FRIENDSHIP OVER THE COUNTER:
HOW SOCIAL ASPECTS OF SERVICE ENCOUNTERS INFLUENCE CONSUMER SERVICE LOYALTY

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ABSTRACT

Social dimensions of service encounters contribute to consumer loyalty. Generally, social aspects of services are discussed in terms of functional qualities, that is, the style in which services are delivered. An analysis of interviews of service customers and providers suggests that functional qualities (e.g., appreciation and empathy) can be distinguished from behaviors that more closely resemble friendship or kinship behaviors. We identify and distinguish categories of social behaviors and suggest implications for management and research.

INTRODUCTION

Loyalty to service firms, identified as a key component of the service-profit chain (Heskett et al. 1994), has been associated with the customer's personal relationship with a service provider. In one study, loyal bank customers

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emphasized the "general orientation and ambience" of service delivery while non-loyal customers were influenced more by economic and convenience factors (Jain, Pinson and Malhotra 1987, p. 59). Similarly, "churn levels" of private banking customers seem to be reducible through a program of intensive interaction (File and Prince 1993). Anderson and Weitz (1989) found that stable dyads (i.e., loyal customers) in industrial channels were characterized by cordial interpersonal relationships.

The importance of customer interaction derives from the nature of services. Czepiel (1990) asserts that service encounters are "first and foremost" (p. 305) social encounters. Social aspects of service encounters (Iacobucci, Grayson and Ostrom 1994) and "relational selling behaviors" (Crosby, Evans and Cowles 1990) have been associated with quality perceptions and even buying decisions (Dell 1991).

Yet, social dynamics of service encounters can be problematic for at least two reasons. First, there can be wide variance in the way patrons define and evaluate "social aspects" of a single service category; the restaurant can range from a place for routine consumption of well-prepared meals to a "hangout" or second home (Oldenburg 1989). Second, conflicting social norms often emerge during a single service encounter. People tend to have fairly well-defined scripts by which to interact socially with family members and economically with service providers. For example, monetary appreciation of restaurant servers is widely regarded as appropriate (Lynn, Zinkhan and Harris 1993) while monetary appreciation of close relatives is highly inappropriate (Webley, Lea and Portalska 1983). At the same time, due to increased urbanization and mobility, consumers often turn to service providers rather than family or friends during times of personal stress (Adelman, Ahuvia and Goodwin 1994; Gentry and Goodwin forthcoming). As providers enact behaviors traditionally associated with friends and family, the relationship itself is transformed.

We propose to probe more deeply into the social aspects of service encounters that (1) encourage customers to define themselves as loyal and (2) influence responses of service providers to customers they view as loyal. While nearly all customers introduce social aspects of service into their definition of service loyalty, we suggest that some customers will focus on the "service" and others on the "relationships." For the latter, service relationships resemble family and close friends, and social aspects of the service encounters will resemble those traditionally associated with the personal realm. The former will emphasize style of service delivery.

We suggest that the difference is one of substance, not merely style. The distinction is important, because the way participants define a relationship will influence their interpretation of specific behaviors of their role partners (Berscheid 1994; Hobfoll and Stokes 1988). In a service context, behaviors can be viewed as intrusive, aloof or supportive depending on the personal relationship between customer and provider. We introduce a theoretical approach to understand and classify social aspects of services.

BACKGROUND

In his seminal work, Grönroos (1982) distinguished technical and functional service quality. Technical quality can be related to outcomes that often have tangible aspects, such as a well-styled haircut, a well-cooked meal or an on-time flight that delivers passengers intact. Functional quality refers to the style of delivery of the technical service: the bank teller smiles as s/he cashes a check; the physician appears to care about a diagnosis; the sales rep arranges for special order processing. While both types of quality are important, subsequent research on social dimensions of service encounters has tended to focus on functional quality.

At the same time, some social behaviors can be distinguished from functional quality altogether because they can be separated from delivery of the core service. Examples include customers who tell a mail courier about their personal lives—their families, their children (Riddell 1993)—and providers who serve as components of the customer's social support network (Adelman, Ahuvia and Goodwin 1994; Gentry and Goodwin forthcoming). These social behaviors, which we call "communal," create a relationship that bears a strong resemblance to family and close friendships.

Although communal behaviors are not essential to service delivery, we suggest that they can influence consumer responses to the service encounter. Social psychologists have found that social cognitions, such as attributions, can be influenced by the relationship between interacting partners (Fletcher and Fincham 1991). Furthermore, attributions have been associated with service evaluations (Folkes 1984). Therefore, it is likely that social behaviors that cause the relationship to resemble a friendship will ultimately influence the customer's responses to the service encounter, including behaviors contributing to functional quality. Hobfoll and Stokes (1988) suggest that certain actions will tend to be interpreted as social support if offered by close friends and family members, while such actions from less intimate others will be more ambiguous. Thus, if the service provider anticipates a communal relationship but the customer does not, a sincere offer of personal help (e.g., taking care of a child) may be seen as a manipulative attempt to influence future patronage. A model of this conceptual framework can be found in Figure 1.

Consumers will define themselves as loyal in response to both functional and communal behaviors by the service provider. Communal behaviors will also influence the relationship between provider and consumer, which in turn will influence the way consumers interpret functional behaviors. Other components of service delivery, such as convenience, perceived value or switching costs, may also influence loyalty but are not addressed in this article.

The concept of functional quality captures a variety of social constructs that have been addressed in the services literature. For example, service quality has been associated with friendliness, caring, and empathy (Parasuraman, Berry

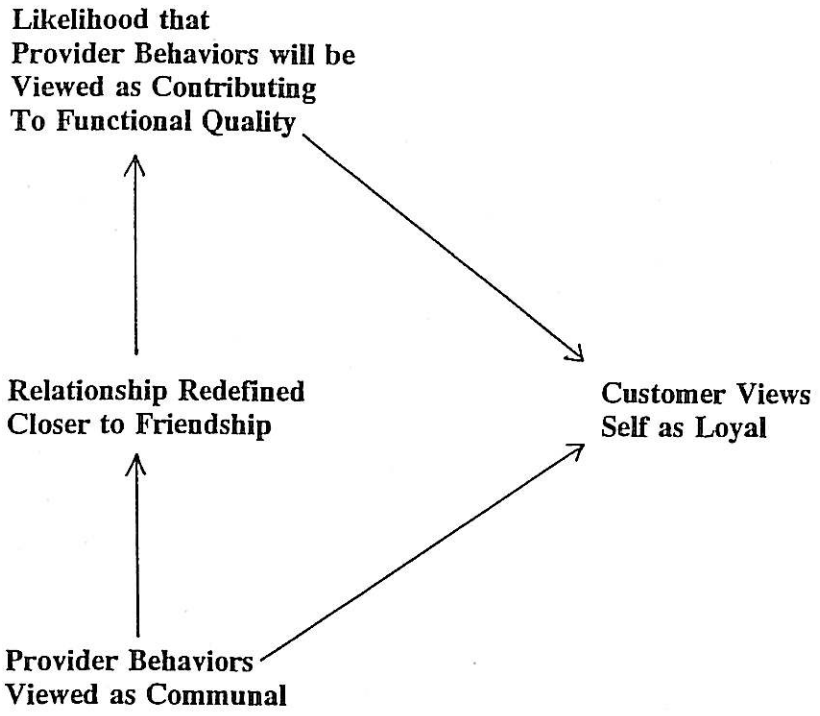


Figure 1. Model of Conceptual Framework

and Zeithaml 1985) as well as personalization (Surprenant and Solomon 1987). The concept of communality captures the distinction between friendship and friendliness, between style of service delivery and relationship change. In this article, we analyze behaviors of customers and providers that appear to fall into these categories and suggest some additional categories that may enhance the existing literature. We compare responses of customers and providers and suggest implications for research and management.

