

# GembongIJE BAR

*by* Gembong Baskoro

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## **IMPORTANCE OF RAPID ADAPTATION OF VALUE PROPOSITION TO THE CUSTOMER WANTS: a dynamic change in customer wants due to pandemic of Covid 19**

**Gembong Baskoro**

Master of Mechanical Engineering Department, Swiss German University, Indonesia  
*E-mail: [gembong\\_baskoro@yahoo.com](mailto:gembong_baskoro@yahoo.com)*

Abstract : Pressures of pandemic Covid 19 and rapid technology development of Artificial Intelligence (AI), Big Data, Internet of Things (IoT), and IT based technology lead to the dynamic, sometimes unpredictable, change of customer wants. The dynamic change of customer wants may lead to unsustainable of business as customer has change the existing wants to the new ones. This situation becomes a pressure for business organizations because they have to have new information and update of the customer wants so that they can quickly adapt to their offered product and or business to customer. In the past, the process of updating customer wants may be done in several approaches whether regularly or based on input from the customer itself in the situation of normal business environment (offline). Nowadays, due to the pandemic of Covid 19, most of the customer relation should be done online, there is no other way. Therefore, it is difficult to really understand the customer wants in its reality. The wants, as in value proposition canvas, can be in term of pains and or gains and both of them hardly difficult to really capture via online. Consequently, the adjustment of product and or service to customer wants may delay or in the worst case there is no adaptation to the new wants. As a result, it may impact to the sustainability of the business as customer will of course seek to product and or service that meet the new wants. This paper will elaborate to ensure sustainability of the business by sharpening the linkage of value proposition to the customer wants. This paper will introduce the concept of (rapid) adaptation to capture the change of customer wants in the situation of pandemic of covid 19. This paper will also elaborate the what-if scenarios in the new normal era to ensure the change of customer wants can be captured so that improvement and or innovation to the product and or service can be done accordingly. Hopefully, this approach can improve the lack of matching between value proposition to customer wants. This paper will use experiential and case study method to develop the concept.

**Keywords:** *Business sustainability, Customer delight, Customer Wants, Value Proposition, Covid 19*

### **1. Introduction**

It is not surprisingly that due to more than one-year corona virus pandemic that happened in mostly anywhere has impacted to any line and type of businesses. Simply because in-person activities have been restricted including but not limited to business. Consequently, most of

activities have been shifted to on-line. In the situation like this, business environment encountered shocks and stresses that no one predicted before. The shocks and stresses, of course, lead to an uncertain business environment that business organization must find ways in order to sustain (Baskoro, 2020).

Shocks and stresses, in term of customer point of view, due to the corona virus pandemic that leads to customer on-line activities have related directly or indirectly to the changing of customer wants. Simply because customers have to adjust their wants according to the existing situation of corona virus pandemic. The reason of changing customer wants can be due to adaptation to the turbulence and uncomfortable situation due to corona virus pandemic or any other reasons. Surely, due to the rapid and unpredictable changing of customer wants make business organization unprepared for the improvement or innovation to product and services. Consequently, if business organization unable to improve or innovate its product or service then customer satisfaction will decline or at worst dissatisfy. If this condition is uncontrolled by business organization, then the risk can be uncontrolled as well. In the worst case, business organization can face the risk of losing customer that mean risk of losing the business.

## **2. Research Method**

The research method in this paper is based on real case observation combine with literature study. By using this method, the author defines a concept to be proposed as one possible solution.

## **3. Understanding Customer & Customer Wants**

### **3.1. What is Customer**

In the business point of view, customers are very important because they are the ones that buy products or services. Therefore, revenue of any business organizations depends on customers. In business competition, any business organization do their best to attract customers with any engagement methods and approaches. No business organization can survive without having good understanding and maintaining good relationship with their customers. Simply, because they will be (aggressively) attracted by competitors. Therefore, knowing and understanding customer are very important to the successful of the business especially the needs and wants and it is not easy because a customer is actually a person. Fully understanding a customer requires an ability to fully understand a human being as a whole and that is not possible to wholly understand because every person is different and unique in term of thinking and feeling.

