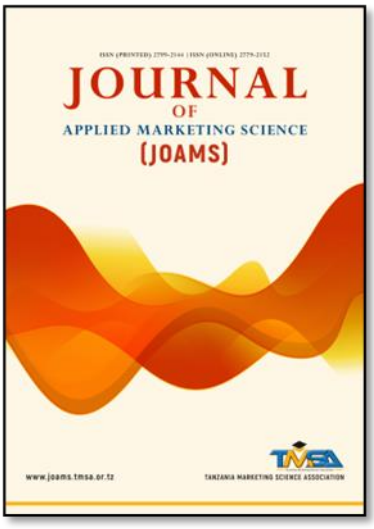


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Other Customer Perceptions, Value Co-creation Behaviour and Perceived Benefits: Evidence from Small Size Hairdressing Salons

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Other Customer Perceptions, Value Co-creation Behaviour and Perceived Benefits: Evidence from Small Size Hairdressing Salons

Lina Mcharo and Dev Jani

Abstract. This study aimed at relating other customer perceptions, value co-creation behaviour and perceived benefits in service SMEs, particularly hair dressing salons. A structured questionnaire to patrons of hair dressing salons in Dar es Salaam, Tanzania yielded 220 cases. An exploratory factor analysis was employed in validating and selecting the respective items under the three study variables. A multiple linear regression was employed to test the hypotheses. The results indicate that other customer perceptions and value co-creation behaviour significantly influence the patrons' perceived benefits derived from salon experience. Practically, the results offer insights on how service SMEs can strategically manage their customers. Theoretically, the findings improve our understanding of the relationship between the three study variables that are yet to be tested under different contexts. The study avails valid instruments for other customer perceptions and value co-creation behaviour that can be used in similar studies. Cross sectional survey from a single country (Tanzania) might not reflect other contexts, thus calling for more studies in different contexts. The study has taken a new approach on value co-creation by integrating perception of other customers and service providers' effects on perceived value in the context of small and medium hair dressing saloon.

Keywords: other customer perception, value co-creation, SMEs, perceived benefits

1. Introduction

The growing importance of the Service-Dominant Logic (SDL) which shoulders the responsibility of value creation onto all the relevant stakeholders (Vargo & Lusch, 2004) leads to the growing importance of value co-creation concept (Cambra-Fierro, Perez & Grott, 2017; Laud & Karpen, 2017; Prebensen & Xie, 2017; Vargo & Lusch, 2017) that views both customers and service providers as significant actors in the creation of value to both parties. The interaction between service customers and service providers in the process of service delivery has been observed to create value to the customers through increasing their satisfaction and their perceived value derived from the service (Cambra-Fierro, Perez & Grott, 2017; Dong, 2015; Vega-Vazquez, Revilla-Camacho & Cossio-Silva, 2013), while to the service organization it reduces their costs, increases productivity, and improves customer loyalty (Mustak, Jaakkola, Halinen & Kaartema, 2016; Cossion-Silva, Revilla-Camacho, Vega-Vasquez & Palacios-Florencio, 2016). Thus value co-

creation is a potential strategy to the creation of competitive advantage in a competitive market place (Payne, Storbacka & Frow, 2008).

Services being consumed with the possibility of other customers being present in the service environment imply that the other customers can be considered as a factor influencing value to the reference customer (Brocato, Voorhees & Baker, 2012; Zhang, Beatty & Mothersbaugh, 2010). The influence of other customers in the service environment can emanate from the mere presence of the other customers (Kwon, Ha & Im, 2016) where the reference customers can appraise the behaviour and appearance of the other customers in evaluating the service. The appraisal of other customers in the service environment can be explained using the multi-theories, like Social Comparison Theory (Jani & Han, 2013), Social Identity Theory (Hyun & Han, 2015), Role Theory (Yoo, Arnold & Frankwick, 2012), Social Impact Theory (Miao, Mattila & Mount, 2011), and Social Information Processing Theory (Yi, Gong & Lee, 2013). These theories explain how customers compare themselves with others in a service environment. Apart from the influence of mere presence of the other customers on the reference customers, the presence of the other customers can lead to social interaction among the customers. This may involve assisting other customers and providing advice to the other customers (Finsterwalder & Kuppelwieser, 2011) where the other customers can be perceived as partial employees assisting the service providers in the service delivery, and thus co-creating value (Hyun & Han, 2015).

