Abstract

Purpose – The purpose of this paper is to show how technology has dramatically altered the way businesses operate in a business-to-business (B2B) context and has had profound influences on services, altering the way services are delivered. It is believed that the increased use of self-service technologies (SSTs) impacts on B2B relationships. The paper seeks to explore the impact of the use of internet banking on business relationships.

Design/methodology/approach – The paper reviews the results and implications of recent exploratory research conducted with a small sample of Australian business bank customers.

Findings – It was expected that perceptions of technology would impact on the relationship. However, it was the perception of the relationship which led respondents to develop a perception of the technology. Further research is recommended.

Practical implications – Banks are encouraging internet banking to reduce service delivery costs and improve service quality for customers. However, a greater understanding of the impact of this on relationships is essential.

Originality/value – The importance of developing and fostering relationships with customers has long been regarded as important within services marketing and also within B2B relationships. However, there is little discussion of the impact of self-service technologies on business relationships.

Keywords Self service, Production management, Relationship marketing, Business-to-business marketing

Paper type Research paper

Introduction

Businesses are increasingly using technology in their business-to-business operations, and therefore, it is essential to understand the impact of these technologies on the relationship, business processes and productivity. In particular, the increasing use of self service technologies (SSTs) within B2B relationships removes face-to-face contact traditionally believed to be important in relation to service delivery between two organisations. What this does to the relationship is not understood – e.g. How does it impact on trust, commitment and ultimately the relationship itself?

A number of unique attributes making financial services a good starting point for this study. First, financial services are increasingly using technology in their transactions to be more competitive, convenient to customers and reduce costs. Furthermore, the banking industry tends to develop and foster longer-term relationships compared with many other industries, and therefore is appropriate to be examined from a relationship marketing perspective.

In the context of this paper, commercial banking customers will be considered "B2B" customers, regardless of the industry they work in. This definition is consistent with the existing literature where this type of relationship is considered a B2B relationship and also that of the American Marketing Association definition of industrial markets (e.g. see Hawke and Heffernan, 2005; American Marketing Association, 2007). Business banking includes transactions, loans, and investment planning, among other areas. Internet banking is also increasingly used in a B2B context.

From a theoretical perspective, relationship marketing theory will be utilised to discuss the use of self-service technologies in a B2B context. Relationship marketing theory is viewed as relevant, and important to developing and nurturing relationships with customers. Traditional relationship marketing theory does not consider the use of SSTs and with the increased use of SSTs in a business context, this gap needs to be filled. The study will focus on the research question "what impact does the use of business internet banking (SST) have on relationships within a B2B context"?

Answering this question as proposed will fulfil the following objectives:

(1) To examine relationship marketing theory in the context of SSTs.

(2) To understand how the reduction of face-to-face contact can impact on

relationships in a B2B context.

(3) To understand how the use of technology impacts on trust and relationship commitment in a B2B context.

This paper will overview relationship marketing theory, leading to a conceptual model tested using qualitative interviews. Banks are increasingly seeking ways to encourage consumers to use technology – from ATMs to telephone banking, and now, internet banking. In order to ensure that banks remain competitive, they have considered alternative means of distributing banking products for many years. In recent years, banks have been promoting internet banking as a convenient method for customers, and ultimately for cost savings for the banks. Consequently, this study is a useful way of understanding the impact of SSTs on business banking relationships.

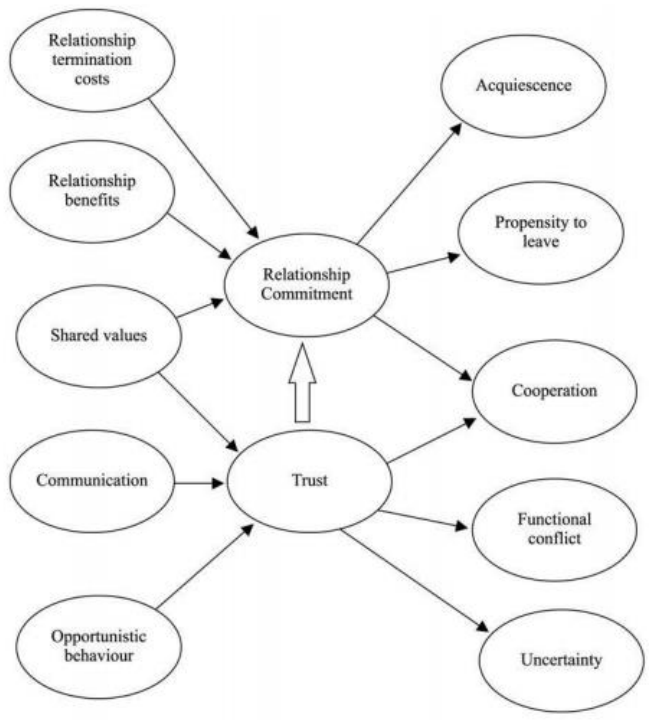
Relationship marketing theory

Morgan and Hunt (1994, p. 22) define relationship marketing as “all marketing activities directed toward establishing, developing and maintaining successful relational exchanges”. Many definitions of relationship marketing exist, yet all emphasise a long-term relationship. Despite the focus of relationship marketing theory in the literature, it is accepted that very few studies examine SSTs in a B2B context (Pujari, 2004) and none consider this use from a relationship-marketing viewpoint. Ultimately, building relationships with customers is central to the marketing concept (Kotler and Keller, 2006) and relationship marketing, which has origins in business marketing, services marketing, marketing channel and direct marketing (Dibb and Meadows, 2004), was developed to best meet customer needs.

