BUSINESS TO BUSINESS CUSTOMER SERVICE AND OUTCOMES

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Abstract: Few studies focus on the role of customer service in the business-to-business sector; however, customer service is key to relationship quality. This paper deepens understanding of customer service impact on outcomes in deep B2B relationships. Data are critical incidents from small-medium-sized enterprises based in Canada and the USA and coded to 272 critical judgments related to the impact of customer service. Findings show informants evaluate encounter (dis)satisfaction using eight attributes that link to four latent indicators. The first three indicators (drivers, facilitators and the basics) impact the outcome of relationship quality to varying degrees. This report introduces the fourth indicator (service value) and suggests how its attribute relate to the relationship between customer service and outcomes.

INTRODUCTION

Few studies focus on the role of customer service in business-to-business (B2B) relationships (Parasuraman, 1998, Woo and Ennew, 2004). Researchers who address this issue focus on the role of logistics in service contacts (Bienstock et al., 1997, Domegan, 1996). However, firms increasingly act in a boundaryless (Ashkenas et al., 1995) manner and focus on value in relationships (Webster, 1992). This behavior represents an evolutionary step for organizations as they move from a focus on product and price to service (Johnston, 1994, Takeuchi and Quelch, 1983) and the delivery of value (Vandermerwe, 1993) in the form of solutions that integrate goods and services (Canton, 1988, Takeuchi and Quelch, 1983).

Business-to-business customer service quality raises unique service management challenges (Lovelock, 1983) and helps relationships develop (Gounaris, 2005b, Rauyruen and Miller, 2007). Researchers consider customer service important to B2B settings (Cunningham and Roberts, 1974, Grönroos, 2000). Nonetheless, customer service draws little research attention in comparison to consumer service encounters. Studies often treat B2B relationships as homogeneous (Laing and Lian, 2005). Conclusion: the role of service in specific types of B2B services needs further investigation (Durvasula *et al.*, 1999, Leminen, 2001, Zolkiewski *et al.*, 2007).

This report addresses the following questions. RQ1: What specific attributes within the B2B service encounter do participants conclude as (dis)satisfying? RQ2: How do specific attributes within the B2B service encounter impact outcomes?

B2B RELATIONSHIPS AND SERVICE

Studies of customer service in B2B settings tend to fall into two groups. One is to lump diverse service types together, such as architectural services and large-scale fire equipment installation (Zolkiewski *et al.*, 2007) or training, banking and shipping (Gounaris, 2005a). The other typifies the B2B experience through individual service types such as logistics (Bienstock *et al.*, 1997) or courier services (Rauyruen and Miller, 2007). Different settings represent radically different relationships and objectives. The suggestion that B2B service contacts are homogeneous is likely to be untrue (Laing and Lian, 2005).

To discriminate among B2B relationships this study considers customization and involvement and the nature of the interaction process. See Figure 1. Customization (versus standard options) impacts significantly on service system design (Schmenner, 2004). At high levels of customization significant involvement may enable both parties to agree to mutually acceptable definitions of outcomes and processes. Solutions explain this point (Tuli *et al.*, 2007). Customization for solutions involves developing relationship-specific physical and human assets (Eyuboglu and Buya, 2007, Laing and Lian, 2005, Yorke, 1990) that accommodate involvement requirements.

To deliver solutions those in the relationship need to interact closely and often (Tuli *et al.*, 2007). Holmlund (2004) views B2B interaction as four hierarchical levels represented as actions, episodes, sequences and relationships. At each level, the combinations of activities form recognisable relationship types. Deep involvement and high levels of contact, including drawing on the expertise and knowledge of staff (Yorke, 1990), accommodates large complex and customized requirements (Kong and Mayo, 1993).

The bottom left of Figure 1 shows a product-centric focus (Tuli *et al.*, 2007) that stresses transactions, value distribution (Sheth and Parvatiyar, 1995) and an adversarial philosophy (Bicheno, 2004). In contrast, the top right depicts a climate of trust and cooperation (Caceres and Paparoidamis, 2007, ... mutual value creation (Sheth and Parvatiyar, 1995). Diagonal positions represent “a marriage” (top ... ft) or “something in between” (Lee *et al.*, 2002). To achieve an elementary partnership businesses ... embedded relationships. This requires a deepening closeness that differs from transactional co... ership and integration mean the boundaries between the organizations become porous (Laing and Lian, 2005, ... al., 2007) enable development of a seamless market offer. This study actively sought relationships like those in th... firms engaged in deep relationships. Any one of these firms is an original equipment manufacturer (OEM), an original design manufacturer (ODM) or an original brand manufacturer (OBM).

