



Customer relationships in the e-economy: mutual friends or just a veneering?

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Abstract

Purpose – The aim of this paper is to investigate whether technological developments can be used in call centre environments to build trust and hence lasting customer relationships beyond the usual focus on efficiency gains through automation.

Design/methodology/approach – Draws upon depth interviews with management and staff in three very different types of call centre to critically examine the ways in which caring attitudes and competent behaviour of call centre staff can contribute to building durable bases for customer trust.

Findings – While one of the case studies exemplifies a purely economic rationale for call centre operations, the other two demonstrate that a truly optimal application of technology creates a shared system of which customers and employees form an integrated part. Employees' knowledge of the system and the product it underpins are applied in a positive way to create relationships and trust with the customers with whom they transact.

Practical implications – Argues that competitive advantage can be gained if the customer perception is of an organisation that is concerned with building relationships based on competence or empathy to meet individual needs – features which stand out clearly in an industry sector often associated with standardised services, “sweatshop” working conditions and control-based management practices focused on a purely economic rationale.

Originality/value – Demonstrates that multi-channel environments for customer interaction offer potential for competitive advantage beyond short-term efficiency gains when the convenience of channel choice is creatively combined with competent and empathetic customer service.

Keywords Trust, Relationship marketing, Call centres, Change management, Electronic commerce

Paper type Research paper

Introduction

Our research suggests that the application of technology by call centres in pursuit of economic efficiency is merely a veneer or perhaps a Potemkin Village after the title of this volume. If applied only in this narrow sense, technology offers advantages in terms of measurement, predictability and control, but is unlikely to result in customer satisfaction and retention into the long term. Despite the rhetoric of technological innovation, everyday business reality appears closer to the nineteenth century than the twenty-first century, with customers remaining very much strangers. In this Potemkin Village, technology promotes distance and mistrust between individuals rather than unity and sharing of common interests. The true village is a community of customers and competent staff integrated through technology, here technology represents a kind

The Veneerings, in Dicken's *Our Mutual Friend*, are a shallow, hollow family whose lives revolve around flaunting their wealth in the community in order to display a veneer of respectability which covers their own shortcomings.



of background enabler or platform for action rather than a glitzy veneer which promises more than it delivers.

In this paper we go beyond the “traditional” call centre business model that relies upon control-based management practices in pursuit of economic efficiency. We have devised a framework of trust relationships within which to examine how modern businesses are drawing upon both recent technological developments and new styles of management to develop more innovative sources of competitive advantage with regard to their call centre operations. Specifically, we begin by defining the various forms of trust along a continuum from “low trust” to “high trust”. We then discuss how emerging e-business technologies and new applications for call centres provide opportunities for building a high degree of trust expressed in more emotional terms. We draw upon primary research in a wide range of call centre environments to examine the ways in which the caring attitudes and behaviours identified as so essential to building durable bases for customer trust can be achieved in practice. While one of our case studies exemplifies a purely economic rationale for call centre operations, the other two demonstrate that a truly optimal application of technology creates a shared system of which customers and employees form an integrated part; employees’ knowledge of the system and the product it underpins are applied in a positive way to create relationships and trust with the customers with whom they transact. We argue that competitive advantage can be gained if the customer perception is of an organisation that is concerned with building relationships based on competence or empathy to meet individual needs – features which stand out clearly in an industry sector often associated with standardised services, “sweatshop” working conditions and control-based management practices focused on a purely economic rationale.

Forms of trust

During the 1990s, Koehn commented that trust was very likely to become that decade’s “buzzword”. Her prediction seems to have been timely. From the government, to hospitals, through the media, the exam system, and ultimately to business, trust and trustworthiness have become that elusive quality that every institution and business seems to be chasing. As the analysis that follows will show, where trust is high customers are more likely to stay loyal to the company, overlook the odd mistake here and there, report positively to friends and relatives about their service, and become quite the advocate for the company. Who would not want this as a source of competitive advantage?

But is this a realistic proposition? People may be bothered by trusting strangers because it feels unnatural (Kipnis, 1996), and they will be highly calculative in their approach to such strangers when embarking on any kind of new business relationship with them. However, there is evidence to suggest that when entering into transactions with business, customers are likely to seek out a company with whom they can develop a relationship of trust into the long term: “Most of today’s online customers exhibit a clear proclivity toward loyalty, and web technologies, used correctly, reinforce that inherent loyalty... [which] is still about earning the trust of the right kinds of customers” (Reichheld and Scheffer, 2000, p. 106). What is the “correct use of technology” to bring about this higher form of loyalty and trust? And how can e-businesses develop such trust relations for competitive advantage?

