THE CUSTOMER AS A PRODUCTIVE RESOURCE: A PILOT STUDY AND STRATEGIC IMPLICATIONS

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Abstract

Service delivery is an interactive process in which customers are often vital participants, with the level of participation varying among individual consumers. Using a service setting (i.e., YMCA), a pilot study examines differences in organizational socialization of customers and outcomes experienced by customers for three levels of customer participation. The findings indicate that there are significant differences in the (a) degree of organizational socialization across customers and (b) perceptions of service quality for the different levels of customer participation. Specifically, organizational socialization and perceptions of service quality increase as customers become more active participants in service delivery. Strategic implications are considered.

Introduction

Service delivery is an interactive and dynamic process, that from the consumer's point of view is much more than a passive exchange of money for a particular service. Characteristics of services (e.g., intangibility, heterogeneity, simultaneity, and perishability) often require customers to be actively involved in helping to create the service value — either by serving themselves (as in getting food in a buffet restaurant line or by pumping their own gas) or by cooperating and often working collaboratively with service personnel (as in settings such as hair salons, motels, universities, or lawyers' offices). In high-contact systems customers can influence the time of demand, the exact nature of the service, and the quality of service (Chase, 1978; Lovelock & Young, 1979). If consumers somehow become better customers — that is, more knowledgeable, participative, or productive — the quality of the service experience will likely be enhanced for the customer and the organization (Bowers, Martin & Luker, 1990). Organizations that capitalize on customers' active participation in organizational activities can gain competitive advantage through greater sales

volume, enhanced operating efficiencies, positive word-of-mouth publicity, reduced marketing expenses, and enhanced customer loyalty (Lovelock & Young, 1979; Reichheld & Sasser, 1990; Vavra, 1992). Customers who actively participate in organizational activities can directly increase their personal satisfaction and perceptions of service quality (Bowers, Martin & Luker, 1990; Czepiel, 1990; Mills, Chase & Margulies, 1983; Solomon et al., 1985).

This view of customer participation requires organizations to broaden their perspectives of productive resources beyond their traditional boundaries to include customers as potential participants in, not merely recipients of, service delivery (Bettencourt, 1997; Lengnick-Hall, 1996; Prahalad & Ramaswamy, 2000; Schneider & Bowen, 1995). However, customers have considerable discretion regarding the effort put forth and the range of actions towards which their efforts are applied during service delivery (Bitner et al., 1997). For example, some customers decide to merely "show up," whereby their attendance is the extent of their participation. Other customers become more actively involved by, for example, providing useful information to the organization or to other customers. This is a more moderate level of participation. Finally, still other customers may decide to become co-producers of the service and actively help the firm do its work. In other words, some customers may become "partial employees" of the organization (Mills, Chase & Margulies, 1983) and, in turn, derive additional benefits from service as an outcome of interactive experiences in which they participate (Bateson, 1992). Ultimately, the level of participation customers provide influences the service outcomes that are important to them and to the organization. Customer participation, however, does not automatically materialize. The type of service, the environment in which the service is delivered, and individual differences among customers influence the level of customer participation (Danaher, 1998). Therefore, organizations should make it clear to customers what forms of participation are expected or might be beneficial to themselves or the firm. This suggests that customers should be trained, or socialized, by the organization if effective participation is to result. Customer organizational socialization, then, is a key process for determining both the level and effectiveness of customer participation.

Based on this perspective of customer participation, our research focuses specifically on the relationships among customers' participation in service delivery, the socialization of customers into this process, and their subsequent satisfaction and perceptions of service quality. As pointed out by Kellogg, Youngdahl, and Bowen (1997), each of these concepts has been researched separately and extensively; however, to date these concepts have not been integrated into a comprehensive research framework. The purpose of this paper is to show managers how increased customer participation in service delivery can improve organizational productivity and enhance customers' perceived outcomes. The results suggest specific managerial actions that can contribute to increasing customer participation. The research framework displayed in Figure

1 shows the model of customer participation we use in this study. Fundamentally, the model depicts customer organizational socialization as a primary driver of customer participation in the service setting. When customers are properly socialized they are more likely to effectively participate in service delivery. Effective participation, in turn, influences customer satisfaction and perceived service quality. Following the theoretical development of this model, we report the results of a pilot study that is an exploratory test of the framework. We conclude by discussing the strategic implications of our research.

