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Executive summary

The purpose of seeking revenues such as ethical and sustainable marketing with customer relationship of Zara company is to align their business practices with values that are important to their target customers, and in turn, build trust and loyalty with those customers. Ethical and sustainable marketing involves promoting products and services in a way that is transparent, honest, and respectful towards employees, customers, and the environment. By adopting these principles, Zara demonstrates their commitment to responsible business practices. One of the key reasons for this approach is that customers today are more cautious about the social and environmental impact of their purchasing decisions. They are actively seeking brands that align with their values and contribute positively to society and the planet. By incorporating ethical and sustainable marketing strategies, Zara can attract these customers and differentiate themselves from competitors. Additionally, ethical and sustainable marketing can help build long- lasting relationships with customers. Another important aspect of ethical and sustainable marketing is transparency. By openly sharing information about their supply chain practices, labour conditions, and environmental initiatives, Zara can build trust with their customers. Overall, seeking revenues such as ethical and sustainable marketing with customers relationship helps Zara to build a strong, loyal customer base while also contributing positively to society and the environment.

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1. Introduction:

As the marketing manager of the Zara company, I have been tasked with enhancing best practices in customer relationship management (CRM). By focusing on avenues such as ethical and sustainable marketing, Zara aims to improve customer satisfaction and loyalty. At Zara, we understand that building a strong CRM strategy involves more than just offering quality products. We believe that the customer experience is a crucial aspect of maintaining a positive relationship with our clients. By implementing quality processes, we aim to provide customers with a seamless and enjoyable experience throughout their interactions with our brand. Zara has embarked on a critical investigation into various academic quality management gurus such as Deming, Juran, and Crosby, and has identified the potential linkage between these models and the measurement and improvement of CRM. From Deming, we have investigated his cycle for continuous improvement, as well as his 14 points for management, to identify areas where Zara can make necessary improvements to enhance customer satisfaction. Juran's quality trilogy and quality planning roadmap have been studied to further understand how quality management can be integrated into the CRM process. Additionally, Crosby's cost of quality and his four absolutes of quality management have provided insights into how Zara can strive for excellence in customer service. Through our commitment to ethical and sustainable marketing, the Zara company is dedicated to building strong and enduring relationships with our valued customers.

2. Ethical and sustainability policies of the company

2.1 Ethical policies of the company

Figure 1.1 business Ethics Diagram

Business ethics is the principle and behaviour of correct, honest and respectful compliance in the business environment. It includes honesty, fairness and good treatment of customers, employees and other stakeholders. Business ethics is the foundation for building a successful and trustworthy organization.

''Business ethics is not just an isolated personal issue; codes, rules, and informal communications for responsible conduct are embedded in an organization's operations.'' Ferrell, O.C. and Fraedrich, J., 2021.

Within a business, business ethics will bring tangible and intangible benefits such as:

- Regulating corporate behaviour: Business ethics is a combination of rules and regulations and it has the effect of controlling human behaviour.
- Enhancing the brand: Business ethics can help in improving customers' loyalty, if they are applied correctly.
- Creating a civilized society: Organizations that practice business ethics will eliminate unethical practices such as excessive competition in the work environment.
- Improve work productivity: Business ethics facilitate cohesion and quick integration among employees.
- Avoiding penalties.

Zara, a renowned fashion brand, has implemented ethical policies to enhance the customer experience and build a sustainable relationship with its customers. While addressing the changing needs of its clients, Zara seeks to have a beneficial influence on both society and the environment.. One aspect of Zara's ethical policies is its commitment to fair labour practices. The company ensures that its employees, both in-house and throughout its supply chain, are treated fairly and provided with safe working conditions. Zara has implemented various initiatives to promote employees' well-being, including training programs, health and safety protocols, and compliance with labour rights regulations. This commitment to fair labour practices enhances the overall customer experience, as consumers are more likely to support a brand that treats its employees ethically. Zara also considers sustainability in its design and manufacturing processes. The business has made efforts to reduce its ecological footprint since it is aware of the negative effects the fashion sector has on the environment. Utilising eco-friendly materials, cutting waste, and putting recycling programmes in place for damaged or unsold goods. Zara's commitment to

