

Customer-to-Customer Interactions in Hostels: A Qualitative Inquiry

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ABSTRACT

Customer-to-customer interaction (CCI) is widely available in service enterprises and has become a key driver of brand value creation in certain enterprises; however, the research to date on these interactions is less understood. Hostels are a setting of high service encounters, in which interpersonal interaction occurs frequently, especially the interactions between customers. Through a qualitative inquiry, this study concludes that CCI is stimulated mainly by atmosphere, employees and other customers; Furthermore, CCI in hostels represents in three aspects: courtesy and help, share and exchange, and games and activities. Moreover, the effect of CCI originates from two specific areas, individual and corporate, and the influence of CCI on personal experiences is greater than those of enterprise. This study determines the differences and the uniqueness of the hostel industry's CCI compared with other service settings.

Keywords: *Customer-to-customer interaction, customer experience, backpackers, hostel*

1. INTRODUCTION

With the service-dominant logic (SDL) proposed by Lusch & Vargo[1], the customer has become the enterprises' cooperative value creator, and interaction becomes the nature of the service. In addition to the interaction between enterprise and customer, as well as employee and customer, customer-to-customer interaction (CCI) as an important bond influencing the interface between customer and the enterprise's resources has attracted attention in research of service marketing. Previous studies focused on the direct CCI at the surface level of etiquette and verbal communications, yet the indirect, subtle emotional CCI experience and the impact of CCI on their value perception are underexplored. Moreover, current research paid more attention on low service encounter featured settings such as retail stores, shopping centers, restaurants, museums, etc., and less attention on certain service context with high encounter features which is termed as CCI-driven service[2]. Since CCI has service context dependent attribute[3], so high encounter-driven CCI is meaningful. Actually, there are significant differences in the content, representations, influencing factors and customer value perception of CCI in service scenarios between high and low service encounters. Therefore, the frequency, depth and breadth of CCI are supposed to be different from other service enterprises. This research takes youth hostels as an experience-based service representative, wherein not only provide beds, but also, a space for personal communications with bright and longer interactive features, and most of customers are young people with greater enthusiasm in interaction with others. We approach

the qualitative inquiry to explore the unique hostel guest interactive behaviors and indicators that determine the hostel industry's CCI-driven service feature, which will contribute to research of the CCI representations on high-encounter service settings theoretically, and illuminates the mechanism of CCI on value co-creation between customers.

2. LITERATURE REVIEW

CCI is a process that a customer (or a group of customers) communicates and transfers information with another customer (or another customer group). CCI can be classified in multiple ways, such as friend and family interaction, and stranger customer interaction [4], positive and negative interaction [5]. Jiang & Zhang explored four dimensions of CCI in travel context: etiquette violation, interference, arguments, friendly conversation, advice and assistance [6]. Nicholls put forward nine types including information provision, assistance, social conversation, etc. [7]. In addition, some scholars explore CCI antecedent and consequence [8]. However, most research of CCI focus on CCI behaviors and results under low service encounters circumstances, such as retail and restaurants industries, and these interactions tend to stay on-the-surface interactions [9], deep CCI behaviors in high encounter settings haven't been identified. And positive CCI, as one of the main sources of value, can realize the value co-creation in consumption areas [10]. As a matter of fact, the youth hostel is an industry with distinctive CCI-driven service features. Meeting strangers on road is one of the important motivations when travelling, and is also a part of

backpackers' critical experiences [11]. When considering the demand for accommodation, backpackers and young travelers who want to meet friends and interact with hosts and other guests tend to choose hostels [12]. Current studies relevant to youth hostels concentrate on three aspects: enterprise strategy [13], hostel design [14] and perceived service quality. Few studies focus on interactive behaviors.

In sum, only a little research has identified the interpersonal interaction-related factors impacting the customer service experience, and CCI research in high encounter settings is very rare. Hostels are an experience-based interactive context, and many guests regard hostels as spaces for communication and experience instead of accommodation only. During the interview in this study, an informant said, "It is the Youth Hostel that makes me feel like I have a home when I'm traveling alone". This setting creates a valuable experience, and a sense of belonging. Therefore, this study will represent the unique features of CCI in high encounter service comparing with other low encounter settings to enrich the CCI research theoretically. In addition, the existing research concentrates in Europe and Australia context, rarely in Asia, so the investigations in China will contribute to the comparisons among different cultural influences related to customer's psychology and behavior, which is essential and meaningful.

