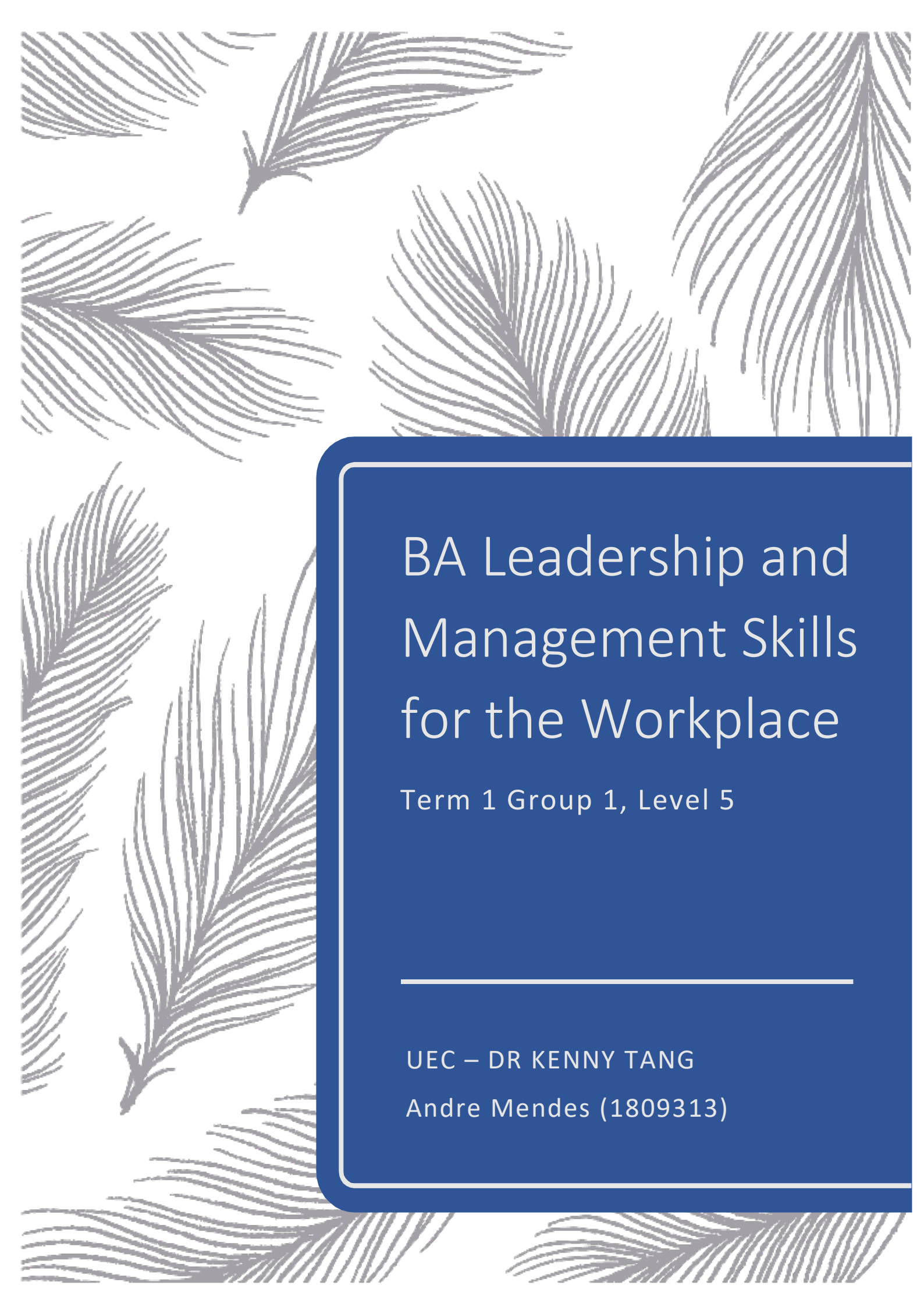




BA Leadership and Management Skills for the Workplace

Term 1 Group 1, Level 5

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Understanding and Engaging in the Customer Experience



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INTRODUCTION

This report will assess the factors that affect the company's ability to obtain the best value for the customer. To do this, we will analyze the five dimensions of customer value, see the quality of the dimension of the service and the respective gaps in the airline TAP AIR PORTUGAL as the reference of the chosen company, showing the importance of tools that are more valuable in the perception of customer requirements.

5 CUSTOMER VALUE DIMENSIONS:

The secret to the durability and success of any business area depends categorically on the customer as a key element. Therefore, the five dimensions are centered on the customer's price and brand, underlining the product selection, the customer experience, the added value services, the relationship and the experience. A constant match between price and quality.

PRICE:

First of all, let's quickly define price and value. Price is the cost of a particular product or service. Value is the price assigned to something with esteem and value. Money is related to price. Benefit is related to value. Some brands have a price, others have value. In fact, Varki and Colgate (2001) already said that price is one of the most important factors that guide the perception of value. And when it comes to accessing the value of a particular airline brand, it becomes even more difficult due to the price variability in that sector.

Brands that offer value to the client, go deep to know him and understand, among other things, what he seeks, what benefits he expects, what products and services he wants. Based on this, they offer advantages that deliver value and satisfaction, and provide a shopping experience that reflects your entire value proposition. In this way, long-lasting relationships are built and the customer will certainly be less sensitive to the price and to competitors' advances. Apple does this very well because when it buys an apple product, the customer, according to Armstrong, Gary and Philip Kotler (2008), expects to receive a premium price due to the perceived value and the quality of the product.

BRAND:

Having a brand with quality recognition requires a lot in terms of marketing in order to win customers and win their trust.

But why do people pay more for certain brands? Because they clearly perceive an exclusive benefit, a reward that can be functional (tangible), such as convenience, performance, superior quality, customization; or an emotional (intangible) reward such as belonging, personal fulfillment, brand, design, in addition to the values that the product allows to materialize: high self-esteem, better performance for athletes or family unity.

PRODUCT SECTION:

It is the customers who dictate the quality of the product (Evans and Dean 2003) using the successful trends in the selection of products, looking for brands specialized in certain areas or type of product, example of Mc Donald and Burger King. Or the large surfaces that give a wider range of varieties and options to customers like Ikea, Amazon etc.

ADDED VALUE SERVICE:

Revenue management has changed the way airlines price their tickets since it was implemented. In the early 1980s, major American airlines were under pressure from competition from low-cost airlines. With the adoption of complex mathematical models and knowledge of users' purchasing habits, ticket prices started to be adjusted according to the history and proximity of the flight date, periods of high and low season and demand forecast calculations. Thus, the airlines that adopted revenue management were able to maximize revenue for the same number of tickets sold.

The revenue management success was so great that many of the airlines that left the strategy aside succumbed to the competition and today they no longer exist. Currently, hotels and other types of businesses that require reservations use this strategy widely.

According to L. Richman (2006), value is measured in how the product and service work for the customer. This focuses on the controllable business aspect, allowing the organization to release funds for future growth. Working hard on commitment and winning customer loyalty, which is a key element of the success of airlines. Van-Pham and Simpson spoke of this improvement in 2006, in addressing the simplicity of purchasing the product and the life cycle of the product itself.

In 2015, Portuguesa TAP was highlighted in the tenth position in Top eDreams, as one of the “Best Airline Companies in the World”, reaching a total of 3.96 points out of five possible, increasing 14 positions compared to the previous year. In two of the seven categories under analysis, “Airlines with better check-in service” and “Airlines with better service on board”, TAP stands out again and occupies the eighth and new position respectively.

It is known that the growth of any airline depends, among other factors, on the requirements of the clientele with regard to their needs. The competition is fierce due to the number of existing offers, which requires a constant evolution of the companies that want to remain in the market, TAP knows this and, therefore, invests in all fields of the promotion of its brand, exploring the enormous advantages of social media for the expansion of its service.

When choosing a flight, comfort is one of the key factors. For this reason, the study presented by eDreams identifies the airlines that show a greater concern for this topic and that were therefore selected by the brand users as the best in this category. Swiss International Air Lines, Flybe and Turkish Airlines and TAP thus stand out from the rest, ensuring the best flight conditions for their passengers. Following the advice of Haigh (2019), TAP begins to seriously invest in airplanes with low fuel consumption in order to guarantee the highest probability of success.

