

THE IMPORTANCE OF CORPORATE REPUTATION OF MEXICAN PACKAGING PRODUCER IN BUILDING CUSTOMERS RETENTION

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Abstract

The purpose of this study is to explore the factors that determine the link between a corporate reputation and customer retention. It was found that in previous researches financial analysts, competitors, customers and employees are the most common stakeholders included in the corporate reputation studies. Nevertheless, the present approach incorporates the former customers' perspective as a crucial element, by capturing their experience, their reasons for leaving and the present image that they hold related to the particular Mexican packaging supplier featured. Hence, a review of the specific concepts and closer relationships such as corporate image linking to customer loyalty was taken as a reference to build a particular outcome in this case study.

Keywords

Corporate reputation, stakeholders, customer retention, public relations, PR, corporate communication

Resumen

El propósito de esta investigación es explorar los factores que determinan el vínculo entre la reputación corporativa y la retención de clientes. Se encontró que en previas investigaciones son analistas financieros, competidores y empleados, los públicos más relacionados con la reputación corporativa. Sin embargo, este acercamiento incorpora la perspectiva de clientes pasados, como un elemento crucial que captura su experiencia previa, sus razones para cambiar de proveedor y la imagen que actualmente mantienen del productor de empaque estudiado. Asimismo, se realizó una revisión de conceptos específicos y relacionados, como la imagen corporativa vinculada a lealtad de los clientes, con el fin de construir resultados particulares en este estudio.

Palabras clave

Reputación organizacional, públicos clave, retención de clientes, relaciones públicas, comunicación organizacional

1. Introduction

1.1 What is relevant to the study

The study of corporate reputation is a fairly recent subject, though distinct approaches related to corporate identity have been addressed in order to explore how the self-image of an organisation impacts the external field. One of the most valuable is the contribution of Olins (1978) who indicates in *Corporate Identity: The Myth and the Reality*,

“ [graphics]...only become significant when they act as the symbols and catalysts of change, when they help the management of the colossus to signal both internally and externally that change is taking place – that order is emerging from chaos – that the products the company makes and sells once again have a consistent and clear reputation, that loyalties will lie not just one part of the organisation, but through one part of it to the totality – that the whole is genuinely greater than the sum of its parts.”
(Olins, 1978: 64)

Although there has been an enduring interest in corporate identity and image, there is relatively little systematic empirical research on the topic (Cornelissen et al, 2003). Hence, the way that organisations can achieve a positive image in context of a relationship with other business factors like customers' retention is still a subject to research. Distinct authors (Kowalczyk and Pawlish, 2002; Hatch and Schultz, 1997) propose that there is a link between how outsiders perceive organisational culture and corporate brand as measured by corporate reputation. Indeed, another crucial element tends to be in the corporate image papers, the bridge that builds customer retention to the business profitability purpose. Undoubtedly, the global environment has turned more complex to understand the issues related to corporate reputation having as the supreme goal to gain a favourable projection inside and outside the organisation, developing growth and success.

Distinct international arrangements among countries have been signed to enhance the economical expansion of the regions. For example, since 1994 the North American Free Trade Agreement (NAFTA) went into effect seeking to wipe out most restrictions on the flow of goods, services, and investment (Derbez, 2002). A free-trade area is encompassing the United States, Canada, and Mexico. Medium and larger Mexican enterprises have experienced several repercussions, some positives such as technological up-to-date

knowledge and equipment as well as to manage quality international standards. In contrast, the negative effects include the brain drain and lack of same conditions to compete with the U.S. organisations facing the foreign exchange parity.

The present research studies a Mexican box container producer with its headquarters located in two cities in the North of Mexico, one of them next to the United States' border. The organisation featured in this study is one of the most important packaging producers in the North East of Mexico. It operates locally and in the United States focused in the agricultural, poultry keeping and industrial market. As a result of the high quality and customer service levels, many global and national firms that are its purchasers have used it for five years or more.

Indeed, since 2004 both their production plants' have ISO-9001:2000 Quality Certificate to be competitive against national and international organisations in quality and customer service. However, the production capacity is not the same as some of the important rivals like Smurfit or Temple-Inland, two of the largest manufacturers of corrugated board in North America, that have the capability to produce for the Mexican market.

Other factors that impact in the Mexican corrugated market are the slow economic reactivation in the industrial market and a breakdown in the agricultural sector that the producer supplies at a very important level. However, the organisation has been growing consecutively since 2001. According to the company's Annual Report (2004) in 2004 the company registered an increase of 21% in sales in comparison with 2003.

Today, this organisation is facing one of the most difficult times in its history because there is an excess of paper production in U.S. As a consequence of the facilities that the free-trade agreement brings them, the competitors have turned more aggressive and have focused their sales efforts in the Mexican market, offering almost the same products and quality but at lower prices. Despite the rivalry, the organisation has retained larger companies as customers; sometimes the box container producer negotiates lower prices rather than lose relevant purchasers offering by an outstanding customer service.

In spite of the previous diverse approaches in the topic, little empirical work has been done in assessing the impact of corporate reputation and customer retention. Hence, a review of the specific concepts and closer relationships such as corporate image linking to customer loyalty was taken as a reference to build a particular outcome in this case study. Besides, the former customers' experience and knowledge of the case organisation was taken into account in order to enrich the findings in spite of there is missing this stakeholder in the academic and practitioner writings reviewed.

This study attempts to map the producer organisation's profile in terms of internal and external vision. (a) Take into account the 'insiders', employees' stance about business strategies and the way this constituency experiences and interacts within the workplace (identity). (b) To gain valuable customer's perceptions (image) deeming the key elements that conform business reputation. (c) Former customers' insight, understanding the reasons for leaving as well as the corporate image that they hold about the organisation.

