



Expertise  
and insight  
for the future

**An Do Tu**

**Customer-orientated Profitable Marketing:  
Turning Customer Knowledge into Customer-driven  
Marketing Strategy**

**An analytical framework**

Helsinki Metropolia University of Applied Sciences

Bachelor of Business Administration

International Business and Logistics

Bachelor's thesis

June 2020

Author	Do Tu An
Thesis Title	Customer-orientated Profitable Marketing: Turning Customer Knowledge into Customer-driven Marketing Strategy <i>An analytical framework</i>
Number of pages	54 pages + 8 pages of appendices
Date	08 June 2020
Degree	Metropolia Business School
Degree Programme	Bachelor of Business Administration
Specialisation	International Business and Logistics
Commissioner	Phuc An Education JSC.
Instructor	John Greene, Senior Lecturer
<p>The purpose of this paper was to develop a fully-constructed analytical framework that helps businesses design a customer-orientated marketing strategy. The study looks into the dynamics between customer knowledge and the integration of customer orientation. The concept was to utilize a systematic assortment of analysis tools in a way that refines the role of communication, inter-functional coordination, customer engagement and market intelligence in customer orientation.</p> <p>The study was commissioned by Phuc An Education JSC., an education service provider in Hanoi, Vietnam. The company serves as an example of how the proposed framework could be applied under specific circumstances. The main objective was to identify the current level of commitment the organization had to customer orientation and what can be improved to further establish a successful implementation.</p> <p>The research used a combination of qualitative and quantitative methods. Data collection was made through means of personal interviews, customer survey as well as secondary sources. In order to obtain the most relevant information, the author applied a structured customer survey and unstructured questionnaires for personal in-depth interviews, from which the majority of data was collected from.</p> <p>Empirical findings of this research indicated that the case company had a relatively high level of commitment toward customer orientation. The survey exhibited a high customer satisfaction and a good customer relationship. Personal in-depth interviews showed that the company was deeply invested in the process. Recommendations regarding further customer-orientation initiatives for the case company were issued and suggestions for expansion of the theory were also listed.</p>	
Keywords	customer orientation, analytical framework, customer knowledge, customer-orientated marketing strategy

## **ACKNOWLEDGEMENT**

I would like to express my gratitude to all individuals who have supported and assisted me during my study at Metropolia University of Applied Sciences and during the development of this bachelor's thesis.

My big thanks go to my thesis supervisor, Mr. John Greene, for his explicit knowledge, insightful perspectives as well as his tolerance and motivation during the whole endeavour. Without your support and guidance, I would not be able to complete this research.

I would like to profoundly acknowledge Metropolia thesis committee and Mr. Michael Keeney, who has helped me during the early stages of my thesis.

My appreciation is also given to my colleagues at Phuc An Education, for going out of your way to assist me during the research. Your kind helps and your contributing comments are greatly cherished.

Last but not least, my deepest gratitude goes to my family and friends, who have loved and supported me unconditionally. Your understanding and constant encouragement kept me going.

## TABLE OF CONTENTS

1	Thesis Introduction	1
1.1	Objectives and research questions	1
1.2	Scope and limitations	2
1.3	Thesis structure	3
1.4	Research design and analytical approach	3
2	The concept of Customer-orientated Marketing	6
3	Framework development	9
3.1	Marketing Environment	11
3.1.1	Macro-environment analysis	11
3.1.2	Micro-environment analysis (industry analysis)	13
3.2	Understanding customers	15
3.2.1	Customer buying behavior	15
3.2.2	Customer value	17
3.3	Customer Orientation	19
3.3.1	Employee learning climate	19
3.3.2	Customer-orientated behavior	21
3.3.3	Customer engagement	22
3.3.4	Inter-functional Coordination	23
3.3.5	Profitability Management	25
3.4	Customer-driven marketing strategies	27
4	Methodology	29
4.1	Methodological framework	29
4.2	Data collection and Research Activities	31
5	Case study	34
5.1	Company overview	34
5.2	Context analysis	34
5.2.1	The Company and Customer	34
5.2.2	Market and Competition	37
5.3	Research Findings	38
5.3.1	Communication - Inter-functional coordination	38
5.3.2	Customer engagement - Customer added value	41
5.3.3	Customer knowledge - Market intelligence	44
5.3.4	Research arguments	47
6	Conclusion	50
6.1	Validity of the research	50
6.2	Evaluation and recommendation	51

## LISTS OF FIGURES

<b>Figure 1.</b> Thesis structure (created by the author).....	3
<b>Figure 2.</b> The evolution of customer-orientated marketing (assembled by the author) .....	6
<b>Figure 3.</b> The simplified Marketing Process (Kotler, P. & Armstrong, G., 2012).....	9
<b>Figure 4.</b> Framework layout (assorted and created by the author based on the framework presented in Mukerjee, K.'s <i>Customer-oriented Organizations: a Framework for Innovation</i> , 2013).....	10
<b>Figure 5.</b> Example of PESTEL factors.....	11
<b>Figure 6.</b> Customer Value Creation (Johnson et al, 2008).....	17
<b>Figure 7.</b> Relationship between customer retention and customer satisfaction (Anderson & Mittal, 2000) .....	26
<b>Figure 8.</b> Re-enactment of framework layout (Figure 4) .....	27
<b>Figure 9.</b> The customer-driven marketing strategy .....	28
<b>Figure 10.</b> Research Activity and Research Method (created by the author) .....	32

## LIST OF TABLES

<b>Table 1.</b> Research design .....	5
<b>Table 2.</b> Differences between traditional and customer-orientated marketing.....	7
<b>Table 3.</b> Definitions of the Five Forces (Porter M. E., 2008).....	13
<b>Table 4.</b> Empirical questions of the three research types (Mouton, 2001).....	29
<b>Table 5.</b> Scope of services .....	35

*This page is intentionally left blank*

## 1 THESIS INTRODUCTION

This research presents an increasingly popular marketing norm: customer-orientated marketing, a marketing strategy that positions each and every individual customer at the core of all marketing initiatives. Such strategy has been proven to be beneficial to both the customers and the company. For the last decades, it has become widely acknowledged that by creating added value for customers, marketers would be able to capture multiplying benefits from the customers in return (Kotler, 2012). For this reason, customer-orientated marketing can also be regarded as customer-orientated profitable marketing. For a business to implement customer-orientated marketing means that all of the company's strategies and objectives would revolve solely around customers, focusing immensely on customers' needs and demands (Bhasin, 2018).

Even though more and more companies have acknowledged the importance of this marketing strategy, few manage to construct an integrated marketing plan that connects profoundly to customer experience and customer satisfaction. To better understand customers, it is important that businesses pay close attention to the marketing environment that shapes customers' behaviour and evaluate the competitor's offers in relation with what the customers want.

At the moment, there are several analysis approaches that marketers might employ to get to know the market place and customers. However, these are separated analysis tools that do not usually concern how the findings/results of such analysis can be utilized in a way that would benefit the customers and how companies can turn their hard-earn customer knowledge into customer-driven marketing strategies.

### 1.1 Objectives and research questions

The research paper highlights the importance of customer knowledge in the implementation of a market orientation. The main objective is to compose an analytical framework that helps companies apply the traditional analysis tools to develop a customer-focused marketing strategy. The framework should play a role in helping businesses better create and deliver added value to customers, thus capturing value from customers in return.

The framework focuses on utilizing the analysis tools in a systematic way to build a customer-driven marketing strategy. This helps businesses gain a deep understanding of the customers and ensure that each and every marketing initiative is for the sake of the customers. The case study serves as an example of how the framework could be applied to a specific company.

Research questions to further supplement the research objectives are:

- What the marketing environment can indicate about the customers in that market?
- How to utilize market and customer analysis approaches/tools?
- How customer-based marketing strategy can be customized for specific markets?
- How marketing decisions should be adjusted to the customers' wants and needs?
- How to identify what customers truly value?
- How to meet customer requirements and repel competitive forces?
- How can companies maintain a focus on customer satisfaction and use customer knowledge to direct activities?

## **1.2 Scope and limitations**

Although the framework is designed to be widely applicable, it is solely to provide direction and guideline in term of marketing strategy and customer analysis. Readers should keep in mind that the framework does not guarantee success and there is no “ultimate formula” when it comes to customer-orientated marketing. The effectiveness of the framework relies heavily on the commitment of the marketers as well as the corporate culture and internal operation of the company. Additionally, some findings of the research might be inapplicable under certain circumstances. In such cases, marketers are advised to consider differentiations between theory and practice and modify the framework accordingly.

In term of the case company, the analytical framework was revised with amendment in the experimental exercises considering the background and operation of the company. Therefore, the research results are not strictly adhered to the analytical framework and planning scheme. Nonetheless, it succeeded in identifying business opportunities and setting the groundwork for market penetration.

### 1.3 Research design and analytical approach

The research implemented a combination of qualitative and quantitative methodologies. The acquisition of primary data consisted of email/text message exchange, personal interviews and survey. The primary data was collected mainly from the case companies and their customers with a view to gaining insights of the company marketing strategy, the marketing environment and its customer base.

**Table 1.** Research design

Research approach	Inductive	
Research type	Exploratory	
Research method	Quantitative and qualitative method	
Data collection	Primary data	direct interview; correspondence (email exchange); customer survey
	Secondary data	printed books; online articles; journals; websites; statistics; company report

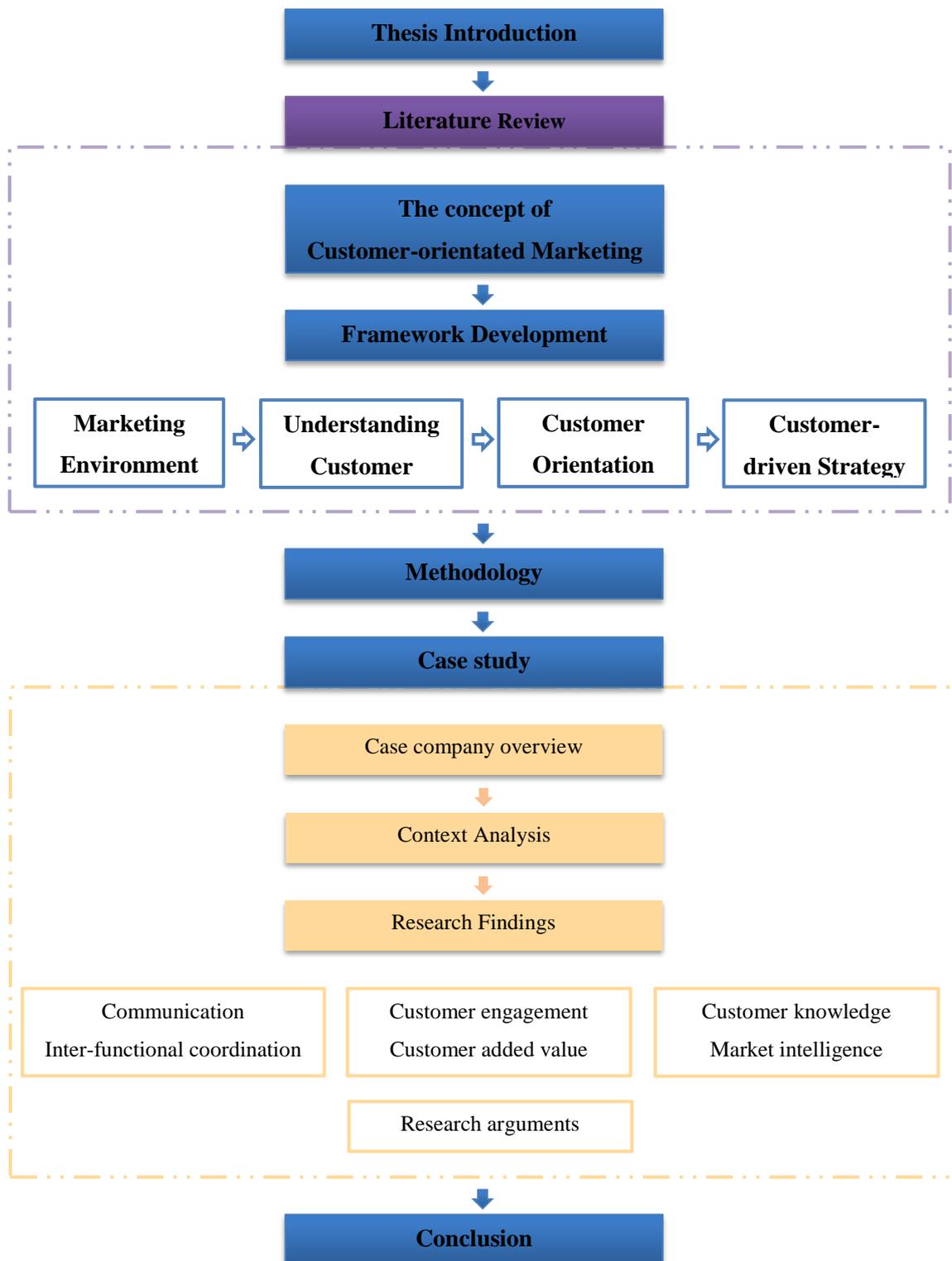
The details about primary data collection is as follows

- Personal in-depth interview with the representatives of the case companies; email/text message exchange with related personnel
- Customer survey

Secondary data was collected from printed books, online articles, journals, official websites, statistics and company reports. The secondary data has been mainly used for the literature review.

### 1.4 Thesis structure

The thesis is divided into six chapters. Each chapter presents data acquired from the analysis and research processes, including analytical results, major findings and propositions for the case company. A layout of the thesis structure and brief summary of each chapter are presented below.



**Figure 1.** Thesis structure (created by the author)

Chapter 1 introduces the background of the research, stating the main objectives, research questions, research design and limitations of the thesis.

Chapter 2 represents the theoretical concept of customer-orientated marketing including the development of the theory and comparison to traditional marketing.

