5-2024

Filling in the Gaps: A Service Ecosystem Perspective on Purchase Groups as Interstitial Markets

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This is an accepted manuscript of an article published in Journal of Services Marketing, https://doi.org/10.1108/JSM-08-2023-0302

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Abstract

Purpose

Given the continuing need to study service marketing adaptations that emerged in the wake of Covid-19, this paper looks at the formation and evolution of purchase groups (PGs) that arose in Indian gated communities during the pandemic and have continued functioning in the post-pandemic marketplace. Not only did these groups act as much-needed interstitial markets during a time of significant external disruption, but they also served as sites of value co-creation with consumers collaborating with each other and with service providers.

Methodology

Using a phenomenological research approach, we conduct 22 in-depth interviews with Indian consumers and small service providers (SSPs) to gather accounts of how PGs started and evolved with time. Subsequent data coding and analyses are conducted with NVivo 12.

Findings

Using the service ecosystem perspective, we illustrate seven distinct themes that capture the nuances of the formation and evolution of PGs. These consist of *entrepreneurality*, *collectivity*, and *fluidity* at the service ecosystem level, *hybridity* and *transactionality* at the servicescape level, and *mutuality* and *permeability* at the service encounter level.

Originality

Our study provides an empirical and theoretically grounded account of a long-term service marketing adaptation that has persisted in the post-pandemic marketplace. This helps us address recent calls for such research while also adding to work on value co-creation in collective consumption contexts and extant discourse on service ecosystems.

Keywords: Service Ecosystem, Service Encounter, Servicescape, Qualitative Research, Interviews

Paper Type: Research Paper

1. Introduction

Such was the scale of upheaval caused by Covid-19 worldwide that the term Service Mega-Disruption (SMD) was coined to capture the "unforeseen service market disturbances caused by the pandemic" (Kabadayi, O'Connor, and Tuzovic, 2020, p. 810). Recognizing the potential ripple effects on service marketing everywhere, several scholars issued urgent calls for research on how the pandemic was going to impact different facets of service provision and consumption (Kabadayi *et al.* 2020; Rosenbaum and Russell-Bennett 2020; Sheth 2020). Indeed, there continues to be a need to assess longer-term changes within service provision and consumption brought on by the pandemic. As Verhoef, Noordhoff, and Sloot (2023, p. 276) advocate, "the question of how persistent these changes [brought in the wake of the pandemic] will be" should be an important concern for service marketing scholars and practitioners alike.

In that regard, three notable gaps continue to exist within extant literature. The first is the relative paucity of work looking at long-term changes in service contexts due to the pandemic. While scholars have studied immediate consumer responses to the pandemic, such as hoarding, panic buying, or switching to online shopping (Ahmadi *et al.*, 2021; Guthrie, Fosso-Wamba, and Arnaud, 2021; Islam *et al.*, 2021; Laato *et al.*, 2020), the longer-term picture barring a few exceptions (e.g., Dahl, Peltier, and Swan, 2023; Pichierri and Petruzzellis, 2022) is limited. Second, hardly any work provides a narrative understanding of service marketing adaptations made during the pandemic. Other than very few exceptions (e.g., Guthrie *et al.*, 2021; Rattan *et al.*, 2021), most work has focused on providing a cross-sectional snapshot of the pandemic's impact on a particular aspect of service provision or consumption at a certain point in time. Third, extant work has focused either only on service providers or only on consumers when

studying their response to the pandemic. While this has resulted in useful insights on how value was co-created by marketers working together (Fuschillo and D'Antone 2023; Ratten *et al.* 2021), not much has been written about service contexts wherein value was co-created by consumers working with each other *and* with service providers.

We contend these gaps represent crucial opportunities to capture the impact of a service mega-disruption on service providers and consumers alike. We also believe that undertaking an empirical investigation to trace the trajectory of a service marketing adaptation can help address these gaps. Doing so not only addresses the calls for research mentioned earlier, but also adds to the growing body of work on service marketing adaptations that have continued in the post-pandemic marketplace. To that end, we undertake a phenomenological study of one such adaptation by exploring the formation and evolution of purchase groups (PGs) among Indian gated community residents.

While gated communities exist in various forms across the world (Blakely and Snyder, 1997; Grant and Mittelstaedt, 2004), the term "gated community" in India is used to describe residential clusters of high-rise apartments characterized by controlled access, walled boundaries, and guarded entrances (Jha, 2022). While they initially arose as protected enclaves for the ultra-wealthy, gated communities exploded in mainstream popularity in India within the last decade due to greater security, sense of community, range of amenities, and general ease of living they provide (Patil, 2023; Verghese, 2021). Estimates suggest that nearly 16 million households in the largest 50 cities in India (representing a third of the household population) currently live in such gated communities. This number is expected to double by the year 2031, eventually comprising nearly half the household population in these cities (Gutgutia, 2021). As they are poised to account for nearly $500 billion in spending power (Bhattacharya, 2022), residents of such gated

communities comprise an important consumer segment within the Indian market landscape. Thus, studying a service marketing adaptation that impacted many such residents can provide useful insights on their service consumption patterns.

When the Indian government mandated widespread store closures and citywide curfews at the start of the pandemic, these restrictions severely limited consumers' ability to go outside their gated communities (Jha, 2021; Roy and Kamath, 2020). Given how stores are not permitted to operate within the confines of such communities, gated community residents in some of the largest cities in India (e.g., Mumbai, Bengaluru, Chennai, and New Delhi) lost access to regular market channels. It was in response to this critical gap that PGs emerged to re-establish access to household essentials for consumers.

Each PG started out with an initial group of consumers agreeing to buy products (with at least some regularity) from a small service provider (SSP). SSPs were marketers who operated either on their own or with a very small group of helpers to provide a limited set of products. Given this small scale of operations, most SSPs would focus on offering products from only one or two broad categories (e.g., fruits, vegetables, sweets, cooked food, etc.) rather than maintaining extensive portfolios. Almost all communication within a PG was conducted over WhatsApp (a messaging application widely used in India). Given that WhatsApp allows users to form easily joinable groups, consumer membership of PGs would often grow rapidly as word spread among gated community residents. Indeed, most PGs comprised more than 100 consumers, with some even going up to 300 or 400. Consequently, we posit that PGs effectively formed *interstitial markets* - sites for service provision and consumption that emerged in the interstices or gaps between established market channels that became more apparent when access to those channels was curtailed. To that end, our research focuses on two key questions:

RQ1: How did PGs arise as interstitial markets in response to service market gaps?

RQ2: What were the key features facilitating their formation and evolution?

Given how PGs involve interdependent actors working together to integrate resources against a rapidly evolving background of significant external disruption, we adopt the service ecosystem perspective (Akaka and Vargo, 2015; Lusch and Vargo, 2014) to structure our findings. Doing so allows us to look at emergent themes across three different levels - the service encounter, the servicescape, and the service ecosystem.

Our research makes four contributions to service marketing literature. First, as several PGs continue to operate successfully, we add to extant work by providing a narrative account of a long-term service marketing adaptation that has persisted in the post–pandemic marketplace (Rosenbaum and Russell-Bennett, 2020; Verhoef *et al.*, 2023). Second, as PGs entail a high degree of coordination between consumers and SSPs and between consumers themselves, they provide an avenue to build on existing work on value co-creation in collective consumption contexts (Kelleher *et al.*, 2019; Luo *et al.*, 2014). Our findings highlight how such value co-creation can emerge in the wake of an unforeseen crisis and how it can benefit both consumers and service providers. Third, we contribute to work that takes a service ecosystem perspective to explore the interplay between actors, institutional arrangements, and processes (Chandler *et al.*, 2019; Vargo *et al.*, 2015). Finally, we add to extant literature looking at service marketing in emerging markets (Sheth, 2011). With this, we now provide a quick overview of how PGs emerged in response to Covid-19 to familiarize readers with our research context.

2. Research Context

2.1 The Impact of Covid-19 on Gated Community Consumers

Consumers in India typically rely on two channels for daily essentials like groceries and consumer packaged goods: the largely unorganized General Trade (GT) sector and the more structured Modern Trade (MT) sector (Appendix A). Along with these, a third channel operates in several Indian cities that comprises small service providers (SSPs). SSPs operate independently, usually out of their own homes, with relatively small capital investments. As noted earlier, they tend to specialize in procuring and selling products from a select few categories. They also provide home delivery services, either dropping off products themselves or relying on immediate family members or (occasionally) employed helpers to do so (Roy and Kamath, 2020).

The advent of the pandemic in India in the spring of 2020 initially impacted all three channels, particularly in Mumbai (which was the main site of our data collection). While SSPs had to pause home deliveries due to infection concerns, most GT and MT stores had to shut down almost overnight when the government mandated store closures (Jha, 2021). Consumers were further hampered due to strict citywide curfews that prohibited people from moving outside their homes except for emergencies. The collective impact of these changes was acutely felt by gated community residents who suddenly lost market access to most products including day-to-day household essentials. As it would turn out, this very loss acted as the catalyst for kickstarting the formation of PGs in these communities.

2.2 The Rise of Purchase Groups (PGs) as Interstitial Markets

Given the loss in income for SSPs and access to essentials for consumers, both sets of people started coming together to resolve the service vacuum. In some cases, consumers would reach out to SSPs they personally knew and would ask them to start servicing a group of consumers within the gated community. In other cases, SSPs took the lead in reaching out to gated community residents to see if they could secure a sufficient level of demand for their products. A WhatsApp group would then be formed comprising the SSP and all interested residents and it would be used to compile orders and provide relevant updates (e.g., about product availability, prices, delivering timings, etc.). After a round of ordering would be complete, the SSP would procure the necessary products, organize them as per each consumer's order, and then deliver the final bundles to the gated community while ensuring compliance with any relevant government or community regulations.

