# Perceptions of incompatibility in customer-to-customer interactions: examining individual level differences

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## Abstract

**Purpose** – The purpose of this paper is to explore the antecedents of customers' reactions to incompatibility and to develop operational guidelines for managers.

**Design/methodology/approach** – Using fractional factorial design six individual level factors are manipulated using video-based scenarios.

**Findings** – The research finds that mood, expectations, and perceived control over outcome are the three most important factors influencing perception of incompatibility. Value system, control over process, and involvement effect perceived incompatibility to a lesser extent.

**Research limitations/implications** – The model tested cannot be considered as complete. Some of the factors that may have an impact on incompatibility such as educational level of respondent and cost of the service were not included in the experiment because of the increasing response burden on the respondents.

**Practical implications** – For services managers, results highlight the importance of perceived control and prior expectation of incompatibility in managing incompatibility. Co-creation of service, development of realistic advertising messages, and mood manipulation whenever possible, have been indicated as possible solutions. For academics, this research provides greater insights into the relative importance of individual level antecedents of customer incompatibility. Results also show that mood has both direct and indirect (via interactions with perception of control and involvement) effects on creation of incompatibility perceptions.

**Originality/value** – Results are of value to both service managers and academics. This paper extends research in the area of customer-to-customer interactions by empirically examining non-demographic individual level factors that impact the perception of incompatibility (negative interpersonal encounters among customers).

**Keywords** Consumer behaviour, Social interaction, Interpersonal communications, Individual perception

**Paper type** Research paper

**An executive summary for managers and executive readers can be found at the end of this article.**

## Introduction

The importance of customer-to-customer interactions in service settings was first raised by Martin and Pranter (1989), who suggest that positive interpersonal encounters among customers may be a critical success factor. Subsequent research has further expanded our understanding of the role of inter-customer relationships in customers' overall satisfaction and possible future purchase intentions. For example, research has examined the critical role of service performers (Pranter and Martin, 1991); classification of other customer behaviors and satisfaction with these behaviors (Martin, 1996; Grove and Fisk, 1997); and, adoption of

scripts during customer-to-customer encounters (Parker and Ward, 2000).

The major reason for our interest is that the behavior of other customers may be the cause of more dissatisfying incidents than satisfying ones in specific service contexts. For example, Grove *et al.* (1998) examined the antecedents to satisfying and unsatisfying incidents. They analyzed four components – setting, actors (service providers), audience (other customers) and performance. Of the 1,688 satisfying (1,142 events) and dissatisfying (546) events that they analyzed, other customers were responsible for 330, or 19.5 percent, of the incidents. Other customers were responsible for the smallest proportion (14.09 percent) of satisfying events, but were responsible for the largest proportion (30.95 percent) of dissatisfying events. These findings suggest that in this context customer-to-customer interaction generates the fewest positive service evaluations, but the largest negative evaluations, when compared to service setting, service employees, and service performance.

In order to enhance our understanding in this area, classification of other customer behaviors, the situational context, and the effect of these factors on compatibility perceptions have been examined by Martin (1996). We extend research in this area by examining the variance in consumers' perceptions of compatibility when faced with the

same other-customer behavior in a given service context. The impacts of demographic factors on perceptions of compatibility have been studied by Grove and Fisk (1997). Our emphasis is on non-demographic factors; we therefore examine non-demographic individual factors and understand the relative impact of each factor on perceived incompatibility. There is a lack of information on this topic in the marketing literature, and this article is an attempt to bridge this gap of information.

The next section explores the background literature in this area. We then explore individual variables of mood, prior expectations, control over processes and outcomes, personal values, and involvement, and develop hypotheses to be researched. The section following details the method and experimental design for examining the constructs, and the results are then presented. The final section highlights managerial implications and directions for future research.

## Background

In service situations where customers have to share space and time, customer-to-customer contact is inevitable and consumers will find themselves compatible with some customers and incompatible with others (Martin, 1996, Martin and Pranter, 1989). Public behaviors such as cutting in line, standing too close, smoking, and profanity may make others feel frustrated, anxious, and threatened, leading to perceived incompatibility (Fisher and Byrne, 1975). Incompatibility creates a negative affect toward the service that leads to dissatisfaction and negative behavioral responses such as negative word-of-mouth, complaining, and switching (Bougie *et al.*, 2003). Therefore, understanding the precursors to perceived incompatibility is important for both researchers and practitioners so that firms can manage the process and increase satisfaction and loyalty. In order to understand the phenomena better, we examined the literature on compatibility; the summary is discussed next.

