Customer Value and Customer Roles on Social Media: 
A Travel Agency Case Study

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ABSTRACT
Customer value is created during the processes of pre-purchase, purchase, and after-purchase, during which customers play different roles. This study analyzes customer value by identifying how customer roles influence and shape customer behavior. Traditionally, customer value is discussed as the relationship between a service provider and customers. The emergence of social media facilitates interaction not only between the service provider and customers, but also among online users. This study focuses on the kinds of value customers can earn from their interaction behaviors on social media, using a Taiwanese travel agency as a case study. The study identifies four types of customer roles and six types of customer value and their corresponding relationships as well. The research findings have several theoretical and practical implications.

Keywords: Customer value, customer roles, co-creation, social media
1. INTRODUCTION

Just like customer satisfaction and service quality, customer value is considered one of the most significant factors contributing to a firm’s success [Gale, 1994; Parasuraman, 1997; Woodruff, 1997; Zeithaml, 1988; Zeithaml et al., 1996]. In recent decades, these concepts have played a decisive role in service and marketing disciplines. The significance of customer satisfaction and service quality are commonly recognized in service and marketing research. However, whether customer value is one of the factors that affect purchase intention or one of the constructs to measure service effectiveness in these disciplines remain subjects of academic debate [Gallarza et al., 2011].

Researchers’ viewpoints about customer value have produced distinctive results. For example, some researchers suggest that perceived value is the antecedent of consumption [Hu et al., 2009; Lin and Wang, 2006]; others posit that it is the consequence of consumption [Moliner et al., 2007]; and still others assert that customer value can be one of the moderators between customer satisfaction and loyalty in an online commerce environment [Anderson and Srinivasan, 2003]. These studies, which increase the understanding of the prominent role of customer value for academics and practitioners, methodologically adopted survey methods to inquire into customer’s perceived value. It is important, however, to examine the topic from a customer behavior perspective using a non-survey approach. By leveraging the huge amount of user-generated content (UGC) from social media, researchers are able to cross the research gap.

Service delivery – also called “service encounter” [Bitner et al., 1990] – involves intensive interaction and contact with customers. Customers’ perceived values emerge from the synthesis of interaction, contact, exchange, and performance during service delivery [Heinonen et al., 2010]. With the increasing growth of new social media, customers are shifting from being passive recipients to being active participants through Internet technology. Because of customer

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autonomy and the high frequency of customer-to-customer interaction, service firms are losing control of consumer activities. It is crucial, therefore, that service providers have a better understanding of customer online behaviors. Although it is hard to predict or manipulate customer behavior, service providers can still identify customer behavior patterns from the online environment so as to better align their service operations with customer behavior and thus increase customer satisfaction. These facts give rise to the current study’s central question: Can customer value be clarified from online behavior patterns?

The huge amount of UGCs generated from myriad online users not only affects the operation of service firms, but also influences both online and offline potential users. One of the most popular companies providing social network services is Facebook, with 1.15 billion registered users in 2013. This phenomenon prompts some researchers and entrepreneurs to study the feasibility of “social commerce,” but whether social media like Facebook can be used as a profitable sales channel has yet to be determined.

The current study regards social media with huge amounts of UGCs as a means of shedding light on customer value rather than as a source for increasing sales revenues. By analyzing UGCs, the current study aims to identify customer roles from the customers’ behavioral interaction with the service firm and with other customers on social media. Based on the identified customer roles, this study further analyzes their customer value and proposes different interaction strategies so as to achieve service effectiveness.

2. LITERATURE REVIEW

This section provides a review of the literature with regard to customer interaction, customer roles, customer value, social media, and conceptual model.
2.1. Customer Interaction

In addition to contributing financial benefit, customers are also treated as different resources. One study has suggested that service firms develop initiatives to transform customers from a “passive audience” to “active players” so as to build and maintain competitive advantage [Prahalad and Ramaswamy, 2000]. Another study sees the customer as a new resource to co-create new products, an action that includes idea generation, product testing, product support, and service process improvement [Nambisan, 2002].

Fang [2008] asserted that customer participation can produce timely information and shorten a product’s time to market. Customer involvement is seen to reduce many kinds of uncertainties, such as environment and user demands [Chien and Chen, 2010], and to tighten the feedback loop between the cycles of consumption and production [Lundkvist and Yakhlef, 2004]. Recently, Vargo and Lusch [2008] regarded the customer as an “operant” resource (value co-creator) rather than an “operand” resource (value consumption). Based on the constructs of cooperation, participation, and loyalty, Eisingerich et al. [2013] referred to customer voluntary performance (CVP) as a helpful, discretionary customer behavior that can help the service firm to deliver quality service.

