2018

SERVSIG PROCEEDINGS



Opportunities for Services in a Challenging World

June 14 – June 16, 2018 Paris

Organized by







SERVSIG CONFERENCE PROCEEDINGS 2018 PARIS

Opportunities for Services in a Challenging World

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Thursday,	, 14th June
17:00	Registration La Grande Arche - IESEG School of Management GB45
18:00	Welcome Reception La Grande Arche - IESEG School of Management GB44
Friday, 15th	h June
08:00	Coffee Break & Registration GB45
08:30	Welcome and Plenary Session I: Improving Service Experiences through Digitalization and Big Data GR11 Chair: Werner Kunz Speakers: Arne De Keyser, Peter Ruchatz, Marianna Sigala
10:15	Coffee Break GB45
10:45	1A Special Session I: The feasibility of Virtual Doctor Appointments in a Nutshell GB17 Chair: Anne Schmitz
10:45	The feasibility of virtual doctor appointments in a nutshell » Anne Schmitz, Ana M. Díaz-Martín, and María-Jesús Yagüe-Guillén
10:45	1.B Special Session II: Distance Frontline Employee - Customer Relationships: Towards a new Concept of Proximity in the Banking Room GR01 Chair: Dalla Pozza Ilaria
10:45	Distance Frontline Employee - Customer Relationships: Towards a new Concept of Proximity in the Banking and Insurance Industries » Ilaria Dalla Pozza, Raphael Krivine, Karim Zemouli
10:45	1C B2B - Services Networks GB16 Chair: Jonas Holmqvist
10:45	Antecedents and Measurement of Industrial Service Excellence in Manufacturing Companies » Christian Stadlmann, Doris Ehrlinger, Anna Biedersberger, David Tempelmayr, Stefan Mang, and Margarethe Überwimmer
11:15	An Approach to Elaborate Implicit Customer Service Needs for B2B IT Services Offerings » Nikhil Zope, Doji Lokku, Anand Kumar, and Jose Kumar Reddypogu

11:45	Who is the Real Value Facilitator? Facilitating value creation in business networks » Jonas Holmqvist, Aurélien Timbre, Christian Kowalkowski, and Christian Grönroos
10:45	1D Consumer Behavior in Services I GB15 Chair: Alex Bolinger
10:45	Howservice deal popularity and starrating influence quality expectation toward online service deals » Karen Kao, Sally Rao Hill, Indrit Troshani, and Simon Kao
11:15	The outcome of surface acting: emotional dissonance or self-serving attribution? » Dana Yagil
11:45	Server Crying, Explanations, and Customer Tipping Behavior » Alex Bolinger and Tyler Burch
10:45	1E Customer Engagement I GB18 Chair: Teresa Fernandes
10:45	Expanding the Customer Engagement Concept: The Role of Spiritual Engagement » Kieran D. Tierney, Ingo O. Karpen, and Jodie Conduit
11:15	Exploring the Practice of Collaborative Consumption » Hugo Guyader
11:45	Customer Engagement in Social Network Brand Communities: Drivers and Impact On Brand Loyalty » Teresa Fernandes and Ana Castro
10:45	1F Customer Experience I GB19 Chair: Sheila Malone
10:45	On the definition of customer experience: Repacking old concepts? » Larissa Carine Braz Becker
11:15	Creating positive emotional customer experience in luxury hotels » Szu-Hsin Wu and Yuhui Gao
11:45	Understanding the Customer Experience in Luxury Services: The Case of Ethical Tourism » Sheila Malone, Caroline Tynan, and Sally Mckechnie
10:45	1G Customer MisBehavior GR02 Chair: Hannah Snyder
10:45	Consumer Misbehavior in a Veterinary Service Setting » Daina Nicolaou and Christos Theoris
11:15	The Haters Gonna Hate - Towards a Better Understanding of Consumer Roles in Online Bullying » Jan Breitsohl and Werner Kunz

11:45	The truth, the whole truth and nothing but the truth? Customer lies in the service encounter » Hannah Snyder, Lars Witell, Anders Gustafsson, and Janet R. McColl-Kennedy
10:45	1H Big Data Enabled Services GR03 Chair: Linda Nasr
10:45	Challenges and Approaches for Product-Service-Transformation of SMEs » Jürg Meierhofer
11:15	Alexa - What's on my shopping list? Investigating consumer perceptions of voice-controlled devices » Sven Tuzovic and Stefanie Paluch
11:45	Frontline Technology Infusion: Conceptual Archetypes and a Future Research Agenda » Arne De Keyser, Sarah Köcher, Linda Nasr, and Jay Kandampully
10:45	1I Healthcare Service GR07 Chair: Paul Patterson
10:45	The effects of passive innovation resistance on healthcare users: An analysis of the influencing factors. » Joshua K Salawu, Wafa Hammedi, Annick Castiaux, and Mohammad Nejad
11:15	Does Dr. Google Help? Patients' Online Health Information Search » Marta Lara-Quintanilla, Zelal Ates, Lola C. Duque, Jan H. Schumann, and Marion Büttgen
11:45	The Impact of Communications Style on Client Psychological Comfort in Healthcare Services » Paul Patterson and Rawi Roongruangsee
10:45	1J Service Dominant Logic GR08 Chair: Sertan Kabadayi
10:45	Value Co-Destruction Consequences of Contextualized Interactions Between Online and Offline Deviant Behaviors: An Ecosystemic View » Loïc Plé and Catherine Demangeot
11:15	A Scaling Up Framework for Innovative Service Ecosystems: Lessons from Eataly and KidZania » Laura Di Pietro, Bo Edvardsson, Javier Reynoso, Maria Francesca Renzi, Martina Toni, and Roberta Guglielmetti Mugion
11:45	Delving into the role of different resources for value creation in the internal market » Achilleas Boukis and Sertan Kabadayi
10:45	1K Service solutions and mobile applications GB20 Chair: Mellina Terres

10:45	Service solutions in professional services - a study of law firms in Poland » Marek Gnusowski, Kristina Heinonen, and Johanna Frösén
11:15	So close yet so far? The impact of mobile app usage on psychological distance » Christoph Schmitz and Silke Bartsch
11:45	The importance of colors on trust: how colors influence on service mobile applications? » Mellina Terres, Leonardo Nicolao, Márcia Herter, and Diego Costa Pinto
12:15	Lunch GB44
12:15	Editorial Board Meeting Journal of Service Theory and Practice GB20
13:30	2A Special Session: Service Thinking: Perspectives and Applications GR01 Chair: Russell-Bennett Rebekah
13:30	Service Thinking: Perspectives and Applications » Rebekah Russell-Bennett, Josephine Previte, Ray Fisk, Linda Nasr, Sidney Anderson, and Steven Rayburn
13:30	2B SERVSIG Best Dissertation Award GB17 Chair: Thomas Baker Speakers: Leonard Mandl, Tobias Otterbring, Thomas Leclercq
13:30	2C Big Data - Customer Experience GB16 Chair: Ritva Höykinpuro
13:30	Customer Experience (CX) Analytics: Big Data Approach to Analyse CX Data » Mohamed Zaki
14:00	Service-oriented Data Analytics: Connecting Data Analytics to Value Creation through Service Design » Chiehyeon Lim, Kwang-jae Kim, Min-jun Kim, Ki-hun Kim, and Paul Maglio
14:30	Service work is no longer where it used to be: Challanges to service-related HRM and service leadership » Ritva Höykinpuro
13:30	2D Value Co-Creation I GB15 Chair: Javier Reynoso
13:30	Intellectual capital and its relation to employee innovative behavior: consumer value co-creation behavior as a moderator » chin shiu Huang, TZU-AN LIN, and Cindy Yunhsin Chou
14:00	Mitigating the Risks of Co-Creation by Integrating Empathy and Lived Experience in Service Design » Anna-Sophie Oertzen and Josina Vink

14:30	Social Capital and Value Co-Creation at the Base of the Pyramid » Ana Valdes-Loyola, Carlos Brambila Paz, Javier Reynoso, and Bo Edvardsson
13:30	2E Customer Experience II <i>GB19</i> Chair: Lerzan Aksoy
13:30	Trapped in a service encounter - Exploring customer lock-in perceptions during negative service experiences » Sabine Fliess and Maarten Volkers
14:00	The Digital Selling Experience: Consumer-to-Consumer E-Commerce » Mika Yrjölä, Hannu Saarijärvi, and Oskari Paakki
14:30	Pump Up the Volume: Understanding the Drivers of Word-of-Mouth Volume Across Industries » Timothy Keiningham, Roland Rust, Bart Larivière, Lerzan Aksoy, and luke williams
13:30	2F Customer Engagement II <i>GB18</i> Chair: Elina Jaakkola
13:30	Negatively-Valenced Customer Engagement in the Healthcare Context: The Construct, Antecedents, and Moderators » Niloofar Borghei Razavi, Cristiana Lages, and Rodrigo Perez Vega
	Exploring Customer Engagement Marketing (CEM) and its impact on
14:00	Customer Engagement Behaviour (CEB) » Esraa Karam and Matthew Alexander
14:00	
	» Esraa Karam and Matthew Alexander How does engagement affect customer journeys and experience?
14:30	 » Esraa Karam and Matthew Alexander How does engagement affect customer journeys and experience? » Elina Jaakkola and Matthew Alexander 2G Public and Non-Profit Services GR08
14:30	 » Esraa Karam and Matthew Alexander How does engagement affect customer journeys and experience? » Elina Jaakkola and Matthew Alexander 2G Public and Non-Profit Services <i>GR08</i> Chair: Carolina Camén Enabling transformative service encounters: Insights from inclusive arts workshops for people living with dementia
14:30 13:30	 » Esraa Karam and Matthew Alexander How does engagement affect customer journeys and experience? » Elina Jaakkola and Matthew Alexander 2G Public and Non-Profit Services GR08 Chair: Carolina Camén Enabling transformative service encounters: Insights from inclusive arts workshops for people living with dementia » Pablo Escarate-Sanchez and Stephen Osborne Conceptual Advancements of a Transformative Social Service Research Framework » Joerg Finsterwalder, Jeff Foote, Graeme Nicholas, Annabel Taylor,
14:30 13:30 13:30	 » Esraa Karam and Matthew Alexander How does engagement affect customer journeys and experience? » Elina Jaakkola and Matthew Alexander 2G Public and Non-Profit Services GR08 Chair: Carolina Camén Enabling transformative service encounters: Insights from inclusive arts workshops for people living with dementia » Pablo Escarate-Sanchez and Stephen Osborne Conceptual Advancements of a Transformative Social Service Research Framework » Joerg Finsterwalder, Jeff Foote, Graeme Nicholas, Annabel Taylor, Maria Hepi, Virginia Baker, and Natasha Dayal Implementation of a quality model in public care procurement: challenges and opportunities

13:30	Dysfunctional customer behavior, employee stress, and employee turnover: The moderating effects of employee embeddedness and cultural value orientation » Taeshikg Gong
14:00	LINKING EMPLOYEE AND CUSTOMER ENGAGEMENT BEHAVIORS IN SERVICE ENCOUNTERS: THE MEDIATION OF RELATIONAL ENERGY AND INTERACTION QUALITY » J. Chris Lin, Chih-Ying Chu, and Haw-Yi Liang
14:30	Distress, Casual Attributions and Coping: Explaining Aggression towards Health Care Workers » Liliana Bove and Simon Pervan
13:30	2I Norms in Services GR03 Chair: Hong Yuan
13:30	Understanding The intersection Between Exchange Norms and Donation Requests » Efua Obeng and Samuel Petros Sebhatu
14:00	The Interaction Effect of Norm Violation Type and Group Categorization on Consumer Reactions to Other-Customer Misbehavior in Service Industry » Chloe Y. QIU and Lisa C. Wan
14:30	The Impact of Changes to Tipping Norms at the Organizational Frontline: A Comparison of Pre-service and Post-service Tipping » Sara Hanson, Nathan Warren, and Hong Yuan
13:30	2J Service Operation Management and Supply Chains I GR07 Chair: Cansu Yildirim
13:30	Redefining the Service Triad for Sharing Services » Sooyun Kim and Sunmee Choi
14:00	The impact of services supply chain orientation on perceived industrial service quality: an empirical analysis » Oznur Yurt, Tuncdan Baltacioglu, and Ebru Aglamaz
14:30	Multi-Agent Service Failure Classification: Service Supply Chain Perspective » Cansu Yıldırım and Bengü Oflac
15:00	Coffee Break GB45
15:30	3A Special Session: Brave New World: Robots in the Service Front Line <i>GR01</i> Chair: Werner Kunz
15:30	Brave New World: Robots in the Service Front Line » Werner Kunz, Jochen Wirtz, Paul Patterson, Thorsten Gruber, Vinh Lu, Stefanie Paluch, and Antje Martins

15:30	3B Branding and Service Communications I GB16 Chair: Aron O'Cass
15:30	Brand Publicity and Consumer Sentiment in Online Reviews » Jacob Mickelsson, Joep Van Haren, Roland Wenmeckers, Jos Lemmink, and Kristina Heinonen
16:00	Omni-channel communication in cultural services » Roberta Gargiulo, Cristina C. Amitrano, and Francesco Bifulco
16:30	Amultilevel study of service brand building: Unpacking employee brand building behaviors » Aron O'Cass and Vida Siahtiri
15:30	3C Customer Experience in Services I GB19 Chair: Carolin Plewa
15:30	An Exploration on the Mechanism of Co-creation Experience: An Empirical Study in Wedding Service » lishan xie, Dongmei Li, and Xiaoyun Han
16:00	Managing attributions of gratitude-generating encounters » Paolo Antonetti, Sebastian Forkmann, Thomas Baker, and Kristy Reynolds
16:30	The interplay of value-in-use and trust in the service provider » Carolin Plewa and Jillian C. Sweeney
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15:30	3D Digital Services - Platform Services GB18 Chair: Silke Bartsch
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	3D Digital Services - Platform Services GB18 Chair: Silke Bartsch Business Model Innovation and Value-creation: The Platform Way » Tor W. Andreassen, Line Lervik-Olsen, Hannah Snyder, Jillian C.
15:30	3D Digital Services - Platform Services GB18 Chair: Silke Bartsch Business Model Innovation and Value-creation: The Platform Way » Tor W. Andreassen, Line Lervik-Olsen, Hannah Snyder, Jillian C. Sweeney, Yves Van Vaerenbergh, and Allard van Riel The Role of Digital Platform E-Services in Chinese Cinema Industry
15:30 16:00	3D Digital Services - Platform Services GB18 Chair: Silke Bartsch Business Model Innovation and Value-creation: The Platform Way » Tor W. Andreassen, Line Lervik-Olsen, Hannah Snyder, Jillian C. Sweeney, Yves Van Vaerenbergh, and Allard van Riel The Role of Digital Platform E-Services in Chinese Cinema Industry » Ben Liu, Xing Wan, and Nianxin Wang The Effect of Service Interface on Individuals' Exercise Adherence
15:30 16:00 16:30	3D Digital Services - Platform Services GB18 Chair: Silke Bartsch Business Model Innovation and Value-creation: The Platform Way » Tor W. Andreassen, Line Lervik-Olsen, Hannah Snyder, Jillian C. Sweeney, Yves Van Vaerenbergh, and Allard van Riel The Role of Digital Platform E-Services in Chinese Cinema Industry » Ben Liu, Xing Wan, and Nianxin Wang The Effect of Service Interface on Individuals' Exercise Adherence » Silke Bartsch and Yingzi Xu 3E New Analytical Approaches in Service Research I GB17
15:30 16:00 16:30 15:30	3D Digital Services - Platform Services GB18 Chair: Silke Bartsch Business Model Innovation and Value-creation: The Platform Way » Tor W. Andreassen, Line Lervik-Olsen, Hannah Snyder, Jillian C. Sweeney, Yves Van Vaerenbergh, and Allard van Riel The Role of Digital Platform E-Services in Chinese Cinema Industry » Ben Liu, Xing Wan, and Nianxin Wang The Effect of Service Interface on Individuals' Exercise Adherence » Silke Bartsch and Yingzi Xu 3E New Analytical Approaches in Service Research I GB17 Chair: Gys-Walt van Egdom Informing Resource Integration in Service Dominant Logic with Motivation Theory

15:30	3F Service Employees II GB15
13.30	Chair: Olivier Furrer
15:30	SERVICE EMPLOYEE GESTURES AS DEEP ACTING EVIDENCE » Tali Seger-Guttmann and Hana Medler-liraz
16:00	Evidence for Three Role Behaviors for Frontline Service Employees » Phiangdao Chaoluck, Christopher J. Medlin, and Jodie Conduit
16:30	Frontline Employee Friendliness: an Exploratory Investigation in the Service Industry » Melanie Boninsegni and Olivier Furrer
15:30	3G Service Experience GR03 Chair: Matthew Alexander
15:30	"Buy-it-yourself": Should the retailing industry support do-it-yourself practices? » Zakia Obaidalahe and Nadia Steils
16:00	Delivering integrated and customised service experiences within a heterogeneous cultural organization » Jane Johnstone, Matthew Alexander, and Derek Bryce
16:30	Transforming mundane experiences: exploring customer well-being of the commuting journey » Mimi Liana Abu, Matthew Alexander, and Juliette Wilson
15:30	3H Service Failure and Recovery I GR07 Chair: Carol Azab
15:30	How Do Customers React Under Service Failures? The Roles of the Two Dimensions of Brand Perception - Warmth and Competence » Shannon X. Yi, Chloe Y. QIU, and Lisa C. Wan
16:00	A Comprehensive Classification of Services Failures Based on Intentionality and Duration of Failures » Amin Nazifi and Dahlia El-Manstrly
16:30	This Customer has an accent! Would (s)he be treated differently? » Carol Azab and Jonas Holmqvist
15:30	3I Transformative and Health Services I GR08 Chair: Mark Rosenbaum
15:30	Value Co-creation in Non-Clinical Cancer Centre » Qian Wang and Dahlia El-Manstrly
16:00	Gamified Work and the effect on Front Line Employees Experience » Wafa Hammedi, Thomas Leclercq, and Ingrid PONCIN
16:30	Service in 2050: Design for Service Inclusion » Ray Fisk, Alison Dean, Alison Joubert, Linda Nasr, Josephine Previte, Nichola Robertson, and Mark Rosenbaum
15:30	3J Transformation in Services GR02 Chair: Rebecca Russel-Bennett

15:30	The emergence of consumer experience in transformative consumer journeys
20.00	» Larissa Carine Braz Becker and Elina Jaakkola
16:00	Leveraging Design Innovation for an approach to address 'Bottom of the Pyramid' market segment » Doji Lokku, Anand Kumar, Jose Kumar Reddypogu, and Nikhil Zope
	The Transformative Service Paradox: Technology as a tool to assist
16:30	wellbeing » Rebekah Russell-Bennett, Kate Letheren, Rory Mulcahy, and Uwe Dulleck
15:30	3K Customer Experience and Value Destruction
	GB20
	Chair: Gauri Laud
15.30	How sophisticated servicescape can reduce negative feelings when a
15:30	failure occur?
	» Mellina Terres, Márcia Herter, Diego Costa Pinto, and Jose Afonso Mazzon
16:00	An Investigation of the Antecedents of Customer Co-creation and Co- production in Health Services
	» Rodoula H. Tsiotsou
16:30	Service System Well-being: Conceptualising a Macro-Level Concept » Gauri Laud, Cheryl Leo, and Cindy Yunhsin Chou
19:00	Gala Dinner
	Musée des Arts Forains
Saturday,	16th June
08:00	Editorial Board Meeting Journal of Services Marketing GB15
08:30	Coffee Break GB45
	4A Special Session: Money Matters: Consumer Financial Well Being
09:00	Today and Tomorrow GR01 Chair: Elisabeth Bruggen
09:00	Money Matters: Consumer Financial Well Being Today and Tomorrow » Elisabeth Bruggen and Sertan Kabadayi
	4B Branding and Service Communication II
09:00	GB16
	Chair: Lina Xiong

09:00	Drivers of consumer engagement in brand identity co-creation » Catherine Da Silveira and Claudia Simoes
09:30	Co-opetition and the co-creation of brands: An exploratory study » Linda Robinson
10:00	The role of brand community for service organization employees » Lina Xiong and Ceridwyn King
09:00	4C New Analytical Approaches in Service Research II <i>GB17</i> Chair: Martin Paul Fritze
09:00	Patterns of Servitization in Manufacturing – Substitutability of Goods and Services with Customer Relationships » Tamao Miura and Shoji Yamamoto
09:30	Co-Creating Offerings: A Maturity Model » Anna-Sophie Oertzen
10:00	Servitization - The Holy Grail? Considering The Strategic Dark Sides of Servitization » Martin Paul Fritze, Florian Urmetzer, Michael Leyer, and Andy Neely
09:00	4D Customer Participation GB18 Chair: Marion Büttgen
09:00	When is Customer Participation Alone Insufficient? » Stephanie Dellande
09:30	Coping with Customer Participation through Improvisation » Jessica Vredenburg, Simon Bell, and Evan Polman
10:00	Reducing Customer Participation Stress in Financial Services » Stephanie Haager, Janina Garbas, Marion Büttgen, Jan H. Schumann, and Zelal Ates
09:00	4E Service Design and Service Innovation <i>GR07</i> Chair: Loic Plé
09:00	Integrating Service Design multidisciplinary perspectives to support the Service Innovation process » Maíra Prestes Joly, Jorge Grenha Teixeira, Lia Patrício, and Daniela Sangiorgi
09:30	Service Innovation in a Triadic Business-To-Business Network » Chavi Chen, Xia Zhu, and Loïc Plé
09:00	4F Service Failure and Recovery II GB20 Chair: Pascal Güntürkün

	Unfair on line review: Athird party view of illegitimate and abusive
09:00	complaint
	» Jiraporn Surachartkumtonkun, Debra Grace, and Mitchell Ross
09:30	Dare to Share: Stimulating Electronic Word-of-Mouth after Service Recovery in the Hotel Industry » Hilde Hanegreefs, Mark Pluymaekers, Merel Donkers, Frida Joustra, Celesta Van Der Laan, Willemijn Odekerken, Jasmijn Stenzler, and Martijn Zengerink
10:00	WHEN CONSUMER LOVE STRIKES BACK: THE EFFECTS OF ONLINE COMPLAINT HANDLING AND RELATIONSHIP-STRENGTH ON CUSTOMER REVENGE » Wolfgang Weitzl, Clemens Hutzinger, Pascal Güntürkün, and Sabine Einwiller
09:00	4G Service Operation Management and Supply Chains II GR02 Chair: Arni Halldorsson
09:00	How Do Process Flow Times Matter in Emergency Departments? The Differential Effects on Productivity and Patient Experience » Jeff Smith, Jeff Shockley, and Sidney Anderson
09:30	Supply chain management as a transformative service » Nitipon Tansakul, Suthathip Suanmali, and Kunio Shirahada
10:00	Dynamic Capabilities for Improving Service Offerings through Utilization of Customer Satisfaction Information » Andrea Birch-Jensen, Ida Gremyr, and Arni Halldorsson
09:00	4H Service Relationships I GR03 Chair: Mekhail Mustak
09:00	Gender differences in the customer response to retail loyalty cards: Findings from supermarkets in the UK » Akiko Ueno and Piyush Sharma
09:30	THE UNIQUENESS ROLE OF RELATIONSHIP MARKETING IN SMALL SERVICE BUSINESSES » Tali Seger-Guttmann and Shaked Gilboa
10:00	WHAT IF I MAKE THE WRONG DECISION? THE ROLE OF ANTICIPATED REGRET IN SWITCHING BARRIER BASED CUSTOMER RETENTION » J. Chris Lin, Chih-Ying Chu, and Haw-Yi Liang
09:00	4I Customer Experience III GB19 Chair: Frédéric Ponsignon
09:00	Great oaks from little acorns grow: Tracing the scientific evolution of customer experience research using a science mapping approach » Stefan Dyck

09:30	The CX Scale: Towards a Holistic Measurement of Customer Experiences along the Customer Journey » Markus Gahler, Michael Paul, and Jan F. Klein
10:00	Development and validation of a measurement scale for the experience capability construct » Frédéric Ponsignon, Jeff Smith, and Andi Smart
09:00	4J Transformative and Health Services II GR08 Chair: Leena Aarikka-Stenroos
09:00	Toughbut not terrific: when value is destroyed in men's preventative health services » Jacquie McGraw, Rebekah Russell-Bennett, and Katherine M. White
09:30	The Global Refugee Crisis: How Can Transformative Service Researchers Help? » Linda Nasr and Ray Fisk
10:00	What constitutes patient experience and journey in pediatric health services? Contrasting doctors and caregivers perceptions » Lauri Litovuo, Elina Jaakkola, Leena Aarikka-Stenroos, Johanna Kaipio, Nina Karisalmi, and Marko Nieminen
10:30	Coffee Break GB45
11:00	5A Special Session: Growing Services in base-of-the pyramid markets GR01 Chair: Heiko Gebauer
11:00	Growing services in base-of-the-pyramid markets » Heiko Gebauer, Javier Reynoso, Karla Cabrera, ana valdes, and Simon Joncourt
11:00	5B Big Data - Smart Services <i>GB16</i> Chair: Bo Edvardsson
11:00	B2B Customers' Data Disclosure Concerns Regarding Smart Service Adoption: A Qualitative Approach » Corinna Winkler, Curd-Georg Eggert, and Jan H. Schumann
11:30	Aesthetics of Interaction and Value Co-Creation between User and Smart Service Artefact: Investigating the Moderating Effect of Emotion » Cecilia Lee
12:00	SMART RESOURCE INTEGRATION » Maria Colurcio, Bo Edvardsson, Stella Carè, and Alberto Pastore
11:00	5C Tourism Services GB17 Chair: Martina Gallarza
11:00	Using Social Constructivism to theorize the influence of culture in quality tourism service experiences » Lynn Beckles

11:30	Developing smart tourism services: a co-creation framework » Marianna Sigala				
12:00	Operationalization and interdependence of perceived value: a comprehensive second order model for hospitality services » Martina Gallarza, Francisco Arteaga, and Irene Gil Saura				
11:00	5D Customer Experience IV GB18 Chair: Nathalie Demoulin				
11:00	Embodied customer experience in group fitness » Tiina-Kaisa Kuuru and Elina Närvänen				
11:30	Less Than Ordinary - Quantifying the Influence of Every-Day Experiences On Consumers' Buying Behavior » Phil Klaus and Volker Kuppelwieser				
12:00	Seamless Customer Experience: the construct, Antecedents and Outcomes » Helen Cocco and Nathalie Demoulin				
5E Post-Purchase Phase 11:00 GB19 Chair: Chatura Ranaweera					
11:00	A Cross-National Service Strategy to Deal with Product Returns: The Role of Return Policies and Institutional Environment » Jana Gäthke and Katja Gelbrich				
11:30	A reconceptualization of social ties for the Post-Service Sharing of Information » Kalyani Menon and Chatura Ranaweera				
11:00	5F Service Failure and Recovery III 11:00 GB20 Chair: Stan Maklan				
11:00	An exploratory study into the occurrence of emotional contagion after service failure among Twitter users who are unfamiliar with each other 31:00 Svenja Widdershoven, Mark Pluymaekers, Josée Bloemer, Paul Sinclair, and Haithem Zourrig				
11:30	How Potential Customers Respond to Service Recovery Strategies » Elisa Chan, Lisa C. Wan, and Maggie Y. Chu				
12:00	Revisiting CSR in service failures: A cause-dependent buffer » Paolo Antonetti, Benedetta Crisafulli, and Stan Maklan				
11:00	5G Service Innovation - Customer Experience <i>GR02</i> Chair: Per Skålén				
11:00	How do Intermediaries Enable Open Service Innovation? » Krithika Randhawa, Ralf Wilden, and Siggi Gudergan				
11:30	Service providers as entrepreneurs of co-creation assets. » Michael Ehret and Jochen Wirtz				

12:00	Service innovation in the Swedish music industry » Per Skålén				
11:00	5H Service Relationships II GR03 Chair: Hongwei He				
11:00	Is Discretionary Preferential Treatment Bad to Nonbeneficiaries? The Emotional Pathways of Envy and Boundary Conditions » Kimmy Chan, Chi Kin (Bennett) Yim, and Taeshik Gong				
11:30	Customer-Employee Rapport: A Dyadic Perspective in Multi-Channel Service Settings » Mohamed Maher Hammad, Treasa Kearney, and Chris Raddats				
12:00	Self-determination and service performance: the roles of service adaptiveness and openness to experience » Weiyue Wang, Hongwei He, Sunil Sahadev, and Wei Song				
11:00	5I Serviscape and Service Environments GR07 Chair: Athinodoros Chronis				
11:00	Can situational factors affect shop assistants' competences to get customer satisfaction? » Raul Perez, LAURA LUCIA-PALACIOS, and Yolanda Polo-redondo				
11:30	Understanding the Value Process in Service 3.1:30 » Jonas Holmqvist, Christian Grönroos, Luca Visconti, Blandine Guais and Aurélie Kessous				
12:00	Embodied Staging and the Making of a Tourist Servicescape » Athinodoros Chronis				
11:00	5J Transformative and Health Services III 11:00 GR08 Chair: German Ramirez Contreras				
11:00	Designing Transformative Health Services at the Base of the Pyramic """ Ilma Nur Chowdhury and Linda Nasr				
11:30	Transforming consumers financial wellbeing through gamified custom 11:30 value » Rory Mulcahy, Rebekah Russell-Bennett, and Dawn Iacobucci				
12:00	The (Transformative) Temporary Third Place 12:00 » Mark Rosenbaum, Kathy (Kawon) Kim, German Ramirez Contreras, Augusto Rodriguez Orejula, and Joohyung Park				
12:30	Lunch GB44				
12:30	Editorial Board Meeting Journal Of Service Management GB15				
13:45 Plenary Session II: Priorities in Service Research Chair: Lerzan Aksoy Speakers: Hélène Duneigre, Loic Guilloux, , Michael Brady, Rebekah Russell- Bennett, Sikaar Keita					

15:00	Coffee Break GB45				
6A B2B - Service Relationships 15:30 Chair: Dominik Georgi					
15:30	Design of transaction based business process services using value viewpoint » Anand Kumar, Doji Lokku, Jose Kumar Reddypogu, and Nikhil Zope				
16:00	How Consultants Can Shape Project Outcomes Before Things Get Started: The Role of Fit Between Offer Positioning and Contextual Factors for Project Performance Daniel Maar and Dirk Totzek				
16:30	Development and implementation of value propositions: a toolbox » Adrienne Schäfer and Dominik Georgi				
6B Customer Experience in Service II 15:30 GB19 Chair: Aidan Daly					
15:30	Customer activity in everyday use of social and healthcare services » Ulla Särkikangas				
16:00	Exploring the Implications of Augmented Reality-based Services in the Pre-purchase Stage of Online Tourism » Tseng-Lung Huang, Chia Yun Hsieh, and Meng-Yi Lin				
16:30	Applications of Forum Theatre to Service Interactions » Aidan Daly and Ray Fisk				
15:30	6C Digital Services - Artificial Intelligence GB18 Chair: Valtteri Kaartemo				
15:30	Chattingwithmyrobot-chef: Contact levels, social interaction, and the service workers of the future » Kate Letheren, Jolanda Jetten, Jonathan Roberts, and Jared Donovan				
16:00	Artificial Intelligence (AI) and Robotics: the case of the Holobotics				
16:30	Artificial Intelligence in Service Research » Valtteri Kaartemo				
15:30	6D Digital Services - Social Media GR03 Chair: Paul Harrigan				
15:30	Giving and receiving eWOM in altruistic services: the role of customer value » Rebekah Russell-Bennett, Josephine Previte, and Rory Mulcahy				
16:00	The impact of consumers' feature use for online complaining on their wellbeing "Yean Shan Beh and Laszlo Sajtos"				
16:30	Two-way institutional acculturation and identity co-creation in social media » Momoko Fujita, Paul Harrigan, and Geoffrey Soutar				

15:30	6E Service Innovation - An Organizational View <i>GB17</i> Chair: Ingo O. Karpen				
15:30	The Impact of Work Contextual Variables on the Creativity of Frontline Service Employees » Chen-Ya Wang and Weimin Chiu				
16:00	Frontline employees as participants in service innovation » Marit Engen				
16:30	Innovation in Online Communities: Conditions for Customer Creativity and Participation » Gauri Laud, Ingo O. Karpen, and Jodie Conduit				
15:30	6F Consumer Behavior in Services II GR02 Chair: Jim Salas				
15:30	Services and the Aging Brain » John Bateson				
16:00	Understanding need for customer assistance: measuring the personal differences that trigger customer assistance request » Marion SANGLE-FERRIERE and Ben Voyer				
16:30	Comparable Purchase Deviations How Customer Learning in a Committed Firm Relationship Impacts Longitudinal Upgrading » Jim Salas, Chadwick Miller, and Laszlo Sajtos				
15:30	6G Service Failure and Recovery IV GB20 Chair: Yelena Tsarenko				
15:30 15:30	GB20				
	GB20 Chair: Yelena Tsarenko The Effect of Captivity on Customers' Service Quality Perception, Dissatisfaction, and Word-of-Mouth				
15:30	GB20 Chair: Yelena Tsarenko The Effect of Captivity on Customers' Service Quality Perception, Dissatisfaction, and Word-of-Mouth » Olivier Furrer Failed Service Relationships: The Trajectory of Consumer Emotions				
15:30 16:00	Chair: Yelena Tsarenko The Effect of Captivity on Customers' Service Quality Perception, Dissatisfaction, and Word-of-Mouth Olivier Furrer Failed Service Relationships: The Trajectory of Consumer Emotions Sylvia Long-Tolbert You are supposed to help me: Transgressed customers' evaluations of help from service provider and third-party customer following service failure				
15:30 16:00 16:30	Chair: Yelena Tsarenko The Effect of Captivity on Customers' Service Quality Perception, Dissatisfaction, and Word-of-Mouth » Olivier Furrer Failed Service Relationships: The Trajectory of Consumer Emotions » Sylvia Long-Tolbert You are supposed to help me: Transgressed customers' evaluations of help from service provider and third-party customer following service failure » Ting Hin Ho, Dewi Tojib, and Yelena Tsarenko 6H Service Networks and Systems GR07				
15:30 16:00 16:30	Chair: Yelena Tsarenko The Effect of Captivity on Customers' Service Quality Perception, Dissatisfaction, and Word-of-Mouth **Olivier Furrer Failed Service Relationships: The Trajectory of Consumer Emotions **Sylvia Long-Tolbert You are supposed to help me: Transgressed customers' evaluations of help from service provider and third-party customer following service failure **Ting Hin Ho, Dewi Tojib, and Yelena Tsarenko 6H Service Networks and Systems GR07 Chair: Jens Poeppelbuss Challenging the Cognitive Privacy Calculus: Affective Reactions in Consumers' Privacy-Related Decision Making				

15:30	6I Value Co-Creation II GR08 Chair: Thion Stephane
15:30	Value Co-Creation in Triadic Service Settings: An Empirical Analysis in the Context of Services for Animal Companions » Gertrud Schmitz and Jennifer Hendricks
16:00	The resistance to value co-creation in a service system: The case of Syrian refugees in Turkey » Sertan Kabadayi
16:30	Why do consumers engage in value (co-)creation? An empirical study » Stephane Thion
19:00	Walking Dinner at the Eiffel Tower Eiffel Tower

1A Special Session I: The Feasibility of Virtual Doctor Appointments in a Nutshell

The Feasibility of Virtual Doctor Appointments in a Nutshell

Anna Schmitz, Universidad Autónoma de Madrid, Spain (Chair)

Ana M. Díaz-Martín, Universidad Autónoma de Madrid, Spain

María-Jesús Yagüe-Guillén, Universidad Autónoma de Madrid, Spain

If it was up to the vast majority of both academic and non-academic literature, the growing use of eHealth, telemedicine and the related technologies is an undeniable fact and a fix component of the very near future. Not only does this sector stand out due to its almost exponential economic growth rates, but telemedicine also seems to be able to offer well acceptable solutions for a sector in crisis by offering medical attention in ways that are more effective without suffering the loss of quality.

Special attention needs to be paid in particular to two streams that contribute to this upswing of eHealth and telemedicine: first, the growing digitalization that is present in all parts of society and, second, and closely related to the aforementioned digitalization, the growing demand of more and different channels to contact a healthcare professional. This so-called "multi-channel-movement" can be found in many different parts of society, healthcare among them. Thanks to the increasing digitalization, there are many different possibilities to obtain and retrieve medical information, making the traditional health care attention, where patients obeyed doctor's orders almost blindly obsolete and outdated.

Within telemedicine as a general trend, virtual doctor appointments, also called e-visits or remote or tele-consultations, are considered by many authors as one of the most interesting trends in healthcare. In the European market, the actual use rates of these services is still lower than in countries such as the United States of America. However, a growing number of health insurance companies is beginning to offer this service as a part of their medical standard supply and hence encourage and promote the use of tele-consultations among the population.

There is an important component that has to be taken into consideration in order to make this process work: the patients. Literature affirms that the most vanguard technological developments are useless if the patients refuse to use them, for whatsoever reasons they might have.

This is the reason why we analyze the cultural differences between two European countries, Germany and Spain, when it comes to patient's preferences in choosing different channels of communication with a healthcare professional for different medical scenarios, teleconsultations among them. A sample of 800 randomly selected people (400 in each country) was also asked about their internet use habits and the digital devices they own in order to establish possible differences and relationships between them.

Even though the results still show a clear predominance of the traditional channels of medical attention, there is, in fact, an interesting trend towards demanding new and different channels of medical communication and the new trends that telemedicine and eHealth carry along.

Since telemedicine is definitely going to become more and more part of the standard medical attention in the future, it is important to understand the situations tele-consultations are perceived as useful alternatives and promote and foster better acceptance and use among the population.

1B Special Session II: Distance Frontline Employee – Customer Relationships

Distance Frontline Employee - Customer Relationships: Towards a new Concept of Proximity in the Banking and Insurance Industries

Dalla Pozza Ilaria, IPAG Business School, France (Chair)

Raphael Krivine, Director of Customer Relations & New Projects at AXA Banque, France

Karim Zemouli, Director of Innovation & Customer Experience at Natixis Assurances (BPCE Group), France

With the increasing development of digital solutions, bankinsurers and insurers with an extensive network of agencies are worried about the future of their agencies. Customers rely more and more on digital channels, and the number of visits in the agencies is dramatically dropping, with heavy consequences for big players characterized by several thousands of physical points of sale. The relationship between the customer service representative (CSR) and the customer is evolving into a distance one. Objective of this special session is to understand how to put a successful distance relationship into place and how the rapid development of distance relationships is affecting the internal organization of financial services.

The special session will be structured in three parts.

First of all, the session chair will present the results of a research with the objective of understanding how to put a successful distance relationship into place Rooted in the psychological distance theory, the author finds that a distance relationship should express a new concept of proximity. Proximity between the CSR and the customer should express empathy, a service culture and kindness on the part of the CSR. Human contact is being digitized and at the same time digital solutions must become human. Proximity should embody the human aspect, but also respect the digital codes and express rapidity, instantaneity and be multichannel. Proximity between the CSR and the customer also requires a human management, who develops proximity with collaborators (15min).

Second, an industry expert, a director or CMO of one of the main French bankinsurance companies, will present the example of his/her company, showing how the development of distance frontline employee - customer relationships is affecting the organization (15min).

Third, a debate between two industry experts will follow and answer questions from participants (15min).

1C B2B - Services Networks

Antecedents and Measurement of Industrial Service Excellence in Manufacturing Companies

Christian Stadlmann, Upper Austrian University of Applied Science, Austria

Doris Ehrlinger, Upper Austrian University of Applied Science, Austria

Anna Biedersberger, University of Passau, Germany

David Tempelmayr, Upper Austrian University of Applied Science, Austria

Stefan Mang, University of Passau, Germany

Margarethe Überwimmer, Upper Austrian University of Applied Science, Austria

Introduction

An increasing number of manufacturing companies are offering services due to financial as well as competitive reasons and changing demand (Oliva & Kallenberg, 2003). This phenomenon called "servitization" (Vandermerwe & Rada, 1988) offers manufacturing companies a profitable option for growth (Fang, Palmatier & Steenkamp, 2008; Wise & Baumgartner, 1999). However, many companies still struggle on offering services in a profitable way (Gebauer et al, 2005; Martinez et al, 2010; Neely, 2008). In service research, the topic of servitization remains one of the most active domains with strategic priority (Ostrom et al, 2015). However, Kowalkowski, Gebauer & Oliva (2017) describe the research domain of servitization as still being in a nascent phase due to the absence of quantitative research with an emphasis on descriptive nature but lack of prescriptive research guiding companies on their servitization journey (Baines et al, 2017). The purpose of this paper is to develop empirically verified measures for the construct and antecedents of Industrial Service Excellence (ISE) and to demonstrate how an improvement of the antecedents of ISE may support an increase in ISE and performance levels. This can give companies guidance on the change process within their servitization journey.

Methodology & Framework

To define the construct of Industrial Service Excellence and identify its antecedents, a literature review as well as 26 qualitative interviews and two focus groups with manufacturing companies in Austria and Bavaria have been conducted. As a result, the construct of Industrial Service Excellence can be defined as offering competitive and high quality services in a cost effective and flexible way for business customers through the involvement of the whole company in the process of offering services.

Herewith, this research is based on the resource-based view of the firm (Wernerfelt, 1984; Barney, 1991), as the focus is on the internal resources of the companies and not on the external environment. To identify which resources have an impact on performance it is important to

link resources to performance, according to Priem & Butler (2001). In our study, this has been done by analyzing the impact of the antecedents on ISE and the impact of ISE on financial as well as non-financial performance. As resources in the resource-based view are often not defined clearly (Priem & Butler, 2001), we develop measures for the construct of Industrial Service Excellence as well as its antecedents.

Based upon Baines et al (2017) and their theoretical framework to critique servitization knowledge stocks, we consider servitization as a change process. This study focus on the outcomes of change and has a prescriptive orientation, as it identifies resources that contribute to ISE and its impacts on performance.

As suggested by Albers & Hildebrandt (2006), we operationalized the antecedents of ISE as formative following the guidelines outlined by Diamantopoulos & Winklhofer (2001) and Rossiter (2002). Additionally, a pretest with n=28 has been conducted to get feedback from companies on the developed measures and to ensure content validity as well as clarity of the items. As most of the constructs are formative, we adopted a PLS-SEM approach (Hair, Ringle & Sarstedt, 2011). An empirical verification with a sample of at least 250 B2B manufacturing companies in Austria and Bavaria will be conducted until February 2018.

Industrial Service Excellence and its antecedents

Researchers use the term industrial services in different manners (Gitzel et al, 2016). We define industrial services as services offered by manufacturing companies for other companies (B2B services) that are usually in connection with a product, covering the whole spectrum from the presales to the aftersales phase. In literature, the term Service Excellence is not used consistently, but usually as a synonym for high service quality (e.g. Den Hartog & Verburg, 2002; Wirtz & Zeithaml 2017). Wirtz & Zeithaml (2017) use the construct of cost-effective service excellence to describe companies that are able to offer high service quality at low prices, because they are produced in a cost-effective manner. Building up on this definition our study enlarges this view by adding three additional characteristics of service excellence: First, as suggested by the comparative advantage theory of competition (Hunt & Morgan, 1995), the comparison with the service performance of competitors has been included. Second, the company's flexibility has been added (Aghina, De Smet & Weerda, 2015). Third, ISE comprises the strength, that the whole company is being involved in offering services (Crotts, Dickson & Ford, 2005; Gouthier, Giese & Bartl, 2012). Therefore, Industrial Service Excellence is understood as offering services for business customers on a high level. These services are better than those of the competitors and they are produced in a cost-effective and flexible manner, involving the entire company. The antecedents of ISE are of special interest for servitizing companies. As a result of a systematic literature review and 26 qualitative interviews as well as two focus groups, we identify twelve antecedents of ISE: (1) Partnership with customers focuses on the interaction with the service customer based on personal relationships. It also comprises knowledge of the customer and its demands, a clearly defined contact person and considering the relationship as a long-term partnership. (2) Network capabilities is about the contact with other external stakeholders except the customers, e.g. searching for partners with complementary resources, personal relationships with the stakeholders, trust and a contract that defines responsibilities. (3) Customer and service oriented organizational culture refers to the fact that trainings offered for employees can enable the companies to offer improved service. Furthermore, it contains a clear definition of the values in the service business. (4) Organizational structure comprises that service and product business are structurally separated, but work together cooperatively. Further, it is clear who is responsible for services. (5) *Pricing of services* is about pricing services directly or indirectly. By setting the price, costs as well as market prices and the value for the customer are considered. (6) Sales force capabilities refers to technical knowledge, empathy, flexibility, listening ability and cultural intelligence of the sales force. (7) Service orientation of management and strategy means that there is a clearly defined service strategy, services are part of the corporate strategy and management supports and rewards service-oriented behavior. (8) Risk assessment and key performance indicators focuses on key performance indicators, which are defined, analyzed and used for decisions. Commercial as well as operative risks will be analyzed and the profitability of services will be assessed. (9) Organizational processes encompass good communication and collaboration between service and other departments. Further, standardized, fast and efficient service processes and clearly defined instructions how to perform services, are included. (10) Customization vs. standardization refers to services that are customized and priced adequately. Further, it comprises standardization and modularization as well as reuse of solutions, which have been already developed. (11) Service quality comprises the measurement of service quality through surveys and customer feedback as well as analyzing this data and deriving and executing policies based on this data. (12) Development of services focuses on the cooperation of different departments in the service development process as well as customer involvement and formalized processes for new services.

Results

The pretest has shown that the antecedents explain much of the variance of ISE. The R² of ISE is .925. Even the adjusted R², that takes into consideration that we have quite a lot antecedents, is .866. Therefore the antecedents explain most of the variance of ISE. The path coefficients of the antecedents show, that they contribute differently to ISE. Sales force capabilities, service orientation of management and strategy and service quality have path coefficients higher than .30, others have lower values. This suggests that some of the antecedents are more important reaching ISE. The path coefficients from ISE to financial and nonfinancial performance are 0.57 and 0.48, indicating a considerable impact. However, the sample size of the pretest (n=28) is too low to leap to hasty conclusions. Therefore, the empirical verification in a sample of 250 manufacturing companies, which will be finished until February 2018, will reveal the impact and significance of the antecedents on ISE as well as of ISE on financial and non-financial performance.

Conclusion

In our study, Industrial Service Excellence has been defined in a broader way by including not only service quality, but also competitive advantage, flexibility, cost-effectiveness and

involvement of the whole company. The twelve antecedents and especially their impact on ISE and financial as well as non-financial performance can give company guidance on their servitization journey by representing leveraging means for improving ISE and performance. The antecedents form a prescriptive audit that helps companies to understand how to reach ISE and improve their performance.

Acknowledgement

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An Approach to Elaborate Implicit Customer Service Needs for B2B IT Services Offerings

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Introduction

Knowing customer needs is essential for any business to start, remain and excel in the business. Perceived needs of potential customer is the starting point of any physical product or a service to be conceptualized. Offerings are based on meeting one or more of these needs. One way for any business to differentiate itself from competition is to recognize implicit needs of potential customers and fulfill them before competition does. Explicitly articulating all customer service needs also serve as input for defining service qualities, priorities, and importance.

With the Digital Consumer Economy, consumer expectations have changed and so are the way services are communicated, co-created and delivered to the customers. The impact of Digital Consumer Economy however is not just limited to end consumer but also transforming the way B2B services are being conceptualized and delivered. Increasing automation, use of analytics and artificial intelligence have broadened the services one business can provide to other. In this context it is important to understand the specific needs of a business that other business can fulfill with help of digital forces.

There are various methods by which customer needs are understood. They range from as informal as observation to formal interviews and questionnaires. Market survey has been a popular technique used by organizations across industries to understand customer needs to formulate new offerings or improve upon existing offerings. Bayus (2008), points to many fields and sub-fields in which customer needs related research is available. As per Bayus (2008), Design/Sociology/Anthropology fields discuss customer needs in terms of needs, wants, desires, empathic design, and applied ethnography. Engineering/Operations/Quality literature discuss customer needs in context of customer requirements, product specifications, **Quality Function** deployment (QFD) Voice of Customer and (VOC). Marketing/Economics/Psychology fields discuss needs in context of product characteristics, attributes, conjoint analysis, perceptual mapping, and preference modeling. In this paper we focus on methods that can help articulating implicit needs of a customer business with focus on IT services industry.

Need for New Methods to Elicit Implicit Customer Needs in IT Services Industry:

We discuss frameworks that can help understanding specific needs of a business and hence get a better grip on defining configuration of service qualities for delivery of services. Traditional IT Service offerings like application development and maintenance, package implementation, etc. have unique advantage in terms long time period over which those service offerings are delivered and relationship established with customer over this time period. High heterogeneity of IT service offerings make it essential for IT service industries to have a defined approach towards understand customer service needs. Each customer is a business trying to differentiate itself from its competition and having its unique strategies and goals that must be supported by the IT service that is being offered to the customer. Uncovering implicit customer business specific needs is important as the service offering may be rejected by the service users from the customer business if the offering does not meet some of these needs. Such implicit needs are deeply embedded in culture of the customer organization and often too obvious / invisible for the customer to talk about it. Uncovering such needs also helps IT services industry to innovate by meeting needs that customer itself has not recognized yet. Ethnographic studies and empathic design is the most common way implicit needs are uncovered. However with customer business, such studies are often not possible without customer first having accepted the offerings. IT service industry then has to rely on systematically gathering knowledge about customer business and then structure it using frameworks to uncover implicit needs. In this paper, we propose such methods.

Proposed Methods to Elicit Implicit Customer Needs:

We propose a) *Understanding Customer Business*, and, b) *VITA* (Vision Idea Thought Action) framework as the overarching frameworks to understand implicit needs of any business that can serve as guidance for service design and service quality configurations. While the 'Understanding Customer Business' framework tries to understand business in terms of its operations, the VITA framework understands what drives those operations, the logic behind it.

Understanding Customer Business framework

Understanding Customer Business framework is based on understanding of any business in terms of four dimensions: offering, organization, people at work and business model. Figure 1 shows these dimensions. The offering dimensions helps understanding what the business delivered to its customers, how it connects with them, etc. Organization dimension focuses on how the business is organized to deliver those offerings and people at work focuses on the culture and how people work inside organization. Business model dimension focuses on how other three dimensions are applied in order to create value for all stakeholders. We can use the English interrogatives to systematically gather information pertaining to each dimension. Figure 2 shows the table that can be used for such an enquiry.

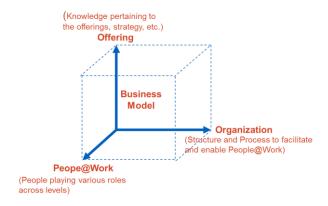


Figure 1: Understanding Customer Business Framework – Dimensions

	Customer Business						
		Offering	Organization	People@Work	Business Model		
ves	Who						
Interrogatives	What						
erro	Why						
	When						
eric	Where						
Generic	How						

Figure 2: Interrogatives to gather information for each dimension

'Understand Customer Business' is a comprehensive framework. In addition to the interrogatives based information gathering, we propose to use the dimensions suggested in this framework as guidance to specifically uncover implicit needs through guiding questions. Following are some of the example of such questions for each of the dimensions:

Offering

- What value does the customer business intends to provide to its customers?
- o How the customer business differentiates itself from its competition?

Organization

- How does idea of a service offering in an area affect interactions among people in the customer business?
- What are assumptions or considered done things in the customer business?

• People@Work

- What criteria does the customer business use for recruiting people?
- Do people work across functions in the organization or fixed in a function?

Business Model

- Does the customer business follow single business model or multiple business model across offerings?
- O Do the multiple business models follow common vision?

VITA framework

VITA framework stands for Vision, Idea, Thought and Action. It starts with Vision of the business, how the business is trying to achieve the vision and how all of these manifest operationally. Idea, is akin to mission of the business that is the way in which business approaches to achieve its vision. Both Vision and Mission of an organization are generally

publically available. Thoughts are the plans that business organization implementing to achieve its vision and mission. Actions are the business system that enables implementation of the plans. We use this framework with help of scenarios to uncover the business logic in the context of possible service offering. Vision and Idea give the common logic behind these scenarios for a customer business while Thought and Action may suggest different aspects of the customer business culture based on the context of IT Service offering.

Discussion:

The two frameworks give both strategic and operational understanding of any business. From such understanding it is possible to derive what is more important for the business and what are the specific needs apart from the standard needs the intended service offering aims to satisfy. We utilize basic principles of both the frameworks to extract the relevant information and uncover the needs rather than comprehensive use which may not be required some times. Illustration of the approach using examples will be included in the presentation.

The frameworks have been used as part of consulting towards customers of IT Services industry. The work to pilot these frameworks to uncover implicit needs of customer business is under progress.

Acknowledgements:

'Understand Customer Business' and 'VITA' methods were conceptualized by Prof. Kesav Nori and Prof. P.N. Murthy as part of their work on Business Systems Research in Tata Consultancy Services Limited. We remain indebted to them for allowing us to practice these methods and providing guidance when required.

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Who is the Real Value Facilitator?

Facilitating value creation in business networks

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Aurélien Timbre, Celso, France

Christian Kowalkowski, Linköping University, Sweden

Christian Grönroos, Hanken School of Economics, Finland

Introduction

What is the role of the value facilitator? The extant service literature posits that companies may co-create value together with its customers through interactions in the service encounter (Grönroos and Voima 2013; Vargo and Lusch 2016). The service logic further proposes an additional role for the company, as a value facilitator prior to the service encounter (Grönroos and Voima 2013). This view of the company as value facilitator, however, is focused on a business-to-consumer (B2C) setting, in which the company may interact with the user. While recognizing the relevance of this perspective in B2C contexts, we argue that there is a research gap in the extant literature on value, as previous research has paid little attention to value facilitation in B2B settings, particularly in more complex business networks. In such settings companies may never interact with the end users yet still be dedicated to their value processes.

In order to address this research gap, in this paper we analyze the activities of a company whose primary activities are firmly in a business-to-business (B2B) context, while at the same time remaining committed to facilitating value for the end customer. We focus on the company Celso to analyze its activities as a value facilitator. Celso is one of the world's leading manufacturers of luxury seats for airplanes. Most customers who have ever flown in first class have sat in a seat done by Celso, as the company manufactures first class seats for most major airplane producers, for example Airbus, Bombardier and Boeing. Indicative of their strong position within this market is the fact that Celso recently signed a 50-year contract with Bombardier on first-class seats in future Bombardier planes. In addition, Celso also produces seats for private jets; as an example, Celso is the company that produces the couches and seats in the official plane of the French president.

Airlines producers such as Boeing and Airbus, much like Celso, are also business-to-business companies, selling their planes to most major airlines in the world. In other words, we here analyze a chain of value facilitation in which Celso sells first-class seats to Boeing, Bombardier and Airbus, who in turn sell their planes to airlines, who then offer these luxury seats as a vital part of the service for their first class customers. Each company in the chain is committed to the value for the end user, and so the challenges of facilitating value for users with whom they never interact presents a challenge for Celso and the other B2B-companies further back in the chain of value facilitation; this facet of value facilitation represents a situation that service research has not yet addressed.

Methodology

In order to provide an in-depth analysis of this situation, we adopt an ethnographic case study approach in line with recommendations for analyzing business markets (Tumbat and Grayson 2015; Visconti 2010), as ethnographic case studies are particularly helpful for the purpose of shedding light on a company's internal processes (Arnould and Wallendorf 1994). By working in close cooperation with Celso, the ethnographic case study approach allowed us to understand and develop both Celso's commitment to the perceived value of the end user and how Celso goes about to achieve this role as value facilitator, extending through the business network. All findings are triangulated both within the research team and with our key informants, in line with interpretative research standards (Silverman 1993; Spiggle 1994).

Findings and Contribution

Our findings to date in this ongoing study are conclusive in showing that Celso indeed emphasizes the value facilitation for the end user. We further find that this commitment to the role as a value facilitator is both multifaceted and extensive in the case of a B2B company with no direct interaction with the end customer. Rather than acting in the service encounter itself, the B2B value facilitator approaches the value process through the business networks. Instead of a situation in which one value facilitator interacts with the customers, we uncover and describe chain of companies that all are committed to facilitating value, knowing that the actions of each of the companies in the chain will have a direct impact on the ultimate value for the end customer. Our findings allow us to describe how the business networks take on an important role in these situations, and how each company needs work in close co-operation with both its supplier and its customer. Our findings thus help problematize the role of value facilitators by showing that value facilitation may play an important part even when the company never interacts with the end customer, thus extending the research gap beyond the rather simplistic question 'who is the value facilitator' to the more complex 'how do multiple value facilitators align the value co-creation.'

The paper offers two main contributions to the field of service research, as well as a third contribution to the field of luxury marketing.

The first contribution consists of analyzing value (co-)creation in a complex setting involving a chain of actors. Whereas previous research on value creation has focused on the company as a value facilitator, this research has been limited to situations in which the company as value facilitator interacts directly with the customer to co-create value (Grönroos and Voima 2013). In the case of Celso, however, the situation is markedly more complex. Celso is a value facilitator, operating in a B2B context yet facilitating a unique service – a comfortable experience – for the end user. For some customers, there is the kind of interaction postulated in previous research, as Celso may be in direct contact with customers buying private jets and wanting customized seats. For most end users, however, there is no direct contact with Celso or even with Celso's direct customer. As our findings show, this lack of interaction does not mean that Celso is any less committed to the service experience of the end user, or that the

company does not see itself as a value facilitator. What it does mean is that Celso needs to operate on multiple levels to facilitate value. In addition to manufacturing a comfortable, light and fire-resistant flight seat, Celso also operates alongside its customers, and their customers, to continuously learn about the user experience.

Our second contribution to the field of service research concerns the analysis of value facilitation in a networked B2B setting. B2B marketing literature recognizes the importance of long-term relationships, interactions, and networks through a focus on multiple actors in the company's network (Coviello et al. 2002) and is increasingly focusing on business services (Aarikka-Stenroos and Jaakkola 2012). Nonetheless, B2B service research tends to focus on value creation in buyer-supplier relationships or interactions in service triads with little or no attention given to the role of consumers as end users. By analysing the activities of Celso, our study unravels the processes of value facilitation and value creation spanning a chain of multiple actors.

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1D Consumer Behavior in Services I

How service deal popularity and star rating influence quality expectation toward online service deals

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Introduction

A cumulative number of consumers who place orders to a service deal in a particular duration at a retailing website constitutes a service deal popularity (Luo et al. 2014). Particularly, studies in the context of group buying websites (e.g., Groupon.com) have found that service deal popularity can influence consumers' online purchase intention (Luo et al. 2014) and deal value perception (Coulter and Roggeveen 2012). From the perspective of suppliers, the increase of service deal popularity has been found to increase sales which benefit both online retailers and the offline service providers (Subramanian and Rao 2016). Research further suggests a mechanism that service deal popularity has an impact on purchase intention through influencing service quality expectation toward an online service deal (Kao et al. 2017).

An online shopping environment exacerbates the nature of service attributes of intangibility and thus consumers seek for consumer-generated information to inform their quality attitude based on electronic word-of-mouth effect (Keh et al. 2015). Indeed, star rating can lead consumers' product quality perceptions prior to a purchase decision (Flanagin et al. 2014). While both service deal popularity and star rating are consumer cues that are commonly presented on a website, it is assumable that both are reliable cues to influence pre-purchase service quality expectation. A question is thus raised that how service deal popularity and star rating influence service quality expectation in an online shopping context.

According to cue congruency theory, a cue's value depends on the appearance of another cue, suggesting a set of cues that indicate the same direction to be more predictable in quality perception (Maheswaran and Chaiken 1991; Miyazaki et al. 2005). However, research from the perspective of cue congruency of a combination of service deal popularity and star rating on service quality attitude is rare. Although it is difficult to learn a full pattern of what constitutes consumers' quality attitude, it is important to understand cue utilization by incorporating the interaction among cues (Brehmer 1972).

A theorizing of cue congruency is that cues that are perceived to be consistent (e.g., good brand and long-year warranty) enhance consumers' confidence in using the set of cues to make convergent judgments and thus form quality attitude and decision making (Purohit and Srivastava 2001). In other words, cues that yield congruent perception increase consumers'

ability in differentiating product/service quality and thus congruent cues are favorable to process (Bodur et al. 2016; Miyazaki et al. 2005).

Past research consistently demonstrates that congruent cues can influence consumers' intentions, attitudes, and behaviors (e.g., Akdeniz et al. 2013; Das et al. 2016; Kamins and Gupta 1994; Mitra 1995; Miyazaki et al. 2005). For example, moviegoers' preference is influenced by a high movie rating when it goes with a high volume of raters (Khare et al. 2011). Consumer purchase intention is influenced by the match of a country image and the country-of-origin of parts/assembly/design of a product (Chao 2001; Josiassen et al. 2008). Researchers have documented an influence of a congruency between marketing cues such as price, brand, and warranty on product quality perceptions (e.g., Akdeniz et al. 2013; Miyazaki et al. 2005).

To answer the question of how consumers use service deal popularity and star rating as a set of quality cues to influence service quality expectation in a pre-purchase situation, this research examines both cues from the angle of cue congruency in the context of online service shopping. Firstly, based on cue utilization that suggests a cue-quality relationship (Olson 1972), we postulate that:

H1: service deal popularity will positively influence service quality expectation.

From cue congruency, we hypothesize that:

H2: star rating will moderate the effect of deal popularity on service quality expectation, such that high star rating will enhance the effect of high deal popularity on service quality expectation.

In addition to examining the interaction of two cues, we test the cue congruency from the perspective of consumer perception. We postulate that:

H3: when consumers' perceived cue congruency between deal popularity and star rating is high, high deal popularity will positively influence service quality expectation.

Method

A 2 (service deal popularity: high versus low) x 2 (star rating: high versus low) factorial between-subject experiment is designed to test hypotheses. The specific number of items sold was used to represent deal popularity (i.e., 1999 as high popularity and 9 as low popularity). The 4.5 stars out of 5 were used as high star rating while 1 star out of 5 was used as a low star rating. Participants (N=120) were recruited in Taipei Taiwan to respond measures when reading a snapshot of a group buying service deal (karaoke service) where price, discount, and location were controlled to the same across experimental scenarios. A three-item scale of service quality expectation (Cronbach's α =0.78) (Jin and He 2013) and a three-item semantic different scale of perceived cue congruency (Cronbach's α =0.95) (Rifon et al. 2004) was adapted from prior research. Manipulation check of deal popularity and star rating used 7-point Likert scales showed a significant difference between high versus low level of service deal popularity and star rating, respectively.

Results

Using ANOVA, results show a significant difference between high versus low service deal popularity on service quality expectation, suggesting a positive relationship that high deal popularity leads to high service quality expectation (F(1, 118)=4.205, p=0.043, $M_{HIGH}=3.516$, $M_{LOW}=3.096$). Thus, H1 is supported.

Using SPSS PROCESS (model 1) (Hayes 2013) based on OLS regression based on 95% bias-corrected and accelerated bootstrap confidence interval, results show a non-significant interaction between service deal popularity and star rating (β =0.064, SE=0.406, p=0.874) while the main effect of service deal popularity (β =0.405, SE=0.203, p=0.048) and star rating (β =0.413, SE=0.203, p=0.043) are significant. H2 is not supported.

However, a significant interaction between service deal popularity and perceived cue congruency was found (β =0.342, SE=0.11, p=0.002). Using pick-a-point approach by percentiles (10^{th} , 25^{th} , 50^{th} , 75^{th} , and 90^{th}) of the values of perceived cue congruency provided in SPSS PROCESS, the conditional effect of service deal popularity on service quality expectation is only significant when perceived cue congruency is at very high (90^{th} percentile; effect=1.351, 95% CI [0.651, 2.052]) or high (75^{th} percentile; effect=0.897, 95% CI [0.408, 1.368])) level. The effect of service deal popularity on service quality expectation is not significant when perceived cue congruency is at very low, low, or moderate level. H3 is supported.

Discussion

The results of H1 is consistent with prior research, showing that the cue-quality relation between deal popularity and service quality expectation in a pre-purchase situation. Findings do not support H2, indicating that consumers do not use service deal popularity and star rating in a combination of the optimal situation. It suggests that consumers use star rating as the barometer of the quality of a service deal, such that service quality expectation is high when star rating is high. However, this finding is inconsistent with prior research that investigating the popularity derived from the number of star rating and the average rating on moviegoers' intention (Keh et al. 2015). They found that star rating underlying quality amplified the popularity effect of that many people give ratings to a particular movie. In that study, consumers' movie watching behavior is enhanced when both the popularity and the average star rating are high and is reduced when both are low. However, in terms of quality attitude formation, the current research is consistent with another research finding that consumers only use star rating in their quality evaluations, where the popularity factor from the number of star rating does not influence the quality perception derived from reading the star rating (Flanagin et al. 2014). Indeed, from the perspective of heuristic information processing for quality evaluation, consumers cope with multiple cues by using a peripheral route that can provide a shortcut to forming quality perception (Maheswaran and Chaiken 1991). Similarly, another potential reason for not supporting H2 may be that based on the elaboration likelihood model (Petty and Cacioppo 1984) consumers' motivation influences their information processing strategies. In the current study focusing on service quality expectation, without behavioral

demand, consumers employ the most efficient method to readily judge the quality of a service deal read in the scenario rather than input effort to cognitively interpret the service deal popularity cue. Findings support H3 suggesting that the congruent perceptions of service deal popularity and star rating can be used as an efficient combination of cues to inform the service quality in a pre-purchase situation without too much effort in processing multiple cues.

Conclusion

Deal popularity is a cue that can inform the quality of an online service deal. Particularly, when consumers' perceived congruency between service deal popularity and star rating, its effect on service quality expectation is amplified. The current research further demonstrates that consumers rely on straightforward quality cue to form a quality attitude to an online service deal and thus rely more on star rating than service deal popularity. However, future research is suggested to incorporate behavioral intention to explore the interaction of the two cues for a further understanding of cue utilization in a mediation model.

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The outcome of surface acting: Emotional dissonance or self-serving attribution?

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Introduction

Service organizations often require employees to present positive emotions to customers regardless of their genuine emotions (Hochschild, 1983). In such settings, employees might engage in the emotional labor strategy of surface acting, displaying the required emotions while felt emotions remain unchanged. A common notion in emotional labor literature is that sense of authenticity is produced by an accurate self-assessment of the congruence of external expression with one's inner state (e.g., English & John, 2013). According to this view surface acting inevitably results in emotional dissonance—awareness of the gap between expressed and felt emotions, followed by severe outcomes such as alienation from one's true self (Uy, Lin & Illes, 2017). Yet, an alternative perspective suggests that sense of authenticity might be subject to self-serving biases produced by self-enhancement motivation (Jongman-Sereno & Leary, 2016). Specifically, if surface acting reflects positively on an employee's self-view because it is associated with success or represents a socially desirable behavior (benevolence or retaliating injustice), it is not expected to undermine his or her sense of authenticity.

Drawing from these ideas, I propose that if sense of authenticity reflects objective self-assessment, then employees should feel more authentic when their emotional display is congruent with their felt emotions than when they engage in surface acting, regardless of how the emotional expression reflects on their self-view. Conversely, if sense of authenticity is affected by self-enhancement motivation, employees should feel more authentic when emotional expression reflects positively on their self-view than when it reflects negatively, regardless of the extent to which the emotional display is objectively authentic.

The present study contributes to emotional labor literature by exploring boundary conditions that influence the employee's likelihood of attributing a given behavior to his or her genuine self. In incorporating the possibility that sense of authenticity is engendered by self-attributions designed to enhance one's positive self-view, I challenge the prevalent notion that sense of authenticity is an accurate reflection of actual authenticity, as manifested in congruence between displayed and felt emotions (e.g., English & John, 2013). This study also provides new insights regarding the outcomes of surface acting, beyond the notion that it results in self-alienation and negative self-view (e.g., Gabriel et al., 2014; Simpson & Stroh, 2004). In particular, I highlight conditions under which surface acting might not impair wellbeing, because the employee engaging in the behavior views it as manifesting positive aspects of his or her self.

Based on a literature review in the areas of surface acting and self-evaluation motives, several hypotheses were tested. First, it was hypothesized that, because success reflects more positively on self-view than failure, successful emotional display will be experienced as more authentic, regardless of its actual authenticity (**Hypothesis 1**). This effect was expected to be more prominent among providers engaged in surface acting than among providers engaged in genuine emotional display, because surface acting requires effort and skills, such that (self-

attributed) success related to surface acting has the potential to be particularly self-enhancing (**Hypothesis 2**). It was also expected that the effect of surface acting associated with benevolence will be more prominent among providers engaged in surface acting than among providers engaged in genuine display of negative emotions, because benevolence is usually considered a more socially appropriate motive (**Hypothesis 3**). However, when interacting with an unjust customer, display of negative emotions is considered more appropriate. Thus, it was hypothesized that the effect of customer unfairness on the service provider's sense of authenticity will be more prominent among providers engaged in genuine (negative) emotional expression than among providers engaged in surface acting (**Hypothesis 4**).

The hypotheses were tested in three studies. In all studies participants were presented with a scenario describing a service encounter in a bank, in which the emotional display type was manipulated (surface acting or genuine emotional display). Scenarios in Study 1also manipulated outcomes of the service interaction (success or failure); scenarios in Studies 2 and 3 manipulated social appropriateness of surface acting by the characteristics of the customer described in each scenario.

Study 1

Method

Participants. The sample consisted of 126 full-time or part-time service employees (49% female).

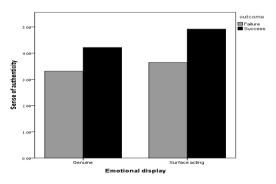
Procedure. Participants were randomly assigned to the following four conditions in a 2×2 between-subjects design: emotional display type: surface acting vs. display of genuine emotions; outcome of customer service encounter: success vs. failure.

Sense of authenticity was measured with a scale developed by Sheldon, Ryan, Rawsthorne & Ilardi (1997). Sample item: "I would have experienced this behavior as an authentic part of who I am"; Responses were provided on a 7-point scale (1 = "not at all", 7 = "very much"). Reliability = .87. The same scale was used in Study 2 (Reliability = .75) and Study 3 (Reliability=.73)

Results

Hypotheses were tested with a two-way ANOVA. The results, displayed in Figure 1, support Hypothesis 1, showing a significant main effect of outcome of the service encounter $(F(1,125) = 19.17, \text{MSE} = 37.21, p < .01 \, \eta^2 = .14)$. Respondents reported a stronger sense of authenticity when emotional display resulted in success than when it resulted in failure. Hypothesis 2, regarding the interactive effect of emotional display type and outcome of the customer service encounter, was not supported (F(1,125) = .55, MSE = 1.07, NS).

Figure 1. The effect of success/failure associated with emotional display on sense of authenticity



Study 2

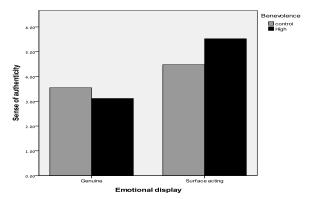
Participants. The sample consisted of 126 full-time or part-time service employees.

Procedure. Participants were randomly assigned to the following four conditions in a 2×2 between-subjects design: emotional display type: surface acting vs. display of genuine emotions; motivation for surface acting: benevolent vs. control.

Results

The results, displayed in Figure 2, show a significant interaction effect of the two independent variables (F(1,157) = 8.76, MSE = 21.50, p < .01, $\eta^2 = .05$).). As expected, the difference in sense of authenticity between the two motivation conditions was greater among participants in the surface-acting than among participants in the genuine-emotional-expression condition.

Figure 2. The effect of emotional display and motivation for surface acting on sense of authenticity



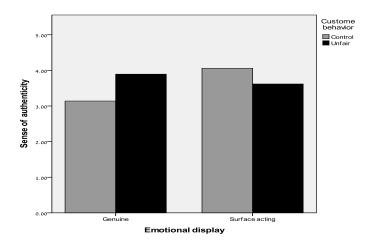
Study 3

Participants. The sample consisted of 108 students in introductory social sciences courses (89% female).

Procedure

Participants were randomly assigned to the following four conditions in a 2×2 between-subjects design: emotional display type: surface acting vs. display of genuine emotions; customer injustice: unjust customer vs. neutral customer (control). The results, presented in Figure 3, indicate that as expected, the difference in sense of authenticity between the two customer injustice conditions was greater among participants in the genuine-emotional-expression participants in the surface-acting condition (F(1,107) = 5.98, MSE = 8.95, p < .05, $\eta^2 = .05$).

Figure 3. The effects of emotional display and customer injustice on sense of authenticity



Discussion

The three studies provided clear support to the idea that an employee's sense of authenticity following emotional display is affected by the implications of the emotional display behavior for the employee's self-view. The studies suggest that employee sense of authenticity is influenced by self-serving attributions of success and failure, as well as by attribution biases associated with social desirability of emotional display. The results undermine the view that sense of authenticity is the outcome of an objective evaluation of the congruence between felt emotions external emotional expression. The results show that individuals perceive their own fake emotional display as more authentic in the presence of contextual cues that enhance the positive meaning of the behavior for self-view; these cues include the success of the service encounter and the social desirability of emotional display.

A second contribution relates to the relationships of authentic and inauthentic behavior with employee wellbeing. Hochschild's (1983) perspective regarding the inevitable negative outcomes of surface acting has been dominant in research on emotional labor (Pugh, Groth & Hennig-Thurau, 2010; Erickson and Ritter, 2001). The results of the present study suggest that self-serving biases that dispose employees toward self-attribution of positive behaviors can lead employees to experience a heightened sense of authenticity when they engage in otherwise

inauthentic behavior (surface acting); this sense of authenticity might ultimately be beneficial for employee wellbeing.

Finally, the studies highlight a methodological consideration that might affect the outcomes of research on emotional labor. The results indicate that emotional display that is incongruent with an employee's inner state at a specific moment might be still experienced by the employee as authentic if he or she views it as reflecting enduring positive traits or desirable. Similarly to objective authenticity, which can be conceptualized both as state and as a trait (Slabu, Lenton, Sedikides & Bruder, 2014), sense of authenticity might have both transient and stable manifestations. Emotional dissonance is a momentary experience of incongruence between current inner state and behavior (Hochschild, 1983), but sense of inauthenticity might be also engendered by incongruence of behavior with aspects of the self that are perceived as stable and enduring. Thus, research on sense of authenticity should consider the type of the genuine self—momentary or enduring—that is being measured.

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Serrver Crying, Explanations, and Customer Tipping Behavior: Relevance of the Phenomenon and Potential Contributions to the Field

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Introduction

In this paper, we explore the effects on customers when service employees cry in front of them. Although instances of employees crying in front of colleagues or customers would appear rare, recent research suggests that crying at work is more common than often thought (Elsbach & Bechky, 2017). For instance, in a recent survey of over 700 respondents, 41 percent of women (and nine percent of men) reported crying in front of others at work (Kreamer, 2012). The fact that personal losses may spill over into professional life in the form of tears has received renewed attention from Sheryl Sandberg's admissions of her emotional struggles after returning to work at Facebook following the death of her husband (Sandberg & Grant, 2017).

Understanding how service employees' tears may affect customer service evaluations is important because even as crying has consequences for how employees are perceived by others, interpretations of why someone cries are often ambiguous and can vary from observer to observer (Elsbach & Bechky, 2017; van de Ven, Meijs, & Vingerhoets, 2017). Thus, shedding tears in front of customers may not always be as harmful to customer responses to the employee and perceptions of service quality as managers believe (Grandey, Rupp, & Brice, 2015), but little research has explored the conditions when crying by service employees is detrimental.

Theoretical Foundations and Conceptual Framework

Emotional labor, the emotions (usually positive) that employees are required to display at work, is an essential obligation in many service professions (Diefendorff, Richard, & Yang, 2008; Grandey, 2000). Although displaying positive emotions is often believed to be essential to facilitating customer perceptions of service quality, requirements that positive emotions must be displayed can become draining when employees are experiencing adversity or frustration with their families and outside the workplace (Yanchus, Eby, Lance, & Drollinger, 2010). Frustrations over suppressing negative emotions at home over the declining health and increased care needs of a parent, the vocational struggles of a spouse, or the bad behavior of a child may become overwhelming and spill over at work (Grandey, Foo, Groth, & Goodwin, 2012). At a certain point, some service employees may respond by crying, particularly when they feel overwhelmed by their situation or powerless to change it (Fischer, Eagly, & Oosterwijk, 2013).

Although visible displays of crying in public are strongly discouraged in many organizations as a breach of professionalism or a sign of an individual's lack of emotional control or personal competence (Hendriks, Croon, & Vingerhoets, 2008), crying can also be perceived as so extreme that it can induce felicitous responses from others (Sinaceur, Kopelman, Vasiljevic, & Haag, 2015). In particular, we suggest that customers' responses may

depend on whether the employee who cries provides an adequate explanation for their tears. Researchers have suggested, for instance, that observers' evaluations of individuals' competence are influenced by the salience of plausible reasons for why individuals express their sadness visibly (Fischer et al., 2013). Similarly, service employees may benefit from explaining to customers why they cried, particularly if there are extenuating circumstances (e.g., a particularly bad day or accumulating stress from home over the illness of a loved one), since explanations are an important element of interactional fairness, which is valuable in facilitating service recovery efforts (Smith, Bolton, & Wagner, 1999). Thus, we hypothesize that customers will evaluate servers more positively (e.g., pay better tips) when servers provide explanations for their tears.

Methods

Drawing from prior work on observer evaluations of crying behavior (e.g., Fischer et al., 2013) and experimental methods in service research (e.g., Victorino, Verma, Bonner, & Wardell, 2012), this study used vignettes that depict employees (men or women) crying in response to a service failure in a restaurant. Respondents included 211 participants drawn from a national sample on Amazon's Mechanical Turk (Paolacci & Chandler, 2014). Respondents were randomly assigned to read a vignette about a service failure at their hypothetical favorite restaurant. Respondents were randomly assigned to vignettes in one of four conditions: a (1) male or a (2) female server who cries and provides an explanation for their tears; or a (3) male or a (4) female server who cries and provides no explanation.

In both conditions, respondents read that the server at an upscale restaurant had brought you the wrong dish on your birthday. Respondents are informed that they would have to wait for another 30 minutes for the correct dish to be cooked, but they were determined to get what they ordered, so they told the server to put in the correct order and they would wait. The server then bursts into tears. In the "no explanation" conditions, the server immediately walks away crying. In the "explanation" conditions, the server explains that his/her father has just passed away. Respondents were then asked to evaluate the employee by indicating how much money they would leave as a tip for that employee (they were told that a standard tip for a restaurant of this quality is 18 percent).

Preliminary Findings

We found statistically significant differences in the percentage amounts that respondents were willing to tip servers who provided explanations relative to those who did not, F(1, 211) = 36.75, p < .01 (see Figure 1). Specifically, respondents tipped a significantly higher percentage to male servers who cried and provided an explanation (M = 17.90 percent, SD = .89) than those who cried and provided no explanation (M = 13.67 percent, SD = .90). Remarkably, female servers who cried and provided an explanation received larger tips than even the suggested standard rate of 18 percent (M = 19.82 percent, SD = .87), and their tips were significantly greater than the tips for female servers who cried and provided no explanation (M = 13.30 percent, SD = .86).

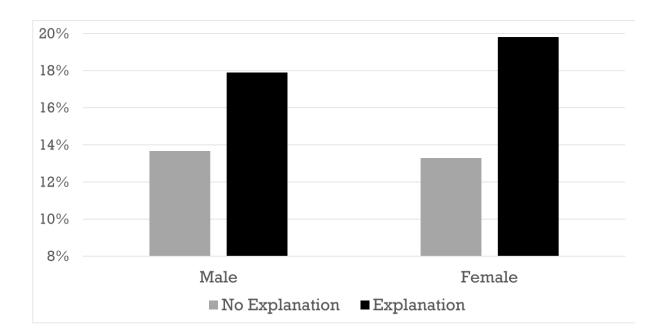


Figure 1: Effects of Server Explanations on Percentage of Customer Tips

Discussion and Conclusion

Researchers have highlighted how crying at work is surprisingly prevalent and its effects are still poorly understood (Elsbach & Bechky, 2017). In this paper, we take initial steps toward exploring how service employees' explanations of crying in front of customers may influence customer tipping behavior. Our findings suggest that service employees may benefit from providing meaningful explanations to customers in the face of crying in front of employees, which is consistent with findings that employees can manage customer responses by highlighting mitigating circumstances in service failures (Choi & Mattila, 2008). We are preparing to collect additional data to investigate whether positive customer responses are only true when explanations involve extenuating circumstances (e.g., a particularly bad day or the death of a loved one).

Exploring the effects of employee tears on customer service evaluations also enables us to examine an underlying assumption in the debate over whether service firms should require employees to adhere to emotion display rules (Grandey et al., 2015). The business argument for requiring emotion display rules hinges on the assumption that displaying positive emotions during service encounters and refraining from expressing certain negative emotions, particularly anger or irritation, protects organizations from negative customer perceptions of the service and the server (Grandey et al., 2015). Although expressions of anger and frustration are likely to impair customer evaluations of services, researchers have not investigated whether the same holds true for expressions of other types of emotions (Groth, Hennig-Thurau, & Walsh, 2009). The causes of crying at work are often ambiguous to interpret (Elsbach & Bechky, 2017), so employees' use of explanations and other impression management strategies in the midst of tears may be helpful in shaping customers' service evaluations.

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1E Customer Engagement I

Expanding the Customer Engagement Concept: The Role of Spiritual Engagement

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Introduction

The concept of customer engagement has developed into a central concept in contemporary marketing (Pansari and Kumar, 2017). The concept encapsulates the interaction between the customer and the firm, and in particular the expanding role that the customer has in this interaction (Kumar and Pansari, 2016). Benefits to the firm of pursing customer engagement include enhanced customer-firm relationships (e.g. Kumar and Pansari, 2016), customer-brand connections (e.g. Brodie *et al.*, 2013), customer involvement in firm marketing functions (Harmeling *et al.*, 2017), and ultimately value cocreation (Jaakkola and Alexander, 2014) and shareholder value (Beckers *et al.*, 2017).

While the examination of customer engagement behaviors remain a focus of many studies in marketing (e.g. Beckers *et al.*, 2017, Kumar and Pansari, 2016, Harmeling *et al.*, 2017), several authors adopt a multidimensional perspective of engagement (Brodie *et al.*, 2013, Vivek *et al.*, 2012, Dessart *et al.*, 2016). The dominant view in form of the tripartite concept of customer engagement incorporates cognitive, emotional and behavioural engagement (Hollebeek *et al.*, 2016); that is engaging customers' mind, heart and body. It is accepted, however, that the human experience includes four basic dimensions: physical, mental, emotional, and spiritual and they all need to be cultivated (Schwartz and McCarthy, 2007). Consequently, as engagement is about interactive experiences, the domain of service research needs to pay greater attention to the spiritual element of the experience which has been largely neglected to date.

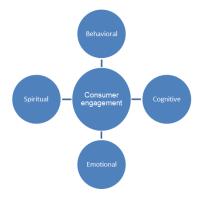
While important, current literature overlooks how customers develop connections with others, such as brands or organizations, which go beyond basic thoughts, feelings and actions to include deeper meaning and higher purpose as part of the connection. Service researchers still lack a clear understanding of what spiritual engagement is and how it affects consumer experiences.

To move the conceptualization of engagement forward, research needs to recognize and explore deeper forms of customer connections with brands and organizations to identify the nature of spiritual engagement. "Engagement can be emotional, physical, intellectual or even spiritual, and different types of engagement can be achieved depending on the level of customer participation and the connection with the environment" (Zomerdijk and Voss, 2010, p. 68). Despite this conceptual recognition, this aspect has not been explicitly addressed or empirically

explored in a marketing context, particularly in service research. Thus, we propose spiritual engagement as an additional dimension of customer engagement (see figure 1) through which individuals develop a connection to self and others that incorporates personal growth, higher order purpose, and contributing to the greater good (Ashmos and Duchon, 2000).

While the cognitive, emotional and behavioural components have been much discussed and studied, it's is surprising for service research to overlook spiritual engagement given the role of spirituality and the quest people have for deeper meaning in their lives (Penman *et al.*, 2013). To this end, this research seeks to expand the CE concept by providing important empirical insights into considering and facilitating spiritually relevant consumer (interactive) experiences, and hence to more meaningful living and well-being.

Figure 1: Extending the conventional tri-partite view



Conceptual Foundations

Consumer engagement

Recent marketing literature views engagement as a customer's motivationally driven, volitional investment of focal operant resources (including cognitive, emotional, behavioral, and social knowledge and skills), and operand resources (e.g., equipment) into brand interactions in service systems (Hollebeek *et al.*, 2016). This perspective focuses on the cognitive processing, affective, and activation dimensions of engagement and proposes a social dimension to reflect the customers' interaction with other individuals.

In an environment where consumers are confronted with evermore consumption options, the speed of obsolescence (Bartels *et al.*, 2012), and experience shallowness (Fırat and Dholakia, 2006), spiritually meaningful experiences and interactions become increasingly important (Zomerdijk and Voss, 2010). Indeed, "previous research suggests that consumers' behaviour is influenced by their **level of spiritual** development and commitment, and that it can be spiritually motivated" (Ulvoas-Moal, 2010, p. 917). Importantly though, spiritual engagement here does not refer to religious or church-related experiences, but rather addresses the 'special

connection' between a customer and a brand, firm or product/service. Each of these latter resources carries the potential for meaningful interactions and connections.

What is spirituality?

Spirituality typically evokes associations of religiosity, the two concepts—although intertwined—are not synonymous (Penman *et al.*, 2013). While religion is related to an organized system of beliefs and worship (Koenig, 2012), spirituality is broader and more closely aligned with philosophies concerning the meaning of life, humanity, and relationships (MacKinlay, 2003, Carroll, 2007). In this sense, "spiritual individuals are acutely aware of their own mortality and they seek to create a sense of meaning and purpose in their lives" (Koessel, 2011, p. 15)

Spiritual engagement

While "**spirituality** is an important factor in motivating consumption" (Skousgaard, 2006, p. 294), a definitive conceptualization of spiritual engagement is lacking. Previous research considers spiritual engagement to be akin to a personal transformation, an expression of humanitarian values, or participation in religious activities (Penman *et al.*, 2013).

Areas of psychological research, such as studies of mindfulness and various therapeutic interventions (e.g., Kristeller 2010), consider spiritual engagement to be a mechanism for personal transformation, in which spiritual engagement refers to a personal experience of the divine or sacred. Organizational behavior literature has also acknowledged that people increasingly desire spiritual experiences not only in their personal lives but also in their work environment (Ashmos and Duchon, 2000). The notion of spirituality in the workplace focuses on the inner life of employees. It is characterized by experiencing a sense of purpose and meaning in work along with a sense of connectedness to one another and to the workplace community (Marques *et al.*, 2005). Given that across disciplines, spirituality represents the activities an individual undertakes to achieve transcendent and meaningful goals, such as interconnections with others and the individual's own inner potential (Zinnbauer *et al.*, 1999), we define spiritual engagement *as an actor's disposition towards and the integration of resources in interactive experiences that facilitate an actors ability to connect with, make sense of, and work towards the betterment of self and the ecosystem.*

Method

Our research problem required an investigation of consumer interactions with multiple actors, calling for a phenomenological approach. In terms of philosophical assumptions, this approach derives from the work of Husserl (1970), particularly with respect to the investigation of the actors' lived experiences (Creswell, 2007). As experience is built through interactions with other actors, it offers an arena for the exploration of how consumers strive to achieve meaningful living and well-being.

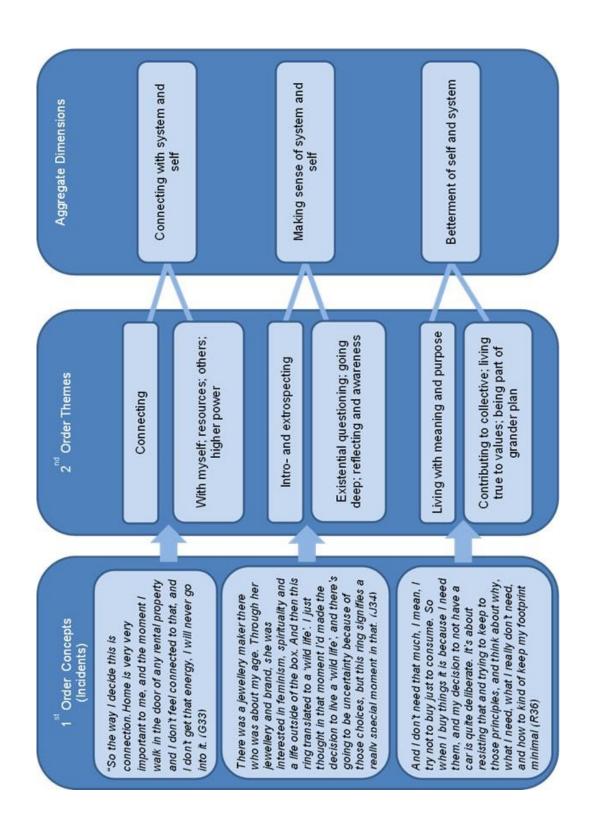
We adopted a qualitative approach based on depth interviews with 41 consumers and 10 experts in the field of spirituality. Interviews were conducted over a period of 18 months and each

interview lasted between 40 and 120 minutes. The majority of informants was female, and all were aged between 21 and 65. We developed our sample by first approaching personal contacts who referred potential informants. We then expanded the sample through "snowballing," which is useful for investigating topics where social systems and networks are a key feature (Corbin and Strauss, 2008). An inductive approach to the data analysis was applied and, following the procedure suggested by Gioia *et al.* (2013), the interview data were analyzed in three distinct steps to build an increasingly detailed understanding of the data and emerging themes and to develop a graphical data structure to help focus our theoretical rationalizing (see Figure 2).

Findings and Implications

This section presents three examples from our data. The examples, illustrated in figure 2, serve to demonstrate how consumers engage with focal resources in a way that embodies connection to self and others, considers sense-making and finding one's place in the world, and enables deeper meaning and purpose in consumption contexts. In this sense, resources provide the platform for a 'special connection' as our interviewees described it, that have the power to provide transcendental experiences (e.g. 'touching one's soul') that go beyond the rational, emotional and physical realm. While human engagement is emerging into a central topic across management, marketing, and psychology research, to our knowledge, this is the first empirical exploration of customer spiritual engagement. We have shown that this phenomenon is emerging as a distinct and important aspect of consumer experiences. This goes beyond the previously identified cognitive, emotional and behavioral dimensions. As such, this paper contributes to extant CE literature by extending our empirical understanding of CE, and in doing so building the foundation for much needed research that provides a richer account of human experiences. Managerially, this research provides important insights into considering and facilitating spiritually relevant interactive experiences directed toward more meaningful living and consumer wellbeing.

Figure 2: Data structure example



Conclusion

While spirituality is well established in the fields of psychology and sociology, e.g. Maslow's (2013) theoretical development from self-actualization to self-transcendence, this movement has not yet gained recognition in marketing literature. While the large majority of extant CE research has focused on the three dimensions, this paper argues that an essential element of human engagement has been overlooked in marketing research to date: spiritual engagement.

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EXPLORING THE PRACTICE OF COLLABORATIVE CONSUMPTION

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Introduction

This paper focuses on peer-to-peer (P2P) exchanges facilitated by online sharing platforms, among actors who cocreate value in a quasi-commercial context. The recent advent of P2P exchange of services through online platforms enables the monetisation of underutilised assets for peer-providers, and more cost-efficient, convenient, and eco-friendly alternatives to traditional modes of consumption for peer-consumers. One example is the digitalisation of the old practice of hitchhiking. Thanks to technological developments over the last 15 years, "hitchhikers 2.0" can find a ride online by using ridesharing platforms such as BlaBlaCar or Zimride.

The contemporary sharing economy phenomena include various forms of access-based service provision, as well as pseudo-sharing and collaborative consumption practices which allow temporary access to products, for a fee or for free, without transfer of ownership (Bardhi and Eckhardt 2012; Belk 2014; Benoit et al. 2017). Some individuals engage in *true* sharing practices within closed social circles (e.g. friends and family), while others engage in P2P exchanges with a commercial or even entrepreneurial mindset. For instance, a potential use of collaborative consumption practices is to gain access to new products, brands or places otherwise financially inaccessible (Herbert and Collin-Lachaud 2017). Thus, there seems to be differences in magnitude in collaborative consumption, and not one unique way to participate. In light of practice theory, it is the consumers' and the organizations' practices that influence how P2P and B2C markets are shaped (Kjellberg and Harrison 2007).

This study explores the quasi-commercial context of P2P exchanges in order to understand what platform users do when performing a collaborative consumption practice, and to what extent the differences in procedures, understandings, and engagement with the practice by its actors lead to different styles of collaborative consumption.

Theoretical Foundations

This paper reviews the relevant literature on access-based services (B2C market-mediated exchanges; see Bardhi and Eckhardt 2012), sharing (socially-mediated mechanism; see Belk 2010), and collaborative consumption (P2P market-mediated exchanges: see Benoit et al. 2017). That is, the access paradigm is about offering nonownership services to consumers driven by self-interest and utilitarian motives so that they can benefit from sequential use of the same product (e.g. commercial on-demand car rental). In contrast, sharing does not involve a transfer of ownership, nor an exchange of money as this practice is embedded in pro-social and communal relationship norms (e.g. car sharing among friends and family). Eventually, collaborative consumption is P2P exchanges between private individuals acting as peer-providers or/and peer-consumers, which is facilitated by an online platform (e.g. P2P private car rental). A deeper understanding is required about what peer-consumers and providers do

when they conduct P2P exchanges (not B2C or B2B), impregnated with both social and economic writs and involving both online and offline exchanges. In order to do this, this paper's theoretical framework is rooted in practice theory.

Through practices, consumers are not conceptualised as passive actors, but as active producers of a culture. As "brand community members" or "market actors", consumers participate in each other's practices, thereby influencing one another and shaping communities and markets (Kjellberg and Helgesson 2007; Schau et al. 2009). To investigate the practice of collaborative consumption, this paper relies on Schau et al.'s (2009) practice analogy: (1) procedures, or "explicit know-that," rules, principles, precepts, and instructions; (2) understandings, or "tacit know-how" about what to say and do; and (3) engagements, commitments, or emotionally charged ends and purposes. Furthermore, the body of studies on the sharing economy and collaborative consumption indicate that consumers adopt a particular style of practices. A practice style is defined as "a specific styling of a practice that orders and roots the service system in a particular value creation effort" (Chandler and Chen 2016, p. 823). Therefore, this paper argue that collaborative consumption can be performed in various styles according to the individual's engagement, understandings and procedures of the practice.

Methodology and Findings

The context of the study is long-distance ridesharing (i.e. *carpooling* in the US), where platform providers like BlaBlaCar or Zimride facilitate interactions between drivers with otherwise empty seats on a pre-existing trip, and passengers who need a transportation option on part of, or the entire trip. Ridesharing dates back to the 1970's, and it does not include chauffeured vehicles (i.e. transportation network companies, or taxi services) as passengers contribute monetarily only to share travel expenses, not to remunerate the driver. Data collection was conducted using participant observations, ethnographic interviews, and a netnographic study of digital artefacts. The participant observations consist of rides offered to passengers in Germany, Belgium, France and the Netherlands (2500 kilometres), as well as online interactions with other platform users. The interviews were performed with 11 passengers of the shared rides. The netnography predominantly reveals how the ridesharing practice has evolved since its early days, both from the perspectives of the platform managers and its users.

Using practice theory, 10 ridesharing activities were identified in the mixed dataset of field notes, fragments of online forum posts, and interview data: creating a profile, posting a ride and reserving a seat, coordinating, driving, exchanging monetary compensation, exchanging opinions, relaxing, snacking, saving and earning money, and rating peers. The procedures of the ridesharing practice include signing up online, coordinating meeting points, exchanging journey details, being courteous and respectful towards others, driving safely and obeying traffic rules, providing the agreed-upon monetary compensation, and reviewing the experience through peer-ratings. The understandings of ridesharing as a practice include establishing social relationships, collaboratively reducing environmental impact, and sharing travel costs. The emotional engagements with ridesharing vary from an attachment to the sharing and original ridesharing ethos as a pro-socio-environmental movement, to a commercial and professional orientation.

The variation in the performance of the ridesharing practice (i.e. in terms of procedures, understandings, and engagements) across participants lead to the distinction of three styles of collaborative consumption: communal, conspicuous, and opportunistic collaborative consumption. The communal style of collaborative consumption is close to *true* sharing, altruism, and generalised reciprocity with a pro-social orientation and centred around community values Conspicuous collaborative consumption is performed by individuals who seek status and convenience in the access economy, following a lifestyle trend, with minor commercial interests. The opportunistic style of collaborative consumption is adopted by individuals who seek to achieve monetary gain or personal benefits from abusive practices, regardless of the authentic sharing culture and norms.

Discussion and Conclusion

This paper's main contribution lies in nuancing the conceptualisation of collaborative consumption as an alternative mode of consumption. Such nuances in how platform users exchange P2P services build on and contrast previous studies on the access economy, propose a more relevant framework for future studies to depict what aspect of the phenomenon is in focus, and aid characterise collaborative consumption as a form of socio-economic exchange, distinct from B2C access-based services and *true* sharing. That is, it contributes to the framing of the access economy as not *true* sharing, but not pure commercial exchanges either.

By taking a phenomenological approach on collaborative consumption, this study adds to the understanding of the access economy as embedded in both a utilitarian/commercial economic system, and a non-market/communal social system, which are not incompatible. The novel use of netnography and participant observation provides original data that methodologically advances service research to the access economy. Eventually, this paper adds to the limited research on misbehaviour (Schaefers et al. 2016). The opportunistic style of collaborative consumption, strongly embedded in a commercial logic, had not been previously identified in the literature.

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Customer Engagement in Social Network Brand Communities: Drivers and Impact on Brand Loyalty

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Introduction

Customer engagement (CE) is a new key in marketing research. Social media gives customers "empowerment" to connect, to share and to engage online with other customers, as well as with brands, and Social Networking Sites (SNS) have become an ideal tool to establish engagement between brands and customers (Dessart et al., 2016). The growing potential of SNS leads companies to invest increasingly on virtual communities and CE. The number of e.g. likes, shares and comments provides a proxy metric of CE in these communities; yet, organizations do not fully understand whether members are really engaged with and loyal to the brand, and what causes them to become fans in the first place. As such, it becomes important to understand what leads customers to adopt certain online behaviours and the motivations behind them, in order to develop customer-oriented strategies. However, scholarly understanding of the nature and dynamics characterizing consumers' engagement practices in virtual brand communities is limited to date (Hollebeek et al., 2017). Previous studies are still not clear on the motivations that drive different Social Media Engagement Behaviours (SMEB), and on its role in shaping brand loyalty. Moreover, studies on online engagement focus on specific, highly popular brand communities, and overlook the different levels of SMEB, from active to passive (Malthouse et al, 2013).

As such, the aim of this study is to understand the motivations underlying CE with social network brand communities (e.g. Facebook brand pages), to relate it with different types of SMEB, and to study its impact on brand loyalty. Based on the Uses and Gratifications (U&G) approach, and the Consumers' Online Brand-Related Activities (COBRA) framework (Katz et al., 1973; Muntinga et al., 2011), a comprehensive model of social media engagement drivers, behaviours and outcomes was developed. Five drivers (Identification, Information, Entertainment, Social and Economic benefits), active and passive SMEB (ranging from merely watching videos to posting content) and brand loyalty (focusing on positive attitude and brand recommendation) were considered.

Theoretical Background

The aim of this research is to study what drives customers to engage with virtual social network brand communities (e.g. Facebook brand pages), focusing on five specific drivers and on the impact that SMEB have on brand loyalty. Following the U&G approach, which focus on why and how individuals voluntarily select and use certain media to meet desires, social and psychological needs (Katz et al. 1973), researchers have identified several motivations for SNS use, with five of them standing out (Table 1).

Table 1. Drivers of Customer Engagament

Drivers	Definition	Authors	
Identification	Self-fulfillment needs, self-expression and self-awareness.	Jahn <i>et al.</i> (2012); Gummerus <i>et al.</i> (2012); Dholakia et al. (2014); Tsai and Men (2013); Chan <i>et al.</i> (2014)	
Information	Need of staying updated and profiting from others knowledge	Jahn <i>et al.</i> (2012); Gummerus <i>et al.</i> (2012); Barger <i>et al.</i> (2016); Shao (2009)	
Entertainment	Relaxation, enjoyment, and emotional relief generated by temporarily escaping from daily routines	Dholakia et. al. (2014); Shao (2009); Dolan et al. (2016)	
Social	Need of social fulfilment interaction and sense of belonging to a community	Gummerus <i>et al.</i> (2012); Jahn <i>et al.</i> (2012); Dholakia <i>et al.</i> , (2014); Barger <i>et al.</i> (2016); van Doorn <i>et al.</i> (2010)	
Economic benefits	Expected monetary gains	McAlexander et al. (2002); van Doorn et al. (2010); Chan et al. (2014); Dolan et al. (2016)	

CE has been defined as a customer's cognitive, emotional, behavioural, co-creative investment in a specific brand/firm's interactions (Brodie et al., 2013). The idea of CE captures a variety of non-transactional behaviours which result from motivational drivers (van Doorn et al. 2010; Dessart et al., 2015) and have become increasingly important as consumers can easily interact with other consumers and brands through social media (Dolan et al., 2016). In this study, we adopt the behavioural approach to CE, considering different levels of activity (Tsai and Men, 2013) for a more complete perception of users' engagement behaviours on brand SNS pages. Consumers' brand-related activities can be grouped into one of three dimensions (from passive to active), namely consuming, contributing and creating (Muntinga et al., 2011). Consuming covers the minimum level of engagement in brand-related activities, such as viewing, reading brand-related posts, without actively participating. Contributing, the middle level of engagement, covers both interactions with others or with brand contents, such as sharing information or commenting. Finally, creating, the highest level of engagement, relates to actively creating and publishing brand-related content, including writing articles, brand-related reviews, uploading personal photos or videos and using hashtags.

Attention will thus be given to the following hypotheses:

H1: The need for information, identification, entertainment, social and economic benefits influence CE with virtual brand communities on Facebook, namely consuming activities.

H2: The need for information, identification, entertainment, social and economic benefits influence CE with virtual brand communities on Facebook, namely contributing activities.

H3: The need for information, identification, entertainment, social and economic benefits influence CE with virtual brand communities on Facebook, namely contributing activities.

H4: CE with virtual brand communities on Facebook has a positive impact on brand loyalty.

Results and Discussion

Data was gathered using a quantitative method approach, through an online survey, answered by 213 Facebook users, based on self-selected brand communities. The majority of respondents were women (57%) between 18 and 25 years old and mostly use Facebook daily or weekly (+75%), dedicating between 30 minutes and 3 hours per day. The Facebook brand pages chosen include e.g. football clubs, Nike or Zara, reaching over 180 different brands, thus enhancing external validity. The main activities developed by respondents on Facebook brand pages were reading, listening, viewing and pressing the "like" button. These results corroborate previous research according to which only a small fraction of members actively engages in Facebook brand pages (Shang et al., 2006; Gummerus et al., 2012), while the majority passively browses the page, without making any substantial contribution.

In order to test research hypotheses, an EFA was conducted. Five drivers were confirmed, while only two distinct SMEB were identified: posting (active) and lurking (passive), which led us to change the original hypotheses accordingly. Composite measures of identified factors of both motivations and behavioural dimensions demonstrated good scale reliability according to accepted standards (Hair et al., 2010).

Regarding lurking behaviour, findings indicate that all drivers are significant, while for posting activities, only Social and Economic benefits emerged a significant drivers. H1 is thus validated and H2 partially validated. Regarding passive behaviour, Information had the highest impact (β =.376). Consumers that mainly read posts and follow the brand on do so essentially for informational needs such as to seek opinions and the latest updates. Regarding posting activities, Economic benefits were the strongest driver (β =.333). For a consumer who actively participates, to get a "special" remuneration for performing a certain behavior (e.g. sharing) is a good reason to actively engage in brand-related activities.

The need for Social interaction was considered the second most important motivation underlying both behaviours ($\beta(\text{lurking})=.246$; $\beta(\text{posting})=.270$). This driver refers to the need to connect with friends and family, and to interact with brand pages' in order to feel part of a social group and to discuss with other people with similar interests. This also proves that Facebook interactive attributes offer customers a dynamic environment to develop brand community conversations and activities (Tsai and Men, 2013). Though exhibiting less predictive power, the need for Entertainment and Identification were also found as significant drivers ($\beta=.160$ and $\beta=.174$, respectively), but only for passive engagement behaviours.

Finally, H3 aimed to analyze if CE with virtual brand communities has a positive impact on Brand Loyalty (Gummerus et al., 2012; Cheung et al., 2012; Alexandrov et al., 2013; So et al., 2016; Phua et al., 2017). Results show that both behaviours are significant predictors ($\beta(\text{lurking})=.223$; $\beta(\text{posting})=.310$). Thus, H3 was supported. According to our study, active behaviour has a greater impact than passive behaviour. Research has been inconclusive on this matter: though some studies found a positive correlation between active participation and brand loyalty (e.g. Royo-Vela and Casamassima, 2011; Jahn et al., 2012; Munnukka et al., 2015; Tsiotsou, 2015), others indicate that lurking behaviour might be more strongly correlated to brand loyalty than active participation (e.g. Shang et al., 2006). We conclude that creating and

having a more interactive role on Facebook pages contributes more to loyalty than just reading posts, watching videos or pressing the "like" button.

The study also reveals that CE explains 13.4% of brand loyalty variability, which is a reasonable result given that Facebook brand pages are not the only factor influencing consumer-brand relationships (Jahn et al., 2012). On this regard, the truth is that "little is known, about the brand loyalty of Facebook Fans" (Wallace et al., 2014, p.95). These results indicate that though other determinants of brand loyalty exist, social media also plays a role.

Conclusion

The study concludes that the drivers for passive (lurking) and active (posting) engagement behaviours differ and that these were, mainly and respectively, Information and Economic motivations. Moreover, Facebook users tend to exhibit more lurking than posting behaviours, with the latter contributing more to brand loyalty than the former.

Theoretically, this study contributes to bridge a gap in the literature, since research on online CE, its drivers and its role in shaping brand loyalty is still lacking and is largely conceptual. From a managerial perspective, this study presents insights to brands holding virtual communities, particularly on Facebook, helping them to define customer-oriented strategies. Finally, by proving the positive impact of SMEB on brand loyalty, this study provides evidence that Facebook communities are viable and relevant tools for brands increasingly investing time and money in SNS. However, our study focused on a single SNS and used a convenience sample, and thus generalizations should be handled with care. Finally, future research could study other CE drivers, dimensions and outcomes and compare different brand categories.

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1F Customer Experience I

ON THE DEFINITION OF CUSTOMER EXPERIENCE: REPACKING OLD CONCEPTS?

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Introduction

Customer experience (CE) can be considered a hot topic in current marketing literature and practice. It has been considered a Marketing Science Institute research priority since 2010. These priorities not only reflect practitioners' problems, but also shape researchers' choices. Despite the increasing number of publications about CE, to date, its definition is subject to debate. What is CE? How does it differ from other concepts, such as value, satisfaction or perceived quality? This paper has two goals. The first is to analyze how CE has been defined in marketing literature. The second is to propose a definition of CE and explains how it differs from related concepts, particularly value, perceived quality and customer satisfaction.

Method

To achieve the goals, I conducted a systematic literature review of experience in marketing literature, following traditional guidelines (e.g., Booth et al., 2012). First, before conducting the systematic literature review, I read 43 articles. Second, I searched different types of expressions for experience (e.g., customer, consumer, service experience) on EBSCO and Science Direct databases that had to be present in the title, abstract or keywords. I restricted the choice to peer-reviewed journals, articles in English, resulting in 1769 articles. Third, I excluded repeated articles, editorials, comments and non-peer-reviewed articles, resulting in 698 articles. Fourth, I further excluded non-relevant articles using three criteria: a) experience had to be one of the central focuses of the article; b) B2C context; and c) the article had to present a definition or characterization of experience, resulting in 142 articles.

Fifth, each article was read twice. In the second time, the definition of experience, the characterization, method, etc. were coded in a codebook. Sixth, each definition was read and classified according to its defining characteristics (i.e., an outcome, assessment, response, service per se). This categorization was both deductive (after reading all the articles more than once I had an idea about the several types of definitions) and inductive (new categories I did not have in mind emerged in this step). Seventh, these categories were grouped according to their similarities.

Results

3.1 Definitions of CE in marketing literature

Five types of	definitions	of CE were	found ((Table 1).
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Type of definition		Description	Percentage
Experience reaction	as	Experience is defined as a response to, reaction to, perception of, or mental state derived from a service, purchase or consumption situation.	53.4%
Experience interactions	Interactions the clistomer undergoes during a		19.2%
Experience assessment			14.4%
Experience service	Including the service personnel, servicescape and		7.5%
Experience as offering			5.5%

The most common definition of CE describes it as responses or reactions that emerge in the service, purchase or consumption process. Usually, these definitions portray experience as multidimensional, composing of emotional, cognitive, sensorial, behavioral and relational responses (e.g., Brakus et al., 2009). Also in this group there are those who define experience as a perception of, interpretation of, or mental state derived from a service, purchase or consumption situation. In these studies, the experience is considered subjective and individual, commonly triggered by company-related stimuli.

The second most common definition describes experiences not as responses to interactions with multiple actors (often the company or the company elements), but as the interactions per se. In some of these definitions, the authors state that these interactions create customer's emotional, cognitive and behavioral responses (e.g., Edvardsson et al., 2005). At first, these two groups of definitions can seem very similar, but in the first case, the interactions with a service provider can be considered one of the antecedents of CE (the responses), while in the latter, the interactions are the CE, which causes responses.

The third group defines CE as an assessment, evaluation or outcome of a service, purchase or consumption situation. Here, measures such as service quality and satisfaction are often used as a proxy for CE (e.g., Ngobo, 2005). Therefore, this definition seems to involve a more calculative, cognitive aspect than a reaction. It could be argued that the cognitive dimension in the first group could be an assessment. However, the cognitive dimension involves a reaction instead of a calculative assessment (e.g., curiosity).

The last two groups define CE as the service provision per se, containing elements such as the servicescape, interpersonal interaction and other customers (e.g., Grove & Fisk, 1992)

or a type of offering, where the extraordinary, hedonic experience is created by the company and delivered to the customers (Pine and Gilmore, 1998).

3.2 Proposed definition of CE

There are many discussions in academia questioning whether CE is a different concept or it is only an old concept with a new package. The answer to this question depends on the adopted definition of CE. In this database of articles, many authors defined CE similarly to other concepts, such as service encounter, service, satisfaction and service quality.

Service encounter is commonly defined as the period where the customer and a service interact directly, including elements such as interactions with the service personnel and servicescape (Shostack, 1985). Perceived service quality is defined as a global attitude or judgment about the superiority or excellence of a service and its elements (e.g., responsiveness) (Parasuraman et al., 1988). Oliver (2010) defines satisfaction as the judgment of whether a characteristic of or the product/service per se provided a certain level of pleasant consumption. Perceived value has traditionally been conceptualized as the difference between the benefits and costs of an offering. More recent views on value-in-use, however, conceptualize it as an improvement in the customer's well-being (Vargo & Lusch, 2012). Therefore, Table 1 shows how these concepts overlap with current definitions of CE.

Related concepts	Overlap with definition
Service encounter	Experience as service or experience as interactions
Service quality	Experience as assessment
Satisfaction	Experience as assessment
Perceived value	Experience as assessment
Value-in-use	Experience as assessment

Therefore, conforming to the most common definition adopted in the literature, this paper proposes that CE be defined in terms of responses and reactions to elements in a customer or consumer journey.

Conclusion

In this paper, I identified the main definitions of experience in the literature and proposed a definition that differs from related constructs. CE is defined as responses or reactions to elements in a customer journey. Although the proposed definition is not new, it is necessary in light of the several controversies around this construct. In this paper I strongly highlight the reaction, spontaneous component of the CE. For instance, Lemon and Verhoef (2016), contrary to this paper, suggest that satisfaction could be considered part of the cognitive

dimension of CE, while service quality could be considered an antecedent. I argue that first we experience, only then we evaluate.

By defining experience as a reaction, many implications can be drawn. First, a reaction can be considered spontaneous, involuntary. Therefore, in conceptual models, these reactions would be considered antecedents to evaluative concepts, such as service quality and satisfaction, which can be considered more deliberate. On the other hand, stimuli from the company (e.g., elements in the service encounter) can be considered antecedents of the CE. Second, having a single and clear definition allows this literature to move forward, for instance, by allowing meta-analyses on the antecedents and consequents of CE.

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Creating positive emotional customer experience in luxury hotels

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Importance and Key Contribution

Customer experience is considered as customers' multidimensional responses (e.g., cognitive, emotional, behavioural, sensorial, and social) to service interactions with a service provider during the production and consumption journey (Lemon and Verhoef 2016). Many studies have focused on the cognitive aspect of customer experience related to service quality, customer satisfaction and subsequent behavioural intentions (Edvardsson 2005). Relatively, emotional customer experience (ECX) and its influential factors have not been fully explored (De Keyser *et al.* 2015). The impact of ECX on customer satisfaction, behavioural intentions and loyalty is particularly significant in the hotel industry (Ladhari 2009). For example, Crosby and Johnson (2007) suggest that the failures of hospitality services are often caused by a lack of attention to ECX.

In addition, the wide range of hotel services and various interactions among multiple actors often involve complex influential factors of ECX such as service environment and human interactions. ECX is also subjective, accumulated from previous experience and socially constructed by customers' social environment (Helkkula *et al.* 2012). This complexity warrants a holistic exploration to obtain a better understanding of ECX in improving service in the hotel industry.

Research Questions

This study explores ECX and the influential factors in order to improve services and create positive ECX in the hotel industry. To achieve this, the following research questions focusing on customers' hotel stays are identified:

- 1. How do the interactions between customers and service providers affect ECX?
- 2. What are the key influential factors that affect ECX?

Theoretical Foundations

ECX is evoked from cognitive evaluations of service interactions with service providers, which may lead to certain behavioural responses (e.g., a disappointed customer decides to spread negative WOM; Bagozzi *et al.* 1999). Particularly, when making hospitality purchases, potential customers often heavily rely on online reviews and eWOM (Solnet *et al.* 2010). This tendency of customer behaviour emphasizes the importance of ECX in the hotel sector.

Emotions are natural and fundamental attributes in hospitality experience in comparison to other service experiences (e.g., retailing; Walls 2013). Negative emotions have more significant impacts on the evaluations of service quality than positive emotions (Wong 2004).

Different types of emotions are triggered by certain services. For example, health services evoke both positive (e.g., comfort) and negative (e.g., worry) emotions while hospitality experience are expected to be pleasure (Pullman and Gross 2004). Certain emotions (i.e., pampered, relaxed and sophisticated) have greater influence on customers' decision-making process and loyalty in luxury hotels (Barsky and Nash 2002). ECX typologies and their impacts on behavioural intentions could be varied depending on the contexts. To explore different emotions and how they affect ECX, the present study borrows 'Consumption Emotion Set' (CES) developed by Richins (1997). CES provides a set of emotions experienced directly from product consumption and it has been widely adapted in many consumer behaviour studies (e.g., Surachartkumtonkun *et al.* 2015). However, emotions evoked during service interactions are not thoroughly captured (Huang 2001). Combining customer emotions in hospitality context (e.g., Jang and Namkung 2009, Jani and Han 2015) and CES provide a comprehensive set of customer emotions for exploring emotion typologies.

Customer experience in hotels is affected by two dimensions: the physical environment and human interactions (Walls 2013), which are referred as 'emotion triggers'. Customer experience is also constructed by situational factors in customer context such as customers' personal characteristics and trip-related purposes (Walls *et al.* 2011), which are called 'emotion constructors'. Pine and Gilmore (1999) emphasise that the service context (i.e., servicescape, service encounters) should consistently engage customers with all five senses in order to create positive ECX. Facility aesthetics, ambience, and interactions with employees have been highlighted to have significant impacts on ECX (Ryu and Jang 2007). Although emotion constructors are beyond the control of service providers, they have important implications on ECX. For example, cultural influence has been underscored as an important element, which shapes ECX in hospitality context (Torres *et al.* 2014). Current literature highlights the need for a holistic assessment of ECX from both service and customer context in order to create a positive ECX.

Methodology

In this study, netnography (i.e., online ethnography) is used to observe ECX in a natural and unobtrusive setting (Kozinets 2010). Thematic analysis is then performed to explore the phenomenon through the interpretation of 1063 TripAdvisor customer reviews of ten luxury hotels in Dublin (Berezina *et al.* 2016).

Findings and conclusion

This study makes one of the first attempts to capture customer emotion typologies and identify associated triggers and constructors by undertaking a netnography study on customer reviews. Three key dimensions with sub-categories of ECX are illustrated: (1) five emotion typologies; (2) four emotion trigger categories; (3) three emotion constructor categories. The better understanding of ECX provides unique insights into service improvement to create positive ECX. Key emotion triggers and constructors are identified as important aspects for improving existing services. Four personas which describe different customer segments and

needs are developed for new service development with the special focus on ECX. The analysis shows that customers tend to demonstrate those emotions evoked by critical incidents and neglect those low intensity or less relevant emotions (e.g., peacefulness, romantic love) while writing a review. However, customer reviews are highlighted as a key source of timely understanding customer experience. The findings can also be applied in other hospitality context.

Keywords: emotional customer experience, emotion triggers, emotion constructors, hotels

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Understanding the Customer Experience in Luxury Services: The Case of Ethical Tourism

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Introduction

In spite of the extensive literature on luxury marketing, our understanding of what constitutes luxury and "how luxury is defined by consumers" (Kapferer & Michaut, 2015, p.3) is limited. There is a need to consider the experiential aspects of luxury beyond "having and owning" towards "being and doing" (Roper, Caruana, Medway et al., 2013, p.387). However, studies so far have concentrated largely on a product-orientation associated with prestigious brands of high symbolic value (e.g., jewelry and clothing) (Vigneron & Johnson, 1999) resulting a portrayal of luxury as "stable and predetermined" (Seo & Buchanan-Oliver, 2017, p.2), which fails to recognize that luxury brand meanings are consumer-centric and experiential in nature. As such, important questions are raised about how consumers creatively constructing meanings through their experiences of luxury (Tynan McKechnie & Chhuhon, 2010), which are subjective, personalized (Roper et al., 2013) and contextualized.

This paper concentrates on how consumers *experience* services in an ethical tourism context. Tourism services are highly experiential and meaning-laden at individual and collective levels and there has been a growth in high-end ethical luxury tourism offerings in particular (Pattullo & Minelli, 2009). While luxury consumption is considered to be somewhat at odds with ethical practices (see Kapferer, 2010) and the existence of an ethical-luxury market placed under scrutiny (Davies, Lee & Ahonkhai, 2012), there is a growing recognition of the need for luxury brands to engage with the sustainability agenda and demonstrate their commitment through social and environmental excellence (Hennings, Wiedmann, Klarmann et al., 2013). Our research aims to contribute to the service marketing literature by developing a theoretical account of an idiosyncratic, customer-grounded view of how customers experience services. We address the following research question: How do customers construct meanings through their experience of services in our chosen context?

Theoretical Foundations

Defining luxury

Roper et al. (2013, p.378) claim that luxury is a "contestable, fluid concept". Many products vary in terms of their luxuriousness based on perceived exclusivity and rarity (Roux & Floch, 1996). According to Kapferer and Bastien (2009) rarity is no longer a defining feature of luxury as luxury goods are widely available in the marketplace due to the "bandwagon effect"

resulting in the democratization of luxury (Williams, 1982) and masstige (Silverman, Fiske & Butman, 2008). Thus, a greater sense of "abundant rarity" is needed where "feelings of privilege are attached to the brand itself, seducing through its experiential facets" (Kapferer & Florence, 2016, p.120). It stresses the importance of the experiential nature of luxury emanating from "feelings of exclusivity rather than actual exclusivity" (p.121) based on perceived levels of experiential quality (Garfein, 1989) or a greater sense of authenticity (Beverland, 2006). Here emphasis is placed on "substance" rather than the "symbol" (Kapferer & Bastien, 2009, p.21) and refers to what is experienced, the meaning and quality of the experience and how this is interpreted by customers (Carù & Cova, 2003). Nonetheless, the meaning of luxury from an experiential perspective remains debated (Tynan et al., 2010).

Ethical luxury and tourism

Ethics-related tourism experiences tend to be perceived as frugal in nature and often placed at the low-end of the continuum in terms of luxury or convenience. Bendell and Kleanthous (2007, p. 2) claim that luxury brands "have both the opportunity and the responsibility to promote sustainable consumption", yet ethical consumption practices are considered acts of compromise due to conflicting hedonic and environmental concerns (Malone, McCabe & Smith, 2014). Thus, ethical imperatives are perceived to conflict with luxury motivations due to images of excess, self-pleasure and egoism. Some studies concentrate on the growth of ethical luxury hotels (Low, 2010), however, this perspective anchors ethical credentials on the tangibles of the service setting and overlooks aspects of the holistic consumption experience (Tynan & McKechnie, 2009).

Methodology

Adopting a phenomenological approach, data was collected in two ethical luxury sites in Kenya identified by UK ethical charities and NGOs. 12 in-depth interviews (60-90 minutes each) were carried out with self-defined ethically motivated consumers of ethical luxury tourism services provided through projects run by Masai Mara communities (6 at each site). A part-to-the whole and the whole-to-the-part iterative approach was used to analyze the data (see Thompson 1997).

Findings:

In this paper, two *illustrative* themes are presented based on Dubois, Laurent and Czellar's (2005) facets of luxury.

Excellent Quality: Ethical Luxury as a Sense of Place

Liam articulates the importance of the experiential qualities of his ethical tourism stay stemming from a sense of place as central to his perception of luxury. For instance, he talks about the importance of engagement with the local Masai, who run the camp, and demonstrates

how this experience makes him feel: "they (the Masai) make you feel that you're a part of a family to them. You are not just a tourist that you paid to come to this place; you actually are someone who has visited them. You are like a visitor to their house rather than a paying customer, which I think there is a massive difference between the two". Liam's experience surpassed his expectations of luxury offered there: "you'd expect a small tent with a sleeping bag and maybe some cold water somewhere. Well this was nothing like that, it was really, really nice showers, hot running water and a really nice bed to sleep in and it was really nice ... It was very much a higher level of comfort from what I expected it to be". He echoes Kapferer and Florence's (2016) need for luxury customers to experience feelings of privilege wherein his perception of ethical luxury stems from beauty and rarity (Kapferer, 2010). Here beauty and rarity are reified by the natural setting, the unspoilt environment and engagement with the local tribe. Similarly, Ann highlights her sense of luxury as reflected in how she feels due to her perception of an authentic sense of place: "I feel that this is more similar to the way they live (the Masai) ... the showers were hanging from the trees and I actually loved it. It was such an experience and we were just out in the wild ... I don't know where else I could stay in a place like this, it's just a completely different experience. It's very authentic and just really includes nature in the setup".

Superfluousness: Ethical Luxury as Time and Experience

The superfluous nature of luxury goods places them antithetically to the principles of sustainability. However, spending time superfluously is central to ethical practices (e.g., the Slow Movement; Heitmann et al., 2011). Here, time is not spent idly or wastefully, but it is necessary in terms of facilitating an appreciation for the local environment. It also allowed the participants' the pleasure of reflecting on their experiences outside of their everyday time-poor lives. Diana's narrative implies the need to spend time superfluously as central to her ethical experience and also as key to her sense of wellbeing: "... It was just an amazing experience for me. I liked the fact that there are only, what, six tents there. It was nice and I kept saying, "Oh my gosh, I feel rich, I feel rich." There was nobody else there ... It was very exclusive ... It was the best vacation that I've ever had. It was the most relaxed that I've felt in years. Just relaxed. Even when we were walking, just looking at nature, it was just unbelievable, sitting watching the sunsets, the stars. I can't even imagine going someplace else. Our experience was so serene, it gave me a chance to sit and reflect upon my life and I truly believe that my stay at the camp has really helped me gain focus into my life and make to think about changes in my life, to discover what's really important in life, as opposed to the monetary part. ...the way it's (referring to the camp) built, it just seems so part of nature, it just seems one with nature... I like to say it was medicine for my soul". Diana appreciates the camp's ethical orientation and she expresses feelings of exclusivity due to such efforts. To spend time superfluously is a necessary luxury for Diana as it not only helped her gain perspective but also allowed her the time to prioritize what matters on a personal level.

Discussion and Conclusion

This paper demonstrates how luxury is experienced when underpinned by ethical priorities. It is characterized by a re-interpretation of what a luxury experience is and how, in an experiential setting, it is defined by a sense of place, its rarity and beauty. Further, we demonstrate how time spent superfluously is a necessity in terms of contributing positively to ethical luxury consumption experiences and to one's sense of wellbeing. Arguably time is spent superfluously in all vacation experiences, but in an ethical consumption context, time is core to realizing one's ethical priorities.

References Available on Request

1G Customer MisBehavior

Consumer Misbehavior in the Veterinary Service

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Introduction

Hutt (1940) challenged customer sovereignty first, with Lovelock (1994) coining toxic customer behaviour, as "jaycustomer behaviour". It denotes consumers who are rude, aggressive, excessively demanding or do not wish to pay for their transactions. It also includes customers who may cause physical damages to the organisation or its employees. The prefix jay- is an American slang term, which is used to indicate "stupid" or "impertinent" behavior, as well as people (Daunt, 2015). Thus jaycustomers are broadly defined as the ones who act irrationally or in a stupid fashion towards the organization, its employees and other customers (Lovelock, 1994). Acts may include stealing, shoplifting, violence, aggressive behavior, vandalism and verbal intimidation amongst others. This is collectively described as "misbehaviour, dysfunctional or deviant behaviour". The driving forces for such behaviours are believed to originate from motives relating to financial-gains, ego-gains (ego-boosting) or revenge issues (Daunt & Harris, 2012).

Popular terms used to describe such behavior have previously included (Harris & Reynolds, 2004): Deviant consumer behavior (Cox, Cox & Moschis, 1989), aberrant consumer behavior (Fullerton & Punj, 1993), consumer misbehavior (Tonglet, 2001), problem customers (Bitner et al., 1994), and inappropriate behavior (Strutton et al., 1994). Gabriel and Lang (2008) suggest that customers have the ability to evolve and mutate and thus manifest forms of unpredictable types of behavior especially during a critical incident. The aftermath of critical incidents (Flanagan, 1954; Roos, 2002), involving jaycustomer behaviour, can have either a positive or a negative outcome (Wong & Sohal, 2003) that affects the employee, the consumer and the organisation (Harris & Reynolds, 2003).

Hence, the purpose of this research is to gain understanding of the different jaybehaviours in a veterinary setting and their effects on organisation, customer and employee level. We investigate via critical incidents diary analysis, the manifestation of these behaviours in veterinary clinics and their effect on organisational, customer and employee level in an effort to provide insights to curb deviant behaviour and alleviate the negative consequences.

Jaycustomers typology

Lovelock (1994) and the work of Harris & Reynolds (2004) and Daunt (2015) provide the following jaycustomer types:

1) Rule breaker: When customer breaches the company policies (written/unwritten) and expresses behaviors deviating from the societal norms.

- 2) Thief/cheat: These have no intention of paying for a service or product. The category includes shoplifters or customers who use stolen credit cards or issue stolen cheques. The Cheats are customers who may fake insurance claims or try to get free services, i.e. in the hospitality it includes customers who may eat in a restaurant and leave without paying.
- 3) Vandal: Their behavior intentionally causes physical damage on the property of the organization. Such may include customers causing damages on furniture or equipment.
- 4) Family feuder: These engage in arguments with other customers or even family members.
- 5) Deadbeat: Customers who delay/fail to pay for services. The difference between the thief and cheat lies in the fact that this behavior is unintentional.
- 6) Belligerent: "The belligerent" includes customers who engage in serious arguments and appear aggressive towards service employees. This behavior could manifest either verbally or physically.

