

Outcomes of service encounter quality in a business-to-business context

Chanaka Jayawardhena^{a,1}, Anne L. Souchon^{a,*}, Andrew M. Farrell^{a,2}, Kate Glanville^{b,3}

^a *The Business School, Loughborough University, Loughborough, LE11 3TU, UK*

^b *Endeavour Capital Ltd, Level Five, Wakefield House, 90 The Terrace, PO Box 10811, Wellington, New Zealand*

Received 1 March 2005; received in revised form 1 October 2005; accepted 1 February 2006

Available online 22 January 2007

Abstract

Service encounter quality is an area of growing interest to researchers and managers alike, yet little is known about the effects of face-to-face service encounter quality within a business-to-business setting. In this paper, a psychometrically sound measure of such service encounter quality is proposed, and consequences of this construct are empirically assessed. Both a literature review and a dyadic in-depth interview approach were used to develop a conceptual framework and a pool of items to capture service encounter quality. A mail survey of customers was undertaken, and a response rate of 36% was obtained. Data analysis was conducted via confirmatory factor analysis and structural equation modeling. Findings reveal a four-factor structure of service encounter quality, encompassing professionalism, civility, friendliness and competence dimensions. Service encounter quality was found to be directly related to customer satisfaction and service quality perceptions, and indirectly to loyalty. The importance of these findings for practitioners and for future research on service encounter quality is discussed.

© 2006 Elsevier Inc. All rights reserved.

Keywords: Service encounter quality; Customer satisfaction; Service quality; Loyalty; Business-to-business; Professional services

1. Introduction

The service sector has seen dramatic growth over the years, to the extent that its contribution to global GNP exceeds that of all other sectors combined (The World Bank, 2004). However, a number of dynamic factors affect the service industry including government regulation, social changes, business trends, advances in technology, and internationalization (Hoffman, Kelly, & Rotalsky, 1995; Rust & Oliver, 1994). Within deregulated and competitive markets, differentiation strategies, including delivering quality services (Cronin & Taylor, 1992; Parasuraman, Zeithaml, & Berry, 1988) are a primary concern of services marketers (Fisher, 1991).

Within the service quality domain, the importance of customers' perceptions of service encounters is increasingly recognized (Mill, 1986; Namasivayam & Hinkin, 2003). In the words of Bitner, Booms, and Mohr (1994, p. 95), "from the customer's point of view, the most immediate evidence of service quality occurs in the service encounter or the 'moment of truth' when the customer interacts with the firm. Thus, one central goal in the pursuit of 'zero defects' in service is to work toward 100% flawless performance in service encounters". Consequently, these encounters can become an integral part of the image that the customer has of the firm and, in turn, will play an influential role in determining the success of the firm (Bitner, 1990; Bitner, Booms, & Tetrault, 1990). As Hartline, Woolridge, and Jones (2003, p. 43) point out, customers "base their evaluations on their perceptions of the service encounter", due to the inter-personal nature of services.

Bitran and Lojo (1993) explain that service encounters are not random events; they can be treated systematically. Scope is thus high for management control over the success or failure of specific service encounters. Accordingly, "the quality of the service encounter has been recognized as a key strategic competitive weapon" (Mattila & Enz, 2002, p. 269).

* Corresponding author. Tel.: +44 1509 22 88 32; fax: +44 1509 223960.

E-mail addresses: c.jayawardhena@lboro.ac.uk (C. Jayawardhena), a.l.souchon@lboro.ac.uk (A.L. Souchon), a.m.farrell@lboro.ac.uk (A.M. Farrell), kate.glanville@ecap.co.nz (K. Glanville).

¹ Tel.: +44 1509 22 88 31; fax: +44 1509 223960.

² Tel.: +44 1509 22 31 76; fax: +44 1509 223960.

³ Tel.: +64 4 499 5140.

Previous work on service encounters has almost exclusively focused upon retail consumers (Kong & Mayo, 1993; Westbrook & Peterson, 1998). Indeed, service encounter quality in a business-to-business context tends to be both overlooked at the managerial level (Bitran & Lojo, 1993) and under-researched academically (Brown, Fisk, & Bitner, 1994; Chumpitaz & Paparoidamis, 2004; Durvasula, Lysonski, & Mehta, 1999; Gounaris, 2005; Hartline & Jones, 1996). This is surprising given the importance of contact personnel and the social/interpersonal aspects of the encounter in business-to-business services (Paulin, Ferguson, & Payaud, 2000). As explained by Drennan and McColl-Kennedy (2003), professional services tend to be “people-directed”.

