

Product Customization: New Era of Product Development

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ABSTRACT

Globalization and the Internet have made the world a very small place to live in. Consumers not only have a variety of brands to choose from but also a variety of products under the same brand. With the wide range of product lines catering different market segmentations and meeting the needs of every customer is now easy. Companies today launch not only just one product but a number of variants of the same products to suit the customer's preference of different segments. The times are changing and with this companies are shifting over customization of products in order to stand strong in the market and achieve greater amounts of customer satisfaction.

Key Words: customization of products, consumer satisfaction, new product development

INTRODUCTION

"It's better to have quality than quantity", is what we say, a quality product will last for a longer time in the minds of the customers. As it will provide a greater amount of customer satisfaction, high quality product, meets the customer's needs. During the time when Maggie faced a crisis with its noodles, it was able to revive itself back into the market only on one condition and that was consumer loyalty. Today with Multinational Brands entering different markets and large amounts of competition, it is difficult to sustain a loyal customer. A consumer will be loyal only when he/ she are satisfied. Today with the changing times the meaning of satisfaction has also changed. The demands of consumers have increased and meeting their demand to the point is when customisation is something that can solve the problem. This paper focuses on understanding the emerging era of product customization with the help of case studies. The attempt is made to understand the opportunities and challenges in this emerging era.

CONCEPTUAL FRAMEWORK

- **The Production Concept-** Emerges from production orientation. This was in the olden days when the consumers only had to buy from the products available in the market. The manufacturers assumed that the products that are in mass volume and low in prices was most accepted by the consumers. Product managers assumed that the products available at low prices and are widely available are the products purchased by the consumers. Application of this concept leads to poor quality of product.
- **The Product Concept-** This concept orients on the attributes of the products. The product managers focus on the attributes of the products, improving the quality and technological improvements. The drawback of this stage was that the producers focused only on the products and not on consumer needs.
- **The Selling Concept-** This concept believed that the customers will buy products when persuaded and selling efforts are initiated. The whole focus of this concept was to create sales by persuasion, the drawback of this concept was the assumption that the "Sales happen through persuasion and dissatisfied customers do not complain." In real life situations the ideology does not work and often leads to failure in the business.
- **The Marketing Concept-** Selling focuses on the needs of the customer's whereas Marketing focuses on the needs of the buyers. The marketing concept helps understand the consumer needs and wants and satisfy them with the products and services that consumers seek. This concept has worked as the most successful method in the market, earning economies for the company.
- **The Societal Marketing Concept-** This concept is an extension to the marketing concept. Here the focus is to match the goal of profit maximization with the goal of customer satisfaction. With the growing need of concern towards society this concept focuses on giving in return the best to the society by making marketing relevant to the society.
- **The Product Customization Concept-** product customization arises when the product is tailor made according to the customer's preferences. The likes, dislikes, needs, wants, and all the other preferences are recommended by the customer while making the product. Previously customizations were made only to a specific category of products and only a certain set of manufacturers could do the needful, but today with the help of E-commerce customization of

products are taking place. The customization provides a great amount of satisfaction to the customer. The product developed is based on the term “made-to-order” or “Tailor Made”.

REVIEW OF LITERATURE

In an article by Aviva Freudman in the New York Times stated that all businesses today are sifting to customize products to extend their product lines. Companies that have just entered the market to companies that are already pioneers in the market are now starting to use this strategy. Freudman stated that there is a huge shift in the business today right from social to cultural, economic to technology. **Wiivv**, a Canadian sportswear company manufacturers footwear i.e., sports shoes based on the footprint of every customer based on the scan the customer creates on the manufacturers Application. The company started in 2014 and is now making business in billions. Their revenue has turned into 6 digits. The company also personalities the name of customers on their shoes.

Similarly, many companies are now using 3D printers to create every type of products possible from Appalled to jewellery, medical implant, pharmaceuticals steel all are undergoing mass customization with these changes in the market and increasing demand big brands also have to offer the same due to competition pressure.

Rae Witte, in her article “Three brands taking customization beyond personalization to treat yourself with.” On Forbes; shared example of 3 such brands that have created customization is, money demanding task but satisfaction is guaranteed.

