

Exploring a Group Service Experience – An Approach to Capture the Dynamics and Implications of the Co-Creation Process

Dr Jörg Finsterwalder, University of Canterbury, Christchurch, New Zealand

Dr Sven Tuzovic, Pacific Lutheran University, Seattle, USA

Abstract

This conceptual paper explores the dynamics and implications of group behaviour for the joint consumption of a service. It conceptualises an approach to balance, influence and manage the creation of a service experience during its different phases of group dynamics. Particular attention will be paid to the connection between the service creation and the changing relationships between the group and the service provider due to the influence of group dynamics. The paper commences with a brief literature review on group dynamics research and highlights the provider's particular challenges in a group experience, then looks into group characteristics and explains the group dynamics and the co-creation process in a joint service experience. It concludes with management implications and a brief summary.

Introduction

In Relationship Marketing, both research and practice have placed a strong focus on shaping a company's one-to-one customer relationships and on creating a unique experience for each individual customer. However, not enough attention has been paid to the 'environment' in which a customer co-creates and consumes the service (for a discussion of the (co-)creation process see Grönroos, 2008). Although a number of personal services are consumed in an environment which is almost free of influence from other customers (e.g. a dental treatment, an individual helicopter sightseeing flight), there are other service scenarios involving a collection of people in the joint consumption of a service (e.g. a group jet boat ride, participation in a marathon run). The latter appears to be a neglected area of investigation.

Some publications have focused on customer-to-customer (e.g. Grove and Fisk, 1997; Moore et al., 2005) or perceived crowding aspects (e.g. Vaske and Donnelly, 2002), others have investigated the impact of a regular or extraordinary experience on consumers (e.g. Arnould and Price, 1993; Pons et al., 2006; Price et al., 1995) or have analysed actors in group-like settings, for example in business networks (Håkansson and Ford, 2002). In psychology the areas of group experiences and group dynamics have been researched more thoroughly (Lewin, 1947; Bion, 1961; Forsythe, 2006). However, there has been little integration between marketing and psychology to understand the impact of group dynamics on a service experience. This has left a gap in relationship and services marketing research and practise.

Closing the gap is particularly important for service providers as they try to understand a group's dynamics throughout the period of service delivery. This is because it is prone to develop and change, influencing the group's own and consequently each individual's perception of the expected service experience. By the time a group of customers gathers to jointly experience a service, the dynamics will be different from when group members have connected with each other during the group experience and will be at another stage by the time the group experience finishes. An additional factor influencing the group dynamics will be whether group members know each other before experiencing the service. An already established group constellation will bring its own dynamics into the creation of the service

experience. Over and above this, the size of a group also influences the dynamics and therefore related service experience. The changing dynamics of group behaviour during the co-creation of a service will also require adjustment in the delivery of that service by the provider. The firm must anticipate the group signals and behaviour, be able to interpret them accordingly, and be capable of counteracting potential negative group incidents as well as facilitate positive group experience outcomes. Therefore a service firm should have an understanding of when a collection of people qualifies as a group.

Definition of Group

It is beneficial to look at the various definitions of what makes a collection of people a group as the explanation, "Two or more figures forming a complete unit in a composition" (Merriam-Webster, 2008a) can only be a first approach. According to Cartwright and Zander (1968) there are three ways to define a group (for the following see also Ohl and Cates, 2006).

Firstly, a group can perceive itself to be a group. As an observer, one can find groups act as an assemblage of conflicting individuals whereas at other times they can glue together into what feels like a unit (Ohl and Cates, 2006). The group feeling is also termed "groupness" (Ohl and Cates, 2006, p. 73) and is closely connected to a sense of belonging (identity) to a group (Ashforth and Mael, 1989; Ohl and Cates, 2006). The "groupness" can also be influenced by external factors such as the environment uniting the members (see Arnould and Price, 1993).