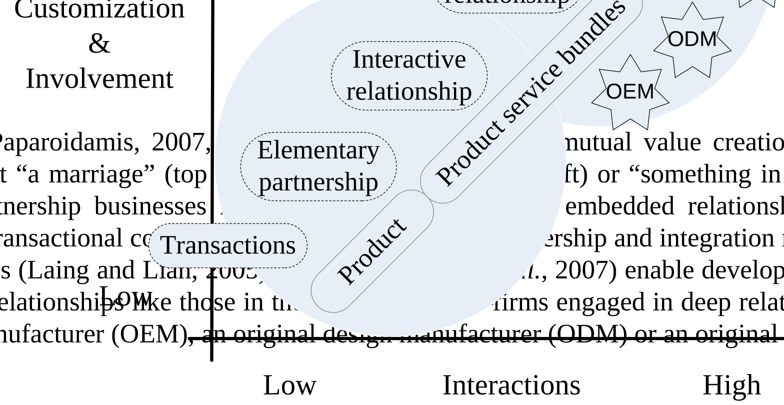

Figure 1: Typology of B2B relationships

SIGNIFICANCE OF CUSTOMER SERVICE QUALITY

Business to consumer service receives the lion’s share of research attention. Customer service and its role in B2B sectors are of long-standing interest (Banting, 1976, Cunningham and Roberts, 1974). This is importance since customer service quality is an antecedent to favourable outcomes that include satisfaction (Grönroos, 2000). Service quality enables trust to develop (Gounaris and Venetis, 2002, Gounaris, 2005b, Doney *et al.*, 2007) and the latter underpins relationships (Webster, 1992). In a study of advertising firms, Caceres and Paparoidamis (2007) show a direct relationship between service quality and relationship satisfaction that in turn influences trust, commitment and loyalty. Withn the courier service sector, Rauyruen and Miller (2007) find that service quality is an antecedent of both purchase intentions and loyalty. These relationships, however, still lack clarity (Parasuraman, 1998, Rauyruen and Miller, 2007).

SERVICE MEASURES OF QUALITY IN A B2B CONTEXT

The SERVQUAL model encapsulates a set of attributes to measure external customers’ assessments of service quality (Parasuraman, 1998, Parasuraman *et al.*, 1991). This model associates with numerous research critiques (Buttle, 1996, Smith, 1995) as well as debates on its relevance to the B2B sector (See Table 1). Mehta et al (1998) find the SERVQUAL model (Parasuraman, 1998, Parasuraman *et al.*, 1991) is a good predictor of B2B organizational performance. Other researchers question how valid this model is for B2B customer service (Durvasula *et al.*, 1999, Asubonteng *et al.*, 1996, Brensinger and Lambert, 1990). Thus, research needs to uncover service quality attributes and measurement techniques in the B2B customer service context (Durvasula *et al.*, 1999, Parasuraman, 1998, Zolkiewski *et al.*, 2007, Patterson and Spreng, 1997).

Two main limitations emerge from the literature (See Table 1). The first is context. Some studies focus on sectors that lack the opportunity for deep partnership (See Figure 1) (e.g., Bienstock *et al.*, 1997). Other studies only indicate context specific insight (e.g., Sharma *et al.*, 1999). The first lacks rich relationships while the second lacks clear definition of B2B customer service attributes (Zolkiewski *et al.*, 2007).

Gounaris (2005)	Zolkiewski et al. (2007)	Sharma et al. (1999)	Durvasala et al. (1999)	Bienstock, et al. 1997)	Morris et al. (1992)	Cunningham et al. (1974)
Potential quality	Meeting requirements				Ability to meet customer requirements	Availability of adequate capacity and range
	Wide range of products and services					
	Safety and environmental record					
	Product performance					
Hard quality	Installation	Delivery (on time as promised)				Replacement guarantee
	Minimum disruption					
	Quality of work	Installation (putting into service the product)	Reliability	Availability		
	Product related information and training	Education on use of systems and provision of manuals				Operator training or assistance in product application
Soft quality				Timeliness	Customer notification of problems	Availability of progress reports
	Responsiveness		Responsiveness[a]		Responsiveness to unplanned events	
	Problem handling				Ability to expedites shipments	
	Competence				Employee product knowledge	Technical advice
	Performance of employees					
	Trust					
	Understanding					
	Experience		Assurance			
	Invoice accuracy	Invoice accuracy			Billing accuracy	Comprehensive quotation[b]
	Efficiency of office personnel					
	Performance of subcontractors					
	Communication					
	Courtesy		Empathy		Telephone etiquette	
			Tangibles			
Output quality	Technical advantage		Product[c] (hardware and necessary software)	Condition	Shipping accuracy	Quality control
	Complaint handling	Software and technical support			Follow up for customer satisfaction	Repair or maintenance service
			Hardware maintenance			
	Price		Cost of ownership[d]			Financial services

