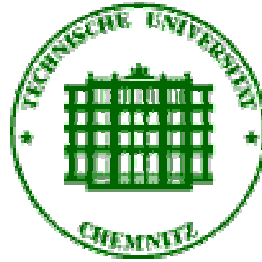


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Customer-oriented Products and Services – Classification, Discussion of Traditional Concepts and Suggestion of an Internet-based Business Model

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Customer Orientation in Electronic Commerce

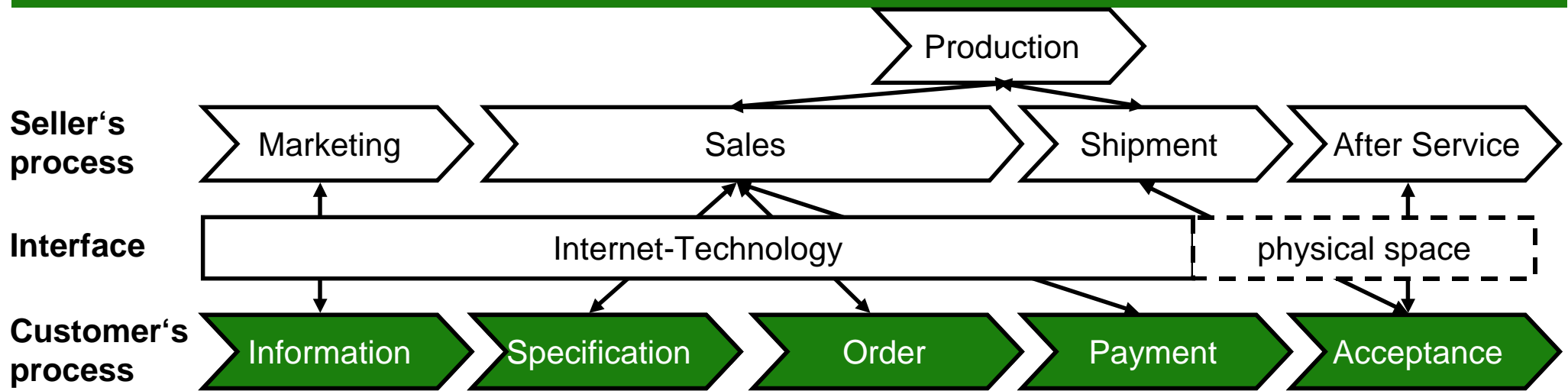
■ Possibilities for customer

- Customer process can be executed anytime and anyplace
- Multimedial support of the customer process
- Handling of almost all tasks in the customer process (without payment and delivery of physical products) based on internet technology
- Self configuration of products and services
- Preview of preferred products and services

■ Possibilities for seller

- Personalized interaction with the customer (internet for distribution)
- Technical linkage with the suppliers in the seller's process

Customer Orientation in Electronic Commerce



Customer Orientation in the View of the Customer

■ Customer is not overall satisfied with the offered customer orientation in the electronic commerce

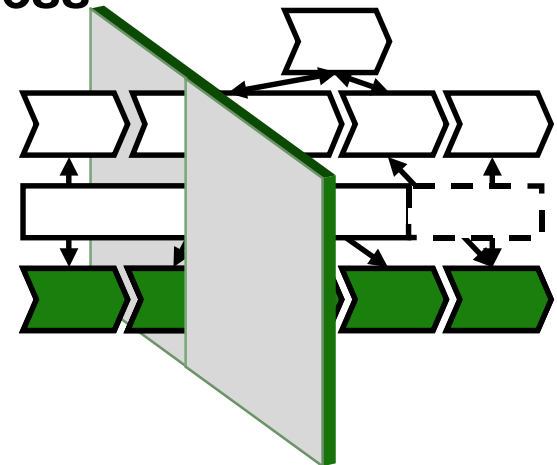
- Standardized output are handled through all phases of the customer process (e.g. books, compact discs)
- Customer-driven output are canceled at the beginning of the customer process (e.g. flight booking, clothes)

■ One reason for the truncation in the customer process

- Customer does not find what he wants.
- The offered options do not cover the expectations.