The trust continuum

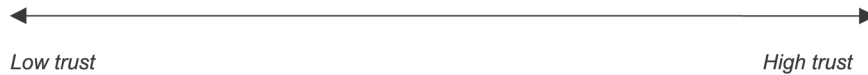
Conceptually, trust is a complex subject area, characterised by: “a confusing potpourri of definitions applied to a host of units and levels of analysis” (Shapiro (1987, p. 624), cited in Hosmer (1995, p. 380)). The definition of trust to be employed here will be Boon and Holmes (1991, p. 194) definition of trust as “a state involving confident positive expectations about another’s motives with respect to oneself in situations entailing risk” (Lewicki and Bunker, 1996, p. 117). This recognises, in its mention of “risk”, the bothersome nature of trusting strangers, and also the importance of long-term relationships in the marketing context, and the crucial role of positive future expectations in developing them.

Lewis and Weigert (1985, p. 972) model of trust in social systems divides trust into emotional trust, where trusting behaviour results from “strong positive affect for the object of trust”, and cognitive trust, in which there are “good rational reasons” for vesting trust in another. Usually trust results from a combination of both of these elements. This paper draws on this distinction between types of trust, and combines it with Lewicki and Bunker (1996, p. 119) temporal model of trust development. In their model, parties to a transaction may move from calculative (i.e. basic, cognitive) trust, through knowledge-based trust, centred on the predictability of a partner’s behaviour gained through a history of interaction, and finally to identification-based trust, which assumes each party appreciates the others’ desires, and can be relied upon to act in their best interests. They suggest that “the three types of trust are linked in a sequential iteration in which the achievement of trust at one level enables the development of trust at the next level”.

Drawing on these conceptualisations, this paper posits that trust exists on a continuum ranging from weaker, fragile trust, which is commonly based on, for example, rules, contracts, institutions and rational, objective thought (cognitive trust), through to more durable, emotionally-based trust, traditionally aligned with social and cultural groupings and norms, kinship and family, and/or high positive evaluations of good character and goodwill (affect-based trust). In between these two poles is a centre point of trusting expectations and behaviours, which revolve around knowledge gathered through repeated interactions over time. Such a knowledge base arises out of cognitive, rational expectations of trustworthy behaviour being confirmed, giving rise to more positive future calculations and expectations of competent performance of duties. This is illustrated in the trust continuum set out in Figure 1.

In practice, these types of trust operate in business life in various ways. In external relationships between a business’s employees and its customers, then the business relationship at the outset is typically characterised by low-trust, contractual and formal devices. If the business’s representatives and staff show expected or higher than expected levels of competence, and if the service agreement or product offering turns out to be reliable over time, then interactions between representatives of the company and its customers have the potential to become characterised by more positive expectations, and into the long term offering the possibility of generating more emotional and well-intentioned ties, which engender stronger customer trust and loyalty. We will suggest later in the paper that e-business developments provide opportunities for modern call centres to develop trust in this way.

The trust continuum



Customer
relationships in
the e-economy

Low (calculative) trust	Intermediate (knowledge-based) trust	Strong (affect-based) trust
Contracts	Formal contractual elements fulfilled	Emotional bonds
Insurance	History of interaction	Family/personal kinship ties
The courts/legal system	Knowledge gained of partners' behaviour	Shared norms, e.g. religion
Job descriptions/qualifications	Consistency	Showing (reciprocal) interpersonal care and concern
Assumptions of opportunism mirrored in high monitoring	Reliability	Honest intentions
Hierarchy and detailed specification of job roles	Competence	Personally chosen positive behaviour

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Figure 1.

Weak (calculative) trust

Trust at its most basic relies on contracts and the courts, documents and procedures, and high levels of monitoring and control. In fact, some would question whether this represents trust at all (Husted, 1998). Such trust revolves around the question of whether the other parties to the relationship will carry out their contractual agreement (Sako, 1998), and is grounded in measures that prevent undesired action, for example, through contracts and the courts, to assure consistency of behaviour (Lewicki and Bunker, 1996). An example of this in practice would be customer concern regarding fulfilment of contractual obligations, security of payment systems and the privacy of personal data, which is of particular importance to online trading. The Guardian Online (5 September 2003) reported on Forrester research which found that consumers' confidence in the integrity of e-business had actually fallen since 2001. It concluded that companies needed to work much harder to re-establish trust. Without trust being achieved at this most basic and calculative of levels, it has no opportunity to develop at a deeper level.

