

**SOCIALLY INTEGRATIVE CUSTOMER SERVICE (SICS)  
-IDENTIFICATION OF A SYMBIOTIC LINK WITH  
CORPORATE SOCIAL RESPONSIBILITY.**

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## Declaration

**I hereby certify this material which I now submit for assessment of the programme of study leading to award of Ph.D is entirely my own work and has not been taken from others, save to the extent that such work has been cited and acknowledged within the text of this study.**

Signed: 

Date: 15/12/05

Carrying out doctoral research is a voyage of academic challenge, a meandering journey of personal development, innovative discovery, academic freedom and above all the pursuit of knowledge that in some small way uncovers the truth about our world and one that enhances the status of civilisation.

Enjoy, build and improve!

**DEDICATION**

**FOR MY PARENTS.**

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## ABSTRACT

The aim of this study is to answer the research question ‘can customer service be revitalised through identification of a symbiotic relationship with social responsibility, linked by people-centricity?’ The concept of customer service remains weak and there has been a lack of attention to the underlying purpose: ‘to serve’. To strengthen the theory the humanistic nature of the concept should be revised. Fundamental to this argument is the question of who is a customer? To fully discover the scope of the concept requires a broader or more specifically a societal view. Herein the theme of corporate social responsibility is critical to the recognition of the customer service network (CSN). This suggestion in isolation is useful but structural. Another aspect must be identified to validate the ‘service’ ethos. Through this reasoning the relational theme (RT) provides for a mechanism for this to be achieved. Therefore the theory of socially integrative customer service is based on broadening and deepening the customer service concept.

This study is illustrated in the context of the grocery retail sector in the Republic of Ireland. Four case studies are presented three based on company-wide and in-store research and a fourth is a cross company study. Results across companies indicate acceptance of the research question and show evidence to validate SICS. There is scope to further develop SICS and to build on the CSN and the RT. Finally the concept of SICS provides for a diverse basis for further research. This theory does not purport to cause a paradigm shift but does add innovation to the body of knowledge. As is the hallmark of good theoretical development the author has aimed to keep the philosophy simple.

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## LIST OF ABBREVIATIONS

- CCS: Company Customer Service
- CS: Customer Service
- CSN: Customer Service Network
- CO: Company
- CSO: Customer Service Orientation
- CSR: Corporate Social Responsibility
- ECS: Empowering Customer Service
- ECSI: European Customer Satisfaction Index
- HR: Human Resources
- ICS: Internal Customer Service
- IM: Internal Marketing
- IMP: Implicative Customer Service
- IT: Information Technology
- OCF: Optimal Customer Focus
- POL: Political Customer Service
- RM: Relationship Marketing
- RT: Relational Theme
- SEQ: Sequential Customer Service
- SICS: Socially Integrative Customer Service
- SMC: Societal Marketing Concept
- V: Variable

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# CHAPTER ONE

## CHAPTER ONE: INTRODUCTION

### 1.1 Research rationale

The customer service concept can assist the balance of the social contract between consumers, business, government and society. For this to be put into practice, theoretical advancement is necessary. Many successful leaders, managers and innovators have ‘served their time’, ‘learned their trade’ and ‘mastered their craft’ through front-line experience. This gives a clear view of service and allows one to develop an appreciation of culture, relationship dynamics and a realistic knowledge of the bottom line.

As an under and post-graduate the author has gained operational customer service experience in the retail and public sector. This has enriched the academic learning experience and also built a strong interest in the potential of customer service. More recently the service journey in the role of lecturer/teacher has expanded the customer service experience to another customer base i.e. the student. In short it is hoped that the valuable personal experience of customer service delivery is reflected throughout the study. The quest to add to the body of knowledge is based on the provision of a more socially responsive customer service to consumers. Other reasons include the focus on personal development and the author’s passion for customer service.

A number of themes have been consistent across the public and private sector that merit further customer service investigation:

- Customer service tends to be delivered in a uniform format but insight indicates the need for flexibility as different customers have diverse needs.

- The prominence of the ‘interactive’ component of customer service (front-line staff customer interaction), limits the boundaries of the concept.
- There can be a discrepancy between formal and informal customer service whereby the customer service contract can be changed to suit a given situation.
- Customer service can be subject of much rhetoric in organisations without being given adequate resources to allow for optimisation in practice.
- The issue of consumer empowerment is not reflected strongly in the practice of customer service. For many consumers many institutions have the balance of power in the social contract because of their size, financial situation or role. This issue needs to be addressed if the concept is to develop.
- The management of customer service can contribute to difficulties in many organisations. Conflict can arise as to questions of ownership and expertise.
- The internal dimension of customer service is an emergent area that could benefit from further academic rigour.

From a historical perspective customer service has long been linked to the retail sector. Only recently has the public sector become critically involved with the concept. What is noteworthy in the public sector is the focus on internal customer service in particular, the quality customer service initiative and customer action plans (Humphreys et al 2001; O’Riordan and Humphreys 2003). Both public and private sectors have made substantial progress in customer service but inherently there are weaknesses in the concept. An exploration of such weaknesses is a major theme of this thesis.

As a consumer the author is aware of the increased need for a new level of customer service to be delivered within both the private and public sector. Recent media coverage continues to highlight the weaknesses of customer service in practice. Examples of these shortcomings include Ryanair’s charges for the use of wheelchairs in UK airports; overcharging of customers by some financial institutions; the poor service of accident and emergency

departments of the public hospitals in Ireland; and scandals that relate to care for the elderly. These have all pointed to the need for change.

Notwithstanding these developments it was necessary to relate the research to a particular sector. A decision had to be taken whether to carry out a cross sectional study or to focus on one sector. Due consideration was given to both options. A cross sectional approach would give a broad view of the applicability of SICS. However the depth of evidence from this approach may be less robust than a single sector view. After much investigation and reflection it was decided to focus on one sector. Given the innovative nature of SICS it was felt while narrower a single sector approach would provide a richer more detailed range of findings. In order to maximise the relevance of the research process considerable investigation and assessment was given to the decision into what sector the study should be applied. Acknowledgement of the 'socially responsive' dimension of SICS would lend logic to a focus on the public sector. An argument could also be made that the private sector could provide a more challenging format to test the merits of SICS. On balance the latter was deemed more suitable to optimise the validation of SICS.

The next step was to identify an area of the private sector that had a recognised affinity with customer service. This is where the retail sector demonstrated attributes suitable to the nature of the study. As retailing represents a broad spectrum of activity and facets, a decision had to be made whether to include a range of retail outlets or focus on one specific retail format. Factors that reflected the ultimate decision included an array of issues, consumer contact and impact, competitiveness, market maturity and fit with the research question. Food retailing in the supermarket format was an area that had synergy with the areas outlined. Hence Irish supermarkets are the focus of this study. Supermarkets have an impact on the lives of most



consumers and there is scope to improve the provision of customer service. Increasingly supermarkets are the subject of media scrutiny and much discussion exists on their role in society (Freathy, 1993; Forfás, 1999; Dawson, 2000; Guerrero et al, 2000; Geuens et al, 2003; Blythman, 2004).

The next criterion is to evaluate if a single or multi company study be completed. While a single case study would provide a wealth of discovery any results would be confined to that organisation. This could weaken the overall investigation into the validity of SICS. In contrast if the supermarket sector in Ireland were the subject of the study a richness of evidence should facilitate a more holistic view. This would deepen the relevance of any subsequent conclusions.

From a theoretical perspective the concept of customer service has not reached maturity, and has been sporadic in practical application. Many authors have indicated a need for more thorough investigation of the subject (Blume, 1988; Sterling and Lambert, 1989; Domegan, 1993; Sturdy, 2000). As a concept customer service has had some focus as an area of academic enquiry but, as noted by Domegan (1993), such endeavours have not resulted in a significant collection of published academic texts.

Complementary to the theoretical weaknesses the delivery of customer service in practice warrants discussion. From a practical perspective there are some limitations that need to be explored. Albrecht and Zemke (1985a) refer to consumers as being increasingly critical of services provided while Samli (1992) refers to the deterioration of the service component in services. These contributions indicate inherent difficulties with the formation and delivery of the concept. Most recently the proliferation of information technology (IT) in services has increased productivity and efficiency but, many would contend,

at the expense of interpersonal factors. To compound the situation, since the 1970s the concept of marketing itself has remained the subject of much debate (Bell and Emory, 1971; Abratt and Sacks, 1988; Kotler, 1997; Blythe, 2001).

While customer service remains subject to investigation (Rotfield, 2001; Wouters 2004) there is only limited focus on the concept in the grocery retail setting. In the context of this study the specific areas of social responsibility and internal customer service have not formed a major part of the retail research base. As Kotler (1972, p. 46) reminds us, 'one of the signs of the health of a discipline is its willingness to reexamine its focus, techniques and goals as the surrounding society changes and new problems require attention'. To develop customer service conceptual advancement is necessary; this can provide guidance in customer service practice.

There are some questions that may be posed about customer service in retailing. Sparks (1990/91, p. 31) refers to a widespread misunderstanding of service provision in the retail context, for example for many operators customer service is reduced to 'facility provision'. As a consequence there is a 'need for a much sharper view of customer service and its application in retailing' (Sparks, 1990/91, p. 31).

The scope of customer service is largely introspective, where the remit is usually isolated to the organisation itself. But as Doyle (1995, p. 29) points out 'management has to be concerned with building the right conditions, not only within its own organisation, but also within the other organisations that constitute its value adding network'. The boundary of customer service should not be restricted to the immediate organisation; rather its scope is pan-organisational.

The needs of the modern consumer have been well documented (Browne et al, 2000, p. 83; Hodgson, 2001, p. 120). Inevitably these changing needs will impact on the nature and focus of customer service in practice. Traditional customer service is no longer sufficient and needs to be reassessed.

It is important to put the concept of SICS in context from a business and consumer perspective. There are numerous business models available for companies to choose from. SICS adds to this choice in the arena of customer service. There is no suggestion that SICS is the most appropriate model for all businesses, but what is provided is an innovative option for organisations that want to differentiate themselves in the customer service domain. All organisations should examine SICS strategically with due consideration to the fit with their mission, values and identity. However SICS should be appraised in view of changing stakeholder expectations and evolving business practice.

The contemporary concept of customer service needs to be both broadened and deepened to ensure a holistic and sustainable approach. Factors that indicate a need for the study include:

- The fundamental weaknesses of customer service in theory and practice need to be addressed. These include the mechanistic nature, private orientation and short-term view of customer service.
- Societal pressures continue to challenge current interpretations of customer service and marketing. Social responsibility has emerged as a key business issue but responses tend not to focus on a service perspective.
- Retailing is a competitive sector that is constantly evolving to shape the changing demands of consumers. Customer service has been central to the success and progression of supermarkets in Ireland. A new approach to customer service is needed for continued success.
- Based on a humanistic approach the identification of a symbiotic link between customer service and social responsibility acts as a mechanism for implementing a civic orientation.

From an academic perspective exploratory investigation revealed customer service as a valid area for further enquiry. To validate a theory it is necessary to apply it: in this regard the retail context and specifically supermarkets in Ireland are deemed suitable.

## **1.2 Research question and objective**

### **Main research question:**

Can customer service be revitalised through identification of a symbiotic relationship with social responsibility, linked by people-centricity?

### **Subsidiary question 1:**

In theory can the scope of customer service be broadened?

### **Subsidiary question 2:**

Can the role of customer service be extended in practice?

### **Subsidiary question 3:**

From a theoretical perspective, can the theme of customer service be deepened?

### **Subsidiary question 4:**

In practice can customer service be more humanistic in nature?

## **Research objectives**

The research has a number of objectives.

### **Objectives:**

- To examine what is understood by the concepts of customer service, social responsibility and internal customer service.
- To advance customer service theory through the investigation of how the concept can be broadened and deepened.

- To investigate if a conceptual link can be identified to highlight the customer service contract organisations have in society.

### 1.3 The retail context

The continuously changing dynamics of retailing add merit to the sector as a basis of investigation:

Retailing is in a state of revolution as profound and pervasive in its effects as the industrial revolution of the previous century. The twenty-first century seems likely to usher a new millennium in which retailers are pursuing innovations in productivity and customer satisfaction with aggressiveness and competitive fervor unmatched in history.

Engel et al (1995, p. 827)

In reality retailers face many challenges in the future. Recently, this general theme is confirmed in the literature (Frasquet et al, 2002; Levy et al, 2005). Peterson and Balasubramaian (2002) in particular refer to the lack of development in retailing theory. Accordingly new approaches are needed to help shape the dynamics of twenty-first century retailing.

The origin of retailing may have its source in the ancient trade of barter. Through the centuries it has reached significant levels of sophistication. While the underlying basis for this form of trade was mutually beneficial service and exchange, this is something that could be readdressed in modern retail as the balance of service is now substantially biased toward the retailer. The beginnings of modern retailing involved a significant change in the shopping format with the arrival of the department store in Paris in 1850. This moment has been described as the 'first retail revolution' (De Jong, 1989). This signified a turnaround in retailing offering the consumer an alternative to the outdoor arena of the 'High Street'.

The 'second retail revolution' (De Jong, 1989) saw the introduction of self-service in retailing. Though pioneered in 1935, self-service was not subsequently adopted on a large scale until the 1950s with the development of supermarkets. Since then retail stores have grown in size and the assortment of product lines and facilities has become more elaborate. De Jong (1989) suggests that we are now in a 'third retailing revolution' that has emerged with the use of IT and telecommunications. Other notable developments during the 1990s have included the growth of global retailers; the planning and development of out of town shopping centres; on-line shopping; generic product lines versus branded products and the use of loyalty schemes. Despite these developments the practice of customer service has not altered significantly over the period.

Retailing is potentially at a further stage of development: from being a logistical/mechanical service to becoming responsive to socially sensitive issues. In the opinion of the author the 'fourth revolution' is the recognition by retailers of their obligations to society. This shift towards the adoption of social responsibility may be the most challenging and pervasive of all. Indicators of such a shift can be seen in ethical investment, fair trade and green consumerism.

#### **1.4 The development of supermarkets**

The history of supermarket development can be sketched out in very broad terms as follows: The roots of supermarkets were in the 1950s with the arrival of self-service. This trend accelerated through that decade and the early 1960s. Supermarkets became more widespread in the 1970s, fundamentally altering the grocery shopping experience. The 1980s were volatile in response to the global economic situation and no developments occurred of major significance. The 1990s witnessed an increased use and sophistication of IT. Where the supermarket sector will develop in the future is open to

interpretation. Noteworthy retail developments of recent times include centralised warehousing; just-in-time merchandising; the use of loyalty schemes; mergers and acquisitions; the availability of ready meals; in-store bakeries; childcare/play area facilities; and the widespread stocking of organics; ethnic and fair trade products.

From a consumer perspective areas of concern that impact on supermarkets include food safety, information provision, value for money, market share concentration and larger product assortment (Kahn and McAlister, 1997; Humphery, 1998; Blythman, 2004).

A number of academics and retail analysts have increasingly drawn attention to issues that show the societal and social impact of supermarkets (Bell and Lockwood, 1997; Hughes and Ray, 1999; Seth and Randall, 2001; Young, 2004; Bevan, 2005). These include: environmental pollution, consumption patterns, supermarket power, societal and retail trends. This study responds to the role and responsibilities of supermarkets in society. It is suggested that Socially Integrative Customer Service (SICS) is an option for supermarkets who want to respond to changing sector and consumer challenges through a socially responsive approach.

Retail texts make only minor or indirect reference to customer service, while there is almost a complete omission of detail relating to corporate social responsibility. Campbell (2002) in his address to the retail conference (UCD) refers to his company being 'passionate' about meeting customer needs, while Parker (2002) at the same conference refers to future challenges, noting that 'existing trends will be tested and rejected'. This suggests a critical need for new theories and models to be advanced for use by retailers.

According to Dawson (2000, p. 128) ‘the challenges for large firms are to keep systems simple, to motivate large numbers of store-level staff and really to know what is going on at store level’. The implementation of a new approach to customer service requires co-operation at store level. More specifically the implementation of SICS requires ownership from staff. There is minimal benefit in embracing policies at corporate strategic level without due regard to implementation at in-store level.

Paradigm shifts in retail occur infrequently with improvements usually achieved within existing paradigms (Dawson, 2000, p. 136). Whether SICS will result in a paradigm shift is unknown. It is reasonable to suggest that it should act as a substantial change factor in making retailing more people-centric and socially integrative. Retail is particularly suitable for the application of SICS because of its social role. Throughout history retailing has been strongly associated with the town centre and other places where people can meet, exchange products, be entertained and so on. Retail enables a wide range of needs to be met in one trip Forsberg (1998, p. 185).

What is clear is that greater complexity is emerging in retailing, leading to significant challenges for retailers. Because of this, greater understanding can be gained from breaking down factors of modern retailing into smaller components. Combining smaller theories can culminate in a general theory (Hunt, 1983). This strategy has been adopted in this study as a number of frameworks have been generated that then combine into a conceptual blueprint; a model of SICS.

James et al (1981, pp. 509-510) suggested key store operations areas in the 1980s were ‘productivity’, ‘costs’ and ‘staffing’. Are these issues just as pertinent in the 2000s as in the 1980s? Marchington (1996, p. 21) points out



'there is little doubt that food retailing is now a major industry in most Western economies, not only in terms of its visibility and profile, but also because of the large numbers of people employed in shops'. Herein a key theme of the study is clear: the issue of how 'people' fit the conceptualisation of customer service. The interpretation of the social role of customer service is reflective of the internal social contract. Drucker (2002a, p. 150) states,

Today I believe it is socially and morally unforgivable when managers reap huge profits for themselves but fire workers. As societies, we will pay a heavy price for the contempt this generates among the middle managers and workers. In short, whole dimensions of what it means to be a human being and treated as one are not incorporated into the economic calculus of capitalism.

This is where a difficulty with conceptual development can be identified. Similar to other sectors, retail is very much focused on business in strict economic terms. Given the social nature of retailing an argument can be made for a balance between economic and social outcomes of customer service. Dawson (2000, p. 141) poses the question,

Can retailing be better used as a vehicle to generate social and economic advancement? If so, then how can this be done? The historic evidence in the richer countries is that retailing has provided a mechanism for improvement in social conditions and capital accumulation.

The next phase of development requires a more humanistic approach. Future viability and success of the supermarket may be dependent on the development of political, moral and ethical dimensions of customer service. These dimensions will be referred to throughout the study.

### **1.5 Scope of the study**

This study focuses on the main Irish supermarkets in the Republic of Ireland. All the main supermarket companies were asked to participate in the study. This included the multiples and a discounter. Notwithstanding the numerous

attempts to secure the cooperation of all the companies, a limitation of the study is that full cooperation was secured from three companies. This reduces the scope of the study but nonetheless it is considered that a three-company study provides more detail and depth than a single company approach. The literature review does incorporate a global retail perspective that draws on examples from worldwide supermarkets as points of illustration. As suppliers provide an essential role in meeting the needs of the customer, some minor reference will be made to them.

Similarly customers are the purpose of customer service. Customer research does not form the not part of the study. A number of reasons for this include:

- A research path that examined SICS in the context of the organisation was seen as more appropriate to a broader supply chain view. Essentially this would provide narrower but more in-depth information.
- There is a strong research focus on the internal customer. While internal customers views cannot be equated with external customer views they do represent a specific group of customers who are knowledgeable about the needs of external customers.
- From a socially responsive perspective if the views of external customers were taken into consideration a multi faceted approach may be necessary to take account of attitudinal, behavioural and loyalty effects. This would limit the setting of this research to a customer view that is not appropriate at an early stage of concept development.

- Recognition of the need to focus on the validity of SICS from a business/organisational view.
- It would prove difficult for external customers to assess SICS due to its innovative nature and the lack of its widespread implementation in practice.

## **1.6 Overview of research methodology**

This study consists of the combination of a number of research types including, comparative, descriptive and relational. Traditional customer service is compared with a more socially responsive approach. There is a detailed descriptive exploration of contemporary customer service. Additionally detail is provided on SICS. 'Relational studies investigate possible relationships between phenomena to establish if a correlation exists and, if so, its extent' (Mc Burney, 2001, p. 173). This study examines if a relationship can be identified between customer service and social responsibility. There is an investigation into how customer service is interpreted and delivered at three supermarket companies. A determination is made to find out if stores that display aspects of SICS have better customer service than others. The combined approaches are important to provide both a qualitative and quantitative aspect to the research.

### **1.6.1 Literature review**

An extensive literature review was undertaken to gain a comprehensive understanding of customer service, social responsibility and internal customer service. This literature was largely of an academic nature but also included relevant industry literature. The literature sourced originated from a number of key management areas including marketing, management, retail, distribution, personnel and human resource management. A cross-disciplinary

input was included with inclusion of literature from economics, sociology, environmental studies, political science and consumer research. Several research theses were referred to from Ireland and international sources. Material was also sourced from consultant reports, retail reports, conference papers and newspaper supplements. Sources in the literature review were generally of Irish, European and American origin. The conclusion of the literature review was that development of a similar logic to this study had not been approached in any substantive way.

### **1.6.2 Primary Research**

This was carried out in three supermarket companies operating in Ireland.

#### **Phase one: Company based research**

##### **Company leader survey**

The objective was to gain the strategic views of those who were at the forefront of Irish grocery retailing.

##### **Retail director survey**

Company directors with responsibility for retail operations or logistics were asked to complete a survey. The objective was to gain the strategic opinions of those individuals who were strategically placed in the organisations in relation to their understanding and applicability of customer service and social responsibility at strategic operational level.

##### **Human resource director survey**

The objective was to collect data on the understanding and perspective of strategic human resources, while gaining a company human resource insight to customer service.

## **Phase two: Store based research**

For confidential and ethical reasons, in agreement with participating companies the three stores that formed the basis of the study shall remain anonymous.

### **Store manager survey**

The store managers who completed a survey by personal interview were those whose stores formed part of the study, which in all involved nine managers.

### **Staff survey**

A staff survey was drawn up to collect data from staff in order to gain a complete view of the understanding and practice of the issues surrounding the study. Following the listing of the survey population a representative sample of twenty-five percent was systematically random sampled to complete the survey with the sample size being 290. Of this a total of 160 were useable representing 60% of the original sample size. All staff surveys were self-completed.

### **Observational study**

Four observational studies were carried at each store that participated in the study. These studies consisted of an observational checklist and observational monitoring carried out on a busy and a quiet day as identified by the relevant store managers.

- **Observational checklist**

A checklist of practices that included customer service and social responsibility was drawn up. Topics covered range from promotion of charity, stock of organic produce, to socially responsible in-store practices such as wide aisles, organic section, and ‘charity of the year’.

- **Observational monitoring**

This involved the timing of queues around the store at both peak and off-peak times. Monitoring was also carried out in regards to the availability of twenty randomly selected consumer products.

### 1.7 Research timeline

The following is a general outline of the timeline for the research study:

<b>Date</b>	<b>Detail</b>
October 2000	Ph.D registration
October 2000/02	Major literature review/development of methodological framework
October 2001/September 2002	Survey/observation design
October 2002-April 2003	Research testing and refinement
May-September 2003	Company-wide research administration
June-September 2003	In-store research administration
October 2003/September 04	Data analysis and minor literature review
October 2004/August 2005	Write up

## **1.8 Limitations of the study**

### **1.8.1 Literature review**

It appears there is a lack of academic investigation into the supermarket sector. This resulted in a literature review with a more limited referral to ‘supermarkets’ than was anticipated. Searches for related terms such as ‘food/grocery retailing’ also produce limited literature applicable to the areas of research. There was also a notable and pervasive lack of prior investigation into the link between social responsibility and customer service.

### **1.8.2 Primary research**

It was envisaged that all companies contacted would participate in the research. However, two companies chose not to participate in the study. One of these companies agreed to co-operate with survey testing in one store.

### **1.8.3 Financial data**

Confidentiality was important in order to secure the co-operation of the companies that participated. It was not possible to access financial data.

This is a consistent feature in assessment of the Irish supermarket sector as Coleman (2005, p. 5) observes,

Speculation more than transparency is the main game when attempting to divine the financial performance of the Irish supermarket trade. With little or no attempt by any of the big players to provide comprehensive financials, only the slightest information is available.

This is a key limitation in the study as availability of such information has the potential to add to the validation process of SICS. In particular discussion of the impact of SICS on the financial bottom line could not be assessed. Where possible financial data will only be referred to a limited extent. Of the three companies, two private and one public, only one private company

comprehensively ranked profitability based on all factors being equal whereby age/maturity of market, store size etc is adjusted for. This allowed for comparability eliminating factors such as store size.

### **1.9 Working definitions**

The focus of the study from a geographical perspective is the Irish Republic. Where reference is made to 'Ireland' in the study, this may be understood to be the Republic of Ireland. It is necessary to present working definitions of all key terms. These terms include customer service, social responsibility, internal customer service, grocery retailing and supermarkets. Due to ambiguity in terminology definitions have been generated.

#### **Customer service**

The definition of 'customer service' presents difficulties (Zinszer, 1976; Fahy, 1993) as the concept is in widespread use and open to various interpretations. This becomes problematic because the scope of understanding is so broad and varied the central theme of the concept loses its essence: that is 'to serve'. While numerous authors (Donaldson, 1986; Lovelock, 1988; Domegan and Donaldson, 1992; Lucas, Bush and Gresham, 1994 and Stone and Field, 1999) have put forward explanations, the general weakness is that the focus is either too narrow, overly logistical or outcome rather than delivery based. To address the uncertainty a cohesive definition is presented:

Customer service is a philosophy that permeates all aspects of an organisation to serve the needs of customers in a manner that is mutually beneficial to all stakeholders and involves the facilitation of customer satisfaction, loyalty and goodwill.

#### **Social responsibility**

A number of contributors (Davis, 1975; Robin and Reidenbach, 1987; Annan, 1999 and Bronchain, 2003) have advocated support for the concept of social



responsibility. The common theme within the literature (Bartol and Martin, 1998; Maignan et al, 1999; Griffin, 1999; Grayson and Hodges, 2001) indicates the application of a corporate response to social issues that have societal consequences. This is to be applauded but a gap does emerge with the inclusion of local or service based social responsibility. Therefore the following definition is proposed.

A term used to describe an organisation's obligation to provide a positive contribution to society while also being committed to limit any damage to the environment.

### **Internal customer service**

A significant number of authors have suggested the importance of people in services in general terms (for example Albrecht and Zemke, 1985a; Piercy and Morgan, 1991). Others have specifically addressed the role of staff in service delivery (Rafaeli, 1989; Schlesinger and Heskett, 1991b and Carpenter, 1993). No direct reference is explicitly made to internal customer service in the literature. As a predecessor to internal customer service the most significant contribution has been from Gummesson (1987) who refers to the internal customer. The following definition is proposed:

Internal customer service is a philosophy and practice that serves the core organisational community of staff in a proactive manner that improves the quality of work life.

### **Grocery retailing**

Many contributors have discussed the impact retailers have on people's lives (Lucas et al, 1994; Blythman, 2004). This is important to the proposal of a definition. Cox (1988, p. 31) believes 'the effects of the retail revolution are more apparent in the grocery trade than anywhere else in retailing'. This makes grocery retail a suitable candidate for research. What is consistent across definitions is reference to the sale of goods and services to final consumers (Lucas et al, 1994, p. 2; Forfás, 1999, p. 2). In the context of this

study, the following definition is proposed:

Grocery retailing is a service that provides value to consumers and has an impact on their daily lives. Retailers source and supply primarily grocery products and foodstuffs along with related services to consumers for their use and benefit.

Having outlined grocery retailing it is necessary to examine what is understood by the term 'supermarket'.

### **Supermarkets**

Over the decades several definitions have been offered (Tilley and Hicks, 1970; West, 1988). These range from short definitions (e.g. [www.fmi.org](http://www.fmi.org), 2005) to ones more descriptive in nature (Lucas et al, 1994, p. 37). To aid clarification a definition is generated:

Retail outlets that sell a large range of fast moving consumer goods, primarily foods, to end consumers in one large premises largely through self-service operations where delivery of value is critical.

Having defined all key terms, a chapter overview is presented in the next section.

#### **1.10 Chapter overview**

The following is an outline of the ten remaining chapters of the thesis. Chapters 2-4 provide clarification, exploration and development of key terms and concepts, through a comprehensive review of available literature. Chapter 5 proposes and explains the concept of socially integrative customer service. Chapter 6 outlines the research methodology. Chapters 7-10 present the findings in case study format. Chapter 11 provides a discussion that includes the drawing of conclusions and recommendations.

## **Chapter 2: Customer service**

This chapter explores the meaning and scope of the concept of customer service. The literature review indicates the limitations of contemporary understanding and consequently a change in direction is recommended that has a new philosophical base with theoretical and practical implications.

## **Chapter 3: The customer service network**

An investigation is carried out into the nature; key features and relevance of the customer service network with social responsibility identified as a theme to broaden the customer service concept.

## **Chapter 4: The relational theme of customer service**

This chapter explores the case for the relational theme of customer service and identifies internal customer service as an area that supports the idea. From the literature, clarification is provided that highlights the potential of internal customer service.

## **Chapter 5: Socially integrative customer service (SICS)**

This chapter explains, illustrates and prescribes the concept of Socially Integrative Customer Service (SICS).

## **Chapter 6: Research methodology**

The research methodology carried out is detailed including the mechanisms for generating secondary and primary data.

**Chapters 7 to 10** consist of four case studies that illustrate the findings of the primary research. They examine key areas of socially integrative customer service. There is an 'in' company approach whereby all findings that relate to

one company form the basis of a case study. This is carried out for all three companies and finally a ‘between’ company comparison is made that examines findings across the three companies.

### **Chapter 11: Conclusions and recommendations**

The literature review and empirical study provide a basis for conclusions and recommendations.

## CHAPTER TWO

## CHAPTER TWO: CUSTOMER SERVICE

### 2.1 Introduction

The concept of customer service remains open to differing interpretations and understanding. Kisperska-Moroñ (2005, p. 122) maintains 'customer service is a very wide term and varies from one company to the next'. The sparse literature and lack of clarity surrounding the concept is in contrast to the observation of Blume (1988, p. 24) who notes, 'the age of the customer is upon us', and consequently the customer is the focal point of activity. If this view were widely accepted it is doubtful that this conceptual ambiguity would be so pronounced. Increasingly contributors direct attention to increased consumer sophistication (Hodgson, 2001, p. 117). The managerial literature is long on the rhetoric of the customer, but remarkably short on the analysis of this agent (Rosenthal et al, 2001, p. 23). Consequently some have called for change in organisational approaches to customer service (Fitchett and McDonagh, 2001; McDonald and Wilson, 2002).

Academic enquiry, as noted by Domegan (1993), has not resulted in a significant collection of published academic texts. According to Fahy (1993, p. 33) 'the discussion of customer service is ubiquitous in the services marketing literature'. Despite broad awareness and much practical advice (such as the 'Boomerang Principle', Quinn, 1990, p. 22) the concept of customer service has not yet gained the recognition worthy of such a universal and integrative idea. While 'customer service continues to have a high profile in academic and more prescriptive literature as well as remaining at the forefront of many contemporary organisational changes' (Sturdy, 2000, p. 1083), key weaknesses still have not been adequately addressed. In 1983

Grönroos noted the lack of attention paid to customer service investigation in the retail context. More recently Levy and Grewal (2001) confirm this trend.

In order for a concept to develop and be refined it is necessary to question the core philosophy. As Kotler (1972, p. 46) notes, 'one of the signs of the health of a discipline is its willingness to reexamine its focus, techniques, and goals as the surrounding society changes and new problems require attention'. This chapter aims to advance the conceptual interpretation of customer service.

## **2.2 In search of a definition of customer service**

Despite its widespread use, there is no commonly accepted definition of customer service. As Zinszer (1976, p. 13) suggests, 'the phrase "customer service" presently seems to lack generic definition, apparently because of the highly situational use of the term. Customer service is a "catch all" term'. Thirty years later, this argument is still valid. This implies that customer service requires greater investigation at a definitive, practical and conceptual level.

Many view customer service as a tool that aids the attainment of a 'competitive edge' (Desatnick, 1993). Domegan and Donaldson (1992, p. 204) refer to the benefits as, 'enhanced profitability and customer satisfaction, which in turn positively affect corporate image'. They also highlight customer service as a differentiator that cannot be easily duplicated. In broader and operational terms Lucas et al (1994, p. 131) understand customer service to encompass many activities (right merchandise in stock; knowledgeable and courteous salespeople; a comfortable and efficient atmosphere and maintenance of a high level of quality in product and service offerings). Hence, customer service is widened to include salespeople, atmosphere and quality. Customer service sets the procedures, provides staff and creates a satisfying experience for customers. While this gives an

expanded and deeper explanation, it does not provide an insight into the goals or objectives of customer service.

A highly quantitative or production-oriented approach to customer service is taken by Lucas et al (1994) and Stone and Field (1999, p. 76). The latter note that in a retail context, 'ninety per cent of customer service is having the right product on the shelf at the right time (size, weight, length etc)'. While this statement does provide a practical focus it remains unchallenging, unimaginative and non-directional for future enhancement of the concept. Similarly Lovelock (1988, p. 286) outlines two production-oriented goals of the 'task' of customer service: 'operational productivity and customer satisfaction'. While it is appropriate to tangibilise customer service in this way, such a rigid approach does not encompass the essence of the concept. Further contributions were needed to build the conceptual basis.

Despite the lack of a common approach many have attempted to clarify and develop customer service from a scholarly standpoint. Donaldson (1986, pp. 133-134) suggests that 'one approach is to consider customer service as a fifth element in the marketing mix alongside the "4 Ps" [product; price; place and promotion] and therefore a variable to be managed in response to customer wants and competitive activity'. He elevates the role of customer service from that of operational/customer satisfaction concept to a key component of marketing.

It is at this point that customer service becomes a cultural entity that has practical implications. In consideration of the literature; the core purpose of customer service, to serve; the author presents the following definition,



Customer service is a philosophy that permeates all practices of an organisation to serve the needs of customers in a manner that is mutually beneficial to all stakeholders and involves the facilitation of customer satisfaction, loyalty and goodwill.

The inclusion of ‘mutual benefit’ and ‘stakeholders’ is important as for the first time the concept is stretched from a univariate (company to customer) to a multivariate construct (company to stakeholders). After a fuller discussion a more comprehensive definition will be presented, but first it is useful to outline the historical development of customer service.

### 2.3 Historical development of customer service

**Table 2.1: Historical phases of customer service**

Phase	Developments	Associated Authors
<b>Emergent</b> <b>1960s-1970s</b>  1960s 1970s	Pre-emergent Demand side customer service Order-cycle-related	O’Sullivan (1973) LaLonde and Zinzer (1976)
<b>Exploratory</b> <b>1980s-1990s</b>  1980s	Customer care Service guarantees Internal marketing Quality management	Carson and Gilmore (1989/90) Hart (1988) Berry (1980) Collier (1987)
1990s	Increased automation in customer service Human resource management Internal customer service	Walley and Amin (1994) Barnes (1993) Morris (1998)
<b>Authenticating</b> <b>Since 2000</b>	Social responsibility	Grayson and Hodges (2001)

As outlined in table 2.1 the development of customer service can be viewed in three phases. These are described in more detail below:

### **1960s-1970s-emergent**

The origins of the concept of customer service can be found in the late 1960s in the area of industrial marketing (Rakowski, 1982, p. 55). Early promoters of customer service in the field of industrial marketing relate the concept of customer service to 'demand' factors. At this early stage there was recognition that the firm had control of producing a service but also an appreciation of customer evaluation of the supplier (O'Sullivan, 1973, p. 36).

### **1980s-1990s-exploratory**

This phase saw a dramatic increase in the contribution to the body of knowledge. Attention was focused on practical areas, including customer care, customer service audits, service guarantees, customer charters, internal marketing and quality developments. During this time customer care became a key element in serving the customer with contributions from Carson and Gilmore (1989/90) being illustrative of endeavours. Customer care may be seen as an enabling tool for delivering customer service. The customer service audit (Lovelock, 1988) was another important development as for the first time it provided a mechanism to review customer service practices. Complementing this, academic attention turned to the area of service failure (Singh, 1988); recovery (Tax and Brown, 2000); service guarantees (Hart, 1988) and customer charters.

Both service guarantees and customer charters reinforce a company's commitment to service. In simplest terms these mechanisms clearly outline what an organisation promises its customers and involve compensating the customer if service failure occurs. From a critical perspective it could be argued that they could be used as a means of damage limitation or perhaps even more critically as a way to forestall legal actions resulting from service failure.

During the 1980s internal marketing emerged, with supporting academic contributions from Christopher (1986), Firnstahl (1989) and Gilmore and Carson (1995). Internal marketing involves applying the marketing ethos and practices internally (Berry, 1980) with the belief that satisfying 'internal' customers is a prerequisite for 'external' customer satisfaction. This is significant as for the first time in the history of customer service there is an extended interpretation of what a customer is. Prior to this the collective consensus was that customers were external only. At this point a key evolutionary change began to occur, with the application of customer service to the inside of an organisation. Although the concept of internal marketing has been subjected to considerable critique for example by Ahmed and Rafiq (1995), it is here the roots are formed for major breakthrough, the start of customer service introspection. The 1980s also saw the application of quality management to many commercial sectors that ultimately led to investigations in relation to customer service. Customer service and quality levels (CS and QL) received significant management attention as referred to by Collier (1987, pp. 78), Lehtinen and Lehtinen (1982), and Parasuraman et al (1985).

Quality in customer service has also its limits. For Mant (1990, pp. 39) 'customer service has to make a quantum leap of improvement, if only to secure a competitive advantage over all the others using the services of the same "quality" consultants'. Although Mant may appear critical of quality, it would be inappropriate to suggest that quality has not played a key role in the development of customer service. The quality approach has stimulated the discussion of how to evaluate customer service in a measurable way. The quality literature also assisted the emergence of the internal customer, with contributions from authors like Grönroos (1984, pp. 36-44) who referred to technical and functional quality. What may be the key assertion by Mant is the need for customer service to move beyond quality to gain prominence in its own right. While having significant impact at a practical level it is

questionable if the quality discourse has in itself had any effect on theoretical development of customer service.

### **1990s**

The 1990s saw an increase in customer service literature building on internal marketing but also a massive assimilation of technologies in services and a re-examination of customer loyalty. The focus on loyalty has resulted in criticism from some, such as Dowling and Uncles (1997, p. 81), for whom: 'in most cases, all that a customer loyalty program will do is cost money to provide more benefits to customers-not all of which will be seen as relevant to the brand's value proposition and/or positioning'.

The blurring of mass customisation and customer loyalty led many to reassert the 'true' meaning of customer loyalty. For Daffy (1999, p. 39) true loyalty, 'is where a customer will be loyal to your company or product or service or brand even when you have lots of competitors who make it easy to switch to them and perhaps even offer incentives or advantageous prices to do so'. For Daffy (1999, p. 40) the loyalty equation states 'Loyalty= Affinity X Satisfaction X Involvement'. This is an important development as loyalty is seen as evolving from customer satisfaction to include affinity and involvement. The latter two areas have still not been adequately addressed in the literature and clearer realisation is needed for organisations to understand that 'you cannot afford to treat customers like outsiders' (Daffy, 1999, p. 41). Customer loyalty can be described as an indicator of customer service success.

The use and development of technology in the 1990s has greatly impacted all facets of business. Technology in customer service does have some major benefits including, for example, error reduction. In keeping a balanced

customer service perspective it is noteworthy that over-use of technology can give a perception of depersonalisation of service (Walley and Amin, 1994).

During the 1990s building on internal marketing formed the basis of further research. Some of the major developments include the 'part-time marketer' by Gummesson (1991b), the 'cycle of success and the cycle of failure' (Schlesinger and Heskett, 1991b) and the 'service profit chain' (Heskett et al, 1994). Consequently these developments led to investigation into the role of human resource management in services and the use of empowerment (Bowen and Lawler, 1992). Overall Schneider (1994) observes that the literature on the human resource management-customer service link remains limited.

The 1980s and 1990s represent an exploratory phase of customer service, where academics were actively deliberating its dynamics. A key change in thinking exists between the two decades. The 1980s were very focused on the operational or active performance aspects of customer service with a focus on customer care and related matters. In contrast, the 1990s focused on the use of technology, while building on influences identified in the previous decade. Evidence would suggest that although this phase advanced the concept by stretching the definition of a customer, the core rationale of customer service remained largely intact i.e. customer service remained a reactive concept.

#### **Since 2000-authenticating**

Since 2000 no major direct development has occurred that represents a fundamental breakthrough. Literature has continued to grow around the internal customer (Mudie, 2003) and indirectly around people aspects, the latest being the area of customer relationship management (Turner and Alexander, 2001; Shaw and Ivens, 2002). Further studies continue to verify

the service link to profit (Bates et al, 2003) while other literature examines the paucity of valuable service brands (de Chernatony and Segal-Horn, 2003).

There are also indications that areas of influence have altered significantly including the growing issues of cause-related marketing and social responsibility. These have the potential to authenticate the concept of customer service. While the foundation of customer service remains tentative theoretical difficulties will continue. A mechanism needs to be identified to legitimise the concept. The process of authentication involves the recognition of the essentiality of customer service. Cause-related marketing is a new concept but an old practice, which can be traced back to charitable contributions of wealthy entrepreneurs. Pringle and Thompson (2001, p. 3) note that it is a marketing method that links a corporation or brand to a relevant social cause so that both benefit. Cause-related marketing indicates the legitimising of service beyond the immediate customer base. The emergence of social responsibility in the literature if applied to customer service could be the basis for the maturation of the concept.

During the 1960s there were some indicators that pointed to customer service but the vague nature of such discussions represents a pre-emergent stage. The 1970s was the decade of the emergence of the concept, which was largely based on a manufacturing approach. The 1980s witnessed a rise in academic attention but areas examined related to influences on customer service with little direct focus. Key issues included examining the process and caring for customers, while the idea of internal marketing also emerged. The 1990s built on areas identified in the prior decade. Since 2000 no major advances have occurred but indicators show the zone of influence includes cause related-marketing and social responsibility. Before further discussion of this development it is useful to identify the conceptual patterns that are materialising.

## **2.4 Conceptual development of customer service**

### **2.4.1 Theoretical approaches**

The conceptual development of customer service can be illustrated in four phases, logistical, instrumental, interactional and systematic. These phases have contributed to various theoretical approaches that combine to form the basis of this section.

#### **1. logistical phase**

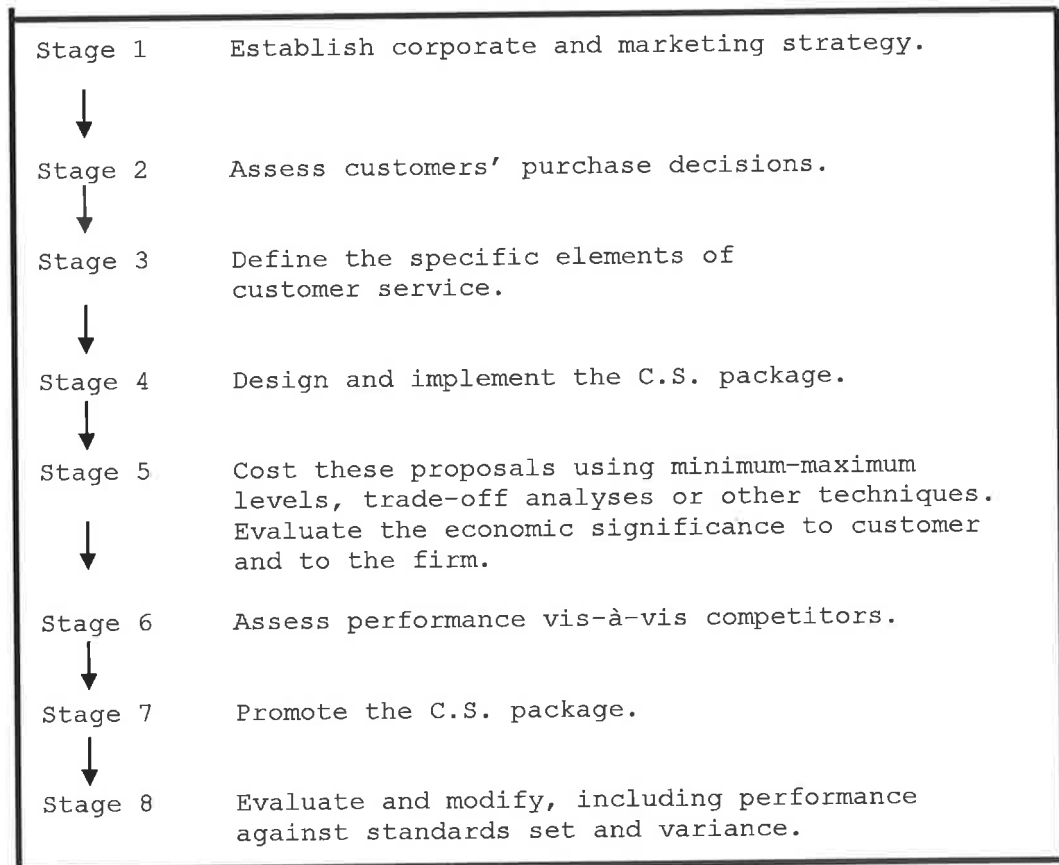
In the beginning customer service was perceived as little more than a supply and demand mechanism. If the product was not delivered then logistical failure occurred; customer service aimed to maintain a flow of product. Order-cycle activities were the initial focus of investigation into customer service and represented some of the first attempts to advance theoretical exploration in the field. One of the first attempts to explore customer service in a broader context was by LaLonde and Zinszer (1976) whose major contribution was to divide customer service into the temporal sequence of pre-transaction, transaction and post-transaction. LaLonde and Zinszer are among the first to apply a 'process' to the concept.

#### **2. instrumental phase**

Building on the logistical phase, the concept was divided into a series of steps that should be undertaken to deliver an end result. Drawing on earlier work Rakowski (1982, p. 59) expands the remit of the concept, 'customer service activities are necessary before an order is ever placed and must continue long after the product is delivered'. Rakowski highlighted the need to move beyond the logistical phase. Various contributions were made around this theme that supported the streamlining of service delivery. Service guarantees and service charters fit this conceptual approach. Customer service is viewed in a manufacturing form that is productivity driven.

The logistical and instrumental phases remain evident in practice. What these two phases represent is a procedural approach whereby customer service is interpreted as a process. This is consistent with early contributions to theoretical development. Under this approach customer service is interpreted as a series of steps that need to be delivered to meet customer requirements. Donaldson (1986, p. 137) illustrates this approach (Figure 2.1).

**Figure 2.1: Stages in the process of managing customer service**



**Source: Donaldson (1986) pp. 133-144.**

Donaldson sets out eight stages in managing customer service. Before referring to customers, corporate and marketing strategy are established, performance is analysed compared to competitors and finally evaluation takes place with explicit reference to standards. Considering its origins nearly two decades ago, the process discussed was appropriate and indicative of



developments at that time. The main weakness is in stage five, with economic evaluation only to the exclusion of social evaluation. The main value of the eight stages is that they serve to highlight that part of customer service involves a process. The next phase represents the conceptual movement from process to people.

### **3. interactional phase**

Recognition of the importance of interaction led to much attention to the personal elements of customer service. The third wave of conceptual development represents a focus on the interpersonal relationships during service delivery and this is where customer care and internal marketing become apparent. This involves a multi-relational quadrant of staff and management, staff and staff, staff (including management) and customers and finally customers and customers. Berry (1995, p. 90) in relation to customer care states,

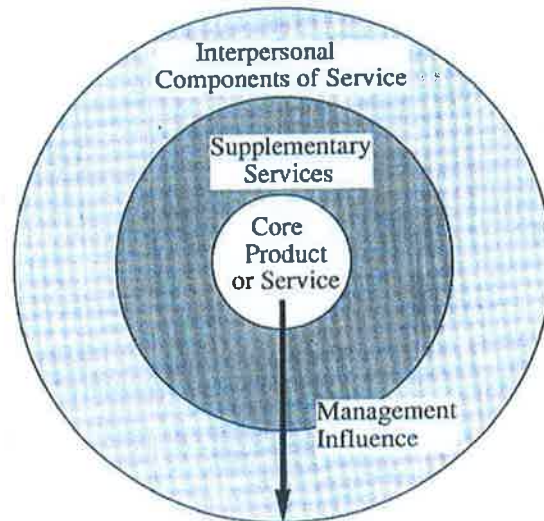
genuine caring about customers and excellence and the authority and confidence to exercise it - creates emotional bonds with customers. A service company that sponsors 'smile training' has no chance to be great. Only companies in which employees want to smile have a chance to be great.

Berry highlights a key aspect of customer service i.e., creating emotional bonds with the customer. Valuing the customer is a key development and remains at the core for academics and practitioners. Lewis (1995, p. 60) outlines the benefits of customer care including 'customer loyalty' and 'employee benefits e.g. increased job satisfaction, morale and commitment to the company'. The interactional phase firmly identifies the centrality of people in customer service

The participatory approach represents the interactional phase in practice. Supporters of this approach greatly value the interpersonal component over all other areas. The structure and reasoning of the procedural approach are illustrated in the model developed by Barnes (1989) (Figure 2.2).

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**Figure 2.2: The domain of customer service**



**Source: Barnes (1989) pp. 11-21.**

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Barnes's contribution clearly expands the meaning of customer service from the core service or product to supplementary services (that form an indirect part of the customer service offer). This shows the concept no longer involves just the process, but is augmented by supplementary services. The third area represents interpersonal components including staff and customers. This means that customer service includes all people contact aspects including the role and influence of management. This model significantly expands the theory by outlining in a clear manner the interpersonal factor of customer service.

Similar to Barnes (1989), Albrecht and Zemke (1985b), drawing from the Nordic school, outline in detail the story of the 1981 Scandinavian Airlines System (SAS) turnaround, which is testament to a need for interpersonal co-operation. Jan Carlzon initiated this process as the CEO of SAS and utterly changed customer attitudes in the company. Carlzon cut through management layers and took his message directly to working people and made strong use of teams. His approach was based on visible management with a strong commitment to managing the customer's experience at all points in service. What we learn from the SAS example is in sharp contrast with those who favour industrialisation of services such as Levitt (1972 and 1976). The Carlzon turnaround of SAS was critical in identifying the viability of the people component. This also showed the need for cohesion between process and people factors.

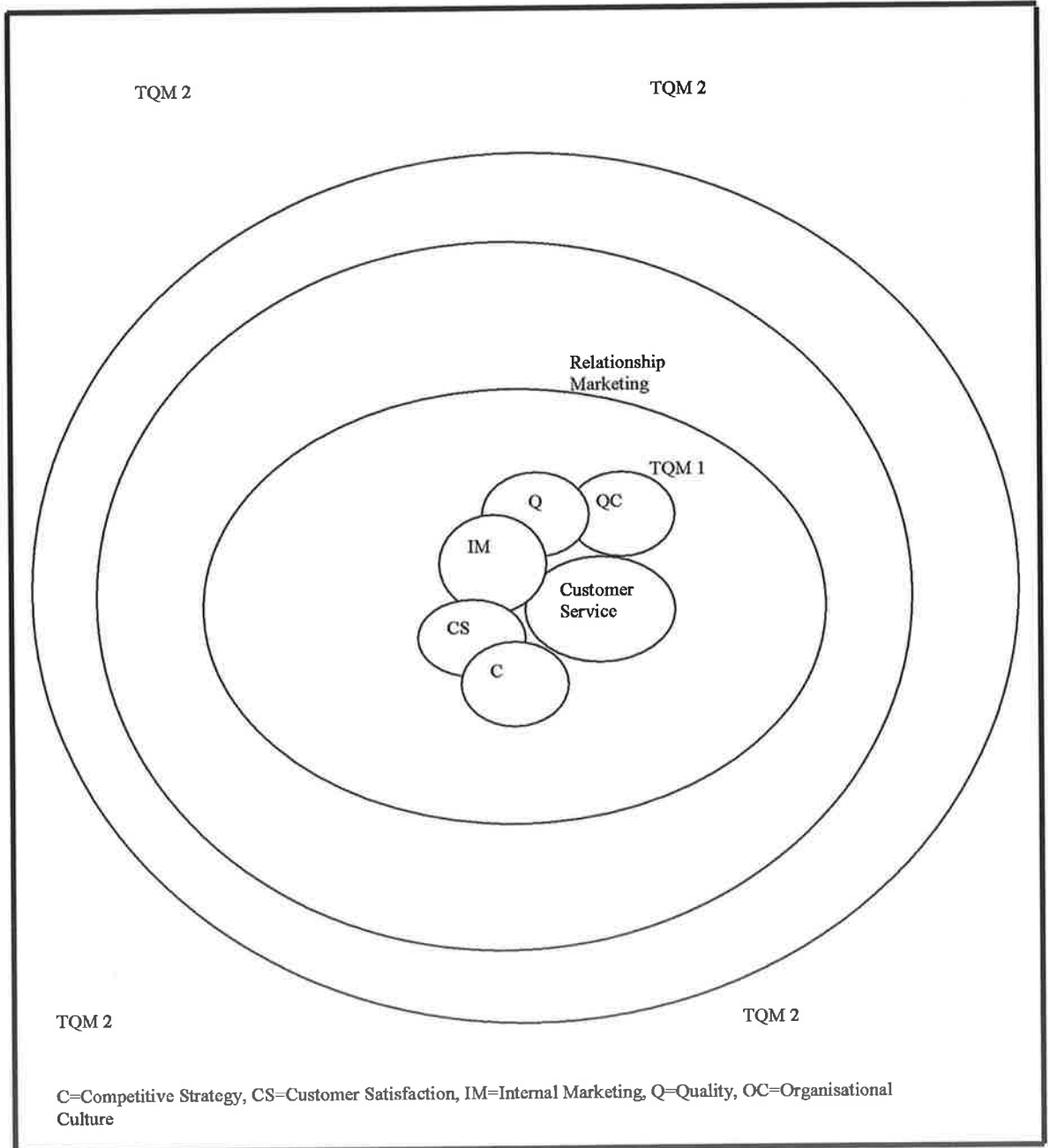
#### **4. systematic phase**

Customer service has evolved through a series of conceptual developments but a number of critics in the field emerge. For example Albrecht and Zemke (1985a and b) refer to consumers becoming increasingly critical of services provided. In a similar manner Samli (1992) refers to the deterioration of the service component in services. Such contributions are indicative of a concept with inherent weaknesses.

At this point it becomes obvious that adopting a coherent approach based on processes, and incorporating people, needed facilitation through a deliberate coordinated approach of systematic management. In practical terms a new interpretation of customer service emerged - the mechanistic philosophical approach. Reflective of this Sinnott (1994, pp. 175-176) (Figure 2.3) proposed that a customer service philosophy could be built around total quality management. It suggested that quality might provide the integrative

framework that transcends the boundaries between the customer service dichotomy of process and people.

**Figure 2.3: Overview of integrative framework possibilities for customer service**



TQM 1-Tools and Techniques

TQM 2-Incorporates its philosophy, orientation and culture.

**Source: Sinnott (1994) pp. 195.**

Sinnott argues that customer service forms the key part of the tools and techniques of marketing. Supporting areas include competitive strategy, customer satisfaction, internal marketing, quality and organisational culture, which are termed TQM 1. The second area is total quality management acting as an integrator between TQM 1 and TQM 2. Between TQM 1 and 2 is relationship marketing, which is closer to TQM 1, and marketing orientation, which is closer to TQM 2.

This model provides a more integrative approach to customer service than previously discussed. A conceptual fit for customer service is proposed as a key part of an overall philosophy. Total quality management is suggested as an integrator and is valuable as it shows the need for a combining factor for customer service and it links culture to customer service. The drawback is that a TQM approach is philosophically mechanistic and may be viewed as no more than an advancement on the procedural approach.

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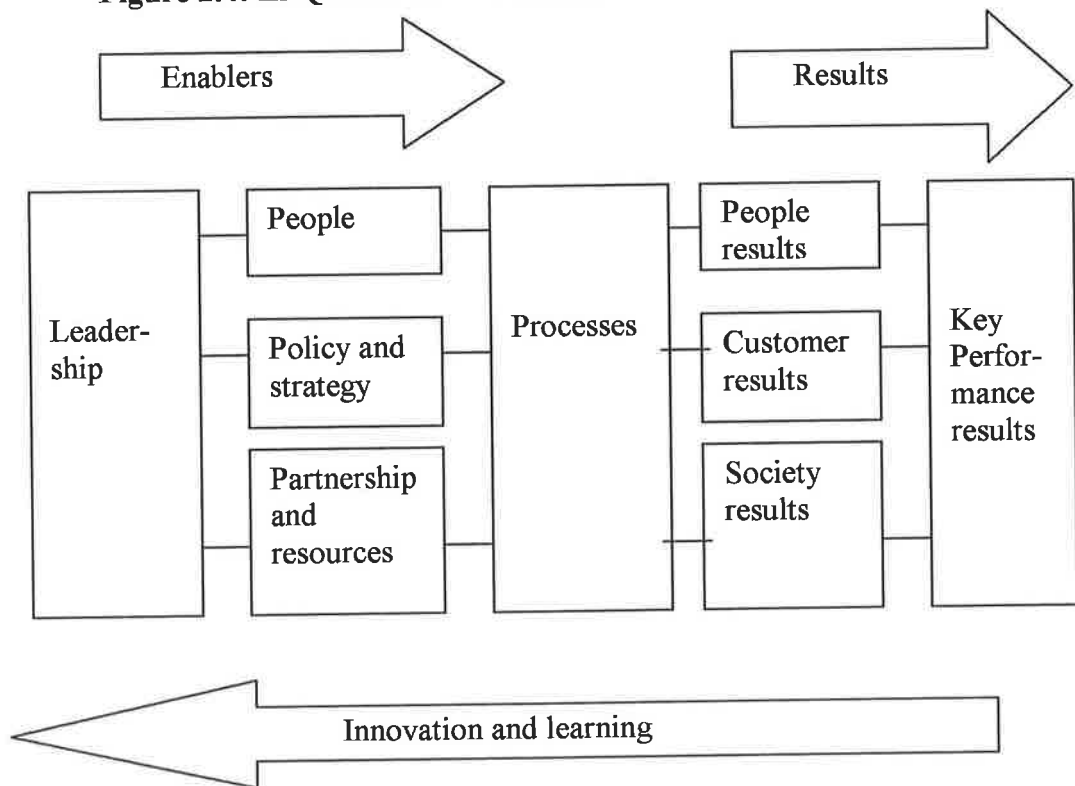
The European Foundation for Quality Management founded in 1989 has built on the role of quality to build sustainable business excellence.

The EFQM is the primary source for organisations throughout Europe which are looking for more than just quality - they wish to excel in their market and in their business.

EFQM Annual report 2004 [www.efqm.org](http://www.efqm.org)

The model is outlined below (Figure 2.4).

**Figure 2.4: EFQM Excellence Model**



**Source: Humphreys et al (2001)**

EFQM model is a non-prescriptive framework that recognises there are many approaches to achieving sustainable excellence. Within this framework there are some fundamental concept which underpin the EFQM Model: results orientation, customer focus, leadership and constancy of purpose, management by processes and facts, people

development and involvement, continuous learning, innovation and improvement, partnership development and corporate social responsibility.

[www.grc.cf.ac.uk](http://www.grc.cf.ac.uk)

In the context of SICS this model is testament to a movement that integrates various aspects of a more socially responsive approach to business. In particular emphasises on the results is balanced from a people, customer and societal point of view. The model represents movement in the direction of civic orientation with a focus on social/civic outcomes.

To secure legitimacy customer service needs to be philosophically developed in its own right, being flexible enough to absorb related influences while also maintaining conceptual independence.