Figure 1
Customer Participation Model
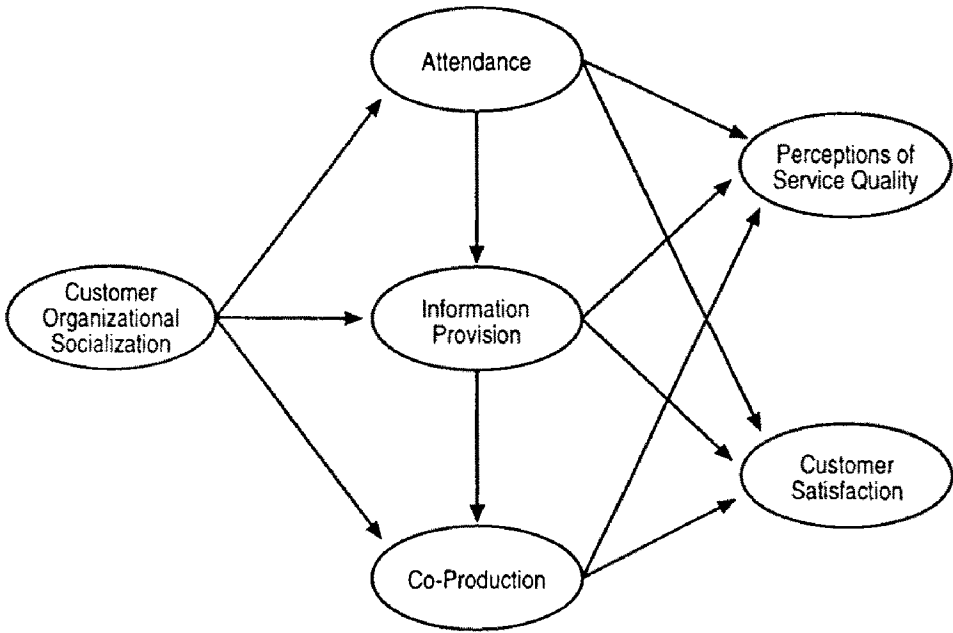
Levels of Customer Participation

While some customer participation in service delivery is inevitable, the level of customer participation — low, moderate, or high — varies across service settings and across individuals. Researchers have identified activities that correspond to three levels of participation: attendance, information provision, and co-production (Zeithaml & Bitner, 1996). At a low level of participation, all that is required is the customer's physical presence or attendance, with the employees of the organization doing all of the service production and delivery work. An example would be a symphony concert, where symphony-goers must merely be present to receive the entertainment service. Although symphony-goers may be

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more participatory, for example, by talking to other concert-goers about the concert or by applauding the performance, little more than their attendance is required once they are seated (Bitner et al., 1997).

At a moderate level, customer participation takes the form of providing information. The customer is a consultant and quality inspector to the organization and a reporter to others. This form of participation includes providing information to the organization about both good and bad service delivery, offering innovative ideas, and communicating with other potential and existing customers about the service or the organization (Bettencourt, 1997; Martin, 1992; Mills, Margulies & Chase, 1983; Plymire, 1991; Schneider & Bowen, 1995; Wolstenholme, 1988).

Customers are uniquely situated to offer information to the organization. They may be familiar with the service through experience and they often have something to gain from their participation (Wolstenholme, 1988). Customers' complaints and suggestions may lead to fixing product and service delivery problems, expanding current service, or creating innovative goods and services (Bettencourt, 1997; Plymire, 1991). For example, Federal Express was able to discover and overcome a delivery process problem via information provided by a customer, Boehringer Mannheim Biochemicals (BMB). After continually asking FedEx employees for help in solving a problem with ruined shipments of BMB biochemicals, the FedEx salesperson gathered 25 customer service and operations people from each company and convened a series of meetings. The group developed a simple solution that saved BMB an estimated $1.3 million a year by reducing spoiled deliveries and increasing customer goodwill. Customer supplied information allowed FedEx to solve a problem in two days that it had not been able to solve by itself in two years (Dumaine, 1994).

Customers may also participate at a moderate level by communicating with other customers. For example, McGrath and Otnes (1995) refer to overt interpersonal influences between unacquainted consumers in market settings. They found that consumers in retail settings will respond to others (1) when directly asked for information in the form of advice (e.g., when asked if they have ever tried a particular product) and evaluative comments (e.g., when asked how another looks in a new outfit) and (2) with unprompted or unsolicited advice, expertise, and complaints (e.g., when answering a question for a customer that a salesperson could not). In some cases the customer becomes an active advocate, promoter, or defender of the organization (Bettencourt, 1997; Bowers, Martin & Luker, 1990; Christopher, Payne & Ballantyne, 1991; Harris, Baron & Davies, 1999; McGrath & Otnes, 1995). In other cases, negative word-of-mouth is disseminated to voice dissatisfaction to others about a service experience (Martin, 1992).

