

## THE SERVICES FOR ALL – CONCEPT OF OUR DAYS

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### **Abstract**

*The aim of the paper is to show readers the importance of building customer relationships in services.. The competitive advantage of any company should be the building of customers relationships with customer. It is easier to have loyal customers than to try to attract new ones. A loyal customer will tell other people about his experience if he is satisfied with the services offered. Unfortunately, many managers do not research about the importance of quality models and the influence of quality on the satisfaction of the customer. The satisfaction of the customer will lead to the creation of strong relationships between companies and the customer.*

**Keywords:** customer, services, customer relationship.

**Classification JEL:** L80, L89

## 1. INTRODUCTION

The concept of service has been seriously researched and debated in the last decades. For many years the worldwide economies have included goods and their sale while services have been taken into consideration only for a small percentage. The concept of service is a complex one because it takes into consideration an encounter between a customer and a company, an encounter which does not provide in that moment the service to the customers. What is interesting about the sale of services is that you first buy the service and after that the service is created and delivered to the customer. " Service marketing refers to the marketing of activities and processes (health care, entertainment, travel) rather than objects (soap powder, cars) (Solomon and others, 1985)". The service experience which distinguishes one service organization from the another is a result of the unique interaction between the experiencer and the contact person (Booms and Nyquist 1981). Since the success of a particular service vendor rests on the quality of the subjective experience, the nature of this experience is the critical determinant of long run market success". As it is mentioned " the subjective experience" refers to the fact that each customer lives its service experience depending on its life experience and since we are all different, each service experience is different.

Services are characterized not only by intangibility but also by :

1. inseparability, which means that the service is created and delivered in the same time;
2. perishability, refers to the fact that they cannot be kept for a certain period of time. For example: if a traveler pays for a holiday in May he can go in June only if he pays other services.
3. heterogeneity, refers to the fact that a service experience can not be the same each time you buy it. For example: in case we travel with a certain airplane company it may happen that a noisy person stays next to us and ruins the service experience or in case a flight attendant is not polite than our attitude regarding the service and the service provider changes.

In the process of sale and creation of services employees play an important role because the way they behave with the customers is important in creating long term relationships.

The fact that the world economies are dominated by services rather than goods has brought a special attention to tourism. Each destination has unique features and since each tourist has special needs there must exist a connection between the two. And that is why "destination competitiveness" receives a special attention from the marketing researchers.

Professors Geoffrey I. Crouch and J.R. Brent Ritchie used the theory available in this field of interest and come up with one of the most important models for understanding destination competitiveness. The aim of the article is to present readers why it is so important for destinations to take into consideration the "destination competitiveness" model in case they want to gain competitive advantages in the competition with other destinations.

But the first we must introduce the reader to what means a destination for a marketer. "From the demand perspective, destinations are places that attract visitors for a temporary stay, and range from continents to countries, to states, to provinces, to cities to villages, to purpose-built resort areas, an inhabited islands"(Pike,2012).

People come and go from different destinations according to the aim of their visit. Some take business travels and can stay from one day to several weeks, some go on vacation and in the same way they can stay only a few days or more days. If people find something that appeals to their interest they can decide to stay more than a simple city break."Tourism happens only when a tourist has to leave his (or her) residence for a certain destination by means of transport for various purposes, for example to enjoy the beautiful landscapes or the different culture of the destination the tourist is visiting"(Wang and Pizam,2011).

Tourists buy tourism products when they choose a destination for a holiday. " The tourism product at the destination level is a combination of goods and services that are produced by independent enterprises, each one acting autonomously according to its own needs and interests, and with little consideration for the needs and activities of other enterprises."(Wang and Pizam,2011). Companies have as main aim the maximization of their profit and not all of them understand that in order to have profit you must have satisfied customers and satisfied customers must receive quality products. And that is why " tourists do not perceive the situation in this manner. From a tourist perspective, the tourism destination is a unified product regardless of its numerous components. When a tourist has an unpleasant experience with a local tourism provider, this experience may result in a halo effect that causes a negative carry-over judgment to other tourism providers and to the destination as a whole"(Wang and Pizam,2011). This makes it clearly how important is for companies from a certain destination to make a tourism product that will satisfy tourists.

In what regards destination competitiveness attributes "the ten most important were found to be:

- physiographic and climate
- market ties
- culture and history
- tourism superstructure
- safety and security
- cost/value
- accessibility
- awareness/image
- location

infrastructure"(Crouch,2007).

## 2. GENERAL PRESENTATION OF THE CONCEPT OF SERVICE

The last decades have shown the importance services have in the economies worldwide, an importance that has overcome goods.. According to the statistics recorded by the World Bank the importance of services in the Gross Domestic Product of many countries has increased a lot in the last years.

The major difference between goods and services refers to the fact that services are intangible while goods are tangible. The customer who buys the service does not know what he buys until the service is delivered to him. Customer relationships are important for the both sides, it is a win-win situation because customers want to be satisfied through receiving quality services while companies increase their profitability by selling quality services to satisfied customers. The primary goal of relationship marketing is to build and maintain a base of committed customers who are profitable for the organization This refers to what we have said about companies. Unfortunately, there are case when managers do not realize that not only their party must have benefits.

"Although individual exchange relationships are primarily economic relationships in our typology, they retain social meanings, As relationships evolve from acquaintances, to friends, to partners, the trust and commitment in these relationships suggests that the social mechanism for creating economic value changes"[2](Johnson and Selnes,2004). The authors make a distinction between the concepts of customers as "strangers, acquaintances, friends, partners". The following table explains how these relationships appear and evolve. The relationship starts when the customer hears the first time about the service and continues until it reaches partnership through commitment from both sides.

