



Customer participation and citizenship behavior effects on turnover intention[☆]



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ARTICLE INFO

Article history:

Received 30 July 2014

Received in revised form 23 October 2014

Accepted 27 January 2015

Available online 13 February 2015

Keywords:

Customer participation

Customer citizenship behavior

Customer's turnover intention

Value co-creation

ABSTRACT

Recent marketing literature highlights customer participation role in service delivery. Prior research focuses on the organization and employees. However, no studies analyze this role's consequences for customers' turnover intention. This study presents two hypotheses relating participation behavior and citizenship behavior to customers' turnover intention. The analysis of a sample of 547 users of health and beauty services significantly and negatively relates customers' participation and citizenship behavior to their turnover intention. Findings suggest that customers' participation behavior enhances the consolidation of the relationship with the customer. The consequences for business results shows that if a firm maintains its customers on a lifelong basis, the firm can achieve greater profitability levels. First, replacing lost customers costs are high. Second, the longer the relationships between firms and their customers are, the greater the present value is.

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1. Introduction

Marketing literature widely recognizes the importance of interaction between firms and their clients (Auh, Bell, McLeod, & Shih, 2007; Yi, Natarajan, & Gong, 2011). Interaction encourages information sharing and a better understanding of the needs of both (Homburg, Grozdanovic, & Klarmann, 2007; Sharma, Conduit, & Hill, 2014). Consequently, service firms increasingly involve customers in services production and delivery (Bowen, Schneider, & Kim, 2000). Customers hence cease to be mere service users and become consumers, co-operators, co-producers, and value co-creators (Wang, Lo, Chi, & Yang, 2004).

Customers are service co-producers, thus making marketing the process of collaborating with customers (Vargo & Lusch, 2004). This collaborative value creation allows firms to design service experiences with users' value. Organizations can only be value co-creators when interacting with customers, just taking the role of value facilitators before this interaction (Grönroos, 2008). This process means that value is unique, personal, and non-transferrable and that users themselves obtain this idea from firms' proposals.

Therefore, customers' behavior is critical in services delivery (Morrison, 1996). However, research usually focuses on employees rather than on customers. This literature gap is surprising, given that organizations increasingly qualify customers as “partial employees” and organizations' human resources consider them (Bowen et al., 2000; Zeithaml, Bitner, & Gremler, 2005). Customers can suggest service improvements, co-operate during delivery, recommend the firm to their acquaintances, buy additional services from the company, and even accept a higher price (Anderson, Fornell, & Mazvancheryl, 2004; Bettencourt, 1997). Customers' behavior efficient management – that allows retaining them in the long term – is a source of competitive advantage (Paine & Organ, 2000; Prahalad & Ramaswamy, 2004).

Previous studies analyze variables affecting customers' behavior, as well as its consequences on aspects such as service quality, customer satisfaction, firm performance, or employees' issues: Performance, satisfaction, commitment, etc. However, a gap exists regarding customers' behavior consequences on their turnover intention. This aspect is fundamental because customers' attitude is a market indicator that forecasts the consequences of the behavior change of these customers and organizations' financial results. Turnover intention refers to the dissolution of the relationship (Dwyer, Schurr, & Oh, 1987).

2. Literature review and development of propositions

The study of customer participation is not new, conversely to the recognition of its importance to attain a strong advantage towards competitors (O'Cass & Ngo, 2012; Vargo & Lusch, 2008).

This participation has a dual nature (Bettencourt & Brown, 1997). On the one hand, customers develop necessary behaviors for the service

[☆] The authors appreciate the insights and suggestions by Camilo Prado-Román, Universidad Rey Juan Carlos de Madrid, and Txomin Iturralde-Jainaga, Universidad del País Vasco, for the revision of an earlier draft of this paper.

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delivery, such as needs description, service payment, punctuality in appointments, and so on. On the other hand, they develop voluntary character behaviors that are useful but dispensable for the main delivery service. Some examples are sending gratitude notes, suggesting service improvements, positive word of mouth, and so forth (Bove, Pervan, Beatty, & Shiu, 2009). Literature calls necessary behavior participation or in-role behavior and voluntary behavior citizenship or extra-role behavior (Bettencourt & Brown, 1997; Yi & Gong, 2013). Both factors have different antecedents and independently contribute to firms' global performance (Motowidlo & Van Scotter, 1994), requiring separate analysis.

2.1. Customer's turnover intention

Customers' turnover intention has many motives: Dissatisfaction, market better alternatives, or even a reaction to the high switching costs that certain sectors and firms establish (Sheth & Parvatiyar, 1995). Customer loss directly affects firms' profitability. Its costs are significant, including income decrease, attracting customers' greater costs, loss of positive word of mouth, etc. (Zeithaml & Bitner, 1996).

Dwyer et al. (1987) analyze customers' turnover intention and they relate it to customers' degree of commitment to the organization. Peterson (1995) also suggests that the relational marketing concept should incorporate the management of the development, maintenance, and breaking up of the relationships.

An appropriate management of the relationships with customers should allow firms to anticipate customer loss. Therefore, anticipating customers' turnover intention seems to be crucial. Indeed, behavior intention is a reliable antecedent of real behavior (Muliawan, Green, & Robb, 2009). Turnover intention also has a positive relationship with actual turnover (Byrne, 2005; Steensma, Van Breukelen, & Sturm, 2004). Therefore, turnover intention appropriately predicts actual turnover behavior (Houkes, Janssen, De Jonge, & Nijhuis, 2001).

