

Introduction

I will do a report on two different businesses and found how customer service is dealt with, within the business.

The two businesses I have chosen to base my coursework on are J-Sainsbury's and Tesco, which are both public limited companies.

I will investigate and identify how important customer service really is to J-Sainsbury's and Tesco.

Also I will identify how customer service is in both businesses and will also statement any improvements, which I think could be made to both businesses to ensure a higher quality of customer service.

What is a customer?

A customer is anyone who goes out shopping to purchase a good or service. Customers are considered to pay for products and be involved in a transaction between the business and customer. It is important to consider that a customer's can be both internal and external to a business.

What is customer service?

Customer service is how the customer is dealt in store and also how customers are dealt after they have purchased goods or service from a business. Customers expect a high standard of customer service, in order to keep them satisfied. This is very important as it gives an impression of the overall performance of the business. Good customer service would result to high level of sales and the business will stay on the competitive side, compared to their competitors.

E1. Importance of customer service to J-Sainsbury

Customer service for J-Sainsbury and Tesco is a very important function, as a good customer service would give J-Sainsbury's and Tesco a good reputation, resulting in an increase in customers shopping at J-Sainsbury's and Tesco.

J-Sainsbury's mission statement, which, states that J-Sainsbury's mission, is to serve customers the best quality and choice to meet their everyday shopping needs. By looking at J-Sainsbury's mission statement I can judge that J-Sainsbury's take pride in the customer service that they provide to their customers.

Customer service to J-Sainsbury and Tesco is important, as the business wants to increase their sales and increase market share and by having good customer service more customers will come to do their shopping at J-Sainsbury and Tesco.

Today J-Sainsbury's has a market share of 17.2% compared to Tesco who has a market share of 27%. (Refer to www.news.bbc.co.uk.)

By looking at the statistic I can identify that Tesco have a must have a better customer service compared to J-Sainsbury's.

Retaining customers

J-Sainsbury and Tesco must retain existing customers and make sure they don't start shopping at other supermarkets.

J-Sainsbury and Tesco show how important it is to retain customer by providing a good in store and after sales customer service.

Also J-Sainsbury and Tesco provide many products, where customers can buy and go home and try the product and still if the customer is not totally satisfied with the products they have bought can bring it back to a branch of J-Sainsbury or Tesco and the customer would be entitled to a full refund or exchange.

I personally think that this policy that J-Sainsbury and Tesco have, would be known as a good customer service and may give both companies a competitive advantage over other competitors.

Increasing sales

In order for J-Sainsbury and Tesco to increase their total sales customer service must be provided to customers at a high standard.

The art of communicating with customers is vitally important for the success in increasing sales.

Staff that work at J-Sainsbury and Tesco must be have positive body language and must be polite by having a tone of voice where customers feel that staff want to help them. Eyes contact, facial expression, and appearance would gain respects from customers.

If staff were to be lazy and not help customer's at all then this would result in less people coming to shop at J-Sainsbury and Tesco, which would mean that there would be an decrease in sales instead of being an increase.

This is where either Tesco or J-Sainsbury's can get more customers. If J-Sainsbury's were to provide a better customer service compared to Tesco then this will mean

customer that shop at Tesco would now start to shop in J-Sainsbury's which will lead to an increase to total sales for J-Sainsbury's.

J-Sainsbury and Tesco both try to keep improving their customer service and want their customer to recognise this.

J-Sainsbury and Tesco have continues training for staff so staff can deal with all types of problems and all different types of customers.

By having continues training for staff this indicates to me that both J-Sainsbury and Tesco seem to take customer service very seriously.

If J-Sainsbury and Tesco keep on improving their customer services they would result in an increase on total sale.

Gaining a competitive advantage

J-Sainsbury gains a competitive advantage by having products, which Tesco also have but at lower prices. Also J-Sainsbury's seem to provide exclusive offers to the customers, which is an indication of good customer service.

Tesco have the same kind of customer service because they also provide exclusive offers and some products are cheaper at Tesco then J-Sainsbury's.

By analysing J-Sainsbury and Tesco I can identify that both companies will have a conflict between them over market share.

I think this conflict will mean both businesses will try to improve their customer services and this shows me the importance of customer service to both J-Sainsbury's and Tesco.

