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# EMOTIONS AND THEIR IMPACT ON THE BENEFICIARY'S DECISION TO COOPERATE WITH THE OFFEROR

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## ABSTRACT

Emotions can create value not only in interpersonal relationships but also in the economic world. This article deals with the coproduction between the part who offers and the beneficiary of educational services from the point of view of the mutual transmission of emotions, which leads to the increase of the level of satisfaction and willingness of the receiver to collaborate. The use of the phrase "co-production between producer and consumer" reveals the importance of knowing the difference between co-operation and co-production, as stated in the article. Robert Shiller, Nobel Prize-winner for Economic Science in 2013, said that "the challenge is to combine the mathematical information of the economy with the types of adjustments that are needed to match models to its irreducible human element." (Shiller, 2013) It is precisely what we want to capture: the human element of the economy, when, beyond the economic policies that govern state at macro level, we are confronted with the significant issues of preferences, mentalities and motivations that guide the demand and the supply. The methodology used is the survey with a questionnaire in educational units from different regions of Romania, aiming to perceive coproduction in the educational services and the motivational factors of the participation in the teaching-learning-evaluation activity.

**General Terms:** Relation of Economics to Social Values, General Education

**Keywords:** coproduction, services, emotions, educational services.

## 1. INTRODUCTION

The interest in consumer satisfaction has become predominant for marketing and not only marketing analyzes. For the manufacturer, one of the main factors contributing to profit growth is capturing and keeping consumers' attention in terms of the products or services offered. Also, an increasing tendency in recent years is to involve the consumer in the production of goods and services. The results of the studies indicate that people are more satisfied with the acquisitions they make if they themselves participate in certain phases of the production process. Michael Norton and others have shown, in the *Ikea Effect* article, that for consumers, the value of the goods they assemble themselves is increased, compared to similar goods for which they have not contributed. **Co-production** includes cooperation; but, unlike the latter, co-production involves going through some stages, a process that ends with a plus of utility. The effect of co-production always includes, for the receiver, the novelty element of the purchased product, along with the emotional load related to the well done work to which he has contributed. The effect targeted in our case study is composed of specific complex aspects of knowledge, conception of life and conduct.

Bendapudi and Leone, in the analyzes made in 2003, suggest that consumers are willing to participate in co-creation of value, determined by psychological factors, such as the desire to live experiences. (Conway, Dato-on M., Beasley, F., 2005) The success of co-production, it is required that the consumers' perceptions of their own abilities to a be positive one.



The importance of emotions as the triggering or inhibiting factor of co-production between the one who offers and the beneficiary lies in the decisions that each person takes under the influence of the feelings. The rational consumer cannot be decontextualized by conjunctures, so his behavior depends, maybe as much as reason, on his own emotions, on the emotional balance in which the part who offers manages to place him. Of course, any behavior is the result of a combination of factors, and the emotional one is, we think, a very powerful one.

The article is organized as follows: The co-production between the producer and the consumer is presented in Section 2. Sections 3 and 4 analyze two hypotheses regarding the co-production between the bidder and the beneficiary in the field of educational services. Section 5 includes the conclusions, and section 6, the limitations and further research.

## 2. CONSUMER EMOTIONS, IN THE CONTEXT OF "SERVICING"

In order to obtain an image of what the "servicing" of the economy means, we will review the opinions of some economists on the differences between the goods and services sector.

Tom Goodwin (2014) believes there are a few things that will cause changes in post-2015 marketing:

- people show an unprecedented desire for self-expression and relationship, which currently outweigh the interest in the private space;
- the end of the mediation era, due to the spread of the Internet;

Changing the perception of time by introducing the notion of "non-stop", and by becoming aware of the fact that "we live only once" on a world scale. In this new world, the speed of change is a state of normality, and loyalty and success have ephemeral connotations. Everything that receives value is related to living the experience.

Increasingly, the services economy has drawn attention to its importance in influencing national income, evolving from the conception of services as being unproductive to their conception according to their just economic value. By being sold, a product is transferred from the property of the producer P in the property of the consumer C, and will "serve" him through its properties. A memorable experience involves living and transmitting the emotions that accompany the purchase of a good or service.

