

CHAPTER 2

LITERATURE REVIEW

2.1 Study of E. Deanne Brocato , Clay M. Voorhees, Julie Baker

This research is a replication by E. Deanne Brocato , Clay M. Voorhees, Julie Baker with title Understanding the Influence of Cues from Other Customers in the Service Experience: A Scale Development and Validation. They are discussing on the dimensions of other customer perception which are similarity, physical appearance, suitable behavior, approach, perceived service quality, avoidance and positive word of mouth intention. This study is very interesting and important in any service industry.

The findings of this study results in similarity affecting approach, physical appearance affecting approach, suitable behavior affecting approach, perceived service quality affecting approach, similarity affecting avoidance, physical appearance affecting avoidance, suitable behavior affecting avoidance, perceived service quality affecting avoidance, approach affecting positive word of mouth and avoidance affecting positive word of mouth.

2.2 Variables

2.2.1 Similarity

Rossiter and John (2002) wrote that similarity was defined as the extent to which an individual customer felt that they were similar to and could identify (attributes) with other customers (objects) in the service environment. Customers are more likely to hangout in the environment that they are most compatible and comfortable with said (Martin and Pranter 1989). In other words customers like to be with customers whom they have similarities.

The following quotes are from customers who have the same perception on similarity. When I go out to a place I enjoy a place where I can identify myself in that place, I am comfortable talking to a stranger beside me in a place where I find similarity with them. Social identity states that customers found their identity in the social group that they join (Tajfel 1981). Social identity theory suggests that customers prefer to surround themselves with others that are like them. For example one salon customer likes the other customer's lifestyle and hairstyle.

Product similarity is another example of similarity variable in the salon case. For example the customers in a salon likes to use Rudy Hadisuwarno's products and the salon provides that and only loyal to Rudy's products, therefore the customers felt compatible and enjoys being in that salon.

Table 2.2.1 Quotes on Similarity

Number	Original Journal Quotes
1	When I go out to eat I enjoy a place where I can identify with the other people there and they are like me
2	I like being in a place where I feel like I can fit in with the group, like I am one of the crowd
3	When I go out to a place to shop or eat I like when the people around me are like I am, it is important to me to be comfortable where I go and feeling like I fit in makes me comfortable
4	If I can identify with other customers it makes me feel good, sometimes I will start talking to the people around me while I am waiting because if I can identify with them I kinda feel like I know them

2.2.2 Physical Appearance

Physical appearance is the physical characteristics and looks of other customers in the service setting. E.D Brocatto (2012) wrote that physical appearance was defined as the physical characteristics and overall look (attributes) of other customer in the service environment as perceived by individual customers. The following quotes provide a representation of responses related to physical appearance, I can tell that a place is nice by seeing the customers there, If I go to an upscale a salon, I am expecting rich customers to come there, I enjoy a place where the place is well nicely design. For example one customer likes the salon's interior design, the customer likes the other customer's hairstyles. The factors in the salon regarding physical appearance includes interior design, employees dresscode, other customers dressing and clothing style, similar brands of apparels.

Table 2.2.2 Quotes on Physical Appearance

Number	Original Journal Quotes
1	I can tell what a place is like just by looking at the other people there, if they look nice I usually think that they place is a nice place to go
2	I have gone to places before where my whole family dressed up and looked good, then we show up and people there were dressed like they were going to a baseball game, it made me think we went to the wrong place
3	You can tell how good a place is by how the people look that are there

2.2.3 Suitable Behaviour

E.D Brocatto (2012) wrote that suitable behavior was defined as the extent to which an individual customer felt that other customers in the service environment behaved appropriately. Quotes on suitable behavior such as I like it when I go to a place where the people there are friendly, I like it when I go to a place the people there do not say negative or cursing words. For example, a customer who likes other customer for them being friendly, also a customer who likes the salon staff for being friendly.

Table 2.2.3 Quotes on Suitable Behavior

Number	Original Journal Quotes
1	I like it when I go shopping and people are friendly to me, not just the workers, but the people I run into down the aisles
2	When you go out to eat there are just certain things you don't do, like curse. Doing things like that makes other people around you uncomfortable and feel embarrassed for you

2.2.3 Approach

Mehrabian and Russel 1974 explains that environmental psychologist suggest that individuals react to places with two general and opposite forms and behavior that is approach and avoidance. Approach includes all positive behaviors that might be directed at a particular

place , such as the desire to stay, explore, work or affiliate (Mehrabian and Russel 1974). Andrew J Elliot (2006) wrote that approach may be defined as the energization of behavior by, or the direction of behavior toward, positive stimuli (objects, events, possibilities).