Maintaining customer loyalty

Tesco clubcard is the UK's most popular loyalty scheme. You can collect air miles with clubcard. Two hundred million air miles have been issued to customers this year. clubcard holders can collect points at over 3,000 UK outlets including Alders and Marriott hotels.

As you can see Tesco have a clubcard scheme, which gains customer loyalty as they feel they are getting more out of shopping then just the products they are purchasing.

J-Sainsbury also adopts clubcard schemes, so there is competition between J-Sainsbury's and Tesco on Customer loyalty.

The business with the better customer loyalty will win the day at the end of it. This shows customer service is very important.

Gaining customer satisfaction

J-Sainsbury tries to gain customer satisfaction by trying to cater needs for all different types of people.

J-Sainsbury tries to sell the best quality products to their customer at the right price at the right time.

Staffs at J-Sainsbury's do regular checks ups on the quality of their products and damaged goods are instantly removed from sell.

I personally agree with J-Sainsbury's refund policy. The refund policy is that customers who find a fault in the product bought from J-Sainsbury's and also if the product does not function the way it is suppose to, then J-Sainsbury's will give customers a refund with no problems.

Tesco have also adopted this policy, which is making customer more satisfied with the products they as buy, as they know if there are any faults they are eligible for a refund.

Both J-Sainsbury and Tesco provides a financial service for customer who may want to take out loans or want to buy on credit cards.

E2 Strategies used by J-Sainsbury's to ensure a high standard of customer service.

J-Sainsbury is committed in ensuring to provide a high quality of customer service to all their customers.

J-Sainsbury keep up to date with the way the UK is developing by understanding the way that people are choosing to live their lives and responding with products and services that are of relevance. J-Sainsbury continues to seek out developing trends by being customer led.

J-Sainsbury's think about what their customers really want. In order for J-Sainsbury to do this they have a dedicated team called Customer Insights. In total there are 17 people who, make the team of which 13 are women and 4 are men, aged between 23 and 50.

Every month, the Customer Insights department talks to over 50,000 people in order to understand and get closer to J-Sainsbury customers.

J-Sainsbury also asks a further average of 20,000 customers every year how satisfied they are with the store experience and they compare this with satisfaction in their competitors' stores. (Asda, Tesco)

J-Sainsbury conduct what they call mystery shops where a trained auditor visits a store and measures standards such as queue length and waiting time, product availability, ease of finding management, interaction with customers at checkout and whether or not the aisles are clear.

J-Sainsbury visits their customers in their homes to ask them about the products that they sell. J-Sainsbury's find out how these products are performing in terms of quality, price and the choice available. This information is then passed on to their colleagues responsible for sourcing products to ensure that their offers are right for their customers.

In addition J-Sainsbury talk to customers in focus groups on topics such as service, value for money and non-foods and also accompany them around the stores to find out what they like and dislike about our products, service, availability, price, range, store layout, etc.

Also, Sainsbury's in-depth analysis of sales performance using electronic point of sale data, the Nectar loyalty card, scrutiny of customer letters and the measure of website 'hits' demonstrates that they have a range of systems in place which help them to respond to what their customers need.

As you can see J-Sainsbury's have a variety of strategies on ensuring that their customer get the highest possible standard of customer service.

Data protection policies for J-Sainsbury's

J-Sainsbury is totally committed to respecting the privacy of their customers and colleagues and any data they provide them is used only in accordance with their wishes. Only by making strategic use of this information can J-Sainsbury understand their needs and deliver the superior benefits they require. J-Sainsbury complies fully with the Data Protection Act that regulates the collection, use, storage and destruction of personal data and they also comply with the guidelines issued by the Information Commissioner.

E2. Strategies used by Tesco's to ensure a high standard of customer service

As the UK's leading retailer, Tesco is known for pushing the boundaries to improve customer service and keep prices low. One of the reasons Tesco has been so successful and has been able to expand rapidly both within the UK and abroad is its development of its non-food product offering. This includes everything from televisions and microwaves to hoovers and hairdryers. Tesco's diversification of its product range emulates the European hypermarket model and provides customers with a wide range of good value products.

Tesco's carry out survey's to find out how they may improve customer service, and how they can get closer to customers needs.

