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EXPLORING THE LOCUS OF INTERNAL MARKETING

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ABSTRACT

Service and business-to-business companies have remained at the forefront of studies into internal marketing due to close contact between employees and customers. Marketing academics and practitioners have shown particular interest in the supermarket sector over recent years due to fluctuations in performance that have been reported. Consumers have negligible switching costs, so the risk of them purchasing substitute products is a problem to marketers where there is insignificant product differentiation. There is little evidence to support the benefits of internal market orientation in the food retail industry and the main reason is difficulty of measuring its value. Although the UK food retail industry has been extensively researched, researchers have yet to address it properly in regard to internal market orientation. There is now an opportunity to create sustainable competitive advantage by providing a variety of offerings.

INTRODUCTION

Internal marketing, although widely practised, is not always fully understood, leading to problems when implementing such strategies (Papasolomou-Doukakis, 2003; Ahmed and Rafiq, 2003; Gounaris, 2006). This study provides an insight into how companies in the food retail industry can use internal marketing to create competitive advantage drawing on a stakeholder perspective. Here, marketers face the challenge of implementing effective marketing strategies in such competitive environments. Adopting a strong customer focus is seen as a method of achieving this, but it is felt that this approach is less relevant. Bhattacharya and Korschun (2008) contend there is a need for new research to examine the impact of marketing on groups other than customers who are normally the dominant target of marketing activities. Traditionally, stakeholders are seen as being mutually exclusive. Harrison & Freeman (1999) believe that stakeholder models in the literature are unsophisticated and assert that examining large stakeholder groups can lead to a lack of understanding about differences that exist within them. They call for further research on individual stakeholder groups. This study puts the internal customer stakeholder group as the focus of discussion and aims to provide further insight into the importance of internal marketing. Much literature and theory on internal marketing approaches this topic from the human resources perspective (e.g. Collins and Payne, 1991; Harris and Ogbonna, 2001). Wieseke et al. (2009) take a different perspective and discuss the role of internal marketing through the adoption of a social identity theory perspective. However, these critical streams of research have not looked at internal marketing from a stakeholder perspective. This has impeded researchers and practitioners from understanding how and why management fails to formulate effective product and service offerings that address needs of internal marketers. To partially bridge this gap, this study examines internal marketers from a stakeholder's perspective.

THEORETICAL FRAMEWORKS AND CONTEXT

Traditionally companies have tended to adopt a transactional approach where shareholders were seen as primary backers. Stakeholder theory attempts to correct this narrow definition of the corporation and argues that a company's purpose is not solely to maximise shareholder wealth, and firms must change along with the context within which they function (Buchholz and Rosenthal, 2005). Stakeholder orientation is a contemporary business philosophy that recognises the importance of the needs of multiple investors. This perspective has stemmed from a traditional customer view of the firm. Following early classic work by Levitt (1960) who emphasised the importance of acknowledging needs of customers, most organisations have shifted towards adopting a more customer centric approach and his early work has been extended by academics. It is now evident that this approach to marketing is seen as myopic and organisations risk distorting their strategic vision by adopting such a narrow approach (Bhattacharya and Korschun, 2008; Smith, Drumwright and Gentile, 2010). This market focused approach entails seeing the customer as the primary emphasis of marketing activities, whereas stakeholder orientation recognises the importance of valuing all stakeholders. A stakeholder can be defined as "all those groups and individuals that can affect, or are affected by, the accomplishment of organisational purpose" (Freeman, 2010, p. 46) and this definition has come to be accepted among academics (Fassin, 2009) although Mitchell, Agle and Wood (1997) argue that while it is widely used, it is not universally accepted. Stakeholder groups can include suppliers, manufacturers, families, government, local communities, trade unions, customers, employees and shareholders. Hung (2011) even propose that the organisation itself can be viewed as a stakeholder in society. Freeman's (2010) original stakeholder model in Figure 1 illustrates:

