

The customer is
always right



the customer is always right Several retail concern used this as a slogan from the early 20th century onward. In the USA it is particularly associated with Marshall Field's department store, Chicago (established in the late 19th century). The store is an icon of the city, although it is set to lose its name in 2006 when, following a takeover, it becomes renamed as Macy's. In the UK, Harry Gordon Selfridge (1857-1947) the founder of London's Selfridges store (opened in 1909), is credited with championing its use. The Wisconsin born Selfridge worked for Field from 1879 to 1901. Both men were dynamic and creative businessmen and it's highly likely that one of them coined the phrase, although we don't know which.

Of course, these entrepreneurs didn't intend to be taken literally. What they were attempting to do was to make the customer feel special by inculcating into their staff the disposition to behave as if the customer was right, even when they weren't.

The trading policy and the phrase were well-known by the early 20th century. From the Kansas City Star, January 1911 we have a piece about a local country store that was modelled on Field's/Selfridges:

[George E.] " Scott has done in the country what Marshall Field did in Chicago, Wannamaker did in New York and Selfridge in London. In his store he follows the Field rule and assumes that the customer is always right."

Whether the phrase was coined by Field or Selfridge it is fair to call it American. What we can't do is credit them with the idea behind it. In 1908 César Ritz (1850-1918), the celebrated French hotelier is credited with saying ' Le client n'a jamais tort' - ' The customer is never wrong'. That's not

the phrase that people now remember, but it can hardly be said to be any different in meaning to 'the customer is always right'.

(Strategy imply how a company do)

Definition for positioning:

Positioning is the marketing strategies that focus on the brand occupy a different "position" which is the products' image in the consumers mind. In positioning, firms targeting the specific marketing segment, relationship to the competitors, and the relationship between the law firms. Firms use this strategy to create a good image through advertising, and emphasizing the differentiate features of their brand. It is very hard to change the position of a brand without influence its credibility once a brand is positioned.

Eleven Strategy in Relationship Marketing

There are 11 new strategy for Relationship Marketing which call 11 C's . The strategy of 11 C's are to improve marketing activities. The 11 C's are (1) customer, (2) categories, (3) capabilities, (4) cost, profitability & value, (5) control of the contact to cash processes, (6) collaboration & integration, (7) customization, (8) communications, interaction & positioning, (9) customer measurements, (10) customer care, and the last one is (11) chain of relationships.

The first Relationship Marketing strategy is customer. This strategy is company need to target correct customer. The company should differentiate which customer is loyal, average, and non loyal to the company to make sure they will gets appropriate values. Customer is the "King" in market.

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The second strategy is categories. For this strategy, company should categorized and set up the scope of product & service provided to customer. They need to make decision whether to sell the product that customers will purchase from the company or sell the only product that the companies produce.

The third strategy is capabilities. The range of capabilities that will exist within the company need to plan well. They need to help each other so that they will receive the benefit together. Examples of the capabilities are technology, process, people, and knowledge/insight. Example for the company who apply this strategy is Air Asia.

The fourth strategy is cost, profitability and value. The main focus for this strategy is to improve customer profitability which is selling the product that will bring to company a good relationship although the product is not really profitable to company.

Next strategy is control to the contact compare to cash process. This strategy is to make sure the account is connecting to the account is well managed and controlled.

Collaboration and integration is the sixth strategy in relationship marketing. This strategy is focus on the work jointly.

Seven....

The eight strategy is communication/interaction and positioning. This strategy is mainly focus on the two way communication between companies with the customers. The company should not only follow the traditional one-
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way communication. The company should interact with customers to get to know what the consumers want so that can fulfill their needs.

The next strategy is customer measurements. The time for each aspect of customers need to be measured. This is to track the profitability for every customer so that the company can make sure who to reward. Using metric to track customer satisfaction will bring to simple year to year comparisons made.

The tenth strategy is customer care. In this strategy, beyond more on customers service. A well planned strategy for customer care is important.

The last strategy is chain of relationships. Make sure the relationship between employee and customers is good. Besides, the stakeholders that create the value consumers want need to be managed well.

STRUCTURE

There are ten structures in relationship marketing. The ten structures are (1) commitment, (2) trust, (3) power, (4) control (part of power) (5) balance of power (part of power), (6) interdependence, (7) communication, (8) cooperation, (9) idiosyncratic investment, (10) conflict resolution.

Commitment is about the willingness to make short term sacrifices to realize the long term benefits. For example a shampoo company "Sunslik" gives out the samples for the shampoo to customers. After the customers try, they will be willing to buy the product if the product is very good. Besides, they will promote the product to their friends and relatives which is the power of "

word of mouth". Commitments brings benefits to company to gain more profit in the future.

Trust is the indication of the strength of the relationship between the two parties which is, the customers and the companies. Both party see as win-win situation. In this structure, customers trust company on their service and product. Besides, company also trust customer knowing they'll pay.

Power is about a party ability to push or influence another party to undertake some activity that the party will not normally do. For example a company control the employee to do some activity such as recycling papers.

Control is the part of power. This is the result and outcome of power when a party is success to change or influence the another party to change.

Balance of power is part of power too. Balance means the symmetric of the power. Imbalance is about the distasteful abilities towards other.

Interdependence is a company depends on employee to serve customers and customers depends on company to provide them products and services which is the same state of dependences.

Communication consists of formal communication and informal communication. The firms need to communicate well with each other to share the useful information and help each other to gain more benefits.

Cooperation is the similar action that taken by the companies which is whole firms includes the employees. leaders) to achieve the mutual benefits.

Idiosyncratic investment is about the sunk costs that won't be able to recoverable in event of a termination.

Conflict resolution is the methods of eliminating source of conflict. This usually resolve by negotiation or mediation.

Reference: