Linking Service Convenience and Customer Citizenship Behaviour: An Empirical Investigation in the Context of Indian Retail Services

CHAPTER 1

INTRODUCTION

Convenience has been considered as an important component of customer behaviour (Farquhar and Rowley, 2009) which is mainly due to factors such as rapid changes in socio-economic conditions, technological advancements and hypercompetitive marketplace (Seiders, Berry and Gresham, 2000; Seiders, Voss, Godfrey and Grewal, 2007). Datamonitor (2009) study found that customers are struggling to manage their daily routines due to perceived lack of disposable time. In the Indian retailing context, the 2014 report by Retailers Association of India and KPMG has observed a rise in the number of time starved customers who value convenience while dealing with their retailers. Moreover, McKinsey (2008) study has reported that most of the Indian customers do not wish to travel for more than 15 minutes to reach their retail store. The above report has also indicated that customers are willing to pay a premium price to retailers who provide goods at a location convenient for customers. The emergence of online retailers (such as www.bigbasket.com) has widened the scope of customer convenience which is now not restricted to convenient store location, but also comprised of convenient operating hours, convenient payment options, convenient product search and evaluation etc. Thus, customer convenience has acquired the centre stage in the development of marketing strategies as it may provide sustainable competitive advantage to service firms especially retailers (Seiders et al., 2000; Berry, Seiders and Grewal., 2002). In this context, it is critical for brick and mortar retailers to gain understanding on the factors
that drive customer convenience and the potential positive consequences of providing customer convenience.

Much of the exiting convenience literature has focussed mainly on studying customer convenience in the context of goods. With the advent of service marketing, a new stream of research has started examining customer convenience in the context or services marketing (termed as service convenience) (Berry et al., 2002; Seiders, et al., 2007; Colwell, Aung, Kanetkar and Holden, 2008). In this regard, Berry et al. (2002) have urged service providers to examine service convenience across various stages of customer purchase behaviour. They have proposed five types of service convenience viz. decision convenience, access convenience, transaction convenience, benefit convenience, and post-benefit convenience. The authors have also postulated that customers’ perception of service convenience is influenced by firm related factors, customer related factors and service related factors. Recent studies have shown that service convenience leads to positive outcomes such as customer satisfaction (Seiders et al., 2000; Berry et al., 2002; Colwell et al., 2008) and customer loyalty (Seiders et al., 2000; Seiders et al., 2007; Moeller, Fassnacht and Ettinger, 2009).

Service marketing literature has also touted the tendency of customers to engage in voluntary or discretionary behaviours that not only improves the overall performance of the service provider but also enhances their own service experience as well as that of other customers. The above voluntary or discretionary customer behaviour is termed as customer citizenship behaviour (Bettencourt, 1997; Keh and Teo, 2001; Groth, 2005; Rosenbaum and Messiah, 2007 Bove, Pervan, Beatty and Shiu., 2009; Johnson and Rapp, 2010; Bartikowski and Walsh, 2011). It includes behaviours such as spreading positive word of mouth, displaying cooperative behaviour at the service facility, actively participating in the improvement of the service organisation, and exhibiting a pro-social behaviour by helping other customers at the
service facility. Given the importance of both service convenience and customer citizenship behaviour, it is vital for retailers to examine the extent to which service convenience influence customer citizenship behaviours. In addition, prior studies have indicated that service convenience enhances the level of satisfaction experienced by customers (Seiders et al., 2000; Berry et al., 2002; Colwell et al., 2008), who in turn reciprocate by eliciting customer citizenship behaviour (Bettencourt, 1997; Groth, 2005). Hence, there is a possibility that customer satisfaction plays a mediating role between service convenience and customer citizenship behaviours.

Keeping this in view, a conceptual model is developed which includes the factors affecting customers’ perception of service convenience, five types of service convenience and their relationship with customer satisfaction and customer citizenship behaviours. The model developed is empirically tested in the context of Indian organised retail services (specifically in food and grocery retailing).

The thesis is organised as follows: The review of literature pertaining to the relevant constructs is provided in Chapter 2, followed by identification of research gaps and the objective of the study in Chapter 3. Chapter 4 contains the development of conceptual model along with hypotheses. Section 5 deals with the research methodology adopted in this study. Chapter 6 covers data analysis and the results of this study. Chapter 7 discusses the findings of this study and establishes the theoretical contributions, managerial implications and scope for further research.