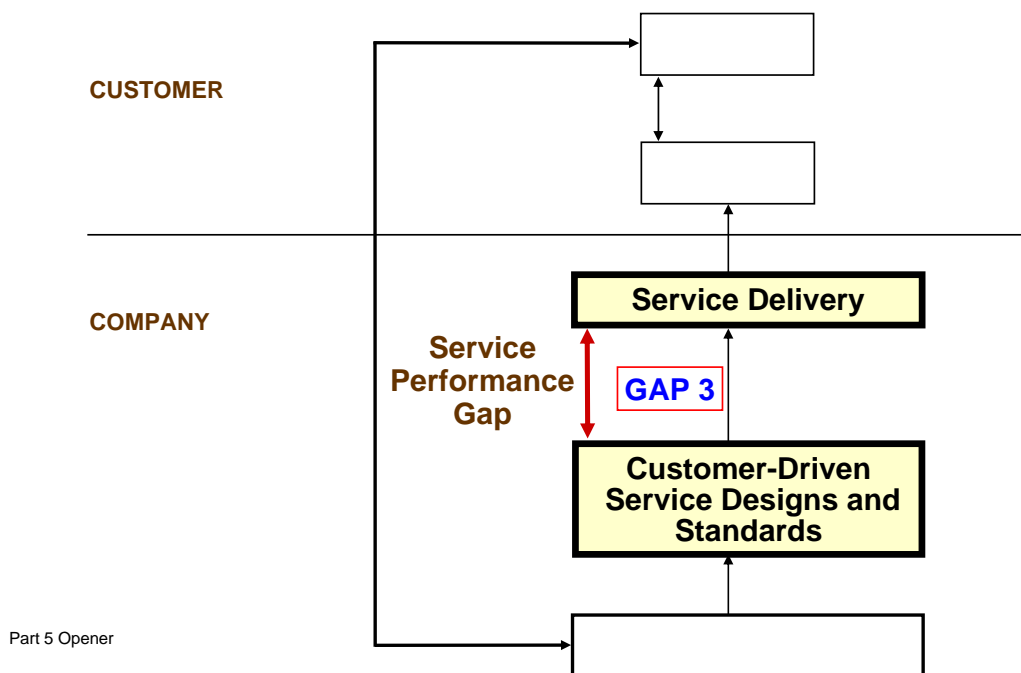


# Customers' Roles in Service Delivery (Chapter 13)

- Gap 3 - Service Performance Gap
  - (not delivering to service standards)
- Importance of Customers in Service Delivery
- Customers' Roles
- Strategies for Enhancing Customer Participation

