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Module Title	Understanding and engaging in the customer experience
Assignment Title	Understanding and engaging in the customer experience
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INTRODUCTION

Customer value is considered as the business concept used by the organisation to analyse satisfaction level of customers while buying the products and services. This evaluation is based on understanding the beliefs and values of customers which influences them to remain loyal towards the organisation. It is essential for every organisation to provide quality services to its customers in order to increase business growth. Customer satisfaction increases the purchasing behaviour of the customers and attracts them to buy the products and services of organisation at regular basis (Ali, Hussain and Ragavan, 2014). Present assignment is based on TESCO, which is one among the renown retailer of United Kingdom. This organisation is large in size which offers huge number of products and services at its stores across the world. This assignment is going to discuss about various factors which influences organisation in order to maximise customers value. Further, critical analysis is done for understanding the quality process of TESCO and its effectiveness which contributes in meeting customers requirement.

TASK

1. Critically analyse the factors that influences organisations ability to maximise customers value

According to views of Homburg, Jozić and Kuehnl, (2017), Customers value refers to the marketing concept which emphasise on evaluating satisfaction level of customers while purchasing products and services. In addition to this, this concept tries to understand likelihood of customers which encourages them to purchase products repeatedly and provides ongoing business to the organisation. This concept is used by most of the business firms in order to

identify their regular customers and also provides them brief knowledge about the satisfaction level of customers.

TESCO is UK based multinational retail company which is one among popularised retailers across the world. This business firm was founded by Jack Cohen in 1919. TESCO is considered as the fastest growing organisation in United Kingdom as it owns 6553 shops worldwide (Bagdare, and Jain, 2013). This retail store offers various types of products and services in its store such as food products, groceries, financial services, clothing, household appliance, kitchen item etc.

According to the huge number of supermarket, this organisation has around 476000 employees who are working in stores in order to provide maximum monetary benefit to organisation. Top management of this organisation considers working staff as the valuable asset of business organisation. It is believed by the founder of TESCO to provide maximum benefits to its employees with purpose of enhancing their satisfaction. Manager of organisation, concentrates on fulfilling the needs and requirement of employees and provides maximum benefit to them for satisfying their desires (Bilgihan, Kandampully and Zhang, 2016.). If employees get satisfaction with their job then they will perform in more effective manner for fulfilment of customer satisfaction. Employees of TESCO are not satisfied which impacts negatively on customers value and restricts them to satisfy customers. In relation to this, top management of the firm is using Maslow's motivation theory in order to motivate employee that will directly improve their performance satisfy the needs of employees accordingly.

Maslow's motivation theory: As per Vivek, Beatty and Morgan, (2012), theory is based on psychological needs of human beings which are required to be fulfil at each hierarchical in order to motivate the employees. According to Maslow, it is believed that every needs of every individual is required to be fulfilled in the given structure in order to satisfy them at maximum level. In context to TESCO, its manager can use this theory to motivate its manpower which will directly work in effective manner for enhancing customer value by satisfying their needs. According to Maslow's' need hierarchy every level of its pyramid is elaborated below.

(Sources: *Maslow's Hierarchy of Needs Theory*. 2018)

Illustration 1: Maslow hierarchy of needs

Physiological needs: As per views of Fatma, (2014), physiological needs involves basic necessity of human being such as air, food, water, shelter, cloths etc. It is believed by Maslow that if these basic needs of individual is not fulfilled then none of other needs will motivate them. According to this level of pyramid, manager of organisation firstly emphasise on fulfilling these basic needs for motivating them to perform their work in effective manner. *For example:* TESCO offers accommodation and food facilities to employees in order to satisfy their basic needs. This motivates them to stay loyal with the organisation.

Safety needs: After fulfilling basic physiological needs of individual, another level of pyramid involves protection and safety need which supports in motivating individuals. Safety needs includes security, freedom from fear, law, stability and orders. In relation to organisation, it is required by the manager of TESCO to fulfil these security and protection needs of the employees in order to motivate them at maximum level. Employees feels satisfied and motivated by working in secure working environment where there is no harm to their life and they can work without any fear.

