

Customer Value Discovery



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Overview of presentation

- Context of the research
- Which customers?
- The research methodology
- Findings

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Context of the research

Real library challenges...

- Customer expectations changing (challenge)
- Rapid technological change (opportunity)
- Down sizing (challenge)
- Cultural change (challenge and opportunity)



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Context of the research (2)

- Constant need to review services in the light of customer expectations
- What expectations?
- Which customers?
- What will we do with the information when we get it?



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Which customers?



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Many customer segments

- University library
 - Teachers, undergraduate students, research students, researchers, full time students...
- Public library
 - Children, teenagers, parents, adults, minority groups, business people...



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Customers' drivers

- Different customer segments have different drivers and different experiences
 - Remote customers have different needs than those who use e-services in a library building or on-campus
- Services and standards can vary according to the particular customer segment

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Which methodology?

- Customer satisfaction surveys
 - Questions qualified by focus groups, or
 - Standard survey questions
- Benchmarking tools
 - LibQual
- Interviews *etc...*
- Customer value discovery research

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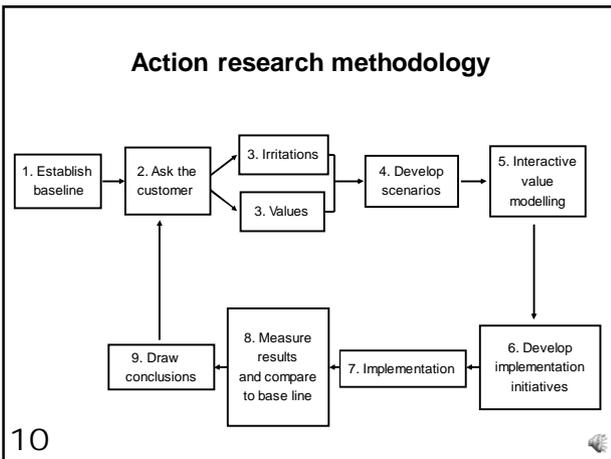
“Quality in a product or service is not what the supplier puts in; It is what the customer gets out and is willing to pay for; A product is not quality because it is hard to make and costs a lot of money, as manufacturers typically believe; This is incompetence; Customers pay only for what is of use to them and gives them value; Nothing else constitutes quality “

Peter Drucker

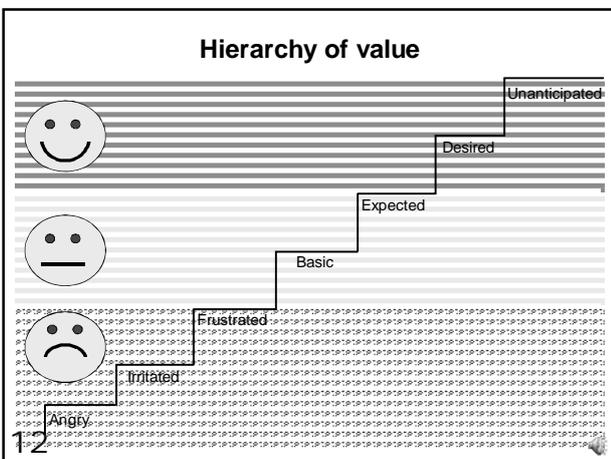
<http://www.quotationpage.com/quote/4773.html>

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- Action research because...**
 (Sarantakos, S., 2005; *Social Research*, 3rd ed., Palgrave Macmillan, Houndmills, Basingstoke)
- Applied
 - Situational
 - Topical
 - Collaborative
 - Participatory
 - Political
 - Emancipatory
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Customer value discovery workshops

Process

- External facilitators
- Wireless keypad technology for voting
- 15 participants per focus group
- Library observers
 - 5 max; Silent

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Customer value discovery workshops (2)

- AM session – participants identify irritants and value factors
 - Personal workbook
 - Irritants identified, prioritised, scored on severity of irritation and frequency of irritation – then taken away
 - Values identified, prioritised, then arranged into an affinity diagram to develop theme sets
 - Participants and observers vote on importance and performance
 - Discussion on outcomes

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Customer value discovery workshops (3)

- Lunch with participants – time to address some issues
- PM session
 - Library staff collate irritants into similar affinity diagram
 - Discuss issues the immediate outcomes of the workshop
 - There may be “low hanging fruit” that can be addressed immediately

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Customer value discovery workshops (4)

- Multiple workshops with same customer segments
- Facilitators combine the outcomes from each workshop into a consolidated set
- Observers and managers attend a consolidation workshop to receive the outputs from the customer value discovery process
- Interactive value modelling workshop held to test the impact of possible interventions

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Research methodology – narrative research

(Czarniawska, B., 2004; *Narratives in Social Science Research*, Sage Publications, London)