sustainability resonates with customers who are increasingly concerned about environmental issues. By integrating ethical practices into its operations, Zara enhances its reputation and provides a positive customer experience. Furthermore, Zara ensures transparency and honesty in its marketing and communication strategies. The company provides customers with detailed information about its ethical practices and sustainability initiatives. Zara's openness also allows customers to hold the brand accountable for its ethical claims, fostering a strong and sustainable customer relationship. Zara's ethical policies extend to its engagement with local communities. Zara collaborates with charitable organizations, sponsors events, and participates in community development projects. By demonstrating a commitment to social responsibility, Zara creates a positive brand image and enhances the customer experience by aligning with the values and ideologies of its customers.

2.2 Sustainability policies of the company

Sustainability is described as an organization's production and commercial standards that allow it to both satisfy current consumer demands and avoid harming social and environmental aspects.

''Sustainability is a business strategy that drives long-term corporate growth and profitability by mandating the inclusion of environmental and social issues in the business model.'' https://security-institute.org/wp-content/uploads/2020/11/SYI-041P-SUSTAINABILITY-POLICY.pdf

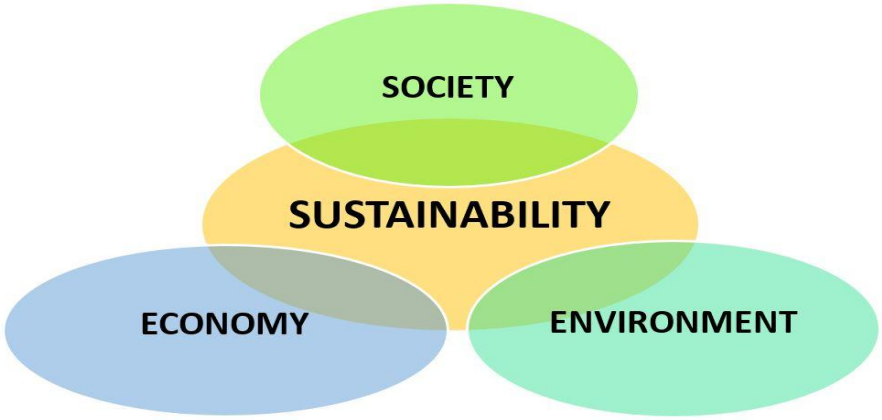

Figure 1.2 Triple bottom line of sustainability

Zara, a leading fashion brand, has made significant efforts in implementing sustainable policies to enhance the customer experience. By valuing environmental

responsibility and promoting sustainable practices, Zara aims to cater to the demands of conscious consumers and create a positive impact on the planet. One aspect of Zara's sustainability policies is its commitment to using eco-friendly materials. The company recognizes the environmental impact of the fashion industry, particularly in terms of fabric production and waste generation. As a result, Zara has increased its use of sustainable fabrics such as organic cotton, linen, and recycled polyester. By offering products made from these materials, Zara provides customers with ethically sourced and environmentally friendly options, enhancing their overall experience. Zara has also implemented initiatives to reduce waste through its design and manufacturing processes. The company focuses on creating timeless and durable clothing items that can be worn for extended periods, discouraging the fast fashion concept of disposable clothing. Additionally, Zara has introduced recycling programs for unsold or damaged products, minimizing the amount of textile waste that ends up in landfills. These efforts align with the values of customers who prioritize sustainable practices, resulting in a positive customer experience and brand reputation. Furthermore, Zara promotes transparency in its supply chain and manufacturing processes. The company provides customers with information about its sustainability practices, including details about its supply chain partners and manufacturing standards. This transparency enables customers to make informed decisions and support a brand that aligns with their values. Zara's commitment to transparency enhances the customer experience by building trust and credibility. Zara also considers the transportation aspect of its operations in line with its sustainability policies. The company seeks ways to reduce carbon emissions by optimizing its logistics and using more sustainable transportation methods. Zara's effort to minimize its carbon footprint resonates with customers who prioritize sustainability, as it demonstrates the brand's dedication to fighting climate change. In conclusion, Zara's sustainability policies play a significant role in enhancing the customer experience. By prioritizing the use of eco-friendly materials, reducing waste, promoting transparency, and implementing sustainable transportation practices, Zara caters to the growing demand for sustainable fashion. These efforts not only contribute to a positive brand image but also provide customers with a meaningful and satisfying shopping experience.