Hawthorne, launched in the year 2016 is a New York based brand that creates perfumes based on customers, diet, lifestyle, habits and body chemistry; the data is collected on the Website and each user is offered 2 cents for work and for play, created by top fragrance created. The cost of the scent is around \$100 and the products are replaced till the time the customer finds the right fragrance that suits them.

Function of Beauty is a personalized hair care brand that provides products based on a questionnaire filled by the customer. The question contains concerns like hair type, colour and scent preferences. A section also includes the hair goals one wishes to achieve such as frizz free hair, colour protection, deep cleaning etc. Function of beauty offers guaranteed products, each product filled individually when an order is placed. Another product is replaced in case the customer is not satisfied with the product at first.

BAUME, launched in the year 2018 offering customized watches as per the customers interest. The watches are sustainable and one can select the shape size, colour, frame, material and even material of bands, each option has more than 2000 varieties to choose from. As there is customization to switch according to their choice.

STATEMENT OF PROBLEM

The needs and demands of the consumers are rapidly increasing. New set of items are adding to their basic needs. Consumer's today have become very picky about the products they choose as they look forward to products and services that suit their needs and lifestyle. A consumer buys a product to satisfy psychological needs of looking good, or consuming good or buying good quality products. And when a brand provides a product which can be altered or customized according to their choice is like a cherry on the cake. We have seen examples of car modifications where the company assists the customer to modify a certain set of accessories in the car like seat covers, lights, etc. but when we talk about soaps being customised or cosmetic products being customized it goes beyond imagination. There is an increase in brands creating customized products right from sofa, interiors, clothing, soaps & toiletries to beauty products, gifting crockeries to bedsheets. Today what not can be customised? We are happy to have customized mobile covers to customized mobile phones today made of Gold. With the increasing customization there is an increase in demand, customers are ready to pay any amount if they are able to get the product of their favourite brand developing a product specially for an individual. This is a rising concern for many companies whereas adding USP to others. This study aims at understanding the challenges and opportunities that Customization of products brings into the scene.

OBJECTIVE OF THE STUDY

1. To understand the concept of product customization.
2. To understand the difference between customization and personalization.
3. To understand the opportunities and challenges in product customization.
4. To study the prospects of product customization.

5. To provide conclusions and suggestions to the study

SIGNIFICANCE OF THE STUDY

This study will be helpful for the manufacturers to understand the upcoming trends in product development. It will also help them to understand the opportunities and potential scope in their products. This study will also be helpful to the marketing Agencies and Advertising agencies to understand what and how they are expected to promote the products. It will also be helpful to the candidates seeking employment as customized products will lead to more employment opportunities.

RESEARCH METHODOLOGY

The researcher will use the secondary data for the research. The sources for the secondary data are E-Journals, Articles, blogs, E- Newspapers, reference books etc. The research will be elaborated with the help of a case study in a descriptive method.

ANALYSIS

CUSTOMIZATION VS PERSONALIZATION

Both are often used as synonyms by people but in practical sense both are different, they both perform different functions. Let's say for an example when we visit Starbucks the coffee that we order the waiter writes our name on it- that is personalized, but when we order a latte with no sugar, hazelnut flavour and whipped cream on the top- that is customized. In other terms customization happens when the inputs of the customer are considered and the product is created accordingly but personalization is user relevant products or services being offered. Personalization is offered by the company whereas customization is initiated by the customer.

CUSTOMIZATION THE GROWING CHALLENGE

- Customization is an emerging challenge in the market with competition, leaving no choice for mass producers to shift into customization.
- When every product has to be customised according to individuals' preferences it requires larger technological application, each product has to be worked upon individually which is time consuming.
- Consumer behaviour is very dynamic and you never know what the consumer may ask for. Understanding every individual's preferences is time consuming and a slow process.
- When people pay an exclusively high amount for a product, they expect it to be of a class quality. Also, customers have high expectation due to customization, the consumer has certain set of ideology or imagination which at times also may not be realistic in nature but when the actual product reaches them there is higher amount of satisfaction
- Customization incurs higher cost for manufacturers as best of skills, expertise technologies are needed which are extremely expensive every business has the common risk of failure if not marked properly or if it did not meet the customer expectation, All effort and investment into vain.
- Every customer has difficult demands with respect to the quality and type of product, it is nearly impossible to stock raw material in advance as the producer is unaware of what would be their next order.
- Globalization has made the customer smarter, with a wide range of products available in the market for one specific product it is confuses the manufacturer