### **The next phase: the humanistic philosophical approach**

The scope of customer service needs to be revised. The weakness with all these prior approaches is that there is bias towards a specific phase of conceptual customer service. This analysis is in keeping with the opinion of Rakowski (1982, pp. 62) who observed, 'the future will belong to those who can come to grips with the less "manageable" aspects of customer service'. Such a challenge is not purely academic but is needed in response to changing consumer demand. As Clarke and Schmidt (1995, pp. 161-162) observe 'marketing a service experience to a "postmodern consumer" is about enabling choice, allowing individuals to differentiate themselves, giving them freedom to "pick and mix"'. Similarly Youn-Kyung (2001, p. 288) notes that, 'consumers are increasingly demanding enjoyable experiences in their consumption activities'. The remit of the concept must be further developed to a human construct. A humanistic philosophical approach builds on the fundamentals - the service of and for people. To some extent it draws on the

interpersonal approach while taking due consideration of all other approaches.

What is needed is an approach that integrates all concepts of customer service in a way that enhances the status of the concept. To date the values of the concept have not been defined. Therefore by implication any current application of customer service has been of a reactive mechanistic nature, as a humanistic approach has not previously been advanced in theory. To further justify this theme a case example drawn from the operations of Wal-Mart is referred to in table 2.2:

**Table 2.2: Case example: Wal-Mart**

<b>Co. background/values/philosophy</b>
<p>'Our goal as a company [Wal-Mart], is to have customer service that is not just the best, but legendary'-Sam Walton (in Kotler, 1997). Sam Walton built the company on: '1. Respect for the Individual, 2. Service to Our Customers and 3. Strive for Excellence' (Source: <a href="http://www.walmartstores.com">www.walmartstores.com</a>). This suggests a strong customer service ethos. Does the unparalleled proliferation of Wal-Mart validate or dispute the theoretical development of customer service? Wal-Mart has not reached its number one position by being free from criticism from many sources.</p>
<p>Ortega (1999) has been critical in a number of areas for example the profit sharing scheme for staff. He also makes reference (1999, p. 301) to issues such as child labour, employee welfare, community life, the green effort, raising money for charity, adding 'at Wal-mart, relying on the philanthropy of workers and customers was just another way to keep costs down without looking miserly' (1999, p. 195).</p>
<p>With such growing negative criticism from Ortega and other sources, Wal-Mart did react to recover the reputation of the company.</p>



In 2002 Wal-Mart began research to compare the people who like and respect the company with those who do not and to understand the differences between the two. This is to 'protect and improve' the reputation of the company. This includes key stakeholders: consumers, investors, community and government. In response to its critics Wal-Mart's 2003 annual report (p. 15) refers to what the company has learned from its research:

- Our reputation, like our business, is a very local experience
- Wal-Mart jobs are key "reputation drivers"
- We must be a "good neighbor"

Some assertions can be made that include the realisation that company success has been built on a clear customer service strategy, one that reflects an instrumental approach to customer service. The chairman of the board of Wal-Mart Rob Walton in the 2003 annual report states,

First and foremost, a culture of ethical behavior underlies all that we do at Wal-Mart. All of us who worked with my father remember the many talks he gave stressing the importance of honesty, integrity and fairness in our dealings with our Customers, suppliers, Associates and the communities in which we operate.

Walton (2003, p. 4)

The biggest retailer in the world is acknowledging that to be successful in today's environment involves doing business in a manner of integrity, honesty, fairness and good community relations. Currently no academic contributions exist to guide retailers to practice more socially inclusive customer service.

During 2003, 'over \$104 million was given by Wal-Mart to more than 75,000 organizations'. (Wal-Mart annual report p.12) The company President and CEO believes company growth can be attributed to 'thinking like a small company, not a large one' (Coughlin, 2003, p. 8). During 2003 the company had record sales of \$244.5 billion with earnings of \$8 billion. Are such contributions ground-breaking and trend-setting for the biggest retailer in the world, a starting point in a change in corporate direction or a minimalist approach to grow a positive corporate image and reputation?

The future success of retailers depends on how well authenticity to the ethos of customer service or 'to serve' is implemented. Throughout this study and in consideration of a civic approach the idea is presented that the practice of

customer service can be optimised through delivery of a commitment to serve in a socially responsible way. An extract from Fitchett and McDonagh (2001, pp. 195) is useful to highlight the challenge to retailers.

Marketing principles may proclaim the consumer is now really the 'king' and argue the organisation will only prosper if the consumer's long-term desires and dreams are considered central to its activities, but in practice, organisation strategy and marketing activity are inevitably determined by managers, as agents of the organisation, not representatives of the customer.

Retailers can improve their customer service by acting as consumer advocates and guardians of customer rights and empowerment. Such an approach is lacking in the preceding example. On balance what is noteworthy from Wal-Mart is the role of 'local practice', that does not receive any significant attention in the literature, and also the increasing role of ethics.

Inferences can be made as to why such basic ethics need to be stated so categorically. This further indicates the critical need to integrate such factors into structural customer service. Academic contributions have not had substantial impact on the architecture of customer service in this regard. A number of weaknesses with contemporary customer service can be identified.

#### **2.4.2 Weaknesses of contemporary customer service**

Five areas of weaknesses that underline contemporary customer service will be discussed.

##### **a) Mechanistic nature**

The foundation of customer service is mechanistic in nature, based on a manufacturing approach which is provider biased. The customer is viewed in indirect terms with a focus on collective customers rather than individual customers. Recent examples verify this assertion. Ryanair's success as a low fare airline could be weakened by a lean customer service. A recent UK court

case arose whereby the company charged a disabled passenger; this represents the mechanistic nature of customer service at the company. Kelly (2004) noted that 'Ryanair is to levy 70 cents a flight on all customers following the court ruling against its wheelchair charge yesterday'. The consequences of this are twofold. First, from a customer service perspective charging for the use of a wheelchair that is part of basic service is arguably unacceptable and second, the company will increase revenue as a result of their action. Other examples abound that underline a thematic approach that is contrary to the fundamentals of customer service, i.e. to serve.

Another example relates to Coca-Cola's Dasani bottled water brand in the UK. Although sold as pure water it subsequently emerged to be ordinary tap water. Furthermore according to Johnson (2004) 'illegal levels of bromate were discovered'. During February 2005 the EU announced forthcoming regulations that would require airlines to compensate passengers for service errors such as double bookings. It must be asked; why would legislation to protect consumers be necessary if customer service theory and practice put the customer at the centre of all organisational activity? Can 'service' to customers be working adequately if such measures are necessary? Evidence shows a new layer of authenticity could be absorbed conceptually.

The key point is that customer service should add to the credibility of the organisation. Over the last few years there has been an increase in retail legislation, for example in relation to price labelling and price displays. This highlights the need for consumer protection in the absence of authentic customer service. When service is replaced by productivity Lovelock and Young (1979, p. 169) indicate that 'a lack of sensitivity to consumer needs and concerns' often results. Many have referred to the lack of literature on the role of customers (Butaney and Wortzel, 1988) and revision of this is central to reassessment of customer service.

So why does the mechanistic structure continue to dominate? First, logistical and instrumental components are the most tangible and second, customer service does not have a legal basis. Therein lies a fundamental weakness: the lack of statutory foundation allows for organisations to take an ad-hoc approach to practicing customer service. While not purporting to support the legal enactment of customer service, this may contribute to explaining this contemporary view. Unless organisations become committed to serving customers better, current weaknesses will continue to exist. A proactive approach in favour of consumers could be more sustainable in the long term where all efforts should be made to maximise service for customers. The second area of weakness is lack of consolidated response to academic suggestion, which is discussed next.

#### **b) Academic direction**

For over twenty years academic writers and researchers have indicated a change in direction was needed in customer service, as outlined in table 2.3.

**Table 2.3: Academic contributors that indicate a need for revitalisation of customer service**

<b>Authors</b>	<b>Contribution</b>
Albrecht and Zemke (1985a)	Service management and the need for managers to perceive their role as helping service people in their roles.
Mills and Morris (1986)	Service output comes from a social situation.
Coyne (1989)	The need for innovation if customer service is to further evolve.
Bowen (1986)	Customers are driven by more than economic needs and refer to the enjoyment of the service experience.
Sinnott (1994)	Equal attention to hard and soft elements of customer service.
Fenlon (2002)	Extraordinary levels of corporate productivity by mission and shared values.

The common theme through these contributors is a stronger focus on people components of customer service. This is indicative of a missing factor in customer service, which Pollock (1993, p. 19) suggests is the 'human factor'. To date no significant framework or model has provided the foundation necessary for the people component to excel.

**c) What is a customer?**

Up until the advent of internal marketing in 1980 there was no reference to different categories of customer. Currently two interpretations co-exist in regard to customer definition. Traditionally customers have been equated with external customers. More recently staff have been referred to as internal customers. In the context of the changing business climate and consumer expectations of organisations, is this sufficient? The author believes a further expansion is necessary. Various interpretations of a customer are suggested in table 2.4. (The author as part of the company leader survey generated these interpretations). Such an approach provides for a more holistic and comprehensive conception of the contemporary 'customer'.

**Table 2.4: Interpretations of what is a customer**

<b>A</b>	A customer is any individual or group who ever purchases goods and services from this organisation.
<b>B</b>	A customer is any individual or group who purchases goods and services from this organisation on a regular basis.
<b>C</b>	A customer is the most valued partner of this organisation, to which this company is dedicated to developing a strong mutually beneficial relationship with in the long term.
<b>D</b>	Customers consist of three groups of people. The primary customers of this organisation are our staff, who are valued partners in business success. The second group of customers are direct customers whom this company aims to build strong value based, long-term relationships in the most viable way. The third group of customers are indirect customers, whom this company serves indirectly through our extended relationship with society.

The movement from A to D represents the development of a broader interpretation of a customer. To date developments have focused on A and B with some reference to C; there has been little or no focus on D. What is required is for customer service to become more sophisticated and to focus more at level D. The remit of customers is not confined to external and internal customers. These can be classified as direct but there are also customers that the organisation serves albeit in indirect terms. No academic research to date has advanced this area.

#### **d) Need for sophistication**

It is fair to suggest that many service organisations have to a large extent provided a form of customer service based on serving the basic needs of customers. What is required is that social or advanced needs are also catered for. Perhaps also there is lack of awareness of a new kind of 'postmodern' consumer as referred to by Barker (2004, p. 16). In a similar vein Harkin (2004, p. 1-2) refers to Kasriel's description of some consumers as 'new puritans' who shop locally, boycott multinationals where possible, and buy organic. This is one of the latest in a history of varying customer typologies. For example shopping psychology literature is abundant with references to the varying needs and motives of customers (Stone, 1954; Tauber, 1972, pp. 46-59; Blackwell and Talarzyk, 1983; Holbrook, 1986; Antonides and Raaij, 1998, p. 420), which have not been comprehensively included in any investigation into customer service. Why has this not occurred?

Despite these contributions retailers appear to accept the study of East et al (1995, p. 104), which found that 'supermarket shopping is regarded as a pleasant or neutral experience by most people' - by implication customer service is provided in a unilateral way. There is evidence to suggest that intangible aspects of customer service in retailing are important. For example, in their study of store loyalty, Knox and Denison (2000, p. 42) found that 'the

intangible benefits associated with store selection have a significant part to play in building loyalty for some shoppers'. But the service meaning of customer service remains limited and in practice customer service as a function is rudimentary. Berry (2001, p. 134) identifies this challenge: 'most retailers understand in principle that they need to connect emotionally with consumers; a good many don't know how to (or don't try to) put the principle into practice'. A barrier to this could be the absence of clearly defined principles of customer service.

#### **e) Lack of principles**

In examining customer service it has been discovered that nowhere in the literature is reference made to principles. This adds to the ambiguity surrounding the concept. Current literature would suggest principles such as sufficiency, efficiency and friendly service. These represent a mechanistic approach to customer service. If a more humanistic approach is to be adopted with a civic basis there needs to be an extension to the understanding of customer service.

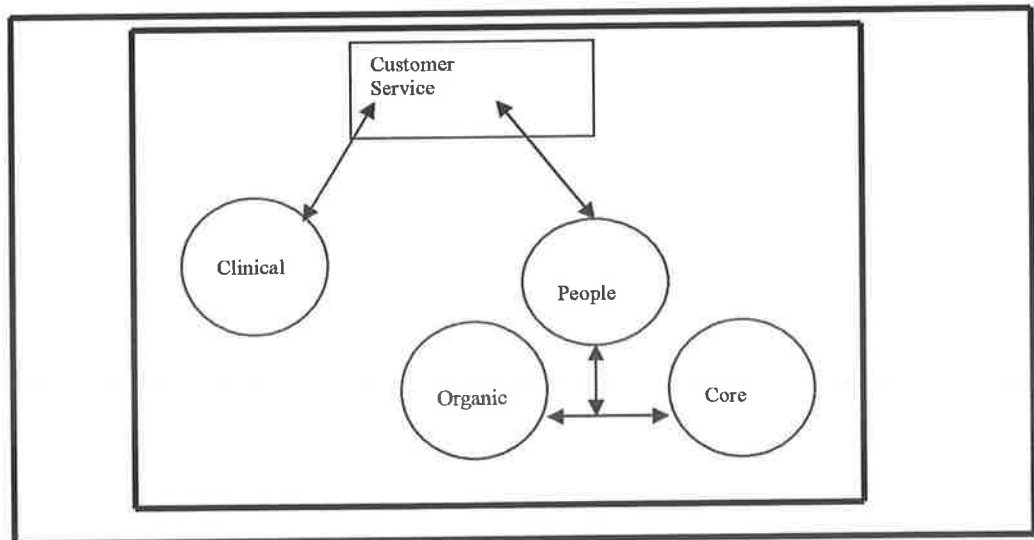
Organisations through customer service have a role in society that is reflected in the service of direct and indirect customers. In the western world societies are run by governments, and in turn governments serve and govern citizens. If organisations adopt a civic approach transferring principles that surround citizenship may be useful. Principles such as equality, respect, and integrity may serve as an aid. What is also significant here is the recent and deliberate attention to customer service in the public sector in contrast to the historical and incidental response from the retail sector. The public service provides for precedent here through the 'principles for customer service action plans' (O'Riordan and Humphreys, 2003, p. 44) and consultation (Humphreys, 2002). It is clear that new approaches are needed to facilitate the dynamics and potential of twenty first century customer service.

### 2.4.3 The civic layer

The interconnection between business, government and society represents a social network. From the literature and evidence from practice it becomes apparent that an additional component could be added to better deliver on the social contract implicit in customer service. In academic research antecedents that represent movement towards this humanistic view include trust and citizenship. Over the decades many have argued in favour of trust in business (Rotter, 1967; Zucker, 1986 and Johnson and Grayson, 2005). More recently, Joni (2004, p. 84) commenting on personal trust states it is 'based on faith in a person's integrity'. Trust in an organisational context could be described as customers' faith in organisational integrity.

Inherently there is a civic duty whereby organisational citizenship is deemed an extension of customer service. Heywood (2000, p. 119) makes reference to citizenship stating 'recurrent interest in citizenship reflects an enduring concern for, and commitment to, the "public" face of human life'. An ethos of citizenship through a civic orientation is key to serving direct and indirect customers. Prior to the addition of a civic layer to customer service the current molecular structure is referred to in table 2.5.

**Table 2.5: Aspects of customer service**





Clinical aspects relate to the systems and procedures of service operation. All non-personal factors of service that are necessary for a basic service to occur are classified as clinical factors. Providing clinical factors of customer service may not aid customer delight (Oliver et al, 1997), but the absence of such factors can create customer perceptions of incompetence. Stock unavailability, poor hygiene, non-working equipment, lack of service facilities all can occur from day to day but if customer service is to be taken seriously these problems must be eliminated.

Organic aspects are people-based not systems-based, including all factors that allow for interpersonal interaction between staff and customers. Examples include customer care programmes, service advice and active listening. 'Organic' factors may not be essential to providing a basic service but are the key to providing exceptional service. The connection between internal and external customer satisfaction has been noted in the literature (Schlesinger and Heskett, 1991b-cycles of success/failure- and Heskett et al, 1994-the service profit chain) and so it can be argued that the manner by which the 'human resource' function works in an organisation, will be reflected in the service experience of external customers. Weitzel et al, (1989, p. 29) agree that 'employees are not likely to treat customers any better than they are treated by the company for which they work'.

How the company serves its employees will reflect how staff serve customers, thereby promoting a culture of 'service'. Reflecting this, Sparks (1992, p. 179) comments, 'in many stores staff are told to say certain phrases and to deal with customers in a set way. This is believed to be providing service. In fact, companies who tell staff 'this is what you must not say' and 'let them find their own phrases' provide better service. Sparks provides identification of the type of change that is needed for organic service to occur.

Customer service can be advanced if organisations examine the service experience in greater detail with both internal and external customers being engaged at an individual level that embraces their diversity of needs. As noted by Christopher (1986) it would be incorrect to focus on external factors only. The delivery of customer service internally to staff has the potential to facilitate an improved service culture. Freemantle (1993, p. 81) calls for customer service to 'be deeply embedded within the culture of the organisation and within the personal beliefs of every serving member of that organisation'. Attention to customer service detail inevitably requires a human-centred approach to customer service. This is described by Albrecht and Zemke (1985b, pp. 77-78), as 'a customer-friendly system, ... whose basic design makes things easy for the customer. The design of an effective service system actualizes the service priorities spelled out by the service strategy'. What Albrecht and Zemke are indicating is a holistic approach to customer service.

If customer service is to grow and develop then there must be a complete reassessment of the service concept. Coyne (1989, p. 70) believes improvement can only occur when there is rigorous understanding of service at a 'much finer level of detail'. Herein is the key difficulty of customer service. The current molecular structure does not support this. In this regard an extract from Blume (1988, p. 25) is relevant.

Karl Albrecht and Ron Zemke in *Service America!* tell the story of a British Airways survey that asked travelers to rate the airline in comparison to other airlines. When the statistics showed that about 20 percent thought British Airways superior and only 15 percent thought it inferior, company management initially was happy: 85 percent of customers were at least satisfied. The bad news, however, was that 65 percent of them saw no difference between British Airways any other airline. The implications, of course, were that 65 percent of the customers had no reason not to fly another airline and that 65 percent might not fly British Airways next time around.

This example illustrates the limits of contemporary customer service. For too many companies service is not a goal and may only be an aspiration. Having a service-centered culture may be essential but how does a company embrace such thinking? Organisations need to accept that customer service is essential to survival. To engage customers more effectively requires the recognition of the social network between customers and employees.

## **2.5 Reassessment of the customer service concept**

The contemporary format of customer service from an academic and practical perspective has failed to capture the central theme 'to serve'. Sturdy (2001, p. 5) believes that organisations 'need to connect more directly with broader issues of culture and politics'. Similarly Tyler and Taylor (2001, p. 61) observe 'much of the recent prescriptive literature on customer service emphasizes both justice and rights as the ethical prerequisites of "quality" customer interaction'. A means to address these areas and to consolidate service-centered culture is through the focus on a civic aspect of customer service. In short two areas need attention. First, there are structural difficulties

for customer service. Second, a new direction is needed to best serve society and customers. In addressing this situation the customer service matrix will be explained.

### 2.5.1 The customer service matrix

The customer service matrix reveals the structural imbalance of contemporary practice. Connections between approaches and aspects of customer service are illustrated. It is hoped the matrix can assist the alignment of theory and practice through the addition of a civic layer that can rectify the conceptual imbalance. The customer service matrix is presented in figure 2.4.

**Figure 2.5: The customer service matrix**

	Theoretical Approaches			
	Procedural	Participatory	Mechanistic Philosophical	Humanistic Philosophical
Practical Aspects Clinical	Dominant	Recessive	Recessive	Balanced
Organic	Recessive	Dominant	Recessive	Balanced
Organisational	Recessive	Recessive	Dominant	Balanced
Civic	Omitted	Omitted	Omitted	Dominant

Where a procedural approach is adopted in theory there tends to be a dominant clinical bias in practice. A participatory approach tends to be organically dominant in practice with recessive aspects being clinical and organisational. A theoretical mechanistic philosophical approach results in an organisational dominant approach in practice. All these areas represent weak customer service. In each case the theoretical approach adopted results in an over-reliance on a particular aspect in practice. A holistic approach requires taking a humanistic approach to customer service that needs to be integrated with all practical aspects.

## 2.5.2 Socially integrative customer service

In designing a model of socially integrative customer service (SICS) it is useful to synthesize previous contributions in the field. Reviewing three relevant models will enhance the reasoning for proposing a new model. The first of the three models is outlined is that of Sinnott (1994) (Figure 2.5).

**Figure 2.6: Models of customer service practice**

	Emergent	Developing	Progressive	Systemic	Sophisticated
COMPLEX					Standards for increasingly soft variables, teamwork and technology
				Extensive performance standards and innovative customer service strategies	Extensive performance standards and innovative customer service strategies
			Limited performance standards, variety of customer service techniques	Limited performance standards, variety of customer service techniques	Limited performance standards, variety of customer service techniques
		Some specific measures to deal with customer service within a TQM framework	Some specific measures to deal with customer service within a TQM framework	Some specific measures to deal with customer service within a TQM framework	Some specific measures to deal with customer service within a TQM framework
SIMPLE	Complaint handling	Complaint handling	Complaint handling	Complaint handling	Complaint handling

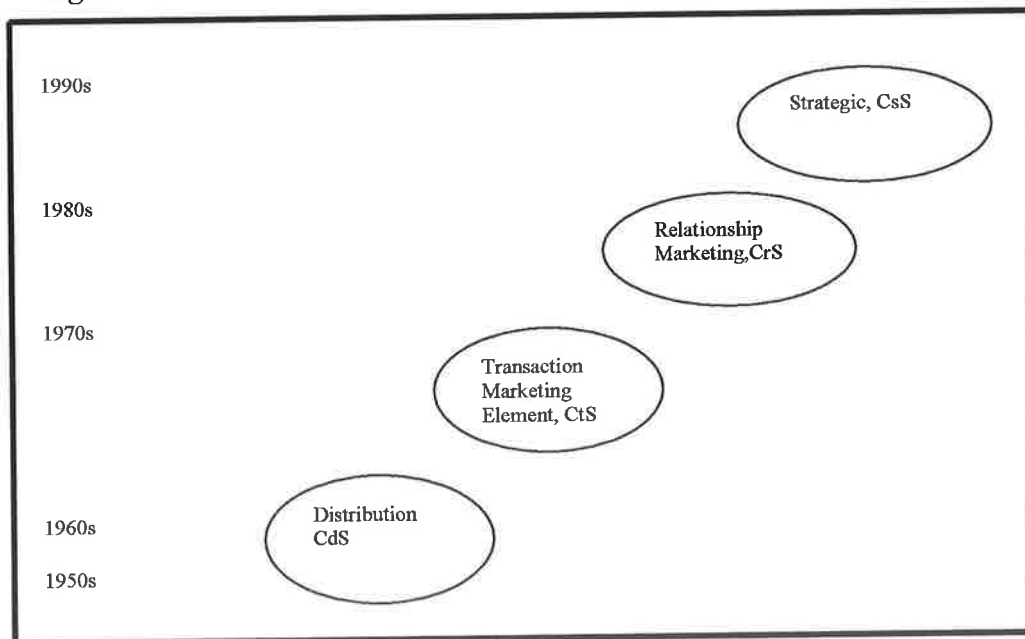
Source: Sinnott (1994) p.70.

Sinnott outlines practices of customer service that verify the dominance of the procedural approach to customer service. Even at the sophisticated level there is large dependency on standards, once again indicating an over-dependency on manufacturing metaphors in services. Sinnott (1994, p. 387) notes ‘a

company at the highest level of customer service development will pay equal attention to both hard and soft (objective and subjective) elements of customer service'. Sinnott's model indicates a need for a stronger conceptual base in delivering customer service. In effect customer service has not overcome its operational origin and the model demonstrates the weak functional base.

Moving from an overview of customer service practice, it is useful to examine modeling at a strategic level. The second model by Domegan (1993) (Figure 2.6) illustrates the evolution of customer service in relation to marketing and builds on the previous model through the acknowledgement of a strategic role.

**Figure 2.7: The evolution of the customer service concept**



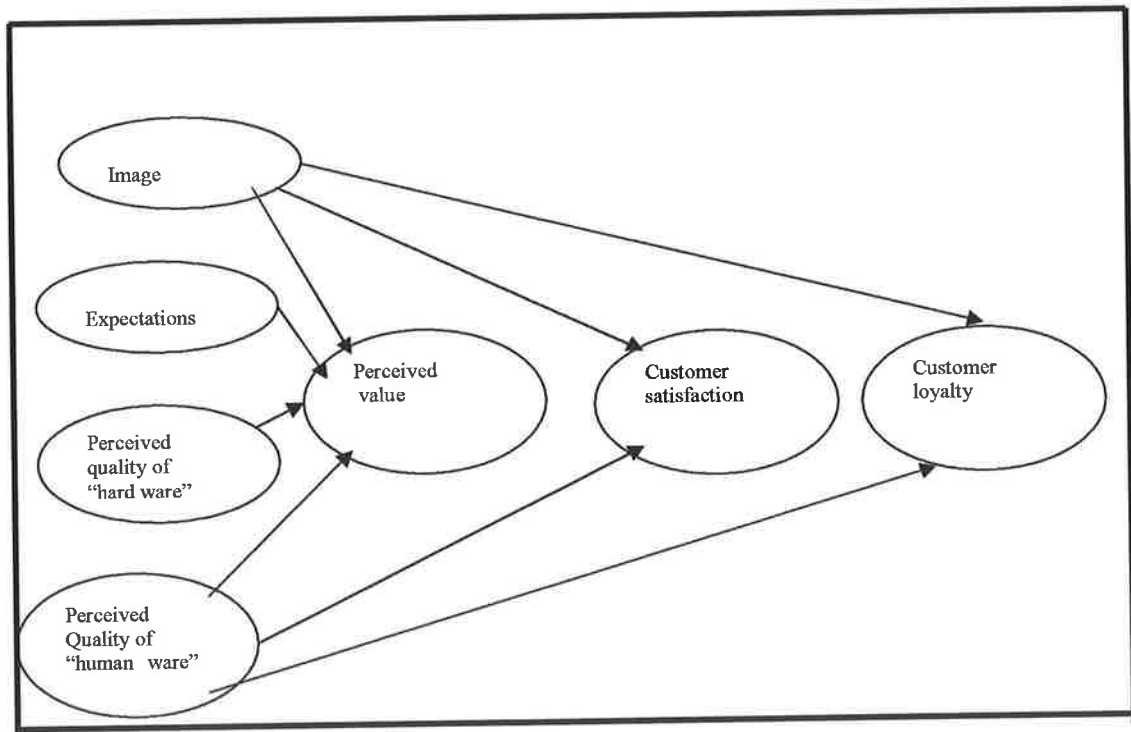
Source: Domegan (1993) p. 70

Domegan equates the development of customer service with marketing, moving from a distribution, to transaction, to relationship to a strategic focus. What Domegan's model highlights is the mapping of customer service from a

logistical to strategic entity. This validates the logical progression of customer service but lacks conceptual independence.

Recently the impact of customer service has been increased, for example use of customer satisfaction indices from the quality domain, confirms the zone of influence is increasing. The basic European Customer Satisfaction Index (ECSI) model (Jørn et al, 2002) outlined in figure 2.7 highlights this.

**Figure 2.8: The basic ECSI model**

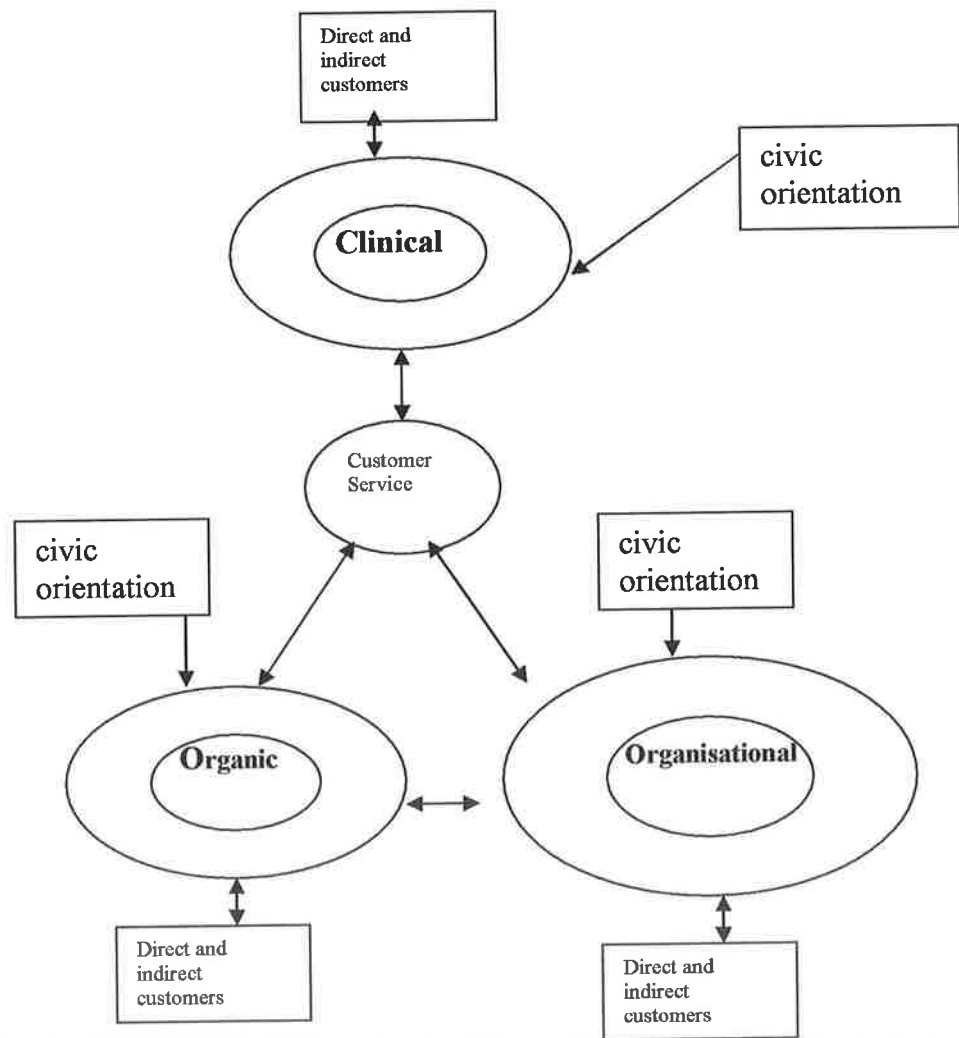


Source: Jørn et al (2002) p. 328.

Two factors of the ECSI are important: 'image' and 'human', are indicative of movement away from mechanical interpretation. These further highlight the continuous need for an integrating non-mechanical perspective in customer service. The weakness is that customer service is not referred to directly and so it is deemed to have an indirect impact.

The three models discussed confirm the current limitations of the customer service concept that remain grounded on theory that is built on an indirect evaluation of customer service. The functional base has limited the emotional impact of customer service. This is a barrier to the achievement of emotional affinity between customers and organisations. The philosophical basis needs to become stronger to overcome the functional bias. Not surprisingly these issues mean customer service is still referred to in indirect terms. Therefore a model of SICS is presented by the author in figure 2.9.

**Figure 2.9: A model of socially integrative customer service**



With SICS each practical aspect of customer service has a civic focus. clinical, organic and organisational aspects now become integrated through a

civic orientation. The implication of this is that all practices are dependent on adopting an ethos of civic duty. The role of customer service is to serve direct and indirect customers linked through a civic orientation with all aspects. Combined these two aspects indicate a format for development of customer service; social responsibility has the potential to integrate all of the preceding dimensions.

In current retail practice customer service continues to be considered as an outcome rather than an underlying philosophy, that is an integrator of all organisational activities. To overcome weaknesses of customer service this study suggests the addition of three dimensions to customer service. Table 2.6 examines three factors relating to where customer is (mechanistic) and where is should be (humanistic).

**Table 2.6: Aligning customer service**

<b>Factor</b>	<b>Mechanistic</b>	<b>Humanistic</b>	<b>Added dimension</b>
<b>Orientation</b>	Private	Civic	Political
<b>Customer interpretation</b>	Direct	Direct and indirect	Moral
<b>Outlook</b>	Short-term	Long-term outlook	Ethical

A mechanistic view is based on a singular functional dimension of customer service. The orientation is private i.e. to serve the profit motives of the company by serving direct customers with a short-term outlook. With a humanistic view the objective of customer service is not to serve customers in the short term but to improve the quality of life for all involved by serving both direct and indirect customers, taking a long-term view. This approach is responsive to concerns of authors like Bavaria (1994, p. 40) who recognise the failure of society to understand how business has affected the quality of life.



Customer service has a political dimension that has not previously been identified. Customers deliberate on the governance of customer service. Politically organisations need to serve customers to support their social mandate. Customer service involves serving society as well as individual customers. Kay (2002, p. 21) notes, 'the greatest problems of legitimacy are faced by bodies with no tradition, no charisma, no record of success and not even a vestige of democratic accountability'. Customer service can effect the legitimacy, the respect, and the reputation of an organisation.

To be accountable and respected for customer service requires forming a customer service philosophy that is morally acceptable to society, so it becomes clear that there is also a moral dimension to customer service. PriceWaterhouseCoopers (2001, p. 4) recognise the company has a role 'that goes beyond its function as an economic agent'. Studies of retailing carried out by Arnold et al (1996, p. 237) confirm that congruence with community norms has an impact on store choice. This growing evidence suggests taking a short-term view is becoming less acceptable and alternatively a long-term view is preferred.

Gwinner et al (1998, p. 110) discuss consumer confidence and the benefits of relational exchanges in the long term, while Walters (1989) expresses the need for companies to go beyond basic service provision. Cramer (2002, p. 103) refers to social acceptance as 'a question of the confidence that society at large has in a company'. This can only be achieved through humanising the customer service concept. Dawson (1969, p. 37) discusses the human concept as corporate effort in the achievement of a 'genuine internal' and 'external social purpose within the ultimate environment by contributing to the identification and fulfillment of the real human needs of our time'. Socially Integrative Customer Service (SICS) requires the redrafting of a definition. The author suggests the following:

Customer service (CS) is a philosophy of people-centricity that permeates all aspects of an enterprise or community and involves serving societal citizens in addition to serving three communities, local, customers and staff. CS is composed of four elements: civic orientation, that links all other elements including, clinical (procedures and systems), organic (people) and internal customer service. CS involves contributing in a tangible way to internal, local and global society of sustainability, respect and ultimately service excellence.

With this definition the concept of customer service becomes synonymous with being people-centric in service of all communities who are part of the society in which the organisation operates. In the future, customer service will be about serving the needs of society in synergy with customer needs. Receiving best possible customer service will be a right not a privilege for customers. What is required is that the role of customer service be broadened through acknowledgement of a civic orientation. In practice this requires recognition of the customer service network. In addition the humanistic approach can deepen the concept of customer service via reference to the relational theme. The former proposition forms the basis of chapter three, while the latter is discussed in chapter four.

## **2.6 Summary**

Customer service lacks definitive consensus but has historically developed since the 1960s. Conceptually four phases of development can be identified that translate into three approaches in practice. The development of customer service suggests there are inherent contemporary weaknesses.

It is proposed that a civic layer be added to practical aspects of customer service. A humanistic view requires the acknowledgment of three dimensions to customer service, political, moral and ethical. Consequently a humanistic view of customer service implies a new model which is termed socially integrative customer service or SICS.

## CHAPTER THREE

## CHAPTER THREE: THE CUSTOMER SERVICE NETWORK

### 3.1 Introduction

This aim of this chapter is to present a theoretical basis to broaden the concept of customer service. Many contributors are critical of business for the predominance of profit maximisation and express concern about the impact of economic development on society (Drucker, 1975, p. 34; Steiner and Steiner, 2003, p. 89-90). Simultaneously there is an increased awareness of the role of organisations as social institutions. Although in its ‘infancy’ (Bronchain, 2003, p. 7), it is here Corporate Social Responsibility (CSR) plays a key role. In this chapter conceptual progress of CS is based on identification of the customer service network (CSN), facilitated via the symbiotic link between CS and CSR.

The concept of CSR is crucial to the discussion of broadening the role of customer service. Despite the rudimentary implementation of CSR there is growing international support for its ethos. The United Nations has also contributed to the legitimisation of CSR in business practice through its global compact ([www.unglobalcompact.org](http://www.unglobalcompact.org)) that was launched at the World Economic Forum in Davos on 31<sup>st</sup> January 1999. This initiative asks companies to embrace, support and enact, within their sphere of influence, a set of 10 principles. These include 2 principles in the areas of human rights, 3 for labour standards, 2 for the environment and 1 for anti-corruption. A global organisation ‘Business for Social Responsibility’ founded in 1992 recognises the changing social, economic, environmental and stakeholder challenges. ‘A company must regard corporate social responsibility as an essential and integral part of business mission, strategy and operations’ ([www.bsr.org](http://www.bsr.org)).

Nationally, Business in the Community established in 2000 focuses attention on the societal impact and responsibilities of business in Ireland.

We, and our members, believe Ireland has the potential to be a leader in sustainable development through corporate responsibility, where businesses maintain and increase their competitive advantage by playing their part to ensure everyone enjoys a high quality of life, within healthy and prosperous communities.

Business in the Community (2005)

The spread of such aforementioned organisations express societal expectations of a more socially responsive approach from business. The CSN provides grounding for absorption of a civic orientation of customer service. Throughout the chapter the nature, key features and impact of the CSN is presented.

### **3.2 Nature of the CSN**

In this section the basis of broadening CS via the CSN is explained. Discussion is based on the civic orientation of CS and the relevance of CSR.

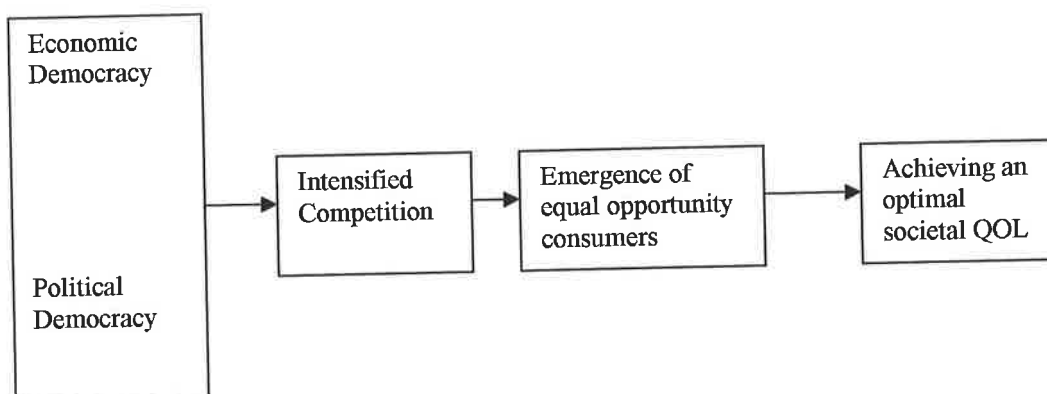
#### **3.2.1 A civic orientation**

From a critical perspective it could be suggested that the traditional focus of enterprise is economically biased. Increasingly evidence shows discontent with the dominance of economic equity (Hart, 1995, pp. 678-689; Bansal and Kilbourne, 2001, pp. 139-141; Sternberg, 2003). Studies consistently confirm consumer expectation for greater commitment and action from companies according to their social responsibilities (Amárach, 1999; PriceWaterhouseCoopers, 2002; Eades, 2003; Holt et al, 2004).

What is evident is the call for business to move from an overemphasis on economic priorities to greater responsiveness to their social obligations. One

model that succinctly illustrates this challenge is Samli's relationship of the two democracies (see figure 3.1).

**Figure 3.1: Relationship of the two democracies**



**Source: Samli (1992) p. 166.**

What is important from Samli's contribution is the duality of economic and political democracies to the achievement of societal quality of life. The basic premise of the 'two democracies' is that there must be a balance between economic and political democracies. The political democracy refers to one person, one vote; the economic democracy refers to one dollar or euro, one vote. If the focus of business is exclusively economic then consumers and society are not well served.

From a CS perspective if an organisation interprets its remit to serve only direct customers this would represent the economic democracy only. In contrast if the remit is to serve both direct and indirect customers this is more reflective of a political democracy. In the context of SICS if organisations take their social responsibilities seriously, then the remit of service extends from customers to consumers. The democratic power of consumers is at the heart of drafting CSN theory. A mechanism is needed to assist the advancement of the civic orientation of CS. CSR represents an underlying civic orientation to serve indirect customers (in addition to direct customers).

There are many commonalities between customer service and CSR. The emergence of the idea of CSR is not a new concept but has until now remained largely unanalysed (Harrison and Freeman, 1999; Mitchell, 2001, p. 4; Cramer, 2005). In trying to define CSR difficulties arise (Makower, 1994, p. 12). This is substantiated by Robin and Reidenbach (1987, p. 44); Roberts (1992, p. 12); Amárach (1999, p. 4); Grayson and Hodges (2001, p. 235); Doane (2005). Generally CSR is the duty a corporation has to create wealth by using means that avoid harm to, protect, or enhance societal assets (Steiner and Steiner 2003, p. 126). Griffin (1999, p. 111) states CSR is ‘the set of obligations an organization has to protect and enhance the societal context in which it functions’, while Grayson and Hodges (2001, p. 243) contrast Elkington’s (1997) triple bottom line with the traditional business approach.

For Davis (1975, p. 24) CSR represents ‘a fundamental change in social directions’. Many continue to advance the role of CSR to include corporate citizenship (Singhapakdi et al, 1995, pp. 49-50; Bartol and Martin, 1998, p. 103; Maignan et al, 1999, p. 456; O’Grady, 2003, p. 14; Maignan and Ferrell, 2003, pp. 55-67; and Mathiason, 2004, p. 1). Bronchain (2003, p. 7) refers to the European Commission’s Green Paper 2001, which states, ‘CSR is commonly defined as a “concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on voluntary basis”’.

For the purpose of this study it is important to propose a definition of CSR. ‘Social responsibility involves meeting the needs of consumers in a way that proactively enhances the quality of life for all citizens of all communities impacted by an organisation’.

The development of modern social responsibility can be viewed in three phases (Table 3.1). This is not dissimilar to customer service development and subsequent discussion will highlight its weak theoretical base.

**Table 3.1: The development of corporate social responsibility**

Phase	Time	Action	Contributors
Phase 1:	1960s-early 1970s	Emergence	Drucker (1969) Steiner (1972) Friedman (1970) Carroll (1979)
Phase 2:	1990s	Re-emergence	Downes (1992) McDonagh and Prothero (1993) Drumwright (1994) Singhapakdi et al (1995) Nevin-Gettle (1996) Maignan et al (1999) Harrison and Freeman (1999)
Phase 3:	2000s	Prime Issue	Zairi (2000) Bansal and Kilbourne (2001) Grayson and Hodges (2001) Døssing (2002/03) Eades (2003) Steiner and Steiner (2003)

It was not until the 1960s that CSR appeared in academic literature (Steiner and Steiner, 2003, p. 126). This initial spate of academic interest could be directly correlated to the rise of consumer movements at the time, particularly in the United States (Drumwright, 1994, p. 2). With the development of two oil crises of the 1970s, the somewhat energetic investment by many appears to have been short lived. Despite the tentative assimilation of CSR in practice the main contribution of the 1970s was the furtherance of theory. From an intellectual perspective there was some more significant merging of ideas on CSR.



The 1980s remained an era of minimal cultivation of fresh ideas. This may be partly a reflection of the broader social and political context: many contemporary governments and political leaders were then advocates of the non-interventionist economic school.

This second phase of development was based on growing concerns about the natural environment and the threat of ecological catastrophe. Historically a proposition could be forwarded that the area of social responsibility appears to have a direct correlation with the economic status of developed world economies i.e. the economic booms of the 1960s and globalisation, business expansion and diversity of the 1990s. In the latter part of the 1990s social responsibility began to be treated as an independent part of the key strategy of organisations (the use of the term company is deliberately reduced in keeping with the context of a broader duty of business in society and the role of businesses as social institutions).

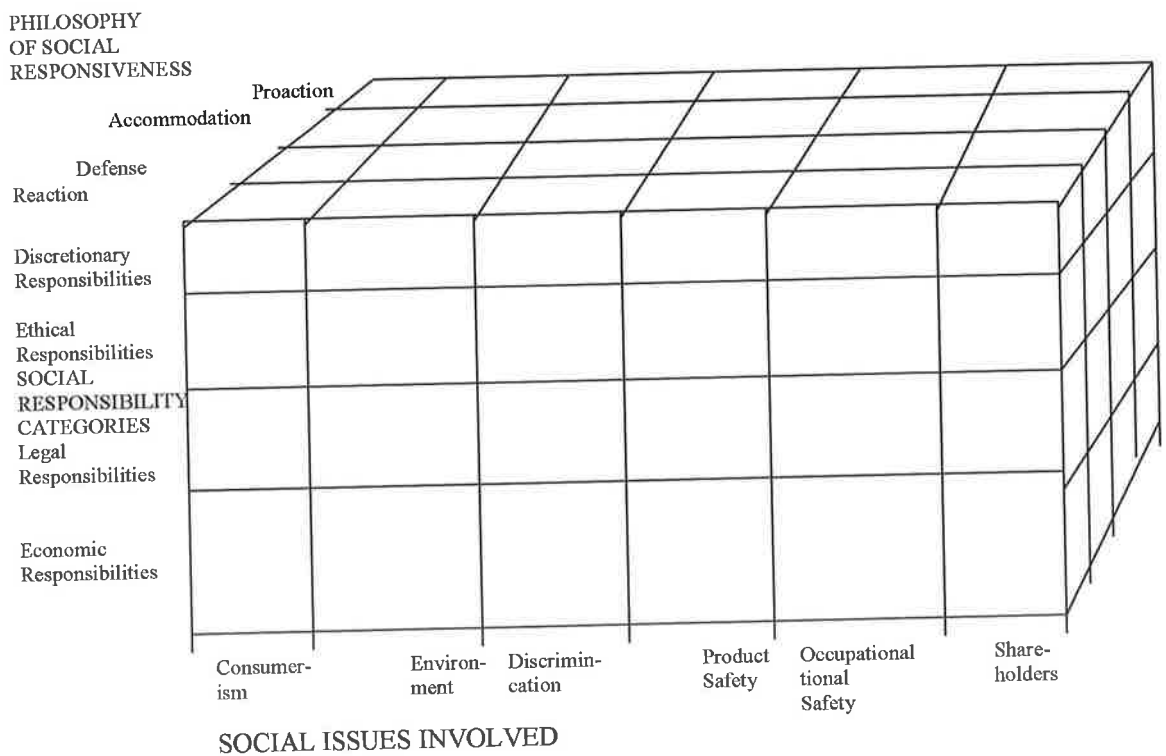
Since 2000 there has seen a resurgence of interest in issues of social responsibility that represents the third phase in the development of the concept of CSR. Recent developments (Nijhof et al, 2002, p. 83; Zairi, 2000, p. 172) are not based on singular issues but have the potential to be founded on the principle of 'true inclusiveness'.

Traditionally a key limitation of CSR is the consistent argument for and against its validity (Kreitner 1995, pp. 138-140; Naylor 1999, pp. 167-168, Griffin, 1999, p. 114). The common theme for involvement is to be responsive to the society a business operates in which means acting responsibly as a corporate citizen. The reluctance to accept CSR has its strongest modern roots with Friedman (1970, p. 32) who called drives for social responsibility in business 'pure and unadulterated socialism'. While

this debate has continued some are of the view that social responsibility is an elusive idea that has not been effectively interpreted (Handelman and Arnold, 1999; Doane, 2005). Increasingly many contributions discredit this view, for instance O'Grady (2003, p. 14) notes that a CSR strategy, 'can sustain business competitiveness through combining customers, ethics, environment, society and employees with sustainable business practices'.

A major difficulty is a mechanism is needed to further propel corporate strategies from legally compliant to being proactive. The seminal work by Carroll (1979) is useful to highlight the nature of CSR and is illustrated in a three-dimensional model (Figure 3.2).

**Figure 3.2: The corporate social performance model**



**Source: Carroll (1979), pp. 497-505.**

The corporate social performance model is a valuable analytical tool that provides an overview for the forming and monitoring of corporate performance. The main drawback of the model is that there is a lack of reference to CSR specifically in 'service' terms.

The more recent concern is the rhetoric and lack of embeddedness that surrounds CSR. Business can only serve its customers effectively by becoming more aware of its role and responsibilities in society (Warhurst 2005, pp. 165). In the next section the relevance of CSR is discussed in detail.

### **3.2.2 Relevance of CSR**

The societal aspect of CSR fits the general theme of a civic orientation of CS. Identification of a link between CSR and CS should be mutually beneficial to both. As noted earlier to a large extent business reluctance to respond to CSR is increasingly invalid. Recent studies confirm fiscal and corporate rewards for socially responsible initiatives (Eades, 2003, p. 27; Maitland, 2003, p. 13). New developments indicate there is a need to respond more holistically to the CSR challenge (McWilliams and Siegel, 2001; Bhimani and Soonawalla, 2005; Werther and Chandler, 2005). Others still maintain that CSR has not yet made an effective impact on business practice (Zadek, 2002) and reevaluation is necessary (Knox and Maklan, 2004).

Recently there is a shift in the response to CSR (Nelson, 2002/03, p. 16; Korhonen, 2002, p. 74). For example Werther and Chandler (2005) relate CSR to brand insurance. While PriceWaterhouseCoopers (2002) go further (as illustrated in table 3.2) by outlining the link between corporate responsibility and a company's value.

**Table 3.2: How a sound corporate responsibility strategy influences a company's value**

Corporate Responsibility results in:	Effect on Company's Value
First-class reputation with the public and consumers Long-term legitimacy Long-term satisfaction	Growth of margin through differentiation Growth Increase in growth duration
Attractive company for employees Easier access to talent	Higher productivity and quality Stronger innovation
Disclosure, transparency and control mechanism Fulfillment of corporate governance requirements	Trust of investors, more long-term investors Easier access to capital and decrease in stock price volatility
Active stakeholder dialogue, sustainability radar Creating a learning organization and identifying new trends early	Early reaction to arising risks, lower cost of capital New possibilities of income through new products and services
Saving potential through efficient use of resources	Cost reduction and higher margin

**Source: PriceWaterhouseCoopers (2002) pp. 22.**

It is here that an association with CS can be useful. The CSN identifies the civic orientation of CS as a method to further propel the essentiality of CSR. Theoretically the weak philosophical basis of CSR is reduced.

In the field of consultancy there is also a palpable recognition of the acceptance of the importance of social responsibility. According to PriceWaterhouseCoopers (2002, p. 5) 'in the mind of the community at large an implicit social contract now exists between business and society'. Progress can be made if the organisation is recognised further as a social institution. Some noteworthy academic contributions are listed in table 3.3.

**Table 3.3: Significant academic contributions to CSR**

<b>Authors</b>	<b>Contribution</b>
Steiner (1972)	Societal relationships, obligations and duties.
Davis (1975)	Fundamental change in social direction.
Carroll (1979)	Model of corporate social performance.
Samli (1992)	Balancing economic and political democracies.
Arnold et al (1996)	Store choice study and the importance of congruency with community norms.
Harrison and Freeman (1999)	Social issues as part of management literature.
Maignan et al (1999)	Need for holistic conceptualization and corporate citizenship is conducive to customer loyalty.
Zairi (2000)	Business determination to address environmental and social issues.
Cramer (2005)	Need to develop ways to put CSR into practice.

While these contributions advance the case for CSR, there is an evident gap. An assessment can be proposed that in effect CSR lacks a rigorous philosophical base and is referred to in abstract terms. The abstract nature of CSR needs to be addressed. There needs to be greater awareness and action of the societal function of business. Here again the link with CS is paramount as CS is expanded to have a societal influence.

Reference to how CSR is interpreted reveals a basis for further civic justification. Based on this analysis and in consideration of the available literature, four interpretations of CSR are presented (Table 3.4). The author generated these to form part of the company leader survey.

**Table 3.4: Interpretations of CSR**

<b>A</b>	A term used to describe an organisations legal compliance with local, government and EU legislation. Social responsibility involves making a fiscal profit to stay in business and thus serve society.
<b>B</b>	Social responsibility also describes an organisation's obligation to provide for some of the perceived needs of local and global society in a way that results in increasing the company's good public image.
<b>C</b>	In addition, at a micro level social responsibility involves sponsorship of charity and community events. At a macro level social responsibility involves reducing the damage to the natural environment.
<b>D</b>	A term used to describe an organisation's obligation to provide for the needs of local and global society in a proactive way that adds to the quality of life for all. Social responsibility goes beyond the fiscal profit motive to practice sustainable organisational citizenship.

While similarities exist amongst the options, there is a movement from legalistic compliance of CSR to recognition of the societal function of CS. Point A represents a lack of civic-mindedness in an organisation that can be associated with a minimum response to social responsibility. Point B represents a slight movement toward social responsibility with an instrumental civic outlook based on measurable economic outcomes. Point C represents a macro only view of social responsibility which illustrates a slight movement toward more responsiveness to civic obligations. Point D represents a holistic integrative approach to social responsibility that can only occur where there is an ongoing commitment to being proactive to an organisations civic duty. (As a consequence of the investigation into the societal function of CS a societal function indicator index was generated. Details of this are provided in appendix 7).

Despite some progress in this area, and some organisational movement toward C and D, there is a need for CSR to be advanced at conceptual level. It is here a case can be made for a symbiotic link with customer service. Maignan et al (1999, p. 456) maintain that recent work focuses too much on narrow issues of corporate citizenship. In this study a case is made to highlight the service role of CSR and in turn to identify the societal role of customer service.

### **3.3 Key features**

Having discussed the nature of the CS network two key features will be presented next. In practice the outcome of the CSN is the political dimension of CS-this forms the basis of discussion. Political embeddedness is the first feature of the political role of CSN.

#### **3.3.1 Outcome: The political dimension**

The outcome of the political dimension of CS is the recognition of the CSN. The link between ‘political’ and ‘power’ aspects of business and marketing are subject to much discussion in the literature (Bloom and Perry, 2001, p. 379; Kasabov and Murray, 2002, pp. 57-58; Manville and Ober, 2003, p. 51). Under the concept of the CSN these areas are deemed part of the remit of CS. ‘Politics, in its broadest sense, is the activity through which people make, preserve and amend the general rules under which they live’ (Heywood, 2000, p. 33). In relation to power Heywood (2000, p. 35) states ‘power can be broadly defined as the ability to achieve a desired outcome, sometimes referred to in terms of the “*power to*” do something’.

What is critical about the CSN is that business power is used in a socially responsive way in relation to customers. In short this requires acknowledgement of political values with core organisational values. More

specifically political values need to be merged with organisational interpretations of CS. Some key political values are referred to in table 3.5.

**Table 3.5: Political values**

**Accountability**

Accountability means answerability; it implies a duty to explain one's conduct and be open to criticism by another.  
Heywood (2000, p. 117)

**Citizenship**

Citizenship is a relationship between the individual and state, in which the two are bound together by reciprocal rights and duties. Citizens differ from subjects and aliens in that they are full members of their political community, or state, by virtue of the possession of basic rights.

Heywood (2000, p. 119)

**Community**

As a political or social principle, however, the term community suggests a social group that possesses a strong collective identity based upon the bonds of comradeship, loyalty and duty.

Heywood (2000, p. 122)

**Equality**

Equality is the principle of uniform apportionment; it does not imply identity or sameness.

Heywood (2000, p. 128)

**Responsibility**

Responsibility can be understood in three contrasting ways.

First, it means to have control or authority, in the sense of being responsible for something or someone.

Second, responsibility means accountability or answerability, in the sense of being responsible to someone.

Third, responsibility means to act in a sensible, reasonable or morally correct fashion, often in the face of pressure to behave otherwise.

Heywood (2000, pp. 145-146)

**Welfare**

Welfare, in its simplest form, means happiness, prosperity or wellbeing in general; it implies not merely physical survival but some measure of health and contentment as well.

Heywood (2000, pp. 151)



So how can the political discussion assist the recognition of the CS network? Like politics a societal function of customer service requires respect for and the improvement of the quality of life for all customers. Davis (1975, p. 24) refers to quality of life as 'the degree to which people live in harmony with their inner spirit, their fellow man, and nature's physical environment'. While governments serve citizens to improve societal QOL, organisations need to serve consumers in a manner that adds to the QOL effectively. Business needs to redress the social balance between citizens of the community and business. Effectively with the CSN there is a civic orientation that requires organisations to take a long-term view.

In a similar way Kaplan and Norton's (1996) 'balanced scorecard' can be viewed as an indicator to the political role of CS. They state (1996, p. 127) 'organisations must also invest in their infrastructure-people, systems, and procedures-if they are to achieve ambitious long-term financial growth objectives'. The balanced scoreboard is an internationally recognised tool to assist taking a longer-term financial view and a more socially inclusive view of commerce.

Organisational citizenship is not just limited to societal responsibility. In the domain of customer service, the customer (both direct and indirect) is also a citizen of the organisation. This is key to development the political role.

In practice the United Co-operatives Limited in the UK demonstrates one example of an approach to justify the political role of CS. The Mission statement of United Co-operatives Limited is, 'United Co-operatives is dedicated to being a successful consumer co-operative, serving the needs of its members and customers through being *The Community Retailer*'. United Co-operatives Limited state the four key aims of their first social report are:

'to reflect the Society's position as an ethical, co-operative business; to communicate where the society stands with regard to social and environmental issues; to set out the future plans for the society; and to engage with our employees, members and customers-our key stakeholders'. United Co-operatives Limited-The Community Retailer issued its first social report in 2003.

What is common here is the extension of corporate boundaries to include democratic values and activities such as education and the underlying bond is integration. Effectively this builds on Samli's 'two democracies'. 'To be successful in the future, organizations must focus on how they can create and increase customer value and long-term loyalty' (Mc Eachern, 1998, p. 481). The civic orientation requires a long-term outlook. Getting the social-economic balance right should impact customer loyalty. In the next section the second set of features will be presented. These include categories and levels of the CSN. An illustration of the CSN is also presented.

### **3.3.2 Consequence: Citizenship of service**

The CSN represents the broadening of the remit of customer service and in particular the assimilation of the societal function of the concept. The origin of customer service is in the field of industrial marketing and interestingly it may be this area that provides the basis for future development. At this stage network theory is drawn upon to theoretically advance the CSN. What is evident from the foregoing discussion is that the concept of CSR is network based. The political role reflects movement from CS as an exclusively insular issue to include also an externalized concern. 'The origin of the interaction/network approach to industrial marketing was in Uppsala University, Sweden during the 1960s and it has since spread to a large number of countries' (Grönroos, 1994, p. 7).

The network approach continues to secure interest from academics and businesses (Turnball et al, 1996; Cravens and Piercy, 1994, p. 5; Pels, 1999, p. 20; Awuah, 2001, p. 574; Alajoutsijärvi et al, 2001, p. 92). Table 3.6 outlines significant phases to the network approach.

