobile telephone. However, marketers using age and life cycle must take into consideration of stereotypes (Armstrong & kotler, 2005).

1.2.3 Gender Segmentation

Gender segmentation is used to differentiate the needs and wants between men and due to the fact that men and women have different attitudes towards a product. The gender segmentation has long been practice In Connection with cosmetics, clothing, hairstyles, and magazines. Thus, it must be taken into consideration that metro sexuality has become a common gender factor and thus the marketers must not only define a product a being feminine or masculine (kotler & Keller. 2009).

1.2.4 Income Segmentation

Income segmentation divides the market into different market groups. This is used in clothing, financial services, travels, automobiles. Many companies within the mentioned group seek to target the high income customers. Others seek to target the lower income customers with low income inorder to gain consumer loyalty and decrease the competitive pressures. However, companies must consider that income does not always predicts the most suitable customer for a given product due to the fact that some customers may have other references and compute their money different (kotler & Keller. 2009).

1.2.5 Social Class Segmentation

Social class segmentation divides the customers according to their social preferences e.g. clothing, lifestyle, habits, leisure activities. Although the tastes of social classes change many companies design product for specific social classes (kotler & Keller, 2009).

1.2.6 Geographic Segmentation

The geographic segmentation divides customers based on geographical locations such as nations, states, regions, countries, cities. A company can target one or more areas by considering (the fact that data

according to geographic segmentation may vary due to the population shift (Pickon & Hroderick, 2005). Therefore there is need for many companies to customize their products advertising. Promotions and sales efforts to fit the needs and wants of the geographical variables (Armstrong & kotler, 2005).

It is important to consider something according to geography due to the fact that purchasing behavior of a consumer are influence on where they live, work, e.t.c. (Gunter & Furnham, 1992).

Furthermore, as a result of increase of globalization through technologies today the geographic segmentation has been associated to other social differences in socio-economic and demographic characteristics. This as a result is referred to as Geo-demographic (Gunter & Furnham, 1992).

1.2.7 Psychographic Segmentation

Psychographic Segmentation divides people according to their attitudes, values, lifestyles, interest, opinions (Pickon & Broderick, 2005). Moreover, marketers have used personality variables to segment the markets, for example the landline line telephone is outdated and a commercial could appear to target elderly people who has become more friendly with the older technology whereas the actual purpose is that is aimed as much broader personality group (Armstrong & kotler 2005).

1.2.8 Behavioural Segmentation

Behavioural segmentation is based on customers' attitude towards use of, response to a product. Many marketers are with the believe that behavioural variables such as occasions, benefits, usage-rate status, buyer-readiness stage, loyalty status, attitudes are best starting at t5 for constructing market segments (kotler & Keller, 2009).

CHAPTER TWO

Literature Review

2.0 SELECTING THE TARGET MARKET (CUSTOMERS) TO SERVE THEM EFFICIENTLY.

2.1 Introduction

Markets consist of buyers, and buyers differ in one or more ways. They may differ in their wants, resources, locations, buying attitudes, and buying practices. Through market segmentation companies divide large heterogeneous markets into smaller segments that can be reached more efficiently and effectively with products and services that match their unique needs. (Kotler 2000) evaluated different segments companies must consider five (5) pattern of market selection which are as follows:

2.2 Single Segment Concentration

Here a firm or company may engage in a single segment e.g. Volkswagen concentrated on small car market and Porsche on sport car market. Through concentrated marketing the firm gets stronger knowledge of segments needs thereby achieving a strong market presence. Furthermore, the firms or companies enjoy operating economies through specializing in its production, distribution, and promotion of its investment (Kotler, 2000).

2.3 Selective specialization

The firm select a number of segments each objectively attractive and appropriate. There may be no connection among the segments, but each segment promise to be a money maker. Using this multi-segment approach a company or firm has the advantage of diversifying its risk (Kotler, 2000).

2.4 Product Specialization

Here the company specializes in making certain product that sells to several segments e.g. microscope manufacturer that sells microscope to universities, laboratories both commercial and public. The company makes different microscope for different customer groups, but does not manufacture any other instrument that laboratories might use. Through product specialization strategy, the company built a strong reputation

in that specific product area. The downside risk of this strategy is that the product might be overthrown by an entire new technology (Kotler, 2000).

2.5 Choosing Target Market

When choosing marketing strategy, companies need to consider many factors depending on the company's resources to choose the most suitable strategy, for instance:

1. When firm's resources are limited, concentrated marketing is the most effective and also the best strategy depending on the product growth.
2. Secondly, for products that vary in design such as technological and transportation industries e.g. cars & camera differentiated or concentrated marketing is the most suitable by considering the product-life cycle.
3. For uniform products production firms' differentiated marketing approach is the most suitable. Uniform products are products that are similar in quality, design, and features but different in price to justify shopping comparisons.

Important Factors to Consider in Choosing Market Strategy:

1. Market viability: if most buyers have the same taste, buy the same amount, react the same way to marketing effort, undifferentiated marketing strategy is appropriate.
2. Competitors' marketing Strategies: firms should consider their competitor's strategies in market as it is significantly important for product success or failure in the market place. When competitors use differentiated or concentrated marketing conversely, when competitors use undifferentiated or concentrated marketing a firm can gain advantage by using differentiated or concentrated marketing. More importantly, firms should focus on the needs of buyers in specific segments (Armstrong & Kotler, 2015).

2.5.1 Target frequent buyers

The tight competition in the hospitality industry has caused many brands to focus on promoting sales from frequent guests. This strategy has become so common in the hospitality industry that it deserves

special mention especially because that it does not necessarily accomplish its intended goal. American Airlines led the industry's use of this strategy in the 1980s when its executives came to believe that they could increase their share of the lucrative but fickle heavy flyer segment by offering rewards tied to repeat patronage. Since then, the world's airlines have created over 70 frequent flyer programs that collectively have over 100 million members and give away 10 million rewards a year. Other travel-related companies were quick to copy this idea, so that frequency or loyalty programs have become commonplace in hotels, car rental firms, and even restaurants. This strategy seems sound because a small number of heavy users account for a large share of most product category sales and these heavy users tend to switch between several different brands within the product category (New York: Wiley, 1995). The frequent-guest program is designed to give heavy users a reason to be more brands loyal. The concept of setting up cumulative rewards for purchase frequency should provoke a favorable response from heavy users, as compared to light users because earning those rewards requires less change in the behavior of heavy users. Thus, loyalty programs do differentiate between two distinct customer groups. Beyond that, however, rewarded frequency or loyalty programs probably do little to increase repeat patronage because they are easy to copy and heavy users' lack of brand loyalty means that they often join multiple programs and collect rewards as a byproduct of purchases made for other reasons (New York: Wiley, 1995). Indeed, several studies have found that reward-based programs increase average purchase frequency only slightly if at all in the long run (J. Leenheer et al. 2007). The reward programs do help to identify your heavy users. This is theoretically useful because heavy users are easy to reach and are presumably open to marketing messages because they are already your customers. Thus, the costs of marketing to this segment (outside of the reward program) should be relatively low. The problem is that heavy users are targeted by almost every one, so competition for their patronage is intense. Furthermore, heavy users are generally more price sensitive and deal prone than are light users, and heavy users are more likely to try new brands and switch brands (E. C. Hackelman and J. M. Duker. 1994). As most hospitality marketers have learned, this is a difficult segment in which to induce loyalty and, unless you want to permanently discount your brand, is not an attractive target.

2.5.2 Market coverage

The company attempt to serve all customer groups with all products they might need. There is little number of large companies that can undertake a full market coverage strategy e.g. IBM (computer market), coca-cola (drink market), and General Motors (vehicle market). Large market can cover the whole market in three broad ways through differentiated marketing, undifferentiated marketing and concentrated marketing

(Kotler 2000: 2005). In segmentation process the second stage is market targeting. Once the marketer has identify the segments it must be decided how many and which segments to target. With regards to the decision to which customer segments to target, the company may choose one or more combination of the following market strategies: Mass marketing strategy (undifferentiated marketing), single segment strategy (differentiated marketing). Or multi-segment strategy (concentrated marketing) (Dibb & Simkin 1996).

2.5.3 Undifferentiated marketing (Mass marketing)

Choosing or selecting groups of people and organizations to sell to is called targeted marketing or differentiated marketing. It is a relatively new phenomenon. Mass marketing, or undifferentiated marketing come first, it evolve along with mass production and involves selling the same product to everybody. You can think of mass marketing as a shotgun approach: you blast out as many marketing messages as possible on every medium available as often as you can afford (Ariel Schwartz, 2009). By contrast, targeted marketing is more like shooting a riffle; you take careful aim at one type of customer with your message.

The idea of segmentation caught the imagination of marketers and was soon incorporated in the orthodox canon. In (1967) Kotler described three kinds of marketing strategy: undifferentiated, differentiated and concentrated. In undifferentiated marketing, he said a firm:

“Treats the market as an aggregate, focusing on what is common in the needs of people rather than what is different. It tries to design a product and a marketing program which appeal to the broadest number of buyers... The firm practicing undifferentiated marketing practically develops a [mix] aimed at the broadest segment of the market (Kotler, 1967, pp) I-58)”.

Kotler says this is the strategy described by Smith as “product differentiation”. This seems to be a misreading of Smith. ‘Who uses the term in a way that is consistent with a firm producing a product that might appeal only to a minority? Consider, for example. Water proof matches. These may be bought for all sorts of reasons for boating, for camping or to light fires in the garden, or by smokers who don’t own a raincoat, and so on. Smith’s product differentiator develops waterproof matches to obtain a minority’ share of the broader market for matches, and does not target the “broadest segment of the market”. Furthermore, the only way in which the purchasers of this differentiated product are a group (or “segment”) is that they

sometimes wish to use waterproof matches; presumably they' continue to buy ordinary matches for household purposes as well.

In undifferentiated marketing a company' goes after the whole market with one market offer (product) thereby ignoring market segment differences, it focus on a basic buyer needs rather than on differences among buyers. It relies on mass production, mass distribution and mass advertising. It aim is to endow the product with superior image on consumer minds (kotler, 2000). Furthermore, undifferentiated marketing is the marketing counterpart to standardization and mass production in manufacturing. The narrow production cut down the research and production, inventory, transportation and marketing research, advertising, and product management. The company may turn its lower cost into lower prices to win the price sensitive segment of the market. However, it is not possible to meet every customer's need and thus. ii is not possible to satisfy all customers, therefore, companies may meet hard competition from companies using concentrated marketing strategy (kotler. 2000).

2.5.4 Differentiated marketing

Here the company operates in several market segments and engaged in designing different programmes for each segment. E.g. General Motors' does this when it says that it produces a car **for** every 'purse, purpose and personality'. MB offers many hardware and software packages for different segments in the computer market (kotler. 2000). Furthermore, differentiated marketing is a marketing approach where companies **or** firms target many market segments with products specifically designed for each market segment. However, differentiated marketing entails increased costs of business due to the separate marketing plans for each segment. Therefore companies must consider increase in sales against increased costs when using this approach.