■ Upcoming research questions

- What kind of business model is needed ?
- How should the specification process be supported ?



Customer Orientation in the View of the Customer

■ Measurement of the customer orientation in the customer's view

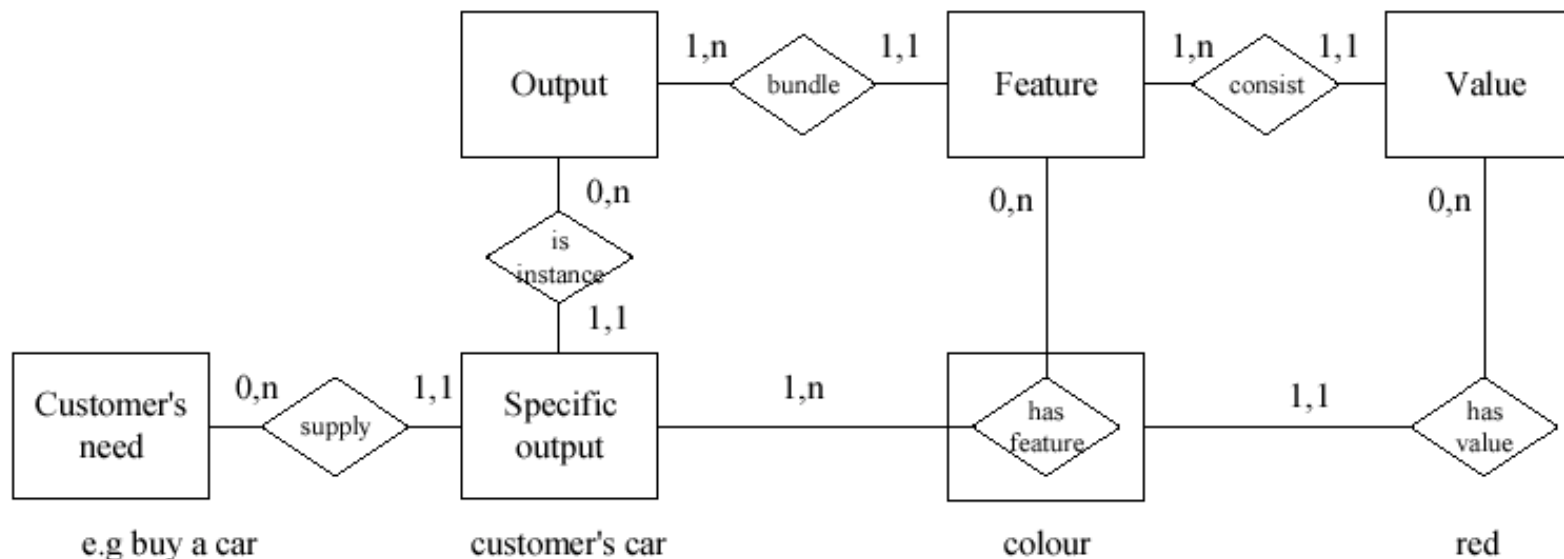
– Parameters to describe the customer's felt adaptation could be:

■ Individuality

– Depicts the orientation of the output (feature) to the personal situation of the customer

■ Complexity

– Depicts the variety of different features of an output



Customer Orientation in the View of the Customer

■ Break down of the parameters individuality and complexity:

– Individuality

- No individuality (value of the feature is fixed)
- Limited individuality (value can be chosen from a pre-defined selection of values)
- High individuality (no restrictions for the value)

– Complexity

- No complexity (no feature can be assigned)
- Limited complexity (feature can be chosen from a pre-defined selection of features)
- High complexity (no restrictions for the design of features)