Commitment and trust are key to relationship marketing, as they encourage marketers to maintain relationship and focus on fostering long term relationships. Commitment and trust can produce cooperative behaviours, resulting in successful relationships and is essential for allowing relationships to flourish (Morgan and Hunt, 1994). This relationship is displayed in Figure 1.

Figure 1 indicates the number of factors leading to trust in relationships, and how trust then leads into a number of issues, such as cooperation and uncertainty. This model shows the importance of trust to relationship commitment. Although relevant to this study, this model does not consider self-service technologies, instead it only considers traditional business relationships. It is therefore essential to consider these self-service technologies in the context of relationship marketing. Furthermore, relationship marketing orientation is viewed as more important than a transactional orientation within a B2B context (Anderson, 1995), and trust, commitment and satisfaction are the driving forces in maintaining business relationships (Morgan and Hunt, 1994; Pujari, 2004).

Figure 1.



Morgan and Hunt, 2004

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Trust and commitment

Within services marketing, trust is viewed as essential, particularly as a service must be purchased before it can be experienced (Berry and Parasuraman, 1991). Trust has been heavily researched in the past, but mostly from a business to consumer (B2C) approach (Jevons and Gabott, 2000). It is also necessary from a B2B perspective, and exists where one party has confidence in an exchange partner's reliability and is required before willinginess to trust exists (Morgan and Hunt, 1994). E business activities require trust, and this has been researched in depth. From a service perspective, trust is essential as a way of reducing perceived risk and also impacts on the choice of technology use in a B2B context

The fragile nature of these business relationships and importance means trust is key to developing relationships (Harris and Dibben, 1999). Trust can be defined as "the belief in the integrity, honesty and the reliability of another person" (Dwyer and Tanner, 2002). In general, trust leads to relationship commitment (Dwyer and Tanner, 2002), which is what marketers are striving to achieve. It is a key element for relationship success and tends to be related to a number of elements such as competitive advantage and satisfaction (Ratnasingam and Pavlou, 2003) in addition to commitment. Trust can be established and enhanced through shared interactions over the long term, through observing shared values and communication, (Young and Wilkinson, 1989), and is vital to establishing and maintaining B2B relationships. Criticisms of using the internet in business-to-business relationships tend to centre around the separation of buyers and sellers (Ratnasingam and Pavlou, 2003) impacting on the success of the relationship and potentially removing trust from the relationship. Only when trust is present can commitment exist (Morgan and Hunt, 1994). Relationship commitment, defined as "an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it" is viewed as key to relationship marketing (Morgan and Hunt, 1994, p. 23) and services marketing (Berry and Parasuraman, 1991).

The research question for this study is "what impact does the use of business internet bank (SSTs) have on relationships within a B2B context"? While relationship marketing theory assists in grounding the study, it cannot answer this research question alone. There are gaps in the use of this theory – namely, it does not address the impact of SST use on relationships. As the use of internet banking has increased with business customers, this gap needs to be examined – this is the objective of the research. Prior to discussing the conceptual model, a brief overview of SSTs will be providedSelf-service technologies

Self-service technologies can be used to enhance customer service despite limited staff involvement – for customers to get answers, pay bills, track delivery times (Bitner et al., 2002) and undertake other services which do not require staff involvement, therefore allowing direct transactions. Organisations are introducing SSTs rapidly for three major reasons – to reduce costs, increase customer satisfaction and loyalty and reach new customer segments (Bitner et al., 2002). While increasing customer loyalty is aligned with the objectives of relationship marketing, reducing costs is simply an organizational driven initiative and may not serve the interests of the customer. Although time savings lead to cost savings for organisations, this is only apparent if the self-service technologies are adopted (Meuter et al., 2005).

