

Understanding and Engaging in the Customer Experience /BMSW 5103/

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Executive Summary

In this competitive world, there is a key role of maintain the quality of products offered to customers and enhancing their experience. The CRM helps the company to stay connected with the customers and improve its profitability of the company. There is the use of marketing theories that helps to know about the current position of the company and suggest ways of improving the quality of the services. The internal and external factors that have an impact on the performance of the company in maintaining customer relations are mentioned in the report. The benefits and challenges of customer relationship management are also discussed so that the company can take the right actions.

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INTRODUCTION

Customer relationship management can be defined as the process that helps the company to interact with the customer and satisfy their needs and wants. It is necessary to build an effective relationship with the customers so that they are satisfied with the company (Ansari and Et. Al., 2019). This report is based on Tesco and its customer relationship management. This report has an evaluation related to internal and external factors that have an impact on organisations' quality system. Every company needs to carry on regular research regarding the environment so that best is provided to the customers. It helps to enhance the working of the organization and to attain goals and objectives effectively. The use of various models is done to attain a better position in the market and to gain loyal customers. The quality system of the company must be managed effectively as the working of the business is enhanced.

MAIN BODY

About the organization

Tesco is a British multinational grocery and retailer in England. The company was formulated in 1919 by Jack Cohen. The company is the third largest retailer in the world measured by gross revenue. The company employs around 367,321 around to globe. The company provides quality products to its customers. The company has established a good position in the retail market of the UK and captured a 27% share in the UK. It is classified as big four supermarkets along with Asda, Sainsbury's, and Morrison's. The company always maintains the quality of products and provides the best to their customers to keep them satisfied.

The key marketing theories

There are some theories in marketing that helps the business organization to know about their performance and their position in the market. It is important to use the key theories so that business is able to know about the areas that need to be improved (Brown, 2020). There are regular changes in the environment and it becomes necessary to implement the changes in own company so that a better position is attained. There is a key role in understanding the concept of theory and using them so that the best customer relationship is maintained. Some of the key theories are as follows:

Marketing mix

Marketing mix contains multiple areas of focus as a part of marketing strategic. Marketing mix is fundamental model used in production, launching, branding and promoting. Marketing mix helps in analysing new areas of product development, it guides for improvement if required (Mason, Kjellberg and Hagberg eds., 2018). Marketing mix is dynamic in nature as it shows how to satisfy the needs of customers. If the need of customer change, strategies for marketing mix will also be changed. It helps Tesco to identify the changes in the market and provide best mix to the customers. The 4 P's are described below:

Product: It represents the service or item designed to satisfy customers according to their needs. If the product is exactly matches the desired need of customer, no one stops customer from buying that product, no matter what the price is. Tesco provides a wide range of products and services; it serves different segmentations of the market at one time. It has a variety of products including food, clothing, cosmetics, etc. which gives customers more options to buy within. By maintaining the quality of products the company is able to retain customers.

Price: The price of the product plays a vital role in the sales of the company. It refers to the pricing strategy and how it will impact customers (Zeithaml Et. Al., 2020). Tesco believes in a cost leadership strategy and keeps the price low without any compromise with quality, this is beneficial for sales. The strategy helps to gain a lead over the competitors and keep the customers retained in the company.

Place: Placement and distribution of the product are important in the marketing mix, as it is easily assessable to its customers. Tesco has more than 5000 stores around the world which give the company more availability of customers at a time. Tesco has the motive to reach each and every customer around the world, it uses various platforms like online, offline stores, and websites which helps in achieving the goal of extra sales. After the situation of the pandemic, the company provides more focus on the online delivery of products. This helps to reach the customers 24*7 and serve their needs and wants.

Promotion: There is key role of promotion in reaching more customers. There are different options that are available with the brands that help them to reach more customers. Tesco has a strong brand value in the market which helps them to achieve its objectives in sales (Viviani, Komura and Suzuki, 2021). Promotion can be done through platforms like Television ads, newspapers, hoardings other media. Tesco also provides offers, discounts, and memberships

to its customers which is profitable for Tesco. The use of digital marketing is also done by the company so that they are able to make the customers aware of the work done by them.

People: The term people refer to human resources that work within the organization to achieve the goals and objectives of the business. Employee plays important role in success of the company as they are the one who delivers the final product. Tesco has approximately 400000 workers, who continuously work in achieving goals. The company provides regular training to the employees to develop their skills and competency. Tesco has good schemes and rewards criteria for their employees which motivates them and helps the business to grow.

