

# Retaining customers through relationship quality: a services business marketing case

*Genevieve Catherine Myhal*

AXDEV Group Inc., Quebec, Canada, and

*Jikyong Kang and John A. Murphy*

Manchester Business School, Manchester, UK

## Abstract

**Purpose** – This paper seeks to explore customer-perceived relationship quality in a B2B setting, and to propose a conceptual model for this construct.

**Design/methodology/approach** – An instrumental single case study design is adopted, and Eisenhardt's case study method for theory development is used to collect and analyse data from 55 different customer companies.

**Findings** – The research identifies a list of 208 components that are important to customers' relationship quality perceptions. These are grouped into seven parsimonious dimensions, which are assembled into a conceptual model. The IMP Group's relationship substance framework, composed of actor bonds, resource ties and activity links is built upon and expanded by adding four new dimensions: competitive position, external association, relationship impact, and situational factors. Together, these dimensions successfully encapsulate the items that customers within this study identify as important when evaluating the quality of their relationships with their service provider.

**Research limitations/implications** – Though the case study design used potentially limits the generalisability of findings, it is believed that the proposed model does have a wider resonance in terms of helping both academics and practitioners to understand relationship quality.

**Practical implications** – Because customer relationships (and the benefits derived from them) are difficult to duplicate, these may be a source of competitive advantage for firms. Managing these relationships, as well as their quality, emerges as a point of competitive distinction.

**Originality/value** – To one's knowledge, there is no published paper that provides a conceptual model of relationship quality using the customer's perspective in a B2B setting. It is believed that the research makes a significant contribution in terms of filling this gap in the knowledge.

**Keywords** Customer relations, Case studies, Customer service management

**Paper type** Research paper

**An executive summary for managers and executive readers can be found at the end of this article.**

## Introduction

Because of certain marketplace trends, such as globalisation, magnified competition, increasingly demanding customers, technological advances, and similarity of product and service offering, an emphasis is increasingly being placed on relationship marketing as opposed to the more traditional marketing mix approach (Christopher, 1996; Gruen, 1997; Gummesson, 2000; Paun, 1997). With its focus on achieving profitable, long-term interaction, relationship marketing aims to provide superior value in order to achieve customer satisfaction and retention (Barnes, 2001; Grönroos, 1994; Varey, 2002).

Ongoing, high quality business relationships have been recognised as a source of competitive advantage (Hennig-Thurau and Hansen, 2000; Palmer, 2002), the relationships themselves becoming assets that comprise part of global value delivered to customers (Barnes, 2001). As such, the ability to

assess and control these relationships, to enhance their quality, is important in order to manage their contribution to customer retention and satisfaction (Barnes, 2000; Palmer, 2002). As Page and Sharp (1998, p. 332) note, "relationship quality lies at the heart of relationship marketing, just as ...service quality [does] for services marketing."

The services business within developed economies is believed to be one of the main drivers of technical change and economic progress (Czarnitzki and Spielkamp, 2003). For example, more than 97 percent of jobs added to US payrolls between 1990 and 2002 were provided by the service-producing sector (Goodman and Steadman, 2002). Business services (along with healthcare) have been one of the biggest contributors to this growth (Goodman and Steadman, 2002).

From a micro perspective, buyer-seller relationship development within such (rapidly growing) service orientated business-to-business situations is very important due to extensive customisation (Athanasopoulou, 2006) and greater information exchange. Evidence suggests that services business customers tend to remain with the same service provider if they are continually satisfied (Hong and Goo, 2004). The building and maintenance of such relationships can achieve greater financial performance, customer trust, commitment and satisfaction (Hsieh *et al.*, 2002).

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Though there have been a number of studies that deal with the issue of service quality within the services business context (for, e.g. Szmigin, 1992; Hong and Goo, 2004), relatively little attention has been devoted to an in depth case based investigation of the higher order relationship quality construct within this context.