Social needs: According to Klaus (2014), in this level of need pyramid, an individual can be motivated by providing love and belongingness at workplace. Social needs includes friendship, trust , intimacy, affection, love and acceptance. In relation with this, manager of

TESCO is required to provide friendly and trust worthy working environment to the employees in order to motivate them. It is essential for the management to fulfil social needs of employees by developing positive interpersonal relationship with them as it motivates them to perform their assigned work in effective manner.

Esteem needs: This need level of pyramid emphasise on prestige and feelings of accomplishment of individual. It is believed by Maslow, employee can be motivated further by fulfilling their esteem needs which includes dignity, independence, achievements, status and prestige (Blázquez, 2014). In context to TESCO, its manager is required to satisfy these needs of employees in order to motivate them further.

Self actualisation needs: After fulfilling basic needs and physiological needs, an individual's needs can only be satisfied by fulfilling their self actualisation needs. This need includes realisation of personal potential, personal growth and desire to become successful. In context to TESCO, its manager have to motivate employee by realising their value of experience and handwork at workplace.

From the above mentioned motivational theory, it is evaluated that employees of TESCO can be motivated by fulfilling their needs and requirements according to hierarchical pyramid. In relation to customer value, it is believed by the manager that if the company wants enhance satisfaction level of customers then they should firstly motivate its employees (Fatma, 2014). According to Klaus, (2014), TESCO should opt Maslow's need of hierarchical theory which will support them in improving satisfaction level of the customers. Organisations uses motivation at work place for improving satisfaction level which motivates the employees to perform their business activities in effective manner. It essential for organisation to motivate the employees for enhancing their customers value which are based of certain factors. Factors which influences customer value are evaluated as below:

Improving returns: According to Ryan (2016), Customers usually values the products and services which improves their quality of living. In relation to TESCO, employees of this enterprise provides easy product return facilities to customers which enhances their satisfaction level toward the company. Manager of TESCO provides several training session to the employees through which employees uses effective return methods. This attract customers

toward the firm as they can return the products without facing much queries. It contributes in enhancement in customers value.

Post delivery: It is necessary for every organisation to provide customers support services which can resolve problems of the customer at the same time by satisfying their needs and issues. In context to TESCO, its employees are providing their best efforts to satisfy the needs of customers by providing effective post delivery services. This enhances their customer satisfaction level and contributes towards customer value (Homburg, Jozić and Kuehn, 2017). Satisfied employees also share positive relationship with the customers by providing them services in their required pattern.

Channel management: As per views of Reason, Løvlie and Flu, (2015), it is considered as one of the essential factor which contributes in enhances customers value. Here, channel management states that customers like different modes to channel in order to connect to the organisational products and services. In context to TESCO, its manager is using several modes at stores for availing products and services to the customers. Employees of this organisation are highly trained so that they can deal with the customer in best form.

Company trust management: According to Lemon and Verhoef (2016), Customer value is also based on the brand name of the company as they trust name of the business organisation. In relation to this, manager of TESCO focuses on availing products of trust worthy brands in its stores in order to attract customers towards their stores. This enhances customer value as they are getting relevant products at one place (Kim and Choi, 2013). It also increases satisfaction level of customers which impacts positively on business growth.

Accessibility: It is essential for every retail organisation to provide its services to the customers in most effective and prominent manner in order to avail its services to the customers (Klaus, 2014). In relation to TESCO, manager of this organisation prefers appropriate channels for availing its services to customers in effective way. This will help organisation in enhancing customers value by providing high level of satisfaction.

Language: According to the views of Blázquez, (2014), it is analysed that TESCO are highly trained employees in order to communicate with the customer in their familiar language. For this special type of training and development sessions are conducted for the employee which

improves their command over local language as well as one common language which is familiar in that country. This creates comfortable environment at the store for the customers as they can resolve their queries and issues with the management of store in familiar language. In addition to employees are also trained to use polite and soft language with customers as it builds positive relation with them and retains them to stay loyal with the organisation.

Memory: As per views of Quadri-Felitti and Fiore, (2012), Employees of TESCO are trained for saving details of customers at the time of their purchase which helps the employees as well as customers at the time of next purchase. This realises customers that they are valuable for the firm and provides the satisfaction at each purchase (Lemon and Verhoef, 2016). As a result it provides huge level of satisfaction to the customer and contributes in enhancement of customer value.

