Managing Customer-to-Customer Interaction in Service Delivery: the Case of Trade Fairs

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Abstract
Service delivery typically requires multiple interactions between customers and the service system. The production of services involves flows of inputs and outputs between customers and providers (e.g. information), through the interaction with employees and technology interfaces (Sampson, 2000, Frohle and Roth, 2004). Service scholars acknowledge customer interaction as a key determinant of service quality, and have extensively investigated how customers assess the interactions with providers. Many service contexts involve intense customer-to-customer interaction (CCI) which can also have strong impacts for service results (e.g. retail stores, transportation services...). Yet, to the best of our knowledge, research about how to design service delivery processes for effectively supporting CCI has been relatively scarce. Our work provides a contribution to the field of service management by considering CCI as a pertinent issue for service strategy and for the design of service processes. We conduct an exploratory study in the context of trade fairs services which include CCI as core element of the service delivery. Organizers of trade fairs need to setup service delivery processes which maximize the benefits from CCI for its customers. The work contributes to the knowledge concerning the design and management of CCI by providing a set of research propositions which set an agenda for empirical research about i) the characterization of distinct types of CCI in the context of CCI-driven services such as trade fairs; and ii) the variation of CCI behaviors throughout service delivery, as well as with the nature of customers goals in trade fairs.

Keywords: customer-to-customer interaction, CCI-driven services, service process design

1 Introduction
In this paper we address CCI in the context of CCI-driven services: services where customer interactions are a core element of the service delivery process. Specifically we look at CCI in the context of trade fairs services, a service setting which involves intense and diversified customer interactions. The purpose of this work is to provide a contribution for the development of knowledge to assist service providers’ in the setup of service systems with explicitly include customer interactions in the service delivery process. The motivation for the work is twofold: first there’s a lack of research addressing CCI in service settings where customers’ interactions represent a core element of the service experience. Most work in the field has been devoted to the study of CCI that occurs between unacquainted customers whom, for example, happen to share a service setting (e.g. retail stores); second the work about CCI has extensively addressed the characterization of customers’ CCI behaviors whereas the investigation about the service design decisions that providers need address to implement service systems which facilitate the desired CCI remains very scarce.

The paper provides a contribution to the field of service management by addressing CCI in the context of trade fairs services, a setting where customer interactions are a core element of service experience. The paper builds on the literature about CCI and trade fairs services, to develop a set of research propositions regarding the nature and the purpose of CCI in the context of CCI-driven services. This work is a first part of an on-going research work about CCI in trade fairs services, which is now in the phase of validating and refining the suggested research propositions trough empirical work. The paper is structured in two main sections: a first part (section 2) is devoted to the review of relevant literature about the definition and
characterization of CCI, and to the discussion of the implications of CCI for service value; the second part (section 3) focuses on the literature about trade fairs and the goals which drive customers' attendance of trade fairs. Research propositions are presented at each section.

2 Defining CCI and CCI-driven services - a call for research

In this section we present a concise review of CCI literature with the purpose of clearly characterizing the concept of CCI, and of identifying the gaps in the literature which motivated this work. The section includes an overview of the definitions of CCI, and of CCI-driven services (which are the focus of this work), and a sample of references supporting the importance of CCI for service quality and customer value perceptions. We then offer a first set of general research propositions about the nature and the purpose of CCI in CCI-driven services.

2.1 CCI and CCI-driven services

CCI is a broad concept used to refer to an ample range of interactions that take place between customers during service delivery. In retail settings, for example, customers often engage in conversations with each other to exchange information which facilitates the service process - e.g. asking for help in locating an item in the store, asking for advice or opinions about the suitability of an item for a specific purpose or occasion, etc. (Harris et. al, 1997). Although CCI is present in a wide variety of service industries, it has been mostly addressed in settings such as retail (see for example Parker and Ward, 2000, Baron et. al, 1996) and travel and leisure services (von Lehn, 2006, Harris and Baron, 2004, Martin, 1997).

