

Going beyond the service exchange: Investigating an engagement platform for customer learning

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Abstract

Current service research emphasizes that a pressing new challenge for firms is to support customer learning. This study examines engagement platforms for customer learning. Given the voluntary nature of these platforms, their effectiveness strongly depends on customers' willingness to engage. A conceptual model is presented that discerns between an economic and social route to engagement. Preliminary qualitative findings confirm the existence of these two routes. A large scale quantitative study will be conducted to test the hypothesized relationships. Besides an in-depth theoretical understanding of engagement platforms for customer learning, our study offers practical implications for the effectiveness of such platforms.

Keywords: engagement platforms, value facilitation, customer learning

Track: Services Marketing

1. Introduction

Current technological and competitive conditions require that firms think about new ways to build relationships with their customers. The impact of the technological (r)evolution has been especially profound for services, which have traditionally relied on close contact and personal interactions between customers and employees (Meuter, Bitner, Ostrom, & Brown, 2005; Ostrom et al., 2010). Self-service technologies, such as ATMs, online banking, and self-check-in, have dramatically changed the way services are developed, delivered and perceived (Meuter et al., 2005). As a result, service providers face the challenge to explore new and innovative ways to build relationships with their customers in a mutually beneficial way. In light of this challenge, this paper combines theoretical perspectives on value creation, customer learning, and customer engagement in order to investigate engagement platforms for customer learning. However, in order to effectively use such an engagement platform as a relationship-building marketing instrument, there is a clear need to examine the factors influencing customers' willingness to join this platform. This is the focus of our study.

2. Theoretical Background

Recent advances in marketing (e.g., service-dominant logic, service logic, customer-dominant logic) indicate the importance of the customer's role in creating value. The customer integrates resources provided by the firm with other resources and skills he possesses to transform these resources' potential value into real value or value-in-use (Grönroos & Ravald, 2011). The customer thus is the one and only creator of value. This perspective has important implications for understanding customer-firm relationships.

First, customers must acquire the necessary resources, skills, and knowledge to be or become effective resource integrators (Hibbert, Winklhofer, & Temerak, 2012). As a result, customers look for and use learning resources: They use their own operant (e.g., intelligence) and operand resources (e.g., books), but also the operant (e.g., specialist knowledge) and operand resources (e.g., simulation software) offered by firms and other actors (Hibbert et al., 2012).

Second, if the customer is the only creator of value, this implies that the firm has to support or facilitate the customer's value creation process and thus act as a value facilitator (Grönroos & Ravald, 2011; Grönroos & Voima, 2013). Part of the firm's facilitating role is to support customer learning (Hibbert et al., 2012). "By offering appropriate learning support, firms can improve customer experiences and build relationships with them. Thus, a firm's customer learning support is a powerful means by which to differentiate their offering in the marketplace and should be treated strategically" (Hibbert et al., 2012, p. 257).

Third, besides being a value facilitator, the firm can become a value co-creator during direct interactions with the customer (Grönroos & Ravald 2011). During these interactions, "the supplier gets opportunities to influence the process of value creation, in the best case enhancing the level of value the customers create out of a service activity or a good" (Grönroos & Ravald 2011, p. 10). Additionally, value co-creation research suggests that the firm has to shift its focus from existing interactions to newly build interaction platforms based on customer experiences (Ramaswamy, 2011; Ramaswamy & Gouillart, 2010a, 2010b). More specifically, Ramaswamy and colleagues suggest building so-called 'engagement platforms' that go beyond the traditional boundaries of the firm and expand stakeholder relationships in order to create new sources of value for all parties involved. This is what Ramaswamy and colleagues call 'win more-win more'.

Combining these perspectives, we focus on engagement platforms for customer learning. Such engagement platforms (1) go beyond traditional services offered by the firm and focus

on the customer experience; (2) support the customer's value creation process by offering learning resources; (3) offer opportunities for value co-creation during direct interactions between the firm and the customer; (4) create 'win more-win more' situations.

An important step in managing such an engagement platform is to convince customers to engage in such a platform. Since such platforms go beyond the traditional services offered by the firm, engaging in such a platform is not mandatory for the customer. Thus, customers can choose whether or not to join the platform and they can engage or disengage whenever they want (Ramaswamy & Gouillart, 2010a, 2010b). This is in line with contemporary customer engagement research which examines "customer engagement behaviors through which customers make voluntary resource contributions that have a brand or firm focus but go beyond what is fundamental for transactions, occur in interactions between the focal object and/or other actors, and result from motivational drivers" (Jaakkola & Alexander, 2014, p. 248). Additionally, customer learning research (Hibbert et al., 2012) indicates that customers are in control of their own learning processes and firms can only create learning opportunities which customers can voluntarily use. In general, the service provider invites the customer to join the engagement platform and it is up to the customer to decide whether to accept this invitation or not.

