

**THE DEVELOPMENT AND OPTIMIZATION
OF THE CHANNELS THAT HELP CUSTOMER SEGMENTS
FIND THE VALUE PROPOSITION AT SILVERINE CLINIC**



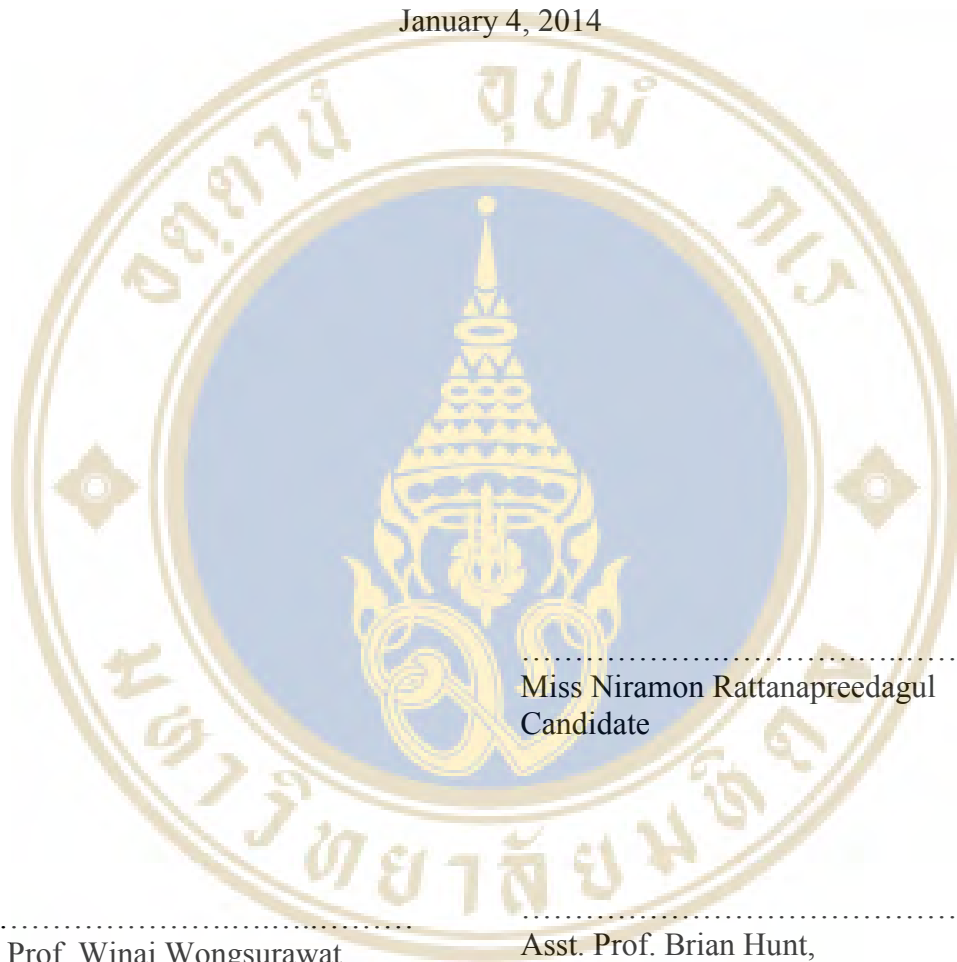
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entitled
**THE DEVELOPMENT AND OPTIMIZATION
OF THE CHANNELS THAT HELP CUSTOMER SEGMENTS
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M.M. (INNOVATION IN MANAGEMENT)

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ABSTRACT

There is aggressive competitiveness in the beauty and personal care industry in Thailand which affects Silverine Clinic, Skin and Body Rejuvenation and Laser Center, needs to add value to the brand for distinguishing itself apart from competitors and maintain sustainable growth by developing and optimizing channels that help customer segments find the value proposition. This study provides the recommendations of what perceived value needs to be added in the business processes through understanding of how the customers perceive value of products and services and how the clinic communicates the brand to its target customers.

The method used is qualitative analysis to identify and explain customers' behavior, satisfaction and expectation, brand communications tactics with the five steps that customers make their purchases and four brand touchpoints concept.

The findings indicated that Silverine Clinic delivers value through skillful diagnosis and treatment only done by dermatologists, high standard of product quality, truly nice services, premium price, and luxurious physical clinics.

The recommendations are offered some tactics for helping Silverine Clinic improves the value proposition to its customers by arranging knowledge creation session for coaching new knowledge and giving some suggestions to the employees, creating complementary product chart, sending patient treatment result, making ready-made menu for foreign customers, and building the official website. These could create the competitive advantages which result in customer loyalty and long term profitability.

KEY WORDS: VALUE PROPOSITION/ ADD VALUE/ CUSTOMER PERCEIVED VALUE/ TOUCHPOINTS/ BEAUTY INDUSTRY

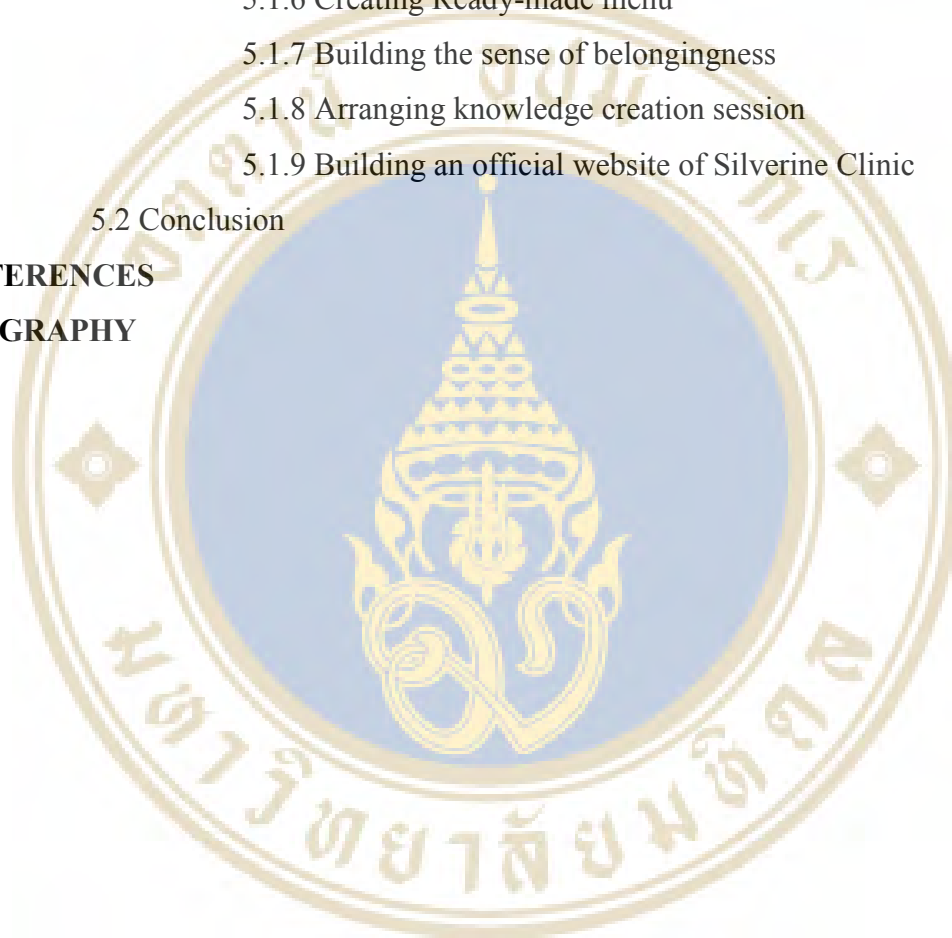
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CONTENTS

	Page
ACKNOWLEDGEMENTS	ii
ABSTRACT	iii
LIST OF FIGURES	vi
CHAPTER I RESEARCH BACKGROUND AND OBJECTIVES	1
CHAPTER II LITERATURE REVIEW	5
CHAPTER III METHODOLOGY	8
CHAPTER IV RESEARCH FINDINGS	12
4.1 Understanding the behavior, satisfaction and expectation of customer segments	12
4.1.1 Actual potential target customers and behavior	13
4.1.2 Target customer feedbacks, satisfaction, and expectation	14
4.2 Brand communications which Silverine Clinic uses for delivery value to its customer segments	17
4.3 Four main limitations of work processes at Silverine Clinic	20
4.3.1 High turnover rate of personal beauty consultant	20
4.3.2 Personal beauty consultants do not understand how to efficiently sell the products	20
4.3.3 Personal beauty consultants only selling expensive treatment courses	20
4.3.4 Personal beauty consultants cannot provide precise basic product description to foreign customers	20
CHAPTER V RECOMMENDATIONS AND CONCLUSION	22
5.1 Recommendations	22
5.1.1 Demonstration of real customer reviews	22
5.1.2 Creating standardize work process flows	23
5.1.3 Making the price of products looks inexpensive	23

CONTENTS (cont.)

