



A Comparative Study on the Importance of Customer Orientation of Frontline Employees in the Service Industry

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Abstract

This research aims at finding a measurement system for companies to successfully measure their customer orientation. The research methodology adopted here would help companies to completely measure their customer's outlook and to successfully integrate necessary changes to their internal structure.

The research focuses on understanding both the internal and external factors affecting the customer orientation. Internal Factors such as Technical Skills, Social Skills, Motivation and Decision-making authority of the frontline employees. External factors such as Customer satisfaction, Emotional commitment and Customer retention. These factors are all measured by taking into consideration the customer's perspective. This means that all measurement system collects data from the customers for both internal and external factor analysis.

The research was based on 122 respondents from India and it focused on mainly two of the biggest E-commerce players in India – Amazon.com and Flipkart.com. The researcher used Pearson correlation and Multi Linear Regression to analyze the data collected. The data is interpreted in a comparative way so that it is clear as to which company has the edge over customer orientation.

The research found out that Customer orientation of frontline employees has a clear connection with Customer Satisfaction, Emotional Commitment and Customer retention.

Keyword: Customer Orientation, Customer Satisfaction, Emotional Commitment, Customer Retention, Service Industry, Frontline Employees, Customer Facing Employees

Introduction

Customer orientation is termed by Brown et al. (2002) as an “individual's tendency or predisposition to meet customer needs in an on-the-job context”. In this study, the Customer



orientation of frontline employees are taken into context to understand how it leads to better customer success.

Objectives:

The objective of the research is to understand the impact of COFE of both Amazon and Flipkart and how it affects the customer satisfaction, emotional commitment and the customer retention.

The research objectives are listed below.

1. To study and compare the intentional relationship between COFE and Customer Satisfaction.
2. To study and compare the intentional relationship between COFE and Customer Retention.
3. To study and compare the intentional relationship between COFE and Emotional Commitment.
4. To study and compare the intentional relationship between COFE/Customer Satisfaction/Emotional Commitment and Customer Retention.
5. To study and compare the intentional relationship between COFE/Customer Satisfaction and Customer Retention.
6. To study and compare the intentional relationship between COFE/Emotional Commitment and Customer Retention.
7. To study and compare the intentional relationship between COFE/Customer Satisfaction and Emotional Commitment.

Hypothesis:

1. There is a statistically significant relationship between COFE and Customer Satisfaction.
2. There is a statistically significant relationship between COFE and Customer Retention.
3. There is a statistically significant relationship between COFE and Emotional Commitment.
4. There is a statistically significant relationship between COFE/Customer Satisfaction/Emotional Commitment and Customer Retention.
5. There is a statistically significant relationship between COFE/Customer Satisfaction and Customer Retention.
6. There is a statistically significant relationship between COFE/Emotional Commitment and Customer Retention.
7. There is a statistically significant relationship between COFE/Customer Satisfaction and Emotional Commitment.



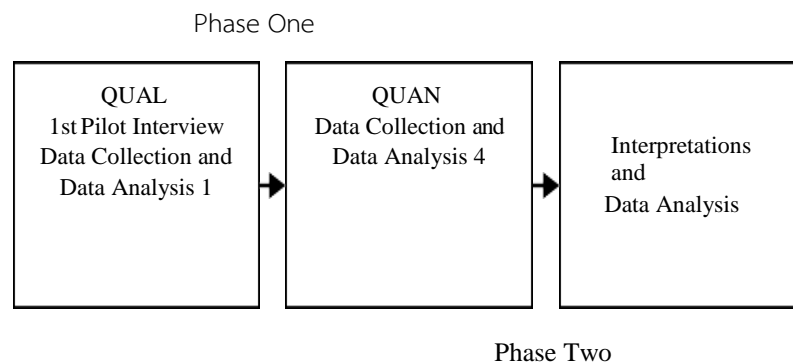
Methods:

This study used a mixed methods research design which includes both qualitative and quantitative survey methods according to Creswell (2008). This study is considered as a sequential exploratory design which strongly focuses on the qualitative methods at first and followed by quantitative methods. In particular explanation, the researcher developed the quantitative method from the first qualitative method’s result and mixed it together along the way in order to work on data collection and analysis.

The researcher developed mixed method research design because of the belief that the combination of both qualitative and quantitative will strengthen this study (Cresswell, 2008). The qualitative approach means the method is based on open-ended perspectives from a primary source. The respondents aren’t influenced in anyway and their answers are as per their thought process. However, quantitative approach means the method retrieves the information based on the developed source.

Therefore, the three pilot studies are applied to investigate the fit variables and its components. The researcher developed three rounds of pilot study to tighten data and specific clear variables in this research. So, the procedure of each phase of sequential exploratory design will be shown below.

