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## Evaluating the Impact of Other Customers on Service Experiences - A Replication and Extension

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#### **Abstract**

Service encounters are frequently characterized by the presence of other patrons who may, passively or actively, influence a customer's satisfaction with the service encounter. While several researchers have, implicitly or explicitly, recognized this possibility, so far, only one study by Grove and Fisk (1997) has specifically addressed this issue and investigated the impact of other customers on service experiences. Motivated by the limitations of Grove and Fisk's (1997) study as well as by recent theoretical and empirical advances in the field of services marketing (e.g. the social servicescape), the present thesis replicates and extends Grove and Fisk's (1997) seminal study. In doing so, the present investigation is also in line with the call for more replication studies.

Using the Critical Incident Technique (CIT), the author of the present investigation collected data from 184 respondents.

The results show that other customers *do* have an influence on service experiences in many different sectors. The distribution of satisfying and dissatisfying critical incidents was found to be robust across the various service sectors.

Further data analysis revealed three primary and six secondary categories of customer influence. Possible relationships between these categories and customer characteristics were examined. It was found that the customers' income, gender, age and whether they had children had an influence on the type of critical incident reported. Furthermore, additional information on purchase occasion, emotions, other possible influences apart from other customers and on the question of whether the service organization could have prevented dissatisfying incidents was collected.

It was found that many different emotions were experienced by the respondents during the service encounter. Furthermore, the majority of respondents believed that the service organization could have prevented dissatisfactory service experiences. Finally, it was found that frequently, a *combination* of many different elements influenced the customers' satisfaction with the service encounter.

These findings have specific implications for the theory and practice of services marketing.

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#### 1. Introduction

The service encounter is one of the most central concepts in services marketing research. When thinking of the service encounter, it is easy to picture encounters which take place in the presence of several other customers: Visiting a restaurant, the hairdresser's or a shopping mall are all examples of encounters involving the presence of other patrons. In the same way, using public means of transportation such as buses and planes frequently involves sharing time and space with other passengers. It is this observation which constitutes the framework for the present investigation.

The aim of the present research project is to evaluate the impact of other customers on service experiences. To this end, a research project conducted by Grove and Fisk (1997) will be replicated and *extended* to include different service sectors, customers' emotions as well as the potential impact of the purchase occasion. Furthermore, additional information on whether customers believe that the service organization could have prevented dissatisfying incidents as well as on other possible influences on service experiences (service environment, service employees, etc.) will be gathered.

Given the lack of research in this area as well as some scarce indications pointing to the potential impact of other customers on the customer's satisfaction with the service encounter, it appears of paramount importance to investigate this issue. Doing so will provide both practitioners and service marketing scholars with insights into the question of which sectors may be subject to the impact of other customers. In addition, uncovering potential sources of customer influence is an important precondition for developing means for controlling these influences - a task that customers might consider a firm's duty.

The present report consists of ten major chapters. Following the introduction, in Chapter 2, the most important concepts are briefly defined and discussed. The terms "service encounter" and "service experience" are elaborated on and the elements influencing service encounter evaluations are discussed. This chapter is followed by Chapter 3 which provides a literature review outlining the major pieces of research on the impact of other customers on service experiences and discusses Grove and Fisk's (1997) study, which is the basis of the current investigation. Subsequently, arguments for replicating

and extending Grove and Fisk's (1997) research project as well as the research objectives are presented. Chapter 4 discusses the research method employed, the Critical Incident Technique (CIT). In Chapter 5, the research findings are presented. Chapter 6 discusses the research findings. In Chapter 7, managerial implications are provided. Chapter 8 discusses the limitations of the present investigation. Next, in Chapter 9, directions for further research are presented. Finally, in Chapter 10, conclusions are provided.

#### 2. Background to the Research

#### 2. 1. Services as the Focus of the Present Research

Prior to defining and elaborating on the concepts that will be used in this thesis, it is vital to explain why "services", as opposed to "goods" were chosen as the focus of the present work. This is particularly important given the debate on the legitimacy of "services marketing literature" in the 1970s. For a long time, there was no consensus on the question of whether "services marketing" is significantly different from "goods marketing" to justify an own marketing discipline.

In line with Shostack (1977) and Berry (1980), I consider "services marketing" to be different from "goods marketing". This is due to the fact that the focus of services marketing is *specifically* on offerings in which tangible elements either play a minor role or are absent.

Researchers have suggested that in the absence of tangible products, interpersonal influences tend to increase in importance (Berry 1980, 1981; Lovelock 1979). Therefore, "services marketing" seems to be an appropriate context for studying the impact of other customers on service experiences.

### 2. 2. Conceptual Background

In marketing literature, the word "service" is used extensively and with great ambiguity. The concept of "services" is employed to describe industries as well as outcomes and processes (Johns 1999). Thus, when writing about services marketing, it is vital to specify the way in which the term "service" is going to be used. Services are frequently described as "intangible" and their output is regarded as an "activity" (Johns 1999). However, it is clear that this definition is an ambiguous one, since a service output frequently contains a "tangible" component. Therefore, in this paper, Gremler's (2004) clarification of the term "services" will be utilized. According to him, services can be defined as offerings where "the primary or core product offering is intangible" (Gremler 2004, p.71).

#### 2.2.1. The Service Encounter

Prior to elaborating on the concept of "service experience", it is vital to define the term "service encounter".

The "service encounter" is one of the most central and controversial concepts in the services marketing literature and is of paramount importance to the topic of the present investigation.

Various definitions of the term "service encounter" have been proposed by researchers. While Surprenant and Solomon (1987, p.87) describe the "service encounter" as "the dyadic interaction between a customer and a service provider", Shostack (1985) defines the "service encounter" as "a period of time during which the customer directly interacts with a *service*" (Shostack 1985, p.243).

Clearly, Shostack's (1985) definition is much more comprehensive than Surprenant and Solomon's (1987). While Surprenant and Solomon (1987) focus on the person-to-person interaction between the buyer and the seller - or client and provider – Shostack (1985) does not limit her definition to the interpersonal interaction between the customer and the service provider. In fact, her definition encompasses "all aspects of the service firm with which the consumer may interact, including its personnel, its physical facilities, and other visible elements" (Bitner, Booms and Tetreault 1990, p.72).

Thus, following Shostack's (1985) definition, the customers may not only interact with the service provider and the physical environment, but also with other visible elements. One of these visible elements may be other customers present during the service encounter. Thus, the service encounter is a concept of central importance to the topic of the present investigation.

#### 2.2.2. The Service Experience

#### 2.2.2.1. *Definition*

Another related but different concept that needs to be clearly defined is the term "service experience".

For the purpose of this paper, and consistent with Grove and Fisk's (1997), I will focus my investigation on customers' evaluations of "service experiences", as manifested by their level of (dis)satisfaction with the service encounter<sup>1</sup>.

Furthermore, while it is recognized that the "service experience" may be formed based on the evaluation of a sequence of encounters or a single service encounter (Lovelock, Vandermerwe and Lewis 1999), in the present investigation, the term "service experience" will be restricted to the customer's satisfaction with a *single* service encounter.

Another issue that merits closer investigation when elaborating upon the term "service experience" is the topic of emotions.

Previous research has shown that emotions experienced by the customer during the service encounter may play a significant role in the formation of service encounter satisfaction (Jayanti 1996; Oliver 1997). Therefore, it shall be recognized that the evaluation of service experiences may not only involve a cognitive, but also an "emotional" dimension.

This is also consistent with Price, Arnould and Deibler (1995, p.35), who have pointed out that "research suggests that understanding satisfaction can be enhanced by examining the emotional content of the consumer's experience". Oliver (1997) supports this notion by arguing that the more customers experience positive emotions during the service encounter, the higher will be their level of satisfaction.

<sup>&</sup>lt;sup>1</sup> Other evaluation outcomes discussed in the services marketing literature are, for example, perceptions of service quality and long-term loyalty to the service organization (Fisk, Brown and Bitner 1993; Solomon et al. 1985).

Therefore, in this thesis, the expression "service experience" will also explicitly take the "consumer's emotional feelings during the service encounter" (Hui and Bateson 1991, p.174) into account.

# 2.2.2.2. The Importance of Service Encounter Evaluations in Services Marketing Research

An examination of the impact of other customers on service encounter satisfaction has to start with a comprehensive understanding of the importance of a customer's (un)favorable evaluation of the service encounter.

Research has shown that the extent to which the service encounter is perceived to be satisfying or dissatisfying may have an impact on the patron's holistic evaluation of the business (Lovelock 1991; Zeithaml 1981), word-of-mouth (Haywood 1989) and repeat patronage (Martin and Pranter 1989).

In addition, according to Solomon et al. (1985, p.99), the recognition of the importance of the customer's evaluation of the service encounter is particularly critical in situations where "the service component of the total offering is a *major* element of that offering". This is due to the fact that in this case, the role of tangible items exchanged may be negligible, which makes quality evaluations of the service situation difficult. Therefore, customers may regard the service encounter as a surrogate for tangible objects and may evaluate the service exclusively in terms of the quality of the service encounter.

Due to the important consequences of the customers' evaluations of the service encounter mentioned above, as well as Solomon et al.'s (1985) statement, services marketing researchers have focused on identifying those components of the service encounter the evaluation of which has an impact on service experiences.

As a result, several streams of research, each examining different components of the service encounter, have evolved. One of these elements is the interaction between the customer and the service environment (e.g. Kotler 1973; Bitner 1992; Wakefield and Blodgett 1994) Another stream of research focuses on the interaction between the customer and the service contact personnel (e.g. Bitner, Booms and Tetreault 1990;

Bitner 1990; Baker, Levy and Grewal 1992) Finally, other customers present in the service encounter are also believed to influence the customer's service experience (e.g. Grove and Fisk 1997; Martin and Pranter 1989; McGrath and Otnes 1995).

It is the latter stream of research which is of particular interest to the topic of the present investigation.

For the purpose of this paper, "other customers" will be defined as "strangers", i.e. "unacquainted other customers". What follows from this definition is that existing relationships between customers in a service encounter will, although marginally interesting, not be the main focus of this work.

#### 2.2.2.3. Elements Influencing Service Experiences

It is important to note that although the present investigation will exclusively focus on the impact of *other customers* on service experiences (i.e. satisfaction with the service encounter), the potential influence of other elements of the service encounter on service experiences must not be neglected. It may well be possible that customers do not evaluate the elements of the service encounter separately but that all dimensions combine to affect the customer's evaluation of the service encounter. Grove, Fisk and Dorsch (1998, p.116) advocate this holistic approach by arguing that the aspects of the service encounter are "theatrical in nature" and blend together to create the customer's overall service experience.

Therefore, it is vital to place the subject of the current investigation in the broader context it is set in and to briefly discuss the elements believed to influence the customers' satisfaction with the service encounter. As a consequence, in the following three sections, an overview of the literature on each of the three streams of research mentioned above will be provided and the implications of these pieces of research for the topic of the present investigation will be discussed.

#### 2.2.2.3.1. The Impact of the Service Environment on Service Experiences

The influence of the physical environment on consumers has been recognized in marketing, retailing and organizational contexts (Bitner 1992). Already in the 1960s, psychologists began exploring the impact of the physical setting on behavior.

In 1973, Kotler was among the first to suggest that the place where a product is consumed may have an influence on consumers' buying decisions (Kotler 1973). He introduced the term "atmospherics" to describe "the conscious designing of space to create certain effects in buyers" (Kotler 1973, p.50). Despite these early attempts to capture the effects of the physical environment, in *service settings*, empirical research as well as theoretical frameworks on the influence of the environment on the evaluation of the service encounter remained rare.

To address this dearth, in 1992, Bitner published the "servicescape" framework, which integrated empirical findings and theory and became one of the most widely recognized concepts in service environment research. Bitner (1992) justified her work by suggesting that the physical environment is of particularly high importance in service businesses since the service is "produced and consumed simultaneously" (Bitner 1992, p.57). Thus, the consumer is "in the factory" (Bitner 1992, p.57), which cannot be hidden and which may substantially influence the customer's service experience.

In her seminal article, Bitner (1992) elaborates on Kotler's (1973) definition of "atmospherics". She introduces the term "servicescape" to refer to the "manmade, physical surroundings as opposed to the natural or social environment" (Bitner 1992, p.58), thus explicitly excluding other customers present.

Bitner (1992) conceptualizes the servicescape in terms of ambient conditions, which parallel Kotler's (1973) "atmospheric" factors, spatial layout and functionality and signs, symbols and artifacts. She puts forward the idea that the elements of the servicescape might cause internal responses, such as cognitive, physiological and emotional reactions. According to her model, these responses may in turn lead to certain behaviors such as approach and avoidance and may have an impact on social interactions (see Appendix 1). The latter concept is based on research by Mehrabian and

Russell (1974), who showed that feelings of pleasure cause people to spend more time and money in certain environments whereas environments that cause arousal and unpleasantness lead to avoidance behavior.

After having briefly described Bitner's (1992) servicescape model, it is vital to explain in what way her concept could be valuable when evaluating the impact of other customers on service experiences.

The first point valuable to the topic of this thesis is Bitner's (1992) suggestion that the elements of the servicescape may influence the customer's satisfaction with the service. This idea is noteworthy because when investigating the impact of other customers on service experiences it is important not to lose sight of other potential influences which might ultimately turn out to be even more important.

Interestingly, there is empirical evidence of the link between the elements of the servicescape and customer satisfaction with the service encounter. As an example, in his study of office atmospherics, Andrus (1986) showed that variables such as the waiting room, furniture and exam room equipment had affected dental patients' satisfaction. In addition, although they did not attempt to directly measure satisfaction, in their study of hedonic service consumption, Hightower, Brady and Baker (2002) showed that the servicescape relates to the quality of sports experience perceptions as well as involvement with the sports experience. Since there is evidence that consumers' perceptions of the quality of the service rendered can be regarded as a determinant of service satisfaction (Wakefield and Blodgett 1994), this finding is also highly interesting.

Another proposition made by Bitner (1992) valuable to the topic of this investigation is her suggestion that customers respond to the servicescape cognitively, emotionally and physiologically as well as with approach and avoidance behavior. The implications of this idea will be explained in Section 3.1.1.

Finally, Bitner's (1992) idea that the servicescape may influence interactions among customers is also highly interesting to the topic of the present investigation as it suggests that one can use the physical environment to control customer interactions.

Empirical studies have confirmed the assumption that the physical setting has an influence upon social interactions (e.g. Holahan 1982; Sundstrom and Sundstrom 1986, Part III).

#### 2.2.2.3.2. The Impact of Service Contact Employees on Service Experiences

Another element believed to influence the customer's satisfaction with the service encounter is the impact of employees. This suggestion seems reasonable, given the fact that in many services, employees play a major role in the provision of the service. In fact, as Zeithaml and Bitner (1996, p.304) point out, "in many cases, the contact employee is the service - there is nothing else....The offering *is* the employee".

As an example, in haircutting, the interpersonal element, such as the conversation with the hairdressers', may be equally important as, or even outweigh, the outcome of the service, i.e. the haircut itself. Other frequently named services with a significant interpersonal component between employees and customers include child care, cleaning/maintenance, legal services and counseling.

Researchers have suggested a wide range of employee behaviors and characteristics which might influence the customer's service experience. Examples include the employees' manners (Berry, Zeithaml and Parasuraman 1985), commitment (Bitner, Booms and Tetreault 1990), appearance (Bitner 1990) and oral contributions (Baron, Harris and Davies 1996) made in the service encounter.

Again, it is vital to explain why the fact that employees may be a major determinant of customer satisfaction is relevant to the topic of this paper.

First, as already mentioned, when evaluating the impact of other customers on service experiences, one also needs to take into account other potential influences.

Secondly, if an impact of employees' behaviors and/or expression of emotions or appearance on the customer's satisfaction with the service encounter were found, one could assume that other interpersonal interactions, such as customer-to-customer interactions (CCI), might also have an impact on the customer's service experience.

Thus, it is of paramount importance to present empirical evidence of an impact of employees on the customer's satisfaction with the service encounter.

In 1990, Bitner, Booms and Tetreault examined the impact of employees' behaviors on the customer's service experience and uncovered several categories of contact employee behavior that could influence customer satisfaction and dissatisfaction. Baker, Levy and Grewal (1992), on the other hand, focused on the number of employees present in a retail store environment and found that the more employees present, the higher the customer's arousal. In addition, Bitner (1990) found that employees wearing unprofessional attire could negatively influence customer satisfaction in the event of service failure.

The studies outlined above can be regarded as highly interesting as they show that the number of employees present in the service environment as well as employees' behaviors and dress can potentially influence the customers' emotions as well as satisfaction with the service encounter. Thus, it may well be possible that other customers present in the service encounter affect customer satisfaction in a similar way.

#### 2.2.2.3.3. The Impact of Other Customers on Service Experiences

Although the impact of the environment (e.g. Bitner 1992; Baker, Levy and Grewal 1992) as well as that of service employees on service experiences (e.g. Bitner, Booms and Tetreault 1990; Bitner, Booms and Mohr 1994) have been extensively studied, another element of the service encounter has received much less attention: The impact of *other customers* present in the service encounter on the service experience.

The following chapter is dedicated to giving an overview of the literature on the impact of other customers on service experiences

#### 3. Literature Review

#### 3. 1. The Impact of Other Customers on Service Experiences

When examining the literature investigating other customers as an element of the service encounter, two broad categories can be identified. The first, and older, stream of literature regards other customers as merely constituting part of the environment (e.g. Belk 1975; Baker 1987). The second stream of research, in contrast, is dedicated to examining "customer-to-customer interactions" (CCI), which Martin (1996, p.149) defines as "specific interpersonal encounters". However, this definition does not imply that customers actually need to have *direct* contact with one another.

In this paper, the term "passive role of other customers" will be used to denote the first stream of research, whereas the term "active role of other customers" will be used to refer to "customer-to-customer interactions" (CCI).

#### 3.1.1. The Passive Role of Other Customers in the Service Encounter:

#### Customers as Part of the Environment

Early services marketing research regarded other customers as part of the environment. Thus, in the beginning, the "customer B" (i.e. the other customer(s) present in the service encounter, see above) was frequently merely given summary mention in conceptual papers (Tombs and McCollKennedy 2003). As an example, Belk (1975) viewed other customers as part of the "social surroundings" of the service environment and described them as a "situational characteristic". Similarly, Baker (1987) acknowledged other customers by describing them as the social aspect of the service environment.

Gradually, however, more attention was paid to other customers. As a consequence, a stream of research began examining the density of other customers in the service encounter or, more specifically, the phenomenon of crowding in the service setting. It is necessary to distinguish the term "consumer density" from the term "crowding". While density refers to the "number of consumers that are present in a service setting" (Hui

and Bateson 1991, p.174), crowding is described as "an unpleasant feeling that is experienced by an individual" (Hui and Bateson 1991, p.175).

In 1990, in a retail context, Eroglu and Machleit showed that high density results in more intense feelings of crowding. They also showed that crowding has a negative impact on customer satisfaction. Similarly, Hui and Bateson (1991) demonstrated that crowded retail environments can reduce feelings of pleasure. However, other researchers came to the opposite conclusion and showed that high social density may lead to positive affect (Baker, Levy and Grewal 1992; Belk 1975). The latter findings are interesting since emotions may, as suggested above, act as an antecedent in the formation of satisfaction.

Research by Lehtinen and Lehtinen (1991) has shown that the appearance of other customers present in the service encounter may influence the customers' perceptions of the service *quality*. Lehtinen and Lehtinen (1991) proposed that interactions among customers constitute the "interactive" dimension of the quality of the service encounter. Their empirical observations of dancers in a disco showed that the dancers paid attention to the "quality" of other guests by visually inspecting their age and dress (Lehtinen and Lehtinen 1991, p.294).

What characterizes the research projects outlined above is the fact that other customers are, implicitly or explicitly, regarded as an element of the *service environment*. A disadvantage of this view is that it is a very static one. Customers present in the service environment are treated like other aspects of the setting, such as music or smell instead of being regarded as "active" participants.

Recognizing this, another stream of research proposing that other customers might play more active roles in service encounters has evolved.

However, prior to outlining this type of research in further detail, a paper published by Tombs and McCollKennedy in 2003 shall be discussed. This contribution considers both "active" and "passive" influences of other customers present in the service encounter. In their paper titled "Social-servicescape conceptual model", the authors argue that Bitner's (1992) servicescape model is not complete as it explicitly excludes other customers. They suggest that other customers are "social aspects" of the service

environment which "act to facilitate or hinder the customer's enjoyment of the service experience..." (Tombs and McCollKennedy 2003, p.449). Tombs and McCollKennedy (2003) propose that the "social aspects" of the environment can be conceptualized in terms of expressed emotions and social density of other customers. They suggest that the "purchase occasion" (i.e. the contextual component of the environment) will dictate the accepted level of social density as well as of others' expressed emotions which will in turn influence the customer's affective (e.g. moods and emotions) and cognitive (e.g. interactions with others) reactions. Thus, although Tombs and McCollKennedy (2003) regard other customers as an element of the servicescape (i.e., the *social* servicescape), they propose that customers can play both a "passive" (density) and an active (expression of emotions) role in the service encounter.

In spite of being purely theoretical, Tombs and McCollKennedy's (2003) model can be regarded as valuable to the topic of the present investigation. First, it suggests that other patrons may influence customers' emotions. This aspect is important since, as pointed out above, emotions might play a role in the formation of satisfaction. Second, Tombs and McCollKennedy (2003) suggest that other patrons present might affect other customers by the transmission of emotions or, as they name it "emotional contagion". Finally, their suggestions that the purchase occasion might have an influence on desired social density will play a role in the current investigation.

It is important to note that Tombs and McCollKennedy's (2003) model is not only valuable in itself. In fact, the author of the present thesis assumes that if one combined the idea that other customers form part of the servicescape with Bitner's (1992) servicescape model, one could form further hypotheses concerning the impact of other customers on service experiences.

Bitner (1992) suggests that customers react to the servicescape physiologically, emotionally and cognitively as well as with certain types of behavior. She also suggests that the servicescape can directly influence satisfaction.

Thus, if Tombs and McCollKennedy's (2003) assumption that other customers form part of the servicescape proved correct, patrons might react to other customers in the same way as to the purely physical environment. As an example, not only the physical setting of the servicescape might cause customers to form certain beliefs about the

service organization, but also *other customers present*. This may not only happen via expressed emotions and social density, as Tombs and McCollKennedy (2003) suggest, but also via, for example, the visual inspection of other guests' appearance.

Similarly, not only physical aspects such as music may cause customers to react with physical discomfort, but also *other patrons* present. As an example, crowding may make it difficult for customers to breathe or may cause them to start perspiring.

Finally, as Tombs and McCollKennedy (2003) have also pointed out, other customers may affect patrons' emotions.

It may well be that each of these reactions may not only act as an antecedent to behavior, as Bitner (1992) suggests, but may also cause satisfaction or dissatisfaction with the service encounter.

Thus, Tombs and McCollKennedy's (2003) proposition that other customers form part of the servicescape can serve as a good starting point for further hypotheses about both the causes and results of other customers' influence.

Having outlined the literature regarding other customers as "passive" elements of the environment, in the following chapter, an overview of research regarding other customers as playing a more "active" role in the service encounter will be provided.

# 3.1.2. The Active Role of Other Customers in the Service Encounter: Customer-to-Customer Interactions (CCI)

While it is obvious that phenomena like crowding exist, little is known about the existence of customer-to-customer interactions. Do customers actively interact with each other in the service encounter? If so, in what way and how frequently do they interact? Thus, before examining the *impact* of customer-to-customer interactions on the service experience, it is necessary to find evidence of customer-to-customer interactions. As a consequence, this section will be divided into two sections. First, an overview of literature on the existence, type and frequency of customer-to-customer interactions will to be given. Secondly, literature on the *impact* of customer-to-customer interactions on the service experience will be presented.

### 3.1.2.1. Literature on the Existence, Frequency and Type of Customer-to-Customer Interactions

Within the stream of research investigating the existence and type of customer-to-customer interactions, the bulk of work has focused on oral interactions, or "observable oral participation" between strangers (OOP2), as Harris, Baron and Ratcliffe (1995) call them. An example of this research is a study conducted by Bloch, Ridgeway and Dawson (1994). In this study, the researchers found out that 20 percent of their respondents in a mall said they had engaged in conversations with other people they met.

In a similar way, Harris, Baron and Ratcliffe (1995) conducted a study on observable oral participation in a retail setting in northern England. They found that 48% of customers had communicated verbally with the service personnel and 12% had spoken to other customers present in the service encounter. It is interesting to note that Harris, Baron and Ratcliffe (1995) found that the majority of those customers who had engaged in conversations with other customers were females over the age of 35.

Another study conducted by Davies, Baron and Harris. (1999) confirmed the frequency of occurrence of OOP2 in the retail context. Davies and his colleagues administered questionnaires to university students in the UK and Australia to find out whether they recalled engaging in OOP2. It was found that 78% of the UK and 84% of Australian students recalled oral interactions with other customers.

# 3.1.2.2. Literature on the Impact of Customer-to-Customer Interactions on Service Experiences

While some researchers focused exclusively on the identification of customer-to-customer interactions in the service encounter, others went one step further and tried to find evidence of a possible impact of these interactions on the customer's satisfaction with the service experience. As Moore, Moore and Capella (2005, p.483) state, "a small but growing stream of research has begun to examine the effects of the social behaviour of individuals within the service process and how it contributes to the overall experience."

One of the first and most remarkable pieces of work examining this relationship was a study conducted by Martin and Pranter in 1989. Martin and Pranter (1989) acted on the assumption that customers present in the service environment may, positively or negatively, influence the satisfaction of other customers. They drew attention to the fact that this possible influence had long been ignored in the services marketing literature and, in their article, attempted to close the gap they had identified. Specifically, the aim of their work was to "develop a more comprehensive understanding of customer compatibility in service environments...." (Martin and Pranter 1989, p.9).

Martin and Pranter (1989) found that in many service environments, customer satisfaction was positively or negatively influenced by other customers and that dissatisfaction was usually the result of customer incompatibility, which was often caused by customer heterogeneity. Customer heterogeneity, in turn, frequently arose as a result of customers having heterogeneous goals or preferences, holding stereotypical beliefs about other customers or having different physical characteristics.

In addition to identifying sources of customer heterogeneity, Martin and Pranter (1989) uncovered a number of specific behaviors which gave rise to satisfaction or dissatisfaction. As an example, unruly children, rudeness and poor manners were frequently cited as behavior giving rise to dissatisfaction. Among the most frequently named behaviors causing satisfaction were friendly, relaxed demeanor and good manners (for a more detailed list, see Appendix 2).

However, the authors also observed that many behaviors were seen as appropriate in some situations, yet regarded as inappropriate in others. Thus, the appropriateness of behaviors may be situation-specific. In addition, they found that it is highly probable that these behaviors are individual-specific, i.e. some customers may regard certain behaviors as intolerable whereas others may not be disturbed by them.

To sum up, Martin and Pranter's (1989) study provides some valuable insights into the possible influences other customers may have upon one's satisfaction. They found that other customers' behaviors as well as appearance and crowding and/or empty environments, i.e. "passive" influences, may play a role in determining customer satisfaction. In addition, they suggest that satisfaction could potentially influence a customer's repatronage decision.

However, a drawback of this landmark study by Martin and Pranter (1989) is that the researchers do not clearly state to which service environments, and to which countries, their findings apply.

Furthermore, Martin and Pranter (1989) do not refer to the customers' satisfaction with the *service experience* but to their satisfaction with other patrons' *public behavior*.

Building on the findings by Martin and Pranter (1989), in 1996, Martin attempted to gain further insights into the impact of other customers on satisfaction. In his study, Martin (1996) investigated customers' satisfaction with 32 behaviors in which customers may engage in public. These behaviors had been generated in focus groups conducted prior to the questionnaire development phase. Subsequently, questionnaires asking respondents to rate their degree of satisfaction with each of these behaviors were sent to 1,731 participants of an international bowling tournament. In order to find out whether behaviors may be perceived differently in different situations, two versions of the questionnaire were developed. One version of the questionnaire asked respondents to rate their satisfaction with other customers' behavior in a "restaurant" setting, whereas the second version was set in a "bowling center" environment.

Martin's (1996) research showed that other patrons' public behavior *does* influence customers' satisfaction. In addition, Martin (1996) was able to provide evidence of differences between the two service environments. Some behaviors were regarded as more satisfying in bowling centers than in restaurants. However, the findings also indicated that most behaviors are probably perceived in a similar way in both settings. Furthermore, in a principle components analysis, Martin (1996) identified seven factors which may be used to describe the behaviors shown by fellow customers (see Appendix 3).