Customer participation at a high level is necessary to assist some organizations in creating the service. When service customers are actually involved in co-producing the service, the customer behaves as a partial employee who contributes effort, time, or other resources to either design the service or per-

form some of the service delivery functions (Bettencourt, 1997; Lengnick-Hall, 1996; Lovelock & Young, 1979; Martin, 1992; Mills & Morris, 1986; Schneider & Bowen, 1995). Fundamentally, this level of participation involves the customer in a partnership with the service organization to help assess the need for service, customize the design and delivery of the service, and produce a portion or all of the service him or herself. As a consequence of co-production, the nature of the service outcome can be negatively influenced for customers who choose to participate at a lower level. For example, citizens who attend but do not participate in a town hall meeting are likely to have their views overshadowed by more active co-producers who join committees and help draft policy. In other circumstances, co-production is a prerequisite for effective service delivery. For example, unless a health club member (who joined to lose weight) exercises and eats the right foods, the service provider cannot effectively deliver the service outcome. It should be recognized, however, that effective delivery of the service outcome also depends on the goal of the customer. If the health club member joined for social reasons, losing weight may be a side benefit with social interaction necessary for effective service delivery.

Participation by customers in service delivery varies considerably among service settings and among customers. Even within the same service setting, different customers may show variations in their behaviors. Some customers are prepared to play a purely physical role in the performance, for example, by sacking and carting their own groceries. Others take on a verbal script, conversing with other customers or service employees (Baron, Harris & Davies, 1996). By definition, customers who participate in co-production (i.e., at a high level of participation), must also be in attendance and provide information; customers who participate at a moderate level by providing information must be in attendance but would not be involved in co-production; customers who participate at a low level merely attend and do not provide information nor become involved in co-production activities. For example, when a patient visits a physician, he decides which level of participation he is willing to adopt. He may choose to merely go to the appointment, but because of embarrassment or confusion, be non-communicative about symptoms and history; however, a patient who explains the symptoms and progression of an illness to the physician to help diagnose the illness is participating at a moderate level through both attendance and information provision. Finally, a patient who, in addition to attendance and information provision, interacts with the physician to develop a workable treatment program, and then administers his own medication is actively engaging in co-production.

Customer Organizational Socialization

To be effective participants, customers must possess the knowledge, skills, abilities, and attitudes that will enable them to perform effectively in service

encounters (Bateson, 1992). Socialization is the means through which people acquire the knowledge, skills, dispositions, and motivations that make it possible for them to effectively participate in a social structure. When properly socialized, a person has a greater ability to effectively participate in social interaction (Biddle, 1979; Sarbin & Allen, 1968; Stryker & Statham, 1985). Customer organizational socialization is the process used to prepare customers with behavioral guidelines that are organizationally specific; it allows customers to learn firm-specific values, develop the knowledge, skills, and abilities necessary to function within a specific organization, and acquire the knowledge necessary for interaction with employees and other customers (Kelley, Donnelly & Skinner, 1990; Kelley, Skinner & Donnelly, 1992).

To the extent to which lack of effective participation can be attributed to the absence of appropriate experience or training, participation can be improved through the instruction and practice associated with socialization (Biddle, 1979; Sarbin & Allen, 1968). Specific examples of customer organizational socialization include formal programs, such as health spas that formally train customers to appropriately use their facilities; organizational literature, such as annual reports, used to advance organizational values; environmental cues, such as those used by airlines, hotels, and car rental agencies to provide customers with appropriate queuing behaviors; positive reinforcement and punishment, such as telephone companies charging to use directory assistance (i.e., punishment); and observation of other customers, such as new customers, upon going to a restaurant for the first time, watching experienced customers' behaviors (Bowers, Martin & Luker, 1990; Kelley, Donnelly & Skinner, 1990; Kelley, Skinner & Donnelly, 1992).

Customer organizational socialization is the means by which a firm encourages customers to actively participate rather than remain passive recipients (Bowers, Martin & Luker, 1990; Goodwin, 1988). Through this process, service customers gain an appreciation of organizational specific values, develop organizational specific skills, gain an understanding of role expectations, and acquire the knowledge needed for social interaction with employees and other customers. As customers come to identify with organizational goals and values through the socialization process, they become more committed to the organization and engage in greater participation in organizational activities (Kelley, Donnelly & Skinner, 1990). They become more productive when there is a match between the required service production-related skills, knowledge, and attitudes and the abilities and attitudes of the customer (Bateson, 1992). Consequently, customer organizational socialization and the level of customer participation are hypothesized to be associated, with more effective socialization being linked to higher levels of customer participation.

Hypothesis 1: *Customer participation levels increase as levels of organizational socialization increase.*

Customer Satisfaction and Perceived Service Quality

Participation in a relationship (e.g., the service delivery process) persists, in part, because of the consequences (i.e., the experienced rewards). The general principle is if a person's preferences and needs are met in a relationship, then higher levels of personal satisfaction with the relationship are likely to develop (Biddle, 1979; Stryker & Statham, 1985). Effective participation in the relationship facilitates this process because it increases the likelihood that a person's wants and needs are met and thereby increases the likelihood that satisfaction is experienced. Effective participation by customers in the service delivery process is indispensable to the production activities of most service organizations and an essential requirement for any human service provider (Bloom & Wilson, 1979; Lengnick-Hall, 1996). Different modes of interaction call for different types of customer participation, but despite these variations, consistent links have been demonstrated between increased customer involvement and increased customer loyalty and satisfaction (Gutek, 1995; Schneider & Bowen, 1995; Groth, Gutek & Douma, 2000).