Consumers often contributed to this effort by volunteering to assist with deliveries to speed up things while maintaining social distancing requirements, educating other consumers about how to order and pay for the products, and communicating any urgent service-related concerns to the SSP. Over time, as people would hear about a PG from their friends within the gated community, those interested would request to be added to the respective WhatsApp group, thereby increasing group membership. In some cases, consumers shared the news with friends from another gated community who would then reach out to the respective SSP to try and get a PG started for their community as well. Moreover, while initial PGs centered on household essentials like vegetables, fruits, or meats, those formed a little later comprised product categories typically linked with discretionary spending, such as specialty foods, sweetmeats, or snacks. Depending on personal preferences and situational needs, consumers could choose to

continue being part of a group, exit if they wanted, or re-enter at any point in time by messaging the SSP over WhatsApp.

Consequently, PGs started functioning as interstitial markets to fill the marketplace void left by closures of GT and MT stores. As SSPs sourced products and helpers locally, they ended up being relatively nimbler in refashioning their service provision in contrast to GT and MT stores which were constrained by their physical locations and hampered by government restrictions (Deshpande, 2020). Unsurprisingly, their popularity increased rapidly within a very short span of time, and it was common to find 10-12 PGs operating in each gated community during the height of the pandemic. While this number has decreased in the post-pandemic marketplace (usually two to four per gated community) with GT and MT stores functioning as before, PGs comprise a rich research context as they represent a service marketing adaptation that has persisted beyond the pandemic (Rosenbaum and Russell-Bennett, 2020; Verhoef et al., 2023). From an updated IHIP perspective (Moeller, 2010), PGs can be seen as comprising an SSP's *intangible* performance promise regarding the provision of essentials and/or specialty products, the *heterogeneity* in consumer resources as consumers across different gated communities differed in how they interacted with SSPs, the inseparability of such resources as consumers were instrumental in helping both SSPs and other consumers during service provision, and perishability as the post-pandemic marketplace saw the end of some PGs because consumer demand and consumer resources stopped being available. Additionally, they also embody collective consumption contexts (with consumers coordinating with SSPs and other consumers during service provision and consumption) characterized by value co-creation (Kelleher et al., 2019). We elaborate on these points further in the next section.

3. Literature Review

3.1 Service Marketing Adaptations due to Covid-19

The Covid-19 pandemic represented a massive shock to service marketing on a scale unparalleled in recent history. Recognizing both the disruptive and transformative potential of such a shock, several service marketing experts issued early calls for research on the impact of the pandemic on service provision and consumption. Kabadayi *et al.* (2020, p. 814) advocated looking at agility to better understand how service marketing would "adapt, change quickly, and succeed in a rapidly changing turbulent environment." Pantano *et al.* (2020) recommended looking at increased collaboration between marketers and other stakeholders (such as consumers or suppliers) to foster such agility. Rosenbaum and Russell-Bennett (2020) suggested looking at the impact of the pandemic on servicescapes and changes to consumer behavioral responses. This was echoed by Sheth (2020, p. 281) urging scholars to study how "existing habits are discarded and new ways to consume are invented" by resilient consumers.

In response to these calls, a considerable body of empirical work has arisen looking at the pandemic's impact on service provision and consumption. Heinonen and Strandvik (2021) documented more than 200 service innovations to come up with a 2x2 typology based on their strategic stretch (low versus high) and strategic horizon (short-term versus long-term). Similarly, Ratten *et al.* (2021) studied the rise in sport entrepreneurship as Australian sport marketers sought to co-create value in the middle of a crisis. Ashton, Tuomi, and Backman (2022) invoked the Servuction model (Bateson, 1985; Langeard *et al*., 1981) to propose a typology for different types of ghost kitchens that rapidly became popular during the pandemic. Meanwhile, Ferraro *et al.* (2021) identified six key guiding principles for adaptations (e.g., rethinking physical space,

prioritizing digital elements, and building agile supply networks) based on multi-country interviews while Grimmer (2022) studied how Tasmanian SMEs and retail firms adapted to the pandemic.

Such work has also been supplemented by research on the pandemic's effects on service consumption. For instance, data from several countries showed how perceived scarcity, pandemic severity, and feelings of uncertainty and fear led to panic buying by consumers during the early stages of the pandemic (Islam *et al.*, 2021; Prentice *et al.*, 2022). Other studies showed how behavioral factors (such as information overload from online sources) and cultural factors (such as high uncertainty avoidance and high individualism) promoted hoarding and stockpiling behaviors during that phase (Ahmadi *et al.*, 2021; Laato *et al.*, 2020). Finally, another strand of research noted how health concerns, hygiene consciousness, decreased access to physical retail, and the need to cope led to a sharp increase in online shopping (Eger *et al.* 2021; Gisjbrechts and Gielens 2021; Guthrie *et al.* 2021; Itani and Hollebeek 2021).

Despite timely insights, we note three key limitations in this body of work. First, most research has focused on short-term adaptations in the service marketing domain. Only a small volume of work has tried to take a longer time horizon into account. Examples include Pichierri and Petruzzellis' (2022) experimental studies on the effect of employee mask usage on consumer evaluations during different waves of the pandemic and Dahl *et al.*'s (2023) pre- and post-lockdown study of consumers' anticipatory value-in-use for digital health services. Similarly, Hwang *et al.* (2022) illustrated how the pandemic exacerbated the impact of customer incivility on frontline service employees while Liu, Long, and Liu (2023) noted how service firms' digital platform capability improved their resilience over more than a year of dealing with the pandemic. However, there continues to be a paucity of work on "the long-term theoretical and

practical implications" stemming from the pandemic in service contexts (Rosenbaum and Russell-Bennett, 2020, p. IV).

The second limitation we observed was that barring a few exceptions (e.g., Dahl *et al.*, 2023; Guthrie *et al.*, 2021; Rattan *et al.*, 2021), most work has tended to provide a cross-sectional snapshot of service marketing changes rather than a narrative understanding of how service marketing adaptations evolved over time, the degree to which they persisted, and the factors that helped or hindered in such persistence. Consequently, service marketing literature continues to lack work tracing the trajectory of a pandemic-induced service marketing adaptation and the degree to which it has persisted in the post-pandemic era. Verhoef *et al.* (2022, p. 288) drew attention to this by highlighting an "urgent need for studies showing whether the effects of Covid-19 are persistent over time or…are a temporary phenomenon."

Finally, given how most work has tended to focus on consumers and service providers separately, there has not been much research on how consumers and service providers came together to structure a response. While some work has documented collective efforts made by sport marketers and NGO members in response to the pandemic (Fuschillo and D'Antone 2023; Rattan *et al.* 2021), it is hard to locate research looking at consumers and service providers working together to craft a service adaptation. Given the oft-articulated need to look at value co-creation that takes place when consumers work with each other and with service providers (Kelleher *et al.*, 2019; Ostrom *et al.*, 2015), studying a context where this was present can provide additional insights on how coordination between consumers and service providers can be beneficial when developing a service marketing adaptation.

We aim to address these gaps with this current project. As noted before, PGs arose as an immediate response to pandemic conditions for gated community residents. While some came to

an end as the pandemic finally waned and consumer access to stores was restored, several others continue operating successfully, thereby representing a service marketing adaptation that has persisted in the post-pandemic marketplace. Second, as we use a qualitative methodology, we can provide a narrative account of their formation and a stronger thematic understanding of the factors that were instrumental in their success. Finally, given the nature of collaboration between consumers and SSPs, PGs serve as a robust example of value co-creation in a collective consumption context, which we discuss next.

3.2 Value Co-Creation in Collective Consumption Contexts

Service marketing scholars have long recognized the importance of consumers as co-creators of value in service exchanges, given how their involvement and participation is integral to the generation of value during service provision and consumption (Payne, Storbacka, and Frow, 2008; Prahalad and Ramaswamy, 2004; Vargo and Lusch, 2004). However, later research has highlighted the need to better understand such co-creation, especially in collective consumption contexts wherein consumers interact with other consumers in addition to interacting with service providers (Kelleher *et al.* 2019; Gronroos and Voima, 2013; Ostrom *et al*., 2015). Kelleher *et al.* (2019) advance three dimensions on which such contexts can vary: the degree to which it involves only consumers or both consumers and service providers, the extent to which the coordination is led by the service provider or by the consumer, and the extent to which technology enables such coordination. They further argue that studying contexts representing different combinations of these dimensions can enrich our understanding of how value emerges in service interactions involving multiple consumers and service providers (see also Caru and Cova, 2015; Figueiredo and Scaraboto, 2016).

We believe PGs represent a useful example of value co-creation in a collective consumption context when we consider these dimensions. For instance, PGs involve both aspects - consumers working amongst themselves (e.g., educating new members or starting a new group) and consumers working with SSPs (e.g., providing feedback or coordinating deliveries). Similarly, PGs could be initiated by SSPs as well as consumers. Given the smaller scale of operations for SSPs, there were several instances of consumers taking the initiative to get a PG started or volunteering their time and effort to ensure smooth functioning. Finally, a variety of technological tools (WhatsApp but also, as we discuss later, Google Forms, Paytm, etc.) were integral to the overall coordination withins. Additionally, despite some similarities to group buying collectives in terms of consumers using online platforms to come together and buy certain products (Luo *et al*., 2014; Wang, Zhao, and Li, 2013), PGs are also sufficiently different from them as gated community consumers were not motivated by deal-seeking concerns or the desire to acquire specific brands. Rather, they were more focused on maintaining access to products while simultaneously helping out SSPs. Studying consumer participation within PGs, therefore, highlights additional motivations that can lead consumers to coalesce together to form a group buying collective.