Peace of mind	

Note. The Table is related to Gounaris' (2005) study with dimensions that are equivalent on the horizontal and broadly subdivided by the categories he adopted. [a]Responsiveness emphasizes the timely provision of assistance so its closest equivalent is related to timeliness. [b]Related to clear communication. [c]Implied is that the focus is product and software quality. [d]Implied within the cost of ownership is the service element of making that affordable through provision of credit (thereby making this dimensions similar to other studies).

Table 1: B2B studies related to customer service

Some studies (For example: Gounaris, 2005b) have difficulty in defining attributes. A grounded research approach offers the opportunity to address both these limitations. Our RQ1 reflects this focus.

The subdimensions of customer service quality in different sectors vary in importance when compared with generic services (Zeithaml *et al.*, 1990). There are different methods to measure the subdimensions of customer service quality importance to business-to-consumer encounters (Vargo et al., 2007). The way these subdimensions affect outcomes needs further exploration (Cunningham and Roberts, 1974, Zolkiewski *et al.*, 2007). Our RQ2 reflects this requirement.

METHOD

The current study employs a qualitative approach suitable for exploratory research (Gummesson, 1991). Existing exploratory service research uses the critical incident technique (Flanagan, 1954) to understand (dis)satisfaction with encounters (Bitner *et al.*, 1990, Gremler, 2004, Johnston, 1995, Meuter *et al.*, 2000). This method is suitable to describe subattributes and their importance (Vargo *et al.*, 2007).

The critical incident technique (CIT) gathers observations that are often short descriptions or stories (Bitner *et al.*, 1990). An incident is critical if "it contributes or detracts from the general aim of the activity in a significant way" (Bitner, 1990 #92: p.73). In this report an incident fulfills four criteria: (1) involves SME-supplier contact, (2) is (dis)satisfying from the customers' perspective, (3) represents a discrete episode, and (4) is clear enough for the researcher to grasp fully (Bitner *et al.*, 1990, Flanagan, 1954).

Data Collection Procedure

The design of the CIT collection form is an application of Stauss' (1993) approach. The informants supplied their location, service type purchased, and then answered the following question:

- Please think of a time that you were satisfied or dissatisfied with the service provided by your provider in Taiwan, e.g., the service provider did something unexpected (it could be good or bad). Please tell me what happened in this particular incident. Write as you wish in a manner that you feel comfortable with.

The question design allows informants to choose either a satisfying or a dissatisfying experience and orients their thoughts towards provider interaction. The question form also encourages informants to approach their answer in any way they feel comfortable with—avoiding biasing responses or forcing responses into existing categories.

A subsequent set of probing questions encouraged participants to share detailed descriptions:

- During this incident what did you do or say to the company representative?
- During this incident what did the representative from the firm in Taiwan do or say?
- Who or what was the central issue in this particular incident?
- What specifically made you feel the incident was satisfying or dissatisfying?

Data collection focuses on firms with fewer than 500 employees (i.e., SMEs). In SMEs managers or owners alone make the key decisions, reducing the management complexity associates with larger firms (Mccartan-Quinn and Carson, 2003). The order and the phrasing of the CIT questions changed after pilot tests with three SME firms (two Canadian, one American). A commercial internet survey site hosted the final instrument for data collection.

Sample

A purposive sample comes from American and Canadian business databases of firms with fewer than 250 employees and who were importers from Taiwan. The firms' owners received an e-mail that explained the objectives of the study, invited participation and gave a link to the online CIT web form. A five-week period allowed extensive and systematic follow-up to secure informants through e-mail and VOIP calls. Informants either responded to the form online or during an interview. In the latter, computer software recorded the telephone call while the interviewer recorded responses to the online CIT form.

From the 542 firms contacted 82 firms satisfied the criteria. Removal of incomplete responses left responses from 65 firms. Most informants are American (72%), from small firms (i.e., fewer than 50 employees) (74%) and their relationship with the supplier is more than six years old (69%). The Canadian informants have roughly equal numbers of (dis)satisfactory incidents. The USA group reports more satisfactory than dissatisfactory events. Most informants are either in manufacturing or design (73% of the service types) and have a high-level of supplier contact (74% with more than five transactions in the last six months).