Chapter 3 focuses on constructing a fully-developed template for customer-driven marketing strategy using a variety of analysis tools and explains how the framework can be adopted by businesses. This chapter is further divided into 4 main parts: marketing environment, understanding customers, customer orientation and customer-driven strategy.

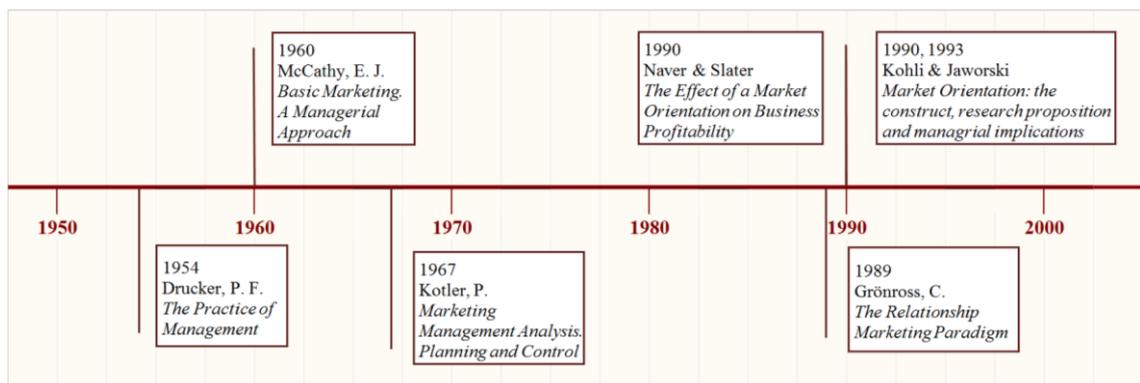
Chapter 4 identifies the methodology implemented to conduct the research and clarifies the course of data collection and analysis.

Chapter 5 produces the research results, illustrating how the framework can be applied in practice by merging the insights gathered through research with the established marketing framework. The case company was presented as an example of how the framework could be utilized.

Chapter 6 verifies the reliability and validity of the research, disclosing the major findings as well as shortcomings of the final results, providing recommendations and suggestions for further study.

## 2 THE CONCEPT OF CUSTOMER-ORIENTATED MARKETING

The idea of Customer-orientated Marketing first emerged as early as 1954 when it is acknowledged that the ultimate goal of a business is to satisfy its customers while making a profit (Drucker, P. F.). McCarthy, E., J. (1960) mentioned a new marketing philosophy called “marketing-orientated” which contradicts the contemporary production-orientated marketing concept, setting a conceptual basis for the later acceptance of the practical concept. The concept was officially launched in 1967 by Kotler, stating that profit should be generated through satisfying customers’ wants and needs using integrated marketing initiatives. By the end of the 1970s, the service marketing concept has formed holding some profound differences from the traditional product-orientated marketing concept (Grönroos, 1979)



**Figure 2.** The evolution of customer-orientated marketing (assembled by the author)

Even though the core idea of customer-orientated marketing remains the same throughout the evolution of the concept, each author adds a slightly different perspective to the matter, thus further develop the philosophy into a completed and widely applicable practical concept. Eventually, the transition between the production-orientated and the customer-orientated era took place for over two decades.

In 1960, McCarthy advocated that satisfying customers at a profit should be the ultimate focus of all business efforts. In McCarthy’s philosophy, a customer-driven strategy includes striving for customer orientation through “an integrated company effort” while

redirecting the operation toward a profit-goal instead of a mere sales-goal. The implementation of the marketing concept requires significant changes in organizational structure and managerial style. The author (McCarthy, 1960) emphasized that, in order to gain considerable results, the new philosophy has to become a part of the corporate culture, thus introducing the marketing mix as means to obtain customer orientation in practice.

Picking up from what McCarthy had discovered earlier, Kotler (1967) launched a new marketing concept called “customer-orientated marketing”. The new marketing concept possesses some major contradiction to the old one. The traditional marketing concept prioritizes products, which are considered the main profit generator of a business and organizations would try to increase sales through advertising and promotion. The author argued that the “old” marketing philosophy pay little to no attention to customers’ needs or customer satisfaction. It is by then acknowledged that a unified focus across various departments within the organization is fundamental for an interactive and integrated marketing approach (Kotler P., 1967). This further explains what McCarthy (1960) had previously regarded as the absence of inter-functional coordination.

**Table 2.** Differences between traditional and customer-orientated marketing

	Main focus	Profit generation	Marketing approach
The production-orientated marketing concept	product	through sales volume	sales and promotion
The customer-orientated marketing concept	customers’ needs and demands	through customer experience and customer satisfaction	integrated and interactive marketing

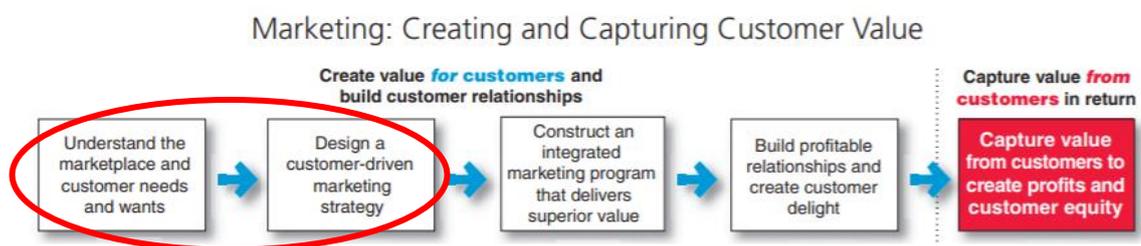
The 1990s marked the beginning of customer-orientated era in which researchers had successfully developed methods of operationalizing the marketing concept and identifying which courses of action should be taken to implement the idea, including constructing the criteria for market orientation and measuring the efficiency. Kohli & Jaworski (1990) believe that corporate knowledge of the market is directly associated with current and future customer demand, emphasizing on the spread of such knowledge among every company divisions and the business-scale response to it. The

authors (Kohli & Jaworski, 1990) justified that it is fundamental for corporate to develop a business system through which strategic information flows are reinforced, cross-functional knowledge acquisition is circulated and competitive intelligence is affirmed. With that in mind, market orientation is not the sole responsibility of the marketing department but rather an organization culture that is incorporated deeply into the company's core value.

The importance of customer knowledge has been heavily stressed by marketers throughout the development of the customer-orientated marketing concept. During the rise of customer-orientated marketing, customers are no longer anonymous or have homogeneous demands but rather are distinctive individuals with unique wants and needs. As a result, customer knowledge has become the most productive form of capital for a business (Motowidlo S. J., Borman W. C. & Schmit M. J., 1997). Generating and disseminating market intelligence is fundamental to maintaining a focus on customer satisfaction and monitoring operational activities in terms of contribution to added customer value (Kohli and Jaworski, 1990). According to Webster (1994), accurate market intelligence and customer knowledge ensures that competitive forces are repelled and customer requirements are met. For knowledge-intensive firms, categorical knowledge structures are the most crucial strategic resource. For instant, employees working in sales and marketing are required to use their customer knowledge to assort customers into different groups then come up with appropriate sales strategies to meet the specific needs of such customers.

### 3 FRAMEWORK DEVELOPMENT

Mukerjee K. (2013) concludes that customer-orientated marketing is not a one-step process and in order to reach a level of maturity, organizations have to go through a series of stages. According to Kotler, P. & Armstrong, G. (2012), the marketing process consists of 5 major steps. The first four steps focus on creating value for customers through building customer relationship and designing a customer-driven marketing strategy. The final step includes capturing value form customers in return, usually in forms of profits, sales or customer loyalty.

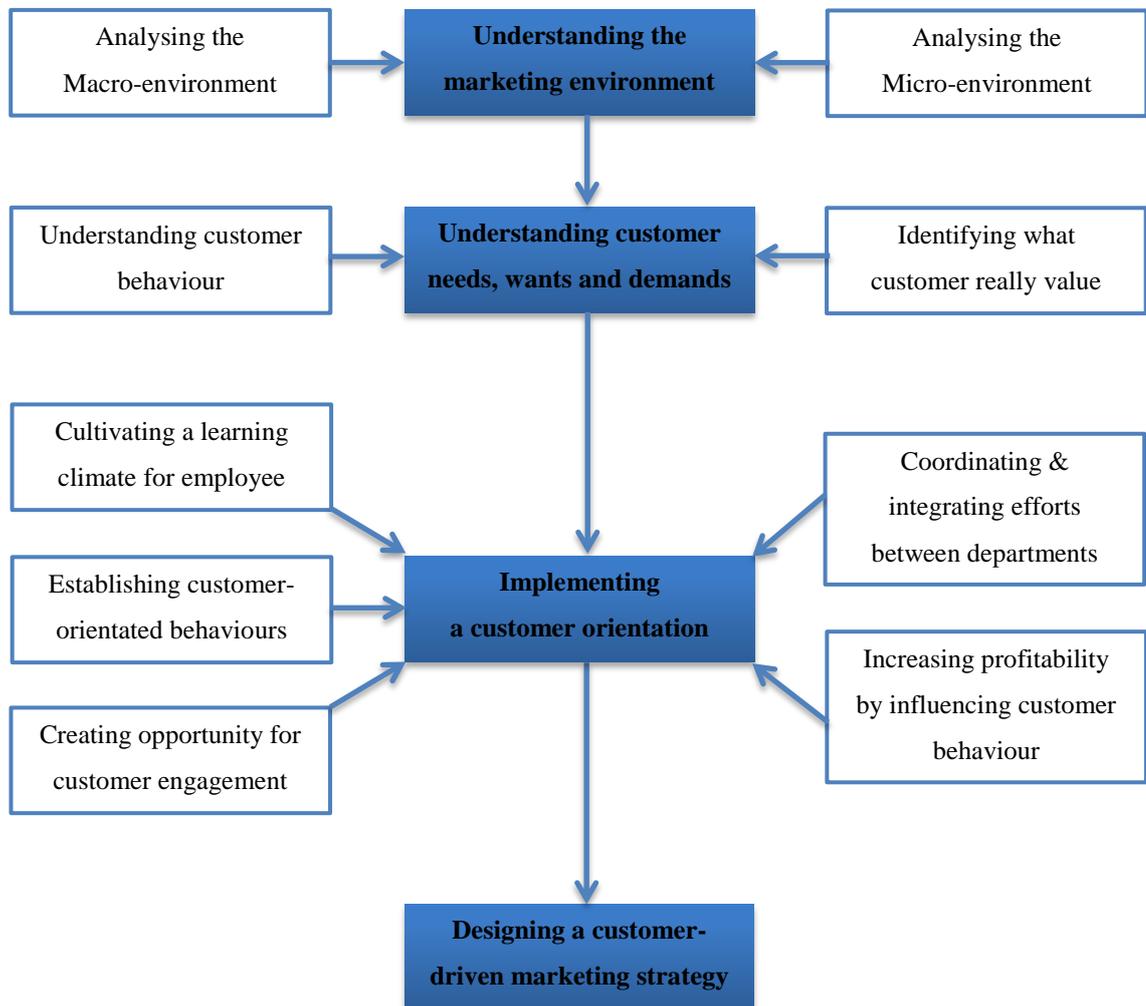


**Figure 3.** The simplified Marketing Process (Kotler, P. & Armstrong, G., 2012)

The framework looks into the first two steps of the marketing process: understanding the marketplace and customers and designing a customer-driven marketing strategy. The research focus on building a systematic method with which customer knowledge can be utilized to help marketers during these first two steps of the marketing process.

Given that this research paper is a bachelor's thesis with a limitation of the research scope and number of pages, it is infeasible to cover all five steps of the marketing process. As a result, the research would only consider aspects related to the first two steps of this process. The proposed framework can be regarded as the expanded model of Kotler and Armstrong's simplified marketing process.

The framework presents various analysis tools with which marketing environment analysis and customer analysis can be adopted to construct a customer-driven marketing strategy. The main focus would be developing methods of applying certain analysis tools in accordance with the situation of the businesses.



**Figure 4.** Framework layout (assorted and created by the author based on the framework presented in Mukerjee, K.'s *Customer-oriented Organizations: a Framework for Innovation*, 2013)

The framework is divided into 4 major parts: understanding the marketing environment, understanding customer needs, wants and demands, implementing a customer orientation and designing a customer-driven strategy. Each of these steps includes noteworthy initiatives that marketers need to consider in order to be truly customer-orientated.

### 3.1 Marketing Environment

Kotler & Armstrong (2012) defines a company's marketing environment as all the forces and factors outside marketing which affect the ability of marketing management to build successful relationships with targeted customers and maintain such relationships. It is fundamental for marketers to have a deep understanding of the marketing environment in order to modify their marketing strategies in a way that takes advantage of new opportunities, counters the marketplace challenges and benefits the customers. The marketing environment consists of the macro-environment and the micro-environment (Kotler, P. & Armstrong, G., 2012).

#### 3.1.1 Macro-environment analysis

Each company operates inside a large outer environment called the macro-environment which consists of all the societal actors that create opportunities or pose certain threats to the company (Kotler & Armstrong, 2012). One of the biggest backbones of macro-environment analysis is the well-known PESTEL analysis, a framework frequently used to analyse the external marketing environment's factors that impact the organization. The abbreviation stands for political, economic, sociocultural, technological, environmental and legal environment.