Given the inherent complexity in studying such a multi-faceted research context, we decided to adopt the service ecosystem perspective (discussed next) as it provided a multi-tiered framework which we could use to guide our data analysis and structure the thematic insights that emerged over the course of that analysis.

3.3 The Service Ecosystem Perspective

Advanced by Akaka and Vargo (2015) as an extension to service-dominant logic or SDL (Vargo and Lusch, 2004), the service ecosystem perspective recognizes the complex nature of interactions that often occur between multiple actors in a service context along with institutional arrangements that govern service exchange in that context. At its core, service provision starts with the dyadic interaction between the service provider and the consumer. This interaction, which often has significant impact on short-term outcomes (consumer satisfaction or dissatisfaction) and long-term outcomes (service provider-consumer relationships), is referred to as the service encounter (Bitner, 1990; Czepiel, 1990; Czepiel *et al.*, 1985; Surprenant and Solomon, 1987). Servicescapes - best understood as spaces that frame these encounters (Bitner, 1992) - involve looking at the physical, social, symbolic, and natural aspects of the environments in which these encounters occur. While physical aspects (e.g., design and layout of service spaces) of servicescapes are often self-evident, later work highlighted how servicescapes are valued for their social aspects (e.g., social density and indirect customer interactions), symbolic aspects (e.g., the presence of culturally significant artifacts and signs), and natural aspects (e.g., the presence of green spaces or proximity to nature) as well (Akaka and Vargo, 2015; Arnould, Price and Tierney, 1998; Bitner, 1992; Johnstone, 2012; Rosenbaum and Massiah, 2011). Finally, service ecosystems, defined as "relatively self-contained, self-adjusting system[s] of resource-integrating actors connected by shared institutional arrangements and mutual value creation through service exchange" (Lusch and Vargo, 2014, p. 161; Vargo and Lusch, 2016) comprise the broadest and most complex level when trying to understand how value is co-created in service contexts (Akaka and Vargo, 2015; Akaka *et al.*, 2013; Vargo, Weiland and Akaka,

2015). Collectively, these three levels of service provision - service ecosystem, servicescape, and service encounter - provide a useful theoretical lens to study PGs.

The few examples of work taking a service ecosystemic perspective to study the impact of the pandemic on ecosystem recovery and response, consumer and service provider well-being, and innovation (Brodie *et al.*, 2021; Finsterwalder and Kuppelweiser, 2020; Kabadayi *et al.*, 2020; Mollenkopf, Ozanne, and Stolze, 2021; Ratten *et al.*, 2021) further highlight its advantages. As we illustrate when presenting our findings, adopting this perspective enabled us to look at themes at each level (service ecosystem, servicescape, and service encounter) while advancing a comprehensive narrative account of our focal phenomenon. By doing so, it also helped in arriving at a stronger understanding of how value co-creation took place within the service ecosystem of each PG. With this background, we now shift to a description of our research approach to describe how we collected and analyzed data for this study.

4. Methodology

Given the exploratory nature of our focal research questions and the novelty of PGs themselves, a phenomenological approach (Creswell and Poth, 2016) was best suited to our research aims. Merriam (2009, p. 25) notes that a phenomenological approach is most useful when the researcher's goal is to "depict the essence or basic structure" of a particular experience. As we describe in the next subsection, we studied consumers and SSPs across several different PGs over the course of our research. In line with this aim, we used in-depth interviews (McCracken, 1988) to elicit 'thick descriptions' (Geertz, 1973) from consumers as well as SSPs to get a holistic perspective on service provision and consumption within PGs. This helped us capture a

variety of respondent accounts and arrive at a clearer understanding of how these groups arose in response to the restrictive conditions generated by the pandemic and the ensuing regulatory measures. Our research team had the added advantage of two members being long-time residents of two different gated communities in Mumbai. In addition to securing respondents for interviews, this helped them capture the day-to-day lived experience of being part of PGs.

4.1 Data Collection

Respondents for in-depth interviews were initially recruited through researchers' personal contacts within gated communities and then through snowball sampling by asking such respondents for referrals. As our focus was to arrive at a phenomenological understanding of how PGs formed and grew, we included both consumers as well as SSPs in our sample. To ensure familiarity with the focal phenomenon, we included only those consumers who were part of at least one PG at the time of the interview. Data was collected over eight months, resulting in a final sample of 22 respondents representing a mix of 15 consumers and 7 SSPs. As PGs frequently involved SSPs and consumers working closely with each other, the narrative accounts of both stakeholders contained several details and references about each other because of the high degree of co-creation, collaboration, and coordination involved when participating in a PG. Given the central emphasis on understanding a complex behavior, the sample proved sufficient as it was in line with best practices for qualitative work and all respondent accounts were richly detailed (Kwortnik, 2003; Merriam and Tisdell, 2015).

Table 1 lists respondent details with pseudonyms used in place of their real names. The sample consisted of 4 males and 18 females, which was in keeping with the PG membership trends, as most consumers who were part of the PG WhatsApp groups were women. Moreover,

as each consumer belonged to a different gated community, there was ample variation in terms of consumer experiences.

—-Insert Table 1 here—-

In line with recommended methods for depth interviewing (McCracken, 1988), we drafted a semi-structured interview protocol to guide the course of the interview, as it allowed for a degree of flexibility to make changes as data collection and analyses progressed (Bryman, 2003). Given our research goals, the interview protocol was phenomenological in nature (Creswell and Poth, 2016), i.e., its goal was to elicit details about individual experiences with a given phenomenon to arrive at a conceptual understanding of the essence of that phenomenon. Respondents were asked about how they started participating in PGs and their experiences within these PGs. For consumers, the focus of the interview was on service consumption, while for SSPs, the focus was on service provision. Relevant probes were used wherever necessary to elicit more details about specific incidents or experiences. Examples of such probes included asking consumers about the advantages and disadvantages of PGs and asking SSPs about the changes they incorporated over time to improve service provision within PGs.

While the number of interviews differed between the authors depending on their availability, each author was part of at least four interviews to ensure a high degree of familiarity with the research phenomenon. Conducted via Zoom or Google Hangouts, the interviews typically lasted between 38 and 125 minutes and were recorded for transcription and subsequent analyses. We continued interviewing respondents and saturation was reached when there was a joint consensus that additional interviews failed to reveal any new insights (Bowen, 2008; Saunders *et al.*, 2017). Overall, our approach yielded richly detailed respondent accounts that

provided significant understanding of how PGs started and evolved with time (Merriam and Tisdell, 2015; Patton, 2002).

4.2 Data Analysis

The complete set of respondent accounts comprised 22 hours and 25 minutes of recorded interviews. These recordings, resulting in 350 pages of double-spaced text when transcribed, represented the central corpus of data used for analyses. All transcripts were uploaded to NVivo 12 and coded in three successive stages, beginning with open coding (identifying and labeling relevant quotes), continuing with axial coding (developing sub-categories), and concluding with selective coding (abstracting higher-order themes) to identify the seven central themes of our framework (Creswell and Poth, 2016; Strauss and Corbin, 1990).

While all authors read each transcript to familiarize themselves with the data, initial rounds of open and axial coding were conducted by two of the authors with the overarching goal of acquiring a phenomenological understanding of the emergence of PGs (Creswell and Poth, 2016). Both authors met multiple times to discuss individual interpretations and emergent findings, and any disagreements were resolved through discussion. For selective coding and development of the conceptual framework, all authors were equally involved. In line with Boyatzis' (1998) suggestion of using existing theoretical frameworks to guide the analyses, all authors jointly agreed to adopt the service ecosystem perspective as it provided a parsimonious multi-level framework for organizing our thematic insights (Table 2). As is best practice in exploratory qualitative research, names for all key themes were jointly chosen based on their ability in capturing the essence and the unique aspects of each theme (Braun and Clarke, 2006; Creswell, 2007; Scharp and Sanders, 2019).

—-Insert Table 2 here—-

Our approach was consistent with the constant comparative method of data analysis, specifically one representing an iterative movement between 'the part' and 'the whole' (Spiggle, 1994). Each respondent account (the part) was read and reread multiple times by the authors and was additionally reviewed later in juxtaposition with the overall framework (the whole) to aid in conceptual refinement (Hirschman, 1992; Spiggle, 1994; Thompson, Locander, and Pollio, 1990). Analyses continued in this way until saturation was reached and additional interviews failed to reveal any new insights (Bowen, 2008). As our objective was to develop a phenomenological understanding of how PGs arose and functioned as a service marketing adaptation, we relied on the idea of theoretical completeness (Saunders *et al*., 2017). In line with this notion, all authors agreed that saturation was reached when our conceptual framework was able to accommodate all thematic categories into a cohesive whole and provide a reliable theoretical account of PG formation and evolution (Charmaz, 2003). As an additional check, we also shared our framework with two experienced marketing scholars (one in India, one in the US) for peer debriefing (Delve and Limpaecher, 2021). Each indicated their agreement with the structure and content of the framework and provided additional feedback to help us better explicate our thematic findings in the subsequent sections.

5. Findings

From the very beginning, PGs functioned as service ecosystems comprising multiple actors (e.g., consumers, SSPs, product suppliers to SSPs, and security guards employed by gated communities) who facilitated the integration of resources to address the service gap left by GT

and MT stores. Moreover, the institutional arrangements characterizing their operations gradually evolved over time through trial and error as consumers and SSPs worked together to streamline service provision and consumption. Collectively, such factors imparted a high degree of self-adjustment to value co-creation within PGs as all actors were united by mutually beneficial goals - restoring access to household essentials for consumers and restoring revenue for SSPs. We now present the seven key themes that emerged from our data, with each theme reflecting a critical factor at a particular level within the three-tier service ecosystem framework. Each was instrumental in shaping PGs into successful, well-functioning interstitial markets for the residents of gated communities. With this background, we present the first set of themes at the service ecosystemic level.

6. The Service Ecosystem Level

At the broadest level, that of the service ecosystem itself, we observed three key themes characterizing the formation and evolution of PGs. The first two are linked to the actors within the ecosystem, while the third is linked to the institutional arrangements between those actors.

6.1 Entrepreneurality

The first theme we observed among our respondents that was instrumental in kickstarting a response to the SMD created by the pandemic was *entrepreneurality*. We define entrepreneurality as the extent to which different actors within a service ecosystem took the initiative in trying to configure possible solutions to the service gaps that the pandemic brought in its wake. Examples of such initiatives came from both consumers as well as SSPs. Among our

respondents, there were several accounts of consumers taking the metaphorical bull by the horns in a bid to restore access to household essentials:

> "There are ten wings, each with 20 floors, with 76 apartments on each floor. Each wing is independent with its own WhatsApp Group. I just put a message in the K wing group that if people would like to procure food by [the SSP], then we can consolidate and order food. Then I thought that while I am at it, let me contact a few friends who live in the same complex in other wings! So, I put the message in other WhatsApp Groups saying that if they wanted to procure food, they could also order."
> (Sumit, Consumer)

> "It all started because of one of my friends who stays in another gated community. They were ordering vegetables directly from a guy who runs his own farm…When I heard about it, I felt we could start this in our gated community. So, I formed a group and started asking other ladies if they wanted to order vegetables this way. They encouraged me and told me to go in for this and that is how we started ordering."
> (Ridhima, Consumer)

Along with such consumers, we also saw examples of entrepreneurality among SSPs who tried to think on their feet and take advantage of the opportunity. Taniya, a consumer, recounted how "most of these groups [for her gated community] were started by the service providers themselves." Similarly, Tanuja, an SSP, talked about how she got started:

> "The first step was to get the leaflet [with product details and contact information] done. After that, I started circulating these leaflets in whichever [WhatsApp] group I knew. The first ones were in my building group and the nearby gated communities. I then started reaching out to friends in other communities and…soon, the leaflet started spreading like fire! At one point, I was messaging two new WhatsApp groups every single day!"

At an ecosystemic level, this theme is consistent with prior work that highlighted the importance of innovation and adaptation by service providers in response to the pandemic (Grimmer, 2022; Heinonen and Strandvik, 2021; Ratten *et al.*, 2021). In a similar vein, the idea of consumers taking the initiative to secure access to goods is mirrored in work on group buying behavior (Luo *et al.*, 2014; Wang *et al.*, 2013). However, the distinctive feature seen in our

context was the equal degree of likelihood (between the SSP and the consumer) in terms of who took the initiative to start up a PG. In that regard, this account provides an interesting counterpoint to service marketing adaptations where the initiative was taken entirely by the service provider and did not involve any consumer participation other than in the purchase stage (Heinonen and Strandvik, 2021).

We believe that two key factors underlay the greater likelihood of consumer-led initiatives in getting a PG started within their gated communities. The first was the combination of strict curfews and store closures which severely impacted consumer access to essentials. Faced with such a critical gap, consumers could not wait for too long and had to urgently search for a workable solution that could address this vacuum. The second, given our familiarity with the Indian marketplace, was the relatively higher degree of an SSP's dependence on their consumers. In contrast to GT and MT stores that operate despite ebbs and flows of consumer demand, the livelihood of several SSPs is more strongly linked to consumer demand because their smaller scale of operations limit their ability to provide services beyond a small number of gated communities. Consequently, SSPs were more than ready to give PGs a try when consumers got in touch with them to propose the idea.

6.2 Collectivity

If entrepreneurality represented the starting spark, then the second theme represents the engine that kept things running as PGs started to take shape. We term this theme *collectivity* and define it as the high degree of co-operative behavior among various sets of actors within the ecosystem as they worked together to address service gaps. In doing so, we distinguish collectivity from the regular levels of cooperation required between actors for the basic functioning of a service

ecosystem. Instead, we argue that the collectivity we observed illustrates an above-and-beyond level of cooperation and coordination between different actors that went beyond normal service exchange expectations. In some cases, this was seen in consumers who took on the responsibility of coordinating with SSPs on behalf of multiple consumers:

> "There was this one resident who used to coordinate with the seller and the seller would coordinate with her. The seller would send us the list of things with the price of items that he had. We would send our list [of the items that we wanted] to [the resident] and she would coordinate with the seller, and he would send labeled boxes to every person." (Urvashi, Consumer)

Similarly, Brij, an SSP whose food preparation products were much in demand during the lockdown, was warm in his appreciation of Sumit, a consumer:

> "Sumit took the responsibility for coordinating on our behalf [despite] no personal gain. He used to collect the orders on behalf of his neighbors. We would deliver the orders at the complex and people would come and collect them. Sumit did this once every week! I think the difference was that all this was…a way of helping the neighbors. Somebody said, 'Let me help my neighbors get fresh food!' Thanks to that, today I have got close to 400 people like Sumit… 400 buddies who have selflessly supported us."

We also saw examples where such collectivity ended up helping a particular group of people because others went out of their way to support them:

> "During the pandemic we had so many senior citizens staying alone in my building, and we did not want them going out and risking their lives. We told them to let us know what their requirements were, and we would order the things in the groups, and deliver it to their homes. These people were very happy that their requirements were taken care of." (Omisha, Consumer)

Overall, such examples of collectivity showed the importance of actors working together and, especially in the case of some residents, going beyond their traditional role as consumers and taking on additional responsibilities of coordinating orders and attending to deliveries. Moreover, in contrast to service marketing adaptations involving only service providers (Ratten *et al.*, 2021), we see more synergistic co-creation here as it involves both consumers and SSPs

(Caru and Cova, 2015; Keller *et al*., 2019). This is reminiscent of Gronroos' (2011) discussion of how the consumer can become a co-producer (of processes) and the provider can become a co-creator (of value). As we saw, consumers took up additional responsibilities (such as order collation or delivery coordination) to become co-producers of processes, while SSPs were able to co-create value by directly involving such consumers.

6.3 Fluidity

Emerging markets are frequently characterized by market exchange systems that do not embody the conditions associated with perfect competition (Sheth, 2011; Viswanathan, Rose, and Ruth, 2010). Consequently, such markets are more likely to consist of service ecosystems wherein institutional arrangements between actors are neither as rigidly defined nor as formally codified as those in developed markets. This allows for greater flexibility within an ecosystem for actors to figure out such arrangements on an ongoing basis via a trial-and-error approach.

We observed this happen in our research context and we summarize this under the theme of *fluidity* or the degree to which institutional arrangements between actors were flexible and could accommodate their changing needs. Such fluidity was observed in a variety of institutional arrangements between consumers, SSPs, and vendors (who supplied products to SSPs) at different points in the service provision process. For instance, in terms of how orders would be placed, Tanuja (an SSP) talked about moving across three different formats as time went by, starting with the leaflet mentioned earlier:

> "At first, the order link was circulated along with the leaflet. Then, as time progressed, we set up the Google form for ordering. We continued using the form for the last 3-4 months. Now, from last week onwards, we have set up an automated Google form, in which your invoice will be generated and sent directly to your email, and you can pay directly through email."

Other examples illustrated a similar degree of fluidity when it came to product delivery and payment practices:

> "When we first started, we were selling [vegetables] in crates. We would place consumer orders in crates and then place all crates in the lobby [of the gated community], and the consumers would come and collect them. But then, a problem arose in terms of collecting the crates and sending them back to the village [from where the SSP was sourcing vegetables]. Firstly, we did not have a place to store all the crates and secondly, [the farmers] needed the crates to prepare the next set of orders. We would keep asking [the consumers] to return the crates and almost 2-3 hours were wasted in collecting these crates to send them back to the village. We used boxes briefly, but boxes soon proved unfeasible because if you put vegetables in boxes and stored them on top of each other, the vegetables would get crushed. Finally, we started using these huge white plastic bags. We just place the bags in the lobby and consumers can collect them when they want." (Bhoomika, SSP)

Equally importantly, respondent accounts showed that a lack of fluidity in the operations of larger service providers prevented them from pivoting quickly when the pandemic worsened:

> "We were much smaller: our adaptability, our response time, the whole distribution system being in our control. Imagine [large service provider X] or [large service provider Y] telling their wholesalers about what to do! But for a smaller brand like us that is still working on the consumer connect aspect, our adaptability was much faster." (Brij, SSP)

Such examples illustrate the advantages of agility (Pantano *et al.*, 2020) when responding to evolving needs and unavoidable constraints. The inability of larger, more established service providers to pivot further underlines the importance of such flexibility for ecosystems in times of disruption. In sum, while entrepreneurality and collectivity among consumers and SSPs kickstarted the formation of PGs and kept them going, the fluidity of the institutional arrangements allowed for further refinements to be made wherever needed. With this background, we now turn to the key themes observed at the servicescape level.