CONTRIBUTING LITERATURES

Generally, relationships "are developed and managed by reference to socially and economically sustained models of what these relationships should be like" (Allan 1993, p. 3). Services often lack these models; as we noted earlier, restaurant relationships can vary from purely economic meal delivery systems to intensely personal hangouts. Therefore, relationship management becomes potentially problematic: each participant may bring a different script to the service encounter, increasing the potential for conflict (Solomon et al. 1985).

Other relationships that hold similar potential for conflict have been addressed in various literatures. Cheal (1987) recognized the permeability of boundaries between commercial and social relationships, but his interest was in the influence of the market economy on intimate family rituals. An anthropologist (Eisenstadt 1956) identified the conflict underlying what he calls "ritualized relationships;" those that are particularistic, personal and voluntary, but also institutionalized. Examples range from godparents to caste-based servant relationships. Demands that one party can make on another "are not usually clearly defined and may give rise to a lot of private interpretations and extortions" (Eisenstadt 1956, p. 92). Dialectical tension frequently has been associated with public/private or commercial/personal dimensions of relationships, which are particularly relevant to understanding service interactions.

Early psychological studies used statistical techniques to elicit dimensions of relationships varying from marriage/family to retail to prisoner-guard (Marwell and Hage 1970; Wish, Deutsch and Kaplan 1976). While these approaches assume that roles dictate norms, Marwell and Hage (1970) recognized that individuals whose interactions are dictated by publicly defined roles will nevertheless develop friendship and camaraderie (e.g., the police chief and district attorney). External role requirements will differentiate this professional friendship from one that is purely social.

Exchange Theory

Exchange theory classifies relationships based on rules of reciprocity, reward and motivation. At one extreme are those motivated purely by self-interest. Clark and her associates (Clark 1983; Clark, Mills and Powell 1986, 1987; Mills and Clark 1982) refer to these as "exchange relationships;" similar patterns have been identified as "balanced" (Sahlins 1972) or "economic" (Blau 1964). The personal identity of the other individual will be irrelevant: parties relate to one another in terms of role identities. Each party keeps track of inputs to the relationship in order to keep score and maintain equity. When one participant contributes to the relationship, s/he expects to be repaid immediately in an amount equal to the value of his/her contribution. Thus, some service transactions come close to being pure economic exchange; examples include a self-service car wash or gas station.

At the other end of the continuum are relationships that Clark and associates call "communal," resembling "intimacy" (Roloff 1987) or "pooled exchanges" (Sahlins 1972). "In communal relationships, members have a special obligation to be responsive to one another's needs, whereas in exchange relationships they do not" (Clark 1983, p. 282). Clark and her associates do not address complexities arising from interactions that incorporate both economic and communal norms, beyond noting that people experience uncertainty when

definitions are unclear and that most relationships are at least "weakly communal" (Clark and Mills 1993).

Goodwin (1994) draws on this literature to differentiate types of service relationships. She borrows the term "communality," defined as the extent to which friendship behaviors (discussed below) can be identified in a service encounter, such as self-disclosure, nonessential conversation and non-core helping behaviors. Examples from both trade and academic sources suggest that evidence of communality can appear in a variety of services, including those not traditionally associated with deep personal interaction. For example, delivery of express mail might appear to be impersonal and transactional rather than relational. Yet, an advertising executive observed a Purolator courier's day in a major city:

> While the courier's skill at negotiating the snow and traffic-clogged streets impressed him, [the observer] was most surprised to discover how close a relationship the courier had with his regular customers. He knew their children, their lives (Riddell 1993, p. 8).

Oldenburg (1989) has defined a category of service establishments that he calls "third places," services between work and home that offer social support to customers. For example, the "regulars" in one urban bar brought home-cooked food at Christmas "for the family" (Katovich and Reese 1987, p. 340).

Relationship Theory

Relationship theory has received increased attention from social psychologists within the last decade (Berscheid 1994). Perhaps the greatest potential contribution to services comes from recent research that addresses the influence of relationship type on social cognition (Fletcher and Fincham 1991). Perceptions of quality, attributions and satisfaction judgments have been the building blocks of theories of service evaluation. Social psychologists have found that these processes differ when applied to people in close relationships as compared to undifferentiated strangers.

Marketers have begun to draw parallels between personal and business relationships. In their seminal article, Dwyer, Schurr and Oh (1987) drew a comparison between marriage and business relationships. In our view, friendship appears to be a more apt paradigm for understanding service relationships. Marriage is a legal contract and behavioral norms can be relatively inflexible within a society. Most important, Western society dictates fidelity to a single marriage partner but allows multiple, simultaneous friendships whose relative importance can vary temporally and situationally.

Similarly, consumers often develop a network of service providers rather than a dominant relationship; the constituents and importance of the network nodes can vary with the consumer's personal, social and business needs.

Relationships often develop with providers during brief interchanges associated with standardized, routinized, low-involvement services, such as the Purolator courier described previously. Thus, service relationships seem to resemble the conception of friendship proposed by Allan (1993, p. 6) as a "cultural construction:"

> That is, the existence of the tie is not defined by the individual's position within a specific social organization, as, for example, colleague or uncle are within workplace and kinship domains, respectively. Rather it depends on the judgments the individual makes about the quality of the tie and whether it matches the generally implicit criteria taken to signify friendship ... the detailed specification of friendship matters less than the patterning of sociability in general.

Summarizing the psychological literature, Argyle (1992, p. 52) suggests that friends "do three main kinds of things together—have conversation, provide help and spend joint leisure." The prevalence of these activities within a service encounter can define the nature of the relationship between provider and consumer. Thus, the nature of a service relationship can be inferred from the customer's participation in and response to shared jokes, nonessential self-disclosure and offerings of help beyond the core service.

Specific Relationships

In addition to these broad literatures, other studies focus on specific relationships that direct our attention to permeability of social and commercial boundaries. Three research areas seem particularly relevant to understanding service relationships: the helping professions, informal markets and coworker intimacy.

Mental Health Professions

Winstead et al. (1988, p. 111) summarize extensive research that examines the "unique characteristics of therapy as a personal but asymmetric relationship." Surprisingly similar concerns have been identified in an ethnographic study of occult readers, who compare themselves to more traditional mental health approaches. Practitioners report feelings of responsibility as well as

> a sort of altruism, a norm regarding respect for clientele and concern for their interests.... Altruism potentially conflicts with accepting money for service. Like service personnel in the exoteric society, occultists have developed a rationale for treating this conflict (Jorgensen and Jorgensen 1982, p. 383).

Thus, mental health providers demonstrate characteristics shared by a variety of service providers, including nonreciprocal self-disclosure and ongoing conflict between personal concern and monetary payment.

Informal Markets

Consumer research has directed attention to personal relationships that exist in commercial settings. Belk, Sherry and Wallendorf (1988, p. 463) note that the swap meet

> is betwixt and between categories in a number of interesting ways. It is neither shopping mall nor rummage sale, hypermarket nor neighborhood store; yet it shares features in common with each of these institutions. Its patrons are not just shoppers; nor are they just sightseers.

Similar relationships have been identified in farmers' markets:

> A small exchange each week, an unfolding of self layer by layer, and the fragmented discourses develop continuities. There's deepening recognition, dawning kinship. Let's get together. Might you become my friend? (McCollum 1990, p. 286).

In these settings, personal relationships redefine commercial relationships.