Process: The procedure of delivering the final products and services to customers is refer as process. Tesco uses different channel of distributing its products offline and online. Tesco has large distribution methods which make sure to deliver services repeatedly to customers, this minimizes the cost and time of Tesco (Haryanti and Subriadi, 2020). The new process of providing 24*7 services is also started by the company this helps to serve the queries of the customer as and when they arise. There is a need of managing the work as per the latest technology such as artificial intelligence so that better results are attained.

Physical evidence: Appearance of product, and how it has been packaged, promoted, branding, all these factors of marketing play a huge role in sales. Tesco has strong goodwill, and brand value, its logo, and good customer services differentiate them from others. All these terms help Tesco in gain profit and achieve a better position in the market.

The marketing mix helps the business organization to provide the best to the customers. It is necessary to manage the work in such a manner that the best is being provided to the customers and their needs and wants are satisfied. The use of research helps to know about the trend in the market and satisfy the requirements of the customers (Tate, Ellram and Bals, 2022). This helps to keep the customers satisfied and enhance their experience. This is costly for the company to serve the needs and wants of the customers on regular basis and the use of the latest technology is required. The latest technology is used by companies to enhance the process and achieve better results.

Ansoff Matrix

Ansoff matrix refers to the analytical representation of future opportunities and growth through new products and market development. This matrix was developed by H. Igor Ansoff, and published in with the article “Strategies for diversification” in The Harvard Business

reviews. This matrix provides managers, senior manager a tool for strategic planning that helps in future goals and developments (Mgiba, 2019). It provides a simple, quite informative scenario to think about risk involvement in future growth of organisation. Ansoff matrix can be used for evaluation of risk factors involves in future growth plans of products. This matrix examines opportunities involves in business future strategies with help of product/market expansion grid. This grid reviews the strategies based on four elements which helps marketers to identify new growth opportunities for high revenue Ansoff matrix in relationship to Tesco is as follows:

Market Penetration – This option focuses on growth and sales of existing products in current market. It also shows the number of customers who purchases the company's product instead of competitors in the market. Tesco has a worldwide presence, to gain the lead in the competition it follows different marketing strategies. They use basic tactics that help in market penetration like price adjustment, distribution channel, improving products, and diversification of them. Price cutting can be a major factor for market penetration as it refunds the partial amount of product purchased to customers. Tesco provides discounts, coupon offers to the customers so that they are able to achieve their targets. This strategy can be more useful in a competitive market to retain and attract new customers.

Product Development – This factor can be risky for the company, as it introduces the new feature in the product or launches a product in the existing market. It involves some slight changes in existing product to grow sales with huge investment. It involves slight risk as a new product might be or not in favour of the market (Low and Et. Al., 2020). Tesco has used the product development strategy among its many products. It can be done by adding some features, new packaging, and labeling of the product as per the requirement in the market. Tesco launched organic products as the need for them enhanced in the market. These slight changes in a product can be a reason for more sales in the existing market and help a company to sustain its position in the competitive world.

Market development – This factor in the matrix refers to adding a new market to an existing product. It does not involve huge investment, as it only focuses on a new area of marketing, development with the same product, and different marketing strategies. Tesco is in the retail industry with many product specializations, it has its presence in many countries which allows the company to develop new areas of development. Tesco started their operations in England and now expanded its operations in more than 10 countries such as South Korea, Poland

and Japan. Company targets different customers based on their demographic segments by adding new features on product. Market development gives Tesco huge profits through product development, new customers, new market strategies. The company checks the market situation and launches their products in the countries where they have similar demand.

Diversification – This diversification factor involves a high amount of risk, as it introduces a whole new product in a new market. This factor involves a huge amount of investment as well as it does not assure a return on investment (Vrontis and Et. Al., 2021). The company should do proper research before entering in new market with the a new product, as it involves high-risk factor and leads to huge losses. Diversification provides the company to explore new areas of opportunities. Tesco diversify as per the requirements of the nation. They expand their range of products in order to satisfy the requirement of customers in the international market.

These strategies of the company help in attaining growth and development. There is a key role in selecting the best strategy according to the situation. There is a need of satisfying the requirement of customers and providing them with quality products. Tesco works to maintain high quality so that customers are satisfied.

Communication mix

There is a key role of communication and it helps the company to spare awareness about their brand. It is important to use the best communication tools that help the company to serve the needs and wants of customers effectively. The various elements of communication are as follows:

Advertising: It is one of the traditional ways of communicating with customers. It helps to cover wide population and it can be expensive. The goal is to solidify a global brand's personality and convey the message quickly. Advertisement can be in any form such as print, posters, TV, radio, and the internet. It enhances the awareness of the brand in front of customers.