Deliverability: According to the study of Fatma, (2014) it is evaluated that TESCO offers various delivery options to the customers in order to provide them quality services. It attracts the customers as they are more satisfied by getting their purchased products at home. Management of TESCO has formulated various strategies which helps the customers in buying products with home delivery options. This enhances satisfaction level of the customers and contributes towards enhancement in customer value.

Team work: As per point of views of Otnes, Ilhan and Kulkarni (2012), Lack of collaboration among the employees affects their work and also creates delay in customers services. This places negative impression over customers and reduce customer value. *For example:* Employee consumes lots of time in performing team task as they are less familiar with each other. Due to this customers have to wait for services which forces them to move towards the other stores.

Social media activities: TESCO uses social media as its promotional activities. This might impact negatively on customers value as dissatisfied customers post negative comments and feedback at social pages. Customers usually check the reviews of organisation before buying its products and negative comment will reduce customer value.

All the above mentioned factors contribute in enhancing the level of customer value as they are important for the long term success of organisation. It is essential for every organisation

to satisfy its employees first as they are the only one who communicates with the customers on behalf of the organisation. It has been evaluated that satisfied employee works in most efficient and effective way to provide its best contribution in the organisational success. As employees influence the footfall of store by giving them excellent services and also persuade them to use the services repeatedly. In addition to this, employees of customers relation department also develops the customers values as they are interacts with customers on regular basis. It is essential for the organisation to satisfy customer relationship officer by using motivation theory as it motivate him to handle customers in effective manner. This will improve satisfaction level of customers as well and attract them to remain loyal with the organisation. It essential for top management of TESCO to understand customers beliefs, attitude and value system which helps the achieving business goal of the organisation. In relation to this, it is compulsory for TESCO to improve customer value which can contribute in business growth. These factors contributes towards the enhancement of customers value as it increases satisfaction level of customers. In addition to this, it also attracts customer for remaining loyal with the organisation for long term basis. In relation to this, employees of TESCO are getting special training for the improving their skill and knowledge. As they treats customers in effective manner and attract them to increase their purchases.

2. Quality process of TESCO and its effectiveness in meeting requirements of customers

As per views of Tynan, McKechnie and Hartley (2014), Quality can be defined as process which makes a product 'Fit for purpose'. But it doesn't relate with luxury as providing an item of higher standard will be take more cost. Furthermore, it is necessary for an organisation to offer high quality of products or services so that requirements of customers can be meet on time. In context with TESCO, its management related quality with targeted audience and serves accordingly (Martin, Mortimer and Andrews, 2015). The level of quality of different products needed to be fit for various purposes as per type of customers a company deals with. As TESCO deals in retail business and sell a wide range of products like books, furnitures, toys, electronic appliances and services in financial, telecom as well internet sector also. Along with this, to enhance large customer base, it has opened more than 6,553 shops worldwide among which 2200 stores are in UK.

Since a business can survive without quality but it cannot reach desired goals without earning potential. Therefore, it is necessary for a firm to offer the best quality of services to customers by which expectations of them can be completed. Today people at marketplace would like to pay for quality rather than price of a product. Thus, if organisations will provide best quality commodities to consumer then it will be helpful in gaining high satisfaction as well as retention of them for longer period of time. Lack of quality is considered as waste which affects image of a brand also (McColl-Kennedy and et. al., 2015). So, it is amendable for companies to concern more on quality of products and make improvement in the same in regular period of interval. For this process, a firm can make improvement in services by creating a high commitment of achieving desired objectives before deadline.

According to Wetter-Edman (2014), Quality of products mostly depends on demand and need of customers which made a relationship between business of a company to its consumers. Requirements refer to certain characteristics which help a firm in determining whether its consumers are happy or not with products. In addition to this, a customer requirement in general, drives from sales or service order, quotation and more by which an organisation can fulfil demands of people in specified period of time. Thus, this factor comprises two main elements via need which quantifies the specific product required by targeted customers and date on which it has to be delivered. Moreover, requirements assist a person to purchase a specific product to satisfy own needs. It is considered as driver of purchasing decision of customers also. Henceforth, it provides an opportunity to a firm in fulfilling desires of a company.