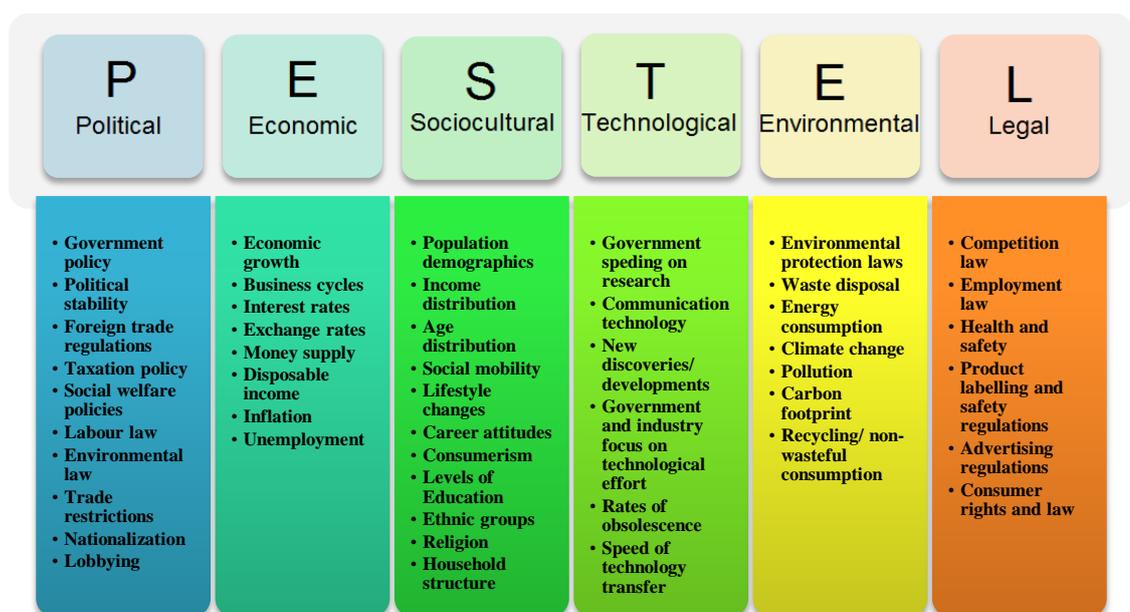


Figure 5. Example of PESTEL factors

When applying PESTEL analysis, it is advised that marketers think about their own organization and identify the major forces in the external environment that are likely to affect the company's prospects. At the same time, business should take into account the upcoming changes of all five factors in the spans of 5 years, 10 years and 15-years. After identifying the actors, it is worth considering the extent of impact these factors would have on the company.

An implementation of PESTEL analysis of a case company in the airline industry is presented below, provided that the company is a Nordic airline whose size is small and mostly operates national or regional flights.

➤ **Identifying the factors that are relevant to the company's industry (airline industry)**

**Political:** aviation policy; security controls; restriction on migration; government support for national carriers; political stability; terrorism threat; economic cycles

**Economic:** national growth rates; fuel prices; aircraft prices; economies of scale

**Social:** rise in travel by elderly; tourism/holiday travelers; business travelers; international student exchange

**Technological:** fuel-efficient engines and airframes; aircraft manufacturer; security check technologies; teleconferencing for business

**Environmental:** pollution control; energy consumption controls; land for growing airports

**Legal:** preferential airport rights for certain carriers; restrictions on mergers; open skies agreement; foreign participants

➤ **Considering the current situation of the marketplace, noting the recent changes in the marketing environment and analyze the degree of impact these factors would have on the company**

**Political:**

- **Aviation policy:** Airport capacity is currently overburden and need to be increased but there is little to no political goodwill to address the problem.
- **Political instability:** The Eurozone crisis in 2012 has brought about the reduction of business demand and growth. This heavily affected small to medium-sized airlines.
- **Terrorism threat:** Recent terrorism strikes in Europe, especially in France and Belgium, have led to remarkable losses due to suspended flights.

**Economics:**

- **Oil price:** Fuel bill price has dropped significantly in the last quarter of 2018 (IATA, 2018), resulting a slight increase in the profit margin
- **Unexpected loss:** The grounding of Boeing 737 MAX after the 10 March 2018 crash has had considerable effect on the airline operation, causing the airline a margin of seat capacity (ATW, 2018)...

### 3.1.2 Micro-environment analysis (industry analysis)

The micro-environment includes all other forces that are close to the companies which can affect the business's ability to create added value to customers and build customer relationships. These actors might have positive and negative effects on the company operation (Kotler & Armstrong, 2012). In order to compete with other businesses and increase profits, it is crucial for businesses to analyze the five forces that construct the industry. In "the Five Competitive Forces that Shape Strategy", Porter M. E. (2008) contends that the competition for profits includes four additional forces apart from competitor rivalry: customers, suppliers, new entrances and substitutes. These forces illustrate the attractiveness and profitability of an industry.

**Table 3.** Definitions of the Five Forces (Porter M. E., 2008)

Forces	Definition
Threat of new Entrants	New Entrants in the industry can heavily intensify the competition and put pressure on the business in term of prices, product offers, advertising, investment..., posing the threats of increasing industry capacity and market share loss
Power of Suppliers	Powerful suppliers have the choice of charging higher price, shifting cost, limiting services..., thus having considerable impacts on the profitability of a business
Power of Buyers	Powerful buyers (customers) have negotiating leverage and can force down the prices, demand additional service, better quality or custom products
The Threat of Substitutes	A substitute of an industry's product has the same (or similar) characteristics and functions as that product
Rivalry among existing Competitors	Rivalry among existing competitors includes promotion programs, price discounting, new product introduction, service improvements... The profitability of an industry participants would be limited if rivalry among competitors is high

When applying Porter's Five Forces framework in analyzing the industry environment, the first thing marketers should consider is the type of industry they operate in. From the industry type, it is possible to deduct useful information such as the number and size of sellers in the industry, type of product, freedom of entry, concentration ratio...

For instant, a high-street clothing retailer in Southeast Asia is highly likely to operate in a monopolistic competition. This means there are many sellers in the industry whose size is usually small to medium; the product is rather differentiated in comparison with daily homogeneous products but not entirely unique. Market entrance is open unrestricted to every businesses and concentration ratio is low. On the contrary, participants in monopoly industry (e.g. Saudi Telecommunication Co.,) have no competing sellers or close substitutes. The product is unique and market entrance is closed to any other businesses, making the concentration ratio 100%.

Secondly, marketers should take into consideration the recent movements in the industry environment and identify which of the five forces has become more positive for the organization. At the same time, it is important to identify the forces that have recently become more negative and consider the effect these would have on the business operation.

An important part of industry environment analysis is predicting future movements taking into consideration the current climate and analyzing the gathered information. In summary, it is necessary for companies to answer three major questions when using the framework:

1. What type of industry are you operating in? Is the industry broad or narrow? What is the product scope, service scope, geographical scope...?
2. In recent time, which of the five forces has become more positive for your company? Which forces has become more negative? How these changes have been affecting the organization and how they would affect the organization in the near future?
3. In the future, what might change to make your industry less attractive or more attractive? What can your organization do to counter such changes?

## 3.2 Understanding customers

After defining the marketing environment that the company is operating in, the next fundament is to understand customers. A great understanding of customers is the solid foundation for building customer knowledge. It is important for business to understand why customers behave in a certain manner, how customers make their purchase decisions and what customers consider valuable. The research looks at customer knowledge in two basic sectors: customer buying behavior and customer value.

### 3.2.1 Customer buying behavior

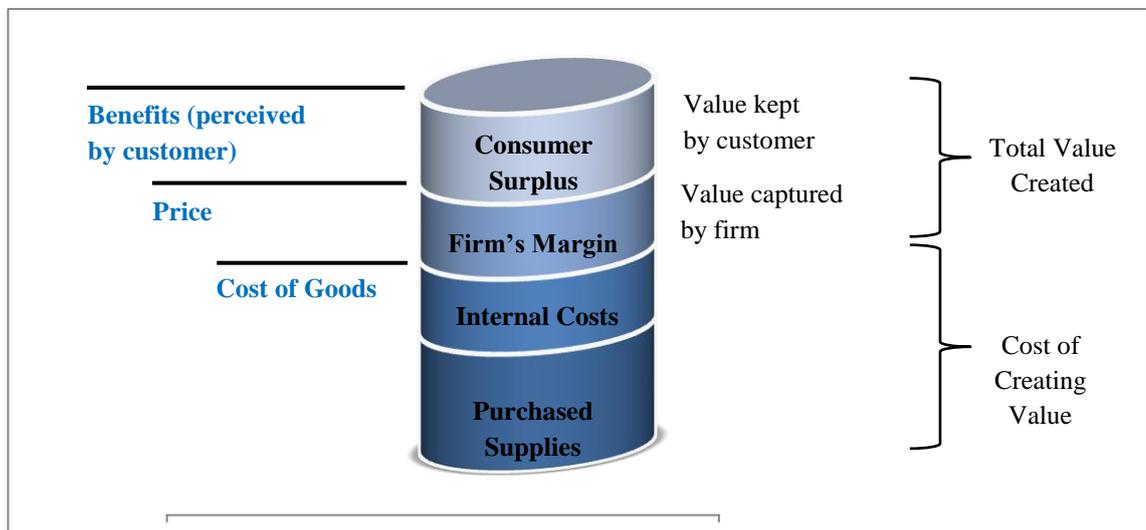
When trying to understand customers, the key indicator of success is to accurately identifying the influencers of buyer behavior and the breadth of impact these factors have on customers' behaviors. Kotler (2003) lists the factors as cultural factors (subculture, social class...), social factors (family, roles and status...), personal factors (age, occupation, economic situation...) and psychological factors (motivation, beliefs and attitudes...). Marketers could evaluate customers' demands by identifying why customers purchase the product/services; what needs of customers the product satisfy (physiological needs, safety needs, social needs...); how customers decide between completing brands/suppliers; who, other than the customers themselves, are involved in the purchasing decision.

The influences of buyer behavior or customer buying behavior can be divided into two major categories: environmental influences and individual influences. These influences, when combining with customers' personal experience, memory and knowledge, create sets of stimuli in the decision making process (Wisdom Jobs, 2018). Since every individual customer has different influences as well as unique memory/knowledge, it can be said that each customer would have distinctive sets of responses, thus constructing a particular decision making process. When considering customer's environmental and personally-determined influences, it is crucial to identify the factors that have the most effect in their particular case situation and measure the level of impact such factors have. This will come in useful when creating the customer profile or persona of a typical customer.

Another important factor worth considering is the type of buying decision behavior consumers exhibit. The buying behavior can be categorized according to the involvement of customers in the buying process and the differences between competing brands. For instance, the customer is highly likely to undertake habitual buying behavior if the customer has low involvement in the buying process and there are few differences between brands, meaning that this customer would buy a product out of habits or convenience rather than brand loyalty and is unlikely to switch between brands. On the other hand, if the differences between brands are significant, the customer would seek for variety of the product offered when making the buying decision. Switching between brands happens not because customers are disappointed by the product, but rather because they wish to try out different offerings.

### 3.2.2 Customer value

In the value creation process, the total benefits perceived by customers, also known as the amount customers willing to pay, is the total value created plus the costs of creating such value (Johnson et al, 2008). The value created includes the profit the firm receives and the consumer surplus (the added value kept by the customers). This added value accounts for the amount that customers are willing to pay above the selling price, creating competitive advantages for the business. Through value creation, the company not only increases its own profit margin but also creates additional value for the customers (see Figure 6).



**Figure 6.** Customer Value Creation (Johnson et al, 2008)

To create added value, it is fundamental for businesses to understand what customers truly value. Organizations with successful implementation of customer orientation often spend great efforts tracking customers' constantly changing demands and developing necessary capacity and capabilities to serve its customers. In order to gain an understanding of the attributes that are the most valuable for customers, employees should be inspired, empowered and provided with countless opportunities to engage with customers.

For instant, a large-scaled customer research programme or study involving a great number of customers across countries and in different markets could help the company

predict emerging needs and demands of customers, thus modifying its strategies and capabilities to better meet these new demands and needs. Such research programme creates the opportunity for customer engagement and at the same time boosts the firm's profits and revenues, increasing the business adaptability in the new markets and growing economies.

Another way of keeping in touch with customers' changing demands is to utilizing the partnering relationships with customers and stakeholders. A customer-orientated company knows how to keep up with the latest environmental trends while predict and interpret the emerging demands of the customers. They develop close relationships with certain stakeholder groups like bureaucracy, policy makers, activists... to capture new societal trends that shape customer demands and the marketing environment. (Mukerjee K., 2013)

Understanding what customers consider valuable requires in-depth and full-scale analysis of customer behaviour. This includes interpreting and analysing the all interactions with customers and building customer profile or customer persona. Creating segments of customers based on their psychological profiles and taking innovative initiatives to cater for customer needs has been the ultimate sale strategy of many retailers. Noting the increasing popularity of urban farming and the growing number of environmentally conscious consumers, Albert Heijin, a leading supermarket chain in Netherland, has launched the Help-Yourself Herb Garden. The Garden offers customers the fresh grown herbs that they can harvest themselves, picking the exact quantity they need. The in-store farming offers customers the fresh products as an added value and the joy of gardening without the time and hard-work. The innovation also reduces the amount of plastic wrapping, increase the shelf-life of the vegetables and reduce food waste. This method of sales is proven more economical for both the business and the consumers compared to the pre-packaged vegetable bags sold in the supermarkets previously. The idea is especially welcome by environmental-minded consumers. Segmenting customers according to their preferences, attitudes and lifestyles helps creating uniquely tailored offers for individual customers. This enables businesses to cross-sell or up-sell products and increases the loyalty of their customers as they are aware of the value their customers were seeking.

### 3.3 Customer Orientation

In order to effectively turning customer knowledge into customer-driven marketing strategy, implementing a customer orientation is indispensable. A series of customer-orientated initiatives sets the groundwork for customer-orientated marketing. Companies need to integrate customer orientation into their operation before designing a customer-driven marketing strategy. This includes cultivating a learning climate for employees, establishing customer-orientated behaviours, creating opportunity for customer engagement, coordinating efforts between departments and increasing profitability by influencing customer behaviour.