Intermediate (knowledge-based) trust

Trust at the intermediate range of the continuum assumes that trust at its most basic and formal level has been achieved, and parties to a relationship wish to continue interacting, with the "trustor" having built a degree of confidence and positive expectations regarding the "trustee's" ability to deliver what has been formally promised. If contracts and expectations are not compromised, a belief develops that there are "good rational reasons" for vesting trust in another (Lewis and Weigert, 1985) and the trustor is prepared to invest more trust. What will be of particular interest to

the trustee is the trustor's competence – is the other party capable of doing what it says it will do (Sako, 1988), will they do it, and in whose interests? The importance of this accumulation of a positive experience of process and performance, carried out in the customer's best interests, is readily visible in the e-business context. For example, the customer reviews and recommendations provided by Amazon, and more recently the published buyer feedback and rating of a seller's performance, together with water-tight payment systems, has encouraged even "net-novices" to try out e-Bay's online auction service.

Strong (affect-based) trust

The trustor, having observed that the trustee has fulfilled all of the relevant contractual and procedural requirements of their partnership, and having had time to accumulate knowledge of the trustee's consistent and reliable performance of their duties, may be prepared to extend a deepened form of trust to the trustee if they consider it desirable or appropriate. Trusting behaviour at this end of the trust spectrum comprises a more emotional basis of interaction between trustee and trustor. At its most durable, this type of trust is linked closely with the person: ethnicity, family background or religious grouping are often significant factors (Zucker, 1986). On a daily basis, this trust will be characterised by, for example, efforts to demonstrate interpersonal care and concern (McAllister, 1995).

How does such trust operate in the business environment? Sako (1998, p. 89) foresees this as a context in which parties to the relationship "make an open-ended commitment to take initiatives for mutual benefit while refraining from unfair advantage taking". As a result, such trust occupies the opposite end of the spectrum to the more rational, calculative bases for trust. For example, call centre staff working for telecoms giant Orange actually welcome the monitoring of their work because it provides concrete evidence of the high quality service that they know is provided – in other words, it is an opportunity to showcase their skills by winning industry awards! Online communities provide further evidence of affective trust, for example, actively participating Cisco customers actually use the facility to resolve queries posed by other customers.

Case study discussion: trust in call centres – is it possible to manage hearts as well as minds?

Call centres have often received a bad press and been dubbed "the new sweat shops" or "electronic panopticons" (Bain and Taylor, 2000). Services fall into two main categories – outbound (cold-calling to potential customers) and inbound (taking calls from customers with queries and problems). According to Guardian Online (17 August 2003), the call centre industry continues to grow by 22 per cent a year on average, making it one of the fastest growing sectors in the UK. Call centres currently employ half a million people in the UK, or three per cent of the workforce in North England and Scotland. Seventy per cent of these workers are under 35 and women, salaries range from £7,800 to £21,000 (the average is £13,000-14,000), and 30 per cent are part-timers.

Our primary research is presented in Table I. The research consisted of semi-structured, in-depth interviews with call centre managers and staff at three organisations; one management interview was conducted on site and included a visit to the call centre, while the others were conducted off-site. The advantages of this type of

Company	Summary of call centre role
A – travel company focusing on global destinations for young people	Centralised resource which takes holiday enquiries and bookings directly from customers and complements the successful retail outlets providing a face-to-face service. Supporting web site is information based rather than transaction based
B – manufactures and maintains large scale medical equipment such as CT scanners and X-ray machines	Customer support centre which includes specialised technical services to provide remote assistance with complex equipment and a coordination team which organises engineer availability for customer site visits
C – provides specialised call centre support on demand for a range of banks and insurance companies on a out-sourced basis	The business itself is a call centre which provides overflow support to a range of financial institutions when their own call centres are busy. For example, if a bank has a special credit card promotion its own call centre will be swamped and the excess calls will be routed automatically to Company C for basic processing or referral back of more complex enquiries

Table I.
Summary of case studies

qualitative interview were confirmed, in terms of allowing our data to talk so that “what is relevant to that area is allowed to emerge” (Corbin and Strauss, 1990, p. 23). While our literature review had suggested a dominant economic model of running call centres to be the case, our research has so far found only one case study which fully conformed to the traditional “economic efficiency” rationale for call centres as described below. Interestingly, the other two cases that will be discussed in this section additionally exhibited quite different characteristics. We have summarised these features as “make love not war” and “what computers can do for you”.