Data Analysis

The unit of analysis can be either the entire critical incident (e.g., Bitner *et al.*, 1990, Flanagan, 1954, Meuter *et al.*, 2000) or discrete parts of the CIT (e.g., Johnston, 1995, Keaveney, 1995). The current research adopted the later approach, with each CIT containing rich detail. This enables a focus on the discrete judgments by informants as the unit of analysis. Such judgments are "moments of truth" (Normann, 1984) in service encounters. So, if an incident is referred to both "price" and "delay," the incident fits in two categories: "money" and "delayed delivery." The coding process involves careful and iterative steps of (re)forming codes and (re)assigning data to each heading. The qualitative analysis software Xsight supported this process. The analysis process results in 272 critical judgments and this represents 4.4 critical judgments for each incident. Each incident contains an average of 187 words. This compares favourably to Keaveney's (1995) 4.2 and to Johnson's (1995) 1.5 incidents for each CIT (the latter averages 30 words per incident).

After coding, interjudge reliability checks improve the quality of the analysis (Butterfield *et al.*, 2005, Gremler, 2004). Two more coders fitted the data to the categories. Where there were significant difference between the coders, discussion lead to clear category descriptions and data segments. As a final check, a further two coders assigned the data to categories, with an agreement level of 87% and 84% for dissatisfying and satisfying judgments, respectively. These agreement levels are above the recommended 80% (Gremler, 2004), supporting reliability of the current categories.

FINDINGS

Findings show eight main categories of B2B customer service quality (See Table 2). A review of these categories follows. *Time and money* refers to episodes where delivery, response times, and issue resolution leads to considerations of cost (including both financial and other costs). This is the largest category with 23.9% of informants mentioning time and money from both satisfactory and dissatisfactory perspectives (21.7% and 43.3%, respectively). The informants' critical judgments refer to (a) delivery time (b) response time (c) resolution length (d) money and (e) time.

Delivery time contributes to both satisfaction ("The Taiwanese firm purchased components at inflated prices and pushed production so they were still able to deliver the product with minimal delay") and dissatisfaction ("I contacted a Taiwanese manufacturer who made a sample and promised it by May 1st. Samples didn't arrive until mid-June"). Long lead times are another source of time dissatisfaction ("lead time become less and less competitive comparing with suppliers from China."). Respondents described response time in both satisfying ("they did everything requested of them as soon as I requested it") and dissatisfying ("It took a long time to respond and to issues and to take responsibility") situations. The latter creates concerns over resolution length ("They then promised to fix it and send it right away. But I don't know what right away means to them most of the time"). Informants often raise the monetary affects from both negative ("Such problems cause internal problems and cost money") and positive ("[they] remade our order at their cost") perspectives. Other evaluations focus on time considerations that could be dissatisfying ("… the shipment needed more work when it arrived at the customer's location.") or satisfying ("we have been "working with this specific Taiwanese firm for about five years on a special product").

Relationship is the intent to create an enduring rather than transactional association. This attribute reflects a supplier's relationship investment and the way the two parties develop shared knowledge. Relationship occurred in 11.4% of incidents and is more prevalent in satisfying (13.8%) than dissatisfying (6.7%) judgments. Judgments in this category break into (a) personal relationship (b) travel (c) end customer relationship and (d) informants' reputation. Satisfied informants appreciate the personal relationship ("we value the relationship") and this is similar to those who report dissatisfaction ("I consider our relationships with our Taiwanese people to be very good"). Both (dis)satisfied groups report travel ("The Taiwan company came here twice" (satisfying) and "we visited their location in Taipei" (dissatisfying) as a form of investment in their relationship. Satisfied informants consider the impact of suppliers' performance on their end customer relationships ("my customer was happy at the end of the day") and their own reputation ("Even though they fixed the problem, our name was quite tarnished by the initial bad products").

