

Chapter 10

Findings and Conclusions



Six Sigma in marketing and sales are relatively new approaches to enable and sustain organizational growth. With the most widely reported benefits of applying Six Sigma in manufacturing, this thesis expands its horizon to the field of marketing. SSM approach proposed in this thesis advocate use of Six Sigma to improve marketing activity. As promised, SSM also promotes cultural change, bottom line growth with intense customer focus and quantitatively aligned process improvement. Therefore, its integration with organizational functions other than production is desirable. With the following listed objectives this thesis explores different dimensions of integrating science of Six Sigma to the art of marketing.

- Influencing customers in such a way that it would motivate them to opt for the offered products or services.
- Six Sigma seeks to remove the randomness from marketing and make it systematic and predictable.
- A process that can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage.
- Activities making sure that organization are continuing to meet the needs of their customer and are getting appropriate value in return.

With intense market competition and the dire need to excel in all the organizational activity, it is quite natural that, organizations will look for new areas of quality improvement programmes like SSM. Through this study, we identified the import components of SSM, which can contribute financial gains across the organization. To sum up, they are

- Marketing and sales professionals and quality professionals both focus the value of the customer, thereby uniting a common platform for quality and productivity improvement.
- Quality professionals help their company to do more of what adds value for customers, thereby committing to the quality function deployment.

- Marketing and sales professionals make customers aware of that value, guide them to purchase it, and then deliver as much of that value as possible to as many customers as possible.

With an attempt to provide continuous thread of arguments proposing possible integration between Six Sigma and marketing, our study explains some foundational tools inherent for both the fields. To support this, we have used our findings on a real life case study based in India. From a general perspective, we state that, like any other quality improvement philosophy, SSM also need to be grounded on strong project management theories like:

- *Project selection*: this part discusses different elements of Six Sigma project selection including project initiation, improvement focus, project prioritization and project scoping.
- *Management methodologies*: this part proposes probability model and regression model to manage Six Sigma projects and realized improvement.
- *Critical evaluation of the project*: along with project selection and project management project evaluation is also important part of Six Sigma approach. One can use any statistical or management methods to do this.
- *Measurements*: one of the important dimensions of Six Sigma approach is its measurement based methodology. Defining KPI and deciding upon assessing their performance and improvement through objective measurement is discussed. Three major measurement based KPI, gross profit, ROC and Z-score are explained to understand true nature of competitive environment.
- *Project success quantification*: to assess the success of SSM project, confidence-trust matrix is proposed. With reference to “Deliverable” and “Requirement” perspective, confidence-trust matrix examines success of SSM project on the scale of 0-1. Confidence- Trust score nearer to 1 indicates significant improvement realization through SSM efforts.
- *Role of IT*: importance of IT infrastructure to create integrated communication for Six Sigma project management is discussed with reference to consistency of the business project, customer and market relevance of the outcome and degree to which the project is structured.

- *Supply chain metrics for SSM*: importance of SCM with reference to procurement, production, distribution, warehousing, inventory, transportation, and customer service like area of logistics is discussed in this section. Working methodology of SCM is proposed and some logistical issues surrounding SSM measures are discussed as,
 - Establish guidelines for Six Sigma measures to be applied effectively across an organization – to ensure consistency,
 - Six Sigma measures are not “static”. As customer requirements change, Sigma performance will also change,
 - Set priorities on what can and should be measured,
 - Sigma measures (or any other method of measures) by itself will not improve the performance. They are just report cards or milestones to show where the company is on its journey towards excellence. To bring about improvement, methods of analysis and tools are required to be used.

To understand the philosophy better, we feel that the issue surrounding the sigma, sigma level, and sigma shift estimation need to be attended first. Along with some theoretical justification, we have provided the importance of marketing sigma level and shift from layman perspectives. Some notable points are

- Understanding of sigma level of the process starts with examining process variation and the computation of sigma.
- Sigma level estimation and promotion of sigma level can increase the transparency of the marketing quality.
- The understanding of sigma shift can very be well explained through the design margin and tolerance of the process.

As a part of effective SSM efforts companies need to put their efforts in creating and promoting sigma culture within and outside the organization. Companies can market sigma level of the process to generate the feeling of assured quality standards among customers. The task of convincing all types of customers may not be very easy, but with a concerted plan this may be possible. Some of the possible ways through which it can be achieved are:

- Establishing fact based organizational communication system instead of perception based communication system. This can very well be done by leveraging the use of sigma level at each stage of communication - from receiving customer order to delivery.
- Label each process with their corresponding sigma level.
- Promote quality healthiness of process through assigning sigma level appropriately.
- Promote process improvement through improvement in KPI of the process.

