

# Research on Enterprise Marketing Work Oriented by Different Customer Values

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**Abstract.** Under the background of supply-side reform, the marketing work of Chinese enterprises has undergone great changes, and the "customer value" oriented marketing program has been established. Only 20% of the total customers contribute 80% of the profits of the enterprise, enough to see the role of customers in the development of the enterprise. Under the market segmentation, the marketing work of the enterprise should be guided by different customer values, according to the characteristics of different users and their impact on the marketing of the enterprise, the use of advanced marketing concepts and methods to develop marketing strategies, and provide reliable support for the improvement of the economic benefits of the enterprise and the realization of the brand strategy.

**Keywords:** supply side reform; customer value; Enterprise; Marketing; Customer segmentation

## 1. Introduction

In this highly competitive business environment, enterprise marketing work is facing unprecedented challenges and opportunities. Among them, the marketing strategy oriented by different customer values has increasingly become the key for enterprises to achieve sustainable growth and enhance brand competitiveness. The purpose of this paper is to deeply explore the marketing work of enterprises with different customer values as the orientation, in order to find a new breakthrough for enterprises in the fierce market competition and achieve more accurate and efficient marketing.

## 2. Implication of supply-side reform

Supply-side reform is to start from the supply and production side, adjust the economic structure, achieve the optimal allocation of factors, and improve the quality and quantity of economic growth. There is a close link between supply-side reform and customer value. The goal of supply-side reform is to optimize the supply structure and improve the quality of supply to meet the ever-escalating consumer demand.

### 2.1 Background of supply-side reform

The supply-side reform mainly stems from the internal demand of China's economic

development. With the continuous expansion of economic scale and the acceleration of globalization, the effect of traditional demand-side stimulus policies has gradually weakened, and the constraints on the supply side have become increasingly prominent. In order to solve these deep-seated structural problems, supply-side reform came into being.

## **2.2 Impact of supply-side reform**

The supply-side reform has had a profound impact on the marketing strategy of enterprises and brought the turning point and challenge for the marketing strategy of enterprises. Enterprises need to pay close attention to the policy dynamics, timely adjust the strategy, seize the market opportunities, cope with the challenges, and achieve sustainable development.

## **3. Customer value and related theories**

In the process of modern enterprise development, marketing strategy is determined to be "customer value" oriented, but how to achieve its core position in the market competition, it is necessary to subdivide the value of different customers, accurately sketch out the customer value portrait, and provide support for the development of marketing work. Enterprises use the value theory to maintain good quality customers and old customers, tap potential new customers, and put forward marketing strategies for different customer values.

### **3.1 Customer value**

Customer perceived value is customer value, which mainly includes economic, functional and psychological values. Economic value is the product in meeting the functional requirements at the same time, the cost of the lowest; Functional value means that the function of the product is more excellent; Psychological value is that the product can meet the individual psychological needs of customers. From the perspective of the customer, the product will be analyzed and evaluated before the purchase of the product, and the value of the economic, functional and psychological aspects of the specific product or service will be judged through the evaluation, and the final decision will be made whether to buy the product. In the process of development, enterprises need to cultivate and maintain customer relationship, bring personalized product experience and service to customers, and guide customers to buy products [1].

### **3.2 Dynamic customer value theory**

The theory of dynamic customer value was put forward in the 1990s of 20th century. After long-term development, it has brought new ideas and methods for enterprise marketing. Dynamic customer value is customer-centric, that is, the customer is the object of research. Customer value will vary in different environments, and customers' value evaluation of products will also vary due to different environments [2]. There is a big difference between the value perception of customers when they buy a product and when they use it. Different customer value perception is different, and the same customer value perception will be different in different environments. It can be found that customer value is dynamic and hierarchical.