**Table no 2. Customer relationship**

|                            |                                                                                                                                                                                                                                                                                          |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Customers as strangers     | Strangers are customers and suppliers in a preawareness and/or transaction period. At the industry level, strangers must be conceptualized as customers that have not yet entered the market.                                                                                            |
| Customers as acquaintances | As soon as there has been a transaction in which awareness and trial are achieved (Ehrenberg 1972), a minimum of familiarity is established, the supplier and customer become acquaintance, and an exchange relationship is established.                                                 |
| Customers as friends       | As suppliers move from supplying parity value to differential value, the exchange relationship transforms from acquaintance to friendship. Customers do not only become familiar with a certain suppliers or suppliers but also come to trust that the supplier provides superior value. |
| Customers as partners      | Over time, the relationships may evolve through continuous adaptation and commitment(Dwyer, Schur, Ohh 1987, Johanson,Hallen,Mohamed,1991)and the parties may become increasingly interdependent.                                                                                        |

Source: Johnson, M. J., & Selnes, F. (2004). Customer portfolio management: Toward a dynamic theory of exchange relationships [Electronic version]. Journal of Marketing, 68(2), 1-17. Retrieved [insert date], from Cornell University, School of Hospitality Administration site: <http://scholarship.sha.cornell.edu/articles/433>

The services have also a very important role in the preservation of the environment. This concept, new a few years ago, it is today more and more studied by the economical authors. This is seen, especially in green economics and more specific theories within it such as Natural Capitalism, as having these benefits:

- Much easier integration with accounting for nature's services
- Much easier integration with state services under globalization, e.g. meat inspection is a service that is assumed within a product price, but which can vary quite drastically with jurisdiction, with some serious effects.
- Association of goods movements in commodity markets with negative commodity (representing emissions or other pollution, biodiversity loss, biosecurity risk) public bads so that no commodity can be traded without assuming responsibility for damage done by its extraction, processing, shipping, trading and sale - its comprehensive outcome
- Easier integration with urban ecology and industrial ecology modelling
- Making it easier to relate to the Experience Economy of actual quality of life decisions made by human beings based on assumptions about service, and integrating economics better with marketing theory about brand value e.g. products are purchased for their assumed reliability in some known process. This assumes that the user's experience with the brand (implying a service they expect) is far more important than its technical characteristics

**Product stewardship** or **product take-back** are words for a specific requirement or measure in which the service of waste disposal is included in the distribution chain of an industrial product and is paid for at time of purchase. That is, paying for the safe and proper disposal when you pay for the product, and relying on those who sold it to you to dispose of it.

Those who advocate it are concerned with the later phases of product lifecycle and the comprehensive outcome of the whole production process. It is considered a pre-requisite to a strict service economy interpretation of (fictional, national, legal) "commodity" and "product" relationships.

It is often applied to paint, tires, and other goods that become toxic waste if not disposed of properly. It is most familiar as the container deposit charged for a deposit bottle. One pays a fee to buy the bottle, separately from the fee to buy what it contains. If one returns the bottle, the fee is returned, and the supplier must return the bottle for re-use or recycling. If not, one has paid the fee, and presumably this can pay for landfill or litter control measures that dispose of diapers or a broken bottle. Also, since the same fee can be collected by anyone finding and returning the bottle, it is common for people to collect these and return them as a means of gaining a small income. This is quite common for instance among homeless people in U.S. cities. Legal requirements vary: the bottle itself may be considered the property of the purchaser of the contents, or, the purchaser may have some obligation to return the bottle to some depot so it can be recycled or re-used.

In some countries, such as Germany, law requires attention to the comprehensive outcome of the whole extraction, production, distribution, use and waste of a product, and holds those profiting from these legally responsible for any outcome along the way. This is also the trend in the UK and EU generally. In the United States, there have been many class action suits that are effectively product stewardship liability - holding companies responsible for things the product does which it was never advertised to do.

Rather than let liability for these problems be taken up by the public sector or be haphazardly assigned one issue at a time to companies via lawsuits, many accounting reform efforts focus on achieving full cost accounting. This is the financial reflection of the comprehensive

outcome - noting the gains and losses to all parties involved, not just those investing or purchasing. Such moves have made moral purchasing more attractive, as it avoids liability and future lawsuits.

The United States Environmental Protection Agency advocates product stewardship to "reduce the life-cycle environmental effects of products." The ideal of product stewardship, as administered by the EPA in 2004, "taps the shared ingenuity and responsibility of businesses, consumers, governments, and others," the EPA states at a Web site.

## CONCLUSIONS

Taking all of these into consideration it must be stated that continuous research is necessary in this sector. Customers have access to information and know exactly what they want when they buy services.

The services currently occupy an important place in the world economy. Their diversity, the possibility of being used by more and more people worldwide, the fact that more and more people are able to buy services has caused a real explosion in this sector of the economy. As we have shown in the paper, a relevant area of services is in tourism, from the development of tourist destinations to the way people can access tourist services all over the globe with the emergence of fast and comfortable means of transport.

As we have shown in the article, the relations between the service provider and the client can be of several ways: customers as strangers, customers as acquaintances, customers as friends, customers as partners . We think that the best relationships would be of the type customers as friends, customers as partners which would cause an increase of the satisfaction of both the consumer and the seller. Creating strong relationships with customers means creating a strong competitive advantage. The existence of the possibility to choose among several services leads to a powerful competition and, further, in establishing and developing strategies for the proper promotion of the services.. Only by applying proper strategies will managers be able to retain customers.

Because the service sphere is constantly developing, we believe that the research in this field will show in the future interesting things for everyone.

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