Coworker Intimacy

Service customers have been viewed as "partial employees," (Lovelock and Young, 1979; Mills and Morris, 1986), encouraged to bus their own tables or use ATMs to enhance productivity. Thus, they interact with providers and other customers as coworkers. Like service encounters, coworker interactions have been regarded as task-related and transactional (e.g., Gabarro 1987), but empirical data suggest that coworkers often offer each other a source of intimacy—particularly, discussions of personal matters (Fine 1986; S. Marks 1994). These interactions, whether joking behavior or mutual problem-solving, are associated with job satisfaction and commitment. By analogy, we would anticipate that similar intimacy in a traditionally task-related service setting will enhance satisfaction and loyalty.

RESEARCH QUESTIONS

Drawing on the literature summarized in the previous section, we asked two research questions. First, we anticipated that customers would define loyalty in terms of social and nonsocial aspects. For instance, they might say, "Loyalty means I go to a restaurant every week." Alternatively, they may say, "Loyalty means they're my friends." We also expected customers would identify antecedents of loyalty in terms of both nonsocial factors (e.g., good food or low price) and social factors based on their interaction with human providers (e.g., friendly service or willingness to answer questions). We anticipated that

many of these social behaviors would reflect behavioral categories already identified in the services literature, such as service personalization (Surprenant and Solomon 1987) or empathy (Parasuraman, Zeithaml and Berry 1985). As in most qualitative studies, we also anticipated that behaviors might be reported that did not seem to fit existing categories but would suggest new research directions. Therefore, our first research question was:

Research Question 1. What types of social behaviors do service consumers associate with loyalty?

Based on our literature review, we anticipated that these social behaviors would fit into two general categories—communal and functional. Functional behaviors are those which enhance service delivery, such as answering questions related to the service or smiling and greeting customers. In contrast, communal behaviors do not represent interactional style, but content of interaction. An interactional style may be friendly but not communal, as when a provider politely thanks the customer. A communal behavior need not be friendly: a bartender might yell at a regular customer, just as families and close friends argue with one another. This theoretical distinction was made by Goodwin (1994). This study asked whether we could, in fact, make this distinction by reviewing empirical data collected from actual service customers. Therefore, our second research question was:

Research Question 2. Can communal behaviors be differentiated from those which contribute to functional quality?

METHODOLOGY: CUSTOMER PERSPECTIVES

Structured depth interviews were conducted, with both customers and providers, as part of a larger study of service loyalty. This section reports an analysis of customer interviews. The next section will focus on provider interviews as a contrast to customer responses and will present a comparison.

Following Lincoln and Guba (1985), the customer sample was designed to maximize variance of responses. Interviewees were limited to those who purchase and consume a wide range of services, defined in the usual way as purchase of intangibles. Retail stores and auto dealers were included as services. Because of this requirement, middle and upper-middle-income customers tend to be overrepresented while lower income customers are underrepresented. The sample ($n = 21$) was chosen to include both men and women from a major southwestern metropolitan area, with a wide range of ages and occupations (see Table 1). Respondents were recruited through a snowball technique, beginning with the interviewer's network of acquaintances (cf. Schouten 1991). All interviews were audiotaped and transcribed, resulting in 60 single-spaced pages of text.

All interviews were conducted by the second author as part of a larger study. Interviewees were asked several questions as part of the larger study. For the present study, we addressed the research questions by analyzing responses to three prompts: that is, those asking respondents to (1) describe their favorite service providers, and those asking each provider to (2) define loyalty and (3) identify elements of the service that contributed to their loyalty. Loyalty was not defined a priori; indeed, we sought to understand the degree to which customers themselves defined loyalty in terms of social aspects of services.

While each transcript was studied on a sentence-by-sentence level, we encoded "chunks of meaning" (Spiggle 1994) that did not necessarily correspond to grammatical structures. Each chunk was coded thematically. When a sentence, phrase or "chunk" seemed to represent more than one theme, it was entered more than once. When respondents discussed multiple services or service providers, each service or provider was considered separately. Iterative coding led to revision of themes throughout the process.

Each social description was coded independently by the first author and a research assistant (with intercoder reliability of 95%; disagreements were resolved by the authors). Based on the literature discussed earlier, we first sorted responses that mentioned social aspects into two categories: functional quality and communal behaviors. Social aspects were associated with functional quality when they were associated with enhancement of delivery of the core service; for example, the provider was friendly when s/he delivered the meal.

As noted earlier, communality is represented by behaviors, typically associated with friends or families, that differ substantively from those which contribute to functional quality—the "what" as opposed to the "how." For this study, communal behaviors were defined based on Argyle's summary of friendship activities (conversation and support contributing to what Argyle [1992, p. 52] calls "joint leisure"). Communal aspects also included self-disclosure that was not necessary to delivery of the core service. For example, the response "the veterinarian was concerned about my cat" would be coded as a contribution to functional quality; the response, "the veterinarian asked about my children" would be coded as communal. Within one office visit, both contributions to functional quality and communal behaviors may occur; indeed, as noted earlier, as the relationship begins to resemble a friendship, there is a greater likelihood actions that affect core service delivery are more likely to be viewed positively.

After we noted and classified social aspects, we reviewed each major category—communal and functional—for subcategories. Some subcategories were anticipated in the literature, (e.g., empathy as a form of functional quality) while others were not (e.g., what we call provider personalization). In the next section, we report typical comments that represent each category of social behavior mentioned by interviewees.

CATEGORIES OF SOCIAL BEHAVIOR

Social aspects identified by respondents that contribute to functional quality were further categorized as appreciation, empathy and personalization. Subcategories of communality included non-task-related conversation, nonessential self-disclosure and long-term relational commitment. As we discuss each subcategory, we identify roots in the literature and potential implications.

We refer to customer respondents by their initials. A list of respondents, their gender, marital status and occupation is found in Table 1.

Functional Quality

As discussed earlier, Grönroos (1982) distinguishes "technical" quality of services, such as a good meal or acceptable style of hairdressing, from what he identifies as "functional quality," the way technical quality is "transferred" to the consumer. Our respondents provided many examples of social behaviors that contribute to functional quality.

Personalization

The personalizing provider recognizes "the customer's uniqueness as an individual over and above his/her status as an anonymous service recipient"

Table 1. Summary of Customer Respondents

AH, 42, female, married, project manager
BG, 36, male, married, distribution manager
BS, 32, male, single, psychologist
BW, 58, male, married, salesman
DB, 29, female, married, nurse
DC, 47, female, married, part-time medical secretary
GB, 77, male, married, retired electrician
HD, 45, male, married, manager of software company
JB, 75, female, retired retailer
JG, 31, female, married, software engineer
JK, 63, male, married, part-time accountant
JN, 49, male, married, software manager
JS, 53, male, married, software engineer
JT, 34, female, married, real estate appraiser
KR, 33, female, married, homemaker
NS, 34, female, married, homemaker
SB, 38, male, married, full-time student
SS, 40, male, married, engineer
TM, 31, female, married, medical secretary
VP, 52, female, married, secretary
YG, 63, female, married, retired nurse

(Surprenant and Solomon 1987, p. 87). Our respondents liked to be identified as a "regular," a form of personalization that contributes strongly to loyalty:

> We get a pizza every Friday night from the same place.... The lady who runs this place knows Bernie [my husband], and when he calls up she says, "Oh hi, how are you doing?" And every once in a while she gives us a good deal. We don't have to have a coupon to get a discount (AH).

While Surprenant and Solomon identified customer personalization, our study also found evidence of what we might call *provider personalization.* Interviewees emphasized the importance of dealing with someone familiar, regardless of the degree of friendship within the relationship. Theory supports this observation, as frequency of interaction, or the "propinquity effect," has been associated with liking (summarized in Aronson, Wilson and Akert 1994, pp. 374-377). Milgram (1977) suggests that "familiar strangers," such as familiar faces seen at bus stops, can become a source of comfort to city-dwellers who experience high levels of anonymity and alienation. For instance:

> I wouldn't think of going into a service station garage unless I knew the person (JB).