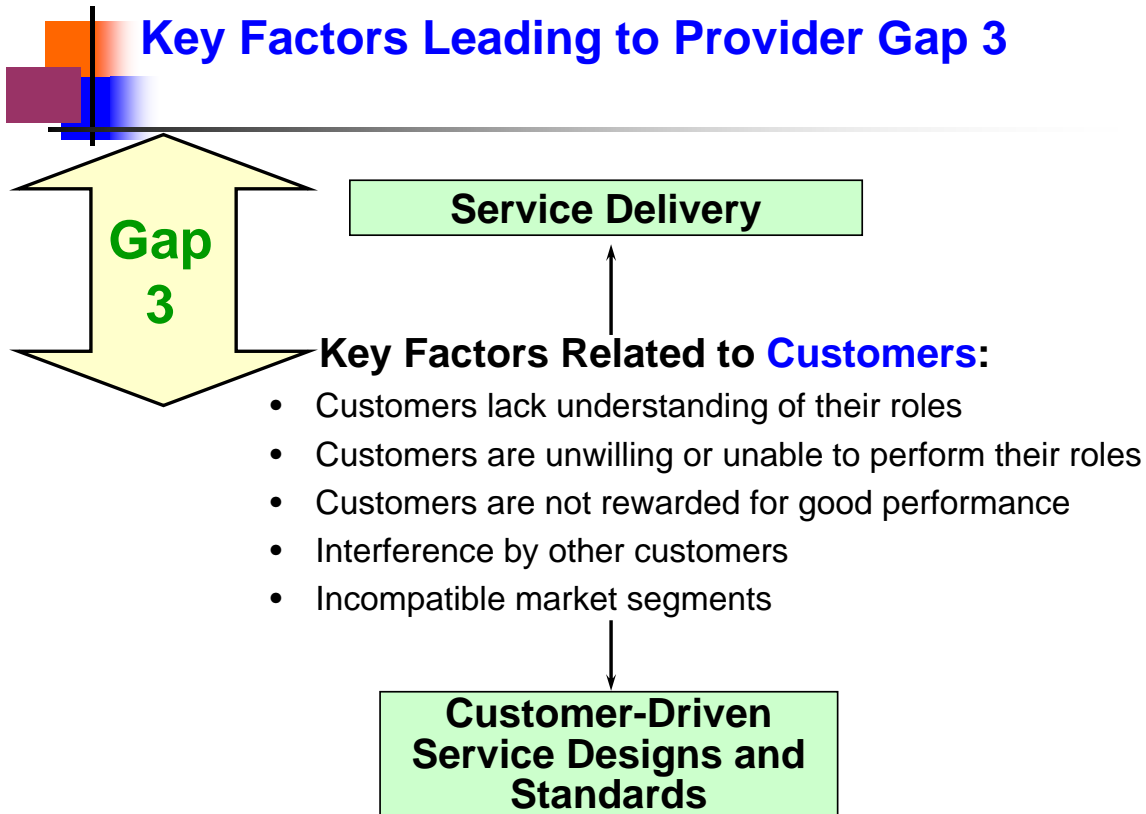
© 2007 - Dwayne D. Gremler

## Provider Gap 3



© 2007 - Dwayne D. Gremler

## Key Factors Leading to Provider Gap 3



© 2007 - Dwayne D. Gremler

## Importance of Customers in Service Delivery

- Co-production
  - customers are often part of the production process
- Levels of customer participation:
  - low participation
    - customer presence required
      - examples: NBA game, movie theater, car brake replacement
  - moderate participation
    - customer inputs required (including information, effort, physical possessions)
      - examples: Papa Murphy's, academic advising, income tax preparation
  - high participation
    - customer co-creates the service
    - customer must contribute to receive desired outcome
      - examples: physical therapy, Build-a-Bear Workshop, piano lessons, university classes, Shutterfly.com

© 2007 - Dwayne D. Gremler

## Levels of Customer Participation Across Different Services

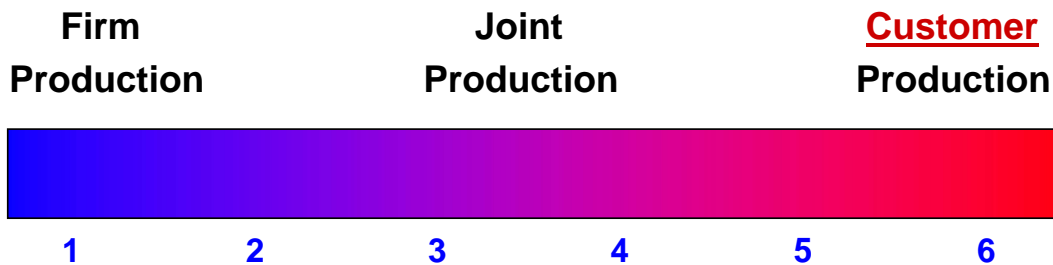
**Table 13.1**

<i>Low: Consumer Presence Required during Service Delivery</i>	<i>Moderate: Consumer Inputs Required for Service Creation</i>	<i>High: Customer Cocreates the Service Product</i>
Products are standardized.	Client inputs (information, materials) customize a standard service.	Active client participation guides the customized service.
Service is provided regardless of any individual purchase.	Provision of service requires customer purchase.	Service cannot be created apart from the customer's purchase and active participation.
Payment may be the only required customer input.	Customer inputs are necessary for an adequate outcome, but the service firm provides the service.	Customer inputs are mandatory and cocreate the outcome.
<b>End Consumer Examples</b>		
Airline travel Motel stay Fast-food restaurant	Haircut Annual physical exam Full-service restaurant	Marriage counseling Personal training Weight reduction program Major illness or surgery
<b>Business-to-Business Customer Examples</b>		
Uniform cleaning service Pest control Interior greenery maintenance service	Agency-created advertising campaign Payroll service Freight transportation	Management consulting Executive management seminar Installation of computer network

Source: Adapted from A. R. Hubbert, "Customer Co-Creation of Service Outcomes: Effects of Locus of Causality Attributions," doctoral dissertation, Arizona State University, Tempe, Arizona, 1995.

© 2007 - Dwayne D. Gremler

## Service Production Continuum



### Gas Station Illustration:

1. Attendant pumps gas and attendant takes payment at the pump
2. Attendant pumps gas and customer goes inside to pay attendant
3. Attendant pumps gas and customer pays at the pump with automation
4. Customer pumps gas and attendant takes payment at the pump
5. Customer pumps gas and goes inside to pay attendant
6. Customer pumps gas and pays at the pump with automation

© 2007 - Dwayne D. Gremler

## Importance of *Other* (“Fellow”) Customers in Service Delivery

- Other (“fellow”) customers can *detract* from satisfaction
  - disruptive behaviors
  - excessive crowding
  - incompatible needs
- Other (“fellow”) customers can *enhance* satisfaction
  - mere presence; sufficient number
  - socialization/friendships
  - roles: assistants, teachers, supporters

© 2007 - Dwayne D. Gremler

## Customer Roles in Service Delivery

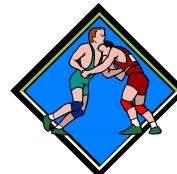
(1) Productive Resources



(2) Contributors to Quality and Satisfaction



(3) Competitors



© 2007 - Dwayne D. Gremler



## (1) Customers as Resources

---

- “partial employees”
  - contributing effort, time, or other resources to the production process
- customer inputs can affect organization’s productivity
  - e.g., self-payment for airport parking garage
  - e.g., Nike ID – customized shoe and apparel products
  - e.g., My Virtual Model (Lands’ End)
- key issue:
  - should customers’ roles be expanded?
    - e.g., FedEx/Kinko’s – submitting orders online
    - e.g., several hotels – self-service kiosks in hotel lobbies
    - e.g., Kodak – self-serve kiosk to develop film
  - should customers’ roles be reduced?