#### 3.3.1 Employee learning climate

Organizations have the ability to influence employees' behaviours by developing strategic resources such as knowledge (Huber, 1991). A supportive climate for learning can be the key indicator for a business's successful implementation of a customer orientation. Huber (1991) puts stress on the importance of learning climate in modifying employee's behaviours and achieving organizational goal. Organizations can enhance an employee's learning ability by developing the necessary skills to acquire information, interpret said information to understand its implications and transform it into knowledge. The learning climate within an organization determines to which extent a business promotes an interactive learning environment and a comparable atmosphere of continuous learning for its employees (Ndlela & du Toit, 2001).

Mikkelsen and Grønhaug (1999) describe knowledge management as the act of creating, capturing, sharing and exploiting knowledge to improve the company's performance. With that being said, learning climate can be regarded as the key to an effective knowledge management. According to Wang (2012), learning climate in the sales context includes all the learning-related practices or activities that help assist and inspire employees to acquire and develop customer knowledge. These practices and activities can be either formal or informal in the perceptions of employees. The author proposes two ways in which learning climate can influence employee's customer knowledge.

First and foremost, a high learning climate help salespeople better identify and categorise customers since they have a greater understanding of customers' characteristics. In particular, salespeople could effectively gather, analyse and comprehend customer backgrounds, customer history, demographic information, customer expectations and buying behaviours. Such skills can be cultivated through education and training, imitation, self-learning and employee own experiences. Employee can therefore apply the acquired knowledge into identifying the characteristics of different customer groups and segmenting customers in a personalized method.

Secondly, learning-related practices or activities encourage employee to develop a set of useful customer interaction strategies while dealing with customers of various needs and demands. With relevant knowledge and experience, employee would be able to provide better services and recommend suitable products according to customers' individual preferences and requirements. At the same time, a high learning climate encourages employees to continuously integrate their acquired knowledge with customers' opinions and feedbacks, thus helping employee effectively solve customer problems. In summary, an interactive and advantageous employee learning climate is, as Wang M. (2012) puts it, "positively related to knowledge of customer characteristics and knowledge of customer interaction strategies".

Along with setting a healthy learning climate for employee, it is also extremely important to assess the effectiveness of the learning program and measure employee performance in term of customer-oriented behaviour. The practice of customer orientation needs to be executed by employee under all circumstances. One way to encourage employee engagement with customers is to reward and give extra incentives to employees with great customer-orientated behaviours. It is crucial the organization has a fully-developed set of codes, rules and regulations that every employee must strictly follow while interacting with customers. An integrated measuring system should be installed to assess employees' customer-orientated behaviours.

### 3.3.2 Customer-orientated behavior

Learning climate could subsequently induce the customer-oriented behaviours of employees through the fostering of employees' customer knowledge. If an organization's employees receive a high learning climate, they would be more likely to put additional efforts into learning issues while interacting with customers, thus displaying more customer-orientated behaviours. Organization could assert customer orientation by identifying customer needs and demands and delivering the required customer experience better than competitors can. The implementation of customer-orientated marketing concept in the interactions between the customers and employees are defined as customer-orientated behaviours (Saxe and Weitz, 1982). These behaviours indicate that employees are highly concerned about customers and genuinely want customers to have a satisfying experience. When facing changes in sales situation and customer demands, employees in a high learning climate display more flexible and adaptive selling behaviour (Wang, 2012).

In service industry, employees who personally deliver products and services to the customers could improve organizational performance and are directly related to customer relationship development (Zahari et al., 2013). An employee's knowledge about customer needs and customer expectation should generate his willingness to serve customers in different sales situations (Wang, 2012). Knowledge about the characteristics of customers enables employees to accurately segment customers into different types according to their specific profiles. Customer-orientated employees would develop the means to assist customers themselves and determine the types of relationship to build with certain customers. As a result, employees who have a deep understanding of customer characteristics can more effectively categorize customers, thus displaying more customer-oriented behaviours relevant to customers' interests. With sufficient knowledge of customers, employees would be able to deliver added and superior customer value (Zhou et al., 2009). It can be said that salespeople with higher levels of knowledge concerning strategies also develop a rich repertoire of helpful ways to interact with specific customer groups. This repertoire serves to increase employees' customer-oriented behaviours to meet customer demands and preferences.

### 3.3.3 Customer engagement

The key to customer understanding is to enhance customer engagement. The most common definition of customer engagement is the interactions between a company and its customers (Stringer, 2006), which take place on different levels such as brand level, product level and individual level (Peppers & Roger, 2006). Customer engagement is the one of the most effective tools to build customer-seller relationship and also a major actor in successful customer relationship management. It helps companies develop deep insights of the customers and understand what customers really value. Mukerjee K. (2013) emphasizes on the importance of creating a great number of opportunities for customer interactions, capturing customer feedbacks and turning it into customer knowledge through an integrated system. It is fundamental that a variety of forums is ready available for customers to interact with the companies. Through these forums, customers would be able to place their requests, voice their concern, rate the products/services and give recommendation for improvements, thus enable the company to better increase their customer service quality.

Digital marketing has become the most lucrative and effective marketing trend of the 21<sup>st</sup> century. One increasingly popular method to connect with customers is through social media and blogs, which help companies interact with current customers and identify potential customers for upcoming advertising campaigns. Interactive content ensures that not only customers could see the content on the company's website and social media pages but they can also interact directly with the company. Businesses can personalize customer experience using technological advances like Chatbots, which can answer all of customer inquiries immediately and continuously. The key is providing customers with chances and opportunities to engage with the company. It is common nowadays for company to have a separated section (e.g. forums...) on their website for customers to ask questions and share their experiences. An extremely popular form of customer engagement used by e-commerce sites is letting the customers leave reviews/comments about the listed products. These reviews are made available for other customers in order to help them make an informed purchase decision. Organizations could also enhance customer engagement through seminars and promotional events.

Such events provide companies with valuable opportunities to get into the apprehensions and aspirations of customers (Mukerjee K., 2013).

The data captured from customers during engagement can give the organization key indicators on the success factors. The performance could then be measured and the outcome should match with the company's priority factors. For instant, companies can gather qualitative and quantitative data and measure performance against the business priorities, thus generating the key success factors (e.g. customer engagement, employee competency, product/service quality, social responsibility, financial performance...)

### **3.3.4 Inter-functional Coordination**

As acknowledged by several researchers, one of the most crucial elements of a successful customer orientation is to tailor collaborative and integrated efforts across the organisation. The idea is that every department should take part in the implementation of the concept and all department processes should be designed to create added value to the customers. In this paper, the roles of inter-functional coordination are illustrated in two major aspects:

- Collaboration within and among internal and external departments

Customer issues are generally resolved much quicker and more effectively when there are collaborative approaches between all departments in the organization, both internal and external. The most successful companies are the one to be sceptic while trying to solve problems using collaborative approaches. It usually takes numerous initiatives for businesses to finally successfully collaborate the partners and departments. For instant, a network of thousands of international researchers would work on a single project in order to ensure that the innovations should result in solving numerous customers' problems. Certain tasks in the operation require large collaborative capacities working great range of stakeholders such as management board, stockholders, governments, policy makers, bureaucrats, specialists, researchers and scientists... For such reason, organisations wanting to implement a customer orientation need to be able to collaborate across inter-departmental boundaries, inter-organisational boundaries and geographical boundaries.

- Interlocking of customer orientations

Organizational decision making should be adjudicated by customers' need so that all organizational efforts can be aligned and coordinated. However, accurately identifying these needs can be a complicated task. Given that an organization's ultimate goal is to meet customers' requirements and satisfy their needs, the first stage of constructing a system of continual improvement is to determining who the customers are and what type of products/services these customers desire (Kennedy K., Goolsby J. and Arnould E., 2003). The company would need to tailor their customer definition in order to meet the requirements of each customer groups.

Businesses are often advised to take into account the appropriate counterpart of customer requirements. The processes should be able to reasonably align all the efforts of the diverse work units in the entire system. In order to do so, open communication and transparency throughout the organization is the key. All staff and employees are responsible for taking part in the communication process and noting the improvements that should be made. Organizations need to establish a communication system that bypasses administrators, allowing different faculties/departments to communicate directly to each other.

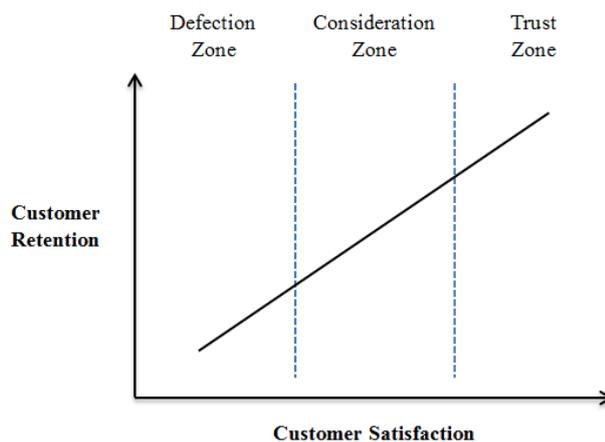
A successful customer-oriented company identifies its own departments as customers. For instant, the marketing department should be treated as the customer of the research and innovation department as they are trying to sell the products which the innovation department has developed. Similarly, customer service department might be considered the customer of the marketing department. This goes on until the entire organization is a connected system of customers fulfilling another customer's requirements.

### 3.3.5 Profitability Management

Interactions between an organization and its customers often result in the direct costs of maintaining a customer relationship. When trying to increase profitability, the majority of businesses usually focuses on how to increase customer revenue rather than trying to reduce custom-related cost by influencing customer behavior. By modifying the behaviour of a specific group of customers, business can significantly reduce the cost associated with of serving these customers, thus increasing the profitability of each customer groups.

A great number of customer behaviour aspects such as order size, purchase size, delivery terms, need for information and demand for customer services can be identified as cost drivers. According to Storbacka (1994), there are three main ways in which organizations can reduce direct customer-related costs: decreasing interaction intensity; changing access channel (shifting to cheaper interaction variants); and changing interaction's cost structure/improving the existing processes. The traditional method of customer profitability utilization, even when aiming to change customer behaviour, has not aimed to reduce customer-related costs. Profitable customer management prioritizes improving customer relationship and customer loyalty, thus increasing customer-related revenues and reducing customer-related cost.

Most extant researches about customer equity focus on loyalty enhancement or revenue expansion, whereby cost reductions are rarely implied, for instance through the learning relationships with customers (Reichheld, 1996). However, there is little to no empirical research concerning organizational initiatives to particularly reduce customer-related costs within specific target groups and measurements of how successful these initiatives are. Similarly, in terms of service-profit chain, researches have been carried out in relation to the improvements of service quality and customer satisfaction and the ways these can be used to acquire higher customer loyalty and profitability (e.g. Heskett et al., 1994). In another word, if we consider the relationship between customer retention and satisfaction (Anderson & Mittal, 2000), service quality and customer satisfaction can be effectively improved in order to transfer customers from the defection zone to consideration zone and from consideration zone to trust zone.



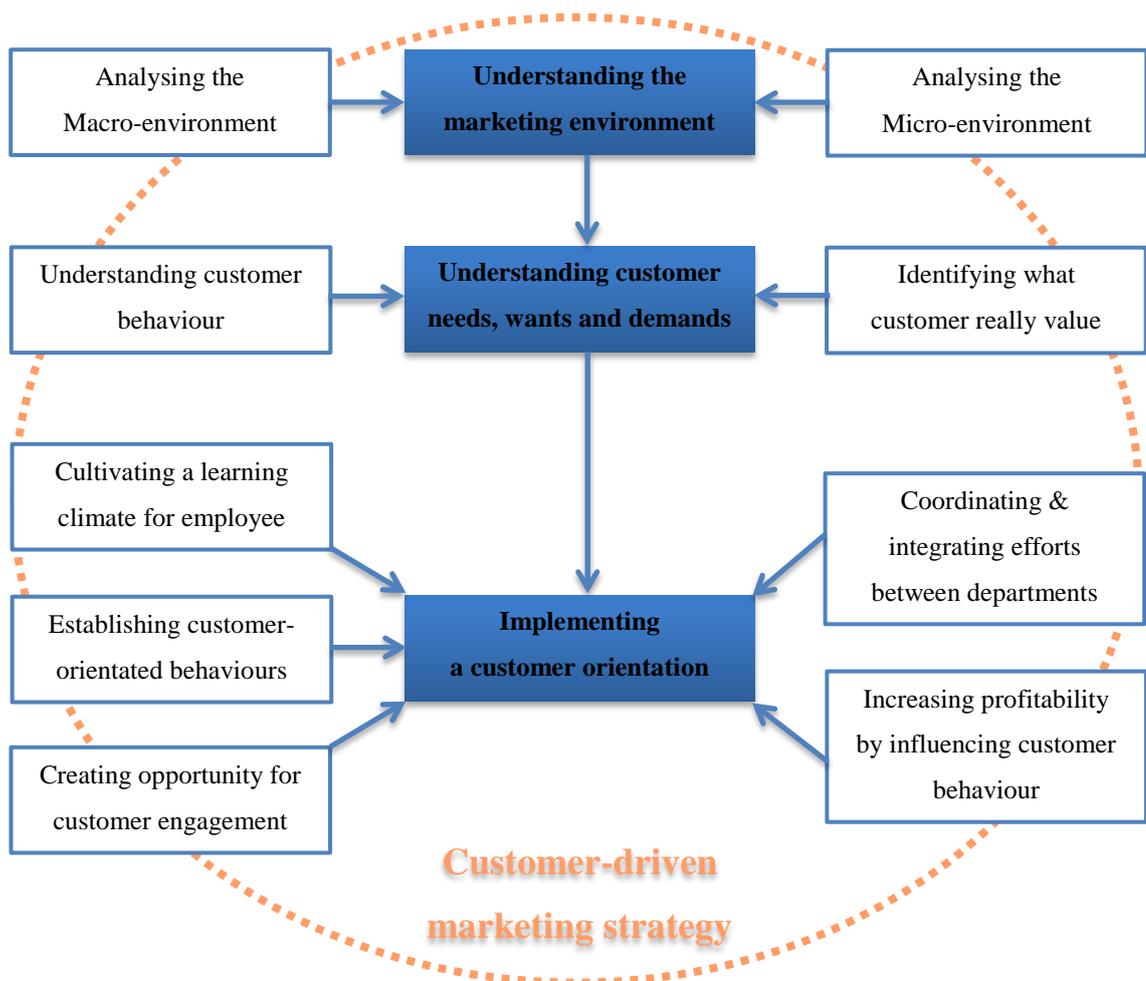
**Figure 7.** Relationship between customer retention and customer satisfaction (Anderson & Mittal, 2000)

However, the aim of cost reduction initiatives is not necessarily restricted to improving customer satisfaction and retention. It is possible for organization to modify customer behaviour in a way that decreases the costs of serving them, thus increasing customer profitability. This requires well-developed and integrated organizational initiatives regarding customer profitability management. Such initiatives might be risky due to the potential decrease of customer satisfaction and service quality. The aim is to minimize this potential decrease in customer satisfaction and prevent customers from falling into the defection zone. The desired result would be customer-related cost reduction without negative effects such as increased customer defection or decreased customer revenue.