The business-to-business context has numerous unique characteristics that warrant special attention. First, business-to-business situations are usually typified by a small number of customers, each contributing significant value to the overall business; the importance of each service encounter is thus more pronounced (McNamara, 1972). Second, it is also the case that business-to-business service encounters are often more frequent than in the case of business-to-consumer transactions (Hardy, 1978). In fact, given the advance of technology, professional services firms report increased use of communication equipment (e.g., cellular phones) for business use (Hooks & Higgs, 2002), thus facilitating personal interactions. Third, in most business-to-business exchanges, a service encounter is not the fulfillment of a single effort but an event in a broader endeavor to build and sustain a long-term relationship (Jammernegg & Kischka, 2005; Miciak & Desmarais, 2001). Fourth, “both academics and practitioners recognize that business-to-business relationships are characterized by closer and deeper interfaces than consumer relationships” (Mehta & Durvasula, 1998, p. 40). Finally, an examination of the service encounter is crucial as service provider employees must be more flexible and innovative because of the potential non-routine elements in their jobs (Dubinsky, Howell, Ingram, & Bellenger, 1986).

Despite the importance of service encounter quality to business-to-business firms (Paulin et al., 2000), to the authors’ best knowledge, no measure of this construct exists. Thus, there is a call for the development of psychometrically sound measures of service encounter quality in a business-to-business sector. Furthermore, consequences of service encounter quality should be empirically examined in order to develop clear managerial guidelines for the development of optimal service encounter quality strategies in business-to-business services (Parasuraman, 1998).

The objectives of this study are twofold: a) to develop a psychometrically sound measure of face-to-face, interpersonal service encounter quality in the context of business-to-business exchanges; and b) to empirically examine the consequences of face-to-face, interpersonal service encounter quality, again within the context of business-to-business exchanges.

This study intends to contribute to our growing understanding of customers’ perceptions of service encounters. From the industrial practitioner’s point of view, measurement of service encounter quality is critical for a number of reasons. First, if service encounter quality can be captured, the instrument could

be used as a benchmarking tool for service providers in comparing their service provision against that of competitors. According to Rust and Oliver (1994) delivering a superior service offers an opportunity to achieve competitive differentiation. Secondly, improvements in the quality of service encounters can only be made if the current level of service encounter quality is known. This knowledge can be obtained through use of a reliable and valid measure. Thirdly, effective measurement of service encounter quality can be useful in the allocation of resources and in segmentation of customers, since assessment scores of generic service constructs, such as service quality, can be used as an effective tool for segmentation (Parasuraman et al., 1988). Finally, understanding consequences of service encounter quality has important managerial implications. According to Paulin et al. (2000), successful interaction between professional service provider and customer is likely to result in enhanced customer satisfaction and loyalty. In turn, the benefits of satisfaction and loyalty are well documented (Chebat & Slusarczyk, 2005; Heskett, Sasser, & Schlesinger, 1997). By understanding the interrelationships between these constructs, management may be able to contribute to increased firm performance (Chumpitaz & Paparoidamis, 2004; Heskett, Jones, Loveman, Sasser, & Schlesinger, 1994). These reasons in combination make the findings of this research both timely and relevant.

This paper is arranged as follows. The next section provides a background for the constructs of interest. This is followed by a presentation of conceptual development. The methodology used is then described, followed by the study’s results. Discussion of findings and strategic implications for the business-to-business service sector are then provided. Limitations and future research avenues conclude the paper.

2. Literature and theoretical background

Person-to-person interactions are an essential element in the marketing of services (Crosby, Evans, & Cowles, 1990; Czepiel, 1990; Surprenant & Solomon, 1987). Customers’ perceptions of face-to-face interaction with service employees have traditionally been considered one of the most important determinants for customer satisfaction and firm loyalty (Berry, 1983; Liljander & Mattsson, 2002; Oliver, Rust, & Varki, 1997; Winsted, 2000). Similarly, service quality has been found to be related to customer loyalty, arguably the bedrock of any business (Caruana, 2002). The following sections thus provide a brief background of the service encounter, service quality, customer satisfaction and loyalty constructs.

2.1. Service encounters

To date, the literature on service encounters has mostly focused on the consumer sector (Paulin et al., 2000). Nevertheless, and in terms of conceptual definitions, characteristics of consumer services appear to be applicable to the business-to-business sector (Cooper & Jackson, 1988), though this is not true of their operationalizations (Durvasula et al., 1999).

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات