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Understanding and Engaging in the Customer Experience - BMSK5003

Abstract:

A company's main priority is to meet customer expectations and exceed them ensuring that they are satisfied. The customer experience under a microscope. Customer service can be dissected into many factors and components which make it exceptional. The alignment of customer values and organisational values are vital in order for the success of a company. Customers do not only care for the product but desire a sense of belonging in the company that they are entrusting. There are many benefits and challenges that come with maintaining good customer relationships which can be resolved with the use of CRM. Organisations that favour customer satisfaction over profitability often lead to a higher success rate, which can be seen from the actions of the Toyota company.

Having a good workplace environment is essential as most people spend an extensive amount of their time at work. Therefore, the workplace environment can really impact employee's moods, determination and performance. Employees that are not in an ideal workplace environment may find that they are less confident and unmotivated. Maintaining a good relationship between employers and employees is important so that everyone is comfortable as the main goal is ensuring the success of their company. Motivation is a very important factor in the workplace, it is what drives people to behave in a particular way. It truly impacts employee performance, the quality of customer service and therefore the success rates of a company. Many successful companies understand what motivates their employees, this leads to employees getting more satisfaction from work and contributing more to the development of a company.

The Toyota Motor company was started by Kiichiro Toyoda. He launched the company's first ever passenger car in 1936. The Toyota Motor Company was born in 1937. The manufacturing took place in Japan and began in Brazil in 1959, now there are manufacturers throughout the world.

I will be exploring the way in which the Toyota Motor Company integrates its values, attitudes, and beliefs that led to the great success of the company. Furthermore, I will be delving into how the company motivates its people and how a good workplace was built from using foundations such as motivation theories and values. In addition, I will be evaluating the factors that make up good customer service and the benefits and challenges of maintaining good customer relationships. As well as the way in which the Toyota company manage their customer service through the use of their critical thinking and strategies.

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In a company, there are employee and employer expectations. Employees have expectations of their employer, these expectations consist of many aspects. For example, employees expect good pay, good atmosphere, permanent contracts, holiday pay, health cover plan, sick pay, freedom of choice, maintaining a work life balance and fairness and stability. Employers also have expectations of their employees, for example employees must have the qualities that supports the company's values such as being trustworthy and reliable. Furthermore, employers expect respect from employees, effective communication, loyalty, good productivity and organisational skills. There should be mutual respect and a good relationship between the employer and employees in order to have a good workplace environment. In addition to this, it is essential to always have reviews in the workplace to see if any improvements need to be made. Essentially, the workplace environment has to be good and strong in order for the company to strive on success. Customer service will be enhanced if the company work in unity. In order to keep employees happy and motivated, employees should undergo necessary training for development, they should also be rewarded so that motivation does not die down. To improve customer service, customer feedback should be sought after and the company should always aim to see how they can improve their products and service even if they are at the peak of their success, they should always aim to improve.

There are many factors which influence an organisation's ability to maximise customer value. Having a good environment and atmosphere at the workplace is crucial in order for the company to be productive. This is because employees and employers require motivation and a strong and positive workplace culture to ensure that their productivity and efficiency is at the peak. The productivity of the employees is essential as this affects the success rate of the company. Furthermore, individuals who are part of the company must have a good and positive attitude as this is reflected in the service they provide for customers. Other factors which maximise customer value is by training staff members, improving human resources systems as well as keeping customer data securely and privately, and identifying customer expectations and essentially exceeding their expectations.

In the past, there wasn't as much competition as there is in the modern day and age. This due to the fact that they did not have much information available, their main source of information was newspapers and magazine adverts. However, in the 21st century, the internet plays a big role in providing information. Therefore, there is an increase in competition as people are more aware of what is on the market and it is easier to compare prices, products and services. Due to this, the level of customer service has increased and it has been regarded as more important than it would have been 50 years ago. The increase and higher regard in customer service is so that

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organisations can build more customer relationships which will initially lead to a rise in their own market.

Since it was founded, Toyota has sought to give rise to a more prosperous society through the manufacture of automobiles, and focusing on vehicle production and sales when operating its business. The company integrates values in the work that they do and ensure that customer values are not overlooked. The Toyota motor company is driven by many factors such as imagination and innovation. The company states ‘we believe it is people, our people, who will go to the extra mile to deliver to our customers[...]it is about integrity’(Toyota). This goes to show how the company values its employees and portrays a sense of union within their workplace and company between the employers, employees and customers. In addition to this, the Toyota motor company follows eight core beliefs, these are integral to the company and initially what their actions are guided by. They are “the differentiating point for their customers, staff, in their products and their services”. These eight beliefs originated from their two guiding principles which are ‘continuous movement’ and ‘respect for people’. Moreover, the way that Toyota strives on the principle of respecting people is a factor as to what led to its great success. Respecting people is essential in customer care and customer service and customers and consumers must have trust between them. Respect ensures that there is trust and this leads for a better relationship between the consumer and customer. Furthermore, respecting people within the workplace is fundamental as this keeps workplace culture strong and employee satisfaction is paramount to substantiating the success of a company.