On differentiated marketing. Kotler said:

"A firm decides to operate in all segments of the market, but design separate (mixes) for each (Kotler 1967, p58.

Kotler notes that this strategy has been described as "market Segmentation" (he does not say by whom), but he rejects this usage for failing to distinguish between differentiated and concentrated marketing. He says he will (in the 1st edition) use the term market segmentation to refers to

“The act of segmenting a market in order to understand it better, rather than to describe one particular policy out of three that the company may adopt”.

2.5.5 Concentrated marketing

Concentrated marketing is described (Kotler 1967, p60) as;

“A third possibility, one that is especially appealing when the company’s resources are limited, Instead of going after a small share of a large market, a firm goes after a large share of one or few submarkets. Put another way instead of spreading himself (sic) thin in many parts of the market, it concentrated its forces to gain a good market position in a few areas ”.

Among the examples Kotler gives of concentrated marketing are Gerber, which “has contracted its efforts on the baby foods segment of the prepared foods market”. This seems inconsistent with his own usage; it implies concentration on producing certain kinds of foods, rather than on meeting needs of a particular group of customers. Kotler goes on to discuss the circumstances in which the various strategies are appropriate, making clear that he believes the choice depends on such factors as company resources, life cycle stage, and the strategies of competitors.

Concentrated marketing also referred to as “niche marketing”. It involves going after a large share of one or few segments. Companies can target, market more efficiently due to the strong position and great knowledge of customers’ need within each segment.

Despite the fact that concentrated marketing can be highly problematic it’s also involves a high risk due to the fact that companies rely on one or few market segments for their whole business and will suffer greatly if the segment turns sour (Armstrong & Kotler, 2002:2005). The number of market products and competitive factors determined the segment strategy a company applies. Each of these factors must be considered before deciding on the segment or segments to be targeted. The factors are as follows:

- Existing market / share market homogeneity.
- Product homogeneity.
- Nature of competitive environment.
- Market trend and market environment.

- Customer needs.
- Segment size and company's resources.

by considering these above mentioned factors the company can decide viability of particular market segment and ensure appropriate, most effective sources targeting (Dibb & Simkin, 1996).

2.5.6 Micro marketing

This is a marketing strategy where a company tailored products and marketing programmes or approaches to suit the tastes of specific individuals and locations. Unlike concentrated and differentiated marketing which concentrated on tailoring their products to meet the needs of various market segments by not customizing their product to individual customer (Armstrong & kotler. 2001). Here marker sees potentials in marketing product to ever). Single individual customer, Micro marketing includes local marketing and individual marketing. Another example that is related to micro marketing is:

Macro marketing focuses on the impact of marketing systems on society and vice versa (Hunt 1981). In a recent sweeping review (Mittelaed, Kilborne, 2006). Further position macro marketing as seeking to understand the interdependence of marketing with numerous dimensions of life as market participants' behaviors have effects far beyond the firms involved. This consequential perspective as they elaborate is interested in the intended and unintended consequence of market transactions and transvections on the totality of the marketing system" (P 1361). An underlying assumption in these compelling assertions is that micro-marketing decision making (e.g. in product development. packaging. branding, retailing) has implications for macro marketing in terms of personal, social, and earthly welfare. That is, the two domains are inevitably and intimately linked. In fact, one can readily argue that macro marketing phenomena are the collective result of micro-marketing decisions. Although any given marketer in any given decision may have little immediate effect on market and life systems, if many marketers make daily decisions that are myopic, reactive, fragmented, or greedy, for example, then the market system and society will reflect those same values and consequences. Consider, for example, the recent financial and credit crisis in the United States created by predatory lending and unbridled borrowing practices. Alarmingly, some observers maintain that the pace of change and the complex challenges in business today have fomented a pernicious form of micro-marketing that (Clancy and Krieg 2000) call "death-wish marketing." It includes the following: As avoiding ambiguous situations.

- considering two few decision alternatives
- Not Seeking assistance
- Overusing intuition
- Forcing views on subordinates
- Paying too much attention to competitors
- ignoring real Customers
- Rushing decisions

Unfortunately such trends exacerbate opinions that micro-marketing unto itself is a flawed business orientation or that micro- and macro marketing have no inspiring Connection to be realized and nourished. But micromarketing decision making can and should contribute positively to macro marketing. Over the years, several macro marketing scholars have sought earnestly to differentiate macro marketing from the bulk of traditional marketing theory, research, and practice. This is perfectly understandable as the macro marketing field established its own mission and goals, particularly through specialized conferences and the emergence and maturation of the Journal of Macro marketing. In the interim, the understanding of the relationship between micro- and macro marketing remained under-prioritized and without an interlinking conceptual framework. This condition may account, in part, for Sheth's (1992) judgment (that is not achieving the pivotal and timely role in the marketing field it is capable of).

In the context of micromarketing serves to engage and realize such macro marketing concerns as QOL marketing (which Lee and Sirgy 2004) define as marketing practice designed to improve the well-being of customers while also preserving the well-being of the firm's other stakeholders. Micromarketing wisdom also has the ability to improve corporate global policies and to promote such macro marketing goals as peace, dignity, justice, and fairness in the treatment of employees, consumers, communities, and ecologies (Layton and Grossbart 2006).

2.5.7 Local marketing

Local marketing involves tailoring product and promotions to the needs and wants of local customer groups which includes cities, neighborhood, and specific stores, e.g. Wal-Mart customizes its products to meet the needs of local shoppers. Local marketing helps a company to market more effectively through

regional and local differences in demographics and lifestyles (Armstrong & kotler 2015).

2.5.8 Individual marketing

Another type of micro-marketing is individual marketing; this involves intense tailoring and customization of products and other related marketing programs to the needs and reference of individual customer. Individual marketing is also referred to one-to-one marketing, mass customization (Armstrong & kotler, 2015).

Today many technologies have opened a gateway for companies to return to customized marketing. Communication media such as cell phones and internet have combined to foster mass customization. Mass customization according to (Armstrong & kotler, 2015) is the process through which firms interact one to one with customers to design, tailored, products and services made preferred individual needs e.g. HP, Dell & Apple created custom-configured computers.

Unlike mass customization which eliminate the needs for human interaction, one to one marketing. Mass customization has made a relationship with customers more effective, more effective than ever. Just as mass production was the marketing principle of twentieth century, mass customization, interaction to one-to-one marketing is rapidly becoming a marketing principle of the twenty first century (Armstrong & kotler, 2015).

One-to-one marketing advocates tailoring of one or more aspects of the firm's marketing mix to individual customers (Peppers & Rogers 1997) (Shaffer and Zhang, 2002) one to one marketing represent an extreme form of segmentation, with a target segment of size one. There are two forms of one to one marketing which include personalization and customization. Personalization is when the form decides, usually based on previous collected customer data. However, personalization works well with suitable marketing mix for individual customer. A good example is Amazon.com personalized books and music recommendations (Nunes and Kambil, 2001). Nytimes.com as well allows the customer proactively specifies one or more elements of his or her marketing mix. Dell computer provide a possible flat form that enables customers to customize the computer they order. Perhaps the most popular example of personalization is Amazon corn Amazon uses collaborative filtering to determine what music or books to recommend to users (Linden et al. 2003; Blattberg et al. 2008). Indeed, the Internet has Provided many

opportunities for personalization In ebay.co, the Website can recognize the user and “fish” out the previous trends of the user and the searches that he or she has made. The system then introduces appropriate related links on the website as the user browses. Search engines like Google and AltaVista analyze the types of searches the user undertakes over time. When the user searches for a similar topic on the search engine, the engine can respond faster and more efficiently.

The services industry has made ample use of personalization. For example, Sprint can analyze Customer usage to determine the appropriate calling plan for the customer. During the summer, the Portola Plaza Hotel in California relies mainly on tourism. The hotel’s objectives are to increase revenue and reduce inventory. Invitations are sent to previous customers directing them to a personalized URL that gathers information about guest preferences. After detailed analysis, mails are sent to these customers offering them discounts and other promotional offers to encourage them to come to the hotel. Using this procedure, the hotel saw a significant increase in revenue and was successful in retaining its Customers.

Personalization is practiced by many insurance companies like ICICI-Lombard, which uses a customer survey to prepare personalized insurance plans. Harrah’s Entertainment personalizes many promotions and incentives based on what it learns from customer data (Watson and Volomino 2001). The practical advantages of personalization lie in greater customer satisfaction and higher profits. For example, Maithouse and Eisner (2006) show in a field test that personalizing the copy used in a book offer increases response rates significantly. Notably, we are not aware of systematic study that shows personalization yields higher customer satisfaction in the long run, although the Portola Plaza Hotel example above certainly suggests so.

Whereas Amazon serves as the prototypical example of personalization, Dell Computer plays that role for customization in the computer industry. The customer can order a computer from Dell according to his or her needs and likes. Thus, the computer is custom-made for the user. The long-term payoff of this strategy is difficult to determine and confounded with Dell’s reliance on the Internet channel and its recent woes. However, it certainly appears that customization was part of the value proposition that propelled Dell into being a major player. Customization has been applied in a variety of other industries. Many restaurants allow customers to suggest alterations to the stated menu. A recent study found that 81% of motorcyclists would like to have the motorcycle seats made-to-order. Sporting goods giant Adidas-Salomon has utilized customization (Berger and Piller 2003).

Faced with intense competition to launch the right new products, Adidas has begun production of shoes which are co-designed” by the customer. A survey by Berger (Adidas) and Dr. Piller (TUM, Munich, Germany) has shown (hat customers prefer these shoes to the standard ones. Companies like Spreadshirt” and “Levis” 6 also customize apparel. In consumer durables, “IKEA” and “Bemz Furniture” 7 have started a joint venture to provide custom-made furniture. The “BMW-Mini” is a very common car in Germany and, now; it comes with a customized roof design too. One can design the roof of the car online and then the car is custom-made. Marelli Motors, responding to competition from new entrants, has decided to produce only custom-made electric motors.

An obvious potential advantage of customization is greater customer satisfaction. While the proliferation of examples cited above implicitly bears testimony to this, the long-term impact and profitability of customization has not to our knowledge been analyzed systematically. Another potential advantage suggested by the above examples is strategic we often see customization emerging in highly competitive industries restaurants, banking, apparel, computers where product differentiation is crucial but difficult to achieve. Customization itself is a point of differentiation (Dell) and moreover ensures the product itself is unique. A potential disadvantage of course is cost. For example, the customized Adidas shoes are about 30% more costly than the standard line. Again, the question is whether the incremental volume and strategic advantages overcome this cost. Customization could also make the purchase decision difficult by making the choice task very complex. Hulfman and Kahn (1998) and Dellacri and Stremersch (2005) demonstrate the psychological difficulty of trading off the higher utility derived from customized products with the complexity of making the choice. Another potential problem is the Pandora’s Box of raising customer expectations. For example, the BMW mini customer may decide that he or she wants everything customized from the interior to the hub caps.