3. Conceptual Model

To investigate customers' willingness to engage in platforms for customer learning, we discern between an economic route and a social route to engagement, since in both customer learning research (Hibbert et al. 2012) and customer engagement research (van Doorn et al. 2010), economic and social factors are mentioned as important factors when investigating these topics. Furthermore, identifying an economic and social route is consistent with previous research on exchange relationships (e.g., Blau, 1964; Dabholkar, van Dolen & de Ruyter, 2009).

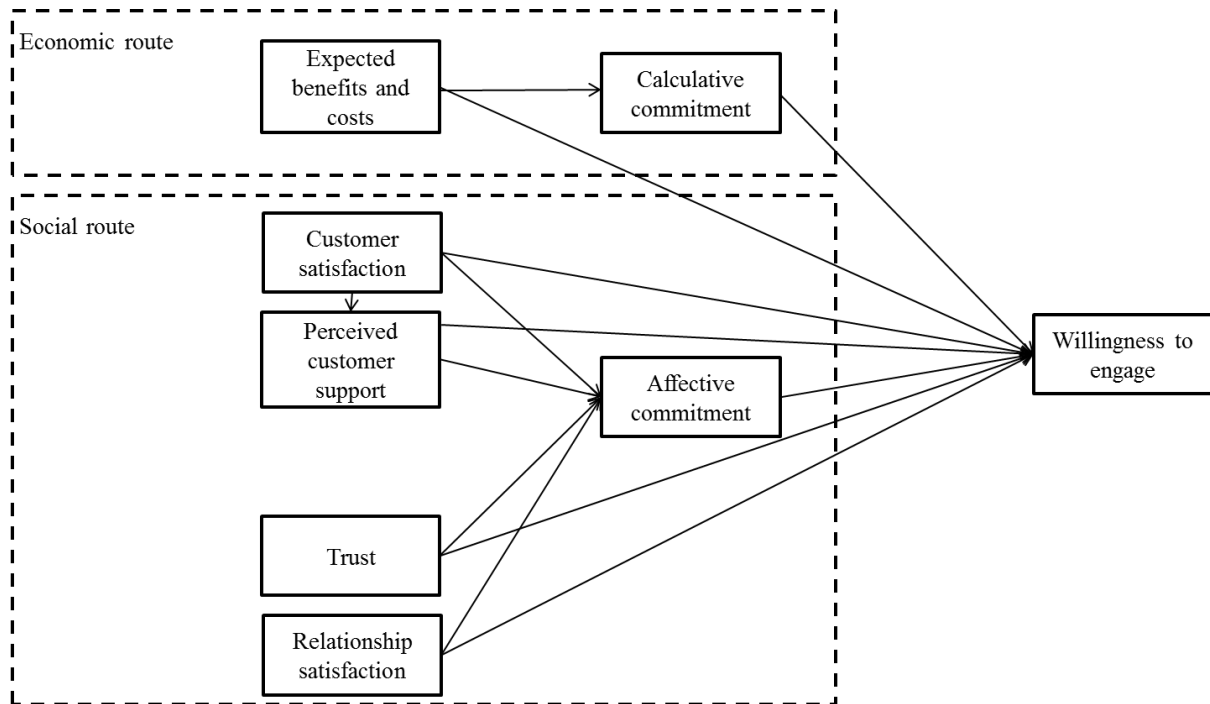
The economic route is based on the economic costs and benefits of engaging in the platform. According to the engagement study of van Doorn et al. (2012, p. 257), "consumers evaluate the costs and benefits of engaging in specific behaviors". Also from a customer learning perspective, Hibbert et al. (2012) mention that customers evaluate how much of their own time and effort they want to invest in learning while anticipating the benefits of doing so. Hence, we investigate the effect of benefits (e.g., better quality) and costs (i.e., time, effort) on willingness to engage. We include calculative commitment, which is the colder, rational, economic-based side of commitment, as a potential mediator in this economic route to engagement (Gustafson, Johnson, & Roos, 2005).