Finally, t-tests and one-way ANOVAs were used to find whether ratings of respondents differed among demographic and other classifications. It was found that age and gender were the most discriminating variables. Thus, customer segments seemed to vary in their tolerance of other customers' public behavior, which may be regarded as a confirmation of Martin and Pranter's (1989) assumption that satisfaction with other customers' behaviors may be individual-specific.

In conclusion, Martin's (1996) study is another valuable contribution to evaluating the impact of other customers on satisfaction with the service encounter.

McGrath and Otnes (1995) undertook research which can be regarded as being conceptually similar to Martin's (1996). In their study, conducted in a retail environment, McGrath and Otnes (1995) attempted to reveal interpersonal influences between "unacquainted influencers". To this end, they used both observations of shoppers in retail settings and interviews with female participants. In addition, to receive more immediate information, the authors accompanied several informants on shopping trips.

McGrath and Otnes (1995) were able to identify 11 types of behaviors resulting from customer-to-customer interactions in the retail setting. They observed 6 "overt" influences, i.e. influences that involve "face-to-face encounters and interactions between strangers" (McGrath and Otnes 1995, p.263). Examples of these include *help-seekers*, who ask other shoppers for information, *proactive helpers*, who helped others without being asked to, and *reactive helpers*, who respond to requests for help.

In addition, "covert" interpersonal influences, i.e. influences that "do not involve actual face-to-face encounters" were identified (McGrath and Otnes 1995, p.267). In this case, only one of the two people involved was aware of the influence that was being exerted. As an example, the *follower* would follow others to see what they buy and thus reduce the risk of making a wrong product choice (see Appendix 4 for a complete list of influences).

Another interesting observation made by McGrath and Otnes (1995) was that most encounters among strangers involved oral interactions. Thus, McGrath and Otnes (1995) were able to provide a typology of customer-to-customer interactions in the retail setting.

Nevertheless, what is even more interesting is that they observed emotional reactions among those involved in the interactions. These reactions included amusement, gratitude and enjoyment as well as disgust, avoidance and annoyance (McGrath and Otnes 1995, p.268).

It is particularly the latter observation which makes the contributions by McGrath and Otnes (1995) highly relevant to the topic of this work since emotions may play a role in the formation of satisfaction.

Although the study by McGrath and Otnes (1995) includes examples of oral interactions among strangers, the main goal of the study was to provide a general typology of behaviors of fellow consumers in the servicescape. In contrast, other researchers have investigated the impact of *oral* interactions on satisfaction.

An interesting study investigating the impact of conversations on satisfaction in a retail context was published by Harris, Davies and Baron (1997). In their experimentally controlled research on oral interactions in a ladies' clothing retailing context, Harris, Davies and Baron (1997) found that conversations with a patron led to significantly higher levels of perceived satisfaction than conversations with the shop assistant, thus confirming a positive impact of oral interactions on satisfaction.

Similarly, Davies, Baron and Harris (1999) found that positive customer-to-customer interactions experienced while waiting in line may enhance the service experience.

Another article worth mentioning is a paper published by Parker and Ward (2000). The aim of their work was to gain further knowledge of the roles played by customers in the service encounter. While their work is similar to McGrath and Otnes' (1995), in this case, there was a clear focus on *oral* interactions.

In order to gain insight into the frequency of oral interactions as well as into the roles adopted during customer-to-customer interactions, Parker and Ward (2000) adopted a two-step methodology. In the first stage, they tried to establish the frequency and content of oral interactions by administering questionnaires to customers in a garden center in the UK. The second stage consisted of conducting in-depth telephone interviews with 10 of the respondents identified in stage one.

The results from stage one indicated that over half of the respondents had sometimes, or more frequently, spoken to others during visits in the garden center. In addition, the roles of other customers cited by respondents included *help seekers*, *reactive helpers* and *proactive helpers*, thus paralleling McGrath and Otnes' (1995) findings.

In stage two, apart from elaborating on the findings of stage one, insights into the consequences of customer-to-customer interactions were gained. 30 different responses on consequences were obtained which were subsequently categorized into 5 groups (see Appendix 5).

It is highly interesting to note that of these 30 consequences mentioned by respondents, only three were negative (Parker and Ward 2000, p.351). Parker and Ward (2000, p.351) comment these findings as follows: "This highlights the positive role these interactions can play in terms of improving the quality of service experience and, in many cases, life in general".

Thus, whereas Martin and Pranter (1989) and Martin (1996), in their studies of the behaviors of other customers mainly observed a negative impact on satisfaction, Davies, Baron and Harris (1999) and Parker and Ward (2000), who focused on oral interactions, found evidence of positive consequences.

Another noteworthy study was published by Harris and Baron (2004). In their investigation of railway passengers in the UK, they found that oral interactions can act as *diffusers* to dissatisfaction through increasing the threshold of tolerance in case of service inadequacies, and thus have a *stabilizing* effect.

The stabilizing effect was found to consist of 3 components. First, oral interactions were found to reduce consumer risk/anxiety. An example of this effect would be rail travelers asking others for information. The advice of other passengers could be of particularly high importance when the service provider did not provide enough information. The roles adopted in this case parallel McGrath and Otnes' (1995) *help seekers*.

The second component of the stabilizing effect was that of customers adopting the roles of "partial employees". In this case, passengers offered others advice without being asked for it. Thus, this role is equivalent to McGrath and Otnes' (1995) *proactive helper*.

Finally, conversations between strangers were found to act as a "supply of social interaction" (Harris and Baron 2004, p.295). As an example, passengers would start conversations to fight the boredom on rail journeys.

Another interesting finding of this study was the observation that those conversations among customers that had a stabilizing effect were frequently product or service-related. As an example, passengers demonstrated an understanding of the problems facing railway companies or shared their frustration with other travelers, which improved their service experience.

Thus, Harris and Baron's (2004) 9-month study did not only show that the behaviors identified by McGrath and Otnes (1995) might occur in several service settings, but also that several of these behaviors might have a stabilizing effect on customer dissatisfaction.

While the researchers mentioned above all take the effects of customer-to-customer interactions on satisfaction into account, little research has been conducted *specifically* on the link between customer-to-customer interactions and service outcomes. An exception to this is a research project undertaken by Moore, Moore and Capella (2005). The aim of their research, conducted in hair salons in the USA, was to find out whether atmospherics influence customer-to-customer interactions (CCI) and to subsequently assess the impact of customer-to-customer interactions on loyalty to the firm, firm word-of-mouth and, more importantly, satisfaction with the firm.

Moore, Moore and Capella (2005) assumed that positive CCI would positively influence each of these dependent variables. In addition, they expected higher levels of perceived service atmospherics to have a positive impact on CCI effects.

The results of their survey were surprising. While it was confirmed that salon atmospherics are a significant predictor of CCI and that more positive CCI increase loyalty to the firm as well as word-of-mouth, no evidence of increased satisfaction could be found. Moore, Moore and Capella (2005) suggest that the reason for the missing link between CCI and satisfaction may be that satisfaction with the hair salon is based on outcomes rather than CCI.

When interpreting the results of Moore, Moore and Capella's (2005) study, one should not neglect the fact that their definition of "customer-to-customer interactions" deviates from the ones used by the researchers mentioned above. Thus, following the suggestions of other researchers, such as Arnould and Price (1993), who mainly undertook research in the field of relationship marketing, they used the following manifestations of CCI to develop the items of their questionnaire: "the formation of interpersonal bonds such as friendship", "enjoyment of time spent in the service environment with other customers" and "encountering friends in the service environment" (Moore, Moore and Capella 2005, p.486).

Consequently, many items of their questionnaire refer to *friendships*, or at least *ongoing relationships*, with other customers. Therefore, Moore, Moore and Capella's (2005) definition of CCI clearly shows a strong similarity to the concepts used in relationship marketing, whereas most other researchers mentioned above tend to focus on interactions between strangers when writing about CCI.

Another study conceptually similar to Moore, Moore and Capella's is Guenzi and Pelloni's (2004) research on the impact of interpersonal relationships among customers on customer satisfaction and loyalty to the service provider. In contrast to Moore, Moore and Capella (2005), Guenzi and Pelloni (2004) explicitly state that "interpersonal relationships", or, more precisely "friendship relationships", are the core of their work. The research was undertaken in a medium-size fitness centre in Northern Italy.

Again, the findings were surprising: No relationship could be found between interpersonal relationships between customers and customer satisfaction or loyalty to the firm, thus paralleling Moore, Moore and Capella's (2005) findings.

Guenzi and Pelloni (2004) explain these results by the fact that they did not distinguish between friendships created during the service delivery and those existing before becoming a member of the fitness centre. In addition, they assume that the customers may not perceive relationships as a component of the offering of the firm.

Again, although in this thesis, "relationships among customers" rather than customer interactions among strangers were the focus of research, it is nevertheless interesting to note that obviously, ongoing relationships did not have any impact on satisfaction with the service provider. This may indicate that the need for further research about interactions among strangers is more pronounced than the need for information on friendships among customers in the servicescape.

#### 3. 2. Grove and Fisk's (1997) Study

Grove and Fisk (1997) were the first to realize that none of the studies available by 1997 focused on identifying *all* the specific sources of influence on *service experiences* posed by other customers present in the service encounter. Instead, they each investigated certain phenomena, such as crowding (e.g. Hui and Bateson 1991) or oral interactions (e.g. Harris, Baron and Ratcliffe 1995), without, however, trying to capture all possible sources of other customers' influence on customer satisfaction.

In order to address this dearth, Grove and Fisk (1997) conducted research which aimed at clarifying the following questions: Do other customers affect one's service experience? Specifically, in what way do other customers affect one's service experience? And finally, does the effect of other customers upon one's service experience vary across individuals?

The data collection was carried out among tourists visiting attractions in Central Florida, such as amusement parks, museums, etc. Local residents and respondents below 18 years were not eligible as respondents. In order to gain in-depth knowledge on an under-researched topic, the "Critical Incident Technique" was used by the researchers, which will be presented in greater detail in Chapter 4.

The results showed that 56.8% of the respondents reported that other customers sharing the servicescape with them had significantly affected their service experience. The service experience was defined as the customers' satisfaction with the tourist attraction. Therefore, one can assume that others *do* affect one's service experience. However, it is worth noting that 43.2% of the respondents indicated that others present in the servicescape had not significantly affected their satisfaction with the service.

In general, Grove and Fisk (1997) found that respondents who were older and more educated or with a higher income and from the USA were more likely to report critical incidents caused by other customers sharing the servicescape.

In order to answer the second research question, the critical incidents gathered were grouped into different categories (see Appendices 6 and 7). Two primary categories were established: *Protocol incidents* and *sociability incidents*. *Protocol incidents* were those, where other customers present ignored, or respected, explicitly or implicitly stated rules. *Sociability incidents*, on the other hand, referred to "customers' perceptions of their fellow patrons' sociability" (Grove and Fisk 1997, p.71). These two primary categories were further broken down into 6 secondary categories.

Among incidents identified as *protocol incidents*, 4 secondary categories were discovered: *Physical incidents in line*, *verbal incidents in line*, *other incidents in line* and *other protocol incidents*. *Negative physical incidents in line* frequently included, for example, other patrons cutting in line. On the other hand, *positive physical incidents* often included people being very polite in line. *Positive verbal incidents* frequently involved pleasant conversations among customers whereas *negative verbal incidents* often referred to others talking loudly or cursing. *Other incidents in line* included helping behavior, smoking or passing gas. Finally, *other protocol incidents* included those incidents not linked to waiting in line. These involved, among others, returning dropped wallets but also offensive behavior such as infant wailing and spitting on another's foot (Grove and Fisk 1997).

Concerning *sociability incidents*, two secondary categories were found. These involved *friendly and unfriendly incidents*, on the one, and *ambience incidents* on the other hand. The first category included others being amiable as well as distant or rude. The second category, in contrast, referred to how "the mere presence of others in the servicescape made one feel" (Grove and Fisk 1997, p.74). These included crowding, as negative incidents, as well as expressions of one's satisfaction with others showing excitement or enthusiasm, as positive critical incidents. In addition, Grove and Fisk (1997) noted that in general, respondents' sociability incidents were more positive (56.5%), whereas protocol incidents tended to be more negative (57.4%). In general, it was found that 48.8% of all incidents reported were positive and 51.2% were negative.

Concerning the question of whether the effect of other customers upon one's service experience varies across individuals, it was found that none of the demographic variables, such as country of origin, age, education, marital status, presence of children, income and gender, was statistically significant as far as its likelihood for reporting a satisfying incident is concerned. However, concerning negative critical incidents, it was found that marital status and the presence of children were related to the likelihood of reporting dissatisfying events.

Closer inspections of these results showed that married participants were more likely to report protocol incidents (64.8%) than sociability incidents (35.2%). On the other hand, singles tended to be more concerned about sociability incidents (55.7%) than about protocol incidents (44.3%).

Furthermore, it was found that "twice as many respondents with children reported dissatisfactory physical events than respondents without children" (Grove and Fisk 1997, p.76).

The results of the study caused Grove and Fisk (1997) to come to many interesting conclusions. As an example, although they found that many people recalled positive critical incidents caused by other customers, the majority of incidents were dissatisfying. In terms of absolute numbers, one fourth of all respondents asked indicated that other customers present in the servicescape had reduced their satisfaction with the service. Thus, Grove and Fisk (1997) suggest that it may be necessary to manage customer lines in order to reduce the likelihood of dissatisfying service experiences linked to other customers.

Furthermore, Grove and Fisk (1997) observed that significant differences in people's evaluations of other customers' behaviors were all linked to characteristics that can easily be observed such as age, nationality, etc. As an example, many customers complained about "foreigners". In addition, younger customers would frequently note that older patrons were aggressive whereas older customers would complain about the rudeness of younger people present in the servicescape. Grove and Fisk (1997) note that "...the very fact that these customer characteristics are easily recognized makes it more likely that service managers and employees could anticipate and prevent problems" (Grove and Fisk 1997, p.79).

In addition, Grove and Fisk (1997) conclude that it may be very difficult to simultaneously satisfy all customers in the servicescape. They assume that educating customers "as to the type of behavior expected from them" (Grove and Fisk 1997, p.78) could be a promising measures to reduce dissatisfaction caused by other customers' behavior.

Finally, Grove and Fisk (1997) found that people tend to behave differently when they are "out of town". As a result, many respondents indicated that they felt distressed by groups of loud "foreigners". Therefore, Grove and Fisk (1997) suggest that management should be prepared to reduce possible tension between "foreigners" and "locals".

In conclusion, Grove and Fisk's (1997) study can be regarded as a highly valuable contribution to the body of knowledge. The researchers showed that other customers can significantly influence one's satisfaction with a service and uncovered several categories of positive and negative influences of other patrons. Finally, they indicated that actively managing the behavior of other customers could lead to increased satisfaction with a service.

# 3. 3. Justifications for Replicating and Extending Grove and Fisk's (1997) Study

The following sections will outline why a replication and extension of Grove and Fisk's (1997) appears necessary. First of all, the shortcomings of Grove and Fisk's (1997) study will be presented. Second, the research findings and conceptual models published after Grove and Fisk's (1997) study will be outlined. Third, general arguments in favor of replication studies will be given. Fourth, the research gap will be presented. Finally, the benefits of replicating and extending Grove and Fisk's (1997) study will be discussed.

## 3.3.1. Limitations and Criticism of Grove and Fisk's (1997) Study

Although Grove and Fisk's (1997) research project has contributed greatly to our understanding of the impact of other customers on service experiences, since it was the first study to focus on identifying *all* the potential sources of influence on service experiences, it is nonetheless subject to several limitations.

First, since the study was conducted in the fairly specific context of customers waiting in line in Central Florida theme parks, the findings cannot be easily generalized across service sectors. Thus, while the study by Grove and Fisk (1997) can be regarded as a starting point for uncovering the existence and nature of the impact of other customers, it does not provide a comprehensive picture revealing *what types* of influence exist in *what service sector*.

Furthermore, in some instances, the classification of incidents identified by Grove and Fisk (1997) gives rise to confusion.

As an example, the researchers distinguish between protocol and sociability incidents. Although according to Grove and Fisk (1997), the difference between these two categories is that the first category refers to other customers' adherence to "explicitly stated or implicitly-held rules of conduct" (Grove and Fisk 1997, p.71), whereas the second category has no connection with any rules of conduct, Grove and Fisk (1997) seem to have used different criteria to distinguish between the two groups.

The following example from Grove and Fisk's (1997, p.72) study illustrates this inconsistency:

"I met these really nice people from Canada who talked to me in line waiting for the ET ride (Universal Studios)." This incident was classified as a "satisfying verbal protocol" incident. In contrast, Grove and Fisk (1997) categorized the following incidents as a "friendly sociability" incident: "At EPCOT Center we met a couple from Montana. We spent time with them at the pub. It was pleasant to meet somebody from out west."

Thus, in theory, the difference between these two incidents should be that in contrast to the second incident, the first one represents a positive violation of protocol. However, since the categories were only identified after data collection, it is unlikely that the researchers actually asked the first respondent whether he or she perceived the other customers' behavior to be a violation of protocol.

This means that it is highly likely that in this case "waiting in line" was the criterion used to distinguish protocol from sociability incidents. This theory seems to be underlined by the fact that almost all of the subcategories of protocol incidents are related to "waiting in line" circumstances. Obviously, "waiting in line" was, at least sometimes, used as a surrogate criterion to be able to distinguish between protocol and sociability incidents.

This reasoning does not appear to be logical given the fact that one cannot assume that waiting in line incidents automatically involve the violation, or non-violation, of implicitly-held or explicit rules of behavior.

Another drawback of Grove and Fisk's (1997) classification is that the two categories "other incidents in line" (n=33) and "other protocol incidents" (n=78), containing occasions that could not be assigned to any of the other subgroups of the "protocol" categories, are fairly large. The category "other protocol incidents" (n=78), for example, contains almost twice as many incidents as the "physical incidents in line" group (n=49). Thus, a large amount of incidents could only be described as "protocol incidents".

#### 3.3.2. Recent Relevant Advances in Theory and Empirical Evidence

Following Grove and Fisk's (1997) study, other scholars have proposed further conceptual models and conducted empirical investigations concerning the impact of other customers. Several of the propositions made merit closer inspection.

First, as mentioned above, in their "Social Servicescape Conceptual Model", Tombs and McCollKennedy (2003) suggested that the purchase occasion dictates the desired social density. That is, in a "private purchase occasion", i.e. one where "the individual customer or small group of customers seek to complete the transaction or the service experience without the interference of others" (Tombs and McCollKennedy 2003, p.459) the customer's affective state will be more positive when the social density is low.

Tombs and McCollKennedy (2003, p. 460) assume that the opposite is true for a "group purchase occasion", i.e. an occasion "where the customer may desire or expect to share the consumption experience with others present in the environment." They suggest that the idea that the purchase occasion may determine the desired social density may explain the fact that researchers have come to the contradictory findings regarding social density outlined above.

Their proposal merits closer investigation for the following reason: If the assumption made by Tombs and McCollKennedy (2003) were true, it may well be that certain specific incidents related to high or low social density are, wrongly, attributed to a certain sector instead of to a certain purchase occasion. That is, if, for example, a dissatisfying critical incident relating to high social density occurred exclusively in, for example, the transportation, but not in the gastronomy sector, one could wrongly infer that high social density is only perceived as negative in the transportation sector.

However, it may well be that the incidents relating to high social density in the gastronomy sector are not detected since all the respondents went to a certain type of restaurant where they expected in advance to encounter a group purchase occasion. As a result, this group of people would not regard the high social density as having a significant influence upon their service experience and would not report the incident as critical, causing the researchers to believe that the whole gastronomy sector should not be concerned about potential problems of high social density.

Nevertheless, had these people gone to a small, charming restaurant instead, and thus expected low social density, they might have reported the high social density as critical incidents.

In conclusion, due to not detecting the underlying variable "purchase occasion", researchers might draw wrong conclusions about the existence of certain influences in specific service sectors. In order to prevent this, "purchase occasion" needs to be included as a control variable in any investigation trying to uncover the possible impact of other customers on service experiences.

Another issue that merits closer investigation when evaluating the impact of other customers on service experiences is emotion. As already mentioned, it is assumed that

emotions play a significant role in the formation of satisfaction/dissatisfaction. In spite of this, in "Critical Incident Technique" (CIT) research, emotions related to an incident are generally not recorded (Edvardsson and Strandvik 2000; van Dolen et al. 2001), which is surprising given the fact that numerous studies have pointed to the importance of emotions. Therefore, emotions should be explicitly recognized in any study examining the impact of other customers on service experiences.

Similarly, the phenomenon of emotional contagion needs to be considered. As already mentioned above, it is highly likely that this issue has received too little attention so far. Research by Pugh (2001) has shown that emotional contagion can occur between customers and employees. That is, in his work, Pugh (2001) showed that the positive emotions displayed by employees were correlated with the customers' positive emotions. Therefore, emotional contagion might also occur among customers and merit further investigation.

Finally, as already pointed out, when attempting to capture the influence of other customers on service experiences, it is necessary to additionally control for other potential influences, such as employees or the physical environment. Grove and Fisk (1997) did not do so in their research design. However, it appears necessary not to consider the possible influences in isolation.

## 3.3.3. General Arguments for Replication Studies

Given the fact that replication studies are frequently regarded as inferior to "new" research, it is important to briefly justify the use of replication as a means to contribute to knowledge before outlining the more specific benefits of replicating and extending Grove and Fisk's (1997) study.

First, as Hunter (2001, p.149) points out, it is an error to believe that "single studies establish findings and, thus, a replication study adds nothing". Hunter argues that statistical reasoning demonstrates this idea to be wrong.

Similarly, Hubbard and Armstrong (1994, p.234) state that replications "protect the literature from the uncritical acceptance and dissemination of erroneous and questionable results".

Furthermore, according to Leone and Schultz (1980), replication is critical for generalizations, which are, in turn, necessary to build sound knowledge of marketing phenomena.

Since the replication and extension of Grove and Fisk's (1997) study represents an attempt to establish the generalizability of their results across service sectors, the present investigation can be regarded as a valuable attempt to contribute to the marketing knowledge base.

## 3.3.4. The Research Gap

The previous sections have shown that although Grove and Fisk's (1997) study is useful as it addresses the important issue of whether other customers have an influence on service experiences and if so what *specific* types of other customers' influences on service experiences exist, it fails to address the question of whether these types of influences can also be detected in *other* sectors. In addition, none of the studies mentioned in the literature review provide an answer to this question.

Furthermore, several important concepts such as emotion, emotional contagion and purchase occasion were not considered in Grove and Fisk's (1997) research on the impact of other customers on service experiences and have not yet received much attention by services marketing scholars.

The aim of the present investigation is to close this gap in literature by replicating Grove and Fisk's (1997) study and *extending* it *across* service sectors. Furthermore, the findings made and conceptual models established after 1997 will be incorporated in the present work.

In doing so, the present study aims to contribute to the services marketing literature in a number of ways.

First of all, service marketing scholars could benefit from the findings of this study. When examining the literature on the impact of other customers, it is strikingly obvious that research is being conducted quite randomly. It appears that researchers concentrate on certain possible influences in certain service sectors. As an example, the retail sector is frequently investigated (e.g. Eroglu and Machleit 1990; Harris, Baron and Ratcliffe 1995, Davies, Baron and Harris 1999) while other sectors such as healthcare or transportation have received much less attention. Similarly, as Appendix 8 shows, the bulk of research has focused on either oral behavior (Harris, Davies and Baron 1997; Parker and Ward 2000; Harris and Baron 2004) or behavior in general (Martin 1996; Martin and Pranter 1989).

The reasons for this "selective" research may root in the lack of information as to which types of influence exist in which sectors. It may well be that the approach of randomly selecting and exploring certain influences without trying to identify *all* possible influences first, has led to the omission of possible influences and/or affected sectors. An empirical investigation uncovering the importance and types of customer influence *across* service sectors could help researchers to identify those sectors which merit closer investigation, and thus provide a valuable starting point for further research.

The findings of the present investigation might also be of interest to services marketing practitioners. In particular, service organizations could use the findings to find out whether the service industry they operate in is potentially subject to the influence of other customers. In addition, they could utilize the results to gain some insight into the types of customer influence that might occur in their service industry as well as to find out whether these influences are perceived as positive or negative. They could subsequently take action in order to foster influences perceived to be positive and discourage influences perceived to be negative.

Gaining insight into these issues may be of paramount importance given the fact that, as already mentioned, researchers have suggested that the extent to which the customer's service encounter is perceived to be satisfying or dissatisfying may influence the patron's holistic evaluation of the business (Lovelock 1991; Zeithaml 1981), repeat patronage (Martin and Pranter 1989) and word-of-mouth (Haywood 1989).

It appears reasonable to assume that customers who are alienated by others patrons in the service encounter may not return in the future. In their article, Grove and Fisk (1997, p. 81) also express this view by stating that "...customers whose service experiences are ruined by other patrons are just as likely to never to return to the site of their dissatisfaction as those whose experiences are ruined by service employees or a poor service performance."

On the other hand, favorable service experiences could cause customers to, for example engage in positive word-of-mouth, thus attracting new customers.

Therefore, obtaining information on the impact of other customers on service experiences could significantly increase a service organization's profitability.

# 3. 4. The Research Objectives

Taking all of the considerations previously discussed into account, the following research questions need to be (re)answered:

- 1. Do other customers affect one's service experience? If so, in which service sectors?
- 2. Specifically, how do other customers affect one's service experience? Are there differences across service sectors?
- 3. Does the effect of other customers upon one's service experience vary across individuals?

Thus, this thesis replicates and extends Grove and Fisk's (1997) study.

Doing so will show whether an impact of other customers on service experiences can be felt in several service sectors and whether the categories established by Grove and Fisk (1997) are universally valid. In addition, further insights into the potential types of other customers' influences upon service experiences may be gained.

# 4. Methodology

## 4. 1. The Critical Incident Technique (CIT)

In the following section, the Critical Incident Technique (CIT) will be presented. Subsequently, the suitability of this method for addressing the research objectives of the present investigation will be evaluated.

# 4.1.1. Presenting the Critical Incident Technique

As outlined above, the aim of this thesis is to gain insights into the way fellow patrons affect customers' evaluations of the service encounter. To this end, Grove and Fisk (1997) chose the "Critical Incident Technique" (CIT), a method that relies on a set of procedures to collect, content analyze and classify observations of human behavior (Flanagan 1954).

The CIT was developed by Flanagan (1954) more than 50 years ago to be used in social sciences. It relies on researchers collecting "critical incidents", or specific events. A critical incident is "one that makes a significant contribution, either positively or negatively, to an activity or phenomenon" (Gremler 2004, p.66). In service marketing research, critical incidents are usually collected by asking respondents to tell (or write down) a story about a certain experience.

Since 1990, following Bitner, Booms and Tetreault's (1990) article on sources of satisfaction/dissatisfaction caused by service employees, the Critical Incident Technique has been used extensively in services marketing literature (Gremler 2004).

Grove and Fisk (1997) chose this method because they believed it to be an adequate tool for capturing "the unique subjective and processual qualities of services" (Grove and Fisk 1997, p.67).

## 4.1.2. Evaluating the Suitability of the Critical Incident Technique

Although this study is intended to be a replication of Grove and Fisk's (1997) study, it is necessary to critically (re-)evaluate whether the Critical Incident Technique (CIT) is adequate for answering the specific research questions.

The aim of this research is to find out whether other customers have an impact upon one's service experiences and, if so, what influences exist. Very little is currently known about the topic under investigation and it is expected that this thesis will serve as a starting point for further research. Therefore, a qualitative research method is needed which allows the customers themselves to identify the ways in which other customers influence their service experiences.

The Critical Incident Technique meets these criteria. It is a qualitative research method, inductive in nature, which "is effective in studying phenomena for which it is hard to specify all variables a priori" (de Ruyter, Kasper and Wetzels 1995, cited in Gremler 2004, p.67). Since respondents are asked to tell stories about certain events, a rich source of qualitative data can be obtained. This data pool allows the researchers to gain insights into the possible ways in which other customers can affect one's satisfaction with the service encounter. Since customers will use their own words in order to explain incidents in which other customers affected their satisfaction with the service encounter, an accurate record of events can be gained (Grove and Fisk 1997).

Another possible method that could be used to gain insight into ways in which fellow patrons affect customers in the service encounter is observation. However, a drawback of this method is that customers would have to physically express their satisfaction/dissatisfaction about other customers in order for the researchers to recognize that the customer experiences an impact. Therefore, data collection would not only be tedious but it is also highly likely that potential influences, such as emotional contagion, are not detected by the observers.