ADVANTAGES

- As the products are made for individuals based on specific needs, stocking and warehousing is of the least requirement. It indirectly saves logistics and warehousing expenses for the organization.
- It adds value to the brand and higher level of customer satisfaction.
- The company does not have to waste time and money in continuous research.
- Products made doesn't require bulk purchases. The manufacturer can buy only what is needed, reducing the wastage of excess product.

- It helps the company to develop brand equity and nurture the brand for a longer period in the Market.
- It helps the company beat competition in the market. As it helps the brand to stay updated with what to expect next.
- It has been helping brands and the products to stand out in the crowd and that's where it is taking over the attention of new customers.

FUTURE PROSPECTS OF PRODUCT CUSTOMIZATION

“Customization is Here to Stay!” When the customer is given personal attention, the product created according to the customer's choice gives a better experience. Function of Beauty and Hawthorn has been successful in creating better experience. Similarly, the wiiiv Sportswear were able to produce products which were customized according to individual foot size and width. They were able to deliver a better-quality product that suited every individual's needs and the customers did not have to compromise their experience to any extent.

There are a number of brands that are today coming up with customized products and the growth has been seen in that industry. More and more companies are adding another product line to their Product mix by doing customization. India is also now acknowledging personalized products. Soon shall be taken over by customization. Pandemic has given birth to homegrown entrepreneurs and today more and more people are using their creativity as a source of business right from customised Nameplates to hand painted dupattas, customised passport wallets and much more to explore from. Customers like to follow the trend and when they can achieve a product that can showcase their personality it attracts more customers.

As it creates product differentiation, it is a level up for the customers to add attributes of their choice to the products of the. Which in turn increases brand loyalty and helps sustain the customers. Previously the companies have been striving hard to give value added benefits to its customers, provide number of services for creating experience which incurs extra cost, efforts and time but with customization the product itself creates the whole experience for the consumers cutting down all additional expenses again encouraging the manufacturer to focus only on the product rather than additional marketing services. This ideology will motivate more manufacturers to enter the market.

The future is technology and CAD based systems, 3D systems will help manufacturers to develop products more efficiently and easily again as a bonus to manufacturers to invest less and receive more profits.

With the growing demand for Artificial Intelligence adds boon to customization, customers can order products and services with the help of chatbots and other artificial intelligence mechanisms like 3D image, Customers can view themselves using the products, so that they can decide whether the product suits them or not.

CONCLUSION

We have seen the transition from the societal marketing era to Personalization where the customers data is taken and preferences are modified accordingly, products adding Name and choice of colour of the customer has been a very successful strategy. Netflix, YouTube are really good jobs, to add to it even coca cola- “Share a coke” has used this strategy to add individuals' names on the bottle sticker. To conclude it is observed that consumers are liking the concept of Personalized and custom products, but there is a greater demand for customised products that can be predicted as personalisation is offered from the company where as customisation happens according to the customer's choice. In past few years we have seen a great demand for personalized gifting products from Mugs to keychains etc, but now we are witnessing brands like Bare Anatomy creating customised hair care products, LANCÔME with cosmetic products, BAUME with watches, Louis Vuitton with custom run-away sneakers, Nike has also come up with the same strategy.

With the examples shared it can be seen that most of the brands that have come up with this strategy are not really old in the market, yet they have done exceptional jobs and prospered their revenues. With the increasing demands of the customers, it can be said that more and more customers will soon look forward to customised products in all spectrums.

SUGGESTIONS

- Companies must conduct SWOT analysis of their products with their competitor's products so to understand where they stand.

- Companies should be ready to adopt new production and marketing strategies in the market.
- Extension of product lines can be done with product customization and mass customization can be considered to be safe for the future changes in the market.
- Use of Artificial Intelligence, Virtual Reality and Augmented Reality are emerging tools to marketing products which will be very helpful to brands when we talk about product customisation.
- It is a must for every company to update themselves according to the changing environment in order to survive in the market.

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