Extant research on compatibility can be grouped in into five major categories – identifying customer-to-customer interaction in service encounters; identifying and grouping of public behaviors; role adoption; impact of demographic and individual factors on reaction to incompatibility; and compatibility management.

Researchers have implicitly or explicitly recognized the importance of the role of customers' interactions in service contexts. In the former category, for example, five of the six factors that determine restaurant quality have interactive dimensions (Lehtinen and Lehtinen, 1991). Most service research now recognizes the importance of customer-to-customer interactions, as in the case of social dimensions articulated by Baker (1987). Similarly, as discussed earlier, the largest numbers of dissatisfying incidents come from customer-to-customer interactions (Grove *et al.*, 1998). Another important finding in this area is the incongruence between importance weight assigned to customer-to-customer interactions and the number of critical incidents. Customers' evaluation of mean importance rankings for customer-to-customer interactions were lowest in comparison to customer-to-customer-based dissatisfying incidents, which were the highest (Grove *et al.*, 1998).

Regarding grouping of behaviors, Grove and Fisk (1997) utilize critical incidence technique and Martin (1996) utilizes surveys to develop categories of positive and negative other-customer behaviors. There are similarities in their findings, as most of the Grove and Fisk's six categories can easily fit into Martin's seven-factor solution. Since the tolerance for public behaviors is situation- and individual-specific (Martin, 1996), the classification of public behavior can serve as a good basis for customer segmentation.

Research on roles that other customers play has been an area of limited research. The research has identified two basic roles customers adopt when interacting with each other – help seeker and help provider (Parker and Ward, 2000; Bitner *et al.*, 1997; McGrath and Otnes, 1995). By identifying typical scripts associated with these roles, these studies identify areas that service providers can emphasize to enhance customer-to-customer interactions.

Even when the same situation is observed by two different consumers, the response is expected to vary among consumers. As Martin and Pranter (1989, p. 12) observe:

> Some customers may view certain behaviors in particular service environments as intolerable, yet other customers may not be disturbed.

The individual specific reaction to other customers is important for managers to understand, as firms can attempt to manage or reduce negative incompatibility implications. There are three studies that examine the factors influencing customer perception of incompatibility. Martin and Pranter (1989) suggest that perceptions of incompatibility are based on demographic, social, and cultural differences. Similarly, Martin and Clark (1996) suggest that personal, environmental, and relational factors influence customer-to-customer interactions. Grove and Fisk (1997) found that most demographic differences such as age, education, income, and gender were not related to consumers' evaluation of the behavior of other customers. The only factor that was significant was marital status.

The dominant emphasis for compatibility management for firms is better segmentation of customers (Martin, 1996, Pranter and Martin, 1991, Martin and Pranter, 1989). Articulation of a clear positioning statement enables customers to self-select service businesses and reduce incompatibility. However, complete avoidance of incompatibility will require extremely precise segmentation, which may not be a practical option for all businesses. The reason is that businesses need to serve diverse groups of customers in order to grow (Martin, 1996). Other areas of emphasis have been customer education on their roles in achieving satisfaction, clear communication about the acceptable behaviors (Grove and Fisk, 1997, Bitner *et al.*, 1997), realistic expectation setting (Bitner *et al.*, 1997), and efficient management of space (Martin and Pranter, 1989).

Our literature review established an area for further inquiry. The impact of non-demographic individual variables on perceived incompatibility has not been considered. Variables such as mood states, perceived control, prior expectations, involvement, and personal values have been demonstrated to be strongly linked to consumer purchase intentions (Machleit *et al.*, 2000; Hui and Bateson, 1991). This paper suggests that the same variables should impact consumers' evaluation of perceived incompatibility. If managers can understand the psychological antecedents to the severity of incompatibility perceptions, they can design strategies to mitigate the effect of incompatibility. In the next section, we review the literature and develop hypotheses about the impact of both controllable

and uncontrollable non-demographic variables on customers' perceived incompatibility.

