

Gloria jeans | service encounter report



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Gloria jeans in Australia is one of the most renowned coffee brand names and is consumed by the people in almost their everyday lives. Ideally one should always get a positive experience however it may happen once that even a regular customer might encounter a negative experience which could affect its purchase behavior in future. In this report, a quick highlight is given on importance of customer satisfaction and loyalty in today's highly competitive service industry along with introducing the service organization i. e. Gloria jeans coffee store and its achievements. Next the current service offering of the brand is discussed in which various ways in which the service can be availed and what different categories of products are available.

Later important features of the store are discussed which helps in having a perfect service delivery system in place that helps in increasing satisfaction and increased revenue overtime. Further, a detailed reflection is done on 1 of the negative service experience by me in a Gloria jean's coffee shop in my

previous university campus which explains the areas of negative satisfaction along with a sound example of service recovery process has also been illustrated which helps in understanding how organization can win back dissatisfied customers.

The importance of communication in service environment is also viewed in short which reflects the notion that it is a vital element and has great power in influencing a consumers mind. Lastly, the report concludes with vital recommendations which could be of great value for the management.

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Introduction

Developing or maintaining customer loyalty in today's world is considered as a one of the vital marketing strategies for establishing competitive difference in ever demanding and rapidly growing business world (Raab, 2011). For building or retaining customer loyalty, one needs to focus upon enhancing the customer relationship by assuring quality service environment which would be in line with the needs and expectation of consumers. Many service organizations deliver quality services in order to maintain good customer relationship yet they still fail to understand ways to maintain customer loyalty (Noone, 2009). However a critical analysis of services marketing journal reveal that quality of service encounter reflects the true picture of level of customer loyalty for a service provider (Hennig, 2004).

Customer satisfaction is a vital tool for success especially in a service oriented firm (Keller, 2008). Critically analyzing a service delivery system by utilizing blue print technique has many benefits as it facilitates in reflecting

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weaker areas of service delivery of the firm (Hooley, 2008). After clearly identifying the weaker areas, advancements can be done for ensuring that these practices are not repeated which would lead to higher profits and increased customer loyalty (Fletcher, 2010).

Background of Organization

Gloria Jean's is a coffee store that started in 1979 in North Chicago, USA by Gloria Jean Kyetko who started its own small business by renting a small shop. After the enormous success in USA and other parts of world it enrooted its footsteps in Australia in 1996 by setting up its first store in Sydney which has extended to a total of 470 stores today. Currently, the brand has total of 910 stores located globally which serves to the coffee demands of 100 million customers each year in Australia (Gloria Jeans, 2012).

The organizations vision is to be the most loved and respected coffee brand name in world and in order to achieve this the firm has setup a certain set of values that are developed to excel in business and develop better partnerships through integrity and trust.

Current Service Offering

The brand has variety of product offerings which requires a setup component for delivering the products. Variety of product offerings have been listed down using a chart which reflects the types of espresso, Tea, hot and cold chocolate shakes and drinks, fruit chillers, cakes, snacks, salads etc (Appendix1). The customer has two options to select for consumption of product offering i. e. either to dine in and relax in the lounges or coffee tables with friend or colleague or for the busy on the go people can choose

takeaway. Service delivery is basically all about the brand interacting with its customers at various ends and thus it is important to have the best service delivery when the buyer interacts with the service firm representative who reflects the brand name or identity (Woo, 2008). Thus service encounters have a vital role to play in maintaining customer satisfaction especially if it's in a regular pattern such as the one in our case of regular coffee buyers.

Salient Features of the Service Delivery System (SDS)

Gloria Jeans as a brand name has variety of attractive features that reflects in its service delivery system such as:

Unique brand name which has good taste, premium quality and bouquet of product offering.

A standard staff uniform with a standardized greeting skills as ' Hi, what can I get for you?'

The store interiors which include design, furniture, wall colors, counters, backend all of which are kept uniform at all stores.

Not only the store interiors but also the displays in stores such as cake slices and mugs are displayed in a standardized way all over.

Payment while ordering and not delivering and name request for appropriate delivery of coffee in right hands.

A very little customization as it consumes a lot of time thus standardized packaging of products especially in case of takeaway items.

Good environment to hang out with friends, nice atmosphere, could conduct a meeting for personal or business reasons easily and comfortably.

Service encounter is basically a buyers or customer real experience with a service provider for certain duration or time period ideally which would be more than 30 minutes (Young, 2010). This report will enlighten a negative service encounter personally experienced by me with Gloria Jean's coffee store in the university campus of QUT (Queensland university of technology). The QUT coffee store basically serves almost all the varieties of espresso coffees, range of tea options, cold coffee, pastries and even various branded retail products such as mugs and cups. In addition, the whole experiences will be analyzed and evaluated based on certain criteria such as service quality, high involvement and people processing feature as stated by Shamma, Dyer & Liebrez-Himez (2011). Moreover based on this negative service encounter with the coffee store, three key areas of dissatisfaction would be pointed out along with recommendation and ways to improve them for future encounters.