Personal Selling: It is the second most common method that is used to communicate the benefits of products to the end users. The target customers are reached directly so that they are converted into sales (Juanamasta and Et. Al., 2019). The company analyses the requirement of the customers and reach them in an effective manner.

Sales promotion: There are different sales promotion techniques that are being used by the company. The aim is to enhance the sales of the business organization by attracting

customers. The incentives are being provided to the dealers so that they work effectively and enhance the sales of the company.

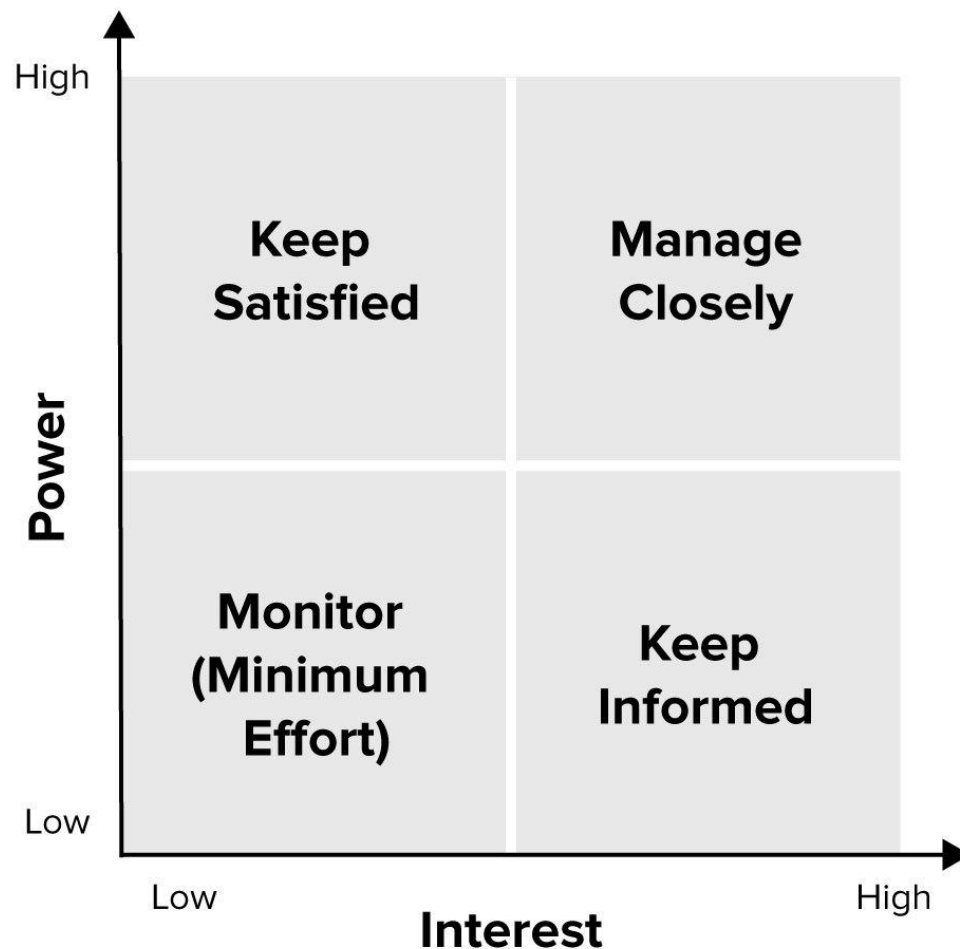
Public relations: It is the activity that helps to enhance the relations with the customers so that they are able to know the brand and make purchases. The news regarding the company attracts the users to make purchases from the brand.

Digital marketing: There is regular updates in the technology and use of digital marketing helps the company to lead over the competitors. It is necessary for the company to use best digital marketing platforms such as social media marketing, content marketing, search engine optimisation in order to reach more customers.

Tesco chooses digital marketing as it helps to attract customers in today's time effectively. It is seen that there is a need of working as per the changing trend and then communicating with the customers. It is necessary to use a combination of traditional and modern ways of promoting the brand to achieve success. The use of the best mix helps to reach more customers and enhance the brand image of the company.

Stakeholder map

There is key role of stakeholders in business. Mapping the helps, the company to know the way of satisfying their needs and wants. The various stakeholders and their position is as follows:



- **High power, low interest:** These are the stakeholders who have high decision making power but have low interest in information about the company. It includes Government as they have power to make changes in the policy of company.
- **High power, high interest:** It includes directors and CEO of company who want to know about every information about the company and have power to make changes.
- **Low power, high interest:** The employees of the company have low power and are highly interested in the information of the company. Investors also lie in this quadrant.
- **Low power, low interest:** The suppliers of the company have low interest in the organisation and also have low power.