## Psychological antecedents of perceived incompatibility

### Mood

Mood can be conceptualized as mild, transient feeling states that are subjectively perceived by individuals, and is a perceptual filter that effects service encounter satisfaction (Mayer *et al.*, 2003). It can influence behaviors both directly and indirectly through its influence on expectations, evaluations, and judgments (Gardner, 1985). Mood states may affect cognitive processes such as evaluation, memory, and decision making, and therefore are expected to significantly impact overall service satisfaction (Liljander and Mattsson, 2002; Oyewole, 2002; Knowles *et al.*, 1999; Mattila, 1998; Swinyard, 1993; Gardner, 1985).

Mood has been conceptualized as two independent bipolar positive and negative feeling states (Isen, 1984). A positive mood makes consumers kinder, generous, more resistant to temptations, and more willing to delay self rewards (Swinyard, 1993). A customer in positive mood is expected to demonstrate a more positive evaluation of the service encounter than one with a negative mood (Knowles *et al.*, 1993). Based on the research, we expect that consumers who are in a good mood will have more positive perceptions of incompatibility when compared to consumers who are in a bad mood:

*H1.* Customers in good mood will have lower levels of perceived incompatibility when compared to customers in bad mood.

### Prior expectations of incompatibility

Causal attributions are what people perceive to be the causes of the events they observe. Most causes or situational contexts can be classified on three dimensions: stability (is the cause likely to recur?), *locus* of causality (who is responsible?), and control (did the responsible party have control over the cause?) (Weiner, 1985). Empirical research (Folkes, 1984) suggests that *locus* of causality and controllability are highly correlated ($r = 0.94$) and may be expressed more succinctly as a responsibility dimension (Tsiros *et al.*, 2004). Furthermore, Weiner (2000) has recently suggested that the stability and responsibility attributions, and attribution theory in general, may be particularly relevant in advancing our understanding of consumer behavior. In this section, we discuss stability through expectations, and we discuss responsibility in the next section.

When consumers have a negative experience, they evaluate the outcome against their expectation (stability in attribution terms). This process of imagining alternative outcomes after the fact has been termed counterfactual processing, and is more prevalent after negative than positive experiences (Gavanski and Wells, 1989; Gilovich, 1983; Gleicher *et al.*, 1990; Kahneman and Miller, 1986; Sanna and Turley, 1996). An important facet of counterfactual processing is the contrast effects (Roese, 1997). Contrast effects occur when an evaluation becomes more extreme when compared to some anchor or standard. Evaluative outcomes such as disappointment and satisfaction are strongly affected by the size of the contrast

(Medvec and Savitsky, 1997; Roese, 1994). Prior experience and perceived norms contribute significantly to development of expectations, which in turn determine the contrast size (Einhorn and Hogarth, 1986; Grier and McGill, 2000). It is anticipated that expected incompatibility will provide little contrast, and therefore produce less negative reaction, when compared to where the incompatibility is unexpected. It is therefore hypothesized:

*H2.* When a consumer has prior expectations of incompatibility, perceived incompatibility will be lower when compared to situations where the consumer has no prior expectations or positive expectations of compatibility.

### *Locus* of control

As stated in the previous section, attribution theory would suggest that consumers evaluate the responsibility dimension when they evaluate negative outcomes (Tsiros *et al.*, 2004). This responsibility dimension can be conceptualized as control in the service area. Consumers feel that they can have control over the process (accessing the service) and outcome (consuming the service). Customers expect that stable (frequently occurring) problems should be corrected by the company. If they are not, the company shows a lack of responsiveness. Therefore, a lack of perceived process control (company controls the process) should lead to greater perceived incompatibility. However, when the consumer can take an action to change the outcome (e.g. leave) they will have lower perceived level of incompatibility. Dissonance theory would suggest that if they have control but choose not to utilize it, they will demonstrate lower levels of perceived incompatibility. It is therefore hypothesized:

*H3.* When a consumer has higher perceived control over processes, perceived incompatibility will be lower when compared to situations where the consumer has lower perceived control over processes.

*H4.* When a consumer has higher perceived control over outcomes, perceived incompatibility will be lower when compared to situations where the consumer has lower perceived control over outcomes.