Determinant categories	Satisfying incidents			Dissatisfying incidents			
	N of critical judgements	% of critical judgements	% of critical incidents[1]	N of critical judgements	% of critical judgements	% of critical incidents[1]	N of critical judgements
Time & Money	30	21.7%	18.8%	58	43.3%	30.1%	88
Relationship	19	13.8%	13.9%	9	6.7%	8.4%	28
Communication	25	18.1%	15.8%	27	20.1%	19.3%	52
Attitude	15	10.9%	10.9%	11	8.2%	9.6%	26
Specification Conformance	8	5.8%	6.9%	17	12.7%	20.5%	25
Flexibility	24	17.4%	17.8%	-	-	-	24
Resolution	17	12.3%	15.8%	-	-	-	17
Basic capability	-	-	-	12	9.0%	12.0%	12
	138	100.0%		134	100.0%		272

[1] percent sums to greater than 100 due to multiple judgements per incident

Table 2: Evaluation dimensions of (dis)satisfactory B2B encounters

Communication spans both satisfaction (18.1% of judgments) and dissatisfaction (20.1% of judgments). This category makes up 17.4% of total incidents and links to satisfaction (18.1% of judgments) and dissatisfaction (20.1% of judgments). The category spans (a) understanding (b) use of technical language (c) frequency of communication (d) language use (e) response (f) proactive and (g) change notification.

Understanding is the main focus of communication, with an emphasis on clarity ("they…asked questions to make sure they knew what we wanted"). Dissatisfied informants feel a lack of understanding of their needs and priorities ("They didn't understand why it was a problem and kept telling me not to worry about it"). Suppliers need to manage technical language ("take my diagrams and fairly easily translate that into a good and workable product" (satisfied) or "they don't have the qualified people to answer the questions that we ask" (dissatisfied)). Frequent communications bring clarity. Indirect communication, though, leads to odd circumstances ("The president came over and we realized that no one in his office knew that he was here. You can't function that way. I mean we talk about things with him and he says you can't talk about that"). Language is often dissatisfying ("the most experienced and knowledgeable personnel do not speak English").

Relationships improve with positive responses ("they did what I asked every time with no objections or troubles") and can fit the context of a relationship ("When she responded the way she did and I sensed a little bit of hurt in her response, I backed off because I trust them"). Judgments about response also reflect evaluations about the pattern of communication ("they know to ask us before rather than apologize after for not asking and having to fix mistakes"). Proactive supplier actions assist the delivery of promises by anticipating the respondent's position ("They did not ship me inferior product which I would not have been able to show to customers"). Lack of notification of changes shows a supplier's lack of concern for customers and leads to dissatisfaction ("[it] Boils down to them making decisions without consulting with me first").

Attitude is the willingness to achieve results and overcome obstacles. This category compromises 10.3% of incidents and relates almost equally to both satis[illegible] dissatisfying (8.2%) judgments. The categ[illegible] honesty (2) willingness (3) coope[illegible] bility a[illegible]

[illegible] ("He's [illegible] leads to informants' satisfaction and dissa[illegible] seen, a lack of honesty is easy to identify ("I noticed a competitor selling a product almost identical to mine for less than I was. I took a closer look at the product and found it to be the same design as I contract a manufacturer in Taiwan to build"). To achieve and reinforce cooperation, satisfied informants focus on the attitude of wil[illegible]gness to decide investment in resources ("[they] invested the money in expensive equipment to be able to fill these orders"[illegible]d a[illegible]ons that reflect cooperation ("Responded with immediate action and assistance including refunding payment"). Failure t[illegible] [illegible]esp[illegible]ibilit[illegible] dissatisfaction ([illegible]ey were clearly at least to some degree responsible, if not entire[illegible] la[illegible] of [illegible]ey didn't apprecia[illegible] with my customer").

Specification conformance [illegible]wn, [illegible] concepts, represe[illegible]ere products simply meet expectations or promises. Specific[illegible] co[illegible]romises 13.0% of incidents and associates with both satisfactory (5.8%) and dissatisfactory (12.7%) judg[illegible]me[illegible] involve m[illegible]fications ("They designed and produced a sample that we inspected and gave th[illegible]n"). [illegible]he oppo[illegible] of failure to meet specifications, where negative evaluations arise ("Product r[illegible]ufacturing sp[illegible]d in drawings and notes"). A supplier might take time to conform to specifica[illegible]s positively ("I feel the root cause was we were using different inspection instruments. [illegible]ch party I [illegible]ults… The Taiwan company came here twice and… we gave them one of our test i[illegible]ruments [illegible]he problem and made for more consistent results and improved the relationship").

