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**ADDITIONAL POSITIVE EFFECT TO QUALITY PERFORMANCE  
IN RELATIONSHIP MARKETING WITH A NEW CONCEPT:  
CRITICAL INTERACTION SPACES (CIS)**

**Abstract**

Considering the dynamics of relationship marketing, customer is critical value having strategic importance for the business. Acquisition of the expected gains of relationship marketing depends on the quality and the strength of the relation between business and its stakeholders occurring at the desired level. In this context, the business' exact and correct comprehension of the customer and accordingly exact fulfillment of the customer's demand have a critical importance. A customer entering into service delivery system plays role of accomplishing the task that is assigned to it within the system. Here, the point that needs to be taken into consideration is whether or not the service business exactly reaches the quality level it had already set, and in cases of a different 'request' what sort of process the service delivery follows. Within the scope of service marketing, it is focused on how the customer relationships manager, sales and service personnel have to deal with the customer. However, when the administrative and training programs of service businesses are analyzed, it was seen that they only developed programs considering the customer and contact personnel interaction. Because of this reason, it was considered necessary to analyze the interaction between personnel and personnel in the back stage, and developed a method called 'critical interaction spaces (CIS)'. The service business has advantages such as ensuring the highest level of consumer satisfaction, enhancing service quality to a specific level, achieving the highest level of consistency between customer's wants and specifications, controlling the quality during the process, contributing positively to consistency of service by analyzing the CIS.

**Keywords:** quality, critical interaction spaces, relationship marketing

## **Introduction**

Because of the fast change in recent years, service businesses consider the necessity of long term relationship with customers, so they adopt the relationship marketing concept which provides competition advantage. Acquirement of the expected gains of relationship marketing depends on the quality and the strength of the relationship occurring at desired level between the business and its stakeholders. The competitive force of a service business depends on how much employees and stakeholders provide the expectations of customer which is one of the most important stakeholders. It is of critical importance for service business to fulfill demand and expectations of customer completely in order to create competitive advantage. The guide way of fulfilling this aim is to confirm compensation of customer expectation completely within service flow. I have developed a method for this aim named as CIS. CIS was developed in order to fulfill demands of customer in each stage of service flow process and serve with zero defect.

## **The aim of the research**

Considering the dynamics of relationship marketing, the stakeholder having a strategic importance for the business is the customer. Within the framework of the strategic importance, as inside and outside customers, understanding the structure of interaction between customer and personnel is important. The researches included in the literature manifested the extent with which the interaction between the customer and service personnel serves the predetermined objectives, that this relation affects the quality of interaction performance, and has a significant effect on service quality and the output. This effect makes a positive contribution to customer satisfaction ( King & Garey, 1997; Örs, 2007). On the other hand, it has been discerned a shortfall in the term of ‘interaction’ which has major significance in service quality and performance efficiency. To resolve this shortfall, a concept has been tried to develop. It is possible with this concept to get more qualified outputs during the service delivery system, to control the quality just-in-time, and to create an output that corresponds customer’s demand and wants higher level.

## **Literature**

Nowadays, relational marketing, a kind of marketing that demonstrates businesses' competitive position, is explained as all marketing activities for develop and protect successful relational changing (Morgan and Hunt, 1994, p. 22). The main reason that relationship marketing provides business an important competition advantage is that intangible elements can not be imitated easily by competitors.

Relationship marketing is based on relationship defined as 'a social support between business and customer, an expert-based support, a layout of psychological and ideological connections' (Berry, 1995, p. 238; Storbacka et.al., 1994, p. 25). In relationship marketing, marketing activities are categorized according to the dimensions of continuity, individuality and identity (Gordan et.al., 1998). The level of continuity means that the interaction of relation's continues of both sides, and the individualization level means to individualize marketing mix of business according to the each customer's personal needs by providing greater value.

