



Applied Leadership and Management in the Workplace Module Assignment Submission

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Introduction

In today's highly competitive and customer-driven business environment, organisations must place increasing emphasis on understanding and meeting the evolving needs, expectations, and behaviours of their customers in order to achieve long-term success. The shift from product-centric to customer-centric business models reflects the growing recognition that customer satisfaction and loyalty are key drivers of profitability and sustainable competitive advantage (Kotler & Keller, 2016).

This report aims to explore the critical elements of a customer-focused strategy, examining how businesses can create and deliver value at every stage of the customer relationship. Key themes addressed include the customer lifecycle, which outlines the stages a customer goes through from initial awareness to potential re-engagement; quality processes, which help ensure consistent delivery of products

and services; and the concept of customer value, which refers to the perceived benefit customers gain relative to the cost of the offering.

Additionally, this report investigates how organisations can foster customer loyalty by exceeding expectations and creating positive, lasting experiences. Tools and frameworks such as Customer Relationship Management (CRM) systems, customer segmentation, and value measurement metrics are analysed for their role in enhancing decision-making and supporting strategic growth initiatives.

By integrating these approaches, businesses are better equipped to strengthen customer relationships, improve satisfaction, and remain agile in the face of changing market demands.

1. The Customer Relationships

The customer relationship refers to the ongoing interaction and connection between a business and its customers, encompassing every touchpoint before, during, and after a purchase. Building and maintaining strong customer relationships is fundamental to business success, as it directly influences satisfaction, trust, loyalty, and long-term value.

1.1 Customer Lifecycle

What is customer lifecycle management?

The practice of collecting data at every step of the customer lifetime, allocating metrics to monitor the effectiveness of those phases, and acting to enhance your customers' experiences is known as customer lifecycle management. To put it another way, it's the effort your business does to control client experiences at important touchpoints.

According to The Editorial Team (2024) and Emarsys (2025), to become a loyal customer consumers will ideally go through the 5 stages that the customer lifecycle refers to

The five stages that customer lifecycle management focuses on include:

Awareness

When a potential customer first encounters a product or service.

Consideration

When a customer investigates and researches that product or service.

Conversion

When shoppers commit to a purchase by completing a transaction.

Retention

When customers reflect on their purchase, returning again in the future.

Advocacy

When customers share their experiences, helping to promote the product or service to friends and family.

The customer lifecycle refers to the ongoing relationship between a business and its customer. It begins with the customer's first purchase and continues through to how they perceive and advocate for the brand over time.

Unlike the customer journey, which is typically measured from initial contact to conversion, the customer lifecycle is cyclical and long-term in nature. Customers may disengage at times, but there is always the potential for them to re-engage and return at a later stage.

That's why understanding the customer lifecycle and how to manage and improve it can make or break your overall customer experience, as this cycle helps organisations tailor their strategies to support customers at each stage. For example, early marketing efforts may focus on awareness, while loyalty programs are more relevant during the retention phase. Managing the customer lifecycle effectively contributes to higher customer satisfaction and business sustainability.

1.2 Customer loyalty

Customer loyalty is defined as the ongoing, positive relationship between a customer and a brand, characterized by repeated purchases and emotional commitment despite competitive alternatives Qualtrics, (2025) and SAP Emarsys,(2023). Loyal customers are more likely to forgive occasional fault and remain with the company if the brand effectively addresses issues

Loyalty is not only about repeat purchase, it's a reflection of trust and emotional engagement built over time.

"Customer loyalty is an ongoing positive relationship between a customer and a business... It's what drives repeat purchases and prompts existing customers to choose your company over a competitor" (qualtrics,2023)

Loyal customers contribute to a business's success by:

1. **Increasing revenue and profitability** – retaining customers is significantly more cost-effective than acquiring new ones; a small increase in retention can lead to a 25–95% profit boost (BrandChamp, 2022)
2. **Generating positive word-of-mouth** – loyal customers become brand advocates who spread recommendations, greatly influencing new customer acquisition
3. **Enhancing brand resilience** – these customers are emotionally connected and less likely to switch brands, even when faced with alternatives .

