The Review on Customer Participation in Service

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Abstract: Customer participation refers to the customer behaviors related to the definition, production and delivery of a service, including mental, emotional and physical behaviors. Customer participation is affected by customer, service organization and employee, and customer participation has important effects on customer, service organization and employee. At present, customer participation is one of important research issues on service management. This paper analysis’s the definition, antecedents, and effects of customer participation. Based on this, implications for managing customer participation and future research direction are subsequently discussed.

Keywords: Customer participation, Service, Antecedents, Effect

1 Introduction

Customer participation refers to the customer behaviors related to definition, production and delivery of a service, including mental, emotional, and physical behaviors. Customer participation is all about the contributions that are made by the customer in the service process, which ultimately shapes the service they receive as well as the quality that is achieved. A key characteristic distinguishing service from goods is that the production and consumption of a service occur at the same time, so customer participation in the production is unavoidable (Grönroos, 2000). The simultaneity of production and consumption of service means that customer participates in service definition, production and delivery when service is being performed. Customer participation not only influences the productivity and service quality of service organization, but also influences their own satisfaction.

The importance of customer participation is conceptually well established (Bowen and Schneider, 1988). The research results do suggest that the concept of customer participation is potentially considerable significance and, thus, worthy of further substantive research. Customer participation has been noticed by many scholars and managers. Because customer participation in services is inevitable, this paper will explore the definition, antecedents, effects, implications, and future research direction of customer participation in service.

2 The Definition of Customer Participation

Customer participation can be defined as the specific behaviors, degree of consumer’s effort and involvement, both mental and physical that relate to the production and delivery of a service (Cermak, File & Prince, 1994; Silpakit & Fisk, 1985). File et al. (1992) further elaborated upon this definition by stating that in terms of a marketing construct, participation refers to the types and level of behavior in which buyers actually engage in connection with the define and delivery of they seek. Participation factors include tangibility, empathy, attendance at meetings, and meaningful interaction. For many services, the customer is required to participate to an extent in order for the service to occur and be consumed. Participation could be in the form of acquisition of service-related information (Dabhlokar, 1990) or the exertion of effort (Kelly, Donnelly & Skinner, 1990). Zeithaml (1981) stated that customer participation is vital in some services for good quality and a satisfactory outcome. For example, when going to see the physician, the patients are required to participate in the form of giving information on their ailments or symptoms in order for the physician to make a diagnosis of the illness. Czepiel et al. (1985) argued that due to inseparability, customers would inevitably be involved in the production process. Silpakit & Fisk (1985) have hypothesized that the more participation, the easier it is for customers to evaluate services. They also proposed that the more participation that was put in by the customers, the more customers would associate a dissatisfactory outcome with the services to
themselves instead of the service firm.

It has been acclaimed that participation levels differ in various services (File et al., 1992a; Ennew & Binks, 1998; Fitzsimmons, 1985). The work of Bitner et al. (1997) has provided a classification scheme on the levels of customer participation: low participation, moderate participation, high participation. In some cases, all that is required is the customer’s physical presence (low level of participation), with the employees of the firm doing all of the service production work, as in the case of a symphony concert. Symphony-goers must be present to receive the entertainment service, but little else is required once they are seated. In other cases, customer’s inputs are required to aid the service organization in creating the service (moderate level of participation). Inputs can include information, effort or physical possessions. In some situations, customers can actually be involved in co-creating the service (high level of participation). For such services, customers have essential production roles that, if not fulfilled, will affect the nature of the service outcome. All forms of education, training and health maintenance fit this profile. Unless dose the customer something (e.g. studies, exercises, eats the right foods), the service provider cannot effectively deliver the service outcome.

As for the dimensions of customer participation, Silpakit & Fisk, (1985) thought customer participation had three components: mental, physical and motional effort and involvement. Kelly, Donnelly & Skinner (1990) claimed that customer participation included two dimensions: technical-quality (customer behavior), functional-quality (interaction between customer and employee). File et al. (1992) found participation factors include tangibility, empathy, attendance at meetings, and meaningful interaction. Kellogg, Youngdahl & Bowen (1997) proposed customer participation is service customer’s quality assurance behavior, which is made of four distinct forms: preparation (preparing for the service by such actions as seeking referrals, researching competitors and arriving early), relationship building (building a relationship with the service provider through such actions as smiling, offering words of kindness, getting to know providers, trying to build loyalty, and asking for servers by name), information exchange (providing and seeking information to clarify service expectations and seek status), intervention (providing negative performance feedback and involving oneself in problem diagnosis and resolution). Youngdahl, Kellogg, Nie &Bowen (2003) developed their previous research. They proposed that customer participation is service customer’s satisfaction-seeking behaviors. In order to increase the likelihood of satisfactory service experience or to salvage failing service encounters, service customers expend significant effort through a variety of behaviors, before, during, and after encounters.

3 Antecedents of Customer Participation

The service customer has effect on Customer participation. Alison E. Lloyd (2003) found that culture has an indirect relationship on customer participation and that its effect through the constructs of perceived risk and locus of control. There is positive relationship between perceived risk and customer participation. A possible reason behind this finding is that as services are usually seen as being more risky and its outcome is difficult to determine, customer may thereby participate more in the process to reduce the magnitude of adverse consequences and increase the chances of a positive outcome. Claycomb et al. (2001) found the organizational socialization of customers has significantly positive affection on customer participation. The high the degree of the organizational socialization of customers, the clearly customer understands organization’s value and expectation, and gain the knowledge necessary to interact with employees and other customers. Cermak et al. (1994) found that the level of participation is higher in new rather than ongoing relationship.