	Page
5.1.4 Designing complementary product chart	24
5.1.5 Sending patient treatment result	25
5.1.6 Creating Ready-made menu	26
5.1.7 Building the sense of belongingness	26
5.1.8 Arranging knowledge creation session	27
5.1.9 Building an official website of Silverine Clinic	28
5.2 Conclusion	28
REFERENCES	30
BIOGRAPHY	31



LIST OF FIGURES

Figure		Page
1.1	Business model of Silverine Clinic	3
1.2	The organization of this thematic paper	4
2.1	The four modes of knowledge creation based on Nonaka's theory by Ractham (2013)	7
4.1	Five steps that customers make the decision to purchase Silverine's products and services based on Turner's concept by author	12
4.2	Two groups of customer segments of Silverine Clinic	14
4.3	Two branches of Silverine Clinic	18
4.4	Silverine's product packaging	19
5.1	Reviews of filler injection from aiwa.bloggang.com by Khun Wa	22
5.2	Work process flows of Silverine Clinic	23
5.3	Complementary product chart	24
5.4	Patient treatment result	25
5.5	Ready-made menu for foreign customers	26
5.6	The four modes of knowledge creation session based on Nonaka's theory by author	27
5.7	Four brand touchpoints of Silverine Clinic applied from Allographics & Design by author	29

CHAPTER I

RESEARCH BACKGROUND AND OBJECTIVES

Presently, consumers have become more health conscious and would like to be beautiful and good looking by purchasing treatment courses from the quality beauty service providers. These trends would stimulate the total market value of beauty and personal care industry in Thailand is worth around 20-30 Billion Baht and specialists estimate an annual percentage growth rate is around 15-20 percent (Thannews, 2013). With the huge market size draws many players need to grab the opportunities in this market leading to aggressive competitiveness and creating lots of choices to the consumers. Companies must continue to strive for greater adjusting themselves to these conditions.

Silverine Clinic, Skin and Body Rejuvenation and Laser Center, provides healthy and dramatic solutions to improve skin health and make the customers have good looking appearance from personal identity with reasonable price through various types of treatment courses. As a premium skin lovers' consultant which currently generates total revenue around 3 Million Baht per month (R. Siriwattanagate, personal communication, November 1, 2013). The crucial factor driving Silverine Clinic is continually growing is word of mouth from the existing customers who satisfy and obviously see the visible skin results. Today, it has already been opened 2 branches in the Paseo community mall (*in the process of rebranding from Sirita Clinic to Silverine Clinic*) on Onnuch-Suvarnabhumi Road and the Promenade on Ramindra. There are operated by 2 dermatologists and 8 personal beauty consultants.

Silverine Clinic offers several different types of treatment courses that cover several skin conditions. They are classified into 9 courses as follows:

1. Acne and Contact Dermatitis treatments: clear up acne and dramatically reduce acne scarring by using high-tech laser treatment combined with pore-purifying technology; skin is purified from the inside and out and leaving customers' complexion clearer for longer.

2. Freckles, blemishes, age spots and whitening treatments: remove or lighten most freckles, spots, spider veins, and dark circles by beam laser of high-energy light that can be precisely controlled. It can remove veins and blemishes with little or no effect on surrounding skin.

3. Wrinkle reduction: stimulates collagen production and produces a firming effect in loose skin. Mild to moderate wrinkles are resolved and skin texture becomes smoother and more elastic. Silverine's laser is safe and effective solutions for all skin types without pain.

4. Face slimming: slims face and has a V shaped face since the current trend of the young generation is to have small face and slim face by reducing plump cheeks, jaw angle, and make face smaller and thinner in various ways. At Silverine Clinic, it offers non-surgical treatment with Botox injection to achieve customers' desired V-shape faces.

5. Skin tightening and lifting: lift, tone, and tighten loose skin on the brow, neck, and under the chin by using the safe, time-tested energy to stimulate the deep structural support layers of the skin without disturbing the surface of the skin.

6. Hair removal: removes unwanted hair. Laser hair removal effectively slows hair growth.

7. Fat removal treatment: shapes and slims the body by reducing cellulite and firming problem areas.

8. Hair loss treatment: stops hair loss and regrows hair by increasing hair quality, hair thickness and hair growth.

9. Holistic: Silverine's skin care products and business practices are based on a "Holistic" philosophy; an understanding of the way skin works and its relationship with overall health.

More than full-time dermatologists, all medical products, medical equipment and laser machines are essential success factors. These need Silverine Clinic prequalifies suppliers by strictly concerning in the top grade of products and services relating to quality control, on-time delivery, and consistent research and development of products. Moreover, Silverine keeps good relations with landlords for ensuring a good experience as well as giving the clinic a great reference for future rentals.

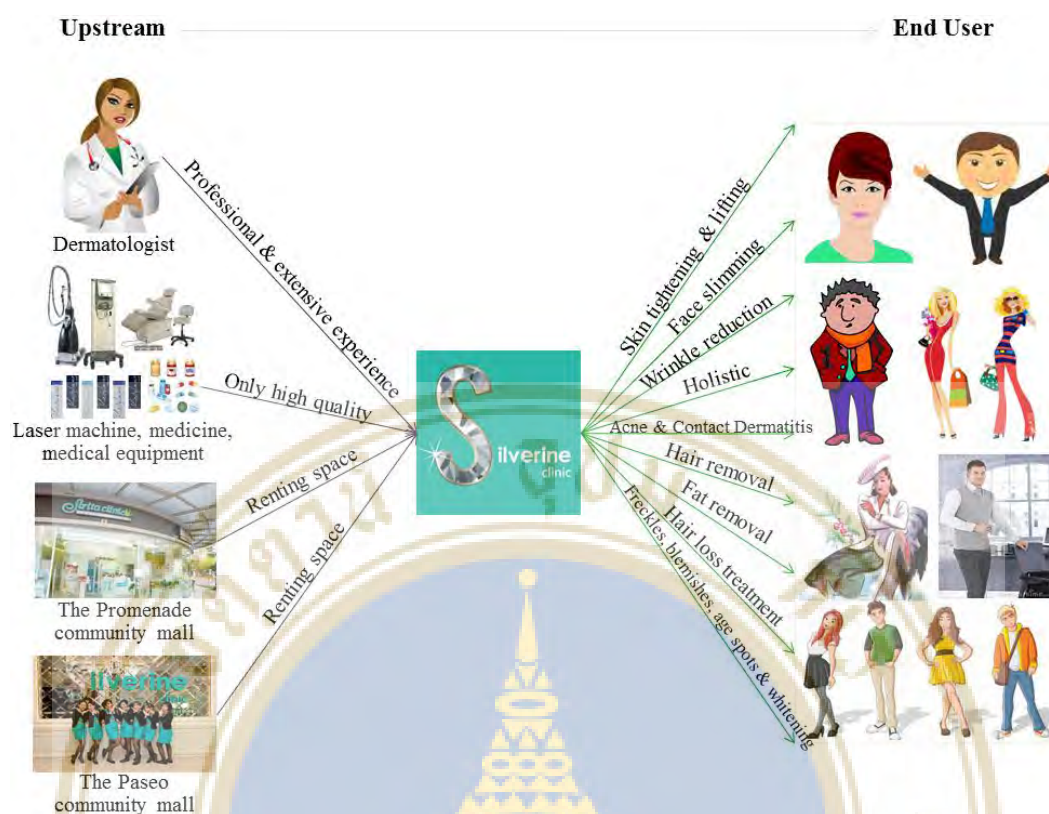


Figure 1.1: Business model of Silverine Clinic

Although, Silverine Clinic has been grown continuously for four years, its brand positioning is not strong in the minds of customers and it cannot maintain consistent revenue. Following the high competitive environment that make most of the players try to differentiate and create their brands with the safety standards of high technology equipment.

Muanmart (2011) found that after taking brand image, location and price of the treatment courses into consideration, there are obvious 4 segmentation of beauty clinics; C to C+, C+ to B, B to B+, and A. From the four segmented market, Silverine Clinic is in the B to B+ segment which most of the clinics serve full services of treatment courses that include laser treatments, and cosmetic surgery. For example, Romrawin Clinic, Meko Clinic, and Cosmetic Surgery Center in some private hospital; Saint Louis Hospital, Nakornthon Hospital, and Yanhee International Hospital. The clinics in this segment are generally located in luxury shopping mall or prime location: Thong Lo and Sukhumvit. The price of treatment courses are more than 10,000 Baht while the basic courses are higher priced than the C to C+ segment approximate to 10 times.

From the above reasons, it is likely that the new path to sustain competitive advantage for surviving in today business is building value to Silverine brand. Therefore, the development and optimization of the channels that help customer segments find the value proposition is a very important aspect promoting long term growth to Silverine Clinic.

The first objective of this study aims to identify how customers come in contact with the clinic and how they perceive value of its products and services. The second objective is to find out how the clinic approaches marketing communications for Silverine brand, and the third objective is served as the recommendations of what perceived value needs to be added to channel mixes to create a meaningful purchase journey and develop the relationship with customer segments to invite them to become the lifetime customers.