“Value is believed to be imperative to economic exchange and business strategy.”(Porter, 1991). An example of how Toyota integrates customer values is through the visual image of the company itself. The current mark of the company was introduced in October 1989 in order to commemorate 50 years of the company. The mark holds meaning and is a symbol of Toyota's values which speaks a lot for the company. There are three ovals in the logo combined in a horizontally symmetrical configuration. There are two perpendicular ovals in a larger oval. These both represent the heart of the customer and the heart of the company and the overlapping of these ovals portrays the trust between the customer and company and the valuable relationship between the two. Integrating customer value within the own mark of the company shows the importance of the customers to the company and how the company values its customers. This is a smart way of building consumer-customer trust as customers want to feel valued and appreciated by the companies that they trust enough to buy from. In addition to this, the overlapping of the perpendicular ovals to the outer oval symbolises different things; it is a steering wheel, it is a ‘T’ for Toyota and more importantly it represents the world taking Toyota in an embrace. Also, the authenticity of Japanese art is integrated into this symbol as the founder of the company was Japanese himself. Lastly, Toyotas ‘infinite values’ are portrayed through the

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space in the background within the logo, these values comprise of; innovation, exceptional quality, integrity in safety, value beyond expectation, social responsibility and the environment. These values are all conveyed to the customer.

Toyota's code of conduct states several values that the company stands for. It is stated in the code of conduct that the culture and customs of every nation should be respected and corporate activities should be carried out to add to social and economic development in their various communities. Furthermore, using creative management, growth should be sought out through harmonious relationships with the global community. To provide exceptional services and products that fulfill the needs of customers and to develop advanced technologies worldwide. In addition, providing safe and clean products so that the quality of life can be improved globally through their actions, Toyota think of the long-term impacts that their actions can have environmentally and socially. Moreover, respecting people and respecting the law of every nation is vital to ensure that fair business activities are carried out and the people who are part of the Toyota company are "good corporate citizens of the world". Furthermore, Toyota is a company who seek out improvement in everything that they do in order to be better. A priority and focus in the Toyota company is to help contribute to the environment therefore they aim to make their cars 'greener'. In order to accomplish this, they set out to improve the way that their cars are manufactured by ensuring that their factories are more eco friendly. In addition to this they set out to improve the materials that the vehicles are built from, they opt for recyclable and minimal materials in order to help avoid the depletion of scarce natural resources. Also, they aim to reduce carbon emissions and essentially improve the quality of life. In addition to this, Toyota work towards continuous improvement, as a priority of Toyota is to be more environmentally friendly, Toyota improve the way in which their cars are serviced and sold. Moreover, in order for vehicles to receive the right servicing levels, they commit to moving through different levels servicing. They do this to make sure that they have the lowest fuel consumption, carbon emissions and running costs. Manufacturing a car leads to high carbon emissions, just as much carbon emissions that would result from driving a car. The Toyota company aim to reduce consumption of energy as much as they can. Generally, the production and manufacture of cars consume a lot of fuel and energy, petroleum is highly sought after however the extraction of this fuel consumes a lot of energy. In addition to this the shipping of fuels can result in oil spills in the sea which have detrimental effects on the environment. Wildlife is especially affected by oil spills and this contributes to the destruction of the ecosystem and biodiversity which can in turn also affect people. For example, oil spills can lead to the deaths of fish in the sea, this will make it harder for fishermen to catch fish and therefore lead to difficulties for people in the world. This is why fuel efficiency is very important and Toyota have recognised this, their environmental awareness appeals to customers as customers like to see that companies care for people and how their actions affect the world. Cars are made up of many components and materials, these

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materials include toxic battery acids and plastics, materials which stay in the environment and contribute to a buildup of waste. The production, recycling and disposal of cars impact the environment significantly. Toyota work against this and aim to create environmentally and sustainable vehicles, this encourages their customers to also contribute towards sustainable development.

Customers judge companies through five ways. The five dimensions of service quality are as follows: Industry, reliability, responsiveness, assurance, empathy and tangibles. I will be exploring how Toyota manage these five dimensions and how they can improve in order to have the best service quality.

