

CUSTOMER MOTIVATION TO PARTICIPATE IN VALUE PROPOSITIONS

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ABSTRACT

To be successful in the current shared economic environment, traditional service providers must understand why customers voluntarily participate in various forms of service exchange. In fact, modern customers most likely simultaneously participate in shared business models, while also remaining clients of traditional service organizations. As a result, they might have a different phenomenological and beneficiary-specific understanding of value propositions [4] offered by service providers representing different business models. The literature provides little evidence about how and why customers accept one value proposition over others and choose to participate in a particular business model [2]. Thus, the purpose of this study is to deepen the understanding of what motivates hospitality customers to choose different business models and value propositions. Drawing from service dominant logic (SDL) and self-determination theory (SDT) [3] [4], this study examines hospitality customer self-determination motivation (SDM) to accept value propositions from three different service provider business models: traditional, collaborative, and shared. Using the service life-cycle, this study tests SDM based on four value proposition types: innovation, marketing, production, and recovery [1]. Overall, this study aims to contribute to research on consumer decision-making and organizational marketing strategy that recognizes value creation from the mutual perspective of demand (customer) and supply (provider), rather than just from the provider's standpoint [2].

The study was conducted using an online experiment utilizing an equal-cells 3 x 4 factorial between-within subjects design. The online sample panel managed by Qualtrics consisted of 180 respondents. Four manipulation check questions followed each scenario to address subjects' assessment of the: business model, value proposition, realism, and ability to participate. All scenarios met a benchmark of 6.50 [1].

An exploratory factor analysis (EFA) was performed to determine SDM dimensions and revealed three motivation factors: extrinsic (47.80%, $\alpha=0.90$), identified-extrinsic (19.35%; $\alpha=0.90$) and intrinsic (8.60%; $\alpha=0.94$). MANOVA was used to compare SDM-dimensions among business models: $F(2, 715)=5.04$, $p<0.001$. One-way repeated measures ANOVA demonstrated significant motivation effects: extrinsic ($F(3,537)=3.80$, $p<0.01$); identified-extrinsic ($F(3,537)=22.73$, $p<0.001$); and intrinsic ($F(3,537)=30.97$, $p<0.001$).

Finally, the interaction effects between the three business models and four types of value propositions was tested. ANOVA showed a significant interaction between business models and types of value proposition on two out of the three dimensions of motivation: extrinsic ($F(6,531)=3.23$, $p<0.01$) and intrinsic ($F(6,531)=3.99$, $p<0.001$). Intrinsic motivation had the strongest effect size.

The results revealed that customers were motivated by three SDM: extrinsic, identified extrinsic, and intrinsic when choosing to participate in business models and value propositions. The strongest SDM was intrinsic, which points to stimuli such as internal interest, fun, excitement, search for new knowledge and

meaningfulness as important motivators [3]. Extrinsic motivation showed the weakest level of motivation, with identified-extrinsic positioned between intrinsic and extrinsic. Overall, customers were consistently more intrinsically motivated. The main theoretical contribution of this study is extending an understanding of customer motivation to accept different value propositions from providers of different hospitality business models from the combined SDT and SDL perspectives [3] [4]. From a practical standpoint, managers should focus their attention on perfecting the shared co-production of service through customization and personalization of experience, and co-recovery from service failures.

Keywords: Service-dominant logic, self-determination, motivation, value propositions, business models

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