The outcomes of deviant customer behavior

Harris and Reynolds' (2003) findings suggest that the outcomes of critical incidents could have an impact on frontline employees (i), the customers (ii) and the organization (iii).

(i) The outcomes on frontline **employees** may range from psychological and emotional effects, to physical damage inflicted on the employee or its property. Aberrant customer behavior may be a source of negative psychological effects (Fullerton & Punj, 1993) with cumulative effect, altering the adaptive capacity of the frontline employee (Cohen et al, 1995) hurting the long-term welfare of employees. Such effects may appear years after the actual critical incident. These two forms are manifested as: "(a) sustained feelings of degradation" and "(b) stress disorders." (Harris & Reynolds, 2003). Post-Traumatic Stress Disorder (PTSD) could develop from such a catastrophic experience with symptoms of memory flashbacks causing the frontline employee to relieve the incident (Ehlers & Clark, 2000). Symptoms could persist for years (Perkonigg et al, 1995).

The types of emotional effects are: "(a) negative effects on the mood of the frontline employees (examples include frontline employees bursting in tears or having an urge to inflict physical damage to the customer)" and "(b) frontline employees faking emotions ("feigned emotions")". Emotional labor is a term used to describe the action of faking emotions to avoid clashes with customers. (Hochschild, 1983). Service organizations are more prone to have employees who fake emotions as a normal part of their work (doctors, nurses, other service providers and possibly veterinarians) (Botheridge & Grandy, 2002). Such employees may develop a "burnout syndrome" where they may feel emotional exhaustion, depersonalization and low productivity (Dorman & Zapf, 2004; Maslach & Jackson, 1981).

Frontline employees develop low morale, are unmotivated, and this in turn affects their overall performance (Harris & Reynolds, 2003). Rare and mild forms of jaycustomer behavior instead, have a positive effect helping team bonding amongst employees. In cases of acute or sustained jaycustomer behavior, the frontline employees may react or retaliate in a revengeful way (Harris & Ogbonna 2002).

Physical damages are observed on: a) people (frontline employees) or b) objects (personal property of the frontline employee) (Harris & Reynolds, 2003). There is evidence for the rising level of such violent incidents (Rose & Neidermeyer, 1999) leading to temporary or permanent physical scarring. They can also cause psychological damages. Serious critical incidents may require extra workload in dealing with them, such as when requiring the aid of the police, medical assistance or other legal action. The second form of such outcomes includes the destruction of private property resulting to financial losses (Harris & Reynolds, 2003).

(ii) **Customers** who bare witnesses to critical incidents may be affected in two possible ways. These include: a) Domino Effects and b) Spoiled consumption effects (Harris & Reynolds, 2003).

Domino effects are classified as either positive or negative. The positive form of Domino Effects is in the form of a cumulative sympathetic diffusion; such is when customers express their sympathy towards the employee who has been a subject to jaycustomer behavior. Sympathetic behavior is expressed towards the employee in the form of apologies, tipping, or even physical intervention (Harris & Reynolds, 2003).

The negative form, although uncommon, begins from a single jaycustomer. Above a threshold point, the jaycustomer acts as a contagion and that triggers witnesses in close proximity to behave in a similar manner. Studies suggest that new dynamics are formed within the system and aid in the escalation of the situation (Kowalski 1996).

Spoilt Consumption refers to customer's expenditure and consuming habits (Harris & Reynolds, 2003). Customers, who have witnessed critical incidents with jaycustomers, may feel dissatisfied with the service landscape reducing brand loyalty (Martin, 1996; Prim & Pras, 1999).

(iii) The outcomes of critical incidents affect an **organization** in two possible ways: a) direct financial impact and b) indirect financial impact (Harris & Reynolds, 2003).

Indirect financial consequences affect the organization due to (a) increased workload of employees (wasting time in dealing either directly or indirectly with a critical incident) and b) employee retention and recruitment difficulty (employees who wish to discontinue working for the organization or having difficulties in recruiting talent or other experienced individuals). This indirectly, may have a profound effect on market sales and lead to decreased profitability for the organization (Parasuraman & Grewal 2000). Critical incidents affect negatively an employee's job satisfaction. The cumulative effect of the outcomes of critical incidents may be a driving force for employees abandoning the organization leading to bad reputation of the organization as an employer. This leads to problems with increased rates of absenteeism or increased costs in recruiting personnel (Harris & Reynolds 2003; Bitner, 1992).

Direct costs arise from repairing property, increased insurance premiums, or from costs associated with compensations. Direct financial costs include dealing with illegitimate complains by customers and costs of stolen assets, such as compensating customers with discounts or free goods even if there is no actual harm done from the side of the organization (Harris & Reynolds, 2003).

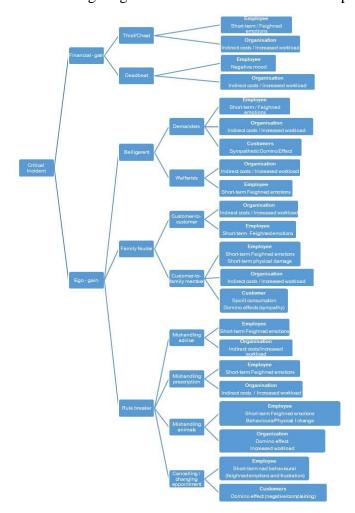
Methodology

For recording critical incidents, the Qualitative Diary Research (QDR) methodology was chosen (Zimmerman & Wieder, 1977; Alaszewski, 2006). The particular methodology is more suitable for providing insights about the relationship and interactions between customers and employees during the critical incident because the informant can record in a self-report diary what has been actually observed, along with thoughts (Taylor, 2003) and emotions (Patterson, 2005; Bolger et al, 2003). It is superior for recording and describing critical incidents than asking to recall on past experiences (Kvale, 1992).

Results

Diaries totalling 3015 incidents of jaycustomer behavior, have been recorded. Thematic analysis revealed the highest number of incidents to be 44 in a clinic, whilst the lowest was 15. All participants experienced jaycustomer behavior. The mean was approximately 26 incidents per entity during the four-month period. Around 73 clinics reported having between 20-30 incidents during the four-month period.

The following diagram summarises the results to be presented at the conference.



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The Haters Gonna Hate – Towards a Better Understanding of Consumer Roles in Online Bullying

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Introduction

Recent reviews on the state of the literature in digital marketing indicate a need for more research on 'the dark side of social media' (Ostrom, 2015, p. 139, 140; Yadav, 2014, p.32). In recent years, scholars have started to investigate aggressive consumer-to-company interactions where consumers attack a company or brand. Typical examples include online complaints and negative WOM where a dissatisfied consumer complaints to a company about a dissatisfying experience, or warns other about it (e.g. Gregoire, Tripp & Legoux 2009). An area that has so far been neglected in the literature are aggressive interactions that occur at the interpersonal, consumer-to-consumer (C2C) level (Husemann et al., 2015). We refer to this type of aggressive consumer communication behaviour in online environments as C2C bullying. In essence, C2C bullying involves a consumer who verbally attacks another consumer or consumer group in relation to a brand. Usually, an attack leads to a prolonged bullying episode where the attacked, and/or other consumers respond in kind.

To shed light on this form of "dark" consumer behaviour, our paper presents two studies which aim to understand what roles do consumers occupy during a bullying episode (RQ 1) and what characterizes their role and drives their role behaviour (RQ 2)? The answers to these questions give us insights to better understand the dynamics and motivation of online bullying and to find indicators for better brand community management.

Study 1 reports on a netnography of 13 communities to identify the different actors during a C2C bullying episode within an online setting. Using role theory (Solomon 1985) and recent findings from the bullying literature (e.g. Jennings 2012), a deductive thematic analysis reveals four types of roles that consumers dominantly occupy, namely bullies, victims, bully-victims and bystanders. A second, inductive analysis further indicates that a meaningful distinction can be made between bullying episodes where the interaction remains at a rather mild degree of aggression including jokes and teasing behaviours (soft bullying) and those where the degree of aggression is more severe including rude remarks and threats (hard bullying).

Based on the identified roles and degrees of aggression, Study 2 explores related differences between consumers in terms of their life orientation and the particular relationship they have with a brand, and general community activity. To this regard, we utilised an online survey of brand community users to understand the differences between consumer groups which help to structure and deepen our understanding of the C2C bullying phenomenon.

Study 1 – Understanding the different roles in consumer bullying

Following guidelines by Kozinets (2002), we observed 13 online brand communities related to fashion apparel and sports clubs for the period of three months. Incidents of C2C bullying were downloaded and subsequently two researchers independently analysed these in order to decipher the various roles that consumers might take on leading to a final set of 84 observed bullying episodes and 1,210 independent comments made.

We followed Fereday and Muir-Chochrane (2008) in using a hybrid approach to thematic analysis. In stage 1, we deductively analysed the C2C interactions in relation to the roles commonly suggested in the psychological literature on bullying. In stage 2, we inductively reanalysed the data set again with an open mind in order to identify emerging aspects that might complement themes from stage 1. The researchers then discussed areas of agreement, reorganized the themes where appropriate and finally arrived at four central roles that were further split under the umbrella of soft vs hard bullying incidents (see Lam 2013). Table 1 describes the identified roles and Table 2 illustrates excerpts for the two different degrees of aggression (recorded on the Faccebook fanpage of Dolce Gabbana).

Study 2 – Understanding the drivers and characteristics of bullying roles

An online survey was designed for the purpose of data collection. Scales were based on established measurement items from the Marketing and Psychology literature, using five-point Likert scales. To verify item comprehensibility and instrument consistency, we conducted two waves of pilot tests with online brand community users.

For the C2C bullying scale, we used Parada's (2000) Adolescent Peer Relations Instrument (APRI) and slightly adjusted the items to fit the brand-specific context. Based on this scale every participant reported the degree of bullying behavior he or she has witness (i.e. witness scale), was target of (i.e. victim scale), and did themselves in the past (i.e. bully scale). After a sample split based on APRI, we can assign people as *pure victims* (i.e. high on victim scale, but low on bullying scale), *pure bullies* (i.e. high on bully scale, but low on victim scale), and *bully-victims* (i.e. high on bully and victim scale), and *bystanders* (i.e. low on bully and victim scale, but high on witness scale).

Additionally, we measured community participation behaviour (e.g. community participation, membership length), goal orientation (intrinsic: self-acceptance, affiliation tendency, community orientation; extrinsic: financial orientation, popularity orientation, attractiveness orientation), and brand-related constructs (e.g. brand loyalty, brand advocacy, brand identification). The survey was placed on 13 online communities for the period of three weeks. A total of 1,668 questionnaires were used for subsequent analysis. Respondents were dominantly male (71%), between 18 and 34 years old (60%) and reported a monthly income ranging from 1,650-7,000 USD (64%).

As expected due to study 1 results, we confirmed by means of a confirmatory factor analysis (CFA) a two-dimensional structure of the C2C bullying scale on every level (i.e. witness, victim and bully perspective) into soft (i.e. teasing and joking) and hard bullying (i.e. rude remarks and threatening). Thus, it matters which bully behaviour a person is engaging in

or is victim of. Therefore, we want to incorporate this into our analysis and differentiate between *hard Victims* (i.e. target of hard bullying), *hard Bullies* (i.e. engaging in hard bullying), *soft Bully-Victim* (i.e. Bully-Victims experiencing only on soft bullying level), *hard Bully-Victim* (i.e. Bully-Victims experiencing on hard and soft bullying level), *Bystanders* (i.e. no target or engagement of neither soft nor hard bullying). Based on this categorization, we conducted a sample spilt (see Table 3) and compare differences between the groups in the following section. All described comparisons above were in the Post-hoc analysis highly significant (p<.001).

Results and Findings

One first finding is that C2C bullying is quite common. Over 50% of the sample have experience C2C bullying as Victim, Bully or in both roles. In this subset, the hard Bully-Victims represent the most common role. These people experience soft and hard attacks, but also have attacked others themselves on various levels. Thus, sending out and receiving aggressive consumer communication is not unusual in brand communities. Bully victims are characterized by a significantly stronger brand relationship and a strong community orientation. The bullying behaviour might illustrate a "Tit for Tat" behaviour (Rapoport & Axelrod 1980) in a culture of brand defender, what is not unusual for brand enthusiast or sports spectators against potential rivals.

Second, the level of bullying and a one-side experience (i.e. pure victim or pure bully) play an important to understand the various categories. Hard victims and bullies (i.e. one-sided hard bullying experience) show very different community participation, goal orientation, and brand evaluation pattern than bully-victims. Hard Bullies are low in Self-acceptance, Affiliation-, and Community-Orientation, very driven by Popularity and Attractiveness Orientation. Hard Victims are neither very intrinsic nor extrinsic oriented. Both groups lake high community participation and a strong brand relationship (especially in comparison to Bully-Victims) and are not important contributor to the brand community.

Third, soft Bully-Victims (i.e. experience as bully and victim, but never hard bullying) show the stronger community participation levels and high self-acceptance and affiliation orientation. Thus, they represent an important user group for the management of brand community.

Conclusion

This paper offers two main theoretical implications. First, our studies provide an insight into the novel phenomenon of interpersonal consumer-to-consumer bullying in relation to brands. As pointed out by others, this has so far been overlooked in the literature and empirical evidence is missing (Husemann, 2015). Our netnography shows that consumers occupy different roles when C2C bullying episodes unfold, and that the level of aggressiveness varies. Our survey results highlight that these roles indeed matters as brand- and psychological aspects differ significantly in relation. Future research should use our findings to explore additional

roles which consumers may take on during C2C bullying episodes, and explore alternative aspects that allow to distinguish between role behaviours.

Managers need to realise that the dark side of online communities not only encapsulates consumer communication that stems from dissatisfying product experiences. Instead, C2C bulling is a new form of communication that does not seek for corporate involvement and yet can have negative consequences for the online community, including a reduction in community engagement (Erwing 2013) and a decrease in well-being of community members (Pieschl, Kuhlmann, and Porsch 2015).

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Tables

Role	Definition
Bully	A consumer who attacks another consumer in relation to a brand
Victim	A consumer who is attacked by another consumer in relation to a brand
Bully-Victim	A consumer who attacks and is attacked in relation to a brand
Bystander	A consumer who witnesses others being attacked in relation to a brand but does not actively partake

Table 1 – Consumer roles during a C2C bullying episode

Degree of aggression	Sample comments
Soft C2C bullying	How much money have you made being able to pronounce Dolce correctly? You ever walked up to a job and one of the requirements is "Hey can you pronounce Dolce? You can? Great you're hired!! So not being able to pronounce a clothing designers name correctly some how equates to a lack of education? LMAO!!! Smh youtube and the asinine comments are amazing lobut carry on I find it quite amusing" (after another consumer has misspelt Dolce Gabbana)
Hard C2C bullying	I will come and get you and slap you with that D&G bag Pete Martins, you are just a looser and don't deserve wearing D&G

Table 2 – Degrees of aggression in C2C bullying

	By- stander	hard Victim	hard Bullies	soft Bully- Victims	hard Bully- Victims	F	Sig.
Sample size	683	86	257	186	450		
	41%	5%	15%	11%	27%		
Community participation							
Membership length	.26	02	53	.77	41	92.2	.000
Posting Frequency	.02	17	24	.11	.10	5.9	.000
Community visit Frequency	.28	14	65	.68	30	86.8	.000
Intrinsic goal orientation							
Self-acceptance	.08	01	61	.21	.14	39.0	.000
Affiliation Orientation	.06	23	58	.25	.18	39.9	.000
Community Orientation	.00	20	48	.09	.27	34.7	.000
Extrinsic goal orientation							
Financial Orientation	13	47	21	20	.49	55.7	.000
Popularity Orientation	29	33	.09	54	.67	118.4	.000
Attractiveness Orientation	25	43	.12	64	.66	122.6	.000
Brand-related aspects							
Brand Loyalty	19	25	39	.31	.44	64.3	.000
Brand Advocacy	22	46	35	.41	.46	78.8	.000
Brand Identification	34	51	27	.42	.59	106.2	.000
Control							
Gender (-1:female; 1: male)	.04	10	.19	32	.00	7.1	.000
Age	.19	.03	25	.52	38	41.4	.000
Income	.07	29	11	.50	18	15.5	.000

standardized mean z-scores.

Table 3 –comparison between user groups

The truth, the whole truth and nothing but the truth? Customer lies in the service encounters

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Introduction

In all conversations with others we have to make a choice: whether to lie or tell the truth. Often we make these decisions without thinking and ignoring the possible consequences. In fact, lying and other type of dishonesty is a significant part of our everyday life (Garrett et al. 2016; Ekman 2009). While most codes of ethics, ideals and religions condemn deceptions or lies in any form, conversations in everyday life is characterized by forms of deceit ranging from withholding information and "white lies" to deliberate fabrication (Turner, Edgley, and Olmstead 1975). Defined as "intentionally trying to mislead someone" (DePaulo et al. 1996, 981), research point to that we cannot get through a single day without telling lies (Turner, Edgley, and Olmstead 1975; DePaulo and Bell 1996; Feldman, Forrest, and Happ 2002). Studies of self-reported frequency of lying show that the average person lies several times a day or in twenty-five percent of their conversations with others (DePaulo and Bell 1996). Despite lying being a part of everyday life, we often ignore the fact that even the smallest lie can cost us money, affect our relationships and significantly impact the lives of others.

The marketplace is not any different; it is well established in market research that customers do not always tell the truth (Fiore 2011; Argo and Shiv 2012; Argo, White, and Dahl 2006; Mazar, Amir, and Ariely 2008). Research have for example investigated customer lies in negotiations (Fulmer, Barry, and Long 2009), customer lies in the physician-patient relationship (Palmieri and Stern 2009), and the effect of white lies in service encounters (Argo and Shiv 2012). However, despite a growth in interest among marketing scholars concerning the "darker side" of customer behaviors (e.g., McColl-Kennedy et al. 2009; Patterson, Brady, and McColl-Kennedy 2016), our understanding of customer lies and knowledge about the effects of lying in the service encounter is incomplete. To fill this gap, we conducted three studies to gain understanding of the motives, the detailed events, related behavior and outcomes of customer lies in service encounters. In particular, we aimed to identify different types of lies, i.e. constellations of motives, beneficiaries, content and phase in the customer journey. Further, to determine the influence of customer lies on the service encounter we identified the outcomes of different types of lies.

Theoretical framework

This study builds on theory about lying behavior from psychology (e.g., Ekman 2009; DePaulo and Rosenthal 1979; Carson 2010) and previous research about customer lies from marketing

(e.g., Argo and Shiv 2012; Anthony and Cowley 2012; Mazar, Amir, and Ariely 2008). For an overview, see table 1. Lies or lying can be defined as an "a deliberate choice to mislead a target without giving any notification of the intent to do so" (Ekman, 1992 p. 28). It is an established fact that we start to develop the skill of deceit and lying as very small children, and that we refine this skill as we grow up (Ahern, Lyon, and Quas 2011; Talwar and Lee 2002; Newton, Reddy, and Bull 2000; Evans and Lee 2013). If fact, lying can be considered as a necessary and natural part of human behavior. Turner, Edgley, and Olmstead (1975 p.70) take this view arguing that "it is doubtful that social relationships could be established, maintained, and nurtured if such "whole truth and nothing but the truth" discourse characterized human behaviour". This view is supported by theories on social interaction, such as Goffman (Goffman 1959, 1959, 1974), who used the metaphor of acting for explaining human behavior. Central to this theory is the idea that people as they enter social situations are constantly engaged in "impression management" wherein they deliberately or unconsciously try to present themselves in a certain way to avoid discomfort for themselves or others. By doing this, people select the information they communicate to others by withholding some and supplying some.

Ekman (1992) argues that there are two main categories of lies, concealment and falsification. When concealing, the liar withholds information without really saying something that is not true *per se*. When falsifying, the liar not only withhold true information, but presents false information as if it was true. Often, these two categories of lies are combined. In addition, there are several motives for and different beneficiaries of lying. The first category involves self-benefiting lies, that involves lies that people tell to benefit or protect themselves (Argo, White, and Dahl 2006; Sengupta, Dahl, and Gorn 2002). The second category involves other-benefiting lies, wherein people lie to avoid awkward social situations, to protect another person's feelings or simply be polite (Argo, Dahl, and White 2011).

Methodology

Because the literature on customer lying is not yet rich enough to provide a sound conceptual foundation, an exploratory qualitative study was undertaken. Departing from previous research on lying behavior we designed our study to capture descriptions of the situation in which the lie occurred, including the motive and outcome of the lie. In the first study, 1095 incidents of lying connected to a specific service encounter were collected from a random sample of US customers. The lies were collected using an open qualitative survey. The respondents that had lied were asked to describe in detail in their own words a recent situation in which they had lied. After that, a series of follow up question such as, motives, beneficiaries, content, phase in the customer journey and outcomes. The data was analyzed using content analysis with a combination of open and structured coding to develop a framework for customer lies. In addition, we used latent cluster analysis combining different characteristics of the lies to identify different types of lies.

Guided by the results of the first study, we conducted in-depth interviews to develop a deeper and more detailed understanding of our initial framework. The interviews comprised of open-ended questions were conducted with 21 US consumers. The sample was selected to represent diversity with regards to for example age, gender, income, education.

Analysis was conducted using content analysis to match the different narratives with our theoretical framework. In the third study, we focused on identifying the outcome of different types of lies. The sample consisted of 1042 randomly selected US customers.

Findings and Conclusions

Our study revealed that more than half of the customers in our sample at some point in time had told a lie in a service encounters and most of the ones admitting to lying had done it several times. The most common contexts to lie in was retail and restaurants, but also health care services, financial services and automobile services were represented within the sample. Findings from the first study provided us with initial motives, beneficiaries, content, phase in the customer journey and outcomes, for an overview, please see table 2. Based on study 1, we identified four different types of lies where the characteristics concerning phase of the customer journey (Lemon and Verhoef 2016) and beneficiaries (Argo, Dahl, and White 2011) differed. The second study provided us with detailed descriptions of the characteristics of different types of lies, while the third study provided the outcomes of different types of customer lies.

Our research contributes to service marketing theory and practice by (a) conceptualizing and examining lies in the service encounter, (b) propose a framework for customer lies revealing four different types of lies and, c) investigate the outcomes of lies. Based on our results, we offer a set of general propositions related to customer lies and their effects as well as mediating and moderating factors that can serve as a starting point for building new theories about customer lying in service encounters. From a managerial perspective, this study has a lot of potential to contribute with knowledge on how managers and firms can deal with lying customers. It will also provide insights on outcomes of lies that might not previously have been known to the service provider, such as lies that that influences not only financial results, but also traditional metrics such as customer satisfaction and customer loyalty.

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Table 2 Categorie	s for customer lies			
	Code	Explanation	Count	Example
Motive for lying	Social	Lying to avoid awkward situation or avoid so hurt someone's feelings	139	Because I didn't want to hurt the waitress feelings
	Avoid interaction	Lying to avoid interaction with service employee.	104	I did not want the salesperson to hover over us while we were searching for couches.
	Material/immaterial reward	Lying to gain a material or immaterial reward	83	I simply wanted to save more money. I was being greedy.
	Save time/effort	Lying to avoid extra effort or save time.	71	I lied because we wanted it fixed quickly. If he knew we had other options then we were afraid the appliance repair company would put our service on the bottom of the list
	Self presentation	Lying to present yourself in a certain way	45	To make myself seem more impressive to the sales person, even though $1\mbox{'m}$ sure they don't care.
	Avoid reprimand	Lying to avoid reprimand	25	I was trying to forego a lecture about how I would never get better if I didn't walk a little each day.
	Revenge	Lying to get even	8	I was publicly humiliated by this employee and I wanted recourse.
When in the customer journey	Initial	Lies in the first interaction with service employee	121	An employee asked me if they could help me find anything $[\ldots]$ I said no thank you, I'm fine. In reality, I was looking for something in particular.
	During the service	Lied during the service	324	I was at the doctor's office getting a physical. The doctor was pressing on my stomach and asked if it was painful and I said no, but it was.
	After service	Lies after the service (e.g. return, complaint)	63	I returned a printer cartridge that was opened because it didn't fit the printer and I told he woman it was unopened.
Content of lie	Customer	Lies about the customers own behavior	256	Told a customer service call center that I had called four times when, in fact, I had only called one time.
	Product	Lies about features of the product/service	195	I said the food was fine when really it was not very good.
	Service	Lies about the service employee	57	I said the girl didn't give me correct change in the store, when in fact she did.
Who is benefiting from the lie?	Self	Lie is told to benefit yourself	326	I wanted the [WIFI] password to entertain myself at their office while I waited.
	Other	Lie is told to benefit someone else	111	I did not want to embarrass the hairdresser or make her feel bad.
	Self/other	Lie is told to benefit both yourself and someone else.	49	I didn't want the person to feel bad and I just wanted to get done and out of there.

1H Big Data Enabled Services

Challenges and Approaches for Product-Service-Transformation of SMEs

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Purpose

This paper discusses the challenges and approaches which are specific for small and medium sized enterprises (SMEs) in the transformation from products to services. We discuss why servitization is relevant for SMEs and why they encounter specific challenges in this process. We show approaches to tackle the challenges and elaborate further research questions.

The service sector is continuously growing and makes up a substantial part of employment and the gross domestic product (Kindström and Kowalkowski 2014). In this context, the concept of industrial companies as service providers has emerged (Lay 2014). The focus of the value creation is moved from the manufacturer to the co-creation with the customer (Vargo and Lusch 2008). The shift to services is driven by saturated markets and high competitive intensity (Gebauer et al. 2012) as well as the customer demand for the values and benefits provided by services (Kowalkoswki and Ulaga 2017). In particular, there is an evolution of the customers to demand and pay for an agreed performance output instead of the provider's resource inputs. Therefore, the transition from goods to services and the addition of services to products is considered essential for manufacturing firms (Baines and Lightfoot 2013). The prevalence of information and communications technology is a major driving factor for the development of the service economy (Chen et al. 2010).

For the manufacturer, the service business has the potential to create additional revenue. The providers extend their product business by selling services with higher margins (Ebeling et al. 2014). Additional benefits come from more stable cash flows due to generating continuous revenue from the installed base (Kowalkoswki and Ulaga 2017).

Methodology

The methodological approach described in this paper is based on a literature study of SME-specific aspects of servitization and a multiple case study conducted with manufacturing SMEs facing the strategic question whether and how to move (further) into services. The concepts derived from literature are validated and enhanced with the insights gained from the SMEs in practice. The synthesis of the literature study and the case study is used to describe challenges and hurdles as well as approaches relevant for small firms.

Findings

The literature (Ulaga and Reinartz 2011, Kowalkoswki and Ulaga 2017) provides a classification of industrial services based on whether the customer is promised an input or an output performance. Furthermore, there is a differentiation between services that are oriented towards the supplier's goods or towards the customer's processes (Figure 1). In general, companies require specific resources and capabilities for managing the shift from products to services (Ulaga and Reinartz 2011). In this paper, we put the focus on the capabilities to design customer-centred services and to analyse data and manage service-related risks. In particular, the ability to manage, process, and analyse data of the installed base is considered essential if the service is provided and paid based on an agreed output performance. The capability for customer-centred service design is of high importance with respect to the development of value propositions that are relevant for the customer (Meierhofer and Meier 2017, Tan 2010).



Figure 1: Classification of industrial services (adapted from (Kowalkoswki and Ulaga 2017))

SME-specific challenges for servitization

Hence, the hurdles and challenges to overcome when shifting from products to services are well documented in the literature. Generally, these challenges also apply to small enterprises. However, there are specific aspects and challenges of servitization reported in the literature which hold specifically for SMEs. We put the focus on two challenges which have turned out highly relevant in this study:

First, the specific resource situation of the SMEs represents a major hurdle according to the literature. Due to their limited size, SMEs need different tactics when shifting from product to service (Kowalkowski et al. 2013). In contrast to large corporations, SMEs are faced with a lack of resources that are required for tackling the product-service shift, in particular of resources with skills in data analytics and service design methodologies. This problem gets even more weight in the context of the high rate of technological change, which requires a fast adaptation of the resources. Establishing an internal competence centre or even profit centre for services is not possible for the SME for complexity and resource reasons. Moreover, the service business would not reach the critical volume to justify dedicated resources.

Second, we take into account that the literature recommends to start the shift from products to services by servicing the installed base (Oliva and Kallenberg 2003). However, SMEs typically have a position in the value chain which contrasts clearly from the one of larger firms (Gebauer et al. 2010). In many cases, the SME does not sell directly to its customers. The distribution channel is organised via an intermediary, which takes over the entire customer relationship management. Therefore, the SME has no direct channel for providing services to its customers and is prevented it from a direct access to its installed base.

As a consequence of these specific challenges, SMEs need to adapt their strategic position in the value network (Gebauer et al. 2010). They typically enter partnerships with their sales channels for the provision of services, thus fostering the co-creation between the manufacturer and the channel partner. These partnerships are often searched within the existing value network (Kowalkowski et al. 2013). As a consequence, the SME must motivate its partners to provide services, invest in their training and consulting and establish a balanced revenue sharing (Gebauer et al. 2010). The SME is transformed from being an individual, independent entity to being part of an interconnected value network (Clegg et al. 2017), a so-called service ecosystem. Potentially, the SME can create its own channels by taking over former partners (Gebauer et al. 2010). As a positive side-effect, establishing new partnerships for the provision of service opens the door to justify charging for the service and generating revenue, thus alleviating the problem that customers tend to expect service as a free add-on to the products (Kowalkoswki and Ulaga 2017).

These two major SME-specific challenges have been largely confirmed in the case study. The SMEs typically lack dedicated competences and resources for the provision of services. Besides the lack of knowledge about the basic strategic options for the shift from products to services (e.g., according to the scheme shown in Figure 1), there is specifically a need for customer-centred methodologies to design services and for competences for collecting, processing, and analysing data from the products. Depending on the context, the need for further access to the sales channels is recognised for gaining access to the installed base.

The shift to data-driven services

By entering partnerships with sales channels, the SME creates the foundation to provide product lifecycle services (PLS) or asset efficiency services (AES) according to Figure 1. The advancements in data science and analytics enable the manufacturers to strive for leveraging their data for providing asset efficiency services (AES). In (Meierhofer and Meier 2017), a methodology is proposed for the systematic development of data-driven services taking into account the specific tools and skills required in data analytics and service design. However, the specific data analytics and risk management skills required for this can usually not be accessed by the SME. The SME-specific lack of analytics and data science tools and skills is described in the literature (Bondkar and Vaidya 2017, Coleman et al. 2016) and has been confirmed in the case study. As a consequence, SMEs lag behind in the provision of data-driven services based on output performance.

Discussion and Conclusions

The challenges and approaches specific for SMEs that are described in the literature are confirmed by the observations made in the case study.

In practical cases, the need for innovation is largely recognized, but so far searched rather in terms of product differentiation than in terms of service innovation. The importance and the options for the move from product to services are not broadly known. The concepts based on Figure 1, i.e., to start with product lifecycle services and move into process support services or asset efficiency services, need to be transferred to and communicated in practice. Additionally, there is a need for knowledge about possibilities how to turn services into additional revenue.

The existing relationships of the SMEs with their channels or customers, respectively, represents a good starting point for the application of customer-centred service design. However, there is a need for support in the development of the methodological know how for this, while readiness and willingness to adopt service design are present.

There is a bigger gap with respect to the application of analytics and data science, which is required for the provision of advanced asset efficiency services (AES). The hurdles to acquire these skills are typically too high. Extending the service ecosystems to other, non-competing manufacturing SMEs (next to the channel partners) is identified as a means for sharing data analytics skills among several SMEs. SME-specific methodologies and approaches for data science are required, which opens the field for further applied research and innovation.

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Alexa – What's on my shopping list? Investigating consumer perceptions of voice-controlled devices

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Introduction

Digitization, the rise of the Internet, and mobile devices have changed the way people interact with each other and with companies (van Eeuwen 2017). In recent years, the voice interface has become a common feature in mobile devices such as tablets and smartphones. Moreover, voice recognition technology is growing rapidly and is anticipated to become the default method to control a variety of interfaces including mobile devices, home appliances, and automobiles (Easwara Moorthy and Vu 2014). For example, reports indicate that in mid-2016, 20% of Android searches were voice-based and Siri received two billion requests per week (Guo 2017). ComScore predicts that by 2020, 50 percent of all searches will be voice searches (TechCrunch 2016).

Additionally, there has been a growing hype around chatbots, virtual assistants, and voice-enabled wireless devices such as Amazon Echo and Google Home. A multitude of brands has adopted chatbots for customer care, marketing, and sales purposes. According to industry reports, more than 60 million Americans will use a virtual assistant at least once a month in 2017 (eMarketer 2017). Moreover, usage is heaviest among a younger demographic. Millennials are four times as likely to use virtual assistants compared to baby boomers.

This "voice-first revolution" offers a number of opportunities and challenges for marketers in terms of applications and business service development. However, since c- Commerce appears to be a fairly new phenomenon in the marketplace, there is only limited research on the topic in marketing. Futhermore, the majority of customers has only limited experience with voice-first applications such as Amazon's Alexa, Google Home, or any other voice-controlled devices. Therefore, the purpose of this study is twofold. First, we try to gain initial insights into customer's perception of voice-controlled devices and how they evaluate the interaction with an artificial partner. Second, we aim at exploring the impact of voice- controlled devices on the buying process from a customer's perspective.

Background

Conversational (voice) commerce is currently a trending topic in digital marketing (van Eeuwen 2017). According to industry blogs, the term has become a buzzword and a "catchall term for a future of technology driven by messaging (and voice) interactions that transcend current communications modalities" (Lawson 2016). Conversational commerce (c-Commerce hereafter) has been defined in different ways. The new "battleground" in the area of

conversational user interfacess are voice-activated assistants that understand a user's preferences and can act on their behalf. These voice (or virtual) assistants refer to a conversational, computer generated character that simulates a conversation to deliver voice- or text-based information in the context of the dialog (Gardner 2017). Today, four products are dominating the market: Amazon Alexa (voice activated assistant on Amazon audio devices such as Echo), Google Assistant (voice assistant on Android devices, iOS, Chrome and most recently the voice activated speaker Google Home), Microsoft Cortana (available on Windows, iOS, and Android) and Apple's Siri.

Methodology

We conducted an exploratory study in order to gather initial insights on how customers perceive c-Commerce and the interaction with a voice-controlled assistant, how they describe their experience, and which factors create opportunities and challenges for companies offering the new technology. We employed an exploratory qualitative research design (Patton 2017), with the aim to discover patterns of customer's perception, emotion, attitudes and personal experience which help to better understand the development and progress of conversational commerce from a customer's perspective.

To select our interview partners, we have chosen a purposive sampling strategy (Patton 2017), which means some interview partners are chosen due to their former experience with c-Commerce and others show particular interest in the topic. Building on knowledge from a comprehensive literature review, we developed an interview guide which consists of 18 openended questions divided into four sections. The first section deals with questions regarding the level of experience interview partners already have with online buying and voice-controlled devices. The second section is dedicated to topics concerning the overall buying process and in how far c-Commerce is perceived different than electronic or mobile commerce. The third section includes an interactive part, in which we introduce Amazon Alexa to the interview partner demonstrating a typical conversation with the device. In the following, we ask questions related to the scenario. The last part of the interview guide contains questions regarding the future development and usage of conversational commerce and related devices.

In sum, we conduced 15 personal interviews which lasted between 25 to 50 minutes. The age of the interview partners ranged between 22 and 51. All interviews are recorded and transcribed afterwards. To structure our data, we have chosen qualitative content analysis (Maying 2000). In a first step, the data is structured into categories which in our case emerge from the literature and from the data itself. After completing the coding procedures, we have identified 12 categories that explain customer's perceptions of c-commerce.

Initial Results

Table 1 presents some initial findings of our exploraty study. Our first observation during the interview was, that even the majority of the interview partners claims to have experience with

Amazon Alexa or Google Home devices, the overall topic of conversational commerce which includes the buying process over a voice controlled device is still in its infancy. Interview partners use the device for some simple tasks, e.g. setting the alarm or getting weather information, but the usage of this devices for commerce and transaction purposes is still limited.

Table 1: Exploratory results

Theme	Sample Quotations from Personal Interviews				
Opportunities					
Convenience	When I use Alexa, I can do other things at the same time, that's really convenient for me. (IP 5)				
Time saving and availability	Yes, so I actually buy regularly on Amazon, preferably on the internet, because the choice is bigger and the delivery times are much faster. (IP 2)				
New type of interaction	Well, it's a new way to get in contact with companies, I personally prefer speaking instead of writing on the keyboard. (IP 11)				
Ease of use	So I would probably put it in such a way that Alexa is connected to the Amazon app and you just say what you want to have and Alexa makes a suggestion. Same as Amazon's search. (IP6)				
Challenges					
Limited verbal skills	There are always such phrases behind which you have to say where you can't vary much. That's not so natural in itself. (IP 9)				
Lack of control and expertise	But to receive such wild recommendations from the bot would probably be difficult for me, I think. It has to be recognizable that this is not only the opinion of the bots but that there is something behind the decision and he has to be able to explain what it is. (IP 4)				
Security, privacy and trust issues Limited service offerings and capabilities	I don't know what they do with my data it's also kind of strange that Alexa makes such perfect suggestionsit's scary. I believe at the moment, that the interaction is so limited, so I think it's not yet so intuitive, so I don't think it's possible at the moment. (IP 3)				
Implications for the Buying Process					
Only forcommodity products	All products where you don't need a salesperson or that you do not need to feel or see can be purchased via voice. (IP 6), but definitely not for a service. (IP 15)				

Conclusions and Next Steps

Voice-controlled devices are still in their early stages and the full potential has not been unfolded yet. Based on the empirical findings, we derive some initial implications for the academics and service practitioners. Based on the interview, we conclude that voice-controlled devices should be regarded as an additional communication channel not necessarily as a sales channel. Customers can use them to get in contact with the company, search information, or place inquiries and orders. In the overall strategy, voice-controlled devices should be positioned as a first customer touch-point. At the moment the technology

is still in its infancy, therefore the voice-controlled devices should be used for simple tasks and easy transactions, so that customers are not scared off due to technical malfunctions. Until today AI is still lagging behind human capabilities, nonetheless the overall AI landscape is maturing rapidly and particularly image recognition (visual perception), language recognition (auditory perception), facial recognition (emotional perception) and deep learning provide opportunities for co-Commerce provider in the near future. The next steps will be to further analyse the data and then develop a large scale survey.

Frontline Technology Infusion: Conceptual Archetypes and a Future Research Agenda

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Introduction

Technological advancement is profoundly impacting the very nature of the organizational frontline. This has led to a veritable explosion of service research investigating the impact of technology on customers, FLEs and their interrelationships (Larivière *et al.* 2017). While a vast amount of knowledge on technology in service exists today, the field is scattered, lacks theoretical rigor, has a weak structure, and disregards some of the latest technologies already employed in the market (Rust and Huang 2014). To this end, we identify a need for a further conceptualization of frontline technology infusion (Singh *et al.* 2017).

The objectives of this paper are two-fold. First, we propose 8 archetypes of technology infusion at the organizational frontline, thereby updating previous work from Froehle and Roth (2004), Meuter *et al.* (2000), and Schumann *et al.* (2012). These archetypes are organized around the distinct roles technology plays in the service encounter – augmentation and substitution (Marinova *et al.* 2017). Second, we develop an agenda for future research on frontline technology infusion and zoom in on the distinct archetypes. To this end, we build on a systematic review of technology-related service literature from the past 12 years (2005-2017) in combination with expert interviews with prominent academics. Doing so, we add to Singh *et al.* (2017) and hope to stimulate further research on the effective deployment and management of frontline service technologies.

Frontline Technology Infusion – An Overview of Archetypes

Frontline technology infusion, defined by van Doorn et al. (2017, p. 43) as "the incorporation by service organizations of technological elements into the customers' frontline experience", is now omnipresent. Previous research has sought to present various typologies of the service encounter and the role of technology therein. Froehle and Roth (2004), for instance, offer a broad classification and introduce five conceptual service encounter archetypes: technology-free customer contact, technology-assisted customer contact, technology-facilitated customer contact, technology-mediated customer contact, and technology-generated customer contact. Schumann *et al.* (2012), in turn, develop a typology of technology-mediated services, distinguishing between SSTs, remote services, and interactive services.

While existing classifications are valuable, they currently fall short of the latest technological advances in the service realm and are thus incomplete. Hence, we identify a need for an updated typology of frontline technology infusion. To this end, we update Froehle and

Roth's (2004) classification and develop eight distinct archetypes of customer-FLE contact in relation to technology (see **Figure 1** for a summary).

Analog service encounters

The first technology infusion archetype, technology-free encounter ($archetype\ a-see\ Figure\ 1$), typifies a service encounter where technology is absent. Hence, it encompasses direct physical interactions taking place between FLEs and customers where technology does not play a direct role in the service provision. Examples of technology-free encounters include manual physical therapy and traditional ticket counters at local museums where customers pay with cash money.

Technology-augmentation service encounters

Frontline technology augmentation signifies technology's ability to assist and complement the different actors – customers and/or FLEs – in the service encounter (Marinova *et al.* 2017). More precisely, technology may enhance human thinking, analysis, and behavior and thus work in tandem with the involved human actors to boost their ability to successfully interact with other human actors (Hilken *et al.* 2017). We identify four distinct ways in which technology may act as an augmenting force.

A customer/technology-assisted FLE encounter (archetype b – see Figure 1) reflects a service encounter in which the FLE is augmented by technology to physically interact in more meaningful ways with the customer. The latter does not have access to the technology. Examples include electronic order taking in restaurants, airline and hotel check-ins where a FLE interacts with a computer terminal, and intelligent assistants like IBM's Watson supporting doctors with medical diagnoses.

A technology-assisted customer/FLE encounter (archetype c – see Figure 1) entails service encounters in which the customer is augmented by technology when physically interacting with FLEs. These, in turn, do not have access to that technology. Google's recent launch of its pixel buds headphones with translation function fits this archetype. These earplugs may facilitate service encounters where a customer needs to interact with FLEs speaking another language (Holmqvist et al. 2017).

A customer/FLE technology-facilitated encounter (archetype d – see Figure 1) encompasses customer-FLE real-time encounters in which both customers and FLEs have access to the same technology while being in direct physical presence and contact. Thus, they both directly benefit from the technology while interacting. One such example can be found in many IKEA stores where interior designers meet with customers to co-design a kitchen while sitting in front of a computer that visualizes the design.

Finally, a customer/FLE technology-mediated encounter (archetype e – see Figure 1) encompasses FLE-customer real-time encounters where both parties are not co-located (Froehle and Roth 2004). In other words, technology enables long-distance communication via technologies such as the phone, instant messaging, chat, Skype, and holograms. Hence, in contrast to the previous archetype, technology-mediated encounters lack direct physical presence and contact between FLEs and customers.

Technology-substituted service encounters

Frontline technology substitution reflects technology's purpose to replace human input in the service encounter (Marinova *et al.* 2017). We identify three distinct archetypes where technology substitutes FLEs and/or customers.

A technology-substituted customer/ FLE encounter (archetype f – see Figure 1) involves a service encounter where customers are substituted by technology – usually preceded by forgoing customer consent. In other words, FLEs interact with a technological counterpart that replaces the customer. Examples of this archetype are mostly found in B2B service settings like IT, engineering, and medicine. Philips, for instance, offers a remote patient monitoring service in which health-related data are automatically transferred from a wearable smart device on the patient to the service provider (Philips 2017).

The customer/technology-substituted FLE encounter (archetype g – see Figure 1) is perhaps the most prevalent substitution archetype, with FLEs being fully replaced by technology. Hence, the customer interacts with a technological interface void of direct human interaction. Examples under the SST label are numerous and involve self-service kiosks, ATMs, online banking, and online retail ordering. More recently, advances in AI have expanded the boundaries of this archetype. Customers are now starting to interact with autonomous service robots such as Uber's driverless taxis and Marriott's autonomous online chatbot, and to engage with voice-based intelligent assistants such as Apple's Siri and Amazon's Alexa.

Finally, a *full technology encounter* (archetype h – see Figure 1) denotes a situation in which both *FLEs and customers are replaced* by technology. Hence, the active involvement of both parties is no longer needed for service delivery. While relatively new and limited in scope, advances in IoT and the connection of numerous smart devices are pushing the expansion of this service archetype – which is often also labeled as machine-to-machine (M2M) service interactions (van Doorn *et al.* 2017). One example of this archetype is SunPass, Florida's prepaid toll program. Customers attach a transponder to the inside of their car, which interacts with sensors in toll lanes as they drive through it. The toll amount that is due is automatically deducted from a prepaid account.

Frontline Technology Infusion – A Research Agenda

Research Design

In order to develop the research agenda, we adopt a two-step methodological approach. [At this point, the analysis and development of the research agenda is still ongoing. Hence, we opt to offer a description of our progress so far and the expected work in the coming two months.]

Step 1: Systematic Literature Review

To identify existing frontline service technology-related literature we conducted a rigorous and systematic literature review. We carried out an issue-by-issue search of the top five service journals (period 2005-2017): JSR, JOSM, JSM, JSTP, SIJ.

Step 2: Expert Interviews

To enhance our understanding of the topic and to aid in the development of the future research agenda, we are in the process of conducting qualitative research by means of expert interviews with several prominent academics.

A Future Outlook – Expected Results

Building on the generated insights from the literature review and the expert interviews, we aim to develop a research agenda that can guide research for each of the distinct service encounter archetypes that involve technology. Among the preliminary findings generated from the systematic review and interviews, we may already report that: (1) the majority of the current work focuses on archetypes d, e, g, (2) the most studied technologies are: ATMs, self-service ticket kiosks, mobile services, online banking, and e-tailing, (3) the majority of studies are focused on understanding customer outcomes (e.g., customer satisfaction) while considering technology design features (e.g., process quality, level of convenience), (4) technology and FLE outcomes are relatively rarely discussed, and (5) 'newer' frontline archetypes -c, f, h are seldom discussed and empirically investigated.

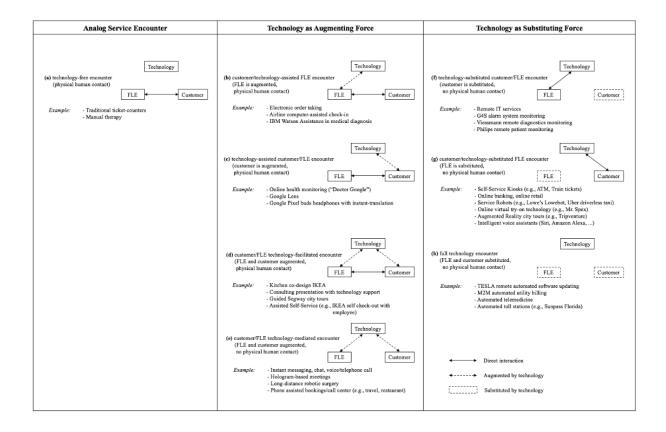
Conclusion

As frontline technologies continue to shape the service world we live in, this paper offers the needed conceptualization – eight archetypes – that can help structure and provide direction for future studies. As such, the subsequent goal is the development of a future research agenda on frontline technology infusion [*This phase is expected to be completed by December 2017*].

References

(available upon request)

Figure 1:



1I Healthcare Service

The effects of passive innovation resistance on healthcare users: An analysis of the influencing factors.

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Abstract

Where little is known about how consumers unconsciously resist innovation prior to an experience (product or service), this paper explores the possibilities from a self-service context through the drivers of innovation. The literature on adoption largely assumes that consumers are open to change. Thereby, presuming that all consumers will experience a new offering prior to reaching an adoption decision. This study in contrast, acknowledge the innovation resistance that occur prior to evaluation and dismisses any suggestion that it is just an overt behaviour in specific situation. The study conduct a systematic literature review that indicate, many of these situations are not a one-off event as implied from counter-argument. Take the case of Paro robot where every attempt to integrate this self-service technology into routine health and social care have been characterised by limited uptake and high rates of abandonment. Our contribution aims to reconcile this debate with a re-examination of the antecedents and causal relationships. This will not only strengthen our understanding of the phenomenon, but it may also help reduce the clash in perspectives. As managers become more aware of the differences and readjust focus accordingly when making strategic decisions on innovation.

Keywords: Innovation, Passive Resistance, Active Resistance, Self-service technology, Robotic companion, Healthcare robots

Introduction

The need to reduce the demand placed upon certain social infrastructures has become a great concern to many nations across the globe. Healthcare in particular, with continuous rise in global spending from 6.5 trillion dollars in 2012 to 7.2 trillion dollars in 2013 and expected to reach 9.3 trillion dollars by 2018 (WHO updates 2012; Deloitte 2015). This situation has huge implications on the industry, largely because it is influence by the health needs of the elderly, which has nearly doubled in countries like the United States (Deloitte 2015). The U.S. ageing population increased from 9% in 1960 to about 17% in 2014. Chronic disease associated with this population group is also on the rise and lastly is the concern on adherence to medication. Where figures suggest that about 50% of chronic patients are non-adherent (Alaiad et al., 2014; Deloitte 2015; Population bulletin 2015-WHO). The innovation on medication follow-up is one example among many where self–service technologies can help (Joss 2011; Deloitte 2015).

The successful diffusion of this innovation in healthcare is however hindered with concerns over user's comfort (i.e. the risk to privacy, moral values, lack of human control and health risk), contributing to the 40-50% failure rate (Andrew and Sirkin 2003; Castellion and Markham 2013; Nguyen & De Cremer 2016).

A good example is the Paro robot designed as a companion for the elderly or disabled, these surrogates are supposed to create a calming effect to those suffering from Alzheimer's or other cognitive impairment type (Bogue 2014). Instead, a third result in rejection or abandonment due to negative impact on the psychological and physical well-being of consumers (Gurley & Norcio 2009; Tay et al. 2014; Bogue 2014). This is consistent with Dholakia (2018), that delineating the negative impact of promoting technology adoption over other genuine concerns raised by consumers.

Adoption in this study refers to the purchase of an innovation with at least one use and resistance as the non-purchase or non-use (Nabih et al. 1997; Talke and Heidenreich 2014). The economic consequences of adoption are evident in literature, such as IBM (2017) which predict that by 2020, 85% of customer-firm interactions would be via computerized technologies. Especially, as non-humanoid technologies like self-driving cars continue to grow in popularity through it use in service delivery (Blut et al. 2016; Narla 2013). The effect of consumer resistance to innovation is also staggering, Aguirre conducted a survey on 2,200 workforce (executives, managers, and employees), and the report indicate that transformation efforts failed because of resistance to change (von Post, and Alpern, 2013). In another study on technology usage, out of the 28,000 consumers surveyed, 62% believed that the technological devices are too expensive, 47% cited privacy/security risk as a concern and 64% experience difficulty during interaction (Mani and Chouk 2017).

Our contribution takes a step further providing insight on the innovation resistance that occurs prior to the evaluation of a new offering. Something Gourville (2006) referred to as a psychological bias, given that businesses often ignore the psychological costs associated with such behaviour change. The research into this type of innovation resistance is also limited because most studies examine resistance from a conscious or active action (Patsiotis et al. 2013; Talke and Heidenreich 2014; Heidenreich et al. 2016). Active innovation resistance refers to the conscious form of resistance that comes from functional and psychological barriers following an evaluation of the innovation (Kleijnen et al. 2009; Patsiotis et al 2013; Heidenreich et al. 2016). In other words, post innovation experience. While passive innovation resistance deals with unconscious form of resistance that manifests prior to the evaluation of a new offering (i.e. pre innovation experience), usually driven by individual's resistance to change disposition and satisfaction with status quo (Nabih et al. 1997; Heidenreich and Kraemer 2015).

The possibility that passive innovation resistance serve as an influential construct within the adoption process of consumers is not refuted (Heidenreich and Handrich 2015). Past studies have however not been able to account for the distinct effect of cognitive and situational passive resistance on individual's adoption behaviour (Muller et al. 2010; Heidenreich et al. 2016). Furthermore, extant literature have provided limited empirical studies on the effect of passive innovation resistance in relation to individual inclination to resist change and satisfaction with

status quo (e.g. Heidenreich and Handrich, 2015; Heidenreich and Kraemer, 2016). These concerns are address in this study through the proposed theoretical framework.

Research question

- What are the drivers of passive innovation resistance on end-users?
- How do users respond to technology-enabled customer engagement in healthcare?
- Do the actors (i.e. healthcare provider) in the healthcare ecosystem influence passive innovation resistance of end-users?

Systematic literature review

In order to build this conceptual development upon grounded theory, the study conduct a systematic review of literature on consumers' resistance to innovation. Through this process, we were able to identify contributions from previous studies and as such prevent duplication. The review began with a database search of Scopus, EBSCO and Web of Science following Bartels and Reinders (2011) systematic literature review method, a procedure that is now being adopted in several other studies (e.g. Heidenreich and Handrich 2015). The search process included articles available through January 2018, using keywords, title, abstract, or full text of the article under consideration, the final overview is display in the table below. Since, the focus of this literature review is on consumer resistance to innovation in healthcare, the terms "innovation resistance", "consumer" and other specific terms such as robotic companion have combined in this search process.

Databases							
Search terms	WOS-No of articles	Scopus- No of articles	EBSCO- No of articles				
Innovation resistance	2420	4911	653				
Resistance to innovation	2330	4911	866				
Resistance to innovation "healthcare"	59	146	1				
Consumer innovation resistance	163	239	53				
Consumer "innovation resistance"	33	41	10				
"Consumer innovation resistance"	3	5	1				
Consumer "innovation" resistance	125	239	39				
Consumer "resistance to innovation"	16	23	11				
Self-service technology "resistance"	9	42	4				
Robotic companion "resistance"	0	3	0				

The table illustrate how all the databases contain large number of articles on innovation resistance. The structural decline in this large number of articles did not occur until the term

"consumer" was added to "innovation resistance" using an "and" condition. The decline after the "and" condition represented the cut-off point for a detailed analysis of the articles. For the final analysis, about 209 articles from the database research were included. The second stage in the literature review process was a manual search in international scientific innovation, marketing, and general management journals. This involve the use of ISI Web of Knowledge (e.g., Journal Social Citation Reports; ABS Academic Journal Guide) for selecting most relevant articles. Within the third and final stage of the literature review, a cross-reference search of the articles found by using the first two search methods were also re-evaluated. The process ended with the removal duplicates from all searched outcomes. The final systematic literature review included 75 articles on consumers' resistance to innovation.

These 75 studies have the following general characteristics. First, many of the studies are conceptual with a focus on active resistance of durables and new technologies (e.g. Reinders et al., 2008; Gourville 2006). Second, the few that consider passive innovation resistance conceptually have varying outcomes. Where some authors suggest consumers' inclination to resist change as the driver (e.g., Antón et al., 2013; Sheth, 1981), others imply status quo satisfaction as the sole driver (e.g., Claudy, 2011; Prins and Verhoef, 2007) or a combination both. Lastly, empirical operationalisation that consider both concepts (i.e. passive and active) in an integrative form began with the work of Heidenreich and Handrich (2015).

Conceptual development

Szmigin and Foxall (1998) define innovation resistance as consumers' response derived from a conscious choice, while Ram & Sheth (1989), p.6 define innovation resistance as "the resistance offered by consumers to an innovation, either because it poses potential changes from a satisfactory status quo or because it conflicts with their belief structure". Ram and Sheth, (1989) further added that innovation resistance inhibit the process of adoption, to emphasise the significance of the phenomenon. The commonality with these definitions is that resistance is linked to changes imposed by innovation, while this may be true, resistance to change may also occur prior to the evaluation of a new offering (Kleijnen et al. 2009; Heidenreich and Spieth 2013; Talke and Heidenreich 2014). These distinctions lead to a definition of resistance. Resistance is a state of mind reflecting unwillingness or unreceptiveness to change in the ways we think and behave (Hultman, 2014). Several studies have criticise the innovation adoption process for the omission of unconscious antecedents linked to why people resists or continue usage (e.g. Patsiotis et al. 2013). Rogers (2003) particularly received criticism for focusing on innovation decision process after the formation of attitudes. Customer readiness is another concept contrasted with resistance, because it addresses individual characteristics and personal orientations like innovativeness and the tendency to be a technology pioneer, the concept was criticise for the lacked details on the drivers of both adoption and resistance (Meuter et al., 2003; Patsiotis et al. 2013).

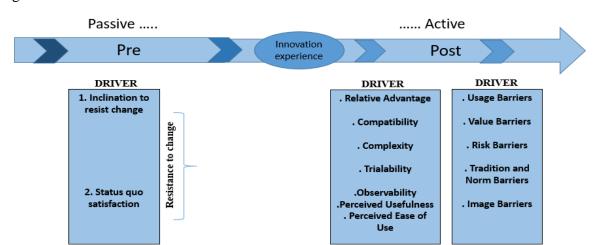


Figure 2. Drivers of Innovation resistance

Past studies compared the two constructs in technology acceptance model (TAM) with the constructs in innovation diffusion theory (IDT), to which "Relative advantages" in IDT turned out to be similar with the "perceived usefulness" (e.g. Venkatesh, Morris, Davis, & Davis, 2003). The study also revealed that "complexity" in IDT changed to "ease of use" in Moore and Benbasat (1991) study to be consistent with other emerging models of adoption in the information system literature. Other studies like Monsuwe et al. (2004) further suggest that perceived ease of use (PEOU) may actually be a causal antecedent to perceived usefulness (PU), as opposed to a parallel, direct determinant of system usage.

Adoption literature also marks a fundamental disagreement about the drivers of innovation resistance. Some researchers consider innovation resistance as a personality-related inclination to resist changes or satisfaction with the actual status quo (Nabih et al., 1997; Bagozzi and Lee 1999; Heidenreich and Spieth 2013; Talke and Heidenreich 2014). In other words, this group connect to the possibility of passive resistance or pre innovation experience. The other group, argue that it is an active action in which resistance become a negative attitude that consumers develop from the evaluation of a new offering (Nabih et al., 1997; Laukkanen et al. 2008; Kleijnen et al., 2009; Talke and Heidenreich 2014). The barriers to active form of resistance (i.e. post innovation experience) as illustrated in the figure above are usage barrier, value barrier, risk barrier, image barrier, and traditional barriers (Talke and Heidenreich 2014; Ram and Sheth 1989). These barriers often arise when the time and skills needed to evaluate the new offering becomes missing due to information overload (Herbig and Day 1992), otherwise it relate to inertia (i.e. passive resistance).

Typology of passive innovation resistance

The systematic literature review confirms that passive innovation resistance received less attention from researchers because of a pro-change bias that assumes that all consumers willingly experience innovation through the evaluation of a new offering (Kleijnen et al. 2009; Talke and Heidenreich 2014).

Studies from social psychology have however reposition the case for passive innovation resistance with their perspective, that resistance to change is more than just overt behaviour in

specific situation (Talke and Hendenreich 2013) and that such predisposition to change is normal given that people strive for psychological balance (Heider 2013). The knowledge gap in existing literature has however prevented researchers and marketers from being able to separately assess this effect on individual's ability to adopt (Muller et al. 2010; Heidenreich et al. 2016). Cognitive and situational passive resistance offers a unique perspective to this phenomenon (innovation resistance).

According to Talke and Heidenreich (2014) two factors directly responsible for passive innovation resistance are: (1) adopter-specific inclination to resist changes and (2) situation-specific status quo satisfaction. These two variables become the bases on which passive innovation resistance is classified, for instance, if an individual is highly inclined to resist changes due to being satisfied with existing product or service, dual passive resistance is encountered and this may lead the individual to passively reject the innovation (Talke and Heidenreich 2014). Low passive resistance is another type, this occur because of low inclination to resist changes and low status quo satisfaction (Talke and Heidenreich 2014), consumers with these traits are likely to adopt. Cognitive passive resistance to innovation is setoff once there is an inclination to resist change by an individual, where such reaction occurs due to the perception in the cognitive gap (Oreg 2003; Heidenreich and Kraemer 2015).

This would indicate that the higher the consumer's inclination to resist change the lesser the attention given to the innovation, as the consumers become emotionally stressed in the face of change (Nov and Ye 2008; Heidenreich and spieth 2013; Heidenreich et al. 2016). Situational passive resistance; this type of resistance also inhibit innovation adoption, as consumers who are happy with existing product or service prefer to maintain such status quo than to purse change (Sheth 1981; Oreg 2003; Heidenreich and Kraemer 2015). This desire for status quo decreases the need for change and increases the resistance to alternatives, as most innovations will require the consumers to learn new skills and change accustomed behaviours (Ellen et al. 1991; Heidenreich et al. 2016).

In order to assess the effect cognitive and situational passive resistance exert on individual's ability to adopt change (i.e. innovation), we relied on the theory of loss aversion. This theory argues that, though it may be possible for consumers to obtain highly desirable new features from the purchase of an innovation, the process would however involve the loss of some benefits on incumbent product or service (Gourville 2006). Since losses have a far greater impact on people than similarly sized gains, loss aversion increases the individual's preference for status quo (Gourville 2006). This value-based approach allow us to analyse the benefits, costs, and risks simultaneously with other known factors of resistance to change. Value is define as the benefits offered in comparison with the sacrifices that consumers make to acquire and/or use the product (de Kerviler et al. 2016; Ulaga 2003). The resistance to change scale designed by Oreg (2003) is rely upon to measure individual's dispositional inclination to resist changes in relations to healthcare robots.

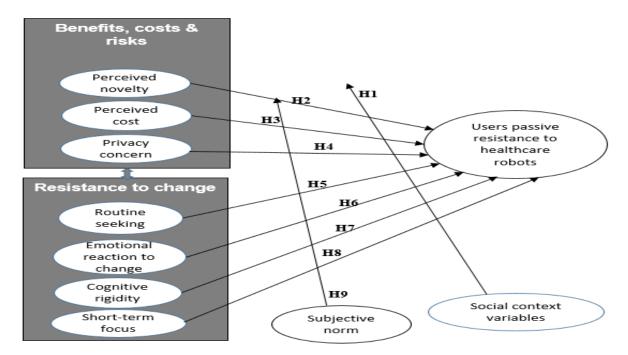


Figure 5. Theoretical framework and hypotheses

Social context variables: This will include variables such as social identification and benefits. Social identification refers to "the perception of oneness with or belongingness to a group, where the individual defines him or herself in terms of the group of which he or she is a member" (Mael and Ashforth, 1992, p.104). Social identification have appeared in many literature as a strong predictor of human behaviour, particularly in studies relating to consumer-company context (e.g. Ahearne et al., 2005; Bhattacharya and Sen 2003. Bartels and Reinders (2010) also demonstrate how significant social identification is in predicting innovative behaviour. By suggesting that, the influence of domain specific innovativeness on innovative behaviour decreases once the model include social identification. Although, the switching costs attached to the loss of individual's expertise remain a concern (Gourville 2006). Laukkanen et al., (2007) however argued that perceived benefits from social context might lure the less resilient individual to a successful evaluation of an innovation even in the case of healthcare. This is because consumers express social identities when shopping; the perceived image projected during this exercise may facilitate a general affective evaluation that intervene with the process innovation adoption (Laukkanen et al., 2007). Therefore, we postulate that:

H9. Social context variables (social identification and benefits) moderates the main effects of innovation resistance on healthcare users

Perceived cost: Eduardo Kac (2001a:77) defines robots as "advanced computer-controlled electromechanical appliances", other more recent studies, defined robot as part of a system or a machine that is use to do jobs, often programmable in nature with links to people and other actuators of the system (Kidd & Breazeal 2005; Robot, 2015). The price of a robot is included in the cost, where price relate to the appropriate monetary sacrifice a consumer is willing to offer. Individual consumers are expected to evaluate this cost, however not all consumers affectively evaluate an innovation prior to an adoption decision (Bartels and Reinders, 2010; Oreg, 2003). Take the case of "Pillo" a convergence between healthcare and robot which some

suggest will safe costs particularly with the innovation on medication follow-up (Mehrholz et al., 2012; Stafford et al., 2010). A significant number of this robotic companion have been subject to resistance, partly because consumers perceived it as offering less performance in relation to price ratio (Ram & Sheth 1989; Gourville, 2006). In other words, some consumers do not consider the innovation as value for money (Lian & Yen, 2013) and as such resist without any prior evaluation. Hence, we hypothesise:

H2. Perceived cost positively influences consumer resistance to healthcare robots.

Perceived novelty: The adoption of self-service technologies in healthcare is controversial to some, particularly in the case of radical innovation like robotic companion. Despite suggestion that, continuous use of information and communication technology in healthcare is transforming the industry immensely, particularly with its user centric approach where individuals and families are now able to take part in the value co-creation process (e.g. World Health Organisation 2016). Many within the latter group perceive this new approach as different, while those in the former feel indifferent to the innovation. In the context of innovation adoption within sensitive service industry, the greater risk associated with many of the services can contribute to why patients/users maintain status quo (Berry, 2014). According to Falk et al., (2007) people in this setting tend to prefer the situation they are familiar with, to an alternative offering greater utility. This align with the notion that lack of familiarity create a sense of suspicion (e.g. the thought of technology failure), that triggers fear and anxiety which later result in resistance (de Kerviler et al., 2016). This status quo bias confirms that the benefits of most innovations are not readily apparent, given such mixed emotions (de Kerviler et al., 2016; Pinch and Bijker, 1984). Hence, we hypothesise:

H3. Perceived novelty positively influences consumer resistance to healthcare robots.

Privacy concerns: According to some studies, the culminating effect of robot's proliferation is an accident waiting to happen, as autonomous machine with the capability of making decision on its own, cannot be effective in the role of a moral actor (e.g. Bogue 2014). Self-service technologies like Paro robot lack moral judgement even though the innovation is only design to mimic animal-assisted therapy (Bogue 2014). Studies in the marketing field among others have questioned the ethical judgement of these technologies, by echoing consumer concerns over stored information on robots (e.g. Mani & Chouk 2016; Ashworth & Free 2006). Other scholars question the need to have robots that provide false information to vulnerable patients (Bogue 2014). Hence, we postulate that privacy concern among other risks affect consumer resistance to innovation, given that, most smart devices collect and manage sensitive information consumers find uncomfortable (Sicari et al. 2015).

H4. Privacy concerns positively influence consumer resistance to healthcare robots.

Routine seeking: Internet and computer-related technology have become necessary in different contexts including healthcare (Hoffman, Novak, & Venkatesh, 2004). According to a report, about 80% of adult internet users have gone online for general health information (Fox and Fallow, 2003). Customer engagement via computerised technology of this kind have seen the greatest dependency from healthcare users (Hadlington, 2015; Lo, Wang, & Fang, 2005), a leading course for the proliferation of other sophisticated robotic companion (such as Fitbits).

People depend on these innovations for various reasons, some want to be better informed, better prepared before visiting the hospital, others, simply on a quest for alternative or reassurance. This dependency is useful for the individual consumer seeking confidence, provided it does not lead to the formation habits such as routine seeking. Shu et al., (2011) equate this technology dependence approach to 'technostress'. Technostress refers to the direct or indirect negative impact of technology on attitudes, thoughts, behaviour and physiology of the human (Weil & Rosen, 1997). Consistent with Oreg (2003), which suggest that individuals seeking routine are simply reluctant to give up old habits knowing that familiar responses may not be compatible with the new reality, producing "technostress" as a result. Routine seeking develops because consumers become accustomed to a repeat process over time (Bagozzi and Lee, 1999). Hence, we postulate that:

H5. Routine seeking will have a positive effect on consumer resistance to healthcare robots

Emotional reaction to change: When individuals who are reluctant to lose control confront new products or service, this change may lead to lack of confidence and a reduced desire for the innovation (Mukherjee and Hoyer, 2001). Some individuals become less confident to engage in extended information processing because the situation is perceive as a loss of control (Bagozzi and Lee, 1999). Chang, (2006) reaffirm why having the option to ask a service employee for help restores confidence, with the argument that freedom of choice offer consumers the opportunity to escape an annoying situation during service failure. In the case of healthcare, a robotic companion represent a greater threat to such individual in the likelihood of a service failure. Hence, we postulate that emotional reaction to change may affect consumers because the individual perceive control over life situation to be impose rather than self-initiated.

H6. Emotional reaction to change have a positive effect on consumer resistance to healthcare robots

Cognitive rigidity: This is also the same for individuals with high levels of cognitive rigidity because their dogmatism and closed-mindedness decrease their openness to new situations (Oreg, 2003). Several studies on organisational change have examined cognitive rigidity and the conclusion is that dogmatism trait might explain our individual's approach to change (Oreg, 2003). We hypothesise:

H7. Cognitive rigidity will positively influence consumer resistance to healthcare robots.

Short-term focus: According to some studies change is a stressor, hence individuals with limited resilience become less willing to participate in change and may has a result exhibit inferior coping quality (Wanberg and Banas, 2000). Whenever these individuals have to confront new products or services, they refrain from seeking further information, because the process may generate stress (Talke & Heidenreich 2014). Therefore, we postulate that:

H8. Short-term focus will positively influence consumer resistance to healthcare robots.

Subjective norm: Here the study consider the moderating role of subjective norm on privacy concern, since perceived risks is a multidimensional construct (Rijsdijk and Hultink, 2003).

The moderating role of subjective norm according to literature has a direct effect on intention to use (e.g. Davis, 1989). Where subjective norm is defined as "a person's perception that most people who are important to him or her think he or she should or should not perform the behaviour in question" (Venkatesh et al., 2003). In other words, subjective norm may influence behaviour in certain ways contrary to belief or opinion, because one or more referent individuals approve of such behaviour (Davis, 1989). For example, Leonard-Barton (1985) study highlights how experts have been able to affect dentists' opinion toward a controversial dental technology. The findings from this study indicate that even in the case of a successful product, about 20% of the market deliberately rejected the product based on the negative WOM they had received. This is however not peculiar to privacy concern alone but to all the identified dimensions. Hence, we postulate that:

H10. Subjective norm moderates the drivers of innovation resistance on healthcare users

Method and data

To investigate the proposed model and the corresponding hypotheses, this study uses questionnaires with a scenario-based approach, in which participants are condition into hypothetical roles and constellations (Wagner et al. 2009). This experimental approach is useful because it provides insights into social psychological responses across several contexts including healthcare (Wagner et al. 2009; Heidenreich et al. 2016). Preliminary checks conducted before the usual analysis involve the use of structural equation modelling (SEM). Here, we verified the validity and reliability of the scales from a convenient student sample. In the next phase, the questionnaires would be administrated offline (paper copy) to volunteers recruited from healthcare facilities in Belgium.

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Provided upon request along with results of the systematic literature review

Does Dr. Google help? Patients' Online Health Information Search

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Introduction

The need for investigating patient participation has been highlighted by various practitioners (American Medical Association 1990), researchers (e.g., Gallan et al. 2013), and policy makers (European Commission 2014). Researchers claim that patient participation has a high impact on the health service process and health service outcomes. However, not all patients seem to be interested in being more involved in their health care process (Beaver et al. 1996). Patients can participate in different forms and with a different relationship with the clinic (Sweeney, Danaher & McColl-Kennedy 2015) being Online Health Information Search (OHIS) one form of patient participation beyond the main clinics' activities, which has been increasing. We define OHIS as the act of gathering information in an active and meaningful manner with regard to medical conditions, diagnoses, and treatments using the Internet as a channel.

The objectives of this study are threefold: (1) to understand the motivations of patients to do online information search; (2) to better understand the OHIS behavior, i.e., which information sources patients use, alone or in combination, and how they make decisions about how to select the different sources and, therefore, what is looked for from this specific search –e.g., support or information–; and (3) the positive or negative impact of OHIS on health outcomes for patients.

Literature Review

One stream of research empirically focuses on the kinds of different patient participation behaviors, regarding the interaction that patient and physician have (e.g., Gallan et al. 2013). A second stream of research has focused on how patient participation affects the communication style of the physician (e.g., Cegala, Street & Clinch 2007). Research on online information search has been studied predominantly relating to purchase decisions (e.g., Kim, Albuquerque & Bronnenberg 2011). With regard to patients' OHIS, it has been studying how patients' use of forums and whether they get any benefit or not (Jayanti & Singh 2010). However, there are no studies considering that patients might use these communities at the same time as other kind of resources, i.e., other opinion-based websites, empirically-based websites. To the best of our knowledge, there is only one study with regard to OHIS, i.e., online information search in the context of health care services in service marketing literature (Prigge et al. 2015), the authors studied the extent of information search done by patients as a part of patient empowerment finding that this empowerment could be beneficial for the adherence.

When using online resources, patients often suffer from a lack of knowledge to distinguish between the different information that they collect (Berry, Seiders & Wilder 2003). Patients are often reported as being insufficiently educated or trained for the specific requirements of their new role and tasks.

Methodology

We obtained a total sample of 58 in-depth interviews. The first part of this exploratory study consisted of 28 semi-structured interviews with inpatients at the University Hospital of Burgos —Hospital Universitario de Burgos (HUBU)—. The HUBU is a public university hospital located in Burgos (Castilla y León region, Spain). The groups have been form under consultation with the User Care Service of the HUBU. Therefore the groups were formed by: (1) patients with a life threatening chronic disease, i.e., patients hospitalized in the oncology or hematology; (2) patients with a non-life threatening chronic disease i.e., patients hospitalized in the respiratory department or cardiology; (3) patients with a solvable disease i.e., patients hospitalized in orthopedic, plastic or general surgery; and (4) maternity i.e., women in the maternity ward. Seven random patients from each group have been interviewed. The lists of occupied beds were facilitated, a number was assigned to each occupied bed and then a randomization of these numbers was done for each group.

The second part of this exploratory study consisted of 30 semi-structured interviews with outpatients who attended to visit their general practitioners, nurses or pediatricians at three different Health Care Centers in Burgos, Spain and they were interviewed after the consultation.

The groups regarding the disease, inpatients and outpatients have been done in order to guarantee a big variety of diseases and patients.

We used thematic analysis technique; we opted for a rich description of the data set, an inductive theoretical analysis, a latent level to identify more information and, finally, we conducted the analysis within the realistic/essentialist paradigm following the different recommended phases of the thematic analysis (Braun & Clarke 2006).

Results

Drivers for doing OHIS

We obtained three different and variated types of drivers for doing OHIS; motivations, opportunities and abilities. First, as motivations we found three different categories: (1) need for clarification: patients have doubts, and therefore, a need to clarify the information received by healthcare providers; (2) need for comparison: patients feel the need to compare the information that they received by healthcare providers or feel the need to obtain more than one point of view; and (3) need for information: patients feel the need to get more information, and more in detail.

Second, as opportunities we found two categories of them: (1) heard/read news: patients hear news regarding a disease and they decide to do OHIS; and (2) convenience/ easy access: patients do OHIS due to the easy and fast access.

Third, abilities, between which we find categories such as (1) patients' curiosity: patients feel curiosity about the illness, the treatment, the causes of the illness, etc.; (2) perceived OHIS literacy: patients' perception of their own literacy for doing OHIS; and (3) perceived OHIS ability: patients' perception of their own ability to do OHIS.

OHIS behavior

We identified three ways of patients to evaluate websites when analyzing their behavior finding 10 categories in total grouped under three bigger clusters. (I) The variety of considered websites: websites in which patients decide to surf on, or not, due to the type of contained information and in which degree is considered, here we found the following categories (1) information in forums or blogs, (2) specialized online magazines, (3) scientific articles, (4) health care provider's website and (5) hospital's or association's websites. (II) Criteria for selecting websites: how patients decide to open a link once their search is done, here, we found the following manners to choose websites categorized; (1) random (2) order of appearance, (3) webmaster and (4) links provided offline. (III) Checking trustworthiness e.g., source/author or webmaster: how patients put their trust in the websites focused in one main categorization; whether patients check who has wrote the website or any other evidence of the source's quality of the information.

Perceived outcomes of doing OHIS

We obtained three different types of outcomes; cognitive, affective and behavioral. In regard with cognitive outcomes we found three categories: (1) perceived health literacy: whether patients have the perception of having learnt from their OHIS; (2) perceived health status: the perception of how OHIS influenced patients' health; and (3) belief in online information: how patients decided whether to believe on this OHIS or not.

Second, regarding the affective outcomes we found another three categories (1) well-being: patients' perception of how OHIS influenced patients' well-being; (2) patient confusion: patients' perception of how OHIS influenced patients' confusion; (3) patients satisfaction: patients' perception of how OHIS influenced patients' satisfaction; relief: whether patients felt relieved after doing OHIS.

Third, concerning the behavioral outcomes we found another three categories: (1) adherence with therapy: patients stated if and how OHIS helped with the adherence in their treatments; (2) share information: whether patients share the OHIS with their health care providers or with other people; (3) and follow the information: whether patients follow this OHIS or not.

Discussion

Our findings help to better understand patient's behavior when doing OHIS; we found further insights regarding not only patients' motivations but patient's drivers. We also found insights regarding the consideration of websites, websites' selection criteria and perceived outcomes. For instance, we can notice differences between OHIS' motivations and motivations for online search in purchase decisions (Ratchford, Lee & Talukdar 2003).

Second, we have noticed that not all the patients are able to distinguish among empirically-based websites and opinion-based websites; obtaining additional information to the extent of information search previously studied as part of patient empowerment (Prigge et al. 2015).

Third, we found cognitive, affective and behavioral outcomes. We found that adherence might be negatively affected by OHIS, nonetheless, it might help be helpful in some occasions, which goes in line of previous research (Prigge et al. 2015). However, we did not observe that patients become more competent in the encounter (Singh, Cuttler & Silvers 2004; Prigge et al. 2015) because the information that they find is the same as the one provided from the health care provider.

The implications of this study are potentially useful for (1) health care providers, e.g., for developing strategies on how to motivate patients to search for information. (2) Hospital management, e.g., to better adapt information delivery for different patients' need and to adapt the policies of the hospital regarding information delivery. (3) Policy makers, e.g., to better understand the actual status quo of OHIS and its impact.

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The Impact of Communications Style on Client Psychological Comfort in Healthcare Services

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Introduction

This study examines the impact of professionals communications style on *clients'* psychological comfort in a medical services setting. It also tests moderating effects of cognitive social capital and cultural value orientation. The results reveal the different influences of affiliative and dominant communications styles on psychological comfort and service outcomes (patient satisfaction), under conditions of high social capital and collectivist value orientation. It contributes to service literature by examining the influence of communication style on client psychological comfort, the contingency conditions, and the underlying mechanism.

Professional Services

Professional services (healthcare, legal, financial) are customized, high involvement and possess credence properties meaning clients often cannot confidently evaluate quality even after purchase and consumption (Patterson, 2000). Their purchase typically involves considerable anxiety, uncertainty and perceptions of risk. To reduce client anxiety and ensure a positive service evaluation (e.g., service quality, satisfaction), creating *client psychological comfort* prior to and during service provision is vital. While psychological comfort has been studied in social psychology it has rarely been studied in a marketing context, and lacks empirical investigation in a professional services context, especially it's link to interpersonal communications.

Communications Style

Norton (1978, p. 99) defines communication style as "the way one verbally and paraverbally interacts to signal how literal meaning should be taken, interpreted, filtered, or understood". The style or manner (i.e., tone of voice, facial expression, spatial distance from the listener, listening, eye gaze) that allows a person (service professional) to communicate his or her meaning can influence the outcome of an interaction with another party (Wong & Tjosvold, 1995).

Employing Berger and Calabrese's (1975) uncertainty reduction theory and Ben-Sira's (1980) revised social interaction model as underlying theories, we focus on the association between service providers' communication style (as perceived by clients) and client psychological comfort in a healthcare context. Considering the credence properties of medical services and the complexity of discussions with physicians (who may be strangers at initial visits), uncertainty reduction theory suggests the need to reduce clients' perceived uncertainty and anxiety (Mitra et al., 1999). Clients typically rely on professionals' communications (verbal

and non-verbal) to acquire information and so reduce uncertainty (Lian & Laing, 2004). According to the revised social interaction model, clients observe and process such communication as a *mode of response* rather than a transmission of technical content. Their observations act as observable cues and serve as bridges to their perceived uncertainty and anxiety and help them evaluate likely technical outcomes.

Individuals generally express one of two communications styles - *affiliative* or *dominant*. Affiliative communication style involves behaviours that seek to develop and maintain a positive relationship between the communicator and listener, such as concern, friendliness, empathy, warmth, compassion, and social orientation (parallel to Norton's [1978] attentive, relaxed, open, and friendly styles). In complex professional service situations, the transfer of technical information to clients in a relaxed and empathetic manner helps decrease anxiety, tension, and perceived difficulty of the service process.

In contrast, dominant communication style establishes and sustains communicator control in an interaction; it includes behaviours such as conciseness, hurriedness, direction-giving, and guidance-giving A professional's controlling and dominant manner stems from a status and power differential with the client.

This study answers several research questions: First, do client perceptions of service provider's (i.e., physician's) communication style influence their degree of psychological comfort? Second, under what contingency conditions does communication style have stronger or weaker effects on psychological comfort? Third, does client psychological comfort lead to positive service evaluations and behaviours, such as satisfaction and repurchase intention.

Hypotheses

- **H1:** A healthcare provider's affiliative communication style has a positive impact on client psychological comfort.
- **H2:** A healthcare provider's dominant communication style has a negative impact on client psychological comfort.

Moderator hypotheses

Cognitive social capital represents the degree to which members in a network share similar beliefs, ideas, interests, values, languages, norms of behaviour, and systems of meaning that assist group behaviour (Jones & Taylor, 2012). For clients, sharing cognitive social capital with professionals positively influences their senses of trust and effectiveness, it indicates the providers' abilities to provide the desired service outcomes (Coulter & Coulter, 2002). Hence we predict affiliative communications will generate a *stronger* positive effect on psychological comfort among clients who perceive high levels of social capital. If clients perceive high social capital with providers who use a dominant style, it will be *less likely* to reduce their psychological comfort.

H3a: When a client perceives high cognitive social capital with a healthcare provider, the positive impact of affiliative communication style on client psychological comfort is *strengthened*.

H3b: When a client perceives high cognitive social capital with a healthcare provider, the negative impact of dominant communication style on client psychological comfort is *weakened*.

Clients with a stronger collectivist value orientation likely prefer affiliative communication style, because they tend to avoid conflict and acquiesce to those in higher power positions (e.g., physicians). They also are more likely to follow the service provider's directions (De Mooij & Hofstede, 2002) and accept dominant communication style, such that the negative impact of dominant communication style on client psychological comfort diminishes. In contrast, clients with an individualist value orientation are more independent and self-reliant (De Mooij & Hofstede, 2002). Therefore, no prediction is advanced.

H4a: For clients with a collectivist value orientation, the positive impact of affiliative communication style on client psychological comfort is *strengthened*.

H4b: For clients with a collectivist value orientation, the negative impact of dominant communication style on client psychological comfort is *weakened*.

H5: Client psychological comfort is positively associated with satisfaction.

These hypotheses are reflected in the conceptual model below (Figure 1).

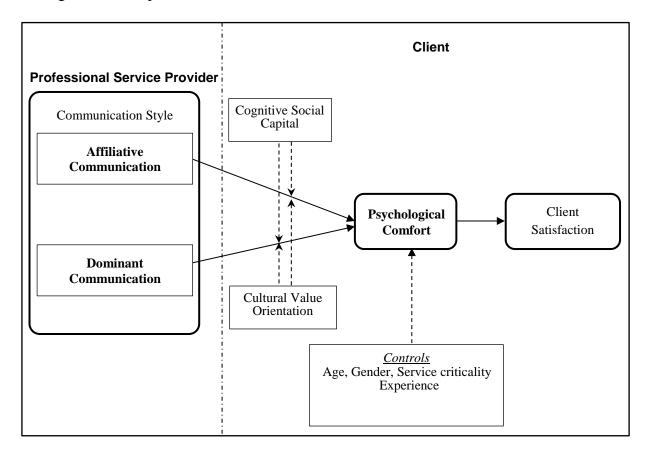


Figure 1: Conceptual model

Methodology

We conducted our research in a medical services setting in Thailand. Personal interviews were used to collect data from patients in public and private hospitals in three major cities in Thailand (Bangkok, Chiang Mai, and Chiang Rai). Respondents were outpatients who had face-to-face interaction(s) with physicians from various departments of hospitals. Following patients' consultations with physicians, we approached and invited the patients to participate in the study.

The final sample consisted of 355 patients (clients). All scales used were sourced from the literature. Confirmatory factor analysis showed the model fit the data well. Tests for common method bias, convergent and discriminant validity were conducted.

Results

All hypotheses for main effects were supported. Affiliative communications style has a significant, positive impact ($\beta = 0.61$, p < .001) on psychological comfort, while a dominant had a small, negative impact ($\beta = -0.06$, p < .05). Psychological comfort had a strong positive impact on client satisfaction ($\beta = 0.77$, p < .001).

Concerning the moderator hypotheses, the positive association between affiliative communication and psychological comfort is moderated by high cognitive social capital (β = .10, p < .01). That is, the strength of affiliative communication for enhancing psychological comfort is greater when patients perceive high similarity with their physicians (H3a). However, Hypothesis 3b is not supported; the negative link between dominant communication style and psychological comfort is not moderated by cognitive social capital (Table 1).

The moderating effects of cultural value orientation (collectivism vs. individualism) support Hypotheses 4a and 4b. Specifically, affiliative communication style is more strongly associated with psychological comfort when a patient has a stronger collectivist value orientation. Correspondingly, the negative influence of dominant communication on psychological comfort is moderated by a collectivist orientation ($\beta = -.06$, p < .01). Perceived dominant communication has a declining effect in terms of decreasing psychological comfort when patients are highly collectivist value oriented.

Table 1 Results from the structural model (full model)

Hypothesised relationships	Standardised	t-Value	Hypothesis
	Estimate		Supported
<i>H1</i> Affiliative communication style \rightarrow Psychologica comfort	l .61	10.66***	Yes
$H2$ Dominant communication style \rightarrow Psychologica comfort	·.06	-2.17*	Yes
$H3a$ Affiliative communication style \times Cognitive social capital \rightarrow Psychological comfort	e .10	5.11***	Yes
<i>H3b</i> Dominant communication style \times Cognitive social capital \rightarrow Psychological comfort	e04	- 1.64(ns)	No

$H4a$ Affiliative communication style \times Cultural value .06		3.34***	Yes
orientation \rightarrow Psychological comfort			
H4b Dominant communication style × Cultural valorientation → Psychological comfort	ue06	-2.50*	Yes
H5 Psychological comfort \rightarrow Satisfaction	.77	17.17***	Yes

Notes: Squared multiple correlations: Psychological comfort = .62, Satisfaction = .59 *Significant at p < .05. ***Significant at p < .001.

Managerial implications will be discussed during the presentation.

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1J Service Dominant Logic

Value Co-Destruction Consequences of Contextualized Interactions Between Online and Offline Deviant Behaviors: An Ecosystemic View

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Introduction

Service experiences are typically characterized by 1. an online-offline complementarity and concomitance (Voorhees et al. 2017), and 2. the existence of an ecosystem of various actors that can logically enable their value to increase through the integration of their varied resources (Frow et al. 2016; Vargo and Lusch 2011). In such settings, any of the actors of an ecosystem may adopt online and/or offline deviant behaviors (i.e., behaviors that are against the law, organizational policy and/or social norm that can harm firms, employees or other actors: Sigala 2017). For instance, customers may be rude with an employee for what they considered a poor service encounter; companies may leave negative comments on their competitors' websites, or remove negative comments posted by their customers on their websites. With the advent of massive and groundbreaking online platforms such as Uber, Expedia, or Airbnb, the question of how online (offline) deviant behaviors can prompt further offline (online) deviance, resulting in value co-destruction (VCD, defined as a decrease in the well-being of one or more of the actors of an ecosystem: Echeverri and Skålén 2011; Plé and Chumpitaz Cáceres 2010), becomes essential.

This conceptual paper offers a conceptualization of the interactions between online and offline deviant behavior in an ecosystem, and considers their contextually-driven consequences on VCD via a set of seven propositions. We contribute to literature on deviant behavior by a thorough consideration of the interactions between an actor's (or several connected actors') online and offline deviant behaviors, and their consequence on value co-destruction. We also contribute a clearer delineation of the role of context in an ecosystem by showing how it can influence perceptions of deviance and affect the value outcomes of service experience co-creation situations

Theoretical Background

Linking online and offline deviant behavior

Studies on deviant behavior usually fall under one of two perspectives that can be studied independently or complementarily; first, as violation of norms, where individuals' or organizations' behaviors are considered deviant when they are inappropriate or conflicting with existing and accepted societal norms (Mills and Bonoma 1979), or with norms that govern exchange settings (Fullerton and Punj 1993); second, as disruption of functional experiences, where the behavior of an actor involved in a service experience causes problems for one or

several other actors involved in the same service experience (Fisk et al. 2010). Such behaviors can exist either offline or online, even though the scope of the internet, the reproducibility of information and the anonymity that it permits enable to distinguish between both types of behaviors. Moreover, research suggests that online and offline "normal" behaviors are entangled, such that one might engender the other and reciprocally (e.g. online sharing behaviors affect other people's future offline travel experiences (Ring et al. 2016). However, the academic literature does not offer an understanding of the reciprocal interactions between online and offline deviant behaviors. Drawing on these limitations, we argue that 1°) an actor's online deviant behavior may have offline consequences for him/herself, but also for other individual or organizational actors (Luca and Zervas, 2016), and vice-versa, and 2°) an actor's online (offline) deviant behavior might further generate his or her own or others' deviant behaviors in the offline (online) world (Harris and Reynolds, 2003; Schaeffers et al., 2016).

A contextualized approach of the links between value co-destruction and deviant behavior in an ecosystem

Online or offline deviant behaviors usually have negative value-related consequences for the actors who adopt them or for other actors with whom they interact (Daunt and Harris 2017), resulting in value co-destruction (VCD). VCD refers to a diminution in the well-being of at least one of several interacting actors in a value process (Plé and Chumpitaz Caceres, 2010). VCD reflects that value is 1°) phenomenological (Ng and Smith, 2012), i.e. depends on the perception of the actors, and 2°) interactional (Vargo and Lusch, 2004, 2008, 2014), i.e. results from successful (value co-creation) or failed (value co-destruction) integration of resources among actors that occur through their interactions. It can result from intentional or accidental deviant behaviors that materialize as a discrepancy between the actors' respective expectations of appropriate behavior in terms of resource integration, also called misintegration of resources (Plé, 2016). In other words, resource misintegration corresponds to a situation when one actor interacting with one or more actors adopts an offline or online deviant resource-integrating behavior.

When linking both literatures on VCD and deviant behavior, it is noticeable that both have mainly focused on dyads (i.e. between two actors), while in real-life settings, deviant behaviors and related VCD dynamics typically involve a variety of interconnected actors (Chowdhury et al. 2016; Frow et al. 2016). Therefore, to address this gap, we consider how the interactions between online and offline deviant behaviors may generate VCD from an ecosystem perspective. In so doing, we complement the traditional literature on ecosystems that has mostly focused on co-creation (Frow et al., 2016). An ecosystem is "composed of actors and their respective resources, linked together through value propositions in a network of relationships" (Frow et al. 2016, p. 24). It includes four nested "levels of interactions" (Akaka et al. 2015, p. 459), namely micro, meso, macro and mega level (Frow et al., 2016), such that each level emerges from the one that precedes it: the meso-level emerges from the micro-level; the macro from the meso, and the mega from the macro (Frow et al. 2016; Lusch and Vargo 2014). Actors that compose the ecosystem belong to one level only, depending on

their nature, but they share and integrate their own and others' resources with one another within and across the four levels (Chandler and Vargo 2011; Frow et al. 2016).

Finally, actors in the ecosystem do not perceive value-related interactions and their outcomes the same way because of their perception of the context of both those interactions and outcomes. This may be especially true in international ecosystems, in particular because of cultural and norms differences (Neale and Fullerton, 2010; Akaka et al., 2013). Thus, context, viewed as "situational opportunities and constraints" (Johns, 2006, p. 386), affects both the perception and understanding of deviant behaviors and of their value-related consequences.

Conceptualizing the Reciprocal Influences of Online and Offline Deviant Behavior on Value Co-Destruction in an Ecosystem

Drawing on this theoretical background, figure 1 below proposes a conceptualization of the reciprocal influences of online and offline deviant behavior on value co-destruction in an ecosystem. It also illustrates the set of the following propositions.

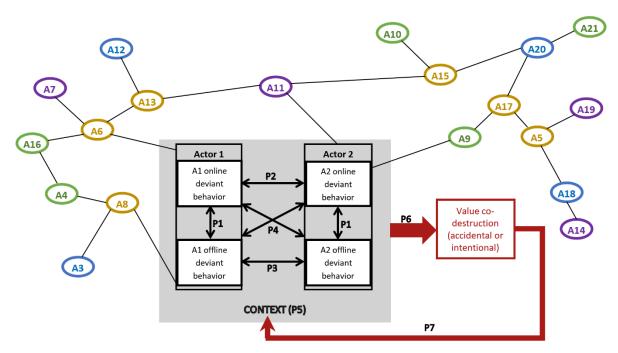
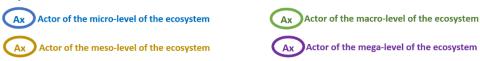


Figure 1: Contextualizing the interactions between online and offline deviant behaviors and their value co-destruction consequences in an ecosystem.



Proposition 1: In an ecosystem, the online deviant behavior of an actor may generate a similarly deviant offline behavior by that same actor. Reciprocally, the offline deviant behavior of an actor may generate a similarly deviant online behavior by that same actor.

- Proposition 2: In an ecosystem, an actor's online deviant behavior of may trigger the online deviant behavior of at least one other actor.
- Proposition 3: In an ecosystem, an actor's offline deviant behavior may trigger another actor's offline deviant behavior.
- Proposition 4: In an ecosystem, an actor's offline deviant behavior may trigger another actor's online deviant behavior. Reciprocally, an actor's online deviant behavior may trigger another actor's offline deviant behavior.
- Proposition 5: The context influences (1) an actor's online deviant behavior and/or (2) an actor's offline deviant behavior in an ecosystem. It also influences the reciprocal interactions between actors' online and offline behaviors in the ecosystem that are suggested in propositions 1, 2, 3 and 4.
- Proposition 6: In an ecosystem, the contextualized interactions between actors' online and offline deviant behaviors result in accidental or intentional value codestruction for at least one of the interacting actors.
- Proposition 7: The value co-destruction that results from the contextualized reciprocal interactions among the actors' online and offline deviant behaviors entails a feedback loop that contributes to reshaping the context of the experiences between actors of an ecosystem.

The model and these propositions make two main contributions. First, they show that and explain how the contextualized online and offline deviant behaviors of the actors of the ecosystem may feed off each other and thus result in value co-destruction. Second, the current paper extends our understanding of context and its role in both online and offline deviant behaviors in an ecosystem, as well as on the interactions between those two kinds of deviant behaviors among different actors.

References available upon request.

A Scaling Up Framework for Innovative Service Ecosystems: Lessons from Eataly and KidZania

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Introduction

This study aims to explore why innovative service ecosystems scale up, using a service-dominant logic lens (SDL). The focus is on identifying the key drivers of the scaling-up process as the basis for a new conceptual framework on the scaling up of service innovations. Despite the relevance of the topic, to date, only a few empirical studies have focused on why innovative service ecosystems scale up (Zomerdijk and Voss 2011; Di Pietro et al. 2015). Aal et al. (2016, p.644) shed lights on the need to study the "service ecosystem over time to find out how and why innovations scale up or diffuse". The aim of this study is to answer the question: Why do innovative service ecosystems scale up?

Scaling up here refers to an empirical phenomenon describing an innovative service ecosystem's ability to grow by attracting new customers and other actors (e.g., Den et al., 2010; Harnish, 2014).

Building on Aal et al (2016), the present research seeks to identify and analyze the main drivers that break, make, and maintain the institutionalized practices (Koskela-Huotari et al., 2016) that describe why innovative service ecosystems scale up.

A service ecosystem lens, grounded in the SDL perspective on value creation and innovation, provides the frame of reference of the present research. An inductive research design is used to zoom in on two innovative service ecosystems, Eataly and KidZania, to identify the key drivers that can explain why innovations scale up. Eataly, which focuses on food, health, and environmental responsibilities, and KidZania, which provides entertainment, learning, and role-playing opportunities for children. Both companies represent innovative service ecosystems in rapid scaling-up processes and they provide rich data with explanatory power (Eisenhardt and Graebner, 2007). For both companies, the triangulation of semi-structured interviews, archival sources and in-house observations is used as complementary datasets. Multiple investigators and coders have been involved in the data collection, coding process and analysis.

Evidence from both ecosystems is summarized and compared, allowing researchers to identify similarities in independent constructs related to common scaling up drivers. The focus is on

finding those drivers with the most explanatory power for service innovations scaling up to enrich the fragmented literature on this topic. Accordingly, a "framework that summarized the raw data" (Thomas, 2006, p. 240) and conveys the key drivers that describe the scaling up phenomenon of service ecosystems is developed.

From the analysis of Eataly and KidZania, the authors found that the scaling-up phenomenon is characterized by four drivers:1) *Realizing value propositions*; 2) *Partnering with strategic actors*; 3) *Access to new resources and integration practices*; 4) *New institutionalized norms and rules*.

This work proposes a constellation framework of interdependent drivers that fosters the scaling up of innovative service ecosystems. Indeed, this study does not argue that one single, specific drivers' constellation would fit all service ecosystems and markets. Contextual factors shape service ecosystems and markets and different constellations and operationalizations of these drivers foster the scaling up process.

This is one of the first empirical investigations of those key factors driving the scaling up process of service innovations. It contributes with a different conceptualization of service innovation and why scaling-up processes emerge, emphasizing the existence of multiple drivers constellations..

It opens up future research directions, such as the importance to focus on the scaling-up processes in different fields, or, on the entrepreneur's perspective to clarify the role of entrepreneurship and effectuation logics in innovative service ecosystems.

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Delving into the role of different resources for value creation in the internal market

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Introduction

Despite the importance of SD logic on understanding the way firms can generate value for their external stakeholders such as customers, limited attention is given on the process of value creation in the firm's internal market and how value can be created for the firm's internal stakeholders (Payne et al., 2017). Internal value creation refers to how value emerges from relationships and interactions in the firm's internal eco-system among stakeholders who can potentially engage in service exchange with the firm (Ballantyne, 2003). Internal value creation is fundamentally different to firm-customer interactions due to the diverse nature of the firminternal stakeholder interactions and the type of resources that are available for exchange from each party. Pertinent literature advocates a provider-crafted perspective of value creation (e.g. Ballantyne, 2003), which overlooks the nature of internal employee-firm exchanges as well as the role of some key preconditions of value creation that the S-D literature has widely agreed upon (Grönroos, 2011). Also, scarce evidence exists around the type of resources that internal stakeholders can use and exchange for acquiring firm resources (Wright et al., 2001), preventing managers from engaging them successfully in value co-creating activities. As a result, a theoretically sound understanding of the intenal value creation process is currently missing and further evidence is warranted on how firms and internal stakeholders exchange resources in this process (Payne et al., 2008).

Internal value creation

Internal value creation is significantly different compared to the one in a firm-customer setting. The type and nature of exchanges between internal stakeholders and the firm are unlike to the firm-customer ones. In the external market, discrete interactions are often evident with multiple firm touchpoints (Chen and Popovich, 2003); also, reciprocal value creation can take place as each party's objectives are not mutually exclusive. Also, exchanges in internal markets are dictated by contractual arrangements that abide both parties to interact and therefore value generation for each party might not be necessarily reciprocal (e.g. due to conflicting interests between different parties) (Lepak et al., 2007).

The role of value for internal stakeholders has been examined with scholars suggesting value as a deliverable value offering to the firm's staff (e.g. Gounaris et al., 2010). Unlike the customer market, where value creation moved from an early supplier-dominated perspective to the co-production of value premises between suppliers and customers (cf. Ballantyne et al., 2011), current internal marketing wisdom predominantly advocates a provider-crafted perspective for creating value in the internal market; the use of marketing approaches internally is expected to enhance the value delivered to employees and improve firm—employee relationships (Ballantyne and Varey, 2006). This approach implies a competitive employment

offer or promise, which is initiated by the firm and then communicated to the employee, so that it be accepted by the latter; for this promise to be accepted, the exchange of value promises needs to take place first.

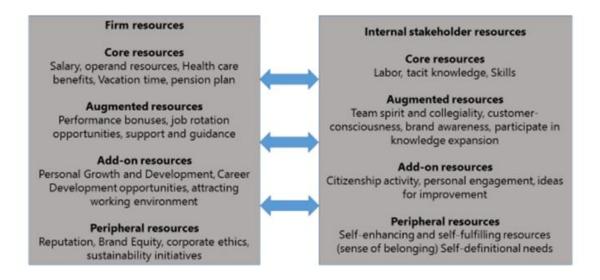
Drawing on the S-D literature, firms can offer their applied resources for value creation and interactively create value through the acceptance of value promises, but cannot create or deliver value independently (Vargo and Lusch, 2008). An **internal value promise** represents an invitation from one party to the other to engage in service with the aim of an equitable reciprocal exchange for both parties involved. A value promise should be made to the other party in order to attain value, which might be economic, relational, social, or some mix of those. The intent should be to obtain reciprocal service, through exchanging reciprocal value promises (Ballantyne and Varey, 2006). However, reciprocity cannot be ensured across all firm-stakeholder exchanges due to the nature of resource exchange in internal markets.

Internal value creation is viewed as a process through which internal stakeholders become better off or worse off in some respect through the exchange of value promises with the firm. Value for internal stakeholders is created throughout repetitive interactions between the firm and internal stakeholders (Ballantyne and Varey, 2006). Value creation is not static and does not occur once-off but rather it is an iterative and dynamic process. Despite that value creation is based on the exchange of value promises, it remains independent of whether the other party's well-being is also enhanced.

An extensive debate has taken place on how value for external stakeholders can be co-created as well the exact role of each party in this process (e.g. Grönroos, 2011). However, evidence on how and under which circumstances internal stakeholders engage in co-creation activity is scarce and a rigorous understanding of cocreation is needed (Edvardsson et al., 2011). Understanding how internal stakeholders are more likely to become active contributors to the value creation process is critical as the ultimate aim of co-creating exchanges is the facilitation of reciprocal and equitable value promises between the firm and internal stakeholders (Payne et al., 2008). Co-creation of value might exist in various interactions in the internal market; internal stakeholders can experience emotional engagement with the firm or during the transfer of labour from the firm to the employee or changes of labour conditions for internal stakeholders (e.g. promotions).

A typology of resources for internal value creation

Prior literature identifies different types of firm-based resources and provides a variety of resource definitions (Madhavaram and Hunt, 2008). Despite this evidence, scarce evidence exists around how different types of resources affect the reciprocal exchange of value promises in the internal market. Depending on their role for internal value creation, a typology of firm and stakeholder resources is provided below. A brief discussion of their key features of each type takes place and the type of resources in each category can be viewed from the figure below.



Core resources are basic-level resources important for initiating internal service exchanges, which are usually exchanged through pre-negotiated exchanges during formal employee-firm interactions. The exchange of core resources is necessary and reciprocal so that service between the two parties not be disrupted. Value promises for core resources are reciprocal by nature and can be initiated from the firm only. Their production usually takes place in the provider's or the stakeholder's sphere respectively. Value in exchange is more important when core resources are exchanged, as value perceptions of each party are strongly affected from the initial sacrifice of the exchange rather from the value-in-use generated throughout their usage.

Augmented resources are mostly role-related resources which enable each party to improve its daily function and the production of market offerings (Hunt et al., 2008). The exchange of augmented resources facilitates current and future value creation and the development and offer of reciprocal value promises. The exchange of augmented resources is not necessarily reciprocal and therefore, reciprocity in related value promises cannot be warranted. The production of augmented resources can take place in the provider's or the stakeholder's sphere respectively. Value promises in this case and can be initiated from both parties and the augmented resource exchange can generate real value. Value-in-use is highly important for augmented resources, as value creation can mainly be achieved from the usage of such resources.

Add-on resources constitute higher-level resources which aim at improving the other party's well-being. They should be exchanged directly through an active and synergistic process and value co-creation in the internal market often takes place through their exchange. The exchange of add-on resources can generate real value. They often lie in the joint sphere and are exchanged directly through an active and ongoing and dialogical process. Value promises for add-on resources can be initiated from both parties, not just the firm. Add-on resources should always be co-created so that the real value generation is enhanced; the lack of co-creating them might reduce their contribution to value emerging for internal stakeholders.

Peripheral resources are highly intangible and abstract resources which cannot be consumed or used for internal service exchange. They constitute intangible resources which

affect the creation of value in the internal market through shaping the way service exchanges are perceived from each party. Despite that peripheral resources cannot be part of internal service exchanges, they are omnipresent during value creation. These resources are present to each internal stakeholder and their existence significantly affects the amount of value that each stakeholder receives. Peripheral resources affect the value creation process of internal stakeholders but they cannot be directly offered or exchanged. Peripheral resources do not reside in the joint sphere but they are present in the employee's mind-set and are valid at the level of lived experience.

Conclusion

This conceptual paper aspires to advance the theoretical understanding of the internal value creation, extending the S-D literature and the employee value creation stream in a threefold way. First, some key elements of the internal value creation process are established and the premises of the S-D framework are re-visited in this context. Second, the role of different resources available for exchange is discussed and a typology of resources is presented. In specific, four main types of resources are identified and their distinct features and role for internal value creation are outlined.

1K Service solutions and mobile applications

Service solutions in professional services – a study of law firms in Poland

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Relevance of the phenomenon being studied

Increased competition and more extensive customer needs have motivated companies to develop solutions, which solve business problems not simply by enhancing the quality of component products and services but by integrating these components (Nordin and Kowalkowski 2010; Storbacka 2011). Therefore, it enhances the potential for value-creation and thereby improve firm competitiveness (Kowalkowski, Nordin 2010). Differentiation from the competition by offering solutions to customers can be seen as a way of escaping the "commodity magnet" (Stremersch et al., 2001). Studying solutions is particularly justified in the context of professional services, because such services are based on sophisticated, knowledge-based expertise (Maister, 1993) and they are complex, intangible, highly customized. They are created and delivered by highly qualified personnel, over a continuous stream of transactions or service encounters (Jones, 1997; Thakor & Kumar, 2000). In addition, over the past three decades the Professional Service Firm (PSF) sector has emerged as one of the most rapidly developing, profitable, and significant in the global economy (Hinings et al 2015).

The purpose of this paper is therefore to identify latent determinants that underlie PSF service solutions and to develop a taxonomy of such solutions in the Polish law service market as an example of PSF sector. Poland is an interesting example describing legal services market changes. Before 2005 Poland was one of the European countries with the lowest rate of professionals providing legal services. In 2004 there were around 23000 lawyers in Poland. However, due to deregulation, the number of lawyers in Poland had rapidly increased and in 2016 there were around 55000 legal services providers (Gnusowski 2017, p. 43)¹. At the same time, lawyers are not trusted and the demand for legal services in Poland is low and of unstable and unpredictable character. Therefore many of attorneys developed awareness of the competition and try to differentiate their offers by providing service solutions.

The paper is organized as follows. First of all, we discuss theoretical foundations of service solutions concept and why professional services are relevant field of exploration for studying service solutions. Next, we describe methodology of research, present the main findings and conclude with the contribution and implications of this research.

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¹ This study concentrates only on legal services provided by law firms and does not take a closer look to how in-house legal departments are organized.

Theoretical foundations and conceptual framework

There are several research streams describing service solutions, for example, integral solution (Matthyssens and Vandenbempt, 1998), integrated solutions (Wise and Baumgartner, 1999), solution (Foote *et al.*, 2001; Miller *et al.*, 2002) and customer solution (Sawhney, 2006). Solutions are widely defined as bundles of products and/or services that meet customer specific needs and have higher potential for value creation than the individual parts would have alone (Brady et al., 2005; Tuli et al. 2007; Nordin and Kowalkowski, 2010). Given the meaning of the word solution, from the firms' point of view, offering a solution means solving a customer's end-to-end problem (Sawhney 2006, Ceci and Prencipe (2008), to satisfy customer needs (Tuli et al, 2007) or to "make life easier or better for the client" (Miller et al. 2002). Taking the perspective of solutions rather than service is a fundamental shift of the vendor's value proposition. Service solutions providers take on the responsibility to achieve specific outcomes defined by the customer, rather than committing to deploying resources or performing activities (Worm et al. 2017).

The direct connection between the concepts of service solution and professional services is through "problem solving". It is widely believed that, professional services provision particularly involves problem solving for the customer (Jaakola, Halinen, 2006, Gummesson, 1978; Lovendahl, 2000, pp. 17). The service provider uses his/her professional knowledge to analyse a problem and suggest a solution (Gummesson, 1978). The professional service provider adapts regularly the solutions for each client. In addition, clients contribute significantly to the service process and there are few standardized, ready-made solutions. Consequently the range of possible causes of a problem and alternative solutions is much greater than for other service types (Hill and Neeley 1988, Larsson and Bowen, 1989). Moreover, the problem solving capacity of professional services is determined by the client's input (Jaakola, Halinen, 2006). Thus, the value-added potential of professional service solution resides in their ability to support clients in meeting different objectives, operating efficiently and ethically, and enabling the potential return of ten or hundred times the cost (Czerniawska & Smith, 2010).

The previous studies on service solutions have not focused on the professional services context, although it is relevant field of exploration. In this article, we take service provider perspective to this challenge.

Methodology

We collected the data among owners and managers of law firms in 'Wielkopolskie' region in Poland during spring and summer of 2014. First, we conducted a series of 40 in-depth interviews with owners/managers to inductively distinguish main service solutions determinants. Second, we circulated a survey questionnaire based on these determinants both by post and email to 221 law firms in the region. The survey consisted of 37 service solutions determinants derived from interviews with lawyers (see Table 1). 115 law firms responded to our survey, corresponding to a response rate of 52,00%. 67,80% of the respondents represent

small law firms (2-5 lawyers), 28,70% medium size law firms (6-30 lawyers) and 3,50% of big law firms (more than 30 lawyers). From the respondents, 52,70 % were from the law firms established before 2005, and 47,30% represented law firms established in the year 2006 or later. In relation to target market specialization, 46,10% provide services for individual consumers, 36,50% for business-to-business clients, and 17,40% for both groups.

Table 1: Factor structure and loadings

Factor	Item	Loading	Cronbach's alpha	
F1	Technological edge	.86		
	Eye-catching (extraordinary) website	.84		
	Blogging on a law-related website	.83		
	Positioning of the website	.82	.90	
	Online promotion, i.e. social media	.78	.50	
	Using legal documents and law firm management software	.65		
	Marketing, promotion	.61		
	Keeping given promises	.84		
F2	Reliability	.75		
	Services provided on time (prompt service)	.74	.81	
	High level of professional knowledge and competences	.64	.01	
	Responding to client's needs and expectations	.63		
F3	Distinguished specialist hired i.e. Professor of law	.76	.75	
	Important(highly-rated) foreign partner cooperation	.72		
	Organizational structure	.62		
	Specific market orientation/specialization	.58		
F4	Company's background, tradition, history	.85		
	Experience - business well established on the market	.84	.80	
	Reputation/brand/image	.71		
F5	Adhering to company's code of ethics	.77		
	Appearance of personnel, professional presentation	.75	.72	
	Accurate and efficient service	.55		
	Friendliness (willingness to help customer)	.53		
F6	Low prices	.84	.72	
	Cost reduction	.78	.12	

We analyzed the data using exploratory factor analysis (EFA) in SPSS. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy reached the value of .79, suggesting that our data fits the method well. We used principal component factoring with orthogonal varimax rotation. We set the threshold of factor loadings at .50, and defined the number of factors to be extracted using the eigenvalue criterion (retaining all factors with an eigenvalue > 1.00). Both the eigenvalue criterion and scree plot analysis suggest the number of factors to be set at six. All items with factor loadings < .50 or with substantial cross-loadings were deleted from the analysis. The results point to six distinct factors with Cronbach's alphas > .70 (for factor loadings and alphas, see Table 1). Based on the factors identified, we continued the analysis by clustering our respondents and their service solutions. We used K-means clustering with the number of clusters ranging from two to seven, based on initial results acquired from hierarchical factoring using the Ward's method. The five-cluster solution provides easily interpretable cluster centroids with a balanced distribution of cases, and was selected as the final solution (see Table 2).

Table 1: Cluster centroids

	C1	C2	C3	C4	C5
F1	.24	-1.06	.79	04	20
F2	.55	.34	.03	.41	-1.58
F3	05	.62	26	11	17
F4	-1.12	.05	.54	.72	12
F5	20	.84	.63	-1.42	31
F6	.40	04	29	41	.38
N	25	23	29	19	19

Findings

Our factor analysis distinguishes six factors representing different aspects of the sample firms' service solutions. F1 focuses on online presence and promotion, F2 on reliability-related issues, F3 on expertise, F4 on heritage, F5 on professionalism, and F6 on cost efficiency. Table reports factors corresponding the with Cluster analysis reveals a taxonomy of five distinct clusters, representing different service solution profiles (i.e., service solutions with different foci placed on the individual aspects). C1, labelled "the convenient/accessible", incorporates firms that place particular focus on providing reliable service in a cost-effective manner, with little attention to heritage. C2, labelled "professionals", focus on professionalism and expertise, with no focus on online presence of promotion. On the contrary, C3, labelled "the established", focus on online presence and promotion, professionalism, and heritage. C4, labelled "the traditional ones", focus on heritage and reliability, but pay relatively little attention to professionalism or cost efficiency. Finally, C5, labelled "the affordable", mostly care about cost efficiency, with very little focus on reliability.

Discussion and conclusions

The paper contributes to the field of services marketing by examining the content of service solutions in the context of professional services. First, based on empirical data collected from 115 law firm's owners and managers, we identify six underlying factors that serve as building blocks of service solutions within the legal services context. Second, we create a taxonomy of law service solutions based on the identified components. This taxonomy sheds empirical light on how firms in the Polish legal services market differentiate their offerings.

For managers of individual firms in the sector, the categorization of service solutions in the professional services sector identified in the study provides a tool for analysing their service solutions and, thereby, potential sources of competitive advantage. The taxonomy of actors in the Polish law firm market further provides a benchmark for similar firms in developing their service solutions. In order to apply our findings to other industries and/or markets, however, the present study should first be replicated in diverse contexts to address the generalizability of its findings.

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So close yet so far? The impact of mobile app usage on psychological distance

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Relevance of the Topic and Research Contribution

With the exponential growth of digital technologies in the past few decades, interactions with service providers have shifted from high-touch, low-tech to high-tech, low-touch (Bitner et al., 2000; Giebelhausen et al., 2014). For example, studies show that 53% of all U.S. smartphone owners already use their devices for mobile banking (Fed, 2016). In spite of a long tradition of research on SSTs, literature has to be supplemented to refer to mobile interfaces that still fulfill the purposes of customer service, transactions, or self-help (Meuter et al., 2000), but at the same time have unique features. However, academic research in the field of mobile SSTs remains scant.

Therefore, the purpose of this paper is to understand how mobile self-service technology (SST) usage influences customer-firm relationships. Thus the contribution of our paper is threefold. First, this research sheds light on how different self-service channels are perceived by users in terms of mental representations of the company. Second, we specifically contribute theoretically by applying Construal Level Theory (CLT) to understand how mobile SST adoption and usage changes customer-firm relationships. This is especially interesting because CLT has mostly been studied in interpersonal, social psychology contexts. Third, we contribute by investigating the role of psychological distance and construal level in service marketing by exploring relevant outcomes. In summary, this research answers to calls for a greater appreciation of CLT in service contexts (Holmqvist et al., 2015) and, to the best of our knowledge, is the first to apply CLT in an SST setting.

Theoretical Foundation

CLT gives prominence to peoples' ability to make abstract mental representations. It emphasizes the human tendency to transcend the present and go beyond the here and now to represent information outside of their immediate experience (Liberman & Trope, 2008; Trope & Liberman, 2010). Although what is not present cannot be experienced, people form abstract mental construals of distal objects or events to speculate about the future, remember the past, to put themselves in someone else's place, or to imagine what might have been. Psychological distance is an egocentric construct referring to the centrality of the self in the here and now. The distance to the self as reference point can be enlarged by removing an object or event from that point in time, in space, in social distance, and in hypotheticality (Trope & Liberman, 2003; Trope & Liberman, 2010). In other words, transcending this reference point along these four dimensions of psychological distance brings about the construction of mental representations which are not directly experienced. These are referred to as mental construals which differ according to how concrete or abstract the representation of an object or event is. Low-level construals are "[...] concrete, relatively unstructured, contextualized representations, that

include subordinate and incidental features of events," whereas high-level construals are regarded as "[...] abstract, schematic, decontextualized representations that extract the gist from the available information" (Liberman & Trope, 2008, p.1201 f.).

Psychological distance and level of construal are closely related. With increasing psychological distance from an event or object, people are more likely to use higher levels of construal (Trope & Liberman, 2010). This is because high level features tend to be more stable than low level features. Tests of the theory revealed that psychological distance is a primary driver of construal level (Kim & John, 2008). Thus, psychological distance (in any of its interrelated dimensions) can be seen as an explanation for the level of construal.

Although the application of CLT is limited in comparison to other social psychological theories, it has served as a framework in a few marketing studies. Particularly, the dimensions of psychological distance are relevant in the service context due to its interactive process (Grönroos & Voima, 2013). Services are mostly delivered in a physical setting (spatial distance), by interacting with a provider (social distance) to achieve an uncertain outcome (hypothetical distance) in the present or future (temporal distance) (Holmqvist et al., 2015). Despite this potential for service marketing research, only a small number of studies have drawn on CLT (e.g. Jin & He, 2013; Lii et al., 2012). Concerning SSTs, neither psychological distance nor construal level have yet been researched. Furthermore, research on mobile technologies such as mobile applications is still in its infancy.

Model and Hypotheses Development

As mentioned, we aim to investigate differences in construal level of a service firm caused by SST channel usage. The tendency toward low-level construals is generally preferable for a service firm as it is associated with "[...] rich contextualized detail" (Holmqvist et al., 2015, p.1434), whereas high level construals involve thinking abstractly about a firm, representing distance.

The first goal of the study is to compare two different SSTs in the banking context in terms of construal level. Previous research expounded how mobile devices differ from PCs or online interfaces (Gao et al., 2009), and emphasized the need to differentiate between various kinds of SSTs (Curran & Meuter, 2005). Further, features of mobile devices can be closely linked to CLT. Particularly, the concept and definition of ubiquity and the personalized environment that smartphones are offering, can be closely linked to temporal distance, spatial distance, and social distance. As a result of the reduced psychological distance, which is reflected by three of its dimensions that share the common meaning of the construct (Trope & Liberman, 2010), it is hypothesized that mobile banking users will have a greater tendency toward low-level (vs. high-level) construals compared to customers that exclusively use online banking (H1a). We further expect that the outlined effects are enforced by high levels of mobile SST usage (H1b).

The second purpose of this study is to investigate how mobile banking usage may influence psychological distance. Due to the outlined features of mobile technologies, as well as the personalized environment that they offer, it is expected that spatial flexibility, temporal flexibility, and the level of personalization of the service (all sharing the common meaning of

psychological distance) increase linearly as the ratio of mobile banking usage to online banking usage increases (H2a-c).

Third, this study aims to test how the three variables relate to construal level of the service provider. As previous research has found psychological distance to be an important determinant of construal level, we hypothesize that the perceived spatial and temporal flexibility, as well as the level of personalization of the service positively influence an individuals' tendency toward low-level (vs. high-level) construals of the service provider (H3a-c).

Finally, we investigate the outcomes of construal level. Perceived trust conceptualized as "[...] confidence in an exchange partner's reliability and integrity" (Morgan & Hunt, 1994, p.23) is introduced as a very important outcome as trust is often linked to proximity and close relationships (Rempel et al., 1985). At the same time, commitment to the bank, in terms of intentions to stay with the current bank, is hypothesized to be a result of this relationship mediated by perceived trust (H4).

Methodology and Empirical Findings

The study used data collected from 699 customers of a large direct bank. Mobile SST users (n=594) and non-users that exclusively use online banking (n=105) were compared by variance analysis. All other relationships were analyzed and interpreted by using data from mobile SST users only. PLS was selected to test the respective hypotheses.

Compared to non-usage, any degree of mobile SST usage has a significant effect on the tendency toward low-level construals. Different degrees of mobile SST usage in relation to online SST usage do not directly influence construal level. Instead, higher levels of mobile SST usage significantly reduce psychological distance along all three dimensions. Perceived spatial flexibility of the service and the perceived level of personalization of the service, as representatives of spatial and social distance, influence construal level, whereas no such effect was found for perceived temporal flexibility, representing temporal distance. Results further showed that perceived trust partially mediates the relationship between construal level and commitment.

Implications for Research and Management

This research combines existing findings on mobile services with the literature on CLT. To our knowledge, this study is the first study to align the concepts of psychological distance and construal level with typical characteristics of a service. The findings most importantly show that CLT is a promising approach to understand how mobile SSTs influence customer-firm relationships and opens avenues for future research. As any research, the study has some limitations as we used self-reported measures. Furthermore, future research should extend the application area to other service industries.

According to our results, the adoption of mobile services should be the top priority for marketing managers e.g. through provision of (financial) incentives. The degree of mobile SST usage in relation to online SST usage can also be linked to construal level. This, in sum,

underlines the need for managers to promote mobile SST adoption and usage by developing user-friendly applications that deliver clear value to customers to influence construal level and to benefit from its outcomes.

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The importance of colors on trust: how colors influence on service mobile applications?

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Introduction

Smart phones, tablets, mobile and wearable devices (e.g. glasses and watches) are bridging the gap between the physical and digital worlds, providing new opportunities for organizations to interact with customers (Adobe Digital Insights, 2016). For the first time, in 2016, consumers were expected to visit mobile sites more than desktop sites as they browse for gift ideas and places that best serve their needs (Adobe Digital Insights, 2016).

Although previous research regarded the effects of marketing in the online environment, Magrath and McCornick (2013) emphasize that there are still few studies focusing on mobile applications and consumer interactions such as different screens sizes and different forms of use and interaction. One key factor influencing consumer interaction with mobile applications is the graphic design and, more specifically, the colors used by the brand in its e-store (Magrath, McCornick, 2013).

This paper aims to fill some gaps in the service marketing literature. This research extends previous studies on the understanding of the influence of colors on consumer behavior (Labrecque, Milne, 2012; Wexner, 1954; Murray, Deabler, 1957; Bellizzi *et al.*, 1983, Babin *et al.*, 2003). For instance, Labrecque and Milne (2012) show the impact of saturation (i.e. amount of pigment in one color, from more grayish - low - to more vivid - high) and color value (i.e. whether the color is lighter (near white)=high value or darker (near black)=low value) on brand personality. Research revealed a strong relationship between value, saturation and color whereas saturation strongly connected with excitement and value with robustness (Labrecque, Milne, 2012). More interesting the findings show that when considering two identical condom packages besides the color, consumers evaluated the red packaging (with high saturation and low value) as "robust" and the purple packaging (with low saturation and high value) as "sophisticated".

Thus, a question that arises is could color influence other dimensions of a consumer-brand relationship as trust? Trust in the context of online services can be conceptualized as the belief that the service provider will have competence (ability to meet needs), benevolence (motivation to serve the client's interests), and integrity (honesty and fulfillment) to perform as expected by the consumer (McKnight *et al.* al., 2002). Although some authors claim that trust is only achieved through the building of relationships over time (Lewicki, Bunker, 1995, Zand, 1972), others have found higher levels of initial consumer trust (e.g. Kramer, 1994; McKnight, *et al.*, 2002). Trust can occur even before consumption. Oliveira *et al.* (2014) revealed that, in the case of Internet banking transactions, one of the major constructs that predates the consumer intention to adopt a technology is initial trust. Since color influences consumer perceptions and

behavioral intentions (Lebrecque; Milne, 2012), we investigate whether color could reduce the perceived risk and raise consumer trust levels when choosing mobile applications.

Pilot Study. The main of the pilot study was test the overall associations between color hue (blue vs. red) and value (low=darker vs. high=lighter) and consumer trust. Blue has been a color hue traditionally associated with trusted brands while red has not (Chattopadhyay *et al.*, 2002; Babin *et al.*, 2003; Lebrecque and Milne, 2012). Thus, we wanted to investigate whether lighter or darker shades (i.e., value) of red could bridge or, at least, reduce the gap between trust levels in these two colors.

Two hundred twenty-five participants (52% male; M = 34.94, SD = 10.34 years old) took part in the study. Participants were randomly assigned to one of 2 (color hue: red vs. blue) x 2 (color value: lighter vs. darker) between-subjects conditions. Participants were exposed to a color sample that was either light red (R255G0B0), dark red (R128G0B0), light blue (R0G0B255), or dark blue (R0G0B128). After that, participants evaluated how they felt about the color, using a trust scale adapted from Jarvenpaa *et al.* (1999); and perceived risk about the app adapted from Dowling and Staelin (1994).

Results. Two-way ANOVA revealed the interaction between color (red and blue) and value (lighter and darker) on consumers' trust ($F_{(1,221)} = 3.65$, p = 0.057). Spotlight analysis revealed that, although trust levels were the same for both values of blue ($M_{lightlue} = 5.15$, $M_{darkblue} = 5.02$; t(221) < 1, ns) it was significantly different for values of red ($M_{lightred} = 3.62$, $M_{darkred} = 4.09$; t(221) = 2.08, p < .05). Results show that different red in terms of value (i.e. dark red) can approach to similar levels of trust as in blue values. In our main study, we take this evidence further and investigate under which circumstances light and darker shades of red can be trusted in the context of high (vs. low) risk financial mobile apps.

Main Study. The main study goal is investigate the effects of color value (light red vs. dark red) for mobile applications with different levels of risk (low risk= budget-tracker vs. high risk= banking) on trust and behavioral intentions. Two hundred forty-nine participants (50% male; M = 34.35, SD = 11.78 years old) were randomly assigned to one of 2 (dark vs. light red) x 2 (banking vs. budget app) between-subjects conditions. Twenty-four individuals failed to meet the sampling criteria (being born in the US, to control for country-of-origin and language variables, and not being colorblind), and were eliminated from the sample.

Results. The interactive effect of color value (dark and light) and type of app (banking vs. budget) on trust is marginal ($F_{(1,221)} = 3.20$, p = 0.07). However, a higher-order interaction among these constructs and gender (male vs. female) is significant ($F_{(1,217)} = 5.62$, p < .05), as figure 1 illustrates. A spotlight analysis reveals that trust in the budget app is the same, regardless of gender or color value (t(217) < 1, ns). However, for banking the same interaction is significant (t(217) = -3.21, p < .05). Further spotlight contrasts clarify this relationship, revealing that, for the baking app, men perceive the dark red as riskier than the light red interface (t(217) = -3.21, p < .05). Women, however, seem insensitive to color value (t(217) = 1.48, t = 1.48, t = 1.48) for either bank or budget app (t(217) < 1, t = 1.48).

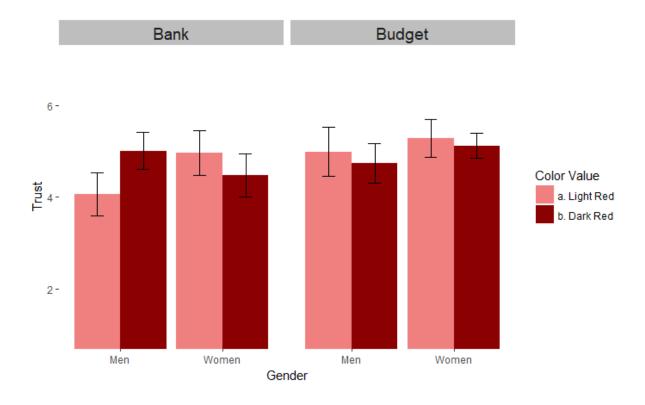


Figure 1: Interaction between Color Value, Type of App and Gender on Trust

In our design, type of app was intended to represent options at different risk levels. Indeed, the banking app is considered to be riskier (M = 3.74) than the budget app (M = 3.31; $F_{(1,223)} = 4.09$, p < .05). With that in mind, we investigated whether risk mediates the relationship between type of app (banking vs. budget) and trust and, further, if this mediation is moderated by color value (light red vs. dark red). To test this path, we ran a conditional model using Process (Hayes, 2013, Model 7). We have found that, moderated by color value, risk mediates the relationship between type of app and trust. More specifically, this mediation happens only one the app is presented in a light red interface (b = -0.12, CI = -.2638, -.0024).

Taken together, the results show that color value (low=darker vs high=lighter) influences consumer trust. In particular, our findings indicate a moderating effect of gender in the relationship between color value and type of app. That is, in a high-risk context, men seem to feel more secure (higher trust) with darker red-colored apps. Previous studies found some evidence for male preference for dark colors (Ellis, Ficek, 2001; Uysal, 2016). This finding extend previous research that found gender influences on color perceptions (Hoyenga, Wallace, 1979; Vanston, Strother, 2017) and color preferences (Moss, Colman, 2001; Porter *et al.*, 2012). Specifically, women were less likely to prefer darker shades of red (Ellis and Ficek, 2001). Our findings indicate that, in a light red interface, moderated by color value, risk mediates the relationship between type of app and trust. In doing so, this research extends the effects of sensory marketing on consumer evaluations (Wexner, 1954; Murray, Deabler, 1957; Bellizzi *et al.*, 1983, Babin *et al.*, 2003; Lebrecque and Milne, 2012; Magrath, McCornick,

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2A Special Session: Service Thinking: Perspectives and Applications

Service Thinking: Perspectives and Applications

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This special session blends the perspectives of scholars working in social marketing and transformative service research into a collaborative approach, which we call service thinking. In addition, applications of service thinking are shared.

Rebekah Russell-Bennett and Josephine Previte will present their perspective on service thinking and social marketing first, which they published in 2013. In this initial work, they defined service thinking as the application of services marketing theories, frameworks and tools to address social problems (Russell-Bennett, Previte and Wood 2013). Typically, these problems are the focus of governments and non-profit organizations and traditional approaches to improve wellbeing in these areas relies on policy, law and education. The application of service thinking within the public and nonprofit sectors is conducted within the domain of social marketing, which is the use of commercial marketing tools and frameworks for social good. Thus, service thinking brings together the sub-disciplines of services marketing and social marketing for the common goal of well-being and societal benefit.

The notion of service thinking developed by Russell-Bennett et.al. (2013) has been the platform for further published research on the challenges of implementing service thinking in government and non-profits (Russell-Bennett, Previte, Gallegos, Smith, Hartel and Hamilton 2013) and the role of customer value as a central concept in service thinking (Zainuddin, Russell-Bennett & Previte 2013, French, Russell-Bennett and Mulcahy, 2017).

In parallel to the Australian perspective on service thinking, the founders of the Transformative Service Collaborative (Raymond P. Fisk, Linda Nasr, Sidney Anderson, and Steven Rayburn), began speaking about their perspective on service thinking in 2015. They define service thinking as a human-centered, inclusive perspective that all people deserve just service systems. Service thinking is a direct result of the need to co-create better service experiences with customers that properly respect human individuality.

They propose five key characteristics of service thinking:

- 1. Mutualism Mutualism is more than reciprocity between exchange partners. It includes future focused generous acts like raising children.
- 2. Inclusiveness All humans should be included in human service systems.

- 3. Justice In just service systems, access is fairly provided and equitable services are provided to meet human needs.
- 4. Persuasion -There are only two ways to influence people persuasion and coercion. Only persuasion respects the right of every individual to make up their own mind about a decision.
- 5. Uplifting Every possible aspect of the human experience should be uplifted (cognitive, emotional, and behavioral).

In this special session, we will share several applications of service thinking:

- MumBubConnect (a two-way automated SMS service to provide support for breastfeeding mothers)
- Persona segmentation of Households (ground-breaking research about the decision-making habits of households to reduce electricity use and improve financial well-being)
- Cocreating digital portals for disadvantaged markets (the development of a national social marketing strategy for increasing participation in tertiary education)

Finally, this session will draw on the five characteristics of service thinking as developed by the Transformative Service Collaborative for an interactive session with attendees to co-create innovative strategies for improving service through service thinking.

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2B SERVSIG Best Dissertation Award

Mandl Leonard: New Perspectives on Customer Experience in Service Recovery

Otterbring Tobias: The Abercrombie & Fitch Effect: The Impact of Physical Dominance on Male Customers' Status Signaling Consumption

Leclercq Thomas: Essays on the Engagement Mechanisms in the Value Co-Creation process: The Case of Gamification

2C Big Data - Customer Experience

Customer Experience (CX) Analytics: Big Data Approach to Analyse CX Data

Mohamed Zaki, University of Cambridge, United Kingdom

Introduction and Theoretical Foundation:

Customer experience management is currently treated as one of the most challenging concerns of service organisations. Therefore, to be able to successfully compete in a global market, companies are working on their strategies to establish competitive advantages. As reported by Gentile et al. (2007), 85% of senior managers admit that relying only on the traditional aspects of differentiation such as product, quality or price is no longer a reasonable competitive advantage. Many researchers believe that one of the most powerful ways to build a successful brand is to put a much solid emphasis on the customer (Verhoef et al., 2009).

Although the relevance of customer experience (CX) is recognised by practitioners, the academic literature examining this field is still poorly understood (Lemon and Verhoef, 2016). The emphasis is put on concepts rather than empirically tested tools and industry-relevant analysis (Puccinelli et al. 2009). Current approaches for measuring CX rely mostly on traditional data collection and processing which is not practical within the context of large industries and product lines. These techniques have become less effective when viewed within the context of the wealth of data being generated and collected on CX. New machine learning (ML) techniques provide a new avenue for handling this data, presenting novel insights into CX compared with current techniques (Lemon and Verhoef, 2016).

Moreover, to date, the literature focuses mainly on one stage of the customer journey – post-purchase, or targets the entire, holistic CX, at the same time neglecting recognition of customers' needs and decision process. The relationships between companies and customers have changed and become more social in nature, particularly, due to a significant growth of social media and customer engagement online. Customers want to interact with companies across the entire customer journey through numerous touch points interpreted as "instances of direct contact either with the product or service itself "(Meyer and Schwager, 2007). Well identified touch points can directly impact CX through the entire customer journey (Grewal et al, 2009) (Verhoef et al., 2009). Therefore, concepts related to "the emotional and irrational side of customer behaviour" have become a priority for both academics and marketers (Holbrook and Hirschman, 1982).

Therefore, a comprehensive review of customer experience analytics was undertaken in this research to identify research gaps, priorities, and principles within this context. The research investigates three disciplines: customer experience, social media customer engagement and machine learning techniques. One of the main gaps that drove the focus of the study was limited consideration of new machine learning techniques to further develop and improve customer experience through the customer journey. In response, this study examines: "*How can machine*

learning techniques can be used to analyse the consumer purchase journey (pre-purchase, purchase, post-purchase)?".

Case Study and Method:

The analysis was performed with the use of Cross Industry Standard Process for Data Mining framework and was based on data collected from Twitter, gathering customers' comments and reviews of their experiences with seven airline services. It covers data from US and UK airlines: United, American, JetBlue, Virgin America, Southwest, US Airways and British Airways. The airline industry gets attention more than it ever has got because of so many accidents and decreasing experience of air travel. Customers have strong and continuing interest in air travel, particularly if something goes wrong. Also, buying a ticket is not a frequent purchase, and if the flight is cancelled, people become very emotional quickly. Consequently, social media gives them a possibility to express disappointment publicly fast. This leads to the conclusion that premium airlines such as British Airways, which have created their reputation based on customer service, are at higher risk of social media meltdown when an accident happens.

This study proposes predictive model feature selection process which is based on multi-class-classifier, namely, Naïve Bayes classifier and Support Vector Machines (SVM)). The feature selection is built on a feature selection loop that enables to choose a specific column that corresponds to preferred feature selection strategy. This creates a limit of the number of features that could be included in the final model. Once the classification is done for each vector, Weka Predictor is used to provide a summary view that includes information about the classification.

The model includes automatic identification and analysis of unstructured data such as comments in terms of their sentiment, purchase stages, and touchpoints. This constructs a comprehensive framework for academics and practitioners to thoroughly understand and analyse CX and different touchpoints throughout the entire customer journey. We split the data and train the model (70%) and test the model with (30%) to evaluate it. The proposed model was validated using 10-fold cross-validation method, with a final prediction accuracy of 74%.

Findings:

The customer journey is divided into three purchase stages: pre-purchase, purchase and post-purchase. It is clearly visible that most comments in the pre-purchase phase are neutral (51%), which may be the result of customers' information collection about the service. Another noticeable pattern can be seen in the purchase and post-purchase stages, as they are constructed mainly by negative comments – 69% and 71% respectively, showing a great potential for improvements. Most of the touch points in the pre-purchase stage belonged to customers (49%), as at this point they are looking for information about the service. Moreover, most of the touch points in the purchase and post-purchase stages were brand-owned, 68% and 60% accordingly. It proves that firms can have a high impact on creation of CX throughout the customer journey. Furthermore, the amount of mentioned touch points confirms that customers willingly reveal details about the service they

experienced, and shows their need for interactions with companies. As a result, companies can use those insights to improve their services. Furthermore, partner and external-owned touch points constituted a small percent of comments, however, they should be investigated and monitored as they can contribute to word-of-mouth marketing outcomes. The last part of the analysis was based on categories of touch points. One of the most significant pain points of airline services noted by customers are punctuality, price, customer service (online, phone system and in-person), luggage transportation, and loyalty programmes. According to data, customer's main concerns relate to delays, cancelled flights, lost luggage, in-flight services, and bookings among others.

Conclusion:

This paper has three main contributions: Firstly, develop a customer experience analytics to map and monitor customer journey. Secondly, the study reveals detailed insights from the analysis covering 15,591 customers' comments from seven Twitter airline channels according to sentiment, purchase stages, touchpoints. It underlines the complexity and diversity of CX throughout the entire customer journey, and proves the importance of constant analysis of different touch points in each stage of the customer journey, especially in social media, which is currently neglected. Thirdly, we developed a predictive machine learning model using multiclass-classifier based on Naïve Bayes classifier and Support Vector Machines (SVM)) to automatically captures sentiment, purchase stages, and touchpoints. Furthermore, we developed a dashboard that can be used by managers to take the right strategic decisions related to customer experience.

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Service-oriented Data Analytics: Connecting Data Analytics to Value Creation through Service Design

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Motivation and Overview

The proliferation of data on people and their objects has generated new types of services that *create value using data* [1]. For example, smart band-based fitness tracking services record data about daily life, such as behavior data and bio-signals in in the time or frequency domains, to help people achieve specific fitness-related outcomes (e.g., walking 10,000 steps). Vehicle fleet management services use data from truck driving processes to help drivers, while air pollution monitoring services in smart cities analyze data from pollution sources across the city to disseminate pollution information to citizens and visitors. Given the proliferation of (big) data, these cases are emerging rapidly in practice.

As such, interesting data analytics projects arise in contexts where the expected outcomes of data analytics can contribute to enhancing value creation for the data stakeholders (e.g., customers and companies). However, little is known about how some available data can be used for value creation purposes (Figure 1). This study develops a specific process called "Service-oriented Data Analytics" (SoDA) through which the user can systematically connect data analytics to value creation by focusing on the relevant service design.

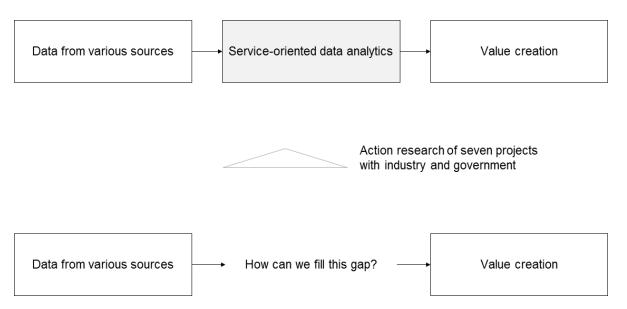


Figure 1. Research contribution

Specifically, through action research [2–4] of seven real projects with industry and government (Figure 2), we find that data analytics projects can be guided by the following question: "How does data analytics contribute to enhancement of value creation in the relevant service system?" In many data use cases, the results and value of data analytics are conveyed to specific beneficiaries (e.g., individuals and organizations) within a service system, such as a transportation, energy supply, or healthcare service system. Thus, data use can be directed and improved in consideration of the relevant service system. To facilitate answers to the above question, we developed the SoDA process based on the seven real projects. Currently, the SoDA process is being used in an eighth project on the development of an odor monitoring service system that uses olfaction sensor data. In our presentation and full journal paper, examples from these projects will be introduced to demonstrate the applicability and utility of our proposal.

Project	Brief description	Related service system	
Project 1: Car infotainment service design with an automobile manufacturer	Designing car infotainment services for individual drivers that use vehicle operations and condition data, based on analyses of 7.6 million trip data of 18,943 vehicles (vehicle operations data) and 3,662 cases of warning code occurrences (vehicle condition data).	Connected car service system	
Project 2: Driving safety enhancement service design with a government institute	Designing driving safety enhancement services for commercial drivers that use vehicle operations data, based on analyses of operations data of commercial vehicles (278 buses, 46 taxis, and 931 trucks) and accident data of commercial vehicle drivers (4,289 bus, 1,550 taxi, and 490 truck drivers).	Intelligent transportation	
Project 3: Eco-driving support service design with a government institute	Designing an eco-driving support service for bus drivers that use vehicle operations data, based on analyses of bus operations and fuel consumption data of 33 bus drivers.	service system	
Project 4: Thermal comfort enhancement service design with a university	Designing and implementing a thermal comfort enhancement service for building occupants that uses building energy operations data and occupant feedback data.	Smart building service system	
Project 5: Hypertension management service design with a government institute	Designing hypertension patient management services that use a national health insurance database, based on analyses of a sample data from the database for 1 million people for 9 years (2002-2010).		
Project 6: Student wellness enhancement service design with an IT company	Designing a smart wellness service for college students that use daily behavior data of students, with an IT company and a student counseling center at a university based on data from 47 students.	Preventive healthcare service system	
Project 7: Health-related data- based service design with a government institute	Designing health-related data-based services for health-related stakeholders with a government organization, based on interviews with 34 experts such as doctors, public health scientists, managers and executives in the industry, and government employees.		

Figure 2. Seven action research projects on SoDA

Method

We used the action research method during and after the projects. Action research is "an orientation to knowledge creation that arises in a context of practice and requires researchers to work with practitioners" [2]. This qualitative research method "is unique in the way it associates research and practice, so research informs practice and practice informs

research synergistically" [3] and has contributed to the development of empirical insights into operations management and information systems. This research method is appropriate for our objective because (1) action research aims to develop a holistic understanding, and our study aims to broadly understand data analytics for value creation in service contexts; (2) using data to advance a service originally emerged from rapidly evolving practices, and our study aims to scrutinize and improve practices by offering specific actionable knowledge to researchers and practitioners; and (3) combined with design science, action research is useful in designing an artifact for a practical issue based on academic theory [5], and we aim to design a framework to facilitate data use for value creation through service design. Maintaining objectivity in action research is important. Thus, we executed our projects, which provided research data for this study, following key action research literature [2–4]. Note that this conference paper does not provide further details regarding the research method or literature review due to the word count constraint.

Service-oriented Data Analytics

Several analytics paths can be taken with a certain set of data depending upon the given purpose. For example, a set of vehicle operations and condition data can be analyzed to identify factors leading to poor vehicle quality and to establish a strategy for new vehicle design. All data collection, integration, management, and analysis activities depend on the initial direction (i.e., the data analytics goal). Through the seven projects, we found that one key success factor to data analytics projects is to consider the value creation mechanism that is relevant to the available data and design a service system that implements the value creation mechanism with the data, which should be accomplished prior to taking the available data into account and identifying the requirements of new data, data analytics, and other factors. The effectiveness and efficiency of (big) data use can be improved significantly when data-related activities are systematically directed toward ultimate service functionality and value creation. This approach is referred to as SoDA, which is an approach involving the collection, transformation, and analysis of data to discover useful information and make decisions relative to value creation through service design. Figure 3 outlines the SoDA process, which comprises seven iterative steps.

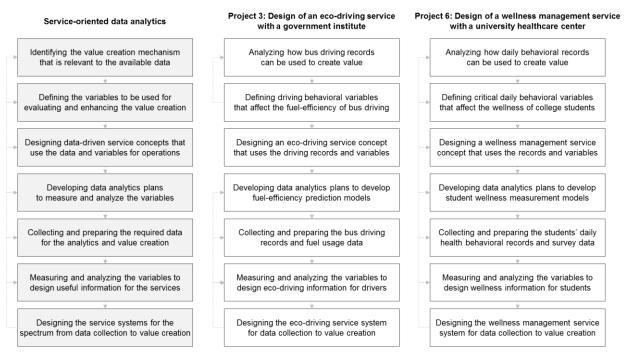


Figure 3. Service-oriented data analytics and implementation examples

Step 1 identifies the value creation mechanism relevant to the available data. As such, the SoDA process drives data analytics by focusing on ultimate value creation. Here, the value creation targets can be either the service customer or company depending on the available data. Step 2 defines the variables used to evaluate and enhance value creation. Examples of such variables include the critical behaviors of customers and system conditions. Step 3 involves designing data-driven service concepts that use the data and variables for operations. Here, the important premise is that the data and variables should be used for future service "operations". Thus, the data should be continuously collectible; temporary data (e.g., customer survey data) are not appropriate. Step 4 involves developing data analytics plans to measure and analyze the variables. Here, descriptive and predictive analytics can be planned to understand the variables and estimate possible scenarios of variable values; predictive analytics can also be planned to yield an optimal service design. Step 5 collects and prepares the required data for analytics and value creation. Depending on the target case, available data can be given in the initial stage of the project or can be collected during the project. In any case, it is important to integrate different data from different sources to improve data quality and obtain rich information from the data. Step 6 measures and analyzes the variables to design useful information for the services. Examples of such information include feedback for customers created from their data and performance comparisons of different service scenarios. Step 7 involves designing the service "systems" for the spectrum from data collection to value creation. The designed systems should define how data are collected from the sources, converted to useful information for operations, and create value for the service customer or company.

These seven steps were identified and organized based on the aforementioned projects and literature. Figure 3 also shows two SoDA implementation examples. As shown, the steps are fully or partially iterative depending on the given case. Note that the development of SoDA

was initiated for Project 1 (Figure 2) and was applied and improved through the other projects. The two examples in Figure 3 correspond to Projects 3 and 6. Figure 4 shows a fuel efficiency prediction model developed in Project 3, and this model was embedded in an eco-driving service system. Figure 5 shows a blueprint of the eco-driving service system with information content examples. Note that detailed explanations regarding the implementation in Projects 3 and 6 will be given in our presentation and full journal paper.

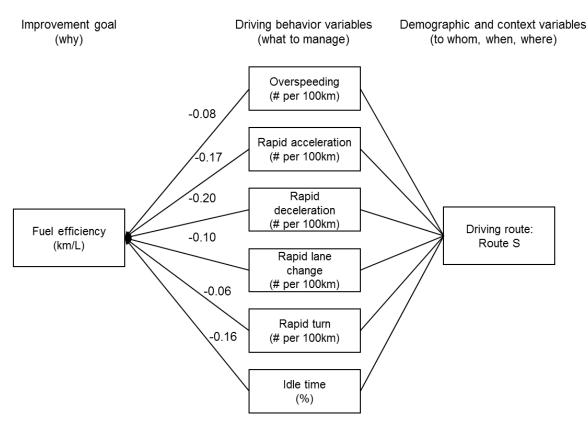


Figure 4. Fuel efficiency prediction model developed in Project 3

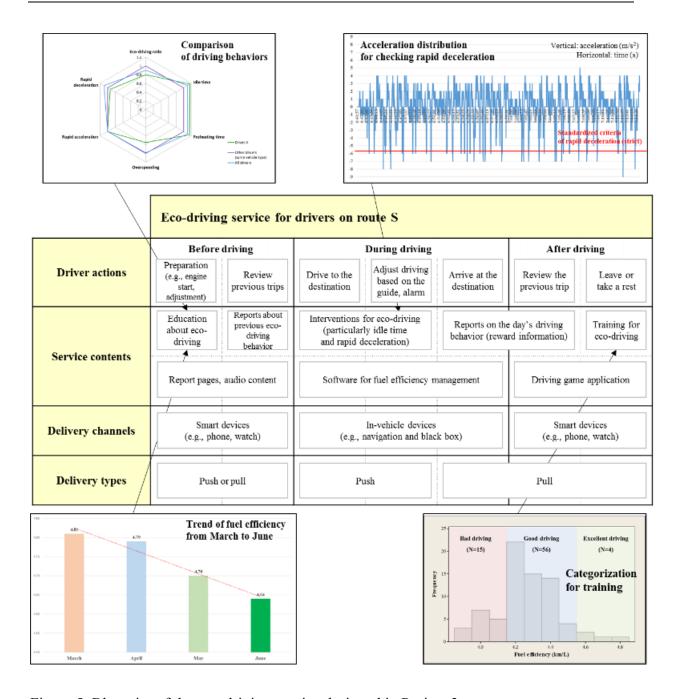


Figure 5. Blueprint of the eco-driving service designed in Project 3

Utility of SoDA and Contribution of This work in a Connected, Data-rich Economy

The essence of the Internet of Things is the provision of services through connectivity and data use. As people become increasingly connected within specific service systems, the opportunities for value co-creation among people and organizations multiply. The availability of informational or intellectual resources for value co-creation increases as more quality data are collected and analyzed, and the frequency and intensity of value co-creation grow with the efficient communication of data analytics results. The type and amount of data in multiple industries have developed enormously, and concerns relative to what to do with such rich data and how to do it deserve attention. In this respect, researchers have recently highlighted the

importance of adopting an appropriate top-down approach for the use of big data [6]. By addressing this research necessity, the main contribution of our work is the development of such a top-down approach. This work will facilitate the incorporation of the application-and-value-oriented perspective into current data analytics techniques as an interdisciplinary framework.

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Service Work Is No Longer Where It Used to Be - Challenges for service-related HRM and service leadership

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Introduction

Service work is no longer where it used to be. Service employees are increasingly teleworking from distance places and spaces. There is a network of places for service work. The first place for work is an office, provided by service employer, the second place for work is home, private property, and the third place for work is public places like cafes, airports (Hunnes Blakstad, 2015). Although customers appreciate the accessibility and flexibility (24/7) in evaluating service quality, they also appreciate personal service and human interaction specifically in a case of service failure and service recovery. Hence, service providers face a challenge: how to retain personal touch in service provision in the digitalized world, and how to enable quality service in the network of places for service work.

The changing nature of frontline (Rafaeli, et al. 2017) and its impact on the service employees' work and qualifications challenges service-related human resource management. This study contributes to service-related HRM studies by setting into the focus the changing nature of service related human resource practices. This study is conceptual in nature, and the purpose of the study is to find and develop human resource practices for managing service employees who are serving customers from the back stage, where there is no service supervisor on-site.

The nature of the service encounter 2.0 (Larivière et al. 2017) and the new roles of service employees (Bowen 2016) and customers (Lariviére et al. 2017) challenges the traditional service-related human resource practices. So far HRM related studies in service research have focused on the meaning of service employees for customer loyalty and customer relationships, employee empowerment, service climate, employees' emotional competence, and service employees' role stress (Subramony et al. 2017). Bowen (2016) introduced the new roles of service employees in service encounters 2.0: differentiator, enabler, co-ordinator and innovator. However, the HRM literature related to the management of service employees in these new employee roles has been scare so far. There have been studies on customers as human resources (Bowen 1986) and managing customers as human resources of the firm but far less studies on the need for new and innovative human resources practices for managing human resources who are working for service encounters 2.0 (Larivière et al). There are questions like how to recruit and select service employees to manage service encounters 2.0, how to train service employees into the self-management, how to motivate and get service employees engaged to the service work in the network of places for service work, and how to create positive and enabling service climate for quality service from the back stage. In summary, this study aims at finding human resource practices for service employees who serve customers from the back stage, as well as finding new roles for service supervisors in service encounters 2.0.

Key words: service employees, network of service work places and spaces, service-related HRM, service encounter 2.0

2D Value Co-creation I

Intellectual capital and its relation to employee innovative behavior: consumer value cocreation behavior as a moderator

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Introduction

Employee innovative behavior (EIB) promises an organization's success in a dynamic business environment (Yuan and Woodman 2010). EIB refers individual employees' commitment to producing and applying beneficial things in any level of organization including individuals, teams and the organization. The beneficial things include developing, adopting and implementing new ideas for products and work methods that will dramatically enhance organizational competitive advantage and/or improve work relationship (Mustafin, Khusanbaev and Shlyakhtin 2016). Research suggests that company's intellectual capital may influence frontline service EIB. Yet, studies has shown inconsistent results in terms of the effect of different dimensions of intellectual capital on EIB that have led to much debate towards the predictive power of intellectual capital on EIB. Further, little studies have examined the effect of intellectual capital on frontline EIB (Li and Hsu, 2016). Frontline service employee plays an unique role that is differ from their back-stage counterparts because they have better opportunities in 'on-the-job innovation' in realizing innovation in services (Miles, 2008). Further, service-dominant logic (SDL) researchers argue the importance of consumer value cocreation behavior in the service encounter. Consumer value co-creation behavior refers consumer voluntary behavior that provides extraordinary value to the organization (Yi & Gong, 2013). To our best of knowledge, little has examined the interactive effect of consumer value co-creation behavior and company's intellectual capital on frontline service EIB. This effect can be particular found in the service encounter because frontline employees often have more interaction experiences with consumers, in comparison with their back-stage colleagues. Consequently, this study has two aims. First, this study examines the effects of three dimensions—human, organizational and customer capital on frontline service EIB. Second, this study examines the moderating effect of consumer value co-creation behavior on the dimensions of company's intellectual capital to service frontline EIB.

Theoretical framework

Intellectual Capital

Intellectual capital are generally intangible that refers to constituent elements that makes profits to company such like knowledge, technology, information, intellectual property, experience,

learning ability, team communication, consumer relationship, brand status, and so on. Intellectual capital is the invisibly dynamic element of measuring and explaining on making visible construction and product in companies (Subramaniam and Youndt 2005). A review of the pertinent literature concludes intellectual capital in three dimensions, which are human capital, organizational capital and customer capital. Human capital is considered as total dynamic experience including personal ability, knowledge, technology of all employees and managers in the company, whereas organizational capital is the capability to integrate and utilize the knowledge and to protect intellectual property. Finally, customer capital focuses on the strength and persistence of consumer relationship (Edvinsson and Malone 1997). Research has demonstrated that human capital, organizational capital and customer capital affect company's innovation performance (Han and Li 2015).

Service Dominant Logic and Consumer Value Co-Creation Behavior

SDL is centered on the view that services is inherently beneficiary oriented and relational. Beneficiary refers multiple actors who participate in value co-creation in a service ecosystem. Hinged upon the view of SDL, consumer value co-creation is an operant resource that is the fundamental source of companies' strategic benefit (Vargo and Lusch 2008). Among other forms of value co-creation behavior, collaborating with employees is considered an important part of consumer creating service value and benefits to frontline employee service performance (Stock, Jong and Zacharias 2016). Research into customer capital finds that when a company possesses quality customer relationship, their customer may have better willingness in contributing their ideas to the company and consumer value co-creation may become a valuable resource of company (Vargo and Lusch 2008).

Research model and the hypothesis

In terms of the relationship between intellectual capital and EIB, Dakhli and Clercq (2004) and Hayton (2005) argue that there is positive correlation between human capital and innovative behavior. They further illustrate that the better human capital the company possesses, the better the employees perform innovative behavior. On the other hand, Leenders and Voermans (2007) show organizational capital effectively affects knowledge obtaining and renewing that in turn influences the company success. Studies also found that when company can better manage knowledge and experience, organizational capitals can be efficiently created. Moreover, customer capital is found to affect EIB (Stock, Jong and Zacharias 2016). Therefore, we propose the following three hypotheses:

H1: Human capital has positive and significant effect on frontline service EIB

H2: Organizational capital has positive and significant effect on frontline service EIB

H3: Customer capital has positive and significant effect on frontline service EIB.

Consumers, who actively offer contributions to companies through sharing knowledge, ideas,

needs, are considered more valuable than normal consumers (Zhang, Zhang, Lin and Du 2017). Having consumer knowledge and feedback allows employees to correct service content, offer specialized and professional solutions for individual consumers (Shih, Chang and Lin 2010). For example, they may integrate new product and existing one together to fulfill existing and potential consumer's needs (Stock, Jong and Zacharias 2016). Therefore, we propose the last hypothesis:

H4: Consumer value co-creation behavior moderates the effects of (a) human resource capital, (b) organizational capital, and (c) customer capital on frontline service EIB.

Method and data collection

Existing scales were adopted and modified to develop an online survey for main data collection. The survey was distributed to approximately 320 frontline service employees via a travel agent's internal email addresses. The purposive sampling strategy resulted in 282 valid frontline employee responses, giving a response rate at 88.125%. Among the respondents, female employees (77.3%) were more than male (22.7%). Most of the respondents were between 29 to 35 year-old (39.4%). 85.1% of total were graduated from college. More than 66% of the respondents have worked at the travel agent for more than 3 years.

Findings

The results showed AVE value for each of the constructs were above 0.5, and CR value of each construct exceeded 0.7. Overall, the results showed that the overall model and the constructs represented good on validity test and represented results. The SEM analysis showed good fit of the model with Chi-square=333.606, df=146, CFI=.950, RMSEA=.068, TLI=.942, GFI=.893, NFI=.916, SRMR=.0463, $x^2/df=2.285$, and AGFI=.860. Hypotheses testing showed that human capital has positive and significant effect on frontline service EIB (β =0.230, t=1.969 p<0.05). H1 was supported. However, organizational capital showed no effect on frontline service EBI. H2 was not supported. Capital was found to have significantly and positively effect on frontline service EIB (β =0.409, t=3.743 p<0.001). H3 was therefore supported.

Further, we created three interacting variables for each model to determine whether consumer value co-creation moderates the relationship between intellectual capital and EIB. The results of moderating effect showed that the interaction between customer value co-creation and human capital had moderation effect on frontline service EIB (t-value: 5.741, p<0.001) and the interaction between customer value co-creation and organizational capital had moderation effect on frontline service EIB (t-value: 4.672, p<0.001). However, the interaction between customer value co-creation and customer capital had no moderation effect on frontline service EIB (t-value: -0.751, p>0.05). Hence, H4a and H4b were supported but H4c was not supported.

Contributions

This study contributes the literature in two ways. First, this study is among the first studies to examine three forms of company's intellectual capital—human, organizational and customer capital on frontline service EIB. Theoretically, the role of frontline service employee behavior and performance is critical important to determine customer satisfaction (Cadwallader, Jarvis, Bitner and Ostrom 2010), loyalty (Slåtten 2014) and word-of-mouth behavior (Mourdoukoutas and Siomkos 2009). That is, during the service delivery process, frontline service employee behavior is often considered 'the moment of truth' that has influential impact on customer approach or avoidance intentions (Lawrence 2007). Meanwhile, EIB is an essential element to determine company innovation performance (Santos-Vijande and González-Mieres 2013) and meet consumer expectation (Rego, Sousa, Marques and Cunha 2014; Santos-Vijande and González-Mieres 2013). Different from back-stage service employees, frontline employees are theorized to deal with heterogeneous job that develops their better flexibility in satisfying consumer need (Slåtten 2014). While previous studies generated inconsistent results in terms of the predictive power of different dimensions of intellectual capital on company innovation performance, the findings showed that both human capital and customer capital have positive and significant influence on frontline service EIB. Moreover, the findings showed that customer capital is most significant intellectual capital to influence EIB.

Second, the findings showed that consumer value co-creation behavior is prominent to frontline service EIB that echoes the premise of service dominant logic that value is perceived by beneficiaries. Our findings showed that whereas consumers are willing to cooperate with frontline service employee during service delivery process, frontline service employees would be benefited to improve their innovative behavior (Santos-Vijande and González-Mieres 2013; Tommasetti, Troisi and Vesci 2017). In particular, while organizational capital showed no direct effect on EIB, its interaction with customer co-creation behavior however, has significant effect on EIB. Our findings therefore echo SDL in terms of how customer value co-creation behavior benefits EIB that may have ultimate effect on company innovation performance.

References are available upon request

Mitigating the Risks of Co-Creation by Integrating Empathy and Lived Experience in Service Design

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Introduction

Collaborating with users in the innovation process, or what this research refers to as cocreation, is repeatedly stressed as a central and differentiating factor in designing and innovating services (Carbonell et al., 2012; Chen et al., 2015; Cheng et al., 2012). Most research on service design has accentuated the beneficial nature of co-creation: it fosters the fit between services and its users (Holliday et al., 2014; Hussain et al., 2012); leverages a mutual understanding between involved actors (Akama, 2014; Fjuk et al., 2016; Følstad et al., 2014); and supports the development of new and existing services (Aro et al., 2012; Holliday et al., 2014; Krongvist and Korhonen, 2009). However, a growing body of literature suggests that cocreation can actually be a 'double-edged sword' (Chan et al., 2010; Dong et al., 2015; Xu et al., 2014) due to several associated risks, such as participants not having an equal voice in cocreation efforts (Näkki, 2012) and concerns about the sustainability of ideas (Akama, 2014). Extant research insinuates that a pressing risk in many co-creation efforts is that the scope and value of innovations may be biased towards the organization, as the organization often takes on the dominant role in the co-creation process (Takeyama et al., 2012). Although there is some acknowledgement of the risks inherent in co-creation efforts, more research is needed to understand these pitfalls as current literature predominantly focuses only on the positive aspects of co-creation (Dong et al., 2015; Mustak et al., 2013; 2016).

In this vein, this research explores some of the risks associated with co-creation in service design, with a focus on the use of empathy and lived experience in the co-creation process. Empathy is typically described as understanding what it feels like to be another person or to walk in someone else's shoes (Kouprie & Sleeswijk Visser, 2009; Wright & McCarthy, 2008). While the underlying process of empathy in service design has commonly been perceived as having positive effects, such as supporting a creative understanding (Postma et al., 2012), critics have recently highlighted its dark side by suggesting that an over-reliance on empathy can promote single-mindedness, a present-day orientation, reinforce otherness, enhance exclusion, and ironically support organizations to design for their own needs and not for the needs of their users (Abbott, 2017; Meill, 2015; Staffer, 2015; Wendt, 2017). Amid this evolving dialogue, there is growing recognition of the need to leverage lived experience in service design processes through co-design, participatory design, or user-led design (Holmlid, 2009; Sanders & Stappers, 2008; Steen et al., 2011; Trischler et al., 2017). This research defines lived experience as direct, first-hand perception of a relevant situation, condition, or identity in an everyday context. While there has been significant attention paid to empathy within service design literature, there has been little research on the nuances of lived experience or how to effectively integrate empathy and lived experience to co-create service innovations.

This research reviews existing literature related to empathy and lived experience in co-creation within service design, with attention to the associated risks. To illustrate this discussion, the authors draw short examples of activities within service design processes supported by Experio Lab, which uses a service design approach to foster co-creation within healthcare systems in Sweden. By integrating a cautious understanding of each perspective, this research demonstrates that empathy and lived experience have a symbiotic relationship in co-creation. In doing so, this paper contributes to service research by: 1) synthesizing the documented risks of co-creation caused by a dominant focus on empathy or lived experience, 2) offering a framework for the integration of these two perspectives in co-creation, and 3) highlighting important directions for future research in this area.

Integrating Empathy and Lived Experience in Co-Creation

When examining empathy and lived experience systemically, it becomes clear that empathy relies heavily on lived experience and that lived experience can benefit significantly from empathy. While organizations can develop valuable offerings through their technical expertise and empathizing with their users, they often cannot experience certain situations first-hand and thus, lack contextual and situated knowledge. On the other hand, individuals with lived experience embody this situated knowledge, yet in some cases they may miss the specific technical knowledge to fully develop valuable innovations for themselves. In short, empathy and lived experience have a symbiotic relationship in which they intimately interact and rely on each other. Recognition of the symbiotic nature between empathy and lived experience in co-creation brings forward important questions about their interaction.

Traditionally, the emphasis within design processes has been on designers (representing organizations) eliciting empathy to inform an innovation process. For example, Kouprie and Sleeswijk Visser (2009) highlight the following four sequential phases of empathy that focus on the role of the designer:

- 1. *Discovery*—The designer enters the user's world with curiosity
- 2. *Immersion*—The designer wanders around in the user's world and absorbs surprising insights
- 3. Connection—The designer shares their own feelings with the user and builds resonance
- 4. *Detachment*—The designer leaves the users world with a user's perspective

This process overview by Kouprie and Sleeswijk Visser (2009) offers a polarized perspective of a false dichotomy as it ignores the user's ability to contribute to the innovation process based on their own lived experience. This research argues that the articulation of this empathic process reflects more of a one-way parasitic relationship between empathy and lived experience, where organizations extract value from users with lived experience (Nasr et al., 2017). Furthermore, the phase of 'detachment' fails to acknowledge that empathy does not

enable a designer to fully take on the perspective of another. To expand this perspective, is it first important to understand the other side of this process, how users leverage lived experience. While not comprehensive, listed below are possible ways in which users might contribute to a co-creative design process by leveraging their own lived experience:

- Perception—The user becomes aware of issues in their everyday life
- Reflection—The user interprets their experience and situation
- Imagination—The user envisions how their experience and situation can be improved
- Creation—The user builds possible alternatives to improve their own situation

While examining the processes of eliciting empathy and leveraging lived experience, it becomes apparent that these processes are not distinct, but rather intimately intertwined. The contributions of a designer and a user with lived experience interact with each other during cocreation. Figure 1 shows a first attempt at how these dynamic processes may co-exist within a mutually beneficial relationship. Here, the phase of detachment is changed to a process of *stewardship*, where the designer supports the user with lived experience and advances the innovation process. The dotted line between the two processes is intended to show that the boundaries between the two are permeable and that these processes are interacting with each other throughout. While intertwined, these cycles may move at different speeds, intersecting each other at various points in the process. Furthermore, the arrows outside the concentric circles show that both actors contribute to and benefit from the ongoing interaction.

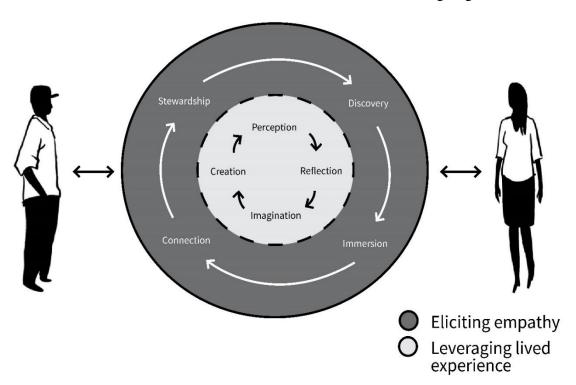


Figure 1: Integrating empathy and lived experience in co-creation

This framework, focusing on co-creation between users with lived experience and organizations, is not intended to be a final representation of the complex and intertwined nature of this relationship, but rather a starting place for the discussion so that the understanding of the role of lived experience within co-creation can be advanced and the interplay between empathy and lived experience better appreciated. Furthermore, this framework challenges researchers and practitioners to examine the power dynamics within joint interactions and strive toward mutual benefit.

Conclusion

This research brings together literature on empathy and lived experience, with particular emphasis on the risks of each during co-creation efforts. In doing so, this article illustrates the symbiotic nature of these two aspects within co-creation. By adapting and building on Kouprie and Sleeswijk Visser's (2009) four phases of empathy, the current effort develops a first attempt at a dynamic process map that captures both the processes of empathy and lived experience and their interconnections within mutualistic co-creation. Through this effort, the authors contribute to service research by shedding light on the dark side of co-creation and how an integration of empathy and lived experience may aid in mitigating these risks. Furthermore, this research adds to the largely overlooked body of research on lived experience by devising a framework for understanding how users with situated knowledge contribute to co-creation. Finally, this exploration highlights important areas for future research including studying the role of lived experience, especially within user-driven design processes, and how organizations may better leverage their own lived experience in co-creation efforts. In doing so, this article offers a platform for future research on empathy and lived experience through co-creation in service design.

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Social Capital and Value Co-Creation at the Base of the Pyramid

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Introduction

service ecosystem is a dynamic, complex, self-adjusting system of resource-integrating actors (social and economic) who are connected by higher-order assemblages of interrelated institutions, known as shared institutional arrangements, and mutual value creation practices (Vargo and Lusch, 2016). The service ecosystem perspective highlights the interdependencies between resources and actors, as well as the influence of enduring norms, values and beliefs that are often grounded in social systems and institutions providing the "rules of the game" (North, 1990). During the service exchange, value co-creation is influenced by social forces to the extent that value is understood as value-in-social-context (Edvardsson et al., 2011). That is, during value co-creation processes, actors are guided by their own knowledge and skills, as well as by social norms, relations and roles. Still, despite their clear influence and importance, a knowledge gap persists regarding how social factors and resources shape actors and thereby enable value co-creation in practice (Prahalad and Ramaswamy, 2004).

To address this gap, this conceptual paper introduces key concepts from social capital theory that may help clarify the dynamics of value co-creation within service ecosystems. Social capital refers to the capacity or ability of social actors (individual or otherwise) to participate, involve or exchange amongst each other (Bourdieu, 1985; Coleman, 1984; Putnam, 1993). It facilitates collaboration and coordination for mutual benefit among actors that are engaged in a social network (Putnam, 1993). Social capital theory studies how social structures impact collaborative activities such as those involved in value co-creation within service ecosystems thus it has been found to have the potential to advance the understanding of value co-creation (Wilden, et al., 2017).

Thus, by investigating the rules of engagement shaped by social capital, this study seeks to apply social capital theory to value co-creation. We argue that five key concepts of social capital theory can extend the understanding of value co-creation in service ecosystems: network configuration, common belief system, trust, reciprocity, and binding rules. The network configuration allows for network ties to develop between actors which helps them access both to people as well as shared resources, facilitating resource integration and value co-creation within the service ecosystem. A common belief system enables shared experiences, which create a strong sense of community and solidarity among actors and this facilitates cooperation among those who wouldn't naturally cooperate. The presence of trust enables information flows among actors, facilitating and directing resource integration and enabling value co-creation. Reciprocity operates through two different mechanisms which drive resource integration and value co-creation. The first is actions of mutual aid which allow the exchange of knowledge and experience, and help prove reliability among the actors. The second is

collective actions or reactions from multiple actors grounded in and shaped by social networks. *Binding rules*, enable the development and maintenance of a collective *social identity* among actors within a service ecosystem, which drives resource integration and value co-creation.

The five key concepts presented above have been known to facilitate cooperation among actors within social networks (Nahapiet and Ghoshal, 1998). We argue that they are particularly relevant for service research, in that within service ecosystems they favour cooperation and coordination, which enables value co-creation (Putnam, 1995). That is, these five key concepts help determine the boundaries and depth of cooperation and thus of value co-creation in service ecosystems.

Contextualizing the framework

Social capital is the primary resource to generate and co-create value in areas of the world where financial capital is virtually non-existent, commonly referred to as the base of the pyramid or *BoP* (Prahalad and Hart, 2002). The noted institutional complexity at the BoP as well as the efforts to address the scarcity and dispersion of resources make it a rich and relevant context for studying integration dynamics that shape service ecosystems (Reynoso, et al., 2015). Social capital plays a particularly important role in BoP cooperatives, which are complex organizations with shared ownership of a productive entity (Wanyama, 2014). Cooperatives represent natural expressions of social capital in action, since they operate not through force or legal contracts but in response to social capital. Thus, in this paper we use three exemplar BoP cooperatives in order to contextualize our theoretical proposition.

The three BoP cooperatives offer a compelling case of social capital in action. They offer a rich context to understand the role of social capital as an enabler of value co-creation in service ecosystems. Four main themes for discussion emerge from this contextualization. First, social capital constitutes a set of resources embedded in service ecosystems with a transformative capacity for actors. Second, social ties and relations among actors create and recreate institutional arrangements that enable value co-creation in service ecosystems. Third, social capital guides actors when assessing value-in-context, such that value is collectively and socially co-created and assessed in practice — a notion that has not been included explicitly in previous conceptualizations. Fourth, social capital theory portrays actors as rational, active agents who use their position in the ecosystem to maximize gains and co-create value for themselves and others. Thus, the configuration of the network and social context moderates each actor's ability to access, adapt, and integrate resources.

The institutional complexity of the BoP context makes it a rich and relevant context to explore the role of social capital as an enabler of value co-creation in service ecosystems. Our study shows that even in a context characterized by difficult institutional conditions, where actors lack access to basic resources, social capital and social resources become vital enablers of value co-creation. Thus, this conceptual article contributes to extend and deepen the understanding of value co-creation as social processes grounded in social capital. It indicates that value is collectively and socially co-created and assessed in practice.

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2E Customer Experience II

Trapped in a service encounter – Exploring customer lock-in perceptions during negative service experiences

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Introduction

Inevitably, not all service encounters are experienced positively by customers (Akaka et al. 2015; Chen et al. 2012). Researchers often assume that customers can exit a service encounter if they wish (Bodey and Grace 2006; Namasivayam 2004), although in reality, most do not (e.g. Boo et al. 2013). Customers often stay and endure service failure, long waits or other customers who misbehave and then decide not to return in the future. Customers who endure a negative service experience feel that exit is either impossible or unacceptable. They perceive to be locked-in, or trapped, as they cannot escape their bad experience.

The importance of customer lock-in during service encounters for managerial decision-making has been recognized in the service literature, as it has been theorized that trapped customers are likely to react differently in response to product offerings (Crawford et al. 2003), advertisements (Turley and Shannon 2000), service evaluations (Conlon et al. 2004), service recovery (Chen et al. 2009), participation requirements (Fliess et al. 2014) and interactions with employees (Rayburn 2015). On the one hand, lock-in is desirable for firms as customers may spend money during the service encounter even though they are unsatisfied, and recovery opportunities may emerge. On the other hand, trapped customers are likely to accumulate stress and negative emotions during the time they endure a negative experience. This may cause some customers to participate less effectively (Gallan et al. 2011) or even demonstrate their frustration by misbehaving (Rayburn 2015), whereas others do not express their dissatisfaction but decide not to return in the future. Examining lock-in during service encounters thus contributes to our understanding of the circumstances under which dissatisfaction with a service leads to specific customer behaviors and helps explaining why some customers do not return even though they completed the service process.

Although there is a large body of research that investigated customer lock-in within a long-term relationship with a firm due to specific investments and switching costs (e.g. Barroso and Picón 2012; Burnham et al. 2003; Colwell and Hogarth-Scott 2004; Guo et al. 2017; Harrison et al. 2012; Jones et al. 2002), much less work has been conducted regarding customer lock-in *during* a service encounter (Chen et al. 2009; Conlon et al. 2004; Fliess et al. 2014). Consequently, a conceptualization of customer lock-in experiences during service encounters has not yet been proposed and, therefore, little is known about the nature of such situations and how customers experience them. Akaka et al. (2015) call for research that explores how negative experiences emerge and evolve, in order to understand how value is created or destroyed. We argue that lock-in perceptions form an essential element of a negative service

experience, as they cause customers to endure the experience over time and allow value to either be restored or destroyed further. *The aim of this study* is to (1) identify the scope of constraints that cause customers to endure a negative service experience and (2) to link them with subsequent emotional, cognitive and behavioral responses in order to identify behavioral patterns.

Conceptual Framework

In order to conceptualize customer lock-in during service encounters, we examine the relevant literature and identify different levels of lock-in by drawing on a framework by Grönroos (2004) and Holmlund (1996). This framework breaks up the service process in four different levels: acts (e.g. a phone call, an order), episodes (a combination of related acts), sequences (a combination of episodes that forms a complete transaction) and relationships (multiple sequences, i.e. repurchases). Previous literature mainly examined lock-in within relationships (e.g. Harrison et al. 2012), whereas we look at customer lock-in within episodes and sequences.

Methodology

Research design

Since little is known about customer lock-in perceptions during service experiences, we developed an inductive, exploratory approach. We conducted twenty in-depth semi-structured interviews with service customers that lasted between one and two hours.

Subjects were *first* asked to consider the general sequence of events of a commonly used service (restaurant, hairdresser, train), in order to recollect events (Mohr and Bitner 1995; Stauss and Weinlich 1997).

Second, subjects were asked about situations in which they had thought about leaving, but did not for some reason. We also asked subjects about their feelings, cognitions and behaviors (Jüttner et al. 2013).

Third, subjects were asked to recall similar situations with respect to other services. By first reflecting on their experiences during a given service, subjects were able to recall lock-in experiences during other services. As a result, we collected over ninety detailed lock-in experiences within twenty-five different services.

Data collection and analysis

As our goal was to gain a large number of different lock-in experiences, we used purposeful sampling with the aim of maximum variation in subject gender, age and educational level (Patton 2005). After transcription, we categorized sentences and passages comprising a single coherent meaning, as units of analysis. We used abstraction, comparison and various coding methods (structured, initial, in-vivo, process, emotion, focused and axial) to identify themes within the data (Saldana 2015; Spiggle 1994). The authors and another researcher read and coded the material independently, before discussing the formation of categories (Glaser and Strauss 1967).

Findings and Interpretations

Constraints

Relating to our first aim, we identified constraints which have previously been identified regarding lock-in within relationships as well as constraints which are new and specific to episodes and sequences.

- (1) *Physical constraints* cause customers to literally be trapped (e.g. transport vehicles, hospital).
- (2) Social norms form strong constraints to customers:
 - o If *personal interactions* are central to the service process (e.g. restaurant, hairdresser), many customers feel locked-in as soon as an employee speaks with them. Customers feel obligated to reciprocate a first effort by an employee by using the service. In fact, customers see leaving as an affront to employees and feel uncomfortable exiting such services.
 - o *High public scrutiny* increases lock-in (e.g. theater, restaurant, gym), as many customers perceive exiting a service prematurely as awkward and fear the opinion of employees and other customers, even if they are complete strangers.
 - o Social obligations towards companions also cause lock-in, particularly in formal settings.
- (3) Authority some people have a certain authority in their role as a service provider (e.g. doctor, lawyer), who may successfully urge customers to stay.
- (4) *Mental planning* exiting a service prematurely means altering the activities that were planned and anticipated, which is hard for some customers.
- (5) *Self-esteem* sometimes customers feel that exiting the service means to give in to a particular disturbance (e.g. service failure, other customers) and give up the attempt to restore value, which may lower self-esteem.
- (6) *Dependency on the outcome* relates to the individual need of a customer to gain the outcome of a service at that very moment.
 - o Dependency is particularly relevant for medical, legal and transportation services.
 - o A perceived lack of suitable alternatives is particularly relevant here, as the customer perceives he would have to come back to the same provider in the future if no suitable alternative is available.
- (7) *Inflexibility* relates to the lack of time or too high effort to find and go to a new provider if the service is needed at that very moment. Customers perceive particular high inflexibility if they use the service in a group (e.g. hotel, restaurant).
- (8) *Sunk costs* (time, effort and money spend to use the service) are considered when costumers weigh the pros and cons of leaving the service prematurely.

Emotions, cognitions and behavior

Relating to our second aim: subjects used terms such as *trapped*, *caged*, *pressured* and *obliged*, to describe how they felt. In many situations, lock-in was perceived as highly stressful. Subjects described in great detail the way they pondered and hesitated while deciding about staying or leaving, if they had the choice. Interestingly, they used specific activities (e.g. contact with

employee, ordering) to define a 'point of no return', after which an exit is definitely ruled out. Subjects reported a broad array of coping behaviors, ranging from taking direct action (trying to restore value, complaining), to accepting, reinterpreting (sometimes with help from others) and planning to not repurchase from the provider in the future. By linking these findings with the identified constraints and contextual factors, patterns emerge that connect specific lock-in situations with customer behaviors.

Conclusion

This study contributes to the service marketing literature by identifying constraints that cause customer lock-in during service encounters and linking them with subsequent emotions, cognitions and behavior. The findings help to understand the circumstances under which a negative service experience leads to specific customer reactions. For instance, many customers choose to endure a specific situation but decide not to return in the future, whereas they actively try to restore value in other situations. As this is not always directly visible for service providers, an understanding of lock-in perceptions is important in order to be able to recognize and provide adequate recovery to customers who endure a negative experience.

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The Digital Selling Experience: Consumer-to-Consumer E-Commerce

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Relevance of the phenomenon

Digitization is enabling the creation of new digital platforms and business models for service organizations. A prominent example of this phenomenon are business models built on the concept of two-sided markets (Gassmann et al., 2014), referred to as platform business models (Osterwalder & Pigneur, 2010). On one hand, a platform business model provides service to sellers by linking them with potential buyers in one virtual marketplace, building wide demand, and enabling effective transactions. On the other hand, the platform provides service to buyers by aggregating supply, allowing convenient access to a vast array of used goods, establishing communication between the parties, and building trustworthy mechanisms for product acquisition and transaction.

One increasingly important form of platform based business models is consumer-to-consumer (C2C) e-commerce. C2C e-commerce is defined as consumers transacting (i.e. both buying and selling from one to another) electronically (Leonard, 2011). It is an increasingly significant and relevant phenomenon, attracting the attention of both academics and managers (Chen et al., 2016; Cheung et al., 2014; Chu, 2013; Yrjölä et al., 2017). For example, C2C is estimated to represent as much as 80% of all electronic commerce in China (Hoffmann et al., 2012).

Scholars have noted and discussed the importance of understanding C2C commerce decades ago. Already in the late 1980s, consumer researchers shifted attention into how consumers acquire used goods and sell their excess products (Belk et al., 1988; Sherry, 1990). However, selling and buying used goods remained on the fringes of the retail and service sectors until the development of C2C e-commerce platforms. More recently, scholars have also showed interest in diverse aspects related to C2C e-commerce phenomenon. These include, for example, the general shift from marginal activity to mainstream retailing (e.g. Ariely and Simonson 2003; Chen *et al.*, 2016; Yrjölä *et al.*, 2017), consumers' utilitarian and hedonic motivations (Chang and Chen, 2015), and the role and potential of different C2C e-commerce platforms (Cheung et al., 2014; Chen et al., 2017). In addition, prior research has addressed the interlinkages between C2C platforms' website quality and consumer satisfaction (Fan et al., 2013) as well as linked consumers' excitement with higher prices (Vragov et al., 2010).

While the above examples show that research on C2C e-commerce has been active during the past decade, it is still in its infancy. The fundamental determinants of either the buying or selling experience – and how digital platforms can facilitate the creation of these experiences - have remained unexplored. Understanding these characteristics would be of utmost importance in contemporary society: while sharing economy and circular economy often operate through digital platforms, more knowledge is needed on how these digital service experiences – for both buyers and sellers – can be developed further. Only through superior

consumer experiences can platforms attract buyers and sellers, establish their raison d'étre and eventually support the development of sustainability and circular economy. Theoretically, understanding the anatomy of digital experiences is also gaining increasing scholarly attention (Marketing Science Institute, 2016).

Potential contributions and research questions

The purpose of this study is to explore and analyse the selling experience on digital C2C e-commerce platforms. We make a contribution by focusing on the seller's perspective, which has remained relatively overlooked in prior research. Further, the seller's experience is crucial, as it is the supply of used goods that determines whether C2C markets can be established in the first place. The purpose is addressed through the following research questions:

RQ1. Which phases make up the selling experience as a process on C2C ecommerce platforms?

RQ2. Which factors characterize the selling experience on C2C e-commerce platforms?

These questions will be answered by briefly reviewing the relevant literature on C2C e-commerce, and discussing the applied methodologies for data generation and analysis, presenting and discussing the results. Conclusions, limitations and suggestions for further research conclude the study.

Theoretical foundations and conceptual framework

The theoretical foundations of this study include three streams of literature: service experience, consumer decision-making processes and C2C research. First, the consumer service experience of a service encounter is a multifaceted and complex phenomenon, involving hedonic, interactive, novelty, comfort, safety and stimulation dimensions (Otto & Ritchie, 1996). C2C e-commerce platforms allow for interactions that include many of these dimensions, making it an interesting context. Second, this paper utilizes the well-established consumer decision-making process consisting of need recognition, information search, comparison of alternatives, the actual transaction and, finally, post-purchase evaluation. Through analysis and reflection, this process model is adapted into a tentative framework for the C2C e-commerce selling process. Third, C2C platforms exhibit a low degree of company control and high degree of consumer control over the transactions. As customer control over the service experience contributes to the overall experience, C2C provides an interesting context for study.

Methodology

In line with an explorative approach, this study adopts a qualitative methodology to understand the phenomenon in all its complexity, unremoved from its context. Two independent studies are conducted to empirically address the research questions. First, through a large survey we collected 1524 open-ended responses from consumers who had sold used goods through a C2C e-commerce platform. Respondents were asked to describe in their own words what they considered as good or bad in the selling experience. Altogether, the responses provided important insight based on authentic experiences on C2C digital platforms. Second, 20 semi-structured interviews were conducted with consumers that had engaged in C2C e-commerce activities as sellers during the past year. The informants shared their experiences in an interactional way allowing more in-depth exploration of the process and characteristics of their selling experiences. The data from the two studies will be analyzed by identifying, describing and categorizing the phases of the selling experience and its characteristics.

Anticipated findings

As a result, the study will present a tentative framework for identifying the *fundamental* characteristics and phases of the selling experience on digital C2C e-commerce platforms. In addition to identifying and analyzing the phases of this process (RQ1), the findings will yield an in-depth understanding of the factors that characterize the digital selling experience in this context (RQ2). These findings include factors that

- a) trigger and motivate consumers' selling behavior on digital C2C platforms (e.g. lifestyle changes, status-seeking behavior, decluttering),
- b) consumers take into account in their selling behavior (e.g. channel selection criteria, the cues used to evaluate trustworthiness, pricing considerations), and
- c) characterize post-transaction behavior (e.g. evaluating the process and the outcome, positive emotions arising from nostalgia and from finding a new home for the goods).

Altogether, the findings contribute to a better understanding of the digital selling experience, and provide both theoretical and practical implications for service scholars and practitioners.

Discussion and conclusion

The purpose of this study is to explore and analyse selling experience on digital C2C e-commerce platforms. By understanding the factors that make up the consumer's selling experience on these service platforms, companies can develop their business models and value propositions by taking into account the various factors that consumers perceive as meaningful. This further facilitates circular economy and sustainability by providing platform companies with better means to enhance their C2C experiences.

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Pump Up the Volume: Understanding the Drivers of Word-of-Mouth Volume Across Industries

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Introduction

Managers and researchers are keenly interested in understanding the drivers of word-of-mouth (WOM) volume. The difficulty in applying the research to date, however, has been with the limited scope of 1) the drivers investigated, 2) the word of mouth behaviors investigated, 3) the industries investigated, and/or 4) the countries investigated. As a result, the findings often lack generalizability (e.g., across industries, countries, etc.).

This research seeks to address these limitations by investigating the different types of WOM behaviors associated with six attitudinal drivers (customer satisfaction, positive emotions, negative emotions, affective commitment, calculative commitment, self-brand connection).

To investigate these issues we built a large-scale multi-national data base that includes attitudinal drivers, customer characteristics, and a full range of WOM behaviors, involving both the sending and receiving of both positive and negative WOM, with both strong and weak ties. The combination of sending-receiving, positive-negative and strong ties-weak ties results in a typology of 8 distinct WOM behaviors. We explore the drivers of those behaviors, and their moderators, using a hierarchical Bayes model in which all WOM behaviors are simultaneously modeled.

The data examined is from 15,147 unique respondents spanning 10 countries (i.e. Australia, Brazil, Canada, China, France, India, Russia, Spain, UK and US) and 793 different brands representing eight broad industry categories (i.e. utilities, manufacturing, pharmacy, retail, transportation & warehousing, information, accommodation & food services, finance & insurance).

In this investigation, our focus is not on how each WOM behavior is influenced by the six key drivers examined (e.g., to which extent is giving positive WOM influenced by the following subset of drivers: satisfaction, commitment, emotions, and self-brand connection, and then repeating this investigation for each of the eight WOM behaviors investigated). Instead, our focus is on understanding how each key driver influences different WOM behaviors simultaneously (as contrasted with one WOM behavior in isolation). This perspective is extremely important to effective WOM strategy execution. Our findings clearly demonstrate that when looking at the impact of each attitudinal driver across WOM behaviors simultaneously, almost all result in WOM behaviors that are both good and bad for the firm.

Moreover, the strength of each key driver varies widely across WOM behavior type. Adding to the complexity, this effect differs greatly by industry type. As a result, this research provides a clear roadmap for managers to obtain the preferred set of WOM behaviors by focusing on the industry-specific optimal key driver strategy.

2F Customer Engagement II

Negatively-Valenced Customer Engagement in the Healthcare Context:

The Construct, Antecedents, and Moderators

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Introduction

This study will examine the concept of negatively valenced customer engagement (NVCE) in the context of healthcare with three objectives: to investigate the organisation-level antecedents of NVCE by conducting in-depth interviews with patients, the family member(s) who accompany them to hospital, and hospital staff; to investigate the boundary conditions of NVCE by conducting in-depth interviews with patients, the family member(s) who accompany them to hospital, and hospital staff; and to examine the impact of identified antecedents and moderators on the emergence of NVCE by conducting a survey study.

Background of the study

The concept of NVCE has been investigated under various terms over the years. One group of scholars considers it to be a behavioural concept, which encompasses customer's intentional, low to high intensity misbehaviours, which violate the generally accepted norms of conduct (Fullerton and Punj, 2004; Harris and Reynolds, 2004; Daunt and Harris, 2012). The second group of scholars argue that NVCE is a multi-dimensional concept, which encompasses negative appraisals, negative emotions, and dysfunctional behaviours of customers (Grégoire, Laufer, and Tripp, 2010; Zourrig, Chebat, and Toffoli, 2009). In line with the second stream of research, in this study we define NVCE as intentional negative appraisals, negative emotions, and counterproductive/aggressive behaviours of customers, which are directed at an organisation or its employees and violate the norms of conduct in that setting.

A few researchers have previously studied the antecedents of NVCE (e.g. Daunt and Harris, 2012; Fullerton and Punj, 2004). Most of the seminal works in this field determine customer's personality and motivation as internal antecedents and service failure as an external key antecedent of NVCE (see Bunker and Ball, 2009; Funches et al., 2009; Grégoire and Fisher, 2008; Grégoire, Laufer, and Tripp, 2010; Joireman et al., 2013). Nevertheless, it is unclear which organisation-level antecedents may trigger NVCE in a complex context such as healthcare, when the service is functioning and service failure has not occurred. Moreover, similar to the positive form of engagement, engagement is context sensitive and those antecedents identified in the financial services context for instance may not be of relevance in another context, such as healthcare, which has different characteristics (Brodie et al., 2011).

Grégoire and Fisher (2008) and Grégoire, Laufer, and Tripp (2010) emphasise the importance of the role of moderators in controlling or amplifying NVCE. Nevertheless, to the best of the researchers' knowledge, only a few studies have thus far investigated and tested the impact of moderators on NVCE. Kähr et al. (2016) argue that consumer's aggressiveness (a personality trait) moderates the likelihood of consumer's protestation to corporate wrong doing. Moreover, Kähr et al. (2016) and Grégoire and Fisher (2008) argue that the relationship quality would moderate customer's intention to retaliate failure of the service and corporate wrongdoing. Grégoire and Fisher (2008) suggest that customer's (dis)identification with the organisation (Bhattacharya and Sen, 2003; Dukerich, Kramer, McLean Parks, 1998) might also act as a moderator. Nevertheless, to the best of the authors' knowledge this moderating effect has not been previously tested.

This study draws on elements of social practice theory (Schatzki, 2006 and Warde, 2005), operationalised Echeverri and Skålén (2011); cognitive appraisal theory (Folkman et al., 1986; Lazarus, 1991; Scherer and Schorr, 2001) and later on, social identity theory (Tajfel and Turner, 1979, 2004; Kramer, 1991). In this study, we investigate whether organisation's interaction practices that destruct customer's value (e.g. epistemic, emotional, social value) trigger NVCE? and if so, how can this be measured? Moreover, we examine whether customer's (dis)identification with the organisation moderate/enhance the relationship between value-destructive interaction practices and NVCE.

Methodology

Positioning this study within the neo-positivist and existential phenomenology traditions, the researchers investigate the antecedents and moderators of NVCE in non-failure service encounters in the healthcare context by employing exploratory sequential mixed methods. The neo-positivist research tradition holds that while social phenomena are not fully predictable and social relationships and interactions do not work in a mechanistic manner, provision of probabilistic explanation of social orthodoxies is both feasible and sought-after (Belk, Fischer, and Kozinets, 2012). The exploratory mixed methods strategy provides the researchers with a better understanding of the research problem and research question. The exploratory sequential mixed method is particularly useful when measures and variables are unknown and a guiding framework is inexistent (Creswell and Clark, 2007).

The first step in the exploratory sequential strategy will be conducting semi-structured, face-to-face interviews. The face-to-face interviews will be of relevance since individuals should remember an event from the past (i.e. historical information) and the researcher will be able to take control over the flow and line of questioning (Creswell, 2014). During the interviews, individuals will be asked to remember what triggered them to manifest negatively-valenced engagement, which specific emotions did they experience, and which behaviours did they manifest as a result. The researchers will also look for the boundary conditions of negatively-valenced engagement.

Data analysis will be commenced by generating lower order codes to condense the data into shorter meaningful pieces (Belk, Fischer, Kozinets, 2012). The coding process will be initiated

by generating emic codes, based on the language used by the informants themselves and then will move towards a higher level of abstraction by generating etic codes according to the existing literature and the relevant body of knowledge (Belk, Fischer, Kozinets, 2012). Moving from emic codes to etic codes, the researchers will try to keep the coding process natural, so that it complies with the mandates of existential phenomenology tradition as well (Belk, Fischer, Kozinets, 2012). In the next step, the researchers will scrutinise the codes to see whether they could be put together to create higher order, more abstract categories. The higher order codes will be then analysed with the aim to find meaningful relationships between these higher order, abstract codes. This will be the axial coding process, in which the researcher tries to identify relationships amongst the higher order constructs, which are related to the central phenomenon under investigation (in this case NVCE) (Belk, Fischer, Kozinets, 2012). Throughout the process, the researchers will allow the coding to be inspired by the data itself, the research question and proposal, the existing body of relevant knowledge, and the research traditions to which this study belongs (Belk, Fischer, Kozinets, 2012).

The primary phase facilitates the development of an instrument with good psychometric properties (i.e. validity and reliability) from quotes, codes and themes that emerge in the interviews (Creswell, 2014). The qualitative phase will help in identifying antecedent and moderating variables for which the scales may already exist in the literature. Moreover, new variables could potentially be identified and scale will be developed for them from the qualitative findings. The findings of the qualitative phase will build into the survey study. items and scales for the survey study will be either extracted from the literature (if relevant scales already exist in the marketing literature) or developed from interview data. Structural equation modelling (SEM) will be used to test the research hypotheses and conceptual model's relationships (Hair et al., 2009).

Contribution

This study will contribute to theory on negatively valenced engagement by investigating the organisation-level antecedents and moderators of NVCE in a novel context, namely healthcare. Moreover, this study will help practitioners to better understand why healthcare customers become outraged and manifest misbehaviours, and under which conditions the negatively-valenced engagement is more/less likely to happen.

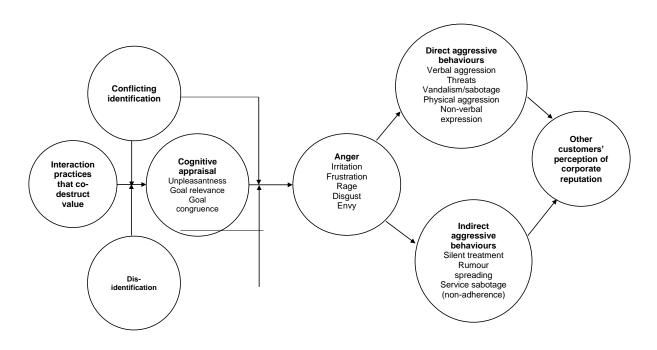


Figure 1 Negatively-valenced customer engagement conceptual framework

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Exploring Customer Engagement Marketing (CEM) and its impact on Customer Engagement Behaviour (CEB)

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Research Background

Customer Engagement (CE) has received increasing attention from scholars in various disciplines in the last decade (Bolton, 2011; Brodie et al., 2011; Van Doorn et al., 2010; Haumann et al., 2015; Hollebeek, Conduit, et al., 2016; Hollebeek and Chen, 2014; Javornik and Mandelli, 2012; Kumar and Pansari, 2016; Precourt, 2016); where it reached 6 million Google hits in 2016 from zero in 2007 (Harmeling et al., 2017). It has also been a research priority of the Marketing Science Institute (MSI) for the periods 2014 – 2016 and 2016 – 2018 (MSI 2014, MSI 2016).

A good example for a customer engagement strategy is the global campaign of Starbucks, the leading global coffee franchises, which launched in September 2014 called "Meet me at Starbucks". Starbucks encouraged its customers to activate the hashtag #HowWeMet where they can take photos and post them on social media with that hashtag. Surprisingly, that campaign had great results where 91 million social media posts were published inspiring other customers to visit Starbucks to have their own photos with the hashtag (Williams, 2016). Additionally, net revenues were increased by 16% to \$5.3 billion in Q1 in 2016; Starbucks' K-Cup's sales grew by 20%, resulting in market share increase to reach 17.2% and additional 528 new stores were added to the chain (Trefis, 2016).

In essence, this work-in-progress paper aims at studying an emerging topic in the customer engagement literature called 'Customer Engagement Marketing' (CEM). Customer Engagement Marketing (CEM) is viewed as a foundational tool and a technique for organizations to capitalize on customer engagement to achieve their objectives (Harmeling et al., 2017). Consequently, service firms should stimulate engagement behaviours of customers through customer engagement marketing (CEM); which is the primary focus of this research; in order to help encouraging and stimulating the behaviours that positively influence organisational performance and bottom line results (Bolton, 2011; Pansari and Kumar, 2017).

Theoretical Foundations

Customer engagement (CE) has been addressed from two different perspectives in the service marketing literature, customer and firm standpoints. From a customer perspective, CE is addressed as "a psychological state that occurs by virtue of interactive, co-creative customer experiences with a focal agent/object (e.g. a brand) in focal service relationships" (Brodie et al., 2011, p. 260). From a firm perspective, Pansari and Kumar (2017, p.2) postulates CE as "the mechanics of a customer's value addition to the firm, either through direct or/and indirect contributions, where direct contributions consist of customer purchases, and the indirect contributions consist of incentivized referrals that the customer provides, the social media

conversations that customers have about the brand and the customer feedback/suggestions given to the firm".

The main difference between these two perspectives is the acknowledgement of the direct contributions (i.e. customer purchases) as added value in the engagement process which also considered as an accurate measure of the firm's performance. This definition leads to the theory of the customer engagement proposed by Pansari and Kumar (2017, p.295) which states that "when a customer is satisfied with his/her relationship with the firm and has an emotional attachment to the firm, then it can be said that the customer is engaged with the firm".

Pansari and Kumar's definition is highly linked and attached to the customer engagement marketing that mainly focuses on the best utilization of the customer's owned-resources to accomplish the desired contributions (Harmeling et al). In essence, CEM is defined as "firm's deliberate effort to motivate, empower and measure customer contributions to marketing functions" (Harmeling et al., 2017, p. 367). The primary objective of CEM is to motivate and stimulate the customer's contribution to the marketing functions of the firm (Pansari and Kumar, 2017); that will, consequently, affects the firm performance positively (Harmeling et al., 2017).

For instance, Coca-Cola launched a global campaign called "#ShareACoke" in 2014 as an attempt to engage its customers to contribute to the firm's marketing functions directly and indirectly. Personalized Coke bottles was a creative idea to motivate customers to buy coke bottles (i.e. direct contribution) and then write special words, names, or phrases on the bottles and share with their friends either through posting a photo of them holding their personalized bottles on social media or by gifting them to one of their friends or colleagues which will then motivate those friends and others to buy and personalize their own Coke bottles (i.e. indirect contribution). This campaign resulted in increasing Coca-Cola sales by more than 30% only in one week after experiencing a steady sales decline for ten years.

Therefore, it is crucial for firms to adopt the customer engagement marketing in an attempt to stimulate the customer engagement behaviours (CEB) to contribute to their marketing functions. Recent research by Jaakkola and Alexander identified four main types for CEBs; codeveloping behaviour, influencing behaviour, augmenting behaviour and mobilising behaviour. This classification is adopted by this research.

Research Aims and Objectives

After reviewing the literature, it is elaborated that customer engagement marketing is a fruitful area of research, where it is expected to be a future research direction for the next 10 years. From this point, the main research aim is:

Exploring customer engagement marketing and investigating how firms can drive customer engagement behaviour through engagement marketing practices.

This research aim will be achieved through identifying the facilitating factors for CEM that firms can consider while formulating their marketing strategies and policies in order to motivate customers to be engaged with the firm. Moreover, it is vital to the firm after

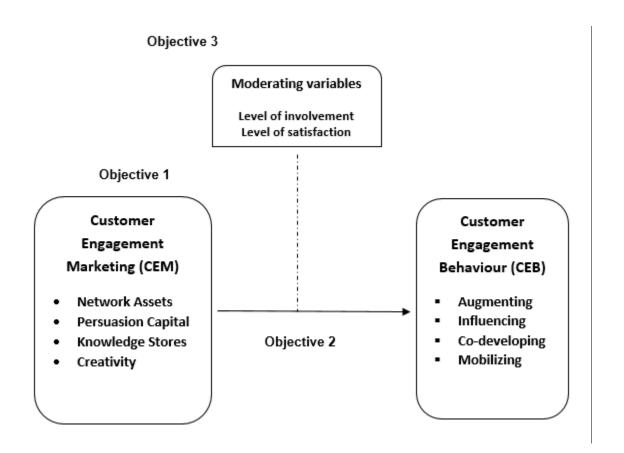
formulating engagement strategies and policies aimed for customers to be engaged with the firm in its marketing functions to determine whereas these strategies and policies effectively and positively stimulate customer engagement behaviours towards the firm.

Eventually, it is important to identify and test potential moderating factors that affect the relationship between customer engagement marketing (CEM) and customer engagement behaviour (CEB). The involvement and satisfaction levels were identified as important moderators affecting the engagement process, and firms need to consider these variables in order to achieve their aims and objectives (Pansari and Kumar). Accordingly, the main research objectives are:

- 1. To explore customer engagement marketing and its initiatives.
- 2. To investigate the relationship between customer engagement marketing and customer engagement behaviours.
- 3. To identify the moderating factors for the relationship between CEM and CEB.

Conceptual Framework

Based on the research aims and objectives discussed, a conceptual framework for the research is illustrated in the following figure:



Proposed Research Methodology

Mixed methods are proposed for this research, combining both qualitative and quantitative methods for achieving the research aim and objectives and providing stronger results (Creswell, 2009). The main rationale for using mixed methods is to explore the customer engagement marketing phenomenon throughout the qualitative phase (Creswell, 2009; Saunders et al., 2009); which will help in identifying the constructs that will be used in the quantitative phase.

Accordingly, Sequential Exploratory Design (SED) will be incorporated into this research where the qualitative method will be used first then the quantitative methods will be employed based on the results of the qualitative methods (Creswell, 2009). In that sense, this is considered as a preferred approach to enhance the findings through using mixed methods to reinforce one another aiming at generalizing the results to the population (Creswell, 2009). Qualitative semi-structured interviews with managers and employees will be used for achieving the first objective which is exploring the customer engagement and identifying its facilitating factors that need consideration when formulating the firms' strategies and policies (Breidbach et al., 2014; Gambetti and Graffigna, 2010; Hollebeek et al., 2014; Hollebeek, Conduit, et al., 2016; Maslowska et al., 2016).

Then based on the results of the qualitative exploratory interviews, quantitative surveys will be formed and used to accomplish the second and third objectives in investigating the relationship between the CEM and CEB (Creswell, 2009); where CEM attempts to stimulate the CEBs as well as identifying the moderating variables for this relationship. By June 2018, the data collection for this research will be finished and results are planned to be presented in the conference.

Potential Contributions

The findings of this research are expected to reflect positive academic and managerial implications. From an academic standpoint, filling a current research gap will add a real contribution to the engagement literature by exploring new concept (CEM) and will foster the new perspective of the engagement theory to underpin future research, in addition to, comparing and contrasting the existing and potential moderating factors for the relationship between CEM and CEB. From a managerial perspective, it will help marketing managers learn the 'art of engaging customers' in a profitable long-term relationship with positive outcomes for both customers and firms through identifying the factors that affect formulating effective and efficient strategies to engage their customers in their marketing activities.

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How does engagement affect customer journeys and experience?

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Introduction

Customer experience (CE) is considered a key source of differentiation and competitive advantage for firms, resulting in considerable attention among academics and practitioners alike. Recent service and marketing literature suggest that understanding customer experiences requires consideration beyond individual encounters in firm-customer dyads: First; contemporary markets are fragmented into multiple channels and complex delivery networks (Tax et al., 2013), accentuating the role of *customer journeys* as opposed to individual service encounters in defining customer experience (Lemon & Verhoef, 2016). Second, the roles of customer and providers have become blurred as customers increasingly influence other customers' experiences and take upon behaviors beyond the traditional customer role, conceptualized as *customer engagement* (Jaakkola & Alexander, 2014).

To fully understand customer journeys, both company-controlled touchpoints, as well as touchpoints beyond customer-firm interaction should be considered (e.g. Meyer and Schwager, 2007). Nevertheless, extant research on customer journey is strongly focused on company /brand owned touchpoints, and while the importance of customer engagement for journeys has been indicated (Lemon and Verhoef, 2016), virtually no research has sought to establish the analytical connection between these two concepts. To address this gap, the purpose of this conceptual paper is to analyze how customer engagement affects customer journeys that are the key platforms for the emergence of experiences. This is done by critically reviewing extant engagement research to inform journey research: we analyze research findings on engagement and interpret that in the light of customer journeys.

The main contributions of this paper is bridging the domains of customer journey and engagement, and creating new knowledge to customer journey research by in illuminating in particular the customer-owned and social touchpoints (Lemon & Verhoef, 2016).

Research background

Customer journeys are typically composed of three stages: pre-purchase, purchase and post-purchase (Lemon and Verhoef, 2016). A key aspect of customer experience is its emergence through customer's subjective response to any direct or indirect contact with the company or its offering, across multiple touchpoints during the entire journey (Meyer and Schwager, 2007, Verhoef et al., 2009). Understanding the nature of these touchpoints is critical to successful service experience, but the greater the number of touchpoints, the more complex and interactive is the particular journey (Zomerdijk and Voss, 2010, Richardson, 2010). Lemon and Verhoef (2016) identify four types of touch points which customers will experience in their journey: 1) brand-owned touchpoints (designed and managed by the brand and under their control); 2) partner-owned touchpoints (interactions jointly controlled by the brand and any partner

organizations); 3) customer-owned touchpoints (where the customer has influence over their own journey); and 4) social/external touchpoints (where the actions of others affect the customer journey).

Research on customer engagement has been growing in importance in the last decade. Brodie et al (2011) define customer engagement as a psychological state with cognitive, emotional and behavioral dimensions: engagement here reflects a customer's on-going interest, commitment and motivation to invest their time and other resources in a focal object. In addition, the behavioral manifestations of engagement refer to behaviors which occur beyond normal transactions (Van Doorn et al., 2010, Jaakkola and Alexander, 2014). Such customer engagement behaviors (CEB) may include (Jaakkola & Alexander, 2014):

- co-developing to facilitate the focal firm's development of its offering
- *influencing* to affect other actors' perceptions, preferences, or knowledge regarding the focal firm
- augmenting to add to or extend the focal firm's offering
- *mobilizing* to stimulate other actors' actions towards a focal firm.

Lemon and Verhoef (2016, p. 73) highlight the importance of research which explores customer engagement and the customer journey and explores how a customer 'reaches out to and initiates contact with the firm whether attitudinally or behaviorally'. Although the authors suggest engagement touchpoints will emerge through interaction with communities, employees or other customers to date, no research has explored how engagement impacts on the customer journey.

Development of a conceptual framework

The main content of the paper comprises developing a conceptual framework by examining the impact of different manifestations of engagement on the customer journey. We analyse how the journey of a focal customer can be affected by a) the customer's own engagement towards the focal product/brand and/or b) engagement behaviors by other customers. The role these play across stages of customer journey will be explored in more detail.

Customer Engagement by the focal actor

In a customer's journey the level of their psychological disposition towards a focal object (e.g. product/brand/service offering) is likely to have a more significant impact across journey stages. For instance, high level of engagement would impact on information searches in the pre-purchase phase and thereby increase the number of brand-owned touchpoints (the customer visits a firm website) as well as social touchpoints (the customer explores references to the product online or in social media). These prepurchase touchpoints mean that the customer experience is already beginning to emerge in this early stage. In the purchase phase the heightened interest of engaged customers may increase the intensity or duration of interactions with the firm/ brand/ offering. Finally, post purchase, engaged customers are likely to spend more time with the product/brand (customer-owned touchpoints related to product usage).

Engagement behaviors, in addition, generate new touchpoints at various points in the purchase journey. Through *influencing behavior*, customers share their experiences with other customers. For example, a customer when going on holiday may share their booking experience pre-purchase, broadcast live from the airport or resort in the purchase phase and then write a review on Tripadvisor post-purchase. Such engagement behaviors generate social touchpoints with other prospective customers or other actors. *Co-developing behaviors* in turn relate to customers reaching out the focal firm with contributions to firm product/service development, hence creating new touchpoints with the firm /brand, beyond the basic purchase journey. This leads us to propose:

P1: Engagement generates greater number of touchpoints.

P2: Engagement increases the intensity of existing touchpoints.

Customer Engagement Behaviors of other actors

Jaakkola and Alexander (2014) reveal how CEB at a systemic level effects other stakeholders who can, then, alter their own resource contributions towards a focal firm. In our conceptual framework we can predict how CEB of other actors will also affect focal customer journeys. For example, in social touchpoints during the pre-purchase phase customers will use other actor *influencing behavior* to learn about other customer experience of an offering and may adjust attitudes and decisions or legitimize needs accordingly.

Customers may be attracted to specific offerings or brands due to the existence of other customer *augmenting* or *co-developing* behavior, suggesting that they are drawn to particular purchase journeys because of CEB. For example, buying shoes at a NIKE store (brand-owned touchpoint) may be more attractive knowing that you can engage with other users via the NIKE+ site (social touchpoints). Other customer *mobilizing behavior* can completely change the course of a customer journey, such as in the case of a customer 'buycott' of a specific product or service. Finally, social touchpoints can assist customer evaluate the value of the offering by engaging with a brand community post-purchase. This leads us to propose:

- P3: Engagement behaviors trigger shared touchpoints that connect actors' journeys to each other.
- P4: Engagement by other actors introduces new touchpoints to the journey.
- P5. Engagement by other actors can change the course of the focal customer journey.

Conclusions and contribution

This study postulates that engagement can affect the range, volume, and nature of customer journey touchpoints. It is also argued that engagement behaviors service to connect individual customer journeys to each other: interactions between customers focused on sharing experiences form discrete social touchpoints along each customer's journey that affect how customer interact with the focal firm, and could even change the fundamental course of a

customer journey. This analysis contributes to customer journey research by illuminating in particular the customer-owned and social touchpoints of customer journeys that have been very seldom addressed (Lemon & Verhoef, 2016). This paper is among the first to focus on the intersection of customer experience and customer engagement, two of the perhaps most influential concepts in contemporary service research.

Ongoing research needs to consider the extent to which a customer's own engagement disposition impacts value assessments of their journey. For managers, this study highlights the importance of considering social and customer-owned touchpoints as critical elements in the customer journey. Although firms cannot directly design or control such touchpoints, they can provide platforms for such; or ensure presence in firm-external touchpoints e.g. trough attractive content creation (Holliman and Rowley, 2014).

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2G Public and Non-Profit Services

Enabling transformative service encounters: Insights from inclusive arts workshops for people living with dementia

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Introduction

The number of people living with dementia has been continuously increasing over the last decades, and has become a Global Public Health Priority (World Health Organization 2017). According to the World Health Organization – WHO - (2017), in 2015, 47 million people were affected by its symptoms across the globe, a number that is expected to triple by 2050. Dementia is not conceived as a disease by itself but is a term used to 'describe a group of symptoms that occur when brain cells stop working properly' (Alzheimer Research UK 2017). Although dementia's most common symptom is related to memory loss, it also affects people's mood and behavior, hindering their capacity to complete everyday tasks such as cooking, shopping, or taking care of their personal hygiene (Alzheimer Scotland 2017; WHO 2017). This conveys a series of challenges for service organizations that directly or indirectly serve people living with dementia and their caregivers, including those operating in non-healthcare settings such as banking or retailing (Tomazelli et al. 2017). In this context, this empirical study aims to shed some light on how organizations design and manage service encounters with this increasingly relevant customer segment.

Moreover, the study of services that aim to improve people's quality of life and well-being have been gaining increasing attention in the service management and marketing literature (Anderson et al. 2013; Ostrom et al. 2015). Accordingly, recent studies have focused on understanding how service organizations can create value with customers regarded as vulnerable. Customers' vulnerability can be caused by multiple factors, including suffering from a chronic disease or learning disability that can be related to the symptoms of dementia (Rosenbaum et al. 2017).

Consequently, this paper addresses the research call made in the transformative service literature (Anderson & Ostrom 2015; Rosenbaum et al. 2017) by exploring how arts and cultural organizations design and deliver workshops for people living with dementia and how these interactions may contribute to their customers' well-being.

Although there are valuable studies in health care literature that examine the effects of arts-based activities in dementia sufferers' well-being (e.g. Dowlen et al. 2017; Gray et al. 2017; Hammar Marmstål et al. 2011; Hunt et al. 2016; Nyman & Szymczynska 2016; Unadkat et al. 2017; Windle et al. 2017), further research is needed to understand this phenomenon from a service management perspective (Ostrom et al. 2015).

Particularly, this article focuses on the role that service encounters play as platforms for value co-creation (Grönroos 2017; Voorhees et al. 2017) in not-for-profit settings (Osborne et al. 2016). It analyzes the case of performing arts workshops for people living with dementia offered by a European opera company. These workshops are provided in cycles of eight weeks, and are comprised of a series of creative activities inspired in an opera from the company's current repertoire. During weekly sessions, participants apply their musical, storytelling, dancing and visual arts skills in preparing an opera that, at the end of the cycle, will be performed for family and friends. The research team had full access to the programs delivered during the spring season of 2017 in the cities of Glasgow and Edinburgh.

This study adopts a qualitative research design following a grounded theory approach to data analysis. As one member of the research team was engaged, as a participant observer, in all workshops sessions, insights from each case study were based in fieldnotes of the group dynamics and impressions from all the actors involved. This data was complemented with indepth interviews, open-ended questionnaires and analysis of relevant documentation. Stakeholders enquired include service managers, workshop facilitators, volunteers, service users and their caregivers.

Overall, results unpack strategies for designing dementia-friendly service environments and overcoming potential barriers to interaction, highlighting the impact that interactive encounters between workshop's facilitators, service users, and their caregivers may have on customers' well-being.

Although strategies for designing and managing interactive encounters slightly varied between the two programmes examined, both focused on making the most of the participants' current capabilities, celebrating their capacity to do things and even learn new skills. Consequently, during service encounters, people living with dementia enjoyed themselves by doing activities that immerse them in creating art by their own or along with their loved ones, allowing them to forget about their condition for a while and therefore just focusing on enjoying the moment.

Results also highlight the role that secondary customers (Leino 2017) play as co-creators and beneficiaries of the transformative value generated in these service encounters. This is particularly relevant when informal caregivers such as partners or relatives of the participants are involved during the workshop session as they also enjoy the eudemonic outcomes and experiences of these services (Blocker & Barrios 2015) in their own environments outside of the organization's boundaries. Informal caregivers value the opportunity to share quality time with their loved ones doing activities together as they did before dementia came into their lives. Workshops also help caregivers to socialize with different people in non-health care environments, thereby developing peer support networks that can help to lessen the burden of care.

Although the activities done during the workshops enhanced participants' well-being, the creation of value-in-use for primary customers is short-lived. In most severe cases of dementia, it is limited just to *enjoying the moment* as the memories will vanish soon after the session ends. Conversely, informal caregivers keep experiencing positive impacts on their well-being after each session. Results support the view that value is created independently by the customers in their own environments, outside the control of the organization (Grönroos &

Voima 2013; Heinonen & Strandvik 2015; Osborne 2017). This *independent value-in-use* can be created by secondary customers just by treasuring the moments experienced with their loved ones or by appreciating some tangible evidence of the experience (e.g. by watching a DVD of the opera piece performed at the end of the workshop). Also, caregivers may see their quality of life improved when they socialize with people they have met at the workshops or even when they start volunteering at the organization once their loved ones are unable to continue attending the sessions or sadly, have passed away.

This paper concludes with managerial implications for organizations (operating in the private and third sector) which service offerings involve encounters with people suffering from dementia and their caregivers.

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Conceptual Advancements of a Transformative Social Service Research Framework

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Introduction

In society a range of social services have evolved to improve wellbeing, and protect and support vulnerable members of society, for example, in regard to drug use, mental health conditions, victimisation or poverty, issues that more recently have also found their way into the domain of service research (for example, Fisk et al., 2016). Social services aim to reduce disparities and enhance individual and population wellbeing, especially of minority groups or certain ethnicities. Public policy underpins the design and administration of the social services sector (Anderson et al., 2013). A major challenge for policy makers and social service providers is the services' ability to 'reach' and achieve constructive engagement with those they are intended to serve. Hence, some of these vulnerable clients may be deemed by policy makers and service providers as being 'hard-to-reach' (HTR) or 'hard-to-engage' (Boag-Munroe & Evangelou, 2012, p. 210). However, because wellbeing, service co-creation and consumption amongst actors are intertwined (cf. Ostrom et al., 2015), the focus cannot only be on the engagement (or lack therof) of the focal actor (for example, the client) in need but also has to be on the other actors, for example the ones facilitating the service (such as the social worker).

One goal of this work is to further advance the topic of social service provision for 'HTR' populations and to increase the engagement and wellbeing of the parties involved. Another objective is to conceptually ground and further develop an approach which centres on enhancing wellbeing and could potentially more broadly be applied to different service contexts. This work draws on Hepi et al.'s (2017) initial conceptual development of an integrative transformative service framework. The paper aims to further unpack and extend the framework. This is to establish a broader conceptual and theoretical basis. This study identifies shortcomings in Transformative Service Research (TSR; Anderson et al., 2013) that necessitate further theoretical development, especially in the light of HTR requirements, by drawing on (Cultural-Historical) Activity Theory (CHAT; Engeström, 2015; Leontiev, 1977) as well as (Regulatory) Engagement Theory (RET; Higgins, 2006; Higgins & Scholer, 2009). The three approaches which, according to Hepi et al. (2017), when used in conjunction, enable the construction of an integrative transformative framework that simultaneously focuses on wellbeing, activities and engagement embedded in one approach. A more detailed understanding of the framework and its extension can then further facilitate the resolution of

social issues of HTR clients by improving the engagement and the uptake of social services, improvement of co-creative activities and provide scholars and practitioners with a framework which might be more universally applicable.

This work draws on the initial conceptual development by Hepi et al. (2017) and provides a general perspective of the underlying contextual factors of the integrative transformative service framework. Derived from Hepi et al. (2017) these intertwined and embedded elements can be classified as: actor context, cultural context, service context and systems context. Furthermore, the conceptual gaps are detailed with a focus on Transformative Service Research (Anderson et al., 2013) to highlight the necessity to incorporate Cultural-Historical Activity Theory's extension (Engeström, 2015) and (Regulatory) Engagement Theory (Scholer & Higgins, 2009). This is achieved by stressing the conceptual requirements derived from a HTR context. In addition, the 'marriage' of concepts, i.e. TSR, CHAT and RET, is examined and the steps towards a conceptual integration are more broadly established. Based on the theoretical gaps identified, an extended integrative framework is presented which infuses further theoretical development.

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Implementation of a quality model in public care procurement: challenges and opportunities

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Abstract

The aim of this paper is to gain a deeper understanding throughout different phases of a quality model implementation process in a care procurement for an elderly home. A longitudinal case study is preformed and data is collected through interviews, participation observations, reflective diaries and internal and external documentation. This study provides empirical insights about the implementation of a quality model including how this model may contribute to a more dynamic perspective as well as how innovation may develop contractual relationships.

Keywords: public service, quality improvement, procurements, elderly care, innovation.

Introduction

The last few decades, public organizations in many countries have been involved in a process of economic deregulation, competitive regulation, and privatization (Dean and Kiu, 2002). A typical reformation has been to focus on competitive tendering. In order to meet the increasing competition, public organisations need to compete by innovation (Brown and Osborne, 2013) and quality improvement (Chong and Rundus, 2004), both in the procurement process and in the provided service, to improve the efficiency and effectiveness of public services.

Despite efforts of including quality improvement in tender documents, requirements are often static (e.g. Camén, 2011) and address quality improvement to a limited extent (Dahlin et al, submitted). Due to the highly dynamic nature of health care (Rebuge and Ferreira, 2012) and care procurement contracts often ranging several years, this static and sometimes narrow view of quality improvement can be considered insufficient. Development could be achieved through a dynamic view of quality, meaning focus on *how* to work to achieve continuous improvement rather than on *what* should be done, to address potential improvement opportunities over time.

One way to achieve quality improvement is through innovative criteria for tender evaluation (Bröchner et al, 2016) such as introducing a quality model. In that case, tender evaluation focus is set on the care provider organisation describing how they plan to work for improvement, to assess quality maturity in the organization. Previous research has acknowledged that there is a need to examine how quality is operationalized, measured, evaluated and acted upon when using quality models in care procurement (e.g. Balbastre-Benavent and Canet-Giner, 2011; Bröchner et al., 2016). Therefore, this ongoing study aims to gain a deeper understanding throughout different phases of a quality model implementation process in a care procurement for an elderly home.

Method, Data collection and Data analysis

This paper is based on a longitudinal case study, which follows an innovation project of incorporating a quality model in public care procurement for the first time. The quality model used is adapted from the general Swedish Institute of Quality (SIQ) model to Swedish elderly care setting through an expert collaboration between five buyer organisations and five care providers (SIQ, 2015). The context for the study is the public procurement of an elderly care home, which is an important part of public services due to an ageing population (WHO, 2015). The elderly care home consists of 102 apartments and is situated in a medium-sized municipality in Sweden. The municipality (hereafter named buyer) is responsible for in total 38 elderly care homes sizing between 30 and 120 apartments each. The buyer has good knowledge and experience of procuring care services, but has no knowledge or experience of using quality models. Thereby, the project faces certain challenges, for example the need for actors to understand and work with the quality model (Eriksson, 2003). To address this specific challenge, education sessions was held by SIQ. A number of actors are involved in the project in addition to the buyer; the educators of the quality model, two other municipalities and care providers from both large and small elderly care organisations in Sweden. Data was collected in four ways. (i) Interviews with involved actors in proximity to the various phases of the implementation process. (ii) Participant observations during the entire implementation process, from the idea to the evaluation of the tender documents. The reason for collecting data using participant observation was to observe the actors in their social setting and contexts (Spradley, 1980; Yin, 2009). (iii) Diaries; all actors attending the project has been given a reflective diary, with the instruction to write down personal reflections (positive and negative) in direct connection to project meetings and education sessions. Diaries enable collecting the actors' reflections of the project not expressed during formal meetings. (iv) Internal and external documents such as meeting protocols and notes, education material, tender documents and annual reports. The collected data was analysed inspired by the process of analytic induction.

Since this is an ongoing research project, data collection will continue during the upcoming two years. We are thus able to follow the buyer and the actors involved throughout the entire project ranging from idea phase, through education phase, inclusion phase of the quality model in the tender document, the evaluation phase and finally the start-up and continuation phase of the contract.

Preliminary Findings and Conclusions

This study provides insights about the implementation of a quality model and how this model can contribute to a more dynamic quality improvement perspective. Preliminary analysis of the data shows that actors are overall positive to increased focus on dynamic quality through the quality model, laying the foundation for a successful implementation. During the education phase, actors reflected upon that both the intended framing of requirements of elderly care service and tender evaluation through consensus meetings were novel and complicated. Thus, a steep learning curve was identified. Considering the novelty of the tendering, it was a bit surprising that a vast majority of questions asked by care providers during the tender process focused on traditional issues such as personnel, housing equipment and cost issues rather than

questions related to the quality model. Possible explanations for this could be either that the care providers have enough knowledge to understand the model or they have not grasped the content of the model.

This study further provides empirical insights about how service innovation can be realized in contractual relationships. A partnering relationship between buyer and care provider is a way to ensure continuous collaboration for improvement and learning throughout the contractual time (cf. Dahlin, 2017). Considering the positive attitude by all involved actors towards the increased focus on dynamic quality during contractual time, there seem to exist prerequisites for partnership. However, the tender documents show limited criteria for facilitating a partnering relationship between buyer and care provider. Further, the analysis reveal that the buyer interprets partnership either similar as the collaboration normally executed during monitoring of the care provider, usually on a yearly basis, or that partnering will be a self-fulfilling development through the implementation of the quality model. Either way, one conclusion could be that buyer do not fully see the alignment between a dynamic view of improvement and partnering relationship with the care provider.

So far, it could be concluded that opportunities for an implementation of the quality model exist, for example through the engaged actors. However, the first phases of implementation reveal challenges due to unexperienced actors, short phases in the project and other time-consuming work activities and meetings that takes focus away from the project. Further research will deepen the understanding of these opportunities and challenges.

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2H. Service Employees I

Dysfunctional customer behavior, employee stress, and employee turnover:

The moderating effects of employee embeddedness and cultural value orientation

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Introduction

Dysfunctional customer behavior such as customers' abrupt, rude, and uncooperative behavior toward employees is too frequently observed in customer-employee interaction nowadays (Fisk et al. 2010). In results, more and more employees who directly deal with these dysfunctional customers are extremely suffering from emotional, psychological, and physical harm (Daunt and Harris 2012; Harris and Reynolds 2003; Reynolds and Harris 2009). Thus, many academics and practitioners have had interests in reducing the occurrence of dysfunctional customer behavior in their business. For instance, Reynolds and Harris (2009) suggest that physical environment and behavior of fellow customers could significantly lower the frequency of dysfunctional customer behavior. However, the previous research has neglected the psychological effects of dysfunctional customer behavior on frontline service employees, which in turn lead to employee turnover. More importantly, the employee turnover negatively influences firm performance in terms of increased cost on employee recruitment, induction, and training (Harris and Reynolds 2003). Although, the occurrence of dysfunctional customer behavior is relatively uncontrollable and unpredictable, the employee turnover caused by dysfunctional customer behavior is rather manageable. Therefore, this study focuses on how to reduce the negative effect of dysfunctional customer behavior on employee turnover. Especially, the current research examined the moderating role of job embeddedness because this construct directly answers to the question of why employee leave. Thus, it could be used to explain how to reduce the negative effect of dysfunctional customer behavior on employee turnover in this study.

Job Embeddedness

Job embeddedness consists of three dimensions. First, links are defined as the extent to which employees have links to other co-workers. Second, fit is defined as the extent to which employees' jobs are comparable with the organization. Finally, sacrifice is defined as the extent to which the perceived psychological cost of leaving employees' organization (Mitchell et al. 2001). Conceptually, the more employees are job embedded in an organization, the more likely they should less be to exhibit turnover behavior caused by customer dysfunctional behavior. More specifically, if employees are linked to co-workers, they may be interdependent and socially supported, which in turn lead to weaker relationships between dysfunctional customer behavior and turnover for employees with more social support than for employees with less social support (Webster et al. 2010). Similarly, if employees' jobs are comparable with the organization, they will be mutually attracted to each other, their values will be overlapping,

and finally they will be satisfied with their job. Job satisfaction will decrease the negative effect of dysfunctional customer behavior on employee turnover (Wheeler et al. 2007). Finally, the more severe the loss employees perceived when leaving their current organization because of dysfunctional customer behavior, the more they are bound to the organization. In result, sacrifice will reduce the negative effect of dysfunctional customer behavior on employee turnover (Lee et al. 2014).

Method

The sample are employees from one of the largest independent beauty salon chains. The beauty salon context was appropriate because the high level of employee—customer interaction tends to increase the occurrence of customer dysfunctional behavior. The senior manager of the beauty salon gave permission to conduct the survey with employees such as beauticians. The beauticians were approached and asked to fill out the survey regarding the extent to which they experience dysfunctional customer behavior as well as their job embeddedness such as links, fit, and sacrifice. Next, they measured their turnover intention. For this study, 143 employees participated in the study and completed the survey. Sixty-eight percent of the employees were female. The employees' average age was 35.4 (SD = 8.45) and they averaged 3.8 (SD = 4.43) years with their employer. The questionnaire was prepared in English and then translated into Korean using standard back translation (Brislin, 1980) for distribution in South Korea. The items mostly came from previous research with minor wording modifications to fit the study context. All items, unless specifically indicated, used a seven-point Likert scale (1 = "strongly disagree" and 7 = "strongly agree").

Results

SmartPLS software was used to validate the measurement model. The composite reliabilities for all variables exceed the cutoff value of .70, and the average variance extracted for all focal variables exceeds the .50 level, demonstrating that each construct has acceptable psychometric properties. In addition, the square root of the average variance extracted for each construct exceeds the correlations of the construct with other constructs. Because this study uses only one source of data, common method bias is potentially an issue. However, the results indicate that common method bias is not a serious issue in the data. The percentages of explained variance (\mathbb{R}^2) and the Stone-Geyser criterion (\mathbb{Q}^2) values for dependent variable are over zero, suggesting that the model has reasonable predictive relevance. Based on the hypothesized model, the interaction between dysfunctional customer behavior and job embeddedness (links, fit, and sacrifice) is expected to be significant. A bootstrapping method with 1,000 re-samples tested the significance of the path coefficient. To test the moderating hypotheses, the product indicator approach was used (Hair et al. 2014). As expected, the data confirm that as job embeddedness (links, fit, and sacrifice) increases, the positive effect of dysfunctional customer behavior on employee turnover weakened (p < .05).

Discussion

While scholars tend to neglect dysfunctional behaviors, too frequently customers show abrupt, rude, and uncooperative behavior toward their employees. Thus, more and more practitioners are more pragmatic with regards to their customers (Fisk et al. 2010). Although past research has focused on the types and determinants of dysfunctional customer behavior, little research has investigated how managers could mitigate the negative effect of dysfunctional customer behavior on their employees. Considering the significant negative consequences of dysfunctional customer behavior such as job stress, burn out, and employee turnover, academics need to examine how to alleviate the negative consequences such as job stress from dysfunctional customer behavior. Therefore, the current study is based on job embeddedness theory and try to investigate the negative interaction effects of between links, fit, and sacrifice and dysfunctional customer behavior on employee turnover. The results show that all hypothesized moderators are significant. Therefore, the current research extends the previous literature by introducing job embeddedness as possible intervention variable that decreases the negative consequences of dysfunctional customer behavior on employees.

Practitioner could benefit from attempting to improve the level of job embeddedness in the organization for their employees who have deal with dysfunctional customer behavior. For that purpose, organizations could create cultures where fit, links, and sacrifice could be enhanced (Burton et al. 2010). In addition, organization needs to socialize new employees so that they could become more easily embedded in the organization. They could be less suffered from dysfunctional customer behavior if they are prepared in advance using organizational socialization program (Lee et al. 2014). Furthermore, organization can be proactive about job embeddedness. For instance, links can be increased through team activities, fit can be increased by matching employee abilities with job requirements. Finally, sacrifice can be increased by connecting job and organizational rewards (Lee et al. 2004).

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Linking Employee and customer engagement behaviors in service encounters: The mediation of relational energy and interaction quality

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Introduction

Employee engagement has gained much attention from practitioners and researchers in view of their abilities to generate long-term profitability. However, past research on employee engagement has mainly focused on the attitudinal perspective, such as employee's commitment, loyalty, vigor and absorption toward the firm and the job (Kumar and Pansari 2016; Salanova, Agut, and Peiró 2005; Rich, Lepine, and Crawford 2010). There has been little research investigating employee engagement from the behavioral perspective. Therefore, this research aims to fill this research gap by exploring and defining the engagement behaviors of both frontline employees and customers as well as assessing their linkage in service encounters. Integrating theories from social contagion, conservation of resources, and social exchange, we develop and empirically test a theoretical model that examines the influence frontline employee engagement behaviors on customer onsite engagement behaviors through the mediation of relational energy and interaction quality. Dyadic survey data collected from 278 customer-employee pairs in various service industries was examined through structural equation modeling (SEM).

Background

Past research has indicated the profound impact of employee engagement on customer engagement from the attitudinal perspective (Schrag 2009; Kumar and Pansari 2016; Verleye, Gemmel, and Rangarajan 2013). However, based on behavioral viewpoints, the influence of frontline employee engagement behaviors on customer engagement behaviors in service encounters has yet to be explored. In light of this research gap, we integrate extant literature and define employee service engagement behaviors as employees' service role involvement and customer orientation during service interactions (Kumar and Pansari 2016; Rich, Lepine, and Crawford 2010), while characterizing customer onsite engagement behaviors as behavioral manifestation toward service providers which facilitates the overall service delivery processes (Van Doorn, Lemon, Mittal, Nass, Pick, Pirner, and Verhoef 2010; Verhoef, Reinartz, and Krafft 2010; Verleye et al. 2013). We further propose that employee service engagement behaviors comprise deep acting, customer orientation behaviors and customer empowerment (Groth, Hennig-Thurau, and Walsh, 2009; Stock and Hoyer 2005; Ramani and Kumar, 2008), while customer onsite engagement behaviors consist of customers onsite information sharing behaviors and attitudinal reciprocity (Yi and Gong 2013; (Kelley, Donnelly, and Skinner 1990; Yi, Nataraajan, and Gong 2011).

Drawing on social contagion theory, we suggest that frontline employee engagement behaviors can bring about customer perceived relational energy. Since human energy can be transmitted through social interactions, customers are likely to perceive relational energy when engaged service employees demonstrate vigor and dedication to the service delivery (Owens, Baker, Sumpter, and Cameron 2016; McDaniel 2011; Schaufeli, Salanova, Gonzalez-Roma, and Bakker 2002). From the perspective of conservation of resources theory, energy is considered a scarce resource. When customers perceive energy from well-engaged employees, the resource of relational energy is enhanced. As customers often act as "partial employees" in service interactions, the elevated level of relational energy can, in turn, motivate customer onsite engagement behaviors (Bove, Pervan, Beatty, and Shiu 2009; Owens et al. 2016).

Besides, previous studies indicated that customers' perceptions of the service interactions are critical to the enactment of positive customer behaviors, and that perceived interaction quality can be influenced by service providers' behaviors (Bove, Pervan, Beatty, and Shiu 2009; Bitner 1990; Brady and Cronin 2001). It is also shown that customers' positive perception of services could be achieved only if the employees are engaged and ensure customers' best service experiences (Kumar and Pansari 2016; Bitner 1990; Chebat and Kollias 2000). Based on social exchange theory, as customers perceive higher interaction quality resulting from service employees' extra efforts, they are prone to repay the favors through reciprocal behaviors (Morales 2005). Thus, customer onsite engagement behaviors are more likely to occur. Overall, with the supporting view of three relevant theories, the current study aims to develop and test a model that incorporates both employee service engagement behaviors and customer onsite engagement behaviors through the mediating effects of customer perceived relational energy and interaction quality.

Method

Our research model was tested by surveying service employees and customers of various service industries. Two data sources were collected in pairs: (1) survey data from service employees; and (2) customer data collected from exit interviews. A sample of service industries were randomly selected for this study. Twenty research assistants were recruited and collected information on employees and customers' onsite service engaging behavior. A team of two assistants visited each store during regular business hours, randomly selecting customers and time frames based on a sampling schedule. Once the customer exiting the store, one assistant invited him/her to fill out a questionnaire concerning perceived relational energy, interaction quality, information sharing and attitudinal reciprocity. Simultaneously, the remaining assistant invited the specific service employee to rate his/her service engaging behaviors during the preceding service encounter. Such dyadic sample collection process design can reduce the probability of common method bias. The final sample included 278 pairs of employees and customers. Of the 278 service employees, 65.2 percent were female and 72.6 percent were full-time employees. Of the 278 customers, 36.8 percent were male, and the overall sample age ranged from 17 to 65.

Multi-item scales from previous research were adopted to empirically test the proposed model. A questionnaire was constructed and pretested four times to ensure that questions were

understood as intended and to assess the feasibility of the survey approach. Each construct was measured using a 7-point scale anchored from "strongly agree" (7) to 'strongly disagree" (1).

Results

We estimated a CFA model using LISREL XIII. The CFA resulted in CFI, NFI, NNFI and IFI values of 0.95, 0.97, 0.97 and 0.97, respectively, indicating acceptable fit. Reliability of the construct indicators was high, indicating strong internal consistency. Examining construct validity, all factor loadings in the CFA for the total measurement model were significant (with all t-values at p < 0.01 level), demonstrating convergent validity. In addition, all cross-construct correlations were significantly less than 1.0, tested via the confidence interval for each pairwise correlation estimate (±2 standard errors) not including the value of one, providing further evidence of discriminant validity. The above results demonstrated adequate construct validity and reliability for the measures employed.

The proposed structural model was estimated. The overall fit statistics ($\chi 2 = 375.34$, df = 256, RMSEA = 0.044, GFI = 0.90, NFI = 0.97, IFI = 0.99, CFI = 0.99) indicated an acceptable level of fit between the hypothesized model and the data. Results of estimated structural coefficients demonstrated that all hypothesized relationships were statistically significant. As predicted, employee deep acting has a positive and significant impact on customer perceived relational energy ($\gamma_{11} = 0.09$, p < 0.05) and interaction quality ($\gamma_{21} = 0.19$, p < 0.01). In addition, customer orientation behaviors are positively and significantly related to customer perceived relational energy ($\gamma_{12} = 0.40$, p < 0.01) and interaction quality ($\gamma_{22} = 0.81$, p < 0.01). Customer empowerment is also positively and significantly related to customer perceived relational energy ($\gamma_{13} = 0.11$, p < 0.05) and interaction quality ($\gamma_{23} = 0.16$, p < 0.05). As our expectation, customer perceived relational energy ($\gamma_{13} = 0.11$, $\gamma_{13} = 0.11$, $\gamma_{14} = 0.05$) and interaction quality ($\gamma_{23} = 0.16$) are also positively and significantly related to attitudinal reciprocity.

Discussion

The purpose of this research was to develop and empirically test a conceptual model of how frontline employee engagement behaviors, including deep acting, customer orientation behaviors and customer empowerment, influence customers onsite engagement behaviors in service settings. The results demonstrated the importance of employees' service engaging behaviors in encouraging customer onsite engagement behaviors through the mediation of customer perceived relational energy and interaction quality.

Our findings suggest important implications for service firm managers. Since frontline employees play a critical role in motivating positive customer behaviors through intensive service interactions, managers should direct the focus toward elevating onsite employee engagement with internal marketing efforts. As engaged employees involve more in their service roles, care more about customer needs and endeavor more to understand customers,

higher customers' perception of relational energy and interaction quality are more likely to follow, which in turn leads to customer onsite engagement behaviors including sharing more useful information and interacting with service employees in a more positive manner. Hence, service firms will benefit from devoting their attention to engaging customers through engaged employees on service sites.

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Distress, Causal Attributions and Coping: Explaining Aggression towards Health Care Workers

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Abstract

"Every 40 minutes or so a health care worker is abused, threatened or assaulted while trying to do their job" (Dow 2017).

Occupational aggression which involves personal injury, destruction of property, psychological devaluation and degradation (Spelten et al. 2017) is increasing globally, especially towards health care workers who are commonly abused, spat on, battered and threatened (Dow 2017). For example, a recent poll conducted for the Ontario Council of Hospital Unions found that 68 per cent of nurses and personal support workers across the province experienced physical violence at least once on the job over the past year (Mojtehedzadeh 2017).

Occupational aggression incurs high costs for multiple stakeholders. It obviously harms the health care worker who may endure immediate effects such as bruising, anger, loss of confidence or fear, through to long-term effects of depression, sustained absenteeism, reduced job satisfaction and commitment, permanent disability or even death (Alameddine, Nouran and Dimassi 2015; Dupré et al. 2014). At an organisational level, aggression impacts the quality of service delivery and incurs economic costs in terms of the need to council and replace staff. Last, aggression can also have a detrimental effect on the physical and psychological health of the perpetrator, as well as those who witness the behaviour (Spleten et al. 2017).

There have been a range of responses attempting to mitigate occupational violence. These have included protective, deterrent and preventative strategies. Protective strategies involve changes to the physical workplace such as installing alarm systems, CCTV, access control doors and protective barriers in hospitals (Mojtehedzadeh 2017, Work Safe Victoria 2017). It also includes getting staff to wear stab-proof vests, body cameras or safety alarms (Dow, 2017). Deterrent strategies include political lobbying for amendments to the Occupational Health and Safety Act to include explicit protections against reprisal for workers who report violence on the job (Mojtehedzadeh 2017), or to make violence towards a health care worker a felony offense (Phillips 2016); Last, preventative strategies focus on making changes to the servicescape (Reynolds and Harris 2009) including the use of behavioural assessment rooms to contain aggressive behaviour and the manipulations of lighting, sound, etc (WorkSafe Victoria 2017). Preventative strategies also include the use of marketing communication campaigns to improve public attitudes and behaviour towards health care staff.

This study's focus is on the use of marketing communications because it is a proactive strategy which attempts to reduce the incidence of aggressive behaviour rather than detect it or punish it. One recent practical example of this is the Work Safe Victoria, Australia "It's Never Ok" campaign which targets the general community, healthcare workers and employers. This

campaign shows an aged care worker being verbally abused, a nurse being spat on, and a paramedic being assaulted on the street by the people they are attempting to help. The images are designed to shock and disgust viewers and the message delivered is blunt, that violence against health care workers "is never OK" (Work Safe Victoria 2017). The theory underpinning this campaign is unknown so it unclear as to how such messages will reduce aggression towards health care workers.

One line of marketing communications research which offers some scope to improve behaviour towards health care workers is the link between empathy and pro-social behaviour (Batson et al. 1997, Eisenberg and Miller 1987). Ansbach (2012) describes cognitive empathy as the ability to understand or identify what someone else is feeling, compared to affective empathy which involves feeling a person's level of upset on seeing another's circumstance. Argo, Zhu and Dahl (2008) show that the conveyance of the sufferings and struggles of protagonists in narratives (especially when depicted as a 'real life story') often fosters deep emotional responses in consumers especially if they have dispositional empathy and are transported into the story. These emotional reactions (empathy) in turn influence consumers' willingness to act pro-socially, that is help the target (e.g., Johnson 2012). Indeed, the empathy that a reader feels for the character is integrated in the self-concept of the reader contributing to broader response patterns in daily life (Rapp, Gerrig and Prentice, 2001).

Although Argo et al. (2008) viewed empathy and transportation as two independent mediators, Bal and Veltkamp (2013) show that they are connected, namely that transportation leads to higher empathy. This is because the process of transportation enables identification with the character in the story and causes the viewer/reader to sympathize with the character and even experience the events in the story (Johnson 2012). This would suggest that an effective way to prevent violence towards health care staff is to use a narrative format in marketing communications that can transport the audience into the life of the health worker and elicit empathy. However, a key shortcoming of this approach and to previous research, is that the participants in the studies (typically students), did not view or read the communication whilst stressed, making generalizability of findings to those encountered in health care settings unlikely. More often than not, the situations where medical staff experience violence from patients or their advocates, involve high levels of personal distress (Spleten et al. 2017). High personal distress is a self-focused response to a negative event and is likely to prevent the ability to be other-focused and appreciate a situation from the perspective of the person who is trying to help (empathy).

Further, although it has been shown that disaffection with service is associated with the severity of dysfunctional customer misbehavior (Reynolds and Harris 2009), in the case of occupational aggression in a health care setting, a service failure made by the service provider need not have occurred to trigger the aggression. Attribution theory explains how a negative event is processed in terms of controllability, stability and responsibility (Weiner, 1985). It is likely that personal distress may alter the way individuals construe an event and attribute responsibility. More specifically we argue that personal distress may bias the attention given to negative details that facilitate an other-focused attribution of failure to live up to unreasonable expectations (Alameddine et al. 2015). This may be particularly so in

uncontrolled health care environments. A controlled environment is a predetermined work area such as an emergency department or a ward in hospital. An uncontrolled environment is an impromptu workspace where workers have little knowledge of the physical and social elements and must adapt in real time, for example, the environment paramedics operate in (Campeau 2008). Suggestive support for this heightened risk of working in uncontrolled environments is given by relative statistics. Paramedics in the US have a homicide rate of 1.1 cases per 100,000 workers per year compared to a national average of 0.8 homicides per 100,000 workers per year (Maguire 2002). Further, their non-fatal assault rate is 22 times higher than the US national average (Maguire 2005).

As such we hypothesise that external casual attribution to the stress leads to violence toward the perceived responsible person as a coping behaviour. This relationship needs to be established before any effective marketing communications campaign can be designed. Thus the research question we first address is:

Does personal distress increase attributions of the negative event to 'helping individuals'?

A series of experiments will be carried out to address the relationship between personal distress and responsibility attributions, with aggression as the key behavioural outcome. Study 1 will involve a 2 (experiencer vs observer of the event) x 2 (positive vs negative nature of the event) within subject design, involving an event where paramedics are in assistance.

As this is a work-in-progress the findings will be reported at the conference.

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2I Norms in Services

Understanding The intersection Between Exchange Norms and Donation Requests

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Introduction

Although request for monetary donations at checkout (hereafter referred to as "charity at checkout" have become commonplace, much remains to be learned about the factors that motivate shoppers to (not) donate. We, in part, fill this gap by studying how a socially responsibility positioning (or lack thereof) impacts shoppers' responses to retailers' charity at checkout campaigns. Of particular interest to us is understanding how different exchange norms, that can be derived from a retailer's socially responsible positioning, impact shoppers' responses to charity at checkout.

Borrowing from Guo, Gruen, and Tang (2017) we argue that rather than using a uniform social contract to govern their exchanges with retailers, shoppers' exchanges with retailers can be governed by distinct contracts. This variance in social contracts effects shoppers' expectations of the exchange, the norms of the exchange, and generally speaking has a profound effect on their response to retailers' behaviors. Thus, we theorize, while asking shoppers to donate at checkout may pay dividends for some retailers such a simple donation requests may hurt others.

Background

Retailers' relationships with shoppers are based on transactional exchanges, whereby parties trade of physical and intangible resources with the hopes of becoming better off. Not only does the exchange involve trading of resources but co-creation as well (Vargo and Lusch, 2014). Importantly, these exchanges are governed by a social contract which defines the norms of the relationship. The social contract helps parties to the exchange distinguish between behaviors that are "right" and "wrong," navigate grievances, and generally speaking provides structure to the exchange and expectations for each party involved. A key element of this social contract is the principle of equal give and take which suggests each party's outputs should be equal to their inputs. Simply put, the exchange falls into disequilibrium when one party benefits at the expense of another (Thompson & Hart, 2006).

However, as Obeng, Newmeyer, Robinson, and Kelting show, charity at checkout violates this fundamental tenet. Specifically, charity at checkout asks shoppers to give disproportionately more to support the exchange than retailers. Consider the following. In the standard exchange, retailers sell shoppers goods and receive a commensurate amount of money in return. Charity at checkout not only asks shoppers to pay for their basket of goods but donate a sum of money to a charity. Thus, charity at checkout requires a disproportionate sacrifice on the part of customers. This disproportionate sacrifice creates disequilibrium in the retailer—shopper exchange relationship and ultimately leads shoppers who are asked to donate to be far less satisfied than those not asked to donate.

While we do not dispute the aforementioned theorizing, we believe that it wrongly assumes that shoppers' relationships with all retailers are the same. As Vargo and Lusch (2004) note, shoppers' relationships with companies and their associated relational norms evolve over time. Implicit in their argument is the idea that companies develop unique norms and social contracts with shoppers, through iterative interactions, to maximize value for both parties involved. Similarly, Guo, Gruen, and Tang (2017) point out that the value placed on social and economic outcomes vary greatly across exchanges. According to these authors, exchanges can be relational, standard, transitional, or captive in nature. Social and economic elements are equally important in relational exchanges with retailers, whereas the standard exchange is marked by a disproportionate emphasis on economic elements. Transitional exchanges focus on social elements and captive exchanges emphasize self-preservation.

In line with Guo, Gruen, and Tang (2017), we theorize that a retailer's positioning in large part dictates the type of exchange and by extension the type of social contract that the retailer has with shoppers. Consider the following. For Trader Joe's, both economic and social elements of the exchange are equally important (consistent with the relational exchange perspective) whereas Aldi's emphasizes the economic elements of the exchange which is consistent with the standard exchange. So, while both of these grocers have transactional exchange relationships with shoppers, their norms of doing business are very different and by extension their social contracts with these shoppers should vary as well.

Thus, we believe that a shopper's response to donation requests at checkout is dependent on a retailer's positioning. We specifically believe that shoppers will respond more positively (in the form of increased satisfaction, willingness to pay, and donation amount) to donation requests by socially responsible retailers because such requests violate their social contract to a lesser extent.

Methodology and Results

To test our theorizing, we conducted a study which we describe below.

Study 1

Study 1 seeks to establish the role that a retailer's position has on shoppers' responses to their charity at checkout campaigns. Towards this end, we recruited 174 shoppers (Mage= 37.89, % men= 61.9%) from Amazon's Mechanical Turk to participate in a one-factor, two-level (socially responsible retailer, generic retailer) between-subjects design. Participants in both conditions were asked to imagine that they were on a typical shopping trip to The Fresh Market. Participants in the CSR condition were told that the grocer was started with the belief that business could be a force for good and is dedicated to enriching people as well as the planet, creating a space to support farmers, and maintaining the strictest quality standards. Comparatively, participants in the generic condition were told that the grocer focuses on delivering high quality food they're proud to serve their family, providing responsive customer service, and ensuring everyday low prices and a quick-and-easy shopping experience.

After reading their scenario, each participant imagined that they proceeded to checkout where they were asked to donate to Feeding America. Participants subsequently indicated their willingness to donate (1= extremely unwilling, 7 = extremely willing), the amount of money that they were willing to donate (\$0, \$1, \$3, \$5, or more than \$5), and their satisfaction with the retailer using a scale adapted from Churchill and Suprenant's (1982), (I am satisfied with The Fresh Market, I will shop at The Fresh Market Again, I will recommend The Fresh Market to my family and friends, I like The Fresh Market; 1= strongly disagree, 7= strongly agree). Participants then assessed the extent to which they felt that the grocer described in their scenario was socially responsible (1= completely disagree, 7 = completely agree), after which they provided an open-ended reaction to their scenario. The study concluded by asking shoppers to complete demographic questions and provide information related to their typical shopping behaviors.

We analyzed data from Study 1 using an ANCOVA with willingness to donate, the amount shoppers were willing to donate, and satisfaction as the dependent variables, the retailer's positioning (socially responsible or generic) as the independent variable, and gender, age, and past donation behavior as covariates. Consistent with expectations, this analysis indicates that a retailer's positioning impacts shoppers' responses to their charity at checkout campaign. We specifically find that shoppers who are asked to donate by generic stores are far less satisfied than those asked to donate by a socially responsible store F(1, 174) = 7.616.517, p < .01); shoppers asked to donate by a generic retailer expressed a mean satisfaction of 4.67 as compared to 5.87 for those who were asked to donate by a socially responsible retailer. However, shoppers' were equally willing to donate and willing to donate comparable amounts across the conditions.

Next Steps

To correct for deficiencies in the design of Study 1 and to replicate our main effect in a different setting, we will recruit shoppers to participate in Study 2. Study 2 will be designed as a one-factor, thee-level (retailer position: socially responsible, generic, control) study. We will adapt the vignettes used in Study 1 to a café setting and use the generic terms "café" and "charity" to account for biases the shoppers may have towards certain organizations. We will also add a control condition, where shoppers were not given a description of the retailer, to replicate the typical shopping experience. If our theorizing is correct, participants in the socially responsible condition should respond most positively to charity at checkout while those in the generic condition should respond least positively.

We will then conduct Study 3 to directly test our exchange theorizing. Here, we will follow the same process as before but participants will also complete a six-item social contract scale adapted from Robinson and Morrison (2000). Again, if our theorizing is correct, we anticipate that participants in the generic shopping condition will believe that the retailer has violated their social contract to a greater extent than those in the socially responsible condition.

Conclusions and Implications for Theory and Practice

By studying corporate social responsibility through an exchange lens, we expand the field's understanding of the dynamics driving shoppers' relationships with retailers. We specifically show that although retailers' relationships with shoppers are fundamentally transactional, the extent to which the transaction drives the relationship is largely dependent on the retailer's positioning as socially responsible. Thus, shoppers' exchanges with one retailer, and the values and meanings of these relationships are not easily substituted with others.

References available upon request.

The Interaction Effect of Norm Violation Type and Group Categorization on Consumer Reactions to Other-Customer Misbehavior in Service Industry

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Introduction

Ranging from stealing hotel amenities to excessively wasting food in buffet restaurants, there is substantial evidence in media exposing misdeeds of customers that causes financial losses to companies across service industry. A recent survey by LateRoom.com revealed that in the UK alone, 300,000 items were stolen a year from guest rooms (Mailonline, 2015). In another survey done by Hotels.com in the United States, approximately 30 percent of participants admitted stealing hotel amenities (U.S. News, 2012). Indeed, whereas employees in the service industry are usually trained to hold on to the belief that "Customer is always right", customers' behavior, more than often, does not align with company's interests. More importantly, such consumer misbehavior is not only capable of directly impairing company's profitability but also able to expose the company to an escalated level of losses caused by other customers observing and imitating the misbehavior.

Consumer misbehavior or dysfunction customer behavior refers to the "actions by customers who intentionally or unintentionally, overtly or covertly, act in a manner that, in some way, disrupts otherwise functional service encounters" (Harris & Reynolds, 2003, p. 145). Previous studies have confirmed that such behavior can exert negative impacts directly on service providers, customers and company property (Fullerton & Punj, 2004), yet limited research has focused on the indirect damage caused, that is, the spreading of misbehavior. A recent study in access-based service setting revealed that merely exposing customers to the environment that indicates evidence of previous service users' misbehavior increases the subsequent patrons' likelihood to follow the misconduct (Schaefers, Wittkowski, Benoit & Ferraro, 2016). They demonstrated that in access-based service setting like car rental situation, customers may infer appropriate norms from the condition of the car, which means that when the previous customer sabotaged the car, subsequent users would take such misbehavior to be acceptable and thus be prone to replicate those misdeeds.

However, certain rules of conduct in consumption experience could be well acknowledged among customers without saying. We postulate that when social norms are unspoken but generally accepted by most people or even explicitly communicated to them, customers would still follow similar others' misbehavior. According to Gino and Galinsky (2012), psychological closeness can cause people vicarious justify for others' selfish or unethical behavior, which subsequently makes them more likely to behave the same way. Yet the boundary condition of this process received scarce attention. Gino, Gu and Zhong (2009) found that the presence of out-group observers could reverse such effect by triggering the self-categorization process. With the witnessing out-groups members, people become vicariously guilty for their in-groups' misconduct and try to make compensation accordingly. In a similar vein, in consumption context, especially the service industry where customers are co-producers of the service

experience and constantly receive services simultaneously with other people, identifying boundary condition of such detrimental effect would be of significant practical implication.

Social norm can be classified into implicit norm (e.g.

public awareness of not wasting food) and explicit norm

(e.g. restaurant signage of not wasting food). Implicit (vs. explicit) norm involves greater ambiguity in interpreting what is a socially acceptable behavior. Therefore, we propose that even with the presence of out-group customers, when the norm violated by the in-group member (versus out-group member) is implicit, consumers would justify for in-groups' misdeed and judge their behavior to be less unethical. Conversely, when the norm being violated by the in-group member (versus out-group member) is explicitly communicated, which makes it difficult for the observing party to justify for it, customers would become more vicariously guilty and thus judge the misbehavior to be even more unethical.

