Observable Oral Participation in the Servuction System: Toward a Content and Process Model

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Within a servuction system, service experiences of customers are determined by both content and process elements. We report the findings of two integrated pieces of exploratory research aimed at providing a greater understanding of these elements. Using customer-to-customer interactions (particularly oral participation) as a focus, it was found that customers will generally progress through six phases—entry, social, appraisal, orientation, consideration, and purchase—during their time in the visible part of the servuction system (the part consisting of contact personnel, the inanimate environment, and other customers). A model, showing content and process elements in each phase, is proposed, management implications are highlighted, and propositions for future research are presented.

For the servuction system model of the service experience (Bateson, 1985), the components of the system that are visible to a customer (Customer A) comprise contact personnel, the inanimate environment, and Customer B (representing other customers in the system). The servuction system model is mainly structural, providing a framework that is generalizable across service sectors and that recognizes explicitly the inseparability of production and consumption in services and the customer role in service production. Service experiences of customers are determined by both content and process elements as well as structural elements. For nonroutinized services and/or in settings with many customers, content and process elements become very important. Two illustrative (actual) events within retail servuction systems are described.

Event 1
Scene—a busy supermarket
Customer A is examining cakes on promotion, at ‘only £0.99 each’ in an aisle-end display.
Customer B joins Customer A and each examine the three types of cakes on offer—white chocolate gateaux, Alabama fudge, and pecan pie.
Customer A: “Don’t they look nice? I can’t decide between the gateaux and the fudge.”
Customer B: “Have one of each. Go on, treat yourself.”
Customer A: “Why not?”
Outcome—Customer A puts the two cakes in her trolley. After a moment’s pause, Customer B puts one of each cake (three in all) in her trolley.

Event 2
Scene—the upper floor of a very large furniture store
Customers A (a husband and wife customer dyad) are talking to a sales assistant about an easy chair they like. The chair is much more expensive than any item of furniture they had previously purchased and, despite the sales assistant’s assurance about quality and durability, they cannot make up their minds.
Customers B, another husband and wife dyad, overhear the discussion and join in.
Customers B: “We’ve been buying that brand of furniture for 20 years. It’s in a class of its own.”
Customers A: “Does it last well?”
Customers B: “Oh yes—so well that you can buy it a piece at a time, when you can afford it.”
Customers A to sales assistant: “Right, we’re convinced. We’ll order the chair.”
Outcome—a purchase by Customers A, with every possibility of future purchases.

These events illustrate that content (e.g., Customer(s) B oral contributions) and process (e.g., the interactions, and decision-making, experienced by Customer(s) A) can determine purchase outcomes.

Within the servuction system, as in any system, the richness of the content and process cannot be properly captured by isolating the components of the system. To create a greater understanding of the “softer” elements of the system, however, customer-to-customer interactions (CCI), between A and B (Martin and Prater, 1989) have been made central to this study. It seems likely that CCI are more spontaneous than other types of interaction and, as such, will provide a focus on the less routinized aspects of the system. Clearly, as the two events illustrate, CCI may be highly dependent on other system structures, e.g., physical environment, and other interactions, e.g., those between customers and contact personnel.

This article is structured as follows. First, our specific approach to an understanding of CCI, through a focus on observable oral participation (OOP) is described. This is followed by a review of the limited literature on CCI and the managerial relevance of the findings to date. Two stages of integrated research into OOP within servuction systems are then summarized. The main contribution of this work is the application of the cumulative knowledge acquired from the research to the development of an extension to the servuction model. The extension focuses on content and process of OOP between Customer(s) A and B. Finally, the resulting conceptual framework is used as a basis for setting an agenda for future research.

**The Approach**

CCI is clearly a social process and is likely to result in manifestations that can be observed: conversations, postural change, movement, physical contact, and so on. Our initial focus was chosen through consideration of the complexity of study. Direct observation, participant observation, the use of video, and still photography would all produce data relevant to particular social processes. However, to first understand the likely content of the CCI process, before developing analytic frameworks for use in observation studies, *recall by customers of the content* of CCI was selected. Content recall was most easy, we hypothesized, in the case of verbal interaction. Whereas other content, such as posture, body language, or gesture, would no doubt be interpreted by individuals, much of this interpretation was likely to be accomplished in preconscious mode, making recall less effective as a mechanism for the investigation.

