

Customer visibility in the service encounter can produce resistance to using services

**Magnus Söderlund**  
Stockholm School of Economics  
**Mattias Hjelm**  
Stockholm School of Economics, Sweden

Cite as:

Söderlund Magnus, Hjelm Mattias (2022), Customer visibility in the service encounter can produce resistance to using services. *Proceedings of the European Marketing Academy*, 51st, (108157)

Paper from the 51st Annual EMAC Conference, Budapest, May 24-27, 2022



## **Customer visibility in the service encounter can produce resistance to using services**

### **Abstract:**

If the service firm employee can see the customer in a service encounter, it is easier to make adaptations to the customer's needs and hence to enhance customer satisfaction. Customer visibility in relation to the employee, however, can be negatively charged for the customer – particularly at high levels of exposure. This study explores perceived negative consequences of customer visibility, and the findings from an empirical examination comprising several services, with different levels of customer visibility, indicate that customer visibility is positively associated with several resistance-related reactions that attenuate the customer's attitude towards using a service. These reactions are beliefs that using a particular service can (1) violate the customer's privacy, (2) cause harm to the customer, and (3) generate customer guilt.

*Keywords:* Customer visibility, resistance, attitude towards using a service

*Preferred track:* Services marketing

## 1. Introduction

Since several decades, research on the service encounter has produced theories and models with a vast number of employee-related characteristics and behaviors that influence the customer. Typically, they comprise employee factors that the customer is able to see within the frame of a service encounter (e.g., the employee's display of emotions, politeness, and an ability to deal with service failures). The causal potency of such factors, then, stem from the employee being visible for the customer. However, the customer's observing capability within a service encounter typically means that the customer is observable, too – by the employee.

Findings and theories in several fields beyond service encounters stress that we humans are sensitive to being observed, even to the extent that awareness of merely being watched by someone has behavioral implications (Zajonc, 1965), so one would assume that customer visibility in relation to an employee would have causal potency for customers' reactions to what happens in service encounters. So far, however, very little research has been carried out on this visibility aspect. One exception is Buell et al. (2017). They argue that both the customer and the employee can exhibit various levels of transparency (visibility with our terminology) in relation to each other, and that high levels of transparency can have beneficial effects. For example, when the customer is visible for the employee, this is likely to lead to enhanced employee motivation to provide better service, to employees focusing on the individual customer rather than considering customers in the aggregate, and to the forming of personal connections and rapport with customers. Buell et al. (2017) also show empirically that customer and employee visibility have positive effects on customer satisfaction and perceived service value.

In the present study, our focus is on customer visibility in relation to the employee. We agree with Buell et al. (2017) that a visible customer can enhance service value and customer satisfaction in certain service encounters. In empirical terms, however, Buell et al. (2017) studied only a limited sample of services (and services with relatively low levels of customer visibility). Moreover, Buell et al. (2017) did not explicitly assess customers' perceptions of being visible to employees, and they did not report negative effects of high customer visibility. In contrast, a main argument in the present study is that a service comprising higher levels of customer visibility than what Buell et al. (2017) studied can produce an uncomfortable state of mind for the customer, which can attenuate customers' attitudes towards using the service.

The present study, then, is an attempt to explore if customer visibility can backfire. In other words, is there a limit to how much the service customer would want to be exposed to the gaze of the employee? Empirically, we examined the consequences of customer visibility by exposing participants to a selection of services with different levels of customer visibility in relation to the service firm employee and by capturing participants' reactions in both qualitative and quantitative terms. The main downstream variable was the attitude towards using a service.

## **2. Theoretical Framework and Hypotheses**

In an objective sense, customer visibility can be seen along the lines of Buell et al.'s (2017) notion of customer transparency, which has to do with the extent to which the customers are "revealed" to a service provider while the latter is engaged in the delivery of service. With this view, customer visibility is a continuous dimension ranging from low to high. Customer visibility is relatively low, for example, when a customer in a convenience store picks up an apple and goes to the cash desk to pay and then leaves – in this case, the customer is visible from the cash desk employee's point of view for only a few seconds. In contrast, higher levels of customer visibility is at hand for services with longer duration, such as massage, therapy sessions, and medical care requiring hospitalization.

When we humans make observations of others, however, this rarely ends with concluding that another person is "there" or not. Instead, we seem to be hardwired to use such observations for various attributions of others' characteristics – even if only thin slices of information is available. Given that most people make such attributions, and assuming that most people believe that others have theory of mind, meaning that most of us believe that *others* make such attributions too, also when they observe us, it is expected that most people are likely to believe that they are the subject of others' attributions and judgments when they are observed.