7. The Servicescape Level

Along with thematic factors at the ecosystem level, respondent accounts also highlighted unique features within PG servicescapes. Two key themes stood out in this regard: the first involving the fusion of physical and virtual spaces to create a hybridized servicescape and the second involving the nature of communication within this new servicescape.

7.1 Hybridity

Several respondents noted that a crucial challenge for each servicescape was to figure out the correct mix of physical and virtual spaces to ensure service encounters were practical as well as efficient. We acknowledge this fusion through the theme of *hybridity* that we define as the degree to which PG servicescapes incorporate varying combinations of physical and virtual spaces[1]. As the pandemic impacted the degree to which people could congregate together, the physical spaces of the servicescapes faced a greater degree of restrictiveness. Not surprisingly, order fulfillment often necessitated joint efforts to devise acceptable practices. An example was seen in the previous section when Bhoomika mentioned putting plastic bags in the lobbies of the buildings which consumers could pick up at their convenience. In addition to these, we also recorded other examples illustrating the role played by physical spaces (and the restrictions governing them) across different servicescapes:

> "In the reception lobby [of his gated community], there is a desk. We would spread out all the orders on the desk and arrange it in various 'item lots'; Once the [food products] came in, few of us residents would start arranging and then we would hand over [the lots]

[1] We contrast these servicescapes from the primarily physical servicescapes of GT and MT stores and the primarily virtual servicescapes of e-commerce (characterized by the likes of Amazon and Flipkart) that comprise the bulk of the Indian marketplace. While physical retail can have certain virtual elements (using mobile phones to make payments at the counter) and vice versa (delivery of physical packages ordered via online shopping), the hybridity of the PG servicescapes is a distinctive feature as it reflects the shared importance of both elements.

> to the people based on their order. Also, as some residents were not comfortable with online payment initially, we allowed cash transactions for a while."
> (Sumit, Consumer)

> "We arranged from a Nasik [a small town about 100 miles from Mumbai] guy to supply us with mangoes and veggies. He had pre-packed boxes like A, B, and C and each category would contain a particular mix of vegetables. Those who were interested in buying would place their order on WhatsApp group and the vendor would deliver their box to the gate."
> (Omisha, Consumer)

Along with such variations in how different servicescapes utilized physical spaces such as lobbies, parking lots, and security areas, we also saw several virtual spaces being used in PGs. While WhatsApp was naturally one such virtual space for all PGs, several others were used across different servicescapes for placing orders and making payments:

> "We generated a Google Form that we circulated in all buildings. If the delivery was for a Saturday, we opened the form by Sunday evening or Monday morning, and it would stay open till 10 p.m. Thursday. We would keep sending reminders via the WhatsApp groups to all the [gated] societies, asking people to place their orders before the form is closed [and could not be edited]. Once the Google Form was switched off, I would compile the orders and send the final file to my supplier."
> (Bhoomika, SSP)

> "Guidelines for payments – how to make the payment and where to make the payment – would be provided for the group. For example, 'This vendor can be paid through Google Pay' or 'This vendor will bring the credit/debit card machine'. People then started making payments directly to the vendor through Google Pay, Paytm, or a card. Since our movement was restricted and we could not connect with each other, each of us paid the vendor directly."
> (Lalita, Consumer)

As can be seen from these accounts, both physical and virtual spaces were equally important for PG servicescapes even though each servicescape operationalized the physical-virtual mix differently. Since each gated community had its own physical space layout (in terms of how apartment buildings, lobbies, parking areas, driving paths, and community spaces are

organized within a community), and each PG could use a multitude of virtual spaces (WhatsApp, Google Pay, Google Forms, Paytm, and UPI), the collective variety helped consumers and SSPs in figuring out which combination best suited each PG's servicescape.

Such hybrid servicescapes provide useful illustrations of how technology use can impact the service consumption experience in a post-Covid marketplace (Rosenbaum and Russell-Bennett, 2020). This theme also complements work on online shopping during the pandemic by Eger *et al.* (2021), Ferraro *et al.* (2022), and Guthrie *et al.* (2021) as it shows how consumers learnt to embrace virtual elements as part of a changing marketplace. Additionally, hybridity provides a useful addition to the literature on omnichannel marketing (Verhoef, Kannan, and Inman, 2015). While the theme shares the interplay between online (virtual) and offline (physical) elements that are a cornerstone of omnichannel marketing, an essential difference is that the servicescape for PGs does not involve multiple channels working simultaneously. While omnichannel service marketing often focuses on achieving seamless integration between online and offline channels of service provision in a bid to improve consumer experience (e.g., a bank providing mobile banking solutions in addition to physical branches), the hybrid servicescape of a given PG comprises a *single* channel with distinct roles for the physical and virtual spaces. Consequently, the service experience does not involve consumers choosing between online and offline service consumption. Rather, consumers move through different spaces as they move through different stages of the service experience.

7.2 Transactionality

The second theme we saw at the servicescape level was linked to the communication content and norms governing people's interactions on WhatsApp – the central service platform of every PG

that connected all consumers to the respective SSP and to each other. We term this theme *transactionality* and define it as the degree to which servicescape participants adhered to a norm of keeping communication content focused on service-related topics, thereby eschewing non-service-related conversation.

For people who might be unfamiliar with WhatsApp, WhatsApp groups are normally used as social communication platforms for facilitating regular contact with one's family members, colleagues, or classmates. The nature of communication in such groups tends to be informal, conversational, and not centered on any purpose other than staying in touch. As a result, in-group exchanges often cover a wide gamut of content (and tone) that can include jokes, memes, birthday greetings, personal news, requests for information, and gossip. In sharp contrast to this, the focus of communication among members of the WhatsApp groups was very precise, as can be seen in the following quotes:

> "No chat whatsoever! No chat at all! Only orders and orders. When we talk about groceries, it is only about orders. When talking about veggies, the chat is about 'When will the basket come?' or 'What time will it get delivered?' or 'My basket is missing!' or 'Whom should I contact for bad quality veggies?'"
> (Tina, Consumer)

When we tried to probe into how this norm came into being, responses indicated that participants often understood it as an implicit expectation linked to joining the PG. On being asked whether people try to talk about non-buying topics, Tina, a consumer, said:

> "Never. I think it is a given understanding. I have not seen anyone talking about anything apart from orders in the last three to four months!"

In contrast to such implicit understanding, other respondents talked about more explicit enforcement of the communication norms:

> "Sometimes, things which are irrelevant also get forwarded. Therefore, the [group] administrator must be really very strong to be able to stop these unwanted messages as

> some people are very fond of sending videos, pictures, etc. If the group is meant for a certain purpose, then it should only be used for that."
> (Lalita, Consumer)

These examples highlight an interesting case of how the social elements of the servicescape can impact consumers' behavior even when consumers are not physically co-present in the servicescape. While social density (crowdedness) can impact the service experience when consumers are in proximity with each other in physical servicescapes (Tombs and McColl-Kennedy, 2003), we show how even virtual co-presence can impact behavior such as the nature of communication taking place in the servicescape. This is also in line with work that has adopted the Servuction framework (Bateson, 1985; Langeard *et al*., 1981) to show how service experience is not only shaped by the interactions between the customer and the service provider but also by the interactions between customers themselves (Davies, Baron, and Harris, 1999; Warnaby and Davies, 1997). In sum, hybridity and transactionality characterize the refashioned servicescape of PGs. With this, we turn to the key themes observed at the final level, that of the service encounter.

8. The Service Encounter Level

In conjunction with the service ecosystem and servicescape levels, the service encounter level – comprising the dyadic interactions between consumers and SSPs – also exhibited some unique themes, one revolving around the service exchange between the consumer and SSP and the other around the nature of consumer participation.

8.1 Mutuality

While collectivity was instrumental in the establishment and continuation of several PGs at the ecosystemic level, we observed a related but distinct theme at the service encounter level. We term this theme as *mutuality* and define it as the degree to which both SSPs and consumers would be willing to make an extra effort to accommodate each other within service encounters.

In the case of SSPs, several respondents recalled instances wherein the service encounter was enriched for the consumer because of an SSP's action. Shivani, a consumer, recalled how an SSP would "give a complimentary packet of half a kilo [approximately a pound] of sugar" if she ordered a certain amount of groceries and how he would even "go out of his way to get whatever we wanted, even things like stationery items." In some cases, even negative service encounters were turned around by the thoughtful and selfless behavior of the service provider, as seen in Tina's example:

> "Once [the provider] gave me semolina that was infested with worms. Shocked, I quickly took a picture and sent it to that guy, telling him what had happened. He promptly sent one of his associates, got it picked up, refunded me the money, and told me he would send me better stock once he got some. The fact that he took it back means that he values his consumers…seventy rupees doesn't make a big difference, but it made me feel valued!"

As can be seen from these examples, such considerate behavior made an impact on consumers and instilled trust within consumers that SSPs cared for more than just money and had the consumer's best interests at heart. Such trust was often instrumental in fostering consumer loyalty, as seen in Tina's conclusion to the story about the worms in the semolina, "That is the reason I am still with this group even though I rarely order now; I don't want to leave because the guy has been supportive throughout."