Secondly, according to Lewin (1948) a group has interactive and interdependent members. Based on Lewin (1948), Cartwright and Zander (1968, p. 46) define a group as a "... collection of individuals who have relationships to one another that make them interdependent to some significant degree" (see also Cattell 1953, p. 20) and "who influence one another" (Ohl and Cates 2006, p. 74). Based on findings from Lickel et al. (2000) it seems that the stronger the effects on others in the group (e.g. members of a professional sports team vs. people in the audience at a movie), the stronger the perception of the group seems to become.

Thirdly, a group is both task-related and socio-emotional in nature. Although, according to Pierce (1962), groups often form to complete a task, emotional involvement is an underlying reason for belonging to a group. Group attention shifts back and forth between task and the socio-emotional needs of its members (Bales, 1965; Ellis and Fisher, 1993; Forsyth, 1999). The role of the group is to balance both.

Group Constellations and Group Sizes in a Service Experience

In order to create and manage a group experience properly, it is important to not only comprehend what constitutes a group, but also to have an understanding of group constellations and sizes. Unlike a reciprocal customer-provider relationship where customers act as individuals, people who are part of a group act differently. Hence, a group differs from an individual, but not each group acts the same. Therefore, different types of groups have to be identified. There are three types of group constellations a service provider may potentially encounter, namely (established) groups, random assemblages of people or a combination of both. Random assemblages of people being brought together in a group setting usually do not have strong bonds to each other at the beginning of the service experience. In contrast, an established group which decides to jointly experience a service will have established links (between the group members) to a varying degree. Encountering a mixed group setting, i.e. a

combination of an established group and an assemblage of people, will show both weak ties between certain participants and stronger relations between other members. In addition to the group constellation, the group size plays an important role in the service co-creation and experience process. The individual's perception in a smaller group (e.g. jet boat ride) will differ from an experience in a large group (e.g. marathon run).

Group Dynamics during the Co-Creation Process

Although group constellations and sizes vary, there seems to be a similar pattern as to how most of the dynamics develop. Group dynamics are "the interacting forces within a (..) human group" (Merriam-Webster, 2008b). A group experience facilitated by a service provider will go through different phases. According to Tuckman (1965; 2001) and Tuckman and Jensen (1977) who have researched small groups, a group goes through the five phases of forming, storming, norming, performing and adjourning. This phases approach may be applicable to larger groups although the group processes will take longer and not all group members may be able to connect with each other due to the size of the group. Tuckman (1965; 2001) used the dimensions "group structure" (socio-emotional) and "task activity" (factual) to describe the five phases (see also Ellis and Fisher, 1993). Figure 1 visualises Tuckman's (1965; 2001) approach tailoring it for a group service experience.

| Phases | Forming | Storming | Norming | Performing | Adjourning |
|---------------------------------|--|-------------------------------------|---|---|---|
| Group's Task Activity | Orientation to the task | Emotional responses to task demands | Exchange of interpretations (task); expression of opinions | Group structure facilitates task activities; energy is channeled | Self-evaluation and evaluation of service outcome |
| Group's Social Structure | Testing & dependence of relationships to each other and provider | Potential intra-group conflict | In-group feeling & cohesiveness develop & new roles are adopted | Roles flexible & functional; no more structural issues; group structure facilitates performance | Feelings towards termination of experience or towards team leader / other group members |

Figure 1: Group Dynamics in a Service Group Experience

Sources: Based on Tuckman, 1965; 2001

During the engagement phase (forming), the way people relate to each other is in a testing and dependence state and they will orient themselves toward the task, i.e. in this case the to-be-expected and to-be-created experience. In the storming phase, the group will potentially go through resistance to group influence and face the challenge of task requirements as the service provider may demand. Usually an emotional response to task demands will follow the provider's call for engagement in the co-creation process. Within the group, conflicts between group members or towards the service providers may occur. The norming phase will typically involve an increasing openness to other group members. In-group feeling and cohesiveness develop and new roles are adopted. This may lead to an open exchange of relevant interpretations of the task between group members; personal, sometimes intimate, opinions may be expressed. The performing phase is characterised by constructive action of the group members in the co-creation of the service experience. Roles within the group become flexible and functional and structural issues have been resolved. The group structure can support the performance of service co-creation. The interpersonal group constellation can become the tool of task activities. Group energy is channelled into the service creation. A joint service experience can now occur as solutions emerge to co-create the group experience. In the final

phase, the adjourning phase, the group disengages. Feelings of sadness towards the termination of the experience, or towards the team leader(s) or other group members may emerge. In this phase, group members will undergo a self-evaluation process as to their performance to co-create the service experience and will also evaluate the service outcome of the group experience (compare Tuckman, 1965; 2001).