## (2) Customers as Contributors

---

- Customers can contribute to
  - their own **satisfaction** with the service
    - by performing their role effectively
    - by working *with* the service provider
  - the **quality** of the service they receive
    - by asking questions
    - by taking responsibility for their own satisfaction
    - by complaining when there is a service failure
  - e.g., H&R Block – online, software, and office (retail) options

## (3) Customers as Competitors

- customers may “compete” with the service provider
  - the primary competition may not be other service firms, but customers who do it themselves
- make vs. buy decision
  - “internal exchange” vs. “external exchange”
- internal/external decision often based on:
  - expertise capacity
  - resource capacity
  - time capacity
  - economic rewards
  - psychic rewards
  - trust
  - control

Deck  
Slides

© 2007 - Dwayne D. Gremler

## Strategies for Enhancing Customer Participation

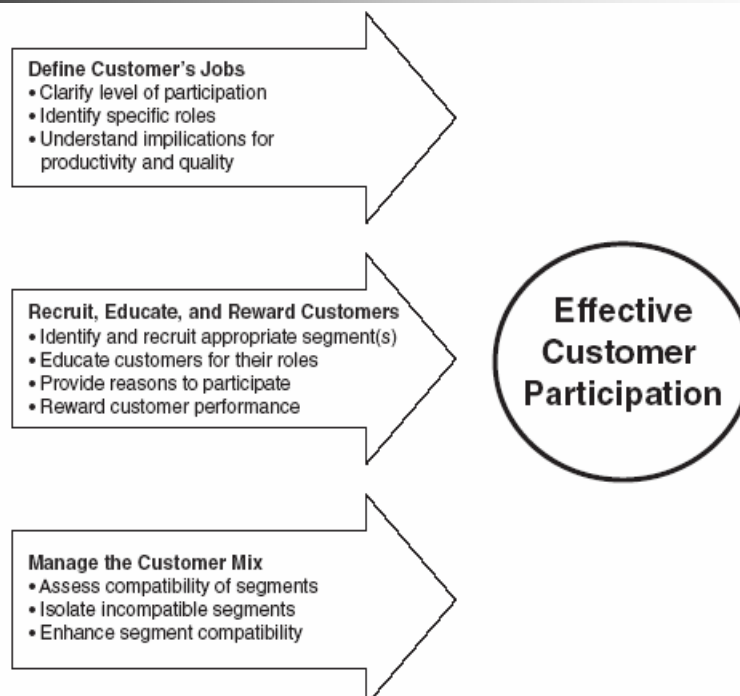


Figure 13.3

© 2007 - Dwayne D. Gremler

## Strategies for Enhancing Customer Participation

- Define customers' jobs
  - helping oneself
  - helping others
  - promoting the company
  
- Recruit, educate, and reward customers
  - recruit the right customers
  - educate and train customers to perform effectively
  - reward customers for their contributions
  - avoid negative outcomes of inappropriate customer participation
  
- Manage the customer mix
  - assess compatibility of various customer segments
  - isolate incompatible customer segments

© 2007 - Dwayne D. Gremler

## Characteristics of Service that Increase the Importance of Compatible Segments

Table 13.2

Characteristic	Explanation	Examples
Customers are in close physical proximity to each other.	Customers will more often notice each other and be influenced by each other's behavior when they are in close physical proximity.	Airplane flights Entertainment events Sports events
Verbal interaction takes place among customers.	Conversation (or lack thereof) can be a component of both satisfying and dissatisfying encounters with fellow patrons.	Full-service restaurants Cocktail lounges Educational settings
Customers are engaged in numerous and varied activities.	When a service facility supports varied activities all going on at the same time, the activities themselves may not be compatible.	Libraries Health clubs Resort hotels
The service environment attracts a heterogeneous customer mix.	Many service environments, particularly those open to the public, will attract a variety of customer segments.	Public parks Public transportation Open-enrollment colleges
The core service is compatibility.	The core service is to arrange and nurture compatible relationships between customers.	Big Brothers/Big Sisters Weight loss group programs Mental health support groups
Customers must occasionally wait for the service.	Waiting in line for service can be monotonous or anxiety producing. The boredom or stress can be magnified or lessened by other customers, depending on their compatibility.	Medical clinics Tourist attractions Restaurants
Customers are expected to share time, space, or service utensils with each other.	The need to share space, time, and other service factors is common in many services but may become a problem if segments are not comfortable with sharing with each other or if the need to share is intensified because of capacity constraints.	Golf courses Hospitals Retirement communities Airplanes

Source: Adapted from C. I. Martin and C. A. Pranter, "Compatibility Management: Customer-to-Customer Relationships in Service Environments," *Journal of Services Marketing*, 3, no. 3 (Summer 1989), pp. 5-15.

© 2007 - Dwayne D. Gremler