RELATIONSHIP AND EXPERIENCES:

The advent of new technologies in customer contact channels with large companies forces companies to constantly update and maintain agile and motivated teams. TAP is aware of this challenge, which is why it is strongly committed to strengthening and preparing these teams and updating technological platforms, which will allow it to get closer and have a better experience for the Client. «The key to being successful will be meeting the expectations of customers who come to us, at the right time, and through the most appropriate channel. », (Luís Garcia, Central Responsible for Reservations).

«In our activity, an excellent relationship with our Client is fundamental. A relationship based on trust, respect. That allows us to know our Client and make him feel unique. Because in this era of connectivity, we do not lack means or arguments to get to know each other. For that to happen, just add to technology, what we have best ... our friendliness. »Emphasizes Luís.

It is important to maintain a good relationship with the Customer. Conquer him every day. There is no better advertising in the world than that of a satisfied Customer.

An excellent relationship with the Customer is a fundamental element; good customer service generates empathy and builds relationships, conquers the customer and their loyalty

When this type of Customer Relationship is achieved, it is always valuable in any company. Because the service is made of communication and attitude that create the difference for the Customer. In each Client an opportunity to Conquer, Fidelize and Enchant.

COMPLIANCE WITH REQUIREMENTS:

There are secrets of approach that are basic pillars for the continued success of any company that wants to grow. Having the ideal product for each customer as if each customer is a whole in your company, knowing that this product will please that customer. Having the ability to think in the customer's place, to know their needs in terms of products and, to go even further, to even know what customers want without even knowing that they want it, a kind of forecast and supply of products and services properly programmed. There is no better strategy than this to target customers. When the customer knows that you will always guarantee what he wants at all times, that customer never leaves your company. For this to happen in a healthy routine in terms of fluidity, avoiding the scarcity or rupture of stocks, it is necessary to consider

another very important element which is the supplier. When you have a reliable supplier, a supplier who respects and values your work, he will be able to help you better organize your company in tracking and delivering products in real time.

Today, more than ever, companies know that their permanence in the market depends, above all, on the conquest of clientele's trust and loyalty. Therefore, the wishes and requirements of the customer are an order for companies. Thus, sometimes the demands of customers are vast that companies have no hands in measuring terms of stocks. When this is the case, an alternative or an ally who can help put an end to this situation must be established, thus avoiding the unnecessary loss of sales and potential customers. For this, having a chain with the ability to respond quickly and effectively is always an asset. Since stock management is one of the vital priorities for the best functioning of companies, almost all of them are betting on an effective process that goes through the famous Just In Time (JIT), with the mission of managing stocks from all suppliers, selectively. depending on the time and need of the products, avoiding the unnecessary agglomeration of the products. The use of JIT turns out to be more profitable because it reduces costs, focusing on the predictability of products for customers, speed and efficiency in delivery and focus on what is necessary. The only secret of cost reduction and service improvement is centered on the customer service strategy. The company that is able to differentiate itself from the others by the positive way of approaching the clientele, giving the deserved value to the client, is able to take all the dividends in their favor thanks to the motivational culture that it ends up leveraging a certain balance with regard to the problem of excess or lack of stock that can generally lead to the dilemma of high costs or loss of sales. According to Wilson (2004), since 1982, stock costs have fallen by around 60%, a decrease also seen in transport, albeit by 20%.

The only effective operating method for companies is to continue to focus on the customer, to understand the customer's requirements regarding the type of product desired.

TAP CUSTOMER SERVICE TOOLS AND TAP AIR PORTUGAL EXPERIENCE:

The quality of service is a fundamental factor to be able to win and retain customers for your company. For this reason, adopting good customer service tools is always an essential strategy to increase sales and company value. That is why TAP always adopts this method because, in addition, providing a good service is capable of generating new business opportunities. After all, knowing how to listen to your consumers and creating ideal service methods improves the quality of your company - and still generates a good image. So, knowing some of these tools only helps to optimize your customer service.

Use of chat meet:

This tool brings TAP new possibilities and ways to serve its consumers. With the internet, the chat service had a great growth and great acceptance by the public, and this is because the chat brings contact in a quick and practical way.

Therefore, long and time-consuming options are discarded; the consumer does not expect to spend hours in line or on the phone to be served. And it is worth having a trained and ready team to use the chat properly with your clientele.