Provider personalization was, not surprisingly, associated with services that do something to the body rather than to physical assets (Lovelock 1983):

> I am real loyal to someone who cuts my hair. I get comfortable with one person—their personality, the way they cut my hair (BG).

> You feel comfortable when you've been going [to the hairstylist] and you know the people (NS).

One male interviewee communicated this point effectively:

> There are some services where I can tolerate an impersonal relationship (e.g., the cashier at the grocery) but when you spend an hour getting your hair cut or an hour getting your teeth cleaned or 15 minutes of dropping your drawers in front of somebody, you want to be more than a piece of meat coming through the office (BS).

Sometimes, an interaction combines several dimensions of functional quality; for instance, this interviewee reported both empathy and provider personalization:

> I have confidence in Larry, the guy in charge [of the auto repair shop]. He's always in a good mood and eager to help me out. He's even done little things and not even charged me. I feel confidence in his ability and his concern for me as a customer. He tells me when they are not equipped to do certain things (RS).

Friendliness

Ten respondents used the words "friendly," "personable" and/or "friendliness," either in discussing a specific provider or in defining loyalty. Friendliness has been identified as an important influence on quality perception, incorporated in the SERVQUAL scale (Parasuraman, Zeithaml and Berry 1988), so the frequency of mention is not surprising. Yet, despite the general importance of friendliness, the meaning seems to vary among respondents. JN sees the pest control service rep as "real personable," suggesting an interactional style that contributes to the delivery of functional quality. In contrast, DC describes another pest control rep as "real friendly" but shows evidence of a more personal relationship by adding, "His son comes along and plays the piano now." An even closer relationship is suggested by VP, whose dentist is "a nice man, friendly, almost like going to a friend."

Because friendliness has been associated with delivery of the core service in many research and practitioner surveys, we suggest that friendliness be categorized as a contribution to functional quality. Yet, for some respondents, the term "friendly" seems to suggest a deeper relationship that becomes evident when communal behaviors are also reported. Therefore, we suggest that future research might probe more deeply into meanings of friendliness—for example, how is friendliness recognized and reported in the context of other social aspects of the service encounter.

Six respondents said they simply "like" the person or described a provider as "nice." TM said she "likes the girls in the dentist's office." As with friendliness, liking seemed to have varied meanings. SB described a dentist with "good social skills," while KR said of her dentist, "I like him and I'm comfortable with him."

We distinguished friendliness from empathy and caring because terms like "help" and "caring" were not used as an example of being "friendly" or "nice." Respondents appear to distinguish interactional style, such as friendliness, from more affective aspects of caring.

Empathy

Berry and Parasuraman (1990) define empathy in terms of easy access, good communication and customer understanding. These qualities have been associated with rapport, generally defined in terms of comfort and ease of communication (Dell 1991; R. Marks 1994). Nearly all customer respondents included some form of empathy in their responses. As a form of functional quality, the provider's empathy focuses on process or outcome of core service delivery rather than on aspects of the customer's life not related to the service:

> I feel real comfortable in their store.... The people are helpful and the store is laid out nicely. There's usually somebody around to ask how to do something, and when you ask them how to do something they'll take the time [to answer] (TM).

> [My] plumber is easy to talk to. He's not in such a big hurry that he won't take time to explain things (RS).

> I go to a particular Sherwin Williams store because the manager is extremely helpful and really pays attention to you when you come in (DB).

Because the following topic of conversation focuses on core service delivery, we suggest the following interaction represents a contribution to functional quality rather than a communal behavior. Yet, empathic actions appear to generate attributions about the provider's personal qualities rather than the system:

> I feel real comfortable with [my gynecologist]. She's a warm person ... she always has time to talk to you before you get undressed ... she always asks about general health—how you have been feeling. She is always prompt about returning phone calls if I have questions about medications or anything. She just seems to be a real caring person (JT).

Caring, a special form of understanding, frequently was mentioned in connection with outcomes of the core service. For instance:

> One time we took our little dog in to have his teeth cleaned and claws removed, and the dog died under the anesthesia. It was a fluke type thing but [the vet's] reaction was incredible. He was as upset about it as we were. His assistant was nice about it, too. Every time we went back, they made us feel like they really cared about us (DC).

Appreciation

Expressions of thanks were mentioned by six respondents. Respondents saw thank you cards and gifts as especially important gestures of appreciation of their patronage.

> They [travel agent] were really helpful and they sent me a thank you card. That kind of follow up makes you think, "OK, I'll go back there again" (DB).

People usually send greeting cards and thank you notes to friends rather than exchange partners. Yet, these forms of appreciation tend to be incorporated into service scripts so commonly that they represent contributions to service delivery rather than signs of friendship. One individual emphasized that these "gifts" were really price breaks—an indication that she clearly views the relationship as governed by exchange norms:

> I think you get price breaks [as a result of being a loyal customer]. The little bakery that I go to every other morning, every once in a while they'll just give me a free muffin and say, "You're a good customer, it's on us today." Also, my hair stylist one year said, "Oh it's your birthday—I'll give you your haircut" (AH).

A simple thank you may be viewed as courtesy, which has been strongly associated with perceptions of service quality. In an experimental study, Goodwin and Ross (1992) found that customers expected gifts and price breaks as part of service recovery, but we are not aware of studies that explore customer responses to tokens of appreciation.

Four customer respondents defined loyalty in terms of their own positive actions to the provider, although none offered outright gifts. For example:

> In general, loyalty is appreciating someone's service so much ... if they have served you well for so long, you kind of owe it to them to return (NS).

> [If you are loyal] you go there for a long time and really appreciate their service. You don't jump around to someone else unless there is a really good reason (DC).

HD and VP define loyalty as recommending the provider to others; VP adds that loyalty means going to the provider "through thick and thin." In summary, our respondents indicated that reciprocity extended beyond what Clark and associates call exchange norms. Paying the provider for each transaction somehow does not seem sufficient to these customers, and loyalty incorporates elements of mutuality. This topic deserves further attention among researchers and practitioners.

Communality

Social aspects were categorized as communal if interviewees reported activities associated with friendship (Argyle 1992): nonessential conversation and self-disclosure not required by the core service. A third subcategory—commitment—was defined during the process of data analysis.

We found that communality was reported in a variety of services, even those that would initially appear to be low-involvement. As noted earlier, Riddell (1993) found that express mail couriers developed close, personal relationships with customers, although it is possible to receive the service with no more than minimal interaction: "Here's your package. Sign here. Thank you." We found comparisons to family, nonessential conversation and expressions of commitment in a variety of services: dentists, hair stylists, pest control services, bank tellers and restaurants.

"Like Family"

Five interviewees spontaneously compared the service encounter to family or close friends.

> He [hairstylist] is kind of like a friend now (AH).

> These people [lab technicians] are now "like family" (JB).
>
> I have a family type of relationship [with my dentist] (HD).
>
> We feel "at home" at a certain grocery store (JK).
>
> Our pest control rep has become a friend (JN).

These comments demonstrate the problematic nature of service relationships that we discussed in the first part of this article. In their experimental research, Clark and her associates (e.g., Clark 1983; Clark, Mills and Powell 1986) often operationalize "communal relationships" by presenting the relationship partner as a close relative or friend; "exchange relationships" are operationalized by presenting the relationship partner as a banker, landlord or store clerk. Yet, these verbatims substantiate the notion of communality as a continuum, as well as the placement of service relationships at various points along this continuum. We identified other behaviors that appear to be associated with communality, defined earlier in terms of friendship behaviors.

Conversation

Interviewees reported a variety of nonessential conversation, from gossip to jokes. For instance:

> There's only one restaurant in town ... that's where the best gossip starts up. We make about two trips a day up to the restaurant. Everybody knows us—both employees and customers (GB).

