

NAME OF THE MODULE: Understanding and Engaging in the Customer Experience.

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Executive Summary

The report on Understanding and Engaging in the Customer Experience aims to provide businesses with insights and recommendations for improving their customer experience. The report begins by defining customer experience and its importance to businesses. It highlights the need for businesses to understand their customers' needs and expectations and to develop strategies to meet those needs. The report also emphasizes the importance of employee engagement and training in delivering a positive customer experience. It provides recommendations for how businesses can cultivate a customer-centric culture and empower employees to provide exceptional service. Finally, the report concludes that businesses must prioritize understanding and engaging in the customer experience to remain competitive and build long-term customer loyalty. By implementing the recommendations provided, businesses can enhance their customer experience and drive growth and success.

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1. Introduction

1.1SERVQUAL

SERVQUAL implementation is a quality management system that ensures customer's satisfaction through the involvement of all stakeholders. The SERVQUAL model can be used to measure the quality of the service on the basis of the five dimensions namely, reliability, tangible, responsiveness, empathy, and assurance (Asubonteng et al., 1996).

SERVQUAL model can also be known as a gap approach that is used to measure the service quality that can enable managers to make the required decisions in the various departments. The main goal of SERVQUAL model's is to: find the gaps between the actual services offered and consumer expectations at the various phases of service delivery in the business (Asubonteng et al., 1996). The SERVQUAL Model is a method used to capture as well as measure the service quality based on the customers' experience. At the beginning the focus was to develop quality systems within the product quality field. An improvement in the quality of the service can give companies a competitive edge (Asubonteng et al., 1996).

1.2 Customer Relationship Management model (CRM)

Customer relationship management (CRM) is a system which seeks to create an improvement in the customer loyalty, satisfaction, and profitability through the acquisition, development, and maintenance of effective customer interaction and relationships with the company's stakeholders (Xu et al., 2002). Several research on CRM can show substantial progress although some areas remain limited in terms of progress. A systematic review of existing literature makes a comprehensively synthesis and summary of the evidence regarding CRM (Xu et al., 2002).

2. Company Context

Jumia Uganda is an online shop in Uganda where shopping can be done 24hours a day. It's a one stop shop all customer needs ranging from retail sales to electronics. The company was established in 2012 with the sole aim and vision of becoming the main one-stop shop for retail in Africa with implementation of best practices both online and offline. At the moment Jumia stands as the largest online retail store with in Uganda. The company Initially started with 3 employees, Jumia and has grown recently to have 3000 employees making deliveries all over the country.

As the situation stands Jumia is not getting very good customer reviews due to the late deliveries and poor response time to customers complaints.

2.1 CRM

The implementation of a CRM system is a strategy that can attract and maintain essential customers. In the online shopping industry, ensuring that there is a good relationship with customers is a very important factor for the success of the business. In successful implementation of a CRM system may lead to more customer churn by reducing the customer loyalty and satisfaction. In order to minimise the customer churn, and because of the high competition in online shopping businesses maintaining a sustainable relationship with your customers is very important (Tan *et al.*, 2002).

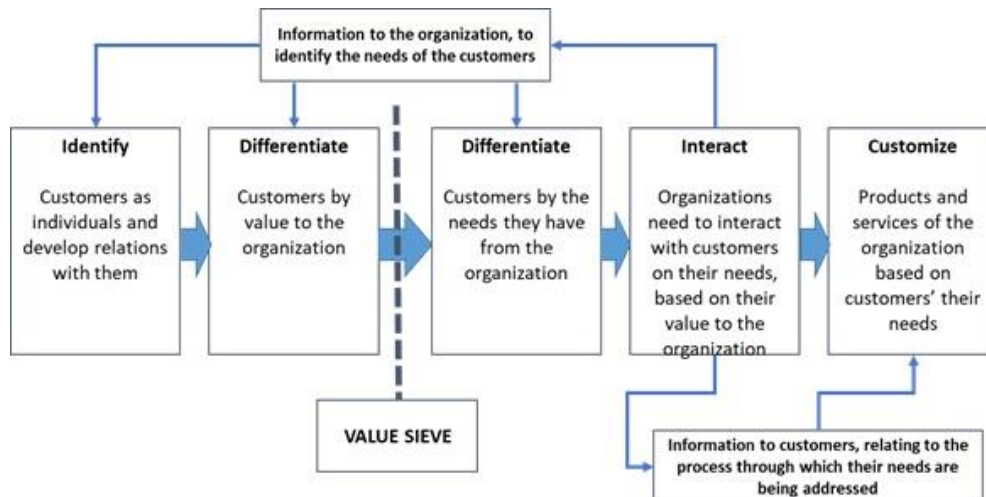
3. Review of CRM Models

Customer Relationship Management (CRM) provides a base for the creation and maintenance of good customer relations for loyalty. And thus, providing a platform for the organization and synchronization of customer service, as well as working to ensure effectivity of the technical support. Thus, making the process of CRM to become very fundamental to a business in the near future. Having an effective CRM system could help a business to obtain valuable feedback regarding the products and services, as well as respond to queries and grievances (Manyonganise, 2020).

In order to facilitate the smooth functioning of the customer service department, certain models have to be followed. Such customer relationship models were developed over the past year by several researchers. The commonest of these models related to CRM are the QCI Model, IDIC Model, and CRM Value Chain Models (Manyonganise, 2020). In this case the IDIC (identify, differentiate, interact, customise) can be referred to as the model which was developed by Peppers & Rogers (1995). The model helped businesses to assess the customer expectations and how they value the business according to Manyonganise (2020).

IDIC model

Developed by the Peppers and Rogers Group as a generic blueprint for implementing CRM in a variety of situations. The IDIC stands for the four stages of CRM implementation: differentiate, identify, interact, as well as customize. As shown in figure 1 below.



The model was used to assess customers' expectations and the value they attach to the business (Manyonganise, 2020).

The IDIC model is a framework developed by Gene Roddenberry, the creator of Star Trek, and has since been applied in various fields, including business and marketing. The acronym stands for Identify, Differentiate, Interact, and Customize, which represent the four key stages of building customer relationships (Manyonganise, 2020).

The first stage, Identify, involves identifying potential customers and their needs through market research and analysis. This stage involves gathering data on customer demographics, preferences, and behaviors to better understand their needs and how they make purchasing decisions (Fabio, 2014).

The second stage, Differentiate, is about differentiating the organization and its products or services from competitors. This involves identifying unique selling points and developing a value proposition that sets the organization apart from the competition.

The third stage, Interact, is about engaging with customers through various channels, such as social media, email, and in-person interactions. This stage involves building trust and rapport with customers by providing helpful information and addressing their concerns and questions (Fabio, 2014).

The final stage, Customize, is about tailoring products or services to meet individual customer needs. This involves personalizing the customer experience through customization options, such as personalized recommendations or tailored product offerings (Bhatt, 2021).

In conclusion, the IDIC model provides a useful framework for building and maintaining strong customer relationships by identifying customer needs, differentiating from

competitors, interacting with customers, and customizing the customer experience (Fabio, 2014).

TQM – Total Quality Management

TQM, or Total Quality Management, is a management approach that aims to maximize customer satisfaction and minimize waste and defects in products and processes. It is a holistic and continuous improvement approach that involves all employees of an organization, from top management to front-line workers (Ahire et al., 1995).

TQM is based on the principle that quality should be embedded in every aspect of an organization's operations, rather than being an afterthought or added process. This includes design, production, and delivery of products and services, as well as customer service and support (Jose, 2005).

Figure 2. key elements of the TQM



Jose (2005)

TQM involves several key elements, including (Jose, 2005).

Customer focus: Organizations must understand and meet the needs and expectations of their customers.

Continuous improvement: The pursuit of quality is ongoing and requires a commitment to continuous improvement in all aspects of operations.

Employee involvement: All employees are involved in the quality improvement process and are encouraged to contribute their ideas and suggestions.

Leadership commitment: Top management must lead by example and demonstrate their commitment to quality.

Process management: Organizations must analyze and improve their processes to eliminate waste and defects and improve efficiency and effectiveness.

Data-driven decision-making: Decisions must be based on data and evidence rather than assumptions or opinions.

TQM has been widely adopted by organizations across various industries and has proven to be effective in improving quality, reducing costs, and enhancing customer satisfaction. By embracing TQM principles and practices, organizations can create a culture of quality that is committed to delivering superior products and services to their customers.

Advantages and disadvantages of the TQM – Total Quality Management

Improved customer satisfaction: TQM focuses on meeting and exceeding customer needs, which can result in higher levels of customer satisfaction and loyalty (Jose, 2005).

Increased efficiency and productivity: By eliminating waste and defects in processes, TQM can improve efficiency and productivity, which can lead to cost savings (Yusof, and Aspinwall, 2000)

Employee engagement and empowerment: TQM encourages employee involvement in quality improvement initiatives, which can lead to increased engagement and empowerment (Yusof, and Aspinwall, 2000).

Continuous improvement: TQM is a continuous improvement process that encourages organizations to continually assess and improve their operations (Yusof, and Aspinwall, 2000).