Method

A 2 (Group Categorization: In-group offender versus Out-group offender) \times 2 (Norm Violation Type: Implicit versus Explicit) between-subjects experimental design has been used. A total of 113 undergraduate students from a local university (73 women, 40 men, Mage = 20.49 years) were recruited to participate in a pilot study. Participants were given 20 Hong Kong dollars for their participation.

In the pilot study, participants first read a scenario about visiting an art exhibition in a local museum while running into a student taking photos of art pieces, which is normally not allowed in the local museum. Participants were randomly assigned to in-group offender or outgroup offender condition. In the in-group offender condition, the student who takes photos in museum wears a T-shirt with a logo of participants' university on it. While in out-group offender condition, the student who takes photos in the museum wears a T-shirt with a logo from another local university. Participants were also randomly assigned to one of two levels of norm violation type. In implicit norm violation condition, subjects were told that the student takes photos when the staff is not paying attention whereas in explicit norm violation condition, subjects were told that the student takes photos even though there is a "no photo please" sign there.

After imagining themselves being in the museum scenario, participants were asked to indicate how unethical they think and how guilty they feel because of the other students' behavior. Then, participants responded to manipulation check measures for the type of norm violated and group categorization.

Results

Perceived Unethicality.

Analysis of manipulation measures confirmed that all manipulations were successful. To test our hypothesis, the perceived unethicality was subjected to a two-way analysis of

variance having two levels of group categorization (in-group and out-group) and two levels of norm violation type (implicit and explicit). The analysis yielded a significant interaction effect of group categorization and norm violation type, F(1, 109) = 8.48, p < .05. Simple main effect tests showed a pattern that when the norm of no photo taking is not formally communicated in the museum, participants judged in-group offender's misbehavior to be significantly less unethical than out-group offender's misbehavior (5.07 vs. 6.20; F(1, 109) = 4.15, p < .05). On the other hand, when there was a sign prohibiting photography in the museum, subjects viewed in-group offender's misbehavior to be significantly more unethical than out-group offender's misbehavior (6.81 vs. 5.66; F(1, 109) = 4.33, p < .05). In the meantime, when offender belongs to the same university as participants, they perceived that the behavior of the other students to be significantly more unethical when there is a no photo sign than when there is no sign (6.81 vs. 5.07; F(1, 109) = 9.42, p < .05), indicating that consumers judge in-group others to be less unethical when the norm violated is implicit compared to when the norm violated is explicit.

Mediation Analysis.

Similarly, a significant interaction effect of group categorization and norm violation type on vicarious guilt was found, F(1, 109) = 7.25, p < .05. Simple main effect tests revealed that when offender belongs to the same university as participants, they feel more guilty for others' behavior when there is a no-photo sign than when there is no sign (5.22 vs. 3.81; F(1, 109) = 5.95, p < .05), indicating that consumers feel more guilty when the norm violated is explicit compared to when the norm violated is implicit. A mediation analysis using bootstrapping was performed and confirmed that an interactive effect of group categorization and norm violation type on the perceived unethical judgment was significantly mediated by vicarious guilt (model 8, Hayes, 2013; based on 5000 bootstrapping samples, 95% CI from -1.6881 to -0.2315).

Discussion

While research in consumer domain has been negligent on the indirect damage that consumer misbehavior can cause to companies, this study provided additional evidence for the impact that consumer misbehavior can impose on observing customers' reaction towards it. In the meantime, the pilot study identified norm violation type as a crucial variable that can reverse the effect, which is mediated by the vicarious guilt triggered when the in-group offender's behavior is perceived to be undeniably inappropriate.

For managerial implication, the study suggested that particularly in the service industry, even when some norms are taken for granted by employees and consumers, it is vital that some norms need to be communicated formally with signage or code of rules. This is especially important to managers when rule-breaking customers share certain identity with large quantities of customers in the same servicescape.

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The Impact of Changes to Tipping Norms at the Organizational Frontline: A Comparison of Pre-service and Post-service Tipping

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Introduction

As advances in technology shape customer-organization interactions and new disruptions to the services industry emerge (e.g., rise in self-service technology, no-tipping movement), norms around tipping during the service encounter are impacted. For example, the Square payment app allows organizations to integrate a tip request and default tip amounts into the customer experience. Due to the ease of such technology integration, these tip requests may occur: 1) in domains where tipping has not been expected by the customer, or 2) where service effort is limited. Related to this, while the typical sequence for tip requests is for such a request to occur after the service has been completed (i.e., *post-service tipping*, such as a tip request via the bill after a restaurant service experience), recently *pre-service tipping* is gaining prevalence in the marketplace (e.g., a tip request is made after a completed payment for coffee but before the coffee has been served). Despite these recent changes in the marketplace, no research has yet addressed how customers' tipping behavior is altered at the organizational frontline (Singh, Brady, Arnold, and Brown 2017), and how this impacts the 11 million U.S. restaurant workers and more who rely on tips from satisfied customers (Oatman 2016).

This research explores how technological changes in the service domain impact tipping norms and tipping behavior. Across one completed study and two proposed studies, we aim to compare customers' responses to pre-service versus post-service tipping by measuring tip amount choices. Our research also examines the underlying psychological processes behind tip choices, adding theoretical depth to the multidimensional nature of tipping motivations (Azar 2005, 2007; Bodvarsson and Gibson 1997; Lynn 2009; Lynn and McCall 2000). By doing so, we intend to provide a better understanding of how customers evaluate tip request sequences, while providing clear guidelines to service organizations and marketing professionals who adopt these new tipping technologies.

Existing research has, to date, focused primarily on how the service provider can influence tip amounts or how the dynamics of the interaction between the service provider and the customer impact tipping behavior. Thus, we are the first, to our knowledge, to compare two common tip request sequences—pre-service tipping and post-service tipping—on customer's tip choices. Additionally, our studies complement recent work on the interdependence between interfaces and interactions (Giebelhausen, Robinson, Sirianni, and Brady 2014; Schumann, Wunderlich, and Wangenheim 2012) by examining how customers respond to tip requests using self-service interfaces in the company of the frontline service provider. We introduce tip request sequence as an important variable for service providers to consider as they navigate technology-mediated interactions, and show that particular sequences can negatively impact customer perceptions and result in compromised tip amounts.

The next section reviews the prior literature in the domain of tipping, addressing research from marketing, services, psychology, and economics. We then develop a theory and testable hypotheses regarding the relationship between tip request sequence and customers' tip amounts. Next, we report the results of one completed experimental study and propose two additional studies. Finally, we close with a discussion of the theoretical and managerial implications of our research, as well as possible avenues for future research.

Prior Literature

We begin by summarizing the literature on tipping in two areas that are related to our research: 1) the impact of service provider and customer characteristics, 2) the impact of tipping contexts and formats on tipping behavior.

Service Provider and Customer Characteristics

Research in social psychology has examined how the service provider can impact tip amounts voluntarily via actions within the service encounter or involuntarily via personal characteristics. For example, hairstylists who compliment their customers and waitresses who praise customers on their dinner selections receive higher tips than those who do not (Seiter and Dutson 2007; Seiter 2007). In addition, the simple act of drawing a cartoon or leaving a patriotic message on a bill has also been found to increase customers' tip amounts (Gueaguen 2002; Seiter and Gass 2005). Not surprisingly, there is also a positive relationship between the attractiveness of the service provider and greater tip amounts (Stillman and Hensley 1980), as well as the service provider's use of the customer's native language (Vaerenbergh and Holmqvist 2013), mimicry (Thompson 2015), providing a self-introduction (Garrity and Degelman 1990), and squatting to eye-level (Lynn and Mynier 1993; Davis, Schrader, Richardson, Kring, and Kieffer 1998).

Tipping norms also differ across customer characteristics. There are varied findings on gender differences in tip amounts. For example, Freeman et al. (1975) found no differences between male and female patrons on tip amounts, while Stillman and Hensley's (1980) similar study revealed that men tipped more than women. Personality differences, measured at the national level, also impact tipping behavior. Increased levels of extraversion and neuroticism positively effect tip amounts, while psychoticism has a negative effect (Lynn and McCall 2000). A 2014 industry report by Simple (Edwards 2014), an online banking app, revealed that tipping norms even vary by customers' geographic location such as state. They found that customers in Montana, Wyoming, and Colorado tipped above 15%, while customers in Utah, Delaware, and Hawaii tipped in range of 10.6% to 11.1%. Prior experience also influences tipping norms, such that individuals who have worked in tipped professions have more empathy for tipped employees (Rogelberg, Ployhart, Balzer, and Yonker 1999).

Tipping Contexts and Formats

Features within the tipping context will also impact perceptions of appropriate tipping behavior. Jacob, Guéguen, and Boulbry (2010) found that playing music with prosocial lyrics in the service setting had a positive effect on tipping behavior. According to a study by Koku

(2005), tipping in restaurants is influenced by norms, but tipping outside of restaurants is done out of appreciation. Related to this, a study by Marriott Hotels (Tuttle 2014) showed that only 31% of American travelers tip housekeepers in hotels.

While tipping is most frequently voluntary, some restaurants have adopted no-tipping policies in recent years (Passy 2014). Experiments with higher wages and no tips have frequently failed, as numerous service organizations have reverted to the traditional tipping format (NPR 2016). Thus, customers and service providers differ in their preferences toward varied tipping formats. A survey by Lynn and Withiam (2008) found that customers prefer higher wages for servers over voluntary tipping, yet prefer to leave a voluntary tip rather than be assessed a service charge on a bill. Service providers, on the other hand, prefer voluntary tipping to fixed percentages or higher wages with no tips, due to the perception that voluntary tipping will result in the greatest monetary outcome (Kwortnik, Lynn, and Ross 2009).

The format of tip defaults has also been studied to a very limited degree. In a field experiment using 13 million credit card transactions for taxi rides, Haggag and Paci (2014) found that higher default tip percentages led to higher average tips, but also increased the number of customers who chose the "no tip" option. The authors theorize that non-tippers used the "no tip" option as punishment for the unfairness of the high default options, but did not empirically address this contention.

Related to tip defaults, very little research has explored the impact of the sequence of the tip request on tipping behavior. A historical analysis of different types of tipping (Azar 2002) identifies reward tipping (i.e., post-service tipping), the most common tip request sequence (Becker, Bradley, and Zantow 2012), in which the tip request is made after the service has been provided, and tipping-in-advance (i.e. pre-service tipping), the world's oldest form of tipping, which involves tipping before the service has been provided. Pre-service tipping emerged in British pubs and coffee houses during the sixteenth century, where tips were placed in brass urns with the inscription, "To Insure Promptitude" (i.e., with the first letter of each word spelling tip). Thus, pre-service tipping served a function to commit service providers to exert extra effort and provide superior service. Despite this helpful conceptual delineation, no research has empirically studied the impact of tip request sequence on customer tipping behavior, nor the motivations that underlie decisions made under each circumstance. As such, the next section develops new theory on the difference between pre-service and post-service tipping and proposes hypotheses to test our contentions.

Theory Development & Hypotheses

We propose that the sequence of the tip request impacts customers' perceptions of the service encounter differentially. Specifically, we suggest that, when compared to post-service tipping, pre-service tip requests are more likely to upset customers, who will then rate the service encounter less favorably via lower tips and have the desire to punish the company.

Economists initially suggested that customers act rationally by tipping to influence service quality or in repetitious conditions to encourage future service quality. However, no relationship between tip amount and evaluations of service quality were reported from a meta-

analysis of 13 studies of tip percentages (Lynn and McCall 2000). Thus, norms about social expectations and service provider actions and characteristics, as discussed earlier, can better explain customers' tip amounts than economic motives (Bodvarsson and Gibson 1997). A study by Lynn (2009) found that motives for tipping can be described as either intrinsic (e.g., as a reward for good service) or related to impression management. Related to this, Becker and colleagues (2012) suggested a similar list of six customer motivations for tipping, including to control service, to impress others, as a reciprocal reward, out of social obligation, for generosity, or based on heuristic behavior.

Our theory focuses on the contrast between post-service tipping as involving a reward for good service, while pre-service tipping involves a change to the service script—or shared expectations of the service encounter—that results in negative affect (Solomon, Surprenant, Czepiel, and Gutman 1985) and a desire to punish the company. Indeed, customers may experience negative psychological outcomes associated with tip requests (Lynn and Withiam 2008; McCarty, Shrum, Conrad-Katz, and Kanne 1990).

The desire to punish the company and a reduction in tip amount following a pre-service tip request can be explained due to a change in the service script during a pre-service tip request, which is perceived as a negative deviation (Solomon et al. 1985). Pre-service tipping, while rooted in historical background (Azar 2002), has only recently become more common in the marketplace. Additionally, pre-service tip requests involve the customer evaluating the service experience prior to the completion of such experience, which interrupts the traditional tipping service script (Abelson 1976; Solomon et al. 1985). As such, we expect that customers will react negatively toward pre-service tip requests, will have a desire to punish the company as a result, and will do so behaviorally by being more likely to choose a custom tip option as a way to punish the company via a tip choice less than the lowest default option.

On the other hand, in the case of post-service tip requests, the customer is more likely to select from the available tip amount options as is typical of the service script and less likely to select the custom tip option. When the tip request occurs after the service is completed, the customer has had time to evaluate the encounter and, because the service script has not been altered, he or she has the psychological resources available to further ruminate on the tip request and have a more holistic and positive view of the service experience. In doing so, the customer experiencing a post-service tip request will be less likely to select a lower custom tip amount and will be less likely to have a desire to punish the company. Formally stated:

- **H1**: When the tip request is made before the service encounter is complete (i.e., preservice tip request), customers will choose lower tip percentages than when the tip request is made after the service encounter is complete (i.e., post-service request).
 - **H2**: Attitude toward the company will be most negative following a preservice tip request (versus a post-service tip request).
 - **H3**: A desire to punish the company mediates the effect of tip request sequence (i.e., pre-service vs. post-service tip request) on tip choice.

Overview of Studies

Next, we report the results of one study and propose two studies that manipulate tip request sequence as occurring before the service is complete (i.e., pre-service tip request) or after the service is complete (i.e., post-service tip request). As is customary in tipping research (Becker et al. 2012), we measure the participant's choice of tip amount as a default percentage ranging from 15-30%. Importantly, we also include a custom tip amount option that allows participants to select any percentage including zero. Thus, the custom tip option represents an opportunity to select a tip most often less than the lowest default (i.e., 15%) and is a less optimal choice from the service provider and organization's perspective. Study 1 tests H1, the main effect of tip request sequence on tip amount, H2, the impact of tip sequence on attitude toward the organization, and H3, the mediation effect of a desire to punish the company as an underlying psychological explanation for the difference in tip choices when comparing preservice tipping and post-service tipping. In Study 2, we propose a study in a setting where tipping expectations are high—pizza delivery—and plan to use this new study to replicate Study 1 in a different context to demonstrate the reliability of the effect. Another purpose of Study 2 is to strengthen the manipulation by using videos of service encounters (instead of descriptions) and measure customers' emotional responses by analyzing galvanic skin response and facial expression. In Study 3, we propose a field experiment where actual tipping amounts will be measured to provide greater ecological validity to our findings.

Study 1

Research Design and Methodology

Study 1 adopted a 2-condition between-subjects design. In this study, we measured tip amount choices and focused on comparing two conditions that varied the sequence of the tip request: pre-service tip request vs. post-service tip request. Two hundred participants from Amazon Mechanical Turk completed the full study. The following analysis considers the responses of one hundred and eighty participants ($M_{Age} = 36.48, 57.2\%$ male), as twenty were removed due to missing an attention check or due to a survey completion time greater than two standard deviations from the mean.

The study asked participants to imagine a scenario in which they visited a coffee shop and ordered a sandwich and a coffee from an employee behind the counter. Participants were told that the employee typed their order into an iPad and the total was displayed.

In the *pre-service tip request condition*, participants were told that after viewing the total, they were asked to pay and select a tip amount. After paying, the employee moved away from the register and returned later with their sandwich and coffee. In the *post-service tip request condition*, participants saw the employee move away from the register and return later with their sandwich and coffee. After receiving their order, participants in the post-service condition were asked to pay and select a tip amount.

In both conditions, five tip options (15%, 20%, 25%, 30%, custom tip amount) were displayed with the question, "How much will you tip?" (see Figure 1). If custom tip amount was selected, participants were automatically moved to a screen that featured a slider bar to indicate their tip percentage from 0-100%. We also measured the time that participants took to

make the tip choice selection, thus exploring whether processing time differed between conditions, which could indicate the degree to which participants attend to the tip options and whether the tipping sequence impacted processing time.

After the tip choice question, we asked participants to respond to items related to their attitude toward the coffee shop (e.g., "The coffee shop cares about their customers", 5 items, α =.92) and their desire to punish the coffee shop (e.g., "This company deserves to be punished", 3 items, α =.92). All items included a 1 = Strongly Disagree to 7 = Strongly Agree scale.

Results

Tip Choice. Using a chi-square test of difference, we compared tip choices made in the pre-service tip request condition to tip choices made in the post-service tip request condition and found a marginally significant difference between the groups ($\chi^2(4) = 8.46$, p = .076, see Figure 2). When the tip request was made in advance of service completion, 31.9% of participants selected the 15% tip option, while 41.6% of participants in the post-service tipping condition selected the lowest tip option that was presented. However, the pattern of results was the opposite when it came to selecting the custom tip option. In this case, 42.7% of participants in the post-service tip request condition selected the custom tip option compared to 57.1% in the pre-service tip request. As mentioned earlier, the custom tip amount was confirmed to represent a less optimal choice from the company's perspective. Out of the 90 participants who selected the custom tip option, only three selected custom tip amounts greater than or equal to 15% and 36 participants selected a custom tip of exactly zero (18 in the pre-service tip request condition and 18 in the post-service tip request condition). While not significantly different but directionally interesting, participants in the post-service condition selected custom tip amounts that were, on average, less than participants in the pre-service condition ($M_{Post} = 4.71\%$ vs. $M_{Pre} = 4.21\%$).

Regarding processing time, we found that participants in the post-service tip request condition spent more time on their tip choice than participants in the pre-service tip request condition ($M_{Post} = 9.33$ seconds vs. $M_{Pre} = 6.02$ seconds, t(178) = -2.37, p = .019), suggesting that post-service tipping encourages participants to think more about their tip choice than preservice tipping. This result further supports our previous theorizing about the advantage of post-service tipping.

Attitude toward the Organization. An independent samples t-test also revealed a significant difference between the tip request conditions on perceptions of the coffee shop (t(178) = -2.76, p = .006). Participants who were exposed to a tip request before the completion of service liked the coffee shop less than participants who were asked to tip after the service was completed $(M_{Post} = 4.82 \text{ vs. } M_{Pre} = 4.29)$, supporting H2.

Desire to Punish the Organization. Finally, when comparing participants in the preservice tip request condition to participants in the post-service tip request condition, we found that pre-service tipping prompted participants to have a greater desire to punish and boycott the company (t(178) = 3.03, p = .003, $M_{Post} = 2.22$ vs. $M_{Pre} = 2.89$). We also tested whether this desire to punish mediated the impact of tip request sequence on tip choice. Using the

PROCESS macro (Hayes 2013, model 4, 10,000 bootstrapped samples), we found a significant indirect effect of tip request sequence on tip choice through desire to punish the company (a x b = -.13, 95% CI: -.33, -.017), providing support for H3.

Discussion

The results of our first study suggest that customers are more likely to choose the custom tip option when faced with a pre-service tip request as a way to reduce the tip amount, while customers who are confronted with more typical post-service tip request are more likely to select the lowest default tip option. We find one explanation for this differential choice due to tip request sequence: desire to punish the organization. Our findings indicate that pre-service tipping encourages a negative attitude toward the organization and a desire to punish or boycott. Overall, these results show the negative impact of pre-service tipping on both customer perceptions and tip choices.

Proposed Study 2

Study 2 will attempt to replicate earlier findings in a different service context while providing physiological measures of participants engaged in a pre-service vs. post-service tipping scenario. Specifically, participants will watch a video of a pre-service or post-service tipping service encounter in a new context. A pilot study revealed that pizza delivery is one of the most common contexts in which consumers expect to receive a tip request (M = 5.55 on a scale of 1 = Strongly Disagree, 7 = Strongly Agree on the question, "I expect to be asked to tip when I have food delivered to me"). Thus, we wanted to determine whether the service context is a boundary condition for H1 and the effects found in Study 1.

As in Study 1, we will measure the tip amount choice. Further, while viewing the video, participants will be connected to Shimmer galvanic skin response nodes to measure instances of high emotional arousal (peaks). To determine if emotional peaks are positively or negatively valenced, we will use Affectiva AFFDEX facial recognition software, which analyzes facial recordings to determine discreet participant emotions, including positive or negative valence. Study 2 will provide physiological support for the emotional mechanisms driving disparities in tip choices between pre-service and post-service tipping encounters. Further, we will be able to identify if there are unreported emotional responses that may not be expressed in tip choices, especially in the pre-service tipping scenario.

Proposed Study 3

Our final study will replicate our main findings in a real-world setting by observing the actual tip amounts paid by customers using the Square app in a non-food service context such as a beauty salon. The "service provider" (confederate) will request a tip before (after) providing a service. We will measure the average tip amount, the number of individuals who choose a custom tip option, and the number of individuals who use the custom tip option and decline the request for a tip. We expect customers in the pre-service tip request condition to

elect to tip less. We also expect greater variance in the post-service tip request condition, as consumers may feel less pressure to tip. We hypothesize that less pressure may lead to higher tip percentages associated with increased feelings of positivity toward the service provider. The aim of this study is to provide substantial ecological validity for our findings in a non-food context and further explore the psychological underpinnings of customer's responses to tip request sequences.

Theoretical and Managerial Implications

Tipping is a particularly salient element of the food industry with an annual sum of all tips estimated to be over \$40 billion in the US alone (Azar 2009). Still, tipping is not restricted to food services nor limited to the US market; indeed, customers voluntarily tip for services across many industries worldwide. Despite the pervasiveness and economic magnitude of this custom, very little academic research has emerged around the topic of tipping sequence and format and the associated influences on customers' tipping behavior. As new interface and device technology reshapes interactions at the service frontline, tipping format design and sequencing, a very much understudied topic, becomes a crucial decision for service providers. Anecdotally, inconsistent tip request formats, particularly in the quick service food industry, indicate that providers remain unclear of the best options to maximize revenue in the short-term and optimize the customer experience in the long-term. Our research aims to provide answers to these problems.

This research contributes to the theoretical literature in tipping by taking the initial steps towards a better understanding of how pre- versus post- service tipping format impacts customers' tipping behavior. We plan to use both laboratory and field experiments and a combination of self-report intentions, actual behaviors, and biometric measures to show the underlying psychological process behind tip choices. Our results aim to help service providers better evaluate the options of pre-service versus post-service tipping. We also hope to provide guidelines for service providers as they design the tipping menu and implement various tip request sequences.

Figures

Figure 1. Study 1 Tip Options.

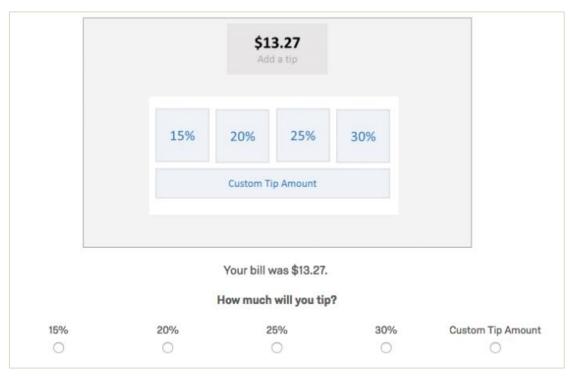
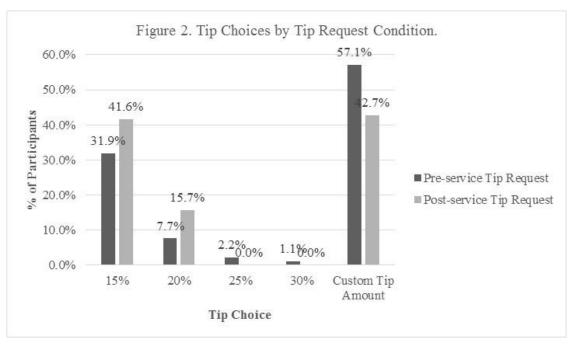


Figure 2. Study 1 Tip Choice Results



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2J Service Operation Management and Supply Chain I

Redefining the Service Triad for Sharing Services

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Introduction

Recent years have witnessed a fast growth of sharing services in the sharing economy (Bardhi & Eckhardt, 2012). As a new business model, sharing-services face unique issues, particularly in operations. Increased and changed roles of customers present distinctive issues and thus require attention from both academics and practitioners. Sharing-service models classify into two types: business to customer (B2C) and peers to peers (P2P) (Stephany, 2015). Like traditional services, encounters in these two sharing-service models also have a triadic relationship. In B2C, three players include service firm (SF) who provides goods or services, customer (C) who receives the goods or services offered by SF, and other customer (OC) who shares the goods or services with C. In P2P, three players include service firm (SF), service providing customer (SPC), and service receiving customer (SRC). The characteristics of these triadic relationships differ not only from each other but also from traditional services.

The major difference between the two models is the way goods and services are shared (Stephany, 2015). In B2C, service firms provide shared goods or services. For example, Zipcar (SF), car-sharing firm, owns vehicles. Its customers (C) share the vehicles with other customers (OC). In P2P, goods or services are provided by customers (peers). Service firms act simply as an intermediary between customers. For example, Airbnb (SF) offers an online platform where customers (SPC) provide their space to other customers (SRC). In consideration of these differences, this study identifies operational issues unique to each sharing-service model and propose effective solutions.

Theoretical Background & Propositions

B2C sharing-service model

In addressing the issues for the B2C model, we adopt the theory of "the tragedy of the commons" (Hardin, 1968). This tragedy arises due to conflicts between short-term interest of individuals and long-term welfare of the society (Gordon, 1954). An open pasture shared by multiple herders offers an example. Each herder wants to increase the number of their cattle in the pasture at the risk of exceeding the capacity of the pasture and ruining the quality of the pasture for all herders. This tragedy can occur in the context of the B2C model. For example, Zipcar requests customers (C) to return the vehicle on time, leave the vehicle clean, and fill up the gas tank on behalf of other customers (OC) (Frei, 2003). However, some customers ignore these requests for their benefits and cause other members to suffer.

In addressing operational issues in the B2C model, we adopt two of the three approaches proposed by Ostrom (1990): leviathan (centralized control) and self-organization and self-governance. We also consider the characteristics of B2C models such as that they are economically-driven, offering an economical alternative to ownership, online-driven, where all transactions occur online, and access-driven, requiring all customers to have physical access to the offering. Adopting the two approaches and considering the three characteristics, we make three propositions.

First, centralized control is considered as a key to solving the tragedy of the commons (Ostrom, 1990). As such a control, imposing penalty for non-compliance outperforms rewarding compliance (Poteete et al., 2010). It is because it is the economic benefit of using sharing-service that attracts customers (Barhdi & Eckhardt, 2012).

Proposition 1. In managing the B2C sharing-service triad, firms should create a system for resolving conflicts between customers and other customers originating from customers' selfish use of shared goods/services. Such a system is more effective in discouraging selfish behaviors when it takes the form of punishment rather than rewards.

Organizations employ guards to detect rule or policy violators, which incur administrative costs. Self-governance systems utilizing users as guards can help eliminate such costs (Ostrom, 1990). Guards selected among users carry out the task devotedly since they know that the benefit of their work return to them (Ostrom, 1990). In the B2C model, customers create and obtain information via the online platform (Belk, 2014). Customers can serve as monitoring agents since they share information on other customers' behaviors (Sundararajan, 2013), which makes all customers care about their reputation (Fombrum, 1996).

Proposition 2. In managing the B2C sharing-service triad, peer monitoring is an effective and efficient means in controlling customer behaviors. Thus, peer monitoring should be actively utilized and monitoring outcomes should be readily available to all customers. (Note: Currently, online public peer-monitoring systems is well utilized in P2P models but not in B2C models.)

When facing the crisis of shared goods depleting, members tend to voluntarily cooperate to solve the issue (Poteete et al., 2010). People in a small group communicate with each other in limited physical environments (Ostrom, 1990), which allows them to know how their actions affect other people and shared goods. Therefore, voluntary cooperation can be effective in small groups (Ostrom, 1990). Since B2C models are mostly access-based (Barhdi & Eckhardt, 2012), small customer communities can be created based on access-related attributes such as regions.

Proposition 3. In managing the B2C sharing-service triad, firms should support the creation of a self-organization and self-governance system among customers. Specifically, to derive desirable customer behaviors, firms should facilitate the creation of small communities among customers with tight association rather than the creation of large communities with loose association.

P2P sharing-service model

In addressing operational issues in the P2P model, we adopt the "agency theory" (Jensen and Meckling, 1976). Issues in agency relationships occur because principals are not well aware of the agent's actions. For example, in the case of an outsourced service provision, end customers sign service provision contracts with the focal firm, but it is subcontractors who provide service (Van Iwaarden & van der Valk, 2013). Hence, having no direct control over the quality of service delivered (Axelsson & Wynstra, 2002), focal firms face the challenge of managing service quality. Similar issues can arise in the context of the P2P model. For example, Airbnb (SF) has no direct control over the host(SPC)'s quality of service provided to its guests (SRC). Further, it is not only SRC but also SPC who play a core function of the firm. Hence, firms should be concerned with not only the quality of SRC but also the quality of SPC. One way of ensuring quality is through evaluation. Hence, P2P sharing-service models offer a rating system in which both SPC and SRC evaluate each other and select each other based on other customers' evaluation.

According to the outsourced services literature, the quality of service performance is improved by selecting the best service provider from the pool of available providers (Williams et al., 2006). In the P2P model, both SPC and SRC can select each other from a pool of available many. To maximize each party's satisfaction, each should be able to select the best from the applicable pool. Currently in the P2P model, both parties base their selection decision on reviews by others in the same party (Evans, 2012). Consequently, the design of the evaluation process (rating system) can influence customers' selection. When positive-negative expressions involving subjective emotion are allowed in evaluations, it can create bias (Segerstrom, 2001). It is because a particular attribute of a SRC and a SPC can be perceived differently by different customers (Gefen & Straub, 1997). For example, welcome gestures of an SPC might be perceived as friendly by an SRC and weird by another SRC. To avoid such varying interpretations, it is better to design the evaluation system to allow objective assessments (e.g., extroverted vs. introverted) rather than positive-negative expressions (e.g., friendly vs. weird).

Proposition 1. In managing the P2P sharing-service triad, peers' evaluation system of each other should be well designed. Specifically, an evaluation system should allow objective assessments rather than positive-negative expressions.

The way in which evaluation outcomes are presented online can affect how well matching is accomplished (Evans, 2012). Platform design controls which candidate SPCs will be included in a search outcome. Search efficiency depends on how appropriate the search outcome is (Hajaj et al., 2016). When a SPC and a SRC share attributes such as congruent cultural background, sexual orientation and disposition, they might feel more comfortable with each other (Sharma et al., 2009; Rosenbaum & Walsh, 2012). Feeling of comfort for SPCs and SRCs can result in positive outcomes such as satisfaction (Spake et al., 2003). Therefore, a platform's ability to quickly identify a party(SPC or SRC)'s preferred attributes of the counterpart (SRC or SPC) and present only counterparts with the preferred attributes can have a positive impact on the party's perceived quality of service of the platform.

Proposition 2. In managing the P2P sharing-service triad, the way in which search outcome is presented affects customer satisfaction. Firms should identify the preferences of a party and quickly screen candidate counterparts to best fit the preferences of a party and present only qualifying counterparts.

Implications

The five propositions presented in this paper will contribute academically by extending the service triad framework into sharing service models, and managerially by offering insights into improving operational effectiveness by better designing reward/punishment policies, monitoring systems, customer communities, peer review systems, and search outcome presentation.

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The impact of services supply chain orientation on perceived industrial service quality: an empirical analysis2

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Introduction

This study attempts to contribute to the body of knowledge on the intersection of services management and supply chain management by empirically investigating the relationship between services supply chain orientation and the perceived industrial service quality. This research includes two groups of data. First set of data was collected in 2007 and second set is still being collected. Findings from the two groups of data will be compared and a final conceptual model will be proposed in the end. The research utilizes survey method. Multiple regression and correlation analyses are carried out for the first part. Initial findings reveal that, services supply chain orientation has a strong and positive impact on the perceived service quality. Based on the results so far, relationships between the dimensions of services supply chain orientation and the industrial service quality are presented.

Keywords: services supply chain management; services supply chain orientation; industrial service quality.

Potential contributions to the field and theoretical foundations

Although different aspects of services supply chain management have been discussed in a variety of studies (e.g. Armistead and Clark, 1993; Hellman, 1995; Youngdahl and Loomba, 2000; Sampson, 2000; Cook *et al.*, 2002; Kathawala and Abdou, 2003; Ellram *et al.*, 2004; Baltacioglu *et al.*, 2007) and there exist a number of studies on supply chain orientation in the manufacturing context (e.g. Mentzer *et al.*, 2001; Min, 2001) supply chain orientation in service context has not been extensively researched yet. Hence, the concept of services supply chain orientation has not been investigated in detail and fully understood since the services have not been well managed and understood from a supply chain perspective.

On the other hand, impact of buyer company's services supply chain orientation on service quality is perceived by their upstream partners are not investigated before.

This study aims to address the literature gap mentioned above and to examine the relationship between services supply chain orientation and service quality in business-to-business context.

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² First part of this research is a part of the doctoral dissertation of one of the authors.

Research methodology

There are two main variables in the model of this study: 'services supply chain orientation' and 'industrial service quality'. INDSERV scale proposed by Gounaris (2005) for service quality in business-to-business context are used for this research. Also, for each dimension of supply chain orientation, relevant scales are used which were proposed by different authors (e.g. Bucklin and Sengupta,1993; Jaworski and Kohli,1993; Kumar *et al.*,1995; Lusch and Brown,1996; Siguaw *et al.*, 1998). Research model of this study, which is depicted in Figure 1, basically suggests that the supply chain orientation, which is a necessity of services supply chain management, will lead to favorable perceived industrial service quality, which is an aimed output and result of an effective supply chain management.

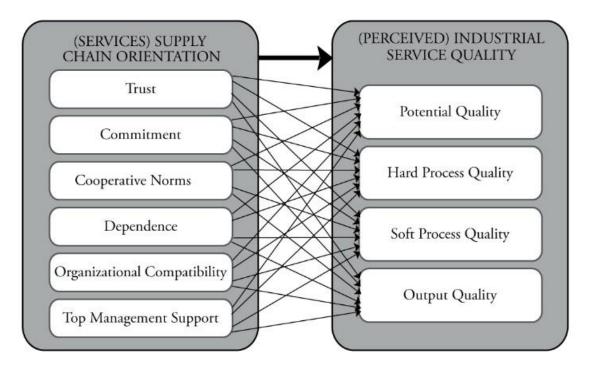


Figure 1. Research model

As illustrated in Figure 1, the model also proposes associations between each dimension of supply chain orientation and each dimension of industrial service quality.

Research questions

To examine the proposed relationships in the model, following research questions (RQ) are determined.

RQ1: Is there a link between the level of buyers' services supply chain orientation and buyers' perceived industrial service quality of the service provider?

The question intends to explore the impact of supply chain orientation of service buyer on the degree of industrial service quality of service supplier. This question pertains to Hypothesis 1, which is given in Table 1.

RQ 2: To what extent do the supply chain orientation dimensions have an association with the dimensions of customer's perceived industrial service quality of the service provider?

The association and link between all dimensions of both supply chain orientation and industrial service quality and their extent is one of the aims of this research. Concerning this question, hypotheses between Hypothesis 3 and Hypothesis 26 are determined, which are given in Table 1.

RQ 3: Can industrial service quality be predicted by the dimensions of supply chain orientation?

This question aims to highlight the relation between two main variables by examining if the dimensions of supply chain orientation can predict the industrial service quality. This question pertains to Hypothesis 2, which is given in Table 1.

Table 1. Hypotheses of the research

H1	Services supply chain orientation is positively associated with industrial service quality
H2	Industrial service quality is predicted by services supply chain orientation dimensions, which are trust, commitment, cooperative norms, dependence, organizational compatibility, and top management support
Н3	Trust dimension of services supply chain orientation is positively associated with potential quality dimension of industrial service quality
H4	Trust dimension of services supply chain orientation is positively associated with hard process quality dimension of industrial service quality
Н5	Trust dimension of services supply chain orientation is positively associated with soft process quality dimension of industrial service quality
Н6	Trust dimension of services supply chain orientation is positively associated with output quality dimension of industrial service quality
Н7	Commitment dimension of services supply chain orientation is positively associated with potential quality dimension of industrial service quality

H8	Commitment dimension of services supply chain orientation is positively associated with hard process quality dimension of industrial service quality					
Н9	Commitment dimension of services supply chain orientation is positively associated with soft process quality dimension of industrial service quality					
H10	Commitment dimension of services supply chain orientation is positively associated with output quality dimension of industrial service quality.					
H11	Cooperative norms dimension of services supply chain orientation is positively associated with potential quality dimension of industrial service quality					
H12	Cooperative norms dimension of services supply chain orientation is positively associated with hard process quality dimension of industrial service quality					
Н13	Cooperative norms dimension of services supply chain orientation is positively associated with soft process quality dimension of industrial service quality					
H14	Cooperative norms dimension of services supply chain orientation is positively associated with output quality dimension of industrial service quality					
H15	Dependence dimension of services supply chain orientation is positively associated with <i>potential quality</i> dimension of industrial service quality					
H16	Dependence dimension of services supply chain orientation is positively associated with hard process quality dimension of industrial service quality					
H17	Dependence dimension of services supply chain orientation is positively associated with soft process quality dimension of industrial service quality					
H18	Dependence dimension of services supply chain orientation is positively associated with output quality dimension of industrial service quality					

Table 1. Hypotheses of the research (Continued)

H19	Organizational compatibility dimension of services supply chain orientation is positively associated with potential quality dimension of industrial service quality
H20	Organizational compatibility dimension of services supply chain orientation is positively associated with hard process quality dimension of industrial service quality
H21	Organizational compatibility dimension of services supply chain orientation is positively associated with soft process quality dimension of industrial service quality
H22	Organizational compatibility dimension of services supply chain orientation is positively associated with output quality dimension of industrial service quality
H23	Top Management Support dimension of services supply chain orientation is positively associated with potential quality dimension of industrial service quality
H24	Top Management Support dimension of services supply chain orientation is positively associated with hard process quality dimension of industrial service quality
H25	Top Management Support dimension of services supply chain orientation is positively associated with soft process quality dimension of industrial service quality
H26	Top management support dimension of services supply chain orientation is positively associated with output quality dimension of industrial service quality

Research design and sampling procedure

Survey method is used to collect data to test the hypotheses. All of the variables of interest are estimated through respondents' perceptual evaluation: respondents' perception of a supply chain orientation level in their own firms and industrial service quality levels of their suppliers. Specifically, each respondent is asked to rate each item on a five-point Likert scale to reflect his/her opinions, beliefs, and attitudes toward the dimensions of supply chain orientation and industrial service quality.

This research is done in the tourism sector since it is one of the biggest sectors of the global economy and the largest generator of employment both in Turkey and in the world. Also from the supply chain perspective, hotels play a role of focal company in tourism industry. Therefore, the research is conducted mainly by the interviews with the top and/or purchasing managers of hotels which are service buyer companies the hotel managers.

The sampling frame is determined based on the database of Republic of Turkey Ministry of Culture and Tourism. Five star and four star hotels in Izmir, Aydın and Mugla, are included into the sample. These are the three cities in the Aegean Region of Turkey. Since these provinces are tourism centers of Turkey, the hotels in these cities represent the sample population. The sample frame contains 135 hotels.

Findings

So far, an initial analysis was conducted for the first part of this research. A total of 39 top and/or purchasing managers of different 4 star and 5 star hotels were interviewed. To test the hypotheses, correlation analysis and multiple regression analysis were conducted with SPSS V. 11 statistical package. For the statistical analyses, significance levels are determined as both .05 and .01. The scales used for these constructs were expected to display relatively high reliability-ranging from .67 to .84, since the measures used in this study are well-established in the literature.

The hypotheses, developed accordingly with research questions of the study, were tested with particularly correlation analysis and regression analysis.

Result of correlation analysis showed that there is a positive relationship between services supply chain orientation and industrial service quality. Therefore, Hypothesis 1 is accepted based on the initial analysis.

Correlation analysis was also carried out to test hypotheses related to research question 2. As a result, while the majority of these hypotheses are 'accepted', a few of them are rejected which means majority of the dimensions of supply chain orientation dimensions have an association with most dimensions of customer's perceived industrial service quality of the service provider.

A multiple regression analysis with enter method was used to test the *H2*, regarding to the research question 3. R square value (.687) represents all the variance of the independent variables on industrial service quality. 69 % of the variance in industrial service quality can be accounted by determinants of supply chain orientation including; trust, commitment, organizational compatibility, dependence and top management support. Therefore, the hypothesis is accepted. Based on the coefficients found out by the regression analysis the predictors of industrial service quality are reveled as trust, commitment, dependence and organizational compatibility. According to the results, top management and cooperative norms are not the predictors of industrial model.

Conclusions and contributions of the study

With the initial findings, this research aims to contribute to narrowing the literature gaps in the areas of services supply chain management, services supply chain orientation and its relationship with perceived industrial service quality.

Initial results show that, the industrial service quality level can be predicted by the service supplier through using service buyer's trust, commitment, and dependence to the service

supplier and his/her perception about both parties' organizational compatibility. Also, it was concluded that, there is an association between dimensions of supply chain orientation in services context and the dimensions of industrial service quality. According to the initial findings of the study, the proposed model is revised. The final model based on the initial results, Figure 2, highlights the verified relationship between several determinants of services supply chain orientation and industrial service quality. This model illustrates the association between trust, commitment, dependence and organizational compatibility dimensions of supply chain orientation, which are also critical for supply chain management, and industrial service quality.

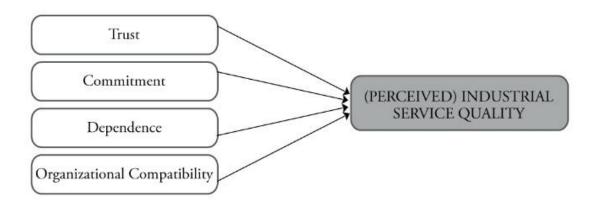


Figure 2: Final model

The lack of significance for the relation between top management support and dependence dimensions of supply chain orientation and industrial service quality might have probably more academic interest.

Initial findings of this study might guide the practitioners to search for the ways to increase the levels of both services supply chain orientation and perceived industrial service quality.

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Multi-Agent Service Failure Classification: Service Supply Chain Perspective Service Failure

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Introduction

Service failure (SF) is defined as any real and/or perceived service related problem that appears during a consumer's experience with a company (Maxham III, 2001) thus; it may occur if service is not fulfilled, is delayed or cannot reach the expected standard (Bitner et al., 1990). Previous research classifies service failures as process and outcome failures (e.g. Smith and Bolton, 2002; Smith et al., 1999). Bitner et al. (1994) proposes another classification including problems related with service product, service providers, problems that are outside service provider's control, and customer related problems whereas; Holloway and Beatty (2003) classify failures as delivery problems, web-site design problems, customer service problems, payment problems, security problems, miscellaneous, and others.

While previous studies have researched various categories of failure (e.g. Bitner et al., 1994; McColl-Kennedy and Sparks, 2003; Lewis and McCann, 2004), they have failed to take a multi-agent view, especially within a service supply chain perspective. Tourism service supply chain (TSSC) offers us a good example of multi-agent situations since it includes multiple parties (e.g. hotel-travel agency-consumers) with principal-agent relationships, and diverse goals which may produce service failures. Service failure(s), which are done by one of the agents within multi-agent situations, have one of the most prominent risks for the other as failures generate costs, either relational or operational (Modi, et al., 2015). However, multi-agent situations are seldom discussed in previous literature, and to our knowledge, a classification for multi- agent failures within a tourism setting has not been investigated. Therefore, the aim of the study is to classify service failures in multi-agent situations of a tourism service supply chain.

Methodology

This study uses qualitative content analysis of customer contributions to a Turkish complaint web-site (sikayetvar.com),³ where consumers can write their complaints about a specific company they had a problem with and get responses to their complaints. The data collected from this web-site nevertheless involves real incidents where human behaviour can be observed directly, which increases construct validity.

Since the primary aim of this study is classifying multi-agent failures in a tourism setting, the data was taken from complaints under the travel agency sub-category which indicates that

³ Since sikayetvar.com is a user-generated web-site, it is like a living organism. This means that other customers may have added further complaints after the problem was solved, or may have deleted their complaint. Therefore, the total number of complaints and the number of sub-titles under the travel agency category may vary over time.

complainants had made the hotel selection and/or booking through an agency. This means customers first select a travel agency as their agent, and then travel agencies select hotels as their agents, which demonstrates multi-agent situations in Agency Theory.

The sub-categories of the travel agency category were various (e.g. call centres, cancellation, tour program, etc.), the four most mentioned sub-categories were selected according to the frequency of repetition and their direct effects on hotels: primarily cancellation/refund, accommodation/food/drinks, comfort, and booking. Following Flanagan (1954), who suggests 50 or 100 incidents provides a satisfactory sample, the present study collected 400 complaints (the first 100 complaints from each of the four selected sub-categories).

The suggestions of Strauss and Corbin (1990) were followed for data analysis. We first conducted axial coding by writing a code for each paragraph and/or sentence. Then we followed a selective coding process, in which researchers grouped and compared the data to identify similarities and differences. Two researchers coded simultaneously to increase objectivity and avoid bias. To ensure a rigorous analysis and an accurate presentation of findings, the researchers constantly triangulated across complaints, their own interpretations and the existing literature.

Preliminary Findings and Discussion

Preliminary findings demonstrate that of these 400 complaints, 184 complaints could be directly related with both a travel agency and a hotel, indicating multi-agent situation. From the analysis, the complaints were classified under four headings: (1) hotel related, (2) payment related, (3) agency/hotel representative and (4) tour guide related complaints (see Table 1).

Table 1. Complaint Classification						
	Number of	Percent of				
	complaints	complaints				
Hotel related	110	59.78				
Payment related	40	21.73				
Agency/Hotel representative related	25	13.58				
Tour Guide related ⁴	9	4,89				

Preliminary findings show that payment related complaints can be related to "no reimbursement", "late reimbursement", "over payment". No reimbursement cases include

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⁴ Due to being irrelevant to the aims of the study (as we look for the relationship between hotels and travel agencies), we did not focus on tour guide related complaints.

situations where customers could not get their money back, while in late reimbursement situations, complainants had waited between 14 days and 6 months for reimbursement.

"The hotel representatives informed me that the agency hasn't paid. I tried to reach the agency, but the call centre never answered. Finally, I reached the agency's representative and he informed me that they talked with the hotel, but reimbursement cannot be given". (Ali, male)

While payment can sometimes create a problem between a hotel and a travel agency, the ultimate victim is always the customer. In over payment cases, customers even must pay twice, either the whole charge or some part of it.

"When I arrived at the hotel, they informed me that the agency has not paid so they cannot let me in. Since I could not go back, I had to pay the charge again. Then I realised that the agency had already withdrawn the payment from my credit card. I called the agency and they told me that they are going to repay me but they did not. Now, no one answers the phone" (Murat, male).

Over payment situations may occur due to increases in tour charges after the customer has paid, which enables travel agencies to claim the difference for themselves.

"I bought the tour for 699 Euros. Then agency called me and said there is an increase in the tour charge, and now it is 749 Euros". (Mustafa, male)

These support Schulz's (1994) findings that payment problems may be one reason for unhealthy relationships between travel agencies and hotels.

Hotel related complaints mostly associated with "unmet promises". This means either travel agencies or hotels made no reservations or broke their promises to provide bookings (e.g. hotels, or rooms) which resembles category called "failures related with service product" of McColl-Kennedy and Sparks (2003) or "unavailable service" (Bitner et al.,1994).

In no reservation cases, customers rely on agencies to make their booking and have paid for this service, yet they cannot always get value for money.

"I made a reservation through an agency. They gave me a reservation tracking document and I made the payment via credit card. A day before the holiday, I called the hotel to request a sea-view room, but in turn I found out I had no reservation. I called the agency and they said they had a problem; that's why they couldn't make the reservation". (Mert, male)

Customers may also experience a room booking problem. In such cases, they emphasize their disappointment since they, for instance, pay extra for a room with a view.

"I paid more than the normal price for a room with a sea view to ABC hotel for August, but it was a disappointment. The hotel personnel were nice and kind. But, when I arrived, I saw that the room was facing a roof. The clerk of the travel agency said it was the hotel's problem. For the sake of customer satisfaction, they gave me a 5% discount for my next holiday. I will never work with this travel agency again". (Zeynep, female).

Customers also complain about agencies changing the booked hotels at the very last minute, usually to ones far from city centres.

"I reserved a hotel in city centre, but the hotel was 16 km. away from the city centre... Although I paid extra for staying in a hotel in the city centre, I stayed in this one and had to take a cab every day and paid 60 Euros". (Sinem, female)

As mentioned above, both travel agencies and hotels may be responsible for unmet promises. In terms of room booking failures, travel agencies sometimes forget to pass on the request or hotels forget to reserve the room. Such failures to meet promises become even more important in critical situations (e.g. honeymoon or anniversary, or pilgrimage, or concerning their children) since criticality may trigger stronger emotional responses, supporting previous studies (e.g. Levesque and McDougall, 2000; Smith and Bolton, 2002; Schoefer and Ennew, 2005).

Customers also complain about Agency/Hotel representative related problems, including demonstration of indifference when complaining about a failure.

"I reminded the agency representative about my room preference, and said I want a change. He said this is impossible. Then I said that I had informed them days before and they had approved. Then the representative became aggressive. In the end, I told my problem to the hotel reception, and the personnel changed my room. You see this is ABC Agency's Quality!!!". (Serdar, male)

While these highlight the importance of recovery actions, it also shows that if a different party solves the customer's problem then their disappointment and anger may increase. This finding supports conclusions from other research that a lack of response to a failure is most probably the cause of dissatisfaction (Rio-Lanza et al., 2009). It also confirms previous findings that one party's loss may become another's gain (Allen et al., 2015). Thus, especially in a multi-agent case, all parties need to show extra care regarding the failures even if the problem is eventually solved.

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3A Special Session: Brave New World: Robots in the Service Front Line

Brave New World: Robots in the Service Front Line

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Paul Patterson, School of Marketing, UNSW Sydney, Australia

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The service economy is a facing a turning point in its history similar to the industrial revolution in manufacturing that started in the 18th century. Rapidly improving technology (sensors, cameras, speech recognition, big data, analytics, and artificial intelligence, biometrics, mobile technology, geo-tagging, drones, etc.) is transforming virtually all service sectors. Especially, advent of Robotics in combination with these technologies will bring opportunities for a wide range of service innovations that will dramatically impact the customer experience, service quality, and productivity all at the same time (e.g., hotel, restaurant and hair stylist services are likely to be robot-delivered in the future), lower cost will make high-end services available to the broad consumer base (e.g., personal concierge services, image consulting, and high-end personal tuition), while potentially offering new services we have not thought of yet (Wirtz and Lovelock 2016).

In this special session, we want to explore and discuss how this new kind of service delivery differs from people-delivered on the one hand and machine-enabled self-service on the other side, and develop a comprehensive understanding of the coming robot era for the service field and work on a future research agenda.

To stimulate the discussion and to give an overview of the topic we would start with three brief presentations of papers with very different perspective on service robots:

- Development of a New Research Framework for Front Line Service Robots (Jochen Wirtz, Werner Kunz).
- Consumer Response to Service Robots A Holistic Perspective Of The Customer Experience Of Service Robots (Paul Patterson; Vinh Lu; Stefanie Paluch).
- The Dark Side of Service Robots Ethical Issues in the Prevalent Use of Front Line Service Robots (Thorsten Gruber; Antje Martins).

Slam Session: We plan to include quick interactive personal statements about the future of service robots (ca. 2-3 Min.) in a slam session by participants and established researchers of our field to complement the special session.

A majority of the available time should be dedicated to discuss among the audience and participants the impact of the upcoming robot era for service research and what research implications that entails.

3B. Branding and Service Communications

Brand Publicity and Consumer Sentiment in Online Reviews

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Roland Wenmeckers, Maastricht University, Netherlands
Jos Lemmink, Maastricht University, Netherlands
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Introduction

This paper studies the relationship between brand publicity in media and the sentiment expressed by consumers about the brand in online reviews. We characterize brand publicity as editorial media coverage or third party news that is not paid for or regulated by the dependent (Hallahan, 1999). Research has indicated that consumers are likely to rely upon publicity more than advertising because they see it as a more credible and trustworthy source (İnci Çelebi, 2007). Indeed, the publicity surrounding negative events, such as selling harmful products to consumers, have had a documented negative impact on consumers' perceptions of the company brand (Dawar & Pillutla, 2000, Laufer & Coombs, 2006).

However, even though the effects of publicity on brand perceptions are well known, researchers have not studied how brand publicity influences electronic word-of-mouth (eWOM). The advent of the internet has transformed the traditional word-of-mouth into eWOM, making it easier for consumers to share experiences and opinions. eWOM has provided consumers with opportunities to access unbiased product information, and it enables consumers to offer their own product- or service-related opinion (Hennig-Thurau et al., 2004; King et al., 2014). Indeed, researchers argue that customers are increasingly reliant on consumer-to-consumer communication in digital environments to inform themselves about companies and their offerings (Blazevic et al., 2013). Specifically, online consumer reviews (i.e., product reviews) have become an influential source of information to consumers, complementing or even substituting other forms of eWOM (Chevalier & Mayzlin, 2006).

Thus, the purpose of the paper is to study the effect of positive and negative publicity on the sentiment expressed in online consumer reviews. We hypothesize that positive publicity of a brand will result in more expressions of positive sentiment in reviews (hypothesis 1), while negative publicity will result in more expressions of negative sentiment (hypothesis 2). This paper contributes to knowledge on the antecedents of eWOM, as well as the effects of brand publicity.

Method

To achieve our purpose, we conducted a study of brand publicity in the Netherlands. The study drew upon two main data sources: 1) a set of articles in Dutch newspapers, and 2) a database of consumer reviews. In this initial study, we focused on two nationwide chains of Dutch Grocery stores called Jumbo and Albert Heijn.

Using the Dutch newspaper database Lexis Nexis, we gained access to the archive of a set of nationally distributed newspapers, namely the 'Landelijke Dagbladen', 'NRC Handelsblad', 'Trouw', 'Het Algemeen Dagblad', 'De Volkskrant' and 'Het Parool'. This database was then scanned for articles mentioning the brands, yielding a total of 4016 articles mentioning the Jumbo brand, and 8008 mentioning the Albert Heijn brand. All of the articles were published within a timespan reaching between February 27, 2009 and March 17, 2016. We extracted two different types of data from the articles: the date of publication and the emotional tone. We evaluated sentiments expressed in the articles using the Linguistic Inquiry and Word Count (LIWC) application. The LIWC application analyzes the various emotional, structural and cognitive elements that are present in written text using a dictionary of words categorized according to the emotion they express (Pennebaker, 2015). The program produces a measurement called tone which is a combination of two measurements to asses sentiment: the number of positive emotion words are used (e.g. love, nice, sweet) and negative emotion words (e.g. hurt, ugly, nasty). The output is a score between 0 and 100 with all scores above 50 indicating a positive sentiment, all scores below 50 indicating a negative sentiment and a score of 50 indicates a neutral sentiment. We applied the program to measure the emotional tone expressed in the news items.

Next, we studied consumer reviews of the brands. We used a review database of customer reviews from the shopping reviews site Wugly.nl. The database contains over 850 000 reviews and ratings for 36500 retail stores. We scanned the database for written reviews, and found a combined total of 12011 reviews of Jumbo, and 5801 reviews of Albert Heijn. Again, we used the LIWC application to find whether the reviews expressed positive or negative emotions. Thus, every review was coded into two variables: Publication date and expressed sentiment.

Analysis

In our hypothesis 1 and 2 we proposed that the negative and positive values-related brand publicity has an effect on the valence sentiment of customer reviews. Thus, a positive publicity will positively affect the emotional sentiment of the written customer reviews, while negative publicity will affect it negatively. To study this, we transformed the data into a time series with a daily interval. Table 1 shows the variables used.

Table 1: Description of variables

Variables	Description
$RevVal_t$	The average of all the 'tone' output from the LIWC 2015 analysis for the reviews posted on date t for one of the two supermarkets.
$RevVal_{t-x}$	A lag variable made from RevVal _t
$ArtVal_t$	The average of all the 'tone' output from the LIWC 2015 analysis for the news articles published on date t mentioning one of the two supermarkets.
ArtVal _{t-x}	A lag variable created from ArtValt

In addition, we created dummy variables for the various weekdays and years that the articles appeared. Next, we decided the optimal number of lags needed in the model. Liew (2004) finds that the Akaike Info Criterion (AIC) and Final Prediction Error (FPE) are the best suitable for estimating the amount of lags in autoregressive analysis and for example Pauwels et al. (2016) also base themselves on the Akaike Info Criterion to determine the optimum number of lags. Figure 1 shows our research model.

$$\begin{bmatrix} \textit{ArtValAH}(t) \\ \textit{ArtValJumbo}(t) \\ \textit{RevVal}(t) \end{bmatrix} + \begin{bmatrix} \textit{ArtValAH}(t-1) \\ \textit{ArtValJumbo}(t-1) \\ \textit{RevVal}(t-1) \end{bmatrix} + \begin{bmatrix} \textit{ArtValAH}(t-9) \\ \textit{ArtValJumbo}(t-9) \\ \textit{RevVal}(t-9) \end{bmatrix} + \begin{bmatrix} \textit{ArtValJumbo}(t-9) \\ \textit{RevVal}(t-9) \end{bmatrix} + \begin{bmatrix} \textit{u1}(t) \\ \textit{vear2011}(t) \\ \textit{vear2012}(t) \\ \textit{vear2014}(t) \\ \textit{vear2015}(t) \\ \textit{vear2015}(t) \\ \textit{CONST} \\ \textit{Trend}(t) \end{bmatrix}$$

Figure 1: Research model

The vector with endogenous variables contains the following variables: ArtValAH_t, ArtValJumbo_t, and RevVal_t. These are explained by their own past values, and accounts for the dynamic relations among those variables. The vector with deterministic variables contains a dummy variable for the days of the week - Friday_t, Saturday_t, Sunday_t, Thursday_t, Tuesday_t, and Wednesday_t - with Monday as the baseline for every endogenous variable and a dummy variable for the various years – Year2011_t, Year2012_t, Year2013_t, Year2014_t, Year2015_t - with 2010 as the baseline for every endogenous variable; furthermore, a constant term, CONST, and

deterministic trend, Trend_t are included for each endogenous variable. Finally, there is a vector containing an error term u_t for every endogenous variable.

Table 2 contains the results of the analysis for the research model. ArtValAH has a positive impact on ArtValAH (0.133) and ArtValJumbo (0.1303), but a 1% increase in ArtValAH leads to a -0.0559% decrease of RevValJumbo. In line with our hypothesis, which predicts that the more favorable (unfavorable) the news article mentioning the firm is, the more favorable (unfavorable) the given reviews are. A 1% increase in RatValJumbo leads to a 0.1006% increase in RevValJumbo. For Albert Heijn, there is no significant effect of ArtValAH on RevValAH, but it does have a positive effect on ArtValAH (0.2601) and ArtValJumbo (0.2026). A 1% increase in ArtValJumbo leads to a decrease in ArtValAH and ArtValJumbo of 0.0612% and 0.0321% respectively. There is no significant effect on RevValAH. Lastly, a 1% increase in REVValAH leads to a 5.7458% increase in the future values of RevValAH.

Discussion

Several studies have found that, contrary to the general belief, ratings and reviews are not solely a reflection of the experience the consumer had with a product or brand, but that there are other influencers like past eWOM, being anonymous or not and several internal drivers like self enhancement (Berger, 2014; Moe & Trusov, 2011; Schlosser, 2005). This study adds upon previous research, by indicating that also brand publicity has an effect on consumers' online reviews. However, this effect was only apparent in one of the two cases, namely that of Jumbo. More research is needed to understand the reasons for this difference between the two cases.

The paper confirms earlier findings relating to eWOM in previous research like whether or not a negativity bias arises (Schlosser, 2005) or that past eWOM influences future eWOM (Moe & Trusov, 2011). In addition, this research adds a new context, supermarkets, adding to the existing eWOM literature that mainly focuses on restaurants, hotels, and the movie industry. The paper contributes to service research by measuring the emotional tone of online reviews in a retailing context.

Table 2: Model estimation

Model 1	ArtValAH	ArtValJumbo	RevVal		ArtValAH	ArtValJumbo l	
			Jumbo				
ArtValAH	0.133	0.1303	-0.0559	ArtValAH	0.2601	0.2026 I	
ArtValJumbo	-0.0152	0.269	0.1006	ArtValJumbo	-0.0612	-0.0321 r	
RevValJumbo	n.s.	0.1185	maj.11	RevValAH	n.s.	n.s.	
Coefficients Deterministic Variables							
Sunday	-0.047	-0.140	-0.141	Sunday	-0.045	-0.126 -	
Tuesday	-0.103	-0.014	- 0.187**	Tuesday	-0.099	-0.008	
Wednesday	-0.060	-0.044	-0.099	Wednesday	-0.064	-0.043	
Thursday	0.131	0.080	-0.108	Thursday	0.138	0.081	
		0.004	-		0.000	0.102	
Friday	0.000	0.091	.181**	Friday	0.003	0.102	
Saturday	0.017	-0.060	-0.088	Saturday	0.007	-0.069	
Year2011	0.169	-0.170	0.072	Year2011	0.166	-0.170	
Year2012	0.213	-0.078	0.156	Year2012	0.222	-0.064	
Year2013	0.294	-0.112	0.140	Year2013	0.317	-0.084	
Year2014	0.340	-0.025	0.170	Year2014	0.356	0.001	
Year2015	0.386	0.511	0.161	Year2015	0.395	0.541	
Const	2.689***	1.107***	0.393*	Const	2.535***	1.045***	
Trend	0.000	0.000	0.000	Trend	0.000	0.000	

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Omni-channel communication in cultural services

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Introduction

The research aims to underline the increasing importance of digital communication in stimulating service experience in museums (Siu *et al.*, 2013; Di Pietro *et al.*, 2014). The museums' need to attract audience is an emerging issue, especially as the European Union has launched different funding programmes on the audience development (Bamford and Wimmer, 2012).

Museums challenges to develop new communication strategies and the innovative initiatives cultural managers are experimenting to attract visitors seem to be increasingly related to the already known concept of omnichannel communication in retailing (Verhoef *et al.*, 2015). These features are even more relevant for the twenty autonomous public museums in Italy, as the autonomy in the resource management has been the driving force for the development of new initiatives, especially concerning communication.

This research analyses the impacts of the different communication initiatives of the National Archaeological Museum of Naples (MANN) through the lens of omnichannel strategies

Theoretical foundations

Audience Development (AD) has been defined as a process whose goal is to increase the number of customers and diversify them trying to satisfy the needs of existing and potential public to improve the overall conditions of fruition and engaging the visitors in a long term relationship (Bamford and Wimmer 2012). Firms try to understand which factors can affect consumer's final purchase decision and engagement (Solomon et al., 2013) and to reach consumers they propose innovative service experiences. The use of technological devices has become an essential part in our society, in customer's life and in business too (Cook, 2014) and has changed the way of communicating: the number of communication channels has significantly increased and now customer's shopping or experience journey includes multiple channels to search information, communicate with the brand or make purchases (Beck and Rygl, 2015; Juaneda-Ayensa et al., 2016). Strategies have progressed from a single channel communication, through a multichannel communication towards an omnichannel communication, defined by Verhoef et al. (2015) as "the synergetic management of the numerous available channels and customer touchpoint, that is an episode of direct or indirect contact with a brand or a firm, in such a way that the customer experience across channels and the performance over channels is optimized" (p. 176). Juaneda-Ayensa et al. (2016) describe omnichannel as "the integration of sales and marketing channels, where the customer should have the same experience across channels". According to the authors, in an omnichannel strategy different channels interact with each other, are used simultaneously and the natural borders between them begin to disappear in order to obtain the complete alignment of the different channels and touch points, resulting in an optimal-brand holistic customer experience (Verhoef *et al.*, 2015; Beck and Rygl, 2015; Juaneda-Ayensa *et al.*, 2016; Ailawadi and Farris, 2017). Moreover, customers can search for information in one channel, but complete the purchase in another (Britt, 2016).

However not every customer appreciates the technology and, whereas some devices can be used for one channel, other devices can be used for multiple channels; a strategy can use a specific channel to target specific customers, remembering that not all channels are efficient. As a consequence, firms engage in multiple initiatives in order to synchronize bricks and clicks so that the fundamentals of the brand are aligned on every touch point (Verhoef *et al.*, 2015; Picot-Coupey *et al.*, 2016).

Methodology

In 2015 twenty Italian public museum gained autonomy and among them the MANN has introduced an Audience Development project named OBVIA (Out of Boundaries Viral Art Dissemination). This project is realized in collaboration with the University of Naples Federico II and it is divided in three parts aiming at the dissemination of the cultural heritage of the Museum, the creation of a network between the Museum and other cultural institutions, and the evaluation of results (our research team is engaged in this third part). The involvement in this project allowed to conduct a survey about the communication channels proposed by MANN from November 2016 to June 2017. A questionnaire – written in Italian, English, French, and Spanish – was submitted to MANN visitors and 2976 interviews were collected. Data have been processed using the statistical software SPSS in order to answer our three research questions: RQ1 which communication channel is more effective, RQ2 how many consumers have been exposed to more than one communication channel (cross channel) and RQ3 how many consumers have visited the Museum thanks to communication (redemption).

Findings

The sample of 2976 consumers includes 58% of Italians and 42% of foreigners. Among all 8 age classes the most frequent are the one that includes people from 26 to 35 years old (15%) and the one with people from 56 to 65 years old (16%). Moreover about 55% of interviewed has got an high level of graduation (from university to post lauream).

In order to understand which communication channel could be more effective (RQ1), we analyzed all communication channels proposed by Obvia (15 channels until June 2017) and identified the ones with a frequency higher than 10%. The most frequently exposed channel is MANN official website (about 47%), then MANN official Facebook page (23,40%), displays in Naples metro (about 15%), and Trenitalia (a train company) official website (about 11%).

To answer to our second research question (RQ2), table 1 shows how many visitors have seen one or more communication channels: most of interviewed (about 51%) has been exposed to

only one channel, 22,04% to two channels, and the percentage decreases as the number of channels increases.

Table 1. Number of visitors who have intercepted more than one communication channel (cross channel)

N° of intercepted channels per visitor	n.	%
1	751	50,61
2	327	22,04
3	149	10,04
4	78	5,26
5	37	2,49
6	16	1,08
7	7	0,47
8	12	0,81
9	4	0,27
10	7	0,47

Source: authors' elaboration from SPSS

Finally to understand if the communication channels proposed by MANN succeed (RQ3), we have analyzed how many visitors decided to visit the museum after any kind of communication (fig. 1): 24,15% (adding the second and the third options), decided to visit the Museum after communication independently whether they knew it or not.

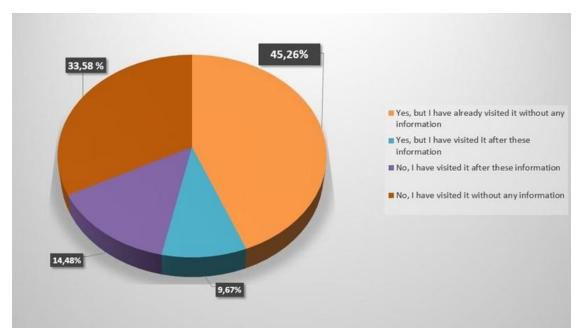


Figure 1. Visitors who knew MANN and visited it without/thanks to communication

Source. Authors' elaboration

Discussion

The achieved results allow to identify a link with some of the key performance indicators used in omni-channel retailing, as the cross channel conversion (Sopadjieva *et al.*, 2017) can be related to visitors' interception of more than one communication channels while redemption (Ailawadi *et al.* 2017) is showed by the effects of museums communication channels on visitors' intention to visit.

Moreover, the findings show that among all the different communication channels a cultural organisation could use to engage their audience, the online ones can be more easily exposed to visitors than the offline channel, confirming the importance of social media in communication strategies (Cook, 2014; Verhoef *et al.*, 2015).

About cross channel and users' ability to interact simultaneously with more than one communication channel, in fact, our findings show that it is still difficult to find ways to engage customers across both online and offline channels.

Finally, as it regards redemption, not many people exposed to communication channels, actually visit the Museum: even if some authors (e.g., Sopadjieva *et al.*, 2017) stated that omnichannel consumers are more loyal to the brand, in a cultural context this is still a challenge.

The analyzed relation between consumers' behavior and omnichannel strategy, can be useful for directors of cultural institutions in order to steer the efforts only in those channel (the online ones) that facilitate consumers' journey across different channels.

Conclusion

The main limits of this research are related to the focus on a particular project of audience development promoted by a specific museum (MANN) and the consideration that the emerging link between the communication strategies in cultural organisations and the omni-channel strategies in retailing are still in their infancy.

Further research could be conducted using qualitative methods such as focus groups, in order to reinforce the results achieved through the questionnaire and deeply analyse the links between digital communication strategies and the existing audience; moreover, potential visitors should be identified and consulted to understand how museums can better use digital communication and omnichannel strategies to attract them.

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A multilevel study of service brand building: Unpacking employee brand building behaviors

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Introduction

Frontline employees have to act proactively on behalf of the service brand enabling the service firm to achieve higher levels of brand performance (Baker et al. 2014). The importance of FLEs lies in the fact that their behaviors live the brand's promises, shape customer brand perceptions and experiences (Löhndorf & Diamantopoulos 2014; Wallace et al. 2011), and the brand's overall market performance. Interestingly, recent research reveals that only around 27% of FLEs think they always deliver the brand promises made to their customers (Gallup 2015). The lack of delivery of brand promises by FLEs and managing employee brand building behaviors (EBBB) represents persistent managerial challenges in service firms (Auh et al. 2016; Punjaisri et al. 2013; Morhart et al. 2009).

These managerial challenges arise because FLEs often differ in their delivery of the brand promise and they may not consistently represent the brand in the desired way (Baker et al. 2014). In an effort to manage EBBB, some researchers have suggested that brand specific transformational leadership⁵ (BSTFL) is an option to encourage and guide FLEs to act as brand representative (O'Cass & Sok 2013; Morhart et al. 2009). However, there is still limited understanding of the processes and boundary conditions that ensure BSTFL impacts beneficially EBBB (Li et al. 2013; see Morhart et al. 2009 for exception). While scholars believe that leadership is a multiple levels phenomenon, marketing scholars have been slow to embrace a multilevel view of leadership's effect on employees behaviors (Auh et al., 2014), especially on EBBB. We still lack knowledge about the extent EBBB is affected by leadership at multiple levels and to the same degree. Thus, we addresses this shortfall in understanding by studying the effect of BSTFL at both individual and team levels on EBBB.

Further, knowledge about potential multilevel mediators between transformational leadership and employee behaviors is limited (Braun et al. 2013). Although previous research has advanced the mechanisms that explain underlying how leaders encourage EBBB, few studies have examined the extent that multiple factors simultaneously explain the relationship between BSTFL and EBBB. Thus we address *when* and *how* BSTFL affects EBBB. Generally, the aim of transformational leadership is to influence followers' by linking leaders' action and communication to internalized states such as the congruence between the firm's values and personal values and psychological empowerment. These states according to Hannah et al. (2015) refer to proactive motivational drivers which are categorized as "can do" and "reason to" and explain how FLEs are proactively motivated to engage in behaviors that underpin superior performance.

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⁵ Because BSTFL is consistent with the original conception of transformational leadership, BSTFL is used interchangeably with transformational leadership here.

In this domain, psychological empowerment is a "can do" consequence of transformational leadership that may derive FLEs' beliefs in their own capability to fulfil their roles (Grant 2012; Spritzer 1995). The "reason to" motivational effect of transformational leadership on the other hand, is thought to be derived from persuading and inspiring followers to go beyond their self-interests and to internalize and support the service brand values including perceived brand authenticity (Baker et al. 2014). In addition, since the organizational climate in which FLEs operate is known to impact service performance, it is acknowledged that leaders contribute to the creation of climate that may affect FLEs behaviors (Sok & O'Cass 2013). Given EBBB has a proactive component and reflects active, responsible participation in building and improving the service brand (Löhndorf & Diamantopoulos 2014), initiative climate may address the proactive execution of these behaviors (Raub & Liao 2012). Therefore, initiative climate is identified here as a reason to motivational factor of BSTFL's effect at the team level. However, the mechanism that explains how these factors at both the individual level (i.e., psychological empowerment, and perceived brand authenticity) and team level (i.e., initiative climate) transmit the effect of BSTFL to EBBB is not yet clear.

To understand how service firms master EBBB and drive their service brand performance, this study develops a theoretical framework as outlined below in Figure 1 underpinned by transformational leadership theory and proactive motivation theory (Parker et al. 2010). Our framework elucidates the effect of BSTFL at multiple levels within service firms. This framework also includes the mediating processes and boundary conditions that simultaneously foster FLEBBB.

To test the relationships outlined in our theoretical framework a survey protocol was used. Specifically, two surveys were developed and administrated to branch managers and frontline employees of financial service firms, including banks and insurance firms. Data were collected from 52 branch managers and 259 frontline employees across four service firms. We adopted a drop and collect approach to administering the surveys. Respondents were asked to complete their survey and place it in an envelope and return directly to the researchers on the day of data collection. The measures were drawn from the existing literature. A Two-phase analytical strategy was adopted, with the first phase focusing on the measures properties, and the second phase hypotheses testing. Hierarchical Linear Modelling (HLM) was used for the multilevel hypothesis testing in the second phase. The preliminary analysis showed all measures met appropriate benchmarks for reliability and validity. We aggregated BSTFL and initiative climate to obtain their effects at branch level for testing hypotheses. The results show that r_{wg} (J) as a measure of agreement within teams is higher than 0.70 benchmark (James et al. 1984), intraclass correlations (ICC1) exceed 0.10, and reliability of team means (ICC2) is higher than ICC1. These results support justification for aggregation.

Results

Direct effects. Hypothesis 1 and 2 proposed that BSTFL at the individual level is positively related to FLEBBB (H1) and BSTFL at the team level is positively related to FLEBBB (H2). The results indicate BSTFL at the individual level ($\gamma = 0.29$, p < .01) and BSTFL at the team level ($\gamma = 0.21$, p < .05) are significantly related to FLEBBB, supporting hypotheses 1 and 2.

Hypothesis 3 and 4 proposed that psychological empowerment (H3) and perceived brand authenticity (H4) mediate the relationship between BSTFL and FLEBBB at the individual level. To examine this hypothesis the four-step procedure for mediation analysis described by Kenny et al. (1998) was followed. After controlling for BSTFL, the results show psychological empowerment and brand authenticity partially mediate the relationship between BSTFL and FLEBBB. Hypothesis 5 predicted initiative climate at team level mediates the relationship between team level BSTFL and FLEBBB. The results show initiative climate does not significantly predict FLEBBB, therefore, hypothesis 5 is not supported.

Multilevel moderation (hypotheses 6, 7, 8). In hypothesis 6, it is proposed that initiative climate at the team level positively moderates the effect of BSTFL on EBBB at the individual level, which is supported. In hypothesis 7, it is predicted that the initiative climate positively moderates the effect of BSTFL on psychological empowerment and perceived brand authenticity at the individual level. The results does not support this proposed relationship, therefore, hypothesis 7 is not supported. Hypothesis 8a proposes that locomotion orientation positively moderates the relationship between BSTFL and perceived brand authenticity and psychological empowerment at the individual level. The results show the positive moderation effects of locomotion orientation on the relationship between BSTFL and perceived brand authenticity and psychological empowerment at the individual level are not significant, rejecting hypothesis 8a. Further, hypothesis 8b proposes that assessment orientation negatively moderates the relationship between BSTFL and perceived brand authenticity and psychological empowerment at the individual level. The results does not support these relationships. Hypothesis 9 posited that EBBB is positively related to service brand performance at the branch level. EBBBs are aggregated to their corresponding branches. The results show EBBB is positively related to service brand performance, supporting hypothesis 9.

Overall, this provides an initial step toward unpacking a multilevel framework in services marketing to identify the role of BSTFL and proactive motivations of EBBB and service brand performance in financial services. We offer a number of contributions to services marketing, particularly in relation to service branding theory, which also providing practical implications for financial service firms' branding. We contribute to the literature by unpacking a specific mechanism that shows how leaders can encourage employees to become brand ambassadors at both individual level and branch level. Further, we contribute to the service branding literature by identifying how branch leaders may best control employees behaviors by empowering them and improving the image of the brand in FLEs mind to perform on behalf of the brand. Moreover, we contribute to the literature by demonstrating that initiative climate at the branch level is a missing link between BSTFL and EBBB.

Initiative climate functions to further enhance the relationship between BSTFL at the individual level and EBBB. In addition, we advance the literature on service branding by demonstrating the powerful impact of EBBB on service brand performance at the branch level. It is sufficient to conclude that employee brand building behaviours and corresponding service brand performance can be obtained through cultivating employees' proactive motivational drivers through BSTFL, which contribute significantly to foster the service brand.

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3C. Customer Experience in Services I

An Exploration on the mechanism of Co-creation: An Empirical Study on Wedding Service

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Introduction

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Wedding tourism has become prevalent in the tourism industry in recent years. To obtain a unique experience, people frequently turn to professional agencies to plan and customize their wedding ceremonies. The unique experience requires active collaboration between customers, companies, and other participants, which is defined as a co-creation experience (Prahalad & Ramaswamy, 2004). If customers utilize their own knowledge, skills, or ideas to participate in the process of planning their own experience, how does this active participation affect their subjective well-being? What is the effect of a favorable co-creation experience on the customer's perception of well-being? These important questions have not yet been addressed in the literature.

To address the above questions, we first examine the effect of customer participation on co-creation experience. Then we examine the relationship between co-creation experience and subjective well-being. Lastly, we investigate the influence of social support on the co-creation experience.

The current research has three major contributions. First, the research provides insights to understand the connection between the co-creation experience and value co-creation. Second, it discovers an important antecedent factor that affects the co-creation experience. Lastly, it deepens our understanding about the influence of co-creation experience on subjective well-being.

Theoretical Background and Hypotheses

Co-creation Experience

The co-creation experience is defined as a customer-dominated experience jointly created by service providers and other participants through the investment of personal resources (Jaakkola et al, 2015). Customers' knowledge and skills are operant resource of services. In the business context, customers may act as "part-time employees" during the service production

process. Thus, customer participation can improve corporate productivity and service quality (Bendapudi & Leono, 2003).

Through participation, customers spend time and effort on information sharing, suggestion provision, interpersonal interaction, and decision-making. Customer participation makes demands on the consumer's intelligence, physical strength, and emotions. In the highly customized service context (e.g., wedding ceremony planning), customers need to collect information and make full preparations for their participation. The knowledge and skills of the customer become necessary conditions for a favorable co-creation experience. Therefore, customer participation has a positive influence on the customer experience.

H1: Customer participation is positively correlated with the co-creation experience.

Subjective Well-being

A highly customized service requires customers to invest substantial effort and resources in the service process. The outcome of the customized service strongly affects the customer's perceived well-being, which in turn has a lasting influence on the company's reputation and market performance. The customer's perceived well-being is defined as a certain psychologically healthy and flourishing state with a relatively high subjective perception of physical, psychological, and social well-being (Diener et al., 2010). A positive co-creation experience generated by favorable interactions between the customer and other participants can satisfy the consumer's needs for self-expression and self-actualization, thus stimulating the individual's perceived well-being (Ryff & Keyes, 1995). Favorable communication and interaction with other participants during the co-creation experience reflects harmony in the consumer's social network, which is the key to generating social well-being. Therefore, a favorable co-creation experience is likely to lead to subjective well-being. Accordingly, we propose:

H2: Positive co-creation experience enhances the customer's perception of well-being.

H3: The co-creation experience mediates the effect of customer participation on the customer's perception of well-being.

Social support

Social support refers to the assistance and support of parents, relatives, and friends on a material or spiritual level (Tongsing, Zimet, & Tse, 2012). In the consumption context, social support can be divided into instrumental social support, which takes the form of material and behavioral support and guidance, and emotional social support, which is brought about by intimate relationships and interactions with relatives (Rosenbaum, 2006). While supports from the customer's social network (e.g., experiential guidance and opinions) may smooth the customization process, due to the complexity of the customized service, social relationships also provide additional external resources in the form of emotional modulation, which functions to enhance or weaken the psychological reactions (Marroquín & Nolen-Hoeksema, 2015). If customers gain support from their social network, they can better manage their

emotions and pressures. Thus, their participation becomes more active and the co-creation experience is enriched. Therefore, we propose:

H4: Social support moderates the effect of customer participation on the co-creation experience. The effect of customer participation on the co-creation experience is stronger when the customer receives high versus low social support.

Methodology

We distributed a questionnaire to customers who used the wedding service of the wedding companies in China. Of the 1000 questionnaires distributed, 310 questionnaires were returned, and after the incomplete ones were excluded, 235 valid questionnaires were used for the analysis.

The measurements for customer participation, the co-creation experience, perceived well-being, and social support were adopted from Chan, Chi, and Lam (2010), Klaus and Maklan (2012), Diener et al (2010), and Ramani and Kumar (2008), respectively. All of the measures used a 7-point scale (1=strongly disagree, 7= strongly agree), and participants' demographic information was also collected.

Results

The Confirmatory Factor Analysis (CFA) results showed that the Cronbach's α value of each construct ranged from .802 to .902, suggesting a good internal reliability of the constructs. The composite reliability measures were all exceeded .80. The Average Variance Extracted (AVEs) of customer participation (=.51), co-creation experience (=.51), and perceived well-being (=.60) were all greater than .50, indicating the high discriminant validity of these constructs. The CFA results showed that the model provided a good fit to the data: $\chi^2/df = 1.314$, GFI = 0.931, CFI = 0.983, NFI = 0.919, RMSEA = 0.032, and RMR = 0.017. Factor loadings on the hypothesized constructs were significant and larger than .70, indicating good convergent validity.

Then we tested hypotheses 1-3 by using structural equation model (SEM). In the model, customer participation was exogenous variable, co-creation experience and perceived well-being were endogenous variables. The model yielded a good fit to the data: χ^2/d . f. =1.318<3, GFI=0.984>0.9, NFI=0.937>0.9, IFI=0.984>0.9, SRMR=0.0448<0.05, RMSEA=0.037<0.05. The standardized parameter estimates for specific construct relationships were seen in Figure 1. Customer participation had a positive influence on the co-creation experience, which in turn was positively correlated with perceived well-being, supporting hypotheses 1 and 2.

Figure 1. Structural equation modeling results



We used a bootstrap method to do the mediation analysis. As seen in Table 1, the results showed that the mediating effect of the co-creation experience was significant. Thus, hypothesis 3 was supported.

Table 1 Test of mediating effect

Hypothesis	Parameter	Indices	Results
	$a \times b$.1996 (LLCI=0.1307, ULCI=0.2949)	Significant
Н3	<i>c'</i>	.1527 (LLCI=0.0197 ULCI=0.2857)	Significant
	$a \times b \times c'$	$0.4001 \times 0.4988 \times 0.1527' > 0$	Partial effect

The interaction effect of standardized scores of customer participation and social support on the co-creation experience was significant (b=.16, p<.05). The simple slope test showed that when social support was high, the effect of customer participation on the co-creation experience (b=.53, p<.001) was stronger than when social support was low (b=.21, p<.05), supporting hypothesis 4.

Discussion

In sum, the findings support the proposed hypotheses. First, customer participation is an important antecedent of the co-creation experience. Second, a favorable co-creation experience increases the customer's perceived well-being. Through the co-creation experience, customers investigate their intelligence and skills to jointly create expected outcomes with service staffs. Thus, customers can satisfy their need for self-actualization, which in turn generates psychological well-being. Finally, the positive effect of customer participation on the co-creation experience is moderated by social support. Compared with low social support, high social support facilitates the customer's active participation in the service process, thus generating a more favorable co-creation experience.

This research provides new insights to help understand the mechanism of the co-creation experience in customized service and the boundary condition of the positive effect of customer participation on the co-creation experience.

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Managing attributions of gratitude-generating encounters

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Introduction

Palmatier et al. (2009) suggest a key driver of profitable long-term marketing relationships is the gratitude attributable to front line employees (FLEs) during service encounters. However, gratitude attributed to the FLE could be lost to the firm due in part to the high levels of turnover that characterize many service firms. The goal of our study is to investigate the attributional processes associated with gratitude-generating encounters. Specifically, we examine (a) how FLE behaviors engender gratitude from customers, (b) the attributional processes explaining gratitude, (c) the boundary conditions of these processes and, perhaps most importantly, (d) how the firm can try to capture more of the gratitude generated.

Conceptual development

Figure 1 summarizes our hypotheses discussed below.

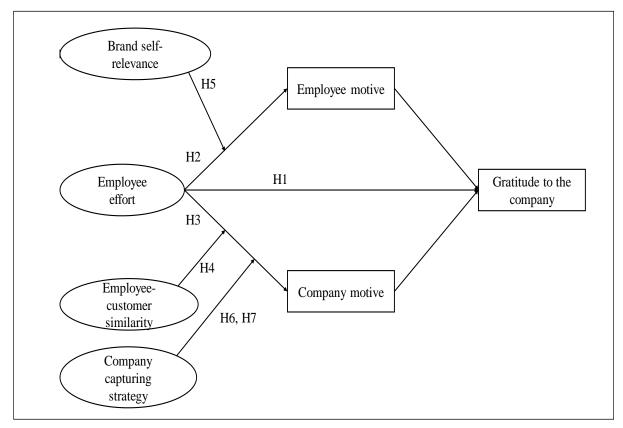


Figure 1: Research model

Gratitude-generating interactions

Gratitude is a positive emotion experienced in response to someone creating a positive outcome (Algoe et al., 2008), such as providing extra effort in service encounters (Morales 2005). Similarly, an employee who exerts extra effort to help the customer should generate feelings of gratitude towards the company (Bock et al., 2016) (H1).

Ambiguous attributions of employee effort

The positive outcomes associated with FLE effort may, however, generate attributional ambiguity. Research on loyalty (Palmatier et al., 2007) show that customers appraise the differences between the specific employee and the firm. Customers experiencing a positive encounter will act as naïve researchers regarding their attributions of the cause of the event (Heider, 1958). We posit two mediating processes: customers can construe extra effort as motivated by the employee's decision to meet their needs (H2) or they can reason that the employee is behaving in accordance with companies' policy and procedures (H3).

Boundary conditions

Attributions are often biased by characteristics of the actors involved (Weiner, 1985). We more favourably appraise behavior of others similar to us (Haslam & Ellemers, 2005). This suggests that when customer-employee similarity is high the attribution of positive outcomes to the company might be weakened because we are less likely to construe the employee as following the firm's customer service policies (H4).

The same applies to the relationship between the customer and the company's brand. When relationships are strong, the brand represents an important aspect of the self-concept (Johnson et al., 2011). When the brand is relevant to the self, therefore, individuals might downplay the importance of FLE's motive as an explanation for the positive experience (H5).

Study 1

Method

We conducted a 2 (employee effort: high vs low) X 2 (employee similarity: high vs role) X 2 (brand self-relevance: high vs neutral) between-subjects online experiment. The 346 respondents were recruited using Amazon Mechanical Turk. All participants read a scenario that described a purchase in a clothing store similar to one from Palmatier et al. (2009; study 1).

Results

As expected, there is a main effect of employee effort on gratitude to the store ($M_{high\ effort}$ = 5.54, $M_{low\ effort}$ = 4.22; p < .01). Table 1 presents results of the mediation model that are in line with our expectations. Indirect effects support both the mediation of employee motive (.13, CI: .07 to .21) and company motive (.23, CI: .14 to .34).

.46 to .63

Relationship	Unstandardized beta	95% Confidence interval
Employee effort → Employee Motive	.53**	.39 to .67
Employee effort → Company Motive	.42**	.27 to .57
Employee effort → Gratitude to the company	.30**	.17 to .44
Employee motive → Gratitude to the company	.25**	.15 to .34

.54**

Table 1: Mediation model results

Company motive → Gratitude to the

company

The estimation of two models of moderated-mediation also supports our hypotheses. The moderation for similarity is significant⁶ (Index of moderated-mediation = -.14, CI: -.29 to -.01). As hypothesized the indirect effect through company motive is larger at low similarity (.29, CI: .19 to .41) and smaller at high similarity (.15, CI: .06 to .27). The interaction effect for self-relevance is statistically significant (Index of moderated-mediation = -.09, CI: -.20 to -.03). We obtain larger indirect effects on gratitude, through employee motive, when self-relevance is low (.17, CI: .08 to .29) than when self-relevance is high (.08, CI: .03 to .15).

Study 2

Study 1 suggests that employee efforts result in consumer gratitude, which is attributed to both the FLE and the firm. However, given concerns with employee turnover for many service providers, it is important that service providers capture as much of the gratitude as possible. Capturing strategies, defined as "all means through which a party communicates its role in generating and delivering customer benefits" (Palmatier et al., 2007, p.188), can be deployed to focus attributions of gratitude-generating interactions on the firm. We examine two capturing strategies - appropriate *policy* communications and excessive *credit-taking* communications. We hypothesize that higher FLE effort is attributed more (less) to store motive when company policy is communicated (compared to a no capturing communication alternative) (H6). We further expect that higher FLE effort is attributed less (more) to store motive when credit-taking communication is adopted (compared to a company policy communication alternative) (H7).

Method

Study 2 utilizes a 2 (employee effort: high vs low) X 3 (capturing strategy: no communication, policy communication, credit-taking communication) between-subjects design. We recruited a separate sample of 357 participants from those used in Study 1. At the

^{**} p < .01. Results are calculated using PROCESS, Model 4.

⁶ This interaction effect is statistically significant at the 90% level.

end of the same scenario of study 1, participants saw one of two potential capturing strategies. In the policy communication condition, participants read that in the store employees are trained and rewarded to ensure they 'go the extra mile'. In the credit-taking condition, participants read that the good service experience was not due to the specific employee because the store provides excellent service "independently of which employee might have served you today."

Results

As in Study 1, there is a main effect of effort on gratitude ($M_{high\ effort} = 5.77$, $M_{low\ effort} = 4.17$; p < .01). A model of moderated mediation (Table 2) compares a policy communication strategy to a no communication alternative. Employee effort and capturing strategy yield a significant interaction effect (Index of moderated-mediation = .28, CI: .07 to .52). Indirect effects are larger when the policy communication is implemented (.59, CI: .40 to .79) compared to a situation without capturing strategy (.30, CI: .16 to .48).

Table 2: Moderated-mediation model (policy communication	Table 2:	Moderated-	-mediation	model (policy	communication
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Relationship	Unstandardized beta	95% Confidence interval
Employee effort → Employee motive	.35**	.17 to .53
Employee effort → Company motive	.69**	.52 to .85
Employee effort * Policy communication → Company motive	.22*	.05 to .39
Employee effort → Gratitude to the company	.17**	.08 to .27
Employee motive → Gratitude to the company	.65**	.54 to .75
Company motive → Gratitude to the company	.54**	.46 to .63

^{*} p < .05; ** p < .01. Results are calculated using PROCESS, Model 7.

We also estimate a model of moderated mediation to compare the credit-taking strategy to the policy communication (Table 3). We find evidence of significant moderation (Index of moderated-mediation = -.26, CI: -.49 to -.02). The credit-taking strategy weakens the indirect effect of effort through store motive (.37, CI: .19 to .60) when compared to policy communication (.64, CI: .46 to .85).

Relationship	Unstandardized beta	95% Confidence interval
Employee effort → Employee motive	.35**	.15 to .56
Employee effort → Company motive	.72**	.55 to .89
Employee effort * Credit-taking communication → Company motive	18*	36 to01
Employee effort → Gratitude to the company	.22**	.06 to .39
Employee motive → Gratitude to the company	.70**	.60 to .81
Company motive → Gratitude to the company	.15**	.01 to .24

Table 3: Moderated-mediation model (credit-taking communication)

Discussion

While past research has identified gratitude as a key mediator of loyalty (Palmatier et al. 2009), this is the first research examining the attributional processes that drive gratitude. When gratitude is generated by customers' interactions with FLEs, the emotion is in part caused by attributions of employee motive. This suggests that, similarly to loyalty (Palmatier et al., 2007), companies should manage the process of gratitude generation proactively.

The mediation of employee motive is weakened when the service company brand is self-relevant. Contributing to the brand relationships literature (Johnson et al., 2011), we show that strong bonds impact consumers' attribution processes in gratitude-generating encounters. A self-relevant brand reduces attributions to the employee and ties gratitude to the company.

The study identifies a capturing strategy effective in maximizing the benefits for the firm. Reminders of the company's policies influence feelings of gratitude to the firm. We extend research on capturing strategies (Palmatier et al., 2007) by clarifying that companies can overstep the mark if they take credit directly for the employee's behavior. While managing the attribution processes following gratitude-generating encounters, the company also need to respect FLEs' role.

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The interplay of value-in-use and trust in the service provider

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Purpose and background

While the financial planning services industry can play a significant role in magnifying financial wellbeing not just for individuals but the broader society (World Economic Forum, 2013), the uptake of financial planning advice remains low in many countries, such as Australia. Industry research suggests trust as a key barrier to the uptake of advice (CFA Institute, 2015), with many Australian consumers unclear of whom they can trust when requiring financial planning advice (FPA, 2015). While an understanding of the development of trust in general appears critical, it is the trust in the service provider that is the focus of this research.

Prolific research efforts have developed a comprehensive understanding of trust in the service provider over the years, confirming its centrality to customer-service provider relationships (Coulter and Coulter, 2002). Given the developing nature of relationships, the various stages that relationships pass through over time and the different needs of providers and customers at each stage (e.g. Dwyer et al., 1987), it is likely that the role of relationship constructs, such as trust, changes over time. Indeed, a review of the literature shows that temporal aspects have become an increasing focus of researchers examining relationships and the customer experience (e.g. Verhoef, 2003; Lemon and Verhoef, 2016). The temporal nature has also been stressed as relevant for value-in-use, with Plewa and Sweeney (2015) identifying differences in the impact of value-in-use components on relationship outcomes over time.

Value-in-use has come to the forefront recently given the increasing acknowledgement of the customer's role in realising value. While organisations can offer value propositions (Vargo and Lusch, 2008), potential value can only be transformed into value-in-use by the customers (Grönroos and Voima, 2013): "Value emerges for or is created by the user as value-in-use, determined by users as value-in-use, and firms as service providers must take value facilitating actions to provide potential value-in-use" (Grönroos and Gummerus, 2014, p.221). Individual service providers thus play an important role in this process, given their ability to directly support customers throughout the service process.

Hence, an understanding of the value-in use components that enhance trust in the service provider and other outcomes at different stages of the service process would assist in developing a dynamic model of value-in-use and trust over time. As trust is core to relationship quality (Morgan and Hunt 1994), we argue that value-in-use factors such as education, relationship and motivation may build trust, while negative value-in-use factors such as emotional costs are likely to reduce trust. In turn, trust can influence value-in-use as it reduces the burden of cognitive effort and attention to details of the service relationship, as well as influencing the experience via a positive "halo effect." Hence, we may ask for example, does education value lead to trust? And if so, is this early or late in the relationship or throughout? Or, in reverse, does trust increase value-in-use perceptions such as education value over the

time of the relationship? Similar questions can be posited for the negative value in use factors such as perceptions of monetary and emotion costs.

Given the sparsity of longitudinal research, to date we lack an empirical understanding of the dynamic interplay of trust in the service provider and value-in-use over time. This is despite the recognition that both value-in-use, which emerges or is realised by the customer during the service process, and trust, are dynamic in nature (Grönroos and Gummerus, 2014; Rousseau et al., 1998). This study thus seeks to conceptually develop and empirically examine the relations of trust in the service provider as well as positive and negative value-in-use dimensions over time. Value-in-use as examined in this study comprises four positive (expertise, convenience, education, motivation) and five negative (monetary costs, emotional costs related to seeing a financial planner, emotional costs related to one's financial situation, time and effort costs as well as lifestyle costs) dimensions. The primary contribution of this research lies in its ability to enhance our understanding of the interplay between value-in-use and trust over time. Specifically, we examine individual positive and negative value-in-use dimensions, thus advancing knowledge at the granular level.

Approach

Set in the financial planning context, this study establishes a longitudinal dataset following clients of financial planners from their initial experience with the financial planner (client relationships for less than 12 months) over a 24 months period, utilising the consumer panel provider Qualtrics. Two annual repeats of the survey were conducted, leading to three data points for each respondent. Starting with a total of 269 completed responses in phase 1, high continuing response rates led to 150 responses in phase 2 and a final complete dataset of 94 responses across all phases. Given the small sample size, composite scores were calculated for all multi-item constructs. Cross-lagged path modelling based on structural equation modelling principles was then utilised to answer the research questions.

Findings

The results confirm the relevance of value-in-use dimensions for the development of trust in the service provider and vice versa. For example, expertise and motivation at the beginning of the service relationship (phase one) positively influence trust in the service provider in phase two (p<.05). Furthermore, expertise and convenience in phase two are positive predictors of trust in phase three (p<.05). It should also be noted that education facilitates the development of trust in the service provider in both subsequent phases (p<.10). While the role of positive value-in-use dimensions for developing trust in the service provider is evidenced, less relevance emerged for negative value-in-use dimensions. Indeed, only emotional costs associated with seeing a financial planner in phase two emerged as influencing the subsequent evaluation of trust in the service provider phase three (p<.10).

Examining the importance of trust on subsequent customer evaluations of value-in-use, the results indicate that trust in the service provider at the beginning of the relationship has limited influence on value-in-use in phase two. As trust develops, it emerges as a more important

determinant of value-in-use in the subsequent phase. Indeed, trust in the service provider in phase two not only positively impacts all four positive value-in-use components (expertise, convenience, motivation and education; p<.05) at phase three, it also reduces the emotional costs of seeing the financial planner as well as time and effort costs (p<.05).

Conclusion

Trust is critical in the financial planning and many other complex service settings. This research offers an important contribution by empirically examining the dynamic interplay of trust in the service provider and value-in-use over time. The results offer unique insight into the impact of specific positive value-in-use dimensions in developing trust over time, while also revealing the importance of trust for advancing positive value-in-use perceptions and mitigating negative value-in-use perceptions, particularly at later phases of the relationship.

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3D. Digital Services – Platform Services

Business Model Innovation and Value-creation: The Platform Way

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Introduction

New technologies have spurred the development and exponential growth of an innovative, platform-based business model, the so-called P-Model. This business model innovation enables firms to create, deliver, capture, and communicate value - in apparently more effective and efficient ways than extant models - by allowing them to assume the role of a new form of middleman - a platform - which efficiently and directly connects buyers and suppliers. Interestingly, recent research suggests (e.g., Munger 2015) that the platform-based business model's success can exclusively be explained as an effect of "a middleman who sells reduction in transaction costs" (p. 199). In this approach, value creation equals reducing transaction costs. In the present study, we argue that this view severely limits our understanding of how value is actually created in a P-model. We take a broader view on value, incorporating contributions from all involved actors, that is, buyers, suppliers and platform providers.

Our approach opens a new perspective on value creation through P-Models. In addition to reducing transaction costs, we contend that value emerges from interactions between social resources and platform algorithms. We seek to understand how exactly a P-based business model creates value, not only from a transaction cost economics perspective but also from market offering-related value perspective. Building on previous literature on business models and value creation, we develop a conceptual framework illustrating how value is created in a P-based business model.

Business models: From M to P-models

The rise of new technologies allows firms to create, deliver, capture, and communicate value in new ways, that is, through business model innovation. Nowadays, the M-model (Chandler 1962;1977;1990) has become challenged by two-sided or multi-sided platforms – the platform-based model or P-model (Hagiu and Wright 2011). Companies included in the world's top-ten list of most valuable companies, which include Amazon, Uber, Lyft, eBay and AirBnB, have one thing in common: they are proponents of a platform based businesses model, acting as middleman between buyers and suppliers of assets or labor, i.e., time. Very quickly they have

challenged incumbents in industries like personal computers, private transportation, retailers, hospitality, and media. Not surprisingly, this draws attention from CEOs and researchers around the world.

Libert, Beck, and Wind (2016) provide a typology for studying business models. Following their typology, we argue that the traditional Asset builders, Service providers, and Technology providers are M-based business models, whereas Network facilitators, companies creating a network is created and participants interact and share in the value creation, make use of a P-based business model. Asset builders and service providers such as large hotel chains, and traditional universities are more rigid/less agile in their adaptation to external changes, are more difficult to scale, are asset-heavy, and employ more people than for example Airbnb and open online courses (MOOCs). P-based business models are significantly different from M-based business models, largely through innovative thinking and practice. Key differences are summarised in Table 1.

Table 1 A comparison of the M-model and the P-model		
	M-Model	P-Model
Basic philosophy	Dyadic. Selling products or services to a buyer. Value in use.	Triadic. Sharing products or time as a service. Value in use propositions.
Organizational structure and	Hierarchy. Fixed. Vertical Top-down communication	Network. Flexible. Horizontal communication between actors.
culture	between actors. Fixed single	Distributed to many locations.
	location. Advance regulation.	Emerging regulation.
	Low agile culture. Low scalability.	High agile culture. High scalability.
Costs	Costs of tangible assets, financial costs and transaction costs are high.	Costs of tangible assets, financial costs and transaction costs are low.
Role of data and performance measures	_	Extensive use of data. Multi-actor (supplier, buyer and platform) oriented use of performance metrics.

Revenue model and	Focus on sales and indirect	Focus on transaction fee,
selling approach	selling approach.	advertising and subscription.
		Direct selling approach.
Employment and	Insourced employees with clear	Outsourced employees with blurry
co-creation	roles. Co-creation focus on	roles. Co-creation focus on
	interaction between firm and	interaction between supplier,
	buyer.	buyer and platform.

Conceptual framework: Value-creation in P-models

A platform-based business model (P-model) in its simplest form is a triad. That is, a platform company connects suppliers and buyers. In the literature, the triad is also known as a two-sided network (Shapiro and Varian 1999). Our conceptual model - see Figure 1 - consists of interactions among three parties: suppliers of assets or labor, buyers of suppliers' assets or time, and the platform-firm which connects suppliers and buyers. The platform company offers a value proposition to the buyer based on the availability of suppliers' assets or time. Actual value is created for buyers when they decide to make use of the firm's value proposition. We posit that the platform market performance (e.g., capability) comes several sources:

- from the market offering (i.e. supplier's value from quality and availability of assets or time)
- value from the firm's market-innovations,
- value from mass-customization based on customer insight generated from customer data
- value from lower transaction costs
- value from the business model's scalability

The triadic value-creation perspective is central to P-models, that is, the business should be of value to all three parties involved. Accordingly, customer value added is the difference between perceived value - the maximum a buyer will pay for a service and the incremental cost of providing that service (Sexton 2009), which is a function of the value in use when the buyer decides to make use of the firm's value proposition and consequently experiences the supplier's value proposition. In line with this logic, both supplier and buyer will experience value added, which triggers their intention whether to be loyal to the platform firm. Below we provide a brief rationale for our propositions.

Supplier, Buyer, and Platform attractiveness and Platform market performance

The three actors - platform, suppliers, and buyers - have a value proposition that can be perceived as more or less attractive by the other actors. Suppliers' attractiveness is a function of value from quality and availability of assets or time plus the suppliers' ability to innovate their own market offering. Buyers' attractiveness is a function of amount and valor of

recommendations, monetary value from previous purchases, and usage frequency. The platform provider's perceived attractiveness - value in use proposition - is an incentive for the buyer to engage with the platform in a search for the supplier with the most attractive value proposition (e.g. quality of asset or labor, and availability). The supplier will evaluate the prospective buyer's value proposition (e.g., value of previous recommendations, amount of recommendations).

P1: We propose that the perceived attractiveness of buyer's, supplier's, and platform's together constitute a driver of the platform's market performance

Transaction costs, assets costs and Platform market performance

With fewer people employed and less capital tied up in real assets including platforms' efficient and effective way of connecting buyers and sellers, provide platforms with low transactions and capital costs.

P2: We propose that cost advantages from transaction and capital costs including ease of scaling are drivers of the platform's market performance.

Scalability and transaction and asset costs

A business model that is simple to scale eliminates the need for investing in step-wise scaling of capacity which also helps in keep the transaction costs low.

P3: We propose that scalability is a driver of cost advantages and (indirectly) a driver of the platform's market performance.

Platform market performance and value for seller, buyer, and platform

P4: We propose that the platform's market performance is a driver of value provided to buyers and sellers, and platform growth.

The moderating effect of match quality

The platform is a middleman connecting buyers and sellers efficiently and effectively. Despite all built-in mechanisms to provide buyers and sellers with relevant information about the other party, a mismatch can occur. By mismatch we imply that a situational factor related to asset or time being offered and/or personal aspects related to buyer and seller. Such mismatches will have a moderating impact on how the other parties perception of buyer's and/or seller's attractiveness effect platform market performance.

P5: We propose that the positive relationship between supplier attractiveness and buyer attractiveness and platform market performance is strengthened/weakened by high/low matching quality.

The conceptual model is illustrated in Figure 1.

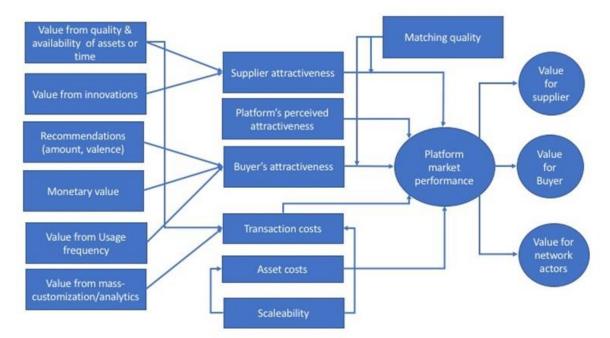


Figure 1 Value creation in P-Models

Conclusion

We introduced the concept of P-models to the business model innovation literature and sought to understand the success of these models from a SDL viewpoint. We particularly investigated how value is created in a P-model, recognising the triadic, collaborative nature of value cocreation among the three parties. We expect that in a future macro environment of reduced or threats to non-sustainable natural resources, such as coal and minerals, population increases, migratory patterns across the world, increasing ageing of the population, and an increasingly mobile workforce to name a few, a P-model approach is likely to offer significant opportunities for businesses. Next to being an interesting business model from a value creation perspective, however, the P-model also inherently creates a number of (social) risks for all parties involved (see, e.g., Malhotra and Van Alstyne, 2014), by de-institutionalizing relationships between the platform facilitator and the suppliers, and between buyers and suppliers. In recent times, for example, companies such as Uber have been in the headlines for ignoring laws designed to protect consumer rights, and abusing their drivers, i.e. suppliers (e.g., Boshuijzen-van Burken & Haftor, 2017). For service managers, the outsourcing of employees as freee contractors, is a deviation from the employees being the most important resource as illustrated in for example the well-known service profit chain model (Heskett, Sasser, and Schlesinger 1997) or the service pyramid model (Parasuraman 2002). Second, outsourcing employees as suppliers including assets (for example Uber drivers with their own cars) is in contrast to resource dependence theory (Pfeffer and Salancik 1978). Third, managing value creation and value in use propositions in a network or ecosystem of actors, is a major deviation from hierarchical governance mechanisms of one-service firms in a dyadic interaction. Finally, further research should pay attention to the 'dark side' of the P-model and it deviation from the well-established service management models.

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The Role of Digital Platform E-Services in Chinese Cinema Industry

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Research questions and potential contributions

As e-commerce continues to flourish, e-service becomes increasingly more important in satisfying customers' needs and wants. IT-enabled business transformation involves two significant organizational changes: the transformation of industries (Wan et al. 2011) and the rise of digital platforms (Yoo et al. 2012). The two phenomena are not isolated but interrelated. Digital platforms play a major role in reshaping industrial structure and changing the boundaries of industries (Hacklin et al. 2013; Yoo et al. 2012).

The business transformation occurs in both the IT industry and traditional industries. Particularly, service sectors like travel, catering, and entertainment are building new business models by integrating online search, matching, and payment with offline service delivery. Platforms have emerged in these traditional service sectors, e.g., Priceline and Ctrip in the travel sector, Youtube and Youku in the video sector, and Groupon and Meituan in the comprehensive service sector. The original industry structure still plays its role in many service sectors, like the agency model in the travel sector and linear broadcasting in the TV industry. Then, it is natural to ask what are the effects of digital platforms on the service sectors, and what's the joint influence of online platforms and traditional industrial organizations.

Besides the motivation from the practical world, this paper is also motivated by the relationship between platform research and vertical integration. Both platforms and vertical integration involve inter-organizational relationships. A platform and its participants develop platform-centered governance relationships (Wareham et al. 2014). Vertical integration/control is an arrangement in which the upstream or downstream industrial chain of a firm is owned/controlled by the firm (Tirole 1988). Vertical integration was once one of hot topics in studies on industrial organization, strategic management and organization theories (Argyres 1996; Davis and Duhaime 1992; Grossman and Hart 1986), while platform research has also attracted researchers in these fields (Thomas et al. 2014; Cennamo and Santalo 2013). So far the two streams of research are generally parallel, lacking mutual nurturing. A few exceptions link platform research with vertical integration by a platform owner (Lee 2013; Ceccagnoli et al. 2012). To the best of our knowledge, our paper is one of the first to investigate the scenario where a vertically-integrated firm participates in a platform.

The paper makes several contributions. First, we integrate platform strategy research with the theory of contingent resource-based view (CRBV). The CRBV assumes that resources are not limited by the boundary of a firm, but can be used through networking like alliances or partnership (Lavie 2006; Aragón-Correa and Sharma 2003; Sedera et al. 2016). Participating in a platform is an effective way for a firm to leverage external resources. A platform can be regarded as an organization storing resources and capabilities, through which a participating

firm can harness hidden value of its own resources (Fréry et al. 2015; Thomas et al. 2014). This paper empirically explores the role of platform strategies for suppliers of a platform. We developed our hypotheses based on CRBV. A methodology is designed in light of CRBV, including resource-based dependent variables and a quantile regression to probe into performance heterogeneity.

Second, we combine studies on platform strategy and vertical integration. Combining the two independent research streams may contribute to our understanding on platform strategies in a non-IT industry and vertical integration in the digital era. Theoretically, this paper explores the linkages between the two inter-organizational strategies. We established our hypotheses based on extant literature in these two fields from the CRBV perspective. Empirically, this paper investigates the separate and joint impact of platform strategies and vertical integration on firm performance with the case of China's motion picture industry.

Hypotheses

H1: The higher degree of vertical integration a cinema is, the better performance will the cinema be.

H2: The higher degree of platform multihoming a cinema is, the better performance will the cinema be.

H3: Low-performance cinemas tend to benefit more from platform multihoming than high-performance cinemas.

H4: The interaction of platform multihoming and vertical integration of a cinema has a negative impact on the performance of the cinema.

Methodology and findings

Variables

(1) Independent variables. Platform multihoming is a categorical variable which includes four categories in this study, three, two, one and zero. Thus, it can be represented by three dummy variables, i.e. *Singlehoming_i*, *Dualhoming_i*, and *Trihoming_i* (Hardy 1993). The three variables represent the degree of a cinema's participation in third-party online platforms.

 $Integration_i$ is a dummy variable capturing the degree of vertical integration between a cinema and an exhibition chain.

(2) Dependent variable. Previous literature adopts the box office revenue of an exhibitor as a dependent variable (Eliashberg et al. 2006). We develop our dependent variables based on the box office of exhibitors because cinemas in China's film industry heavily depends on box offices (Liu and Lu 2015). Two dependent variables are constructed, i.e. $\ln Revperseat_i$ and $\ln Revperseat_i$. The former is measured by the logarithm of the box office of an exhibitor divided by the total number of seats of the exhibitor. The latter is measured by the logarithm of the box office of an exhibitor divided by the total number of screens of the exhibitor. Thus, $\ln Revperseat_i$ represents a cinema's capability to fully utilize its resource of audience

accommodation capacity, and $lnRevperscr_i$ represents a cinema's capability to obtain proceeds from its resource of film exhibition capacity.

Data

A total of 1918 cinemas meet the above-mentioned two requirements during the period. The data of this paper have three sources. First, data about the box office and average price, seats, and screens of a cinema are from Entgroup Company, which sorts box-office data uploaded by cinemas to the SARFT. Second, data about cinemas' participation or multihoming on third-party platforms are snatched from the websites of the three online platforms. Data about self-established platforms or vertical integration of an exhibition chain are from websites of exhibition chains. We crawled the data in the last week of December 2014. Third, data about consumption expenditure of urban residents are from 2015 annual statistics of corresponding provinces, municipalities or autonomous regions.

Results

Hypothesis 1	Supported
Hypothesis 2	Supported
Hypothesis 3	Supported
Hypothesis 4	Partially supported

Discussion and conclusion

This paper examines the role of platform strategies for suppliers. Our results confirm that supply-side agents can improve their performance by platform participation (Ceccagnoli et al. 2012). Specifically, our empirical results show that platform multihoming can help exploit the hidden value of ordinary resources owned by suppliers. In the context of the motion picture industry, exhibitors possess physical resources like seats and screens. Due to the demand uncertainty of the industry, these resources are often idle. Platform business models provide information and business infrastructures for suppliers (Suarez and Kirtley 2012), which can greatly unleash the potential of these physical resources.

The results also indicate that the role of platform multihoming is negatively moderated by vertical integration. The results are in contradiction with results of previous literature (Ceccagnoli et al. 2012). In the context of software platforms, a supplier with stronger downstream capabilities can better appropriate value by effectively turning the installed base of a platform into its customers, and defending against entry by platform owners. However, we argue that vertical integration and platform multihoming, as two inter-firm strategies, may strive for the same internal resources of a supplier. Thus platform multihoming and vertical integration may substitute each other in terms of their contribution to firm performance. Future research may probe into whether or not the contradicted findings can be attributed to different industrial contexts.

This paper finds that low-performance suppliers tend to take more advantage from platform multihoming than high-performance suppliers. The finding may imply that platform

multihoming can bring a strategic resource for a supplier who starts with a disadvantageous position in an industry. The disadvantageous position may result from that the supplier lack some strategic resources to realize resource orchestration (Sirmon et al. 2010). The strategic resource owned by a platform may better complement with ordinary resources of the supplier, which have not been well harnessed in comparison with those suppliers who have better resource endowment.

This research offers several managerial implications. Our empirical design and results can help understand SMEs' platform strategies. Firms have to think about the relationship between platform strategies and their extant strategies. Under a specific industrial context, firms should reflect on whether or not platform strategies are complementary to their extant strategies, and be aware of potential conflicts between strategies. In the motion picture industry, an exhibitor may find that platform multihoming and vertical integration will struggle for operating resources and capabilities, reducing the effect of platform strategies. When implementing platform strategies, SMEs should consider in which and how many third-party platforms to participate. Generally, platforms that can be leveraged to better exploit a firm's resources can be a candidate.

The Effect of Service Interface on Individuals' Exercise Adherence

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Relevance of the Topic and the Research Contribution

Costs for health care are rising steadily. To counter this, diagnosis and monitoring, prevention and wellness are the domains with an expected annual cost saving potential of approx. EUR 65 billion (PwC, 2013). Regular exercise not only helps individuals maintain their physical health, but also contributes to their overall well-being (Penedo and Dah, 2005). Therefore, motivating individuals to keep a regular fitness routine is one of the main concerns in preventive health care.

Prior research in exercise and health has focused on individuals' motivations, both intrinsic and extrinsic, for undertaking and maintaining fitness activities (Buckworth et al., 2007; Richard et al., 1997; Wilson et al., 2008). Some studies suggest that personal trainers can improve the effectivity of a fitness program, and that participants who use personal trainers are more likely to change their attitude towards the fitness activities, thus also increasing how often they exercise (McClaran, 2003; Ratamess et al., 2008). More recently, researchers and practitioners have turned attention to mobile fitness apps in the fitness industry. The main concern then is whether mobile apps are helpful in facilitating behavioural changes in exercise (Conroy et al., 2014; Kranz et al., 2013). Thus, the question arises, why individuals choose one service interface rather than another (i.e. interpersonal vs technological) and how these interfaces contribute to exercise adherence.

In responding to this question, our research makes a twofold contribution. Firstly, we identify relevant determinants of service interface choice for fitness activities and in doing so expand existing research on the choice of service delivery modes. Secondly, as called for, we research transformative services by investigating the effect of different service interfaces on exercise adherence, perceived health status and subjective well-being.

Background and Theoretical Foundation

Self-service technologies (SSTs) have been widely incorporated in firm-to-customer interfaces such as automated checkout and online transactions (Meuter et al., 2000). Service literature has reported on the factors that influence customers' SST adoption, including innovation characteristics of the SST, individual differences, and customers' readiness as is demonstrated in role clarity, motivation, and ability to use the SST (Dabholkar and Bagozzi, 2002; Meuter et al., 2005). Success expectation, convenience, perceived control, self-fulfillment and enjoyment are identified as the main motivations in choosing an SST (Meuter et al., 2005). Yet, the question remains whether motivations for adopting SSTs match the motivations for engaging in exercise facilitated by distinct service interfaces.

With more service interface options available to customers, Simon and Usunier (2007) examined a few determinants of the preference for using SSTs rather than personnel-in-contact, namely thinking style, perceived service complexity, age and waiting time. Although their study revealed individual and situational factors that affect the preference for either SSTs or personnel-in-contact service, the underlying motivations for choosing a particular service encounter and interface are still unknown. Therefore, in this research, we aimed to investigate why some individuals choose a traditional service, while others prefer fitness apps for engaging in physical activity and keeping track of their fitness activities. We studied the role of a high-involvement service provided by a human (e.g. a personal trainer) or a technology-based self-service (e.g. a fitness app) in individuals' fitness activities, considering also the effect of the kind of service on users' health and well-being.

Regardless of which service interface is chosen, value is always created jointly by customers collaborating with the service provider (Vargo and Lusch, 2004, 2008), or by customers themselves (Heinonen et al., 2010). In a service encounter, a customer interacts with service personnel, an SST, and/or other customers on or off site. Value is created through such interaction and integration of the resources by all parties involved (Vargo and Lusch, 2004, 2008). However, the infusion of technology in services does change the nature of service encounters, thus affecting interaction between customers and their service providers. In addition, customers can create value within their own social sphere that is beyond the service providers' control (Rihova et al., 2013). Choosing a specific service interface can enhance or diminish social contact between customers. The value created through this social contact could be one of the long-term motivations for choosing a specific service interface, therefore it needs to be investigated further.

Although some individual differences and situational factors have been identified as antecedents to different choices between the service options, the details of why and how these factors affect long-term behavioural changes still need to be disclosed. Past research has focused on what motivates fitness activities, what determines the adoption of self-service technologies, and how customer value is co-created in service encounters. However, research into the different roles of service interfaces in motivating individuals' fitness activities, is scant. Particularly, prior studies on services using an interpersonal or technological interface are limited to behavioural intention rather than actual behaviour, let alone long-term behaviour. Therefore, our research objectives are to investigate factors influencing individuals' preferences for an interpersonal service using a personal trainer or a gym, or for a technology based self-service using a mobile fitness app, and further to identify the role of the different service options on individuals' exercise adherence and their impact on individuals' health and well-being. To develop a conceptual framework for interpreting what motivates long-term regular exercise through a personal trainer or a fitness app, we rely on Service-Dominant Logic (Vargo and Lusch, 2004, 2008), Self-Determination Theory (Ryan and Deci, 2000), Self-Efficacy Theory (Bandura, 1977) and Achievement Goal Theory (Nicholls, 1984).

Methodology and Findings

This study has taken a mixed-methods approach by conducting the research in two stages. Firstly, we conducted in-depth interviews with thirteen participants who had used a personal trainer, joined a gym, or followed a mobile fitness app in Germany for at least 6-months. The interviews were semi-structured, with a couple of questions prompting participants about their reasons for choosing a certain service interface, and about its effectiveness. We approached potential participants based on their service type choice, and reached saturation, after interviewing thirteen individuals. We used content analysis to analyze the data. Our findings revealed the motivational factors driving decisions to use either a technology-based self-service or an interpersonal service, such as the need for competition, achievement, social support, feedback, fun and variety. In addition, situational factors such as time, environmental factors such as social influence, and individual characteristics such as a person's technology readiness were identified as possibly influencing decisions to use a specific service interface (see the conceptual framework in Figure 1).

Next, we will conduct a parallel study in New Zealand to compare and possibly confirm the results obtained in Germany. This should validate the factors found to influence individuals' preferences for using a technology based self-service or an interpersonal service in the German data. Then, in the second stage of the research, we will conduct a survey through an online panel to examine our conceptual framework and investigate which factors most strongly impact individuals' long-term fitness activities and their health and well-being.

Conclusion

This research will shed light on understanding what motivates customers' choice of different service interfaces to direct their fitness activities. The findings could help the fitness industry to address customers' preferences and needs accordingly, or to extend their service offerings. They could also be helpful to other services that require high customer participation.

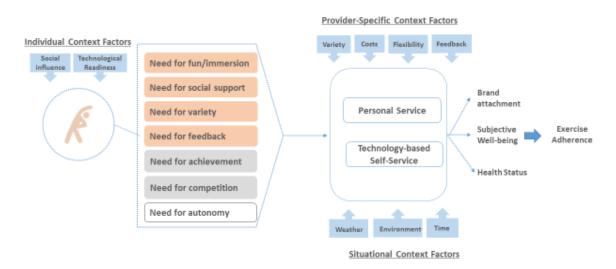


Figure 1: conceptual framework

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3E. New Analytical Approaches in Service Research I

Informing Resource Integration in Service Dominant Logic with Motivation Theory

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Introduction

Service Dominant Logic (SDL) posits all actors integrate resources as a part of their value cocreation processes in service ecosystems (Akaka, Vargo, & Lusch, 2012; Stephen L Vargo & Akaka, 2012; Stephen L. Vargo & Lusch, 2008; 2016). However, despite the vital role of resource integration in value co-creation processes (Stephen L Vargo & Lusch, 2016), relatively little attention has focused on defining and conceptualizing this phenomenon; rather, most research addresses actors' ability to integrate resources, their competencies, or social influences. For example, Kleinaltenkamp et al. (2012, p. 202) assert that "the ability and allowance to use or integrate a resource [...] enables actors to utilize a resource and to make an exchange of 'service for service' possible." Thus, actors' ability or competence may enable resource integration, but they are not sufficient for resource integration to occur. Moreover, recent research in SDL has conceptualized social aspects of resource integration, such as institutions (e.g., Edvardsson, Kleinaltenkamp, Tronvoll, McHugh, & Windahl, 2014; Koskela-Huotari & Vargo, 2016; Stephen L Vargo & Lusch, 2016), structuration theory (e.g., Edvardsson, Tronvoll, & Gruber, 2011), or practice theory (e.g., Echeverri & Skålén, 2011). However, social aspects mostly direct the effort of actors, but lack the explanatory power regarding the intensity and persistence of effort.

Resource integration has received considerable research attention for several decades, (e.g., Resource Based Theory) although the discussion has only recently been framed according to SDL (Peters et al., 2014). Kleinaltenkamp et al. (2012) refer to resource integration as the processes and forms of collaboration through which resource integrators (i.e., actors) co-create phenomenologically determined value-in-context (Chandler & Vargo, 2011), using operant resources (e.g., knowledge, skills) and acting on operand resources (Peters et al., 2014). However, it is not knowledge and skills that generate value but rather their use. To use knowledge and skills, actors must be motivated, because activity is triggered by motivation. Because value-in-use requires activity, motivation is already embedded as a precondition of the value-in-use (value-in-context) concept. However, motivation has been forgotten somehow in the discussion of resource integration and value co-creation. Moreover, motivation gives energy, in terms of direction, intensity, persistence, to resource integration efforts, and thus may be a missing component in conceptualizing resource integration in SDL. Motivation as a psychological driver helps expand the explanatory power of sociological factors by including intensity and persistence. Various disciplines already identify motivation as an important driver of human activity, including psychology (Cerasoli, Nicklin, & Ford, 2014), organizational behavior (Mitchell & Daniels, 2003), management (Locke & Latham, 2004; Steel & König, 2006), economics (Ariely, Bracha, & Meier, 2009; Xia & Suri, 2014), sociology (Turner, 1987), and education (Cameron & Pierce, 1994; Oxford & Shearin, 1994).

Motivation is vital to an explanation of how and to what extent actors leverage their knowledge and skills (Locke & Latham, 2004) to integrate resources and co-create value. Consequently, motivation is an important driver of activity (e.g., Cerasoli et al., 2014; Locke & Latham, 2004; Mitchell & Daniels, 2003) because it influences the direction, intensity, and persistence of effort (e.g., De Cooman, De Gieter, Pepermans, Jegers, & Van Acker, 2009; Latham & Pinder, 2005; Locke & Latham, 2004; Mitchell & Daniels, 2003; Pinder, 2008). Furthermore, motivation is a fundamental component of any credible model of human performance (Cerasoli et al., 2014). By using motivation theory, we contribute to explaining the tensions between actors' social and psychological drivers of resource integration. Furthermore, we argue that a traditional understanding of operant resources, which does not include motivation, is insufficient to explain resource integration activity.

With this conceptual article, we seek to answer calls to conceptualize resource integration and actors' motivation to integrate resources (e.g., Kleinaltenkamp et al., 2012; Peters et al., 2014), as well as the performative prerequisites of actors' efforts during resource integration for value co-creation (Edvardsson et al., 2014). We posit that motivation is key for understanding actors' willingness to integrate resources and fundamental to why actors integrate resources. Motivation enables scholars to explain the effects of sociological constructs (e.g., institutions or structure) on resource integration. The aim of this study is to use motivation theories to further explain what drives resource integration. Resource integration reflects the micro-level activities in value co-creation processes. This article contributes to existing research by include actors' motivation as drivers of resource integration and thus explain how motivation at microlevel directs and shapes resource integration processes and outcomes. Furthermore, we contribute with a new definition of resource integration. The implications of addressing this are, first, to provide researchers with a conceptual framework for future research. Second, for practitioners it highlights that resource integration results in subjective experiences and thus cannot solely be understood from the value co-created in a holistic perspective, and finally the how value propositions offer actors directional motivation for their resource integration efforts.

Conceptual framework for the resource integration process

In line with MacKenzie et al. (2011) approach, the suggested conceptualization reflects how resource integration has been used in prior research. Based on the literature review and motivation theory we offer a construct conceptualization in terms of domain, theme, and definition (MacKenzie et al., 2011). The resource integration process' conceptual framework contributes to explaining the nature and role of resource integration in the narrative of value co-creation. The resource integration process consists of resource integration enabled by actor's competencies and driven by actor's motivation, leading to the specific direction, intensity, and persistence of the actor's behavioral and cognitive activities. These activities inform the actor, thus increasing the level of experience and strengthening the actor's competencies. All aspects throughout the process influence and are influenced by conditions of the service and social context. Furthermore, through resource integration activities, the actor

is creating, maintaining, and disrupting practices and in extension institutions. By performing this process, the actor co-creates value in a holistic perspective.

Defining resource integration

Based on an extensive literature review and our conceptualization, we seek to define resource integration as a motivational construct that enables the actors to create value-in-context. Accordingly, this article provides a conceptualization of resource integration, grounded in motivation theories, that extends SDL by theoretically explaining not only why but also to what degree actors integrate resources to co-create value for themselves and others. We contribute by explaining how motivation gives energetic force to resource integration concerning the direction, intensity, and persistence of actors' resource integration and thus influencing the resulting value-in-context. Moreover, by including the psychological mechanisms, we also shed light on how unconscious and habitual resource integration shape and direct actors' resource integration.