Researchers found that perceived value has a significant role in influencing customer satisfaction (Chen, 2008). The core value provided by the service business to customers includes quality of the service delivery and the uniqueness of tangible and intangible products besides company images, physical facilities. Much research has been showed that emphasizing customers' perception of service quality is important to increase the added value of service (Lin, 2007). Perceived service quality and customer value are supported as drivers of customer satisfaction (Lim et.al., 2006, Anderson et.al., 1994), and contribute to generating customer satisfaction (Deng et.al., 2010). Kotler (2000) argued that customer satisfaction was closely linked to customer value and the measurement of customer satisfaction should be carried out from the perspective of value. Perceived quality and customer satisfaction are predictors of customer's behavioral intentions (Chen, 2012, Liao et.al. 2009) which is the basic stage of customer loyalty (Kandampully and Suhartanto, 2000, Prandergast and Man, 2002, Murray and Howard, 2002, Gallarza nad Saura, 2006, Eggert and Ulaga, 2002, Choi et.al., 2008). When a customer trusts the service provider, he or she will expect to increase satisfaction and loyalty towards the vendor (Kassim and Abdullah, 2008). Kim and his friends (2009) found that trust will affect satisfaction in the long term. Sheth, Newman, and Gross (1991) argued that a customer's purchase choice was influenced by a multiple consumption value dimensions which are functional, conditional, social, emotional, and epistemic.

In services which have high level of customer-employee interaction, the relationship quality that demonstrates interaction quality is the main factor for customer satisfaction (Bharadwaj et.al. 1993, p. 93; Henning-Thurau and Klee, 1997, p. 751), and customer satisfaction is precondition for customer retention (Kotler, 1994, p. 20). One way of building customer satisfaction is that to enhance and improve customer relationship, and increase the relationship quality (Anderson et.al. 1994; Naumann and Rosenbaum, 2001, p. 40; Kumar et.al., 1995; Dorsch et.al., 1998). The findings of the research which made to demonstrate what make the customer satisfied categorized into three groups (Bitner et.al., 1994):

- Employees' response to service system failures,
- Employees' response to customer's needs and wants,
- Employees' behaviors which do not turn to act or undesirable.

Becoming a competitive tool for interactions that accure in these three area is possible if and only if service businesses' source and capability creates benefits that customer desired (Bharadwaj, et.al., 1993, p. 93).

In service experience, customer's roles are gathered in three groups (Bitner, et.al.,1997, p. 194):

- Customer as a part of production,
- Customer as a participant to quality, satisfaction and value,
- Customer as a rival to service business.

Therefore, customer is considered partial employee (Bowen, 1986, p. 373; Mills and Morris, 1986, p. 730). The effectiveness level of the customer's participation in the delivery process will increase the extent with which the needs are fulfilled and the level of the expected yield. In customer experience, service quality is the amount of the service performance exceeds customer's expectations (Zeithaml, Berry and Parasuraman, 1985; 1990; 1991), so business should identity what customer's expectation and its level. According to the finding that service quality is the indicator of customer's percieves (Örs, 2008, p. 554), it may cause a constraint in percieved quality if the business provides services within the framework only pre-production specifications, and the reason is that customer's real time deamand could not compensate predetermined specifications. This situation requires to be flexible in specifications, and to have employees who are qualified in multifunctional ares, also alternative options. Furtermore, findings demonstrated that customers who take the same service output but come from different cultures have different quality perceptions (Örs, 2009, p. 343).

There are quite detailed researches about improving the service quality in literature. Service quality is essential concept in service marketing because it is one of the determinant of competitive force (Kemp, 2005; Bharati and Berg, 2005; Yoo and Park, 2007).

The model developed for revealing the level with which performance expectations are met is the service contact valuation model. In this model that Brown and friends developed (1991), it is determined that satisfaction which occurs as a result of service contact effects the perceived service performance of customer.

