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THE TRANSFORMATION OF WHOLESALE (B2B) TELECOMMUNICATIONS PRODUCTS INTO TRUE SERVICES

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Abstract: This paper contrasts the "product logic" with the "service logic" and its co-creation of value, through Customer Satisfaction Events (CSEs) and uses the SLA restoration process as an instance of CSEs that can provide the organic business innovation towards achieving superior customer satisfaction and conversely gain direct access to customer's intelligence. Three interaction dimensions of services have been identified: Internal Alignment, Customer Orientation and On-going Relationship interaction. It is through the integration of these 3 dimensions that value can be co-created for both the provider and the customer.

Key-words: Telecommunications; Service Logic; Customer Satisfaction Events; SLAs.

1. Introduction

Service Level agreements (SLAs) have traditionally been seen as the "service dimension" of telecommunications services. However there must be more than SLAs for a telecommunication service to become a true service. From the customer's point of view, everything must relate to them and their perceived quality experience. Hence the missing ingredient for a successful telecommunications service is active customer involvement leading to greater customer satisfaction.

However, the fundamental question: 'Does Service Logic differ from Product Logic? If so, can this logic underpin a new approach to true services? These are the questions to be addressed in this paper.

2. "Product logic" and "Service Logic"

Nowadays people talk about the need to compete on value and not on price, but my observations are that discussion may start with that assertion but inevitably ends up considering product features and how to price them to all customers.

The logic being:
Features »» value »» price (product logic)

The rationale behind this way of thinking is that standardisation creates economies of scale and thus this value can be distributed to all customers at a lower price. This approach is well suited to consumption items and was the backbone of the industrial revolutions of the 19th and 20th centuries. Service tended to be relegated to the small fraction of items that failed against factory specifications after sale. However; the moment a service is standardised to all customers it is by definition a "product" not a "service."

We argue that, in contrast to the product logic, there is indeed another logic:

Application »» Solution »» value àsatisfaction »» retention »» revenue (service logic)

The rationale for this logic is that only "Services" can provide sustainable differentiated value to customers.

Even though "Services" are being re-discovered, the idea of Customer Centred Management was first introduced by Theodore Levitt in his 1960 article that introduced the radical idea "that businesses will be better off if they concentrate on meeting customers' needs rather than selling products." His argument was that the firm has to be viewed as "a customer-creating and customer-satisfying organism." According to Levitt, the firm's objective is not for producing products but providing "customer-creating-value-satisfactions."

Using the insight from Grönroos (2007; 31); a product focus is based on the factory metaphor and product push, conversely a services focus is based on customers' requirements and their application pull, as depicted in Figure 1.

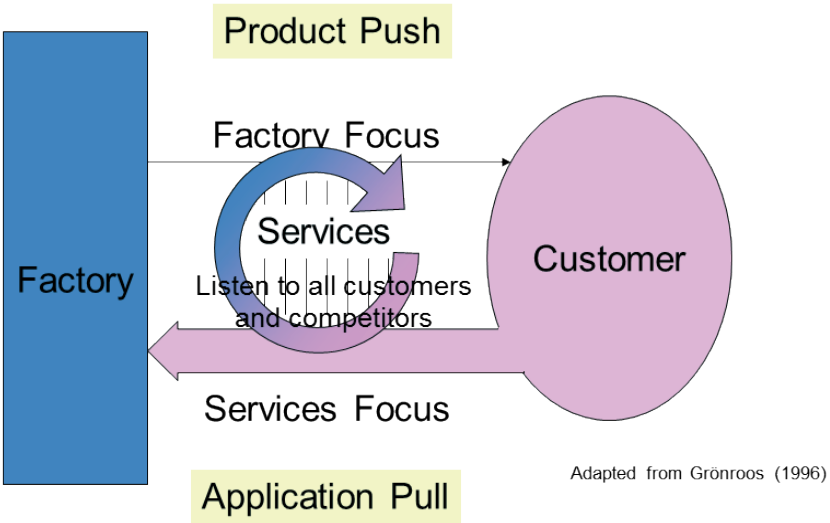

Figure 1 - Product vs Service focus

A Product provides ready-made goods or packaged services, on the other hand, "Services" focus on providing a service in "real time" and in concert with customer's needs. The change is simply a change in the focus from selling a readymade product to selling an experience in-the-moment According to Grönroos (2007; 64), "the value that a firm can offer is not embedded in the resources used in the service process, but it emerges in customers' consumption or usage process."

A services organisation cannot deliver "Services" by itself – Services can only be delivered together with the customer. Delivering a service like an SLA without the customer's involvement is a product not a "Service". The key characteristic of a Service is the mutual creation of value. This is very adeptly illustrated by Sheth & Parvatiyar (1995, Quoted by Grönroos, 2007; 28) on a two axis diagram of value sharing and interdependence. The traditional transaction or product orientated value exchange falls into the bottom left quadrant; whereas value co-creation and mutual interdependence (as the focus of true services) falls into the top right quadrant, in Figure 2.