**Table 3.6: Significant phases to the network approach**

First generation IMP research: the interaction approach	Håkansson (1982) Turnball and Valla (1986 and 1987)
Second phase IMP research: the network approach	Ford et al (1986) Dwyer et al (1987) Cravens and Piercy (1994)
Third phase IMP research: political embeddedness	Welch and Wilkinson (2004)

Development from the industrial marketing and purchasing (IMP) research stream has gone through three identifiable stages. First there was the interaction approach. This refers to ‘studies that focus on exchange processes and relationship formation between organizations’ (Olkkonen et al, 2000, p. 404). This development could be viewed as parallel to the emergence of greater organisational interaction with all stakeholders. The second phase of the network approach has direct implications for societal function of customer service.

co-operative firms willing to engage in marriage-like long-term relationships should avoid opportunistic, competitively and short-term-oriented counterparts, with which there is an obvious mismatch in the underlying modes of interaction behaviour.

Alajoutsijärvi et al (2001, p. 100)

Service sector organisations could be more socially responsive to stakeholder needs if a co-operative approach was taken. ‘The operational linkages between organisations and their suppliers, customers and distributors are now recognized as important contributors to commercial success’ (New and

Mitropoulos, 1995, p. 53). In the retail context this has societal consequences as noted by Young and Welford (2002, p. 18).

The third stage of development substantiates the need for a civic orientation of customer service. 'The political embeddedness of a business network, as formulated by existing IMP research, can take four forms: political institutions, political actors, the political activities of firms and political resources' (Welch and Wilkinson, 2004 p. 217). This is where the network approach provides a critical theoretical ground for the broadened structure of customer service. 'Indirect relationships connect actors who have no direct relationships' (Easton and Håkansson, 1996, p. 408). Viewing customer service in network terms provides a basis for structural development.

The network analogy builds on the civic orientation, whereby all stakeholders are considered. Organisational citizenship is not just limited to societal responsibility. In the domain of customer service, the customer (both direct and indirect) is also a citizen of the organisation. This is key to development of citizenship of service.

Prior to referring to the CSN framework two structural aspects will be discussed. These are the zones and levels of the CSN. In consideration of the symbiotic link with CSR; the civic orientation and the societal function, four zones of the CSN can be identified.

- **Traditional zone:** Environmental and economic
- **Organisational ethics zone:** Governance and trade
- **People-centric zone:** Social, community and human
- **Integrative zone:** Service

In total there are eight components, with the traditional, the organisational ethics and people-centric zones comprising of two zones each, while the interactive zone is made up of one component. For more detail on these zones, please refer to appendix 8. To date while the CSN has not featured in the literature, five brief examples are provided to demonstrate the indirect emergence of these zones.

**Traditional Zone:**

**Example 1 Environment**

Significant contributions have been made to advance the awareness of environmental responsibility of business (Simms, 1992; Varadarajan, 1992—who coined the term enviropreneurial marketing; McDonagh and Prothero, 1993; Makower, 1994, p. 69; Bansal and Roth, 2000; Pierce et al, 2001; Redford, 2002; Amárach, 2003; Steiner and Steiner 2003, p. 524).

EMAS (the EU Eco-management and Audit Scheme) is a voluntary scheme for industries provided by the EU. Companies should seek this award following ISO 14001 certification which specifies requirements for an environmental management system to enable an organisation to develop and implement a policy and objectives which take into account legal requirements and other requirements to which the organization subscribes (www.iso.org). Environmental protection is not a choice but a necessity as outlined by Colleran (1992, pp. 49-50).

Since 1900, world consumption of primary energy has risen from 600 million tons of oil equivalent energy to 8.2 billion in 1989. More significantly, consumption of fossil fuels rose from 500 million tons in 1900 7.2 billion in 1989. The developed countries of the northern hemisphere account for three-quarters of global energy consumption-yet three-quarters of the world's population live in the Third World.

In this context Steiner and Steiner (2003, p. 525) call for 'a re-evaluation of customer service'.

### **Example 2 Economic**

Fair trade issues are evidence of a functional theme where the societal function of customer service is based in economic terms. This represents a traditional approach to CS as fair trade is primarily economic where retailers can improve their bottom-line results while supporting the economic emergence of a societal CS function.

The emergence of fair trade organisations is an international response to make international trade more equitable. This secures a reasonable return for producers in poorer nations where stringent quality standards, sustainable farming methods and in some cases organic production is insisted on. Some examples include, The Max Havelaar Foundation, started in 1989, ([www.maxhavelaar.ch](http://www.maxhavelaar.ch)) one of the first fair trade organisations which operates in The Netherlands, Switzerland, Denmark, Belgium, France and Norway. Examples from the UK include Cafédirect—a brand of fairly traded coffee and the Fair Trade Foundation. The largest fair trade coffee company in the United States is Equal Exchange founded in 1986. Other examples from around the world include, Community Aid Abroad Trading based in Australia, Café La Selva, Mexico and Trade Aid Importers, New Zealand. The major products traded under fair trade labels include, coffee, tea, rice, honey, chocolate, bananas and mangos.

### **Organisational ethics Zone: Example 3**

The impact of the societal function grows through various practices such as social accounting, auditing, and investing. In relation to social auditing Steiner and Steiner (2003, p. 180) note, 'a social audit is an assessment of the impacts of a corporation on society'. They add 'one notable effort to create a social audit format is the Global Reporting Initiative (GRI), a partnership of the United Nations Environment Programme and the Coalition for Environmentally Responsible Economics (CERES)' Steiner and Steiner (2003, p. 181). Downes (1992, p. 59) explains,

Social accounting involves the publication by a company or other organisation of information to enable parties to assess its performance in social terms rather than just in terms of profitability. Social reports would include information on the corporation's effects on the environment and on the local community, together with information on customer satisfaction and employee welfare.

Another area of development has been measurement. In this regard Eades (2003, p. 22) explains the measurement and reporting initiative of BITC Ireland 'is where companies are supported to measure the impact of all their policies and

practices in four key areas of the business focusing on the workplace, marketplace, community and environment'.

Many investors now seek out companies that are deemed to be socially responsible. For example the Domini Social Index is a US stock index that was created by the social research firm of KLD Research and Analytics, Inc. in 1989 (www.domini.com).

#### **People-centric: Example 4**

An example of the expression of this theme is the European Union's response to CSR. During the European Summit the European Union in Lisbon March 2000 the European Council made an appeal to companies on CSR. Under the European Social Fund the first Annual Report of the 'European Business Campaign' on CSR was launched in 2003.

In the foreword in the first Annual Report of the European Business Campaign 2003 on Corporate Social Responsibility Prodi maintains, 'profit is not incompatible with the promotion of social justice and with finding solutions to social and labour problems' adding 'more comprehensive labour and social policies, as well as more environmentally-friendly business practices, are not only morally and ethically desirable, but also economically beneficial' (Campaign Report on European CSR Excellence 2002/03, p. 6).

The forward to a report issued by the European Foundation for the Improvement of Living and Working Conditions (2003) confirms this mode of outlook is fitting to the vision of the future of the EU.

The strategic goal adopted by the Lisbon Summit of March 2000 - to become by 2010 'the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion'-is one of the main challenges of the European Union.

Bodin and Verborgh (2003, p. v)

What the EU's response illustrates is the political role of customer service.

#### **Service: Example 5**

Whilst broader societal issues attract much attention, what actually happens during the service experience is no less important. Are retailers providing a socially responsible experience for customers at all levels of customer service?

The absence of social responsiveness in the customer service literature would suggest not. This represents a fundamental difficulty at the inner or first layer of the customer service network (service delivery) - the lack of people-centricity. One analogy that creatively illustrates the social role of customer service is provided by Robin and Reidenbach (1987) who contrast family and organisational values. If organisations were to embrace social care for their family of customers i.e., staff, customers and the wider community in a similar fashion to a nuclear and extended families then a civic orientation to customer service could prevail. Maignan et al (1999, p. 459) argue that customer value can be created by corporate citizenship for two reasons firstly 'proactive corporate citizens treat customers with utmost respect' and secondly, 'customers appear willing to make an effort to support organizations that show caring for their community'. Greater value can be provided through the citizenship of service.

The second aspect of citizenship of service is levels of CS. What this means is that customer service needs to be delivered at three levels. The symbiotic link with CSR, the societal function and the political role of customer service results in three independent but interconnected levels of citizenship of service. These can be summarized in the equation:

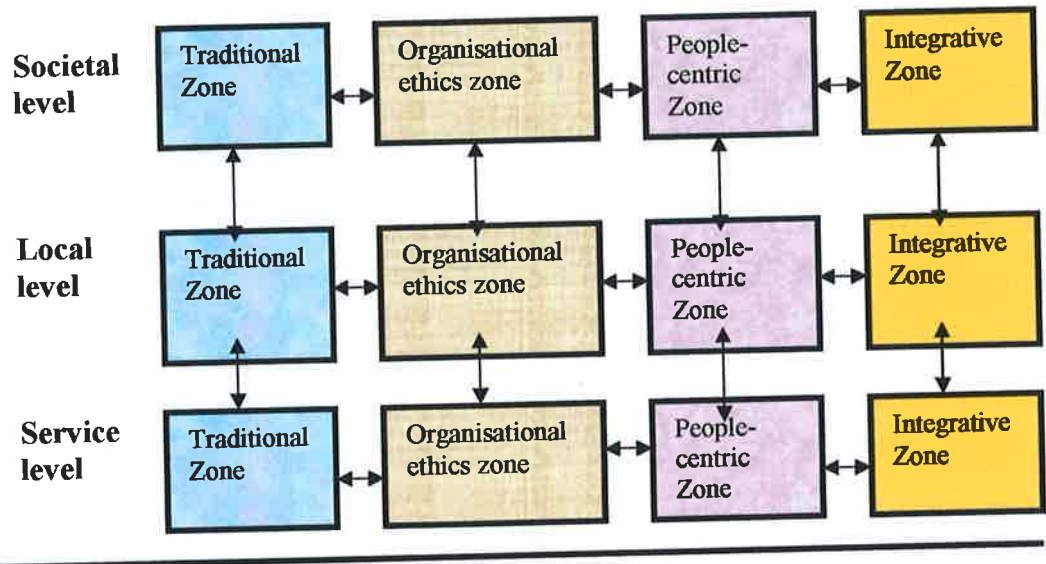
$$\text{COS levels} = \text{SOC} + \text{LOC} + \text{SERDEL}$$

Citizenship of service levels equal societal level customer service plus local level customer service plus service delivery level customer service. The first level is societal (soc) whereby global principles of CSR are adhered to and fully embraced. The second level is local (loc) whereby the fundamental principles of CSR are applied and adopted to the local community. Finally the third level is service delivery (serdel). This involves the provision of CSR during the delivery. Further examples of citizenship of service levels are provided in appendix 9.



For the political dimension of customer service to be absorbed a new theoretical structure is needed. The framework of the CSN is presented in figure 3.3.

**Figure 3.3: Framework of the CSN**



The framework of the customer service network can be explained as follows. All components of the customer service network are interconnected and need to be delivered at all levels. A combination of the service levels and components represent the extended social role of customer service. Level 1 broadens the civic, political and social role of customer service to include society, level 2 represents the civic, political and social role of customer service with the local community and level 3 represents the civic, political and social role of service delivery. What combines all components at all levels is 'service'.

Adherence to this model should allow for citizenship of service to be implemented in an organisation.

### 3.4 Broadened structure: discussion and implications

This section outlines four themes that underline emergence of a network structure in customer service.

#### 3.4.1 Thematic development

Having outlined the basis for the CSN and explained its key features, it is appropriate to discuss the implications of the broadened structure of CS. This is critical as nowhere in the literature is there a reference to the application of the network approach to conceptual CS. The emergence of the CSN can be theoretically identified through four themes these include, the traditional, functional, integrated and democratic. Each of these will subsequently be discussed. A theoretical chart of the emergence of the CSN is presented in table 3.6.

**Table 3.6: Theoretical chart-emergence of the CSN**

Zones Level	Traditio nal	Organisa tional ethics	People- centric	Service	Political embeddedness
<b>Societal</b>	✓	✗	✗	✗	<b>A-Passive</b>
<b>Local</b>	✓	✓	✗	✗	<b>B-Functional</b>
<b>Service</b>	✓	✓	✓	✗	<b>C-Integrated</b>
<b>Civic orientat ion/ Citizens hip</b>	✓	✓	✓	✓	<b>D-Democratic</b>

The horizontal axis shows the four zones while the vertical axis shows the levels of citizenship of service. Interpretation of this chart is provided in table 3.7.

**Table 3.7: Interpretation of the theoretical chart-emergence of the CSN**

	<b>Zones</b>		<b>Level</b>		<b>Political Embeddedness</b>
A:	Traditional +	+	Societal +	=	Passive theme
B:	Organisational ethics +	+	Local +	=	Functional theme
C:	People-centric =	+	Service =	=	Integration theme
D:	Service orientation	+	Citizenship of service	=	Democratic theme

### **The passive theme**

The main aspect is on the traditional zone of the CSN with a societal focus. The passive theme represents a pre-emergent stage of the network structure in contrast to the next theme that signifies the emergence of a network structure. From the perspective of the symbiotic link between CS and CSR both concepts remain entirely different concepts with no commonalities in practice.

### **The functional theme**

This theme represents an emergent stage of the CSN. There is a minor advancement to fuller citizenship of service with an emphasis on the organisational ethics zone in addition to the traditional zone. The weakness is that the level of service in the CSN context is based on local level. From a symbiotic view CS and CSR are similar concepts having some commonalities in practice. Any similarities are largely insignificant and are at best sporadic.

### **The integrated theme**

This represents the next layer of network development and is the recognition of public perceptions of organisations. In addition to traditional and organisational ethics this also includes the people-centric zone. This indicates an expansionary phase of CSN development. The difficulty is that there is primarily a focus on the service level. With regard to the symbiotic link, CS and CSR are closely linked concepts but are mutually exclusive. Similarities indicate incidences where some commonalities occur in practice. The drawback of all the aforementioned themes is the lack of integration. This is addressed via the democratic theme.

### **The democratic theme**

This final theme represents maturation of the development of the CSN. The major improvement on the other themes is integration via the addition of a service zone. This is a culmination of the civic orientation and citizenship of service. All four zones and the three levels of service provide for the assimilation of the symbiotic link. At this stage CS and CSR are interlocking concepts; complimentary and essential to each other conceptually and practically.

In the first section the societal function of the CSN was outlined. Following this key features of the CSN were identified. In the final section a key implication of the fully developed CSN will now be referred to.

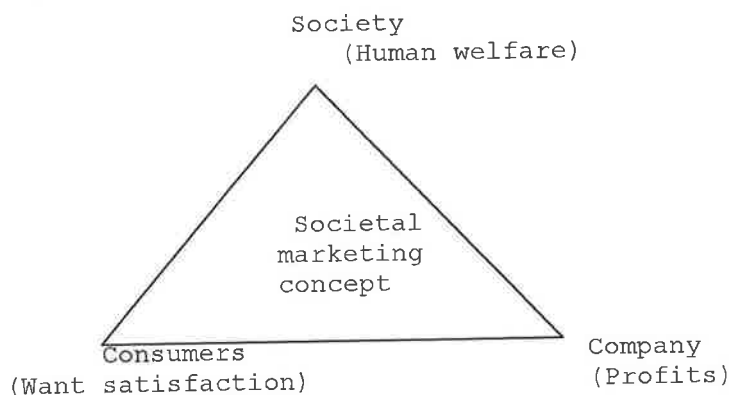
#### **3.4.2 Extension of the social remit**

What is the implication of an expanded societal function and a political role of CS? It is an extension of the social element of customer service. More specifically the democratic theme of the CSN should contribute to the extension of CS. From a theoretical perspective this builds on the societal

marketing concept (SMC). Kotler and Armstrong (2001, p. 20) refer to the SMC as ‘a way that maintains or improves the consumer’s and the society’s well being’. According to Desmond and Crane (2004, p. 1224) the SMC ‘may be interpreted as a bid to shift the basis of marketing morality from self-interest based on the satisfaction of desires to a more robust footing based on the satisfaction of consumer interests and welfare’. The SMC is illustrated in figure 3.4.

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**Figure 3.4: Three considerations underlying the societal marketing concept**



**Source: Kotler and Armstrong (2001) p. 21.**

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The common theme is the ability of an organisation to be people-centric. Of the three areas that comprise the societal marketing concept, it is ‘human welfare’ that needs more focus. Steiner (1972, p. 18) states ‘at any one time in any society there is a set of generally accepted relationships, obligations and duties between the major institutions and the people’. Over thirty years on this is arguably now more important than ever with increased complexity of social issues and the need for companies to more actively meet their responsibilities. This evidence further highlights the need to refocus the social role of CS.

Throughout the academic literature there are continuous calls for increased social responsiveness (Baker, 1998; Pierce et al, 2001, p. 303; Bennett, 2004,

p. 3; Martin, 2002, p. 75). This is also evident in a retail context (Piacentini et al, 2000, p. 459, Ryle, 2004, p. 4). The CSN offers a new structure for the delivery of the social contract. Tuleja (1987) refers to the importance of ‘earning the public’s goodwill’, while Uihøi (2005, p. 944) specifically refers to the networks and trust. The CSN should be used to build trust through a civic orientation of customer service. What is apparent here is that people-centricity involves cultural evolution in services. ‘A *culture* is a system of shared knowledge, values, norms, customs, and rituals acquired by social learning’ (Steiner and Steiner, 2003, p. 41). Ultimately CSN involves a cultural shift in the practice of CS in the extension of the social remit of CS. Effectively the CSN can only be useful if an organisation is people-centric. Consequently the relational theme of customer service will be discussed in the next chapter.

### 3.5 Summary

This chapter discusses the emergence of the CSN. This is facilitated via a civic orientation. Thus the societal function of customer service is elevated. The implication of this is recognition of the political role of customer service whereby the idea of citizenship of service becomes relevant. Network theory is drawn upon to develop the CSN. The structure of customer service is broadened, based on an extended social role. These developments culminate in identification of the customer service network and discussion of the implications of the broadened structure of CS.

Wouldn’t it be great if the Irish thought big business was doing a great job? Wouldn’t it be great if they thought you were contributing to building a sustainable future, looking after the environment, and supporting your local community? As previous data makes clear in one sense we are a long way from the promised land (“An Tír Geallta” in the Irish language), however in another sense it is within our grasp.

Amárach (1999, p. 16)

## CHAPTER FOUR

## **CHAPTER FOUR: THE RELATIONAL THEME**

### **4.1 Introduction**

The aim of this chapter is to present a theoretical case to deepen the humanistic ethos of customer service (CS). This chapter builds on chapter three since the relational theme (RT) should facilitate the development of the CSN. As the civic orientation adds a political dimension to CS and draws upon CSR, the humanistic approach focuses on the role of people-centricity and draws on relationship marketing (RM).

The mechanistic approach has relegated CS to a functional theme. To advance people-centricity it is crucial to revisit the core of CS: to 'serve'. People-centricity allows for improvement in the fabric of modern society based on furtherance of human dignity. There is a need to connect more with customers in a multidimensional way. This requires recognition of social, emotional and moral dimensions of CS. The strength of the RT can be reflected in the level of ICS. Ultimately the RT should allow for a motivational effect in an organisation based on a commitment to social responsiveness in all service relationships.

### **4.2 Challenge of people-centricity**

#### **4.2.1 Relevance of relationship marketing**

Although the RT has until now not been referred to in the literature, the role of people-centricity is nevertheless evident. Relationship marketing (RM) represents a movement in this direction. Since the development of RM in the 1980s - in particular Berry's (1982 and 1983) groundbreaking contribution - the area has consistently grown in the literature. A plethora of contributors



offers a wide range of discussion in this area that for example include areas such as the creation of positive staff attitudes (Richardson and Robinson (1985, p. 29); the value system (Jüttner and Wehrli, 1994, p. 63); interpersonal relationships (Macintosh and Lockshin 1997, p. 494); and partnership (Gibbs, 1998, p. 44). Other areas of investigation include ethics (Attia et al, 1999; Crane and Matten, 2004), 'volunteering' (The Economist, 2004, p.49); consumer decision making (Barnett and Valentine, 2004, p. 345); consumer misbehavior (Fullerton and Punji, 2004); consumer behavior, over and above economic or 'rational' considerations (Klein and Dawar, 2004, p. 204; Fullerton and Punji, 2004); customer commitment (Fullerton 2005) and psychological relationships and ownership (Mant, 1990, p. 39; Lee and Koh, 2001, p. 690; and Pierce et al, 2001, p. 301). The relevance here is that contrary to RM developments CS heretofore has been perceived exclusively in a functional role.

In contrast to CS, RM spans the organisation rather than just having a functional focus (Cravens and Piercy, 1994, p. 42). The sustained growth of RM serves as an indicator of the incongruity of the mechanistic approach to CS. RM represents a shift in marketing theory and practice (Gummesson, 1994, p. 4; Grönroos, 1994, p. 9; Morgan and Hunt, 1994, p. 20; Geyskens et al, 1998, p. 223) that can assist the progression of the RT of CS.

At this stage is necessary to define the term RM. What is revealed is a diverse range of explanations. For example Holmlund and Törnroos (1997, p. 305) believe RM is 'an interdependent process of continuous interaction and exchange between at least two actors in a business network context'. Patterson and Ward (2000, p. 320) propose that RM involves, 'the establishment of a long-term relationship between the service supplier and the customer to their mutual benefit'. Noble and Philips (2004, p. 289) make a noteworthy contribution, as they note definitions of RM show that,

'marketing is more than simply initiating relationships. It encompasses the development and maintenance of these relationships'. This is key to building a RT. CS is often equated with short-term transactions as opposed to long-term relationships associated with RM. Common to both the RT and RM is that these relationships are built with a diverse spectrum of customers that include direct and indirect customers. In RM theory Gummesson's (2002) extensive referral to the thirty relationships is an indication of the remit of the RT and is presented in table 4.1.

**Table 4.1: The thirty relationships of RM-the 30Rs**

**Classic market relationship**

- R1 The classic dyad-the relationship between supplier and the customer
- R2 The classic triad-the drama of the customer-supplier-competitor triangle
- R3 The classic network-distribution channels

**Special market relationships**

- R4 Relationships via full-time marketers (FTMs) and part-time marketers (PTMs)
- R5 The service encounter-interaction between customers and service providers
- R6 The many-headed customer and the many-headed supplier
- R7 The relationship to the customer's customer
- R8 The close versus the distant relationship
- R9 The relationship to the dissatisfied customer
- R10 The monopoly relationship: the customer or supplier as prisoners
- R11 The customer as 'member'
- R12 The e-relationship
- R13 Parasocial relationship-relationships to brands and objects
- R14 The non-commercial relationship
- R15 The green relationship
- R16 The law-based relationship
- R17 The criminal network

**Mega relationships**

- R18 Personal and social networks
- R19 Mega marketing-the real 'customer' is not always found in the marketplace
- R20 Alliances change the market mechanisms
- R21 The knowledge relationship
- R22 Mega alliances change the basic conditions for marketing
- R23 The mass media relationship

**Nano relationships**

- R24 Market mechanisms are brought inside the company
- R25 Internal customer relationship
- R26 Quality and customer orientation: the relationship between operations management and marketing
- R27 Internal marketing: relationships with the 'employee market'
- R28 The two-dimensional matrix relationship
- R29 The relationship to external providers of marketing services
- R30 The owner and financier relationship

**Source: Gummesson (2002) pp. 28-29.**

The 30Rs is reflective of the numerous relationships that are applicable to the RT of CS. Ironically the development of relationship building is strongest in industrial marketing while weak in CS literature. The idea of building supplier and business relationships is well established through the International Marketing and Purchasing Group (IMP Group) (Olsen and Ellram, 1997, p. 221). Interrelationships and mutuality are strong features of this branch of research (Håkansson 1982; Ford et al, 1986). Relationship themes in the distribution system also feature substantially in the literature (Porter 1985; Kim 1999, p. 219). IMP research provides a positive example of a different approach to customer relations and highlights the social nature of commercial relationships. CS can be deepened in theory and practice by recognition of the social nature of all human relationships.

A key lesson from RM would indicate the various aspects of social relationships are many and diverse. By and large these areas (e.g. mutuality, partnership) are not regularly featured in the consumer literature. More specifically there is a lack of rigorous investigation into the relational role of CS. If the RT of CS is to embrace the multidimensionality of CS relationships needs to be identified. The first theme that can be seen in terms of an outcome of RM is the emotional dimension.

#### **4.2.2 Outcome: The emotional dimension**

How can a mechanistic approach to CS be sustained in practice while RM continues to flourish in theory? It is contradictory and illogical to consider the contemporary situation or the mechanistic approach. The factors that comprise a relationship include trust, mutual benefit, longevity, respect, honesty, care and fairness. The inclusive of mutual benefits for customers and organisations in RM is conducive to the theme of people-centricity. Many contributors substantiate the role of trust (Cravens and Piercy, 1994;

Macintosh and Lockshin, 1997 and San Martín Gutiérrez et al, 2004, p.351), which is key to RT development. Closer examination reveals some difficulty with the RM concept-for example the relational focus tends to be one way. Fullerton (2005, p. 109) confirms that commitment is an important construct in retail relationships. According to Johnson and Grayson (2005, p. 501),

as emotional connections deepen, trust in a partner may venture beyond that which is justified by available knowledge. This emotion-driven element of trust makes the relationship less transparent to objective risk assessments prescribed by economists.

At a finer level what is key to any relationship is a two way partnership based on mutual commitment and trust. According to Zimmerman (1992) there is lack of intensive study of relationships in retail research. This is despite the fact that 'relationships in retailing are multi-level and complex' (Macintosh and Lockshin, 1997, p. 490).

To build effective partnerships organisations need to emotionally connect with customers. Yet the emotional dimension of CS remains underanalysed. Likewise customers need to emotionally identify with their companies. Before this can be achieved CS needs to be built on personal factors (Fellbom, 1987, pp. 36-38). Once a relationship is mutually rewarding the more frequent the contact between people the stronger will be the affection or liking for each other (Homans, 1961).

Many models exist in the literature to validate the emotional dimension of CS. By and large these relate to employees but nonetheless highlight the role of people-centricity. Schlesinger and Heskett (1991b) refer to two cycles i.e. the cycle of failure and the cycle of success. The cycle of failure produces indifferent attitudes towards customers and service. This translates into poor perceptions of service by the customer and hence lowers sales. Customer dissatisfaction fuels further decrease in employee satisfaction, resulting in

high employee turnover. As a result there is deteriorating service, which reduces the chance of relationship building with customer. The self-perpetuating 'cycle of failure', appears to ensure continued deterioration of service. This is in marked contrast to the cycle of success in which it can be seen that employee satisfaction is viewed as a prerequisite to excellent customer service. Effectively there can be two interpretations of the theme of CS-these are functional and relational themes and are presented in figures 4.1 and 4.2.

**Figure 4.1: The functional theme of customer service**

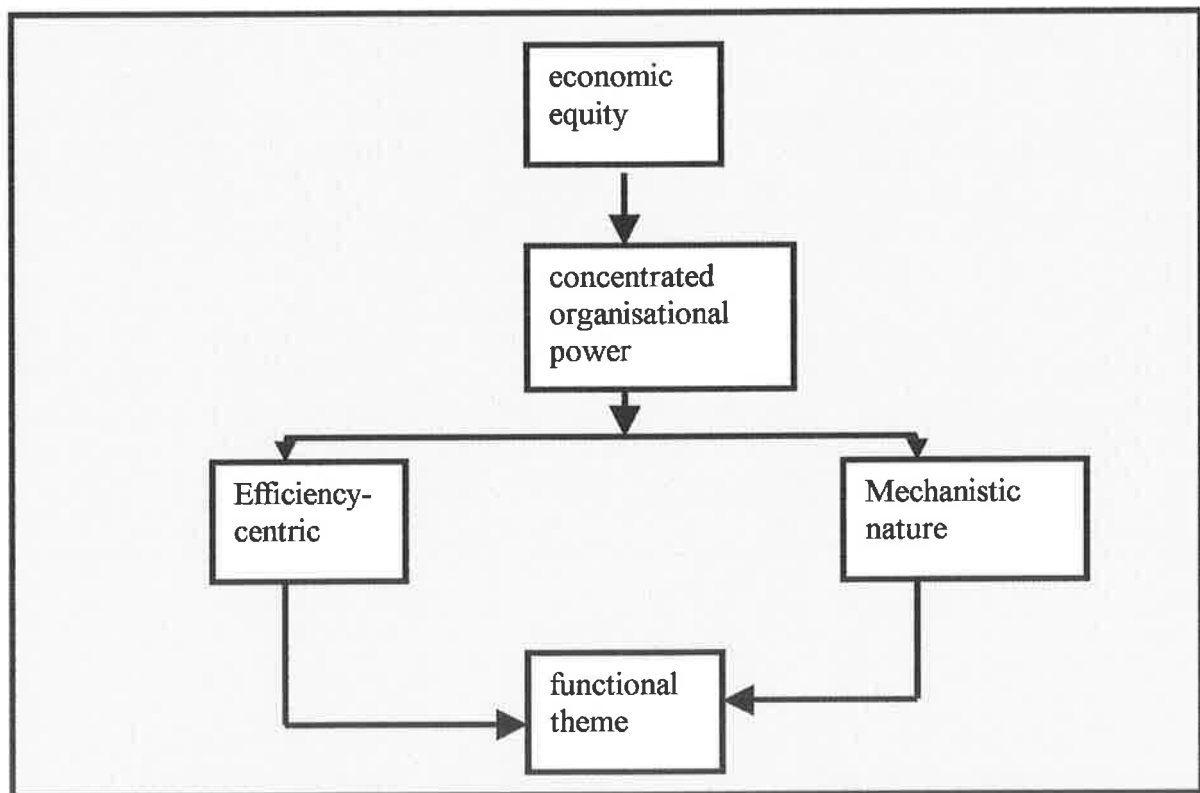
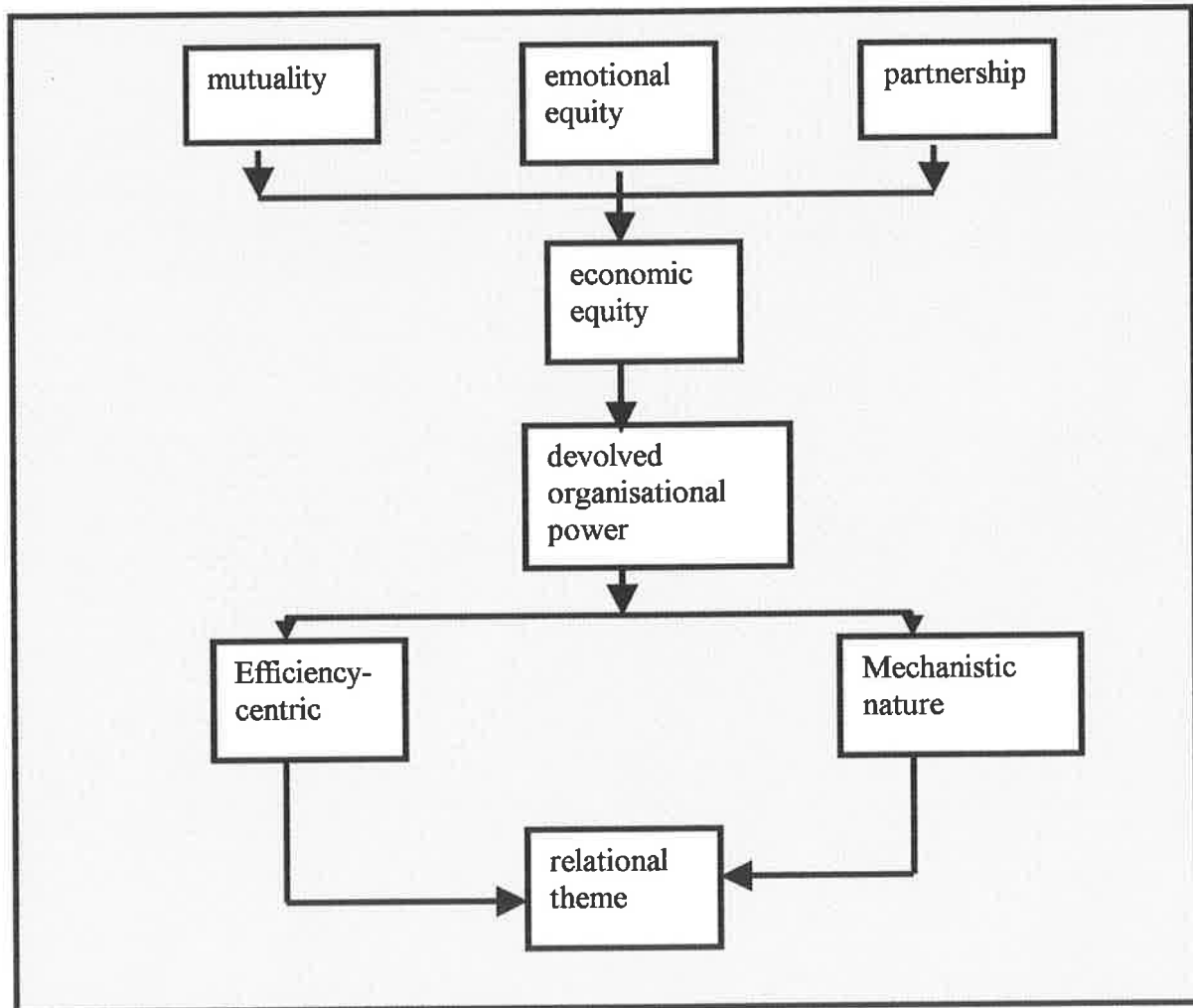


Figure 4.1 illustrates the traditional functional approach to CS. The equity between the customer and the company is largely economic. All CS is provided and defined in economic terms. In this interpretation organisational power is concentrated. The social contract is limited as the relational theme is not developed and consumers perceive organisational power to be greater than theirs as customers. The relationship is defined in economic terms where

corporations hold the balance of power. There is a focus on functionality where efficiency is critical and CS as delivered is mechanistic in nature.

**Figure 4.2: The relational theme of customer service**



In contrast figure 4.2 illustrates the alternative relational theme. The key difference is the inclusion of emotional equity. This takes into consideration the civic orientation and CS is based on mutuality of interest and a partnership between company and customers. Emotional equity can be explained as the realisation that relationships are built on emotional connections, trust and commitment. This is added to the economic equity of a firm that results in devolution of organisational power. This addresses the perceived imbalance between individual customers and the company.

Acceptance of a RT involves a people-centric challenge. The relational theme shows there is a broad social remit to CS that requires emotional in addition to economic equity.

CS as a relational construct requires inclusion of an emotional dimension to all CS relationships (direct and indirect customers). If the RT was based on an emotional dimension only, this could be very restrictive in the context of the societal function. While RM is relevant to discussion of the RT of CS, in the context of the societal function of CS, it would be remiss to equate the relational aspect of CS with an emotional dimension only. In the next section the underlying reasoning for the RT: the humanistic nature is outlined.

### **4.3 Humanistic nature**

#### **4.3.1 Empowerment: The role of ICS**

Internal customer service (ICS) plays a key role in the development of the RT. Interaction between staff and customers represents the basic activation of the humanistic nature of customer service in practice. From a staff-management perspective, according to Pfeffer (2003, p. 16) 'there are probably 100 studies out there showing that you get a 30 to 40 percent productivity and profit advantage by treating people in the right way'. Davison et al (1998, p. 244) note a link between employee competence and competitive advantage. Cumby and Barnes (1996, p. 20); Bateson (2000, p. 130); Ashforth et al (2000) and O'Ceidigh (2003) also have discussed internal relationship dynamics. Both Schneider (1980) and Moran (2001, p. 14) have raised concerns about an over-emphasis on efficiency. An ethos of ICS cannot be delivered without acknowledgement of the changing role of management.

Mitchell (2001, p. 215) suggests that: ‘trusted workers are, in short, human workers’. McClelland and Burnham (1976, p. 118) maintain that, ‘the top manager of a company must possess a high need for power - that is, a concern for influencing people’. They (1976, p. 126) add,

The manager’s concern for power should be socialized-controlled so that the institution as a whole, not only the individual, benefits. People and nations with this motive profile are empire builders; they tend to create high morale and to expand the organisations they head.

Others have similar views on the role of management (Herzberg, 1968/2003, p. 87 – employee - centered style of supervision; Badaracco, Jr.; 1998, p. 118 – ‘action characterized by tenacity, persuasiveness, shrewdness, and self-confidence’; Taylor and Flatley, 2001, p. 17 - coaching style of management; Yagil and Gal, 2002, p. 225 - service workers and empowerment; Kim et al, 2002, p. 5 - fair process; Sull, 2003 – the link between personal ethos and professional commitment; Hui et al, 2004, p. 109 - customer requests and conflict).

The nature of the staff-management relationship is reflective of the development of an emotional dimension of CS. Due to the intensity of service work there is a need to support front-line staff in their roles and this is evident in the literature (Rafaeli, 1989, p. 269; Prothero, 1990, p. 88; Mohr-Jackson, 1991, p. 463; Bonabeau and Meyer, 2001, p. 109; Mayo, 2002, p. 10). Rafaeli (1989, p. 268) reports some paradoxes of services.

First, it is paradoxical that service employees, who face customer demands all day, actually have very little autonomy to deal with those demands. Second, from the customers’ point of view it is paradoxical that the only representative of the organization with whom they interact has so little leeway; the cashiers take the customers’ money but can do little more than take money.



Many are critical of the general treatment of service staff (Morris 1998). Albrecht and Zemke (1985a, p. 61) comprehensively synopsis what is required from management.

Management itself is a service, and this point of view will become more and more prevalent as competition gets tougher and service becomes more and more of a competitive weapon. Managers need to see their roles as helping service people do their jobs better.

Ramaswami (1996, p. 109) notes, 'a considerate manager is less concerned with pressuring employees to achieve goals than with maximizing the achievement of their potential'. While Peace (2001, p. 104) observes 'being a soft manager is no job for the fainthearted. On the contrary, it takes a certain courage to be open-minded, well informed, and responsible, to walk straight into adversity rather than seek to avoid it'. Embracing ICS not only requires a changing management role but also a more versatile type of leadership. Feiner (2002, p. 2) states, 'in a deeper sense, however, day-to-day leadership is much less about the use of power than about the empowerment of others'. The greatest satisfaction comes from influencing others to achieve, not necessarily from achieving the task(s) for oneself (Burke 1986, p. 56). Fenlon (2002, p. 5) states,

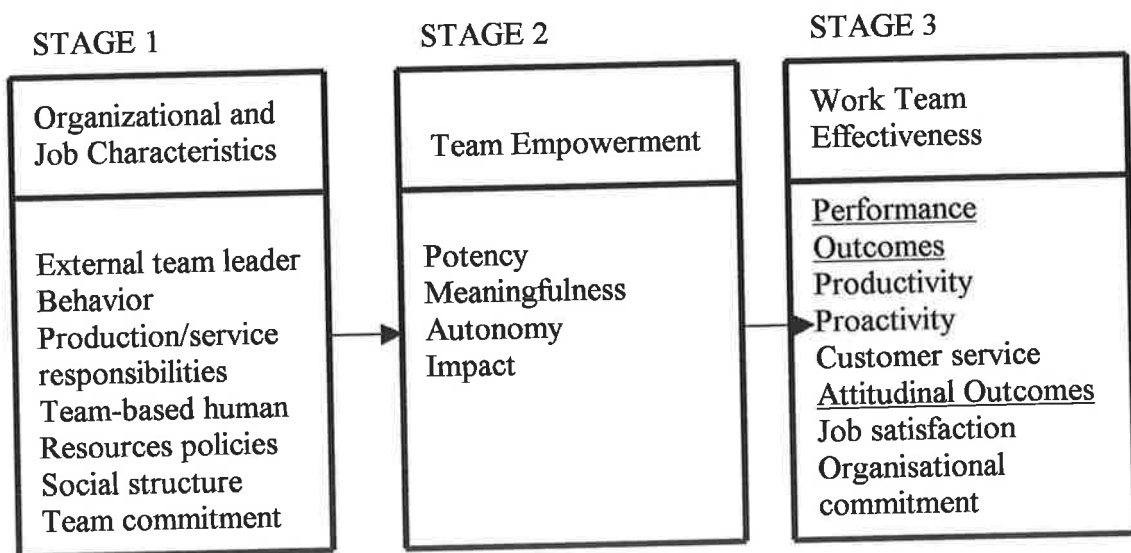
Personal skills such as self-awareness of strengths and weaknesses, the ability to use self-knowledge constructively and practice self-control, and social skills such as empathy, the ability to understand political dynamics and to influence others constructively, are powerful predictors of executive success and derailment. These competencies can be collectively referred to as emotional intelligence or "EQ" skills.

The needs of staff and customers are considered comprehensively in the literature (Albrecht, 1985, p. 67; Bowen 1986, p. 376; Ashforth and Humphrey, 1993, p. 89; Martin, 1993; Babakus et al, 1999, p. 58; Mayo, 2002, p. 10) but not from a CS relationship perspective. If CS relationships are to be based on people-centricity, there needs to be an ethos of empowerment throughout an organisation. Empowerment means more than just delegating-as referred to by Conger and Kanungo (1998, p. 476), for

whom 'empowering means enabling, and it implies raising subordinates' convictions in their own effectiveness (successfully executing desired behavior) rather than raising subordinates' hopes for favorable performance outcomes'.

Commitment is about generating human energy and activating the human mind (Argyris, 1998, p. 99). Staff who are supported and empowered will show commitment to their organisation. Bowen et al (2000, p. 445) note 'a strong service culture may emerge if the firm has an internally consistent mix of service-oriented HRM practices that reinforce espoused service values'. A good indicator of strong customer service culture is teamwork. Kirkman and Shapiro (1997) view work team effectiveness in three stages as outlined in figure 4.3.

**Figure 4.3: A model of work team empowerment**



**Source: Kirkman and Shapiro (1997) pp. 730-757.**

The benefit of Kirkman and Shapiro's (1997) model is that there is a link between organisational and job characteristics, team empowerment and work team effectiveness. They conclude that highly empowered teams are more effective than less empowered teams, this is encouraging for the future use of

empowered teamwork. According to Chatman and Cha (2002, p. 2) ‘strong culture enhances performances in two ways. First, it energizes employees by appealing to their higher ideals and values, and by rallying them round a set of meaningful, unified goals. And second, it boosts performance by shaping and co-coordinating employees’ behaviour’. What is essential to building the RT throughout an organisation is ICS. Table 4.2 outlines contributors that highlight the humanistic nature of internal customer service issues.

**Table 4.2: Humanistic nature of internal service issues in the literature**

Albrecht and Zemke (1985a and b)	Characteristics of successful service organizations including marketing service internally.
Albrecht (1985)	Service management and service culture.
Richardson and Robinson (1985)	Link between internal marketing and quality of service provided.
Gummesson (1987)	Concept of the internal customer.
Rafaelli (1989)	Paradoxes of service.
Ogbonna and Wilkinson (1990)	A study of UK supermarkets found the nature of work involved limited the success of establishing a customer ethos.
Piercy and Morgan (1991)	Internal marketing and culture.
Schlesinger and Heskett (1991a)	Cycle of success/failure.
Ashforth and Humphrey (1993)	Emotional labour.
Barnes (1993)	Disbandment of marketing and HRM departments and instead use corporate focused structures.
Carpenter (1993)	Highlighted the importance of contact personnel.
Coyne (1993)	Investment in people and front-line competence.
Heskett et al (1994)	The service-profit chain highlighted the link between internal and external customer satisfaction.
Marchington (1996)	Employment relationships.
Schneider et al (1998)	Service climate.
Singh (2000)	Customer service roles and interpersonal contact.
Frenkel (2000)	Staff and management relationships.
Chatman and Cha (2002)	Staff expression of creative ideas.
Drucker (2002b)	Knowledge workers.
Yagil and Gal (2002)	Participative decision making.
Friedman (2002)	‘Total leadership’ includes integrity and creativity and enabling others.

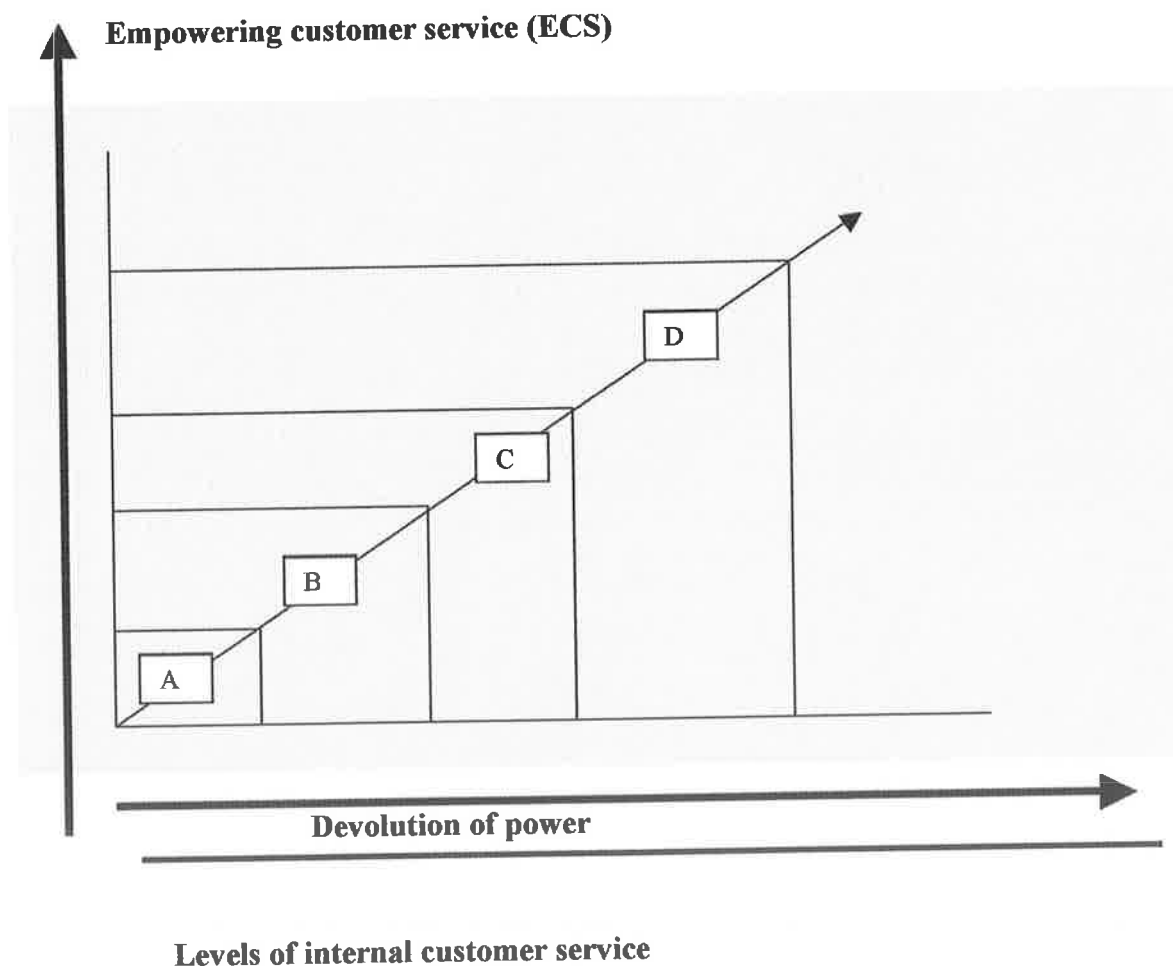
A review of literature covering personal management, human resource management, marketing, services marketing, retailing, and consumer marketing indicates an absence of internal customer service (ICS). ICS can be

viewed as representative of a micro version of the overall interpretation of CS. Put simply ICS is 'the application of the theory and practice of customer service to staff'. In definitive terms this means,

internal customer service is a philosophy and practice that serves the core organisational community of staff in a proactive manner that improves the quality of work life.

In examining the function of ICS various approaches can be identified, termed levels of internal customer service. The various levels are linked directly to the amount of power devolution. This illustrated in figure 4.4.

**Figure 4.4: Levels of internal customer service**



### **A Informational ICS**

ICS involves informing staff about the service that is provided to external customers. This involves keeping staff up to date on developments in customer service and continuous training.

### **B Basic ICS**

This involves acknowledging staff as internal customers who have needs and wants. This requires the provision of clinical and organic elements of customer service for staff.

### **C Advanced ICS**

ICS involves encouraging staff to contribute ideas and information regarding customer service. This involves embracing a culture of service towards staff. It involves the adoption of practices that aid staff in better serving external customers.

### **D Empowering customer service**

ICS involves embracing a culture of service excellence towards staff. It involves continuous innovation and the adoption of practices that are based on the principles of equality, flexibility, and respect. It involves a commitment to lead through people-centricity. It is fundamental and essential to all other components of customer service.

The difference between empowering and ICS is the shifting of power. The highest level of ICS is ECS that represents the highest level of devolution of power. According to Gummesson (2002, p. 23) 'power is an undervalued concept in the marketing literature. This is particularly relevant for the function of management'. At ECS level the moral dimension of CS is more pronounced, as there is inclusion of principles of equality, flexibility and respect.

#### **4.3.2 Social responsiveness: the moral dimension**

To build a RT in CS requires the recognition of social responsiveness. It is not enough for the remit of CS to include the building of emotional links with

customers. Increasingly in the literature the evidence challenges the status quo of CS (McNiel et al, 2004, p. 190). 'It is only recently that the customer capital-the existing customer base and customer relationships-has been seriously approached' (Gummesson 2002, p. 238). According to Reidy and McCullough (1992, p. 7) the individual person or people collectively form the foundation of all business. Up until now nowhere in the literature has the area of socially responsive personal relationships been directly linked to CS. Beatty and Gup (1989, p. 16) refer to a customer service orientation (CSO) (Table 4.3) that highlights.

**Table 4.3: Steps in establishing a CSO**

1. Commitment from Top Management
2. Study Customers' Needs and Expectations
3. Study Competition-Its Strengths and Weaknesses
4. Determine Strengths and Opportunities
5. Decide on Mission and Value Priorities
6. Determine Current Culture, Desired Culture, and Any Needed Changes
7. Plan Effort to Achieve Mission and Cultural Changes (if needed)
8. Transmit Mission and Value Priorities to All Employees
9. Transmit Positioning to Customers
10. Verify the Perceived Organizational Values

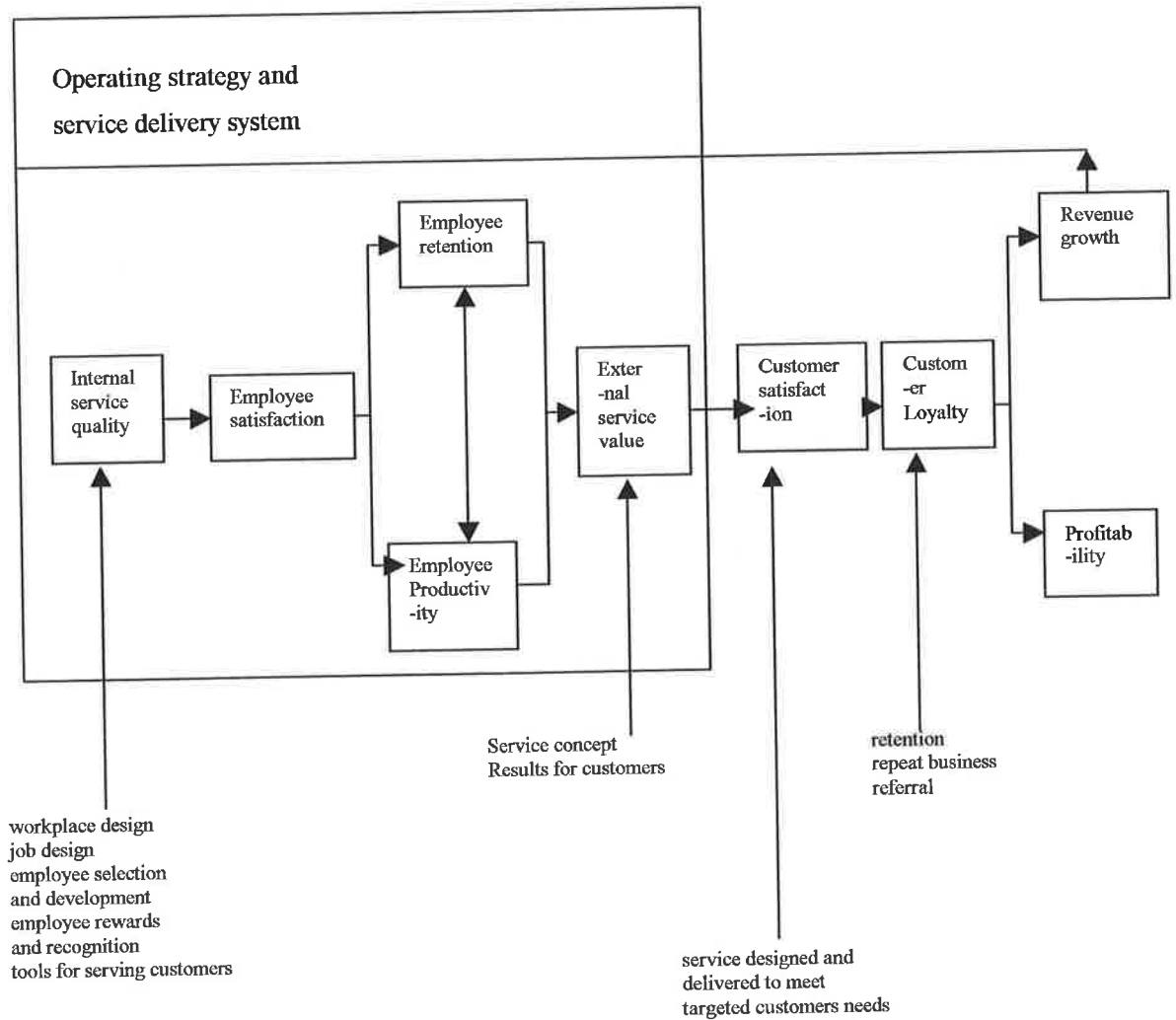
**Source: Beatty and Gup (1989) pp. 15-22.**

Beatty and Gup (1989, p. 21-22) note 'the last five steps, however, which are generally not addressed, are critical to the successful implementation of a CSO'. This substantiates the proposition that people-centric status of CS is weak and could suggest a lack of commitment to the social nature of the concept.

The social nature of CS remains under investigated but there are indications of acceptance of social links could provide a basis to strengthen the

humanistic nature of CS. A model that indicates the importance of social function is the service-profit chain (Heskett et al, 1994) (Figure 4.5).

**Figure 4.5: The links in the service-profit chain**



**Source: Heskett et al (1994) pp. 164-174.**

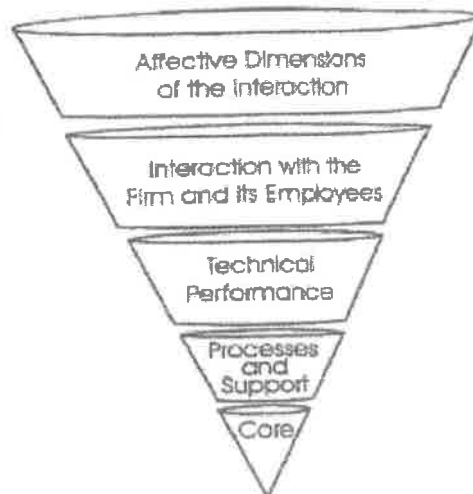
The service-profit chain indicates that excellent relationships built around a company, will mean satisfied internal and external customers. The main contribution of the service-profit chain is the link between staff and customer

satisfaction with the end result being revenue growth and profit. In support of the service-profit chain Rucci et al (1998, p. 83) refer to the successful cultural change at Sears resulting from employee-customer-profit chain. The contribution of the service-profit chain is instrumental to the advancement of the humanistic approach.

While the social aspect of service is prominent throughout the literature (Mills and Morris, 1986, p. 27; Kelly and Gavigan, 1987, p. 31; Marchington, 1996, p. 24; Holmlund and Törnroos, 1997, p. 308; Lambert, 2000, p. 811; Young and Welford, 2002, p. 50) it remains associated with interpersonal transactions. The credibility of the social aspect of CS as outlined in the service-profit chain needs to be extended. Barnes et al (2000) highlight the importance of customer interaction with company employees, by illustrating drivers of customer satisfaction (Figure 4.6).

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**Figure 4.6: Drivers of customer satisfaction**



**Source: Barnes et al (2000) pp. 89-102.**

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The key point from Barnes et al (2000) is that interaction with staff is a driver of customer satisfaction. This is important in consideration of the depersonalisation that is evident in recent practice. This shows that interpersonal aspects of CS remain critical. Arrowsmith and McGoldrick (2002, p. 48) state, 'in retailing, for example, the golden triangle has been normally location, sales promotion and cost control, and the role of front-line staff may have been neglected'. This indicates an absence of thinking in socially responsive terms. It is not just building of CS relationships that are important but how these relationships are formed and developed.

The difficulty here is current practice is not in synergy with the civic orientation and humanistic approach to CS. 'It is clear that marketing organisations need to 'raise the bar' in the provision of service. Exactly how this can be achieved, however, is less clear' (Bell and Menguc, 2002, p. 131). The author proposes an ethos of social responsiveness, as herein there is an implied moral dimension to be socially responsive. This is based on the societal function and the social role of CS. One area that is suggestive of a moral dimension of CS is staff-management relationships.

Building on the work of Maslow, Herzberg (1998) carried out research that resulted in two-factor theory. 'Hygiene' factors (e.g. pay, working conditions, supervisors, company policies and benefits) keep workers from becoming dissatisfied, but only motivators (achievements, responsibility, work itself, recognition, growth and achievement) can result in satisfaction and motivation. Although Herzberg's work focused on workers in a work setting this theory could equally be applied to consumers. Organisations need to recognise customer loyalty is not based exclusively on non-personal aspects of CS but also social aspects. Brooksbank's (1991) contribution is useful in that a review is made of the approaches taken to employee motivation by high performing companies (Table 4.4).

**Table 4.4: Approaches to employee motivation typically associated with high performing companies**

**Stronger “hygiene” factor**

Higher quality car than competitors, better salaries, more holiday entitlement, health care provision, etc.

**Higher levels of individual job responsibility**

Employees are motivated by the relatively open-ended nature of their job responsibilities. For example, salespeople are not considered “just salespeople”; they are given full “managerial” responsibility for their sales area. This would include market research, full negotiating power and decision-making authority in promotional and other related activities.

**Greater involvement in running the business**

Employees are encouraged and are expected to be involved in all aspects of marketing planning and other cross-functional activities. This is not only seen as a means of improving decision making but also as an important stimulus to on-going motivation levels through generating strong feelings of commitment, loyalty and “ownership” among employees.

**More recognition for outstanding performance**

One characteristic of an “open” working relationship is the continuous feedback of performance figures across all areas of the business, both at an individual and team level. In this way, outstanding performance is rewarded with company wide recognition sometimes including a special “award” of some description. Often wallcharts and poster boards would be used to record this information, in addition to company magazines/“updates” and the like.

**Source: Brooksbank (1991) pp. 20-29.**

This shows the social aspect of motivating employees. In turn the social aspect of how the CS relationship is delivered to all customers must be considered. Albrecht and Zemke (1985b, p. 135) articulate a need for an ‘employee-centered’ approach. They refer to its central thesis as ‘the intelligent use of human intelligence’. When applied across the spectrum of CS relationships this involves the humanizing of CS. The development of internal marketing (IM) can be viewed as a step towards a more socially responsive approach to CS.

The emergence of internal marketing in the 1980s is the first indication of recognition of social responsiveness to CS relationships (Gummesson, 1987; Richardson and Robinson, 1985). According to Gummesson (1987, p. 24) 'the idea behind internal marketing is to apply the marketing concept, originally developed for the company's external marketing, to the "internal market" as well'. Other contributors include Mohr-Jackson (1991, p. 455); Piercy and Morgan (1991, p. 84). The significant legacy of internal marketing is its contribution to the people-centric culture of the organisation. It was Gummesson (1987) who coined the term 'internal customer'. This idea was very beneficial at the time and can be viewed as a significant foundation for internal customer service.