As of 2016, Toyota were the world's largest car manufacturer. They were also the world's first car manufacturer to produce more than 10 million vehicles per year and are the market leader in sales of hybrid electric vehicles. Toyota cars are a common sight on the roads of Britain and there are not many people who haven't heard of Toyota. The success of the Toyota car company is well-established and it is down to their values and strategic skills that led to this great success. Toyota is an industry based on consumers.

Toyota pledges more responsiveness to U.S regulators. Toyota's motorcar President Akio has spoken with the US Transportation Secretary Ray LaHood and gave him his personal assurance that the line of communications with safety agencies and regulators and will be kept open, that communication will be more frequent and they will be more vigilant responding to those officially. In the Washington Post, the publication of Toyota's article came as the world's largest automaker announced it would recall its flagship Prius Hybrid in Japan due to braking problems and it was stated that Toyota halted shipment of two other hybrid models to check for similar problems. This was a major setback for the company, however they still integrated their values as they had sought out a solution to the problem. Toyota, fighting to keep its reputation for quality and reliability, is already implementing two other recalls covering 8 million vehicles worldwide due to problems with shipping floor mats and sticky accelerator pedals. Toyota dealers and teams were working around the clock to fix the recalled vehicles. This was a huge setback and resulted in Toyota agreeing to a £1.2 billion deal to settle the US safety probe. Toyota dealt with this setback in a disciplined manner "but to regain trust of American drivers and their families, more is needed" Toyota said "we are taking responsibility for our mistakes, learning from them and acting immediately to address the concerns of consumers and independent government regulators." It was said that the company had launched a review of the global operations to ensure that problems of this magnitude do not occur again and would ask a blue ribbon safety advisory group of respected outside experts to review Toyota's operations to ensure deficient processes were eliminated. Toyota stated that "they fully understand that they

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need to move aggressively, investigate complaints they have received directly from consumers and move more quickly to address any safety issues they identify.”

Toyota have consistently been a dependable car brand for many years now and have been in multiple reliability charts. Reliability index puts them in fourth place, with a reliability index of 59. This is an impressive score as the industry average is 118 and the lower the score the better. Seven Toyota models have also been placed in the 100 cars with the best reliability with the Toyota IG being stated as unbeatable. In the survey by the Telegraph, Toyota come in ninth place for dependability, with 96 problems per 100 vehicles. Customer reports are also very good and praise Toyota with several models coming to the top in their respective classes for reliability. Toyota are a company who seek out improvement everyday, they want to improve their vehicles to make them better for the customers and for the world. Toyota is very well known for being environmentally aware and they work to ensure the quality of their vehicles is more sustainable and better for the planet.

Toyota also demonstrates assurance as it engages a production system which is well-thought out and they have very knowledgeable mechanics. Their first step in quality assurance is carrying out interior checks. This is where they examine every part of the interior of the vehicle to ensure that there are no faults and that everything is functioning properly. The next step would be to examine the exterior and the body of the vehicle. Workers are trained to carry out these inspections and checks to a very high standard as they ensure that the cars have no inconsistencies and imperfections. Every single car goes through many processes to ensure the quality is immaculate and Toyota vehicles have passed numerous inspections due to their built-in quality processes. One of the values of the Toyota production system is the ‘poke-yoke’ which is also known as ‘mistake-proofing’. Overall, every single part of the vehicle is checked thoroughly and tests are ran so that it can be ensured that everything is running perfectly. This provides assurance for customers as these safety checks and quality checks assure customers that their needs and safety are cared for. The thorough extent to which the cars undergo inspection provides a sense of assurance for customers, therefore Toyota fulfils this dimension of service quality.

As a part of Toyota’s values they speak very highly of their customers and understand that their customers are a vital part of their company. The company keeps a record of each and every customer they have, they have an efficient system which shows all customer details that they may need to know to provide the best customer service that they can. They have the details of the vehicles of customers and any problems they have had in the past with the Toyota company. This is useful as the Toyota company can cater the needs of every customer specifically. Furthermore, it is vital that customers feel that their needs are cared for and that the company they are trusting is efficient in the service that they provide. The Toyota company use the values that they have in

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place to show customers that they genuinely care and that the customer is the number one priority. In addition to this, it is essential that customers are favoured over profit. Toyota being a vehicle manufacturer, entails a lot of risks and hazards as vehicles can cause a lot of damage and pose as a safety risk to people. Sometimes car manufacturers have problems which can pose great risk to customers. An example of this is when the Toyota company had to recall millions of vehicles due to faulty functions of the vehicles. The recalls led to a great loss of profit for the Toyota company, however as the company valued customer safety, they prioritised this over profit which is what shows that they are a trustworthy company who values their customers. Their empathy for their customers is portrayed through their actions and therefore this improves customer service quality.