1.3 Customer value

To run a successful business, it is important to understand the value you provide to your customers. This understanding can help attract potential customers and enhance the service you offer to existing ones.

If, for example, a customer only values you for your low prices, offering a higher-priced product might make them leave for a competitor. If your brand is perceived to provide excellent quality products, offering items that appear of a lower quality might lead to customer turnover.(Qualtrics,2025)

To run a successful business, it is essential to understand the value you provide to your customers. This insight not only helps attract potential customers but also enables you to deliver better service to existing ones. When customers clearly recognise the benefits and experiences your brand offers, they are more likely to remain loyal and recommend your business to others.

Understanding why customers are choosing your brand in particular allows you to tailor your products and services more effectively to both new and existing audiences. This level of customer insight helps build stronger trust and can lead to increased customer retention and repeat purchases.

Moreover, knowing what your customers expect and the standards they hold you to make it easier to meet and exceed those expectations. Whether it's the quality of your products, the level of customer service, or the overall experience, exceeding expectations leads to greater satisfaction and stronger brand advocacy. When a

business consistently delivers value that aligns with customer needs, it strengthens its competitive advantage and builds lasting relationships (Kotler & Keller, 2016).

In addition, having a clear understanding of what influences your customer value allows you to identify factors that may be enhancing or diminishing it. This insight enables you to actively shape customer perceptions and ensure you are consistently meeting or even exceeding their expectations. However, before you can manage or improve customer value effectively, you first need to measure it.

1.4 Managing customer Expectation

Managing and maximising each consumer connection with your brand is the goal of CXM. It follows their path from learning about your business to making a purchase and requesting assistance to make sure every interaction surpasses their expectations. The objective? Increase satisfaction, cultivate advocates, and foster loyalty.

CXM connects customer satisfaction to marketing success, focusing on three key areas:

- Success: Did the interaction meet the customer's needs?
- Effort: How easy was the process?
- Emotion: How did the interaction make them feel?

These elements determine how customers perceive your brand and whether they'll stick around. Yet, many companies still struggle to implement effective CXM strategies.

Effectively managing customer expectations is crucial for building trust, ensuring satisfaction, and encouraging repeat business. When expectations are clearly understood and appropriately set, businesses are better positioned to deliver consistent value and avoid disappointment.

Consumers base their expectations on reviews, company marketing, past experiences, and industry standards. Customers are more satisfied if the experience meets or above their expectations. Trust may be damaged, though, if there is a disconnect between what is promised and what is really provided.

To manage expectations successfully, businesses should:

- **Communicate clearly** about what customers can expect regarding products, services, delivery times, and pricing.
- **Gather feedback** regularly to understand evolving needs and pain points.
- **Be transparent** when things go wrong, offering honest explanations and timely resolutions.
- **Deliver consistently**, ensuring the customer experience aligns with the brand promise at every stage of the customer lifecycle.

By proactively managing expectations, businesses not only reduce the risk of dissatisfaction but also strengthen customer loyalty and advocacy (Zeithaml, Bitner, & Gremler, 2020).

1.5 Customer centrality

Customer centrality (or customer-centricity) is a business approach that puts the customer at the heart of all decisions, strategies, and operations, the company will make decisions based on what's best for the customer. Rather than focusing solely on products, services, or profits, a customer-centric business designs everything from marketing to customer service to meet the needs, preferences, and expectations of its customers, not just what's easiest or most profitable for the business (Al Ramich, 2022).

Example in practice based on a bakery-

At Butterfly Bakes, customer centrality might look like:

- Offering custom cake options based on regular customer requests.
- Following up after orders to ask about satisfaction.
- Using Instagram polls to help decide on future product launches.
- Responding quickly and personally to DMs and inquiries.

Benefits of Customer Centricity

1. Enhanced Brand Reputation

Strong reputations are developed and customers' confidence and loyalty are gained by brands that continuously provide outstanding customer experiences. The brand's standing in the marketplace is further improved by favourable word-of-mouth recommendations and reviews.