The “economic efficiency” model

The reason behind organisations pushing call centre operations has been one of cost. Substantial service level improvements, customer empowerment initiatives and efficiency gains are enabled through well-implemented technological systems. As a result, call centres offer the potential for high economic returns, and will often be the most profitable or highly profitable areas of the business. In the words of one of our interviewees: “the aim of any call centre is make more money than last year” [Company A]. At the broad business level, the economic success of the call centre is readily measurable, for example, by comparing advertising costs to volume of business generated. Similarly, at the basic level, the technology permits everyday business operations – whether human or mechanical – to be readily predicted, measured and controlled.

Online channels are even cheaper. Customer relationship management company Talisma estimates that interaction with a customer face-to-face costs \$300 a time, a phone conversation costs \$53, an internet chat \$30, text chat \$10, e-mail \$3, and self help on the internet 10 cents. On this basis, in the early days of e-commerce, the long-term future of the telephone call centre was questioned. However, online banking for example, is still principally used for simple transactions, and when it comes to

pensions or life insurance, customers prefer to talk to someone or meet face-to-face. For example, both Lloyds TSB and Barclays suffered from significant customer dissatisfaction and adverse publicity when branches were replaced by ATM machines in rural areas. In addition, after UK building society Nationwide upgraded its web site to provide more detailed information to customers, its call centre was flooded with enquiries from people who wanted further information based on the new data that had been made available. Staff became discouraged as both the quantity and level of difficulty of their work rapidly increased.

At Company C, our “traditional” call centre which handles “overflow” call demand for a range of clients, the telephone operator knows from the computer screen which company the customer believes he or she is calling, and hence can follow company-specific scripts and conventions. Staff who are familiar with the routines for several companies are much in demand because they can easily switch between calls as demand dictates, and they therefore, have more opportunities to earn sales-related bonuses. Other staff might be more limited in their knowledge and hence only able to take calls on behalf of one or two client companies. From the end customer perspective, it appears as if they are actually talking to the company that they called rather than a specialised centre. Working hours are flexible and suit people with childcare responsibilities, as well as students from the local university. Rotas are planned a week in advance and extra staff will be brought in if a special offer is imminent that will generate additional calls, if it is quiet then some people will be sent home. This case study exemplifies our “economic efficiency” model and conforms exactly to the understanding we held of “typical” call centre business before undertaking this research project.

There are, however, a number of problems with this model on both a human and a technical level. In these service-intensive organisations the power is in the hands of front-line employees with low status, but upon whose effective handling of service encounters the achievement of organisational objectives is dependent. As Piercy (2002) notes: “Too many employees who deal directly with customers are damaging the product, service or corporate brand every time they open their mouths”. Poorly implemented technological systems can be counter-productive for staff morale and the customer’s service experience. Overzealous controls, for example, linking rates of pay to the number of calls to be answered per day, or penalising staff who do not attempt to sell additional services to the customer, may result in sabotage. Company C staff admitted that basing pay upon volume of calls encourages people to answer the phone and then cut the customer off, or at best to offer the most basic level of service in order to close the call as soon as possible. Such controls promote, rather than discourage, self-interested behaviour.

Customer expectations are rising; many now expect an immediate response to queries at any time of the day or night, and are unimpressed, for example, if a company’s web site does not display the most up-to-date product information and availability, or if they are held in a long queue and forced to listen to dreadful music (or worse still, subjected to company advertising). This puts pressure on firms to ensure customer service call centres are adequately and efficiently staffed and also that their web sites are easy to navigate and contain the information that the customer seeks. At Company C, many targets are team-based and staff morale suffers if individuals within the team do not pull their weight as this puts additional pressure on

the remainder. As with most call centres, staff turnover is high due to the dull and repetitive nature of the work and lack of career progression, so the most able people are unlikely to stay in post for very long. As noted above, in Company C the script reigns supreme. This offers the advantage of consistency of service, but at a low, inauthentic or even “phoney” level. If the query is routine then it can be processed immediately, but credit decisions for example, have to be passed on to the client company so that the calling customer will have to wait for a later decision. This can give the impression of slow or inefficient service, but the operators are not allowed to admit that they work for a third party and have to refer many customer requests to their client. The opportunity to provide authentic, individualised responses to customer demands is likely to generate competitive advantage and more interesting roles for the staff, but is not considered practical in this type of business where the telephone operators are not employees of the client company.

