Marketing Service Relationships: the Relative Role of Service Quality

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Increasingly, firms recognize the value of close relationships with their customers because customer retention in intensifying competition is more and more important. The paper analyses services quality in the new relationship marketing paradigm. The article is focused on Anglo-Australian approach to relationship marketing. In this research approach the integration of quality management, services marketing concepts and customer relationship economics are emphasized.

The article is organized in six parts. The first part is introduction. In this part research problem, the aim and the objectives are presented.

In the second part different services quality models are analyzed in order to determine how these models are adequate to changing relationship marketing paradigm. The Adequacy of service quality GAP model, the perceived service quality model and the Gummesson 4Q model of offering quality is analyzed. The analysis reveals that service quality models and instruments are limited to evaluation of a service episode and are static while relationship marketing paradigm requires dynamic approach which could help to assess service quality in long-term perspective along with other relationship quality dimensions.

In the third part V. Liljander – T. Strandvik relationship quality model (1995) is analyzed in order to identify its worth, weaknesses and strengths. The analysis reveals that this model is useful and helps to understand the main relationship quality formation principles. Service quality in this model is treated not as a single variable, but as a loyalty determinant belonging to the system of determinants influencing customer loyalty and interacting with each other. Moreover, another advantage is inclusion of customer behavior variables in addition to the perceptual variables. However, the constructs of this model are vaguely defined, there are only several loyalty determinants, and model is theoretical. Literature analysis showed that there are more significant loyalty drivers therefore further analysis is required.

In the fourth part are presented the main relationship quality dimensions (loyalty drivers) identified analyzing and synthesizing scientific literature.

In the fifth part different empirically tested models are analyzed in order to determine relative importance of these determinants on customer loyalty and to analyze the interaction of these determinants.

Keywords: services marketing, relationship marketing, quality.

Introduction

Tertiary economy sector is becoming more and more important, because more than 80 % percent of work force in the USA was concentrated in service (or tertiary) sector. The contribution of service sector to the GDP was more than 78 % percent (M. Bitner, V. Zeithaml, 2003).

Competition intensifies, consumer behavior is changing, requirements for service quality is growing and technologies develop very quickly. All these factors influence inadequacy of traditional marketing principles (R. Virvilaitė, A. Dovalienė, 2003) and provoked marketing paradigm change from transactional marketing to relationship marketing (M. Christopher, A. Payne, D. Ballantyne, 2002).

There are three broad approaches to relationship marketing (M. Christopher, A. Payne, D. Ballantyne, 2002): The Anglo-Australian approach, the Nordic approach and the North American approach. The first approach emphasizes the integration of quality management, services marketing concepts and customer relationship economics. This paper will focus on this research tradition.

According to R. Virvilaitė and A. Dovalienė (2002), marketing goal in this research tradition is “to maximize efficiency of service delivery and relationships between service provider and customer by managing service quality and relationship quality.” The authors explain that service quality drivers and relationship quality drivers as well as customer life-time value and internal marketing are very important to this research tradition. The value to the customer is provided by perceived service quality improvements, moments-of-true management, and relationship with customer’s development.

In the relationship marketing paradigm quality is the concern of all and customer service along with quality of interaction are paramount. Customer satisfaction is assured by trading relationships (R. Varey, 2002). According to R. Virvilaitė, A. Dovalienė (2002) and I. Gordon (1998), long-term and dynamic perspective is essential to relationship marketing.

Ch. Grönroos (2000) points out that “most service quality models and instruments are basically static” while “services are processes and inherently oriented and customer’s quality perceptions develop and undergo change over time”. T. Strandvik and V. Liljander agree to this point of view (1995).

T. Strandvik and V. Liljander (1995) point out that service quality models should be replaced by relationship quality models as service quality is only one construct of upper structure called relationship quality. Knowledge
about relationship quality dimensions or loyalty drivers are very fragmented (K. Roberts et al., 2000; ). T. Henning-Thurau (2002, 2000) explains that studies of loyalty determinants-drivers (or relationship quality dimensions) can be separated into two groups: univariate and multivariate. Univariate studies analyze relationship between loyalty and a single driver, while multivariate studies analyze relationships between loyalty and several drivers. However, the vast majority focuses on few of them.