The literature documents well the diversity of forms that CCI can assume. McGrath and Otnes (1995) proposed a classification to capture the diverse social and informational exchanges that take place between unacquainted retail customers. Their work distinguished situations in which customers engage in explicit interactions – labeled as overt customer influences – from other instances in which, although customers exert influence over each other's behavior, some of them can be oblivious or even unaware of such interactions – labeled as covert customer influences. Their work documented situations in which customers respond to others facing a problem or a service difficulty (overt influences when customers act as proactive help-seekers, as well as covert influences observed in behaviors of followers and observers); it described also instances when customers presume to have a value or experience to contribute to another (overt influences: reactive helpers; as well as covert: judges, accused, spoilers), and also cases where customers provoke some sensory stimulation that has the effect of catching others' attention (covert influences: admirers, complainers) and finally settings in which customers compete for limited resources (overt influences: competitors). Several other authors also contributed to the characterization of the differentiated possible customer roles in CCI, for example by: highlighting the need to distinguish proactive from reactive interaction (e.g. proactive vs. reactive helpers in Parker and Ward (2000)); identifying situations in which CCI results from customer incidents (e.g. Grove and Fisk (1997) distinguished protocol incidents, such as physical and verbal incidents in line, from sociability incidents such as ambiance incidents ) and addressing also dysfunctional customer behavior (e.g. Harris and Reynolds (2004) proposed eight categories of misbehavior – property abusers, oral abusers, vindictive customers, etc.).

Customers' collaboration and socialization is very common in service encounters which take place in the presence of other customers (e.g. public transport, retail, etc.), and can be particularly stimulated when customers have to share time (e.g. wait for the service) or any service resources or utensils (e.g. using self-service technologies). Moreover, CCI is neither restricted to on-site customer interactions, or to the service encounter. Customers often seek for other customers inputs before, or after, a service encounter using a technology interface such as the internet (e.g. a priori searching for customers' opinions' and ratings about a service, or any other word-of-mouth behavior), (Nicholls, 2005, Harris et. al, 2000).
In some services CCI is not restricted to short interactions between strangers such as the ones described above, but rather, it is one of the main sources of value creation. Examples include tourism and leisure services, such as adventure holidays, for which CCI is an integral element of the intended service experience, and is often planned in advance. The importance and the slightly distinct role of CCI in such services has been acknowledged by being specifically labeled as “CCI-driven services” (Nichols, 2007). However, CCI literature has essentially addressed the occasional customer interactions, whereas the study of CCI-driven services remains scarce. Some authors have contributed with exploratory studies of cases of CCI-driven services which highlight the specificity of the management of CCI in these settings. Baron et al. (2007) conducted a study of in the context speeddating services, a setting in which conversations between strangers are at the core of the service delivery and experience. The study provides key insights to assist service providers in influencing and structuring CCI in such settings, for example by identifying distinct roles that service providers can assume to foster CCI (e.g. service providers as shapers of CCI, influencers or recognizers) (Baron et al., 2007). The need for further investigation of CCI-driven services has been acknowledged by seminal authors in the field (e.g. Nicholls, 2010), and is further justified by the widespread presence, and importance, of CCI-driven services in our economies - CCI-driven services can be found in a wide variety of industries, such as tourism, education or leisure.

2.2 CCI management and implications for value

Customer interactions can have substantial impacts for the quality of the service encounter, and therefore influence customers’ perceptions about the service experience. This is particularly true for CCI-driven services. Nevertheless, also when CCI is less central or indirect (Martin and Pranter, 1989), not planned or merely occasional, any positive/negative interactions with fellow customers have been found to substantially influence repatronage decisions (Parker and Ward, 2000). Studies addressing the link between CCI and variables such as customer satisfaction and loyalty include the work of Moore et al (2005) which found a significant relationship between CCI and customer loyalty in hairdressing saloons; Harris et al. (1997) which found a positive relationship between CCCI and customer satisfaction with the purchase process in retail settings; Wu (2007) which investigated the relationship between CCCI, customer homogeneity and customer satisfaction in tourism services and found support for positive relationships between “protocol and sociable incidents” the “evaluation of fellow customers” and customer satisfaction. Their work also highlighted the importance of customer compatibility in CCI contexts, as they found “marital homogeneity” to have a positive influence on the “evaluation of fellow customers”.

The importance of CCI for service quality and value has been acknowledged by seminal service frameworks which have explicitly included customers’ interaction in their models of service production. For example, the servuction model proposed by Eiglier and Langeard (1977) included in representation of the components of service delivery systems which are visible for the customer (and affect service production and customer value perceptions) the service surroundings, the contact personnel but also a a “customer B”, clearly illustrating the potential influence of CCI for the service experience. Likewise, customer interactions appear in the models of service production developed by Gummesson (1993) and service relationships from Martin and Clark (1996). These conceptualizations are consistent with the approaches which address the importance of customer participation in service production. Kelley et. al (1990), for example, suggested that customers’ organizational socialization (e.g. environmental cues, observation of other customers, etc.) could be an important tool for enabling customers to learn the roles associated with the encounter, highlighting how it could be particularly important for services requiring higher customization or customer participation (e.g. active roles, self-service, etc.). In CCI-driven services the interactions between customers are an expected element of the service delivery process, and often constitute the core element of the service. As such the importance of customers’ interactions for service is notably stronger than what usually happens in service setting where CCI is occasional.