Thus, in line with the gap identified in the services business markets literature as well as keeping in mind the core focus of this special issue, the present study emphasises the role of relationship quality in a services business setting and provides a conceptual model of customer-perceived relationship quality for the same. Because “quality” has traditionally been emphasised as customer-defined (Christopher *et al.*, 1991; Johnson and Chvala, 1996; Parasuraman *et al.*, 1988), and because previous relationship quality literature highlights understanding customers as essential (e.g. Barnes, 2000, 2001; Gwinner *et al.*, 1998), our research adopts the customer’s point of view to explore relationship quality. Furthermore, in reviewing the available relationship quality conceptualisation, we have not found any that used the customer’s perspective, despite the importance of adopting such viewpoint. The model presented here builds on and expands the Industrial Marketing and Purchasing (IMP) Group’s relationship substance framework to encapsulate customer-perceived relationship quality within seven dimensions.

## Literature review

Within this literature review, we begin with an overview of relationship quality. We point to heterogeneity in the literature with regard to relationship quality definitions and identified components, highlighting the need for further research in this area. Next, we introduce the idea of relationship substance, which offers starting point in understanding the nature of business relationships, and which provides a suitable platform on which to build in order to fully encapsulate customer-perceived relationship quality.

## Relationship quality

While much research has been conducted in areas such as relationship marketing, and quality, a paucity of studies centring specifically on relationship quality has been highlighted within the literature (see Hennig-Thurau and Klee, 1997; Lindgreen, 2001). Though various definitions have been proposed by different authors, there appears to be a lack of consensus regarding what relationship quality constitutes, and what it is composed of. Classic definitions such as Crosby *et al.*’ (1990), who state that “relationship quality, then, is viewed as a higher-order construct composed of at least two dimensions, (1) trust in the salesperson and (2) satisfaction with the salesperson”, appear vague and perhaps limitative (as intuited by the use of “at least” in the definition); moreover, these authors have been criticised for a lack of explanation regarding their choice of dimensions (Hennig-Thurau, 2000).

Holmlund (1997, p. 9) takes steps towards providing a more complete definition in writing:

Perceived relationship quality is the joint cognitive evaluation of business interactions by significant individuals in both firms of the [customer-supplier] dyad. The evaluation encompasses a comparison with alternative interactions of a similar kind which represent comparison standards.

Yet while relationships implicitly involve a minimum of two parties, whose motivations should be understood, quality is generally emphasised as being customer-defined. It thus appears more sensible to define relationship quality, and explore its components, according to customers’ needs and wants.

Within this research, we adopt a new definition of customer-perceived relationship quality: it consists of those characteristics of the focal relationship, viewed as the sum of the interactions between the supplier and the customer, that satisfy both the customer’s personal and business purchasing needs. It is evaluated through comparing the focal relationship with alternative relationships with potential or actual business partners. We believe that such a definition is neither too vague nor too narrow; and that it recognises the customer-defined nature of relationship quality while explicitly expressing the idea that both individual and firm-related needs must be considered.

As with definitions, there is no agreement within the literature as to what components together encapsulate relationship quality. This may be linked to the heterogeneity of viewpoints adopted within various research papers (i.e. customer, supplier, or dyadic), and/or to the variety of industries within which the research has taken place. A review of 38 papers focussing directly on relationship quality has revealed that the six dimensions that recur most often in the literature are as follows:

- Trust (e.g. Crosby *et al.*, 1990; Hennig-Thurau and Klee, 1997).
- Commitment (e.g. Hennig-Thurau and Klee, 1997; Kumar *et al.*, 1995).
- Satisfaction (e.g. Crosby *et al.*, 1990; Lagace *et al.*, 1991).
- Minimal opportunism (e.g. Dorsch *et al.*, 1998).
- Conflict (negative indicator) (e.g. Jap *et al.*, 1999; Kumar *et al.*, 1995).
- Communication (e.g. Lages *et al.*, 2005; Myhal *et al.*, 2001).