It is evident that information technology has altered the way we do business quite dramatically over the past ten years (Meuter et al., 2005). As consumers are required to carry out the transaction themselves, they are responsible for their own satisfaction (Bendapudi and Leone, 2003; Meuter and Bitner, 1997) and as a result, organisations have had to effectively train customers to be co-producers. Turning the customer into a co-producer of a service has become evident where the customer participates in value creation (Vargo and Lusch, 2004), such as checking out a library book, booking a hotel room online, and of course, internet banking. Self-service technologies are adopted and used at varying rates – for instance, purchasing books and flights online have been adopted with enthusiasm, while self-scanning at retail shops has had less appeal for customers (Bitner et al., 2002). From a business perspective, however, there is little understanding of SSTs and which SSTs are enthusiastically adopted. In terms of service dominant logic and internet banking, it is important for marketers to better understand which factors encourage consumers to use electronic marketing, and their perceptions of the firm (Johnson, 2007). Furthermore, involving customers in testing of virtual customer environments can also enhance the service experience (Nambisan and Baron, 2007) and ensure it meets the service delivery needs of customers.

The internet can enhance relationships, however, it is also possible that technology could have a negative effect on relationships if the strategy applied is not appropriate (Parasuraman, 1996). For example, when considering SSTs, previous work has indicated that customers are often frustrated by the attitude of their service provider when a SST failed. Service providers have also ignored their client, denied responsibility for failure, blamed the SST manufacturer, and blamed the client (Pujari, 2004). Most new SSTs are internet enabled, and in some industry sectors, such as travel, corporate banking and professional services, proprietary SST systems are developed (Pujari, 2004). There is a gap in the current literature regarding B2B SST use and how this use impacts on relationship marketing, which is why this study is essential.

Innovations in banking

Competitive pressures from other banks, and building societies, has forced banks to reconsider the way they do business. Internet banking increases stickiness and higher profit customers, compared to those that bank offline only (Johnson, 2007). The banking industry has been selected for this study, as it is well known to provide a wide range of services (Eriksson and Marquardt, 2001) and is increasingly using SSTs. Internet banking in particular has been selected as it can impact on the relationships that have long been regarded as key in a B2B context.

The impersonal nature of internet banking could have either a positive or negative affect on relationships. It could be argued that it would be more likely to be negative, as literature in both services marketing and relationship marketing recommend working closely with customers. From a customer perspective, banks are increasingly seeking ways to encourage consumers to use technology – from ATMs to telephone banking, and now, internet banking. rates of internet banking usage are increasing globally, and despite some fear of privacy and security, customers tend to see the convenience and access as a benefit (Johnson, 2007). In order to ensure that banks remain competitive, they have considered alternative means of distributing banking products for many years. In recent years, banks have been promoting internet banking as a convenient method for customers, and ultimately for cost savings for the banks (Sathye, 1999; Hughes and Hughes, 2004). As a result, within banking, self-service delivery has become a driving force since the mid 1990s (Pikkarainen et al., 2004), and, in general, the use of SSTs is increasing.

From a business-to-business perspective, banking is also interesting as both standard products and tailor-made products are utilized. Long-term relationships are often likely within banking (Eriksson and Marquardt, 2001) and this relates well to the literature on relationship marketing. Furthermore, financial institutions perceive distribution as a means of differentiating themselves in an increasingly competitive environment (Easingwood and Storey, 1996).

While cost savings are essential, pressure to increase profitability has meant that banks are required to focus on developing and maintaining long terms relationships with customers (Kandampully and Duddy, 1999); particularly business customers, where relationships are key to keeping customers (Adamson et al., 2003; Hawke and Heffernan, 2005). Nevertheless, some literature suggests that internet banking is a way to retain customers and increase market share (Gardener et al., 1999). Regardless of whether technology is utilised or not, customers still seek quality when adopting services (Bitner, 2001a) – generally they benchmark their service delivery against dependable outcomes, easy access, responsive systems, flexible response to customer needs and apologies if a service delivery goes wrong (Bitner, 2001a).

Strong relationships with business customers foster increased profit, improved communication and an increase in satisfaction, creating loyalty (Petersen and Rajan, 1994). Within banking, it is proposed that interpersonal liking could impact on the likelihood of maintaining a business relationship – and factors such as personality, trust, professionalism, communication and similarities appear to influence interpersonal liking (Hawke and Heffernan, 2005). This interpersonal liking leads to the outcomes of commitment; cooperation and business referrals (Hawke and Heffernan, 2005) as the tangible outcome.

Within a B2C context, research has shown that internet banking has decreased the number of personal contacts, however, users of internet banking are more likely to try new financial products than those that do not. Furthermore, this research has indicated that the total number of contacts with the bank itself increase when internet banking is introduced within the relationship (Eriksson and Marquardt, 2001). This would be due to customers being able to log in remotely. There is no understanding of this sort of data from a B2B perspective and this is a gap in the literature that needs to be filled.

Literature suggests that satisfaction with SSTs is greater where the customer interacts directly with the technology (for example: internet banking), compared to when they do not have direct access (for example: telephone banking) (Dabholkar, 1994; Joseph et al., 1999). Nevertheless, customer satisfaction research has been primarily emphasized in a B2C context, rather than a B2B Context (Pujari, 2004). Eriksson and Marquardt (2001) examined whether or not relationship-marketing theory would apply to internet banking relationships, however, that paper addressed it from a B2C perspective, rather than a B2B perspective. They believe that three constructs are important in relationships;

(1) experience;

(2) coordination; and

(3) understanding

These areas need consideration, as they could impact on relationships within a B2B context as well.