To emphasize that the goal is an observationally based mode of study, we labeled customer conversations OOP. As CCI, such as these are secondary in the servuction model, they are labeled OOP2, reserving OOP1 for the primary customer/server spoken interactions.

The model development stage, and exploratory research, thus focused on (1) OOP within the servuction system, as it can be monitored by the service provider organization, and (2) recall of the content of specific conversations.

The focus should provide for: frequency of occurrence measures of OOP1 and OOP2; classification of the manifest content of the OOPs; accessibility of data, in that conversations with either contact personnel (OOP1) or with other customers (OOP2) are already “in the public domain,” unlike, say, conversations between “purchase pals” (Woodside and Sims, 1976); and recall of the behavioral/intentional impact of the OOPs by those who experienced them.

In approaching the servuction system’s interactions in this way, it should be possible to utilize the literatures concerned with word-of-mouth communications (OOP2 “outside” the system, in a way); with personal selling, and with store atmospherics (for consideration of the observable ambient environment), as mechanisms for placing the approach in perspective. For example, the word-of-mouth literature suggests that the credibility of communication from disinterested sources is high (Engel et al., 1991); CCI (and OOP2 in particular) may thus be a highly credible form of communication as regards content.

**CCI and OOP2**

The interactions that Customer A may engage in include those with contact persons, with the environment, and with Customer B. The latter, CCI, are the least researched but can, however, impact greatly on customer satisfaction and perceived service quality (Martin, 1996). During service delivery, CCI may be particularly memorable. Using a critical incident technique to obtain customer recalls of interactions at Florida theme parks, Grove and Fisk (1992) found that the number of negatively perceived recalls of interactions with other customers was higher than that of interactions with contact persons or the environment. McGrath and Otnes (1995) use the term “unacquainted influence” to represent the contribution of Customer B in the servuction system. They conceptualize the many roles that customers play when influencing other customers in retail settings. Most of the roles involve OOP2, and they observe that “subsequent actions and reactions between these unacquainted influencers run the emotional spectrum from enjoyment, gratitude and amusement through annoyance, avoidance, and disgust” (p. 268). Such emotions color the service delivery experience, and affect customer satisfaction and repatronage intentions.

The importance to service management of CCI, and of OOP2 in particular, will depend on their relative frequency of occurrence, and impact, in the servuction system. There are some service experiences, e.g., group adventure holidays, where all customers will engage in OOP2, and management, through the use of group leaders, seek to enhance the positive CCI and reduce the negative CCI (Price et al., 1995). For many services, including retailing, the level of incidence of
CCI can only be guessed. Clark and Martin (1994) looked at the types of service industries in the United States that are CCI sensitive, and estimated that CCI-sensitive industries account for 42% of service industry employees (more than 40 million) and 31% of service industry compensation (more than $800 billion).

Potentially, CCI can have positive or negative impacts on Customer A and service management should consider proactive methods to take account of them. Pranter and Martin (1991) define the process as “compatibility management” and identify management roles such as “rifleman,” “environmental engineer,” and “matchmaker,” which may enhance positive interactions, and others such as “legislator,” “teacher,” and “police officer,” which may reduce negative interactions. Three studies that specifically examine spoken interactions (McGrath and Ottes, 1995; Harris et al., 1995; Baron et al., 1996) conclude that, in retail settings, Customer B can be a more reliable source of advice and information to Customer A than a store assistant. Retail management may need to focus their personnel training programs more on facilitation skills than selling skills. According to McGrath and Ottes (1995), “clearer understanding of situations in which positive interaction takes place within the marketplace is useful for retailers and is directly applicable to the training of retail personnel” (p. 269), whereas Baron et al. (1996) observe that “customers may be in a position to supplement, or supplant, personal selling efforts by employees in stores.” Also, the studies agree that OOP2 can be initiated and encouraged through the appropriate design of the physical service setting. Environmental cues, such as the arrangement of seating or the prominence of promotions, can be made to stimulate OOP2 (Harris et al., 1995).