2.2. Customer Roles

Based on organization-customer relationship and value co-contribution theories, Novicevic et al. [2011] identified four customer roles: buyer, user, co-developer, and co-producer. The buyer role is played by customers who seek economic benefit in order to gain maximum reward. The user role is played by customers who promote the service provider’s service quality by providing feedback after service. In the co-developer role, customers function to enhance the service provider’s service capabilities. In the co-producer role, customers are allowed by service providers to co-produce the service in service delivery.
Moeller et al. [2013] identified five customer roles: bargain-hunting independent, comprehensive help seeker, engaged problem solver, technology-savvy networker, and self-reliant customizer. The bargain-hunting independent customer is motivated by transaction interests and seldom interacts with the service provider. The comprehensive help seeker enhances his or her personal ability by engaging with the service provider or other counseling channels. The engaged problem solver is willing to collaborate with service clerks and treats them as problem solvers. The technology-savvy networker relies on personal proficiency to interact with others and provides opinions in a network setting. The self-reliant customizer enjoys seeking customized service and regards the search as a challenge.

Wu [2008] identified three customer roles in customer-to-customer interaction between strangers: help seeker, pro-active helper, and reactive helper. The help seeker actively looks for information and help from strangers nearby. The pro-active helper and reactive helper are two forms of help-seeker responses. The former actively gives unsolicited advice to others, whereas the latter gives advice only on request.

2.3. Customer Value

Most of the customer value studies discuss the topic from the perspective of value origination. Traditional goods-dominant logic considers that value originates from value-in-facilities, value-in-exchange, value-in-transformation [Zeithaml, 1988], value-in-transaction, and value-in-distribution; whereas service-dominant logic scholars emphasize value-in-use [Vargo and Lusch, 2008]. Sheth et al. [1991] identified five types of customer value in the cigarette industry: functional value, social value, emotional value, epistemic value, and conditional value. Smith and Colgate [2007] distinguished four types of customer value: functional or instrumental value, experiential or hedonistic value, symbolic or expressive value, and cost or sacrifice value.
From these studies, it can be concluded that customer value is a multiple-dimension construct that incorporates extrinsic value (product/service utility value, consumer’s economic, cost, sacrifice value), consumer’s intrinsic value (emotional value, epistemic and hedonic value), and others’ value (social value and altruistic value) [Holbrook, 2006].

2.4. Social Media

The emergence of social media has revolutionized how people communicate in this platform. Social network services/sites (SNSs) enable users to connect and maintain a network of friends for social or professional relationships. Utility, social interaction, and hedonics are three features of SNS that explain why users are attracted to online activities [Pöyry et al., 2013; Algesheimer et al., 2010].

Behaviors that reflect the degree of interaction between customers and service firms include information search [Johnston et al., 2013], complaint [Ward and Ostrom, 2006], feedback [Ko, 2013], sharing [Hsueh and Chen, 2010], and referral [Trusov et al., 2009].

An information search to solve particular personal questions is the main motivation that drives users to participate in online activities. From the firm’s perspective, however, an information query that requires the service firm’s resources (such as customer service or content aggregation) contributes less value to the service firm. The query is, in essence, viewed as a “consumption” behavior by the service provider [Shao, 2009; Heinonen, 2011].

Complaint is a behavioral indicator of service failure in a service business. Even though it is usually regarded as having a negative impact on the firm, a complaint that is properly handled might win back customer satisfaction and loyalty [Tax and Brown, 2012].

Sharing and referral are not only positive behavioral involvements for the service firm, but also relational social capital building processes that involve
greater trust and reciprocity among embedded members on social media [Chakraborty et al., 2013]. However, a sender’s influence intention of referring information to a receiver is stronger than that of sharing information to a receiver. In other words, the difference between these two behaviors lies in the extent to which a customer is involved. In this sense, Shao [2009] and Heinonen [2011] hold that posting one’s own content on online environment as “production.”

2.5. Conceptual Model

The current study divides customer value into expected value and experienced value in terms of transaction stage. Expected value refers to the value that a customer expects the service provider will deliver before he/she purchases the service, whereas experienced value denotes the value a customer perceives after the service is delivered. On social media, online users usually enjoy their service during service delivery, and their service dissatisfaction is often reflected to service staff directly. In the current study, their opinions posted on social media are regarded as either pre-service or post service reaction. This study, therefore, dichotomizes the service process into two stages of pre-service and post service in order to analyze customer roles on social media.