Customer Orientation in the View of the Customer

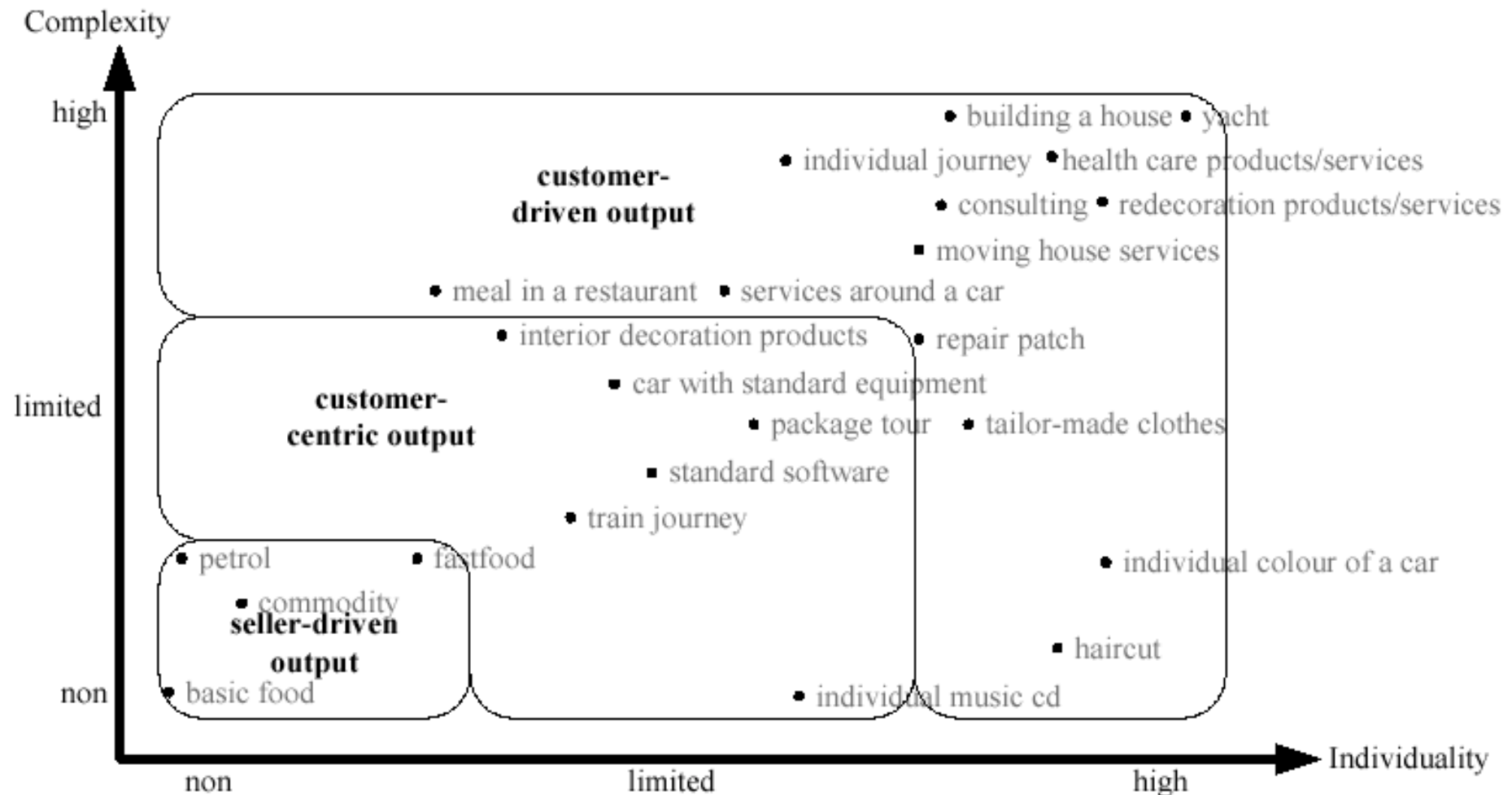
- **Classification of output to depict degree of individuality and complexity in the view of the customer**
 - Seller-driven output
 - Standardized independently from customer
 - Production process is seller-driven

 - Customer-centric output
 - Customization within pre-defined options by customer
 - Production process is both seller and customer-driven

 - Customer-driven output
 - Individual design of product and service
 - Production process is customer-driven