The service organization has effects on Customer participation. Cermak et al. (1994) found the catalog of service organization has important affection on the level of customer participation. The level of customer participation is lower for legal-financial services than for nonprofits. This finding demonstrates that the participation level of customers varies across services. Ennew & Binks (1999) found institutional atmosphere is of considerable importance, where there is a perception of a negative atmosphere, levels of participation, quality, satisfaction and retention are all reduced.
From the literature review, it was found that Customer participation has two antecedents: customer and service organization. According to the theory of interdependence in social interactions, service customer participation is a division of labor and interdependence between the buyer and seller in the interaction. The theory of interdependence suggests that interdependence is the effect that interacting persons have on each other’s outcomes. Each person receives rewards from the joint behaviors. Therefore, we can conclude that customer participation should be also affected by service employees. But this view has not been noticed by scholars. The future research should explore this area.

4 Effect of Customer Participation

Bitner et al. (1997) proclaimed that customer played three roles in service participation: productive resource; contributor to quality, satisfaction and value; and competitor to the service organization. Therefore, customer participation has great effect on the service providers, customer himself, and employees.

Research indicates that Customer participation has effect on the service organization. Customer participation could raise organizational productivity and efficiency (Fitzsimmons, 1985; Love-lock and Young 1979), and improve service performance (Mills et al., 1983). But in the later, Enew & Binks (1999) proclaimed customer participation in service has negative affection on customer service providers. When the customers participate in service delivery, they act provider’s part work tasks according to their ability and motive. Because customers’ ability and motive are different each other, it is very difficult to manage customer participation for organization, and customer participation may be source of uncertainty in service provide.

Customer participation has effect on the customers. Cermak et al. (1994) claimed participation has been shown to be associated with quality, satisfaction and future intentions towards service providers. Increased customer participation is found to be positively associated with service quality and customer satisfaction. File et al. (1992) found participation does predict positive word-of-mouth and referrals. Hsiuju Rebecca Yen et al. (2004) found one’s level of participation in the service influences the target of blame for a service failure. High-participation customers will be more likely than low-participation customers to attribute blame to the organization. The impact of participation on locus attributions (i.e. the blame for service failure directed toward the organization and its employees) is stronger in the self-service context than in the full-service context.

Customer participation has effect on the employees. The earlier scholars proclaimed that customer participation can reduce employees’ workload. Love-lock et al. (1979) believed that customer can perform some tasks by themselves and replace all of portion of the service providers’ tasks. Therefore if customers assume a more active role in the service production and delivery process, they remove some of the labor tasks from organizations. Larsson and Bowen (1989) also proposed that the more extensive the customer participation, the greater the amount of work that can be shifted to the customer. But An-Tien Hsieh et al.(2004) found customer participation is positively related to service providers’ perceived worked, which implies that it is inappropriate to decrease the number of service employees based on service design that include customer participation. An-Tien Hsieh et al. (2005) found customer participation has effect on service providers’ job stress.

5 Future Research Direction

First, define customer participation’s concept and dimension. At present, the concept and dimensions of customer participation are not been recognized widely, future research may integrate customer participation concept, and make dimensions and scales which appropriate Chinese consumers.

Second, analysis service employees’ impact on customer participation. There are few literatures on service employees’ impact on customer participation. According to theory of independence in social interactions, each person receives rewards from the joint behaviors. In services encounters, customer and employee depend on each other for a productive exchange, resulting in a mutual satisfaction of their
respective goals. Therefore, future research can explore how the employees affect customer participation. We can study customer participation from employee-customer perspective, explore how the employees’ personality traits and professional psychological characteristic affect customer participation in order to complement research gap.

Third, explore the utility of the participation construct. That exploration should proceed in several areas. One possibility to explore is that the relationship between participation and future intentions may be an inverse one in certain high-end professional services settings. That is, customers may feel that high degrees of participation may be associated with poor service and the need to intervene to correct problems in the service transaction itself. A useful next step will be the creation of a participation scale and exploration of the relative roles of participation intensity and the effect of different forms of participation (e.g. impersonal; face-to-face). The observed differences in the role of participation in different service settings needs to be attributed to structural, consumer psychological or other factors in the service encounter.

6 Implications for Practitioners

From a practitioner standpoint, these conclusions raise several issues regarding the strategy of stimulating consumer participation in service process. It suggests that customer participation has a measurable effect on the desired future behaviors of repatriate, but that the effect is situation specific. In some service settings stimulating greater participation by buyers has positive consequence for the provider whereas in other service situations it has negative consequences. More specific examination of the conditions under which greater or less buyer participation is to be sought is clearly important to productive service management.

Any services-oriented business is likely to have individual services that range from simple to complex, which differ in terms of divergence, and that cause customers to be more or less involved. These services may also vary in the degree to which the provider has the opportunity to involve the customer. As a first step, managers should understand the importance of word-of-mouth for each of their service businesses and should develop client participation plans for those in which word-of-mouth and client referrals play an important role.

Service organization can begin to see what is required of its customers. By clearly defining the roles it expects its customers, and how it might develop approaches for training and rewarding its customers for effective participation. The approaches for monitoring the quality of customer contributions, providing feedback to guide improvement or offer encouragement, and rewarding customer customers for effective participation can be implemented.

Train service delivery personnel: many professional service providers are technically adept in their fields but have little training in client management skills, especially those that foster client participation. Professional services firms should create interactive marketing programs, programs tailored to the types of client participation found to be important in some studies: tangible output, empathy, attendance, and meaningful interaction. They should train employees on how to make customers become co-producers. Also, they should utilize the concept of organization socialization to provide customers’ scripts so that the service content of customer participation is standard. Moreover, service providers should influence customers in becoming partial employees such that customers participation and become a part of every employee’s standard operation process. In such a way, service providers could control a greater portion of their job contents. Their perceived workload would be lower, and customers would not interfere with service providers’ job process.

References