In fact, there were several restaurants in GB's town, yet this interviewee did not see them as interchangeable substitutes. This restaurant seems to resemble the "third place" hangout described by Oldenburg (1989). Other respondents discussed the nonessential conversations across a variety of service contexts:

> I know the people at the [bank] branch I go to and get into different conversations with them (BS).
>
> He [the pest control serviceman] has become a friend. He shares experiences with us every time he comes around. He asks about our daughter and talks about his own daughter (JN).
>
> [My hairdresser] tells jokes and asks about my family and my work. We both play bridge, so we'll talk about that (AH).
>
> They [medical lab technicians] treat us just like family. They're always glad to see us. They are always so pleasant—we laugh and talk and go on and kid each other (JB).

These verbatims suggest similarities between service friendship and what Stephen Marks (1994) calls coworker intimacy. Numerous examples of joking behavior in the workplace have been identified (Handelman 1990). Just as this type of behavior cements coworker relationships, we suggest that evidence of humor will contribute to closeness between provider and customer.

Self-disclosure

Sometimes, the nature of the core service requires self-disclosure that serves as the catalyst for a more personal interaction. While we tend to associate physicians with self-disclosure, contemporary medical practices require extensive disclosure to the clerical staff responsible for third-party reimbursement:

> The insurance girl at the doctor's office and I have become very good friends because of all the insurance work that has been needed to be done.... When I had my youngest child in the hospital, she called and asked if I would like her to watch my oldest for a while since she lived close by. She really went out of her way (KR).

Yet, self-disclosure may also be unrelated to the service encounter:

> [My barber] is an engaging person; we talk about each other's lives, we share personal stories (BS).

This mutual self-disclosure suggests that a variety of service arenas may share the informality and blurred boundaries associated with less traditional markets, such as swap meets (Belk, Sherry and Wallendorf 1988). In swap meets and farmers markets, the barrier of the counter between provider and customer is replaced by open areas; similarly, other services require physical and verbal interaction that seems to encourage this openness and sharing.

Long-Term Commitment

Dwyer, Schurr and Oh (1987) associate relationship development with longevity and commitment. Because we focused on service loyalty, nearly all customers referred to expectations of ongoing relationships. As noted above, the need to disclose personal information to receive the service could lead to disclosure of less relevant personal information. More generally, one respondent described the evolution of a relationship from one based on economic advantage to one currently maintained by personal interaction:

> We go every Saturday morning. We know the store; there are economies in knowing where everything is. We started out with being satisfied. The relationship built up over time, and has become a more important factor over time. The people know us there (the whole family).

> They make a big deal over the kids. They would miss us if we didn't go one Saturday morning. I feel a loyalty to the people who work there (SB).

Social Aspects versus Core Service Delivery

Discussions of service quality sometimes emphasize that social aspects of services cannot compensate for inadequate delivery of the core service (e.g., Iacobucci, Grayson and Ostrom 1994). Our interviews suggest that, for some customers, loyalty can be overriding. Some of these statements were extremely strong:

> Even if they are not an excellent doctor or hair stylist, if I really like the person and they are average at what they do, I will still continue to use them (KR).

> [My hair stylist] is friendly and she knows me. We keep caught up on each other's lives, since I see her on a regular basis. I would have a hard time leaving her, even though I've found someone else who I also like and who does a real good job cutting my hair (DC).

Others emphasized a willingness to resolve problems collaboratively:

> If we're unhappy with the way they worked on our car, we [the mechanic and I] work through it (VP).

> Loyalty means giving the provider a chance to correct what went wrong (JS).

> I think you're a little more forgiving if they've been friendly (AH).

Other respondents noted that they avoid price-shopping when they have developed a loyal relationship. For example:

> If I have personal friends there, I overlook the location and price factors (SS).

> I like [my hair stylist] because he is a one-person shop. He pays really good attention to what you want him to do. He's really funny and has lots of good jokes. He's kind of like a friend now. I've never considered using anybody else. He probably charges more than other people, but I don't care (AH).

BW said he could probably find a lower-priced accounting service "if I looked around;" more generally, his definition of loyalty includes giving the provider an opportunity to match competitive prices.

On the other hand, three respondents said that core service delivery would override loyalty. VP and SS added (unprompted) that they would change, respectively, dentist and air conditioning repair service if the quality were unsatisfactory. YG refuses to give loyalty to hairstylists, because she has found she eventually becomes dissatisfied with anyone who does her hair.

Our results suggest the need to study multiple forms of social aspects when assessing their impact on provider loyalty. Communal behaviors may influence the consumer's willingness to override price or convenience when choosing a service. Statements like, "I feel that he's a friend but I wouldn't go to him if he weren't a good dentist," need to be assessed in the context of the relationship: while three respondents volunteered similar statements, none volunteered that they had discontinued a service despite provider friendship. Future studies should be designed to test the influence of specific social aspects of service on evaluation of core service, as well as the likelihood that specific social aspects will influence cognitive evaluation processes.

DISCUSSION

Customers appear to define and demonstrate loyalty in terms of social aspects of service encounters. Some interviewees viewed their relationship with the provider as one of exchange, so that social dimensions contributed to functional quality, while others appreciated interactions that more closely resembled friendship and kinship interactions. This section summarizes topics that emerged from this analysis and suggests directions for future research.

Meaning of Friendship

Our respondents used the word "friend" idiosyncratically to describe their service experiences—possibly because, as noted earlier, contemporary North American culture lacks standardized models for managing service role relationships. When the customer says, "He's my friend," the researcher has to probe further. The nature of the relationship can be estimated by probing for examples of communal behaviors: do provider and consumer share conversations about their personal lives, unrelated to the core service? Do they seem to be sharing leisure? If so, the relationship probably goes deeper than a transactional exchange.

The dynamic interplay between relationship type and consumer behavior needs considerable exploration. The section on "Social Aspects versus Core Delivery" above emphasized that the relationship among social aspects of services, perceived service quality and loyalty will vary among customers. Some emphasized their commitment to working on the relationship; others preferred to avoid affective responses that might influence an economic decision. Some respondents say they regard the provider as a friend but that core service delivery quality would override loyalty. These interviewees mentioned that they had known the provider as a friend before beginning a service relationship; for example, SS knew one provider as a neighbor before beginning the service relationship. Others did not report examples of communal behaviors, despite

reference to friendship. We became more aware of the complexities of the quality/social tradeoff as we reviewed the data and suggest that future studies be designed to allow a more detailed examination of this relationship.

We also emphasize the need to understand relationships holistically, that is, considering not only the consumer's description but also the copresence of diverse categories of behaviors in one relationship. Interviewees sometimes described service providers as friends or even family members yet did not indicate any interaction beyond the style of delivering the core service. For example:

> I can trust [the auto repair shop]. I feel like they always have my interests in mind.... It's hard to distinguish between being a loyal customer and being a friend.... They lean over backwards to treat me well—like driving me home while the car is being worked on (JB).

This perception of friendship seems based on the provider's concern as related to elements of the core service. The additional service offered by the repair shop—driving the customer home—seems to contribute to the customer's perceptions of functional quality rather than development of a relationship. Yet, if we realize that JB is a 75-year-old woman, such a gesture has enormous impact. Other research suggests that the elderly often blur boundaries between friendship and commercial services as they obtain services they need (Wentowski 1981). Therefore, JB appears to view the ride home as a communal behavior. A 25-year-old able-bodied young man might not; he might even be annoyed if he was not offered a ride or loaner vehicle.

Thus, we suggest that future research probe the meaning of "friend" more deeply in the context of services. Age, gender and socioeconomic status may influence meanings assigned to the relationship. Communal behaviors should be explored as possible evidence of a close relationship, despite a consumer's disclaimers; as a relationship approaches friendship—that is, becomes more communal—we may look for differences in the way consumers evaluate provider behaviors and make decisions about continuing to patronize the service.