Another study is explained as 'gap model' (Zeithaml, et.al., 1988, p. 36). The model demonstrated that the customer's perceived service quality is effected by four gaps which occur in service business. In service business, the holistic model that can be used for achieve to the targeted degree of organizational quality is ten-points model (Heymann, 1992). In the model, the ten-points are creating a quality culture, developing teamwork, developing the leadership qualities, developing customer oriented policies and procedures, forming standards, developing human resources, creating a quality plan, creating a measuring system, performance evaluation and continuity education. It is seen that the basic premise of the model is the customer and relationships in a service business.

The first step of ensuring customer satisfaction, service quality and performance effectiveness is to determine how much the customer is involved in the service delivery system. For this reason, the degree of relationship between customer and service should be examined. This degree is examined in three groups; low-contact services, medium-contact services, and high-contact services. 'Low-contact services involve no physical contact between customers and service providers. Medium-contact services entail a lower degree of involvement with service providers. High-contact services are those in which customers visit the service facility in person and are actively involved with the service organization and its personnel throughout service delivery' (Lovelock, 1996, p. 50). In low-contact services, customer's efficiency power in service delivery system is at the lowest level. Customer cannot interfere or effect the process, cannot direct the service performance within the framework of extra wants. In medium-contact services, customer is not dominant in service process. A customer entering into an available service delivery system plays its role of accomplishing the task that is assigned to it within the system. In high-contact services, the situation is quite different than the situations explained before. Bebeko (2001) found that customers had higher expectations of the service quality from industries with

a higher intangible service level than from the industries with a lower intangible service level. In high-contact services, contact personnel has an important role, because this personnel fulfill a part of functions similar to physical delivery and promotion functions. Therefore, it is obvious that in high-contact services, service personnel has a critical importance.

Another difference between high-contact service and the others is which quality dimension the customers consider and how much it is essential for them. Grönross (1984), who has detailed studies about this topic, considered quality's service-based component as 'technical quality' and 'functional quality'. Technical quality responds what delivered to customers, functional quality responds how the service delivered to customers. Functional quality is more important in high-contact service than the other types of service.

Considering in terms of customer satisfaction perspective, customer-personnel and personnel-personnel interactions should be addressed planning and education subject. Here, the important point that needs to be taken into consideration is whether or not the service business exactly reaches the quality level it had already set, and in cases of a different 'request' what sort of process the service delivery follows. Because competition occurs in expanded level of goods, it makes value to cater customer's demands exactly.

### **Critical Interaction Spaces (CIS)**

According to the explanations so far, it is important for service businesses to respond completely and accurately to expectations based on the customers' demands or wants. Generating outputs which exactly correspond to customer expectations is possible if and only if customer demand is communicated completely and accurately, and processed accordingly to those demands in whole service process.

The method of 'Critical Interaction Spaces' was developed for the service industry to generate output based on customer request, and to achieve more consistent levels of customer service and satisfaction, thereby contributing to the creation of loyal customers. CIS are the interaction spaces applicable for all activities in every phase of the service flow and in interaction with each other, where the previous process affects the next process and, depending upon the result of this interaction, where the next action is carried out and an activity output is obtained, which in turn affects another action and thus the cycle of interaction

is created. This interaction cycle starts with the customer who wants a service. The main reason the cycle starts with the customer is the simultaneity feature, which is one of the hidden generic features in the natural structure of the service. This feature shows that the service is producing while it is consuming. Because the service is not considered produced before the moment it consumed, the starting point of the interaction cycle is the customer who forms the consumption side. Every process expressed in this description is appropriately called a 'space,' because each activity interacts with subsequent processes. These interaction spaces are processes that interact with subsequent treatments to meet the exact demands of the customer. Inasmuch as the customer is a part of the production function in high-level customer services, the customer nevertheless has no chance to judge the performance of service or intervene in any process that goes wrong. Consequently, CIS puts forth a quite different structure from the other customer-service personnel interactions in the cycle.

In the service delivery system, analyzing critical interaction spaces has the following advantages:

- ensuring the highest level of consumer satisfaction,
- enhancing service quality to a specific level,
- achieving the highest level of consistency between customers' wants and specifications that have been determined prior to providing service, so, getting the best output according to the customers' wants,
- controlling quality during the process,
- contributing positively to consistency of service.