**The research problem** solved in this article is the determination of service quality models adequacy to the changing relationship marketing paradigm, identification of the main relationship quality dimensions (loyalty drivers), and determination of relative impact of services quality on loyalty along with others determinants.

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**The aim** of this work is to determine the relative impact of service quality to the consumer loyalty and the interaction of service quality with other consumer loyalty drivers (relationship quality dimensions).

In this work service quality is analyzed not as a single driver, but as one of the dimensions of relationship quality system. The aim of this work emphasizes a systematic approach to solving the problem.

**The objectives** of this work are: 1) To analyze service quality models and to determine its adequacy to fit the relationship marketing conception., 2) To analyze the Liljander-Strandvik relationship quality model and to determine its strengths and weaknesses, 3) To identify the main relationship quality dimensions, 4) to determine the relative impact of service quality to the consumer loyalty, 5) to determine the interactions between relationship quality dimensions.

**The research object** is service quality along with other loyalty drivers and their relative impact on loyalty.

### Service quality gap model

Service quality research by Parasuraman and his colleagues has led to the development of a gap model (see figure 1) that shows five kinds of quality gaps or potential breaks in the relationship linkages that lead to quality shortfalls.

The management perception gap (GAP 1). This gap means that management perceives the quality expectations inaccurately. This gap is due to:
- Inaccurate information from market research and demand analyses.
- Inaccurately interpreted information about expectations.
- Nonexistent demand analysis.
- Bad or nonexistent upward information from the firm’s interface with its customer to management. Too many organizational layers which stop or change the pieces of information that may flow upward from those involved in customer contacts.
- Insufficient relationship focus.
- Inadequate services recovery.

![Service quality gap model](image)

An inadequate marketing research orientation is one of the critical factors. When management or empowered employees do not acquire information about customers’ expectations, gap 1 is large. Formal and informal methods to capture information about customer expectations must be developed through market research.

Another key factor that is related to gap 1 is lack of upward communication. Front-line employees often know a great deal about customers; if management is not in contact with front-line employees and does not understand what they know, the gap widens.

Also related to gap 1 is a lack of company strategies to retain customers and strengthen relationships with them, an approach called relationship marketing. When organizations have strong relationships with existing customers, GAP1 is less likely to occur. When companies focus too much on attracting new customers, they may fail to understand the changing needs and expectations of their current customers.

The final key factor associated with GAP1 is lack of
service recovery. Even the best companies, with the best of intentions and clear understanding of their customers’ expectations, sometimes fail. It is critical for organization to understand the importance of service recovery – why people complain, what they expect when they complain, and how to develop effective service recovery strategies for dealing with inevitable service failures.

The quality specification gap (GAP2). This gap means that service quality specifications are not consistent with management perceptions of quality expectations. The quality specification gap is result of:

- Planning mistakes of insufficient planning procedures.
- Bad management of planning.
- Lack of clear goal-setting in the organization.
- Insufficient support for planning for service quality from top management.
- Unsystematic new service development process.
- Vague, undefined service designs.
- Failure to connect service design to service positioning.
- Lack of customer defined service standards
- Absence of process management to focus on customer requirements.
- Inappropriate physical evidence and serviscape.

The service delivery gap (GAP3). This gap means that quality specifications are not met by performance in the service production and delivery process. The service delivery gap is due to:

- Specifications which are too complicated and / or too rigid.
- Employees not agreeing with the specifications and therefore not fulfilling them.
- Specifications not being in line with the existing corporate culture.
- Bad management of service operations.
- Lacking or insufficient of internal marketing.
- Technology and systems not facilitating performance according to specifications.
- Deficiencies in human resource policies: ineffective recruitment, role ambiguity and role conflict, poor employee-technology job fit, lack of empowerment, perceived control and teamwork.
- Failure to match supply and demand: failure to smooth peaks and valleys of demand, inappropriate customer mix, overreliance on price to smooth demand.
- Customers not fulfilling roles: customer ignorance of roles and responsibilities, customer negatively affecting each other.
- Problems with service intermediaries: channel conflict over objectives and performance, Channel conflict over costs and rewards, difficulty controlling quality and consistency, tension between empowerment and control.

