

CUSTOMER SERVICE ASSIGNMENT

1) An investigation has taken place into the customer service practices of Sainsbury Supermarket, the investigation will show the following,

2)

- It will identify and describe the different types of customers and their needs,
- It will identify and analyse the skills required in customer service.
- How has Sainsbury incorporated consumer protection into its customer service policy.
- It will also describe how the organisation uses customer service to meet customer needs as well as strategic objectives.

The report will show how the Sainsbury Supermarket could improve customer service. The report will contain the following techniques,

- How has Sainsbury tried to improve customer service
- How Sainsbury monitors the performance of its customer service function,
- How Sainsbury could recommend improving its quality systems to help meet customer quality standards.

HISTORY

As for this assignment the business that was interesting is Sainsbury because it is the longest standing major food retailing chain in Britain as well as in France and other European Countries. Sainsbury supermarket was established in 1869 by John James and Mary Ann Sainsbury. Sainsbury supermarket serves over 11 million customers a week & as at May 2003 had 535 stores throughout the UK.

MISSION STATEMENT

Sainsbury Mission is to be the consumer's first choice for food, delivering products of outstanding quality and great service at a competitive cost through working faster simpler and together. Sainsbury is committed to developing and maintaining mutually beneficial relationship with their suppliers as well as their customers. As seen in the diagram below:-

Sainsbury are based on four key principles these are:-

- Commitment to invest in people and to achieve the business goals

- Planning how skills, individuals and teams are to be developed to achieve these goals
- Taking action to develop and use necessary skills in a well defined and continuing programme directly to the business objectives.
- Evaluating out comes of training and development for individual's progress towards the goals, the value achieved and the future needs.

Below are sainsbury mission objectives which will includes the following:-

- ❖ Sainsbury have many products and services to offer to their customers in order to sell their products to their customers with quality products, and at a good price.
- ❖ Sainsbury will know how their customers will response to the growth of the product i.e. attitudes to growth
- ❖ Sainsbury will see that they would mainly need to use the technologies at the check point.
- ❖ The strategy and the objectives may be presented within a sainsbury incorporate business plan.

Sainsbury strategy is contained by the following:-

- ❖ A mission statement, the statement of the type and level of the service to be delivered that indicates which market are to be served.
- ❖ The business environment to show the assessment of challenges facing sainsbury attributes of their major competitors.
- ❖ The segmentation of the business of each distinct market.

CUSTOMER SERVICE AIMS

Excellent customer service and support is vital, it has, begun to come through excellent assertion for sainsbury. One of then major benefit for sainsbury customer service is customer confidence. Customers judge the quality of the product by what they can see and understand. There are many examples of companies with good product that have been let down by the quality of documentation, invoices and of course for sainsbury telephone techniques. Looking at the consumer goods market sainsbury is the world's second largest supermarket, which has a deservedly high reputation for manufacturing excellence on a more positive thought note, tackling all the aspects of customer contact and requirements.

Confidence customer is easier to manage, causing less disruption and requiring less

assurance when they feel that things are in control. Good customer service and support for Sainsbury should ensure that the customer gets maximum value from the purchase. It would be sad for Sainsbury if a customer spent a significant amount of money on a product, only to use a small percentage of its facilities or potential. Good customer service and support should enable customer quickly and easily to experience fully utility from their purchase.

Customer service demand must be considered through the Sainsbury cycle from the earliest design stage right through to providing clear documentation and easy access to advice. A third benefit from good customer service is that they are also working to developing a stronger complementary non food offer through Adams children clothes Jeff and Co, and a third trial of a home enhancement range.

Sainsbury's rigorously monitor 10,000 lines weekly to ensure that they remain competitive, and have reinvested some of their cost savings in price adjustments. Alongside they will continue to run a highly attractive, sustainable promotional programme.

WHAT IS CUSTOMER SERVICE FOR SAINSBURY

Customer Service is an activity, which has been under managed in the past but professional service and support management, is emerging, the quality of support perceived by customers is generally rising and delivering an appropriate level of customer service and the support will be a major business challenge for Sainsbury since the 1990s.

Customer Service is a rapidly changing task for Sainsbury, and therefore their urgent need for Sainsbury supermarket to review their activities in the light of competitive pressures, in the knowledge that if the task is well done, customer service may win their business. Customer Service must be fully integrated in to every activity if it is to be managed effectively from design through production to initial sale and finally repurchase.

In dividing the market into segments Sainsbury are looking for characteristics that gives them clear and meaningful differences. The more Sainsbury supermarket knows about the market the easier the process is likely to be. However there are a number of factors which Sainsbury might want to take into consideration as the basis for segmentation, these fall into two categories these are Customer Characteristics and Customer Response.

WHO ARE SAINSBURY CUSTOMERS

A customer is a individual or group of individuals to whom Sainsbury provide one or more products or services. Sainsbury may receive goods or services in return or be paid through a third party who may also be Sainsbury customers. This exchange forms a series of links in a chain that joins with other chains and drives not only Sainsbury but also industries and economies.

Below is how sainsbury uses customer service to meet their needs. As products and systems become more reliable the emphasis of the sainsbury organisation move away from the ability to fix problems that is reactive service, through ensuring maximum availability perhaps through planned maintained. This general move in recent years to more consistent product quality and more reliable products has conceded with a new understanding that the customer doesn't just buy a product, but judges what is received on the basis of everything that sainsbury do. This shift in emphasis has meant that sainsbury have developed broader customer support activities for the following reason:-

- Revenue earnings activities are developed to replace lost service and repair income.