Experience

A new distribution channel is viewed as important when first launched, but once customers become familiar with it, the focus on the channel decreases (Carlson and Zmud, 1999). This can also be dependent on customers experience level – if a customer is familiar with financial services, they will probably find using the internet for their financial services easier than someone who is familiar with the internet, but not financial services (Eriksson and Marquardt, 2001). As indicated, this considers B2C customers, and therefore further study is necessary within a B2B context.

Coordination

Personal interactions have allowed firms and customers to best understand the customers' needs. This has given the customer the opportunity to assess the firms' capabilities and given the firm the opportunity to understand consumer needs. The use of the internet will impact on how the relationship has developed, resulting in an impact on trust. As argued by Eriksson and Marquardt (2001), this could result in either weaker or stronger ties, depending on whether the customer views the technology as positive or not. Again, this considers a B2C perspective, rather than a B2B perspective.

Understanding

Technology can both simplify and complicate the process of exchange. Where there is little or no face-to-face contact, customers impression of the bank, and understanding of their relationship with the bank will be very much based on their experiences with the web site interface (Eriksson and Marquardt, 2001). This needs to be considered from a B2B perspective.

Conceptual model

Figure 2 provides the conceptual model, based primarily on Morgan and Hunt's (1994) work, with grounding in relationship marketing. Although the model exists in part in the literature, it has not been tested in the context of business use of SSTs nor internet banking. Therefore this model examines the impact of internet banking on business relationships, and has been altered so that it can be tested through the research.

As can be seen in Figure 2, a number of constructs exist in the model to be investigated in the research. The research is examining two parts – both the perspective of the bank and the perspective of business banking customers. As previously discussed, experience, co-ordination and understanding are essential issues from the bank's perspective. They must manage these effectively. Furthermore, an understanding of the strategy for using alternative distribution channels is essential. Understanding how and why the technology is implemented must be present to ensure the best service is delivered to customers. The business banking customers must have trust with their bank, as trust will lead to a stronger relationship, therefore having implications for the relationship. However, it is anticipated that attributes of key personnel within the business may impact on the level of trust. The decision maker is the person or persons who decided to use the technology in the first instance. Because the decision maker often does not use the technology on a day-to-day basis, the user also must be examined. The user is often junior to the decision maker, but experiences the technology on a regular basis. Finally, it is anticipated that the perception of internet banking will have an impact on the relationship, which in turn will impact on the length of the relationship. The methodology of testing this model will now be discussed.

Methodology

In order to undertake the complete study, a mixed methods approach will be utilised. This is using a sequential exploratory design (Creswell, 2002) which is carried out as follows:

(1) Qualitative data collection.

(2) Qualitative data analysis.

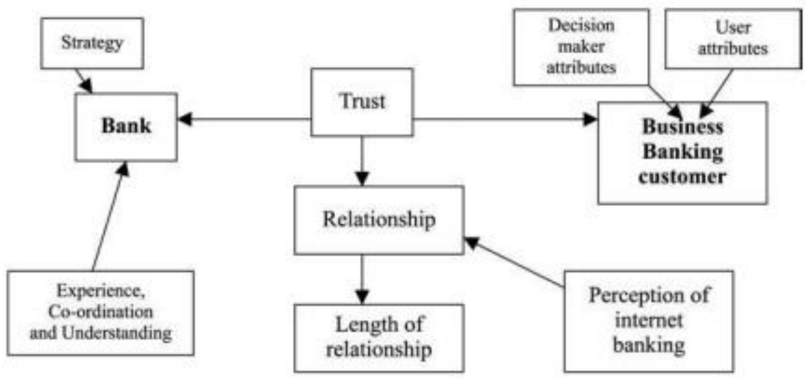
(3) Quantitative data collection.

(4) Quantitative data analysis.

(5) Interpretation of entire analysis.

This is in contrast to a triangulation method approach, where the qualitative and quantitative results are compared against each other (Creswell, 2002) to check for validity. Instead, qualitative research has been used to identify issues, which will be further tested in the quantitative stage. Both qualitative and quantitative methodologies have been selected for the larger research project. Qualitative research because its focus is on "how people, groups and organisations do things, rather than why they do things" (Duncan, 1979, p. 432) which is important to this study. This paper discusses the semi-structured interviews. These areas will be used to create a more complete understanding of the issues in terms of how the use of self service technologies impact on B2B relationships.