### 3.3 Customer life cycle theory

Customers have value and life cycle, which is an important way for enterprise development and marketing. Under the change of practice, the relationship between enterprises and customers will change, and the customer value will also change. Customer life cycle can be divided into four stages: investigation period, formation period, stable period and degradation period. The enterprise marketing strategy can be formulated according to the different user values at different stages, and develop personalized marketing programs.<sup>2</sup> Factors affecting customer value perception

## 4. Factors affecting customer value perception

Customer value and customer cost are two factors that affect customer perceived value, including the total value obtained by customers in consumer products or services and the total cost consumed by customers in consumer products or services. These two aspects mainly include product value, service value, personnel value and other factors. Customers themselves will also have a certain impact on customer value perception.

## 5. Customer perceived value model and customer value segmentation

### 5.1 Model

Customers' perceived value of consumer products and services is different, so enterprises should do a good job in customer value segmentation and focus on those customers who can bring more benefits to the enterprise in the future. Customer life cycle value model (CLV model) plays an important role in predicting the future of customers [3]. Starting from the customer life cycle, customer acquisition and customer loss should be considered in the analysis, and the calculation of customer value should not only focus on the current value, but also predict its future value. In order to facilitate calculation and analysis, the following formula can be used for calculation:

$$CLV=P/R \quad (1)$$

In the formula, P and Rr are respectively annual contribution and annual turnover rate of customers.

However, in practical application, (1) is relatively simple and has few factors to consider, which makes it impossible to comprehensively evaluate and subdivide customer perception. Therefore, the model should be improved and calculated through the following formula:

$$CLV = \sum_{i=1}^n \frac{(R_i - C_i)}{(1+d)^{i-0.5}} \quad (2)$$

In the publicity, i, n and d respectively represent a certain period when the relationship with the customer is established and cash inflow is generated, the income from the customer in phase i, the customer cost in phase i and matching, the time limit of the customer's entire life cycle, and the discount rate.

Continue to improve the model of (2), and the following formula can be obtained:

$$CLV = \sum_{t=0}^n p(t) \times r \times \frac{1}{(1+d)^t} \quad (3)$$

In the formula,  $r$ ,  $n$  and  $d$  represent the customer's net profit function, customer retention rate, customer life cycle time length and discount rate respectively.

Although the model has been improved, it is still not comprehensive and scientific enough to conduct a comprehensive analysis of the realized value and potential value of the customer when it is segmented. Therefore, the model is revised and the following formula is obtained:

$$CLV = CCV + CPV \quad (4)$$

$$CCV = \sum_{t=0}^{T_0} p(t) \quad (5)$$

$$CPV = \sum_{t_1}^T p_i(t) \times r^{(t-T_0)} \times d^{t-(t-T_0)} \quad (6)$$

In the above formula,  $p(t)$ ,  $r$ ,  $T$ ,  $d$ , respectively represent the customer's historical profit, customer retention rate, customer life cycle time length, discount rate and the customer's current life cycle time during the evaluation stage.

## 5.2 Customer value segmentation

The CLV model can be used to dynamically perceive the value in the customer life cycle, and realize the effective differentiation of customers. Customer segmentation can be generally divided into two parts, namely the current value of customers and the potential value of customers, and then the customer is subdivided into four types of customers under these two dimensions, as shown in Figure 1. It can be seen from Figure 1 that the highest current value and potential value of customers are Class A customers, the lowest is Class D customers, Class B customers have higher current value and lower potential value, and Class C customers have lower current value and higher potential value.

|               |      | potential value   |                   |
|---------------|------|-------------------|-------------------|
|               |      | Low               | high              |
| current value | high | B-class customers | A-class customers |
|               | Low  | D-class customers | C-class customers |

Figure 1. Customer breakdown

## 6. Different customer values-oriented marketing strategies

Through the analysis, customers are divided into four categories, namely, class A high-value customers, class B medium-value customers, Class C low-value customers, and Class D negative value customers. For details, see Table 1. Through the table, we can clearly see the differences in the needs, behavior patterns, consumer psychology and communication methods of these four types of customers, which is convenient for enterprises to formulate marketing strategies according to customer value.