By customer characteristics sainsbury mean any factors that give a clear statement about the customers, which are independent of their use of the service. Below is an identification table to show the different type of sainsbury customers and their needs. Customer characteristics would include the following:-

<i>AGE CHARATERISTICS</i>	<i>CUSTOMERS EXPECT</i>	<i>SAINSBURY RESPONSE</i>
<i>0 -5 year old and over</i>	<i>Expect a good product,</i>	<i>Provide good communication, equipment, service</i>
<i>Teenagers</i>	<i>Expect good quality product Receipts, good condition of product</i>	<i>Good communication, more gifts, special offers, excellent service</i>
<i>Middle age</i>	<i>Expect easy car parking, Discount and value. Provide more space special offers</i>	<i>Provide an excellent service, free parking, with more space.</i>
<i>Old age</i>	<i>Home service, expect product cheap Deliver on time Excellent products for them that last a long time</i>	<i>Excellent service with excellent communication</i>

Customer responses are dependant on how the customers buy and use the product or service support package. They include both objective and subjective measures. These are:-

<i>USER TYPE</i>	The type of user service well informed and expert or needing handholding.
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<i>PURCHASE POWER</i>	The larger the user the greater may be the ability of the customer to influence the price and level of service.
<i>SIZE</i>	A commonly used split on size is between major accounts and smaller customers.
<i>NATURE OF RELATIONSHIP</i>	Long standing as against new customers reasons for purchasing.
<i>IMPOSED BY REGULATIONS</i>	This is compared with the valued offering to consumers.
<i>IMPORTANCE OF THE SERVICE</i>	This is the quick response rather than the tolerating acceptable delay, for sainsbury they now what is meant by the importance for the service they are proving to their consumers.
<i>INDUSTRY SECTOR</i>	The industry sector for sainsbury is that are manufacturer.
<i>KNOWLEDGE</i>	The extent to which the customer recognises the benefits of the service and support. Sainsbury have already known who are their consumers and what kind of packaging they are willing to go for.
<i>GROWTH POTENTIAL</i>	Groups of customers or potential customers who may provide rapid growth in the sainsbury business.
<i>PRICE</i>	The sensitivity of the customers to the price of the service and support.

Once sainsbury have the factors that seem most appropriate in their markets for grouping present and potential customers they need to identify the most important features for each of the groups by developing independent customers profile for each segment. . Cultural factors have a significant impact on customer behaviour. Culture is the most basic cause of a pension wants and behaviour, growing up, children learns the basic values, perception and wants from the family and other important groups

SETTING CUSTOMER SERVICE PRIORTIES

The type of product to the supported will often determine both the structure and priorities for customer support. Below is a diagram that illustrates sainebury varying nature of customer support task.

PRODUCT DESCRIPTIONQ	CUSTOMER SUPPORT PRIORTIES	CUSTOMER SUPPORT STRUCTURE
Capital Goods, High value, Low Volume	Increasing MTFB predictive maintance customer training, Application advice Installation and comprehensive service support.	SAS to support relatively few regulars or territorial.
Industrial goods {medium value Medium volume}	Rapid response Serviceability Installation Consumer documentation Ease of uses Location Dealer Expertise.	Regulars with some mercenaries.
Consumer goods {Low value High Volume.	Warranties Access Customer Care Spares availability Distribution network	Mercenaries Enemies.

DO SAINSBURY CUSTOMERS NEED ANYTHING ELSE.

As suppliers move closer to their customers it may be that further sainsbury business opportunities may be identified. As an example of this approach would be that of the faster company which instead of merely supplying nuts and bolts, products a full stock control and storage service for some of its major customers. As in Hartfford case it is profitable. Purchasers of capital goods and more expensive consumer goods are such as it is prepared to reconcile themselves to the fact that such complex items are likely to need repair and maintaince at intervals.

So therefore sainsbury have a good price for their customers and a good service to. There is benefit for sainsbury in moving closer to customers and hence understanding their needs. Apart from developing better quality goods and services through incorporating through genuine customers priorities, there is an increased possibility of discovering new business opportunities. An example of this benefit would be that if any sainsbury customers were unsure of what they provide for customers they can either check on their website which is www.sainbueyforyou.com or they even can send their customers an information pack, to identify a need to educate their customers. This could one of the several techniques ways for sainsbury to improve their customer needs.

Customers make their decision on the availability of a particular colour such as they would go from the appearance of the product as chocolates, the specification of the

product would be the location and competence of the dealer. In this case the customer service is central to the Sainsbury companies competitive strategy.

COST PLUS

Cost plus means paid on the basis of a fixed fee or a percentage added to actual cost the customer is charged the cost of the service plus on acceptable margins. Consumer goods manufacturers will tend to hide the service cost element where as expensive capital goods manufacturers may be able to command premium rates. If the customer is very knowledgeable as to service content and industry standards, the cost plus approach must be used. The customer service support for Sainsbury organisation must be aware of current and future priorities as products move from sector to sector.

Computer, fax machines and power tool and just three examples of products which have moved from a medium high value, low volume profile to be relatively low value, high volume products. The attendant changes in customer service and support priorities have not managed as the product development. {As shown in the diagram above.}

Actions that are more visible to the customers are emphasised in order to demonstrate the ‘**value**’ of the service and support at Sainsbury as justified in their Sainsbury year report to show that they take care of their customers well in order to provide them with everything of their needs. Sainsbury provide their customer’s loyalty and every product their customer’s buy they provide them value in that purchase they have bought.

Close customer contact has allowed Sainsbury to identify broader business opportunities that is not directly related to the core business. This shows that whatever their customers want any information about their business and what step they are they will provide them this information without any concerns. This is an advantage for the business itself as well as the customers because it allows the opportunity for them to know where they are in the market place and who are their competitors. Extra service and support activities are developed to enhance or support an **up market** product image that shows that their customers will be provided every information about the product.

Much of this new understanding spring from realising that Sainsbury may not be solely processing materials in the sense of turning metal and plastic into washing machines, but also processing customers. In that same way the materials flows through a manufacturing process, customers flow through a process as their needs are addressed. If Sainsbury can understand this customer process better, particularly understanding how customers is feeling at each stage, same potential improvements may be identified. Having carried out all the analysis decided on a broad direction and reviewed the implications of Sainsbury chosen strategy. Sainsbury have 6 strategies that related to their customer service, below is what they should take into consideration, these are:-

STRUCTURE

Structure relates to sainsbury internal organisation structure, the levels of management and links of control. This involves the structure for the delivery of products and customers service support.

SYSTEMS

The system in the framework includes not only information systems but also all the process and procedures by which customer service and support is delivered. Systems reflect the way in which things should get done.

STAFF

The aspects of staff is of course closely lined to the skills that sainsbury provide to staff and the information is passed on to the customers about each product they wish to consume.

