DISCUSSION LEADER COMMENTS

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Services Marketing scholars often link service quality and customer satisfaction to service customer loyalty. The establishment and maintenance of customer loyalty is important to a service firm's profitability chain in that higher levels of loyalty and customer retention reduce the costs associated with recruiting and retaining new customers. Loyalty drives firm profits and stakeholder reinvestments in quality via repeat purchase and word-of-mouth referrals (Reichheld and Sasser 1990; Jones and Sasser 1995). In order to more fully understand customer loyalty, its antecedents and its consequences, service marketing researchers are approaching its study from a relationship marketing perspective. Indeed, the goal of a service firm's relationship marketing efforts is to create and maintain customer loyalty; but, what drives loyalty in customer relationships? The three empirical papers discussed in this commentary address this important question and contribute additional insight into the nature of consumer service relationships. Butaney explores the dimensions of retail customer motivations to engage in relational behavior and the types of retail firms that customers desire relationships with. Moore and Ratneshwar, examine specific services relationship marketing efforts and situational variables in motivating customers to develop certain types of relational bonds. Bansal and Taylor identify environmental and economic factors that inhibit long-term relationships and motivate customers to terminate the relationship via switching behavior. In addition to discussing the unique contributions of each paper to individual areas within the services marketing relationship domain, I will also address their linkages and how they contribute to the domain as a whole. Since each paper deals with different stages of the relationship process, I will first propose and briefly summarize a conceptual framework depicting the services marketing relationships domain. My goal is to provide a brief overview of service relationships from which to stimulate discussion regarding research gaps the papers have addressed and their implications for future research directions in this area. The proposed conceptual framework is not meant to be exhaustive, and is fashioned using a process model approach to buyer-seller relationships (Wilson 1995) beginning with the initial firm relationship marketing strategy and following through to firm and customer outcomes.

SERVICES MARKETING RELATIONSHIPS

Relationship Marketing Strategies - A service firm's ultimate relationship marketing goal is to increase productivity by encouraging customers to engage in relational behavior, to instill customer trust, and to create customer loyalty and commitment to long-term customer relationships. Relationship marketing efforts include various tactics, behaviors, and firm and service characteristics. These efforts can be grouped into financial, social, and structural levels (Berry 1995).

Non-Firm Factors – Influences that affect the extent to which parties engage in relational market behavior include: environmental factors; customer perceptions of firm and product/service value (Woodruff 1997); customer motivations to reduce choices that are characterized by personal, social and institutional dimensions and moderated by customer willingness and ability (Sheth and Parvatiyar 1995); cognitive, emotional, or economic motivations to increase predictability, receive positive value, or increase choices (Peterson 1995); and situational influences of time, social setting, psychological factors, and task definitions (Belk 1975).

Engagement in Relational Market Behavior - When customers respond to a service firm's relationship marketing efforts with repeat patronage, both parties begin to engage in relational behaviors that may or may not lead to the establishment of a relationship. These behaviors include cooperation, communication, the sharing of goals and values, trust-building, interdependence, social bonding, and performance satisfaction (see Wilson 1995).

Relationship Motivations – Adaptation behavior, trust, equity, service quality, customer satisfaction, and perceived value have been proposed as having an effect upon whether relational market behaviors actually lead to marketing relationships; and, they may also be monitored throughout the life of the relationship (see Peterson 1995; Wilson 1995; Parasuraman 1997).

Short-Term Marketing Relationships - Well-established customer relationships have been conceptualized in several ways. First, as a mutual bonding between firm and customer that is based on commitment to an ongoing

exchange partnership. Second, as the customer's loyalty to the firm as exhibited by repeat purchase behavior, and third, as the firm's retention of existing customers. Perhaps, services marketing relationships are characterized by all of these concepts and involve a combination of different types of relational bonds (i.e., basic relationships). Specific types of relationship marketing efforts are undertaken by firms in the hopes of creating financial, social, and structural bonds with customers (Berry 1995). The basic types of relationships involve reciprocity, economic or utilitarian exchange, social exchange, social influence, interpersonal emotions, and social construction of reality (Bagozzi 1995). Since productive relationships take time to develop (Moorman, Zaltman, and Deshpande 1992), and scholars have differentiated between newly-formed marketing relationships and the maintenance of long-term relationships, the proposed conceptual framework separates service relationships into short and long-term stages. Indeed, the dynamics of shorter relationships have been shown to differ from those of longer relationships, in that the relationship length changes the "nature of associations between relational constructs" (Grayson and Ambler 1999, p. 139). Short-term relationships will then either progress to the long-term maintenance stage or may be terminated by either party.