**Table 1.** Diversification of four types of customer value

| Customer type                    | Customer demand                                      | Behavior pattern | Consumer psychology  | Communication mode  |
|----------------------------------|--|------------------|--|---|
| Class A high value customer      | There is a clear need and purchase intention         | More decisive    | Mature, with high requirements and expectations for products or services | Businesses offer personalized solutions to meet their unique needs.                                   |
| Class B middle value customer    | Demand and purchase intentions are relatively clear, | More cautious    | More rational, pay more attention to cost-effective and practical        | Companies provide enough information and establish a sense of trust to enable them to make decisions. |
| Class C low value customers      | Demand and purchase intentions may be unclear,       | More casual      | More emotional. Focus more on price and convenience                      | Businesses provide simple and clear information and attractive promotions                             |
| Class D negative value customers | There is no clear demand and purchase intention      | More elusive     | More complex, in a state of wait and see and comparison                  | Businesses need to be patient and focused, providing targeted information and solutions               |

At the same time, different customers have different values. During the development of marketing work, enterprises need to develop different marketing plans for different customers, as shown in Figure 2



**Figure 2.** Different marketing strategies for four types of customers

### **6.1 Category D customer marketing strategy**

Category D customers have the lowest current value and potential value, and enterprises need to understand the reasons for this phenomenon before marketing. In the life cycle theory, this phenomenon occurs when the relationship between the enterprise and the customer is in the decline period. Therefore, the enterprise needs to consider the cost required to recover the customer and compare the benefits it can obtain, and decide whether to continue to recover the customer through the comparison. During this period, the relationship between enterprises and customers is relatively weak, customers may choose other products, and the market competition is relatively large. Therefore, enterprises should withdraw from the market while maintaining the relationship with customers, and innovate products and services according to the new needs of customers [4]. If the customer is more sensitive to the price when consuming products and services, and it is difficult to establish its trust with the enterprise, the influence cost of such customers is high, and the influence effect is not high, so such customers can be summarized as customers who are not welcomed by the enterprise, but in order to avoid the impact on the overall image and reputation of the enterprise, do not easily reject such customers. Although such customers can be lost, they still need to invest a certain amount of energy and material resources for maintenance. However, if the current value of such customers is not high due to high service costs and marketing costs, in marketing, you can choose to improve the level of customer self-service, the use of network customer service and other ways to reduce marketing costs, so that these customers into valuable customers.

### **6.2 Class C customer marketing strategy**

From the perspective of life cycle theory, the relationship between customers and enterprises is in the development stage and the early stage of formation. Such customers account for a relatively high proportion among enterprise customers. Although a single customer has little effect on the development of an enterprise, it still exerts a great impact on the economic benefits and development of an enterprise with a huge customer base [5]. Enterprises can develop marketing strategies for Class C customers, reshape the relationship with such customers, and make them the creators of economic benefits for enterprises. In the process of marketing work, enterprises invest certain resources to shape the relationship between the two parties, tap the purchasing potential of Class C customers, and promote their development to the advanced stage. Type C customer relationships can be shaped to provide them with information about product quality, value and service, and to meet their individual needs.

Enterprises need to cultivate customer loyalty and enhance customer value. Personalized value-added is an effective means to enhance customer value and avoid being imitated by other enterprises. First, understand the individual needs of customers, use advanced technologies such as big data to mine and analyze customer information, judge the individual needs of customers, and provide personalized products and services for them; Secondly, strengthen the effective communication with customers, avoid ineffective communication during communication, or make customers feel uncomfortable, through reasonable communication so that customers can realize that the enterprise can meet their individual needs, but also can provide them with product functions and services that other enterprises can not provide.

### **6.3 Category B customer marketing strategy**

Type B customers maintain a good relationship with the enterprise in the customer life cycle, have high loyalty to the enterprise, and the customer is willing to spend time and energy to understand the enterprise's products and culture. This kind of customers will enter a certain relatively stable range for the enterprise. Although the potential of customer mining is not large, the enterprise still needs to pay a certain price to maintain the customer relationship [6]. The profit is the highest after the customer relationship enters the stable period, so the enterprise needs to continue to invest in promoting the customer to enter the stable period. Although customers have high loyalty to the enterprise, there is still a risk of declining loyalty under the quality service, experience and temptation of competitors. Therefore, for customers with high monetary value, enterprises need to actively improve the loyalty value and make the investment return in order to avoid the transfer of customers to competitors. However, when investing resources to maintain such customers, it is necessary to reduce the resource investment for such customers.

