Customer Participation: Mandatory or Voluntary Behaviour?

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SUMMARY

Service providers need to develop a competitive advantage in the market. One strategy is value co-creation, which means a mutual creation of value and experience. Two types of the customer value co-creation behavior have been identified; consumer participation behaviour and consumer citizenship behaviour. In our research we conducted a survey with two generation groups. We applied factor analyses and determined the factors of customer participation and citizenship behaviour. The findings can be used to identify the level of consumer value co-creation and to segment the service market.

Keywords: value co-creation; consumer participation behaviour; consumer citizenship behaviour; Generations Y and X

JEL codes: M31

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INTRODUCTION

Providing value to the consumers is relevant to business organizations, society, and consumers. Hungarian societal values in the business sector are discussed in the study of Tompos (2014). Previous studies have shown that keeping a consumer can be up to ten times cheaper than attracting a new one (Heskett et al. 1990), so companies have to make efforts to retain customers, attempting to minimise their migration.

The services sector faces challenges in the 21st century. Lifestyle and the structure of consumption has changed, especially among younger generations. Service providers need to obtain the competitive edge generated from memorable experiences in order to retain their customers. One strategy is co-creation, which means a mutual creation of value and experience, especially in the case of leisure-time services (Ercsey 2014). According to service dominant logic (SDL) the co-creation value is developed by the mutual activity of the consumer and the service provider through establishment of different sources. The concept of SDL places intangible resources, co-creation and relationships into the focus of marketing. The consumer activity during the process of co-creation value and the support of the activity during the co-creation process enable service providers to fit their services to the consumers’ needs.

Hungarian marketing literature is lack of research regarding co-creation consumer behaviour about different services. The purpose of this study is twofold, first to identify the dimensions of co-creation value from aspects of customer behaviour related to various service industries. Second, the study aims to investigate whether demographical features influence the level of customer participation in co-creation value. We formulated three research questions to investigate factors of customer participatory behaviour and customer citizenship behaviour in different service contexts. The findings can be used to identify the level of consumer co-creation and to support co-creation behaviour.

LITERATURE REVIEW

Meaning of customer value co-creation

Researchers’ interest in service-dominant logic has increased in the last decade (Vargo & Lusch 2004). The concept of service-dominant logic (SDL) is that the customers are always active participants and collaborative partners in exchanges; customers co-create value with the firm. According to service dominant logic the customers are always active participants and collaborative partners in exchanges, customers co-create value with the firm (Vargo & Lusch 2008). Co-creation has been defined in terms of co-creation of value (Prahalad & Ramaswamy 2004; Vargo & Lusch 2004). They state that co-created experience becomes an important basis of value.

Previous research on co-creation focused on generic and industry-specific (retail, tourism, health, and
measuring the determinants of customer
value co-creation behaviour

The value is determined in use through activities and interactions of customers with the service provider and other customers. Co-creative customers are those customers who are capable of applying their competencies, providing the service for the benefit of other customers and themselves. These customers not only co-produce but also co-consume or collaborate with firms and other customers.

In the marketing literature few papers have investigated the dimensions of customer value co-creation behaviour. Previous authors use a multidimensional approach to explore the components of customer value co-creation behaviour (Bettencourt 1997; Groth 2005; Bove et al. 2008). Other researchers have tended to apply a one-dimensional approach and use single- or multiple-item measures (Cermak et al. 1994; Dellande et al. 2004; Fang et al. 2008). Yi & Gong (2013) identified the dimensions of customers’ behaviour in co-creating value, and developed a scale to measure it. Companies can use this scale to detect the weaknesses and strengths of the customer value co-creation behaviour.

Some studies have explored the nature and the dimensions of customer value co-creation behaviour. In a conceptual paper, the authors divide value co-creation into six dimensions or types of actions performed by users and providers. The researchers also identified the antecedents (communicative-interactive profile, relational-social profile and knowledge-cognitive profile) of the concept (Nehina et al. 2014). However, their model does not conform to the assumptions of Vargo & Lusch (2008), because it does not completely follow the SDL concept but complies rather with Grönroos & Voima (2013). Furthermore, this theoretical paper included no empirical validation. Regarding empirical research, Randall et al. (2011), McColl-Kennedy et al. (2012), Yi & Gong (2013) and Chen & Raab (2014) are particularly relevant. The first study (Randall et al. 2011) proposes the construction of a measurement scale composed of three dimensions: connection, trust and commitment. They used a mixed method combining qualitative (in-depth interviews) and quantitative (survey) analysis techniques, for examination of customer relationship management. In the second work, McColl.Kennedy et al. (2012) divided the construct into eight activities, pinpointing the different types of value co-creation practices in terms of activities and interactions actually accomplished by users, not only in the moment of interaction with employees. The researchers identified eight value co-creation activities: cooperating, collating information, combining complementary therapies, co-learning, changing ways of doing things, connecting, co-production and cerebral activities. However, they did not semantically analyse the differences between the dimensions, but merely present examples derived from respondents’ answers. It is proposed that customer value co-creation behaviour has a hierarchical factor structure, which in turn can be divided into several sub-dimensions: cognitive activities, cooperation, information research and collation, combination of complementary activities, changing habits, co-production, co-learning and connection.