Methodology

Two complementary stages of research into OOP2 were conducted. First, a convenience sample of university students in England and Australia was asked to complete a questionnaire with the purposes of assessing whether or not people could recall engaging in OOP2 in a service setting and obtaining written accounts of such interactions. Second, a customer survey was undertaken in a retail setting to assess the likely relative frequencies of OOP1 and OOP2, to examine the characteristics of customers engaging in OOP2, and to analyze the contents of the recalled conversations.

A sample of 50 (28 male and 22 female) part-time MBA students in Britain, aged 28 to 50, was given a questionnaire with three sections: a list of the most frequently visited retail outlets for consideration; a request for recall of shopping occasion(s) in the selected types of outlets when assistance was given/received from other customers in relation to a purchase; and a request for written recall of any occasion(s) when a conversation took place with other customer(s) in these retail outlets, together with the contents of the conversation(s).

The sample was instructed to interpret “retailing” widely, and assistance was on hand during self-completion of the questionnaires. A preliminary classification scheme for OOP2 activities was derived from the findings.

A sample of 69 (32 male and 37 female) business undergraduate students in Australia, aged (mainly) 19 to 23, was asked to complete a revised version of the self-completion questionnaire. The revisions consisted of giving respondents a clear statement of what is meant by a retail outlet in the first section, and a reversal of the order of the second and third sections.

In total, 78% of the British respondents and 84% of the Australian respondents were able to provide detailed recall of at least one OOP2 incident.

The second stage of the research was carried out on-site at the Warrington, U.K., branch of the Swedish multinational home furnishing retailer, IKEA, in December 1993. The store has a sales area of 17,700 m² (split between furniture showrooms on the upper floor and a “marketplace” and collection warehouse on the lower floor), with a workforce of 280 employees. A wide range of specially designed furniture is displayed in room settings, although most of it is sold in self-assembly packs. The product range also includes a wide range of household goods in the marketplace. Customers, on entry, are faced by stairs and an elevator, which take them immediately to the upper level showrooms. Carefully designed walkways guide them through all the furniture displays, before stairs or elevator lead them back down to the marketplace. The checkouts are located beyond the marketplace.

A sample of 1,101 customers was interviewed by a team of six trained fieldworkers in the ground floor checkout area, just prior to leaving the store, on two successive Fridays and Saturdays. Fieldworkers were instructed to aim for an equal quota of male and female respondents. After an interview, they selected the first shopping “group” passing a particular point, as long as there was at least one adult in the group of the appropriate gender for the quota. If not, they waited for a later group, until an appropriate group or individual was found. The components of the questionnaire and the profile of the sample of respondents are given in Harris et al. (1995). Two of the key questions asked were:

1. During your time in the store today, did you ask any store assistants for advice or information?
2. During your time in the store today, did you talk to any other customer (apart from your shopping companions)?

Where appropriate, the customers were asked to recall the incident and conversation in their own words, and this was recorded, verbatim, on the questionnaire. The questionnaire also captured age, gender, and postcode (zip code) data, together with data on shopping group size, absence/presence of children, and visit frequency. The chi-squared automatic detection (CHAID) method was used to facilitate the identification of the personal characteristics of shoppers engaging in
OOP. Examples of the output are presented in Harris et al. (1994). (A stepwise explanation of the CHAID procedure can be found in Baron and Phillips (1994), whereas Magidson (1994) provides the theoretical justification for the use of CHAID to identify market segments).

Main Findings of the Research

U.K. and Australian Questionnaires

The main stimulus for engaging in OOP2 was the reduction of uncertainty of risk associated with particular kinds of merchandise being selected, or particular kinds of services being sought. Most of the recalled OOP2 incidents occurred before a purchase and took place as a means of obtaining reassurance on product suitability (Would this product be good for my purposes?) or on advice about behavior in the servuction system (How do I book the pool table?).