Predicting this turnover intention is crucial since real turnover is only patent once they abandon the firm. Furthermore, firms should focus on customers when trying to retain them is still possible (Anvari & Amin, 2010). Organizational behavior literature analyzes turnover intention in relation to internal customers (firms' employees), finding that commitment, job satisfaction, and involvement directly affect this factor (Cohen, 2007; Ilies, Fulmer, Spitzmuller, & Johnson, 2006; Lam & Zhang, 2003). However, few studies deal with external customers' point of view.

Literature widely recognizes satisfaction as an antecedent of loyalty and as contributing to the intention of remaining faithful to the firm (Gustafsson, Johnson, & Roos, 2005). Furthermore, customer participation increases loyalty and influences the creation of profitable relationships with customers, thus maintaining them (Bendapudi & Leone, 2003; Payne, Storbacka, Frow, & Knox, 2009). Moreover, an appropriate management of customers' behavior is a strong competitive advantage (Paine & Organ, 2000; Prahalad & Ramaswamy, 2004).

Recent studies show that customers' participation and citizenship behavior have a significant relationship with satisfaction, trust in the firm, and value co-creation (Vega-Vázquez, Revilla-Camacho, & Cossío-Silva, 2013; Yi & Gong, 2013; Zeithaml et al., 2005).

2.2. Customer participation behavior

Participation behavior is that behavior necessary for a successful service creation. Dabholkar (1990, p. 484) defines it as "the degree to which the customer is involved in producing and delivering the service".

Customers employ their knowledge and skills in services creation and improve it with their feedback and suggestions (Keh & Teo, 2001). Those firms in which customers participate actively are more likely to create personalized offers (Firat, Dholakia, & Venkatesh, 1995). Customer participation also brings customers closer to firms'

pursuit of long-term and profitable relationships (Bendapudi & Leone, 2003; Payne et al., 2009).

Customer participation also improves productivity, as self-service applications for users to allow the firm to invest fewer resources (Ojasalo, 2003). Moreover, customers' active participation in services creation and delivery reduces the firm's costs. Due to this participation, customers may anticipate a price reduction (Auh et al., 2007).

Participation behavior can reinforce customers' needs satisfaction and can provide them with the benefits they seek. Likewise, customer participation may improve the service quality (Amorim, Rosa, & Santos, 2014; Heinonen, Strandvik, & Voima, 2013). This improvement fosters customers' positive behavior intentions and, ultimately, firms' market share, sales, and profit (Dagger, Sweeney, & Johnson, 2007). Yang, Chen, and Chien (2014, p.177) state that, "The engagement of customers in the service process benefits not only themselves but the service providers. Both parties experience win-win situation through reciprocal cooperation, which enhances the relationship".

Literature defines customer participation as the source of value creation, since customers' participation increases simultaneously to their motivation and their commitment to the organization. These circumstances permit a greater service quality perception (Dong, Evans, & Zou, 2008). Yi and Gong (2013) recognize this behavior as one of the two dimensions composing value co-creation.

2.3. Customer citizenship behavior

Academics agree that customer citizenship behavior involves customers' voluntary actions that may not provide an explicit benefit to them (Bove et al., 2009; Yi & Gong, 2006). However, these actions can affect organizations' interest and performance (Groth, 2005; Rosenbaum & Massiah, 2007). Therefore, citizenship behavior offers an "additional value to the firm" (Yi et al., 2011, p. 88).

Services marketing literature widely studies this behavior, given its possible effect on firm performance (Bettencourt, 1997; Groth, 2005; Rosenbaum & Massiah, 2007; Woo & Fock, 2004). Yet few contributions exist on citizenship behavior antecedents and consequences.

Lengnick-Hall, Claycomb, and Inks (2000) discuss the considerable benefits of citizenship behavior, comprising acts of co-operation, helpfulness, and kindness. Customers using equipment properly and promoting a positive social environment may enjoy and benefit from the service experience.

According to previous considerations, this study gains insight of the factors affecting customers' turnover intention (Fig. 1). Therefore, this study poses the following hypotheses:

H1. Customer participation behavior negatively affects customers' turnover intention.

H2. Customer citizenship behavior negatively affects customers' turnover intention.

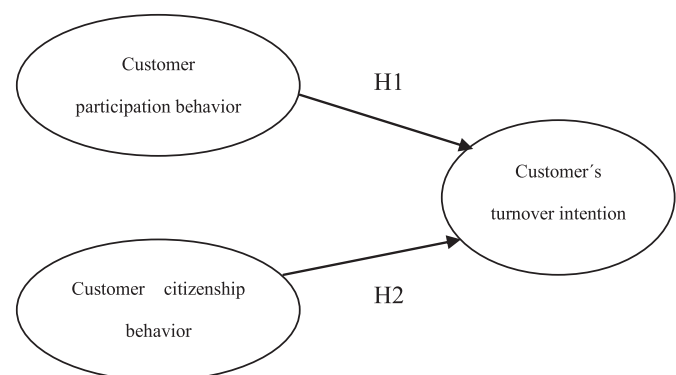


Fig. 1. Theoretical Framework.

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