- Watching how the stories are being made (library staff observers in the customer value discovery workshops)
- Collecting the stories (customer communications in workshop recorded)
- Provoking story telling (facilitated workshops; developing scenarios with library staff)
- Interpreting the stories (analysis of the hierarchies of values and irritants; Gap analyses)

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Research methodology – narrative research (2)

(Czarniawska, B. (2004) *Narratives in Social Science Research*, Sage Publications, London)

- Analysing the stories (analysis of individual comments)
- Deconstructing the stories (building the model; interactive value modeling)
- Putting together own story (developing implementation initiatives)
- Setting it against/together with other stories (measuring satisfaction and comparing with the baseline data)

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Customer value discovery - the benefits

- From the customer's perspective
 - Personal
 - Immediate
 - Uses their own terminology



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Customer value discovery - the benefits (2)

- From the library staff perspective
 - Personal involvement in process
 - Chance to correct perceptions
 - Greater understanding of customers' problems and values
 - Challenges assumptions



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Customer value discovery - the benefits (3)

- From decision-makers' perspective
 - Priorities are relevant to this library
 - Greater depth of data on performance
 - Interactive value modelling provides data on where to place emphasis



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The challenges

- Is it statistically valid?
 - Small numbers of participants in discovery workshops
 - 4-6 workshops give a valid sample
 - Confirmed by student satisfaction survey comprising 3500 students
 - However, there will always be the doubters!



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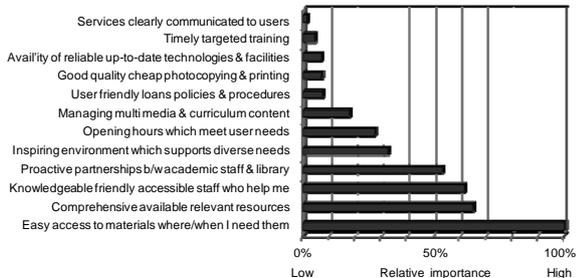
The challenges (2)

- Comparisons are problematic
 - The overall rating is not comparable to % satisfied in traditional surveys
 - Not comparable to another library whose customers may have different values



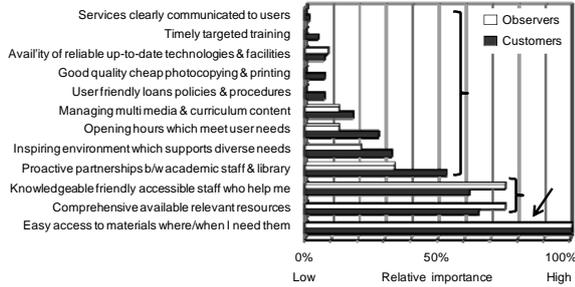
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Academic staff hierarchy of value



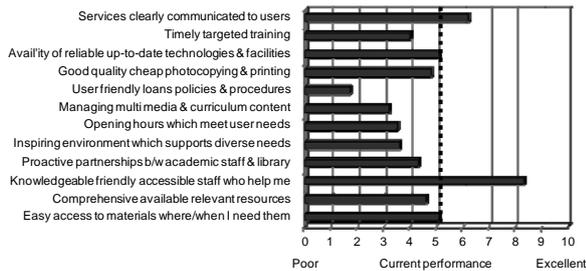
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Academic staff hierarchy of value - gaps



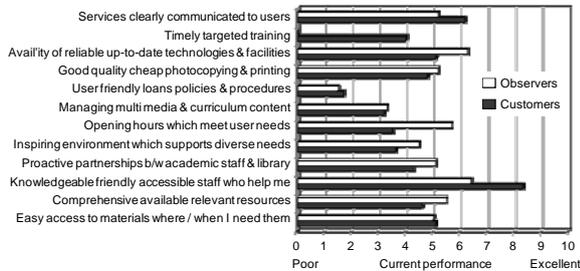
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Academic staff hierarchy of value - performance



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Academic staff hierarchy of value - performance - gaps

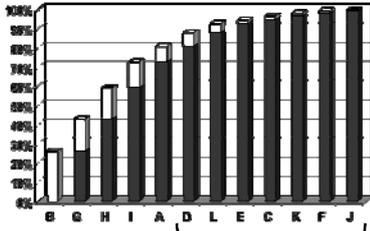


- There is a big gap between what the observers thought and what the customers actually voted

