

University of Wales Trinity Saint David

**BMSK5003 UNDERSTANDING AND ENGAGING IN THE
CUSTOMER EXPERIENCE**

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Introduction

Every organization wants to have the best customer feedback. In trade, customer experience can be said as the interaction product between an organization and its customers over their relationship duration. As Gartner has asserted, the importance of customer experience has been lying behind managing the expectation of the customers more effectively. Therefore, an organization may want to focus more on their customer demand. The report will be mainly based on the notion of customer experience, services and customer management of the company, *Tesco*.

The aim of the present study is to understand and gain knowledge on engaging the customer experience over an organization. The study is going to be performed in order to produce a critical understanding of the quality system for the customers. Tesco has been chosen as the organization for the purpose of the present study and gain an in-depth knowledge on the quality management. Since the beginning of industrial revolution, quality management was found to be implemented within the business process so as to maintain a constant quality standard of the product. Tesco has been considering their focus on their customers; therefore they have invented themselves for delivering more service-driven, personalized support and sales. The customer management of the organization like Tesco mainly engages in managing the relationship with the customers. For purpose of the assignment, the report may need to explore the relationship between organizational learning, organizational performance, and quality process and customer relationship quality of Tesco. Furthermore, the report will also consider the organizational skills to maintain a valuable relationship with the customers of Tesco while comparing the customer experience of other competitors of the company from the same industry.

Research informed literature for understanding and engaging in the customer experience

Source 1> Journal/Article

The purpose of the journal was to examine if the retailers can identify the in depth detailing of the customer behaviour and then eventually increase their satisfaction level. Through the study it have been found out that meeting with the satisfaction level creates a new challenge for meeting with the future expectations. The behaviour of the consumer are always inclined towards the advancement according to the advancement in the technology. Globalization has been given a prime aspect within the study that stated it made a difference in the quality process management in such a rapid rate (Mayne, 2017). The article at that point helps in fulfilling in excess of one self-definitional need of significance. The creators of the diary additionally endeavoured to expound the idea of the organization and purchaser recognizable proof process that incorporates the organization character and afterward explain the theoretical system for shopper level.

Source 2> Journal/Article

A critical understanding of the quality processes and its effectiveness are presented in this research paper with respect to meeting the customer requirements. Primarily the study be presented an informed literature that are going to be further referred for gaining a critical understanding on the subject. The research mentioned that significance of producing and maintaining a standard of quality grew more than ever. This is the reason quality process plays a major role in the present retail industry as the success rate of the business are depended upon the customer value of that particular brand. Finally, the subject topic related with the performed analysis to the practical application and deployment of quality process that take place within the workplace of the retail industry.

Source 3> Journal/Article

This research paper has been attempted to find out the purpose of the quality and process and its engagement to encounter alongside the trip over the ideal opportunity for basic and popular firms. Every one of the success that an organization achieve witnessed that experiences are incorporated into various business capacities and furthermore making an outer accomplice. Keeping in mind the end goal to make and stating the real life experiences

from the survey along with the client traveling inside this period of complex client conduct (Lemon and Verhoef, 2016). The creator endeavoured to pick up a comprehension by looking at the current conceptualization and meanings of the client encounter. The client would have the capacity to interface with the organizations that appear to adapt the most advanced quality process technology in the market so as to gain a competitive advantage. The client encounters are observed to be more social in nature as opposed to being g more common sense as far as item quality.

Source 4> Journal/Article

The journal was given a point of deciding the reason and the conditions under which the customers make choices and go into forming a solid, faithful and important relationship with the organizations that exceed expectations inside the market of a specific industry. The research paper attempted to draw the speculations on the hierarchical distinguishing evidence and social character for a reason and establish a solid customer organization relationship. For purchaser level are also mentioned to be an important value in this particular study. These are frequently found from the after effects of the distinguished clients who connect with themselves with those organizations for a long haul period. Through such approach, the technique and exact way can be discovered for picking up an upper hand. The article at that point helps in meeting with the real significance of quality process. The authors of the research journal additionally attempted to expound the idea of the organization and consumer by distinguishing the experiences that organization face. Further, the character of both the management and the customers express the reasonable structure (Bhattacharya and Sen, 2010). All the exploration work are finished with respect to the key outcomes and real time experiences of the customers for making a one of a kind within the retail industry.

