



Comparing perceived insecurity among customers and retail staff during service encounters



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ABSTRACT

The study compares perceived insecurity by customers and retail staff during service encounters. The topic is important, because retailers invest millions of dollars in security. The framework of the study divides perceived insecurity into financial, physical, psychosocial and time-related insecurity. A total of 39 consumers participated in seven focus group discussions, and 34 retail staff members responded semi-structured interviews. The study confirms that from both customer and staff perspectives a high quality service encounter has an influence on perceived insecurity, and it diminishes disturbance and criminal activity. However, there are differences between customer and staff perspectives in many areas.

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1. Introduction and purpose

Retail stores have moved more and more towards a self-service culture in Western societies. In fact, the self-service technology (SST) has radically changed the retailing business (Leung and Matanda, 2013). As a consequence interaction between customers and retail staff during service encounters has deteriorated, and the customer role has changed accordingly. Cashiers have even been replaced by machines in pioneer stores. However, research (e.g. Bäckström and Johansson, 2006; Lee and Yang, 2013; Swinyard, 1998; Vázquez et al., 2001) shows that the customers value personal interaction and seek positive service experiences.

Retail stores cannot survive without their customers. Indeed, it should be noted that every retail store needs to be attractive on each of the stages of a shopping trip (Teller and Reutterer, 2008). For their part customers aim to optimise their needs when making shopping choices. Koistinen and Järvinen (2009) have studied customer choice of retailing outlets, and they conclude that price, quality, selection and assortment together with the shopping environment are the most important criteria applied when selecting where to shop (see also Morschett et al., 2006). Pitkäaho et al. (2005) include also location and ease of patronage among the choice criteria, and Teller and Reutterer (2008) found tenant mix and merchandise value exerting the most substantial impact on store attractiveness.

Feelings of insecurity may weaken the attractiveness of a store and its reputation (Hunter, 2006; Lee et al., 1999). If customers believe that a store is not safe they will decide not to shop there (Hayes, 2007). A study by Gips (1996) reveals that around ten per cent of customers avoid shopping malls because they regard them as insecure places: both disorder and the fear of becoming a target of criminal activity re-direct customers' shopping habits and result in smaller profits for retailers.

The purpose of the study is to compare perceived insecurity by customers and retail staff during service encounters; that is, in interactions between both groups. This is an important topic because at the store level retailers invest millions of dollars in security technology, security guards and other personnel prevention strategies in an effort to detect and apprehend crimes (cf. Hollinger and Adams, 2008). Despite the magnitude of these efforts, shoplifters, for example, are capable of circumventing the technology (Gill et al., 1999). In spite of heavy investments in security, the area is scarcely researched. According to our knowledge, earlier research has not focused on service encounters in retailing environment, neither examined both customers' and retail staff's perspectives in this respect, nor compared these perspectives with each other.

The article is organised as follows: first, earlier research is briefly reviewed, thereafter the framework of the study is presented, and the data and methods are described. Finally, the results of the study are traced and discussed.

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2. Research review

So far there is a limited body of research examining the security elements in retailing. Kajalo and Lindblom (2010a) have studied surveillance from the retailers' perspective and their results confirm that security technology and security guards do not make consumers feel secure, but instead, natural surveillance, e.g. physical attributes, activities and other people, enhance both consumers' and staff's feelings of security. Another study by Kajalo and Lindblom (2010b) reveals the effectiveness of surveillance in reducing vandalism, disturbance and shoplifting; security guards, in particular, were found important in preventing crimes. A third study by Kajalo and Lindblom (2010c) show, however, that formal surveillance has a negative impact on customers' feelings of security in the opinions of retailers. As opposite, Akinci (2015) found that perceived surveillance enhances security, safety and comfort of potential customers in shopping centres. Beck (2010) studies the roles of duty assistants in providing security and customer service in an U.K. shopping centre, and he finds out that customers valued duty assistants more than traditional security guards. On their part Moussatche et al. (2004) have found that a good store design can increase convenience for customers while simultaneously protecting products and safeguarding supply against shrinkage. Finally, Swinyard (1998) indicates that shoppers with high needs of security would make more retail store visits than other shoppers.

Takkinen (2009) has examined security as one of the key criteria of attraction and suggests that security in shopping centres is grounded in pleasant atmosphere, reliability, honesty, high quality products, security guards and technical security systems. Jackson et al. (2011) also consider security and cleanness as important attributes. The work carried out by Mitchell and Harris (2005) has created value maps which are organised into four themes: physical risks, psychosocial risks, financial risks, and time and convenience risks. So far, Mitchell and Harris (2005) present the most holistic framework for studying security, but it is limited to a consumer perspective only.

