

**Understanding and Engaging in the
Customer Experience
(BMSW 5103)**

**Customer Relationship Management
and Ethical Practices**

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Contents

1.Introduction.....	P3
2.1 What is Ethics and its Components.....	P3
2.2 Ethical policies of Asda supermarket.....	P4
3.1 What is Sustainability and its Components.....	P5
3.2 Sustainability Policies of Asda Supermarket.....	P5
4.1 Crosby Quality Model.....	P6
4.2 The Total Quality Management Model.....	P7
5.Conclusion.....	P7
6. Recommendation.....	P8
7. References.....	P9

1.Introduction

The report will highlight quality processes in the workplace and customer experience.

The research focuses on understanding Asda retail supermarket ethical and sustainability policies and practises and the impact of the quality systems that it may have on customer relationship management. Asda has been taken over by EG group owners the Issa brothers.

The billionaire Issa brothers have “completed” their acquisition of Asda, with Walmart announcing the £6.8bn deal had met all its conditions (William Reed Business Media Ltd,2021).

2.1 What is Ethics and its Components.

Business ethics are the moral principles that act as guidelines for the way a business conducts itself and its transactions. In many ways, the same guidelines that individuals use to conduct themselves in an acceptable way – in personal and professional settings – apply to businesses as well (CFI Education Inc, (2021).

Ethics is a system of moral principles in what is ‘right’ and what is ‘wrong’ for business, customers, and employees. In a nutshell ethic dictate what is wrong or unethical in terms of business practices. Unsafe working conditions are known as unethical because they put workers in danger. For example, in a factory worker carrying heavy objects without the appropriate training leads a risk to employee’s health in the long term. Another example would be exposed electricals and wiring in a workplace puts employees at a risk as this can lead to fire or an employee to drip over. Components of ethics include Honesty, Trustworthiness, Transparency, Accountability, Confidentially, Objectivity, Respect, Obedience to the law, and Loyalty (CFI Education Inc, (2021).

Components allow businesses to set specific rules, actions, or behaviours to allow fairness for employees and customers. For example, A company has a recruitment process for all employees to apply for a internal position rather than a manager to selecting his favourite employee. Another example: A customer who purchases a product has rights to refund within a timescale if the product quality is not sufficient to what it said in the packaging. This impacts on customer experience.

2.2 Ethical policies of Asda supermarket.

Ethical policies of Asda supermarket are to ensure they are ethically sourcing products and looking after their workers. To do this they monitor for and investigate issues in the supply chain (Asda,2021). Asda conduct and behaviours applies to everyone who works with the organisation from employees to their suppliers and contractors. All to share Asda values and help promote culture where people do the right thing. Asda do this by giving the appropriate training to all their staff to recognise and speak up about inappropriate conduct. However, Asda has been named worst supermarket in treatment of suppliers according to the Guardian news in June 2017. The Guardian have stated 12% of Asda suppliers said the Walmart-owned chain rarely or never complied with the grocery supply code of practice, which covers dealings by 10 retailers that sell over £1bn of groceries a year. (Anon., 2021)

The suppliers were not happy with the fact Asda was taking incorrect deductions from invoices without notice and requesting a lump sum to make up profit margins, conducting 'abusive'. (Anon., 2021). This has impacted Asda culture as not all employees within the organisation are doing the right thing despite training given. The reason for this could be employee having to work under pressure with less staff. This impacts Asda culture, product cost and reputation in the market in a negative way leaving its customers to not trust the brand. This impacts the customer experience as they are unable to trust Asda if they are proving value for money on the products and if Asda can supply the products in the long term as they have issues with their suppliers. Would lead existing customers to shop around for better price. Asda slogan 'More for you for less,' (This is Money,2021) would be impacted as Asda will not be able to deliver its promise to its customers if the suppliers are not happy with Asda. These impacts customers experience in trust, loyalty and caring which would lead customers to go elsewhere as they would not be getting the loyalty, they feel they deserve. Asda ethics are to be resilient and bring about positive change by sourcing responsibility, promoting human rights, and preventing modern slavery. However, Asda was taken to court by its employees in 2016 for equal pay as the women were getting paid less than the male warehouse workers. The decision was upheld by Court of Appeal judges in 2019 but Asda bosses then appealed and now Asda workers have won the major victory at the Supreme court in their battle for equal pay (BBC,2021). This case would have impacted the customer experience in store feeling unable to ask staff for help due to staff are not happy in the workplace and not willing to help customers and productivity of staff would be slow which meant customers were not receiving the excellent customer service whilst shopping around

the store and when getting served on the tills. Asda ethics and compliance programme is designed to manage compliance risks and sets out tone for the behaviour of all their employees and partners. Asda health and safety at stores impacts customer experience in store to feel safe and there has been a positive impact as customer accidents have decreased by 30% compared to 2019 (Asda,2021), this means Asda employee are more trained in keeping the customer safe however colleague accidents decreased only by 12% compared to 2019 which means employee are still at a risk whilst at work. Further training and assessments need to be actioned for employee well-being. One of Asda compliance is to manage privacy risk for this Asda provide high online security keeping all customers data protected to those who shop online. This provide an excellent customer service experience to Asda online shoppers without having to worry, giving them a peace of mind when shopping online knowing their personnel data is protected and Asda use a secure website (Asda,2021). Asda compliance involves monitoring food safety for its customers from different background adding quality to its food and packing compared to its competitors. They provide halal food marketing for a wider audience; this helps customers choose Asda over their competitors as they can provide everything in one store saving the customers journey time having to go to different stores. This is a positive impact on the customer journey.

3.1 What is Sustainability and its Components.

Sustainability is most often defined as meeting the needs of the present without compromising the ability of future generations to meet theirs. It has three main pillars: economic, environmental, and social. These three pillars are informally referred to as people, planet, and profits (Investopedia,2021). The economic pillar is where the business makes profit, and they must be on a firm ground. Activities that fit under economic pillar include compliance, proper governance, and risk management. The Environmental pillar gets most recognised as this focuses on reducing carbon footprints, packing waste, water usage and overall effect on the environment. The social pillar ties into social license which includes support of its employees, stakeholder, and the community it operates in. This would involve company treating employees fairly and being a good neighbour and community member, both locally and globally (Investopedia,2021).

3.2 Sustainability Policies of Asda Supermarket.

Asda recognises that sustainable shopping must be affordable and accessible to all customers and commits customers won't pay more for greener (Asda,2021). This supports the

community in packing waste and builds Asda reputation. Asda have taken steps to appear more eco-friendly, from charging bags to promoting sustainable foods. They highlight using recycled carrier bags, recycled plastic packaging or sustainable fishing and farming to help support their case (Asda,2021). Asda have launched 'Greener at Asda Price', which includes all loose and unwrapped products will not cost more than wrapped equivalents promising Asda customer a national price promise. This will build loyalty between the company and its customers. Asda have vending machine for cans, plastic and glass bottles and hanger recycling facility that has been rolled out across all stores which helps the community and its shoppers to dispose products to recycle, making the experience convenient for them. Asda have also invested their clothesline through 'George' to be made from recycled polyester and coat hanger-less denim. The company is also committed to generating zero carbon emissions by 2040, reducing waste by 50% and having a net regenerative impact on nature no later than 2050 (Asda,2021). Sustainability matters as the climate change represents a threat to human safety on an unparalleled scale and presents very material risks to its food chain. Asda is supporting in accelerating solutions which protects and generate our environment. This generates profit for Asda as customers who want safety of the environment would shop with Asda to help the environment making this planet safer at the same time Asda are generating income as more customers join to shop with Asda so the investment Asda have taken to make the planet eco-friendlier in the long term will generate the company more profit. For example, during the Covid Asda still made a profit and did not have to close any of their branches as customers were still shopping with Asda using the online platform. Asda social pillar networks with the community through proving charity and providing recycling vending machines which the community can contribute even if they don't shop at Asda. This highlights Asda this is more for the environment and not solely focusing on profit. However, Asda have not taken into consideration the elderly generation who have a disability and for this reason unable to come into store to shop and how can they dispose recycling products to make the planet more co friendly as the younger generation who are able to go into store more likely would recycle less due to their busy lifestyle. Nevertheless, Asda are making this attracted to the new generation through the clothing line for children school uniform.