Customers can directly influence organizational productivity (Lovelock & Young, 1979; Mills & Morris, 1986). However, while customers may care little about their contributions to increased organizational productivity, they are likely to care a great deal about whether their needs are met and other benefits are derived (e.g., lower prices) (Bateson, 1992; Bitner et al., 1997). Customers are typically present in the "service factory" (the place the service is produced or consumed, or both), interacting with employees and with other customers (Chase & Garvin, 1989). This suggests that effective participation on the part of customers can increase the likelihood that their needs are met and that the benefits they are seeking are actually attained (Bitner et al., 1997). However, not all participation by customers is beneficial to the service outcome. To ensure a positive relationship between participation and outcomes, customers must understand what they are expected to do, must have the skills and abilities to do the work correctly, and must receive some form of performance appraisal to correct any problems that occur (Bowen, 1986; 2000).

The outcomes of participation (i.e., fulfilled/unfilled wants and needs; personal satisfaction/dissatisfaction) are dependent on, at least partially, the level of the person's participation. Findings from the employee participation literature lend theoretical justification to this idea. Employee performance, productivity, and job satisfaction are influenced by the type and extent of decision making participation. In particular, when employees' participation in decision making regarding work, job issues, and informal situations increases, performance and satisfaction increase (Cotton et al., 1988). This suggests that as a person's participation increases, perceived outcomes will be positively influenced. Ulrich (1989) argues that involving customers in determining organizational policies is a powerful way to increase customer loyalty and commitment.

Likewise, Bowen (1986) explains that as customers increase their level of involvement with a firm, the firm gains the opportunity to shape customer perceptions by making more direct evidence both about the service concept and the service delivery system available for customers to draw upon in making judgments about the firm. Webber (2000) takes this a step further and uses stewardship theory to explain the relationship between co-production and increasing client trust and loyalty. The service literature lends further support to this claim as a positive and significant relationship has been found between customer participation and customer commitment (a potential outcome of participation) (Bettencourt, 1997). It is a logical corollary, then, that the level of customer participation in the service production and delivery process will influence customers' total service experiences. Ultimately, customers control or contribute to their own satisfaction through their participation (Lovelock & Young, 1979; Mills & Morris, 1986; Solomon et al., 1985; Zeithaml & Bitner, 1996). Consequently, it is hypothesized that:

> Hypothesis 2: *Customer satisfaction levels increase as the level of customer participation increases.*

Similarly, customers' levels of participation will contribute to their perceptions of service quality (Lovelock & Young, 1979; Mills & Morris, 1986; Solomon et al., 1985; Zeithaml & Bitner, 1996). Five dimensions of perceived service quality are recognized — tangibles, reliability, responsiveness, assurance, and empathy (Parasuraman, Zeithaml & Berry, 1988); however, only three of the dimensions are direct aspects of service encounter performance (Czepiel, 1990). Therefore, it is hypothesized that:

> Hypothesis 3: *Levels of customer perceptions of service quality increase as customer participation levels increase. Specifically, customer perceptions of the service firm's (a) responsiveness, (b) assurance, and (c) empathy increase as levels of customer participation increase.*

Pilot study

Sample
Respondents were drawn from a random sample of member and non-member participants in organizational activities of a YMCA having three branches in a mid-sized city in the midwest. Ten-page surveys were mailed to participants' homes, accompanied by a letter from the Executive Director of the YMCA encouraging their participation in the study. Respondents were entered into a drawing for various prizes offered by the sponsoring organization. A total of 750 questionnaires were sent. Of these, 127 completed surveys were received, giv-

ing a response rate of 17%. Marketing mail surveys typically receive lower response rates than mail surveys in different disciplines (Allen et al., 1997). Moreover, this is a reasonable response rate because there was no prenotification or followup with the sample (Dillman, 2000; Fox, Crask & Kim 1988; Yammarino, Skinner & Childers 1991).

There was a relatively even distribution of responses across the three branches of the metropolitan YMCA (31% East, 35% West, 34% Central). Slightly over half of the respondents (56%) were female. YMCA customers include both members (i.e., individuals who have formally joined the organization and pay membership dues) and non-member participants (i.e., individuals who participate in YMCA activities but are not members of the organization). Nearly three-quarters (72%) of the respondents were members. The remaining respondents were participating non-members of the YMCA. While anonymity of the survey precluded comparison of respondents to non-respondents, these distributions are representative of the sample population, and no significant demographic differences were found between the respondents and the general customer base for this organization.