In addition, it is highly important that the method chosen clearly establishes a link between the influence of other customers and the customers' satisfaction with the service encounter. The CIT is an adequate method for establishing this link as respondents can be asked to only tell stories about events in which other customers significantly affected their satisfaction with the service encounter. In this way, the problem of conceptualizing the term "satisfaction" can be avoided.

Bitner, Booms and Tetreault's (1990) study conducted to identify specific employee behaviors associated with customers' satisfaction/dissatisfaction demonstrates the usefulness of the CIT in establishing this link. Furthermore, two years later, the CIT was again employed by Gremler and Bitner (1992) to extend this research project *across service sectors*. Thus, the CIT has already been successfully employed to examine the link between employee behavior and satisfaction *across* service sectors, which may point to its usefulness for investigating the link between other customers' influences and satisfaction in a context spanning several services.

Another study worth mentioning was conducted by Wong and Sohal (2003, p.248), who found that "positive critical incidents foster customer satisfaction, customer loyalty, and repurchase intentions, while negative critical incidents affected customer behaviour and led to customer complaints, reduced willingness to patronize the retail firm, and to the spread of negative word of mouth behaviour."

It is also important to point out that, in this respect, the CIT is conceptually superior to other possible methods, such as the mere observation of situations in which customer interaction occurs. This is due to the fact that observation does not clarify the question to what extent the customers' satisfaction is affected by other customers. When using the CIT, the customers themselves will have to decide which incidents mattered most to them and tell the researcher about these events.

Furthermore, the aim of this research is to investigate whether certain influences are robust across service sectors. In order to clarify this question, it is necessary to establish categories of the influences of other customers. The Critical Incident Technique clearly allows for the establishment of such categories. The typical approach to establishing these categories is to scrutinize the stories to identify data categories that describe the incidents (Grove and Fisk 1997; Stauss 1993). The researcher can then gain insights into the frequency and patterns of influences that affect a certain phenomenon (Gremler 2004). Therefore, the CIT will allow researchers to establish categories of factors that

affect the customers' satisfaction with the service, which will subsequently allow the identification of differences between service sectors.

Finally, the question of whether the influence of other customers varies across individuals needs to be clarified. In order to answer this question, a research method allowing the researchers to collect information on the respondents' profile (i.e., demographic variables) is needed. In contrast to other methods, such as the mere observation of service encounters, the CIT allows researchers to ask respondents about their demographic profile and can thus be considered adequate to providing answers to the research questions. In fact, Gremler (2004) explicitly recommends the inclusion of information about respondents in CIT research.

Taking all these factors into consideration, Grove and Fisk's (1997) choice of the CIT as a method of answering their research questions appears justified. Consequently, the CIT will be employed for the purpose of the present investigation.

# 4. 2. Research Design

## 4.2.1. Implementing the CIT

Before specifying the survey method, it is of paramount importance to clearly state what constitutes a "critical incident". For the purpose of the present investigation, a *critical* incident will be defined as an incident where, in a service encounter, other, unacquainted customers present had a significant impact upon the customer's satisfaction/dissatisfaction with the service encounter. Thus, any story relating to other factors having an influence upon service experiences will not be regarded as a critical incident. The unit of analysis will be the critical incident.

#### 4.2.2. Survey Method

When faced with the issue of choosing an appropriate survey method, the following factors had to be taken into account:

First, the time available for collecting data was limited. Secondly, there was only one interviewer available for collecting information.

Due to these two constraints, a self-administered survey approach was chosen as the most appropriate method of data collection. Furthermore, it was decided that a combination of hand delivery, administration by post and per e-mail should be used in order to reach as many respondents as possible.

#### 4.2.3. Questionnaire Development

After having specified the elements that needed to be considered in the research design, as well as the research method, the questionnaire development process was initiated. The aim of this process was to develop a questionnaire suitable for a self-administered survey. Therefore, the questions were required to be very clear and unambiguous. In addition, the questionnaire should motivate respondents to answer the questions and return the questionnaire.

The first version of the questionnaire was designed to contain both open-ended and closed questions (see Appendix 9). At the start of the questionnaire, respondents were asked whether they could remember an incident in which other customers present in the service encounter had significantly influenced their satisfaction with the service encounter.

Those who ticked "no" were asked to complete questions relating to their demographic profile at the end of the questionnaire. In contrast, respondents who had ticked "yes" were asked to specify whether their experience had been positive or negative and to answer the open questions that followed. They were then asked to describe in which service sector the incident had occurred as well as where the service encounter had taken place. Furthermore, they were asked to describe the service encounter in as much detail as possible.

Additional open-ended questions were included which required respondents to explain the feelings experienced during the service encounter. Finally, respondents were asked to specify whether other factors had influenced their satisfaction with the service encounter. Following these open questions, two closed items relating to purchase occasion as well as social density were included which were based on the definitions by Tombs and McCollKennedy (2003).

Questions relating to the respondents' profile were placed at the end of the questionnaire since it was felt that private topics should be avoided until the end. These questions were designed to capture the respondents' profiles in terms of nationality, age, gender, education, marital status, presence of children and income. The question relating to nationality was designed as an open-ended question. In contrast, a choice of potential answers was given for all the remaining questions. Respondents were asked to tick the appropriate answer. Attention was paid to developing categories that were both mutually exclusive and collectively exhaustive. Therefore, the question relating to education included an open space where respondents could indicate any type of education not mentioned in the categories.

The questionnaire was then administered to a group of four people for self completion. Subsequently, in-depth interviews were conducted with each participant. It was found that some of the questions were not correctly understood. More precisely, the respondents had difficulties understanding the terms "service encounter" as well as the term "service" itself. In addition, the fact that only the impact of *other customers* was of interest was not clear. As a result, responses included incidents in which, for example, service employees had affected customer satisfaction. Another problem encountered was the fact that respondents confused the topic of interest with "word-of-mouth behavior" and indicated incidents in which other customers had told them about a good service provider, thus inciting them to go there.

Based on the respondents' criticism, the questions were reformulated to specify the aim of the research and to eliminate the terms that had not been understood correctly. It was found that in order to prevent confusion, it was important to include examples of the type of information required. Thus, an example of a positive influence of other customers as well as one example of the negative influence was included. In addition, examples of services were given in order to ensure that respondents understood the term "service". Finally, the term "service encounter" was also explained by means of providing examples (e.g. visiting a museum, appointment at the doctor's etc.). Although citing examples may lead to bias, in this case, the benefits of including them were believed to outweigh the disadvantages.

All these measures led to a significant extension of the questionnaire in term of length and reading required. Therefore, an issue of concern was the length of the questionnaire, which could reduce the response rate. In order to reduce this risk, attempts were made to improve the design of the questionnaire. Pictures were incorporated to encourage people to complete the questionnaire.

Another amendment that was made to the questionnaire was that the open question asking respondents to specify where the service encounter had occurred was eliminated. This was done because respondents felt that this question was similar to the one asking them to specify the service sector.

The revised version of the questionnaire was subsequently administered to 10 participants of a pilot study who completed the questionnaire and made written remarks. It was found that the aim of the research was understood by all the respondents. However, three little changes were made. First, the question on income was reformulated. It originally asked respondents to specify their annual income. However, in Austria, income is generally reported in monthly income. In addition, the two questions asking respondents to explain the experience they had had and to specify the behavior of other customers were combined. Finally, it was felt that perhaps, it might not be necessary to give examples of feelings experienced during the service encounter. Therefore, these examples were eliminated.

Subsequently, in a second pilot study, 30 respondents were asked to complete the latest version of the questionnaire. The aim of this pilot study was to make sure that the respondents understood what was being asked for. In addition, the researcher wanted to determine whether the answers respondents provided to the open questions were detailed enough to be used in content analysis. It was found that the questions relating to feelings were correctly understood without examples being given. In addition, respondents provided fairly detailed answers to the open questions. Thus, the final version of the questionnaire had been obtained (see Appendix 10).

# 4.2.4. Sampling

The target population was defined as those people who were in a service encounter at least once.

Concerning the sampling methods, the benefits of choosing a probability sampling method had to be compared to its disadvantages.

While on the one hand, probability samples are definitely superior to non-probability samples, since they, for example, allow for the calculation of sampling error, they require more time and substantial financial resources. Due to a lack of both, it was decided that non-probability sampling would be the most appropriate method.

Grove and Fisk (1997) used a convenience sample in order to collect their data. Therefore, the appropriateness of this method for the purpose of the present investigation was verified. Although the random selection of respondents may seem to be biased at first, choosing a convenience sample can be regarded as useful for exploratory research. It is, however, recognized that the composition of the sample should be similar to the population of interest. Thus, when collecting the data, attempts should be made to capture a cross-section of the target population.

Research by Gremler (2004) also points to the appropriateness of using convenience samples in CIT research. In his study, Gremler (2004) showed that 23% of 113 CIT studies investigated used convenience samples, whereas 26% relied on probability samples. Taking these considerations into account, it was decided that a convenience sample of people known by the researcher would be chosen.

Due to constraints in time and budget, the sample size was limited to 200 people. It was decided that, in order to facilitate data collection and evaluation, each respondent should be asked to report only one critical incident.

#### 4. 3. Data Collection

Starting in March 2007, 200 questionnaires were initially sent to respondents known to the researcher via e-mail, mail or handed to them personally. It is important to mention that despite these differences in distribution, all questionnaires were self-administered, that is, the researcher was never present during completion.

Some respondents agreed to pass on questionnaires to some of their own friends, family or acquaintances, which led to a snowball effect. In total, 202 questionnaires were obtained. However, due to the fact that some of the questionnaires were passed on by respondents via e-mail, the response rate could not be accurately determined.

An important issue during data collection was data purification. Criteria for the inclusion of critical incidents in the final data set were developed. Thus, in order to be included for final data analysis, an incident was required to meet the following criteria. First, the incident had to involve *other customers*. Secondly, the incident had to take place *during* a *service encounter*. Third, the other customer(s) were required to be *unacquainted*. Finally, the incident had to be a *discrete* episode.

Based on these criteria, 18 critical incidents were excluded from the data set. Of these, 12 incidents referred to incidents related to the service personnel or to service failure. Two incidents were related to acquainted customers and one incident did not take place during a service encounter. Three incidents did not meet these criteria since they were related to respondents complaining about advertising, their salary or giving general suggestions about rules of conduct, respectively. In addition, one questionnaire could not be used since it lacked personal information.

The sample was composed as follows (see Appendix, TABLES 7-13 for details): Of the respondents who had reported valid critical incidents, 39.1% were male and 60.9% were female. Therefore the males-females-ratio was approximately the reverse of the ratio in Grove and Fisk's (1997) sample.

Furthermore, 44.6% of the respondents were single and 48.4% were married. The rest (7.1%) were either divorced or widowed. About half of the respondents had children

(50.5%). Concerning nationality, 95.7% of the respondents were Austrian. The remaining 4.3% were either U.S. German, Hungarian or Lebanese citizens.

As far as age is concerned, 55.4% of the respondents were younger than 41 years (55.4%). The youngest respondent selected the "0-14 years" category whereas the oldest respondent ticked the "81-90 years" box. 84 respondents (48.6%) of those willing to indicate their gross income earned between 1001 and 3000 euros per month, 37.6% earned up to 1000 euros, 13.3.% between 3001 and 5000 euros and only one respondent earned more than 5000 euros per month. 11 respondents did not indicate their income. Finally, about two thirds (64.7%) of those respondents who had indicated their level of education were educated beyond the high school diploma (with 26% college educated).

# 4. 4. Data Analysis

## 4.4.1. Classification of Incidents

In total, 184 valid questionnaires were gathered. 151 respondents (82.1%) indicated that other customers' sharing the servicescape had significantly affected their satisfaction with the service encounter. Of the reported critical incidents, 44.4% (n=67) related to others affecting the service experience in a positive way while 55.5% (n=84) cited dissatisfactory critical incidents.

In order to uncover the underlying dimensions of other customers' influence on service experiences, the data related to respondents indicating that others had significantly affected their service experience was further analyzed.

Prior to this, the use of a holdout sample was considered as a possible avenue but was not regarded as adequate due to the relatively small sample size. Therefore, all of the valid critical incidents were used for the development of a classification scheme.

To this end, the incidents were carefully read and sorted into different categories according to similarities in the experiences reported by respondents. This procedure was repeated several times until the researcher arrived at three primary groups that were mutually exclusive and sufficiently detailed. Next, based on the nature of the similarity of incidents within each group, labels were identified for each category.

Subsequently, the primary groups were further examined to establish secondary categories within each group. Repeating the procedure outlined above, the incidents within each primary group were again read, sorted, reread and recombined and appropriate labels for secondary categories were chosen. In total, 6 secondary categories were identified.

The next step of the analysis involved the creation of a detailed description of each of the primary and secondary categories. In order to assess interjudge agreement, this description was given to a second judge who had not taken part in the initial categorization. The judge was asked to apply this classification scheme across the complete data set. The coefficient of agreement was 98.67% for primary and secondary categories, respectively (see Appendix 18 for details). These values exceed the critical value of 80% frequently regarded as necessary to ensure the reliability of CIT categories (Gremler 2004).

# 4.4.2. Further Data Analysis

Paralleling Grove and Fisk's (1997) study, in addition to the identification of the dimensions of others' influence on service experiences, the dimensions' occurrence across customer characteristics was investigated. Furthermore, due to the extension of the study across several service contexts as well as the incorporation of control variables, attempts were made to uncover possible associations between the categories uncovered and sectors and control variables, respectively.

Finally, the likelihood of other customers' reporting satisfying or dissatisfactory critical incidents across sectors and demographic variables was established. Data analysis encompassed the following steps:

First, in order to clarify the question of how other customers affect one's service experience, the frequencies of the occurrence of positive and negative critical incidents as well as of primary and secondary groups were established using SPSS.

This was done using a three-step approach: First, the frequencies of the occurrence of *both* satisfying and dissatisfying primary and secondary groups were determined. Next, only the frequencies of *satisfying* groups were investigated. Finally, the *dissatisfying* groups were analyzed.

Subsequently, attempts were made to answer the question of whether the effects of other customers upon service experiences differ across services. Chi-square analyses were conducted to establish the various groups' occurrences across sectors. However, due to the relatively small size of the "ambience" group as well as the large number of sectors, sometimes, more than 20% of the cells in the tables had expected values below 5. Since this poses a great problem when conducting chi-square analysis, attempts were made to combine similar sectors. Nevertheless, this measure did not lead to significantly lower levels of cells with expected frequencies of below 5. Thus, in a final attempt to overcome the problems associated with the relatively small "ambience" category, some of the tests were conducted without this group. Although ignoring the final category significantly reduced the problem of small expected frequencies, it is recognized that the results of these tests are not of primary interest to the topic of this work. They are therefore, if statistically significant, presented in the appendix.

Another issue that was regarded as important for clarifying the second research question was the role of each primary and secondary group in the formation of satisfaction or dissatisfaction. Therefore, in order to gain insight into possible relationships, chi-square analyses were conducted.

Next, attempts were made to find answers to the question of whether the effects of other customers upon one's service experience vary across individuals. Again, a three-step approach was taken. First, investigations of the likelihood of others *positively* influencing one's service experience across the respondents' characteristics were established. Next, the procedure was repeated in order to establish the likelihood of others *negatively* influencing service experiences across the respondents' characteristics. Finally, an exploration of the occurrence of *both* positive *and* negative incidents across respondent characteristics was conducted.

Chi-square analyses were conducted to establish possible associations between the groups and categorical variables, such as nationality, gender, marital status and children. Again, in order to overcome problems associated with low expected frequencies, some of the tests were conducted without the "ambience" groups.

In addition, Kruskal-Wallis one-way analyses of variance were chosen in order to compare the variables measured at an ordinal level, such as age, education and the level of income across the primary groups. Furthermore, Mann-Whitney U-tests were used in order to compare two groups (e.g. secondary groups) on these ordinal variables.

Subsequently, frequency tables were produced for each of the additional variables included in the questionnaire such as emotions, other factors that had an influence on service experiences and whether the research provider could have prevented the incident. In addition, chi-square analyses were conducted to establish possible associations between the groups and the purchase occasion.

Finally, using chi-square analysis and the Mann-Whitney test, the likelihood of respondents answering with "yes" or "no" to the question of whether they had ever been in a service encounter in which other customers had significantly affected their service experience across respondent characteristics was established.

## 5. Results

This chapter presents the results of the classification procedure as well as of the statistical tests outlined above. The primary and secondary groups identified during the procedure are depicted in *Figure 1*.

TABLE 1 provides insights into the frequency distributions within each category.

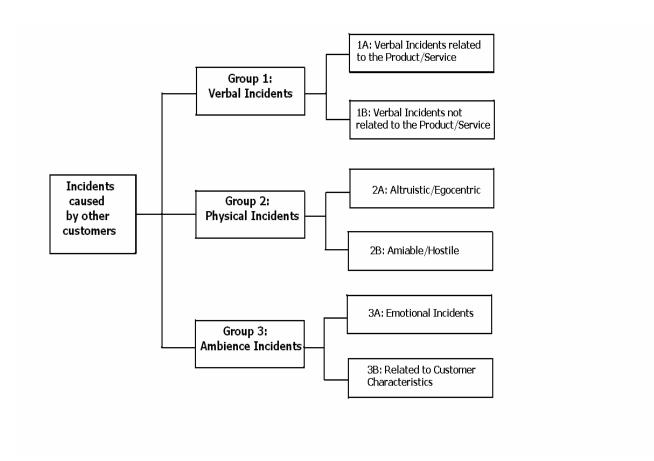


Figure 1: Categories of Other Customers' Influence

**TABLE 1: Numeric Tallies of Other Customer Critical Incidents** 

|                    |           |                       |                          | Τ          | уре           |        |
|--------------------|-----------|-----------------------|--------------------------|------------|---------------|--------|
| Group              |           |                       |                          | Satisfying | Dissatisfying | Total  |
| Verbal Incidents   | Secondary | Related to product    | Count                    | 18         | 12            | 30     |
|                    | Group     | or service            | Expected Count           | 16,0       | 14,0          | 30,0   |
|                    |           |                       | % within Group1          | 60,0%      | 40,0%         | 100,0% |
|                    |           |                       | % within Type            | 45,0%      | 34,3%         | 40,0%  |
|                    |           |                       | % of Total               | 24,0%      | 16,0%         | 40,0%  |
|                    |           | Customer-oriented     | Count                    | 22         | 23            | 45     |
|                    |           |                       | Expected Count           | 24,0       | 21,0          | 45,0   |
|                    |           |                       | % within Group1          | 48,9%      | 51,1%         | 100,0% |
|                    |           |                       | % within Type            | 55,0%      | 65,7%         | 60,0%  |
|                    |           |                       | % of Total               | 29,3%      | 30,7%         | 60,0%  |
|                    | Total     |                       | Count                    | 40         | 35            | 75     |
|                    |           |                       | Expected Count           | 40,0       | 35,0          | 75,0   |
|                    |           |                       | % within Group1          | 53,3%      | 46,7%         | 100,0% |
|                    |           |                       | % within Type            | 100,0%     | 100,0%        | 100,0% |
|                    |           |                       | % of Total               | 53,3%      | 46,7%         | 100,0% |
| Physical Incidents | Secondary | Egocentric/Altruistic | Count                    | 10         | 41            | 51     |
|                    | Group     |                       | Expected Count           | 15,5       | 35,5          | 51,0   |
|                    |           |                       | % within Group1          | 19,6%      | 80,4%         | 100,0% |
|                    |           |                       | % within Type            | 50,0%      | 89,1%         | 77,3%  |
|                    |           |                       | % of Total               | 15,2%      | 62,1%         | 77,3%  |
|                    |           | Amiable/Hostile       | Count                    | 10         | 5             | 15     |
|                    |           |                       | Expected Count           | 4,5        | 10,5          | 15,0   |
|                    |           |                       | % within Group1          | 66,7%      | 33,3%         | 100,0% |
|                    |           |                       | % within Type            | 50,0%      | 10,9%         | 22,7%  |
|                    |           |                       | % of Total               | 15,2%      | 7,6%          | 22,7%  |
|                    | Total     |                       | Count                    | 20         | 46            | 66     |
|                    |           |                       | Expected Count           | 20,0       | 46,0          | 66,0   |
|                    |           |                       | % within Group1          | 30,3%      | 69,7%         | 100,0% |
|                    |           |                       | % within Type            | 100,0%     | 100,0%        | 100,0% |
|                    |           |                       | % of Total               | 30,3%      | 69,7%         | 100,0% |
| Ambience Incidents | Secondary | Emotion               | Count                    | 50,570     | 0             | 5      |
|                    | Group     |                       | Expected Count           | 3,5        | 1,5           | 5,0    |
|                    | •         |                       | % within Group1          | 100,0%     | .0%           | 100,0% |
|                    |           |                       | % within Type            | 71,4%      | ,0%           | 50,0%  |
|                    |           |                       | % of Total               | 50,0%      | ,0%           | 50,0%  |
|                    |           | Characteristics       | Count                    | 2          | 3             | 50,070 |
|                    |           | Characteriotics       | Expected Count           | 3,5        | 1,5           | 5,0    |
|                    |           |                       | % within Group1          | 40,0%      | 60,0%         | 100,0% |
|                    |           |                       | % within Type            | 28,6%      | 100,0%        | 50,0%  |
|                    |           |                       | % within Type % of Total | 20,0%      | 30,0%         | 50,0%  |
|                    | Total     |                       | Count                    |            | 30,0%         |        |
|                    | TULAT     |                       | Expected Count           | 7          | i .           | 10     |
|                    |           |                       | •                        | 7,0        | 3,0           | 10,0   |
|                    |           |                       | % within Group1          | 70,0%      | 30,0%         | 100,0% |
|                    |           |                       | % within Type            | 100,0%     | 100,0%        | 100,0% |
|                    |           |                       | % of Total               | 70,0%      | 30,0%         | 100,0% |

# 5. 1. Critical Incident Sort – Primary Categories

Three primary groups were identified when sorting the critical incidents.

#### **Group 1 - Verbal Incidents**

This group (n=75) relates to other customers interacting verbally with respondents. Both conversations with other customers and verbal expressions by other customers not directed at the respondents were part of this category.

#### **Group 2 - Physical Incidents**

The second category identified (n=66) includes occasions in which other customers displayed a certain non-verbal behavior that had direct impact upon the customers' satisfaction with the service encounter. Satisfying incidents in this category (n=20) included good deeds such as helping others or renouncing an advantage whereas dissatisfying incidents (n=46) referred to other customers performing hostile acts or being self-centred and aloof.

#### **Group 3 - Ambience Incidents**

The last, and smallest, group identified (n=10) refers to how the mere characteristics of others influenced one's satisfaction or how, collectively, other customers created a special, emotionally charged atmosphere.

The incidents in this category cannot be described as strictly "passive". Nonetheless, if one assumed there was a continuum between the active and passive influence of other customers on service experiences, the incidents in this group could perhaps be described as being closer to the passive end. In contrast to the incidents in groups 1 and 2, incidents in this category generally rather related to others exerting an influence without actively *doing* something.

Satisfying incidents in this group (n=7) involved others contributing to a sense of excitement and a positive atmosphere.

Dissatisfying ambiance incidents (n=3), on the other hand, included occasions in which other patrons took away space, had body odor, or repelled customers because they were foreigners.

# 5. 2. Critical Incident Sort – Secondary Categories

Closer inspection of the three primary groups revealed six secondary categories. TABLES 2, 3 and 4 provide examples of incidents in each category.

#### Group 1A - Verbal Incidents Related to the Product or Service

The critical incidents in Group 1A include episodes of other customers expressing their opinion about the product or service as well as occasions in which other customers passed on information about the product/service during the service encounter.

The satisfying critical incidents (n=18) included many instances in which the provision of information by other customers reduced the respondent's uncertainty about a product or service. In some cases, by providing important information, other customers assumed the role of "partial employees", thus preventing customer dissatisfaction caused by a lack of information which could otherwise have arisen.

The dissatisfying critical incidents (n=12), on the other hand, were often instances where the information or opinion conveyed by other customers reinforced or changed the respondent's opinion about the product or service or where customers were annoyed by other customers expressing their opinion about the product or service.

#### **Group 1B – Verbal Incidents Not Related to the Product or Service**

This category includes incidents in which verbal exchanges not related to the product or service affected the respondent's satisfaction or dissatisfaction.

Satisfying incidents (n=22) frequently involved pleasant conversations with other customers. People often stated that talking to others reduced waiting time or made them feel less uneasy about insecure aspects of the product or service.

# 5. Results

Dissatisfying incidents (n=23), on the other hand, included more diverse incidents, such as others being loud or talking too much as well as insulting respondents or other customers.

TABLE 2: Group 1 - Verbal Incidents: Examples of Satisfying and Dissatisfying Critical Incidents

| Group 1A: Verbal Incidents Related to the Product/Service |   |  |  |  |  |
|---|---|--|--|--|--|
| Type of Incident  | Sample Response   |  |  |  |  |
| Satisfying  | "I was waiting at the vet's and started talking to the other pet    |  |  |  |  |
|   | owners. When I mentioned that it was the first time I was there, I  |  |  |  |  |
|   | was told many stories about the vet. They were all positive. I was  |  |  |  |  |
|   | told that the vet diagnoses quickly and correctly and that he is a  |  |  |  |  |
|   | specialist in operations. It turned out that some of the pet owners |  |  |  |  |
|   | had travelled 200 km to see that particular vet. As a result of     |  |  |  |  |
|   | these stories, I was sure that my pet would be treated well. I felt |  |  |  |  |
|   | secure and in good hands."  |  |  |  |  |
| Dissatisfying   | "The train was 20 minutes late and stopped once again between       |  |  |  |  |
|   | Vienna and St. Pölten. I had a conversation with the other          |  |  |  |  |
|   | passengers I shared the compartment with and we talked about        |  |  |  |  |
|   | the railway company. It all came down to negative aspects. The      |  |  |  |  |
|   | problems I had encountered were confirmed and I was                 |  |  |  |  |
|   | additionally told about other further absurdities I had not yet     |  |  |  |  |
|   | known about."   |  |  |  |  |
| Group 1B: Verbal  | Incidents Not Related to the Product or Service                     |  |  |  |  |
| Type of Incident  | Sample Response   |  |  |  |  |
| Satisfying  | "I was on the train from Kitzbühel to Überlingen. When I had to     |  |  |  |  |
|   | change trains in Innsbruck, I got to know two ladies of my age      |  |  |  |  |
|   | who were heading for the same destination. We shared a              |  |  |  |  |
|   | compartment and had a pleasant conversation. Although the           |  |  |  |  |
|   | journey took 6 hours, the time passed quickly due to this new       |  |  |  |  |
|   | acquaintanceship. I felt secure."                                   |  |  |  |  |
| Dissatisfying   | "I was sitting in a restaurant. There were only a few guests. I     |  |  |  |  |
|   | was trying to read the newspaper but a woman who was sitting        |  |  |  |  |
|   | at the table next to me talked loudly on the mobile while she was   |  |  |  |  |
|   | eating. All the guests were forced to listen to the conversation."  |  |  |  |  |

#### Group 2A - Altruism/Egocentrism

The satisfying incidents (n=10) in category 2A were linked to altruistic behavior. They typically involved patrons renouncing an advantage or giving up their better position in favor of other customers. These incidents frequently occurred in settings in which customers were waiting in line or in which seats were occupied.

Dissatisfying incidents (n=41) in this category were identified as egocentric behavior. They included self-centred deeds or behavior in which other customers did not give up their better position or were not ready to renounce something for the benefit of others. In addition, some respondents reported occasions in which others tried to get an advantage at the expense of other customers. Typical incidents involved cutting in line, occupying empty seats, smoking or not giving others an advantage when waiting in line.

#### Group 2B - Amiability/Hostility

This category includes episodes of amiability and hostility. Positive incidents (n=10) involved many occasions in which others were amiable or helpful, without renouncing something.

Dissatisfying incidents (n=5) were linked to others being hostile. These incidents included other customers attacking others physically as well as destroying property or physically expressing hostility.

