Customer Delight &
Moments of Truth: How to
meet and beat customers’
expectations

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I hereby declare that the work submitted is mine and that where I have made use of another’s work, I have attributed the source(s) according to the Regulations set in the Student’s Handbook.

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Abstract

This dissertation was written as part of the MSc in Strategic Product Design at the International Hellenic University.

The purpose of this study is to extend the knowledge of the marketing field by introducing the methods and tactics that need to be followed in order to create customer satisfaction and delight. Specifically, the study aims to investigate the impact that Moments of Truth have on a company and their contribution to a company’s profitability. It provides an opportunity to recognize the importance and the value that these moments have for customer satisfaction and thus for continued business growth. The expected result of this research is to clarify the meaning of the key principles such as the definition of the “Customer Delight”, and the definition of the “Moments of Truth”. Moreover, it will be examined how these two principles affect customer’s experience, and thus the overall company’s success, and the appropriate models that companies can apply to their strategies to achieve customer satisfaction.

In addition, the methods that lead to optimization of customer services will be analyzed. Through a case study, there will be an analysis of the possible reasons behind a company’s failure to meet and exceed customer’s delight, and how can a company overcome the difficulties that emerge from a negative customer experience.

I would like to thank my advisor and Professor Yannis A. Pollalis for his guidance and his knowledge contribution to this thesis, that revealed a less known aspect of Marketing and enhanced the already existed perspectives in this field.

Keywords: Marketing, Moments of Truth, Customer Delight, Customer Expectations, Customer Satisfaction

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Preface

In todays marketing environment, that it is characterised by intense competition, more and more companies are beginning to realize the importance of creating a pleasant and unforgettable experience to their customers, which has a result loyalty, increasing profits and a competitive advantage over the other businesses. Moments of Truth, customer delight and customer experience are a few terms that are becoming more and more known in the business field, as many managers are realizing that in those terms lies the key to a successful company. Another term that is widely used is “service encounters” and it is referred to a period of time during which a consumer directly interacts with a service (Payne 2007). Considerable studies have been done on this principle over the years by leading writers and academics. However, many companies appear to face significant difficulties in transforming the theory into practice and apply those principles in their business. What managers need to understand is that Moments of Truth are not an abstract theory but something that customers feel and experience (Pombriant, 2015). Although customer experience is subjective, and each customer is unique, there are ways and tools of developing a strategy based on these Moments that could be of great importance for a customer (Pombriant,2015).
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Introduction

In recent years, many companies have invested a great amount of money, time and effort in order to understand the way customers think, act and make purchasing decisions. Researches have been conducted, in an attempt to standardize customers’ behavior so that it would become possible to find new ways, not only to attract new customers, but to retain the already existing ones as well. There are moments when customers develop strong emotions towards a brand or a company; those moments are crucial for the company, since they have the power to determine the customer’s mindset concerning the company’s brand and they are called “Moments of Truth”. Moments of truth play a significant role in the transformation of a skeptical customer into a loyal follower of the company’s brand, and if they are managed consciously they can be a strong asset for a company. This research aims at explaining the principles of Customer Delight and of Moments of Truth, and also the great impact that they have on the overall customer experience. In addition, it is going to reveal how a company can satisfy and exceed customers’ expectations in order to achieve better results in terms of profitability, sales, reputation, branding, etc.
Key Principles

Before the beginning of any case study, there should be analyzed basic principles that are crucial for the examination of any real-life case. In the next chapters there will be studied the principles of customer delight, moments of truth, customer satisfaction, customer needs and customer expectations.

Customer delight

Definitions of customer delight

There have been several definitions for customer delight, but all of them are based on a common ground.

Customer delight refers to meet and exceed customer expectations. It is a step forward from just satisfying customer needs and it means that the company provides an overall good experience to its clients. It is the most certain way for a business to promote its products and services by word of mouth, since when a customer enjoys professional services that leave him happy and satisfied, he eagerly spreads the word. The result is increased profits and brand loyalty (Hendricks, n.d.). According to the business dictionary, customer delight is the very favorable experience of a client of a business when they have received a good or service that significantly surpasses what they had initially anticipated. A marketing department can use instances of customer delight to a company’s advantage by requesting referrals and obtaining testimonials from delighted customers that can help attract new customers (dictionary, n.d.). Customer delight is a bonus that buys greater depth in the relationship and increased loyalty from customers. (Bowen, 1999)

There have been written several books on the principle of customer delight quoting that it is crucial for retaining and growing their customer bases, by uncover customers unseen needs. Once those needs are being revealed, it is the marketer’s job to satisfy them and as a result to surprise pleasantly their customers transforming them into band loyals. Keeping one’s customers happy, not only will improve revenue and it will
bring more customers through word of mouth, but it will provide also an important competitive advantage over the competition, by diversifying the company from others and by creating a pleasant mindset which will encourage customers to seek for its services repeatevely. (Timothy Keiningham, 2001)

In order to achieve customer delight, marketers should fully understand its meaning and not confuse it with customer satisfaction. A customer that receives the products or services of a company can be satisfied if he gets what he payed for, since his needs will be covered, but he will not be delighted. A delighted customer is the one that receives more than what he had payed for in the first place. That is because of the element of surprise. He did not expect to receive more and that leaves him with a pleasant experience. (Gazdecki, n.d.)