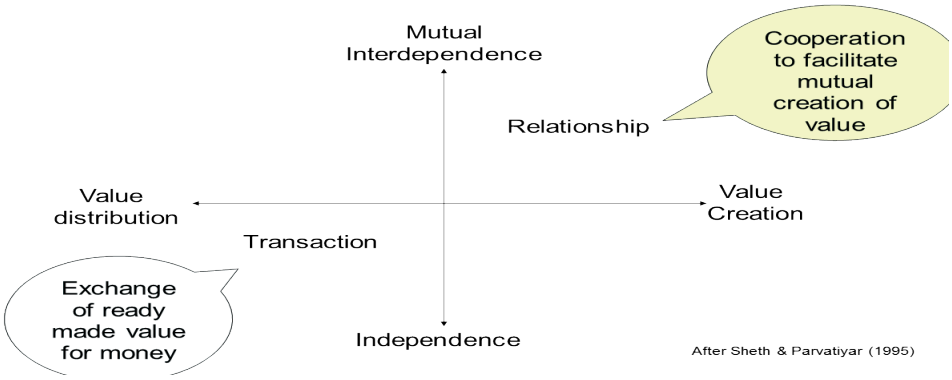

Figure 2 - Value creation and interdependency

The service logic focuses on gaining the involvement of customers so that they actively contribute to the co-creation of value rather than second guessing customers' needs. It also attempts to enable customers to help themselves to increase satisfaction. Conversely the involvement of customers allows the gathering of intelligence from the customer on their applications and alerts the service provider to any potential competitor threats allowing Competitor Impact Assessment – the value created for the supplier by involving customers. Lum et al (2004) made the connection of customer value and customer loyalty mediated by customer satisfaction, more recently Briggs & Grisaffe (2010) study suggests that service performance influences trust and value which positively influence customer loyalty intentions.

So the shift to a new Services Logic:
Application »» Solution »» value »» satisfaction »» Revenue
Or better still,
Application »» Co-crafted Situated Solution »» value »» satisfaction »» Retention »» Revenue

3. Customer Value Proposition

Studies on customer value analysis (for example: Ng, 2007) have indicated that the willingness to buy depends on the combination of price outlays and non-price outlays borne by customers in their operations. The essence of the value-based pricing approach is to reduce the customer's non-price outlays and fractionally increase price, to gain from that benefit.

a. Product CVP

Traditional Customer Value Proposition (CVP) analysis approaches, puts forward the idea that product features are worth more for end customers, as surpluses may be shared between customer and wholesaler. It gives no direct consideration to customers' non-price outlays. It aims at increasing wholesaler's price because customers can increase price at the end-user, still maintaining surpluses. This is depicted in Figure 3.

features → value → price *(product logic)*

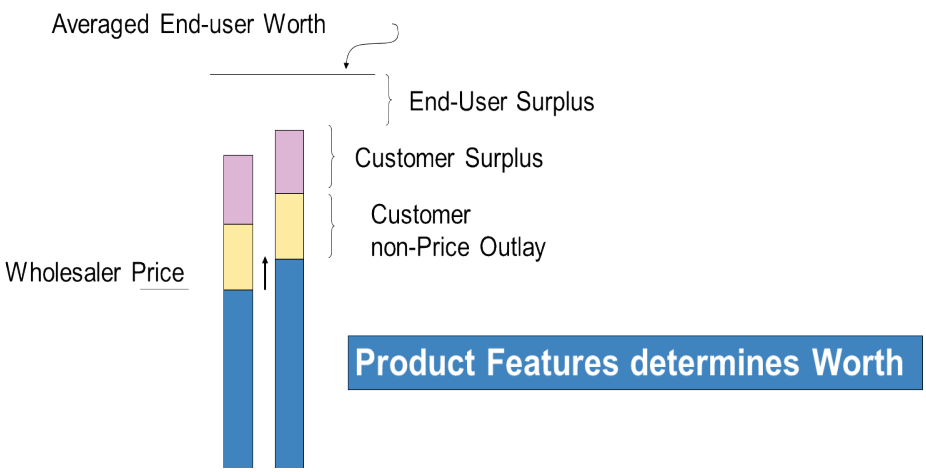

Figure 3 - Product CVP

The logic is: Product Features determines Worth (Including SLA level features). No services are delivered, only well defined and standardised

outcomes where service is an ancillary feature of a product. Services are seen as a one-off events and Products outlays are lowered by economies of scale. It is up to the customer to analyse how product features can substitute any non-price outlays incurred by them. This methodology is well suited to consumer products where an average end-user worth can be established through market research.

b. Services CVP

In order to understand the non-price outlays that the customer is subject to, is to know the customers application of the service and its process in some depth. In other words there has to be some mutual trust for the sharing of ideas and information.

The services approach to Customer Value Proposition analysis is a new approach to CVP stating with a customer value satisfaction (CVS) embedded in a CSE leading to a CVP outcome, as depicted in Figure 4.

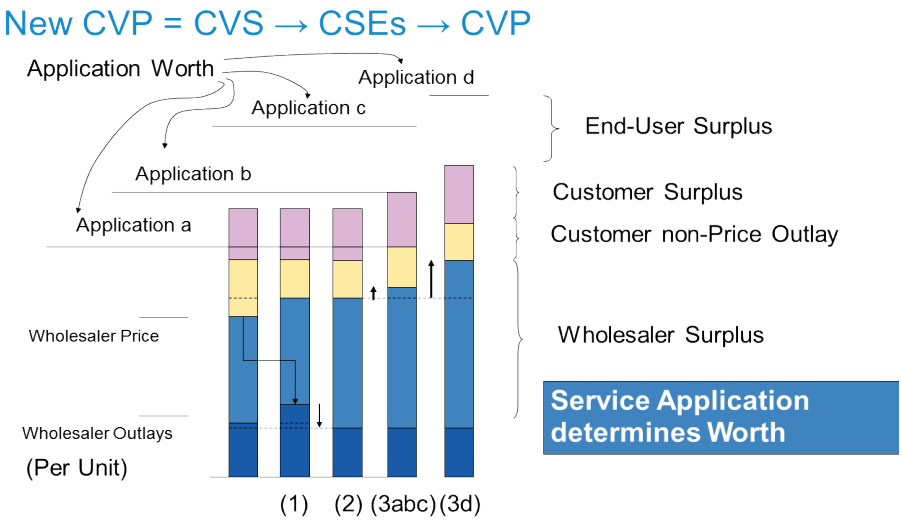

Figure 4 - Service CVP

This new CVP is a bottom-up approach and puts forward the idea that customers non-price outlays can be:

1. traded against wholesaler's outlays and thus a higher price is attained;
2. given volumes and economies of scale, the wholesaler outlays can be minimised, and
3. intelligence gathered in the process can be traded against the actual end-customer application worth.