The 1990s witnessed a plethora of prescriptive advice in this area (Richardson and Robinson, 1985; Piercy and Morgan, 1991; Coyne, 1993, p. 5 and Rust et al, 1996, p. 95). Schlesinger and Heskett (1991a and b) made a significant contribution through their cycles of success and failure. This was a key development providing a concise, clear and conceptual overview of the role of staff. In another development Barnes (1993) suggests the dissolution of human resource departments, which in theory did enhance the role of staff (as internal customers) but did not gain any widespread acceptance in business practice.

Literature on the internal customer continues to grow in an indirect way with overage of such areas such as creativity and enabling in organisations (Chatman and Cha, 2002 and Friedman, 2002). The humanizing of CS relationships requires acting in a socially responsive way to the needs of all customers in a manner that is morally acceptable. For this to be embraced the role of ICS has to be further developed.

From an individual customer perspective there is a responsibility to deliver on the social contract in a morally acceptable way. The implications of this are beyond the scope of this study. However in advancing a theoretical argument for a relational theme to CS a moral dimension cannot be ignored. According to Samli (1992, p. 133) 'in any service industry, it is not depersonalization but personalization that yields the satisfactory results defined as consumer satisfaction and, therefore, profit realization'. This has been apparent in the literature for some time (Solmon et al, 1985, p. 99; Beatty and Gup, 1989, p. 16; Bell, 1999, p. 76; Cova, 1999, p. 80; Slater and Narver, 2000, p. 125; Geyskens and Steenkamp, 2000, p. 13). These contributions signify why the relational domain is critical. In the next section the relational domain is discussed.

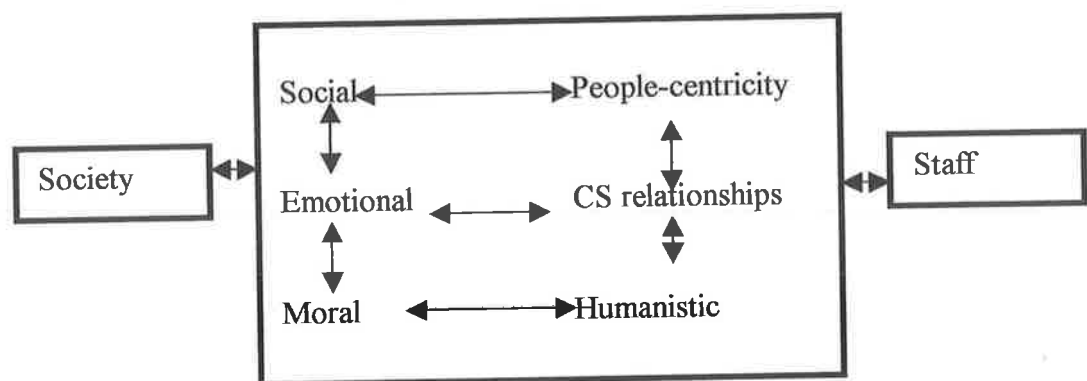
#### 4.4. The relational domain

Throughout this chapter the RT of CS had been discussed. In this final section the structure and effect of the RT is outlined.

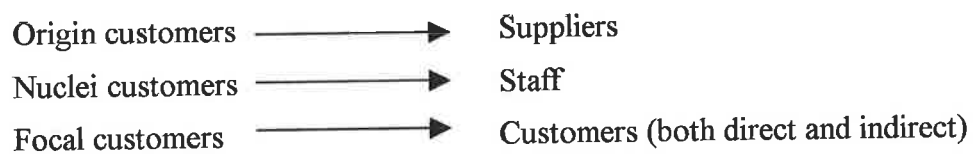
##### 4.4.1 Structural mapping of service relationships

What is evident from the previous discussion is the multi-dimensional component of CS. This includes three main dimensions (social, emotional and moral) that are connected to three facets of the RT. These are outlined below (see figure 4.7).

**Figure 4.7: Framework of the relational theme**

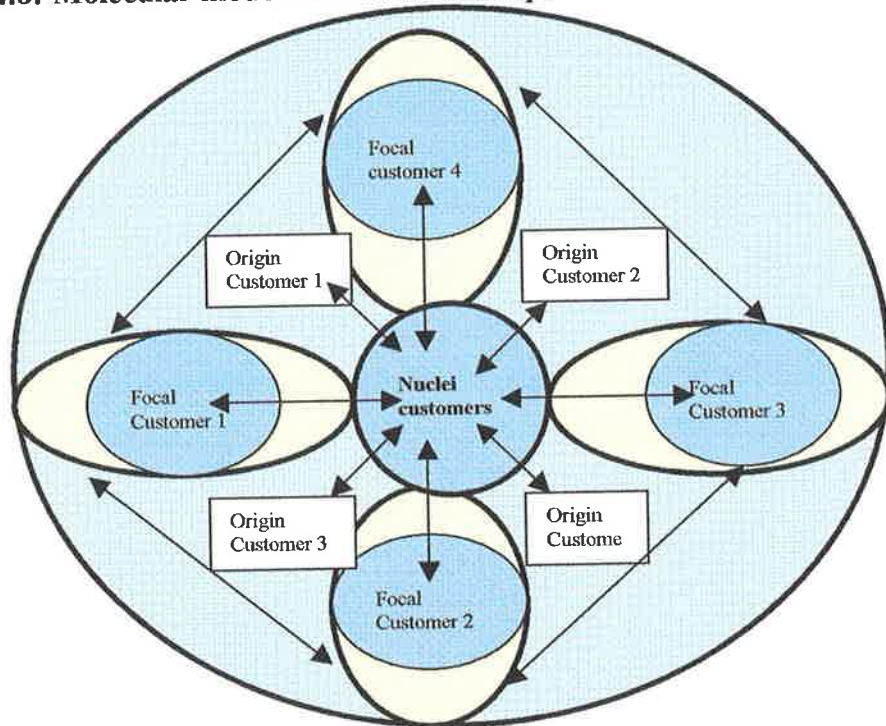


For the RT of CS to be effective the social, emotional and moral dimensions must be linked together. If an organisation interprets the RT as only social people-centricity may be active but both the relationship and humanistic areas will remain limited. If an organisation interprets the RT as just emotional the relationship aspect only will be developed. If an organisation interprets the RT as moral only, the humanistic aspect will be strong but the relational and people-centric aspects will remain under appreciated. To be effective all factors have to be included in the RT as they represent the humanistic partnership between the organisation and society and the organisation and staff. To complete the mapping of the RT it is critical to refer to layers of CS relationships. CS relationships can be broadly grouped into three categories. These include:



Suppliers are all organisations that provide supermarkets with goods and services that are necessary to provide CS. The term 'origin' is chosen as it is representative of the source of many aspects of service delivery. Staff are described as 'nuclei' customers as they are central to the building of CS relationships with all customers. Finally all other customers both direct and indirect are termed 'focal' customers. The term is used to represent when a customer engages with an organisation they become 'focal' to all organisational activity. Combined these form the main CS relationships. A diagrammatic presentation is shown in figure 4.8.

**Figure 4.8: Molecular model of CS relationships**



The central point of the molecular model of service relationships represents nuclei customers or staff. They are central to the building of CS relationships with all other groups. This cell is connected to all focal and origin customers as nuclei customers will impact all other service relationships. Finally there are numerous service relationships with focal customers. (For the purpose of illustration only four origin and focal customer relations were included). It should be noted that the model is based on understanding of the framework of the RT. The use of arrows is indicative of the impact the humanistic approach and commitment to people-centricity that is common to all CS relationships.

All service relationships have an impact on the organisation. For this reason it is critical that staff are motivated to adopt a RT. In this context a humanistic partnership represents the maturity of the social, emotional and moral dimensions in the relational construct of CS.

The word 'partnership' has a nice warm quality to it. It projects the right image to customers. A caring, responsible retailer arm-in-arm with a supplier. An informal, democratic agreement between equals. A long-term commitment from one partner to the other. A secure relationship between people who know and care about one another. Above all, it implies a certain loyalty. It is lovely idea, and one that the big supermarkets' public relations and corporate social responsibility departments work hard to promote. But it could not be further from the reality of the supermarket-supplier relationship. A master-servant analogy would be more apt.

Blythman (2004, p. 169)

This quote is an example what makes the motivational effect of the service relationship so critical. This will be discussed in the final section.

#### 4.4.2 The motivational effect

The motivational effect involves the adoption RT from a cultural perspective. A comprehension discussion cannot be achieved without reference to the importance of culture in connection with the relational theme. According to Gummesson (2002, p. 121) 'to regard members or citizens as customers requires the insight that their role is only partly commercial. It has been well documented in the literature 'that organisational culture has a tremendous impact on the ethical standards of individuals' (Attia et al, 1999, p. 616). 'Customer service also lives out the moral and ethical commitment made in the implicit contract in the care-giving encounter' (McNiel et al, 2004, p. 189). For this to be delivered the RT needs to become part of the culture of CS.

Hofstede (1984, p. 389) defines culture as, 'the collective programming of the mind which distinguishes the members of one category of people from those of another'. In the context of empowering customer service Hall's (1960) reference to 'high-context' and 'low-context' cultures is useful. In high-context cultures there are strong bonds and involvement between people

whereas in low-context cultures there are fragile bonds and low involvement between people. The ultimate objective of RT is to secure and build mutually beneficial and rewarding relationships. High-context cultures demonstrate a strong focus on relationships and personal trust. Reference to Japanese business culture is appropriate to demonstrate cohesiveness of cultural relationships.

For most Japanese, the creation of harmonious relations is very important indeed, and the term *wa*, which literally means 'circle' is used to convey the notion of harmony, unity, peace, and wholeness in a social group.

Enterprise Ireland (2001, p. 1)

This results in 'unparalleled trust, co-operation and loyalty, which leads to high productivity, shared responsibility, and smooth management/labour relations' (Enterprise Ireland, 2001, p. 1). In effect the main purpose of the RT is the welfare of consumers must be paramount. 'The goal of altruistically motivated behavior is to improve the welfare of others, and the behaviour aims itself is intrinsically rewarding' (Scholder et al, 2000, p. 395). In the context of this study some are critical of the weak approach supermarkets have taken to building relationships with consumers.

Having made the whole experience of food shopping dehumanizing, functional and boring, supermarkets portray themselves as white knights 'lightening the load', riding to the rescue of stressed working women to relieve them of the enormously oppressive burden of food shopping. They promise short checkout queues, a parking space and ways to help you whiz round getting this unpleasant business over and done with as fast as possible.

Blythman (2004, p. 42)

This type of sentiment does little to provide evidence of a humanistic partnership between supermarkets and consumers. An ICM poll carried out for the *Guardian* in 2003, adds merit to such criticism it states 'only 39 per cent of respondents said they trusted supermarkets to give them reliable



information about the safety of food' (cited in Blythman, 2004, p. 270). This could be suggestive of the underdevelopment of the social aspect of CS.

The key to success of the relational theme of CS is the ability to engage staff as company ambassadors. This involves utilizing a motivational effect whereby nuclei customers view themselves as company ambassadors. This should be the result of the realisation of the CSN via the RT. Throughout the literature there is evidence albeit indirect of the emergence of such a motivational effect. This is presented in table 4.5.

**Table 4.5: The evolutionary framework of the motivational effect**

<b>Incidental</b>	<b>Consequence</b>	<b>Deliberate</b>	<b>Consequence</b>	<b>Applied</b>	<b>KEY</b> →
	→		→		<b>ORGANISATIONAL VALUE</b>
<b>Incidental</b>	functional theme + mechanistic nature + internal marketing	<b>Deliberate</b>	relational theme + humanistic approach + internal customer service	<b>Applied</b>	relational theme + emotional dimension  + humanistic approach + moral dimension + empowering customer service
<b>Incidental</b>		<b>Deliberate</b>		<b>Applied</b>	
	↓		↓		↓
	Stage: 1 Casual		Stage: 2 Active		Stage: 3 Motivational

The evolutionary framework can be explained as follows:

### **Stage 1: Casual**

Before the motivational effect is formalized in an organisation it is effectively non-existent. Any practices that relate to motivation are incidental. Reasons for this include a functional theme with an interpretation of a mechanistic nature. From an organisational perspective the sphere of ICS relationships could at best be described as internal marketing.

### **Stage 2: Active**

The next step is where a relational theme is formalized in an organisation. ICS policies are deliberately drawn up and implemented. There is a humanistic approach. In effect this suggests a deliberate attempt to invoke a motivational effect to CS relationships.

### **Stage 3: Motivational**

The third step is where the motivational effect is fully implemented. From an organisational perspective this is facilitated via the implementation of empowering customer service. At this stage the motivational effect should allow for full use of the relational theme that delivers on the civic orientation.

As a consequence the ethos of customer service is deepened from a functional to relational theme (RT) and is a concept that is humanistic in nature. Sull (2003, p. 86) is of the view that 'strong values can attract great employees, fuel their passion, and build strong bonds of loyalty'. Kleiner (2003, p. 86) refers to the significance of 'core', 'the core group won't be found on any formal organisation chart. It exists in people's minds and hearts-indeed, the root of the word 'core' is probably the Latin word *cor*, for heart'. This is relevant to the impact of nuclei customers on the development of the RT.

Although beyond the scope of this study the motivational effect has the potential to have a multiplier role in that focal customers could perceive themselves as ‘ambassadors’. To conclude the RT involves viewing CS as a means to deliver on the humanistic partnership between organisations and society. In turn there is scope for an organisation to act as a consumer ambassador or advocate.

This is a key premise of SICS the details of which are presented in the next chapter. In short the RT requires delivery of a humanistic partnership that serves society in a socially responsive manner. What is key to this is the role of nuclei customers. Chatman and Cha (2002, p. 2) provides a critical perspective.

The lesson for organisations is clear: your people may not be generating creative ideas because the cost of expressing them is too high. You can bet on your employees having creative ideas in their heads-about how to do their jobs better, improve a system or develop a new product. But are they willing to voice their ideas?

#### **4.5 Summary**

The relational theme of customer service deepens the ethos of CS. It emphasises the core purpose of the concept ‘to serve’. Consequently there is a need to relate to all customers in a more people-centric way and a need to base CS on a more humanistic approach. This involves identification of an emotional and a moral dimension of CS.

Taking these aspects into consideration, structural dimensions of the RT of customer service are presented. What is key to the success of these structures is the key role of staff. Herein the motivational effect is identified as the culmination of the RT.

## CHAPTER FIVE

## CHAPTER FIVE: SOCIALLY INTEGRATIVE CUSTOMER SERVICE

### 5.1 Introduction

In this chapter a theoretical and practical explanation of Socially Integrative Customer Service (SICS) is provided. Customer service as a stand-alone concept is limited. The difficulty is that it could be interpreted in a manner adverse to civic duty. 'The 1980s imposed services and the 1990s rather synthetically attempted to generate loyalty, the millennium is likely to signal a totally different approach to customer relations' (Harris and Ogbonna, 2001, p. 168). This study proposes a different approach whereby customer service is provided to customers, consumers and society. 'CSR is a means by which bigger business can get closer to its customers and not be seen as distant and aloof' (Amárach, 1999, p. 11). Consistently in the literature there have been calls for legitimacy in business practice, this substantiates the requirement for a different perspective (Albrecht and Zemke, 1985b, p. 97; Kay, 2002, p. 21; PriceWaterhouseCoopers (2002, p. 21). Society expects business to behave in a manner that meets its duties, obligations and responsibilities that have been conferred on commerce from the social contract of that civil society.

Civil society has been defined in a variety of ways. Originally it meant a 'political community', a society governed by law, under the authority of a state. More commonly, civil society is distinguished from the state, and is used to describe a realm of autonomous groups and associations, such as businesses, pressure groups, clubs, families and so on.

Heywood (2000, p. 17)

'In marketing we lack the relevant language and conceptual models to support marketing executives in finding practical ways to cope with the corporate environments they face' (Piercy and Morgan, 1989/90, p. 12). Throughout this chapter SICS is discussed in philosophical and practical terms. There is

also reference to the applicability of SICS to the retail sector. A blueprint of SICS is presented and the stages of SICS implementation are discussed.

## **5.2 Concept of SICS**

### **5.2.1 The philosophy of SICS**

The theoretical argument that is the foundation of SICS is on the face of it simple. First, the CS concept is broadened to have a civic orientation. Second, the CS concept is deepened via identification of CS relationships. The consequence of this is to bring CS into the political domain. In addition the core ethos 'to serve' becomes more meaningful in a relational context. This is where a people-centric approach is critical.

The reasoning for broadening the interpretation of the customer is evident as noted by Davies (1998, p. 170) 'the basic position from evolutionary biology is that under natural selection, animals (firms) which are not in tune with their environment struggle or die out, leaving the fitter, the better adapted animals to survive and pass on their form to future generations'. Changing the philosophy of CS is becoming less of a choice but a survival mechanism for organisations. SICS is about integrating business with society in a socially responsive way. The opposite to this is non-integrative customer service. These two interpretations of customer service are outlined next in table 5.1.

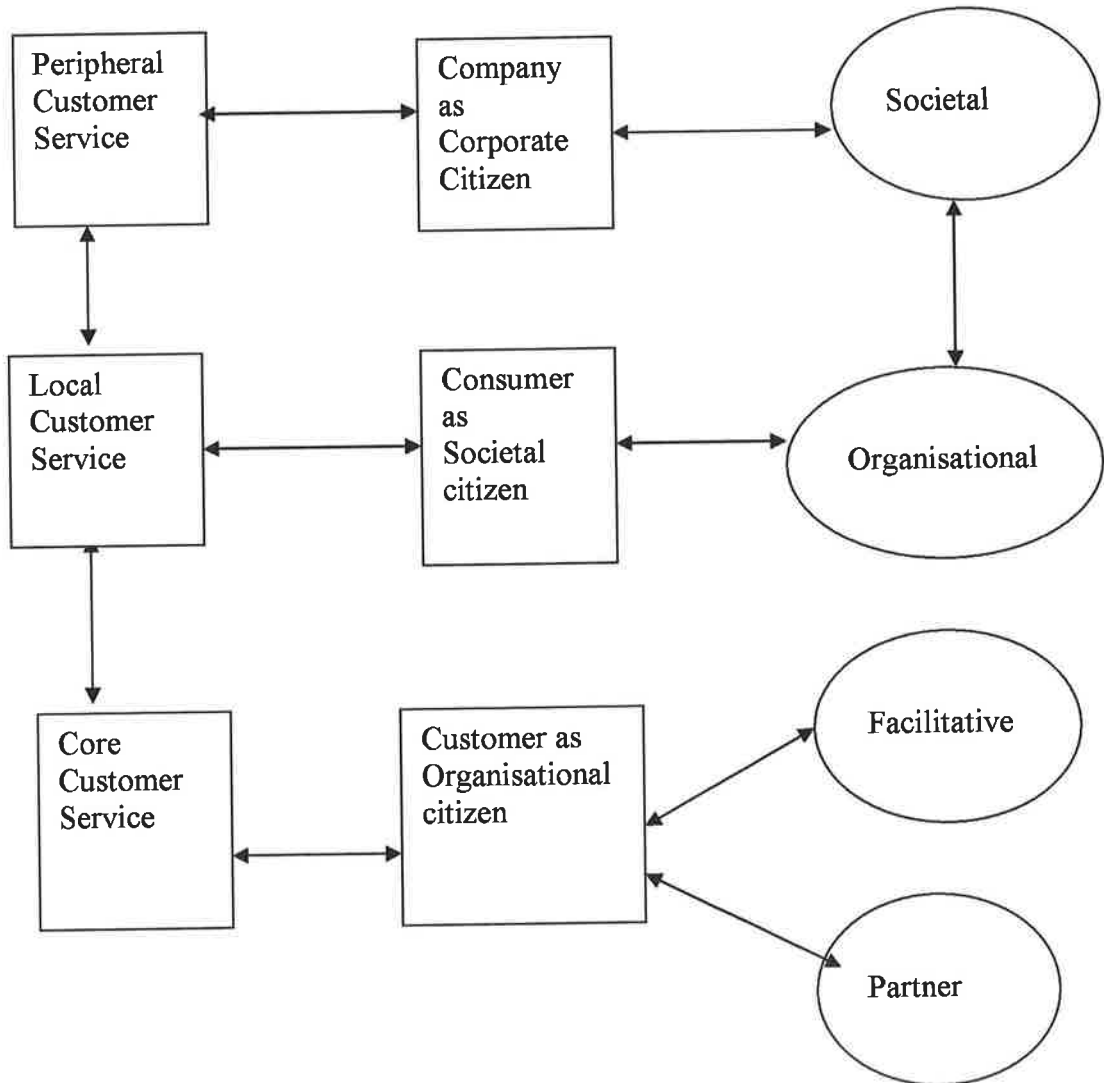
**Table 5.1: A comparison of non-integrative to SICS**

	<b>Approach</b>	<b>Principles</b>	<b>Focus</b>	<b>Based on</b>	<b>Orientation</b>
Non-Integrative Customer Service	Utilitarian approach	<ul style="list-style-type: none"> <li>• Reliability</li> <li>• Quality</li> <li>• Efficiency</li> <li>• Service management</li> <li>• Friendly service</li> </ul>	Functionality of service	Standardisation	Customer
Socially Integrative Customer Service	Humanistic approach	<ul style="list-style-type: none"> <li>• Equality</li> <li>• Respect</li> <li>• Choice</li> <li>• Information provision</li> <li>• Flexibility</li> </ul>	Citizenship of service	Responsiveness	Civic

Non-integrative customer service represents a utilitarian approach that puts organisational needs ahead of customer needs. The focus of service tends to be functional for the consumer. As a consequence customer service delivery is standardised with inflexible practices. The orientation is on the customer, but in an instrumental, mechanical manner. In contrast, SICS is a humanistic approach. Functionality of service is replaced with a citizenship view of service that includes responsiveness to meet the needs of the individual consumer. The overall orientation is civic, meaning proactive consideration of the organisations duties and obligations to organisational citizens.

From a relational perspective, civic orientation has a notable impact. There are many categories of customers that are subject to CS. A framework of the relational links is provided in figure 5.1.

**Figure 5.1: A framework of relational links**



The relational framework represents the merging of the CSN with the RT. It is based on three levels of civic duty. At the top of the framework is peripheral customer service. This is where traditionally socially responsiveness has occurred via the organisation's role as a corporate citizen i.e. the usual notion of 'Corporate Social Responsibility'. At this level



societal customers are served. For example signing up the UN Global compact ([www.unglobalcompact.org](http://www.unglobalcompact.org)) would represent action at this level.

The next level is described as local customer service. This is where consumers are served as societal citizens hence the service relationship is the organisations social responsiveness to local society. Involvement with community events and volunteerism are examples of a response to serve consumers as societal citizens. Core customer service level is where customers are direct citizens of the organisation. Traditional customers represent the facilitative level and staff represent partner level. The practical implications of service relationships will now be reviewed.

### **5.2.2 Practical implications**

A civic orientation requires an approach that respects and enhances the quality of life of all consumers in society. It assists the building of trust in an organisations ability 'to serve'. Rotter (1967) defines trust as, 'a generalized expectancy held by an individual that the word, promise, or oral or written statement of an individual or group can be relied on'. In practice the key criterion for the successful implementation of SICS is in the delivery of civic trust. The three basic factors of customer service, clinical, organic and internal, must be re-evaluated in this regard as outlined in table 5.2.

**Table 5.2: The derivation of practical components of socially integrative customer service**

CS Elements	Integrative Factor	Result
Clinical	+ Social responsibility =	Sequential CS (SEQ)
↓		↕
Organic	+ Social responsibility =	Implicative CS (IMP)
↓		↕
Internal		
Organisational	+ Social responsibility =	Empowering CS (ECS)
↓		↕
Civic	+ Relational =	Political CS (POL)
Non-integrative CS		Socially integrative CS

### Sequential customer service

Applying social responsibility to clinical factors of customer service should enhance all processes. For example in retailing at in-store level there is a challenge to change the perception of shopping from a boring and unrewarding experience. This involves enhancing the service available by providing a basic service in a more socially responsible way. For example adding value to shopping which provides scope to deepen the customer service available possibly through increased consumer education in-store.

### **Implicative customer service**

Applying social responsibility to organic factors of customer service can enrich interpersonal service. This could require extending training to include interpersonal relations, retail and services marketing, sociology, and psychology. In retailing for example in-store this involves allowing for more personalised interaction between staff and customers. It requires being sensitive to personal needs of those of the local community and the protection and respect of human rights at a global level

### **Empowering customer service**

Applying social responsibility to internal factors has the potential to create and secure a culture of SICS. This involves the authorizing of customer service to occur by giving staff the power to be responsive to the needs of customers. This is key to securing a culture that legitimises a civic orientation.

### **Political customer service**

The application of the relational theme to the civic orientation of CS is key to the consolidation of SICS. It is here that the foundation is created for the addition of social responsibility to all other factors.

Having reviewed the practical components of CS and in consideration of the relational links it is important to highlight the practical levels of SICS. Optimal customer focus (O.C.F.) is the mechanism whereby all customers can be served via commitment to serve in a socially responsive way. This is presented in table 5.3.

**Table 5.3: Optimal customer focus**

<b>Customer service level</b>	<b>Core purpose</b> In a socially responsive way to:	<b>Optimal customer focus</b>
Societal	+ serve society	= Level 1
Organisational	+ serve the local community	= Level 2
Service level B	+ serve customers	= Level 3
level A	+ serve staff	= Level 4

**Optimal customer focus:**

**Level 1: Societal**

Applying social responsiveness to global factors of customer service is about being a good corporate citizen. A company must serve society the best possible way by responding in a socially responsive manner to social issues. It is imperative that proactive activity occurs in this area.

**Level 2: Organisational**

Applying social responsiveness to local factors of customer service should ensure that responsive service is provided to the local community. This will build the organisation's reputation in the local community and ensure that the brand is a respected and responsible entity.

**Level 3: Service-customers**

Practices of social responsiveness need to be linked with service to partner customers during the service experience. Throughout the literature the role of

the customer is well documented. For example Bateson (2000, p. 129) notes 'one of the characteristics that makes services unique is that the customer has a production role as well as a consumption role in the service encounter'.

Rodie and Kleine (2000, p. 120) refer to customer participation as

the productive role is more critical to sequential customer service as the customer is directly involved in the delivery of the service experience. Customer participation lends itself to obtaining an increased sense of independence, self-efficacy, and self-control.

Customer participation may aid customers in allowing them to take greater ownership of their shopping experience. By providing increased options of customer participation, shopping should become a more user-friendly and interesting experience at a basic level. Greater customer participation may enhance productivity (Mills and Moberg, 1982). At this level the key task is to deliver a more interesting experience for customers that is socially responsive.

#### **Level 4: Service-staff**

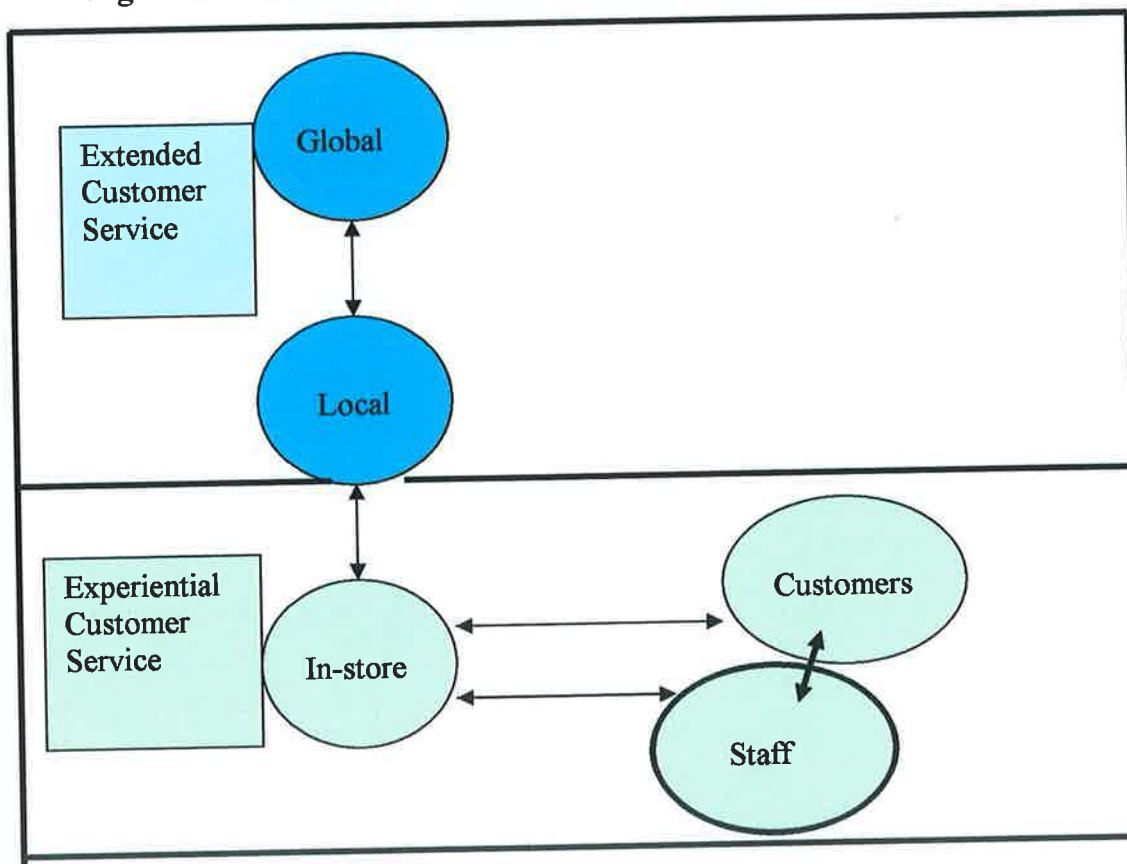
This is a critical level as the key to adopting a humanistic approach to customer service is the relationship between management and staff. How a company serves its facilitative customers reflects the level of commitment to SICS.

#### **5.2.3 The cultural imperative**

The link between CS and CSR at this level is philosophical. The delivery of a people-centric approach requires an agile organisation that is responsive to the needs of customers. Chatman and Cha (2002, p. 2) observe, 'outstanding service is determined, in customers' eyes, by how a company deals with situations that are nearly impossible to anticipate, unique to a particular person and difficult to solve'.

The cultural development of service should facilitate such flexibility. Adding social responsibility at this critical level that requires a 'sense of mission' (Katzenbach and Santamaria, 1999; Fenlon, 2002). Fenlon (2002, p. 5) notes that 'some corporations have also attained extraordinary levels of productivity by harnessing the powers of mission and shared values traditionally associated with some areas of the public sectors and NGOs'. Social responsibility could be key to the transformation of CS and this is based on service to communities (Figure 5.2).

**Figure 5.2: The communities of service**



The symbiotic link between social responsibility and customer service can be explained by viewing customer service as meeting the challenge of serving various communities.

The key objective of SICS is for organisations to be more people-focused. The litmus test for the ability of any organisation to meet this challenge is the relationship between staff and management. Makower (1994, p. 182) notes,

Social responsibility in the workplace moves beyond human resource programs to integrate a new breed of thinking throughout the company, from top managers down, based on the recognition that how employees are treated can have a powerful impact throughout the company and in the larger community. This is where corporate vision meets the front office and the factory floor.

An extract from Albrecht (1985, p. 67) is fitting.

One of the biggest employee complaints is that management places too many barriers in front of them. Rigidity may hinder their ability to help the customer. Encourage and teach your employees to become innovative and creative. Let them bend the rules if it serves the customer and doesn't harm the organization.

'In any case the job of management is to engineer a motivating environment' (Albrecht and Zemke, 1985b, pp. 107-108). It is the nuclei relationship that is critical to the success of the cultural imperative. Before the challenge of SICS is discussed reference is made to the retail landscape to ascertain the appropriateness of SICS.

### **5.3 The retail landscape**

#### **5.3.1 Theoretical argument for SICS**

Considering the literature in the retail context it is clear that any adoption of socially responsive practice is only emergent. By and large customer service in supermarkets remains grounded on a mechanistic approach. Many government regulations including those relating to the taxation of the use of plastic bags, food labelling and price displays are indicative of the 'legalistic compliance' reaction to social responsibilities. Much international development in supermarket retailing has focused on mergers and acquisitions, many of which have been subject to investigation by the EU

regarding fair competition. Other main developments include the growing success of own-label brands, pre-prepared meals, convenience sales, - pre-packed sandwiches, the stocking of organic produce and category management. Another feature is the entrance of low-cost supermarket retailers.

To some extent developments such as those outlined have increased the similarities between supermarket brands, thereby accentuating the need for a new source of competitive advantage. Recent in-store developments include the development of in-store bakeries and store refits that do not provide major retail breakthroughs but do represent incremental improvements.

There has been a divergence in the supermarket sector, some of which has been related to increased competition. One area that foreshadows a more socially responsive approach is the availability of organic produce. But here there is lack of applied civic orientation for example the availability of organic produce tends to be based on store location rather than customer equality to similar selection of goods. The fact that much organic produce is imported raises the issue of 'food miles'. Another area that adds merit to the potential of SICS is the lack of development in the area of the shopping experience itself. There is some stagnation here for the past thirty years as Seth and Randall (2001, p. 252) comment,

the food-shopping process is the same as 10, 20, 30 years ago: self-service, the supermarket, the superstore all transformed our shopping experience in their time. Any subsequent changes have been at the margin. A modern superstore has more car parking, strives to be both emotionally warmer and physically more pleasant. It has a wider range of products-but the essential shopping experience is not really very different from that of 10 years ago. The food shopping experience is clinical, unexciting, undifferentiated: for most shoppers, the basic weekly main shop is acceptable but a chore.



This contribution is consistent with a study carried out by Coopers and Lybrand in 1996 on behalf of Coca-Cola Retailing Research Group. Seth and Randall (2001, p. 252) refer to a number of criteria that are key to the future success of supermarkets. These include: 'the brand, consumer-systems ingenuity, people and culture, and global awareness'. In relation to branding they add 'the best can seek brand primacy through function (innovation) and emotional brand-building' (Seth and Randall, 2001, p. 252).

SICS is a mechanism that can drive emotional brand building through social integration. Regarding people and culture Seth and Randall (2001, p. 252) state, 'this has enormous potential but weak delivery'. Here again SICS provides the opportunity to deliver on this potential. In academic retail research a gap is evident in the area of environmental issues (Bansal and Kilbourne, 2001). This is surprising in the context of the environmental and social impact of supermarkets. An extract from Bansal and Kilbourne (2001) illustrates such approaches (see table 5.4).

**Table 5.4: Ecological impacts of retailers**

Activity	Cause	Main environmental impact
Distribution	Operation of motor vehicle fleet for distributing products	Burning of fossil fuels Noise pollution and traffic congestion
	Cleaning motor vehicle fleet	Water depletion Water quality
Location	Out-of-town hypermarkets	Burning of fossil fuels Noise pollution and traffic congestion Aesthetics
	Hardwoods on building sites	Reduction of bio-diversity
	Building on greenfield sites	Bio-diversity Forest depletion
Processes	HVAC, lighting, and other power usage in shops and offices	Burning and release of fossil fuels
	CFC's in refrigerant and packaging, insulation	Ozone depletion
	Disposable transit packaging	Landfill Forest, and oil and gas depletion
	Non-reusable plastic or paper bags	Landfill Forest, and oil and gas depletion
Merchandising	Excess packaging on private label products	Landfill Forest, and oil and gas depletion
	Excess stocking of perishables	Landfill Excessive and inefficient use of agriculture

**Source: Bansal and Kilbourne (2001) p. 143.**

The environmental area further highlights the need to build a civic orientation. Even in this prominent area in the literature of environmental impact there is still only limited research that is only recently gaining critical mass.

Interestingly, there has been an almost complete disregard for environmental aspects of retailing. A database search of the Journal of Retailing from 1972 to 1999 did not reveal a single article on the natural environment, and an electronic literature search of business and business related publications for a 15-year period, revealed only one article.

Bansal and Kilbourne (2001, p. 139)

Despite limited endeavours in retail research the sector has huge economic weight with high power status. 'Although retailers are often designated as major polluters, they are recognised as having the power to induce change among manufacturers because they are a critical link in the supply chain' (Bansal and Kilbourne, 2001, p. 143). In agreement on the strength of retail power Harris and Ogbonna (2001, pp. 168-169) believe 'it is arguable that the most significant factor influencing competitive advantage in the food retailing industry is power'. Because of the nature of retailing and its direct relationship with consumers, retailers have the power to act as change innovators in revitalising CS. The next challenge for retailers is the movement to SICS. The consequence of this should be the supermarkets role as consumer advocate. The key to achievement of this is the social dynamics of supermarkets.

### **5.3.2 The movement towards substantive SICS**

Of all retail formats perhaps grocery retailing is the most suitable for applying SICS, as for the majority of consumers it is a social activity. 'The act of shopping is, with few exceptions, a social behaviour and is frequently performed in the accompaniment of friends or relatives' (Evans et al, 1996, p. 208). Despite this in general terms service providers have failed to provide a basic enjoyable shopping experience. A discussion on retailing would be incomplete without reference to the 'Wheel of retailing' as explained by Freathy (1997, p. 417),

the original hypothesis maintained that the majority of new retailers enter the market as low-status, low-margin and low-price operators. As they continue to trade they eventually develop more elaborate establishments and facilities, extending their product offer, level of service and their cost structure. Finally, they move into a mature phase becoming high-cost, top heavy organisations which experience declining return on investment and become vulnerable to new market entrants.

There is no widespread reference in the literature to any investigation between the 'Wheel of retailing' and issues related to this study such as CS, CSR and RM. This is in contrast to other areas such as staffing (Marchington, 1996, p. 21; Freathy, 1997, p. 419). Regardless of the stage of development, all retailers can adopt aspects of SICS. From a logical perspective those retailers with higher levels of service may be in the most advantageous position to adopt SICS. In reality SICS may be necessary not just for competitive advantage but also for survival, in meeting the needs of increasingly discerning consumers and other stakeholders.

Most food retail organisations have recently undergone processes of restructuring as single entities or as a result of mergers. However no clear evidence of service to staff is evident in the literature. It is feasible to suggest that SICS could assist to counteract the noted imbalance. To ascertain the developmental level of contemporary retailing a review of socially responsible policies in Irish supermarkets is outlined in table 5.5. (This data was collected from various sources as part of this research study).

**Table 5.5: Social responsibility practices in Irish supermarkets**

1960's	Financial contributions to local communities
1960's	Financial contribution to local or national charities
1970	Stock wild fish/seafood
1977	'Sweet free' checkouts in-store
1986	Re-usable shopping bags
1990	Organic meat
1993	Employment of environmental manager
1994	Organic fresh produce
1996	REPAK membership
1997	Trade with third world 'Trade not Aid' organisations
1998	Use of energy factor company audits
1999	Genetically modified free own label range
1999	Own-label organic brand
2001	Introduction of D.N.A trace back system

*Note:*

*The above table reflects dates of the introduction of socially responsible practices of Irish supermarkets. The years refer to the earliest adoption of such practices.*

Table 5.5 is indicative of the increasing importance of social issues and the increasing realisation of the importance of social equity. Over the past forty years socially responsible policies have amounted to just fourteen practices that are in the public domain. On closer examination the earliest practices related to corporate giving. Only one example, 'sweet free checkouts' relates

to service delivery in-store that may be reflective of customer wishes. Many recent developments are to be applauded such as energy audits and may represent a response to customer concern over waste management, pollution, health and food safety issues but historically these are most likely to be legislatively complaint.

The role and function of the customer has recently reemerged as an area of retail differentiation, because of the standardisation in recent retail developments (Davison et al 1998, p. 235; Jones, 1999; Youn-Kyung, 2001, p. 289).

There is scope for retailers to develop their role as consumer champion and advocate. This is a key challenge of SICS-where customers are seen as partners that are to be served in a socially responsible way. It is a response to the societal function and social role of the relational theme already outlined in chapter four. This is particularly relevant when the food sector is considered, as there is increasing concern about nutritional balance in food stuffs, increased health concerns etc. If supermarkets don't take assertive action as consumer advocates on these serious issues they may ultimately lose customer respect. As Lawrence (2004, p. 225) notes 'change will come when ordinary people, realizing that our current food system is environmentally, ethically and even biologically unsustainable, exert their buying power and finally say, 'Enough is enough''. This possible outcome provides an opportunity to adopt a civic orientation.

Another stream for development is in the area of consumer education. Supermarkets can work in partnership with various organisations to inform customers about areas that impact their business and consumer quality of life. In recent years there is an increase in negative publicity towards the role and

actions of supermarkets from a range of sources, opinion leaders, consumers, governments, farming groups, NGO's and also those involved in health promotion. The following extract serves to illustrate the lack of applied social responsibility in the food industry and the lack of response from supermarkets.

A few decades ago profit-conscious manufacturers came up with an idea which is not only extremely dangerous but also quite unbelievable. In order to make money, they began to treat cows and other plant-eaters like carnivorous animals!

De Vries (2001, p. 142)

If retailers were consumer advocates in the context of a civic customer orientation then perhaps the aforementioned example may not have succeeded. It is also important to discuss the need for a civic orientation in service delivery. In the next section future prospects for SICS in the context of Irish supermarkets is discussed.

### **5.3.3 Future prospects for SICS in Irish supermarkets**

Supermarkets in Ireland represent a mature market and operating in such a market requires greater understanding of customers' needs. This has a consequential effect as outlined by Gonçalves (1998, p. 17),

In a growth market, customers sometimes tolerate poor customer service in order to gain access to the services they seek. However, by the time a market has matured, customers have learned how to avoid firms with poor service and consistently select firms where employees treat customers with respect and courtesy.

In order for retailers to be successful in the future there will be a need to look beyond current practices and understanding of customer service. Beem and Oxenfeldt (1966, p. 83) observe, 'the future of food retailing should be no less dynamic than the past. Societal and technological change is growing rather than abating'. In agreement Reynolds (1990/91, p. 46) notes the social goals of the activity of shopping, 'most forms of conventional shopping

activity continue to offer a degree of social value above and beyond their absolute economic value to the household'. Success in the future will belong to those retailers that can harvest a better service experience.

CS is critical to retailing but very often retailers misunderstand what is meant and required. This was highlighted by Sparks (1990/91, p. 31), 'a common misapprehension of customer service in retailing is therefore that it comprises a set of physical services and facilities. Much of what retailers call customer service is in fact facility provision'. Sparks adds 'This distinction makes more clear the need for a much sharper view of customer service and its application in retailing'. Sparks (1990/91, p. 35) adds to the argument for finding greater co-ordination in CS endeavours.

For a company to differentiate itself successfully on the basis of its customer service, it is necessary to provide a total customer service offering and strategy to the consumers. To do this the retailer needs to be proactive about all aspects of service and empower the sales staff to provide the services as they are required. The total service retailer needs to take *all* elements that makeup the customer service offering and combine them into the service strategy.

SICS has the potential to align CS theory and practice. A review of recent studies into supermarkets further signifies the credibility of adding social responsibility. In a study of UK supermarkets Ogbonna and Wilkinson (1990, pp. 13-14) found, 'limits to success in establishing a customer ethos also come from the very nature of the work, which is unglamorous, monotonous, and frequently intense'. Without a doubt technology has been one of the most pervasive developments that has occurred in retailing (Messinger and Narasimhan, 1997, p. 13; Ulrich, 1998, pp. 126-127). Such continued efficiency could lead to a dilution of the people aspect of service in supermarkets. 'Through the increasing presence of technology in the delivery of services, the 'social' component of customer interaction is becoming systematically displaced' (Barnes et al, 2000, p. 95). It is precisely the social



component in retailing that is key to SICS. Seth and Randall (2001, p. 218) state, 'supermarkets are universal, their customers drawn from all elements in society, from richest to poorest'.

It is becoming increasingly clear that retailers need to engage at a deeper less mechanistic level with their stakeholders. Seth and Randall (2001, p. 317) state,

We cannot say what a successful food retailing brand may look like, though we feel that it must set out to have more functional difference as well as more emotional warmth, and have more depth of personality than the current firms provide.

In the future what could differentiate retailers may be the level of public trust. Rousseau et al (1998, p. 399) comment, 'in a sense, trust is not a control mechanism but a substitute for control, reflecting a positive attitude about another's motives. Control comes into play only when adequate trust is not present'. Applied to retailing this represents improved service to customers by meeting the higher order needs. This can build company reputation and image-the key to brand recognition.

To conclude, practices of CS in grocery retailing reflect approaches that would benefit from more academic guidance. The retail landscape supports the case outlined throughout previous chapters. No significant changes over recent years have transformed the quality of life for all customers. CS by its nature is based on responsiveness not standardisation. What is required in meeting the changing needs of all customers is flexibility. A key strong point of supermarkets is the flexibility to serve the customer any way necessary (Appel, 1972). Flexibility may be the strongest point but in the future it will also be the supermarkets strongest challenge!

## 5.4 An overview of SICS

The combination of a civic orientation with a humanistic approach involves the authentication of the concept of CS. If the basic premise of CS is 'to serve' in an ethos of civic duty with a commitment to people-centricity in a socially responsive manner, then an ethical perspective is deemed relevant.

### 5.4.1 The ethical perspective

The consequence of SICS is to build trust throughout the CSN and to build loyal CS relationships. The underlying theme that links the CSN and the RT of CS is the ethical perspective of CS. The CSN serves to broaden the concept of customer service, while the relational dimension serves to deepen the theoretical base. Due to its civic foundation the CSN propels the necessity for an ethical approach. Similarly in the context of CS relationships the dynamics of the social contract add emotional and moral dimensions to the concept. It is here the ethical perspective becomes clear. SICS is a means to further legitimise the civic basis of CS 'to serve', in a socially responsible manner. In the literature there is calls for a more ethical impact in marketing practice (Hederman O'Brien, 1992, p. 68; Singhapakdi, et al, 1995, pp. 49-5; Schwepker et al, 1997, p. 99; Pels, 1999, p. 31).

At a societal level an ethical perspective should allow for the building of organisational values that could be a source of competitive advantage.

Successful values-driven companies are often marked by the ability to create a strong identity of interests among their key constituents, customers, suppliers and employees. This is more often than not based on deep commitment to a more inclusive form of capitalism than is still the norm in most Western enterprises.

Leavy and Gannon (1998, p. 42).

Mason and Mayer (1981, p. 694) observe 'many retail executives appear to be talking about changing consumer attitudes as much as changing economic

conditions-another key indication that retailers consider consumer attitudes a key factor, regardless of economic conditions'. Peterson and Balasubramanian (2002, p. 12) contribute to this area by highlighting that 'retailing, by definition, focuses on consumers'. Thomas et al, (2002, p. 167) confirm the validity of ethics as key consumer issue. 'Customer expectations concerning fair and just treatment by the seller within a given retail environment, such as a retail service setting, for example, involve marketing ethics issues' Thomas et al (2002, p. 167). Guerrero et al (2000, p. 387) discusses the complexity of consumer decisions in this area as 'food selection and consumption is a complex phenomenon influenced by several factors which can be classified as marketing-related, psychological and sensorial'.

This complexity highlights how ethics can build trust between consumers and retailers. Trust seems to be the main component of brand loyalty (Filser, 1994). Rust et al (2004, p. 111) propose, 'a reinvention of brand management that puts the brand in the service of the larger goal: growing customer equity'. Although beyond the remit of this study the ethical perspective of CS should assist the building of retail brand integrity. Innovative frameworks are critical to the progression of the retail discipline.

Perusal of the retailing literature published in the latter part of the last century reveals there is a general lacuna with respect to retailing theory. The best basis for explaining current retailing-related phenomena and anticipating future retailing-related phenomena is foundational retailing theory. Unfortunately retailing does not possess foundational theories of its own.

Peterson and Balasubramanian (2002, p. 14)

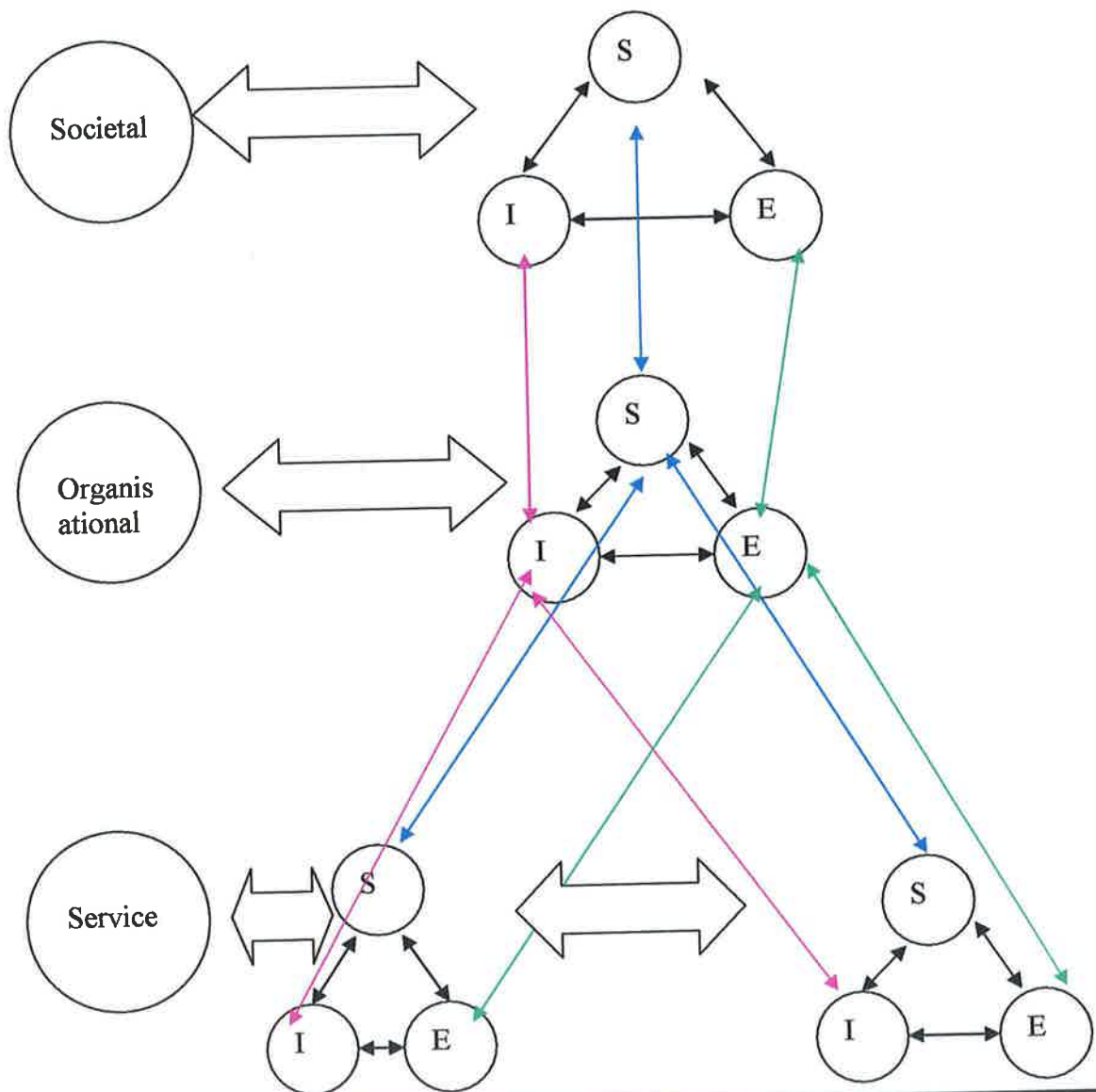
The blueprint of SICS is documented with specific consideration given to supermarket retailing.

#### 5.4.2 A blueprint of SICS

This blueprint aims to provide guidance through alignment of theory and practice. A key underlying factor is greater co-ordination across all levels and all aspects of SICS. CS needs to be more flexible, responsive and innovative. The blueprint will be presented followed by examples from retailing that are indicative of the suitability of applying the model.

It should be noted that due to the progressive nature of the study all aspects are not open to exact examples. Where appropriate and considered relevant, globally sourced retail examples are drawn upon. These are only indicative of certain aspects of the model and are not meant to be prescriptive. They serve to indicate how retailing in practice is conducive to such a model. A blueprint of SICS is presented in Figure 5.3.

**Figure 5.3: Blueprint of socially integrative customer service**



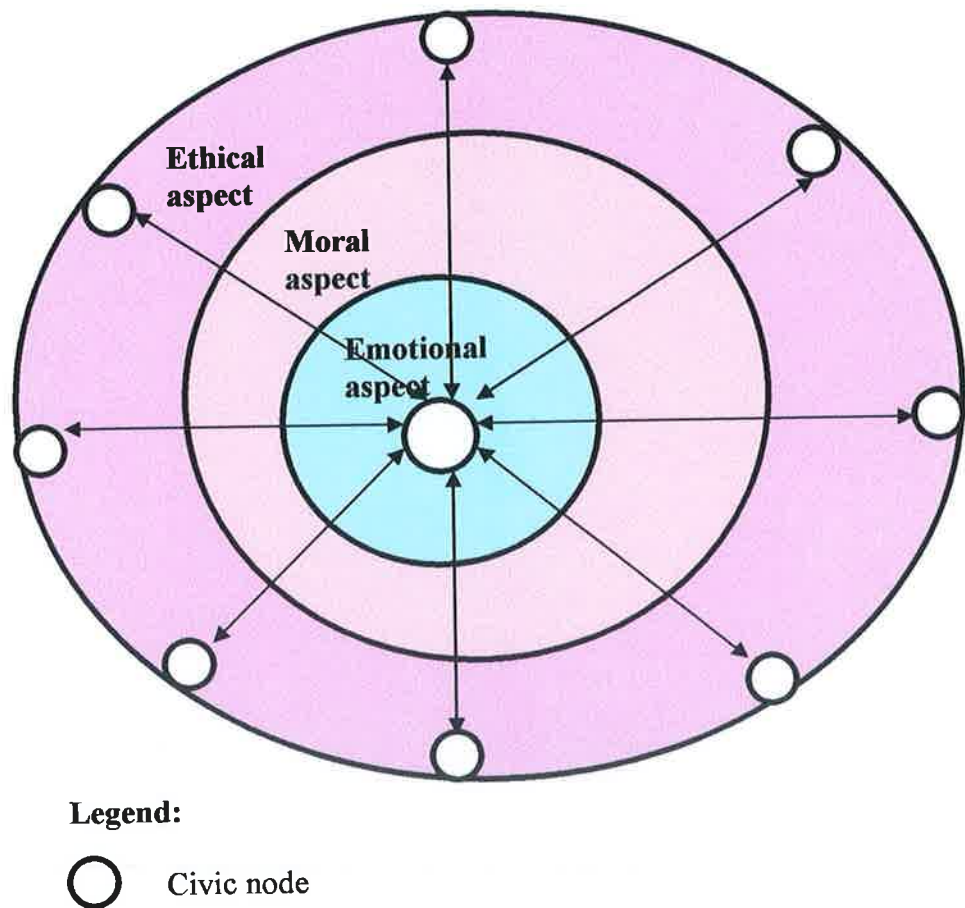
**Key:**

- Sequential line
- Implicative line
- Empowerment line

**S = Sequential CS**  
**I = Implicative CS**  
**E = Empowering CS**

The blueprint of SICS is based on three strands: societal, organisational and service. Each strand has identical and interlinked components with each focused on a different citizenship level. Societal is based on serving citizens from a proactive social perspective. The organisational level aims to serve local citizens of the community in the most socially responsive manner. The service level is based upon the key commitment to serve citizens both as facilitators and as partners in the most feasible socially responsive way. It is important to note the make up of each component (see figure 5.4).

**Figure 5.4: The structure of each component (sequential, implicative and empowering)**



Each component regardless of whether it relates to sequential, implicative or empowering CS has an ethical, moral and emotional aspect. This is key to aligning theory and practice. Civic nodes act as integrators between the three layers. This should allow for a civic orientation with a humanistic approach.

A number of examples are outlined that serve to highlight retail movement in this direction that can facilitate SICS. While some underlying aspects are common to all some small amount of text will relate to a specific strand of the blueprint. Cases of retail progress towards socially integrative customer service are presented.

#### **Case 1: Societal level-Marks and Spencer**

Marks and Spencer was founded in England in 1884 and today is one of the UK's leading retailers with group turnover of £8 billion sterling. The vision of Marks and Spencer is to be: 'the standard against which all others are measured' (www.marksandspencer.com). The company values include-quality, value, service, innovation and trust. In relation to corporate social responsibility the company has established three principles.

- Principle one-Take care and act responsibly in delivering high quality products and services.
- Principle two-Create great places to work.
- Principle three-Help make our communities good places in which to live and work.

**Source: Marks and Spencer 'Corporate Social Responsibility Review 2003'.**

For the purpose of illustration principle one will be focused on. Through principle one the company recognises:

- That when we make a profit we also accept a responsibility.
- Striving to achieve the best balance of quality, value for money, social well-being, environmental protection and animal welfare.
- Listening and responding to the needs of our stakeholders openly and honestly.

**Source: Marks and Spencer 'Corporate Social Responsibility Review 2003'.**

Principle one of the Marks and Spencer strategy indicates the kind of policy that is necessary for the application of SICS at societal level.

## **Case 2: Organisational level-Albertson's**

Albertson's was founded in 1939 with the first store opening in Boise, Idaho. Today it is one of the largest retail food and drug chains in the United States. Sales in 1999 reached 35.9 billion dollars. In 1993 sales were 10.17 billion dollars. This represents a significant increase in sales over six years. The company operates in thirty-seven states and employees over 220,000 people. The company has many policies about protecting the natural environment, waste reduction and energy conservation. The company is also committed to being the 'neighbor of choice'. 'Albertson's believes in being a good neighbor by contributing to the quality of life in the thousands of unique communities we serve'.

**Source: [www.albertsons.com](http://www.albertsons.com)**

Some areas covered by the company's commitment to the community include: education and the development of youth, community partners card and health and nutrition. These will be reviewed in more detail.

### **Education and the Development of Our Youth**

This category includes assistance to public and private educational institutions, employee educational matching gifts programs, scholarship programs, and contributions to other education-related organizations.

### **Community Partners Card**

Albertson' extended its community support in 1997 by creating and implementing the Community Partner Card program—a simple and innovative fund-raising program. This card represents a true partnership between Albertson's, the community and youth-oriented, non-profit organizations.

### **Health and Nutrition**

Albertson's is committed to promoting good health and nutrition. For example, Albertson's grants may help fund health and nutrition-oriented programs or community resources that affect the availability of adequate health care and human service support, or organizations that provide valuable information and services to help customers and employees maintain active, healthy lifestyles.

**Source: [www.albertsons.com](http://www.albertsons.com)**

Volunteerism is a concept that appears very prominent in US supermarket companies. It is also a key feature of Albertson's community involvement.

Albertson's is proud of the contributions our associates make to their communities all across the country. Associates choose to donate their money, time and talent to a variety of charities.

**Source: [www.albertsons.com](http://www.albertsons.com)**



Thousands of associates generously lend their hands and hearts to deserving charities and organizations from coast to coast. While it's difficult to recognize only a select few winners each year, we applaud the efforts of all associates who share their talent, compassion and kindness with our friends and neighbors in need.

**Source:** [www.albertsons.com](http://www.albertsons.com)

Albertson's demonstrates the sort of policy at organisational level that is necessary for adoption of an ethos of socially integrative customer service.