In the present study, we take this latter aspect into account for our notion of visibility, which we view as (1) a perceptual variable from the observed person's point of view and (2) reflecting not only a belief that one is observed by someone but also acknowledging that the observer uses his/her observations for imbuing the observed person with various characteristics related to the observed person's self. More specifically, we define customer visibility as the extent to which the customer perceives that service firm employees

can make observations of the customer in such a way that personal characteristics related to the distinctiveness of the customer's self are revealed.

In contemporary society, in which many appear to willingly disclose intimate details about themselves in various media, and in which corporations regularly collect personal data on a massive scale without any particular protests from customers, one may believe that being visible to others – so that parts of one's self is revealed – is either positively charged or something that most people do not care much about. Yet research in various areas indicates that being visible in a self-revealing way can be negatively charged. The literature on customer embarrassment, for example, shows that the mere presence of an employee (who can see what the customer is doing) in a store environment can reduce customer satisfaction (Otterbring and Lu, 2018). And when one's exposure to others increase further, particularly when one has little control over the process, many adverse consequences have been reported (e.g., Karwatzki et al., 2017). Such results point to a general characteristic of us humans – we have social sensitivity, in the sense that we are strongly motivated to understand and react to others' impressions of us (cf. Somerville, 2013).

Given this, we expect that perceptions of being visible for service firm employees in service encounters, in such a way that parts of one's self is revealed, can induce reactions that produce resistance to using a service. In the following, we develop hypotheses about four resistance-producing reactions. We assume that customer visibility is positively associated with each such reaction – and we assume that each reaction is resistance-enhancing in the sense that it is negatively associated with the attitude towards using a service.

The first reaction has to do with beliefs about privacy violations. Most of us are likely to think that there are certain self-aspects that we want to keep to ourselves and thus we do not want to lose control of others' access to such aspects. If control is indeed lost, our privacy becomes violated and this is typically seen as a negatively charged transgression of norms (Nissenbaum, 2004). The general assumption we make here is that our visibility (i.e., our perceptions of how much of us another person sees) is positively associated with beliefs that violations of our privacy can occur. This association is expected to be particularly enhanced at high levels of visibility, meaning that when self-aspects with a strong connection to our own distinctiveness are revealed, such as when an observer sees what it looks like in our homes (Korosec-Serfaty and Bolitt, 1986) and, at very high levels of visibility, sees our intimate body parts (Solove, 2006). In a service setting, and when the observer is a service firm employee, then, we hypothesize the following for customer visibility when a particular service is used:

H1: Customer visibility is positively associated with customer beliefs that their privacy can be violated by using the service

The second reaction is about harm, which in the present study refers to psychological and physical damage to oneself and one's property (e.g., when one is insulted or when one's possessions are stolen). We assume, as Ben-Ze'ev (2003) does, that others' information about us can cause us harm. When another person knows about our intentions and emotions, for example, s/he can use this to control and deceive us – and to exploit our vulnerabilities. We assume that there is a positive association between the amount of information a person believes that others have about him/her and beliefs about the harm this can create for the person. Therefore, in a service setting, we hypothesize the following for customer visibility when a particular service is used:

H2: Customer visibility is positively associated with customers' beliefs that they can be harmed by using the service

The third reaction is guilt (i.e., a negatively valenced social emotion). In general, guilt follows from actions that violate moral norms (Keltner and Buswell, 1996), and we expect that customer visibility has the potential to evoke norm violations in several ways. First, a high level of customer visibility means that the customer is subject to the employee's attention, presumably in such a way that there is little room for the employee to attend to other things. When this happens in a commercial setting, meaning that the customer is aware of that the employee's attention stems from the fact that the customer is paying for a service, it can violate norms that others' attention is to be captured by different means than paying for it. Similarly, high customer visibility can make it salient for the customer that s/he is in an unbalanced power situation vis-à-vis the employee, in which the employee is the submissive party – a situation that may violate norms about equality in social settings. Moreover, the main competitor for many services is the customer him/herself (Normann, 1991), in the sense that the customer can often produce the core of a service without turning to a service firm. If the customer decides to “outsource” the production of the service anyway, however, this can violate norms stressing the value of one's own independence and effort as well as the importance of not spending money on unnecessary things. Therefore, we hypothesize the following for customer visibility when a particular service is used:

H3: Customer visibility is positively associated with customers' feelings of guilt by using the service

Finally, the literature on customer resistance to consumption highlights that there can be ideological beliefs behind customers' unwillingness to buy and use certain products (Sandıkcı and Ekici 2009). Of particular interest in the present study are beliefs that society is becoming increasingly commercialized (Zavestoski, 2002). We assume that customer visibility can activate beliefs of this type; the attention received from the employee, and the power imbalance in favor of the customer as the dominant party, who is aware of the fact that s/he actually pays for both attention and power, can activate customer beliefs that his/her use of a service contributes to the commercialization of everyday life. Therefore, we hypothesize the following for customer visibility when a particular service is used:

H4: Customer visibility is positively associated with customers' beliefs about increased commercialization of society by using the service

Each of the reaction variables involved in H1-H4, we assume, has a negative charge for most people. We expect that this would produce resistance to using a service. To test this, the following is hypothesized:

H5: Each of the reaction variables in H1-H4 is negatively associated with the attitude towards using a service

### **3. Research Method**

To create variation in customer visibility in service settings, and in an attempt to keep constant at least some of the many other characteristics of services that may influence resistance-inducing factors, our research method comprised the use of four specific services as stimuli. Each of them was described as a subscription service giving the customer access to the service once a week. The four services were meals delivered to the customer's home, laundry of clothes (picked up at, and delivered to, the customer's home), home cleaning, and home cooking (provided by a chef who comes to the customer's home to prepare and serve food).

Each service was described briefly and the description was followed by an open-ended question to generate qualitative data (“Think about how it would be for you to use this service in your current life situation. How do you feel about using this service? And why do you feel the way you do?”). After this, questions to measure the variables in the hypotheses followed. All variables were measured with multi-item 10-point scales and Cronbach’s alpha (CA) was used to assess scale reliability (CA < .70 for each scale). Customer visibility was measured with the statements “This type of service means that service firm employees can observe you while the service is produced”, “This type of service means that service firm employees come close to your personal sphere”, “This type of service means that parts of your life become visible for service firm employees”, “This type of service means that a window to your private world opens up for service firm employees”, and “This type of service means that what it is like to be you becomes visible for service firm employees” (the other scale items, also framed in terms of using the described service, can be provided by the authors upon request).

To reduce participants’ effort in the study, they were randomly allocated to the description of one of the four services. The data were collected online from members of the Prolific panel ( $n = 404$ ;  $M_{age} = 37.71$ ; 275 women, 124 men and 5 other).

#### 4. Analysis and Results

H1-H4 were tested with four separate regressions; in each such regression, customer visibility was the independent variable and one of the resistance-enhancing reactions was the dependent variable. These regressions indicated that customer visibility was positively and significantly associated with beliefs about privacy violation ( $b = 2.58, p < .01$ ), harm ( $b = 1.91, p < .01$ ), guilt ( $b = 1.66, p < .01$ ), and commercialization of society ( $b = 1.26, p < .01$ ). Thus H1-H4 were supported.

The qualitative data, captured by the open-ended question, provide additional insights to these outcomes. For example, with regards to privacy violations, one respondent wrote that having a cleaner at home would be uncomfortable; “a stranger entering my home makes me feel my privacy is exposed and [I] will feel ashamed at how my home looks like.” Another respondent expressed worries both about privacy and harm, stating that “I think my privacy is a priority for me and also I don’t trust the workers for security reasons. I don’t feel safe to let people I don’t know work in my home.” Guilt is mainly exhibited in the qualitative material through respondents expressing that they are feeling judged that they are outsourcing



something they should be able to do themselves. One participant wrote that having someone performing cleaning at home would make them feel like “a rubbish mum and wife that I can’t keep up with the housework.” Another stated that they would feel uneasy about having someone cook for them whilst they themselves “sat around like lady of the manor!!”, indicating that the situation involves an uncomfortable power asymmetry. Finally, the ideologically motivated resistance, as exhibited in the qualitative data, differs from the other reactions by having a less individual and self-centered focus. One respondent wrote that it is “bizarre that there is enough money in the world that people would consider this” and that it is “bad taste” to use a service like this when there are people out there struggling to get food. The ideology-based resistance therefore differs from the other reactions by expressing that no one should use this service, rather than giving explanations for why they themselves would not use them.

H5 was tested with a regression in which the attitude towards using the service was the dependent variable. Each hypothesized resistance-enhancing reaction was included as an independent variable. Customer visibility was included as an independent variable, too (to assess if it has a direct influence on the attitude towards using the service). This regression ( $F = 40.43$ ,  $R^2 = .34$ ,  $p < .01$ ) indicated, as hypothesized, that each of the reaction variables was negatively associated with the attitude variable: privacy violation ( $b = -0.25$ ,  $p < .01$ ), harm ( $b = -0.15$ ,  $p < .05$ ), guilt ( $b = -0.26$ ,  $p < .01$ ), and beliefs about commercialization of society ( $b = -0.05$ ,  $p = .36$ ). The result for the latter variable, however, was not significant. Thus H5 was supported for the beliefs about privacy violations and harm as well as feelings of guilt. The customer visibility variable was positively and significantly ( $b = 0.36$ ,  $p < .05$ ) associated with the attitude towards using a service in this regression, thus indicating that there are also positive effects of customers’ perceptions of being seen by employees in service encounters.