Customer participation has a significant impact on customer satisfaction [Cermak et al., 1994; Czepiel, 1990], which is directly impacted by perceived value. Therefore, a customer’s participation manner on social media is another dimension that can be used to understand customer roles for analyzing customer value.

Although customers may not be interested in whether their participation has increased the productivity of the organization, they probably do care more about whether their needs are fulfilled [Wu, 2011]. This fact implies that customers’ consumption behaviors are seeking self-interest. However, on a social media platform, customer participation is not always for personal interests. A customer’s interactions with other customers might intentionally or
unintentionally help other customers in many aspects, such as distributing information, answering questions, offering suggestions, and providing peer support. These customer-to-customer activities could benefit the service provider. Customers might also participate in a firm’s activities and contribute to the firm in several aspects, including idea generation [Witell et al., 2011], pre-testing, service support, and service process improvement [Eisingerich et al., 2013]. The value that customers intentionally or unintentionally create from their participation either for other customers or for the service provider is seen as an altruistic value in the current study, a view that is consistent with the service-dominant logic of Vargo and Lusch [2008]. From the perspective of a service firm, a customer’s self-interest-seeking activities are a consumption behavior, whereas positive altruistic activities can be treated as production behaviors [Heinonen, 2011].

3. RESEARCH DESIGN AND DATA COLLECTION

The present study began by proposing a conceptual framework through literature reviews. Based on the two dimensions mentioned above in the literature – service stage and participation manner – we identified four quadrants, each of which stands for a particular customer behavior.

The first quadrant comprises customers who navigate social media to search for information before purchase. They might be potential customers or they could just be attracted incidentally. This group is labeled “explorer.”

The second quadrant includes customers who are willing to share information with other customers and to respond to questions using their experience, expertise, or preferences before purchase. In addition to helping other customers, these customers might post suggestions or other innovative ideas for the service provider to use in creating new services or offer other advice to improve current service operations. The altruistic role of assisting either peer customers or the service provider is characterized as “co-developer.”
The third quadrant includes customers who are not satisfied with the service provided by the service firm and subsequently seek a remedy, usually by filing a complaint. If the customer is not satisfied with the firm’s response, he or she will likely spread the complaint to others through other channels such as online forums, blogs, media, or word-of-mouth. Since their behavior may help to improve current service operations, this group is called “auditor.”

The fourth quadrant includes customers whose expectations are met or exceeded by the service provider and are thus well satisfied with service quality and service performance. These customers resort to positive behaviors, such as referral, recommendation, and positive word-of-mouth. These feedbacks might directly diffuse to the service provider or indirectly to other customers. This group is termed “promoter.”

![Figure 1. Conceptual Model: Customer Roles on Social Media](image)

As an exploratory study, the current research aimed to investigate the kinds of customer roles that can be identified and the kind of value that these roles can create for a service firm. The aim of the study was not to empirically and
quantitatively discuss these roles and value, but to focus qualitatively on discovering and explaining the customer’s behavior pattern and the value created by these roles for a service firm. The study then used the UGC data collected from a case enterprise to illustrate the conceptual framework.

We chose the travel industry as the target for this study, based on four factors:

1. Its technology readiness is high. ICT such as social media is widely applied as an instrument for strategic differentiation in this industry.
2. The industry has various scopes of service, such as airplane ticket booking, hotel reservation, business trip, and group travel.
3. High service homogeneity causes high competition in this industry. Creating customer value is therefore strategically imperative for travel managers.
4. Travel service is not an impetuous purchase. Before making a purchase, a customer usually takes into full consideration service specifications and value.

Within the travel industry, we chose K Company as the case subject. It is listed on the Taiwan Stock Exchange (TWSE) and is one of the leading travel agencies in Taiwan, with 72 branches around the world. According to the global online traffic survey by Alexa.com, in 2013, K Company was ranked 186 in Taiwan and 16,359 globally. Among the various social media, K Company selected Facebook as their main platform to communicate with customers. At present, the company has more than 30 fan groups, including golf club, gourmet enthusiast, Dreaming America, and Photo. Between October 2009 and July 2013, there were 733 messages from fan groups of K Company.

Two Ph.D. students were assigned to code the data collected from the fan pages of the case company. The inter-rater reliability was 86% in accordance with Berelson’s [1952] suggestion that the reliability index should range between 66% and 95%.
4. RESULTS AND ANALYSIS

This section discusses study results and presents an analysis of our research findings.