Some of the respondents reported a much higher frequency, and wider range, of OOP2 incidents than others—as both recipients and initiators of the participations. It was noticeable that almost all the most frequent OOP2 users were female. The percentage of females able to recall one or more OOP2 incident (93%) was significantly higher than for males (57%) ($\chi^2 = 20.90, p < .01$). For those able to recall incidents, the mean of 2.11 reported OOP2s per female was significantly higher than the mean of 1.50 reported OOP2s per male ($t = 2.77, df = 87, p < .01$). In general, personal characteristics, product knowledge, and self-assurance seemed to influence the propensity to OOP2 among the sample. Women’s clothing stores were frequently cited as the settings for recalled OOP2.

Other settings that appear to encourage the occurrence of OOP2 were stores that sold either “high involvement” speciality goods (such as audio equipment or computers) or those in which many customers may perceive a higher potential risk in making a mistaken purchase, such as DIY (Home Improvement) stores.

Various cues—body language, perceived familiarity with the setting, confidence—were used by Customer A before speaking with other customers. Also, the presence of others (whether “purchase pals” or children), and their actions, impacted the incidence of OOP2. In addition, factors such as time availability, or queueing time, were felt to influence the likelihood of an interaction.

In-Store Survey, IKEA

The second stage of the research was carried out in a service setting, where, because of the volume of customers typically present in the servuction system, there was ample opportunity for OOP2 to take place. However, the particular type of retail store (furniture/household) had not been identified by respondents at the first stage in any of the recalled incidents of OOP2. Prior to our survey, therefore, the likely frequency of OOP2 occurrences was believed to be low. Just under 12% of the sample of paying customers interviewed reported engaging in OOP2 (Harris et al., 1995). In absolute terms, there are projected to be 30,000 or more interactions taking place each year in this particular setting: a setting where the percentage of OOP2s may be lower than that occurring in other retail settings identified in the previous stage.

When OOP2 incidents were further analyzed in terms of the measurable characteristics of the participants, it was found that females were more likely than males to use OOP2 (15% vs. 8%, $z = 3.74, p < .01$). In particular, the customers with the highest propensity to OOP2 were women, aged 35 or more years, where 20% had engaged in OOP2. The other statistically significant subgroup with a higher percentage of OOP2 activity (17%) was “females, aged less than 35 years, who have OOP1’d.” This lends support to the view that there are occasions when OOP2 is used by customers in addition to OOP1.

The content of OOP2 interactions, as described in the respondents’ own words, was classified according to the principles of content analysis (Berelson, 1952). The classification categories for OOP2 (Baron et al., 1996) were products-related, directions, procedures, physical assistance, pleasantries, and others.

The products-related category contained two subdivisions—product advice and product discussion. Directions usually related to the location of the merchandise. Procedures normally referred to the specific ordering or purchasing systems of the store. In the physical assistance category, physical assistance with lifting goods, opening doors, etc., was often accompanied by a short conversation. Pleasantries represented the polite, positive conversations that may occur at any meeting place and are not situation specific. The other category tended to consist mainly of mutual moans. Table 1 shows the frequencies of occurrence of the categories.

The most significant element here is that, in this one setting (merchandise), around 15,000 conversations annually between customers have a product focus. Using a 0.10 level of significance, the CHAID analysis revealed that customers who perceived themselves to be well informed about IKEA products were more likely to OOP2 than those who did not. However, propensity to OOP2 was independent of the level of involvement (as measured by the number of visits to the store in the previous 12 months).

<table>
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<tr>
<th>Table 1. Categories of OOP2: Frequency of Occurrence</th>
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<tr>
<td>Category</td>
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<tr>
<td>Product discussion</td>
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<td>Product advice</td>
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<td>(Total products-related)</td>
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<td>Directions</td>
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<td>Procedures</td>
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<td>Physical assistance</td>
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<tr>
<td>Pleasantries</td>
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<td>Others (inc. moans and niggles)</td>
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Figure 1. The process by which customers within a store-based servuction system proceed.