Customer Orientation in the View of the Customer

- Complied classification of output to depict the degree of individuality and complexity in the view of the customer



Organizational Implementation of Customer Orientation

■ Seller-driven output

- Can completely be controlled by seller
- Independent from customer's needs

- Mass Production Concept
 - Leads to standardized output concerning design and distribution
 - „You can have any color car you want as long it's black“

- Production of Variants Concept
 - Leads to variants (variations of features and values which are set)
 - Covers average individual needs

Organizational Implementation of Customer Orientation

■ Customer-centric output

- Seller process is seller and customer oriented
- At freeze point integration of customer's specifications in seller process

- Mass Customization Concept
 - Offers a number of pre-defined values and features
 - Customer himself chooses options
 - Adds additional services, special delivery service and product image
 - „enough variety and customization that nearly everyone finds exactly what they want“

Organizational Implementation of Customer Orientation

■ Customer-driven output

- Seller process is customer-oriented
- Degree of individuality and/or complexity determined by customer

– Crafted Customization Concept

- Handmade individuality of values
- Uses order-specific production processes

Lack of resources
to manage products
with an additional complexity

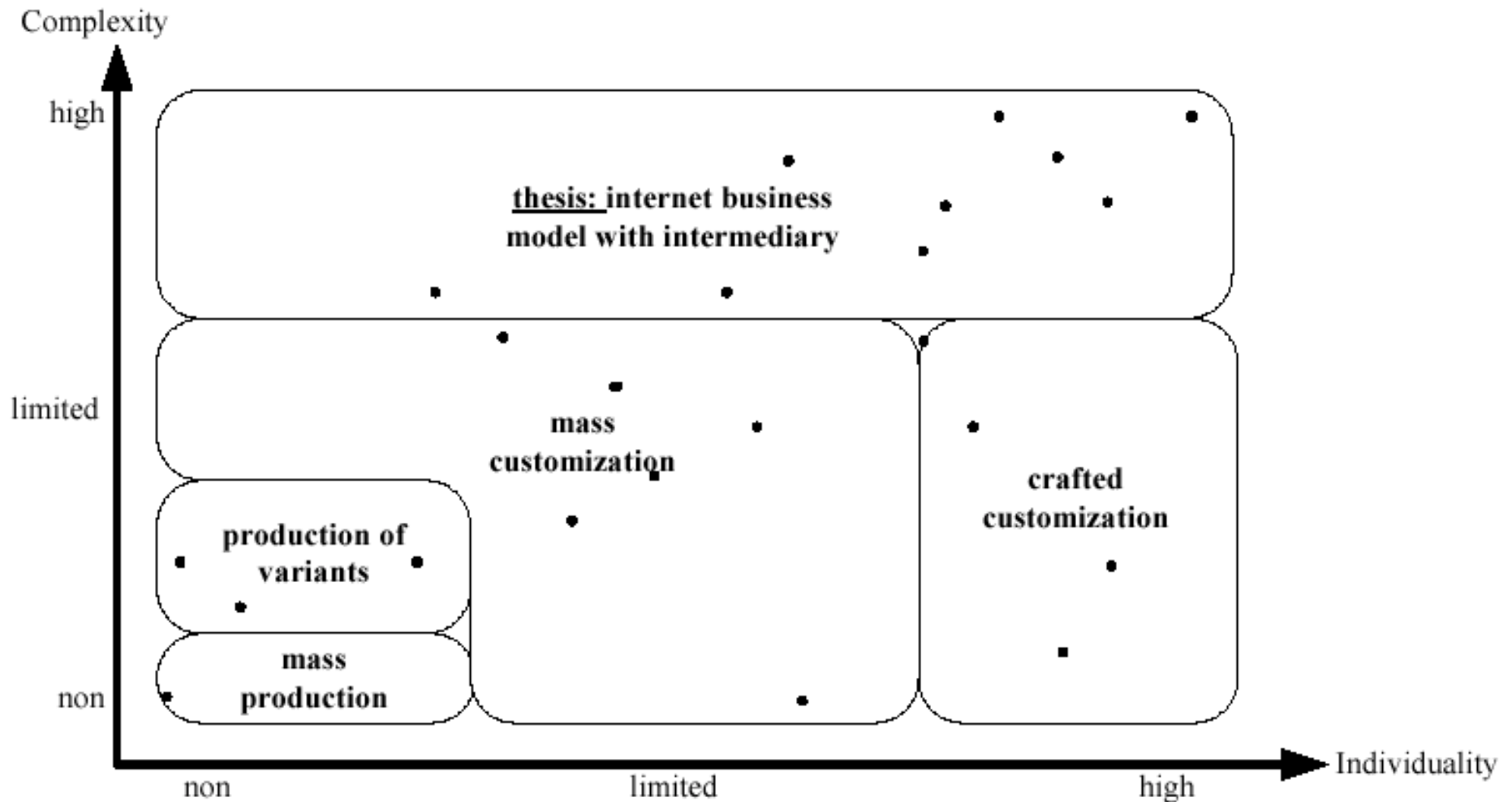
– Custom Mass Production Concept

- Broker collects similar interests in a product and/or service
- Customer driven production processes