In order to best understand the impact of SSTs on business relationships, qualitative research has been used in this study to explore important issues (Joseph et al., 1999). A qualitative method critical incident method has been commonly used in a similar context to this study (Pujari, 2004). Other research, in the B2C sector, has utilized focus groups (Joseph et al., 1999), however, due to privacy issues relating to



banking, semi structured interviews have been deemed most appropriate. Very little applicable theory has been developed in regards to business use and satisfaction with SSTs, and in particular, how it impacts on relationships and this is the purpose of qualitative research (Flick, 2002).

For this project, ten interviews have been completed. If research results tend to provide homogenous results, 15 interviews will be viewed as adequate. In such cases, as few as ten interviews is viewed as sufficient in the literature (Sandelowski, 1995). If there are vast differences in interviews, and new information is continually revealed, it will be more important to keep interviewing to best understand the issues relating to business use of SSTs. An appropriate sample size in qualitative research is generally a matter of judgement in terms of how useful the information is (Sandelowski, 1995). Perhaps something more important than the number of subjects in qualitative research is the information that is received from the subjects (Patton, 1990). As a result, the research has been carried out until it is believed enough information has been achieved to successfully analyse the results. Furthermore, in qualitative research, sample sizes can be too large, not allowing for sufficient analysis of each case (Sandelowski, 1995).

A variety of customers have been investigated from both metropolitan and regional areas, to ensure that geographical differences do not impact on results. The population for the sample is business-banking customers, regardless of whether they use internet banking or not, from a variety of different industries. A major bank provided a list of customers, and a mix of telephone interviews (using a voice recorder telephone adaptor) and face-to-face interviews were undertaken. While these varying methods were used, it was found that there was little difference in results gleaned due to method. A series of questions were pre-prepared, investigating how internet banking is used within the business, motivation for using internet banking, a perception of whether customers feel forced and even how relevant switching costs are. Despite this list of questions, the interviewer was open to changing questions and probing throughout the interview stage, as required. Organisations were all small, with one to 30 employees, located in metropolitan and regional areas across Australia.

Research context

The research carried out in the project will contribute to both theory and practice as it seeks to understand more about the impact of self service technologies on business relationships. Many studies address adoption of internet banking, and trust issues, but few consider the impact of internet banking on relationships. As internet banking moves to a maturity stage of the product life cycle, banks are seeking to better understand business customers and how this impacts on business relationships. Financial services are an important growth area for the Australian economy, and often lead the way in self-service technology introduction. As a result, it was selected as the industry for this study, particularly with the encouragement for customers to move from physical transactions to virtual.

Ultimately, through the research, it will be possible for banks to better understand how to target business customers and enhance their SST offering, having a real contribution to practice. More deeply, however, it will provide an understanding of how self-service technologies can either enhance or hinder relationships, contributing to theory development.

Discussion

This section of the paper will discuss the research findings. The questions asked were based on the conceptual model (see Figure 2), and sought to explore the question "what impact do internet banking (SSTs) have on relationships within a B2B context".

To commence the interviews, respondents were asked to discuss their experiences with internet banking (IB) within the organisation. Most of the respondents found their experience with using IB had been relatively positive, within the business. All but one of the respondents utilised internet banking for their personal (non business) accounts, as well. This indicates the experience level of respondents, to best understand how that relates to the use of IB within the organisation.

In order to explore the way IB is used, respondents were asked how the organisation used the technology in their normal business activities. This was important, because it gave a greater understanding as to the importance of tasks, and therefore how much the organisation relies on internet banking. It was obvious through the interviews that internet banking is useful in keeping up to date on account details, often on a daily basis. One statement which typifies responses to the question was:

... in the morning, I do the account balance, which means I print up a list of all the transactions we've done over the last day or two, and balance those against our records. So we're able to see when cheques go through and all of that basically as it happens. We can also stop cheques, do fund transfers to customers who want refunds... and things like that.

To summarise, respondents reported on carrying out the following activities:

. Paying suppliers – 10.

. Checking account balances – 10.

. Withdrawals – 4.

. Preparing list of transactions – 9.

. Creating invoices – 6.

. Receipt preparation – 6.

. Cheque stopping – 6.

. Refunding customers – 5.

In order to understand why businesses utilise IB, their motivations for adopting it were examined. This was elicited by asking informants how and why they came to adopt IB, although this was not necessary in all cases as a number informants discussed this without prompting. Media reports had previously indicated that organisations may have felt compelled to adopt IB, however this was not the case. Instead, feelings tended to be quite positive and there were clearly justified reasoning as to why IB was in their organisation's best interests. For example, it is perceived as:

... a lot easier and quicker ... because you're able to do it yourself, you're not relying on the bank to do it for you. You can just get online in the morning and do what you need to do.

