

Customer Relationship Management at Lextan

1. Introduction

Customer Relationship Management (CRM) has become an important part of how service organisations compete and retain customers. Attracting new customers remains necessary, but long-term performance also depends on whether customers are satisfied enough to return, purchase additional services and recommend the business to others. CRM supports this by bringing together customer knowledge, organisational processes and employee interactions so that relationships can be managed more deliberately (Buttle & Maklan, 2019; Payne & Frow, 2005).

The importance of CRM is especially apparent in service businesses because customers judge more than the core service. Their opinions are shaped by the welcome they receive, the competence of staff, waiting times, cleanliness and the way problems are handled. Grönroos (2007) explains that these interactions influence perceived service quality and future behaviour. A business can therefore offer an acceptable service but still lose customers if the wider experience feels impersonal, unreliable or inconvenient.

This report examines CRM at Lextan, a chain of Welsh tanning salons. Lextan provides a useful case because much of its customer relationship activity takes place through direct contact between staff and customers rather than through technology. The report considers the customer lifecycle, customer value, customer centrality, segmentation, quality processes and the management of expectations. Relevant theory is applied to existing practices, including the walk-in system, annual membership, personalised product advice and hygiene procedures. The analysis identifies where these practices support loyalty and where more structured methods could improve consistency. Recommendations are then presented to help Lextan strengthen customer relationships without losing the personal service that currently forms a major part of its appeal.

2. Customer Relationship Management

CRM is often associated with software and customer databases, but it does have a wider purpose. Payne and Frow (2005) describe CRM as a strategic approach that combines people, processes and technology to create value for the customer and the organisation. Payne (2005) also argues that CRM should be organised around value creation, communication channels, information management and performance assessment rather than treated as a standalone software purchase. Buttle and Maklan (2019) place similar emphasis on developing profitable relationships over time rather than concentrating on isolated sales. Both definitions suggest that technology can support CRM, but it cannot replace a customer-focused culture or effective employee behaviour.

This distinction matters at Lextan because it currently applies a mainly interpersonal approach. Customers enter without an appointment, add their name to a handwritten sign-in sheet and wait for the next available sunbed. The system is simple and suits the informal nature of the service. It also gives employees regular opportunities to speak directly with customers rather than directing them through a largely automated process.

The quality of these interactions is one of Lextan's main CRM strengths. Staff greet customers, recognise many regular visitors and build familiarity through repeated conversations. Morgan and Hunt's (1994) theory argues that trust and commitment are central to successful relationship marketing. At Lextan, recognition and friendly communication can help create this trust because customers feel known rather than treated as anonymous transactions.

Product advice also contributes to the relationship. Employees recommend tanning creams and skincare products according to individual needs and previous experience. A first-time visitor may need a clearer explanation of products and tanning times, whereas a regular customer may only need brief guidance. This approach is more useful than applying the same sales message to everyone and supports Berry's (1983) view that relationship marketing involves maintaining and enhancing relationships through continued value.

The annual membership scheme provides a more formal retention mechanism. For £5 per year, members receive product discounts, free minutes on Sundays and additional minutes on their birthdays. The financial value is modest, but the scheme gives customers an ongoing reason to return. It also signals that repeat customers are recognised. Kumar and Reinartz (2018) argue that organisations should consider the value generated across the whole relationship, and the membership scheme encourages this longer-term view.

There are limitations to an approach that depends so strongly on personal knowledge. Information about preferences and visit patterns is often held in staff memory rather than in a shared system. This works while employees know the customers well, but it makes service consistency harder when shifts change or experienced staff leave. The paper sign-in process also records attendance without producing useful information about purchasing patterns, frequency or customer responses to promotions.

Feedback is managed in a similarly informal way. Staff may hear comments during conversations and complaints are passed to management, but there is no regular method for measuring satisfaction. Informal feedback is valuable because it is immediate and personal, although it may overrepresent customers who are particularly vocal. Quieter customers can leave without explaining why their experience was disappointing.

Employee behaviour is particularly important because frontline staff represent the business during almost every visit. Policies can set a standard, but customers experience CRM through the tone of a greeting, the accuracy of advice and whether concerns are taken seriously. This means that recruitment, training and management support are part of CRM rather than separate operational issues. Staff also need enough discretion to respond naturally, as a rigid script could weaken the genuine conversations that regular customers appear to appreciate.