Meaning of Appreciation

Several respondents emphasized the importance of tangible thanks, in the form of cards, small gifts or freebies. We suggest that nearly any form of appreciation will represent a contribution to perceptions of functional quality, rather than a gesture of friendship. Yet, some participants seemed to view these tokens as spontaneous gifts ("every so often, I get one free") with connotations of friendship, despite a lack of other communal behaviors in the relationship. These findings raise several questions. Can a gesture of thanks be misinterpreted as an unintended communal gesture? If the relationship already

encompasses a high degree of communality, closely resembling a friendship, will expressions of thanks be interpreted differently? And, perhaps most difficult, how does the consumer thank the provider for what appear to be communal helping behaviors?

There are micro as well as macro managerial issues. For instance, would a particular benefit have the same impact if it were delivered systematically (buy 12, get 1 free) rather than at the provider's apparently spontaneous discretion? One thought is that the former may be associated with satisfaction, the latter with delight (Rust and Zahorik 1994).

Empathy

On the other hand, empathy and "being easy to talk to" seem to be associated with personal traits of service providers. These aspects turned up not only in personal services but also in specialized retail stores where consumers turned to providers for expertise. The importance of a comfortable relationship was associated with delivery of the core service—getting questions answered and getting help when needed to obtain the core service. Empathy seems related to what we have called provider personalization—the desire to deal with a specific person rather than to view the provider as defined impersonally by his/her role occupancy. Several respondents associated familiarity with a "comfort level."

Trust

Seven customers spoke of trusting particular providers; yet trust was linked not only to the way the service was delivered but also to friendship. For example, DC said of her accountant, "I trust him—he's a friend too." Three customers indicated that trust was important to loyalty. BG said, "In general, loyalty means I trust them." The importance of trust has been identified in the literature and (as discussed later) was echoed by service providers. Our analysis suggests that trust may be associated with personal as well as functional qualities.

Other Implications for Research

Differentiating social aspects in terms of whether they facilitate core service delivery or develop a personal relationship can offer insights into previous services research and suggest new directions. We offer two examples.

First, Cowles (1994) found that consumers do not always become angry if the motive for a provider's compliment turns out to be not friendship but an opening to sell a product. Cowles concludes that providers, like prostitutes, manipulate feelings and serve as paid friends, with the customer's consent. In her experiment, Cowles (1994) manipulated only functional behaviors (e.g.,

a hair stylist complimenting the customer on her personal appearance). In contrast, Bigus (1972) reported that milkmen "manipulated" housewives, performing actions *not* related to core service delivery (e.g., turning on an oven for an absent housewife). Further research would be useful to investigate whether customers respond differently when selling motives are associated with communal as compared to functional behaviors.

Second, Surprenant and Solomon (1987) found that increased programed personalization (e.g., small talk about the weather) was associated with lower evaluations of competence, trustworthiness and effectiveness. In contrast to their finding, our respondents responded positively to nonessential conversation, even in such standardized transactions as grocery shopping and banking.

We suggest that conversational topics completely unrelated to core service delivery will be viewed as expressions of communality. Customers will respond positively if a communal relationship has been established or desired. Therefore, future studies might compare the effects of "programed personalization" (1) when the conversational content varies between personal and service topics and (2) when a communal relationship has been desired or established.

PROVIDER PERSPECTIVES

Methodology

In addition to data on the 21 customers, we analyzed interviews with 20 service providers who worked in industries utilized by the respondents. While some service customers were also providers (e.g., DB is a nurse and BS is a psychologist), those who were interviewed as customers were not interviewed about their experiences as providers. Thus, no respondent was interviewed twice. In addition, the service provider sample was generated independent of the customer sample.

Providers were asked to describe their most loyal customers and the factors that contribute to development of service loyalty. All our interviewees had extensive direct contact with customers of their service firms. The same analytical approach was used to identify and categorize social aspects of service encounters that contributed to service loyalty. While we referred to customers by initials, we refer to providers by first names which are pseudonyms. A provider respondent profile is provided in Table 2.

Functional Quality

Personalization

As noted earlier, Surprenant and Solomon (1987) defined personalization as the provider's recognition of the customer as unique. Providers seemed to realize the importance of this recognition. Michael and Irene both emphasized

Table 2. Summary of Provider Respondents

Alan, 45, auto repair service owner
Barry, 38, residential phone service customer assistant
Carole, 30, airline sales representative
Darlene, 40, residential phone service account representative
Ellen, 28, store manager of fast food restaurant
Franklin, 34, sales representative, long distance phone service
Gary, 38, veterinarian
Helen, 40, director of day care center
Irene, 38, dental hygienist
Julie, 48, team development leader, telecommunications
Kenny, 34, assistant manager of bookstore
Larry, 40, customer service manager, retail banking
Michael, 62, physician
Nancy, 25, customer service representative, retail banking
Orville, 31, computer store manager
Patsy, 48, registered nurse at pediatric clinic
Robert, 34, new car salesman
Rita, 33, credit card services manager
Thomas, 32, vice president, private banking
Yvonne, 40, certified financial planner

that loyal customers do not want to be treated "as a number." Irene said, "we don't herd them in like cattle." Larry emphasizes name recognition: the customer's feeling that "they know me here" and feelings of "self-esteem" derived from being known.

While customers mentioned benefits of being regulars, providers acknowledged that privileges were built into service delivery design. Robert said flatly:

> Loyal customers get preferential treatment from our service department ... and we make no bones about that.... They have "free reign" of the dealership. They can look at cars without being "hassled" and visit, unescorted, parts of the dealership usually off-limits to customers.

Gary agreed that regular clients of his veterinary practice expected preferential treatment for their pets as well as themselves: "You don't consciously shove somebody else out of the way, but you do think about who really comes here all of the time." Michael acknowledged that a loyal customer can refill a prescription by phone. Loyal customers of an auto repair service "get service above and beyond what they normally get, including a service call to their car." Alan says, "Sometimes we'll also take customers home or pick up their kids at day-care because their car was tied up ... with only 5 employees, we can't provide services like that to everyone."

The concept of provider personalization was also recognized. Nancy, a bank teller, says that one of her customers "waits for my window. If I'm in the drive-through, he'll come out there." Kenny, a bookstore manager, describes a clerk whose loyal customers "have followed her all over the city." Ellen said she thought customers liked to see a familiar face.

Friendliness and Empathy

The term "friendliness" was used by both providers and customers, but "rapport" and "respect" were used by providers. Examples from providers include:

> Friendliness of the staff is important (Gary).
>
> Friendly services [will] make them have a personal bond, as opposed to just calling your utility company or something (Thomas).
>
> They [customers] get common courtesies, such as "yes ma'am, no ma'am" (Barry).
>
> We try to treat each customer with respect (Darlene).
>
> They know how they are going to be treated—with courtesy and respect (Julie).

Providers did echo customer concerns with helpfulness. Several providers said they would help customers obtain the core service more easily:

> We walk people through [the computer store] and answer their questions (Orville).
>
> I don't know how many people I escort down to the [bookstore] section they've asked for (Kenny).

Helping was seen as a form of caring, of doing something extra, rather than a form of friendliness. Robert spoke of "taking care of customers"—offering them a free rental car or a ride while a car was being serviced. The metaphor "go the extra mile" was used by Orville, Darlene and Rita. Carole emphasized the need to "go above and beyond."

Providers also echoed customer references to caring. A clinic nurse (Patsy) said some of their patients are "kids now coming back with their kids ... it's like a family." She adds:

> I think there is a real caring that comes across to people ... a sense of comfort in knowing that we know them and raised them, and now we are raising their children.
>
> [Our loyal customers] feel comfortable calling us first ... taking an active interest in their pets is the number one thing (Gary).