**Customer satisfaction**

Definitions of customer satisfaction

Customer satisfaction is how well have been met the customers expectations by a service or a good that a company provides. It is a concept which can be measured and defined based on several factors which are: the quality of the product or service, the value relative to price, time issues, atmosphere of the store or the shopping environment, service personnel issues, and convenience. (Grimsley) Customer satisfaction refers to the product’s perceived performance relative to a buyer’s expectations. (Philip Kotler, Principles of Marketing, 2010)

Current studies show that the fact that customers are satisfied customers does not necessarily mean repeating purchase or brand loyalty. Although a customer can be satisfied with a product or a service, this is not enough to convert him into a true loyal member of the specific brand or company. Nowadays there are several companies and stores that offer similar services or products and it is very common phenomenon that those goods are of equal quality or price. That means that more than one companies can satisfy in the same way customer’s needs. That leads managers to try to think out of the box and change the conventional way of offering their goods in order to distinguish themselves from the competition. (Bowen, 1999)
Another definition of customer satisfaction is that customers derive satisfaction from services or products that meet their needs and that they can acquire them without making significant effort. This particular definition draws the conclusion that customers seek convenience during shopping, since time is an important factor in any kind of purchase. (course, n.d.) Philip Kotler (Kotler et al 2013) mentioned that customer satisfaction is predetermined by how the expectations of the customers are met. It is linked to customer perceived value of a product or a service, meaning that the factors that lead to customer satisfaction are determined by the clients themselves rather than the managers of the company. (Philip Kotler, 2010)

Customer satisfaction is directly connected with customer needs since the degree to which they are being met determines the level of satisfaction that the clients will feel after using the product or the service they have purchased. (Andrews, 2007)

**Customer needs**

Definitions of customer needs

To conquer the marketplace, marketers should examine and understand customer needs.

Maslow has developed a pyramid, as it is shown in image 1. *Maslow’s hierarchy of needs*, that indicates the hierarchy of human needs. In the bottom there are placed the basic or biological needs like the need for food and sleep. In the next level he placed the need for security and safety, then there is the need for love and belongingness, meaning the need to affiliate with other people and in the lastly he places self esteem needs and self actualization. (professionalacademy, n.d.)

Customer needs do not differ from the (professionalacademy, n.d.) human needs which include basic physical needs, such as food, clothing, warmth and safety; social needs, such as the feeling of belonging in a group of people and affection; individual needs, which has to do with knowledge and self expression. (Philip Kotler, Principles of Marketing, 2011) According to the business dictionary, customer needs are problems that customers intend to solve with the purchase of a good or service. (dictionary, n.d.)
These needs are covered by marketing offerings which not only include physical products, but also services, activities or benefits. (Philip Kotler, Principles of Marketing, 2011)

1. Maslow’s hierarchy of needs

In addition there is a specific kind of needs that marketers should take under serious consideration and that is the latent needs of customers.

Customers do not always indicate exactly what they want either because they are ashamed, or because they do not know what they need. Those needs are hidden and it is up to the marketers to uncover them and fulfill them. It is crucial for a company to be aware of its customers needs and this is more difficult when those needs are latent. A project can be successful only when it benefits the customer in such a way that generates value, and thus the scope and other factors set for the project should accurately match customer needs. (Slater, 2000)
**Customer expectations**

Definitions of customer expectations

Expectation is the strong belief that something will happen or be the case. (oxforddictionaries, n.d.) Customer expectations are the image and/or the idea that customers have created of how the product or the service should be, they are going to purchase.

Customers form expectations before they even start the purchasing procedure. In this phase they have identify a need that they would like to satisfy and they have begun to search for the most suitable product or service that will fullfil their need. As they have many choices, they are able to compare the prices and the quality offered to them from several stores before they make their final purchase decision. In this point, marketers should be very conscious about what they promise to the future clients, in order to be able to live up to their expectations. They should not set the level of expectations too high, since it will be difficult for them to reach it. On the other hand they should not promise too little, because they may not attract enough customers. (Philip Kotler, Principles of Marketing, 2010) Most successful companies promise only as much as they can deliver; neither more non less. (Philip Kotler, Principles of Marketing, 2010)

After choosing a product, the customer will form a perception about the product’s image, taste, function etc; in case of a service the client will form a specific image of how it will be delivered, how he is going to feel after etc. This image of the product or the service will subsequently be measured by the customer. The final step is the comparison of the expectations with the result of the consuption. Finally, the customer is satisfied if the expectations are met or exceeded and dissatisfied if those expectations are not met. (Szwarc, 2005)

There are three strategies of managing customer expectations and these are: accomodation, alteration and abandonment. Accomodation is when the company chooses to be ready to face customer expectation and meet or exceed them. In this case, marketers try to be a step ahead using segmentation, product and service
innovation and TQM and satisfaction programs. That allows them, not only to acquire very good knowledge of their clients, but also to fully prepare for their demands. The next choice is the alteration, which is applied with HRM Paradigm, framing and compliance. Alteration means that business firms choose to shape customers' expectations rather than just accept them as they are. The third choice is abandonment. That means that a company can choose to let go of a specific customer or a specific group of customers, simply because it does not have the tools/product/service to meet their expectations, or because the expectations are too high. (Mittal, 1996)

**Moments of Truth**

Definitions of Moments of Truth

Nowadays, more and more marketers are getting involved with the term Moments of Truth (MOT). Researches have been contacted that indicate the importance of these moments and the results have drawn businessmen attention.

Moments of Truth are those moments where the customer makes a decision of a product or a service. More specifically, this term refers to the moment where the customer interacts with the frontline personnel and it is crucial for his after behavior towards the company. (Marc Beaujean, 2006) MOTs are described as “those few interactions when customers invest a high amount of emotional energy in the outcome”. (Marc Beaujean, 2006) Several studies have shown that there are four moments of truth: Zero Moment of Truth (ZMOT), First Moment of Truth (FMTO), Second Moment of Truth (SMT) and finally, Third Moment of Truth (TMOT) which are going to be further analyzed below.
The Zero moment of truth or ZMOT was established by researches that Google has conducted. It is described as that moment when potential customers are making research for the product or the service they are interested to purchase, before they end up to their final decision. More specifically some examples are a student in a coffee shop scanning reviews and user ratings while looking for a cheap hotel in Barcelona. Another example of ZMOT is a winter sports fan in a ski store pulling out his mobile phone to look at video reviews of the latest snowboards. (Lecinski, 2011)

The first moment of truth was coined by Procter and Gamble CEO A.G. Lafley and defined the moment when consumers stand in front of a shelf and decide whether to buy a P&G product or a competitive one. In other words, It is when a customer is confronted with a product or a service offline or online for the first time. (Lecinski, 2011)