Despite the recent upsurge in research on value co-creation (Nicholls, 2010), previous studies have focused on either customer-service provider interaction (Cambra-Fierro *et al.,* 2017; Prebensen & Xie, 2017) or customer-customer interaction (Hyun & Han, 2015; Kim & Choi, 2016), with few considering both types of interaction either explicitly (e.g. Moore, Moore & Capella, 2005) or implicitly (Yi & Gong, 2013). The holistic consideration of all aspects and all players in the service delivery does provide a more comprehensive picture of value co-creation in a service setting. As per the Service Dominant Logic (SDL) (Vargo & Lusch, 2004), all actors in the service provision have a potential influence on the value as perceived by the customers. Thus to understand the value derived from the co-creation of services, the influence of all parties in the service process need to be considered. In complementing previous studies as well as integrating the different aspects of customer value co-creation, this study aimed at testing the influence of other customer perception, interaction with service providers, and interaction with other customers on perceived value in the context of small and medium sized hairdressing saloon in Tanzania. The use of hair dressing salons as a context complements other studies that have focused on other service sectors. The use of Tanzania as a geographical context serves in extending studies that were primarily conducted in the developed countries. Tanzania, where the present study that was undertaken, is a less developed country in the sub-Saharan Africa.

2. Literature Review

Value co-creation

The concept of value co-creation emanated from the Service Dominant Logic paradigm which

requires service providers to consider customers as co-producers as well as co-value creators (Prebensen & Xie, 2017; Yi & Gong, 2013), and thus need to avail to the customers the necessary resources for the customers to interact with in the process of creating value. On reviewing different authors' definitions of value co-creation (Agrawal & Rahman, 2015), interaction and social engagement emerge to be the key underlying terms in defining the concept. The interactional aspect logically fits into the concept of value co-creation to reflect the meaning of the 'co'- prefix in the concept that necessitates the joint and synergetic efforts to produce value to the participating entities in the exchange process. The social dimension imbibed in the concept of value co-creation appears also to include high technological services where the customers interact with technological facilities of the service organization in the process of service production and consumption. In this study, where the focal service (hairdressing) is more likely to be consumed in a social setting, value co-creation is considered to occur only when there is a social interaction between members present in the exchange process, including the service providers and other customers. Thus, value co-creation is taken to be the joint, collaborative, concurrent, peer-like process of producing value (Galvagno & Dalli, 2014). The concept of value co-creation requires a service organization not to consider customers as passive participants in the service delivery but rather as active value creators (Xie, Bagozzi & Troye, 2008). Considering service customers as co-creators not only has positive implications to the organization using customers as part time employees (Xie *et al.*, 2008) but also to the customers by increasing their levels of satisfaction (Prebensen & Xie, 2017) and their perceived value derived from the service (Kaur, Devi & Sehgal, 2014; Reichenberger, 2017; Gruen, Osmonbekov & Czaplewski, 2007). The strategic and tactical importance of value co-creation has led to the burgeoning of conceptual (Alves, Fernandes & Raposo, 2016; Galvagno & Dalli, 2014) and empirical studies (Yi & Gong, 2013; Cossion-Silva *et al.*, 2016).

The definition of value co-creation implies value to be created in a social context with the different players, including the service provider and customers, contributing towards it. The social environment in a service setting includes the service provider, the focal or referent customer, and other customers (Tombs & McColl-Kennedy, 2003) who make the interaction in the value creation to be complex. The different interactions in a service setting include that of service provider and focal customer, service provider and other customers, and that of focal customer and other customers. These different social interactions that occur in a service setting are explained in the ensuing sub-section.