Interviewee 2, from a non-profit organisation, felt there were very clear reasons to utilise IB. There seemed to be different issues from a volunteer organisation to other organisationsBeing a volunteer non profit organisation, it's very hard to get everyone together in one spot

to sign cheques and that sort of thing. So time was a crucial factor ... A lot of suppliers were insisting in fact that we move to electronic payment. The change (from using traditional banking) was ... mainly my time commitments. I didn't want to spend my life being an unpaid accountant for this organisation and I could see it happening very quickly. And it was very difficult to get people to meet, because they were just unwilling to do so at the one place and one time to sign cheques. And I would find I was doing all the running around for them and not the other way around, so I thought "enough's enough".

It was evident through the interviews that IB does not remove all face-to-face contact with the bank, as it depends on the organisation structure. This is illustrated by the following quote:

It’s easier for everyone just to have electronic payment ... oh, many of our tenants are still using cheques. I still have to go to the bank.

As can be seen, the respondents felt that convenience and time saving were major advantages of utilising internet banking within the business, therefore benefiting the organisation. Despite this, there was some degree of feeling forced to use IB:

(I do feel forced), because it’s the easiest alternative. There’s not too many other ways that you could do it that’s practical and efficient.

This was in direct contrast to Interviewee 5, who did not feel forced at all:

I don’t have to (use internet banking), it just makes my life ... easier. It just means one trip to the bank, not several. No telephone banking ... it’s easier.

‘In order to best understand how positive the relationship was, loyalty to the relationship was explored. Through the interviews, it was obvious that there was a feeling of some degree of loyalty. Is it loyalty, however, or simply are switching costs too high? This was indirectly discussed by Interviewee 1, an accounts keeper who appeared less certain of the loyalty:

... to an extent (we are loyal), because it would be pretty hard to change banks – just because we’ve already got all our records in there, and all of our daily direct debits are in there ... But I don’t know if that is really a loyalty so much as a convenience of using the bank that we’ve been using. (It would be hard to switch banks) because ... well actually, (the bank we’re with) just changed their system, and I found that hard to just learn using their new system let alone changing the bank and discovering a whole new system.

Similarly, the treasurer for the non-profit organisation felt little loyalty. He explained that it was switching costs that kept him with his bank, and that he would love to switch banks:

... because the way it’s set up ... it’s not user friendly. It’s been based from the bank’s point of view which is fair enough, because that’s where the finance system needs to operate from ... security, trust ... and confidentiality of the system. But for this organisation, and ... a lot of other organisations ... it makes the assumption that ... they have someone in the office that can just walk over and enter their log in, user name and password details ...

He explained that this was particularly relevant in a non-profit organisation. In contrast, interviewee 3, an accountant and business owner felt a great degree of loyalty, as illustrated by this quote:

Yes, I'm loyal. We've been with them over thirty years, so…"

Perhaps decision makers are always more certain of their loyalty. For instance, interviewee Four felt that loyalty was "inherited" from her employer, which is an interesting finding. As she explained:

I think my boss is (loyal)! I don't have a strong opinion. They're (banks) all the same, I guess.

This potentially raises the question about whether or not this is common place in terms of banking loyalty, that is, my boss trusts the bank, therefore I will, too. To understand the level of loyalty, please see Table I.

Loyalty, or commitment to the relationship, is essential to understand – it indicates how likely it is that relationships will be maintained, and also the potential impact SSTs could have on these business relationships. As indicated in the literature review, relationships in a B2B context are essential. Further, relationships within banking are viewed as very important, therefore a sense of commitment, or loyalty, to the bank is important to understand. Through the interviews, there is evidence of a strong loyalty to the banks, or at minimum, a perception of high switching costs.

As trust is such an important aspect of relationship marketing, the level of trust of the bank was examined to determine whether IB changed their trust level. All respondents trusted their bank, with one surprised that there would be any reason not to:

Yeah, absolutely (I trust them). But it never occurred to me not to. I think banks in general ... (are trustworthy).

It was interesting to see how naturally trust for the bank came to the respondents.

Finally, in order to better understand whether there were any problems with the technology or use of IB within the business, respondents were asked about any issues. This was a concluding question designed to complete the interview, but provided more insight about the perceptions of the technology and even the service delivery from the bank.

From a non-profit organisation point of view, Interviewee 2 had difficulty with the logistics of organisational internet banking. He felt that non-profit organisations, or at least volunteer organisations, had different issues. The volunteers within this organisation are not the same place, at the same time, unlike most traditional organisations. Their bank requires two internet banking log ins, as their account is a two signatory account. This is best illustrated by the following quote:

Internet banking is difficult (for us)t because the banks require you to be at the same place at the same time. Unless you have their log in details and password – which you're not meant to do, because banks tell you not to give out passwords and log in details ... to other people – for obvious reasons.