Competitive advantage: Organizations that adopt TQM principles can differentiate themselves from their competitors and gain a competitive advantage (Yusof, and Aspinwall, 2000).

Disadvantages of TQM

Time-consuming: Implementing TQM can be a time-consuming process that requires significant investment of time and resources (Yusof and Aspinwall, 1999).

Resistance to change: TQM requires a cultural shift within an organization, which can be met with resistance from employees and management (Yusof and Aspinwall, 1999).

Costly: Implementing TQM can be costly, as it requires investment in training, technology, and process improvements (Yusof and Aspinwall, 1999).

Overemphasis on process: TQM can lead to an overemphasis on process at the expense of creativity and innovation (Yusof and Aspinwall, 1999).

Difficult to measure success: It can be difficult to measure the success of TQM initiatives, as it may take time to see results (Yusof and Aspinwall, 1999).

In a nutshell, while TQM can offer many benefits to organizations, it requires a significant investment of time, resources, and cultural change. Organizations must carefully consider the advantages and disadvantages of TQM before deciding to adopt this management approach (Yusof and Aspinwall, 1999).

Payne's model of CRM

Payne's model of Customer Relationship Management (CRM) is a strategic framework for managing and improving customer relationships. The model was developed by Adrian Payne, a marketing professor, and it consists of five stages (Payne and Frow, 2016).

Strategy development: This stage involves identifying the organization's CRM goals, defining the target customer segments, and developing a strategy for how to best serve and retain these customers.

Value creation: In this stage, the organization creates value for the customers by offering products or services that meet their needs and preferences. The value creation stage involves developing a deep understanding of the customer's needs and designing products or services that meet those needs.

Multichannel integration: The third stage involves integrating different channels of communication, such as email, social media, and face-to-face interactions, to ensure a consistent customer experience across all channels.

Performance assessment: This stage involves measuring the effectiveness of the CRM strategy and identifying areas for improvement. The performance assessment stage involves tracking customer metrics, such as customer satisfaction and loyalty, and using that information to improve the CRM strategy.

Information management: The final stage of the Payne's model of CRM involves managing customer data and using that data to inform the CRM strategy. This stage involves implementing a data management system that allows the organization to collect and analyze customer data to gain insights into customer behavior and preferences.

All in all, Payne's model of CRM provides a comprehensive framework for managing customer relationships that involves strategy development, value creation, multichannel integration, performance assessment, and information management. By following this model, organizations can improve customer retention, increase customer satisfaction, and ultimately achieve long-term success.

Advantages and disadvantages of Payne's model of CRM

Payne's model of CRM is a strategic framework for customer relationship management that consists of five stages: strategic development, customer portfolio analysis, value proposition development, multi-channel integration, and performance assessment. The advantages and disadvantages of this model are (Payne and Frow, 2016).:

Advantages of Payne's CRM model

Comprehensive approach: Payne's model provides a comprehensive approach to CRM that covers all aspects of the customer relationship, from strategy to implementation and performance assessment (Zablah et al., 2004).

Customer-focused: The model is customer-focused and emphasizes the importance of understanding customer needs and delivering value to them (Nguyen and Mutum, 2012).

Strategic: The model is strategic in nature and provides a structured approach to developing and implementing CRM strategies (Nguyen and Mutum, 2012).

Multi-channel integration: The model emphasizes the importance of multi-channel integration, which can help organizations deliver a consistent and seamless customer experience across all touchpoints (Nguyen and Mutum, 2012).

Performance assessment: The model includes a stage for performance assessment, which allows organizations to measure the effectiveness of their CRM strategies and make improvements (Nguyen and Mutum, 2012).

Disadvantages of Payne's CRM model:

Complexity: Payne's model can be complex and may require significant resources and expertise to implement effectively (Nguyen and Mutum, 2012).

Resource-intensive: The model can be resource-intensive, particularly in terms of data analysis and technology integration (Nguyen and Mutum, 2012).

Time-consuming: Implementing Payne's model can be a time-consuming process that requires a significant investment of time and resources. (Nguyen and Mutum, 2012).

Limited applicability: The model may not be applicable to all organizations, particularly smaller ones that may not have the resources to implement all stages of the model (Nguyen and Mutum, 2012).

Limited flexibility: The model may be inflexible and may not be able to adapt to changes in customer needs or market dynamics (Nguyen and Mutum, 2012).

All in all, Payne's model of CRM provides a structured and comprehensive approach to customer relationship management that can help organizations improve customer satisfaction and loyalty. However, organizations must carefully consider the advantages and disadvantages of this model before deciding to implement it.

