



TESCO

CRM Presentation

Quality in Context of CRM

- ▶ competitive pressures across all industries push organisations to invest more resources into quality management and control (Brown, 2020)
- ▶ pre-condition for creating customer value and sustaining an effective Customer Relationship Management (CRM) strategy
 - ▶ CRM addresses competition, changing economic conditions, and promotional dependence via in-depth customer knowledge (Brown, 2020)
- ▶ Quality in the context of CRM is defined as “the totality of features and characteristics of a product or service that bear on its ability to satisfy given needs” (Mukherjee, 2019 p.10)
- ▶ Quality of Tesco is delivered via a tight process control covering decisions from inventory management/procurement to item display to consistently deliver high-quality products (Tesco Plc., 2021)



3 Benefits of Using a Quality Models to Advance CRM

- ▶ A quality model is a documented, stable procedure to guarantee customer satisfaction and loyalty (Valley, 2014)
- ▶ Benefits of using a quality model include the following (Hamid and Parotid, 2019):
 - ▶ Higher visibility of quality attributes and customer expectations (the output of any CRM system)
 - ▶ Concurrently improved customer retention rates and loyalty (loyalty matrix)
 - ▶ Highly targeted attention to the customer value chain (instead of haphazard, uncoordinated controls)

Critical Evaluation of Two Models of Quality

Total Quality Management (TQM) (Oakland and Turner, 2020)

- ▶ organisation-wide commitment to quality (holistic approach to CRM)
- ▶ integration of processes to create value to positively influence customer satisfaction and retention
- ▶ **Difficulty in eliciting support across the organisation**

Balance Scorecard Model of Quality (BSC) (Coskun, 2010)

- ▶ Quality management philosophy to measure performance against pre-set KPIs and strategic goals
- ▶ financial and customer perspective, internal view, and innovation
- ▶ Long-term perspective to customer satisfaction and relationship development
- ▶ **complex, data-intensive quality assurance procedure**

Tesco CRM SWOT Analysis

Strengths

- established, market-leading position in the UK (Statista, 2020)
- High share of loyal customers (Baker, 2010)

Opportunities

- modernise the e-commerce infrastructure/order fulfilment
- deliberately address noted customer pain points (online reviews and/or in-store feedback)

Weaknesses

- lack of attention to negative customer reviews/experience (Trustpilot, 2022)
- problematic home delivery operations lower overall customer satisfaction (Nott, 2021)
- Supply chain bottlenecks with a negative impact on customer satisfaction (Clayton, 2021)
- Low NPS score (-8) (CG, 2022)

Threats

- intensive competition mostly from discount rivals (Butler and Wood, 2018)
- deterioration of perceived customer value if quality issues in CRM/operations remain unmitigated

Recommendations: more attention to quality process control and customer value innovation (NPS) to capture opportunities and neutralise threats



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