The specification is less
individual and complex to
each customer

Organizational Implementation of Customer Orientation

■ Output with customer-driven individuality and/or complexity

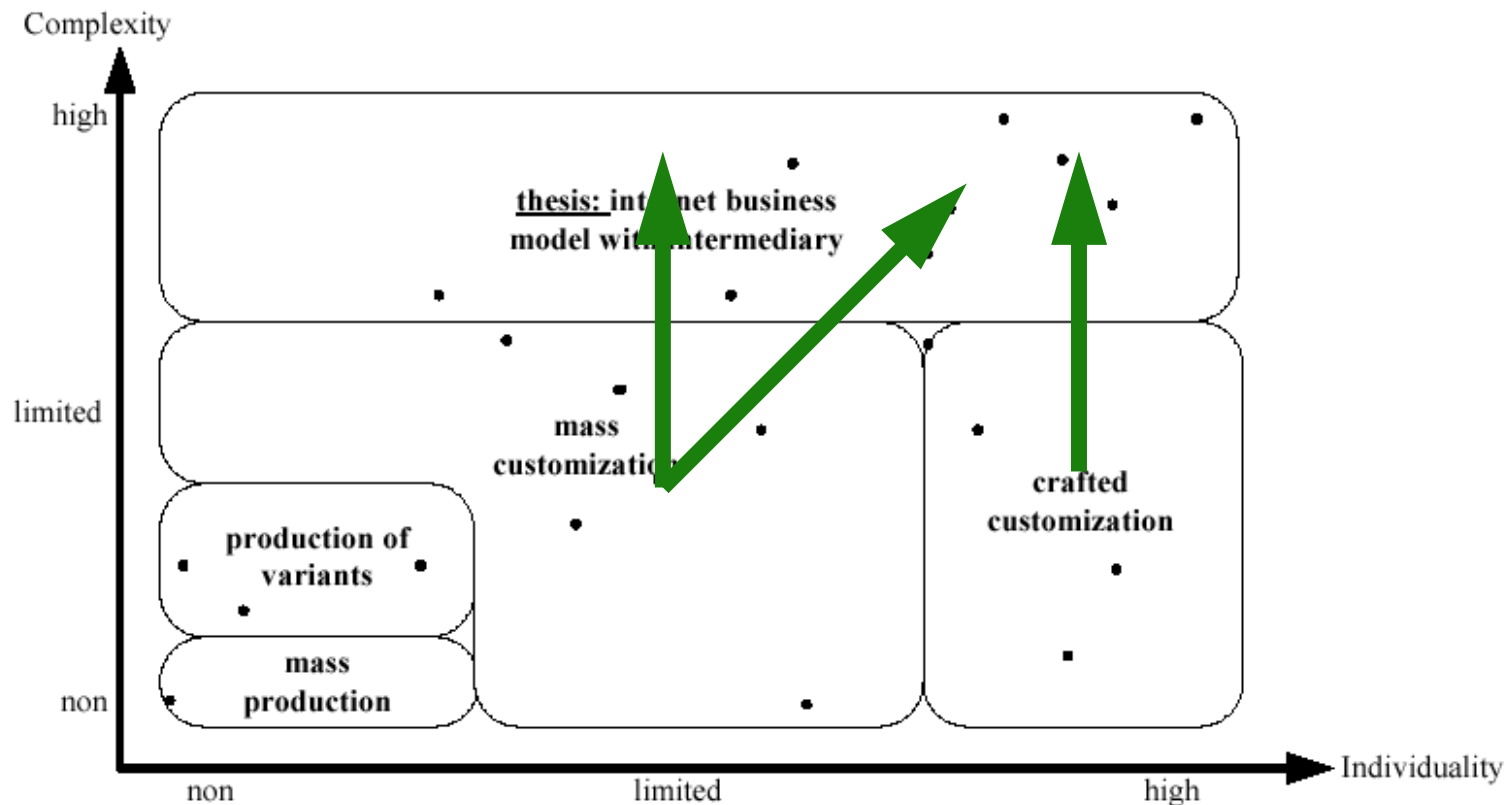


Organizational Implementation of Customer Orientation

- **Suggestion of an Internet Business Model to achieve customer-driven output**
 - Usage of the mass customization concept or crafted customization concept
 - Enhancement if customer asks for
 - High individuality → Customer can specify value of feature by himself