The market communication gap (GAP4). This gap means that promises given by market communication activities are not consistent with the service delivered. This gap is due to:

- Market communication planning not being integrated with service operations.
- Lacking or insufficient coordination between traditional external marketing and operations.
- The organizations failing to perform according to specifications, whereas marketing communication campaigns follow these specifications.
- An inherent propensity to exaggerate and, thus, promise too much.
- Lack of integrated marketing communications: tendency to view each external communication as independent, not including interactive marketing in communications plan.

Customer gap or perceived service quality gap. This gap means that the perceived or experienced service is not consistent with the expected service. Key factors leading to the customer gap are:

- GAP1: not knowing what customers expect.
- GAP2: not selecting the right service designs and standards.
- GAP3: Not delivering to service standards.
- GAP4: not matching performance promises.

Perceived services quality gap results in:

- Negatively confirmed quality and a quality problem.
- Bad word of mouth.
- A negative impact on corporate or local image.
- Lost business.

The perceived service quality model

In the perceived service quality model (see figure 2) functional and technical quality dimensions are connected. The functioning of technical and functional quality and influencing factors is modeled.
process–related variable refers to HOW customer gets. Good perceived quality is obtained when the experienced quality meets the expectations of the customer; that is; the expected quality. If expectations are unrealistic, the total perceived quality will be low, even if experienced quality measured in objective way is good. The expected quality is a function of a number of factors: marketing communication, sales, image, word of mouth, public relations, customer needs and values. When quality programs, which may even include functional quality aspects, are implemented, perceived service quality may be low, or even deteriorate if the firm simultaneously runs over-promising advertising campaign.

The Gummesson 4Q model of offering quality

The model is illustrated in Figure 3. The model integrates goods and services and goods are treated as part of services offered because in modern services economy it is difficult to keep goods and services apart. The model has expectations, experiences, and image and brand variables. As in perceives service quality model image refers to company image as in perceived service quality model developed by Ch. Grönnroos. The brand variable adds new aspect to models of perceived quality. Whereas image is related to customers’ view of a firm, brands refers to the view of a product that is created in the minds of customers. The term “brand image” is sometimes used for this phenomenon. According to the Gummesson 4Q model of offering quality, customers’ perception of the total quality, on the other hand influences image of the firm, but on the other hand it also contributes in a decisive way to the brand that is emerging in the minds of the customers.

The two first quality concepts in the model are sources of quality. Design quality refers to how well the combination of goods and services are developed and designed. Design quality errors result in poor performance and negative experiences. Production and delivery quality refers to how well services and goods are delivered compared to design.

The two other quality concepts form the result of the goods production and services delivery. Relationship quality refers to how the customer perceives quality during the services processes. Relational quality is closely connected to the functional quality dimension.

The Lijander – Strandvik relationship quality model

There are four basic ideas behind the model (see figure 4):

- One important aspect is the division into two levels, an episode and a relationship level. These will be discussed in detail following the description of the model.
- Another issue is the relation between service quality, satisfaction and service value.
- The third aspect is the extended disconfirmation framework that the model is based on.
- The fourth aspect is the inclusion of variables describing customer behavior variables in addition to the perceptual variables.

The lower part of the model is related to the perception of service quality in a single service encounter or episode.

An episode can be defined as an event of interaction which has a clear starting point and an ending point and represents a complete service exchange. Within the episode there can exist several interactions (acts). It is clear that the operationalization of episodes vs. acts should be service-specific. The term episode is defined as having four elements: a) product or service exchange; b) information exchange; c) financial exchange and d) social exchange.

The service experienced in a service encounter can be compared to any comparison standard, not only to predictive expectations as is traditionally the case in service quality models, or it can be compared to no comparison standard, depending to what seems to generate most valid result.

Episode performance can be within tolerance zone or it can drop below adequate service – the minimum level considered acceptable. If episode performance is out of adequate service level, the customers will be frustrated. By comparing the episode quality that emerges with the customer perceived sacrifice the customer forms his (or organization’s) perception of value for him provided by the episode. This in turn leads to satisfaction or dissatisfaction with the service. The satisfaction with a given service encounter (episode) influences the future behavior of the customer.

The customer-perceived episode-level value, as well as bonds that exists, influence the customer’s image of the service provider. The image incorporates the customers’ old and recent experiences with the firm and builds a bridge to the relationship level of the model. The image functions as a filter when customer perceives the next episode or service encounter.