Yi & Gong (2013) applied a third-order factor through the lens of two theories: customer participation behaviour and customer citizenship behaviour, related respectively to the concepts of in-role behaviours and extra-role behaviours. Customer participation behaviour belongs to the behaviour which is necessary for successful value co-creation. Customer citizenship behaviour is voluntary behaviour that provides extraordinary value to the firm but is not necessarily required for value co-creation (Groth 2005; Bove et al.
The empirical results show that in-role and extra-role behaviours follow different patterns and have different antecedents and consequences (Groth 2005; Yi et al. 2011). Yi & Gong (2013) conceptualised the customer value co-creation behaviour as a multidimensional concept which consists of two factors (customer participation behaviour and customer citizenship behaviour), and each factor contains multiple dimensions. The customer participation behaviour comprises four dimensions: information seeking, information sharing, responsible behaviour and personal interaction, while customer citizenship behaviour consists of feedback, advocacy, helping and tolerance. Finally, Chen & Raab (2014) developed and validated the mandatory customer participation (MCP) scale which was originated the Engel-Blackwell-Kollat model. This scale can be divided into three dimensions: information participation, attitudinal participation and actionable participation. The authors applied this scale to investigate the consumer decision process related to restaurant service. Figure 1 shows customer value co-creation activities.

According to the literature customer participation behaviour contains four dimensions: information seeking, information sharing, responsible behaviour and personal interaction. Information seeking is important for customers because information reduces uncertainty and helps to understand and control their co-creation conditions. Besides, information seeking enables customers to perform their role as value co-creators (Kelley et al. 1990; Morrison 1993). For successful value co-creation, customers should share information with employees (Lengnick-Hall 1996). If customers do not share the essential information, the employees cannot begin or perform their duties (Ennew & Binks 1999) and the quality of value co-creation may be poor. The customers’ responsible behaviour pertains to identifying their duties and responsibilities as partial employees in value co-creation. The customers need to be cooperative and accept directions from employees for successful value co-creation (Bettencourt 1997). Personal interaction refers to interpersonal relations between customers and employees, which are necessary for successful value co-creation. The interaction between customers and employees contains courtesy, friendliness, and respect (Kelley et al. 1990; Ennew & Binks 1999). Besides, the positive social environment of service influences the customers to engage in value co-creation (Lengnick-Hall 1996). The customers’ feedback gives information to the employee, which helps the employees and the firm to improve the service creation process (Groth et al. 2004). The customers offer suggestions to the employees, because the customers have experience with the service and are experts from the customer perspective (Bettencourt 1997). The feedback from customers can be valuable, and constitutes extra-role behaviour. Advocacy refers to recommending the firm or the employee to others such as friends or family (Groth et al. 2004). Positive word-of-mouth advertising contributes to the development of a positive firm reputation.
promotion of the firm's products and services and higher service quality evaluations, and is an indicator of customer loyalty (Bettencourt 1997; Groth et al. 2004). Advocacy is voluntary and optional for successful value co-creation. Helping means customer behaviour that directly assists other customers in a service co-creation process. Rosenbaum & Massiah (2007) note that customers recall and use their own experiences to help other customers experiencing similar difficulties.

Tolerance denotes the customer’s willingness to be patient when the service delivery does not meet the customer's expectations of correct services (Lengnick-Hall 1996). Customer tolerance may help the firm because service encounter failure is the second largest cause of customer switching behaviour (Keaveney 1995). We applied dimensions from Yi & Gong paper concerning the customer value co-creation activities. The dimensions are summarised in Figure 2.

Figure 2 Dimensions of customer value co-creation behaviour
Source: Compiled by the author based on Yi & Gong 2013.

