

Customer-Oriented Operational Management: Improving Consumer Experience through Service Efficiency

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ABSTRACT

This research aims to investigate the impact of implementing customer-oriented operational management on improving consumer experience through service efficiency. With a focus on operational efficiency in service, this research will evaluate how operational management strategies that focus on customer needs and expectations can improve service quality and increase consumer satisfaction. This research uses a qualitative approach with descriptive methods. The research results show that the implementation of Customer Oriented Operational Management (MOP) by focusing on in-depth understanding of customer needs, responsiveness to customer feedback, and the application of technology to improve operational efficiency has had a positive impact. By engaging employees in a culture of innovation and implementing solutions that are responsive to changing customer needs, organizations can create better consumer experiences. The use of technology, such as inventory management systems and customer data analysis, helps in speeding up response to customers and increasing operational efficiency. Overall, this approach brings significant benefits in increasing customer satisfaction, optimizing operational processes, and positioning the organization to remain competitive in a dynamic marketplace.

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INTRODUCTION

In the face of business dynamics that continue to develop rapidly, the success of an organization can no longer be measured solely by the quality of the products or services offered (De Brentani, 2001). Organizations that want to remain relevant and ahead in the modern marketplace need to deeply understand customer needs and expectations (Slater & Narver, 1994). This is not just responding to market demand, but rather creating strong relationships with customers, where customer satisfaction is the main focus. In this context, operational management emerges as a critical factor in aligning organizational goals with the dynamics of customer demands (Kandampully, 1998).

Operational efficiency remains the main basis for maintaining a company's competitiveness. The ability to run operations efficiently can create a strong foundation for providing quality products or services (Samson & Terziowski, 1999). However, the success of a company is no longer solely measured from the technical side of its operations. Organizations need to be able to adapt to changes in customer expectations, as well as build innovation in the consumer experience (Keiningham dkk, 2020).

In this view, operational management is not just a tool for achieving efficiency, but also a means for designing and implementing customer-focused strategies (Tucker & Pitt, 2009). The success of a company does not only lie in how efficient its production or service processes are, but also in the extent to which the company is able to form positive interactions with customers, create added value, and increase loyalty (Sim & Rogers, 2008). In this case, operational efficiency is no longer the end goal, but rather a means to achieve a satisfying consumer experience (Skinner, 1969).

The importance of customer orientation in operational management is becoming increasingly prominent with the development of technology and the intensification of competition in the market (Han et al., 1998). Customers are not only objects of transactions, but also partners who play an important role in guiding the evolution of products and services (Sheth & Parvatiyar, 1995). Therefore, this research will explore the concept of Customer Oriented Operational Management and how its application can improve consumer experience through service efficiency (Johnston, 1999).

The main objective of this research is to identify and analyze the impact of implementing Customer Oriented Operational Management in improving consumer experience through service efficiency. This research will attempt to answer these questions through an in-depth analysis of operational management practices and customer responses. It is hoped that this research can contribute to the operational management and consumer experience literature by presenting relevant and applicable findings. It is also hoped that the results of this research can provide practical guidance for companies and organizations in designing operational strategies that focus more on customer needs to increase competitiveness and achieve market advantage.

Literature Review

Operation management

According to Stevenson et al. (2008) operational management is a continuous and effective process of using management functions to integrate various resources efficiently in order to achieve goals. According to Heizer & Rander (2009) state that operational management is a series of activities that produce a value in the form of goods and services by converting an input into an output. According to Stevenson (2009) states that operational management is a management system or a series of processes in the manufacture of products or provision of services. From the definitions above, it can be concluded that operational management is the management of the use of all existing production factors into various kinds of goods or services.

Customer Experience

Customer Experience can be interpreted as a consumer's interpretation of the consumer's total interaction with a brand (Meyer & Schwager, 2007). And the ultimate goal of implementing this concept is to create good relationships with consumers and build loyalty with consumers (Lemon & Verhoef, 2016). The concept of customer experience is a concept where when consumers buy a service, a set of activities that cannot be stated clearly. But when consumers buy an experience, they are paying to spend time on an opportunity or experience that is unforgettable and makes a company known in a different way. (Becker & Jaakola, 2020).

