Service provider attributes in exit service encounter personnel in supermarkets

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Abstract

In this paper existing research findings are drawn together to advance and test new theory which is relevant to management practitioners in the supermarket context. This research empirically investigated the characteristics of service providers in a supermarket check-out situation. The research is founded on the documented importance of the service encounter and aspects of customer relationship management, and, on the importance of the persona, the intrinsic personal characteristics, of service providers in customer relationship management. The results of this pilot study research recognise the need to identify the intrinsic personal characteristics in above average supermarket service providers. They also demonstrate that there are identifiable positive and negative characteristics involved.

Customer Relationship Management

Since consumers' post service encounter perceptions impact on a service provider's market share and profitability (Reichheld and Sasser, 1990; Rust and Zahorik, 1993; Keaveney, 1995; Hallowell, 1996; Reichheld, Markey Jr and Hopton, 2000; Reichheld and Schefter, 2000; Al-Hawari, 2006) customer relationship management research has captured the interest of many researchers and practitioners. Reichheld and Sasser (1990) found that profit was influenced by the length of the relationship with a customer and that defection rates and profit swings were strongly correlated. To avoid customers defecting, managers need to ensure that consumers have positive perceptions of the interactions occurring in service encounters between customers and service providers. Managers need to be able to manage customer relationships. Making certain that customers continue to patronise a business, such as a supermarket, is essential for the continued viability of many such businesses.

The Service Encounter

The importance of the service context, the service encounter, has been recognised by marketing researchers (Price, Arnould and Tierney; 1995; Roos, 2002; Marx and Erasmus, 2006). The supermarket exit service encounter provides the context for customer relationship management in supermarkets as it is where the critical incident of purchasing of goods usually takes place. In this paper, the proposition that a service encounter occurs when there is social interaction in a purchase exchange between customer and provider has been adopted from Surprenant and Solomon (1987). Therefore, the definition of a service encounter used in this paper is: an encounter between a customer and a service provider entails personal communication (interaction between people), either face-to-face or through another interface, and it has the intent of enabling any form of customer service. This definition excludes all non-dyadic encounters where there is no element of personal customer service.

There has been much research into various aspects of such encounters in an effort to explain the nature of service encounters. Although all the stages and dimensions of the dyadic service encounter are of great interest to marketers, it is the actual encounter interaction between the provider and customer during the encounter that provides the opportunity for customer relationship management by providers. While researchers have agreed that the variability

between and within service encounters is difficult to evaluate and quantify (Bitner, 1990; Tansik, 1990), they have also established that a customer's retention and loyal purchase behaviour is often influenced by the quality of the interactions between the customer and service provider (Bitner, Booms and Mohr, 1994; Bloemer, de Ruyter, and Wetzels, 1999; Bolton, Kannan and Bramlett, 2000). High quality interactions in customer service encounters have been found to contribute significantly to a service organisation's competitive advantage (Zeithaml, Berry and Parasuraman, 1996).

Within the body of research into customer service encounters there has been a plethora of research that seeks to identify or define concepts that measure positive customer service performance outcomes (for example, Parasuraman, Zeithaml and Berry, 1985; Bitner, Booms and Tetreault, 1990; Chandon, Leo and Philippe, 1997; Chen and Yang, 2000; Judge and Bono, 2001). It has been established that customer satisfaction and loyalty are valuable performance measurements for customer service quality (Cronin, Brady and Hult, 2000). However, concurrent with these findings is research that identifies the importance of an ability in customer service providers to develop strong customer relationships with customers that attribute to outcomes such as customer satisfaction, customer service quality and loyalty (Ward and Smith, 1998; Orava and Tuominen, 2002). Consequently, information about the antecedents influencing the major actors, the customer and the provider, in the service encounter interaction is of great interest to managers who are aware of the links between service provider characteristics, customer satisfaction and loyalty.