2.5.9 Preference of individual customer

The characteristics of customers’ preferences arc the antecedents to and main drivers of the response to marketers’ offers, including individually customized offers. The emerging consensus among researchers of consumer decision making is that buyers often do not have well defined preferences that can be retrieved, and they construct their preferences when faced with the need to make decisions (for a review, see, e.g., Beuman, Lucc, and Payne 1998; Fischhoff 1991; Slovic 1995). The notion that preferences are constructed rather than retrieved *is* supported by a great deal of evidence indicating that preferences are contingent on the framing of options (e.g., Levin and Gaeth 1988), the characteristics of the decision task (e.g., Tversky,

Sattath, and Slovic 1988), and the choice context (e.g., Huber, Payne, and Puto 1982). For example, Simonson and Tversky (1992) demonstrate that consumers are more likely to exchange \$6 for an elegant Cross pen when they also have the option of exchanging \$6 for a less attractive pen.

It is noteworthy that the conclusion that preferences tend to be unstable and susceptible to various influences does not apply equally to all preference levels. In particular, much of the research supporting the notion that preferences are constructed and susceptible to a variety of seemingly irrelevant influences has involved options with different attribute values that were in the same product or service category. In contrast, although choices between options in different categories can be difficult and susceptible to influence, preferences for product or service categories or types tend to be more stable and well defined. For example, consumers' likings or disliking for smoking, plain yogurt, or gambling are likely to be rather stable over time, and consumers are likely to be well aware of their preferences for such product types. The notion that customers' preferences are often constructed rather than revealed has potentially important implications for the effectiveness of customizing offers to individual tastes. Such approaches would offer the greatest value to the customer and, correspondingly, the greatest advantage to the customizing marketer if the following conditions were to hold:

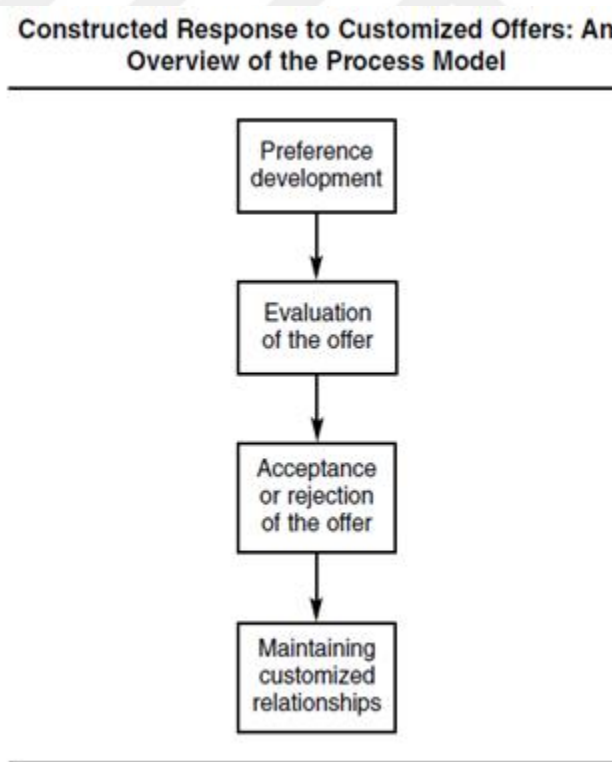
- Customers have well-defined and reasonably stable preferences;
- The customers themselves cannot easily define their precise preferences or identify the available options that offer them the best fit;
- By gathering information about individual customers, marketers can reveal preferences and use the information to customize their offers given those preferences; and customers can recognize and respond favorably to offers that fit their revealed preferences.

The first condition is straightforward. It is easier to satisfy well-defined, stable preferences than fuzzy preferences that are susceptible to influence by contextual, framing, and task factors. That is, if preferences are stable and well defined, a technique that effectively reveals those preferences will enable a marketer to generate a customized offer that accurately matches the Customers' wants. The second condition is less straightforward. Consider a typical market in which there is more than one supplier that can potentially provide the same service or product. In that case, if customers have

well-defined and stable preferences, the more insight they have into their preferences. the less dependent they are on the private information of a particular marketer, and the easier it is for them to select the most attractive competitive offer. That is, knowledge of their own preferences gives customers greater independence, though even customers with good preference insight can benefit from assistance in identifying suitable options.

Figure 2.1

Source: Itamar Simonson. (2005). "determinants of customers responses to offers". *Journal of marketing*, Vol. 69, 32 – 45.



The third condition for effective customized offers is again more straightforward a one-to one marketer should be able to use information about the customer's preferences (e.g.. based on prior purchases) to generate an offer that fits future preferences. However as is discussed further subsequently this is a challenging task. Finally, suppose that the consumer has well-defined preferences but does not have good

insight into those preferences. In that case, even if the marketer or agent can learn the true preferences of the customer and translate them into a customized offer, the customer may fail to recognize the attractive offer. That is, because customers often do not have good insight into their preferences (e.g., Nisbett and Wilson 1977), they may fail to recognize a good match to their measured preferences.

2.6 Positioning with Respect to Customization

The concept of positioning / perspective was firstly appointed to the marketing Communication agenda by Ries and Trout (1972-1978). In 1972 Jack Trout and Al Ries released their articles describing the basic positioning approach in Advertising Age; in 1978 they published an article about 10-year assessment of their approach. Based on these two articles, the concept of positioning features can be summarized under these headings (Uztug, F, 2003 Market of a product in this case its relative in Customer's mind among opponent products. Positioning can be formed according to the specific features, benefits or the usage of the product, and also a positioning can be developed as directly against the major opponent or as being different from the opponent (Mucuk, I. 2004).

Strategies that worked in the past have lost validity. Competition is increasing and with improving communication. The increasing noise communication has become ineffective. In this ambiance, which Ries and Trout call communication jungle, one must be selective and heard towards narrowed goals.

- With increased communication volume through internet and social media, consumers took a defensive-mind position to personalize and customize in accordance to their preference and needs. Lots of information presented is being denied by customers who make communication ineffective. In general, the consumer mind uses the information which matches previous knowledge and experience.
- Positioning, as a new approach, creates a full change of the mind of consumers. so that it brings the acceptance of what is configured in the consumer's mind and work on this stuff.
- The 'factual expression' in advertising text strategy has lost validity. In 70's, this sense of creativity had no meaning. A basic positioning description must be defined clearly with a poetic and artistic style. 'In positioning period, the key to success is avoiding the wrath of creativity for simple and clear positioning statements. In positioning phase, the importance of the company's and its product's

name (brand) will increase even more. The ensured position for the brand is to be protected (Uztu. F.. 2003)

A product must be identified in the best way to express a sense as for a group of customers. Otherwise it will be positioned poorly and will not be remembered sufficiently. What we remember are the first or the best products tapering (Kotler, P., 2005). A positioning strategy consists of 3 steps:

1. To reveal possible competitive advantages to create a positioning.
2. To select the right competitive advantages and;

Later the company should provide effective communication and distribution to market regarding the selected position. But positioning is not arbitrary. We would not make people believe Hyundai is the last point in cars. In fact, the product should be designed with a planned position in mind: positioning should be decided before production. One of the biggest errors in General Motors' Car Service is that cars are designed without a distinguish (Kotler) indicates that positioning contains communication actions regarding the development of images of the brands that companies offer. Pre-requisite of creating a successful and a strong brand is being different from competitors. Creating desirable brand image in the minds of consumers requires a coherent and integrated planning of course. According to this assessment, brand positioning can be described as an effort to create an distinctive merit compatible with brand identity elements (.Uztug. F.. 2003). Michael Treacy and Fred Wiersema divided positioning into three main headings (which they call 'merit disciplines'): product leadership, operational superiority and customer intimacy. Some customers prefer the company offering the best product of its class: others prefer the most productive company, and many others like the company which offers the best solution for their needs. Treacy and Wiersema recommend companies to have a leader position in one of the merits and to have a sufficient level for the other two. For a company to be the best in all three disciplines might be more difficult and expensive. (Fred Garford and Rayn Mathews) proposed five possible positioning: product. price, ease of access. added-value services and customer experience. Based on the studies about successful companies, they concluded that a good company should be leader in one of the mentioned positions, be over the average in another and cope with other companies for the rest positions. Crawford and Mathews believes that a company falls below the optimum value if it tries to be the best in more than two of the positions (Kotler. P, 2005), after producing the car, GM. tries to decide how to position the car.

A market position reflects how consumers perceive the product's or organization's performance of specific attributes relative to that of the competitors (Kotler, 1994). Positioning is a competitive marketing tool that goes beyond image-making. It is an attempt to distinguish an organization from its competitors, in order to be the most preferred firm for a certain market segments, It is establishing and maintaining a distinctive place and image in the market for product of so that the target market understands and appreciates what the organization stands for in relation to its competitors (Ries and Iroul, 1986). A firm that position itself

Favorably within a particular market place, relative competitors can earn high profits irrespective of average profitability within the market. Competition and probability pressures mean that firm must be increasingly responsive to market consideration interms of their positions.

Successful consumer marketing begins with consumers who need the product and have the resources to buy it. However, these consumers do no buy just a product; they buy a total bundle of values (market offering). The market offering is Composed of a mix of elements such as a product, product services, transaction services, brand, package, price, credit terms, price discounts, advertising, personal sales assistance, store or business location availability. inventory assortment and transportation services, Mixing and matching these various elements of the market offering into an appropriate integrated and unified whole becomes the primary focus in developing a successful competitive position in the market place today.

The third and the final stage in market segmentation process deals with poisoning. Once the company has identified the segment and chosen which segment or segments to target, the final step is to decide on what positions its wants to occupy in those segments. Poisoning is concerned with how the customer perceived and defined the products in order to maximize the potential benefit to the company. The result is the persuasive reason why the target market should buy the product or products (Kotler & Keller, 2009).

Customers are not capable of remembering information about each product they bough and thus the consumers organized the products, services, and companies in their minds in order to simplify the buying process, this process happens with or without the help of the companies. However, the companies are not interested in jeopardizing their products position and therefore it is necessary for them to positions to gain advantage to their product from competition in selected target markets (Armstrong & Keller, 2005). For

companies to achieve this particular product or service positioning there are steps the companies must follow, these steps include:

- Understand what the target customers expect and believe to be the most important when deciding on a purchase.
- Develop a product or brand which caters specifically for the Customers need and expectation.
- Evaluate the Positioning and images, as perceived by the target Customers of competing products in the selected market segment(s)
- Select a credible image (create brand image) that differentiates from competing brands and products on the basis of the target customers and their perception of competing brands positioning
- Communicate with the target Customers about the brand or product through promotion and make the product available at the right price (Dibb & Simkin 1996).

A successful one occurs when the target customer finds that the product or brand meets their expectation and desires (Dibb, & Simkin, 1996).

Conclusively, market segmentation process is necessary for companies to market their products or brands to a wide range of customers by satisfying their needs, wants, and desired expectations through charging appropriate prices by considering the market conditions. When identifying the target customers it is necessary to consider the variables of the different types of segmentations. These types are the; demographic, geographic, psychographics, and behavioural segmentation. The next step is to evaluate the market segments and decide on which segment to direct their marketing strategies thus positioning the product so that the product satisfies the target customers' expectations and desires.