This thematic paper is divided into five chapters. The current chapter introduces the research background, brief description of Silverine Clinic, problem statement, and purposes of the study. Chapter two gives the review of related literature. Chapter three describes the research methodology. Chapter four presents an analysis of customers' characteristic, brand communications, and some problems. Chapter five provides the recommendations to Silverine Clinic based on the analysis.

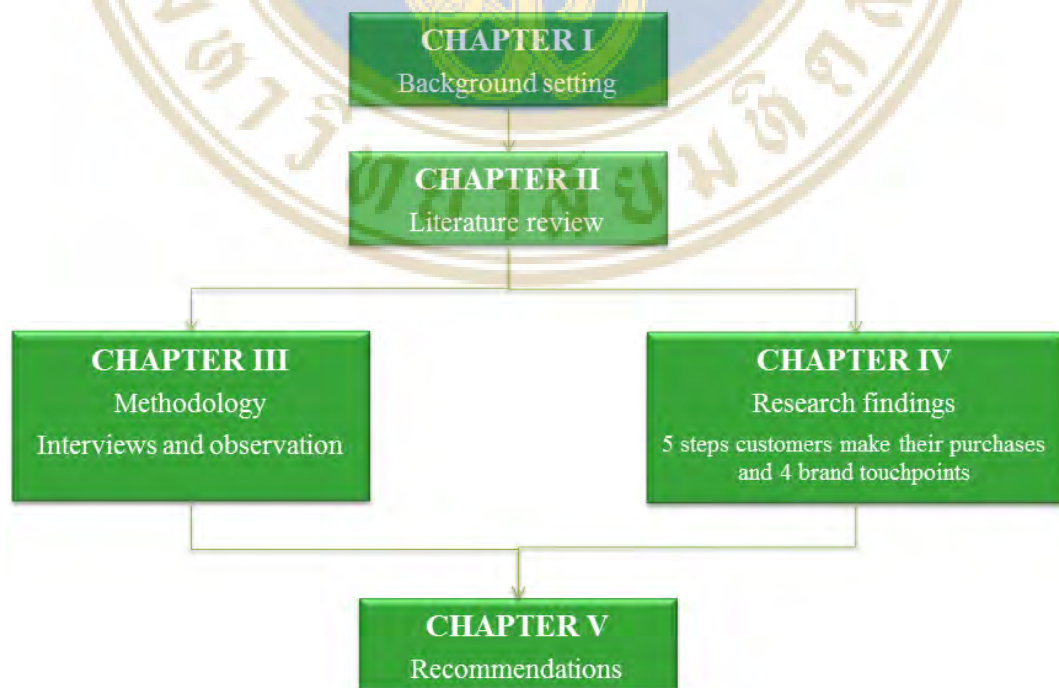


Figure 1.2: The organization of this thematic paper

CHAPTER II

LITERATURE REVIEW

In this part, the relevant management concepts and theories applied in this paper including competitive sustainability strategy, customer filtering, CRM information processing strategies, Customer Lifetime Value Management, Brand Relation Management, and managing knowledge for business performance improvement.

To be successful in any industry today, business must not only continually improve product quality, enhance customer service, and reduce costs. But also maintain a competitive sustainability by differentiation itself apart from its competitors. According to Jootar (2013), *Guerilla attack* is a strategy which business positions itself to focus more on the value adding processes of production and sales. The key success factor of this strategy is segmented customers who are high growth but use small resources to defend.

Not all customers generate profit to the business, so the business had better find out who are the highly profitable customers by consideration for their preference and purchase behavior. Brohman, et al. (2003) found that the company information and database can help it segment the most current potential customers. For instance, types of payment and buying history. This customer filtering method allows the company would obtain three outcomes. The first outcome is an improving customers' satisfaction as the company analyses those kinds of information, so it much understands the customers' behavior and can serve them better products and services. Next outcome is enhancing customer loyalty since the company knows that each customer has a difference behavior. Then, it will provide the suitable product according to his/her preference. The customer might feel good and prefer to stay with this company so long. And lastly outcome is increasing profit to the company because it knows who the most potential customers are and what types of products and services should provide to them that can stimulate the sustainable growth of the company.

Before customers decide to make the payments, their decision processes are based on different reasons. If the business understands which process influences customers make the decision, this condition can help the business prevents them purchase products from other companies. Turner's point (2006) seems to be that when customers make their purchases, they usually do with five steps. The first step is the ***Problem recognition*** which the process that customers need to buy products and services. Next step is ***Information search*** which the process that customers try to gather and seek for information to help them make the decision from talking with their families, peers, and coworkers to learn about their experience relating with the products or services. Later step is ***Alternative evaluation*** which the process customers determine what types of features and benefits are important to them, and then they weight all the various options with the current needs. The fourth step is ***Actual purchase decision*** which the process customers decide to purchase products or services that they need. Finally is ***Post-purchase behavior*** which the process customers determine that they satisfy or dissatisfy their products or services.

Elliot and Percy (2007) claim that brand is seen as a label for something that helps customer knows and feels what a different point making a particular product differs from another product is. In addition, in 2002 Kunde's study of the brand value chain showed that to increase the brand positioning, firms have to focus on brand communications.

The customers can touch the brand in several ways including direct experience, contact with frontline employees, use physical products, or various forms of marketing communications. ***Brand touchpoints*** are the primary method marketers use to identify how customers come in contact with the firm and its products or services. (Schultz and Schultz, 2003). And also, Scott and Michael (2002) undermine the position that touchpoints can be divided into four categories. The first category refers to the points of contact that make customers can remember the business brand into their minds are called ***Pre-purchase touchpoints***: advertising, word of mouth, direct mail, and internet also. Next touchpoints are the ways that make customers purchase the products or services called ***Purchase touchpoints***: physical store, direct sales, and Customer Representative. The third category refers to the touchpoints occurring in the after sales process called ***Post-purchase touchpoints*** such as warranty

and customer satisfaction survey. The last group called *Influencing touchpoints* are indirect touchpoints that help customers impress the brand for example, current and past customers, and analysts' reports from well-known organizations.

In the experience of many other professionals, human resources is an essential factor driving the business success, if the organization can stimulate employees willing to share their existing knowledge together and then create and convert this knowledge into new ideas for serving their customers. These ways could help the organization gains competitive advantage. Ractham (2013) said that one well-known model that facilitates the conversion of knowledge is *SECI model* (Figure 2.1) developed by Nonaka who talks about there are four spiral processes consisted of three levels of learning: individual (I), group (G), and organization (O) that people learn and share the knowledge. The first process, *Socialization*, people acquire knowledge through direct communication. The second process called *Externalization* which the process people translate the tacit knowledge into understandable form. The third process is *Combination* which people transfer the knowledge to others by using information technology. And the last process, *Internalization*, people learn and apply new knowledge in real situation.

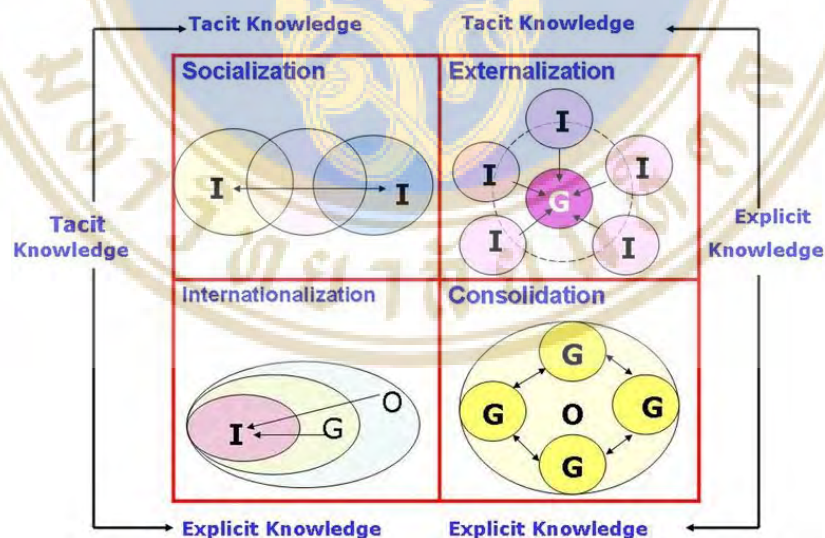


Figure 2.1: The four modes of knowledge creation based on Nonaka's theory by Ractham (2013)

After reviewing the several theoretical works related to perceived value of the customers, it can be said that the above theories are strongly supporting and influencing the tactics that this paper would be designed to help Silverine Clinic adds value to the brand and maintains sustainable growth.

CHAPTER III

METHODOLOGY

This study is a small size with the main objective to recommend the tactics to help Silverine Clinic adds value to the brand and maintains sustainable growth by answering how the customers perceive value of products and services, and how the clinic communicates the brand to its customer segments. Therefore, this thematic paper consists of both secondary and primary research.