To propose integration between Six Sigma and Marketing fields with complementary characteristics, it is important to explore different components of both the fields and their associations. In chapter 4, we have studied various components of successful Six Sigma implementation and contemporary marketing environment.

The critical components of Six Sigma implementation from a marketing perspective are:

- Active role of top management in process improvement efforts must be in hierarchical from.
- Follow sequential process based approach instead of function based approach. This should involve identification and prioritization of processes, process mapping and process measurement.
- Role of expert team and considerate use of human resource should be given maximum priority.

And the critical components of marketing from a quality improvement perspective are:

- Changing economic condition where businesses are expanding their prospect irrespective of geographical constrain to take advantage of flourishing global market as well as targeting local markets by delivering domestic requirements. This scenario affecting marketing as a business function to matchup with new market requirements.
- Increased level of customer sophistication has changed the business focus from profit making to customer delight. This gave rise to intense customer focused filed of marketing called relationship marketing. With focus on TCE this contemporary marketing environment focus on effective management of customer value.
- Changing organizational structure from traditional and hierarchical to modern and flexible system has brought relative change in marketing function. Marketing no

longer remained merely an isolated function working on customer focused activities. This new flexible organizational structure proposes equal contribution of all other functions to manage customer value chain effectively.

- Increased reliance on information technology has brought whole world market into different cosmos. The scenarios like: open and many-to-many communication channel, proactive customer contribution in offering design and customized message delivery are the latest flicks of marketing environment.

Having placed the foundational footing of both the fields, we suggest that, the Integration between Six Sigma and marketing can be based on the following elements:

- Six Sigma as a process improvement approach expanding its horizon towards service environment from its original structured environment and marketing is flourishing in the direction of data reach digital environment from its original unstructured environment.
- Process based approach and data based marketing management that is possible to adopt in cotemporary digital marketing environment are the major integrating elements between Six Sigma and marketing fields.

Further, while integrating Six Sigma approach with marketing, we identified a strong bonding between customer value management with the other marketing activities like:

- Customer value identification
- Customer engagement through value proposition
- Customer retention through value delivery
- Redesigning marketing strategy based in customer experience.

Handling the above situation warrants the use of digital marketing in a best possible way. The advantage of being digital is that, one can have measurement based information at hand, and decision making can be made fast. This is the unique feature of SSM. Based on Six Sigma Digital Marketing Model (SSDMM) proposed, the process of managing marketing activity can be realized through a revised phase methodology called DACS (Design-Act-Convert-Sustain). Where

- *Design*: Designing a marketing strategy is the best part of different media to connect with customer base. Bringing together different medium to connect with customers

and keeping them engaged with offering is the key dimension of this phase. This phase can best address the aspects like: understanding what customer value, proposing it through business model, communicating it through different mode etc. All the above stated purpose can be served through the best amalgamation of ad media's like: Owned media, Paid media, and earned media.

- *Act*: After deciding upon the different types of media to connect with customers, next phase in the process will be to act. Here, the focus is to initiate customer to take action expected by the marketer. Downloading newsletter, sending inquiry, logging in to website are the actions taken by customers that indicates their interest in offering proposed by organization.
- *Convert*: Once the customer act in the desired direction, the next step is to *sealing the deal*. This step requires intense customer communication based on their customized requirement and if required possible negotiation.
- *Sustain*: Getting customer is not the only objective of successful marketing efforts. Marketing effectiveness can be best examined through its potentiality to create loyal customer base. Sustaining customers based on flexible updates value proposition is what this phase focuses upon.

In the current era of digitization, when marketers are behind promoting their offering like never before, aimed marketing efforts have created its own unique space. With data rich digital platform marketers can systematize their efforts to get best ROI. Hence, we propose the deployment strategy for SSM through the traditional DMAIC approach as given below:

- *Define*: this phase focuses upon clarifying customer requirements and translating their need into offering specifications. Key ingredient in this step is for marketing to establish goals and deliverables designed to achieve these outcomes. To fully realize these outcomes, the various marketing functions will need to be integrated to create a comprehensive and integrated workflow process. This integrated workflow process will then need to be mapped. Integrating this work flow through different metrics is the unique feature of SSM.
- *Measure*: identifying KPI based on customer requirements and materializing its operational definition is the major activity of this phase. Understanding what data

exists, in which form it is available and how to utilize it for better management of marketing function are the major elements of this phase.