The Group Co-Creation Process

During each of the phases the input of each group member influences the group dynamics, co-creation of the service and its output positively, negatively or not at all (compare Schurr et al., 2008 for a similar approach). Together with the provider's performance, this has an immediate impact on the perceived service experience and the quality of the service (co-)creation (see also Parasuraman et al., 1985). Figure 2 (upper part) visualises the activities of the group members (actors A to N) through the different group process phases.

| Phases | Forming | | | | | Storming | | | | | Norming | | | | | Performing | | | | | Adjourning | | | | | | | | | |
|-----------------------------|------------------------|---|---|-----|---|------------------|---|---|-----|---|------------------------|---|---|-----|---|------------|---|---|-----|---|------------|---|---|-----|---|---|---|---|-----|---|
| Group's Actors | A | B | C | ... | N | A | B | C | ... | N | A | B | C | ... | N | A | B | C | ... | N | A | B | C | ... | N | | | | | |
| Task Activity | + | + | / | / | - | / | / | - | / | + | + | + | + | / | / | - | + | + | / | + | / | / | / | / | / | / | | | | |
| Social Structure | - | / | - | + | - | + | - | - | + | - | / | + | / | + | + | + | + | + | + | + | + | + | / | + | / | + | | | | |
| Quality of Group Experience | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Team Leadership | + | / | / | / | / | + | + | / | / | / | + | / | / | / | / | + | + | + | / | + | / | + | / | / | / | / | | | | |
| Task Facilitation | / | + | / | / | / | / | + | + | / | / | / | + | / | + | / | + | + | + | + | + | + | / | / | / | / | + | | | | |
| Provider's Actors | 1 | 2 | 3 | ... | M | 1 | 2 | 3 | ... | M | 1 | 2 | 3 | ... | M | 1 | 2 | 3 | ... | M | 1 | 2 | 3 | ... | M | 1 | 2 | 3 | ... | M |
| | + = Positive Influence | | | | | / = No Influence | | | | | - = Negative Influence | | | | | | | | | | | | | | | | | | | |

Figure 2: Influence of Group Members and Staff during the Co-creation Process

It shows each actor's (customer's) contribution to the social group structure and his / her task activity towards creating the group experience. For example, actor B is not actively contributing socially in the forming phase but his task activity starts out positively. In phase two (storming) his involvement in the task accomplishment is neutral and his emotional contribution is negative (potentially nurturing a group conflict). In the next phase (norming) he is task-active and supports the group dynamics. During the performance phase he continues this behaviour and disengages task-wise in the final phase (adjourning) but keeps up his positive group influence although the group is dissolving. Each member of the group will contribute to a greater or lesser degree to create the group experience. The combined input will create a proper social structure and facilitate task accomplishment enabling the co-creation of the service experience. This reflects the two components of a group service co-creation experience which consists of an emotional part and a factual dimension referring to Bagozzi's (1975a, b; 1977) distinction of social and economic exchange.