The secondary research is shown in some part of research background such as four segmented beauty clinics and literature review that demonstrates the relevant theoretical works and second analyses by experts for example, Guerilla attack strategy, CRM information processing strategies, five steps that customers make the purchases, brand communications, four brand touchpoints concept, and SECI model of Nonaka's theory. After summarized and synthesized all of the theoretical works, the six concepts are used to support in the research findings and recommendation part.

For the primary research is based on interviews with 2 certified professional dermatologists having extensive experience more than 10 years in all skin aspects: Dr. Rungthiwa Siriwanagata who is the founder of Silverine Clinic and Dr. Piyakit Sripiroj. Both of them received their M.Sc. (Dermatology) from Srinakharinwirot University including frequently participating in many International Forums on Dermatology.

To gather in-depth information and can obtain some problems in the work processes, 8 personal beauty consultants are interviewed also because they are one of vital resource that represents the reputation of the clinic. There are 4 employees from Paseo and the others from Promenade branch. Most of them have much experience around 5 years in the beauty and personal care industry and have average 2.5 years work experience with Silverine Clinic. They all must be trained in customer service skills from Dr. Siriwanagata to guarantee that they would serve customers the best service value. Therefore, company background, accounting data, product description

(treatment courses) are primary data will be collected. Furthermore, to receive insightful feedbacks or comments from the customers, 3-4 customers of each branch are selected for the interviews also.

This study is quite far from the researcher's background accordingly direct observation must be taken place in the two branches to see real work processes, understand the clinic characteristic, discover behavior of both Silverine's staffs and customers, and find the potential causes of the problems.

To answer the thematic paper objectives, open ended interview questions are used. The following list of open ended questions is classified into four groups. The first group of questions is used to answer that who the people Silverine Clinic currently sells the products and services to. It has 6 questions as follows:

1. What are the types of customers (age range, income, occupations) usually buy the products?
2. How much revenue does each type of the customers generate to the clinic?
3. What are customers' favorite treatment programs? (Please rank for 2-3 programs)
4. What are things that customers specially request from Silverine Clinic? (Discount, credit payment method, point accumulation)
5. For the irregular customers or new customers, what are the treatment programs that they usually come in to ask for?
6. For the foreign customers, what are the treatment programs they are interested?

The second question group will be used to answer how the customers perceive value of Silverine's products and services. The following questions are:

1. What are the major reasons that customers buy from Silverine Clinic?
2. What do customers think about the price of the products?
3. Is it cheap or expensive when compare to the competitors and what are their reasons for?
4. Who are the competitors that customers often talk about?

The third group of questions is used to answer that how the clinic communicates the brand to its customer segments. There are 10 questions as follows:

1. What are the clinic's strengths or well-known reputation that target customers accept?
2. What are the clinic's weaknesses that target customers perceive?
3. How does Silverine Clinic approach marketing communications for its brand?
4. How does Silverine Clinic like customers to think about it? (Its offers, price)
5. How do the products and services are priced when compare to similar products and services of the competitors?
6. How about Silverine's product quality when compares with other competitors?
7. Why do Silverine's products differ from the competitors?
8. If some customer is not satisfied the product, how does Silverine Clinic solve this problem and does he/she agree with the solution?
9. How does packaging show the customers that Silverine Clinic is in the premium position?
10. Which channel does Silverine Clinic use to communicate about the brand?, is it succeed or not for influencing its target customers to buy the products?, and what are the reasons that make it succeeds or fails?

The fourth question group will be used to guide the recommendations of what perceived value that needs to be added in Silverine's processes. The following questions are:

1. What changes are occurring in how the products and services are perceived?
2. What changes are occurring in the customers' value?
3. What changes are occurring in the customers' lifestyle, image, and status?
4. How is the changing of customers' age range?
5. How are the buying habits of target customers change in the next few years?

6. What are the new reasons and purposes that customers buy Silverine's products and services recently?

7. What are the latest beauty trends relating to Silverine Clinic?

After gathering the data, the qualitative analysis is used to identify and explain the reasons of customer behavior, satisfaction and expectation, Silverine brand communications tactics, and the ways which clinic attracts and retains its customers through six concepts in the literature review.



CHAPTER IV

RESEARCH FINDINGS

This chapter analyses and discusses the research findings from the interviews and observation as described in the methodology of chapter three. The results are classified into three sections. The first section deals with the characteristic of Silverine's target customers. The second section deals with the brand communications approaches Silverine Clinic uses. The third section presents the list of problems that can affect the service processes.

4.1 Understanding the behavior, satisfaction and expectation of customer segments

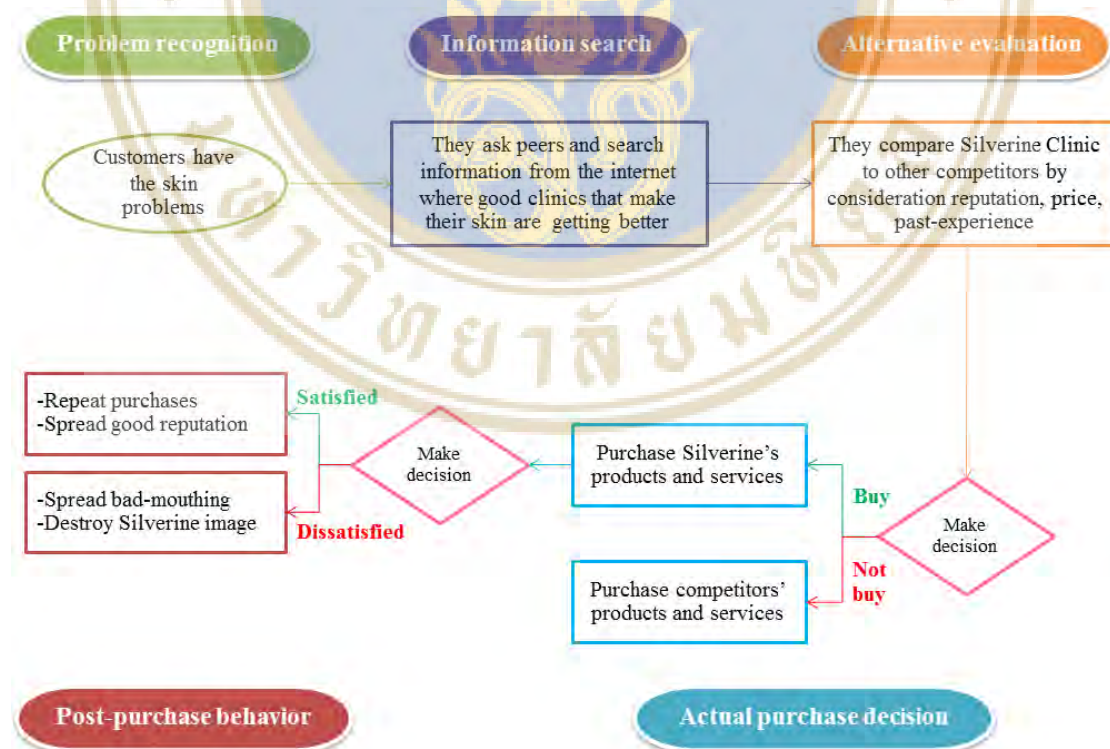


Figure 4.1: Five steps that customers make the decision to purchase Silverine's products and services based on Turner's concept by author

Customers generally make the decision to purchase products and services through five steps (Figure 4.1). When they have the skin problems (*Problem recognition*), then ask friends or familiar people and surf the internet to search information where good clinics can improve their skin are getting better (*Information search*). They will compare Silverine Clinic to other competitors by consideration brand reputation, price, and past-experience from other customers (*Alternative evaluation*). And make the decision to buy or not buy Silverine's products or competitors' products (*Actual purchase decision*). If they have the good experience with Silverine brand, they would repeat purchases and spread good reputation of the brand. Conversely, if they are not satisfied the products and services, they might destroy the brand by spreading bad-mouthing (*Post-purchase behavior*).

4.1.1 Actual potential target customers and behavior

From the personal interviews and consideration of customer transactions and buying history, the target market segments are classified into 2 groups. The first group, mature skin lovers are between 31-60 years old, generates the revenue by 70% of total revenue (R. Siritwattanagate, personal communication, November 1, 2013).

The top selling treatment course that this group of customers usually purchases is skin tightening and lifting: Thermage, Fillers, and Botox, and the second one is freckles, blemishes, age spots and whitening treatments which are priced between 60,000-180,000 Baht. They are in different types of occupations such as business owners, Executive Management Level, private officers, Air hostesses and Stewards (Figure 4.2).

The second group, young potential skin lovers are between 18-30 years old, generates the revenue by 20% of total revenue (R. Siritwattanagate, personal communication, November 1, 2013). The top selling treatment courses is acne and Contact Dermatitis which is priced between 10,000-30,000 Baht. Most of them are students, junior office workers, Air hostesses and Stewards (Figure 4.2).