TABLE 3: Group 2 - Physical Incidents: Examples of Satisfying and Dissatisfying Critical Incidents

| Group 2A: Altruistic/Egocentric Incidents |   |  |  |  |  |  |  |
|---|---|--|--|--|--|--|--|
| Type of Incident                          | Sample Response   |  |  |  |  |  |  |
| Satisfying                                | "I was waiting in line at the cash register in the supermarket. A |  |  |  |  |  |  |
|   | woman ahead of me, who had not bought much herself, asked me      |  |  |  |  |  |  |
|   | whether I wanted to go first. It was a very positive experience   |  |  |  |  |  |  |
|   | and I associate the supermarket with it."                         |  |  |  |  |  |  |
| Dissatisfying                             | "I had to change busses and got onto a bus that was fully         |  |  |  |  |  |  |
|   | occupied. I had my 3-year old daughter and 1-year old son with    |  |  |  |  |  |  |
|   | me and was pregnant. None of the passengers got up or offered     |  |  |  |  |  |  |
|   | to take my daughter on his/her lap. When I asked a lady to take   |  |  |  |  |  |  |
|   | my daughter on her lap, she refused and told me that she had to   |  |  |  |  |  |  |
|   | hold her bag. I did not ask anyone else. I was depressed."        |  |  |  |  |  |  |
| Group 2B: Amiab                           | le/Hostile Incidents  |  |  |  |  |  |  |
| Type of Incident                          | Sample Response   |  |  |  |  |  |  |
| Satisfying                                | "I was staying at a hotel in Zillertal and got to know a nice     |  |  |  |  |  |  |
|   | couple from Westphalia. They were about my age. They invited      |  |  |  |  |  |  |
|   | me to a trip. I happily accepted the invitation. It was a nice    |  |  |  |  |  |  |
|   | experience."  |  |  |  |  |  |  |
| Dissatisfying                             | "When I got on the plane, I realized that the overhead bin was    |  |  |  |  |  |  |
|   | full. I therefore put my luggage into the overhead bin in front.  |  |  |  |  |  |  |
|   | When the passenger seated in front of me arrived, he threw my     |  |  |  |  |  |  |
|   | bag on the floor. I was angry."                                   |  |  |  |  |  |  |

# **Group 3A - Emotional Incidents**

This category includes instances in which other customers present contributed to a very special, emotionally charged atmosphere.

Only satisfying incidents (n=5) were found in this group. These incidents involved others contributing to a sense of excitement and creating a positive atmosphere.

# **Group 3B - Customer Characteristics**

In contrast to the critical incidents identified in the "emotional" category, the critical incidents in this category relate to how *customer characteristics* such as nationality, weight, or body odor affected the respondents' satisfaction with the service encounter. Satisfying critical incidents (n=2) in this category include others contributing to a nice atmosphere due to their nationality while dissatisfying critical incidents (n=3) relate to others having bad body odor or being foreigners.

TABLE 4: Group 3 - Ambience Incidents: Examples of Satisfying and Dissatisfying Critical Incidents

| Group 3A: Emotional Incidents |   |  |  |  |  |
|-------------------------------|---|--|--|--|--|
| Type of Incident              | Sample Response   |  |  |  |  |
| Satisfying                    | "At a concert, everyone was enthusiastic. The applause as well      |  |  |  |  |
|                               | as the fact that everyone was flocking to the stage were great. I   |  |  |  |  |
|                               | felt joy and satisfaction about having been able to participate."   |  |  |  |  |
| Group 3B: Custon              | ner Characteristics   |  |  |  |  |
| Type of Incident              | Sample Response   |  |  |  |  |
| Satisfying                    | "I went to a small Italian restaurant in Vienna. The other          |  |  |  |  |
|                               | guests were mainly Italians. Due to this, the atmosphere was        |  |  |  |  |
|                               | very pleasant and I felt as if I was on vacation. This had a        |  |  |  |  |
|                               | positive influence on my perception of the visit to the             |  |  |  |  |
|                               | restaurant."  |  |  |  |  |
| Dissatisfying                 | "I was in the hospital in order to make an appointment. When I      |  |  |  |  |
|                               | came there, the waiting room was full of people, mainly Muslim      |  |  |  |  |
|                               | women. I felt as if I was abroad and lost my confidence into the    |  |  |  |  |
|                               | institution. After this visit, I decided to choose another doctor." |  |  |  |  |

# 5. 3. Insight into Research Questions

The classification of the critical incidents gathered as well as the tests conducted allow to answer the research questions asked earlier in this paper.

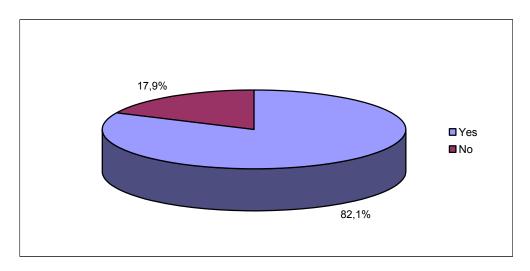
1. Do other customers affect one's service experience? If so, in which service sectors?

As already stated above, 151 respondent (82.1%) in the sample indicated that other customers present in the servicescape had significantly affected their satisfaction or dissatisfaction with the service encounter (see TABLE 5 and *Figure 2* below). This high percentage suggests that other customers *do* indeed have an influence on one's service experience.

TABLE 5: Frequency Distribution of the Effect of Other Customer-Yes vs. No

|       |       | Frequency | Percent | Valid   | Cumulative |
|-------|-------|-----------|---------|---------|------------|
|       |       |           |         | Percent | Percent    |
| Valid | Yes   | 151       | 82,1    | 82,1    | 82,1       |
|       | No    | 33        | 17,9    | 17,9    | 100,0      |
|       | Total | 184       | 100,0   | 100,0   |            |

Figure 2: Graphical Representation of the Frequency of the Effect of Other Customers – Yes vs. No



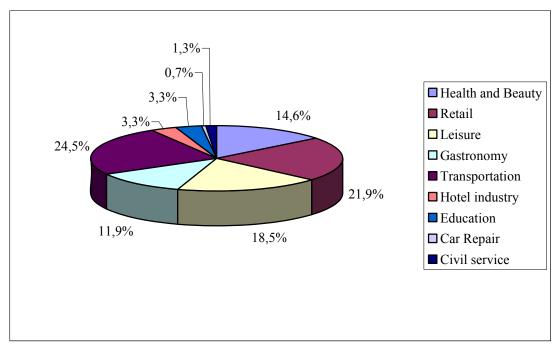
Base: 184 respondents

TABLE 6 provides an overview of the broad categories of sectors mentioned by respondents when citing the influence of other customers. *Figure 3* provides a graphical representation of the major sectors. For a detailed list of all sectors, see Appendix 19.

**TABLE 6: Frequency Distribution of Incidents in the Major Sectors** 

|       |                | Frequency | Percent | Valid Percent | Cumulative |
|-------|----------------|-----------|---------|---------------|------------|
|       |                |           |         |               | Percent    |
| Valid | Health and     | 22        | 14,6    | 14,6          | 14,6       |
|       | Beauty         |           |         |               |            |
|       | Retail         | 33        | 21,9    | 21,9          | 36,4       |
|       | Leisure        | 28        | 18,5    | 18,5          | 55,0       |
|       | Gastronomy     | 18        | 11,9    | 11,9          | 66,9       |
|       | Transportation | 37        | 24,5    | 24,5          | 91,4       |
|       | Hotel Industry | 5         | 3,3     | 3,3           | 94,7       |
|       | Education      | 5         | 3,3     | 3,3           | 98,0       |
|       | Car Repair     | 1         | ,7      | ,7            | 98,7       |
|       | Civil Service  | 2         | 1,3     | 1,3           | 100,0      |
|       | Total          | 151       | 100,0   | 100,0         |            |

Figure 3: Graphical Representation of the Frequency of Critical Incidents in the Major Sectors



Base: 151 respondents

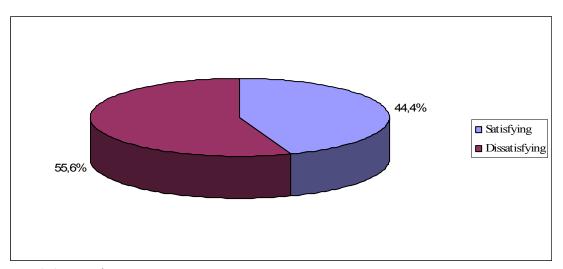
2. Specifically, how do other customers affect one's service experience? Are there differences across service sectors?

When examining the way in which other customers affect one's service experience, it is interesting to note that incidents relating to satisfying incidents and those relating to dissatisfying incidents are fairly evenly split. Thus, 67 respondents (44.4%) reported a satisfactory experience while 84 subjects (55.6%) indicated that others sharing the servicescape had affected their service experience in a negative way (see TABLE 7 and *Figure 4*) Therefore, clearly, other customers can have a positive or a negative impact on satisfaction.

TABLE 7: Frequency Distribution of Satisfying and Dissatisfying Critical Incidents

|       |               | Frequency | Percent | Valid   | Cumulative |
|-------|---------------|-----------|---------|---------|------------|
|       |               |           |         | Percent | Percent    |
| Valid | Satisfying    | 67        | 44,4    | 44,4    | 44,4       |
|       | Dissatisfying | 84        | 55,6    | 55,6    | 100,0      |
|       | Total         | 151       | 100,0   | 100,0   |            |

Figure 4: Graphical Representation of the Frequency of Satisfying and Dissatisfying Critical Incidents



Base: 151 respondents

The distribution of satisfactory and dissatisfactory critical incident seems to be robust across service sectors as no statistically significant differences in the distribution of satisfactory and dissatisfactory incidents across service sectors could be detected (see TABLE 8)

TABLE 8: Satisfaction/Dissatisfaction - The Impact of Major Sectors

|       |               |                 | Broad Sectors |        |             |            |           |            |        |
|-------|---------------|-----------------|---------------|--------|-------------|------------|-----------|------------|--------|
|       |               |                 |               |        |             | Gastronomy |           | Car Repair |        |
|       |               |                 | Health and    |        | Leisure and | and Hotel  | Transport | and Civil  |        |
|       |               |                 | Beauty        | Retail | Education   | Industry   | ation     | Service    | Total  |
| Туре  | Satisfying    | Count           | 11            | 20     | 14          | 7          | 13        | 2          | 67     |
|       |               | Expected Count  | 9,8           | 14,6   | 14,6        | 10,2       | 16,4      | 1,3        | 67,0   |
|       |               | % within Type   | 16,4%         | 29,9%  | 20,9%       | 10,4%      | 19,4%     | 3,0%       | 100,0% |
|       |               | % within Sector | 50,0%         | 60,6%  | 42,4%       | 30,4%      | 35,1%     | 66,7%      | 44,4%  |
|       |               | % of Total      | 7,3%          | 13,2%  | 9,3%        | 4,6%       | 8,6%      | 1,3%       | 44,4%  |
|       | Dissatisfying | Count           | 11            | 13     | 19          | 16         | 24        | 1          | 84     |
|       |               | Expected Count  | 12,2          | 18,4   | 18,4        | 12,8       | 20,6      | 1,7        | 84,0   |
|       |               | % within Type   | 13,1%         | 15,5%  | 22,6%       | 19,0%      | 28,6%     | 1,2%       | 100,0% |
|       |               | % within Sector | 50,0%         | 39,4%  | 57,6%       | 69,6%      | 64,9%     | 33,3%      | 55,6%  |
|       |               | % of Total      | 7,3%          | 8,6%   | 12,6%       | 10,6%      | 15,9%     | ,7%        | 55,6%  |
| Total |               | Count           | 22            | 33     | 33          | 23         | 37        | 3          | 151    |
|       |               | Expected Count  | 22,0          | 33,0   | 33,0        | 23,0       | 37,0      | 3,0        | 151,0  |
|       |               | % within Type   | 14,6%         | 21,9%  | 21,9%       | 15,2%      | 24,5%     | 2,0%       | 100,0% |
|       |               | % within Sector | 100,0%        | 100,0% | 100,0%      | 100,0%     | 100,0%    | 100,0%     | 100,0% |
|       |               | % of Total      | 14,6%         | 21,9%  | 21,9%       | 15,2%      | 24,5%     | 2,0%       | 100,0% |

#### **Chi-Square Tests**

|                                 | Value              | df | Asymp. Sig.<br>(2-sided) |
|---------------------------------|--------------------|----|--------------------------|
| Pearson Chi-Square              | 7,550 <sup>a</sup> | 5  | ,183                     |
| Likelihood Ratio                | 7,616              | 5  | ,179                     |
| Linear-by-Linear<br>Association | 3,233              | 1  | ,072                     |
| N of Valid Cases                | 151                |    |                          |

a. 2 cells (16,7%) have expected count less than 5. The minimum expected count is 1,33.

Regarding the questions of how, specifically, other customers influence one's satisfaction or dissatisfaction with the service experience, 3 primary and 6 secondary categories were uncovered (see TABLE 1, above). Concerning the primary categories, 49.7% of respondent (n=75) reported verbal, 43.7% physical (n=66) and 6.6% (n=10) ambience incidents (see Appendices 20 and 21).

As far as differences in the distribution of these groups across service sectors are concerned, due to the fact that more than 20% of the cells in the tables exhibited expected frequencies of less than 5, the results from the chi-square tests cannot be regarded as reliable.

However, it is worth mentioning that, when leaving away ambience incidents, the sectors were significantly related to the likelihood of reporting a certain primary incident (see Appendix 22).

When taking a closer look at the secondary categories identified during the classification procedure, the following picture emerges (see TABLE 1, above): Within the verbal group, 40% (n=30) of the incidents were related to the product or service while 60% (n=45) were not.

In the physical group, on the other hand, incidents relating to altruistic or egocentric behavior were cited by 77.3% (n=51) of respondents while amiable or hostile incidents were only reported by 22.7% (n=15).

With respect to the ambience group, incidents were evenly split between emotional occurrences and incidents related to other customers' characteristics (50%, n=5, respectively). See Appendices 23 - 28 for output tables and graphical representation of the results.

As far as a possible relationship between the secondary categories and sectors is concerned, no reliable results could be obtained (see Appendices, TABLES 29 - 36).

Concerning the role of each primary group of other's influence in the formation of satisfaction/dissatisfaction, in TABLE 9, statistically significant differences across groups were detected ( $\chi^2$ =10,394, p<0.01). For example, with respect to the verbal group, the number of people citing satisfying incidents (n=40) was slightly greater than the number of respondents indicating dissatisfactory incidents (n=35) of the same origin. In contrast, with respect to physical, more than twice as many respondents reported dissatisfying incidents (n=46) than customers who cited satisfying incidents (n=20). Similarly, the number of respondents recalling satisfying ambience incidents (n=7) was twice as large as the number of people indicating they had encountered negative ambience incidents (n=3).

Overall, verbal and ambience incidents were more satisfying (53.3% and 70%, respectively) and physical incidents were more dissatisfying (69.7%).

**TABLE 9: Satisfaction/Dissatisfaction – The Impact of Primary Groups** 

|       |                    |                       | Туре       |               |        |
|-------|--------------------|-----------------------|------------|---------------|--------|
|       |                    |                       | Satisfying | Dissatisfying | Total  |
| Group | Verbal Incidents   | Count                 | 40         | 35            | 75     |
|       |                    | Expected Count        | 33,3       | 41,7          | 75,0   |
|       |                    | % within Group        | 53,3%      | 46,7%         | 100,0% |
|       |                    | % within Type         | 59,7%      | 41,7%         | 49,7%  |
|       |                    | % of Total            | 26,5%      | 23,2%         | 49,7%  |
|       | Physical Incidents | Count                 | 20         | 46            | 66     |
|       |                    | <b>Expected Count</b> | 29,3       | 36,7          | 66,0   |
|       |                    | % within Group        | 30,3%      | 69,7%         | 100,0% |
|       |                    | % within Type         | 29,9%      | 54,8%         | 43,7%  |
|       |                    | % of Total            | 13,2%      | 30,5%         | 43,7%  |
|       | Ambience Incidents | Count                 | 7          | 3             | 10     |
|       |                    | <b>Expected Count</b> | 4,4        | 5,6           | 10,0   |
|       |                    | % within Group        | 70,0%      | 30,0%         | 100,0% |
|       |                    | % within Type         | 10,4%      | 3,6%          | 6,6%   |
|       |                    | % of Total            | 4,6%       | 2,0%          | 6,6%   |
| Total |                    | Count                 | 67         | 84            | 151    |
|       |                    | <b>Expected Count</b> | 67,0       | 84,0          | 151,0  |
|       |                    | % within Group        | 44,4%      | 55,6%         | 100,0% |
|       |                    | % within Type         | 100,0%     | 100,0%        | 100,0% |
|       |                    | % of Total            | 44,4%      | 55,6%         | 100,0% |

**Chi-Square Tests** 

|                                 | Value               | df | Asymp. Sig.<br>(2-sided) |
|---------------------------------|---------------------|----|--------------------------|
| Pearson Chi-Square              | 10,394 <sup>a</sup> | 2  | ,006                     |
| Likelihood Ratio                | 10,587              | 2  | ,005                     |
| Linear-by-Linear<br>Association | 1,221               | 1  | ,269                     |
| N of Valid Cases                | 151                 |    |                          |

a. 1 cells (16,7%) have expected count less than 5. The minimum expected count is 4,44.

When examining the role of secondary groups in the formation of satisfaction or dissatisfaction, again, problems concerning low expected frequencies were encountered for the subcategories of physical and ambience incidents. No significant relationships between the subcategories of the verbal category and satisfaction or dissatisfaction could be obtained (see Appendix 37).

3. Does the effect of other customers upon one's service experience vary across individuals?

The following variables were included in the examination of whether individual differences play a role in how respondents react to other customers: nationality, age, gender, children, marital status, education and income.<sup>2</sup>

It is interesting to note that only the level of income was statistically significantly (p<0.05) related to the likelihood of reporting a *satisfactory* primary incident (see TABLE 10). Thus, respondents who reported verbal incidents tended to have a higher income than respondents who reported physical or ambience incidents.

When applying the chi-square test, the variables "children", "nationality", "gender" and "marital status" all exhibited problems concerning low expected frequencies. Age and education were not significantly related to the likelihood of reporting a satisfying primary incident.

**TABLE 10: Satisfactory Primary Incidents – The Impact of Income** 

|        | Group              | N  | Mean Rank |
|--------|--------------------|----|-----------|
| Income | Verbal Incidents   | 39 | 35,63     |
|        | Physical Incidents | 17 | 22,09     |
|        | Ambience Incidents | 6  | 31,33     |
|        | Total              | 62 |           |

Test Statisticsa,b

|             | Income1 |
|-------------|---------|
| Chi-Square  | 8,182   |
| df          | 2       |
| Asymp. Sig. | ,017    |

a. Kruskal Wallis Test

b. Grouping Variable: Group

<sup>2</sup> It is important to note that, with one exception, only statistically significant results will be presented in this section.

For the statistically significant results without ambience incidents, see Appendices 38 – 40.

Concerning the secondary groups, the relationships between certain satisfying verbal incidents (incidents related to the product or service vs. incidents not related to the product or service) and age, gender, children and income, respectively, were statistically significant.

As TABLE 11 shows, more male (55.6%) than female (44.4%) respondents reported satisfying verbal incidents related to the product or service whereas more females (77.3%) than males (22.7%) cited satisfying verbal incidents not related to the product or service.

TABLE 11: Satisfactory Verbal Incidents - The Impact of Gender

|        |                |                      | Ger    | ıder   |        |
|--------|----------------|----------------------|--------|--------|--------|
|        |                |                      | Male   | Female | Total  |
| Verbal | Related to the | Count                | 10     | 8      | 18     |
| Group  | Product or     | Expected Count       | 6,8    | 11,3   | 18,0   |
|        | Service        | % within GroupVerbal | 55,6%  | 44,4%  | 100,0% |
|        |                | % within Gender      | 66,7%  | 32,0%  | 45,0%  |
|        |                | % of Total           | 25,0%  | 20,0%  | 45,0%  |
|        | Not Related to | Count                | 5      | 17     | 22     |
|        | the Product or | Expected Count       | 8,3    | 13,8   | 22,0   |
|        | Service        | % within GroupVerbal | 22,7%  | 77,3%  | 100,0% |
|        |                | % within Gender      | 33,3%  | 68,0%  | 55,0%  |
|        |                | % of Total           | 12,5%  | 42,5%  | 55,0%  |
| Total  |                | Count                | 15     | 25     | 40     |
|        |                | Expected Count       | 15,0   | 25,0   | 40,0   |
|        |                | % within GroupVerbal | 37,5%  | 62,5%  | 100,0% |
|        |                | % within Gender      | 100,0% | 100,0% | 100,0% |
|        |                | % of Total           | 37,5%  | 62,5%  | 100,0% |

**Chi-Square Tests** 

|                                    | Value              | df | Asymp. Sig.<br>(2-sided) | Exact Sig. (2-sided) | Exact Sig. (1-sided) |
|------------------------------------|--------------------|----|--------------------------|----------------------|----------------------|
| Pearson Chi-Square                 | 4,552 <sup>b</sup> | 1  | ,033                     |                      |                      |
| Continuity Correction <sup>a</sup> | 3,259              | 1  | ,071                     |                      |                      |
| Likelihood Ratio                   | 4,612              | 1  | ,032                     |                      |                      |
| Fisher's Exact Test                |                    |    |                          | ,050                 | ,035                 |
| Linear-by-Linear<br>Association    | 4,438              | 1  | ,035                     |                      |                      |
| N of Valid Cases                   | 40                 |    |                          |                      |                      |

a. Computed only for a 2x2 table

The relationships captured by TABLE 12 (see below) are statistically significant  $(\chi^2=6,061, \text{ p}<0.05)$  as well. Close examination shows that respondents with children (60%) rather indicated satisfactory verbal incidents related to the product or service than satisfactory verbal incidents not related to the product or service (40%). Respondent who do not have children, on the other hand, were more likely to report satisfying verbal incidents not related to the product or service (80%) than satisfactory verbal incidents related to the product or service (20%).

**TABLE 12: Satisfactory Verbal Incidents – The Impact of Children** 

|        |                |                      | Child  | dren   |        |
|--------|----------------|----------------------|--------|--------|--------|
|        |                |                      | Yes    | No     | Total  |
| Verbal | Related to the | Count                | 15     | 3      | 18     |
| Group  | Product or     | Expected Count       | 11,3   | 6,8    | 18,0   |
|        | Service        | % within GroupVerbal | 83,3%  | 16,7%  | 100,0% |
|        |                | % within Children    | 60,0%  | 20,0%  | 45,0%  |
|        |                | % of Total           | 37,5%  | 7,5%   | 45,0%  |
|        | Not related to | Count                | 10     | 12     | 22     |
|        | the Product or | Expected Count       | 13,8   | 8,3    | 22,0   |
|        | Service        | % within GroupVerbal | 45,5%  | 54,5%  | 100,0% |
|        |                | % within Children    | 40,0%  | 80,0%  | 55,0%  |
|        |                | % of Total           | 25,0%  | 30,0%  | 55,0%  |
| Total  |                | Count                | 25     | 15     | 40     |
|        |                | Expected Count       | 25,0   | 15,0   | 40,0   |
|        |                | % within GroupVerbal | 62,5%  | 37,5%  | 100,0% |
|        |                | % within Children    | 100,0% | 100,0% | 100,0% |
|        |                | % of Total           | 62,5%  | 37,5%  | 100,0% |

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 6,75.

**Chi-Square Tests** 

|                                    | Value              | df | Asymp. Sig.<br>(2-sided) | Exact Sig. (2-sided) | Exact Sig. (1-sided) |
|------------------------------------|--------------------|----|--------------------------|----------------------|----------------------|
| Pearson Chi-Square                 | 6,061 <sup>b</sup> | 1  | ,014                     |                      |                      |
| Continuity Correction <sup>a</sup> | 4,552              | 1  | ,033                     |                      |                      |
| Likelihood Ratio                   | 6,388              | 1  | ,011                     |                      |                      |
| Fisher's Exact Test                |                    |    |                          | ,022                 | ,015                 |
| Linear-by-Linear<br>Association    | 5,909              | 1  | ,015                     |                      |                      |
| N of Valid Cases                   | 40                 |    |                          |                      |                      |

a. Computed only for a 2x2 table

The results in TABLE 13 are significant as well (p<0.05). Therefore, the null hypothesis that the two groups are the same can be rejected and it can be concluded that respondents who reported satisfactory verbal incidents related to the product or service tend to earn more than those who reported satisfying verbal incidents not related to the product or service.

**TABLE 13: Satisfactory Verbal Incidents – The Impact of Income** 

|        | Verbal Group                            | N  | Mean Rank | Sum of Ranks |
|--------|---|----|-----------|--------------|
| Income | Related to the<br>Product or<br>Service | 18 | 24,08     | 433,50       |
|        | Not Related to<br>Product or<br>Service | 21 | 16,50     | 346,50       |
|        | Total                                   | 39 |           |              |

Test Statistics(b)

|                                | Income1 |
|--------------------------------|---------|
| Mann-Whitney U                 | 115,500 |
| Wilcoxon W                     | 346,500 |
| Z                              | -2,367  |
| Asymp. Sig. (2-tailed)         | ,018    |
| Exact Sig. [2*(1-tailed Sig.)] | ,037(a) |

a Not corrected for ties.

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 6,75.

b Grouping Variable: GroupVerbal

The final variable statistically significantly (p<0.05) related to the likelihood of reporting a certain satisfying verbal incident was age. As TABLE 14 shows, respondents who reported satisfactory verbal incidents related to the product or service tend to be older than those who reported occasions of verbal incidents not related to the product or service.

TABLE 14: Satisfactory Verbal Incidents – The Impact of Age

|     | Verbal Group                            | N  | Mean Rank | Sum of Ranks |
|-----|---|----|-----------|--------------|
| Age | Related to the<br>Product or<br>Service | 18 | 25,39     | 457,00       |
|     | Not related to the Product or Service   | 22 | 16,50     | 363,00       |
|     | Total                                   | 40 |           |              |

Test Statisticsb

|                                | Age               |
|--------------------------------|-------------------|
| Mann-Whitney U                 | 110,000           |
| Wilcoxon W                     | 363,000           |
| Z                              | -2,433            |
| Asymp. Sig. (2-tailed)         | ,015              |
| Exact Sig. [2*(1-tailed Sig.)] | ,016 <sup>a</sup> |

a. Not corrected for ties.

Investigation into whether individual characteristics play a role in the formation of dissatisfactory incidents showed that age was statistically significant (p<0.05) as a factor related to the likelihood of reporting a certain dissatisfying primary incident. As TABLE 15 reveals, dissatisfactory physical incidents tended to be reported by respondents who were older than respondents who reported verbal or ambience incidents.

b. Grouping Variable: GroupVerbal

**TABLE 15: Dissatisfactory Primary Incidents – The Impact of Age** 

| Group |                    | N  | Mean Rank |
|-------|--------------------|----|-----------|
| Age   | Verbal Incidents   | 35 | 33,71     |
|       | Physical Incidents | 46 | 49,76     |
|       | Ambience Incidents | 3  | 33,67     |
|       | Total              | 84 |           |

Test Statisticsa,b

|             | Age   |
|-------------|-------|
| Chi-Square  | 9,452 |
| df          | 2     |
| Asymp. Sig. | ,009  |

a. Kruskal Wallis Test

Possible associations between nationality, gender, marital status and the presence of children and dissatisfactory primary incidents, respectively, could not be tested due to problems concerning low expected frequencies. Income and education were not significantly related to the likelihood of reporting a certain dissatisfactory primary incident.

Please refer to the Appendices 41 - 43 for an overview of statistically significant results on associations between personal characteristics and dissatisfactory primary groups without ambience incidents.

Investigation into whether personal characteristics play a role in whether one reports specific dissatisfactory secondary incidents showed that only age was significantly (p<0.05) related to the likelihood of reporting a certain dissatisfactory physical incident (TABLE 16).

A closer look at TABLE 16 reveals that those respondents who reported egocentric incidents tend to be older than those who reported hostile incidents related to other customers present in the servicescape.

b. Grouping Variable: Group

**TABLE 16: Dissatisfactory Physical Incidents – The Impact of Age** 

|     | GroupPhysical | N  | Mean Rank | Sum of Ranks |
|-----|---------------|----|-----------|--------------|
| Age | Egocentric    | 41 | 25,16     | 1031,50      |
|     | Hostile       | 5  | 9,90      | 49,50        |
|     | Total         | 46 |           |              |

Test Statistics<sup>b</sup>

|                                | Age               |
|--------------------------------|-------------------|
| Mann-Whitney U                 | 34,500            |
| Wilcoxon W                     | 49,500            |
| Z                              | -2,439            |
| Asymp. Sig. (2-tailed)         | ,015              |
| Exact Sig. [2*(1-tailed Sig.)] | ,013 <sup>a</sup> |

a. Not corrected for ties.