This methodology is well suited to wholesale products where different applications will determine value. The initiative is in looking at which outlays may be substituted by the supplier's standard products or crafted services are

lead by the supplier with conjunction with the customer. There is no "second guessing" neither does the wholesaler second-guess the customer on which features will be desirable. Nor does the customer second-guess the wholesalers on which non-price outlays will be substituted. It becomes a joint approach with each party providing value to the other to reach a joint decision.

The logic shift is in Customer Orientation – From product pricing to Service solution pricing. The fundamental issue is that when changing to a services organisation, the group of people supplying the servicing need to be close to the action and need to understand the customers' applications intimately. To achieve this we introduce Customer Satisfaction Events.

c. The Customer's Perspective

From the customer's perspective, however, with the exception of strait product re-sale situations, surplus may not even be considered; using Teboul (2006) value gap framework, the customer will be concerned for what functionality (technical specification) may fulfil their application requirements and what is likely to be delivered against the technical spec, as shown in Figure 5. The difference between spec and requirements will have to be fulfilled by other outlays (self sourced or outsourced to others, labour or capital).

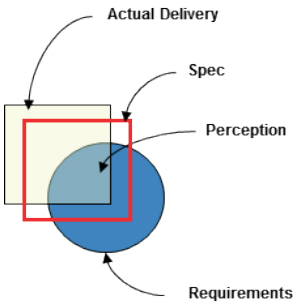

Figure 5 - Customer's Perception (after Teboul (2006)

Customers value analysis in product mode Figure 6 (a) may feel that their real requirements is not addressed by the specification and that their perceptions are not taken into account against actual delivery – the supplier measures any delivery gap against the product specification alone. On the other hand in services mode customer's expectations are taken into consideration and the value gap is in the difference between expectation and perception. It should be clear that closing this gap is not just about features and it certainly is more than a simple technical issue.

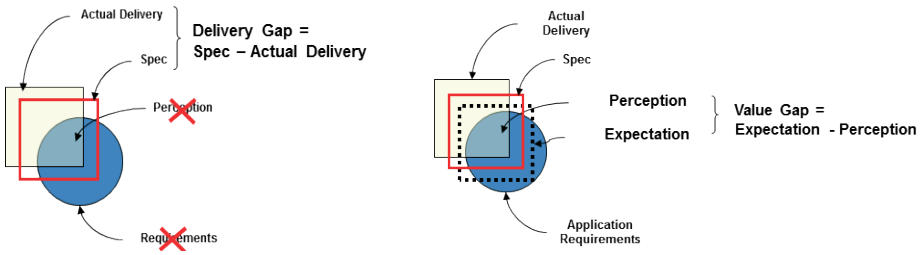

Figure 6 - Value Gaps (a) Product view, (b) Services view (after Teboul (2006).

4. Customer Satisfaction Events – CSEs

To be able to address the supplier's and the customer's views into a whole we need to focus on the customer-supplier touch-points; we call these Customer Satisfaction Events (CSEs).

According to Rayport and Sviokla (1995), in addition to the traditional one way supply chain of goods there is a Virtual Value Chain which is bidirectional providing information, trust and cooperation. This bi-directionality is captured by Sawhney (2004, quoted by Hutt & Speh, 2007) and depicted in Table 1.

From Product to Solution Perspective		
	Product Perspective	**Solution Perspective**
Value Proposition	Win by creating innovative products and enriching **features** of existing products	Win by creating and delivering superior customers **solutions**
Value Creation	Value is **pre-created** by the firm	Value is **co-created** by customer an the firm
Designing Offerings	Start with the product or service and then target customer segments **Push Product Mode**	Start with the customer problem and then assemble required products and services to solve problem **Pull Service Mode**
Company Customer Relationship	**Transaction** based	**Interaction** based and centred on the co-creation of solutions
Focus on Quality	Quality of **internal** processes and company offerings	Quality of customer-firm **interactions**

After Sawhney, M., 2004, quoted by Hutt &Speh 2007

Table 1 - Product Perspective vs Solution Perspective

"Services" are essentially intangible; that's why we associate service to a subjective customer experience. Providing "Services" is delivering to customers'

needs through their service's application creating "Customer-creating-value-satisfactions" in Levitt's sense.

In telecommunications where activation processes are mostly automated, the restoration of service is of preeminent importance. Within the services provision process, the delivery including the restoration episodes have a privileged role – it provides the "Moments of Truth" (in Carlzon, 1987 sense) in the provision of "Services" to customers. It refers to any episode in which a customer comes into contact with an employee (at any organisational level) and it has critical implications for organisations.

The transformation of service restoration from a back-office activity to a front-office activity is at the heart of this discussion. To quote Teboul (2006; 13) "A product is an object, a device, a thing, whereas a service is an act, a unique performance". These unique performances as points of interaction are here re-stated as Customer Satisfaction Events (CSEs). These CSEs can occur at any level in the organisation and at any point in the supplier-customer time relationship.

Stock (2005) has demonstrated that highly satisfied customers are less sensitive to prices compared with those who have a moderate level of customer satisfaction. This relationship was particularly strong for customers that involved in high complexity product/service and a high degree of customisation. Customisation provides a high level costumer commitment to the solution. Reaching satisfaction on solution value requires a process of locking customers into value relationships.

