Study on the Customer Value Chain Model of Tibetan Medicine Enterprises in China

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Abstract. This paper mainly discusses the customer value chain model of Tibetan medicine enterprises. Basing on the medical nature of Tibetan medicine, the customer value chain of Tibetan medicine enterprises is divided into active consumption value chain and passive consumption value chain from the perspective of customer subjectivity and objectivity. In addition, starting from the consumption process and value links of customers, the customer value chain of Tibetan medicine enterprises is divided into process activity links and internal-external value links. The whole process activity links are composed of four stages: cognition, purchase, use and feedback. The process activities and value activities subdivided in the customer value chain can serve as a reference for Tibetan medicine enterprises to adjust their development strategies and formulate marketing strategies.

Introduction

As Tibetan medicine enterprises, an insight about the process of customers' consumption of Tibetan medicine is vital in promoting the coordinated development between enterprises and customers. To understand this process, attentions on the customer value in the consumption process of Tibetan medicine products and services is important. In addition, a reasonably analyze about the customers' perceived value chain also necessary. Basing on these discussion, this paper try to build a customer value chain of Tibetan medicine enterprises from the perspective of customers, on the premise that they have provided Tibetan medicine products and services to the customers.

Customer value chain is made up of perceived value that customer perceived in the consumption process. These perceived value have been differentiated by foreign scholars. For example, Jahromi (2018) proposed the customer value proposition (CVP), using the qualitative method to determine the CVP four values: economic value, social value, emotional value and technical value[1]. Mohammed (2018) is the concept of customer perceived value into a multidimensional structure contains two dimensions of cognitive and emotional, seven dimensions: complacency, price, quality, trading, enjoyment, beautiful, brand, to study the hotel guests' perceptive value, customer satisfaction and customer loyalty of the relationship between[2]. Based on the empirical data of Finland, Japan and the United States, Rintamakia (2016) verified the new customer value metric, reflecting customer value from the four dimensions of economy, function, emotion and symbolism[3]. At present, the research of domestic scholars on the customer value chain is mainly based on the consumer value chain extended from the buyer value chain theory of porter[4]. For example, Cui xun refined the customer value chain into the customer life value chain and the consumption value chain existing in life from the perspective of life people, and concluded that consumption is closely related to life[5]. Starting from the process and psychology of consumption, Wang naijing divides the customer value chain into transaction perception value chain and relationship perception value chain, and concludes that both the transaction process and emotional relationship will affect the perceived value of customers[6]. According to the research results of the customer value chain, scholars have reached a consensus on the segmentation of the customer value chain, dividing the customer consumption process into four stages: pre-purchase (such as demand,
information search), in-purchase (such as payment and inspection), use (such as trial, operation), and disposal (such as maintenance or disposal)[7]. Secondly, starting from these four links, taking customers' psychological activities as the center, the perceived value generated is classified according to different perspectives, such as commodity value and service value; Functional value, emotional value and social value[8]; Transaction value and relationship value; Basic value and auxiliary value. Therefore, from the perspective of psychology and behavior, customer value chain divides the consumption process of customers and analyzes the existing customer perceived value, so as to obtain the strategy of optimizing customer value through analysis.

In general, the current construction of customer value chain starts from the active demand of customers to consume, and a series of customer perceived values are generated in the process. However, there are also behavioral activities based on passive demands in customer consumption, which contains different customer perceived values. For example, the purchase of drugs and the payment of medical services are typical and indispensable activities, among which there are customer active consumption value chain and customer passive consumption value chain.