 - High complexity → Customer can add features by himself
 - Intermediary coordinates an interorganizational network
 - Request for high individuality → New partner in network
 - Request for high complexity → New partner in network
 - Usage of the internet technology to realize the value and supply chain activities and flows

Organizational Implementation of Customer Orientation

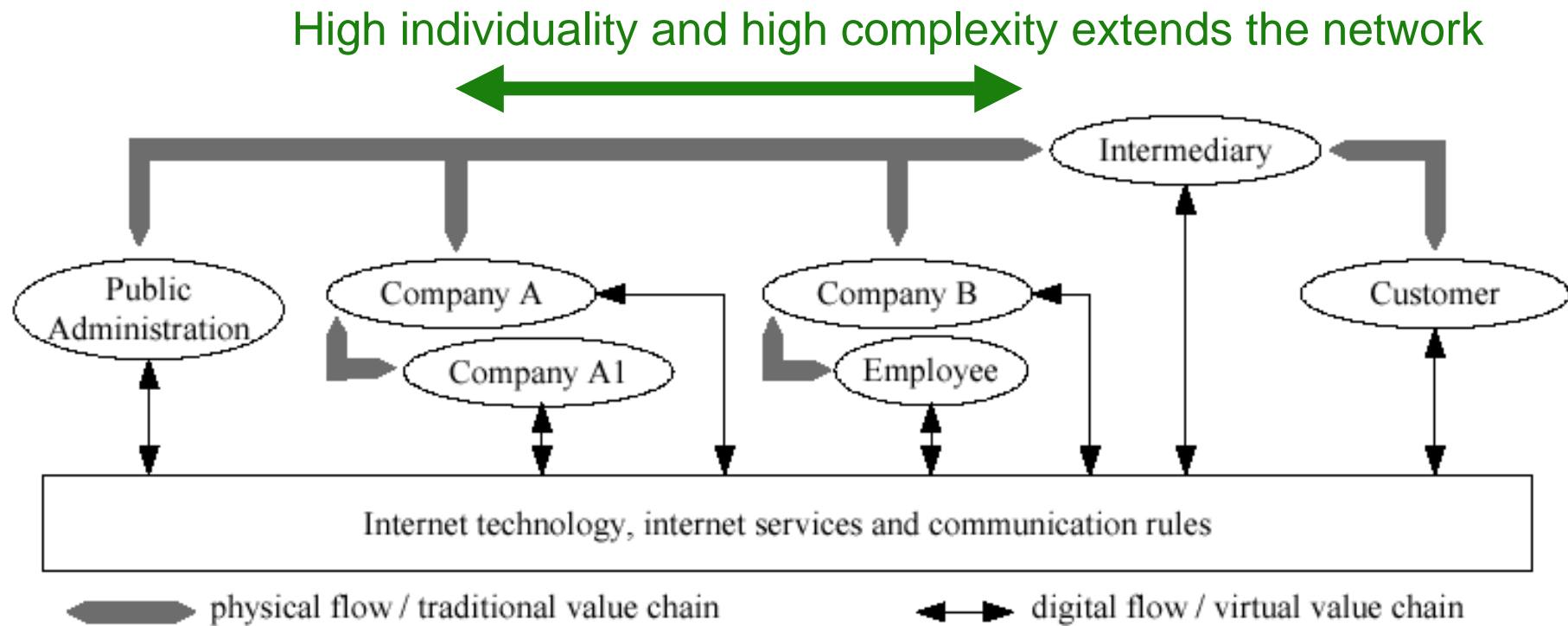
- Suggestion of an Internet Business Model to achieve a customer-driven output