A Proposed Model of Content and Structure of OOP2 in the Servuction System

The knowledge gained through the earlier research is now integrated for the first time with the servuction model to provide a content and process model of OOP2 in the servuction system. Figure 1 shows the process by which customers within a store-based servuction system proceed. After deciding when, and with whom, to visit a store, customers make a decision to enter (entry phase) the (visible part) of the servuction system. If they decide to proceed, there is often a social phase at entry, which normally consists of acknowledgements by contact personnel and/or other customers. Next, an appraisal phase, where the structural elements of the servuction system (the store environment and people present, followed by the merchandise and displays) are considered. Negative appraisal of any of these may result in exit from the system (Baron and Cassidy, 1994). Customers still in the system will eventually go through a consideration phase, prior (possibly) to a purchase phase. In stores where merchandise is not immediately accessible, or environmental load is high, customers may also require an orientation phase before being in a position to properly consider a purchase. Customer exits can also occur at either the orientation phase or the consideration phase. After leaving the system, depending on the postpurchase evaluation, customers will determine an intention as to whether or not to revisit. If they decide to reenter the servuction system, the process is repeated.

This formal shell is of limited value, without a more detailed representation of the content and other processes within each of the six identified phases: entry, social, appraisal, orientation, consideration, and purchase. It is only by focusing on content and interactions in each phase that the complexity of customers’ total service experiences within the servuction system can be addressed.

On entry into a servuction system, a potential customer may, from the available cues, decide not to proceed, for example, on entering a bar. Indeed, the decision not to proceed may be made on the basis of external cues, and no approach at all be made (“I don’t like to look of that place”—bar, hotel, store, etc.).

Depending on the service setting, the social phase at the outset may vary from being the single most memorable part
of the service experience to being completely unnoticed. In a small community, the general store or corner shop, plays an important social role in the lives of the customers (Zemke and Schaal, 1989). Conversely, in large multiple stores, a customer’s arrival may not be acknowledged at all by any other person in the store.

Once inside a servuction system, customers may decide—even after a social phase—to exit the system because of a lack of liking. (“It didn’t feel right” or “It wasn’t my kind of place.”).

In the orientation phase, customers may require oral assistance regarding directions and store procedures. In asking for such assistance, customers approach contact personnel (OOP1) and other customers (OOP2). In the latter case, it may be the observation of merchandise already bought, or being considered, by another customer that is a cue for the interaction (“Customer asked about a table—wanted to know where to purchase a similar one”). In these situations, customers initially seek cues as to the store expertise of other customers. Also while looking at, or for, merchandise, OOP2 in the form of “product discussion,” may take place (“We discussed a picture—agreed that it was nice”). Here, product reaction is being shared, and the taste and judgment of each party is being expressed.

The consideration phase is the most complex in terms of the content and interactions. Customers will bring with them a body of knowledge about the product concerned, made up of elements such as prior experience, level of involvement with the product, complexity of the product, and word of mouth. Within this phase, other customers can provide product advice and factual information that is central to the purchase decision of a particular customer. The fact that it is OOP2, and thus a form of word of mouth, provides the element of credibility that may be missing with OOP1. As such, it plays an important part in closing, or even making, a sale. Given that the contact person is sometimes present when OOP2, in the form of “product advice,” is given, it is difficult to disentangle the relative contributions of OOP1 and OOP2 in some circumstances. OOP2 is particularly important in this phase in reassuring a potential purchaser that the product concerned is suitable for the purpose, or person, intended. It is also a factor in making the purchaser feel good about the purchase. In Event 1, described earlier, initial guilt about an impulse buy was assuaged by another customer’s endorsement of a “treat.”

Finally, in the purchase phase, particularly where queuing to pay is commonplace, OOP2 can have an effect on the service experience. It may be simply the relief of having a shared moan about some feature of the store, or it may be an animated conversation with another customer, which enhances the enjoyment of the total service experience for each participant. The OOP1s at this phase are unlikely to be more than routine payment-related conversations, but they may have a highly remembered element about them should the process be less than straightforward.

Figure 1 provides a prototype content and process model of OOP in the servuction system. In the next section, the features and potential importance of the model are discussed, together with an evaluation of the methodology used to research OOP2. Finally, some suggestions for future research are proposed.