In summary, this call centre model prioritises predictability, measurement and control to leverage technology, with measurement of calls answered and business transacted considered to be the key variables. It tends to emphasise short-term thinking and policies at the expense of the long term, for example, with regard to staff motivation and retention. As staff have few expectations of a long-term career, “smiling down the phone” and provision of high customer service standards are unlikely outcomes. Only “bums on seats” are required, “hearts and minds” are not necessary. Taken to its extreme, such call centres not only fail to capture the hearts and minds of staff, but of customers too. While economic efficiency still formed the core business rationale in our other call centre case studies, Companies A and B also both exhibited significant characteristics of relationship building (our “make love not war” model) and Company B additionally made innovative use of new technology (our “what computers can do for you” model). These features will now be examined in turn.

The “make love not war” model

This call centre model emphasises shared norms, attitudes and values. It is person-centred, focusing on the character and experiential aspects of the individual employee in relation to customers, moving beyond competence in the technical aspects of the job. We will demonstrate here that knowledge, passion, competence to apply the knowledge and personality to translate this to client service allow a relationship to be developed which forms the basis of a sales transaction.

Company A is a travel company focusing on global destinations for young people. The call centre is a centralised resource which takes holiday enquiries and bookings directly from customers and complements the successful retail outlets which provide a face-to-face service. Owing to the individual nature and complexity of many of the holiday packages that are constructed, the supporting web site is information based rather than transaction based. The call centre staff have personal experience and knowledge of the product that the customers seek, and are there to turn this enthusiasm into sales. Customers have a strong emotional as well as financial investment in the product, as psychologically it represents the epitome of youth and freedom, and is therefore, part of an individual’s identity. Staff who can empathise with and support this identity amongst customers are therefore key. Consequently minimal formal training and qualifications in call centre work are required – what is on the inside counts as much (if not more) than what is on the outside in the formal call centre

skills sense. This results in congruence between customers and staff of values, attitudes, beliefs, norms and behaviours. According to one interviewee: "The best salesperson has deep knowledge and builds relationships that way – first and foremost is his passion for travel". It would be inappropriate for Company A to adopt a purely economic "answer the phone in three rings" approach, as these are complex transactions, requiring time and care over their development: "If a person talking is a long time on the phone, but actually selling to that person, then it is a management issue about the calls stacked up" – meaning you then bring in more staff, not compromise the service levels by making it the customer's problem.

This model shows, though, how economic efficiency is still a key underlying aspect. Targets were tightened up when management felt that financial performance was suffering because staff were getting too chummy with customers, and 40 per cent of the workforce left the company as a result. So there is quite a degree of market and rational discipline underpinning the apparently "touchy-feely" model. The issue of staff retention – little more than 18 months tenure on average – remains a significant difficulty for the business in economic terms. As most staff are graduates who have travelled extensively themselves, they tend to get "itchy feet" quickly in this type of work despite the good working conditions. The relationship building strategies employed by Company A differ from what is normally understood by this expression, namely the development of long-term relationships with customers that become profitable over time through repeat business. Here, the focus is upon building a rapport and empathy with the customer in order to close just the one significant sale, as such trips may literally be "once in a lifetime" events. There is, however, an element of free marketing involved if satisfied customers are so impressed that they pass on a recommendation to their friends. In addition, the relationship is largely inter-personal and the role of technology is minimal. Owing to the transient nature of the customer group and the fact that regular repeat business is unlikely, there is little point in building up a detailed database of customer preferences or targeting them with direct mail.

In contrast, technology plays a central role at Company B which manufactures and maintains large scale medical equipment such as CT scanners and X-ray machines. The Customer Support Centre includes a highly specialised technical services team to provide remote assistance with complex equipment by telephone, and a coordination team which administers customer service contracts and organises engineer availability for customer site visits as required. Engineers are monitored in order to check where they are in the country so that the most appropriate one in terms of skills and geography can be sent to the client. The Customer Support Centre is definitely not script based and is staffed by highly skilled "knowledge workers", some with PhDs in a scientific discipline, others highly experienced engineers brought in from "the field". The kind of staff profile required here could be described as empathetic, competent and empowered. In the words of one interviewee: "There is no script, it is more the individual assessment of the situation".

The aim of the call centre is to maximise remote diagnostics – ideally a telephone fix which can be facilitated by the exchange of images or equipment fault reports over the internet between client and call centre. If remote diagnosis is not possible, sufficient quality of information can usually be obtained by asking the right questions on the phone, that the right engineer is sent out to the customer and consequently he does the

job more quickly. Newer equipment is more likely to allow remote access and problem diagnosis. This system has already significantly reduced costs (here again we see the pervasive economic efficiency model) and increased customer satisfaction, and the extent of remote connectivity will increase over time as older equipment is replaced. The traditional trust relationship between engineer/customer therefore is evolving towards customer/call centre/machine. Some systems auto-respond if they are about to fail – the company can then call the customer and arrange to send out an engineer before the problem becomes critical. Given the nature of the equipment which is often being used by hospitals in life-threatening situations, a service which proactively minimises downtime offers huge reassurance and fosters high-intensity relationships.