3. METHODOLOGY

This study employed in-depth interviews that can explain the implicit cultural and social mode in the management world to explore the CCI process. The customers who had lodging experiences in hostels were chosen as the sample. Theoretical sampling was employed in the data collection procedure [15]. Firstly, an announcement of recruitment was made through both on and off website. Secondly, the qualified informants who had willing were contacted by researchers. The informants were told this study information including study purpose, interview content and procedure, and compensation for each interviewee ¥ 10 Wechat bonus. Thirdly, the interview time and place at which informants felt convenient were confirmed. The interview was an iterative process. Usually data saturation in a qualitative study occurs within the first twelve interviews [16]. In this study, theoretical saturation point was when the informants' responses got repetitive and new categories were not developed from the interview analysis. Averaging between 50 and 60 minutes for every informant, 31 interviews were completed and audiotaped with the approval of the informant, including 19 males and 12 females; 22 people of ages from 18 to 25, 3 under the age of 18, 6 above the age of 25; 5 people who experienced youth hostels for the first time, 14 participants had experienced hostels for two-three times, 12 for more than three times; 24 students accounted for 80% of the total; 4 people had a fixed occupation, 3 were freelancers. The tourists came from all over China. Four category

questions that were asked during the interviews are as follows: Could you share some memorable CCI incidents in your hostel stay? What causes CCI in hostels? Could you describe the concrete behaviors in the CCI? In your opinion, what is the consequence of CCI? To you, to others and to hostels. Besides, demographic variables were also collected.

The "constant comparison" method was employed to analyse the interview transcripts [15]. During the iterative analysis, uninterrupted comparisons between the basic theory, interview data, existing study and study objectives were conducted continuously [17]. We coded interview data including open coding, axial coding and selective coding. Then, we recorded the observations with the method of Harris & Baron (2004), constructing the reflection with labeling, and three types of notes were recorded: methodological notes, observational notes, and theoretical notes [18].

4. RESULTS

4.1. What Causes CCI: CCI Stimuli

The finding determines that CCI is stimulated by three factors: atmosphere, employee and other customers. Atmosphere is overall feelings brought to the customer based on the environmental experiences with physical facilities, decorations and other potential environmental factors, such as, temperature, sound, spacial design and personnel density, etc. The feelings create two stimulus responses. For one thing, the guests enjoy themselves and immerse themselves in spontaneous communications and interactions with the other customers. For another, although this kind of atmosphere is in accordance with customer expectations or preferences, the customer silently observes and experiences the behaviors and activities of other customers because the customer is introverted, preferring observation and introspection rather than participation. This stimulated interaction can be described as indirect interaction. For example, an informant mentioned: *In my heart, I silently evaluate, but I do not feel good speaking to someone about it or telling my feelings to others.* (Ma,male,23)

Secondly, staff are also important stimuli. A talkative, friendly owner who was once an experienced backpacker often can be seen in the hostels, and shares his insights on lives. The employees are usually very enthusiastic, and they will take the initiative to greet you, help you, or start a topic of conversation to encourage interaction between other customers and you. The quotes show as below: *Feifei (front desk) feels like a sister at home, introducing me to "family members".* (Song, female, 22). *The manager is very nice. I don't know the area very well around here, so he tells me great details.* (Ma, male, 23)

Moreover, other customers are direct CCI specific stimuli, which are divided into three types: proactive helpers, regulars and roommates. Regulars refer to people who are

accustomed to transferring useful information to other people. For example, a respondent mentioned: *In the beginning, I was not very active, and they kept calling and inviting me or join in. Slowly, everyone became familiar and I joined.* (Xin, female, 23)

4.2. In What Ways They Interact: CCI Representations

Through data analysis, four main themes were identified as the CCI representations: Courtesy and Help, Share and Exchange, Activities and Games, and indirect CCIs.

Courtesy and Help relates to the protocol and mutual assistance between residents of the hostel. The representations include greeting, getting information, taking the initiative to clean the dormitory, helping others carry luggage, inviting others to dinner and other helpful behaviors. Wang reported his staying in hostel: *Someone will always say hello to me. Sometimes people would recommend movies to me.* (Wang, male, 23)

Share and Exchange refers to the behaviors of chatting with others, telling stories, sharing meals and exchanging things, etc. Typical incident was narrated: *Here you connect with the guests from different places at the same time. Many people travel in order to relax, and broaden their horizons, so tourists are willing to share their strange things during the trip.* (Liu, male, 26).

Activities and Games reflects on all the activities guests participate in together including watching TV, seeing movies, dancing, drinking, painting, reading, having parties, cooking and other indoor activities. Moreover, it consists of all kinds of games, such as playing poker, board games, and werewolves-killing games. The category also refers to outdoor activities, such as travel sightseeing and recreational activities. Wu recalled: *Outings are especially well hosted. I remember every Thursday night, there was always a band coming here to sing.* (Wu, male, 24)

Additionally, there are a lot of indirect CCIs, which are not easily observed and are inferred by the analysis of interview data. The indirect CCIs can be divided into two categories. One is the silent observer, the other is the friendly listener. These categories can be reflected in the behavior of other customers' identities, learning or criticism. For example: *I think he is really young and good. (He) had been to so many places; afterwards, he would go to Shennongjia camping.* (Li, female, 21)

4.3. What Happens after the Interaction: CCI Consequences

The CCI in the Hostel has important influence on both individual and enterprise aspects. In the individual aspect, we find that the rich symbolic CCI in hostels reflects the strong degree of resource sharing in different forms and stimulates customer learning motivation, furthering knowledge. Social knowledge through constructing

interactions is the main knowledge here. Moreover, in the interaction, the customers not only construct self-knowledge, but also bring to the interpersonal relationship recognitions and identity explorations, thus stimulating positive, emotional responses and generating behaviors to make friends. Some customers will even extend and promote their prosocial behaviors. For example, some backpackers returned again to the hostel to volunteer, share and help others, which made them happy.