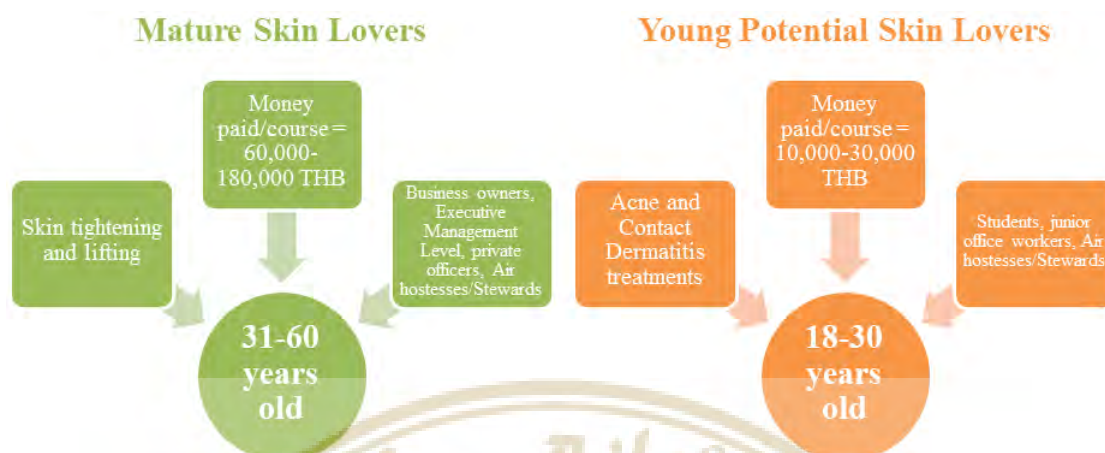


Figure 4.2: Two groups of customer segments of Silverine Clinic

Additionally, another 10% of revenue (R. Siriwattanagate, personal communication, November 1, 2013) comes from irregular customers and foreign customers who come in the clinic because they receive the suggestions from friends and families involving seeing special offers on treatment posters in front of the clinic (*Pre-purchase experience*). For Thai irregular customers are between 20-50 years old, often ask and buy skin tightening and lifting, acne and Contact Dermatitis, and freckles, blemishes, age spots and whitening treatments. In contrast, foreign customers have different preference. For instance, Bruneian likes hair removal and Thermage, Chinese and Hong Kongese prefer Holistic; Stem Cell, and Thermage, Filipinos likes acne and Contact Dermatitis; V-beam and Q-switched laser, Japanese loves skin tightening and lifting, and customers from Europe prefer Botox and facial treatment mask.

4.1.2 Target customer feedbacks, satisfaction, and expectation

The three important reasons that the customers buy the products and services from Silverine Clinic are as follows:

4.1.2.1 Seeing and obtaining the visible skin results (*Post-purchase experience*) that are getting better within short time. They all accept in dermatologists' constant diagnosis the roots of problems. This circumstance is very crucial reason to push the customers spread and share this good experience (*Post-purchase behavior*) to their families and peers which appear from interviews and real observation. Many customers come from same family, same company especially Air

Hostesses/Stewards, and singers/actors, same university, and same village. In contrast, most of the other clinics provide only General Practice Doctor (P. Piyakit Sripiroj, personal communication, October 31, 2013) to serve customers which can easily lead to give wrong and inefficient solutions due to less experience in the skin practices.

4.1.2.2 Feeling safe and touching the real standard of high quality because every treatment step only done by certified professional dermatologists, the 8 personal beauty consultants must only clean make up and prepare customers' skin for receiving the treatment processes from the dermatologists (***Purchase experience***). Whereas, most of the other clinics allow their staffs do some treatment processes; Botox and fillers injection.

Additionally, many customers search extensive beauty information from many sources (***Pre-purchase experience and Information search***); internet, friends, families, magazines, news, and books. When they ask for and get the information such as all Silverine's fillers and laser machines are the famous brands imported from France, Germany, Italy, Japan, and U.S.A. that make them assured in the high quality of products and services.

Silverine's staffs would give the information that laser technologies used in Silverine Clinic are the latest development without causing customers pain involving informing some cautions when they receive laser treatments for instance, Thermage must not do with the people who are Heart Disease, pregnancy, Diabetes Mellitus, and Herpes Zoster. Moreover, after the customers obtained some treatment programs within 2 times without pain and side effects influencing them to easily purchase the courses from Silverine Clinic.

4.1.2.3 Impression of truly nice services from personal beauty consultants (***Post-purchase experience***). They serve the customers in warm and friendly manner that have never annoyed the customers through talking much for selling courses and bad-mouthed to the competitors. Many customers told that Silverine's staffs always respect and provide beyond in-clinic services to them. For instance, if the staffs know that they need to washing hairs or having dinner with families after finishing obtaining the treatment courses. The staffs call to those kinds of stores for booking the washing queues or tables and picking the menu for them for

ordering foods and drinks without waiting long time. These are the unexpected services the customers have never met before.

In addition, after one day the customers received the treatment programs, the personal beauty consultants call them to ask about the skin results such as Is it OK?, Are you still pain?, Have any problem concerns?, and remind the customers about the schedule they should come to meet dermatologists for progressing the skin results.

Sometimes customers perceive that Silverine's products are quite expensive when compare to Romrawin and Meko Clinics (*Alternative evaluation*) as Silverine Clinic rarely allows them to pay it off in 0% monthly installments limited fewer months with only Kasikorn Bank. For example, the courses which clinic usually provides pay it off in monthly installments are priced more than 80,000 Baht by 4-6 months. While many competitors give them can pay off 0% in 10 months with the courses are priced more than 30,000 Baht. And Silverine Clinic, has been in this business for 4 years, is younger than the big two competitors which have been more than 10 years. This could be the reason that some customers think Silverine brand is not premium as those two main direct competitors.

Current trend in the premium segment is Ulthera laser which is a new treatment that tightens and firms the skin, and Silverine Clinic is in the process of waiting for importing this laser machine from the supplier (*Influencing touchpoints*). This long importing process might affect its customers who do not want to wait for Silverine's processes (*Purchase experience*), decide to buy the product from other clinics (*Alternative evaluation*) leading to Silverine's revenue is declined and decrease the brand image in term of behind the trend.

Moreover, the customers need the clinic informs new arrival treatment programs or promotions through line application or message because of convenience and time saving for them to make the decision for buying the treatment courses.

4.2 Brand communications which Silverine Clinic uses for delivery value to its customer segments

Both of existing and new customers who have the *past experience* with Silverine's products and services or obtain the information from colleagues and friends (*Influencing touchpoints*) agree that Silverine Clinic is very good at improving their skin through Thermage, Fillers, and Botox. Three types of these treatment courses are sold by *viral marketing* from the existing customers. While Romrawin Clinic is famous for Thermage and Meko Clinic is the leading dermatology and cosmetic plastic surgery center (P. Piyakit Sripiroj, personal communication, October 31, 2013).

Price and image of the brand are vital components to deliver the sense of premium to its customers (*Alternative evaluation*). Silverine Clinic is careful for giving the promotional pricing because if it discounts much leading to destroy the premium image and customers might doubt that the clinic is true premium or just make-up price by using low grade product quality. Furthermore, the important reason that Silverine Clinic cannot reduce much prices same as many competitors due to high cost of importing the medicine, medical equipment, and laser machines. Consequently, its products and services seem higher price than the competitors and give 0% interest in fewer monthly installments.

However, Silverine Clinic provides additional service in the treatment courses to make customers feel that they would obtain free valuable treatment to enhance their nice skin without paying more money to buy it per time taken. For instance, Botox 100 units of Clinic A are priced 45,000 Baht and can pay it off in 0% interest in 10 monthly installments. Whereas Silverine's Botox 100 units are priced 50,000 Baht, can pay it off in 0% in 4 monthly installments including special offer free 1 time of 24K gold facial treatment for 90 minutes is priced 9,500 Baht.

For delivery an experience of luxurious image, two physical clinics (Figure 4.3) must represent luxurious look and feel to the customers by introducing a classic charming interior design (*Purchase experience*). The reception area and laser rooms extend the feeling of comfort and trust to the customers, and offer contemporary and comfortable furniture alongside extraordinary and relaxing mixes of colours. The dermatologists' offices create feeling of strong connection between the

doctor, customers and the surroundings. This touchpoint supports its customers could touch about the real deluxe environment which differs from other competitors.



Figure 4.3: Two branches of Silverine Clinic

The two missions that drive Silverine Clinic is continually growing are telling the truth about diagnosis and bringing real visible results to its customers. For example, before dermatologists inject fillers, they directly show the real physical product and give them can bring it back home for guarantee that only certified high quality brands are only used on their face. The customers see that no cheating by injection low fillers quality. This demonstrative step makes customers much believe and rely on Silverine brand and no reluctant to purchase the other expensive treatment programs (*Post-purchase experience*).