Service provider and customer interaction

Service provider and customer interaction has been a major focus in the service literature since the emergence of service marketing as it is imbedded in the key aspects of services, including simultaneous production and consumption of services. The simultaneity nature of services, together with intangibility, perishability, and heterogeneity of services, implies that a substantial part of value to the customer is derived from the moment of truth or the time when the customer is actually consuming the service. The paradigmatic shift

from value creation to value co-creation (Vargo & Lusch, 2004) shifts the sole service responsibility from service provider to the customers as embedded in the Service Dominant Logic. This implies that customers' participation in the service delivery process is a crucial ingredient of the value derived from the service. Within the service context, customer participation is defined as the act of engaging customers in the design and production of service (Dong, 2015). Dong (2015) explains that customers' participation in the service delivery can be through expending physical effort and/or through provision of information in the design and creation of the service. Such bifurcation of customer participation reflects the physical participation and mental participation (Prebensen & Xie, 2017) as well as the labour or task performance and informational customer inputs (Mustak *et al.,* 2016). The informational aspect of customer participation has been noted to contribute much on customer value perception compared to other aspects of customer participation in which the customer is perceived to be the producer, not the designer of the service through information sharing (Dong, 2015). This particularly applies to services that do not involve self-serving technologies, including personal care services, particularly hair salon services that are considered in this study. Therefore, the current study adopts the informational aspects of customer participation.

There is a growing body of empirical research testing the influence of value co-creation behaviour emanating from service provider-customer interaction on service outcomes like customer satisfaction, perceived value, and customer behavioural intentions (Cassio-Silva *et al.*, 2016; Cambra-Fierro, Jia & Wang, 2016; Mathis, Kim, Uysal, Sirgy & Prebensen, 2016; Perez & Grott, 2017; Prebensen & Xie, 2017). Despite the long history of the importance of such a social interaction and the presence of abundant empirical evidence on the impact of the interaction on customer perceived value and satisfaction (e.g. Cambra-Fierro, Perez & Grott, 2017; Prebensen & Xie, 2017, the incorporation of the other part of social interaction, particularly customer to customer interaction, is yet to be confirmed (Moore *et al.,* 2005; Yo et al., 2012; Wu, 2008; Zhang, Beatty & Mothersbaugh, 2010), especially in a service shop setting like hairdressing salon (Kim & Choi, 2016) where the presence of other customers during service consumption is inevitable.

Customer to customer interaction and other customer perception

A number of consumer services are consumed in the presence of other customers, implying a possibility of customers to interact in the service context. Customer to customer interaction or peer to peer interaction in a service setting has recently managed to attract the attention of researchers (e.g. Gruen *et al.,* 2007; Kim & Choi, 2016; Reichenberger, 2016; Yi, Gong & Le, 2013; Yin & Poon, 2016; Yoo *et al.,* 2012) due to the potential impacts of such interactions on customer satisfaction, loyalty, behavioural intentions and overall perceived value (Grove & Fisk, 1997; Martin & Pranter, 1989). The interaction between customers can occur either explicitly or implicitly. The former qualifies to be called actual interaction while the latter reflects the mere presence effect (Nicholls, 2010). Some positive aspects of explicit customer to customer interaction include

helping others and sharing information, while negative aspects of explicit interaction include the misbehaviour of the other customers, such as shouting, which might influence the focal customer (Kim & Choi, 2016). The implicit interactions or mere presence of customers in the service environment that do not require any form of active interactions between the customers qualifies to be called the atmospheric qualities (Kim & Choi, 2016) as such interactions reflect the appreciation of the other customers by the focal customer. Unlike the explicit customer to customer interaction, the implicit interaction appears to be operationalized and used as a similarity appraisal of other customers (Kwon, Ha & Im, 2016) with respect to their appearance and behaviour or what is referred to as other customer perception (Brocato *et al.,* 2012). Other scholars (e.g. Jani & Han, 2013) consider the implicit interactions to be part of the social comparison aspects since the interaction is nothing but a comparison of others with the self under social consumption. This study adopts other customer perception (OCP) as it appears to be more encompassing compared to similar competing concepts, like social comparison. Like Brocato *et al.,* (2012), this study utilized the three dimensions of OCP, namely similarity, physical appearance, and behaviour of other customers in a service setting.