### **3.2. Understanding Customer Wants**

It is very important to really understand customer wants otherwise it can misunderstand with customer needs or customer demands. Therefore, it is very important to understand each of them before doing any further strategy related to them. According to Kotler & Armstrong (2018)

Customer Needs are related to human basic needs. They include physical, social, and individual needs. Human basic needs are also best described in Maslow's hierarchy of needs as in figure 1. However, in reality the basic needs are always realized differently for everyone. The different realization of a similar basic needs is called customer wants. That's

why there is a business opportunity.



Figure 1. Maslow's hierarchy of needs. (Courtesy Wikipedia)

<sup>1</sup> Kotler & Armstrong (2018) defined customer wants as a type of human needs that influenced by personality, culture, knowledge, experience, and etc. No wonder that for similar needs, each person may have different wants. For example, in order to fulfil the basic needs for food, all places have their own special dishes characterized by culture, and tradition. However, in order to realize the demands, one needs to consider their ability to pay. It is called customer demands. Consequently, customer demands serve for only specific customer based on their ability to pay. Therefore, if the ability to pay for customer wants increase or decrease then the customer demands will also be changing according to the ability to pay. On the other words, customer demands will not be permanent.

#### 4. Understanding Value Proposition

##### 4.1. What is Value Proposition (VP)

Defining value proposition is actually the ability to define benefits that customer wants, so that customer will satisfy. Defining benefits of product and or service require the ability to understand the customer wants simply because benefits that customer wants is actually today and in the future customer wants. According to Lanning M.J. and Michaels E.G. (1988) in Wikipedia, value proposition is "a clear, simple statement of the benefits, both tangible and intangible, that the company will provide, along with the approximate price it will charge each customer segment for those benefits". Value proposition is actually a written promise made by companies to their customers. Therefore, customers will consider the benefits they want by looking at the value proposition. Consequently, once customers don't get the benefits as stated in the value proposition they will of course dissatisfy.

##### 4.2. Aligning Value Proposition (VP) to Customer Wants (CW)

As indicated earlier that value proposition is values promised by company as benefits to customer. To ensure the success of the business, these benefits should be related to customer wants. Therefore, understanding and defining customer wants is very crucial before determining value proposition. According to Osterwalder et. al. (2014) customer wants is related to pain and gain of the customer job. Pains described any difficulty related to customer

job while gain described outcome and impact that customers seeking in the benefits offered by company. The degree of customer pain varied according to pain severity from moderate up to extreme. While the degree of customer gain varied according to gain relevance from nice to have up to essential. Consequently, aligning value proposition to customer wants is defining benefits that will be offered to customers according to their degree of pain or gain. If benefits in the products or services meet the degree of customer pain or gain, then customer logically will satisfy. The benefits addressed to customer pain are known as pain relievers and benefits addressed to customer gain are known as gain creators. Value proposition canvas in Figure 1 by Osterwalder et. al. (2014) described clearly how to fit between pains and gains in customer profile with pain relievers and gain creators in value proposition.

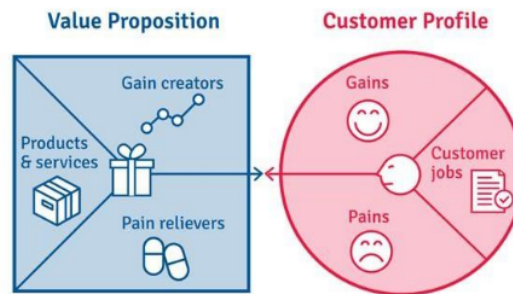


Figure 2. Value Proposition Canvas

#### 4.3. Method of Rapid adaptation VP towards new CW

Pains and gains of customers are dynamic and always change according to the situation especially due to strategic environment change. Therefore, as the pains and gains change, customers are also looking for benefits from any companies that are able to compensate the change in pains and gains. Otherwise, customers will not be able to fulfil their wants that make the suffer. To maintain customer satisfaction, good companies usually update regularly the benefits of the products and services offered to customer by means of improvement and or innovation. However, this will not be easy in the situation where customer pains and gains change unpredictable with high degree of change. This situation getting worst in uncertain situation like covid 19 pandemic where most of customers suffer with the situation. In the situation like this it is required for companies to do rapid adaptation of their value proposition while in reality they must do anything online that make things difficult.