3. Critical literature review on quality models / theories

‘’Quality means features of products and freedom from deficiencies, features include which meet customer needs and thereby provide customer satisfaction and freedom from deficiencies that require doing rework or that result in field failures, customer dissatisfaction.’’ Khoja, S.S., Prajapati, A.M., Khoja, S.S., Panjwani, K.R. and Ray, J., 2017.

‘’A critical examination of the cardinal principles of TQM by Deming, Crosby and Juran indicates a marked shift in the emphasis in quality management from product to people. The strongest emphasis is on human resource development (HRD) and capacity building- not only technical capacity but also managerial and participative capacity leading to empowerment.’’ Mukhopadhyay, M., 2020.

3.1 Deming (Deming’s Cycle, Deming 14 points, etc)

Deming's Cycle, sometimes referred to as the PDCA (Plan-Do-Check-Act) cycle, is a non-stop loop model that consists of 4 steps: planning, implementing, checking, adjusting, and improving. Contrary to what its name might imply, this cycle is actually quite complex. We can get closer to the desired goal by repeating the four stages numerous times.

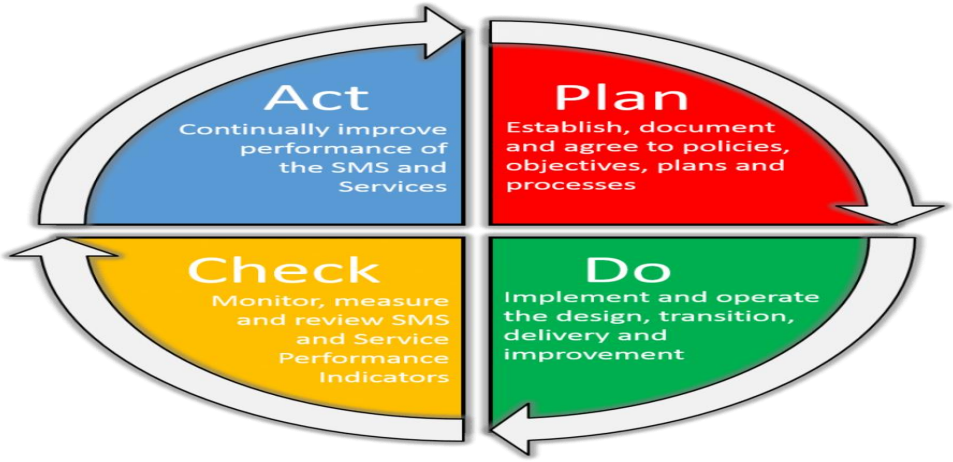

Figure 1.3 Deming’s PDCA Cycle

‘’ Deming stated that TQM is equally applicable in education. Although the emergence of total quality control and TQM was in industry, especially on the issue of quality of industrial products, Deming’s emphasis was on process and people: involvement of all and customer satisfaction.’’ Mukhopadhyay, M., 2020.

‘’As Deming would say the 14 Points (Obligations) for Management are an integrated system. They must be viewed and understood as a system. Each point is a component of the system. Individually they are just that, an individual, or one

component of the system. But together as a system they must all work together to optimize the system not just their individual component.'' Whitman, K. and think Congressmen.

Figure 1.4 Deming's 14 Points: Total Quality Management Principles

While these theories were primarily designed to improve overall business performance, they can also be applied to enhance customer relationship management (CRM) strategies, including those used by Zara. One critical aspect of Deming's Cycle is its emphasis on continuous improvement. This concept encourages organizations to constantly evaluate and refine their processes to enhance customer satisfaction. By incorporating eco-friendly materials, reducing waste, and optimizing logistics, Zara demonstrates its dedication to improving customer experience and aligning with customer values. Furthermore, Deming's 14 points highlight the importance of a customer-centric approach. One of the points suggests that organizations should adopt a long-term view of customer relationship, focusing on exceeding customer expectations. Zara's emphasis on creating timeless and durable clothing items aligns with this point, as it aims to provide customers with products that can be enjoyed for an extended period. By focusing on quality and longevity, Zara enhances the customer experience and loyalty. Another significant point from Deming's 14 points is the need to involve all employees in the pursuit of quality improvement. Zara's commitment to transparency and providing information about its sustainability practices reflects this point. By involving employees in sustainability initiatives and communicating these efforts to customers, Zara creates a sense of shared responsibility and reinforces the company's commitment to

customer satisfaction. In conclusion, Deming's Cycle and Deming's 14 points offer valuable insights into improving CRM strategies and customer experience. Zara's implementation of sustainable practices and focus on quality align with these principles, ultimately enhancing customer satisfaction and loyalty.