Use of data management software:

TAP knows its client's great potential and understands that knowing how to manage its clients' data is also fundamental, as it helps to form a history of each client and profile sketches, facilitating personalized service for each one.

A management software allows you to access all the information of a customer, in addition to data on their latest purchases and even their general and specific interests. You should store all this data safely and use it in order to create a good service, and also check for possible errors and the successes of your company with consumers.

The improvement of your CRM (Customer Relationship Management):

This type of strategy is focused on the client himself, which means that all actions must meet his needs. Therefore, products and services must be made according to what the customer wants, and not imposing a type of product or service on him.

So, for this management to be improved, it is convenient to know who your customer is and what he demands or wants. For this, the tactics that the CRM encompasses are communication channels, cash control, inventory management, among other indicators that can define the consumption profile of its audience.

Use of email:

E-mail is an excellent source of content and also for improvement to establish a great service offered to your customers. And direct mail is a way to reach your audience with direct marketing - after all, the entire content of the message will be personalized according to the history already stored for each customer, which allows good chances of conversions.

A tip is to use e-mail even as a communication channel, as many customers prefer to send a message than call, or even go to the store to answer their questions, leave their complaints or compliments.

Do a periodic survey to analyze the results:

The last tool that TAP highlights here involves the result of all the others: to optimize your service, you need to know whether your efforts are offering a return or not. And, for that, the analysis of results is fundamental, since it is necessary to measure performance by means of indicators.

These indicators can demonstrate the degree of satisfaction of each client, which will indicate if their efforts are being well received or if changes in their strategies are still needed.

For this reason, the satisfaction survey is a way to collect data and analyze the results of your efforts. It can be done with the help of e-mail, websites, SMS and other techniques, according to your type of product and audience. TAP's tip is to look for its own platform to carry out these surveys, as is the case with Tracksale.

By putting these five tools into practice, TAP is having the ability to improve customer service, which is certainly contributing to a real increase in its sales and, consequently, to the continuous growth of the company.

TAP Air Portugal is the main Portuguese airline and a member of the Star Alliance since 2005.

In operation since 1945, with the operational center in Lisbon, a privileged access platform in Europe, at the crossroads with Africa, North, Central and South America, TAP is a leader in the operation between Europe and Brazil. Since the summer of 2017, the TAP Network covers 92 destinations in 36 countries worldwide. Operating an average of around 2800 flights per week, TAP has a fleet of 94 aircraft: 73 Airbus and 21 aircraft on TAP Express.

TAP receives 37 new aircraft by the end of 2019, with a total of 71 aircraft to be received by the end of 2025, which will transform TAP into one of the airlines in the world that operate the youngest fleets.

Continuing its focus mainly on customer satisfaction, TAP continuously invests in innovation and the use of new technologies, offering products and services of high quality, safety and reliability.

TAP was elected the Best Airline in Europe in 2011, 2012, 2013 and 2015 by the prestigious magazine "Global Traveler" in the USA and was honored by UNESCO and the International Union of Geological Sciences with the IYPE 2010 Planet Earth Award in the most innovative Category Sustainable Product. TAP was also distinguished by the prestigious World Travel Awards: elected European Airlines Leader for Africa and European Airlines Leader for South America in 2017, 2016, 2015 and 2014 and World Airlines Leader for Africa in 2011, 2012 and 2018. also holds the title of World Airline Leader for South America, WTA, in 2009, 2010, 2011, 2012 and 2018. UP, TAP's in-flight magazine was also awarded by WTA in 2017, 2016 and 2015 as Leader On-Line Magazine in Europe and Leading World-Class Travel Magazine in 2018.