2. Increased Customer Engagement:

Businesses that value their Customer-centric will gain deeper connections with their customers, which then leads to increased engagement and interaction. This can

result in valuable feedback and insights that drive product innovation and business growth.

3. Improved Employee Satisfaction

Employees in customer-centric organizations often feel a sense of purpose and fulfillment in their work, knowing that they are making a positive impact on customers' lives. This can lead to higher employee morale, productivity, and retention.

4. Better Risk Management: By closely monitoring and responding to customers' feedback and concerns, businesses can identify and address potential issues before they escalate, reducing the risk of customer dissatisfaction and negative publicity.

5. Increase Revenue: Loyal customers tend to spend more and make repeat purchases, contributing to higher revenue and profitability for the business. Additionally, satisfied customers are more likely to recommend the brand to others, leading to new customer acquisition and organic growth. (Geeksforgeeks,2024).

According to Mohsin Ali, (2024) prioritising customer centrality is not just strategic it’s essential for a successful business, applying the 4’C framework of customer care into your company requires a commitment to excellence.

4 C’s	Customer-Centric Focus	Traditional 4 P’s
Customer Needs	Understand and satisfy what the customer truly wants	Product
Cost to Customer	Total cost (not just price)—including time, effort, etc.	Price
Convenience	How easy it is for the customer to buy and use the product	Place
Communication	Two-way interaction, not just advertising or promotion	Promotion

Applying the 4 C's to a bakery business;

4 C	Butterfly Bakes Example
Customer Needs	Offering custom cakes for allergies, themes, or special occasions.
Cost to Customer	Transparent pricing, easy payment options, and avoiding last-minute fees.
Convenience	Local pickup, fast replies on Instagram, and simple ordering via DM or website.
Communication	Friendly, two-way chat on Instagram, asking for feedback and taking suggestions seriously.

1.6 Customer Segmentation

Customer segmentation refers to the process of categorising a business's customer base into distinct groups that share similar characteristics. This allows companies to tailor their marketing strategies more effectively to meet the specific needs, behaviours, and preferences of each group.

In business-to-business contexts, segmentation may be based on variables such as the industry in which a company operates, the size of the organisation (e.g., number of employees), purchasing history, or geographic location.

In contrast, business-to-consumer segmentation typically focuses on demographic and lifestyle factors. These may include age, gender, marital status, type of residence (urban, suburban, or rural), and life stage (such as being single, married, divorced, or retired).

By identifying and targeting specific segments, businesses can develop more relevant marketing campaigns, improve customer engagement, and deliver personalised experiences that increase loyalty and satisfaction. (Lizzie Davey, 2023)

2. Quality Processes and Customer Expectations

Quality processes are essential for delivering consistent products and services that meet customer expectations. Customers today expect high-quality experiences, reliability, and responsiveness. Businesses that invest in quality control and continuous improvement are better equipped to meet or exceed these expectations. Failing to do so may result in customer dissatisfaction and a decline in loyalty.

2.1 Quality Management Processes

A quality management system (QMS) is a structured framework that defines and documents an organization's processes, procedures, and responsibilities for achieving quality policies, practices, and objectives. The goal of a QMS is to reduce waste, increase efficiency, and improve customer satisfaction. (ASQ,2025).

2.2 Quality models and theories

In order to guarantee client happiness and corporate success, quality theories are crucial. They give businesses a structure for upholding the standards of their goods and services. Gaining an understanding of these theories enables you to comprehend how companies seek to increase productivity and quality. (studysmart,2025).

Below will be some examples of models and theories that can be effective for business and help them improve in certain areas-

Total Quality Management

Total Quality Management (TQM) is a long-term, organisation-wide approach focused on continuous improvement in all aspects of operations, with the goal of enhancing customer satisfaction. It involves every employee in the quality process and promotes a culture where quality is the responsibility of all departments not just the quality control team. Key principles include customer focus, employee involvement, process approach, and data-driven decision-making (StudySmarter,2025.).