To summarise the relationship building skills required in Company B, it is clear that competence emerges as a key skill set. The call centre operative needs to be highly technically literate in the customer's product and both customer and staff must share a common "expert" language. It is the operative's job to move from the customer's interpretation of the situation to its resolution, ideally by fixing the problem remotely which is the most cost-effective solution. Our "make love not war" model shows that, while both Company A and Company B focus on building relationships with their clients, the nature of these relationships is very different in terms of the skills required from the call centre staff and the role played by technology in facilitating a solution. In Company A, shared common identities and aspirations between customers and staff form a powerful bedrock of values-based relationship building. Company B makes an interesting contrast in its method of achieving the same end-result; here the shared values and norms are those of competence and knowledge, enabling customers and staff to speak a common language towards reaching a mutually recognised final goal.

The "what computers can do for you" model

This model emphasises the specific role of technology in call centre operations to fully leverage the potential of the "economic efficiency" rationale that was described earlier. Surprisingly, despite the rhetoric of far-reaching technological possibilities so commonly espoused by e-commerce commentators, this aspect was only found to be central to one of our three case studies, and even then it manifested in a very different way to what we had expected beforehand (Company B).

Part of the rhetoric surrounding the e-economy suggests that rapid technological developments provide call centres with the potential to grow into "Customer Contact Centres". According to Simon Rancoroni, an industry consultant, "We're going to need to interact across a number of different media. The call centre agent will start to co-browse; to send e-mail and text messages... Up until now a call centre operator didn't need to spell". In September 2000, Halifax spent £90 million launching Intelligent Finance (www.if.co.uk) which was the first organisation in Europe to offer five integrated customer communication channels; telephone agents, interactive voice response, internet, mobile phones and e-mail. At Capital One, a US financial services company which handles more than one million calls per week, callers are automatically routed to specialist agent teams depending on the predicted nature of their call based upon past experience. "Virtual Reps" or animated computer-based agents are also becoming popular in the US and have been trialled (and subsequently dropped!) by leading UK banks such as First Direct in 2003.

According to a Datamonitor study, 40 per cent of all the 75,000 call centres in the UK were due to be “web-enabled” by the end of 2004 (www.datamonitor.co.uk) in order to provide “multi-media customer access points”. In theory, this means that a customer should be able to choose whether to “click to talk” (speak to an employee by telephone) “click to e-mail” (send a query and receive a response by e-mail) or “click to chat” (interact with an employee by instant messaging). In terms of perceived service quality and the building of trust, the critical issue is for these channels to be seamless, so that a customer can switch from one to another without repeating the story. It is important for a log to be kept of earlier conversations so that an agent is always aware of the history of the query and what stage has been reached in resolving it. It is also possible for specific customers to be flagged according to their perceived value, so that differing service levels can be applied accordingly.

However, such integrated service offerings are currently at an early stage of development and still remain elusive in the mainstream of business life. Our case study Company B relies increasingly upon company-specific technological developments in order to allow its staff remote access to the customer’s complex systems and deal with problems, but the primary communication channel between operative and client remains the traditional telephone. In fact, the “old” and “new” technologies interact in the service provision because remote monitoring and diagnostic systems can warn the call centre of potential problems and the customer can be alerted by a simple telephone call or engineer visit before a system breakdown occurs. Given the critical role played by the equipment in patient care, the value of this feature to the customer cannot be overstated, and will become “the cornerstone of service delivery” as old systems are replaced over time. In turn, the very nature of the service provided by Company B is evolving from reactive crisis management towards a more proactive, consultative approach based upon staff competence in understanding hugely complex systems that enables the client hospital to get maximum value from the equipment.

The Company B case shows how well-implemented technology can allow problems to be resolved remotely in many cases, or at least permit the right engineer to be sent to the right place, with the part ready to be installed, having had the problem pre-diagnosed at the centre. Service delivery is dependent on the competence of the staff with deep knowledge of the customers and their systems that is technology-led and applied in different ways. However, there are also difficulties emerging with this seemingly-ideal business model. Technologically-driven increases in business efficiency and service standards that are empowering for some groups of employees and customers, can cause isolation, automisation, loss of human contact, and loss of identity and lifestyle for others – in this case the engineers on whom the company used to depend heavily for their knowledge and expertise, but who are now reduced from office-based experts to home-based part-fitters. Furthermore, the move towards remote diagnosis represents a leap of faith for customers, as “it is still the engineer who is most trusted”, and generally customers have preferred “to talk to local office, where they know people’s names”. Medical staff may well not understand the technology and prefer the established security of an engineer visit every time something goes wrong. In the words of one interviewee; “our engineers walk on water as far as the customers are concerned”. The locus of trust therefore needs to shift from customer/engineer to customer/operative/system, and this is likely to be a lengthy and difficult process.