Management Implications for the Group Co-Creation Process of the Service Experience

What can service providers learn from the characteristics of a group's co-creation process? Service employees and managers planning and facilitating group service experiences have to be aware of the different scenarios of group encounters as they depend on several factors

which increase the probability of a dysfunctional service co-creation process. Factors influencing it are the group constellation, group size, social structure and the task orientation of the group. Service firms have to also view the group's involvement in light of the service experience they are offering. It is postulated that for services with a low required group involvement (e.g. jet boat ride, helicopter sightseeing flight) chances for a service dysfunction will be lower than for a high-involvement service creation process (e.g. an outdoor group glacier trek). Figure 3 depicts the factors influencing the quality of a group service experience. Service staff have to react to potential triggers which may lower the perceived group service experience. The type of service offered and therefore the required customer involvement, the group constellation and the group size can sometimes only be influenced to a certain degree. The service provider can package the service experience differently (e.g. splitting up a group glacier walk into various stages), divide a bigger group into smaller ones (e.g. separating the 50 glacier walkers into 5 groups 10 members each (group size)) or take existing bonds of group members into account like families or friends participating (group constellation). Task orientation, which is the group's focus to accomplish the co-creation of the service, can be influenced by providing support from the service provider, e.g. glacier guides give instructions how to climb the glacier.

| Dimension | Required Involvement | | Task Orientation | | Group Constellation | | | Group Size | | Social Group Structure | |
|--|----------------------|------|------------------|------|---------------------|-------------|-------------|------------|------|------------------------|------|
| | Low | High | Low | High | Assemblage | Established | Combination | Small | Big | Low | High |
| Probability of Co-Creation Dysfunction | Low | High | High | Low | High | Low | Med. | Low | High | High | Low |

Figure 3: Factors influencing a Group Service Experience

The key to success for a group service experience as postulated in this paper is, based on Bagozzi's (1975a,b; 1977) distinction, group leadership (influencing the 'social co-creation process') and task facilitation (influencing the 'factual co-creation process') – see again Figure 2 lower part – which relate to the direct interactions of the service provider with the group. It is important for a company to manage the customer group actively. Specially trained service staff (e.g. glacier guides) should direct the group experience or at least be available when the group doesn't need momentary leadership (e.g. completing the task of building an igloo without instructions). As indicated above, the group's task orientation is best facilitated by enabling and supporting the consumers to complete the task, i.e. co-create the service experience through adequate information (e.g. explanation of geography, time frame, expectations of ability, what to do in an emergency, glacier details, relevant environmental / historical facts etc.) and provide materials (e.g. rain proof equipment, ice picks etc.). Different staff members may take different team leadership or support roles during various stages of the co-creation process each influencing the service experience outcome. One glacier guide may be required to lead the group of 50 tourists to the glacier whilst additional guides may be used to take smaller groups to walk the glacier. It might be necessary for the service provider's team to engage more often during pivotal stages of the service co-creation process, with selected guides facilitating the group's task accomplishment and the continuation of a good group atmosphere. This is denoted in Figure 2, lower part, provider's actors 1 to M. Apart from coordinating the external sphere at the various customer touch points, the service provider has to also manage the internal sphere and provide adequate resources and support to employees who help to co-create the service experience. It is crucial that group dynamics within the provider's service team do not counteract the provision of the service (e.g. glacier

guides' individual assignment of duties, following proper processes etc.) as this may interfere with and influence the perception of the service experience from a customers' perspective.

Conclusion

Both groups – the provider's team and the customer group's dynamics and the management thereof – will determine whether each interaction of both sides will lead to a satisfying and high quality service experience. More research is necessary to differentiate the various group settings and identify potential accelerators and decelerators of the group's behaviour on the service co-creation in order to be able to manage group experiences properly.