The importance of CCI for service outputs and value places it as an area of key concern for service managers. Naturally, service providers set in place more or less explicit tools and strategies to influence
CCI in desired ways (e.g. which can start for example with strategies of selection and segmentation of customers), fostering desirable while minimizing undesirable customer behaviors (Claycomb and Martin, 2002, Pranter and Martin, 1991). Martin and Pranter (1989) identified ten roles that service providers can adopt in the context of the management of CCI – e.g. legislator, matchmaker, teacher, etc. In the specific context of CCI-driven services this naturally becomes a core area of service management, which includes the management of customer behavior but as well the a priori design of the service delivery process.

The design of service delivery processes and the settings for supporting the service encounter are issues which have typically received substantial attention in service literature, given the importance that the process experience has for service outputs and customer value. Decisions such as: decoupling front-office and back-office service operations (e.g. Chase, 1981), segmenting service delivery processes into relevant operational phases/activities and portraying the associated service production interactions (and production flows) (e.g. Karmarkar and Apte, 2007, Kingman-Brundage et al., 1995, Bitran and Lojo, 1993) choosing adequate interfaces for supporting customer interactions with the service provider - e.g. face-to-face, mediated by technology, etc. - (e.g. Froehle and Roth, 2004), are among the most addressed issues. Such service delivery system design choices were conceptualized by Menor and Roth (2003) as part of a triad which links these decisions with the provider’s projected service concept and it’s target market, specifically highlighting the need to align service design choices with the market context and the service strategy. Although service process design is a prolific domain of service management literature, we still lack work which explicitly addresses the design decisions related to the specification of the service system elements for supporting CCI. In order to address this gap this paper offers a set of research propositions about the service design decisions, in the context of CCI-driven services, which draft an exploratory agenda for empirical research in CCI-driven services.

At this exploratory phase the primary goal is to contribute to the characterization of the nature of CCI throughout delivery of CCI-driven services. Such exploratory research work would ideally provide a set of typologies and classifications for distinct modes and purposes of customers’ interaction taking place in CCI-driven services, very much like what was developed for non-routine/occasional CCI (e.g. see the work of McGrath and Otnes (1995) referred in section 2.1. of this paper). A thorough understanding of customers’ preferences and priorities in CCI would be of great assistance for guiding service providers design choices for the setup of adequate service delivery systems. Accordingly we offer a first set of research propositions concerning the investigation of the nature of CCI across distinct phases of CCI-driven services. The first proposition concerns the investigation of distinct types and CCI behavior throughout distinct phases of CCI-driven service delivery processes. Service literature has documented how the nature of service operations varies across the successive activities that take place during the delivery of a service (e.g. accessing for information before a service encounter, exchanging information or placing an order during the service encounter, etc.). Accordingly the goals which will drive customers’ interactions are likely to vary at each step, therefore determining diverse CCI behaviors. We therefore offer the following research proposition.

Proposition 1. In CCI-driven services the nature of CCI will vary across distinct phases of service delivery (before, during and after the service encounter).

A further development of this proposition could include the investigation of specific design decisions relevant for the setup of a service delivery system explicitly including CCI. For example the investigation could address the identification of customer preferences regarding the utilization of distinct types of interfaces for supporting CCI (e.g. face-to-face interactions, interaction mediated by information and communication technologies, etc.). Accordingly we offer an example of a research proposition addressing this design decision.

Proposition 1.1. In CCI-driven services the engagement in distinct types of interaction (e.g. face-to face, mediated by technology, etc.) will vary across service delivery phases.

Further research propositions can be developed for similar design decisions concerning other service system elements, related to the support of CCI, which could be likely to vary across the service delivery
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phases. The next chapter addresses CCI such issues in the specific context of trade fairs services, and therefore provides an illustration of how research propositions can be advanced according to each specific service context.

3 The importance of CCI in Trade Fairs Services

In this section we focus on a specific case of CCI-driven services with substantial importance across various industrial sectors: trade fairs services. The first sub-section is devoted to the characterization of trade fairs services, specifically in what concerns the importance and the diversity of CCI taking place in these services. The second part provides a review of the performance goals pursued by customers attending trade fairs. We suggest that customers’ performance goals are the key driver for their engagement in CCI in trade fairs, and we develop a set of research propositions which suggest the need to address how distinct performance goals influence the nature of CCI in trade fairs.