SKILLS

Skill of the staff can be seen from two standpoints. First are the skills and competences that are necessary to operate the systems for services and support delivery. Second is the means by which aspects of differentiation are achieved. This is especially true when differentiation involves the support side of merchandise.

STYLE

Style addresses the way sainsbury organisation and especially mangers and supervisors use their time. Sainsbury may be bureaucratic, autocratic or laissez faire. Managers may be distant from their staff or be close to them through {MBWA} Management by walking about.

SHARED VALUES

By shared values sainsbury mean those factors that bind the culture of their organisation together. They reflect the way things are done around. They are the history of their firm, its present management, and the type of people that come to work for their firm. In managing changes with changing strategies the alteration of shared values is the most difficult for sainsbury.

Below are some of the **attributes** that sainsbury may apply to their customer service:-

- ❖ Having new ideas will definitely concern sainsbury customers as they will want to know what are their new ideas for a particular new product and what have are they going to change the product to or what new ingredients they are going to add. Generate new ideas or concepts
- ❖ Identifying the key attributes, refine its design and finish

- ❖ Test plans, this is where sainsbury are developing a marketing plan and the research can help them to test the plan and the marketing strategies.
- ❖ Naming the new product or service will be eye-catching for their customers as they will be interested what the new product is.
- ❖ Set the price for it, when sainsbury have set a good prices for their product they must make sure that they are not setting the prices to high or to low as they will not want to loose their customers, so therefore the prices must be right.
- ❖ Assist in planning its distribution, sainsbury will have concerns and procedures on how to distribute their products i.e. if the products are going to their wholesalers, retailer or to the local shops, they must know what actions to take when they are planning their distribution. They must be prepared all the time as deliveries come everyday, and the customers will want to know what is today's delivery as well as the staff.

In order for sainsbury customers, sainsbury have given them valuable information on the following:-

- ❖ Customer attitudes to changes on previously free service.
- ❖ The price the market would be prepared to pay
- ❖ The benefit customers would be looking for customer attitudes to the quality of the colour service.
- ❖ To help sainsbury, the customer research can help them by identifying: -
- ❖ The size of sainsbury market
- ❖ What sort of people sainsbury market consists of

OPPORTUNITIES AT SAINSBURY

An explanation, using appropriate examples, of how the sainsbury organisation uses customer service to meet customer service as well as strategies objectives an identification of the skills and attributes. Below is a statement given by Sir Alastair grant, chairman, Chief executive Arguly Group Plc of what he thought about sainsbury and their customers.

‘I have a dream about the future of sainsbury. One day we shall have 500 stores each perfectly adapted to the needs of the community it serves, we shall sell 20,000

brands, we shall trade 7 days a week and every minute we are open, we shall fully satisfy every customer. We shall be known and loved by every customer known and respected by every supplier institution. Known and valued by every members of government known and understood by every journalist.

We are 1 Judge, about 60% of the way towards my dream. Our marketing reflects both where we are and where we want to be. I apply a marketing point of view to pretty well everything we do and I work at making the idea of marketing pervasive throughout the business.

This was a direction for everyone at sainsbury business. It shows that every manager and employee is concerned with meeting customer needs. All the time whatever sainsbury do. The customers tell sainsbury where they are and where they want to be. So planning the future sainsbury must keep always customers their first priority. "

This statement was from Sir Alastair Grant.

Firstly why do sainsbury bother with their customers, this is because the purpose of production is consumption and that if sainsbury serve their customers interest, they will also be serving their own. This does not only apply to manufacturing but other organisations to, sainsbury service non-profit sector applies the exchange of goods and services with in their organisation. Below is how sainsbury uses its customer service to meet their customer needs.

HOW SAINSBURY KEEP CUSTOMERS LOYAL

Sainsbury customers are loyal and they will return more often, giving higher sales, however a surprising number of businesses appear to just expect customers to arrive, and seem to do nothing to make them want to return, as for sainsbury they would do anything for their customers to return.

It is important for sainsbury to have loyal customers because if their customers develop a loyalty to their organisation hey will much more likely to choose them over sainsbury competitors in the future. Over the course of a year, the sales of one loyal customer can add up to a significant amount. There is always something sainsbury benefits from this is a "a customer for life" a customer who always buys a product from sainsbury will be keen to come back again. Sainsbury satisfies loyal customers every time, then hopeful many will become customers for life.

**"80% of sainsbury business comes
from 20% of their customers"**

Sainsbury tend to find that 80% of their business comes from only 20% of their customers. These are the customers for life and the loyal customers who purchase regularly. For example is sainsbury have 1000 customers who buy 1 product each year, then they will sell 1000 products each year If sainsbury have 100 customers who buy 10 products each year, then they still will be able to sell 1000 products each year.

WHAT CAN SAINSBURY DO TO KEEP CUSTOMERS LOYAL

Treating customers may seem obvious , but by far the most effective way to make customers loyal is to treat them all Sainsbury have provide a good product or services at a reasonable cost, provides a friendly customer service at all times, an deal with complaints as quickly and effectively as possible. Sainsbury are honest to their customers and give their customers reason to trust them. Loyalty rarely exists without trust.

VALUE

Sainsbury offer excellent value where ever it is possible, if customers believe they are getting a good deal they will be much more likely to buy from them again. Sainsbury try to bring the best they can for their customers in order for them to stay with them.

"Sainsbury make sure that their customers feel they have got their money's worth"

RELATIONSHIP

One of the key reasons sainsbury customers become loyal is their relationship with the employees of the organisations, sales and customer service staff especially. Friendly staff make customers feel valued, and if the quality of service is also good, customers feel a personal tie to the organisation. The ability to form friendly working ship s with their customers is one of the biggest advantages. Greeting customers politely can make sainsbury customers feel appreciated.

DISCOUNTS FOR LOYALTY

One way to encourage loyalty is to offer discounts on future discounts. This could be money off the same item or related items for example a discount off when a customer buys a packet of crisps. These discounts encourages the customer to save money, with the ideal outcome being a satisfied customer who becomes loyal to their organisation. A popular form of offer is 'introduce a friend'" discounts, whereby if a customer introduces a friend, they both get a discount special offer. This not only encourages customers to return and be loyal, but also provides a positive introduction for new customers.