Customer Requirements

As per views of Homburg, Jozić and Kuehnl (2017), in context with requirement of people, some major needs that people always seek to get from a company are given as below:-

Price: It is a basic requirement of people that states level of budget of them. So, it is necessary for a firm to serve products as per purchasing power of targeted audience.

Information: In high-educated modern world, people are used to evaluate information of a company, its products and more before purchasing products. So, it is amendable for organisations to make an investment in educational blog content and social media for providing

necessary information about services and business in a proper manner. It will help customers in making positive mind to purchase a certain product.

Time & Convenience: Customers always to get products from nearby areas which saves time for them. Thus, in this regard TESCO has opened its stores in many areas.

Experience: As per views of Otnes, Ilhan and Kulkarni (2012), people at marketplace wants to gain high experiences by acquiring products of a company. So, TESCO concerns more on end-to-end customer experience and offer products as per expectations of them (Pantano and Viassone, 2015)

Look & Design: Consumers attract more on outer look and design related to usability of particular commodities. Therefore, management of this company focuses on both requirements also.

Status & Identity: In today's modern era, customers want to get specific products or services as per social status and extension of identity. In short, they want products of high-branded company which suits their status. In this context, TESCO is provided products of branded logo.

Reliability & Durability: It is considered as most important need of consumers which entails their need in terms of reliability, availability as well as durability of products. Therefore, TESCO provide electronic appliances and furniture of high quality.

Performance and Efficiency: It depicts the demand of accuracy and utilisation of products. So, it is necessary for companies to offer products which give high performance to customers as well as they can utilise same in efficient manner.

Standard and Compliance: People are becoming more aware of certain rights and laws of government therefore, like to purchase products from such companies who comply their business with rules and regulations (Peppers and Rogers, 2016). In this regard, management of TESCO runs its business with these set of laws.

Process for meeting requirement of customers

After analysing requirements of customers, TESCO can satisfy their needs by following some major process as stated below:-

Offer consistent company-wide messaging: It is considered as main step under which management of TESCO is used to transfer information related to objectives of business within all departments. If all associated people will know what they have to achieve then it will help in completing each and every requirement of customers as per expectations of them in high economic manner. Along with this, it is necessary for employees and employers of TESCO to understand values, service capabilities and more so that high quality of services or products can be provided at marketplace. Through this process, all employees engage in group related tasks to deliver better quality of products which reduces chance of errors.

Provide instructions to customers for easy adoption: According to Bagdare and Jain (2013), When customers purchase a product then they will expect that it will fulfil desire of them and meet every need also. Therefore, TESCO has built a post-purchase strategy which helps in enabling services or products more useful and usable too. This strategy entails the process through which customers can pay easily to companies. Along with this, it also provide on-boarding services, webinars, host live demos including promotions in email signatures (Quadri-Felitti and Fiore, 2012). All these processes give instruction to people for easy adoption while purchasing a product. While by providing different adoption procedures like post-purchase strategy allows customers to pay bills in easy and safe manner after satisfying with quality of products otherwise they can return the same to company in set period of time.

Ask customers for their feedback: In order to evaluate effectiveness of business strategies and make improvement in the same, it is necessary for a firm to ask customers for their feedback. By determining opinion of people, a company can change way of operating business. Criticism is always affect brand image of an organisation in negative manner, therefore, management of TESCO used to flip the same as an opportunity for creating improvement in business. Its customer service managers has provided option on its websites where customers can logged their complaints as well as suggestions also for creating improvements. After getting feedback of consumers, this company take the same on serious node and consider recommendation for improving design, product layout and deliver system. Other methods by which TESCO can determine opinion and suggestions of customers are social media polls, satisfaction scores, surveys and more. Along with this, by taking feedback of people who use

services of TESCO on regular purpose, helps management in creating improvement in production and other activities of business. Through reviews and responses of customers, this company also evaluate in which part it needs to create modifications in system as per views of them.