Perceptions of quality and value of episodes or service encounters following each other accumulates into perceived quality of the relationship.
According to the Liljander – Strandvik model, the customer compares the firm’s ongoing performance in subsequent service encounters (relationship performance) with a comparison standard and, based on that comparison to customer-perceived long-term sacrifice (relationship sacrifice) the value of the relationship at a given point in time is perceived (relationship value). This affects long-term satisfaction with the service provider (relationship satisfaction), which in turn feeds into the image on the one hand and into future behavior (loyalty and commitment) on the other hand. This influences the formation of bonds between customer and service provider. There are: economic, technological, geographic, time, knowledge, social, cultural, ideological and psychological bonds.

The model very well explains the principles of relationship quality formation, but only interactions of quality, satisfaction and value are analyzed. Moreover, the model is theoretical and not tested empirically. According to T. Hennig-Thurau et al. (2002) and R. Brodie et al. (2003), the analysis of loyalty drivers should be based on multivariate approach, because there are many different loyalty drivers. In the next section of this article consumer loyalty drivers (or relationship quality dimensions) will be analyzed.

**The analysis of relationship quality dimensions (consumer loyalty drivers)**

**Relationship benefits.** The existing literature on relationship benefits is predominantly of an exploratory kind (T. Hennig-Thurau, 2002). According to V. Liljander (2002), relationship benefits are perceived advantages that the regular customer receives over and above the core service. These are rewards that the individual has gained over the time by being a regular customer. The benefits tie customer to the company by making it unattractive to switch service providers.

An empirical study of different services by Gwinner et al. (1998) identified a number of relationship benefits that were reduced to three main categories: 1) confidence / trust, 2) social benefits, 3) special treatment benefits. Confidence / trust benefits were found to be most important, followed by social benefits and special treatment. According to Berry (2000) relationship marketing relies primarily on social bonds (or benefits), which involve regular communication with customers and service continuity through personal service representative.

According to T. Hennig – Thurau (2000), social benefits pertain to the emotional part of the relationship and are characterized by personal recognition of customer
by employees, the customer’s own familiarity with employees, and the creation of friendships between customers and employees. Confidence benefits refer to perceptions of reduce anxiety and comfort in knowing what to expect in the service encounter. Special treatment benefits take the form of relational consumers receiving price breaks, faster service, or individualized additional services. These benefits exist above and beyond the core service provided.

**Trust.** V. Liljander and Morgan and Hunt (1994) define trust as “confidence in an exchange partner’s reliability and integrity. K. Roberts, S. Varki and R. Brodie (2003) classify it into trust in partner’s honesty and trust in partner’s benevolence. Trust in partner’s honesty is described as “one party’s belief that their needs will be fulfilled by the other party in the future” and requires a judgment as to the integrity and reliability of an exchange partner. Trust in partner’s benevolence is described as “extend to which the firm is concerned for the customer’s welfare and has intentions ant motives beneficial to the customer when new conditions arise for which a commitment has not been made”. R. Varey (2001) explains that “trust is confidence of desirable outcomes from interacting with another, based on predictability, dependability, and fault”. The marketing task is to engender a feeling of reliance.

V. Liljander (2002) and Johnson and Grayson (2000) list four different sources of trust and distrust: 1) generalized trust, based on the firm’s reputation, 2) personality-based trust, 3) system based trust, focused on regulating authorities, 4) process-based trust, arising from interpersonal or customer – firm interaction.

Finally V. Liljander classifies trust into calculus based trust, knowledge based trust and identification based trust and gives qualitative examples derived from a qualitative study:

- **Calculus based trust.** Customers with calculus based trust have trust in the service provide because they believe in to be in the provider’s best interest not to suffer the loss of reputation and profits that a violation of trust would lead to. They believe in the benevolence of the provider, but the belief is based on the cost of deterrence. Even small inconsistencies in performance could have a large detrimental effect on trust perceptions. Calculus based trust may take different forms for different services, but we feel that it is unlikely to be combined with high affective commitment.

- **Knowledge based trust.** According V. Liljander, knowledge based trust is based on knowing the service firm well and being able to anticipate its actions. This type of trust can be related to knowledge bonds in Liljander-Strandvik relationship quality model (1995) (see Figure 5) and confidence benefits, described by Gwinner et al. (1998). V. Liljander points out that effective two-way communication is important to knowledge related bonds because it ensures that parties exchange information about their preferences and approaches to problems. It means that customers have to be willing to share information with the company, and the company has to be willing to learn about customers’ needs and problems and to develop it services accordingly.