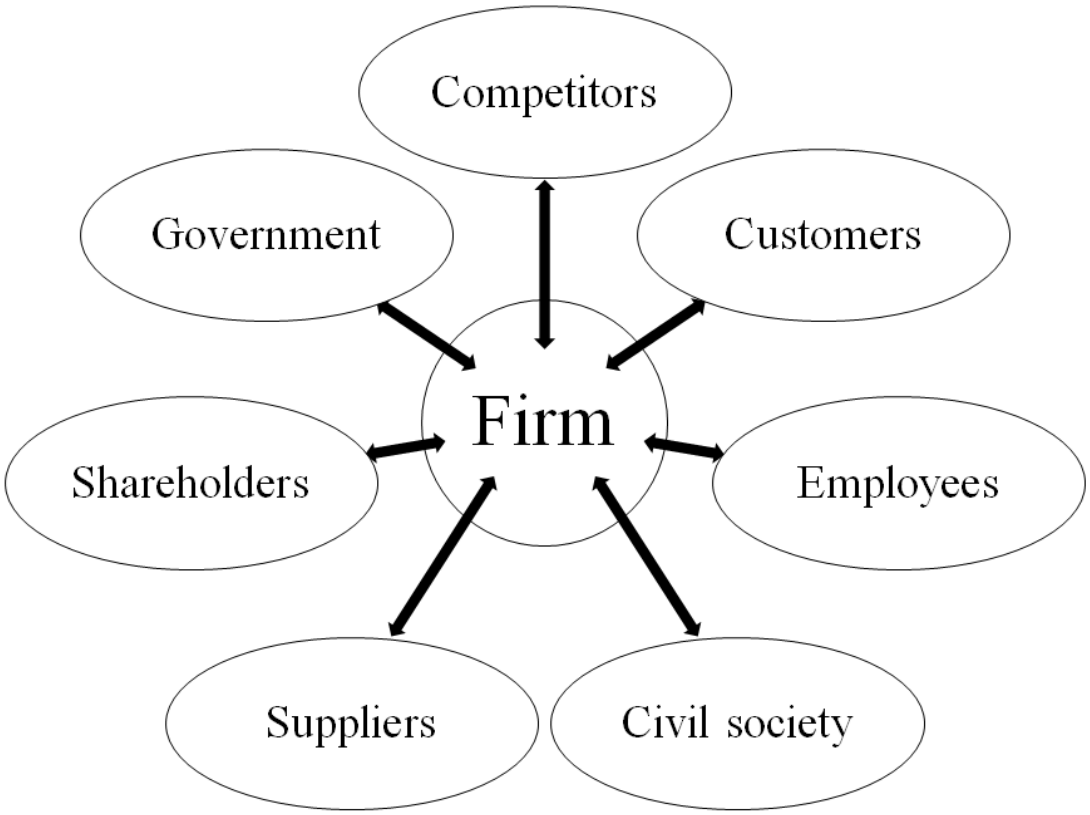

Figure 1 Freeman's (2010) Stakeholder Model

Freeman (2010) initially raised the question of whether all stakeholders have an equally legitimate claim on the resources of the corporation, but left this question open to discussion. Donaldson and Preston (1995) agree that stakeholder legitimacy is important; Phillips (2003) believes the subject is acknowledged by authors, but often having no clear definition, leading to ambiguity within stakeholder theory. He believes that giving such a broad definition to stakeholder theory could mean that everyone is a stakeholder of everyone else. He believes that this threatens its meaning and detracts from the value the theory can provide, and stakeholders can be classified under three different types:

1. 'Normative' are those stakeholders to whom the organisation has a moral obligation of fairness, over and above that due other social actors simply by virtue of their being human (Phillips, 2003: p. 30).

2. ‘Derivatives’ are groups whose actions and claims must be accounted for by managers due to their potential effects on the organisation and its normative stakeholders (Phillips, 2003: p. 31).
3. ‘Non-stakeholders’ are sets of groups and individuals who are not stakeholders (Phillips, 2003: p. 33). The organisation has no moral obligations towards these and the likelihood of these groups affecting a firm is small.

Phillips, Freeman and Wicks (2003) claim that the breadth, ambiguities and complexity of stakeholder theory leads to flaws in the theory. Although Freeman’s (2010) definition is widely accepted, the subject is open to interpretation and many authors have expressed different viewpoints. Fissan (2009) believes that managerial and legal interpretations of stakeholder concept have led to different understandings. He argues that these two perspectives are opposing visions, and Kaler (2002) agrees that the use of two totally opposing definitions has increased this lack of precision.

An organisation has many stakeholders, but a debate has arisen into which is the most important. Customers have traditionally been seen as being critical as they directly influence sales and profitability. Sasser and Arbeit (1976) believe that in service industries, a company’s personnel, namely employees, are the most important (internal) market and relegate customers to second place. A fundamental axiom of contemporary marketing is that the external customer has primacy (Rafiq and Ahmed, 2000; Ozuem, Thomas and Lancaster 2015) and most marketing activities are undertaken to satisfy these external customers. Gounaris, Vassilikopoulou and Chatzipanagiotou (2010) agree that customer value is the primary objective since the ability to create value for customers directly influences revenues. They propose: “it appears more appropriate to consider customers as *primus inter pares*: first among equally significant stakeholders” (p. 1683). Some authors are now debating the role of the external customer as the most important stakeholder of an organisation (Bhattacharya and

Korschun, 2008; Smith, Drumwright and Gentile, 2010). This opinion questions the view of the external customer as being most important, and considers how others serve as the basis of a stakeholder inclined concept.