- *Analyze*: identifying valid gap between existing marketing functionality and expected marketing functionality can be achieved through analyzing available information. By analyzing the data and understanding what it means, facilitates, the marketing people to determine the degree of impact it is having on the organization, and redesign processes that will improve performance.
- *Improve*: data analysis gives valuable insights for how to improve productivity, performance and processes through SSM approach. With micro level understanding through analyzing information this phase suggest SSM professional improvement implementation plan, develop potential improvements or solutions for root causes and prioritize solution options for each root cause.
- *Control*: after realizing improvement it is time to keep the process in desired stage. The statistical process-control technique can now be employed with considerable effectiveness for monitoring and surveillance of the process.

It is now important to discuss the working methodology of SSM for productivity improvement. They are articulated in three components: strategic, operational and tactical. Each phase has its own relevance and implications. Viz.,

- Strategic marketing activities plays important role with reference to organization position itself in the market, what is the value dimension based on which company intends to compete in market and how to address those value dimensions in cost effective ways etc.
- Operational part of marketing focus upon devising structure based on which strategic objectives can be addressed.
- Tactical level of marketing deals with collecting accurate process measurements, and realizing process performance through those measurements.

On placing SSM on its theoretical perspective, we move on to understand the importance of Lean concept in marketing quality improvement. Since marketing process also involves lots of NVA which generates wastes, the elimination of waste is important for checking the

efficiency and effectiveness of any process. The seven types of waste need special attention in SSM approach are:

1. *Overproduction*: bombarding customers with the information about offerings that is not relevant to them or they are not interested into is called overproduction with reference to SSM.
2. *Waiting time*: with reference to SSM, any delays that occur due to inefficient marketing operation that resist customers to take informed decision is called waiting time.
3. *Unnecessary transport*: unnecessary dialog between firm and customer by overlooking customer persona is analogous to unnecessary transport of production environment.
4. *Over processing or incorrect processing*: Instituting any changes in the product that is not valued by customer is called over processing or incorrect processing.
5. *Excess inventory*: Excess of information regarding offerings puts marketers in the dilemma regarding what to communicate with customers and how to communicate with them.
6. *Unnecessary movement*: Communicating through the channel which is not effective is analogous to unnecessary movement of production in SSM.
7. *Defects*: With reference to marketing, leaving your prospective customer on the mercy of market at any stage of customer purchase funnel is called defects.

Thus, implementing Lean in SSM helps to minimize wastes and NVA activities from the marketing process very effectively and efficiently. It is to be noted that the elimination of NVA and wastes directly address the environmental sustainability issues encountered by the society. The focussed DMAIC stages with reference to environmental sustainability are:

- **Define**: Energy management team should be formed to keep sustainability project align over different phases like measure, analyze, improve and control. Proper budget should be allotted to run energy management programme successfully.
- **Measure**: To examine the energy consumption of organization and to explore improvement opportunities, energy audit should be done.

- Analyze: Data collected through audit can be analysed to understand current energy consumption status, to understand budget allocation and to examine energy saving opportunities etc.
- Improve: Based on information analyzed, energy saving goals can be decided to improve upon current energy consumption.
- Control: Once improvement is realized – sustainability of project implementation is achieved through control phase.

To support the theoretical constructs of SSM, we included an empirical case study based on a service industry where customer dealing is direct, instant and online. Marketing management of the proposed travelling company is examined through the tools discussed in this thesis. SSM approach is discussed in great detail. All the phases of DMAIC approach of SSM are thoroughly examined and improvements are suggested. To maintain the improved performance of the company, it was decided to schedule social media updates based on customer engagement metrics and allowing customers to give review on digital platform to exemplify TCE. Many issues related to marketing promotions were also identified in this process. They are summarized below:

- Advertising: major issues related to this paid mode of promotion is understanding target market, designing message and message delivery.
- Direct marketing: targeting large customer base on one to one basis and addressing their query is the major task to handle in this promotional mode.
- Sales/price promotions: to achieve short term economic gain. Conducting cost benefit analysis is the major task of this promotion type.
- Public relations: maintaining such a firm-customer relationship that customers spread positive word of mouth is the major dimension of this promotion mode.
- Personal selling: This mode focus upon face-to-face interaction with customers.

The promotional issues like: deciding about optimum promotion mix, taking decision regarding budget allocation, and designing right message etc., are also extracted through the data analytics of the company's case. SSM approach to address these promotional issues is proposed with reference to its effect on cognitive, affective and behavioural components. The study also resulted into the identification of many value added activities contributing to the productivity and efficiency of the organization directly. We have also established a strong

association between business innovations with financial and marketing performance; environmental regulations; and sustainable business practices. Hence, we advocate the quality guidelines proposed in chapter 9 may be made mandatory for all organizations to sustain in the market.