There are also other issues that business should be paying attention to. First and foremost, the ultimate aim of any cost-reduction effort is to improve the long-term profitability of each customer segments. Therefore, decreased customer retention as a result of cost reduction initiative, in a moderate amount, might be acceptable, provided that the decreasing revenues are outweighed by the cost saved. Secondly, customer-related cost reduction does not necessarily result in a reduction in service quality and customer satisfaction. Ideally, a cost reduction initiative should change customer behaviour without resulting in any negative reactions regarding customers' perceptions of the organization.

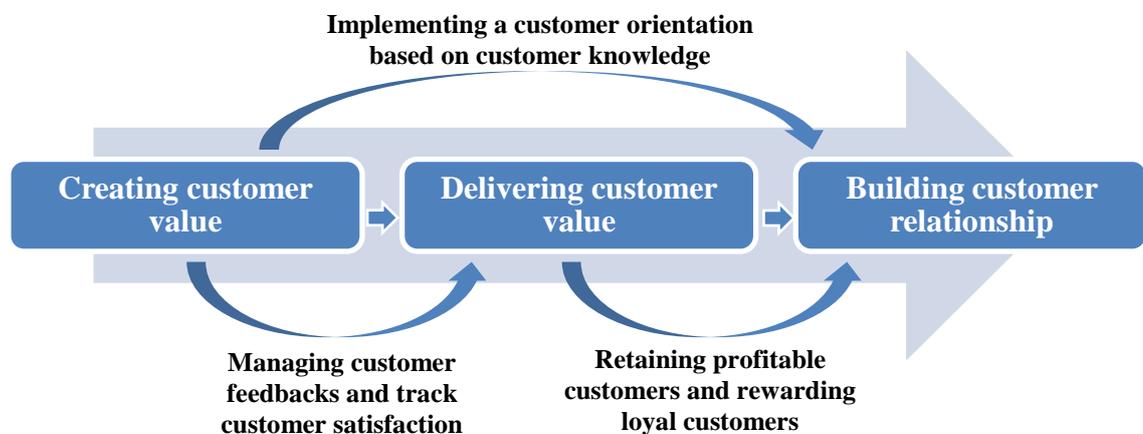
### 3.4 Customer-driven marketing strategies

According to the previous framework layout, creating a customer-driven marketing strategy is the final step in the process (see Figure 4). However, understanding the marketing environment, understanding the customers and implementing a customer orientation should all be regarded as parts of an ultimate customer-driven marketing strategy. The re-enactment of the framework looks at customer-orientated initiatives (creating employee learning climate, coordinating across departments...) as customer-driven marketing strategies themselves instead of processes leading to the creation of a marketing strategy. The new framework (Figure 8) broadens the scope of customer-driven marketing strategy, emphasizing that creating a marketing strategy requires reconstruction of the business model, business operation and processes.



**Figure 8.** Re-enactment of framework layout (Figure 4)

In a customer-orientated firm, value is created through the implementation of customer orientation initiatives (e.g. establishing employee learning climate, inter-functional coordination...), which are usually cultivated from the business's customer knowledge. Having successfully created added value, companies need to effectively deliver such value to the customers. This includes further courses of action such as increasing customer engagement, displaying customer-orientated behaviors, managing customers' feedbacks and keeping track of customer satisfaction level. Customer-orientated marketing looks at strategy from the customer perspective, which includes creating customer value, delivering customer value and building customer relationship.



**Figure 9.** The customer-driven marketing strategy

Building strong customer relationships should be the final objective of a customer-driven marketing strategy. The process of creating and delivering customer value offers countless opportunities for building customer relationship. Building a close relationship with profitable customers increases the sustainability of the business. Another strategic decision is to reward loyal customers, which helps retain this important customer sector and possible expand the customer base.

## 4 METHODOLOGY

### 4.1 Methodological framework

Saunders M., Lewis P & Thornhill A. (2016) defines research as a systematic process that is undertaken to find out things. Ghauri and Grønhaug (2010) believe such systematic process has a variety of possible purposes and is rooted from logical relationships rather than pure beliefs.

Research is classified into three types: exploratory research, descriptive research and causal research. According to Ghauri and Grønhaug (2010), descriptive and causal research are usually applied if there is a well-structured and well-understood research question. However, the main objective of descriptive research is to better define an opinion, behaviour or a certain situation, for instance, which customer group is more likely to favour a particular product. On the contrary, causal research is often used to explain the cause-and-effect relationship between one or several variables, for example, whether the increase in sales quantity is caused by a particular user characteristic such as e-payment options (Ghauri and Grønhaug, 2010).

**Table 4.** Empirical questions of the three research types (Mouton, 2001)

Type of Research	Question
Exploratory	What are the key factors/features of something?
Descriptive	How are a and b related?
Causal	What are the causes of c?

Unlike descriptive and causal research, exploratory research focuses on the accumulation of new insights and the discovery of new ideas. Exploratory research often takes the forms of open-ended questions, which effectively helps researchers gain a better understanding of the people they are surveying. This research paper applies exploratory research as a mean of defining potential areas of growing, prioritizing the correct customer sectors and discovering new courses of action.

The basics of data collection and analysis consist of two primary research methods: qualitative method and quantitative method. According to Ghauri and Grønhaug (2010), the greatest difference between the two research methods lies mostly on the research objectives. In quantitative method, the data; including figures and statistics; are collected from a large group of participants, with the main focus of gathering as much information as possible. This research method is often used in social structure emphasis study where the sample size is large and research results are averaged. The most popular tool of quantitative research is survey, which includes collecting data from a large group of targeted population within a certain period of time. Such surveys help researchers identify the connection and relationships between the variables.

On the contrary, qualitative method concentrates on personal interviews, observation and other methods in-depth information collection. After gathering the data, research would be able to interpret the assembled answers into useful indicators of statistical analysis. Even though the some research findings from qualitative research could not be analyzed using quantification procedures, qualitative data is still quantifiable. Qualitative data can be collected through focus groups, observation, case studies, historical review and unstructured interview (Ghauri and Grønhaug, 2010). The authors (Ghauri and Grønhaug, 2010) also defend that the two methods cannot be applied in insolation with the other and the analysis results could not be categorized as purely quantitative or qualitative.

The research paper combines quantitative and qualitative research, with the main research method being qualitative research. The major means of data collection are through customer survey and personal in-depth interviews. For both interviews and customer survey, the research primary utilizes unstructured method, which requires the respondent to answer the questions with detailed and personalized explanation. This helps constructing a deeper insights of the case company in comparison with the structured method, which provides predetermined answers, usually by asking respondent to choose between A, B, C or D. For the topic of this specific research, that is customer orientation, it is necessary to opt for a less structured method in order to encourage respondent to express their own opinions, thus increasing the accuracy of the tested hypotheses (Ghauri and Grønhaug, 2010).

## 4.2 Data collection and Research Activities

The case company is called Phuc An Education JSC., a private educational service provider located in Hanoi, Vietnam. The author decided to choose this particular case company because the company

- (1) currently has a relatively high level of customer orientation,
- (2) shows a strong desire and commitment to the transformation process,
- (3) is able to provide a wide access to organizational data,
- (4) has a well-established relationship with its stakeholders, including district leaders, policy makers, local public schools and customers.

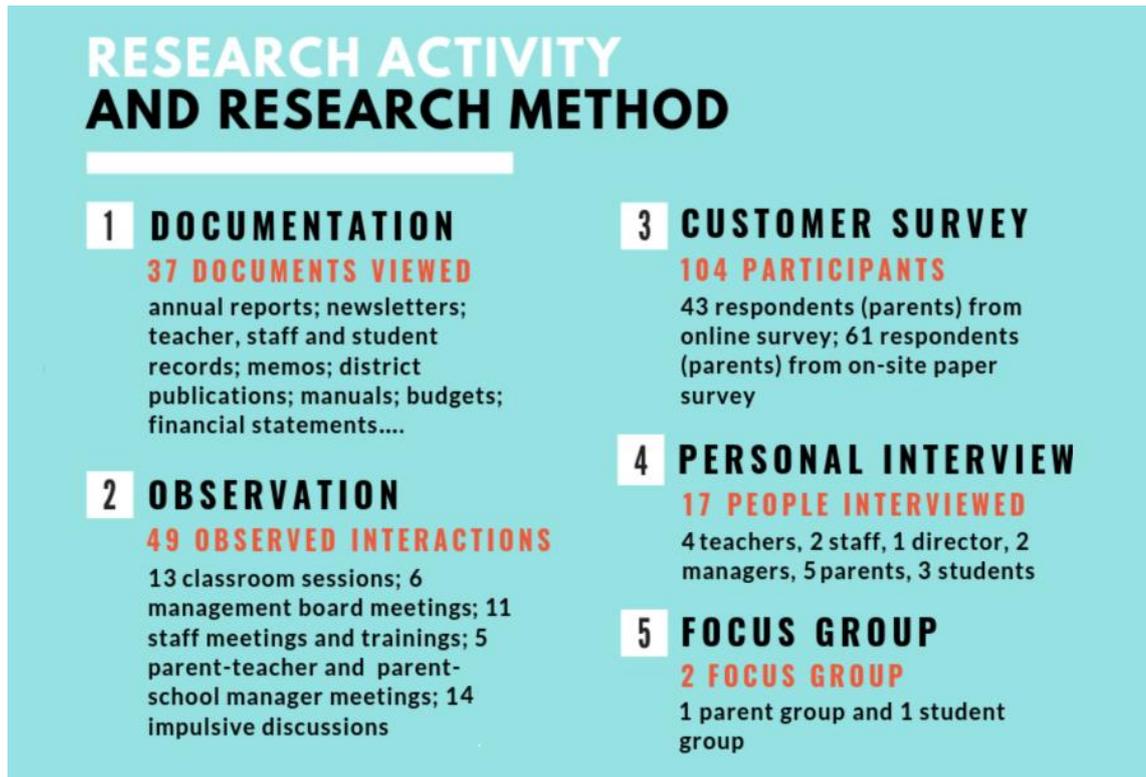
The company participated in the research voluntarily. Access to organizational documents and data was granted by the company along with the permission to observe several operation activities, personnel meetings and classroom interactions. The author was also granted permission to interview a number of the company's personnel and customers, provided that the respondents' identities are protected.

Three major questions that the researcher wishes to answer after conducting the research are:

- What is the current level of commitment the organization has to a customer orientation?
- What can be improved in the organization to further establish a successful customer orientation?
- How the previously presented framework can be applied to the transformation process?

The data was collected through documentations, observations, customer survey, personal interviews and focus groups. The implementation of multiple research methods aims to generate different perspectives, increase accuracy and enhance cross-checking.

Figure 10 illustrates the summarized process of data collection and the informants involved.



**Figure 10.** Research Activity and Research Method (created by the author)

**Documentation:** The case company had granted the research access to a wide range of materials including formal policy statements, newsletters, budgets, financial statements and strategic improvement plans. These documentations provide company insights and information regarding operational activities, internal structure and financial status. By studying the provided documents, researcher gained a general outlook on customers, company resources, thus effectively identified the relevant areas to pursue in the research.

**Observation:** Through observations of several meetings, interactions and activities, the researcher gathers valuable perspectives and insights about the company. A total of 22 meetings were statistically recoded ranging from manager meetings, staff meetings to parent–teacher meetings and parent–school counselor meetings. The meetings involve approximately 60 people. The in-depth observations reveal the information flow throughout the organization, the unaccounted-for customer requirements, the participation of students and the involvements of different stakeholders.

**Customer survey:** The customer survey was conducted in two methods in order to gather the highest possible number of respondents. The online survey was distributed on the company's official website and Facebook page. The on-site paper survey was handed out to parents who visit the company's Centre to drop off or pick up their children after. Respondents participated in the survey voluntarily and were informed that any provided information would be kept confidential. The survey took place over the course of two weeks, from 24 June to 06 July 2019 and has a total number of 104 respondents, 43 from the online survey and 61 from the on-site paper survey. The customer survey was the most significant source of customer data of the research, which provided information regarding customer background, customer requirement, expectation, value and satisfaction.

**Personal interview:** A total number of 17 people were interviewed during the research, some more than once. Each interview lasted between 5 to 25 minutes. The interviewees include managers, teachers, staff members, parents and students. The interviews provided individualized perspectives on the current circumstances as well as supportive and non-supportive views of the interviewees. During each interview, almost all area of interests was mentioned and any thought-provoking points that came up would be discussed in-depth. A list of the general interview questions is attached in the Appendix, though the actual interviews that took place might not strictly follow these lists.

**Focus group:** Two focus groups were gathered based on willingness: a parent group and a student group. Each focus group had several sessions which was documented and closely monitored. These sessions provided many critical and noteworthy findings, ideas and outlooks.