Long-Term Maintenance Motivations and Long-term Relationships - A customer's decision to maintain a long-term service relationship is influenced by *constraints* based on dependence, or *dedication* based on trust; these motivations are driven by environmental, partner, customer, and interaction factors (Bendapudi and Berry 1997). The long-term relationship stage involves the continuance of relational behavior by both the firm and customer, but with a higher level of commitment than in a short-term relationship to extend the relational bonds and to act in each other's best interests. Although the dynamics of short and long-term relationships may differ, both may involve the monitoring of trust, perceived value and equity, and adaptation by both parties (see Wilson 1995; Peterson 1995).

Marketer Productivity and Customer Benefits - *The outcome of long-term service marketing relationships for firms is increased productivity (Sheth and Parvatiyar 1995) which can lead to sustained competitive advantage (Bharadwaj, Varadarajan and Fahy 1993). For service customers, the outcome includes the core service benefits and relational benefits consisting of confidence, social, and special treatment dimensions (Gwinner, Gremler, and Bitner 1998).*

Disengagement Motivations, Relationship Termination, and Switching - If the relationship is perceived as not fulfilling one or more of either party's goals or promises, the relationship may be terminated. Some of the motivational factors influencing termination include service product characteristics, environmental factors, changes in firm strategy, customer dissatisfaction, psycho/social factors (Keaveney 1995; Bitner 1995; Sheth and Parvatiyar 1995); and, service quality and value perceptions (Zeithaml, Berry, and Parasuraman 1996; Woodruff 1997). The termination stage is characterized by the actual dissolution of the relationship by either the service firm or the customer. Customers may terminate by discontinuing use of the service product altogether or by switching to another service provider. (See Figure).

DISCUSSION AND COMMENTS

The three papers in this session expand the literature base of the proposed framework by addressing certain specific components. Improving our understanding of the nature of service relationships and their antecedents and consequences is an important, relevant endeavor. *"An Identification of Consumer Motivational Factors for Establishing Long-Term Relationships with Retail Service Establishments,"* is presented by Butaney as an exploratory, pilot study and it addresses the non-firm factors that influence relational market behavior as described above. Specifically, he examines customer motivations to engage in relational behavior with retail services, which is necessary to further understand the drivers of customer loyalty and service characteristics that influence the firm's relationship marketing efforts. By examining customer perceptions of the effectiveness of specific marketing tactics in maintaining their patronage, Butaney identifies dimensions of customer motivations for engagement and indicates the relative strength of the dimensions as motivators. He finds the motivational dimensions to reflect Maslow's hierarchy of needs. Butaney also expands the view that a customer's desire to engage in relational behavior and the motivational dimensions for doing so may vary across retail service industries. The research questions driving the study and the propositions for future research are provocative and warrant further attention. However, the low power associated with the small sample size and large number of items that were factor analyzed risks overfitting of the data such that we cannot be certain of the true nature of the underlying dimensions. Thus, it will be especially useful for this study to be replicated with a more rigorous construct operationalization process, larger samples and across

consumer segments as Butaney suggests. The results may have important implications for the role of service product characteristics and perceived value in service relationships. Additionally, since Proposition 1 in the paper relates to purchase frequency, it would also be useful to examine customer involvement levels with various types of retail firms to determine the association between involvement and purchase frequency across retail services. Another recommendation would be to assess the association of "interest" as conceptualized by Butaney with Sheth and Parvitiyar's (1995) "willingness" or "ability" construct and their effects.