**Discussion**

The extension to the servuction system model developed above focuses on CCI, and, within that, primarily on content and process of OOP2 (oral exchanges between customers). The model acknowledges that: (1) OOP2 is frequent, and has a number of recurring themes; (2) OOP2 tends to occur at particular phases in the service environment visit; and (3) the behavioral impact of OOP2 is high. Management’s attention is thus directed to the need to consider: (1) what more controlled communication would be possible to reduce the need for OOP2 of certain types; (2) what is the message content for such controlled communication across the various phases; and (3) how positive behavioral impact of OOP2 might be sought.

Wilson (1991) has already highlighted the impact of the talk factor on a company’s performance, describing conversations customers have about goods, services, and organizations as a “manageable commodity that can move results to the bottom line like any other marketing tool” (p. 9).

There is a need to develop a clearer understanding of the nature and extent of positive OOP2 in the relatively complex “consideration phase” of the model. We noted earlier that in this phase it is often difficult to disentangle the relative contributions of OOP1 and OOP2 to purchase actions. For this reason, a continued focus on the oral contributions of Customer(s) B in comparison to those of contact personnel is required. Customers appear to add some value to the service experience of other customers through their oral contributions (for example offering honest opinions, independent product knowledge, and reassurance about important purchase decisions) that contact personnel cannot provide.

Specifically, testing the following hypotheses with regard to the consideration phase (in OOP2-friendly settings, such as female clothing departments) would add considerably to understanding.

- **H1:** OOP2 has more credibility than OOP1;
- **H2:** OOP2 has a higher affective component that OOP1, which tends to be cognitive;
- **H3:** OOP2 will be more frequent in high environmental load/self-service systems.

More research is also needed on the negative implications of OOP2 to support the work of Martin (1996), which examines the effect of all forms of public behavior on other customers. Specifically, little is yet documented on the detrimental impact of oral exchanges on consumer perceptions of service
quality. Additionally, the model in Figure 1 provides a framework for formulating propositions that should lead to an explanation of the exiting behavior of customers at all phases within the servuction system.

The methodology used here to research OOP2 is based on memory/recall on the part of customers. The incidents being recalled are unlikely to be regarded as "extreme" in the majority of cases—a feature that is fundamental to research using “critical incident techniques.” This raises the question as to whether OOP2 can be assessed validly using a memory-based methodology, given that many incidents, although contributing to a customer’s overall experience in the servuction system, may not be “memorable” in themselves.

Clearly, an exit survey of customers ensures that the time-lag between incidents and their recalls is brief and will reduce the likelihood that key elements of content and process in a CCI are simply forgotten. Nevertheless, recalls in the own words of the customers may be subject to some dissonance problems. It is possible that people in the role of Customer A, seeking help, may understate the nature of their ignorance, whereas those in the help-giving role of Customer B may embellish the importance of their contribution. Many conversations, however, reflected equally on participants, and the recalls were even-handed.

On balance, we feel that the relatively simple means of obtaining data from a large number of on-site customers (as in the second stage of our research) outweighs the potential problems of conscious storytelling and memory biases that may exist through recall techniques. Overt, or covert, observation techniques, using, say, video recording, would provide alternative methods for the data collection. Each, in turn, would generate methodological problems, whether related to artificial behaviors under observation, or ethical issues of recording private conversations. Other methods could be considered, particularly if reasons and motives for engaging in OOP are to be explored further. Ottes et al. (1995) advocate shopping with consumers as a method that may provide a greater understanding of content and process associated with browsing and purchase decisions. In controlled settings, projective techniques, such as thematic apperception testing, based on photographs of typical scenes in, say, women’s fashion stores, may help more clearly define the respective roles of a salesperson and Customer B from the perspective of a person in the role of Customer A.

The work to date suggests that whereas OOP may be less managerially controllable than OOP1, it is a powerful tool for generating customer conviction. In such circumstances, despite the obvious difficulties, it seems worthwhile to devote attention, both managerial and academic, to continuing work in this under researched area.

References