The second moment of truth was also introduced by the CEO of P&G to describe the moment when a consumer has made the purchase and uses the product in his home. The use of the product will make him feel either satisfied or dissatisfied. This moment has to do with whether the product meets consumer’s needs and whether it will meet consumer’s expectations as well. (Lecinski, 2011)
There is also a third moment of truth which occurs after the purchase and use of the product or service and that is when a consumer spreads the word about his experience with the purchase he made. Nowadays, social media plays a crucial role to human interacting with each other and it is more easy and quickest than ever for the consumers to make a review of a product or a service or even a firm. The third moment of true is referring to the word of mouth good or bad promotion. This moment makes great impact to other consumers who are at zero moment of truth; meaning that they are at the phase when they are searching to cover their needs by comparing products and viewing reviews. At this moment the customer has become a talking endorsement for the business. (Cohen, 2013)

As shown in the picture 2. Blue Chip Innovation Ltd (Ewart, n.d.) the zero moment of truth is linked to advertising, since at this phase customers do not know which product would be the most suitable for them and they search for it comparing the competitive brands. The first moment of truth is connected to buying, since that is the moment in which the customer will make his final decision and choose the product or service he believes will cover his needs the best. The second moment of truth is when the customers use the product and finally, the third moment of truth has to do with advocating, which as mentioned above, has to do with the moment after the use of the product or the service and the spread of the word mostly through social media. (Ewart, n.d.)

Google has conducted researches to establish the impact MOTs have on a business firm. According to this research people checked 10.4 sources of information in order to make a decision in 2011, which was an increase of 5.3 in 2010. (Cohen, 2013)
<table>
<thead>
<tr>
<th>Category Purchased</th>
<th>Number of sources used by the typical shopper</th>
<th>Average usage across sources</th>
<th>% of shoppers influenced at ZMOT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>18.2</td>
<td>34%</td>
<td>97%</td>
</tr>
<tr>
<td>Technology (Consumer Electronics)</td>
<td>14.8</td>
<td>30%</td>
<td>92%</td>
</tr>
<tr>
<td>Voters</td>
<td>14.7</td>
<td>35%</td>
<td>95%</td>
</tr>
<tr>
<td>Travel</td>
<td>10.2</td>
<td>22%</td>
<td>99%</td>
</tr>
<tr>
<td>Over-the-Counter Health</td>
<td>9.8</td>
<td>18%</td>
<td>78%</td>
</tr>
<tr>
<td>Consumer Packaged Goods: Grocery</td>
<td>7.3</td>
<td>15%</td>
<td>61%</td>
</tr>
<tr>
<td>Consumer Packaged Goods: Health/Beauty/Personal Care</td>
<td>7</td>
<td>14%</td>
<td>63%</td>
</tr>
<tr>
<td>Quick-Serve Restaurants</td>
<td>5.8</td>
<td>12%</td>
<td>72%</td>
</tr>
<tr>
<td>Banking</td>
<td>10.8</td>
<td>25%</td>
<td>91%</td>
</tr>
<tr>
<td>Insurance</td>
<td>11.7</td>
<td>26%</td>
<td>94%</td>
</tr>
<tr>
<td>Credit Card</td>
<td>8.6</td>
<td>19%</td>
<td>81%</td>
</tr>
<tr>
<td>Investments</td>
<td>8.9</td>
<td>20%</td>
<td>89%</td>
</tr>
</tbody>
</table>

3. Sample sizes for each category (Google, 2011)
Strategies, methods and models

In the previous chapter there were analyzed the key principles of this thesis. Definitions were given for customer delight, customer satisfaction, customer expectation, customer needs and The Moments of Truth. Those principles had to be clarified, since they are fundamental in order to proceed to the recognition of the strategies that marketers should follow so that they can grow their business, bring more profits and also understand in new depths their customers wish.

Methods of achieving customer delight

The articles that have been written about the methods of achieving customer delight are numerous. There is no doubt that customer delight is managed and succeeded differently in each field and it varies, depending on the nature of the business. However, there are some common tactics that can be adopted by most of the companies regardless of the services or the products that they offer.

The most significant and direct way of achieving customer delight is through the staff of the company. Developing a knowledgeable customer support staff team is the key to customer happiness. The people that contact company’s customers are the most responsible for offering them an unforgettable and pleasant experience. It is extremely important that they are well aware of the products’ and service’s characteristics that they offer, which often leads them to solve any problem that occurs. (Gazdecki, n.d.) Being able to support customers when they face problems with using the product or service, or even when purchasing it, it creates a supportive environment which makes customers feel comfortable and develop trust feelings. (Gazdecki, n.d.) Moreover, one of the most significant need of a client is to feel important and valued through little gifts that the company will offer them, such as coupons, a product or service for free, or even extra advices. (Gazdecki, n.d.)

Customers are people first and by treating them as consumers only, it makes them feel like they are valued only for their money. Company’s staff should undergo specific
training in order to learn to appreciate their clients as humans and treat them with respect. (Bowen, 1999)

Once a company has defined its customers needs and wants, it should focus on how they will be managed and how marketers will design the delivery of the products or the services. There are specific key elements that companies should take under great consideration while they are planning their strategy. (Thomas A. Stewart, 2017)

First of all, they should pay attention to customers point of view and appreciate the fact that their products and services should be developed that way in which they will satisfy their needs and wants. (Thomas A. Stewart, 2017) Thus they should develop empathy and as mentioned above they should train their staff accordingly as well. Moreover, marketers should be clear and tell the truth about the products and services they offer in order to meet and exceed customers expectations. In addition, emotion plays a significant role during a purchasing process; companies should focus on creating delightfull feelings to their customers and the goal is that they will leave the company with a smile in their face. Another important aspect is that the products or services that are offered should be elegant. That means that much attention should be given in the presentation and the design of the product or the service in order to be clean, simple, user friendly and complete. (Thomas A. Stewart, 2017)

Engagement is also important, meaning that the firms should make customers feel like when they need to reach for communication they will have correspondence from the company, either they have a problem that needs to be solved or they just need human communication. Companies should always see things from the customers point of view. (Thomas A. Stewart, 2017) Equally important is the right execution of a purchase order; meaning that it should be made with reliability and with carefully designed strategy. This approach would make the customer feel like he is being treated with respect. (Thomas A. Stewart, 2017)