LOYALTY SCHEMES

Sainbury have loyalty schemes for example club cards., which uses discounts to encourage customers to buy. This usually works using points, the more a customer

spends at Sainsbury, the more points a customer earns, points can be then be used to save money on some items. The discounts are usually minimal {often as little as 1-2 %} but they provide a direct reason to remain loyal to their organisation. The cards given out with most schemes also provide a reminder of their organisation.

CUSTOMER FOCUS

In the fast changing world of business it is essential for Sainsbury that it matches its activities to the environment in which it operates. This is known as a strategic fit. Sainsbury fits this principles around quality and develop a programme that concentrates on total quality performance. This is concerned with creating a culture that aims for best practice a policy mix that aims for right first time. Sainsbury base their ambitions on three essential questions these are:-

- Where are we now
- Where do want to be
- How do we get there.

To meet these they introduce such ideas as :-

- Awareness workshop which all employees are made to attend
- Quality awareness teams which set up and monitor quality issues.
- Clear vision targets everyone in the organisation must be aware of the expected standards.
- Vision statement which make all employees aware of the fundamental commitment to quality
- Establish critical success factors, which are bound in to all corporate policies.

Below are examples of customer service focus for Sainsbury which could be :-

- High customer satisfaction which must always be taken into consideration at all times.
- Process efficiency,
- Maximum people
- Optimum cost effectiveness
- High standard business systems

- To achieve these sainsbury also concentrate on
- Educating employees to be better at knowing all about the product also knowing what procedures to take and knowing the store better.
- Be good at problem solving which will enable customers to be more satisfied at the problem worked out.
- Having the quality improvement at all times
- Sainsbury must accept appraisals as effective methods of personal development.
- Measuring all keys operations and targets throughout the day i.e. the products should be checked if the temperature is to low or high.

The importance of training employees is to be focused on the needs of customers this is because when a customer needs a product of information the employee can be able to give the information about the product easily without having any problems. One of the most used ways of achieving this goal is to develop teams with in the organisation. to introduce such a dramatic change to Woking procedures requires careful training. Management will normally rely on intensive training programmes, which promote competence and continuous learning,

Much of the learning process will be conducted by "open learning" techniques, which use PCs and encourage employees to learn in the own time.

- Better communication will give excellent customer service to customers.
- A more positive approach to customers if they are not sure about the products.
- Less waiting time, at the counter they must work at a more quicker and faster approach.
- Improved documentation about the products.

Other benefits that have been noticed include Tough teams are not the only way to improve corporate efficiency, sainsbury states that:-

- Productivity would increase better for the customers in order to make them happy.
- Fewer accidents must occur, if customers slip or fall it would put a bad reputation and they would loose customers, so therefore they must make sure they do not have any slippery floors, or any products spilt they must clean it up quickly.
- Fewer customer complaints are recorded, in order to make sure that no complaints

are made sainsbury must take effective care of customers by providing them with the right information and taking care of customers at all times..

- The skills base widened and deepened.
- The business becomes more competitive with other competitors such as Tesco, Aldi, Netto.

Below are some typical variables which may include to what attributes might be examined:-

- Timeless of service
- Accuracy of information received
- Courtesy of personnel
- Efficiency of the fulfilment process
- Conformity of the final product

This is the only method that delivers customer perceptions first hand. Other methods filter the customer encounter on a second or third hand basis.

COMMUNICATION

Communication is vital in the process of customer service at sainsbury, this is the most of all important system in the work place. This show that when a customer approaches the counter and the feed back they receive from an employee is important as soon as a customer walks in the supermarket they expect everyone to be helpful in order for them to receive information of a product or to find a product, good communication enabled a good reputation for the business as well as a highly respected response from customers. Therefore sainsbury customers must be willing to smile and ask their customer "may I help you with anything" this enables the employee to be helpful to wards their customers.

A common way for sainsbury is to increase loyalty, which is to communicate to their customers, to make them feel appreciated, without the pressure of being sold to. A Christmas card, friendly telephone call or letter to check that everything is ok with the products sainsbury have sold to their customers, this can show the customer how important they feel to be.

WORD OF MOUTH

This is the cheapest form of marketing, where sainsbury satisfied customers speak to their

friends and family, effectively selling their business to them. Loyal customers will be much more likely to tell their friends about their business than occasional visitors, even if the service given to both of them is great. Not only do loyal customers spend more, but they can also help bring in even more new customers.

ENVIRONMENT

At Sainsbury they recognise that virtually all the activities of an organisation or individual have same impact on the environment. Their aim is to reduce the impact of their own organisation through to programme of continuous improvement, in this respect Sainsbury policy is to: -

- Quantify and monitor all the environmental impacts at Sainsbury which will be including new projects, and set specific targets.
- Sainsbury must comply with current legislation and practical seek to meet future legislative requirements ahead of relevant deadlines.
- Integrate environmental objectives into relevant business decision in a cost efficient manner.
- Require all colleagues to address environmental responsibilities with the framework of normal operating procedures.
- Minimise waste also seek to recover as much as is economically practical and ensure the remainder is disposed of responsibly. Sainsbury must make sure they are wasting less amount of products, by helping the environment.
- Develop appropriate emergency response plan for any major incidents in order to minimize their environmental impact.
- Influence suppliers of services and own brand goods to reduce their impacts on the environment.
- Enhance environment, colleagues and others whom are interested in their business.
- Publish information on environmental performance.
- The issues that will be discussed link mainly with Sainsbury statutory objectives of securing appropriate consumer protection promoting public understanding of the financial systems, and maintaining confidence in that system.
- Sainsbury consumer protection will indicate that Sainsbury has the right to sell products and services.

- Sainsbury must be of satisfactory quality and fit for the purpose, because if Sainsbury do not have good quality products then it is pointless of them selling a product and the condition it is in.
- The details of the product must match the description of the product which Sainsbury are going to sell to their customers.
- If the goods are sold by sample the bulk should match the sample in other words if a product is sold in a pack the bulk of that product must be matched with the product, if Sainsbury are testing a product the rest of the products should all be the same in order for customers to buy a product.
- Also Sainsbury must take into consideration for customer policy is that they need to make sure that if there are all damages such as tins are bent, Sainsbury must make sure that they do not sell their products which are damaged and how they should avoid these accidents. Before selling to their customers, this would all come into customer service policy and how Sainsbury will incorporate consumer protection.