3.2 Juran (the Quality Trilogy and the Quality Planning Roadmap)

Three fundamental processes are involved in quality management, according to Juran's quality trilogy: quality planning, quality management, and quality improvement.

The planning phase involves setting quality goals and identifying the necessary processes and resources to achieve them. The control phase focuses on measuring and monitoring performance to ensure that quality standards are met. The improvement phase emphasizes continuous improvement through problem-solving.

''Joseph Juran is responsible for what has become known as the "Quality Trilogy." The quality trilogy is made up of quality planning, quality improvement, and quality control. If a quality improvement project is to be successful, then all quality improvement actions must be carefully planned out and controlled.'' Ngambi, M.T. and Nkemkiafu, A.G., 2015.

1993: Juran introduced the concept of "quality cost" – the higher the cost of conformity (assessment and prevention costs), the lower the failure rate and the lower the failure cost.

Juran's Quality Planning Road Map consists of the following steps:

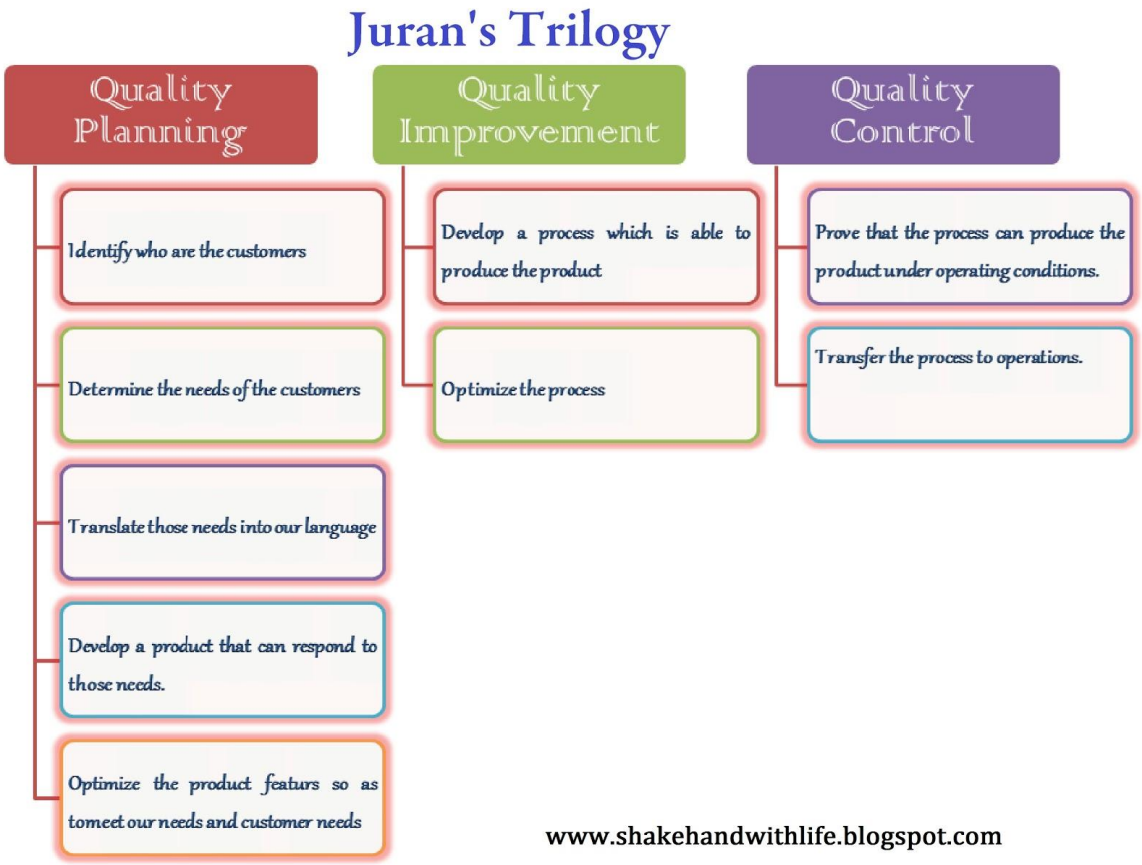

Figure 1.5 Juran's Quality Planning Road Map

Juran's Quality Trilogy and Quality Planning Roadmap are two important concepts in the field of quality management that can be applied to enhance customer relationship management (CRM) strategies, including those used by Zara. Applying the Quality Trilogy to Zara's CRM strategies, the planning phase could involve setting quality goals and identifying the necessary processes and resources to achieve them. The control phase focuses on measuring and monitoring performance to ensure that quality standards are met. The improvement phase emphasizes continuous improvement through problem-solving and reducing variability. Applying the Quality Trilogy to Zara's CRM strategies, the planning phase could involve setting quality goals related to customer satisfaction and loyalty. Zara could use customer feedback and market research to identify areas for