Solve queries of customers: As per views of Reason, Løvlie and Flu (2015), before completing requirement of customers, it is necessary for a company to judge whose need have to fulfil first so that high benefits of business can be earned. As there is a large customer base of TESCO therefore, solving queries of each is not possible. In this regard, it is necessary to determine right priorities of customers, create personification, uncover trends and more. Along with this, managers are also required to look at long term retention patterns of customers. It will help in establishing a clear vision of company by providing excellent services to customers. The main effectiveness of quality process of TESCO is that its managers of customer service department used to give responses to people about their complaints and queries in quick manner. In addition to this, in case of discrepancy like delivery of defective products, they also give refund to consumers so that loyalty can be maintained.

Nurture relationship with customers: Whenever people buy a product then they seek first its requirement in context with future usage. So, it is essential for TESCO to build proactive relationship with customers that prevent them from losing post-purchase excitement and assist to buy such products in future also. Along with this, managers should make effective relationship with customers by listening every problem of them and solving with efficient manner. In order to build long customer relationship, TESCO used to show appreciation by giving rewards to people like heavy discount on some products (Wetter-Edman and et. al., 2014). This process helps in gaining loyalty and retention of targeted audience for long period of time also. Other than this, employers of this firm also used to build nurture relationship with customers by increasing durability of its products for longer time. They mostly concern on keeping interest of consumers towards products or services by providing them various discounts. It will help in assisting customers to buy goods in repetitive manner.

Effectiveness of Quality Process and Procedures:

In a company, quality refers to subjective term which states that a certain product has to meet expectations and requirements of end users. Along with this, managing quality states controlling quality of services or products under development, making improvement to stay competitive and assuring final quality. As per ISO (International Standards Organisation) 9001, standard of product is applied to process of purchase, order and preventive actions.

In context with quality process and procedures, it is considered as major part of Quality Management System of a company which includes following stages:

Quality Assurance: It includes activities through which TESCO can ensure that its products or services are met as per requirement of customers in a reliable manner. Through regulating quality of resources like raw materials, managers of this company can make sure that they can meet expectations of people in desired way. Along with this, by entailing description about operational activities to each employee and assign roles and responsibilities to them as per skills then it will help in obtaining large outputs as well. In order to get high commitment of workers towards customer satisfaction, management of TESCO has established an effective culture. It motivate employees to give high quality of services.

Quality Control: According to Vivek, Beatty and Morgan (2012), this factor deals with testing to evaluate if services of a company are meeting established criteria or not. By controlling and developing process, managers of TESCO can determine failures through which high satisfaction of customers cannot be gained. Along with this, they can use measures through which quality of products can be controlled and developed like Just-in-Time approach, Six-Sigma and Lean Production approaches. In this context, lean production refers to a process which helps in minimising wastage within production as well as maximising productivity also. Similarly, just-in-time approach is termed as management strategy through which TESCO can align resources from suppliers in a proper manner. In this regard, JIT helps in arranging inventories and supplying the same as per demand of customers. Furthermore, by six sigma approach helps in improving quality of products by minimising or eliminating defects in production.

Quality Improvement: According to Verleye (2015), this aspect covers two main phase of company that are products and process or manpower. In this regard, TESCO requires to recruit

high skilled and qualified human resource. They must possess knowledge related to give high satisfaction to customers . As it has various stores in many countries where demand and need of people various as per demographic. Therefore, diverse culture of employees help in understanding requirement of people by making good interaction with them. Along with this, managers should make an action plan related to performance improvement and increasing customer satisfaction by re-examining current practices of business. It includes strategies through which TESCO can meet requirements of customers as well as gain their loyalty and retention for long term profitability also.

CONCLUSION

By discussing all above processes, it has evaluated that in order to run a business successfully, managers are required to understand value of customers first. As attention and retention of consumers affects business of a company in large manner. If customers receives positive opinion about business of a firm then it will help in assisting them to buy more products. Along with this, it is amendable for organisations too to concern on quality of goods or services more. Companies should provide high quality of products to customers by evaluating their needs so that requirements of them can be fulfilled in high economic manner. In addition to this, they should take feedback of people in regular period of intervals also so that better improvement in production and services can be done.

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