Some organisations undertaking a shift towards stakeholder orientation focus on individual participant groups, whereas others adopt a multiple stakeholder orientation profile (MSOP) whereby orientations exist to satisfy multiple groups simultaneously. According to Greenley, et al. (2004) due to the complexity of satisfying groups simultaneously, adopting a MSOP can create sustainable competitive advantage as it is difficult to imitate. This subject is still under debate and its importance and relevance in the marketplace is becoming more apparent.

Donaldson and Preston, 1995; Clarkson, 1995; Mitchell, Agle and Wood, 1997; Matten and Crane, 2005; Steurer et al., 2005 all cite Freeman's work as being influential in the area of stakeholder theory. Stakeholder theory formerly lacked clarity of definition and application. 'Stakeholder' was not used in the American Marketing Association's definition of marketing until 2004. Tortosa, Moliner and Sánchez (2009) noted that this highlights the need for organisations to consider all stakeholders in the process of creating customer value. However, it was subsequently removed from the 2007 version to broaden the term and provide a basis for moving forward in the future (Gundlach and Wilkie, 2010). Polonsky (1995) maintained that stakeholder theory has not had any significant input to conventional marketing practices and theories, but this is beginning to change. Stakeholder marketing can be defined as "activities and processes within a system of social institutions that facilitate and maintain value through exchange relationships with multiple stakeholders" (Hult, *et al.*, 2011, p. 44). In essence, it is the way marketing strategy is designed to satisfy multiple stakeholders, rather than only the customer. Stakeholder theory is also becoming increasingly important in the issue of business ethics. There is debate centred around seeing profit maximisation as the central function of a business where stakeholder theory can be viewed as a powerful heuristic device,

intended to broaden management's vision of its roles and responsibilities beyond profit maximisation to include interests and claims from non-stockholding groups (Mitchell, Agle and Wood , 1997).

TRANSITION FROM MARKET TO STAKEHOLDER ORIENTATION

Historically, firms were typically product orientated and business operations were transactional. Levitt (1960) argued that being product oriented was the reason many businesses failed to continue growing and Freeman (2010) agreed that organisations adopting this "production view of the firm" would surely fail. He added that the business environment has changed dramatically in recent years and to succeed in this new environment, a conceptual shift was required towards the "managerial view of the firm" whereby owners, customers, employees and suppliers are all taken into account. Many agree that there has been a shift towards a modern turbulent business environment, which has prompted the need for firms to reconsider their approach to marketing (Doyle, 1995; Morgan and Hunt, 1994). Following Levitt's (1960) influential paper, the past half century has seen a surge in research into customer relationship management and key account management which has been added to the literature as a proposition for companies to be more customer-focused.

Marketers contended that the customer was required to be the primary focus of marketing activities. In particular, many firms have invested in customer relationship management (CRM) schemes to build strong relationships with customers and become more profitable. However, many CRM projects fail, leading to the belief that adopting the customer perspective alone may not be sufficient to create a competitive advantage. According to Rigby, Reichheld and Schefter (2002), 55% of CRM projects do not produce results and can even drive customers away. The 1970s and 1980s saw a dramatic shift from product orientation to customer orientation and mainstream marketing is currently undergoing a paradigm shift towards stakeholder-orientation. According to Malhotra and Agarwal (2002, p. 4) "There is a fundamental paradigm

shift in the way marketing is being redefined." Whilst firms were traditionally accustomed to a transactional approach, relationship marketing requires a fundamentally different approach. They examined the relationship marketing paradigm from a stakeholder perspective and noted the importance of strategic alliances and building close relationships with multiple stakeholder groups.

Morgan and Hunt (1994) identified that most definitions of relationship marketing fail to recognise that often there is not a customer as an exchange participant. They define relationship marketing as "all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges" (Morgan and Hunt, 1994: p. 22). According to Payne, Ballantyne and Christopher (2005) conventional marketing literature has shown scant regard to the value of building relationships with customers in addition to other stakeholders. In contrast, relationship marketing literature focuses strongly on the importance of stakeholder relationships.

Recently, it has been seen that internal marketing can be effective in developing a successful market orientation (Conduit and Mavondo, 2001; Harris and Ogbonna, 2000). This approach can lead an organisation to fulfil its end goal of customer satisfaction. Since employees play a large part in communicating value to the customer directly or indirectly, satisfying these employees can lead to enhanced service to the end customer. According to Gounaris, Vassilikopoulou and Chatzipanagiotou (2010) competitors can easily replicate services and operations that exist within an organisation. However, personnel specific capabilities are not easily copied and can produce competitive advantage. Such employee training requires substantial time and requires the adoption of internal market orientation. Lings and Brooks (1998) found that implementing an internal marketing model can lead to increased service quality both internally and externally. They add that when all employees can see how they can

affect customer service quality, this may provide an incentive to adopt a more customer focused approach since they are able to see how they are important to the company.