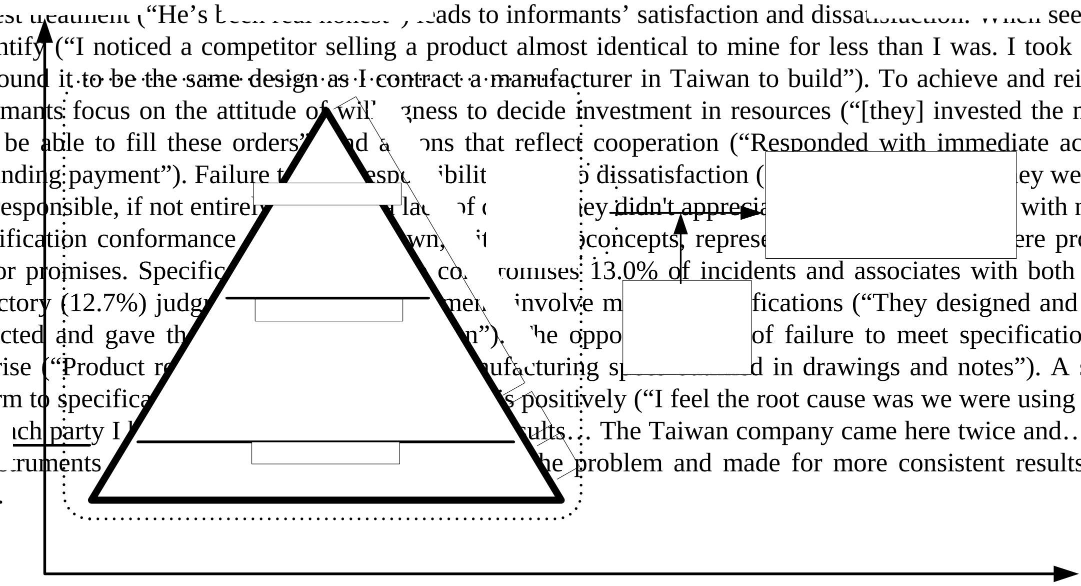

Figure 2: Modelling service process delivery and its impact on outcomes

Basic capability describes how suppliers manage technical obstacles. This category is dissatisfying and constitutes 5.4% of incidents and 9% of judgments. The customer addresses these issues or leaves them unresolved. Critical judgments in this category are (1) problem solving and (2) informants' action. Informants' questions arise when suppliers fail to correct obvious failures. ("They apologized a lot, but didn't provide any action or solution"). Sometimes informants' action needs to redress suppliers' performance ("We ended up going to our customer and asking for a deviation on the parts and ended up getting the deviation").

Perception of
Service quality

PROCESS

Flexibility refers to efforts to create an acceptable solution or even go beyond customer expectations. This category is only satisfying and makes up 9.8% of incidents and 17.4% of critical judgments. Flexible incidents comprise of (1) design (2) modifications (3) sample (4) informant teaching (5) and adaptability.

Flexibility in design means suppliers do not stick to a rigid process and have a sense of shared vision ("[The] next thing we know we had received a prototype of a product that we had not yet finished designing - and the prototype was what we had in mind - even if we did not fully convey this to our supplier"). Flexibility includes a willingness to make modifications ("changed the design over 10 times and they didn't bat an eye when I asked for another"). Sample changes commonly reflect a positive result ("They sent a sample that was exactly what we wanted"). Openness in the relationship leads to informant knowledge sharing ("We really hand fed them like a baby so that they had the proper equipment and materials to make the product"). Informants' satisfaction arises from this close interaction where they can influence outcomes. Informants recognize suppliers' adaptability to adapt to urgent circumstances ("They said no problem and sent the missing pieces to us via FedEx").

Resolution, always satisfying, involves a problem or potential failure and the supplier focuses on achieving a satisfactory closure. This reflects 8.7% of incidents and 12.3% of judgments. Informants expect clear action to achieve a resolution of a problem ("they gave us a credit for the full amount and asked us to send the entire shipment back at their cost").

Research question two focuses on how encounter specific customer service dimensions link with relationships. To address this question Figure 2 combines a synthesis of current findings with the extant literature (Figure 2). The y-axis of Figure 2 shows encounter specific evaluations or perceptions of service quality (Zeithaml and Bitner, 2000). The notional zero reflects the point below which partners consider that supplier efforts fall below predicted and acceptable limits (Zeithaml *et al.*, 1993). The x-axis shows the impact of encounter specific contacts' on relationship outcomes.

An approach comparing the relationship of attributes to outcomes classifies items as satisfactory (satisfiers), dissatisfactory (dissatisfiers), or a combination of both (criticals) (Vargo, 2007). Inherent in the CIT data collection technique is the ability to separate data into these three groups (Vargo *et al.*, 2007). Studies of motivation use this approach and link results to outcomes (Herzberg, 1959). In this report, data structure reveals satisfiers, criticals, and dissatisfiers, which are labelled "drivers," "facilitators," and "basic."