3.1 Trade fairs as examples of CCI and call for research about TFO

Trade fairs are a locus of encounter privileged by many industrial and service actors. Typically trade fairs present companies with good opportunities to collect and/or disseminate information about new products and services, and are recognized as particularly useful in the processes of complex industrial purchases (Rosson and Seringhaus, 1995). Trade fairs have therefore proliferated and have diversified their focus and specialization, evolving as an important marketing tool. There’s ample evidence that trade fairs represent an important share of firms’ marketing and communication budgets (Munuera and Ruiz, 1999) particularly for many small and medium sized companies (Bello and Barzack, 1990).

Trade fairs are a good example of CCI-driven services. Fairs offer their visitors the possibility of engaging in direct contacts with each other (e.g. buyers and sellers, competitors, etc.) in settings which can gather an attractive volume and diversity of counterparts which are difficult to equal via other interaction and communication strategies. Such direct interactions provide key benefits for trade fairs attendees, which include the development of commercial and partner relationships, but also enable, for example, the possibility of displaying and/or inspecting products which are difficult to move or complex in design and operation.

As service providers, trade fairs organizers aim to provide optimal conditions for the development of interactions between their customers: trade fairs visitors and exhibitors. This conceptualization of trade fairs as a bundle of services provided by trade fair organizers has been suggested by authors such as Munuera and Ruiz (1999), which describe exhibitions as a “composition of a sequence of services and activities that have to be perfectly coordinated”. The organization of trade fairs can therefore be addressed in from a perspective of service design and service management.

In accordance with our primary goal of contributing to the characterization of CCI throughout delivery of CCI-driven services, a first important observation concerns the diversity of CCI taking place in trade fairs services. Rosson and Seringhaus (1995) have documented how customers’ interactions are very diverse before the fair/encounter (e.g. visitors look for information about the trade fair from more experienced visitors), during the fair (e.g. collecting information to aid purchase decisions) and after the event (e.g. purchases or contracts celebrated with industry partners met at the fair). Their work supports our conviction that the nature of CCI across distinct phases of trade fairs services is very diverse and will therefore require distinct service design options from service providers (see Figure 1). This is in accordance with the service process approach adopted in this paper (see Proposition 1, which subscribes to service management views which acknowledge the existence of distinct relevant operational phases/activities throughout service delivery).
Another important aspect from the work of Rosson and Seringhaus (1995), which can help the advancement of the research about CCI in this context, is the explicit recognition that customers engaged in CCI have very diverse profiles. In their model (Figure 1), the authors distinguish two types of customers of trade fair services “visitors” and “exhibitors” whose distinct goals and expectations about the service will shape their CCI behaviors. The characteristics of customers have been often referred as important factors influencing the nature and the intensity of CCI in services (e.g. see for example the early work about customer compatibility developed by Martin and Pranter (1989)). In CCI-driven services the adequate management of the match between customers with distinct goals is core to the quality of the service experience. We therefore propose an extension to the conceptualization developed by Rosson and Seringhaus, and we suggest the relevance of explicitly distinguishing three categories of CCI in trade fairs which are likely to call for distinct service design requirements and approaches form service provider: CCI categories corresponding to the three dyads of the main trade fairs customers: visitor-visitor, exhibitor-exhibitor and visitor-exhibitor. We therefore offer the following research propositions concerning the nature of CCI and their diversity across service process phases, and across distinct categories of CCI.

**Proposition 2.** In trade fairs services the nature of CCI will vary across distinct categories of trade fairs interactions (visitor-visitor, exhibitor-exhibitor, visitor-exhibitor).

**Proposition 2.1.** In trade fairs services customers the importance of distinct categories of trade fairs interactions will vary across service delivery phases.

**Proposition 2.2.** In trade fairs services the engagement in distinct types of interaction (e.g. face-to-face, mediated by technology, etc.) will vary across the categories of trade fairs interactions (visitor-visitor, exhibitor-exhibitor, visitor-exhibitor).