Another key element to customer delight is engeneering. Techical excellence is extremely important for customers, since it reduces the effort they put and at the same time it provides elimination of material waste and it reduces time consuming processes. (Thomas A. Stewart, 2017) Moreover, pricing is another factor that if
managed right it can bring more customers and thus more profits. Managers should handle prices with integrity; special offers, discounts and discount coupons could be very helpful in gaining the appreciation of their clients and thus achieving word to mouth promotion for their firm. (Thomas A. Stewart, 2017)

Customers happiness is based on another factor that it is less direct and more hidden as it is displayed on the background of the company. That is keeping the right balance. When running a company there could be many conflicts, disagreements and misunderstandings among colleagues, there might be complaints from the clients or the other business partners like suppliers might be dissatisfied. A common problem is when a customer makes a complaint about a request that the supplier of the company cannot satisfy and the employees find themselves in a difficult situation. Managers in this case should be aware of how to keep the balance between corporate levels, between the company and the clients and between the company and its other partners. When the overall company’s environment is balanced and runs in harmony then this feeling of safety and security will pass to the customers making them sure about their choice. (Thomas A. Stewart, 2017)

In addition, customer delight can be achieved by providing entertainment and novelty along with the product or service offered, which will have a great impact on customers’ mindset by changing it for the best and creating a good association with the purchase process. Moreover the company should find multiple ways to contact with consumers, so that they feel welcomed. (Berman, 2005)

Last but not least, it is extremelly important for all kind of businesses that managers are ready to conduct experiments about the methods, the models and the strategies that they use to achieve customer delight. This refers to the products or services themselves, to the process of delivering them to customers and to the working processes that corporal members are following and to the overall way that a company is being managed in every level. Organizations should be ready to reconsider their tactics at any time in order to adapt to the constantly changing environment. (Thomas A. Stewart, 2017)
Overall, customer delight is a measure of customer relationship management than customer satisfaction. It is likely to provide, as mentioned before, word to mouth communications and brand loyalty which both are two very significant factors to generate profits and increase company’s reliability. Customer delight derives from listening attentively the clients, empowering employees so that they can go the extra mile, be aware of the external environmental changes so that new delight goals can be established. (Berman, 2005)

Methods of achieving customer satisfaction

Core Marketing Concepts

Filip Kotler and Gary Armstrong refer to the theory of five concepts under which marketers manage their activities in order to increase their consumers. These are the production, product, selling, marketing and societal marketing concepts. (Philip Kotler G. A., 1996)

The production concept indicates that consumers will value the level of availability and accessibility of the products or the services. That means that they will make their
purchase decision based on whether they have easy access to the product or the service that is being offered. This has mostly to do with the distribution channels and the overall process of acquiring a product. In addition, this concept also means that customers want to know before hand that there is availability of the products they need. In this case, marketers should focus on creating an user-friendly purchasing environment and also on taking care of he quantities of the products they sell. (Philip Kotler G. A., 1996)

The product concept is about customers value the product’s performance. That has to do with the product’s characteristics and innovative features. This means that sellers should focus on the innovation of their product by covering more needs and extend its use or by adding new features that will make consumers’ life easier and help them solve more problems in their daily routine. (Philip Kotler G. A., 1996)

The selling concept holds that consumers will buy only after many promotional and selling efforts. Firms that follow this concept, usually, focus on tracking their potential customers with advertising material and invest a huge amount of their budget on trying to promote their products or services as much as they can. This concept is used mostly by political parties, services that are not getting so much attention and they are not popular in the market like telephone guides. (Philip Kotler G. A., 1996)

The marketing concept indicates that in order to achieve its goals an organization should plan ahead and define the target groups, or target markets and then reveal their needs and wants so that it can cover and satisfy them better that its competitors. The difference between marketing and selling concept is that marketing concept is an outside in perspective, meaning that first it is conducted a research about the potential customers and then it is created a strategic plan based on their needs. On the other hand, the selling concept is inside out which means that the marketing strategy is based on the already existing product or service and then the company tries to convince potential customers that its product will cover their needs. The marketing concept aims at creating long – term relationship with the customers and its goal is the repetitive sales; that way marketers transforms customers into brand loyals and they increase them through word of mouth. However, the selling
concept is not interested in defining its customers or their needs and thus it aims at short-term relationships. (Philip Kotler G. A., 1996)

Finally, there is the societal concept. More and more companies are including this concept in their strategies, and it has to do with environmental, moral and health issues. Coca cola, for instance, has declared the poor value that its products have for consumers health. In general companies following this concept promote the “people first” philosophy and try to act with consciousness regarding the protection of the environment and of people’s health. (Philip Kotler G. A., 1996).

Methods of managing customer expectations

“It’s not about the evolution in technology it’s about technology changing the expectations of customers, fast.” – Steven Van Belleghem

As mentioned before, customer expectations is customer’s idea of the kind of service or product that he is going to purchase combined to the image of the product or the services that the company has created in the mind of the customer. Companies should be very careful considering what they offer and what they promise to offer.

It is undeniable that technology plays a huge role in forming and altering the expectations of customers. For that reason, organizations need to adapt accordingly to each new technological feature that connects directly or indirectly to their business activities. For example, Virtual Reality has already made its first steps in the marketing world. This technology was initially be used mostly for entertainment reasons in the movie theaters, from where it became more popular, and then it conquered the video games and other fields to end up to tourism advertisement. (Guttentag, 2009) Now, because of the fact that more and more people become familiar with this technology, marketers try to follow and adapt it to their marketing strategies, simply because people expect them to.

To avoid creating unrealistic expectations, corporates should develop a persona of their ideal customer. Based on this persona, managers need to answer a few questions about their clients, such as what is their age, what is their educational level, what is their social interest, what is their job status, what is a typical work experience for
them, where is it likely that they will get their information from, which three adjectives would the clients use to describe themselves. (Mintigo, n.d.) That way they will be able to see through their customers eyes and make more accurate assumptions about their expectations.