Porter's Five forces

There is key role of identifying competition in the market. There are five forces that are mentioned under this model that helps the company to know their competitive position in the market. They are mentioned below:

Threat of new entrants: It is seen that; it is easy for the new entrants to start the business in retail sector. Tesco do not face any threat from new entrants as they have established effective position in market (Gil-Gomez and Et. Al., 2020). The company has loyal customers due to the quality of products and services offered by the company.

Bargaining power of buyers: The buyers have high bargaining power. There is low cost of substitution and this enhances the power of buyers. By providing quality services and 24*7 assistance the company is able to retain the customers towards them.

Bargaining power of suppliers: There is the a low bargaining power of suppliers. Tesco is a big organization and has many options of suppliers present. It is necessary for Tesco to have good relations with the suppliers so that they are able to get the products at right time.

The threat of substitution: The direct competitors of Tesco are present in the market such as ASDA, and Sainsbury's. The customers have the power to switch towards, substitutes and in order to gain a lead over competitors, Tesco needs to provide discounts to the customers.

Competition among rivalry: There is high competition present in the external market of Tesco. The company must use the latest technology and innovations in order to retain their customers and gain a lead over the competitors (Kumar and Reinartz 2018).

Critically analyze internal and external factors that influence your organization's quality systems and controls for customers

Quality management plays a major role in the success of the company. There is a need of maintaining a high-quality system so that the company is able to meet the needs and wants of customers and control them. It helps the company to serve the needs and wants of the customers in an effective manner (Kumar Mokha and Pattnaik, 2021). There is a need to maintain quality systems so that real success is attained. The needs and wants of the customers must be identified so that they are given the best services. To know about the internal factors SWOT Analysis is carried out:

Strength	Weakness
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Employees of the company have tendency to work as per the latest trends in market (Dewnarain, Ramkissoo and Mavondo, 2021). In Tesco, there is culture of providing quality and trending products to the customers that is one of the strength of the company.	The major weakness is competition present in market. The high competition in the market makes it difficult for company to carry on their work.
Opportunities The use of latest technology and updated software's can be done by the company in order to retain the customers in company.	Threats The Covid-19 has enhanced the difficulties in working of the business organisation as they have to make various changes in the functioning of the business.

The **internal factors** are as follows:

Culture: There is positive culture in Tesco that motivates the team to carry on the work effectively. It is necessary to use updated technology in order to serve the customers. In today's time, there is a need of providing 27*7 assistance to the customers (Chatterjee and Et. Al., 2020). So, Tesco they are ready to change the culture and attain effective position.

Employees: The working staff of the company is internal to the business. The employees of Tesco are ready to take training for the updated technology and implement the same in their work. It is necessary for the company to manage their employees in such a manner that they are able to maintain a quality system.

The **external factors** are as follows:

Political factors: The political factors include the tax rate, political condition, the policies formulated by the government. The government of the UK supports Tesco and provides them support to provide quality services to the customers and maintain relationships with them.

Economic factors: Each and every nation is working to enhance its GDP products by taking suitable actions

(Kakeesh, Al-Weshah and Al-Ma'aitah, 2021). Tesco works to provide employment to new employees in their CRM department in order to carry on their work effectively.

Social factors: The needs and preferences of the customers are considered under the social needs. The use of effective and quality products to satisfy the needs and wants of the customers. The customers will be provided 24*7 assistance so that they are able to get their queries solved at the time they arise.

Technological factors: There is rapid rise in technology and in UK the businesses are using the same. The use of artificial intelligence helps Tesco to work effectively and know about the customer needs. The Chatbot feature is available on the website that responds to the problems of customers on right time.

In Tesco, the quality process is used for customer relationship management. It is seen that the employees are being given training that helps them to manage the work and maintain good relationships with the customers. By dealing effectively with the customers the company is able to manage the overall work effectively. There are various factors that have an impact on the working of a business organization. There is a need of maintaining effective relations with the clients so that proper working takes place. The process of providing quality services to the customers is necessary for the company as it helps them to have control over them.

The systems that support your organization's quality processes

To maintain quality Tesco uses a different system. There is a critical role in providing quality services to the customers and this can be done by maintaining the overall quality of products and services being offered by the company (Al-Weshah, 2019). There is need of maintaining the high-quality process of supply chain management so that best is being provided to the customers. The theories used by Tesco help them to provide better customers services and they are as follows:

Six Sigma: This tool helps Tesco to improvise its capability and business performance. There is a need of managing the work in such a manner that overall productivity gets enhanced and there is a reduction in the defects of the company. It helps the company to attain a better position in the market and earn more profits.