SATISFACTORY QUALITY

Satisfactory quality is where goods will be of good quality if they meet the standard that a reasonable person would regard as satisfactory. It is a relevant standard dependant on matters such as price and description. Aspects of quality include durability, safety appearance and freedom from minor defects as in Sainsbury case they must make sure that they have more goods in quality than effective in which they can sort the major problem in to a minor problem. Below is a diagram that explains of how Sainsbury uses customer service to meet their customer service needs which shows how: -

Customer Exit inside and outside with their organisation and

Internal customer may also be external customers and

Relationship with internal customer affects the final service or product received by external customers.

SAINSBURY

INTERNAL CUSTOMER

INTERNAL CUSTOMER

EXTERNAL CUSTOMER

Above is a simplified map that flows to the internal and external customers which shows that once Sainsbury have identified who their customers are, the diagram indicates the existence of an internal market and there are several opposites of internal market. Sainsbury already have relations with a number of internal customers and they know that they need to keep those customers satisfied in order to operate effectively.

Sainsbury link with the external customers may be twice or three times removed, but they will be able to trace the effect of their work on final quality of goods or services. Delivered to external customers. Sainsbury will be able to see the value which they can add to the final product or services, and they will also be able to see how the quality of those internal relations effects relations with the external customers.

CONSUMER PROTECTION

The way Sainsbury organisation has incorporated consumer protection in to its customer service policy is by the legal perspective where Sainsbury deal with customers, they have implicit as well as explicit commitments. It is not enough to attempt to meet customers if Sainsbury ignore their contractual obligation for example, if a customer orders a specific product from them, and they convince them that another product would meet their requirements better.

Sainsbury can discuss the order with them and attempt to convince them that they can provide them with something more appropriate, but Sainsbury would fail in their contractual obligations to them if they decide to provide their choice, regardless of what they actually ordered. Sainsbury obligations may be implicit rather than explicit in this case there is no written contract, but it still exists non-the less. In between two or more parties there are always which cover the sales of goods and service and which deal with what customers can expect and what is expected of customers in return.

There are also codes of practice and other self-regulating controls that may apply to Sainsbury. So therefore Sainsbury incorporated consumer protection in to its customer service policy because Sainsbury want their customers to be safe at all times, and whatever the situations of each customers there are, the information is confidential. The way Sainsbury could also use consumer protection in to its customer service policy is sales of goods act {1979} see booklet for further details of all the act's that applies to Sainsbury. Below are some of the acts that apply to Sainsbury these are: -

Sales of goods Act 1979 {SGA} imply certain conditions in to contracts for the sale of goods for example where goods are sold by a manufacturer as in this case Sainsbury. The SGA makes it a term of the contract that the goods will be of satisfactory quality for their consumers.

The Consumer Protection Act 1979 relates to the prices and safety, under this act it is an offence to mislead consumers as to the price of goods, services for example missing out the VAT when quoting the price.

Data Protection Act 1998 relates to the Sainsbury and other organisation as to have a duty to protect the holders of data and use this properly. People have a right to know and correct their data. The "**right to privacy**" is a right that every customer at Sainsbury would expect. A customer at Sainsbury would not expect their personal details such as their age, medical records, personal family details to be freely available to everyone at Sainsbury whether it is another customer or a new customer. With the growth of the Information and Communications Technology, large databases are able to hold huge quantities of information and global networks are able to share and distribute this information around the world in seconds. In order to control this development and to protect a customer's right to privacy, the Data Protection Act was introduced. The first Act became law in 1984 but has recently been replaced by the 1998 Act {which came into force on 1 March 2000}.

The Data Protection Act contains eight basic principles. Below are summary of these:-

The personal data must be processed fairly and lawfully

It must obtain for specific and lawful purposes

The Data must be adequate, relevant and not excessive for the purpose

It must be accurate and up to date

The personal data must not be kept longer than necessary

It must be processed within the rights of data subjects

It must be kept secure against loss, damage and unauthorised and unlawful processing

It must not be transferred to countries outside the European Economic Area if not adequate protection for personal data.

{To see more information on the Data Protection Act see the booklet on this see page 9 +onwards}

It is also an offence to mislead consumers over sale prices and claim exaggerated price reductions, so therefore Sainsbury must bear in mind that they do not make prices up, and must add the VAT when quoting the price, if they fail they will lose their customers as well as their business.

Any goods which are sold to the customers that is of unsatisfactory quality must be bought back to Sainsbury where they will exchange the product with a new one, this shows that Sainsbury do care for their customers and their products.

TOTAL QUALITY MANAGEMENT

Total Quality Management is popular "quality management" concept from Sainsbury. However it is about much more than just assuring product or service quality. TQM is a business philosophy which means the way of doing business. It describes ways to managing people and the business process to ensure complete customer satisfaction at every stage. TQM is often associated with doing the right things, first time". Like most quality management concepts TQM views quality entirely from the point of view of customer. Sainsbury customer can be someone 'internal to their business for example a production employee working at the end of the production line is the "customer" of the employees involved earlier in the production process.

Sainsbury customer can also be "**external**" to their customers. This is kind of customer who will be familiar with them. When Sainsbury buys their products from food manufacturers, this is a customer. TQM recognises that the business require "processes" that enable customer requirements to be met. TQM focuses on the ways in which these processes can be managed, with two key objectives these are:-

1- 100% customer satisfaction

2- Zero defects

Producing products of the required quality does not happen by accident. There has to be a production process, which is properly managed. Ensuring satisfactory quality is a vital part of the production process.