Though the most frequently employed conceptualisation appears to be that of Crosby *et al.* (1990), different authors have identified numerous other items, constructs or characteristics that they believe to be a part of relationship quality. This lack of consensus in terms of identifying relationship quality components and dimensions points to a heterogeneity which we believe needs to be resolved.

Additionally, while previous authors (e.g. Crosby *et al.*, 1990; Hennig-Thurau and Klee, 1997; Lages *et al.*, 2005) have proposed conceptual models or measurement tools for relationship quality, none of these has met with general acceptance. Furthermore, to the best of our knowledge, none has done so using the customer’s point of view in a B2B setting. It is this main knowledge gap that we seek to fill herein.

## Relationship substance

The IMP Group have proposed that all business relationships are made up of three layers – actor bonds, resource ties, and activity links – which comprise their substance (Ford *et al.*, 1998; Håkansson and Snehota, 1995). These are defined by Håkansson and Snehota (1995, p. 153) as follows:

Activity links regard technical, administrative, commercial and other activities of a company that can be connected in different ways to those of another company as a relationship develops.

Resource ties connect various resource elements (technological, material, knowledge resources and other intangibles) of two companies. Resource ties result from how the relationship has developed and represents in itself a resource for a company.

Actor bonds connect actors and influence how the two actors perceive each other and form their identities in relations to each other. Bonds become established in interaction and reflect the interaction process.

The three layers are interwoven and interdependent, Håkansson and Snehota (1995) explain. Actors activate resources by carrying out activities; the availability of resources limits the range of activities that a firm's actors can pursue; and actors may only actively and purposefully develop activity links and resource ties if there are bonds between other actors and themselves.

This triptych can be used to characterise relationships, which vary in nature according to each dimension's existence, type and strength. Key relationships' substance tends to be more complex and characterised by many activity links, resource ties and actor bonds (Ford *et al.*, 1998; Håkansson and Snehota, 1995). Furthermore, a change in any layer of a relationship's substance is likely to affect to focal relationship, and thus also the quality of this relationship (Holmlund, 1997). Accordingly, if there is an inherent link between the substance and the quality of a business relationship, then the dimensions of relationship substance should provide a suitable starting point in terms of building a framework encapsulating the various component parts of relationship quality. This idea has been explored previously in research by Myhal *et al.* (2001), who concluded that while the relationship substance framework appeared to provide a suitable basis of classification for the various relationship quality components they had uncovered, further work was needed in order to assess the full nature of relationship quality. Whether the framework's suitability was then upheld remained open to question, and this is a topic we address as part of our research.

## Method and analysis

A qualitative case study approach was deemed suitable for studying B2B customer-perceived relationship quality because business relationships – which are conducted by individuals – are socially constructed in nature and thus inherently lend themselves to an interpretative focus; and because the literature has highlighted the need for more qualitative and case study research in management, and in relationship marketing in particular (Bejou, 1997; Carson *et al.*, 2001; Gummesson, 2000; Shrivastava and Kale, 2003; Wong and Sohal, 2002).

### Case sample and data set

Our case unit consisted of a subgroup of 55 different medium-sized customer companies located throughout the UK, operating in fields ranging from pure service provision to industrial production (see Table I).

These firms all purchased telecommunications services from a provider referred to here as Telcorp, in order to protect its anonymity. Because our goal was to provide a new conceptual model, as opposed to simple generalisation of results, we chose a single case study design in order to gain as complete and deep a view of relationship quality as possible (Creswell, 1998; Stake, 1995; Yin, 1994). Furthermore, we adopt an instrumental stance, whereby a case is selected in

Table I Case sample description

Industry sector	Number of companies	Percentage of case sample
Manufacturing	17	31
Retail	7	13
Wholesale	1	2
Charity (service)	3	5
Pure service provision	27	49

order to allow the researchers to understand something *else* through their inquiry, implying the satisfaction of a general need for understanding through the study of a particular case (Stake, 1995). Such instrumental, single-case study designs have been successfully used to investigate relationship quality in the past (see Holmlund, 1997; Järvelin, 2001).

Case study data collection is generally multi-faceted in order to achieve triangulation, which serves to bolster confidence in findings through addressing construct validity and providing verification (Miles and Huberman, 1994; Stake, 1995; Yin, 1994). Data considered for this case consisted of the following:

- observations conducted on customer premises;
- documentation including internal memos, annual company reports and web site information from Telcorp;
- archival data including customer records and extant market intelligence obtained through Telcorp;
- 12 interviews conducted with Telcorp employees for gaining a general understanding of Telcorp's functioning and relationship-building practices; and
- 55 interviews conducted with customer representatives in charge of handling contacts with Telcorp representatives.

Customer interviews, of an average duration of 45 minutes, comprised the main source of data for this study and were conducted until it was felt that theoretical saturation had been reached (Mason, 1996). Interviews are generally considered as the most valuable and important source of evidence in seeking to understand complex processes or phenomena (Carson *et al.*, 2001; Miles and Huberman, 1994), especially in case studies given that most of these concern human affairs (Yin, 1994). Questions were open-ended in nature, and interviews were conducted face-to-face in order to preserve contextuality and get at deeper meanings (Patton, 2002; Yin, 1994).

### Analytical procedures

Though there are several ways to conduct case study analysis (Stake, 1995), we followed the path outlined by Eisenhardt (1989, p. 534) for the development of theory from case studies. She sees case studies as a "strategy which focuses on understanding the dynamics present within single settings". The eight steps Eisenhardt's (1989) method proposes are: preparation, case selection, preparation of instruments and protocols, field entry, data analysis, hypothesis shaping, comparison with extant literature, and attaining closure. These were followed, maintaining prescribed overlap between field entry, data analysis, and the shaping of conclusions.

NVivo, a qualitative data analysis software package, was used to help with the analysis. Transcript files were imported into NVivo, which was mainly used to store, index and retrieve data. A preliminary coding scheme was developed

based on our review of the literature, and then refined through a check-coding procedure that involved three independent coders each reading and coding three transcripts. Differences were resolved through discussion, resulting in a new combined coding scheme where the different codes' meaning and definitions were improved (Miles and Huberman, 1994). To further enhance confidence in the coding scheme's validity and reliability, the exercise was again repeated, with the three coders using three different transcripts, with differences in coding discussed and code meaning clarified until 100% agreement was reached.

During the coding of the bulk of the data, the coding scheme was treated as a living document whereby new codes/definitions were added as new data items relating to relationship quality emerged (Miles and Huberman, 1994). Further check-coding was conducted towards the end of the data collection, as the coding progressed, to ensure internal consistency, enhancing confidence in the coding process' trustworthiness. In total, 208 different items relating to customers' perception of relationship quality were identified during this stage. The coding process allowed us to label emergent phenomenon relating to relationship quality, in effect to conceptualise, and represented the first step in theory building (Strauss and Corbin, 1998).

In order to collapse these 208 items into a more parsimonious and meaningful whole, we then turned to pattern coding, which Miles and Huberman (1994) describe as a process analogue to factor analysis. We, however, found that the IMP Group's three relationship substance dimensions were not sufficiently broad to encapsulate the totality of the 208 customer-perceived relationship quality items uncovered. It thus appeared necessary to extend the IMP Group's framework, and add another four dimensions in order to succeed in devising a framework for customer-perceived relationship quality. Table II provides examples of how

different identified items were classified within this new framework.

Within these seven dimensions, we were able to classify all 208 uncovered items. Then, a further check-coding procedure was undertaken by the two first-named authors, in order to bolster confidence in our categorisation; differences were resolved through discussion, until 100% agreement regarding this secondary classification was reached, resulting in clearer definitions of our seven dimensions (Miles and Huberman, 1994). These dimensions, taken together, form the basis for our proposed model of customer-perceived relationship quality.

## Results and discussion

Our conceptual model of B2B customer-perceived relationship quality is comprised of seven dimensions (see Figure 1).