Drivers lead to satisfaction in encounters. This infers that flexibility and resolution potentially have a significant and positive impact on relationship quality. Tuli et al. (2007) also identify flexibility ("process articulation") as a predictor of satisfaction and as the basis for solutions. Resolution is an effective complement, since this attribute reflects investment in development of closeness (Laing and Lian, 2005) and adaptation to partners' specific needs (Eyuboglu and Buya, 2007).

Facilitators connect to both (dis)satisfactory evaluations. Positive attitudes reflect the motives and intentions of partners (Ganesan, 1994). Investments in relationship specific attitudes (Ganesan, 1994, Laing and Lian, 2005), deepening shared knowledge (Yorke, 1990), and adaptation to the partner (Eyuboglu and Buya, 2007) are all tangible evidence of this. Communication is focal in relationship marketing (Doney *et al.*, 2007) with shared understanding developing as a result. This is especially necessary when specification conformance relies on negotiated agreement. Meeting or even understanding specification requirements can lead to favourable evaluations.

Third, basic only associates with dissatisfactory assessments. Grönroos (1984) distinguishes service quality along two continuums: functional and technical quality. This split stresses the importance of service behaviours to delivery, which the current findings support. Technical quality includes the postdelivery judgments about outcomes, making up a minimum requirement for a particular marketplace (Grönroos, 1984). From this perspective, an interpretation of conformance to specification (Figure 2) often relates to technical quality. This is similar to Crosby's classic definition of quality (1979). Current findings, however, find that basic capability is the only attribute where poor performance leads to dissatisfaction, but the reverse is not true. In the relationship paradigm specifications (Tuli *et al.*, 2007), basic competence is the means to achieve this. This supports the rationale for basic competence as a minimum requirement to achieve outcomes.

Those parts within the triangle (Figure 2) represent encounter specific evaluations and therefore are components of service quality (Bitner and Hubbert, 1994). The data collection technique leads to a non-exhaustive view of service quality (Johnston, 1995). Consequently, service quality spans the boundary of the empirical findings (Figure 2). The literature shows service quality leads to several relationship oriented outcomes. These include trust development (Doney *et al.*, 2007, Gounaris and Venetis, 2002), satisfaction (Caceres and Paparoidamis, 2007, Ennew and Binks, 1999) and commitment (Caceres and Paparoidamis, 2007, Doney *et al.*, 2007), all of these interrelate (Hennig-Thurau *et al.*, 2002) as constructs of relationship quality (Morgan and Hunt, 1994, Rauyruen and Miller, 2007). However, a suitable description of and the associations between the parts of relationship quality are unclear (Holmlund, 2008) and are beyond the scope of this work.

This report describes the impact of the three groups (drivers, facilitators and basics) on relationship quality outcomes, drawn out from actual experiences. In comparison, satisfaction dissatisfaction has a disproportionately high impact on outcomes (Mittal *et al.*, 1998, Vargo *et al.*, 2007). Prospect theory also emphasizes that dissatisfaction leads to greater perceived losses (Kahneman and Tversky, 1979). This suggests that sources of dissatisfaction (the basics and ineffectively delivery of the facilitators) create a disproportionately negative impact on relationship quality. Drivers can positively and significantly impact relationship quality through satisfactory delivery. The extent to which this occurs depends on supplier performance on the sources of dissatisfaction in the drivers group.

When evaluating encounter outcomes, informants refer to sacrifices in the form of time and money set against performance on the drivers, facilitators and basics. This is a parallel to Zeithaml's (1988) concept of value. Holmlund (2004) states the elusive term economic quality "corresponds to some extent to the notion of value as used in service quality models." Evaluations of value also include future benefits (Doney et al., 2007). In contrast, Geyskens and Jan-Benedict (2000) use the term economic satisfaction, rather than value, and refer to the financial benefits attributable to the relationship that arise from sales, margins, and discounts. This suggests value within the B2B context still lacks clarity. In the broadest sense Grönroos (2000) suggests economic quality reflects: "… the possible economic consequences of a soluti[illegible]

Service quality models differ from value (Bolton and Drew, 1991), with the former being an antecedent of the latter in both the B2C (Cronin *et al.*, 2000) and the B2B (Patterson and Spreng, 1997) literature. Figure 2 reflects this rationale. Value is an antecedent of satisfaction (Patterson and Spreng, 1997) and trust (Doney *et al.*, 2007). Whereas service quality leads to perceptions of value both in the B2C (Zeithaml, 1988) and B2B sectors (Patterson and Spreng, 1997). This logic fits with informants' positive evaluations of sacrifices that achieve needed customer service quality outcomes. Therefore, this study suggests that informants evaluate the impact of both customer service quality against value in its impact on overall relationship quality (as in Figure 2). The parts in the triangle (Figure 2) are the delivery of moments of trust that have a positive impact on relationship quality through the multiple contacts inherent to B2B relationships [illegible] give managers an opportunity to improve their B2B customer service encounters.