### 5. Results and Discussion

#### 5.1. Results

It is proposed in figure 3. a concept of rapid adaptation towards the change in customer wants. The concept focuses mainly on how to detect the change in customer wants both pains and gains using all possible channel especially during covid 19 pandemic. It is predicted that during covid19 pandemic customer experienced increasing pain severity and decreasing gain relevance. Therefore, companies must do their best to exactly know the degree of change on pains and gains so that they can make propositional adjustment in the value position related to

pain relievers and gain creators.

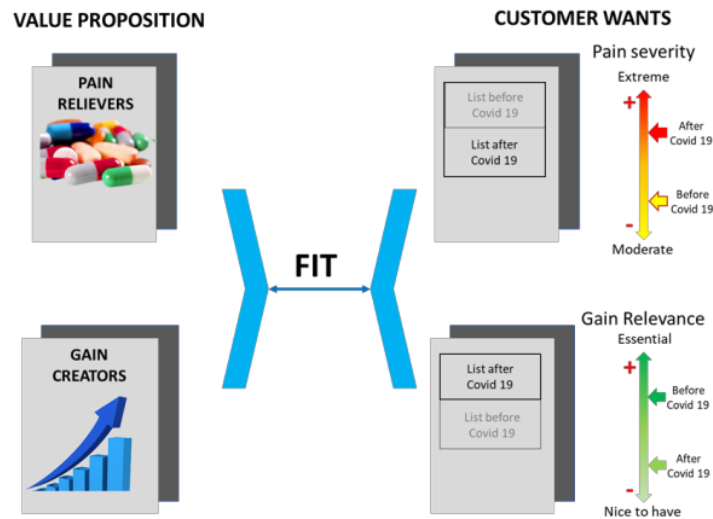


Figure 3. Fitting change in customer wants with value proposition

## 5.2. Discussion

As described earlier that rapid adaptation of value proposition to the change of customer wants either pains or gains is crucial in uncertain situation like covid 19 pandemic nowadays. The adaptation can be defined as long as the change of customer wants, pains and gains, have been well understood. Therefore, it is very important to get information, the earlier the better, of the change in customer wants. In company point of view, instead of waiting information regarding the change in customer wants from the customer, it is better to define a proactive method to get the information. A company that capable of developing and executing a proactive method to gather information regarding the change in customer wants especially during covid 19 pandemic will have good chance to do rapid adaptation in its value proposition. In short, proactive act of gathering information of the change in customer wants especially during covid 19 pandemic is a key successfactor to attain and or sustain customer satisfaction.

Gathering information of the change in customer wants during covid 19 pandemic can be done in several ways other than off-line. Company must do the best on-line effort to maintain communication with customers so that change in customer wants can be identified earlier. Not surprisingly in the situation of uncertainty due to covid 19 pandemic, the degree of increasing customer pain severity and decreasing customer gain relevance will be the main consent. It is observed during covid 19 pandemic most of customers experienced more pains and less gains in the business (Figure 3). Therefore, they are looking for value proposition offered by company that can help them overcome the situation.

## **6. Conclusion**

In the uncertain situation due to covid 19 pandemic has affected to customer pains and gains. Consequently, customers are looking for value proposition as benefits offered by any companies to help them overcome the situation. In this situation, only companies that have capability to do rapid adaptation to the change of customer wants will have the advantage of the situation as an opportunity. Companies that are unable to change the value proposition will be in survival situations simply because customers will only be looking at companies who can help them overcome the situation due to covid 19 pandemic.

In the situation due to covid 19 pandemic, companies are also challenged to hardly find ways to get information of the change in customer wants with hope that they can do rapid adaptation to the value proposition.

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