4. CRM model Selection and Application

According to Venkatesan et al (2007) the selection and application of a CRM model should be based on several criteria, including the following.

Business goals: The CRM model should align with the business goals and objectives of the organization. It should support the organization's mission, vision, and values.

Customer needs: The CRM model should address the needs of the organization's customers. It should provide a personalized and consistent customer experience across all touchpoints.

Scalability: The CRM model should be scalable and adaptable to the changing needs of the organization. It should be able to grow with the organization and accommodate increased volumes of customer interactions.

Integration: The CRM model should be integrated with the organization's existing systems and processes. It should work seamlessly with other technologies and platforms to provide a holistic view of the customer.

Data management: The CRM model should have robust data management capabilities. It should be able to collect, analyze, and utilize customer data to provide insights and inform decision-making.

Cost-effectiveness: The CRM model should be cost-effective and provide a good return on investment. The benefits of implementing the model should outweigh the costs of implementation and maintenance.

Ease of use: The CRM model should be user-friendly and easy to use. It should not require extensive training or technical expertise to operate.

Security and privacy: The CRM model should have strong security and privacy measures in place to protect customer data and ensure compliance with relevant regulations.

In the end, selecting and applying a CRM model requires careful consideration of the organization's unique needs, goals, and resources. Organizations should evaluate multiple models and weigh the advantages and disadvantages of each before making a decision.

4.1 Comparison between the IDIC and Payne's model of CRM.

Both the IDIC model and Payne's model of CRM provide strategic frameworks for managing and improving customer relationships. While there are some similarities between the two models, there are also some key differences (Nicolescu, 2022).

One key difference between the two models is the focus on the customer journey. The IDIC model is more focused on the customer's buying process, while Payne's model of CRM takes a more comprehensive approach, considering all touchpoints along the customer journey (Nicolescu, 2022).

Another difference is in the specific stages of the two models. The IDIC model has four stages: Identify, Differentiate, Interact, and Customize. In contrast, Payne's model of CRM has five stages: Strategy development, Value creation, Multichannel integration, Performance assessment, and Information management. The IDIC model places a greater emphasis on customization, while Payne's model focuses more on the strategic development and performance measurement aspects of CRM (Nicolescu, 2022).

Finally, the two models differ in their level of detail. The IDIC model is more straightforward and focused on the basics of customer relationship management. In contrast, Payne's model is more comprehensive and provides a more detailed framework for managing customer relationships (Nicolescu, 2022).

Overall, both models provide valuable frameworks for managing customer relationships. The IDIC model is a useful tool for organizations looking to better understand the customer buying process and improve customer experiences, while Payne's model of CRM provides a more comprehensive approach to managing customer relationships that considers the entire customer journey (Nicolaescu, 2022).

Benefits and challenges of the application of the IDIC CRM model

The application of the IDIC (identify, differentiate, interact, customise) model in customer relationship management (CRM) can bring both benefits and challenges (Sibanda and Ndhlela, 2015).

Benefits of application of the IDIC model

Improved customer experiences: The IDIC model helps organizations identify customer needs and preferences, differentiate themselves from competitors, interact with customers effectively, and customize products and services to meet customer needs, leading to more positive customer experiences (Sibanda and Ndhlela, 2015).

Increased customer satisfaction and loyalty: By using the IDIC model, organizations can create more personalized and relevant experiences for customers, leading to greater satisfaction and loyalty (Sibanda and Ndhlela, 2015).

Improved marketing effectiveness: The IDIC model can help organizations better understand their target audience, leading to more effective marketing campaigns and increased revenue (Sibanda and Ndhlela, 2015).

Better decision-making: By analyzing customer data and feedback at each stage of the IDIC model, organizations can make better decisions about product development, marketing, and customer service (Sibanda and Ndhlela, 2015).

Challenges of using the IDIC model

Data management: Implementing the IDIC model requires gathering and analyzing customer data, which can be challenging for some organizations. Without a solid data management system, it may be difficult to effectively implement the model (Sibanda and Ndhlela, 2015).

Integration across channels: Implementing the IDIC model requires integrating communication channels, such as email, social media, and in-person interactions, to provide a consistent customer experience. This can be challenging for organizations that lack a centralized customer database and struggle to maintain consistency across channels (Sibanda and Ndhlela, 2015).

Resource allocation: Implementing the IDIC model requires significant resources, including technology, staff, and training. Some organizations may struggle to allocate the necessary resources to fully implement the model (Sibanda and Ndhlela, 2015).

Resistance to change: Implementing the IDIC model may require significant changes in organizational culture and processes, which can be met with resistance from employees or stakeholders who are resistant to change (Sibanda and Ndhlela, 2015).