- **Identification based trust.** V. Liljander explains that customers with identification-based trust have full confidence in the service company and believe that it will act in their best interests. The service provider has in-depth knowledge of customers’ needs and desires and customer perceive that their desires are fulfilled. V. Liljander explains that shared values characterize this type of trust, and customers tend to defend the company against criticism. Identification based trust can be linked to the cultural and ideological bonds in the Liljander-Strandvik model of relationship quality (see Figure 5).

According to T. Hennig – Thurai (2002), trust creates benefits for the customer (e.g., relationship efficiency through decreased transaction costs) that in turn foster his or her commitment and loyalty to the relationship.

J. Crotts and G. Turner (1999) point out that there are five types of trust: 1) blind trust, 2) calculative trust, 3) verifiable trust, 4) earn trust, 5) reciprocal trust. The authors explain that blind trust is related with the lowest degree of commitment while reciprocal trust has the highest degree of commitment.

**Blind trust** is based upon a lack of knowledge or perhaps some other irrational basis. The antecedents of blind trust are: reputation and interdependence/power. Power imbalance is defined as the ability of one partner to get the other partner to do something they would not normally do. Power imbalance is directly related to the degree of one partner’s dependence on the other partner.

**Calculative trust** is based upon the costs and or benefits of cheating or staying in a relationship. The antecedents of calculative trust are interdependence/power and mutual goals. J. Crotts and G. Turner (1999) define the concept of mutual goals as “the degree to which partners share goals that can only be accomplished in an environment of trust where joint action and maintenance of the relationship is desired by both parties”. These mutual goals provide a strong reason for trust and relationship continuance.

**Verifiable trust** is based upon the ability of one firm to verify the actions of another. The antecedents of this type of trust are: mutual goals and adaptation. According to J. Crotts and G. Turner, adaptation Adaptation occurs when one party in a relationship alters its processes or the item exchanged to accommodate the other party. They expect that adaptation behavior will vary over the life of the intra-firm relationship. In the early states it will be a means to develop trust, and in the mature stage it will expand and solidify the relationship.

**Earned trust** is based upon some experiential basis. That is, one party trusts the other because the other party trusts them. The antecedents of earned trust are: adaptation, non-retrievable investments, performance satisfaction and communication. Non-retrievable investments are defined as the relationship specific commitment of resources which a partner invests in the relationship. These non-retrievable investments (capital improvements, train-
ing, and equipment) cannot be recovered if the relationship terminates. The existence not only of these non-retrievable investments, but also of the amount at stake, creates hesitancy within the parties to terminate a relationship.

**Reciprocal trust.** Finally, reciprocal trust is based upon the participants possessing mutual trust. That is, one party trusts the other because the other party trusts them. The antecedents of reciprocal trust are: communication, cooperation, social bonds and structural bonds. Cooperation has been defined as, similar or complementary coordinated actions taken by firms in interdependent relationships to achieve mutual outcomes or singular outcomes with expected reciprocation over time. Structural bonds develop over time as the level of the investments and adaptations grows until a point is reached when it may be very difficult to terminate a relationship.

**Commitment.** Morgan and Hunt (1994) and C. Crotts and B. Turner (1999) define relationship commitment as: “an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it; that is, the committed party believes the relationship is worth working on to ensure that it endures indefinitely”. R. Varey (2001) explains that commitment motivates effort to preserve a relationship and to resist alternative offers, while viewing high-risk action as prudent in the absence of opportunistic behavior – founded on satisfaction and investment. It may be influenced by the actions of third parties (competing others, etc.).

M. Wetzels et al. (1998) points out that there are two types of commitment: affective commitment and calculative commitment.

According to M. Wetzels et al. (1998) affective commitment is an affective state of mind an individual or partner has towards relationship with another individual or partner. Affective commitment is based on a sense of liking and emotional attachment to the partnership.

Other type of commitment according M. Wetzels et al. is calculative commitment. The others point out that calculative commitment is based on inputs like investments and allocation of recourses specifically for relationship between two business partners.