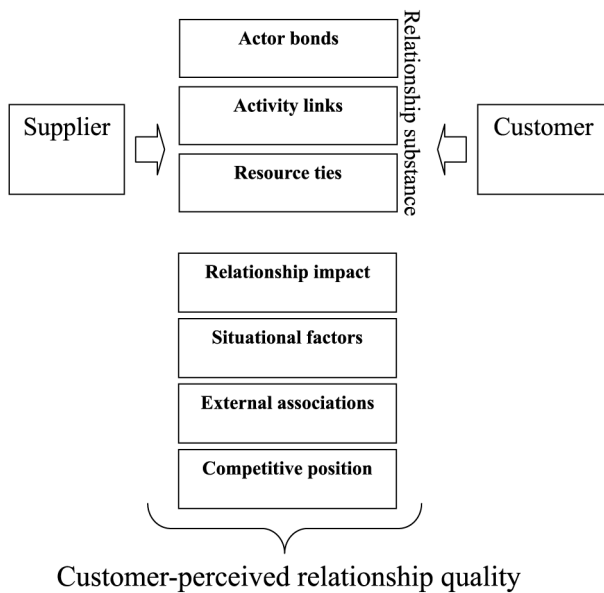
The first three consist of the three layers of relationship substance – actor bonds, resource ties and activity links – as determined and defined by members of the IMP Group, cited previously during the literature review.

The four additional dimensions, which we have developed in order to extend this framework and successfully apply it to a relationship quality setting, are as follows:

- 1 Competitive position regards those items relating to comparison alternatives considered by customers when evaluating the quality of the focal customer-supplier dyad. This includes comparative standards; the presence of a competitive environment; and resulting customer loyalty.
- 2 External associations emphasise those factors which lie beyond the supplier's remit, but which still exert an influence on their relationship quality evaluations. This includes items such as the supplier's portrayal in the media, reputation, actions in the community, and word of mouth.

Table II Illustration of item classification within developed framework

Dimension	Examples of items included	Item definition
Actor bonds	Confidence	"The customer has faith in the supplier's ability to fulfil his needs"
	Interest	"The supplier shows interest or excitement with regard to working with the customer"
Activity links	Communication	"There is good communication between the customer and the supplier"
	Review	"The supplier conducts post-purchase satisfaction assessments with their customers"
Resource ties	Clear price	"The supplier has a clear pricing and discount structure"
	Understand needs	"The supplier understands the customer's needs and wants"
Competitive position	Cheap	"The supplier's prices are low/competitive"
	Competition – compare	"The customer perceives the supplier as being better than competitors"
External associations	Word of mouth	"The customer provides the supplier with positive word-of-mouth both internally and externally; is not a 'commercial terrorist'"
	Reputation	The supplier's bad reputation has an impact on the customer's perception of the supplier
Relationship impact	Customer image	"The supplier's good services/products have a positive impact on the image the customer presents to their own customer"
	Fault – trouble for customer	"Supplier mistakes/faults cause trouble for the customer personally (job put in danger), in their business (including costs) or in their relationship with their own customer (reputation suffers)"
Situational factors	Bonds	"The customer finds it easier to remain with the supplier, because of various ties and bonds"
	Not locked in	"The customer is not locked in to using the supplier; they can easily change if they should so wish"

**Figure 1** Customer-perceived relationship quality

- 3 Relationship impact regards the knock-on effect that the focal buyer-seller relationship has on the customer's own business. This encompasses items such as repercussions that the relationship, or the handling of faults, may have on the customer's own business or image.
- 4 Situational factors, described by Zaichkowsky (1985, p. 342) as "something that temporarily increases relevance or interest towards the object", which refer to the customer's freedom (or lack thereof) in parting with the supplier, and which may or may not be monetary. Such items, which may or may not be outside the customer's control, are relevant to customers and influence their relationship quality evaluations.