Donovan and Rossitier (1982) found that approach behavior in that setting (Shopping enjoyment, returning, attraction, friendliness towards others, spending money, time spent browsing and exploration of the store) were influenced by the perception of the environment. For example, a salon customer who wants to approach a salon because the salon is giving discount.

2.2.4 Avoidance

Avoidance behaviors is the desire not to stay, explore, work and affiliate (Mehrabian and Russel 1974). Andrew J Elliot (2006) defined avoidance as the energization of behavior by, or the direction away from, negative stimuli (objects, events, possibilities). For example a customer who want to avoid a salon because of a poor service.

2.2.5 Perceived Service Quality

Service quality mostly is in the context of service marketing (Lee, Lee, and Yoo 2000). Zeithaml, Parasuraman and Berry (1990) wrote that perceived service quality is the extent to which a firm successfully serves the purpose of customers. Ghobadian, Speller and Jones (1994) wrote that customer's expectations, service delivery process and service outcome have an impact on perceived service quality.

Eduardsson (2005) wrote also that service quality perceptions are formed during the production, delivery and consumption process. Similarly O'Neill and Palmer (2003) said that customer's perceptions on perceived quality may to a large extent be influenced by the degree of their prior experiences with a particular service. According to(Churchill and Suprenant 1982; Oliver 1997), perceived service quality has been accepted as an antecedent of customer satisfaction. For example, a salon customer who expects her hair to be done in 10 minutes, if the hair is not done in 10 minutes then the customer would have negative perceived service quality.

2.2.6 Positive word of mouth intentions

Arndt (1967) explains that WoM is characterized as oral, person to person communication between its receiver and a communicator whom the receiver perceives its non commercial, regarding a brand, product or service. Stern (1994) defined WoM by describing the difference from advertising. WoM is more to person to person directly communicating in a real life.

Word of mouth is very important to service marketing. Customers rely on word of mouth to reduce the level of uncertainty that is often associated with service purchase decisions (Murray 1991). For example, a friend was happy with the service from a salon, and she talked to her best friend's about her experience.

Viral marketing is a marketing that is word of mouth marketing which is like a virus that spread quickly because a company is doing attractive promotion such as giving away products or services. For example, giving shampoo sample for free to salon customers, thus the customers love the products and end up buying it and promote to other customers.

2.2.7 Service Marketing

Service is doing something for someone or something, it is intangible. While marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and company objectives (Wilkie and Moore 1985). Salon business is a combination of service and product, therefore it is very important to serve the customers according to what they like. For example, when customers come, they expect to be served well.

2.2.10 Original Model

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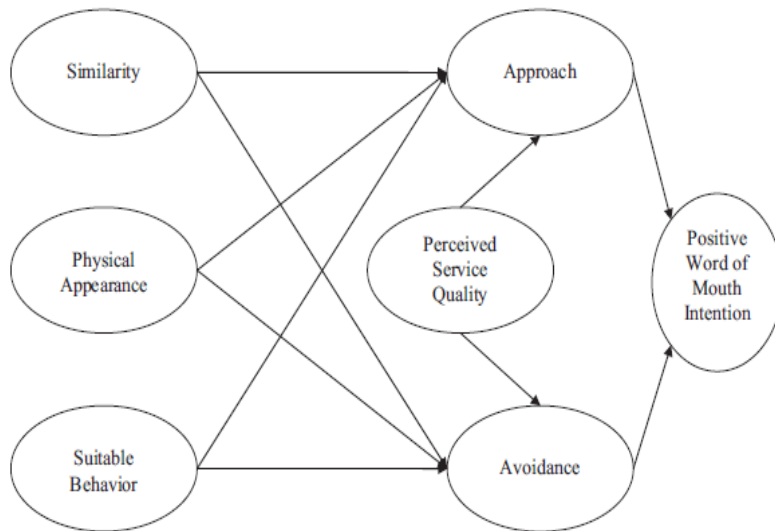


Fig. 1. Nomological network for OCP.