TABLE ABOUT BRAND

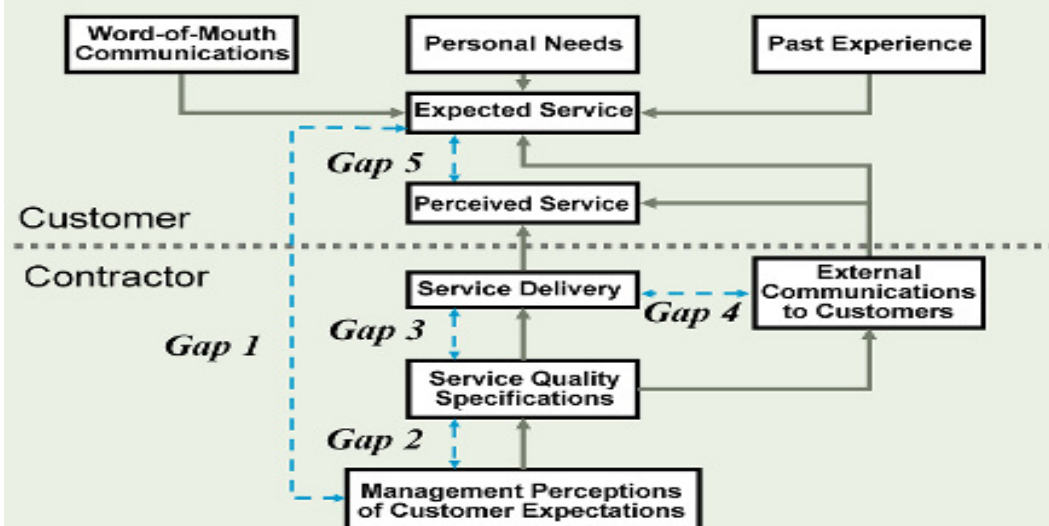
2016-2019	2016	2017	2018	2019
TAP AIR Portugal	1st	1st	1st	1st
EURO ATLANTIC	2th	4th	3th	3th
AZORES	3th	3th	4th	3th

Source www.edreams.com

			
DIMENSION OF CUSTOMER VALUE	Tap Air Portugal	Air Atlantic	Azores
PRICE	14/20	17/20	15/20
SOURCE	edreams.com		
BRAND	9/10	5/10	3/10
SOURCE	airlineratings.com		
PRODUCT SECTION	10/10	9/10	8/10
SOURCE	edreams.com		
VALUE ADDED	9/19	8/10	7/10
SOURCE	airlineratings.com		
RELATIONSHIP AND EXPERIENCE	10/10	6/10	5/10
SOURCE	edreams.com		
CONFORMANCE TO REQUIREMENTS	9/10	7/10	6/10
TOTAL	61	52	44

ServQual

Source: Zeithaml, Parasuraman & Berry, Delivering Quality Service



5 SERVICE QUALITY DIMENSIONS:

The quality of services creates a competitive advantage and an excellent differential in facing the competition. According to Branson (2006), happy customers means happy employees. Companies that are excellent in the quality of their services do this by focusing their efforts on five dimensions of service quality:

Reliability or trust:

it is the ability to have what was promised, on the agreed date. Reliability means obtaining clean clothes in the laundry, on the agreed date, respecting the deadline.

Understanding or responsiveness:

it is the ability to understand customers' problems and difficulties and to respond in a positive way. An example is a gardener making a client's garden quickly, outside the usual schedule, because the client will have a special event, understand the client's problems, facilitate payment and others.

Safety or warranty:

it is the customer's perception of the company's employee or salesperson's ability to respond to their needs. A television maintenance technician who quickly finds and repairs the defect, immediately, in front of the customer, transmits security. A customer should be sure that the information you provide is accurate and up to date. (Morgan, 2017).

Empathy:

it is the disposition that the employee, in the case of seller of products and services, has and manifests in the individualized care and attention provided to the customer. An example may be that of a waiter who realizes the doubts of a new customer in choosing a dish, takes it to the kitchen and lets himself see how the various dishes are prepared so that he can choose what he likes best. It is also a feeling created between the negotiating parties, which reflects the willingness of the negotiating partner. The ability of a company to show customer service, understanding the customer's need (Cottrell, 2011).

Tangibility:

are the physical elements, such as furniture, office, forms, physical appearance of employees, translated into their clothes and uniforms, equipment and physical layout, all that is palpable in the company.



DIMENSION OF SERVICE QUALITY	Tap Air Portugal	Air Atlantic	Azores
REALIBILITY	9/10	7/10	6/10
SOURCE	edreams.com		
ASSURANCE	7/10	5/10	3/10
SOURCE	airlineratings.com		
TANGIBLES	10/10	9/10	8/10
SOURCE	edreams.com		
EMPATHY	9/19	8/10	7/10
SOURCE	airlineratings.com		
RESPONSIVENESS	10/10	6/10	5/10
TOTAL	45	35	29

GAPS IN SERQUAL SERVICE:

Quality assessment methods are very important and can be a competitive advantage, especially those verified with customers.