**METHODOLOGY**

In the empirical research we focused on the examination of the level of voluntary and non-voluntary co-creation behaviour in terms of different services. We search for answers to the next research questions in several service contexts:

1. What are the dimensions of customer participation behaviour in co-creation value of different services?
2. What are the dimensions of customer citizenship behaviour in co-creation value of different services?

In addition, we want to explore generation differences in co-creation value customer behaviour. Our research question is:

3. X or Y generation participates more actively in co-creation value of services?

We conducted a survey in April and May 2015, for more details, see Ercsey & Platz (2015). The target population of our quantitative research is two segments which can be separated based on age, family (parents and their children) and occupational (active earner and students) status: the Y (born between 1980-1994) and X (born between 1965-1979) generations. The consumption preferences of members of Y generation, especially students, are a meaningful research topic in Hungarian and also international research (Platz & Veres 2014). We applied a quota sampling method using quotas for ages and gender. The sample size is 335 people; 40% of the respondents are women and 60% are male. The respondents live in county seats (23%) (where more kinds of services are provided), other cities (46%) or villages (31%). The composition of the sample is based on ages: the rate of 18-26 age category is 57% (192 people), and the rate of those above 26 is 43% (143 people).

**MAIN FINDINGS**

*Dimensions of customer participation behaviour and customer citizenship behaviour*

For the examination of our research questions first we adopted the scale used by Yi & Gong (2013) to
measure co-creative customer behaviour. Our decision was confirmed by adaptation of scale in Spain and its results (Revilla-Camacho et al. 2015). First, we translated the scale items into Hungarian and after this potential respondents assessed the relevance of items. Based on their recommendation were modified five statements. Next we asked experts from the service industry to check the appropriateness of initial scale items; 28 items were retained for further analysis. Before data reduction it is important to conduct a range analysis for data cleaning. All statements were measured on a five-point Likert scale and the difference between the largest and smallest values was 4 for each items. A boxplot diagram was used to recognise the outlier cases and were deleted 13 cases which were come up at least two items. Data were collected from survey and we asked the respondents to evaluate their last cultural activities (e.g. theatre, interactive museum, festival) or wellness services or services to gastronomy to investigate customer co-creation behaviour. A notable proportion of respondents had participated in cultural activities (28%), used a wellness service (42%) or gastronomic service (30%).

For recognising dimensions of customer participation behaviour there were 15 items (on a five-point scale) according to a validated scale (Yi & Gong 2013). Exploratory factor analysis was conducted about the items of the customer value co-creation activities to identify the dimensions of customer participation behaviour. The KMO (0.875 > 0.7) and Bartlett test (2029.124, Sig.=0.000) indicate that the data are suitable for factor analysis (Malhotra 2009). We found three factors by applying Principal components analysis and the Varimax rotation method. The cumulative percentage of explained variance by extracted factors is 61.4%. which is above the expected level of 60%. The original 15 items are appropriate for measuring the individuals’ role to perform the service. Cronbach analysis supported the reliability of the participation behaviour scale (α=0.896). Information seeking and information sharing can be distinguished within the customer participation behavior, similarly to previous research about services. We found that the elements of responsible behaviour and personal interaction constitute one factor. These results are inconsistent with previous research (Yi & Gong 2013; Revilla-Camacho et al. 2015), where English and Spanish respondents made a distinction between the factors of personal interaction and responsible behaviour. The items of customers’ responsible behaviour emerge in interaction between personnel and customers and they are necessary to produce the successful service expected by customers. This factor in connection with personal interaction contains the respondents’ attitude and behaviour to the personnel and provider. We summarised the results of factor analysis in Table 1.