QUALITY CHAINS

TQM focuses strongly on the importance of the relationship between customers {internal & external} and supplier. These are known as the "quality chains" and they can be broken at any point by one person or one piece of equipment not meeting the requirements of the customer. Failure to meet the requirements in any part of a quality chain has a way of multiplying, and failure in one part of the system creates problems elsewhere, leading to yet more failure and problems, and so the situation is exacerbated. The ability to meet customers {external and internal} requirements is vital for Sainsbury. To achieve quality through their business every person in the quality chain must be trained to ask the following questions about every customer supplier chain. The main principles for Sainsbury that underline TQM are shown below which are:-

PREVENTION

Prevention is better than cure, in the long run for Sainsbury because it is cheaper to stop products defects than trying to find them, therefore Sainsbury must be aware of the TQM.

ZERO DEFECTS

The ultimate aim is no {zero} defects or exceptionally low defect levels if a product or

service is complicated this means that there must not be any defaults to the products.

QUALITY

Quality is not just the concern of the production or operations department , it involves everyone, including marketing etc. Quality is first and foremost about meeting the needs and expectations of customers. It is important to understand that quality is about more than a product simply "**working properly.**"

Sainsbury think about their customers and expectations -as a customer when they buy a product or service. These may include performance, appearance, availability, delivery reliability, maintainability, cost effectiveness and price.

Think of quality as representing all the features of a product or service that affect its ability to meet customer needs. If the product or service that affect its ability to meet customer needs. If the product or service meets all those needs -then it passes the quality test. If it doesn't then it is sub-standard.

This is concerned with controlling activities with the aim of ensuring that products and services are fit for their purpose and meet the specifications. There are two main parts to quality management these are:-

- *Quality Assurance*
- *Quality Control*

QUALITY ASSURANCE

Quality assurance is about how sainsbury can design the way a product of service is produced or delivered to minimise the chances that output will be sub standard. The focus of quality assurance is, therefore on the product design or the development stage. The idea of this is the process and procedures used to produce a product or service are tightly controlled then the quality will be built in , this will make the production process much more reliable output quality control. Quality assurance involves developing close relationships with customers for sainsbury and their suppliers. Sainsbury will not want to make sure that the suppliers to its production process understand exactly what is required and deliver.

QUALITY CONTROL

Quality control is the traditional way of managing quality. This is concerned with checking a reviewing work that has been done. For example, this would include lots of inspection, testing and sampling. Quality control is mainly about "detecting" defective output rather than preventing it. Quality control can also be a very expensive process. Quality control is more traditional way that sainsbury have used to manage quality.

Quality control is concerned with checking and reviewing work that has been done. This is the best way for Sainsbury to manage quality.

Under traditional quality control, inspection of products and services {checking to make sure that what is being produced is meeting the required standard} takes place during and at the end of the operations process. There are three main points during the production process when inspection is performed for Sainsbury these are the following:-

- When raw materials are received prior to entering production
- Whilst products are going through the production process
- When products are finished inspection or testing takes place before products are despatched to customers.
- The problem with this sort of inspection is that it doesn't work very well. There are several problems with inspection under traditional quality control these are:-
- The inspection process does not add any "value". If there were any guarantees that no defective output would be produced, then there would be no need for an inspection process in the first place.
- Inspection is costly, in terms of both tangible and intangible costs. For example materials, labour, time, employee morale, customer goodwill, lost sales.
- It is sometimes done too late in the production process. This often results in defective or non acceptable goods actually being received by the customer.
- It is usually done by the wrong people for example by a separate "quality control" inspection team" rather than by the workers themselves.
- Inspection is often not compatible with more modern production techniques for example "Just in Time Manufacturing" which do not allow time for much inspection.
- Working capital is tied up in stocks, which cannot be sold.
- There is often disagreement as to what constitutes a "quality product". For example, to meet quotas, inspectors may approve goods that doesn't meet 100% conformance, giving the message to workers that it doesn't matter if their work is a bit sloppy. Or one quality control inspector may follow different procedures from another, or use different measurements. As a result of the above problems, Sainsbury have focused their efforts on improving quality by implementing quality management techniques which emphasise the role of quality assurance.

Another way Sainsbury can improve their customers service quality are by the following

suggestions they have recommended, these are:-

- They can treat each consumer courteously and with respect especially when they are working under pressure.
- Sainsbury are willing to help their customers and make them feel more important.
- The way Sainsbury behave for example they must not moan or instead of smiling. If Sainsbury do not smile this will have a bad reflect on their consumers.
- The appearance of what Sainsbury staffs wears will reflect on their company. They must keep up their own companies standards at all times.
- They must make sure that they have an up to date supply of brochures as well as a price lists.
- Sainsbury can make sure that their equipment such as till, computers is in working order and won't let their consumers down when their customers are standing in front of them
- If Sainsbury staff are using the till they must make sure that they have enough change or arrange for help for a top up before they run out.
- Continually looking for ways to help Sainsbury customers and improve relationship with them
- Always presenting Sainsbury company positively when they are dealing with an existing potential consumers or another member of staff.
- Sainsbury staff must not always blame the organisations or other member of the staff if one of the staff can not find information in goods or services that a customer needs.
- They can also receive feedback from their customers by surveys/questionnaires.
- Telesales for Sainsbury could also phone to customers and ask for further information.
- Face to face with customers
- Complaint procedures internal and external procedures
- Mystery shoppers for Sainsbury

- Watchdog from TV could have information from customers
- Quality control

DO SAINSBURY CUSTOMERS NEED TRAINING

Below is a description of how sainsbury uses customer service to meet customer needs as well as strategic objectives.

The way sainsbury uses their customer service to meet their customer needs as well as a objective could be that for all but the most basic of products some customers, training is required by law. Infact, all products need some documentation or instruction leaflet to inform the customers as to how the products should and should not be used. Product liability legislation now puts on the manufacture ensure safety in use, not to assume for example that a customer will know that electric toaster shouldn't be used in the bathroom. Some products of course will be either so new or complex that customer training may well be continuing business for sainsbury as new employees require training. Included in the purchase price was both training on how control software and also management education on the principles on which the package was based.

After the software has been working for two years the vendor reminded the company that included in the original purchase price were some maintaince days, education or training to be used as the customer decided. The customers were very impressed partly because they had forgotten about these days, but they had found the opportunity to revisit the basic philosophy behind the software a useful refreshener that increased thee effective use of the system.