In a Value Based Services delivery mode the customer's application and outlays are also considered part of the service delivery process. These aspects are taken into consideration in the solution definition phase and it is during this phase that an understanding of the customer's application, their other outlays and how these outlays can be substituted with capital items or labour from the supplier is at play. This is the activity that creates Customer Satisfaction Events at the solution definition stage.

For the wholesaler to be able to create these CSE it is imperative that they intimately understand customers' application and outlays and engender options (alternative solutions or extended service) that may create opportunities for lower outlays for customers. Hence the new approach differs from the current where service restoration is based on re-setting a service back to its normal status without intelligence being gathered.

Some of these activities may already be provided by the Sales Team or by Solution Engineers but mostly as a pre-sales activity. We are now proposing that this activity is carried on into the full life cycle of the service as part of the on-going service provisioning capability. Some of this activity is also performed at service management and restoration operatives, but the overall capabilities called for here span above and beyond the traditional service repair activity. In addition we are looking at sales and solutions engineering skills closely linked to the fault restoration activity events, as triggers to intimately understand customers' applications and outlays. This vertically integrated activity is essential in order to connect activities at all levels of the organisation.

The value emerging in a Customer Satisfaction Event results from:

- Value for customers relates to knowing what the customer's application is about and knowing when and why it may create a satisfaction problem and knowing how to maintain it at a high level of satisfaction. It is a "real-time" issue within the on-going customer relationship.
- Understanding the customer's application means understanding customers non-price outlays (the assets that the customer sources from others or self-supports, but can also be time, process or any barriers that may be holding customers from adopting the solution)
- Understanding how those outlays could be covered by the wholesaler at an advantage for both the customer and wholesaler will generate an opportunity for new revenues and also in locking customers into solutions that in turn makes it difficult for them to switch to a competitor.
- It is situational – depends on customers application and the potential customer/competitor action.
- Customer Satisfaction Events (CSEs) are any events that facilitate interaction with customers, along the whole "Services" cycle.

The CSEs have the potential to create the systemic conditions for feedback loops from any part of the "logic equation", as such they are integrative and can start anywhere as part of the on-going relationship with customers:

Satisfaction »» Revenue »» Application »» Solution »» Value »» Satisfaction »» … etc

Leading to the generation of organic positive interaction cycles or "virtuoso cycles."

In conclusion, reviewing the service equation:

Application »» Solution »» Value »» Satisfaction »» Revenue

The first part of the equation refers to the co-design of a solution to a particular application as previously discussed. It needs a specific application for any further discussion, which will be introduced in the next section of the paper.

The second part also relates to the specific application, but having generated value it now has to lead to satisfaction, before revenue can be addressed.

CSEs provide a new way of looking at Quality-of-Service, creating the required customer interaction in Services Oriented Mode and organically transform how services are provided. The participants in CSEs embody the ethos of the supplying organisation with complete dedication and commitment to the customer. It represents a micro-cosmos at the boundary interface between supplier and customer. The participants in the specific CSE must be entrusted and empowered to make decisions with some degree of autonomy towards the customer. They should be seen as a business in-itself servicing customers with accountability. The customer relationship management aspect must be totally embedded in the event; after all if there is a relationship at all it is here that it has to manifest itself to its total extension.

5. A Case Study

a. The evidence in delivering SLAs

Let's take a case study to ground this analysis into some tangible reality. A sample of a service restoration times relating to a specific product (here called product X) showed that the restoration performance was better than 80% restored to nominal target and (in the most) within contractual targets. Restored to target is a supplier centric measure to deliver to an established contractual agreement – nothing wrong with that! However when this is translated to a customer centric measure – an absolute MTTR – which relates to customers direct impact, it became clear that the best performance was achieved when the customer had a close interaction in the resolution of the faulty situation as depicted in Figure 7. PPE stands for – Pay Per Event – whereby rather than being left to a generic SLA the resolution process was determined at the time of occurrence. The customer was able to nominate the required time frame for restoration contingent to the service actual application and associated severity and consequently maintain a close interaction as appropriate. The performance of PPEs was more in tune with the customer's requirements, as these statistics empirically show the value creation of customer involvement in a simple fault restoration process.

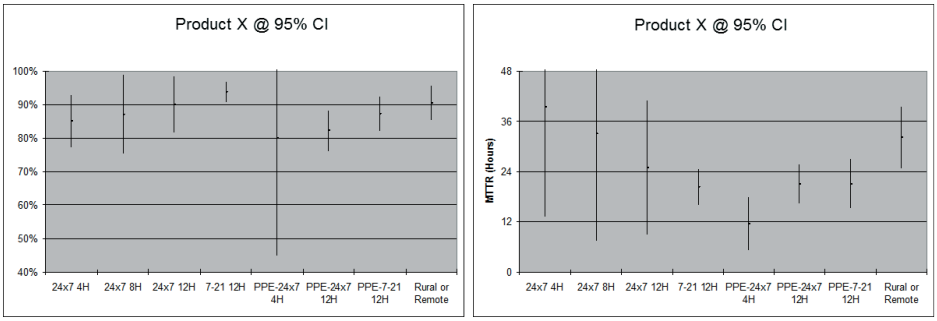

Figure 7 - Fault resolution depend on customers positive interaction
(a) Performance to target metric; (b) Absolute performance in Mean Time To Restore metric

Restore to target (RTT) above left shows a completely different picture from MTTR outcomes above right. RTT is a "product" measure; the MTTR is a "service" measure. RTT is a good measure for the delivery of a contractual commitment but inadequate to give visibility of the actual impact on customers' applications, the understanding of which is required to be able to discern what the actual gravity of impacts are. To appropriately gage these impacts there is a requirement for the service providers to have an understanding of the services true application.