Lextan therefore has a strong relationship-based foundation rather than a fully developed CRM system. Its main advantage is genuine staff contact, while its weakness is the lack of shared customer insight. Any future technology should support the existing personal approach instead of making the experience feel less welcoming.

3. Customer Lifecycle

The customer lifecycle describes the stages through which the relationship between a customer and an organisation develops. These stages are commonly presented as awareness, acquisition, retention, loyalty and advocacy. They should not be treated as separate tasks because an experience at one stage affects what happens next. Lemon and Verhoef (2016) similarly explain that customer experience develops across multiple touchpoints over time. Buttle and Maklan (2019) argue that organisations need to manage the relationship as a continuing process, while Kotler, Keller and Chernev (2022) emphasise the importance of delivering value throughout the customer journey.

3.1 Awareness and Acquisition

Awareness begins when a potential customer first learns about the business. For Lextan, this may happen through its location, social media or a recommendation from someone who already uses the salon. Word-of-mouth is particularly useful in services as a recommendation reduces uncertainty and gives the business credibility.

Lextan benefits from these informal recommendations, but they give the business limited control over who receives the message. A consistent social media presence and encouragement of genuine online reviews could extend its reach without replacing word-of-mouth. The content should accurately reflect the experience rather than make promises that staff cannot reliably deliver.

Acquisition occurs when awareness becomes a first visit. The walk-in system lowers a practical barrier because customers do not need to plan an appointment. On arrival, however, the first-time customer may need more reassurance than a regular visitor. Staff knowledge, a clear explanation of the process and appropriate product guidance are therefore important. Christopher, Payne and Ballantyne (2002) suggest that the early stages of a relationship shape later perceptions, so a confusing or impersonal first visit may reduce the chance of a return even when the tanning service itself is satisfactory.

3.2 Retention and Loyalty

Retention concerns repeat use, while loyalty involves a stronger preference or commitment. Reichheld and Sasser (1990) link retention with improved long-term profitability because established customers can generate continuing revenue without the same acquisition effort as new customers. The two are related but not entirely identical. A customer may return because the location is convenient without feeling attached to the business. Oliver (1999)

argues that genuine loyalty involves continued preference even when alternatives are available.

At Lextan, retention is supported by convenient access, the membership benefits and the familiarity created by staff. Customers who are greeted by name or receive advice based on previous conversations are given a reason to prefer the salon beyond price alone. The cleanliness of the facilities also matters because repeated service failures can quickly weaken trust.

The membership scheme encourages repeat visits through practical rewards. Its current structure is easy to understand, which is an advantage. However, the same benefits are offered to all members, so it does not distinguish between occasional users and highly engaged customers. A more developed programme could recognise different levels of use, although the rewards would need to remain simple enough for staff and customers to understand.

3.3 Advocacy

Advocacy happens when satisfied customers recommend the organisation to others. Lextan already appears to benefit from personal recommendations, which suggests that some customers are willing to attach their own reputation to the salon. This is valuable because recommendations can influence both awareness and acquisition.

The business could make advocacy easier by inviting satisfied customers to leave an honest review or by using a straightforward referral benefit. Care would be needed to avoid making reviews appear purchased or pressured. The strongest advocacy is likely to come from consistently positive experiences rather than incentives alone.

Across the lifecycle, Lextan performs most strongly after the customer has entered the salon. Personal service, practical membership benefits and consistent hygiene help support retention. Awareness and advocacy are less structured, while acquisition could be improved by ensuring first-time customers receive a clear and reassuring introduction. Viewing these stages as connected would help the business identify where a relationship is being strengthened and where customers may be lost.

4. Customer Value

Customer value refers to the customer's assessment of what is received compared with what is given up. The sacrifice includes price but also time, effort, inconvenience and perceived risk. Zeithaml (1988) argues that value is subjective, meaning that customers can judge the same service differently. One Lextan customer may prioritise low cost, while another places greater value on cleanliness, flexible access or knowledgeable advice.

Lextan creates value in several ways. The walk-in model reduces planning and allows customers to visit when convenient. Staff recommendations can reduce uncertainty when

choosing products, particularly for customers who are less experienced. Hygiene procedures provide reassurance, and the membership scheme offers visible financial benefits for a small annual cost. These elements work together; the tanning session alone is not the whole source of value.

Vargo and Lusch (2004) argue that value is co-created through use and interaction rather than simply delivered by the business. This is relevant to Lextan because the benefit customers receive depends partly on the conversation with staff and the choices made during the visit. Personalised guidance can improve the experience, whereas unsuitable or overly sales-focused advice may reduce trust.

Customer Lifetime Value (CLV) considers the financial contribution made across the whole relationship (Kumar & Reinartz, 2018). The concept can help management recognise why retaining an established customer matters. However, focusing only on customers who spend the most could conflict with a customer-centred culture. Occasional customers may still recommend the salon or become more valuable over time. CLV should therefore guide decisions rather than become the sole measure of worth.

As mentioned, the current membership scheme offers the same rewards to all members, which keeps it accessible but limits personalisation. Before changing it, Lextan would need evidence about what customers actually value. A short survey or review of membership use would be more reliable than assuming that additional discounts are always the answer. The business already creates value through convenience and human interaction; the next step would be to understand which parts of that offer matter most to different customers.

5. Customer Centrality

Customer centrality means that customer needs influence decisions across the organisation rather than being treated only as the responsibility of frontline staff. CRM provides tools and processes, while customer centrality is the culture that determines how they are used (Payne & Frow, 2005). A business can own advanced software and still make decisions that are inconvenient or irrelevant to customers.

Lextan shows customer-focused behaviour in its daily operations. Staff adapt explanations and recommendations, returning customers are often recognised and the walk-in model reflects a desire for flexibility. Cleaning each sunbed after use also responds to a basic but important expectation around hygiene. These practices show that the customer experience is taken seriously.

Nevertheless, most evidence about customer needs is informal. Management may hear comments through staff or direct complaints, but this does not provide a complete picture. Customers who are satisfied may say little, and dissatisfied customers may simply stop visiting. Peppers and Rogers (2017) argue that customer-centred organisations use individual insight to improve relationships, yet insight must be gathered and acted upon consistently.

A more customer-centred approach would create a routine for reviewing feedback, waiting times, membership use and common questions. It would also involve explaining what changed as a result. This does not require a large corporate system; a short feedback form and a regular management review could reveal whether customers value the walk-in arrangement, which rewards are used and where service becomes less consistent.

Lextan's culture appears more customer-focused than its processes. The priority should therefore be to formalise learning without weakening the friendly atmosphere that already supports loyalty.

6. Customer Segmentation

Segmentation divides customers into groups with shared characteristics so that services and communications can be made more relevant. Common bases include demographic, geographic, psychographic and behavioural factors (Kotler et al., 2022). In CRM, behavioural information is often especially useful because it reflects what customers actually do, such as how frequently they visit, what they purchase and whether they use membership benefits.

Lextan already applies informal behavioural segmentation. New customers are usually given more explanation, while experienced customers require less guidance. Members receive different benefits from non-members, and staff may adjust product advice according to previous purchases or tanning experience. This improves relevance without requiring customers to fit into rigid categories.

The weakness is that this knowledge is difficult to analyse across the business. Without structured records, management cannot easily identify customers who have stopped visiting, products commonly bought together or differences between occasional and frequent users. A proportionate digital system could support groups such as new visitors, active members, inactive members and regular product purchasers. Communications could then be limited to useful messages, such as a relevant offer or membership reminder, rather than sending the same promotion to everyone.

Segmentation also has risks. Categories can become inaccurate, and customers may find personalisation intrusive if they do not understand how their data is being used. Preferences change, so segments need to be reviewed rather than treated as permanent. Lextan would also need to comply with the UK General Data Protection Regulation and Data Protection Act 2018 by collecting data lawfully, limiting it to a clear purpose and storing it securely.

Wedel and Kamakura (2000) stress that segmentation should help organisations respond to meaningful differences in the market. For Lextan, a small number of practical behavioural groups would be more useful than a complex model. The objective should be better service and more relevant communication, not collecting information simply because it is possible.