Another method to discover what customers are waiting to receive from a company is to examine previous situations and purchases that were successful. In addition, managers should consider the situations in which the interaction with a client did not end up in good terms, and then he should take under serious consideration the complaints that the customer made. Through experience-learning mistakes can be identified and corrected and also the good practices that had positive results can be repeated in future interactions with customers. (Simek, 2018)

In addition, there should be conducted research regarding the products that have already be purchased and used. That means that managers need to take feedback from the previous clients about the product or the service, in order to learn from the direct user first hand details about the product. This will help marketers understand if the product or the service meets customers’ expectations or leads them to dissatisfaction. (Simek, 2018)

It is also very important for companies to keep track of the times and situations that customers expectations were met or not and thus it is essential that they have metrics so that they can measure the results. (Simek, 2018)

Another point of view, regarding customers’ expectations, is how the Artificial Intelligence can be used in order to satisfy them. As mentioned before technology plays a huge role in shaping expectations, and more specifically it has the power to transform every time-consuming process into a very fast and easy task. That is also a very known expectation; to be served fast and easily. (Brazill, 2018) Three investment tracks of how companies can leverage AI in their preparation for customers are: effortless customers interfaces; meaning faster replies on social media, emails, phone calls etc. and many easily accessible communication channels, and finally data leverage; meaning that managers use data in an indirect way in order to achieve better understanding of what their customers are expecting from their company. An example of this use of da-
ta is with Google’s self-driving car business which leverages 360-degree sensors to detect roads, traffic and street hazards. (Brazill, 2018)

Overall, it is of great significance the way that customer expectations are monitored and managed, since marketers should be ready to reconsider their methods and be realistic about what they can offer and in what way and also, they need to be clear about what they can improve to achieve the organizational goals.

Methods of managing customer needs

Customer needs are the first and foremost thing that needs to be covered during the interaction with the customers. Organizations should plan ahead and conduct experiments and tests in order to identify customers needs, choose which of those is their organization able to satisfy and then find solutions for these specific needs. Managers should always bare in mind that over time some needs might change, just like expectations for numerous reasons. They are required to be alert not only regarding the constantly changing circumstances in general, but also regarding the life cycle phase, as shown in picture 5.

![Product Life Cycle](image)


It is undeniable that managers need effective solutions in order to satisfy their customer’s needs beforehand, and a good base to start with is requirements management. Managing the requirements is being done in the development phase of
a product or a service and it provides clear image of what customers need. During this phase several managers choose to implement their product development programs in enterprises that cross multiple disciplines, organizational boundaries and geographical boarders. That way they can collect useful data on how to address several issues that arouse during product development phase, such as costs, regulatory constraints, quality and performance. (Software, 2010) During development phase corporates should receive feedback from their customers and more specific from the end users in order that they can determine which characteristics of the product work for their customers, which need to be improved, or which are completely unnecessary and therefore the company should remove them and not invest money on further developing them. (Levitt, 1965)

In the introduction phase, managers introduce for the first time the product to the customers. During this phase they are given the opportunity to monitor people’s reactions when they first come in contact with the new product and exclude some useful conclusions about whether it covers their needs efficiently and fullfil their expectations. As mentioned in the development phase, consumer’s feedback plays a major role in the introduction stage as well. (D.Hartline, 2008)

During the growth phase, the sales of the product are increasing and the company is at the peak of its success. The customers’ needs, that are identified up to this point, are fully covered and consumers are satisfied from their purchase and they support the brand. To ensure that this growth will continue, companies follow several strategies. Marketers enter new market segments, increase distribution coverage and enter in new distribution channels, shift from product -awareness advertising to product-preference advertising and lower their prices to attract additional customers. (Kotler, 2001)

When the product reaches maturity phase it becomes really challenging for marketers to develop a marketing strategy that will satisfy consumers’ needs. One of the strategies that they could follow in order to regain the interest of the consumers and improve their brand’s prestige, is to alter their product’s characteristics through quality, style and feature improvement. That way the can improve their product’s
functional performance and also cover more customer needs that were not visible at the development and introduction phase. Again there is a major need for research in order to reveal the latent needs of the consumers. The functional performance of the product refers to durability, speed, taste, reliability (Kotler, 2001). Furthermore, if marketers decide to follow the strategy of adding new features to the product, the image of the company will be improved as well, since it will be positioned as an innovative company in customers mindsets. (Kotler, 2001) In addition, managers could choose to follow the marketing mix modification, which has to do with the alteration of the distribution, prices, advertising, sales, promotion, personal selling, and services. Sales promotion might be the most suitable strategy in the stage of maturity since customers has reached their potential in sales and they need a little boost in order to continue to support the specific brand. In this case, financial persuasion through price reductions is more effective than advertisement and promotion. (Kotler, 2001)

Finally, in the last stage of the Product Life Cycle, which is decline, the product reaches a point where its sales are dropping and the brand is loosing its prestige.In this phase the companies fail to cover customer needs effectively, either because there are industry changes, or due to technological advances, shifts in consumers tastes and increased internal and external competition. In this case most companies concentrate on covering the needs of specific customer groups that are still supporting the company and provide the essential profits.

To sum up,Product Life Cycle plays a major role in helping managers identify customer needs in each stage and take the proper action in order to satisfy them. Managers need to give the proper emphasis to customer needs from the beginning of developing a new product or service. They should conduct research and receive feedback from the end users during the Product Life Cycle in order to make the right conclusions and achieve better management of customer needs. They need to listen attentively not only their consumers but also the market itself in order to identify any technological, industrial or another change earlier, develop the right strategies accordingly and be a step ahead of their competitors. Finally, they should be aware of the stage that their product is so that they can act accordingly and on time.
Methods of managing Moments of Truth

As mentioned before there are four Moments of Truth during which the customer decides whether he is going to form a positive or a negative mindset considering a company, a brand, a product or a service. The four MOTs are: ZMOT which takes place before the purchase and it is when potential customers identify a need that want to cover and thus they beggin to conduct research in order to find the product or service that is more suitable for them. In this moment, reviews from other customers play significant role in the final choice of the customer. The FMOT which takes place during the purchase, the SMOT which happens when the consumer actually uses and interacts with the product and finally the TMOT which is when the consumer has used the product and leaves feedback and reviews regarding his overall experience. More and more marketers recognize the need to take advantage of these moments, since if they are managed with the appropriate strategy they can generate profits, increase the customer base, gain more loyal clients and create customer relationships while retaining the current ones.