A parallel observation emerged via examples of consumers who patiently accommodated occasional issues within service encounters or went out of their way to help an SSP. Shivani, for instance, mentioned how their gated community has a PG whose SSP is an old woman, but despite occasional issues and delays, members of the PG keep buying from her because she is a hard worker, and each member wants to support her efforts. Tina similarly mentioned how she had "little to complain about" whenever problems arose regarding product quality because she was aware of the stressors and complexities that SSPs were navigating. Finally, Ira, a consumer, noted how she was more than happy to accommodate the odd misstep from an SSP:

> "When [the SSP] is packing [the products], he will try not to waste them. So, sometimes he will put four good ones along with one bad one [sic]. So, yes, a few times things did come that were bad, but I used to think, 'Let it be! Let him also make some money!' So, I used to ignore it."

While extra-role behavior has been documented in prior service marketing research (Wang, Keh, and Yan, 2020), our findings serve to highlight their additional importance in times of a service market disruption. Moreover, while collectivity reflected simultaneous cooperation among actors in a bid to stabilize the overall ecosystem for PGs, mutuality was seen more in an episodic form during specific service encounters between SSPs and their consumers. Given the added stress in such an environment (especially during the peak periods of the pandemic), the voluntary undertaking of such behavior by both actors boosted consumer satisfaction and loyalty while also ensuring continued operations and revenue for SSPs.

8.2 Permeability

Our second theme (and the final theme overall) focuses on the porous nature of consumer participation in PGs. Gated community residents often tended to enter PGs, continue without actively participating in them, and then exit (and sometimes even re-enter) based on situational

concerns and preferences. Consequently, we conceptualize this theme as *permeability,* wherein consumers exhibit a propensity to move in and out of different sets of service encounters (represented by different PGs) based on their needs, preferences, and experiences. As Tripti, a consumer, put it:

> "When you get added to a group, you often stick around out of curiosity just to see what it is all about! You stay there for a couple of days and then, if you see that whatever is being sold there is not of interest to you, you leave the group. I do this quite often because many people have one's number and they will add you to different groups."

Bhoomika, an SSP, meanwhile, observed that many consumers "do not want continuous notifications, so they rejoin [a group] to place the order and leave as soon as it is delivered." Shivani, a consumer, similarly noted that she "only joins groups that are useful to me," adding that while she was part of a group for buying vegetables, she did not join the dosa batter [a lentil mix used by consumers to make a type of crepes popular in many parts of India] group as she made her own batter. Unsurprisingly, a common reason for exiting groups other than lack of demand for a particular product category would be when the service encounter turned sour, as seen in this example:

> "There was this lady who would deliver [X] products and [the experience] was not at all good! She would get her products from Pune [a city in the same state as Mumbai] but she would forget half the things and then say the order was delayed. People were getting frustrated but because they had paid in advance, they stayed till they got their product in hand, and then they quit the group."
> (Bindiya, Consumer)

While the idea of entering and exiting service encounters is not new, permeability was important to PGs as it boosted membership during the formation of a PG (as new consumers could easily join in) and ensured active participation during its continuation as consumers did not feel locked in and were free to leave and return when they wanted. This contrasts with other purchase groups wherein successful encounters necessitated mandatory group membership to

wrangle discounts via collective bargaining (Wang *et al*., 2013). However, having porous boundaries was beneficial for SSPs as all consumers who chose to be part of the PG for a particular ordering cycle were actively signaling their wish to engage in that service encounter with the SSP. Similarly, the fact that the group continued to exist beyond a single service encounter further reassured consumers that they could participate in service encounters whenever they wanted without worrying that the group would dissipate once the purchase was complete (Wang *et al*., 2013), Overall, therefore, we see how mutuality and permeability played a role in ensuring satisfactory service encounters within PGs. With this, we now shift to an overview of our thematic framework.

9. A Service Ecosystem Perspective on PGs as Interstitial Markets

Figure 1 illustrates how PGs started and evolved as interstitial markets for gated community residents and SSPs.

—-Insert Figure 1 here—-

In the pre-pandemic stage, gated community residents largely relied on GT and MT stores for their purchases. Some residents would transact with one or more SSPs depending on any specialized needs but there was no grouping of multiple consumers as in a PG. When the pandemic started, the government effectively paused operations for GT and MT stores. We depict that through their absence in the initial stage of the pandemic. Next, we show how multiple PGs began to form in the intermediate stage of the pandemic as consumers and SSPs started coming together to fill the service vacuum left by these stores. The dashed lines represent the in-flux nature of PGs as each tried to figure out its own set of logistics (e.g., order collection

and collation, payment portals, and delivery mechanics) through trial and error. Finally, we depict the last stage as the new normal that stabilized and continued into the post-pandemic landscape: PGs co-existing with the back-in-business GT and MT stores. The solid lines represent how PGs acquired a stable form in terms of their day-to-day functioning and were able to operate effectively and efficiently. By showing only two such PGs relative to the three shown in the intermediate stage, we also indicate that not all PGs started during the pandemic survived. For the SSPs of such PGs, maintaining revenue became unfeasible as group membership dwindled, so they reverted to their original format of catering to individual orders instead of collective ones.

Figure 2 encapsulates our key findings into a thematic framework based on the three levels of service ecosystem architecture.

—-Insert Figure 2 here—-

At the service ecosystem level, the *entrepreneurality* and *collectivity* exhibited by actors, coupled with the *fluidity* of institutional arrangements spurred the formation of different PGs as interstitial markets that could address critical service gaps for gated community consumers and SSPs. At a servicescape level, the successful functioning of PGs required combining physical and virtual spaces (*hybridity*) and a focus on service-related communication (*transactionality*). Finally, at a service encounter level, such functioning often rested on consumers and SSPs accommodating each other (*mutuality*) and consumers being able to enter, exit, and/or re-enter encounters based on their preferences and constraints (*permeability*).

The bidirectional arrows between the levels illustrate how each level impacted the one adjacent to it over the course of time. The three themes at the ecosystem level were key in getting PGs up and running, while the themes at the servicescape and service encounter level

reflect the behaviors of consumers and SSPs as PGs took shape and tried to become more efficient. We now turn to a discussion of how our findings contribute to existing service marketing discourse and their implications for marketing practitioners. We conclude after suggesting some directions for future research.

10. Discussion

10.1 Theoretical Contributions

Our research makes four contributions to service marketing discourse. First, by providing a narrative understanding of a service marketing adaptation that continues to persist in the post-pandemic market landscape, our work adds to research looking at long-term implications of the pandemic (e.g., Dahl *et al.*, 2023; Pichierri and Petruzzellis, 2022) as well as other qualitative work focused on providing a more thematic understanding of changes brought about by the pandemic (e.g., Guthrie *et al.*, 2021; Rattan *et al.*, 2021). Moreover, by providing a granular look at a longer-term change in service provision and consumption, we answer multiple calls for research that have urged this line of inquiry and contribute to existing work looking at the impact of the pandemic on service marketing (Kabadayi *et al.*, 2020; Rosenbaum and Russell-Bennett, 2020; Sheth, 2020; Verhoef *et al.*, 2023).

Our second contribution is to build on existing work on how consumers co-create value in collective consumption contexts. As seen in our themes of entrepreneurality, collectivity, and mutuality, we see multiple instances of how consumers become co-creators and co-producers of value (Caru and Cova, 2015; Gronroos, 2011) when they participate in PGs. Whether it is by taking the lead to contact SSPs to get a PG started within their gated community, volunteering

time and effort to help coordinate with SSPs during the service provision process, helping other consumers to ensure a positive service experience, or being accommodating in response to occasional service glitches, consumers are instrumental to the successful functioning of PGs. This extends work highlighting how consumers can take on guiding and mentoring roles during service consumption (Kelleher *et al*., 2019) and how consumers can band together to acquire access to certain products (Luo *et al*., 2014; Wang *et al*., 2013).

Third, we contribute to work within service marketing scholarship that takes an ecosystemic perspective on service provision and consumption. By providing an in-depth account of themes at each level (service encounter, servicescape, and service ecosystem), our study adds to prior work that has used the service ecosystem perspective to unearth insights on the interplay between actors, institutional arrangements, and processes (e.g., Chandler *et al.*, 2019; Sklyar, Kowalkowski, and Tronvoll, 2019; Vargo *et al.*, 2015). We also add to recent conceptual work on service ecosystem resilience (Fehrer and Bove, 2022) by providing an empirical account of service ecosystem adaptations in the face of external market disruptions.

A final contribution we make is to add to extant literature looking at service marketing in emerging markets (Sheth, 2011) by exploring service consumption by gated community residents. While they comprise a relatively understudied consumer segment (Chaudhuri and Jagadale, 2021), they wield considerable spending power within the Indian market landscape (Gutgutia, 2021) and, as seen through the theme of entrepreneurality, were often integral in getting PGs started within their respective communities.

10.2 Managerial Implications

Our study highlights different service marketing implications at each of the three levels of the service ecosystem perspective. At the broadest level (service ecosystem), our findings illustrate the usefulness of involving consumers in the service adaptation process when responding to an unforeseen market disruption. As seen from entrepreneurality and collectivity, consumers were often integral to successful service provision as they worked alongside SSPs to develop and refine the day-to-day functioning of a PG. Involving consumers also increases the likelihood that the resulting service adaptation is more tailor-made to the consumers' needs and constraints. Furthermore, flexibility emerges as an important strength when trying to devise service adaptations as it allows for nimbler service provision that can rapidly adjust to match environmental conditions. Conversely, it was also evident how the lack of such flexibility thwarted attempts by some larger brands to start PGs with consumers. At the servicescape level, our findings highlight the power of experimenting with different combinations of physical and digital elements when figuring out the precise mix that works for both service providers and consumers. Additionally, marketers should also take note of how consumers appreciate relevant and to-the-point communication on virtual platforms. Finally, at the service encounter level, a simple lesson emerges: Be considerate during (and after) a crisis. Respondent accounts showed that small acts of compassion by SSPs had the power to reduce fallout from negative service encounters and, in some cases, even turn them into positive encounters by virtue of sensitive and empathic handling. Such consideration was not only rewarded with continued business but, in several cases, with increased trust, loyalty, and positive word-of-mouth.