2.6.1 Brand positioning

Brand positioning, brand a competitive advantage in the minds of the targeted audience into a position which is the purpose of targeting specific customers. In this sense, brand positioning, brand promise of offering the consumer and represents the sum of the features. A successful brand positioning is the

development of the 'added value' which is improved through a remarkable differentiation from competitors. It is extremely important for the 'added value' created by brands to make a sense for consumers. In this sense, positioning is the creation and the presentation of 'added value' based on brand associations (Uztug, F., 2003). The most successful positioning can be seen on companies who know how to be unique and very difficult to be imitated. No one could successfully imitate JKEA, Harley Davidson, South West Airlines or Neutrogena. These companies have developed hundreds of custom processes to conduct their businesses. Their external images can be imitated, but not their internal functioning. The companies which lack a nonpareil positioning, sometimes, may apply to 'number two' strategy. Avis is remembered with these words: 'We are number two. We work harder.' And 7-UP remembered with 'un-Cola' strategy (Kotler, P., 2005). If brand positioning is a strategic approach, it takes a full organization liability. How successful product and identification we get, if we do not position correctly. We cannot reach brand value and being a brand ends in failure. For this purpose;

- a) Different.
- b) Striking.
- c) Creative.

Positioning is required. If you do not have a difference why should you be preferred' from another point of view, positioning is being different due to its essence. The basic thought is to develop a peculiar, unique approach. An object peculiar to itself is of course. is different from others. Institutions have hundreds of chances to be different. In a striking and impressive way. it is possible to create a irresistible urge to purchase on consumers.

Brand positioning refers to the place the brand occupies in the consumer's mind. (6) Any seller would like to be perceived by the target market in a particular way. For this reason the seller will try to demonstrate that the company's offer is better than the competitors' ones, trying to be remembered by the potential consumer/ user in a specific way.

Positioning does not refer to the ay in which the seller wants to be remembered by the target market (in this case we speak about a positioning approach). but what the consumer/user understands about the respective seller or brand.

A brand must have something special in order to be remembered by the target market. This objective can be achieved by offering a particular market benefit or offering better conditions than the competitors. The positioning approach must stem from the segmentation criteria used on the respective market (geographic, demographic, psychographic and behavioral criteria). The segmentation process deals with the demand selection criteria, and also with methods for offer compliance to these criteria. The positioning outcome is shaped through the marketing mix elements: product, price, promotion and distribution.

For a successful positioning, the element of differentiation must be:

- Unique
- Important to the consumer
- Communicable
- Easily understood and remembered
- Sustainable by the company's approach through all the mix elements

The positioning tool proposed in this paper is designed in such a way as to provide the SMLs a guide for assessing the situation and building a competitive positioning strategy regardless the market in which a company is present.

The tools are comprised of the following.

1. Brand situation analysis.
2. Competitive advantage configuration.
3. Competitive advantage communication Competitive advantage sustainment.
4. Implementation of positioning element(s).
5. Positioning outcome.

The design and implementation of a positioning strategy include the following

1. Brand situation analysis.

- *Identification of strong and weak points of Ike brand and Its compel liars:*

i. Analysis of comparable elements and identification of unique elements of competitive brands.

1. The common characteristics of the product service arc compared with itic competitive offers - analysis to be made on marketing mix components:

a) Physical features color, shape, and package.

b) Price: level, variation.

c) distribution methods, type of channel, number of channels, placing on shelves

d) Promotion: type of message. Advertising, type of media, broadcasting frequency.

e) Marketing Services: Consumption monitoring services, after sales services, after Warranty services.

- Identification of opportunities and threats.

- Conclusion of the brand position on the market.

- The following tools can be successfully used: Secondary data, assessment group, SWOT analysis and Porter model analysis.

2. Competitive advantage configuration

Identification of differentiation element(s):

- It starts from the business idea.
- It is based on phase 1 conclusions
- The brand can be differentiated through:

1) Something that others do not have.

- 2) We do a certain thing better than the others.
- 3) We sell it cheap.
- 4) we offer something extra

iv. We select that thing through which we intend to attract customers:

- 1) It needs to be easily understood by the target market.
- 2) Difficult to be imitated.
- 3) Ideally, it should be specific to our brand only.

- ***Elaboration of positioning strategy***

- **Usage of brand specific elements:**

- 1) They can be the most effective, as they are specific to our brand.
- 2) They ensure a clear place of the brand in the consumer's mind, because they cannot be found elsewhere.
- 3) If understood by the target market and difficult to be imitated, they provide at least a medium-term competitive advantage.

- **Usage of comparable elements:**

- 1) Must be clearly worded and distributed, because the target market can compare.
- 2) The seller's disadvantage is that the company is not the only one to offer that thing on the market; there is a permanent threat that another company could manufacture or do that thing better.
 - a) We speak about the offer in general.
 - b) The difference comes from the price, promotion, distribution and marketing services.

i. Product.

- ii. Product features.
- iii. Degree of novelty.
- iv. Variety of types.

d) Price

- i. Price level.
- ii. Price flexibility.
- iii. Methods and terms of payment.

e) Promotion:

- i. Communication: methods, channels e.t.c.
- ii. Frequency of communication
- iii. Message creativity.
- iv. Communication time (hour. date).

f) Distribution:

- i. Types of channel.
- ii. Number of channels.
- iii. Area: extensive, intensive, exclusive.

g) Marketing services

- i. Consumption monitoring.
- ii. After sales services.
- iii. After warranty services.

6. Positioning outcome.

- a) The brand must be remembered by users/consumers as it delivers a specific benefit and/or has a specific meaning (emotional or social meaning).
- b) The users/consumers must perceive the difference between the respective brand and the other brands.
- c) A favorable attitude toward the brand must be developed and the for motive/benefit must be clearly emphasized.

A. Ten major Rules in Product positioning

1. Establish a definition of positioning.
2. Keep it simple.
3. Make it unique.
4. Excavate product benefits and market needs.
Construct a credible position.
5. Ensure strong support by starting early.
6. Follow the market dynamics.
7. Make positioning visible in all communications.
8. Quantitatively test alternative positioning options.
9. Do not test the positioning statement itself (Rokason, B.. May 2005)

2.7 The Role of Mass Customization in Customer Satisfaction

2.7.1 The emergence of mass customization

Mass customization MC was first popularized in 1993 by B. Joseph Pine II in his book Mass Customization, The new Frontier in Business competition and defined as developing, producing, marketing

and delivering affordable goods and services with enough variety and customization that nearly everyone finds exactly what they want. Since 1993, the concept has been described enormously, evolution of technologies underlying the development of innovative manufacturing processes under mass customization strategies. Certainly, MC did not become a tangible innovative business until the second half of the 2000's, once key manufacturing solutions like web-based configurators, rapid manufacturing technologies and more structured customer-manufacturer interaction methods had been developed. These advanced technologies have facilitated the integration of customers' preferences into manufacturing processes and therefore provided mass customizers with innovative opportunities and solutions.

Leveraging and developing a strategy grounded on mass customization is not easy and can be complex and costly in terms of development process implementation and inventories further to this, adding value to customers is not always guaranteed. Aspects of mass customization may sometimes only be cosmetic and not fully integrated into a complete business strategy. In that sense, proposing various colors, flavors or technical features may not add value in terms of client experience, which is why mass customization needs to be ultimately understood as a way to reduce customer sacrifice gap and so create the greatest customer unique value at the lowest possible cost which in turn yield maximum satisfaction. In so doing, mass customizers have to develop a strategy that would help to create competitive advantage, exploit or create new market niches. This can be translated into different solutions such as websites with configurators that enable customers to design their products customers may also adapts and upgrade these customer goods by themselves later on.

When considering these MC strategies, two key success factors arose:

- The appropriate consideration of value chain challenges when defining the strategy; and
- The appropriate involvement of the customer in the product life cycle (i.e. design, manufacturing, delivery. Use / optimization).

This case of the former underlines the need for mass customizers to consider manufacturing issues before integrating customizing options in their value chain. Whereas the case of the latter tackles the added value brought by MC to customers: depending on the product and its related use, customization may be more relevant during the design phase or during the use of the product The definition of the most relevant

phase for customization impacts then all the other phases; product design, manufacturing processes and client management.

Mass customization can be characterized as follows:

- It is an evolution of mass production, which seeks to answer customers' needs, requirements and wishes for having individualized and personalized goods and services. This also implies the production of high volume at a relatively low cost;
- It leverages on new information technologies and innovative manufacturing processes to ensure high volumes at low cost:
- It is a young trend that enables the transfer of best practices from one industry to another, and so may create synergies and generate value.

2.8 Definitions of Mass Customization

Mass customization (MC) can be defined either very broadly or narrowly. The broad, visionary concept was first coined by Davis (1989) and promotes MC as the ability to provide individually-designed products and services to every customer through high process agility, flexibility and integration (Pineet at., 1993; Eastwood. 1996). MC systems may thus reach customers as in the mass market economy but treat them individually as in the pre-industrial economies (Davis, 1989). MC systems are positioned below the main diagonal of Hayes and WHEEL WRIGHT's product/process matrix. i.e. having medium to high-volume process types such as manufacturing cells or assembly lines that are able to deliver the high product varieties usually associated to functional or fixed-type operations.

Many authors proposed similar but narrower, more practical concepts. They define MC as a system that uses information technology, flexible processes and organizational structures to deliver a wide range of products and services that meet specific needs of individual customers (often defined by a series of options). at a cost near that of mass-produced items (Hart. 1995; Kay, 1993, Kotha, 1995; Ross, 1996, Joneja and Lee 1998). In any case, MC is seen as a systemic idea involving all aspects of product sales, development, production and delivery, full-circle from the customer option up to receiving the finished product (Kay. 1993; Jiao *al.*. 1995)

The jurisdiction of the development of MC systems is based on three main ideas (Hart, 1995, Ahlstrom and Westbrook, 1999, Kotha, 1995 Pine, 1993). First, new flexible manufacturing and information technologies enable production systems to deliver higher variety at all cost. Second, there is an increasing demand for product variety and customization according to (Kotler 1989) even segmented markets are now too broad as they no longer permit developing niches strategies. Finally, the shortening of product life cycles and expanding industrial competition has lead to the breakdown of many mass industries, increasing the need for production strategies focused on individual customers.

The main objective of MC is to deliver products and services that best translate the actual choice of individual customer. This is one step ahead of conventional flexible systems where customer choices are anticipated by delivering wide varieties (Ahlstrom and Westbrook & Williamson 1995, 1999). MC systems aim at turning market uncertainties into sources of competitive advantage (HART, 1995) by producing items that are meaningful to customers, more valuable than competitors' offerings, and feasible to design, manufacture, distribute, and service (HART, 1996).