Another body of research focuses on consumer perceived risks in retailing or purchasing intentions (e.g., Alic et al., 2013; Beneke et al., 2012; Beneke et al. 2013; Hornibrook et al., 2005; Yavas and Tuncalp, 1984) and risks connected to e-shopping and online shopping (e.g., Chang and Chen, 2008; Predmore, et al. 2007; San Martín and Camarero, 2009; Thakur and Srivastava, 2015). There has also been much emphasis on information search as a means of reducing risk (Littler and Melanthi, 2006).

3. Framework of perceived insecurity

A service encounter can be defined as the duration in which a customer interacts with a service (Bitner, 1990). This usually involves face-to-face interaction, as well as interactions with physical elements of the shopping environment (Bitner, 1992). Usually service interactions are dyadic, with customers also contributing to the process and outcome of the encounter (Furnham and Milner, 2013). In addition, the study by Johlke and Iyer (2013) conclude that staff members' customer service attitudes and performance correlates with their ability to interact with their customers during service encounters. The service encounter is also commonly referred to as the 'moment of truth'. Mattila and Patterson (2004) even argue that the social content of the service encounter is a crucial component of customer satisfaction.

The construct of service encounter is about to change along with adoption of self-service technologies (SSTs). SST has made customers as co-producers of retailing services and forced them to engage in new behaviour (Leung and Matanda, 2013). For retailers SST provides many benefits, for example, it assists to serve more

customers at higher speed with fewer resources (Leung and Matanda, 2013), but Renko and Druzijanic (2014) point out that technology does not always provide expected returns. This is confirmed by Lee and Yang (2013) when they reveal that personal interaction still remains essential element of retail patronage.

The study adapts Mitchell and Harris (2005) framework. In Mitchell and Harris's (2005) reasoning, perceived risks among consumers in the retailing context can be found in retail patronage behaviour connected to a need-motivation-goals-risks linkage which, according to them (p. 822), "has not been fully explored in the literature". In minimising risk, customers consider specific store attributes that may reduce their risks and guide their decisions on which stores to patronise. In order to reduce customer-perceived risk retailers have to understand how these are constituted and how they relate to the store attributes in customers' mind sets. Mitchell and Harris (2005) state that perceived risk has traditionally been conceptualised as a multi-dimensional phenomenon subdivided into various risks or losses. Retail store performance risks refer to the concern that the chosen store might not perform at a desired level; in other words, that it will not fulfil customers' needs. In this connection, Kajalo and Lindblom (2010c) discuss feelings of insecurity, but they do not define the construct in their article.

Instead of the concept of perceived risk the term perceived insecurity is chosen for this article. In this decision, we rely on Brooks' (2010, 225) argument that "security cannot be considered singular in concept definition, as definition is dependent on applied context". Here we closely connect the concept of perceived insecurity to a subjective feeling of insecurity: one customer or staff member can feel completely secure in an unsafe environment whereas another may perceive several threats in a fairly secured environment. Otherwise the concept is close to that of perceived risk suggested by Mitchell and Harris (2005). Perceived insecurity can be managed by preventing or avoiding unsafe places.

Following Mitchell and Harris (2005) this article divides perceived insecurity into financial, physical, psychosocial and time-related insecurity but the content of these dimensions differ somewhat from theirs. Perceived financial insecurity refers to money-related issues in the lives of customers and retail staff members; for example, burglary, shoplifting, wrong choices, paying more than necessary or losing money because of theft, all have an impact on financial resources. Perceived physical insecurity covers threats to health, accidents and violence caused by unsafe products, an unsafe shopping environment or unsafe co-customers. Perceived psychosocial insecurity results from social embarrassment and loss of social esteem or self-esteem, or from psychological disappointment caused by shopping or working in retail stores. Perceived time insecurity consists of time resources or limitations in connection with either a desired or offered shopping experience. Fig. 1 depicts the framework of the study.

In Fig. 1 the dimensions of perceived insecurity described above materialise during service encounters in the retail store context. The concept of service encounter here refers to all opportunities where interaction between customers and retail staff may take place. This does not, however, mean that customers or retail staff always actually utilise the opportunity to interact.

The retailing industry responds to perceived insecurity through surveillance which can be divided into formal surveillance, natural surveillance and the role of place managers (Welsh et al., 2010). According to Welsh et al. (2010); (see also Kajalo and Lindblom, 2010c) formal surveillance aims to produce a deterrent threat to potential offenders through the deployment of personnel whose primary responsibility is security, such as security guards or patrols, or through the introduction of some form of technology, such as closed-circuit television cameras (CCTV), to enhance or replace security personnel. Natural surveillance shares the same aim as

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