Evidence indicates that adopting a stakeholder orientation can have a positive effect on a company's financial performance. Rais and Goedegebuure (2009) found a positive correlation between stakeholder marketing and financial success. Companies with well-defined ethical codes, who understand social commitment and honest relationships are able to achieve better economic results. They deduced that in the case of manufacturing companies, firms adopt a stakeholder orientation with the view to maximising economic and shareholder return. When repeated transactions with stakeholders are based on trust, it can motivate honest and trustworthy behaviour, since these companies understand that return for such ethical behaviour is high.

INTERNAL MARKETERS AS STAKEHOLDERS

Little has been said about implications of stakeholder theory for management. Donaldson and Preston (1995) believe it acts as justification for internal marketing literature, whereby of all stakeholders that contribute to business, the workforce is one that needs greater consideration. According to Varey and Lewis (1999) while external marketing focuses on economic transactions, internal marketing has a broader focus on social values. In adopting a stakeholder perspective, many firms tend to focus on external stakeholders as the primary target; yet many fail to realise the importance of satisfying internal stakeholders as well. Drucker (2002, p. 77) says: "employees may be our greatest liability, but people are our greatest opportunity." He believes employees need to be viewed as participants as well and developing talent is important. While the market orientation perspective proposes companies should build long-term lasting relationships with customers, the internal stakeholder perspective proposes that companies should build relationships with employees. This concept is reinforced by Balmer (2011) who found in organisations that value the importance of corporate marketing and

identity understand that powerful corporate brands can be a large source of competitive advantage. In particular, he believes that organisations need to have multiple relationships, not just with customers, but with other stakeholders and society as a whole. Lings and Greenley (2009) speculate that in addition to developing relationships with employees, managers should develop a better understanding of their wants and needs, and how to balance these with the organisation's objectives. According to Schlosser and McNaughton (2007) external stakeholders are often the target of marketing efforts. In particular, when adopting market orientation, they are at the forefront and internal stakeholders are ignored despite them providing links between strategy makers and market targets. Upon attempting to implement strategy, they believe that all employees should be involved. This can cause problems because there may be issues of role conflict and some employees believe strategy is not their concern. Welch and Jackson (2007) p. 193, examine internal communication from a stakeholder perspective. In particular, this approach has broadened previous approaches. They define internal corporate communication as "communication between an organisation's strategic managers and its internal stakeholders, designed to promote commitment to the organisation, a sense of belonging to it, awareness of its changing environment and understanding of its evolving aims". They argue that doing so can help them create a sense of belonging and engage employees.

METHODS AND ANALYSIS

This study adopts embedded multiple case study strategies, utilising inductive data generation (Yin, 2009; Denzin and Lincoln, 2000; Ozuem, O'Keeffe and Lancaster 2015). It examines multiple frames of meaning to understand complex reality. Internal marketing involves management of multiple relationships within or between organisations, seeking to identify their challenges and understanding how to leverage differences to organisational success. The focus

of qualitative interviews is to elicit the direct description of a particular situation or event as it is lived without offering causal explanations or interpretive generalisations (Ozuem, Howell and Lancaster, 2014). This research draws on the work of Roulston (2011) who identified two inter-related dimensions of qualitative interviews: the 'phenomenological interview' that explores and gathers descriptions of lived experience, and the 'hermeneutic interview' that seeks to examine the interpretive meaning aspects of lived experience material. Whilst this study seeks to examine participants' experience on how they perceive the effects internal marketing in facilitating organisation success, it is more concerned with exploring study participants' 'lived experience' through their personal interpretations. The selection of participants was based on mutual exclusivity, i.e. participants were 'purposively sampled' to enhance and facilitate the data collection process (Creswell, 2009). Thirty-two participants were recruited and interviewed for approximately 45 minutes each. Interviews were recorded verbatim and manually transcribed by the researchers. The emerged data was analysed, using a thematic analytic approach. The underlying reason was to find out what was, and generally is, in the minds of interviewees (Gomm, 2008; Ozuem, Howell and Lancaster, 2008). Based on interviewees' perspectives, several patterns and statements were identified, which were later categorised into themes as shown in Figure 2:

Figure 2 Categorised Themes

MOTIVATION

A major issue identified by study participants was the issue of motivation. When asked about what motivates employees as individuals, what particularly stood out was variation in the type of motivation seen across all respondents. When there is such a wide range of levels in large companies such as those under investigation, and when the variety of positions is so large, there are inevitably going to be a wide range of people who will be motivated by varying factors. For instance, one checkout assistant said:

"It's worth noting that, when the pay is as low as it is, pay isn't a factor. I'm getting a basic wage for doing a basic job, so there's no financial incentive for performing well or going above and beyond."