2.9 Service Customization

The decades of the middle, with a more educated and discerning population, have led to a higher level of expectation for personalized services. Allied to that, service providers themselves need to differentiate their offering in some way to sustain market share and profitability. An increasingly common method of service differentiation these days is to introduce options and choices (often associated with premium charges) that give the customer some customization and control over service content and availability.

Increasingly, an extremely cost-efficient way of deploying a service to many customers is transforming it into software, that is, automating it and bundling it in some way within the product package. The customer must still be the focus, whether the service is manual or automated; therefore, the product package and the service parts of the package have to treat different customers differently. We're not putting service automation in question; rather, we're stressing that any new or enhanced service must be at least as customized as the previous one manual or semi-manual to make sense in the context of Mass Customization, for both simple and complex services.

Successful MC system may bring in major competitive strategy and performance enhancements such as:

- Inventories of finished products tend to disappear and the risk of product obsolescence is reduced (Kotha, 1995; Westbrook and Williamson, 1993).
- Need for forecasting and market research decreases as products are designed according to actual customer choices (KOTHA, 1995; Westbrook and Williamson).
- Companies may be able to get revenues from customized products (Pine, 1993).

Customer loyalty tends to increase and the value chain tends to become more integrated as links between manufacturers, suppliers, retailers, and customers (Ahlstrom and Westbrook 1999, Kotha, 1995; Westbrook and Williamson, 1993; Knowles, 1997).

2.10 Mass customization vs Mass Production

One of the main anticipated debates within the literature on MC regards the difference between MC and MP. This question unanimously branches into aspects though as whether MC and MP are parts of continuity, their operational and strategic differences, and the possibility of pursuing both strategies within the same company.

Pine, Victor and Boynton (1993) argued that MC and MP are essentially different and incompatible within the same organization. These differences concern fundamental aspects such as focus, goals, key feature and structure of each approach. Taylor and Lyon (1995) stress the differences in the way, products and processes are developed in the two approaches: in MP products are created first and then a coupled process is designed to produce them; in MC the process is created first and remains de-coupled from products.

However, some authors suggest that MC is not very different from MP. In LAU's (1995) view, successful MC strategies depend completely on application of MP techniques with smaller lot sizes. Lampel and Mintzberg (1996) argue that customization and standardization are not alternative models of action but rather poles in Continuity of real world approaches (discussion this issue is resumed below).

Kotha (1996a) is likely to be the author most supportive of combining both strategies, if not within the same production system, at least within the same firm. In his view, a successful combination of MC and MP relies on appropriate factory focus, and in the ability to explore the interactions between the two

focused factories. Based on the National Industry Bicycle Company (NIBC) case, Kotha (1995; 1996a; 1996b) suggests exploring the interaction between MC and MP factories to foster organizational learning, improve the utilization of work skills, enhance strategic flexibility, refine engineering and manufacturing capabilities, and improve market responsiveness. That is possible in view of the unique opportunities offered by such integration such as sharing of design and process engineers and workers between the two factories, training of MC workers at the MP factory, and transferring of process knowledge and information on market trends from the MC to the MP plant.

The possibility to pursue MC and MP strategies within the same industry, although in different market segments may be the key to a successful MC implementation. Companies attempting at pursuing MC for the first time may find it risky to change their entire operation in this direction. In such cases, a better strategy may be first implementing a pilot MC system and then exploring the interactions between MP and MC. In addition, as discussed next, MC is suitable for companies operating in specific market types and with specific configurations. While MP is still the best strategy in many markets, hence pursuing both MC and MP by focused factories may be the best choice in many cases.

2.10.1 Factors leading to the success of mass customization

The success of MC systems depends on a series of external and internal factors. The existence of these factors justifies the use of MC as a competitive strategy and supports the development of MC systems. The six factors most commonly emphasized in the literature are presented next. Factors 1 to 2 are primarily market related factors. Factors 3 to 6 are primarily organization based factors.

- 1) Customer demand for variety and customization must exist: The need to deal with increasing demand for innovative and customized products is the fundamental justification for MC (Pine, et al 1996). The success of mass customization depends on the balance between the potential sacrifice that customers make for MC products i.e. how much they are willing to pay and wait for the delivery of mass customized products (Hart & Kotha, 1996) and, on the other hand, the company's ability to produce and deliver industrialized products within an acceptable time and cost frame.
- 2) Market conditions must be appropriate: According to Kotha (1995), a company's ability to transform MC potential into actual competitive advantage greatly depends on the timing of this

development. In other words, being the first to develop an MC system can provide substantial advantage over competitors, since the company may get well entrenched in this position, and start being seen by people as innovative and customer-driven.

- 3) Value chain should be ready: MC is a value chain-based concept: Its success depends on the willingness and readiness of suppliers, distributors, and retailers to attend to the systems demands. The supply network must be at close proximity to the company to deliver raw materials efficiently (Kotha, 1996; Fietzinger and Lee, 1997). Most important, manufacturers, retailers, and other value chain entities must be part of an efficiently linked information network (Kotha et al., 1999; Kim, 1991; Magretta, 1991).
- 4) Technology must be available: the implementation of Advanced Manufacturing technologies (AMIS) is fundamental to enable the development of MC systems (Pine, 1993; Kotha, 1996h; Adamides, 1996). One could argue that the very concept of MC (appeared only after some companies were able to successfully integrate a series of information and process flexibility technologies) MC IS one of the best opportunities offered by coordinated implementation of AMIs and information technology (IT) across the value chain.
- 5) Products should be customizable: Independent units that can be assembled into different forms compose a modular product (Fietzinger & Lee, 1997). Successful MC products must be modularized, versatile, and constantly renewed. Even though modularity is not the fundamental characteristic of MC. Through MC products are individually made, it enables simpler, and lower cost of manufacturing of products with similar effectiveness if compared to true customization and also, MC processes rapid product development and innovation capabilities due to typical short life cycles presented by MC products (Pine, et al, 1993; Lau, 1995).
- 6) Knowledge must be shared: MC is a dynamic strategy and depends on the ability to translate new Customer demands into new products and services. To achieve that, a culture that emphasizes knowledge creation and distribution across the value chain must be pursued by companies. That requires the development of dynamic networks (Pine et al., 1993) along with manufacturing and engineering expertise (Kotha, 1996a), and in-house development of new product and process technologies (Kotha, 1995).

These factors have direct practical implications. First, they corroborate the idea that MC is not every company's best strategy, for it must conform to specific market and customer types. Second, they assert the complexity involved in MC implementation. In other words, MC implementation involves major aspects of operation including product configuration, value chain network, process and information technology, and the development of a knowledge-based organizational structure. (See table below).

Table 2.1

SOURCE: F. S. Fogliatto et al. (2010). "Mass customization part 1: definitions, levels and success factors". *University of federal do Rio grande de soul and Austra-Argentina*

GENERIC LEVEL OF MASS CUSTOMIZATION

MC Generic Levels	MC Approaches (Gilmore and Pine, 1996)	MC strategies (Lampel and Mintzberg, 1996)	Stages of MC (Pine, 1993)	Types of Customization (Spira, 1996)
1. Standardization		Pure standardization		
2. Usage	Adaptive		Embedded customization	
3. Package and distribution	Cosmetic	Segmented standardization		Customizing packaging
4. Additional services			Customized services: providing quick response	Providing additional services

5. Additional custom work			Point of delivery customization	Performing additional custom work
6. Assembly		Customized standardization	Modular production	Assembling standard components into unique configurations
7. Fabrication		Tailored customization		
8. Design	Collaborative: transparent	Pure customization		

2.11 Mass Customization and Customer Satisfaction

Mass customization strategy is the ability to provide products and services according to customers' needs at the comparable efficiency level of standardized products and services. This definition has several implications for operational management strategy.

- First, mass customization makes the Customer a central and fundamental element for Operational activities. Firms must get enough information about the Customer's characteristics and needs in order to customize products or service according to Customer preferences
- Second, getting information from customers requires a high level of contact between the firm and customer can be through the firm's sales force, electronic transactions, and even engineers from operations management depending on the type of product or service. The participation of the customer in the production process shows the importance of his or her satisfaction for development product and services since they are customize according to specific characteristic.

- Third, the production process must occur after the sales process, making use of modularization process in order to enable the customization at a comparable efficiency level of standardized products.

Although there is unreliable evidence that mass customization increases customer satisfaction due to benefits of fitting each customer's needs, there are few studies about the relationship between mass customization and customer satisfaction. Armstrong and Westbrook conducted a survey of U.K. manufacturing firms and found that the main benefit of mass customization for these firms was increased customer satisfaction. (Tu, Vonderembse, and Rangunathan) conducted a survey of U.S. manufacturing firms and concluded that firms with high levels of mass customization capabilities add high value for customers. It is possible to argue that high value to customer may generate high customer satisfaction. Then, mass customization increases customer satisfaction due to satisfaction of customers' needs as well as high value products and services.

Advancement in technologies like manufacturing and communication allowed the companies to not only get connected with the customers on individual basis but also to provide them products on individualized basis (Pine, Victor, and Boyten, 1993) which definitely increases the customer satisfaction. The adoption of such technologies enabled the organizations to develop the learning relationship with the customers to predict their demands on individual basis and the changing conditions and its effects on the demand of the products. Major beneficiary organizations/firms of customization includes individual customization particularly of the products that people wear i.e. clothing, shoes, glasses, suiting etc. though because of the customization firms are more focused on niche market but it helps a lot to get the growth from the company. However, the benefits of customization are not just focused on such firms but on every firms which wished to get the benefit by making effective and efficient decisions along with the following the standardization process.

(Nikolaus Franke, Peter Keinz, Christoph J. Steger, 2009) argued that more satisfaction is identified in the customized products due to better preference fit Compared to Standardized products. They, however, further doubt on the knowledge of customers and their Understanding of knowing their own preferences. Customer are often unclear about their preference and it is common that their preferences are often influenced by irrelevant factors making them failed to recognize the customized offers presenting a preference-fit (Betlman Luce, and Paj 1998)) also argued that customer is willing to pay high with good

purchase intentions if they expect higher benefits in the customized products as compared to standardized products (Nikolaus et al., 2009; Frarrike and Piller, 2004; Schreier, 2006) subject to the conditions i) if customers know their preferences ii) ability to express those preferences to the marketers and iii) their own involvement in the design and making of the products (Nikolaus et al., 2009). So it could be concluded that customization would be a great marketing strategy if handled properly. Perceived preference fit is defined as the customer's subjective evaluation of the extent to which the product's features correspond to her preference system's (Dellacri and Stremerscli 2005). As product features are designed by customers themselves so it's a common assumption that they may fit according to the customer preferences and thus creating greater value that definitely increasing the customer satisfaction (Franke and von Hippel 2003). Moreover, customers also feel the pride to have its own designed product (Franke et al. 2010).

Perceived process effort as the subjective perception of the time and mental energy invested in designing the product, efforts are required from customer side to design own products requiring customers active involvement which are time and energy consuming may lead the customers towards the dissatisfaction (Huffman and Kahn, 1998) Due to the number of Cognitive steps in decision making while choosing among the alternatives increases the complexity of decision 'flaking' (Tannenbaum et al. 1990) thus require extra consumer efforts in terms of energy and time (Johnson and Payne 198) and may yield in less customer satisfaction (Wright 1975).