improvement and develop strategies to meet customer expectations. By defining these goals and aligning them with their CRM strategies, Zara can focus its efforts on enhancing the customer experience. The control phase of the Quality Trilogy can be employed by Zara to measure and monitor the effectiveness of their CRM initiatives. This could involve tracking key performance indicators (KPIs) such as customer satisfaction ratings, repeat purchase rates, and customer retention rates. The improvement

phase of the Quality Trilogy is crucial for Zara to continuously refine its CRM practices. Additionally, Juran's Quality Planning Roadmap provides a systematic approach to quality improvement. This roadmap consists of five stages: evaluating the current state, identifying improvements, establishing improvement goals, developing plans, and implementing plans. By following this roadmap, Zara can systematically assess its current CRM practices, identify areas for improvement, establish specific improvement goals, develop action plans, and successfully implement these plans to enhance its CRM strategies.

3.3 Crosby (Crosby's Cost of Quality, four Absolutes of Quality Management)

Crosby's cost of quality and four absolutes of quality management are important concepts in the field of quality management that can be applied to improve customer relationship management (CRM) practices. For Crosby, success and maintaining a good level of quality lies in getting it right from the start, even using consumer satisfaction as a measure to ensure efficiency.

''Philip Cosby is the man behind the four absolutes of quality management and furthered the idea that quality was about conforming to a series of requirements, rather than reaching a poorly defined benchmark of goodness. His absolutes centered about the concept that quality should be prevented rather than detected and corrected, the standard for performance should be zero deficits and quality should be measured by the price of non-conformity.'' Khoja, S.S., Prajapati, A.M., Khoja, S.S., Panjwani, K.R. and Ray, J., 2017.