Level of loyalty	Number of respondents
Strong loyalty	3
Medium loyalty (loyalty versus convenience)	6
Low loyalty	1

Source: created for this paper

The question regarding issues was asked towards the end of Interviewee 3's interview. Interviewee 3 has been relatively quiet throughout his entire interview, only answering the bare minimum. This interviewee required the most probing overall, however, he became much more responsive when discussing issues with his internet banking system. Therefore, it is concluded that this is a relatively major issue for him, and has impacted on his satisfaction with the system. This was regarding a change implemented by the bank which was not well received by the organisation, as indicated in the following quote:

Well I'm still using the old (system) ... if I can, because the new one's hopeless. I mean they've actually had issues ... I've seen it in the press ... they've been involved in court action with the people who did it, and ... so it hasn't really been a success for them, I think. From what I know of it.

He also struggles to get help for the new system:

The helpdesk with (Product A) was good. I've found the ... that I've used the helpdesk with, what is it? (Product B) ... I haven't used it very much, but in the initial stages when I was having problems with it, I used it a fair bit. I found them to be not very helpful ... Actually going back to your question about being forced to use internet banking ... I don't feel forced to use internet banking, but I certainly was forced to use ... (Product B).

Perhaps the most important part of this interview is the fact that this respondent was most interested in talking about issues, despite discussing how loyal and committed he was to his bank just minutes prior. He seemed to see the issues with IB as separate from that of his banking relationship. Perhaps this is because the bank had another organisation develop the technology, and is obviously doing something about it. In the interim, he is sometimes being able to use his favourite system. The helpdesk is the only thing that could be solved at this point by the bank and appears to have had little investigation in terms of service delivery. This respondent, therefore, feels a great deal of loyalty to his bank, having been with them for over thirty years, but doubts the service delivery and feels forced to use a particular system. It has not yet influenced his view of the bank, rather just his perception of the technology.

To briefly summarise the research, it was evident that three major objectives were explored in this study. "What impact does the use of business internet banking have on relationships within a B2B context?"

Examining relationship-marketing theory in the context of SSTs was an objective, which was achieved. This paper examined areas such as trust and commitment when using SSTs, however further research is required to examine this further, particularly in terms of commitment. Another objective of the paper was to understand how the reduction of face-to-face contact can impact on relationships in a B2B context. There was little evidence to suggest that the removal of face-to-face contact impacts on B2B relationships in any way, despite the literature indicating that face-to-face relationships were important in a B2B context. Finally, the paper sought to understand how the use of technology impacts on trust and relationship commitment in a B2B context. While there was little evidence to suggest that technology impacts on trust or commitment to the relationship, it was evident that trust of the bank and commitment to the bank actually impacts on the perception of the technology, which was unexpected and interesting. Nevertheless, despite meeting the objectives of the paper, there were some limitations of the research, which must be discussed.

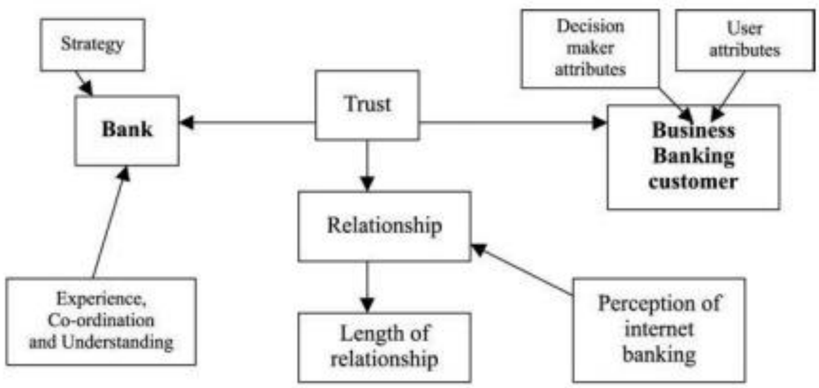
Limitations of research

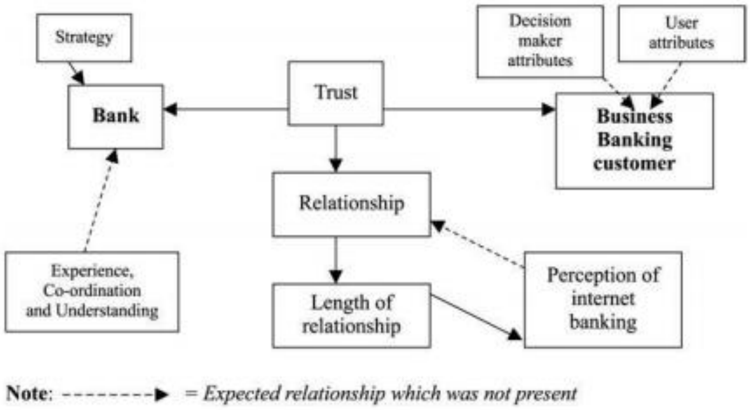
The major limitation for this research was that a number of businesses did not wish to be involved. As banking is considered to be a private matter, and security concerns are heavily promoted, particularly in terms of internet banking, many people contacted for interviews were wary. It is expected that there was some self-selection bias, where only those that felt they could contribute to the topic participated.