7. Quality Processes

Quality processes are the procedures used to produce a reliable standard of service. This is challenging in service organisations because quality is affected by human interaction and can vary between employees, shifts and levels of demand. Grönroos (2007) notes that customers judge both what they receive and how it is delivered. Quality therefore includes the technical condition of the equipment as well as staff behaviour, cleanliness and communication.

Lextan's hygiene routine is a clear operational strength. Cleaning every sunbed after each customer and completing regular deeper cleaning reduces risk and gives customers visible reassurance. In this setting, cleanliness is not an optional extra; it is a basic condition of trust. A failure would be likely to affect both satisfaction and word-of-mouth.

Employee knowledge is another part of quality. Advice about tanning duration and products needs to be clear, consistent and suited to the customer's experience. Training is important because friendly communication cannot compensate for inaccurate guidance. Shared procedures can help ensure that customers receive the same essential information regardless of who is working.

The paper sign-in process provides a simple first-come, first-served system, but it is harder to manage when the salon is busy. Unclear handwriting or uncertainty about the order if customers have failed to sign-in can create avoidable frustration. It also produces little information that management can use to understand demand. Recording waiting times and busy periods would make staffing and operational decisions more evidence-based.

Total Quality Management (TQM) treats quality as an organisation-wide responsibility and emphasises continuous improvement (Oakland, 2014). Lextan already demonstrates part of this philosophy through routine cleaning and staff involvement. The approach could be strengthened by documenting essential standards, checking that procedures are followed and discussing recurring problems as a team. Complaints should remain an important source of learning, but they should not be the only one.

A short, accessible feedback method would give customers a way to comment before dissatisfaction becomes a formal complaint. Management could then review patterns rather than reacting to isolated incidents. Service recovery should also be considered part of quality - when a problem occurs, a prompt explanation, apology where appropriate and clear next step may protect the relationship. The response should be proportionate and consistent, while allowing management to consider the individual circumstances. Recording recurring complaints would show whether a problem is isolated or points to a weakness in a process.

Slack, Brandon-Jones and Burgess (2022) argue that quality supports both efficiency and customer satisfaction. For Lextan, the aim is not to create unnecessary administration but to make good practice consistent and easier to improve.

8. Managing Customer Expectations

Customer satisfaction is influenced by the difference between what customers expect and what they believe they received. Expectations are shaped by past visits, recommendations, online information and promises made by the organisation (Parasuraman, Zeithaml, & Berry, 1988). Managing expectations therefore involves both reliable service delivery and honest communication. A business that promises more than it can consistently provide may create dissatisfaction even when the service is otherwise acceptable.

The SERVQUAL model identifies five dimensions of service quality: tangibles, reliability, responsiveness, assurance and empathy (Parasuraman et al., 1988). Buttle (1996), however, criticises the model for treating expectations as if they are stable and easily measured. Customer expectations can change with experience and circumstances, so SERVQUAL should be used as a guide rather than an exact scorecard, however, it is still useful for examining different parts of Lextan's service.

Tangibles include the physical environment, equipment and appearance of the salon. Lextan's cleaning procedures support this dimension because customers can reasonably expect a hygienic sunbed and a professional setting. The condition of the facilities can influence confidence before any conversation with staff takes place.

Reliability concerns whether the service is delivered accurately and consistently. The walk-in process is straightforward and generally fair, but the handwritten list creates a small risk of confusion during busy periods. Reliability also includes consistency in advice; customers should not receive significantly different guidance depending on which employee is working.

Responsiveness relates to prompt help and communication. Staff greet customers, prepare beds and answer product questions, which supports a responsive experience. Waiting cannot always be avoided when demand is high, but uncertainty can be reduced. Giving an honest indication of the likely wait is often better than leaving customers unsure. This is a simple example of managing expectations rather than merely trying to exceed them.

Assurance comes from employee competence and professionalism. First-time customers may be uncertain about the process or products, so confident and accurate explanations are important. Ongoing training can protect this aspect of the experience and help employees communicate within the limits of their role.

