

CEO p 120

1. Apart from those mentioned in the case, what other benefits do you think of CEO can offer to its target customers? Explain.

2. Do you think customers at an ordinary Neway Karaoke Box would differ from CEO customers in terms of major demographic characteristics? If yes, what would be the major differences?

3. Describe THREE lifestyles of CEO's customers and Neway's customers, respectively.

CEO's customers	Neway's customers

1 Since CEO's target customers want better service quality and enjoyment, some value added items or services are important for satisfying them. CEO can:

- issue a VIP card to frequent customers. Cardholders can enjoy room upgrades or discounts.
- record songs that customers sing and give them the soft copy upon their request. This helps customers recall the happy time they had with their significant others (e.g., friends, lovers and family members) as well as satisfy their ego needs.
- cooperate with banks to jointly issue a credit card which offers exclusive benefits to cardholders.

- 2** When compared with Neway customers, CEO customers are likely to be older and earn higher incomes. Most are working adults. They can afford more expensive products and high-quality services.

3 Suggested answers:

CEO	Neway
Customers may have higher income and are from higher social classes.	Customers are from the lower or middle classes.
Customers are expected to be more willing to spend money learning something new or 'upscale' (e.g., yoga, golf, etc.).	Customers are more price-conscious and more likely to shop during seasonal sales.
Customers are more trend-conscious. They associate 'spending with good taste'.	Customers are more likely to follow what their friends do and seek their friends' opinions before making purchase decisions.