As a reference framework, the definition of corporate reputation that this study uses was taken from Balmer and Greyser (2003:175) "Judgements made of the organisation over time based on the organisation's behaviours, performance, and collective experiences of the organisation". Moreover, this represents a wider and more complex field than corporate image. Corporate reputation deems the internal and external perspectives, being the principal starting point of the present study mostly based on Gardberg and Fombrun (2002). Hence, the corporate image focuses on external perceptions, in this particular case depicted by perceptions that customers and former customers held about the organisation. This interpretation has an intrinsic relationship with the organisation's identity. The internal vision of the corporation shaped through a mix of elements that encompasses it such as the vision, values, workplace and common understanding (Villafañe, 2005; Argenti and Forman, 2002; Davies et al 2003; Fombrun, 1996). Therefore, the customers' retention is conceived as the likelihood that the current customers will still prefer the organisation products and services as part of their future business plan.

As a result, the main relevance and contribution of this study is to introduce in the form of a particular corporate reputation measurement the perspective of former customers, (stakeholder that often were left out, not only from the customers' capital research, but also from the overall studies of business performance). Moreover, to explore the link between the externals outlooks and the decision that current customers remain purchasers of this Mexican packaging producer. However, being a case study undertaken in a specific context, the findings could be generalised merely in terms of methodological procedures and theoretical conclusions.

1.2 The organisation case and context

Since 1994 the North American Free Trade Agreement (NAFTA) went into effect seeking to cancel most restrictions on the flow of goods, services, and investment (Derbez, 2002). A free-trade area is encompassing the United States, Canada, and Mexico. Some of the effects of this agreement are the introduction of new competitors from United States due to an excess of paper in that industry. Thus, to avoid extra costs the competitors have focused their sales in the Mexican market with similar products but better prices. The principal competitors are two leaders in the box-container producer sector, Temple-Inland (Texas) and Smurfit-Stone (Chicago).

The main problem that the organisation faces is the incursion of new foreign competitors that offer the same quality products with lower prices in the paper sector. Therefore, it is crucial to build a map of the customers' expectations to lead strategic business actions. Fill (2005) states that a customer retention phase is the most profitable and is where the greatest level of relationship value is expected. The more customers' capital the organisation gathers the more possibilities to fulfill their expectations. Besides, another advantage of that capital is to address specific endeavors through achieving a stronger positive image that might be result in customers' retention.

The organisation featured is a paper and packaging producer since 1983. It has established itself as a leader in quality products and customer service, with its plants in the North of Mexico, employing 1040 staff. The plants are situated in strategic geographic sales points and have the ISO-9000 Quality Certificate since 2004. The company covers three main

markets: agricultural, industrial and poultry keeping. Indeed, many of its most important customers on industrial sector are larger global firms (Company's webpage, 2006).

According to an interview with the Chief Executive Officer (CEO), he has been leader the organisation since 1984. Thus, the managers' board with the investors support implemented in 1990 the Total Quality Management (TQM) programme based on Philip Crosby philosophy. Crosby promotes a 'prevention' culture in which requirements for quality compliance are jointly written by managers and workers and address the needs of the customer (Lankard, 1992). Regarding an article published in *El Imparcial*, a regional newspaper, Frescas (2002) refers that, the Mexican organisation encompasses one of the 12 chosen in the city to become a supplier of the United Technologies Corporation, air conditioning-maker and an aerospace business. The criteria that this firm took into account, according to its Manager of Development of Suppliers for Latin America, were based on the high quality systems, bilingual personnel and competitiveness.

Organisations Vision:

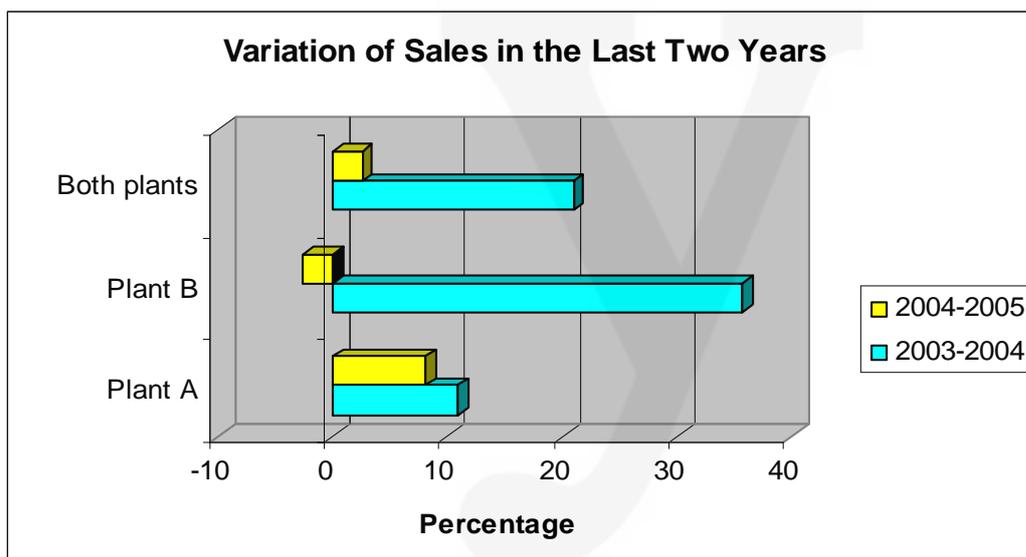
“To captivate to our clients with innovating solutions of paper, packing and a service outside series that surpasses its expectations. We will work with efficient processes, personnel highly it jeopardize and competent, who toils in a brotherly atmosphere of work, thus contributing to the maintained growth of the company and to the development of the country.” (Company's internal magazine, 2005)