For some people, a low salary provides little motivation to put more effort into their work. In addition, a number of employees recalled a mystery shopper programme that the company implemented to staff working in stores. While they all agreed that this was an incentive to keep alert and on their toes, they said that a £50 reward for performing well to a mystery shopper was not an overwhelming incentive to do an outstanding job. However, when it comes to managers at board level, some respondents agreed that perhaps when executives are rewarded and given a bonus based on their performance, then such a scheme may give them better motivation. Many employees were middle aged women with families and children to support. These employees generally enjoyed their jobs, chatting to the customers, and were motivated by the shift work available, and keen to take on more to support families. The work enabled them to be able to pick up children from school, and so on, and earn money at the same time. This theme recurred in addition to an interview with a head office employee who believed that employees with young children may benefit from shift work associated with the stores, as it could allow them to work around their children. This respondent said:

"At the end of the day, not everyone wants to be a manager; it's not everyone's goal. Motivation is completely different for different people, and it's also different with the level you're at."

One respondent recalled a time, a few years previously, when the organisation had funded a postgraduate qualification. This respondent was extremely passionate about the type of work he was doing, and expressed gratitude that the organisation had provided this particular opportunity. The respondent noted:

"I couldn't have done it without that money, certainly in the first few years, there was a sense of: 'I owed them'…"

An interesting issue that emerged was that of benefits provided to employees, and their effects on motivation. He went on to say:

"From my perspective, I don't think knowing I'm going to get those things makes me work harder, even if they didn't do it; that's not why I go to work. My experience in my last company was a lot more generous, and it never motivated me to work; I still feel the same way."

Despite such feelings, the majority of respondents agreed that staff enjoyed the benefits available to them, even if they were not motivators to work harder. The consensus among head office employees was that happiness in the job is vital. One employee in a specialist role declared his main motivation as passion and interest for the job, and the principal reason for liking his job was that he was interested in the work.

"I found the work I was involved with very interesting. It is generally the case that the various company specialists tend to be very interested in their field. It was noticeable that the same interest in the role didn't extend elsewhere."

One respondent concurred with these sentiments and stated:

"If you enjoy what you do, you're going to perform better, whereas I think if you hate what you do and you resent doing it every day, you're not going to perform to the best of your ability, and you're not going to get the same level of achievement, because it's always going to be obvious I think. That's how I felt when I did a job for a year that I hated."

Another head office employee noted the importance of selecting the right people for a job. This respondent recalled times he had interviewed potential employees and could immediately sense passion or disinterest in the job at hand. The respondent felt the most crucial element of motivation was to select the right staff in order that they are interested in their work otherwise they lack passion and motivation. This sentiment was shared among other respondents, with one respondent noting the issue of fairness in selecting people for jobs:

"I don't think every person who goes up to management is going to be favoured or liked by everyone understandably, but unfortunately it is often a case of who you know rather than what you know as well. In an ideal world, it should be done fairly and treated by who does the best job rather than who gets on best with each other. I think there are some people in the business who shouldn't be where they are, but they've been put there because of someone who's pushed them to be there who was in the right position at the right time, and they've been able to do that."

It is common knowledge that nepotism happens in workplaces, and it is difficult to control. This respondent described how this impacts on other employees:

"It's going to have a big impact on them, and probably a negative impact, because if someone's going into a position that the people below, and people that work with them, don't think they're suited, then they're not going to have that respect there. They might try and do the best they can, but other people aren't going to respect them."

This theme occurred throughout, with another saying:

"If you get the people bit right, all the tasks will happen. You've got a Venn diagram of things being done. Its team; its task; the individual. If you get all these right, then the outcome is always going to be positive."

This emphasises the importance of valuing people within an organisation. If workers do not feel surrounded by people who are supportive there will be a lack of respect and motivation.

ENGAGED WORKFORCE

Another key theme that emerged was the issue of engaging with company personnel. One respondent recalled a time after a period of falling profits, when the company reconfigured its visions and goals in an attempt to redirect the company. These were communicated to all employees through various channels, but this respondent claimed:

"Beyond the bullet points of the aims and objectives of the company, there was a lot of effort put into trying to develop a sense of belonging."

In addition, the importance of knowing the company's vision was noted by some respondents. This was interesting as it relates to the issue of organisational identity. By training staff in core values of the company, they become more engaged and perhaps identify with it more by sharing in the values. In particular, it was found that by understanding company values can help to engage staff more in day to day activities. One respondent said:

"We're told what the values of the company are, so it's those sorts of values that are instilled into us, and we're supposed to live by them, and if we're not doing, then we can have action taken against us."