Over the last 10 years Tesco has organised and run over 1600 Customer Question Times where customers are invited to come and talk to their local store management team and head office representatives about their shopping likes and dislikes.

Tesco hold hundreds of customer question times all over the country. These are held so customers can tell Tesco about their shopping experience at Tesco.

Refund policies for Tesco

If you are not happy with the quality of any of their products you can bring them back within 28 days with your receipt and Tesco will happily refund or replace the item.

If you change your mind within 28 days, Tesco are happy to refund or exchange the product, providing you have your receipt and the product is returned as sold.

Every week customer services answers 80,000 calls to our customer service centre.

E3 Identifying different types of customers for J-Sainsbury's

There are many different types of customers, which do their shopping at J-Sainsbury's.

J-Sainsbury needs to provide the right products for the right type of people and also they have to provide the right facilities for customer, which need special help while doing their shopping.

Students

There are many different types of students that do their shopping at J-Sainsbury's. Students normally buy cheap food, which doesn't take very long to prepare, and so J-Sainsbury's need to have such food in store in order to meet student needs.

Also students shop very quick compared to adults who take there time and look at every product in store, so they lay out of the products such as crisps, chocolates and soft drinks must be easy to access and find.

Also not all students don't know where every product in store is, so there must be enough sales staff to help them. This way J-Sainsbury's would have a very good customer service.

OAP (Old Age Pensioners)

Life expectancy is increasing, which is resulting in more OAP's in the UK. J-Sainsbury's need's to take this in mind, in order to improve customer service for OAP's.

OAP's need a lot of special facilities as they are old and cannot manage to do their shopping like younger customer can.

I think J-Sainsbury's need to provide motor buggies for OAP's because, this can help them do their shopping with straining them self's to much, and also by providing motor buggies J-Sainsbury's would be known to have a very good customer service and OAP's will come back to do their shopping at J-Sainsbury's.

Mothers

Mother have to bring their children with them to do their shopping if they have no baby sitters to look after them.

In order for mother to do their shopping, J-Sainsbury's have trolleys where children can sit in front of the trolley and mothers can do their shopping without worrying where their children are.

Also mother with two children can use the trolleys J-Sainsbury's provide, where two children can seat in front of the trolley.

Disabled

Customers who are blind will get extra help from sales assistants, who will take them around the store to do their shopping. This is known to be a very good customer service that J-Sainsbury's provide because not all supermarkets provide this type of service.

Also disabled people may need a motor buggy to help them to their shopping without over doing it.

E4 How J-Sainsbury's monitors the quality of customer service

To help J-Sainsbury's monitor their customer services so they can constantly improve on customer service they employ a team of independent shoppers, known as 'mystery shoppers'. They carry out in-depth checks on the customers' shopping experience to assess whether it is easy and enjoyable. The store is unaware that the check is being made until it is told how well it has performed and which areas need improvement.

J-Sainsbury get a lot of customer feedback, which is very important in helping them to improve the customer service they offer and giving their customers a better service. In an average week J-Sainsbury's receive around 50,000 customer contacts (2.5 million per year), mainly through their free phone Customer Careline 0800 636262 but also by post and e-mail.

J-Sainsbury always aim to minimise waiting time at the checkout. Many of their store colleagues are multi-skilled and so, at busy times, they are always able to call on more colleagues to operate the tills.

J-Sainsbury also talks to about 600,000 customers a year, either individually or in groups, in over 3,000 individual pieces of research. Topics have included measures of customer satisfaction, monitors of product quality and brand image as well as specific research on packaging, new store layouts and effectiveness of promotions.

E5 How J-Sainsbury's deal with customer complaints

Complaints and refund policies for J-Sainsbury's

J-Sainsbury considers all complaints sympathetically. Fortunately, most can be dealt with quickly in store by refund, with proof of purchase, or by replacement, to the complete satisfaction of the customer. Serious complaints, about contamination or food poisoning, for example, complaints are sent to their Product Quality team for analysis and expert opinion. The store Duty Manager deals with service complaints but if customers are still dissatisfied their details are taken for a written reply. Larger claims for compensation are sent to their Customer Management team. Customers receive a reply after full consideration of their claim. Group Legal Services or their Insurance Department deal with more serious complaints, for example, accidents in store.