The dimensions of tangibles in service quality refer to physical facilities. Toyota repairs are highly perceived as a good repair service with all the latest equipment and professional mechanics. They are very professional which is what appeals to customers. They employ a booking system for repairs for Toyota vehicles which shows that they are well-organised, this is also a trait that customers like to see. Furthermore, they have a aesthetically pleasing waiting area, so that customers feel comfortable in the space and they provide refreshments such as coffee and biscuits. They cater to the customers needs and treat them in a nice manner to ensure customers feel valued and comfortable at their company. Furthermore, all of the Toyota mechanics wear a uniform which symbolises professionalism.

Toyota has clearly established that their success is due to their customer satisfaction. The strategy that Toyota use to manage both non-manufacturing and manufacturing environments is called Lean CRM. CRM refers to Customer Relation Management, companies use different strategies and incorporate their own ideas and values into the way that they manage customer relations. The development of Lean CRM was by Toyota in Europe, this essentially was collecting customer information at every interaction during the life cycle of the customer. This enabled Toyota to build customer relationships and increase customer satisfaction as they used their strategy to evaluate the behaviour of customers and respond in a sufficient way to please their customers. As well as building and maintaining customer relations, Toyota also simultaneously sold more vehicles at higher repurchase rates and significantly lower costs as well as having a shorter trade cycle. Recording every touch point results in better understanding of customer experiences and solutions to issues that customers may have. In addition to this, customers must not be discriminated for what they consume, all customers have the right to have excellent customer service. All customers must be treated equally with the same quality of service. However, many companies often have a loyalty scheme in place where regular customers receive more benefits. With a vehicle company it is different as each customer is using their vehicle all the time, therefore this initially shows that they are long-term customers in a

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way. Companies like this should not have such schemes in place and if they were to, they would have to reward each and every customer as this would make sense. Research and marketing strategies should be conducted and used to find out what customers want and what they believe is good customer service. This way, it is easier to improve as you are directly asking the customers.

The benefits of maintaining good customer relationships are that customers will trust the company and this will lead to them having an affinity to the products and services that the company provides. Better client relationships enable companies to have a deeper and stronger relationship with customers. Furthermore, customers will recommend your products to other potential customers which will lead to an increase in buyers which will essentially increase the profit gained by the company. Moreover, the implementation of CRM leads to the improvement of customer service as customer needs and wants are more well-known allowing you to provide a solution more efficiently next time a customer has a problem. Recording interactions with clients can help as this knowledge can be used to serve clients with the same problem. An efficient CRM strategy ensures greater staff satisfaction as well as customer satisfaction as employees feel more knowledgeable and empowered due to this, therefore their ability to solve customer issues is improved which essentially results in happy customers and employees. A good CRM strategy increases revenue and profitability as well as building and maintaining strong customer relations.

There are also many challenges of maintaining good customer relationships. Many customers tend to ask questions before making a purchase, sometimes you may not have the answer to a question which may make it difficult to push customers to buy the product you're intending to sell. Furthermore, sometimes customers may perceive this as bad customer service, however this can be worked around as questions can be dealt with professionally and working together with your employees you can figure out the answer to a difficult question. Another challenge that companies may face is dealing with customer problems. This is a big challenge as there are various problems that customers can encounter and sometimes finding the solution may be difficult for companies. However, in order to face this challenge it is important to remain collected and try to take the time to understand the customer's needs and wants. This is where it would be useful to have customer records and this is why it is vital to have good individual customer relationships as finding solutions that cater to a customer's needs and wants will be a lot easier. In addition to this, it is essential that customers are spoken to in a nice manner as customers who experience poor service tend to lack trust in the company and this will ultimately reduce the profitability of the company as well as the reputation and success. Moreover, customer service must be aligned to each customer's journey, this is why it is essential to record every touchpoint of a customer lifecycle - as it will be very useful for any future problems.

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“Every touchpoint during the customer’s journey provides a ‘moment of truth’ about the product.”(Kotler,P.)

Many companies have problems with their products, this does not generally ruin customer relationships but rather it is how the company deal with the problem which will affect the customer relationships. This is why it is vital for customer values to be prioritised and customer service should always be a top priority for companies. Customers are an essential part of success for organisations therefore having a good CRM strategy and values in place are essential for a business. There are many factors which affect customer service and these must all be catered to in order to provide exceptional customer service. Ultimately, understanding and engaging in the customer experience is important for companies as customers are the central point of their success.

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