As seen in the following table, the last stage of the economy, called Pine and Gilmore's "experience economy," is characterized by memorable offers that give consumers a personal touch attribute, having the role of context in which experience can be manifested.

**Table 1.** Differences between the stages of the economy

Economic Distinctions				
Economic Offering	Commodities	Goods	Services	Experiences
Economy	Agrarian	Industrial	Service	Experience
Economic Function	Extract	Make	Deliver	Stage
Nature of Offering	Fungible	Tangible	Intangible	Memorable
Key Attribute	Natural	Standardized	Customized	Personal
Method of Supply	Stored in bulk	Inventoried after production	Delivered on demand	Revealed over a duration
Seller	Trader	Manufacturer	Provider	Stager
Buyer	Market	User	Client	Guest
Factors of Demand	Characteristics	Features	Benefits	Sensations

Source: Pine II J., Gilmore J. (1998)



As described by Pine and Gilmore (2010), the economy of experience is the future economy, which follows a new philosophy of life and business, in which entertainment and emotions become the impetus for a new type of demand. An economy of wishes, more than an economy of needs.

In this context, one of the definitions of co-production captures the essence of the difference between the economy of goods, merchandise, services, and experience: "Coproduction describes the degree of overlap between the conventional manufacturer sphere and the conventional consumer sphere." (Brudney and England, 1983). Servicing the economy has led to the triumph of the economy of experience, as a way of discovering the uniqueness of each person, the peculiarity of each moment, and every emotion. There are no two identical emotions when we talk, for example, about consumption. Because the emotion is so complex and is conditioned by so many factors that ignoring some of them would mean, at least, the inaccuracy of the obtained results. Even the time factor conditions the uniqueness through its property of being irreversible. Every emotion is unique, unrepeatable, and so is the experience acquired by consumers. Society is not only a huge consumer of goods and services, but especially the place where demand and supply of emotions meet.

The central elements of the contemporary society can be defined in many ways, but include "servicing", the digitization of the economy, and some propensity for interaction and towards the opposite of individuality, simultaneously with the affirmation of the self, the Internet, the awareness of time factor and personal experience in relation to it.

The tendency of the economic development is to increase the number of participatory businesses in which the consumer takes part in the production activity through ideas or work. The guideline indicates that, in order to create the right products, it is necessary to know the consumer's needs as accurately as possible.

### **3. THE RESEARCH METHODOLOGY AND THE HYPOTHESIS RESEARCHED**

The research methodology included the use of a questionnaire, which required the construction of a representative sample: the sample of students. The persons to whom the questionnaire is addressed are 501 students with ages from 17 to 19. The database was created by selecting educational institutions from different areas of Romania, such as national college, theoretical high school, technical college, technological high school. The decision to exclusively involve pupils in the high school terminal year was taken considering that they have the maturity, age, cognitive abilities and accumulated knowledge needed to capture the connections of interest as accurately as possible. Assimilation of knowledge and abilities and skills formations for pupils in the last year of high school allow them a systematic and objective view on the topic of the questionnaire.

The research method used is the survey based on a questionnaire addressed to the 12th grade pupils in the selected high schools. The importance of the research is given by the fact that each beneficiary of educational services can provide essential information about the factors that make up the stages of coproduction. Thus, the questionnaire provides information on how positively shared emotions contribute to the beneficiary's decision to co-produce with the one who offers, provided that all other factors remain unchanged. Also, one of the hypotheses aims to verify how verbal and non-verbal language influences the transmission of positive emotions that contribute to increased coproduction between the part who offers and the beneficiary. Although the case study refers to the service sector, moreover, it extracts the data from the educational field, the results and conclusions can be extended beyond this field, with the changes it implies.

The assumptions considered are the following:

H1: Emotions positively shared by the part who offers and the beneficiary contribute to improving performance, as the other factors remain unchanged.

H2: The adaptation of verbal and non-verbal language to the expectations of the receiver positively influences his decision to co-produce with the part who offers.