Other respondents repeated that the company's goals and values should be emphasised in staff training as an important part of the induction process. One respondent noted:

"We had an induction day about the company's history, vision, goals, policies, and given loads of booklets about them. Then we were tested on them. The inside of the store was full of posters and company buzzwords about their vision and goals; it was everywhere, but the reality didn't live up to them."

If the company is unable to demonstrate its vision and goals among the workforce, then it may be more difficult to be put into practice. Many respondents acknowledged that company goals and visions were not fully communicated to the majority of the workforce. There was general agreement that it was vital to engage all staff across all levels. Simply informing employees about what is expected does mean things live up to the expectations. It was noted by some respondents that perhaps the store divisions and head office were not fully integrated with each other. Many respondents acknowledged a rift, but there was a problem in how to solve it. One respondent recalled one way in which the company tried to redirect its focus:

"The company regarded itself previously as three companies: distribution, head office and the stores; hence the push to foster the image of being one team with common goal and to break down those barriers… Over the years, along with the ditching of the term 'staff', which we weren't to use anymore, it was to be 'colleagues' and an inverting of the traditional pyramid hierarchy with head office at the top commanding success of levels downwards to the shop floor, that we should do away with that and that basically the central office, the store support centre, is there to support the stores. They wanted it viewed as an upside down pyramid."

Another respondent noted a rift between stores and head office, acknowledging that it is quite common in this industry where, at either end, people are doing very different jobs and do not understand each other. One respondent explained the situation for her company:

"Like most head offices, they install all these ideas of grandeur, but they're all these visionary plans that have been brought in by someone who has probably never walked into a store in the first place. We get a visit every so often, and people from head office do come down to see how we're getting on."

This was an issue that occurred repeatedly in the data that was collected. Head office employees insisted that store staff didn't understand their roles and vice versa. It occurs in many organisations, but is a difficult obstacle to overcome. One respondent noted how their organisation's head office employees must do compulsory store placements by saying:

"When you join, you do a store placement, it's before you get into your head office role...partly I think that is a really great way of breaking down barriers...they're grateful to have people there."

One respondent recalled the issues with Walmart in the USA and the major strikes before a Black Friday whereby some employees protested against pay and working conditions, noting the importance of considering needs and wants of employees at all levels of the company. Stores generally have targets which managers are responsible for, and fulfilling these targets may have become the ultimate aim of managers and perhaps they could become too narrowly focused on this. One respondent added:

"I think big companies need to realise there is no one size fits all approach to running a store. Targets for one store might be impossible to achieve in another; staff in one might have different concerns than staff elsewhere."

This demonstrates the need for large organisations to ensure communication across all levels of the organisation. It is vital for employees to understand the roles of others, above and below them, to gain a deeper understanding of the core functions of the business.

FEELING OF IMPORTANCE

This theme occurred throughout. Perhaps due to the nature of the work, some respondents noted that they believe many shop floor workers feel their job is not important and do not understand their role within the company. One respondent said:

"I think it's important to be able to understand what they're doing; what impacts what you're doing, and how it impacts other things and other people. Just a little thing, for example if one person on checkouts calls in sick, its understanding that we need to get someone else from another department to cover, but then they've lost somebody, so they can't get all their jobs

done, then that impacts on the next day. Understanding this makes them feel a bit more understanding."

All employees work for the same company and all have an important role to play be it large or small. Everything everybody does contributes in some way and it is important for employees to feel important and understand the importance of the role they play. Work done by an individual will always have an effect on others across all levels of a company. Even if the role is deemed to be unimportant, it is still important for the business. One respondent noted how workers at the lowest level in the organisation can feel important:

"When I joined as weekend staff, I was made to feel part of the team, and I've stayed here ever since. Even as a weekend assistant, I had specific responsibilities in certain areas, and was made to feel part of the team, valued and appreciated, but also motivated to achieve more."

In particular, one respondent recalled that in their organisation this was noticed and steps were taken to improve employees' understandings of their roles:

"Since the manager has changed, he has pushed for development and wants to see more people being progressed and developed and now people have more of an understanding, rather than just turning up, doing their job and going home. I think now people have got a bit more pride of the place, and they want to progress and learn more about it."

Another interesting aspect that emerged was the issue of staff feeling like they are not thanked enough for their job. One respondent said:

"A lot of the team that I work with, or work for me……..I make sure that I go to them and say thank you, and well done, to try and inspire them. Many of them do say that they don't get thanked for a job well done; it's one of the things we're working towards. In the survey done every year to get colleagues' views on things one of the things that comes out of it all the time is they feel like they don't get thanked for a job well done."

Many respondents agreed that staff can encounter angry, rude and aggressive customers in everyday life. One person noted:

"With retail, you're always going to get, for example, unhappy customers and unfortunately that is the way of retail; we're not going to be able to please everyone all the time and you do get customers that scream and shout because we haven't got something. It's about trying

to understand that, for these colleagues, they're doing the best job they can, and it's a case of saying to them: I know you've had to put up with a lot today, thank you for that, we'll have a better day tomorrow."