Service Efficiency

According to Grosztsch et al. (2009), efficiency is defined as follows: "Efficiency is if a unit can work well, so that it can achieve the expected results or goals." Efficiency is a company's ability to carry out its activities to obtain certain results by using input (the lowest possible input) to produce an output, and is also the ability to complete a job correctly (Wilson & Frimpong, 2004). Service efficiency refers to the ability of an organization or company to provide services to its customers by optimally utilizing available resources. In this context, service efficiency covers various aspects, including the use of time, labor and financial resources to achieve desired results (Tukker, 2015). An organization is considered efficient in its services if it is able to provide services at low costs without sacrificing quality. Service efficiency is not just about doing things quickly, but also about doing them at a rational cost and with results that satisfy customers.

METHOD

This research uses qualitative research methods with a descriptive approach. This approach was chosen to gain a deep understanding of managing agility and productivity in the manufacturing industry. According to Creswell (2014), qualitative research is directed at understanding natural phenomena by giving an important role to individual experiences and specific contexts. Thus, through a descriptive approach, this research aims to describe in detail how manufacturing companies manage and increase their agility and productivity. A qualitative approach provides advantages in producing more in-depth information, as stated by Denzin (2017). The data obtained is not only limited to facts and events, but also includes the meanings contained therein. This research not only focuses on what is seen and said, but also seeks deeper understanding related to customer-oriented operational management: improving consumer experience through service efficiency. In addition, this qualitative research involves the role of the researcher as the main instrument in collecting and interpreting data. This is in line with the natural approach of qualitative research which emphasizes the uniqueness of individual experiences and contextual understanding.

RESULTS AND DISCUSSION

Customer Oriented Operational Management (MOP) focuses on aligning and prioritizing organizational operations with customer needs and expectations. In improving consumer experience through service efficiency, here are several ways that can be implemented:

Deep Understanding of Customers

Market research and data analysis are crucial steps for organizations that want to deeply understand the needs, preferences and behavior of their customers. The initial step involves identifying the target market and its demographic, psychographic, and consumer behavioral characteristics. Through surveys, interviews, and secondary data analysis, organizations can gain a comprehensive understanding of what their customers want and expect.

Implementation of customer monitoring and feedback tools is an important element to maintain continuous understanding of customer expectations. Monitoring tools may

include online survey platforms, social media analytics, or customer relationship management (CRM) systems. By leveraging these tools, organizations can proactively obtain direct information from customers about their experiences, monitor trends, and detect changes in preferences in real-time.

This move allows organizations to adapt quickly to market changes and respond more accurately to customer needs. Additionally, collecting feedback on an ongoing basis allows organizations to build stronger relationships with customers, demonstrating that their opinions and preferences are valued.

By combining market research data and customer feedback, organizations can make more informed decisions. This information becomes the basis for designing products or services that better meet customer desires, increase customer satisfaction, and strengthen the organization's position in the market. Overall, this approach helps organizations stay relevant, competitive, and focused on customer needs in an ever-changing business environment.

Customer-Based Performance Measurement

Establishing operational performance metrics that focus on consumer experience is a strategic step to improve service efficiency and customer satisfaction. First, the response time metric is a key indicator in measuring how quickly an organization responds to customer requests or questions. The shorter the response time, the higher the level of customer satisfaction due to a faster interactive experience.

Additionally, wait time metrics are key in evaluating service efficiency. Customers tend to give positive assessments if waiting time in the service process is minimized. These measurements may include waiting time in line, transaction completion time, or response time to customer complaints. By shortening wait times, organizations can improve operational effectiveness and create a more enjoyable customer experience.

Service success rate is another metric to consider. This can be measured through the degree to which customer needs are met, the speedy resolution of problems, and the degree of conformity to customer expectations. By leveraging customer data, organizations can evaluate the extent to which the success of their services reflects the experience customers expect. This data can be obtained through customer surveys, direct feedback, or transaction data analysis.

