CUSTOMER VALUE CO-CREATION THROUGH SELF-SERVICE TECHNOLOGY: QUALITATIVE RESEARCH ON SST IN LARGE CHAIN SUPERMARKETS

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ABSTRACT

In today's retail landscape, digital technologies like self-service technology (SST) have become essential factor for businesses that aim to maintain their competitive market positions and enhance customer experiences. This digitalization has transformed the nature of service delivery and the way retailers engage with their customers. Various studies have explored different aspects of SSTs such as, SST adoption, usability, and technology acceptance. However, empirical studies on the process of value co-creation through SSTs and their impact on consumer experiences had been under-researched. To delve deeper into these aspects, this thesis investigated how SSTs in large chain supermarkets influenced consumers' value co-creation in a multicultural society where individuals with diverse technical proficiencies and backgrounds coexist. It focused on three sub-questions: How did SST impact consumers' experiences in supermarkets? How was value co-created through the integration of SST in supermarkets? And how did consumers navigate SSTs in supermarkets? To conduct this study, a qualitative approach, combining semi-structured interviews and observational studies, were carried out in a supermarket in East London, UK. Eventually, the interview involved 10 participants from a diverse group of consumers who regularly used SSTs in a prominent supermarket. Meanwhile, 74 observations were carried out in the same supermarket which involved examining consumers using SSTs and service providers who were responsible for maintaining the SST infrastructure. The collected data from interviews and observations were analyzed thematically. The findings illustrated that SSTs had a positive impact on consumers' shopping experiences, specifically for small purchases. This technology played a pivotal role in enhancing convenience and efficiency as it streamlined transactions through speed, ease of use, and time-saving aspects, thereby reducing checkout queues and fostering *Value-Driven Efficiency*. Moreover, SSTs empowered consumers by enabling informed decision-making and providing control over their shopping process. The ability to scan items independently and manage their transactions enhanced consumers' sense of autonomy and relief, particularly for those with social anxiety. This empowerment was a critical aspect of *Autonomous Value Co-Creation*. Applying Service-Dominant (S-D) Logic, the study demonstrated that value was co-created collaboratively, as consumers actively engaged with SSTs using their skills, while service providers provided immediate assistance when problems occurred. This synergy fostered a *Value-Enriched Shopping Experience* through shared participation. Finally, the findings highlighted common challenges associated with SST usage, such as problems with scanning items without barcodes, purchasing age-restricted items, SSTs freezing, or not displaying discounted prices. Participants provided suggestions to

further enhance their shopping experience and streamline the checkout process such as implementing practical advancements like larger scanning spaces and return functionality and incorporating technological features like auto-identity readers for age-restricted items and automatic weighing for barcode-less items, presenting insightful *Value-Driven Refinements*. Nevertheless, despite these technical glitches, the consumers were able to navigate successfully either by themselves or with the help of the assistant. Consumers exhibited adaptability and patience, normalizing these issues as routine occurrences. To conclude, the overall impact of SSTs on consumer value co-creation was positive. Value was co-created through shared participation of consumers and service providers as SSTs facilitated a collaborative nature of value co-creation, and consumers navigated through successfully despite a few technical challenges. Comprehensively, this research advanced the understanding of SST's role in digital retail transformation and value co-creation, particularly in multicultural environments. This research expanded S-D Logic by demonstrating the collaborative dynamics between consumers and service providers. It has also offered actionable insights for retailers seeking to optimize service exchange through efficient digital interactions. For practitioners, the findings suggested specific design improvements, such as larger scanning spaces and auto-identity readers, which could significantly improve user experience. Ultimately, by emphasizing the collaborative co-creation process between consumers and service providers, this study not only advanced academic discussions around Service-Dominant Logic but also provided actionable recommendations for practitioners and retailers to design more inclusive and intuitive self-service technologies that foster better customer engagement, satisfaction, and loyalty.

Keywords: self-service technologies, value co-creation, service-dominant (S-D) logic, service delivery, digital transformation, self-checkouts