Knowledge and understanding of the quality process of the organization and effectiveness in meeting customer demands

- **Quality Process:** Quality process of Tesco can be stated as a critical procedure in the organizational structure that is to be followed in order to ensure that the company's deliverables are actually fit for the organizational purpose. The beginning of the organizational QMP in Tesco involves processing and setting some quality targets that have been agreed with the consumers of the organization. The process has been

involved with core steps; the process of quality assurance and process of quality control. After these two consecutive procedures, the decision for reporting and measuring the actual deliverable qualities are undertaken. The quality of the products, offered by the company, has any issue in it then it can be easily deduced and resolved with the QMP more quickly.

Tesco has been applying the process of the QMP to enhance their customer experience and to improve the product quality. However, the quality management of Tesco can be effective if the process of the quality assurance is beneficial for the company. It can only be identified if the company has been producing the deliverables as a part of their project or as a part of their operational team. The company can enhance and ensure that the outcomes of the QMP will meet the customer expectation. It will ultimately increase the brand value of the company while the organization can receive the best feedback from the customers (Peltola *et al.* 2015).

In order to set the customer foundation and loyalty for the future, the organization Tesco has improved its framework for quality assurance. The primary challenge for a retail company like Tesco is to develop an overall consumer shopping experience in the cost-effective manner whether a customer prefers to purchase online or in store. It can also enable the organizational transition to address the opportunities and the challenges of an Omni-channel environment while building more confidence and certainty in the product availability and customer information.

- **Industry Standards For Quality Process:**

While seeking to attain the maximum level of harmonisation across the national boundaries, Tesco needs to build a solid delivery standard for its inbound collaboration with suppliers and competitor retailers. It will result in reducing the costs, product availability and improved accuracy. However, the main important implication is that Tesco will be able to deliver a schema for quality assurance for the industry, it belongs to. It will enable the organization to enhance its customer confidence and trust in an end-to-end supply chain procedure.

Mr. Simon Mardle, the SCM manager of transformation programme for Tesco has described it as significant technique for setting their foundation in multi-channel for the upcoming days. He has also argued that the company may need to have their basics right. Therefore, they have focused in having a better compliance for the inbound essential delivery standards. It can help the organization to drive joint

organizational efficiencies and great collaboration for ultimately meeting their customer demand (Rajaobelina, 2017).

- **B2C information of products:**

The next process part of QMP in Tesco has been aiming to construct a minimum part of standard to change the communication between the organizational trading partners. It has been focusing on generating B2B and B2C information. However, it also provides B2B flow of information through to various retailer channels.