They sense a great deal of concern on our part for that child (Helen).

I think building rapport with customers is important. I don't think anybody wants to come into an office and be told in a cold manner "this is what you have to do" (Irene).

Nearly one-third of provider respondents emphasized traits and skills:

We have a lot of friendly people here (Nancy).

We try to hire people who know what they are talking about and who are nice guys.... I'm a relational type of guy. I like dealing with people (Orville).

We try to have knowledgeable reps available (Darlene).

We look for people who are outgoing ... express warmth ... and [have a] willingness to verbalize (Patsy).

We try to look for and hire people who are going to be extra friendly (Rita).

We're good at social skills (Thomas).

Not surprisingly, providers viewed friendliness and social skills as part of the product that could be built into the service, while customers personalized responses ("she's a caring person" or "he's a nice guy"). Even when delivering empathy, providers attempted to engineer the service to offer a quality result to the customers on a consistent basis. They had given some thought to what qualities were needed to deliver the desired outcome.

Trust

Providers seem to be concerned with actively creating trust, while customers more reactively experience trust as part of a constellation of feelings associated with loyalty and personal interaction. While customers tended to associate trust with feelings of friendship, providers spoke of trust more abstractly as the core of loyalty in a variety of services:

When we break trust with the customer, they will leave us (Barry).

A loyal customer is someone who has developed trust in you (Robert).

They trust us with their child (Helen).

Appreciation

In the previous section, we noted that customers who defined themselves as "loyal" often responded to the provider's gestures of thanks. Providers

recognized the importance of these gestures and created proactive strategies to communicate appreciation to their most loyal customers. Just as loyal customers avoided price shopping, providers rewarded loyal customers by discouraging price comparisons:

> For loyal customers, I'll cut my costs to sell them something to keep them here (Orville).

Kenny finds that people "love" the opportunity to receive a free book after purchasing twelve:

> It is very time consuming for us.... But there is something people like about having long boxes packed full of little beige cards where we know their name, write it manually down ... and see what amount of credit they have accumulated.

Among our more surprising findings, providers reported that appreciation was mutual—customers voluntarily sought opportunities to bring them gifts:

> We have a lady who bakes us cookies every three weeks and brings them in because she can ask a dumb question or buy a dumb part, and we put it in for her or whatever (Orville).

> I have customers who bring me presents. I had a baby last year, and I got baby gifts from some of my regular customers; I've got birthday presents.... There is one older guy who comes in once in a while and brings me a rose (Carole).

Other forms of customer reciprocity were noted. For example, Kenny noted that bookstore customers liked to recommend their favorite books to the store's personnel. Carole said regulars "tell me things, because they live on the plane." One fast food restaurant customer (a "regular")

> has gone to the janitorial supply store for me and picked up stuff. Once, a broom handle was too long, so he trimmed it down and sanded it off for me (Ellen).

Interestingly, not a single customer respondent mentioned giving gifts to service providers. It is possible that such gifts are relatively rare; the providers who mentioned gifts tend to deal with large numbers of customers and the proportion giving gifts may be relatively small.

Sahlins (1972, p. 186) observed, "If friends make gifts, gifts make friends." This view appears to be shared by the providers who reported receiving gifts, none of whom were professional providers. In contrast, the limited literature on gifts from customers tends to focus on professionals, who view nonmonetary gifts negatively (Drew et al. 1983) and even manipulative (Orgel and Shengold 1968). We offer two possible perspectives.

First, customers who offer gifts do not intend to compensate the provider for specific services; they appear to be contributing to a long-term relationship.

Wiseman (1986) suggests that friends often see each other as "banks" holding deposits of potential help that can be withdrawn as needed. The customer who ran errands for a fast food service manager seems to have been making a deposit to some form of resource bank. In contrast, professional services often require a commitment regardless of interaction; several people mentioned the difficulty of switching doctors and dentists because of the accumulated history, while lawyers charge by the hour to obtain case histories. Therefore, a gift may seem superfluous in the context of what is already presumed to be a long-term commitment but an expression of friendship in encounters that traditionally are more casual.

Second, professional providers are well-compensated, and caring for the customer may be associated with the job. The comparison with spiritual readers described by Jorgensen and Jorgensen (1982) may be applicable: readers did not want to be compensated entirely in money but in some form of energy. They wanted their goodwill to be perceived, at least partly, as a gift, and gifts call for reciprocity. Similarly, professionals seem to include caring in the service which is well-compensated by client fees. Caring seems perceived as an "extra" in such nonprofessional services as travel agencies or fast food restaurants, compensated by tips or gifts. For all forms of service, recommendations represent acceptable forms of appreciation.

The topic of reciprocity within services, particularly between loyal customers and providers, deserves further research attention. When customers extend appreciative gestures beyond a tip for service, they may be anticipating or expressing communality; providers more routinely express appreciation that is directly related to service delivery.

Communality

Service providers also identified examples of communality. Some providers consciously tried to create this feeling:

> They feel, especially the older people, that it's great when they can come in here and tell you about their dog or their grandchild coming into town (Nancy).

> People enjoy the community aspect of the bookstore (Kenny).

> We've really tried to foster a family type of situation with our staff ... the doctors really like to have those of us [staff] who have been there for 20 or 30 years (Patsy).

Larry suggests that social support was consciously considered as an element of service delivery:

> [We need] to identify needs that a customer might have. And the need may simply be a service [social] need—that person needs to be smiled and talked to, and their grandchildren talked about, or it may in fact be a financial need.

Self-disclosure

Providers realized that customers had to provide personal information in order to receive effective service. Robert, a car salesman, learned how his customers used their vehicles—how often they traded, annual mileage and type of driving. Yet one customer, a dairy farmer, chose to share even more information about the business than Robert needed:

> A customer can detect when you are genuinely concerned about them.... We were invited by a customer to come out to their dairy farm because I had expressed an interest in learning about what they did.... I was genuinely interested in how many cows they have, how much milk they get out of them every day.... And so when [he] calls and says, "I need a truck," you can help him with the buying process by saying, "Well, I don't think, based on your keeping your vehicle 3 or 4 years, that this particular engine is the best for you" (Robert).

Robert doesn't need to watch the cows being milked in order to recommend the best engine for the dairy's truck, yet he makes a causal inference between obtaining this information and recommending an engine. Robert's increased helpfulness seems to derive from the trust he has built by developing the relationship, which in turn is helped by increasing levels of self-disclosure.

Because they often seek loans, loyal customers of a bank are "more apt to discuss a mix of finance and personal needs and be freer about doing so" (Larry). Similarly, a financial advisor (Yvonne) emphasized that her loyal clients open up about life events so she can offer optimal service. Confirming customer data, providers found that this task-related self-disclosure could lead to the more personal relationships.

Friendship

We noted earlier that customers often viewed providers as personal friends. In a few instances, these feelings are reciprocated:

> I really can't separate my customers from my friends. Most of my customers are my friends ... you really get to know them through the process. You help them fill out their credit application, you know how many kids they have, you know how much money they make.... And pretty soon, you find out you both play basketball, you both play golf, you have two daughters and he has two daughters. Whatever. Pretty soon, you start having this bonding thing that goes on (Robert).

While customers reported that the provider "asked about" their families and children, providers spoke of getting to know their customers over time. Irene says:

> I really love my patients.... I've seen kids grow up, get married, and bring their kids in. I guess it's more than just a hygienist-patient relationship.... I think patients sense that too, because they'll bring pictures in of their kid's party or their 92-year-old mom's party.