Table 1
Factors of customer participation behaviour

<table>
<thead>
<tr>
<th>Variables of customer participation behaviour</th>
<th>Factor loadings</th>
<th>Factors Explained variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>I was friendly and kind to the employee.</td>
<td>0.799</td>
<td>F1 Personal interaction and responsible behaviour 37.4 %</td>
</tr>
<tr>
<td>I was polite to the employee.</td>
<td>0.764</td>
<td></td>
</tr>
<tr>
<td>I fulfilled responsibilities to the business.</td>
<td>0.750</td>
<td></td>
</tr>
<tr>
<td>I adequately completed all the expected behaviours.</td>
<td>0.749</td>
<td></td>
</tr>
<tr>
<td>I performed all the tasks that are required.</td>
<td>0.723</td>
<td></td>
</tr>
<tr>
<td>I was courteous to the employee.</td>
<td>0.672</td>
<td></td>
</tr>
<tr>
<td>I followed the employee's directives or orders.</td>
<td>0.671</td>
<td></td>
</tr>
<tr>
<td>I didn't act rudely to the employee.</td>
<td>0.632</td>
<td></td>
</tr>
<tr>
<td>I gave the employee proper information.</td>
<td>0.855</td>
<td>F2 Information sharing 15.2 %</td>
</tr>
<tr>
<td>I provided necessary information so that the employee could perform his or her duties.</td>
<td>0.849</td>
<td></td>
</tr>
<tr>
<td>I clearly explained what I wanted the employee to do.</td>
<td>0.791</td>
<td></td>
</tr>
<tr>
<td>I answered all the employee’s service-related questions.</td>
<td>0.693</td>
<td></td>
</tr>
<tr>
<td>I have asked others for information on what this service offers.</td>
<td>0.720</td>
<td></td>
</tr>
<tr>
<td>I have paid attention to how others behave to use this service well.</td>
<td>0.675</td>
<td></td>
</tr>
<tr>
<td>I have searched for information on where this service is located.</td>
<td>0.542</td>
<td></td>
</tr>
</tbody>
</table>

Source: own compilation

The order of the factors and the percentage of explained variance by factors show that in the service production the respondents’ responsible behaviour and the quality of personal interaction play a bigger role than
the information sharing and information seeking factors. As we expected, in customer participation behaviour we can highlight the information sharing, information seeking, and the personal interaction–responsible behaviour dimensions; these three distinct dimensions can be recognised in the co-creation of cultural, wellness and gastronomic services.

For identifying dimensions of customer citizenship behaviour there were 13 items (on a five-point scale) according to a validated scale (Yi & Gong 2013). Exploratory factor analysis was conducted about the items of the customer value co-creation activities to identify the dimensions of customer participation behaviour. The KMO (0.761 > 0.7,) and Bartlett test (1371.905, Sig. =0.000) indicate that the data are suitable for factor analysis (Malhotra 2009). We found four factors by applying Principal components analysis and Varimax rotation method. The cumulative percentage of explained variance by extracted factors is 65.7%, which is above the expected level of 60%. The origin 13 items are appropriate for measuring the individuals’ extra role to perform the service. Cronbach analysis supported the reliability of the participation behaviour scale (α=0.874).

Helping, advocacy, tolerance and feedback can be distinguished within customer voluntary behavior, similarly to previous pieces of research about services. Our results correspond to the numbers and names of factors in previous studies. These factors imply extra value to the provider in case of customer ‘active’ behaviour. Two factors – tolerance and feedback – emerge in the relationship between the respondents and personnel. The other factors – helping and advocacy – are realised in transactions between the respondents and the other customers. Factor analysis results are summarised in Table 2.

Table 2
Factors of customer citizenship behaviour

<table>
<thead>
<tr>
<th>Variables of consumer citizenship behaviour</th>
<th>Factor loadings</th>
<th>Factors Explained variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>I teach other customers to use the service correctly.</td>
<td>0.826</td>
<td>Factor4 Helping 29.7 %</td>
</tr>
<tr>
<td>I give advice to other customers.</td>
<td>0.772</td>
<td></td>
</tr>
<tr>
<td>I help other customers if they seem to have problems.</td>
<td>0.764</td>
<td></td>
</tr>
<tr>
<td>I assist other customers if they need my help.</td>
<td>0.681</td>
<td></td>
</tr>
<tr>
<td>I recommended the given service and the employee to others.</td>
<td>0.836</td>
<td>Factor5 Advocacy 14.7 %</td>
</tr>
<tr>
<td>I encouraged friends and relatives to use the given service.</td>
<td>0.829</td>
<td></td>
</tr>
<tr>
<td>I said positive things about the given service and the employee to others.</td>
<td>0.757</td>
<td></td>
</tr>
<tr>
<td>If the employee makes a mistake during service delivery, I would be willing to be patient.</td>
<td>0.844</td>
<td>Factor6 Tolerance 12.3 %</td>
</tr>
<tr>
<td>If I have to wait longer than I normally expected to receive the service, I would be willing to adapt.</td>
<td>0.833</td>
<td></td>
</tr>
<tr>
<td>If service is not delivered as expected, I would be willing to put up with it.</td>
<td>0.574</td>
<td></td>
</tr>
<tr>
<td>When I experience a problem, I let the employee know about it.</td>
<td>0.764</td>
<td>Factor7 Feedback 9.0 %</td>
</tr>
<tr>
<td>When I receive good service from the employee, I comment about it.</td>
<td>0.686</td>
<td></td>
</tr>
<tr>
<td>If I have a useful idea on how to improve service, I let the employee know.</td>
<td>0.638</td>
<td></td>
</tr>
</tbody>
</table>