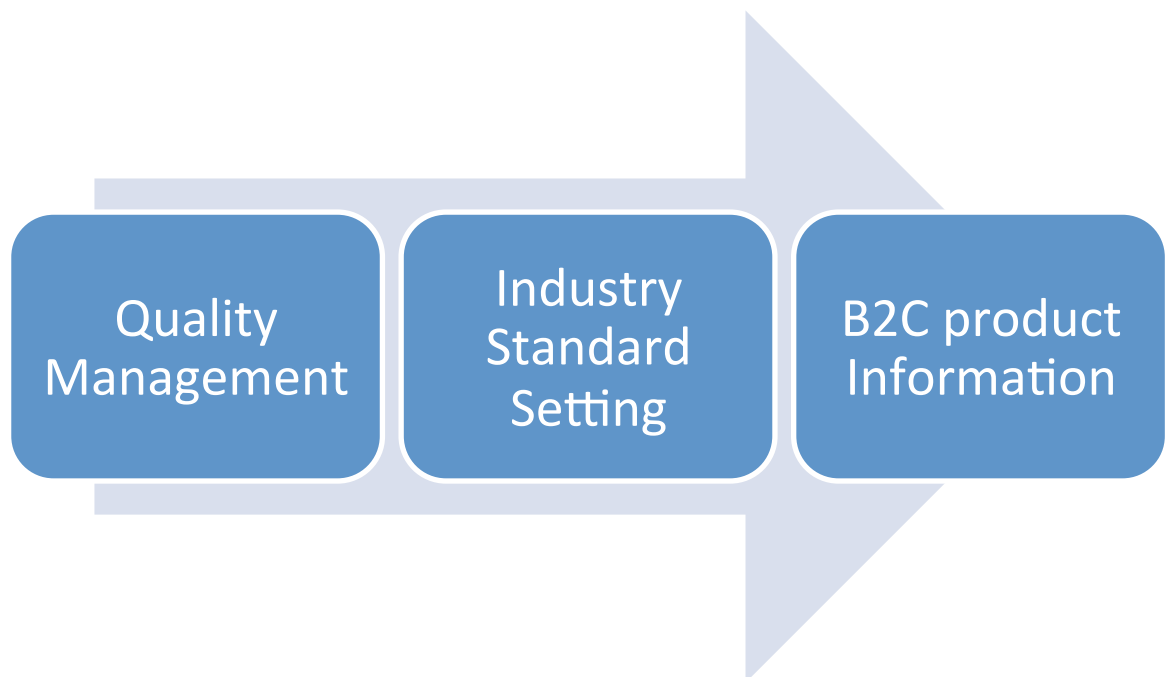


Figure 1: Quality management process

(Source: Created by Author)

An emerging strong competition for Tesco in having superior customer experience can be given by Morrison's. Morrison's is a similar retail company with strong management of supply chain. Currently, the quality assurance system and ISO certification for maintaining product standards have been giving the company a competitive advantage (Shin, 2016). As a result, the company turnaround has become more elusive and the market share has been going through an upper trend. The superior quality, accessibility and service have given the company a sustainable growth in its strategic position where the company has been enjoying a great customer experience. Therefore, Tesco may have to endure an extreme industry pressure. The company can utilise its superior quality management and store network as an

effective part of click-and-collect destinations to protect their loyal customers in a rapidly dynamic market of UK.

Analysis of the customer's experience and the factors that influence the ability of the organization to increase the customer value

For having a superior customer experience, the company needs to know about the customers' demand- what they actually expect from the company Tesco. Customer demand is an integral part of positive customer feedback and customer experience for a company. It does not involve the basic internal organizational problem such as channel management, brand alignment, sales target; rather it revolves around the customers. Here the customers are the organization' profit centre. Tesco has been enduring the market pressure while seeing their customer value from the viewpoint of a customer not from the organizational management perspective. The factors that can affect the organizational ability to raise the customer value have been described below.

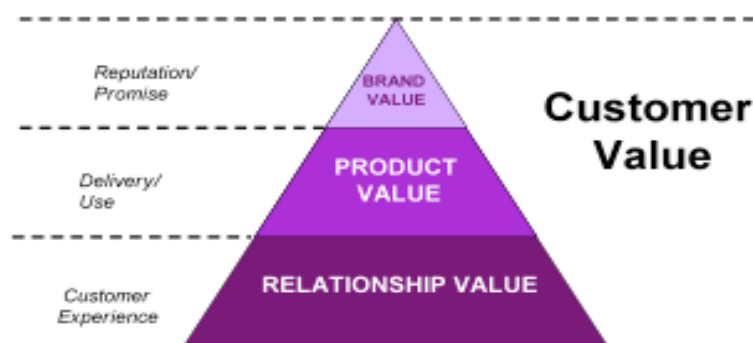


Figure 2: Stages of Customer value

(Sources: Hill and Brierley, 2017)

- **Improving Returns:** Customers of a retail company like Tesco mainly value the improvement of their lifestyles and quality of lifestyle. They genuinely want to buy those products which can improve their health, competence, happiness and economy of cost. It refers to that the customers of Tesco mainly want to provide importance more on the service experience, quality and experience than the material goods- which they can buy from anywhere (Malani and Alexander, 2017). Therefore, Tesco should understand their goals and assist their customers to achieve them.