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Detecting Spurious Moderation Effect in Service Research: An Information-Theoretic Approach

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Introduction

Marketing researchers typically conducted moderation analysis to assess the presence of a moderator variable defined as the variable that affects the relationship between a predictor and dependent variable. That is, when one is hypothesizing about the presence of a moderator variable (Z) and found it to be statistically significant, one can conclude that the relationship between a predictor variable (X) and dependent variable (Y) will depend on the level of the moderator variable. If such situation occurs, the research will make a conclusion regarding the presence of a moderation or interaction effect. Moderation analysis are typically conducted to improve either newly discovered relationships or existing theories by establishing boundary conditions of such relationships or theories. The accessibility of publications (e.g., books, academic papers) on its conceptual foundations (e.g., Aiken & West, 1991), and availability of user-friendly statistical computer programs (e.g., Hayes, 2012), had made the use of moderation analysis continues to proliferate in publications in the service-related journals (e.g., Journal of Service Research, Journal of Services Marketing). The ubiquitous of moderation analysis can also be found in publications in various domains of social sciences such as psychology, health, tourism and management. For instance, using the keyword either 'interaction' or 'moderation', of the 7 articles published in the Vol 20, issue 4 of the Journal of service research, 5 of them (>70%) tested moderation effect hypotheses. Despite the extant empirical research, however, hardly any papers asses the possibility that the interaction effect could be confounded by curvilinear effect (Ganzach, 1997; Lubinski & Humphreys, 1990). The present research suggests a method that can help researchers in preventing this potential pitfall in detecting true moderation effect. Thus, this research aims at contributing to the improvement of the procedure and practice of moderation analysis. That is, we propose the use of information theoretic approach (Burnham & Anderson, 2003) as an additional indispensable research tool that should be included in the repertoire of researchers who want to conduct moderation analysis.

Moderation analysis and information-theoretic approach

Moderation Analysis

In testing moderation effect hypothesis, moderation is mathematically captured by an interaction term in the regression equation. One of the challenges in testing the moderation effect is the presence of curvilinear effect and multicollinearity between a predictor and moderator variable (Ganzach, 1997; Lubinski & Humphreys, 1990). That is, when the relationship between a predictor and the dependent variable is curvilinear (e.g., quadratic), researchers can make an erroneous conclusion that a moderation effect exists when, in fact, it does not.

Past papers have recommended that researchers should enter quadratic terms in the moderation regression equation and tested it either via join F-test of t-tests (Cortina, 1993; Ganzach, 1997). If the tests accept the null hypothesis of no quadratic effect, then the significant interaction term is unlikely to be spurious. Unfortunately, marketing researchers have not yet embraced this recommendation. In fact, most of moderation papers in the last issue of the *Journal of Service Research*, never reported this procedure.

The present article introduces the information-theoretic approach in moderated regression analysis. This approach utilizes the Akaike Information Criterion and other information derived from the criterion that can help researchers to assess the quality of their moderated regression model among set of plausible candidate models or also called a multi-model inference. While F-test are useful in testing the significance of quadratic effect, it does not give more information regarding the quality of the model among other plausible competing models, which might not present a serious contradiction to theory being tested.

Information-theoretic approach

The information-theoretic approach is a relatively new class of approach in inference (Burnham & Anderson, 2003), which does not use the traditional null hypothesis testing by means of pvalue. Burnham and Anderson (2003) provides an excellent statistical foundation of this method. This approach uses 'information loss' that are possessed by each model being considered as the basis of making valid inference about which model is going to be selected. The information loss refers to the loss of information that occurs when an estimation model is used to approximate the reality. A model with minimum information loss is selected as the best model among sets of candidate model. The heart of the approach lies on the use of information criterion, such as the Akaike information criterion (AIC) and/or its small sample corrected version as a measure of information loss. In practice, researchers compute AIC for each of the candidate models and select the model with the smallest AIC value. Comparing AIC values in model selection is not new in testing moderation effect in marketing where researchers typically compare a structural equation model with and without an interaction term based on AIC values. However, theory-proponent researchers were too restrictive in considering these two models only, neglecting other data-driven possible formulation (e.g., model that includes quadratic terms). In this paper, as the focus is on controlling for the presence of curvilinear effect, we recommended that researchers should consider not only a model with and without interaction term but also several models that are plausible. As the information-theoretic approach dictates, the key decision is indeed, in selecting what models to be included in the plausible set. Fortunately, for moderated regression, the choice of models to be included in the set is constrained by the structure of the model (i.e., by varying the coefficient of the linear additive model) and can be informed by models reported in the domain-related literature. Thus, this makes information-approach is appealing. In the next section, we provide an illustration.

Illustration and discussion

We illustrate, by use of simulation, how information-theoretic approach can be used as additional tool in moderation analysis. We generate data (N=300) according to this equation,

 $Y = X + X^2 + \varepsilon$, $\varepsilon \sim N(0,1)$, where X and moderator Z are sampled from multivariate normal distribution having 0.2 correlation. Estimating this relationship with linear and interaction term only will result in a significant interaction effect. As we use an information-theoretic approach, in the next step, we estimate eight candidate plausible models that include a linear model, purely quadratic models, model with linear and interaction term, quadratic models with interaction term and two models with linear, quadratic, interaction and. These formulation were developed on the basis of the literature review of the commonly reported models in published papers and derivation from the linear additive model (i.e. model 1). Among the eight candidate models, model 7 and 8 were derived from varying coefficient of the regression of the linear additive model (i.e., the coefficient as a linear and quadratic function of the independent variable).

We presented the results of our simulation in Table 1.

Table 1 provides information regarding the quality of the 8 models, which includes the information about the number of parameters in each model, the residual sum of squares, AIC values, distance and weight. These values are common statistics reported in informationtheoretic study. Using the D < 4 criterion ((Burnham & Anderson, 2003), model 2, 5, 6, 7 and 8 should be considered as models that are mostly plausible, which fit the data well compared to the other candidate models under consideration. From Table 1, it is obvious that the model with linear and interaction term, which is typically conducted and recommended in moderation regression model in marketing and service research is among the least plausible model, thus it should not be selected for further investigation. Given these findings and researchers can continue to testing the significance of the interaction terms that appear in model 6, 7 and 8 (e.g., using F or t-test). Subsequent analysis show that the interaction term in those models are not significant. Thus, given that the true relationship in the true model is curvilinear, using information- theoretic approach saves researchers from making a type-I error, while the traditional moderated regression model using parametric approach will lead to significant moderation effect. The statistics reported in Table 1 can be reproduced by using an SPSS macro called ModLR, which can be downloaded freely from Internet.

Table 1. Model comparisons

Model*	K	RSS	AIC	D	Weight
1. y = x + z	4	971.439	1212.740	418.996	0.000
$2. y = x + x^2$	4	242.823	796.807	3.063	0.092
$3. y = z + z^2$	4	1118.743	1255.095	461.351	0.000
4. y = x + z + xz	5	913.361	1196.246	402.502	0.000
$5. y = x^2 + z^2 + x + z$	6	237.173	793.744	0.000	0.424
$6. y = x^2 + z^2 + x + z + xz$	7	236.668	795.104	1.360	0.215
$7. y = x^2 + z^2 + x + z + xz$					
$+zx^2$	8	235.584	795.727	1.984	0.157

$$8. y = x^{2} + z^{2} + x + z + xz + xz^{2}$$

$$8 236.127 796.417 2.673 0.112$$

*Note: for simplicity, we did not include the parameters of the model and an error term in each equation. Because of the relatively small sample size, AIC correction was used.

Conclusion

This paper focuses on curvilinear effect that can influence the significance of the interaction term in moderated regression. This paper seeks to contribute to the improvement of researcher's methodological repertoire in conducting moderation analysis in marketing studies in general and services in particular. We recommended a two-step approach as illustrated in the previous section. We point out that the use of multi-model inference using the information-theoretic approach can help researchers to evaluate the quality of their moderated regression model in lieu of alternative plausible models, while at the same time preventing them to make an erroneously conclusion regarding interaction due to the spurious effect that stems from the presence of curvilinearity effect. The multi-model inference based on a simple moderation model has been integrated into a freely user-friendly SPSS macro, ModLR, which can assist researchers in conducting moderation analysis. We hope that this paper will increase researchers' awareness on the potential shortcoming of curvilinear effect in testing moderation hypotheses and stimulate researchers' to consider the use of information-theoretic approach and include this approach in their research toolbox.

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Applying Machine Translation in Sentiment Analysis: the Case of Chinese Reviews on TripAdvisor

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Introduction

Nowadays, service managers can dispose not only of large quantities of data that give them a deeper understanding of customer behavior (Siegel, 2016; Ostrom *et al.*, 2015), they can also draw on a wealth of user-generated content that is readily available on the internet. The steady growth of the number of blogs, vlogs, fora, comments, and reviews allows managers to gain a tangible sense of what goes on in the minds of customers and, consequently, to adapt their strategies accordingly (Munzel & Kunz, 2014; Ordenes *et al.*, 2014).

The most common ways of unearthing the perceptions and demands of customers are opinion mining and sentiment analysis (Ravi & Ravi, 2015; Liu, 2012; Pang & Lee, 2008). The idea that lies at the root of these methods is that opinions and sentiments that are voiced by customers can be classified as positive, neutral or negative (Weiss, Indurkhya & Zhang, 2015). Mainly owing to significant advances in the field of Natural Language Processing, we are now able to meet this challenge with remarkable aplomb, as evidenced by the range of methods that has been developed to leverage user-generated content. For an overview, we refer the reader to the survey of Medhat, Hassan & Korashi (2014).

A shortfall that is worthy of note, is that most of the research in this area is strictly monolingual in scope; it is almost exclusively concerned with opinions and sentiments expressed in English (Balahur & Turchi, 2014). Since methods in opinion mining and sentiment analysis are firmly entrenched in a certain linguistic context, this implies that the sentimental gist of reviews, tweets or blogs that have been written in languages other than English remains largely inaccessible to managers.

In recent years, researchers have therefore proposed various ways of creating bi- and, in exceptional cases, even multilingual resources for sentiment analysis (e.g., Mihalcea *et al.*, 2009; Banea *et al.*, 2008). The most extensive overview of these early endeavours into multilingual opinion mining to date can be found in Balahur and Turchi (2014). In addition to providing this overview, they also report on a study into the possible application of machine translation (MT) in sentiment analysis. With guarded optimism, they claim that, despite the often suboptimal quality of machine translations, the use of MT for multilingual opinion mining is "a promising direction for research" (Balahur & Turchi 2014, p. 58).

The current study aims to provide more insight into the potential usefulness of MT for sentiment analysis. This is investigated in the context of tourism, as previous research suggests that online reviews are particularly influential in this sector (Collie, 2014). More specifically, our study aims to answer the following research question:

To what extent can reviews that were originally published in a non-Western language (Chinese) on a popular travel forum (TripAdvisor) and subsequently machine translated into English, be accurately classified as expressing either positive or negative sentiment?

In answering this question, explicit comparisons are made between three publicly available MT systems and two widely-used approaches to sentiment analysis: lexicon-based and machine learning approaches (Medhat, Hassan & Korashi, 2014).

Methodology

To answer the research question stated above, we first manually compiled a corpus containing 992 Chinese reviews of popular tourist attractions from TripAdvisor. 268 of these were accompanied by a one- or two-star rating and therefore labeled as negative, whereas the remaining 724 reviews were accompanied by a four- or five-star rating and therefore labeled as positive.

Subsequently, the reviews were automatically translated using three publicly available MT systems: Google Translate, Microsoft Translator and Systran. The first two systems relied exclusively on a statistical engine, whereas the third employs a combination of rule-based and statistical translation techniques (Wu *et al.*, 2016; Devlin, 2016; Crego *et al.*, 2016; Shiwen & Xiaojing, 2015; Yang & Min, 2015).

Sentiment analysis was performed using KNIME (Berthold *et al.*, 2009). Two classifiers were created: one that was lexicon-based (sentiment scoring) and one that relied on machine learning (decision trees). The lists of positive and negative terms used for the sentiment scoring method came from the MPQA opinion corpus (Wilson, Wiebe & Cardey, 2017), and the cut-off between positive and negative was set at 0. Consequently, all reviews that contained more positive than negative terms were classified as positive. These classifications were then compared to the original labels derived from the star ratings.

The decision tree algorithms were trained on features that were present in at least ten different translated reviews. 70% of the reviews was randomly selected for training, the remaining 30% was used to test the performance of the resulting classifier by comparing the classifications assigned by the decision tree to the original labels derived from the star ratings.

Results

Sentiment scoring

In Table 1, the classification results for the sentiment scoring are summarized for all three MT systems. From this table, it becomes evident that (1) the performance was largely equivalent for the three MT systems and (2) the performance was much better for positive than for negative reviews. Systran seemed to perform slightly better for the negative reviews than the other two systems, but the resulting F-measure still fell well short of what is considered to be acceptable in the field.

0.357

0.819

0.386

MT system	Review polarity	Recall	Precision	F-measure
Google Translate	Positive	0.762	0.887	0.820
	Negative	0.484	0.278	0.353
Microsoft Translator	Positive	0.761	0.883	0.818

0.485

0.770

0.493

0.283

0.874

0.318

Table 1. Classification results for sentiment scoring per MT system

Negative

Positive

Negative

The poor performance on negative reviews was mainly due to a high number of false positives, i.e. reviews that were classified as negative although they were in fact positive (200 for both Google and Microsoft, 189 for Systran). This suggests that many authors used a relatively high number of negative words in their reviews, even though their overall impression of the tourist attraction was positive. This could be due to linguistic or cultural characteristics of Chinese reviewers, although further research is needed to substantiate this claim.

Decision trees

Systran

In Table 2, the classification results for the decision trees are summarized for all three MT systems. For this method, the differences between the systems were more pronounced than for the sentiment scoring. Google Translate performed best on the positive reviews, although it did not reach the level of accuracy obtained using sentiment scoring. Microsoft Translator was by far the most accurate on the negative reviews, but the gap between positive and negative reviews was quite large. Again, the disappointing results for negative reviews were caused by relatively high numbers of false positives.

MT system	Review polarity	Recall	Precision	F-measure
Google Translate	Positive	0.803	0.803	0.803
	Negative	0.469	0.469	0.469
Microsoft Translator	Positive	0.761	0.834	0.796
	Negative	0.588	0.475	0.525
Systran	Positive	0.775	0.793	0.784
	Negative	0.457	0.430	0.443

Table 2. Classification results for decision trees per MT system

Conclusions and discussion

The outcomes of this exploration of the potential usefulness of machine translation for sentiment analysis of reviews written in a non-Western language suggest that for positive reviews at least the prospects are good. Despite the fact that from the perspective of opinion mining, our corpus was relatively small, positive reviews were classified with a satisfactory degree of accuracy. This suggests that service managers can use publicly available MT applications to gain insight into the sentiments of customers who express themselves in a non-Western language like Chinese. Negative reviews, however, turned out to be more challenging. This may be partly due to their underrepresentation in the sample (which may have impacted the quality of the decision tree rules), and partly to the writing style of the authors (which may have caused them to use more negative than positive words even in reviews accompanied by four or five stars).

The MT system used exerted only a minimal effect on the classification accuracy. However, none of them involved Neural Machine Translation (NMT) (for a detailed discussion of NMT see Bentivogli *et al.* 2016; Wu *et al.*, 2016; Koehn, 2016). Owing to state-of-the-art techniques for multi-layer modelling, epochal training, complex vector and matrix operations, self-attention computation (semantic vector representation, word embedding) and zero-shot translation, NMT systems are believed to be better at inferring and transferring contextual meaning (Koehn, 2016, 2017). For this reason, it would be interesting to replicate this study using an NMT system like DeepL or Google NMT. Furthermore, it could be worthwhile to add n-grams as features for training the decision trees.

Overall, we believe that the exploration of different approaches to multilingual sentiment analysis merits the attention of service researchers, and that machine translation may in many cases be fit for this purpose.

3F. Services Employees II

Service Employee Gestures as Deep Acting Evidence

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Introduction

Emotional labor is the process of managing emotional expressions to fulfill the emotional requirements of a job. Service employees constantly adjust their expressed emotions through two emotion regulation strategies: deep acting (DA) and surface acting (SA; Gabriel & Diefendorff, 2013). In the DA strategy, employees modify behaviors through internal and cognitive change (Grandey et al., 2004); as such, it is difficult for customers to detect, thus not always valuing service employees' emotional efforts. Customers detecting DA were shown to increase purchases (Groth et al., 2009; Seger-Guttmann & Medler-Liraz, 2016). Despite extensive literature on emotional labor, empirical examinations have largely ignored the possibility of breaking down the essence of DA into discrete gestures. Customer displays of positive emotions have been traced to DA (Hennig-Thurau et al., 2006); however, research detecting employee gestures (besides emotional displays) and relating them to customerperceived DA is scant. The current study aims to explore the manifestation of gestures associated with DA that have yet to be identified. Thus, when service employees perform these gestures, customers may acknowledge them and associate them with authentic emotional efforts. For example, do customers attribute efforts such as employees trying to locate an item for the customer or offering useful tips as authentic (e.g., DA)? The current study seeks to fill this void by operationalizing service employee gestures that may contribute to designing customer-detectable emotional labor strategies.

Study I- Method & Findings

Study I, comprising two stages, addressed two sectors: Sports & Camping and Fashion.

Participants- For the sports & camping sector, 70 video recordings of service employee-customer interactions comprised the data for the current study (67% of the employees were males, 51% of the customers were females), with service interactions averaging 20 minutes (SD=13.25). A sports and camping store chain operated videos for purposes of monitoring. Seventy of these were chosen randomly and coded by a research assistant.

The fashion sector data derived from real time observations of service interactions with 101 female customers, recruited in clothing stores located in large shopping centers.

Procedure –

The purpose of the video samples was to detect the most recurrent gestures performed by employees during the service interaction. A research assistant reviewed each video and

documented all gestures. The five highest-occurring gestures were identified; the authors then operationalized these gestures and trained a research assistant in the use of a coding grid to assess the five gestures for use in the second sample.

For the fashion sample, with manager approval, a research assistant approached customers at the store's entrance, asking if they would be willing to participate in the study with full confidentiality. Employees' gestures during interactions were observed and coded. Finally, participants reported how many items they purchased and their total cost.

Measurements-

Observed employee gestures: The observational measure of employee behavior comprised five coded gestures: number of items (clothes/products) the employee offered the customer during the interaction, number of suggestions that the employee offered the customers from his/her free will (tips), number of inquiries the employee made to solve customer problems, pleasantness of tone of voice, and pleasantness of facial expression. The observers were trained to detect and document these specific behaviors, similar to the method used by Seger-Guttmann and Medler-Liraz (2016).

To evaluate customer commercial behaviors, *number of items purchased* was measured as the total amount of items (clothes/products) that the customer paid for. *Buying* was measured as the total amount of the bill.

Study I – findings

The findings for the sports & camping sample revealed that number of items/products offered and number of inquiries made by the employee were both positively associated with number of items purchased (r= .55, p< .01, for number of items/products offered; r=.26, p<.05, for inquiries), and buying (r=.37, p<.01, for items offered/products; r=.40, p<.01, for inquiries). Number of suggestions were positively associated with items purchased (r=.29, p<.05), and pleasant face expressions was positively associated with buying (r=.26, p<.05). Pleasant tone of voice was not associated with items purchased or with buying.

Among the findings from the fashion sample, number of items offered to the customer and employee inquiries were both positively associated with number of items purchased (r=.62, p<.01 for items offered; r=.29, p<.01 for inquiries) and buying (r=.45, p<.01 for items offered; 0.46, p<.01 for inquiries). Employee suggestions were positively associated with items purchased (r=22, p<.05) and buying (r=.28, p<.01). Facial expressions were positively associated with buying (r=.22, p<.05). Pleasantness of tone of voice was not associated with number of items purchased or with buying.

Study II – Method & Findings

Sample-Research data gathered in clothing stores comprised 40 live observations of employee-customer interactions with a focus on discerning employees' five gestures, along with 40

customer questionnaires. Sixty-five percent of the customers were female; customers' average age was 31 (range 19-62); 45% held an academic degree.

Procedure-

Following recommendations in Podsakoff et al., (2003, 2012) regarding ways to reduce common source bias, the data were collected from two different sources: a) observations of employee gestures, and b) self-report surveys administered to the customers to evaluate customer cognizance of employees' DA.

Study I's coding sheet was used in the present study. Before collecting the observational data, two research assistants were trained by the authors on evaluating employee gestures. Both research assistants visited each clothing store simultaneously and coded the same interactions independently.

With managerial consent, data were obtained through unobtrusive observations to reduce the possibility of deliberate display of more positive emotions by employees under direct observation. The research assistants entered the clothing stores and feigned shopping. They ambled around the store, examined clothing items, but did not request assistance. Upon completing their live observation of an interaction, the research assistants introduced themselves to the customer, asking politely whether they would be willing to complete a short survey. Customers were informed that the study concerned "attitudes related to the service encounter," with full confidentiality guaranteed, and that only the researchers would have access to the data; consent rate was 58%. Respondents were requested to place the completed questionnaire in an unmarked envelope to ensure anonymity.

We employed the procedure outlined by Rafaeli and Sutton (Rafaeli & Sutton, 1990; Sutton & Rafaeli, 1988), Pugh (2001), and Medler-Liraz (2016) to establish the reliability of the observational measures. Inter-rater correlations for the five observed measures were all above .90 (*p*s<.001). These reliability estimates compare favorably with those reported in a parallel study (Medler-Liraz, 2016).

Measurements- Customer cognizance of employees' DA was assessed by three items from Grandey's Emotional Labor Questionnaire (2003), originally developed by Brotheridge and Lee (2002). Items measured on a 7-point Likert-type scale, ranging from 1 (never) to 7 (always), In line with a technique recommended by Groth et al. (2009), the original questionnaire items were revised to accommodate the customer's perspective. For example, "I try to actually experience the emotions that I must show" was changed to "It seems that the employee is trying to actually experience the emotions that he or she must show." DA's reliability coefficient was .72

Employee gestures: Observational measures of employee gestures were presented in Study I. *Number of items purchased* was measured as the total amount of items that customer paid for. *Buying* was measured as the total amount of the bill.

Study II - Findings

The results show that four of the five employee gestures were positively associated with customer cognizance of employees' DA: number of items offered to the customer (r=.47, p<.01), suggestions(r=.33, p<.05), pleasantness of tone (r=.58, p<.01), and pleasantness of facial expressions (r=.44, p<.01)

Three employee gestures were positively associated with number of items purchased (r=.40, p<.01 for items offered; r=.54, p<.01 for suggestions; r=.55, p<.01 for tone) and buying (0.45, p<.01 for items offered; 0.36, p<.01 for suggestions; 0.31, p<.05 for tone). Neither employee inquiries nor facial expressions were associated with number of items purchased or customer buying. Customer cognizance of employee DA was positively associated to number of items purchased (0.32, p<.05) and buying (0.35, p<.05).

Discussion

Since Groth et al.'s work (2009), emotional labor strategies as detected by customers have been only rarely studied. In this regard, the current study provides support to the notion that customers detect specific gestures in terms of emotional labor. Operationalizing DA, the current study explored distinct employee gestures which were detected and correlated to customers' positive outcomes. Most examined gestures were found to be significantly related to DA as detected by customers. Employee inquiries may have been less discernable to customers, thus undetected by customers as DA.

Although significantly contributing to business, DA is difficult to detect (Groth et al., 2009). The present study's main contribution is the identification of customer-perceived gestures that are positively linked to DA, thus related to positive customer outcomes. These findings stress the need for training employees to deliberately use visible gestures as part of their job requisites and even replace common service skills that may be perceived to be less genuine.

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References available upon request.

Evidence for Three Role Behaviors for Frontline Service Employees

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Background Context

Customers build their impression of a firm based on the service encounter with Frontline Service Employees (FSEs) (Hartline, Maxham III, & McKee, 2000). The service encounter between a FSE and a customer helps to establish customer satisfaction (Liao & Chuang, 2004) and customers' value perception (Gould-Williams, 1999). To create positive service outcomes, FSEs need to respond to customers' requests with appropriate knowledge and control in different situations (Bitner, Booms, & Tetreault, 1990). In the service literature, these different FSE responses are addressed through distinguishing between in- and extra- role behaviors.

Both in-role and extra-role behaviors have been studied by a number of researchers (Barnes, Collier, Ponder, & Williams, 2013; Beatty et al., 2015; Katz, 1964; Yap, Bove, & Beverland, 2009). However, the concepts of in-role and extra-role behaviors have been variously defined, and hence there has been considerable criticism and confusion around their definitions and distinctions. Katz (1964) implies that in-role behaviors of FSEs include joining and staying within the system, and accomplishing their role tasks (Katz, 1964). Other scholars have described in-role behaviors of employees as the performances expected by firms (Chien & Lin, 2013) and/or customers (Barnes et al., 2013; Chebat & Kollias, 2000). Conversely, the performance that overrides the role specifications or requirements is considered extra-role behaviors. That is, extra-role behaviors include those that are not required for organizational functions.

Both in-role and extra-role behaviors have received much academic attention, however, there are very few studies that focus on the boundary between these two behaviors (Lai, Lam, & Lam, 2013). According to Yoshikawa and Hu (2015), the distinctions between the two behaviors are comparatively difficult to draw. Both employees and managers find them hard to recognize (Podsakoff, MacKenzie, Paine, & Bachrach, 2000), and their definitions are still inconsistent, unclear, and overlapping (Morrison, 1994). Lai *et al.* (2013) add that extra-role behaviors have been perceived differently across situations, which causes an unclear perception of the expected behaviors. Several studies found that the boundary between in-role and extra-role behaviors was poorly defined and varied according to employees and between them and their supervisors (Cohen & Kol, 2004).

Van Dyne and LePine (1998) argue that differentiating in-role and extra-role behaviors is important for both academic and managerial contributions. Several studies (e.g. Kamdar, McAllister, & Turban, 2006; Wu, Tang, Dong, & Liu, 2015) add that role definition directly influences the attitudes and motivation of extra-role behaviors. Key concepts such as prosocial behaviors are not conceptually distinguished as in-role or extra-role behaviors. According to

Kelley and Hoffman (1997), prosocial behaviors are the performances acted out by employees of the firm while carrying out their role, in order to benefit the welfare of others. The standard actions of prosocial behavior include, helping, sharing, cooperating, volunteering, donating, comforting, and caring acts (Brief & Motowidlo, 1986; McNeely & Meglino, 1994), which may be a part of the employee's job requirement or extend above task specifications (McNeely & Meglino, 1994). Providing greater distinction between in-role and extra-role behaviors must be emphasized owing to its importance for both academic and managerial contributions.

Given the plethora of issues this study sought to redefine the terms of both behaviors, especially those outside of the in-role. While most previous studies have given consideration to the organization's perspective, this study examines how customers perceive in-role and extra-role behaviors.

Method

Initial qualitative investigation focused on how FSEs consider firm regulations and rules, what factors drive them to perform role behaviors, and how they see their roles towards customers. A series of interviews was undertaken with FSEs to understand their phenomenological behavior towards customers (Marshall & Rossman, 2011). Content analysis was undertaken following the grounded theory technique of Corbin and Strauss (2015) to understand the various roles of FSEs and to categorise the behaviors. The analysis revealed a three-category classification of service-role behaviors: role-prescribed, beyond role, and helping behaviors.

This provided the framework for a quantitative empirical study to investigate how customers perceive the three-category classification of service-role behaviors. The study investigated seven constructs, reflective of the three-category classification of service-role behaviors, to examine how these behaviors affect customer satisfaction and value perception. Variables were identified from the qualitative data analysis and adapted from extant literature.

An important objective was to examine the perceptions of customers towards service-role behaviors of FSEs, as an independent way to provide validity to the three-part model.

Respondents completed a survey after a service encounter in a single branch of one of Australia's largest financial service firms. In total 250 usable customer service interactions were surveyed. This study conducted Structural equation modelling (SEM) method using AMOS 23 software to analyse the data.

Findings

This study revealed a three-category classification of service-role behaviors: role-prescribed, beyond role, and helping behaviors. This classification of roles moves away from a simple firm view of the service encounter, to classify the FSEs' service-role behaviors into three categories, not just two. (i) Role-prescribed behaviors are determined by a firm. FSEs undertake role-prescribed behaviors under the written scripts for maximizing the benefits of a firm and meeting their customers' expectations within the duty boundary. (ii) Beyond role behaviors are when the FSEs not only act the required role, but they also present themselves

and their personality in the service encounter. (iii) For helping behaviors, FSEs act this role in their own way and alter their behaviors according to the reactions and feedback they receive in order to help the customers during the service encounter. These three behaviors show that FSEs represent two actors, being the representatives of a firm (Bettencourt & Gwinner, 1996) and representing themselves, but also focusing on their customers as well as their firm.

This study provided evidence that the measures of each construct of all service-role behaviors are reliable and valid, and they are also distinct from measures of closely related constructs. Further, the empirical evidence demonstrates that the helping behaviors affect value perception, whereas the *considerate manner* construct of beyond role behaviors has an impact on customer service satisfaction. Interestingly, another construct of beyond-role behaviors, *rapport*, positively influences both satisfaction and value perception. This suggests *rapport* acts as a bridging behavior that links the FSEs actions and emotions to customer perception. However, role-prescribed behaviors had non-significant effects on customer satisfaction and value perception.

Theoretical Implications

The majority of previous literature has focused on the FSE role behaviors only from the perspectives of the employee, supervisor, and/or firm (e.g. Eldor & Harpaz, 2016; Van Dyne & LePine, 1998). According to Turnipseed and Wilson (2009), this may be the reason why the boundary between in-role and extra-role behaviors appeared to be poorly defined and varied among researchers. To the best of the researchers' knowledge, this study is the first to examine the perceptions of the service-role behaviors of FSEs from the customer's perspective and to see how that performance affects clients' service satisfaction and value perceptions.

The explanations of the role-prescribed behaviors' findings may be delineated by the Herzberg's Motivator and Hygiene Factor Theory (Herzberg, 1966). Herzberg proposes two distinct sets of factors for satisfaction: satisfiers or motivators, and dissatisfiers or hygiene factors (Chan & Baum, 2007). In applying Herzberg's theory to this study, the perception of customers is that role-prescribed behaviors are the normal, expected and required service provision. The absence of role-prescribed behaviors may cause customer dissatisfaction.

The most interesting theoretical result from the study is that beyond role and helping behaviors have different impact, with the former effecting customer satisfaction and the later having an effect on customer value perception in the context of a bank service encounter. That beyond role behaviors affect perceptions of satisfaction indicates that customers feel that the service encounter is conducted to a reasonable conclusion when the FSE behaves in a considerate manner and with rapport. That is, the service encounter is completed in a satisfactory manner because of the personal attention given by the FSE to completing a prescribed role. On the other hand, value perception follows helping behavior, which focuses on the customer's needs and not those of either the firm or the FSE. Thus, the hygiene factor of role-prescribed behavior is lifted by helping behavior to provide a value perception.

The confounding issue is that *rapport*, a beyond role behavior, also has an effect on customer value perception. This suggests that *rapport* holds an interesting theoretical position

as a bridging behavior, which is not only a result of the FSEs actions and emotions, but is also a customer-connected behavior. This is theoretically sound, given that *rapport* is focused from the FSE towards the feeling and emotions of the customer (Wacker, 1998).

The construct of *helping* behaviors surprisingly has an effect only on value perception. There is no clear explanation of why helping behaviors do not affect customer service satisfaction. However, the effect of helping behaviors on customer value perception is explained by the FSE's discretionary or voluntary acts towards the customer being above expectations.

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Frontline Employee Friendliness: an Exploratory Investigation in the Service Industry

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Introduction

Frontline employee friendliness has recently received renewed attention in the service marketing literature. Part of the service process involves creating a customer–employee relationship to foster customer satisfaction. To facilitate this goal, frontline employees may display positive emotions, such as friendliness, when interacting with customers during the service encounter (Hennig-Thurau *et al.*, 2006). Indeed, having a friendly relationship with a frontline employee has been shown to increase customer satisfaction (Liu *et al.*, 2016).

Recent developments in the service field suggest that friendliness consists principally of a warm, affective, and personal approachability of frontline employees while interacting with customers, beyond what is perceived as standard in the given context (Gremler and Gwinner, 2008). Accordingly, frontline employee friendliness refers to a combination of attitudes and behaviors not related to the core service (Reisman, 1984). Nevertheless, few researchers agree on the exact dimensions. Moreover, it is unclear which one of these dimensions most influences customer satisfaction. Hence, we propose the following research questions: (1) To what extent are the dimensions of frontline employee friendliness supported across service industries? (2) What is the relative importance of these dimensions?

Literature Review

The literature emphasizes various facets of frontline employee friendliness that have been explored independently. While each of them explains in part the concept of frontline employee friendliness, none of them entirely apprehends the complexity of the construct. Based on the critical review of the literature, we unearth three behavioral facets, namely humor, informality, and social disclosure; as well as an attitudinal facet, namely authenticity supporting the others.

Humor denotes frontline employees' temperament to induce laughter and amusement in their conversation (Winsted, 1999). Joarder *et al.* (2017) mention that healthcare providers sense of humor is a critical element of friendliness. Several studies also identified humor as a critical determinant of customer service evaluation and satisfaction. For instance, results from van Dolen *et al.*' (2004) study suggest that frontline employee sense of humor increases customer satisfaction in face to face encounters by making the customer feel at ease.

Informality characterizes frontline employees' casual way of acting or talking in establishing a friendly personal connection (Winsted, 1999). Butcher *et al.* (2002) point out that informality is an inherent part of frontline employee friendliness, in the sense that to establish a friendly relationship, frontline employees ought to address customers informally. Frontline employee informality is found to have a significant role in customer evaluation of service encounter and satisfaction (Butcher *et al.*, 2002).

Social disclosure refers to frontline employees making small talk and asking non-essential personal information to customers, bringing the commercial relationship to a personal level rather than focusing solely on the core service (Jacobs *et al.*, 2001). Joarder *et al.* (2017) suggest that social disclosure is a crucial component of friendliness for healthcare service providers. Most studies have demonstrated a positive influence of frontline employees engaging in social talk non-related to the core service, such as general topics on weather or personal interests by inducing an enjoyable and intimate interaction (Ryoo, 2005).

Authenticity concerns frontline employees' natural and genuine emotional display during service encounters rather than just fulfilling a role (Grandey *et al.*, 2005a). Price *et al.* (1995) identify authenticity as a key dimension of frontline employee friendliness. Empirical research focusing on "service with a smile" and customers' ability to detect the sincerity of smiles, identify authenticity as enhancing frontline employee trustworthiness and thus customer satisfaction (Grandey *et al.*, 2005b).

Methodology

We used an online survey design to question respondents from a variety of service industries. We sent a link to an online survey to 3,500 students from different majors of a European university and received 760 questionnaires back resulting in a response rate of 21.7%. After deletion of questionnaires with more than 10% of missing values, we retained a total of 570 usable questionnaires for the analysis across four service industries: bar (n = 209), restaurant (n = 125), hotel (n = 103), and haircare (n = 133). The mean age of the respondents was 25 years old (SD = 6.9 years), while 66% were females.

We asked respondents to rate 16 frontline employees' friendly attitudes and behaviors on a 7-point Likert scale from (1) "do not agree at all" to (7) "totally agree." All the items were generated based on our review of the literature and a qualitative phase.

Results

We used an exploratory factor analysis to assess the dimensionality and to determine the relevance of each of these dimensions unearthed in the literature. A common exploratory factor analysis with VARIMAX rotation was undertaken to analyze the 16 items. We deleted four items with insufficient or cross loadings. A statistically significant Bartlett's Test of Sphericity ($\rho = .000 > .80$) and KMO statistic (KMO = .825) indicate that the overall factor solution composed of 12 items adequately accounts for the underlying structure of the data.

Evaluation of the Eigenvalues and scree plot indicates a four-factor solution, which explains 80% of the total variation in the variables. The four-factor solution is consistent with our expectations based on the review of the literature. The first factor emerging is frontline employees' informality, accounting for 40% of the variation in the data. The second factor concerns frontline employees' humor and explains 16% of the variance. The third factor identified as frontline employees' social disclosure accounts for almost 12% of the variance.

The final factor underlined is frontline employees' authenticity, which explains about 11% of the total variance.

Another primary criterion to take into consideration is the relative importance given to each dimension concerning customer satisfaction. In order to determine the relative importance of their effects we conducted a multivariate linear regression analysis of frontline employee friendliness dimensions on customer satisfaction. The four dimensions of frontline employee friendliness account for 27% of the variance of customer satisfaction. Regression results show that the different dimensions do not have the same weight.

Frontline employee authenticity is the strongest dimension of frontline employee friendliness to drive customer satisfaction with a standardized β coefficient of .447 (p < .001). Humor is the second strongest dimension of frontline employee friendliness with a standardized β coefficient of .144 (p < .01), to have an effect on customer satisfaction. Finally, informality and social disclosure, with respective β coefficients of -.015 (p > .05) and -.049 (p > .05) do not seem to have significant effects on customer satisfaction.

Discussion and Conclusion

Our study contributes to the advancement of the service literature in several novel ways. We provide a definition of frontline employee friendliness and its dimensions that expands our current knowledge on the construct of frontline employee friendliness. More importantly, we determine which dimensions of frontline employee friendliness are the most prominent ones for customer satisfaction. We find substantial evidence that customer satisfaction is driven by the behavioral dimension of frontline employees' humor, and the attitudinal dimension of frontline employee' authenticity.

We could not replicate results indicating a direct effect of informality and social disclosure on customer satisfaction. In our study, the regression paths between these two variables and customer satisfaction are non-significant. Accordingly, our results suggest that the dimensions of frontline employee friendliness likely bring differentiated effects on customer satisfaction, and even have different outcomes. For example, informality and social disclosure could directly influence loyalty. In point of fact, Butcher *et al.* (2001) observe in their study that frontline employee friendliness influences loyalty but not customer satisfaction.

From a managerial point of view, our results show that frontline employee friendliness needs to be taken into account when managing customer–employee relationship. Above all, given that frontline employees' authenticity is the most significant driver of customer satisfaction, we recommend to service firms managers to reinforce their training programs to put more emphasis on the attitude, rather than just exhorting a superficial smile from frontline employees.

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3G. Service Experience

"Buy-it-yourself": Should the retailing industry support do-it-yourself practices?

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Abstract

With the emergence of Web 2.0, do-it-yourself has been considered as a threatening tendency challenging the retailing industry. However, this research assumes that, under some circumstances, effort investment of DIYers in a diversity of activities encourages them investing in greater quality material and diversifying their range of materials, so that in fine they become valuable customers. This research aims to explain factors influencing purchase intention of recommended materials. Study 1 investigate the ambiguous role of effort on purchase intention of recommended materiel in DIY tutorial, while study 2 investigates the role of learning investment (positive connotation) and sacrifice (negative connotation) on purchase intention of quality and related products. Study 1 shows that the relationship between effort and purchase intention is positive if consumers perceive the effort experience as positive, but negative if the effort experience is negatively perceived. Study 2 shows that greater learning investment (positive connotation) on the long run leads to greater purchase self-efficacy, and thus greater purchase intention of higher quality products and a larger range of products. Managerially speaking, when DIY is not perceived as a burden or obligation, do-it-yourself may thus be encouraged by retailers of high quality products rather than be perceived as a threat.

Keywords: Do-it-yourself, learning investment, purchase intention of quality products, purchase self-efficacy

Introduction

The growth of the home improvement industry has encouraged the raise of "do-it-yourself" practices through the success of retailers such as Home Depot or Lowe's (Wolf and McQuitty, 2013). Despite periodic ups and downs, Tratensek and Jensen (2006) describe the home improvement industry as nearly recession proof. Paradoxically, the production and creation of DIY projects requires mass-produced retail commodities (Campbell, 2005, p. 27). Retailers have promoted and normalized the raise of DIY by selling adequate products at lower prices to amateurs instead of professional customers (Watson and Shove, 2008). Even though a certain amount of knowledge and competence is still required, DIY activities bring professional practices closer to ordinary people (Watson and Shove, 2008). Media has helped promoting and legitimzing customization and renovation practices by inspiring ordinary customers through TV shows or ads (Watson and Shove, 2008).

The increasing size of the DIY market offers coproduction opportunities. Wolf and McQuitty (2013) suggest that companies can benefit from this market by offering opportunities to increase customers' competence and ability in judging product quality. This should encourage customers' to upgrade their DIY projects or the quality of component parts (Wolf and McQuitty, 2013). Retailers can help customers becoming co-producers by providing them with the adequate information that helps optimizing their behavior and choices, may it be through the development of project ideas or through customer education (Lawler, 1992; Lengnick-Hall, 1996; Wolf and McQuitty, 2013).

The academic literature on DIY has mainly been interested in sociodemographic characteristics of DIYers and on the outcome of DIY activities and projects, but lacks of further scientific insight (Wolf and McQuitty, 2013; Watson and Shove, 2008). In this research, the authors suggest that DIY practices should be encouraged by retailers of high quality products if the effort required to succeed in DIY practices is not perceived as a burden, but as a positive investment. In this sense, study 1 tests these assumption in a short-term situation, while study 2 looks for these effects on the long run. More specifically, study 1 tests under what conditions learning effort leads to improved purchase intention of quality products, namely by investigating the role of product attitude. Study 2 then studies the role of learning investment (positive connotation) and sacrifice (negative connotation) on purchase intention of quality products and related products.

Theoretical background

Do-it-yourself

Wolf and McQuitty (2013) describe the DIY market as a neglected form of consumer behavior through which individuals' prosumption activities can be motivated by certain marketplace conditions and result in the coproduction of values. DIY can be considered by some customers as work, while others consider it more as a self-expressive or creative activity (Watson and Shove, 2008). DIY helps making new activities and practices more accessible to amateurs and may in some cases contribute to product innovation (Mintel, 2003).

Compared with self-servicing (Bateson, 1985; Dabhollkar, 1996), DIY distinguishes itself by requiring more labor and expertise (Wolf and McQuitty, 2013). Wolf and McQuitty (2013) distinguish DIY from art and craft activities in that DIY projects require more labor and consume greater resources. Moreover, the retail industry is composed of different retailers for both activities. DIY is more than just assembling a series of products, but is rather about the skillful creation of recognizable assemblages (Campbell, 2005).

Successful DIY activities are a result of self-effort, cognitive and physical skills (Wolf and McQuitty, 2013). Consumers add value by learning how to use and adapt certain consumer goods to their needs, usage situation and behavior (Vargo and Lusch, 2004). Two conditions are necessary to engage in DIY activities, namely time and experience (Watson and Shove, 2008; Wolf and McQuitty, 2011).

Relationship between investment and purchase of quality products

Consumers' investment efforts contribute to the product's perceived value (Sweeney and Soutar, 2001; Wang et al., 2004). Self-made products that require labor encourage consumers to increase their valuation for these products, whether consumers are experienced DIYers or novices (Norton, Mochon and Ariely, 2012; Mochon et al., 2012). DIY practices help them considering these products as their own (Sarstedt, Neubert, and Barth, 2017), but also to consider themselves as creators, which improves their feeling of self-accomplishment (Franke, Schreier, and Kaiser, 2010). Research shows that the attractiveness of self-made products is increased when consumers need to signal their competence of assembling them (Dohle and Siegrist, 2014; Mochon et al., 2012). The feeling of competence acts in turn as a motivator of engaging in DIY projects (Dahl and Moreau, 2007) and may thus encourage consumers to invest in sustainable material. This can be explained by previous works that suggest that consumers use products to signal their identity (e.g. Belk, 1988, Belk, 2013; Berger and Heath, 2007; Thompson and Norton, 2011). More specifically, Watson and Shove (2008) describe DIY activities as a transformational activity where increased skills and competencies define and modify consumers' identity.

Research has also shown that consumers tend to increase their consumption of a product if they made it themselves because of an increased liking (Dohle and Siegrist, 2014). More globally, greater liking and valuation of self-created products is a result of "effort justification" (Norton et al., 2012). The ambiguous role of effort: positive and negative experiences

In previous research, effort has had ambiguous consequences as it depends on contextual factors. More specifically, effort may be positively or negatively perceived by individuals.

On the one hand, effort may be perceived as a positive experience. Putting effort in acquiring knowledge helps consumers deriving more meaning from future product experiences and improving consumers' appreciation regarding these upcoming experiences (Clarkson, Janiszewski, and Cinelli, 2013; Jacobsen, 2010). When consumers invest effort, they contribute toward creating a successful experience and thereby set expectations (Beldona and Kher, 2015). They spend time and effort in assembling sustainable goods or time to prepare packaged goods to improve their future experience with the product (Zeithalm, 1988). Novice decision makers are more likely to invest efforts if the issue is positively framed, rather than negatively (Mittal, Ross and Tsiros, 2002). From this literature, effort has a positive connotation, according to which greater amount of effort helps improving the overall consumption experience (Clarkson, Janiszewski, and Cinelli, 2013; Jacobsen, 2010).

On the other hand, effort may be perceived as a negative experience. According to the literature, effort may also refer to sacrifice, which has a more negative connotation but still refers to effort investment. Sacrifice means giving up something valuable to derive benefit or to acquire or consume a product or service (Wang et al., 2004; Zeithalm, 1988). It can be monetary, e.g. spending money, or non-monetary investment (Sweeney and Soutar, 2001; Wang et al., 2004). Non-monetary sacrifice may result from time, effort, search or psychic costs (Zeithalm, 1988). Wang et al. (2004) predict negative effects of sacrifice on customers' attitude and behavior.

This research investigates the dual role of effort on purchase intention of quality products. On the one hand, consumers attribute greater value to the product if they enjoy the process effort of self-creating or self-designing products (Franke and Schreier, 2010). On the other hand, sacrifice, having a negative connotation, should lead to negative purchase behaviors.

Moreover, we investigate the impact of effort on purchase intention of quality products. Watson and Shove (2008) suggest that consumers with greater DIY experience and expertise should be more likely to look for quality products that guarantee a long and frequent use. They claim that DIY goods sold by retailers meet pre-existing needs, which should vary according to customers' motivation and level of expertise. In the DIY industry, high quality products have been described by Watson and Shove (2008) as high-end consumer products or as products from the professional range. Consequently, this research investigates the impact of DIY on, first, purchase of higher quality products, and second, purchase of related products in the product range.

Consequently, this research sets the following questions:

- 1. Under what circumstances does effort lead to improved or decreased purchase intention of quality and related products?
- 2. How does learning effort vs. sacrifice impact purchase intention of quality and related products?

Hypotheses:

Two pilot studies were conducted to investigate the role of DIY practices on purchase intention of different types of products. These pilot studies triangulated results from a qualitative approach (N= 20) and an exploratory survey (N=76) and aimed to provide a comprehensive overview on the phenomenon and to contribute to the hypotheses development.

Based on the literature review and supported by first exploratory results, the authors tested to what extent DIY experiences convince consumers to purchase higher quality products instead of cheaper or usual products. The authors expect that effort may play an ambiguous role on purchase intention of quality products depending if it's associated to a positive or negative perception of the experience. The following studies test this assumption from two perspectives. Study 1 tests the relationship by looking more specifically at the interaction between effort and attitude, while study 2 investigates the role of learning investment (positive connotation) and sacrifice (negative connotation) on purchase intention of quality and related products. We set the following hypotheses:

- H1. Higher effort investment leads to higher (lower) purchase intention of quality products if consumers' attitude toward the product is positive (lower) [study 1]
- H2. Higher learning investment (positive connotation) leads to higher purchase intention of quality products [study 2]
- *H3*. Higher learning investment (positive connotation) leads to a higher intention of purchasing related products [study 2]

H4. Higher sacrifice (negative connotation) reduces purchase intention of quality products [study 2]

H5. Higher sacrifice (negative connotation) reduces purchase intention of related products [study 2]

H6. The relationship between learning investment/sacrifice and purchase intention is mediated by purchase self-efficacy [study 2]

Study 1: Short-term consequences of mental effort investment

Method. Study 1 aims at understanding the role of mental effort and attitude toward the product on purchase intention of recommended products in a DIY tutorial (i.e., high quality products). To test the first hypothesis, 234 American panelists participated in an online survey in exchange for money. After passing an attention check question, respondents were instructed to read an online text and image tutorial on how to install wooden parquet flooring. The tutorial explained in 8 steps how to prepare the floor, cut and lay parquet flooring of a particular brand.

After reading the tutorial, respondents were asked to rate their level of mental effort on the tutorial on a 7-point semantic scale ranging from 1 "extremely easy" to 7 "extremely difficult" (DeLeeuw and Mayer, 2008). Their purchase intention was measured using Dodds, Monroe and Grewal's (1991) scale and their attitude toward the product was measured through Dabholkar and Bagozzi's (2002) scale. We included involvement (Zaichkowsky, 1985, 1987) and expertise (Aurier et Ngobo, 1999) as control variables. We used 5-point Likert scales (where 1 = strongly disagree, 5= strongly agree) and averaged multi-item constructs to indices.

To test the suggested relationships, the authors performed a moderation analysis (Hayes, 2012) using Hayes' Process macro (model 1, bootstrap= 5000, confidence interval= 95%). They tested for the impact of the interaction between mental effort and attitude on purchase intention of the recommended parquet flooring. Involvement and expertise were added as covariates.

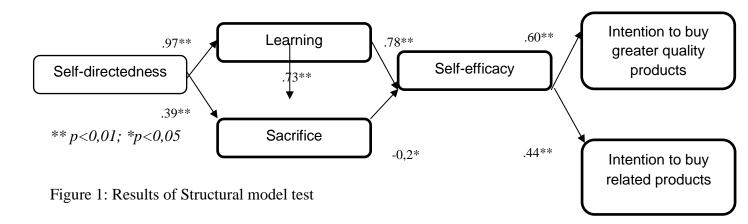
Results. Results of the moderation analysis show a significant model (F(5, 228)= 64.66, p= .000) and a marginally significant effort*attitude interaction (F(1,228)= 3.46, p= .064). Findings show that when participants indicate lower attitude towards the product, the impact of mental effort on purchase intention is negative, while higher attitude ratings show a positive impact of mental effort on purchase intention of recommended products.

Study 2: Long-term sacrifice and learning investment on purchase intention of quality and related material

Method. Study 2 aims at testing the impact of sacrifice *vs.* learning investment on purchase intention of higher quality products through increased purchase self-efficacy and investigates the mediating role of self-efficacy. The authors use structural equation modeling to test the conceptual model (H2 - H6).

Results.

The result of confirmatory factor analyses show good indicators and a good model fit: CMIN = 437,601; CMIN/DF= 2,501; GFI= 0,868; AGFI=0,826; CFI= 0,919; RMSEA= 0,076.



As illustrated in Figure 2 below, self-directness positively impacts learning investment and sacrifice. However, while learning investment enhances self-efficacy, sacrifice has a negative mpact on self-efficacy. The result also show that self-efficacy positively impacts intention to buy greater quality and intention to buy related products.

General discussion

While the retailing industry promotes and normalizes the raise of DIY, other products, namely non-self-made products, fear that the rise of DIY threatens the success of their company. This research therefore investigated the conditions under which doing something on one's own improves the investment in quality material. More precisely, the authors examined the ambiguous role of effort in consumers' intention to buy recommended materials. Research in this area remains fragmented while managerial interest and consumer demand for DIY activities continuously increases. These results therefore contribute to its overall understanding by completing research on DIY motivations and consequences. Although, Watson and Shove (2008) discuss that customers with greater DIY expertise should be more likely to look for quality products that guarantee a long and frequent use, they do not explain the underlying mechanism of their assumption. The findings of this research complete their work by investigating the DIY phenomenon under an "effort justification" angle (Norton et al., 2012). Findings indicate that when DIY is not perceived as a burden or obligation, do-it-yourself should be encouraged by retailers of high quality products rather than be perceived as a threat. Future research could be conducted to test different aspects of effort (e.g., physical effort) in consumers' purchase intention following DIY activities.

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Delivering integrated and customised service experiences within a heterogeneous cultural organisation

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Introduction

This investigation explores challenges in providing integrated and customised services across a heterogeneous cultural organisation. It contributes to contemporary research which increasingly looks at service experience in a number of contexts including public services (McColl-Kennedy, Janet R. Gustafsson et al., 2015), and emphasises the complexity of customer journeys (Lemon & Verhoef, 2016). This study also aligns with research that considers the heterogeneity of cultural consumption (Marschall, 2014; McCamley & Gilmore, 2017) and tourists' experiences of intangible and tangible elements across a range of sites, some with connections of individual resonance (Poria & Ashworth, 2009; Poria, Butler, & Airey, 2004).

The national destination marketing organisation for Scotland, VisitScotland, has identified Ancestral Tourism as a growth market with the potential to benefit all regions of Scotland. Thus far, ancestral tourism research in Scotland has mainly focused on the rural and Highland regions of the country with the legacy of urban, industrial heritage largely absent from established ancestral narratives and tourist provision. This research explores the provision of ancestral tourism within an urban context and investigates the delivery and service experience within a specific organisational context while contributing to heritage tourism from a supplier perspective.

Glasgow Life is a semi-autonomous organisation within Glasgow City Council responsible for disparate functions and facilities, including museums, culture, sport and learning. It is charged with the delivery of social aims through its provision of facilities while using the same to encourage economic regeneration and growth through cultural tourism. As custodians of Glasgow's cultural and heritage assets, it promotes and encourages public access while maintaining the integrity of curatorial and archivist roles as well as preservation of objects and documents. Ancestral Tourism, largely consumed by the Scottish diaspora in the rest of the UK as well as overseas markets such as Canada, the USA, Australia and New Zealand, has been identified for development by Glasgow Life from both social and economic perspectives. Glasgow Life seeks to match the city's offering of urban/industrial heritage with its ancestral tourism potential but needs to develop a strategy to align provision across its diverse array of subsidiary institutions, including museums, galleries, and archives.

Aims and Objectives

The aim of this research is to investigate provision and promotion of ancestral tourism across the museums, galleries and archives operated by Glasgow Life. Exploring staff experiences, this study investigates how these areas of the organisation deliver and connect their services in response to consumer demand. This exploration also aims to provide insights into how the organisation can integrate provision and promotion to deliver a more coherent service.

Methodology

The research was carried out just over a year from June 2016 to August 2017. Using qualitative methods and approaching the research from a subjectivist stance, data collection took the form of interviews, observation, and informal conversations with staff at Glasgow Life. Interviews were conducted with thirty-seven participants working across several levels and areas of the organisation, selected through a combination of snowballing and judgement. The researcher also recorded field notes from observations and informal conversations during attendance at training events and meetings within the organisation.

Findings

One of the challenges for organisations is understanding the multiple touch points that make up a service experience, some within their control, and some that are not (McColl-Kennedy, Janet R. Gustafsson et al., 2015). The fieldwork reveals a "plethora of portals...currently unconnected in any way, in which customers/visitors can access our collections" (Manager, Archives). Minimal control over these portals or 'touch points', can affect the overall service experience and the meeting of customer expectations (Lemon & Verhoef, 2016). Several participants highlight experiences with ancestral tourists with high or unrealistic expectations where "the challenge is trying to find ways to meet these expectations" (Manager, Family History Archives). Integration of service is exacerbated by the nature of many ancestral tourism encounters that often require individual attention and customisation (Murdy, Alexander, & Bryce, 2016). The findings reveal that ancestral tourists expect more of a customised service than staff were able to provide suggesting issues with the initial stages of the customer journey.

Currently, the marketing approach to ancestral tourism from Glasgow's Destination Marketing Organisation (DMO) is "reactive rather than proactive" (Marketing Manager, DMO), and focuses on the promotion of various archives that provide resources for detailed family history investigations. This research expands understanding of ancestral tourism with examples of ancestral tourists who do not or not only carry out detailed research but visit multiples sites with heritage collections that provide context to their ancestors' lives. This research discovers ancestral tourists who are interested in the urban, industrial narratives of their ancestors' lives and who want to "visualise" and "have a broader picture of what their ancestors' lives may have been like" (Manager, Archives). The findings show that museums and archives provide this offering for ancestral tourists, but staff have limited familiarity with ancestral tourism external to their own areas of the organisation. This inhibits the potential for integrated ancestral tourism experiences.

Another challenge is the 'myriad of touch points and resulting information overload' (Lemon & Verhoef, 2016:76): the "information and signage is usually just overwhelming and too much to take in" (Archive Assistant). The complexity of information available not only compromises the likelihood of visiting places that could offer an ancestral tourism experience but could also affect the overall service experience. The recent merging of Glasgow's DMO with Glasgow Life has the potential for more control over the multiple touch points in the customer journey, and to promote ancestral tourism to those who "have no interest in a research project" (Archive Assistant) and are put off by the complexity of information at various touchpoints. This not only allows for improvements in the service experience with less individual customisation required, but creates the opportunity to deliver a more holistic and satisfying ancestral tourism experience.

Discussion and Conclusion

Exploring ancestral tourism provision and promotion within this heterogeneous cultural organisation, the findings reveal challenges relating to the complexity of the customer journey and its effect on the ancestral tourism service experience.

The findings accentuate the importance of the 'information gathering' stage of the customer journey in ancestral tourism that can cause issues in terms of customer expectations. This research supports existing research that discusses difficulties in providing customised services for customers with high expectations (Murdy et al., 2016). McColl-Kennedy et al., (2015:431) emphasise that managing how customers begin a service journey, is 'one of the main challenge that organizations face...given that customers differ in their role preferences, abilities and resources'. The organisation needs to develop understanding of how the initial points (or 'precore stages') influence expectations so that they should 'strategically manage those initial touchpoints to enhance consumers' desires for an offering, without inflating their expectations' (Voorhees et al., 2017:273). The use of 'nudges' or strategies to influence and direct customers at these initial stages, has been highlighted as an effective tool that impacts the whole service experience (Voorhees et al., 2017).

A 'plethora' of touch points also creates a challenge for the organisation's control of the service experience. The iterative and dynamic process of the customer journey has been discussed by Lemon and Verhoef (2016:69), where they emphasis the task of controlling the experience as customers interact 'through myriad touch points in multiple channels and media'. Lemon and Verhoef (2016:78) also refer to types of touch points; some that are brand-owned (by the organisation), some partner-owned, and other that they have 'no or minimal influence over (customer-owned, social/ external)'. In this specific organisational context, there are multiple areas that provide and promote ancestral tourism, some that are not brand-owned. Research on ancestral tourism provision in Scotland in general has highlighted the disjointed and inconsistent network across the country (Alexander, Bryce, & Murdy, 2017; Durie, 2013). Therefore, taking a 'network perspective' (Lemon & Verhoef, 2016) of the customer journey, considering the broader service delivery, is critical in order to strengthen the service experience. Contemporary research on service experience also accentuates the importance of 'a holistic service experience' that 'compromises the pre-core, core and post-core service

encounter periods' (Voorhees et al., 2017:269). Lemon and Verhoef (2016:83) agree that to create better integration, influence, and a 'seamless service experience', organisations should design and manage this entire process.

This research expands understanding of ancestral tourism with potential for 'light-touch ancestry' (Wright, 2009), to promote and package ancestral tourism that could generate income for the organisation, integrate service, and goes beyond the promotion of archives, also accentuating intangible elements of Glasgow's cultural and heritage offering. The findings tie into discussion on heritage tourism as individually experienced with the consumption of tangible and intangible elements across a range of sites that tourists perceive as being part of their own heritage (Alexander et al., 2017; McDonald, 2011; Poria & Ashworth, 2009). Incorporating this knowledge into the customer journey, the organisation has the potential to improve the service experience by considering this broader service delivery (Lemon & Verhoef, 2016) and providing a more coherent and integrated ancestral tourism service.

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Transforming mundane experiences: exploring customer well-being of the commuting journey

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Introduction

Improving well-being through transformative service has been highlighted as a research priority in recent years (Ostrom et al., 2010; 2015) with traditional service research criticised for rarely considering the broader outcomes resulting from service experiences (Anderson et al., 2013). With continuous usage of service and a number of interactions that customers have with services and service systems in their daily lives, it becomes critical for researchers to look beyond typical service measures like customer satisfaction and loyalty, and investigate the transformative outcomes that can potentially be resulted from service experiences (Anderson et al., 2013; Ostrom et al., 2015). To date, studies have neglected the possible effects of service experiences on customers lives, particularly in the context of well-being within every-day or otherwise mundane service settings, including commuting experiences by public transport, the context for this study.

Customer experiences do not occur in a dyadic but in a dynamic nature, consisting multiple touch points and stages in the course of the journey (Lemon & Verhoef, 2016). Despite the increasing interest in customer experiences, there is a limited empirical work from the customer journey perspective (Lemon & Verhoef, 2016; McColl-Kennedy et al., 2015; Voorhees et al., 2016). How the experiences evolve across multiple touch points and stages during the entire journey, and how these relate to the overall experience and key customer outcomes still remains under-researched (Lemon & Verhoef, 2016).

Accordingly, this study explores the customers' commuting journey by understanding the flow of interactions and possible touch points that customers typically follow along the journey, and also to gain an insight of the potential effects that it has on the overall commuting experience and customer well-being. By exploring across the entire customer journey, this study not only contributes to the conceptualisation of the notion of a holistic and dynamic customer journey, but also provides a different perspective of the transformative effect of such everyday experiences which do not have implicitly transformative goals as opposed to more transformational services such as healthcare and education.

Theoretical Framework

Scholars and practitioners have come to agree that customer experience is dynamic and a static or snapshot understanding from organisations' perspective is no longer sufficient (McColl-Kennedy et al., 2015). Recently, Lemon and Verhoef (2016) propose a process model for customer journey and experience, emphasising the flow of customer experience process from

pre-purchase to purchase to post-purchase, and different touch points including brand-owned, partner-owned, customer-owned, and social/external touch points. The importance of touch points varies in each stage, depending on the nature of the product/service or the customer's journey itself (Lemon & Verhoef, 2016). Furthermore, it is not a single touch point that affects the overall service experience, but more broadly the interplay between, and the combined effect of, all touch points (Pareigis, Edvardsson, & Enquist, 2011), thus a holistic examination of the effect of touch points throughout the journey is needed.

However, when examining dynamic effects of these touch points, existing researchers do not account for the possible existence of halo effects that may occur along the journey. The term halo effect emerged from the psychology field to describe the "tendency to think of the people in general as rather good or rather inferior and to colour the judgements of the qualities by this general feeling" (Thorndike, 1920, p.25). In marketing, a few studies have investigated halo effects in the context of satisfaction both from customers' (Mittal, Kumar, & Tsiros, 1999; Wirtz & Bateson, 1995) and businesses' perspectives (van Doorn, 2008), while other studies have applied it on brand studies (e.g. Borah & Tellis, 2016; Leuthesser, Kohli, & Harich, 1995) and store image measurement (Wu & Petroshius, 1987). Similar to the studies discussed above, a halo effect is expected to exist in the context of the customer journey in that the experience at one touch point can influence experiences at other touch points across the journey and the experience overall. Additionally, the possible existence of a halo effect in relation to the link between customer experiences and the state of customer well-being, to date, has not been addressed.

Methodology

Exploring customers' commuting experience requires an insight into the touch points that customers typically encounter in the course of a journey. A qualitative research approach, using both the critical incident technique (CIT) and sequential incident technique (SIT), was employed to build an in-depth and holistic understanding of the phenomenon. For the purpose of this study, the process-oriented approach of SIT is useful to elicit the description of touch points encountered by informants during their commuting journey, while the CIT helps to capture a specific touch point or journey that may seem less noticeable to the informant when asking about such a mundane activity but does have an impact to the overall experience and well-being.

Being known as story-telling methods, interviews have been commonly utilised for both the CIT and SIT. Data collection is work in progress but, to date, 16 semi-structured interviews have been conducted in Glasgow with different modes of public transport and length of journeys. The informants were selected using the snowball sampling technique where a small group of initial informants were asked to provide referrals who share or know of others who commute by public transport that make them eligible for inclusion in the study, and this process, to date, will continue until the data saturation is achieved (Corbin & Strauss, 2015). The data obtained from the interviews have been transcribed and analysed thematically with the aid of Nvivo.

Findings and discussion

Data reveals some distinct elements of customer experience touch points across stages of the commuting journey, providing an insightful contextualization to the conceptual model of customer journey and experience (Lemon & Verhoef, 2016). By exploring the entire journey, different touch points, including brand-owned, partner-owned, customer-owned, and social/external-owned touch points (Lemon & Verhoef, 2016), can be mapped out across different stages of the commuting journey to see which touch points are more relevant to specific stages. This study discovers that not all touch points occur at each stage and the overall commuting experience can be a result of a combination of relevant touch points for a specific journey. However, at some points there are one or more touch points that can significantly affect commuters, transforming not only their everyday experiences but also their sense of well-being.

One participant (Informant 11), for example, described how his experience was transformed by a considerate driver: 'I remember there was one time, it was raining in Glasgow. I pressed the bell for the bus to stop, but there were road works at the place where the bus was supposed to stop. The next stop is far away. Because of the driver was very nice, he stopped at where I want even though it was not the stop for this number of the bus. He was very helpful and I was happy and grateful for the driver. It was a good experience for me'. When he was asked about how this particular experience affected his well-being, he said 'yes, it affected me. It gave me a good sign that most of the drivers are like that, so the next day when I wanted to take the bus, I was still feeling happy. Even it affected me at work, if he did not stop, I might feel frustrated because the weather was bad'. Another participant (Informant 8) told that 'it is not the best experience to travel at busy times' as she said 'if the bus is really busy, sometimes it gets a lot of students and they are all talking and it can become very noisy', thus to make the experience less affected, 'I listen to the radio and put my earphone on to avoid the noise of other passengers', she said. When she was asked to what extent these passengers affected herself and her journey, she answered: 'It is quite difficult, because I suffer from a migraine, really quite a bad migraine, noises can really affect me and I am not a great traveller so I can feel quite sick sometimes. So, when I'm feeling like that it is not great'. These are examples of what halo effect can do to change a customer's perception of the overall experience because of specific touch points, and making the mundane experience as more transformative.

Conclusion

This study expands the general understanding of service experience and advances our knowledge about customer's well-being, by contributing a new theoretical insight of transformative service experience in everyday service settings. Apart from the theoretical contribution, the holistic examination of the customer journey informs practitioners and organisations of the importance of different touch points throughout the commuting journey, so that relevant managerial actions can be implemented to maximize customers' well-being.

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3H. Service Failure and Recovery I

How Do Customers React Under Service Failures? The Roles of the Two Dimensions of Brand Perception - Warmth and Competence

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Introduction

Marketers, especially those in the service industry, have long been striving to encourage dissatisfied customers to voice their complaint, hoping to get a chance to recover their service failure and retain valuable customers. Meanwhile, researchers in service marketing have also addressed the importance to solicit customer complaint as it provides companies with opportunities to remedy dissatisfying service experience, unveil possible needs of improvement, and prevent spreading of negative word-of-mouth (Fornell & Wernerfelt, 1987; Hirschman, 1970; Richins, 1983). Importantly, it is suggested that dissatisfied customers who are reluctant to complain tend to switch to a competitor, causing financial losses to the company (Fornell & Wernerfelt, 1987; Hirschman, 1970). However, under certain circumstances, those customers who encounter service failure and choose not to complain would still be open to repatronage. In the meantime, customers who choose to complain may not only be seeking redress or expressing their anger and frustration as previous literature implies (Blodgett, Hill, & Tax 1997; Nyer 1997). Instead, with reference to studies in customer citizenship behavior (Groth 2005; Liu & Mattila, 2015; Zoghbi-Manrique-de-Lara, SuárezAcosta, & Aguiar-Quintana 2014), customers may complain to service providers with a purpose of giving constructive suggestions to prevent such failure from happening again. Liu and Mattila (2015) recently distinguished two valence types of customer feedback, namely complaint in the traditional sense and constructive suggestion. We further define that consumer complaint can be categorized into two types depending on its valence, i.e., positive and negative.

Previous research also demonstrates that under service failure, consumer return intention does not solely depend on their level of dissatisfaction and service recovery successfulness (Buttle & Burton, 2002). Ronald and Hess (2008) pointed out that under mild service failure situations, firm reputation, which is a part of the brand image, may serve as a pronounced buffer to decrease company's losses. Consequently, we propose that brand perception may have an impact on customers' intention to complain, specifically positive-valenced complaint, and on repatronage intention. Building on Stereotype Content Model which posits that people evaluate two fundamental dimensions of a person's or a group's characteristics - namely warmth and competence - to develop emotional reactions and interact with that person or that social group, Kervyn, Fiske and Malone (2012) imply that consumers' perception of a brand can also be categorized into two fundamental dimensions, that is, perceived intention (brand warmth) and

ability (brand competence). They also confirmed that these two dimensions of brand perception would lead to different emotional attachment and loyalty behaviors.

Accordingly, we argue that the two dimensions of brand perception, namely, warmth and competence, will cause different consumer responses to service failures situation. We hypothesized that brand perception of warmth (vs. not warm) would lead to consumers' higher level of empathy and intention to help the firm. Thus, under the situation in which service failure that does not severely change customers' brand perception, company perceived to be warm (vs. not warm) would be more likely to receive customers' constructive suggestions. More importantly, such effects would be independent of customers' perception of competence. Under identical circumstances, a brand perception of competent (vs. not competent) would lead customers to attribute less responsibility to and regard the service failure to be less controllable by service providers, consequently increases their likelihood to repatronage even if they have lower intention to complain positively (i.e., provide constructive suggestion).

Method

In a pilot study, we recruited 112 college participants (82 Women, 30 Men, Mage = 20.48). Participants were randomly assigned to cells of a 2 (brand perception of warmth: warm vs. not warm) x 2 (brand perception of competence: competent vs. not competent) between-subjects design. Participants first read a scenario about an online e-commerce platform. We manipulated the warmth dimension of brand perception by describing whether the online e-commerce platform was caring for its employees and the society or not. Similarly, competence dimension was manipulated by telling participants that whether the platform had been able to provide good quality product and useful product information. Then participants answered to manipulation check measures. Later, participants were told to imagine that they purchased on this platform and the product received was of good quality, yet the delivery time is slightly longer than the standard delivery time suggested by the platform. Afterward, participants indicated their dissatisfaction level towards the online platform, intention to provide both positively and negatively valenced complaints, intention to return on 10-point Likert scales.

Results

Manipulation Check. Participants reported the online e-commerce platform described in the scenario to have a warmer brand perception in warm condition than in not warm condition (7.13 vs. 2.84; F(1, 108) = 263.15, p < .001). Participants also perceived the platform to have a more competent brand image in competent condition than in not competent condition (7.25 vs. 3.44; F(1, 108) = 152.20, p < .001), suggesting that manipulation of both warmth and competence dimensions have been successful.

Dissatisfaction and Negatively Valenced Complaint. By subjecting participants' dissatisfaction level after service failure and their intention to provide negatively valenced complaint to 2 (brand perception of warmth: warm vs. not warm) x 2 (brand perception of

competence: competent vs. not competent) analysis of variance, we found no main effects and interaction effect was significant (ps > .05), indicating that encountering the same service failure, consumers that hold distinctive perception towards a brand across warmth and competence dimensions leads to parallel levels of dissatisfaction and intention to voice negatively valenced complaint.

Positively Valenced Complaint and Return Intention. A main effect of brand perception of warmth on the intention to provide positively valenced complaint was identified. Specifically, participants indicated higher intention to provide constructive suggestions to the platform when the company has a warm image than when the company has a not warm image (5.75 vs. 4.97; F(1, 108) = 4.86, p < .05). No significant main effect of competent perception and interaction effect interaction was found (ps > .05), suggesting that customers who perceive a brand as warm (vs. not warm) are more likely to provide positive suggestions to the brand after service failures, while customers' perception towards a company along competence level does not influence their likelihood to give valuable comment for service improvement. Eventually, we found a main effect of competence perception on participants' return intention, that is, participants implied a higher intention to use the platform again when it is portrayed to have a competent brand image than when portrayed to have a not competent brand image (6.12 vs. 5.13; F(1, 108) = 9.81, p < .01).

Implications and Limitations

Traditionally taken as means for customers to seek redress and vent anger after the service failure, the complaining behavior may involve other function such as helping the company to perform better next time. In this study, we further distinguish two valence types of complaint, namely positively and negatively valenced complaint. Whilst established theories suggest that negatively valenced complaint behavior is closely related to customers' return intention, we innovatively introduce warm and competence dimensions of brand perception to be possible factors affecting return intention independent of negatively valenced complaint behavior. Our study, controlling compatible levels of dissatisfaction, provides preliminary evidence that two dimensions of brand perception have distinctive impact on the positively valenced complaint and return intention.

Moreover, our results suggest implications for managers on brand building. For example, improving a company's image along competence dimension is of significant value as it could most effectively help buffer losses of customers due to service failures. In addition, building a warm brand perception would be beneficial for soliciting customer feedbacks in terms of service improvement.

However, we understand that the pilot study was conducted using only e-commerce context. To increase generalizability, further lab and field studies would turn to different contexts in the service industry.

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A Comprehensive Classification of Services Failures Based on Intentionality and Duration of Failures

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Introduction

There have been growing number of complaints about airlines intentionally overbooking their flights in order to maximise their profit. For example, here is a quote by a passenger who missed his brother's wedding as a result of an airline overbooking "There is no amount of money you can offer to make up for missing my brother's wedding. It was one of those once in a lifetime opportunities and I missed it, with no good reason/excuse and no real attempt to make things right from United Airlines. Honestly, the \$400 offer was a slap in the face and insulting" (Flyertalk.com). The issue has become very common and in the US alone, each year over half a million passengers are affected (Powley, 2017), while the number is around 50,000 passengers in the UK (Leach, 2017). Intentional service failures affect hundreds of thousands of customers worldwide. Yet, with the exception of a study by Varela-Neira et al. (2014), there is a lack of research on intentional service failures. In addition, there are lack of research on failures which are not reversible (Roschk and Gelbrich, 2014) and the damages to the customer would be permanent. Given the intensity of customers' reactions to extreme forms of intentional and permanent service failures, the existing typologies of service failure along with corresponding service recovery strategies may not be suitable.

Literature Review

Roschk and Gelbrich (2014: 197) define failure as a "flaw" in service/product delivery by the firm which can result in loss of a resource causing "inconvenience" to the customers (Mattila, 2001: 585). In terms of taxonomy of service failure, Grewal et al. (2008) suggest that cause of a failure can be classified based on three different dimensions: Locus of Causality (whether the cause of failure is internal or external), Controllability (whether the failure is preventable or not) and Stability (i.e. the frequency of failure occurrence). However, Varela-Neira et al. (2014) propose to extend this classification by adding "intention" as an additional dimension. They argue that attributions of intentionality imply awareness of the purpose and hence a distinction should be made between a controllable but unintentional failure (e.g. negligence) and a controllable and intentional failure (e.g. flight overbooking). In these examples, negligence implies that the service provider does not aim to fail or hurt the customer (i.e. it is not associated with intentionality) but that the service failure is controllable (for instance, you have requested a vegeterian meal, but by the time the flight attendant gets to you, they have run out of the vegeterian option) while denying passengers boarding due to overbooking with the aim of maximising profit is a well thought-out outcome.

Similarly, Howlett (2012) analysed different dimensions affecting the perceived magnitude of failures in a public policy context in order to provide a comprehensive classification of policy

failures and found that the intentionality dimension of failure is the most important aspect and while in terms of frequency it may be less prominent, it has higher impact compared with other dimensions. In support, a study in the psychology literature by Ames and Fiske (2013) also found that people are very sensitive to intentional harms and that they tend to inflate the magnitude of intentional harms. They used the examle of a small company in which the employees' salary is partially dependent on the company's profit and the CEO of the company makes a bad investment decision which consequently costs his employees money. They reported that people significantly overestimated the amount of harm as a result of an intentional harm (i.e. the CEO intentionally made a bad investment decision to motivate them to work harder and generate more profit in the future) compared with an unintentional one (i.e. the CEO believed he made a good invetsment, but it failed). Similarly, participants had higher perception of harm in the intentional harm condition, even when the participants were offered lucrative monetary incentive subject to accurately reporting the perceived harm (Ames and Fiske, 2013).

Howlett (2012) also indicated that in addition to failure intentionality, another relevant factor is duration (i.e. whether the failure is short or long-lasting). Based on this dimension, researchers and practitioners can distinguish between a temporary (e.g. slight delay in your flight with no major consequences) and a permanent (e.g. flight delay which results in missing your sibling's wedding) failure. Other examples of a permanent failure can be when a firm goes out of business and can no longer provide a service due to financial or capacity constraints (e.g. see Mittal et al., 2008) or when a firm intentionally decides not to provide its services to a particular group of customers, e.g. due to being undesirable (Kotler and Levy, 1971).

Similarly, in classification of service failures, Roschk and Gelbrich (2014) propose the concept of failure reversibility, but they state that the previous studies have not acknowledged this dimension. Accordingly, they suggest that failures can be classified based on the following three dimensions: outcome versus process, monetary versus non-monetary, and reversible versus irreversible. However, there is a lack of conceptualisation and empirical examination of these two under-researched dimensions alongside other dimensions such as controlability and stability in the services marketing literature to understand the relative importance and impact of each of these dimensions on customers emotional, attitudinal and behavioural reactions.

Discussion

Research suggests that failure attributions can affect customer emotions, satisfaction, word of mouth and loyalty (Van Vaerenbergh et al., 2014). Furthermore, intentional failures tend to elicit very strong negative emotions (Varela-Neira et al., 2014). Similarly, it is also expected that a permanent failure of the same issue would lead to stronger negative emotions and reactions compared with a temporary counterpart (e.g. due to a mechanical problem, when the flight is cancelled and a wedding is missed as opposed to when the flight is just slightly delayed, but the passenger gets to the destination in time to attend a wedding). Perceived severity of failure, which has gained more attention from service researchers over the years, seems to be highly correlated with the intentionality and duration dimension of service failure, but there are also cases where an intentional failure is not severe (e.g. when a flight attendant refuses a customer's request to change their seats) while an unintentional failure is (e.g. when someone

misses a siblings' wedding due to a mechanical problem with an airplane) and there are also instances where a permanent failure might not be perceived as severe (e.g. unavailability of a pre-ordered meal in a flight) while a temporary failure is considered as severe (e.g. waiting at an airport for several hours due to a mechanical problem, but getting to your final destination in time to attend the wedding).

Therefore, the existing classifications of service failure do not fully represent various types of observed service failures. This study aims to contribute to the service failure literature and particularly add to the works of Roschk and Gelbrich (2014) and Varela-Neira et al. (2014), by enhancing our understanding of different types of service failures and proposing a more comprehensive typology of service failure based on the two under-researched dimensions. Ultimately, the study aims to provide recommendations to service managers to use specific recovery tools in each of these specific failure situations.

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This Customer has an accent! Would (s)he be treated differently?

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Introduction

Service encounters are dynamic and unique interactions between frontline service employees and customers, and managing the service encounter to provide customers with a satisfying experience is not an easy task (Andreassen, 2000). This task becomes even more challenging in interactions occurring after a negative experience or a service failure. Providing frontline employees with an all-encompassing guidebook of what to do and how to act in every imaginable scenario is almost impossible, and so many service firms empower frontline employees to choose the appropriate course of action to offer to customers within certain guidelines. While service recoveries should be a function of the magnitude of failure, attribution of failure (Hess, Ganesan and Klein 2003), other non-service failure characteristics come into play. Research shows non-service failure factors include:

- 1) Customer characteristics like ethnicity and personality (e.g., Chung-Herrera et al. 2010; Mattila and Paterson 2008).
- 2) Service provider characteristics like attractiveness and ethnicity (e.g., Ahearne et al., 1999; Babin and Boles, 1998).
- 3) the message/ verbal communication (e.g. the language and narrative used) (e.g. Azab and Clark 2017; Holmqvist and Grönroos, 2012),
- 4) nonverbal cues like emotional display and authenticity of emotions (Barger & Grandy, 2006; Henning-Thurau et al. 2006).

Of particular interest in this research is the first set of factors. Studies show that frontline employee ethnicity and accent play an important role in the customers' evaluation of a service recovery (Hill and Tombs, 2011). Surprisingly, the opposite relationship, that is the customer's accent on frontline employee offered recoveries has not been studied. Indeed, the authors were unable to locate a single study dealing with how customers' accents might affect service recovery. The reason might be that possible discrimination bias or preferential treatment divert from equitable service recoveries

This discrimination bias could be difficult to acknowledge or admit. Nevertheless, if frontline service employees accent affect customer evaluations (Tombs and Hill 2014), in the same way, we should expect that frontline service employee evaluation of service claim might also be influenced by a customer's accent. Accordingly, we believe this topic is relevant to study, especially given that service recovery processes often are the crucial moments where customers decide to either continue doing business with the service provider or cut off all future transactions and possibly engage in negative word of mouth.

The objective of this research is to examine whether customers' accents and correct language impact the offered outcomes/recovery by frontline service employees on service employee recovery performance and recovery outcomes provided.

Subsequently, this research tries to answer the following questions: Do customers' accents and correct grammar influence service employee perceptions of the customer's credibility and type of recovery offered? Do these have interaction effects? Does service employee cultural intelligence and (dis)identification moderate this relationship?

Study Contributions

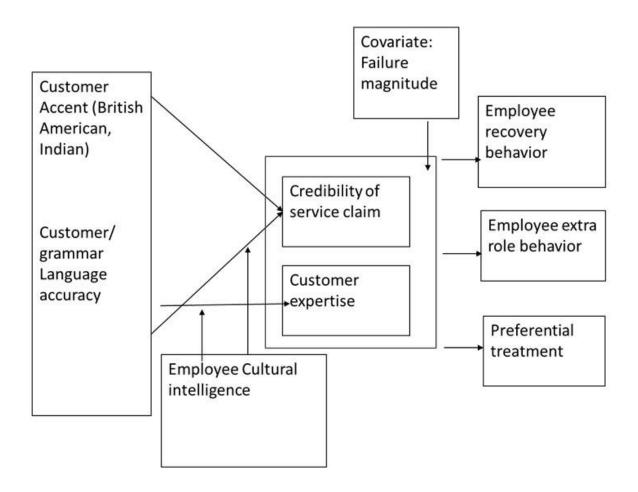
This research contributes to the body of knowledge in three ways. First, this study adds to the scant research on the role of language and accents in services and extends it to service recovery. Second, this study gives insight as to how accent and language correctness interact together to affect service employee extra-role behavior and service recovery offered. Third, this research sheds light on some of the moderators that play a role in the relationship between customer accent and language correctness and service compensations provided. Finally, this study is among the first to explore such issues with experimental audio design in testing the proposed relationships. Such an understanding is imperative for effective service recoveries, especially since retaining customers is easier and less expensive than attracting new customers (e.g., Reichheld 1996). Thus, an understanding of the roles of accent, possible discrimination bias or preferential treatment in service recovery, as well employee cultural intelligence is essential for employee recruitment, training, and recovery guidelines formulation and subsequently ensuring effective service recovery.

Conceptual Framework

This work in progress will employ a study using social identity theory and theories of stereotypes (in-group versus out-group) to build ground for the research hypotheses (Taijfel, 1982). The main idea these theories postulate is that individuals will favor and might also identify with those who possess characteristics (race, language, accents, religion, customs, and their country of origin) like their own. These become a basis to categorize an "in-group" versus "out-group" member, which can then result in a negative discrimination bias (e.g. Baker, Meyer and Johnson, 2008) for "out-groups" or positive behavior and attitude, if the accent triggers a positive country of origin effect (e.g., Azab and Clark 2017) or higher identification. We propose that negative country of origin accent (Indian, with higher corruption perception) will be rated as less credible than someone having an accent from the same country (American) or a perceived prestige (British). We also expect that the Indian accent will receive different recovery behavior than the American and British accent. Also, we propose that incorrect grammar will negatively affect perceptions of customer expertise. We will also examine interaction effects.

We posit that the relationship between accent, perceptions of the credibility of the claim and service recovery behavior is not straightforward. Other factors can moderate the relationship. For instance, the extent to which an employee identifies with customers might influence the

perceptions of the credibility of a customer's claim (Josiassen, 2011). Moreover, those employees that have high culture intelligence, the ability to adapt to a multicultural working environment, might react differently towards customers from different cultures than their own (Earley & Mosakowski, 2004). The following framework summarized the main proposed variables and hypothesized relationship of interest in this study.



Research Design:

The study will use a 3x2 between-subject design, where accent (American, British, Indian), language correctness (correct grammar, grammar mistakes), will be manipulated in an online audio experiment (scenario of a complaint). A scenario was written in a way to allow variation in recovery behavior and raise doubt in customer's claim. Scenario analysis is common in service failure/recovery studies and is seen superior to critical incident techniques because it overcomes memory bias (Bateson & Hui 1992; Smith, Bolton & Wagner 1999). A panel of service employees in the retail sector is approached. Service employees then will listen to one of the six experimental manipulated audio complaints and then rate their evaluations of the dependent, mediating, and moderating variables. Based on the power analysis using

GPOWER, the minimum sample size to grant a power of 0.8 is 300 respondents. MANCOVA and partial least squares (PLS) will be used to analyze the proposed relationships.

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3I. Transformative and Health Services I

Value Co-creation in Non-Clinical Cancer Centre

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Literature review

Transformative service research (TSR) is a framework for service research that focuses on creating uplifting changes by which to improve the wellbeing of all human beings (Anderson et al., 2013). Improving wellbeing through TSR is one of the most important research priorities for advancing the service field (Ostrom et al., 2015). In the service field, healthcare services have a straightforward transformative role and aim to enhance patients' wellbeing (Rosenbaum et al., 2011).

Customer value co-creation behaviours have been investigated as means to enhance patients' wellbeing (Sweeney et al., 2015; McColl-Kennedy et al., 2016). These behaviours have two dimensions: customer participation behaviour and customer citizenship behaviour (Yi and Gong, 2013). Customer participation behaviour refers to the required and necessary behaviour, whereas customer citizenship behaviour refers to the voluntary and unnecessary behaviour for successful value co-creation process. In particular, information seeking, information sharing, responsible behaviour and personal interaction are the sub-dimensions of customer participation behaviour, whereas feedback, advocacy, helping and tolerance are the sub-dimensions of customer citizenship behaviour (Yi and Gong, 2013). Although different patients' value co-creation behaviours were examined previously (Sweeney et al., 2015; McColl-Kennedy et al., 2012), these studies mainly considered the clinical cancer service context. We argue that in the non-clinical cancer service context, patients are more active in integrating their own resources to co-create value with others, to lead the value co-creation process, and to co-create value for themselves. Nevertheless, in the clinical cancer services, patients mainly follow the advice from their doctors. Therefore, investigating male cancer patients' value co-creation behaviours in non-clinical cancer services is essential.

Previous studies investigated cancer patients' motivations to participate in non-clinical cancer centres and the benefits they receive from participating in not-for-profit services (Glover and Parry, 2009; Parry and Glover, 2010; Rosenbaum and Smallwood, 2013; Leimeister et al., 2008). However, these studies mainly focused on understanding female cancer patients' motivations to participate in non-clinical cancer centres (Glover and Parry, 2009; Parry and Glover, 2010), online health communities (Leimeister et al., 2008) and the benefits they receive (Glover and Parry, 2009; Parry and Glover, 2010; Rosenbaum and Smallwood, 2013). The motivations that drive male cancer patients to co-create value in non-clinical cancer centres are still unknown.

Some researchers, such as Sweeney et al. (2015) and McColl-Kennedy et al. (2016), proved that patients' value co-creation with healthcare service providers have a positive impact

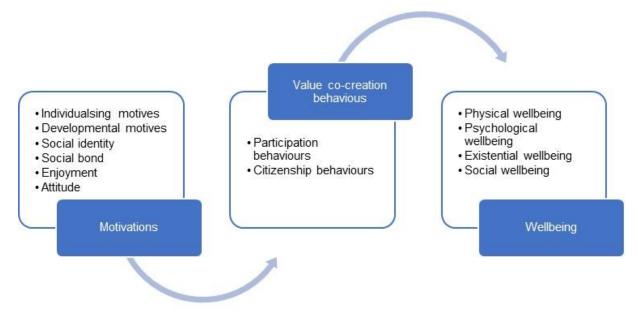
on their wellbeing. Four dimensions of wellbeing were tested in their studies, namely physical, psychological, social and existential dimensions. However, none of these studies was carried out from male cancer patients' perspectives within non-clinical cancer services in particular. Because of the construction of masculinity (Rennoldson et al., 2013), male cancer patients are rarely seeking help compared to female cancer patients. In Smith et al.'s (2007) study, more than half of the male cancer patients confirmed that some level of their psychological needs is not met, and non-clinical cancer centres may provide male cancer patients with some help to fulfil their psychological need. The impact of co-creating value with non-clinical services on male cancer patients' wellbeing has not been investigated.

This paper has three aims: to explore what motivates male cancer patients to co-create value in non-clinical cancer centres, to understand what they do when they co-create value using the non-clinical services, and to examine the impact on their wellbeing.

Methodology

We use mixed methods research design to achieve the three research aims. First, we explored the motivations of male cancer patients and their value co-creation behaviours within non-clinical services using semi-structured interviews. Then, we examined the impact on their wellbeing using a self-completed online survey. The survey used existing scales to test relationships among motivations, value co-creation behaviours and the impact on wellbeing in the non-clinical cancer services.

After reviewing the literature, and according to the expectancy theory, the proposed conceptual framework below has been developed.



Phase 1

We conducted fourteen semi-structured interviews with male cancer patients who participated in various services provided by a renowned non-clinical cancer centre in the UK. Their ages were between 55 and 80, and twelve of them were retired. Half of the participants used the centre for more than a year and more than half of them visited the centre at least once a month.

Results

Motivations

The analysis reveals that male cancer patients' motivations to co-create value in non-clinical cancer services can be classified into six categories: individualising motives, developmental motives, enjoyment, attitude, social bond and social identity.

Individualising motives refer to achieving consumers' desired outcomes using their own resources and carrying out their roles when co-creating value with service providers (Neghina et al., 2017), for example, some male cancer patients visit the non-clinical cancer centre to share their own experiences with others.

Developmental motives concern consumers' development of their own abilities or resources (Neghina et al., 2017), for example, male cancer patients gain knowledge when they use services in the non-clinical cancer centre.

Enjoyment is the intrinsic pleasure which drives consumers to participate in the value co-creation process (Koufaris, 2002), such as male cancer patients enjoying to meet others in the non-clinical cancer centre.

Attitude is consumers' favourable or unfavourable evaluation of their participation in the value co-creation process (Mai and Olsen, 2015), like male cancer patients positively evaluating their time in the non-clinical cancer centre.

Social bond is the connection which encourages consumers to participate in the value co-creation process (Chan and Li, 2010). For instance, some male cancer patients aim to keep in touch when they participate in the services in the non-clinical cancer centre.

Social identity gathers consumers who share the same interests or face the same problems to make them feel that they are part of a group (Zhao et al., 2015). Social identity has three indicators identified in Zhao et al.'s (2015) study, which are shared language, shared vision and benevolence trust. Shared language is the common terms and understanding that consumers adopt in the services (Zhao et al., 2015), for instance, male cancer patients use common terms when they discuss their treatments. A shared vision is consumers' common goals or desired outcome from using a service, for example, male cancer patients hope to reduce the side effect when they share experiences with each other. Benevolence trust is consumers' expectations to obtain concern and care from other members specifically in the healthcare context (Zhao et al., 2015), for instance, male cancer patients feel other members care about them in the non-clinical cancer centre.

Value co-creation behaviours

The interview data revealed all the sub-dimensions of customer participation behaviour and only the helping sub-dimension of customer citizenship behaviour. The other three sub-dimensions of customer citizenship behaviour were not manifested.

Wellbeing

The interview data also revealed that male cancer patients' physical, psychological and social wellbeing have been enhanced through participating in value co-creation process in the non-clinical centre. However, the existential wellbeing was not present in the interview data.

Phase 2

After analysing the interview data and reviewing the literature, we developed a questionnaire to test the impact on male cancer patients' wellbeing. The questionnaire was pre-tested by twelve male cancer patients and it was finalised according to the suggestions obtained from the pre-test. The final version will be posted on the website of the non-clinical cancer centre and the data collection is expected to be completed before the conference presentation in June 2018.

Theoretical and managerial implications

Our research will contribute to the understanding of consumer value co-creation and its impact on their wellbeing in the non-clinical services, both consumer value co-creation and wellbeing have been identified as the top research priorities in service research (Anderson et al., 2013; Ostrom et al., 2010). Our study is the first to understand male cancer patients' motivations in value co-creation process in a non-clinical service context. Although Engström and Elg (2015) explored mainly male cancer patients' motivations to participate in a clinical service development project, the understanding of male cancer patients' motivations in non-clinical services will add to our knowledge and provide a whole picture why male cancer patients use healthcare services. Otherwise, our understanding will be partial if only investigated in clinical services. Our research is also the first to investigate both motivations and benefits of male cancer patients' value co-creation in non-clinical services, whereas previous studies seem to mainly focus on investigating either antecedents or consequences of value co-creation. Finally, our study will verify different dimensions of male cancer patients' wellbeing that are enhanced because of participating in non-clinical cancer centres, while previous studies mainly investigated the impact on female cancer patients' quality of life when using non-clinical cancer centres.

The findings of our study will help non-clinical cancer centres to better design and deliver their support services to attract more male cancer patients, given that male cancer patients visit cancer centres less frequently than female cancer patients (Smith et al., 2007). In

addition, this study will provide evidence to aid non-clinical cancer centres to seek funding support to enhance male cancer patients' wellbeing through using their services.

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Gamified Work and the effect on Front Line Employees Experience

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Abstract

Creating "new workplace experience" (NWX) is seen as a key priority in management field, where the employee experience is clearly the focus of an increasing attention and for which technology is widely recognized to play a key role impacting the environment, the form and content of each job and task (Colbet, Yee & Goerge, 2016). Recent literature recognized this transformation and called for revising employees' roles and jobs accordingly (Gruber, de Leon, George & Thompson, 2015). Prominent service scholars have recently recognized that this transformation is undergoing and its success will depend on the employee role readiness which is driven by three main factors the role clarity (understanding of what is expected), ability (ability to perform as expected) and motivation (willingness to perform as expected). This transformation process seems to be facilitated by managerial processes and HR initiatives that promote empowerment, recognition, fairness and encouraging appraisal and reward systems (Larivière et al., 2017).

Inspired by the popularity of games in general and video games in particular, managers have begun to use the design principles behind games to make the work experience more positive, enjoyable and fun for their employees, a process called gamification. Huotari and Hamari (2017, p. 25) describe gamification as "a process of enhancing a service with affordances for gameful experience to support users' overall value creation". Gamification is also characterized in the design literature as the craft of deriving fun and engaging elements found typically in games thoughtfully applying them to real-world or productive activities (Chou, 2016). The assumption that games can make tasks fun and engaging is driving this increasing managerial interest into integrating games into work environment through the process of gamification. A recent article states the following to explain this current trend within organizations (Vesa, Hamari & Harviainen, 2017): "the basic idea behind gamification is simple; when you think about the enthusiasm that people have for their hobbies and leisure time, could there be some way to bring this same enthusiasm to business? Could work, so to speak, be shrouded in the guise of game?". This statement emphasizes that game design is an art of kind of hedonic and motivating system (Vesa et al. 2017). This approach entails the adoption of structure, the look and feel of a designed game with the intent to advancing organizational goals, while creating the same experience for participants that they would have if they were playing games. In short this managerial strategy consists at infusing fun in employees daily tasks with a clear objective to create a high commitment and engagement toward organizational objectives (Oravec, 2015). Providing more pleasant work experience is expected to reduce job stress, enhance employees' abilities, increase job satisfaction, job engagement (Colbert et al. 2016). This sounds very promising for companies concerned by high risks of turnovers and for which improvement of employees wellbeing is a priority.

Recent service literature emphasized the high rates of turnovers of front line service employees because of the high stress and anxiety that characterise their job. The FLE have been described as "underpaid, undertrained, overworked and highly stressed" (Hartline and Ferrell 1996, P.61) which makes them vulnerable to burnout and disengagement. Accordingly, managerial initiatives or HR approaches that would help to promote positive service climate, work experience and employee empowerment, are expected to reduce negative emotions (Subarmony et al., 2017). Gamification is therefore used as an innovative managerial/HRM approach designed to create, promote or reinforce some organizational goals by offering the opportunity to make the work more pleasant, playful and distract them from unpleasant and taxing aspects (Ovarec, 2015).

Whereas, this optimistic perspective of gamification at workplace could promote positive outcomes related to conducting daily activities while immersed in pleasant and mind enriching (multiuser or individual) game environments , substantial opposition to gamification as a managerial strategy has been voiced (Vesa et al. 2017). While gamification is gaining a lot of attraction within firms and for various purposes, little is known about its real potential and implications (Huotari et al. 2017, Vesa, 2017). Most of existing literatures studied gamification and its effects mainly on end users and to our knowledge very few have been studying the employee's side (Makanawala, 2013; Xu and al., 2013; Insley, 2014, Mollick et al. 2014 Vesa, 2017). Existing literature has confirmed the effectiveness of gamification with regard of several purposes concerning customers such as their engagement, enhancing their creativity (Agogué et al. 2015; Scheiner 2015), initiating learning (Domínguez et al. 2013), changing behaviors (Hamari and Koivisto 2015), fostering technology adoption (Müller-Stewens et al., 2017) and providing customers with enjoyable experiences (Hammedi, Leclercq and van Riel, 2017), but to our knowledge little evidence exists about its role in the work context and from the employee perspective (Vesa et al., 2017). This is in line with current research call that recognizes that (Vesa et al., 2017, p 10) "gamification has attracted significant interest and a wide range of opinions while at the same time there still remains conceptual scantiness and a dearth of empirical studies on its consequences for work or organization"

In addition, while participation in a gamification remains volontary for customers (Huotari et al. 2017, Deterding and Nackle, 2011), in the work context, employees are likely to be obliged to take part of such experience. Gamification at work is usually imposed by the management which implies that managers are the ones who decide what is that will be pleasurable and enjoyable for employees (Mollick et al. 2014, Vesa, 2017). This of course challenges several game related aspects such as volontuary participation (Huotari, 2017), the nature of fun (mandatory fun/ spontaneous fun) (Mollick, 2014). Accordingly we think that the employee and customers contexts are hardly comparable. Therefore further exploration of the role of gamification and its effect on employee experience sounds crucial and imperative (Vesa, 2017).

HRM (training, compensation, rewards) are found to effect service climate, which in turns predicts employee job satisfaction commitment and service performance overall (Subramony,2017). As gamification consists of giving measured rewards, and dispense carefully calibrated challenges that make players feel like they are continuously achieving success. So therefore gamification is expected to provide a sense of accomplishment with

greater frequency than what could achieved in real world, where appraisal and feedback system are very carefully designed to encourage participants (Mollick, 2014). Accordingly, gamification could be seen as a bundle of empowerment, appraisal, recognition systems that aim to influence employees behaviors and attitudes.

Despite its wide adoption, it is still unclear which gamification mechanics should be implemented to reach which purpose and for which context. (Harwood and Garry 2015; Lucassen and Jansen 2014). Several game elements and tools exist which are expected to shape in various ways the overall player experience and process outcomes (Huotari et al. 2017, Chou, 2016). More research is needed to develop best gamification practices and properly manage gamification tools (Hamari, Koivisto, and Sarsa 2014; Lucassen and Jansen 2014; Werbach and Hunter 2012). Accordingly, we assume that the choice of the gamification mechanisms, rewards and appraisal systems will have an important impact on the work experience at both individual and organizational levels. Recent literature emphasized that important gap "the strong believe in the effectiveness of gamification has mainly been based on self-sustained reasoning claiming that games are fun and intrinsically motivating, any organization that uses the same design principles should also prove to be "fun" and effective in invoking further positive organizational outcomes" (Vesa et al., 2017). This paper aims to address these important gaps and explore the effect of gamification on the FFE work experience, perceived service climate and co-workers relationship as they all reflect the so called work internal quality in the service literature (Heskett, Jones & Loveman, 1994)

Specifically, we seek to answer the following questions:

How does gamification effect the FFE work experience in terms of job satisfaction and engagement?

How does gamification effect internal work quality in terms of perceived service climate and Co-workers relationships?

How game mechanics (competition versus Collaboration) and reward design (Financial/ social reward) and outcome (Win/gain) would affect the FFE work experience?

Based on a field experiment developed thanks to a partnership with store managers of an international retail chain, this study questions the effectiveness of gamification on the workplace, to examine various game related components such as game mechanisms (competition/cooperation), reward system (financial/ social) and outcomes (win/lose) and their effects on FFE employees". Its effects at both individual and organizational levels are studied.

This paper has several contributions to the service literature. First this paper answers a recent call for further research of employees experience (Subramony, et al. 2017). While gamification is widely adopted by firms, this paper aims to provide in depth insights about how gamification contributes to the employee experience – through which mechanisms and under which circumstances. Gamification seems to be used randomly without any indepth understanding of its potential effects in the work context (Vesa et al. 2017). In addition this paper will go a step

further by exploring how the process design including the game mechanism used (cooperation/competition), the reward system adopted (social/financial) and also the outcome (win/lose) would influence front line employees. This provides insights about which design increases or decreases employees' anxiety and lead to more desired results in terms of job satisfaction and engagement (Subramony, et al., 2017). Beyond the individual level, this paper explores the effects of gamification also at the organizational level. Although service climate has received some attention in the service literature, understanding how climates are created, sustained and changed remain among the topic priorities (Hong, Liao, Hu & Jiang, 2013, Subramony 2017). This paper provides deep insights on how and whether gamification could enhance or at the opposite negatively impact service climate. Depending on the mechanism used, social interaction could be impacted (Huotari et al. 2017). Therefore while work experience is individual, gamification has the potential to affect how employees interact with their co-workers/ co-players. Finally, our paper contributes to the transformative service research stream in which employees well- being remains an underexplored area. This study will help to uncover how employees wellbeing is impacted by a managerial strategy namely gamification. Professor Raymond Fisk states in his recent commentary in (Subramony 2017 p. 853) that "Organizational turnover and service climate can affect human wellbeing of large number of employees and customers ... while emotional labor may affect the human wellbeing of individual employees and their customers". Therefore both individual and organizational consequences of gamification are explored.

Our paper contributes also to management field. It answers recent calls from prominent management researchers to further explore the gamification in workplace (Vesa, 2017, Colbert et al. 2016). Despite gamification is attracting a lot of attention, "there still remains conceptual scantiness a,d dearth of empirical studies on its consequences for work or organization" (Vesa, 2017 p10). This papers will bring some answers to whether gamification would contribute to the creation of what is called "new workplace experience" (Colbet, Yee & Goerge 2016).

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Service in 2050: Design for Service Inclusion

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Introduction

Consider for a moment what services will be like in 2050. Perhaps, one would need to be a soothsayer to answer the question. Yet, we know that the world in which we produce and consumer services will be considerably different in 2050, compared to today, and that changing demographic realities will force service marketers to consider whether their models and frameworks generalize to marketplace realities. For example, the Institute on Disability (2016) estimates that 12.6% of the U.S. population currently represent people with disabilities. Yet, this percentage more than doubles to 35.4% among people 65 years and older. These disabilities include vision, hearing, physical, mental impediments that typically limits consumers from obtaining maximum value during marketplace exchanges.

Interestingly, one may question whether our sacrosanct models and frameworks apply to consumers living with disabilities. Although a handful of studies have explored the experiences of consumers living with disabilities (e.g., Baker, Holland, and Kaufman-Scarborough, 2007), by-and-large, our theories have excluded consumers with disabilities from consideration.

Further, given that the population aged 65 years and over is expected to double over the next twenty-five years, to nearly 84 million by 2050 (U.S. Census, 2014), 30 million older-aged adults will simultaneously be living with a disability. How will older-age consumers, also living with the challenges of aging and with disabilities, use services? Surely, the coming 'grey tsunami' (Hussain, 2016) will challenge service providers and service systems in new ways; however, we remain relatively unclear as to how and in what manner.

Since the inception of the service marketing discipline in the 1980's, researchers have primarily focused on understanding how organizations should best deliver services to their customers. Then, investigations turned to understanding how customers define service quality, the impact of built stimuli on consumers, and how to best enhance consumers experiences. Recently, service researchers have been enamored by exploring the impact of technology on services; fueled by the emergence of the sharing economy, mobile technologies, and e-commerce. Although these research streams are valid, as a discipline, we have assumed that consumers, in general, respond in the same manner to services, to service providers, and to service technologies. As service researchers, we have created a theoretical foundation not on consumer

inclusion; but rather, on consumer exclusion. This presentation begins the stage to correct this error.

Theoretical foundations and call for action

We put forth here that the we challenge service researchers to design for service inclusion by 2050. We define service inclusion as being an enduring state in which all people can realize fair value from service. The question is how do we arrive at this point?

Defining service inclusion

The foundational concept of marketing is that all consumers are entitled to obtain the maximum potential of value permitted in a service exchange. As a marketplace function, marketing encompasses an activity, a set of institutions, and processes for "creating, communicating, delivering, and exchanging offerings that have value for

customers..." (American Marketing Association, 2017). This definition implies that the marketplace serves a wide variety of consumers; however, all too often, sociocultural marketers and stigmatizing conditions such as ethnicity/race, age, gender, class, religion, sexual orientation, gender identity, disabilities, and so forth, render some consumers at a disadvantage in terms of having equal opportunity to obtain the same level of value during service exchanges.

Service inclusion pillars

Given that value is not equally accessible to all consumers, we put forth that service organizations can strive to build service inclusive organizations by focusing of four 'pillars;' these are; reliving consumer burdens; fostering situations so that consumers can obtain happiness (i.e., equal access to fun); offering consumers choices, and enable opportunities for consumers to maximize the value potential inherent in a marketplace transaction.

Perhaps, one may speculate that the American with Disabilities Act protects all consumers from experiencing retail discrimination. This simply isn't so. Indeed, consider the following examples from popular press that highlight service exclusion:

- Drive-thru windows limited only to customers in automobiles (rather than for example on mobility scooters)
- Retailers refuse service to minority consumers substantiating these decisions
 with suspected criminal intent or inability to afford purchases, or concerns for
 comfort of other customers
- Banks charge higher interest rates to minority consumers
- Ethnic/racial minority consumers refrain from engaging with in-store promotions or 'hyper-consume' (choose nationally advertised rather than private label brand, over-tip etc.) to overcome perceived discriminatory bias by service staff and other consumers

- Sales assistants fail to understand or even chooses to ignore some customers' needs or preferences based on cultural background signals, therefore provides unsatisfactory service
- A consumption place does not provide access for consumers with disability

Services marketing 2050

As a discipline, we urge service researchers to consider micro-level interactions by investigating how to design for inclusion in service interactions. At the meso level, we encourage service organizations to design their systems and architecture so that consumers experience inclusive navigation. Finally, at the macro level, we encourage commercial, non-profit, and government agencies to design services that result in inclusive societies.

"The future is already here. It's just not very evenly distributed." William Gibson, 1993.

3J. Transformation in Services

The emergence of consumer experience in transformative consumer journeys

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Introduction

Transformative service research (TSR) is an emerging area that integrates consumer and service research with the aim to improve consumers' well-being (Anderson *et al.*, 2011). *Transformative consumer journey (TCJ)* is an extremely important and prevalent phenomenon that thus far has not received sufficient attention in service and consumer research. The concept refers to consumer journeys toward a transformational goal, such as to a healthier lifestyle or to sobriety, ultimately improving consumers' well-being.

Contemporary marketing literature focuses mostly on *customer* journeys, which are composed of a combination of touchpoints with a service provider. However, researchers increasingly argue that companies should understand customers' everyday processes in order to help them to achieve their goals (e.g., Heinonen et al., 2010), necessitating the broadening of focus beyond provider-dominated touchpoints. In order to generate insights that allow service providers to help customers to achieve their goals and, consequently, improve their well-being, we argue that we should study the *consumer* journey that turns focus on processes in the consumer lifeworld. This leads to a holistic view of the consumer experience, involving multiple actors in a service ecosystem (e.g., Akaka & Vargo, 2015) that is by and large missing from extant customer experience research.

The goal of this paper is to understand how consumer experience emerges throughout the TCJ. We pose two research questions. Considering that experience is usually defined as consumer's responses to elements in the customer journey, adopting a holistic view means that we have to understand what the elements of a consumer journey are. Our first research question thus asks: What are the processes that comprise the TCJ? Understanding the processes allows us to subsequently examine: What is the pattern of consumer experience that emerges in response to these processes?

Method and empirical context

This study draws on a qualitative study conducted in the context of recovering alcoholics. Theoretically, this is a suitable context to examine TCJ as the journey towards sobriety is a longitudinal process aiming at a critical transformation towards increased well-being. This context is also highly relevant in societal and individual terms as alcoholism is a prevalent, global public health problem that can cause socioeconomic harms for the alcoholic, as well as harms to other individuals and society at large.

We adopted a phenomenological approach in this research that seeks to describe the lived experience in its context (Thompson *et al.*, 1989). We used three methods to collect data.

First, the first first author attended seven Alcoholics Anonymous (A.A.) meetings to invite participants to be part of the research and understand their context (e.g., language). Second, the author conducted 14 phenomenological interviews to understand their history with alcohol and their journey towards sobriety in a retrospective manner. Third, eight of the 14 participants completed diaries (20 days to two months), so we could understand their recovery experience in a processual perspective. In total, these methods yield 359 pages of data analysed following phenomenological guidelines (e.g., Thompson *et al.*, 1989).

Findings

We identified four processes of a TCJ: (1) admitting and accepting; (2) learning how to live sober; (3) changing habits and behaviors; and (4) overcoming temptations and obstacles. First, admitting and accepting is an on-going process throughout the TCJ. It is not something that happens overnight or in an "aha" moment. Admitting refers to realization that drinking is a problem and reduction of consumption is needed. Instead of a linear process, we observed that several attempts to reduce consumption often take place, and acceptance of alcoholism as a disease and the necessity of total sobriety usually emerges gradually after many unsuccessful attempts. In this process, (recovering) alcoholics undergo many negative emotional experiences, such as fear of death, shame and sadness. Although these are negative experiences, participants recognized that they were extremely important for them to achieve their goals.

Second, *learning how to live sober* refers to acquiring the capabilities to learn how to live without alcohol, "how to stop being a drunk person". Our data shows processes of learning about the disease and practices to avoid alcohol; about desire and temptations; as well as how to overcome them. Cognitive experiences emerge in this process, where recovering alcoholics sometimes experience "aha!" moments and understand how to deal with their disease.

Third main process emerging from the data was *changing habits and behaviors* that can be divided into two sub-processes. The first sub-process involves abandoning old habits and behaviors such as hanging out with drink buddies, going to bars and doing activities that are associated with alcohol. The second is acquiring new habits and behaviors, such as gardening, going to the meetings and acquiring new friends (usually other recovering alcoholics). These activities eventually replace old ones and occupy the recovering alcoholic's time. Changing habits and behaviors involves both positive and negative experiences. When the recovering alcoholic stops drinking, they suffer the effects of abstinence, including sensorial and physical negative experiences such as sweating, hallucinations and pain. Also giving up their former activities can cause negative emotional experiences. On the other hand, when acquiring new habits and behaviors, these are seen as therapeutic and positive emotional experiences emerge. While negative experiences can be intense in the beginning, they are necessary for goal achievement and they tend to fade away.

Fourth, *overcoming temptations and obstacles* is a process involving the application of tricks and actively creation of cognitive experiences when negative experiences – in form of temptations and obstacles – appear. Obstacles and temptations are related to spontaneous or triggered desire to drink (e.g., seeing a beer ad). When such obstacles and temptations happen,

the recovering alcoholic can apply the learned tools (e.g., read reflections, talk to mates, and go to meetings) or they can actively invoke cognitive experiences. They do so by comparing their current lifestyle with the time they were drinking, thinking about everything they would lose if they drank again or everything they sacrificed to stop drinking. This works as a neutralizing mechanism where undergoing a negative experience allows the recovering alcoholic to invoke a cognitive experience to neutralize their experiential state to normal.

A goal-oriented view on consumer journeys: Insights for the consumer experience literature

To discuss these findings, we integrate the emerging themes with the self-regulation model of behavior (Carver & Scheier, 1998) which has potential to bring forth many aspects of consumer experience phenomenon. First, this paper shows that the relationship between the elements in a consumer journey and the emerging consumer experience is a circular one. To our knowledge, consumer experience literature has approached this phenomenon as an open loop system, where stimulus generates responses (cf. Powers, 1973). By identifying this circular relationship, we show that the closed loop systems may be used to study this phenomenon as well, where experience is seen not only as a response, but also as an input for behavior.

Second, we identified at least two levels of emerging consumer experience. In this paper, we show that the overall consumer experience is not necessarily cumulative, and the contribution of lower levels of emerging consumer experience to higher levels depend on the contribution to the higher order goals. Linked to this finding, this paper shows that the relationship between consumer experience and value-in-use is not always positive. Although extant literature assumes that positive experiences lead to value creation, our results indicate that negative experiences may contribute towards goal achievement. The complexity of this relationship is highlighted when studying experience within consumers' lifeworlds. To our knowledge, extant consumer experience literature has not explored the positive effects of negative consumer experiences.

In order to help consumers to create "uplifting changes" in consumers' lives (Anderson et al., 2011), companies and organizations should not seek to understand how they can provide the service they are providing better, but how they integrate into customers' processes and facilitate goal achievement (cf. Heinonen et al., 2010). This goal-oriented perspective on consumer journeys allows us to generate implications regarding complementarity of resources and services, partnership with other actors, redesign of value proposition, and so on. In this way, it is hoped that these service providers can make better contributions in helping their customers to achieve their transformative goals.

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Leveraging Design Innovation for an approach to address 'Bottom of the Pyramid' market segment

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Outline

Design Innovation (DI) is about harnessing human creativity towards value creation. Thus, DI endeavors to address the aspects of what, how, and why, thereby making the interrogation scope complete for the designer. These interrogatives further translate to human desirability, technological feasibility, and business viability, respectively.

The 'Bottom of the Pyramid' (BOP) segment has in its scope a majority of the world's population, whose purchasing power is quite less compared to that of the affluent population. The unique characteristics of BOP market with its core principles of availability, affordability, and accessibility, poses enormous challenges for the designer community. This is where leveraging DI for an approach to address BOP market, assumes significance. This paper is about describing what such an approach could be.

Context

Currently, DI is largely been applied to address affluent population segment of the society. The context in this paper is that DI should focus and address BOP population in particular. Thus, the basis of DI dimensions and their intersecting spaces are the focus of this study, in anticipation of an approach that comes closer to addressing the BOP market.

Importance of BOP Market Segment

Rosenbaum et al. (Rosenbaum, 2011) have conceptualized a research paradigm that centers on improving well-being of individuals and communities. Accordingly, they have put forth a research agenda, which was further, detailed out by Anderson et al. (Anderson, 2013) during the subsequent years. Overall, they have referred to a new area of research that can contribute towards understanding and minimizing the challenges facing current society, especially the BOP segment.

Service Research community has put forth an agenda (Ostrom et al., 2015) to investigate well-being implications of service. It includes investigating service innovation for BOP population segment. They have clearly described the agenda for service researcher community wherein 'improving well-being' is included as the most important topic. As part of this research, they have put forth eight most pressing issues requiring research attention, one of these being investigating service innovation at the BOP.

In their editorial, Anderson et al. (Anderson, 2015) talked about a theme 'Co-Creation and Well-Being' wherein it referred to the context of BOP which constitutes about 2/3rds of the world's population that live on less than 9\$ (USD) per day and call for additional focus by service researchers. Raymond Fisk, et al (Fisk, 2016) in their call to action describes the need for understanding and reducing poverty. They talk about service design research as an approach to improve well-being in BOP as it focuses on devising courses of action for changing existing situations into preferred futures.

Contributions in the area of BOP

Prabhu Kandachar and Minna Halme (Kandachar & Halme, 2007) present a BOP Innovation Model consisting of User innovations, Technological innovations, and Business innovations.

The report from UN (Christine & Alban, 2008) talks about BOP approaches and urban sustainability. This report by UN Working Group primarily derives its basis from the book on BOP (Prahalad, 2004). The nature of the concept in BOP affirms that businesses can gain competitive advantage by targeting the poor at the bottom of the economic pyramid. Expanding the global market to include BOP population would have the result of direct benefits to the poor communities as well as providing business opportunity to corporate firms. Currently, the services for BOP segment are inefficient, and uncompetitive.

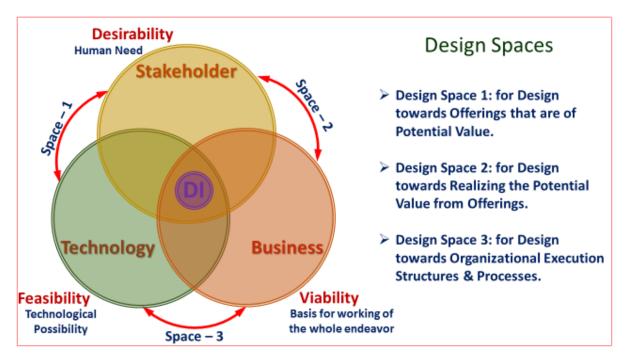
Ben Lataifa and Reynoso (Lataifa & Reynoso, 2014) in their paper on research and implications for BOP talk about value co-creation in BOP context.

Theoretical Foundation on BOP Market Principles

As per CK Prahalad (Prahalad, 2004), the BOP conceptual framework is built around three core principles which are Availability, Affordability, and Accessibility. The principle of Availability refers to the prevalence of offerings required by the consumer. The principle of Accessibility addresses the key area of products and services distribution. The principle of Affordability is essential because it addresses the gross economic power of BOP.

Theoretical Foundation on Design Innovation (DI)

As per Tim Brown of IDEO (Brown, 2008) and Ulrich of HPI Design School (Weinberg, 2013), DI is about addressing human need (desirability) with what is technologically feasible (feasibility) and economically viable (viability) as a business.



Design Spaces resulting from the intersecting dimensions of DI (Fig. 1)

Figure 1: Design Innovation (DI) Dimensions and Intersecting Spaces

Design Space 1: Intersection between Human Desirability & Technological Feasibility

Between desirability & feasibility, there lies the product or service offering that would supposedly fulfil a given human need. Accordingly, commensurate technologies are leveraged to meet the given need. To this extent, design practice is put to use, to conceive and develop offerings, which can potentially satisfy the given need.

Design Space 2: Intersection between Human Desirability & Business Viability

Between desirability & viability, there lies the necessity to make the already conceived product or service offering attractive in terms of value. The rationale behind creation of value (Osterwalder, 2011) points to the associated elements inclusive of value proposition, customer relationship, etc. On the other hand, Viability as per Stafford Beer (Beer, 1992) is the ability to assert identity and accordingly the business firm should be able to assert itself while providing the offering, in order to be viable. This would amount to profitability and being able to sustain the business growth rate as per the expectations of the various stakeholders.

Design Space 3: Intersection between Business Viability & Technological Feasibility

Between feasibility & viability, there lies the space within which the business would leverage technology as possible means in its endeavor to provide the offering as well as assert itself towards sustenance during business execution. As such, technology can be leveraged to not only make the offering but to provide the offering in accordance with the stakeholder concerns. Thus, practicing design while in this space can lend a handle towards sharpening our focus, to come up with business execution mechanisms in the form of commensurate structure & process, which would enable the business endeavor towards successful outcomes.

Proposed Framework by combining BOP Principles and DI Spaces (Fig. 2)

Availability Principle and Design Space 1 (between Desirability & Feasibility):

As per the earlier description as part of DI, commensurate choice of technologies are made in producing the offerings aimed at BOP segment. Accordingly, design thinking is applied in this space and the Business Offerings are made 'Available' to BOP population.

Affordability Principle and Design Space 2 (between Desirability & Viability):

As per the earlier description as part of DI, the various elements of the Business Model are fleshed out to enable meeting BOP requirement. This would involve, compelling value proposition and customer relationship that is mutually rewarding to both consumer as well as the business firm. Often it could mean raising the earning capacity of BOP consumer by way of suitable purchasing schemes. In addition, bringing-in several intermediaries into this context is an option worth consideration. Accordingly, design thinking is applied in this space to come up with novel and innovative Business Models and the Business Offerings are made 'Affordable' to BOP population.

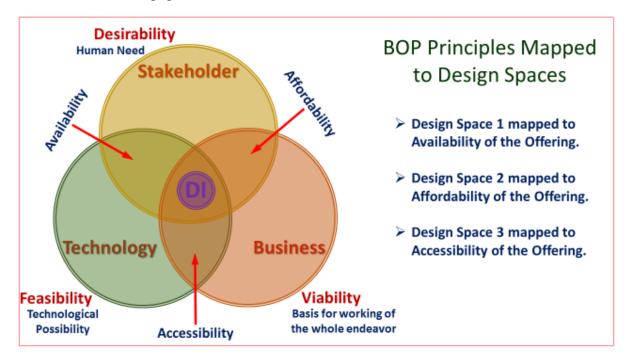


Fig. 2: BOP Market Principles mapped to DI Design Spaces

Accessibility Principle and Design Space 3 (between Viability & Feasibility):

As per the earlier description as part of DI, the Business firm is expected to leverage the technology towards making the offerings accessible to BOP population. It would amount to conceiving and developing mechanisms for business execution. Often the mechanisms could be in the form of distribution channels for products and services. To this extent, design thinking is applied while in this space and the Business Offerings are made 'Accessible' to BOP population.

Proposed Approach by mapping between BOP Principles and DI Spaces

The combined perspective between DI and BOP enables the designer to establish a direct mapping towards addressing the unique characteristics of BOP market. Table 1 refers to the mapping between intersecting spaces of DI vis-à-vis the principles of BOP. The main guidance portion in the approach is to undertake design within the respective intersecting spaces, with an aim towards designing corresponding business elements, while in adherence with BOP principles. This manner of working can amount to design of the complete supporting ecosystem aimed at serving BOP market.

BOP Market	Intersecting Dimensio	Intersecting Dimensions of DI		
Principles	Desirability & Feasibility	Desirability & Viability	Viability & Feasibility	
Availability	Possibility to meet the BOP need by leveraging choice of technology towards making an Offering.	Value proposition that is commensurate with the BOP population segment need.	Customer Relationship, and Channel Execution, while providing the Offering.	
Affordability	Choice of technology to make the Offering affordable. Scale and Volumes are part of this scope.	Making the Offering attractive and appeal to BOP segment by way of price and profitability for the provider firm.	Raising the purchasing ability and earning capacity of BOP population, while providing the Offering.	
Accessibility	Choice of technology to make the Offering accessible. Packaging possibility and corresponding designs for the Offering.	Design of Channels in order to meet the distribution challenges. Execution of the whole Business endeavour by means of required structure & process.	Design of execution structure & process for realizing business, primarily with respect to making the Offerings accessible to BOP.	

Table 1: Intersecting Dimensions of DI vis-à-vis BOP Principles, briefly detailed

Summary and Conclusion

The main contribution in this paper is the manner in which, both DI dimensions and also BOP principles, are put together for an approach. For want of further research evidence, the inference that the intersecting spaces between DI dimensions would give rise to design of business

offerings, business models, and business execution structure & process, has not been stated emphatically.

It is our endeavor to substantiate this approach with suitable illustrations in future. Towards this purpose, case studies from Government run hospitals in India providing healthcare services, and Retail businesses in rural parts of India fulfilling a large portion of the domestic needs of BOP population, will be made use of.

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The Transformative Service Paradox: Technology as a tool to assist wellbeing

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Introduction

Transformative service research "...focuses on improving consumer and societal welfare through service" (Rosenbaum et al., 2011, p.2). Wellbeing is a multi-dimensional construct with dimensions including: psychological, social, physical, financial, eudaimonic, and hedonic (Anderson et al., 2013) Given this multi-dimensionality, there are paradoxes inherent in transformative services, but this is not extensively discussed in the literature.

Wellbeing can be context specific (Anderson et al., 2013) hence the dimensions that create a paradox in a transformative service depend on the service setting. This research specifically investigates the service setting of electricity where the wellbeing dimensions creating a paradox are physical (comfort) and the financial (cost). Consumers must trade-off between the comfort provided by electricity (e.g., heating/cooling, appliances) and the financial cost of using electricity (ABC News, 2017). Thus, the aim of this research is to propose and empirically investigate how technology can assist consumers to resolve the Transformative Service Paradox (TSP) in the context of electricity to achieve optimal wellbeing.

Transformative service paradox

It is proposed that the TSP produces three non-optimal-states as consumers try to balance their long and short-term wellbeing (Penz and Hogg, 2011) and deal with the approach-avoid motivational conflict the TSP creates (see Fig.1): long-term focus, short-term focus, and avoidance (Mowen, 2011). We propose technology as a solution to achieving an optimal-state.

Figure 1: Conceptual Framework

		Financial Wellbeing			
		Created	Destroyed		
Wellbeing	Created	Optimal: Balance between short and long term focus.	Short-term focus: sacrifice future costs for physical wellbeing		
Physical Wellbeing	Destroyed	Long-term focus: sacrifice current physical wellbeing for future costs	Avoidance: Reduce conflict, avoid transformative service		

Electricity as a transformative service

Electricity services include electricity-provision, and other services like energy audits or smart energy-technology installation. As societies strive to meet climate targets, electricity services affect societal as well as individual wellbeing. Governments worldwide have identified energy security, sustainability, and equity as the great trilemma of modern times (World Energy Council, 2016).

Electricity has a delayed feedback-mechanism whereby financial wellbeing (or lack thereof) is delayed (bills take up to 3 months to arrive). This fosters short-term thinking, where physical wellbeing takes priority as reinforcement is immediate. Technology can close this behavioural reinforcement gap, providing feedback on financial wellbeing in the short-term.

Technology and wellbeing in services

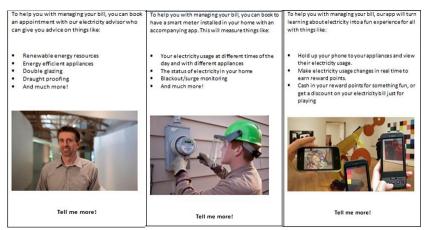
Previous studies have examined technology for transformative services like health (Schuster et al., 2017) or education (Garrison and Kanuka, 2004). However, existing research notes that further knowledge of technology services for wellbeing is needed (Anderson et al., 2013). As research has found that different factors influence the adoption of various types of service technology (Curran and Meuter, 2005), there is a need to examine how different types of technology assist consumers. Hence, the following research question is proposed: "How does technology assist consumers to resolve the transformative service paradox?"

Method

This research used a two-study mixed-methods service design, involving 45 household interviews (n=118), and a national survey (n=1345) of Australian consumers. Consumers were shown three different assistance scenarios (Fig.2) for using technology to achieve an optimal-

state in electricity services. Three scenario choices reflected the types of assistance currently available in the electricity context.

Figure 2: Assistance Options



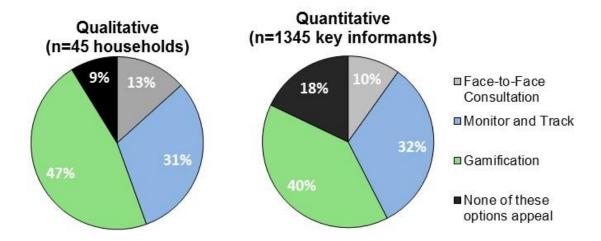
Source: Created by the researchers using public domain images (thennett017, Portland general, sndrv, via Flikr).

Qualitative data were analysed using thematic analysis. Descriptive analyses of quantitative data were completed via SPSS 23.00.

Findings

The sample included 60 females and 58 males of all ages (Qualitative) and 64% females, 36% males aged 18+ (Quantitative). See Fig.6 for a comparison of assistance preferences. The majority chose the higher technology options.

Figure 6: Participant assistance choices



Findings are presented below (participant names are altered), with quantitative and qualitative data being used to answer the research question where possible. An initial examination of TSP states was undertaken, with all non-optimal states present in the data.