Perhaps by ensuring staff are courteous towards each other can spark some positivity that is not felt from these sorts of customers. One respondent noted the importance of implementing such practices in a workplace:

"I think the majority of people do get on well; even if it is someone they don't particularly know, they'll still walk past each other and say hello, etc., general pleasantry towards each other which is nice to see. I try and make sure that if I walk past people I say hello to everybody, but 9 times out of 10 there's always going to be one person that you miss, but you should try and say it as much as you can."

An issue identified by one store employee was the size of companies. When asked whether the fact that many food retailers have now grown so large was important, the respondent replied:

"Yes, it's too impersonal now…because it's so big; it's become very target driven, plus there's a feeling that you are detached from anybody of importance."

Another respondent agreed that size of companies has become an issue that can affect employees and how they feel valued and noted:

"Nowadays, because of the recession, people are watching what they spend, but then obviously that impacts on wages. They cannot afford to employ more people. It is hard, and the business itself has become a lot harder to work in, but it's just about making sure that the people feel valued and they're not going to try and go elsewhere."

It became apparent that in such large companies when one store alone can have 600 employees, it is important that all staff members feel like part of the same team. An employee in such a large organisation can begin to feel more of a cog in a machine and less like an individual. Even small things such as kindness among workers and gratitude from others can boost morale. In addition, when workers understand how their role contributes to the organisation, they may be inclined to feel like a more important part of the firm.

SHOPPING EXPERIENCE

Another theme that emerged from interviews was the in-store shopping experience of customers. Many respondents concurred that this was not hugely important to them and convenience was more important. One respondent claimed:

"I think the choice of supermarket mostly relies on practical issues like affordable prices, location, the range and quality of items you can buy there. Of course the service employees provide is important, but in my mind is not predominant. Shopping in the supermarket, in most cases, is a matter of habit."

This sentiment was shared by another who said:

"I won't walk ten minutes in the wrong direction if the one with bad service was the most convenient."

This feeling recurred among many respondents, who agreed that going to the supermarket was simply just another chore, and they wouldn't be fazed by a rude or unhelpful member of staff. However, as one respondent pointed out:

"Even the people that say it's like a chore…….I think they would still be unhappy if people didn't give them a good service; it's going to deter them. It might not be something they look out for, but they will notice it."

It was evident from responses that some customers particularly valued the service they experienced in store. One respondent said:

"I once arrived at a store as it was nearing its closing time, and was therefore unable to complete my shopping. Unfortunately, the website had not updated its new opening hours and so I expressed to the manager how this had inconvenienced me. Although I was a bit annoyed, I just planned to return the next day. Then, however, the store manager presented me with a bouquet of flowers as a way of apologising. I was very surprised, and I don't think I would receive the same treatment elsewhere. I now am very loyal to this branch, and have told several people about my experience!"

A head office employee noted the important role that store staff play when enhancing customer shopping experience. This respondent said:

"Head office has an impact on the company and lead big changes, but the store staff are the face of the company really...one of our new goals and values is making moments matter. That's where we're working at the moment. As much as they (store staff) get lower pay, they

are the people that drive business performance. Having engaged staff in store is hugely important. They are much closer to the customers."

The same respondent emphasised how a simple pleasant experience in store can hugely impact a customer's day. Respondents agreed that a particularly good experience can be a pleasant surprise that can enhance their shopping experience. One respondent mentioned:

"I feel that the extent of friendliness goes a long way to improving the shopping experience. Staff are present to provide assistance, so in treating them with respect I would expect and hope to receive the same."

Organisations in this industry are beginning to realise the importance of enhancing the customer's shopping experience. When there is little differentiation between products sold across stores, superior service is a method of improving shopping experience and this will make customers want to return.

CUSTOMER LOYALTY

An interesting theme that emerged was the issue of customer loyalty and switching behaviour. One issue that stood out was the fact that consumers were well aware of their purchasing power. Furthermore, when asked whether they would be inclined to stop using a particular store after bad service, the majority replied that it would bother them, and if it was a repeated bad experience then they would probably take their custom elsewhere. One respondent replied:

"With so many supermarkets to choose from, it would not be inconvenience me to go elsewhere."

Some respondents remain undeterred by a bad incident. Prices and proximity were seen to be more important and respondents were more passionate about this issue. Another said:

"Any organisation (including supermarkets) which offers a poor quality service should not benefit from repeat business. I wouldn't be permanently driven away on the first occasion, but if the service was bad on multiple occasions I would."

This sentiment was reinforced by another who replied:

"Definitely it would prevent me from using the company again; my power is to take my custom elsewhere."