References

- Ashforth, B.E. and Mael, F. (1989): Social Identity Theory and the Organization, *Academy of Management Review*, 14(1), 20-39.
- Arnould, E.J. and Price, L.L. (1993): River magic: extraordinary experience and the extended service encounter, *Journal of Consumer Research*, 20(June), 24-45.
- Bagozzi, R.P. (1975a): Social exchange in marketing, *Academy of Marketing Science*, 3(4), 314-327.
- Bagozzi, R.P. (1975b): Marketing as Exchange, *Journal of Marketing*, 39(10), 32-39.
- Bagozzi, R.P. (1977): Is all social exchange marketing?: A reply, *Academy of Marketing Science*, 5(4), 315-326.
- Bales, R.F. (1965): The equilibrium problem in small groups, in: Hare, A.P., Borgotta, E.F. and Bales, R.F. (eds.): *Small groups: Studies in social interaction*, New York: Knopf, 444-476.
- Bion, W. R. (1961): *Experiences in Groups and Other Papers*, New York: Basic Books, Inc.
- Cartwright, D. and Zander, A. (1968) (eds.): *Group Dynamics: Research and Theory*, 3rd. ed., New York: Harper & Row.
- Cattell, R.B. (1953): New concepts for measuring leadership, in terms of group synality, in: Cartwright, D. and Zander, A. (eds): *Group Dynamics: Research and Theory*, Evanston, IL: Row, Peterson, 14-27.
- Ellis, D.G. and Fisher, B.A. (1993): *Small group decision making*, New York: McGraw-Hill.
- Forsyth, D. (2006): *Group Dynamics*, 4th ed., Belmont, CA: Thomson Publishing Co.
- Grönroos, C. (2008): Service logic revisited: who creates value? And who co-creates?, *European Business Review*, 20(4), 298-314.
- Grove, S.J. and Fisk, R.P. (1997): The impact of other customers on service experiences: a critical incident examination of getting along, *Journal of Retailing*, 73(Spring), 63-85.

- Håkansson, H. and Ford, D. (2002): How should companies interact in business networks?, *Journal of Business Research*, 55(2), 133– 139.
- Lewin, K. (1947): *Frontiers in Group Dynamics: Concept, Method and Reality in Social Science; Social Equilibria and Social Change*, *Human Relations*, 1(1), 5-41.
- Lickel, B., Hamilton, D.L., Uhles, A.N., Wierzchowska, G., Lewis, A. and Sherman, S.J. (2000): Varieties of groups and the perception of group entitativity, *Journal of Personality and Social Psychology*, 78, 223-246.
- Merriam-Webster (2008a): Definition of Group, retrieved from URL: <http://www.merriam-webster.com/dictionary/group> (30 June 2008).
- Merriam-Webster (2008b): Definition of Group Dynamics, retrieved from URL: <http://www.merriam-webster.com/dictionary/group%20dynamics> (30 June 2008).
- Moore, R., Moore, M.L. and Capella, M. (2005): The impact of customer-to-customer interactions in a high personal contact service setting, *Journal of Services Marketing*, 19(7), 482-491.
- Ohl, T. and Cates, W. (2006): The Nature of Groups: Implications for Learning Design, *Journal of Interactive Learning Research*, 17(1), 71-89.
- Parasuraman, A., Zeithaml, V.A. and Berry, L.L. (1985): A conceptual model of service quality and its implications for future research, *Journal of Marketing*, 49(4), 41-50.
- Pierce, D.R. (1962): The dual function of the task group, *Journal of Educational Sociology*, 36, 159-162.
- Pons, F., Laroche, M. and Mourali, M. (2006): Consumer reactions to crowded retail settings: Cross-cultural differences between North America and the Middle East, *Psychology and Marketing*, 23(7), 555-572.
- Price, L.L., Arnould, E.J. and Tierney, P. (1995): Going to extremes: managing service encounters and assessing provider performance, *Journal of Marketing*, 59(2), 83-97.
- Schurr, P.H., Hedaa, L. and Geersbro, J. (2008): Interaction episodes as engines of relationship change, *Journal of Business Research*, 61(8), 877-884.
- Tuckman, B.W. (1965): Developmental sequence in small groups, *Psychological Bulletin*, 63(6), 384-399.
- Tuckman, B.W. (2001): Developmental sequence in small groups, *Group Facilitation: A Research and Applications Journal*, Number 3 (Spring), 66-81.
- Tuckman, B.W. and Jensen, M.A.C. (1977): Stages of Small-Group Development Revisited, *Group and Organization Management*, 2(4), 419-427.
- Vaske J.J. and Donnelly M.P. (2002): Generalizing the Encounter—Norm—Crowding Relationship, *Leisure Sciences*, 24(3/4), 255-269.