

**INTERACTIVE SERVICES MARKETING:  
The Relationships Among Information, Technology and Exchange Transactions in Services Marketing**

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**Abstract**

This paper attempts to identify the impact of information and technical support systems, increased transaction standards and more cross-functional and integrated companies on the execution and quality of services marketing. The changes in several dimensions have affected services marketing, altering the way service encounters are supported and delivered. With more data and with faster exchange transactions, the overall level of customer expectations and service quality has increased. This combination of factors has led to implications for services marketing which are presented here as a theoretical framework called interactive services marketing.

**Research Summary**

Interactive services marketing is a concept which focuses on the impact of interactive processes on services marketing. It was originally defined as "the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives." This research presents the concept of interactive services marketing by incorporating three major developments in services marketing.

**Developments**

These three developments are as follows:

1. Information and technology support systems available in companies today should strengthen service delivery mechanisms, suggest the development of new services, and transform corporate emphases from physical assets to people, information, and records.
2. Better informed customers of specific services develop different and more stringent expectations of service transaction time and attendant conditions as a consequence of this new information standard and establish new transaction standards for service operations.
3. Service companies are now more electronically linked with information networks than earlier conceived. They have a fluid information bank available from internal and external data sources. The consumer likewise has his/her own information bank.

**Implications**

The varied implications from this theoretical construct of interactive marketing are several. Initial implications from the new information standard are the following:

- (a) The basis of interactive services marketing consists of tetrads of contact-personnel, customers, machines, and personal communications systems.
- (b) Market intelligence from competitors, customers, and contact personnel will continue to transcend traditional functional boundaries and grow in importance.

- (c) Customization of high-involvement services will be more thorough and data-directed.
- (d) Market performance results of services offerings will be reported faster.

Some initial implications from the transaction standard are:

- (a) Fluid customer knowledge, often formulated as higher service expectations, will impact the services exchange.
- (b) Customer expectations in high quality, high involvement services will continually increase.
- (c) More complete incentive and rewards systems for customer-contact personnel conducting service transactions will distinguish the service companies that can retain productive employees.
- (d) Transactional performance of customer contact employees will be the central measure of quality and success in services marketing.

Some implications from increasingly integrated companies are:

- (a) Customer-contact employees will be more knowledgeable and thus more functional and integrated with both the development and transaction of competitive market offerings.
- (b) The demise of functional boundaries and the corollary change in the recruitment and selection of personnel will result in increased costs for companies. Cross-functional personnel, working in self-managed teams, will be needed and be in short supply.
- (c) A closer fit between the service offerings and customer needs are possible through the more integrated company.
- (d) There will be greater coordination demands and costs associated with services marketing.

The three developments presented here suggest re-thinking about the relationships between "planning and execution" in marketing. The marketing of services is, in fact, more integrated and interactive than previously realized. Part of this new conceptualization of services marketing as an interactive work stems from earlier research on the service encounter between company personnel and the customer. However, that earlier view limits the comprehension of contact personnel as marketing agents. Company efforts to support individuals' work in planning, designing, and executing service market offerings requires information systems and organizational support. This employee involvement in services marketing can be accomplished perhaps only with different recruitment and selection criteria for those personnel. The likely upgrading of performance attributes and communication skills necessary implies intensive assessment of performance measures, incentives, and both employee and customer retention programs. This concept forces the strategic, functional, and performance integration of services offerings in increasingly competitive markets.