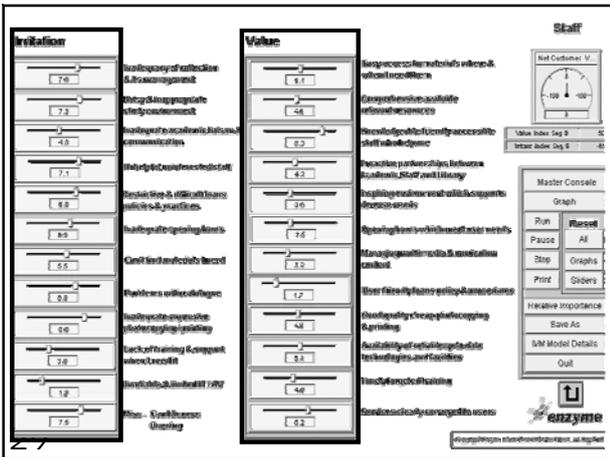
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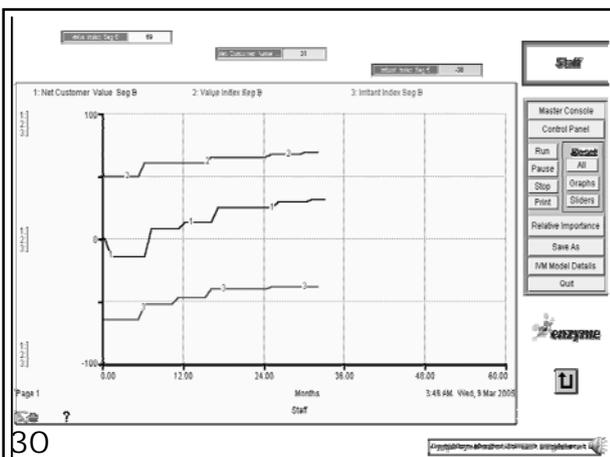
Academic staff hierarchy of value – Pareto chart

- B. Easy access to materials where & when I need them
- G. Comprehensive available relevant resources
- H. Knowledgeable friendly accessible staff who help me
- I. Proactive partnerships between academic staff and library
- A. Inspiring environment which supports diverse needs
- D. Opening hours which meet user needs
- L. Managing multi media & curriculum content
- E. User friendly loans policies & procedures
- C. Good quality cheap photocopying & printing
- K. Availability of reliable up to date technologies and facilities
- F. Timely targeted training
- J. Services clearly communicated to users



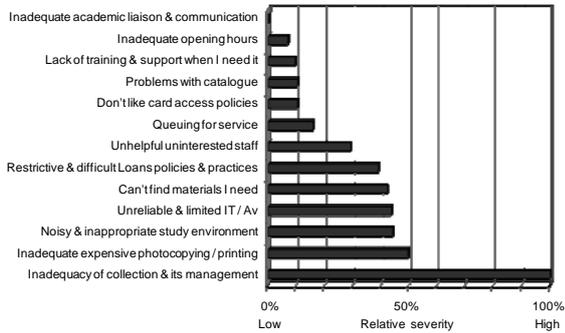
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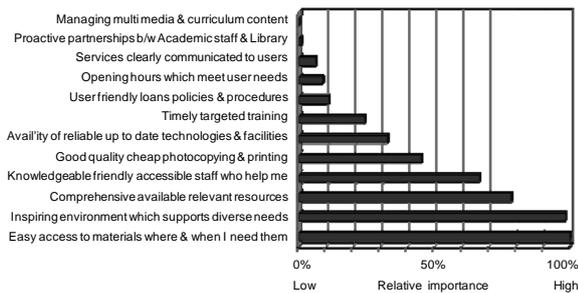
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Students hierarchy of irritation



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Students hierarchy of value



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Key findings

- Irritants often have a corresponding value factor
 - Fix the irritant --- improves value
- There will always be irritants
 - Hopefully these become less critical as improvements are made



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Key findings (2)

- Library staff assumptions are not always accurate
 - Under-estimated the impact/value/frequency
 - Do not predict some irritants
- Customers compare library services with other commercial experiences, not necessarily with other libraries

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Further analysis

- Results of the interactive value-modelling are high level and indicative
- Involve teams of staff in checking assumptions and working out what can be done to reduce irritation and increase value
 - Involve customers if at all possible in this further stage
 - Involve staff from across the library: improves decision-making; Generates more buy-in; Staff identify and drive change
 - Creates greater commitment to change

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Communication

- Communicate decisions to:
 - Stakeholders
 - Participants in the customer value research
 - Library staff
 - Customer community



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Performance monitoring

- Monitoring ongoing performance, against
 - Operational plan
 - Service standards
 - Individual performance reviews



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Re-plan

- Tell everyone what is happening
- Re-plan
 - More customer value research
 - Check validity of value factors
 - Check if new irritants are emerging



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Management observations

- Know your customers – what they want and how they perceive library services
- Don't just think 'libraries' – think bookshops, online booksellers, quick-print providers, video stores, supermarket check-outs...



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Management observations (2)

- Customer validation of professional assumptions is a mighty management tool
- Need commitment to change and to allocate resources according to needs and values
- Marketing and communication is very important



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Evidence based librarianship

- Collection, interpretation and integration of...
 - Valid, important and applicable user-reported, librarian observed, and research-orientated evidence
 - Applied to improve the quality of professional judgements

(Booth, A., 2003: Bridging the Research-Practice Gap? The Role of Evidence Based Librarianship, *New Review of Information and Library Research*, pp.3-23)

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Thank you

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