6. Winning Zero Moment of Truth (Sharma, n.d.)
Achieving to manage correctly the ZMOT can bring more customers and raise aware about the product or the service that it is offered. There are several strategies that if applied can lead an organization to reach its goals, as shown in picture 6 “winning zero moment of truth”. First of all, since we live in a digital era, customers will rush to social media and to websites in order to leave reviews about products and services that they have experienced. Thus, managers should distribute the solid and genuine product reviews from current customers among third parties websites, in order to spread the word and support the digital word of mouth. For the same reasons, it is a very good strategic move to develop a consistent organic social media strategy, to ensure that the brand appears active, responsive and educated about the industry that it operates within. In addition, creating a strong blogging strategy can bring more attention and develop entertaining and informative content that at the same time will provide ideas for email marketing newsletters and social media posts. Moreover, the email channel can be fully automated and trigger campaigns in order to ensure that a brand will consistently appear at the top of each customer’s inbox. Remarketing is also really important, as it creates loyalty by allowing to a current customer to have more options from the same brand or company. (Sharma, n.d.) Finally, when organic efforts do not provide returns any more, marketers should invest in paid social media and paid search ads. That way a more targeted customer group will be informed about the product or the service offered, based on keywords phrases that will increase reach and return on investment. (organization, 2017)

The first moment of truth has to do with the few seconds when a potential customer encounters the product for the first time and nowadays this happens more often in the world of internet so in this case the only thing that a marketer can do is to have a nice presentation of images and quality marketing content on the social media platforms. (Sharma, n.d.) On the other hand, if the product or the service is at a physical store, then the in-store product placement plays a significant role in shaping the customer’s mindset. The presentation of the product should appeal to customers needs, values and emotions in this short time frame in order to transfer a window shopper into a buyer. While people are being bombarded with a huge amount of informations and they have to make a decision of a big range of products, it is more crucial than ever to
the marketers to win the first moment of truth that will lead to purchase. (Miller, 2016) In addition very important are the availability of the product and the attractiveness of the packaging. The prices should be visible and any discount of promotion would be very helpful in order to draw attention to the product.

The second moment of truth (SMOT) follows the purchasing process and it is when the product is being used by the consumer. The experience that the customer will have from actually using the product will determine whether he will repeat the purchase or not. A good usage experience will lead to customer satisfaction and therefore in good reviews and repeated purchase. This has to do with the product itself, the performance, the quality, the features and functionality and brings us back to the product development. (Google, 2011) The strategies mentioned above about product development in order to cover customer needs apply to the second moment of truth as well.

Last but not least, the Third Moment of Truth (TMOT) is when after purchasing and using the product, customers leave feedback and make reviews in websites and social media platforms about their overall experience. The strategy to achieve this moment of truth is to follow all these strategies mentioned above to succeed customer delight, satisfaction, to cover their customer’s needs and meet their expectations.

Other than those strategies, if marketers wish to ensure good reviews and to achieve word of mouth, they should take the extra mile and exceed customers expectations. The former president of Scandinavian Airlines, Jan Carlzon, analyzes in his book the moments of truth and gives some examples of the opportunities to draw the attention of the client in a good way and make a good impression. He specifically claims that everytime the customer makes contact with any aspect of the company, that is a good opportunity to make a good impression. He then proceeds by giving some examples of moments of truth from the moment the client arrives to an airport until he reaches his destination: when a customer calls to make a reservation to take a flight, when the client arrives to the airport and check the bags curbside, when the customer goes inside to pick up the ticket at the ticket counter, when the customer is greeted particularly
in the gate, when the client is taken care of by the flight attendants, when the client is greeted at his destination. (Hyken, n.d.)

Overall, moments of truth need to be managed in a simple way. Exceeding customers’ expectations lies in the small things that a company does for its customers and not so much in the big moves in an attempt to surprise and fascinate them. They also need to be managed carefully so that the customer will not feel that everything that the sellers do or say are on purpose only to make him buy. There always should be a touch of authenticity and spontaneity.
Case study

After analyzing the key principles and the strategies that lead to customer satisfaction, it is essential that those theories are tested in a real-life case. Due to the fact that nowadays everything is transformed into digital form, there will be analyzed two different e-shops, and there will be documented the overall purchasing experience. That way conclusions will be made about the customer management of these two e-shops based on the theories that were mentioned previously.

A successful customer management

The first e-shop in which the purchase was conducted promotes and sells clothes and accessories for both women and men. It is called ZAFUL, it is owned by Hong Kong Bi’an Information Technology Co. Limited and it is based in Hong Kong. (Hong Kong Bi’an Information Technology Co.limited, n.d.) The choice of the specific e-shop was made because it is located very far from Greece which is a factor that usually prevents customers from buying since it is more difficult to trust a company that is located in another country so far away and because the time that is needed for the order to arrive at the customer is approximately one month.

At a first glance the website of ZAFUL creates a feeling of a cheap shop, since in the home page there are many different colors that do not necessarily match with each other and do not create harmony in the eyes of a consumer. The first impression is that it is a low-quality e-shop with probably low-quality clothes. It does not create any feeling of security or safety and it does not invite customers to trust this shop with their money, as it can be shown in picture 7. It has many discount promotions and coupons running at the same time which result in confusing the customer and in the end, he does not pay attention to any of these.
After spending some time in the website, the information and the product categories become more clear and the search tool is easily managed as well. When a visitor enters the website for the first time, a discount coupon is given to him in order to motivate him to subscribe in the newsletter.