The use of customer data to evaluate operational effectiveness provides deep insight into the success of customer-oriented operational management strategies. Organizations can identify areas where customers perceive advantages or disadvantages in service, so that appropriate improvements or innovations can be made. Through better understanding of customer perspectives, organizations can improve operational performance metrics to create more positive consumer experiences, support customer retention, and strengthen brand image in the marketplace.

Adaptive Operational Processes

Designing and updating operational processes is a critical step in creating a business environment that is adaptive and focused on customer needs. First, engaging customer feedback continuously becomes a key element in the design process. By regularly collecting

and analyzing customer feedback, organizations can deeply understand how customers perceive and interact with current operational processes.

Furthermore, flexibility in operational processes needs to be implemented to ensure the organization can respond to changing customer needs quickly and effectively. This can include customizable process designs, leveraging changeable technologies, or defining flexible decision points in workflows. By providing flexibility, organizations can be more responsive to changing market trends, changing customer needs, and changes in the general business environment.

The design and update process must involve collaboration between various departments and units within the organization. Cross-functional teams can help identify potential improvements and implement necessary changes. Through this collaboration, organizations can ensure that every aspect of the operational process has an optimal contribution to the customer experience.

Flexibility can also be realized through investment in technology that supports automation and adaptability. Advanced operational management systems can help organizations adapt to changing customer needs and respond to market dynamics more quickly. Finally, the steps for designing and updating operational processes must be iterative. By continuously incorporating customer feedback, organizations can proactively identify areas that need improvement and continually improve their operational processes to create a better customer experience. This creates a sustainable environment where organizations continually innovate and adapt to meet evolving customer needs.

Employee Training and Engagement

Providing training to employees on the importance of customer experience is an important step in creating awareness and deep understanding within the organization. This training can include an in-depth understanding of the customer life cycle, analysis of consumer behavior, as well as the positive impact that can be generated through superior service. Employees who understand their critical role in influencing the customer experience tend to be more committed to providing superior service.

Furthermore, involving employees in the formulation and implementation of customer-based improvement initiatives is key to creating a customer-oriented organizational culture. Employees are a valuable resource who can provide insight and perspective directly from their interactions with customers. By holding brainstorming sessions or discussion forums, organizations can gather ideas and input from various levels and functions within the company.

Involving employees in the formulation stage of improvement initiatives not only increases their sense of ownership of the process, but also enriches the ideas and solutions produced. Employees who feel they have a hand in customer-based improvements are likely to be more involved in implementing those solutions, because they feel their contributions are valued and taken into account. Along with employee engagement, it is important to ensure support from leadership and upper management. They need to demonstrate a commitment to customer-oriented principles, provide the necessary resources, and motivate employees to actively participate in the initiative.

Finally, evaluating and recognizing employee contributions to customer-based improvements is a key step to ensure the program's sustainability and success. This recognition can take the form of awards, promotions, or public recognition of the efforts and results achieved by employees. This not only increases motivation, but also creates a culture of appreciation that encourages employees to continue participating in continuously improving the consumer experience. In this way, employees become effective change agents in achieving customer-oriented goals throughout the organization.

Technology and Automation

Technology has a very significant role in increasing efficiency in the operational processes of an organization. One of the main benefits of technology is through the implementation of advanced inventory management systems. This system allows organizations to accurately monitor and manage inventory in real-time, optimize inventory, and minimize the risk of shortages or excess stock. Thus, organizations can increase efficiency in the supply chain and ensure availability of the right products at the right time.

In addition, customer data analysis is key in increasing understanding of consumer preferences and behavior. By using advanced data analysis technology, organizations can identify market trends, customer purchasing patterns, as well as other aspects of customer interactions. This information can be used to adjust marketing strategies, target special offers, and overall personalize the consumer experience, thereby increasing customer satisfaction.

Decision support systems are another technology tool that can provide significant benefits. With this technology, organizations can collect, analyze and present information effectively, helping leaders and management make more precise and faster decisions. This may include resource allocation, strategic planning, and general operational performance evaluation.

