Executive Summary and Update

Faculty Member Receiving Grant: Martin Mende, Associate Professor of Marketing, Florida State University

Research Title: The Service Working Alliance: A New Predictor of the Performance of Service Relationships

Target: A premier journal in Marketing

Current Project Status and Proposed Timeline:

- Two empirical studies are completed: one cross-sectional survey-based study in a B2B setting (Study 1); one longitudinal survey-based study in a B2C setting (Study 2).
- Given the increasingly high standards of premier journals, two additional longitudinal studies are underway: One study is being conducted in a B2C setting (Study 3); another study is being conducted in a sales force setting (Study 4).
- Once the longitudinal data collection for Studies 3 and 4 are completed, my co-authors and I will focus on data analysis and finalization of the manuscript.
- Submission plan: Submission in summer / fall 2016.

Co-Authors:

- Jenny van Doorn, Associate Professor, University of Groningen, The Netherlands
- Jan Schumann, Professor, University of Passau, Germany
Companies across industries invest significant resources to build and maintain sustainable relationships with their customers. Despite intense research efforts however, the drivers of successful service relationships are not yet entirely uncovered (Palmatier et al. 2006). Thus, empirical evidence is needed on novel determinants of successful business-to-business as well as business-to-consumer relationships (Bolton, Lemon, and Verhoef 2010; Ostrom et al. 2010). Notably, many commercial relationships, rather than being product-centered, are dominated by service provision (e.g., outsourcing or maintenance services, financial services). In service relationships, the customer is always a coproducer (Vargo and Lusch 2004); that is, customers and the seller’s frontline employees must work closely together to create service value. Although a service provider cannot deliver full value to customers without successful coproduction, the mechanisms of coproduction between customer and provider are not yet fully understood. To address this void in extant marketing knowledge, this research introduces the Service Working Alliance (SWA) as a framework to better diagnose commercial service relationships in both business-to-business and business-to-consumer settings.

We propose that the SWA helps better explain the mechanism of coproduction between customer and service provider, particularly in contexts where the service provision is embedded in relatively involved and complex commercial relationships. According to the working alliance concept, three components determine the quality of a professional service relationship and its outcomes (Bordin 1979; Horvath and Greenberg 1986): The agreed-upon goals, the joint endorsement of mutual tasks and responsibilities,
and the interpersonal perceptions and bonds that are formed so that the collaboration can progress.

We examine the SWA across four studies, conducted in four different contexts: First, we study the SWA between industrial customers and their sales representatives based on survey data collected from 100+ customers (of a Fortune 100 firm) (Study 1). Second, we investigate the SWA between customers and their financial advisors based on longitudinal survey data collected from more than 200 consumers of a financial services firm (Study 2). The data collection for these studies is completed. Results from both studies show that the SWA influences the overall service relationship in terms of crucial success indicators (e.g., customer loyalty intentions, actual revenues).

We are currently conducting two additional studies that not only replicate but also expand our current findings (while also examining similarities and differences with regard to the influence the SWA has in service relationships across our focal contexts). Specifically, Study 3 aims to investigate the influence of the SWA in relationships between participants in a weight-loss program and their respective weight-loss coach. Wave 1 of this longitudinal survey research has now been completed and Wave 2 will be launched in the spring of 2016.

Finally, Study 4 is also a longitudinal study, but it examines how the concept of the SWA might help in better managing the relationships between (independent) sales representatives and their sales managers. For this study, we are now collaborating with a company in Germany, which has agreed to provide secondary data that we can match with our survey data. We have completed Wave 1 of the data collection (a survey of 200 sales reps) and are planning to launch Wave 2 in the first half of 2016.
In summary, we propose that the concept of the *Service Working Alliance* provides a new perspective on the extent to which service providers successfully build close, collaborative relationships with their customers. This research makes a theoretical contribution by introducing the SWA (i) as a new diagnostic metric that better explains the mechanism of coproduction between customer and provider, and that (ii) helps better predict the business performance of collaborative service relationships (e.g., in terms of revenues). In addition, this research has actionable managerial implications as it provides a new metric that helps companies (in both B2B and B2C settings) derive strategic and tactical implications for how to comprehensively analyze, manage, and leverage their customer relationship marketing efforts.
SELECTED REFERENCES