In a nutshell, the IDIC model can bring significant benefits to organizations that implement it effectively, but it may also pose challenges in terms of data management, channel integration, resource allocation, and resistance to change.

5. 7Ps of marketing

The 7Ps of marketing is a framework used to identify the key elements of a marketing strategy (Rafiq and Ahmed, 1995). The 7Ps are:

Product: This includes the physical product or service being offered, as well as any features, design, packaging, branding, and quality associated with it.

Price: This refers to the pricing strategy used for the product or service, including factors such as discounts, promotions, and payment options.

Place: This refers to the distribution channels used to make the product or service available to customers, including physical locations, online stores, and other channels.

Promotion: This refers to the advertising, sales promotion, public relations, and other marketing communications used to promote the product or service.

People: This includes the people involved in the marketing and delivery of the product or service, including employees, salespeople, and customer service representatives.

Process: This refers to the processes involved in delivering the product or service to the customer, including ordering, delivery, and customer service.

Physical Evidence: This refers to the physical environment in which the product or service is delivered, including the store layout, signage, packaging, and other physical aspects that contribute to the customer experience.

Therefore, considering each of the 7Ps in developing a marketing strategy, organizations can ensure that they are addressing all key aspects of their product or service offering and creating a comprehensive and effective marketing plan.

6. Communication mix

The communication mix, also known as the promotional mix, is a set of tools and techniques that organizations use to promote their products or services (McCartney et al., 2008). The components of the communication mix include:

Advertising: This involves paying for space or time to promote products or services, typically through mass media such as television, radio, print, or online ads.

Sales promotion: This includes short-term incentives such as discounts, coupons, contests, or free samples to encourage customers to make a purchase.

Public relations: This involves building and maintaining relationships with various stakeholders, including customers, employees, investors, and the media, to enhance the organization's reputation and image.

Personal selling: This is a direct, face-to-face interaction between a salesperson and a potential customer to persuade them to make a purchase.

Direct marketing: This involves communicating directly with customers through channels such as email, direct mail, or telemarketing to promote products or services.

Digital marketing: This includes online marketing efforts such as search engine optimization (SEO), social media marketing, content marketing, and email marketing to reach customers through digital channels.

By using a combination of these communication mix components, organizations can create a comprehensive and effective promotional strategy that reaches their target audience and achieves their marketing goals (McCartney et al., 2008).

7. Recommendations

Based on the topic of Understanding and Engaging in the Customer Experience, here are some recommendations for the report:

Define customer experience: Provide a clear definition of what customer experience means and why it's important for businesses. This will help readers understand the context of the report.

Analyze customer touchpoints: Identify the key touchpoints in the customer journey and provide recommendations for how businesses can optimize each touchpoint to enhance the overall customer experience.

Collect and analyze customer data: Explain the role of data and analytics in understanding customer behavior and preferences. Provide examples of how businesses can collect and analyze customer data to inform their customer experience strategies.

Focus on employee engagement and training: Emphasize the importance of employee engagement and training in delivering a positive customer experience. Provide recommendations for how businesses can cultivate a customer-centric culture and empower employees to provide exceptional service.

Include case studies: Provide case studies or real-life examples of businesses that have successfully implemented customer experience strategies. This will help readers understand the practical application of the recommendations provided in the report.

Provide actionable recommendations: Ensure that the recommendations provided in the report are actionable and specific. This will help businesses implement the recommendations and improve their customer experience.

Conclude with a call to action: Conclude the report with a call to action, urging businesses to prioritize understanding and engaging in the customer experience. This will help emphasize the importance of the topic and encourage businesses to take action.

8. Conclusion

In conclusion, the topic of Understanding and Engaging in the Customer Experience is of significant importance for businesses today. In this report, we have provided several recommendations for businesses to enhance their customer experience, including optimizing touchpoints, collecting and analysing customer data, cultivating a customer-centric culture, and empowering employees to provide exceptional service.

Through the analysis of customer touchpoints and the role of data and analytics, businesses can gain insights into their customers' needs and expectations. Furthermore, by fostering a culture of employee engagement and training, businesses can create a customer-centric organization that values and prioritizes the customer experience.

As businesses continue to adapt to changing customer expectations and market dynamics, understanding and engaging in the customer experience will remain a critical success factor. By implementing the recommendations outlined in this report, businesses can differentiate themselves from their competitors and build long-term customer loyalty.

Future research could explore the impact of technology on the customer experience and how businesses can leverage emerging technologies to enhance customer engagement. Overall, this report highlights the importance of understanding and engaging in the customer experience, and the role it plays in driving growth and success in today's business landscape.

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