Taken together, these seven dimensions – activity links, resource ties, actor bonds, competitive position, external associations, relationship impact, and structural factors – successfully encapsulate all items that customers within this case study identified when evaluating the quality of their relationship with Telcorp.

Because relationship quality is important to the long-term maintenance and evaluation of B2B relationships (Roberts *et al.*, 2003; Trang *et al.*, 2003), like other corporate assets, it should be strategically managed. Yet firms cannot manage the quality of their business relationships without a means of assessing strengths and weaknesses; which relationships are of high quality and which are at risk; and health-status and durability (Barnes, 2000; Holmlund-Rytkönen and Strandvik, 2003).

A conceptual model of customer-perceived B2B relationship quality represents a valuable tool for managers to assess the quality of their business relationships. In referring to our model, managers may use the seven dimensions provided to classify strategic aims, actions, or endeavours, thus consciously targeting dimensions exerting an influence on customer's relationship quality evaluations. Alternately, they may identify gaps in their strategy, whereby one or several dimensions are not currently being addressed, and may choose to realign their efforts to tackle customers'

relationship quality perceptions in a more holistic manner. Given that customer retention is the most commonly reported outcome of high quality business relationships (see Boles *et al.*, 1997; Crosby *et al.*, 1990; Dorsch *et al.*, 1998), a focus on relationship quality may be significant in achieving a competitive advantage, particularly in the services industry, where "an ongoing relationship with a tested provider is valued and rewarded by firms for the reliability of service that such a relationship helps ensure" (Boles *et al.*, 1997, p. 249). Table III summarises some managerial implications that can be drawn from this research, presented in alignment with the presented model dimensions.

Our conceptualisation also helps in closing identified gaps in knowledge. As discussed in reviewing the literature, relationship quality as a construct needs to be better defined, and its components identified. Our research adopts the customer's viewpoint in exploring relationship quality, and we use this to provide both a definition and a conceptual model of the construct in a B2B setting. Our definition innovates by acknowledging the customer-defined nature of quality, the need to satisfy both personal and business needs through B2B relationships, and customers' conducting comparisons with alternative suppliers. Furthermore, our analysis has contributed to more clearly defining which component parts customer-perceived relationship quality consists of, and has resulted in our providing the first B2B customer-perceived relationship quality model. Our model provides a parsimonious and useful tool allowing managers and academics alike to evaluate the quality of business relationships.

### Limitations and directions for further research

While the use of a case study design limits the generalisability of findings, we believe our conceptualisation does achieve a wider resonance in terms of understanding customer-perceived relationship quality in a B2B setting. This is consistent with the adoption of an instrumental case study design (Stake, 1995). Because we chose to study a variety of customer firms trading in different arenas, we believe that the collected data was broad enough in scope and our findings are applicable to other service, or even industrial, domains. However, we acknowledge that the use of a sample of Telcorps' UK customers as a case unit may have had an impact on the nature of the results obtained, and that direct generalisation of research results may be undesirable without further testing of our model.

Further research in customer-perceived relationship quality is needed, both in terms of testing the model we have presented here, and to further our understanding in this area. The most obvious avenue of exploration would be to develop a measurement model of the construct. However, the exploration of contextual particularities within relationship quality; relationship quality phases or evolution; and the determination of direct antecedents and consequences of customer-perceived relationship quality all offer interesting avenues for future investigations.

### Summary

Ongoing, high quality business relationships with customers have been recognised as a source of competitive advantage, whereby the relationships themselves can be seen as assets