Within the Indian market landscape, we believe that stores in the MT channel can use our insights to improve market offerings. Marketers in the MT channel can pursue greater agility by

taking advantage of their larger size, investment capacity, and product portfolios. By involving consumers, marketers can try and craft customized offerings for different segments within a gated community and create separate WhatsApp-based PGs that consumers could join. Over time, based on the success rate of different PGs, marketers can try and replicate such PGs for other gated communities based on their proximity to different outlets of a particular MT franchise. In addition, by making it easy for consumers to exit and re-join such groups based on their changing needs and preferences, they can avoid consumer dissatisfaction from getting locked in and instead focus on the value co-creation possibilities that exist within these groups.

Taking a broader scope, our findings may be useful to group-based service platforms that operate in other countries. Given the rise in WhatsApp-based purchase groups in other parts of the world such as, China, Brazil, and Indonesia (Bharadwaj *et al*., 2021; https://www.crunchbase.com/; https://walkthechat.com/), service providers can use our insights based on the degree of convergence between those groups and the ones we study. For instance, Trela, a Brazilian start-up, is founded on a similar principle of community-run Whatsapp groups wherein consumers can connect with vendors to get products at discounts. Similarly, community buying in China is popular via WeChat (a chat and payment application) where the group is often led by a community leader who is usually a shop-owner or a stay-at-home mom. In cities like Changsha, Huangzhou, Suzhou, and Nanjing, the community leader manages the group by providing information, running campaigns, storing products, and even coordinating deliveries. Thus, marketers for such groups (and others like them that we may have missed) can use our insights to further improve the service experiences they offer their consumers.

10.3 Limitations and Directions for Future Research

Given the limits imposed by the timing and context of our research, we encourage scholars to study localized service marketing adaptations made in their respective neighborhoods or cities that comprise similar interstitial markets. Studying them could help highlight points of convergence and divergence between the factors that determine whether the adaptations persist or not. We particularly encourage more qualitative inquiry given how the bulk of scholarly work in this domain has been quantitative. For instance, case studies of specific service organizations could be helpful in terms of understanding service provision adaptations. Netnographies and social media thematic analyses, on the other hand, could be useful in tracing behavioral changes linked to service consumption for different sectors such as retail, travel, or entertainment. Additionally, given how the consumers in our study were primarily upper middle-class residents of gated communities, it would also be instructive to study how service consumption was impacted among other consumer groups and generational cohorts. Finally, we also urge scholars to look for other collective consumption contexts where consumers and service providers work together as the findings from such research can further enrich what we know about value co-creation in such contexts.

11. Conclusion

The scale and scope of the disruption created by the Covid-19 pandemic led to several changes in the service marketing landscape across the globe. Both service providers and consumers had to make short- and long-term changes as a result. By providing a narrative account of the formation and evolution of a service marketing adaptation in an emerging market that persisted into the

post-pandemic marketplace, we advance knowledge on how service provision and consumption was impacted by the pandemic. Additionally, by studying PGs as interstitial markets, we highlight how value co-creation takes place in a collective consumption context wherein consumers work together not only with other consumers but also with service providers. Finally, we add to extant work on service ecosystems by highlighting the different thematic factors that come into play within PGs at the service encounter, servicescape, and service ecosystem levels.

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Appendix A: A Brief Overview of the Indian Marketplace

General Trade (GT) and Modern Trade (MT) comprise the bulk of the marketplace in India (Bhadauria, 2022). The larger of the two in terms of number of stores and sales volume is GT (also called unorganized or traditional retail), comprising about 13 million small format independent stores (like mom-and-pop stores), referred to as *kiranas*. Usually located in or close to residential areas in both urban and rural areas, GT stores are prized for their proximity, convenience, and adequate variety in terms of product assortment. These stores are owned by individuals (with ownership often retained within a family for several generations) who employ a few helpers to aid them in servicing daily consumer demand. Consumers, in turn, tend to develop loyalty toward these stores and it is common for store owners (often called shopkeepers) and helpers to have friendly relationships with such consumers. MT, in contrast, consists of about 20 thousand larger format stores like supermarkets, convenience stores, or hypermarkets that are located mostly in urban areas. These self-service stores are owned by large corporations and carry an exhaustive range of products and categories, often leading to larger purchase volumes per shopping trip (Kearney, 2021).

Appendix B: Tables and Figures

Table 1: Respondent Details

Respondent	Role	Gender	Age
Bhoomika	SSP	F	21
Brij	SSP	M	42
Bindiya	Consumer	F	47
Edi	SSP	M	41
Esha	Consumer	F	50
Eshani	SSP	F	43
Ira	Consumer	F	42
Lalita	Consumer	F	50
Omisha	Consumer	F	45
Rajat	Consumer	M	52
Ridhima	Consumer	F	48
Saisha	SSP	F	36
Shivani	Consumer	F	70
Sumit	Consumer	M	57
Sunita	Consumer	F	42
Tara	Consumer	F	52
Taniya	Consumer	F	48
Tanuja	SSP	F	45
Tina	Consumer	F	45
Tisha	SSP	F	52
Tripti	Consumer	F	55
Urvashi	Consumer	F	40

Table 2: Theme Development

Level	Theme	Sub-Category	Illustrative Quotes
Service Ecosystem	***Entrepreneurality***	Consumer-led initiative	"This was an initiative taken by our community when we were all in a deep lockdown stage. It was very difficult to step out and we were still under the fear that you could catch the infection. We were all very happy and we jumped at the idea when people told us that there is this kind of service that we are tying up with. It was put up in the WhatsApp group in our society." (Tara, Consumer) "Meghna and I formed this group along with [other] community team members when the pandemic started. We named this group as Fight Against Corona (*laughs*). For anyone of us to go out and buy veggies was difficult so we formed this group and asked vendors to come to the society and sell basic necessary household items and fruits and vegetables." (Omisha, Consumer)
		SSP-led initiative	"This vegetable business was started by my father, and I just found the entire concept so interesting. I told my father to add me to the WhatsApp group as I wanted to see how it worked…Soon, I started handling the Google forms and the orders and speaking to our vendors. My dad is almost out of the loop now; I am handling the entire thing by myself. I operate from my mom's kitchen itself!" (Bhoomika, SSP) "During lockdown I started sending a few messages on WhatsApp to people in [the gated community]. Word started spreading and the orders for *momos* (dumplings) just started increasing. I got my partner involved because orders started increasing and we could not sustain it from home. So, we took up a small kitchen in 2020." (Edi, SSP) "We sold through WhatsApp, creating neighborhood groups reaching out to families, friends, and acquaintances who, in turn, used our produce and shared their experience further with resident welfare groups. And so began our journey in creating WhatsApp groups in certain gated communities." (Saisha, SSP)
	Collectivity	Coordinating to help SSPs	"There was this customer…who first saw how it started. So, she created a WhatsApp group for her community, and she created a Google Form. She handled all the things herself, messaging everyone individually, creating the forms and told me she will circulate it." (Edi, SSP) "There are two people [consumers] from my building who manage that group along with the [SSP] because he alone cannot manage everything. What he would do initially was that

		after we sent 10-15 orders, those two people would 'close' the group temporarily to let [SSP] first process the orders and deliver them. Then they would 'open' the group again." (Tina, Consumer)
		"One thing for sure is that this brought the entire society together. There was this [SSP] who had a farm and she had about 500 mangoes as a harvest. She was asking everyone to come and take the mangoes for free, but we told her to quote a price. She decided on a certain amount to charge and soon her entire mango lot got utilized by the building!" (Tara, Consumer)
	Cooperating to help consumers	"All the members were very helpful and had a very positive approach. During the pandemic everybody was helping each other. We had some families who were quarantined, and we would tell them to place their order on the WhatsApp group and we would send the security to deliver the parcel to their doorsteps and they would make the payment directly to the vendor. Sometimes we were helping them by providing lunch and dinner also. All the members helped each other and worked as a team." (Omisha, Consumer)
		"We try to give a very personal touch to people; for example, I customize the food if there're children in the house and they ask me not to put any chilies as it has to be kid-friendly." (Eshani, SSP)
		"I used to call for volunteers within the WhatsApp group. I would ask if anybody was willing to volunteer for this delivery on this day and this time and I would get a few names. Sometimes I would get more than one name! Then I would rotate the volunteers and typically I used to call people who have also ordered. In any case they would have had to step out to collect their orders." (Sumit, Consumer)
Fluidity	Experimenting with order and delivery logistics	"In the beginning, I let them message within the group itself with their orders, rather than messaging me directly like they do now, because the moment they added their orders, it created this whole interest in the rest of the members. Others felt they better send their order before the stocks run out!" (Saisha, SSP)
		"Initially, I was taking orders only on WhatsApp. I used to take orders for a building [gated community] on that group itself; there were no individual orders catered to. The orders would come as a list to me, and I would make an Excel sheet for that. It used to be much more of a manual process as I had to track down the payments as well." (Tara, SSP)
	Trying different payment modes	"Initially, [consumer] would collect the money through Google Pay on our behalf and transfer it. Generally, our model was that you drop off the cash payment, and we will pick it