TABLE 17 is a tabulation of satisfying and dissatisfying physical incidents sorted by whether the respondents have children. The relationships displayed are statistically significant ( $\chi^2$ =5.417, p<0.05). The most important finding from this table is that egocentric/altruistic physical incidents were more likely to be reported by respondents with children (60.8%) than by respondents who do not have children (39.2%). Amiable/hostile physical incidents, on the other hand, tended to be cited rather by respondents who do not have children (73.3%) than by those who have children (26.7%).

b. Grouping Variable: GroupPhysical

**TABLE 17: Physical Incidents – The Impact of Children** 

|          |                       |                        | Chile  | dren   |        |
|----------|-----------------------|------------------------|--------|--------|--------|
|          |                       |                        | Yes    | No     | Total  |
| Physical | Egocentric/Altruistic | Count                  | 31     | 20     | 51     |
| Group    |                       | Expected Count         | 27,0   | 24,0   | 51,0   |
|          |                       | % within GroupPhysical | 60,8%  | 39,2%  | 100,0% |
|          |                       | % within Children      | 88,6%  | 64,5%  | 77,3%  |
|          |                       | % of Total             | 47,0%  | 30,3%  | 77,3%  |
|          | Amiable/Hostile       | Count                  | 4      | 11     | 15     |
|          |                       | Expected Count         | 8,0    | 7,0    | 15,0   |
|          |                       | % within GroupPhysical | 26,7%  | 73,3%  | 100,0% |
|          |                       | % within Children      | 11,4%  | 35,5%  | 22,7%  |
|          |                       | % of Total             | 6,1%   | 16,7%  | 22,7%  |
| Total    |                       | Count                  | 35     | 31     | 66     |
|          |                       | Expected Count         | 35,0   | 31,0   | 66,0   |
|          |                       | % within GroupPhysical | 53,0%  | 47,0%  | 100,0% |
|          |                       | % within Children      | 100,0% | 100,0% | 100,0% |
|          |                       | % of Total             | 53,0%  | 47,0%  | 100,0% |

**Chi-Square Tests** 

|                                    | Value              | df | Asymp. Sig. (2-sided) | Exact Sig. (2-sided) | Exact Sig. (1-sided) |
|------------------------------------|--------------------|----|-----------------------|----------------------|----------------------|
| Pearson Chi-Square                 | 5,417 <sup>b</sup> | 1  | ,020                  |                      |                      |
| Continuity Correction <sup>a</sup> | 4,134              | 1  | ,042                  |                      |                      |
| Likelihood Ratio                   | 5,546              | 1  | ,019                  |                      |                      |
| Fisher's Exact Test                |                    |    |                       | ,037                 | ,020                 |
| Linear-by-Linear<br>Association    | 5,335              | 1  | ,021                  |                      |                      |
| N of Valid Cases                   | 66                 |    |                       |                      |                      |

a. Computed only for a 2x2 table

Differences between the groups also occurred with respect to the age of respondents. As can be seen below, the results in TABLE 18 are statistically significant (p<0.05). Closer examination shows that those respondents who cited egocentric/altruistic physical incidents tend to be older than those who remembered amiable/hostile incidents.

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 7,05.

**TABLE 18: Physical Incidents – The Impact of Age** 

|     | GroupPhysical         | N  | Mean Rank | Sum of Ranks |
|-----|-----------------------|----|-----------|--------------|
| Age | Egocentric/Altruistic | 51 | 36,17     | 1844,50      |
|     | Amiable/Hostile       | 15 | 24,43     | 366,50       |
|     | Total                 | 66 |           |              |

Test Statistics<sup>a</sup>

|                        | Age     |
|------------------------|---------|
| Mann-Whitney U         | 246,500 |
| Wilcoxon W             | 366,500 |
| Z                      | -2,110  |
| Asymp. Sig. (2-tailed) | ,035    |

a. Grouping Variable: GroupPhysical

Finally, another interesting issue that merits closer inspection is the question of whether respondents who indicated that others had significantly affected their service experience differed significantly from those who said that they had never been in a service encounter in which other customers had affected their satisfaction.

The findings (TABLE 19) show that the level of income was statistically significantly (p<0.05) related to the likelihood of answering with "yes" or "no". Respondents who indicated that other patrons had significantly affected their satisfaction with the service encounter tend to have a lower income than those who reported that other customers had not affected their satisfaction with the service encounter.

TABLE 19: Reporting or Not Reporting a Critical Incident – The Impact of Income

|        | Effect | N   | Mean Rank | Sum of Ranks |
|--------|--------|-----|-----------|--------------|
| Income | yes    | 141 | 83,47     | 11769,50     |
|        | no     | 32  | 102,55    | 3281,50      |
|        | Total  | 173 |           |              |

#### Test Statistics<sup>a</sup>

|                        | Income    |
|------------------------|-----------|
| Mann-Whitney U         | 1758,500  |
| Wilcoxon W             | 11769,500 |
| Z                      | -2,135    |
| Asymp. Sig. (2-tailed) | ,033      |

a. Grouping Variable: Effect

# 5. 4. The Role of Other Control Variables

Another important issue that was not specifically included in the research questions, but was also investigated, is the role of other control variables.

It is interesting to note that none of the respondent explicitly mentioned crowding or other incidents related to social density as critical incidents. Therefore, Tombs and McCollKennedy's (2003) assumption that the purchase occasion would dictate the desired social density and thus the affective state could not be tested. However, the fact that none of the respondents mentioned crowding, or too few customers, as a critical incident is, by itself, interesting.

In addition, it was found that the purchase occasion was statistically significantly related to the likelihood of reporting a certain dissatisfactory primary incident when leaving away ambience incidents (see Appendix 44).

Furthermore, it is vital to note that 68.2% (n=103) of all respondents indicated that in addition to customers present in the servicescape, other factors, such as the employees or the environment, had also had an impact upon their service experience (see Appendix 45).

Of those respondents who had indicated that other customers had had a negative impact upon the service experience, the majority (65.5%, n=55) believe that the service provider could have prevented the incident (see Appendix 46). This has important managerial implications, as will be discussed in later sections of the present paper.

Finally, another issue that was explicitly recognized in this study is the role of emotions. In addition to indicating whether the experience had been satisfying or dissatisfying, respondents were asked to describe their emotions in order to obtain a more differentiated picture. TABLE 20 gives an overview of the emotions of respondents who had indicated a satisfying service experience whereas TABLE 21 shows emotions reported by respondents who had indicated that other customers sharing the servicescape with them had affected their service experience in a negative way.

TABLE 20: Emotions Experienced by Respondents who Reported Satisfying Critical Incidents

|           |                      | Frequency | Percent | Valid Percent | Cumulative<br>Percent |
|-----------|----------------------|-----------|---------|---------------|-----------------------|
| Valid     | Happiness            | 11        | 16,4    | 18,0          | 18,0                  |
|           | Security             | 3         | 4,5     | 4,9           | 23,0                  |
|           | Relaxed              | 6         | 9,0     | 9,8           | 32,8                  |
|           | Satisfaction         | 5         | 7,5     | 8,2           | 41,0                  |
|           | Joy                  | 12        | 17,9    | 19,7          | 60,7                  |
|           | Liked                | 1         | 1,5     | 1,6           | 62,3                  |
|           | Comfortable          | 2         | 3,0     | 3,3           | 65,6                  |
|           | Good                 | 14        | 20,9    | 23,0          | 88,5                  |
|           | Thankful             | 1         | 1,5     | 1,6           | 90,2                  |
|           | Full of expectation  | 1         | 1,5     | 1,6           | 91,8                  |
|           | Surprised            | 2         | 3,0     | 3,3           | 95,1                  |
|           | Solidarity by others | 1         | 1,5     | 1,6           | 96,7                  |
|           | Integrated           | 1         | 1,5     | 1,6           | 98,4                  |
|           | Encouraged           | 1         | 1,5     | 1,6           | 100,0                 |
|           | Total                | 61        | 91,0    | 100,0         |                       |
| Not Given |                      | 6         | 9,0     |               |                       |
| Total     |                      | 67        | 100,0   |               |                       |

TABLE 21: Emotions Experienced by Respondents who Reported Dissatisfying Critical Incidents

|           |                                  | Frequency | Percent | Valid Percent | Cumulative<br>Percent |
|-----------|----------------------------------|-----------|---------|---------------|-----------------------|
| Valid     | Anger                            | 52        | 61,9    | 64,2          | 64,2                  |
| Valla     | Annoyed                          |           | -       | · .           |                       |
|           | •                                | 11        | 13,1    | 13,6          | 77,8                  |
|           | Embarrassed                      | 2         | 2,4     | 2,5           | 80,2                  |
|           | Like an intruder                 | 1         | 1,2     | 1,2           | 81,5                  |
|           | Depressed                        | 1         | 1,2     | 1,2           | 82,7                  |
|           | Helpless                         | 2         | 2,4     | 2,5           | 85,2                  |
|           | Uncomfortable                    | 2         | 2,4     | 2,5           | 87,7                  |
|           | Surprised                        | 3         | 3,6     | 3,7           | 91,4                  |
|           | Stressed                         | 1         | 1,2     | 1,2           | 92,6                  |
|           | Ashamed                          | 1         | 1,2     | 1,2           | 93,8                  |
|           | Unpleasant                       | 3         | 3,6     | 3,7           | 97,5                  |
|           | Impatient                        | 1         | 1,2     | 1,2           | 98,8                  |
|           | Reinforcement of dissatisfaction | 1         | 1,2     | 1,2           | 100,0                 |
|           | Total                            | 81        | 96,4    | 100,0         |                       |
| Not Given |                                  | 3         | 3,6     |               |                       |
| Total     |                                  | 84        | 100,0   |               |                       |

When looking at these tables, it is interesting to note that those respondents who had reported satisfying incidents only indicated what are commonly regarded as "positive" emotions whereas those who had been influenced in a negative way by other customers reported "negative" emotions. The only emotion which appeared in both groups was "surprise", which can therefore probably be regarded as a "neutral" type of emotion.

## 6. Discussion

The results of the present investigation confirm Grove and Fisk's (1997) findings that other customers *do* have an impact upon satisfaction with the service encounter. In addition, and more importantly, the findings of this study also demonstrate that this impact can be detected in *many different service sectors*.

In fact, in the present study, the percentage of people recalling a satisfactory or dissatisfactory incident related to other customers was found to be even higher than the percentage indicated in Grove and Fisk's (1997) investigation (82.1% as opposed to 56.8%).

Given this extraordinarily high percentage, the researcher's call for further investigations into the specific *types* of other customers' influence as well as into the *sectors* concerned appears particularly justified.

The present study contributes to a deeper insight into these issues in the following ways: First, when taking a closer look at the results, it becomes obvious that an impact of other customers on service encounter evaluations cannot only be observed in the sectors that are most frequently being investigated. While most research projects conducted so far have focused on the retail sector (see Appendix 8), the results from the present study show that especially the "health and beauty", "leisure", "gastronomy" and "transportation" sectors also merit closer investigation. Although less frequently mentioned, the "hotel", "education", "car repair" and "civil service" sectors were also identified as service industries in which other customers may have an impact upon service experiences.

Secondly, the results from the present study confirm Grove and Fisk's (1997) findings that other customers can have both a positive and a negative impact upon customer satisfaction. As far as the ratio of positive to negative incidents is concerned, the findings from the present investigation are fairly similar to Grove and Fisk's (1997) results: While in Grove and Fisk's (1997) study, 48.8% of all respondents had indicated that others sharing the servicescape with them had affected their service experience in a positive way, and 51.2% had cited a negative impact, in the present study, the ratio was 44.4% to 55.6%.

It is also important to note that no statistically significant differences concerning the frequency with which satisfying and dissatisfying incidents occurred across sectors could be detected. Thus, no single sector is more likely to be subject to incidents of a specific type than other sectors.

Third, it is interesting to note that while the present investigation provides results similar to Grove and Fisk's (1997) as far as the existence and type of influence (i.e. satisfying or dissatisfying) of other customers are concerned, in the present study different results regarding the specific *categories* of customer influence were obtained:

Instead of the protocol and sociability group identified by Grove and Fisk (1997) "verbal incidents", "physical incidents" and "ambience incidents" were found to best classify the incidents into categories. Thus, whereas Grove and Fisk (1997) had identified verbal and physical incidents as subgroups of the "protocol" category and ambience incidents as a subgroup of the "sociability" group, these three categories were found to be primary categories in the present investigation.

It is interesting to note that the first two of these categories correspond to the topics most frequently investigated by researchers focusing on the impact of other customers. To begin with, the category "verbal incidents" relates to research on oral customer-to-customer interactions (e.g. Harris, Davies and Baron 1997, Harris and Baron 2004, Davies, Baron and Harris 1999). The two subcategories, verbal incidents *related to the product or service* and verbal incidents *not related to the product or service*, have already been investigated by researchers. The present findings confirm some of the research conducted or assumptions made by services marketing scholars.

As pointed out above, several researchers have investigated the incidence and effects of verbal incidents *related to the product or service* (e.g. Baron, Harris and Davies 1996, Harris, Davies and Baron 1997, Harris and Baron 2004). As an example, in their study of oral customer interactions in an IKEA retail store, Baron, Harris and Davies (1996) found that customers spent a substantial amount of time discussing product-related issues. The present study confirms this finding by showing that verbal incidents related to the product or service occurred quite frequently (n=30, as opposed to n=45 for verbal incidents not related to the product or service). Although no statistically significant

(p<0.05) differences across sectors could be detected, verbal incidents related to the product or service were found to frequently occur in health and beauty, retail, leisure and education and transportation (see Appendix 29).

As far as the *effects* of verbal interaction upon customer satisfaction are concerned, several researchers have suggested that conversations among customers present in the servicescape could have a positive impact upon retail performance (e.g. Baron, Harris and Davies 1996; Harris, Baron and Ratcliffe 1995, McGrath and Otnes 1995). Furthermore, Harris and Baron (2004) have suggested that exchanging information with other customers present in the servicescape may lead to uncertainty reduction and thus have a stabilizing effect on dissatisfaction.

The findings of the present investigation provide evidence of these assumptions and findings. The results show that conversations with other customers about the product or service may lead to a reduction of uncertainty and even cause customers to buy certain products. They also highlight that in some instances the provision of information by other customers may make up for a lack of information provided by the service company and thus turn a potentially dissatisfying incident into a satisfactory one. Thus, verbal incidents can lead or contribute to the formation of satisfaction with the service encounter.

However, the present findings also reveal that conversations with other customers about the product or service may just as well have a negative impact upon customer satisfaction. This issue has received less attention by service marketing scholars.

The results indicate that conversations with other customers may potentially change customers' favourable opinions about a product or service to the negative and cause dissatisfaction. Similarly, dissatisfaction may be reinforced by this type of verbal interaction.

Thus, the present investigation provides evidence of the role of the *complainer* identified by McGrath and Otnes (1995) in a retail context and suggests that other customers assuming this role may cause or reinforce dissatisfaction. This may occur in one of two ways: The customer may either agree with the complainer and thus be "infected" by his or her dissatisfaction or he or she may not agree and be annoyed by

the other person complaining. In either case, the effect is a negative one. As the following chapter will discuss, this has important implications for the service provider.

The present study also shows that the complainer does not only exist in the retail sector, where it was initially identified, but that it is also, among others, prevalent in the travel and healthcare sectors (see Appendix 30). This may be due to the fact that in these sectors, people frequently have time for lengthy conversations. Furthermore, it may well be that in beauty and healthcare services, people are particularly sensitive to other customers' opinions and/or information conveyed.

In general, when examining the findings on verbal interactions related to the product or service, it is reasonable to assume that this type of conversation can be regarded as "onsite word-of-mouth". As with any word of mouth, the information or opinions exchanged can both positively and negatively influence customer satisfaction. Given the frequency with which this type of interaction occurs (n=30; 40% of all verbal incidents), it is highly important not to ignore this type of customer-to-customer interaction.

As far as conversations *not related to the product or service* are concerned, the present study also supports previous findings. As an example, in their study of rail travel, Harris and Baron (2004) found that conversations could act as a supply of social interaction. Results from the present investigation confirm this view. Especially while travelling or while waiting at the doctor's, conversations with other customers present were frequently regarded as highly satisfactory since they made time pass more quickly (see Appendix 31). Therefore, conversations among customers not related to the product or service can also be regarded as exerting a stabilizing effect upon customer satisfaction. Many customers indicated that they would have been bored had they not had pleasant conversations with other customers.

However, in some instances, conversations with other customers were also perceived as negative. Several participants indicated that they were disturbed by other customers talking either to them or among each other. Other customers' being loud was also regarded as annoying in some cases, particularly in the context of leisure and especially in cinema settings (see Appendix 30). The latter finding confirms the results by Grove

and Fisk (1997) who noted that other customers being loud could have a significant impact on one's satisfaction with the service encounter.

Another interesting finding of the present investigation is that the likelihood of reporting a satisfying verbal incident related to the product or service as opposed to a satisfying verbal incident not related to the product or service differed across individuals.

In particular, satisfactory verbal incidents related to the product or service were more likely to be reported by male respondents, by those who had children and by those who earned more and were older than respondents who reported satisfactory verbal incidents not related to the product or service. An explanation for this may be that with increasing age and a more "stable" position in society, people become more concerned about the product or service they choose and are thus especially receptive to product- or service-related information or opinion.

It is highly interesting to note that in general, verbal incidents tended to be slightly more positive (n=40) than negative (n=35). This relationship was statistically significant. Therefore, the results suggest that oral customer-to-customer interactions can potentially improve the service experience.

Finally, it is important to mention that verbal incidents occurred in the retail, leisure and education, transportation, gastronomy and hotel industry, civil service, car repair and beauty and healthcare sectors (see Appendix 29). Thus, it seems to be promising for services marketing managers in these sectors to try to foster positive verbal interactions among customers and prevent dissatisfactory ones.

Another interesting finding from the present investigation is that the egocentric or altruistic behavior of cutting in line or giving up one's better position in a line or when waiting in a service environment frequently gave rise to satisfaction or dissatisfaction. Thus, when waiting in line or when in an environment where there was only a limited number of seats available, the behavior of other customers was found to play a significant role in the formation of satisfaction or dissatisfaction.

These results provide some support for Martin and Pranter's (1989) typology of behaviors that give rise to satisfaction or dissatisfaction. Martin and Pranter (1989) explicitly mention "cutting in line" as a behavior that causes dissatisfaction and "not cutting in line" as a behavior leading to satisfaction. While in the present study, "not cutting in line" was not mentioned as a behavior giving rise to satisfaction, which may be due to the possibility that not cutting in line may not be regarded as a critical incident, the results can nonetheless be regarded as similar.

It is also interesting to mention that Martin and Pranter's (1989) "selfishness" (i.e. the failure to share (the) environment or items within the environment) category can be regarded as conceptually similar to the egocentric critical incidents identified in the present study, which, apart from cutting in line also frequently involved other customers blocking seats with luggage or failing to offer their own seats to other customers.

Thus, the present findings confirm the existence of Grove and Fisk's (1997) "physical incidents in line" category and demonstrate that breaking in line or being "polite to each other in line" (Grove and Fisk 1997, p.72) are not only an important issue in Florida theme parks but in several service settings such as retail or transportation, among others (see Appendix 32).

As far as the second subcategory identified in this study, amiable and hostile physical behavior, is concerned, the findings do not correspond as clearly to previous research as the findings on egocentric and altruistic behavior.

As an example, Grove and Fisk (1997) did not identify any category containing "hostile" incidents (i.e. incidents related to others being physically aggressive or physically expressing hostility). An explanation for this difference may be that "hostile" incidents seem to be less common than other incidents. However, it is interesting to mention that Martin (1996) identified "violent" behavior (i.e. kicking or hitting) as a factor causing dissatisfaction and that his classification is conceptually similar to the "hostile" category identified in the present study.

Therefore, although this type of influence may be less common than other types of customer influence, it may nonetheless be important. Assuming this is particularly

reasonable when bearing in mind that this type of behavior may also cause physical damage, which could in turn be particularly memorable.

Furthermore, the present study once again confirms the potential negative impact of other customers' smoking.

Another difference between the present findings and the results from Grove and Fisk (1997) was that helping behavior was categorized as "other incidents in line" by the latter. Thus, incidents of this type obviously did not constitute a substantial group of influence. In contrast, in the present study, good deeds such as giving up one's own better position in favor of other customers or being helpful in general were identified as part of two fairly large and distinct categories – altruistic and amiable behavior.

Concerning individual differences in the reporting of physical incidents, it is highly interesting to note that those respondents who reported physical incidents tended to have lower incomes than respondents who reported verbal incidents. Furthermore, dissatisfactory physical incidents tended to be reported by respondents who were older than respondents who reported verbal or ambience incidents of the same origin. A possible explanation for this difference in the likelihood of reporting a certain primary incident may be that older people may be more frequently exposed to situations in which they depend on other customers' altruistic acts, such as giving up their seats, and may thus be more frequently disappointed by others not performing these acts.

The fact that respondents who reported egocentric incidents tended to be older than those who reported hostile incidents could be regarded as supporting this proposition.

Overall, physical incidents tended to be more dissatisfying (n=46) than satisfying (n=20). It seems that customers are sensitive to physical incident such as other customer breaking in line or blocking seats as well as to violent behavior. Physical incidents were thus identified as a potential source of dissatisfaction in many different service sectors such as, among others, retail and transportation (see Appendix 34).

Finally, ambience incidents were identified as a primary category in the present research. This category has received much less attention in services marketing research. In fact, research on this topic has mainly focused on social density and crowding.

It is all the more interesting that none of the respondents in the present investigation mentioned crowding or social density as a factor which had had an impact upon their service experience. Thus, the findings of the present investigation differ from Grove and Fisk's (1997) who had identified problems associated with the sheer number of people.

In the present study, incidents relating to emotions and customer characteristics were identified. These results provide further support of Grove and Fisk's (1997) observation that other customers may add to a general sense of excitement and may, by their appearance, have an impact on one's satisfaction with the service experience.

Furthermore, the present findings show that the appearance of other customers does not only have an impact on service quality, as Lehtinen and Lehtinen (1991) have suggested, but also on service encounter satisfaction.

In conclusion, the fact that ambience incidents could be detected in other than the leisure setting of Central Florida theme park may suggest that the appearance of other customers as well as the expression of emotions by fellow patrons may merit closer investigation by service marketers. In the present investigation, ambience incidents were spotted in the leisure, healthcare and beauty, gastronomy and hotel industry and transportation sectors (see Appendix 35).

In addition, another interesting finding of the present study is that respondents who indicated that other customers had significantly affected their satisfaction with the service encounter tended to earn less than respondents who stated that others had not affected their service experience. This may indicate that service organizations that cater to high income groups may need to worry less about the influence of other customers than service organizations that serve lower-income segments.

Another important finding of the present investigation is that customers experience a wide array of emotions during service encounters, which suggests that the issue of emotions may have received too little attention in past research.

The fact that customers experience emotions as a result of other customers being present in the service encounter has important managerial implications, as the following chapter will discuss. In addition, many of the customers who cited that others had significantly influenced their service experience indicated that other factors, such as employees and the service environment, had also had an impact upon their satisfaction. These findings may be regarded as a support of Grove, Fisk and Dorsch's (1998) suggestion that several aspects of the service encounter blend together to affect the service experience.

Finally, another interesting finding from this study is that of those who had indicated that other customers had had a negative impact upon their service experience, the majority indicated that the firm could have prevented the incident. Thus, obviously, customers *do* hold firms responsible for the management of their guests' behavior. This suggests that in order to prevent a customer or customers blaming them, firms need to take action. Therefore, the following chapter will be dedicated to managerial implications.

# 7. Managerial Implications

Prior to outlining the managerial implications of the present investigation, it shall be noted that this study was primarily designed to serve as a starting point for further research. Therefore, the implications of the present findings are of a more general nature.

As an example, the present study has clearly demonstrated the importance of paying attention to the potential impact of other customers on service experiences.

Particularly service organizations in the "health and beauty", "retail", "leisure", "gastronomy", "transportation", "hotel industry", "education", "car repair" as well as "civil services" sectors are well advised not to ignore the potential impact of other customers, all the more as the present study has demonstrated that customers consider it a firm's duty to manage its customers.

The current findings also suggest that service organizations in all these sectors should make further efforts to gain information on the verbal impact of other customers.

There is reason to believe that especially in those service organizations characterized by long waiting hours, conversations with other customers may lead to satisfaction or stabilize dissatisfaction. Service organizations in sectors in which long waiting hours are common could thus try to foster verbal customer interactions by assuming the role of "environmental engineers" (Pranter and Martin 1991, p. 45) and using "social lubricants" (i.e. props that encourage interactions among customers) such as special seating arrangements (Harris, Baron and Ratcliffe 1995).

However, since conversations may also disturb certain customers, it may be advisable to provide customers with a *choice* between seating arrangements that encourage open communication and seating arrangements which allow customers to be by themselves.

Furthermore, the present investigation has shown that frequently, information about the product or service is exchanged among customers during the service encounter, which may lead to satisfaction. It may also well be that exchanging information and opinions about a product or service may reduce cognitive dissonance.

Therefore, management should consider the potential benefits of using other patrons present in the service environment as "partial employees" who provide information to

other customers. As Parker and Ward (2000, p.348) state "...customers represent a large amount of product knowledge available on-site at any time, which may be utilized productively by management." They suggest that tapping these resources could be accomplished by facilitating oral customer-to-customer interaction. Again, this could be achieved by adapting the environment in such a way as to encourage communication among customers. Furthermore, in a retail context, Baron, Harris and Davies (1996) suggest to announce customer problems over the store public address system in order to encourage customers possessing valuable knowledge to help other customers solve problems.

Especially service organizations that cater to older and "well-established" customers with children could find it beneficial to facilitate verbal customer-to-customer interactions since this group of customers was found to be particularly satisfied about receiving product or service-related information or opinion. However, it shall be once again noted that this approach may not be equally well suited to all service organizations and that thus, further research is recommendable.

In addition, the present investigation suggests that service organizations characterized by settings involving waiting in line or waiting in general should find it beneficial to try to curb other customers cutting in line or trying to get an advantage at the expense of others, since this type of behavior was found to be a major source of dissatisfaction.

This could, for example, be accomplished by educating customers as to the type of behavior not allowed in the particular service setting (Grove and Fisk 1997). In order to accomplish this, Pranter and Martin (1991) advise service providers to adopt the roles of "legislators" and enact "rules and policies that guide the behavior of patrons" (Pranter and Martin 1991, p. 47). This could, for example, be achieved by displaying signs asking patrons not to cut in line. In order to ensure compliance with the rules enacted by the service provider, the role of "police officer" (Pranter and Martin 1991, p.49) could also be taken into account. The "police officer" could thus ask patrons who ignore the rules of conduct to comply or, in the worst case, ask them to leave the service setting.

Similarly, the present study has shown that blocking seats or not offering seats to other people who are more desperately in need of sitting down is a source of dissatisfaction.

Again, services in which limited space or the occupation of free seats by other customers may be an issue could prevent dissatisfaction by enacting the roles of "legislators" or "police officers" mentioned above. The present findings suggest that particularly organizations catering to older customers should be aware of this problem and take steps in order to prevent it.

In addition, the present investigation has shown that hostile acts related to violence or the destruction of property may also occur among customers. These acts may obviously cause dissatisfaction. Thus, it may be advisable to train service employees in order to enable them to react appropriately in the case of hostile behavior exhibited by customers.

Another finding of the present investigation relevant to services marketing decision-making is that other customers' appearance may cause satisfaction or dissatisfaction.

A possible avenue to prevent dissatisfaction resulting from other customers' characteristics and to foster the formation of satisfaction as a result of other customers' characteristics may be the adoption of "customer compatibility management", which is "the process of first attracting homogeneous consumers to the service environment, then actively managing both the physical environment and customer-to-customer encounters and minimize dissatisfying encounters (Martin and Pranter 1989, p.7)."

Attracting homogeneous groups of customers may be a promising way to reduce potential tension among customers since customer heterogeneity has been shown to cause dissatisfaction (Martin and Pranter 1989). Thus, it is also reasonable to assume that customers are less likely to be disturbed by other customers who possess characteristics similar to their own ones.