Due to the limitations of a bachelor thesis, it was impossible for the researcher to conduct an all-inclusive research and analysis of the case company. Therefore, only the most relevant aspects of the analytical framework were covered during company research. This leaves the company, as well as the author, with many opportunities for further in-depth study and development.

## 5 CASE STUDY

### 5.1 Company overview

Phuc An Education is a startup headquartered in Hanoi, Vietnam; founded in 2016 as a joint stock company. The company provides education services for primary and secondary students. The range of services includes autism intervention, language and ICT courses, art classes, courses for interpersonal development (presentation, team work, communication...). The targeted customers are children between 6 – 12 years of age.

The company has a total of 13 employees, including 9 teachers and 4 staff members. There are two managers and a director, who are also among the four stockholders of the company. The company has a Service Centre which also acts as the business headquarter. The premise includes several classrooms, art studios, a dancefloor, computer lab, library, large playground, etc.

The Service Centre is currently offering classes for a total of 198 students between first and eighth grade, hosting 24 classes and four intervention programs. Ever since its establishment three and a half year ago, the company's reputation among parents, local public schools and local authority has been increasing immensely.

### 5.2 Context analysis

#### 5.2.1 The Company and Customer

The Business Registration Certificate of Phuc An Education JSC is certified by the Department of Planning and Investment of Hanoi on 16 April 2016. The company is registered as an educational services provider. Phuc An is currently working under two operational licenses established by the Vietnam Ministry of Education and Training - the Operation Registration Certificate of Language Center and the Operation Registration Certificate of Skill Enhancement Center. The company is one of the companies with the widest range of services provided.

**Table 5.** Scope of services

<b>Autism Intervention</b>	Age	4 – 14 years
	Class size	One-on-one or small groups
	Program	<ul style="list-style-type: none"> <li>• Behavioral interventions</li> <li>• Developmental interventions</li> <li>• Speed therapy and occupational therapy</li> <li>• Family-based interventions</li> </ul>
<b>Art Program</b>	Age	5 – 12 years
	Class size	5 – 10 students
	Program	<ul style="list-style-type: none"> <li>• Drawings</li> <li>• DIY &amp; hand-made</li> <li>• Art therapy</li> </ul>
<b>Skill Development</b>	Age	6 – 12 years
	Class size	7 – 15 students
	Program	<ul style="list-style-type: none"> <li>• Interpersonal skills development courses</li> <li>• Language courses</li> <li>• ICT courses</li> </ul>

At the moment, the Service Center has 198 customers, the majority of which are long-time students who have been with the company for more than a year. Approximately 54% percentage of Phuc An's students attends more than one class, some up to three or four. The company plans to introduce 9 additional courses in the next 6 months, increasing the total number of students to over 230.

All of the company's staff and teachers are employed on a contractual basis. However, most of the employees have been working for the company since day one and all of them have the occupation time of more than two years. Since the company is still working on a small scale, everyone often takes on a variety of different roles, has a close relationship with each other and a deep understanding of what is going on in the organization. From the company's perspective, operating on a smaller scale makes inter-functional cooperation easier. Communication is direct and instantaneous while information flow is constant and consistent.

From the very first day, it was decided that the company would have a narrow target market segment, meaning that it was striving for mass customization, with the prospective marketing strategy being micromarketing or even individual marketing. Such particular segment allows the company to focus on each customer and again a profound understanding of them. As a result, even though customer orientation was not clearly defined in the company's business plan, its strategic planning places Phuc An

right into the process of customer-oriented transformation. The company has acknowledged that in order for their business model to work, a systematically constructed and carried-out customer orientation is absolutely necessary.

Typically, the receivers of a product or service are also the ones that pay for it. This is not the case for many education service providers whose customers are children. The company recognizes two customer sectors: the students as the benefits receivers and parents as the ones who make the purchase decision. Since there is twice the number of customers the company needs to satisfy for the same amount of profits received, catering for customer needs has proven to be more resource consuming. The company has to spend a great amount of additional time and effort to communicate with customers. Since the parents do not directly receive the services and the children are not always capable of voicing their opinions, communication has to be kept frequent, clear and accurate.

The company focuses customer orientation efforts mostly on the autism intervention program. This customer sector requires extraordinary customer services and customization. Since each autistic child is unique, the company needs to develop a separate intervention program for each student, taking into consideration his abilities and characteristics. A lot of time is spent on each customer to gain a deep understanding of his conditions and construct a personal curriculum. It is also important for the company to put additional efforts into communicating with the parents and giving them instructions regarding how to interact with the children. Most of the time, a counseling program is developed for the parents in accordance with the student's program.

The company prides itself on a loyal and understanding customer base. The majority of Phuc An's customers came to know the company through other customers' recommendation. The well-established relationships with the local authority and school district's leaders make the company rather popular among local primary schools. The company mostly gains new customers through word-of-mouth of the parents in these schools. Since the number of applications Phuc An receives far exceeds its current capacity, the company does not have the need for new customers. This is the reason why the company has no official marketing plan at the moment.

### 5.2.2 Market and Competition

The district in which Phuc An Education is currently operating in, Dong Da district, is the most heavily populated district in the entire country, with over 400.000 inhabitants (Hanoi Promotion Agency, 2017). According to the company's market research, the district has a total of 19 public primary schools, with more than 28.000 students. The education system is over burdened and the majority of these primary schools has over 60 students per class. The students do not receive an adequate amount of attention or care at school and their progress is not thoroughly documented. Having so many students, it is also very difficult for the schools to take all of the students' needs into consideration and keep a constant communication with the parents.

The education system in Vietnam is heavily theoretical-based. It put a tremendous stress on subjects such as mathematics, physics and chemistry. As a result, practical subjects like language, ICT and art are considered "minor" subjects and are often over-looked by schools. Consequently, there is a growing demand for such courses in education centers.

It is a very common practice in Vietnam that parents would students would attend extra classes in education centers, as their parents feel like their child does not receive enough attention at school. This is the reason why the market growth and market share is tremendous for education service providers. As of 2018, the total number of language centers alone in Hanoi was 855 (Ministry of Education and Training, 2018), meaning that the company naturally has a lot of competitors in the market.

However, further market research shows that the majority of Phuc An's competitors are education centers that specialize in specific areas such as language, skill enhancement or autism. By providing a wider and more inclusive range of services, the company secures its competitive advantage toward other players in the market. This also provides the opportunity for customer retaining in a way that the same customers would go to the company for multiple services instead of going to several competitors. The prospect of market growth in education industry also is in favor of the company future expansion.

### 5.3 Research Findings

The goal is to connect the data gathered from the case company to the previously established theory and hypothesize strategies for the company accordingly. The author distilled the research findings into three noteworthy aspects of customer orientation: Communication – Inter-functional coordination, Customer engagement – Customer added value, Customer knowledge - Market intelligence. It is important to note that these three are not exhaustive of all the factors constructing customer-orientated transition. The research program was developed relevant to the scope of this bachelor's thesis and case company.

#### 5.3.1 Communication - Inter-functional coordination

From the author's observations, it is evident that the trusting relationships and open communication between management (director and managers) and employees (teachers and staff) has improved employees' overall performance as well as commitment to customer orientation. The staff recognized management as a driving force for the customer orientation. According to a teacher:

Interview extract

“We all know that the director has complete trust in us while dealing with customers. And we don't want to disappoint her. Personally I would do anything to keep the customers happy.”

Even though the director is the decision maker who has the final say in important matters, regarding employee learning climate, she said:

Interview extract

“I always encourage my employees, regardless of their positions, to engage themselves in customer service. They are to directly interact with the customers and address any problems that arise. I could provide guidance if necessary but it's their decisions to make.”

The added responsibility has encouraged the employees to go cultivate their own customer-orientated mind-set. Even though employees can rationalize the need for a customer orientation, it is the authenticity and passion of the management that motivate them to commit to the process. As a teacher disclosed during an interview:

Interview extract

“I believe the director and managers play the biggest role in creating such a positive working environment. They have been the first one to start the changes and keep us all going. You can tell that they truly care for these kids. I think seeing them interacting with customers with such healthy attitude teaches us to treat customers in the same way.”

The analytical framework states that organizational efforts should be aligned and coordinated with consumers' needs. Through inter-locking customer orientation, the company can better determine these customer needs. Phuc An has realized from the early days that it could tailor the definition of customers to meet particular customer requirements. This means that the company does not only recognize the direct receivers of benefits as customers, even though this is the main area of focus. The company strives for a fitting complement of customers' requirements, appropriate to the number of students, district requirements and program content. Customers have very different requirements for each program offered; for example, the customer requirement of language and ICT courses is the acquisition of specific skills while the requirement of autism program is unique to each case and much more complicated. Once customer requirements have been clearly defined, the challenge was to align the efforts of each and every department, such as administrators, teachers, and support staff, in such harmony that help the company achieve the goals. The manager explained:

Interview extract

“The parents usually wish to see evidences of their children's achievement. It is a way to help them assess the children's level and improvement. This can be in forms of artworks, test result, teacher's feedbacks...”

In order to incorporate the across-the-board coordination into customer service, the director set up a focus group of parents in the autism intervention program and held meetings with this group on a weekly basis. The purpose of each session is communicating customer requirements and assessing performance. The author observed five of these meetings, from the first to the fifth meetings. It is noted that there were some tension and awkwardness during the first sessions. However, toward the later sessions, the parents seemed to communicate more openly, participate more enthusiastically and become more constructive. It can be concluded that parents feel significantly more comfortable voicing their requirement once they develop a close relationship with the director, are more involved in the program and have a deeper understanding of what was going on. Observational notes documenting a typical session as:

The meeting began with the director listing the progress that had been made in the past week, mentioning what has been accomplished, new developments in the process and impending challenges yet to be resolved. Managers listed performance reports, milestones and assessment scores of each student. The parents would then voice their specific requirements, discuss newly arise problems they face, suggest the improvements needed... The director established the goals for the next week accordingly and defined the course of action needed to reach such goals.

The session successfully created a communication system bypassing administrators, allowing customers to talk directly to management and be more transparent with their needs. The company also witnessed an improvement in students' performance as parents had simultaneously implemented intervention initiatives in family settings once they are included in the program.

Another inter-functional system was created in which administration is identified as customer of the teachers, teachers are identified as customers of management, and so forth. Seeing the entire organization a connected system of customers serving customers helps increase both customer and employee satisfaction. The manager described the unity of functions as follows:

#### Interview extract

“It’s connecting every knot with one another. It is not enough to cooperate management and teachers or cooperate management and administration. Teachers and administrators also need to work together. And it goes on like that.”

The coordination between departments had also left a positive effect on the employee learning climate. When assessing the students, the company always tries to look at the child’s abilities with relevance to what he is already capable of and what can he do to improve himself. This had shifted the programs from a teaching model to a learning model, thus increasing the employees’ competency. An art teacher mentioned:

#### Interview extract

“The program let autistic kids participate in art classes as some sort of therapy, since some of them express themselves and communicate better through art. This gave me the chance to interact with these children and teachers from the intervention program. And now I am taking a second degree in autism because I found a new area of interest.”

It can be concluded that effective inter-functional coordination has improved the communication process with customers as well as employee learning climate. The company’s periodic customer surveys depicted that Phuc An had witnessed a significant increase in customer satisfaction ever since the company adopted inter-functional cooperation.

### **5.3.2 Customer engagement – Customer added value**

The company recognized that it could create added value for customers through increasing customer engagement. The theory also applies the other way around: engaging with customers provides the company with great opportunities to create added customer value. In the case of Phuc An Education, practical experience shows that customer engagement and customer added value should not be treated as two separate pillars of customer orientation. All the parents interviewed have at least one good story of the time when they receive beyond-expectation service. A parent recalled:

#### Interview extract

“One time we were caught in the rain on the way to class. [My kid and I] came in soaked. The receptionist [name] immediately went to get us some towels and the manager [name] went to get us dry clothes to change into because, according to her, no one is to leave here with wet clothes on. I just didn’t expect her to come back with two brand new shirts that were the company uniforms instead of lost-and-found shirts. When I offered to pay for the shirts, she simply refused saying the company did not retail clothes. I was truly touched.”

A parent in the intervention program also shared her experience:

#### Interview extract

“Everyone is just so compassionate, so understanding and kind. The director [name], the managers [names] and even other teachers constantly message me to discuss my kid’s progress and give me words of encouragement. When I first found out about my child’s condition, the whole world came crashing down. I was in a very dark place of heart-break, disappointment and desperation and I feel like no one would understand this pain. Somehow [everyone] truly feel like friends that I can confide in and share my feelings with. I’m so glad I’ve got this great community supporting me in this ordeal.”

The author noted that during most of these interviews, the parents addressed the personnel by first names rather than their positions in the company. This further proves the close relationships these customers have with the company. Building strong relationships with customers keep the company in sync with customers’ needs and demands. When mentioning the relationships between the company’s employees and customers, a parent commended:

#### Interview extract

“I just love how everyone seems to know everyone, even the parents. They are just like one big, tight-knit family. This is exactly the kind of healthy environment I’d want my kids to be in.”

One of the main reasons why the company was able to develop such close relationships with the parents was because, as mentioned above, most of new customers were friends of existing customers and were introduced to the company by these customers. According to the customer survey, 93.27% of Phuc An's students come from five local elementary schools. This means the company has successfully retained and rewarded loyal customers cultivating new ones. However, this presents another challenge of expanding the current customer base. At the moment, all of Phuc An's students are from schools in Dong Da District. Regarding the prospect of expansion, the director commented:

Interview extract

“The number of applications we receive far exceeds our capacity. We do plan to operate on a larger scale and diversify the customer sectors, but that might not happen any time soon.”

The company sets clear strategic objective for each customer segment: constant and dynamic communication for parents and improvement of service quality for students. The company acknowledges that student satisfaction is as, if not more, important as the satisfaction of parents. Added value for students is not only created through advances in the content of the programs but also by continuously engaging with students outside the classroom environment. When asked what they liked about studying at Phuc An Education, a student answered:

Interview extract

“I love the library. It has a lot of interesting books, not just boring study ones.”