While the above statistics were related to all customers, when we looked at specific customers, we had an insight: the same product X had a different

performance depending on the customer it related to. The overall fault rate was 1.75 (faults-per-month-per-100-services-in-operation). However customer 1 showed a much higher fault rate and consequently a lower MTBF, which is due to what we in the industry call "finger trouble" – operatives creating fault conditions due to lack of expertise. However this was compensated with a lower MTTR mostly due to NFF (no-fault-found) situations. See Table 2.

A sample of product X actual results has revealed:

- MTBF is dependent on customers' application or "finger trouble" resulting in quite different fault rates.
- The MTTR outcomes compensated for achievement of reliability for Customer 1.

Product x	MTBF (Hours)	MTTR (Hours)	Availability	Fault rate (F/h)	fault rate (F/month/ 100 SIOs)
Customer 1	13,269	5.424	99.959%	7.5E-05	5.43
Customer 2	25,035	10.72	99.957%	4.0E-05	2.88
All Customers	41,166	12.336	99.970%	2.4E-05	1.75

MTBF = Hours in month/(Faults/SIOs)
MTTR = Average of Actual Hours elapsed to restore

Table 2 - Fault rates depend on customers' skill levels

b. Discussion

As we have seen above, PPEs provided a better outcome in fault restoration MTTRs. This is attributed to customer's engagement in the process and to the appropriate priority setting as a result.

The RTT measure was based on customers fulfilling some formally agreed obligation and as a consequence was resulted in extensive customer caused delays. There were also other important issues mostly due to the remoteness location of services which we haven't addressed here. These delays were in the main a reflection of the customers' poor explanation of the fault and the lack of skill proficiency in dealing with products.

There was a need to demonstrate to customers that saving 2 hours in the restoration process is equivalent to an increase the availability by about an order of magnitude as depicted in Figure 8. This actually means halving down time; every 2 hours cut will again halve the unavailability towards diminishing returns.

In practice there is a service availability upper limit around 99.99%, which is generally associated with a Carrier Grade level of Service. The availability value depends on both MTBF and MTTR. Figure 8 plots availability as a function of MTTR having MTBF fixed at 3 years or 26000 hours. Figure 9 plots availability (and its corresponding fault rate per hour) as a function of MTBF having MTTR fixed at 10 hours. However beyond the scope of the paper, another study has demonstrated that in some circumstances having these SPOFs under shared-management of both supplier and customers availability may be extended to 99.998% either with on-site spares or hot-standby at the SPOFs to 10-5 unavailability (MTTR=1h).

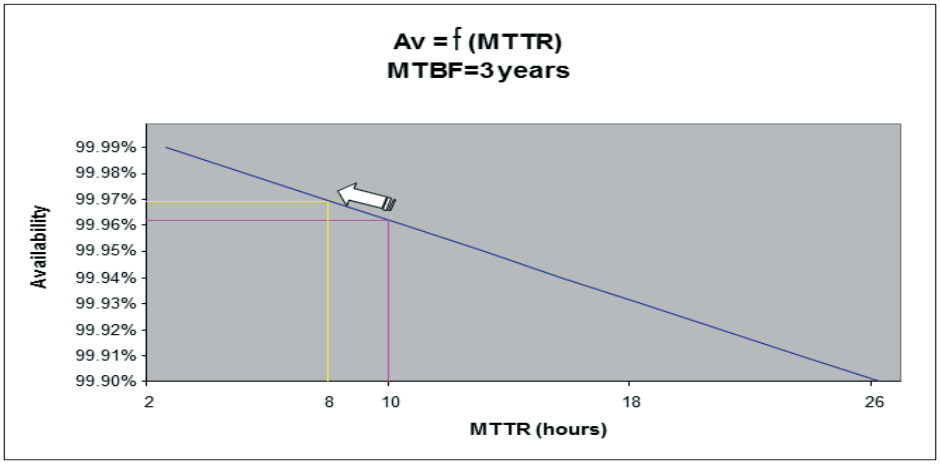

Figure 8 - Reducing 2 hours in fault restoration

Similarly, there is a need to demonstrate to customers that decreasing fault rates will increase availability, and that together the supplier and customer can achieve a higher performance. For example, we can increase reliability from 99.95% (the standard value for Product X) to 99.96% by decreasing the fault rate from 5•10-5 to 4•10-5 faults per hour as depicted in Figure 9.

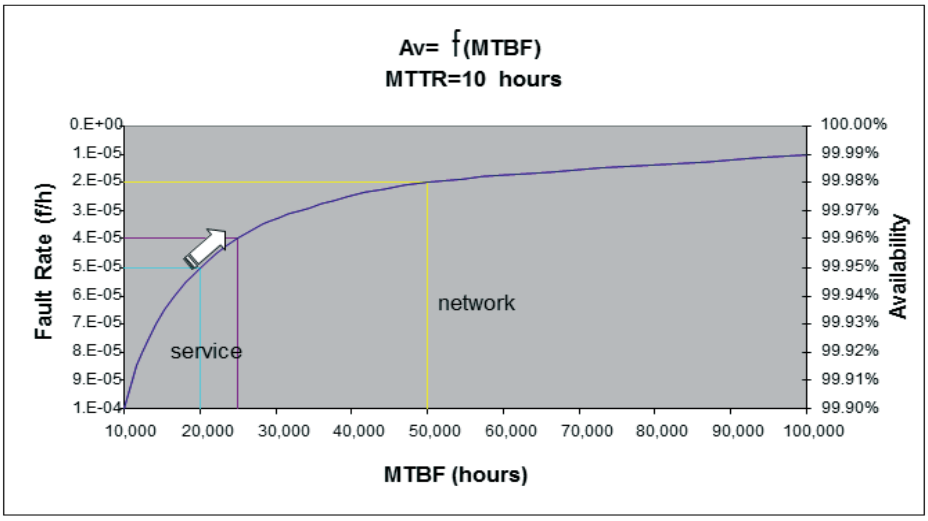

Figure 9 - Increasing availability by reducing fault rates

The high fault rates were traced to the customers understanding of products and their technical skills fault diagnostics. A large proportion of faults are no-fault-found as a consequence of their low skills.