The customer demand for high individuality and/or high complexity leads to an network of companies

Organizational Implementation of Customer Orientation

- Suggestion of an Internet Business Model to achieve a customer-driven output



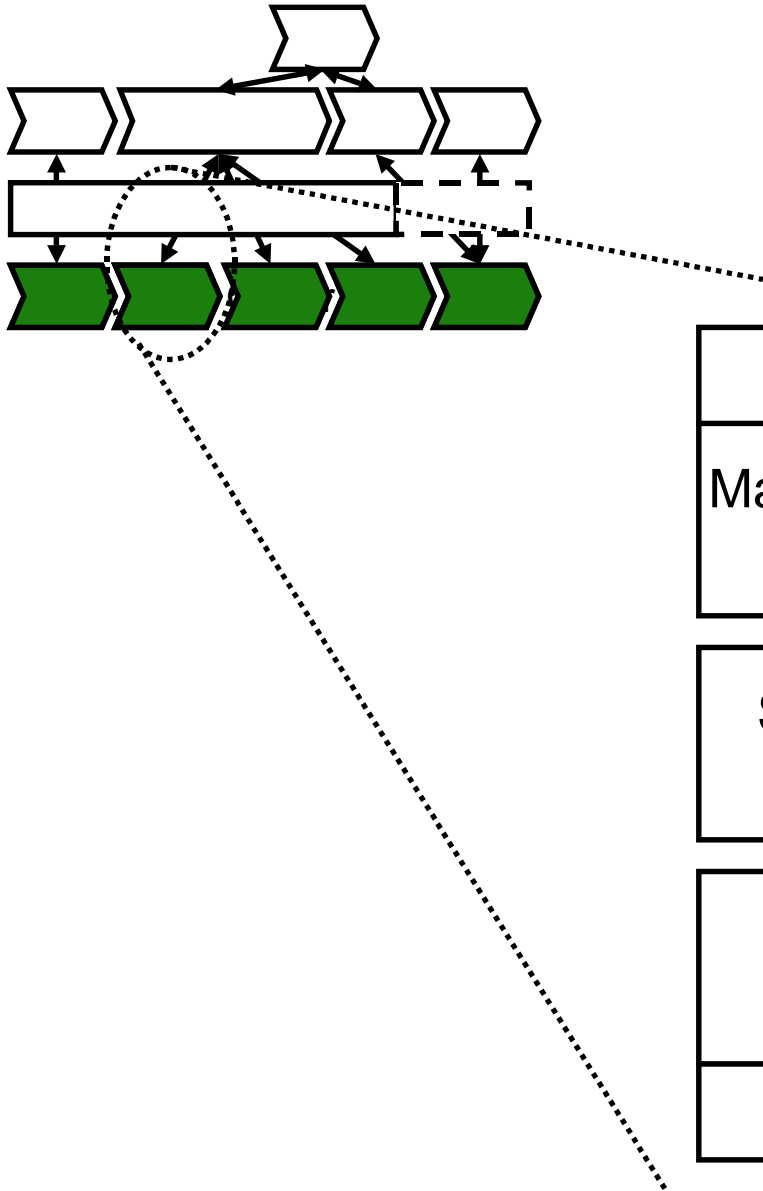
As a result we suggest an interorganizational network of companies besides an intermediary and with the usage of the internet technology for the digital activities and flows