The possible theoretical lenses for customer to customer interaction and other customer perception include social comparison (Jani & Han, 2013), social identity theory (Hyun & Han, 2015), role theory (Yoo, Arnold, & Frankwick, 2012), social impact theory (Miao, Mattila, & Mount, 2011), and social information processing (Yi, Gong, & Lee, 2013). All these theories have a unifying core aspect of using the social environment in service evaluation, including perceived value derived from the service. That being the case, this study uses these theories interactively with the assumption that other customer perception and customer-to-customer interaction are macro-concepts.

Hypotheses development

This study hypothesizes that social comparison and value-co-creation behaviour contribute towards perceived value of the services in hairdressing salons. According to Zeithaml (1988), a perceived value is the overall subjective evaluation of a product or service by a consumer based on the perceived benefits over the perceived sacrifices that the consumer has to incur in the purchase or use of the product or service. While aware of the various definitions of perceived value, this study adopts Zeithaml's (1988) definition because it is more encompassing and it focuses on the overall evaluation of benefits over the costs rather than the different dimensions of benefits and costs (Chahal & Kumari, 2012) that are likely to be difficult to articulate for the consumers, and thus difficult to capture in a typical research.

The concept of value is core to the value co-creation process. The latter reflects the joint activities and mechanisms that yield value to all participating stakeholders in the exchange process where values are exchanged. In order for value to be co-created, the participating members need to behave in a participatory manner through value co-creation behaviour. In this, customers' evaluation of other customers and the service provider value co-creation behaviour are of interest. Given the fact that

previous empirical studies have pointed towards the potential influence of social comparison and value co-creation on perceived benefits, this study focused on testing the following hypotheses:

H_1: a positive social comparison has a significant positive impact on perceived value.
H_2: a positive interaction with service provider has a significant positive influence on perceived value.
H_3: a positive interaction with other customers has a significant positive effect on perceived value.

3. Study context

Small and medium sized enterprises (SMEs) play an important role to the contribution of the economies in many countries, especially developing countries that are less industrialized. It is believed that SMEs especially in sub-Saharan Africa have an inclination to creating employment more than large enterprises (ILO, 2015). Furthermore, SMEs are instrumental in building the scale of assets, diversification of products, and the creation of employment. Hairdressing salons that can be considered as SMEs play critical roles in the growth and development of national economies. On average, each salon employs about 2.5 full-time and 2.3 part-time staff with about 37% of salons planning to hire more staff (Gibson, 2014). In Tanzania, the hairdressing sector is one of the areas employing significant number of young men and women (Betson, 2012). Like any other type of business operating in a competitive environment, hairdressing salons need to deploy different strategies that can increase the customers' perceived value derived from their services as a means of attracting and retaining customers.

4. Methods

The questionnaire had two sections; the first section captured the demographic information while the second contained Likert type scale items intended to capture information on other customer perception, customer value co-creation behavior and perceived value. The questions, particularly those capturing the study variables were adapted from previous researches (Gohary, Hamzelu, Pourazizi & Heidarzadeh, 2016; Jani & Han, 2013; Yi & Gong, 2013). The questions were in a Likert type scale format with a range of 1 up to 5, where "1" is for strongly disagree, "2" is for disagree, "3" is for somewhat agree, "4" is for agree and "5" is for strongly agree. With the possibility of having some respondents facing difficulties in responding to the English questionnaire, it was important to translate the questions into Swahili, the National Language of Tanzania. The researcher got translation assistance from a language specialist from the Institute of Kiswahili Studies, University of Dar-es-Salaam. All patrons in female hairdressing salons were considered as the potential respondents. Convenient sampling technique was opted for as it was impossible to get a sampling frame of all potential respondents. The researcher conveniently selected hairdressing salons in Dar es Salaam, the major commercial city in Tanzania. Upon self-introduction to the salon personnel (owner-manager or employee), the researchers requested them to grant permission to spend some few hours in the salon in order to have access to the customers. Once settled in the salon, the customers were requested by the