According to Peter Landa,(2025) TQM also helps streamline processes and eliminate waste, thereby reducing errors and increasing overall productivity. These improvements result in cost savings and support the principle that preventing problems is often more efficient and less costly than correcting them after the fact. By embedding quality into

every stage of the operation, TQM enables organisations to operate more effectively while maintaining a strong customer focus.

For example At Butterfly Bakes, Total Quality Management (TQM) plays a vital role in ensuring consistent product excellence and a positive customer experience. TQM promotes a culture of continuous improvement and customer satisfaction, which is essential in a competitive market where quality and service directly influence loyalty and repeat business.

By involving every team member in maintaining and enhancing quality from baking and packaging to customer service Butterfly Bakes can ensure that each product meets high standards. Satisfied customers are more likely to return and share positive feedback, both in person and online, helping to build a loyal customer base and a strong local reputation.

Six Sigma

According to Adam Hayes (2024), Six Sigma is a collection of methods and resources for enhancing corporate operations. Engineer Bill Smith first presented it in 1986 while he was employed at Motorola. Six Sigma practitioners discover and decrease mistakes and defects, minimise variance, and improve quality and efficiency by utilising project management, financial analysis, and statistics.

The 5 Principles of Six Sigma

- 1. Customer Focus**

The primary goal of Six Sigma is to deliver maximum value to the customer. All improvements and changes are based on what is critical to quality (CTQ) from the customer's perspective.

- 2. Identify and Understand the Root Cause of Problems**

Rather than treating symptoms, Six Sigma focuses on identifying the root cause of issues using data and analysis, ensuring solutions are effective and long-lasting.

- 3. Eliminate Process Variation**

Consistency is key. Six Sigma seeks to minimise variation in processes to ensure that products and services are delivered the same way, every time leading to

more reliable outcomes.

4. Continuous Process Improvement

Six Sigma promotes an ongoing commitment to incremental improvement, encouraging teams to regularly review and refine processes to enhance quality and efficiency.

5. Engage and Empower People

Success depends on the involvement of employees at all levels. Six Sigma encourages collaboration, training (e.g., Yellow, Green, Black Belts), and a shared responsibility for improving quality.

(Vanishka Agrawal,2025)

Crosby's Zero defect theory:

The term Zero Defects, coined by Philip B. Crosby in his book *Absolutes of Quality Management*, has become a well-recognised and influential concept within the field of quality management. Its core message that businesses should strive to eliminate defects entirely has become so strong that it has been incorporated into methods like Six Sigma as a foundational principle. However, despite its popularity, the concept has also attracted criticism. Some argue that achieving zero defects is unrealistic and unattainable in real-world settings. In response, advocates of the theory have clarified that zero defects does not imply literal perfection. Instead, it represents a mindset focused on eliminating waste, minimising errors, and consistently meeting high-quality standards. From this perspective, Zero Defects is less about flawlessness and more about fostering a culture of continuous improvement and accountability in all aspects of organisational performance. (simplilearn,2025)

Nowadays, many overall quality management and assurance programs in various industries are based on the dominant concept of zero defects. It encourages continuous improvement across the workplace in conjunction with Six Sigma principles and the 5W1H technique, guaranteeing that both the leadership and quality standards improve over time.(Roselin Manawis,2023)



Deming theory of total quality management

According to Admin,(2022)" W. Edwards Deming worked as a statistician and researcher during World War II, and in the 1950s, he led efforts to bring statistical thinking and quality control methods to improve business, beginning with the manufacturing industry. Deming's contributions include developing a system of Statistical Quality Control (SQC) and championing the importance of quality in product and production through his philosophies and principles."

The Four Main Parts of Deming's Theory

Deming's Theory of Quality Management is built around four interconnected components that support continuous improvement and organisational effectiveness:

1. **Appreciation for a System**

Deming thought that organisations needed to know how all of the parts people, departments, processes, and functions worked together as a whole. Better long-term results come from optimising the entire system rather than just its component pieces.