Avoidance: "If it came in a brochure, I would throw it in the rubbish bin. To me I couldn't see any benefit in it... I just think it is getting a bit too in your face" Nancy (Retiree, 69)

Long-term focus: "And so if you've got the option to use it less, then you would do it. But...if you want a cup of tea, you want a cup of tea. Things are really tight, you probably just can't have a cup of tea." Claudia (Mother, 41).

Short-term focus: "Because if I see [lots of energy usage], I won't be turning the TV off, so it's a waste to have [gamification] <laughing>." Cynthia (Working couple, 64).

The remaining sections discuss how each technology option resolves the TSP to achieve an optimal-state.

Usage reduction: Face-to-face uses 'swaps' to allow balance and reduce risk The face-to-face option resolves the TSP by assisting consumers to balance physical and financial wellbeing through a passive 'swap' from heavy to light energy-usage. Consumers selecting this option are outsourcing decisions (Baumeister et al., 1998), engaging in status quo bias (Samuelson and Zeckhauser, 1988a), and utilising social support (Stewart Loane et al., 2015a) by passively allowing an expert to interact with the technology on their behalf via an energy audit. Studies suggest consumers capacity for active decisions is limited, hence consumers may outsource decisions, minimising cognitive-load (Baumeister et al., 1998). Further, as consumers are familiar with audits and are aware audits entail 'swaps' and advice, they can reduce risk by remaining with the status quo (Samuelson and Zeckhauser, 1988b). Finally, social support, (i.e., informational and instrumental), further reduces risk while enhancing value (Loane et al., 2015).

"...he's just going to come out and sort it all out for me." Katherine (Mother, 29)

"It's better to get information from an experienced individual as they can offer useful tips." Anon (Survey)

Instant feedback: Track-and-Monitor brings financial wellbeing back from the future The track-and-monitor option allows consumers to resolve the TSP by bringing financial wellbeing information into the present, allowing for more informed decisions Selection of this option can be explained by prospect theory (Kahneman and Tversky, 2013a), reinforcement theory (Rothschild and Gaidis, 1981), and the need for control/mastery (i.e., self-determination theory, Ryan and Deci, 2000). Prospect theory (Kahneman and Tversky, 2013b) indicates consumers make decisions based on outcome certainty. As track-and-monitor is attractive increases certainty by supplying instant usage information, this allows consumers to accurately consider prospects for financial wellbeing, and feel in control (Ryan and Deci, 2000) This is supported by reinforcement theory which indicates reinforcement should be provided as soon as possible (Rothschild and Gaidis, 1981). Hence the instant data-driven feedback offered by track-and-monitor assists consumers to realise the long-term transformative potential of energy services.

"I probably would prefer the second one just because the graphs and stuff would kind of tell me what I need to know" Mindy (Flatmate, 20)

"Understand better when electricity is being used and adjust usage" Anon (Survey)

Finally, given consumers have varying preferences for control (Joosten et al., 2016) and are increasingly becoming active contributors to their own transformative service experiences (McColl-Kennedy et al., 2017), this technology offers a chance for active engagement and control.

Pleasurable experience: Gamification gives an alternate dopamine Gamification resolves the TSP by meeting physical wellbeing needs in an alternative way, rather than high use of energy-hungry appliances such as heating/cooling or clothes-dryers. Gamification helps reduce energy use in a fun way which assists consumers to meet financial wellbeing needs while still receiving a boost to their physical wellbeing. The mechanism by which this option resolves the paradox is three-fold: hyperbolic discounting (Laibson, 1997), instant gratification via dopamine-release (Koepp et al., 1998) and altruism to kin (Morgan and King, 2001). Hyperbolic discounting indicates that when wait-time is shorter, consumers prefer smaller rewards now over larger rewards later (Laibson, 1997), hence taking a smaller physical reward now (air-conditioning at 18° in Summer) is taken over a larger financial reward later (lower bill). Gamification allows us to take advantage of this tendency by offering alternate gratification. Specifically, games offer the instant gratification of a dopamine release (Koepp et al., 1998), meaning consumers take a lower physical wellbeing boost now (air-conditioner at 24°) because they have the alternate source of wellbeing, dopamine triggered by game play.

"...[Gamification] would make something not very enjoyable... kind of fun and make you want to do it." Matthew (Teenager, 14).

"Discounts and fun.. while saving, yes sir!" Anon (Survey).

Households with children were influenced by altruism (Morgan and King, 2001). Evolutionary psychology dictates parents are invested in ensuring their children thrive. Gamification allows parents to meet this need by simultaneously educating and entertaining children (Yam et al., 2017).

"And then Lily would learn more, like [she'd] become a bit of a saver..." Anna (Mother, 44).

Discussion

In addressing the research question, there are two theoretical contributions: wellbeing by resolving the paradox and the importance of balance

Wellbeing by resolving the paradox

In support of our conceptualisation, consumers do perceive technology as a way to achieve wellbeing. Consumers anticipate using technology to balance their financial and physical wellbeing (face-to-face consultation), make their financial wellbeing more visible to allow easier choices (track-and-monitor), or increase physical wellbeing through games rather than excessive electricity-use (gamification). Gamification was the most selected option, potentially

indicating its ability to assuage feelings of conflict (Penz and Hogg, 2011). Indeed, gamification in transformative service can offer numerous experiential benefits (Hammedi et al., 2017).

The importance of balance

The balance required to address the TSP means not asking consumers to sacrifice. Rather than enforcing long-term thinking, social marketing advises to focus on the consumers reality (Andreasen, 1994), hence it is important that transformative service researchers offer short-term value to achieve long-term wellbeing. In this study, we have demonstrated that technology is a viable tool to achieve this balance.

Conclusion

This paper introduced the 'Transformative Service Paradox' and showed how consumers may resolve the TSP via technology assistance, to achieve optimal-wellbeing.

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3K. Customer Experience and Value

How sophisticated servicescape can reduce negative feelings when a failure occur?

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Introduction

When providers fail to meet consumers' expectations, service failures occur (Zeithaml et al. 2011), with adverse effects on consumer behavior, emotions, intentions to switch providers, and intentions to repurchase services (Bonifield and Cole 2007; Hocutt et al. 1997; Liao et al. 2015; McColl-Kennedy and Sparks 2003; Patterson et al. 2006; Smith et al. 1999; Zeelenberg and Pieters 2004).

Servicescapes (i.e. service environments) are a combination of ambient conditions (e.g. temperature, music, odor), space (e.g. equipment, furnishing), and signs, symbols and artifacts (e.g. personal artifacts, style of décor) in service environments designed to create physical surroundings (Bitner 1992). Pleasant servicescapes build sensory impressions that improve service experiences (Berry et al. 2002; Bitner 1992; Chang 2016; Dean 2014; DiPietro and Campbell 2014; Durna et al. 2015; Kotler 1973; Walsh et al. 2011). More than a component of the service production, servicescapes are part of the service itself (Bitner 1992) and serve as clues for consumers to use in building their pre-purchase (Shostack, 1977) and post-purchase quality evaluations (Bitner 1990; Hooper et al. 2013; Kearney et al. 2013; Westbrook and Oliver 1991).

Based on this literature, this research explores the effects of service environment in determining how consumers react to service failures. That is, a positive service environment can generate positive assessments by evoking impressions of service quality (Zeithaml et al. 2011).

Study 1: Servicescapes and Failure Consequences

One hundred and fifty-three U.S. residents (56.9% men, MTurk). The study had a 2 (service environment: sophisticated vs. simple) x 2 (failure consequences: low vs. high) role-playing design randomly assignment between subjects. In low failure consequences dinner was a common occasion and in high failure consequences, the dinner was a highly consequential business meeting. For the service environment, they read online reviews in restaurant evaluations such as TripAdvisor. Manipulation checks indicated that both scenarios worked correctly.

We verified the manipulation of the service environment using environment (α = 0.951, 4 items), design (α = 0.983, 9 items), and social factors (α = 0.970, 7 items) (Baker et al. 2002; Bitner 1990, 1992; Bojanic and Rosen 1994; Fu and Parks 2001; Madanoglu 2005). To measure high and low failure consequences participants evaluated four items (α = 0.952) from Moss-Morris et al. (2002) scale. The dependent variable negative emotions (α = 0.938) was measured in four statements regarding regret over the choice of restaurant (Bonifield and Cole 2007).

A 2 x 2 ANOVA testing the relationship between the service environment and consequences of failure on negative emotions showed that service environment interacted with failure consequences to influence negative emotions ($F_{(1, 149)} = 4.47$, p < 0.05; $M_{\text{simple}} = 2.8$ vs. $M_{\text{sophisticated}} = 1.4$) as can be seen in Figure 1.

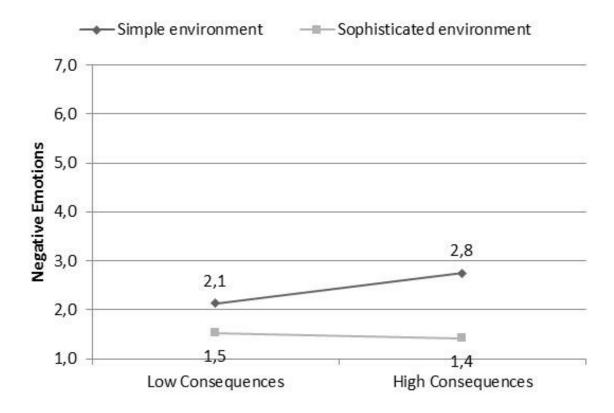


Figure 1: Consumer Negative Emotions Related to the Exchange Consequences and Service Environment

Study 2: Service Environment and Failure Control

For Study 2, 129 undergraduate students from a major university (37.9% men) between-subjects 2 (service environment: simple vs. sophisticated) x 2 (failure control: low vs. high). We randomly assigned participants to one of two scenarios describing a party featuring either a simple or sophisticated servicescape and asked them to imagine that they were party guests. In a field provided, they described their impressions of the room. We then randomly assigned participants to a low (i.e. electricity company was doing maintenance) or high (i.e. the party

organizers had neglected to provide a generator) failure control. In both cases, the party organizers were embarrassed and apologized for the inconvenience.

To check the manipulation effectiveness, we used the items from Study 1 to measure servicescape. To measure high and low failure control, we used items adapted from Magnini et al. (2007). The dependent variable negative emotions (r = 0.291, p < 0.001) was measured in two statements regarding guilt over the choice of party (Graham and Juvonen 1998). Manipulation checks indicated that both scenarios worked correctly. To test the relationship between the service environment and failure control, a 2 x 2 ANOVA using negative emotions as the dependent variable showed that service environment interacted with failure control marginally influence on negative emotions ($F_{(1, 121)} = 6.98$, p < 0.01; $M_{\text{high}} = 6.2$ vs. $M_{\text{low}} = 5.3$) as can be seen in figure 2.

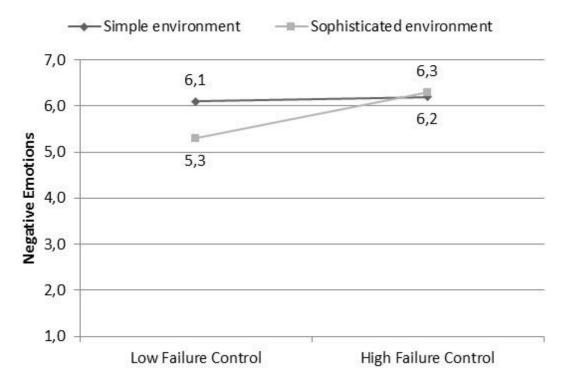


Figure 2: Consumer Negative Emotions Related to the Failure Control and Service Environment

Study 3a: Service Environment and Failure Compensation

For Study 3A, 101 undergraduate students (52.5% men) from a major institution were randomly exposed to one of the scenarios. This study was a between-subjects 2 (service environment: simple vs. sophisticated) x 2 (failure compensation: absent vs. gift) design.

As Study 2, we chose a party context because it should be a familiar context of service to student participants. We randomly assigned participants to one of two scenarios describing a party taking place in a simple or sophisticated servicescape. Then we randomly assigned participants to a low (i.e. party organizers apologized for the inconvenience and continued the

event) or high (i.e. party organizers invited customers to return another day and receive a free drink).

To check the effectiveness of the manipulation, we measured the servicescape using the items adopted in the earlier studies: environmental (α = 0.904, 4 items), design (α = 0.962, 9 items), and social (α = 0.948, 7 items) factors. Failure compensation was checked using distributive (α = 0.824, 4 items), procedural (α = 0.858, 2 items), and interactional (α = 0.484, 3 items) justice factors (Smith et al. 1999; Mattilla and Wirtz 2004). As in Study 2, the dependent variable negative emotions (r = 0.250, p<0.05) was measured in two statements regarding guilt over the choice of party (Graham and Juvonen 1998). Manipulation checks indicated that both scenarios worked as expected.

A 2 x 2 ANOVA was conducted using negative emotions as the dependent variable: service environment interacted with failure compensation to influence negative emotions ($F_{(1, 99)} = 6.62, p < 0.05$). Results indicated that under the sophisticated service environment, failure compensation influenced negative emotions ($F_{(1, 99)} = 5.21, p < 0.05$): participants in the present compensation condition had less negative emotions than those in the absent failure compensation condition ($M_{\text{present}} = 5.6 \text{ vs. } M_{\text{absent}} = 6.3$) as can be seen in Figure 3.

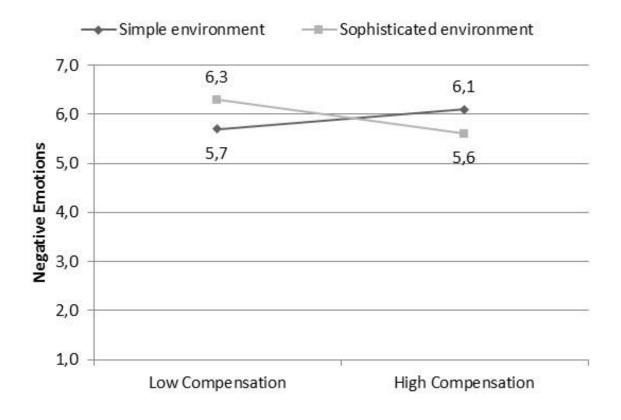


Figure 3: Consumer Negative Emotions Related to Failure Compensation and Service Environment

Study 3b: Service Environment, Compensation, and Intentions to Repurchase and Retaliate

For this study, 162 U.S. residents (63.0% men, MTurk). Study 3B is a between-subjects 2 (service environment: sophisticated vs. simple) x 2 (failure compensation: high vs. low) design. First, they read a scenario about a college student needing a haircut before attending an award ceremony. They then read one of two scenarios in which netizens commented about the hairdressing service environment was simple (sophisticated). The scenario explained that the student had to wait 40 minutes before she was served. Participants were randomly assigned to low (i.e. hairdresser did not apologize or express concern about the delay) and high compensation (i.e. apology and 20% off discount) condition.

The same items used previously were used to measure the manipulation check of the servicescape: environmental (α = 0.914, 4 items), design (α = 0.950, 9 items), and social (α = 0.917, 7 items) factors. Failure compensation was measured by using distributive (α = 0.908, 4 items), procedural (α = 0.886, 2 items), and interactional (α = 0.851, 3 items) justice factors (Smith et al. 1999; Mattilla and Wirtz 2004). Two items from Zeithaml et al. (1996) were used to measure repurchase intentions (α = 0.858). Two items from Zeelenberg and Pieters (2004) were used to measure intentions to retaliate (α = 0.857). Manipulation checks indicated that both scenarios worked as expected. We conducted a 2 x 2 ANOVA and found that service environment and failure compensation interacted to influence retaliation (F (1, 158) = 8.89, p <0.01) and repurchase intentions (F (1, 158) = 4.62, p <0.05) (figures 4 and 5).

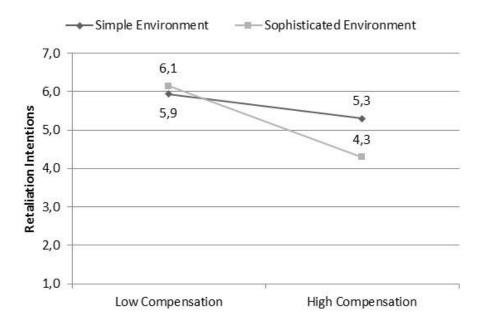


Figure 4: Retaliation Intentions Related to Failure Compensation and Service Environment

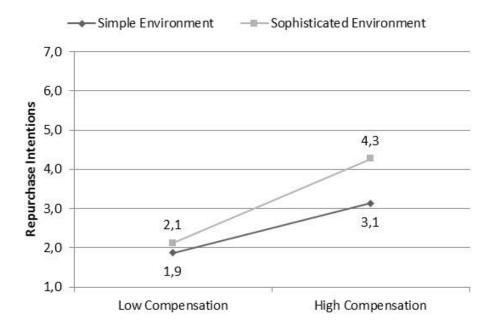


Figure 5: Repurchase Intentions Related to Failure Compensation and Service Environment

Conclusions

Our investigation of the influence of service environment fills important gaps in the literature of service recovery. Our results demonstrate that service environments are essential in provider/customer communication (Kotler 1973) and service experiences (Bitner 1992; Shostack 1977). This research complements previous studies and provides additional information on failure control in service settings (Bitner 1990; Choi and Mattila 2008; Sparks and McColl-Kennedy 2003). Although previous studies have shown that consumers will be angry and dissatisfied with a transgressing provider when they perceive that the provider could have avoided the failure, we highlight the importance of service environment in reducing negative emotions, especially when the company has high control over the failure.

Finally, we fill a gap in the literature regarding service environment as a strategic element in service recovery. Companies must manage failure skillfully if they are to maintain customer loyalty and avoid retaliation (Hocutt et al. 1997). Previous research demonstrates different strategies to compensate consumers after service failure (Gelbrich 2010; Gelbrich et al. 2015; Gelbrich and Roschk 2010; Gelbrich and Roschk 2011; McCollough et al. 2000; Noone 2012; Wirts and Mattila 2004) but none of them show the effects of service environment on effectiveness of post-failure compensation.

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An Investigation of the Antecedents of Customer Co-creation and Co- production in Health Services

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Introduction

Co-production and co-creation have become central tenets of service-centered logics for marketing (Auh et al., 2007; Gummerson, 1996; Ramirez, 1999; Vargo and Lusch 2004) and could be the means for competitive advantage (Bendapudi and Leone 2003, Prahalad and Ramaswamy 2004). Although the two terms have been used interchangeably, in this study they are considered as different concepts. Co-production has been defined as "engaging customers as active participants in the organization's work" (Lengnick-Hall et al. 2000, p. 359). Cocreation has been defined as "the integration of resources through activities and interactions with collaborators in the customer's service network" (McColl-Kennedy et al., 2012, p. 1). The shift toward co-production and co-creation as means to enhance value seems logical, particularly because the notion of customers creating value with the firm as opposed to the firm creating value for customers (Lengnick-Hall 1996; Prahalad and Ramaswamy 2004; Vargo and Lusch 2004) appears consistent with a market-oriented approach. Recent literature on customer-firm co-production and co-creation has focused on the benefits of increasing customer engagement in the service production and delivery process. In health services, coproduction has been found to be significantly associated with attitudinal loyalty which in turn influences behavioral loyalty (Auh et al., 2007). Thus, it seems that attitudinal loyalty mediates the effect of co-production on behavioral loyalty, and the co-creation experience may yet offer an opportunity for value creation for service organizations (Auh et al., 2007; Prahalad and Ramaswamy 2004).

Despite the growing acknowledgement of the value of co-production and co-creation in health care services, there is limited available research in the literature on their antecedents. Over the last decade, patient participation and engagement in co-creation and co-production has been viewed as the cornerstone of the health care system (Sawesi et al. 2016) due its impact on health outcomes (e.g. increased customer value), and health care performance (e.g., cost reduction). However, it is unclear what activities or factors influence value co-creation and coproduction. Thus, the purpose of the study is to contribute to the services marketing and to the health services literature by identifying key predictors of value co-production and co-creation in health services and understanding the role of the customer as perceived by the customer. In particular, we propose that patient and doctor responsible behavior are the direct determinants of co-creation, co-production of health services as well as of information sharing behavior (Figure 1). In order to co-create value, customers need to provide resources such as essential information (Lengnick-Hall, 1996). Through information sharing, customers can ensure that firms provide the service that meets their particular needs (Ennew and Binks, 1999). For example, patients should provide their doctors with proper information about their condition so that the latter can make an accurate diagnosis. If customers fail to provide accurate information, the quality of value co-creation may be low. Thus, information sharing is the key to the success of value co-creation and co-production. Responsible behavior occurs when

customers recognize their duties and responsibilities as partial employees (Ennew and Binks, 1999). For successful co-creation and co-production, customers (patients) need to be cooperative, observing rules and policies and accepting directions from employees (doctors) (Bettencourt, 1997). However, service providers (doctors) should also exhibit responsible behavior because they create and produce value in tandem with their customers (patients). Specifying these antecedents allows policy makers, doctors and other stakeholders to understand the magnitude and scope of the challenges customers face in identifying and using effectively and safely health services (Gruman et al. 2010).

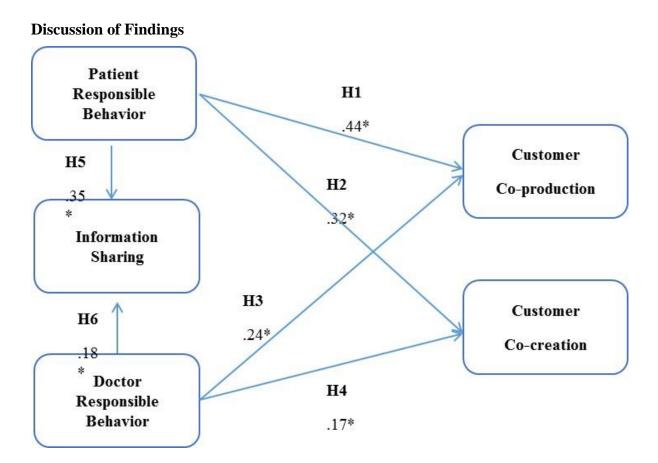
Methodology

The target population for this research is customers of health services (patients). Data were collected from a questionnaire distributed to a convenience sample of a Southeast European country. A total of 442 completed questionnaires were collected. All measures of the study were adapted from previous research. Specifically, Information Sharing was measured with four items adapted from Yi and Gong (2013). Customer and Service Provider Responsible Behavior were measured with four items each and were adapted from Yi and Gong (2013). Coproduction was measured with four items adapted from Auh et al. (2007) and co-creation with four items adapted from Bettencourt (1997), Lengnick-Hall, Claycomb and Inks (2000). A five point Likert scale anchored by Strongly Disagree (1) to Strongly Agree (5) was used in all measures.

Results

Because the measures of the study were created in other countries and context, all items were subjected to exploratory factor analysis (EFA). EFA resulted into 17 items. The initial items (17) used to measure the five latent constructs were subjected to Confirmatory Factor Analysis (CFA) using LISREL 8.52. The revised measurement model consisted of 13 items and was found to fit the data well with a chi-square goodness of fit index of 196.6 and 55 degrees of freedom, ratio $\chi 2$ / d.f.=3.6, p<.000). The fit indexes values met or exceeded the critical values for good model fit (RMSEA = 0.076, NNFI = 0.93, CFI = 0.95, IFI=0.93). After the preliminary calculations, the analysis continued using structural equation modeling (SEM) by employing Maximum Likelihood (ML). The proposed model fit the data well with a chi square value of 802.13 with 259 degrees of freedom (ratio $\chi 2$ /d.f.=3, p<.00); RMSEA=.07, NNFI = 0.90,

IFI=0.90, CFI = 0.91. All hypothesized paths were significant and the model explained 20% of the variance of co-creation and 37% of co-production (Figure 1).



The findings to the study confirm the expected relationships and reveal the strength of the relationships between the variables under investigation. Customer and doctor responsible behavior seem to play a significant role in predicting customer co-creation and co-production. Moreover, they influence information sharing behavior which has been considered a critical element of value co-creation. The value of this study is the delineation of the antecedents of co-creation and co-production, which is particularly useful in investigating the factors needed for successful value co-creation and co-production interactions. While most studies have tried to explain the benefits of co-creation and co-production, very few have gone in-depth by investigating their antecedents.

Moreover, the study provides various implications for managers. First, to the extent that doctors and service firms in general pursue co-production and co-creation, managers may need to make cultural changes in their organizations. Second, increasing customer communication (e.g., information sharing) will increase co-production and co-creation, so managers/doctors should work to improve communications between them and customers/patients.

The reliability of the study findings should be considered in light of some limitations. First, the study is limited to one type of services, health services, and the strength of the

relationships investigated may differ in other service industries. Second, the sample refers to business-to-customer relationships and do not include business-to-business relationships. Third, employing scales that measure our focal constructs with more fine-grained precision might generate some additional insights. Fourth, only a few possible antecedents were included in the study. The explained variance of their effects on co-creation and co-production indicate that additional antecedents should be also included in the proposed model. These limitations notwithstanding, it is supported that the study provides some valuable insights into the role of some antecedents of co-production and co-creation of value.

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Service System Well-being: Conceptualising a Macro-Level Concept

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Introduction

The relevance of improving individual well-being has recently gained traction within the marketing literature (e.g. Ostrom et al., 2015), for instance it is a key tenant of transformative service, consumer and social marketing research. The marketing literature on well-being investigates behaviours, attitudes, cognitive processes, interactions and social processes (e.g. Mendel and van Doorn, 2014) to understand how well-being manifests in individuals. While assessing individual well-being is crucial, understanding the larger contexts, such as the service system in which individuals are embedded, is also relevant. Adopting a holistic perspective on well-being is a neglected area of service research (Anderson and Ostrom, 2015). The socio-cultural systems where individuals and collectives immerse themselves have considerable influence on well-being; without incorporating elements of holistic well-being, we possess only partial knowledge about how to manage and improve individual and collective well-being (Anderson et al.,2013).

Another important issue is the failure to recognise the dynamic nature of socio-cultural contexts that are made up of multiple stakeholders in a service system. While individual wellbeing is the bottom line, developing a macro-level perspective on well-being would develop the knowledge of the processes, actors and institutional logics that contribute to individual well-being. Furthermore, from a value co-creation standpoint, looking beyond an interaction dyad and focusing on multiple stakeholders would allow for the identification of how various stakeholders participate at different levels, contributing to the betterment of the system and of themselves. Nevertheless, this holistic and multi-stakeholder perspective includes complex processes (Eisenhardt and Graebner, 2007). Therefore, to understand the notion of well-being from a macro-level, we propose the concept of service system well-being. Service system wellbeing is defined as the extent to which a system (including individuals and collectives) evaluates its present conditions in fulfilling its needs and contributing to the betterment of itself and others in the system. The study contributes to service research by highlighting the key differences in conceptualising macro-level and individual well-being. It also illustrates the significance of service system well-being as a useful concept to manage and improve individual well-being effectively through different levels of the system. For service managers, system well-being domains allow to understand disparities in well-being experienced by individuals and collectives at every level that affect the overall, and allow for designing value propositions to improve their well-being.

Theoretical Framework

In line with service dominant (SD) logic, a service system is defined as an arrangement of resources (including people, technology and shared information) connected to systems by value propositions (Spohrer et al., 2007). Thus, the function of a system is to use its own resources and those of others to improve its circumstances and those of others. In other words, if the system does not apply its resources, or lacks the resources and shared institutional logics for resource integration, actualising mutually beneficial values and improving individual and collective well-being is difficult. Therefore a system assessment of the type of resources that facilitate individual and collective functioning indicates well-being at the system level. According to the equilibrium theory of well-being, individuals assess their lives on the basis of challenges versus the resources they possess to overcome those challenges (Headey and Wearing, 1989). Individuals generally tend to maintain states of equilibrium by gathering the required physical, psychological and social resources and skills they need, which are also called stock and flow. Individuals differ in their stock levels and, therefore, have subjective interpretations of their well-being. While flow is the satisfaction or distress arising from experiences and events in a particular context, equilibrium theory also suggests that at any given time, individuals' stock and flow levels are fairly stable. Drawing on individual-level equilibrium theory, we suggest that a service system's well-being depends on the amount of resources (stock levels), i.e. service actors, processes and shared institutional logics, it possesses for resource integration to co-create/co-destruct value experiences (flow). Such resources and value experiences fulfil the needs of individuals and collectives within a system. Therefore, an overall assessment of service system well-being entails the evaluation of the system's present resources and value experiences among its resource-integrating actors.

Furthermore, the concept of well-being is determined by hedonic and eudaimonic dimensions. The hedonic dimension represents the attainment of happiness by achieving desired life conditions and gaining material pleasures. The eudaimonic dimension signifies achieving life meaning, personal growth, belonging, autonomy and becoming one's best self in one or all life domains (Ryan and Deci, 2001). Both types of well-being are interconnected and are important for individual well-being. In the context of service system well-being, the attainment of valuable experiences and resources to meet the well-being of individuals and collectives represents the hedonic dimension. On the other hand, offering purpose, sense of control, personal growth and belongingness to individuals and collectives for achieving well-being represents the eudemonic dimension. Thus, well-being can emerge from two different dimensions.

The extant well-being literature offers eight core domains for assessing individual well-being (Shalock et al., 2016): physical, emotional, material, interpersonal, social inclusion, personal development, rights and self-determination. Guided by bottom-up spill-over theory (Andrews and Withney, 1976), Sirgy and colleagues argue that individual satisfaction with life is largely derived from satisfaction across a number of well-being domains. When affect within a specific domain accumulates, it spills over into overarching domains, such as life in general (e.g., Sirgy, Widgery, Lee and Yu 2009). Therefore, individuals attain overall well-being from

the sum of satisfaction from various domains. Similarly, individuals may place varying importance on the attainment of well-being in a particular domain.

In the context of service system well-being, different resources, values, practices and logics can satisfy the different well-being domains of individuals and collectives. Studies that look at macro-level well-being (e.g. Shalock et al., 2016) argue for collective self-efficacy, social inclusion and social capital (i.e. a resource-based view) to assess well-being. While focusing on collective competencies to resolve collective issues for a collective well-being is important, it is insufficient. Such conceptualisations do not answer the questions of how different levels (i.e. micro-, meso- and macro-levels) of a service system influence each other by facilitating resources, values and logics for individual and collective well-being. Are the domains of well-being different for individuals and collectives? And how does individual and collective well-being within different levels of the service system affect overall service system well-being?

To explore this holistic perspective of well-being and establish the concept of service system well-being, we propose the ten following domains of service system well-being: (1) strategic well-being, (2) existential well-being, (3) transformational well-being, (4) collaborative well-being, (5) resource well-being, (6) leadership well-being, (7) social well-being, (8) governance well-being, (9) cultural well-being and (10) community well-being. Individuals and collectives at each level of the service system can evaluate the system's overall level of well-being. Drawing on the organisational behaviour, well-being, service marketing literature, we develop definitions of each domain. For example, we define social well-being as the extent to which a system provides social connections that fulfil individual and collective needs, and positively contribute to the betterment of the system. Resource well-being, on the other hand, is defined as the extent to which a system functions well in providing access to resources that fulfil the needs of individuals and collectives, thereby positively contributing to the betterment of the system.

It is useful to note that for individuals and collectives within a service system, the proposed well-being domains may vary in degree of significance. Furthermore, individuals and collectives contribute to the betterment of the service system, as they both have vested interests in maintaining the overall well-being of the system. Because the system provides them with the resources/opportunities to maintain their desired states of well-being, their contribution to the system's well-being can be seen as a regulation mechanism that allows for continuity in well-being over time.

Methodology

This research applies a qualitative exploratory case study approach. Data from healthcare contexts have been collected through in-depth interviews. The data represent individuals and collectives, and assist in understanding the theoretical service system well-being domains developed from the literature. A case study approach can help to understand complex phenomena (Yin, 1994). The use of case study interviews also help to understand a phenomenon in its real-life context (Cavaye, 1996); thus, the interviews are used to interpret

each domain of the macro-level concept of well-being within the system. The results will be available for discussion during the presentation.

Contributions and Conclusion

This research contributes to the service literature by proposing the macro-level concept of service system well-being and its key domains. The proposed domains provide direction for future empirical research. This research has important implications for managers. First, it provides opportunities to understand how well-being is viewed at a collective level. From a transformational perspective, a holistic approach can address well-being deficiencies, and help to identify and nurture collective well-being practices. Second, a system-level conceptualisation can assist to understand the importance of specific domains as distinct layers within a system. This is especially important in healthcare organisations that are complex and interrelated, such as those consisting of management, nursing, patients and volunteers.

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4A Special Session: Monet Matters: Consumer Financial Well Being Today and Tomorrow

Money Matters: Consumer Financial Well Being Today and

Tomorrow

Elisabeth Bruggen, Maastricht University, Netherlands (Co-Chair)

Sertan Kabadayi, Fordham University, United States (Co-Chair)

Consumers' financial well-being is a critical outcome of consumer decision making with implications for *Transformative Service Research*. According to the Consumer Financial Protection Bureau, consumer financial well-being is defined as having financial security and financial freedom of choice, in the present and in the future. Consumers can experience financial well-being—or a lack of it—regardless of income. It's a highly personal state, not fully described by objective financial measures. Studying financial well-being addresses Mary Jo Bitners' call to explore new relevant substantive topic areas and new dependent variables⁷. It also relates to the service research priorities as identified by Ostrom et al. (2015) where the outcome priorities contain "improving well-being through transformative services".

Financial well-being is relevant for consumers at virtually all life stages. For instance, student loan debt is at an all-time high, and consequently, spending and saving habits of millennial consumers are of substantial interest to financial institutions and policy makers. Also, research shows that the majority of people around the world do little to plan for retirement. Financial advisors, educators, and policy makers are searching for ways to people develop positive financial habits to improve their financial well-being in the short and long-run. However, they are facing the challenge that many people are not actively engaged in their financial planning.

In this special session, we will shed more light on the underlying reasons for this inactivity as well as possible interventions that help to improve financial planning. The session will focus on both, financial decisions related to the short-to-medium term (i.e. positive and negative financial behaviors exhibited by millennial consumers) and financial decisions for the long term (i.e. retirement planning).

The aim of this interactive session is to bring together academics interested in consumer financial well-being to discuss the challenges and opportunities in this research domain. At first, the co-chairs will lay the foundation for the discussion by outlining their recent work where they (a) developed a definition of financial well-being and a research agenda and (b) conducted an empirical study on the role of lifestyle and financial behaviors on financial well-being. Following this, an open discussion will be facilitated, debating the nuances of financial well-being, exploring the challenges and opportunities in this growing research domain, and discussing future research opportunities that can be pursued. This enables participants to

⁷ http://www.slideshare.net/AMADocSIG/coming-up-with-relevant-research-ideas-mary-jo-bitner

exchange and co-develop ideas on emerging areas for FWB research, and to network with other researchers interested in the topic.

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4B. Branding and Service Communication II

Drivers of consumer engagement in brand identity co-creation

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Introduction

Consumers are increasingly engaged in brand co-creation (Brown et al., 2003; Ind et al., 2013; Iglesias et al., 2013). A proactive consumer involvement (Prahalad & Ramaswamy, 2004) requires co-opting consumer participation in the brand value-creation process (Vargo & Lusch, 2008). In fact, in a co-creation context the consumer is endogenous to co-creation process (Ranjan and Read 2016). Yet, there is still a lack of understanding of the way in which the co-creation process unfolds in brand identity (BI) management, that is, how consumers engage in BI co-creation. Moreover, of the drivers for consumers' engagement in the BI co-creation process creation, is not fully understood. This study analyses, from the consumer's perspective, the engagement in BI co-creation and the drivers for consumers' engagement with the brand and BI management.

Background

It is the study's rationale that consumers are BI co-creators under certain conditions related to co-creation contexts. The research is grounded on the notion of co-creation (e.g., Vargo & Lusch, 2008; Prahalad & Ramaswamy, 2004; Grönroos & Ravald, 2011) transposed to the unfolding process of BI management. Recent research established the domain and developed metrics for value co-creation. Albison et al. (2015) developed the DART scale. DART uses the following dimensions to capture the scope of value co-creation: Dialogue, Access, Risk assessment, and Transparency. These dimensions are captured in customer interactions within the service experience environment. Ranjan and Read (2016) establish value co-creation as being formed by the combination of co-production (entailing Knowledge (sharing), Equity and Interaction) and value-in-use (entailing experience, personalization and relationship).

The notion of BI traditionally refers to the foundations of the brand, providing direction and meaning for the brand and its stakeholders (Aaker, 1996; de Chernatony, 2010; Kapferer, 2012). As consumers increasingly engage with brands and their identities, there is a growing intertwiness between manager and consumer-determined BI development. Such connection is flexible, adaptive over time (von Wallpach, 2013; Iglesias et al., 2013; da Silveira et al., 2013) and on-going.

Research design

We developed a single, longitudinal, qualitative case study (Yin 2014, Bonoma 1985, Eisenhardt 1989), investigating the BI development of a leading brand in the post-graduate higher education sector, from the consumers' perspective. The fieldwork covered a period of approximately four years and included multiple sources of evidence. In particular, 67 in-depth semi-structured interviews with 42 informants [i.e., consumers (students, alumni) and potential consumers (applicants)] selected through a theory driven (Miles & Huberman, 1994) and purposive sampling technique (Silverman & Marvasti, 2008).

For the data analysis we captured consumer engagement in BI management and the drivers for BI adjustments over time. We routed the analysis in the organizational identity domain by addressing the ideas of *issues*, *understandings* and claims (Dutton and Dukerich 1991) as adapted to the BI setting: *brand issues*, BI understandings, and BI claims. The computer analysis software NVIVO 9 assisted the data coding and analysis.

Findings and conclusion

The research suggests that BI co-creation is triggered by a sequence of intertwined brand issues. Consumers interpret brand issues as events that threaten the way they believe the brand, and by extension themselves, are perceived by external stakeholders. Consumer identify the relevant brand issues and bring them to the managers. BI is activated by this process of combining consumers' and managers' actions to address the brand issues. BI development becomes the process where brand issues first affect BI understandings, which in turn affect BI claims. Consumers and managers try to mitigate the gap between BI claims and BI understandings. A gap between BI understandings and BI claims conflicts with the brand members' aspiration to project a "true" image of the brand, generating embarrassment among external audiences.

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Co-opetition and the co-creation of brands: An exploratory study

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Introduction

Co-opetition is a business strategy where multiple parties simultaneously collaborate and compete to achieve mutually beneficial outcomes. Research on co-opetition has to date focused on knowledge sharing within organisations (e.g. Luo, 2005, 2007); motives or outcomes of co-opetition (Bengtsson et al., 2013); the link between co-opetition and innovation (e.g. Huang & Yu, 2011); and processes and typologies of co-opetition where the focus has been on the balance of cooperation and competition (e.g. Chin, Chan & Lam, 2008). Yet there has been little focus on the practices and dynamics of co-opetition to create and sustain co-created value for the network.

The aim of this study is to explore how competitors co-create value in a network through examining the nature of co-opetition. It will examine how the process of co-opetition allows for the co-creation of value among actors, in this case in the context of a destination brand. Thus, the study will focus on the processes of co-opetition by illustrating how co-opetition can facilitate outcomes such as brand co-creation, and how the dynamics of the co-operative interaction maintain and sustain the co-created value. Specifically, this study seeks to address the following research questions:

- 1. What are the practices of co-opetition which enable the co-creation of value in a destination brand?
- 2. What are the required dynamics of co-operative interaction for developing and sustaining co-created value among actors?
- 3. How are tensions managed in the co-opetitive network and how does the realization of co-created value?

Theoretical Foundations

Co-opetition strategy suggests value can be created when businesses come together to collaborate and compete simultaneously (Wang & Krakover, 2008; Pasquinelli, 2011). Therkelsen and Halkier (2008) state that the resource capabilities, for example finance, authority, research and development and marketing capabilities, together with the existing brand values of competing organisations, influences the appeal of developing a co-opetitive relationship with one another. The common goal of the actors in a co-opetitive relationship is to 'create mutually beneficial exchanges and added values' (Chin, Chan & Lam, 2008, p. 438). For example in the tourism industry, individual businesses often collaborate to deliver product experiences that enhance the appeal of the destination as a whole to the consumer, while simultaneously competing for their own share of the visitor market (Wang & Krakover, 2008).

Definitions of co-opetition in the literature can be ambiguous. Across contexts co-opetition has varyingly been defined as a value-net comprising a firm's suppliers, customers and

competitors (e.g. Brandenburger & Nalebuff, 1996); cooperation between two directly competing firms (e.g. Bengtsson & Kock, 1999); a triad with collaboration between some firms and competition among other firms (e.g. Choi, Wu, Ellram, & Koka, 2002); and an occurrence between different supply chains (Song & Lee, 2012; Wilhelm, 2011), and networks (Peng & Bourne, 2009). Bengtsson & Kock (2014) have sought to clarify the definition of coopetition by recognising the 'co-opetition paradox', that is, that collaboration and competition must be simultaneous between the actors in the co-operative relationship.

Existing research on co-opetition has been conducted at both the intra-organisational level (between units or within teams) and the interorganisational level (networks/supply chains). Researchers have approached the study of co-opetition using game theory (e.g. Brandenburger & Nalebuff, 1996; Ritala & Todstrom, 2014); a resource-based approach (e.g. Emden, Calantone, & Droge, 2006; Lado, Boyd, & Hanlon, 1997; Quintana-García & Benavides-Velasco, 2004); and a network approach (e.g. Gnyawali & Madhavan, 2001). The few studies conducted at the network level (e.g. Peng & Borne, 2009; Song & Lee, 2012) have focused on learning and knowledge sharing through networks, and network characteristics and the joint development of competitive advantage. Given the research questions identified, this study will adopt network theory to examine the phenomena of co-opetition in the co-creation of a destination brand at the interorgansiational level.

To address the research questions around the practices that enable to co-creation of value within a co-opetition, both network level co-opetition & horizontal co-opetition are considered using the strategic horizontal market net, network theory & network paradoxes (Hakansson & Ford, 2002), and value systems concepts (Camarinha-Matos & Macedo, 2010). Dynamics of co-operative interaction require an examination of how the 'rules' for interacting, sharing experience and reformulation of goals in co-opetition influence the co-creation process (Dahl, 2014; Bengtsson & Kock, 2014), as well as the roles of the different actors in the co-operative and co-creation process. Finally, to explore how tensions are managed in the co-opetition conflict management theory is employed (Tidstrom, 2014; Park et al., 2014).

Research Setting and Method

The context of the study is co-created destination brands. In an effort to remain relevant in an increasingly competitive marketplace, tourism stakeholders collaborate and co-create destination brands with the aim of creating a point of difference over competing destinations (Hakala & Lemmetyinen, 2011; Iversen & Hem, 2008). For example, a wine trail that was co-created by a number local wineries and regional and state tourism boards, with the goal to draw visitors to the local area.

Given the stated research questions, an exploratory research design has been selected using an embedded multiple-case study approach. This involves a two-stage approach to examine coopetition in the co-creation of destination brands, namely branded wine and/or ale trails in Australia. Data were collected through in-depth interviews with key informants across different stakeholder types, such as operators participating in the co-created brand and associated

regional and state tourism bodies. The first stage of interviews involved establishing the development and perceived value of the network to the varied actors. The results of this first stage enable a greater understanding of the relationships and dynamics of each co-opetition as well as the motivations for participation across stakeholder types. The results of this stage are outlined below. The second round of interviews will further delve into the on-going practices, dynamics and management of tensions within the network. The data collected in this study was analysed using a Grounded Theory approach (Strauss & Corbin 1990).

Preliminary Findings and Discussion

Analysis of the first stage of interviews revealed the value co-opetition and the co-created destination brand can bring to a network in terms of identity, reach, advocacy, product development and actor up-skilling.

All informants saw collective and individual identify benefits to co-opetition. The collective brand identity manifested from both a consistent visual and heritage identity associated with the destination brand. For example, for one wine trail brand the co-created offering "gave credence to the Italian spirit" [MN] of local area as a wine growing region and destination. Individually they were able to embrace the region's Italian heritage, create strong brand identity for themselves where the wine trail "became part of the(ir) story" [DR], and provided a platform for their individual brand story to be heard..

As a network, co-opetition was seen an opportunity to attract a larger share of the markets in which they operated. All of the informants agreed that the marketing capabilities and reach of the collective, versus their individual reach, was a strong reason to enter into co-opetition. A common theme among informants was the need to work together to gain attention and traction in the market place.

Another key benefit of co-opetition to the network was that the co-created brand formed a central point to advocate and lobby for funding from larger tourism bodies and government. The informants saw the presence of co-opetition between actors as crucial to securing access to funding. However they recognised this funding is temporary and that the continued interest and engagement of the actors in the network is required for the co-created brand to sustain value.

Collaborative product development was also identified as a key motivator to participate in the network for one co-created destination brand. This was seen as a "manageable initiative" with only a small number of actors involved and allowed the State tourism body to really drive and coordinate product development with the six businesses involved. This strategic focus in the co-opetition and brand co-creation allowed actors to realise the individual brand benefits such as access to funding.

From the perspective of one local tourism board, another of the key benefits of the co-opetitive network was sharing of knowledge and skills that occurred between the actors. The diverse skills within the network were thought to allow individual actors to achieve goals that they would not have been able to achieve in isolation. It was stated that co-opetition "...allows [businesses] to pick up skills they may not have had themselves, marketing, public relations,

creative, etc., and get that exposure to all those different skills and that constantly need to improve" [KT].

Conclusion

This exploratory study advances understanding of how value can be co-created in a network through examining the nature of co-opetition in the context of a destination brand. The first stage of the study reported here describes individual and collective value created for actors in a co-opetitive network. The next stage of the research will examine how the dynamics of the co-operative interaction maintain and sustain such co-created value.

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The role of brand community for service organization employees

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Introduction and literature review

Sense of community is a well-studied theoretical construct in many disciplines when seeking to understand individuals' collective experiences in various groups (e.g., online communities, neighborhoods, programs/institutions, etc.) (Peterson, Speer, and McMillan, 2008). In the marketing context, researchers have widely examined the role of a community of brand users (i.e., brand community) finding many positive impacts including higher customer engagement and increased brand-loyal behaviors (e.g., Algesheimer, Dholakia, and Herrmann, 2005; Carlson, Suter, and Brown, 2008). However, the role of such a brand community for employees working for a same brand is much less understood. Considering the growing interest in aligning all employees' performance with brand values to create a cohesive and coherent brand experience for customers as well as to foster employee-based brand equity (i.e., employee exhibition of brand consistent intentions and actions including brand building behavior, positive word of mouth, and intention to stay with the brand) (King and Grace, 2010; Urde et al., 2013), the examination of how a sense of brand community may affect employees' brand performance is considered novel but highly relevant in the hospitality industry. This is also because service organizations rely heavily on employees to transform the tacit brand promise and unique values into brand reality for customers in a consistent and coherent manner, in order to achieve the brand's differentiation in the marketplace (Liu, Ko, and Chapleo, 2017; Xiong and King, 2015, 2017). Thus, considering the shared responsibilities among the community members (i.e., employees) and the collective nature of the coveted brand performance, this study seeks to understand employees' brand attitudes and behavior through the application of sense of community theory (McMillan, 1976, 1986). This study aims to answer three research questions: in a service brand context (1) What is the role of employee sense of brand community (ESBC) in internal brand management (IBM)? (2) What are the outcomes of ESBC? (3) What fosters ESBC?

Based on Gusfield's (1975) community categorization, employee sense of brand community (ESBC) is a relational-based community, which is more concerned with the quality of relationships among employees who are working for the same service brand, as opposed to the territorial-focused of communities. Following McMillan's (1976, 1986) articulation of four elements of sense of community (i.e., needs fulfillment, group membership, influence, and emotional connection), we define ESBC as *employees' feeling of being a member of their organization's brand, where they matter to each other and to the group when contributing to delivering the brand promise as a community, thereby fulfilling their needs to belong. As suggested in this definition, under ESBC, employees feel they are members of a community with other employees working for the same brand. This sense of belonging should promote employees' identification with the brand both cognitively (i.e., she categorizes herself as a member of <i>this* brand and perceives similarities with members of *this* brand, rather than other

brands) and emotionally (i.e., she perceives kinship towards members of the same brand) (Algesheimer, Dholakia, and Herrmann, 2005). Thus, employees are more likely to agree with and support the brand community through engagement in community activities, positive word of mouth, and intention to stay in the community (Algesheimer et al., 2005; Bhattacharya, Rao, and Glynn 1995). In addition, this community membership should also help employees form positive social relationships with their co-workers, which increases the likelihood of employees obtaining insider advice from their community members to clarify their role expectations from the organization as well as enhance their brand performance (Xiong and King, 2018). Thus, it is proposed that ESBC contributes to employees' brand supporting performance directly.

Further, we propose that ESBC can contribute to employee brand supporting performance indirectly via employees' belief in their brand. According to sense of community theory (McMillan, 1986), because of the shared values underpinning the community (e.g., brand values), members are likely to trust other members, believe in what the community represents, and are willing to exhibit personal investment to the community, as well as to fulfill their needs through working together with other members. Further, as suggested by Löhndorf and Diamantopoulos (2014), people are more likely to connect with a group and contribute to the group that helps outsiders see them positively for self-enhancement needs (Tajfel and Turner, 1979). That is, when employees believe customers (i.e., outsiders in this case) hold positive perceptions of their brand, they are more likely to project this positive view onto themselves and exhibit brand supporting performance. This notion of brand belief is considered important in understanding employees' brand internalization as it signifies employees' internal evaluation of the brand. Considering people's self-continuity needs, if employees don't believe the brand to be what has been promised by the organization, they may still work for the brand but are not likely to commit to the brand (Erkmen, Hancer, and Leong, 2017; Löhndorf and Diamantopoulos, 2014; Morgan and Hunt, 1994). From a practical perspective, as service brands aim to establish a differentiation in the marketplace and increase customers' trust when purchasing intangible service products (Berry, 2000; Grace and O'Cass, 2005), it is equally, if not more, important to convey this differentiation in employees' mind so that employees can full-heartedly advance the brand to customers. That is, employees need to believe that their brand plays an important role in contributing to customer loyalty and the organization's overall success so they can perceive the relevance and meaningfulness of the coveted brand performance (Xiong et al., 2013). Thus, it is proposed that ESBC contributes to employee brand belief, which in turn, contributes to employee brand performance.

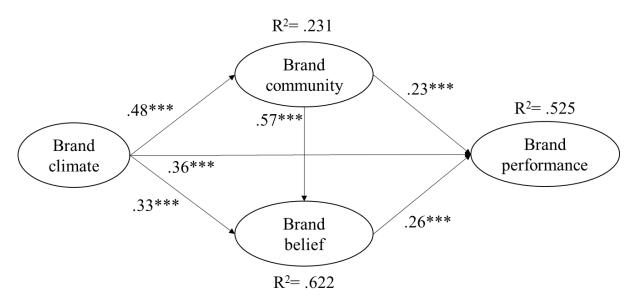
In a brand community of employees, members work as a team underpinned by common values, goals, and shared responsibility in creating a wholesome brand experience for customers. To do this, it is important to establish an organizational climate that guides employees to form and thrive in such a community so that employees' attitudes and behavior can be guided. As suggested in King, So and Grace (2013), in order to achieve a competitive advantage in the marketplace through brands, organizations' external focus on customer satisfaction needs to be "sought only to the extent that it fits within the framework of organizational agreed upon brand identity" (p.174). Thus, an organizational climate that conveys the relevance and meaningfulness of delivering a brand-aligned experience to customers is critical to build and maintain a brand community within organizations. A brand

climate, defined as *employees'* perceptions of the organization's emphasis, expectation, support, and rewards with respect to employees' brand-aligned attitudes and behavior that differentiate the brand from competitors is proposed as an antecedent to ESBC. This brand climate should enhance employees' belief that the brand is critical to the differentiation and success of the service organization. In addition, following psychological climate research in an organizational context (e.g., Parker et al., 2003; Salanova et al 2005; Schneider et al., 1998), it is expected that when employees perceive they are supported and rewarded for delivering a brand-aligned experience to customers, they are more likely to do so. Thus, a brand climate should have a direct and positive impact on employees' extra-role performance with respect to supporting the brand.

Research methods, results, and discussion

We tested the proposed theoretical relationships through a random sample of 223 US-based hospitality employees with three waves of data collection assisted by a marketing company. All measurement items are adopted or adapted from existing scales. Through a two-step Structural Equation Modeling (SEM) procedure recommended by Anderson and Gerbing (1988), the measurement model achieved acceptable fit (χ 2 = 480.268, p < .001, df = 202, χ 2/df = 2.38, CFI = .94, TLI = .93, RMSEA = .079, SRMR = .069) with no convergent or discriminant validity issues and all proposed relationships are supported, as shown in Figure 1.

Figure 1: Structural model results



Acknowledging employees' collective effort in creating a cohesive and coherent brand experience to customers to achieve a true competitive advantage in the marketplace, this study is one of the first efforts to delineate the role of a sense of brand community from an employee perspective in a service brand context. Drawing upon sense of community theory and internal brand management research, this study identified the central role of ESBC in employee brand internalization, in that ESBC contributes to employee brand performance both directly and indirectly through employees' brand belief. In addition, a brand climate that signifies a service

brand orientation in guiding employee attitudes and behavior significantly contributes to ESBC, brand belief, and brand performance. An established brand community of employees not only helps employees to comprehend organizational intent and master the necessary skills with respect to internal branding, but also enhances employees' belief that an authentic brand experience matters to customers and is critical to the organization's success. To cultivate such a brand community, it is advised that the service organization should build a strong organizational climate to convey the importance of providing a brand-aligned experience that goes beyond just quality service to employees, as well as encourage and reward such employee performance.

4C. New Analytical Approaches in Service Research II

Patterns of Servitization in Manufacturing – Substitutability of Goods and Services with Customer Relationships

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Relevance of the studied phenomenon

Servitization in manufacturing is actively discussed in relation with the Internet of Things (IoT) and artificial intelligence (AI), which are core technologies of Industry 4.0, and access-based consumption. Although these technologies and concepts have the capability to realize servitization, their relationships are unknown. To date, the number of successful cases of servitization is limited, and a systemized understanding of servitization that would help relevant companies has yet to be established (Raddats and Kowalkowski 2014).

Potential contributions

Servitization is typically discussed from the perspectives of manufacturing and operations (Lightfoot et al. 2013). This study discusses it from the viewpoints of service marketing to address unresolved challenges. We initially propose tools to understand servitization: the classification of goods that configures offerings and the substitutability of goods, then a framework to classify the customer relationship, which is altered during the servitization process, are proposed. Patternization is used as a measure to realize servitization from the perspective of composition and design of offerings.

Research question

Why has not servitization progressed enough as expected by practitioners in manufacturing?

Servitization can be hypothesized as the process where an offering is transferred from material goods-centric to immaterial goods-centric. By contrast, servitization from the perspective of the service logic (SL) (Grönroos 2008) is that manufacturers develop offerings to enhance opportunities to interact with customers and support customers' value creation during their use processes. Namely, servitization is a transition from a transaction-based model to a relationship-based model (Grönroos 2015).

However, these two approaches have been discussed separately and not been described continuously. If manufacturers aiming at servitization do not understand how to design their offerings to be involved in interaction and to co-create value with customers can they succeed in servitization?

Describing elements of offerings and those of customer relationship, which are altered during the servitization process, will help elucidate the linkage among these two approaches and the mechanism of servitization.

Theoretical foundation

A method to describe offerings is important to understand servitization. The linkage between a change in offerings and a change in the customer relationship is difficult to grasp because there is not a specific method to describe offerings.

The service marketing studies have traditionally classified immaterial goods by axes of immateriality and transfer of ownership (Lovelock and Gummesson 2004, Rathmell 1966). The immateriality means object whose goods is not made with material goods.

Here, this study proposes to classify goods based on these two axes by 1) whether the subject producing utility is material or immaterial and 2) whether the ownership of the subject producing utility is transferred or not. Then, goods is classified into five elements: 'material goods,' 'usage rights of material goods,' 'information,' 'human services' and 'usage rights of information' (Figure 1).

Figure 1. Classification of goods

material

usage rights of material goods

without ownership transfer

with ownership transfer

immaterial

human services

usage rights of information

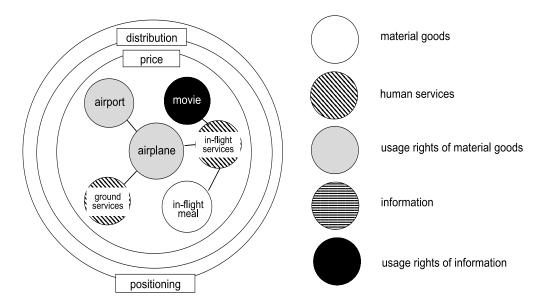
without ownership transfer

In this classification, the last four elements except for 'material goods' are hereinafter referred to as immaterial goods. It is servitization in offerings that ratio of these four elements, the immaterial goods, increases.

All five elements can be substituted interchangeably. Offerings can vary depending on how to combine these elements and be diverse from their high to low degree of materiality.

It is Molecular Model proposed by Shostack (1982) to describe the offerings. In this study, we propose to describe the offerings that are altered during the servitization process in complex relation with the substitutability of goods modifying Molecular Model by these elements (Figure 2).

Figure 2. Sample of Molecular Model (Sostak 1982) modified for air transport



Conceptual framework

To understand the customer relationship that is also altered during the servitization process, discussions in SL and classifications shown in previous studies are applied to deduce a system to classify the customer relationship.

Gebauer et al. (2010) proposes the service strategies of installed base in three steps, pre-sales, sales and after-sales. SL contends that it is customers to create value and companies to develop offerings to expand opportunities to support their customers' value creation or co-create value with them not only in sales but also in pre-sales and after-sales (Grönroos 2008; Grönroos and Ravald 2011; Grönroos and Voima 2013; Grönroos and Gummerus 2014) .

The customer relationship is classified based on these axes into nine relationships: 'co-creation during research and development (R&D),' 'order,' 'operations,' 'products without services,' 'co-creation during exchange,' 'after-sales,' 'rights to use,' 'pay per use,' and 'co-creating value in use' (Figure 3). These classifications are derived based on the views of manufacturers and customers, and the steps where they engage in value formation or creation (pre-sales, sales and after-sales referred to as 'design,' 'producing-exchanging' and 'usage by customers' respectively).

		steps of value creation by customers		
		design	producing-exchanging	usage by customers
steps of value formation by manufacturers	design	co-creation during R&D	products without services	rights to use
	producing- exchanging	order	co-creation during exchange	pay per use
	usage by customers	operations	after sales	co-creating vaue in use

Figure 3. Field of value creation (combination per transaction)

value co-creation between manufacturers and customers (interactions)
value formation initiated by manufacturers
value creation initiated by customers
CRM (customer relationship management)

To understand the transition as changes in goods combinations, which configure the offerings, and the substitutability among such goods, these nine customer relationships are used to describe the transition from a transaction-based model to a relationship-based model in servitization.

Methodology

Describing typical servitization cases, general cases and interviewed cases by these elements classified for goods and customer relationship, this study develops patterns of the changes in offerings that define the customer relationship in servitization by understanding these changes with their elements (Figure 4).

an interview to an airline in Japan, Baines et al. (2007), Baines et al. (2009) Baines et al. (2009), Mathieu (2001), Spohrer and Maglio (2008), etc. Baines et al. (2007), Baines et al. (2009), Tukker (2004) Hara et al. (2017), Matsuda and Kosaka (2016) remarks Perona et al. (2017), Rubalcaba et al. (2012) an interview to a manufacture in Japan an interview to a manufacture in Japan an interview to a manufacture in Japan Mathieu (2001), Perona et al. (2017) oberations order co-creation during R&D customer relationships co-creating value in use bay per use esu of stdgin after sales co-creation during exchange products without services usage rights of information goods combination human services information sboog lainatem fo stagin agasu material goods transformation process KomConnect Self-driving Ownership Sharing w/GPS Initia Jet Engine (GE, RR) IBM cases Machining Center offerings Copier (lease) Water Heater Apple iPhone Car diffusion Refrigerator KOMTRAX Elevator DELL interview/literature interview/literature information source literature literature interview interview literature iterature literature general

458

Figure 4. Cases to identify goods combination and customer relationships

As results of describing the cases by these elements as shown in Figure 4, we found that there were competitive relationships between 'material goods' and 'usage rights of material goods' in the customer relationship transitions from 'products without services' to 'rights to use' and/or 'pay per use', and vice versa. In the customer relationships of automated 'rights to use' and 'pay per use' 'human services' are computerized and substituted with 'usage rights of information'. In the customer relationships of 'operations' and 'co-creating value in use' 'human services' are further computerized and substituted with 'usage rights of information', and specialized services are expanded or added. The customer relationship of 'co-creation during R&D' likely occurs through the interactions and value co-creation with customers. The usage rights make transactions continuous. The 'usage rights of information' further computerized and substituted for 'human services', and additions of specialized 'human services' create interactions with customers.

This study finds that the substitution between 'material goods' and 'usage rights of material goods', or between 'human services' and 'usage rights of material goods', 'information' or 'usage rights of information' lead to servitization. Namely, usage rights (i.e., accessed-based consumption) enable to engage in customers' use processes. As it is difficult to substitute specialized human activities with 'material goods' or 'information', 'human services' are added or service processes per se evolve to be specialized and outsourced as a business model. While 'human services' enable to interact and co-create value with customers as nature of goods, IoT and AI evolution accelerates to computerize 'human services,' and enables to interact and co-create value with customers.

One measure of servitization is to increase the proportion of immaterial goods in an offering. As a result the customer relationship changes during the servitization process. The composition of goods that configures offerings defines the customer relationship. This study proposes that (1) increasing the proportion of immaterial goods in an offering during the servitization process does not necessarily result in interactions between a company and customers or the co-creation of value with customers and (2) the combination of usage rights, 'human services', and 'information' is important to realize co-creation of value with customers. The findings help manufacturers design the immaterial goods-centric offerings to shift to the relationship-based model in servitization.

Discussion

When considering a case where things and activities of human beings are replaced by 'information' or usage rights as a pattern of servitization, IoT, AI, or access-based consumption will be measures to realize servitization. On the other hand, adding specialized human activities as services can enhance opportunities to interact and co-create value with customers who participate in service processes.

Customer selection and management of customer relationship are important elements to realize servitization. Manufacturing companies that have achieved success by selling uniform and inexpensive merchandise should reframe their mindset to implement servitization successfully.

Conclusion

This study tries to continuously describe offerings that change during the servitization process using substitutability among goods while integrating two key issues: 1) transition of offerings from material goods-centric to immaterial goods-centric, and 2) theoretical typology of customer relationship. Companies that would like to introduce servitization must design and develop goods in their offerings by understanding the patterns and functional characteristics of the substitutability among goods that induce changes in the customer relationship.

In servitization, it is important to develop offerings that can form interactive relationships with customers and enhance opportunities to co-create value not only during 'producing-exchanging' but also during 'design' and 'usage by customers.' Access-based consumption can serve as a measure to achieve these purposes. It fosters certain relationships with customers such as 'rights to use' and 'pay per use'. Unlike 'products without services,' the specification of offerings intended for access-based consumption must reflect the customers' usage context, namely time and location. IoT and AI technologies that facilitate the substitution between information and psychological human activities can serve as another measure to design the offerings to have manufactures involve in the interaction with and value co-creation with their customers.

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Co-Creating Offerings: A Maturity Model

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Introduction

Co-creation with users and other actors has been a much-embraced notion by firms over recent years (Kazadi *et al.*, 2016; Prpić *et al.*, 2015). Analogously, service researchers have evolved the concept to contain a multitude of different perspectives. While some academics focus on the co-creation of value (Vargo and Lusch, 2004; 2016; Grönroos and Voima, 2013), another perspective points towards co-creation as the participation of customers in the co-creation of offerings (Mustak *et al.*, 2013). In the midst of an on-going debate about the meaning of co-creation (Galvagno and Dalli, 2014), this research defines co-creation specifically as the co-creation of offerings, which denotes the realization of benefits between two or more actors through joint interaction.

To date, most research on co-creation and related terminologies, such as participation, involvement, and co-design, focuses on the beneficial nature of jointly collaborating with users and other actors. According to extant literature, mutual collaboration can, among others, improve relationship quality (Hoyer *et al.*, 2010), service-customer fit (Alam, 2011), new service development (Carbonell *et al.*, 2012; Chen *et al.*, 2015), and market success (Gustafsson *et al.*, 2012). While the positive side of co-creating offerings has received most scholarly attention, some critics have also pointed towards the risks of co-creation. More specifically, mutual collaboration can potentially increase the uncertainty related to service ownership and thus increase the need for service protection (Hurmelinna-Laukkanen and Ritala, 2010), decrease efficiency (Dong and Sivakumar, 2015), be of slow and diverse nature (Toivonen and Tuominen, 2009), and diminish market performance (Carbonell *et al.*, 2012).

Given the potential negative outcomes of co-creating offerings and the calls for more research on the scope and content of co-creation and its dynamics (Payne *et al.*, 2008; Pinho *et al.*, 2014), this research develops a framework to determine the level of co-creation maturity within a firm. Better knowledge on the co-creation maturity stage within a firm aims to shed light on potential pitfalls of co-creating offerings and supports practitioners to determine the expected co-creation outcomes. To develop the framework, this research engages in an in-depth literature review on co-creating offerings and maturity models, and further invites selected commentaries by senior managers to enrich the discussion on co-creation and its maturity.

By developing a co-creation maturity model, this paper contributes to service research by providing a way to evaluate the state of completeness, readiness, and development of co-creation in firms. Second, it opens up the dialogue of different stages of co-creating offerings and thus paints a more multifaceted picture on the dynamics of co-creation. Finally, through demonstrating distinctive stages of co-creation maturity, this research supports practitioners in determining their own level of co-creation maturity, the steps necessary to advance to the subsequent maturity stage, and gives indications on managing, measuring, evaluating, and optimizing co-creating offerings for each stage.

Methodology

To further the discussion on co-creating offerings and enrich the picture on the different maturity phases, senior managers were invited to comment on co-creation developments. Similar to the approach of Jaakkola *et al.* (2015), the commentaries are used to inspire the thought process on co-creation, broaden its understanding, and identify emerging themes for future research, contrary to a rigid data collection and validation mechanism. Practitioners attending the Service Design and Innovation Conference in Cologne in January 2017 were asked via a survey to give a brief commentary on the following questions, adapted from Jaakkola *et al.* (2015):

- Q1. How has the concept of co-creation affected your work?
- Q2. What future developments in relation to co-creation do you perceive as important for practice and/or society?

Participation was voluntary and ten usable questionnaires were returned at the end of the conference day. Excerpts of the responses are used to enrich the discussion on co-creation and are integrated as separate entities in the paper as suggested by Jaakkola *et al.* (2015).

A Maturity Model for Co-Creating Offerings

The notion of maturity has been adopted by several disciplines to evaluate the state of completeness, readiness, and development of a certain approach (De Bruin and Rosemann, 2005). The co-creation of offerings maturity can thus be defined as the degree to which the co-creation process is explicitly defined, managed, measured, evaluated, and optimized. The Capability Maturity Model (CMM) by Paulk *et al.* (1993) already popularized using maturity to evaluate organizational capabilities. While the traditional CMM focused on the assessment of the software process capability, other disciplines followed suit to evaluate the workforce capability (Curtis *et al.*, 2009), the business process management capability (De Bruin and Rosemann, 2005), and the project management capability (Crawford, 2006). Maturity has also been a central concept in the evolution of innovation labs by facilitating conversations and strategic decision-making (Mager *et al.*, 2016).

Figure 1 displays the co-creation of offerings maturity model with the five original levels of Paulk *et al.* (1993). As the co-creation process matures, its practices become institutionalised through procedures, standards, and organizational structures. As Paulk *et al.* (1993, p.4) frames it: "Institutionalization entails building an infrastructure and a corporate culture that supports the methods, practices, and procedures". Hereby, a higher level of co-creation maturity is not necessarily better; rather does it define the current state of an organization. Expected outcomes, practices, and the complementing co-creation processes differ within each stage and thus impact the organizational thinking and mind-set towards co-creation. By knowing the level of co-creation maturity of a firm, specific tactics and strategies can be leveraged inherent to that stage, to achieve the most optimal results possible.

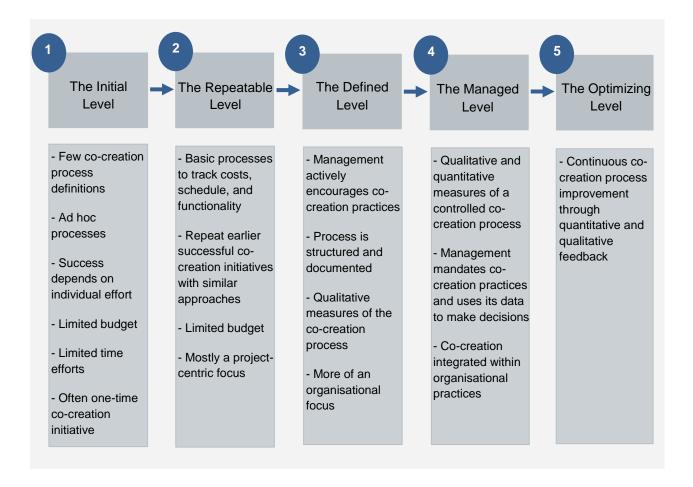


Figure 1: A maturity model for co-creating offerings based on Paulk *et al.* (1993)

Different levels of the co-creation maturity model can also be found within the commentaries of the senior managers. Respondent B, Head of Innovation at a Portuguese electricity provider, outlines how a relatively low level of co-creation maturity manifests itself in the company and affects the workforce:

The first contact with co-creation was eight years ago. Now, a lot of people speak about it, but we do not have the tools to implement the methodologies. To give you an idea about how far we are, we are not present on social networks like Facebook or Twitter. We are a very traditional company with a large base of customers. The company does not have yet the capability to bring customers or other stakeholders into the co-creation process. Co-creation is a subject only for a few people (Respondent B).

The limited co-creation capability points towards the first level of the co-creation maturity model, the *Initial Level*. Co-creation efforts are limited by time and budget and involve only few employees. By encompassing only a fraction of the workforce, the co-creation success heavily depends on the individual effort of that group. This low maturity level of co-creation necessitates a different approach to advance co-creation initiatives in contrast to more mature co-creation levels. Highlighting positive co-creation outcomes for the firm and customers could be leveraged in this case to amplify buy-in firm-internally and slowly change the relatively

traditional and static mentality towards co-creation. Respondent C and Respondent D, both Creative Directors at a large German telecommunication provider, illustrate a more mature co-creation stage and highlight the change process that has been occurring within their firm:

We are moving co-creation from ideation towards implementation (Respondent D). Co-creation has impacted the way we design products [and services]. Design directions are refined and tested with customers and the insights are implemented (Respondent C).

Here, co-creation practices are implemented within different phases of the service innovation process, documented, and tested with customers. These characteristics point towards the third level of the co-creation maturity model, the *Defined Level*. Co-creation becomes more central in the organization and qualitative measures are taken to test the success of the initiatives. As the maturity level of co-creation progresses, a thorough comprehension of co-creation becomes even more important.

A better understanding of where co-creation is useful [is needed]. [It is] often used to avoid making decisions on your own and having a "scientific" argument in front of management (Respondent D).

Finally, organizations sponsoring a relatively high level of co-creation maturity demonstrate a different perception of co-creation still. Respondent E, Director of the Service Design Program at a multinational IT company based in the United States, describes how important co-creation is within his firm:

It is essential – Our decisions, development and innovation processes are based on cocreation (Respondent E).

This statement points towards the fourth co-creation maturity level, the *Managed Level*, as co-creation initiatives are firmly integrated within organisational thinking and practices. Specific to this level is also measuring co-creation qualitatively and quantitatively and using the data of the co-creation efforts to make decisions.

Conclusion

The levels of the co-creation maturity model, and consequently the organisations' perceptions of co-creation, differ immensely. To advance a low maturity level, positive co-creation outcomes could be provided as an exemplification to generate buy-in of senior management, departments, and employees alike. With advancing maturity levels and increasing usage of co-creation practices, a thorough understanding of when and where to leverage co-creation becomes even more important to ensure no co-destruction takes place and a positive co-creation mentality is anchored within organisational thinking.

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Servitization - The Holy Grail? Considering The Strategic Dark Sides of Servitization

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Relevance of the phenomenon being studied

In highly competitive manufacturing markets, evermore firms offer goods through services as opposed to sell them directly. These servitization strategies are implemented by manufacturers to sustain competitive advantage and to survive in the market. Consequently, servitization has gained significant traction over the last few years in academic research. On the one side, early literature put forth consent in suggesting that manufactures should servitize their offerings to generate growth beyond their goods base (e.g. Quinn, 1992; Wise & Baumgartner, 1999). On the other side, more recently, ambiguity emerged on the success of servitization (e.g. Kastalli & Bart Van Looy, 2013; Benedettini, Swink, & Neely, 2017; Valtakoski, 2017). Indeed, scientific literature increasingly calls for further research on the threats of servitization. Specifically, critical questions remain yet to be answered on the strategic threats on servitization and how research can advice manufactures in designing appropriate implementation strategies of servitization.

Potential contributions to the field

Following these calls, we raise a critical voice concerning servitization and shed light on its strategic threats for extant manufacturing business models. Moreover, the conceptual discussion of this work-in-progress research aims to raise attention on sustainable market transition processes in the context of servitization strategies. In doing so, we aim at contributing to the body of knowledge in service research by providing a theoretical perspective on how the strategic threats of servitization (i.e. the 'dark sides' of servitization) can be conceptualized.

Research questions

First, we seek to raise awareness on the strategic dark sides of servitization for manufacturing firms concerning their corporate sustainability. That is, we critically discuss servitization strategies of manufacturers in the light of short-term profit gains versus long-term market shares. Second, we extend the critical strategy perspective of servitization from the single-firm perspective to market transitions. With that said, we explore how servitization decisions of manufacturers (e.g. car manufacturers) may open markets for new business models (e.g. carsharing) that can finally cause a decrease of the manufacturer's focal positioning in a profit chain for a certain market when an appropriate service business model has not been considered

beforehand by the manufacturer. Hence, we explore the influence of servitization on corporate sustainability and strategic agility (Ivory & Brooks, 2017).

Theoretical foundations

Recent literature on servitization has started to explain different impact factors for its influence on manufacturing firm performance (Kastalli & Van Looy, 2013; Benedettini, Swink & Neely, 2017). Especially the view on companies as a portfolio in which different capabilities are needed for manufacturing compared to services, guides us to further enrich these insights with considerations regarding dynamic capabilities of firms (e.g. Teece, 1997; Barney, 2001). Dynamic capabilities are strategic tools that allow organizations to align and coordinate its individual resources in response to business environment changes. Moreover, such capabilities allow organizations to explore new options and to change the organization effectively.

Conceptual framework

Our conceptual framework concerns partly substitutional markets where manufacturers can either generate revenue by material product sales or service sales. In that economic field servitization functions as a means of coping with hypercompetition (D'aveni, 1995). Hypercompetition is characterized by fast and asymmetric market changes due to actions (e.g. creation of alliances or signaling fake strategic intents) by market players which lead to volatile competition environments. Servitization can help manufacturers to diversify into different industries to be able to mitigate risks regarding hypercompetition. We, however, argue that servitization can backfire if the firm is not able to establish and govern appropriate dynamic capabilities to move within these several fields. Regarding this notion, we introduce a source of strategic threat by what we call the *substitution spinoff effect* of servitization (see Figure 1). That is, the introduction of a servitization option by a manufacturing firm may open a new service-dominant market overall substituting the goods-dominant market. This will lead to a disruption of the manufacturers' focal market position as the new service market will be dominated by third-party service providers given that appropriate dynamic capabilities for competing in service markets have not been considered beforehand by the manufacturer. This

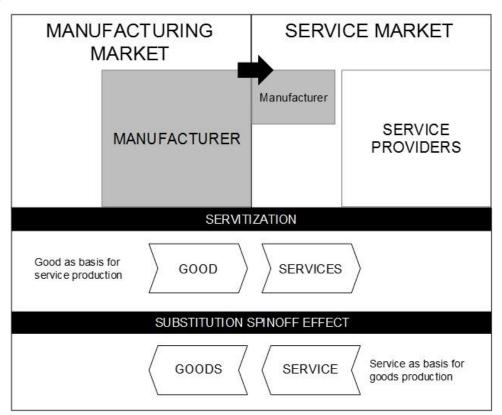
is especially relevant when customers perceive the third-party service providers as being innovative and, as such, different compared to the manufacturer.

Figure 1: Substitution spinoff effect

Methodology

We seek to investigate the substitution spinoff effect by means of conceptual analyses and case studies. The case studies are intended to analyze companies starting servitization as well as companies that have already done this and how the long-term impact on their respective market was.

Findings



The substitution spinoff effect describes the strategic threat of servitization that may lead towards a shift from the manufacturers' focal power position on a market towards its position of a supplier in an environment where service providers dominate goods providers.

Discussion

The substitution spinoff effect may provide further explanations for and serve as a conceptual extension of the servitization paradox as described by Kastalli and Van Looy (2013). However, further research is needed on the phenomenon proposed here. We welcome vivid discussion on empirical approaches to assess more information and gain a better

understanding of the processes that may cause the effect. Critical questions remain yet to be answered how companies can successfully manage servitization transition processes in order to circumvent the substitution spinoff effect. That is, more research is needed on which capabilities precisely are likely to prevent companies from suffering under the substitution spinoff effect. Considering the substitution spinoff effect we further aim to explore under which circumstances sources of revenues through services for manufacturers are efficient and sustainable.

Conclusion

Servitization should be considered as a portfolio decision in a hypercompetition environment. Manufacturers are well advised to preconceive their dynamic capabilities under consideration of the substitution spinoff effect before entering or opening service markets through servitization decisions. Hence, we urge managers to include long-term market movements besides analyzing manufacturer's revenue streams in evaluating servitization benef

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4D. Customer Participation

When is Customer Participation Alone Insufficient?

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Relevance of Paper

This investigation is important because of the customer's central role in the production of services. Examined in this conceptualization are long-term services. Specifically, services entailing delivery processes that are of longer duration and customer participation alone is insufficient. Long-term services, whereby customer participation is not enough, are compliance dependent services (CDS). CDS are long-term services in which the customer participates to create during the face-to-face provider-customer exchange and *must* comply with his or her role once away from the provider to ensure a positive outcome. The focus of this research is consumer compliance behavior when the customer is away from the provider. Examples of CDS follow in the table below. The table is from the Compliance Dependent Services (CDS) table in Torres, Hager, Turner and Dellande, 2015, p.27.

Table: Compliance Dependent Services (CDS)

Examples of
Compliance Dependent Services (CDS)
Athletics
Organized sports, e.g.,
Basketball
Auto Maintenance
Certain Medical Conditions
Diabetes
Counseling
Psychological
Debt Management Programs (DMP)
Education
Exercise Programs
postoperative exercise
Physical Therapy
Prenatal Care

Long-term Savings Programs
Smoking Cessation Programs
Tax Preparation Services
Weight Loss Programs

Contributions

In services marketing, the typology by Torres, Hager, Turner, Dellande (2015) of the consequences of non-compliance in CDS is insufficient in two ways, the placement of the CDS in the cells of the matrix and an explanation of the concepts used in the model. Below is the two-by-two matrix of the consequences of non-compliance in CDS when the customer is away from the provider by Torres, Hager, Turner, Dellande (2015).

Consequences of Non-compliance in CDS

Level of Consumer Compliance Required When Away from the								
Provider								
		Low Compliance	High Compliance					
		1	2					
		Auto maintenance	Athletics					
	Consequential	Counseling	Education					
	Outcomes	Dental Care	Physical Therapy					
		Exercise Programs	Weight Loss Programs					
Potential Outcomes of Non-compliance								
		3	4					
	Detrimental	Prenatal Care	Certain Medical					
	Outcomes	Tax Preparation Service	Conditions, e.g., diabetes					
			Debt Management					
			Smoking Cessation					
			Substance Abuse					

A Classification of Compliance Dependent Services (Torres, Hager, Turner, Dellande, 2015 p.25)

The above matrix depicts the level of consumer compliance required when the customer is away from the provider, potential outcomes of non-compliance and various types of CDS. The 2-by-2 matrix resulted in four cells:

- a. A low level of compliance and consequential outcomes
- b. A low level of compliance and detrimental outcomes
- c. A high level of compliance and consequential outcomes
- d. A high level of compliance and detrimental outcomes

Research questions in this conceptualization:

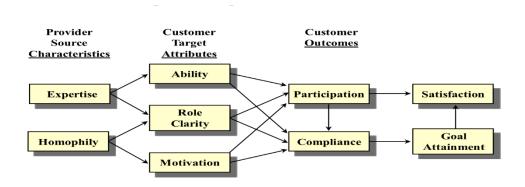
- a. When is customer participation alone insufficient?
- b. There are various types of CDS; are they different based on the level of compliance needed and potential outcomes of non-compliance?

Theoretical foundations

The extant literature in services marketing focuses primarily on customer participation. Examples of services in which customer participation is sufficient in the service delivery process are restaurants or hair salons where the patron tells the service provider their preferences. Participation entails the customer and provider co-creating the service during the face-to-face exchange. Chase (1978) posits that the degree of contact between the customer and provider (low, moderate, high) determines the level of customer participation required to co-create the service.

Dellande and Gilly (1998) identified and conceptualized CDS; services in which participation is insufficient in the service delivery process. They posit that in CDS the customer is required to participate during the visit with the service provider and to continue to perform, i.e., comply with his or her service role, when away from the provider. Their CDS model follows.

Compliance Dependent Services Model



Compliance Dependent Services Model (Dellande and Gilly 1998 p. 280).

The model highlights the ways in which provider source characteristics influence the acquisition of customer target attributes necessary for customer participation and compliance in order to achieve the desired outcome in the service process. The service provider must be expert in long-term services and homophilous (the similarity that two or more people share) with the customer. As a result, the customer acquires ability, role clarity and motivation needed to co-create the service.

Upon customer participation during the service delivery process and compliance with his or her service delivery role once away from the provider, the model suggests the following outcomes. Participation will lead to compliance and satisfaction with the service. Compliance will lead to customer goal attainment and satisfaction with the service delivery process. The CDS literature is not well established. CDS is a relatively new category of services and scholarship is in an early stage. More research would be instrumental in better understanding CDS.

Conceptual framework

This paper extends the work of Dellande and Gilly (1998) by offering a typology of CDS. The author proposes modifications to the Torres, Hager, Turner and Dellande (2015) two-by-two matrix of the consequences of non-compliance in CDS. Modifications to the model suggested are changes of the placement of some of the CDS in the various cells, 1, 2, 3 and 4, of the matrix and an explanation of the terminology used in the typology.

Level of Consumer Compliance Required When Away from the Provider							
		Low Compliance	High Compliance				
		1	2				
		Auto maintenance	Athletics				
	Consequential	Dental Care	Education				
	Outcomes	Marital Counseling	Exercise Programs				
			Physical Therapy				
			Weight Loss Programs				
Potential Outcomes of Non-compliance							
		3	4				
	Detrimental Outcomes	Prenatal Care Tax Preparation Service Debt Management Smoking Cessation	Certain Medical Conditions, e.g., renal diseases requiring dialysis Substance Abuse				

Placement of the CDS in the cells of the matrix are based on the level of contact (low or high) between the customer and provider and potential outcomes of non-compliance (consequential and detrimental). CDS in cell 1 require a low level of contact between the customer and provider and, potentially, consequential outcomes, e.g., auto maintenance. Services in cell 2 require a high level of contact between the customer and provider and, potentially, consequential outcomes, e.g., athletics. The CDS in cell 3 require a low level of contact between the customer and provider and, potentially, detrimental outcomes, e.g., prenatal care. Lastly, services in cell four require a high level of contact between the customer and provider and, potentially, detrimental outcomes, e.g., renal diseases requiring dialysis.

Low compliance entails a limited amount of contact between the customer and provider; in high compliance there is an extensive amount of contact between the customer and provider. A consequential outcome of non-compliance is less than desirable and a detrimental outcome of non-compliance is harmful to the consumer, in some instances life threatening.

Discussion

The following research questions were proposed in this conceptualization:

a. When is customer participation alone insufficient?

b. Based on the different levels of compliance needed and potential outcomes of non-compliance, are the various types of CDS different?

In the services literature it has been determined that in certain services, manicure, co-creation is completed once the service has been delivered, i.e., participation alone is sufficient. However, in CDS services, participation alone is insufficient. Further, Trujillo, Turner, Hager and Dellande (2015) determined that certain CDS are different from one another, e.g., auto maintenance and tax preparation service. However, it is unclear if the other types of CDS are different from each another. For example, do dental care and prenatal care require the same or different levels of compliance to achieve the desired outcome? This insight would be useful to providers of CDS in determining the correct customer protocol in achieving the desired outcome. Scholars will hopefully recognize the importance of and need for more research in this domain.

Customer participation during the face-to-face exchange is an important aspect of co-creating services. However, in CDS, perhaps, more important than the face-to-face interaction between the customer and provider is the impact that the internal process (participation) has on the external process (compliance). Thus the provider must find ways to motivate the customer to comply with his or her service role when away from the firm. Both in relation to the level of compliance required and as it relates to the potential outcomes of non-compliance.

If the provider is unable to help the customer to understand the importance of his or her role and compliance behavior, the CDS will not likely be successfully delivered. In addition, if the customer is not compliant, he or she will most likely not attain the desired goal. This in turn may lead to the customer engaging in negative word-of-mouth communication. In spite of not carrying out his or her role, attribution theory suggests that the customer oftentimes blames the provider for an undesirable outcome.

7. Conclusion

Because of the mandatory role of consumers in the delivery of long-term services and the ramifications of non-compliance, it is essential that providers are able to influence customer compliance behavior (Dellande, Gilly, and Graham, 2004). This is important in order to realize customer role adherence when away from the provider, essential to consistently bringing about successful outcomes.

In CDS, the customer-client-patient creates a major portion of the service on his or her own, that is, outside of the supervision of the service provider. The customer operates independently in his or her adherence to the directions given by the provider, ultimately affecting service outcomes (Dellande and Nyer, 2013).

While the face-to-face interaction between the customer and provider is crucial, it is the influence of customer participation on customer compliance behavior that likely matters most. Particularly since participation alone is insufficient in the co-creation of CDS. More research is needed to examine the classification proposed and to determine if the various types of CDS are indeed different from each other.

References, provided upon request.

Coping with Customer Participation through Improvisation

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Relevance of the Phenomenon

Customers bring a wide range of experiences, knowledge and personality traits to the service encounter, implying that customer behavioral variability is inherent to service contexts (Spreitzer and Doneson 2005). More recently, the view that customers are proactive co-creaters and not simply passive receivers of value has driven many firms to encourage customer participation in the provision of service (Payne, Storbacka and Frow 2008). The benefits of customer participation and co-creation to the customer such as increased customizability and control (Dabholkar 1990; Xie et al. 2008), and to the firm through increased profitability (Lovelock and Young 1979; Mills and Morris 1986) until now have been the focus of most research in this area. However, despite these inherent benefits, increased customer participation also implies increased variability and uncertainty within the service encounter, potentially resulting in increased employee role stress (Chan et al. 2010). Due to the inherent uncertainty accompanying increased customer participation and co-creation, especially in contexts where there is high scope for participation, the concept of frontline employee improvisation, which is based on the premise of reacting spontaneously in the moment, is proposed as a resource and capability that employees could develop to manage the potentially stressful effect of increased customer participation.

Potential Contributions to the Field

In traditional management practice, variability has been seen as something to be controlled or 'managed out' of the service process to increase consistency and predictability for both employees and customers. Thus, emphasis has been placed on job design and control systems to manage the service process (e.g. Murray 1991; Varkey et al. 2007) which resulted in interactions where traditionally the service provider was the 'expert' and the customer the 'novice'. However, in recent years, a shift has been seen in the way in which service interactions unfold, particularly in professional services with customers moving away from their traditional 'novice' role to co-create with the service providers. Therefore, the purpose of this research is to address the limitations in the current knowledge of the relationship between customer participation and employee role stress. Role stress, if not managed properly, often results in burnout, decreased employee performance and job satisfaction (Behrman and Perreault Jr 1984; Boles et al. 1997; Schaubroeck et al. 1989). This negative chain of events highlights the importance of adequate resources for employees to manage the changing and increasing demands of their service role. Thus, the main contribution of this research lies in the management of the potentially stressful role demand of increased customer participation on service employees.

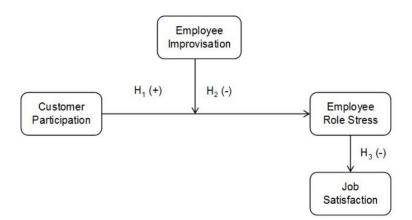
Research Question(s)

Does frontline employee improvisation reduce the role stress resulting from customer participation?

Theoretical Foundations

This research draws on and contributes to two theories: Role theory and Job Demands-Resources theory. Role theory is based on the premise that individuals behave in predictable ways as dictated by their role and role scripts (Biddle 1986; Katz and Kahn 1978). However, as service contexts become increasingly complex, roles are more difficult to define, thus requiring a degree of flexibility in determining one's behavior within one's role. By considering employee resources and capabilities, this research is also well positioned to contribute to JD-R theory, which states that when job demands exceed the resources available to the employee, negative outcomes such as an increase in employee role stress/strain can ensue (Demerouti et al. 2001). Increases in customer participation and co-creation challenges the service provider's 'expert' role, often resulting in increased role demands. With more resources and capabilities, employees will be better able to manage their job demands.

Figure 1. Conceptual Framework



Methodology

Data were collected from employees of a radiology healthcare provider in Australia and dental providers in the United States. The link to the online survey was distributed to a sampling frame of employees from both industries with response rates of 63% and 13% respectively. Where possible, this study used existing scales to measure the focal constructs of interest: customer participation (Chan et al. 2010), employee role stress (Rizzo et al.1970), and employee job satisfaction (Chan et al. 2010). However, given that the literature contains no widely accepted scale that measures individual frontline employee improvisation directly, an eight-item scale was adapted from Vera and Crossan's (2005) measure of team improvisation and Moorman and Miner's (1998) measure of organizational improvisation. EFA and CFA calculations

resulted in a measurement model comprising five multi-item constructs with 24 indicators. Multiple regression analysis was then used to test the hypotheses.

Findings

Results of this study found that despite a strong theoretical basis for positing the positive relationships between customer participation and employee role stress, these effects were not significant (p > .05). However, the regression results indicated a significant interaction effect of customer participation and improvisation on employee role stress (β = -.235, p <.01; β = -.191, p <.05 in the two samples respectively). This finding supports the hypothesis that improvisation weakens the relationship between role stress and customer participation. Aiken and West's (1991) simple slope test was carried out to explore the direction of the relationship between customer participation, improvisation and role stress. The simple slope tests indicated that at high levels of improvisation customer participation had a negative (favorable) effect on employee role stress (β = -.323, p < .05; β = -.297, p < .05), whereas at low levels of improvisation this effect was not statistically significant (p < .05) (see Figures 2 & 3).

Further, it is evident that at higher levels of customer participation, individuals who display high levels of improvisation experience less role stress than do individuals who display low levels of improvisation. In addition, individuals who display high levels of improvisation experience a statistically significant decrease in role stress as customer participation increases. Thus, employees who reported higher levels of improvisation experienced lower levels of role stress with increasing customer participation. However, individuals who display low levels of improvisation experience an increase in role stress as customer participation increases.

Results from this study also provide support for the negative relationship between employee role stress and employee job satisfaction (β = -.349, p <.001; β = -.345, p <.001).

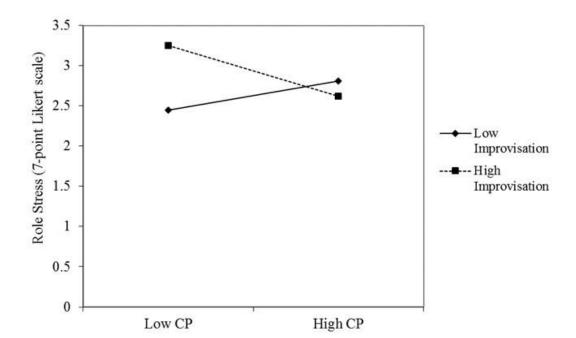
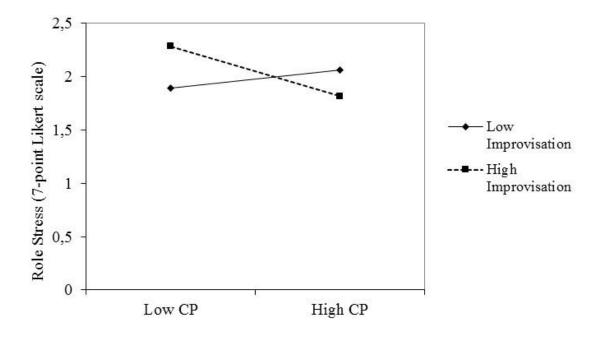


Figure 2. Simple Slopes at Different Levels of Improvisation (radiology)

Figure 3. Simple Slopes at Different Levels of Improvisation (dentistry)



Discussion

This study presented a model of improvisation moderating the potentially tenuous relationship between customer participation and employee role stress. Building on JD-R theory, improvisation is being proposed as a coping mechanism, resource, or 'buffer' between the job demand of customer participation and the negative job outcome of role stress/strain. Thus, as

a job resource, improvisation would contribute to the motivational potential of the employee, the underlying mechanism behind the job resource argument, by reducing job demands through permitting flexibility and spontaneity, which in turn lead to positive outcomes such as a reduction in role stress (Demerouti et al. 2001).

Further, improvisation could reverse the nature of the demand into a resource. When combined with employee improvisation, customer participation could actually be a source of benefit, value or stimulation to help the employee perform his/her job better. Thus, the introduction of improvisation could potentially cause a shift in how customer participation is perceived – from a demand into a resource – by delaying the depletion of individual coping resources through providing a means to adapt and alter typical responses, providing more options to manage and even benefit from the demand or challenge presented and reducing perceived stress.

A main contribution of this research therefore is an interactionist/fit argument, to improvise effectively one needs an improvisatory partner: if customers are not participating in the service encounter, this partner is missing, which could be perceived as stressful by employees. Thus the conclusion can be drawn is that high improvisation is good when customers are engaged (high CP), whereas low improvisation is preferred when customers are less engaged (low CP).

Role theory highlights the need for flexibility in determining one's behavior within one's role, with this behavior ultimately leading to job outcomes such as reduced role stress and increased job satisfaction. Thus, with the addition of the concept of improvisation, role theory should be better able to predict the evolution of roles over time.

Conclusion

A general conclusion that could be drawn is the utility of improvisation in reducing employee role stress in the context of customer participation. Due to its inherent flexibility, improvisation would permit employees to adapt the service interaction as they see fit, which would lessen their role stress as they would not be faced with 'trying to fit a square peg in a round hole'. Thus, this research has addressed a call in the literature for training in appropriate coping and problem-solving skills to manage increased customer participation (Bitner et al. 1994; Chan et al. 2010). Through improvisation, employees can be trained to adjust and adapt their behaviors to the interpersonal demands of the service encounter.

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Reducing Customer Participation Stress in Financial Services

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Relevance of the Phenomenon being Studied

Most studies underline the positive outcomes of customer participation but few studies acknowledge that co-production also might have downsides for customers. Taking the role of a partial employee (Bitner, Faranda, Hubbert, & Zeithaml, 1997; Mills & Morris, 1986), customers might face strains during co-production as much as employees do in their daily business, particularly in complex services in which customers must make significant decisions (Hilgert, Hogarth, & Beverly, 2003; Lusardi & Mitchell, 2007; Mayeaux Jr et al., 1996). Thus, participation demands may overtax customers' abilities, which we expect to result in customer participation stress (CPS) (Treger et al., 2017). We define CPS as a negative psychological state resulting from overextension by compulsory co-production efforts such as providing or sharing information, making suggestions, or becoming involved in decision-making. Thereby, it is important to stress that CPS arises from characteristics of the service process, not from a failure within it. Previous studies reveal cognitive demands and disliked employees as substantial demands causing CPS and find customers' financial expertise to be important to reduce the emergence of CPS (Treger et al., 2017). In this study we aim to investigate coping strategies to reduce CPS before and during the actual service encounter.

Potential Contributions to the Field

Our contribution to existing literature is threefold. First, we aim to extend the literature on the downside effects of customer participation (Treger et al., 2017) by investigating ways to mitigate CPS resulting from co-production in complex service environments. Second, we consider and test several outcomes of CPS in a longitudinal study. Thereby, we not only extend previous CPS research (Treger et al., 2017) which has mainly considered antecedents of CPS but resolve previous limitations of cross-sectional studies by using longitudinal data. Third, we contribute to psychological literature on coping as a response to stressors (Treger et al., 2017) by introducing a new dimension of coping: coping support for customers performed by the service firm's front-line employees.

Thus, we address the following research questions:

- 1. How do customers cope with the emergence of CPS before and during the participation process?
- 2. How can coping influence the consequences of CPS?

3. How can service employees' behavior (coping support) intervene in the emergence of CPS? How can situational factors reduce CPS?

Theoretical Foundations

To answer these questions, we develop a conceptual model building on coping (Duhachek, 2005) and stress (Lazarus & Folkman, 1984) literature. The transactional stress model by Lazarus and Folkman assumes that the subjective stress perception emerges from a stressor within the subject's environment. The subject evaluates the stressor as either positive, negative or neutral before using applicable coping resources and evaluates the stressor again as perceived stressful (or not). We assume that customers who have to participate during a financial consultation need to cope with emerging CPS. We rely on Duhachek's (2005) framework of coping strategies. Duhachek reveals three different coping dimensions: active coping, expressive support seeking and avoidance. We suppose that customers use different coping strategies, as the use of coping strategies differs between subjects and situations (Carver, Scheier, & Weintraub, 1989). We expect that customers might even cope beforehand e.g. by asking friends for help to prepare the documents needed for the consultation. Furthermore, we assume that employees can support customers' use of coping strategies, hence work as coping support for customers. For this context, we adapt Duhachek's coping dimensions to measure the coping support of service employees.

Research Context and Conceptual Framework

Financial services provide a suitable context for our study for several reasons. Financial services are high-contact services (Auh, Bell, McLeod, & Shih, 2007) that require a high level of co-production since service outcomes are created collaboratively (Mende & van Doorn, 2015). Furthermore, the offerings in the financial sector become increasingly complex (Auh et al., 2007) and put more responsibility on consumers (Lusardi & Mitchell, 2014). Thus, we expect CPS among people who have to make significant decisions in financial services.

According to coping theory, stressors create a disequilibrium and therefore induce cognitive or behavioral efforts to manage stressful situational demands aiming at the reduction of stress perceptions in a dynamic process (Lazarus & Folkman, 1984; Moschis, 2007). The application of coping strategies thus changes the subjective perception of stress as well as its outcomes (e.g. satisfaction).

Building on the transactional stress model by Lazarus and Folkman (1984), we investigate coping strategies to reduce CPS and their consequences for stress appraisal and other outcomes (e.g. participation behavior). The coping process can occur before the stressful event (anticipation period) or during the actual event (impact period) (Beaudry & Pinsonneault, 2005, Folkman, 1992). We draw on this distinction by examining two different perspectives in two different stages: coping behaviors initiated by consumers themselves before an upcoming financial advisory (anticipation period) and coping behaviors initiated by front-line employees during the service (impact period). Based on this distinction and the dynamic nature of the transactional stress model we propose two frameworks:

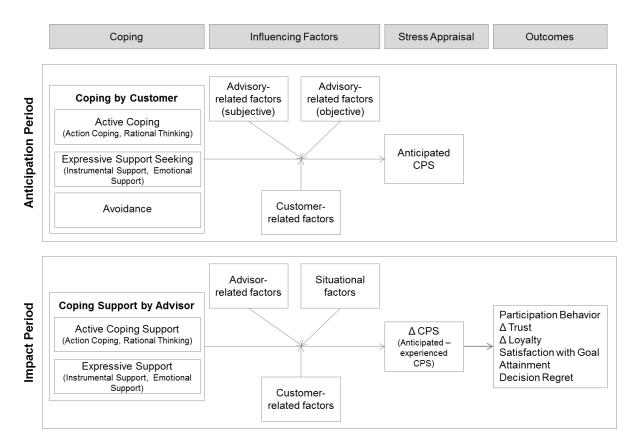


Figure 1: Conceptual frameworks.

In order to get a more fine-grained view, we furthermore examine different factors that we expect to influence the impact of coping strategies. We basically distinguish customer-related factors (e.g. expertise, cognitive demands), advisory- respectively advisor-related factors (e.g. perceived length of consultation, perceived competence of advisor) and situational factors (e.g. ambiance, other present customers).

Methodology

In order to test our conceptual framework, we survey customers of regional branches of a German retail bank who expect a financial advisory service in the near future. We employ a two-wave longitudinal survey distributed by the company's service center consultants. The first wave is distributed before the upcoming financial advisory and addresses customer perceptions in a pre-advisory situation. The second survey is delivered after the advisory occurred, capturing customers' perceptions during the service interaction as well as relevant outcomes. We use self-reported identification codes to match the data.

So far, the sample contains 237 customers in wave 1 and 110 customers in wave 2. By the date of the conference we will be able to present our final model relying on an intended sample size of 250 customers. Initial analyses support our key assumptions.

Conclusion

Our study helps academia and practice to deepen the understanding of the downside effects of customer participation resulting from complex service environments and ways to overcome them. By building on the transactional stress model, we investigate the effectiveness of different coping strategies – performed by consumers and front-line employees – to reduce CPS resulting from a financial advisory situation.

For practitioners, it is highly relevant to understand how CPS can be reduced by customers themselves and by front-line employees in particular. Managers should advise their front-line employees on how to support customers in mitigating the negative sides of the service process and should train them on how to deal with stressed customers. Additionally, we intend to present factors that strengthen or attenuate the relationship between coping strategies and CPS.

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4E. Service Design and Service Innovation

Integrating Service Design multidisciplinary perspectives to support the Service Innovation process

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Motivation

Boosting service innovation is a strategic imperative for organizations interested in generating new forms of value co-creation with customers and network partners (Ostrom et al., 2015). Recent literature on service-dominant logic has reframed the understanding of service innovation from an output to a process of integrating resources in novel ways to enable new forms of value co-creation (Lusch and Nambisan, 2015). In this context, Gustafsson et al. (2016) describe service innovation as a multi-dimensional phenomenon that varies according to the purpose of the innovation been fostered (e.g. business model innovation, social innovation), what asks for a multidisciplinary approach to be understood and enabled.

Service design is a human-centered, creative, iterative approach with great potential to foster service innovation (Ostrom et al. 2015). Service design integrates design thinking with a service perspective (Wetter-Edman et al. 2014) and brings together multidisciplinary contributions. Service Research provides the focus and context of Service design, bringing definitions such as the concept of service (Vargo & Lusch, 2008). Design provides the mindset, the processes and tools that bring the explorative, iterative way to create new service (Kimbell, 2011). Interaction Design contributes to designing and structuring the resources that support service interactions and the user experience (Holmlid 2007). Service Marketing addresses the design of service concepts and multi-interface service systems for the customer experience (Bitner, Ostrom, and Morgan 2008). Operations Management contributes to designing service processes, making the connection between service front-stage and back-stage through models, such as the process chain network (Sampson 2012). Finally, Information Systems also addresses the technology and the back-office processes that support person-to-person, person-to-machine and machine-to-machine interactions (Glushko, 2010).

Gustafsson et al. (2016) acknowledge that the service innovation process shares features with a design thinking approach. Therefore, service design is a potential candidate to support different phases of the service innovation process, characterized by the authors as: (a) find a focus, (b) understand the customers and (c) build a solution. In the first phase, a goal for a service project is established, followed by the second phase, where activities of involving customers and learning about their needs are performed. The third phase focuses on creating service solutions, evaluating their feasibility and launching them on a market.

However, the lack of a comprehensive understanding of how service design multidisciplinary perspectives support the service innovation process hampers the potential of service design to foster service innovation (Ostrom et al. 2015). In order to tackle this challenge, this article examines how different multidisciplinary perspectives on Service design can support the service innovation process.

Methodology

To understand how service design multidisciplinary perspectives contribute to the service innovation process, a qualitative study was conducted comprising focus groups (Flick 2009) with six Service design research centers, from 5 different countries, involving a total of 40 researchers from multidisciplinary backgrounds. These centers were chosen, because of their leading role in representing the aforementioned areas that contribute to service design. The main research perspective of each service design center (SDC) is reported in the following Table:

Focus group		Number of participants	Main research focus	Multidisciplinary background of participants	Country
Service design Center (SDC1)	1	9 participants	Information Systems	Information Systems; Service Science; Computer Science	Germany
Service design Center (SDC2)	2	6 participants	Operations Management	Operations Management; Management	Portugal
Service design Center (SDC3)	3	9 participants	Interaction Design/ Design	Interaction Design; Design; Cognitive Science	Sweden
Service design Center (SDC4)	4	4 participants	Design	Design; Architecture	Italy
Service design Center (SDC5)	5	8 participants	Marketing	Marketing; Service Research	Netherlands

Service design Center 6 (SDC6)	4 participants	Service Research	Service Research; Marketing	Sweden
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Table 1: Focus groups' profile.

The transcriptions of the focus groups were examined in the Nvivo software, involving initial and focused coding. Within this process, fragments of data (e.g. segments of text) were firstly coded closely to their analytical import (initial coding), to be finally condensed, integrated and synthesized in more meaningful categories (focused coding) (Charmaz, 2014). This iterative process enabled to examine different concepts and approaches, leading to the identification of different activities that service design can support along the service innovation process.

Results and discussion

The focus groups highlighted that service design is understood as a multidisciplinary practice that brings tools, approaches and ways of thinking that support executing different activities along the service innovation process, namely: (a) learning from actors; (b) involving stakeholders; (c) creating new value propositions; (d) prototyping and testing; and (e) implementing, scaling and measuring.

Learning from actors:

Service design was described by all focus groups as bringing new insights and knowledge to the service innovation process by learning from individuals (human-centered approach) or guaranteeing the requirements of service providers (provider-centered approach). Wetter-Edman et al. (2014) argue that a human-centered approach considers the importance of a larger network of actors, who are directly or indirectly involved in the service provision. A human-centered approach was characterized as composed by user-, customer- and employee-centered perspectives. These perspectives were indicated, respectively, by the capacity of service designers to interpret and translate user needs into ideas (SDC-3; SDC-4), by learning from customers' needs and cultures (SDC-5; SDC-6) and by integrating employees as sources of knowledge (SDC-6). Likewise, a provider-centered perspective was defended as a way of guaranteeing service providers' requirements (SDC-1; SDC-2).

Involving stakeholders:

Service design is acknowledged as providing approaches to involve stakeholders in the early stages of the innovation process (getting insights from) and in the final stages of implementation (training people to incorporate changes) (SDC-4). Results show that a

Design/Interaction Design perspectives bring contributions from Participatory Design and codesign to involve people and facilitate collaboration (SDC-3; SDC-4). Design literature refers to these approaches as a mean to involve stakeholders to support knowledge development, idea generation and concept development (Sanders and Stappers, 2008).

Creating new value propositions:

Service design is reported as creating new insights needed in the service innovation process (SDC-1; SDC-6), as well as bringing tools and approaches for idea generation (SDC-5) and reframing of problems (SDC-3). Focus groups report service design supporting the creation of new value propositions (SDC-6), service offerings (SDC-4), customer experiences (SDC-3; SDC-4; SDC-5), service interactions (SDC-3), operations strategies (SDC-2) and supportive technologies (SDC-1). Literature from Marketing and Operations perspectives report the use of service blueprinting to design service concepts and multi-interface service systems for the customer experience (Bitner, Ostrom, and Morgan 2008).

Prototyping and testing:

Focus groups indicate that service design brings techniques to prototype service. SDC-3 describes, for instance, the use of collaborative prototyping facilitated by Lego, where professionals play with different scenarios to design service processes. Interaction Design literature refers to tools such as storyboarding (Truong, Hayes and Abowd, 2006) and experience prototyping (Buchenau and Suri, 2000) to design and coordinate the resources that support the user experience.

Implementing, scaling and measuring:

Service Research and Marketing are described as pulling service design to implementation phases of service innovation, considering as part of this process what happens during and after service usage, especially in terms of realization of value, customer experience and its measurement (SDC-5; SDC-6). Literature shows Operations, Marketing, Information Systems and Service researchers bringing specialized knowledge to implement service delivery processes and scale service (Bitner, Ostrom and Morgan 2008; Glushko 2010), as well as to measure the customer experience (Fornell, 1992). Besides, results show Participatory Design as an approach that can facilitate implementing changes (SDC-3), as by engaging workers in the development of new systems for the workplace (Sanders and Stappers 2008). Finally, focus groups also indicated service design's connection to public service innovation (SDC-4) and institutional change (SDC-3; SDC-6). In this context, focus groups describe that service design can support questioning and breaking institutions, creating the conditions for new behaviors,

new practices and new norms (SDC-3; SDC-6). The topic of institutional change has been increasingly studied by Service Researchers, who define it as the change of rules, norms, ways of thinking and practices which constitute a central process for enabling service innovation (Vargo et al., 2015).

Conclusions

Results show that multidisciplinary perspectives on service design bring specialized competences that can support different activities along the service innovation process. Understanding these contributions can help to articulate which kind of knowledge is useful in each phase of the service innovation process, in order to coordinate resources to create new service. For instance, if the goal is designing new service delivery processes, it may be interesting to integrate knowledge from capacity and customer variability (Frei, 2006), with an understanding of how to articulate resources along the customer journey to enhance customer experience (Truong, Hayes, and Abowd 2006), from Operations and Interaction Design perspectives, respectively. This conceptualization can be supported by designing the technology that will support the service delivery system (Glushko, 2010), from an IT point of view. In this sense, this article contributes to advance the understanding about service design multidisciplinary contributions to service innovation (Ostrom et al., 2015), by clarifying how researchers see the potentials of their fields' perspectives in empowering service design to support different activities along the service innovation process.

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Service Innovation in a Triadic Business-To-Business Network

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Introduction

Over the last decade or so, co-creation among different actors, or sets of actors, seems to have become the guiding rule when considering Business-to-Consumer (Vargo and Lusch, 2004, 2008) or Business-to-Business (Vargo and Lusch, 2011) relationships. In such a context, service innovation processes have extended beyond a single firm's boundaries to involve an increasing number of actors. Accordingly, business networks that involve several stakeholders in service innovation processes are now common. Yet, the academic literature is relatively scarce about the dynamics of such business networks that aim to develop service innovations (Biemans et al., 2016). Moreover, this also represents a problem for managers who might not have the appropriate decisions and actions frameworks to face the complexity that comes with these recent evolutions. As a consequence, they do need tools that would allow them to understand the dynamics of these service innovation processes that involve interconnected stakeholders in their network, or to understand how they should act in their interactions with these stakeholders in the context of service innovation processes.

Drawing on these gaps, this empirical paper relies on a case study analysis of a triad to explore the interactional dynamics of service innovation among members of business networks, and the factors that affect the development of the service innovation process in such a network.

Theoretical Background

Despite a growing body of literature, the concept of "service innovation" has remained relatively unclear (de Vries, 2006; Menor et al., 2002). Indeed, service innovation can indifferently refer to an outcome – a "new service" (Biemans, Griffin and Moenaert, 2016, Carlborg, Kindström and Kowalkowski, 2014; MacKenzie, 2003) – or a process. Moreover, the concept falls under one of those three perspectives: assimilation, demarcation or synthesis. First, the assimilation perspective of service innovation suggests a radical technical transformation by reforming procedural and process operation (eg, Giannopoulou, Gryszkiewicz and Barlatier, 2014; Ko and Lu, 2010; Pearson 1997). This perspective extracts the product novelty for new services. Second, the demarcation perspective refers to continuous adaption for the improvement and to the differences (eg, Agarwal and Selen, 2009; Breunig, Aas and Hydle, 2014; Salunke, Weerawardena and McColl-Kennedy; 2011). This perspective brings the attention to the characteristics of actors. Finally, the synthesis perspective of service innovation addresses the importance of skills and competencies by knowing how to offer new services and alter the existing services (Gallouj and Savona, 2009; Ordanini and Parasuraman, 2010; Santamaría, Jesús Nieto and Miles; 2012).

Rooted in the synthesis perspective, the current paper considers service innovation as a process that occurs among several companies that are linked with each other in a business network. In such networks, heterogeneous actors engage in business activities to exchange value from the generation of the idea to the execution and implementation of the innovation (AlHussan, Fletcher-Chen and Batt, 2017; Håkanson and Shehota, 2006). In so doing, the actors discover what and how to coordinate, collaborate and cooperate on practices, products and resources. By modifying their existing services, repositioning their services and creating new services, the network firm actors are able to generate new-to-firm and/or new-to-market services (Alam, 2012). Moreover, Those business activities drive multiple actors to interact and engage in exchanges. Through interaction, these inter-linked network actors stimulate the network's dynamics in terms of knowledge and operational resources (Ordanini and Pasini, 2008), as well as in terms of relationships (Ballantyne, Frow, Varey, and Payne, 2011). These relationships are the pillar to sustain such value-creating activities as the service innovation process (Ballantyne and Varey, 2006).

To analyse those relational value-creating activities, we suggest relying on S-D logic (e.g. Vargo and Lusch, 2004, 2008, 2014). When investigating actor-to-actor and business-to-business interaction, S-D logic has considered that multiple instances of value can be co-produced not just with the customer, but by and through the interactions among different kinds of stakeholders that are part of a business network (Merz, He and Vargo, 2009; Spohrer, 2011). The role of supplier is an important source of innovation (Smals & Smits, 2012). The role of advanced customer serves as a key partner for innovative performance (Ivens & Parto, 2007; Johnsen, 2009), which affects the value added to the interaction (Vargo and Lusch, 2004). Meanwhile, inter-firm interactions in the supply chain (whether it is the interaction with upstream or downstream firm) have found that both firms obtain the same opportunity to co-create value through interactions (Lay et al., 2010).

Analysing inter-firms' interactions in a business network can be done at several levels. The interactions in a triadic business network can be more challenging than the dyadic interaction due to imbalanced constellations (Andersson-Cederholm & Gyimothy, 2010). The embedded risks and opportunities in the triadic business network may attenuate or strengthen the development process of service innovation (Nätti, Pekkarinen, Hartikka & Holappa, 2014; Chowdhury, Gruber & Zolkiewski, 2016; Kowalkowski et al., 2016). Yet, limited in-depth studies investigate how multiple stakeholders in triads inter-dependently participate in the service innovation process (Ommen, Blut, Backhaus and Woisetschläger, 2016; Vargo and Lusch, 2011). This draws the attention and suggests the following questions:

- How do the business network actors participate in service innovation in a triadic business network?
- What factors affect the development of a service innovation process among the triadic business network firms?

Methodology

This research aims to explore how multiple business actors interact in the process of service innovation and what factors affect the service innovation. Following Biemans et al. (2016) who argue that qualitative approaches are particularly appropriate to investigate service innovation processes, the current paper employs a case study research strategy. The case study is especially suitable to explore implicit situations and examine abstract concepts, as well as to explain a poorly understood, complex and rich contemporary phenomenon in its real-life context (Edmondson and McManus, 2007; Gioia, Corley and Hamilton, 2012; Yin, 2009).

Having identified the triadic interaction as the smallest unit of business networks (Harrison, Holmen & Pedersen, 2012; Vedel et al., 2016), this research explores the process of how three inter-linked firm manage their activities to actualize innovation efforts in a triadic business network. The case was selected in Taiwan due to the nature of service-oriented and technology-driven economy (e.g., Chang and Yen, 2012; Chang, 2014; Lin, Li and Chen, 2006; Sui and Bao, 2008). The selected industries are associated with high-level skills and knowledge in technological products and service domains of communication media design, digital interface platform and e-business/e-commerce system packaging. The case study firms (the supplier, the distributor and the customer) were selected from the communication technology and professional industries. These firms are inter-linked to offer digital communication products with technical design consultation as product services in the same business network.

The primary data were selected from semi-structured interviews and on-site observation while the secondary data were based on company archives. The secondary data expanded our understandings of each case context. The different perspectives for triangulation analysis provided robust foundations to disprove or reinforce for the findings (Farquhar, 2012; Forster, 1994).

Witell et al. (2016) identified unique and shared characteristics of innovation characteristics by focusing on product, process of change and value creation for some actor. These definitions from the prior studies suggest a new angle of analysing inter-related activities as triadic innovation projects that combine innovation perspectives and characteristics. Four innovation projects among the triadic firms were identified in our case.

The inter-linked firms performed varying activities in these innovation projects. Their activities involved the levels of interaction within each firm, with one another in a dyad and in a triad. Assessing three-party interaction allowed capturing more complete information that are representative for inter-related activities and the activity sequences for innovation projects. The common features of combining products and services over all the innovation projects helped control contextual factors and aid comparisons and replication.

Through analysis, we moved from raw data toward the identification of innovation projects and multi-level of firm interaction in the triadic business network. The data were analysed through three stages of coding, which followed the coding methods by Miles, Huberman and Saldana (2014).

Results

The analysis of the data is currently ongoing. Thus, we aim to present some preliminary findings at the conference.

Keywords: Process, Service Innovation, Triadic business network, Value,

References available upon request

4F. Service Failure and Recovery II

Unfair online review: A third party view of illegitimate and abusive complaint

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Abstract

In a one-star review on a leading travel and restaurant review website, a customer labelled the restaurant "The worst and most overpriced place to eat ...", writing: "Old building, outdated kitchen and furniture's. Very noisy and aircon is a joke! Rude receptionist and RACIST manager. Overall lack of maintenance, smelly building. No Toilet papers... Won't stay there again! AVOID THIS PLACE!!!!" and a hotel manager offered an alternative explanation "... We are sorry that we had to ask you to leave because you had booked for 4 people and had 12 people in the apartment." (Reynolds, 2016).

Customer unfair reviews are becoming increasingly common because it is easy for customers to express public opinion anonymously online. The reasons for customers complaining online include venting, financial gain, and solitary ego gain. The assumption that 'customers are always right' has been questioned by some researchers (e.g., Berry & Seiders, 2008; Reynolds & Harris, 2009) who started to investigate the unfair or dysfunction customers. Verbal abusers and illegitimate complainants are some of the most common types of unfair customer behavior found online. Verbal abusers often make a complaint using abusive language to attack on front-line employees or services organization in face-to-face, over the telephone, or via the internet (Berry & Seiders, 2008). The illegitimate complainants can ignore policies and procedures, and exaggerate situation (Reynolds & Harris, 2005). This is particularly problematic for a company because the online reviews are judged by third party who has no knowledge background of the situation. Third party customers will mostly interpret the only reviews using the tone of the language used in the reviews and make a judgment whether the problem appears legitimate (reasonable). Services organizations are trying to protect their reputation by offering compensation to the customers and hence this could accelerate the situation.

In fact, little is known on the third party perception towards illegitimate and abusive complaint online. The existing studies tend to emphasize on investigating the motivation of customer misbehavior (Reynolds & Harris, 2009). Understanding the influence of unfair customer complaint is important particularly on the online space where third party customers tend to search for information and use other opinion and comments to form their own attitudes towards the organizations and make purchasing decision (Hennig-Thurau et al., 2010). Although these types of behaviors are viewed by the organizations as unfair for them, the third party customers who read this information may think that the company deserve the punishment.

Therefore, the current study employed fairness theory (Folger & Cropanzano, 1998) to understand third party customer interpretation of the online review. The theory suggested that justice is a universal norm and people may experience a sense of injustice when witnessing others being treated unfairly. As a result, the individuals could experience negative emotions that motivate them to seek retribution toward transgressors even when they are not the victims of the unfair acts (Skarlicki & Rupp, 2010). This is called deontic response. The fairness theory focuses on the process of making accountability judgments which are based on three elements. First is the existence of an unfavorable condition. The second component is that 'the event must be due to the volitional, discretionary actions of the target person whose accountability is assessed' (Folger and Cropanzano, 1998, p3). Third, the negative actions must violate a normative standard of justice.

Therefore, the current study examines the relationships between online complaint tone (legitimacy of the problem, abusiveness) and 3rd party interpretation (severity of incident, attribution of blame, deceptive intentions). Based on the fairness theory, third party customers make fairness judgment when reading an online complaint based on 1) the severity of the incident, 2) whether the firm or staff are accountable for an action (attribution of blame), and 3) the intention of the complaint. To explain the nature of these three judgments, the theory proposes that people tend to use counterfactual processes involving a comparison of an observed situation with a situation that could have unfolded had a transgressor not acted unfairly. When third party customers read an online complaint containing legitimate reason, it is easy to imagine a positive implication for the complainants if service failure had not occurred (more severe), an alternative course of action that could avoid service failures (attribution of blame towards firm and staff), and a positive view of the complainant's intention (complaining about a genuine dissatisfied service failure). Therefore,

H1a: Customers who read an online complaint containing legitimate reason are likely to perceive the incident to be more severe. (b = 0.53, p = 0.00)

H1b: Customers who read an online complaint containing legitimate reason are likely to attribute the blame towards firm and staff. (b = 0.53, p = 0.00)

H1c: Customers who read an online complaint containing legitimate reason are likely to form a positive view of the complainant's intention. (b = 0.41, p = 0.00)

When third party customers read an online complaint containing verbal, it is hard to imagine a positive implications for the abusive complainants if service failure had not occurred (less severe), an alternative course of action that could avoid service failures (attribution of blame towards firm and staff), and a positive view of the complainant's intention (complaining about a genuine dissatisfied service failure). Therefore,

H2a: Customers who read an online complaint containing verbal abuse are likely to perceive the incident to be less severe.

H2b: Customers who read an online complaint containing verbal abuse are not likely to attribute the blame towards firm and staff.

H2c: Customers who read an online complaint containing verbal abuse are likely to form a negative view of the complainant's intention

The study used a 2×2 between-subject factorial design manipulating legitimacy (high, low) and abusiveness (high, low) in an experimental design involving online survey responses to four online review scenarios. Fictitious online hotel reviews were developed to reflect 4 conditions: (1) high legitimacy/low abusiveness, (2) high legitimacy/high abusiveness, (3) low legitimacy/low abusiveness, and (4) low legitimacy/high abusiveness. The abusive and legitimate complaint manipulations were presented in the narrative. In an (non) abusive complaint, (no) rude words and (no) all capitals were used in the review. A legitimate complaint involved a situation where the hotel had check in time at 2 pm but the room was not ready until one hour later. For the illegitimate complaint, check in time for the hotel was 2 pm but the customer wanted the room to be ready at 9 am and the room was not ready until 9.30am. Pilot testing involved manipulation checks for legitimacy measured via "This customer has a legitimate problem to complain about" and abusiveness measured via "This customer uses abusive language in the online review" (1 = strongly disagree; 7 = strongly agree). A pre-test was conducted with a convenience sample of 60 participants to determine the effectiveness of the manipulations and gain feedback on the realism of written scenarios. The pre-test respondents found the scenarios to be both believable (based on 7-point scale, mean = 4.9) and realistic (based on 7-point scale, mean = 5.1). Appropriate manipulation of high and low legitimacy (t (58)=3.90, p < 0.01.) and high and low abusiveness (t (58)=13.71, p < 0.01.) was confirmed.

Data were collected from Qualtrics online panels, whereby participants were randomly allocated to the four experimental conditions. To test the four experimental conditions across the dependent variables, i.e. severity of incident (SEVERE), attribution of blame to firm/staff (BLAME) and complainant deception intentions (DECEPT), a series of one-way ANCOVAs were conducted. Given the high proportion of females in the sample, GENDER was included as a covariate in each of the analyses. Table 1 shows the ANCOVA and Post Hoc results.

ANOVA RESULTS

			df			F			SIG.	< .001	
SEVERI	Ε		3			23.30			Yes		
BLAME	<u>C</u>		3			48.36			Yes		
DECEP	Γ		3		29.62		Yes				
POST E	POST HOC RESULTS										
			SEVI	ERE		BLAME			DECEPT		
			1	2	3	1	2	3	1	2	
Condition	ons	n									
Low Abuse	Legit/High	151	3.23			3.94				4.19	
Low Abuse	Legit/Low	154	3.43			4.17				3.85	
High Abuse	Legit/High	155		4.15			4.84			3.71	
Abuse	Legit/Low				4.67			5.81	2.50		

Subset for alpha = 0.05

The analysis results show fully support for H1a and H1c and partially support for H1b (only in the high LEGIT conditions). In addition, H2a and H2c are fully supported, and H2b is partially supported (only in the high LEGIT conditions). The findings indicate that 3rd party perceptions of online reviews, as exemplified by perceived severity of incident, attribution of blame (firm/staff) and complainant deceptive intentions, is highly dependent on whether 3rd party readers perceive the complaint to be legitimate or not. For example, if the complaint is perceived to be legitimate by 3rd party readers of the online review, then they are more likely to consider the incident to be severe and attribute blame to the firm/staff. However, 3rd party readers of online reviews will perceive deceptive intentions in all conditions, except where the complaint is perceived to be legitimate and there is no verbal use. On the other hand, the effect of verbal abuse in the online review is only evident if the complaint is perceived by the 3rd party reader to be highly legitimate. In such cases, the presence of verbal abuse will lessen the perceived severity of the incident and attribution of blame to firm/staff, while heightening the 3rd party's perception of the complainant's deceptive intentions.

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Dare to Share: Stimulating Electronic Word-of-Mouth after Service Recovery in the Hotel Industry

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Introduction

Because services are generally produced and consumed at the same time, occasional service failures are inevitable (Hoffman & Chung, 1999; Smith, Bolton & Wagner, 1999; Becker, 2000). From the perspective of the service provider, such failures can be perceived as threats as well as opportunities. They can be *threats* because dissatisfied customers could decide to spread negative word-of-mouth (WOM) concerning the service provider (Collier, 1995). On the other hand, they can be *opportunities* as a consequence of the well-documented service recovery paradox (Hoffman & Chung, 1999; Becker, 2000; De Matos, Henrique & Alberto Vargas Rossi, 2007; Michel & Meuter, 2008; McCollough, 2009), as well as earlier evidence from service studies on consumer complaint handling (e.g., Singh & Widing, 1991) which state that investigating the conditions under which complaints can be converted into satisfaction is critical for enhancing marketing effectiveness.

The service recovery paradox implies that customers who have experienced a service recovery that surpassed their expectations can become ambassadors for the service provider, particularly if they are stimulated to generate positive WOM regarding their experience (Maxham, 2001; Lee & Youn, 2009). The possibility to turn a service failure into something positive is further amplified by the advent of social media, which has made it easier for customers to share service experiences (often referred to as eWOM) with a large number of people in a very short time (Kaplan & Haenlein, 2010).

Although many studies show that customer satisfaction after service recovery is positively correlated with positive (e)WOM activity, they rarely articulate what actually stimulates customers to share their positive experiences (Sundaram, Mitra & Webster, 1998; Berger, 2013). Furthermore, only a few studies have looked at the customers' motivations and triggers for producing positive eWOM in the specific context of the hotel industry (Cantallops & Salvi, 2014; Fine, Gironda & Petrescu, 2017).

Therefore, the current study seeks to identify motivations and triggers that enhance positive eWOM after successful service recovery in the hotel industry, as reflected in the research question below:

What stimulates hotel guests to generate positive eWOM after service recovery and which motivations and triggers do they perceive as most important?

Theoretical background

Up until now, researchers in the marketing and social psychology domain have identified a number of key drivers of eWOM intentions, such as *reputation*, *sense of belonging* and *enjoyment of helping other consumers* (Lee & Cheung, 2012). Yen & Tangh (2015), who made a first attempt at studying eWOM in relation to hotel attribute performance, refer to these three as *self-enhancement*, *social benefits* and *altruism*. Moreover, they mention four additional factors of interest: *extraversion*, *economic incentive*, *platform assistance* and *dissonance reduction*. Of these seven drivers, only one (dissonance reduction) is explicitly related to negative eWOM. Therefore, the other six are likely to influence the intention for positive eWOM, although this has not yet been investigated in the context of service recovery.