One common fear of consumers about online purchases is that they cannot interact with the product before buying. They cannot touch, feel and sense it in any way. Especially when it comes to clothes, customers do not have the chance to see if the clothes will fit them. That is a huge issue that online shops try to overcome, most of the times unsuccessfully. However, while searching through the products in ZAFUL, what was interesting was the fact that in each product there was very detailed and useful information that would help the customer understand the size of the clothes. In addition, customers are able to figure out if the clothes will fit their type of body through the size guide that ZAFUL provides. There is also analytical description of the product’s kind of cloth, as seen in picture 8.

ZAFUL, also gives some very useful options, calling the customers to action, not only by displaying the social media icons right under the image of the product, but also motivates customers to buy the specific item by displaying the number of items left in stock. This creates the feeling of hurry and also makes customers feel that there is transparency between the e-shop and the buyers, since the availability of the products is shared with everyone.
Moreover, under the product description there are displayed images and photos that previous buyers post on social media platforms while wearing the clothes and the accessories they have purchased from ZAFUL. They include also descriptions from their overall experience and they make reviews about the speed of the shipping, the problems that they encountered while using the product, the after-purchase customer service, the way the personnel treated them and how the personnel managed customers’ issues and complaints. Consumers also share everything that has to do with the product along with advices about its use, informing whoever is interested in the specific product about its flaws, benefits and way it should be used. This is a strong example of successful customer engagement.

This e-shop provides also the opportunity to consumers to make money through an affiliate program. This program allows customers to work for ZAFUL by posting photos of themselves while using or wearing the products. The company gives strong motives to its customers to promote the products in social media platforms and write reviews about them. What is more, these customers are from all over the world and they have the opportunity to work from their homes while they are being encouraged to demonstrate the products by showing at the same time the country that they live in. This is a really good tactic for the company to show to potential customers that its target group knows no boundaries and that its brand has loyal active customers in all over the world. In addition, this strategy enhances customer engagement and interaction with
the firm, while it reduces the costs in social media marketing. Having a strong social media support is essential for an e-shop and ZAFUL managed to create a strong brand community which spreads the word about its products.

In order to be conducted a complete research from the first impression of the e-shop to the after-sales service, a purchase was made of two products. Immediately after the order confirmation an email was sent declaring that the order was received by the e-shop successfully. This email was very carefully constructed, and it begun by greeting politely the customer and welcoming him in the ZAFUL family, which created a feeling of belonging and thus satisfies the need that people have to feel like they are part of a group, as mentioned in the chapter “Key Principles”. Then the products that were purchased were analyzed; it mentioned the product codes of the items, the chosen quantities, the discount percentage and the costs of shipping. It was also stated the exact time that would take the products to be prepared and finally to arrive to their destination. This email was written in such way that it created feelings of safety and respect towards the customer. After a few days, another email was sent as an update of the order status, stating that the order is ready for shipment and mentioning the delivery time. During the overall procedure ZAFUL did not missed a chance to mention in every step of the purchase, that the company’s team is always ready to assist the customers, in every issue and difficulty they encounter.
After the confirmation of the purchase there was the need to confirm what kind of after the purchase service would be provided. For that reason, there was a contact with the employees about the delivery time. The personnel answered almost immediately and in a very polite and uplifting way explained everything about the amount of time it would take the order to be delivered and the reason why, and the discussion ended with the employee to encourage another contact after the delivery of the products so that they could receive feedback. There was also mentioned the possibility of returning the product free of charge in case it did not meet the customer expectations and receive another one in the same price, without extra costs. This move on behalf of the company’s staff was a moment of truth for the consumer that would possibly lead him to repeat the purchase.

The order was indeed delivered in time, the products were exactly as they looked like in the pictures. At this point the e-shop fulfilled the expectations of the customer. It also exceeded them by rapping the clothes in waterproof bags inside the package, which it revealed that the company took under consideration that the package would make a long distance and took extra measures to reassure it would reach its destination as promised.

An unsuccesfull customer management

The second e-shop in which another purchase was made promotes and sells only accessories for both men and women. It is based in Greece and it is called Constantinos Accessories. (constantinos accessories, n.d.) The choice of the specific e-shop was made because its location is in a close town to Thessaloniki and normally the order would take at most two days to be delivered. Moreover it had very different characteristics from the ZAFUL e-shop and that would provide a great base for comparison. Local people usually trust the e-shops of their neighbourhood because of the fast delivery and because there is the tendency to trust what is closer and therefore what is thought to be known.
At the beginning Constantinos Accessories seems, as shown in picture 10, a settled e-shop with a pretty good website and presentation. The homepage welcomes the visitors with many offers and discounts that are visible in each product, but at the same time they are presented in a discreet way.

However, while choosing to display a product it appears to have very few information that would explain the product’s characteristics. As mentioned before, customers need to feel safe and sure before their purchase and buying something that they have only seen online in a picture and without touching it is one of their biggest concerns when it comes to online shopping. The absence of product details, as shown in picture 11, is a deterrent factor in the purchasing procedure, although it has several photos and images of the product that try to demonstrate how the product will look like in reality. Under these few information about each product there are sharing icons in an attempt to call customers to action and invite them to share the product they are about to purchase in social media. That way the owners of the e-shop try to achieve word of mouth. Other than that, there is nothing else that would catch customers attention in order to make them show interest about the product.
After choosing the products that will be purchased, the checkout process follows, which is a platform that the customer has to fill his personal contact details and his address so that his order will be delivered to the location that he chooses. Then the consumer chooses the way that he will pay for his purchase and finally he confirms the order. In Constantinos accessories checkout there is a common filling platform and it provides several ways of payment. The good thing about the checkout is that every detail is gathered in one page, rather than having a few pages until the completion of the order, as it can be seen in picture 12.
Unlike ZAFUL, Constantinos Accessories does not display contact details in an obvious place in the page; there is a telephone number in the home page of the website, but customers have to scroll down a lot in order to find it. The “contact us” option is nowhere to be found. Under the company’s telephone number there are the hours during which customers can communicate with the personnel of the e-shop; the hours are from Monday to Friday from 11am to 6pm. There is no other communication way displayed on the website. This creates a feeling of unavailability of the personnel and it makes customers feel that they have to follow strict orders from the company. What is more, there was nowhere in display an “about” page, which usually in e-shops and other websites the company shares a few words about its history, location, etc. This makes even more intense the suspicious feeling that the e-shop might be a fraud.