4.1. Results

Study results indicate that the behaviors that an online user displays before consumption can be grouped into four categories:

- Inquiry
- Clarification
- Opinion provision
- Proposal

Inquiry is the most common behavior before consumption. To obtain more specific information before making a decision, online customers usually post questions to the service provider or other customers with prior experience or expertise.

Clarification is similar to inquiry in which an online customer seeks information for a question, but differs in that it seeks additional information or explanatory notes with regard to a specific point. Although responding to this behavior is a transaction cost for the service provider, a satisfactory response not only can retain a current customer, but also can attract potential customers.

The third type of pre-service behavior is opinion provision, in which case a customer contributes a specific idea to the service provider, such as:

“I suggest improving the search function of backpacker service. It will be better if travel date limitation is cancelled because it takes me a lot of time for trial-and-error, but in vain.”

Or:

“There seems to be a typo. Aroung or around?”

The fourth type of pre-service behavior is proposal, which is a more thorough and concrete suggestion than opinion provision. In the case study, it took the form of a collective response rather than an individual one. One example
involves a fan page manager who tried to understand a customer’s requirement about a photography travel program and posted a message with multiple choices on the fan page. Up to 101 customers expressed their preferences about the packages. Another example is:

“May I make a little request? Regarding your flash sale, could you publish the successful name or account list so as to reduce controversy~~ If I cannot make it, I don’t want to waste my time for a panic buying.”

Just as there are four types of pre-service behaviors, there are four types of post-service behaviors – namely:

- Complaint
- Notice
- Referral
- Sharing

Complaint behavior usually can be identified from negative posts characterized by strong emotion. Although most complaints are made after consumption, the data collected during the current study shows that a few customers made complaints about offline service before consumption. They found that fan page service was superior to traditional call center service and turned onto online service. Service providers can improve their service processes through this behavior, which can also provide a measure for comparing service quality between two service channels.

A second type of post-service behavior is notice, where customers post negative messages, but with less emotion than is present in complaints.

The other two types of post-service behavior are positive. Referral is the explicit recommendation of travel information or experience to other customers, and sharing is offering implicit travel suggestions or experiences to other customers. Owing to the richness of social media, a customer can express these behaviors in many forms such as text, hyperlink, and message sharing – a default function provided by Facebook, like, image pictures, and videos.
4.2. Analysis

Information inquiry is one of the primary motivations driving a customer to participate in online activities [Johnston et al., 2013]. A customer is able not only to understand service status and parameters, but also to reduce the uncertainty and risk by acquiring website information [Yi and Gong, 2013] for clarification. In essence, this activity is a knowledge-learning process in which users play the role of “explorers,” as the first quadrant of the proposed model indicates.

The second quadrant of the proposed model includes altruistic behavior that an online user conducts to generate useful contents for peer companions before service consumption. It can be seen from the case study that both the service provider and other customers can benefit from customer opinions or proposals. Travel location and detail information are major matters on which a customer may advise other customers, along with offering experiences and expertise. These behaviors contribute to the service provider through the role of users as “co-developers.”

The third quadrant of the proposed model comprises consumption behaviors in the post-service stage. It is evident from the studied case that complaint is the major type of behavior in this quadrant. Even though complaints may ruin the service provider’s reputation, the information provided offers a chance for the service firm to improve service operation. Another less emotional behavior in this quadrant is notice. A possible explanation for this kind of behavior is the disconfirmation of customers. In both types of behavior, even though the negative and sometimes emotional contents are published, the customers perform as “auditors” to foster service quality and operation, and grumbles are under control. Following the case company’s policy, a fan page manager encourages customers to make private message contact with the service firm for further remedy. In this quadrant, social media serve as a platform that empowers customers to express their emotions and dissatisfactions to the service firm.
Consequently, a customer obtains both functional and expressive value [Sanchez et al., 2006].

The fourth quadrant of the proposed model includes production behaviors in the post-service stage. Sharing and recommendation are two major types of conduct in this quadrant. Both imply that customers are satisfied with service quality, thus confirming the effectiveness of service operations. The case analysis results showed that, in addition to sharing their travel experiences on fan pages, some customers seek to offer deeper commentary by sharing their experiences through photos and texts on their own blogs. Because such behaviors benefit the service provider, customers displaying these behaviors are identified as “promoters,” and, as such, they enjoy the social value and emotional value as co-developers do before the consumption stage [Sanchez et al., 2006].