Yvonne, a financial planner, sends flowers to commemorate life events and adds:

> I've gone to funerals for my clients.... I have two clients who are dying of AIDS. I'm not just an advisor, I'm a friend.

Unlike customers, providers express concern with setting limits to friendship and responding to customer preferences. Yvonne reports that for some clients (such as the "analytical engineers") friendship is not desired, not even birthday cards: "they want me as a trusted advisor, and that's the role I play." Irene, a dental hygienist, admits:

> Sometimes our style can be overwhelming to someone who doesn't want to be warm—who doesn't want much close contact. They might think that we're too aggressive.

Similarly, Michael said:

> You really cannot be a good doctor to somebody you're socializing with.... I don't think you should be a doctor to somebody you're playing golf with every day. I think you have to separate the two relationships.

While our sample is small, we note that this concern with limits was expressed only by professionals and paraprofessionals; the bank tellers, airline sales personnel and others who represented large organizations were pleased to receive gifts from their customers and seemed less concerned with calling them friends. Future research can explore whether professional providers will be more likely to resist customer friendship-seeking behaviors while customers of banks, restaurants and travel services may be more likely to resist similar initiatives by the provider.

Discussion: Providers versus Customers

Providers and customers held symmetrical views of relationships, with some exceptions. Not surprisingly, providers expressed awareness of setting the stage for communality and consciously expressing appreciation to customers. At the same time, providers were particularly pleased when customers offered them gifts or other forms of appreciation, such as cards, beyond the normal payment for service. Providers also expressed concern with trust and friendliness to a much greater extent than customers. Finally, providers, but not customers, mentioned that some customers wanted the relationship to remain friendly but professional, and that this separation might be desirable. Table 3 summarizes the results of this study.

Table 3. Summary of Service Encounter Behaviors

Initiated By:	*FUNCTIONAL*	*COMMUNAL*
CUSTOMER	Essential self-disclosure[3] Requests for help[1] Being comfortable[1]	Non-essential self-disclosure[3] Gifts to providers[2]
PROVIDER	Friendliness[3] Courtesy[3] Respect[2] Helps customer[3] Builds rapport[2] Discounts/thanks[3]	Jokes[1] Cards[1] Attends funerals[2] Visits customers[2] Asks about family[1]

Notes: [1]Mentioned by customers
[2]Mentioned by providers
[3]Mentioned by both customers and providers

We classified social aspects of service encounters based on whether the behaviors were initiated by provider or consumer, and whether functional or communal. An important outcome of this study is the awareness that customers as well as providers contribute to the relationship. Recent research suggests that a friendly, spontaneous interaction with customers can contribute to the service provider's job satisfaction (Tolich 1993), while industrial salespeople sometimes turn to customers for emotional support (Goodwin and Mayo 1993). Although researchers recognize that customers can influence each other's service experience, particularly in unstructured settings (Arnould and Price 1993), the customer's contribution to relationship definition deserves attention. Solomon et al. (1985) recognized that customers read from scripts, but perhaps it is important to emphasize that they also serve as coauthors.

As we noted, providers mentioned receiving gifts from customers, while customers did not mention giving gifts to providers. On the other hand, customers but not providers mentioned choosing service providers who were friends (e.g., neighbors, attended the same church, belonged to same fraternity). These asymmetries of salience suggest potentially interesting areas for future research. Additionally, a small-town study might offer numerous examples of the overlap between friendship and exchange relationships.

Although this study used a limited sample that precludes extensive generalization, we suggest that some implications for research can be derived by comparing customer and provider data. Social dimensions of a service encounter seem to be similar but not identical for customers and providers: both groups emphasize friendliness, but appreciation and trust seem to be viewed differently. Not surprisingly, providers are more instrumental than customers as they discuss the social dynamics of service encounters: they viewed social dynamics as proactive measures to build business. Providers emphasize the tools of social interaction: environmental setting, employees and policies. As expected, customers emphasize outcomes and behaviors.

Directions for Future Research

First, this theoretical framework suggests the potential contribution of research that addresses the influence of relationship type on cognitive processes. Perceptions of quality, attributions and satisfaction judgments have been the building blocks of theories of service evaluation. These issues can best be addressed through controlled experiments and field studies that allow control groups to be established statistically. Those whose service relationships share characteristics of friendship (i.e., nonessential conversation, spontaneous social support, self-disclosure) can be expected to interpret verbal and nonverbal gestures more positively than those who relate on a purely transactional basis.

A second critical area involves expressions of appreciation between provider and consumer. Differences in reciprocity norms and expectations can create conflict. Loyal customers expect to receive expressions of tangible appreciation, yet an expression of thanks can range from price breaks to spontaneous gifts. Those in communal relationships often want to do something for the provider beyond payment or tipping. The meaning of appreciative gestures, together with implications for loyalty, deserve further exploration, most likely through depth interviews that allow exploration of the customer and provider feelings. More generally, we suggest more detailed study of the degree to which consumers prefer communality within service relationships and of how this preference can be communicated to service providers.

CONCLUSION

This preliminary study reinforces the importance of social antecedents of consumer loyalty. We have observed that communality and functional quality can be differentiated, based on interviews with providers as well as customers. Some social dimensions, such as appreciation and empathy, seem appropriate to encounters regardless of the degree of friendship between provider and consumer. Nontrivial conversation, joking and personal help seem associated with a deeper relationship that takes on the character of friendship. At the same time, the friendly nature of the relationship does appear to influence the way service attributes, such as price, are evaluated. For example, some of those who report close relationships with providers do not consider alternatives; as noted previously, both SS and AH specifically said they would not comparison shop for lower prices. We conclude with three points regarding the social dynamics of services.

First, Dwyer, Schurr and Oh (1987) compared relational business exchanges to marriage, with emphasis on commitment and longevity. Our analysis of both customer and service provider comments lends support to our earlier

suggestion that friendship may be a more appropriate paradigm than the marriage metaphor for understanding service relationships. None of the interviewees compared their relationships with a service provider to a marriage relationship, but many used friendship terminology. Indeed, at times, friendship becomes a reality rather than an metaphor of the service relationship. Marriage assumes fidelity to one partner; friendship encourages a network of supportive relationships, each playing a unique, often undefined role. Marriage assumes interdependence and mutual self-disclosure; friendship can be more flexible. Marriage requires a burden of depth and commitment, while friendship can spring up among the cracks of casual interaction. Many examples of communal behaviors emerge among services that seem impersonal and uninvolving, such as retail banking, package delivery and pest control.

Second, we emphasize that introducing personal concerns into a business relationship generates both freedom and constraint. Once a personal relationship has been established, customers often—but not always—resist competitive efforts, including price breaks and convenience. In this setting, the provider can focus more fully on the customer, gaining the freedom to take risks. At the same time, the customer may take advantage of the provider's good will. Gary, the veterinarian, emphasized that he wanted to offer special service to regulars, but regulars soon came to expect this level of service; some assumed they could make last-minute requests to board their pets over the busy holiday season.

This dynamic deserves to be explored further. One of the authors reports the tradeoffs of teaching in a business school, where students are very conscious of their role as consumers. Students offer feedback not only through course evaluations but also through participation on committees. At the same time, students receive less informal mentoring and have considerably fewer interactions with faculty outside classes and meetings. The emphasis on exchange relationships ("we're paying for this!") suggests that students no longer view faculty as potential advisors, while faculty are drained by the formalized interactions that demand "managed emotions" (Hochschild 1983). Similar dynamics may be identified in a variety of personal services, including medical care.

Finally, it is important to recognize that the social dynamics described here have deep roots in Western industrialized culture. We are aware that doing business with friends is not only accepted but even mandated in some cultures. Even within North America, small towns and isolated rural areas often require people to do business with friends. These environments might serve as natural laboratories to study the separation and integration of communal and exchange relationships.

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