Table III Managerial implications

Dimension	Managerial recommendations
Actor bonds	Customer-facing staff training should emphasise the importance of being helpful to customers. This includes not only offering a warm reception to customer queries, but taking responsibility for providing answers or ensuring that a colleague is found who is able to provide the help required. Staff should also be trained to be responsive to customer needs. They should take responsibility for customer queries/orders/reported faults, and actively communicate to customers that these are being dealt with. Management should establish formal protocols in terms of how this communication should be conducted
Activity links	The supplier should offer certain guarantees on the speed at which faults are fixed. These deadlines are of capital importance to customers, and it is therefore essential that they should be respected. Review and auditing processes could focus on these aspects of service recovery
Resource ties	Care should be taken to ensure that a good working solution to customer problems is delivered, and that the customer understands the correct way of activating/utilising it. A systematic auditing system could be implemented, whereby solutions delivered to customers are automatically checked to ensure that they are working properly
Competitive position	The competitiveness of the market should be viewed not as a threat but as an opportunity to focus on the service provider's particular strengths, and to effectively communicate these strengths and advantages to customers and make them realise that the supplier offers the best global value proposition
External associations	Customers will discuss their relationship with a service provider with one another – which means that the quality of their relationship may affect the nature of this type of word-of-mouth. An overlooked starting-point of word-of-mouth is often contained within the supplier's own ranks: ensuring that all supplier employees speak about the supplier in positive terms should be a priority. Internal bad-mouthing will give customers a poor impression, and this should be avoided. This idea could be emphasised during staff training
Relationship impact	Supplier staff should communicate to customers their awareness of the impact that the provided services have on customers' own businesses, thereby heightening customers' awareness of yet another reason why dealing with the supplier is advantageous to them: it also has a positive repercussion on the way in which their own customers perceive them
Situational factors	Communications to the customer could emphasise all the reasons why it may be more complicated/inconvenient to move to a competitor than it appears at first glance. Hidden costs may include anything from switching fees to a drop in service and/or product quality/resilience. Making customers more aware of these tangible and intangible bonds may improve their disposition towards their relationship with the supplier

that form part of global value delivered to customers. As such, the ability to assess and control these relationships, and to enhance their quality, is important in order to manage these relationships' contribution to customer retention and satisfaction.

As this research highlights, there are several ways in which service providers could potentially work to improve their customers' perceptions of relationship quality. The dimensions and items provided by this study can be used as guidelines for managers in terms of adjusting their current customer relationship marketing strategies, or introducing new ones, in order to best suit the needs of customers.

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### About the authors

Catherine G. Myhal is a Research Associate at AXDEV Group, Inc., Brossard, Quebec, Canada. She has degrees in business administration and relationship marketing, and her PhD is from Manchester Business School, UK. She has lived and worked in both Europe and North America. Her research interests include business-to-business relationship quality, customer relationship strategy, organisational change management, and management within the health care sector.

Professor Kang received her BSc from Hanyang University in Seoul, Korea; her MSc from Colorado State University, USA and PhD from the University of Minnesota, USA. Before joining Manchester Business School, she served nine years on the faculty of the University of Wisconsin, Madison. As a visiting professor she has also taught at several business schools around the world, including CEIBS, RSM, and ESSEC. She is a recipient of numerous research grants and received several national/international awards for her research. Professor Kang also acts as a consultant to many organisations in the areas of customer satisfaction/loyalty, segmentation and marketing research. Professor Kang is the corresponding author and can be contacted at: [j.kang@man.mbs.ac.uk](mailto:j.kang@man.mbs.ac.uk)

Professor John A. Murphy is a Food Science graduate of University College, Cork and has a Master's Degree in science from Trinity College, Dublin and PhD from the University of Ulster. He is Alfred McAlpine Visiting Professor of Customer Management at Manchester Business School. He combines the roles of academic and international consultant specialising in service quality management and customer retention. He holds five professional fellowships and is a member of the International Academy for Quality. He is the author of five books, the most recent, *Converting Customer Value: From Retention to Profit*, was published in 2006.

### Corresponding author

Jikyeong Kang can be contacted at: [j.kang@mbs.ac.uk](mailto:j.kang@mbs.ac.uk)

### Executive summary and implications for managers and executives

*This summary has been provided to allow managers and executives a rapid appreciation of the content of this article. Those with a particular interest in the topic covered may then read the article in toto to take advantage of the more comprehensive description of the research undertaken and its results to get the full benefits of the material present.*

It is not rocket science to know that staff who come into contact with the customers need to be helpful, but it is also not something managements can take for granted. Having the skills to provide that help needs appropriate training.