Therefore again there is a caveat to customers training. Eventually sainsbury customers will not want to pay the equivalent of the product price over again. In courses to enable people to use the product effectively. There may be a benefit to the service provider in going effective customer training. Improper use by the customer may increase the service call out rate, which will be unwelcome particularly if the customer has a comprehensive service contract. Good customer training will also reduce damage in use and therefore warranty costs.

ARE SAINSBURY CUSTOMER HAPPY

Monitor Performance

Sainsbury should be the activity of customer audits, finding out whether customers are satisfied with products and services. This customer focus is fundamental for the sainsbury business as a whole and is referred to marketing or quality. At this point it is sufficient to say that customers are often impressed that the sainsbury organisation has taken out the trouble to find out what they think. This dedication to quality improvements also raises customer confidence levels. This is an another way for sainsbury to monitor their

customers performance.

The main benefit for sainsbury is being able to monitor what their customer bought, allowing them to move products and send out discounts for the product those customers purchase often. The start of such a scheme for sainsbury is too large for example system to register points, staff time, promotion of schemes, discounts given and there is little evidence that they do increase loyalty. People often carry several cards for competing stores

If sainsbury manufacturer attempt to differentiate on the basis of image, customer's service is again involved. It may be that sainsbury wishes to project an up market image or alternatively a young healthy sports image. In either case the company must be very careful to ensure that service and support are reviewed to match the customers differing expectations. Competent customer service should lead to increased customer loyalty. As one of the theorists Ted Levitt, stated that

“I linked the relationship between purchasers and vendors to that between husband and wife, if there is good evidence of care and concern "after the sale" is over the relationship will be strong and repurchased likely. If, on the other hand it is clear that the vendor is looking for the first sales alone, no relationship is built and there will be a predictable reaction when repurchase is sought.”

The methods used by sainsbury to monitor the performance of their customer service function could be that customer service buying behaviour. The way sainsbury see their customer performance in the marketing process is to understand why or the way their customers makes a purchase. It could be also monitors by the way they see their customers whom come every day and see if they like a product such as chocolates and if they would only go for the appearance of the product, quality or the packaging of this product. This will also monitor which products are of which gender and whom they are promoting at, and how do their customers approach a product.

Sainsbury also could monitor their service which they do shopping over the internet and even thought they give their customers club cards and they can also see when a customer is at a counter and they give their club card to them they can then check on their monitor to see which products a customers mainly buys and how often they buy that product from them. Sainsbury customers come to do their shopping at special events such as valentines day shopping, Easter shopping, Christmas shopping, so therefore sainsbury bring out their special offers at times like these.

At valentines day they now that chocolates will mainly be bought and flowers also they would be in a box with extra product such as a mug can be purchased inside the packaging. This product will mainly be for the female's gender because they now that females are venerable to this product and they enjoy eating a lot of chocolates. This is their consumer preference and it is their need to buy a gift for a friend at times like these.

MYSTERY SHOPPERS

There is another way Sainsbury can monitor their mystery shoppers is to help increase sales and improve employee customers awareness. Sainsbury provides their business with more information than other mystery shopping customers through the use of questionnaires and detail narratives. These questionnaires provide buyers with an unbiased opinion of how they are providing the customer with information. Below is a diagram to show how Sainsbury monitors its products and how their customers will want it, or how it will change their maturity of the product, suppose the product is chocolates.

INTRODUCTION

Sainsbury will advertise their chocolate, which will be effective to their consumers because they do not know what it is or where to purchase the product.

MATURITY OF THE PRODUCT

Consumers will know that this product is good Sainsbury will also know what effect will take place when their competitors bring out a product and they will ensure to keep their product a long as they can for their consumers.

GROWTH

The growth of the product will tend to expand as everyone will want to purchase it.

HOW CAN SAINSBURY IMPROVE THEIR CUSTOMER SERVICE PRODUCT WITHOUT FAILING

Sainsbury will improve their product by having to add more ingredients, change the packaging of the product so consumers will know that this product is right for them and they will keep on purchasing the product as a need to buy.

Another way for Sainsbury is to monitor their customers by existing products and services, such as everything outlined in gathering information which applies before the existing products is that Sainsbury now know the need to see how they can gather information before they assess how they might improve their services to their customers. The process begins with the research gathers many different types of data which they can process in to information. As to my knowledge for Sainsbury I make this distinction between data and information because the two terms are readily confused and in research to Sainsbury it is important to distinguish between them. Research gathers data with the basic unprocessed facts.

For example, Sainsbury might gather data which tells Sainsbury that 80% of children in the UK like the taste of sugar or that 85 % of processed savoury snacks for children contains sugar or other sweeteners. If Sainsbury put those two pieces of information together, they might conjecture that manufacturers of processed surveys products, for children market in the UK put sweetener in to their products to make them more attractive to their customers.

This would be useful information to the organisation contemplating entry into the children savoury snack market in the UK. Research does more than gather information. This helps Sainsbury to make decisions, to solve problems and to monitor their progress of their competitions. The also monitors the performance of their customers service functions, Sainsbury research can be used to tackle problems in a number of areas such as:-

- External markets or competitors
- Products or services
- Customers
- Sales operations and distribution
- Communication

This is informal research for Sainsbury. Below is a diagram to show how Sainsbury sends messages across to all their customer services:-

firstly the planning process is taken to place

Review the process

- Suppose the sender is sainsbury who had identified the target audience , a message is formulated and transmitted through a media to the audience.
- the message is an imperfect tool of communication so sainsbury the sender has to invest a great deal of time, money, energy and experience in getting the message to be as clear as possible.
- The Media used to carry the message is also carefully selected in order to reach the audience in their most respective state.
- The message needs to be encoded to send it through the medium, the audience has to decode it to understand.
- Between the sender and the audience around the medium can be found noise

which distorts and detracts from the message.

- The dotted lines show the potential for response and feedback.

Attracting customers and retaining their loyalty, Sainsbury just not mean price cost or special offers, although those do pay an increasingly important role. More important is enhancing customer service to make the weekly shopping experience more relaxed and free of queues. The challenge to customer service is in the perennial battle between the big four supermarkets chains to maintain competitive edge. Sainsbury, one of the most established names in Britain retail, had more to lose than most. That is why, when the company decided to invest in its third generation Epos solution.