It would appear that analyzing critical interaction spaces is a basis for guidance to the problems which are crucial for the service business and which may be difficult for intangible service. From the analysis of the interaction which takes place between the parties involved in critical interaction spaces, it is clear that the interactions are customer-contact personnel, as well as contact personnel-treatment personnel and treatment personnel-treatment personnel. However, examining the administrative and training programs of service businesses exhibits that businesses create their programs by only considering the customer-contact personnel interaction. Within the scope of service marketing, it is focused on how the customer relations manager, sales and service personnel have to deal with the customer. Customer and contact personnel are the only one side of that communications. In theory as well as in practice, the missing point is the interactions among personnel who work backstage in the service industry, especially in the

service delivery system. These interactions are personnel-personnel interactions that need to be analyzed within the scope of CIS and the most convenient form of contact has to be created for.

The simultaneity feature of customer service requires that the quality of service has the simultaneity feature too, because it is not possible to determine which level of quality has been attained by what does not exist before it has been produced. A service business can set pre-production specifications to achieve better service quality and consistent quality level. At that point, there may be possible gaps. One of these gaps is service business manager's misunderstanding customer expectations. This deficiency is transferred to service personnel during service flow process. As a result, service output cannot fulfill customer expectations completely. In order to compensate this deficit, gap model was developed by Zeithaml and his friends (1988). Suppose that service manager acknowledges customer expectations completely and correctly, and develops specifications. However, in this case it is possible that another deficiency may start. This deficiency would result from transfer of customer demand received completely and correctly from contact personnel throughout process of service flow. In fact, process of demand flow may require different treatments. In this case, customer demand would be treated by background personnel and then transferred to contact personnel. During these processes within service flow, customer demand would be malfunctioned. In order to fulfill deficiencies mentioned above, CIS method was developed. Contact personnel, mentioned in the method is the personnel who has direct contact with the customer. Treatment personnel is the background personnel who do not have contact with the customer. All helpful solutions to improve service quality and achieve consistency in service are attained by resolving these gaps.

As can be seen by the previous comments, determining critical interaction spaces to get the best output for a customer requirement and creating a specific management process that creates competitive force are the managerial success in preventing failures.

CIS should promote the processes that review step-by-step each interaction's structure, and the content should be explained clearly, completely and understandably to all relevant personnel in the business. The first stage of this analysis begins by creating a service flow plan in details. Each interaction point in the service flowchart should be determined exactly. In the second stage, these interaction points' sides are determined. It is an advantage for quality of service output to provide the best communication among each side in the interaction process.

Thus, the process manager that determines the interactions' sides can identify employees who are exposed to interactions in CIS by name, and develop a personalized approach. During the process flow method development, the most appropriate process flow may be created by allowing for participation from both the manager and the service personnel in the interaction sides. If it is necessary, in the last stage of CIS analysis, sub- systems may be created for making the process flow as flexible as possible, with the ability to assure to different customer requirements. Eventually, a control mechanism should be created. In the control mechanism for the last stage of CIS analysis, as well as in every interaction process of CIS, a dynamic system should be created in which the personnel in the next process should be controlled by the previous process personnel in points of conformity and content. The basis of the control system is created by the customer's requirements. After every cycle, the service personnel who connects with the customer performs the last check of the critical interaction spaces. If any tangible component is in use during service production, it should be monitored also (for example, in a luxury restaurant, the special meal itself should be checked). Because service is intangible, it is not possible to turn it back if there is any shortfall, mistake or defect.

## **Conclusions**

The most important point here that the manager should remember while determining CIS is to make sure that all employees perform each interaction event in the same manner at each level, and that the phrases they use have the same meaning. Additionally, each employee in CIS should accept that the employee in the next process is the quality controller of the previous process. For this, management should create a personnel group that has a shared process terminology and work culture. As managerial solutions, specific and detailed process flow plans and techniques, detailed analyzed methods are recommended to business.

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