After the purchase of two products was made, there was no notification about the delivery or the shipping. The company did not send any confirmation email that would display analytically the costs and the products of the purchase. That is a really bad strategy, since not keeping customers aware of the state of their order makes them anxious and they start to question the reliability of the e-shop; keeping in mind that they would probably have difficulty in contact someone from the company.

One week passed from the completion of the order and still there was no notification or update about its situation or location. When contacting the company’s staff through a phone call they declared that they waited for one of the products and that it would not take long to ship them. After that, three weeks passed without any update on the product, so another phone call was made in order either to receive immediately the products or to cancel the order and receive a refund. Again, the personnel declared that this time the other product was missing from the order to be complete.

These methods are leading to a sure loss of a customer. When reached this point, the customer has lost completely his trust in the company and he is transformed into an angry, dissatisfied customer; the company did not exceed his expectations and failed to satisfy him by not delivering the obvious. It was absent from the overall purchasing procedure and did not even attempt to engage the consumer in any way. The order
was extremely delayed and there was not proper information about the missing products.
Conclusions

To sum up, the most significant conclusion of this dissertation is the fact that it is extremely important for marketers and managers to understand the concepts of customer needs, customer expectations, customer delight, customer satisfaction and of Moments of Truth in order to earn their customers trust and build strong relationships with them. These concepts have been analyzed from many notable marketers and there is a rich literature regarding these principles. Moreover, there are several strategies, as mentioned and analyzed in the second chapter, that based on the key principles that were mentioned before, help marketers to achieve success and meet the organizational goals. However, even after so many years, companies appear to face significant difficulties in transforming the theory into practice and apply those strategies and methods in their organizations; as shown with the case of the Constantinos Accessories e-shop. Although customer experience is subjective, and each customer is unique, there are ways and tools of following a strategy based on customer delight and satisfaction, the management of the customer needs, the management of MOTs, and the management of meet and exceed customer expectations. The e-shop ZAFUL from Hong Kong was a perfect example of a good management of the above principles. As the case study revealed, moments of truth can be of great importance for a customer and they do not have to be something excessive; customer delight lies in the small acts that a company will make for its customers. It is of great significance that marketers are able to create a pleasant and unforgettable experience to their consumers. Following these strategies and understanding in depth the key principles, managers can lead their companies to a successful path, which will result in customer brand loyalty, good reputation, increased profits and a strong competitive advantage over the other companies.
Bibliography


constantinos accessories. (n.d.). *constantinos accessories*. Retrieved from constantinos accessories: https://www.constantinosaccessories.gr/product-category/%CE%B3%CF%85%CE%BD%CE%B1%CE%B9%CE%BA%CE%B5%CE%B9%CE%B1-%CE%BA%CE%BF%CF%83%CE%BC%CE%B7%CE%BC%CE%B1%CF%84%CE%B1/%CE%B3%CF%85%CE%BD%CE%B1%CE%B9%CE%BA%CE%B5%CE%B9%CE%B1-%CF%81%CE%BF%CE%BB%CE%BF%CE%B3%CE%


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Appendix

1. Maslow’s hierarchy of needs

2. Blue Chip Innovation Ltd (Ewart, n.d.)
<table>
<thead>
<tr>
<th>Category Purchased</th>
<th>Number of sources used by the typical shopper</th>
<th>Average usage across sources</th>
<th>% of shoppers influenced at ZMOT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>18.2</td>
<td>34%</td>
<td>97%</td>
</tr>
<tr>
<td>Technology</td>
<td>Consumer Electronics</td>
<td>14.8</td>
<td>30%</td>
</tr>
<tr>
<td>Voters</td>
<td>14.7</td>
<td>35%</td>
<td>95%</td>
</tr>
<tr>
<td>Travel</td>
<td>10.2</td>
<td>22%</td>
<td>99%</td>
</tr>
<tr>
<td>Over-the-Counter Health</td>
<td>9.8</td>
<td>18%</td>
<td>78%</td>
</tr>
<tr>
<td>Consumer Packaged Goods: Grocery</td>
<td>7.3</td>
<td>15%</td>
<td>61%</td>
</tr>
<tr>
<td>Consumer Packaged Goods: Health/Beauty/Personal Care</td>
<td>7</td>
<td>14%</td>
<td>63%</td>
</tr>
<tr>
<td>Quick-Serve Restaurants</td>
<td>5.8</td>
<td>12%</td>
<td>72%</td>
</tr>
<tr>
<td>Banking</td>
<td>10.8</td>
<td>25%</td>
<td>91%</td>
</tr>
<tr>
<td>Insurance</td>
<td>11.7</td>
<td>26%</td>
<td>94%</td>
</tr>
<tr>
<td>Credit Card</td>
<td>8.6</td>
<td>19%</td>
<td>81%</td>
</tr>
<tr>
<td>Investments</td>
<td>8.9</td>
<td>20%</td>
<td>89%</td>
</tr>
</tbody>
</table>

3. Sample sizes for each category (Google, 2011)

Core Marketing Concepts


6. Winning Zero Moment of Truth (Sharma, n.d.)
7. Zaful home page (Hong Kong Bi'an Information Technology Co.limited, n.d.)

8. Zaful product description (Hong Kong Bi’an Information Technology Co.limited, n.d.)
9. Zaful product description (Hong Kong Bi'an Information Technology Co.limited, n.d.)

10. Constantinos accessories home page (constantinos accessories, n.d.)

11. Constantinos accessories product description (constantinos accessories, n.d.)
<table>
<thead>
<tr>
<th>Name*</th>
<th>E-mail*</th>
<th>Phone*</th>
<th>Address*</th>
<th>City*</th>
<th>ZIP*</th>
</tr>
</thead>
<tbody>
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<td>Last Name</td>
<td>Phone</td>
<td>Address</td>
<td>City</td>
<td>ZIP</td>
</tr>
</tbody>
</table>

**12. Constantinos accessories checkout (constantinos accessories, n.d.)**