### Open versus conservative values

Values may be defined as beliefs that pertain to desirable end states or modes of conduct, transcend specific situations, guide selection or evaluation of behavior, and are ordered by importance in relation to one another to form a system of value priorities. Schwartz (1992) provides a typology of values, where the values are arranged according to the type of motivational goal they express. There are ten value types that represent two basic bipolar dimensions – openness to change versus conservation, and self-transcendence versus self-enhancement. In the context of customer incompatibility, the bipolar dimension of conservation versus openness to change seems particularly relevant. Consumers with conservative values have low tolerance for ambiguity and prefer the familiar. Unexpected or unfamiliar outcomes will lead to a strong reaction, i.e. higher perceived levels of incompatibility. In contrast, consumers with openness to change value systems are focused on hedonism, stimulation, and self-direction. These consumers appreciate new experiences and are expected to show greater tolerance for the incompatible behavior of other customers:

*H5.* Consumers with "conservative" value systems will demonstrate higher perceived incompatibility when compared to consumers demonstrating "open to change" value systems.

### Involvement

Involvement is a motivational variable that measures the degree of relevance to customer's decisions in terms of basic goals, values, and self-concept (Engel and Blackwell, 1982). When consumers are highly involved in a task, they are expected to have invested cognitive resources in planning the task. If the task does not meet expectation, there is extensive cognitive processing, so that perceived incompatibility is expected to be high. In contrast, in a low-involvement purchase decision, because the purchase does not have much significance to the consumer, large amounts of cognitive processing will not be involved. Therefore, if incompatibility is observed, cognitive processing will not be high and consumers are expected to show greater tolerance towards irritants such as incompatible behavior. Therefore, it is proposed:

*H6.* When a consumer has a high involvement in the experience, perceived incompatibility will be higher when compared to situations where the consumer has low involvement in the experience.

## Method

The proposed hypotheses were tested in an experimental setting using video stimuli. We tested the factors of mood, prior expectations, control over processes and outcomes, personal values, and involvement on perceived incompatibility in a restaurant setting. Of these six variables, we could not manipulate personal values. Therefore, we administered the Schwartz Personal Value System questionnaire in a session before the actual experiment session and split the sample into groups of those who were open to change and those who were conservative.

In order to examine main and interaction effects, we opted for a fractional factorial design with 16 treatments to create service scenarios, as shown in Table I, rather than a full factorial design that would have required 128 treatments. The primary reason for the use of this design was that we were only interested in main and first-order effects. Second, and more importantly, we were able to achieve a drastic eight-fold reduction in the response burden. Also, since it was a resolution four design, no main effect was confounded with first- order interactions and we could obtain good estimates for main effects and first-order interactions.

We administered the 27-item Schwartz Personal Value System questionnaire that measured conservative versus openness to change orientations to 320 respondents. Based on the results of the survey, respondents were segregated into two groups consisting of respondents who leaned toward the conservative or who were open to change orientations.

Regarding the mood manipulation, mood of each group was manipulated through false feedback (Weyant, 1978). Each group was given two different types of anagrams to solve. Anagrams are words, in which letters can be reordered to create other words. Half of the respondents in each group were given anagrams that were easy to solve, while the other half were given a difficult set of anagrams. Each test contained 25 anagrams. Respondents were given 15 minutes to complete as many anagrams as possible. At the end of the test, respondents received false statistics about test results. Respondents in the groups that received easy anagrams were told that they had done very poorly and their results were well below the average for these kinds of tests, thereby placing them in bad mood. Group members who received difficult anagrams were told that they had done exceedingly well and their results were far above the average for these kinds of tests, thereby placing them in good mood.

For the treatment of remaining design factors – control over process, control over outcome, expectations, and involvement, each respondent received one of the 16 experimental scenarios. In order to enhance the realism of the manipulations, videos were used to depict the scenarios. Videos have previously been recently used in context of experimental designs in restaurants (Namasivayam and Hinkin, 2003). We believe that videos provided respondents with greater reality and their responses were expected to be more accurate than they would have been with written scenarios.

A total of 16 different videos operationalized the design factors of involvement, perceived control, and expectations by showing actual customers in actual restaurants experiencing different levels of control, involvement, and expectations. The Appendix briefly describes the manipulations. After watching the video, respondents recorded their reaction to customer incompatibility in each scenario on a scale of 1-6. Manipulation measurement checks were also made for mood, expectations, perceived control, and involvement.

### Measures
*Mood*
The mood scale was adapted from Peterson and Sauber (1983). Using a seven-point Likert-type scale, mood was measured by four summed bipolar items: sad/happy, good mood/bad mood, irritable/pleased, and depressed/cheerful.