Furthermore, Fogg's Behaviour Model (FBM) (2016) asserts that for a person to perform a target behaviour, three requirements have to be fulfilled: he or she must (1) be sufficiently motivated, (2) have the ability to perform the behaviour, and (3) be triggered to perform the behaviour. Therefore, we will not only be looking for internal *motivations*, but also for external *triggers* that enhance the intention for sharing experiences. Finally, we are also interested in *abilities*, which are defined as contextual factors that facilitate the procedure of writing a review.

Methodology

The goal of this study is twofold: first, we want to identify the motivations and triggers for positive eWOM in a service recovery context and second, we want to know which of these are perceived as most important.

In order to answer the first part of the research question, we conducted four focus groups and one small-scale survey. In the focus groups, we included professionals as well as students with different nationalities, fields of expertise and varying degrees of travel experience. Table 1 below summarizes the composition of the four focus groups. The focus groups were semi-structured and included questions about personal experiences with positive (e)WOM, the motivations and triggers to produce (e)WOM and thoughts and preferences concerning the available channels for (e)WOM.

	N	Background	Nationality
Focus group 1	8	Students of Hotel Management	Dutch
Focus group 2	6	Students of International Business, Oriental Languages and European Studies	Dutch French German
Focus group 3	6	Hospitality professionals	Dutch Antillean
Focus group 4	6	University lecturers and support staff	Dutch

Table 1. Composition of the four focus groups

In order to answer the second part of the research question, we did a follow-up survey in which we asked guests of an international hotel in London (N=44) to rate the triggers and motivations identified in the focus groups on their relative importance. First, the respondents were asked to recall a service recovery experience using the Critical Incident Technique (Hughes, Williamson & Lloyd, 2007). Then, they evaluated a number of statements – similar to those used by Yen & Tangh (2015) – related to the eWOM motivations uncovered during the focus groups, using a 5-point Likert-scale.

Results and discussion

During the focus groups, four motivations, one trigger and one ability for producing (e)WOM were identified. The motivations were *Expectation exceeded*, *Altruism*, *Social benefits* and *Self-enhancement*. *Reward* was identified as an external trigger for posting eWOM, and *Accessibility of a platform* on which eWOM could be generated was considered to be an ability.

Using the outcomes of the survey, we were also able to rank these factors in order of perceived importance. The results are shown in Table 2.

Motivation	Mean Perceived importance
Expectation exceeded	3.60
Altruism	3.53
Platform accessibility	2.34
Social benefits	1.86
Reward	1.75

Table 2. Mean perceived importance per motivation or trigger on a 5-point Likert scale

As can be seen in Table 2, the respondents seem to be most strongly motivated to share their experiences when their *expectations are exceeded*. This motivation, called *extraversion* by Yen & Tangh (2015), ties in with prior research pointing at the importance of customer satisfaction for WOM (Torres & Kline, 2013; Wangenheim & Bayón, 2007): "The greater the satisfaction among customers, the greater the possibility that they will engage in positive eWOM communication". (Fu, Ju & Hsu, 2015).

Batson (2010), together with Lee & Cheung (2012), also finds that *altruism* or empathic concern is another strong motivation for people to produce eWOM. When you value someone else's welfare, e.g., that of the front office employee or your fellow customers, you will be more likely to share your experiences if you think this will have a positive effect on the person in question.

Platform assistance (Yen & Tangh, 2015) surfaced in our study as *platform accessibility*. Strictly speaking, it is not a motivation but rather a factor that facilitates the procedure of writing a review, or, according to the Fogg's (2016) model, an *ability*.

Social benefits are also perceived as a relatively strong motivation to share. People post eWOM to connect with others, to become or be part of a larger community (Cheung & Lee, 2012). The degree of this willingness is known to depend on factors such as demographics, experience and pre-existing attitudes.

We chose to rephrase *economic incentive* (Yen & Tangh, 2015) as *reward*, since the compensation offered for generating eWOM does not need to be monetary. Although a reward is largely acknowledged to have an effect on (e)WOM behaviour, there seems to be agreement that this incentive should be used with caution, since it could negatively affect the image of the company (Reimer & Benkenstein, 2016).

Lastly, people also share experiences in order to be positively recognized by others; this is referred to with the term *self-enhancement* (Cap, 2016) (or also *reputation* (Lee & Cheung, 2012)). By sharing experiences online, they seek to boost their level of self-esteem, in order for others to see them as more socially desirable. However, this motivation was ranked lowest by the respondents of the survey.

In conclusion, this study led to a revised list of four motivations, one trigger and one ability that influence the intention for positive eWOM after service recovery in the hotel industry. We have also shown that hotel guests perceive *Expectation exceeded* to be the strongest driver for

sharing. On the basis of these insights, hotels can re-design their service recovery process so that the likelihood of guests producing positive eWOM afterwards is maximized. To that end, it is important to (1) identify concrete actions that can be taken during service recovery to enhance important motivations (such as *Expectations exceeded* and *Altruism*) and (2) know how the different motivations, triggers and abilities interact in producing the desired outcome. This was the main goal of a follow-up study, in which we used an experimental design to investigate whether showing a note at the reception desk asking for the guest's help to inform and advice other potential guests (as a trigger for *Altruism*) has a positive effect on eWOM intentions. Preliminary results suggest that this is indeed the case. Implicitly asking whether expectations were exceeded in combination with presenting an iPad (and, as such, providing the *ability* for eWOM), on the other hand, appears to negatively affect the intention to spread eWOM.

When Consumer Love Strikes Back: The Effects of Online Complaint Handling and Relationship Strength on Customer Revenge

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Introduction and theoretical background

The internet furnishes dissatisfied customers who have experienced a service failure with an additional complaint channel to publicly confront companies with a negative brand experience. Such online complaints are in many instances consequences of a 'double deviation', which describes a critical situation where customers are doubly faced with a service failure and an unsatisfactory service recovery incurred, for instance, in traditional complaint channels (e.g. hotlines). By means of 'marketer-initiated webcare' (MIW) (i.e. communicative reactions to online complaints by the company; Weitzl & Hutzinger, 2017), marketers strive to protect the involved brand against negative consequences, such as, customers' desire for revenge (i.e., punishing and causing harm to the brand).

Existing literature on online service recovery does not give marketers clear guidance on how desires for revenge can be mitigated by choosing an appropriate MIW strategy. In order to guide marketers' actions under conditions of double deviation, the current research investigates MIW's abilities to attenuate online complainants' grudge. By doing so, our research emphasizes new aspects of a brand's best customers, which are those who consider themselves to have a strong relationship with the brand. Since ages, it has been the marketing mantra to systematically develop a customer group with strong affective bonds towards a brand. Pioneering research by Grégoire, Tripp and Legoux (2009) shows that accommodative MIW can instantly reduce strong relationship complainants' desire for revenge.

However, the current study acknowledges the multitude of MIW strategies, which typically range on a continuum of the responsibility taken by the marketer from 'no-responses' (MIW_{NO}), via 'defensive' (MIW_{DEF}) to 'accommodative responses' (MIW_{ACC}): With MIW_{NO} (e.g., ignoring the complaint, meaningless comments) the marketer tries to keep the brand away from the problem by remaining passive. When voicing MIW_{DEF} the marketer ascertains that the brand has no or only limited responsibility for a service failure by communicating, for example, that the complainant himself/herself has caused the problem. In MIW_{ACC} responses the marketer accepts that the negative event results from the brand's own fault. The latter responses typically include both social (e.g., apology, explanation) and economic benefits (e.g., refunds, price discounts) for the complainant.

Given their inherent characteristics, we assume that customers with low vs. high relationshipstrength have different desires for revenge after being confronted with different MIW strategies. Specifically, we acknowledge that low relationship-strength customers are particularly striving for economic benefits (Aggarwal, 2004) as they typically demand a full compensation of their financial losses by the brand (Ringberg, Oderkerken-Schröder, & Christensen, 2007). Hence, the amount of the financial compensation matters more to them than any social efforts delivered by the brand. This is consistent with social exchange theory and justice theory, claiming that in short-term specific transactional relationships, inequalities can be compensated by monetary exchanges. Therefore, we hypothesize:

H1: After a double deviation, only MIW_{ACC} substantially reduces *low* relationship-strength complainants' desire for revenge.

We theorize that high relationship-strength complainants are not that forgiving: For them, double deviations are critical trigger events that represent a psychological contract violation (PCV) by the brand. When customers are affectively engaged towards a brand, they form psychological contracts which are consumers' awareness and beliefs about the reciprocal obligations between them and the brand (Chih et al., 2017). Such contracts typically have a long-term, socio-emotional focus and include intangible aspects (e.g., concern for the brand). We assume PCV is triggered when a brand fails to fulfill consumers' perceived promises and obligations implicitly conveyed in relational psychological contracts. These violations are often perceived as such severe that high relationship-strength customers become reactant to MIW. Thus, they consider MIW as a brand's lousy attempt to buy it's way out of trouble. Various studies demonstrate a positive relationship between PCV and negative outcomes, such as decrease in satisfaction, trust, commitment and loyalty (e.g., Robinson, 1996; Robinson & Rousseau, 1994; Sels et al., 2004; Turnley & Feldman, 1999) and even a sense of betrayal, anger and injustice (Pate & Malone, 2000; Rousseau, 1989). We assume that relationship-strength fosters such unfavorable outcomes and stimulates complainant retaliation. Therefore:

H2: After a double deviation, MIW_{DEF} and MIW_{ACC} substantially increase *high* relationship-strength complainants' desire for revenge

Research Method

For testing our research hypotheses, we conducted an online survey among 666 adult consumers from two western countries, who had personally experienced a service failure (e.g. a malfunctioning product, poor service quality) within the last 6 months and decided to complain on social media afterwards (M_{Age}=35; 48% female). All respondents suffered from a second deviation (i.e. no corporate response or unsatisfactory recovery attempt in a traditional complaint channel). The sample approximates the social media population (e.g. the majority (57%) held at least a bachelor's degree). In the standardized questionnaire, all key constructs were measured with multi-items scales taken from established literature: E.g., desire for revenge (7 items from Zhou et al. (2014) and Kaltcheva et al. (2013) including items like 'In

future, I will take my complaint to a consumer protection organization.'. All items were assessed on a 5-point Likert scale ranging from 1 (I strongly disagree) to 5 (I strongly agree). The scales showed satisfactory psychometric properties (e.g., reliability).

Results

We used a two-way ANCOVA to examine the effect of MIW strategies on consumer desires for revenge considering the individual's relationship-strength (low vs. high). Failure severity, relationship length, interaction frequency, age, gender and country were included as covariates. Because of unequal group sizes, the sample was bootstrapped with 1,000 replications (Hayes, 2013). Results are shown in Appendix A (model I). H1 claims that for low relationship complainants MIW_{ACC} mitigates revenge desires. As expected, planned comparisons (t-tests) revealed that individuals with low relationship-strength who have received MIW_{ACC} had a significant lower desire for revenge (M=2.75, SD=0.99) than recipients of MIW_{DEF} (M=3.11, SD=0.77, p<0.05) and MIW_{NO} (M=3.12, SD=0.89, p<0.05). Hence, H1 was supported.

H2 states that for high relationship-strength complainants MIW_{DEF} and MIW_{ACC} substantially increase their desire for revenge after a double deviation compared to MIW_{NO}. Data provided empirical evidence for our hypothesis as consumer revenge desire was significantly larger after receiving either MIW_{DEF} (M=3.83, SD=0.80, p<0.001) or MIW_{ACC} (M=3.99, SD=0.82, p<0.001) than MIW_{NO} (M=3.20, SD=0.97). Accordingly, H2 was also supported. Results are summarized in Figure 1.

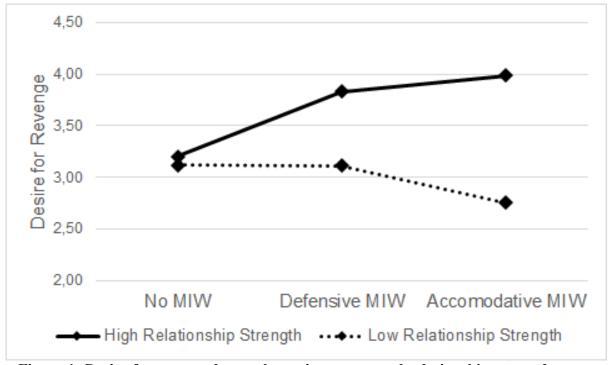


Figure 1: Desire for revenge by marketers' response and relationship-strength

In a supplemental ANCOVA analysis (see Appendix A, model II) we tested for a potential "time heals all wounds"-effect by comparing early complaints (<4 months) with late complaints (dating back 4-6 months). Results indicate no significant decrease in revenge intentions over time except for strong relationship complainants who have received a MIW_{ACC} ($M_{Early}=4.08$ vs. $M_{Late}=3.73$, p<0.05).

Discussion

Our study reveals the importance of considering relationship-strength as a key moderator of MIW's capability to reduce online complainants' desire for revenge after a double deviation. More specifically, this research demonstrates that marketers are well advised to respond complaints from low relationship-strength customers with monetary incentives embedded in MIW_{ACC}. This substantially reduces their drive for vengeance towards the brand. More importantly, however, our results suggest that a firm's efforts to turn customers into highly committed brand lovers can also have an unexpected drawback: Our study shows that high relationship-strength customers, that have already experienced a double deviation, are reluctant to accept active MIW responses. Marketers should be aware, that they need to get the problem solved early in the complaint process before dissatisfied customers voice their complaint online. Attempting to 'bribe' high relationship-strength customers with a financial compensation - when social benefits are demanded - turns brand love into brand hate. Our research should make marketers aware that such a well intended MIW can trigger massive reactance, because money does not always buy love online. But silence can.

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APPENDIX ADeterminants of consumer desire for revenge

Sources		Univariate	results
	df	Model I	Model II
Main effects			
Marketers' response MIW	2	5.81**	4.40*
Relationship strength RS	1	39.59***	30.35***
Time TI			0.86
Interaction effects			
MIW x RS	2	16.83***	9.15***
MIW x TI	2		0.20
RS x TI	2		0.06
MIW x RS x TI	2		3.12*
Covariate			
Failure severity	1	18.51***	17.26***
Relationship length	1	25.51***	24.80***
Interaction frequency 1		4.17*	3.50
Age	1	2.06	1.94
Gender	1	1.74	1.36
Country	1	10.86***	11.59***

Note: Table shows F-values with significance levels * p < 0.05, ** p < 0.01, *** < 0.001

4G. Service Operation Management and Supply Chains II

How Do Process Flow Times Matter in Emergency Departments? The Differential Effects on Productivity and Patient Experience

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Introduction

The costs associated with healthcare continue to rise. A major area of concern in hospitals is the emergency department (ED) since it is often seen as the first point of contact for incoming individuals and hence serves a large volume of patients. The Agency for Healthcare Research and Quality, in its last comprehensive evaluation, found the total volume of patients processed through national EDs exceeded 135 million visits (Moore et al., 2017). Making matters worse, the number of hospital-located emergency departments has decreased from over 5,000 in the early 2000s to under 4,000. The rise of patient demand and decline in emergency departments has created a mismatch between available supply and requested demand, resulting in a significant overcrowding issue. The consequences of overcrowding include longer patient waiting times, lower quality of care, more preventable mistakes, and even significant cost increases (Foley et al., 2011). In essence, EDs are under the pressure of "needing to do more with less".

To compound the problem, the Centers for Medicare and Medicaid Services (CMS) recently implemented a more comprehensive evaluation program whereby hospitals, including EDs, are now assessed by not only the quality of clinical care that is provided, but also by the impact it has on the patients' positive service experiences. Consequently, EDs cannot simply satisfy demand by paying less attention to the experience in order to process patients more efficiently. Therefore, any effective operational change in the ED should attempt to simultaneously improve both internal productivity to address the demand-supply mismatch as well as the patient experience. Interestingly, a common belief among practitioners is that productivity often comes at the cost of the patient experience. The dual-performance expectation, and the potential tension between them, is what motivates our research as we seek to explore the impact of the ED process on performance (internal and external) while also examining if, in fact, a tradeoff between the two exists. By focusing on both performance metrics, we are able to examine whether a simultaneous improvement can be achieved, shedding light on the concern from practice that one goal comes at the cost of the other.

Thus, the goal of this research is to answer the following question: How do the differential effects of process flow times in emergency departments impact productivity and patient experience? To accomplish this goal, we gather data from three sources, Centers for Medicare and Medicaid Services (CMS), American Hospital Directory (AHD), and

HealthGrades.com (HG). We are able to identify 2777 EDs that exist in both CMS and AHD where the data is complete.

Conceptual Development

Service operations management (OM) research continues to increase as developed economies evolve toward a service orientation (Smith et al., 2007). A specific service context that has seen a significant increase in interest is the healthcare sector. For example, Meyer and Collier (2001) examined the way the Baldridge criteria interact in the healthcare setting. Additionally, Li et al. (2002) explored how strategic OM decisions impacted hospital performance while others have analyzed how productivity and/or profitability is affected in specific ways (Ding, 2015). Recently, the work has begun to focus on more fine-grained problems while also employing data from public sources. These studies have found that investments in technology have positive effects (Gardner et al., 2015), that increased information exchange facilitates better relationships (Dobrzykowski and Tarafdar, 2015) that tightly managed process can lead to superior outcomes (Ding, 2015), as well as how conformance and experiential quality affect costs and performance (Anderson and Smith, 2017).

An even more focused area in the healthcare arena is the emphasis on the emergency room setting. A vast majority of this literature has emphasized the utilization of queuing models as a method to more efficiently process patients (e.g., Kim and Whitt, 2014). In addition, while KC (2013) addressed how ED physician's multi-tasking might have negative effects on patient outcomes, Saghafian et al. (2014) show how different triage procedures can result in positive outcomes. The medical literature, as expected, has a much richer base in this area (e.g., Kuntz and Sulz, 2013; Piper et al., 2012). However, the majority of seems not to pay specific attention to ED operations. We contribute to the above literature streams by investigating how ED process flow times impact productivity (i.e. internal performance) as well as customer evaluations (i.e., external performance).

Analysis and Findings

The data were analyzed using OLS regression. Our results, shown in Tables 1 and 2, indicate that a longer exam time, in general, is desired by patients and beneficial for productivity, alleviating the concern that performance on one dimension comes at the cost of the other (i.e., the productivity/patient experience tradeoff may not exist). Interestingly, patients seem not to be as sensitive to initial wait as expected given what has been reported in the literature (e.g., Taylor, 1994). We only observe a negative waiting effect on the internal performance which is consistent with the current practice of reducing the ED wait time. These conclusions provide additional support for the impact of extended patient-doctor interactions (Chen et al., 2009) as well as the recent services literature that waiting may not have universally-negative effects (Buell and Norton, 2011). To explore the relationships further, we investigated the boundaries of the benefits of a longer exam time. In Figure 1, we show that patients prefer longer exam times as long as they perceive a higher value service (i.e. associated charges do not become excessive). Internally, nuances are even broader as differences between in-patient and out-

patient operations, an interaction between waiting and exam times, and a diminishing return of exam time on productivity are all impactful in some manner. In essence, we show that a longer exam time is not always good. In fact, for a fraction of EDs, further increasing the exam time will result in a decrease in productivity (see Figure 2).

Table 1. OLS Regressions on Patient Outcomes

			Dependen	t variable:			
		Experience		Recommendation			
	(1)	(2)	(3)	(4)	(5)	(6)	
Wait		0.038 (0.097)	0.041 (0.097)		-0.009 (0.100)	-0.004 (0.100)	
Exam		0.141** (0.046)	0.159*** (0.047)		0.156** (0.047)	0.174*** (0.049)	
Charges			0.023 (0.029)			0.039 (0.030)	
Exam x Charges			-0.045+ (0.026)			-0.056* (0.027)	
Severity	0.182 (0.288)	0.086 (0.289)	0.026 (0.293)	0.293 (0.298)	0.189 (0.299)	0.100 (0.303)	
Admission	-0.002 (0.002)	-0.003 (0.002)	-0.003 (0.002)	-0.002 (0.002)	-0.002 (0.002)	-0.002 (0.003)	
Beds	0.352 (0.275)	0.189 (0.279)	0.219 (0.280)	0.330 (0.285)	0.156 (0.289)	0.180 (0.290)	
ED Space	-0.204 (0.213)	-0.260 (0.213)	-0.232 (0.213)	-0.203 (0.220)	-0.258 (0.220)	-0.223 (0.221)	
Teaching	0.031 (0.071)	-0.004 (0.072)	-0.010 (0.072)	0.040 (0.074)	0.005 (0.074)	-0.002 (0.074)	
Ownership	0.156+ (0.082)	0.139+ (0.083)	0.139+ (0.084)	0.165+ (0.085)	0.153+ (0.086)	0.160+ (0.087)	
Location	0.067 (0.088)	0.019 (0.089)	0.001 (0.091)	0.079 (0.091)	0.029 (0.092)	-0.001 (0.094)	
Constant	3.267*** (0.131)	3.388*** (0.136)	3.443*** (0.140)	3.150*** (0.136)	3.272*** (0.142)	3.342*** (0.146)	
Observations	1,530	1,530	1,530	1,531	1,531	1,531	
\mathbb{R}^2	0.007	0.013	0.015	0.008	0.015	0.018	
Adjusted R ²	0.002	0.007	0.008	0.003	0.008	0.01	

Note: For the three factor variables, 1 = teaching, non-profit, and urban.

†p<0.1; *p<0.05; **p<0.01; ***p<0.001

Table 2. OLS Regressions on Cost, Charges, and Productivity

				T	Dependent variable:				
	Cost	Charges	Charges_i	Charges_o			Productivity		
	(1)	(2)	(3)	(4)	(5)	(9)	(2)	(8)	(6)
Wait	-0.0001 (0.010)	-0.146* (0.059)	-0.196*** (0.059)	-0.022 (0.065)		-0.313* (0.148)	-0.032 (0.156)	-0.059 (0.183)	-0.057 (0.183)
Exam	0.056*** (0.005)	0.295*** (0.027)				0.142* (0.066)	0.224*** (0.067)	0.442*** (0.077)	0.448*** (0.077)
Wait x Exam							-0.627*** (0.114)		-0.348* (0.137)
$Wait^2$								-0.282 (0.198)	-0.029 (0.222)
$Exam^2$								-0.234*** (0.032)	-0.205*** (0.034)
Exam_i			0.067* (0.029)						
Board_Time			0.106** (0.039)						
Exam_o				0.108** (0.041)					
Severity	0.195*** (0.026)	1.373*** (0.153)	-0.077 (0.151)	2.216*** (0.168)	1.557*** (0.379)	1.453*** (0.381)	1.436*** (0.379)	1.188** (0.379)	1.203** (0.379)
Admission	-0.004*** (0.0003)	-0.006*** (0.002)	0.004* (0.002)	-0.009*** (0.002)	0.031*** (0.004)	0.031*** (0.004)	0.030*** (0.004)	0.027*** (0.004)	0.027*** (0.004)
Beds	0.266*** (0.031)	0.951*** (0.183)	0.511** (0.179)	1.580*** (0.201)	-0.683 (0.450)	-0.802 + (0.457)	-0.752+(0.454)	-0.668 (0.453)	-0.641 (0.452)
ED_Space	0.140*** (0.026)	0.213 (0.153)	-0.100 (0.153)	0.484** (0.171)	-0.996** (0.381)	-0.992** (0.382)	-0.834* (0.381)	-0.807* (0.379)	-0.741 + (0.379)
Teaching	0.017* (0.007)	-0.031 (0.044)	0.048 (0.043)	0.011 (0.048)	-0.257* (0.108)	-0.268* (0.109)	-0.285** (0.109)	-0.271* (0.108)	-0.281** (0.108)
Ownership	0.081*** (0.007)	-0.375*** (0.042)	-0.400*** (0.041)	-0.347*** (0.046)	-2.343*** (0.104)	-2.314*** (0.105)	-2.341*** (0.105)	-2.329*** (0.104)	-2.332*** (0.104)
Location	0.035*** (0.007)	0.531*** (0.042)	0.408*** (0.042)	0.651*** (0.046)	0.933*** (0.104)	0.897*** (0.106)	0.830*** (0.106)	0.770*** (0.106)	0.752*** (0.106)
Constant	0.286*** (0.011)	1.328*** (0.066)	1.021*** (0.083)	0.768*** (0.088)	5.133*** (0.152)	5.201*** (0.165)	5.333*** (0.166)	5.646*** (0.173)	5.637*** (0.173)
Observations	2,749	2,749	2,746	2,733	2,749	2,749	2,749	2,749	2,749
\mathbb{R}^2	0.24	0.254	0.198	0.249	0.235	0.237	0.246	0.254	0.256
Adjusted \mathbb{R}^2	0.237	0.251	0.194	0.246	0.233	0.235	0.243	0.251	0.253
Note: For the t	Note: For the three factor variables, 1 = teaching, non-profit, and urban.	1 = teaching, non-prot	fit, and urban.				1	$^{\dagger}p<0.1; *p<0.05; **p<0.01; **p<0.001$.0.01; ***p<0.001

Figure 1. Contingency of the Effect of Exam Time on Patient Experience

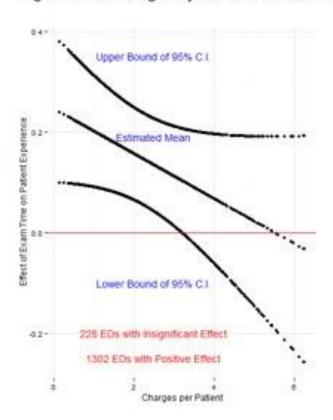
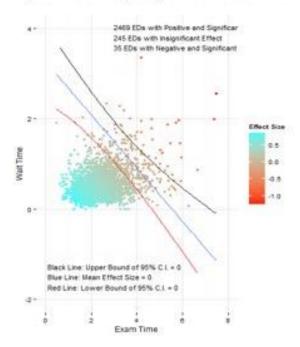


Figure 2. Contingency of the Effect of Exam Time on ED Productivity



Discussion and Conclusion

Our research offers two main contributions to theory. First, we highlight the impacts of various service process flow times on both internal and external performance. Our findings add clarity to the debate on the potential tradeoff between patient satisfaction and physician productivity. From the patient viewpoint, the longer exam turns undesirable if the charges become excessive. Similarly, the exam time is beneficial to the ED only when the current wait and exam times are below a certain threshold. Second, our study uses secondary data, collected from three unique sources, to simultaneously explore the dual-impact of process flow times.

Our study also provides several implications for healthcare organizations. First, we show strong empirical evidence for the benefit of the recent movement toward no-wait emergency departments. That is, moving patients through the waiting area faster both reduces wait time and adds to possibility to increase exam time. Second, we address the question of whether a longer exam time is always good, given the expectation and the evidence that it is, by-and-large, beneficial. Interestingly, we show that EDs can realize the external benefit of longer exam time only if the per patient charges are not excessive. For productivity, the contingency is even more complex as both current initial wait and exam times matter, as does the interaction between the two. Lastly, our results indicate the need to be able to effectively diagnose and document all aspects of the exam process. As the exam time is shown to be positive for both parties as long as it (a) does not become too lengthy and (b) does not result in excessive charges from which a customer would degrade the value assessment. One of this study's limitations is, although we have taken care to match as many doctors from the HealthGrades.com data to the CMS/AHD data, some EDs did not have any available patient ratings.

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Supply chain management as a transformative service

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Introduction

Transformative Service Research (TSR) is developed to improve human well-being in both customer and societal welfares through a service concept (Rosenbaum et al., 2011). Supply chain has been concerning as an important topic to increase the effectiveness of sustainable resource integration in provider side (Beamon, 1999, Gunasekaran et al., 2004). In the past decade, sustainability and well-being are increasingly considered in business and service research (Tang et al., 2016, Rosenbaum et al., 2011). A concept of the supply chain would develop with more comprehensive view of TSR to focus on well-being and sustainable development rather than profit among supply chain members. This study conceptualizes supply chain as a transformative service and its management to improve a well-being of suppliers and customers and environmental entities.

Since service is defined as the processes or application of competences for creating the benefit among the actors (Stephen L. Vargo and F. Lusch, 2004, Lusch et al., 2006), a supply chain is considered as service within value co-creation networks (Maas et al., 2014). Therefore, incorporating the lens of TSR into the supply chain is a key involvement in Transformative Supply Chain (TSC); which aims to forward the focus from profitability of supply chain activities to the interaction of actors through the operant resource with the aim to improve well-being among the ecosystem. Tripartite value co-creation framework (Shirahada and Fisk, 2014) is employed for transforming conventional supply chain to TSC that focus on the interaction of three entities; supply chain, customer, and environment

Development of TSC based on TSR aspect

Implementation of TSR concept in the supply chain requires an integration of customer and service research with the aim to improve the well-being of the ecosystem (Anderson et al., 2013, Rosenbaum, 2015, Kuppelwieser and Finsterwalder, 2016). Well-being is a key consideration of TSR which relevant not only at the individual level but also at the collectives level (Anderson et al., 2013).

The supply chain is a value co-creation networks in service perspective (Maas et al., 2014) that focuses on knowledge creation among the members of the network (Tokman and Beitelspacher, 2011). The members or actors influence on the supply chain system have been viewed as an individual entity that has a purpose to move materials from upstream to

downstream to create revenue (Maas et al., 2014). As the similarity of supply chain and Service dominate logic (S-D logic), S-D logic concept also focus on interaction and relationships in value creation within the system (Melissa Archpru Akaka and L. Vargo, 2015) and goods play a role for service-delivery in a subset of economic exchange (Vargo and Lusch, 2008). Moreover, knowledge, integration, customer engagement, relationships, and innovation can consider as the framework of supply chain elements (Randall et al., 2014).

Theoretical framework of TSC

Overview

In order to create well-being and sustainable in the ecosystem, human-to-human and human-to-nature activities have to be integrated (Shirahada and Fisk, 2014). Thus the definition of TSC is a supply chain that focuses on well-being and sustainable development of supply chain ecosystem through value co-creation among supplier, customer, and environment. Transformative value is a social dimension of value creation that generates greater well-being among individuals and collectives (Blocker and Barrios, 2015) The framework also provides description and interaction of supply chain entities, customer entities, and environmental entities based on tripartite value co-creation (Shirahada and Fisk, 2014). The conceptual framework is shown in Fig. 1, three entities interact and integrate resource under the same ecosystem. Environmental entities are a key concern of customer and supply chain entities as a source of resource integration. When supply chain and customer concern on the environment, they going to produce, sell, and buy a product with environmental consideration. Then they are sharing the same social structure which leads to sustainable and well-being of the ecosystem.

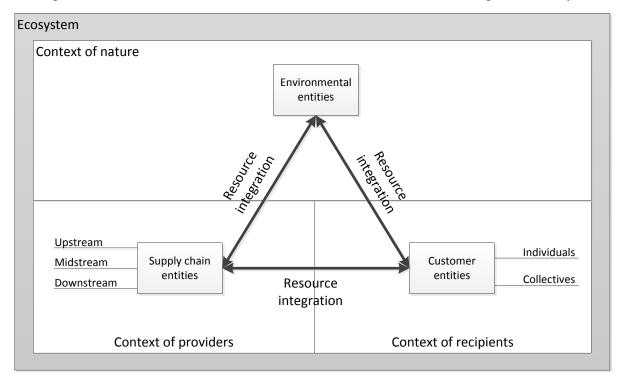


Fig. 1: Conceptual framework of TSC

Supply chain entities

Supply chain entities in TSC are service providers including manufacturer, organization, and any business entities that interact with a customer with the aim to create well-being for the ecosystem through upstream, midstream, and downstream processes. The key difference of supply chain and TSC is a goal of business activities. Supply chain aims to maximize the profitability of members in the supply chain but TSC aims to create sustainability and well-being among entities. Well-being is related to sustainable development of the organization including employee welfare, sustainable resource, and well-being of supply chain members. Thus, the integration of operant resource including knowledge and concept of environmental preservation with the product is a key contribution to the well-being of an ecosystem.

Customer entities

In customer perception, the value is always determined by the customer as value-in-use whether in direct interaction with the supplier or in indirect interaction through goods in use (Kowalkowski, 2010). Value-in-use is the priceless experience perceived by the customer)Lusch et al., 2006). Thus, the products become a thing that embedded with service for delivering to the customer (Bjurklo et al., 2009). S-D logic argues that value-in-use is a key consideration of product and service rather than value-in-exchange or the price)Lusch et al., 2006).

In value co-creation process, it is important for both provider and customer to have a mutual understanding. The provider understands what kind of service the customers want; and the customer understands what kind of service the provider is trying to offer (Prasetyanti and Simatupang, 2015). Therefore, customer knowledge of product and environment are considered as a resource integrator in TSC.

Environmental entities (Institution)

The core of TSC is an interaction between supply chain, customer, and environment. In the study of Anderson et al. (2013) environmental is mentioned as a part of the ecosystem which is a system of humans and nature. However, human activities are impossible to achieve without the influence of the earth's ecosphere resource (Anderson et al., 2013). Environmental entities are important in value co-creation process of transformative concept. Environmental entities are considered as social structures that contribute to supply chain and customer entities and leads to transformative value creation. Non-profit organization, non-governmental organization, and government who conducted laws and regulations to preserve the environment are included in environmental entities.

Case analysis of TSC

We analyze the Doi Kham Company in Thailand. In the 1960s, the hill-tribe villages in the upper north area of Thailand are living poverty by slash-and-burn farming. The key product is

opium poppies, which is a source of heroin (Sananikone, 2006). This farming causes the natural destruction and effects to social well-being. Then the royal project under King Bhumibol replaces the conventional supply chain system with the TSC concept for transforming social value. The project aims to create sustainable, improve well-being of hill-tribe villages, and eliminate opium poppy growing.

Nowadays, the Doi Kham Company operates as a social business and incorporates the supply chain of this royal project. The company buys an agricultural product from farmers at a fair price and transforms into many agricultural products such as fruit juices and dehydrated fruits. In upstream of the supply chain, more profitable cash crop is promoted to replace opium and poppy cultivation. With the farming knowledge, the slash-and-burn farming is completely replaced by a new farming method which creates higher profit with no pollution. Then in midstream, the agriculture products are transforming for creating more value. In downstream, this project sells the products directly to the customers without price influence by a middleman. Therefore, the products can be sold at a reasonable price. In consequence, the hill-tribe villages got an appropriate profit for sustainable living, the customer got a high-quality product that good for their health with a reasonable price and the environment and society are sustainable due to the elimination of slash-and-burn farming and opium poppies. The well-being of the hill-tribe villages and customers are achieved since overall supply chain processes concern with environmental and well-being of individuals, collectives, and ecosystem as we show in Fig 1.

Conclusion

Conventional supply chain aims to seamless the operation among the supply chain network (Zailani and Rajagopal, 2005) for creating quality and reducing cost among supply chain processes including supplier selection, purchasing, operations, transportation, warehousing, inventory management, and customer (Dawson, 2002, Prasetyanti and Simatupang, 2015), while TSC is focused on well-being and truly sustainable development of supply chain system. Therefore, customer perception and environmental institution become key actors and resource integrators in TSC (Maas et al., 2014).

The lens of TSR provides a focus on supply chain, customer, and environmental entities in the ecosystem. The entities in TSC are interaction and co-create through operant resource with the ultimate goal of sustainable and well-being. Beyond the dyadic interaction between provider and recipient interact to co-create the values; the environment is a resource integrator in an ecosystem. A service ecosystems view has added to the complexity of this service context by considering the central role of institutions in both value creation and exchange (Melissa Archpru Akaka and L. Vargo, 2015). The environmental entities are direct and indirect related to the interaction. Moreover, all actors within the system also needed to follow the institutions.

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Dynamic Capabilities for Improving Service Offerings through Utilization of Customer Satisfaction Information

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Background

Increased customer satisfaction has a positive impact on financial results (Fornell et al., 1996; Kristensen & Westlund, 2003). Evidently, to achieve such impact firms must not only measure customer satisfaction but also act upon these measurements and use customer satisfaction information (CSI) as a driver for improvements (Morgan et al., 2005; Lervik Olsen et al., 2014). Efficient use of CSI is especially critical in service firms, as services are characterised by intangibility and simultaneous production and consumption. Services strategies build upon 'value-in-use' (Lusch et al. 2016), and data that potentially can drive improvements is created during provision and use of services, i.e. in the customer domain (MacDonald et al. 2016).

Although CSI is the most used non-financial performance measure (Bititci et al., 2012; Fornell et al., 1996) many firms fail in connecting their customer satisfaction information usage (CSIU) to improvements (Lervik Olsen et al., 2014). Hence, CSIU is a symbolic activity, not enhancing organizational knowledge (Rollins et al., 2012). To advance from a symbolic to knowledge-enhancing use of CSI, firms need to pay more attention to the use phase of CSIU (Rollins et al., 2012). Previous research oCSIU has primarily focused on phases and activities (Morgan et al., 2005; Lervik Olsen et al., 2014) and not the dynamic capabilities (DC) needed for firms to efficiently carry out these activities. Dynamic capabilities in this paper refer to "the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments" (Teece et al. 1997). On this background, the purpose of this paper is to identify capabilities needed in the use phase of CSIU to sense, seize, and transform CSI for service improvements. Hence, detailing the understanding of why firms struggle in the use phase in the CSIU process. The purpose is decomposed into two research questions: Which DC appear in the use phase of CSIU?, and How can DC further the use phase of CSIU? The contribution lies in moving beyond a focus on the processes and activities underlying CSIU, to the capabilities needed for a firm to efficiently carry out the use phase of CSIU.

Theoretical Background

The focus of this paper is CSIU and the DC needed to support CSIU in driving service improvements (Figure 1).

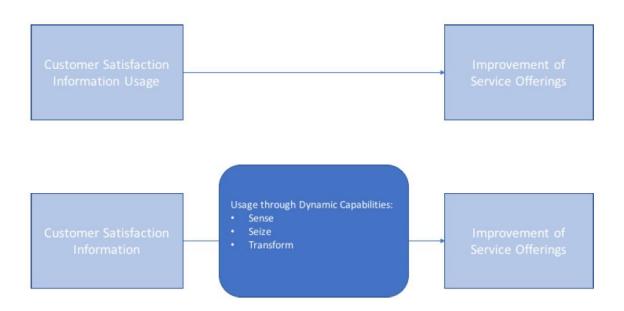


Figure 1: Conceptual framework; an approach to study CSIU through DC

Much research has focused on why firms should work with CSIU and how customer satisfaction measurements should be constructed. Few studies report on the actual CSIU process, i.e. how particular actions lead to a favourable outcome, and the capabilities connected to achieve that outcome. Three *phases* of CSIU have been suggested: *Strategy*, *measurement*, and *analysis & implementation* (Lervik Olsen et al., 2014; Birch-Jensen et al., 2018). Furthermore, Rollins et al. (2012) suggested three *types of usage* based on the outcome of the three phases: *symbolic*, *knowledge-enhancing*, and *action-oriented*.

By relating the CSIU-process to theories on DC and organisational learning, it appears that a combination of action-oriented and knowledge-enhancing CSIU promote double-loop learning (e.g. Nonaka, 1994); CSIU leads to a change in the processual mechanisms underlying the service offerings, resulting in development of an organizational knowledge that alters the output of the CSI process. Examples of this include the firms' understanding of key challenges in the service offerings, and how to act upon CSI. To explore further the utilisation of CSI and to articulate the process of capturing dynamics in the customer experience, the study builds on DC. Dynamic capabilities entail a "reliable patterned behaviour" (Helfat & Peteraf, 2009), and by addressing dynamics in the environment they may entail a change in the firm's resource base or operational capabilities (Helfat and Winter, 2011). Teece et al. (2016) outline three clusters of DC:

- Sense: Identify opportunities in relation to customer needs.
- Seize: Mobilization of resources to address needs and opportunities, and capture value from this.
- Transforming: Seek continued renewal.

The paper seeks to address the DC needed to support the usage phase of CSIU.

Methodology

The study revolves around a contemporary phenomenon in a specific contextual setting, addressed by qualitative research (Voss et al., 2002). The paper is based on 33 semi-structured face-to-face interviews in 24 firms. All interviews followed a standardized interview guide, focusing the use of CSI, and practices in analyzing, disseminating, and acting upon CSI. All interviews were recorded and transcribed. The sample of firms was designed to represent a broad variety of service firms. Furthermore, the firms were chosen to represent a spectrum of scores on the EPSI customer satisfaction index (EPSI Rating Editorial Board, 2011). The data analysis was carried out jointly by the authors in order to increase the confidence of the findings, and to facilitate the identification of patterns in the data (Meredith, 1998).

Findings

Overall, although collecting CSI, the majority of the firms studied lack focus on its *use*. Accordingly, the link between CSIU and service improvements is at best fragmented and insufficiently developed, and at worst non-existent. By using DC to understand the use of CSI, findings were categorized in the three clusters *sense*, *seize*, and *transform*.

Sense

Dynamic capabilities in the sense cluster refers to the firm's ability to understand and prepare the firm for the CSIU. Developing and formalizing a CSIU-strategy is an important activity within this cluster, but a clear majority of the studied firms lack such a strategy. Furthermore, they struggle to link the CSI to other performance measurements, which causes confusion and lack of understanding of CSI. The firms that manage to utilize CSI as drivers for improvements analyze CSI on both a macro- and a micro-level, breaking down the information to specific details regarding e.g. different offerings, campaigns, and geographical differences. Overall, the transition from the sensing-stage to the seizing- and transforming-stage appears to be challenging within all firms studied, irrespective of industries or customer satisfaction ratings (EPSI-score).

Seize

The lack of a CSIU-strategy makes firms struggle with seize-related activities. Planning of the operationalization of the CSI-strategy was very limited. The function designated for receiving CSI is commonly either marketing or communications, implying that they view the dissemination of CSI throughout the organization as their primary responsibility. Activities at this stage include publishing CSI on the intranet, or communicating it on the firm's internal TV-screens or through company emails. Activities to move beyond these communication activities are not formalised.

Transforming

Dynamic capabilities needed to transform CSI into input for improvements refer to executing needed changes that have been identified in the first two stages. Since most firms lack designated activities in the sensing and seizing stages, the transition from CSI to concrete improvements is often non-existent. Absence of a CSIU-strategy means also that there is no

designated function responsible for taking action on the CSI. An important dynamic capability in the transforming-stage of the CSI is outspoken support for CSIU from the firm's leadership. The employees of firms which possess visible leadership interest in the CSIU, showcase a greater motivation to improve based on CSIU.

Discussion and Conclusions

The main contribution of the paper is twofold: (1) Firms can establish, or strengthen, the linkage between their CSIU and service improvements through the development of specific DC, and (2) possessing a CSIU, which entails characteristics of both knowledge-enhancing and action-oriented usage, relies on developing a formalized CSIU-strategy in the sensing-stage, since this enables firms to potentially improve their service offerings both long-term and short-term.

First, the apparent missing link between CSIU and the firms' service offering improvements, can - at least partially - be explained through the lens of DC. The current knowledge on firms' CSIU is focused on the different phases within the CSIU, and the categorization of usage (Morgan et al., 2005; Lervik Olsen et al., 2014), but has as of yet not established a clear linkage between activities in the CSIU and their relation to potential service improvements. If outcomes of activities in the CSIU are to be prerequisites for, and input to, processes connected to service improvements, the link between these two concepts must be established. Since a firm's DC encompass the firm's operational capabilities along with the ability to change the firm's resource base (Helfat and Winter, 2011), identifying and adapting the DC which are in play in the firm's CSIU can aid firms in transforming CSI into service improvements.

Secondly, in order to deploy a CSIU with characteristics of both knowledge-enhancing and action-oriented usage (Birch-Jensen et al., 2018), the first step is to develop a formalized CSIU-strategy in the sensing stage (Teece et al., 2016), which outlines designated functions and processes with the responsibility to transition CSI into concrete improvements.

The results are limited in depth by the broad range of service industries studied. However, due to previously identified low maturity in the CSIU-process across service industries (Birch-Jensen et al., 2018), the data was deemed to possess insights on an aggregated level regarding general DC related to transforming CSI into service improvements.

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4H. Service Relationships I

Gender differences in the customer response to retail loyalty cards: Findings from supermarkets in the UK

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Abstract

Loyalty cards are one of the most common strategies within loyalty programmes, and are implemented by major retailers in the UK. The cardholders receive the relevant benefits and reward such as receiving points based on their purchases, and which can be redeemed against the future purchases or against selected products or services of the retailer's partners, or receiving discount coupons based on the cardholders purchase history. Loyalty cards were launched to enhance store loyalty and to build a stronger customer relationship (Mauri, 2003). Those loyalty cards seem to be an efficient way to demonstrate to customers that they deserve special attention (Dowling and Uncles, 1997). Moreover, they can be an important factor for customers' decision-making towards their relationship (i.e. build, maintain), with a retailer (Rowley, 2007).

Despite these theoretical contentions, the effect of loyalty cards on customer loyalty behaviour is not transparent (Pandit, & Vilches-Montero, 2016). There are some contradictory findings: on the one hand, a positive influence from loyalty cards on customer loyalty was found in studies by Sharp & Sharp (1997), Noordhoff et al. (2004), Demoulin and Zidda (2008), Omar et al. (2013), and Pandit and Vilches-Montero (2016). On the other hand, Divett et al. (2003) and Bellizzi and Bristol (2004) argue that store loyalty cannot be obtained through loyalty cards. One of the reasons is that loyalty cards are treated as sales promotion; hence, loyalty cards do not achieve loyalty objectives (Bellizzi and Bristol, 2004). Moreover, although, loyalty cards in grocery retailing are being widely investigated from different points of view (see Cedrola & Memmo, 2007; 2010; Demoulin & Zidda, 2008), there is a dearth of studies focusing on gender differences in the formation of customer loyalty, especially for grocery retailers in Europe (Audrain-Pontevia & Vanhuele, 2016). Past studies in retailing settings have demonstrated differences between male and female shoppers in shopping style, behaviours, attitudes and perceptions (Babin et al., 2013; Borges et al., 2013; Faqih, 2016; Mortimer and Clarke, 2011; Yildirim et al., 2015). Regarding loyalty, Melnyk (2014) found that women tend to be loyal to individuals (i.e. service employees), while men are more loyal to companies. A study by Audrain-Pontevia and Vanhuele (2016) found that male shoppers are more loyal than women to the store chain, while female shoppers are more loyal than men to individual stores. However, no study so far has explored gender differences in customer responses to loyalty cards in retails. If distinctive attitudes towards store loyalty exists by gender (Melnyk, 2014; Audrain-Pontevia and Vanhuele, 2016), then, the effect of a loyalty card on store loyalty may be different between female and male shoppers. If there are such differences in the customer responses to a retail loyalty card, then the implication would be that retailers should distinguish male and female shoppers, and target each gender with somewhat different loyalty programmes. Hence, the purpose of this paper is to investigate gender differences in the effects of loyalty cards on store loyalty in the retail sector.

Methodology

In order to investigate the research questions above, this study utilised a questionnaire survey of supermarket shoppers in the UK. The content of the questionnaire was drawn from survey items used in previous research. Items for store loyalty are adopted from Zeithaml et al. (1996), measured from 1 - unlikely to 5 - likely. Customer perception of store quality is assessed by 3 items: from bad to good, from poor to excellent, and from below expectation to above expectation. Customer satisfaction with the store is evaluated by 3 items from dissatisfied to satisfied, from unhappy to happy, and from displeased to pleased. These 6 items were adopted from Sharma et al. (2016) using a rating scale of 1 to 5 for each of the items. Extensive pilot testing was undertaken to ensure that the questions were both comprehensible and easy to complete. The pilot sample was analysed using Partial Least Squares (PLS) and demonstrated a good level of reliability and validity of measurement items. Data collection took place in the summer of 2016. Structured face-to-face interviews were conducted with passer-by consumers in various town centres in the UK. After 4 weeks, the number of target responses (at least 300) had been achieved and interviewing therefore ceased. A total of 358 usable responses were collected. Within the total sample, 74% of the supermarkets investigated employed a loyalty card and hence, the analysis will be based on this sub-sample (265 responses). The sample was analysed with SPSS.

Findings and Discussion

Within the 265 responses, 38% (101) are males compared to 62% (164) females. Some 87% (143) of the female shoppers had a store loyalty card compared to 78% (79) of the male shoppers. The mean score on the store loyalty measure, ranging from 1 (unlikely to be loyal) to 5 (likely to be loyal), was 3.9 (SD = .846) for females and 3.6 (SD = .926) for males. An independent samples T-test showed that this difference in mean score was close to statistical significance at conventionally accepted levels (p = 0.06). In other words, there was marginal evidence of a gender difference here.

Regression analysis indicated that a loyalty card appeared to affect store loyalty for female shoppers, but this was not the case for male shoppers (Figure 1). There was a statistically significant (p < .05) relationship between store loyalty and possession of the store loyalty card for females, but the relationship was not significant for male shoppers. Moreover, for females, the possession of a loyalty card was associated with an increase of 0.49 points in the store loyalty score.

Regression analysis also indicated that a loyalty card influenced customer perception of store quality, and customer satisfaction with the store for female shoppers, but this was not the case for males (Figures 2 and 3). There was a statistically significant (p < .05) relationship between store quality and possession of the store loyalty card, and between store satisfaction and

possession of the loyalty card for females, but these relationships were not significant for males. The store quality measure runs from 1 to 5 as does the store satisfaction measure. The possession of a loyalty card was associated with an increase of 0.32 points in the store quality score, and with an increase of 0.38 points in the store satisfaction score, for females.

For females, a retail loyalty card influences not only store loyalty, but also store quality and satisfaction. Hence, female shoppers who possess a loyalty card were likely to perceive store quality to be better, are more satisfied with the store, and are more loyal to the store. For males, the possession of a loyalty card does not have any impact on store loyalty, or on the antecedents of loyalty such as quality and satisfaction. According to Demoulin and Zidda (2008), Pandit and Vilches-Montero (2016), and Omar et al. (2013), satisfaction with a loyalty card, or perceived value of a loyalty card have resulted in store loyalty. Loyalty cards have been seen as sales promotion (Bellizzi and Bristol, 2004), or regarded as a two-way communication between the store and the cardholders via the retail website, leaflets and mails or e-mails (Rowley, 2005; Omar et al., 2013). Hence, from the results above, it is possible that male cardholders may not be satisfied with a loyalty card as sales promotion, or two-way communication, or may not value the rewards associated with the loyalty card in the way that females appear to do. Hence, for male shoppers, it would be difficult to create or increase store loyalty via loyalty cards.

Conclusion

The findings confirm that, on the one hand, a loyalty card influences store loyalty (Sharp & Sharp, 1997; Noordhoff et al., 2004; Demoulin and Zidda, 2008; and Pandit and Vilches-Montero 2016) for female cardholders, and on the other hand, a loyalty card has no impact on store loyalty (Divett et al., 2003; Bellizzi and Bristol, 2004) for male cardholders. The research has indicated that there is a gender differences in the customer responses toward a retail loyalty card. Hence, for male shoppers, retailers should focus on loyalty programmes other than loyalty cards in order to create and increase store loyalty. The next stage of this research aims to investigate suitable loyalty programmes for male shoppers which would increase store loyalty.

Figure 1: Regression analysis. Dependent variable is store loyalty

Coefficients ^a							
19. Are you?	Model	Unstar ed Coeffi	ndardiz cients	Standardiz ed Coefficient s	t	Sig.	
		В	Std. Error	Beta			
Male	1 (Constant)	3.40	.196		17.30 6	.000	
	16. Do you have a loyalty card with the supermarket you have chosen above?	.304	.222	.136	1.368	.175	
Femal e	1 (Constant)	3.41 9	.181		18.86 9	.000	
	16. Do you have a loyalty card with the supermarket you have chosen above?	.487	.194	.194	2.506	.013	
a. Deper	dent Variable: StoreLoyalty	ı	1		L	<u>I</u>	

Figure 2: Regression analysis. Dependent variable is store quality

Coeffici	Coefficients ^a							
19. Are you?	Model	Unstar ed Coeffic	dardiz	Standardiz ed Coefficient s	t	Sig.		
		В	Std. Error	Beta				
Male	1 (Constant)	3.90 9	.164		23.79 5	.000		
	16. Do you have a loyalty card with the supermarket you have chosen above?	.112	.186	.060	.603	.548		
Femal e	1 (Constant)	3.77 8	.145		26.09 2	.000		
	16. Do you have a loyalty card with the supermarket you have chosen above?	.329	.155	.165	2.125	.035		
a. Deper	ndent Variable: StoreQual	I	I	1	L	I		

Figure 3: Regression analysis. Dependent variable is store satisfaction

Coeffici	Coefficients ^a							
19. Are you?	Model		dardiz	Standardiz ed Coefficient s	t	Sig.		
		В	Std. Error	Beta				
Male	1 (Constant)	4.10 6	.169		24.30 1	.000		
	16. Do you have a loyalty card with the supermarket you have chosen above?	.172	.191	.090	.902	.369		
Femal e	1 (Constant)	3.96 8	.172		23.01	.000		
	16. Do you have a loyalty card with the supermarket you have chosen above?	.381	.185	.160	2.065	.040		
a. Deper	a. Dependent Variable: StoreSatis							

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The Uniqueness Role of Relationship Marketing in Small Service Businesses

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Introduction

Previous research has examined reasons why customers remain loyal to small businesses. Factors such as customized service, familiarity, and informal communication have been identified as central reasons (Jamal, Davies, Chudry, & Al-Marri, 2006; Sutton, 2010). These factors are all related to relationship marketing (RM) theory, but as far as we know, they have been tested only sporadically in the context of small service business. Following this, the present study employs a comprehensive model of RM factors, so as to gain full insight regarding the role of the relationship between small business' owners and customers in enhancing positive outcomes, such as loyalty and word of mouth (WOM). Specifically, we tested how communication, social benefits, and personal benefits initiated by the small business owner can increase customers trust and commitment, which in turn can lead to loyalty and WOM. Previous studies focused mainly on the owners' or employees' perspectives upon examining RM in large firms (Zontanos & Anderson, 2004), while small businesses lack substantive formal examination of the use of marketing practices (i.e., RM). The current study's main contribution stems from its focus on RM strategies in small businesses based on customers' perspectives.

Literature review

RM is a topic of intense research interest (Auh et al., 2008; Palmatier, Dant, Grewal, & Evans, 2006; Srinivasan & Moorman, 2005), defined as "all marketing activities directed towards establishing, developing, and maintaining successful relational exchanges" (Morgan & Hunt, 1994, p. 22). RM is based on the notion that establishing strong reciprocal relationships leads to positive customer outcomes (Anderson & Narus, 2004; Johnson & Selnes 2004). Strong bonding is established through the firm's ability to meet customers' needs in a short time, that is, market responsiveness. Through high quality RM, retailers can gain a deeper understanding of their customers' needs. Thus, when these relationships become steady, customers are likely to disclose quality information, thus allowing the retailer to customize products and services that please the unique needs of customers (Han, Kim & Srivastava 1998). Most previous studies focused on RM in large companies (Zontanos & Anderson, 2004), leaving the question of its relevance to small business unresolved.

A *small business* is defined as a business that sells products or services, is privately owned, and has a small market share in its sector (Runyan & Droge, 2008). Small businesses attract customers because they can offer personal service, based on informal communication, and are characterized by high involvement of their owners as managers (Dyer & Ross, 2007; Fitjar, 2011; Jamal et al., 2006; Miller, Besser & Malshe, 2007; Sutton, 2010). However, small businesses have been criticized for using short-term and non-strategic marketing practices

(Zontanos & Anderson,2004). Moreover, small business marketing practices have been evaluated based on large firm practice (Coviello et al. 2000), with only scant studies having examined the practice of RM in small businesses. The current study aims to fill this void by focusing on the role of RM in small businesses.

RM efforts can establish stronger relationships with small business's customers that enhance business outcomes, such as loyalty (Auh et al. 2008; Sirdeshmukh, Singh, & Sabol, 2002). The literature suggests diverse perspectives on which relational constructs mediate the effects of RM efforts on outcomes. *Commitment*, has been mentioned as *a relational mediator* and defined as "an enduring desire to maintain a valued relationship" (Moorman, Zaltman & Deshpandé, 1992, p. 316). An additional relational mediator is *trust*, viewed as a construct indicative of having confidence in an exchange partner's reliability (Palmatier et al., 2006). Customers may perceive value in a relationship when they receive *relationship benefits* from an exchange partner (e.g., time savings, convenience, companionship), which has been found to increase willingness to develop relational bonds. *Communication*, the sharing of information with customers (Palmatier et al. 2006), is an additional aspect that has been found to be crucial for establishing relationships. Relationship benefits, as well as communication, have been shown to affect relational mediators positively (Morgan & Hunt 1994; Reynolds & Beatty 1999).

Previous studies of small businesses have tested relationship components from the owners' perspective (Adjei, Griffith, Noble, 2009). The current study aims to examine a comprehensive model of RM factors from customers' perspective in order to gain full insight on how communication, social benefits, and personal benefits initiated by the small business owner increase customer trust and commitment, which in turn lead to loyalty and WOM.

Methodology

A survey was distributed through an online link to a representative sample of the Israeli population. Two hundred seventy-five respondents completed the survey. Among them, 60% were women, 50% 39 years old and younger, 62% married, 55% held an academic degree and 72% reported earning income that is similar or lower than the average national income.

All constructs were measured on a7-point Likert-type scale, ranging from 1 (disagree) to 7 (strongly agree). Communication was measured with five items adapted from Adeji et al. (2009). Social and personal benefits were measured with three items each, adapted from Hennig-Thurau et al. (2002). Trust in the business was measured by five items adapted from Adeji et al. (2009). Commitment to small businesses was measured by four items adapted from Hennig-Thurau et al. (2002). Loyalty to small businesses (including WOM) was measured by five items from Yoo and Donthu (2001).

Results

The relationship between study's constructs were tested using structural equation modeling (SEM) with AMOS21 software. In order to avoid load on the analysis, we calculated the latent constructs and used them as indices in the model (Bollen, 1989). The fit indices were

satisfactory (χ^2 =6.9, df=7, χ^2 / df=.99, CFI=1.00, TLI=1.00, RMSEA= .00). As can be seen in Table 1, communication has a direct positive impact on trust and word of mouth. Social benefits have high positive affect on commitment and a moderated impact on trust. Personal benefits have a positive impact on commitment. Both commitment and trust enhance loyalty and word of mouth. In order to test the mediating role of commitment and trust, an additional model was run without the two constructs. The results showed that the difference between the chi squares of the whole model and the partial model (without the mediators) is significant ($\Delta\chi^2$ =368.3, p<.001), supporting the mediation role of commitment and trust.

Table 1- Standardized estimates of the study's model constructs

Constructs	Commitment	Trust	Loyalty	Word of mouth
Communication	.06	.57***	.06	.14*
Social benefits	.59***	.15**	06	014
Personal benefits	.11*	.19	.02	.06
Commitment			.34***	.20**
Trust			.36***	.30***

Note. **p*<.05; ***p*<..01; ****p*<.001.

Discussion

The present study demonstrates the relevance of relationship marketing theory to the context of small businesses. While previous studies tested relationship components from the owners' perspective (e.g., Adjei et al., 2009), the present study tested a comprehensive model of the theory from the customers' perspective.

Previous studies found that the advantages of small businesses are mainly their personal service and familiarity (Jamal et al., 2006; Miller et al., 2007). Our findings indicated that familiarity and social contacts with the owner have greater impact on loyalty and word of mouth, through commitment and trust, compared with personal service. In addition, the role of communication (i.e., the amount of information delivered by the owner) is crucial for the establishment of trust among customers. The effects of communication, social benefits, and personal benefits on behavioral outcomes such as loyalty and word of mouth are not direct, but are mediated through the internal psychological processes of trust and commitment. This finding is consistent with previous findings reported from other contexts, such as B2B and B2C in large service firms (Palmatier et al., 2006).

The present findings have some practical implications. Owners should keep in mind that trusting and committed customers are the business's ambassadors, even recruiting additional customers. Small business owners can attract customers by marketing their businesses as establishments that promote opportunities for socializing and stressing personal service. An additional way to attract and retain customers is through the sharing of information about new products and services, such as sales and events.

This can be efficiently accomplished these days through social media.

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What if I make the Wrong Decision? The Role of Anticipated Regret in Switching Barrier Based Customer Retention

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Introduction

The examination and management of customer switching barriers has been an important issue on customer retention because switching barriers deter defection. Similarly, psychological inhibitors can act as negative drivers to customer defection. However, there has been little research investigating the role of customers' psychological mechanisms in relation to switching behavior. This study aims to explore such a mechanism by incorporating the mediating and moderating roles of customers' anticipated regret into existing switching barrier research.

Background

Scholars have indicated that customer retention can be achieved mainly through establishing attitudinal and behavioral loyalty, as well as erecting switching barriers (Jones et al. 2000). Therefore, for service firms, switching barriers (interpersonal relationships, switching costs, and attractiveness of alternatives) represent additional retention strategies beyond the traditional customer satisfaction and loyalty tactics. Such barriers are important because they may foster greater retention, increases strength of engagement in actual behavior and help service firms weather fluctuations in service performance that might otherwise result in defections. Psychological inhibitors can also play a role in defection decisions. Customer decision making often requires individuals to make judgments about what they expect to experience in the future. As people often feel regret when decisions lead to disappointing outcomes, there exists an underlying psychology that consumers will try to avoid options that could possibly generate an unfavorable outcomes in the future. In other words, when considering the aftermath of a decision, a person is likely to be motivated to engage in behaviors that minimize the chances of future regret. In the service context, anticipated regret refers to a consumer's active consideration of the regret he/she would feel after dropping a service (Lemon et al. 2002; White et al. 2007).

Whether switching barriers can create disincentives to customer defection depends on the capability of such barriers to create psychological obstacles when consumers make decisions about future use. When a customer perceives that switching barriers could be high, there is a realization that a price must be paid in order to defect. Under such circumstances, customers would experience a simulated regret over the negative result of switching, and this feeling could affects consumer decisions (Lemon et al. 2002). Anticipated future regret is thus an important factor to consider when assessing the impact of switching barriers on customer retention. Such anticipation of negative emotions not only arouses a strong emotional response,

but also provides behavioral prescriptions for avoiding negative emotions. While both switching barriers and anticipation of regret have been researched, there has been no attempt to link them together. Extant research on switching barriers tends to focus on the influences on customer retention (e.g. Jones et al. 2000; Patterson and Smith 2003; Sharma and Patterson 2000). Anticipated regret is an important but under-studied driver of consumer behavior that should be taken into consideration by marketers (White et al. 2007). There has yet to emerge a study that integrates customer psychological mechanisms of anticipated regret into existing switching barrier research. Therefore, this study proposes that current research on switching barriers can be enriched by incorporating the mediating and moderating effects of anticipated regret. In addition, as intentions do not always be equated with repurchase behavior (Chandon et al. 2005; Daryanto et al. 2010; Wang et al. 2012), both behavioral intention and actual purchase behavior of customers will be included and examined in this research.

Research Method

We tested our model by surveying customers of a health club with twenty six branches. Lists of customers whose membership will expire in three months were acquired from the health club. We surveyed these selected members and tracked the respondents' actual purchase behavior (i.e. amount of money spent in membership renewal) before their membership expired. The final sample contained 597 usable responses. The questionnaire was constructed based on the extant literature and interviews with managers and customers. It was pre-tested three times to ensure that questions were understood as intended and to assess the feasibility of the survey approach, Seven-point Likert scales were used.

Results

We tested our measurement model using LISREL VIII. Confirmatory factor analysis (CFA) was employed as the primary data analysis tool. Results suggested a good overall fit (χ 2 = 193.74, df = 80, RMSEA = 0.050, GFI = 0.96, NFI = 0.98, NNFI = 0.99, CFI = 0.99, IFI = 0.99). Reliability estimates were assessed using Cronbach's coefficient alpha (α). All the α values for constructs in our model, surpassed the acceptable level of 0.70, indicating high internal consistency. We assessed convergent validity by first reviewing the t-tests for the factor loadings in the CFA. All factor loadings surpassed twice their standard error and at a p < .001 significance level. We then assessed discriminant validity by comparing each pair of constructs using a chi-square test between measures allowing phi (Φ) to vary and then constraining Φ correlation to unity. Results show chi-square for the unconstrained model to be significantly lower than the constrained model, supporting discriminant validity. Next, we tested whether the correlation for each pair of the constructs was significantly less than one by examining the confidence interval of each correlation estimate. The exclusion of the value one in the confidence interval for each pairwise correlation estimate (±2 standard errors) further indicated support for discriminant validity. The above results demonstrated the measures employed in this study possessed adequate construct validity.

The structural model was estimated, producing the following statistics: $\chi 2 = 216.30$, df = 94, RMSEA = 0.047, GFI = 0.96, NFI = 0.98, NNFI = 0.99, CFI = 0.99, IFI = 0.99. Results indicated that all hypothesized relationships were statistically significant. Estimated structural coefficients were next examined to evaluate individual hypotheses. As predicted, interpersonal relationships have a significant and positive impact on anticipated regret ($\gamma 11 = 0.10$, p < 0.05) and behavioral intention ($\gamma 21 = 0.52$, p < 0.01). Switching costs also have positive effects on anticipated regret ($\gamma 12 = 0.68$, p < 0.01) and behavioral intention ($\gamma 22 = 0.29$, p < 0.01). Results also showed that attractiveness of alternatives has negative impact on anticipated regret (γ 23 = -0.14, p < 0.01). In addition, attractiveness of alternatives has negative impact on behavioral intention ($\gamma 33 = -0.10$, p < 0.05). The proposed link of anticipated regret and behavioral intention was also confirmed ($\beta 21 = 0.14$, p < 0.01). Results also support a positive relationship between behavioral intention and actual purchase behavior (β 32 = 0.54, p < 0.01). In addition, we used hierarchical moderated regression analysis to test the hypothesized moderating effect of anticipated regret. The relationship between behavioral intentions and actual purchase behavior was statistically significantly strengthened by anticipated regret ($\beta = 0.311$, t = 1.998, p < .05). These results illustrate the importance of switching barriers and anticipated regret in predicting customer retention behavior which leads to actual behavior.

Discussion

The current research provides insights into customer expectation of future regret. Results of the current study validate a relationship among switching barriers, anticipated regret, and customer retention, which hitherto has not been empirically or theoretically established. Specifically, our empirical findings show that switching barriers have a significant influence on anticipated regret and behavioral intention. In turn, anticipated regret also has an impact on behavioral intention, which influences actual purchase behavior. This indicates the need to incorporate anticipated regret into switching barriers-customer retention models, and suggests the need to extend existing theories of switching barriers to include more customer psychological mechanisms.

Our results provide a number of managerial implications for service firms. When attempting to influence retention behavior, companies need to consider how marketing might succeed based on how well it prevents certain thoughts from entering the consumer's mind. The combination of negative emotions and behavioral plans can be particularly effective at inducing consumer intentions. Our results suggest a mechanism by which customers face a decision to continue the service relationship. They evaluate various switching barriers and simulate expected future regret from alternatives to make a decision that results in the least future regret. Consequently, firms should manage to increase customer expectation of future regret through various switching barriers. Building closer interpersonal relationships between customers and service employees, establishing higher switching costs, and providing differentiated services all encourage customers to worry about losing existing social, psychological, temporal, and economic benefits.

The current finding that anticipated regret plays an important role in customer retention represents a valuable marketing opportunity. Marketing managers can benefit from integrating

anticipated regret into marketing communications, retention-based marketing, and other interactions with customers. By making the potential regret salient to customers before decision making, firms may be able to reduce churn rates and get a second chance to regain a customer who otherwise would not have been retained. Marketing strategies should be designed with these ideas in mind. Firms can increase the likelihood of customer retention by encouraging customers to focus on anticipated regret (i.e. the loss of a potential gain) by asking consumers to consider all that they might miss if they switch providers.

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4I. Customer Experience II

Great oaks from little acorns grow: Tracing the scientific evolution of customer experience research using a science mapping approach

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Introduction

Early on, Abbott (1955, p. 39-40) highlighted that "what people really desire are not products but satisfying experiences." It was, however, not until Holbrook's and Hirschman's (1982) seminal work on the experiential aspects of consumption in the early 80s, when research on the customer experience built up momentum. Likewise, the landmark publication by Pine and Gilmore (1998), that posit customer experiences as a distinct offering, paved the way to an ongoing discourse on the phenomenon and concept both in research and practice (Homburg et al. 2017; Kranzbühler et al. 2017; Lemon and Verhoef 2016; McColl-Kennedy et al. 2015; Ostrom et al. 2015). While much work has been done on trying to define, conceptualize, and measure customer experiences, there is still a lack of consistency and understanding in getting hold of the concept (Carù and Cova 2003; Helkkula 2011; Keyser et al. 2015; Lemon and Verhoef 2016), because customer experience research is spread into various research traditions (e.g., branding, services marketing, consumer research, retailing, experiential marketing) within the marketing discipline (Becker and Jaakkola 2017). Approaches to study the customer experience differ in terms of three major aspects: (1) when does the customer experience form (touchpoint vs. overall experience), (2) who is responsible for creating the experience (company vs. customer), and (3) how the customer experience-phenomenon is best understood und studied (epistemology, ontology, and methodology). This, in turn, greatly impacts the contextual levels of studying the customer experience (Akaka et al. 2015) as well as its dimensionality (Jaakkola et al. 2015).

Theoretical Background

Prior studies identified research topics and gaps in the field of customer experiences reviewing existing conceptual and empirical work (e.g. Homburg et al. 2017; Hwang and Seo 2016; Jain et al. 2017; Jaakkola et al. 2015; Kranzbühler et al. 2017; Lemon and Verhoef 2016; McColl-Kennedy et al. 2015; Palmer 2010; Schmitt et al. 2015; Vasconcelos et al. 2015; Verhoef et al 2009). These studies analyzed the development of this multidisciplinary research topic, offering a critical evaluation of customer experience research, summarized existing knowledge about the customer experience and sharpened the conceptual understanding of the phenomenon. This way, such studies allowed the academic community to uncover the roots of the research field and prospects for future research (Sidorova et al. 2008). These studies do not only contribute in terms of a synopsis of existing research, but also as identify emerging trends, gaps, and areas for future studies, offering a descriptive state of the art. These studies, however, approach the meta-analysis of the field in terms of content, thus, neglecting its temporal

dynamics as well as trajectories. Hence, the purpose of this study is to unravel the cognitive structure and scientific evolution of this research topic. Therefore, we present a science mapping approach that combines different biblio- and scientometric tools to analyzing the evolution of the customer experience research field. This allows us to discover the dynamics of the field over different decades and detecting the most prominent, productive, and highest-impact publications. Science mapping provides a novel perspective to reveal the scientific frontiers and dynamic structure of the customer experience research field by means of visualization methods.

Methodology

An analytical procedure that is able to capture the dynamics of a scientific field is science mapping (Cobo et al. 2011a, 2011b). Science mapping provides a spatial representation of how disciplines, fields, and individual papers or authors are related to one another to determine the cognitive structure and evolution of a research field (Cobo et al. 2011b). To build a science map, we conducted a co-word analysis of relevant papers, mapping the strength of the association between information items in textual data (Callon et al. 1983). Drawing on the interactions of key terms shared by documents (papers), we obtained a set of clusters which can be understood as conglomerates of different scientific aspects. These clusters, in turn, allow to investigate the dynamic evolution of the research topic by measuring continuance across consecutive sub-periods (Cobo et al. 2011a; 2011b). To conduct our analysis, we used the open source software SciMAT (http://sci2s.ugr.es/scimat) that has been designed in line with the science mapping approach (Cobo et al., 2011a). According to Börner et al. (2003) and Cobo et al. (2011b), a science mapping analysis contains the following steps: (1) data retrieval, (2) data preprocessing, (3) network extraction, (4) network normalization, (5) mapping, (6) analysis, and (7) visualization. The final step is then to interpret the results and draw conclusions.

Illustration of the Findings

In recent years, part of the research community from different disciplines devoted itself to the investigation of the customer experience. This has been reflected in a gradual increase in the number of studies published in international journals from 1982 till today, especially in the last decade. The findings sketch a research field in constant evolution that has not yet reached a stage of maturity, particularly in the following areas: (1) measurement of customer experience in different contexts (e.g., service, brand, retail) and with appropriate methods (e.g., in-situ, along the customer journey), (2) relation of customer experience to behavioral outcomes (e.g., customer satisfaction, value, loyalty, brand equity), and (3) drivers and actors in customer experience formation (e.g., service providers, other customers).

Since this is work in progress, we will provide a detailed visualization of themes across the timespan and its sub-periods as well as their overlap and dynamic evolution. Likewise, a profound conclusions and discussion is only possible, when the data has been sufficiently analyzed.

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The CX Scale: Towards a Holistic Measurement of Customer Experiences along the Customer Journey

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Introduction

While providing superior customer experiences along the customer journey has become a strategic priority for practitioners and researchers alike (MSI 2016), surprisingly little is known how to actually measure the customer experience (CX). This lack of empirical knowledge about the CX construct is mirrored in companies' continuing struggle to manage CX along the customer journey (Bain & Company 2015).

Today's customers interact with different experience providers (e.g., brand, personnel, other customers) through various touchpoints (e.g., advertisement, online shop, store) during all customer journey stages (i.e., pre-purchase, purchase, post-purchase). This holistic character illustrates the inherent complexity of the experience construct. In fact, capturing the holistic character of the CX construct represents the key challenge for the measurement of CX along the customer journey (Lemon & Verhoef, 2016).

Even though existing research conceptually acknowledges CX as a subjective, co-created, and holistic construct that covers multiple dimensions (e.g., De Keyser, Lemon, Klaus, & Keiningham, 2015; Lemon & Verhoef, 2016; Schmitt, 2011), empirical work is scarce and fragmented. Existing studies specifically neglect the holistic concept and focus on specific parts of the experience instead. This, for example, includes research on brands (e.g., Brakus, Schmitt, & Zarantonello, 2009), online environments (e.g., Novak, Hoffman, & Yung, 2000), or services (e.g., Verleye, 2015). As these scales focus on one specific part of the experience, they cannot be applied to different experience providers and different stages of the customer journey. Thus, existing measures do not satisfy researchers and companies need for a holistic measure of CX.

We address this shortcoming by developing a scale that holistically measures CX throughout the entire customer journey. Specifically, we answer the research question: How to measure CX throughout the customer journey as a multi-dimensional construct, while accounting for all customer journey elements (i.e., experience providers, touchpoints, journey stages)? Thereby, our research directly responds to calls for more research on customer experiences in general and for research that provides a holistic measurement of the CX construct in particular (MSI, 2016; Lemon & Verhoef, 2016).

Our contribution is threefold. First, we provide a profound conceptualization of the multifaceted CX construct by unveiling six distinct dimensions: affective, cognitive, sensorial, physical, relational, and symbolic. Our conceptualization of CX dimensions can be used to categorize and reconcile the currently fragmented research on customer experiences.

Second, we develop a scale that holistically measures CX throughout the entire customer journey and advances existing research that focuses only on specific parts of the experience. Specifically, our scale lives up to the complexity of the CX construct in today's customer journey environment and provides a profound measure for further research in this growing research stream.

Third, as we account for the different elements of the customer journey, our scale can be used (i) to measure overall experiences as well as (ii) to aggregate single CXs to an overall CX measure by the use of customer-specific weights. Thus, our research directly contributes to the development of robust key performance metrics for overall and individual experiences.

In summary, we provide a conceptualization and a holistic measurement of CX that accounts for the distinct customer journey elements (i.e., experience providers, touchpoints, journey stages). Specifically, our CX scale enables companies to include CX as a key metric in their marketing dashboards.

Customer experience concept

CX is the subjective, co-created, and holistic perception of at least one experience provider and touchpoint during the pre-purchase, purchase, and post-purchase stages (De Keyser et al., 2015, Lemon & Verhoef, 2016; Schmitt, 2011). A touchpoint (e.g., advertisement, online shop, store) is a physical or virtual medium through which a customer and at least one experience provider (e.g., brand, personnel, other customers) interact.

We conducted a comprehensive literature review of CX and related literature and identified six relevant dimensions: affective (i.e., emotions, feelings, moods, and sentiments), cognitive (i.e., thoughts, ideas, decisions, insights, and problem solving), sensorial (i.e., sight, hearing, touch, taste, and smell), physical (i.e., body movements and behavior), relational (i.e., social relationships and joint activities) and symbolic (i.e., affirmation and expression of personality). Our literature review also revealed that some single experiences and CX dimensions tend to be more salient than others in a given situation (Ariely, 1998; Schouten, McAlexander, & Koenig, 2007). For example, the sensorial experience of an in-store purchase can be more salient than a television ad.

Scale development and validation

To develop the CX scale, we follow established scale development procedures (e.g., Churchill, 1979). Table 1 provides an overview of the steps, studies, and objectives.

Table 1: The Scale Development Process

Step	Study	N	Objective			
Item Generation	Literature review					
	Study 1: written customer experience descriptions by customers	29	Domain representation			
	Study 2: in-depth interviews with customers	21				
Item Selection	Study 3 : item screening by marketing and psychology experts		Face validity			
	Study 4: item sorting by customers	162	Content validity			
Scale Purification and Validation	Study 5: online survey with customers	1,348	Reliability			
	on the evaluation of customer experiences in the clothing industry		Dimensionality			
			Convergent validity			
			Discriminant validity			
			Known group validity			
Generalizability	Study 6: online survey with customers on the evaluation of	ca. 1,000	Discriminant validity			
	customer experiences, customer experience correlates, and outcomes in		Experimental validity			
	the hospitality industry (in progress)		Predictive validity			

Item generation and selection of items

To generate an initial set of items for the CX scale, we first reviewed research papers, business books, and practitioner reports. Second, we asked 29 students (55% female) to write down and describe a self-selected customer journey (study 1). Third, we interviewed 21 customers (57% female) about their last customer journey (study 2). To reduce the item pool, we conducted an item screening (study 3) with 18 marketing and psychology experts (67% female) and an item sorting (study 4) with 162 customers (59% female). This resulted in 72 face- and content-valid items.

Scale purification and validation

Based on the reduced pool of 72 items, 1,348 customers (52% female) evaluated a single CX with one experience provider (brand, personnel, or other customers) in one specific customer journey stage (pre-purchase, purchase, or post-purchase) in a retailing context (i.e., clothing). Additionally, study participants were asked to evaluate their CX either as eventful or uneventful and to complete items from related marketing constructs (i.e., flow, satisfaction, and word-of-mouth). We used a seven-point Likert scale for all items, anchored by 1 = "strongly disagree" and 7 = "strongly agree" (study 5).

Based on the results of study 5, we deleted 16 items due to low representativeness for their respective CX dimension (i.e., corrected item-total correlations < .60). Subsequently, we conducted iterative confirmatory factor analyses (CFA) based on a six-dimensional conceptualization of CX.8 In a first step, we specified a six-factorial confirmatory model with all 56 items. The model fit indices of this initial model missed acceptable thresholds (CFI = .90; TLI = .89; RMSEA = .055; SRMR = .059). We refined the scale by deleting 15 items with low indicator reliabilities (< .50) and performed a second CFA with the remaining 41 items. To further improve the model fit, we inspected the modification indices, resulting in the deletion of 8 items that were involved in more than 15 significant modification indices (> 3.84; Arnold & Reynolds, 2003). The remaining 33 items revealed good model fit (CFA = .96; TLI = .96; RMSEA = .046; SRMR = .039). As a 33-item scale is too extensive for practical use, we selected the 3 items for each CX dimension that captured the dimensions' essence best. The CFA of the resulting 18-item scale revealed very good model fit (CFI = .99; TLI = .98; RMSEA = .033; SRMR = .035) and clearly outperformed the 33-item scale (\triangle AIC = 65,518.99; \triangle BIC = 65,675.18). All items had substantial and significant loadings on their designated factors. Cronbach's alpha, average variance extracted (AVE), and composite reliability (CR) were above recommended thresholds (Fornell & Larcker, 1981), providing evidence for convergent validity (see Table 2).

⁸ To find empirical support for our conceptualization, we also conducted an exploratory factor analysis (EFA) with the 56 items. The EFA revealed six factors with eigenvalues greater than 1 in line with our conceptualization.

Table 2: Psychometric Properties of CX Scale

CX Dimensio n	Ite m No.	Factor Loadin g	Mea n	Standar d Deviatio n	Corr. Item-Total Correlatio n	Cronbach' s Alpha	Composit e Reliabilit y	Average Variance Extracte d	Squared Factor Correlation s
Affective (A)	A08	.90	4.12	1.97	.82				C: .17
	A12	.84	4.26	1.94	.78				P: .09
						.90	.90	.75	R: .26
	A16	.85	4.13	1.94	.78				S: .21
									Y: .18
Cognitive	C01	.74	3.32	1.96	.64				A: .17
	C17	.79	3.47	2.05	.68				P: .06
						.82	.81	.59	R: .29
(C)	C18	.79	3.78	1.99	.67				S: .23
									Y: .22
	S01	.81	4.38	1.84	.74				A: .21
G	S06	.87	3.85	1.88	.79				C: .23
Sensorial						.89	.89	.74	P: .18
(S)	S08	.90	3.97	1.91	.82				R: .33
									Y: .40
	P03	.85	3.91	2.08	.75				A: .09
Physical (P)	P04	.87	3.81	2.04	.76				C: .06
						.84	.85	.66	R: .15
	P19	.69	4.43	1.88	.63				S: .18
									Y: .10
	R19	.84	3.47	2.05	.72				A: .26
	R20	.83	3.69	1.99	.72				C: .29
Relational						.83	.83	.63	P: .15
(R)	R22	.71	3.05	1.97	.64				S: .33
									Y: .40
	Y01	.81	4.91	1.71	.70				A: .17
	Y04	.75	4.67	1.81	.64				C: .22
Symbolic (Y)				'		.81	.82	.61	P: .10
	Y09	.78	4.81	1.82	.68				R: .40
	~~								S: .29

Notes: As the scale development is still in progress, we do not reveal the item wording here. For more information on the items, please contact the authorsTo assess the scale's dimensionality, we first tested that the squared correlation for every pair of factors was smaller than each factor's AVE (Fornell & Larcker, 1981). Second, we tested that the six-factor model has the lowest AIC and BIC compared to alternative models. The results provided support for our six-dimensional conceptualization of CX.

To further asses the content validity of the CX scale, we performed a known group comparison (Churchill, 1979). As expected, customers with eventful experiences scored significantly higher on all subscales than those who described their experience as uneventful.

To provide evidence for the nomological validity of our CX scale, we expect CX to be linked to flow, satisfaction, and word-of-mouth (Lemon & Verhoef, 2016). More specifically, we estimated a structural model relating flow directly to CX and CX directly to satisfaction and word-of-mouth (CFI = .97; TLI = .97; RMSEA = .04; SRMR = .04). As expected, positive relationships were observed ($\gamma_{CX, flow}$ = .750; $\beta_{satisfaction, CX}$ = .871; $\beta_{word-of-mouth, CX}$ = .683; p < .001), explaining a significant amount of variance (R² = .92). In summary, our findings support the nomological validity of the proposed CX construct.

We are currently working on study 6 to generalize and further show the discriminant, predictive and experimental validity of our scale in a cultural and industry setting different from study 5.

Conclusion

This research entails three contributions to the body of existing literature and to management practice. First, we provide a conceptual contribution by unveiling six distinct CX dimensions: affective, cognitive, sensorial, physical, relational, and symbolic. Second, we develop a scale that holistically measures CX throughout the entire customer journey. Third, accounting for the different elements of the customer journey, our scale can be used to measure overall experiences directly as well as to aggregate distinct single CX measures to an overall CX measure by the use of customer-specific weights. [The MSI financially supports our research.]

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 $^{^9}$ Δ AlC₁ factor = 5,618.23; Δ BlC₁ factor = 5,540.13; Δ AlC₂ factors = 4,793.35; Δ BlC₂ factors = 4,720.46; Δ AlC₃ factors = 3,342.36; Δ BlC₃ factors = 3,279.88; Δ AlC₄ factors = 1,872.49; Δ BlC₄ factors = 1,825.63; Δ AlC₅ factors = 675.53; Δ BlC₅ factors = 649.49. For model fit comparisons among different scale dimensionalities, we chose the model with the highest average inter-item correlation of all potential model specifications for a certain scale dimensionality. For information about the exact model specifications, please contact the authors.

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Development and validation of a measurement scale for the experience capability construct

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Abstract

Since the publication of Pine and Gilmore's seminal book in 1999, interest in customer experience management, as an approach for strategic differentiation, has intensified. Numerous reports provide an indication of this strategic potential. Whilst the origins of customer experience management can be identified in the entertainment sector, where the primary operations objective is to provide memorable and emotionally-engaging customer experiences, organisations such as banks, telecommunications, utilities, retail services and parcel delivery services are now transitioning from a focus on maximizing efficiency and cost reduction, to a focus on the creation of positive customer experiences (Voss *et al.*, 2008).

Academic research has suggested that positive customer experiences have a significant impact on organisational performance through increased customer satisfaction, loyalty and also through word-of-mouth recommendations (Ponsignon *et al.*, 2015; Lemke *et al.*, 2011; Klaus and Maklan, 2012). There is, however, little evidence regarding the specific operations capabilities required to achieve these performance outcomes (Lemon and Verhoef, 2016; Voss *et al.*, 2008). The research purports to develop and empirically validate the concept of experience capability, which represents an organisation's ability to be adept at managing the customer experience. Organisations who build an experience capability develop an expertise in deploying a set of resources and routines to understand, evaluate and improve how they interact with customers across all the points of contact. An experience capability enables the delivery of superior experiences and provides opportunities for strategic differentiation.

A rigorous process was employed to operationally define, evaluate and validate six dimensions reflecting experience capability using relevant literature, expert interviews, item-sorting techniques, pilot questionnaires and survey data from a large sample of senior customer experience professionals representing organisations from a range of industries. First, a corpus of academic literature, industry reports (containing secondary data), and whitepapers were synthesised. This corpus of current intellectual thought, combined with the results of a preliminary study with twenty customer experience professionals, identified and verified six key concepts reflecting an organisation's experience capability and generated an initial set of 62 items. Second, this set was purified using a manual item-sorting technique (Segars *et al.*, 1998). Third, a survey instrument was developed and then validated via a two-stage pilot study. The pilot study involved: (a) pre-testing the questionnaire with seven customer experience managers from various business contexts and two customer experience consultants; and (b) pilot testing the questionnaire in an online pilot survey and analyzing 115 responses from a convenience sample of UK and US MBA students. This process led to the generation of a refined pool of 48 items, which was deemed face-valid and content-valid (Churchill, 1979).

Fourth, a more extensive empirical test was undertaken to ensure the newly-developed scales provide the appropriate foundation for proper theory generation. An online survey gathered a total of 136 responses from senior managers in charge of managing the customer experience in their organisations. The respondents represent a diverse set of industries and organization sizes. Sample respondent job titles include Head of Customer Experience, Customer Experience Manager, Customer Service Manager, Customer Insight Manager, Service Quality Manager and Service Excellence Manager among others. Exploratory and confirmatory analyses were conducted on the data set to assess unidimensionality (Anderson *et al.*, 1987); assess reliability; assess convergent validity; assess discriminant validity (Bagozzi *et al.*, 1991); analyse second order construct structure (Bollen, 1989) and perform robustness checks (MacCallum *et al.*, 1992).

Empirical data shows that the conceptual domain of experience capability comprises six dimensions that are essential to customer experience management: employee training (i.e. the existence of training mechanisms within the organisation that focus on how employees should deal with customers), employee empowerment (i.e. establishing the authority of employees who are able to exercise personal judgement in dealing with customers and in solving customer problems), employee evaluation (i.e. the existence of formal mechanisms for reviewing employee performance against customer experience outcomes and rewarding the attainment of excellent customer experience), experience performance management (i.e. a focus on continuously evaluating and improving the experience perceived by customers), crossfunctional work (i.e. multiple departments or functional groups (e.g. operations, marketing, sales, finance, IT, HR) collaborate and coordinate their activities to manage the customer experience) and channel integration (i.e. integrating channel resources and operations to provide a consistent and seamless experience across all stages and touchpoints that the customer encounters in the delivery process). The findings provide robust evidence suggesting that the multi-item measurement scale exhibits appropriate psychometric properties.

The study addresses recent calls to improve scholarly understanding of the capabilities that underpin customer experience management (Homburg *et al.*, 2017; Lemon and Verhoef, 2016), and more specifically to explore the essential components of the experience capability concept (Voss *et al.*, 2008). Developing valid and reliable measurement scales is a quintessential first step in effective theory building. The paper proposes a theoretical foundation for the experience capability construct and validates its measurement scale. It provides the specificity of conceptualisation and a validated research instrument required for future intellectual advancement. Furthermore, the empirically-validated 27-item measurement scale provides practitioners with a tool that can be used to evaluate and improve their organisation's experience capability. It provides guidance on the critical operational areas that should be measured, benchmarked and managed to pursue competitive advantage through customer experience.

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4J. Transformative and Health Services II

Tough but not terrific: when value is destroyed in men's preventative health services

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Introduction

Much of transformative service research (TSR) and service dominant logic (SDL) literature is focussed on positive outcomes for the consumer (Anderson et al., 2013; Blocker & Barrios, 2015; Vargo & Lusch, 2004; Vargo, Maglio, & Akaka, 2008). However, not all transformative services that adopt service dominant thinking have been able to effectively deliver improved well-being and rewarding value for their consumers (Leo & Zainuddin, 2017; Plé & Chumpitaz Cáceres, 2010; Zainuddin, Dent, & Tam, 2017). Social marketing services struggle to engage men to adopt and use their services, particularly preventative health services (Addis & Mahalik, 2003; AIHW, 2017; Robinson & Robertson, 2010). Indeed, in some instances, value is destroyed by male consumers through the intentional and unintentional misuse of a service (Leo & Zainuddin, 2017; Plé & Chumpitaz Cáceres, 2010). Value destruction can lead to a diminishment of consumer well-being (Leo & Zainuddin, 2017; Plé & Chumpitaz Cáceres, 2010). Health literature indicates that men avoid health services for prevention as help-seeking is incongruent with their masculine identity (Galdas, Cheater, & Marshall, 2005; Leone, Rovito, Mullin, Mohammed, & Lee, 2017). However, to date there is little investigation examining the role of masculine identity and the value destruction process. Through thematic analysis of focus group interviews with 39 older men, this research investigates the role multiple masculine identities play in their health beliefs and behaviours, finding that being tough is not terrific for mature men's health and well-being. The research question guiding this study is: How does masculine identity generate value destruction and diminished well-being in a preventative health service?

Value creation and destruction in health services

When service thinking is used in the design and delivery of social marketing services, the consumers' needs drive the approach and the consumer is invited to actively co-create value with the service instead of being a passive recipient (Russell-Bennett, Wood, & Previte, 2013; Vargo & Lusch, 2004). In the emerging TSR domain, consumer well-being is the core focus when looking at interactions between consumers and services (Anderson et al., 2013; Gordon, Zainuddin, & Magee, 2016). Plé and Chumpitaz Cáceres (2010) suggest that collaborative processes can as equally destroy value and well-being as they create them. When resources that contribute to value creation are accidentally or intentionally misused or misintergrated, or if the value is not sustained or integrated, there is a risk of value destruction and diminished well-

being which negates social marketing efforts (Leo & Zainuddin, 2017; Plé & Chumpitaz Cáceres, 2010; Smith, 2013; Zainuddin et al., 2017). In preventative health contexts, value destruction experienced by consumers will result in loss of confidence in the service, lack of engagement or maintenance of positive health behaviours, and potential negative effects on consumer well-being (Leo & Zainuddin, 2017; Zainuddin et al., 2017).

Masculine identity and health behaviours

Masculinity has a significant influence on men's health-related behaviours (Courtenay, 2009; Doyal, 2001). Courtenay's (2000) relational theory of gender in men's health positions masculine identities as social constructs that are shifting and varying, usually negatively influencing men's health beliefs and behaviours. Connell (1995) introduced the now widely accepted concept of multiple masculinities replacing a single stereotypical masculinity. However, although men enact masculinity differently depending on age, ethnicity, social class and sexuality (Courtenay, 2000), they usually aspire to the dominant gender ideals, such as traits of strength, pain tolerance, and stoicism, conducive to unhealthy behaviours (Berke, Reidy, Miller, & Zeichner, 2017; Courtenay, 2009; Leone et al., 2017; Mahalik, Levi-Minzi, & Walker, 2007; Manierre, 2015). These ideals play a primary role in how men access preventative health services (Leone et al., 2017). However, there is a gap in the literature, which this research addresses, on the role of masculine identities in the destruction of value when men access health services and its effect on men's well-being.

Method

This research used a qualitative design collecting data through five semi-structured focus group interviews (n=39). A purposeful sample of Australian males aged between 50 and 74 years old was used. Only men who had not participated in bowel cancer screening within five years or at all were selected as this criteria was indicative of an aversion to accessing health services (AIHW, 2016). Data analysis was through thematic analysis where inductive and deductive coding generated themes from extant literature and then the data to understand the phenomenon (Boyatzis, 1998; Fereday & Muir-Cochrane, 2006).

Results and discussion

To address the research question, three themes were identified:

Rejection of the service reduces consumer disempowerment

Older Australian men in this study adamantly rejected attempts made by a government-run service to engage, perceiving the service as undermining their power and, therefore, a threat to their masculinity. Participants who deliberately and proudly discarded the service resources appeared to do so to avoid disempowerment and emasculation:

"If you come out with the big stick with the GP sort of saying you know 'take the test, take the test', some people like me are going to say, 'well nuts to you, I'm not going to do it'. Just out of principle to say I don't want to be forced to do it." (Frank)

When men's masculine identities are based on the hegemonic, accessing health services when healthy such as cancer screening is deemed feminine or non-masculine (Carter, 2014; Courtenay, 2000; Leone et al., 2017). Value is destroyed by participants through rejection of the service as an attempt to avoid disempowerment and control their masculine identity (Carter, 2014; Plé & Chumpitaz Cáceres, 2010).

Active non-integration of resources

Many participants cited being too busy to complete their kits, put off by the complex procedure, leaving kits unopened, discarded, or not completed. Customer resources, such as time and effort, and service resources, such as the cancer screening kit, were deliberately not integrated by participants in a value destruction process (Lintula, Tuunanen, & Salo, 2017; Plé, 2016). Through the deliberate non-integration of consumer and service resources, participants used negative health behaviours to position themselves closer to the hegemonic masculine ideal of a 'real man' (Connell & Messerschmidt, 2005; De Visser & Smith, 2006): .

"I've only seen the outside packaging. I haven't opened it, I've put it in the bin... Waste of time, effort, and money." (Harry)

This value destruction was an expression of agency by participants, which is a key characteristic of masculinity, facilitating personal power and autonomy (Connell & Messerschmidt, 2005; Pietraszkiewicz, Kaufmann, & Formanowicz, 2017). Participants exercised agency to positively position themselves closer to the hegemonic ideal: stoic, tough, and resilient, while jeopardising their health and well-being (Courtenay, 2000; De Visser & Smith, 2006).

Suppression of negative self-conscious emotions

Some participants rejected, ignored, or delayed using the service resource, destroying its value to supress negative self-conscious emotions of shame, guilt, or embarrassment (Plé & Chumpitaz Cáceres, 2010; Tracy & Robins, 2004). Participants cited guilt at the prospect of screening revealing illness, resulting in their failing to be the main family support, or embarrassment or shame from the screening process:

"Embarrassment, I suspect is the main reason why people don't do it. You know, I don't know why I haven't done it. I'm a bit like you Doug, I couldn't put my finger on it exactly why I haven't done it, but I haven't." (Grant)

Self-conscious emotions are triggered from self-evaluation against identity goals (Lewis, 2000; Tracy & Robins, 2004). Identity goal congruence and incongruence are respective triggers for positive and negative self-conscious emotions (Tracy & Robins, 2004). Therefore, participants' avoidance of health services to supress negative self-conscious emotions protects their masculine identities resulting in value destruction (Gross, 2002; Plé, 2016).

Theoretical and practical contributions

This study contributes to the scarce literature on value destruction for service systems (Lintula et al., 2017; Plé & Chumpitaz Cáceres, 2010; Zainuddin et al., 2017) and its effect on consumer well-being (Anderson et al., 2013). It provides a new perspective on the role of identity, particularly masculine identity, in the destruction of value and well-being in men's preventative health services.

To address the themes revealed, the following practical approaches are suggested:

Consumer empowerment

To minimise threats to masculine identities, social marketing activities could encourage older male consumers to initiate contact with a health service provider who presents them with preventative health options, thus empowering them to either accept or refuse the service, retaining control of their masculine identity and minimising potential for value destruction (Zainuddin et al., 2017).

Integration of resources

To ensure consumers integrate their own resources such as time and effort in a value cocreation process, health services could assure consumers through social marketing activities that their resource integration is of value, thus contributing to their eudaimonic well-being (Anderson et al., 2013). Activities could include simplified instructional devices and positive targeted communications aimed at boosting consumer confidence in accessing and using resources and reducing stigma related to hegemonic masculine ideals.

Boost positive self-conscious emotions

Health services could aim to minimise triggers of negative self-conscious emotions through messaging and service delivery, and influence positive emotions in older men when accessing health care through the establishment of social norms among men where preventative health screening is acceptable. These social norms could be spread through men's health programs such as Movember and Men's Sheds (AMSA, 2018; Movember Foundation, 2018).

Conclusion

This paper has introduced the lens of masculine identity to the concept of value destruction in social marketing services. It has shown how older males' masculine identities can contribute to the destruction of value and reduction of well-being in the context of preventative health services.

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The Global Refugee Crisis: How Can Transformative Service Researchers Help?

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Introduction

Migration across our planet is how many species forage for their sustenance. In most of human history, migration was how our own species sought better hunting and gathering or escaped the heat or cold. The migratory urge caused our species to migrate from Africa to the far corners of the world. Historians Shryock and Smail (2012) argue that "We seem to be made for travel; we evolved in transit. Migration has shaped and continues to shape the deep and shallow histories of humanity." (p. 217). In modern times, human migration may occur for voluntary or involuntary reasons. Voluntary migration includes choosing to move for better economic opportunities or more attractive climates. Involuntary migration may occur to flee war, oppression, famine or natural disasters. Such involuntary migrants are known as refugees. With more than 65.6 million people forced from their homes by persecution, conflict, or natural disasters at the end of 2016 (UNHCR, 2017), the implications of this refugee crisis are truly global.

There is a fundamental lack of service research regarding the global refugee crisis. This is remarkable given that human interactions are the subject matter of service research. Further, with the emergence of Transformative Service Research (TSR) focusing on improving well-being (Anderson et al., 2013), service design research seeking to enhance the human experience (Cipolla & Moura, 2011), and more service research focusing on the complexities of human service systems (Maglio et al., 2009; Vargo & Akaka, 2012), it is now clear that service research on the global refugee crisis is overdue.

This conceptual article makes four important contributions. First, by placing the global refugee crisis under the spotlight, we urge the service research community to research this crisis in meaningful ways that can reduce the suffering of all involved parties. Second, the paper proposes a TSR approach to improving the well-being of millions of suffering refugees. Third, by addressing the need to consider "relieving suffering" as an overlooked TSR outcome, the paper provides support for deeper research that addresses remedially providing for basic human needs such as education, healthcare, and freedom of speech. Fourth, the paper calls the service community to action by challenging researchers to go beyond their regular research agendas and engage with the very difficult human service system failures at the heart of the global refugee crisis.

This paper is structured as follows. First, the global refugee crisis is analyzed to understand the breadth and depth of this crisis. Second, a TSR approach is proposed for addressing the global refugee crisis. Third, transdisciplinary research and service design research are explored to comprehend the breadth of the refugee problem and improve on possible tools for solving the refugee problem. From this foundation, we issue our call to action for transformative service researchers to engage with the global refugee crisis. The paper ends

with a discussion of the key opportunities and challenges that must be addressed to move this research forward and to relieve the suffering of refugees.

The Global Refugee Crisis

Amnesty International (2016) defines a refugee as "a person who has fled their country of origin and is unable or unwilling to return because of a well-founded fear of being persecuted because of their race, religion, nationality, membership of a particular social group or political opinion." The United Nation Refugee Agency states that war and ethnic, tribal and religious violence are the primary causes of refugees escaping their homeland (UNHCR, 2016). According to The United Nations Universal Declaration of Human Rights, articles 13 (2) and 14 (1) "[e]veryone has the right to leave any country, including [their] own …" and "… to seek and to enjoy in other countries asylum from persecution" (UN, 1948). Unfortunately, in today's world, this basic human right is routinely ignored and disrespected!

According to the United Nations Report on Refugees (UNHCR, 2016), the world is now experiencing the highest levels of refugee displacement on record. Around the globe, 65.6 million people have been forced from their homes by persecution, conflict, or natural disasters at the end of 2016. Among them around 22.5 million are refugees. Similarly, there are 10 million stateless people, who have been refused a nationality and denied access to basic human rights such as healthcare, freedom of movement, education and employment. As such, around 34,000 refugees are displaced every single day, creating an average of 24 refugees displaced every single minute and where one of every 200 refugees is a child (UNHCR, 2017). When so many refugees around the globe are suffering, the service systems of human society are clearly failing to provide them with adequate emergency services.

Compassion, generosity, and hospitality towards people fleeing prosecution is often witnessed. This has been seen through people joining forces to receive and support refugees arriving into their cities, neighborhoods and communities. Nevertheless, such "first-aid" improvisational approaches are unsustainable for such massive crises. Much more systematic and effective emergency service systems are needed. We propose that this is where transformative service researchers should help.

A Transformative Service Research Approach to Solving the Global Refugee Crisis

To address the complexities of the global refugee crisis, this paper advocates a Transformative Service Research (TSR) approach. Further, we argue that transdisciplinary research and service design research should be cornerstones for TSR when addressing the global refugee crisis. These key themes (TSR and service design) are chosen based on: 1) Their relevance and growth within service research (Ostrom et al., 2015), 2) similarity in aspired outcome, i.e. improve well-being through service (Anderson et al., 2017), and 3) similarity of application in other contexts, i.e. global poverty (Fisk et al., 2016). Transdisciplinary research is chosen due to the multifaceted nature of the global refugee crisis.

Call to Action

This paper calls for creating a service research community movement focused on the global refugee crisis, which aspires to help the refugees across the world get better service from each other, from their communities, from organizations, from governments, and from nongovernmental organizations. In line with Fisk et al. (2016), we argue "every human being is worthy of being served properly" (p. 43).

History shows that some of the world's most successful global companies — from Tesla to Google — were founded by immigrants, while thousands of refugee-owned small businesses contribute significantly to economies across the world. As such, if solutions are integrated correctly, the co-creation opportunities are endless when refugees pay taxes, open businesses, bring expertise, new ideas, culture, cuisine, entertainment, and much more to their new locations (RCUSA, 2017). The fundamental question for service researchers is: "How can we help?"

We propose that there is a need for strengthening the academic-practitioner collaboration to help with the global refugee crisis. There are many new collaborations between for-profit organizations and NGOs that are emerging to help refugees, too. As such, the resources, access, and volunteers are available, but the design and implementation of successful strategies and approaches is always needed. This is where service researchers are needed the most. Among the most urgent questions that should be addressed are:

What are the needs of the refugees?

What is their current service experience with the various emergency service providers?

How can we design better services to fulfill refugee needs?

How can we integrate existing resources and services to better serve the refugees in need?

How can we help and empower the refugees to integrate their existing resources into the host environment?

What new refugee resources do we need to co-create and design with them?

What knowledge and skills do refugees bring and how can we integrate them for a better transition and a brighter future?

What knowledge and skills are needed to enable refugees to achieve better social and cultural integration?

How can we fully empower refugees to be economically productive in their new environment?

All these questions should be addressed at the three levels of the service ecosystem (micro/individuals – meso/organizations and agencies – macro/governments) due to the interconnectivity and subsequent implications on all the involved actors.

The many technological and social media innovations can also be used to address global refugee issues. Tools such as social media activism, mobile computing, and data analytics can enable the service research community to explore the global refugee crisis.

In presenting our call to action, we recognize that service researchers face many challenges such as; the concentration of research and publications in the USA and Europe (Benoit et al., 2017), the limited number of marketing and service journals interested in publishing socially relevant research, and the politicization of the refugee issue. We advocate an approach to solving human problems similar to the "Red Cross" or to the "Doctors without Borders /Médecins Sans Frontières" organizations.

Conclusion

As service researchers, we have the knowledge, the approaches, and the toolsets for understanding human interactions and their roles in the global service economy. Let's get to work on relieving the suffering and improving the well-being of the millions of global refugees. Then, let's publish the research that demonstrates what solutions work to help refugees.

References

Available upon request

What constitutes patient experience and journey in pediatric health services? Contrasting doctors and caregivers perceptions

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Purpose

Healthcare has become one of the most relevant service contexts for academic study (McColl-Kennedy et al., 2017; Frow et al., 2016; Osei-Frimpong et al., 2015; Gallan et al., 2013). Healthcare is of interest to researchers in many different disciplines, including service research: it has an important role to play in advancing healthcare to generate societal and individual wellbeing (e.g. Anderson et al., 2013). With regard to this intersection of service and health, recent calls urge service researchers to examine in particular the concept of customer experience in healthcare (Danaher and Gallan, 2016). The motivation for developing better understanding on customer experience (CX) in healthcare – conceptualized also as patient experience (PX) – is pivotal as experience is connected to how patients engage to their own care, which contributes to the cost-effectiveness of healthcare and positive health outcomes for the individual.

Facilitation of PX is nevertheless challenged by two particular shortcomings in extant understanding of PX. First, sufficient insight on what constitutes PX is still missing. Experience is an elusive concept and researchers have struggled to capture it holistically. In service and marketing literature, CX is considered as a multidimensional construct involving sensory, affective, cognitive, physical, and social dimensions (Verhoef et al., 2009; Schmitt, 1999). In healthcare, services, in which experiences are percept, are personal and sensitive as they are directed to patients' own body and psyche (Danaher and Gallan, 2016). Furthermore, PX emerges in (healthcare) services that *are needed but not necessarily wanted* (Berry and Bendabudi, 2007). Therefore, PX undoubtedly involves a vast range of thoughts, feelings, sentiments, and physical reactions due to the high sense of risk, invasiveness, and personal relevance of these services that may not emerge in other studied CX contexts. Furthermore, in some healthcare contexts such as pediatric and geriatric care, these experiential responses are evoked not only in the individual affected by a medical condition but also their caregivers and next-of-kin, making experiences collective in nature (cf. Jaakkola et al., 2015). *We nevertheless lack comprehensive insight into the multidimensional nature of PX*.

Second, CX emerges and is evolving through the customer journeys (e.g. Lemon & Verhoef, 2016), but such journeys are particularly complex in healthcare which complicates understanding and improving PX. The high degree of specialization in healthcare causes

fragmentation of service delivery along the customer journey, and customers (patients and their families) therefore encounter a diverse set of healthcare professionals and other actors during the process of their care (Frow et al., 2014). Although these actors may be organizationally and spatially separated, together they form the patient's customer journey comprising versatile touchpoints (cf. Lemon and Verhoef, 2016) through which PX emerges. Therefore, PX should be approached cumulatively, acknowledging the myriads of touchpoints patients share with a diverse set of actors. Few, if any studies however provide a comprehensive view of all the relevant touchpoints in a multi-actor environment that patients and their families go through during their customer journeys.

Furthermore, despite the promotion of the patient-centered care approach in today's healthcare (NHS, 2013), a recent study implies that healthcare professionals still consider value of the healthcare service to revolve around the functional (utilitarian) rather than the experiential (hedonic) aspects of the healthcare service (Osei-Frimpong et al., 2015). Same study argues that patients consider the healthcare value as a total experience. This indicates that healthcare providers' perceptions of the PX and journey may differ from perceptions of the patient. In order to develop PX, this potential discrepancy between patient and service provider perceptions needs to be unveiled (Lemon and Verhoef, 2016).

To deepen extant understanding of, and facilitate the development of CX in healthcare, the purpose of this study is to develop a comprehensive understanding on the nature of PX and journey as perceived by patients' families as well as their service providers. We pose three research questions:

- RQ1: What constitutes the multidimensional PX?
- RQ2: What are the relevant touchpoints and actors constituting customer journey in healthcare?
- RQ3: How do healthcare service providers' and families' perceptions of PX and journey differ?

This paper applies the conceptual thinking of CX (Verhoef et al., 2009; Schmitt, 1999) and customer journey (Verhoef and Lemon, 2016) to examine the multidimensional PX. Theoretical background draws on CX and PX research from service research and healthcare literatures to bring insights into PX. We employ an extensive, qualitative study in the context of pediatric healthcare services in Finland to answer above presented research questions. The paper contributes to CX research literature and particularly to research focusing on the intersection between healthcare and service research by providing a conceptual model on PX.

The paper is structured as follows: First, literature on PX and customer journey in healthcare is briefly discussed and a tentative framework is summarized. Second, we present the empirical study. The subsequent sections report the study findings, followed by conclusion and implications for researchers and healthcare managers.

PX and customer journey in healthcare

We start by discussing our key concepts, namely experience and customer journey, in the field of healthcare. Experiences of an individual are internal, subjective, event-specific, and context-specific by nature (Helkkula, 2011). CX is said to be multidimensional by nature (Verhoef et al., 2009; Schmitt, 1999): this implies that customers assess experiences based on *sensory* perceptions including hearing, physical feeling and seeing but also by the *emotions* that are evoked by different situations and encounters. Experiences stimulate person's *physical behavior* and *cognitive* thinking. *Social* dimension implies that customers want and may relate themselves to different social groups and different social groups and single actors influence to an experience.

The concept of PX, that is a particular kind of CX, is an emerging concept and only a few studies have attempted to define and describe the concept in academic marketing and healthcare literature (Danaher & Gallan, 2016; Wolf et al., 2014). A relatively small body of literature in service research stream discusses experiences in healthcare. These studies focus on particular aspect of experience, such as experience quality in hospital, value co-creation processes in a patient-doctor dyad or value co-creation practices that unveil experience rather than examining the (patient) experience holistically (McColl-Kennedy et al., 2017; Frow et al., 2016; Ponsignon et al., 2015; Osei-Frimpong et al., 2015; Gallan et al., 2013). An article that has gained the most traction concerning the conceptualization of PX comes from the healthcare stream (Wolf et al., 2014). It aims to identify the key elements, constructs and themes that are commonly associated with the existing definitions of PX. According to this conceptualization work by Wolf et al. (2014), the most critical concepts around the concept of PX are related to emotional and physical lived experiences, personal interactions, continuum of care, shaped by organization and importance of partnership (Wolf et al., 2014). Comparing to how CX literature displays the phenomenon, their conceptualization is rather service provider focused definition and narrow as it focuses mainly on PX creation in hospitals and lacks experiences emerging beyond the service provider settings.

Healthcare is a unique context that has bearing on the nature of experience formation. For example, customers in healthcare, i.e. patients and their families, may need to make important and complex decisions in a short time frame although their status is greatly reduced by an illness or an injury that causes customers to be vulnerable, frightened, often in pain, medicated, exhausted and confused (Torpie, 2014). During their care, patients may go through myriads of distinct points, namely *touchpoints* (Lemon & Verhoef, 2016). All touchpoints in a multichannel, multi-actor environment are synthesized to a holistic CX (Verhoef et al. 2009) and as individuals' earlier experiences effect on valuation of an experience (Heinonen et al., 2010) they evolve as a chronological *customer journey*. Touchpoints that customer interacts with can be divided to four categories: brand-owned, partner-owned, customer-owned and social touchpoints (Lemon and Verhoef, 2016). *Brand- and partner-owned touchpoints* are designed, managed and controlled by the focal firm (e.g. a healthcare firm) and one or more of its partners (e.g. care equipment supplier). These touchpoints include all facets of the healthcare system and all clinical and non-clinical interactions that occur during the continuum of care (Ponsignon et al. 2015). The latter two touchpoint categories extends the customer journey beyond

customer-firm interactions (Haeckel et al., 2003; Maklan and Klaus, 2011). For example, typically illness or condition of the patient requires self-care that takes place in patient's social context and is part of patient's ongoing life to where healthcare companies have little or no control. *Customer-owned touchpoints* include actions that are not influenced by firm, its partners or others (Lemon & Verhoef, 2016). An example would be feeling symptoms of an illness. Due to collective nature of PX (cf. Jaakkola et al., 2015), customer journeys in healthcare includes also *social touchpoints* where individual's experience is influenced by peers (other patients) and other social actors of the given service context (Lemon and Verhoef, 2016). In a pediatric healthcare context parents may have critical role in these social touchpoints being guardians and emotionally attached to the child and making decisions concerning child's care and monitoring or putting self-care into practice.

In sum, this paper views PX as a multidimensional construct described through patient's sensory, affective, cognitive, behavioral and social responses emerging through different types of touchpoints over the customer journey. This approach allows us to examine holistic PX focusing on different parts of the experience and a range of clinical and non-clinical touchpoints. We will next use this framework to analyze our empirical material.

Methodology

In order to examine the multidimensional PX, we adopted an extensive qualitative research design (cf. Patton, 1980) that allows us to exploratively study the concept of PX and to compare families' and their service providers' perceptions on this emergent phenomenon. Our research followed an abductive process (e.g. Reichertz, 2007) as we iteratively moved back and forth between data and theoretical concepts to deepen understanding of both data and theory.

To achieve the aim of our study, we employed a purposive sampling method to select two data sets: one with healthcare professionals and one with patient's parents. The selected data sets provided naturally different perspectives that allowed us to analyze the same phenomenon from two different perspectives and to compare differences between their perceptions. The first data set comprised 23 semi-structured interviews with healthcare professionals from two University hospitals in Finland including 8 nurses, 4 staff nurses and 11 doctors. The data was collected late 2015. The second data set comprised 25 narrative interviews with Helsinki University Hospital's child and adolescent patients' parents, collected between late 2015 and mid-2016. Interviews included, e.g. constructing a timeline for the incident and identification of the experiences and emotions relating to the incident. The participating families belonged to two patient groups: families with a small child with a congenital disorder, and families with a teenage child with recently diagnosed chronic illness. Both parents were participating in 7 interviews and remaining 18 of the interviews were held with mother (n=13) or father (n=5) of the patient. All interviews were recorded and transcribed.

The aim of the analysis was to build and broaden the existing conceptual understanding of PX dimensions and customer journey touchpoints. The two data sets were analyzed through thematic analysis with QMiner Lite focusing on seeking descriptions of patients' experiences within the sensory, affective, cognitive, behavioral and social dimensions of PX and

descriptions of touchpoints that are relevant for patients' experience formations. The two datasets provided knowledge on two perspectives of the same phenomenon, providers' and families' perspective. Findings from these two datasets are reported separately to analyze differences between perceptions. To increase the quality of findings the datasets were analyzed from multiple different perspectives that enabled theory triangulation.

Findings

Dimensions of PX

Our data demonstrated how different dimensions of PX manifested in pediatric health services (see Table 1). Sensory dimension of PX mainly related to the physical environment of the hospital as noises, colors and lightning in the hospital. Especially, healthcare professionals felt that colors and their clothing have an impact on children's PX, for example, they felt children enjoy seeing a doctor in an animal jacket rather than white doctor's jacket. Parents of the patient were more holistically assessing the whole ambiance in the hospital. Noteworthy, parents described situations in a waiting room where peeping noises were irritating and how unfamiliar devices made an uncomfortable feeling rather than colors. Sensory dimension also included pain and painlessness, related to either the illness or clinical operations made in the hospital, or in home, which was only described by the parents. Noteworthy, the sensory dimension of the PX also includes unwanted changes in the physical appearance of the patient; medication and clinical operations can change the body of the patient. Some of the medicine side effects may cause negative experiences as the following quote illustrates:

"Let's say if you get a huge dosage of cortisone after a transplantation your appearance changes dramatically at first, then you get anti-rejection medicine, which increases hair growth dramatically. Then, all of a sudden, when you have been a slender girl, you have become round-faced and mustache starts to grow. It's terrible." — A doctor

The *affective dimension* of PX concerns mainly strong negative emotions such as hate, anxiety, distress, grief and fear but also some positive emotions such as happiness. Noteworthy, most of the negative emotions were related to the early stages of customer journey as families were fearing if the illness will have grave consequences. Generally, negative emotions declined when patients go further in their patient pathways. This was due, for instance, by routine that build up when patients and their families go through multiple similar processes within hospital settings. However, setbacks may raise negative emotions later in customer journey, for instance because of unsuccessful interactions between healthcare professional and a family or cancellations of clinical operations that family has prepared.

"When first it's said that we're getting care and examinations and then it comes to a full stop. I think he [the patient] felt it unpleasant. In that state of health that he was, a month was a long time" – A parent

Interestingly, changes in personnel and in care plans evoked anxiety and even disappointment in patients and their parents and in some cases patients needed to explain their situation for unfamiliar personnel, which caused irritation.

In general, negative emotions dominated the *affective dimension* in PX but the interviewees also reported positive emotions related to PX. Positive emotions were associated with end of a hospitalization period, periods when the sense of emergency stabilizes, or the patient waiting to get back to hospital or some treatment to happen. Positive emotions were mostly described by the parents. One parent described her child's feelings:

"That insulin pump thing is very nice, she now waits that exited. She's like "yey!"" -A parent

Characteristic of *cognitive experiences* were concern about the patient's future with an illness, or having knowledge on what will happen in the treatment process (routine). Therefore, *cognitive dimension* of PX was strongly associated with knowledge. Patient's parents were more able to describe the cognitive processes that patients go through during their customer journeys than healthcare professionals were. It seemed that more increased knowledge on the care processes decreased negative thinking related to future operations for instance. Routine that builds up when patients have lived with the symptoms go through several operations in a hospital were seen as relaxing and providing confidence on coping with the illness.

"Of course when that bleeding started she was very hysteric. But when it happens every day you get used to it, that the patient is just that "it happened again"" —A parent

Behavioral dimension of PX majorly concentrated around the theme of self-care. Both of the interviewee groups described experiences that related either engaging to self-care or disengaging from self-care. Engaging to a self-care was seen as eagerness to practice self-care practices at home and in voluntary self-care clinics. Disengaging from self-care was often related to denial of an illness, getting tired of self-care, or a regression phase in child's behavior. The regression might also happen because of medication side-effects making a child unwilling to do anything. Some interviewees described how children's behavior have been changed dynamically over time.

"There was this one little girl to whom we had to inject medicine every other week. At the beginning, it always took like half an hour as the girl just ran away -- she was kicking and screaming. But, eventually the time it took got shorter and shorter and one day the girl just came to the room, sat down to the care bed and said "give me the shot", and I did. Then she left."—A doctor

Social dimension of PX relates to patients need for peer support and sensing and contagion of feelings of next-of-kin, for example parent's anxiety makes the patient to feel anxiety.

"Child senses if those parents are totally in distress and in anxiety and almost fainting" –A Healthcare professional

"Child have suffered a bit when she has noticed that dad and mom don't really cope as we are so tired..."—A parent

Parents of patients described experiences where patients felt that their illness have made them different from their peers of their normal social network; children of the same age but without an illness. Peer support provided the social relatedness experiences for those patients as they could socialize with peers. Parents also described experiences where they searched stories written by peers from online communities in order to increase their understanding of what will

happen in the future. This usually took place close after the diagnosis. Stories that described a life with the diagnosed illness helped families to cope and in some cases even relieved their fear about the future. Long lasting relationships with particular healthcare professionals were also meaningful for the patients, especially in chronic illnesses. Table 1 summarizes health care professional and patient view on PX dimensions

Table 1. Findings on the multiple dimensions of PX in pediatric care.

Dimension of PX	Healthcare professionals' view	Patients' and their parents' views			
Sensory	Physical environment of a hospital (noises, colors and lightness) and clothing of personnel. Pain.				
Affective	Range of emotions from fear to happiness.	Full range of emotions from strong negative emotions (anger, grief) to strong positive emotions (excitement, happiness).			
Cognitive	Concern about future with illness. Routine of care operations and appointments.	Concern and overcoming the concern of future life with an illness. Negative mental images related to an illness, future operations and			
	Confronted as an individual and alone. Having positive images of the care, not fears (e.g. fear of	hospitalization periods. Thinking of functionality of a care plan, incurability of an illness. Being excited about the future and in shock			
	injections). Understanding the diagnosis and care operations, and playing them reflectively through.	(about diagnosis and causes of an illness). Building routine to operations and encounters.			
Behavioral	Engaging and disengaging to self-care. Change in behavior during clinical operations.	Engagement to self-care. Changes in diet. Tiring out on self-care and life with an illness. Medication side effects effect to behavior, e.g. unwillingness.			
Social	Relationships with care staff and next-of-kin. Engaging to peer support. Being able to connect to friends while in hospitalized.	Contagion of feelings between family members. Peer support and information finding from online communities. Relationships with care staff. Feeling different with children of same age.			

Touchpoints Constituting Customer Journeys in Healthcare

The analysis revealed that touchpoints constituting customer journeys in pediatric care extended well beyond hospital settings, as Table 2 shows. Two broad touchpoint categories were identified: 1) touchpoints in hospital settings and 2) touchpoints beyond hospital settings, such as care visits to home, self-caring at school and peer support activities. Touchpoints within hospital settings covered patients' and their families' interactions with healthcare providers and other actors such as hospital teachers and hospital clowns during the hospitalization period. In the Finnish healthcare system, patients can move between a municipal healthcare system and a specialized pediatric hospital that increases complexity of the customer journeys in pediatric healthcare. According to the parent interviews, a routine where patients' met the same healthcare professionals had a positive influence on their experience, but meeting with unfamiliar care personnel sometimes had a negative influence family's experience. Therefore, information sharing and information flow between the actors were also emphasized in the results because of the multiple actors who own the service provider touchpoints. Some of the touchpoints seem to have a more critical impact on the experience, for example, healthcare professionals emphasized the first contact at the hospital, as it had a great impact on the behavior of the patient in the next appointment. One critical touchpoint in customers' journeys is when the patient hears their diagnosis, this usually triggers emotional experiences in the patient. However, according to the healthcare professional interviews it is the feel of deflection rather than the diagnosis or illness itself:

"It is the same process as in any kind of crisis that when you get the diagnosis, first you deny it and feel fear and sadness, and then you accept it and so forth. But it of course depends on the age when you get the diagnosis, and effects [of the illness]. I mean, if you're just a baby [when you get the diagnosis], you have lived with it your whole life [with the illness] and you don't know about anything else." -Healthcare professional

Beyond the hospital setting, journey and its touchpoints are mainly facilitated by actors in patients' social network including patients' parents, friends, fellow patients and peers. Results of the patients' parent interviews showed clearly that illness of a child affects broadly the lives of family members. Parents of an ill child are often responsible of the self-care plan execution and medicating the child. Parents are also in a major role in the start of the customer journeys as they usually notice the first symptoms. Therefore, customer journeys usually start from patient owned and social touchpoints, that were described by parents. Subsequently, other social actors affect patients' journeys, such as communities (e.g. Facebook group for patients with a particular illness) and third sector healthcare societies (e.g. diabetes association). These actors were also seen as important in the system that influence to the patients and their families experiences, particularly influencing to the social dimension of the PX. Communities, particularly online communities, were described more often early in customer journey, after diagnosis, whereas interaction with third sector healthcare societies were more common described to be later in the journey.

Table 2. Touchpoints constituting customer journeys in pediatric health services.

Journey	Healthcare professionals' view	Patients' and their caregivers' view			
touchpoints					
Within hospita	1 setting				
Service provider touchpoints	• Interactions during hospitalization period with e.g. doctors, nurses, psychologists, therapists and laboratory workers.	 Focusing on different phases of hospitalization period (municipal, private and pediatric hospital) interactions with e.g. doctors, nurses, therapists, social workers and secretaries. 			
Patient- owned and social touchpoints	• Mostly at least one of the parents is participating to the care and influences PX touchpoints.	 Family touchpoints took place in multiple points of hospitalization period. Hospital visits of relatives and friends 			
	• Touchpoints with other patients.	and touchpoints with other patients an their families.			
Touchpoints with other actors (partners)	• Touchpoints with hospital pastor, teachers, interpreter and hospital clowns.	The state of the s			
	Beyond hospital s	settings			
Service provider touchpoints	Calls between healthcare professional and parent.	• Care visits to home (e.g. physiotherapist visits) and interactions to hospital online or via phone.			
Patient- owned and social touchpoints	 Symptoms and seizures at home, self-care at home. Touchpoints with child's own support network, third sector society actors and online communities. 	• Touchpoints with child's own support network including extended family and friends. Noticing and having symptoms, moments of everyday life changes (e.g. dietary change). Self-care and monitoring (including injections, medication, using care equipment, rehabilitation activities.)			
		• Touchpoints with third sector society actors (e.g. diabetes association) and online communities (Facebook groups, blogs and forums), religious societies including peer support, information, stories of peers.			
Touchpoints with other actors	• Touchpoints with healthcare actors in schools, social	•			

welfare	providers,	care	equipment	suppliers,	social	welfare
equipment suppliers.			actors.			

Discussion and conclusions

This study sought to develop a comprehensive understanding on the nature of PX and journey as perceived by patients' families as well as their health service providers. Based on our findings, we developed a model (Figure 1) that illustrates how PX is constructed through sensory, affective, cognitive, behavioral and social dimensions (inner circle in Figure 1) and by the relevant actors in each touchpoint categories in PX (outer circle in Figure 1).

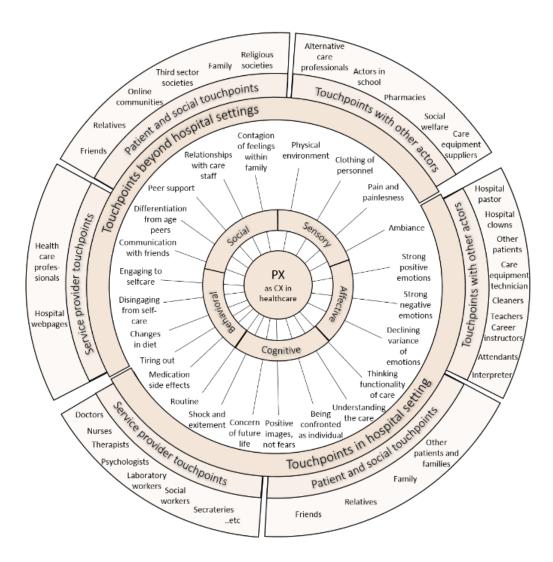


Figure 3. Model of PX dimensions, touchpoints and actors.

This paper contributes to the growing body of CX research (e.g. Lemon and Verhoef, 2016) by mapping the particular CX, namely PX. Thus, it contributes particularly to research focusing on the intersection between healthcare and service research (e.g. Anderson et al., 2013; McColl-Kennedy et al. 2017, Danaher and Gallan, 2016). First, this study examined what constitutes the multidimensional PX. Findings of this study demonstrated how PX is

constructed by sensory, affective, cognitive, behavioral and social dimensions and in that way provides a comprehensive understanding of PX that has been lacking in service research. This study generated contribution to CX dimension research (Verhoef et al. 2009; Schmitt, 1999) by extending empirically our existing knowledge of dimensions of CX and elaborating how dimensions are constituted in a healthcare context. For example, in contrast to other CX contexts, such as retail (e.g. Schmitt, 1999), cognitive dimension of PX is positively influenced by routine building over time and foreseeability rather than surprise and intrigue, and behavioral/physical dimension is constituted by the unwanted physical transformations due offered services. This study also generated contribution to service research in a healthcare context (McColl-Kennedy et al. 2017; Osei-Frimpong et al., 2015; Anderson et al., 2013) by investigating constitution of PX and by further developing the concept.

Second, this study analyzed touchpoints and actors constituting customer journey in healthcare. Our study revealed that customer journey in healthcare encompass varying touchpoints within and beyond the hospital settings accompanied with several different actors. We contributed to customer journey literature (e.g. Lemon and Verhoef, 2016) by providing insights from a specific service context, healthcare context, where external touchpoints strongly influence to CX in varying points of a customer journey. We found that these external touchpoints also take place later in customer journey (e.g. patients participate to peer support) rather than during or right after the service provision as some prior studies suggest (see Lemon and Verhoef, 2016). This study also generated contribution to service literature in a healthcare context (e.g. Frow et al., 2014; Ponsignon et al., 2015; Osei-Frimpong et al., 2015) by providing insights into actors that influence to experience in healthcare and by opening up the touchpoints in pediatric healthcare context. For example, this study demonstrated that PX emerges through the multiple encounters and interactions with varying actors in the healthcare space but also through interactions with more voluntarily chosen actors such as peers and online communities.