M. Wetzels et al. suggests that affective commitment is the most effective for developing and maintaining mutually beneficial relationships between partners because affective commitment has strong positive influences on: 1) intention to stay in a relationship, 2) desire to stay in relationship, 3) performance, 4) willingness to invest in relationship. Also affective commitment has negative influences on developing of alternatives for a relationship and opportunistic behavior while calculative commitment has positive impact on development of opportunism and alternatives and therefore has negative impact on relationships.

V. Liljander and I. Roos (2002) point out that there are spurious customer relationship and true customer relationship.

According to V. Liljander and I. Roos (2002), a true customer-service relationship “is (1) the biased (i.e. no random) (2) behavioral response (purchase, word of mouth, information sharing, and other positive behavior), 3) expressed over time, 4) by some decision making unit, 5) with respect to one services provider out of a set of such providers, which (6) is a function of psychological (cognitive and affective) processes, including presence of trust, relationship benefits and the absence of negative bonds, resulting in service provider commitment”.

![Figure 5. Customer relationship levels matrix (V. Liljander, I. Roos, 2002)](image)

Spurious service-relationship is defined by the authors as “the biased (i.e. non random) (2) behavioral response (i.e. purchase), 3) expressed over time, (4) by some decision-making unit, (5) with respect to one or more alternative service providers out of a set of providers, which (6) is a function of inertia, trust deficit, weak or absent relationship benefits and/or the existence of negative bonds.”

V. Liljander and I. Roos states that customers in both true and spurious relationships may be equally satisfied, but with a different degree of commitment expressed as the number of service providers and affective commitment.

In the figure 5 is presented customer relationship levels matrix. The matrix created by V. Liljander and I. Roos integrates affective commitment, trust and relational benefits. There are 8 customer relationship levels depending on commitment, trust and relational benefits interconnections configuration.

Quadrants 2 and 3 in the matrix represent true service-relationship with strong attachment based on relational benefits and trust while other quadrants could be looked on as opportunities for development towards a stronger relationship.

**Satisfaction.** Service quality and customer satisfaction terms are used interchangeably, but consensus are growing that the two concepts are fundamentally different in term of underlying causes and outcomes (T. Hennig-Thurau et al, 2002).

The predominant view is that “quality is the logical predecessor to satisfaction” (Iacobucci et al., 1996).

T. Strandvik and V. Liljander (1995) defines satisfaction as customer’s cognitive and affective evaluation based on their personal experience across all service episodes of within the relationship. K. Roberts et al. explains that satisfaction is a summary measure that provides an evaluation of the quality of the quality of all past interactions with the service provider and, in doing so, shapes expectations about the quality of future interactions.
M. Bitner and V. Zeithaml (2003) point out that service quality focuses specifically on dimensions of service and is component of customer satisfaction whereas satisfaction is a broader concept.

Figure 6 illustrates distinctions between the two concepts. Service quality is a focused evaluation that reflects the customer’s perception of elements of service such as interaction quality, physical environment quality and outcome quality. These elements are evaluated based on service quality (SERVQUAL) dimensions: reliability, assurance, responsiveness, empathy and tangibles. From the figure 6 it is clear that satisfaction is influenced by perception of service quality, product quality and price. There are situational and personal factors, which have influence on satisfaction.

Figure 6. Customer perceptions of service quality and satisfaction (M. Bitner, V. Zeithaml, 2003)

R. Rust, A. Zahorik and T. Keningham (1996) agree that service quality is antecedent of customer satisfaction. The model of chain effects of service quality on profits through retention explains this relationship. There are seven elements in the chain: 1) spending on service quality, 2) Improved service performance, 3) Increased customer satisfaction, 4) increased customer retention, 5) increased market share, 6) Increased revenues and 7) increased profits. The model explains the chain of effects from spending on service quality to increased profits.

The model created by T. Hennig-Thurau et al. support confidence benefits having a strong impact on satisfaction, whereas satisfaction is not influenced by either social or special treatment benefits.

Commitment is significantly influenced by social benefits and special treatment benefits.

Satisfaction has the strongest impact on loyalty both directly and indirectly through confidence benefits.

Trust / confidence benefits have a limited direct impact on loyalty, but they have the second strongest total effect on loyalty. Special treatment benefits influence loyalty indirectly through commitment construct. Special treatment benefits don’t influence loyalty neither directly nor indirectly via mediating variables.