As part of the quality statements, the company has programmes addressing employees' awards in order to encourage the continuous quality improvement; there are different events such as: Employee of the Month, The Quality Week and the annual Zero Defects commemoration. One example of the social involvement of the Mexican company was the award given in 2005 by the local authorities, among other organisations like Coca Cola. The local governor gave certificates to those companies supporting the education of their workers at the time, so as to contribute to raising the national educational level (Local government's webpage, 2005). Furthermore, from the quality programme implementation until the latter quality certification, the company is permanently open to change and adopt

new ways to reach the competitiveness in the paper and box-container producer sector, rejecting the idea to lose market shares to other players.

As evidence Figure 1.1 shows how in spite of the decreasing sales in one of the plants (plant B) that depends mostly in the industrial sector which registered an important downturn in the box-container sector, the company reported a healthy financial performance with a positive 2.6 per cent of increased sales (Company's Annual Report, 2004, 2005).

Figure 1.1 Sales growth of the organisation registered in 2003/2004 and 2004/2005 (Company's Annual Reports, 2005, 2006).



2. Literature Review

2.1 General studies

Several perspectives can be found around the terms culture, image, identity and reputation. Some scholars and practitioners conceive image (Smith, 2005; Argenti and Forman, 2002; Davies et al 2003; Fombrun, 1996) as a company's reflection of an organisation's identity in terms of how the firm wants to be seen in the customers' mind. It means that if the organisation builds a positive identity, the natural result could be a positive reputation. A combined organisational and marketing vision, stress that organisational image is a holistic

and vivid impression held by an individual or group towards an organisation, as a result of sense-making by the group and communication by the organisation of a fabricated and projected picture of itself (Hatch and Shultz, 1997). However, organisations are able to give direction to their own performance, but not in the way it is understood by outsiders.

Reputation management treats corporate image as a corporate asset; to be shaped, nurtured, protected and used (Balmer and Greyser, 2003; Marconi, 2002). Certainly, a positive corporate reputation is an attribute that each organisation has to build making an opportunity in every contact with the different stakeholders. Moloney (2000) states, that reputation is the social prestige attached to an organisation in the perception of others. Moreover, the way that the constituencies can be influenced by a positive perception is considered as a corporate added-value.

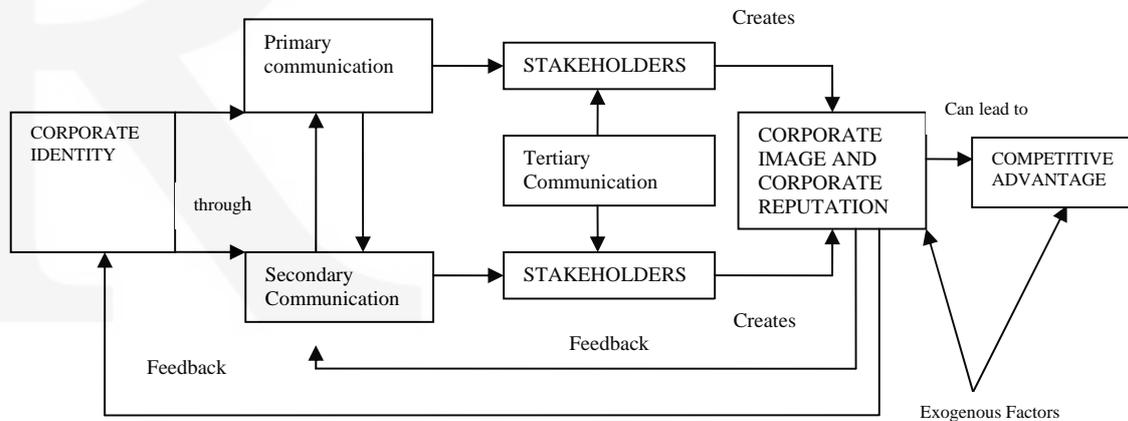
According to Oliver (2001), the clearer an organisation is about its identity; the more effective it will be comprehended accurately by the target publics. If a corporation understands the business nature as well as its corporate image, it can transform it in a strategic tool to communicate with its publics. Some scholars state that a company's identity is the concrete, often visual manifestation of [company's] reality (Argenti et al 2002; Davies et al 2003; van den Bosch, 2005). Certainly, the conception that the identity forges the image of the corporations is present since Olins (1978). Moreover, Hart (1995:233) states, "Identity is not something cosmetic: it is the core of an organisation's existence". Corporate identity is a planned assembly of visual cues by which the stakeholders recognise and discriminate one company from another (Bernstein, 1984). Actually, there is a deeper interpretation about the organisational identity where Hatch and Shultz (1997) conceive it as a collective, commonly-shared understanding of the organisation's distinctive values and characteristics.

"Reputation has to be seen as a strategic issue and not a tactical one. At its heart is the harmony between identity and image." (Davies et al 2003:176). Indeed, every practice or message that communicates consciously or unconsciously, inside or outside the

organisation is part of the image, identity and reputation building process. Likewise, culture, identity and image form three related parts of a system of meaning and sense-making that defines an organisation to its various constituencies (Smith, 2005; Hatch and Shultz, 1997). Stakeholders must accept the various deeds of the organisation so that it can fit them together logically and emotionally; if it cannot find a simple motive for some corporate activity, then it is liable to impute a wrong motive (Martineau, 1958). In the case of the corporate identity, the organisation sends all kind of messages and the way the stakeholders perceive and interpret them, integrates what is called corporate image.

