

Antecedents of a Customer Orientation: The case of European High-tech Organizations

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"... The set of beliefs that puts the customer's interest first, while not excluding those of all other stakeholders such as owners, managers and employees, in order to develop a long term profitable enterprise"
Deshpande, Farley & Webster, 1993, pp 27.

Introduction

Customer orientation generally means that a firm concentrates on providing products and services that meet customer needs (Dean & Bowen, 1994), such an orientation rests on an organizational commitment to customers which results in customer and firm interdependency, and a sharing of values and strategies over the long term (Bowen & Lawler, 1995). To achieve this organizations nurture customer contact, collect information from customers about their needs and wants, and use customer supplied information to design and deliver products (Bowen & Lawler, 1995).

Kohli & Jaworski (1990) defined customer orientation within the context of market orientation, their definition of customer orientation centres on an organization wide generation and dissemination of market information. Narver & Slater (1990) conceptualise market orientation as *"the organization culture that most effectively and efficiently creates the necessary behaviours for the creation of superior value for buyers and, thus, continuous superior performance of the business"* (pp 21). These behaviours form the antecedents of a customer orientation, as we know it to exist: the behavioural aspect of market orientation, which is of equal importance to competitor orientation and inter-functional co-ordination.

Antecedents to a Customer Orientation

Customer orientation is manifested in the implementation of customer focus strategies: strategies, which include customer care programmes, customer satisfaction measurement, formal complaint

procedures, explicit customer service strategy, customer visit programmes, and so-forth. Antecedents to such customer focus strategies are the organizational factors that enhance the implementation of the customer orientation concept, and are manifested through internal customer focus strategies which pertain to the organization's capability to respond to the requirements of their external customer focus strategies. In order to achieve the objectives of external customer focus strategies, organization commitment and a number of internal customer focus strategies are essential, an examination of the extant literature reveals six such strategies:

- Customer based training
- Links between customer satisfaction and management-employee evaluation rewards and incentives
- Management-employee empowerment
- Market information collection and dissemination
- Inter-functional co-ordination
- Internal marketing programmes.

The Research Proposition

This research takes the focus that internal marketing is the relationship between the organization and its employees, on which the conditions within the organization are based ensuring customer wants and needs are met (Ling & Brooks, 1998), whilst guaranteeing that employees have the resources available to them to accomplish such goals. The concept of internal customer focus strategies encompasses the view that by meeting the needs of employees the better their motivation and ability to procure external customer satisfaction, (Berry & Parasuraman, 1991). This does not mean a loss of focus on the external customer, but encourages the quality of performance delivered by the internal customer, based on the principles that by satisfying and motivating the internal customer they in turn satisfy the external customer. This paper empirically tests the strength and

significance of each of these strategies and establishes their contribution to the development, implementation, and maintenance of an organization wide customer orientation.

The Empirical Investigation

This research-in-progress will present the background, rationale, evidence and conclusions from an empirical study which examines these antecedents to a customer orientation. Data has been generated from a sample derived from Europe based high-tech organizations¹. Implementing Dillman's (1978) Total Design Method questionnaires were mailed to the Head of Marketing of 902 medium size companies, based on a turnover of £8m or employment of over 200 full time employees. The majority of scales used in the study were based on existing scales, which were adapted to accommodate the sample. To date a response rate of 30% has been acquired. The findings of the study will be interpreted in the light of extant knowledge, and subsequent conclusions will be discussed during the presentation.

References

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¹ High-tech companies are defined as those whose main product is 'information technology based' ranging from computer hardware manufacturers to data enhancement manufacturers such as producers of bar coding machinery for supermarket products.