In summary, we have tried to demonstrate in this section that while the predominant model of call centre operation is based upon simple economics and standardisation of service, this strategy in itself is very limited in terms of winning customer “hearts and minds”. In practice there are some interesting (and unexpected) variants of the basic model developing which centre upon relationship building (exhibited in very different ways by Companies A and B). Our future research will seek out a call centre that has embraced the multi-channel customer “touch point” route, although such firms have so far proved elusive despite the rhetoric of twenty-first century technological capability. From our work so far, only Company B relies heavily on technology for effective service delivery, albeit in a very specialised and innovative way.

Matching trust theory to the case studies – as easy as A, B, C?

At the outset of this paper, we presented a continuum of trust relationships. It was suggested that if a company builds on these trust bases in an optimal way it encounters between customers and staff, then long-term success looks more assured. To investigate the potential operation of this trust continuum in a real-life context, we presented three possible models for establishing and managing a call centre, based on our analysis of data gathered through interviews conducted at three case study companies.

Company A exemplified our “make love not war” model. Recruitment was based on the whole person, and the attitudes and experiences they could bring to the very particular product offering and customer base of this young person’s travel company. With a complex product, so closely tied to customer’s self-identity and personal values, it is imperative that the norms, experience and attitudes of the staff are a continuation of those of the customer. This clearly equates with the high-trust end of the continuum, which stresses emotional bases for trust development. This has the potential to offer any company a strong competitive advantage into the long term, particularly those that effectively leverage technology. Given the transient nature of Company A’s target market, and the one-off, high-cost nature of its product, this potential outcome of such strong bases does not apply to existing customers, beyond making the sale in the first place. However, for long-term advantage, the result would hopefully be that of positive recommendations amongst the extended community of potential customers for the future.

On the matter of shared values and attitudes, Company B provided a good point of both contrast and similarity. With Company B’s call centre staff, and the operatives out in the field being depended on for life-critical machinery, competence that results in “reduced downtime” emerges as the key skill set, demanding staff who can resolve any operating problem as quickly as possible. Further, the technology underpinning the service offering must be achieving its full potential – indeed, Company B not only reacts to and resolves customer problems, but also pre-empts them in a proactive way through technology; hence our naming of this model “what technology can do for you”. Competence, in this environment, becomes the shared value between customers and staff of the organisation. This shows how a high competence component in a service offering or product can translate from a cognitive into an affective basis for the relationship provided that staff match customer needs and expectations in this regard. However, the almost exclusive reliance on technology must be embraced across all

delivery functions – as Company B customers found to their cost, it is no good a state-of-the-art diagnostic system working out in record time how to fix a problem with the machine if the parts delivery system cannot organise timely arrival of the correct component from its warehouse in another country!

Company C is in some ways the economic efficiency model taken to the extreme – the company representatives on whom customer service encounters and experiences critically depend, do not even work for the company in whose name they are answering the telephone. The company who has contracted out service to Company C may be able to measure how many calls were answered and how much business was transacted, and staff have the advantage of flexible working relationships that suit them. However, other key issues considered crucial to success by companies A and B in this paper, such as whether the customer felt satisfied that their contact with the company had been competently dealt with or how the representatives of the company built relationships on its behalf, must surely be poorly addressed. This is an environment where controls and targets are set in such a way that empowerment is highly limited and staff morale is low, resulting in employees offering only the most basic product or actually cutting off customers. This offers competitive advantage for no business, no matter how much the numbers seem to add up.

It is in the matter of the numbers adding up that the problem lies. The aim of any call centre may well be to make more money than last year, yet is it really possible to translate this simplistic logic into a practical, measurable reality as exemplified in the economic efficiency model? This is a model which depends on the modern-day reliance, through technology, on strangers to control outcomes in matters of value to us; this is a reliance we all find unnatural and bothersome (Kipnis, 1996). Yet, the economic efficiency model, applied in its purest form, heightens our anxiety and reduces our propensity to trust these very strangers. Cases A and B as put forward here, along with their matching models, present us with some possible antidotes. For one thing, these two companies show how important it is not to make customers feel like strangers right from the outset. Through stressing the development of relationships on a variety of bases, and empowering staff to get on with the job in a proactive way, these models emphasise how a shared norms and values approach can work in practice. Further, these companies underline the significance of knowledge and competence for creating dense relationships – in this technological age, staff at a minimum need to match the customer's product knowledge, which may already be high in advance of making the phone call, or preferably exceed it, both in terms of product knowledge and competence in the systems on which product delivery depend.