We need to ensure that customers have a stake in facilitating the restoration process as part of CSEs which will generate the appropriate priority escalations.

CSEs feedback into the solution phase and creates the required customer engagement with service provider's operatives who, because of this feedback, now know what the customer's application actually is. This allows operatives to assess what the application criticality is and evaluate the priorities and the time requirements, while customers are waiting for service restoration. It is an essential importance for the supplier to assure Customers expectations are met and maintain a dialogue as to how the restoration should unfold.

The response time, (time lapsed to first contact is made since a fault is reported) while not essential for final service restoration, is where the customers have a first impression in being aware of how the restoration will progress from that point on. It is thus important to exceed customers' expectations on response. Once this first contact is made, the customers must be kept in active contact in order to lower their anxieties about the restoration process. This is where customer's value can be exploited:

It is imperative that any constraints to the restoration process are explained to the customer and that they are kept informed about the progress of restoration in real time e.g. in queue waiting for a technician to be assigned and the expected time for this to happen. Give a choice for the customer to uplift or downgrade the priority of the outage given its respective costs or impacts. Use this interaction to extract as much information from the customer as possible.

The service provider must ensure that the customer is actively engaged in the restoration process and they must evaluate the customer's anxieties in order to understand the customer application. Focused questions need to be asked e.g. why was the service set on the specific grade of service? What alternatives have customers put in place for the customer's application recovery? What would the benefits be for customers to have other alternatives that lowered unavailability of service e.g. network redundancy.

The service provider must engage customers to facilitate the restoration process. They must explore the termination points of the service and if it was a NFF problem, use this to find out what the termination point looks like. The service provider must seek to know what equipment has been used. Is it self-sourced? Is it provided by a competitor? If so, which competitor? Importantly, if equipment has been sourced from a competitor, then determine how could that service be provided?

Often overlooked is the importance of ongoing training. The provider must assess the Customer Operative's training, and so ensure the Service providers understanding of the customers' true application.

c. New Business Models become possible

The interaction within the CSEs can be used to generate new business models, for example the possibilities could be:

Monetary revenues

- Response Fees (subscription)
- Restoration Fees (per event)
- Change priority Fees (per event)

- NFF fees (per event)
- Training fees (per event)
- Customer managed services fee-for-service (per event)

Non-Monetised Advantages

- Fault Resolution facilitation by Customers leading to better outcomes
- Increased revenues by targeting customers application to increase customer satisfaction leading to price incremental or volume gains
- Direct access to Customer intelligence by understanding future customers' intentions based on the actual applications and customers moments of truth.

6. Implementation – Systemic Implications

According to Day (1994), Deshpand et al (1993), Kohli and Jaworski (1990), Narver and Slater (1990), the basic requirements of Market Orientation are:

- Proficiency in understanding and satisfying customers (Day, 1994),
- A set of values and beliefs that places customer's interests first (Deshpand et al, 1993),
- The ability to generate, disseminate, and productively use information about customers and competitors (Kohli & Jaworski, 1990),
- The coordinated use of inter-functional resources (Narver & Slater, 1990).

According to Day (1994) market driven firms reveal two important capabilities: Market Sensing (MS) and Customer Linking (CL). MS concerns itself with how well an organisation is equipped to continuously sense changes and anticipate responses to those changes. CL comprises the skills, and processes an organisation has developed to create and maintain close relationships with their customers.

By understanding the application value (now seen from the customer's point of view) and being able to directly address the creation of value will result in better customer satisfaction. CSEs have the potential to gage what the supplier-customer engagement actually is and elevate this to a higher strategic plane. In this study 3 dimensions have emerged: Customer Orientation, Strategic alignment and On-going relationship.

a. Customer Orientation Dimension

According to Grönroos (2007,) customers may fall into the 3 modes:

- Transaction mode; Customers are looking for solutions at an acceptable price. Most current customers fall into this mode
- Active Relational Mode; Customers are looking for opportunities to interact with suppliers in order to get additional value. Systems integrators would fall into this mode
- Passive Relational Mode; Customers are looking for the certainty that

they can interact with the supplier if they need to.

CSEs present the potential to gage where customers really are in this dimension and what intentions they might have towards a service approach. How customers view co-production of value is what Teboul (2006; 43) called service intensity by changing from zero-defect to zero-defection and from 4Ps to 6Ps (two extra Ps for Process and People) (Teboul, 2006; 29).

Customer Orientation may thus be re-stated as customer intensity dimension. The intensity of CSE activity will depend on where customers are situated in this dimension.

b. Strategic to Operational Dimension – Internal Alignment

At the Market Research Level, Customers' perceptions were evaluated at a very high level with samples too small to be significative and not based on real-time service assurance outcomes.

At the Operations Level, the restoration process is inward looking. Service Performance statistics shown as % of faults restored within target are showing a high restoration rate, however when the total restored time is analysed these two statistics look inconsistent.