*Involvement*
A modified form of involvement scale used by Gore *et al.* (1994) for measuring consumer involvement in nonprescription medicine purchase decisions was utilized. A five-item seven-point Likert scale was used. These items represented the dimensions of the involvement construct such as search for information, evaluation of product alternatives, and perception of differences among the various brands.

*Perceived control*
Based on Hui and Bateson (1991), a semantic differential combination of Mehrabian and Russel's (1974) scales of dominance and Glass and Singer's (1972) scales of helplessness as a proxy for the construct of perceived control was used.

*Expectations*
Prior expectation of customer compatibility was measured by asking respondents to rate their expectation regarding compatibility on a seven- point (0-6) scale where 0 represents no compatibility incompatibility and 6 represents high compatibility.

*Personal values*
A 27-item scale (Schwartz, 1992) was used. These questions represented bipolar dimensions of conservatism versus openness to change. The Schwartz value system has been

**Table I** Fractional factorial design

| Condition | Control over activities | Control over outcome | Expectations | Personal value system | Mood | Involvement |
|---|---|---|---|---|---|---|
| 1 | Low | Low | No | Conservative | Bad | Low |
| 2 | High | Low | No | Conservative | Good | Low |
| 3 | Low | High | No | Conservative | Good | High |
| 4 | High | High | No | Conservative | Bad | High |
| 5 | Low | Low | Yes | Conservative | Good | High |
| 6 | High | Low | Yes | Conservative | Bad | High |
| 7 | Low | High | Yes | Conservative | Bad | Low |
| 8 | High | High | Yes | Conservative | Good | Low |
| 9 | Low | Low | No | Progressive | Bad | High |
| 10 | High | Low | No | Progressive | Good | High |
| 11 | Low | High | No | Progressive | Good | Low |
| 12 | High | High | No | Progressive | Bad | Low |
| 13 | Low | Low | Yes | Progressive | Good | Low |
| 14 | High | Low | Yes | Progressive | Bad | Low |
| 15 | Low | High | Yes | Progressive | Bad | High |
| 16 | High | High | Yes | Progressive | Good | High |

**Notes:** High, Yes, Good, Progressive = + in design matrix; Low, No, Bad, Conservative = − in design matrix

used and found reliable in many different parts of the world, including surveys in 44 countries (Schwartz and Lilach, 1995).

*Perceived incompatibility*
A six-point customer compatibility dissatisfaction reaction scale developed by Martin and Pranter (1989) was reverse scaled. The original scale ranges from a tolerable behavior of "would not effect me one way or the other" (1) to an extremely severe reaction "would bother me enough that I would never return" (6).

## Results

**Manipulation checks**
All manipulations checks demonstrated significance. The manipulation checks were for mood (good mood mean = 22.3, bad mood mean = 11.3; $t = 26.09$, $p < 0.001$), involvement (high involvement mean = 26.2, low involvement mean = 14.1; $t = 22.14$, $p < 0.001$), perceived control over outcome (perceived control over outcome mean = 40.2, no perceived control over outcome mean = 22.1; $t = 27.77$, $p < 0.001$), perceived control over process (perceived control over process mean = 38.8; no perceived control over process mean = 24.2; $t = 20.85$, $p < 0.001$), and prior expectation of incompatibility (prior expectations of incompatibility mean = 4.9; no prior expectations of incompatibility mean = 2.1; $t = 25.87$, $p < 0.001$).

**Test of hypotheses**
We first calculated the estimated marginal means for perceived incompatibility for both levels across six factors (Table II). Lower marginal means represent lower perceived incompatibility while higher marginal means represent higher perceived incompatibility. All results were significant and in expected direction. The absolute difference between the marginal means (the difference between means for two levels) signifies the relative effect of individual level factors on perceived incompatibility. The larger the mean difference, the larger is the influence of the variable.

