Atypical Shifts Post-failure: Influence of Co-creation on Attribution and Future Motivation to Co-create

Praveen Sugathan a,⁎ & Kumar Rakesh Ranjan b & Avinash G. Mulky c

a Indian Institute of Management Kozhikode (IIM Kozhikode), Kozhikode, Kerala 673 570, India
b Indian Institute of Management Calcutta (IIM Calcutta), Joka, Kolkata, West Bengal 700104, India
c Indian Institute of Management Bangalore (IIM Bangalore), Bannerghatta road, Bangalore 560076, India

Abstract

This study investigates how the effect of the failure of co-created products or services influences: (a) internal attribution (i.e. the self) and external attribution (i.e. the firm), (b) customers’ expectancies of success, and (c) customers’ future motivation to co-create and contribute to recovery from failure. We use attribution theory and the attribution–expectancy framework to explain the theoretical relationships we advance and test our hypotheses in two independent experiments that stimulate co-creation through role-play and vignettes. The results show that customer co-creation shifts the attribution for failure to the self, resulting in atypical shifts in expectancy (increasing customers’ expectancy of future success and motivation to continue co-creating in the future). Our results suggest that utilizing customers’ efforts and skills in the co-creation of products and services can help firms to manage failure effectively. The implications of our findings on co-creation research and product and service failures are discussed, specific applications within the digital context are considered, and suggestions are offered for future research.

Keywords: Co-creation; Failure; Attribution; Customer participation; Service recovery; Expectancy

Introduction

Co-creation involves customer participation in various stages of production and use processes through the application of operant resources such as knowledge, skills, and effort (Vargo and Lusch 2004, 2008). Co-creation and computer technology have supplemented each other’s advancement over the last decade, particularly after Prahalad and Ramaswamy’s (2004) seminal paper was published in the Journal of Interactive Marketing. The interactive technology platforms that have been created as an outcome of the internet revolution have supported co-creation between firms and customers by facilitating collaboration, interactivity, outreach, speed, and flexibility (Bacile, Ye, and Swilley 2014; Bolton and Saxena-Iyer 2009; Rossmann, Ranjan, and Sugathan 2016; Sawhney, Verona, and Prandelli 2005). Consequently, several scholars in the domain of interactive marketing have devoted a significant effort to understanding customization, firm–customer interactions, and co-creation (Bacile, Ye, and Swilley 2014; Hsieh and Chang 2016; Miceli, Ricotta, and Costabile 2007; Wind and Rangaswamy 2001).

Firms are increasingly adopting co-creation for three reasons. First, the internet has facilitated the emergence of new channels of consumer–firm engagement. Second, new technologies such as 3D printing and Web 2.0 technology have enabled firms and consumers to co-create with ease. Third, as customers are becoming more informed and interconnected, they are demanding participation and co-creation as opposed to remaining passive receivers of value (Deighton and Kornfeld 2009; Sawhney, Verona, and Prandelli 2005; Schaefer and VanTine 2010; Shankar and Malthouse 2009). An IBM survey found that 78% of consumers worldwide are willing to co-create products and services with their retailers (Schaefer and VanTine 2010). Technology has made it possible for leaders in innovation such as P&G, BMW, Siemens, and Beiersdorf to engage in co-creation (Bilgram, Bartl, and Biel 2011). In the digital world, firms are using customer designs to co-create everything from apparels to...
attributions influenced by degrees of co-creation? (2) How do these attributions influence customer expectancies? (3) How does attribution, and in turn, expectancy, affect CCF? These questions are investigated by using the attribution–expectancy framework (Teas and McElroy 1986) to support our central argument that co-creation will affect failure attribution, which will in turn positively affect customer expectancies and CCF (Fig. 1).

This study makes three contributions to the research on failure and co-creation. First, we explain customer co-creation as an inexpensive mechanism to shift failure attribution from the firm to the customer. Second, using expectancy as a mediator, we link attribution processes and motivation to co-creation when customers face failure, thereby offering an important mechanism for managing the adverse consequences of failure. Third, we demonstrate the advantage of co-creation’s capacity to cause an atypical improvement in customers’ willingness to initiate recovery efforts and remain involved in them, despite having previously experienced failure. The explanation of atypical expectancy shifts within the context of co-creation offers insights into the attribution–expectancy theory put forth in psychology.

The remainder of this article is organized as follows. A formal introduction to co-creation within the context of our research is followed by a synthesis of attribution and expectancy theories in order to derive our central hypotheses. Next, we delineate our empirical research, which comprised two experiments (including data collection methods, analyses, and findings). Lastly, the Discussion section addresses the implications and limitations of the research.

Conceptual Development

Co-creation

Co-creation has been conceptualized in various ways. It entails the creation of value for each other by two or more entities across several loci of production and consumption and through the processes of interaction, engagement, personalization, equity, relationship, and usage experiences (Ranjan and Read 2016; Vargo and Lusch 2016). Co-creation has also been defined as the mutual and compensatory expenditure of resources and effort by co-creators (Arnould, Price, and Malshe 2006; Heidenreich et al. 2015; McColl-Kennedy et al. 2012). In a literature review of co-creation behavior, Handrich and Heidenreich (2013) found that 65% of the studies used customer effort as the major descriptor of customer co-creation, while the remainder used personalization. We incorporate this diversity in...
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