Active involvement where leads to dissatisfaction, quite contradictory could be the motivator for the customers to design their own products as it creates fun (Huffman and Kahn, 1998). If involved voluntarily and deriving benefits from the overall process Involve fun that shows the positive attitude of the customers and thus increase the satisfaction (Hertel et al. 2003:

Franke and Shah 2003). Designing own products requires the active involvement of the customers in the process. According to Huffman and Kahn (1998) customer take it as fun while learning their own preferences in the process and also experience positive emotions. Customer enjoys the overall process of the customization (Dallaert and Stremersc, 2005). Process enjoyment has a significant impact on the customer satisfaction and amplified by the preference fit (Nikolaus Franke, Martin Schrvier. 2010). Franke and Shreier (2010) found that regardless of the outcome of the process customer gives higher value to the process if they enjoyed it.

However, mass customization has negative impact on manufacturing competitive priorities with consequences for customer satisfaction and perceived value. It is arguable that mass customization may not be a strategy for all firms since mass customization strategy is trade-off with competitive priorities (Anderson et al.) identified differences between productivity and customer satisfaction with goods and services. High customer satisfaction with goods is compatible with high productivity, while high customer satisfaction with services is not compatible with high productivity. It means that the nature of services leads to possible manufacturing competitive priorities trade-offs and consequences for customer satisfaction.

2.11.1 Achieving customer satisfaction, loyalty, through customization

Over the past decades, there has been a growing recognition among scholars and practitioners that product and service differentiation represents a source of competitive advantage. The core idea of differentiation is to identify profitable market segments and to design products and services to optimally satisfy the needs of the target segments. As a more extreme form of differentiation, the concept of customization that means the degree to which the firm's offering is tailored to meet heterogeneous customers' needs (Anderson, Forman, & Rust, 1997), has gained increasing popularity among firms (Kara & Kavnak, 1997). Aims at satisfying as many needs as possible for each individual customer, in contrast to conventional techniques, which try to reach as many customers as possible while satisfying a rather limited number of customer needs (Simonson, 2005; Fiore, Lee, & Kunz, 2004).

Kotler (1989) and Pine (1993), among others, regard customization as an answer to the shifting nature of customer demand for greater variety, more features, and higher quality in product as well as services. Driven by its expected benefits, customization has become a cornerstone of customer relationship management (Lemon, White, & Winner, et al. 2002). Clearly the developments in computing power and the dissemination of the Internet have offered new opportunities to marketers to customize offerings to ever demanding customers. Many researchers expect that corporate investment in customization technologies will continue to surge in the future (Gardyn, 2001; Kim, Lee, Shaw, Chang, & Nelson, 2001; Rust & Lemon, 2001). This trend goes along with companies' strong need for information on the nature and extent of demand for service customization (Liechty, Ramaswamy, and Cohen, 2001).

Current scientific research on the outcomes of service customization is scarce and mixed. One reason for this may be that scholars have mainly devoted their attention to Customization from a supply side perspective (mostly in the form of mass customization, see for instance Pine, 1993). Until now, few studies

have investigated the mechanism by which customization influences consumers' decision processes (Tam & Ho, 2005). Some early empirical evidence for a positive influence of customization on customer relationships stems from research based on the American Customer Satisfaction Index model (Fornell, Johnson, Anderson, Cha, & Bryant, 1996): one quality indicator measuring the evaluation of customization experience or how well the product fit the customer's personal requirements post purchase plays an outstanding role when predicting customer satisfaction. Similarly, Ostrom and Iacobucci (1995) find that service customization contributes to the formation of customer satisfaction, although its impact is somewhat lower than that of service quality. Ball, Coelho, and Vilares (2006) confirm the predictive validity of the personalization construct in a relationship marketing context, since personalization contributes to the explanation of customer satisfaction and ultimately customer loyalty.

However, whilst conventional wisdom tells us that personalized service is better service, based on empirical findings (Surprenant and Solomon 1987, p. 94) conclude that all forms of personalization do not necessarily result in more positive evaluations of the service offering by consumers. Given the organization effort involve in customization strategies, it is striking that the expected positive Outcomes to be achieve by using customization are rather assumed or taken for granted than empirically validated. Many companies follow a customization strategy with the objectives of establishing a competitive advantage (Huffman & Kahn, 1998). Still, empirical evidence for competitive advantages and company growth through customization (e.g., Aijo, 1996; Kotha, 1995) is rather anecdotal in nature. Moreover, the literature provides only little evidence that offering customized products does in fact lead to superior returns (Kotha, 1995) Simonson (2005, p. 32) questions whether the fundamental assumptions underlying the customization concept for satisfying individual customer preferences actually hold. Customers may not have well-defined preferences to be revealed, and they may fail to appreciate customized offers that fit their measured preferences. Murthy and Sarkar (2003, p. 1350), remark that they found no research on empirical validation of the assumptions or the results of analytical models providing substantial opportunities for researchers. So far, the predominant logic for using customization as a marketing instrument lies in its added benefit or value to the customer. Yet, customization does not automatically imply a benefit for the customer. Hart (1995) asserts that customers demand for customized products and services may vary or even be nonexistent that is consumers do not regard customization as beneficial for them, or they associate it with high efforts. The benefits of customization may well be outweighed by the monetary and non- monetary costs that a customer encounters, such as the increased price of customized products, the delay in receipt of custom-

made products, and the need for customers to invest time in specifying their preferences before the service can be brought (Bardakci & Whitelock, 2003, 2004; Huffman & Kahn. 1998).

The ambiguity in the current knowledge on Customization outcomes is highly unsatisfactory. Understanding the consequences of customization is particularly crucial for service firms. The chances for service firms resulting from customization have well been recognized, as service firms have been at the forefront of Customer-centric marketing due to their greater ability to customize their offerings” (Sheth, Sisodia, & Sharma, 2000, p. 64). In order to make use of service firms’ customization abilities and to make deliberate decisions on customization strategies, it is indispensable that service firms are familiar with the effects that customization has on customer-firm relationships. More specifically, it is important to examine the impact of practicing customization on the Customer’s commitment to and long-term relationships with marketers (Simonson. 2005, p. 42). In the light of the prominent role of customization among customer relationship management tactics (Gordon, McKeage, & Fox, 1998), the questions that arise are whether, and if so, in what manner customization focal relationship marketing variables? Our present research addresses these questions and examines how customization affects customer-firm relationships from a customer perspective

CHAPTER THREE

Research Design

3.0 Introduction

In carrying out this research, the researcher focuses on examining the effect between customer satisfaction on product service customization and application. This chapter presents the objectives of the study, hypothesis, and methods employed in data gathering, validity of instrument, sampling techniques and explains the limitations encountered during the carried research.

3.1 Methodology

This study aims to explore effect and relationship of customer satisfaction on product service customization and applications. In order to achieve the aim of this research, survey research method was adopted, and it is most suitable for this research because it allows for the study of a fair random representation of the entire population. Survey method is mostly used to assess thoughts, ideas, opinions and feelings. ‘Surveying is a research method that we use to get information about certain groups of people who are representative of some large group of interest to us. (Khotari) defined survey as the method of securing information concerning a phenomena under study from all or selected number of respondents of the concerned universe. Furthermore, Scheuren describe survey method as: the word “survey” is used most often to describe a method of gathering information from a sample of individuals.

Looking at the scholars views of survey’. Survey is simply focuses on definite person or persons with a view to determining their whole characteristics or features, identifying and describing an individual, Wimmer and Dominick emphasized the use of survey saying;

“Survey attempt to describe and explain why situations exist In this approach, two or more variables are usually examined to investigate research questions or test research hypotheses. The results allow the researcher to examine the interrelationships among variables and to develop explanatory inferences”.

This also aptly describes what this study aims at doing. The method is therefore appropriate to this study which aims at collecting data of customer satisfaction in relation to product service customization and

applications. The survey was conducted both online i.e. through social media platforms and pencil and paper method.

3.1.2 Data collection method

The instrument of data collection for this study is ‘questionnaire.’ Questionnaire elicits information that enables the researcher to answer objectives of the survey. Kothari assert that:

“A questionnaire consists of a number of questions printed or typed in a definite order on a form or set of forms; questionnaire is mailed to respondents who are expected to read and understand the questions and write down the reply in the space meant for the purpose in the questionnaire itself.”

Specifically the study uses a questionnaire research design tool that enables the researcher to accurately and comprehensively, test and measure the variables of the research hypothesis.

The designed research tool had questions which the respondent answered. A series of structured questions helped the researcher to ably gather relevant detailed information in a spell of a short period of time. The designed questions relate to the customer satisfaction; product / service customization and its applications. In using the research tool, among other considered the influence of mass customization in purchasing behaviour, examine how customization enhances purchase of products and services, examine customer satisfaction through application of product service customization.

The researcher wrote short introduction at the beginning of questionnaire to give respondent background information. Wimmer and Dominick suggested that; the best way to increase response rate in any questionnaire is to prepare persuasive introduction. The introduction should be short, simple, clear neutral, nonthreatening, and pleasant but firm.¹⁸⁵ The data gathered from answered questionnaire is analyzed using Statistical Package for Social Science (SPSS) software.

3.2. Population and Sampling techniques

A sample is a subset of the population that is representative of the entire population. And a population is an aggregation of all survey elements. The population of this study is customers in turkey, Izmir. The sampling techniques employed for this study is ‘simple random sampling’. As traditionally accepted in random sampling technique, each customer is chosen randomly and entirely by chance as every

person can be a customer, this means that each person has the same probability of being chosen at any stage during sampling process. Dorofeev and Grant opined that; simple random sample has two requirements:

- i. Every member of the defined population has an equal chance of selection
- ii. Each member of the sample is selected independently of all others.

A simple random sampling is the most appropriate method for this study because of the following reasons:

- i. Simple random sampling is considered as unbiased techniques.
- ii. Simple random sampling is less time consuming, and data can be collected in a comparatively shorter duration.

By using simple random sampling techniques, the researcher took 400 samples of respondents. According to surveymonkey.com, if the population of the sample is over 1 million; 384 respondents are appropriate and it constituted 95% confidence level. The population of customers in Izmir is over 2.8 million; therefore, the researcher applied the rule suggested by survey-monkey.

3.3 Objectives and Aims of the study

The main objective of this study is to examine the effect and relationship of product / service customization on customer satisfaction. In order to do so, this research explores other necessary key objectives:

- 1) Examine the concept of mass customization as well as implementation.
- 2) Influence of mass customization in purchasing behaviour.
- 3) Examine how customization enhances purchase of products and services.
- 4) Examine customer satisfaction through application of product service customization.

3.4 Research Question

Product / service Customization effect on Customer satisfaction?

3.5 Hypothesis

- ✓ H1: customers derived much more satisfaction from customized or customizable products / services compared to normal products / services.

- ✓ H2: customizability plays a major significant role in influencing customers to purchase the product / service.