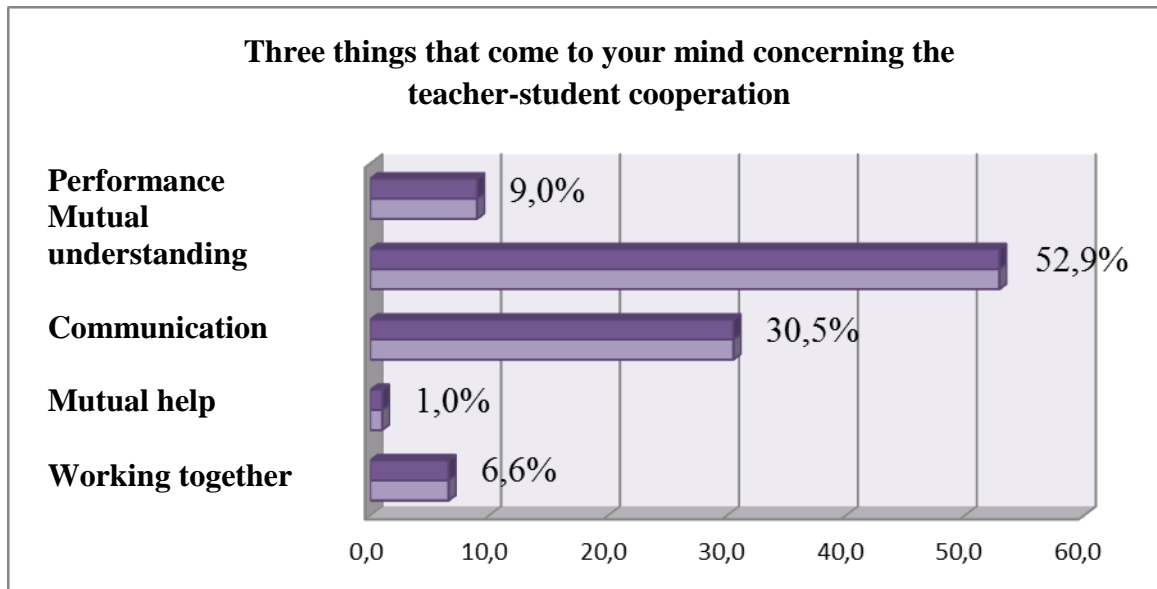
### **4. DATA ANALYSIS AND RESULTS**

We performed an internal consistency analysis for the items involved in the research so that the Alpha Cronbach coefficient  $> 0.7$ . For a test to be consistent, Cronbach Alpha's value should not be  $< 0.6$ , so we accepted Cronbach  $\alpha > 0.6$  as admissible, thus keeping the items considered interesting for assumptions.