Targets are re-set for a variety of reasons including work scheduling and customer induced delays. The customer induced delay times were not captured in the restoration process as a separate statistic.

The integration between strategic and operational activities is fragmented and so is the on-going relationship. This is depicted in Figure 10.

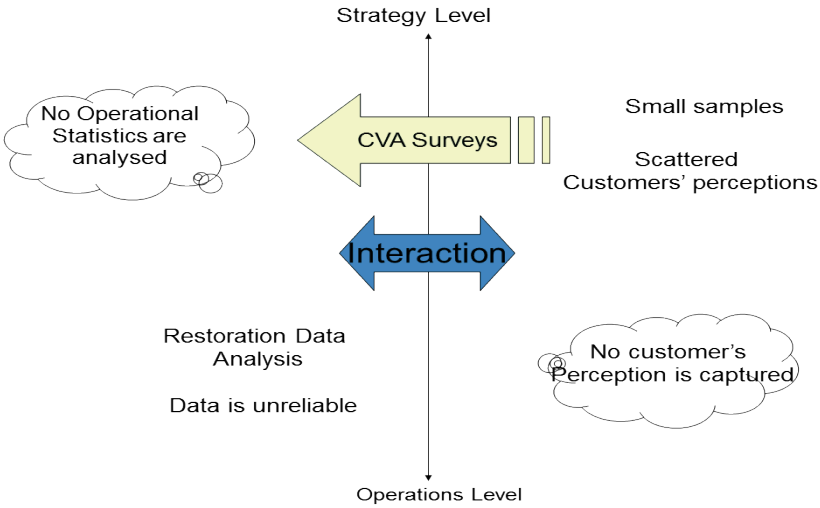

Figure 10 - Fragmented Relationships

c. Interaction – conclusion from the evidence

Unless misalignments are resolved, diverging performance opinions will emerge. There is therefore a need to integrate the Strategic with the Operational approaches, towards customer's satisfaction outcomes in a timely manner. Customer satisfaction data should be collected at the time the assurance service is provided in order to create "moments of truth" on which the supplier can capitalise and offer customised solutions. The true interaction happens during a "moment of truth" and data should be captured in the moment as it occurs with the customer's full participation.

In summary the action on the 3 dimensions that emerged are:

1. Bringing together the Strategic-Operational views of the business operations,
2. Understanding and fine-tuning the Customer Orientation of according to different customer positions in this dimension, and
3. Capture the "timing" where "moments of truth" happen and what their consequences may lead to.

This leads to the "Service Cube" as represented in Figure 11.

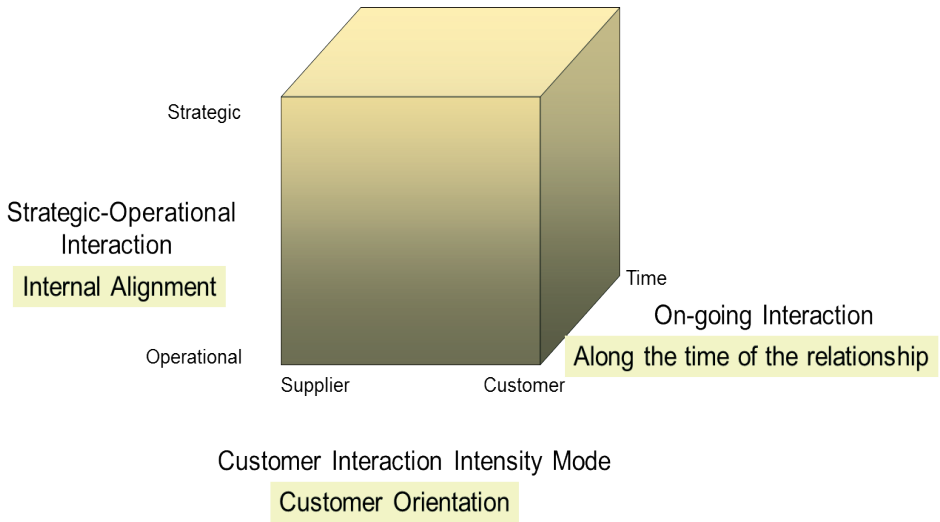

Figure 11 - The Service Cube

These relationships can be brought together through CSEs as depicted in Figure 12.

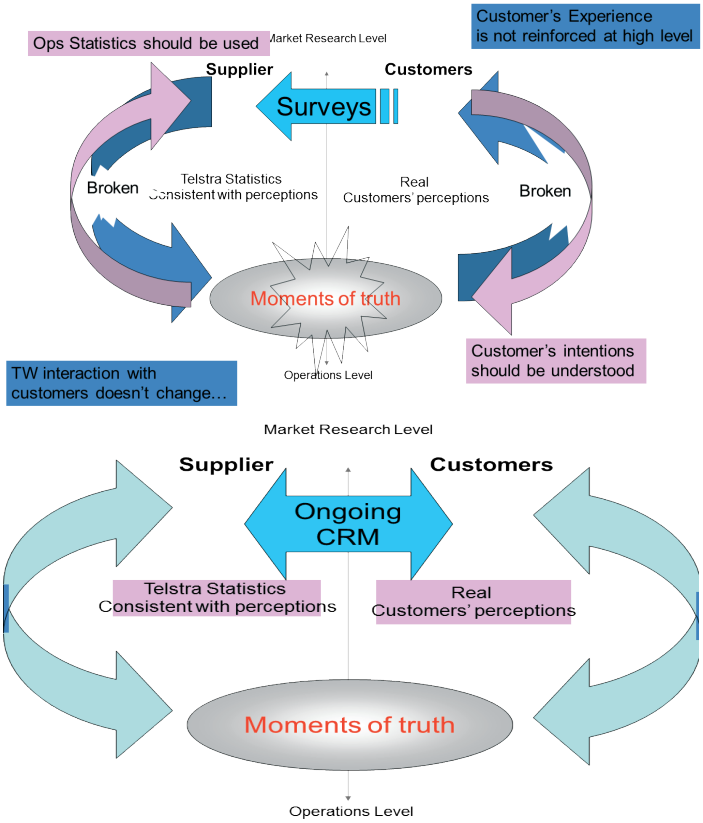

Figure 12 - Transformation from (a) Fragmentation to (b) Integrated Relationships through CSEs