What our two case studies A and B have drawn out very explicitly is the way in which trust development in the marketing context may vary from the development of trust in social systems. The trust models on which our trust continuum is based emphasise the importance of emotional bases for trust in the form of shared values and norms, cultural and kinship ties, etc. This is, from a social/psycho-sociological perspective, the optimum form of trust. To an extent, Company B challenges this through the crucial role played by technology in trust development. The shared value is that of technology, and making it work. How emotional a form of trust this is may be up for debate. This possible point of debate is already apparent in the marketing literature, particularly in relation to CRM and loyalty. Reichheld and Scheffer (2000, p. 112) found, in their study of repurchasing patterns at leading web sites "that the five

primary determinants of loyalty don't consist of technological bells and whistles, but rather old-fashioned customer-service basics: quality customer support, on-time delivery, compelling product presentations, convenient and reasonably priced shipping and handling, and clear and trustworthy privacy policies". They further cite evidence from Dell, who found the three drivers of loyalty to be order fulfilment, product performance, and post-sale service and support (*ibid*). These determinants of loyalty, while containing words such as "service" and "support", appear to be outnumbered by the technology – and reliability-based elements to underpin a trustworthy, long-term customer experience, and fall at the mid-range of our current trust continuum. Compare this, then, with the findings of Callaghan and Shaw (2001) who have investigated the components of a relationship orientation. They identified ethics, trust, empathy, reciprocity and bonding as the key dimensions, and in their discussion of these terms highlight qualities such as friendship and comradeship, the two parties seeing the situation from the other's perspective, and providing favours or making allowances for the other in return for similar favours or allowances at a later date. These are trust elements that fall firmly at the far end of our trust continuum, centred on more emotional, and less rational bases for trust development.

A further important point to make is that despite these recommendations based on real-life cases, we would not wish to idealise trust development as a panacea. The darker side of trust becomes apparent in the background to the Company B's centralising of their knowledge-intensive service function. The customers' trust in the company's competence traditionally resided in the relationship between engineers in the field and their local clients, which also had a strong interpersonal element. Although the trust model put forward here presents such dense relationships as positive for both company and client, there were fears that not only did this situation lead to a business risk of too much knowledge residing in the heads of 1,500 engineers, but of "cliquey" relationships impacting on consistent service delivery: "Local offices were run in places like a fiefdom, leading to inconsistency in service" (call centre manager, Company B). Company A was also not immune from such anxieties. Its customer service representatives felt free to develop relationships and demonstrate care and concern for their customers during service encounters – highly positive traits from a trust-building point of view – but concern mounted that this was being taken too far, and so new sales targets were brought in to curb tendencies towards "too much chat" during the working day. This is a common theme in the trust literature (Koehn, 1996; Gambetta, 1988), warning us that "too much trust in the familiar can lead to pretty unproductive views of the world" (Kern, 1998, p. 204).

Conclusion

Clearly there were cross-overs between the three models we presented out of the data analysis: for example, the economic rationale for setting up a call centre so clearly exemplified in case study C underpinned all three of the case studies; further, our "make love not war" model joined aspects of case studies A and B in its values-derived bases and outcomes. Each model, then, is not mutually exclusive, and, as the above discussion has shown, there may be some diversion away from the assumptions of the traditional psycho-sociological trust models when they are applied to the marketing context – a difficulty already evidenced in the CRM and loyalty literature. This shows

the continuous nature of the trust continuum, particularly around the blurry dividing line between apparently discrete sections.

There is no veneer, or suggestion of a Potemkin Village, about the finding that technical competence provides a shared norm base out of which long-term trusting relationships are built between “mutual friends”. This is significant, as it pre-empts the final conclusion that just as each call centre model is not mutually exclusive, neither is each element of our trust continuum – particularly in relation to cases A and B, where it is shown how there are important shared elements between them which the trust model may potentially suggest are discrete. Company B’s excellent example from practice indicates clearly that competence, alongside its technological enabler, creates far more than cognitive states of positive expectations regarding something of value to the customer – it also engenders an emotional response that can bind company and customer together.

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