Another student disclosed:

Interview extract

“I'll tell you a little secret, but you couldn't tell anyone. I often come to class early to go to the staff room. There are always someone there, chatting and sharing some snacks. They would call me in to join them. I call that pre-class snack time.”

There major problem interpreting students' requirements is them being unable to coherently express their demands. It is important to identify student area of interests and align those with their needs, their abilities and the parents' requirements. From the customer data, the company corporates classroom activities in a way that helps the students learn while playing. Phuc An witnessed an increase in the children's enthusiasm when it started implementing more interactive and compelling programs. Documentation of an interview with student showed:

#### Interview extract

“I don't really like studying. But I like studying here, especially when we get to do outdoor activities.”

One of the main objectives of the research program is to develop a multi-tier model that connects customer engagement to customer value by incorporating organizational efforts. The company discovers that there is strong links between customer engagement and customer added value with customer experience and customer satisfaction. The results showed that firstly, customer engagement was positively related to customer experience, secondly, customer engagement and customer experience were positively related to customer satisfaction, thirdly, customer added value was positively related to customer satisfaction, and finally, the relationship between customer experience and customer satisfaction was mediated by customer engagement and customer added value. The research findings suggest that engaging closely with customers helps creates added value for customers, thus bringing about positive experiences for customers and increasing customer satisfaction.

### **5.3.3 Customer knowledge - Market intelligence**

The company facilitates its decision making process based on customer knowledge and market intelligence. This ensures that the organization's course of action meets customer requirements as well as the marketplace demands. As indicated in the framework, customer data and industry information plays an indispensable role in the implementation process of a customer orientation.

The adaptation of the framework to the case company requires an integration of internal data (customer knowledge) and external data (market intelligence). The core operational strategy of the company is developing a comprehensive approach to increase service quality through concatenation of external and internal requirements. The company acknowledges the importance of a tracking system analysing customer satisfaction in relation with different market indicators, thus building systematic measures to assess operational performance. An integrated system reporting performance data such as teacher feedbacks, test results, classroom reports... was also established. The company assesses customer data in accordance with market data and competitor data, thus identifying the potential areas for developing competitive advantages. The company utilizes objective data to facilitate improvement or discussions concerning improvement.

By making well-informed decisions using both internal and external data, the company was able to collect information from various sources and understand which operation initiatives have an effect on performance. The manager described the decision-making system as:

#### Interview extract

“We do periodic surveys with parents: How did we do? How do you feel? How can we improve the process...? The surveys are re-designed each time to collect the most relevant data in that specific time period. We also do surveys with the kids: What do you like? What do you not like...? We do surveys with staff to see how they are doing, how they are feeling, what they need (in terms of well-being or training). And we do market research and competitor research so that we can have comparative data. This helps us plan for the next steps. We want to know what we should keep doing and what we should change or improve.”

The company recognizes the importance of information in decision making. By systematically collecting data from stakeholders (customers, employees, competitors, district leaders...), the company could monitor and regulate its operational activities to improve performance. An administrator in the company discussed the customer groups:

#### Interview extract

“It includes the parents, the students, the community, district leaders, regulators, even the businesses in this area. We often have volunteers that come over every week from local secondary schools or local businesses... We listen to what the parents want, and we listen to what the kids want.”

The information collected from different stakeholders regarding what these customer sectors need was integrated in the decision-making process and later on, the operational process. At the beginning of each course, the teachers, managers and director met with the parents and students to discuss their needs and their expectations. These do not involve only customer academic requirements. The company ensures that making decisions using stakeholder inputs, market information and customer data becomes the habitual practice of the business. This also improves the flows of information throughout the school. The company become an extensive network of external market intelligence and internal customer data through which customer aligned needs and requirements are aligned and met.

The company develops a system analysing customer data to highlight the effects each operational activity has on the overall performance. This also helps measure the effects of student engagement initiatives on student performance. Eventually, the company connects customer requirements to the operational performance. The manager explained:

#### Interview extract

“The improvement of our students’ performance proves how important data and information is. The kids are more enthusiastic, independent and responsible with their own studies. Teachers know exactly what they should be doing and are very in sync with what the children need.”

At the same time, a teacher described the classroom assessment approach as:

#### Interview extract

“It’s very important for us to keep track of our kids’ progresses and achievements. We have performance reports, periodic assessments, discipline records, grade

transcripts, so on and so forth. It helps us understand where our children are and what they need to improve. We have these data folders for each student, you can literally find everything there, from the classes he takes, background information, to all the improvement reports, grades, averages... It makes it so much easier understanding the students. It also helps the students see their own progress, what they need to work on and informs the parents of their kids' performance.

The company's findings serve to prove that customer knowledge and market intelligence has a direct effect on organizational performance. These internal and external data is utilized by many groups of stakeholders and on many operational levels. These are directly connected to the previously mentioned customer requirements, customer value and communication.

#### **5.3.4 Research arguments**

The purpose of this research is to look into how companies might effectively implement a customer orientation utilizing customer knowledge and an assortment of analysis tools. A company in education setting provided great grounds for research because the potential of customer orientation had barely been fully exploited in such context, yet the industry has been paying increasing attention to this new philosophy. The data collected from the case company, an education service provider in the middle stage of transformation process, provided many empirical insights that could be gained neither a company that has successfully transformed nor a company that is not at all involved in customer orientation.

Regarding what the research findings contribute to the analysis framework, the research indicates that customer orientation theory could be further developed and modified. It can be deduced from research results that the company's implementation of a customer orientation is guided by market orientation theory and the proposed analysis framework. By the end of the research, customer satisfaction among both parents and students has been increasing significantly and all students are reported to have made positive progress. The company is popular among local schools, is greatly trusted by parents and receives a lot of acknowledgement from the school district. While trying to define the

influencers of the possible outcomes, several analytical refinements, practical implications have emerged, providing extensions to the current theory.

The findings of the research highlight the importance of clear, concise and immediate communication between organization and customers. The results support the symmetry of customer requirements and customer feedback in the implementation of inter-functional coordination and communication system. The research put the emphasis on the needs of both internal and external data, which play a major part in the transformation process together and the unification of organizational efforts. In another words, communication and information management is fundamental to “across-the-board” or inter-department connection. The customer orientation culture that was cultivated during the research period empowers the stakeholders to disseminate knowledge and intelligence while delivering added value to customers. When effects of customer orientation were received by students, students coordinated their goals better, were more committed and developed self-awareness.

On the management level, the collected data illustrates the commitment that stakeholders exhibit when the company directly addressed customer requirements. By articulating and deciphering customer requirements, the company could easily evaluate outcomes and make improvements based on statistics and data rather than on intuitions. The systematic analysis of internal customers (customer knowledge) and external customers (market intelligence) cultivated a customer culture that was dedicated to satisfying various customer requirements, especially those with competing priorities. The analysis framework helped the company address internal conflicts directly, thus reducing tensions and possible risks. The transformation process specialized organizational functions to meet cohesive performance requirements. By interlocking customer needs and requirements, employees can connect with customers and other stakeholders on a deeper level, in turn improving the communication process and staff-to-staff support. The research shows that inter-functional coordination and customer communication should be directed by prioritized, personalized, and empowered customer needs.

The research emphasized the importance of market intelligence. It proves that market intelligence, along with customer knowledge, is greatly needed in the completion of transformation process. At the same time, the research discovered the link between customer data, external stimuli and the role of customer knowledge in the process of customer orientation. When properly administered, the use of internal and external data is standardized in a way that discussions are driven by information rather than personal opinions. This helps stakeholders gain a sense of control and respond more proactively to a demanding environment. Once the implementation of customer orientation has felt into place within the entire organization, students seemed to be more in charge of their learning. The research suggests that additional researches could be made on the effects of customer orientation on employee empowerment, senior leadership and performance assessment.

Although the official research period was 6 months, the author has been with the company since its establishment in 2015 and has been observing the transformation process over the course of three years. It is evidence that there is a sense of confidence and control displayed by management, staff and students at the company. Everyone knows exactly what role they play in this transformation process. The precise handling of customer knowledge, clearly defined expectations, and inter-connected operational efforts are conducive to the successful implementation of customer orientation in the organization.

On a personal remark, the author strongly believes in the power and prestige of the customer orientation marketing concept, which was proven and reinforced by this research. The concept can be considered an evolutionary philosophy applicable for every organization. Observing the transformation process at the case company showed that positive changes could be made if customer orientation was appropriately adapted, even in a rather unusual context.

## 6 CONCLUSION

### 6.1 Validity of the research

The research was conducted using data from customer survey for quantitative research and data from personal interviews for qualitative research.

The customer survey was distributed on two formats: online survey and on-site paper survey. A population of 198 was regulated by the total number of students documented in the case company's record. Each student presumably has one respective parent taking part in the survey. This means the population of 198 represented the exact number of customers the company had at the time of research. Therefore, the data collected is valid in this event.

As the research population was 198, a standard sample size of 131 respondents was calculated, presuming a confidence level of 95% and a margin error of 5% (Sample Size Calculator, 2019). The customer survey had 104 respondents by the time it was closed. From the total number of survey respondents and the sample size, a response rate of 79.4% was calculated using the formula:  $\text{response rate} = (\text{number of respondents} / \text{sample size}) * 100$ . The 79.4% response rate from the customer survey ensures that the findings deducted from the quantitative research are reliable.

For qualitative research, the interviews and discussions with different stakeholders of the case company provided insights and data supporting the findings of this research. Three different questionnaires were developed for three different research groups (customers, employees and managers) in order to obtain the most accurate, specified and customized information. The purpose of the questionnaires was to get relevant data concerning the company background, historical performance, current operation and level of customer orientation. All data was collected from reliable sources and is up-to-date, ensuring the validity of the research.

## 6.2 Evaluation and recommendation

The analysis framework was modified in a way that was applicable and suitable with the case company. However, further research should be carried out in order to thoroughly establish an effective and frictionless customer orientation. As mentioned from the start, the research only concerned the first two steps of the marketing process, meaning this paper is not a completed marketing program for the case company.

On the other hand, due to page limitations, the research did not offer theoretical and practical contributions regarding factors such as risk management, conflict settlement, rules and regulations... The author supports their importance, but acknowledges that it is impossible to discuss all of these aspects. Therefore, the research should not be considered all-inclusive and fully-developed.

Even though the research results contribute to the customer-orientated philosophy, the author could neither objectively assess the reliability of such contributions nor accurately correspond the proposed framework with practical outcomes of the research. The findings of the research are not guaranteed to be valuable in certain context, which provide opportunities for further developments.

Suggestion for other researchers is to consider service providers, especially non-profit organizations, as targets for application of customer-orientated marketing. The needs for extension of theory in this area are significant while the number of literature and researches are limited.

## REFERENCES

Anderson E. W. & Mittal V., 2000, *Strengthening the Satisfaction-Profit Chain*, *Journal of Service Research*, Vol. 3, No. 2, pg. 107 - 120

Bhasin H., 2018, *Customer-orientated Marketing*, Marketing Management, Marketing91, [online] Available at: <https://www.marketing91.com/customer-oriented-marketing/> [Accessed 22 November 2018]

Creative Research Systems, Sample Size Calculator, [online] Available at: <https://www.surveysystem.com/sscalc.htm> [Accessed 04 December 2019]

Daft R., 2009, *The new era of management*, international edn., South-Western, US, pg. 241

Darman S., Bayar M. & Aree M., 2012, *Determine the Role of Customer Engagement on Relationship Quality and Relationship Performance*, *European Journal of Business and Management*, Vol. 4, No.11, pg. 27-36

Drucker P. F., 1954, *The Practice of Management*, Harper & Brothers, New York

Ghauri P. & Gronhaug K., 2010, *Research Methods in Business Studies*, 4th edn., Prentice Hall, London

Grönroos C., 1989, *Defining Marketing: A Market-Oriented Approach*, *European Journal of marketing*, Vol. 23, No. 1, pg. 52-60

Grönroos C., 1994, *Toward a Relationship Marketing Paradigm*, *Journal of Marketing Management*, No. 10, pg. 347-360

Hanoi Promotion Agency, People's Committee of Ha Noi, *Quy mo dan so va dien tich 30 quan, huyen cua Ha Noi*, [online] Available at: <http://hpa.hanoi.gov.vn/dau-tu/thong-tin-dau-tu/ha-noi-va-nhung-con-so/quy-mo-dan-so-va-dien-tich-30-quan-huyen-cua-ha-noi-a2144> [Accessed 02 December 2019]

Heskett J. L., Jones T. O., Loveman G. W., Sasser W. E. Jr & Schlesinger L. A., 1994, *Putting the service-profit chain to work*, *Harvard Business Review*, Vol. 72, No. 3/4, pg. 164-174

Huber G. P., 1991, *Organizational learning: the contributing process and literature*, *Organization Learning*, Sage, Newbury Park, CA, pg. 124-153

IATA, Home, Publications, Economics, Fuel Price Monitor, *Jet Fuel Price Monitor*, [online] Available at: <https://www.iata.org/publications/economics/fuel-monitor/Pages/index.aspx> [Accessed 19 March 2019]

International Trade Administration, Global Steel Trade Monitor, *Steel Exports Report: Russia*, [online] Available at: <https://www.trade.gov/steel/countries/pdfs/2017/q2/exports-russia.pdf> [Accessed 24 March 2019]

Kotler P. & Armstrong G., 2012, *Principles of Marketing*, 14th edn., Harlow: Pearson Education, New York

Kotler P., 1967, *Marketing Management Analysis: Planning, and Control*, 9th edn., Prentice Hall Inc., Englewood Cliffs, NJ

Ma Z. & Qi L., 2009, *Toward an integrated customer knowledge management model: a process-based approach*, Management and Service Science 2009 Proceedings of the International Conference, Wuhan, pg. 1-4

McCarthy E. J., 1960, *Basic Marketing: A managerial approach*, Richard L. Irwin, Homewood Ill

Mikkelsen A. & Grønhaug K., 1999, *Measuring organizational learning climate: a cross-national replication and instrument validation study among public sector employees*, Review of Public Personnel Administration, Vol. 19, No. 4, pg. 31-44

Ministry of Education and Training, 2018, *Thong ke*, [online] Available at: <https://moet.gov.vn/thong-ke/Pages/thong-ke.aspx> [Accessed 04 December 2019]

Motowidlo S. J., Borman W. C. & Schmit M. J., 1997, *A theory of individual differences in task and contextual performance*, Human Performance, Vol. 10, No. 2, pg. 71-83

Mouton J., 2001, *Theory, metatheory and methodology in development studies: A heuristic framework*, Development Theory, Policy, and Practice, pg.11-26

Mukerjee, K., 2013, *Customer-oriented Organizations: a Framework for Innovation*, Journal of Business Strategy, Vol. 34, No. 3, pg. 49-56

Ndlela, L. T. & du Toit, A. S. A., 2001, *Establishing a knowledge management programme for competitive advantage in an enterprise*, International Journal of Information Management, Vol. 21, No. 2, pg. 151-165

Porter M. E., Jan 2008, *The Five Competitive Forces that Shape Strategy*, Harvard Business Review, Vol. 86, No. 1, pg. 78 – 93

Reichheld, F. F., 1996, *The Loyalty Effect*, Harvard Business School Press, Boston, MA

Saxe R. & Weitz B. A., 1982, *The SOCO scale: a measure of the customer orientation of sales people*, Journal of Marketing Research, Vol. 19, No. 3, pg. 343-351

Saunders M., Lewis P & Thornhill A., 2016, *Research Methods for Business Students*, 7th edn, Pearson Education Limited, Harlow, pg. 5

Storbacka K., 1994, *The nature of customer relationship profitability: analysis of relationships and customer bases in retail banking*, Doctoral Thesis, Swedish School of Economics and Business Administration, Helsinki.