researcher, assisted by the salon personnel, to fill in the questionnaire, which took about 7 minutes. The data were collected over a period of one month (August, 2016), particularly on Fridays and Saturdays when the chances of getting more than one customer in the salon were higher. It was important to have more than one customer in order to ask them the customer-to-customer interaction questions. A total of 220 dully filled questionnaires out of 250 were used for data analyses. The data were coded and entered into SPSS 21 with descriptive and inferential tests being performed on them. Prior to multiple regression analysis to test the hypotheses, the data from the Likert type questions were subjected to exploratory factor analysis with those items cross-loading and having an Eigen value of less than .40 dropped from further analyses. Reliability test opting for Cronbach alpha values were performed on the scale items that loaded into the same factor.

5. Results

The sample (Table 1) is dominated by younger age group (18-35 years) that constitutes 85.9% of the sample. Married respondents were more than a half (63.2%) of the sample compared to married respondents who were 34.1% of the sample. In terms of education of the respondents, the sample had relatively even distribution, though the number of those with bachelor's degree was relatively bigger (34.5%). More than a half of the respondents were employed (51.4%). The rest were self-employed and students. More than a half of the respondents (64.1%) indicated that they visited the hair salons twice to three times a month. More than three-quarters (82%) of the respondents revealed that their monthly income was less than 1 million Tanzanian Shillings.

Table 1: Sample profile

Variable	Frequency	%
Age		
18-35	189	85.9
36-55	30	13.6
Above 55	1	.5
Marital status		
Single	139	63.2
Married	75	34.1
Divorced/Widow	6	2.7
Education		
Secondary school	48	21.8
Vocational/Diploma	46	20.9
Bachelor	76	34.5
Postgraduate	50	22.7
Occupation		
Student	69	31.4
Self-Employed	38	17.3

Employed	113	51.4
Frequency of attending saloon in a month	24	10.9
Once	97	44.1
Twice	44	20.0
Thrice	49	22.3
Four times	6	2.7
More than 4 times		
Monthly income (TShs.)		
Below 400,00	91	41.1
400,000 to 999,999	90	40.9
1 to 3 million	32	14.5
More than 4 million	7	3.2

US$ 1 = TShs. 2187 (December 2016)

Exploratory factor analyses were performed onto the items for independent variables, particularly other customer perception and the two dimensions of value co-creation (interaction with service provider and interaction with other customers). A separate exploratory factor analysis for the items for the dependent variable was performed with all the items loading into one factor. The items that had cross-loadings and an Eigen value of lower than .40 were dropped from further analyses. The results of the factor analyses and reliability tests are presented as Table 2). Thereafter, the items under each dimension were summated and then averaged, with the latter being used for subsequent inferential tests.

Table 2: Descriptive analysis, factor analysis and reliability results for independent variables

Scale items	Mean	Sdev.	CVV	SC	CCI
I want to have a high level of participation in the service process	2.8909	1.42608	.841		
I put a lot of effort into expressing my personal needs to the hair dresser during the service process	2.3545	1.39200	.822		
I spend a lot of time sharing information about my needs and opinions with hair dresser during the service	3.3773	1.32363	.690		
I often take a decision on the type of hairstyle after I observed what others have done	3.4773	1.26939		.799	

I always like to know what others in a similar situation (such colleague, same profession, economic Status, marital status, social status) would do their hair	3.3682	1.32275		.658	
I compare what I have done with how others have done.	3.2955	1.30296		.618	
I am a typical example of a customer to the salon	3.4818	1.15653		.556	
Other saloon customers usually assist the hair dresser to do my hair.	2.8364	1.40467			.872
Other saloon customers give me advice	3.4773	1.17214			.771
Average variance extracted (%)			22.48	21.11	16.46
Cronbach alpha			.741	.630	.608
Mean			3.5348	3.4057	3.1568
Standard deviation			1.04651	.87025	1.09657
KMO .769, Bartlett's Test of Sphericity (Chi-square = 384.476), d.f 36, sign. .000					

CVV: customer value creation; SC; social comparison; CCI: customer to customer interaction

Multiple linear regression was used to test the hypotheses and the results are shown as Table 3. All the three independent variables (other customer perception, interaction with service provider, and interaction with other customers) had t-values that are significant at .000. The contribution of the three independent variables in explaining the variation in the dependent variable (perceived value) is 38.4%. Consequently, all the hypotheses are not rejected at 1% level of significance.

