

The Changing Role of Service Relationships: Value-in-use across borders

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Purpose: The world has become increasingly global in the last decades, and this development is likely to continue even though the current Covid-19 crisis temporarily has reduced mobility. Building on this situation, we study the value-in-use of local versus transnational service relationships for expatriate consumers. While most day-to-day services will take place with local service providers, many expatriates maintain more lasting relationships with service providers in their country of origin. This is especially true for more significant relationships, such as banking. Building on this situation, we study the different forms of value-in-use in long-distance service relationships to understand the value-in-context that explains why consumers keep transnational these service relationships rather than opting for more local relationships.

Design/Methodology/approach: We conducted 31 in-depth interviews (McCracken 1988) with globally mobile professionals, all of whom currently worked and lived in a different country to their country of birth. For increased representability, respondents came from 24 different countries and were between 24 and 60 years of age. Interviews lasted 40–90 minutes and were transcribed, generating 388 pages of text. Transcripts were analytically coded (Lofland et al., 2006) and we further conducted analytical reduction of the data across interviews (Holt, 2002; Figueiredo, 2012), looking for emerging patterns related to value-in-use in interactions.

Findings: Our interviews allow us to identify four different types of service relationships. In decreasing order of perceived value-in-use, these relationship types are: long-term partnerships, convenience arrangements, local contacts, and hook-ups. Extending value-in-context, we further find that customer motivations include practical aspects (for example, not speaking the language of the host country; not planning to stay long) as well as emotional aspects (for example, a strong trust in a particular service employee; wanting to keep a trace of their identity from the former country)

Managerial implications: The findings help managers identify the key value-in-use that customers perceive in different forms of service relationships. Managers can use this information both to strengthen existing service relationships as well as improving the value propositions for future customers.

Originality: We contribute to the existing literature by identifying how globally mobile consumers navigate their economic reality by simultaneously managing relationships with multiple service providers. We further extend this contribution by uncovering how the perceived value-in-context results in markedly different forms of service relationships, and identify how these relationships develop over time.

Key words value-in-use; mobility; value; service relationships

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