- ✓ H3: A unique feature is a major tool of influence of purchase to customers on customized products.

- ✓ H4: authorizing custom configuration or personalization of software application can influence of the product

3.6 Limitations of the study

As mentioned earlier, this study employs two different platforms of data collection methods, which include using online software “survey monkey” to collect responses on social media. Secondly “pencil and paper method” i.e. collecting data responses through questionnaire type one on one with the respondents. This is to say, the second method of data gathering of the research doesn’t include personal customers who are currently not residing or staying for any purpose in Izmir city, turkey. However, the study narrows itself to examine effect and relationship of customer satisfaction on product / service customization and application. During the time of conducting this study Facebook is the main domain of online data gathering as it was contemporarily leading social media network. Furthermore, the study does not ignore other social media such as twitter and instagram. Another limitation of this study is the sample and method of selecting it. The time frame also presents the study with another limitation as data collection for the study was conducted within one academic session.

CHAPTER FOUR

4.0 Introduction

In this chapter, we are going to give the findings of our study, the analysis of data collected, total number of questionnaire distributed which are based on the research carried out.

4.1 Findings

This section gives the finding of the study; the data collected from this study are analyzed here. Research findings are based on the study carried out about the effect of customized or customization of product / service and application on customer satisfaction. A total of 120 questionnaires were distributed to respondents via SMS on different social media platforms mainly Facebook, all returned via email also 280 paper and pencil questionnaires were distributed in field survey in different art of Izmir city. This gave a total number of 400 questionnaires, 266 questionnaires were filled and returned during out of the 280 questionnaires distributed in field survey. The 14 questionnaires that were not returned were removed from the data being analyzed leading to 386 questionnaires being used. For this purpose of presenting the finding, the results of the research findings have been discussed including running frequencies, percentage and cross tabulation towards descriptive statistics.

4.2 Demographic data results

Demographic information of the respondents has been presented and reveled in charts and tables below.

Table 4.1: Gender of the respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	189	49.0	49.0	49.0
	Female	197	51.0	51.0	100.0
	Total	386	100.0	100.0	

Table 4.1 shows that male respondents scored **49.0** percent with **51.0** percent of female respondents with the sample frequency that contained **189** and **197** respectively totaling number of **386** respondents. This means that number of female respondents is slightly greater than male respondents.

Table 4.2: Ages of the respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Below 18	44	11.4	11.4	11.4
18 – 26	170	44.0	44.0	55.4
26 – 36	113	29.3	29.3	84.7
36 – 46	43	11.1	11.1	95.9
Above 46	16	4.1	4.1	100.0
Total	386	100.0	100.0	

On the age of respondents, **table 4.2** shows that the category of age ranging between **18 – 26**; has the highest frequency of **170** with **44.0%**, followed category **26 – 36**; scoring **113** frequencies with **29.3%**. **Below age 18** category scoring **44** frequencies with **11.4%** while **36 – 46**; has **43** frequencies with **11.1%**. Lastly, **above 46**; range of age scoring the frequency of **16** with **4.1%**. From the data analysis revealed it clearly shows that individual customers between the age **18 – 36** are most actively engaged in purchase of customized / customizable products and services while individuals above the age **46** above has the least concerned about custom products / services.

Table 4.3: Income level of the respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Low income	22	5.7	5.7	5.7
Lower middle income	63	16.3	16.3	22.0
Middle income	201	52.1	52.1	74.1
Upper middle income	83	21.5	21.5	95.6
Higher income	17	4.4	4.4	100.0
Total	386	100.0	100.0	

Income is one of the factors that determine purchase behavior. As can be seen on the, out of the **386** respondents' shows that; **5.7%** with **22** responses represents individual customers with Low income earning followed by Lower middle income earners representing **16.3%** with **63** responses; however, **52.1** percent of the respondents are middle income earners with **201** responses while **4.4%** with **17** responses represents higher income earners. Based on the statistical data revealed that middle income earners has the highest number followed by upper middle income earners. this means that these two categorical classes of ***Middle & Upper middle income*** earners have more taste of customize products and services compared to the other classes; ***Lower income, Lower middle income and Higher income.***

4.3 Analysis of Data interms of hypothesis

At this stage, the stipulated hypotheses are tested by using frequency statistical analysis and cross tabulation that enable us to compare variables and analyze the hypothesis.

H1: customers derived much satisfaction from customized or customizable products / services compared to normal products / services.

Table 4.4: Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Customization effect towards customer satisfaction * Customer satisfaction level.	337	87.3%	49	12.7%	386	100.0%

Table 4.5: Cross Tabulation

Count						
		Customer satisfaction level.				Total
		Very satisfied	Satisfied	Neutral	Dissatisfied	
Customization effect towards customer satisfaction.	Strongly agree	41	39	2	2	84
	Agree	60	79	5	10	154
	Neutral	19	6	4	0	29
	Disagree	12	35	5	3	55
	Strongly Disagree	5	8	1	1	15
Total		137	167	17	16	337

The table 4.4; is called case processing summary, it shows **49** cases this is because it did not include some information about customer satisfaction level, however, this represent a non-response of **12.7%** which make quite a little difference to our analysis.

The next table 4.5; provides the results of our cross tabulation. The bottom row of the table shows that in total of **137** of our respondents are very satisfied, **167** satisfied, **17** of the respondents are neutral, and 16 respondents dissatisfied. Summing of the number of respondents that are very satisfied to those that are satisfied which gave a sum of **304** respondents representing a higher percentage with a wide margin than those of the respondents who are both neutral and disagree with a sum of **33** respondents. However, this indicates that customers who purchased customized or customizable products / services derived more satisfaction compared to normal products / services.

Looking at the column we can also see the total of **84** of our respondents strongly agree. **154** agree, **29** of the respondents neither agree nor disagree, **55** disagree and **15** strongly disagree. The sum of the respondents who strongly agree and agree is **238** which still has a higher percentage to those that responded neutral, disagree and strongly disagree is which accumulate **99** responses. This means that customization has a positive effect on customer satisfaction.

H2: customizability plays a major significant role in influencing customers to purchase the product / service.

Table 4.6

Ability to customize products / service can influence customers to purchase the product / service?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	100	25.9	25.9	25.9
	Agree	195	50.5	50.5	76.4
	Neutral	45	11.7	11.7	88.1
	Disagree	42	10.9	10.9	99.0
	Strongly Disagree	4	1.0	1.0	100.0
	Total	386	100.0	100.0	

The aim for posting this hypothesis is to figure out how customers are being influence by the ability given to them by the product manufacturers to customize their products according to their preference or needs. According to the findings from the **table 4.5**; above shows **100** respondents representing **25.9%** strongly agree that ability to customize product can influence customers purchase towards the product. **195** respondents agree with **50.5%** having the largest percentage, **45** respondents with **11.7%** is neutral, **42** respondents representing **10.9%** disagree while 4 respondents with **1%** strongly disagree. From this analysis we can see that from the responses that strongly agree and agree have the highest responses with **295** responses out of **386** constituting **76.4%** out of **100%**. The study proved that customers can be influence to purchase products when given the ability to design, modify, and customize the product in accordance to their own preference or needs.

H3: A unique feature is a major tool of influence of purchase to customers on customized products.

Table 4.7: Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Unique feature of customized products / services increase the chances of purchasing the product / service* most influential factor in purchase of customize product?	386	100.0%	0	0.0%	386	100.0%

Table 4.8: Cross tabulation									
Count									
		Most influential factor in purchase of customize product?							Total
		Price	Satisfac tion	Brand	Unique features	Quality	Performan ce	desi gn	
Unique feature of customized products / services increase the chances of purchasing the product / service?	Strongly agree	45	24	9	42	12	0	0	132
	Agree	53	34	19	67	15	4	1	193
	Neutral	13	3	5	7	2	1	0	31
	Disagree	7	1	3	9	4	1	0	25
	Strongly disagree	0	1	1	2	0	1	0	5
Total		118	63	37	127	33	7	1	386

Table 4.7; this indicate case processing summary with (0) of respondents missing representing **0.0%** percent which make no difference in our analysis, **Table 3.8;** provides the results of our cross tabulation. The bottom row of the table shows that in total of **118** respondents influenced by price, **63** respondents influenced by satisfaction derived from the commodity product, brand account for **37** respondents, **127** respondents influenced by unique feature of the products which is slightly greater than price, **33** respondents influenced by quality, performance **7** respondents, and design got **1** response.

Looking at the column we can clearly see the total of **132** of our respondents strongly agree that unique features of customize / customizable products increases the chances of the product to be purchased, followed by **193** who agree i.e. **325** of our respondents out of **386** which represent **84.1%** of the entire responses coming from neutral with **31** responses, disagree **25** respondents and **5** respondents who strong disagree combined.

According to this research analysis proved that unique features of products remain the number one major influential factor of purchasing customize / customizable products even though the numbers are slightly higher than price which become the second factor that influence customize product purchase by customers.

H4: authorizing custom configuration or personalization of software application can affect of the purchase of the product.

Table 4.9

Software based product's (application) configurations that allows customization / personalization influences purchase of the product?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	129	33.4	33.4	33.4
	Agree	184	47.7	47.7	81.1
	Neutral	48	12.4	12.4	93.5
	Disagree	21	5.4	5.4	99.0
	Strongly Disagree	4	1.0	1.0	100.0
	Total	386	100.0	100.0	

Table 4.9; shows the results in respect to finding out wether software based application that support manual custom configuration or personalization influence customers to purchase the product. The result shows **129** of our respondents with **33.4%** strongly agree, **184** respondents agree constituting **47.7%** of the valid percent, **48** respondents are neutral with **12.4%** which means neither agree nor disagree, **21** respondents disagree with **5.4%**, **4** respondents strongly disagree with **1%**.

From the **table 4.9;** above we can see that from our respondents who strongly agree and agree constitute a major frequencies of **313** rand a cumulative percentage of **81.1%** out of **100%**. This study proved that allowing customers to customers to personalized or customize software based applications can give them a strong influence to purchase the application product.

CHAPTER FIVE

5.0 Discussion and conclusion

5.1 Introduction

Today's companies and small businesses across the globe focus heavily on mass customization and personalization that they ever have in the previous decades. Not only do individual customers acknowledge customized products and services but also expect businesses to recognize their preferences, needs and proactively customize offerings to meet their expectations. These expectations can be extensively address with comprehensive marketing skills and communication. Given customer`s needs more attention with deeper insights drives a better business results and success.

A growing number of companies are reshaping their customer related strategies with sophisticated database and analytical tools using information technology, flexible manufacturing that support personalization of the product, various modular or configuration process to produce and deliver mass customized products with greater personalization in interaction with customers to rapidly reflect market change, maintain cost advantage, create high value added products and services, increase service level for customers, create customer value as well as customer satisfaction.

In (2004) the American Marketing Association (AMA) adopted the following official definition of Marketing; as an organization function and a set of processes for creating, communicating, delivering value to customers and for managing customer relationships in ways that benefits the organization and the stakeholders.