- **Outsourcing the non-core competencies:** Customers can expect more service and support from the retail companies like Tesco. They don't prefer to pay more time, energy, space or knowledge to the companies which waste such resources. They mainly want to have more solution to their service quality related problems rather than the product quantity and quality. For an example, another retail competitor Figleaf company have their service "*Blame this on us*" for men who forgot their important anniversary. The company therefore sends a belated gift with full apology letter from the company, although they may not be at the fault. Therefore, it is expected from Tesco to look at the customer's lives, not only on the product usage.
- **Reducing Complexity:** Choice of the customers has converted into a double meaning word, a double-edged sword precisely. The numbers of the suppliers of Tesco, who have been switching cost, have finally decreased. However, it has increased the complexity of product lives. Moreover, technology can cause annoyance and anxiety whereas media message can make the cacophony which can invade the private life of the customers. There are 20 types of jeans styles, 25 jam flavours and 22 mobile phone models. Somehow, the customer of today's world finds it dispiriting. Customers of Tesco expects more trusted source for their personal information and advice. Tesco has been providing them that network and in-store advisor who can help them with their preferences. Therefore, it can be said that the companies like Tesco should innovate more creativity in promoting their products or services.



Figure 3: Factors of Customer value

(Created by author)

- **Channel Management:** Customers usually value more the channel proliferation and convenience which can bring them more advantages. They may utilize what may suit them. They may also need some high tech and high-touch interaction which depends on the purchase lifecycle point. Therefore, 51% of the total customers of UK retail industry want to have personal contact with the company at all part of the service and delivery (Mayne, 2017). For an example, Tesco has considered to provide their customers telephonic service with the company customer service and customer management department. Moreover they have been offering self-service facility to their customers as a part of corporate imposition and customer liberation.
- **Quality standard and delivery:** The superior quality, accessibility and service have given the company a sustainable growth in its strategic position where the company has been enjoying a great customer experience. Therefore, Tesco may have to endure an extreme industry pressure. The company can utilise its superior quality management and store network as an effective part of click-and-collect destinations to protect their loyal customers in a rapidly dynamic market of UK. However, Tesco does not intend to transfer the service quality cost to consumer form, the company.
- **Trust Management of Tesco:** Customers generally want to trust the company's CRM policies. The trust hallmarks of the company, Tesco are value of money, security, authenticity and security. Increasingly, the customers of Tesco want to experience more demonstrable humility and humanity sense from the company. Consumers are mostly liked to be loyal attitudinally, rather than to be habitual disloyal rice hoppers. Customers with discontent with the organization are gaining more power to support those. As a result, the culture of compensation has been spreading throughout the company territory. However, in case of Tesco, it has been reported that small claims have reduced by 30% in the past few years for the company service and product quality. However, still it can be seen that Tesco has taken the help of their risk management to address this problem. They have been supporting the company with various standards of quality control, instruction, warnings, up-to-date terms and recalls for products (Christopher, 2016).
- **Collaboration:** People usually value respect and involvement. They may need to engage more with the company. They also can want to have dialogues rather than the

communication. The consumers of Tesco want to be listened to, known and wish to co-create the company brand product.

For an example, Tesco has been offering a service of donating 10% of the amount for purchasing their 'Race for Lives' products. When a customer buys any of the products from this product line like accessories, furniture or clothing, they will automatically donate £1 to Cancer Research foundation of UK. Moreover, they have also provided a free delivery for a month. Hence, the customer of Tesco will certainly want to be a part of this noble project of the company.