MANAGERIAL IMPLICATIONS

Doorn and Verhoef (2008) find that critical incidents are salient in evaluating a relationship. Sources of dissatisfaction negatively impact relationship quality, making these a priority for managerial attention (Johnston, 1995, Mahesh and Stanworth, 1995). In Figure 3, "??" managers face limited choices of partners. Managers in this position should focus on suppliers where relationship investment (e.g., in training to develop competence) is most likely to lead to a desired basic capability. If the supplier shows continuous weak performance on basic competence, then a search for alternatives should be undertaken (Figure 3, "?").

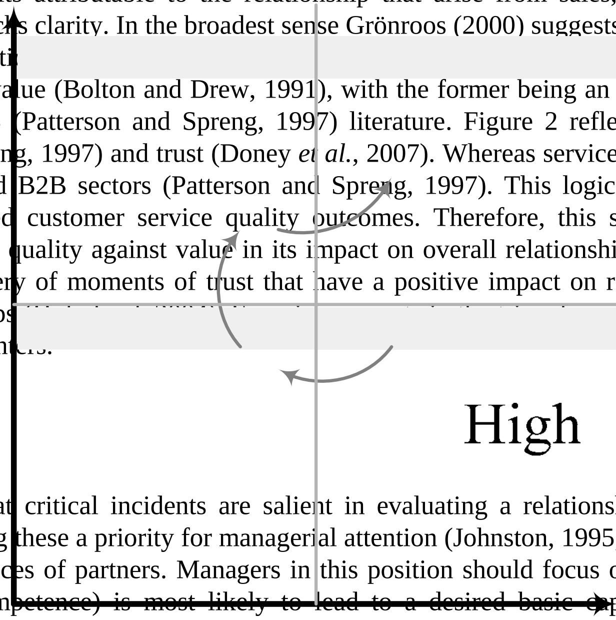

Figure 3: Managerial implications

Facilitators play a more complicated role than other categories because they connect to the generic part of the offering and impact directly on (dis)satisfaction (Vargo *et al.*, 2007). In online marketing, for example, criticals play the role of both hygiene and motivators; completing the former is a precondition to satisfactory fulfilment of the latter (Zhang and Dran, 2000).

As a result managers should engage in careful and complex evaluations of the facilitators (Figure 3, "+/-"). For instance, a lack of or minimal communication is likely to be dissatisfactory. In contrast, perceptions of adequate communication of information are likely to be neutral. Proactive communication of problems and information are likely to induce satisfaction.

The "drivers", representing "ends in themselves" (Nagao *et al.*, 2006), reflect suppliers' investments in the relationship. By reciprocating managers find opportunities to develop mutual benefits. These drivers cause high quality service contacts (Figure 2) and have the greatest ability to create trust (Gounaris, 2005b).

LIMITATIONS AND DIRECTIONS FOR FURTHER RESEARCH

Several limitations bind this study. In the service setting the use of CIT focuses on satisfaction and dissatisfaction (Bitner *et al.*, 1990) and so ignores items in informants' zone of tolerance (Johnston, 1995). Further research could both validate the findings in this study and the uncovering of noncritical elements in the encounter. A further limit of the technique is the opportunity for post event rationalizations of events with the experience of more current encounters (Butterfield *et al.*, 2005). The reporting of almost equal numbers of (dis)satisfactory experiences suggests no particular bias either way and so counteracts this view. Given individuals' need to present themselves in a positive light (Patrick *et al.*, 2003) this could create bias. In this study since evaluations focused on the provider not the purchaser (informant) this unlikely to have occurred. Therefore the assumption is that the CITs represented a reasonable connection between events and evaluations.

The relationships that Figure 2 proposes are an explanatory modeling and rigorous quantitative examination could validate and expand the findings given here. Low participation has a negative impact on perceptions of service quality and this suggests the varying relevance of attributes to outcomes. Therefore further research could also consider the connection between the depth of the relationship (Figure 1) and the proposed relationships between the drivers, facilitators and basics and relationship quality. Finally the finding that value and sacrifice relates may reflect encounter specific evaluations sought during data collection. Value in B2B contexts may include future benefits (Doney *et al.*, 2007), such as revenue (Geyskens and Jan-Benedict, 2000). Since value lack clarity in B2B contexts researchers could usefully resolve this.

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