			up the next day. Over a period, we got the feedback that it was inconvenient, so then we introduced Google Pay, Paytm, etc." (Brij, SSP)
			"Some residents were not comfortable with online payment. For them, we allowed cash transactions, but I wanted to avoid cash transactions as far as possible. That was the basis of setting up this [online payments] in this group buying thing." (Sumit, Consumer)
		Problems from lack of flexibility	"The issue with [large service providers] is that they had pre-packed boxes. It is not as flexible as what we are providing. The boxes are pre-packed, and you cannot remove or add any item. Whereas for us you can order whatever you want. We have not even kept a minimum order. You can even order just one or two items." (Bhoomika, SSP)
			"I believe if you try to 'lay down the law', [consumers] will just find ways to circumvent it. They will not tell you; they will start acting coy; they will do what they want! And it will cause you heartburn when you find out that [a consumer] is in some other WhatsApp group and not mine (*laughs*)! So, we tell them to do what they like." (Tisha, SSP)
Servicescape	***Hybridity***	Use of physical spaces	"When the vendor came to the premises, people would go and stand in line with social distancing, wearing a mask to procure their orders, and return. We have 5 wings [in the gated community] and at the parking level. We had given one side of the area to the vendor which he could use." (Omisha, Consumer)
			"The [SSP] would come in his truck in the morning around 11 and deposit the packets on the ground floor [level one]. Usually, by 2 pm we would know how much was left. We would send reminders on the group that we are shutting by 1.30 and he would come back later and pick up the balance." (Bindiya, Consumer)
		Use of virtual spaces	"Our way of ordering is very simple. You just join the group and type your message. Once the delivery is done, they WhatsApp the bill and you pay through Google Pay. The process was simple; we did not find it very difficult." (Shivani, Consumer)
			"These [WhatsApp] messages on how to make the payment and where to make the payment help everybody. For example, 'This vendor can be paid through Google Pay' or 'That vendor will be bringing the card machine to swipe for payment'." (Lalita, Consumer)
	Transactionality	Communication content	"Mostly, I feel people stick to the agenda of the group. Whether it is the chicken group, the vegetables group, or fruits group, I feel nobody deviates from what is being discussed. People don't want to talk about anything else in the group; there is no need!" (Ira, Consumer)

			“It was mainly to communicate when the order was coming, what value it was, and how the payment was to be done. We had to share details of whatever payment platform that we were using. It was basically transactional.” (Ridhima, Consumer)
			“There might be some airing of disagreements regarding some of the product choices; but no talking about each other on a personal level.” (Urvashi, Consumer)
		Communication norms	“People were trying our dishes and started posting reviews, and it was getting to be too much! I think other people [consumers] were getting disturbed. So, over time, I realized the importance of not disturbing others and not spamming the group.” (Eshani, SSP)
			“Group interactions are largely related to reviews. A few times, some members would post other stuff, but the seller would send a reminder to them to only post messages related to the group's products.” (Taniya, Consumer)
Service Encounter	***Mutuality***	SSPs going the extra mile for consumers	"There must be some level of trust. The other day, there was hardly anything left among my vegetable guy’s stock, and I expressed my frustration. He immediately told me to give him my list and he assured me he will get fresh vegetables for me by the evening. His intentions were so good! Therefore, in group buying there is always a level of trust.” (Tara, Consumer)
			“Initially, the sorting and packing [of produce] would happen in the village itself [from where she sourced the produce]. But we soon realized there were way too many errors cropping up. Many items would go missing and we could not replace [them] as we didn’t keep any stock. So, we decided that farmers should deliver the vegetables to us, and we would sort them, pack them, and then deliver the packages. Then, if any item was found to be missing, we could replace it and minimize errors.” (Bhoomika, SSP)
			“I let them take time to pay - no one is going away.” (Eshani, SSP)
		Consumers accommodating service issues	"Once, he did not deliver my stuff. He simply missed my name. When I called him, he apologized and said he would send it, but this did not upset me as I am sure that it was a human error. When someone is doing good service and giving good quality stuff, one or two things here or there do not matter. It's ok. It's human error". (Tina, Consumer)
			"I had ordered something. The person did not send it to me initially as her son was very sick, so I was very sympathetic and told her to take her time".” (Tripti, Consumer)
	Permeability	Passive continuation	“Sometimes, I would think of leaving a few groups. Then I would think, ‘Let it be there; It might come in useful sometime!’ So, I just end up staying.” (Ira, Consumer)

	“Two days ago, someone added me in a group. I am pretty sure that I will not be there in the group after the next 2-3 days and I will opt out. But still, I was just curious and have remained; I thought let me see what this group is about.” (Tripti, Consumer)
Consumer exit	“There was [an SSP] who was running this group, but she did not commit to the price she had initially quoted. She ended up charging consumers double of what she initially mentioned and argued that it was because prices had increased. My friend, who was part of that group, exited soon after this incident.” (Shweta, Consumer)
	"You know, I'm okay losing some [consumers] if they don’t want to be a part of it. They actually respect that!" (Saisha, SSP)
	“Yes, a few people left. After all, when you are on these WhatsApp groups, you keep getting messages and updates. Hence, people who are not interested in buying may leave. Some leave and others join in.” (Shivani, Consumer)

Figure 1: The Formation and Growth of Purchase Groups (PGs) as Interstitial Markets

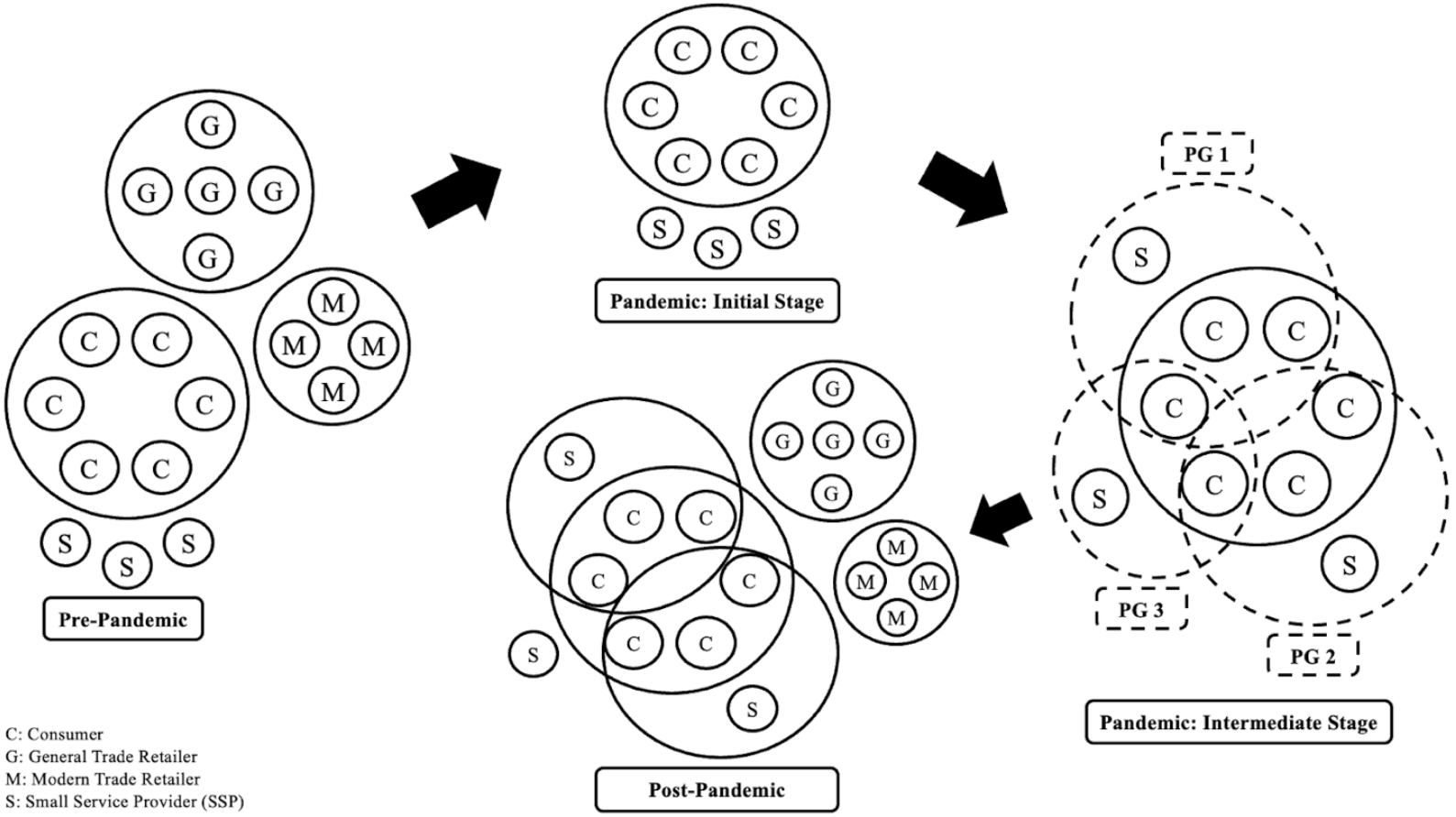

Figure 2: A Service Ecosystem Perspective on Factors Facilitating PG Formation and Growth