Therefore, in the process of marketing strategy formulation, enterprises can reward loyal behavior and loyal customers. Corporate marketing needs to inject corporate culture and concept, further enhance customer recognition and loyalty to corporate culture and brand, so that loyal customers become promoters of corporate culture, products and services. Enterprises can regularly provide loyal customers with some gifts and prizes, enhance the intimate relationship between customers and enterprises, and maintain loyal customers. For example, the source of Yuemu provides members with free samples, and free facial care, but also through the opportunity to exchange genuine products, to narrow the distance between customers, so that loyal customers can feel the concern and attention of the enterprise.

### **6.4 Class A customer marketing strategy**

Although there is some overlap between Class A customers and Class B customers, from the perspective of life cycle theory, Class A customers have entered a stable period and maintain a good relationship with enterprises. Such customers have great potential for development and are an important channel for future incremental sales and cross-selling. A large part of the source of corporate profits comes from Class A customers. Although Class A customers only account for 20% of the total customer base, they also contribute 80% of the profits. Therefore, when making marketing plans, enterprises should invest more resources to maintain these customers, and the loss of these customers will have a great impact on enterprises [7]. When carrying out marketing, it is necessary to actively communicate with customers, understand the individual needs of customers, provide personalized product customization and service, and provide more flexible payment methods for these customers, better service personnel, and maintain the relationship with customers through comprehensive marketing programs to enhance customer value.

The marketing of Class A customers should continue to stabilize the trust relationship and provide customers with personalized experience and service. Enterprises develop the following marketing strategies: (1) one-on-one in-depth marketing. Class A customers occupy the main position in the entire product consumption. When the enterprise has new products or new services, these people are relatively less concerned about the price out of trust and loyalty to the enterprise. Therefore, the enterprise should provide one-to-one customized products and

services for these customers to meet the personalized needs of users.(2) Mutual achievement to achieve a win-win situation. When enterprises carry out marketing work for class A users, they must not rush, and need to look at marketing with a long-term strategy, do a good job of customer maintenance, and deepen trust and loyalty. In order to continuously tap the consumer power of customers, the marketing plan formulated by the enterprise must be able to reflect the mutual achievement, achieve win-win situation, so that customers can feel the culture and value of the enterprise, and can continue to buy the products and services of the enterprise.

## **7. Case study**

For example, when Apple maintains customers and improves customer value, it does not over-publicize the performance of products, but makes customers feel the value of Apple through value delivery. In providing services, we need to understand the individual needs of customers, and can help customers solve problems through meticulous and thoughtful service. At the same time, Apple's users prefer new products, so it is necessary to shorten the new product cycle, seize the user's psychology, so that the product can appear in front of the user as early as possible. During the marketing period, Apple should also combine the personalized needs of large users, such as the needs of offices and designers, and specially carry out in-depth marketing to help these customers provide in-depth marketing and services. Take the office as an example, not only Apple computers will be purchased, but also Apple phones will be purchased as annual meeting employee prizes. Stable users are not only Apple's mobile phone consumers, but also have the potential to consume notebook computers, watches, headphones and other products. Therefore, maintaining this part of users can achieve cross-selling of products, effectively meet the personalized needs of users, and enhance user value perception.

## **8. Conclusion**

Under the background of supply-side reform, the marketing work of Chinese enterprises should be oriented by customer value, in-depth understanding of customer needs and market environment, market segmentation, and development of corresponding marketing strategies. At the same time, enterprises also need to continuously optimize and improve the marketing strategy, improve their own marketing ability level, only in this way, enterprises can be invincible in the fierce market.

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