Furthermore, automating routine tasks is another way to leverage technology to improve operational efficiency. Time-consuming administrative or repetitive tasks can be automated, freeing employees to focus on tasks that require creativity, innovation and direct interaction with customers. This can create a more productive work environment and ensure that human resources are used optimally.

It is important to note that adoption of this technology requires wise investment in infrastructure and employee training. However, the long-term benefits, including increased efficiency, improved customer service, and competitive advantage, can outweigh that initial investment. By leveraging this technology effectively, organizations can better meet operational challenges and remain adaptable quickly to changes in the marketplace.

Responsive Customer Service

Following up quickly on customer questions, concerns or feedback is a key aspect in ensuring a positive customer experience. Organizations that are responsive to customer needs tend to build stronger relationships and increase customer satisfaction levels. In this context, implementing a tracking system that allows customers to monitor the status of their requests or transactions in real-time is a strategic step. The importance of quick follow-up to customer questions and concerns not only demonstrates an organization's willingness to listen, but also creates customer trust and satisfaction. By adopting

responsive policies, organizations can provide satisfactory solutions or answers quickly, reduce customer uncertainty, and improve their perception of service.

Tracking systems that allow customers to monitor the status of requests or transactions in real-time provide transparency that customers greatly appreciate. By giving customers direct access to track the progress of their requests or transactions, organizations give customers control and eliminate uncertainty regarding timing or status. This also creates a sense of responsibility on the part of the organization to provide efficient services and provide customers with a better understanding of operational processes.

Implementation of this tracking system also brings operational benefits to the organization, as it allows for more effective management of requests and transactions. By having a better understanding of customer needs, organizations can respond in a more timely and efficient manner, reducing the risk of errors, and increasing overall customer satisfaction. In an era where speed and access to information are highly valued, these steps not only improve the quality of service, but can also be a significant competitive advantage. With fast responses and transparent tracking systems, organizations can create closer relationships with customers, increase loyalty, and provide a more positive and satisfying customer experience.

Sustainable Innovation

Encouraging a culture of innovation within an organization is essential to creating a dynamic and adaptive environment. A culture of innovation opens up space for employees to create, collaborate and create creative solutions in order to continuously improve services and operations. This drive stems from the acceptance that continuous change and continuous improvement are the keys to success in meeting the challenges of a rapidly changing market.

Involving cross-functional teams is an important step in creating innovative solutions. These teams, composed of individuals with diverse backgrounds and expertise, can provide diverse perspectives and a deeper understanding of customer needs. Cross-functional collaboration not only enriches the ideas and solutions generated, but also creates a collective understanding of how improvements can be implemented more effectively.

In an innovation culture, it is important to provide strong incentives and support from upper management. This includes recognizing employees' efforts to create improvements, providing freedom for experimentation, and creating a safe environment to share new ideas without fear of punishment. Management needs to support and facilitate the innovation process, while providing the resources necessary to implement these ideas.

More than just creating innovative solutions, an innovation culture also emphasizes continuous learning. Failure is seen as an opportunity to gain deeper understanding and develop better solutions in the future. Education and development of employees in the context of innovation can enhance their creative skills, build resilience to change, and stimulate motivation to continually seek new ways to improve the consumer experience.

CONCLUSION

A holistic approach to customer-oriented operational management brings a number of major benefits to an organization. Involving employees in understanding customer needs,

designing responsive operational processes, and implementing technology to increase efficiency are key elements in creating a superior consumer experience. By integrating a deep understanding of customers into operational management, organizations can direct their resources more effectively, increase customer satisfaction, and gain competitive advantage. Organization-wide innovation, driven by a culture that supports and engages employees at all levels, provides the foundation for continuous improvement in service and operations. Implementing modern technology, such as inventory management systems, customer data analysis, and automation of routine tasks, can provide significant operational efficiencies. This not only helps organizations stay responsive to changing customer needs, but also frees up employee time to focus on aspects of service that require human expertise. Encouragement of a culture of innovation makes organizations more adaptive and able to innovate in facing changing market challenges. Cross-functional team collaboration, management support, and appreciation of employee contributions to innovation are key factors in creating an environment that supports continuous improvement.

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