

Another of the 7P's that links in with Tesco's schemes to build a relationship with customers is promotion. In order for Tesco's club card scheme to work effectively they need to advertise it in a way that reaches all of their target market and makes them aware of the club card. One way that Tesco advertise the club card is by using their webpage. The club card is the first thing the customer sees when entering the webpage which is intriguing for the customer if they have not heard of the club card before. Tesco also uses direct marketing to interact with customers and to make them aware of various offers they could receive by using their club card. Tesco does this by using mobile messaging, email and its personal website.

Tesco's approach clearly generates sales as they are one of the UK's leading retailers. However they do not just generate sales but also create long term relationships with customers who think of the store as their first choice when doing their shopping. Tesco's club card scheme is one of the main factors in Tesco's reign as the UK's largest retailer. The club card allows Tesco to analyse what customers have brought in the past and in return Tesco offers its customers various discounts. This is the main point of Tesco's success as it means they have the ability to give customers exactly what they want.

I would say one thing that Tesco's could improve on by using the promotional mix would be direct marketing. Tesco's do not use direct marketing, therefore do not ever have direct contact with the customers. One way Tesco's could use direct marketing would be to hold taster sessions. For example Tesco's could hold taster sessions on their own brand products, this could help create a relationship between the brand and their customers.

D1 – Boots

Boots is a pharmacy chain operating in the UK and Ireland. They have over 2,500 stores and sell beauty and health products.

Boots run a loyalty card scheme called the Boots Advantage Card. The Boots Advantage Card gives customers the chance to collect four advantage points for every £1 they spend in store or online, once the customer has started collecting points they can spend them on almost anything within the store. The boots advantage card is not just beneficial for customers but is also beneficial to the business itself. The card allows Boots to collect data on the customers and it gives them an insight into how their customers shop, how often they shop, where they shop, the products they buy, the promotions and benefits they are attracted to, their average transaction value, the products they spend their points on and their personal details, e.g. name, age, gender. The data provided is very reliable as it treats customers as individuals and does not group them together like other loyalty cards schemes such as Tesco's club card. By treating customers as individuals it means the information that is being collected can be used smartly and the rewards can be catered to every individual customer meaning the customer will be more likely to buy them. The Advantage card is very effective in retaining its key market and building a strong relationship with Boots' customers. Rather than finding a customer for a product Boots focus on finding a product for a customer this will

Suggestion schemes – Suggestion schemes are a way for business to get feedback from their customers. One way of using a suggestion scheme is by placing a suggestion box within the store and ask customers for their feedback or suggestions on how the business could improve. Another way business use suggestion schemes is by using questionnaires and asking the customer various questions about their experience in their store and how the business could make improvements to what they already do.

One way John Lewis uses suggestion schemes to evaluate customer satisfaction is by using questionnaires asking multiple questions about the customers experience within the store. For example how the staff treated them, was the store clean and tidy, how long were they queueing, were they happy and satisfied with the overall experience, is there anything they can recommend in order to improve that experience etc. By asking these types of questions John Lewis can determine whether or not they need to make changes to the store and the customer service and they will also have suggestions on how they can do this.

Transparent complaints handling processes – A complaints handling system is expected to have a policy of openness and transparency in regards to what it does. When a company is faced with a complaint they should react in a way which causes as little distress for the consumer as possible and in cases where it is possible the complaint should always be resolved. When dealing with complaints the business should take into consideration and always ensure that the following notes are followed to guarantee they run a transparent complaint handling system;

- Acting in accordance with the law and any complaint guidelines
- Ensuring that staff are equipped and empowered to act decisively to resolve complaints
- Acknowledge mistakes and apologise where appropriate
- Treat the complainant impartially, and without unlawful discrimination or prejudice
- Have clear and simple procedures
- Deal with complainants promptly and sensitively
- Provide honest, evidence-based explanations and give reasons for decisions

John Lewis use transparent complaints handling processes to evaluate how satisfied their customers are with their services. For example if there have been a certain number of complaints raising the same issue then John Lewis will know that they need to change something in order to make sure that their customers stay pleased with the services they are offering them.

Finally I would advise John Lewis to regularly use mystery shoppers so that they can obtain a strong relationship with customers. The reason I would advise mystery shoppers is because I feel that mystery shoppers have the ability to gain a clear insight into how employees of John Lewis really manage themselves and the stores.

One other way Apple could improve its relationship with customers is to communicate through social media, to either help with customers problems or divulge information on their latest products. Using social media like Twitter and Facebook allows Apple to communicate directly with customers which will make customers feel important to the business and it allows the customers to think that the business genuinely cares about the customer's opinion and suggestions.

To improve its relationship with customers Apple should show customers what it believes in and how much it loves and believes in its products. One way Apple could this is by making sure customers can always see their mission statement: "Apple is committed to bringing the best personal computing experience to students, educators, creative professionals and consumers around the world through its innovative hardware, software and Internet offerings." When customers view the mission statement they will see how dedicated Apple are and this will make them see how much love and respect went into creating the products they use. This will make them stick with the business through the ups and the downs of the product as they can forgive them for the bad aspects of the product as they know how dedicated Apple are to getting it right.

Apple should always make sure to get customers opinions on products by using questionnaires. By finding out what customers really think Apple have the ability to make changes to their products which customers are guaranteed to enjoy as Apple have already asked them their opinions on the matter.

In conclusion I would say that Apple already have a very strong relationship with their customers and customer loyalty is one of the reasons behind the brands huge success. However I would say that If Apple were to adopt some of the techniques discussed they would be able to guarantee the loyalty of a higher percentage of customers.

P5

Explain how a customer relationship management system is used in a selected organisation.

Tesco

Customer Relationship Management (CRM) is a strategy for managing all your company's relationships and interactions with your customers and potential customers. CRM enables you to focus on your organisation's relationships with individual people – whether those are customers, colleagues or suppliers.

Every three months Tesco customers receive a free magazine containing various products, recipes etc. This is nothing exceptional and most companies do offer some sort of magazine or leaflet to their customers. However what makes Tesco different to its competitors is the fact that they personalise their magazines to the previous purchases of their customers, which they analyse by using their Club card data.