According to the text there are several tools to measure customer expectations. And the serviqual method was the first that considers the customer's expectations regarding a service. The serviqual method compares customer expectations and service performance. Second (Parasuram n, Zeithanl and Berry, 1985) They claim that perceptions of quality emerge from the difference between performance and expectation. As performance exceeds expectations, quality increases and vice versa.

In the serviqual method it is possible to identify problems and gaps between the expectations and the service offered, being possible to check the quality of the services offered, but no method is effective if the customer is not focused on.

this model consists of five gaps or gaps: gaps 1, 2, 3 and 4 represent causes related to the service provider and gap 5 represents the customer

To facilitate the understanding of the model, the gaps will be explained below:

Gap 1 - Knowledge gap, or the difference between what service providers believe customers expect and customers' real needs and expectations. Several factors influence this gap:

- i. The market research orientation demonstrates the way the company acquires information about consumers' expectations. It is believed that, with the increase of these researches, the knowledge gap tends to decrease.
- ii. Upward communication concerns the flow of information from the organization's base personnel to senior management. Base personnel have direct contact with customers, thus transmitting important information to management.
- iii. With regard to organizational levels, the more hierarchical the organization, the more complex the communication becomes. Because there will be a distance between consumers and management, no longer receiving information about the day-to-day activities.

Gap 2 - Gap in standardization or the difference found between management's perceptions of customer expectations and the quality standards established for the execution of services. There are some variables that influence this gap:

- i. Management's "no" commitment to service quality leads to a lack of leadership, failure to set standards for quality and the absence of programs that elevate services and reward those who are responsible for quality.
- ii. Organizations that have quality service delivery programs are noted for setting formal goals. The elaboration of such goals involves conceptualizing the quality of services, so that providers can understand what management wants to deliver in their services.
- iii. The technological standardization and the employees' behaviors allow the tasks to be established and effectively executed, thus reducing the existing gap.

Gap 3 - Gap in delivery or execution, which is the difference between what was described in the service specifications by the managers and the actual provision of services to customers, which can be influenced by the following factors:

- i. The various characteristics of the group can modify the quality of services, such as the motivation to perform functions, personal contact between those involved and commitment, among others.
- ii. The adequacy of personnel and technology, however, it may happen that the employee is not trained or has not received sufficient training to perform his duties. In the same way, a reduction in the quality of service may occur, if there is no appropriate and reliable equipment.
- iii. If control dispersion does not occur, employees may be unable to resolve certain problems by removing control over the nature of the services offered.

Gap 4 - Communication gap or the difference between the quality of what is delivered to customers and that which is transmitted to customers via advertising. If the company does not deliver what is promised, it can lose consumer confidence. This gap can be influenced by the following variables:

- i. Horizontal communication aims to coordinate people and departments, so that the organization's goals are executed. Horizontal communication is necessary when it is desired that customers perceive the quality of the service provided.
- ii. The propensity to over-promise is caused by the fact that many companies feel pressured, promising more than they can deliver, due to intensified competition in the service sector.

Gap 5 - Gap in consumer perceptions or gap, defined as the difference between consumers' expectations in relation to the service and what was actually offered. This gap depends on the size and direction of the previous four gaps, which are related to the delivery of the service by the company. The result of the difference between customer expectations and perceptions regarding the quality of the service provided was considered by the authors of the gap model, the main cause of service deficiency.



GAP IN SERVICE SERVQUAL			
GAP 1	7/10	8/10	9/10
SOURCE	edream.com		
GAP 2	6/10	5/10	7/10
SOURCE	edream.com		
GAP 3	7/10	6/10	8/10
SOURCE	edream.com		
GAP 4	7/10	5/10	9/10
SOURCE	edream.com		
GAP 5	9/10	5/10	8/10
TOTAL	36	29	41

CONCLUSION

After all the analyzes on the dimensions of the values of the clientele and the evaluation of the quality of the service and the respective gaps in that same service, it was concluded that TAP has worked hard over the years to achieve and constantly consolidate the prestige in the Portuguese national market, and a European and worldwide rise. The secret of this milestone is clearly due to the company's policy of recognizing the customer's value and its impact on the company's growth.

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