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Customer Care and Corporate Reputation

by **Dr. Albert Caruana**

By their very nature services are principally characterised by their intangibility and inseparability. The latter in particular highlights the point that what the customer receives is to a large extent dependent on the person providing the service. Marketing of services cannot be done by a department on its own as is often done in the case of physical products. Service marketing requires commitment to the customer by all employees. Customer care is therefore nowhere more critical than with organisations, such as many public utilities, whose offering to customers includes a high degree of service.

CUSTOMER CARE

Customer Care is not the latest alternative buzz word, nor wishing everyone a nice day, nor is it about labelling a hotchpotch of lectures to sell a course. Customer Care is best considered as involving the identification and management of 'moments of truth' with the aim of achieving customer satisfaction. 'Moments of truth' are the contact opportunities between the organisation and their customers. The points of interface between the customer and the organisation is where marketing is taking place. These are indeed 'moments of truth' because the perception the customer builds of an organisation rests on these 'golden' moments. A negative experience once will often be rapidly generalised by the customer to the entire organisation providing the service.

In building a strong customer care orientation a number of key criteria are essential. First, a strong top management commitment is critical. Ideas of customer care were pioneered by Ian Carlson who was Chief Executive at

Scandinavian Airlines (SAS) in the early 80's. He underlined management commitment to customer care by opening and closing all customer care sessions that involved retraining of the entire staff of SAS in the belief that if an employee was not serving a customer he was supporting someone who was. These same ideas were subsequently emulated by Colin Marshall, Chief Executive at British Airways with their Putting People First Programme. Secondly, a realisation of the critical role that employees play, requiring attention to recruitment, selection, and staffing. This process needs to be geared towards building a customer oriented workforce. In this respect persons with an adequate level of maturity and self esteem must be sought. These individuals need good social skills and need to be able to tolerate high levels of contact without degenerating into a robotic form of behaviour. It may mean that the firm needs to look at something more than paper qualifications. It is not enough to recruit the right type of people, a third element is the need for excellent training. Here training

is not just of the formal type, such as what forms need to be completed and how. It needs to extend to social skill training as well as offering participants the chance to discuss issues relating to their everyday service experience as this is also an important learning opportunity. Fourthly employees must be kept motivated and a general sense of psychological well being and of optimism needs to be fostered within the firm. Empowerment, especially with respect to often recurring problems that may not have huge cost implications, can go a long way in building morale. Generous rewards, not only of a financial but also of a psychological nature that promote and foster the desired behaviour need to be introduced and supported. Finally, the importance of building teams, where management provides a supportive role and an environment with good communication facilitated by an absence of fear between subordinates and superiors. Clearly, many of these aspects are generally considered the domain of the human resources function. However given the inseparability characteristics of services and the critical role that employees must play in providing offerings, these issues become a marketing concern too.

While the quality of the physical element or utility provided is undoubtedly important the quality of the service with it is equally important. Service quality is today considered as the gap between customer expectations and the perceptions of customers of

the service received. The narrower this gap is the higher the quality of service provided. Services firms need to increasingly understand customer expectations and use these as benchmarks. Through proper training of its employees in customer care, together with other supporting improvements, many firms would make it possible for customers to receive a service that meets expectations. An organisation may have the world's leading technology in terms of operational processes but if customers' experience during the interaction process with the organisation is negative their perception of the organisation will remain poor. During these experience or 'golden' moments the reputation and corporate image of the organisation is at stake. Golden moments represent opportunities where the organisation has to delight the customer and these must be handled properly.

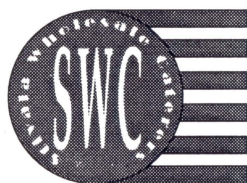
CORPORATE IMAGE

While the corporate reputation or image of a firm is effected by a customer's experience with an organisation it is not dependent only on this. A further element that goes to form corporate reputation or image is the information customers gather from various sources whether passively or actively. This can include accounting (eg: reports on media, final accounts) strategic (eg: investments, direction) and institutional (ownership, size) information.

Just as firms have a multitude of publics they also have an array of reputations as each public often considers a different set of attributes. Moreover, even if the same attribute is considered by different publics it may be given a different weighting. For example, in looking at corporate reputation managers and stock brokers are likely to place most emphasis on financial performance. This is so because western firms, in

particular, are under considerable pressure to show positive short term profit performance. On the other hand, in the case of the consumer public, a consistent high quality product offering by a firm is the attribute given most importance. For the consumer public, the firm's performance may not be an attribute considered when assigning a reputation to the firm, or it may be an attribute receiving low import.

Notwithstanding these complications, the importance of a strong corporate reputation or image is well known. It has a number of beneficial consequences and therefore worth pursuing. These benefits include a positive attitude to the perceived overall quality of the organisations' product or service offering stronger organisational identification and pride by the employees as well as the attraction of better quality staff.



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