

The Role of Competition in the Service Encounter: The Loyal Consumer Perspective

Shu-Ching Chen

Abstract A loyal customer is regarded as a type of competitive asset (Dekimpe et al. 1997) and paves the way to achieve a sustainable competitive advantage for an organisation (Gummesson 2008). However, the changes in competitive situations and actions taken by competitors make the challenge of retaining existing customers difficult to take (Grönroos 2009). Past studies suggest that the performance of frontline employees is critical to retain customers (Grönroos 1984; Bove and Johnson 2009) and customer perceptions of value created in ongoing relationship makes certain impact on business performance (Slater and Narver 1994; Ravald and Grönroos 1996). This highlights the necessary of examining the issue on customer loyalty from a value perspective and by taking market competition into consideration. Therefore, this study aims at providing an insight into the role of competition in the relationship between the employee's efforts at delivering customer value and the achievement of customer loyalty. Since the success of interaction between employees and customers can depend on the subjective experience of customers' perceived value in marketing activities (Ravald and Grönroos 1996), an understanding of the proposed relationships from the loyal customer perspective is salient.

Keywords Competition • Service Encounters • Services • Loyalty

References

References Available Upon Request

S.-C. Chen (✉)
Ritsumeikan Asia Pacific University, Beppu, Japan
e-mail: schen@apu.ac.jp