### **Case 3: Partnership level-Carrefour**

Carrefour is the Europe's largest retailer and the world's second largest food retailer after Wal-mart. Carrefour is a French company founded in 1959. The company has over nine thousand stores in over thirty countries, being market leader in nine of those countries. Carrefour's most recent sales information provided on their website gives a consolidated sales figure of 78 billion euro, market capitalization of 42 billion euro and the company has over three hundred and eighty thousand employees. In 2002 the company published its first sustainability report. Despite its large size and presence across the globe the company does show a commitment to society.

In 2001 Carrefour published a landmark report on sustainability entitled, 'Carrefour's commitments for a responsible trade'. In this report the company categorically stated their commitment to core principles of sustainable development and also including performance economic, environmental and social factors. In the preface of the report the chairman and chief executive officer states,

As a business enterprise, Carrefour wants to bring consumption to the greatest number of people possible, while at the same time contributing to the economic, social, cultural and environmental development of the countries in which the group does business. Carrefour's policies are the natural consequence of this philosophy.

**Source:** Carrefour sustainability report Carrefour's commitments for a responsible trade-our economic, environmental and social performance 2001.

Carrefour's commitment to sustainable development is based on the following Carrefour values:

**Freedom:** Make consumption more democratic by giving customers the freedom to purchase products at prices that correspond to their buying power;

**Responsibility:** Give all employees the right to take the initiative and assume responsibility for our actions;

**Sharing:** Distribute the wealth created among our customers, our employees, our shareholders and our suppliers in an equitable manner.

**Respect:** Listen to, understand and respect individual cultures, differences and interests worldwide;

**Integrity:** Act with transparency and respect our commitments;

**Solidarity:** Foster solidarity among the women and men of the group and contribute to the development of the local economy while preserving social equity;

**Progress:** Encourage innovation and make a commitment to a process of continual improvement.

**Source:** Carrefour sustainability report Carrefour's commitments for a responsible trade-our economic, environmental and social performance 2001, pp. 2/3.

The company also wants to promote better more responsible consumption patterns.

We want to generalize access to products with high added social or environmental value which have been reserved until now to affluent customers who are already environmentally sensitive.

**Source:** Carrefour sustainability report Carrefour's commitments for a responsible trade-our economic, environmental and social performance 2001, pp. 38/39.

Carrefour illustrates the movement that is needed if a basis for implementing humanistic partnership.

#### **Case 4: Facilitative level-Pick'n Pay**

Pick'n Pay is based in South Africa and the company was founded in 1967. The company is listed on the JSE Securities Exchange South Africa. There are five key organisational principles:

1. Satisfy the needs and wants of our consumer.
2. Convenient store locations for our consumers.
3. Design and layout of stores for maximum efficiency.
4. Provide a wide-ranging and apt inventory of products-at the best prices.
5. Empower our employees with the training and skills to fulfill their maximum potential.

**Source:** [www.picknpay.com](http://www.picknpay.com)

Where Pick 'n Pay differs from other supermarket groups is their involvement in the local community. In 1984 the Food Marketing Institute of America recognised the company's commitment to society by awarding a social responsibility award. In the companies stakeholder pledge a paragraph relates to 'South Africa and Our Communities',

To give back to communities in which we operate through an investment in education and literacy programmes; housing; self-help schemes; child welfare; parent support groups; feeding schemes; relief programmes; cultural and theatrical projects; sport development and environmental programmes.

**Source: [www.picknpay.com](http://www.picknpay.com)**

With the election of Nelson Mandela as President of South Africa in 1996 the company decided to re-affirm its values of 'human dignity and mutual respect'. They used the term 'Vuselela-the Nguni word for rebirth or renewal' as their vehicle for change. This was a fundamental change process that seen dramatic changes in the workplace. This company demonstrates policies that are indicative of the need to be socially responsive to the needs of staff. Pick 'n Pay represents the sense of refocus at facilitative customer level.

The John Lewis Partnership in the UK (that includes its only supermarket brand Waitrose) is an example of an organisation that demonstrates key aspects of SICS. These include CSR policy:

The Partnership was ahead of its time in recognising that commercial success depended on showing the highest level of good citizenship in its behaviour within the community. Today we are best known for the fact that our business is owned for the benefit of our employees, but we know that to cut our way through tough competitive conditions, we have to continue to prize sound relationships with our customers and suppliers, and sustain a keen sense of civic responsibility.

[www.johnlewispartnership.co.uk](http://www.johnlewispartnership.co.uk)

Effectively this demonstrates the John Lewis Partnership is ahead of the customer service literature. In addition to the previous examples it serves to highlight the relevance of SICS.

The John Lewis partnership provides illustration of the gap between customer service literature and practice. In addition to the previous examples it serves to highlight the relevance of SICS.

To conclude one final area needs to be addressed-stages of SICS implementation.

#### **5.4.3 Stages of implementation**

Organisations need to reassess their interpretation of customer service. A typology is presented that highlights the movement towards SICS which is categorised under four categories, differential, similar, linked and interlocking. These categories indicate the status of the relationship between social responsibility and customer service. This reflects movement from low to high levels of integration between the two concepts (see figure 5.5).

**Figure 5.5: Socially integrative customer service chart**

Level of  
Integration

High

			Customer service and social responsibility are interlocking concepts. Customer service and social responsibility are complimentary and essential to each other conceptually and practically.
		Customer service and social responsibility are closely linked concepts but are mutually exclusive. Similarities indicate incidences where some commonalities occur in practice.	
	Customer service and social responsibility are similar concepts having some commonalities in practice. Any similarities are largely insignificant and are at best sporadic.		
Customer service and social responsibility are two entirely different concepts with no commonalities in practice.			

Low

**Differential**

**Similar**

**Linked**

**Interlocking**

The movement from differential to interlocking application of customer service and social responsibility represents the challenge from moving from non-integrative to socially integrative customer service. It is at the interlocking level that the symbiotic link can excel.

### 5.5 Summary

The philosophy of SICS is based on the symbiotic link between CS and SR. SICS is based on a humanistic approach with a civic orientation. SICS can be delivered through OCF where social responsibility is applied to all customer service levels which include, societal, organisational, and service to customers and staff.

In practice social responsibility is added to all customer service elements which results in sequential, implicative and ECS. In the retail sector evidence suggests a movement towards a more substantive approach to social responsibility. Grocery shopping in particular is suited to the application of SICS because of its social nature and the lack of progress in providing an enjoyable shopping experience.

Considering the preceding details a blueprint of SICS is outlined and where appropriate examples from international supermarkets are used as cases of illustration at the key levels which include societal, organisational, partnership and facilitative. Finally a chart is presented that outlines the stages in implementing SICS.

## CHAPTER SIX

## CHAPTER SIX: RESEARCH METHODOLOGY

### 6.1 Aim

The aim of this chapter is to detail the methodology used in this study with discussion of overall research design and instrument development.

Explanation that details the reason and justification for the secondary and primary research chosen is presented. To put in context the theoretical framework a brief reference is made to the main and subsidiary research questions. Detail is provided on the analytical approach taken.

### 6.2 Research design

In investigating the research question it was imperative to design the most appropriate methodological design possible. The focus of the study, that is, retailing, was also taken into consideration, where there is a significant shortage of academic theory and empirical evidence to advance on, as noted by Dawson (2000, p. 143),

Research on retailing has some way to go before it can provide rigorous realistic models of structure and behaviour at establishment, organizational and sectoral levels. In some aspects the foundations of research, namely accepted definitions of terms, are absent. In other aspects there are significant studies on which advances of knowledge can be built.

In determining the structure of the study and its application it was decided a 'best practice approach' was appropriate. This is in keeping with other research studies such as Nijhof et al (2002, p. 88) who refer to their intention to use in-depth study of best practice organisations. An evaluation of the type of methodological approach most prevalent in marketing leads to a decision



between a pure scientific enquiry and the increasing use of an interpretative approach in the social sciences. In this regard Carpenter (1993, p. 144) states,

Clearly, most research, including that undertaken by researchers in marketing, falls somewhere between these two polar extremes. One tendency, however, in recent years has been a build-up of criticism towards the heavy emphasis traditionally laid on empirical validation in marketing.

Adding a common sense view Carpenter (1993, p. 144) adds,

It is commonly accepted, however, that qualitative techniques are best employed to contribute to theory building while quantitative methods tend to be more appropriate once a developed theory has been conceptualized and needs empirical validation or support to test its application.

Despite this debate it appears that the scientific method is commonly used in marketing. Mouly (1978), from a positivistic viewpoint, highlighted criteria of good theory which 'can be tested empirically, must be compatible with both the observation and previously validated theories, and must be stated in the simplest way'. But it is noteworthy that there is no one universal scientific method as noted by Mc Burney (2001, p. 5) 'first, there is not a scientific method; rather, there are scientific methods'. Mc Burney (2001, p.5) adds 'the scientific method consisted of executing the following steps: (1) defining the problem, (2) forming a hypothesis, (3) collecting data, and (4) drawing conclusions'.

Many are of the opinion that both approaches have significant shortcomings for example; Brugha (2003) has suggested that there is scope to advance a third paradigm in research. There are still however, many advocates of the scientific method, 'the "scientific method", by which hypotheses are verified (proved true) by testing them against the available evidence, is therefore seen as a means of disclosing value-free and objective truth' (Heywood, 2000, p. 96). In designing the methodology it was essential to uphold the principle of parsimony and as noted by Mc Burney (2001, p. 8), 'a good scientist will

always prefer a simpler explanation to a more complex one, other things being equal'. The advice of many authors was taken into consideration (Marchington, 1996, p. 31 - triangulation; Alajoutsijärvi et al, p. 2001, p. 97; Walliman, 2001, p. 82 - theory formulation; Easton and Håkansson, 1996, p. 409 - prescriptive and descriptive research; Vargo and Lusch, 2004, p. 1 - development of marketing theory).

Gummesson (2002, p. 283) suggests 'it is considered an old truth that nothing is so practical as a good theory'. Barwise (1995) maintains most research in marketing is empirical with only minor attempts to establish generalizations. Stewart (1995, p. 278) notes, 'research is a journey not a destination'. While appreciating the ongoing research debate and following investigation of the theory of research it was decided a combination of the scientific and the increasing interpretive approach would best fit the research questions.

Primary research findings are presented through the use of case studies. 'A case study is an appropriate research method for studying a phenomenon in its context' (Yin, 1994).

Case studies are distinguished by the size of sample: one or a few units of analysis only. They provide a rich, deep description of a few situations rather than the broad but shallow description provided by traditional positivistic, quantitative methods based on statistical inference.

Easton and Håkansson (1996, p. 410)

The use of case studies is widely applied in retailing, for example, in studying institutions, consumer habits and food retailing change. In Sweden, Forsberg (1998) used a case study approach. In general many contributors continue to advocate the use and effectiveness of case studies in research (Woodside and Wilson, 2003, and Rowley, 2002).

As part of the case study there is a mix of descriptive and inferential statistical analysis that uses simple ranking, means, ANOVA and t tests. A variety of graphs are presented for illustrative purposes in the appendices where appropriate. For all statistical testing, a significance level of .050 is used. Having decided on the overall approach it was important to identify optimal instrument development.

### **6.3 Instrument development**

In order to answer the research question it was critical to develop instruments that would provide evidence to critique the proposed theory. Before this could be achieved the research problem had to be identified and refined, the culmination of much investigation resulted in the research question ‘Can customer service be revitalised through identification a symbiotic relationship with social responsibility, linked by people-centricity?’ Subsequently the retail sector was identified as an appropriate context in which to examine the research question. The author lists reasons to validate food retail sector as,

- the size and volume of the retail sector
- the wide and cross societal customer base
- the social significance of retailing
- the traditional high labour turnover rates
- the increasing amount of government legislation in this area
- the competitive marketplace
- increasingly discerning consumer
- the universal necessity of food retailing
- the dynamics of the retail sector (constant change, fast pace, increasing globalisation).
- the critical social issues which surround and effect food retailing (food safety, GMs, fair trade).

Marchington (1996, p. 24) in relation to a review of human resource management literature in food retailing notes: ‘that the principle research

methods employed are questionnaires and surveys, the major exception being the study by Freathy (1993) during which interviews were conducted’.

Marchington (1996, p. 25) adds, ‘overall, there are a number of problems with the use of questionnaires as the sole or principal instrument for data collection, which suggests a more “grounded” approach to research’. The primary research consisted of survey by personal interviews with company leaders, retail directors, human resource directors and store managers, in addition to a staff survey and observational studies.

‘Observational research permits the measurement of actual behaviour, rather than reports of preferred or intended behaviour’ (Domegan and Fleming, 1999, p. 187). Harris and Metallinos (2002) carried out a study into management attempts to manage organisational culture within Greek food retailing. Harris and Metallinos (2002) made use of interview-based methods of data collection and non-participative observation. This suggests that the use of observation is appropriate in the food-retailing sector.

In designing the primary research there were two objectives. The first was to systematically examine current business strategy to investigate if implications can be drawn from a socially responsible approach to customer service practices across supermarket groups. Second, there was assessment of the applicability of SICS in practice, in this regard, a number of ‘best practice’ stores are investigated that form the bases of the case studies.

The use of quantitative and qualitative research is the source of much discussion and the contributions of various authors were considered (Gilmore and Carson, 1996; Walliman, 2001). In taking a balanced research approach a combination of qualitative and quantitative research is used.

‘Designing a questionnaire is a surprisingly complex procedure that involves a great many considerations’ (Mc Burney, 2001, p. 237). Survey design involved consideration of the concepts of validity and reliability. A number of questionnaires were used to gather empirical data. The personal interview was chosen as the preferred basis of administration. Advantages of personal interview according to Weiers (1988, p. 220) include ‘flexibility, less non-response error and the ability to obtain more information’.

In-store research consisted of store manager and staff surveys in addition to observational studies. Where sampling was necessary, probability sampling was chosen over non-probability sampling. In relation to probability sampling Weiers (1988, p. 102) notes,

Theoretically, probability sampling is the superior of the two possibilities here, and has the primary advantage that, because each unit of the population has a known chance of inclusion in the sample, it is possible to estimate objectively the amount of non-sampling error present.

In solving the research question a main research question and four subsidiary questions were formulated thus dividing the research study into smaller examinable areas.

#### **6.4 Research questions**

The research questions include:

##### **Main research question:**

Can customer service be revitalised through identification of a symbiotic relationship with social responsibility, linked by people-centricity?

##### **Subsidiary question 1:**

In theory can the scope of customer service be broadened?

**Subsidiary question 2:**

Can the role of customer service be extended in practice?

**Subsidiary question 3:**

From a theoretical perspective, can the theme of customer service be deepened?

**Subsidiary question 4:**

In practice can customer service be more humanistic in nature?

**6.5 Methodological framework**

The methodological framework can be viewed in three parts.

Part 1-Literature review

Part 2-Company-wide research

- Company leader survey
- Retail/operations director survey
- Human resource director survey

Part 3-In-store research

- Store manager survey
- Staff survey
- Observational studies

The initial part of the research involves review of three areas of literature, customer service, corporate social responsibility and internal customer service. This was followed by company-wide research consisting of a three-tier survey approach. Each of these three parts will now be discussed.

## 6.6 Literature review

Secondary research involved the use of an extensive and in-depth literature review. During the literature review five major gaps were identified that highlighted the need for the study. These five gaps included:

1. The continued search for a comprehensive customer service orientation.
2. Lack of generically acceptable conceptual model and theory of customer service, social responsibility and internal customer service.
3. The need to address the unbalanced developmental nature of customer service.
4. Lack of application of social responsibility at micro organisational level.
5. Lack of cross investigation between customer service and social responsibility.

The in-depth literature review used the following resources:

- Library catalogues
- Theses abstracts
- Books
- Journals
- World wide web
- CD Rom
- Microfiche
- Microfilm
- Reports (sector, government, company)
- Conference papers
- National and international newspapers

A major investigation was carried out into available data relating to the research and ascertaining if any other colleges or universities were undertaking any similar research in the field of retailing/marketing. Universities research departments and libraries include those in Ireland, Europe, and the United States.

**Table 6.1: Sample of national and international universities used in research investigations**

<b>Ireland</b>	<b>Europe</b>	<b>United States</b>
Dublin City University	Copenhagen Business School	University of Notre Dame
Dublin Institute of Technology	University of Stirling	University of Pennsylvania
Trinity College Dublin	Templeton College, Oxford University	University of Rochester
NUI-Galway	Cranfield University	Harvard University
NUI-Cork	Tilburg University	Washington State University
University of Limerick	Rotterdam School of Management	North Western University

Several organisations were also researched that were important to the research study. Some sample organisations that aided in research investigations included:

- Marketing Institute of Ireland
- Chartered Institute of Marketing
- European Society for Opinion and Marketing Research
- The American Marketing Association
- The Irish Academy of Management
- The Irish Government
- The Irish Congress of Trade Unions
- Irish Business and Employers Confederation
- The Centre for Retail Studies, UCD
- Institute for Retail Studies, University of Stirling

Having outlined the literature review, detail is now outlined relating to the primary research.



## **6.7 Company leader survey**

### **6.7.1 Overview**

All the main supermarket groups in the Republic of Ireland were contacted. Of the four contacted three agreed to participate, the one group that chose not to fully participate in the study did co-operate with pilot testing. Once co-operation was achieved the company leaders of the main supermarket groups participating in the research were asked to complete a survey by personal interview. The objective was to ascertain the strategic level approach to customer service/social responsibility/internal customer service.

### **6.7.2 Survey design**

The design of the survey involved a considerable amount of investigation, which results in twenty-seven questions in the survey divided into five sections,

- Section A: Company information
- Section B: Customer service
- Section C: Social responsibility
- Section D: Internal customer service
- Section E: Integration

In order to gain maximum information it was decided to use a mix of open-ended, dichotomous, and multiple-choice questions. Open-ended questions require probes to be used, which aid in clarifying the respondent's interests, attitudes, and feelings (McDaniel and Gates, 1996, p. 407). Some questions were closed ended questions with the inclusion of a component that captured additional information. In this regard Mc Burney (2001, p. 239) notes:

Often, the two types of questions are mixed in a single study, when respondents may be offered the opportunity to expand on the answers to a closed-ended question. This permits the data to be coded and analyzed easily but gives some insights into respondents' reasons for choosing the alternative they did.

Overall the mix of question type allowed for collection of qualitative and quantitative data.

### **6.7.3 Survey testing**

Following the drawing up of the questionnaire pilot testing took place. An individual from the food retail sector answered the survey. Following testing a small number of changes took place. It should be noted that these changes were only of a minor nature.

### **6.7.4 Sampling**

Crask et al (1995, p. 178) suggest that if 'data could be collected from all members of the sampling frame, i.e. a census could be conducted'. The sampling frame included all company leaders of participating companies. This removed the possibility of sampling error.

### **6.7.5 Administration**

All company leader surveys were administered by personal interview. The advantages of personal interviewing seemed to outweigh the disadvantages and seemed most conducive to collecting the opinions and gaining the views of company leaders. Mc Burney (2001, p. 243) notes, 'personal interviews have the advantage that the interviewers can establish rapport with the people being interviewed. They can direct the attention of the respondents to the material and motivate them to answer the questions carefully'. Another feature of the personal interview is the 'great flexibility' as referred to by

Domegan and Fleming (1999). These contributors indicate the appropriateness of personal interview in gaining significant detailed information. Surveys were recorded and took on average forty minutes to an hour.

**Table 6.2: Company leader survey-fieldwork**

<b>Company</b>	<b>Interview date</b>
Company A	27/05/03
Company B	26/05/03
Company C	17/06/03

#### **6.7.6 Analysis**

As all three-company leaders completed the survey there was no non-response error. Handwritten notes were checked and more comprehensive transcription was achieved by playing back recorded interviews. Following this data was collated and quantitative aspects were tabulated using SPSS version 11.

### **6.8 Retail director survey**

#### **6.8.1 Objectives**

The retail directors of the various supermarket groups completed a survey by personal interview. The objective was to gain qualitative and quantitative information on the understanding and significance of customer service and social responsibility from a strategic operational perspective.

### **6.8.2 Survey design**

There were a total of thirty-eight questions in the survey. The sections included,

- Section A: General information
- Section B: Customer service
- Section C: Social responsibility
- Section D: Integration

Question type consisted of a combination of dichotomous, multiple choice, and open ended that allowed for capture of both qualitative and quantitative information.

### **6.8.3 Survey testing**

An individual with a retail background tested the survey instrument. Following testing some minor changes were incorporated in the survey prior to administration.

### **6.8.4 Sampling**

Sampling error was not an issue as the entire population was included. The three directors contacted all agreed to complete the survey.

### **6.8.5 Administration**

Personal interviews were chosen as this method of interviewing is quite flexible and allows for the collection of large amounts of information (Kotler et al, 1999, p. 329). There was no non-response error as all three surveys were completed. Surveys were recorded and took approximately one hour. One retail director was not available to complete the survey but delegated completion of survey interview to another senior member of operations management.

**Table 6.3: Retail director survey-fieldwork**

<b>Company</b>	<b>Interview date</b>
Company A	14/05/03
Company B	24/05/03
Company C	17/06/03

### **6.8.6 Analysis**

All interviews were recorded as with all surveys by personal interview in the study, with the consent of the respondent. Notes taken during the interview were supplemented by transcribing the recordings of the interview. Surveys were collated and correlated. The software package used to further analysis the completed surveys was SPSS version 11.

## **6.9 Human resource director survey**

### **6.9.1 Objective**

The human resource directors of the main supermarket groups participated in a survey by personal interview. The objective was to gain qualitative and quantitative information on the understanding and significance of internal customer service, customer service and social responsibility from a strategic human resource perspective.

### **6.9.2 Survey design**

Following deliberation and numerous drafts the completed survey design consisted of forty-nine questions. The survey was divided into the following sections:

- Section A: General information
- Section B: Human resource management
- Section C: Internal customer service
- Section D: Empowering customer service

Question structure combined multiple-choice, open-ended and dichotomous.

### **6.9.3 Survey testing**

Following drafting of the survey, pilot testing of the survey took place. A HR professional completed the test survey. Following testing only a few changes were made, all of a minor nature.

### **6.9.4 Sampling**

Sampling was not a factor in the human resource director survey as a census not a sample was used. In this regard there was no problem with sampling error.

### **6.9.5 Administration**

It was decided personal interview was the preferred choice of administration. Burns and Bush (1998, p. 246-247) refer to the advantages of a personally administered survey including, feedback, rapport, quality, control and adaptability. However, due to time and cost constraints one human resource director was interviewed via the telephone. This overcame the time and monetary costs problem. Two advantages of telephone administration are well noted and extracts by the following contributors highlight these.

‘The main advantage is low cost’ (Mc Burney, 2001, p. 244) and ‘telephone interviews can be conducted rapidly, without having to wait for interviewers to travel to many locations or for respondents to mail back their completed

surveys' (Mc Burney, 2001, p. 244). Domegan and Fleming (1999, p. 163) note 'travel time and cost of travel are eliminated' and 'second advantage is the speed of data collection'. All companies participated and so there was no non-response error.

One company human resource director (head of human resources) was absent from the company during this phase of the study and so a senior human resource manager completed the survey. The human resource director of another company was not available to complete the survey, this director delegated responsibility for completing the survey to senior member of the human resource management team. Surveys were recorded and time taken to complete a survey took approximately forty-five minutes to an hour.

**Table 6.4: Human resource director survey-fieldwork**

<b>Company</b>	<b>Interview date</b>
Company A	22/05/03
Company B	11/06/03
Company C	09/09/03

#### **6.9.6 Analysis**

With the agreement of the interviewees all interviews were recorded. Hand written notes were verified and elaborated on following transcription of the interviews. Completed surveys were collated and tabulated. As with other data analysis SPSS version 11 was used as required.

## **6.10 Store manager survey**

### **6.10.1 Objectives**

Following identification of three best practice stores within each company, by the retail director, store managers completed a survey based on a key indicator checklist to gauge the levels of socially responsible customer service in practice. The ‘best practice’ approach meant three stores from each company that were among the consistent ‘best’ in the company were identified by each retail director interviewee. The store manager at each of these stores was asked to complete a survey by personal interview.

### **6.10.2 Survey design**

There were a total of one hundred and thirty six questions in the survey. The sections included,

- General information
- Section A: Customer service
- Section B: Social responsibility
- Section C: Internal customer service
- Section D: Sequential customer service
- Section E: Implicative customer service
- Section F: Empowering customer service

Question structure consisted of open-ended, dichotomous and multiple choice, with the vast majority of questions being dichotomous. This included twelve questions that asked for a score to be assigned to a statement. McDaniel and Gates (1996, p. 411), refer to the advantages of closed-ended questions being ‘interviewer and coder bias are removed because the interviewer is simply checking a box, circling a category, recording a number, or punching a key’. The store manager survey was largely quantitative in structure.



### 6.10.3 Survey Testing

The questionnaire was tested after which no major changes were necessary.

### 6.10.4 Sampling

Sampling was not an issue as a population not a sample was used.

### 6.10.5 Administration

Surveys were administered to store managers by personal interview. Emory and Cooper (1991, p. 320) highlight the value of the personal interview, 'the greatest value lies in the depth and detail of information that can be secured'. Interviews took place in-store. Breen (1977, p. 215) refers to in-store interviews: 'in-store interviews have the advantage of having the respondent right on the premises'. Surveys were recorded and lasted between one and a half to two hours.

**Table 6.5: Store manager survey fieldwork-interview schedule**

Store	Interview date
Store 1	05/06/03
Store 2	24/07/03
Store 3	18/08/03
Store 4	19/06/03
Store 5	18/07/03
Store 6	17/07/03
Store 7	14/08/03
Store 8	22/08/03
Store 9	29/08/03

### 6.10.6 Analysis

All interviews were recorded and transcribed with completed surveys correlated and analysed facilitated by SPSS version 11 where appropriate. The most substantial part of the store manager survey was divided into eight categories. Each category consisted of a list of questions the answer to each was given a score. These scores were then totaled for each category. Subsequently the data totals was compiled in a store manager index that is divided as follows:

**Table 6.6: Store manager response index-total scores available**

Store/	
section	Total
A: Customer service	195
B: Social responsibility	180
C: Internal CS	160
D: Sequential CS	325
E: Implicative CS	240
F: Empowering CS	200
G: Integration	80
H: CCS	120
<b>Total</b>	<b>1500</b>
<b>Rank</b>	
<b>Key:</b>	
Highest score	
Lowest score	

For presentation purposes and to assist comparability the scores for each section are indexed to a total of 100.

### 6.11 Staff survey

#### 6.11.1 Objective

To investigate the in-store application of socially responsible customer service, a stratified random sample of staff from each store was asked to complete a questionnaire. The objective was to ascertain if certain socially

responsible customer service practices have impacted on the ethos of customer service and to provide statistical data to support or reject the research question.

### 6.11.2 Survey design

The staff survey was an attitudinal survey, which consisted of a total of eighty questions. With the exception of the 'personal detail' section of the survey all questions were closed ended using an interval scale. 'The use of interval scales in marketing research is common' (Domegan and Fleming, 1999, p. 273). 'Rating scales are used a great deal because they measure the magnitude of opinion, not simply its direction' Mc Burney (2001, p. 241). Attitudes were measured by using a 7-point Likert scale, one of the most commonly used attitude scaling techniques (Domegan and Fleming, 1999, p. 288). The Likert scale used was as follows:

Very Strongly Agree	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree	Very Strongly Disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1	2	3	4	5	6	7

The staff survey was essentially quantitative in nature. The objective of the survey was to ascertain staff opinions relating to the research question. The survey was divided into a number of sections including:

- Section A: Customer service
- Section B: Customer service basics
- Section C: Personalised customer service
- Section D: Internal customer service
- Section E: Role of management
- Section F: Social responsibility

- Section G: Optimal customer focus
- Section H: Company customer service
- Section I: Personal details

The multiple-choice design of questions had a number of advantages when dealing with a large amount of data and a significant sample size.

They ensure greater ease of data recording and tabulation, thus eliminating interviewer bias and editing subjectivity. Multiple-choice questions are easier for the respondent to answer in both an interview and a postal survey. Indeed, they are almost essential for securing adequate co-operation in self-administered surveys. Like wise, respondents who are more articulate are less likely to be over-represented.

Domegan and Fleming (1999, p. 242)

This was deemed important to gain reliable and valid responses.

### 6.11.3 Survey Testing

The survey was pilot tested before it was administered to staff across the stores.

### 6.11.4 Sampling

Following much investigation it was decided that stratified random sampling was the most suitable method of probability sampling for use in the study. A key decision criteria for choosing this sampling method was that it ‘allows the researcher to account for variations within the total population’ (Domegan and Fleming, 1999, p. 316). Adding to this Weiers (1988, p. 110) notes, ‘the superiority of the stratified sample over the simple random sample will depend on how different the strata are compared to each other and how homogeneous each is within itself’. Stratified random sampling also facilitated the collection of cross-sectional data that would reduce sampling error by being representative of the population. The basis of stratification was part-time/full-time and age group as follows:

**Table 6.7: Basis of stratification**

<b>Age</b>	<b>Full-time</b>	<b>Part-time</b>
16-25		
26-35		
36-45		
46-55		
56-65		

A sample size of 25% was used for each store. Within each stratum systematic random sampling was used to secure a proportionate sample that was representative of the population.

#### **6.11.5 Administration**

The surveys were self-administered or written questionnaires. Mc Burney (2001, p. 244) notes, 'the main advantage of written questionnaires is their low cost' and 'respondents can complete the questionnaire at their leisure, and they have greater anonymity in their responses, reducing interviewer bias'. Details of store sampling, survey completion and response rates are presented in the appendix to this chapter.

#### **6.11.6 Analysis**

Surveys were sorted, collated and tabulated. Statistical tests were carried out using SPSS version 11 using both descriptive and inferential statistics. Guerrero et al (2000) made use of factor analysis for retail research. Similarly in this study factor analysis was used for data reduction using principal component extraction. This allowed for inferential statistics through ANOVA

analysis and t-tests. The results of the factor analysis using principle component extraction are presented in the appendix to this chapter.

The results of staff data are presented in tables that report percentage of respondents who 'very strongly agree' or 'very strongly disagree' for each variable. Statistically significant variables are also highlighted in the tables.

One-way ANOVA tests were carried out for each company. The purpose was to determine if the spread of the data for each variable was significant.

For all t-tests a 5% level of significance is used. In each of the three company case studies (chapters 7-9), for data generated from the staff survey a series of t-tests were used as follows:

Firstly for each variable a t-test is completed to determine if the mean of each store is significantly different to the company mean. Secondly if a store mean is statistically different to the company mean an additional t-test is carried out. The purpose being to if the mean of that store is statistically different to the mean of other stores within the company.

Confidence limits are also generated to visually check t-test results. If '0' lies between the upper and lower limit, this would indicate there is not evidence to support the means being different.

Example:

(As outlined in appendix 15 t-testing for variable 1 using company mean as the test value mean. For store 1 the result is not significant).

One-Sample Test

	Test Value = 1.99					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Providing the customer with the option of having their shopping packed is important.	-.097	36	.923	-.02	-.37	.34

a. STORE = store 1

Conversely if '0' does not lie between the lower and upper limit, this would indicate there is evidence to support the means being different.

Example:

(As outlined in appendix 15 t-testing for variable 1 using company mean as the test value mean. For store 3 the result is significant).

One-Sample Test<sup>a</sup>

	Test Value = 1.99					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Providing the customer with the option of having their shopping packed is important.	2.171	13	.049	.44	.00	.88

a. STORE = store 3

In cases where the store means of a variable are not significantly different to the company mean, a visual check indicates that there may be a difference between store means. A t-test is deemed appropriate if the mean of a store appears to be different to the other store means within a company. This is

independent of the t-test to determine if store means are significantly different to company mean. For example the Company A case study shows for variable 4 the mean of store 3 is lower than store 1 or store 2. A subsequent t-test indicates this is statistically significant.

For the cross company case study (chapter 10) all t-tests are carried out at the 5% level of significance is used. For each variable a t-test is completed to determine if the mean of each company is significantly different to the other company means. Confidence limits are also generated as already discussed.

## **6.12 Observational studies**

### **6.12.1 Objective**

Observational studies of the customer service available at the stores under investigation were carried out. The objective was to observe in-store customer service in practice. While not purporting or aiming to include all aspects of in-store customer service, a number of key dimensions were identified. Observational studies consisted of an observational checklist, which was qualitative in nature, and observational monitoring that was largely quantitative in nature. Emery and Cooper (1991) outline some of the strengths of observational research including the ability 'to collect the original data at the time it occurs', 'we can collect information that most participants would ignore', and the ability to 'capture the whole event as it occurs in its natural environment'.

Rafaeli (1989) in studying an Israeli supermarket chain used observations as a form of data collection. Advocates of observation as a data collection technique include for example Boote and Mathews (1999). There are some significant strengths in using observation that include 'avoidance of response error' Weiers (1988, p. 323). The form of observation used was structured



observation in which ‘the researcher specifies in detail what is to be observed and how the measurements are to be recorded’ Domegan and Fleming (1999, p. 183). The use of observation significantly assists the bridging in the gap between theory and practice to address the research question. Allowing for structured non-opinion based data collection is valuable, because the data collected as a result of observation may otherwise have being omitted from the study. Observational studies were divided into an observational checklist and observational monitoring.

### **6.12.2 Observational checklist**

A checklist of practices that included customer service and social responsibility was drawn up. Each store was observed on a busy and quiet day. The observational checklist included structured observation covering the following:

**Table 6.8: Details of observational checklist**

1. Promotion of charity
2. Stock of organic produce
3. Socially responsible in-store practices
4. Customer service in-store practices
5. Equipment-any broken equipment
6. Full service checkouts
7. Bag packing
8. Seating points
9. Partnerships with other organisations
10. Product information points
11. Customer helpers
12. Nutritional advice
13. Special dietary information

### **6.12.3 Observational monitoring**

This involved the timing of queues around the store at both peak and off-peak times. Areas covered around the store included, are outlined in table 6.9.

**Table 6.9: Details of observational monitoring**

1.	Queue time at express checkout
2.	Queue time at trolley checkout
3.	Queue time at customer service desk
4.	Queue time at delicatessen/hot food/fish/meat counter
5.	Product availability

**Note:**

Part 5 of observational monitoring consisted of qualitative not quantitative research. This involved checking the availability of a random selection of twenty fast moving consumer goods. The rationale here was to ascertain if effective customer service was provided at a very basic level i.e. product availability at right time and right quantity.

#### 6.12.4 Observational schedule

**Table 6.10: Observational fieldwork dates**

Store	Date-busy day	Date-Quiet day
Store 1	Saturday 12/07/03	Tuesday 24/06/03
Store 2	Saturday 28/06/03	Wednesday 11/06/03 Thursday 24/07/03
Store 3	Saturday 23/08/03	Monday 01/09/03
Store 4	Friday 04/07/03	Thursday 10/07/03
Store 5	Friday 18/07/03	Thursday 03/07/03
Store 6	Saturday 26/07/03	Thursday 17/07/03
Store 7	Friday 22/08/03	Thursday 14/08/03
Store 8	Friday 22/08/03	Thursday 28/08/03
Store 9	Friday 29/08/03	Monday 08/09/03

#### 6.12.5 Data analysis

Once collected data from the observational studies was collated and tabulated.

#### 6.13 Comparative case studies

It was decided that a number of case studies would comprehensively highlight, synthesise and compare various approaches taken by companies to in-store customer service, social responsibility and internal customer service. A case study is presented on each of the three companies in addition to a fourth cross company case study. This allows for an in-company and between-company investigation of SICS. The case study method is used as a mechanism to present findings in a clear, understandable and effective

manner. Many authors (Yin, 1994; Gummesson, 1991a; and Van Maanen, 1979) have advocated the use of the case study that allow for the provision of inclusive and comprehensive information. Marchington (1996, p. 25) states,

In short, the case study method, ideally used over lengthy periods of time, represents a good way in which to generate a richer feel for data, as well as expose some of the problems and contradictions that are inevitable in any workplace and organization.

Keeping consistent with the views of Marchington (1996), a comment from Remenyi et al (2002, p. 5) is useful, 'the case study will provide a multi-dimensional perspective that may be used to create a shared view of the situation being studied'. In studying HRM service practices Arrowsmith and McGoldrick (1996) focused a case study on J. Sainsbury plc, the UK based food retailer the methodological approach, 'took the form of an in-depth case study, with qualitative procedures complementing survey data' (Arrowsmith and McGoldrick 1996, p. 51). This research included:

- branch interview programme
- branch management questionnaire survey
- employee questionnaire survey

On balance a case study approach was the most appropriate method of answering the research question in presenting the empirical evidence.

#### **6.14 Research Limitations**

- A confidentiality clause limited the full assimilation of all data. Some specific policies or practices that relate to the research could not be revealed as anonymity of the various companies may be removed.
- The decision of two companies to decline participation in the research marginally reduces the cross company comparability and impacted the research as a cross company not a full sector study.
- As only one sector is researched, any generalisations to any other sector may not be directly relevant.

- For purposes of consistency in the research company leaders are always referred to. However one company leader delegated interviewee participation to another director at one company.
- At the three companies there is a variance on the title of the role of operations/retail/logistics director-for consistency retail director is referred to. At one company a senior member of retail management (other than the retail director) was given the responsibility to participate in the research interview.
- For the purpose of the study HR director/manager director referred to maintain consistency. At one company the HR director delegated interview participation another member of senior HR management.

### 6.15 Summary

The research methodology used was pluralistic in nature. In this regard it was important to triangulate using quantitative and qualitative methods. Following problem definition and refinement of the research question a main research question and four subsidiary questions were generated.

A comprehensive review of the literature provided the basis for empirical progression. Primary research involved the development of a number of instruments. The overall design combined an in - and between - company approach. Company-wide research involved a company leader survey, retail director survey and human resource director survey. In-store research consisted of a store manager survey, staff survey and two observational studies.

All surveys were designed taking into consideration issues such as validity and reliability. Observational research was natural and structured in nature. In-store research followed the identification of a three best practice stores from each company. In answering the research question, empirical evidence is presented by use of case studies.

## CHAPTER SEVEN

## CHAPTER SEVEN: CASE STUDY COMPANY A

### 7.1 Introduction

This case study evaluates the nature and effectiveness of customer service at company A. The investigation identifies areas that are essential to accepting or rejecting the theory of SICS. There is a search to discover if the ethos of social responsiveness is evident at the company. Results will be examined from a customer service network and relational view.

No individual in this company<sup>1</sup> has specific responsibility for customer service, social responsibility or internal customer service, as it is maintained that these are an implicit part of the culture (human resource director interview). Staff turnover has remained static over the past five years. Best practice human resources are not formally monitored across the company's stores. To complete the introduction a brief background will be provided about the three stores that comprise the study.

Store 1 is 33,000 square foot, has 10,000 product lines, employs 183 staff and trades 78 hours per week. The store manager believes there is a 'definite connection' between social responsibility and customer service. Store 2 is larger than store 1 and is 35,000 square foot. There are 7,000 product lines, 177 staff employed and trades 80 hours per week. The store manager comments on the importance of empowerment, 'we do empower people to take on responsibilities; there's no such thing as you can't do this. We do encourage people to take on more responsibility'. Store 3 is 32,000 square

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<sup>1</sup> Interview material is used throughout chapters 7-9. This includes material sourced from Company Leader, Retail Director, and Human Resource Director interviews.



foot, has 11,000 product lines, with 224 staff and trades 78 hours per week. Two comments from the store manager are noteworthy, the first relates to the store staff and the second to social responsibility. 'I don't believe the same team of people would behave in the similar way if the company ethos wasn't what it is' and 'people are becoming more and more socially responsible themselves and they will expect us to play our part'.

As outlined in chapter six, reference will be made to the findings from various surveys and observational data. Where reference is made to results of the staff survey, variables are discussed in terms of percentages and means. (Please note the mean reflects the response options for the staff survey. A Likert scale was used where very strongly agree is scored as 1 and very strongly disagree is scored as 7). Where appropriate ANOVA and t-test results will be outlined in the form of brief statistical notes. All t-tests are carried out at the 5% level of significance. Confidence limits are also generated to visually check t-test results. For further detail on statistical tests reference should be made to the appendices 15 and 16.

The case study comprises three sections, these are: exploration of definitive interpretation; assessment of SICS; and an assertion of the proliferation of SICS.

## **7.2 Exploration of definitive interpretation**

### **7.2.1 The mechanistic nature of customer service**

The internal customer service network is mechanical in nature for example; a number of grading systems for stores are used to differentiate store offerings and to allow for targeted store selection (based on turnover/costs and demographics/trade-retail director interview). The retail director would like to change some aspects of basic in-store service: 'one challenge is about having

the product available all the time when the customer wants it' and 'the industry has not improved in the last five years'. This comment is illustrative of the inherent weaknesses with contemporary customer service and highlights the shortcomings of current interpretation.

In contrast the company operates a key initiative called 'local management' where local managers have direct input into stocking of product lines. This is based on sourcing, building and strengthening relationships with localised suppliers. It aims to deepen CS relationships in the local community.

A number of shortcomings become evident in the search for evidence to validate citizenship of service. In principle it is accepted in this company that product information (beyond legal requirements) be accessible to customers (retail director interview). However this was not evident in practice. Similarly customer equality is a guiding principle for the organisation but the same level of service is not provided to all customers. A minimum service level is maintained across all stores however some stores' customers are offered additional personalised services for an extra charge. This suggests a disparity between principle and practice. The company leader identifies his interpretation of customer service as lying between the two following statements:

Customer service is also about building a strong mutually beneficial relationship with all customers. This requires providing service extras that serve as a differentiator amongst the competition. Customer service is about serving customers and staff in the most profitable way. This involves promoting an internal culture of service.

Customer service is a philosophy of people-centricity that permeates all aspects of an enterprise or community. In practice this involves serving societal citizens in addition to serving three communities, the local community, customers and staff. Customer service involves contributing in a tangible way to internal, local and global society of sustainability, and ultimately service excellence.

(Full options are listed in the company leader survey appendix 1).

This provides initial albeit indirect endorsement of the relational theme and the customer service network. The retail director states,

a lot of companies talk service and I think a lot don't do it because of the economies of it. I think a standardised service is having a product available when the customer wants it. It's vital. When you fail on that you fail as a retailer. Extra value services are not going to become standardized.

The latter part of the comment suggests the current approach does not project an ethos of citizenship of service but instead reflects a functionality of service. By implication this could be suggestive of SICS being a source of differentiation. From an aspirational perspective the company leader understands the definition of a customer as:

Customers consist of three groups of people. The primary customers of this organisation are our staff, who are valued partners in business success. The second group of customers are direct customers whom this company aims to build strong valued based, long-term relationships in the most viable way. The third groups of customers are indirect customers, whom this company serves indirectly through our extended relationship with society.

(Full options are listed in the company leader survey appendix 1).

This provides support for the various levels of service outlined in chapter five. It also defines the customer to include both direct and indirect customers. When asked about the link between customer service and social responsibility the company leader indicated the following statement as nearest to his view:

Customer service and social responsibility are interlocking concepts. Customer service and social responsibility are complimentary and essential to each other conceptually and practically.

(Full options are listed in the company leader survey appendix 1).

Indirectly this provides a basis for development of the CSN and the RT. The following statement is acknowledged by the company leader as being representative of how he interprets the customer service offer to customers:

Customers receive continuous innovation in service that is different from other companies.

(Full options are listed in the company leader survey appendix 1).

Initial evidence provides a positive but cautious approval of SICS. Nonetheless there is a notable difference between identification of the aspirational and accepted interpretation. The next section should confirm or reject this duality.

### **7.2.2 The operational perspective**

The case study will reveal if support for SICS is evident in practice. In order to examine if the customer service provided is mechanistic or humanistic in nature it is necessary to review observational data. This information provides evidence of what actually occurs in-store. Along with other data this will ultimately reveal how CS is delivered in practice. Firstly results of observational monitoring will be referred to. Queue times were recorded on a busy and quiet day for each of the three stores where four queue areas were recorded. The data is presented in table 7.1.

**Table 7.1: Observational monitoring**

Detail/Store	Store 1	Store 2	Store 3	Co. average
<b>(a) quiet day</b>				
Express checkout	0.5	0.9	1.8	1.1
Trolley checkout	0.9	3.2	2.4	2.2
Customer service desk	0.0	0.0	0.1	0.3
Delicatessen counter	0.0	0.6	0.5	0.4
Average queue time	0.4	1.2	1.2	1.0
Rank	1st	Joint 2nd	Joint 2nd	
<b>(b) busy day</b>				
Express checkout	0.4	1.1	0.4	0.6
Trolley checkout	2.3	2.2	3.7	2.7
Customer service desk	0.0	0.0	0.0	0.0
Delicatessen counter	0.4	1.0	0.5	0.7
Average queue time	0.8	1.1	1.2	1.0
Rank	1st	2nd	3rd	
<b>(c) combined days</b>				
Express checkout	0.5	1.0	1.1	0.8
Trolley checkout	1.6	2.7	3.1	2.5
Customer service desk	0.0	0.0	0.0	0.1
Delicatessen counter	0.2	0.8	0.5	0.5
Average queue time	0.6	1.1	1.2	1.0
Rank	1st	2nd	3rd	

Note: Data is denoted in minutes.

Overall what is noteworthy is that only store 1 scores an average queue time below the company average for quiet and busy day data. This is consistent for each observation. The combined results indicate that store 1 consistently scores first, store 2 being second with store 3 being last with the exception of the delicatessen counter where store 3 ranks second. In general the above score confirms store 3 as having poorer queue management. This could indicate a stronger mechanistic base at that store.

**Table 7.2: Company A observational checklist**

Company A/Store	store 1	store 2	store 3
<b>(a) quiet day</b>			
Promotion of charity	No	No	Yes
Stock of organic produce	28	18	31
S.R. in-store practices	29	28	11
C.S. in-store practices	15	19	10
Broken equipment	Yes-1	No	Yes-3
Full-service checkouts	No	No	No
Bag packing	Yes	Yes	Yes
Seating points	Yes-at checkouts	Yes-at checkouts	Yes-at checkouts
Partnerships with other orgs	No-brochures available	No-brochures available	No-brochures available
Product information points	Yes-brochures available	Yes-brochures available	Yes-brochures available
Customer helpers	Yes-on request	Yes-on request	Yes-on request
Nutritional advice	Yes-leaflets & Co nutritionist	Yes-leaflets & Co nutritionist	Yes-leaflets & Co nutritionist
Special dietary information	Yes-leaflets & Co nutritionist	Yes-leaflets & Co nutritionist	Yes-leaflets & Co nutritionist
Out of stock(checklist of 20)	2	2	3
<b>(b) busy day</b>			
Promotion of charity	No	Yes	Yes
Stock of organic produce	34	13	30
S.R. in-store practices	29	28	11
C.S. in-store practices	15	19	10
Broken equipment	No	Yes	4
Full-service checkouts	No	No	No
Bag packing	Yes	Yes	Yes
Seating points	Yes-at checkouts	Yes-at checkouts	Yes-at checkouts & 1 other area
Partnerships with other orgs	No-brochures available	No-brochures available	No-brochures available
Product information points	Yes-brochures available	Yes-brochures available	Yes-brochures available
Customer helpers	Yes-on request	Yes-on request	Yes-on request
Nutritional advice	Yes-leaflets & Co nutritionist	Yes-leaflets & Co nutritionist	Yes-leaflets & Co nutritionist
Special dietary information	Yes-leaflets & Co nutritionist	Yes-leaflets & Co nutritionist	Yes-leaflets & Co nutritionist
Out of stock(checklist of 20)	2	2	3

What is notable from the checklist is that store 2 carries the smallest selection of organic produce. Reflecting earlier results, stores 1 and 2 have more than

double the socially responsible in-store practices of store 3. Store 2 also has the highest recorded number of in-store customer service practices. On both days store 3 has more than one record of broken equipment, indicating a possible lack of dedicated service-centricity. From a company view there is a lack of an elaborate informational or educational role with no recorded partnerships with other organisations. Corporate input would indicate an ethos of well-grounded customer service but evidence does point to only an aspirational view of SICS.

### 7.2.3 Building the customer service ethos

The combination of a traditionalist approach to customer service with incidental approaches to social responsibility could justify or at least explain a lack of consistency among these best practice stores. To complete this investigation results of the store manager index will be discussed. This index is based on the responses of the store manager only and is designed to capture data that relate to aspects of SICS. (Additional details that relate to the store manager index can be found appendix 22).

**Table 7.3: Store manager index-results**

Section	Store 1	Store 2	Store 3	Co. Avg.
A: Customer service	56	62	46	55
B: Social responsibility	67	78	72	72
C: Internal CS	88	81	63	77
D: Sequential CS	57	57	63	59
E: Implicative CS	83	92	83	86
F: Empowering CS	70	80	100	83
G: Integration	81	69	69	73
H: CCS	96	96	99	97
<b>Total</b>	<b>598</b>	<b>615</b>	<b>595</b>	<b>602</b>
<b>Rank</b>	2nd	1st	3rd	
<b>Key:</b>				
Highest score				
Lowest score				

The store manager index demonstrates store 2 has the highest scores for customer service and social responsibility-both are above the company average. The highest score for implicative customer service is also found at store 2. This could be an early indicator of an active motivational effect for store 2. Store 3 records highest support for sequential and empowering customer service in addition to company customer service. Results also indicate store 1 scores highest for internal customer service and integration. The implications of this will become evident through the study.

### **7.3 Assessment of SICS in practice**

#### **7.3.1 The customer service network**

In order to validate the customer service network it is essential to examine if evidence exists to justify this in practice. Hence social responsibility at the company will be reviewed. Social responsibility audits are not carried out by the company for stores nor are there tests carried out to improve in-store social responsibility. The retail director indirectly refers to the CS network by stating 'you have to be socially more integrated in the community'. This comment is indicative of the need for supermarkets to refocus their role in society from a mere supplier and shaper of consumer needs to a consumer-led social institution that is a consumer advocate. The company leader indicates the following definition is closest to his interpretation of social responsibility:

A term used to describe an organisations obligation to provide for the needs of local and global society in a proactive way that adds to the quality of life for all. Social responsibility goes beyond the fiscal profit motive to practice sustainable organisational citizenship.

(Full options are listed in the company leader survey appendix 1).

The company does not have any written policies on social responsibility. However the retail director maintains that a socially responsive approach has emerged informally through 'unwritten rules'. In his opinion the organisation is not 'leading enough' in this area. To investigate if a customer service



network is evident reference will be made to staff views. Three sections will be reviewed, personalised customer service; social responsibility; and company customer service.

**Table 7.4: Customer service network**

Stores	St1		St2		St3		Co.
Variables	VSA	Mean	VSA	Mean	VSA		Mean
<b>Personalised customer service</b>							
<b>V1: Providing the customer with the option of having their shopping packed is important.</b>	<b>32%</b>	<b>1.97</b>	<b>61%</b>	<b>1.67</b>	<b>14%</b>	<b>2.43</b>	<b>1.99</b>
V2: When dealing with customers, staff represent the public face of the company and could be described as company ambassadors.	35%	1.97	33%	1.89	36%	2.07	1.97
	<b>VSD</b>		<b>VSD</b>		<b>VSD</b>		
V3: This company does not provide good personal service to customers.	43%	5.86	67%	6.33	29%	5.29	5.87
<b>Social responsibility</b>							
V4: There is no obligation on supermarkets to genuinely respect and care about protecting the natural environment.	30%	5.41	50%	5.94	14%	4.43	5.35
	<b>VSA</b>		<b>VSA</b>		<b>VSA</b>		
V5: It is important that supermarkets sponsor seminars on food related issues.	8%	2.86	28%	2.56	0%	3.00	2.81
V6: It is important to carry a large range of stock of organic products.	19%	2.49	33%	2.28	7%	2.57	2.45
<b>Company customer service</b>							
<b>V7: This company is a progressive customer service company, providing better customer service than its competitors.</b>	<b>54%</b>	<b>1.54</b>	<b>50%</b>	<b>1.56</b>	<b>7%</b>	<b>3.00</b>	<b>1.84</b>
	<b>VSD</b>		<b>VSD</b>		<b>VSD</b>		
V8: Staff at this store do not understand customer service.	38%	5.78	56%	6.06	7%	4.71	5.64

(VSA-Very strongly agree-VSD-Very strongly disagree

Bold text denotes data that is statically significant).

For all three personalised customer service variables, store 2 provides strongest support. For variables 1 and 2; store 3 provides weakest support. Store 2 provides strongest support for variables that relate to social responsibility, with weakest support from store 3. For company customer service variables stores 1 and 2 provide strongest support with store 3 once again providing weakest support. It should be noted that variables 1, 7 and 8 are statistically significant and reinforce the above pattern.

T-tests are carried out at the 5% level of significance.  
For variable 1 t-testing using company mean as the test value is carried out. The result is significant (store 3 .049).  
A t-test is carried out where store 3 mean is the test value. The result is significant (store 1 .013, store 2 .008).  
This could indicate a weakness with regards to personalised customer service at store 3.

What these results clearly show is weaker support for personalised customer service at store 3. This is significant as store 3 offers customers additional customer service at an extra cost. Consequently this reinforces a mechanistic approach. An interpretation can be made that a strong mechanistic approach can be associated with sub-optimal attitudes towards personalised customer service.

For social responsibility variables greatest support is provided once again by store 2. By implication the store that provides strongest support for personalised customer service also shows strongest support for social responsibility.

Although the results for variable 4 do not indicate statistically significant differences between the means of the stores and the company mean. A visual check indicates there may be a difference between store means. In particular store 3 mean is lower than that of store 1 and 2. T tests are carried out to examine if the difference between the mean of store 3 is significantly different to that of store 1 and 2. T-tests are carried out at the 5% level of significance.

**One-Sample Test<sup>a</sup>**

	Test Value = 4.43					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
There is no obligation on supermarkets to genuinely respect and care about protecting the natural environment.	3.544	36	.001	.98	.42	1.53

a. STORE = store 1

**One-Sample Test<sup>a</sup>**

	Test Value = 4.43					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
There is no obligation on supermarkets to genuinely respect and care about protecting the natural environment.	3.952	17	.001	1.51	.71	2.32

a. STORE = store 2

The results are significant. It is a key finding that the store that consistently scores best for traditional and contemporary customer service variables provides the strongest support for the social responsibility variable. For the two company customer service variables, variable 7 and variable 8 ANOVA results are significant.

**ANOVA<sup>a</sup>**

		Sum of Squares	df	Mean Square	F	Sig.
This company is a progressive customer service company, providing better customer service than its competitors.	Between Groups	23.613	2	11.806	14.006	.000
	Within Groups	55.634	66	.843		
	Total	79.246	68			
Staff at this store do not understand customer service.	Between Groups	15.870	2	7.935	3.490	.036
	Within Groups	150.072	66	2.274		
	Total	165.942	68			

a. COMPANY = company a

Variable 7 underlines what could be a weakness in the company, i.e. staff belief in their organisation.

For variable 7 t-tests are carried out with company mean as the test value. T-tests are carried out at the 5% level of significance. The results are significant (store 1 .023 and store 3 .005). Using store 3 mean as the test value, t-test results are presented.

**One-Sample Test<sup>a</sup>**

	Test Value = 3.00					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
This company is a progressive customer service company, providing better customer service than its competitors.	-11.571	36	.000	-1.46	-1.72	-1.20

a. STORE = store 1

**One-Sample Test<sup>a</sup>**

	Test Value = 3.00					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
This company is a progressive customer service company, providing better customer service than its competitors.	-7.163	17	.000	-1.44	-1.87	-1.02

a. STORE = store 2

The results are significant.

For variable 7 the mean value of store 2 provides most support for the variable and store 3 the least. Poor support from store 3 for variable 7 and other variables that are representative of SICS could suggest a lack of confidence, pride and trust in their organisation, which in turn provides for proof of the

disconnection between customer service, internal customer service and social responsibility.

T-tests are carried out at the 5% level of significance. T-tests for variable 8 uses the company mean as the test value. The result is significant (store 3 .032). Further t-tests are carried out where the mean of store 3 is the test value.

One-Sample Test <sup>a</sup>

	Test Value = 4.71					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Staff at this store do not understand customer service.	4.547	36	.000	1.07	.59	1.55

a. STORE = store 1

The results are significant (store 1 .000 and store 2 .004). Store 2 mean provides most support for the variable while store 3 means provides least support.

For variable 8 the t test results show that store 3 staff may not appreciate the variables that would indicate a strong grounding for SICS. The store 3 approach highlights an underlying theme that is a mechanical approach to customer service and the results indicate a low emphasis on the integration of social responsibility and customer service. The opposite is the case for store 2 especially and to a lesser extent store 1.

From the results a pattern emerges that shows a demarcation of support for variables that relate to the CSN. Further investigation is required to reveal why store 3 performs poorly and why store 1 achieves better results but not highest staff support for the customer service network. Additional discovery may be found with the review of data that relates to the relational role of customer service.

### 7.3.2 The nuclei service relationship

A people focus is very much part of the company philosophy. For example the retail director does has direct contact with customers. He describes the relationship between customers and the company as,

a very strong relationship...when we let them down they get very hurt personally, they see (this company) at a cutting edge and I think we probably play a bigger role than (competitor X) or (competitor Y) play in their lives.

Retail director interview

This suggests customers have an emotional bond with the organisation that in turn indicates a strong relational theme.

Traditionally personal customer service has been a hallmark of good customer service and regardless of systems or procedures, if personal care was absent there would be a weakness in service delivery. In the experience of the retail director customers 'like to be recognised. They definitely like someone to say hello to them. They definitely like to be shown that you know they shop here'.

Somewhat surprisingly no internal customer service audits are carried out at any store. According to the human resource director the company is a good employer that is 'borne out by virtue of the fact that if you look at the two key stats of labour stability and what we call labour turnover it's relative to competitors in the market place'. Another limitation of people-centricity at the organisation is that the human resource director does not have any regular contact with non-management store staff. In consideration of this it is important to identify how internal customer service is interpreted. The company leader indicates that the following definition is nearest to his understanding:

Internal customer service involves embracing a culture of service excellence towards staff. It involves continuous innovation and the adoption of practices that are based on the principles of equality, flexibility, and respect. It involves a commitment to lead through people-centricity. It is fundamental and essential to all other components of customer service.

(Full options are listed in the company leader survey appendix 1).

Undoubtedly there is scope to further develop internal customer service. The company leader is of the view that there will be fundamental change in internal customer service for all companies in the supermarket sector in the future as ‘employees interview companies, ... competing for lifetime job satisfaction’ (company leader interview). The issue of work-life balance has not been addressed ‘per se’ by the organisation. There is limited empowerment as front-line staff have the authority to make customer service decisions that is based on ‘common sense and discretion which effectively means the level of empowerment are based on service experience and grade’.

In extending the service relationship there is an acknowledgement of the importance of involvement in the local community. The role of the store manager ‘must be good for the community they trade in’ (retail director interview).

The retail director is of the view that customer service needs to be more people-based and identifies the following values-based approach as representative of the company’s approach to customer service:

The company provides a flexible service for all. The objective is to allow for maximum customer and company effectiveness in all aspects of service delivery. Assistance is readily available. The company explicitly states in clear print the kind of service provided. The customer service provided tends to be largely proactive, constantly innovating new practices of customer service.

(Full options are listed in the company leader survey appendix 1).

The view of staff is critical to any deliberation about the nuclei service relationship and in this context three areas are relevant: internal customer service; role of management; and optimal customer focus.



**Table 7.5: The customer service relationship**

Stores	St1		St2		St3		Co.
Variables	VSD	Mean	VSD	Mean	VSD		Mean
<b>Internal customer service</b>							
V9: Employees are not loyal to this company.	24%	5.19	28%	5.33	14%	4.57	5.10
	VSA		VSA		VSA		
V10: This company is committed to serving the needs of each member of staff.	11%	3.00	22%	3.06	0%	3.64	3.14
V11: Suggestions made by staff to improve store image and promote goodwill could well be implemented.	16%	2.54	39%	1.94	7	3.07	2.49
<b>Role of management</b>							
V12: All staff are treated equally.	5%	3.65	28%	2.83	14%	4.07	3.52
V13: Good management involves having teamwork among staff.	30%	2.05	50%	1.72	36%	2.00	1.96
	VSD		VSD		VSD		
V14: Management do not value the opinion and views of staff as being important to the success of the company.	24%	5.43	17%	5.28	7%	3.79	5.06
	VSA		VSA		VSA		
<b>Optimal customer focus</b>							
V15: The best customer service can be delivered when staff and management work together.	59%	1.62	72%	1.33	50%	1.71	1.57
V16: Customer service is about helping staff do their jobs better.	24%	2.62	28%	2.72	7%	2.86	2.70
V17: To serve customers better it is important for supermarkets to build partnerships with outside organisations.	3%	3.00	39%	2.11	14%	2.71	2.71

(VSA-Very strongly agree-VSD-Very strongly disagree

Bold text denotes data that is statically significant).

With the exception of variable 10, store 2 consistently provides stronger support for variables that relate to the relational aspect of customer service. Variables 11, 14 and 17 are statistically significant and confirm the trend that store 2 provides strongest support and store 3 weakest support.

ANOVA results for variable 11 show a significant variance in the spread of data between stores within the company with a significance of .008. T-tests using the company mean as the test value are carried out. T-tests are carried out at the 5% level of significance. The result is significant (store 2 .017).

T-testing where the test value of store 2 mean is carried out.

One-Sample Test <sup>a</sup>

	Test Value = 1.94					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Suggestions made by staff to improve store image and promote goodwill could well be implemented.	4.057	36	.000	.60	.30	.90

a. STORE = store 1

The t-test is passed (store 1 .000 and 3 .007).

For variable 11 the store 2 mean is lower than either of the 2 other stores, which indicates positive support for internal customer service at store 2. From the data and statistical testing presented store 2 provides strongest support for internal customer service. (It should be noted that company staff are rewarded for generating successful service ideas).

Variable 14 provides statistically significant results. ANOVA results show variance for variable 3 that is statistically significant (.001)

For t-testing the 5% level of significance is used. T-tests using company mean as the test value provide a significant result (store 3 .034).

T-tests using store 3 mean as the test value are shown overleaf.

One-Sample Test <sup>a</sup>						
	Test Value = 3.79					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Management do not value the opinion and views of staff, as being important to the success of the company.	7.934	36	.000	1.64	1.22	2.06

a. STORE = store 1

One-Sample Test <sup>a</sup>						
	Test Value = 3.79					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Management do not value the opinion and views of staff, as being important to the success of the company.	5.877	17	.000	1.49	.95	2.02

a. STORE = store 2

The results are significant.

Role of management variables suggest difficulties at store 3. The store is the smallest but has the highest number of staff, with the largest number of product lines available. A diagnosis of the weaknesses could lie in the determination that this store has the weakest support for the nuclei service relationship, is reinforced by a very strong mechanistic approach to customer service.

A pattern emerges that shows poor support for the traditional and contemporary approach to customer service at store 3. What does emerge is the development of a local interpretation of customer service regardless of company policy. This factor must be considered in the overall context of this investigation, it has not received significant attention in the literature or in practice.

Of the optimal customer focus variables, variable 17 ANOVA results show there is significant variance (.027) in the spread of the data.

T-tests results at the 5% level of significance, where the test value is the company mean are not significant. As store 2 provides strongest support for the variable (lowest mean). T-tests are carried where store 2 mean is the test value.

One-Sample Test<sup>a</sup>

	Test Value = 2.11					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
To serve customers better it is important for supermarkets to build partnerships with outside organizations.	5.136	36	.000	.89	.54	1.24

a. STORE = store 1

Results are significant (store 1 .000 and store 3 .017).

For the optimal customer focus variables store 2 provides strongest support followed by weaker support from store 1 and store 3. For variable 17 the trend for store 3 is marginally different to store 1, which could indicate store 3 may have a better understanding of the importance of the principles if not the practice of social responsibility and its link to customer service. In the next section there is a discussion on the traditional and evolving view which represents SICS.

### 7.3.3 The traditional versus the evolving view

The evidence presented so far provides support for SICS. What also is clear is the need to develop a humanistic approach. In particular this is required at the core service relationship level. Although store 2 results consistently reflect a more humanistic approach there is scope to maximise customer service effectiveness. For example store 2 does not rank first for combined queue time for quiet or busy days. Evidently there is a need to integrate the ethos of SICS further at operational level.

From the evidence presented it is possible to assert that the traditional approach to customer service at the company translates into key differences between stores. The consistent theme is weaker interpretation at store 3 compared to that of store 1 and 2. In addressing the effectiveness of traditional practice of customer service one question is paramount: despite additional service offerings and larger product range why does store 3 score poorly overall in queue management; personalized; and internal customer service? It is necessary to emphasise that these stores represent best-practice stores of the organisation. But if traditional customer service results in erratic and variant queue time and weak support in some stores for key components of customer service, how successful has the traditional approach been in practice? Before any summation can be made on the validity of SICS from the case study it is critical to investigate if independent confirmation of results can be provided.

## **7.4 An assertion of proliferation of SICS**

### **7.4.1 Independent validation**

Subsequent to completion of fieldwork, data collation and analysis, the retail director was contacted to provide data that was relevant to key areas. It should be noted that the company was not made aware of any prior results. Seven indicators are identified to validate the main trends from the findings. These are presented in table 7.6 overleaf.

**Table 7.6: Company A relevant company results**

Key data description	Store 1	Store 2	Store 3
Staff turnover-lowest result	2 <sup>nd</sup>	1 <sup>st</sup>	3 <sup>rd</sup>
Customer loyalty-highest results	2 <sup>nd</sup>	1 <sup>st</sup>	3 <sup>rd</sup>
Customer satisfaction-highest results	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>
Results from mystery shopper programme	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>
Highest sales of fair trade products	2 <sup>nd</sup>	3 <sup>rd</sup>	1 <sup>st</sup>
Highest sales of organic products	2 <sup>nd</sup>	3 <sup>rd</sup>	1 <sup>st</sup>
Profitability ranking	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>

Consistent with the findings that relate to nuclei service relationship, staff turnover is lowest at store 2 and highest at store 3. In confirmation of results relating to the climate for SICS highest customer loyalty is at store 2 with store 3 showing the lowest loyalty level.

The independent data that relates to customer satisfaction when compared to the general results changes the overall results pattern with store 1 being first, store 2 second and store 3 third. A possible reason for this is that customer satisfaction may be based on economic not social and economic satisfaction levels. This could also partially explain the results for store 1 throughout the study whose customer service approach is less mechanistic than store 3 but not as humanistic as store 2. The general results for the mystery shopper review are identical to customer satisfaction and could be based on traditional not the evolving view of customer service.

From a customer service network perspective the results for the highest sales of fair trade and organic products are noteworthy as these are the reverse of the staff turnover and loyalty data. Store 3 ranks first for highest sales of fair trade

and organic products. This indicates consumer preference for more socially responsible brands and could reflect the class profile of customers at store 3. This would show an indirect broader customer service network that is limited due to the overall mechanistic nature and weak nuclei service relationship. The ranking of store 1 and 2 could also indicate the need to broaden in a civic way the customer service network. Store 3 results indicate that a mechanistic approach to customer service is not sufficient.

The company due to confidentiality reasons were not willing to provide sales/profit figures. However the retail director did indicate rankings for profitability. These rankings are based on all factors being equal whereby age/maturity of market, store size etc is adjusted for. The first place ranking for store 1 may be illustrative of its strong focus on people-centricity and serves to highlight the essential people link of SICS. This result could be an early indicator of the link between SICS and the financial bottom-line although this possibility needs to be further examined through further research in the future.

#### **7.4.2 Assessment of validity of SICS**

From a strategy perspective there is an underlying indication of support for socially integrative customer service albeit in an indirect manner. The application of the concept may remain limited if it is not formalised throughout all service levels of the organisation. Notable areas that lack appreciation include personalised and internal customer service, the role of management and the company application of SICS. This indicates a broad awareness of a civic orientation to customer service but little direct application between social responsibility and customer service. There is evidence of a civic orientation in principle but this is not always evident in practice. There are some indicators of movement in this direction with only one store out of

the three having consistent but limited appreciation of key aspects of SICS. The two other stores show minor but sporadic support for aspects of SICS.

The evidence shows a sense of community among staff in the two stores that embraces factors of a humanistic approach. Although there is movement towards a civic orientation, customer service to a large extent is based on functionality of service.

The findings suggest some integration between customer service and social responsibility. Drawing on the CS chart, company A is aspiring to an 'interlocking' level but is based between 'similar' and 'linked'. Overall there are indications of a move toward a humanistic approach but still very much based on a mechanistic structure when the operational perspective is considered. To progress this situation company A needs to embrace a more humanistic approach that recognises not just the process aspects of customer service but also the political aspect and ethical; emotional; and moral dimensions.

#### **7.4.3 Directions for further integration**

The case study indicates that store 2 shows strongest support for SICS, with consistently positive results for customer service, social responsibility, personalised customer service and company customer service. From an operational perspective there is scope to improve performance, for example queue management. The aspirational theme as opposed to commitment to deliver SICS could partly explain this situation. The store is very focused on customer service and social responsibility but the links between the two or the recognition of the symbiotic link could be stronger. The company also has a mechanistic approach with a weaker humanistic focus, redressing this imbalance could greatly improve the customer service. At store 2 an implicit



link has emerged naturally and indirectly to reflect a strong basis for SICS. At store 1 there is also evidence of the emergence of a similar approach but not to the extent of store 2.

At store 3 the overall support for SICS is weaker than at store 2 because of weaker support for the foundational aspects (i.e. staff attitudes and observational monitoring). To further validate the argument for SICS store 3 illustrates in many aspects the weaknesses of the traditional approach. At store 3 there is weak support in general for the social responsibility/customer service link. Because of the strong mechanistic nature of the store internal customer service is poor but sequential customer service (that is a combination of clinical components of customer service and social responsibility) is strongest. Due to poor internal customer service and role of management results this support does not filter to queue management and other operational aspects.

In short store 1 provides a strong basis for further developing implicative customer service, store 2 represents the possibilities of empowering customer service whereas store 3 indicates the potential of sequential customer service.

Until all three aspects can be delivered at all four-customer levels, citizenship of service will not occur to any substantial and sector effective manner. From a functionality of service perspective the traditional approach used has only limited success where simple aspects of service such as queue management reflects key differences between stores. Reference is made to indicators of CS climate in table 7.7.

**Table 7.7: Indicators of customer service climate**

Store	St1	St2	St3
<b>Customer service</b>			
Customer charter	x	x	x
Delivery service	x	x	x
Service guarantees	√	√	√
Fax/telephone shopping	x	x	x
On-line shopping	x	x	√
Identical service available compared to other stores	x	x	x
Identical range of products available compared to other stores	x	x	x
<b>Social responsibility</b>			
Manager awareness of CWF	x	x	x
All plastic bags supplied are biodegradable	x	x	x
ISO 14000 certification	x	x	x
Sponsorship of seminars on food related issues	x	√	√
<b>Internal customer service</b>			
Fás ETP certification	√	√	√
Staff charter	x	x	x
Upward appraisal	x	x	x
<b>Sequential customer service</b>			
Order and collect shopping service	√	x	√
Wait and collect shopping service	x	x	√
Full service checkouts	x	x	x
Written community protocol	x	x	x
Shelf-height accessibility considered in store design	√	√	√
Store works in partnership with organizations to promote awareness of social issues	x	√	√
<b>Implicative customer service</b>			
Food advisor nutritionist available in-store	x	x	x
Critical incident logbook kept by all staff	x	x	x
<b>Empowering customer service</b>			
Staff holidays above the minimum legal requirement (exc. service length)	x	x	x
Management receive equality training	√	√	√
Staff receive equality training	x	x	x
Management receive training on ICS	√	x	√
Staff benefit from gains in sales/profits	x	x	x
Staff work in autonomous workgroups	x	√	√
<b>Integration</b>			
The people factor is the stores greatest asset	√	√	√
The manager would describe store staff as company ambassadors	√	√	√
The manager believes that customer service is about more than maximizing sales and generating profit	√	√	√

The 'customer service' indicators for all three stores only show delivery of one aspect out of seven. To embrace a humanistic orientation of customer service through a civic approach this needs to be addressed by the store managers. For 'social responsibility' only store 2 and 3 have adopted 1 of the areas this also needs to be addressed. Only one area out of three is implemented for internal customer service. There is also an indication of under-adoption of sequential customer service. In order to optimise the climate for SICS all the areas listed need to be addressed. 'Implicative customer service' indicators are also weak as is the case with 'empowering customer service'. The company scores well for 'integration' of customer service and social responsibility and this provides a strong basis to strengthen the customer service climate.

It should also be noted that the manager at store 2 places a strong focus on local sourcing as 'every store wants to be seen to be supporting their local producer. It's what we call our local heroes'. This substantiates the role of localisation as an integral part of SICS and confirms albeit in an indirect manner the need to recognise the customer service network.

There are indicators that significantly justify the possibilities available from a citizenship of service that will allow for the assimilation of principles of equality, respect and flexibility that can also facilitate better functionality of operational service delivery. Possible options are outlined below that illustrate actions to build a deeper movement towards SICS.

Level 1 SICS: The organisation could develop higher supplier standards by gradually requiring food suppliers where appropriate to operate to the best standards of 'Compassion in World Farming'. All plastic bags supplied could be made of biodegradable material. All stores could work to achieve ISO

14000 certification. The company could adopt an annual series of formalised seminars on food related issues.

Level 2 SICS: As a key stakeholder and good corporate citizen the stores could adopt a local community protocol and also engage in formalised partnerships with other organisations to raise awareness of social issues in-store. Evidence presented suggests one store has a very strong focus on local suppliers this philosophy needs to become more widespread in the organisation. Environmental monitoring needs to be above what are merely industry requirements.

Level 3 SICS: There needs to be a drafting and implementation of both a consumer and customer charter. In one store on-line shopping is provided and hence customers with no access to the internet cannot receive a delivery service: there could be formal adoption of fax/telephone shopping, and on-line shopping should be available at all stores over a phased basis. The principle of customer equality needs greater foundation at operational level and product selection at stores needs to become more standardised. There is also scope to improve the services available in-store such as an order and collect system, full service checkouts, and the fact that store service is not the same in all stores needs to be addressed. The company does have a focus on customer service improvements, but efforts to develop socially responsibility innovations could also be improved.

Level 4 SICS: There is a need to move from internal to empowering customer service and so a system of upward appraisal could be explored and implemented. Staff service could be improved in the areas of holidays above minimum legal requirement, staff training on equality, a 24-hour staff careline, autonomous work groups, and deeper staff empowerment. The organisation

could also encourage the rewarding of internal customer service innovation and adopt policies related to the quality of work life. All staff should be given the opportunity to participate on a regular basis in staff/management meetings. Finally to link internal culture to the community volunteerism in some capacity could be encouraged.

### **7.5 Summary**

Overall there is support for SICS. A combination of the better aspects for SICS at each of the three stores needs to be streamlined and an ethos of citizenship of service could be better explored. Two areas emerge, as integral to SICS that heretofore have not been evident, these are the principle of localisation and the social responsibility gap between rhetoric and practice. Localisation is linked to the customer service network and is essential from a supplier and customer service delivery perspective. Stores should provide a unique local flavour that embraces the ethos of the company but provides an enlarged role in the community. The gap between company rhetoric and practice in relation to social responsibility could be in conflict with setting the right conditions for the acceleration of SICS and as a consequence the role of social responsibility at the company needs to be addressed.

## CHAPTER EIGHT

## CHAPTER EIGHT: CASE STUDY COMPANY B

### 8.1 Introduction

This case study investigates how customer service is interpreted at company B. The primary objective is to answer the question:

- does an emotional customer service affinity exist that is built on an ethos of social responsiveness?

Or, conversely

- is customer service more reflective of a traditional interpretation where the foundations are set in logistical terms?

In this case study, company B stores are referred to as store 4, 5 and 6, all are the same size (28,000 sq. ft). Store 4 employees 192 staff, has 10,000 product lines, trades 87 hours per week and is situated in the centre of a large urban area. Store 5 has 83 staff, 12,000 product lines, and trades 81 hours per week. It is located in a rural area. Store 6 has 116 staff, 12,000 product lines, and trades 81 hours per week. The store is third overall in the company mystery shopper competition and is located in a rural hinterland but in an urban setting.

As previously outlined reference will be made to the findings from various surveys and observational data. Where reference is made to results of the staff survey, variables are discussed in terms of percentages and means. (Please note the mean reflects the response options for the staff survey. A Likert scale was used where very strongly agree is scored as 1 and very strongly disagree is scored as 7). Where appropriate ANOVA and t-test results will be outlined in the form of brief statistical notes. All t-tests are carried out at the 5% level of significance. Confidence limits are also generated to visually check t-test results. For

further detail on statistical tests reference should be made to the appendices 17 and 18.

One limitation of the case study is the results obtained from store 6. Although an acceptable amount of data was collected through observational research and the store manager interview, only a limited number of staff surveys were completed. Store 6 data was used to generate staff result company averages for variables but, due to a low response rate, staff data could not be used to infer information about store 6. Despite this difficulty both store 4 and 5 provide for substantive reasoning throughout the case.

The study is divided into three themes, the status of customer service; the fundamentals for SICS; and authentication of SICS.

## **8.2 The status of customer service**

This section profiles the traditional aspects of customer service from a company and store perspective. The preliminary findings are critical to the overall outcome of the case study.

### **8.2.1 Identification of the aspirational-operational gap**

It is useful to examine at what level customer service is being delivered in practice. The retail director of this company acknowledges that customer service is becoming more important to the future operations of supermarkets. It is fundamental to the study to examine how the concept is viewed in definitive terms. The company leader identifies the following definition as being closest to his view:



Customer service is also about building a strong mutually beneficial relationship with all customers. This requires providing service extras that serve as a differentiator amongst the competition. Customer service is about serving customers and staff in the most profitable way. This involves promoting an internal culture of service.

However as an aspiration he expresses support for the statement:

Customer service is a philosophy of people-centricity that permeates all aspects of an enterprise or community. In practice this involves serving societal citizens in addition to serving three communities, the local community, customers and staff. Customer service involves contributing in a tangible way to internal, local and global society of sustainability, and ultimately service excellence.

(A list of customer service interpretations is provided in the company leader survey in appendix 1).

The company leader adds that 'customer service is one of the key factors (to business success) but not the determining issue'. This view represents the difference between 'best practice' contemporary customer service and this study's emergent view. It will be of interest to examine if such a view will be reflected at operational level. Store managers were asked to respond to a series of questions about key practices of contemporary customer service delivery. The results are presented in table 8.1.

**Table 8.1: Contemporary practices of customer service delivery**

<b>Customer service</b>	<b>Store 4</b>	<b>Store 5</b>	<b>Store 6</b>
<b>Clinical</b>			
Customer service charter	No	Yes	Yes
Free delivery service	No	No	No
Service guarantee	Yes	Yes	Yes
Fax/telephone shopping	No	No	No
On-line shopping	Yes	No	Yes
Customers receive exactly the same service as other company stores	Yes	Yes	Yes
Customers receive exactly the same product range as other company stores	No	No	No
Hand-held price checkers	No	No	No
<b>Organic</b>			
Order and collect service	No	No	No
Full-service checkouts	No	No	No
<b>Motivational</b>			
Store community protocol	No	No	No
Food advisor/nutritionist available	No	No	No

The information above conveys a suggestion that the practice of customer service in the organisation has a tentative foundation. Not all the three stores have identical clinical practices, this could be indicative of inequality of service. This is similar to the company leaders support for an accepted and aspirational definition. Responses for organic and motivational practices receive a negative reply. The views of staff are presented in table 8.2. The results show a pattern for both 'general' and 'basic' customer service variables.

**Table 8.2: Customer service variables**

Stores	Store 4			Store 5			Co.
Variables	VSA	VSD	Mean	VSA	VSD	Mean	Mean
<b>Customer service</b>							
V 1: CS is about making maximum sales and profits.	6%	6%	4.29	30%	25%	3.70	4.12
V 2: CS is about being socially responsible to customers.	17%	nr	2.83	70%	nr	1.55	2.40
<b>Customer service basics</b>							
V 3: It is not important that shelf-height is accessible to all customers.	nr	30%	4.94	nr	17%	3.50	4.42
V 4: It is essential that all equipment is in prime working condition and back up equipment is available if breakdown occurs.	37%	nr	2.00	95%	nr	1.05	1.65
V 5: Supermarkets need to provide different checkout systems to serve different customers better.	17%	nr	3.37	85%	nr	1.35	2.63

(VSA-Very strongly agree-VSD-Very strongly disagree

Bold text denotes data that is statically significant).

With the exception of variable 3, store 5 provides more support for customer service at a generic level.

All t-tests are carried out at the 5% significance level. ANOVA results for variable 2 show that the spread of the data between store 4 and 5 is significant (.001). Using the company mean as the test value t-tests are carried out. The results are significant (store 5 .006).

A t-test is carried out where the mean of store 5 is the test value. The result is significant (store 4 .000).

For variable 4 ANOVA results show the spread of the data is significant (.001). T-tests are carried out where the test value is the company mean. The result is significant (store 5 .000). A t-test with store 5 mean as the test value is carried out. The result is significant (store 4 .000).

Statistical tests for variable 5 (which is prescriptive in nature) provide similar results, where ANOVA results show a significant spread in the data (.000). T-tests where the company mean is the test value is carried out. The results are significant (stores 4 .001 and store 5 .000).

A t-test where the mean of store 5 is the test value is carried out. The result is significant (store 4 .000).

There is strong statistical evidence that store 5 provides strongest support for generic customer service. In particular variable 2 is critical as it relates to serving customers in a socially responsible manner. The contrast between definitive and aspirational views of the company leader is suggestive of weak conceptual synthesis. The polarisation of staff views between the two stores reflects a difference of interpretation in practice. In the next section a third branch of investigation that of store operations, is discussed.

### **8.2.2 Discovery of the contemporary approach**

The study would suggest a gap between aspirational and operational dimensions of customer service. For example, can a 'strong mutually beneficial relationship' be built if customers receive different customer service practices based on the store they frequent? This question can be answered by systematically examining what happens in stores.

**Table 8.3: Company B observational checklist**

Quiet day	store 4	store 5	store 6
C. S. in-store practices	5	24	13
Broken equipment	No	No	No
Full-service checkouts	No	No	No
Bag packing	No-random	No-random	No-random
Seating points	Yes-at checkouts	Yes-at checkouts	Yes-at checkouts
Product information points	Yes-brochures	Yes-brochures	Yes-brochures
Customer helpers	Yes-on request	Yes-on request	Yes-on request
Busy day			
C. S. in-store practices	6	24	13
Broken equipment	No	No	No
Full-service checkouts	No	No	No
Bag packing	No-request	No-request	No-request
Seating points	Yes-at checkouts	Yes-at checkouts	Yes-at checkouts
Product information points	Yes-brochures	Yes-brochures	Yes-brochures
Customer helpers	Yes-on request	Yes-on request	Yes-on request

As indicated in table 8.3, store 5 has the highest number of in-store practices of customer service. This backs up the strong customer service theme suggested by previous data. No store provides a full-service checkout that provides unloading, scanning, and packing. Seating is only provided at the checkout areas. Both product information and customer helpers are only provided on request. Checklist data reflects an indirect operational approach to customer service. All the evidence suggests that delivery of customer service is traditional. Principles of equality and respect are not expressed at in-store level. Another critical aspect of basic customer service delivery is queue time. Table 8.4 indicates the results of queue time monitoring.

**Table 8.4: Observational monitoring company B**

Detail/Store	Store 4	Store 5	Store 6	Co. average
<b>(a) quiet day</b>				
Express checkout	0.4	1.8	0.5	0.9
Trolley checkout	0.9	3.1	2.0	2.0
Customer service desk	0.2	1.1	0.2	0.5
Delicatessen counter	0.4	0.1	0.2	0.2
Average queue time (mins)	0.5	1.5	0.7	0.9
Rank	1st	3rd	2nd	
<b>(b) busy day</b>				
Express checkout	0.4	1.0	1.2	0.8
Trolley checkout	1.5	0.4	2.0	1.3
Customer service desk	0.2	0.6	0.3	0.4
Delicatessen counter	0.4	0.2	0.2	0.3
Average queue time (mins)	0.6	0.6	0.9	0.7
Rank	Joint 1st	Joint 1st	2nd	
<b>(c) combined days</b>				
Express checkout	0.4	1.4	0.8	0.9
Trolley checkout	1.2	1.8	2.0	1.7
Customer service desk	0.2	0.9	0.2	0.4
Delicatessen counter	0.4	0.2	0.2	0.3
Average queue time (mins)	0.6	1.1	0.8	0.8
Rank	1st	3rd	2nd	

Although store 5 scores poorest overall for queue time, it is noteworthy to observe that on the busy day queue time at the trolley checkout is shorter than the other stores. The results have implications for the status of customer service and questions must be posed, for example, why has the store with best results in other areas performed so poorly? Why has the store that heretofore has scored poorly, scored well?

One possible answer could be that store 4 has a strong mechanistic approach to customer service, while store 5 has a strong humanistic

approach. This may be over-simplistic. Another explanation could be linked with the overall interpretation of customer service i.e. service staff are assigned on a logistical basis. (Store 4 is an urban store with the highest number of staff). This would suggest that staff numbers are apportioned on the basis of location, store grade and possibly sales. Customer equality and respect are guiding principles of operational customer service of the company (retail operations director).

It is evident that the company does appreciate these principles and strives to deliver them where possible, but in the context of this study questions may be posed: can different service levels at different stores be acceptable? And can provision of customer service be justified on the basis of store turnover or location? A positive response to these questions would reflect traditional customer service with its mechanistic focus. The opposite is true for SICS, which requires the principles of equality and respect to be elaborately integrated across the whole organisation. In consideration of the contemporary approach, customer service difficulties at the company are discussed.

### **8.2.3 Confirmation of customer service difficulties**

From the evidence so far there is a lack of consistent and strong application of the principles of equality and respect. The mechanistic practice of the concept is a weakness within the company. SICS aims to address this situation through identifying customer service as having a political role. The implication of this is to allow for the integration of these principles in practice.

A consequence of the mechanistic nature of customer service is underdevelopment of the provision of information. The retail director

believes product information (beyond legal requirements) should be accessible to customers stating 'the more information you can give customers, the better'. The issue of product information is always pervasive in consumer issues with substantial media coverage having been given to the area. During observational research the provision of information was based on brochures and leaflets. The provision of an educational service to consumers or the extensive availability of product information was not strongly evident. Again, these shortcomings may be related to the inherent weaknesses of contemporary customer service. In the context of SICS the domain of customer service has a moral dimension and consequently there is a need to develop the educational and informational role of supermarkets in society.

The third difficulty is a lack of socially responsive service. The relationship dimension of SICS cannot excel under a contemporary or traditional model. What is required is the integration of service responsiveness throughout the organisation whereby staff and management work together harmoniously in a culture of service-centricity. This is evident when the manager of store 5, referring to communication with staff, states: 'I consistently talk to them all' and also comments, 'the customer has to enjoy the experience of shopping'. In contrast the manager of store 6 refers to internal dynamics, 'what we encourage is for them (staff) to let us know (customer information), let us make the decision but let us know what we can do to improve it' and 'our business is autonomous but when you get down to employee level the authority is removed because they're guided by rules'. This is inherently operational which could suggest the level of social integration is rudimentary. The examples illustrate the motivational characteristic is strongly evident from the contribution of store manager 5 but more traditional from store manager 6.



These difficulties can be overcome through advancement of SICS. The next section examines the core of the argument for SICS i.e. the search for evidence to broaden and deepen customer service.

### **8.3. The fundamentals for SICS**

Having documented generic customer service further examination should provide detail as to whether there is evidence to support or reject the theory of SICS. Two areas are now explored: the customer service network (broadening) and the relational theme of customer service (deepening).

#### **8.3.1 The case for the customer service network**

To determine if the theme of the customer service network is emergent at company B three key areas are critical, first, the interpretation of a customer, second, the link between customer service and social responsibility and third, what is the customer service offer. The company leader identifies the following definition as being nearest to his own interpretation of a customer:

A customer is the most valued partner of this organisation, to which this company is dedicated to developing a strong mutually beneficial relationship with in the long term.

He also believes there is a move towards understanding that:

Customers consist of three groups of people. The primary customers of this organisation are our staff, who are valued partners in business success. The second group of customers are direct customers whom this company aims to build strong value based, long-term relationships in the most viable way. The third group of customers are indirect customers, whom this company serves indirectly through our extended relationship with society.

These serve to indicate there is a responsibility to serve customers as partners in a mutually beneficial way. Any recognition of the changing interpretation of a customer would indicate a re-interpretation of the remit of customer service. In particular, classification of customers into direct and indirect would provide a theoretical basis to build the customer service network. A differentiation between customer service and SICS is reflected in the recognition of a link between customer service and social responsibility. This conviction is validated by the company leaders identification for the link between customer service and social responsibility as 'interlocking':

Customer service and social responsibility are complimentary and essential to each other conceptually and practically.

He identifies the customer service offer to customers as:

A combination of customised, world-class and progressive.

(All options are shown in the company leader survey in appendix 1).

From the identification of these two perspectives a positive predisposition of the company leader to the customer service network can be formulated. However, such an impression could be premature at this stage, as he adds,

customer service is an essential part of the retail offer, part of the business part of what you provide to the customers. Social responsibility is a more cerebral thing, customer service is the more tangible, experiential thing.

Hence an opposite and somewhat contradictory view is given. This section will reveal if this view permeates the organisation. The retail director identifies the 'values-based' statement as the one that best describes the company's approach to customer service.

The company provides a flexible service for all. The objective is to allow for maximum customer and company effectiveness in all aspects of service delivery. Assistance is readily available. The company explicitly states in clear print the kind of service provided. The customer service provided tends to be largely proactive, constantly innovating new practices of customer service.

(All options are shown in the company leader survey in appendix 1).

Indirectly this indicates of support for the integration of the political principles of customer service. The 'proactive' element could also legitimise the role of consumer advocate. A key indicator of the extent to which the customer service network is developed is how social responsibility is understood. It should be remembered that social responsibility is the cornerstone for the facilitation of the customer service network. The company leader identifies the following definition as closest to his understanding of social responsibility:

A term used to describe an organizations obligation to provide for the needs of local and global society in a proactive way that adds the quality of life for all. Social responsibility goes beyond the fiscal profit motive to practice sustainable organisational citizenship.

(Full options are listed in the company leader survey appendix 1).

This acknowledgement is consistent with the view of the retail director, however the company leader adds 'just reading those you make social responsibility sound like an obligation'. The tone of this response represents a view that may be seen as contradictory and possibly defensive. What emerges here is a struggle between 'what could be' and 'what is'? On the evidence so far there is at least in definitive terms support for validating the customer service network.

A determination also needs to be made to assess if the network is socially responsive. Store managers were asked a series of questions to explore the

proposition that customer service and social responsibility had an integrative role. The responses are presented in table 8.5.

**Table: 8.5 Socially integrative indicators**

Integration of customer service-social responsibility	Store 4	Store 5	Store 6
1. Adoption of customer service innovations at this store over the past year	Yes	No	No
2. Adoption of customer service innovations that improve the quality of work life for staff over the past year	Yes	No	Yes
3. Staff could be described as company ambassadors	Yes	Yes	Yes
4. Adoption of socially responsible innovations over the past year	Yes	No	No
5. Customer service is about more than generating maximum sales and profits	Yes	Yes	Yes

Interestingly, store 4 data provides all positive responses with store 5 having most negatives. It may be that store size and location are determinants of service innovation levels. Another possibility is that the link between customer service and social responsibility could be at different emergent stages at the stores. There is in effect a reversal of outcomes where store 4 performs better than store 5. Closer examination shows that the socially responsible innovations referred to relate to store upgrades and other changes that have been authorised by head office.

The third and fifth indicators are more fundamental. Additional findings from store manager interviews reveal some areas where there are indications of poor awareness of environmental responsibilities and consequently this may mean a limited civic orientation. For example none of the plastic bags for use or sale in case study stores are biodegradable, despite a competitor's use of such bags. Furthermore all store managers confirmed the company was not ISO 14000 certified and in general

demonstrated a lack of familiarity about the environmental standard. A similar response was received when ‘compassion in world farming’ was referred to. These examples strongly indicate a weak approach to the societal level customer service. For staff opinion that relates to the customer service network two sets of variables will be examined. These are ‘social responsibility’ and ‘company customer service’.

**Table 8.6: Customer service network variables**

Stores	Store 4		Store 5		Co.
Variables	VSA	Mean	VSA	Mean	Mean
<b>Social responsibility</b>					
V6: It is not important for companies to support charities	11%	4.71	50%	4.75	4.74
	VSD		VSD		
<b>V7: It is acceptable to discretely promote a chosen charity in-store.</b>	0%	3.06	85%	6.55	4.25
	VSA		VSA		
V8: It is important that supermarkets promote healthy eating in-store.	6%	2.69	35%	2.30	2.53
<b>Company customer service</b>					
<b>V9: This co is a progressive CS co, providing better CS than its competitors.</b>	6%	3.31	75%	1.60	2.65
	VSD		VSD		
<b>V10: This company does not have a good relationship with the local community.</b>	0%	4.63	90%	6.85	5.42
	VSA		VSA		
<b>V11: Staff at this store share a sense of community.</b>	0%	3.46	65%	2.00	2.93
<b>Optimal customer focus</b>					
<b>V12: CS involves constantly trying to improve the quality of work life for staff.</b>	3%	3.54	65%	1.70	2.88
V13: The best CS can be delivered when staff and management work together.	34%	2.00	65%	1.50	1.84
	VSD		VSD		
V14: Staff at this store are not completely focused on serving the customer better.	6%	4.29	50%	4.65	4.49

(VSA-Very strongly agree-VSD-Very strongly disagree

Bold text denotes data that is statistically significant).

A review of table 8.6 confirms the emergence of two streams of customer service network development. It is clear from a cultural perspective that store 5 provides substantially stronger support for the customer service

network. For variable 7 the higher mean signifies less support for the variable. At store 4 strong support for variable 7 confirms the abstract nature of understanding social responsibility and therein the customer service network. The store 5 mean could indicate staff do not appreciate social responsibility in an abstract sense. Overall at store 5 there is evidence to endorse a socially responsive approach. From the overall results a key discovery is revealed i.e. an ethos of a socially integrative approach can emerge naturally in an organisation.

For variable 7 ANOVA results indicate a significant spread of the data (.000).

T-tests are carried out at the 5% level of significance.

T-testing where the company mean is the test value provides significant results (Store 4 .000 and store 5 .000).

A further t-test is carried out with store 5 mean as the test value. The result is significant (store 4 .000).

For all three 'company customer service' variables ANOVA results are significant.

ANOVA <sup>a</sup>

		Sum of Squares	df	Mean Square	F	Sig.
This company is a progressive customer service company, providing better customer service than its competitors.	Between Groups	40.140	2	20.070	16.714	.000
	Within Groups	64.843	54	1.201		
	Total	104.982	56			
This company does not have a good relationship with the local community.	Between Groups	63.173	2	31.587	41.887	.000
	Within Groups	40.721	54	.754		
	Total	103.895	56			
Staff at this store share a sense of community.	Between Groups	27.034	2	13.517	9.518	.000
	Within Groups	76.686	54	1.420		
	Total	103.719	56			

a. COMPANY = company b

T tests also show important statistical data for all three variables. For variable 9 t-tests where the test value is the company mean is carried out. The results are significant (store 4 .001 and store 5 .000). A t-test is carried out where store 5 mean is the test value. The result is significant (store 4 .000).

One-Sample Test <sup>a</sup>

	Test Value = 1.60					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
This company is a progressive customer service company, providing better customer service than its competitors.	9.175	34	.000	1.71	1.33	2.09

a. STORE = store 4

For variable 10 t tests are carried out where the company mean is the test value. The results are significant (store 4 .000 and 5 .000).

A further t test with store 5 mean as the test value is carried out.

One-Sample Test <sup>a</sup>

	Test Value = 6.85					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
This company does not have a good relationship with the local community.	-12.742	34	.000	-2.22	-2.58	-1.87

a. STORE = store 4

The result is significant (store 4 .000).

T-tests for variable 11 using the company mean as the test value is carried out. The result is significant (store 4 .001 and store 5 .019). A t-test is carried out where the test value is the store 5 mean.

One-Sample Test <sup>a</sup>

	Test Value = 2.00					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Staff at this store share a sense of community.	9.731	34	.000	1.46	1.15	1.76

a. STORE = store 4

The result is significant (store 4 .000).

For 'optimal customer service' ANOVA results for variable 12 are significant (.000).

T-tests are carried out where the company mean is the test value. The results are significant (store 4 and store 5, sig. .017 and .000 respectively).

A further t-test is carried out with store 5 mean used as the test value. The result is significant (store 4 .000).

Before any conclusive argument can be made, data that refers to the relational aspect of customer service will be presented.

### 8.3.2 The case for the relational theme

The purpose of this section is to examine if evidence exists to endorse the relational theme of customer service. Hence two questions can be posed, first, is there support in the study for customer service relationship dynamics and second, if so, is there an ethos of social responsiveness?

The retail director views customers as having 'diverse' in-store service needs. He is of the view that customer service needs to be more people-based 'the customers tell us the biggest draw they have to stores is the staff'. When provided with a list of definitive options for internal customer service the company leader chose to identify a definition between 'advanced' and 'empowering'.

#### Advanced internal customer service

Internal customer service involves allowing staff to contribute ideas and information regarding customer service. This involves embracing a culture of service toward staff. It involves the adoption of practices that aid staff in better serving external customers.

#### Empowering internal customer service

Internal customer service involves embracing a culture of service excellence towards staff. It involves continuous innovation and the adoption of practices that are based on the principles of equality, flexibility, and respect. It involves commitment to lead through people-centricity. It is fundamental and essential to all other components of customer service.

(A full list of these options is available in the company leader survey appendix 1).

This response provides support for a service relationship between the company and staff. This is limited by the reluctance to endorse 'empowering' customer service. In the context of what is discussed in chapter 4, this is understandable. Store managers were asked to confirm if a series of internal relational service indicators were applicable to their store, the results are presented in table 8.7.



**Table 8 7: Internal relational indicators**

Internal customer service	Store 4	Store 5	Store 6
Fás excellence through people certification (E.T.P.)*	No	No	No
Staff charter	Yes	Yes	Yes
Senior management-staff panels	Yes	Yes	No
Use of teamwork	Yes	Yes	Yes
System of upward appraisal	Yes	Yes	Yes
Staff facility to apply for flexibility in work arrangements	Yes	Yes	Yes
Staff benefit from gains in store sales/profits	No	No	No
Employee excellence award	Yes	Yes	Yes
Staff consulted about operational store issues	Yes	Yes	Yes
Use of autonomous work groups	Yes	Yes	No
Availability of educational scholarships for staff	No	Yes	Yes

\*Fás is an Irish government organisation with responsibility for workforce training and development. ETP (Excellence Through People) is Ireland's national standard for human resource development. The standard consists of two objectives, 'to encourage the development of employees to full potential so as to maximise their contribution to the specific needs of the organisation' and 'to show recognition for organisations that have achieved this aim' ([www.Fás.ie](http://www.Fás.ie)).

These indicators validate the views of the company leader. It is reasonable to appreciate that there is scope to further develop internal customer service. For example, the absence of Fás E.T.P. certification is a weakness (considering all stores at a competitor company are certified). It should be noted that upward appraisal is on a generalised basis and not based on a

systematic individualised approach. There is a lack of consistency in application. Staff views in relation to the relational role of customer service will be considered.

**Table 8.8: Relational dimensions of customer service**

Stores	Store 4		Store 5		Co.
Variables	VSA	Mean	VSA	Mean	Mean
<b>Personalised customer service</b>					
V15: Providing the customer with the option of having their shopping packed is important.	3%	3.46	10%	3.90	3.58
	VSD		VSD		
V16: When working in a supermarket it is of no use having good interpersonal skills and being customer focused.	23%	5.46	85%	6.25	5.77
	VSA		VSA		
V17: It is important to have good company knowledge and up to date information in providing customer service.	14%	2.51	50%	1.95	2.30
<b>Internal customer service</b>					
V18: Staff gain personal satisfaction from their jobs at this store.	0%	4.09	25%	2.60	3.54
V19: Breaks received aid the provision of good CS.	20%	2.51	45%	2.00	2.35
<b>Role of management</b>					
V20: Part of the primary role of the store manager is to show leadership to staff.	23%	2.37	90%	1.20	1.95
V21: Staff are really valued and are the best asset of this company.	6%	4.00	30%	2.50	3.44
	VSD		VSD		
V 22: Management do not value the opinion and views of staff, as being important to the success of the company.	9%	4.31	25%	5.40	4.74

(VSA-Very strongly agree-VSD-Very strongly disagree

Bold text denotes data that is statically significant).

In general the evidence presented herein confirms strongest support at store 5 for relational dimensions. Store 5 means for variables 18, 20, 21, (are lower than) and variable 22 (is higher than) and statistically different to both company and store 4 means.

ANOVA tests for variable 18 provide significant results that show a significant spread in the data (.000).

All t-tests are carried out at the 5% level of significance.

T-tests are carried out where the company mean is the test value. The results are significant (store 4 .011 and store 5 .002).

A further t-test is undertaken where store 5 is the test value. The result is significant (4 mean (.000)).

ANOVA tests provide significant results for all three 'role of management' variables. (Variable 20 .000, variable 21 .003, variable 22 .017).

For all three variables t-tests using the company mean as the test value are carried out. The results for store 5 are significant as follows (variable 20: .000, variable 21 .004 and variable 22 .047).

For variable 20 a t-test using the store 5 mean as the test value is carried out. The result is significant (store 4 .000).

For variable 21 a t-test where the test value is the mean of store 5 is carried out. The result is significant (store 4 .000).

For variable 22 a t-test is carried out where the mean of store 5 is the test value. The result is significant (store 4 .000).

It is also relevant to recall results that relate to customer service generics that consistently confirmed more positive support at store 5. At this stage probing is necessary to assess why store 4 and 5 results do not differ statistically for personalised customer service but do for one variable of internal customer service.

Part of the explanation may be provided by examination of results for role of management, whereby all three variables provide statistically different significance levels. The human resource director acknowledges that 'managers have a huge impact' on the relationship between the staff and the company.

The evidence for relational variables of customer service gain strongest support at store 5. The causes for this outcome need to be addressed to trace the development of SICS. The results for the 'role of management' are critical here as they highlight the underlying theme of SICS i.e. people-centricity. The strength of this argument is based on the consistent favourable results achieved at store 5. However prior to any conclusive discussion the formulation of effective SICS is referred to.

### **8.3.3 Formulation of effective SICS**

The case study shows many aspects of SICS and identifies two streams of development. At store 4 the development of SICS is 'rigid'. Throughout the presentation of findings support for both the customer service network and the relational theme was evident but lean. Support for the customer service network is direct but culturally weak. In contrast the formulation of SICS appears to be more effective at store 5. Support for the fundamentals tend to be elaborate and more supportive although indirectly through strong cultural application.

The relational theme is strongly supported at store 5 where a socially responsive approach is evident. An inference can be made that store 5 development is more effective but this would not explain the poorer results for observational data. It may be the case that the company has unintentionally placed barriers to SICS development. This is due to the mechanistic nature of customer service. What is clear is that store manager support is vital. Supportive evidence for this assertion is found in the results of the store manager index. (This is the total score of indicators based on the responses of store managers to customer service questions a full list is available in the store manager index in appendix 22).

**Table 8.9: Store manager response index-company B**

Section	Store 4	Store 5	Store 6	Co. average
A: CS	46	51	51	49
B: SR	67	61	50	59
C: ICS	94	88	50	77
D: Sequential CS	57	62	42	54
E: Implicative CS	71	79	67	72
F: Empowering CS	70	80	65	72
G: Integration	69	38	38	48
H: CCS	97	100	93	97
<b>Total</b>	<b>571</b>	<b>559</b>	<b>456</b>	<b>528</b>
Key:				
Highest score				
Lowest score				

The scores indicate that store 4 has higher results for social responsibility, internal customer service and integration, store 5 maintains higher scores for sequential, implicative and empowering customer service (each in turn represents the application of social responsiveness to clinical, organic and internal customer service). What is noteworthy is that where store 4 support is strongest it is in an abstract sense. In comparison strongest support at store 5 deals with areas that are applied in nature. A brief reference to observational data will provide additional verification.

**Table 8.10: Observational checklist-additional information**

(a) quiet day	St. 4	St. 5	St. 6
Promotion of charity	Yes	Yes	Yes
Stock of organic produce	26	18	11
S.R. in-store practices	13	6	15
Outside partnerships	Yes	Yes	Yes
Nutritional/dietary advice	Yes-leaflets	Yes-leaflets	Yes-leaflets
Out of stocks (20 listed items)	3	6	4
(b) busy day			
Promotion of charity	Yes	Yes	Yes
Stock of organic produce	28	15	8
S.R. in-store practices	12	6	15
Outside partnerships	Yes	Yes	Yes
Nutritional/dietary advice	Yes-leaflets	Yes-leaflets	Yes-leaflets
Out of stocks (20 listed items)	2	4	3

If any characteristics of SICS emerge from this case study two are evident throughout the findings. These are the importance of 'localisation' and secondly 'natural grounding'. While stores 4 and 6 have higher recorded counts of in-store socially responsible practices the nature of these are clinical (e.g. signage etc). There is positive reinforcement of clinical application with store 4 stocking the highest availability of the range of organic produce. This result when compared with the general pattern of results for store 3 shows a logistical interpretation related to a mechanistic approach to customer service. Out of stocks are higher on both days at store 5. Customer service is delivered in a unique manner at each store. This would fit the cultural aspect of customer service. There is a need to ensure that the unique delivery does not contravene political principles of equality, respect and flexibility. This acknowledgement should assist the

development of a more socially responsive approach. SICS cannot be adopted in an involuntary way. At each store there is an need for integration in a cultural sense. The final section deals with the substantive case for SICS and is comprised of three sections, independent validation; discussion; and challenges and prescriptive direction.

## 8.4 Authentication of SICS

### 8.4.1 Independent validation

With any development of theory it is imperative that evidence generated through research be independently validated. In the context of this study an inherent limitation exists, no direct independent evidence is available due to the nature of the research. This limitation is reduced by the use of related information obtained from the company. Table 8.11 provides for independent validation as it relates to relevant indicators from each store.

**Table 8.11: Company B relevant company results**

	Store 4	Store 5	Store 6
Staff turnover-lowest result	3 <sup>rd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>
Customer loyalty-highest results	3 <sup>rd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>
Customer satisfaction-highest results	3 <sup>rd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>
Results from mystery shopper programme	2 <sup>nd</sup>	3 <sup>rd</sup>	1 <sup>st</sup>
Highest sales of fair trade products	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>
Highest sale of organic products	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>

In confirmation of the results of this study customer loyalty and staff turnover scores are best for store 5 and poorest for store 4. This validates the strong performance of store 5 throughout the study. The store that has the more support for aspects of SICS has highest loyalty levels and lowest staff turnover rates. Sales of fair trade and organic products are highest at

store 4 could indicate mechanistic delivery of social responsibility. Stores 4 and 5 do not secure best scores for the mystery shopper programme or customer satisfaction. This substantiates the proposition that these two indicators are based on a traditional approach to customer service and need to be re-examined in the context of SICS. What can be learnt about SICS, its validity and development is highly prevalent throughout the case and a conclusive discussion is presented next.

#### 8.4.2 Discussion

Throughout this case study a positive outcome validates SICS. Any positive developments across the company are limited by a lack of rigorous commitment to a socially responsive approach. Despite this, evidence suggests there is sufficient data to support the two fundamentals of SICS (customer service network and the relational theme). The data shows very clearly two streams of development whereby store 5 provides stronger evidence of an indirect network but also a strong informal relational theme. Store 4 support is weaker, based on a weak but direct network with a weak formal relational theme. This duality allows for the generation of SICS antecedents where store 5 is deemed to be have moved closer to the goal of SICS. These are listed in table 8.12.

**Table 8.12: Antecedents of SICS**

Appreciation of social responsibility as a customer service construct.
A commitment to a civic orientation.
Support for a humanistic orientation and a socially responsive relationship ethos.



### **Appreciation of social responsibility as a customer service construct:**

This is fundamental to the development of SICS because social responsibility is the mechanism whereby a civic orientation via the customer service network can be embraced. The conditions for this are shown throughout the references to store 5.

### **A commitment to a civic orientation:**

For SICS to be practiced throughout an organisation and to serve all customers the best way possible it is imperative that a political dimension to customer service is recognised. In part this explains why the customer service network has been developed at the company. The energy of staff commitment to customer service at store 5 has not been translated in any fully coherent way. At store 4 the basic appreciation of civic practices has not filtered through the culture. The political principles of equality and respect need to be delivered via service in a more imaginative sense. Ultimately greater flexibility is needed to serve organisational citizens through a more politically equitable method.

### **Support for a humanistic orientation and a socially responsive relationship ethos:**

Strong internal customer service and a service relationship between staff and management is evident at store 5. Overall this store shows stronger support for SICS and the link is supportive of a humanistic approach. Store 5 has the strongest relationship ethos and also performs better on generic customer service variables. This can be further developed if greater strategic support is provided. Finally prescriptive information is provided to improve SICS at the company.

### **8.4.3 Challenges and prescriptive direction**

To grow the concept of SICS at the company the gap in customer service needs to be addressed. The scope to further develop customer service could be explained by the lack of an ethical dimension. It is possible that the key to reducing this gap is the recognition of the ethical aspects of customer service. This aspect provides the basis for consolidation of the customer service network and the relational theme. Embracing the ethical dimension can assist the movement from the acceptable to the aspirational definition.

In practice, the principles of equality, flexibility and respect can benefit from a revised civic orientation that includes the ethical dimension. To fully appreciate the civic orientation and a humanistic approach requires a shift in the discourse of customer service. This can only be achieved if challenges are met. At store 5 there are grounds to accept that an emotional customer service affinity exists built on an ethos of social responsiveness. In contrast at store 4 customer service is more reflective of a traditional interpretation where the foundations are set in logistical terms. For the challenges to be overcome prescriptive direction is now presented.

#### **Company wide**

The company needs to review strategies and policies relating to all aspects of SICS. In particular the service relationship with societal and local consumers are structurally weak. Socially responsive policies need to be adopted at all service levels, societal, community and service. In particular the role of consumer advocate is extremely weak and by and large the political dimension is present but minimal. More positively store 5 demonstrates a strong philosophical case for the motivational dimension

of SICS. Table 8.13 indicates some recommendations to improve SICS at both stores.

**Table 8.13: Practices to deliver SICS**

Service level	Practices
Societal	<ul style="list-style-type: none"> <li>• Consumer education</li> <li>• Consumer advocacy</li> <li>• ISO 14000 Certification</li> <li>• Use of more eco-friendly packing</li> <li>• Environmental audit process</li> <li>• Green marketing campaign</li> <li>• Fair trade promotions</li> <li>• Environmental Charter</li> <li>• Human Rights Charter</li> <li>• Membership of UN Global Compact</li> <li>• More practices to deliver on the principle of sustainability</li> </ul>
Organisational	<ul style="list-style-type: none"> <li>• Community based customer service audit</li> <li>• Customer service network building</li> <li>• Community nutritional advice</li> <li>• Appointment of a community relations manager</li> <li>• Consumer SICS charter</li> </ul>
Service-facilitative	<ul style="list-style-type: none"> <li>• More socially responsive service delivery</li> <li>• SICS store audits</li> <li>• Facilitative service delivery SR audit</li> <li>• Store facilities examination</li> <li>• Consumer panels</li> <li>• Equality of service provision</li> <li>• Flexibility of service provision</li> <li>• Customer SICS charter</li> </ul>
Service-partner	<ul style="list-style-type: none"> <li>• Fás E.T.P. Certification</li> <li>• SICS training</li> <li>• Educational scholarships</li> <li>• Staff empowerment (optional for individuals)</li> <li>• Staff SICS charter</li> </ul>

This list is not exhaustive.

#### **Store 4**

A more people-centric approach is needed in order to deliver better service to build relationships with all service customers. Areas outlined at the start of this chapter need to be addressed. At store 4 social responsibility viewed in direct terms, so there is a danger of not also viewing social responsibility in indirect terms.

#### **Store 5**

A more systematic approach needs to be adopted to develop SICS. System limitations are reducing the strong people focus in the store. Store 5 has a strong people focus but the effectiveness of this is reduced by lack of socially responsive principles. In particular there needs to be more adoption of organic and motivational practices of customer service as outlined in table 8.1. SICS should be part of a clearly defined strategy, in the absence of which a fragmented approach will nullify or dilute positive outcomes.

#### **8.5 Summary**

In theory the preferred interpretation of customer service is SICS. However the acceptable use falls within the traditional definitive spectrum. However store 5 results indicate strong evidence to accept the theory of SICS in cultural terms, where store 4 shows weaker support in more logistical terms. The disparity between current and changing interpretation adds validity to the theoretical argument put forward in chapter 2 i.e. that customer service has many weaknesses in practice.

Throughout the case study the two dimensions of SICS-the customer service network and the socially responsive relational theme find underlying but nonetheless clear support. The lack of rigour in application

of SICS can be explained by lack of academic direction, lack of identification of the political aspect and moral, emotional and ethical aspects of customer service. Prior to any further integration there is a need to deliver more socially responsive practices at all levels.

## CHAPTER NINE

## CHAPTER NINE: CASE STUDY COMPANY C

### 9.1 Introduction

The aim of this case study is to ascertain if there is a basis to endorse SICS. According to the retail director of this company customer equality is a guiding principle of the organisation (retail director interview). This is a positive strategic indicator of a socially conscious view of customer service. It should become clear throughout the case study whether this is merely a principle to aspire to or a value that is put into practice.

From a people-centric perspective the HR function takes a holistic approach in this company. For example, the human resource director has responsibility for sponsorship budgets. Effectively this links people inside and outside the company. Staff turnover has improved over the past five years; this serves to highlight the focus on people (human resource director interview). However no individual in the organisation has specific responsibility for customer service, social responsibility or internal customer service. The extent of how well the relational theme is developed should become clearer later in the chapter.

As previously outlined reference will be made to the findings from various surveys and observational data. Staff survey results relate to various categories of variables. Responses are referred to in terms of percentages and means. (A Likert scale was used where very strongly agree is scored as 1 and very strongly disagree is scored as 7. Where appropriate ANOVA and t-test results will be outlined in brief detail). For further reference to statistical tests reference should be made to appendices 19 and 20.

At company C, stores 7, 8 and 9 form the basis of the case study. Store 7 is 12,000 square foot with 65 staff, 8,000 product lines, and trades 76 hours per week. Store 8 is 12,000 square foot with 55 staff, 8,000 product lines and trades 76 hours per week. Store 9 is the smallest of the three stores at 10,200 square foot, 8,500 product lines 70 staff, and trades 75 hours per week. This case study is divided into three areas. These include: the triad of customer service, evidence of sophisticated customer service and a case for SICS.

## **9.2 The triad of customer service**

An investigation is carried out to determine the nature of customer service in the organisation.

### **9.2.1 An analysis of general customer service**

The company leader considers the organisation a progressive, world-class leader in customer service, social responsibility but not internal customer service. He believes the company's greatest asset is its 'customer focus' with a strong emphasis on 'giving back to the community'. He adds,

Once upon a time a number of operators in Ireland and the UK differentiated on the basis of customer service. But somewhere along the line partly to do with just not being brave enough and committed enough and partly competitive marketplace has stripped that out. I still believe that in our own business model its one of our differentiators and we need to focus on that.

Company leader interview

This comment highlights a key weakness of contemporary customer service. In many organisations there is a perception that customer service is an optional extra not, an essential aspect of retail. Prior to an analysis of general customer service it is important to identify how customer service



is defined. The company leader identifies the following statement as closest to his understanding of customer service:

Customer service is also about building a strong mutually beneficial relationship with all customers. This requires providing service extras that serve as a differentiator amongst the competition. Customer service is about serving customers and staff in the most profitable way. This involves promoting an internal culture of service.

He also believes customer service is heading towards the following:

Customer service is a philosophy of people-centricity that permeates all aspects of an enterprise or community. In practice this involves serving societal citizens in addition to serving three communities, the local community, customers and staff. Customer service involves contributing in a tangible way to internal, local and global society of sustainability, and ultimately service excellence.

(For a full listing of options please refer to appendix 1 - company leader survey).

This verifies the suggestion that the concept is evolving. The company leader has a view that: the 'Irish attitude to customer service to be polite is struggling but to be honest is so far off what we're renowned for across the world'. This comment confirms weaknesses with traditional customer service. To examine the application of customer service reference will be made to generic practices. Store managers were asked to indicate if various practices were in place. The results are presented in table 9.1.

**Table 9.1: Generic customer service practices**

Practices/Stores	Store 7	Store 8	Store 9
<b>Generic customer service</b>			
Service guarantee	No	Yes	No
Free delivery service	Yes	Yes	Yes
Order and collect system	On request	On request	On request
Teleshopping	Yes	Yes	Yes
Customer charter	No	No	No
Hand-held price checkers	No	No	No
Full service checkout system	No	No	No
On-line shopping	Yes	No	No
Staff employed as customer helpers	No	Yes	No

As shown in table 9.1 there is under-use of basic practices. In particular the 'order and collect' system is only available on request. There are also discrepancies in application across stores. There is evidence to justify the theoretical weaknesses outlined in chapter 2 such as the mechanistic nature, difficulty with customer definition and lack of principles. More specifically the organisation is not maximising use of available practices. In effect there is a deficiency in the delivery of equality in customer service.

Critical to any summation of customer service is the views of staff, which will be reviewed next.

**Table 9.2: Indicators of attitudes towards generic customer service**

Variables	Co. mean	VSA	St. 7 mean	VSA	St. 8 mean	VSA	St. 9 mean
<b>Customer service</b>							
V1: CS involves providing products at the right price, in the right place, at the right time, in the right quantity.	2.57	30%	2.20	29%	3.14	36%	2.55
V2: CS is a way to limit damage when something goes wrong.	4.46	0%	4.40	14%	2.86	0%	5.55
V3: CS is about being socially responsible to customers.	2.57	10%	2.50	29%	2.43	18%	2.73
		VSD		VSD		VSD	
V4: The success of a company is not dependent on its CS.	5.46	30%	4.50	29%	6.00	36%	6.00
<b>Customer service basics</b>		VSA		VSA		VSA	
V5: It is essential to provide customers with maximum opening hours.	2.96	0%	3.10	14%	2.57	18%	3.09
		VSD		VSD		VSD	
V6: It is not important to keep out of stocks to a absolute minimum.	4.86	30%	5.00	14%	3.57	45%	5.55
		VSA		VSA		VSA	
V7: There is an obligation on supermarkets to provide customer education on food issues.	2.36	20%	2.60	29%	2.00	27%	2.36
<b>Personalised customer service</b>							
V8: It is important for a supermarket to tell customers about the kind of CS they provide.	2.89	20%	2.40	29%	3.29	0%	3.09
V9: The availability of a personal helper to customers who need help is essential in providing good CS.	2.32	10%	2.50	43%	1.86	18%	2.45
V10: When dealing with customers, staff represent the public face of the company and could be described as company ambassadors.	2.25	30%	2.00	43%	2.14	27%	2.55

(VSA-Very strongly agree-VSD-Very strongly disagree

Bold text denotes data that is statically significant).