"*Customer Psychological Attachment to Service Firms: The Impact of Firm-level and Situational Variables,*" by Moore and Ratneshwar contributes to our understanding of the services marketing relationship domain in several unique ways. First, they contribute to research regarding the firm's relationship marketing efforts by testing the effects of specific tactics on relational market behavior. The tactics tested can be related to Berry's (1995) levels of relationship marketing in that the economic incentives are at the financial level and acts of kindness are at the social level. Moore and Ratneshwar contribute to non-firm factors research by testing the effect of situational variables that are most often not under direct control of the marketer. The most provocative contribution of the paper is the conceptualization and operationalization of four dimensions of psychological attachment. These dimensions contribute to the non-firm factors and customer benefits research in that they represent some end goals that customers may be motivated to seek from a service relational bond. Most importantly, they expand understanding of the nature of marketing relationships by defining and testing specific types of relational bonds that might characterize marketing relationships. Their findings of the effects of firm behaviors and situational variables on the dimensions of psychological attachment relational bonds are a worthwhile endeavor. The associations found between psychological attachment and relationship strength aid in understanding of the nature of relationships themselves. An implication from their findings would be to determine if these effects differ between short and long-term relational bonds. There may also be certain types of effect combinations that characterize each type of service industry. I would also initiate discussion by arguing that customer anonymity may actually reflect a firm relationship marketing tactic in that the anonymity of the customer to the firm may be under marketer control and, in some cases, may actually be a function of the firm's design of the service product. Replication of this study is also encouraged to further assess the construct validity, reliabilities and unidimensionality of the measures designed for the study.

"*Beyond Service Quality and Customer Satisfaction: Investigating Additional Antecedents of Service Provider Switching Intentions,*" by Bansal and Taylor, expand our understanding of relationship disengagement motivations and antecedents to switching intentions and relationship termination. Their study addresses the need to examine the effects of factors other than service product characteristics on switching behavior. Especially provocative and timely, is their finding that service quality and satisfaction were non-significant predictors of switching intentions. These results add insight into the ongoing debate regarding the conceptualizations and measurement properties of the service satisfaction, service quality, and perceived value constructs. Also, their finding that the significant antecedents vary by service type is useful. More research in this area of services marketing relationships is necessary to determine and test the effects of all possible antecedents to switching behavior and how these effects vary across service industries and consumer segments. Other research questions prompted by their study might include: 1)Do customer involvement levels vary within the industries or are they just a function of the industry? If they vary, do the predictors of switching intentions also vary? 2)Considering that alternatives must exist for switching to occur, what are the dimensions of alternative attractiveness? How can they be used to more effectively explain and to predict switching behavior?

These papers are complementary in that they address relevant research questions that still remain regarding the nature of services marketing relationships, and their antecedents and consequences. I have attempted to illustrate how the various components that constitute antecedents, relationships, and consequences are interrelated and how the papers are linked within the proposed conceptual framework of services marketing relationships. Additional research questions that apply to the findings presented by the session authors and to service relationships as a whole might include the following: 1)Do the measures used in these studies reflect whether customers were distinguishing between characteristics of short-term and long-term relationships? Additional research that attempts to answer this question can help us determine if the results presented here vary between the two types of relationships; 2)Replication of these and similar studies within industries will also be managerially useful if models can be constructed for industry-specific motivations for long-term relationships, the nature of their relational bonds, and their outcomes; 3)Are there components of antecedents, relational bonds, and consequences that are based on similar, related underlying dimensions? How are they related? 4)Can these dimensions explain and predict behavior throughout the life of the services marketing relationship process? 5)Do the dynamics of the proposed conceptual

framework's relational constructs vary across different service products depending upon the nature of the service act or recipient? 6)Structural bonds, in a business market context, refer to the combination and development of nonretrievable investments, shared technology, and adaptations over time; when strengthened, they may create impediments to relationship termination and are associated with a commitment to continue the relationship (Wilson 1995). A relevant research question pertains to whether these constructs apply to a consumer services marketing relationship context and the nature of their effects on the maintenance of long-term relationships.

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