The Dynamic Nature of Customers’ Criteria For Assessing Customer Value: a Longitudinal Investigation

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Although acknowledging its dynamic nature, current research treats customers’ criteria for assessing customer value as stable. This study investigates how these criteria develop during customers’ patronage of a service provider. More specifically, customers’ means-end structures of assessment criteria are measured longitudinally to investigate how these develop during their relationship with the service provider. The improved understanding of the dynamic nature of customer value criteria offered will benefit customer value theory and measurement, but also service providers looking for a better understanding of customer loyalty / defection decisions.

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Priester and Petty (2001) found that whether the important other was liked or disliked affected the impact of interpersonal discrepancy on the resulting subjective ambivalence. An increase in interpersonal discrepancy heightened subjective ambivalence only when the important other was liked. It is possible that not only will high self monitors show increases in subjective ambivalence in the presence of interpersonal discrepancy with liked others, but they may also show increases in subjective ambivalence when there is an absence of interpersonal discrepancy with disliked others. A plausible rationale for this proposition is that high self-monitors are more attuned to social status and hierarchy than low self-monitors (Gangestad and Snyder 2000). For this reason, when forming attitudes and judgments, high self-monitors may care not so much about their own liking/disliking of the other person as about the other person’s low/high social status. We are currently conducting an experiment to investigate this proposition.

Overall, this research offers guidance for promising new research directions, with the long-term perspective of constructing a comprehensive framework of the formation of attitudinal ambivalence towards products, services, and brands.

References


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Organizations are continuously searching for new ways to obtain and defend competitive advantage in order to survive and prosper in the increasingly competitive market. Recently, literature has suggested a switch from product quality to customer value as the next source of competitive advantage (Lai 1995; Woodruff 1997).

Customer value has been defined as “a customer’s perceived preference for and evaluation of those product attributes, attribute performances and consequences arising from use that facilitate (or block) achieving the customer’s goals and purposes in use situations” (Woodruff 1997). Customers thus assess customer value on the basis of their means-end type structure of criteria (Woodruff and Gardial 1996). According to means-end theory consumers’ criteria or beliefs about product attributes (the means) are linked to beliefs about the benefits derived from these attributes (consequences), which in turn are linked to beliefs about the values (ends) served by these benefits (Gutman 1982). For any single product a consumer may hold many chains of beliefs resulting in a hierarchical (means-end) structure of beliefs (Gutman 1982; Overby, Gardial, and Woodruff 2004).

Although claimed as dynamic (Parasuraman 1997; Woodruff 1997), customers’ criteria for assessing customer value have essentially been treated as stable as research on the concept has focused on the consequences of the gap between desired (pre-purchase) and received
(post-purchase) customer value for consumer satisfaction (Parasuraman 1997; Spreng, MacKenzie, and Olshavsky 1996; Woodruff 1997). However, research on pre- and post-purchase evaluations has indicated that these are not based on the same beliefs or criteria (Gardial et al. 1994).

The dynamic nature of customer value criteria seems especially important for relationship marketing. Gaining more specific knowledge on how customers’ criteria structures develop during their relationship with the organization is not only beneficial to customer value theory and measurement, but also essential for marketers looking for a better understanding of their customers’ loyalty / defection decisions (Parasuraman 1997). The dynamic is likely to be most pronounced for services as they are inherently higher on experiential properties (Ostrom and Iacobucci 1995), which makes customers even more dependent on their experiences with the service to develop their structure of criteria for assessing customer value.

This study analyzes the changes that occur in customers’ criteria structures for assessing customer value during their patronage of a service provider. Generally, it is thought that evaluation criteria become increasingly abstract as first time customers become long-term clients (Parasuraman 1997). A thought that finds some indirect support in findings that consumers use more abstract criteria for product evaluations after purchase than for product evaluations before purchase (Gardial et al. 1994). The current study investigates this thought by testing whether the number of consequence and value criteria in a customer’s means-end belief structure increases over the duration of the customer-provider relation.

The service chosen as context for this study is university education as it is relatively rich in experience properties (Ha 1998). It is also a service for which consumers are highly involved in purchasing it, which facilitates value retrieval during laddering (Pieters, Baumgartner, and Allen 1995). Furthermore, the high frequency with which they experience the service during their patronage of the university also makes it a service for which consumers are highly involved in purchasing it, which facilitates value retrieval during laddering (Pieters, Baumgartner, and Allen 1995).

In the study the developments in students’ means-end belief structures are monitored longitudinally. From T0 in the beginning of the current fall semester to T1 in the end of the spring semester first, second and third year undergraduate students of two universities in two countries will receive two Association Pattern Technique (APT) questionnaires (Hofstede et al. 1998). These measure their means-end structures of criteria for choosing a university. In APT questionnaires, respondents are presented with all possible attribute-consequence (AC) and consequence-value (CV) combinations. In the questionnaire they are asked to indicate for every attribute (consequence) the consequences (values) to which it in their opinion is linked (Hofstede et al. 1998). Input for the attributes, consequences and values used in the APT questionnaires is gathered by conducting 60 laddering interviews with students of the two universities. In these laddering interviews salient attributes for choosing a university are elicited from respondents. These are subsequently used as starting point for the actual laddering, which entails probing the respondents with “why is that important to you” questions in order to elicit the more abstract consequences and values linked to the attribute (Reynolds and Gutman 1988). The raw data from these interviews is subsequently content analyzed and categorized, after which it can be used in the APT questionnaire.

In addition to being asked to make AC and CV linkages in the APT questionnaire, respondents are also asked to indicate the importance of the attributes, consequences and values on a 7-point scale ranging from very unimportant to very important. This allows for monitoring not only developments in the number of criteria on all levels of abstractness, but also developments in the relative importance of these criteria. Several control questions will also be added to the survey, including one to determine whether the respondent is the actual purchase decision maker.

Preliminary comparisons of the means-end criteria structures obtained from the laddering interviews indeed indicate a higher number of consequence and value criteria in the structures of graduate students than in those of undergraduate students. This suggests that consumers make use of increasingly abstract value criteria as their relation with the service provider continues. Consumers’ loyalty / defection behavior is dependent on their value evaluations. So as the relationship between customer and service provider continues, the loyalty of customers should increasingly depend on the more abstract benefits and values offered by the service.

References