This sentiment was shared with another who insisted:

"Unhelpfulness or rudeness is unnecessary. I would much rather a pay a bit more or travel a little further not to get annoyed at useless staff."

Some respondents insisted that if they could, they would go elsewhere, but a lack of choice in their area meant they could not do this. Those living in less populated areas have fewer choices where to shop. The feeling among some respondents was that groceries are commodities, and although superior service may be a bonus, it is not something they look for when going to a supermarket, and all they seek are the products themselves. On the other hand, when asked about whether or not they were likely to share a good experience, most respondents replied that it is not the type of thing they tell people about, although if the topic came up on conversation they may mention it. One young respondent, a student, mentioned that this would be something he would be particularly interested in sharing on social media sites, and this sentiment was shared among others in the same age group. Many respondents who said they were loyal to one particular supermarket stated their main reason for this was the good service they always received. It appeared to be down to individual preference and personality types. One respondent said:

"Loyalty stems from the quality of service and food; when you are happy with the food that you buy, and the quality of service, over and above that received in other supermarkets, then it is sensible to continue to use the supermarket."

Despite many respondents saying they would not be inclined to talk about particularly good shopping experiences, others said if the service they received was particularly exceptional or outstanding, they would be more likely to spread good word of mouth. An outstanding service could act as a way of deterring switching behaviour and encouraging loyalty. Overall, there are many substitute products and services, and among all respondents the general consensus was that in the majority of cases there are many to choose from. Although one bad experience may

not deter some people, others would feel strongly about it and would not hesitate to take their custom elsewhere. There is little differentiation in this industry, and perhaps delivering exceptional service can provide a firm with a strong intangible asset that may drive customer loyalty.

COMPANY ETHOS

While for many, convenience will always be the deciding factor in choosing a supermarket, other respondents mentioned how other things can sway their decision. In addition to service levels and shopping experiences outlined, some respondents noted the importance of other factors. For instance, one respondent said:

*"Having always just shopped for food wherever we felt like in the past, about a year ago we made a conscious effort to **think** about where we shopped and how we shopped. We are more environmentally friendly in insisting in **no** bag for every shop! Only recently I watched a Channel four programme called 'The peoples supermarket' and for me this raised many questions and made me think even more so about shopping and a better way forward; more thought and planning .....less waste!"*

Another respondent agreed that ethical considerations were taken into account when shopping, and noted:

"Ethics plays a big part in supermarket choice for me. Is the brand making an effort to be a better citizen and have a positive impact on society and the environment?"

It appears that some consumers are increasingly paying more attention to how they shop and where they spend their money. Although only a small proportion of respondents mentioned these types of issues in their answers, it is important to consider that others feel the same way. In addition, these sentiments may be felt not only in the case of supermarkets, but across the entire retail industry. In particular, as an increasing number of unethical work practices are being uncovered, more people are becoming concerned about where their money is going.

RECOMMENDATIONS AND FUTURE RESEARCH DIRECTIONS

It is suggested that companies invest more time and money into improving training and the atmosphere of the working environment of store employees. It was generally agreed that those who progressed with training from a basic level generally had a deeper understanding of their value to the company as well as the functions that make up the organisation. When employees feel their work is of little importance, they feel less valued. Providing a supportive working environment not only ensures that employees feel more important and valued, but at the same time it leads to them feeling more positive and able to deliver a better service.

In some organisations, employees are kept up to date with company strategy and values through newsletters or emails which may not suffice to keep them engaged. While respondents reported that new employees were given an induction about the company when they joined, less is done to maintain corporate training. The business environment is constantly changing. This suggests that it is worthwhile for employees to participate in regular training. Updating employees about the organisation and advising them of the role they play in a more formal manner may prove beneficial. This may help to enhance corporate identification, which as shown by Maxham, Netemeyer and Lichtenstein (2008) can lead to superior performance. Feeling more engaged with the company may lead to changing employees' attitudes towards their work, which in turn will be picked up by the customer.

It became apparent throughout the study that respondents strongly felt it is important to have the right people in the right jobs, both in head office and stores. Respondents noted the importance of selecting somebody who is interested in that role. This means they will enjoy their job more, which in turn will increase their motivation to perform well. Some customers reported encounters with rude and uncaring staff. If service is something that companies aim to pride themselves on, then people who behave badly to customers should not be employed there. A way of ensuring that the right people are chosen as employees is to tighten the

recruitment process to ensure enthusiastic staff work at all levels in the company. This might be something that is overlooked in the case of shop floor staff.

This study has attempted to analyse the employee stakeholder group. Further detailed research is required on other stakeholder groups. Within the food retail industry, there is an opportunity to investigate other stakeholder groups such as suppliers and manufacturers. Naturally, employees' and customers' views will vary according to geographical area and different industry groups, so this issue needs to be investigated.

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