In the enterprise aspect, the CCI experience not only influences customer re-patronage intention, but also brings word-of-mouth effect. Compared to other industries, the hosteling industry has a long re-patronage cycle in the accommodation industry. Moreover, many hostels, especially non-YHA Hostels, are not chains, so few customers will go back. Because of this, positive word-of-mouth effect is more valuable to these enterprises than the re-patronage intention, and has more extensive social influence. During the data collection research stage, we have found that positive CCI brings with it a lot of positive word-of-mouth effect, and fundamentally composes important story lines for the next backpacking experience, which is consistent with current research [19].

5. DISCUSSION AND CONCLUSION

The findings depict the uniqueness of CCI features and representations in high encounter CCI-driven service enterprises, which enriches the theory of CCI experience. Firstly, the representation of CCI is not closely related to core services. The interviews put forward a deeper understanding of CCI with culturally embedded characteristics. This results show that the interactive behaviors between customers is very obvious and constant throughout staying in hostels. As CCI acclaimed in previous studies is mainly about indirect interaction, yet in youth hostel, there is a real, direct interaction between a large number of customers, from simply helping a fellow backpacker in need to fully integrated interactive games and activities that require full participation. This can be reasonably explained from the shift of the logical paradigm of service marketing. CCI-driven service features in hostels are very prominent, which leads to the creation of value among customers, rather than with customers and businesses. Namely Customer-Dominant Logic [20], defines the role of enterprise manager as to provide customers with "value proposition" and "value platform". The relationship between enterprises and customers is beyond the functional bond with more emphasis on social interaction needs. That is the process of a customer's social cognition and identity-building, and the process of forming of prosocial behaviors of returning back as a volunteer.

In the study of CCI stimuli, comparing previous studies, the customer individual factors are not the main indicators influencing CCI. The CCI in hostels is often directly inspired by the employees, other customer and the service atmosphere. More or less, the customer would be involved in CCI. For example, an employee or other customers

invited them initially, or they were affected by the impact of the service atmosphere. Responding to Brochado et al. (2015), the social atmosphere is one of the most important factors enhancing backpackers' hostel accommodation experience [21]. This sense-of-service atmosphere influences customer experience, and results in CCI.

Furthermore, the influence of CCI on personal experiences and values is greater than on those of enterprise. Under customer-dominant logic, CCI co-creates the customer-to-customer value. As found in the result, one of the consequences of CCI that effects on individuals is volunteer behavior, which is less noticed by other studies. The hostel itself has public features and some young guests will be influenced spontaneously and stay to become volunteers, which is the way they reveal prosocial behaviors. The co-create value is customer-experience-centered, thus, the enterprise value is dependent upon the realization of customer values.

In addition, customer tolerance in hostels reveals to be higher than in other settings. Previous research shows that visible equipment are the most essential factors that influence customer perceptions of service quality [22]. The results show that CCI is more important in service experiences, and likely to weaken or to even reverse customer dissatisfaction while complaints occur during service delivery process, wherein service quality dissatisfaction could be born to a greater degree. For negative CCI, clients tend to selectively ignore or keep silent, having hardly any negative impact on overall customer interactions and perceived service experiences.

This research also provides managerial advice for aspiring investors and managers of hostels to develop business strategy and make corresponding countermeasures. Since interactions are not often associated with core services, more attention of the managers should be given to role cognition and switch, participating in and help positive CCI, rather than CCI control, so as to maximize the value of CCI experiences, form better reputations and enhance corporate brand image. The focus of managerial strategy will be discussed from three parameters. Firstly, create a good atmosphere that stimulates the interactive behaviors of customers. This can be achieved through the arrangement of a comfortable physical facilities, spacious public spaces and warm dormitories. Secondly, every employee should acts as a storyteller with affinity and enthusiasm, which helps to activate CCI and initiate conversations, as well as, actively enable volunteer staff recruitment. Thirdly, indoor activities and outdoor tours should be well-organized and positive shared travel experiences could be encouraged. Moreover, hostels are a niche market of the hotel industry that is in and of itself, a highly resilient industry. Though the backpackers and young students are comfortable with ambiguities, the hostel managers should not ignore this need for uncertainty during their staying and provide as positive experiences as possible. Similarly, hostel managers should pay attention to the importance of word-of-mouth publicity, be aware of customer comments, and actively improve good brand images.

Despite its strengths, this research has several limitations that can be improved in future. Though the qualitative methodology was approached to reflect deep and detailed CCI, empirical tests of the antecedents and consequences of CCI in high counter settings should also be examined in future research. Considering our informants are mainly from Chinese tourists, future studies should examine multi-cultural tourists. Additionally, the value co-creation research in CCI-driven service enterprises could be further explored, such as in education, health and other industries, which would be valuable to extend customer value co-creation research with various features and behaviors.

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