Table 3: Descriptive analysis, factor analysis and reliability results for perceived value

Scale items	Mean	Sdev.	PV
Interacting with other saloon customers makes it easier to do the hair style I want	3.6273	1.23021	.805
Interaction with other saloon customer helps me with styles that makes me feel acceptable by others	3.4182	1.34050	.779
Interaction with other saloon customer gives me the hairstyle that is compatible/ goes with my life	3.4227	1.27442	.758

Interaction with other saloon customer make me feel good	3.7864	1.12862	.707
Interacting with other saloon customers makes me enjoy the service	3.6727	1.23206	.681
Other customers create excitement in the salon	3.7909	1.04331	.623
Interaction with other saloon customer make me do styles that improve the way I am perceived	3.6682	2.30423	.448
Average variance extracted (%)			48.34
Cronbach alpha			.774
Mean			3.6266
Standard deviation			.92502
KMO .833, Bartlett's Test of Sphericity (Chi-square = 471.969), d.f 21, sign. .000			

PV: perceived value

6. Conclusions and Implications

The study aimed at testing the influence of social comparison and value co-creation behavior on perceived value basing on customers of hair dressing salons. The results of multiple regression analysis lead into non rejection of the three hypotheses, indicating perceived value to be influenced by the independent variables. Such findings complement other studies which have revealed that customer to customer interaction (Kwon *et al.,* 2016) and interaction with service provider (Prebensen & Xie, 2017) contribute towards perceived value.

This study contributes to the literature, especially to the growing importance of customer to customer interaction concept. Adding on the study by Moore *et al.,* (2005) on the effect of CCI on customer satisfaction and loyalty of hair dressing salon, this study added social comparison or what others call indirect interaction (Nicholls, 2010) and interaction with service provider as explanatory variables for perceived value. However, unlike Moore *et al.,* (2005) who observed that interaction with service provider has a greater and significant influence on satisfaction compared to CCI, the current study observed that both variables exert a significant positive effect on perceived value. Such a finding might reflect social-cultural differences between the areas where the two studies were conducted. Moore *et al*.'s (2005) study done in USA with majority of their sample being Caucasian who are more oriented towards individualism, while the current study was conducted Tanzania, where collectivism is relatively higher than in the USA. The conceptualization of the indirect customer to customer interaction or the other customer perception used in this study breathes in new perspective onto the literature on top of the other previously used concepts derived from theories like social identity and social information processing (Yi *et al.,* 2013). Moreover, the

results from this study, which indicates that both interaction with service provider and other customers significantly contribute to perceived value, further affirms the myopic nature of the dyadic service interaction paradigm (Nicholls, 2010; Finsterwalder & Kuppelwieser, 2011).

Managerially, this study offers several implications of the management of services, particularly hairdressing salons for the enhancement of customer value. Hairdressing salon managers might benefit much by ensuring that they design their salon premises to enhance the social environment (both interaction with service provider and other customers). By so doing, there will have a positive effect on perceived value by the customers. Service managers, particularly those in hairdressing salons should ensure that they design and arrange the interior of the salons to enhance customer to customer interaction. For instance, the salon can be designed with round tables and chairs around it for the customers to facilitate their interaction during pre-service wait or the necessary wait, for instance waiting for hair to dry or hair setting. Moreover, managers can provide salon paraphernalia and sources of information like beauty magazine which can be the focal point of customer to customer discussions. Reflecting Baron *et al.'s* (2007) suggestive roles that can be taken by the service provider like shapers, influencers, and recognizers, service providers in salons can be trained to initiate and shape customer to customer interaction, for example taking the role of initiating discussions related to hair that might be informative to the customers.