The social route is based on relational factors such as satisfaction and trust. In general, customers having a better relationship with the organization are more likely to engage (van Doorn et al. 2012; Verleye, Gemmel, & Rangarajan, 2014). This is consistent with social exchange theory and the principle of reciprocity: customers who are satisfied and/or have a good relationship with their service provider are more willing to exert effort on behalf of the relationship because they want to 'return good for good, in proportion to what they receive' (Bagozzi, 1995; Blau, 1964; De Wulf, Odekerken-Schröder, & Iacobucci, 2001). Also from a customer learning perspective, relational constructs can be important. Hibbert et al. (2012) indicate that when customer learning support is provided by the firm, customers reflect on their satisfaction with and their trust in the firm. If customers are satisfied with the firm and with their relationship with the firm, they are, in general, more willing to learn from the firm. Additionally, we include affective commitment, which is the warmer, emotional side of commitment, as a potential mediator in this social route to engagement (Gustafson, Johnson, & Roos, 2005). To investigate the social route, we use existing theoretical frameworks based

on relationship marketing (e.g., Palmatier, Dant, Grewal, & Evans, 2006) and customer voluntary performance (e.g., Bettencourt, 1997) to build our hypotheses.

Overall, the literature review and conceptual development resulted in the model and hypotheses presented in Figure 1.

Figure 1 Conceptual model



4. Methodology

To test the hypothesized relationships, we examine customers of a financial services provider which currently uses an engagement platform to build relationships with its customers. This platform focuses on knowledge sharing between the firm and the customer based on the customer's key moments in life, which can be considered 'trigger events for learning' (Hibbert et al., 2012). This engagement platform (1) goes beyond the traditional financial services offered by the firm and focuses on the customer's key moments in life such as graduation, marriage, divorce, ... ; (2) supports the customer's value creation process by offering learning resources concerning these 'trigger events'; (3) offers opportunities for value co-creation during direct interactions between the firm's employee and the customer by inviting customers for 'key moments in life'-meetings; (4) creates 'win more-win more' situations: the customer learns from the firm while the firm learns from the customer.

This study started with a qualitative phase based on exploratory interviews with customers and employees. The incorporation of a qualitative phase is valuable because it potentially generates knowledge about unexpected aspects that could be overlooked by previous studies. At the time of this abstract, we are examining the qualitative results and developing a survey. Preliminary results of the qualitative study confirm the economic and social route we put forward in the conceptual model. We will collect (quantitative) data in Spring 2015.

To test the hypothesized relationships, we opt for Partial Least Squares Structural Equation Modeling (PLS-SEM), more specifically, for the SMART-PLS software. In line

with the general recommendations for using PLS-SEM (Hair, Sarstedt, Ringle, & Mena, 2012), we will evaluate the measurement model and structural model respectively. To assess the statistical significance of the parameter estimates, we will use bootstrapping procedures based on 5000 samples.

5. Preliminary Results

Preliminary qualitative findings indicate the existence of an economic as well as a social route to engagement. Our quantitative results – which will be presented at the conference – aim to provide additional insights regarding the importance of both routes, as well as some possible moderating effects that can be important when inviting customers to join an engagement platform.

6. Theoretical and Practical Contributions

Overall, this research aims to provide several important contributions to the existing literature. First, although the term value co-creation has been used frequently when referring to the participation of the customer in the production (e.g., Xie, Bagozzi, & Troye 2008) or the service delivery process (e.g., Auh, Bell, McLeod, & Shih 2007; Chan, Yim, & Lam, 2010; Yim, Chan, & Lam, 2012), it has – to the best of our knowledge - never been empirically investigated with regard to engagement platforms. While these studies provide useful insights for the current research, they only consider customer participation in the firm's *existing* service delivery processes. We focus on customer experiences that go *beyond* the traditional boundaries of the organization.

Second, this study contributes to the research program set by Hibbert et al. (2012). They state that “supporting customer learning is a pressing new challenge for firms that recognize that customers engage in resource integration in the course of their value-creating processes” (Hibbert et al., p.255). By providing insights in engagement platforms for customers learning, we add to our understanding of creating and managing learning resources for customers. Furthermore, by investigating ‘key moments in life’, our study provides new insights for the ‘trigger events’ mentioned by Hibbert et al. (2012).

Third, this study makes a contribution to the research agenda set by Brodie et al. (2011) and the research gaps mentioned by van Doorn et al. (2010). Despite the growing popularity of customer engagement, this topic has not been empirically examined in the context of engagement platforms. By examining customer engagement in a platform-context and by combining engagement with customer learning, we provide additional insights for the customer engagement literature.

Furthermore, we believe that this study has important managerial implications, because engagement platforms can be helpful to ‘industrialize’ the scale and scope of customer learning. In addition to financial services, other service industries such as health care, education, or travel agencies can benefit from engagement platforms for customer learning. Likewise, this study can be valuable for retailers, who face the challenge of increasing competition based on e-commerce and are also exploring new and innovative ways to build relationships with their customers in a mutually beneficial way. Investigating customers’ willingness to engage in platforms for customer learning provides a crucial first step for the effectiveness and the promotion of such platforms. Overall, our research aims to contribute to theory as well as practice by empirically investigating and integrating recent advances in the marketing domain.

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