TQM: Total quality management is a management framework that helps the company to achieve long-term success by providing effective training to all the members. It is seen that there is a key role in managing the overall quality and Tesco is able to achieve high profitability due to

the quality products being offered by them. This helps to provide best to the customers and have proper control over them.

the extent to which you think those systems are effective in meeting customer requirements and maintaining good customer relationships

All these systems are necessary to serve the customers effectively and maintain good relations with them. These are the systems that are being used by Tesco in order to satisfy the customers 24*7. The feature of Chabot is given at the website where the customers can post all the problems that are being faced by them. It is necessary to manage the work in such a manner that the clients of the company are fully satisfied (Yerpude and Singhal, 2018). It is necessary to serve the requirements of the customers in such a manner that they come back to the company. The latest technology such as artificial intelligence and other software helps to provide better services to customers and maintain an effective relationship with them. There is a need of carrying out the work in such a manner that benefits are undertaken effectively. The following systems are used by Tesco to meet the customer requirements and maintain better relations with them:

Centralized customer data: There is a key role of maintain the details of customer data. The CRM system helps the company to keep the details of the customers centralized and have access to them with fingerprints. This enhances the productivity of the employees as they are able to check the details of customers. The time spent by them on purchases can also be monitored. There is a key role of maintain effective relations with them so that overall work is carried out effectively.

Touchpoints to Build Trust: The CRM system helps the company to track the contact between you and your customers. This helps the company to check the last contact with the customers (Anshari and Et. Al., 2019). The interest of the customer can be monitored effectively and Tesco is able to know what the customers are actually like. There are systems of creating reminders to the customers if they have not visited for since long.

Satisfied Customers mean Returning Customers: The feedback of the customers is taken on a regular basis so that there is satisfaction among the customers. The problems faced by the customers are solved on regular basis and this helps the company to retain the customers. It is necessary to manage the customers so that better relations are managed.

Quality process (relating to customer service) in the workplace

Tesco maintain good relations with the customers in workplace. There is need of maintaining good customer service so that they are satisfied with the service provided by the company. It is seen that the following processes helps the company. They are as follows:

Provides value-effective customer service programs: This helps Tesco to treat all the customers well. There is a need of carrying out the work in such a manner that all the customers are able to get solutions to their problems.

Provide training to the employees: Tesco provides training to the employees that help them to treat the customers effectively and maintain good relations with them (Keita, 2018). It is necessary for all the employees to value the customers and satisfy their needs and wants.

Methods to analyze the customers' experience of an organization

Tesco is spending money on enhancing the customer experience and taking care of the needs and wants of the customers. There is a key role in carrying out the work in such a manner that the progress can be monitored. The methods used by them are as follows:

Key performance indicators: The use of KPI is being used by the company. They set the target of solving customer queries and then measure the same by comparing actual performance with the standard performance.

Feedback from customers: Tesco interacts with the customers and takes direct feedback from them (Marolt Et. Al., 2020). It helps them to know about the gaps in their performance and take action for improvement.

The benefits and challenges of developing and maintaining good customer relationships

The **benefits** of maintaining good customer relationships are as follows:

Customer retention: The business that has can maintain relations with the customers and they is able to retain the customers for a longer duration of time. It helps Tesco to get loyal customers and maintain relations with them.

Increase in sales: By having effective relations with the customers a company is able to get high sales (*Top Benefits of Customer Relationship Management, 2021*). They are able to satisfy the needs and wants of customers in an effective manner and get better outputs.

High productivity: The overall productivity of the company gets enhanced by the use of an ERM system. The employees can manage their work effectively and this helps them to serve the customers better. The productivity of Tesco gets enhanced by the use of CRM.

The **challenges** are as follows:

Costly for the company: The use of the latest technology is costly for Tesco. It enhances the expenditure of the company. Also, there are regular changes in the technology and the company and it becomes difficult to meet all of them.

Change in a social relationship over time: It is seen that there is change in social relationship with time. It is seen that having a broad network is important and at the same time the social relations of the customers keep on changing (Dewnarain, Ramkissoon and Mavondo, 2019). The businesses grow and tend to have relations with limited people.

CONCLUSION

From the above report, it is concluded that there is key role of managing relations with the customers. There are different models and theories that help the company to know about their position in the market. The use of customer relationship system done by the company is mentioned. The ways of monitoring the progress of the company after using latest technology such as artificial intelligence is also an important part of this report. The benefits and challenges of customer relationship management by the company are mentioned at the end of this report.

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