The analysis supports all six hypotheses. Means for good and bad mood (2.63 and 3.70 respectively; $F_{1,320} = 173.6$, $p < 0.001$) provide strong support for *H1*. The marginal means for expectation of incompatibility and no expectation were 2.58 and 3.78 respectively ($F_{1,320} = 232.2$, $p < 0.001$), providing strong support for *H2*. *H3* about the impact of perception of control on process received support (3.38 (low control) and 2.97 (high control); $F_{1,320} = 27.4$, $p < 0.001$). *H4* received the strong support (2.55 (high control) and 3.80 (low control); $F_{1,320} = 252.0$, $p < 0.001$). *H5* received also received support (2.95 (open to change) and 3.43 (conservative); $F_{1,320} = 42.2$, $p < 0.001$). Finally, *H6* was also supported with means of 2.90 (low involvement) and 3.46 (high involvement), ($F_{1,320} = 51.0$, $p < 0.001$).

Factorial analysis of variance was conducted to investigate the main and interaction effects on perceived incompatibility. The model fit the data very well (adjusted $r^2 = 0.893$). The analysis of variance (ANOVA) results are presented in Table III and demonstrate significant effects for control over outcome ($F_{1,320} = 322$, $p < 0.000$, partial $\eta^2 = 0.546$), control over processes ($F_{1,320} = 35$, $p < 0.000$, $\eta^2 = 0.081$), expectations ($F_{1,320} = 297$, $p < 0.000$, $\eta^2 = 0.526$), personal values system ($F_{1,320} = 54$, $p < 0.000$, $\eta^2 = 0.119$), mood ($F_{1,320} = 222$, $p < 0.000$, $\eta^2 = 0.457$), involvement ($F_{1,320} = 65$, $p < 0.000$, $\eta^2 = 0.140$). Three of the first order interactions (control over processes × mood; expectations × involvement; control over outcome× involvement) were found to be statistically significant ($p < 0.000$) but the calculated effect sizes ($\eta^2$) indicated that only a small proportion of response variance (0.031, 0.068, and 0.103) is accounted for by each interaction. These results suggest a stronger focus on the more significant main effects. Therefore, the focus of subsequent discussion is on control over outcome, mood, and prior expectation of incompatibility, variables that have the greatest impact on customers' perceived incompatibility (all $\eta^2 > 0.45$).

**Table II** Estimated marginal means for perceived incompatibility

| Factor | Factor level | Marginal means | Mean difference | Relative importance (%) |
|---|---|---|---|---|
| Mood | Good | 2.63 | 1.07 | 21.5[*] |
| | Bad | 3.70 | | |
| Prior expectations | Yes | 2.58 | 1.20 | 24.1[*] |
| | No | 3.78 | | |
| Control over process | Yes | 2.97 | 0.41 | 8.3[*] |
| | No | 3.38 | | |
| Control over outcome | Yes | 2.55 | 1.25 | 25.1[*] |
| | No | 3.80 | | |
| Personal value system | Conservative | 3.43 | 0.48 | 9.7[*] |
| | Open to change | 2.95 | | |
| Involvement | High | 3.46 | 0.56 | 11.3[*] |
| | Low | 2.90 | | |

**Note:** [*] All means are significantly different at $p < 0.01$

**Table III** Tests of between-subjects effects

| Factor | Type III sum of squares | df | Mean square | F | Sig. | $\eta^2$ |
|---|---|---|---|---|---|---|
| Corrected model | 422.787(a) | 13 | 32.522 | 83.840 | 0.000 | 0.893 |
| Intercept | 3,238.513 | 1 | 3,238.513 | 8,348.651 | 0.000 | 0.954 |
| Control over process | 13.612 | 1 | 1.612 | 35.092 | 0.000 | 0.081 |
| Control over outcome | 125.000 | 1 | 125.000 | 322.241 | 0.000 | 0.546 |
| Expectations | 115.200 | 1 | 115.200 | 296.977 | 0.000 | 0.526 |
| Personal value system | 21.012 | 1 | 21.12 | 54.169 | 0.000 | 0.119 |
| Mood | 86.112 | 1 | 86.112 | 221.992 | 0.000 | 0.457 |
| Involvement | 25.313 | 1 | 25.313 | 65.254 | 0.000 | 0.140 |
| Personal value system*mood | 1.012 | 1 | 1.012 | 2.610 | 0.107 | 0.002 |
| Mood*involvement | 0.012 | 1 | 0.012 | 0.032 | 0.858 | 0.000 |
| Expectations*mood | 1.250 | 1 | 1.250 | 3.222 | 0.074 | 0.002 |
| Control over process*mood | 6.612 | 1 | 6.612 | 17.047 | 0.000 | 0.031 |
| Expectations *involvement | 11.250 | 1 | 11.250 | 29.002 | 0.000 | 0.068 |
| Control over outcome*involvement | 16.200 | 1 | 16.200 | 41,762 | 0.000 | 0.103 |
| Control over process* expectations | 0.00 | 1 | 0.200 | 0.516 | 0.473 | 0.002 |
| Error | 118.700 | 306 | 0.388 | | | |
| Total | 3,780.000 | 320 | | | | |
| Corrected total | 541.488 | 319 | | | | |