d. On-going Relationship Interaction

To be able to move into a true services orientation mode, the 3 dimensions need to be brought together, dissolving the functional silos, this includes the time "factor" where a sequence of moments-of-truth (MoT)need to be connected as the emerging customer relationship as depicted in Figure 13.

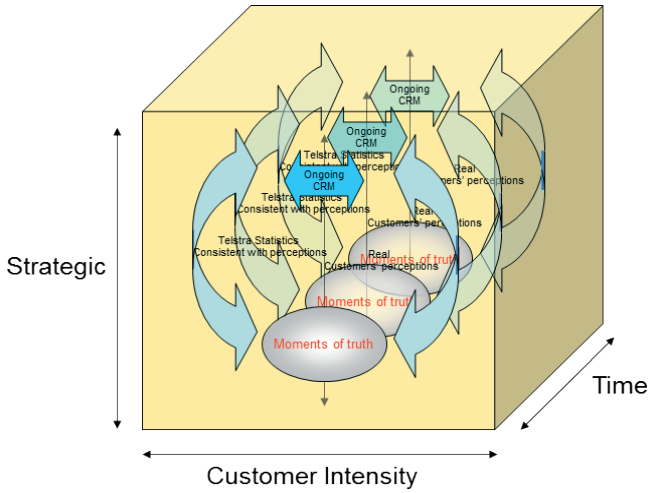

Figure 13 - On-going sequence of MoT

Finally, the different stakeholders along the life cycle, at all levels of both supplier's and customers' organisations together with the different customers with diverse interaction orientations need to be brought together in an integrated cube as depicted in Figure 14. This is the environment present to a wholesaler across many customers across many levels and all across time.

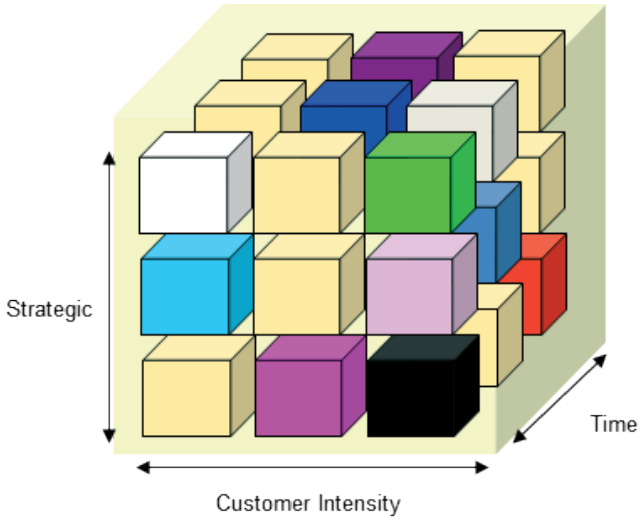

Figure 14 - The integrated cube of CSEs

Theodore Levitt's seminal 1960 article started the customer centred management approach today referred to as MBM (Market Based Management).

Levitt's simple idea was that an organisation is a customer-creating and customer-satisfying organism where the aim is not to produce products but to provide customer-value-satisfactions. This idea when merged with what Carlzon (1987) called "moments of truth" result into what we call Customer Satisfaction Events (CSEs) as proposed in this paper.

The model proposed here is a gigantic change from the current organisational and cultural orientation of most businesses. It proposes a systemic change, moving from a short lifecycle Products Sales orientation to a long lifecycle Services Sales Process. It requires the determination of the service provider to focus on nurturing sustainable customer relationships in a spirit of partnership which in turn lead to greater customer satisfaction and loyalty.

It will require an unorthodox approach for implementation. It needs a collaborative approach with an action learning outlook.

7. Conclusion

This paper offered a practitioners view as we analysed the difference between "product logic" and "service logic." It identified a simple customer value proposition (CVP) analysis to understand customer's capital and labour non-price outlays leading to Customer Satisfaction Events (CSEs) and how this can be applied to improve service level availability through customer's active involvement.

An insight on how a change to the way we view SLAs can provide the organic innovation to the way of doing business and achieve a transformation to gain some strategic advantages through customer satisfaction. The empirical evidence shows that different customers report failures at different fault rates for exactly the same type of service (some with high no-fault-found faults) as well as introducing delays on the fault restoration process due to poor explanation of the fault. This leads to two issues: (a) customer's operative's training and (b) the service providers understanding of the service's true application. It identified that an increased provider-customer interaction in true service logic will increase perceived and real service availability. This may result in new business charging models and a clearer process for identifying potential profit. .

In terms of implementation we have identified three interaction dimensions of services: Internal alignment, Customer orientation and on-going relationship interaction. It is through the integration of these 3 dimensions that value can be co-created for both the provider and the customer. This integration can create the very Customer Satisfaction Events as true "moments of truth" that provide supplier-customer value exchange. Customers become part of the restoration process and have an interest in facilitating the process; suppliers gain an insight into the customer's non-price outlays and are able to provide services that may provide a better fit to customer's applications.

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