Organizational Implementation of Customer Orientation

■ Necessity of the internet technology in the business model

- Planning and Management of an order-specific network and a different number of actors
 - Plug-and-Play connectivity to add new actors
 - Handling of the individuality and complexity
 - Customer can specify his needs using multimedial techniques
 - Interchange of the specifications within the network
 - Advantages concerning transaction costs and speed of interorganizational interchange
- It is possible to manage the complexity and individuality needed to offer customer-driven output

Specification Process in Internet-based Business Model



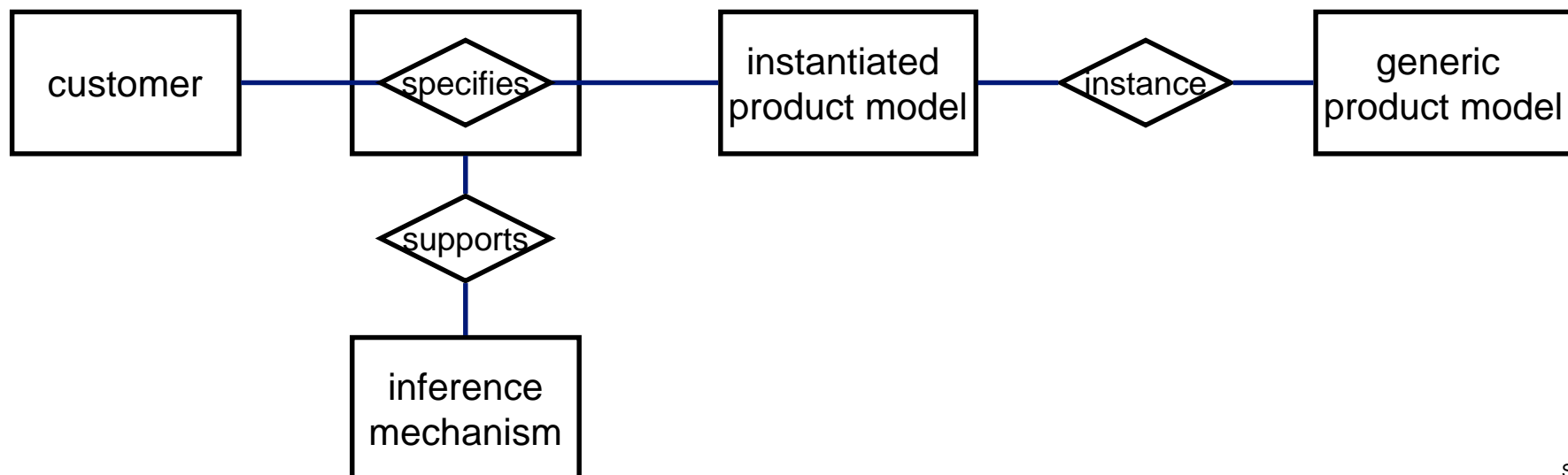
Seller's process		
Mass Production Concept	Mass Customization	Internet Business new Model
Seller-driven output	Customer-centric output	Customer-driven output
Catalog of output	Configurator of output	new Extended Configurator
Customer's process		

Specification Process in Internet-based Business Model

■ Details of the extended configurator concept

- Extends standard configurator concept of pre-defined values and features by
 - Usage of inference mechanisms
 - Usage of a generic product model and methods of manipulation / instantiation

– Extended configuration process



Further Research

■ Focus on specification task and extended configuration process

- Study of generic product model to realize additional high individuality and complexity
- Study of methods of manipulation / instantiation within generic product model
- Study of inference mechanisms and knowledge-based configuration

■ Objective

- Catching customer in the specification process if his wants the cancel by supporting an extended configuration process.

Thank you for your audience.