Based on the preceding analysis, various customer values can be realized when service customers play different roles in different stages on social media.

<table>
<thead>
<tr>
<th>Customer Roles</th>
<th>Explorer</th>
<th>Co-Developer</th>
<th>Auditor</th>
<th>Promoter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Behaviors</td>
<td>Inquiry</td>
<td>Opinion provision</td>
<td>Complaint</td>
<td>Sharing</td>
</tr>
<tr>
<td></td>
<td>Clarification</td>
<td>Proposal</td>
<td>Notice</td>
<td>Referral</td>
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<tr>
<td>Customer Values</td>
<td>Epistemic value</td>
<td>Social value</td>
<td>Functional value</td>
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<td>Learning value</td>
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<td>Expressive value</td>
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5. CONCLUSION

The current study investigated customer values from their interaction behaviors on social media, using a travel service case. From eight types of
customer behavior, the study identified four types of customer roles: explorer, co-developer, auditor, and promoter; and six types of customer values: epistemic value, learning value, social value, emotional value, functional value, and expressive value.

The research results have theoretical implications. First, the study provides a reference model that is based on role theory of service counter [Solomon et al., 1985] and the co-creation perspective [Vargo and Lusch, 2008], to illustrate that customer behaviors can be applicable to model customer roles and that customer values can be identified from customer roles in the social media context. It also illustrates that a firms’ manager can leverage the customer role to predict customer behavior. The customer value formation process is shown in Figure 2.

![Figure 2. Customer Value Formation Process](image)

Second, the study links customer value and the firm’s value in the proposed model. From the customer service stage, value can be classified into pre-service value and post-service value. Pre-service value refers to the value proposition that a service provider offers to benefit customers. It can be regarded as the customer’s expectation of value to be gained from the service provider. Thus, value can be regarded as a “perceived contract” in terms of the service stage. From the service provider’s viewpoint, customer value can be categorized into production value and consumption value. Production value is the external non-economic value that a service provider earns from customers, whereas consumption value is the value offered by the service provider.

Third, this study shows that online customer engagement reduces the cost of a customer’s life value. This finding is in contrast to prior research that
suggested that customer acquisition and development is expensive [Stahl et al., 2012]. Fan-page operation brings together direct and indirect customers. Direct customers are those who are interested in the service and products, whereas indirect customers are those who are influenced by direct customers who have experienced the service or product or who have are relative knowledge about the service or product. The behaviors of both direct and indirect customers can create different values for service providers and can demonstrate different roles in different service stages.

The current study has several managerial implications as well. First, the study helps service providers better understand customer behavior as a basis for developing effective customer engagement strategies. As a consequence, resources can be properly allocated for different roles, based on these strategies. For example, a portion of resources should be invested in motivating customers who are co-developers and promoters, and another portion should be devoted to responding to the emotions of certain customers (auditors), so as to maintain their loyalty after cases of service failure and recovery [La and Choi, 2012].

Second, customers who are co-developers and promoters can be very helpful to a service firm in achieving successful marketing strategies. To reinforce the performance of these roles, firms should incorporate into their marketing strategies intrinsic factors such as achievement, recognition, and advancement.

Third, in addition to playing a co-creation role with the service provider, a customer can also influence other customers in a different situation. In an increasingly networked business environment, service providers are losing their ability to control communication with their customers. To succeed in this endeavor, service providers cannot treat their customers as an exogenous variable or as passive recipients of the firm’s marketing efforts. The service provider should instead bridge the space between the firm and its customers so as to embrace customer participation.
Finally, distinctive customer roles foster distinctive customer values. Customers create value for the service provider in different aspects. Besides receiving financial value from transactions, service firms can also obtain appropriate messages, experiences, and knowledge from customers. In sum, from the customer-centric perspective, service values should be created for, by, and with customers.

This study integrates the perspective of customers and the service provider to shed light on the ambiguity of customer value, which is a subject that has perplexed scholars and managers. Even though this study draws some valuable implications for academicians and practitioners, the nature of the case study limits the ability to generalize its findings. The data are based on a case study with a limited number of participants. Some new insights could be gained from a larger group of cases. Since this study focused on the travel service industry, its applicability to other service or production industries needs to be examined. Because of the exploratory nature of the current study, it provides a reference model to explain the relationship among customer behaviors, customer roles, and customer value. Empirical and quantitative investigations are encouraged to support the proposed model. Although the research results demonstrate various customer values, how to transfer the intangible value into economic value or measure the return on investment (ROI) could be another area for future research.

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