**Notes:** Dependent variable: perceived incompatibility; $R^2 = 0.921$ (Adjusted $R^2 = 0.893$)

## Discussion, managerial implications and directions for future research

The purpose of this study was to explore the antecedents of customers' reaction to incompatibility and to develop operational guidelines for managers. The non-demographic individual factors selection was based on a review of literature, and the model explained perceived incompatibility to a large extent. The three factors that explained most of the variance – control over outcome, prior expectations, and mood – are areas that managers need to concentrate on to reduce perceived incompatibility.

Service providers need to make consumers feel that they have control over the outcome. This can be accomplished in various ways. First, consumers can be provided choices and be allowed to create their own service (co-creation). We see examples in hair styling, pottery painting, and even ice cream stores. Restaurants, for example, can ask if customers want to be seated at the quieter or more vibrant area. The process of designing the service will in itself reduce perceived incompatibility. The second method is to allow consumers to change their minds and even withdraw from the process if they feel high levels of incompatibility. For example, consumers should be allowed to change their seating or even go to another restaurant if there is perceived incompatibility. This strategy will reduce negative effect toward the service provider. Finally, service providers themselves can provide information on their customer behaviors in communication to new customers, and allow customers to change their selection.

The second area for increased emphasis for perceived incompatibility is creating realistic expectations. This recommendation is not new, as the need for better segmentation also addresses the same issue of increased targeting and, therefore, a better match of expectations and

actual delivery of the service. The problem may lie with advertising, as advertisers create expectations that may not be matched in reality. For example, theme parks only show rides and not the long lines required to take advantage of the rides. It is no surprise that research on tourism finds the other customer behaviors are the major source of complaints. Similarly, sports stadiums rarely show the unruly behavior that takes place in the stands. Since the mismatch of expectations and reality leads to higher perceived incompatibility, firms need to create more realistic expectations. However, these changes will be slow to come about, as inaccurate advertising does draw new customers.

Some service marketers such as Disney are very good at manipulating moods and creating positive moods. The music, scenery, and manufactured scenes at the entrance to theme parks quickly and positively change consumers' moods. Similar mood-enhancing strategies are used by baseball, football, and basketball stadiums. The music is loud and there are people dancing on the field and the Jumbotron, instantly lifting most consumers' moods. Shopping malls have also moved in this direction by creating entertainment within their interiors. For example, the Mall of the Americas in Minnesota has a roller coaster and an ice rink in the middle of the shopping facility. Finally, even universities create a positive mood during periods like homecoming through parades, music, and special events.

### Directions for future research

The research also has directions for future research. We feel that the model tested cannot be considered as complete. Some of the factors that may have an impact on incompatibility such as educational level of respondent and cost of the service were not included in the experiment because of the increasing response burden on the respondents. Even the six-factor experiment can be considered as one with high response burden, and we tried to lighten this burden by using video films in place of traditional written scenarios.

Using video films instead of traditional written scenarios was another positive aspect of this research. Written scenarios, at times, may not be able to fully describe the situation about which the respondent has to make a decision. The use of video film was not only expected to fully describe the situation in reality, but also to reduce the response burden where respondents can watch the film and place themselves in the context. Imagining a situation without the help of pictures will involve greater response burden but needs to be tested.

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## Further reading

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## Appendix. Sample video scenario

Mark is conducting a search of restaurants on the internet that the audience can see.

### Involvement
- *High*. Mark is going on a date on Saturday.
- *Low*. Mark is going for lunch.

### Expectations
- *High*. "Rudeness and impoliteness might happen but hopefully it will not go too far."
- *Low*. "I do not expect it."

Mark (and date) arrives at the restaurant that is crowded and loud.

### Control over process
- *Low*. The waitress takes a person who came after Mark to the table. Mark is given a table near the kitchen.
- *High*. The waitress takes a person who came after Mark to the table. Mark complains to the manager and is given another choice.