Like many studies, this study is limited in several ways that calls for further research into value co-creation. The study focused on hairdressing salon which reflects service shop type of services (Kim & Choi, 2016) in a sub-Saharan African country. Thus, future studies can further complement the literature by appraising different types of services in different cultural and social contexts. Future studies can also investigate the influence of customer's mood and motivation for consuming the service on their evaluation. One may also opt for a longitudinal study to appraise the influence of situation factors on perceived value.

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1. **Table 1: Sample profile**

Variable	Frequency	%
Age		
18-35	189	85.9
36-55	30	13.6
Above 55	1	.5
Marital status		
Single	139	63.2
Married	75	34.1
Divorced/Widow	6	2.7
Education		
Secondary school	48	21.8
Vocational/Diploma	46	20.9
Bachelor	76	34.5
Postgraduate	50	22.7
Occupation		
Student	69	31.4
Self-Employed	38	17.3
Employed	113	51.4
Frequency of attending saloon in a month	24	10.9
Once	97	44.1
Twice	44	20.0
Thrice	49	22.3
Four times	6	2.7
More than 4 times		
Monthly income (TShs.)		
Below 400,00	91	41.1
400,000 to 999,999	90	40.9
1 to 3 million	32	14.5
More than 4 million	7	3.2

US$ 1 = TShs. 2187 (December 2016)

Table 2: Descriptive analysis, factor analysis and reliability results for independent variables

Scale items	Mean	Sdev.	CVV	SC	CCI
I want to have a high level of participation in the service process	2.8909	1.42608	.841		
I put a lot of effort into expressing my personal needs to the hair dresser during the service process	2.3545	1.39200	.822		
I spend a lot of time sharing information about my needs and opinions with hair dresser during the service	3.3773	1.32363	.690		
I often take a decision on the type of hairstyle after I observed what others have done	3.4773	1.26939		.799	
I always like to know what others in a similar situation (such colleague, same profession, economic Status, marital status, social status) would do their hair	3.3682	1.32275		.658	
I compare what I have done with how others have done.	3.2955	1.30296		.618	
I am a typical example of a customer to the salon	3.4818	1.15653		.556	
Other saloon customers usually assist the hair dresser to do my hair.	2.8364	1.40467			.872
Other saloon customers give me advice	3.4773	1.17214			.771
Average variance extracted (%)			22.48	21.11	16.46
Cronbach alpha			.741	.630	.608
Mean			3.5348	3.4057	3.1568
Standard deviation			1.04651	.87025	1.09657
KMO .769, Bartlett's Test of Sphericity (Chi-square = 384.476), d.f 36, sign. .000					

CVV: customer value creation; SC; social comparison; CCI: customer to customer interaction

Table 3: Descriptive analysis, factor analysis and reliability results for perceived value

Scale items	Mean	Sdev.	PV
Interacting with other saloon customers makes it easier to do the hair style I want	3.6273	1.23021	.805
Interaction with other saloon customer helps me with styles that makes me feel acceptable by others	3.4182	1.34050	.779
Interaction with other saloon customer gives me the hairstyle that is compatible/ goes with my life	3.4227	1.27442	.758
Interaction with other saloon customer make me feel good	3.7864	1.12862	.707
Interacting with other saloon customers makes me enjoy the service	3.6727	1.23206	.681
Other customers create excitement in the salon	3.7909	1.04331	.623
Interaction with other saloon customer make me do styles that improve the way I am perceived	3.6682	2.30423	.448
Average variance extracted (%)			48.34
Cronbach alpha			.774
Mean			3.6266
Standard deviation			.92502
KMO .833, Bartlett's Test of Sphericity (Chi-square = 471.969), d.f 21, sign. .000			

PV: perceived value

Table 4. Regression results

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	.987	.234		4.227	.000
Social comparison	.334	.064	.315	5.196	.000
Interaction with Service Provider	.224	.052	.253	4.324	.000
Interaction with other customers	.225	.048	.267	4.676	.000
$R = .620$, $R^2 = .384$, Adjusted $R^2 = .376$					
F Value =44.971 (sign .000)					
Durbin-Watson = 1.764					