In order to be competent in the global market, organisations must identify who are the main stakeholders and what are they expecting from the company. Regarding Balmer and Gray (1999) corporate communication is the process through which stakeholders perceive the organisational identity to form the image and reputation. Indeed, in Figure 2.1 is illustrated the wider view that is developed in a new model of corporate identity-corporate communication process. Nevertheless, “Communications is only part of public relations. We tend to think that all problems can be solved by listening and talking, but how the organisation behaves is the critical factor in its stance to its public” (Haywood, 2002:22). Certainly, today publics are more informed and they demand from organisations an ethical and straightforward communication. Regarding Bernstein (1989), corporate communications management should be undertaken not only because it makes good business sense but because companies have a moral duty to communicate: it is a question of integrity.

Figure 2.1 A new model of the corporate identity-corporate communication process adapted from Balmer and Gray (2000).



Organisations must perform ethically, understand themselves and consequently be coherent in the messages that they convey to the different stakeholders reflecting their reality, always facing the risk to be misunderstood. Moreover, the way people interpret the messages in business communication, has a strong relationship with the hermeneutic, the art of the interpretation that gives significance to impressions (Prasad et al, 2002; Ferraris, 1998). Corporate communication can be described as the orchestration of all the instruments in the field of organisation identity in such an attractive and realistic manner as to create or maintain a positive reputation for groups that have a relationship with the organisation (Van Riel, 2003). Those inherent elements that an organisation usually cannot control are taken into account by publics in a relevant manner.

“The contacts we have with an organisation are a mixture of tangible and intangible, the rational and the emotional” (Davies et al 2003:63). A rational assessment could be done when a member of the company staff gives some advice to the customer, although an emotional one could come out related to his appearance. Furthermore, the same mixture determines the way in which employees build the organisation’s identity. They receive the official information, such as historical facts, organisational structure, mission, vision, values.

Equally, Hatch and Shultz (1997) argue that the actions and statements of the top managers simultaneously affect organisational identity and image. On the other hand, the interaction with peers and colleagues sets the basis to know the non-written history, the one that is transmitted informally. Both sources establish the internal perception. Actually, as Davies et al (2003) refer the way that employees feel about their organisation will affect the way they deal with customers and therefore the way the customer feels about the organisation.

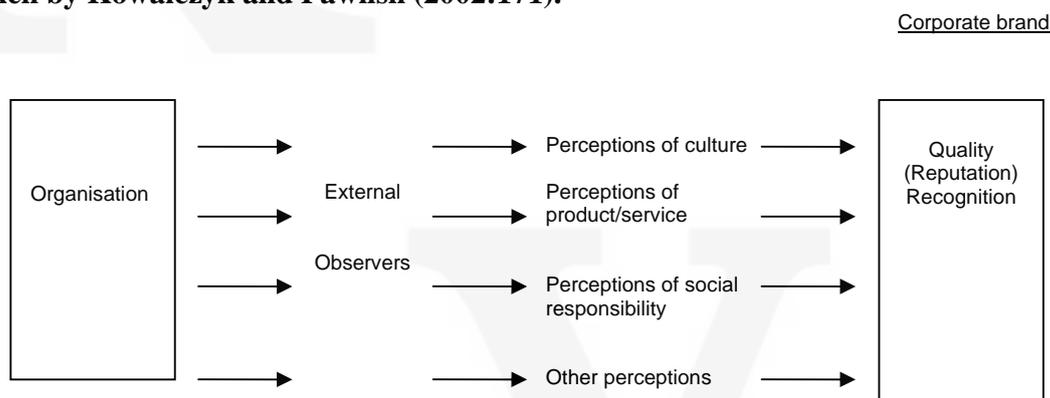
2.2 Customer Satisfaction and Retention

Many authors establish the link between customer satisfaction and retention. One example is the study developed by Hart and Rosenberg (2004), which shows through the application of the model created by Andreassen and Lindestad (1998) in the store retailing context. Their studies focus on how the total effects of corporate image, direct and indirect, on customer loyalty are more much substantial and the influence that corporate image has on core service and satisfaction perceptions. Alternatively, Ranaweera and Prabhu (2003) carry out an insight suggesting that customer satisfaction implies other elements like trust and switching barriers, in the case of service companies, having strong positive effects on customer retention. Nevertheless, the paper concludes that both elements have to be pursued through planned differentiated and independently strategies.

Taking into account that one of the sources to gain customers' trust is the employee that provides them the daily service, Davies et al (2003) argue that the market orientation requires a high degree of contact between customers and customer facing employees, and the empowerment of these employees to adapt to customers' needs, rather than necessarily stick to a set of centrally defined rules. Hatch and Schultz (1997) have a similar stance, cited by Kowalczyk and Pawlish, 2002) who pointed that since culture is deeply embedded in organisational behaviour, brand values based on credible cultural expression will serve to produce genuine coherence between the promise and the performance the corporation delivers. In addition, Kowalczyk and Pawlish (2002) assumed that distinct perceptions conceptualized the relationship between culture, reputation and corporate branding, as it is

illustrated in Figure 2.2. Therefore, the members of the organisation are conceived as vital builders of the corporate reputation. “A company’s reputation sits on the bedrock of its identity – the core values that shape its communications, its culture and its decisions.” (Fombrun, 1996).

Figure 2.2 Model of relationship between external perceptions and corporate brand, taken by Kowalczyk and Pawlish (2002:171).