From table 9.2 there is an emergent albeit an underlying pattern of results. For two variables that relate to customer service basics (variable 5 and 7) store 8 has the lowest mean. For two variables that relate to personalised customer service (variable 8 and 10) store 7 has the lowest mean. In general staff results for generic customer service would suggest the attitudes from staff at store 7 are people-centric. At store 8 a more instrumental attitude is emergent and at store 9 there is a suggestion of a logistical interpretation. The instrumental attitude of staff at store 7 is reinforced via statistical results as outlined below.

For all t-tests a significance level of 5% is used.  
 For variable 2 ANOVA results indicate the spread of the data is significant (.001).  
 T testing using the company mean as the test value is carried out. The results are significant (store 8 0.13 and store 9 0.38).  
 Further t testing is undertaken where store 8 mean is the test value.

**One-Sample Test<sup>a</sup>**

	Test Value = 2.86					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Customer service is a way to limit any damage when something goes wrong.	4.530	9	.001	1.54	.77	2.31

a. STORE = store 7

**One-Sample Test<sup>a</sup>**

	Test Value = 2.86					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Customer service is a way to limit any damage when something goes wrong.	5.908	10	.000	2.69	1.67	3.70

a. STORE = store 9

Results are significant.

Interestingly the retail director of the company interprets personal service as important for customers and is of the view that customer service needs

to be more people-based. He believes supermarket shopping cannot become a 'faceless transaction' and adds 'I don't think the Irish mentality is up for that'. Store 7 appears to embrace the relational theme of customer service, but this needs to be further developed. It will be critical to this study to assess if a people-centric approach is evident for organisational customer service.

### **9.2.2 A determination of organisational customer service**

To fully assess the dynamics of customer service in the organisation it is necessary to investigate how customer service is applied internally. The company leader identifies his understanding of internal customer service as being closest to the following statement:

This involves acknowledging staff as internal customers who have needs and wants. This requires the provision of clinical and organic elements of customer service for staff.

(For full option listings please refer to appendix 1-company leader survey).

In the opinion of the company leader there will be fundamental change in internal customer service in the supermarket sector in the future: 'I think those that truly want to differentiate externally will have to start internally (company leader interview). This view is substantiated through reference in-store practice. From table 9.3 it is clear there is a deficiency in application of organisational practices.

**Table 9.3: Organisational customer service practices**

Practices/Stores	Store 7	Store 8	Store 9
<b>Organisational customer service</b>			
Staff benefit from gains in sales and profits	Yes	No	No
Teamwork	Yes	Yes	Yes
Rewards for excellence in personal service	Yes	No	Yes
Employee excellence award	No	No	No
Fás ETP Certification	No	No	No
Formal upward appraisal	No	No	No
Autonomous work groups	Yes	Yes	Yes
Staff as company ambassadors	Yes	Yes	Yes

Here it is evident there is a need to develop the internal CS network in order to adopt a fully integrated people-centric approach. It is critical to examine the attitudes of staff in this area.

**Table 9.4: Indicators of attitudes towards organisational customer service**

Variables	Co. mean	VSA	St. 7 mean	VSA	St. 8 mean	VSA	St. 9 mean
<b>Internal customer service</b>							
V11: The ability to serve customers well requires a skilled employee.	3.39	20%	2.70	14%	3.71	0%	3.82
V12: The company is committed to serving the needs of each member of staff.	2.96	20%	2.30	14%	3.00	9%	3.55
V13: Staff own the responsibility to provide CS and understand their attitude to customers will affect the success of the company	2.39	10%	2.60	43%	2.00	18%	2.45
V14: Breaks received aid the provision of good CS.	2.46	10%	2.60	29%	2.00	27%	2.64
<b>Role of management</b>							
V15: Part of the primary role of the store manager is to show leadership to staff.	2.00	40%	2.10	71%	1.86	45%	2.00
V16: The store manager at this store is passionate about CS and continually tries to innovate service for customers.	2.11	20%	2.10	57%	1.57	18%	2.45
V17: Management understands the need to provide staff with the flexibility to respond to customer needs.	2.82	20%	2.83	29%	2.93	9%	2.57

(VSA-Very strongly agree-VSD-Very strongly disagree).

For variables 11 and 12, store 7 has the lowest mean thereby providing more support for these variables. What is noteworthy is that the tone of these variables is 'relational'. This adds to the people-centric attitudes of store 7 staff as identified in the previous section. For variables 13-16, store 8 results show the lowest mean and thus the most support. The underlying commonality of these variables is that they are 'affective'. This is fitting with the instrumental theme of support from store 8 for generic variables. For variable 17, store 9 provides the lowest variable and thus the most support. This variable is 'prescriptive' in nature. This is logical in consideration of the logistical support from store 8 for the generic variables.

In the next section there is an investigation into whether a socially responsive approach is evident.

### **9.2.3 Basis for adoption of a socially responsible approach**

According to the company leader the response to social responsibility is considered to be a leader to national and international competition. For example unlike its competitors, the company has a charter on a particular aspect of social responsibility. The company leader explains the main benefit of being a good corporate citizen as a: 'positive attitude from end customer. People do notice you've made the effort and it does come back to you' and 'it's actually profit enhancing as opposed to costly' (company leader interview). He also refers to supermarkets as 'a social hub'. 'Volunteerism' is encouraged in the company as staff get involved in charitable and community events. The company leader identifies the interpretation of social responsibility as:

A term used to describe an organisations obligations to provide for the needs of local and global society in a proactive way that adds to the quality of life for all. Social responsibility goes beyond the fiscal profit motive to practice sustainable organisational citizenship.

(For a full listing of options please refer to appendix 1 - company leader survey).

In practical terms store managers were asked if practices that can be categorised as socially responsive are in place. The results are presented in table 9.5.



**Table 9.5: Advanced customer service practices**

Practices/Stores	Store 7	Store 8	Store 9
<b>Advanced customer service</b>			
Community protocol	No	No	No
Staff critical incident logbook	No	No	No
ISO 14,000 Certification	No	No	No
Fair trade lines*	No*	No*	Yes

\*When asked store managers stated there was no fair trade lines but observational research shows fair trade lines are stocked.

From table 9.5 it is clear that there is a deficit in application in three areas. This is a weak indicator of the motivational catalyst of SICS. Despite support in principle for a socially responsive approach, in practice there is substantial scope for further development.

It is necessary to explore if a socially responsive ethos is evident from staff attitudes. In this context three sets of variables are referred to, social responsibility; optimal customer focus; and company customer service. These are presented in table 9.6.

**Table 9.6: Indicators of attitudes towards a socially responsible approach**

Variables	Co. mean	VSD	St. 7 mean	VSD	St. 8 mean	VSD	St. 9 mean
<b>Social responsibility</b>							
V18: It is not important for companies to support charities.	<b>5.25</b>	40%	5.80	29%	5.00	27%	4.91
V19: There is no obligation on supermarkets to genuinely respect and care about protecting the natural environment.	<b>5.50</b>	40%	5.70	29%	5.00	27%	5.64
		VSA		VSA		VSA	
V20: It is critical for supermarkets to promote fair trade and maximize the range of fair trade products.	<b>2.32</b>	30%	2.50	29%	2.00	27%	2.36
<b>Optimal customer focus</b>							
V21: CS is about serving the community the best way possible.	<b>1.68</b>	30%	1.90	71%	1.00	36%	1.91
V22: CS is about helping staff do their jobs better.	<b>3.11</b>	10%	3.90	14%	2.14	9%	3.00
		VSD		VSD		VSD	
V23: Sharing ideas in a company cannot improve CS provided.	<b>5.68</b>	30%	5.90	29%	5.43	27%	5.64
		VSA		VSA		VSA	
<b>Company customer service</b>							
V24: This company is a progressive CS company, providing better CS than its competitors.	<b>2.36</b>	30%	2.40	29%	2.43	27%	2.27
		VSD		VSD		VSD	
V25: This company does not have a good relationship with the local community.	<b>5.82</b>	60%	6.20	43%	5.43	18%	5.73
		VSA		VSA		VSA	
V26: Staff at this store share a sense of community.	<b>2.25</b>	40%	2.00	29%	1.86	9%	2.73

(VSA-Very strongly agree-VSD-Very strongly disagree

Bold text denotes data that is statically significant).

In general there is a positive attitude toward a socially responsive approach. Store 7 provides most support for variables 18, 19, 23 and 25. The commonality between these variables is a humanistic theme. Store 8 provides most support for variables 20, 21, 22, and 26. The link between these is a behavioural tone. These also show an indirect recognition of a customer service network. For variable 21, the community link in the customer service network is statistically significant for store 8. Although

there are strong similarities in staff results, some key differences are also evident that gives rise to different approaches to customer service. Store 9 has the lowest mean for variable 24, the tone of which is competitive.

Of the nine 'customer service network' variables only variable 21 is statistically significant. The ANOVA result for this variable is significance (.034).

T testing at the 5% level of significance where the test value is the company mean is carried out. The result is significant (store 8 .021).

Further t testing involves the use of store 8 mean as the test value.

**One-Sample Test**

	Test Value = 1.00					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Customer service is about serving the community the best way possible.	3.857	9	.004	.90	.37	1.43

a. STORE = store 7

**One-Sample Test<sup>a</sup>**

	Test Value = 1.00					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Customer service is about serving the community the best way possible.	3.627	10	.005	.91	.35	1.47

a. STORE = store 9

The results are significant.

In the next section there is a discussion into whether there is justification for sophisticated customer service or integration with social responsibility.

## 9.3 Evidence of sophisticated customer service

### 9.3.1 Integration of social responsibility and customer service

The company leader identifies the definition of the customer as closest to his own interpretation as:

A customer is the most valued partner of this organisation, to which this company is dedicated to developing a strong mutually beneficial relationship with in the long term.

He accepts the link between customer service and social responsibility nearest to his understanding is:

Customer service and social responsibility are interlocking concepts. Customer service and social responsibility are complimentary and essential to each other conceptually and practically.

In addition he identifies the customer service offer as progressive:

Customers receive continuous innovation in service that is different from other companies.

(For a full listing of options please refer to appendix 1 - company leader survey).

Strong support is provided for the customer service/social responsibility link as the company leader states 'some of the best have made that connection and have actually made it work for them'. The retail director has direct contact with customers. He describes the relationship between customers and the company as a 'partnership'. The 'values-based' approach statement best describes the company's approach to customer service:

The company provides a flexible service for all. The objective is to allow for maximum customer and company effectiveness in all aspects of service delivery. Assistance is readily available. The company explicitly states in clear print the kind of service provided. The customer service provided tends to be largely proactive, constantly innovating new practices of customer service.

All these contributions favour a positive symbiotic link. To determine the development of customer service, it is essential to refer to its operational status.

### 9.3.2 Identification of operational status

It is critical to the study to synthesise operational data to examine if the symbiotic link is being put into practice. In this regard the store manager index, the observational checklist and observational monitoring are reviewed. The store manager index assesses how the store manager interprets various aspects of SICS. A summary of results are presented in table 9.7. For further detail please refer to chapter 6 and appendix 22.

**Table 9.7: Store manager response index**

Section	Store 7	Store 8	Store 9
<b>A: Customer service</b>	79	49	54
<b>B: Social responsibility</b>	56	44	61
<b>C: Internal CS</b>	72	75	69
<b>D: Sequential CS</b>	55	52	49
<b>E: Implicative CS</b>	75	79	71
<b>F: Empowering CS</b>	75	80	60
<b>G: Integration</b>	44	81	81
<b>H: CCS</b>	94	99	97
<b>Total</b>	<b>550</b>	559	<b>542</b>
<b>%</b>	69%	70%	68%
<b>Rank</b>	2nd	1st	3rd
<b>Key:</b>			
Highest score			
Lowest score			

The results from the store manager response index indicate that results are both consistent and contradictory with previous findings. Consistent are the total overall rankings in first and second place for stores 8 and 7, and store 9 showing lowest support for four areas. Interestingly store 9 manager recognises the importance of both social responsibility and integration of customer/social responsibility. The difficulty may be that this could be in theory or an aspiration and may not be delivered in practice. There may be a focus on customer service and social responsibility as two separate concepts. This thereby weakens the customer service network and the relational theme.

Although store 8 manager ranks implicative, empowering and integration highly, the low scores for customer service and social responsibility could indicate a weak basis for development of these areas. Finally store 7 manager recognises the importance of both customer service and sequential customer service but there is a weakness with company customer service.

The lack of uniformity in the store manager index results confirms limitations with contemporary customer service. The implications of how the company interprets customer service may be further highlighted by reference to the observational checklist. This is discussed next.

**Table 9.8: Company C observational checklist**

<b>Company C/Store</b>	<b>store 7</b>	<b>store 8</b>	<b>store 9</b>
<b>(a) quiet day</b>			
Promotion of charity	Yes	Yes	Yes
Stock of organic produce	11	1	3
S.R in-store practices	16	9	8
CS in-store practices	11	10	9
Broken equipment	No	No	No
Full-service checkouts	No	No	No
Bag packing	No-random	No-random	No-random
Seating points	Yes-at checkouts	Yes-at checkouts	Yes-at checkouts
Partnerships with other orgs	Yes	Yes	Yes
Product information points	Yes-brochures avail.	Yes-brochures avail.	Yes-brochures avail.
Customer helpers	Yes-on request	Yes-on request	Yes-on request
Nutritional advice	Yes-leaflets & Co nutritionist	Yes-leaflets & Co nutritionist	Yes-leaflets & Co nutritionist
Special dietary information	No	No	No
Out of stock (checklist of 20)	4	2	3
<b>(b) busy day</b>			
Promotion of charity	Yes	Yes	Yes
Stock of organic produce	10	1	4
S.R. in-store practices	16	9	8
C.S. in-store practices	11	10	9
Broken equipment	No	No	Yes-1
Full-service checkouts	No	No	No
Bag packing	No-random	No-random	No-random
Seating points	Yes-at checkouts	Yes-at checkouts	Yes-at checkouts
Partnerships with other orgs	Yes	Yes	Yes
Product information points	Yes-brochures avail.	Yes-brochures avail.	Yes-brochures avail.
Customer helpers	Yes-on request	Yes-on request	Yes-on request
Nutritional advice	Yes-leaflets & Co nutritionist	Yes-leaflets & Co nutritionist	Yes-leaflets & Co nutritionist
Special dietary information	No	No	No
Out of stock (checklist of 20)	6	2	5

What is noteworthy from the observational data is that store 7 consistently scores better for stock of organic produce, socially responsible and customer service practices. This validates the sequential approach. Store 7 has the highest number of in-store customer service and socially responsible in-store practices. This provides evidence for the merging of the symbiotic link. The importance of a people-centric approach is borne out by staff attitudes. It will be important to ascertain if queue times confirm or challenge this trend.

**Table 9.9: Company C observational monitoring**

Detail/Store	Store 7	Store 8	Store 9	Co. average
<b>(a) quiet day</b>				
Express checkout	0.6	0.5	0.6	0.6
Trolley checkout	1.1	1.5	0.5	1.1
CS desk	0.0	N/A	N/A	0.0
Delicatessen counter	0.3	0.2	0.1	0.2
Average queue time	0.5	0.6	0.3	0.5
Rank	2nd	3rd	1st	
<b>(b) busy day</b>				
Express checkout	0.3	0.4	0.9	0.5
Trolley checkout	0.3	0.5	1.0	0.6
CS desk	0.0	N/A	N/A	0.0
Delicatessen counter	0.1	0.4	0.4	0.3
Average queue time	0.2	0.3	0.6	0.4
Rank	1st	2nd	3rd	
<b>(c) combined days</b>				
Express checkout	0.4	0.5	0.8	0.6
Trolley checkout	0.7	1.0	0.8	0.8
Customer service desk	0.0	N/A	N/A	0.0
Delicatessen counter	0.2	0.3	0.2	0.2
Average queue time	0.3	0.4	0.4	0.4
Rank	1st	Joint 2nd	Joint 2nd	

The trend is confirmed and by implication this evidence adds merit to the overall argument of this study. But before any conclusions can be drawn it is critical to discover if the evidence presented here can be validated from an independent source.



### 9.3.3 Independent validation

The retail director provided data relevant to evaluate validity of results.

**Table 9.10: Company C relevant results**

	Store 7	Store 8	Store 9
Staff turnover-lowest result	1 <sup>st</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>
Customer loyalty-highest results	1 <sup>st</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>
Customer satisfaction-highest results	2 <sup>nd</sup>	3 <sup>rd</sup>	1 <sup>st</sup>
Results from mystery shopper programme	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>
Highest sales of fair trade products	Equal	Equal	Equal
Highest sale of organic products	2 <sup>nd</sup>	3 <sup>rd</sup>	1 <sup>st</sup>

In general all three stores have equal sales of fair trade products and store 9 has the highest sale of fair trade products. For store 7 the low staff turnover and high customer loyalty for store 7 adds validity to the results of this study. For store 8 the third ranking in these two categories could be explained by its weaker approach to essential and basic customer service. It would appear the store has a mechanistic approach to personal customer service. Store 9 is ranked second for these two areas and may be explained by the results that demonstrate understanding in principle of SICS whereby the store manager supports social responsibility and integration. The difficulty is that there is a need to develop SICS in practice. Store 7 scores demonstrate a direct relationship-based approach to customer service. Store 8 results demonstrate an indirect network-based approach. The independent data for customer satisfaction ranking store 9 first could be explained by a mechanical and traditional interpretation of customer service. In the next section the case for SICS will be explored.

## **9.4 A case for SICS**

### **9.4.1 Validity of socially integrative customer service**

Aspirationally the company embraces SICS. There is consistent but varying support for SICS across the three stores. Throughout the study evidence suggests a palpable trend towards a new approach in this company to customer service. However, there is also substantial scope to further build a socially responsive approach. One positive indicator is the provision of product information to customers. When asked, the retail operations director accepted that it is important that product information (beyond legal requirements) be accessible to customers. During the course of this research it was noted that more general but nonetheless extensive information on many products stocked was increasingly provided. This could be indicative of a shift in practice that illustrates a move towards a greater role for supermarkets as consumer educator. In contrast to competitors, in a specific area the company uses biodegradable material.

While this is positive from a SICS perspective, there is much scope to develop the approach operationally. For example there is a grading system for stores based on turnover with each store being audited every year. The grading system is a method to categorise different stores within the company and 'some stores because of sheer size and location will carry a slightly different range' of products (retail director interview). This serves to illustrate the need for further awareness of the political aspect of customer service.

In general the same level of service is offered to all its customers but the retail director notes, 'there will be exceptions'. Operationally the company indicates consideration of in-store practices of customer service and social responsibility. The evidence shows a mechanistic philosophical

approach with a casual but not an empowering approach to customer service. The company also indicates support for the centrality of community. This is reflective of a civic orientation.

The company has a mix of functionality of service with some evidence of citizenship of service. The overall difficulty is that citizenship of service is incidental and not deliberate. In relation to the SICS chart the company is aspiring towards the 'interlocking' level of integration but is based between 'similar' and 'linked'.

#### **9.4.2 Formulation of integrative direction**

The organisation needs to address areas of weaknesses at company and store level that limit the development of SICS. To a large extent social responsibility is applied at macro-level with some in-store application. Strategically the company embraces a movement to a humanistic approach but lacks application of practices to implement such an ideal. Similar to other companies there is a need to develop the political aspect, along with the ethical, moral and emotional dimensions of customer service. Results for store 7 demonstrate areas conducive to further development; there is a need to develop the customer service network, as there is a strong relationship focus evident.

In contrast store 8 shows a tendency toward the customer service network but could develop its core and other customer service relationships. Store 9 represents a traditional approach with a focus on basic adoption to a more socially responsive approach. All stores need to reassess their customer service and need to implement more socially responsive practices.

In many ways the company case study contributes significantly to the verification of theory building. It could be argued that the traditional approach to customer service has been economic however these stores highlight a move away from a purely economic customer service strategy. In building a practical model of customer service a case can be made that store 8 demonstrates a managerial approach to the concept, store 7 signifies a social approach and store 9 demonstrates an economic approach.

The key challenge for the company to integrate SICS is to take a collaborative approach to absorb all these approaches. This is essential to achieve a balanced approach to customer service that is built upon a civic foundation with a humanistic orientation. Table 9.11 provides direction to further integrate a socially responsive approach.

**Table 9.11: Integrative direction**

Practices/Stores	Store 7	Store 8	Store 9
<b>Generic customer service</b>			
Service guarantee	Implement	Review	Implement
Order and collect system	Advertise	Advertise	Advertise
Customer charter	Implement	Implement	Implement
Hand-held price checkers	Make available	Make available	Make available
Full service checkout system	Implement	Implement	Implement
On-line shopping	Review	Make available	Make available
Staff employed as customer helpers	Make available	Review	Make available
<b>Organisational customer service</b>			
Staff benefit from gains in sales and profits	Review	Implement	Implement
Rewards for excellence in personal service	Review	Implement	Implement
Employee excellence award	Implement	Implement	Implement
Fás ETP Certification	Acquire	Acquire	Acquire
Formal upward appraisal	Implement	Implement	Implement
<b>Advanced customer service</b>			
Community protocol	Implement	Implement	Implement
Staff critical incident logbook	Implement	Implement	Implement
ISO 14,000 Certification	Acquire	Acquire	Acquire
Fair trade lines	Increase	Increase	Increase

The store 7 manager refers to the importance of the local community and emphasizes the importance of teamwork, ‘we work as groups of teams’ while also referring to the connection between social responsibility and customer service, ‘they’re both the same to be honest or very closely interlinked’. It is this outlook that needs to be developed at the company and a number of areas need to be addressed by the company. These include:

- How to build a more humanistic approach - this involves increasing people-centric service.
- How to embrace a civic orientation - a more focused and deliberate response to the organisations civic duty is needed.

- How to deliver citizenship of service - there is a need to further adopt practices that deliver on a commitment to political principles such as customer equality and respect.

Store 7 provides the most comprehensive evidence to validate the essentiality of people-centricity. If the organisation is to broaden and deepen customer service, the customer service network and the relational theme need to be more clearly defined and implemented in the organisation.

### **9.5 Summary**

In principal there is substantial support for SICS. In practice evidence suggests there is scope to further develop the civic orientation and humanistic approach to customer service. The three company stores show similar but different evidence to validate SICS. Store 7 highlights the fundamental importance of a commitment to people-centricity as critical to delivery of the CS network and the relational theme.

## CHAPTER TEN

## CHAPTER TEN: CROSS COMPANY CASE STUDY

### 10.1 Introduction

The aim of this chapter is to determine if evidence exists across case study companies to support SICS. Due to the absence of any prior and specific reference to SICS there is an inherent limitation in gathering precise data. Nonetheless this difficulty has been overcome by investigation of relevant indicators and areas that are indicative of a socially responsible approach. It is appropriate to ascertain if a relationship exists between the need for a socially integrative approach to customer service and the status of customer service in practice. In the first section the substantive issue of SICS is put in context with reference to suppliers and consumers. Then there is assessment of generic customer service at each company.

The next part of the case study examines any support of the symbiotic link between customer service and corporate social responsibility. In this regard three constructs of SICS are investigated. The first is the span of SICS or more specifically data will be examined to synthesise any evidence of a civic orientation and a humanistic approach. It is critical to assess if there is any connection between these two areas. Second, the breadth of SICS is reviewed. This assesses information to determine if there is support for the CS network and whether it is broad or narrow. The third construct is the depth of SICS. Here data is examined to determine the extent of the relational theme. The section concludes with a discussion of the symbiotic link and in particular if there is an emergent association between the three constructs.



In the last section the development of SICS is presented. This includes independent validation of the main trend throughout the findings. Theory is advanced via SICS mapping. Finally evidence is drawn upon to prescribe advice for retailers. Similar to chapters 7-9 reference will be made to observational research, store manager survey and the staff survey. Statistical analysis of staff data will be presented where appropriate. Further information on statistical tests can be referred to in appendix 21.

## **10.2 In search of CS synergy**

### **10.2.1 Social integration in context**

In order to justify the essence of SICS it is worthwhile to put the need for social integration in context. In any supply chain there are two sets of customers at both extremities: suppliers and customers. These two groups of stakeholders consistently provide a basis to legitimise the case for a more socially responsive approach. They serve to highlight the appropriateness and potential of SICS. What is particularly relevant is that these areas reflect the CS network and the relational theme. Several issues arise that demonstrate the retail interpretation of the customer service network and the relationship theme. Recently in the UK a competition report carried out on behalf of the government raised questions about the dynamics of retail/supplier relationships. 'Supermarkets switch their buyers around every six to twelve months to avoid relationships and loyalty to suppliers developing' (Competition Commission, 2000, p. 98). This would suggest an area where the relational theme could be better invoked and where the CS network may be underdeveloped.

Trade issues also demonstrate the need for more socially responsive approach. Two areas that have made a remarkable imprint in recent times are ethical trading and sale of organics. 'Ethical trading is now becoming mainstream

trading' according to Browne et al (2000, p. 69). Another area of impact is fair trade where 'there are over 1,000 fair-trade labeled products in 17 countries, with sales of £120 million in Europe. In the UK, sales of FAIRTRADE Mark products have increased by about 53 per cent per year over the last 5 years' (Young 2004, p. 181). There is increasing evidence to indicate that there is scope to develop the CS network to build trust between suppliers and supermarkets. In effect fair trade is an example of how the CS network impacts broader society. SICS is a way to deliver a more responsible interpretation of customer service. 'Powerful firms are increasingly dominating world trade and are able to use their huge influence with producers and suppliers to push down the price of their inputs' (Young and Welford, 2002, p. 5). Ultimately this requires the extension of political service principles to suppliers who are also customers.

From a consumer perspective 'there is a trend by companies to engage in stakeholder dialogue, which includes talking to consumers' (Young and Welford, 2002, p. 16). Yet rudimentary evidence would suggest supermarkets have been slow to act on behalf of the consumer or to develop an educational role. Throughout the fieldwork stage of this research consumer dialogue was notably underdeveloped. Ideally supermarkets could champion a range of issues from food safety, health, cookery, environmental protection and so on. For example, a global organisation, founded in 1997, the Marine Stewardship Council is working with suppliers to identify products that are sourced from sustainable resources ([www.msc.org](http://www.msc.org)). But awareness of this organisation remains passive in retail outlets and could be given more support by retailers in the long-term interest of sustainability. Here again the CS network can be used to build relationships with direct and indirect customers. 'Globally, more than 60 per cent of marine fisheries are fully or over-exploited. In 1992, one of the world's richest cod fisheries, the Great Banks off the Newfoundland coast, was virtually wiped out by over-fishing' (Young, 2004, p. 123).

Increasingly research points to customer dissatisfaction with supermarkets, 'in 1999, research carried out by the retail consultancy Verdict revealed that six million shoppers-that's one in four of all shoppers-were dissatisfied with the supermarket where they bought their groceries' (Blythman, 2004, p. 40). There is also growing evidence to substantiate consumer calls for more ethics in retail practice. One instance is where 'the consumption of free-range eggs, for example, has increased from 8 per cent in 1992 to around 22 per cent currently' (Young 2004, p. 122). Some retailers have responded proactively to this challenge. 'Marks and Spencer have gone a step further by selling only free-range eggs and only using free-range eggs as ingredients in all their products, such as quiches, pasta and biscuits' (Young 2004, p. 123). This practice has not been widely adopted in Irish supermarkets. Many hold the view that supermarkets are not doing enough to address consumer concerns. Some contributions presented next are testament to this.

The problem for the supermarkets is that despite their protestation that they are doing everything to cut down on pesticides, they are on a chemical treadmill. Friends of the Earth campaigns on pesticide use in food and says that the retailers' demand for cosmetic perfection forces farmers to use more pesticides than they would otherwise.

Lawrence (2004, p. 64)

Most prawn farms are built in coastal areas where mangrove forests thrive. Mangroves are among the most productive eco-systems on the planet, and support a great variety of marine life. The world's coral reefs and seagrass beds-upon which two thirds of all fish caught depend-need the mangroves. But mangroves across the globe are being cleared to make way for intensive prawn farms.

Lawrence (2004, p. 182)

Blythman (2004, p. 243) refers to the disintegration of many communities in the UK partially due to supermarket dominance.

Having been major contributors to this problem, the supermarkets are keen to step into the breach, offering their stores as the new and natural focus for community life. They have been remarkably successful in this mission, to the extent that the supermarket has now become the new forum of the modern civic landscape, a new community village, a destination in its own right, a place to go when you don't know what else to do with yourself.

These examples demonstrate the real threats that could challenge the role of supermarkets in society. While not proposing that SICS is the solution to the many difficulties faced by supermarkets, it does have a role to assist in changing the response from supermarkets to serve effectively in the new environment. The stagnation of customer service and the instrumental approach have not adequately met the challenge of serving today's consumers.

An argument can be made that if supermarkets continue to take a minimalist stance on such pertinent issues, ultimately customer service will not be delivered at all levels. In the future the underdevelopment of the ethical dimension of customer service could contribute to the decline of the supermarket revolution. Before any deliberation can be made on the development of the symbiotic link, an assessment is made into generic customer service.

#### **10.2.2 Assessment of generic CS**

It is important to ascertain staff perceptions of generic customer service. Two areas are examined, customer service and customer service basics. Table 10.1 below outlines company means for customer service.

**Table 10.1: Cross company CS variables**

	Mean Co. A		Mean Co. B		Mean Co. C	
<b>Customer service</b>		<b>VSD</b>		<b>VSD</b>		<b>VSD</b>
<b>V1: CS is about making maximum sales and profits.</b>	<b>4.67</b>	<b>16%</b>	<b>4.12</b>	<b>12%</b>	<b>4.89</b>	<b>29%</b>
		<b>VSA</b>		<b>VSA</b>		<b>VSA</b>
<b>V2: CS is about being socially responsible to customers.</b>	<b>2.35</b>	<b>29%</b>	<b>2.4</b>	<b>35%</b>	<b>2.57</b>	<b>18%</b>
		<b>VSD</b>		<b>VSD</b>		<b>VSD</b>
<b>V3: The success of a company is not dependent on the customer service.</b>	<b>5.67</b>	<b>39%</b>	<b>5.16</b>	<b>35%</b>	<b>5.46</b>	<b>32%</b>

(VSA-Very strongly agree-VSD-Very strongly disagree

Bold text denotes data that is statically significant).

Least support for variable 1 is provided at company C. This indicates staff understand customer service is about more than generating sales and profits.

For all t-testing the 5% level of significance is used.

For variable 1 t-testing is carried out using company A mean as the test value. The result is significant (company B .034).

T-testing is carried out where company B mean is the test value. The result is significant (company A .011 and company C .038). This could also indicate that company B staff believe customer service to be linked to profit maximisation.

T-testing is carried out where company C mean is the test value. The result is significant (company B 0.004).

Mean values indicate that Company A provides most support for variable 2. Although 35% of company B respondents 'very strongly agree' with variable 2 ANOVA results show a significant spread in the data (.001).

For variable 3 Company B provides least support. T-testing is carried out with the mean of company B used as the test value. The result is significant (company A .015).

Company A provides most support for variable 2. Company A provides least support for variable 3 and so staff demonstrate better appreciation of the importance of customer service than at company B or C.

Initial staff data results show weakest support for CS at company B. Before any assertions can be made it is necessary to refer to customer service basics.

**Table 10.2: Cross company means for CS basics variables**

	Mean Co. A		Mean Co. B		Mean Co. C	
<b>Customer service basics</b>		VSA		VSA		VSA
<b>V4: It is essential to provide customers with maximum opening hours.</b>	<b>3.12%</b>		<b>3.54 12%</b>		<b>2.96 11%</b>	
		VSD		VSD		VSD
<b>V5: It is not important that shelf-height is accessible to all customers.</b>	<b>5.06 30%</b>		<b>4.42 23%</b>		<b>5.54 29%</b>	
		VSA		VSA		VSA
<b>V6: It is essential that all equipment is in prime working condition and back up equipment is available if breakdown occurs.</b>	<b>1.83 45%</b>		<b>1.65 58%</b>		<b>1.86 46%</b>	

(VSA-Very strongly agree-VSD-Very strongly disagree  
Bold text denotes data that is statically significant).

For variable 4 responses from staff at company C provide more support. Poorer support for variable 4 from company B staff may be reflective of a weak appreciation for basic or clinical aspects of customer service. To confirm or reject this assertion requires further probing into the other variables that relate to customer service basics. Company C shows least support for variable 5 and consequently shows greater understanding of clinical or basic components of customer service. As company B results provide least support this could indicate evidence of less detailed understanding of customer service basics. The general trend is repeated for variable 6 whereby company A and C provide more support than company B.

All t-tests are carried out at the 5% level of significance.

For variable 4 t-testing is carried out where the mean of company A is the test value. The result is significant (company B .023).

T-testing is carried out with the mean of company A being the test value.

T-Test Company B mean = test value

One-Sample Test

COMPANY		Test Value = 3.54					
		t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
						Lower	Upper
company a	It is essential to provide customers with maximum opening hours.	-3.195	68	.002	-.54	-.88	-.20
company b	It is essential to provide customers with maximum opening hours.	.017	56	.987	.00	-.46	.47
company c	It is essential to provide customers with maximum opening hours.	-2.941	27	.007	-.58	-.98	-.17

The result is significant.

T-testing is also carried out with company C mean been test value. The result is significant (company B .015).

For variable 5 t-tests are carried out where company A mean is the test value. The result is significant (company B .035).

T-tests for where the mean of company B is the test value is also carried out.

T-Test Company B mean = test value

One-Sample Test

COMPANY		Test Value = 4.42					
		t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
						Lower	Upper
company a	It is not important that shelf-height is accessible to all customers.	2.661	68	.010	.64	.16	1.12
company b	It is not important that shelf-height is accessible to all customers.	.004	56	.997	.00	-.59	.59
company c	It is not important that shelf-height is accessible to all customers.	4.138	27	.000	1.12	.56	1.67

The results are significant.

T-testing is also carried out where the mean of company C is the test value. The results are significant (company A .048 and company B .000).

Initial results show stronger awareness for customer service in general at company A and C with company B showing less support. In order to

consolidate the approaches to customer service results of observational monitoring will be referred to.

**Table 10.3: Cross company observational results**

Detail/Company	Co. A	Co. B	Co. C	Com. Mean
<b>(a) quiet day results</b>				
Express checkout	1.1	0.9	0.6	0.8
Trolley checkout	2.2	1.9	1.1	1.7
Customer service desk	0.0	0.5	0.0	0.2
Delicatessen counter	0.3	0.2	0.2	0.3
Average queue time	0.9	0.9	0.5	0.7
Rank	joint 2nd	joint 2nd	1st	
<b>(b) busy day results</b>				
Express checkout	0.6	0.8	0.5	0.7
Trolley checkout	2.7	1.3	0.6	1.6
Customer service desk	0.0	0.4	0.0	0.2
Delicatessen counter	0.7	0.3	0.3	0.4
Average queue time	1.0	0.7	0.4	0.7
Rank	3rd	2nd	1st	
<b>(c) combined results</b>				
Express checkout	0.8	0.9	0.6	0.8
Trolley checkout	2.5	1.7	0.8	1.6
Customer service desk	0.0	0.4	0.0	0.2
Delicatessen counter	0.5	0.3	0.3	0.3
Average queue time	1.0	0.8	0.4	0.7
Rank	3rd	2nd	1st	

As can be seen from table 10.3 company C provides shortest queue time followed by company B and A. Company C showed strong support for basic understanding of the concept also provided shorter queue times. The effects of company B's weaker support for general customer service is somewhat counterbalanced by its second ranking for best queue times. However, closer examination of monitoring data does reveal notable gaps in queue time when compared to company C. Company A's strong support for general customer service is somewhat diminished by poor overall queue monitoring results. The one queue point that is comparable to the best results is the customer



service desk. An extract from observational data will also add to the overall practice of the generics at each company.

**Table 10.4: Cross company observational checklist-generic practices**

Company	A	B	C
<b>(a) Quiet day</b>			
Broken equipment	Yes-4	No	No
Full-service checkouts	No	No	No
Bag packing	Yes	No-on request/random	No-random
Seating points	Yes-at checkouts & 1 other point	Yes-at checkouts	Yes-at checkouts
Out of stocks (total)	8	13	9
<b>(b) Busy day</b>			
Broken equipment	Yes-6	No	Yes-1
Full-service checkouts	No	No	No
Bag packing	Yes	No-on request/random	No-random
Seating points	Yes-at checkouts & 1 other point	Yes-at checkouts	Yes-at checkouts
Out of stocks (total)	8	9	13

The poor queue time management at company A is reinforced by four accounts of broken equipment on quiet days and six on busy days. On the busy day company C records highest number of out of stocks. What this shows is that contemporary practices of customer service at company A and C can be improved. What all companies have in common is the availability of certain services only on request. This corresponds with the weaknesses of customer service as discussed in chapter two and also highlights the need for a new focus of customer service.

Overall there are clear differences between companies in relation to general customer service. Staff at both company A and C provide for good understanding, but in practice both organisations show weak points. Overall company B performs poorly with staff data but better than company A with regard to queue time and has less out of stocks on the busy day than company

C. Ultimately there is scope for improvement at all companies. In the next section a determination will be made into the justification of SICS and the symbiotic link.

### 10.3 A determination of the symbiotic link

#### 10.3.1 Span of SICS

The span of SICS is an indication of whether there is a humanistic approach and a civic orientation. In effect it refers to the foundations of SICS. A number of variables from the staff survey will be examined to determine if there is a basis for a humanistic approach. In this regard the category of variables that relate to personalised customer service will be discussed.

**Table 10.5: Cross company means for personalised CS variables**

	Mean Co. A		Mean Co. B		Mean Co. C	
<b>Personalised customer service</b>		<b>VSA</b>		<b>VSA</b>		<b>VSA</b>
<b>V7: Providing the customer with the option of having their shopping packed is important.</b>	<b>1.99</b>	<b>36%</b>	<b>3.58</b>	<b>5%</b>	<b>2.43</b>	<b>25%</b>
		<b>VSD</b>		<b>VSD</b>		<b>VSD</b>
<b>V8: When working in a supermarket it is of no use having good interpersonal skills and being customer focused.</b>	<b>5.67</b>	<b>42%</b>	<b>5.77</b>	<b>46%</b>	<b>5.79</b>	<b>39%</b>
		<b>VSA</b>		<b>VSA</b>		<b>VSA</b>
<b>V9: It is important to have good company knowledge and up to date information in providing customer service.</b>	<b>1.81</b>	<b>38%</b>	<b>2.3</b>	<b>28%</b>	<b>2</b>	<b>36%</b>

(VSA-Very strongly agree-VSD-Very strongly disagree

Bold text denotes data that is statically significant).

For variable 7 the mean for company A is lower than that of both company B and C. This initial result could indicate a more focused humanistic approach at company A.

T-tests are carried out at the 5% level of significance.

For variable 7 t-tests are carried out with the mean of company A being the test value. The results are significant (company B .000 and company C .033).

T-tests are carried out with the mean of company B as the test value. The results are significant (company A .000 and company B .000).

T-tests are carried out where the test value is the mean of company C. The results are significant (company A .001 and company B .000).

For variable 9 t-testing is carried out where the test value is the mean of company A. The result is significant (company B .005).

T-testing is also carried out where the mean of company B is the test value. The result is significant (company A .000).

Both company B and C provide marginally stronger support for variable 8 than company A. Similar to variable 7 support for variable 9 is strongest at company A. From a humanistic perspective in the context of personal service company A results show strongest support. Results confirm poorer support for customer service at company B. As personalised customer service is associated with a humanistic approach then company A results provide for a more humanistic approach than company B or C.

Having synthesised CS approaches it is essential to determine if the span of the CS network is broad or narrow. Reference is made to staff survey data including social responsibility and optimal customer focus.

**Table 10.6: Cross company means for social responsibility variables**

	Mean Co. A		Mean Co. B		Mean Co. C	
<b>Social responsibility</b>		VSD		VSD		VSD
V10: It is not important for companies to support charities.	5.14	28%	4.74	26%	5.25	32%
		VSA		VSA		VSA
V11: It is important that supermarkets promote healthy eating in-store.	2.03	35%	2.53	18%	2.25	25%
		VSA		VSA		VSA
V12: Staff believes this company is a socially responsible organisation.	2.64	19%	2.79	18%	2.79	4%

(VSA-Very strongly agree-VSD-Very strongly disagree

Bold text denotes data that is statically significant).

Company C provides more support for variable 10, followed by company B with least support from company A. For variable 11 company A provides greatest support. This suggests that at company a there is more elaborate understanding of social responsibility and its application to customer service. Company A provides strongest support for variable 12.

All t-testing is carried out at the 5% level of significance.

For variable 11 t-testing is carried out where the test value is the mean of company A. The result is significant (company B .002).

T-testing is also carried out where the test value is the mean of company B. The result is significant (company A .000).

For variable 12 ANOVA results show a significant spread of data for company A (.002) and B (.000).

So what can the results suggest about a broad or narrow civic orientation? It could be argued that company A and C have a broader civic orientation than company B. However what is noteworthy is that company C's civic orientation is indirect while company A's is more direct.

Overall the span of customer service is broadest at company A closely followed by company C. This would suggest both companies have a broader appreciation of the civic orientation and humanistic approach of customer service than company B. Similar to generic customer service, findings would suggest a narrow SICS span at company B. In the next two sections these initial indicator results will be built on via a discussion of the breadth and depth of SICS.

### 10.3.2 Breadth of SICS

In assessing the breadth of SICS there is a need to examine if evidence substantiates the CS network. Two sets of staff variables are examined to determine the existence of a CS network: these are 'optimal customer focus' and 'company customer service'. Because of the emphasis on staff data the internal customer service network is examined.

**Table 10.7: Cross company means for optimal customer focus variables**

	Mean Co. A		Mean Co. B		Mean Co. C	
<b>Optimal customer focus</b>		VSA		VSA		VSA
V13: CS involves constantly trying to improve the quality of worklife For staff.	2.97	14%	2.88	21%	3	14%
		VSA		VSA		VSA
<b>V14: The best CS can be delivered when staff and management work together.</b>	<b>1.57</b>	<b>61%</b>	<b>1.84</b>	<b>44%</b>	<b>1.61</b>	<b>46%</b>
		VSD		VSD		VSD
<b>V15: Staff at this store are not completely focused on serving the customer better.</b>	<b>5.16</b>	<b>28%</b>	<b>4.49</b>	<b>21%</b>	<b>5.32</b>	<b>5%</b>

(VSA-Very strongly agree-VSD-Very strongly disagree

Bold text denotes data that is statically significant).

Company B provides marginally more support for variable 13 followed by company A and C. In contrast for variable 14 company B provides least

support. For variable 15 company C provides most support. Overall companies A and B provide strongest support with least support from company C.

For variable 13 ANOVA results for company B indicates a significance of .000.  
 All t-tests are carried out at the 5% level of significance.

For variable 14 t-testing is carried out with the mean of company A mean being used as the test value. The result is significant (company B .027).  
 T-testing is also carried out with company B being used as the test value. The result is significant (company A .004).

For variable 15 ANOVA results for company A show a significance of .001.  
 T-testing is carried out with the mean of company A being used as the test value. The result is significant (company B .011).  
 T-testing is undertaken where the test value is the mean of company B. The result is significant (company A .004 and company C .008).  
 T-testing is also carried out with the mean of company C being the test value. The result is significant (company B .002).

While all three companies demonstrate some appreciation of the internal CS network, support is strongest at companies C and A. A review of 'company customer service' results may confirm or disconfirm this pattern.

**Table 10.8: Cross company means for CCS variables**

	Mean Co. A		Mean Co. B		Mean Co. C	
<b>Company customer service</b>		VSA		VSA		VSA
<b>V16: The company is a progressive CS company, providing better customer service than its competitors.</b>	<b>1.84</b>	<b>43%</b>	<b>2.65</b>	<b>32%</b>	<b>2.36</b>	<b>29%</b>
		VSD		VSD		VSD
<b>V17: Staff at this store do not understand CS.</b>	<b>5.64</b>	<b>36%</b>	<b>5.4</b>	<b>32%</b>	<b>5.43</b>	<b>25%</b>

(VSA-Very strongly agree-VSD-Very strongly disagree  
 Bold text denotes data that is statically significant).

Strongest support for variable 16 comes from company A, followed by company C with least support from company B. This is an important result as

the weak position of the applied CS network is evident for company B. Company A also provides marginally more support for variable 17.

For variable 16 ANOVA results show a significant spread of data for company A (.000) and B (.000).

All t-tests are carried out at the 5% level of significance.

T-testing is carried out where the test value is the mean of company A. The result is significant (company B .000 and company C .030).

T-testing is undertaken where the mean of company B is the test value. The result is significant (company A .000).

T-testing is carried out where the test value is the mean of company C. The result is significant (company A .000).

In summation, company B shows weak support for the CS network. In contrast both company A and C provide partial support. What is evident is that company C may have an awareness of the indirect network with a sharp focus on operational focus. In contrast company A shows strong support for CS with a more direct awareness of the CS network. However the span may be more limited due to some weaker operational results. From this perspective it is important to examine the relational theme or depth of SICS.

### 10.3.3 Depth of SICS

In consideration of the humanistic foundation of SICS it is relevant to examine if the relational theme is superficial or embedded at each company. In particular two sets of variables will be reviewed, these are 'internal customer service' and the 'role of management'.

**Table 10.9: Cross company means for internal CS variables**

	Mean Co. A		Mean Co. B		Mean Co. C	
<b>Internal customer service</b>		<b>VSD</b>		<b>VSD</b>		<b>VSD</b>
<b>V18: Employees are not loyal to this company.</b>	<b>5.1</b>	<b>23%</b>	<b>5</b>	<b>16%</b>	<b>5.5</b>	<b>29%</b>
		<b>VSA</b>		<b>VSA</b>		<b>VSA</b>
<b>V19: The ability to serve customers well requires a skilled employee.</b>	<b>3.07</b>	<b>20%</b>	<b>3.16</b>	<b>21%</b>	<b>3.39</b>	<b>11%</b>
		<b>VSA</b>		<b>VSA</b>		<b>VSA</b>
<b>V20: Suggestions made by staff to improve store image and promote goodwill could well be implemented.</b>	<b>2.49</b>	<b>20%</b>	<b>2.61</b>	<b>14%</b>	<b>2.46</b>	<b>18%</b>

(VSA-Very strongly agree-VSD-Very strongly disagree

Bold text denotes data that is statically significant).

For variable 18 staff at company C have the highest and most favourable mean result. This would suggest staff loyalty is strongest at company C.

Notwithstanding this company A provides strongest support for variable 19 and company C provides more support for variable 20.

T-tests are carried out at the 5% level of significance.

T-tests for variable 18 are carried out with the mean of company C being the test value. The results are significant (company A .024 and company B .002). Variables 19 or 20 are not statistically significant.

Company A provides some evidence of a relational theme but this is weak in consistency. This would suggest an indirect humanistic orientation. Company B results would suggest a dominant mechanistic outlook as the relational theme is weak. Company C results indicate a strong relational theme. Since both companies A and C have some evidence to support a relational theme. At company C this appears to be culturally driven i.e. staff attitudes whereas at company A this could be functionally driven.



It is important to assess the nuclei service relationship indicator of SICS. In this regard staff results are presented in table 10.10 that relate to 'role of management' variables.

**Table 10.10: Cross company means for role of management variables**

	Mean Co. A		Mean Co. B		Mean Co. C	
<b>Role of management</b>		<b>VSA</b>		<b>VSA</b>		<b>VSA</b>
<b>V21: All staff are treated equally.</b>	<b>3.52</b>	<b>13%</b>	<b>3.7</b>	<b>14%</b>	<b>2.93</b>	<b>25%</b>
		<b>VSA</b>		<b>VSA</b>		<b>VSA</b>
<b>V22: Good management involves having teamwork among staff.</b>	<b>1.96</b>	<b>36%</b>	<b>1.89</b>	<b>40%</b>	<b>1.75</b>	<b>54%</b>
		<b>VSD</b>		<b>VSD</b>		<b>VSD</b>
<b>V23: Management do not value the opinion of staff, as being important to the success of the company.</b>	<b>5.06</b>	<b>19%</b>	<b>4.74</b>	<b>14%</b>	<b>5.5</b>	<b>25%</b>

(VSA-Very strongly agree-VSD-Very strongly disagree

Bold text denotes data that is statically significant).

Overall from table 10.10 the strongest support for all three variables is from company C. Company C provides strongest support for variable 21 followed by company A while company B indicates least support. Company C provides more support for variable 22 than companies A or B. Company C also provides the most favourable support for variable 23.

The 5% level of significance is used for all t-tests.

For variable 21 t-testing is carried out with the test value being the mean of company B. The result is significant (company C .017).

T-testing is undertaken where the test value is the mean of company C.

T-Test Company C mean = test value

#### One-Sample Test

COMPANY		Test Value = 2.93					
		t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
						Lower	Upper
company a	All staff are treated equally.	2.738	68	.008	.59	.16	1.02
company b	All staff are treated equally.	3.561	56	.001	.77	.34	1.21
company c	All staff are treated equally.	-.005	27	.996	.00	-.63	.62

The results are significant.

For variable 22 t-testing is carried out with the mean of company C being the test variable. The result is significant (company A .043).

For variable 23 two ANOVA results are relevant. For company A the ANOVA test is significant (.001). For company B ANOVA results are significant (.017). In contrast the ANOVA result for company C is not significant. This highlights an important difference between companies.

For variable 23 t-testing is carried out with the mean of company B being the test value. The result is significant (company C .009).

T-testing is also carried out with the mean of company C being the test value. The result is significant (company A .019 and company B .000).

For role of management variables company C demonstrates the stronger evidence to support the nuclei service relationship. Evidence shows companies that have demonstrated best support for customer service and the customer service network also indicate stronger support for the relational theme. The depth of SICS or the relational theme is strongest at company C followed by company A with weakest support at company B.

### 10.3.4 Discussion

Overall company A and C provide strongest support for company-based SICS. The main trend is for weak support for all areas from company B. It will be interesting to examine if the results from the store manager index confirm or disconfirm the emergent pattern. (Full details for each section can be found in appendix 22).

**Table 10.11: Cross company store manager index**

Company/ Section	Co. A	Co. B	Co. C	Total average
A: Customer service	55	49	61	55
B: Social responsibility	72	59	54	62
C: Internal CS	77	77	72	75
D: Sequential CS	59	54	52	55
E: Implicative CS	86	72	75	78
F: Empowering CS	83	72	72	76
G: Integration	73	48	69	63
H: CCS	97	97	97	97
<b>Total</b>	602	528	552	561
<b>%</b>	75%	66%	69%	
<b>Rank</b>	1st	3rd	2nd	
<b>Key:</b>				
Highest score				
Lowest score				

From the store manager index it is clear that company A managers place a high emphasis on all aspects of SICS. However the poorer score for 'customer service' in general could be suggestive of a weakness with generic customer service delivery. Company B records the highest amount of low scores but appears to place a focus on internal customer service. This is not borne out by staff results. Not surprisingly store managers have the lowest score for customer service in general. Company C managers place the highest focus on customer service but this effectively is reduced by low scores for various aspects of SICS. However in practice there is evidence to show strong support for many aspects of SICS.

In general the strongest support for the foundations for SICS and the CS network is confirmed at company A scores in the store manager index. Company C's second placing could be perceived as confirmation of the need to build on the strong internal customer service relationship. Finally company B's poorer results are confirmed by the store manager index. At a more general level a review of additional observational data could indicate areas where improvement could be made.

**Table 10.12: Cross company observational checklist**

Company	A	B	C
<b>(a) quiet day</b>			
Promotion of charity	1 store	3 stores	3 stores
Stock of organic produce	26	18	5
SR in-store practices	23	11	11
CS in-store practices	15	14	10
Partnerships with other organisations	No-brochures	Yes	Yes
Product information pts	Yes-brochures avail. & CS desk	Yes-brochures avail.	Yes-brochures
Customer helpers	Yes-on request	Yes-on request	Yes-on request
Nutritional advice	Yes-leaflets & Co nutritionist	Yes-leaflets	Yes-leaflets
Special dietary information	Yes-leaflets & Co nutritionist	No	No
<b>(b) busy day</b>			
Promotion of charity	2 stores	3 stores	3 stores
Stock of organic produce	26	17	5
SR in-store practices	23	11	11
CS in-store practices	15	14	10
Partnerships with other organisations	No-brochures avail.	Yes	Yes
Product information points	Yes-brochures avail. & CS desk	Yes-brochures avail.	Yes-brochures avail.
Customer helpers	Yes-on request	Yes-on request	Yes-on request
Nutritional advice	Yes-leaflets & Co nutritionist	Yes-leaflets	Yes-leaflets
Special dietary info.	Yes-leaflets & Co nutritionist	No	No

As the data shows company A on both days has the largest range of organic produce and in-store practices of social responsibility. However when

compared with company A's record of queue time results it becomes evident that the socially responsible approach may be indirectly applied. There is no substantial difference in customer service practices. All companies could become more active in their roles as customer educator as most product information and nutritional information is available from brochures only. A lot of personal services are also only available when requested. Sometimes customers have to wait to avail of additional services sometimes at additional cost. The checklist indicates many areas where customer service could be improved.

Company A CS strategy is deliberate and elaborate but is not applied as strongly as it could be. Evidence shows the company is committed to CS in theory but is weak in practice particularly in some operational areas. What is particularly noteworthy in the case of company C is the cultural application of the relational theme of customer service. This could partially explain the strong operational results. In the final section all previous data will be consolidated to present SICS mapping. In order for SICS to be developed independent validation of main finding trends is necessary.

## **10.4 SICS development**

### **10.4.1 Independent validation**

To validate the themes underlying the findings presented a number of areas will be discussed that are relevant to the research question. One area that underlines a more ethical approach that is relevant to supermarkets is sale of fair trade products. This is followed by data from TNS.

**Table 10.13: Sales of fair trade labelling organisations**

Retail value (£million)	1998	1999	2000	2001	2002	2003
Coffee	13.7	15.0	15.5	18.6	23.1	34.3
Tea	2.0	4.5	5.1	5.9	7.2	9.5
Chocolate/cocoa products	1.0	2.3	3.6	6.0	7.0	10.9
Honey products	N/a	>0.1	0.9	3.2	4.9	6.1
Bananas	N/a	N/a	7.8	14.6	17.3	24.3
Other	N/a	N/a	N/a	2.2	3.5	7.2
	<b>16.7</b>	<b>21.8</b>	<b>32.9</b>	<b>50.5</b>	<b>63.0</b>	<b>92.3</b>

Source: [www.fairtrade.org.uk](http://www.fairtrade.org.uk)

Figures for the UK show a steady increase in the sale of fair trade products over a five-year span. While sales figures for fair trade products in the UK is useful, further data is needed that is more specifically applicable to this study. More specifically it is important to examine if loyalty figures in any way resemble the trend of SICS at the three case study companies.

**Table 10.14: Loyalty figures\* for the year ended - September 2002**

Company	Rank
Company A	1st
Company C	2 <sup>nd</sup>
Company B	3 <sup>rd</sup>

Source: TNS (2002)

\* TNS loyalty figures are calculated as follows: A shopper is defined as an individual who makes a purchase at a company store once during a year. The basis of loyalty is calculated as the buyers spend in any company store as a percentage of their total spend.

**Table 10.15: Loyalty figures for the year ended 02/03/2003**

Company	Rank
Company A	1st
Company C	2 <sup>nd</sup>
Company B	3 <sup>rd</sup>

**Source: TNS (2005)**

**Table 10.16: Loyalty figures for the year ended 29/02/04**

Company	Rank
Company A	1st
Company C	2 <sup>nd</sup>
Company B	3 <sup>rd</sup>

**Source: TNS (2005)**

It should be noted that both company A and company C recorded a marginal increase in loyalty rates between 2003 and 2004. Whereas a marginal drop in loyalty was recorded for company B.

As can be seen from the TNS information the trend of greatest support for SICS at company A and C is similar to loyalty rates at the companies. What is also notable is that company B has lowest loyalty rates and provides lowest support for SICS. From fiscal perspective this trend is repeated.

**Table 10.17: Ranking of average weekly grocery spend**

<b>Rank Year</b>	<b>1<sup>st</sup></b>	<b>2nd</b>	<b>3rd</b>
2004	Company A	Company C	Company B
2003	Company A	Company C	Company B
2002	Company A	Company C	Company B

**Source: Behaviour and Attitudes (2004, p. 10)**

At a more general level evidence is widespread that underlines the justification for the ethical dimension of SICS. A number of extracts are illustrative of this:

Supermarkets believe that cosmetic perfection is what their consumers want. But do consumers want this if the price to be paid may be more pesticide residues in the fruit? We asked growers if the supermarkets' appearance standards required them to apply additional pesticides for cosmetic, pest control and/or disease control. More than half of respondents [20/35] said that they have to apply more pesticides to meet the cosmetic standards of the supermarkets. About half said that they have to apply more pesticides for pest control and disease control due to supermarket requirements.

Orchards were once a key part of the traditional English landscape, but they are rapidly disappearing from our countryside. Over 60% of UK apple orchards and about 50% of pear orchards have been lost since 1970 and the decline is continuing. The amount of land under orchard production in England declined by 12.8% between 2000 and 2002 [DEFRA Agricultural and Horticultural Census June 5, 2002].

Supermarkets can shop around the globe to find the lowest prices. One grower felt that global oversupply was a more important issue threatening growers than supermarket standards.

Friends of the earth (2002, p. 4)

The fact that the major retailers control access to consumers means that they are increasingly in a position to exercise buyer power.

Feame et al (2004, p. 2)



Their formula for success is simple – they operate efficiently, they provide a one-stop shop and they enjoy consumer confidence. Today they wield immense influence over the way we grow, buy and eat our food.

[www.corporatewatch.org.uk](http://www.corporatewatch.org.uk)

Others indirectly refer to the humanistic nature of customer service. According to Alcock et al (1987) the most successful brands have values that are based on human concern, emotion and aspiration. A survey carried out by Empathy Research revealed of consumers who purchase loose produce 66% did so because of less packaging (Retail Intelligence, 2004). Compassion in World Farming regularly publish reports on a regular basis highlighting supermarket's response to calls for better practice. In the 2003/04 report for example of the eight major supermarket retailers in the UK only Marks and Spencer; and Waitrose have achieved a target date selling only free-range eggs only. The Co-op has also set a date. The other five major retailers have not taken action in this area (Compassion in World Farming, 2003-04, p. 15).

The allocation of responsibility between retailers, suppliers and consumers is inherently problematic, but this must not be used as an excuse for inaction. The key challenge is to ensure that the gatekeeper role that supermarkets play within the food system is used to drive positive change, rather than to pass responsibilities on to other, less powerful, actors.