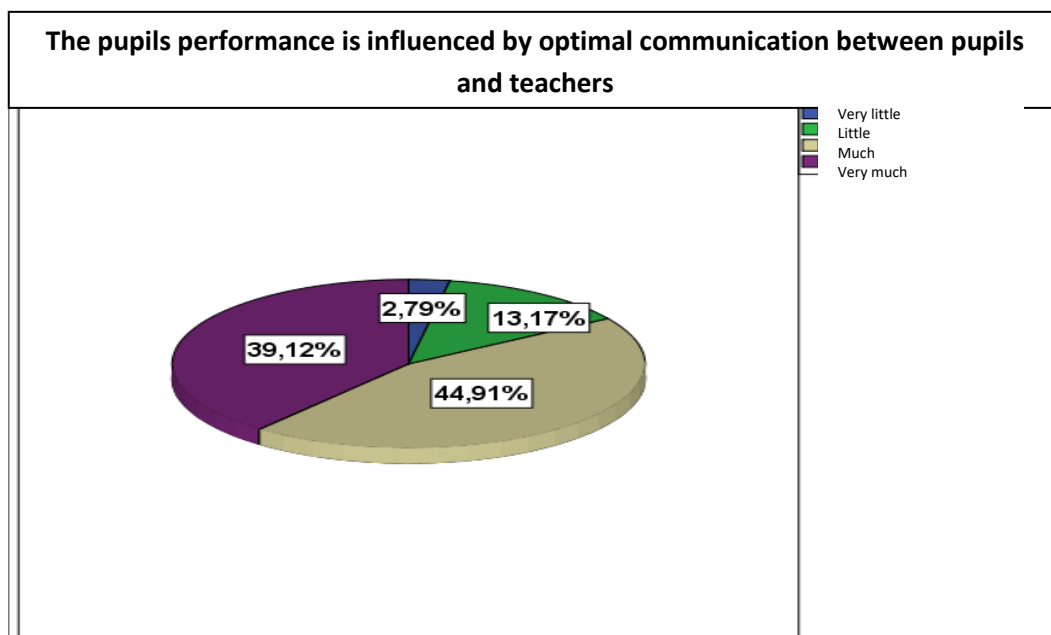


The investigated school units encourage the use of active-participatory teaching methods, which develop a pleasant environment in which information, knowledge and conduct are transmitted from the part who offers to the receiver through positive management of the emotional sphere.

To test the H1 hypothesis, we used, first of all, an open, words-associated question. Most of the respondents associated the teacher-student cooperation with mutual understanding (52.9%), followed by communication (30.5%) and performance (9%), as can be seen in Figure 1.



**Fig. 1** If you think of teacher-student cooperation, what are the first three things that come to your mind?



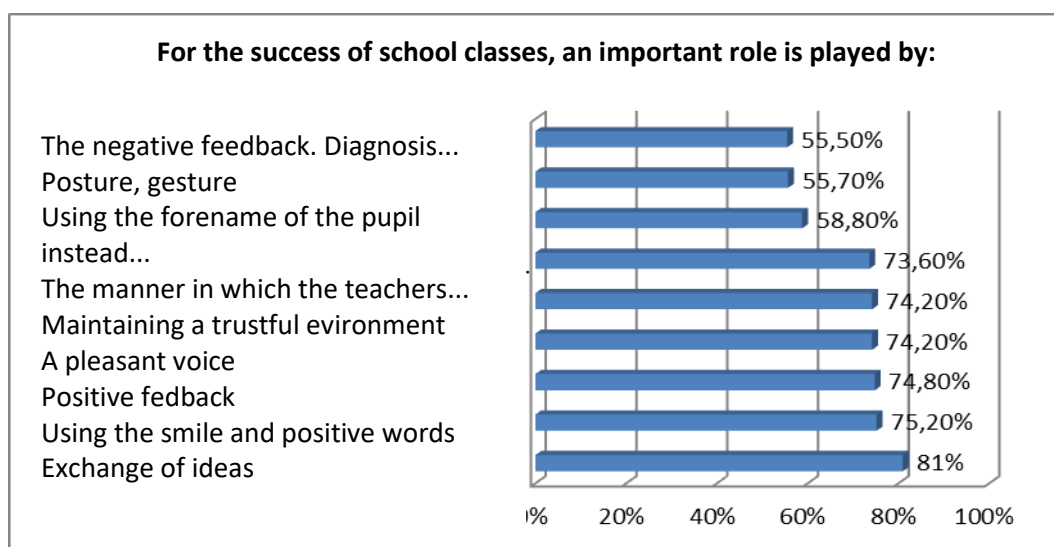
**Fig.2** The pupils performance is influenced by optimal communication between pupils and teachers



At the question Q5: "Do you think that pupils' performance is influenced by optimal communication between them and teachers?" 84% of respondents answered yes. (Figure 2) We take into consideration the questions Q5 and Q11 regarding the effects of teacher-student communication on the one hand and the performance of the recipient of educational services at the future workplace on the other. The chi-square test indicates a significant association between teacher-student co-operation and future professional results of the latter ( $\chi^2 = 22.28, DF = 3, p < 0.001$ ).

For the H2 hypothesis I chose question 8 with its sub-questions. The Lickert scale has been used, with responses from 1 = not at all to 5 = very much. In what concerns the success of course classes, the first places are occupied by the exchange of ideas (communication), the use of smiles and positive words and positive feedback, the role of the ones who offer educational services being recognized as very important. At Q8.1, 73.6% of respondents said that the manner in which the teachers prepare and direct their teaching-learning-evaluation activity is important. Nonverbal and paraverbal languages are also considered essential. Students learn not only from what the teachers say, but copy their gestures, mimics, attitudes (Figure 3)

In the first place, according to the data analysis, there is the exchange of ideas, thus verbal language. On the second and third places are the use of smile, positive words and positive feed-back, so non-verbal language and, again, the verbal one. According to our study, in the relationship between the part who offers and the beneficiary of the educational services, the verbal language is the most important (What do I say?), followed closely by the non-verbal language (How do I confirm, by attitude what I say?), which is closest to the reality of the issuer. The paraverbal language occupies, in our study, the third most important place.



**Fig.3** The role of the factors considered decisive for the success of the school classes

**Table 2.** Descriptive Statistics

	N	Mean	Std. Deviation
For the success of classes, an important role is played by non-verbal and para-verbal language	501	4,04	1,007
For the success of classes, an important role is played by the way the teachers prepare and direct their activity	501	4,02	,917
For the success of classes, an important role is played by maintaining confidence	501	4,06	,996



**Table 3** Hypothesis testing results

Hypothesis	Pearson Correlation	Sig (2 tailed)	Result
H1	,422	,000	Sustained
H2	,482	,000	Sustained

The two hypothesis were found to be valid, with Sig 2 tailed level of ,000, which shows that there is statistically significant correlation between our variables. The relationship is positive (42,2%; 48,2%) which means there is a strong relationship between the variables. This means that changes in one variable are strongly correlated with changes in the second variable.

## 5. CONCLUSIONS

The educational services market is the place where demand and supply meet, where vendors and buyers exchange educational goods and services through a *quasi-market* mechanism where, although there is a choice for the beneficiary, money does not pass directly from it to the part who offers the services, but is allocated by various educational authority institutions.

As a service market, the educational one operates on the same principle, where production and exchange are inseparable. The parts who offer and the recipients of educational services interact with each other in the common production of services, which are not, ontologically speaking, possible beyond the latter's participation.

In order to benefit from professional results, the educational services receiver must, irrespective of other factors, to participate in the educational process - which is an essential feature of the educational services, defining the "learning" process (which is added in the individual study and necessarily combines with the latter). The history of the term "co-production" indicates that, in any field, whether of goods or services, when talking about co-production between the producer and the consumer, the effort of the latter is taken into account. In the education sector, the services provided by the part who offers the services are not received by the beneficiary as such, simply for a sum of money. He must, in turn, make the effort and invest time and energy to acquire knowledge, on the lines established by the transmitted services.

After analyzing the data, it is interesting to keep a few ideas: we emphasize, in particular, the conclusion that performance is related, first of all, to the ability of teachers to harmonize the used verbal language to the non-spoken expressed language. Hence, we note that the role of the part who offers the services in the sale-purchase activity is a very active one, which management must take into account. Communication and mutual understanding are fundamental, reflecting on the clarity of information. Many forms of communication from teaching-learning can be improved, so that education services providers to manage to better meet the needs of their recipients. The teachers are a source of information, expertise and orientation of learning (and professional orientation in general), and must also be prepared to respond to the demands of the recipients.

By increasing the motivation to co-produce to the beneficiaries of educational services, the experience of teaching-learning-evaluation becomes a fair activity. Perceiving it in this way by the receivers bring extra motivation and commitment to the organization (in this case, the educational institution)..

## 6. LIMITS AND FUTURE RESEARCH

A limitation of this study lies in the fact that the sample used consists of 12th grade students, thus decreasing the degree of generalization of the results for the general population of educational service beneficiaries. However, this is also a strong point, since



the students of the last year of pre-university education are more capable to provide complete answers to the questions in the questionnaire.

The answers of the respondents have some limitations due to the influence of certain factors: the questionnaire approach, the novelty of certain notions, the time of the investigation. In most cases, the time spent filling the questionnaire was one hour for about 25 people, which included the explanation of unknown or ambiguous terms.

An important limitation is given by the fact that the respondents were grouped in groups of about 25 people at the time when they completed the questionnaire, being able to influence themselves in what concerns the answers.

We specify that an important aspect was also the omission of the use of the term "co-production" in the questionnaire (it is used only in question Q1) because it is less frequently used in the current language and therefore I did not want to create confusion among the respondents; its meaning has been outlined progressively, from the way the other questions were formulated.

An interesting continuation of the research is the extension of the subject's emotional response to the goods sector.

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