Regarding the distinction between marketing management and marketing strategy, (Robertson at el, 1983, p5) described marketing management as concerned with target market selection and the design of marketing programs while on the other hand marketing strategy is concern with addressing issues of gaining long run advantage at the level of firm or strategic business unit.

The findings of the study have showed that product and service customization have positive impact and influence on customer satisfaction and consumer purchasing behaviour. The finding of this study is similar to the finding of "Ely laureano paiva, Rapael, 2007"; he found out that mass customization increases

overall customer satisfaction because of product and services added value. Some authors provide evidence that mass customization increases customers satisfaction, infract, firms provide customized products and services inorder to become more competitive and fit customer`s needs better.

The study further revealed that unique feature of product serve as a strong instrument of influence to customers on customized products. Moreover, the study proved that allowing customers to personalize product applications specifically (online software applications) can influence the purchase of the product.

H1: Customers derived much satisfaction from customized or customizable products / services compared to normal products / services.

Outcome: two tables obtained. Case processing summary which reflect the number and percentage of the missing values and Cross tabulation table showing the statistical evidence that customers derived more satisfaction from customized products / services in comparison with normal products and services.

H2: Customizability plays a major significant role in influencing customers to purchase the product / service.

Outcome: the finding indicates that customers are being influence their ability to customize, personalize products according to their preference.

H3: A unique feature is a major tool of influence of purchase to customers on customized products.

Outcome: this study revealed that unique feature of customized products remains very vital and major influential factor of purchasing customizable products. Price took the second place in from the result analysis.

H4: authorizing custom configuration or personalization of software application can affect of the purchase of the product.

Outcome: software base application that support manual custom configuration or personalization influence customers in purchasing it.

5.2 Recommendations

Companies and small businesses need to understand that customer` referral needs changes proportionately with the market change, environmental and social change. However, it is critical to understand what really matters to customers and what can be done to keep them satisfied and loyal. This can be achieve through consistently following current market changes, trends, demands using analytical tools and customer relation approach to explore new customers` needs. A number of techniques can be use to facilitate these approaches such as external customer input into the design of product development, this can done through customer surveys, focus groups and customer interview.

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Appendix I

QUESTIONNAIRE (Turkish format)

ÜRÜN SERVİS KİŞİSELLEŞTİR VE UYGULAMALARI ÜZERİNDEKİ MÜŞTERİ MEMNUNİYETİ

A bölümü : Lütfen verdiğiniz yanıtları en iyi karşılayacak uygun seçenekleri işaretleyiniz.

KİŞİSELLEŞTİRME: Kişiselleştirilmiş bir ürün ya da müşteriye özel ürünler ya da farklı müşterileri tanımak için hizmetler ve ihtiyaca göre değişimler ya da tercihlere göre değişimler. Kişiyeye uygun özellikteki ürünler / hizmetler aynı zamanda özellikle değiştirilmiş ürünler ya da hizmetler anlamına gelir. Kişiyeye uygun ürün örneği, anketin ilk üst sayfasında görülmektedir. Bu örnek size kişiyeye uygun olarak hazırlanan ürünleri anlamada, temiz bir bakış açısı sağlayacaktır.

1.İsteğe uygun ve ya özelleştirilmiş ürünler ve ya hizmetler hakkındaki bilginiz ne kadar?

- Çok iyi
- İyi
- Kötü

2.Daha önce hiç isteğe göre uyarlanmış ürün satın aldınız mı?

- Evet
- Hayır

3.Eğer evet ise, aşağıda bulunan hangi kategorilerden satın aldınız ? Eğer hayır ise, 7. soruya geçin.

- Giyim
- Konut – Ev
- Elektronik aletler
- İnternet ürünleri – yazılım
- Motosikletler
- Hizmet
- Diğer (lütfen belirtiniz)

4.Satın aldığınız isteğe göre uyarlanmış ürün ve ya hizmetleri düşünün ve elde edilen ürünü ve ya hizmeti, sizin memnuniyet seviyenize göre belirlemeniz gerekirse, aşağıdakilerden hangisi bu seviyeye en uygundur?

- Çok memnun oldum
- Yeterince memnun ediciydi
- İdare eder
- Memnun kalmadım
- Kesinlikle memnun kalmadım

5.İsteğe uygun olarak özelleştirilmiş ürünler ve ya hizmetler, normal ürün ve ya hizmetlere karşın daha iyi verim sağlıyor mu ?

- Kesinlikle katılıyorum
- Katılıyorum
- Kısmen
- Katılmıyorum
- Kesinlikle Katılmıyorum

6.İsteğe uygun ayarlanabilir ürünler ve ya hizmetler, normal bir ürün ve ya hizmetlerle karşılaştırıldığında, müşteriye daha iyi bir imkan sunabilir mi?

- Kesinlikle katılıyorum
- Katılıyorum
- Kısmen
- Katılmıyorum
- Kesinlikle Katılmıyorum

7. Özelleştirilmiş ürünlerin ve ya hizmetlerin benzersiz özellikleri, bu ürün ve ya servislerin satın alım şansını artırabileceğini düşünüyor musunuz?

- Kesinlikle katılıyorum
- Katılıyorum
- Kısmen
- Katılmıyorum
- Kesinlikle Katılmıyorum

8.Kişiye uygun hazırlanabilir ürünleri ve ya hizmetleri arkadaşlarınıza ya da diğer kişilere tavsiye edecek misiniz?

- Büyük olasılıkla
- Mümkün
- Belki
- Hayır
- Kesinlikle hayır

9. Sizin satın alma tutumunuz etkileyen faktörler arasında aşağıdakilerden hangisi vardır?

- Fiyat
- Benzersiz özellikle olması / ürünün kişiye özel oluşturulabilirliği
- Marka
- Kalite
- Performans
- Diğer (lütfen belirtiniz)

10. Kişiyeye uygun hazırlanabilir ürünler ve ya hizmetlerin yeterliliği müşterinin, ürünleri satın almasını ve ya hizmetlerden yararlanmasını etkileyebilir mi?

- Kesinlikle katılıyorum
- Katılıyorum
- Kısmen
- Katılmıyorum
- Kesinlikle katılmıyorum

11. Kişiyeye uygun ürün ve hizmet yeterliliği, satın alımını ve dolayısıyla satışları artırabilir mi?

- Kesinlikle katılıyorum
- Katılıyorum
- Kısmen
- Katılmıyorum
- Kesinlikle katılmıyorum

12. Kişiyeye uygun ürün ve hizmet yeterliliği, müşterinin memnun kalmasında önemli bir rol oynar mı?

- Kesinlikle katılıyorum
- Katılıyorum
- Kısmen
- Katılmıyorum
- Kesinlikle katılmıyorum

13. Fiyat, müşteriye göre uyarlanmış ürün ve servis satın alımında önemli bir faktördür.

- Kesinlikle katılıyorum
- Katılıyorum
- Kısmen
- Katılmıyorum
- Kesinlikle katılmıyorum

14. Normal ürünlere göre nispeten daha az masraflı olsa bile, müşterinin ihtiyacına göre uyarlanmış ürünleri satın almayı seçecek misiniz?

- Evet
- Hayır

15. Kişiselleştirmeye yer veren yazılım tabanlı ürünün (uygulamanın) yapılandırılmaları ürünün satın alımını etkiliyor.

- Kesinlikle katılıyorum
- Katılıyorum
- Kısmen
- Katılmıyorum
- Kesinlikle katılmıyorum

16. Eğer kişiye özel ürün ve ya servis almak isterseniz, aşağıdakilerden hangileri size önemli bir etmen olduğunu düşündürecektir?

- Fiyat
- Bekleneni karşılaması – Memnuniyet
- Marka
- Eşsiz özellikte olması
- Kalitesi
- Performansı
- Diğer (lütfen belirtiniz)

17. Ürün ve ya hizmetlerin kişiye uygun olarak uyarlanması, müşterinin beklentisine karşı olumlu bir etki uyandırdığını düşünüyor musunuz?

- Kesinlikle katılıyorum
- Katılıyorum
- Kısmen
- Katılmıyorum
- Kesinlikle katılmıyorum

18. Lütfen cinsiyetinizi seçiniz

- erkek
- kadın

19. Lütfen yaşınızı belirtiniz

- 18 ve altı
- 18 - 26
- 26 – 36
- 36 – 46
- 46 ve üstü

20. Lütfen gelir durumunuzu belirtiniz

- düşük gelirli
- düşük orta gelirli
- orta gelirli
- yüksek gelirli
- çok yüksek gelirli

Appendix II

QUESTIONNAIRE FORMAT (English)



Section A: Please select the appropriate option that best describe your answer.

CUSTOMIZATION: A production of personalized or custom-tailored goods or services to meet customers diverse and changing needs or preferred needs. Customized products / service also means specially modified products or services. Example of customized product is seeing at the top first page of the survey. this will give you a clear view of understanding of customization.

1. How much aware are you about customization or customized products or services?

- Well aware
- Aware
- Not aware

2. Have you ever purchase customized product / service?

- Yes
- No

3. If yes, which category have you ever purchase? If no, skip to Q7.

- Clothing
- Housing
- Electronics
- E-products, software
- Motorcycles
- Service
- Other (please specify)

4. Think about the customized product / service you purchased and indicate your level of satisfaction derived from it?

- Very satisfied
- Satisfied
- Neutral
- Dissatisfied
- Extremely dissatisfied

5. Customized products / services give me much satisfaction compared to normal products / services?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

6. Customizable products / services can give much more satisfaction to a customer compared to a normal products / services?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

7. Do you think unique features of customized products / services can increase the chances of purchasing the product / service?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

8. Will you recommend customizable product / service to your friends or other people?

- Very likely
- Likely
- Neutral
- unlikely
- Highly unlikely

9. Which among the factors influence your purchasing behaviour?

- Price
- Unique features / customizability of the product
- Brand
- Quality
- Performance
- Other (please specify)

10. Ability to customize product / service can influence a customers to purchase the product / service?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

11. Ability to customize product / Service can increase purchase and thereby enhancing sales?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

12. Ability to customize product / service plays a significant role in customer satisfaction?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

13. Cost is important factors in purchasing customize product / service?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

14. Will you choose to purchase customizable products even if it's slightly costly than a non-customizable product?

- Yes
- No

15. Software based product's (application) configurations that allows customization / personalization influences purchase of the product?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

16. If you are to purchase customize product / service which factor will you consider most Influential?

- Price
- Satisfaction
- Brand
- Unique features
- Quality
- Performance
- Other (please specify)

17. Do you think customization of product / service has a profound positive relationship towards customer satisfaction?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree



CUSTOMER SATISFACTION ON PRODUCT SERVICE CUSTOMIZATION AND APPLICATIONS

DEMOBGRAPHIC DATA OF THE RESPONDENT

Section B: Please select the option that best describe your answer.

18. Please specify your gender.

- Male
- Female

19. Please specify your age.

- Below 18
- 18-26
- 26-36
- 36-46
- Above 46

20. How you position yourself in the category below.

- Low income
- Lower middle income
- Middle income
- Upper middle income
- High income