Moreover, it is undoubted that the internal and external relations are collapsing together in organisational practice, thus they also indicate a need to combine knowledge and skills to deal successfully with these change (Hatch and Shultz, 1997). In addition, in the study undertaken by Kowalczyk and Pawlish (2002) six of the largest firms in Silicon Valley were assessed. It was founded that might be a relationship between the external perceptions of organisational culture and corporate branding as measured by reputation. The conclusions referred that in those specific companies, the corporate brand may partially reflect external perceptions of culture.

The present study considered the research work developed by Jamieson (1994), who took into account the external and internal measurement, focusing on understanding and meeting purchasers’ needs, assembling management and employees’ requirements in order to achieve their retention. Besides, in this research the former customers’ vision was incorporated, a stakeholder that is outside from all of the previous approaches related to the

reviewed subject. Their knowledge is deemed crucial in order to keep, record and exploit their lived experience as earlier purchaser.

2.3 Corporate Reputation Measurement and the Narrow Approach to Stakeholders

According to the new global business context, corporations are aiming to reach the positive recognition and positioning in the customers' mind since the booming 80s. Despite the incipient empirical research about the scope, there have been increasing attempts to develop some scales and ranges to measure under the basics of academic rigor. In 1983 was the first time that the 'America's Most Admired Companies', published in *Fortune's* magazine where the 10 firms list was showed as an evidence of business brand success (Fombrun, 1996). This annual ranking deems the appraisal from senior executives, directors and analysts to conform its list. Two main limitations of the empirical approach have been founded. First the lack of theoretical grounds, secondly the absence of relevant stakeholders' contribution like employees, customers and local community (Davies et al 2003, Schultz et al 2001).

However, ranking reputation awards have been turned to apply new methodologies such as the Reputation Quotient (RQ), proposed as a standardized measurement instrument, to track the corporate reputations of business firms (Van Riel and Fombrun, 2002). Another example is 'The 100 Best Companies to Work for in America', showing the long-term reputational capital of those companies (Fombrun, 1996). Its main criterion is the employees' appraisal of their workplace environment. Following *Business Week* and further specialized media have shared own rankings scrutinizing the U.S. business environment based on what they considered successful corporate brands.

Furthermore, as part of the scholastic efforts to explore the subject, Bernstein (1984) proposes eight corporate values that encompass the dimensions of organisational image. (1) Integrity, (2) Value for money, (3) Technical Innovation, (4) Social responsibility, (5) Service, (6) Reliability, (7) Imagination and (8) Quality. It is remarkable that these dimensions will be followed by other authors undertaking future research studies. In

contrast, The Rotterdam Organisational Identification Test (ROIT) scale, referred by Davies et al (2003), does not reveal the nature of corporate identity itself, but more the inputs to and the consequences of that identity. The key measurement is that of the employees' identification.

In Table 2.3 depicts the SERVQUAL Scale, created in the 1980s and based on five dimensions: (1) Reliability, (2) Assurance, (3) Tangibles, (4) Empathy and (5) Responsiveness. Its aim is oriented to measure service quality and to explain the gaps that can exist between what customers expect and what senior management tries to supplier (Buttle, 1996; Zeithaml et al 1991; Shahin, n.d.). Regarding the internal environment as a consequence of agreement 'insiders' needs and corporate decisions are that satisfied employees within organisation's environment turn to customers get served better. Contrastively, the differences among organisation's and customer or employee expectations could damage credibility, communication and reliability.

Table 2.3 SERVQUAL model dimensions (taken from Buttle, 1996)

Dimensions	Definition	Items in scale
Reliability	The ability to perform the promised service dependably and accurately	4
Assurance	The knowledge and courtesy of employees and their ability to convey trust and confidence	5
Tangibles	The appearance of physical facilities, equipment, personnel and communication materials	4
Empathy	The provision of caring, individualized attention to customers	5
<i>Responsiveness</i>	The willingness to help customers and to provide prompt service	4

Another kind of approach is the framework called AC2ID Test, which is “an acronym that encapsulates a mosaic of five types - namely, actual identity, communicated identity,

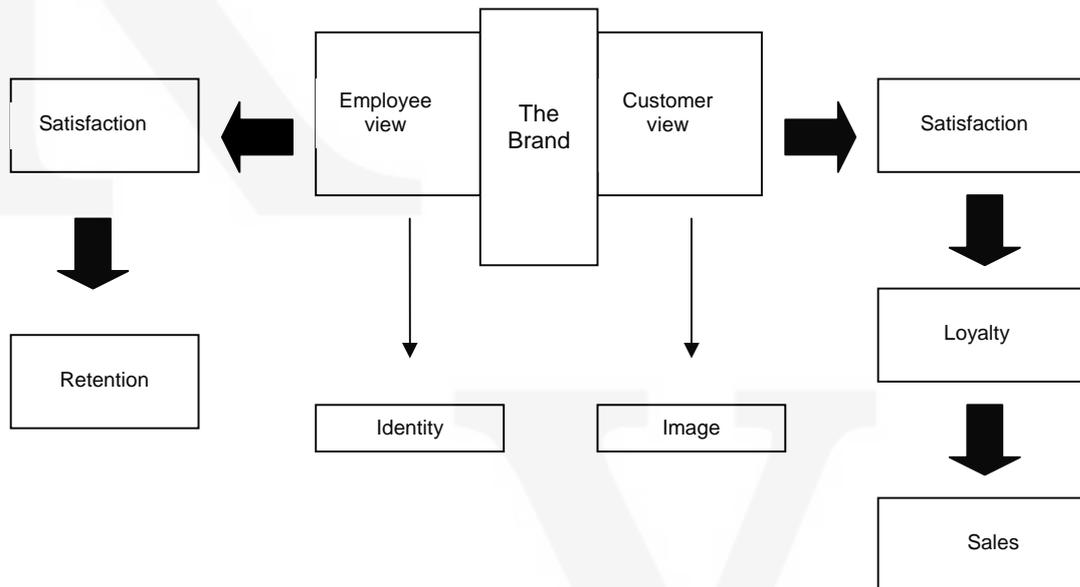
conceived identity, ideal identity, and desired identity.” (Balmer and Greyser, 2003:16) The five identities model was constructed on the ground of field research carried out in the U.S. and U.K. within the corporate identity industry and takes for granted the intrinsic relationship between ‘insiders’ and ‘outsiders’ perspectives in order to shape the corporate reputation. Indeed, the ‘monolithic phenomenon’, has been criticized by its creators and self considered as a narrow and inadequate vision bearing in mind that the stakeholders considered are managers, media and consumers. This insight was enriched explaining the interaction between the multiple identities, their complexity and how can it be broken the harmony between them.

Likewise, the Global Reputation Quotient (RQ) Project was developed by Gardberg and Fombrun (2002) to construct a cross-nationally instrument measuring the corporate reputation despite geographical boundaries. Moreover, Figure 2.3 shows the two groups divided by Fombrun (1996) conceptualize the main constituencies that embody the general estimation in which an organisation is held, their opinions significantly affect the way the company is regarded and a whole assessment is undertaken by them.

A valuable analysis and critic of distinct organisational identity approaches was carried out by Illia and Lurati in which they concluded, “although they propose filling the gap with specific stakeholder perceptions that, *a priori*, are relevant for the organization, they do not consider which stakeholder interpretations have current consequences for the organization” (Illia and Lurati, 2006:301).

Although The Corporate Reputation Chain model proposed by Davies et al (2003) referred merely the employee and customers views, this proposal is deemed useful to develop the findings of this empirical work in the light of exploring the link between corporate reputation and customer retention. The model intended to represent the ideal, however it summarises the thinking that the employees’ view will influence the customers’ view. Moreover, the authors assume that there are linkages between employees and customers’ satisfaction and that one trigger the other. Finally, the model suggests the association with satisfaction to sales growth and therefore to financial success.

Figure 2.3 The Corporate Reputation Chain (Davies et al 2003:76)

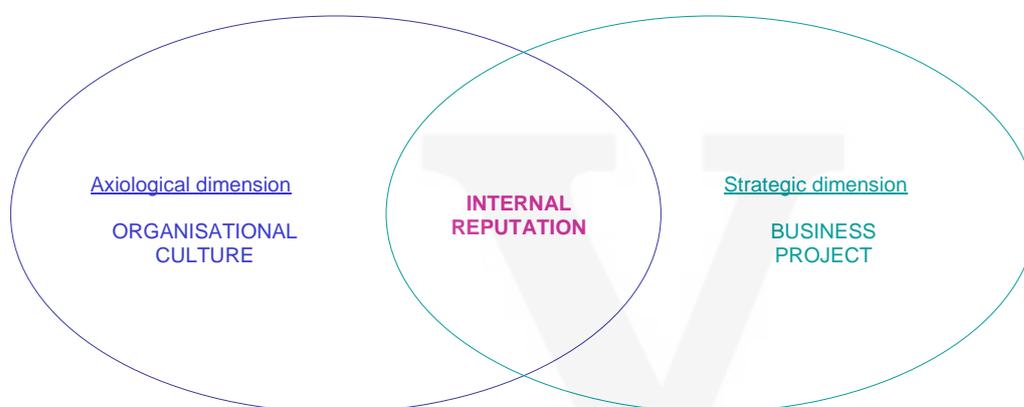


In order to gain a better understanding of the internal situation in the present case study is considered the insight undertaken by Villafañe (2005) and the research firm MORI in which is assessed the 'internal reputation' (identity) of an organisation, following two main cornerstones: (1) axiological, oriented to measure the individual values and beliefs. (2) strategical, focus on the business project and the corporate values. (See Figure 2.4) The approach is deemed not only as up-to-date material which retakes many conceptual and theoretical frameworks in the corporate reputation scope, but potentially valuable as a ground research that is underpinned in evidence and organisational culture analysis of the firm studied.

Although Villafañe's analysis is focused in the internal perspective; the intrinsic relationship between the corporate identity and the image that is projected to the external stakeholders is present in his insight as the resource that triggers the corporate image.

As a result of the theoretical framework discussed, to validate and enriched the conclusions, the model of the relationships between organisational culture, identity and image is included. The contributions of the internal and external field research are explaining from this model that conceptualizes the influences and nexus from the identity to the image and *vice versa*. Finally, a better understanding of this interaction will contribute discerning the principal elements that link the corporate reputation with customer retention.

Figure 2.4 The concept of internal reputation, the convergence between culture and project (Villafañe, 2005)



3. Review Problem for Investigation

3.1 Problematic

The selected organisation has many elements to achieve a favourable corporate reputation possibly linked with customers' perception. The roots of the problem may concern the gap between its identity and the image that the organisation projected to the external environment. To explore the link between a desired reputation and customers' retention a deep insight of internal and external perception was undertaken. Once the identity is assessed by the main stakeholders involved, the employees, the next stage was focused in customers' perception related to the company as a whole.

The purpose was to have an approach to the organisation's identity to understand the internal culture. On the other hand, the current customers' perception was researched to

find out which is the company's added-value developing long-term relations. Nevertheless, it was important to reveal the main reasons of former customers to leave the brand in order to transform these findings into opportunities at hand. Finally, as a result of the analysis of the corporate image and identity, the organisation's reputation was another outcome deeming that there is not a similar analysis undertaken by this organisation so far in that scope. According to Aldridge and Levine (2001) the triangulation and different perspectives approach will contribute with the findings enhancing the company's identity and image to acquire a stronger brand reputation avoiding failed unknown practices that caused past clients looked for the competitors.

3.2 Problem Statement and Research Questions

To carry out a study of the corporate identity of a specific Mexican packaging producer to explore how the corporate image influences the customer's retention taking into account other relevant stakeholders such as former customers and competition.

To do this, the following research questions will be addressed:

- RQ 1: To profile the Mexican producer's organisational identity.
- RQ 2: To investigate the relationship between the organisation and its current customers.
- RQ 3: To analyze the former customer perspectives to find out the reasons for leaving.
- RQ 4: To identify and evaluate the key factors to encourage customers' retention.

4. Methodology

4.1 Explaining the Research Setting

This research approach is based on a single case that shares a business concern in global business environment applying mostly the qualitative method (Stacks, 2002). Set in the Mexican context of a particular packaging producer, the study is focused in the probable connection between its reputation and customers' retention.

Thus, the organisation featured is a Mexican paper box container integrated by around 1300 employees, 60 per cent being workers dedicated to direct production activities and the remainder staff performing in administrative or office duties. Two strategic sales points in the North of Mexico are the location for this enterprise to cover local and North American markets. Globalization agreements such as the American Free Trade Agreement (NAFTA) represent a way to develop business strategies for Mexican enterprises. Several issues related to inequality conditions and market opportunities appeared in the context. One of the biggest challenges that this particular company faces is to keep its current customers in order to counteracting the larger international corporations that entered in the Mexican market.

The above context in addition to the particular organisational characteristics that this company shows like, technological vanguard infrastructure especially in internal and external communications, high quality standards and culture as well as the availability to improve. On the other hand, having a remarkable contrast with the lack of customers capital and reputation analysis concerning its main stakeholders combined to the scarce former customers record, were the key elements to consider for this insight.

4.2 The Research Design and Methodology

Through cross-reference a triangulation was applied as a multistrategy research tool, 'testing' the reliability and validity of findings. This approach encourages the maximum utilization of the data at one's disposal by producing deeper density of coverage of the area (Layder, 1993). Consequently, it was considered the use of density of analytic viewpoints taken from theoretical perspectives based on secondary research and in analysing documents to help in the formulation of findings in the immediate research.

The study's insight has concentrated in three stakeholders' point of view, the employees, in addition to the former and current customers of the organisation; being an embedded analysis (Yin, 2003) within specific theoretical framework based on corporate reputation (Hart and Rosenberg, 2004; Gardberg and Fombrun, 2002), corporate communication management (Bernstein, 1984; Haywood, 2002; Van Riel and Fombrun, 2002) the organisational culture, identity and image impact in the business' perception (Hatch and

Shultz, 1997; Kowalczyk and Pawlish 2002; Davies et al 2003; Martínez and Pina, 2005), customer retention (Ranaweera and Prabhu, 2003; Ang and Buttle, 2005; Jamieson, 1994) and human behaviour (Alexandris et al 2002, Andreassen and Lindestad 1998). Besides, the information published on the main competitors, such as webpages, press releases and annual reports of the organisation itself, was reviewed being useful resources to gain a broader knowledge structure.

Accessibility to official data was a crucial element that supports this field research. Taking into account similar backgrounds between the researcher and a key sales executive as well as a goodwill relationship with the company's Chief Executive Officer (CEO), represented an important advantage to gain access to stakeholder databases and various corporate records like previous customer's feedbacks applied in addition to annual reports. Besides the open minded corporate culture and the electronic communication practiced by the staff members, helped to gain confidence resulting in a prompt answer. Although, through a mutual agreement the research was introduced to the three stakeholders approached as an independent study that encompassed the author's dissertation for a master degree programme undertaken from U.K. As an external researcher, this insight attempted to offer a considerable level of confidence, anonymity and reliability to the sources.

Despite, the information access brought by the organisation members, the customers' and former purchasers' response have to be encouraged through many attempts being a struggle to overcome having as an ally merely communication to distance. Besides, through the telephone calls was discovered that the buyer executives which are the main contacts, are available commonly during the local first four hours in the morning, latter they work outside their company. The main disadvantage was to have only the office telephone numbers, reducing to online communication as the only possibility to establish communication bearing in mind the different time-zones and the high cost.

The findings had underpinned through telephone interviews and online questionnaires, documental and electronic resources. The research strategy allowed approaching the case from multiple perspectives. Equally, this study was carried out to explore a likely

relationship related to the importance of the corporate reputation in the customers' retention process. Furthermore, to gather valuable information about the attitude, values, beliefs and motives from the former and current customers as well as the employees, online communications were the primordial approach to establish rapport with the potential participants.

In order to approach three stakeholders' view, it was sought the most appropriate research instruments. Firstly an interview with the CEO was carried out to expose the project aims as well as the research proposal. As a result the principal arrangements and agreements were established to undertake the study. There was an open and accessible attitude, nevertheless he asked not to be disclosed the firm name in the written report. In addition, official records can be revealed only using percentages to keep the accurate figures confidential. Regarding customers' feedback, merely with the purpose to emphasize specific and representative findings should be revealed within the academic project.