2. **Knowledge of Variation**

Every process has variation, and enhancing quality requires a knowledge of its

causes. Deming made a distinction between special cause variation, which results from particular problems, and common cause variation, which is inherent in the process. Consistent outcomes can be achieved by controlling and minimising undesired variance.

3. **Theory of Knowledge**

Organisations must base decisions on knowledge, not assumptions. This means using data, research, and experimentation (such as the **PDCA cycle**) to inform action and guide improvements. Continuous learning is a central theme.

4. **Psychology**

Being able to comprehend human behaviour is crucial for good leadership. Deming highlighted the value of cooperation, encouragement, and overcoming fear in the workplace. Employee empowerment and the development of a kind, encouraging culture boost morale and productivity.

(Admin,2020)

According to Lean.org (2025) Another central component of Deming's theory is the **Plan–Do–Check–Act (PDCA) cycle**, also known as the **Deming Cycle**. This four-step method provides a structured framework for continuous improvement:

- **Plan:** Identify a problem and plan a change or test.
- **Do:** Implement the change on a small scale.
- **Check:** Observe the results and analyse what was learned.
- **Act:** Adopt the change if successful, or begin the cycle again.

2. How quality influences the customer expert

Quality is a fundamental driver of the customer experience and has a direct impact on customer satisfaction, retention, and brand perception. When customers receive consistently high-quality products or services, they are more likely to trust the brand, return in the future, and recommend it to others. This positive cycle not only boosts reputation but also builds long-term customer loyalty. For example, at Butterfly Bakes, ensuring that every product from cupcakes to celebration cakes meets a high standard of taste, presentation, and freshness strengthens the emotional connection customers have with the brand.

High quality also reduces issues such as complaints, refunds, or negative feedback, allowing more time and resources to be directed toward innovation and growth. From a Customer

Relationship Management (CRM) perspective, tracking quality-related customer feedback helps businesses identify trends, respond to concerns quickly, and tailor communications based on customer preferences. This proactive approach not only improves service recovery but also helps build trust and personalised experiences over time.

Moreover, quality is more than the product itself, it includes the service environment, responsiveness to inquiries, ease of ordering, and follow-up communication. At Butterfly Bakes, this might mean friendly in-person service, prompt replies to custom order queries on Instagram, and ensuring that collections and deliveries run smoothly. Each of these quality touchpoints contributes to a more satisfying and memorable customer journey.

In a competitive market, businesses that embed quality into every stage of the customer lifecycle are better positioned to retain customers and attract new ones. As StudySmarter (2025) notes, delivering quality consistently is key to maximising customer satisfaction and reducing long-term costs associated with service failures.

Conclusion

Customer-centric strategies are essential for business success in today's dynamic and highly competitive market. As customer expectations evolve, businesses must prioritise understanding and meeting their needs throughout every stage of the customer lifecycle—from the initial point of contact to post-purchase support and re-engagement. By focusing on delivering consistent quality and using strategic tools such as Customer Relationship Management (CRM) systems and customer segmentation, organisations can tailor their offerings more effectively and provide more personalised, relevant experiences.

Customer segmentation enables businesses to identify and respond to the unique preferences and behaviours of different groups, allowing for targeted marketing and service approaches that resonate with each audience. Meanwhile, CRM tools help centralise and analyse customer data, improving communication, personalisation, and service efficiency. These tools work together to enhance customer value—the perceived benefit a customer receives from a brand—and to strengthen customer loyalty, which is crucial for long-term retention and profitability.

Furthermore, measuring customer outcomes through value metrics—such as Net Promoter Score (NPS), Customer Lifetime Value (CLV), and retention rates—ensures that businesses remain aligned with customer expectations and can identify opportunities for continuous improvement. These insights allow for proactive adjustments that improve both the customer experience and business performance.

Ultimately, placing the customer at the heart of decision-making processes fosters deeper relationships, increases trust, and supports sustainable growth. Organisations that embed customer-centric thinking into their culture are better positioned to adapt to change, differentiate themselves in the market, and achieve long-term success.

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