4.1 Crosby Quality Model

Crosby Quality model is defined by Philip B. Crosby in his book *Quality Is Free*, the cost of quality has two main components: the cost of good quality (or the cost of conformance) and the cost of poor quality (or the cost of non-conformance), (Isixsigma,2021). Crosby quality

model states cost of poor quality affects internal and external costs from meeting requirements and the cost of good quality affects costs for appraising a product or service and brings investment opportunities.

Asda to implement Crosby model to manage their customer relationship management as this will help to resolve internal employee and supplier issue and will bring more profit and investors to the organisation. However, this model may not be practical during the Covid due to cost involved and Asda trying to survive the harsh economic condition it may not want to introduce new things. After the Covid if Asda to implement this model, this model will help make a better work place for Asda employees as it will help resolve pay issues and regular training for staff wellbeing in the warehouse and regular training for Asda office staff to communicate with its supplier clearly making them understand Asda policy practises.

4.2 The Total Quality Management Model.

The quality management provides the quality assurance that customers will get what they expect, as well as a process for managing unsatisfied customers, make needed corrections and prevent similar reoccurrences (QAD,2021).

Implementing this model to help Asda Customer relationship management will benefit the company in the long run to help to have a clear path to creating satisfied customers. This model will benefit Asda as it will help manage happy, satisfied customers to become repeat customers. This will build the company reputation as word of mouth as this is a powerful marketing tool. As good as this sounds, Asda cannot implement this model immediate due to cost involved and Asda would have to review all its policy as this model would mean the business requires to understand what customers typically expect in a field, the business must consistently deliver the expected product or service and clearly communicate to the customers exactly what you will deliver to avoid misunderstandings. Also, it would not be practical during the Covid due to business trying to transition to survive the business. Asda are working on their online platform to get customers shop with them more online during this ongoing covid.

5.Conclusion

Overall Asda are a growing company despite the issues they have with employees litigating cases to court regarding pay as they play a big part to being making the environment greener which supports the community and well-being of the humans in long term. Asda have

Customer service team which customers can call to query or log a complaint. The customer service team focus on providing excellent customer service to its customer trying to resolve their issue's. Having this department makes customer journey easy and not stress full as they can depend on the company to resolve their issues. Asda have return policy to manage faulty products within a timely manner so they can recover their cost from their supplier after reimbursing its customer. Asda stores are well organised, stacked shelves with signs labelling which aisle has what product this helps the customer experience as they can go into store and able to locate where their product is than having to seek Asda staff help. This is convenient for the customers who are in a rush, for example customer who are on work lunch breaks. Asda need to change their customer relationship management tool to help retain customers and spread the word of mouth and the Total Quality Management tool will help clear better communication between Asda employees and its suppliers to provide customers better quality product. This will be a positive impact for the company, its employees and overall for its customers as they would take regular customer feedback to betterment their service and maintain in the long run.

6. Recommendation

Asda are supporting the community and have invested in trying to contribute towards being a eco-friendly supermarket however I would recommend Asda to offer elderly free boxes where they can throw their recycle products and Asda offer to collect them for the customers who are unable to recycle due to heath reasons. This would make customers feel loyal.

I would recommend Asda to review their salary on how other supermarkets are paying their employees to avoid future litigation as these damages the company reputation.

I would recommend Asda to invest in training their staff for health and safety of their own well-being as the risk as lowered however the percentage has only reduced by 12% and they need to get this reduced by over 80% which will better the company reputation for its employee's safety.

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