In an attempt to understand the internal view of the members of the organisation members this study has been supported in the Davies et al. (2003) theoretical background in which the cornerstone of the corporate reputation is that the employee and customer satisfaction are interlinked. Indeed, the heart of The Corporate Reputation Chain are the key elements of image and identity. Moreover, the employees' questionnaire was based on the main items taken from the study carried out by Villafañe (2005), regarding to what he called 'internal reputation' and supported by the research firm Marketing and Opinion Research International (MORI).

On the other hand, the external insight addressed the present and former customers. It was a result of an extensive review of literature in order to gain a better understanding of how to gather relevant data, obtaining the outsiders' main priorities for improvement that simultaneously brought crucial evidence to cross with the overall sources consulted. The proposal of Gardberg and Fombrun (2002) was deemed as the most suitable for the research aims, because of the insight that he developed within a company considering as eminent the convergence among business project and organisational culture the fundamental to achieve

a positive internal reputation. Consequently the interviews focus was based on five scopes: (1) Product and service, (2) Vision and leadership, (3) Corporate social responsibility, (4) Culture and workplace environment, (5) Innovation and (6) Financial health.

The nature of the 58 questions was mostly based on experience and knowledge of the clients and employees. The grand tour questions were useful to know the overall vision that the participant had around the topic and the contrast questions helped to reveal the main issues associated with identity, reputation, competition and retention in the particular case of the company.

In order to gather the most valuable information from the participants, the in-depth questionnaire was based on open-ended questions, therefore, included exploratory questions. This structure allowed summarizing the previous idea to search deeply in the main subject. Finally a critical and analytical insight was taken towards the evidence founded from the outlooks.

The starting aim was to establish rapport through an appropriate introduction and characterization of the project. Regarding the past purchasers interviews it was considered as a flexible tool to build trust relationships and to understand the perspectives of participants. Despite the flexibility, an overall direction and control had undertaken through the use of an interview guide with the topic areas to be covered (Daymon and Holloway, 2002).

Another theoretical insight that supported this study is the outlook that Jamieson (1994) provided in customer retention measurement field, combining the internal and external assessment. The first should be able to secure the commitment of the staff, the second that hopefully will result as a direct consequence of a focused, customer retention strategy. Despite the absence of former customers' data in the ample literature background and related prior studies examined, the researcher considered their incorporation as a key input to achieve a wider customer capital in order to hold their current organisation's perception.

In the light of select the most suitable search instrument, it was considered the fundamental aim, to gather the most from the top customers' needs; therefore it was chosen the in-depth questionnaire based on written statements that offered the researcher a wider comprehension of the six particular subjects. As a result, it was discarded the questionnaire purely based on the numerical scales, only seven Likert-item scale items were used in this research tool aiming to orient the participants in the conceptual judgements. Conversely, regarding the internal approach an insight totally supported on a Likert-item scale structure was deemed the better choice to reach those participants that are familiar with online communications. Also, it was taken into account the attractiveness (voluntary), the little time that they could invest and the anonymous advantages that the electronic blog offered. The main aim was to observe the most important trends, grasping the general perceptions of this stakeholder between what it is 'expected' and 'possessed' in their workplace environment, reflecting its overall identity.

5. Conclusion

This study represents an insight of the corporate reputation subject in a particular Mexican box-container producer case. It offers through cross-reference perspective the fundamentals that drive customer retention. The empirical results suggest consistency with both models taken as a reference point to carry out this research. The first, proposed by Villafañe (2005) in which the business project and the organisational culture must operate in harmony. Secondly, the framework developed by Davies et al (2003) which emphasize the idea that the employees' view influences the customers' view.

The most relevant contribution of this study is the active involvement of former customers in corporate image assessment, in contrast with previous studies searched. It is depicted how the past purchasers can represent the 'learning from the past' cue to enrich the corporate reputation measurement, as a resourceful input. Conversely to what it would be thought, they can show interest in participate in customer service evaluations originated by earlier suppliers. To cross-reference among the distinct resources researched, it is

accomplished a wider thoughtful of the corporate identity, image and reputation hold by the organisation featured.

The findings can be the cornerstone to design an internal programme (undertaken by the firm featured) that flows in two ways, including 'insiders' priorities harmonizing with the corporate aims. The findings indicate that to know and understand the business strategies, previously agreed with staff members' expectations, would result in a higher level of involvement in achieve the corporate goals.

In addition, the results provided by this study represent the first record of former and current customer capital for the organisation featured, opening the possibility to take decisions based on both, external and internal, perspectives in order to develop stronger as well as long-term relationships and when is worth, to explore the possibility of recovering early purchasers through attractive business offers.

Potential limitations of the present study should be considered as such, the particular context approached, may be considered narrow in the light of generalization of the findings. Nevertheless, the methodology and framework applied could be useful as a starting point to further researches in the corporate reputation field.

6. Recommendations

Given the importance of the three stakeholders featured in the present study, future researches should be aimed to a deeper understanding of how a goodwill relationship with the earlier purchasers in addition to a positive corporate reputation could facilitate not only the decision to resume as a customer, but to retain them. As a second insight in future similar studies is suggested that the researcher undertakes a deeper ethnographic study having a physical immersion in the organisational culture to gain a closer observation and approach to the phenomenon from inside (Robson, 2002).

More qualitative research is needed to identify and measure the gaps between the corporate goals and the internal understanding of them, as well as the internal expectations, in order

to develop conclusions linking those findings with the image perceived by the external stakeholders. Thus, also the internal constituencies' retention must to be considering equally valuable and profitable within the business context.

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