The qualitative data comprised indications that the resistance-enhancing reactions in our hypotheses can indeed be seen as something that would discourage customers to use a service. Several respondents indicated that they in fact liked the service in question but nevertheless would decline to use it because of resistance-enhancing factors. The following two quotes, describing guilt and privacy violation respectively, is indicative for this position: “I would feel guilty for using this service, even though I would love having it. There is no reason why I cannot clean myself apart from the fact that I don’t enjoy it” and “It would be a great help but I do like having my privacy so probably wouldn’t want someone coming into my home on a regular basis.”

To explicitly test the mediation potential implied by H1-H4 together with H5, we used Hayes' PROCESS macro (Model 4; 5,000 bootstrap samples) in an analysis with customer visibility as the independent variable, the four reaction variables as parallel mediators, and the attitude towards using a service as the dependent variable. This analysis indicated that there was a significant, indirect (and negative) influence of customer visibility on the attitude variable via privacy violation ( $b = -0.64, p < .05$ ), harm ( $b = -0.28, p < .05$ ), and guilt ( $b = -0.44, p < .05$ ), but not via beliefs about increased commercialization of society ( $b = -.07, N.S.$ ). Thus mediation was supported for three of the resistance reactions. The direct effect of customer visibility was significant, too ( $b = 0.63, p < .05$ ), which indicates that additional mediators are likely to exist.

## 5. Discussion

Our findings show that customer visibility (i.e., the customer's perception of how much of him or her a service firm employee sees in a service encounter) in relation to using one particular service is positively associated with beliefs about privacy violations and harm, feelings of guilt, and beliefs that the commercialization of society increases. Three of these reactions were negatively associated with the attitude to using the service, so they can be seen as resistance-inducing consequences of customer visibility.

It may be noted that customer visibility reached higher levels for services produced in customers' homes (i.e., cooking by a chef and cleaning) compared to the services that were produced elsewhere (laundry and meals delivered to the customer's home). This may be explained in terms of material possessions being indicators of a person's identity (Belk, 1988) and that people's homes (and the things in them) are strong symbols of self (Korosec-Serfaty and Bolitt, 1986).

In any event, our findings reflect a fundamental human conflict; the more we expose ourselves to others, the more we can establish close connections with them, but closeness also means that we can get hurt (Ben-Ze'ev, 2003). To come to terms with how to handle customer visibility issues, then, is a main challenge for the service firm – particularly for firms that want to establish close connections with customers.

## References

- Belk, R.W. (1988). Possessions and the extended self. *Journal of Consumer Research*, 15 (2), 139-168.
- Ben-Ze'ev, A. (2003). Privacy, emotional closeness, and openness in cyberspace. *Computers in Human Behavior*, 19 (4), 451-467.
- Buell, R.W., Kim, T., & Tsay, C.J. (2017). Creating reciprocal value through operational transparency. *Management Science*, 63 (6), 1673-1695.
- Karwatzki, S., Trenz, M., Tuunainen, V.K., & Veit, D. (2017). Adverse consequences of access to individuals' information: an analysis of perceptions and the scope of organisational influence. *European Journal of Information Systems*, 26 (6), 688-715.
- Keltner, D. & Buswell, B.N. (1996). Evidence for the distinctness of embarrassment, shame, and guilt: A study of recalled antecedents and facial expressions of emotion. *Cognition & Emotion*, 10 (2), 155-172.
- Korosec-Serfaty, P. & Bolitt, D. (1986). Dwelling and the experience of burglary. *Journal of Environmental Psychology*, 6 (4), 329-344.
- Nissenbaum, H. (2004). Privacy as contextual integrity. *Washington Law Review*, 79 (1), 119-157.
- Normann, R. (1991). *Service Management: Strategy and Leadership in Service Business*, New York: Wiley.
- Otterbring, T. & Lu, C. (2018). Clothes, condoms, and customer satisfaction: The effect of employee mere presence on customer satisfaction depends on the shopping situation. *Psychology & Marketing*, 35 (6), 454-462.
- Sandıkçı, Ö. & Ekici, A. (2009). Politically motivated brand rejection. *Journal of Business Research*, Vol. 62 No. 2, 208-217.
- Solove, D.J. (2006). A Taxonomy of Privacy. *University of Pennsylvania Law Review*, 154 (3), 477-560.
- Somerville, L.H. (2013). The teenage brain: Sensitivity to social evaluation. *Current Directions in Psychological Science*, 22 (2), 121-127.
- Zajonc, R.B. (1965). Social facilitation. *Science*, 149 (3681), 269-274.
- Zavestoski, S. (2002). The social-psychological bases of anticonsumption attitudes, *Psychology & Marketing*, 19 (2), 149-165.