Mark is near a very loud table.

### Control over outcome
- *High*. Mark leaves the restaurant.
- *Low*. Mark wishes that he could leave.

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# Executive summary and implications for managers and executives

*This summary has been provided to allow managers and executives a rapid appreciation of the content of the article. Those with a particular interest in the topic covered may then read the article in* toto *to take advantage of the more comprehensive description of the research undertaken and its results to get the full benefit of the material present.*

## Perceptions of incompatibility in customer-to-customer interactions: examining individual level differences

You get up late, miss breakfast, have an argument with your spouse and cannot find a parking space at the railway station. When you do board the train, with seconds to spare, you find yourself sitting next to a "wired for sound" teenager with the annoying beat of a full-volume iPod drifting into your ears.

You might think you are just having a bad day, but sitting on that train, fuming at the irritating adolescent, you are actually experiencing a negative interpersonal encounter, and perceiving incompatibility in customer-to-customer interaction.

If that does not make you feel better, perhaps you will if you realize that observers of the service industries are constantly trying to find ways to lessen the incidence of the behavior of some customers making it a dissatisfying experience for others. Not necessarily by trying to make nicer people from annoying ones, but seeking ways of ensuring the service experience – including the surroundings – is conducive to a satisfactory encounter.

It is difficult because behavior that might annoy some people would not bother others at all. Maybe if you had had a relaxed breakfast, chatting to your spouse, and arrived at the station in good time and good humor, your fellow passenger might not have annoyed you at all. Maybe you would have politely asked him/her to turn down the music a bit, or asked him/her who were his/her favorite bands. Well, maybe. Who knows?

Because people have their moods, their likes and dislikes. We are all different. Some of us are more tolerant than others. Some of us would make an embarrassing fuss at a restaurant if a customer who arrived after we did was served first. Some of us would get angry if we thought the people on the next table were making too much noise, even if it was only laughter.

Space at a store checkout might be so limited that a mother finds it difficult not to run over other customers' feet or bang their shins with her pram. Like the teenager on the train, the mother's behavior would be tolerable to some and intolerable to others. The people who run the trains and the shop do not, or should not, want to risk anyone's custom by allowing some of its customers to put others off.

It is the fact that people are so different that makes the job of keeping customers as happy and content as possible in service situations so difficult. Would the annoyed train passenger expect the conductor to make sure other travelers were not causing a nuisance? Would the fact the railway employee did not take action on his behalf make him even more angry.

Inaccurate marketing can also lead to problems – such as a theme park advertisements showing exciting rides, but not the huge queues of impatient customers.

Individual specific reaction to other customers is important for managers to understand, as firms can attempt to manage or reduce negative incompatibility implications.

Nusser A. Raajpoot and Arun Sharma tested customer reactions in a restaurant setting to incompatibility (defined as negative interpersonal encounters among customers) and, perhaps unsurprisingly, concluded that customers in a good mood will have lower levels of perceived incompatibility when compared with customers in bad mood.

It also appeared that if people went somewhere expecting to have a negative experience, they tended to be less disappointed if they had one than if they had gone there expecting to have a good experience, or with no pre-conceived ideas at all.

Customers expect that the company should correct frequently occurring problems. If they are not and the company shows a lack of responsiveness it leads to a greater perceived incompatibility among their customers. However, this perception is lower in situations where the customer has some control over the process – such as an option to get up and leave the restaurant.

Raajpoot and Sharma say: "Service providers need to make consumers feel that they have control over the outcome. This can be accomplished in various ways. First, consumers can be provided choices and be allowed to create their own service (co-creation). We see examples in hair-styling, pottery painting, and even ice cream stores. Restaurants, for example, can ask if customers want to be seated at the quieter or more vibrant area. The process of designing the service will in itself reduce perceived incompatibility.

"The second method is to allow consumers to change their minds and even withdraw from the process if they feel high levels of incompatibility. For example, consumers should be allowed to change their seating or even go to another restaurant if there is perceived incompatibility. This strategy will reduce negative effect toward the service provider. Finally, service providers themselves can provide information on their customer behaviors in communication to new customers, and allow customers to change their selection."

*(A précis of the article "Perceptions of incompatibility in customer-to-customer interactions: examining individual level differences". supplied by Marketing Consultants for Emerald.)*

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