**Construction of Customer Value Chain Model**

Starting from the initiative and passivity of customers on products and services, it is concluded that customer value chain can be divided into customer active consumption value chain and customer passive consumption value chain (as shown in Fig 1), and customer consumption process can also be segmented, with specific analysis based on the four links of cognition, purchase, use and feedback. In the study of Tibetan medicine enterprise customer value chain, from the Tibetan medicine enterprises provide products of medicine and medical services, the properties of active consumer products and services are based on the customer has an in-depth understanding of the product under the premise of products (OTC) initiative to buy medicine or medical services, customers are free to choose the required products, has a great deal of autonomy. The products and services that customers passively consume are based on the pharmaceutical products (OTC) and medical services that customers passively purchase under the influence of the outside world. Therefore, customers' independent choice of products and services is limited. Therefore, the main difference between the two value chains is the subjectivity and objectivity of customers. In addition, there is passive consumption in the process of active demand, and passive demand in turn affects active consumption. There is a complementary relationship between the both.

![Customer Value Chain](Image)

**Figure 1. Customer Value Chain.**

Based on the analysis of customer's active demand and passive demand above, it is concluded that the construction of customer value chain of Tibetan medicine enterprises should be studied from the perspective of customer's active consumption value and customer's passive consumption value chain. But how to embody the value link and value activity in the customer value chain? By sorting out relevant researches on the customer value chain and conducting in-depth field interviews, the author divides the customer value chain of Tibetan medicine enterprises into process activity links and internal and external value links. Tibetan medicine enterprise customer value of the inner
link of value chain, including psychological, physiological value and social value, external value including: product, service, price, environment, connection, and the whole process by cognitive activities link, purchase, use and feedback of four phases, as shown in Table 1, in the face of the three links below for detailed analysis.

Table 1. Customer Value Chain Model.

<table>
<thead>
<tr>
<th>Process activities</th>
<th>Subjective cognition, Subj ective to buy</th>
<th>Use, Feedback</th>
<th>Objective cognition, Objective to buy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal link value</td>
<td>Psychological value</td>
<td>Physiological value</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Psychological value</td>
<td>Psychological value</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Social value</td>
<td>Social value</td>
<td></td>
</tr>
<tr>
<td>External link value</td>
<td>Product</td>
<td>Product</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Price</td>
<td>Service</td>
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<tr>
<td></td>
<td>Service</td>
<td>Price</td>
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<td></td>
<td>Environment</td>
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</tbody>
</table>

Process Activities

The consumption process of the customer value chain of Tibetan medicine enterprises is mainly divided into four stages: cognition, purchase, use and feedback, and customer value is gradually generated with the promotion of the consumption process. When at the start of cognitive stage, the customer first determine their own needs, and then through online (Internet), line (Consulting), find accord with its own conditions and demand of outside information, so as to change the initial demand for consumption motives, which the universality and authenticity of information sources has a direct impact on buying decision. When the demand is made clear, it will enter the purchase stage. In the process of purchase, customers will be affected by the product type, price, service, external environment, emotional connection and other factors, thus generating different thrust or resistance to the purchase decision. The determination of purchase decision is influenced by the purchase motivation in the early stage and the external motivation in the purchase period. The joint action produces the consumption of products or services, and the completion of payment means the end of the purchase stage. In the process of using the products by customers, for Tibetan medicine products, the efficacy and side effects are the two main aspects affecting the customer value in the use stage, which will deepen the customer value in the early stage and have a positive effect on the customer value feedback in the later stage. Generally speaking, in the use process, the appropriate packaging of Tibetan medicine products, the convenience of taking medicine, the soundness and understandability of instructions and other aspects will affect the perceived value of customers in the use stage. Finally, from the feedback stage in the customer value chain, customers' evaluation results not only have an impact on their next purchase, but also have a corresponding chain reaction on the purchase ideas of their friends and relatives. In general, feedback mainly refers to the satisfaction and loyalty generated after the use of the product, and these two indicators are what Tibetan medicine enterprises need to refer to in the formulation of marketing strategies. Therefore, Tibetan medicine enterprises should focus on the customer perceived value generated in these four consumption activities.
Internal Link Value