The analysis of relationship quality dimensions interactions and services quality influence on loyalty

An integrative model of the determinants of key relationship outcomes suggested by T. Hennig-Thurau et al. (2002), explains more than 81 % of the variance in the customer loyalty construct and more than 35 % of the variance in the word-of-mouth construct. Numbers in the model (see Figure 7) are path coefficients. Path coefficients show the impact of one construct onto another construct. It is clear that in this model four constructs have significant direct impact on loyalty: satisfaction, commitment, confidence benefits / trust, and social benefits. Path coefficients show that satisfaction has the strongest impact on consumers loyalty, followed rather closely by commitment, social benefits and confidence benefits / trust. It is clear that special treatment benefits have no significant direct impact on loyalty. Satisfaction has the strongest influence on word-of-mouth followed by commitment.

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U. Hansen, T. Hennig-Thurau and F. Larsen (2001) suggested the relationship quality based student loyalty model (See figure 8). In this model between 74 % and 78 percent of student loyalty is explained through the suggested constructs of the model therefore the results broadly confirm the proposed structure of RQSL model. The model and its structure are based on linear structural equation approach.

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The model explains, that service quality is determinant which has the strongest impact on loyalty construct, followed by emotional commitment to the institution. The path coefficient of this relationship is the strongest (0.56). Trust construct has no direct influence on loyalty, but trust has influence on emotional commitment which is above average. Emotional commitment has strong influence on loyalty therefore it possible to make deduction that trust has rather small indirect influence on loyalty through commitment construct. Interestingly, emotional commitment has rather small impact on loyalty construct. The authors of the model explains that if a customer of university services (student) is locked in a relationship against his or her will, then his or her loyalty to the relationship partner declines after that student is “set free”. Goal commitment has weaker impact on loyalty than service quality and emotional commitment, but the influence is still positive and strong.

Model explains that both academic and social integration has a positive impact on emotional commitment. The path coefficient explaining relationship between emotional commitment and academic integration constructs is positive and significant (0.29), therefore it is possible to make deduction that this construct is important sub-driver of emotional commitment. In contrast social integration has positive but rather small impact on emotional commitment, therefore this construct has limited impact on emotional commitment. It is clear that neither student’s job commitment nor family commitment has no significant negative impact on emotional commitment, therefore these constructs are not negative sub-drivers of emotional commitment. Interestingly, commitment to non-university activities construct has significant negative impact on emotional commitment. It means that this construct is significant negative sub-driver of emotional commitment.

Another model based on linear structural equation method, which models the impact of different determinants of loyalty and the interrelationships of these different constructs is conceptual model suggested by M. Wetzels, K. de Ruyter and M. van Birgelen (25) (see Figure 9).

The model proves that significant positive relationship between satisfaction and affective commitment exists (path coefficient=0.19). Furthermore, satisfaction has significant impact also on calculative commitment construct.

Model explains that higher technical quality of the service will result in higher commitment because technical quality construct has strong impact on commitment (path coefficient=0.16). Interestingly, there is no significant impact of functional quality on commitment. Both technical and functional dimensions of quality have no significant impact on calculative commitment. A positive relation exists between technical quality and satisfaction (path coefficient=0.33). The same applies to functional quality (path coefficient=0.16), but technical quality has stronger impact.

The model explains that there is strong positive relationship between trust (benevolence) and affective commitment (path coefficient=0.28). Trust also has significant impact on calculative commitment (path coefficient=0.40). It is proved that honesty is significant determinant of affective commitment (path coefficient=0.33) and lowers the level of calculative commitment, because there is a significant negative relationship between these two constructs (path coefficient=-0.23). The more a customer depends on its service provider, the higher its calculative commitment in the relationship with that partner, and therefore the more it will be balancing gains and losses of that relationship. This is proved by relationship between dependence and calculative commitment constructs (path coefficient=0.30).

Interestingly, there is no relationship between satisfaction and intention to stay. This fact contradicts to the relationship between satisfaction and loyalty in the model suggested by T. Hennig-Thurau et al. (2002) (see Figure 7). In this model both types of commitment do influence the intention to stay, but affective commitment has stronger impact (path coefficient 0.39 and 0.14 respectively).

To compare relationship quality and services quality impact on loyalty K. Roberts, S. Varki and R. Brody (2003) developed conceptual model (see Figure 10).