Furthermore, it was anticipated that the use of internet banking would feel like a forced decision, but it appears that this was not the case, changing the direction of the research and the discussion. Lessons learnt from this, however, is to allow the respondent to talk more openly about their banking relationship, as this is where more insights were provided, such as problems with the system, or feeling the help desk did not fulfil their needs. This is just as useful as testing the research model. It is important to note, however, that there are limitations that come from using a qualitative study – generalisability is lacking. At this stage of the research, it is sufficient as it is exploratory research, however the quantitative stage is necessary in the next part. Finally, a relatively small sample size requires further testing in a quantitative stage, to ensure more generalisability for all industries and organisation. Consequently, there are some implications for practice and further research.

Implications for further research and management

This study aims to answer the question “What impact does the use of internet banking have on relationships within a B2B context”? As technology is continually improved and utilised in organisations, it is essential to have an understanding of how technology impacts on relationships. While a number of studies indicate how products are adopted or accepted, few examine B2B relationships and self-service technologies. Self-service technologies have altered the relationship between the service deliverer and customer, however, customers still demand outcomes that are dependable, provide easy access, flexibility and compensation when problems arise (Bitner, 2001). Looking back at the conceptual model now that some preliminary results have been examined and the expected model (see Figure 3) can be edited to provide a more up to date model reflecting the results from the exploratory research (see Figure 4).





Some of the relationships included in the proposed model were not evident through the interviews. Overall, it appears that the level trust has a large impact on the perception of the relationship, and the perception of the relationship influences how respondents see the SSTs. Coordination, understanding and experience from the bank does seem to impact on the perception of the relationship, though little training has been provided by the banks. There were no obvious decision maker attributes influencing trust, nor were there any obvious user attributes influencing trust. Overall, the most insight gleaned from the interviews was that the stronger the relationship, the more likely the respondents were to think positively of the technology, or at the very least, not think negatively of internet banking. This was in direct contrast to the expected relationship, where it was anticipated that the respondents' perception of the technology would impact on the perception of the relationship. As can be seen above, the direction of the relationship between these two factors have been inverted from Figure 3 to Figure 4, as it was expected that a perception of internet banking would impact on the relationship, but it was actually the other way around. In the case where there was a negative relationship with the bank, the respondent did not find the system useful or easy to use, therefore perception of the technology was negative. Further, while there was little evidence that the quality of the relationship impacted on relationship length, there was evidence to suggest that where there was a weaker relationship, respondents were more likely to want to leave the relationship.

This research was aimed at exploring the following research question: "what impact does the use of business internet banking have on relationships within a B2B context?" To conclude, It was apparent through the research that internet banking has had little impact on relationships, but that the existing relationship quality can impact on the perception of the technologies. This is an important finding, which requires further investigation.

This research was conducted because it was expected that technology would impact on the relationships between bankers and commercial customers. After conducting exploratory research, it appears that this is not the case – in fact, it is the relationship, which impacts on the perception of the technology. Therefore, the old rules still apply for bank managers – relationship marketing is still essential in the day of technology. Surprisingly, face-to-face relationships were not seen as that important for building loyalty, but all interviewees had an established relationship prior to the use of internet banking. How this will change when the younger generation are establishing business relationships is still to be determined. It would be interesting to research this further with Generation Y business people. Also, the one person who did not particularly trust their bank had not had a relationship with the bank prior to the use of internet banking, despite the organisation working with the bank for a while. It would therefore be of interest to rank trust in those that had used internet banking for the entire duration of the relationship compared with those that had not. Quantitative research will be utilised to empirically test these areas and evaluate the conceptual model. This will be done through the use of existing scales in order to evaluate whether the model tested and adapted in the qualitative research is generalisable in a larger study.

Summary

In summary, qualitative methods were used to explore issues in B2B relationships, and technological service adoption. This area is currently under researched, and as a result, qualitative research was required. This study will be relevant as it contributes to both marketing theory and practice, and should be applicable to other industries once the research is completed. As banks seek ways to be more competitive, it is essential to understand the way in which the use of SSTs could impact on business relationships.

The semi-structured interviews have proved useful in understanding issues relating to the impact of SSTs on business relationships. Banks must continue to strengthen B2B relationships as they impact on customer perceptions of technology. Further research will continue to explore these issues, which have already been explored to some degree. Further research is necessary to continue testing the new model created.

This area is currently under-researched, and as a result, qualitative research was required. The next part of the study will utilise quantitative methods. This study will be relevant as it contributes to both marketing theory and practice, and should be applicable to other industries once the research is completed.

Ultimately, the “over-riding quality of all marketing today is interaction” (Wind and Mahajan, 2001, p. viii) which means that marketers must understand their customers, treat them as co-producers (Vargo and Lusch, 2004) and ultimately fulfil customer needs in order to successfully compete.

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