Similarly, as Martin and Pranter (1989) suggest, certain behaviors or characteristics may be situation-specific, that is, they may be acceptable in some service environments but be regarded as inappropriate in others. Martin (1996) assumes that the situational context is defined, among other factors, by the dress and behavior of employees, the physical environment and overt communication such as "no smoking" signs. Bitner (1990, p.72) shares this belief and suggests that "visual inspection of their dress (Solomon 1985) and nonverbal cues as to the demeanour of both the service firm's

personnel and other customers in the service facility aid customers in categorizing the firm and forming pre-experience expectations for the service encounter." According to Bitner (1992, p.62), research has provided evidence of this assumption by showing that, for example, "in the restaurant industry a particular configuration of environmental cues suggests "fast food" whereas another configuration suggests "elegant sit-down restaurant" (Ward, Bitner and Barnes 1992).

These findings suggest that homogeneous customer groups could be attracted with certain configurations of the physical environment, which could in turn reduce the potential of tensions arising as a result of customers perceiving others as possessing different, inappropriate characteristics.

Gummesson (1993, p.99) supports this view by suggesting that "recruiting the right customers is as important as recruiting the right personnel".

Another finding from the present investigation relevant to marketing decision making is the fact that many customers seem to respond emotionally to other patrons present in the service encounter. This observation might be used by service organizations to train their employees to recognize certain emotions and thus prevent dissatisfactory incidents.

## 8. Limitations

While the present study has provided valuable insight into the types of other customers' influence as well as into the sectors potentially subject to these influences, it is nonetheless subject to a number of limitations.

First, it bears noting that due to time and money constraints, a convenience sample was used which may not be representative of the population. Therefore, although care was taken to get a well-balanced sample containing, for example, an equal number of males and females, the results may be subject to a certain degree of bias. Furthermore, due to the relatively small sample size, several of the tests did not yield reliable results. Therefore, the present study shall be regarded as a starting point for further research.

In addition, as Gremler (2004) has pointed out, the CIT method may also be subject to limitations.

First, researchers frequently argue that it is possible that stories told by respondents are misinterpreted or misunderstood (Edvardsson 1992; Gabbott and Hogg 1996), as the analysis of data is highly subjective. Furthermore, scholars have stated that the Critical Incident Technique may lead to data flawed by recall bias (Michel 2001). Similarly, it is possible that incidents may not be reported in an accurate or truthful way (Gremler 2004). It is also important to note that the concern that the CIT collects "top-of-the mind memories of service interactions that are socially acceptable to report" (Edvardsson and Strandvik 2000, p.83) may be valid. Finally, since the Critical Incident Technique relies heavily on content analysis, it has some of its disadvantages and has thus been criticized concerning the validity and reliability of the categories generated (Grove and Fisk 1997).

It is also vital to mention that the research was conducted in Austria and that the results may thus not be valid in other countries.

Finally, it bears noting that the impact of other customers on service experiences may be, to some extent, situation-specific. Although attempts were made to capture the possible impact of private as opposed to group purchase contexts, it shall be recognized that the results of this study may, to some extent, also have been influenced by underlying, situation-specific variables not yet detected.

#### 9. Directions for Further Research

As briefly mentioned above, the present investigation is intended to alert service organizations to the need of actively managing their customers and to encourage further research on the impact of other customers.

Now that a list of sectors in which an impact of other customers on service experiences could be detected has been provided, it is vital to further explore each sector and influence in greater detail.

Furthermore, it is advisable to replicate the present study on a larger scale in order gain more detailed insights into, for example, the role of personal characteristics. Research may also need to be extended across countries.

In addition, it is of paramount importance to gain a deeper understanding of both situational contexts and the role of emotions in service encounters. The latter is important as the present findings have suggested that other customers' showing emotions may cause customer satisfaction or dissatisfaction. Therefore, the concept of "emotional contagion" may merit closer investigation in further research.

Similarly, the present study suggests that greater attention should be paid to customer compatibility management, which may be a promising avenue to achieving satisfying service encounters. Since the mechanism of attracting certain customer groups are not yet well understood, this topic may require further research.

## 10. Conclusion

In conclusion, while recognizing that further research is needed, the present investigation clearly demonstrates the importance of focusing on the potential impact of other customers on service experiences. It shows that in many sectors, customers may be subject to the influence of other customers and that service organizations may be well advised to abandon their reluctance to recognizing this influence and to engage in the active management of their customers instead.

The present study is intended to alert the academic world to the need to deepen our understanding of the important phenomenon of customer influences and to continue research in this promising field in order to achieve customer satisfaction.

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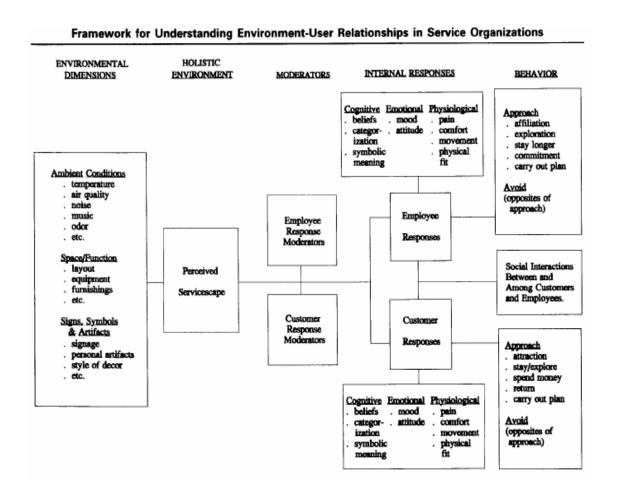
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## Appendices

Appendix 1: Bitner's Servicescape Model, Bitner (1992)



Source: Bitner, M.J. 1992, "Servicescapes: The Impact of Physical Surroundings on Customers and Employees", *Journal of Marketing*, vol.56, no.2, p. 60

# Appendix 2: Satisfying and Dissatisfying Behavior Identified by Martin and Pranter (1989)

| Satisfying Behavior                          | Dissatisfying Behavior          |
|--|---------------------------------|
| People look like they are having a good time | Crying infants                  |
|  |                                 |
| Appropriate dress                            | Unruly children                 |
| Friendly, relaxed demeanour                  | Rudeness and poor manners       |
| Good manners, courteous behaviour            | Inappropriate dress             |
| Apparent similar background/lifestyle        | Crowded environment             |
| No smoking                                   | Empty environment               |
| No profanity                                 | Others cutting in line          |
| No kids                                      | Others taking the parking space |
| No crowds                                    | Loud and boisterous behaviour   |
| No cutting in line                           | Profanity                       |
|  | Quarrelling couples/family      |
|  | Public displays of affection    |
|  | Selfishness                     |

Source: Martin, C.L. & Pranter, C.A. 1989, "Compatibility Management: Customer-to-Customer Relationships in Service Environments", *The Journal of Services Marketing*, vol.3, no.3, pp.11-12

### Appendix 3: Factors Identified in Principle Component Analysis by Martin (1996)

- Factor 1: Gregarious extroverted, personable
- Factor 2: Grungy shabby, dirty condition or demeanor
- Factor 3: Inconsiderate showing disrespect for the rights or feelings of others
- Factor 4: Crude lacking taste, polish, or tact
- Factor 5: Violent demonstrate excessive force or sudden intense behavior
- Factor 6: Malcontent chronically dissatisfied
- Factor 7: Leisurely not overly time-conscious or rushed

Source: Martin, C.L.1996, "Consumer-to-Consumer Relationships: Satisfaction with Other Consumers' Public Behavior", *The Journal of Consumer Affairs*, vol.30, no.1, p. 156

# Appendix 4: Types of Stranger Influences in a Retail Context by McGrath and Otnes (1995)

### 1. Overt Influences

| Type of Influence | Description   |  |
|-------------------|---|--|
| Help-Seeker       | Seeks information by questioning other shoppers.        |  |
| Reactive Helper   | Reacts to solicitation from help-seekers.               |  |
| Proactive Helper  | Helps without any prompting from others.                |  |
| Admirer           | Verbalize their admiration for a product or for another |  |
|                   | shopper's ability to "do justice" to a product.         |  |
| Competitor        | "Beats out" strangers for a particular product.         |  |
| Complainer        | Voices dissatisfaction to an unacquainted shopper about |  |
|                   | some aspect of the purchase situation.                  |  |

### 2. Covert Influences

| Type of Influence | Description   |  |  |
|-------------------|---|--|--|
| Follower          | Shopper physically moves with his/her unacquainted      |  |  |
|                   | influencer to determine what type of purchase he/she    |  |  |
|                   | makes.  |  |  |
| Observer          | Shopper adopts a stationary position and watches the    |  |  |
|                   | purchasing behaviour of others.                         |  |  |
| Judge             | Consumer communicates an expression of his/her          |  |  |
|                   | personal values or agenda (although not to the consumer |  |  |
|                   | directly involved) in the context of another customer's |  |  |
|                   | purchase.   |  |  |
| Accused           | Consumer is aware that others may judge their           |  |  |
|                   | purchase.   |  |  |
| Spoiler           | Other influential shoppers unknowingly dampen a         |  |  |
|                   | consumer's enthusiasm for another specific product.     |  |  |

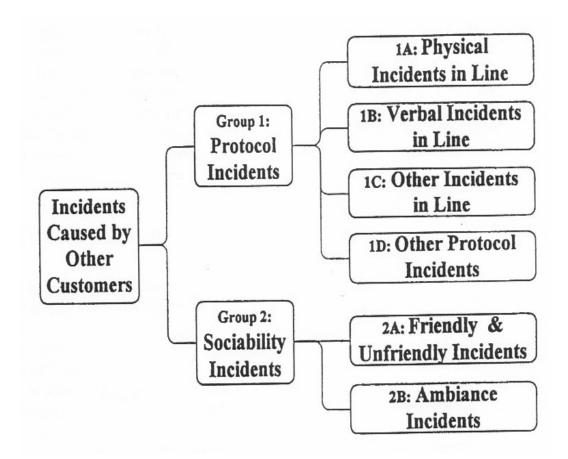
Source: McGrath, M.A. & Otnes, C. 1995, "Unacquainted Influencers: When Strangers Interact in the Retail Setting", *Journal of Business Research*, vol.32, pp.263-268

Appendix 5: Consequences of Customer-to-Customer Interactions, Parker and Ward (2000)

| Consequences of Interaction                   | Examples of response in that category   |
|---|---|
| Increased enjoyment in the service experience | "I think it makes it more enjoyable, it can brighten up your day"   |
| 2. Improved/increased purchase                | "I wouldn't have spent £20 on a shrun unless I'd been sure and he (the other customer) reassured me"  |
| 3. Social involvement                         | "Because you don't feel that you're just, how shall I put it, just somebody who's trotting around in their own little world, doing your own thing, because there's been that interaction" |
| 4. Increased knowledge                        | "Because I've learned something<br>new…I'm always interested in<br>learning something new"  |
| 5. Negative (e.g irritation, embarrassement)  | "Other customers can lose your concentration; having to deal or speak with them you can forget what you're going for yourself and that's a major irritation."                             |

Source: Parker, C. & Ward, P. 2000, "An analysis of role adoptions and scripts during customer-to-customer encounters", *European Journal of Marketing*, vol.34, no.3/4, p.352

Appendix 6: Critical Incidents by Other Customer, Grove and Fisk (1997)



Source: Grove, S.J. & Fisk, R.P. 1997, "The Impact of Other Customers on Service Experiences: A Critical Incident Examination of "Getting Along", *Journal of Retailing*, vol.73, no.1, p. 70

Appendix 7: Numeric Tallies of Other Customer Critical Incidents, Grove and Fisk (1997)

### **Numeric Tallies of Other Customer Critical Incidents**

|                                     | Type of Incident |      |               |      |           |       |
|-------------------------------------|------------------|------|---------------|------|-----------|-------|
| Group and Category                  | Satisfying       |      | Dissatisfying |      | Row Total |       |
|                                     | No.              | %    | No.           | %    | No.       | %     |
| Group 1: Protocol                   |                  |      |               |      |           |       |
| 1A: Physical Incidents in Line      | 12               | 7.5  | 37            | 21.9 | 49        | 14.8  |
| 1B: Verbal Incidents in Line        | 8                | 5.0  | 9             | 5.3  | 17        | 5.2   |
| 1C: Other Incidents in Line         | 12               | 7.5  | 11            | 6.5  | 33        | 7.0   |
| 1D: Other Protocol Incidents        | 38               | 23.5 | 40            | 23.7 | 78        | 23.6  |
| Subtotal, Group 1                   | 70               | 43.5 | 97            | 57.4 | 167       | 50.6  |
| Group 2: Sociability                |                  |      |               |      |           |       |
| 2A: Friendly & Unfriendly Incidents | 60               | 37.3 | 27            | 16.0 | 87        | 26.4  |
| 2B: Ambiance Incidents              | 31               | 19.2 | 45            | 26.6 | 76        | 23.0  |
| Subtotal, Group 2                   | 91               | 56.5 | 72            | 42.6 | 163       | 49.4  |
| Column Total                        | 161              | 48.8 | 169           | 51.2 | 330       | 100.0 |

Note: Chi-square significant at .01 level of probability.

Source: Grove, S.J. & Fisk, R.P. 1997, "The Impact of Other Customers on Service Experiences: A Critical Incident Examination of "Getting Along", *Journal of Retailing*, vol.73, no.1, p. 71

**Appendix 8: The Impact of Other Customers on Service Experiences - Studies** 

| <b>Authors and Year</b>          | Title   | Sector   |
|----------------------------------|---|--|
| Martin and Pranter 1989          | "Compatibility Management:<br>Customer-to-Customer<br>Relationships in Service<br>Environments"                     | Across sectors   |
| Eroglu and Machleit<br>1990      | "An Empirical Study of Retail<br>Crowding: Antecedents and<br>Consequences"   | Retail   |
| Hui and Bateson 1991             | "Perceived Control and the Effects<br>of Crowding and Consumer Choice<br>on the Service Experience"                 | Bank and Bar   |
| Lehtinen and Lehtinen<br>1991    | "Two Approaches to Service<br>Quality Dimensions"   | Disco/Lunch<br>restaurant/Pub<br>restaurant                              |
| Baker, Levy and Grewal<br>1992   | "An Experimental Approach to<br>Making Retail Store Environmental<br>Decisions"                                     | Retail   |
| McGrath and Otnes 1995           | "Unacquainted Influencers: When<br>Strangers Interact in the Retail<br>Setting"                                     | Retail   |
| Martin 1996                      | "Consumer-to-Consumer<br>Relationships: Satisfaction with<br>Other Consumers' Public Behavior"                      | Stage 1: Across<br>sectors, stage 2:<br>Bowling center and<br>restaurant |
| Harris, Davies and<br>Baron 1997 | "Conversations during purchase consideration: sales assistants and customers"                                       | Retail   |
| Grove and Fisk 1997              | "The Impact of Other Customers on<br>Service Experiences: A Critical<br>Incident Examination of "Getting<br>Along"" | Leisure  |
| Davies, Baron and<br>Harris 1999 | "Observable Oral Participation in<br>the Servuction System: Toward a<br>Content and Process Model"                  | Retail   |
| Parker and Ward 2000             | "An analysis of role adoptions and scripts during customer-to-customer encounters"                                  | Retail   |
| Harris and Baron 2004            | "Consumer-to-Consumer<br>Conversations in Service Settings"   | Rail Travel  |
| Guenzi and Pelloni 2004          | "The impact of interpersonal relationships on customer satisfaction and loyalty to the service provider"            | Leisure  |
| Moore, Moore and<br>Capella 2005 | "The impact of customer-to-<br>customer interactions in a high<br>personal contact service setting"                 | Beauty and Health  |

### **Appendix 9: Initial Version of the Questionnaire**

# Ein paar kurze Fragen...

Zum Abschluss meines Studiums der "Internationalen Betriebswirtschaft" an der Universität Wien schreibe ich derzeit meine Diplomarbeit am Lehrstuhl für Internationales Marketing. Thema meiner Arbeit ist der Einfluss von anderen Konsumenten auf die Bewertung einer Dienstleistung. Dabei ist es meine Aufgabe, eine Befragung durchzuführen.

Aus diesem Grund wäre ich Ihnen sehr dankbar, wenn Sie sich 5 Minuten Zeit nehmen würden, um die unten stehenden Fragen zu beantworten.

Selbstverständlich werden alle Angaben streng vertraulich behandelt und ausschließlich für die oben erwähnte Arbeit verwendet. Ihre Anonymität ist somit gewährleistet.

| Rufen Sie sich bitte verschiedene Dienstleistungen, die Sie in Ihrem Leben in Anspruch genommen haben, ins Gedächtnis. Können Sie sich an eine Dienstleistungssituation erinnern, in der andere Konsumenten, die bei der Dienstleistung anwesend waren, Ihre Zufriedenheit mit der Dienstleistung auf nachhaltige Weise positiv oder negativ beeinflusst haben? |
|---|
| Ja □<br>Nein □  |
| Wenn nein, dann bitte weiter auf Seite 3. Wenn ja, dann beantworten Sie bitte folgende Fragen:  |
| Hat/Haben der/die andere(n) Konsument(en) Ihre Zufriedenheit mit der Dienstleistung auf positive oder auf negative Weise beeinflusst?   |
| Positiv  Negativ  |
| Um welche Dienstleistung handelte es sich?  |
|   |
| Wo fand die Situation statt?  |
|   |

| Beschreiben Sie bitte die Situation. Auf welche Art beeinflusste(n) der/die andere(n)  |
|--|
| Konsument(en) Ihre Zufriedenheit mit der Dienstleistung?                               |
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| Sollten(n) der/die andere(n) Konsument(en) Ihre Zufriedenheit mit der Dienstleistung   |
| durch spezifisches Verhalten beeinflusst haben, beschreiben Sie dieses Verhalten bitte |
| genauer (falls nicht schon in letzter Frage erwähnt).                                  |
| genauer (tans ment schon in icizici trage ciwanni).                                    |
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| Wie haben Sie sich aufgrund des Verhaltens/der Anwesenheit des/der anderen             |
|  |
| Konsumenten gefühlt? Bitte beschreiben Sie Ihre Gefühle! (z.B. Freude, Wut,            |
| Verärgerung, Glück, etc.)  |
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| Hat/Haben der/die anwesende(n) andere(n) Konsument(en) Gefühle gezeigt? Hat das        |
|  |
| Zeigen der Gefühle des/der anderen Konsumenten Ihre Zufriedenheit mit der              |
| Dienstleistung beeinflusst? Wenn ja, auf welche Weise?                                 |
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| Alter:   |                                      |             |  |
|--|--------------------------------------|-------------|--|
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| 0-14 Jahre □                                       | 15-20 Jahre □                        | 21-30 Jahre |  |
| 31-40 Jahre □                                      | 41-50 Jahre □                        | 51-60 Jahre |  |
| 61-70 Jahre □                                      | 71-80 Jahre □                        | 81-90 Jahre |  |
| 91-100 Jahre □                                     | Älter als 101 Jahre □                |             |  |
| Geschlecht:  |                                      |             |  |
| Geschiecht.  |                                      |             |  |
| Männlich □   |                                      |             |  |
| Weiblich   |                                      |             |  |
|  |                                      |             |  |
| Höchste abgeschlossene A                           | Ausbildung:                          |             |  |
| Volksschule  |                                      |             |  |
| Hauptschule $\Box$                                 |                                      |             |  |
| D C 1 1  |                                      |             |  |
|  |                                      |             |  |
| Lehre $\Box$                                       |                                      |             |  |
| Matura   U. i. |                                      |             |  |
| Universität/FH □                                   |                                      |             |  |
| Andere:  |                                      |             |  |
|  |                                      |             |  |
| Familienstand:                                     |                                      |             |  |
|  |                                      |             |  |
| Ledig  |                                      |             |  |
| Verheiratet  |                                      |             |  |
| Geschieden/Verwitwet                               |                                      |             |  |
|  |                                      |             |  |
| Haben Sie Kinder?                                  |                                      |             |  |
| Ja □   |                                      |             |  |
| ** *   |                                      |             |  |
| Nein □   |                                      |             |  |
| Bitte geben Sie Ihr persör                         | aliches Jahreseinkommen (brutto) an: |             |  |
| <u> </u>   |                                      |             |  |
| Bis zu 10.000 Euro                                 |                                      |             |  |
| 10.001-30.000 Euro                                 |                                      |             |  |
| 30.001-50.000 Euro                                 |                                      |             |  |
| Mehr als 50.000 Euro                               |                                      |             |  |
| mid Jo. 000 Edit                                   |                                      |             |  |

Bitte stecken Sie den Frageboden in den beiliegenden, frankierten Umschlag und retournieren Sie ihn an folgende Adresse:

Julia Grillmair Hauptstraße 9 4101 Feldkirchen

Sofern Sie möchten, können Sie den Fragebogen auch per e-mail oder Fax an mich senden:

e-mail: juliagrillmair@gmx.at Fax: 07233/620417

Bei Fragen stehe ich jederzeit unter der Telefonnummer 0650/2460793 zur Verfügung.

Vielen herzlichen Dank für Ihre Teilnahme!

#### **Appendix 10: Final Version of the Questionnaire**

# Und los geht's...

### 1. Anleitung

Ziel der Umfrage: Wenn wir eine Dienstleistung (z.B.: Transport, Veranstaltungen, Bildungseinrichtungen, Arzt, Hotel, Restaurant, Friseur, Geschäft etc.) in Anspruch nehmen, prägt sich diese Erfahrung bei uns oft positiv oder negativ ein. Ziel der Umfrage ist es, herauszufinden, wie andere Konsumenten, die bei der Dienstleistung gleichzeitig anwesend sind, unsere Zufriedenheit/Unzufriedenheit mit der Dienstleistung (z.B.: Busfahrt, Zugfahrt, Flug, Besuch einer Veranstaltung, Besuch eines Museums, Kinobesuch, Hotelaufenthalt, Restaurantbesuch, Arztbesuch, Friseurbesuch, Einkauf etc.) beeinflussen.



<u>Ein negatives Beispiel:</u> Sie wollen mit dem Zug nach Wien fahren. Im Zug weigern sich andere Passagiere, Platz zu machen. Aus diesem Grund müssen Sie bis Wien stehen. Sie sind mit der Zugfahrt

(= Dienstleistung)

sehr unzufrieden.



<u>Ein positives Beispiel:</u> Sie warten an der Kassa eines Museums. Während dieser Wartezeit kommen Sie mit einer anderen Person ins Gespräch und unterhalten sich sehr gut. Aufgrund des netten Gesprächs behalten Sie den Museumsbesuch (= Dienstleistung) in besonders guter Erinnerung.

### 2. Hauptteil

Ist Ihnen heute noch eine Dienstleistung in Erinnerung, bei der andere Konsumenten, die gleichzeitig mit Ihnen anwesend waren, Ihre Zufriedenheit mit der Dienstleistung auf nachhaltige Weise positiv oder negativ beeinflusst haben?

Ja □ Nein □

Bitte bedenken: Es geht NUR um **andere Konsumenten** (NICHT um Angestellte etc.) Wenn nein → bitte weiter auf Seite 4.

Wenn ja, dann beantworten Sie bitte folgende Fragen:

Hat/Haben der/die andere(n) Konsument(en) Ihre Zufriedenheit mit der Dienstleistung auf positive oder auf negative Weise beeinflusst?

Positiv □ Negativ □

| Appendices  |
|---|
| Um welche Dienstleistung handelte es sich?  |
|   |
|   |
| Beschreiben Sie die Situation bitte <u>ausführlich</u> . Auf welche Art beeinflusste(n) der/di andere(n) Konsument(en) Ihre Zufriedenheit/Unzufriedenheit mit der Dienstleistung? Haben die anderen Konsumenten ein bestimmtes Verhalten an den Tag gelegt, welche ihre Zufriedenheit mit der Dienstleistung beeinflusst hat? Was wurde gesagt/getan? |
| inte Zurredenneit init der Dienstielstung beeinflusst nat? was wurde gesagt/getair?   |
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| Wie haben Sie sich aufgrund des Verhaltens/der Anwesenheit des/der andere Konsumenten gefühlt? Bitte beschreiben Sie Ihre Gefühle!  |
|   |
|   |
|   |
|   |

# Zum Abschluss noch einige Fragen zu Ihrer Person. Ihre Anonymität ist gewährleistet!

| Nationalität:  |   |             |
|--|---|-------------|
|  |   |             |
|  |   |             |
| Alter:   |   |             |
| 0-14 Jahre □ 31-40 Jahre □ 61-70 Jahre □ 91-100 Jahre □                          | 15-20 Jahre □ 41-50 Jahre □ 71-80 Jahre □ Älter als 101 Jahre □ | 21-30 Jahre |
| Geschlecht:  |   |             |
| Männlich □ Weiblich □  |   |             |
| Höchste abgeschlossene   | Ausbildung:   |             |
| Volksschule  |   |             |
| Familienstand:   |   |             |
| Ledig<br>Verheiratet<br>Geschieden/Verwitwet                                     |   |             |
| Haben Sie Kinder?  |   |             |
| Ja □<br>Nein □   |   |             |
| Bitte geben Sie Ihr persör   | nliches Monatseinkommen (brutto)                                | an:         |
| Bis zu 1.000 Euro<br>1.001-3.000 Euro<br>3.001-5.000 Euro<br>Mehr als 5.000 Euro |   |             |

# 3. Was tun mit dem Fragebogen?

Bitte retournieren Sie den Fragebogen an folgende Adresse:

Julia Grillmair Hauptstraße 9 4101 Feldkirchen

Sofern Sie möchten, können Sie den Fragebogen auch per e-mail oder Fax an mich senden:

e-mail: juliagrillmair@gmx.at Fax: 07233/620417

Bei Fragen stehe ich jederzeit unter der Telefonnummer 0650/2460793 zur Verfügung.

Vielen herzlichen Dank für Ihre Teilnahme!