- **Inspiring Communities:** The above stated example can be drawn here also. Customer may want to attribute values to the society also while engaging themselves with a company's CSR. The times for attributing requirements by affluence and life stage have been going around. Attributes and drawings. Like in the above example, the company has been collaborating with the UK cancer research to beat 200 types for the disease. As part of the collaboration, they have also been offering several types of products with a donation discount within the pack. Therefore the customers of those product lines have spontaneously indulging with this venture while buying the products. The real differentiation of Tesco with the similar retailing companies can be found here. Tesco has been sponsoring the research project of the foundation when it did not get any monetary support from the UK government (Press and Cooper, 2017). The above stated factors can influence the service and product quality of Tesco, while it will increase the value to the customers that can ultimately increase the positive customer experience.

Practical application and deployment of quality process in the workplace

Quality process deployment can be said as a research tool that has been used to give information required to assist modifying the Tesco products to meet the expectations of the customers. It can also help the company to convert the customer demands into design quality for deploying the quality of forming functions. It can also help in specifying the manufacturing process as per the expectation of the customers. QPD can also be used for finding the quality elements in Tesco products. It enables engineering the organizational management measures which can have the greatest impact on the needs of the customers. Tesco is one of the largest retailers in UK with an excellence of amazing customer service.

The mission statement of the company itself defines the objective of the company is to satisfy the customer demand while offering customer oriented and personalized services and products. In order to understand, the customer engagement and experience of the company, it will be significant to describe the basic implication of customer management in the company. Customer management is an important tool of managing customer experience that revolves. The process can be practically done through significant evaluation analysis and relationship deployment matrix formed with various relationships among product quality, customer needs and management engineering measurement while comparing the same with another company of the same industry (Stein and Ramaseshan, 2016). QPD has been utilized in a huge range of implementation. It can be also applied in the different industries also.

There are several types of application to use QPD as an interface device in the company.

- **Customer Needs:** It includes the description of expectation and quality needs of the potential customers. Such information can be retrieved from various survey, interview questionnaires, and primary data finding method. An understanding of customer needs should be prepared for QPD
- **Quality elements:** Customer requirements can be transformed into various strategic tools that an enterprise like Tesco can be enable to apply.
- **Relationship Matrix:** It can reveal the potential relationship between customer needs and each of the quality elements. Comparison can be made between two companies e.g.; Tesco and Morison's on the basis of customer specific need item and every quality element. Each vector of such elements has to be orthogonal in order to meet every vector of customer demands (Deshwal, 2016).
- **Correlation matrix:** It can also disclose the correlation between every quality element and the needs of the customer with the proposed solutions.
- **Competition analysis:** It can compare different industrial major competitors with Tesco for finding disadvantages and advantages. A weighted evaluation can be created in accordance to quality elements and customer needs. The table has been shown in below:

Competitor analysis	Customer Needs	Competitor satisfaction for Tesco	Competitor satisfaction for Morrison's
User interface aspect	Displaying	4.2	3.8

	advertisement		
Service aspect	Refund availability	3.2	3.2
Product aspect	Authenticity of products as shown in the site	4.6	4.4
Delivery aspect	Eco-friendly paper packaging and discount on home delivery	4.2	4.8
Security	Payment security	4.4	4.2
Function aspect	Product categorization	4.8	4.6
Information	ISO certification	4.	4.2

Table 1: Competition Analysis using QPD/QFD
(Created by Author)

- Prioritize: Finally the needs of the customers can be prioritized on the basis of the QPD or HOQ solutions and results executed in accordance to the importance.

Skills for developing and maintaining a valuable customer

There are several steps that the organization Tesco has been following to maintain their potential customer base. Potential customers are those valuable customers who are loyal, encouraging but not overbearing buyers and help in developing a good company brand. However the main three requirements for this skill are Knowledge of market, Fostering appropriate network and Practice and communicate (Homburg *et al.* 2017).

