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Launching Innovative Mobile Services: Understanding and Meeting Customer Needs

Eelko K.R.E. Huizingh

Michiel Van Haperen

University of Groningen, The Netherlands



Background of the case study

- Mobile telecommunication market:
 - Innovations used to be technology driven
 - E.g., more bandwidth, internet connectivity, photo camera, MP3 player, blue tooth, caller dependent ring tones
 - Current situation:
 - Mature market
 - 'New' is insufficient to buy
 - Danger of overserving customers
 - Necessity to develop innovations that meet real customer needs
- New innovations should:
 - be based on a thorough understanding of customer needs.
 - be able meet customer expectations.



Research Objectives

1. To determine the extent to which a new high-tech service offering matches customer expectations.
2. To determine the quality of managers' customer understanding with regard to this new service.
3. To determine possible product design changes with the potential to bridge the revealed gaps.



1. New service matches customer expectations?

- New service: Push-to-Talk (P2T)
 - P2T = walkie-talkie with global reach
 - Single button for 1:1 or 1:n communication
- Research design:
 - Consumer testing in a real world setting.
 - Structured personal consumer interviews before and after use:
 - 22 items based on SERVQUAL (Parasuarman et al., 1985) - tangibles, reliability, responsiveness, assurance & empathy
 - + 5 items based on manager interviews
 - 7 point Likert scale





Field work Customer Expectations

- Selection consumers:
 - Current customers
 - Use of mobile phone for private purposes
 - Member of target group
 - Friends of other respondents
 - Mix males & females
 - Mix prepaid & monthly fee
 - Mix low/high educated
- Total: 27 consumers: $6*4 + 1*3$
- One week use for within group communication



Results Customer Expectations

- Out of 27 items:
 - Always: expectation > experienced service
 - 21 items: difference average expected and experienced service > 1. (7-point scale).
 - T-test: 25 differences – $p < .01$ (small sample)
- Largest differences (difference > 3):
 - Product choice, prompt service, service speed.



2. Quality managers' customer understanding?

- 5 managers involved in successful *b2b* launch
- Is this a useful background for understanding *consumer* expectations?
- For same 27 items:
 - What managers think consumers expect
- Comparison with consumer expectations:
 - Always: average consumer > manager expectation
 - 16 out of 27: difference in averages > 1.
 - T-test: 17 differences – $p < .1$ (census / small sample)



3. Bridge gaps with product redesign

- Each group of consumers: focus group discussion (n= 7).
- Topics: experiences, requirements and needs regarding (1) service, (2) device, (3) service provider.
- Morfological analysis (Cross, 2001)



Summary of Findings

- Consumer experiences < expectations
- Managers underestimated consumer expectations
- Focus groups after product use: useful recommendations for product redesign.



Conclusions

- Significant differences in requirements b2c vs b2b:
 - Even for the same service
 - Need to be customer-oriented in a mature market
- Methodology applied:
 - Relative simple, straightforward and cheap
 - Consisting of well-known methods & models
 - Leading to insightful findings regarding:
 - Customer requirements,
 - Management understanding of customer requirements
 - Suggestions for product redesign.