# **Appendix 11: Sample Composition - Gender**

|       |        | Frequency | Percent | Valid Percent | Cumulative<br>Percent |
|-------|--------|-----------|---------|---------------|-----------------------|
| Valid | Male   | 72        | 39,1    | 39,1          | 39,1                  |
|       | Female | 112       | 60,9    | 60,9          | 100,0                 |
|       | Total  | 184       | 100,0   | 100,0         |                       |

# **Appendix 12: Sample Composition – Family**

|       |                  | Frequency | Percent | Valid Percent | Cumulative<br>Percent |
|-------|------------------|-----------|---------|---------------|-----------------------|
| Valid | Single           | 82        | 44,6    | 44,6          | 44,6                  |
|       | Married          | 89        | 48,4    | 48,4          | 92,9                  |
|       | Divorced/Widower | 13        | 7,1     | 7,1           | 100,0                 |
|       | Total            | 184       | 100,0   | 100,0         |                       |

# Appendix 13: Sample Composition – Children

|       |       | Frequency | Percent | Valid Percent | Cumulative<br>Percent |
|-------|-------|-----------|---------|---------------|-----------------------|
| Valid | Yes   | 93        | 50,5    | 50,5          | 50,5                  |
|       | No    | 91        | 49,5    | 49,5          | 100,0                 |
|       | Total | 184       | 100,0   | 100,0         |                       |

# **Appendix 14: Sample Composition – Nationality**

|       |           | Frequency | Percent | Valid Percent | Cumulative<br>Percent |
|-------|-----------|-----------|---------|---------------|-----------------------|
| Valid | Austrian  | <u> </u>  |         |               |                       |
| Valid | Austrian  | 176       | 95,7    | 95,7          | 95,7                  |
|       | American  | 2         | 1,1     | 1,1           | 96,7                  |
|       | Hungarian | 2         | 1,1     | 1,1           | 97,8                  |
|       | German    | 3         | 1,6     | 1,6           | 99,5                  |
|       | Lebanon   | 1         | ,5      | ,5            | 100,0                 |
|       | Total     | 184       | 100,0   | 100,0         |                       |

**Appendix 15: Sample Composition – Age** 

|       |       | Frequency | Percent | Valid Percent | Cumulative<br>Percent |
|-------|-------|-----------|---------|---------------|-----------------------|
| Valid | 0-14  | 1         | ,5      | ,5            | ,5                    |
|       | 15-20 | 13        | 7,1     | 7,1           | 7,6                   |
|       | 21-30 | 53        | 28,8    | 28,8          | 36,4                  |
|       | 31-40 | 35        | 19,0    | 19,0          | 55,4                  |
|       | 41-50 | 34        | 18,5    | 18,5          | 73,9                  |
|       | 51-60 | 21        | 11,4    | 11,4          | 85,3                  |
|       | 61-70 | 16        | 8,7     | 8,7           | 94,0                  |
|       | 71-80 | 10        | 5,4     | 5,4           | 99,5                  |
|       | 81-90 | 1         | ,5      | ,5            | 100,0                 |
|       | Total | 184       | 100,0   | 100,0         |                       |

**Appendix 16: Sample Composition - Gross Monthly Income** 

|         |                      | Frequency | Percent | Valid Percent | Cumulative<br>Percent |
|---------|----------------------|-----------|---------|---------------|-----------------------|
| Valid   | Up to 1000 euros     | 65        | 35,3    | 37,6          | 37,6                  |
|         | 1001-3000 euros      | 84        | 45,7    | 48,6          | 86,1                  |
|         | 3001-5000 euros      | 23        | 12,5    | 13,3          | 99,4                  |
|         | More than 5000 euros | 1         | ,5      | ,6            | 100,0                 |
|         | Total                | 173       | 94,0    | 100,0         |                       |
| Missing | Not given            | 11        | 6,0     |               |                       |
| Total   |                      | 184       | 100,0   |               |                       |

**Appendix 17: Sample Composition - Level of Education** 

|         |  | Frequency | Percent | Valid Percent | Cumulative<br>Percent |
|---------|--|-----------|---------|---------------|-----------------------|
| Valid   | Primary School   | 4         | 2,2     | 2,2           | 2,2                   |
|         | Secondary School   | 11        | 6,0     | 6,1           | 8,3                   |
|         | Apprenticehip  | 44        | 23,9    | 24,3          | 32,6                  |
|         | Vocational School  | 5         | 2,7     | 2,8           | 35,4                  |
|         | High School Diploma  | 65        | 35,3    | 35,9          | 71,3                  |
|         | Teacher Training College<br>or Course of Lectures<br>taken after High School | 5         | 2,7     | 2,8           | 74,0                  |
|         | University/College   | 47        | 25,5    | 26,0          | 100,0                 |
|         | Total  | 181       | 98,4    | 100,0         |                       |
| Missing | Not given  | 3         | 1,6     |               |                       |
| Total   |  | 184       | 100,0   |               |                       |

# **Appendix 18: Interjudge Agreement**

The following critical incidents were sorted into different categories by the judge:

| Incident (Summary)  | Original<br>Classification                            | Classification by Judge                                | New<br>Classificati<br>on |
|---|---|--|---------------------------|
| Another customer  | Verbal incident not                                   | Verbal incidents                                       | accepted?                 |
| verbally insulted the shop assistant at a shoe shop. The respondent thought it was funny.                                       | related to the product or service                     | related to the product or service                      |                           |
| An old man waiting in line at the library fretted about not being served  | Verbal incident not related to the product or service | Verbal incident related to the product or service      | Yes                       |
| At a quad tour, everyone was in a good mood and in a mood to talk   | Ambience incidents-<br>emotional                      | Verbal incidents not related to the product or service | No                        |
| At a computer game world championship, the atmosphere was fantastic. In addition, people invited others to stay at their place. | Ambience incidents-<br>emotional                      | Physical incidents – amiable                           | Yes                       |

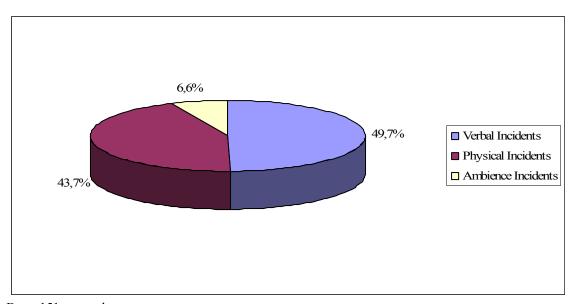
**Appendix 19: Detailed List of Sectors Mentioned** 

|       |                   |           |         |               | Cumulative |
|-------|-------------------|-----------|---------|---------------|------------|
|       |                   | Frequency | Percent | Valid Percent | Percent    |
| Valid | Doctor's          | 14        | 9,3     | 9,3           | 9,3        |
|       | Retail            | 33        | 21,9    | 21,9          | 31,1       |
|       | Sports            | 3         | 2,0     | 2,0           | 33,1       |
|       | Restaurant        | 17        | 11,3    | 11,3          | 44,4       |
|       | Bar               | 1         | ,7      | ,7            | 45,0       |
|       | Theatre           | 4         | 2,6     | 2,6           | 47,7       |
|       | Flight            | 6         | 4,0     | 4,0           | 51,7       |
|       | Train, Subway     | 23        | 15,2    | 15,2          | 66,9       |
|       | Concert           | 6         | 4,0     | 4,0           | 70,9       |
|       | Competition       | 1         | ,7      | ,7            | 71,5       |
|       | Church            | 1         | ,7      | ,7            | 72,2       |
|       | Youth hostel      | 1         | ,7      | ,7            | 72,8       |
|       | Bus               | 7         | 4,6     | 4,6           | 77,5       |
|       | Quad-Tour         | 1         | ,7      | ,7            | 78,1       |
|       | Massage           | 1         | ,7      | ,7            | 78,8       |
|       | Library           | 1         | ,7      | ,7            | 79,5       |
|       | Hotel             | 4         | 2,6     | 2,6           | 82,1       |
|       | Natural Preserve  | 1         | ,7      | ,7            | 82,8       |
|       | Event             | 4         | 2,6     | 2,6           | 85,4       |
|       | Painting Workshop | 1         | ,7      | ,7            | 86,1       |
|       | Repair Shop       | 1         | ,7      | ,7            | 86,8       |
|       | Hairdresser's     | 6         | 4,0     | 4,0           | 90,7       |
|       | Cinema            | 3         | 2,0     | 2,0           | 92,7       |
|       | Seminar           | 2         | 1,3     | 1,3           | 94,0       |
|       | Civil service     | 2         | 1,3     | 1,3           | 95,4       |
|       | University        | 1         | ,7      | ,7            | 96,0       |
|       | Travel            | 1         | ,7      | ,7            | 96,7       |
|       | Vet               | 1         | ,7      | ,7            | 97,4       |
|       | Museum            | 1         | ,7      | ,7            | 98,0       |
|       | Swimming Pool     | 1         | ,7      | ,7            | 98,7       |
|       | Dog Training      | 1         | ,7      | ,7            | 99,3       |
|       | Kindergarden      | 1         | ,7      | ,7            | 100,0      |
|       | Total             | 151       | 100,0   | 100,0         |            |

**Appendix 20: Frequency of Occurrence of Primary Incidents** 

|       |                    |           |         |               | Cumulative |
|-------|--------------------|-----------|---------|---------------|------------|
|       |                    | Frequency | Percent | Valid Percent | Percent    |
| Valid | Verbal Incidents   | 75        | 49,7    | 49,7          | 49,7       |
|       | Physical Incidents | 66        | 43,7    | 43,7          | 93,4       |
|       | Ambience Incidents | 10        | 6,6     | 6,6           | 100,0      |
|       | Total              | 151       | 100,0   | 100,0         |            |

**Appendix 21: Graphical Representation of the Frequency of Occurrence of Primary Incidents** 



Base: 151 respondents

**Appendix 22: Primary Groups Without Ambience Incidents - The Impact of Sectors** 

|       |                          |                  |            |        | Broad       | Broad Sectors |           |            |        |
|-------|--------------------------|------------------|------------|--------|-------------|---------------|-----------|------------|--------|
|       |                          |                  |            |        |             | Gastronomy    |           | Car Repair |        |
|       |                          |                  | Health and |        | Leisure and | and Hotel     | Transport | and Civil  |        |
|       |                          |                  | Beauty     | Retail | Education   | Industry      | ation     | Service    | Total  |
| Group | Verbal Incidents         | Count            | 18         | 17     | 15          | 7             | 91        | 2          | 75     |
|       |                          | Expected Count   | 11,2       | 17,6   | 14,9        | 11,2          | 18,6      | 1,6        | 75,0   |
|       |                          | % within Group   | 24,0%      | 22,7%  | 20,0%       | 9,3%          | 21,3%     | 2,7%       | 100,0% |
|       |                          | % within Sector2 | 85,7%      | 51,5%  | 53,6%       | 33,3%         | 45,7%     | %2'99      | 53,2%  |
|       |                          | % of Total       | 12,8%      | 12,1%  | 10,6%       | 5,0%          | 11,3%     | 1,4%       | 53,2%  |
|       | Physical Incidents Count | Count            | 3          | 16     | 13          | 14            | 61        | 1          | 99     |
|       |                          | Expected Count   | 8,6        | 15,4   | 13,1        | 8,6           | 16,4      | 1,4        | 0,99   |
|       |                          | % within Group   | 4,5%       | 24,2%  | 19,7%       | 21,2%         | 28,8%     | 1,5%       | 100,0% |
|       |                          | % within Sector2 | 14,3%      | 48,5%  | 46,4%       | 66,7%         | 54,3%     | 33,3%      | 46,8%  |
|       |                          | % of Total       | 2,1%       | 11,3%  | 9,5%        | 6,9%          | 13,5%     | ,7%        | 46,8%  |
| Total |                          | Count            | 21         | 33     | 28          | 21            | 38        | 3          | 141    |
|       |                          | Expected Count   | 21,0       | 33,0   | 28,0        | 21,0          | 35,0      | 3,0        | 141,0  |
|       |                          | % within Group   | 14,9%      | 23,4%  | 19,9%       | 14,9%         | 24,8%     | 2,1%       | 100,0% |
|       |                          | % within Sector2 | 100,0%     | 100,0% | 100,0%      | 100,0%        | 100,0%    | 100,0%     | 100,0% |
|       |                          | % of Total       | 14,9%      | 23,4%  | 19,9%       | 14,9%         | 24,8%     | 2,1%       | 100,0% |

| )                        | Chi-Square Tests    | ests - |                       |
|--------------------------|---------------------|--------|-----------------------|
|                          | Value               | Jp     | Asymp. Sig. (2-sided) |
| rson Chi-Square          | 13,291 <sup>a</sup> | 9      | ,021                  |
| lihood Ratio             | 14,462              | 5      | ,013                  |
| ar-by-Linear<br>ociation | 6,018               | ~      | ,014                  |

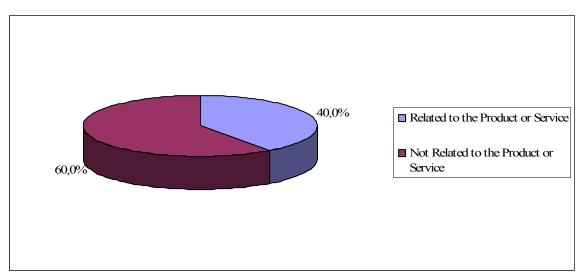
a. 2 cells (16,7%) have expected count less than 5. The minimum expected count is 1,40.

Without ambience, there is a significant relationship between the broad groups of sectors and primary incidents. As an example, in the "gastronomy and hotel industry" sector, more customers reported physical incidents than verbal incidents (66.7% vs. 33.3%). In "health and beauty", on the other hand, verbal incidents were more frequently cited than physical incidents (85.7% vs. 14.3%).

Appendix 23: Frequency of Occurrence of the Subgroups of Verbal Incidents

|       |  | Frequency | Percent | Valid Percent | Cumulative<br>Percent |
|-------|--|-----------|---------|---------------|-----------------------|
| Valid | Related to the<br>Product or Service     | 30        | 40,0    | 40,0          | 40,0                  |
|       | Not Related to the<br>Product or Service | 45        | 60,0    | 60,0          | 100,0                 |
|       | Total                                    | 75        | 100,0   | 100,0         |                       |

Appendix 24: Graphical Representation of the Frequency of Occurrence of the Subgroups of Verbal Incidents

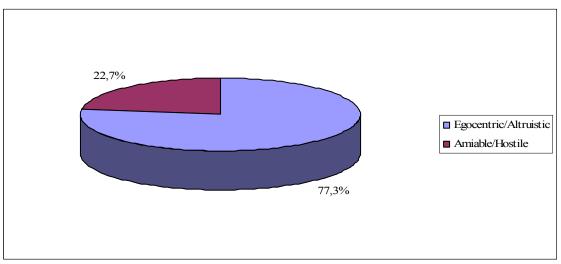


Base: 75 respondents

**Appendix 25: Frequency of Occurrence of the Subgroups of Physical Incidents** 

|       |                       | Frequency | Percent | Valid Percent | Cumulative<br>Percent |
|-------|-----------------------|-----------|---------|---------------|-----------------------|
| Valid | Egocentric/Altruistic | 51        | 77,3    | 77,3          | 77,3                  |
|       | Amiable/Hostile       | 15        | 22,7    | 22,7          | 100,0                 |
|       | Total                 | 66        | 100,0   | 100,0         |                       |

Appendix 26: Graphical Representation of the Frequency of Occurrence of the Subgroups of Physical Incidents

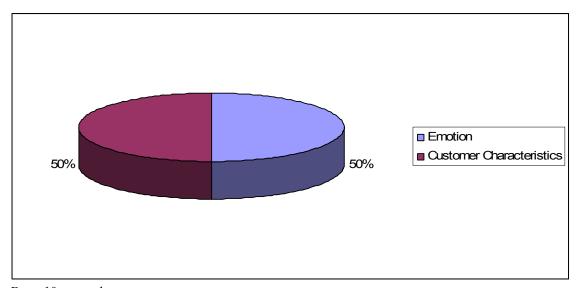


Base: 66 respondents

**Appendix 27: Frequency of Occurrence of the Subgroups of Ambience Incidents** 

|       |                          | Frequency | Percent | Valid Percent | Cumulative<br>Percent |
|-------|--------------------------|-----------|---------|---------------|-----------------------|
| Valid | Emotion                  | 5         | 50,0    | 50,0          | 50,0                  |
|       | Customer Characteristics | 5         | 50,0    | 50,0          | 100,0                 |
|       | Total                    | 10        | 100,0   | 100,0         |                       |

Appendix 28: Graphical Representation of the Frequency of Occurrence of the Subgroups of Ambience Incidents



Base: 10 respondents

**Appendix 29: Frequency of Occurrence of Verbal Subgroups Across Sectors** 

|        |                      |                               | ,          |        | Broad       | Broad Sectors        |           |                         |        |
|--------|----------------------|-------------------------------|------------|--------|-------------|----------------------|-----------|-------------------------|--------|
|        |                      |                               | Health and |        | Leisure and | Gastronomy and Hotel | Transpor- | Car Repair<br>and Civil |        |
|        |                      |                               | Beauty     | Retail | Education   | Industry             | tation    | Service                 | Total  |
| Verbal | Related to the       | Count                         | 8          | 6      | 4           | 3                    | 7         | 2                       | 30     |
| Group  | Product or           | Expected Count                | 7,2        | 8,9    | 6,0         | 2,8                  | 6,4       | <u>&amp;</u> ,          | 30,0   |
|        | Service              | % within GroupVerb            | 26,7%      | 30,0%  | 13,3%       | 10,0%                | 13,3%     | 6,7%                    | 100,0% |
|        |                      | % within Sector2              | 44,4%      | 52,9%  | 26,7%       | 42,9%                | 25,0%     | 100,0%                  | 40,0%  |
|        |                      | % of Total                    | 10,7%      | 12,0%  | 5,3%        | 4,0%                 | 5,3%      | 2,7%                    | 40,0%  |
| •      | Not related to Count | Count                         | 10         | 8      | 11          | 4                    | 12        | 0                       | 45     |
|        | the Product or       | the Product or Expected Count | 10,8       | 10,2   | 0,6         | 4,2                  | 9,6       | 1,2                     | 45,0   |
|        | Service              | % within GroupVerb            | 22,2%      | 17,8%  | 24,4%       | %6'8                 | 26,7%     | %0,                     | 100,0% |
|        |                      | % within Sector2              | 55,6%      | 47,1%  | 73,3%       | 57,1%                | 75,0%     | %0,                     | %0,09  |
|        |                      | % of Total                    | 13,3%      | 10,7%  | 14,7%       | 5,3%                 | 16,0%     | %0,                     | %0,09  |
| Total  |                      | Count                         | 18         | 17     | 15          | 7                    | 16        | 2                       | 75     |
|        |                      | Expected Count                | 18,0       | 17,0   | 15,0        | 7,0                  | 16,0      | 2,0                     | 75,0   |
|        |                      | % within GroupVerb            | 24,0%      | 22,7%  | 20,0%       | 9,3%                 | 21,3%     | 2,7%                    | 100,0% |
|        |                      | % within Sector2              | 100,0%     | 100,0% | 100,0%      | 100,0%               | 100,0%    | 100,0%                  | 100,0% |
|        |                      | % of Total                    | 24,0%      | 22,7%  | 20,0%       | 9,3%                 | 21,3%     | 2,7%                    | 100,0% |

|                                 | Value              | df | Asymp. Sig. (2-sided) |
|---------------------------------|--------------------|----|-----------------------|
| Pearson Chi-Square              | 6,969 <sup>a</sup> | 5  | ,223                  |
| Likelihood Ratio                | 7,760              | 5  | ,170                  |
| Linear-by-Linear<br>Association | ,535               | 1  | ,465                  |
| N of Valid Cases                | 75                 |    |                       |

a. 4 cells (33,3%) have expected count less than 5. The minimum expected count is ,80.

Although attempts were made to combine categories (i.e. civil service and car repair), no reliable results could be obtained.

**Appendix 30: Frequency of Occurrence of Dissatisfactory Verbal Subgroups Across Sectors** 

|        |                |                     |            |        | Broad       | Broad Sectors |           |            |        |
|--------|----------------|---------------------|------------|--------|-------------|---------------|-----------|------------|--------|
|        |                |                     |            |        |             | Gastronomy    |           | Car Repair |        |
|        |                |                     | Health and |        | Leisure and | and Hotel     | Transpor- | and Civil  |        |
|        |                |                     | Beauty     | Retail | Education   | Industry      | tation    | Service    | Total  |
| Verbal | Related to the | Count               | 4          | 0      | 2           | 2             | 3         | 1          | 12     |
| Group  | Product or     | Expected Count      | 2,4        | 1,7    | 3,4         | 1,4           | 2,7       | ٤,         | 12,0   |
|        | Service        | % within GroupVerba | 33,3%      | %0,    | 16,7%       | 16,7%         | 25,0%     | 8,3%       | 100,0% |
|        |                | % within Sector2    | 57,1%      | %0,    | 20,0%       | 50,0%         | 37,5%     | 100,0%     | 34,3%  |
|        |                | % of Total          | 11,4%      | %0,    | 5,7%        | 5,7%          | 8,6%      | 2,9%       | 34,3%  |
|        | Not Related to | Count               | 3          | 5      | 8           | 2             | 5         | 0          | 23     |
|        | the Product or | Expected Count      | 4,6        | 3,3    | 9,9         | 2,6           | 5,3       | 7,         | 23,0   |
|        | Service        | % within GroupVerba | 13,0%      | 21,7%  | 34,8%       | 8,7%          | 21,7%     | %0,        | 100,0% |
|        |                | % within Sector2    | 42,9%      | 100,0% | 80,0%       | 50,0%         | 62,5%     | %0,        | 65,7%  |
|        |                | % of Total          | 8,6%       | 14,3%  | 22,9%       | 5,7%          | 14,3%     | %0,        | 65,7%  |
| Total  |                | Count               | L          | 5      | 10          | 4             | 8         | 1          | 35     |
|        |                | Expected Count      | 7,0        | 5,0    | 10,0        | 4,0           | 8,0       | 1,0        | 35,0   |
|        |                | % within GroupVerba | 20,0%      | 14,3%  | 28,6%       | 11,4%         | 22,9%     | 2,9%       | 100,0% |
|        |                | % within Sector2    | 100,0%     | 100,0% | 100,0%      | 100,0%        | 100,0%    | 100,0%     | 100,0% |
|        |                | % of Total          | 20,0%      | 14,3%  | 28,6%       | 11,4%         | 22,9%     | 2,9%       | 100,0% |

|                                 | Value              | df | Asymp. Sig.<br>(2-sided) |
|---------------------------------|--------------------|----|--------------------------|
| Pearson Chi-Square              | 7,529 <sup>a</sup> | 5  | ,184                     |
| Likelihood Ratio                | 9,305              | 5  | ,098                     |
| Linear-by-Linear<br>Association | ,147               | 1  | ,701                     |
| N of Valid Cases                | 35                 |    |                          |

a. 10 cells (83,3%) have expected count less than 5. The minimum expected count is ,34.

**Appendix 31: Frequency of Occurrence of Satisfactory Verbal Subgroups Across Sectors** 

|        |                |                      |            |        | Broad       | Broad Sectors |                     |            |        |
|--------|----------------|----------------------|------------|--------|-------------|---------------|---------------------|------------|--------|
|        |                |                      | :          |        |             | Gastronomy    | I                   | Car Repair |        |
|        |                |                      | Health and | Retail | Leisure and | and Hotel     | Transpor-<br>tation | and Civil  | Total  |
| Verbal | Related to the | Count                | 4          | 6      | 2           | 1             | 1                   |            | 18     |
| Group  | Product or     | Expected Count       | 5,0        | 5,4    | 2,3         | 1,4           | 3,6                 | λ,         | 18,0   |
|        | Service        | % within GroupVerbal | 22,2%      | 50,0%  | 11,1%       | 5,6%          | 2,6%                | 5,6%       | 100,0% |
|        |                | % within Sector2     | 36,4%      | 75,0%  | 40,0%       | 33,3%         | 12,5%               | 100,0%     | 45,0%  |
|        |                | % of Total           | 10,0%      | 22,5%  | 2,0%        | 2,5%          | 2,5%                | 2,5%       | 45,0%  |
| -      | Not Related to | Count                | 7          | 3      | 3           | 2             | 7                   | 0          | 22     |
|        | the Product or | Expected Count       | 6,1        | 9,9    | 2,8         | 1,7           | 4,4                 | 9,         | 22,0   |
|        | Service        | % within GroupVerbal | 31,8%      | 13,6%  | 13,6%       | 9,1%          | 31,8%               | %0,        | 100,0% |
|        |                | % within Sector2     | 63,6%      | 25,0%  | %0,09       | 66,7%         | 87,5%               | %0,        | 55,0%  |
|        |                | % of Total           | 17,5%      | 7,5%   | 7,5%        | 2,0%          | 17,5%               | %0,        | 55,0%  |
| Total  |                | Count                | 11         | 12     | 5           | 3             | 8                   | 1          | 40     |
|        |                | Expected Count       | 11,0       | 12,0   | 5,0         | 3,0           | 8,0                 | 1,0        | 40,0   |
|        |                | % within GroupVerbal | 27,5%      | 30,0%  | 12,5%       | 7,5%          | 20,0%               | 2,5%       | 100,0% |
|        |                | % within Sector2     | 100,0%     | 100,0% | 100,0%      | 100,0%        | 100,0%              | 100,0%     | 100,0% |
|        |                | % of Total           | 27,5%      | 30,0%  | 12,5%       | 7,5%          | 20,0%               | 2,5%       | 100,0% |

|                                 | Value              | df | Asymp. Sig. (2-sided) |
|---------------------------------|--------------------|----|-----------------------|
| Pearson Chi-Square              | 9,547 <sup>a</sup> | 5  | ,089                  |
| Likelihood Ratio                | 10,557             | 5  | ,061                  |
| Linear-by-Linear<br>Association | 1,282              | 1  | ,258                  |
| N of Valid Cases                | 40                 |    |                       |

a. 9 cells (75,0%) have expected count less than 5. The minimum expected count is ,45.

**Appendix 32: Frequency of Occurrence of Physical Subgroups Across Sectors** 

|          |                             |                        |            |        | Broad       | Broad Sectors        |           |                         |        |
|----------|-----------------------------|------------------------|------------|--------|-------------|----------------------|-----------|-------------------------|--------|
|          |                             |                        | Health and |        | Leisure and | Gastronomy and Hotel | Transpor- | Car Repair<br>and Civil |        |
|          |                             |                        | Beauty     | Retail | Education   | Industry             | tation    | Service                 | Total  |
| Physical | Egocentric/Altruistic Count | Count                  | 3          | 15     | 8           | 12                   | 13        | 0                       | 51     |
| Group    |                             | Expected Count         | 2,3        | 12,4   | 10,0        | 10,8                 | 14,7      | 8,                      | 51,0   |
|          |                             | % within GroupPhysical | 2,9%       | 29,4%  | 15,7%       | 23,5%                | 25,5%     | %0,                     | 100,0% |
|          |                             | % within Sector2       | 100,0%     | 93,8%  | 61,5%       | 85,7%                | 68,4%     | %0,                     | 77,3%  |
|          |                             | % of Total             | 4,5%       | 22,7%  | 12,1%       | 18,2%                | 19,7%     | %0,                     | 77,3%  |
| I        | Amiable/Hostile             | Count                  | 0          | -      | 5           | 2                    | 9         | 1                       | 15     |
|          |                             | Expected Count         | 7,         | 3,6    | 3,0         | 3,2                  | 4,3       | S,                      | 15,0   |
|          |                             | % within GroupPhysical | %0,        | 6,7%   | 33,3%       | 13,3%                | 40,0%     | 6,7%                    | 100,0% |
|          |                             | % within Sector2       | %0,        | 6,3%   | 38,5%       | 14,3%                | 31,6%     | 100,0%                  | 22,7%  |
|          |                             | % of Total             | %0,        | 1,5%   | 7,6%        | 3,0%                 | 9,1%      | 1,5%                    | 22,7%  |
| Total    |                             | Count                  | 3          | 16     | 13          | 14                   | 19        | 1                       | 99     |
|          |                             | Expected Count         | 3,0        | 16,0   | 13,0        | 14,0                 | 19,0      | 1,0                     | 0,99   |
|          |                             | % within GroupPhysical | 4,5%       | 24,2%  | 19,7%       | 21,2%                | 28,8%     | 1,5%                    | 100,0% |
|          |                             | % within Sector2       | 100,0%     | 100,0% | 100,0%      | 100,0%               | 100,0%    | 100,0%                  | 100,0% |
|          |                             | % of Total             | 4,5%       | 24,2%  | 19,7%       | 21,2%                | 28,8%     | 1,5%                    | 100,0% |

|                                 | Value               | df | Asymp. Sig.<br>(2-sided) |
|---------------------------------|---------------------|----|--------------------------|
| Pearson Chi-Square              | 10,004 <sup>a</sup> | 5  | ,075                     |
| Likelihood Ratio                | 10,760              | 5  | ,056                     |
| Linear-by-Linear<br>Association | 3,667               | 1  | ,056                     |
| N of Valid Cases                | 66                  |    |                          |

a. 8 cells (66,7%) have expected count less than 5. The minimum expected count is ,23.

**Appendix 33: Frequency of Occurrence of Satisfactory Physical Subgroups Across Sectors** 

|          |            |                        |        |             | Broad Sectors |           |            |        |
|----------|------------|------------------------|--------|-------------|---------------|-----------|------------|--------|
|          |            |                        |        |             | Gastronomy    |           | Car Repair |        |
|          |            |                        |        | Leisure and | and Hotel     | Transpor- | and Civil  |        |
|          |            |                        | Retail | Education   | Industry      | tation    | Service    | Total  |
| Physical | Altruistic | Count                  | 7      | 0           | 1             | 2         | 0          | 10     |
| Group    |            | Expected Count         | 4,0    | 2,0         | 1,0           | 2,5       | ۶,         | 10,0   |
|          |            | % within GroupPhysical | %0,07  | %0,         | 10,0%         | 20,0%     | %0,        | 100,0% |
|          |            | % within Sector2       | 87,5%  | %0,         | \$0,0%        | 40,0%     | %0,        | 20,0%  |
|          |            | % of Total             | 35,0%  | %0,         | 5,0%          | 10,0%     | %0,        | 20,0%  |
|          | Amiable    | Count                  | 1      | 4           | 1             | 3         | 1          | 10     |
|          |            | Expected Count         | 4,0    | 2,0         | 1,0           | 2,5       | ۶,         | 10,0   |
|          |            | % within GroupPhysical | 10,0%  | 40,0%       | 10,0%         | 30,0%     | 10,0%      | 100,0% |
|          |            | % within Sector2       | 12,5%  | 100,0%      | \$0,0%        | %0,09     | 100,0%     | 20,0%  |
|          |            | % of Total             | 2,0%   | 20,0%       | 5,0%          | 15,0%     | 2,0%       | 50,0%  |
| Total    |            | Count                  | 8      | 4           | 2             | 5         | 1          | 20     |
|          |            | Expected Count         | 8,0    | 4,0         | 2,0           | 5,0       | 1,0        | 20,0   |
|          |            | % within GroupPhysical | 40,0%  | 20,0%       | 10,0%         | 25,0%     | 2,0%       | 100,0% |
|          |            | % within Sector2       | 100,0% | 100,00%     | 100,0%        | 100,0%    | 100,0%     | 100,0% |
|          |            | % of Total             | 40,0%  | 20,0%       | 10,0%         | 25,0%     | 5,0%       | 100,0% |

|                                 | Value              | df | Asymp. Sig.<br>(2-sided) |
|---------------------------------|--------------------|----|--------------------------|
| Pearson Chi-Square              | 9,700 <sup>a</sup> | 4  | ,046                     |
| Likelihood Ratio                | 12,195             | 4  | ,016                     |
| Linear-by-Linear<br>Association | 3,145              | 1  | ,076                     |
| N of Valid Cases                | 20                 |    |                          |

a. 10 cells (100,0%) have expected count less than 5. The minimum expected count is ,50.