Customers are busy people – time is money, as they say, especially in a business-to-business setting – so guarantees should be in place to ensure that, if you are offering a service and something goes wrong, the problem is dealt with efficiently and speedily.

It is important for staff involved in business-to-business relationships to look beyond their own organization and see the bigger picture – in other words, how well or badly the services they are providing impacts on the customer's business.

Much is made of the importance of word-of-mouth recommendations or criticisms, but perhaps less attention than should be is focused on what staff themselves say. Employees often let off steam by criticising their own employer. Not the sort of comments you want a customer to hear and, again, training is the way to warn off staff from such dangerous whingeing.

These and other issues gain credence in Genevieve Catherine Myhal *et al.*'s investigation of the quality of B2B relationships, seen from the customers' point of view, in a telecommunications provider's services to 55 medium-sized customer companies.

Ongoing, high-quality business relationships with customers have been recognized as a source of competitive advantage, whereby the relationships themselves can be seen as assets that form part of global value delivered to customers. As such, the ability to assess and control these relationships, and to enhance their quality, is important in order to manage their contribution to customer retention and satisfaction.

The authors' conceptual model of B2B customer-perceived relationship quality comprises seven dimensions. The first three consist of the three layers of relationship substance as defined by the Industrial Marketing and Purchasing Group – actor bonds, resource ties and activity links. To that they add four additional dimensions – competitive position, external associations, relationship impact, and structural factors with the following summarized implications:

- *Actor bonds:* customer-facing staff training should emphasize the importance of being helpful to customers. This includes not only offering a warm reception to customer queries, but taking responsibility for providing answers or ensuring that a colleague is found that is able to provide the help required. Staff should also be trained to be responsive to customer needs. They should take responsibility for customer queries/orders/reported faults, and actively communicate to customers that these are being dealt with. Management should establish formal protocols in terms of how this communication should be conducted.



- *Activity links*: the supplier should offer certain guarantees on the speed at which faults are fixed. These deadlines are of capital importance to customers, and it is therefore essential that they should be respected. Review and auditing processes could focus on these aspects of service recovery.
- *Resource ties*: care should be taken to ensure that a good, working solution to customer problems is delivered, and that the customer understands the correct way of activating/utilizing it. A systematic auditing system could be implemented, whereby solutions delivered to customers are automatically checked to ensure they are working properly.
- *Competitive position*: the competitiveness of the market should be viewed not as a threat, but as an opportunity to focus on the service provider's particular strengths, and to effectively communicate these strengths and advantages to customers and make them realize that the supplier offers the best global value proposition.
- *External associations*: customers will discuss their relationship with a service provider among each other – which means that the quality of their relationship may affect the nature of this type of word-of-mouth. An overlooked starting point of word-of-mouth is often contained within the supplier's own ranks: ensuring that all supplier employees speak about the supplier in positive terms should be a priority. Internal bad-mouthing will give

customers a poor impression, and this should be avoided. This idea could be emphasized during staff training.

- *Relationship impact*: supplier staff should communicate to customers their awareness of the impact that the provided services have on customers' own businesses, thereby heightening customers' awareness of yet another reason why dealing with the supplier is advantageous to them: it also has positive repercussion on the way in which their own customers perceive them.
- *Situational factors*: communications to the customer could emphasize all the reasons why it may be more complicated/inconvenient to move to a competitor than it appears at first glance. Hidden costs may include anything from switching fees to a drop in service and/or product quality/resilience. Making customers more aware of these tangible and intangible bonds may improve their disposition towards their relationship with the supplier.

The dimensions can be used as guidelines for managers to adjust their current customer relationship marketing strategies, or introducing new ones, in order to best suit their customers' needs.

(A précis of the article "Retaining customers through relationship quality: a services business marketing case". Supplied by Marketing Consultants for Emerald.)

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