Both customers and providers are dynamic beings responding to a dynamic environment and the interaction in a dyadic encounter derives from both actors in the encounter (Chandon, Leo and Philippe, 1997). In service encounters, because visit frequency as well as the emotions and intensity of personal contact between providers and customers differ (Mittal and Lassar, 1996; Bailey, Gremler and McCollough, 2001; Pugh, 2001; Lemmink and Mattsson, 2002; Mattila and Enz, 2002), customer/provider interactions differ (Price, Arnould and Tierney, 1995; Roos, 2002). These differences in customer/provider interactions are influenced by the personal characteristics of the people involved in each encounter. Just as every customer has different intrinsic personal characteristics, their persona, that are innate to the customer at a given point in time (Newby and Ward, 2004), so too, does every service provider (Ward and Newby, 2005). Recognition of the need to identify the intrinsic personal characteristics in above average supermarket service providers therefore drives this research.

Intrinsic Personal Characteristics of Service Providers

Drawing on the findings of Menon and Dubé (2000), it seems likely that customer satisfaction will be enhanced when supermarket managers select service providers who are capable of responding appropriately to customer emotions and thereby provide an above average customer service performance in the eyes of the customers. In order to select such service providers, supermarket managers need to be able to identify service provider personnel with the intrinsic personal characteristics capable of responding in a manner deemed appropriate by supermarket customers. Intrinsic Personal Characteristics (IPCs) are defined as: identifiable characteristics of a person which indicate a preference to tend to behave or perceive the world in a certain manner. Eight IPCs have been identified as significant by customers in previous research (Ward and Acutt, 2000). The eight IPCs are as follows:

- Effectiveness under pressure - a tendency to remain calm under pressure and maintain self-control. This attribute measures one's ability to interact well with customers as well

as colleagues even in trying or adverse conditions. Typically higher scorers tend to remain objective and not become upset by other people, "take most things in their stride" and remain even-tempered;

- Social skills - a tendency to have a positive and outgoing demeanour, as well as enjoying interacting with customers and working collaboratively with colleagues;

- Goal orientation - this scale measures one's tendency to work towards set customer service goals, make decisions to achieve those goals on a consistent basis, and show determination to complete their job properly to provide a high quality customer service experience;

- Planning skills - a tendency to have well-organised customer service habits, be very orderly when approaching customer service activities, follow a systematic approach in doing things and do things according to a schedule;

- Interpersonal skills - this scale measures the tendency to demonstrate care and concern, as well as interest in customers' needs. It also measures one's generosity to assist customers and convey friendliness and build rapport with customers;

- Variety seeking - this scale measures the tendency to prefer and seek consistency and a routine, rather than variety, in work;

- Personal recognition - this scale measures one's tendency to want to be recognised and not be humble for their work achievements;

- Leadership - this scale measures one's tendency to seek to become a leader and not be comfortable being a member of a team, group or organisation.

Information about whether providers believed that they possessed these eight traits was expected to be elicited by the Service Provider Performance Survey (SPPS) instrument when it was completed by supermarket service providers for whom the instrument was specifically designed. To elicit data useful for evaluating the efficacy of the Service Provider Performance Survey (SPPS) instrument, these eight IPCs have been combined with customer service outcome measurements in a questionnaire, the Customer Service Performance Survey, (CSPS). The CSPS instrument used ten measures of service performance. The CSPS obtained information that included customers' perceptions of a service provider's IPCs and measures of customer service outcomes. To date, little research combining customer and provider perceptions of IPCs with measures of customer satisfaction and loyalty has been undertaken in the context of service encounters in supermarket settings. However, in this paper is attempting to draw together existing theoretical research to advance and test new theory which is relevant to management practitioners in the supermarket context.

The Service Provider Performance Survey (SPPS)

The SPPS instrument was designed specifically for use by service staff employers to identify check-out service personnel with desirable intrinsic personal characteristics. The process used to identify the IPCs is described in Ward and Acutt (2000). The eight IPCs selected for inclusion in this study were found in previous research to directly relate to customer service performance as perceived by customers (Ward and Acutt, 2000). Five of the eight IPCs were positively related to customer service performance while three IPCs were negatively related to customer service performance. The five positive IPCs were: effectiveness under pressure,

social skills, goal orientation, planning skills and interpersonal skills. The three negative IPCs were: variety seeking, personal recognition and leadership.