Negative Service Encounter

Gloria Jean's has been one of my favorite spots for coffee at least once or twice week either before or after a lecture. On 10 of August, 2012 I experienced a negative service encounter at my university campus which to a great extent has affected my coffee consumption since then. It was indeed annoying for me because of the long queuing time and time taken for delivering my order. It was during those important lectures of my principles of marketing lecture where I had already got late by 10min but I thought lets take a coffee to recharge myself. When first I entered the store, I found that

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there is long queue and people waiting but I thought they would be fast and would take too long. Regret that almost 10 minutes passed and I was still having 1 customer ahead of me at counter placing her order. Thus, my expectations from the staff were too high which was soon diminished as the cashier was too slow in processing orders. I was almost about to lose my patience but realized the fact by viewing the environment that their products are made from scratch made me feel to wait for some more time. Finally it was my turn and I placed my order for Hot Classic Chai latte as its one of my favorite due to the amazing cardamom smell it has in it. After waiting for almost 6min my order was ready. By the look it seemed to me the right latte however when I tasted it when I reached the class I found that what was given to me was a cappuccino which was nowhere near chai latte. I was highly dissatisfied due to this bad service encounter that I experienced since I had waited almost for 15min to get at the end a complete wrong drink. I just had 1 sip and I completely trashed the cappuccino as I do not like it anytime.

Further during my next visit when I complained to the staff about the delivery of wrong order and my complete negative encounter the staff was courteous enough to seek apology and assured me that it would never happen again. Also in order to rectify the previous mistake and the staff used service retention technique by giving me a choc chip muffin as a complimentary item along with my coffee order. This retention technique used by him completely delighted me and calmed by dissatisfaction and anger towards the previous negative experience. The service recovery process was phenomenal and the technique used completely overwhelmed

me as I started to visit Gloria Jeans frequently as I used to before. In spite of the high negative dissatisfaction and frustration I had from that experience yet today I am confident and have belief that my future visits wouldn't be bad one and my needs would be completely taken care off. Considering the case it connects me to Finney (2010) who stated that there will always be service failures even if it's an excellent performing business as these are inevitable. However in cases of negative service delivery the most effective and faster recovery approach is best solution for winning back customer loyalty or retention (Hill, 2007).

Considering my case on scale of 1 to 5 for satisfaction score, I would give the experience as 3 as Initially I was highly dissatisfied due to two reasons, one being the longer queue time and secondly due to delivery of wrong order however a complimentary muffin on my next visit delighted me and changed the score from 1 to 3. Thus, finally it can be said that I would surely recommend this store to my other class mates and group studying in the university due to the high quality of products and service environment they offer. Therefore, I would continue visiting the coffee store in future as such negative encounters do not occur quite often however it can happen as it is unavoidable and part of the industry.

Communication as a vital element of service environment

The promotion/communication element of the services marketing mix plays a vital role in communicating the positioning of services to customers along with providing information about the service and its quality (Belch, 2009).

The marketing and communication goals of the service organization i. e.

Gloria Jean's during pre-purchase would be to trigger trial among the

prospective target audience (Clow, 2007), many a times we see new ads from Gloria Jeans for instance “ The all new green tea chiller- just sip and refresh yourself” such ads are new products which are meant to induce trial among the target audience however when the buyer visits the nearest store and experiences a negative service encounter then the complete rationale behind the communication is lost. Same is in the case when the buyer is actually consuming the product or is about to buy (Keller, 2008). For instance one would think of having cold coffee when its quite hot outside from a particular branded coffee shop, but the moment he enters the store and sees the ad on stand saying “ new nudie fruzie” creates a thought in mind to try something new and experience it since it is available right there. Thus, point of purchase advertising would work best in service offering however the service delivery process should go smooth in order to get the best out of that communication (Aitken, 2008). Overall it can be said that promotion can be used to overcome the intangibility of the services and assist the customers to make a more informed assessment of the service offer (Kitchen, 2008).

Conclusion and Recommendation

In today’s market most of the marketing managers tend to believe that it is very difficult to achieve service brand loyalty however still they try their best by applying a consistent operating system for their customer’s convenience so that they develop loyalty in their mind (Hooley, 2008). Same is seen in case of Gloria jean’s where it has constant operation technique which helps in familiarizing the customer along with repeat sales however some of the elements that needs to be focused upon would be psychic cost such as lack

of instore communication during service delivery or even sensory cost such as hygiene and cleanliness during and after service delivery.

Since in a service delivery process the customer and the staff both are actively involved in the process of delivery, it is vital that the customer is aware off by reading the signage in store instructing where to start and finish off the service buying process. Since no proper instructions are placed such as “ order here” or pick up here- communication gap arises. Another important recommendation is to avoid too much personalization such as in case of the order it would appropriate to take only the first name along with assigning a specific order number on the receipt instead of asking the full name and writing it on the coffee cup. Research suggests that personalization helps in increasing customer loyalty vice versa research also suggests that a lot of information about customer creates discomfort. Lastly, one of the most important recommendation would be to have a appropriate physical evidence in form of backstage area so that many unwanted rubbish and materials can be dumped off which would create an hindrance in delivery of service and also simultaneously reduce customer satisfaction.