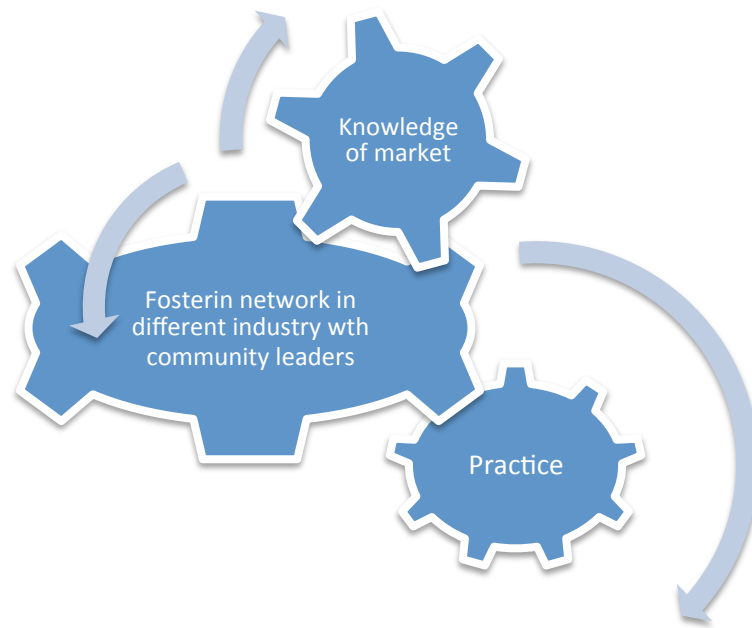


Figure 4: Tools of Skill for customer retention

(Source: Created by Author)

- **Communication:** The consumers should always be kept in touch. They should have updated with the trends of the industry as it can affect on their choices. Moreover, they should also be aware of the company's upcoming issues. In short, customer should be included in the vision of the organization, Tesco. For an example, as social media is a common connector, Tesco has been using it wisely to create its channels.
- **To Be Go-To Person:** An organization should also develop the knowledge and skills which can make the organization an authority. For example of Tesco, the company also considers that the expertise reputation means the organizational ability to give valuable resources to the customers unobtainable elsewhere that is the organizational knowledge (Lai, 2015).
- **Redefining 'customer' concept:** Customers can be said as more than a bunch of potential users of the company's services and products. Therefore, in order to retain he customers, an organization may need to foster the aspect of relationship over their short-term profit making opportunities of a range of individuals. For an example, Tesco mainly recast the customer relationship more like a long-term organizational partnership.

- To take care of all level customers: It is also important to ensure that the employees of the organizations have been committed to the customers at all level. Moreover, the potential clients should never be taken for granted- be it from the lower level of the organization or from the high society background. All the customers should be rested equally with same level of dedication, care and commitment like what has been practiced in the company, Tesco (Azevedo, 2015).
- Customer feedback: Constructive criticism can organically help a company to be successful in their industry. Organization like Tesco always uses it as a powerful tool to assuage the dissatisfied customer's anger as well as giving them a clearer channel for responsiveness. Great feedback however, can be effective and a cheaper way of advertisement possible.
- Customer relationship: CRM is the integral part of organizational management. Therefore it will be recommended to have the best management body in an organization to manage, help the customer and make a sustainable base of customer for the future of the company (Nasution *et al.* 2014).

Conclusion:

The report have tried to attempt to gain an understanding and in depth knowledge for engaging the experience of the customer for the Tesco retail company. From the study a critical understanding of the quality system and the influencing factors for increasing the customer value are derived. Tesco have been chosen as the organization throughout the study for understanding the practical impact of the quality processes on the customer. Further it can be concluded that the quality processes of the organizations directly enhance the effectiveness of maximizing the customer value. The report was based on the understanding the value of customer experience for an organization. For the purpose of the study, it has taken the reference of the organization, Tesco. Tesco has been competing its emerging competitors for sustaining in the market place. They have never considered the term 'average customer'. The average trade margin typical approach have no longer been sufficient. They have used to concentrate on individual customer expectation to provide them a better customer experience. The company have been increasing their organizational value for the potential buyers to receive the lifetime loyalty from those customers. Tesco is still one of the leading company within the retail industry in spite of the high competition. The organization have been able to achieve its success through maximizing its customer value by meeting the expectations of the customer and their constantly changing requirements.

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