Method

In part, this study was used as a pilot study to test whether both instruments were able to be successfully administered in the supermarket setting.

The SPPS instrument was administered to check-out staff prior to interviewing customers. The SPPS instrument was administered to 15 staff from the list of 20 provided. We intercepted 327 customers and successfully administered a total of 190 customers served by 15 staff, giving a response rate of 58%. We were unable to interview customers served by four staff due to scheduling difficulties and staff leave. At all times the supermarket staff and our interviewers were able to interface in a cooperative manner.

Customers were interviewed on a voluntary basis as they exited the checkout immediately after being served by a staff member and the CSPS was marked with the identity code for that staff member. This identity code was essential so that customer scores of service performance could be correlated in an analysis with the IPCs of the check-out staff member that served each customer. Approximately ten customers were interviewed for each staff member. We were not aware of any customer being upset by being asked to participate. The findings incorporated data reflecting both the service provider and customer perspectives.

Research Findings

The mean IPC scores (out of a maximum of 7) obtained from the SPPS instrument are as follows:

- Effectiveness under pressure - 5.1,

- Social skills - 5.1,

- Goal orientation - 4.6,

- Planning skills - 4.7,

- Interpersonal skills - 4.9,

- Variety seeking - 3.2,

- Personal recognition - 3.3,

- Leadership - 3.4

These results indicate that there were significant differences in the means among the eight IPCs. They also show that the means for the 5 IPCs that we would expect to have a positive influence on CSP were all higher than the means of the 3 IPCs that we would expect to have a negative influence on CSP.

In addition, from the SPPS data, it can be concluded that there were significant differences between the SPPS scores between staff (sum of the individual IPCs), ranging from a low of 3.57 to a high of 23.58, with a mean of 11.86 and standard deviation of 5.14.

The results obtained from the CSPS instrument were useful as a contributory data in evaluating the reliability and validity of the SPPS instrument. The findings from the CSPS that were pertinent to building an understanding of the value of the SPSS instrument can be summarized as follows:

- although the question concerned with the strength of the relationship was scored much lower than all of the others (mean 2.01) in the CSPS instrument, there was a relatively high standard deviation (0.9), indicating significant discrimination. This discrimination was reflected in the range between the minimum average score for a staff member of 0.67 to a maximum of 3.67 (on a scale of 0 to 7). This range indicates that customers discriminated significantly between check-out staff on the CSPS;

- there were strong correlations between the 10 constituent questions that comprise the CSPS (typically between 0.5 and 0.9) indicating significant internal consistency by respondents, an interpretation further supported by a very high Cronbach's alpha of 0.94;

- the overall results indicated that most customers perceived the check-out experience positively, the overall mean of the CSPS index being 5.2 out of a maximum of 7.

Based on findings in other research (Lin, Chiu and Hsieh, 2001), all of the findings in this study were as expected. They tended to confirm the validity of the SPPS instrument, although we acknowledge and note the small sample of 15 staff used in the pilot study.

Discussion

The pilot study demonstrated that it was logistically possible to administer the SPPS and also obtain data from customers using the CSPS to evaluate the performance of individual service providers.

Although there were significant differences in the SPPS scores between staff, the overall result from the CSPS indicated:

- customer perceptions of service satisfaction with the exit check-out encounter were good, but not exceptional;

- there were significant differences in the means between the IPCs;

- the means for the 5 IPCs that we would expect to have a positive influence on CSP were all higher than the means of the 3 IPCs that we would expect to have a negative influence on CSP.

The findings of the study all supported our conclusion that the measurement scales used in the SPPS instrument were valid measures of provider intrinsic personal characteristics.

This pilot study established that the whole issue of service provider intrinsic personal characteristics and possible relationships with customer service performance and customer satisfaction is clearly worthy of further investigation. Although the sample was insufficient to determine whether or not there was a significant relationship between IPCs of service check-out staff and customer satisfaction, the findings of this study suggest that further testing should be undertaken. Significant resources, however, will be required to test such a relationship. By drawing on existing theoretical research, new theory which is relevant to

management practitioners in the supermarket context has been advanced and tested in this study in an effort to maintain relevance while advancing theory.

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