Intrinsic link value mainly refers to the intrinsic perceived value, such as psychological value, physiological value and social value. That is difficult to measure in the process of consuming Tibetan medicine products. Psychological value is a kind of consumer surplus, which refers to the combination of the expected value and the actual perceived value. For example, if the customers buy a brand of Tibetan medicine at a lower price than expected, the price difference is attributed to psychological value. Or in the process of using Tibetan medicine products, compared with other products, Tibetan medicine is more convenient to take and the packaging design is more humanized, which makes customers subconsciously generate additional perceived value, which exceeds the expected value and constitutes the psychological value of customers. Physiological value refers to the additional value generated to the body by customers when they purchase or use Tibetan medicine products. For example, the convenience of purchase enables customers to save physical strength and time cost, and the efficacy of the products improves the value perceived by customers physically. Physiological value can be reflected from the side by physical cost, time cost and efficacy value, so as to conduct quantitative analysis. Social value is the identification value of social organizations or groups to customers when they use Tibetan medicine products, and it is the perceived value generated by others' evaluation. For example, when customers buy a kind of Tibetan medicine product the same as that of their friends and have similar ideas, they will have a sense of tacit understanding and identity with each other. When customers purchase Tibetan medicine products, they will realize that their understanding of Tibetan medicine and purchase of Tibetan medicine will promote the development of ethnic medicine and sublimate their social value. The intrinsic value of links is closely related to the nature of customers, but for Tibetan medicine enterprises, the intrinsic value is a direct factor affecting customers' consumption, so enterprises need to pay close attention to the intrinsic value of customers.

External Link Value

External link value refers to the degree of influence of external conditions on customers' perceived value in the process of consuming Tibetan medicine products, such as external factors such as product, service, price, shopping environment, brand, and emotional connection. The embodiment of the external link value is contained in the consumption process, and it will have a direct impact on the internal link value. Product value and service value are the two most important factors in the external link value. The efficacy, loyalty and timeliness of Tibetan medicine products have a great influence on the degree of customer perceived value. The influence value of these external factors is analyzed in detail below. For example, from the perspective of product attributes, the value of Tibetan medicine products is mainly measured from the aspects of efficacy, composition, packaging, taste and convenience. The service value can be reflected from the aspects of purchase consultation, the service attitude of sales staff, the convenience of payment and after-sales service. Price is a sensitive factor to the perceived value of customers. The expected price of customers and the price of similar products will have an impact on the price of Tibetan medicine. Purchase environment, brand and emotional connection belongs to the added value of customer perception, consumption decisions to customers will also have a material impact, such as regular chain pharmacies and larger hospitals or clinics, famous brand and consumption record for the record and the customer pays a return visit. It can improve the customer's trust, so as to enhance customer perceived value.

Therefore, the customer value chain of Tibetan medicine enterprises is composed of process activity links and internal and external value links. Based on the process activity links of customers, the internal and external value of customers is extended. From the perspective of the subjective and objective of the customer, Tibetan medicine enterprise customer value chain and passive consumption can be divided into active consumption value chain and customer value chain, both of which the first two stages in the process activities link, active consumer value chain is based on the subjective perception and objective purchase, passive consumer value chain is based on the objective cognition and objective, its starting point. Secondly, in the internal and external value
chain, active consumption value chain pays more attention to psychological value, product price and service, while passive consumption value chain pays more attention to physiological value and product efficacy. Tibetan medicine belongs to the medical industry, rather than daily necessities or durable goods, which leads to the different emphasis of value links in the two value chains.

**Summary**

In the individual consumption market of Tibetan medicine enterprises in China, the customer value chain includes process activities and internal-external values. Amount then, the internal-external value is reflected in the process of customer consumption. Secondly, the customer value chain can be divided into active consumption value chain and passive consumption value chain basing on the subjective and objective perspectives of customers. Therefore, the analyzing of customer value chain of Tibetan medicine enterprises was conducted by the consumption behavior of target customers, further formulate the marketing strategy of the enterprise basing on the customer value chain. For example, the strategic plans on product research and development, design, production, marketing and after-sales service of Tibetan medicine enterprises, can be adjusted by the sales situation that collected from the marketing. In addition, the decomposing, analyzing, adjusting and catering of the customer value is availing for the marketing strategies completing of Tibetan medicine enterprises, further improving their customer value.

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**References**