Measures

All measures used in the present study were assessed on 5-point Likert scales, with responses ranging from 1 (strongly disagree) to 5 (strongly agree), unless otherwise stated. The Appendix contains a copy of the scales.

Levels of Customer Participation

Three dimensions of customer participation were assessed: attendance, information provision, and co-production. The three levels of customer participation were assessed by measures designed to identify attendance, information provision, and co-production on the part of customers. Attendance was measured by the number of hours a customer spent in a typical week at the YMCA. Information provision was measured by an index of five items that assessed the extent to which customers provided information to the YMCA (through focus groups and committees), made innovative suggestions to the YMCA, and provided information to other customers of the YMCA. Co-production was measured by an index of three items used to assess the extent to which customers went beyond normal expectations to orient new members, provide service to the YMCA, and put forth a great deal of effort to help the YMCA in the service delivery process.

Scores on these three dimensions (i.e., attendance, information provision, co-production) were used to classify respondents into one of four levels of participation. The levels of customer participation were determined as follows. The low level of customer participation (group 1 – attendance) included those respondents who, in a typical week, spent time at the YMCA, but exhibited low scores on information provision and co-production (i.e., in the bottom third of scores for information provision and co-production). These people were spend-

ing varying amounts of hours at the YMCA but were not providing information to the YMCA nor actively participating with the YMCA in the service delivery process. The moderate level of customer participation (group 2 – information provision) included those respondents who attended the YMCA for three hours or more a week (top two-thirds) and scored in the top two-thirds of the respondents on the information provision index, but exhibited low scores on co-production (i.e., in the bottom third of scores). These people were spending relatively high amounts of time at the YMCA and providing information to the YMCA and other customers, but were not actively participating with the YMCA in the service delivery process.

The high level of customer participation was divided into moderate co-production (group 3) and high co-production (group 4). Moderate co-production (group 3) included those respondents who attended the YMCA for three hours or more a week (top two-thirds) and scored in the middle third of the respondents on the information provision and co-production indexes. To be classified in high co-production (group 4), respondents had to have scores in the top third on all participation measures (i.e., hours attended more than five hours per week and top third of information provision and co-production scores).

A set of the respondents (n = 64) fit the definitions established for the customer participation levels. Rather than arbitrarily identifying additional levels (for which there is no theoretical support), we decided to analyze the subset of responses that fit the conceptual definition of customer participation. This method of identifying the four levels of customer participation and hence classifying respondents into the levels followed the definition of cumulative customer participation set forth earlier. This yielded the following numbers for this exploratory study: attendance n = 14; information provision n = 11; moderate co-production n = 24; and high co-production n = 15.

Other Variables

Organizational socialization of customers measured the respondents' knowledge, skills, and attitudes regarding organizational norms and YMCA policies and practices. Twelve items drawn from Kelley, Skinner & Donnelly (1992) were used to measure customer organizational socialization ($\alpha = .80$).

The customer satisfaction scale utilized multiple indicators rather than the single-item measures that are often used (Taylor & Baker, 1994). The two items used were general satisfaction measures developed for the study ($\alpha = .85$). These items were evaluated on five-point scales ranging from "very dissatisfied" to "very satisfied."

Performance items from Parasuraman, Zeithaml and Berry's (1988) SERVQUAL scale were used to measure perceptions of service quality. This scale assesses the respondents' judgment of the overall superiority or excellence of service. Support for using perceptions of actual performance measures rather than the difference scores between expectations and perceptions of actual per-

formance has been found (Cronin & Taylor, 1992; Oliver, 1993). Czepiel (1990) argues that three specific dimensions measure service encounter performance: responsiveness ($\alpha = .84$), assurance ($\alpha = .82$), and empathy ($\alpha = .87$). Therefore, thirteen items were used to measure these three dimensions of perceived quality of service encounter performance.

Results

A series of ANOVA analyses was conducted to examine the relationships among levels of customer participation, customer organizational socialization, and the outcomes customers experience from the service delivery process. ANOVAs were conducted for each set of hypothesized relationships. Table 1 reports means, standard deviations, and alpha coefficients for each of the scales used in the analyses. Correlations between these scales are also presented in Table 1.

Table 1
Correlations and Descriptive Statistics

	Variable	soc	satis	res	assr	Mean	sd	Alpha
soc	Customer Organizational Socialization					3.73	.48	.80
satis	Customer Satisfaction	.39				4.09	.76	.85
res	Responsiveness	.42	.32			3.73	.75	.84
assr	Assurance	.56	.49	.51		3.79	.66	.82
emp	Empathy	.57	.39	.67	.64	3.50	.78	.87

$p \leq .01$ for all correlations

Hypothesis 1 predicted that significant differences in organizational socialization would be found across the levels of customer participation, with socialization levels and levels of participation increasing concurrently. The results, shown in Table 2, provide support for this hypothesis. Customer organizational socialization was significantly and positively related to customer participation ($F = 9.12; p \leq .0001$). Relatively high levels of customer organizational socialization were associated with high and moderate co-production (mean = 4.03; mean = 3.88, respectively). Relatively low levels of customer organizational socialization were associated with information provision and attendance levels of customer participation (mean = 3.46;

mean = 3.37, respectively). There was a statistically significant difference in the means for socialization between co-production and the two lower levels of customer participation (i.e., information provision and attendance). There was not a statistically significant difference in the means for socialization between high and moderate co-production, nor the means between information provision and attendance. The means, however, were in the predicted direction (i.e., increasing from low levels to high levels of customer participation).