### 3.2 Customers’ performance goals from trade fair attendance

The variation in customers’ interactions in the context CCI-driven services discussed in the previous sections is likely to be also influenced by the nature of the goals pursued by trade fairs visitors and exhibitors. Trade fairs customers attend fairs for a variety of motives which range, for example, from short term goals (e.g. confirm purchase decisions/choices), to long term objectives (e.g. reinforce contracts or relationships) (Godar and Connor, 2001). Other authors addressing this subject have further illustrated the diversity of customer objectives driving trade fair attendance: on the side of exhibitors, Munuera et al (1993) found that objectives can be to contact potential clients, enhance the company image, launch new
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products or new services to the market; Shipley and Wong (1993) highlighted the importance of qualitative objectives concerning customer contacting, image building, intelligence collection, etc.; as for visitors research results highlight issues like the importance of assessing new products and obtaining technical information, as well as to get to know new companies, etc. (Morris, 1988). A particularly interesting contribution can be found in the work of Hansen (2004) which developed a scale to measure the performance of goal attainment at trade shows. Hansen (2004) identified five dimensions of performance which are relevant for trade fairs exhibitors. The scale includes an outcome-based dimension – sales related activities - and four behavior-based dimensions – information gathering, relationship building, image building and motivation activities related to the role that trade fair attendance can play as a rewarding tool used by companies to reward employees’ performance.

As CCI is the core tool to the attainment of the aforementioned customer goals in trade fairs services, it is likely that the moment, the mode (etc…) of each interaction will vary accordingly. We therefore add to the list of research propositions another group which calls for the investigation of how customers’ trade fairs goals affect the variation of CCI across service phases. Likewise we suggest that differences in customers’ goals will also be associated to the choice of distinct interfaces to support the interactions, as well as will affect the importance of the three dyads of trade fairs CCI which will be privileged by customers (as described before: visitor-visitor, visitor-exhibitor, and exhibitor-exhibitor). We therefore offer the following research propositions concerning the influence of customers trade fairs goals’ for the diversity of CCI behavior.

**Proposition 3.** In trade fairs services the nature of CCI will vary with customers’ performance goals.

**Proposition 3.1.** In trade fairs services the importance CCI in each service delivery phase will vary with customers’ performance goals.

**Proposition 3.2.** In trade fairs services the importance of distinct types of interaction (e.g. face-to-face, mediated by technology, etc.) will vary with customers’ performance goals.

**Proposition 3.2.** In trade fairs services the importance of distinct categories of interaction (e.g. visitor-visitor, visitor-exhibitor, and exhibitor-exhibitor) will vary with customers’ performance goals.

The further development of the suggested research propositions could involve the specification of research hypothesis for a set of customer goals selected from a priori developed scales available in trade fairs literature, such as the one in the work of Hansen (2004) which was described in this section.

### 4 Conclusion, on-going work and directions for further research

The purpose of this paper is to provide a contribution for the development of research addressing CCI in CCI-driven services. Specifically we suggest that trade fairs are a CCI-driven service of particular interest, given their generalized importance across industrial sectors and the variety of CCI behaviors that they can host. The focus of this work is predominantly operational. Our primary goal is to develop knowledge which can assist service providers in the design of service systems which explicitly account for CCI, and provide the adequate service structure to enable it (e.g. technologies for CCI, CCI activities at distinct service process phases, etc.). The paper offers a timely contribution for several reasons. First there’s is a general lack of research about customers’ interactions in CCI-driven services, such as trade fairs, where CCI plays a central role in service delivery and value creation. Most research about CCI has addressed occasional interactions between unacquainted customers. Second CCI research has mostly been focused on the investigation of customer behaviors, rather than on the issues regarding the design of service systems involving CCI. We have learned that customers perform a variety of roles, and we have also some illustrations of service provider strategies to influence those behaviors. However we don’t know much about how to design service settings, service encounters, and in general service delivery processes to facilitate the desired CCI behaviors (particularly in CCI-driven services). We therefore suggest as key proprietary task the need to investigate the variety of CCI taking place throughout service delivery processes in CCI-driven services, in order to build a characterization of CCI which supports further
empirical research in the field. Finally we select trade fairs services a relevant field to conduct exploratory research in CCI-driven services, because trade fairs services involve a variety of CCI (e.g. visitor-visitor, exhibitor-exhibitor, visitor-exhibitor, before, during and after the trade fair, etc.) that call for distinct service design choices.

In the paper we present a short review of CCI literature for framing the concept of CCI, discussing its implications for service value, as well as highlighting the importance of service design for effective CCI. We then offer a first set of general research propositions about the nature and the purpose of CCI in CCI-driven services. Next we provide an overview of the literature about trade fairs design and customers’ motives in trade fairs, to develop another set of research propositions linking customers’ goals and the nature of CCI. The paper drafts an exploratory research agenda to characterize CCI in CCI-driven services. This paper is part of on-going research work. The next steps in the research include a set of exploratory interviews (on-going at this stage) with trade fairs visitors and exhibitors which aim to validate and refine the research propositions, specifically being able to make a more detailed characterization of the diversity of CCI taking place in these service settings.

References

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