Wang, M., 2012, *How does the learning climate affect customer satisfaction?*, Service Industries Journal, Vol. 32, No. 8, pg. 1283-1303

Zahari, A. S. M., Rahman, B. A., Othman, A. K. & Wahab, S., 2013, *Investigating the relationship between customer knowledge management and knowledge sharing among insurance companies in Malaysia*, Asian Social Science, Vol. 9, No. 10, pp. 60-70

Zhou K. Z., Brown J. R. & Dev C. S., 2009, *Market orientation, competitive advantage, and performance: a demand-based perspective*, Journal of Business, Vol. 62, No. 11, pp. 1063-1070

Zimmerer T., Scarborough N. & Wilson D., 2008, *Essentials of Entrepreneurship and Small Business Management*, 5<sup>th</sup> edn., Pearson International Edition, US, pg. 90

Wisdom Jobs, Marketing Management Tutorials, *Model of Consumer Buyer Behaviour – Marketing Management*, [online] Available at: <https://www.wisdomjobs.com/e-university/marketing-management-tutorial-294/model-of-consumer-buyer-behaviour-9322.html> [Accessed 19 April 2019]

World Education News + Reviews, November 2017, Asia Pacific, *Education in Vietnam*, [online] Available at: <https://wenr.wes.org/2017/11/education-in-vietnam> [Accessed 04 December 2019]

## Questionnaire Guideline for Teachers, Staff and Management

*\*Appropriate modifications were made during the interviews*

Are you working with other people (teachers, managers, staff...) in servicing the customers? Please describe how you are working together and what is being done?

Do you think customer satisfaction has increased with the company's efforts? How has this increase customer satisfaction affected the performance of the company?

How would you describe what is going on here at the company?

What do you think your students' needs are?

What do you think the parents' needs are?

Over your time at the company, have you seen the needs, expectations and requirements of students and their parents change? In which ways?

How do you think the company is doing in term of meeting customers' needs?

Can you give me some examples of programs that have been instituted at the company?

In term of customer orientation, in which aspects you think the company is doing well?

In which aspects it is not doing well?

What effects do these customer-orientated efforts have on people here at the school (teachers, staff, students, parents...)?

What do you think facilitates the customer-orientated initiatives in the company?

Are you facing any difficulties or obstacles during the process? Are there any people that help you understand this?

Since you started here, has your understanding of your customers' needs and requirements changed? How?

How do you think the students and parents benefit from these customer-driven efforts?

Have you notice any positive changes in the company once it start to care for customers in such way?

Do you feel like you understand your students/parents? Do you feel like you connect to them on a personal level?

How has your understanding of customers changed since the company started its customer-orientated initiatives?

Has this affected how you interact with customers and how you do your job?

Has this affected the way the company operates? How so?

How do you assess the communication process here between parents and teachers?

Parents and management? Staff and management? Staff and staff?

Are people working together to better service the customers?

you describe the decision making process here at the company?

Where do you often get information from?

Can you provide some examples of the sources of information you use?

What do you think could be further improved to help meeting the customer requirements?

*\*Exclusive questions for management (director and managers)*

In term of setting a customer-orientation mindset, what do you think is important to make the impact for your teachers/staff?

How do you keep your staff in sync with the vision of a customer orientation that you have here?

How do you encourage your staff/teachers to interact with customers?

How do you reward or discipline your staff/teachers in accordance with their customer-orientated initiatives?

What do you group customers according to (characteristics, profitability, needs and requirement)?

How do you customize the services according to the personal requirements of the customers?

Do you have different marketing communication strategy for different customer groups?

Do you actively seek new customers or concentrate on existing customers? Do pursue profitable customers?

How do you monitor and manage the customer relationship?

**Questionnaire Guideline for Customers (parents)**

What do you think of the program offered by the company?

Do you feel like the program matches your kid's ability? Do you think the program is beneficial for your child?

How would you describe the services your child receives here?

Do you think that your child receives all the guidance and support he needs?

Do you feel like the program is beneficial to your kid and keeps he/she interested in learning?

What do you think about the support services here at the company?

Are you kept up-to-date with your child's progress? Are you informed of his/her performance in classes?

Do you feel like your opinions and feedbacks are listened to and taken into consideration?

What do you think of the overall communication process here?

What do you think about the learning environment here? Does it feel safe? Do you feel welcomed?

Do you feel like the teachers and staff is willing to assist you? Are they always up for discussion?

How would you describe the relationship you have with the teachers? The staff? The director and managers here at the company?

Do you feel like you have any sayings and influence on the content and direction of your child's learning program?

Do you feel like you understand what is going on in your child's classes?

Are you given clear instructions about how to help your child at home? Do you feel like the curriculum in class matches yours at home?

In your opinion, has your child made any improvements since he started at the company?

What do you like about the company? What do you not like about the company?

How satisfied are you with the services here? Do you feel like all your needs and requirements are met?

In all aspects, what do you think the company should improve on?

**CUSTOMER SURVEY**

## 1. Age

	Frequency	Percentage
<25 year olds	2	1.92%
25-30 years olds	23	22.12%
30-35 years olds	37	35.58%
35-40 years olds	31	29.81%
>40 years olds	11	10.58%
Total	104	

## 2. Gender

	Frequency	Percentage
Male	8	7.69%
Female	96	92.31%
Total	104	

## 3. How old is your child?\*

	Frequency	Percentage
<7 years old	11	10.58%
7-8 years old	23	22.12%
8-9 years old	29	27.88%
9-10 years old	27	25.96%
>10 years old	14	13.46%
Total	104	

## 4. Which school does your child currently attend?\*

	Frequency	Percentage
Trung Tu Elementary	21	20.19%
Cat Linh Elementary	11	10.58%
Kim Lien Elementary	19	18.27%
Phuong Mai Elementary	17	16.35%
La Thanh Elementary	10	9.62%
Xa Dan Secondary	9	8.65%
Other (+8)	17	16.35%
Total	104	

## 5. How did you come to know Phuc An?

	Frequency	Percentage
Social Media	18	17.31%
Website	7	6.73%
Advertisements	14	13.46%
Other's recommendation	53	50.96%

Other	12	11.54%
Total	104	

6. What are the program(s) your child is currently participating in?\*

	Frequency	Percentage
Autism Program	18	11.84%
Art Class	39	25.66%
Art Therapy	22	14.47%
ICT	21	13.82%
Language course	27	17.76%
Interpersonal skill development	25	16.45%
Total	152	

*Number not totaling 104 because participants may select more than one option*

7. On a scale of 1 to 5, how satisfied you are with overall services provided by Phuc An Education (with 1 = highly dissatisfied and 5 = highly satisfied)?

	1	2	3	4	5	Total
Frequency	0	0	19	57	28	104
Percentage	0.00%	0.00%	18.27%	54.81%	26.92%	

8. In term of program content, how much do you agree with the following statements?

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
The program is well-constructed and practical	0 0.00%	4 3.85%	22 21.15%	51 49.04%	27 25.96%
The program is suitable and beneficial for my child	2 1.92%	8 7.69%	32 30.77%	36 34.62%	26 25.00%
The program follows my child's progress and learning abilities	3 2.88%	7 6.73%	31 29.81%	39 37.50%	24 23.08%
My child receives the instructions and support he or she needs	2 1.92%	7 6.73%	28 26.92%	48 46.15%	19 18.27%
The program keeps my child interested and eager to learn	5 4.81%	12 11.54%	34 32.69%	37 35.58%	16 15.38%
My child has a positive and healthy learning environment	0 0.00%	1 0.96%	25 24.04%	55 52.88%	23 22.12%

9. In term of communication, how much do you agree with the following statements?

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
I am kept up to date with my child's progress	4 3.85%	9 8.65%	26 25.00%	39 37.50%	26 25.00%
Communication is kept regular and transparent	3 2.88%	12 11.54%	29 27.88%	39 37.50%	21 20.19%
My requirements and suggestions are listened to	7 6.73%	15 14.42%	25 24.04%	34 32.69%	23 22.12%
I am given useful instructions about how to help my child learn	6 5.77%	11 10.58%	28 26.92%	37 35.58%	22 21.15%
Management and teachers are available and willing to talk	2 1.92%	7 6.73%	31 29.81%	37 35.58%	27 25.96%
The school is receptive of criticism	7 6.73%	10 9.62%	29 27.88%	35 33.65%	23 22.12%

10. In term of support services, how much do you agree with the following statements?

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
Both me and my child is provided adequate counseling and guidance	5 4.81%	8 7.69%	34 32.69%	32 30.77%	25 24.04%
My child is encouraged to take part in extra-curricular activities	8 7.69%	13 12.50%	26 25.00%	33 31.73%	24 23.08%
Supporting staff are competent and helpful	2 1.92%	6 5.77%	30 28.85%	38 36.54%	28 26.92%
The staff is eager in assisting me or my child	4 3.85%	8 7.69%	32 30.77%	35 33.65%	25 24.04%
Student participation program (counselling, co-curricular activity...) is effective	7 6.73%	11 10.58%	33 31.73%	30 28.85%	23 22.12%

There are involvements in community services	9 8.65%	14 13.46%	31 29.81%	28 26.92%	22 21.15%
Support and help is provided outside school settings	3 2.88%	9 8.65%	29 27.88%	35 33.65%	28 26.92%

11. In which area(s) you think improvements should be made?\*

	Frequency	Percentage
Program content	37	18.23%
Curriculum	31	15.27%
Supporting services	11	5.42%
Communication	15	7.39%
Guidance and Counseling	29	14.29%
Staff's attitude and helpfulness	13	6.40%
Premise and infrastructure	30	14.78%
Environment and Safety	10	4.93%
Other (please specify)	27	13.30%
Total	203	

*Number not totaling 104 because participants may select more than one option*

12. On a scale of 1 to 5, how likely you are to recommend Phuc An to other parents?

(with 1 = highly unlikely and 5 = highly likely)?

	1	2	3	4	5	Total
Frequency	3	13	32	36	20	104
Percentage	2.88%	12.50%	30.77%	34.62%	19.23%	

INFOGRAPHICS: VIETNAM EDUCATION (World Education News and Review, 2019)

## EDUCATION IN VIETNAM

### QUICK FACTS

**Population**  
92,700,000  
(2016, World Bank)

**Compulsory Education**  
Officially grade 9

**Language of Instruction**  
Vietnamese

**Academic Year**  
September - June

### GRADING SCALE & U.S. EQUIVALENT

Secondary and Higher Education Grading Scales			
Secondary	WES Conversion	Higher Education	WES Conversion
9 - 10	A	4 (A)	A
7 - 8	B	3 (B)	B
5 - 6	C	2 (C)	C
0 - 4	F	1 (D)	D
-	-	0 (F)	F

### EDUCATIONAL SYSTEM

**Note:** Not all awards or study patterns are included.

### WES DOCUMENT REQUIREMENTS

Required Documents

Secondary Education

Final Examination Results (*Diem Ky Thi Tot Nghiep THPT*) or Provisional Graduation Certificate (*Giay Chung Nhan Tot Nghiep THPT*) – sent directly to WES by the institution attended.

Precise, word-for-word English translations of all documents not issued in English.

Higher Education

Photocopy of graduation certificate or diploma.

Academic transcript - sent directly to WES by the institution attended.

For completed doctoral programs: an official written statement certifying conferral of the degree - sent directly to WES by the awarding institution.

Precise, word-for-word English translations of all documents not issued in English.

### NUMBER OF VIETNAMESE STUDENTS IN THE UNITED STATES

**2014/2015**  
Total: 18,722

Graduate 16%  
Undergraduate 66%  
Other/OPT 18%

Source: IIE Open Doors Data, 2014/2015

**2015/2016**  
Total: 21,403

Graduate 15%  
Undergraduate 67%  
Other/OPT 18%

Source: IIE Open Doors Data, 2015/2016

[wenr.wes.org](http://wenr.wes.org)