Table 2
ANOVA Results —
Group Differences Across Levels of Customer Participation

| | | | | Level of Customer Participation * | | | |
Dependent Variable	F	df	p =	High Co-Production	Moderate Co-Production	Information Provision	Attendance
Customer Organizational Socialization	9.12	3;60	.0001	4.03[a]	3.88[a]	3.46[b]	3.37[b]
Customer Satisfaction	2.16	3;60	.102	4.47	4.10	3.91	3.82
Perceived Quality of Service Encounter Performance							
Responsiveness	2.37	3;60	.080	3.92	3.91	3.52	3.36
Assurance	3.57	3;60	.019	3.90[ab]	4.01[a]	3.73[ab]	3.34[b]
Empathy	5.64	3;60	.002	3.83[a]	3.76[a]	3.09[ab]	3.01[b]

[a,b] Significant differences across customer role groups indicated by different letters in superscripts
* Post-hoc tests utilized Bonferroni T-test with $p<.05$ significance level

Hypothesis 2 predicted that significant differences in customer satisfaction would be found across levels of customer participation, with satisfaction levels increasing as levels of participation increase. As shown in Table 2, this hypothesis was not supported ($F = 2.16$; $p \leq .102$). Because the overall ANOVA model was not statistically significant, differences across the customer satisfaction means for different levels of customer participation were not evaluated.

Hypothesis 3 predicted that significant differences in customer perceptions of service quality would be found across levels of customer participation, with

higher levels of perceived quality of service encounter performance being linked to higher levels of customer participation. The results, shown in Table 2, provide support for this hypothesis for two of three dimensions of service encounter performance. The means for responsiveness were not significantly different across the levels of customer participation ($F = 2.37$; $p \le .080$). Hence H3a was not supported. H3b was supported, as assurance was significantly and positively related to customer participation ($F = 3.57$; $p \le .019$). Relatively high levels of perceptions of assurance were associated with moderate co-production (mean = 4.01). Relatively low levels of perceptions of assurance were associated with the attendance level of customer participation (mean = 3.34). This was a statistically significant difference in the assurance means between moderate co-production and attendance. There were no statistically significant differences in the means for assurance between high co-production and the other levels of customer participation and between information provision and the other levels of customer participation. Empathy was significantly and positively related to customer participation ($F = 5.64$; $p \le .002$), therefore providing support for H3c. Relatively high levels of perceptions of empathy were associated with co-production (high co-production mean = 3.83; moderate co-production mean = 3.76). Relatively low levels of perceptions of empathy were associated with attendance (mean = 3.01). The empathy means were significantly different for co-production and attendance. There were not statistically significant differences in the means for empathy between co-production and information provision and between information provision and attendance.

Discussion

Summarizing, the level of customer participation at the YMCA was found to be positively and significantly associated with customer organizational socialization and customers' perceptions of assurance and empathy (i.e., service encounter performance). As predicted, customers became more productive participants in the service delivery process when they received direction from the organizational socialization process at the YMCA which enhanced their ability and motivation to participate in the production and delivery of the service. Customers whose knowledge, skills, and attitudes more closely matched YMCA norms, policies, and practices participated at higher levels in the service delivery process than customers with a weaker fit. These customers became involved in co-production as partial employees of the organization. In contrast, customers who perceived relatively less socialization by the organization did not participate as actively in the service delivery process.

Customers who participated at higher levels, in general, perceived that the YMCA employees were knowledgeable and courteous and provided caring, individualized attention. Moderate co-production was found to be related to increases in customers' perceptions of assurance, while mere attendance was

associated with less favorable perceptions of assurance. Customers who partici-
pated in the service delivery process as co-producers (at least at a moderate
level) found employees to be knowledgeable, courteous, and able to inspire trust
and confidence. In contrast, those customers who operated at a low level of
participation (i.e., attendance) were more likely to perceive employees as less
knowledgeable, less courteous, and less able to inspire trust and confidence.
Similarly, customers who participated at higher levels believed the YMCA
provided caring and individualized attention to its customers.