Empathy concerns individual attention. Lextan performs strongly here because regular customers are often recognised and recommendations can be adapted to their circumstances. However, empathy should not depend only on familiarity. New or quieter customers should receive the same opportunity to ask questions and feel comfortable.

The five dimensions show that Lextan's strongest areas are likely to be tangibles, assurance and empathy. The main operational risk is consistency during busy periods, particularly around waiting and the manual check-in process. Structured feedback could help test this

assessment rather than relying only on staff impressions. It would also allow management to compare what customers expected with what they actually experienced.

Expectations also develop over time. A customer who has visited repeatedly may expect staff to remember the usual process, while a new customer is more likely to judge whether information is clear and reassuring. Seasonal demand, changes in prices or new products can create further expectations that need to be explained. Regular feedback would help management notice these changes instead of relying on assumptions based on past behaviour.

Expectations should be realistic rather than artificially high. Social media, promotions and staff communication should describe the service accurately. When delays or limitations occur, clear explanations can protect trust. Combining honest communication with consistent cleanliness, knowledgeable employees and personal attention would help Lextan manage expectations across both first and repeat visits.

9. Recommendations

The analysis shows that Lextan does not need to replace its relationship-focused approach. It needs a small number of structured processes that make the existing strengths more consistent and easier to manage.

9.1 Introduce a proportionate CRM and check-in system

A digital system should replace the handwritten sign-in sheet and hold only the customer information needed for a clear purpose. Useful functions would include queue management, membership status, visit history and consented communication preferences. This would reduce errors, provide information about peak periods and make customer knowledge less dependent on individual staff memory. The system should be simple to use so that it does not slow down conversations or make the salon feel impersonal.

9.2 Establish regular customer feedback

Lextan should offer a brief feedback option, such as a QR code or short digital form, and review responses at set intervals. Questions should focus on issues the business can act upon, including cleanliness, waiting, staff helpfulness and membership value. Online reviews and complaints should be considered alongside survey responses. Recording actions taken would help ensure feedback leads to improvement.

9.3 Review membership and communication using evidence

Before introducing more rewards, management should examine which current benefits customers use and value. A simple tiered option may encourage engagement, but complexity could reduce participation. Customer groups should be based mainly on relevant

behaviour, such as new visitors, active members and inactive members. Any targeted messages must be consented, limited and compliant with data-protection requirements.

9.4 Protect service quality through training and shared standards

Core expectations for cleaning, customer guidance, complaint escalation and communication during busy periods should be documented and included in staff training. This would reduce variation between shifts while leaving employees room to communicate naturally. Short team reviews of common questions, complaints and feedback would support continuous improvement.

9.5 Improve communication during busy periods

Customers should be given a realistic indication of waiting time where possible. A digital queue could support this, but staff communication remains important. Clear updates would reduce uncertainty and demonstrate responsiveness even when an immediate sunbed is unavailable.

These recommendations are deliberately connected. A digital check-in provides operational information, feedback explains the customer experience, and staff review turns that evidence into action. Implemented together, they would strengthen CRM without removing the personal contact that currently differentiates Lextan.

10. Conclusion

This report has examined how Lextan manages customer relationships across the customer lifecycle. The salon's main strengths are found within its direct interactions with customers. Friendly recognition, personalised product advice, convenient walk-in access, membership benefits and consistent cleaning all contribute to trust and repeat use.

The analysis also identified a gap between the quality of these personal relationships and the systems supporting them. Customer knowledge is largely informal, feedback is mostly reactive and the paper sign-in process offers limited operational insight. These weaknesses do not mean that Lextan requires a complex corporate CRM platform. A proportionate digital check-in, basic customer records, regular feedback and shared service standards would be more suitable for the scale and nature of the business.

CRM theory shows that technology is most effective when it supports a clear customer-focused strategy. For Lextan, the priority should be to preserve the human elements that customers value while making service more consistent across staff and busy periods. Better information would also allow the business to review its membership scheme, communicate more relevant offers and respond to changing expectations.

Lextan is therefore clearly starting from a positive position. Its existing culture supports customer satisfaction and loyalty, but more structured learning and quality processes would reduce reliance on individual memory. By combining practical technology with employee

knowledge and honest communication, the salon can strengthen relationships and support sustainable performance without losing its welcoming character.

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