

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

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

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. Self-service technologies, such as ATMs, online banking, and self-check-in, have dramatically changed the way services are developed, delivered and perceived. 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.

### **Theoretical foundations**

Recent advances in marketing and service research 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). 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 et al. 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, the firm has to facilitate the customer's value creation process (Grönroos & Ravald 2011; Grönroos & Voima 2013). Part of the firm's facilitating role is to support customer learning. "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 & Voima 2013). 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

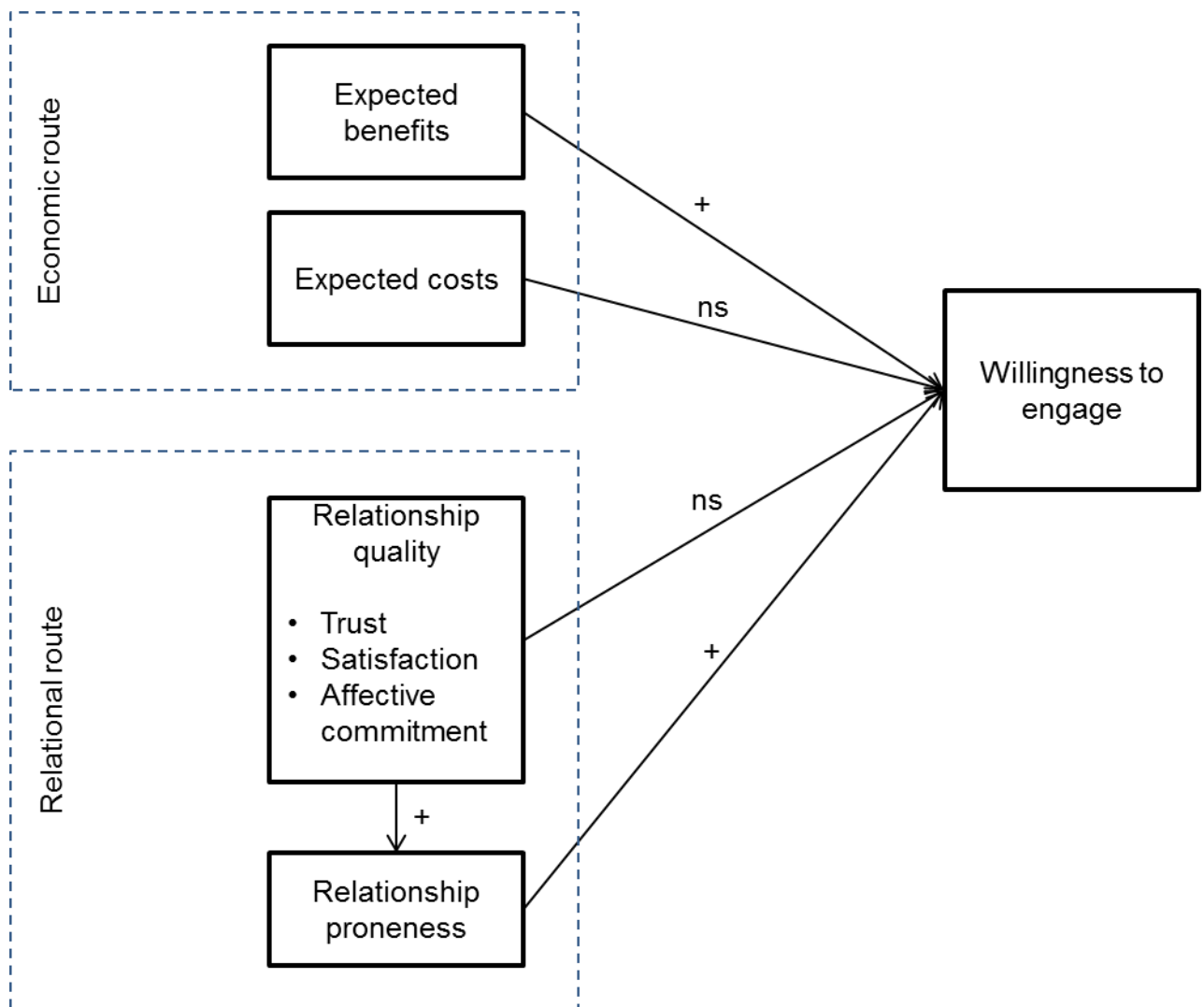
creation process by offering learning resources; (3) offer opportunities for value co-creation during direct interactions between the firm and the customer; (4) create 'win more-win more' situations.

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. 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.

### **Conceptual framework**

To investigate customers' willingness to engage in platforms for customer learning, we discern between an economic and a relational route to engagement (see Figure 1), which is in line with both customer learning research (Hibbert et al. 2012) and customer engagement research (van Doorn et al. 2010).

Figure 1. Conceptual framework



Notes. + indicates a positive effect; ns indicates non-significance.

The economic route is based on the costs and benefits of engaging in the platform. According van Doorn et al. (2012, p. 257), “consumers evaluate the costs and benefits of engaging in specific behaviors”. 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.

The relational route is based on the existing customer-firm relationship and includes relationship quality (including trust, affective commitment and satisfaction) and relationship proneness. In general, customers having a better relationship with the organization are more likely to engage (van Doorn et al. 2012; Verleye et al. 2014). From a customer learning perspective, Hibbert et al. (2012) indicate that when customer learning support is provided by the firm, customers reflect on their current relationship with the firm: If customers have a good relationship with the firm they are more willing to learn from the firm. Additionally, we include relationship proneness which is the degree to which a customer prefers to have a close relationship with the firm. According to Mende et al. (2013) this is an important but often neglected construct when investigating relationship marketing initiatives.

## **Methodology**

To test the hypothesized relationships, we examined customers (n = 322) of a financial services provider which currently uses an engagement platform as a relationship-building instrument. This engagement platform goes beyond the traditional financial services offered by the firm and focuses on the customer's key moments in life (e.g., graduation, marriage, divorce, ...). It aims to create 'win more-win more' situations since the customer learns from the firm while the firm learns from the customer.

Existing validated scales were used to measure the various constructs in our study.

PLS-SEM was used to analyze the data.

## **Findings**

Our findings (see Figure 1) show that the relational route outperforms the economic route. More specifically, relationship proneness is the most important factor influencing customers' willingness to engage in the platform. Furthermore, relationship quality has an indirect effect on willingness to engage via relationship proneness. This indicates that customers already having a good relationship with the firm based on past interactions are more prone to invest in improving the relationship in the future and hence, are more willing to engage in the platform.

Regarding the economic route, the expected benefits of engaging in the platform have a significant positive effect on willingness to engage. However, the expected costs do not influence willingness to engage.

## **Conclusion**

Our research aims to contribute to theory as well as practice by empirically investigating and integrating recent advances in the service domain. 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 new insights in engagement platforms for customers learning, we add to our understanding of creating and managing learning resources for customers.

Additionally, this study contributes to the research agenda set by Brodie et al. (2011) and the research gaps mentioned by van Doorn et al. (2010) concerning the engagement concept. Despite the growing popularity of customer engagement, this topic has not been empirically examined in the context of engagement platforms.

Finally, 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. The findings of our study provide a crucial first step for the effectiveness and the promotion of such platforms.

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