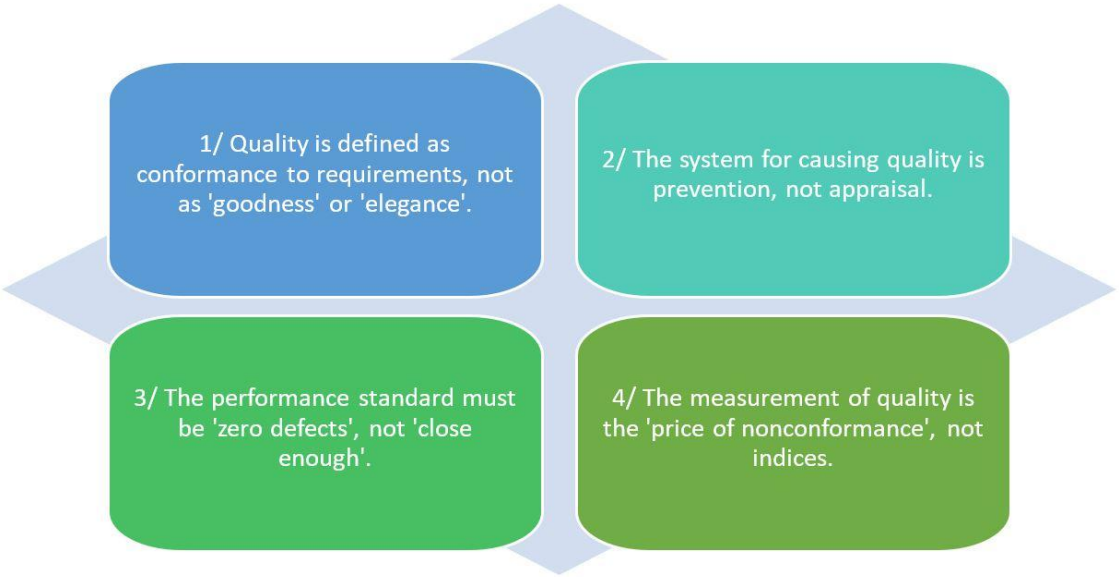

Figure 1.6 Crosby's four Absolutes of quality management

Crosby's cost of quality and four absolutes of quality management are important concepts in the field of quality management that can be applied to improve customer relationship management (CRM) practices. This literature review will critically discuss these concepts and their potential impact on Zara's CRM strategies. Crosby's cost of quality refers to the costs incurred by an organization due to poor quality. By analyzing the cost of quality, Zara can identify areas of improvement in its CRM practices. For example, if Zara finds that it incurs high cost due to customer complaints and returns, it can focus on improving product quality and enhancing the customer experience to reduce these costs. The four absolutes of quality management proposed by Crosby are conformance to requirements, prevention rather than detection, zero defects, and measurement. Zara can apply these absolutes to enhance its CRM strategies. Firstly, by ensuring conformance to customer requirements, Zara can meet customer expectations and improve satisfaction. Secondly, by focusing on preventing issues rather than detecting and correcting them, Zara can minimize the occurrence of customer complaints. Thirdly, striving for zero defects can help customer loyalty and positive word-of-mouth. Lastly, measurement is crucial for Zara to monitor and evaluate its CRM performance. By measuring key metrics such as customer satisfaction ratings, Zara can identify areas for improvement and track the effectiveness of its CRM initiatives. However, it is essential for Zara to tailor these concepts to its specific context and consider the unique challenges and opportunities of the fast-fashion industry.

4. Conclusions and recommendations

4.1 Conclusion

By incorporating ethical and sustainability policies into its CRM strategies, Zara can enhance the quality of its customers relationships and improve overall brand perception.

Firstly, customers are more likely to engage with the company that demonstrates a commitment to ethical practices. By ensuring its CRM system aligns with these policies, Zara can strengthen the trust and loyalty of its customer base. Moreover, integrating ethical and sustainability considerations into the CRM system can also improve the overall quality of customer interactions. For example, Zara can incorporate measures to ensure the privacy and security of customer data, demonstrating its commitment to protecting customer information.

Furthermore, ethical and sustainable policies can contribute to the long-term success of Zara’s CRM system. By focusing on sustainability, Zara can streamline its supply chain and reduce waste, leading to cost savings and increased efficiency. This, in turn, can enable Zara to invest in technological advancements and innovations within its CRM system, improving the quality of customer interactions and satisfaction. In conclusion, integrating ethical and sustainability policies into Zara’s CRM system can have a positive impact on its overall quality. A CRM system that prioritizes ethical and sustainable practices can contribute to the success and competitiveness of the Zara brand in the marketplace.

4.2 Recommendations

Here are some examples to show the connection between ethical and sustainability policies and how it affects Zara's CRM system:

- Implement transparency in the supply chain: By using sustainable materials and disclosing information about their suppliers, Zara can build trust with customers and improve the quality of CRM data.
- Prioritize data privacy and security: Zara should prioritize the protection of customer data by implementing robust privacy and security measures.
- Enable customer engagement in ethical practices: Zara can encourage customers to engage in ethical practices through its CRM system. For example, by offering features that allow customers to recycle or donate old clothes, Zara can improve customer satisfaction and loyalty.
- Collaborate with ethical influencers: Zara can collaborate with influencers who promote ethical and sustainable fashion.
- Measure and report on sustainability metrics: implementing sustainability metrics within the CRM system will enable Zara to track its progress and report on sustainability initiatives.

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