Creditability is a key element for achieving in this area. Silverine's dermatologists are invited for interviews in many famous newspapers, magazines, and television program: Naewna, Banmuang, Praew magazine, Cosmetic magazine, and TNN news. These different sorts of giving the knowledge of skin health and cosmetic like advertise Silverine brand to the public resulting in increase in Silverine brand

awareness. They are continually developing and updating new research and technologies through participating in extensive forums on dermatology: New Laser Aesthetic Technology, BOTOX Cosmetic Training, Anti-Aging and Regenerative Medicine, Restylane Asia Pacific Aesthetic Master Class, The Application of Cell Therapy for Total Rejuvenation, and International Master Course on Aging Skin, and Introduction to Stem Cell Therapy and Fresh Cell Therapy. This consistent development of learning reinforces Silverine Clinic always maintains customers' satisfaction through improving skin health and makes customers have good looking appearance from personal identity.

Facebook fan page, <https://www.facebook.com/SilverineClinic>, is the touchpoint which Silverine Clinic uses to communicate special offer; 50% discount coupon or free voucher blood test and some activity; click like and share for receiving gift voucher, provides skin knowledge and beauty tips, uploads VDO clips to demonstrate treatment procedures, updates the latest beauty trend that enhance the skin quality; slimming face by Perfectha filler from France. Normally Facebook fan page is an ordinary tool that every business should present the visibility, quite low marketing cost, has more capacity to provide the information, and can update anytime. It can help Silverine's products are reliable from sharing the contents among users' networks. Expected customers feel that they do not force to listen to the benefits of products.

Product packaging can help to position luxurious look and create the customers' perception of the brand. Silverine's products associate with white packaging and layout (Figure 4.4) to represent an impression of cleanliness and purity connecting to green colour of Silverine logo perceived as more natural. It can imply that Silverine Clinic much concerns in product safety.



Figure 4.4: Silverine's product packaging

4.3 Four main limitations of work processes at Silverine Clinic

The following facts are called internal problems that found from interviews and observation.

4.3.1 There is high turnover rate of personal beauty consultant resulting in serving the customers especially the day has crowded customers to receive the treatment courses, they have to wait for long time or some postpone for taking the treatment courses to another day. This condition can affect customers' satisfaction. Moreover, lead time of basic training course for new personal beauty consultant can serve the customers is around 1 month while full training course is around 4 months.

4.3.2 Personal beauty consultants do not understand how to efficiently sell the products without giving more discounts. When I asked them if you want to push sales, what do you do? They all (8 persons) immediately answered that giving more discounts can help the customers easily make to purchase the courses. In my opinion, this thought could damage the brand position and maybe this is the major reason why some customers think Silverine is not premium as Romrawin and Meko.

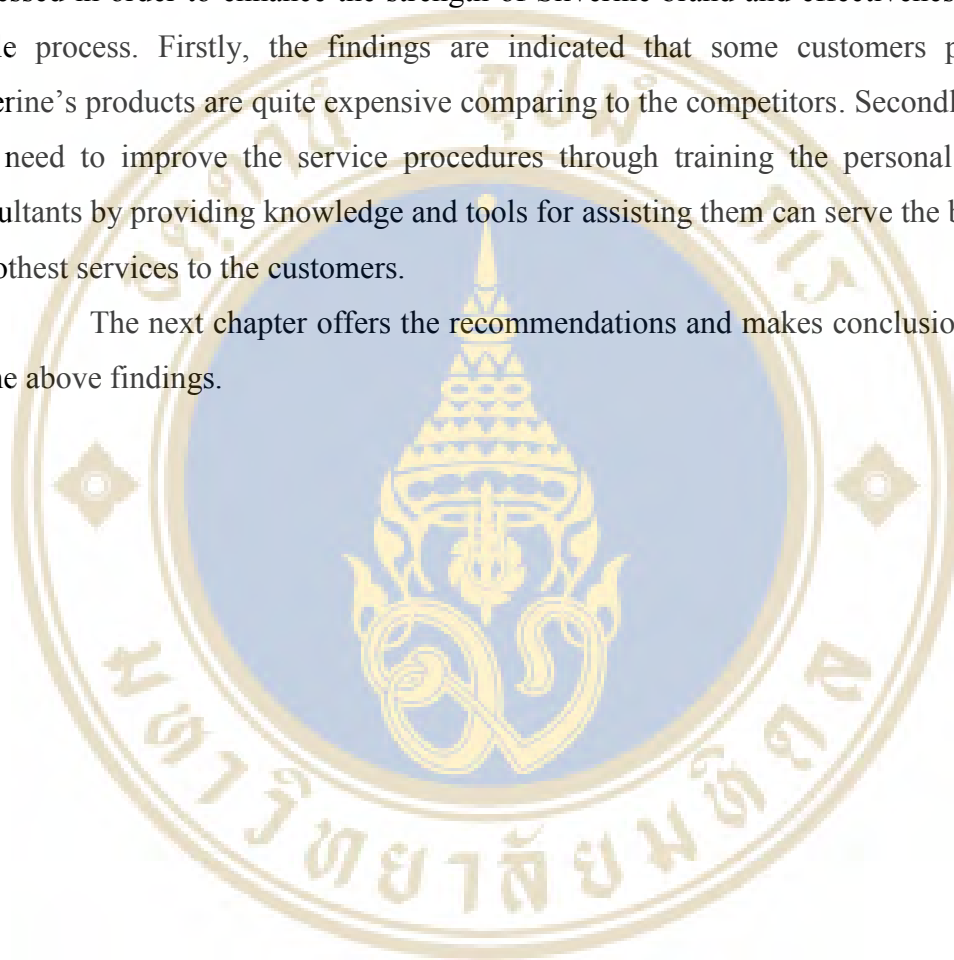
4.3.3 The cause of inconsistent revenue is personal beauty consultants only put their attempt in selling expensive treatment courses especially Thermage, Botox, and Fillers. Even there are several courses that could generate the flow of income. Additionally, they lack of planning to persuade customers continually take the treatment courses. For instance, In September 2013, the income is decreased by 300,000 Baht since customers only come in the clinic to use the courses that they bought in August (R. Siriwattanagate, personal communication, November 1, 2013).

4.3.4 When foreign customers come in the clinic, personal beauty consultants cannot communicate and provide precise basic product description. They often call dermatologists to talk with these customers. However, if the dermatologists are diagnosing skin problems with other customers, Silverine can lose the opportunities to sell the products and introduce the brand to foreign customers.

From the analysis and discussions of the research findings, it is clear that skillful dermatologists who improve customers' skin problems get nicer over time, safe and real standard of high quality of medicine, medical equipment, laser machines, and cosmeceutical, involving warm and friendly manner in services are the effective advantages to drive the growth of Silverine brand.

However, the following areas of some brand touchpoints need to be addressed in order to enhance the strength of Silverine brand and effectiveness of the whole process. Firstly, the findings are indicated that some customers perceive Silverine's products are quite expensive comparing to the competitors. Secondly, there is a need to improve the service procedures through training the personal beauty consultants by providing knowledge and tools for assisting them can serve the best and smoothest services to the customers.

The next chapter offers the recommendations and makes conclusion based on the above findings.



CHAPTER V

RECOMMENDATIONS AND CONCLUSION

5.1 Recommendations

From the study, this part provides the recommendations of the perceived value that needs to be added which related to the analysis and findings to help Silverine Clinic distinguishes itself apart from the competitors and maintains sustainable growth. The nine following recommendations are:

5.1.1 Demonstration of real customer reviews

According to customers' opinions about Silverine's high priced products comparing to other competitors. Personal beauty consultants had better give them the core competence that every step of each treatment course only done by dermatologists and show *real customer reviews* (Figure 5.1) that demonstrate in-depth steps of how dermatologist injects fillers to the customer's face. This evidence could strongly support customers to make the decision through seeing the picture from external source. Or convince them to try the treatment programs within 1-2 times, if the customers feel that they work, so they would buy these whole treatment programs. This suggestion can draw attention of new and irregular customers.



Figure 5.1: Reviews of filler injection from aiwa.bloggang.com by Khun Wa

5.1.2 Creating standardize work process flows

With regard to training the new staff for understanding the basic flow chart of how to serve the customers without keeping asks the senior staffs. Silverine Clinic had better draw *standardize work process flows* to show the new staff including all seniors automatically know the next tasks they must do (Figure 5.2). The flows would help new employee can understand the whole picture of customer service activities that result in smooth running of services to the customers.