Source: own compilation

The eigenvalues for four factors and the percentage of explained variance by factors demonstrate that in the service production the respondents’ help and recommendations to potential customers play a bigger role than the other two factors. The respondents’ positive attitude to personnel shown through tolerance and feedback is not significant. As we expected, in customer citizenship behaviour we can differentiate the helping, advocacy, tolerance and feedback dimensions four behavioural dimensions can be recognised in co-creation of cultural, wellness and gastronomic services.

Generation differences in the co-creation value of customer participation and citizenship behaviour

We assumed that a generation gap exists in cooperation skills of service production. Variation in age was analysed using analysis of variance (one-way ANOVA); Figures 3 and 4 show the scores for X and Y generations. Eight variables of the customer participation behaviour differed significantly between X and Y generations (Figure 3).
The members of the Y generation use preferably non-personal sources in information seeking for given cultural or wellness services. The older consumers prefer direct contact personally to gain information. Information sharing is information flow from consumers to personnel (“I provided necessary information so that the employee could perform his or her duties”; “I clearly explained what I wanted the employee to do”) which is considered more important during the performance of services. In addition, information seeking plays a greater role for Generation X than for the younger respondents.

Furthermore, the older group has an open attitude in communication with service providers. We found congruently high scores for evaluation of the personal interaction and responsible behaviour.

According to our results, the elements of the respondents’ citizenship behaviour are on a lower level than their participation behaviour. Only one variable of feedback, advocacy and helping gave appreciable values in the case of Generation X (Figure 4).
Providing feedback about consumer experiences is not typical, but Generation X is more likely to do so. Both age groups provide positive feedback about used services more gladly than negative feedback. We can conclude the same about the advocacy. Voluntary helping of another consumer is not standard, but in order to solve problems the consumers perform the activities. The tolerance for inadequate delivery is medium level for both groups.

After analysing the items of customer participation behaviour and citizenship behaviour we examined the factor scores related to two generations. For this analysis, we added mean scores of items within a factor. This approach is advantageous when a researcher wants to compare results between different subsamples. Our results show that Generations X and Y differ significantly in seeking information, information sharing and feedback (mean scores are given in Figure 5). We explored the factors with the most active consumer participation are, namely personal interaction with personnel, responsible behaviour related to the staff and advocacy for other consumers. The mean value of helping other people (F4) is the least preferred within co-creation value consumer behaviour. Our results are shown in Figure 5.

As we expected, some consumer activities generation differences can be identified in the cultural, wellness and gastronomic service value.

CONCLUSIONS

Our results show that customers’ perceptions of co-creation can be examined with a multi-dimensional construct. The activity and attitude of individuals related to performing extra roles in service interactions is less positive than for performing the required in-role behaviour. We conclude that value co-creation not only refers to co-production through company-customer interaction but also the co-creation of value through customer-to-customer interaction. In addition, the customers can search for information from the firm directly or indirectly. In our paper we highlighted the participation and citizenship behaviour of a young generation with older consumers by evaluating different cultural activities, wellness and gastronomic services which contribute to the improvement of their well-being.

According to our empirical research, the elder generation represents a bigger cooperation based on the customers’ mandatory and voluntary behaviour. These results confirm the importance of market segmentation.

This study adds to the body of knowledge on value co-creation in service. We highlighted the determinants and structure of customer participation and citizenship behavior in some Hungarian service industries. Customer participation is influenced by intrinsic factors such as customers’ personal characteristics, e.g. demographic issues, and this factor directly predicts customers’ co-creation behaviour. This finding can be useful for managing a firm’s marketing communications by delivering the right amount of information to the right customer.

Additional research with other generations could provide interesting and valuable insights into the dimensionality of customer participation. Future research should examine which psychological features (e.g. involvement) influence a customer to participation in co-creation service value. It would be very useful to pay more attention to the characteristics of the co-creative customers. Previous researchers revealed the
consequences of customer co-creation value behaviour in reference to buying intention, customer satisfaction and loyalty. We regard with great expectation to that whether the respondents’ participation behaviour or citizenship behaviour influence bigger impact on the perceived value of given service. The findings can be used to identify the level of consumer co-creation, to support co-creation behaviour and to segment the service market.

REFERENCES