**Appendix 34: Frequency of Occurrence of Dissatisfactory Physical Subgroups Across Sectors** 

|          |                     |                        | 0                    |        | Broad Sectors         | 90                                  |                     |        |
|----------|---------------------|------------------------|----------------------|--------|-----------------------|-------------------------------------|---------------------|--------|
|          |                     |                        | Health and<br>Beauty | Retail | Leisure and Education | Gastronomy<br>and Hotel<br>Industry | Transpor-<br>tation | Total  |
| Physical | Physical Egocentric | Count                  | m                    | 69     | 63                    | 11                                  | 11                  | 41     |
| Groups   |                     | Expected Count         | 2,7                  | 7.1    | 8,0                   | 10,7                                | 12,5                | 41,0   |
|          |                     | % within GroupPhysical | 7.3%                 | 19,5%  | 19,5%                 | 26,8%                               | 26,8%               | 100,0% |
|          |                     | % within Sector2       | 100,0%               | 100,0% | %6'88                 | 91,7%                               | 78,6%               | 89,1%  |
|          |                     | % of Total             | 6,5%                 | 17,4%  | 17,4%                 | 23,9%                               | 23.9%               | 89,1%  |
|          | Hostile             | Count                  | 0                    | 0      | 1                     | 1                                   | m                   | 5      |
|          |                     | Expected Count         | պ                    | o      | 1,0                   | 1,3                                 | 1,5                 | 5,0    |
|          |                     | % within GroupPhysical | %0°                  | %0°    | 20,0%                 | 20,0%                               | 960'09              | 100,0% |
|          |                     | % within Sector2       | %0.                  | %0°    | 11,1%                 | 8,3%                                | 21,4%               | 10,9%  |
|          |                     | % of Total             | %0.                  | 03%    | 2.2%                  | 2,2%                                | 6.5%                | 10.9%  |
| Total    |                     | Count                  | E                    | 8      | 6                     | 12                                  | 14                  | 46     |
|          |                     | Expected Count         | 3,0                  | 8.0    | 0.6                   | 12,0                                | 14,0                | 46,0   |
|          |                     | % within GroupPhysical | 6,5%                 | 17,4%  | 19,6%                 | 26,1%                               | 30,4%               | 100,0% |
|          |                     | % within Sector2       | 100,0%               | 100,0% | 100,0%                | 100,0%                              | 100,0%              | 100,0% |
|          |                     | % of Total             | 6.5%                 | 17,4%  | 19,6%                 | 26,1%                               | 30,4%               | 100,0% |

|                                 | Value              | df | Asymp. Sig.<br>(2-sided) |
|---------------------------------|--------------------|----|--------------------------|
| Pearson Chi-Square              | 3,033 <sup>a</sup> | 4  | ,552                     |
| Likelihood Ratio                | 3,916              | 4  | ,417                     |
| Linear-by-Linear<br>Association | 2,400              | 1  | ,121                     |
| N of Valid Cases                | 46                 |    |                          |

a. 6 cells (60,0%) have expected count less than 5. The minimum expected count is ,33.

# **Appendix 35: Frequency of Occurrence of Ambience Subgroups Across Sectors**

|          |                          |                        |                      | Broad 9                  | Sectors                             |                 |        |
|----------|--------------------------|------------------------|----------------------|--------------------------|-------------------------------------|-----------------|--------|
|          |                          |                        | Health and<br>Beauty | Leisure and<br>Education | Gastronomy<br>and Hotel<br>Industry | Transport ation | Total  |
| Ambience | Emotion                  | Count                  | 0                    | 4                        | 1                                   | 0               | 5      |
| Group    |                          | Expected Count         | .5                   | 2,5                      | 1,0                                 | 1,0             | 5,0    |
|          |                          | % within GroupAmbience | .0%                  | 80,0%                    | 20,0%                               | .0%             | 100,0% |
|          |                          | % within Sector2       | .0%                  | 80,0%                    | 50,0%                               | ,0%             | 50,0%  |
|          |                          | % of Total             | .0%                  | 40,0%                    | 10,0%                               | .0%             | 50,0%  |
|          | Customer Characteristics | Count                  | 1                    | 1                        | 1                                   | 2               | 5      |
|          |                          | Expected Count         | ,5                   | 2,5                      | 1,0                                 | 1,0             | 5,0    |
|          |                          | % within GroupAmbience | 20,0%                | 20,0%                    | 20,0%                               | 40,0%           | 100,0% |
|          |                          | % within Sector2       | 100,0%               | 20,0%                    | 50,0%                               | 100,0%          | 50,0%  |
|          |                          | % of Total             | 10,0%                | 10,0%                    | 10,0%                               | 20,0%           | 50,0%  |
| Total    |                          | Count                  | 1                    | 5                        | 2                                   | 2               | 10     |
|          |                          | Expected Count         | 1,0                  | 5,0                      | 2,0                                 | 2,0             | 10,0   |
|          |                          | % within GroupAmbience | 10,0%                | 50,0%                    | 20,0%                               | 20,0%           | 100,0% |
|          |                          | % within Sector2       | 100,0%               | 100,0%                   | 100,0%                              | 100,0%          | 100,0% |
|          |                          | % of Total             | 10,0%                | 50,0%                    | 20,0%                               | 20,0%           | 100,0% |

|                                 | Value              | df | Asymp. Sig.<br>(2-sided) |
|---------------------------------|--------------------|----|--------------------------|
| Pearson Chi-Square              | 4,800 <sup>a</sup> | 3  | ,187                     |
| Likelihood Ratio                | 6,086              | 3  | ,107                     |
| Linear-by-Linear<br>Association | ,290               | 1  | ,590                     |
| N of Valid Cases                | 10                 |    |                          |

a. 8 cells (100,0%) have expected count less than 5. The minimum expected count is ,50.

Again, combining categories did not solve the problem of too many cells with expected frequencies of less than 5. Therefore, the results from the chi-square analysis cannot be regarded as reliable.

**Appendix 36: Frequency of Occurrence of Satisfactory Ambience Subgroups Across Sectors** 

|          |                          |                        | Broad       | Sectors    |        |
|----------|--------------------------|------------------------|-------------|------------|--------|
|          |                          |                        |             | Gastronomy |        |
|          |                          |                        | Leisure and | and Hotel  |        |
|          |                          |                        | Education   | Industry   | Total  |
| Ambience | Emotion                  | Count                  | 4           | 1          | 5      |
| Group    |                          | Expected Count         | 3,6         | 1,4        | 5,0    |
|          |                          | % within GroupAmbience | 80,0%       | 20,0%      | 100,0% |
|          |                          | % within Sector2       | 80,0%       | 50,0%      | 71,4%  |
|          |                          | % of Total             | 57,1%       | 14,3%      | 71,4%  |
|          | Customer Characteristics | Count                  | 1           | 1          | 2      |
|          |                          | Expected Count         | 1,4         | ,6         | 2,0    |
|          |                          | % within GroupAmbience | 50,0%       | 50,0%      | 100,0% |
|          |                          | % within Sector2       | 20,0%       | 50,0%      | 28,6%  |
|          |                          | % of Total             | 14,3%       | 14,3%      | 28,6%  |
| Total    |                          | Count                  | 5           | 2          | 7      |
|          |                          | Expected Count         | 5,0         | 2,0        | 7,0    |
|          |                          | % within GroupAmbience | 71,4%       | 28,6%      | 100,0% |
|          |                          | % within Sector2       | 100,0%      | 100,0%     | 100,0% |
|          |                          | % of Total             | 71,4%       | 28,6%      | 100,0% |

|                                    | Value             | df | Asymp. Sig. (2-sided) | Exact Sig. (2-sided) | Exact Sig. (1-sided) |
|------------------------------------|-------------------|----|-----------------------|----------------------|----------------------|
| Pearson Chi-Square                 | ,630 <sup>b</sup> | 1  | ,427                  |                      |                      |
| Continuity Correction <sup>a</sup> | ,000              | 1  | 1,000                 |                      |                      |
| Likelihood Ratio                   | ,599              | 1  | ,439                  |                      |                      |
| Fisher's Exact Test                |                   |    |                       | 1,000                | ,524                 |
| Linear-by-Linear<br>Association    | ,540              | 1  | ,462                  |                      |                      |
| N of Valid Cases                   | 7                 |    |                       |                      |                      |

a. Computed only for a 2x2 table

Please note that the chi-square tests for dissatisfying ambience incidents across sectors are not displayed here since no negative emotional incident was detected. Therefore, no crosstabulation could be computed.

b. 4 cells (100,0%) have expected count less than 5. The minimum expected count is ,57.

Appendix 37: Satisfaction/Dissatisfaction – The Impact of Verbal Subcategories

|        |                |                      | Т          | ype           |        |
|--------|----------------|----------------------|------------|---------------|--------|
|        |                |                      | Satisfying | Dissatisfying | Total  |
| Verbal | Related to the | Count                | 18         | 12            | 30     |
| Group  | Product or     | Expected Count       | 16,0       | 14,0          | 30,0   |
|        | Service        | % within GroupVerbal | 60,0%      | 40,0%         | 100,0% |
|        |                | % within Type        | 45,0%      | 34,3%         | 40,0%  |
|        |                | % of Total           | 24,0%      | 16,0%         | 40,0%  |
|        | Not related to | Count                | 22         | 23            | 45     |
|        | the Product or | Expected Count       | 24,0       | 21,0          | 45,0   |
|        | Service        | % within GroupVerbal | 48,9%      | 51,1%         | 100,0% |
|        |                | % within Type        | 55,0%      | 65,7%         | 60,0%  |
|        |                | % of Total           | 29,3%      | 30,7%         | 60,0%  |
| Total  |                | Count                | 40         | 35            | 75     |
|        |                | Expected Count       | 40,0       | 35,0          | 75,0   |
|        |                | % within GroupVerbal | 53,3%      | 46,7%         | 100,0% |
|        |                | % within Type        | 100,0%     | 100,0%        | 100,0% |
|        |                | % of Total           | 53,3%      | 46,7%         | 100,0% |

**Chi-Square Tests** 

|                                    | Value             | df | Asymp. Sig. (2-sided) | Exact Sig.<br>(2-sided) | Exact Sig. (1-sided) |
|------------------------------------|-------------------|----|-----------------------|-------------------------|----------------------|
| Pearson Chi-Square                 | ,893 <sup>b</sup> | 1  | ,345                  |                         |                      |
| Continuity Correction <sup>a</sup> | ,502              | 1  | ,479                  |                         |                      |
| Likelihood Ratio                   | ,897              | 1  | ,344                  |                         |                      |
| Fisher's Exact Test                |                   |    |                       | ,479                    | ,240                 |
| Linear-by-Linear<br>Association    | ,881              | 1  | ,348                  |                         |                      |
| N of Valid Cases                   | 75                |    |                       |                         |                      |

a. Computed only for a 2x2 table

No statistically significant (p<0.05) differences across categories could be uncovered.

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 14,00.

**Appendix 38: Satisfactory Primary Groups Without Ambience Incidents – The Impact of Age** 

|     | Group              | N  | Mean Rank | Sum of Ranks |
|-----|--------------------|----|-----------|--------------|
| Age | Verbal Incidents   | 40 | 33,81     | 1352,50      |
|     | Physical Incidents | 20 | 23,88     | 477,50       |
|     | Total              | 60 |           |              |

Test Statistics<sup>a</sup>

|                        | Age     |
|------------------------|---------|
| Mann-Whitney U         | 267,500 |
| Wilcoxon W             | 477,500 |
| Z                      | -2,103  |
| Asymp. Sig. (2-tailed) | ,035    |

a. Grouping Variable: Group

**Appendix 39: Satisfactory Primary Groups Without Ambience Incidents – The Impact of Income** 

|        | Group              | N  | Mean Rank | Sum of Ranks |
|--------|--------------------|----|-----------|--------------|
| Income | Verbal Incidents   | 39 | 32,24     | 1257,50      |
|        | Physical Incidents | 17 | 19,91     | 338,50       |
|        | Total              | 56 |           |              |

Test Statistics<sup>a</sup>

|                        | Income1 |
|------------------------|---------|
| Mann-Whitney U         | 185,500 |
| Wilcoxon W             | 338,500 |
| Z                      | -2,890  |
| Asymp. Sig. (2-tailed) | ,004    |

a. Grouping Variable: Group

The Mann-Whitney Tests shows that age and income were significantly related to the likelihood of reporting a satisfactory verbal or physical incident. Thus, those who reported satisfying verbal incidents had a significantly higher income than those who reported physical incidents of the same origin. In addition, those respondents indicating satisfying verbal incidents were significantly older than those remembering satisfactory physical incidents.

Appendix 40: Satisfactory Primary Groups Without Ambience Incidents – The Impact of Children

|       |                    |                       | Child  | dren   |        |
|-------|--------------------|-----------------------|--------|--------|--------|
|       |                    |                       | Yes    | No     | Total  |
| Group | Verbal Incidents   | Count                 | 25     | 15     | 40     |
|       |                    | Expected Count        | 21,3   | 18,7   | 40,0   |
|       |                    | % within Group        | 62,5%  | 37,5%  | 100,0% |
|       |                    | % within Children     | 78,1%  | 53,6%  | 66,7%  |
|       |                    | % of Total            | 41,7%  | 25,0%  | 66,7%  |
|       | Physical Incidents | Count                 | 7      | 13     | 20     |
|       |                    | <b>Expected Count</b> | 10,7   | 9,3    | 20,0   |
|       |                    | % within Group        | 35,0%  | 65,0%  | 100,0% |
|       |                    | % within Children     | 21,9%  | 46,4%  | 33,3%  |
|       |                    | % of Total            | 11,7%  | 21,7%  | 33,3%  |
| Total |                    | Count                 | 32     | 28     | 60     |
|       |                    | Expected Count        | 32,0   | 28,0   | 60,0   |
|       |                    | % within Group        | 53,3%  | 46,7%  | 100,0% |
|       |                    | % within Children     | 100,0% | 100,0% | 100,0% |
|       |                    | % of Total            | 53,3%  | 46,7%  | 100,0% |

**Chi-Square Tests** 

|                                    | Value              | df | Asymp. Sig.<br>(2-sided) | Exact Sig. (2-sided) | Exact Sig. (1-sided) |
|------------------------------------|--------------------|----|--------------------------|----------------------|----------------------|
| Pearson Chi-Square                 | 4,051 <sup>b</sup> | 1  | ,044                     |                      |                      |
| Continuity Correction <sup>a</sup> | 3,022              | 1  | ,082                     |                      |                      |
| Likelihood Ratio                   | 4,088              | 1  | ,043                     |                      |                      |
| Fisher's Exact Test                |                    |    |                          | ,058                 | ,041                 |
| Linear-by-Linear<br>Association    | 3,984              | 1  | ,046                     |                      |                      |
| N of Valid Cases                   | 60                 |    |                          |                      |                      |

a. Computed only for a 2x2 table

The chi-square test shows that whether the respondents had children or not significantly affected their likelihood of reporting a satisfying verbal as opposed to satisfying a physical incident. Thus, satisfactory verbal incidents were more likely to be reported by those respondents who have children than by those who have none (62.5% vs. 37.5%) whereas satisfactory physical incidents were more likely to be cited by those who do not have children than by those who have children (65% vs. 35%).

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 9,33.

**Appendix 41: Dissatisfactory Primary Groups Without Ambience Incidents – The Impact of Children** 

|       |                    |                       | Child  | dren   |        |
|-------|--------------------|-----------------------|--------|--------|--------|
|       |                    |                       | Yes    | No     | Total  |
| Group | Verbal Incidents   | Count                 | 13     | 22     | 35     |
|       |                    | Expected Count        | 17,7   | 17,3   | 35,0   |
|       |                    | % within Group        | 37,1%  | 62,9%  | 100,0% |
|       |                    | % within Children     | 31,7%  | 55,0%  | 43,2%  |
|       |                    | % of Total            | 16,0%  | 27,2%  | 43,2%  |
|       | Physical Incidents | Count                 | 28     | 18     | 46     |
|       |                    | Expected Count        | 23,3   | 22,7   | 46,0   |
|       |                    | % within Group        | 60,9%  | 39,1%  | 100,0% |
|       |                    | % within Children     | 68,3%  | 45,0%  | 56,8%  |
|       |                    | % of Total            | 34,6%  | 22,2%  | 56,8%  |
| Total |                    | Count                 | 41     | 40     | 81     |
|       |                    | <b>Expected Count</b> | 41,0   | 40,0   | 81,0   |
|       |                    | % within Group        | 50,6%  | 49,4%  | 100,0% |
|       |                    | % within Children     | 100,0% | 100,0% | 100,0% |
|       |                    | % of Total            | 50,6%  | 49,4%  | 100,0% |

**Chi-Square Tests** 

|                                    | Value              | df | Asymp. Sig. (2-sided) | Exact Sig. (2-sided) | Exact Sig.<br>(1-sided) |
|------------------------------------|--------------------|----|-----------------------|----------------------|-------------------------|
| Pearson Chi-Square                 | 4,477 <sup>b</sup> | 1  | ,034                  |                      | Ì                       |
| Continuity Correction <sup>a</sup> | 3,578              | 1  | ,059                  |                      |                         |
| Likelihood Ratio                   | 4,520              | 1  | ,034                  |                      |                         |
| Fisher's Exact Test                |                    |    |                       | ,045                 | ,029                    |
| Linear-by-Linear<br>Association    | 4,421              | 1  | ,035                  |                      |                         |
| N of Valid Cases                   | 81                 |    |                       |                      |                         |

a. Computed only for a 2x2 table

The chi-square test shows that whether the respondents had children or not significantly (p<0.05) affected their likelihood of reporting a dissatisfying verbal as opposed to dissatisfying a physical incident. Verbal incidents were reported by more respondents who do not have children (62.9%) whereas physical incidents tended to be reported by respondents who have children (60.9%) rather than by respondents who do not have children (39.1%).

b. 0 cells (,0%) have expected count less than 5. The minimum expected count is 17,28.

# **Appendix 42: Dissatisfactory Primary Groups Without Ambience Incidents – The Impact of Age**

|     | Group              | N  | Mean Rank | Sum of Ranks |
|-----|--------------------|----|-----------|--------------|
| Age | Verbal Incidents   | 35 | 32,31     | 1131,00      |
|     | Physical Incidents | 46 | 47,61     | 2190,00      |
|     | Total              | 81 |           |              |

#### Test Statistics<sup>a</sup>

|                        | Age      |
|------------------------|----------|
| Mann-Whitney U         | 501,000  |
| Wilcoxon W             | 1131,000 |
| Z                      | -2,968   |
| Asymp. Sig. (2-tailed) | ,003     |

a. Grouping Variable: Group

The relationships portrayed in the table above are statistically significant (p<0.05).

Thus, one can conclude that the respondents who reported physical incidents tended to be older than those who reported verbal incidents.

**Appendix 43: Dissatisfactory Primary Groups Without Ambience Incidents – The Impact of Income** 

|        | Group              | N  | Mean Rank | Sum of Ranks |
|--------|--------------------|----|-----------|--------------|
| Income | Verbal Incidents   | 33 | 33,12     | 1093,00      |
|        | Physical Incidents | 43 | 42,63     | 1833,00      |
|        | Total              | 76 |           |              |

Test Statistics<sup>a</sup>

|                        | Income   |
|------------------------|----------|
| Mann-Whitney U         | 532,000  |
| Wilcoxon W             | 1093,000 |
| Z                      | -2,007   |
| Asymp. Sig. (2-tailed) | ,045     |

a. Grouping Variable: Group

The relationships portrayed in the table above are statistically significant as well (p<0.05). Respondents who reported dissatisfying physical incidents tended to have a higher income than those who reported dissatisfying verbal incidents.

**Appendix 44: Dissatisfactory Primary Groups Without Ambience Incidents – The Impact of Purchase Occasion** 

|       |                    |                   |         | Occasion |             |        |
|-------|--------------------|-------------------|---------|----------|-------------|--------|
|       |                    |                   | Private | Group    | Neither nor | Total  |
| Group | Verbal Incidents   | Count             | 11      | 16       | 6           | 33     |
|       |                    | Expected Count    | 6,4     | 17,1     | 9,4         | 33,0   |
|       |                    | % within Group    | 33,3%   | 48,5%    | 18,2%       | 100,0% |
|       |                    | % within Occasion | 73,3%   | 40,0%    | 27,3%       | 42,9%  |
|       |                    | % of Total        | 14,3%   | 20,8%    | 7,8%        | 42,9%  |
|       | Physical Incidents | Count             | 4       | 24       | 16          | 44     |
|       |                    | Expected Count    | 8,6     | 22,9     | 12,6        | 44,0   |
|       |                    | % within Group    | 9,1%    | 54,5%    | 36,4%       | 100,0% |
|       |                    | % within Occasion | 26,7%   | 60,0%    | 72,7%       | 57,1%  |
|       |                    | % of Total        | 5,2%    | 31,2%    | 20,8%       | 57,1%  |
| Total |                    | Count             | 15      | 40       | 22          | 77     |
|       |                    | Expected Count    | 15,0    | 40,0     | 22,0        | 77,0   |
|       |                    | % within Group    | 19,5%   | 51,9%    | 28,6%       | 100,0% |
|       |                    | % within Occasion | 100,0%  | 100,0%   | 100,0%      | 100,0% |
|       |                    | % of Total        | 19,5%   | 51,9%    | 28,6%       | 100,0% |

|                                 | Value              | df | Asymp. Sig. (2-sided) |
|---------------------------------|--------------------|----|-----------------------|
| Pearson Chi-Square              | 8,004 <sup>a</sup> | 2  | ,018                  |
| Likelihood Ratio                | 8,148              | 2  | ,017                  |
| Linear-by-Linear<br>Association | 7,093              | 1  | ,008                  |
| N of Valid Cases                | 77                 |    |                       |

a. 0 cells (,0%) have expected count less than 5. The minimum expected count is 6,43.

As the table shows, respondents who were in private purchase occasions reported dissatisfying verbal incidents rather than dissatisfactory physical incidents (73.3% vs. 26.7%) whereas those in group purchase occasions were more likely to report dissatisfactory physical incidents than negative verbal incidents (60% vs. 40%).

Appendix 45: Frequencies – Did Other Factors Also Have An Impact Upon Service Experiences?

|       |       | Frequency | Percent | Valid Percent | Cumulative<br>Percent |
|-------|-------|-----------|---------|---------------|-----------------------|
| Valid | Yes   | 103       | 68,2    | 68,2          | 68,2                  |
|       | No    | 48        | 31,8    | 31,8          | 100,0                 |
|       | Total | 151       | 100,0   | 100,0         |                       |

As TABLE 37 shows, 68.2% of all respondents indicated that in addition to customers sharing the servicescape with them, other factors such as the environment or employees had had an impact upon their service experience.

**Appendix 46: Frequencies - Could the Service Provider Have Prevented Negative Incidents?** 

|       |            | Frequency | Percent | Valid Percent | Cumulative<br>Percent |
|-------|------------|-----------|---------|---------------|-----------------------|
| Valid | Yes        | 55        | 65,5    | 65,5          | 65,5                  |
|       | No         | 23        | 27,4    | 27,4          | 92,9                  |
|       | Don't know | 6         | 7,1     | 7,1           | 100,0                 |
|       | Total      | 84        | 100,0   | 100,0         |                       |

As this table shows, 65.5% of the respondents believe that the service provider could have prevented the negative critical incident they experienced.

# **Appendix 47: Curriculum Vitae**

# **German Version**

Julia Grillmair wurde am 13.5.1984 in Grieskirchen (Oberösterreich) geboren. Nach der Volksschule in Feldkirchen besuchte sie das englischsprachige Gymnasium Linz International School Auhof, wo sie am 10.6.2002 mit Auszeichnung maturierte. Zusätzlich zur Matura erwarb sie das International Baccalaureate (IB), auf welches sie mit 42 von 45 möglichen Punkten die höchste je an der Schule erzielte Punkteanzahl erreichte.

Im Oktober 2002 begann Julia Grillmair ein Studium der "Internationalen Betriebswirtschaft" an der Universität Wien. Sie spezialisierte sich in weiterer Folge auf "International Marketing" und "International Management". 2006 verbrachte sie ein Semester an der Universidad Carlos III in Madrid. Im Herbst 2006 begann sie mit dem Schreiben ihrer Diplomarbeit am Lehrstuhl für "International Marketing". welche sie im Dezember 2007 fertig stellte.

# **English Version**

Julia Grillmair was born on May 13th, 1984 in Grieskirchen (Upper Austria). After primary school, she attended the Linz International School Auhof. In 2002, she graduated with distinction. In addition to her "Matura", she acquired the "International Baccalaurate" (IB) diploma, on which she obtained 42 out of 45 possible points.

In October 2002, Julia Grillmair began her studies of "International Business Administration" at the University of Vienna. She subsequently specialized in "International Marketing" and "International Management". In 2006, she spent a semester at the Universidad Carlos III in Madrid. She started working on her thesis in autumn 2006 and finished it in December 2007.

# Appendix 48: Deutsche Zusammenfassung

Die Erbringung einer Dienstleistung erfolgt häufig im Beisein anderer Konsumenten, welche die Zufriedenheit des Konsumenten mit der Dienstleistung maßgeblich beeinflussen können. Obgleich einige Forscher diese Möglichkeit der Beeinflussung bereits erkannt haben, beschäftigt sich nur die Studie von Grove und Fisk (1997) explizit mit dem Einfluss anderer Konsumenten auf die Zufriedenheit mit der Dienstleistung.

Aufgrund der Tatsache, dass die Ergebnisse der Studie von Grove und Fisk (1997) nur in eingeschränktem Maße verallgemeinerbar sind, sowie aufgrund neuerer theoretischer und empirischer Erkenntnisse auf dem Gebiet des Dienstleistungsmarketings erscheinen eine Reproduzierung und eine weitere Ausweitung der Studie von Grove und Fisk (1997) von größter Wichtigkeit.

Mithilfe der "Critical Incident Technique" (CIT) sammelte die Verfasserin der vorliegenden Arbeit Daten von 184 Personen.

Die Ergebnisse belegen, dass andere Konsumenten in der Tat einen Einfluss auf die Zufriedenheit mit der Dienstleistung haben. Dieser Einfluss zeigte sich in vielen unterschiedlichen Dienstleistungssektoren. Die Verteilung positiver und negativer "critical incidents" (d.h. jener Dienstleistungserlebnisse, welche einen maßgeblichen Einfluss auf die Zufriedenheit mit der Dienstleistung haben) war in allen Sektoren konstant.

Eine weiterführende Datenanalyse ergab eine Einteilung der "critical incidents" in drei übergeordnete sowie sechs untergeordnete Kategorien. Mögliche Zusammenhänge zwischen diesen Kategorien und den Charakteristika der Teilnehmer der Studie wurden im Detail untersucht. Diese Untersuchung zeigte, dass das Einkommen, das Geschlecht sowie das Alter der Teilnehmer einen Einfluss auf die Art des angegebenen Erlebnisses hatten.

Zusätzlich wurden im Zuge dieser Studie Informationen über die Anzahl anderer anwesender Konsumenten, die Emotionen der Teilnehmer, andere Einflüsse auf die

Zufriedenheit mit der Dienstleistung, sowie über die Frage, ob das Dienstleistungsunternehmen negative Situationen hätte verhindern können, gesammelt.

Die Ergebnisse zeigen, dass die Teilnehmer der Studie während der Inanspruchnahme der verschiedenen Dienstleistungen eine Vielzahl von Emotionen durchlebten. Die Mehrheit jener Teilnehmer, welche eine negative Erfahrung gemacht hatten, gab zudem an, dass das Dienstleistungsunternehmen diese hätte verhindern können.

Auch zeigen die Ergebnisse der vorliegenden Arbeit, dass die Zufriedenheit mit der Dienstleistung häufig durch eine Kombination verschiedener Elemente positiv oder negativ beeinflusst wurde.

Die Ergebnisse der vorliegenden Studie sind sowohl in theoretischer als auch in praktischer Hinsicht für das Dienstleistungsmarketing relevant.