Figure: Mixed Methods Research Design: Sequential Exploratory Design



Source: Cresswell, W.J., (2008), Research Design

The researcher developed an online questionnaire in Google Form (online survey) as an instrument in order to collect the data from respondents. The purpose of the questionnaire is to gather raw data for analyzing the relationships among independent and dependent variables. The researcher applied 5 points Likert-scale into this questionnaire for acquiring the intrinsic answer from respondents.

Results:

The table below shows the summary of the results and discussions



Table: Summary of Results and discussions

Hypothesis	Company	Highest Mean (IV)	Highest Mean (DV)	Implication	Discussion
	Amazon	Mean Social Skills (4.00966)	I am fully satisfied with this company (4.05797)	The frontline employees of Amazon have good social skills which leads to customers being satisfied with the company	The customer orientation of frontline employees has an influence over customer satisfaction, Thorsten Hennig-Thurau, (2004).
	Flipkart	Mean Technical Skills (3.61635)	My experiences with this Company are excellent (3.18868)	The frontline employees of Flipkart have good technical skills which leads to customers having good experiences with the company.	
	Amazon	Mean Social Skills (4.00966)	In future I will avail services/products from this company (4.39130)	The frontline employees of Amazon have good social skills which leads to customers using their services in the future.	The customer orientation of frontline employees has an influence over customer retention, Thorsten Hennig-



	Flipkart	Mean Technical Skills (3.61635)	In future I will avail services/products from this company (3.45283)	The frontline employees of Flipkart have good social skills which leads to customers using their services in the future.	Thurau, (2004)
	Amazon	Mean Social Skills (4.00966)	I feel committed to this Company (3.95652)	The frontline employees of Amazon have good social skills which leads to customers being committed with the company.	The customer orientation of frontline employees has an influence over Emotional Commitment, Thorsten Hennig-Thurau, (2004)
	Flipkart	Mean Technical Skills (3.61635)	My relationship with this company is important for me (3.13208)	The frontline employees of Amazon have good technical which leads to customers valuing their relationship with the company.	



Hypothesis	Company	Highest Mean (IV)	Highest Mean (DV)	Implication	Discussion
	Amazon	Mean Social Skills (4.00966)	In future I will avail services/products from this company (4.39130)	The frontline employees of Amazon have good social skills which leads to customers using their services in the future.	The customer orientation of frontline employees has an influence over customer retention, Thorsten Hennig-Thurau, (2004)
	Flipkart	Mean Technical Skills (3.61635)	In future I will avail services/products from this company (3.45283)	The frontline employees of Flipkart have good social skills which leads to customers using their services in the future.	



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<p>COF E</p> <p>CS</p> <p>EC</p>	Amazon	Mean Social Skills (4.00966)	I feel committed to this Company (3.95652)	The frontline employees of Amazon have good social skills which leads to customers being committed with the company.	The customer orientation of frontline employees has an influence over Emotional Commitment, Thorsten Hennig- Thurau, (2004)
	Flipkart	Mean Technical Skills (3.61635)	My relationship with this company is important for me (3.13208)	The frontline employees of Amazon have good technical which leads to customers valuing their relationship with the company.	



Conclusions and Discussion

Variables	Company	Lowest mean	Recommendation
Motivation	Amazon	The employees of this company are always highly motivated (3.78261)	Both Amazon and Flipkart need to work on improving their employee motivation. This can be done through internal orientation programs and also by creating an incentive system.
	Flipkart	The employees of this company are always highly motivated (3.13208)	
Social Skills	Amazon	The employees of this company have extensive social skills (3.84058)	This can be improved by introducing engagement programs within the organization and also by making social skills training compulsory of all frontline employees.
	Flipkart	The employees of this company are able to consider their customers' perspective (3.24528)	This is something that Flipkart needs to work on immediately. This can be only be turned around until the entire company decides to orient itself towards the customer.
Technical Skills	Amazon	This company's employees are experts in their job (3.86957)	This can be improved by a simple on the job training and regular follow up trainings.
	Flipkart	The employees of this company are highly competent (3.58491)	This can be improved by a simple on the job training and regular follow up trainings. However, this should also be pointed out to the recruitment team and they would need to make changes to the recruitment criteria.
Decision Making Authority	Amazon	In the case of customer requests, this company's employees do not need to ask their superior for permission	This can be improved by setting a guideline on the usual authorization needs a frontline employee encounter. The management can work towards giving full



service improvement measurement for companies. Finally, the limitation of this research would be that this revolves around the E-commerce industry in India, however the same may or may not be applicable to other industries with frontline employees. This study mainly focuses on the Business to Customer model. Also, this study is limited to the time frame when this research was done and since this is a lucrative industry, some of the conclusions can change over time.

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