Four items for measuring consumer loyalty were adapted by authors from Zeithaml, namely, consumer intention to say positive things about service provider, intention to encourage friends and relatives to do business with service provider, intention to keep purchasing services from service provider, and intention to purchase additional services from service provider. 5 items for measuring relationship quality were derived from various authors. Theses dimensions were analyzed in previous sections of this paper. Service quality was measured using SERVQUAL dimensions, suggested by V. Zeithaml, V. Berry and L. Parasuraman: Tangibles, reliability, responsiveness, assurance, and empathy. The model explains that service quality influences relationship quality (path coefficient=1.36). Relationship quality in turn has significant impact on loyalty (path coefficient=0.52). Interestingly, there is no direct effect of service quality on loyalty (path coefficient=0.1), but direct effect is completely mediated by relationship quality, therefore its possible to make deduction that relationship quality scale completely subsumes the effect of the service quality scale.
Conclusions

1. In the literature published service quality models have serious weaknesses. Service quality models and instruments are limited to evaluation of a service episode and are static. Relationship marketing paradigm requires dynamic approach, which could help to assess service quality in the dynamic long-term perspective along with others relationship quality dimensions. The perceived service quality model is basically static, although image factor gives the model dynamic aspect. The Gummeson 4Q model of offering quality is basically static too, but relationship quality and image variables gives model dynamic aspect. The advantage of servqual or gaps model is that this model explains very clearly service quality and its dimensions on the episode level. Also the sources of bad service quality at the episode level are explained very clear. These models should be integrated into more advanced loyalty models as dimensions, having influence on consumer loyalty.

2. The analysis of theoretical relationship quality model suggested by V. Liljander and T. Strandvik (1995) showed that this theoretical model is useful and helps understand main relationship quality formation principles. The model is dynamic and focusing on long-time approach. Service quality in this model is treated not as a single variable, but as a loyalty determinant belonging to the system of determinants influencing customer loyalty and interacting with each other. Another advantage is the inclusion of variables describing customer behavior variables in addition to the perceptual variables. However, model has weak points. The constructs of the model is very vaguely defined and there is no accompanying measurement scale similar to servqual and gaps model.

3. The analysis of fundamental research works helped identify these main possible relationship quality dimensions: functional and technical services quality, satisfaction, social benefits, special treatment benefits, calculus based trust, knowledge based trust, identification trust, calculative and affective commitment.

4. The analysis of fundamental research works showed that services quality is fundamental relationship quality dimension and consumer loyalty driver having the biggest influence on it. No one loyalty determinant has strongest influence on it (0.56). Empirically tested the relationship quality based student loyalty model suggested by T. Henning – Thurau proved the main hypothesis of theoretical V. Liljander and T. Strandvik (1995) model that service quality is main consumer loyalty driver. Second by importance customer loyalty driver is satisfaction. Interestingly both constructs have direct impact on loyalty and indirect through commitment construct. Exception is model suggested by M. Wetzels et al. where satisfaction has only indirect impact on loyalty through affective commitment. This difference may exist because of very different services were tested. Services quality also is important antecedent of trust and trust / confidence benefits have very significant impact on satisfaction. It means that services can influence satisfaction indirectly through trust.

References

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Tomas Palaima

Santykių marketingas: paslaugų kokybės santykinė reikšmė

Santrauka

Tretinis ekonomikos sektorius arba paslaugų sektorius šiandien

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Taigi tolesneje straipsnio dalyje analizuojamos santykių kokybės dimensijos (lojalumo determinantai).


Antras pagal svarbą lojalumo determinantas yra vartotojų pasitenkinimas. Pažymėtina, kad abu šie konstruktau turi ir tiesioginį, ir netiesioginį poveikį vartotojų lojalumui per emocinį įsitraukimą. Paslaugų kokybė taip pat yra svarbus pasitikėjimo determinantas ir daro didelį poveikį vartotojų pasitenkinimui, o pasitikėjimas daro didelį poveikį vartotojų pasitenkinimui, todėl galima daryti išvadą, kad paslaugų kokybė veikia pasitenkinimą netiesiogiai per pasitikėjimą.

Raktasodžiai: kokybė, paslaugų kokybė, santykų kokybė, santykų marketingas

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