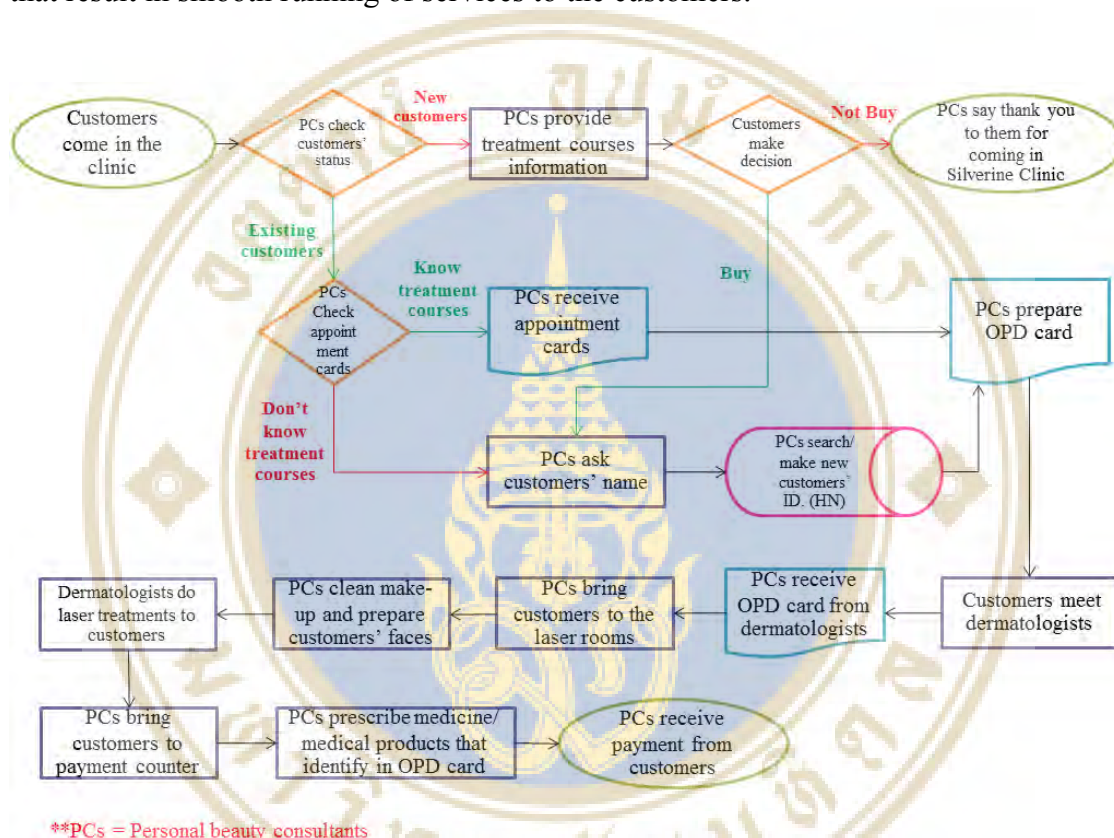


Figure 5.2: Work process flows of Silverine Clinic

5.1.3 Making the price of products looks inexpensive

Giving more discounts could ruin the premium position in the long run, so all personal beauty consultants need to be coached in good selling means it is not only declining product price but also finding the ways for making the price looks inexpensive in the customers' perception by *specifying list of interval discounts* for each treatment program for guiding them the discount choices that match each customer's need. For instance, the mature potential skin lovers who are business owners and Executive Management Level usually do not care the discounts. The free treatment courses offering to them are key influence to make them purchase. If this

group wants to buy Thermage, therefore interval discounts should be between 10,000-20,000 Baht and give free gold facial treatment 90 minutes is worth 9,500 Baht.

In contrast, interval discounts between 20,000-35,000 Baht and can pay it off in 0% in 6-10 monthly installments. This promotion attracts the attention of young potential skin lovers who are often interested in discount program. And to provide more choices to the customers, Silverine Clinic had better add the credit sources to deal with 0% interest; Bank of Ayudhya and Citibank which are the top two credit card brands that these target customers hold.

5.1.4 Designing complementary product chart

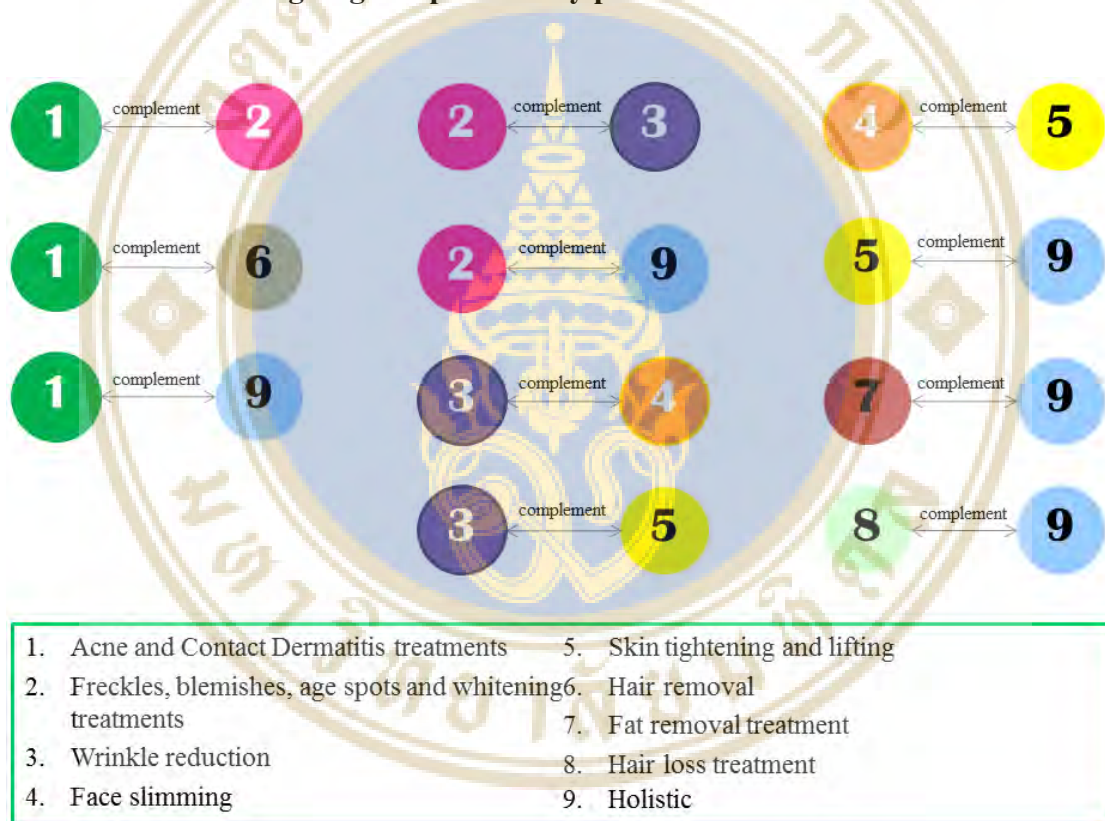


Figure 5.3: Complementary product chart

Inconsistent revenue concern is caused from personal beauty consultants emphasize selling the expensive treatment programs, so Dr. Siriwattanagate needs to give precise instruction to the employees for presenting other treatment programs besides Thermage, Botox and Fillers to each customer through designing *complementary product chart* (Figure 5.3) such as Holistic (9) is complemented well with skin tightening and lifting (5), fat removal (7), and hair loss (8). This tool could

assist personal beauty consultants realize how important to create more sales on the differences in providing various sorts of treatment courses and guiding them to negotiate customers to continually take the courses. The successful results make customers touch real experience of having nice and quality skin leading to satisfied customers are willing to be long term bond with Silverine Clinic and spread their good impression to other people. These factors could raise Silverine brand awareness.

5.1.5 Sending patient treatment result



Silverine clinic

Patient Treatment Result

Date _____ Patient ID.# _____
 Patient Name _____ Tel. _____
 Treatment Program _____

Treatment Result

Result Comparison

 
 Last time Present

Suggestion

Approved by Dr. _____
 Reported by _____

Figure 5.4: Patient treatment result

Since most customers prefer to give personal line to contact with the clinic, it should use this channel to inform the exclusive special offer such a free trial new treatment program to only potential customers who generate high income per bill. This offer delivers memorable sense making them feel that they are very important to Silverine Clinic. In addition, Silverine Clinic had better add valuable service to all customers by sending the *snapshot of patient treatment result* (Figure 5.4) within 2 days after they took the treatment courses. This service form is reported three things.

The first topic, treatment result, is the diagnosis of customers' skin results recently. The second point, result comparison, is the picture comparison of skin results between last time which customers took the treatment courses and presently results. Lastly part, suggestion, is dermatologists give advice how customers have to take care themselves to maintain the better skin.

5.1.6 Creating ready-made menu (Figure 5.5) which made from analysis of nationalities preference to present product information with foreign customers for supporting them to have initial information to make the decision and prevention error from language barriers. For example, Menu A is suitable for mask lovers who want clear and light skin which consisted of 3 treatment programs including price and benefits. This implementation shows brand potential of employee recruitment. Furthermore, Silverine Clinic can increase the number of potential foreign customers by cooperation with the Paseo to publish Silverine's products and services in leaflets and distribute them in Suvarnabhumi Airport. And by the next year, there is four Star hotel built nearby Silverine Clinic at Paseo branch. The two opportunities could stimulate Silverine brand to the potential foreign customers.



Figure 5.5: Ready-made menu for foreign customers

5.1.7 Building the sense of belongingness

When consider occupation types, the highest number of customers which purchase the products is Aircrew. So, to create the sense of belongingness for making them frequently come in to take the treatment courses is giving 10% discount for normal price of treatment programs for Thai Airways' employees.

5.1.8 Arranging knowledge creation session

Every week Silverine Clinic should arrange *knowledge creation session* (Figure 5.6) around 30-45 minutes to discuss and share information between dermatologists and personal beauty consultants such as Dr. Siriwattanagate gives new knowledge about benefits of new laser treatment or new beauty trends: Stem Cell can cure Diabetes Mellitus, and Chelation therapy; Detox to personal beauty consultants for giving exact information to customers. At the same time personal beauty consultants can share and update competitive environment from talking with the customers to Dr. Siriwattanagate and Dr. Sripiroj for example, Clinic A give X promotion of new laser Y or service complaint of Clinic B. This session helps both of dermatologists and personal beauty consultants know adequate information for generating new marketing campaigns and finding ways for delivery uniqueness to their customers.

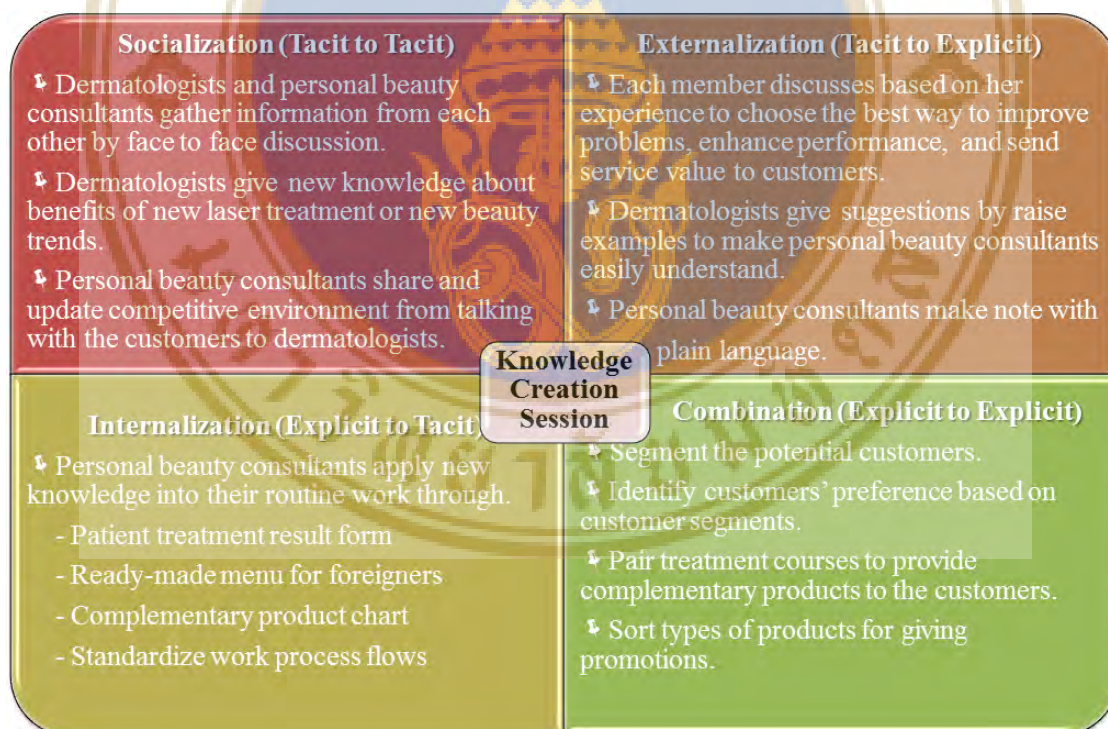


Figure 5.6: The four modes of knowledge creation session based on Nonaka's theory by author

5.1.9 Building an official website of Silverine Clinic which has the dominant purpose to communicate true beauty skin knowledge by professional dermatologists and provide products and services information to skin lovers and the public through Thai and English languages. Silverine Clinic website could promote the brand awareness including physical clinics because many people use the internet for *pre-purchase research*, so that they determine for themselves whether Silverine brand is worthy of their purchases.

As the knowledge sender, for instance, writing an article that talks about “Is it true?...Ulthera laser is better than Thermage” to give the accurate information about the different objectives between Ulthera and Thermage, and the skin results of these two different laser types. This knowledge can help some customers have correct information for choosing suitable treatment programs which match their skin problems. Furthermore, this knowledge sharing offers customers touch that Silverine Clinic does not concentrate on only selling the products but it needs to help people understand and have precise knowledge of skin solutions leading to customers are impressed on Silverine brand and spread positive word of mouth about the brand involving become its long term customers in the future.

Besides to promote Silverine brand awareness, Silverine website could help to expand or introduce the brand into the new market such AEC because the potential customers from any country can visit the website whenever they like. This will also help them remember Silverine brand better.

5.2 Conclusion

Since Silverine’s products are luxury that affect customers would consider paying more if they perceive they are getting more value for their baht. The visible results guarantee is the core competence that makes the existing customers stay with Silverine Clinic. This situation can be proven with changing of customers’ age rang is similar to the present customer segmentation (Mature and young potential skin lovers) in the research findings. Some of them willing to stay with Silverine Clinic since they were young, this important fact is the fundamental value that Silverine Clinic sincerely intend to serve them with the best skin results to stimulate them perceive product value and help them easily decide to become the long term customers with Silverine brand.

Besides this, service is an essential key supporting the growth. Therefore, the clinic had better examine to offer value in term of getting customers' feedbacks to enhance service procedures to push customers' good experience, arrange marketing activities to drive belongingness sense, and build the website for providing true knowledge of dermatology to the public. These tactics could deliver Silverine brand assets and help Silverine Clinic differentiates itself apart from competitors.

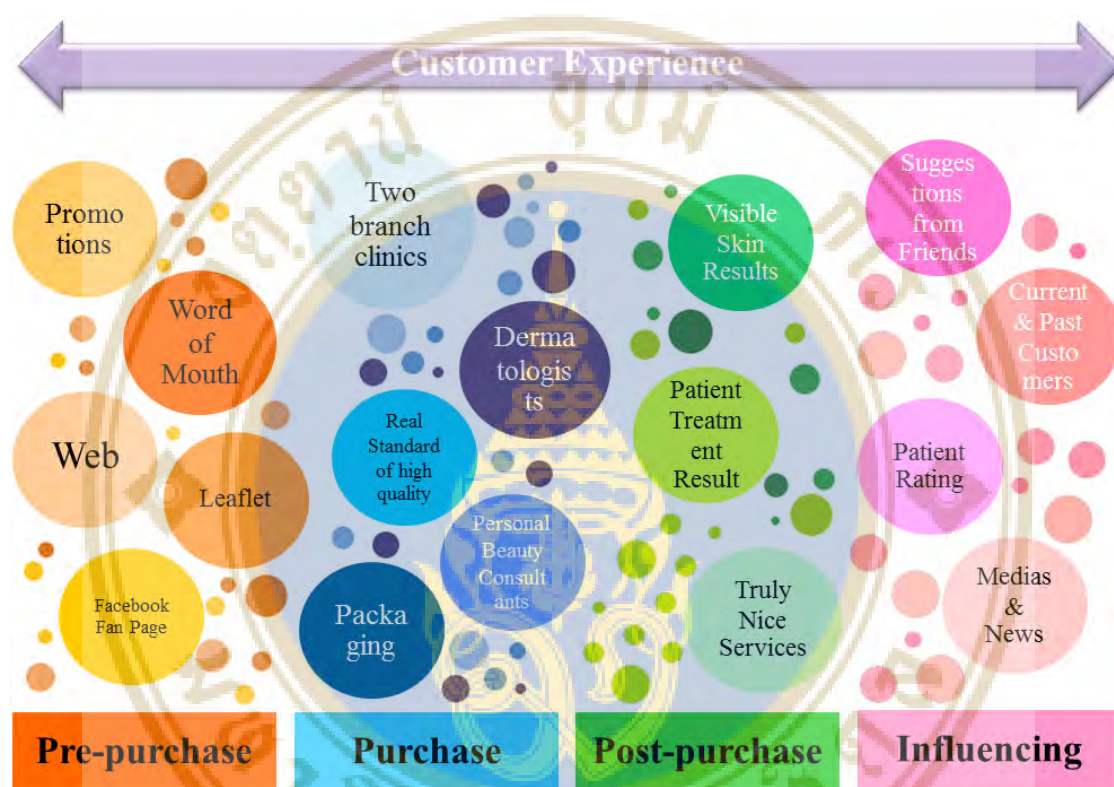


Figure 5.7: Four brand touchpoints of Silverine Clinic applied from Allographics & Design by author

Although the study has attempted to address the question of the development and optimization of the channels that help customer segments find the value proposition at Silverine Clinic, some issues could not be looked into. Consequently, future research should concentrate on the variable of the effects on the customers' purchasing process of other clinics in the premium segment. This will require the researchers to include many clinics and customers in the sample so that their views are taken into consideration.

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