Race to the Top (2004, p. 31)

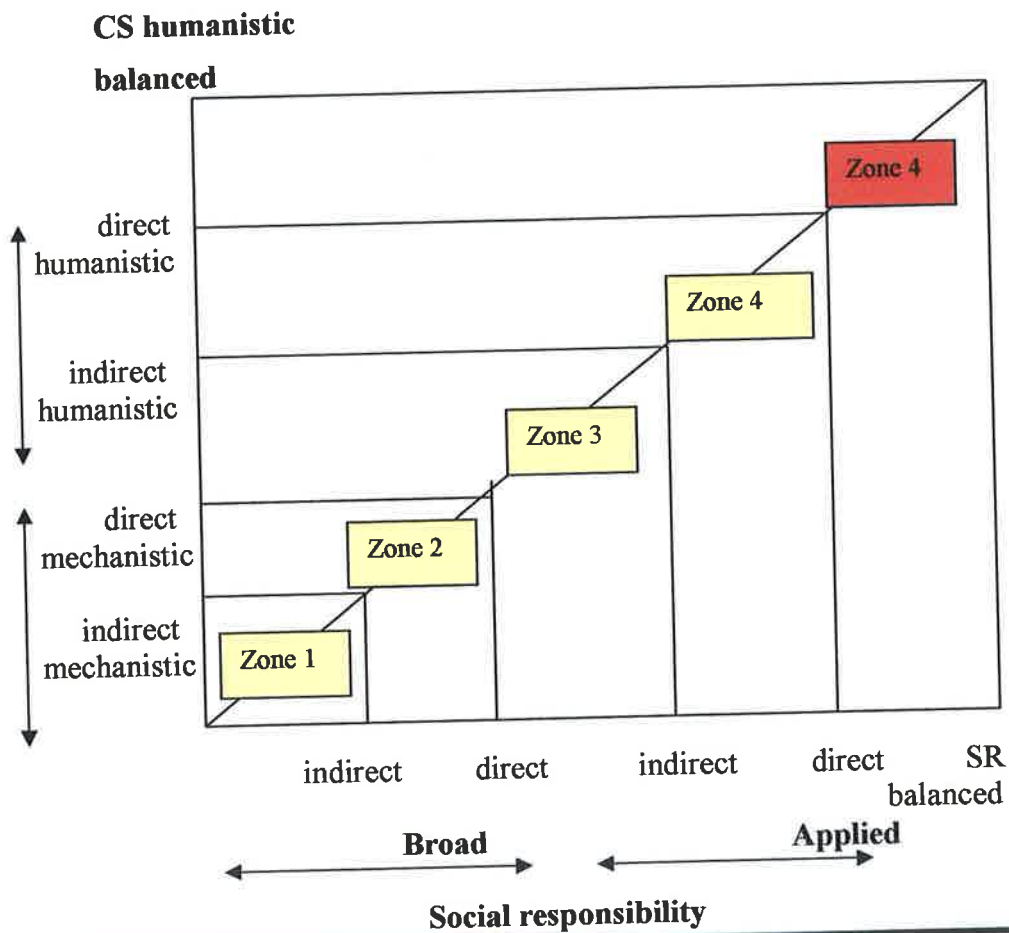
The above discussion reveals an indirect movement towards a more socially responsive approach. In the next section SICS mapping is provided.

#### **10.4.2 SICS Mapping**

In consideration of chapters 2-8 and the findings of the case studies a map is provided of the development of SICS. The trajectory of SICS sequences the logical development. This is followed by reference to the three case study companies. In the trajectory of SICS two dimensions are highlighted these are humanistic and social responsibility (broad and applied). Humanistic customer

service includes a humanistic approach and the relational theme, while social responsibility includes the civic orientation and the CS network.

**Figure 10.1: Trajectory of SICS**



**ZONE 1:**

Customer service is indirect mechanistic and there is a broad indirect interpretation of profit.

**ZONE 2:**

Customer service is direct mechanistic and there is a direct but broad interpretation of social responsibility.

**ZONE 3:**

There is an indirect humanistic interpretation of customer service matched with an indirect applied approach to social responsibility.

**ZONE 4:**

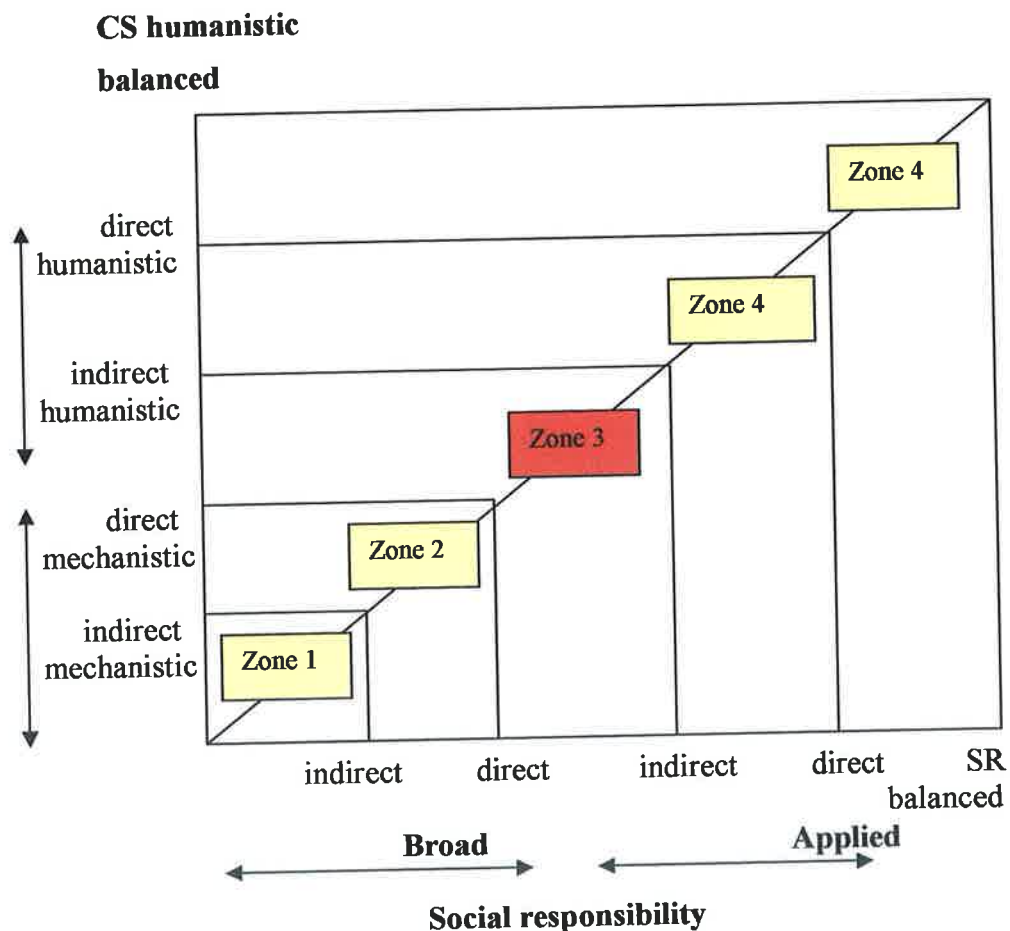
There is a direct humanistic approach to customer service with a direct applied approach to social responsibility.

**ZONE 5:**

This represents fully implemented SICS with a balanced humanistic and socially responsible approach. This zone represents the optimal use of the customer service network and the customer service relationship.

Each of the companies will now be assessed using the SICS trajectory.

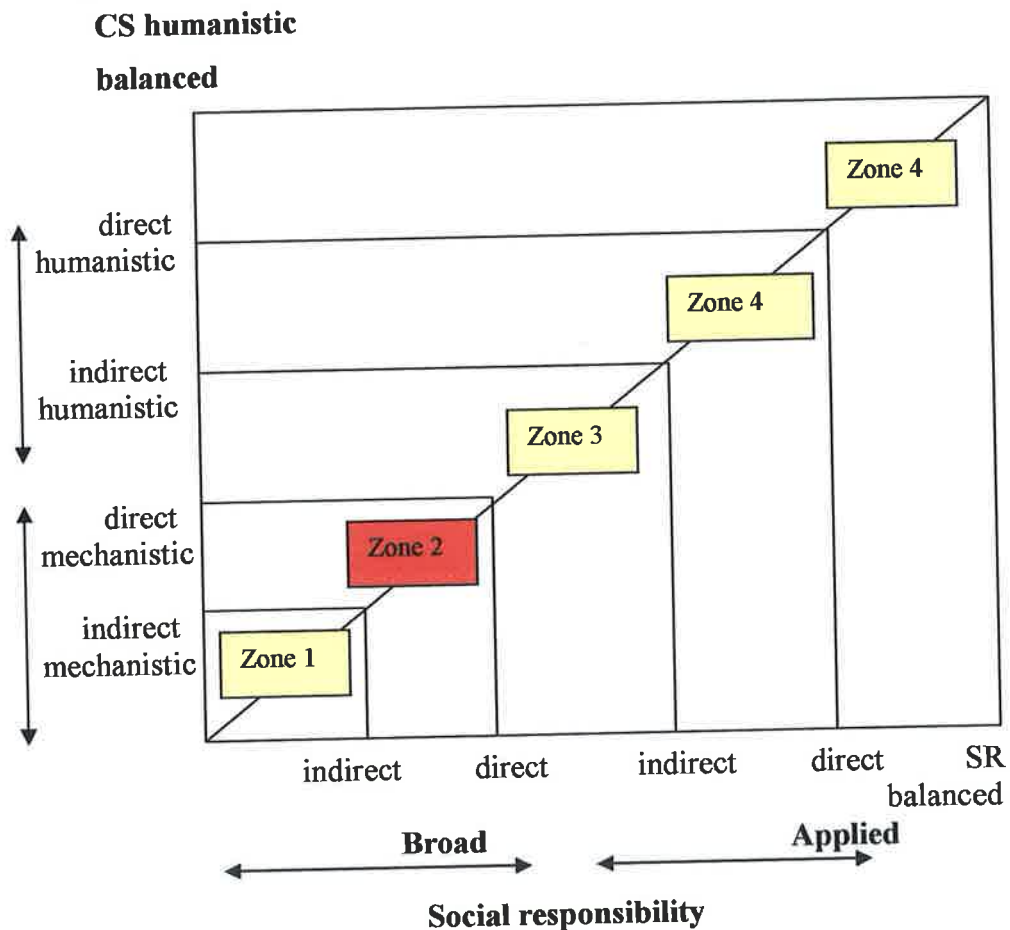
**Figure 10.2: Trajectory of SICS Company A**



Company A results would suggest a direct mechanistic approach to customer service and indirect applied approach to social responsibility. This would map the organisation in Zone 3. In order to develop a civic orientation a greater

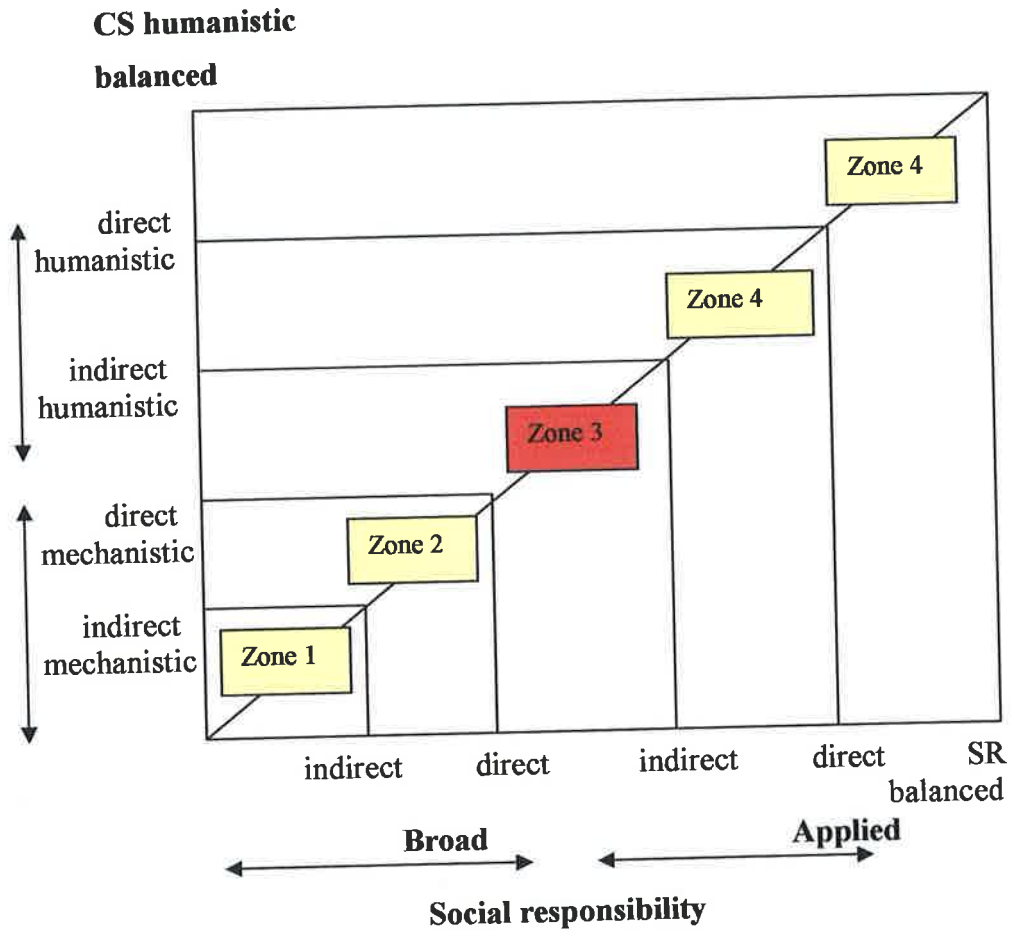
focus and commitment needs to be placed on the delivery of SICS strategically and in-store. More direct socially responsive customer service is required in-store and within all communities.

**Figure 10.3: Trajectory of SICS Company B**



Company B consistently demonstrates a direct mechanistic approach to customer service and a direct broad approach to social responsibility. This maps company B in Zone 2. However as part of the company case study store 5 was an exception to this. It maybe useful for the company to deliver better support to stores similar to this one. In general the company needs to implement new policies and try to build culture of more humanistic customer service and more applied social responsibility.

**Figure 10.4: Trajectory of SICS Company C**



Company C results indicate an indirect humanistic approach to customer service and direct broad approach to social responsibility, which represents Zone 3. Greater attention needs to be focused on improving the span of the service network and to build stronger service relationships with both direct and indirect customers. In the final section prescriptive advice for retailers is presented.

### 10.4.3 The way forward for retailers

If supermarkets are to excel and grow in the future change needs to occur. Some retail companies are already setting new standards for others to follow.

One such organisation is the Co-operative Group in the UK.

The co-operative Group has been a leader in social accountability and adopted its own Code of Business Conduct in March 1997 and revised it in February 2001. It articulates the values and standards the Society expects to apply in the course of conducting its business. These include self-help, self-responsibility, democracy, equality, equity, solidarity, honesty, openness, social responsibility and caring for others... The Co-op is now developing a core set of social performance indicators for all its activities.

Young (2004, p. 180)

Increasingly social audits are becoming a standard part of business practice. However a case can be made that such issues could become more successful if applied through new models of practice. 'Food is one of life's great pleasures. Shopping for it, preparing it and eating it has bound people together for centuries. It is in eating together that we are socialized. In the end, it's about what kind of society we want' (Lawrence, 2004, p. 236). Supermarkets have a role in shaping our society and so in this context the role of SICS is justified. It is well documented that supermarket market share has grown significantly as noted by Blythman (2004, p. 4),

in 1950, supermarkets had only 20 per cent of the grocery market while small shops and traditional Co-op had 80 per cent between them. By 1990, this situation had been more or less reversed, with supermarkets eating up almost 80 per cent of the grocery market.

What becomes an important question is how have supermarkets reacted to this increased power? Browne et al (2000, p. 82) maintains 'major supermarkets are adapting very rapidly to pressure for a more ethical trading stance'. Some rating systems would probe the extent to which supermarkets take on increased societal responsibility. An extract from Young and Welford (2002) serves to demonstrate this school of opinion. The following rating system outlined in table 10.18 specifically relates to fair and ethical trade.

**Table 10.18: Five-star rating system of retailers**

<b>Symbol</b>	<b>Explanation</b>
5 stars	<ol style="list-style-type: none"> <li>1. Company has a published comprehensive code of conduct.</li> <li>2. Company has independent inspectors of factories for compliance with code of conduct.</li> <li>3. Company has a comprehensive public reporting system detailing number of factories/suppliers in developing countries and results of inspections.</li> <li>4. Company has own fair trade scheme for all or some products.</li> <li>5. Company has demonstrated that it is moving beyond implementing basic human and working rights in factories/suppliers and acting on sustainable development values.</li> </ol>
4 stars	<ol style="list-style-type: none"> <li>1. Company has a published comprehensive code of conduct.</li> <li>2. Company has independent inspectors of factories for compliance with code of conduct.</li> <li>3. Company has a comprehensive public reporting system detailing number of factories/suppliers in developing countries and results of inspections.</li> <li>4. Company has own fair trade scheme for all or some products.</li> </ol>
3 stars	<ol style="list-style-type: none"> <li>1. Company has a published comprehensive code of conduct.</li> <li>2. Company has independent inspectors of factories for compliance with code of conduct.</li> <li>3. Company has a comprehensive public reporting system detailing number of factories/suppliers in developing countries and results of inspections.</li> </ol>
2 stars	<ol style="list-style-type: none"> <li>1. Company has a published comprehensive code of conduct.</li> <li>2. Company has independent inspectors of factories for compliance with code of conduct.</li> </ol>
1 star	<ol style="list-style-type: none"> <li>1. Company has a published (available to the public via Web site or shops or on products) comprehensive code of conduct.</li> </ol>
½ star	Company has a code of conduct or is developing a code of conduct.
#	Company without own-brand products.
>	Company has no operations in developing countries.
x	Company has no code of conduct.

**Source: Young and Welford (2002) pp. 119-120.**

**Table 10.19: Five-star ratings for food retailers**

Symbol	Food retailers
5 stars	None
4 stars	Co-op
3 stars	None
2 stars	Sainsbury's
1 star	Asda Kwik Save Safeway Somerfield Tesco

**Source: Young and Welford (2002) pp. 120-121.**

Most UK supermarkets are below a two star rating which serves to illustrate the potential to meet this challenge. One way to meet this is to develop a role as consumer advocate. For example 'the Fat Watch campaign in the Netherlands shows how a partnership between supermarkets and other private-sector partners reduced the consumption of saturated fats over a five-year period from 16.4 per cent to 14.1 per cent of energy intake' (Young 2004, p. 95). Another example is whereby 'each Asda store now has an events co-ordinator to devise community initiatives' (Blythman, 2004, p. 245). These examples demonstrate the need for a new format for customer service. To achieve balance some examples will be provided that demonstrate inherent weaknesses with traditional customer service.

Tesco's favourite community service badge of honour is reserved for its annual Computers For Schools scheme, launched in 1992. Tesco shoppers earned vouchers that schools could collect and use to get free computer equipment...But in 2001 Which? Investigated the scheme and found that the sums behind it didn't stack up. Which? calculated that 4,490 vouchers would provide a school with a scanner. That meant that shoppers had to spend £44,900 in Tesco to get enough vouchers to buy an item that Tesco itself sold for £80 and which would cost it even less wholesale.

Blythman (2004, pp. 246-247)

In 2003, Tesco, for example was forced to admit that it had been selling 'Outdoor Deluxe' garden furniture made from illegally logged hardwoods from the Indonesian rain forest.

Blythman (2004, p. 285)



Edeka/AVA, one of Germany's top food retailers, has launched a strategy with an emphasis on 'enjoying food, buying for pleasure and having new experiences,' according to the Private Label Manufacturers Association (PLMA).

Checkout (2003, p. 1)

Supermarkets and egg packers are flouting the law by selling battery eggs without the correct labels to tell consumers how they are produced.

Sheehan (2004, p. 2)

These examples provide for the acknowledgement of the real need for new frameworks to guide retail practice and evidence is also on the increase that suggests action is needed. 'Organic markets have boomed over the last decade' (Shelflife, 2004). 'The winding road of consumer behaviour is without a doubt leading down the path of ethical shopping and it needs to be embraced' (Shelflife, 2004).

As the debate on healthy eating and food safety (Amárach and Edelman, 2004; Keh and Park, 1997, p. 836-846; Geuens et al, 2003) continues, supermarkets have an opportunity to deliver more socially responsive service. 'Presently, the most advanced areas of retail management are logistics, inventory control and operational procedures (Mulhern, 1997, p. 103).

It is recommended that all three companies further develop all aspects of SICS. This is deemed necessary in order to better serve all customers. This requires development of the humanistic approach and the CS network.

### **10.5 Summary**

A socially integrative approach to customer service could improve the status of supermarkets in society. In particular SICS offers the opportunity to build more socially responsible relationships at both ends of the supply chain.

Company A and C provide most support for SICS. In particular both companies add validity to the span or foundation.

Company A provides most support for the CS network or breadth of SCIS while company C provided most support for the depth of SICS or the relational theme. SICS mapping provides for reference to the trajectory of SICS. Finally prescriptive direction recommends further adoption of SICS in much more detail.

## CHAPTER ELEVEN

## **CHAPTER ELEVEN: CONCLUSIONS AND RECOMMENDATIONS**

### **11.1 Introduction**

The aim of this chapter is to examine the validity of the main and four subsidiary questions in relation to company A, B and C. An assertion is made as to whether the research questions are applicable and hold true for each company. There is discussion of the research objectives. Conclusions are drawn and recommendations proposed. The contribution of the study to the discipline is discussed. Possibilities for further research are also outlined.

### **11.2 Discussion of research questions**

The main and subsidiary research questions are discussed for each company.

#### **11.2.1 Applicability to Company A**

Overall company A provides support for SICS. The humanistic approach and civic orientation are indirect but pervasive at the company. In general the relational theme needs to be further developed. As a consequence the political aspect and the CS network can be strengthened.

#### **Subsidiary question 1:**

In theory can the scope of customer service be broadened?

Throughout chapter seven there is consistent support to broaden the scope of customer service. The company leader, retail and human resource directors provided positive responses to embrace the CS network. At in-store level all store managers were accepting of the many levels of customer service including, service, community and societal. From company A stores there is evidence to suggest that the company does acknowledge its role as a

corporate citizen with in-store charity collections, food safety information, recycling facilities etc. This is supported by generic support of social responsibility variables. At an organic customer service level there is potential to revitalise significantly through merging principles and practices of social responsibility.

**Subsidiary question 2:**

Can the role of customer service be extended in practice?

In many instances store data provides examples where the company have extended the role of customer service in practice. In particular the availability of nutritional information and co-operation with charities are examples. Another important feature that illustrates an activated CS network is the company's commitment to local sourcing where possible. In practice support is strongest at store 2 and weakest at store 3. There is an awareness of an extended role of customer service

Staff at the company appreciate the importance of building partnerships with outside organisations across all three stores. This substantiates the views of senior management. From staff data it is clear that store 2 in particular and also store 1 provide stronger support for the extended role of customer service. The results for store 3 show much poorer support.

While in theory and practice the company supports the broadening and extending of customer service there is scope to further develop the customer service network at all customer service levels.

### **Subsidiary question 3:**

From a theoretical perspective, can the theme of customer service be deepened?

The retail director accepts the need to make customer service more 'people' based and refers to the emotional bond customers have with the company. Overall the company endorses the need to deepen the theme of customer service. Of all the three companies that form the basis of the research, company A demonstrates a consistent commitment to people-centricity. Closer examination of results does indicate that in practice this commitment can be further advanced. For example store 3 scores poorly in this area. Where role of management variables have strong store support there is also strong support for application of SICS. The opposite is the case in the store with weak support for role of management. In effect management discourse could act as barrier to adopting greater social responsibility to practices and principles of SICS. The relational theme could be further developed.

### **Subsidiary question 4:**

In practice can customer service be more humanistic in nature?

Notwithstanding the aforementioned there is consistent evidence in the findings to accept that in practice customer service can become more humanistic in nature. Although store 2 has consistently favourable staff data results, the results for queue time are weaker. What is clear is the need to further evolve a humanistic culture at the company, as the staff results for internal customer service are generally weak. There is scope to apply principles and practices of social responsibility to internal practices of customer service. Evidence from staff data suggests variance of opinion in relation to internal customer service. The stores that strongly support internal customer service also substantially support social responsibility. Store 2

provides strongest support for the relational theme; by contrast store 3 provides poor support.

**Main research question:**

Can customer service be revitalised through identification of a symbiotic relationship with social responsibility, linked by people-centricity?

Overall company A data does provide support for the main research question. This is particularly evident throughout store 2 results, which consistently results support the symbiotic link. At strategic level there is evidence that supports the link between social responsibility and customer service, however the company does not have any written policies on social responsibility and hence any link with customer service is implied. The less substantive overall results for store 3 would indicate a need for increased strategic guidance. Company A applies social responsibility at operational and non-operational level, but as no formalised social responsibility policy exists then there by implication is a gap. Recognition and resolution of this gap could provide a more deliberate and co-ordinated approach to SICS.

Company A has a good theoretical and foundational basis for SICS. As outlined through reference to the CS chart and SICS mapping there is scope for improvement. The strong results at store 2 in particular are highly relevant. Company A could focus more on the moral and emotional dimension of customer service. More attention is needed in the application of political principles.

**11.2.2 Applicability to Company B**

What is evident from company B findings is that the development of SICS can develop naturally in an organisation. In general there is support for SICS

but much more deliberate effort is needed to adopt various practices to support the CS network and the relational theme.

**Subsidiary question 1:**

In theory can the scope of customer service be broadened?

At company B there is evidence to accept the question posed. The company leader and the retail director show acceptance of SICS in theory. The retail director supports the civic orientation through his support of political principles of equality and respect. What is particularly pervasive is the strong support at store 5 that acts as an example of how the company can broaden its customer service approach. In particular there is scope to develop a more socially responsive approach at all levels of customer service.

There is strategic support to accept CS/SR link at all levels. The broadened scope of customer service is substantiated through internalised results that show strong support for variables that relate the supporting of charities. This is supported at a strategic level and is substantiated internally by significant company support for a 'company customer service' variable that relates to the local community. Evidence at company B strongly suggests a need for the application of social responsibility at basic customer service level.

**Subsidiary question 2:**

Can the role of customer service be extended in practice?

There is potential to extend the role of customer service in theory. In particular the company could develop the political function much more. There is also opportunity to build the ethical dimension of customer service. This is particularly important at the company due to its overall poorer performance compared to companies A and C.



Company management support the need to serve the both indirect and direct customers. Variables that relate to 'company customer service' indicate strong support for the community from store 5.

**Subsidiary question 3:**

From a theoretical perspective, can the theme of customer service be deepened?

Throughout chapter eight there is evidence to support the deepening of the customer service theme. The people-centricity link could be stronger in the organisation. Store 5 unlike the other two company stores shows the importance of the people-centric link. In addition there is also justification to develop a more humanistic approach as the lack of attention to detail in this area could explain why overall the company does not perform as well as company A and C. Independent validation also indicates the lowest loyalty rates for company B which confirms the need to deepen the theory of customer service. The aspirational-operational gap needs to be addressed. Company data complements the relational theme in the findings as strongest customer loyalty is found at store 5. There is scope to apply principles and practices of social responsibility to internal practices of customer service.

**Subsidiary question 4:**

In practice can customer service be more humanistic in nature?

Overall there is strong evidence to support the need to practice a humanistic approach to customer service. Throughout the company case study, store 5 consistently showed more support for SICS and reflected the importance of a humanistic approach. The retail director has a view that customer service could be more people based.

From an internal perspective store 5 showed substantially stronger support for internal customer service variables than the other store with a similar result for social responsibility. A positive link can be identified in store 5 between role of management and the overall relational theme.

**Main research question:**

Can customer service be revitalised through identification of a symbiotic relationship with social responsibility, linked by people-centricity?

Evidence from company B would suggest acceptance of the main research question. The company clearly shows the importance of people-centricity via the results from store 5. Strategically there is support for the link between customer service and social responsibility but there is a lack of written policy in the area. Store 5 staff indicates significant support for this link but it is significantly less in store 4.

As the company has no written social responsibility policy this is valid and in practice there is evidence to further validate this with store 5 having a positive internalised view towards SICS but no consistent delivery at operational level.

Overall there is an indirect but substantiated acceptance of positive links between customer service, social responsibility and internal customer service and so the main research question is answered. Applicability of SICS at company C is the subject of the next section.

### **11.2.3 Applicability to Company C**

There is clear and evolving support of SICS at company C. The company has developed an informal CS network at company and store level. While a relational theme is evident, there is scope for this to be further developed.

#### **Subsidiary question 1:**

In theory can the scope of customer service be broadened?

At company C there is evidence to indicate the scope of customer service can be broadened. The retail director supports the principles of customer equality and respect, while the company leader refers to the importance of building links with the community. The company has developed a more policy-driven approach than its case study competitors. This is indicative of support at company and store level to accept the relationship or link between customer service and social responsibility.

#### **Subsidiary question 2:**

Can the role of customer service be extended in practice?

In practice there is scope to develop a more extended role for customer service. In particular the company has begun to develop the educational/informational role further. This development would support the proposition of the need to embrace a more civic orientation. Societal level CS is accepted by company C at strategic level and is substantiated by stores in practice with substantial results for social responsibility that indicate staff understanding of customer service at this level.

Organisational level customer service is supported by strategic management and is supported through company customer service variables that relate to

the local community. Operational results indicate the potential to further extend social responsiveness at service level.

Company C management support the broadening of customer service and internally there is evidence for acceptance as overall the company has significant support for variables of 'personalised' and 'company customer service'. There is strategic support for the internal CS network but there is no internal customer service strategy. Internal support for variables that relate to 'internal customer service' is strong, but without a strategy any developments will be incidental.

### **Subsidiary question 3:**

From a theoretical perspective, can the theme of customer service be deepened?

There is scope to deepen the theme of customer service in theory. Compared to other companies evidence from company C shows strongest support for 'role of management' and overall significant support for development of the relational theme. Store 7 demonstrates direct endorsement of the relationship theme but societal and organisational level customer service relationships could be further developed. Store 8 shows an indirect relational approach and so this could be further developed. In contrast store 9 shows a more mechanical approach. In theory this shows a need to deepen the humanistic approach as loyalty figures for this store are lowest of the three stores. There is a theoretical case to be made to deepen the relational theme.

### **Subsidiary question 4:**

In practice can customer service be more humanistic in nature?

The evidence suggests there is potential to further develop the humanistic nature of customer service. This is verified at company C by company

validation of the trend at store 7, where there is a strong direct relational theme. This is confirmed to a lesser extent at store 8 where there is an applied nuclei service relationship evident from 'role of management' variables that show second ranking of the three stores for company loyalty figures. Taken together this evidence indicates the importance of deepening customer service through a humanistic approach facilitated in practice through a relational theme.

**Main research question:**

Can customer service be revitalised through identification of a symbiotic relationship with social responsibility, linked by people-centricity?

This is very strongly supported by management at a strategic level. From an internal perspective this is also strongly supported by staff responses to variables that relate to 'social responsibility'. Unlike company A and B, company C has a policy that relates to an area of social responsibility. However company policy and practice that demonstrate a link between social responsibility and customer service needs to be further developed. A major weakness is that adoption of SICS tends to be incidental rather than deliberate.

Although the company provides strong support for SICS quite strongly there is a lack of in-store guidelines in the area.

Company C significantly highlights the validity of the links in the main research question with the company illustrating strong support for 'basic', 'personalised' and 'internal customer service', 'role of management', 'social responsibility' and ultimately a indicator of substantiating the case for SICS.

Overall the three case study companies provide support to accept the main and subsidiary research questions. In theory the scope of customer service can be broadened via the CS network. In practice this requires a civic orientation that reflects the maturing of customer service to include a political aspect. To deepen the theory of customer service involves the recognition of its nature 'to serve'. This requires a humanistic approach. The implication in practice is to acknowledge and develop the relational theme. At each company there is a general evidence in the findings to support these propositions. More specifically the best performing stores highlight the essential people-centric link of the symbiotic relationship between customer service and social responsibility.

### 11.3 Discussion of study objectives

- **To examine what is understood by the concepts of customer service, social responsibility and internal customer service.**

It was found that there is varied and broad understanding of the concepts in theory which results in differences in each of these areas in practice between stores of the one company. This realisation can be interpreted to underline the necessity of new direction for customer service.

- **To advance customer service theory, through the investigation of how the concept can be broadened and deepened.**

The study suggests a new theory of customer service that is based on a new humanistic philosophical base. It provides for a civic orientation that allows for both the broadening and deepening of customer service. Broadening the concept involves the recognition of two customer formats, direct and indirect. Deepening the concept involves the inclusion of political, ethical, emotional and moral dimensions. Customer service is political, as it involves the service of people or societal citizens. Ethical aspects set the criteria for serving the individual to a degree that also serves the common good and the moral aspect involves providing service that can respect and improve the quality of life and

work-life, based on practices and principles of sustainability. These dimensions provide the architecture for building an interlocking level of integration between customer service and social responsibility.

- **To examine if a conceptual link can be identified to highlight the customer service contract organisations have in society.**

The study indicated that social responsibility is linked to customer service through all aspects in practice, clinical, organic and cultural. In theory the relationship between customer service and social responsibility is based on a humanistic philosophical approach that impacts all levels of citizenship of service: societal, organisational, service and core. The customer service concept is linked to social responsibility via the CS network, maximising the ethos of social responsiveness. In turn the concept of social responsibility is linked to customer service via a service aspect that builds a relational theme. While both concepts are mutually exclusive the relationship shows a symbiotic link of people-centricity. From an analytical perspective the symbiotic link indicates a three-way multi-dimensionality of SICS. This includes the basis (or span) of the humanistic approach combined with a civic orientation, the CS network (or breadth) and the relational theme (or depth). When each of the three areas are activated in synergy then the use of SICS can be maximised.

At interlocking integrative level social responsibility and customer service are interdependent and simultaneously independent concepts. The humanistic and civic basis of both provide for a mutually beneficial link. The key significance of the socially integrative framework is that it allows for social responsibility to be interpreted as a complementary concept for customer service with the inverse of this also being the case. Customer service can be viewed as a key to integration of social responsibility as a service construct and social responsibility can assist the development of customer service at societal level while aiding the facilitation of conceptual progression.

Stores and companies that demonstrate significant support for application of socially responsible customer service also indicate that people-centricity is important through personalised customer service, internal customer service and the role of management. This is critical as being people-centric is vital to adopting a humanistic approach.

The answer to the research question ‘can customer service be revitalised through identification a symbiotic relationship with social responsibility, linked by people-centricity?’ receives a positive response. All companies indicate that there is evidence for the revitalisation of customer service through identifying a symbiotic link with customer service.

#### **11.4 Conclusions**

##### **Customer service**

In practice customer service is mechanistic in nature but there are indications to show movement to a humanistic approach. The evidence from this study suggests SICS is a means to achieve this. In Irish supermarkets customer service needs to be more people focused. If Irish supermarkets adopt SICS international sectoral leadership could be provided that offers an unprecedented level of customer service to customers.



### **Social responsibility**

Social responsibility could benefit from conceptual development as outlined. In particular, customer service is a complementary concept to allow for assimilation of social responsibility. As outlined in the literature social responsibility is largely applied at macro level and there is scope for application at service level. Social responsibility could be embraced in customer service delivery at societal, organisational, service and core level.

In the absence of change, the practice of good corporate citizenship could be limited through traditional customer service, which is based on a mechanistic approach. SICS can assist an organisation in its role as a social institution via a civic orientation, humanistic approach and the political aspect of customer service.

### **Customer interpretation**

SICS changes the meaning of customer from a direct traditional customer to include indirect customers. Traditional customers are not external but internal to the organisation with whom they are in partnership, with staff subsequently called nuclei customers. The use of term citizen best describes the ethos of the customer, as socially responsive service is a right not a privilege.

Organisations need to serve all customers both direct and indirect in terms of citizenship not functionality of service.

### **Internal customer service**

Internal C.S. is a concept that is the least advanced, but is of substantial importance to the successful adoption of the SICS blueprint. In particular there is a lack of empowering customer service that is essential for a civic orientation. Internal customer service needs to be applied more in Irish supermarkets.

### **Socially integrative customer service (SICS)**

On balance evidence throughout the study supports a case to validate SICS. Both gaps identified in the literature review and suggested conceptual directions are generally supported from individual and cross company results.

SICS has the potential to improve the customer service provided in Irish supermarkets to serve both the direct and indirect customer. There are indications that management aspire to SICS, while in general staff appreciate its fundamentals, which make the concept suitable for implementation, particularly where in store practices exist that show a level of social responsiveness.

There needs to be a process of consolidation to maximise use of a socially responsive approach. This requires further implementation of the CS network and the relational theme. The movement to recognise the political aspect in addition to the ethical dimension could be embraced more. This is imperative for supermarkets to develop their role of consumer advocate. A civic orientation can be supported by recognition of the CS network. If the relational theme including the moral and emotional aspects are further developed, the movement from a mechanistic to humanistic approach will be facilitated.

Throughout the research there is a trend that stores that have highest loyalty figures are the stores that provide most support for SICS. From a company perspective this is further confirmed by independent validation. These findings together with consumer and societal expectations justify the role and validity of SICS.

## **11.5 Recommendations**

### **In-store practices**

#### **a) Sequential customer service**

Irish supermarket companies need to re-evaluate the basic customer service provided in-store to improve application of social responsibility.

#### **b) Implicative customer service**

Irish supermarkets should assess all interpersonal aspects of customer service to ascertain if a more socially responsive approach can be adopted.

#### **c) Empowering customer service**

Irish supermarkets need to reassess customer service from a cultural perspective to determine how empowering customer service can improve the quality of work life for staff.

### **Organisational level service**

Organisations need to establish a community charter that serves as a basis for commitment to serving the needs of the local community in the most socially responsive manner improving the quality of life for all.

### **Societal level service**

Irish supermarkets need to establish policies, procedures, codes and practices that ensure the social contract is respected at their companies. This could involve the construction of a societal charter that outlines the organisations service commitment to society.

### **Audits**

Organisations need to design, test and carry out SICS audits to ensure a humanistic approach is being implemented.

### **Philosophical change**

Programmes need to be undertaken to examine and investigate how customer service can be improved and how a humanistic approach can be implemented to broaden and deepen the concept in practice.

### **Citizenship of service**

Measures need to be taken to ensure movement toward citizenship of service, which delivers on, not aspires to, customer and staff equality.

### **SICS charter**

Organisations should develop a charter for all direct and indirect customers that explain the approach to customer service based on the principles of service.

### **SICS champion**

Organisations need to appoint a senior person to be responsible for the implementation of SICS.

## **11.6 Contribution to the discipline**

This study puts forward a new conceptual explanation for customer service that draws on social responsibility and internal customer service both in their own right and collectively. Although the main premise of the research is on customer service development, effectively both the aforementioned areas can also be partially advanced.

### **Service to staff**

Many have written on employment policies and a shared purpose to gain the loyalty of staff (Zairi, 2000, p. 173; Mitchell, 2002, p. 99; Firnstahl, 1989; Carpenter, 1993, pp. 45-46). By adding social responsibility to internal customer service there is a possibility to secure a service ethos that will embrace an overall philosophy of social responsibility to staff.

### **Social legitimacy**

SICS has the capacity to legitimise the purpose of supermarket retailers in society. 'The greatest problems of legitimacy are faced by bodies with no tradition, no charisma, no record of success and not even a vestige of democratic accountability' Kay (2002, p. 21). Through a civic orientation the role of supermarkets are broadened to include service to indirect customers.

### **Corporate citizenship**

According to Manville and Ober (2003, p. 53) 'building and sustaining a company of citizens requires a genuine change in organisational and managerial culture'. The dual interpretation of the customer as both direct and indirect is at the centre of the citizenship of service. Research carried out by Amárach (2003) consulting concluded 'generally speaking, supermarkets deliver a higher level of satisfying customer experience than do either the banks or the mobile networks'. While such a report is positive, it is not sustainable for supermarkets to continue to operate indefinitely through a mechanistic approach. Citizenship of service broadens and deepens what is meant by customer service, which may reduce the validity of prior models.

## **Consumer trust**

A study by Anderson and Cunningham (1972, p. 30) showed 'that markets can be segmented on the basis of consumers' social consciousness'. This provides evidence of the changing expectations of consumers that challenges the ethos of marketing and is evident throughout the literature (Dawson, 1969, p. 38; Drucker, 1975, p. 34; Day and Montgomery, 1999, p. 5 and Osterhus, 1997, p. 27).

This is particularly relevant for the supermarket sector with its association with food and health. Through a civic orientation and a humanistic approach, SICS has the potential to assist the building of customer and consumer trust. In particular the ethical, moral and emotional dimensions are highly relevant in providing a more socially responsive interpretation of the role of supermarkets.

SICS may assist the development of marketing from its economic historical base to its recognition as a social not merely an economic entity. This can build trust among consumers. Bell and Emory (1971, p. 39) building on the work of McKitterick (1958), outline three basic elements of the marketing concept 'customer orientation, integrated effort, profit direction'. Bell and Emory (1971, p. 39) maintain that, 'the marketing concept as it is practiced today does not imply a commitment to the kind of consumer satisfaction that is now being demanded'. Support for a societal welfare attitude to marketing has been interpreted by many such as Levitt (1958, p. 44):

Capitalism as we like it can thrive only in an environment of political democracy and personal freedom. These require a pluralistic society- where there is division, not centralization, of power; variety, not unanimity, of opinion; and separation, not unification, of workday economic, political, social, and spiritual functions.

It is precisely personal freedom and diversity that can secure the future of capitalism. Capitalism as a 'social system' (Murphy 1999, p. 4) is preserved by personal freedom. In this regard capitalism could benefit from a re-examination of the marketing concept, by appreciating the dynamics of service better. Bell and Emory (1971, p. 40) state, 'the businessman's operational interpretation of customer orientation has not approached the philosophical meaning of providing customer satisfaction as the ultimate goal of marketing'. SICS aims to address this through building citizenship of service. This may add to the debate on the nature of marketing from its commodities and economic origin through to its generalised and managerial proliferation to a more service based, sustainable and social future.

### **Addressing consumerism**

'Consumerism is a social movement seeking to augment the rights and power of buyers in relation to sellers' (Kotler, 1972, p. 49). Consumerism is a 'people' movement that is seeking rights to balance the buyer/seller relationship. In Ireland there is an active consumer association, a director of consumer affairs and a consumer agency established in the summer of 2005. Legislation to protect the consumer is still very much being adopted. For example new legislation came into force on 3<sup>rd</sup> March 2003 relating to display of prices by retailers. Failure to comply will result in penalties of 3,000 euro. Lally (2003, p. 3) notes, 'the measurement is the first step in the establishment of a consumer agenda for Ireland'. The adoption of such legislation supports the argument for acknowledging the failure of marketing and the continued rise of consumerism. This is indicative of the critical need to find a more progressive and responsible interpretation of marketing.

The need for consumerism and protection of consumer rights is based on what Kotler (1972, p. 49) refers to as a balance of power between seller and buyer. In this regard, Kotler (1972, pp. 49-50) refers to the search for

additional rights by consumers including information and protection but also, 'buyers want the right to influence products and marketing practices in directions that will increase the "quality of life"'. Kotler comments that this 'quality of life' right is the most 'radical' as it challenges the traditional rights of sellers. These four rights combine to give a cumulative right that according to Kotler (1972) challenges the traditional rights of marketers. Abratt and Sacks (1988, p. 499) add,

This right implies that profitability and immediate consumer gratification are not sufficient fulfilment of marketing's responsibility, and that marketing activities and products must, in addition, be 'life-enhancing' because the world's resources are too limited to be used indiscriminately to satisfy customer desires without considering the social wisdom of doing so.

SICS should aid marketing by addressing the concerns of consumers, as it is based on a civic orientation not exclusively a private profit orientation. If SICS is widely adopted there should be a reduced need for consumer and consumer protection legislation.

### **Counteracting a lack of personal perspective**

There is a perception that 'marketing is increasingly impersonal' (Kennedy, 1962, p. 5). Hallowell (1999) talks about the human moment, which involves people's physical presence and also their emotional and intellectual attention. The human moment is about exchange between two or more human beings that enhances the quality of life.

'The human moment provides the zest and color in the painting of our daily lives; it restores us, strengthens us, and makes us whole' Hallowell (1999, p. 65). As people-centricity is central to SICS the difficulty of impersonal customer service can be reduced.

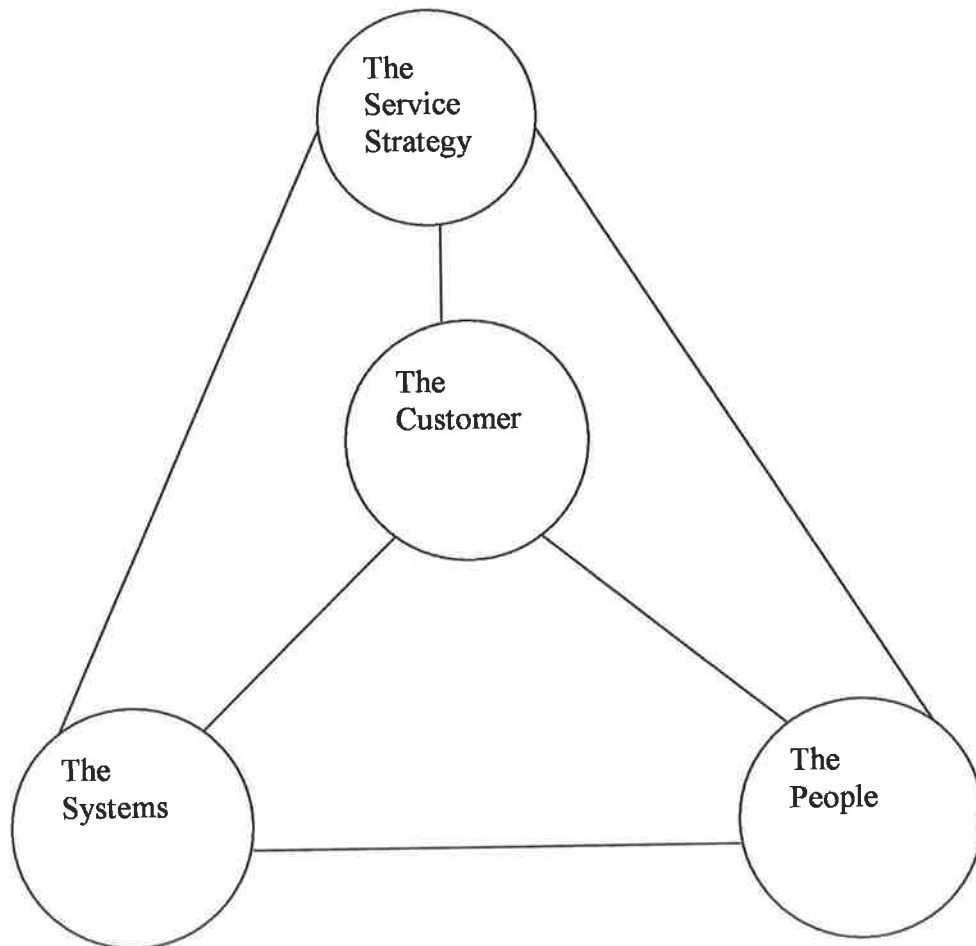


## The regeneration of service

No contemporary development has significantly enhanced service as a concept. One of the best-noted service frameworks is the triangle of service by Albrecht (1984).

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**Figure 11.1: The triangle of service**



**Source: Albrecht, (1984) in Albrecht and Zemke (1985b).**

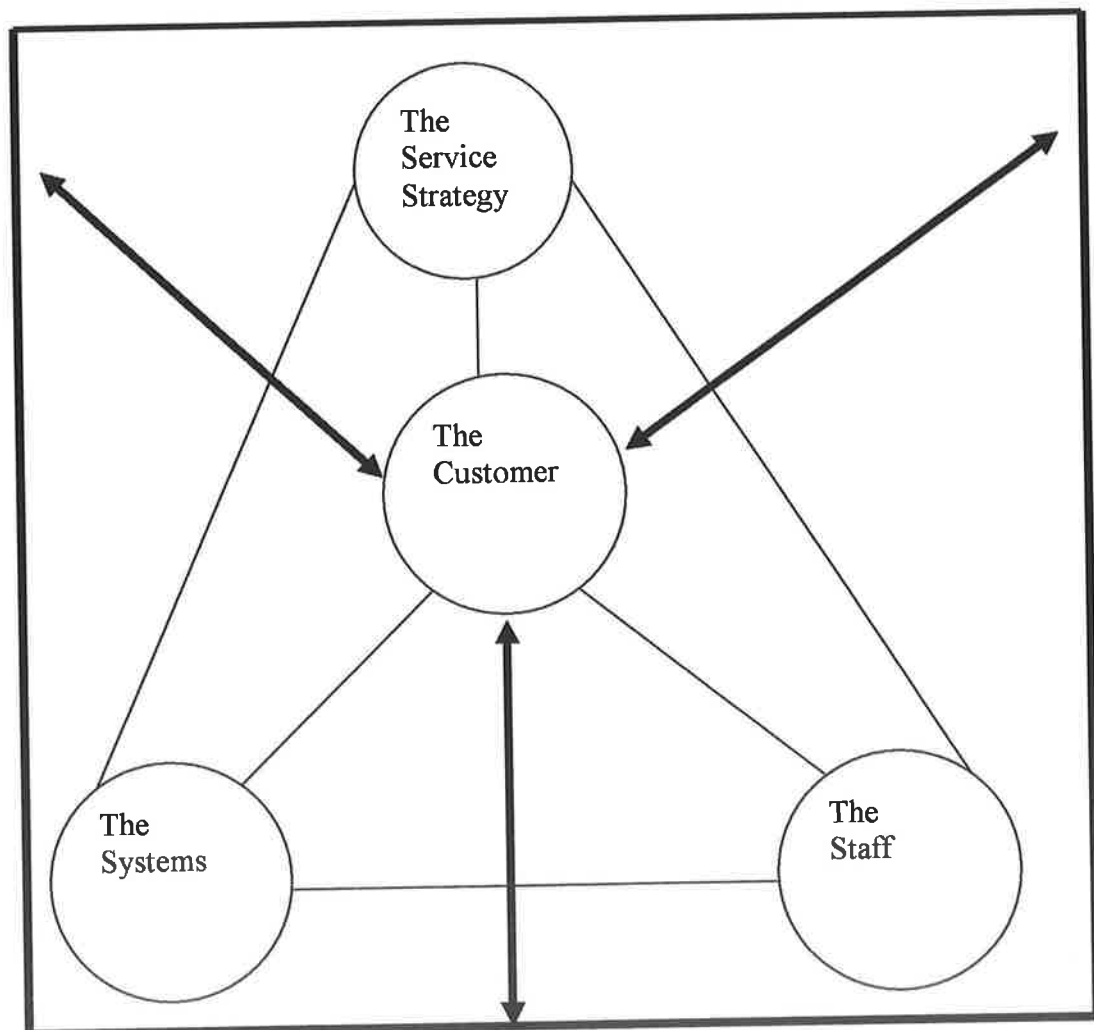
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The customer is put at the centre of the service strategy. Albrecht and Zemke (1985b, p. 40) comment,

This triangle model is radically different from the standard organization charts we have traditionally used to think about business operations. It represents a process rather than a structure, and it forces us to include the customer in our conception of the business.

By adding a societal dimension the meaning of service becomes extended and deepened.

**Figure 11.2: The civic based triangle of service**



**Legend**

———— Society

Building on Albrecht's (1984) triangle of service, the inclusion of society provides an additional dimension that indicates the need for greater pro-social activity in services. The customer remains at the centre but is linked to society. Hence all elements of the service triangle, the strategy, the systems and the people should be based on a civic focus. Adding society to the service triangle could be key to adopting and embracing a civic orientation.

### **Consumer advocate**

Supermarkets through SICS have an opportunity to become consumer advocates. This is based on the recognition of a partnership of trust between consumers and retailers whereby consumer integrity, respect and equality are paramount in all operational aspects. The safety of food is one example where ethics can play a role to alter the role of supermarkets in society.

Supermarkets must serve the needs of consumers through a commitment to sustainable development and practice business in a socially responsive and progressive manner. There is scope for supermarkets to be seen as examples of consumer protection. Where necessary supermarkets need to voice opinion on trade issues to serve the consumer better.

### **Conceptual implication**

SICS is an option for conceptual direction for future development of customer service that is based on the core purpose of customer service i.e. to serve.

### **Practical implication**

In practice there is potential to alter the type of customer service provided to customers that is based on serving the human needs of customers in the most

socially responsive manner. Ultimately, a decision to adopt or borrow from SICS is dependent on each individual business its values and how customers relate to a more socially responsible form of customer service. On balance SICS is an option for business. Careful consideration needs to be made to where SICS can contribute successfully to sustainable competitive advantage for individual businesses.

SICS offers the potential to improve and strengthen customer service. Similar to other models it may assist the development of a more socially integrative interpretation of commerce. It is up to both academics and practitioners to further test and evaluate SICS. As a concept SICS can assist theoretical and practical development of customer service with the potential to improve the commercial 'rules of the game' and improve the overall quality of life balance in society.

### **Retail implication**

The limited literature on customer service/social responsibility and internal customer service could benefit from this study as it provides for new and additional directions in these areas collectively and individually. An extract from a Datamonitor report 'Natural and ethical consumers' (21 February 2004) predicts an increase in the percentage of natural and ethical consumers.

The number of loyal natural food, drinks and personal care users in Europe and the US is predicted to increase from 89 million in 2004 to 173 million in 2009. In the US, the proportion of loyal users will increase from 12% in 2004 to 24% by 2009, while the equivalent figures for Europe are 14% and 25%.

Overall 67% of consumers in the US and Europe claim to have boycotted a food, drinks or personal care company's goods on ethical grounds. According to the Co-op's index, UK companies lost US\$2.7bn of sales through consumer boycotts in 2003.

[www.datamonitor.com](http://www.datamonitor.com)

Another Datamonitor report 'Global consumer trends' (26 July 2004) highlights changing consumer attitudes.

Connectivity describes consumer's growing importance of creating a lifestyle that is rich in relationships and experiences. This mega-trend is taking on renewed importance in societies that have become more individualistic. Changing attitudes and a desire for a greater sense of belonging and interconnectedness is driving this.

[www.datamonitor.com](http://www.datamonitor.com)

Reports such as those outlined above continue to indicate a consumer demand for an innovative approach to customer service. From a business perspective it also noticeable that the many successful retailers in the world are increasingly turning their attention to aspects of SICS. An example of this is presented from Carrefour.

We firmly believe that our responsible approach is the source of our financial success. Carrefour's sustainable development policy has always been committed to proving our dedication to social, economic and environmental concerns by placing them at the heart of our day-to-day practices.

[www.carrefour.com](http://www.carrefour.com)

Carrefour are making a connection between a sustainable approach to business and financial success. While the type of business model practiced by a company is up to strategic management to decide there is movement to a more inclusive approach that incorporates social and economic entities. Tesco the largest supermarket company in the UK have also began to focus their attention in this direction. Group sales for as indicated in its 2005 Annual review and financial statement 2005 shows Group sales of £37 billion an increase from 2004 when group sales were £33 billion.

As a responsible company, Tesco works hard to bring real benefits to the communities we serve, the environment and the economy. Our commitment is embedded in the way we run our business.

Reid (2005, p. 4)

Moreover in the company's 'Corporate Responsibility Review 2005' the company discusses eleven key performance indicators based on corporate responsibility. Tesco also reports on an independent survey of consumer attitudes to corporate responsibility and findings for July-August 2004 include:

Tesco was the third most frequently named company when respondents were asked to name a particularly socially, environmentally or ethically responsible company.

Tesco (2005, p. 12)

These developments indicate a more socially responsive approach.

As previously mentioned a key limitation of this study is the lack of access to financial data. Financial performance of UK supermarkets may indicate some useful trends.

May 1997 Marks and Spencer's profits pass £1bn for the first time.  
January 2001 Tesco registers £1bn in yearly profit.

[www.guardian.co.uk/supermarkets](http://www.guardian.co.uk/supermarkets)

Historically Marks and Spencer reached £1bn profit before Tesco. Many factors may have contributed to this, Marks and Spencer traditionally has had a strong customer orientation ([www.guardian.co.uk/supermarkets](http://www.guardian.co.uk/supermarkets)). Tesco (market share 14/01/2003 25.8%) has overtaken Sainsbury's (market share 14/01/2003 17.4%) as the supermarket group with largest market share ([www.guardian.co.uk/supermarkets](http://www.guardian.co.uk/supermarkets)). Seth and Randall (2005, p. 168) provide comment on the loss of Sainsbury's market share.

Having steadily forfeited its food quality reputation, it lost ground on service, and as a result of lost volume and higher costs, its prices became uncompetitive: an irresistible circle of business uncompetitiveness.

From a national and international perspective the supermarket sector continues to grow in an environment of increasing competition. Perhaps the only constant in retailing is change. SICS provides an option for those companies who want to build a socially responsive approach to customer service.

### **Marketing implication**

The civic orientation of SICS has the possibility to contribute to the growth of the profession of marketing. This could require change from the narrow economic focus of marketing to one concerned with broader social interpretation. Throughout the literature recent contributions has increasingly focused on related issues taken consideration of the consumer perspective (Kumar and Shah, 2004-profitable customer loyalty; Harris and Goode, 2004-loyalty and trust; Tsai, 2004-socio-cultural and emotional aspects to brand purchase). The social contract could play a greater role in marketing indirectly through the application of SICS.

### **Brand management**

SICS has the potential to enhance many facets of service branding in retail and possibly other sectors. The brand impact may include for example brand reputation, recognition, differentiation, image and identity. The scope of the branding effect of SICS may prove effective to direct and indirect customers.

### **11.7 Directions for further research**

There is a broad spectrum of further research possibilities as a result of this study. The following are indicative of directions for further research.

- Investigation could take place to examine the causal relationship between social responsibility and customer service at various levels including societal, organisational, in-store.

- Further research could examine mechanisms to apply SICS to Irish supermarkets and other sectors.
- There is scope to examine the application of SICS in international supermarket retailing.
- An investigation into cultural diversity and support for SICS in practice.
- An evaluation of SICS-an experimental approach.
- There is potential to examine the strength of the relationships between societal, organisational, service and core SICS.
- There is a possibility to examine the ethical, moral and emotional dimensions of customer service.
- A study could be carried out to investigate how the foundation (humanistic approach and civic orientation or span), network (breadth) and relational theme (depth) of SICS can be maximised in an organisation.
- An examination of sequential customer service in Irish supermarkets.
- An examination of implicative customer service in Irish supermarkets.
- An examination of how empowering customer service can be implemented in Irish supermarkets.
- An examination of the effects of a humanistic versus a mechanical approach to customer service.
- The benefits of a civic orientation to customer service.
- The impact of SICS to marketing practice.
- An examination to evaluate if SICS has a loyalty effect.
- A study to estimate the financial impact of SICS.
- An assessment of SICS on relationship dynamics.
- Appraisal of SICS in the context of branding.
- An investigation into the motivational impact of SICS.
- A cross comparison study-Relevance and benefits of SICS in the public and private sector.
- The applicability of SICS to banking/other retail settings/the public sector/healthcare.
- A determination of the effectiveness of SICS in the public sector.
- Further investigation into the CS network and the relational theme both individually and collectively.



- Examination of SICS as part of a cross-sector study.
- Further studies to investigate and formulate methods to deliver on citizenship of customer service.
- SICS and the importance of localisation-A study into development and practice.

### **11.7 Summary**

SICS is a concept that is applicable in Irish supermarkets. Evidence presented highlights the necessity to move from a mechanistic to humanistic approach. The main research question and subsidiary questions are accepted in company A, B and C. The research question receives a positive response with all research objectives met.

A number of conclusions are reached which are followed by recommendations. The contribution to the discipline indicates SICS has the potential to deliver a civic orientation through a humanistic approach to customer service but also has the possibility of legitimising the role of marketing. Suggestions for further research are presented.

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