It wanted to sure that any systems would help its business goals of improving efficiency levels while maintaining the loyalty of its customers. According to the Marketing Director Sara Weller wanted its in store experience to be the best in the industry, she also had explained in retail service is delivering every time at a face to face level.

"Complaints are actually one of the biggest sources of customers loyalty"

COMPLAINTS

If a customer complaints comes to Sainsbury, they fix it quickly and effectively without any hassle, Sainsbury customers know that they can rely on them because they all the employees are fully trained and will now how to approach any complaints received. If a customer can trust Sainsbury when things go wrong as well as right, then strong loyalty can be built up very quickly. Replacing items or proving discounts for Sainsbury can often seem like a cost to avoid, however, the cost of one replacement can sometimes be the difference a customer for life and a lost customer. Not only that, but the customer will pass on through word of mouth whether they were satisfied with how Sainsbury handle problems.

MAKING A COMPLAIN

Making complain about a late delivery of a product, Sainsbury customers have a legal right when something they bought is faulty these are just typical consumer situations where customers feel they need to complain. There are some general principles customers can use for most occasions when they want to make a consumer compliant.

Complaining involves a little psychology, a worked out strategy, an awareness of tactics and an appreciation of the resistances people are likely to meet. Sainsbury customers may approach to them in an angry, furious, approach. Therefore the complainers who get what they want is to be cool, and assertive, without being aggressive and above all lose their humour. Sainsbury realise that the person they are complaining to is just doing their job.

The first thing Sainsbury do when they receive a complain from a customer is to write all

the facts about their complaints. Sainsbury decide whether how they want to complain i.e. by e-mail, letter or by telephone or in person. When Sainsbury have all the detail about the customer and what is the complaint about they then have a deadline in order to fix the problem with a solution to make their customers satisfy.

COMPLAINT HANDLING PROCEDURES

Sainsbury manage their complaints successfully this is a way to improve their service and the status of their business. An efficient procedure for handling customer complaints can avoid unnecessary and potentially expensive disputes. It can minimise unproductive wasted staff time. This will also assist in maintaining positive relationships with their customers.

The procedures need not be cumbersome and bureaucratic and they should be appropriate to the size and complexity of Sainsbury organisation. From Sainsbury customer point of view there are three things that matter if something goes wrong with the service provided and that therefore need to complain the following:-

- How to complain
- Where to complain
- Will the complaint be dealt with seriously

Customers will assess Sainsbury's seriousness to deal with complaints by the extent to which Sainsbury's complaint system is:-

- Visible
- Accessible
- Fair

VISIBILITY

This will depend on whether Sainsbury have made their customers aware of the seriousness with which Sainsbury handle complaints. The development of a short policy can help to make customers aware of their intention to deal with complaints.

ACCESSABILITY

This can be achieved by making sure that Sainsbury customers know to whom a complaint should be made, and that people in their organisation know to deal with a complaint.

FAIRNESS

This means that Sainsbury must make sure that complaints will be properly investigated and will not be biased towards anyone involved.

The key elements of a complaint procedure

A good customer complaint handling procedure will ensure that all those working at Sainsbury are fully aware of how to handle complaints effectively. It may also promote a culture of customer service within the organisation. The complaints handling procedures should contain the following elements:-

- A short written statement of the organisation complaints handling procedures.
- A procedure which should be adopted by the organisation when a complaint is received.
- The maintenance of a record book which deals with all complaints received and the action taken to resolve them.

A written complaint policy does not need to be complicated, the policy is a simple statement for Sainsbury to their customers that should have a complaint then it will be dealt with efficiently and fairly. Writing down this statement will also help those employed by Sainsbury to understand that such matters must be taken seriously and that they must follow the complaints procedures properly.

Below is a diagram to show the Sheth model of a family decision-making. It also shows how the process of product information is passed on. Also how would the family react in deciding to buy a product.

SEX-CONFIDENCE-PERSONALITY-SOCIAL CLASS -LIFESTYLE -ROLE

ORIENTATION

OVERT SEARCH

PERCEPTUAL BIAS

BUYING MOTIVES

{WORD OF MOUTH}

FAMILY BUYING DECISION

SENSITIVITY OF
INFORMATION

PERCEPTUAL BIAS EVALUATE BELIEVES

AUTONOMOUS DECISION

MEMBERS

FAMILY

JOINT DECISION

HOUSEHOLD UNIT

EVALUATION

Below is realistic and thorough recommendations on how Sainsbury could improve their quality systems to help meet their customer quality expectations, within explanations of the changes the recommendations would bring out.

Sainsbury customers think positively regarding their supermarket and its product or services. Sainsbury also specialise in processing credit cards transactions money back at the till for their customers this will help them to provide a more respected and confident service for their customers, research in to customer's perceptions indicates that many potential customers believed that Sainsbury is still an internal bank department and that limited their growth potential.

This is another way Sainsbury can recommend how to improve their quality systems to help their customers service quality standards. By using the research, they can be able to develop a communication strategy that repositioned them as a successful independent supermarket and allowed them to expand their market by gaining more customers every day.

Sainsbury can improve their quality expectations is by having taste samples, in other words a new product out and have a sample of the product such as having chicken pie Sainsbury can then see that if its customers would be interested in trying out the new product and also if they're willing to buy the product.

At the same time they can have another recommendations to meet their customers expectation by having questionnaires done and asking their customers if they are willing to try out the new product and ask if they like it or not. They can all be done if a hygiene factors than the customers would be satisfied in trying out the new products.

I think that Sainsbury have all the processes to cover all the topics, they are a successful organisation whom take care of their customers in every ways, i.e. they also bring product for their customers which are safe for them.

The way the planning took place was by my own research at the library and the Internet was useful to my business, which is Sainsbury Supermarket. I also used my class notes to help me with this assignment as well as looking at other resources such as textbooks and also looked into what Sir Alaistar had thought of customer service. I used the Internet to

find information on saintsbury monitor their customer performance and other various areas I looked into. In some areas there were needed a lot of adaption made in E2 and E3 which i corrected after receiving feedback. The research took a lot of time inorder to research specific areas as il needed this investigation on this assignment.