Surprisingly, customer satisfaction and perceptions of responsiveness were
not found to differ significantly across levels of customer participation. When
customers participated in the service delivery process with the YMCA, they
were neither more satisfied nor dissatisfied. Likewise, high levels of customer
participation were not linked to customers' perceptions of the YMCA's willing-
ness to help customers and provide prompt service. The lack of a statistically
significant effect may be attributable to the small cell sizes used in the study.

Strategic Implications

There are differing views on how much customers should be allowed to
contribute to the service system process (Bitner et al., 1997). Some experts
advocate isolation of the service system to reduce the uncertainty that customers
can introduce to the production and delivery process. This perspective argues
that the less contact the customer has with the service system, the greater the
potential for the system to operate at peak efficiency (e.g., Chase, 1978). For
example, the YMCA could introduce automatic check-in and check-out as a way
to reduce uncertainty in the delivery process associated with direct provider-
customer contact. Other experts believe that service can be delivered most
efficiently by viewing customers as partial employees, designing their participa-
tion to maximize their contributions to the service system. This view reasons
that organizational productivity can be enhanced if customers learn to perform
service related activities more effectively (e.g., Mills, Chase & Margulies,
1983). The findings from the present study indicate that this latter view would
result in more positive perceptions of the organization by the consumer. Funda-
mentally, asking customers to participate as partial employees appears to in-
crease the efficiency of the service delivery process and also appears to result in
positive customer perceptions of service quality. This would suggest (at least for
YMCA organizations) that customers should be encouraged to participate in
service related activities to the extent that they are able to make effective
contributions.

The findings of the pilot study indicate the following: (1) when customers are
engaged at a high level of co-production, they perceive employees to be knowl-
edgeable and courteous and able to inspire trust and confidence; and (2) when
customers are engaged at a moderate level of co-production, they perceive

employees to be effective at providing caring, individualized attention. It may be that when customers participate with the organization as co-producers in service delivery, it is relatively easier for the organization to build relationships with them. Relationships may develop because customers trust employees and believe that they are receiving individual and personal attention from the organization. Therefore, these perceptions should be seen as part of a relationship building strategy. This can be profitable for organizations because the costs of maintaining existing customers are typically lower than those associated with acquiring new customers (Berry, 1995).

Socialization is an important and valuable means for motivating customers to participate in the service delivery process. By identifying the level of customer participation desired, an organization determines what information, education, and training should be part of the organizational socialization of customers. In doing this, firms must recognize two factors. First, economic issues are not motivators for all customers. Some customers may be motivated by other needs. For example, YMCA patrons may be more interested in participating if it improves their fitness levels, helps them make new friends, or allows them to spend more time with their families. Furthermore, the community outreach focus and the spiritual base may motivate customer participation at the YMCA; however, other types of non-economic motivators need to be considered for an organization with a different mission or focus than the YMCA. Second, firms must make a highly visible connection for customers between participation and desirable outcomes. For organizations like the YMCA, it may be important to promote the benefits that customers can obtain by greater participation (Bowen & Schneider, 1985). Expanding the YMCA example, it is important for the organization to develop a connection for customers between active participation in the service delivery process and fitness improvement, an atmosphere for making new friends, and a healthy environment for spending more time with family. It might also help to develop methods for rewarding customers for effective participation (Bitner et al., 1997).

When considering the level of customer participation, organizations should recognize that they want customers to participate, but not to the extent that they decide to produce the service for themselves (Lusch, Brown & Brunswick, 1992). For example, consumers could decide to bypass joining the YMCA and set up gyms in their own homes. To avoid this, firms must emphasize their contribution to the service outcome. They must stress elements of their service delivery that customers cannot deliver or would find difficult to produce themselves (Bitner et al., 1997). The benefits of a collaborative and reciprocal relationship should be underscored. For example, the YMCA may stress the empathetic, trusting, knowledgeable, and courteous employees or the *esprit de corps* created by working out with other customers.

Summary and Conclusions

The current pilot study investigated the influence of organizational socialization of customers on the level of customer participation and the subsequent influence of customer participation on perceptions of service quality and customer satisfaction. The study found that greater amounts of customer organizational socialization tend to be associated with higher levels of customer participation in the service delivery process. Furthermore, higher levels of customer participation in the service delivery process tend to be associated with positive perceptions of service encounter performance. Customers who actively participate in the service delivery process perceive employees to be knowledgeable and courteous, employees as having the ability to inspire trust and confidence, and the firm as providing caring, individualized attention to its customers. This research represents an important step toward explaining customer participation and its antecedents and outcomes.

Limitations and Future Research

The current research opens up avenues for future research into customer participation. First, the measurement of levels of customer participation should be expanded. Other researchers have identified specific levels of customer participation (e.g., Bitner et al., 1997); however, few, if any, have attempted to explicitly classify and measure customers' activities at the different levels. While our measures of the different levels of customer participation are theoretically sound, they may not tap the depth and intensity of customer participation. For example, the results indicate that the information provision index was not a clear differentiator of the moderate level of customer participation because it was not statistically different than other levels of participation. It may be that information provision is part of co-production, or there is more to a moderate level of participation than information provision (e.g., other inputs such as physical possessions or effort) (Bitner et al., 1997). Future research should involve expanding the current measures to tap the depth and intensity of the different levels of customer participation.

Second, investigation into the link between customer participation and customer satisfaction should be continued. Customer satisfaction and customer participation were not found to be associated in the present study. This could be a result of the global measure of customer satisfaction that was used in the current research. While our measure was similar to previous operationalizations in the service literature (e.g., Kelley, Skinner & Donnelly, 1992; Taylor & Baker, 1994), recent research indicates that satisfaction may be of several types (Spreng, MacKenzie & Olshavsky, 1996). For example, consumers may experience feelings of satisfaction or dissatisfaction with the attributes of a service as well as with the information provided about the service. In addition, these types of satisfaction may be distinct, though related, to overall satisfaction. Future research should study the association between customer

participation and the types of customer satisfaction associated with various aspects of the service process.

Third, the setting for this study was one type of service organization (i.e., the YMCA). A particularly useful extension of the study would be to examine customer participation in a variety of different service settings. In service firms such as the YMCA, close and multidimensional interactions with customers are unavoidable because these firms concentrate on creating human change. Furthermore, it is not known if the altruistic mission of the YMCA influences customer participation. It may be that participation at the YMCA is influenced by the spiritual base and community outreach focus. Future research should take these elements into account. A better understanding of customer participation and the potential contributions it can make to individual and organizational outcomes in other types of organizations would enable managers to make more informed choices when customer participation is discretionary. As competition becomes increasingly knowledge-based, effective management of customer-organization relationships becomes an increasingly important competitive issue.

Finally, future research should strive for larger sample sizes. While 127 completed surveys were returned, only 64 were used in the current analysis. The resultant small sample size opens up opportunities for errors of inference. A larger sample size would help lessen these. Furthermore, the sample size of the current pilot study was too small to conduct a test of a composite model of customer participation. A composite model would allow researchers to determine the interrelationships among customer organizational socialization, customer participation, perceptions of service quality, customer satisfaction, and various other antecedents (e.g., time poverty) and outcomes (e.g., loyalty) of customer participation.

The results of this conceptual framework and pilot study build a foundation for the study of customer participation when looking for ways to achieve desirable performance objectives. This research examines important issues being explored in both management and marketing, and begins to integrate some of the findings from these literature streams. It is this type of integration that helps strategists overcome artificial boundaries around key questions related to customer orientation and performance.

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Appendix
Measures of Constructs

Attendance
1. In a typical week, how many hours do you spend at the YMCA?

Information Provision (applies to respondent's actions as a YMCA participant)
1. I am always ready to help or to lend a helping hand to those around me.
2. I am willing give of my time to help others.
3. I make innovative suggestions to improve the overall quality of the YMCA's programs.
4. Serve as a branch advisory board member (ongoing policy committee).
5. Participate in various focus groups.

Co-Production (applies to respondent's actions as a YMCA participant)
1. I help orient new YMCA participants even though it is not required.
2. The YMCA really inspires me to help provide service in any way I can.
3. I am willing to put in a great deal of effort beyond that normally expected in order to help the YMCA provide service to me.

Organizational Socialization
1. The YMCA is what I was looking for.
2. The YMCA can depend on me as a participant.
3. I feel comfortable at the YMCA.
4. I understand the values that are important to the YMCA.
5. I understand the policies of the YMCA.
6. I get along with the employees of the YMCA.
7. I am similar to the other participants of the YMCA.
8. I understand the responsibilities of the employees of the YMCA.
9. Since I first became a participant of the YMCA, my expectations about the service I receive have changed.
10. Since I first became a participant of the YMCA, I have learned about its history.
11. Since I first became a participant of the YMCA, I see myself differently.
12. What the YMCA stands for is important to me.

Customer Satisfaction
1. Overall experience with the YMCA.
2. Overall quality of the services offered by the YMCA.

Perceptions of Service Quality

Responsiveness (all items reverse-scored)

1. The YMCA does not tell participants exactly when services will be performed.
2. I do not receive prompt service from the YMCA's employees.
3. Employees of the YMCA are not always willing to help participants.
4. Employees of the YMCA are too busy to respond to participants' requests promptly.

Assurance

1. I can trust employees of the YMCA.
2. I feel safe in my transactions with the YMCA's employees.
3. Employees of the YMCA are polite.
4. Employees get adequate support from the YMCA to do their jobs well.

Empathy (all items reverse-scored)

1. The YMCA does not give me individual attention.
2. Employees of the YMCA do not give me personal attention.
3. Employees of the YMCA do not know what my needs are.
4. The YMCA does not have my best interests at heart.
5. The YMCA does not have operating hours convenient to all their participants.

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