Third, we compared healthcare service providers' and families' perceptions of PX and journey. Our analysis revealed that healthcare providers' perception of PX was rather narrow leaving touchpoints beyond hospital settings unrevealed. Caregivers also described a much broader set of actors. Dimensional comparison revealed behavioral matters such as tiring out to life with an illness and much richer cognitive dimension perceived by caregivers. By opening up the differences between families' and service providers' perceptions we generated contribution to service practice research in a healthcare context (e.g. Osei-Frimpong et al., 2015).

Managerial implications

Positing patient-centered care principles as one of the today's healthcare objectives it is important that healthcare managers adopt appropriate strategy that can improve their customers PX. The focus on facilitating multidimensional, yet holistic customer experience, enable healthcare managers and providers to enhance and retain high-levels of patient engagement and increase the cost-effectiveness of the healthcare services provided.

To enhance sensory dimension of PX, healthcare managers should focus on the overall ambiance of a hospital. This study suggest that unfamiliar devices in hospital settings may

evoke some anxiety and loud and distinct noises can cause irritation, especially for patients waiting for their appointment. To enhance affective dimension, healthcare managers should enhance routine buildup and pay attention to patients in their first visits. In addition, first contact employees should be provided with necessary tools and knowledge to handle patients in crisis to enhance total PX through the journey. To avoid unwanted influences of behavioral dimension of PX, healthcare providers should consider how they can support patients' self-care and coping with an illness. To enhance cognitive dimension of PX, proactive mental support should be offered for patients in order to support and prevent patients' concerns and to prevent unwanted imaginary experiences. To enhance social dimension, this study suggest that healthcare professionals should extend their view beyond their service settings and try to understand the needs that patients and their families have in their everyday life. Although healthcare service providers do not own touchpoints beyond hospital and may have only a little possibilities to influence on an experience creation in some of the touchpoints, they can support them by, for example, providing proactively information on other actors such as online communities and third sector societies.

Limitations and future research

We acknowledge there are some limitations concerning our study. Although we collected an extensive data set, our insights are limited to one geographical context and to few illness groups that may influence to generalizability of our findings. We encourage further studies in other illness groups, with patients of different age and different geographical context. Our informants were purposefully chosen to present a variation of illness groups with the help of healthcare specialist from a University Hospital, this may have caused biased sample towards choosing cases that are more successful. To avoid biased sample, researchers could try to find participants through third sector societies and online communities of a certain illness.

With regard to future research, we urge researchers to explore holistic PX with methods that captures dynamically the development of dimensions of PX. It would also be managerially relevant to examine negative emotions in PX as they may have an influence to patient's and family's engagement on self-care. In addition, further research is needed in order to understand how and to which dimensions of PX each of the actors found in this study influence.

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5A Special Session. Growing Services in base-of-the pyramid markets

Growing services in base-of-the-pyramid markets

Heiko Gebauer, Linköping University, Switzerland (Chair)

Javier Reynoso, EGADE Business School – Tecnologico de Monterrey, Mexico

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The four billion people throughout the world, who live close to the poverty line deserve to be served better. Poverty has long been a typical human condition. About two thirds of the world's population still lives on less than 9 US Dollars per day, commonly described as "the Base of the Pyramid (BoP)". Inadequate service systems are major obstacles in emerging regions such as China, South East Asia, India, Latin America, the Caribbean, Africa, Eastern Europe, and the Middle East. When the largest socioeconomic segment of the population lives in poverty across generations, it means the service systems of human society are failing to deliver adequate life support and basic services. These include food, water, and shelter, as well as health, education, public safety, transportation, energy and sanitation..

There is a great need to understand and learn from this huge segment of society, not only as passive aid recipients and consumers, but also as pro-active, entrepreneurial innovators who are constantly co-creating solutions to survive in their daily lives. This situation presents a number of challenges at different levels of analysis. Individuals, groups, families, communities, organizations, and institutions all dynamically interact and participate in a very complex social and economic environment. However, there is a fundamental lack of service research at the base of the pyramid. Most existing contributions have come from developed countries. Both researchers and practitioners need to move from a traditional, passive position of selling services at the BoP toward proactive actions that involve low-income customers as active resources in the co-creation of new services to improve their daily lives.

This special session presents contributions from different perspectives in the emerging field of BoP service research. First, it offers an overview starting from deep-rooted BoP assumptions, breaking existing myths on this largest socio-economic segment, identifying key BoP service research agendas, Second, empirical and conceptual research being conducted in this emerging field is presented and discussed to illustrate this framework, with particular emphasis to inclusiveness and trust in the co-creation process in this context. Third, we would highlight preliminary results of our research activities:

Value co-creation practices for social housing services in Mexico

- Growing services in base-of-the-pyramid market through template replication and/or modification
- Capabilities for providing services in low-income markets
- Bricolage perspective on service innovation in low-income markets

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5B. Big Data Smart Services

B2B Customers' Data Disclosure Concerns Regarding Smart Service Adoption: A Qualitative Approach

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Relevance

Manufacturing companies increasingly strive to develop new data-driven services based on their customers' data in order stay competitive by delivering services (Hartmann, Zaki, Feldmann, & Neely, 2016). The access to customers' data is a necessary prerequisite for those services. One prevalent example for data-driven services in B2B are smart services, like predictive maintenance or condition monitoring. A continuous provision of customers' machine data to the service provider is essential for the service delivery. This enables the service provider to guarantee increased machine uptime or efficiency optimization for the customers' production (Lee, Kao, & Yang, 2014).

Despite these value propositions the customers are skeptical about disclosing their machine data. Prior research has shown that privacy concerns are one of the reasons for avoidance behavior in the adoption of smart services (Wünderlich, von Wangenheim, & Bitner, 2012). This is in line with the findings of research regarding the Resource-Based View (RBV) (Barney, 1991) that sees data as the key resource of a firm (Lavie, 2006). Despite the growing relevance research on the specific kind of data disclosure related to smart services which is characterized by a continuous and automatized transfer of huge data volumes is still sparse. While literature has extensively researched benefits of smart services and the outcome from customers' perspective (Grubic, Redding, Baines, & Julien, 2011; Grubic, 2014; Wünderlich, 2009), there is a scarcity of studies that focus on the analysis of barriers to smart service adoption in general (Grubic & Peppard, 2016). Therefore further research is needed to show under which conditions customers consent to disclose their data for the service delivery and how to overcome connected privacy concerns. This lack of understanding constitutes the starting point for this paper and responds to the call of the Marketing Science Institute to gain further knowledge on the data collection and analysis processes of firms (Marketing Science Institute, 2016).

Research Ouestions

In this paper, the authors ask the following research questions:

- 1. What are the most important barriers for the data provision?
- 2. To what extent differ providers' and customers' perceptions of data disclosure concerns?

3. Under which circumstances do firms are willing to provide data form smart services despite of the aforementioned challenges?

Potential Contributions

Our paper contributes to current research by adding new insights on the data disclosure behavior of B2B customers that help smart service providers to better understand their customers and find strategies to increase the customers' adoption rate. This research aims to support managers' decisions regarding the successful provision of smart services.

Moreover the theoretical contribution of this paper is fruitful for service researchers because it extends the stream of research "Servitization" (e.g. Raddats Baines, Burton, Story, & Zolkiewski, 2016) by adding further insights on the process of manufacturing firms extending their portfolio to services. In particular we supplement to the sub-stream of "Digital Servitization" (Vendrell-Herrero & Wilson, 2016) that deals with the delivery of IT-enabled services based on digital components embedded in physical products (Holmström & Partanen, 2014). We focus on the data disclosure issue as one of the biggest challenges that have to be overcome.

Furthermore we contribute to the literature on information sharing between companies. As the setting of information sharing has changed through innovations in technology and the trend of digitalization this area needs further investigation. The information sharing in the context of smart services constitutes a new kind of information exchange between companies.

Theoretical foundations

Based on findings from Allmendinger and Lombreglia (2005) Wünderlich (2015) defined smart services as services that are "delivered to or via an intelligent object that is able to sense its own condition and its surroundings and thus allows for real-time data collection, continuous communication, and interactive feedback" (p. 2). According to prior research customers' perception and adoption of smart services highly depends on technology and customer characteristics as well as context-specific perceptions like privacy concerns (Wünderlich et al., 2012). The risk perception is increased by factors like the invisibility of smart services, the requirement of automated decision making or the service provider's access to sensitive data (Wünderlich, 2015). Grubic and Peppard (2016) found that customers regard smart services as "black art" (p. 165).

Data exchanges between companies have been discussed in research streams of supply chain collaboration (e.g. Cachon & Fisher, 2000; Greis & Kasarda, 1997) and innovation development (e.g. Hargadon, 1998; Amara, Landry, & Doloreux, 2009). Companies have an inherent reluctance to give away more than minimal information (Berry, Towill, & Wadsley, 1994) since information disclosure is perceived as a loss of power and companies fear that information may leak to potential rivals (Li & Lin 2006). Extensive information sharing might increase the risk of opportunistic behavior by the other party (e.g. using the information to gain leverage in negotiations) (Nyaga, Whipple, & Lynch, 2010). These findings are supported by

the RBV that sees data as a strategic resource (Lavie, 2006). Most of these concerns might be generalizable to the context of smart services, but the specific characteristics might lead to new and so far neglected reasons. Special characteristics of data disclosure for smart services are, for example, the continuity of the data flow or the huge amount of data being shared. Possible new concerns are the particularly high loss of control or the uncertainty what can and will be analyzed using the data.

Methodology

To get a holistic view we chose to use a dyadic perspective. We have already conducted seven qualitative interviews with employees of smart service providers in the manufacturing industry and their targeted customers in order to identify concerns of customers towards data disclosure. We aim at conducting at least 20 further interviews and will continue until theoretical saturation is reached. Semi-structured interviews were used to gain further insights into this complex and under-researched phenomenon. Due to the scarcity of insights an inductive approach is suitable. The interview data will be analyzed by applying a content analysis method that follows a grounded theory approach by Glaser and Strauss (1967).

Preliminary Findings

The section of preliminary findings is based on seven interviews that we have already conducted. We identified several concerns about data disclosure for the delivery of smart services and grouped them into different segments (e.g. characteristics of the supplier, the customer or the data). Furthermore we found that the concerns are influenced by certain factors (e.g. the company's level of digitalization). Customers are especially concerned regarding the exclusion of liability because of transparency of machine misusage. Moreover customers fear that usage profiles might be generated and the provider is enabled to conclude on e.g. production times and know-how leakage. The strength of these concerns depends highly on the industry sector. In some industries the high peculiarity of the concerns might even lead to an avoidance behavior for the whole smart service.

One possible strategy to mitigate the concerns is the early customer integration in the process of smart service development. This procedure enables the provider to reveal which data is necessary at which point of time and for what purpose. Contractual agreements on data usage in legal disputes should be arranged in advance. Lastly, changing the business model to performance-based contracting might influence the perception of psychological ownership of the data. In case of selling the machine as a service B2B customers might be more inclined to provide their data to the provider because they perceive that the data belongs to the provider.

Discussion

With this study, we present a qualitative empirical analysis of business customers' concerns regarding data disclosure for smart services from a dyadic perspective. Our study shows that there are underlying factors that influence the customers' willingness to share data

for the smart service delivery. We add deeper insights on smart services (Grubic, 2014; Wünderlich et al., 2015) and in particular on privacy concerns that have been identified as a problem leading to low adoption rates in prior research (Paluch & Wünderlich, 2016).

Moreover we extend the literature stream of servitization (e.g. Raddats et al., 2016) because our study focuses on manufacturing companies that want to add smart services to their product portfolio.

Furthermore we contribute to the literature on information sharing between companies. The data disclosure process for smart services can be understood as a special kind of information exchange between companies because of its special characteristics like the continuity or the huge amount of data shared. Limitations arise from the industry specific research context and we acknowledge that further validation is needed.

Conclusion

Through the analysis of qualitative data from a dyadic sample we demonstrate that data disclosure concerns regarding smart services are influenced by several underlying factors. We help managers better understand the reasons of their customers' concerns regarding data disclosure for smart services. Thus, managers can make adjustments like, for example, early customer integration in the development process to increase the transparency of the data disclosure process. By mitigating the concerns the adoption rate can be increased. The paper builds a foundation for further empirical and conceptual research to better understand the B2B customers' concerns regarding data disclosure for smart services.

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Aesthetics of Interaction and Value Co-Creation between User and Smart Service Artefact: Investigating the Moderation Effect of Emotion

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Abstract

The rise of emerging technologies such as the Internet of Things (IoT) and artificial intelligence (AI) has brought a shift of paradigm to the interaction between a user and a technology. A technology is no longer an object which a user can act upon. Instead, a technology itself has become a subject with material agency (Leonardi, 2011) which can interact with a user to cocreate value.

A technology with material agency is often called a smart object, and this smart object is known as a delivery mechanism for smart service (Wunderlich, Heinonen, Ostrom, Patricio, Sousa, Voss and Lemmink, 2015) that constitutes the smart service system. I, therefore, reframe a smart object as a smart service artefact (SSA), as product is only a means to an end – service delivery – in a world where all economic exchanges are considered a service (Vargo and Lush, 2004; 2008). SSA can be used in many different areas. One of the most common application areas is fitness and wellness in which a SSA is used as a wearable device that measures daily activity levels. Advances in AI has also further promoted the market adoption of digital voice assistants such as Amazon Alexa. Despite a consistent growth of adoption and a fairly optimistic outlook on the market growth of SSA sector over the next few years, lack of perceived value has been inhibiting the pace of market growth. For the same reason, early user abandonment has been a persistent challenge for many wearables makers (Gartner, 2016).

There are a good number of studies in human-computer interaction (HCI) that have looked into the user abandonment phenomenon, specifically in the wearable tech space (e.g. Clawson, Pater, Miller, Mynatt and Mamykina, 2015; Lazar, Koehler, Tanenbaum and Nguyen, 2015). Most of these studies have examined the phenomenon predominantly from a technical perspective in relation to functional features of a device. However, the growing research contributions from an experiential-focused research stream has started offering a new perspective (e.g. Ross and Wensveen, 2010; Lenz, Diefenbach and Hassenzahl, 2014). The commonality shared by these experiential-focused studies is their emphasis on the significant role of emotion and affect in creating an optimal user experience.

As an experiential-focused research has gradually gained more tractions by the research community, researchers have started studying the concept of aesthetics from an experiential perspective (e.g. Petersen, Iversen, Krogh, and Ludvisgen, 2007), based on the notion of Dewey's (1987) pragmatism philosophy and Shusterman's (1992) pragmatist aesthetics. This stream of research has introduced derivative concepts such as aesthetics interaction and aesthetic experience. Petersen et al (2007) interpret the concept of aesthetics interaction as 'It promotes improvisation to be the key modality in how the user explores the world around her and learn new aspects' (p.271). Their analysis highlights the dynamic nature of an experience-focused view and contextual elements that influence user's sense- and meaning-making

activities. Hekkert (2006) claims that not all events can be considered 'aesthetics', but only those that cause 'dis(pleasure) that results from sensory perception' (p.157).

A similar trend in a shift in research focus from a utilitarian-perspective towards an experiential- and hedonic-perspective is observed in marketing. Following Pine and Gilmore's (1999) introduction of 'experience economy', many contributions in customer experience has delved deeper into affective aspect of customer experience (Bolton, Gustafsson, McColl-Kennedy, Sirianni, and Tse, 2014; Zomerdijik and Voss, 2010). Some of these studies further claim that the ability to establish emotional connection with customer is essential to building customer loyalty and thus maintaining an organisation's competitive advantage (McColl-Kennedy, Gustafsson, Jaakkola, Zoe, Radner, Perks, and Friman, 2015; Jaakkola, Helkkula, and Aarikka-Stenroos, 2015; Pullman and Gross, 2014).

Despite a growing strategic importance of emotion in customer experience, existing contributions on emotions are highly fragmented and thus the frameworks and conceptual understanding of the construct lack consistency and cohesiveness across the studies (McColl-Kennedy, Danaher, Gallan, Orsingher, Lervik-Olsen, and Verman, 2017). In response to lack of a holistic understanding of the construct, emotion, in user-SSA interaction, the aim of this study is to understand how emotion moderates the relationship between aesthetic interaction and value co-creation of a user and a SSA.

Previous studies have confirmed that positive emotions induced in a user is likely to evaluate his/her experience with a technology more positively (Locher, Overbeeke and Wensveen, 2010, Spadafora, Chahuneau, Martelaro, Sirkin and Ju, 2016).

However, it is still unknown to what extent positive emotions induced in a user leads to value co-creation between a user and a SSA. It also calls into question how the process of value-in-use evolves over the user journey, since value is a highly dynamic concept (Woodruff and Gardial, 1996).

This study will specifically look into the early stage of user interaction with a SSA and value co-creation activities between these two subjects, given that early interaction influences both user adoption and abandonment that are the key challenges faced by smart service providers. Based on this observation, this study puts forward the following research questions: How can we design for aesthetic interaction that induces positive emotions in a user in the early stage of user interaction with a SSA? And to what extent positive emotions induced in a user in the early stage of user interaction with a SSA drives value co-creation activities between a user and a SSA?

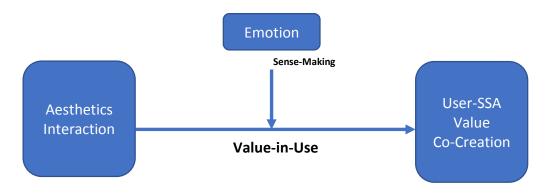
This study has its theoretical foundation in Vargo and Lush's (2004) service-dominant logic (SDL) that entails the key constructs, namely value co-creation, value-in-use, and interaction. It also uses Petersen et al (2004)'s aesthetics interaction to explore the construct, emotion and conceptualises the construct, emotion, based on Schere's (2001) appraisal theory as follows, 'Emotion is a certain form of affect status that is elicited by individual's subjective interpretation of a situation or an event'.

The user abandonment phenomenon in smart services system requires an interdisciplinary thinking, as the phenomenon itself touches upon a number of different disciplines such as

design, marketing, and HCI. Using the theoretical lens of Vargo and Lush's SDL from marketing, Peterson et al's aesthetics interaction from design, and Schere's appraisal theory from psychology disciplines, I am taking an interdisciplinary approach to examine the phenomenon and put forward the *design propositions* for how to design for aesthetics interaction that induces positive emotions in a user in the early stage of user interaction with a SSA. In answering the second question, I will conduct the experimentation that measures emotion during the early stage of user interaction with a SSA and investigate its relationship with value co-creation between a user and a SSA.

User value will be operationalised by Sheth, Newman and Gross (1991)'s user value model, given that this model has been commonly accepted for studying user value in the context in a user interacts with a technology. And since SSA has limited agency enabled by materiality, it interacts with a user in a prescripted manner. As a result, it does not uniquely and phenomenologically determine value in a way a user does (Vargo and Lush, 2004, 2008). In my view, SSA's value creation is reflected in user's value-in-use, because SSA that creates value can seamlessly integrate into user's daily life that is reflected through user's value-in-use. The conceptual framework in the next page illustrates the relationship between the key constructs that will be investigated throughout this study.

Value Co-Creation between a User and a Smart Service Artefact



This study makes contributions in the following three ways: first, to my best knowledge to date, none of the studies that have examined the user abandonment phenomenon in the smart service system has done so from a value co-creation perspective. That said, the findings from this study will bring value of new knowledge to the research community; secondly, the moderating role of emotion has been undermined in the context of user-SSA interaction, although academics have repeatedly underscored the growing strategic importance of building emotional connection with a user. By examining how emotion moderates the relationship between aesthetics interaction and value co-creation of a user and a SSA, I am hoping to shed light on to what extent emotion can be a positive agent for driving value co-creation; finally, this study takes an interdisciplinary approach to examine the user abandonment phenomenon in the smart service system. In doing so, I aim to open the dialogue and establish common vocabularies among the scholars in design, marketing, and HCI disciplines.

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Smart Resource Integration

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Introduction

The Internet of Things (IoT) is a hot topic in the technological and cybernetic fields as well as in the application practice. IoT concerns networked everyday objects that- due to the digital sensors equipment interconnect to each other (Li et al., 2011) - can become active participants in business processes. The IoT has a potential transformative power as – concerning the collection and the combination of data from different and interconnected sources –affects all kinds of industries and may have an impact on decisions and actions of firms (Michel, 2014). Recent management studies (Leminen et al., 2012) emphasized the ecosystem approach stressing that the core IoT elements include the concept of "the ecosystem" and "the business model" as platforms, technologies and processes form the ecosystem core whereas the members of the ecosystem (companies, public institutions and individuals) create business models. This stretched concept of the IoT highlights the role of collaboration and networking between actors and alignment of institutions (Edvardsson et al., 2014).

According to the marketing perspective put forward in Service-Dominant logic (SDL) (Vargo and Lusch, 2008; 2016) actors' resource integration (Kleinaltenkamp et al. 2012, Colurcio et al., 2014) is the main process that shape the co-creation of value (Plé, 2016). Given this, the IoT can be understood as a resource that should enable value co-creation as it enhances the interaction connecting different entities, such as businesses, governments, and consumers (Meola, 2016). Nevertheless, despite this intuitive link, IoT has not been explicitly included in the conceptualizations of resource integration and value co-creation. This knowledge gap is zoomed on in this paper.

This paper aims to bridge this gap by providing an extended conceptual framework focusing on the fundamentals of value co-creation in a specific IoT context: the smart community, that is a community where citizens and organizations distribute the information and develop innovative partnerships (California Institute for Smart Communities, 2001).

We focus on Smart Community as it is an IoT ecosystem that combines both individual actors and business actors and shape interactions, collaborations and relationships during resource integration efforts.

Theoretical background

Resource integration

Resource integration (RI) is the fundamental premise of value co-creation (Vargo and Lusch, 2008) and is the critical process for advancing service (Ostrom et al., 2010) within a service ecosystem perspective (Lusch and Vargo, 2014). It depends on the integration of resources through activities and interactions of actors (McColl-Kennedy et al., 2012), According to a cross-disciplinary perspective, machines and various combinations of humans and machines also constitute a micro-foundation of value co-creation (Storbacka et al., 2016). Technology plays a key role in value creation (Lusch and Nambisan, 2015; Frow et al., 2015) and is central for the integration process. Specifically the recent amazing digital interconnection and digitalization named Internet of Things (IoT) enhances the role of technology in enabling a better quality of life in the ecosystem (Kim, 2013).

IoT and Smart Communities

The "value" of the IoT is expected to grow in emerging businesses such as Smart Metering, Smart Car, Smart Home, Smart City and Smart Community as well as in the Industrial IoT. Through smart objects citizens are participatory engaged and share data of common interest in real time (Balestrini et al., 2015). It is not easy to define a Smart Community (SC) as different definitions are available. We agree with the definition that SC combines the idea of the network of communication in real time with the main concept of the improvement of the quality of life (Xia et al., 2013). The interaction between humans and objects in the Smart Community allows members to share thoughts, ideas, knowledge, and experiences and allows a faster access to resources (Maury et al., 2015). All information collected and redrafted in groups of interest improve the quality of life in terms of stress, health, urban decorum, and consumption.

The IoT as Resource Integration enabler

The IoT in Smart Communities is an enabler to generate new value for society. The new information generated through the integration of information -that come from both fixed and mobile sensors- and the community create value contributing to a better quality of life. Actors (citizens and operators) put on the table, analyze and select the elements of interest and share in real-time data and images captured in the field by means of Tablet and Smartphone. The final user is stimulated to shift from the mere beneficiary role to the protagonist status by creating a virtuous circle that enables the exchange and the combination of information and experiences (Caridà et al., forthcoming). The new information created by the networked elaboration process enables to improve the quality of life for people engaged in the area of interest. Limpid, an Italian SC, provides information on traffic and generates alternative routes, improving the quality of life through time saving and solution of critical everyday situations. Librare, another Italian SC, offers the possibility of interaction with things for better use and involves different age groups thanks to applications for all. The information collected and redrafted in classes of interest improve the quality of life in terms of stress, health, urban decorum, consumption, also allow to limit the disruption or to know the pollution levels in the individual area of transit.

We argue that the IoT may play a crucial role in resource integration as "from a system-level perspective, the Internet-of-Things can be looked at as a highly dynamic and radically distributed networked system, composed of a very large number of smart objects producing and consuming information" (Miorandi et al., 2012, p.1498). Value co-creation emerges when actors seek to mobilize the best combination of resources for a particular situation and implementing and managing apps, integrating resources and obtaining the most efficient and effective combinations (Lusch et al, 2010). The IoT plays as operant resource (Vargo and Lusch, 2009) in the digital world where connectivity enables the exchange of billions of data. Specifically, we argue that the IoT works as "service platform" that is a modular structure that facilitates the interaction of actors and objects through clear protocols of exchange (Lusch and Nambisan, 2015) and support the value co-creation process enabling the resource integration. Furthermore, the IoT fosters the logic of platform-as-service and provides the architecture of participation, which is a basic requirement to create and maintain a common set of rules and principles derived from the shared institutional logics and to coordinate service exchange through the service platform. The platform is the space for the connection and allows different processes of value co-creation in relation to the objective, the information and resources of actors. These promote the integration of resources and actors that are a condition to start the value co-creation process (Lusch and Nambisan, 2015). In a smart service ecosystem, any stakeholder is an actor aiming to interact and exchange resources with other actors for value co-creation. When all participants learn from and contribute to the collective knowledge of the community a new knowledge is generated through the community relationships (Sawhney et al., 2000) that created a new value proposition to improve the better quality of life (Xia et al., 2013).

Implications

The paper advances knowledge on how resources are integrated in practice (Kleinaltenkamp et al., 2012); furthermore, the paper frames the topic of the IoT in a marketing perspective adding new and fresh insights about a theme uncharted in marketing literature so far.

Platforms that enable the IoT and Smart community (smart objects, application, sensors and people) development represents a space to integrate the different resources and to co-create value. Companies, both private and public should address such issues to re-design their business model and to image a future sustainable competition.

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5C. Tourism Services

Using Social Constructivism to theorize the influence of culture in quality tourism service experiences

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Abstract

Quality service experiences is a subjective construct, the cultural expectations of the tourism industry adding to the plethora of value laden perspectives in the ubiquitous interactions that it describes. Social constructivism can offer a critical perspective of culture for tourism and service research as it is based on a social ontology that insists that human beings do not exist independently from their social environment and its collective shared systems of meanings (Risse, 2007). Its utility in theorizing the influence of culture in a quality service experience is therefore premised on its notion of mutual constitutiveness of (social) structures and agents (Adler, 1997). Fundamentally, social constructivism holds that it is possible for multiple realities to exist simultaneously, offering an ontological space within which the myriad of value laden perspectives in a quality service experience can be examined.

At the core of the service experience is the service encounter, a co-created human activity and as such a quality service experience would be an inherently value laden construct negotiated between the service provider and the service receiver at the moment of the interaction. In the tourism industry, encounters are characterized as a host guest interactions (Krippendorf, 1987; MacCannell, 1976; Smith, 1977; Urry, 1995). There is concern within tourism scholarship that challenges this linear representation from the seminal thinkers, as the host guest interaction is highly contested and the existing tensions have not been sufficiently addressed in the literature. Sherlock (2001) posits that the blurred line between notions of hosts and guests are seen in migration patterns and this has implications for lifestyles at the destination, sense of community and sense of place for all residents. Sharpley (2014) in support, argues the need for a multidimensional approach, noting that to date, research has focused on the perceptions and not the responses of the host community, and there is an urgent need to find the whole truth embedded in a deeper understanding of the interactions between hosts and guests. The varied cultural backgrounds of hosts and guests imply that there may also be historical and social factors influencing the multiplicity of meanings embedded in the words "quality service experiences" as well as in the context of their use in the tourism industry ultimately determining what is seen and accepted as quality (Jennings, 2006).

Tourism research on the host guest interaction is dominated by conceptual models and frameworks theorized from a western perspective (Ryan, 2015; Tribe, Dann, & Jamal, 2015) and there is a need for theoretical constructs in services (Subramony & Pugh, 2015) and in tourism (Wilson & Hollinshead, 2015) that could improve the opportunity to replicate studies across enterprises and geographical locations as well as provide greater insights into achieving and delivering quality in a service experience. Within the tourism industry, the service experience can be differentiated through the inclusion of non-western, authentic cultural

experiences. This however challenges the historical development of the host guest exchange which privileges the tourist and inspired a development agenda based on the cultural expectations of the tourist as seen in the choices of accommodation and food for example available for example in host destinations. To adequately explore this potential shift in perspective, there needs to be a proactive understanding of how culture can inform the creation of differentiated service experiences. Services research reiterates the need for theoretical models of the service encounter that include measures of individual cultural influences that not only inform the expectations of the service receiver but provide insights on the performances delivered by the service provider (Ivanova-Gongne, 2015; Tsoukatos, 2011). In the interest of creating competitive service experiences therefore, non western cultural constructs become a "different" experience and has the potential to disrupt existing epistemes of geopolitical practices of cultural schemas. Consequently, the resulting knowledge from the disciplinary perspectives offered by both tourism and services, would be useful for deconstructing existing stereotypes and facilitate a movement towards deeper understanding of how cultures interact and react within the dyadic nature of the service encounter. The examination of the service encounter that occurs with a tourism experience, providing a space within which the multifaceted nature of culture and its resulting schemas can be delineated for further examination.

By conceptualizing a theory that is informed by the perspective of actor, this study sought to validate the existence of simultaneous multiple realities and propose an ontological approach that would allow for the simultaneous examination of the perspectives of several different actors (individual stakeholders) at any point in time in history or geographical location, party to a host guest interaction. Within that perspective, the Phenomenological Hermeneutic Perspective (PHP) model proposed here, provides an episteme that seeks to move beyond the reproduction of a linear theorizing of the host guest interaction, that privileges either party irrespective of their cultural background. Rather it seeks to provide a theoretical construct that can be used to simultaneously examine the perceptions of any stakeholder group involved in a multicultural interaction and value the meanings attributed by the actor within that particular environment. Within this framework, existing knowledge can be assessed and the opportunity to facilitate a deeper understanding of the individual action is facilitated. Given the increased mobility and movement of people globally, it no longer holds that physical clues such as nationality or ethnicity can be the primary indicators of one's cultural experience, knowledge or expectations. Also within the service enterprise, research indicates that there are varying perspectives of quality when comparing management, employees and the customer. There is therefore utility in exploring the cultural constructs embedded in an individual's life experiences and how those constructs are manifested as motivators or inhibitors of behaviors in the individual's interactions.

This paper discusses the PHP model based on initial findings from a study conducted in a multiethnic, multinational tourism destination. Using an ethnographic design, the study collected data from the perspective of the frontline employee in a hotel. It sought to understand the operating cultural schemas as employees produced quality service experiences for the guests. The study found culturally bounded constructs of service quality, the service encounter and service delivery systems that were linked directly to the socio-cultural realities of the

residential lifestyle at the destination. The political and economic tensions that underpin the historical development of the tourism industry were not primary in determining how frontline employees delivered quality service experiences, they were latent to and informed the cultural differences that were mostly evident in service failures articulated by the guest feedback or the challenges experienced by the expatriate management team. The role of the frontline employee as a co-creator of value and its consequences for creating a quality service experience is well accepted in the services literature (Bitner, Booms, & Mohr, 1994; Edvardsson, 1998; Gronroos, 1988; Grönroos, 1982, 1984; Parasuraman, Zeithaml, & Berry, 1994; Surprenant & Solomon, 1987; Zeithaml, Berry, & Parasuraman, 1988). The respondents in this study, interacted and reacted with each other, the management team and the guests guided by socio-cultural practices informed primarily by spiritual and family values. The privileging of those culturally informed practices over workplace policies or guest expectations was so concluded at the end of the one year ethnographic study and illustrated the power of the culture of the service provider in creating quality tourism service experiences. The study expressly did not seek to simultaneously observe and analyze the perspectives of the guests or management as it would have hindered the ability of the researcher to be fully immersed in the lived experience of the respondents. Further studies would need to be conducted that specifically seek to compare the lived experience of other stakeholders party to the host guest experience in the enterprise or geographical location of this study. In the context of the location, priority should be given to the expatriate management team and the cultural schemas that inform their expectations in the performance of quality service experiences. While management has primary responsibility for the design and oversight of the service delivery systems, the frontline employee's role provides critical agency in the production of the intangible aspects of the encounter; that 'feel good' factor that is featured in experiential services. Tourism is highly experiential and so understanding the frontline employee's perspective would assist in minimizing service failures by identifying those areas that are problematic to perform in the first instance.

Social constructivism as a meta-theory of social action and interaction provides an ontological framework for understanding the influences that shape identities and interests of actors. This data collection and analysis discussed in this study examined the frontline employee and their perspective of quality service experiences in a hotel. Lessons learnt in this study could be used to inform the design of quality service experiences as well as the design of human resource training and performance management systems used in the hotel. In so doing validating and valuing the operating cultural schemas demonstrated by the frontline employees as they contribute to the quality of the service experience at the tourism destination.

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Developing smart tourism services: a co-creation framework

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Abstract

Smart tourism has become a major buzzword in academic and industry discussions, as well as a strategic priority for sustainable tourism development in many regions. For example, The China National Tourism Administration has officially announced "Beautiful China: 2014 Year of Smart Travel" as tourism theme. The E.U. and Korea are also investing a lot of money on supporting the development of smart destinations as a call to increase destination competitiveness, visitors' experiences and address problems created by exciding carrying capacity limits in overcrowded destinations. However, there is a lot of confusion about the concepts of smart tourism services and destinations, as their evolution has been mainly driven by technology applications and advances as well as governmental initiatives, rather than a systematic theoretical research and underpinning about them. Suddenly, and without justification everything becomes and/or un-becomes 'smart' as soon as new technology advances emerge. These of course raises definitional questions and calls for better conceptualization and theoretical underpinning of the phenomenon. Thus, a critical look and systematic review about smart tourism and how smart services can be developed are warranted.

To address this gap, this paper proposes a framework for understanding and developing smart tourism services based on a co-creation approach. To achieve this, a multi-disciplinary literature is first critically reviewed in order to dismantle the concept of smart tourism services and identify its constituent dimensions. In summary, the literature review on smart cities, smart tourism, smart destinations and smart tourism services had unraveled that the development of smart tourism services can be consolidated within a co-creation framework consisting of the following parts: 1) smart actors including smart tourism stakeholders, smart tourism resources, and smart tourism technology agents (e.g. anthropomorphic robots, chat boxes etc.); 2) inputs (operant and operand resources) referring to real time data and technology infrastructure and tools; 3) value co-creation processes referring to smart actors' interactions and resource exchanges; 4) engagement platforms represented by smart socio-technical ecosystems enabling actors' interactions for integrating and exchanging resources; and 5) outcomes of smart (transformative) tourism services for: policy makers (e.g. smart destination governance, resource efficiency and effectiveness, destination sustainability); smart tourism firms (e.g. personalized services and marketing); and smart citizens and tourists (e.g. quality of life and well-being, enriched and meaningful tourism experiences).

The applicability and implications of the co-creation framework for developing smart tourism services have been tested by collecting data from tourism professionals and academics. Indepth interviews were conducted with 7 industry people (the manager of an innovation hub, the director of a smart city studio, three CEOs of Destination Management Organizations, and two managers of tourism firms) and 4 tourism scholars experts in smart tourism. Findings

confirm the importance of these constituent parts of smart tourism services as well as unravel the practical challenges that tourism stakeholders face for achieving the former. There was also a general consensus that for building smart tourism services, these constituent parts are not sufficient and the only necessary conditions. Interviewees agreed that several other factors are also equally important to 'activate' the socio-technical smart ecosystem and motivate the smart stakeholders to co-create. Identified factors include: the development of social capital; actors' innovation and creativity; leadership; button-up and top-down entrepreneurial activities; actors' engagement strategies such as hackathons, competitions, challenges; and appropriate policies and legal frameworks such as open data, open source software adoption, open innovation. Scholars also highlighted the need for future research to measure and provide hard evidence of investments on smart tourism services on the outputs of all three stakeholders (policy makers, firms and citizens/tourists).

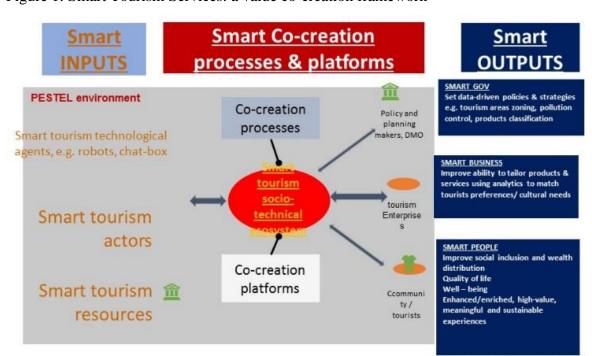


Figure 1: Smart Tourism Services: a value co-creation framework

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Operationalization and interdependence of perceived value: a comprehensive second order model for hospitality services

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Introduction:

The concept of Value has consistently been included among service research priorities of the last 30 years (Brown, Fisk & Bitner, 1994, p. 41; Ostrom et al. 2010, p. 26; Ostrom et al., 2015, p. 128). But its relevance does not make research into value any less complex. Indeed, in spite of a dense trend of research in service literature with a significant echo in tourism contexts (Gallarza et al. 2016), authors consistently complain about difficulties found to identify a clear pattern when modelling value dimensions and value outcomes. Indeed, there is no consensus, nor in the value dimensions to be considered, nor in the consequences to be included in causal models (Gallarza et al. 2017; Lin et al. 2005). More precisely, as stated by Boksberger and Melsen (2011, p. 240) after reviewing numerous empirical works on the linkages between quality, value, satisfaction and loyalty "Despite this continuous debate, no consistent evidence is given for the operationalization of perceived value and its interdependence to other marketing constructs".

Indeed, in spite of a dense trend of research in service literature, three main questions still arise:

- 1. Which (---cognitive, affective, social,...)— and how many value dimensions should be considered: two (e.g. Chen & Hu, 2010), six (e.g. Sánchez-Fernández, Iniesta-Bonillo & Holbrook, 2009) or eight dimensions (e.g. Gallarza et al. 2017)?
- 2. Furthermore, *how* should value be considered? should models add an overall value assessment as a first order measure (e.g. Gallarza and Gil-Saura, 2006)? Or should they consider an overarching second order value measure (e.g. Lin et al. 2005; Martin Ruiz et al. 2008)?
- 3. Which consequences these value dimension should have: cumulative insights point out to both customer satisfaction and customer loyalty but how many satisfaction(s) and loyalty(ies) should the model include?

In accordance with Baksberger and Melsen (2011) quotation, this paper addresses issues of operationalization (first and second questions) and interdependence of perceived value with other variables (third question) by postulating, a) the inclusion of a broader second order multidimensional perceived value construct in the well-known value-satisfaction-loyalty chain; b) by splitting satisfaction into two constructs: affective satisfaction and cognitive satisfaction.

Theoretical Foundations

Regarding first issue (i.e. operationalization), with very few exceptions (e.g., Lin et al., 2005; Martín-Ruiz et al., 2008), previous works use mainly first order construct of perceived or customer value, mostly as a trade-off between benefits and costs. Furthermore, concerning the number and nature of value dimensions, previous reviews (e.g. Gallarza et al. 2017; Leroi-Werelds et al. 2014) show a large disparity and in contrast with service quality, no preferred structure. This work has chosen Holbrook (1999) value dimensionality, because of its solid theoretical underpinnings (with a 2*2*2 structure), and the higher number of dimensions to be considered (eight): functional (Efficiency, Quality), social (Status, Esteem), hedonic (Aesthetic, Entertainment) and altruistic (Ethics and Spirituality).

Regarding second issue (i.e. interdependence) although satisfaction and loyalty are praised for the most common value outcomes (Leroi-Werelds et al. 2014; Gallarza et al. 2011) the operationalization of these two variables in SEM models is also varied. Satisfaction is presented often in a single construct (e.g. Williams and Soutar, 2009), sometimes even in a monoitem scale (e.g. Gallarza et al. 2016). However, in spite of its agreed dual cognitive-affective nature (Oliver, 1997), very few works distinguish two types of satisfaction. Loyalty, as a final outcome, can be represented by one (multi-item measure of behavioral intention as in Gallarza and Gil-Saura, 2006) or two differentiated constructs as behavioral (repurchase) and attitudinal (recommendation) (e.g. Tsai, 2015), and even three as intention to revisit, word of mouth, and search for alternatives (e.g. Hutchinson et al., 2009).

Methodology

In our model, dimensions of value are exogenous variables, antecedents of the value-satisfaction-loyalty chain (Boksberger and Melsen, 2011) but in our case, value is a latent second order construct, and satisfaction is divided into cognitive and affective. The second order construct is built following the hierarchical components approach (HCA) (Wold, 1982) and also known as the repeated indicators method (Lohmöller, 1989) or superblock method (Tenenhaus et al., 2005).

As in other proposals of assessing value as a second order measure (e.g. Lin et al. 2005; Martín-Ruiz et al. 2008), all constructs are reflective over their indicator variables but value, as a second order construct, can be considered formative over the eight first order value dimensions. ---corresponding to the 2*2*2 structure form Holbrook (1999)---. All other constructs (including value dimensions) are considered as reflective, the model having therefore a reflective-formative structure.

Scales for value dimensions where adapted from previous works from tourism literature: Tsai (2015) for efficiency and entertainment, Brunner-Sperdin et al. (2012) for excellence and aesthetics, Chen and Hu (2010)'s social value scale is adapted for status and esteem, ethics takes indicators from Gallarza et al. (2016), and Spirituality conceived, as "escapism", uses Wu and Liang (2009)'s scale. The two satisfaction constructs are measured with cognitive satisfaction scale form Nesset et al. (2011) and the affective satisfaction scale from Gelbrich

(2011). The loyalty scale contemplates three items from Zeithaml et al. (1996): intention to repeat, recommend and not change.

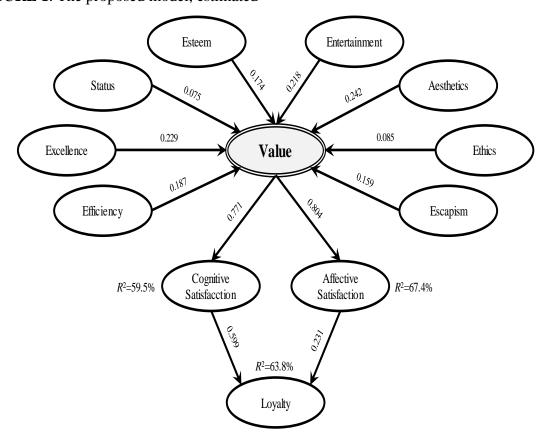
Findings

The service chosen is hospitality, as tourism related services have been praised for their convenience of researching both value dimensions and value consequences (Gallarza et al. 2016; p. 166), and hospitality (hotel stay) allows borad insights into value dimensionality (Gallarza et al. 2017). Field work was undertaken in spring 2016 in a highly touristic Mediterranean region in Spain, where 42 hotels where selected through a representative sampling method according to the industry structure. Guests were intercepted in the lobby areas, obtaining a final sample of 340 individuals.

Sample composition was 152 men and 187 women, aged (95 between 18 to 35 years, 177 from 36 to 55 years and 62 over 65 years); mostly leisure travellers (297 against 28 for business and 8 other reasons), and who travel at least once a year (132), between 2 and 4 times (132) or more than 4 (69).

After validating the 11 scales through regular processes of unidimensionality testing, discriminant and convergent validity (results under request limitation) the structural model (Figure 1) is estimated with PLS (Wold, 1985; Tenenhaus et al., 2005). The significance of the coefficients and indirect effects (under request) was studied using the Bootstrap method (Efrom and Tibshibirani, 1986).

FIGURE 1. The proposed model, estimated



All exogenous variables (value dimensions) are positive and significantly related to value. Hedonic values contribute the most: Aesthetics (0.242) (i.e. Design, lighting, colors, music...) and Entertainment (0.218) (i.e. having fun). This result corresponds to the type of experience being studied (stay at a hotel, mainly for leisure), but where functional dimensions of both Excellence (0.229) and Efficiency (0.187) also matter. Social values also contribute represented by Status as active (0.075, the weakest link) and Esteem as reactive (0.174) and so do altruistic values, Spirituality as Escapism (0.159) but less Ethics (0.085).

The value-satisfaction-loyalty chain is clearly supported by very strong balanced links between Value and Cognitive Satisfaction (0.771) and Affective Satisfaction (0.804) respectively. Furthermore, both Satisfaction constructs are significantly related to Loyalty, but with less important and more unbalanced links (0.509 and 0.231 respectively).

Conclusion

If value is continuously considered as an "amorphous concept" (Zeithaml and Bitner, 1996, p. 33), rather "fragmented and divergent" (Wang et al., 2004; p. 327), it is time to find methodological designs that cope with these difficulties.

Considering perceived value as an overarching concept (and therefore measured as a second order construct) embedded in the value-satisfaction-loyalty chain where satisfaction is divided into affective and cognitive, has found data support. This pattern of relationships, alongside the choice of a broad range of value dimensions (namely Holbrook (1999)'s 2*2*2 framework) seems a good way of dealing with issues on operationalization and interdependence of value (Backsberger and Melsen, 2011) as a) value being an elusive and contrasted concept is not directly appreciated by respondents (latent second order construct) although its dimension are (observed first order constructs) and b) the value-satisfaction-loyalty chain is enriched by twofold effects from value to satisfaction to loyalty.

Although limited to one country and one service, effects of a comprehensive structure of eight value dimensions on the chain value-(doubled) satisfaction-loyalty is a broader way of understanding value creation processes that deserves further replications in other service contexts.

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5D. Customer Experience IV

Embodied customer experience in group fitness

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Introduction

Customer experience (CX) is a key priority in contemporary service and marketing literature (Jaakkola, Helkkula & Aarikka-Stenroos, 2015; McColl-Kennedy, Gustafsson, Jaakkola, Klaus, Radnor, Perks & Friman, 2015; Verhoef, Lemon, Parasuraman, Roggeveen, Tsiros & Schlesinger, 2009). Yet, there is still disagreement on the definitions of the concept and how its multiple dimensions should be addressed. Although the literature highlights the sensory, affective and emotional nature of CX (Verhoef et al., 2009; Gentile, Spiller & Noci, 2007; Schmitt, 1999), the body – which is at the center of the experience – is often absent from the conceptualizations. The purpose of this paper is to address the embodied nature of CX and investigate how the customer makes sense of the embodied experience in relation to herself and the environment.

In this paper, CX is explored in the group fitness context. The group fitness industry refers to a variety of services where a group of customers are working out in a class led by a professional instructor. There is a lack of marketing and service research focusing on the fitness industry, even though fitness activities are a major sport activity among physically active populations. EuropeActive has estimated in 2015 a 26-billion-euro revenue for the industry, 51 million practitioners and 400 000 employees in 25 European countries (EuropeActive, 2015). This context provides a theoretically fruitful opportunity to explore the customer as an active, moving and sensing body, which significantly affects his/her experience while exercising in group. In the field of sociology, the sporting body has been theorized as lived, breathing and sweating unity. We use the literature on the concept of embodiment to address the formation of embodied CX. As a result, we identify different kind of relations between the body, mind and environment. The paper contributes to the literature on CX by highlighting its affective and embodied aspects.

Theoretical framework

The shift from a traditional product-based economy to a service-based economy and experience-based economy (Pine & Gilmore, 1998; Verhoef et al., 2009) has boosted the need to create unique and memorable customer experiences to enhance competitive advantage (Grewal et al., 2009). CX is generally conceptualized as holistic and subjective in nature, including the customer's cognitive, affective, emotional, social and physical responses to any direct or indirect contact with the service provider, brand or product, across multiple touch points during the entire customer journey (Verhoef et al., 2009; Mayer & Schwager, 2007; Schmitt, 1999). Still, it is relevant to note, that as CX has mostly been conceptualized as

subjective, it is never fully controllable by the firm (Kranzbuhler, Kleijnen, Morgan & Teerling, 2017; Lemon & Verhoef, 2016).

Despite portraying CX as a holistic and multidimensional concept, the body has not been afforded an active role in previous research. The extant literature recognizes that experience mostly involves human sensory perception, which is largely framed as a cognitive process (Andreu et al., 2006; Schmitt, 1999; Mehrabian & Russell, 1974). This view does not take into account the body, which forms the connection between the material and social dimensions (Yakhlef, 2015; Gallagher, 2005; Merleau-Ponty, 1962). The absence of the body from extant literature around customer experience seems to be critical, as we experience the world through the body (Yakhlef, 2015). The body can be described as a link between agent and environment via its "learned and culture-determined perceptual capacities to see, feel, hear and touch" (Yakhef, 2015). When using all the senses, nothing about human experience remains untouched by human embodiment (Gallagher, 2005). The sensing body deals with a bundle of emotions when experiencing, both positive and negative (Valtonen & Närvänen, 2015). Therefore, the purpose of the study is to highlight the relevance of embodied and affective dimensions of CX. Our intended contribution is to draw relations between sensing body, mind and environment.

Methodology

The study is based on the social constructionist research philosophy (Burr, 2003) and the interpretivist paradigm where the general goal is to understand what is happening in a given context (Carson, Gilmore, Perry & Gronhaug, 2001). Our epistemological approach draws from phenomenology which concentrates on the unique experience of people as well as how they interpret their own experiences (Thompson, Locander & Pollio, 1989). The empirical material of the study has been generated through 20 narrative interviews of customers in a Finnish firm offering group fitness services. Narrative interviews (Eriksson & Kovalainen, 2016; Polkinghorne, 1988) were chosen as the method of data collection, as the focus is on individual's personal experience and how experiences are formed. In addition, narratives are a natural way to people to share their experiences.

The interviews' duration ranged from 26 to 65 minutes. All of the 20 interviewees in the study were female, which reflects the overall setting of the group fitness business: the majority of customers in group fitness classes are female. In addition, the study has an auto-ethnographic dimension (Ellis, Adams & Bochner, 2011), as the first author works as an entrepreneur in the firm where the interviewees were contacted. Her prior experiences, knowledge and observations are shaping the study. This is in line with the chosen research paradigm of interpretivism where the pre-understanding and previous experience of the researcher is seen rather a strength than a weakness (Carson et al., 2001; Gummesson, 2005). In interpreting the data, we used the approach of script analysis (Wiederman, 2015; Mitchell, Wellings, Nazareth, King, Mercera & Johnson, 2011) as a theoretical lens to the data. Script theory has two perspectives, psychological and phenomenological, and we utilize the latter. Script theory is used to study human behavior in a social setting and includes three levels: cultural scenarios, interpersonal scripts and intrapsychic scripts.

Findings

The analysis focuses on the embodied experience in group fitness through three layers of scripts: cultural scenarios, interpersonal script and interpsychic script. Our data suggests that cultural scenarios are framing the individual's CX, while interpersonal and especially interpsychic script are its most salient dimensions.

Our findings suggest that the interpersonal script of the CX in group fitness context shapes the individual's experience for example by boosting his/ her own performance, showing example or generating admiration. Other moving bodies were also described as potentially distracting one's own exercise and disturbing one's own space. The instructor is a crucial factor for the experience and together with the group forms the basis for the spirit and atmosphere. The most interesting findings are related to the interpsychic script. We suggest based on the study that the individual's own, private world affects the CX in the most significant way. Continuous negotiation and interpretation between the mind and body is shaping the CX. Five themes from the data are identified related to the interpsychic script: *Taking care of and honoring the body, Learning and developing, Focusing on the performance, Seeking happiness* and *Balancing life*. Emotions were a significant part of all the themes, happiness and joy being the emotions that customers were mostly seeking for from their experience.

Discussion and conclusion

This paper argues that bringing the body into the conceptualization of CX is crucial to enhancing our knowledge about how experiences are formed. Through focusing on the context of group fitness, the study highlights the role of embodiment in CX through the continuous negotiation between the mind and body (the interpsychic script). This interaction is present all the time and customers evaluate their experiences based on their feelings and sensations. Our paper highlights that the body is fundamental for the formation of the ultimate experience. We believe these findings can be adapted to several other fields. The results of this study indicate that environmental factors, other customers and the instructor are crucial for creating the atmosphere and facilitating conditions for the group fitness class and shape the experience. However, the study highlights the interpsychic script as being the most powerful dimension of the CX.

This study encourages researchers to consider the body as having an important agency when studying customer experience (Valtonen & Närvänen, 2015). This study also suggests script theory as a framework for marketing and service research and especially in studying CX. Script theory offers a tool to examine customers' behaviour patterns in multiple levels and enhances the understanding about this complex phenomenon. The present study provides additional evidence with respect to how significantly emotions affect CX.

This research has several practical implications. Our findings present the complexity of the process of CX formation and in particular the interpsychic dimension. Distinguishing and understanding customers' CX formation improves providers' capability to affect and shape the CX of customers with different needs and wants. The study also highlights the importance of

the instructor's skills and capabilities to distinguish customers' differences in interacting with them and supporting their individual goals and emotions. This study shows that many important aspects affecting CX cannot be controlled directly by the firm. We also encourage future research to adopt the script theoretical framework and the concept of embodiment to analyze various other types of service contexts and experiences to develop theory on CX further.

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Less Than Ordinary – Quantifying the Influence of Every-Day Experiences On Consumers' Buying Behavior

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Abstract

Customer experience (or CX) has evolved from a "buzz" word to an emergent paradigm in Marketing. Consequently, customer experience has materialized as the top research priority for both business and academia. However, although customer experience is a comprehensive, including, affective, cognitive and behavioral facets, and integral construct, the extant literature is still fragmentary and requires further development. In services the role of customer experience ("service experience") is particularly under-researched. In our study, we conceptualize customer experience using EXQ and embed customer experience in a conceptual framework with attitude, behavioral intention and share of wallet. We utilize EXQ, a measurement of customer experience quality to determine the driver of attitude, behavioral intention and share-of-category. Share-of-category is measured by using both, previously developed and validated measurements and the wallet-allocation-rule. Our study was conducted in a retail and service setting, focusing on ordinary and mundane experiences rather than extraordinary ones, collecting responses from 1992 customers. To extend previous research on customer experience and share of wallet, we employed both quantitative and qualitative methods. In a first step, we followed established scale-development approaches, and incorporated recent scale-development recommendations and recommendations on the EXQ scale. We generated, adapted, and extended measures through qualitative research (study 1). The following quantitative study 2 focuses on scale refinement while study 3 focuses on scale validation using an independent sample. Study 4 applies the refined scale and introduces our customer experience model. In the final study 5 we demonstrate that the individual customer's share of wallet strongly influences customers experience.

The 5 studies for our analysis reveal three clusters displaying three unique experience patterns driving their share-of-category. The findings imply that the ordinary customer experience encompasses regular and often familiar consumption taking place in the customers' everyday life. Such ordinary experiences are often intertwined with daily life, and rarely that memorable or unique, thus differing from extraordinary customer experiences in several ways. Nevertheless, they play a meaningful role for the individual customer. Moreover, the experiences influencing the share-of-category differ significantly between customers with a low and a high share-of-category. Given the importance of ordinary experiences in influencing the share-of-category, service firm should focus not only focus on creating extraordinary customer experiences. These ordinary customer experiences are often entwined with other experiences. Managers need to acknowledge the importance of understanding their customers' contexts in a broader sense, not just a sequence related to their offering.

Seamless Customer Experience: the construct, Antecedents and Outcomes

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Relevance of the phenomenon being studied

Dramatic changes are constantly taking place in the retailing industry with the increasing use of the mobile channel, the number of channels in use, improving technologies and changing shopping behaviours (Verhoef, Kannan, & Inman, 2015). In modern day omnichannel retailing, consumers now expect channels to be connected so that they can choose the channels they wish to use simultaneously throughout the purchase process (search, purchase and after-sales). To address these new customer behaviours, many companies are undergoing digital transformations as part of their omnichannel strategies. The sole aim of these strategies are often to provide a seamless customer experience (Singh & Hess, 2017) yet few retailers are able to accomplish omnichannel strategy (eMarketer, 2013).

We develop a conceptual framework for seamless customer experience (SCE) by reviewing the marketing literature and empirically studying the antecedents and consequences of the concept. Through studying the evolution of the SCE concept, we will develop the antecedents (service quality, firm channel alignment and channel recognition) that influence the concept. The framework will also contain the consequences of the construct (loyalty, satisfaction and customer engagement). Empirical investigation with take place with consumers and the results will assist retailers in knowing how they can create a SCE, which areas to concentrate on to improve it and the potential consequences that can be obtained.

Potential contributions

This study is intended to make 3 theoretical contributions. The first contribution is the addition of new knowledge in the understanding of SCE as little is known about the concept. The comprehensive model provides support for the concept, which has not been found in previous literature. This brings forward the customer experience literature in the omnichannel environment.

The second contribution is to add new knowledge to the customer engagement construct, which is gaining more and more traction in marketing literature, due to its potential in providing a richer long term customer-firm relationship, leading to greater profitability over time (Pansari & Kumar, 2017).

Thirdly, we hope to resolve the gap in knowledge regarding how marketing practitioners can create a SCE and strengthen their omnichannel retail strategies. This study will identify the necessary antecedents required to support and improve the implementation of strategy, whilst providing important outcomes that reflect retailer ambitions.

Research Questions

- What are the antecedents and outcomes that are theoretically linked to the SCE concept?
- How can the conceptual framework be tested, to support the proposed causal relationships?
- What guidance and direction can be contributed to managerial practice, on SCE?
- What is the link between the newly theorised concept of customer engagement and SCE?

Theoretical Foundations

In literature, SCE is widely cited as the main objective in retailer omnichannel strategies (Edwards & Gosskopf, 2015; Fulgoni, 2014; Grewal, Roggeveen, & Nordfält, 2016; Piotrowicz & Cuthbertson, 2014; Taylor & Levin, 2014; Verhoef et al., 2015). Yet, little is known about SCE in research, with less than 30 references to the term in peer reviewed journals found on EBSCO search, and 185 references in trade publications and magazines (search date: October 2017). It can therefore be viewed as a new topic.

In the field of marketing, an analysis of the literature reveals that the most common use of seamlessness refers to channel integration (Fulgoni, 2014; Grewal et al., 2016; Hakanen & Jaakkola, 2012; Heller Baird & Parasnis, 2011; King, 2012; Payne & Frow, 2004; Schulz, Dority, & Schulz, 2015; Shaw, 2016; Smith & Wheeler, 2002) and there are no divisions in shopping between online and offline for the customer (Fulgoni, 2014; King, 2012; Schulz et al., 2015). SCE is also discussed as shopping across all channels (Grewal et al., 2016; Heller Baird & Parasnis, 2011; King, 2012; Mari, 2015; Smith & Wheeler, 2002). In a SCE, channels are perceived as unified, blurred, smooth or as one channel by the customer (Piotrowicz & Cuthbertson, 2014; Taylor & Levin, 2014), cohesive (Grewal et al., 2016) and efficient (Johnston & Clark, 2008). SCE is consistent, continuous and can be achieved anytime, anywhere (Fulgoni, 2014; King, 2012).

Providing richer support, SCE's contain consistent value propositions (Payne & Frow, 2004; Smith & Wheeler, 2002) which involves the perceptions of price, promotion and offer across channels (Cao & Li, 2015; Grewal, Monroe, & Krishnan, 1998). Further to this, SCE contains channel reciprocity which is the perception of how services are co-ordinated and connected across channels (Davis, Buchanan-Oliver, & Brodie, 2000).

We therefore define Seamless Customer Shopping Experience as customer-retailer interactions that offer consistent value proposition and channel reciprocity, as perceived by customers when simultaneously shopping across all channels and devices.

Conceptual Framework

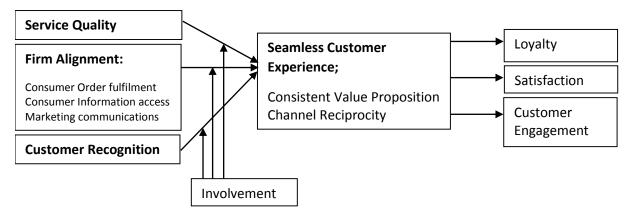
Figure 1 provides an overview of our working conceptual framework. Following conceptualisation, the main objective of this framework is to examine the antecedents and outcomes to provide a richer theoretical underpinning of the SCE construct.

It is anticipated that SCE is influenced by omnichannel firm integration; which includes service quality, firm alignment and customer recognition. We propose that SCE will be positively related to loyalty, satisfaction and customer engagement. Involvement will be tested as a moderator in the framework. Further explanations of the constructs theorised in the framework are below.

Figure 1; Working Conceptual Framework

Omnichannel Integration

Behavioural Outcomes



Service Quality

Service quality is a measure of how well the service level delivered matches customer expectations (Parasuraman, Zeithaml, & Berry, 1985). Quality is defined as judgements of a product or a services' overall excellence or superiority (Zeithaml, 1988).

Whereas SCE contains the consumers' perception of value proposition, quality is a judgement which has been found to be a determinant of value (Lemke, Clark, & Wilson, 2011; Zeithaml, 1988). The perception of value is a higher level abstract assessment of a product or service, based on the benefits and costs of a product or service. As SCE contains value perception, it is therefore likely to be influenced by service quality.

Customer Recognition

Customer recognition refers to 'the extent to which customers feel that they are recognised and acknowledged when they initiate contact (Lemke et al., 2011). More specifically, customer recognition refers to the customer being identified by the firm on each channel or touchpoint, through their customer ID, order or service requirements.

Customer recognition is a fairly new concept and little is known about how it can affect the SCE, however, studies have indicated that customer recognition can enhance or enrich the SCE (Homburg, Jozić, & Kuehnl, 2017; Schmitt, 2010) therefore customer recognition is likely to influence the SCE.

Firm Alignment

Firm alignment refers to the physical integration of channels interacting at the firm level (Herhausen, Binder, Schoegel, & Herrmann, 2015) and integration often appears in the definition of omnichannel retailing (Aubrey & Judge, 2012; Beck & Rygl, 2015; Grewal et al., 2016; Piotrowicz & Cuthbertson, 2014; Taylor & Levin, 2014). Channel integration is critical to the production of an SCE for the consumer as it involves the perception of being able to switch channels easily (channel reciprocity) and receive the same value proposition on every channel, regardless of the channel or amount of channels used during the experience.

There are three dimensions underpinning this construct; Customer order fulfilment, which refers to services between channels eg. click and collect; information access, which refers to the provision of information that supports other channels eg. store opening times on website, and; marketing communications, which concerns brand and messaging consistency on every channel (Bendoly, Blocher, Bretthauer, Krishnan, & Venkataramanan, 2005; Cao & Li, 2015).

Involvement

Zaichkowsky, (1985) defined customer involvement as "A person's perceived relevance of the object based on inherent needs, values, and interests". When customers are highly involved in a purchase, they are likely to process cognitive information during the experience (Swinyard, 1993) and pay more attention to the services of the retailer (Wallace, Giese, & Johnson, 2004). This suggests that involvement could influence the evaluation of a SCE, therefore it will be tested as a moderator in this framework.

Satisfaction

Satisfaction is defined as the evaluation of value received during a consumption experience (Carpenter, 2008; Oliver, 1980). Satisfaction has been found to be a direct outcome of brand experience (Brakus, Schmitt, & Zarantonello, 2009) and it is naturally related both conceptually and empirically to cognitive judgement and affective reactions (Mano & Oliver, 1993), strengthening our wish to test it as an outcome in this framework.

Customer engagement

Van Doorn et al., (2010) broadly define customer engagement as "a customer's behavioural manifestations that have a brand or firm focus, beyond purchase". It is an action that contains individual participation in the retailer offering that is initiated by the customer or the firm (Pansari & Kumar, 2017; Vivek, Beatty, & Morgan, 2012). Firms believe that high customer

engagement is a necessity for growth whilst low customer engagement can be detrimental to it (Kumar et al., 2010).

Customer engagement has been linked conceptually to customer experience and satisfaction, but it has not yet been tested (Pansari & Kumar, 2017), therefore it will be tested in our framework.

Loyalty

Berry, Carbone, & Haeckel, (2002) suggested that the total experience can influence the customer returning to the same company over another, implying that customer experience management can strengthen customer loyalty. Verhoef et al., (2009) stated that customer experience is a key factor in building loyalty to brands, channels and services. Customer experience was suggested to likely have a positive effect on loyalty (Verhoef et al., 2009), and it been proven empirically as an outcome of brand experience (Brakus et al., 2009), thus strengthening our argument to test it as an outcome to SCE.

Methodology

The framework will be tested using an online survey and existing scale measures of the constructs will be finalised shortly. Data will be collected early 2018.

Conclusion

The wider investigation of the SCE is required to develop the theoretical framework, based on pre-existing theory. Customer experience has been discussed as a multidimensional and complex construct (Lemon & Verhoef, 2016). It is important for firms to understand the full extent of SCE in the omnichannel context, including the antecedents and consequences, to improve their focus and strategy, and to view the complete picture of the causal effects.

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5E. Post-Purchase Phase

A Cross-National Service Strategy to Deal with Product Returns: The Role of Return Policies and Institutional Environment

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Abstract

Multinational retail service firms can benefit from economies of scale and increased profits due to a broad international customer base. Yet, at the same time, they face profit-reducing product returns from all over the world. Prior research in a domestic context shows that firms can restrict product returns through their return policies along three dimensions: effort (difficult return process), time (return deadlines), and refund (limited return coverage) (e.g., Hess, Chu, and Gerstner 1996; Janakiraman and Ordóñez 2012, Wood 2001). While the effectiveness of return policies is well established for Western customers, it remains unclear whether these policies are also effective in Eastern countries. Here, high-potential online shopping markets have emerged only recently (e.g., Alibaba in China), and are not yet well understood.

Thus, in a multinational context, the question arises: How effective are retail service firms' return policies across Western and Eastern countries? Investigating these policies from a cross-cultural perspective, includes a second question: What is the role of a country's institutional environment (Scott 2013) on customers' return behavior over and above return policies? Thus, the goal of this paper is to examine both the effect of firms' return policies (process, time, and refund) and the effect of a country's institutional environment on customers' return decision in Western vs. Eastern countries. Moreover, it focuses on two important customer behaviors in online retail services: the current product return decision, and additionally, the future repurchase decision across Western vs. Eastern countries. Hence, the current research takes on a holistic view, in which it examines the internal (i.e., return policies) and external drivers (i.e., institutional environment) of the focal return decisions plus the downstream repurchase decision.

Drawing on self-construal theory as theoretical framework (Markus and Kitayama 1991), we set up four hypotheses (see Fig. 1). First, we propose that restrictive return policies decrease return proclivity only in Western countries, but not in Eastern countries. We base this assumption on the fact that Westerners, who are typically characterized by an independent self-construal, are primarily concerned with the individual consequences of their behavior. In avoiding the negative consequences of restrictive return policies (i.e., associated effort, time, and costs), Westerners should refrain from product returns under these policies. In contrast, Easterners, who are typically characterized by a dependent self-construal, are more concerned with the social consequences of their behavior. Given that returning represents a socially

undesirable behavior, they should generally feel uncomfortable when returning products—detached from return policies' restrictiveness.

Second, we propose that for Easterners' return decision, a country's institutional environment is the key driver. Based on institutional theory (Scott 2013), we argue that a customer-oriented institutional environment (i.e., in the form of customer-oriented laws, norms, and cognitive awareness) provides social legitimacy to return products in these countries. In contrast, Westerners should make the return decision independently of the institutional environment, given their self-interested focus.

Third, for future behavior, we propose that under restrictive return policies, Westerners and Easterns equally refrain from a repurchase. This is because restrictive return policies involve negative consequences that customers remember and learn to avoid. As learning processes are supposed to be culturally universal, restrictive return policies should have detrimental effects on the repurchase decision in both societies.

Fourth, we propose that the repurchase decision depends on the institutional environment in Western countries, but not in Eastern countries. Given the self-interested focus of Westerners, they should seek reassurance that no negative effects occur when buying again, and they tend to receive this reassurance in a customer-oriented institutional environment. In contrast, Easterners should make the repurchase decision independently of the institutional environment, because this customer behavior needs no social approval.

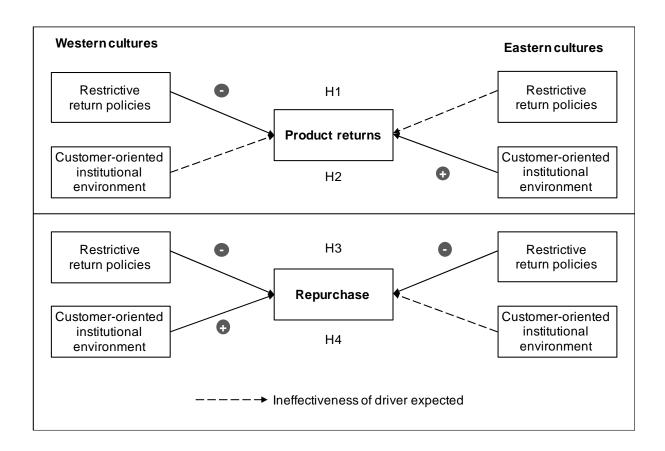


Fig. 1 Conceptual framework

As a starting point for this research, we examine archival data from U.S. online retailers (Study 1). The purpose of this study is to explore whether the product return rate and the repurchase rate differ depending on whether or not North American (i.e., Western culture) firms ship to Asia (i.e., Eastern culture). Results reveal a significant difference for both customer responses, and thus, provide initial evidence that it is vital to examine the drivers of return behavior from an international perspective.

Next, a survey using retrospective experience sampling (Study 2) is conducted to test the conceptual framework. Using student samples in each country, we collected data in the U.S. as a Western country because prior findings primarily originate from this country. Additionally, we collected data in Germany as a second Western country to verify these findings, and in China as a prototypical Eastern country. Respondents had to recall their most recent online order of apparel, and had to answer questions on the returned items, repurchase intention, retailers' return policy restrictiveness, and the countries' institutional environment. After assessing measurement validation, measurement invariance, and common method bias of the data, we conducted regression analysis to test hypotheses. Results confirm our conceptual framework. For product returns, we observe a mirror-inverted pattern: Return policies affect product returns in Western countries, but not in Eastern countries, whereas institutional environment affects product returns in Eastern countries, but not in Western countries. Results for repurchase show that return policies influence repurchase in Western and Eastern countries. Institutional environment influences repurchase in Western countries, but not in Eastern countries. Noteably, restrictive return policies explain more variance in repurchase intention than in the focal return decision itself.

In Study 3, we seek to verify the detrimental effects of restrictive return policies on the repurchase decision. Moreover, we examine how customer behavior changes, if the degree of restrictiveness changes in a way that is unfamiliar to customers. Therefore, we conducted an experiment with consumer samples in the U.S., Germany, and China. Video vignettes were used to create realistic manipulations of return policies' dimensions (effort, time, and refund) and restrictiveness (high vs. low). Again using regression analysis, results of the experiment validate the detrimental effects of restrictive return policies on the repurchase decision in all three countries. Further, it is confirmed that the positive effect of a customer-oriented institutional environment on the repurchase decision exclusively applies to the two Western countries.

This research makes two contributions to the service literature. First, we unveil the merits and limitations of internal (product return policies) and external conditions (institutional environment) that are deemed to control undesirable behaviors like product returns. Specifically, restrictive return policies as a service strategy reduce returns in Western countries, but fail to achieve this effect in Eastern countries. Here, product returns are subject to a customer-friendly institutional environment that stipulates appropriate behavior. Second, we explore effects on repurchase as an important downstream customer behavior. Specifically, we show that return policies exert a detrimental side effect across all countries. In addition, institutional environment plays a role in Western countries, not in Eastern countries, indicating

for the former societies that societal external forces beyond the firm's control induce repurchase after a return episode.

As a managerial takeaway, service practitioners of multinational firms learn that return policies differ cross-nationally in their effectiveness. These policies serve their original purpose to reduce product returns among Western customers, not among norm-oriented Eastern customers, and they always exert detrimental effects on the repurchase decision. Further, countries' environment considerably affects customers' decision making, and thus, multinational service firms should choose wisely which markets to penetrate.

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A reconceptualization of social ties for the Post-Service Sharing of Information

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Introduction

Customers talk. They share information about their service experiences with a range of social relationships. Whom they share information with has important implications for the acquisition of profitable and committed customers and gathering actionable feedback on the customer experience (Hervas-Drane 2015). In contrast to the volume of research on customer motivations to share information, channels of information sharing, and types of information shared, there is much less research on whom customers talk to (Berger 2014). Such an understanding is an important first step in the design and implementation of preemptive and restorative service strategies to channel customer information sharing towards desired audiences (Stephen & Lehmann 2016).

Past research on whom customers share information with has conceptualized the customer-audience relationship in terms of Granovetter's (1973) social ties. Social ties are typically defined in terms of tie strength (the frequency of interactions) and/or in terms of interpersonal closeness (the psychological intensity of relationships). The common dimension underlying tie strength and interpersonal closeness is that of closeness – behavioral in the case of the former and psychological in the latter. Focusing on closeness has led to a conceptualization of customer-audience relationships in terms of strong/close – weak/distant ties (c.f.: Baker et al 2016).

While this focus on the dimension of closeness (behavioral or psychological) and the resultant bipartite understanding of social ties (strong/weak or close/distant) is fruitful, it also imposes a significant constraint. Social ties are multi-dimensional in nature. One can think of social ties with similar intensity of closeness but different in other ways. For instance, a customer may be equally close to a neighbor and a car mechanic they have patronized for a long time. However, there is a distinction in the type of closeness. Closeness to the former is within a social framework while closeness to the latter is predominantly within a commercial framework based on exchange of services in lieu of payment. Similarly, a customer may share valuable information with weak/distant relationships such as with a new appliance repair person and an online audience on a review website. Despite both being weak ties, there are qualitative differences between them. Because type of social ties affects information sharing (Berger 2014), we need a more nuanced understanding of ties, one that also includes ties that are not defined, or are not primarily defined, by closeness.

The aim of this study therefore is to re-conceptualize social ties and then to investigate what drives customer preference for the different types of social ties for post-service sharing of information (PSSI).

Conceptual Background

Based on the theoretically established dimensions of closeness and exchange, we suggest that PSSI may occur with at least three distinct types of social ties, and PSSI with each social tie will be governed by the norms of interaction relevant to that tie.

Close ties: Closeness is a well-established dimension underlying social ties. Therefore, we too incorporate closeness as a key dimension of social ties. We adopt Granovetter's (1973) original definition of close ties as those with time and psychological intensity present in the relationship. Interactions with close ties are often driven by a need to protect the close tie (Dubois et al 2016), perhaps by sharing information that may help the close tie make better decisions. Prototypical close ties tend to be family and friends.

Exchange ties: The notion of exchange is central to all service relationships (Bagozzi 1975). To understand the norms of interpersonal interaction governing exchange relationships, we draw on Clark and Mills' (2011; 1993) seminal work. Exchange-dominated ties have two key features that are of particular relevance to us. One, these are formal, script-based ties with interaction circumscribed by implicit or explicit norms of acceptable/unacceptable behaviors, such as the norms that drive interactions between doctors-patients, or restaurant customers-waiters. Two, these interactions contain an explicit expectation of reciprocity, in contrast to close ties where the give-and-take may be more implicit and fuzzy.

Hybrid ties: Hybrid ties could be a third potential social tie relevant to customer PSSI. Hybrid ties are social ties with elements of both closeness and exchange. Johnson and Grimm (2010) show that rather than being dominated by exchange or closeness, some relationships have elements of both exchange and closeness. Evidence for such hybrid ties has also been documented by Wan et al (2011) and by Price and Arnould (1999) in their study of "commercial friendships". An example of such hybrid ties could be specialized services such as customer protection agencies - typically third party regulatory agencies that mediate between customer and marketer. Such Agencies reflect elements of an exchange tie. But in addition, such agencies act as agents and advocates of the customer, out of concern for the customer. This reflects elements of closeness. Thus unlike predominantly close ties where PSSI is driven by concern for the other, PSSI to hybrid ties are just as likely to be driven by concern for the self. In exchange for PSSI, customers may want to get tips and recommendations or warnings about other services. Thus hybrid ties reflect elements of both closeness and exchange.

Methodology

We conducted two studies; one, to establish the occurrence of social ties distinguished by closeness and exchange, and the second, to test our hypotheses. The context for both studies was credence-based contact services - electronic repair store for the pilot study and a car mechanic for the main study. Evaluation of such services is especially difficult, and thus, customers depend more on PSSI to make their purchase decisions. Pilot study was based on a panel of online respondents from Qualtrics. The main study for hypotheses testing consisted of a sample of the general population contacted via a mall intercept technique, using a scenario

based survey. Multiple mall sites were picked for representativeness. Every nth respondent was approached to ensure a probabilistic sample.

Results

Pilot study: A comparison of means helped establish the presence of the reconceptualised social ties. Specifically, the study revealed close, distant and hybrid ties with differing closeness and exchange underlying each relationship, as well as different effects of satisfaction on PSSI to these distinct social ties.

Main study: Using Structural Equation Modeling, the data confirmed the significance of a broader, more nuanced approach to social ties by (i) demonstrating better model fit for the proposed close, exchange, hybrid ties model vis-à-vis the traditional single close ties model (ii) demonstrating distinct effects of the outcome and process variables individually and collectively on PSSI intentions towards the different social ties.

Discussion and Contributions

This research offers an in depth conceptual understanding of PSSI with close, exchange, and hybrid ties based on a combined closeness-exchange framework of social ties. Based on this framework, PSSI is established to be directed at multiple ties rather than the single dimension of close ties traditionally investigated in the literature. Service outcome (satisfaction) and service process (provider status and customer power) predict PSSI to these social ties in distinct ways. Empirically, this research offers some novel findings, with important implications for both service marketing theory and practice.

The research also gives some clear guidance to firms about managing customer PSSI, which we discuss under the three headings of resource allocation, service design, and external communications.

<u>Resource allocation</u>: Customers freely share information with close ties when *both satisfied* and dissatisfied. Information sharing with close ties is very desirable from a customer acquisition point of view because such ties have far greater influence on the recipient's subsequent behaviors. This highlights the need for providers to cultivate PSSI with close ties with the aim of promoting positive WOM and limiting negative WOM.

<u>Service design</u>: Exchange ties are the first and immediate target audience for PSSI. Feedback to frontline employees is invaluable in numerous ways. Predominantly positive experiences may be shared with exchange ties, and this can be motivating to the employees, reinforcing the idea of customer satisfaction acting as a mirror, leading to greater employee satisfaction, and in turn, customer satisfaction (Kamakura et al 2002). Firms can ensure that after a positive service experience customers spend some time in the service setting sharing their experience.

<u>External channels of communication</u>: Negative experiences are shared with hybrid ties. While minimizing negative experiences is the first line of defense, monitoring as well as prompt responding to external PSSI is of critical importance. Many firms already spend considerable

resources monitoring online feedback. However, firms could also create alternative versions of hybrid ties. Firm managed sites, and ombudspersons, are less common, but do exist. These allow customers the freedom to vent as well as warn others. Firms should consider confidential channels open only to current customers to openly and anonymously comment, share insights with other customers with shared interests, but at the same time, the firm too has an opportunity to respond. The idea that firms need to allow feedback is certainly not new, but our research highlights the critical nature of this for negative information sharing, and that allowing that in a managed environment can be highly beneficial.

5F. Service Failure and Recovery III

An exploratory study into the occurrence of emotional contagion after a service failure among Twitter users who are unfamiliar with each other

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Introduction

In recent years, numerous service organizations have been confronted with outbursts of negative sentiment on social media following a service failure or crisis situation (Sinclair *et al.*, 2017, Berthon *et al.*, 2012; Muralidharan, Dillistone & Shin, 2011). Because of the public nature of social media and rapid spread of information it permits, social media are deemed a particularly dangerous environment for the expression of negative sentiment since it theoretically allows consumers from all over the world to be influenced by, what started as, a message from a single consumer (Aula, 2010; Berger, 2013; Chu & Sung, 2015; Grégoire & Fisher, 2007). This has led to organizations investing considerable money and time in social media monitoring (Tuten & Solomon, 2013), hoping to locate unsatisfied consumers in time to prevent the spread of negative sentiment.

The current study investigates if the emotional valence of Twitter posts (henceforth 'tweets') about a service failure posted by unfamiliar others exerts an effect on the emotional state of new Twitter users joining the social media conversation. It does so by analyzing 1186 tweets generated by Japanese consumers in response to the decision of McDonald's Japan to remove the menus from its restaurant counters (see Sinclair *et al.* (2017) for more details concerning the case). More specifically, these tweets are checked for signs of *emotional contagion* (EC), which is defined as "a process in which a person or group influences the emotions or behavior of another person or group through the conscious or unconscious induction of emotion states and behavioral attitudes" (Schoenewolf, 1990, p. 50 as cited by Barsade, 2002).

For service organizations, it is important to know whether EC occurs between consumers on social media outlets such as Twitter, because the emotions that consumers experience have been shown to affect satisfaction, loyalty intentions and can ultimately affect a company's revenue (Eagly & Chaiken (1998) in Kenrick, Neuberg, & Cialdini, 2007; Liljander & Strandvik, 1997).

Although the occurrence of EC on Twitter has been investigated before, the current study contributes to the existing literature by (1) focusing specifically on Twitter responses to

a *service failure* and (2) focusing on emotional contagion between Twitter users who were *unfamiliar* with each other. In contrast, Ferrara & Yang's (2015) study, which to our knowledge was the first to demonstrate emotional contagion effects on Twitter, looked at all tweets posted by a random sample of Twitter users, regardless of their contents, and the effects these tweets exerted on people who were 'following' and therefore familiar with the original Twitter users.

Although familiarity has been shown to enhance the emotional contagion process, it does not appear to be an absolute prerequisite for EC (Hatfield, Cacioppo, & Rapson, 1994; Parkinson & Simons, 2009). More importantly, EC has also been demonstrated in interactions that took place in different online environments (Cheshin *et al.*, 2011; Hine *et al.*, 2011). Based on these findings, we formulate the following proposition:

Emotional contagion takes place on Twitter after a service failure amongst users who are unfamiliar with each other.

Methodology

To test our proposition, we analyzed 1186 tweets that were posted in response to the menu removal by McDonald's Japan (see Sinclair *et al.* (2017) for further information about the data set). All tweets were posted in an integrated tweet box showing the three preceding tweets (Dev.twitter.com, 2014), which ensured that all users were actually confronted with the emotions of at least three others.

The tweets were coded by three coders who had received no information about the purpose of the study and were instructed to code each tweet as being either negative or non-negative. Fleiss' kappa and the average pairwise Cohen's kappa suggested that there was moderate agreement between coders. The definitive code that was assigned to each tweet was based on the majority verdict. In the end, 847 tweets were coded as negative (N) and 339 tweets were coded as non-negative (O).

Three analyses were conducted, all of which focused on the degree of similarity between expressed emotions in a sequence of tweets.

First of all, we looked at *clustering*. If emotional contagion indeed occurs, we would expect to see a ripple effect (Barsade, 2002), meaning that people who are confronted with tweets with a certain emotional valence are more likely to adopt this emotion and produce a tweet with the same valence themselves. This would imply that tweets with the same emotional valence should not be scattered over the data set, but be clustered instead. We counted clusters of two, three and four tweets in the dataset and compared their frequencies to the frequencies found in a Monte Carlo simulation.

Secondly, we determined for each tweet how many of the three preceding tweets expressed the same emotion; a metric that we refer to as the *congruence value* (CV). If emotional contagion does occur, we expect to observe more high CVs (3 or 4) than could be expected based on prior probability (as determined by the outcome of a Monte Carlo simulation).

Finally, we calculated the *weighted emotional value* (WEV) for each tweet by again looking at the three preceding tweets and using the following weighting scheme: negative tweet = -1, non-negative tweet = 0. If emotional contagion does occur, then we would expect (1) the mean WEV of non-negative tweets to be higher than the mean WEV of negative tweets and (2) the difference between the two to be significantly higher than the difference in mean WEV based on prior probability (as determined by the outcome of a Monte Carlo simulation).

Results

Clustering: The observed number of negative doublets (N-doublets) in the dataset was 619. In the Monte Carlo simulation, it became evident that in 2751 out of 10,000 runs, an equal or higher number of N-doublets was found. This corresponds to a p-value of 0.275, which means there was no significant difference between the observed and expected number of N-doublets. The observed number of N-triplets (p=0.236) and N-quartets (p=0.138) also did not differ significantly from the number that could be expected based on prior probability.

The observed number of non-negative doublets (O-doublets) in the dataset was 112. In the simulation, it became evident that in 976 out of 10,000 runs, an equal or higher number of O-doublets was found. This corresponds to a p-value of 0.098, which means there was no significant difference between the observed and expected number of O-doublets. However, the observed number of O-triplets (p=0.047) and O-quartets (p=0.015) did differ significantly from the number that could be expected based on prior probability.

The results from this analysis partially support our proposition. The dataset shows significantly more triplets and quartets of non-negative tweets than expected. However, we did not find the same result for the negative tweets.

Congruence Values: If our proposition holds true, we should find significantly more high congruence values (3 or 4) in the dataset than can be expected based on prior probabilities. For the negative tweets, results from the Goodness of fit χ^2 analysis show that overall, the observed number of CVs amongst negative tweets did not differ from the expected number of CVs amongst negative tweets ($\chi^2(3, N=845) = 5.12$, p=.164).

For the non-negative tweets, results from the Goodness of fit χ^2 analysis show that overall, the observed number of CVs amongst non-negative tweets differed from the expected number of CVs amongst non-negative tweets ($\chi^2(3, N=338) = 14.02, p=.003$). Further inspection of the findings revealed that the difference was mainly driven by the difference between the observed and expected number of tweets with a Congruence Value of 4. The dataset contained more non-negative tweets with a CV of 4 than the simulations did.

Again, these findings support our proposition for non-negative tweets. However, the data did not show a similar effect for the negative tweets.

Weighted Emotional Values: Calculations showed that the mean WEV for non-negative tweets was -2.04, whereas it was -2.18 for the negative tweets. When comparing the observed difference between the two (0.14) with the outcomes of a Monte Carlo simulation with 10,000

runs, we were able to conclude that the observed difference was the same or higher in only 30 runs (p=.003). This finding provides support for our proposition.

Conclusion and discussion

The proposition that emotional contagion takes place on Twitter after a service failure amongst consumers who are unfamiliar with each other was partially supported by the data. Our analyses indicate that these contagion effects are more pervasive for non-negative emotions than negative emotions. This seems to be consistent with the findings from previous studies (e.g., Coviello, 2014; Ferrara & Yang, 2015), who showed that the likelihood of positive emotions spreading is greater than the likelihood of negative emotions spreading but now even in a service failure context. This result, which can possibly be explained by mood-maintenance theory (Clark & Ilsen, 1982; Handley *et al.*, 2004), raises the question whether organizations should devote as much attention to monitoring negative Twitter messages as many of them do (Tuten & Solomon, 2013), as the actual damage caused by these messages may be limited. Furthermore, it highlights the importance of consumers who communicate positively about the organization (Bernoff & Li, 2008; Shukla, Banerjee, & Singh, 2016). Instead of focusing on negative WOM on Twitter, organizations may be better off focusing their attention to positive tweets, engaging with their senders and perhaps even rewarding them.

How Potential Customers Respond to Service Recovery Strategies

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Introduction

Service recovery strategies have been examined for their effectiveness in compensating for the customer's loss and in restoring customer satisfaction. Current research on service recovery has largely focused on the customer involved. For instance, the most common recovery strategies hotels used for the guest involved are compensatory (e.g., discount), corrective (e.g., correction), and personal response (e.g., apology). Service recovery research suggest that, while corrective responses are viewed by customers as the minimal action, both apology and compensation have been shown to be effective in increasing customer satisfaction (Fu et al., 2015; Goodwin & Ross, 1992; Smith et al. 1999).

Due to the prevalence of online reviews, our understanding of service failure and recovery must expand beyond the customer involved to include potential customers who are searching online. The difference between the customer involved and the potential customer is that while the focal customer suffered an economic or psychological loss, the potential customer has not. Past studies suggest that this difference may change the attribution tendency of potential customers (Bitner, 1990; Weiner, 2000; Wan, Chan, & Su, 2011). Consequently, one can expect that potential customers may use different criteria in assessing recovery strategies. For instance, in line with the equity theory which posits that people in general seek fairness in social interactions (Blodgett et al., 1997), potential customers might be more concerned about justice rather than the compensation. From the company's perspective, in order to recover effectively from a service failure, it must know whether what works for the customer involved would also work for potential customers. The current study seeks answers to this question.

Methodology

The data was collected with undergraduate students at a University in the U. S. This study is a 2 (similar vs. not similar) x 3 (control vs. apology vs. explanation) experimental design. Respondents were randomly assigned to one of the six experimental conditions. The sample size is 320 (Table 1). This study used scenarios to manipulate the experimental conditions. Each respondent was asked to imagine that they were searching on an online travel agency to book their stay for an upcoming trip. Each was shown the same customer review which is a complaint from a guest of a specific hotel. Immediately after, those in the apology condition saw a hotel reply for this customer review where the hotel explicitly apologized, whereas those in the explanation condition saw a hotel reply where the hotel explained the situation by implying that the customer was responsible for the situation without an apology. In both conditions, the hotel reply specified the same solution that mended the situation. In the

control condition, respondents only saw the customer complaint without any hotel reply. Finally, the similarity variable was manipulated by the origin of the customer who wrote the review; i.e., similar condition: a student from the U. S. vs. not similar condition: a student from Hong Kong.

Next, respondents answered questions pertaining to the following measures: manipulation check (customer similarity); negative emotions (e.g., '...you feel afraid.'); sense of vulnerability (e.g., '...you feel helpless.'); blame hotel; blame customer; hotel evaluation; and intention to book. In addition, respondents also answered demographic questions which included one question about their place of birth. Sixteen students who were born outside of North America were excluded from the analysis.

Result

ANOVA was used to test the hypotheses. First, the manipulation check showed that the similarity variable was successfully effectuated ($M_{\text{similar}} = 4.68 \text{ vs. } M_{\text{not similar}} = 3.31$; F = 6.46, p < .05). Neither the main effect of type of reply nor the similarity x type of reply interaction were significant (F's < 1).

Blame Assignment

Next, two ANOVAs were conducted for each of the blame hotel and blame customer dependent variables. Means are reported in table 2. Results showed significant main effects of similarity and type of reply on the amount of blame placed on the hotel ($F_{\text{similarity}} = 9.86$, p < .005; $F_{\text{reply}} = 37.11$, p < .005) and the customer involved ($F_{\text{similarity}} = 10.90$, p < .005; $F_{\text{reply}} = 33.91$, p < .005). These main effects are qualified by a significant interaction effect of similarity x reply on blame placed on the hotel (F = 3.75, p < .05) and a marginally significant interaction effect on blame placed on the customer involved (F = 2.48, p = .09).

Planned contrasts revealed that the interaction effects are driven by the difference in blame assignment between the control (i.e., no reply) and the two reply conditions. To better understand how the effects play out, simple main effects tests were conducted for each of the type of reply condition. Under the control (i.e., no reply) condition, there was no different across the similarity conditions (F < 1) for both blame the hotel and blame the customer variables. Under the apology condition, more blame were placed on the hotel in the similar condition ($M_{\text{similar}} = 4.27 \text{ vs. } M_{\text{not similar}} = 3.65$; F = 3.83, p = .05), whereas more blame were placed on the customer in the not similar condition ($M_{\text{similar}} = 3.23 \text{ vs. } M_{\text{not similar}} = 4.11$; F = 10.69, p < .005). Under the explanation condition, more blame were placed on the hotel in the similar condition ($M_{\text{similar}} = 4.31 \text{ vs. } M_{\text{not similar}} = 3.32$; F = 13.25, p < .005). But no significant difference was found for blame placed on the customer ($M_{\text{similar}} = 3.85 \text{ vs. } M_{\text{not similar}} = 4.31$; F = 2.48, p > .10).

As an additional test, the difference of blame assignment (hotel – customer) was calculated (refer to Table 2) and used as a dependent variable in an ANOVA. Again, significant main effects of similarity and type of reply were found ($F_{\text{similarity}} = 12.50$, p < .005; $F_{\text{reply}} = 12.50$

42.52, p < .005). These main effects were qualified by a marginally significant similarity x type of reply interaction (F = 2.77, p = .06). The difference scores pattern showed that under the control (i.e., no reply) condition, people in the not similar and similar condition blame the hotel more than the customer. For the two reply conditions (i.e., apology and explanation), those in the not similar condition blame the customer more (Apology = -.56; Explanation = -.99), but those in the similar condition blame the hotel more (Apology = 1.10; Explanation = .46).

Negative Affect

Two ANOVAs were conducted on negative emotions and sense of vulnerability as dependent variables. Means are reported in table 3. For negative emotions, results showed no significant effects ($F_{\text{similarity}} < 1$; $F_{\text{reply}} = 2.23$, p > .10; $F_{\text{similarity x reply}} < 1$). This means that negative emotions did not differ across any of the control and experimental conditions. For sense of vulnerability, there are significant main effects of similarity and type of reply ($F_{\text{similarity}} = 8.27$, p < .005; $F_{\text{reply}} = 18.54$, p < .001). These main effects are qualified by a marginally significant interaction effect of similarity x reply (F = 2.72, p = .07).

Customer Outcomes

Two ANOVAs were conducted on hotel evaluation and intention to book online as dependent variables. Means are reported in table 4. For hotel evaluation, there are significant main effects of similarity and type of reply ($F_{\text{similarity}} = 11.10$, p < .005; $F_{\text{reply}} = 13.75$, p < .001). The interaction effect of similarity x reply is not significant (F = 2.33, p = .10). A close inspection of the means reveal that in general, people who were in the not similar condition and those who read either one of the hotel replies rated the hotel better. For intention to book online, there are significant main effects of similarity and type of reply ($F_{\text{similarity}} = 3.78$, p = .05; $F_{\text{reply}} = 8.36$, p < .001). These main effects are qualified by a significant interaction effect of similarity x reply (F = 4.66, p < .05).

Conclusion

The consequence of service failure and ineffective service recovery is expected to be increasingly costly due to the prevalence of online reviews. Using the hotel industry to illustrate the potential loss, the monetary costs of losing a hotel guest can include a direct cost represented as customer lifetime value and an indirect social cost due to negative word-of-mouth like negative online reviews (e.g., a dissatisfied guest gives a negative online review, 10 people read it and decided not to book. Consequently, responds to different recover strategies should not be confined to the guest involved in a service failure. The reactions of potential customers reading a negative online review should also be examined. A potential customer who is dissatisfied with the way a service failure is handled will not likely choose to stay at the hotel or to dine at the restaurant (Noone & McGuire, 2013).

The current research provides evidence that potential customers' reaction to an online review and a hotel reply is contingent on the perceived similarity between this potential customer and the focal guest (i.e., the customer involved in the incident that the review describes), the type of hotel reply (i.e., no reply, apology, and explanation with no apology). Moreover, results suggest that the psychological mechanism that underlies this relationship is not due to negative emotions but a sense of vulnerability.

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Table 1: Number of Respondents in Experimental Condition

	No Reply	Apology	Explanation w/o apology
Not Similar	50	53	53
Similar	50	47	51

Table 2: Blame Assignment

	No Rep	oly		Apolog	у		Explana	ation w/o ap	ology
	Blame Hotel	Blame Customer	Difference	Blame Hotel	Blame Customer	Difference	Blame Hotel	Blame Customer	Differ ence
Not Similar	5.41	2.55	2.86	3.65	4.21	56	3.32	4.31	99
Similar	5.33	2.40	2.93	4.27	3.17	1.10	4.31	3.85	.46

Table 3: Negative Affect

	No Reply		Apology		Explanation	w/o apology
	Negative Emotions	Vulnearable	Negative Emotions	Vulnearable	Negative Emotions	Vulnearable
Not Similar	2.90	4.56	2.40	3.07	2.41	3.32
Similar	2.75	4.50	2.56	3.82	2.54	3.97

Table 4: Customer Outcomes

	No Reply		Apology		Explanation w	/o apology
-	Hotel	Intention	Hotel	Intention	Hotel	Intention
	Evaluation	to Book Online	Evaluation	to Book Online	Evaluation	to Book Online
Not Similar	3.41	3.09	4.05	4.11	4.32	4.06
Similar	3.38	3.33	3.51	3.23	3.83	3.84

Revisiting CSR in service failures: A cause-dependent buffer

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Abstract

Corporate social responsibility (CSR) initiatives are increasingly important to senior management, as sustainability and ethical practices permeate organisations (McKinsey, 2013). The Financial Times reports that, in 2014 alone, organisations spent over \$15bn on CSR. Scholars also show growing interest in CSR, especially its effect on customer demand (Sen and Bhattacharya, 2001) and reputation (Lii and Lee, 2012). Extant research in marketing reveals how CSR plays a buffering role in protecting companies against negative publicity related to corporate misbehavior (e.g., Eisingerich et al., 2011; Klein & Dawar, 2004).

Research addressing the benefits of CSR in the context of service failures is comparatively scarce, and reports mixed findings. Some studies indicate that CSR can diminish the negative impact of service failures if customers share the values conveyed by CSR (Joireman et al., 2015) or if the pre-existing customer-company relationship is strong (Bolton & Mattila, 2015). By contrast, other studies show that, whilst protecting misbehaving companies (i.e. scandal of a corporate evading tax), CSR does not provide a buffer against service quality failures (Eisingerich et al., 2011).

Given such mixed findings, two important questions arise: first, under what conditions does CSR play a buffering role in protecting companies from detrimental effects of service failures? Second, what processes can explain the lack (or presence) of a buffering effect? Answers to the above are critical for managers striving to understand whether and how to pursue investments in CSR.

We argue that the effect of CSR in service failures is contingent upon the cause of service failure, whether it is integrity or competence-related. Integrity failures are caused by moral violations of the company, whereas competence failures are due to the company's lack of skills and ability to deliver the service to the expected standard (Kim et al., 2004; McKnight, Cummings, & Chervany, 1998). We show that CSR plays a buffering role in protecting companies against competence failures but not integrity failures. CSR initiatives contribute to building the company's reputation as being caring and well-intentioned (Aaker et al., 2010). As such, CSR generates perceptions of warmth among customers (Cuddy et al., 2007). When integrity failures occur, morality is at stake. In such instances, perceptions of warmth and reputational gains associated with CSR are undermined. As a result, the buffering role of CSR is deactivated.

Conceptual background and hypotheses development

The literature on stereotyping suggests that individuals evaluate social entities, such as companies and brands, along two dimensions: warmth and competence (Kervyn et al., 2012). Warmth entails perceptions of someone as friendly, caring and well-disposed towards the individual (Fiske et al., 2002), whereas competence denotes perceptions concerning someone's skills and efficacy (Cuddy et al., 2007). Intuitively, by signaling the company's caring behavior, CSR is likely to generate perceptions of warmth; evidence also supports such intuition (Aaker et al., 2010; Antonetti & Maklan, 2016).

A key issue concerns whether and how such perceptions change in the event that a company's behavior falls short of customer expectations. Character-based views of moral blame postulate that people, since early in life, are motivated to evaluate others on the basis of their moral character (Pizzarro & Tannenbaum, 2011). Evaluations of moral character are largely biased; in fact, individuals tend to assign disproportionate moral blame to acts of low harm (Tannenbaum et al., 2011). A fundamental assumption of the character-based perspective is that evaluations of moral character are independent of evaluations of actions, yet greatly affect judgments when violations occur (Uhlmann et al., 2015). Violations often cue underlying bad moral character, which in turn vastly informs judgment (Tannenbaum et al., 2011).

Consistent with the above, we argue that integrity-related service failures lead to negative inferences about the moral character of a company, thereby undermining the buffer offered by CSR. Integrity is a core component of moral character (Aquino & Reed, 2002; Ulhmann et al., 2015). Hence, integrity failures are intrinsically diagnostic of the company's bad moral character. When integrity failures occur, CSR is called into question, perceptions of warmth and related emotions are contaminated, and any positive effects of CSR are cancelled out (Kim et al., 2004). By contrast, competence failures, where the focus is on the company's skills, do not cue the company's bad moral character. Customers' perceptions of the company as caring and/or well-intentioned therefore remain unchallenged in competence failures. It follows that CSR is likely to increase warmth following competence (vs. integrity) failures. Thus, we hypothesize that:

H1: Following service failures, the impact of CSR on customer (a) anger, and (b) negative word of mouth is mediated by perceptions of warmth.

H2: The impact of CSR on perceptions of warmth is moderated by the type of service failure, such that, CSR increases warmth following competence-related but not after integrity-related failures.

H3: CSR diminishes customer (a) anger, and (b) negative word of mouth following competence-related but not after integrity-related failures.

The conceptual model for the research is illustrated in Figure 1. We examine two main negative responses to service failures, namely customer anger and negative word of mouth intentions, NWOM (e.g., Grégoire et al., 2010). Anger is often influenced by customer appraisals about the moral character of the company and represents an important antecedent to vengefulness

(Antonetti, 2016); both considerations provide a rationale for including anger in the present research.

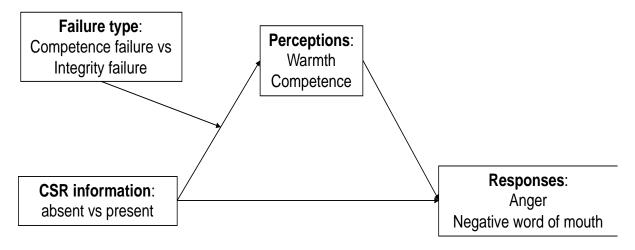


Figure 1: Conceptual model

Method

We conducted a 2 (CSR information: absent vs. present) X 2 (Failure type: competence vs. integrity) between-subjects online experiment. 191 US residents were recruited for participation on Amazon Mechanical Turk. Respondents completed the study in exchange for a small incentive. Existing scales were used to measure warmth, competence, anger and negative word of mouth (7-point Likert-type). In the CSR condition, participants read information about CSR initiatives of a fictitious restaurant chain. Next, participants were presented with a service failure scenario describing a delay in serving the food. In the integrity failure, the delay was due to the restaurant giving priority to take away orders. In the competence failure, the delay was due to staff lacking skills in the use of a technological device for taking orders. Manipulation checks were consistent with our design.

Analysis and Findings

We run a MANOVA to test the research hypotheses. As evidenced by Table 1, we find a main effect of CSR on warmth and competence, but no effect on anger or NWOM. Further, we note that failure type influences warmth and competence, but not anger or NWOM.

	CSR	No CSR	F-value (p-value)
	Mean (SD)	Mean (SD)	
Warmth	3.21 (1.22)	2.67 (1.21)	9.66 (.002)
Competence	2.98 (1.21)	2.59 (1.29)	5.20 (.02)
Anger	4.03 (1.68)	4.32 (1.67)	1.17 (.28)
NWOM	4.80 (1.35)	4.87 (1.58)	1.17 (.73)
	Integrity	Competence	F-value (p-
	failura	failura	voluo)
	failure Mean (SD)	failure Mean (SD)	value)
Warmth	Mean		value) 5.78 (.02)
Warmth Competence	Mean (SD)	Mean (SD)	
	Mean (SD) 2.73 (1.20) 3.18	Mean (SD) 3.15 (1.25)	5.78 (.02) 22.07

As illustrated in Figure 2, there is an interaction effect between CSR and failure type on warmth (F(1, 187) = 4.97, p < .05) and competence (F(1, 187) = 7.17, p < .01). CSR appears to reinforce warmth in the case of competence failures. A similar effect is also observed when perceptions of competence are measured. This suggests that CSR communicates both competence and warmth.

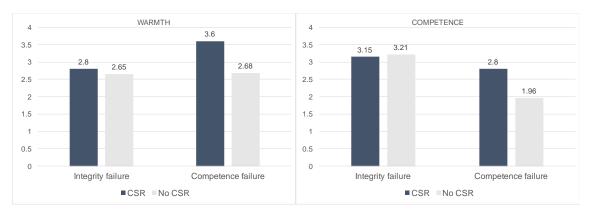


Figure 2: Interaction effects

In order to test the indirect effects of CSR on consumer responses, we estimated a model of moderated-mediation using PROCESS Model 7 (Hayes, 2013) for anger and NWOM. Despite our predictions focus on warmth, we considered both warmth and competence as parallel mediators. Scholarship suggests that warmth and competence perceptions are indeed complementary (Cuddy et al., 2007). We find that, for anger, the mediation effect of warmth is statistically significant in competence failures (-.21; CI: -.41 to -.09). For NWOM, the mediation effects of both warmth (-.09; CI: -.21 to -.09) and competence (-.08; CI: -.21 to -.09) are statistically significant in competence violations. None of the indirect effects is, however, significant when considering integrity failures.

Discussion and Conclusions

Our study extends prior research (Bolton & Mattila, 2015; Eisingerich et al., 2011; Joireman et al., 2015) by reconciling findings regarding the effect of CSR in the context of service failures. Specifically, it advances knowledge on the conditions under which CSR protects companies from potentially detrimental effects of service failures. We show that the cause of service failures is pivotal in explaining the buffering role of CSR in service failures. CSR does, in fact, play a buffering role in competence failures only. Crucially, we advance knowledge on the psychological processes underlying customer responses to service failures concerning companies engaged in CSR. We confirm the relevance of warmth and competence perceptions in explaining how CSR impacts customers' post-failure anger and NWOM intentions. Adding to extant research, we show that perceptions of warmth and competence associated with CSR change as a result of service failures. In particular, the positive effect of CSR is preserved in competence failures, but deactivated in integrity failures. This is because integrity failures cue the company's bad moral character, which in turn influences customer judgments.

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5G. Service Innovation – Customer Experience

How do Intermediaries Enable Open Service Innovation?

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Abstract

Two developments have significantly changed the way organizations approach service innovation: integrating external partners into the process of service innovation, and the role that technology can play in this context (Ostrom et al., 2015). Previous research has found that online intermediaries can help client organizations in overcoming the 'local search bias' to tap into new and previously disconnected sources of knowledge (Jeppesen and Lakhani, 2010; Verona et al., 2006), thus enabling 'open innovation' (e.g., Chesbrough, 2003; West and Gallagher, 2006). However, only limited research has investigated how precisely online intermediaries help seekers implement such open innovation processes in general (Sieg et al., 2010), and to innovate services (rather than products) in particular, thus facilitating 'open service innovation' (Chesbrough, 2011a; Chesbrough, 2011b). Moreover, studies analyzing the relationship between intermediaries and client organizations in leveraging open innovation (e.g., Howells, 2006; Pittaway et al., 2004; Sieg et al., 2010; Verona et al., 2006), particularly through crowdsourcing via online communities (Lauritzen, 2017; Zogaj et al., 2014) are limited.

Previous open innovation research has left us with little knowledge about the role of open innovation in driving *service* innovation (Chesbrough, 2011a; Chesbrough, 2011b; Mina et al., 2014; Ostrom et al., 2015), despite its relevance to the implementation of customer cocreation and open service innovation (Randhawa et al., 2016). Furthermore, how intermediaries engage with clients to help them implement open service innovation remains particularly underexplored. Yet, this is important because, to achieve effective transfer of knowledge between client organizations and customer communities (Verona *et al.*, 2006; Sawhney *et al.*, 2003, 2005; Colombo *et al.*, 2015), intermediaries need to help clients overcome internal barriers to open service innovation, which is distinct to goods-based innovation (e.g., Berry et al., 2006; den Hertog et al., 2010).

We address these gaps and focus on investigating the capabilities intermediaries deploy in engaging with their clients. We start from existing theory on service innovation viewed through a service-dominant (S-D) logic lens (Ordanini and Parasuraman, 2010; Vargo and Lusch, 2004; Vargo and Lusch, 2016), in particular its enumeration of the concept of service co-creation capabilities (Karpen et al., 2012; Prahalad and Ramaswamy, 2004), and confront this conceptualization with the empirical context of an open innovation intermediary (Nexus) and 18 of its service-providing client organizations. Based on an exploratory embedded case

study, we draw insights on the role of intermediaries' co-creation capabilities in enabling client engagement for open service innovation.

Methodology

We develop our theoretical framework based on an exploratory embedded case study (Eisenhardt, 1989; Yin, 1984; Yin, 2003) as it allows us to: (1) build theory by gaining a deeper understanding of a contemporary and underexplored phenomena (Eisenhardt and Graebner, 2007; Siggelkow, 2007); and (2) study the phenomenon of interest in its natural setting (Yin, 1994). We selected our case for theoretical reasons (Eisenhardt & Graebner, 2007; Silverman, 2006): Nexus is an open innovation intermediary that facilitates public service organizations (clients) engage online with a community of citizens (customers) to co-create services. We unpacked the relational interplay between Nexus and 18 client organizations after collecting data over a nine month period from a variety of sources including: (1) 37 semi-structured interviews with representatives of the intermediary and client organizations; (2) observation of past and ongoing online community innovation projects; (3) archival data; and (4) e-mail conversations, Skype calls, and follow-up interviews to track ongoing client-intermediary interactions in real-time. Data was analyzed following multiple-case analysis logic (Eisenhardt, 1989) and was supported by using the Leximancer software, which allows for a more systematic analysis (Mathies and Burford, 2011; Rooney, 2005). We "enfolded" our findings with existing literature (Eisenhardt, 1989).

Results and Discussion

A key contribution of our study is the development of an *intermediary capability-portfolio* framework for client engagement enabling service organizations to crowdsource from online customer communities, in turn supporting open service innovation (Figure 1).

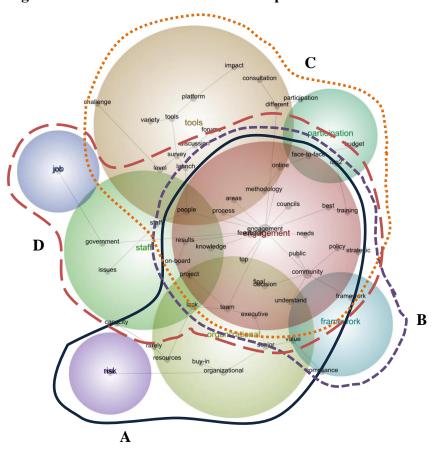


Figure 1: Clients' internal barriers to open service innovation

Organizational barriers

- A. Lack of buy-in from senior executives for online community engagement
- B. Lack of strategic framework for online community engagement *Project-level barriers*
- C. Competency gap in online community engagement
- D. Staff capacity issues for online community engagement

Note: The concepts (dots) and themes (circles) comprise words that represent challenges faced by clients. The distance between themes and concepts denote how closely they are related. Semantically closely related themes (and concepts) were interpreted and aggregated into broader categories to form barriers to community-based OI (Part A,B,C,D)

The long version of this paper also includes a detailed discussion of the *organizational and project-level barriers* hindering the implementation of open service innovation in the seeker organization (see Figure 2 & Table 1 for an overview of barriers).

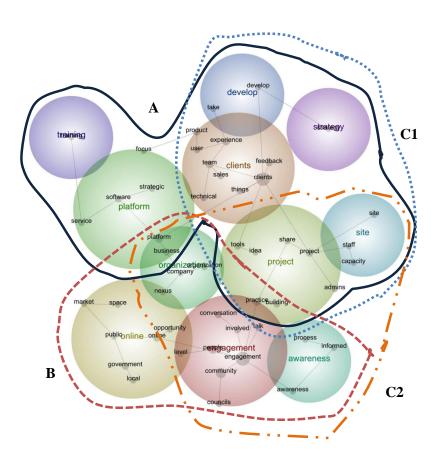


Figure 2: Client-oriented capabilities of the open service innovation intermediary

- A. Technological capabilities
- B. Marketing capabilities
- C. Co-creation capabilities
 - C1 Technology-oriented service capabilities
 - C2 Market-oriented service capabilities

Note: The concepts (dots) and themes (circles) comprise words that represent processes that underpin intermdiary capabilities. Semantically closely related themes (and concepts) were interpreted and aggregated into broader categories to form relevant capabilities [Part A, B and C (C1 & C2)]

Table 2: Clients' internal barriers to community-based open service innovation

	Type of barrier	Client barriers	Example quotes
1	Organizational barriers	from senior	"Technical people in the council see themselves as experts and don't see the need to invite ideas from outsiders" (Senior Community Engagement Officer, Client H)
			"Our senior executives are open to using it, they are not fearful of engaging with the community, but some council leaders are very sceptical of online community engagement" (Corporate Strategic Planner, Client F).
			"Our CEO is very supportive of community engagement as a philosophy. [We] see community engagement as a core activity while other councils view it as a discretionary activity" (Community Engagement Coordinator, Client G).
		Lack of strategic framework for online community engagement	"The focus tends to be on involving the community and not as much on empowering the community" [emphasis added] (Media & Communication Officer, Client Q).
			"There is often a culture that community engagement is not core to everybody's role, [so] people tend to view community engagement as a secondary job" (Manager Community Services & Development, Client M)
			"There is no agreed strategic framework to do community engagement [] leading to inconsistency in project approach - some do what the minimum requirement is, while others go above and beyond" (Economic & Tourism Development Leader, Client N).
			"To undertake better community

engagement, councils need to engage in a

			strategic planning exercise on what the council needs to engage with their community for, and link this to their annual budget and delivery exercise." (Sales Manager, Nexus)
2	Project-level barriers	Competency gap in online community engagement	"People sometimes do not have the skills to use or access the platform; not all of them are as computer literate" (Corporate Strategic Planner, Client F)
			"There is lack of skills among project team staff to use [the platform], although it is a simple system to use, due to which the load falls on the core engagement team" (Stakeholder Engagement Co-ordinator, Client D)
			"There is a gap in [the staff's] higher-level understanding of online community engagement methodology and practices" (Sales Manager, Nexus).
		Staff capacity issues for online community engagement	"Staff has a lot of demands on their time and resources, and other teething priorities often distract from community engagement" (Manager Community Services & Development, Client M).
			"Staff tends to use the platform in a minimalist way due to lack of resources to dedicate to online engagement." (Program Leader Corporate Communications & Marketing, Client K).
			"Not everybody see the value in engagement; engagement is perceived to take too much time and is seen as problematic". (Senior Community Engagement Officer, Client H)
			"Most people are not interested in getting trained on it as they don't have the time and don't see it as a priority." (Stakeholder Engagement Co-ordinator, Client D)

Results reveal that intermediaries cumulatively develop and deploy three capabilities - technological, marketing and co-creation capabilities - to facilitate service organizations in

overcoming barriers to implementing open service innovation (Figure 3 & Table 2). Technological and marketing capabilities help clients deal with project team-level and organizational-level challenges, respectively. For the purpose of this proposal, we focus on presenting the role of the intermediary's *co-creation capabilities* in enabling clients implement open service innovation.

Figure 3: Conceptual framework - Intermediary capability-portfolio for client engagement for open service innovation

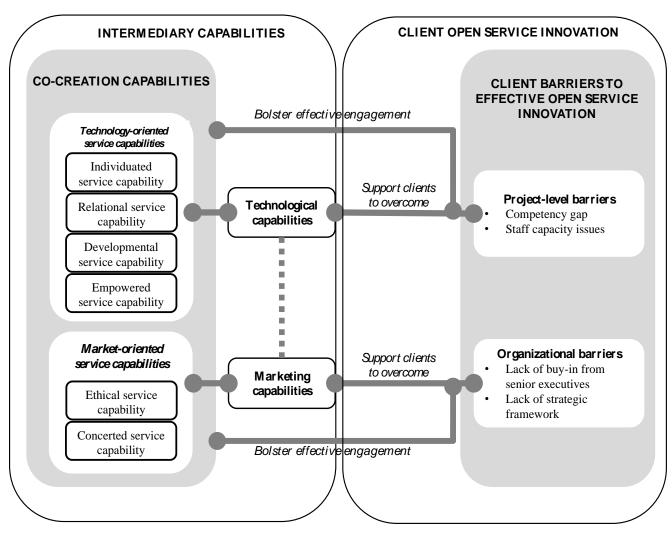


Table 3: Intermediary's capabilities and processes in helping clients overcome barriers to community-based open service innovation

to	commui 	nity-based 	open 	service	innovatior
Example quotes	"Nexus has been constantly improving their product, and are very well aware of the public sector client needs" (Program Leader, Client K). "[We] provide more functionality in our product than most competitors do" (Operations Manager, Nexus) "Everyone loves itvery simple to use, intuitive, fun and engaging software – this is a critical success factor for Nexus" (Community Engagement Co-ordinator, Client G) "We are a SaaS company in the purest sense of the term we are a B2B SaaS company which means fundamentally you can take our business model and use it in any B2B SaaS environment. And if you want to dig deeper, we are a B2G company because we are predominantly focused on government agencies - that's	"We are a major voice for the philosophy, methodology and best practice in online community engagement" (Sales Manager, Nexus) "Community engagement forms the core value and ideals for the company, and [Nexus's] brand and positioning as an advocate for online community engagement places them in a unique spot for clients who are interested in this space." [The goal is] to educate elected councilors and executives that community engagement allows organizations to obtain feedback, ideas and solutions that were not considered before, and enables them to make more informed decisions about the future public services, policy and planning" (Sales Manager, Nexus) "We have had to convince clients of the need for online community engagement" (Operations Manager, Nexus)	"They are always open to receive calls and emails to provide ideas and share best practice" (Community & Corporate Planner, Client E) "[The roundtable] develops a peer group where [we] are exchanging ideas and starting to work together" (Stakeholder Engagement Co-ordinator, Client B) "[The Learning & Practice Manager] is not only responsible for showing clients how to use [the platform], but also to help them to plan community engagement	suaregies and incuborougies. (Operations Manager, Nexus). "We are having conversations with clients to understand what aspects of the product can be developed further, and also involving clients in user testing for some new products." (Chief Practice Officer, Nexus).	"We adopt a bottom-up approach to reach out to senior executives by educating and convincing the managers and administrators of the value of good online engagementso they can take it up with their seniors" (Operations Manager, "We share the best practice shared by Nexus to other areas in the council – to spread awareness and the value of online engagement" (Corporate Strategic "I love the fact that Nexus actually understands community engagement and have experience in the area. I have listened a lot to what [Nexus founder] and others have to say" (Senior Community Engagement Officer, Client H) "Very often we see that the administrator grows passionate about it, and then more often than not, sells it to her organization" (Chief Technology Officer, Nexus)
Effect of capability	Helps clients overcome project-level barriers by; > Addressing skill & competency gap > Addressing workforce constraints / Improving staff capacity > Enhancing motivation to learn and utilize tools & functionalities	Helps clients overcome organizational barriers by: > Winning the buy-in of senior executives in client organizations > Lowering resistance to change & openness among senior leaders > Promoting a strategic outlook to online community engagement	Reinforces intermediary's technological capabilities (and helps clients overcome > Bridging skill & competency gap / Building holistic knowledge on online community > Addressing workforce constraints / Improving staff capacity	> Enhancing motivation to learn and utilize tools & functionalities	Also enables, intermediary's marketing capabilities (and indirectly helps clients overcome organizational barriers) by: > Enhancing passion and motivation of project staff to learn, share and engage > Accessing and influencing senior-level executives by inspiring project staff > Leveraging client relationships to create "bottom-up" marketing for online community
Underlying processes/micr of oundations	> Developing a sophisticated digital platform > Providing software-as-a-service > Improving back-end functionality > Customising tools, reports & data anlalytics > Building an intuitive & user-friendly	> Market positioning as an advocate for online community engagement > Creating awareness of the need for online community engagement among (potential) client organizations > Convincing senior leaders in client organizations of the value of online community engagement > Engaging in conversations with senior executives in client organizations	> Personalizing client services > Building client peer networks	> Fostering client skills and expertise > Co-developing product with clients	
Intermediary capability	Technological capability	2 Marketing capability	3 Co-creation capability (i) Technology-oriented service capabilities > Individuated service capability >Relational service capability	> Developmental service capability > Empowered service	

Intermediary capability	Underlying processes/microfoundations	Effect of capability	Example quotes
(ii) Market-oriented service		Reinforces intermdiary's marketing	"[Nexus founders] not just talk [about the product] but about community
capabilities		capabilities (and helps clients overcome	engagement in general this gives exposure to managers and senior staff to the
		organizational barriers) by:	benefits and value of engagement" (Senior Community Engagement Officer, Client
> Ethical service capabilities	> Advocacy-based selling	> Winning the buy-in of senior executives in	"We aim to get [the senior executives'] buy-in and hope that they would then
		client organizations	trickle it down as a strategic initiative." (Learning & Practice Manager, Nexus)
> Concerted service	> Driving collaborative value creation	> Lowering resistance to change & openness	"[] Within the organization, our aim is not to sell but to find that value alignment
capabilities		among senior leaders	first - to make sure that they are the clients we want to be working with and they
			want to be working with us - that's where the magic happens" (Client Engagement
		> Promoting a strategic outlook to online	"As a software provider, Nexus needs to also ensure that clients use the platform
		community engagement	as well as possible - that will allow them to get more value out of it, and thus
			Nexus will get better commercial outcomes. On the other side, Nexus wants them
			to engage better, because it is better for the community too."(Operations

We find that co-creation capabilities – comprising a portfolio of *technology- and market-oriented service capabilities* – act as a higher-order capability in further enabling open service innovation. Co-creation capabilities are strategic capabilities that enable an organization to co-create value in service exchanges, forming the basis for sustaining a competitive advantage (Lusch et al., 2007; Madhavaram and Hunt, 2008). This notion of co-creation is grounded in the S-D logic of marketing (Vargo and Lusch, 2004; Vargo and Lusch, 2016). Our results indicate that intermediaries deploy co-creation capabilities to involve clients to strategically co-develop both the product and market for open service innovation. In sync with the S-D logic literature, we conceive co-creation capability as comprising a suite of strategic capabilities underpinned by client-centric processes (Karpen et al., 2012).

In relation to **technology-oriented service capabilities**, the process of *personalizing client services* with a focus on understanding and acting based on individual client needs underpins *individuated service capability* (Lusch et al., 2007; Payne et al., 2008; Prahalad and Ramaswamy, 2004). *Relational service capabilities* allow organizations to deliver enhanced service by building psycho-social relationships with customers (Schneider & Bowen, 2010). This is manifested in the process of *building client peer networks* through which the intermediary facilitates an environment conducive to collaborative relations and meaningful dialogue (Ballantyne and Varey, 2006; Lusch et al., 2006).

Fostering client skills and expertise underpins the intermediary's developmental service capability – the ability to assist its customers' competence development (Beverland et al., 2007; Payne et al., 2008), by sharing knowledge and experience (Frow and Payne, 2011). Finally, by co-developing product with clients, the intermediary is able to leverage client inputs to co-produce offerings that offer reciprocal benefits and mutual betterment (Lusch et al., 2007; Normann and Ramirez, 1993). This underpins the intermediary's empowered service capability, enabling customers to shape the nature and content of the offering (Ordanini and Parasuraman, 2010).

In terms of **market-oriented service capabilities**, the practice of *advocacy-based selling* with its focus on building awareness on the holistic value-creating potential of online community engagement, and incorporating social and sustainable dimensions of its product offering into its marketing conversations reflects the intermediary's *ethical service capability* (Laczniak, 2006), and helps build long-term, trust-based partnerships with clients (Gounaris, 2005). Finally, *concerted service capability* is critical to facilitating coordinated marketing and service activities to help value network partners achieve a well-aligned value co-creation process (Beverland, 2001). This is evident in *driving collaborative value creation* (Prahalad and Ramaswamy, 2004). The role of sales and marketing thus shifts from persuasion-based to relationship-based selling with a focus on achieving value alignment between all parties involved (Sheth and Sharma, 2008).

Besides being a complex, higher-order capability, co-creation capability also reinforces the intermediary's technological and marketing capabilities (and bolsters overcoming project-and organization-level client barriers). First, co-creation capabilities amplify the intermediaries' technological and marketing capabilities in helping clients overcome the identified project-level and organizational barriers to open service innovation. Furthermore,

the development of co-creation capabilities in intermediaries also enables progressive modifications to technological and marketing capabilities, shifting their very nature from being transaction-focused to relation-focused, in turn leading to better client engagement for open service innovation. When co-creation capabilities facilitate clients' own value creation processes at the project-level (Normann and Ramirez, 1993), this positive impact can trigger a "bottom-up" influence on senior-level people at client organizations, thus having a further reinforcing effect on marketing capabilities, and playing an additional role in overcoming organizational barriers to open service innovation.

Conclusion

We contribute to the service innovation literature by developing a theoretical framework of the intermediary capability portfolio required to enable client organizations leverage external customer communities, and thus integrate open innovation and crowdsourcing in their service innovation process (Ostrom et al., 2015). We reveal the development and deployment of capabilities by intermediaries to help clients overcome project- and organizational-level challenges in implementing open service innovation. In particular, we show the potential of S D logic to contribute to a better understanding of how intermediaries' service co-creation capabilities support client engagement for open service innovation. In doing so, we respond to previous calls to integrate these service marketing theories to examine service-related aspects of open innovation (e.g., Randhawa et al., 2016). We also make a contribution to the literature on innovation intermediaries by advancing insights on the agential role of online intermediaries in facilitating market-based innovation (Mele and Russo-Spena, 2015).

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Service providers as entrepreneurs of co-creation assets.

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What drives non-ownership value?

One of the key contributions of service research is to raise our awareness and strengthen our understanding for the active role of users and customers as the key demand-side actors who determine and co-create value in contrast to the limited role of passive consumers in the goodsdominant frameworks (Lovelock & Gummesson, 2004; Ostrom et al., 2010; Vargo & Lusch, 2004, 2016, 2017). As a result, the role of service firms in co-creation has become more ambiguous if not diminished in co-creation contexts: in co-creation, both providers and clients work as resource integrators, providers can only make value propositions and value is ultimately determined in the domain of the recipient. However, service research may benefit from a clearer understanding of the role of service-providers in value co-creation. Take the case of non-ownership services: A substantial research stream in service research shows rationale and evidence that clients can gain by substituting asset-ownership with hired services. Examples include subscribing to photo copying services instead of owning copy machines, using car-sharing services as alternative to car-ownership or having third-party cloud-provided IT services rather than rather than owning and operating data-centers or IT-departments. In contrast, researchers have left the role of the providers of non-ownership services and the conditions that drive their performance largely opaque. While some researchers speculate that ownership-driven capitalism might disappear completely (e.g., Rifkin, 2014), others find a mixed performance track record of non-ownership business models (Eggert, Hogreve, Ulaga, & Muenkhoff, 2014), or have shown detrimental cost-traps of non-ownership undermining the financial performance of providers of industrial services (Ploetner, 2016). This ambiguous picture of service firms raises the following questions:

- 1. What is the role of the service provider in non-ownership and value co-creation?
- 2. Can a service firm actively define value propositions that address effective customer demand?
- 3. What drives the performance of the service firm in non-ownership services?

Uncertainty, ownership and the case for an institutional perspective on services

The challenges we identified for providers of non-ownership-services reflect a fundamental gap identified by a growing range of scholars interested in strengthening the conceptual foundations of service research – the role of social institutions in value co-creation. In summary, researchers call for a stronger attention of the role of social reality in co-creation, and more specifically the social roles of actors and the role of social structures as conditions of value co-creation (Edvardsson, Tronvoll, & Gruber, 2011; Vargo & Lusch, 2017).



Fig. 1: Cocreative ownership contracts and entreprepreurial roles in co-creation.

We propose a framework of the social institution of ownership that helps to close the institutional gap of service research. Our framework illuminates the role of service providers and systemizes value propositions and their impact on financial performance of services. Building on legal concepts, institutional economics and entrepreneurship theory, we conceive ownership as the institutional response to uncertainty in value creation (Barzel 1986; Grossman & Hart, 1986; Mises 2007, 2008; Gartner & Shane 1995). As a social institution, ownership titles vest all uncertain up- and downsides of asset value that are not specified by written contacts or limited by public law. Ownership entitles owners to the highest authority over an asset within a given economic constitution. From a social institution perspective, ownership rights establish the social structure for entrepreneurial action and foster the emergence of entrepreneurial agency, most importantly exploring and exploiting business opportunities by empowering entrepreneurs with rights to recombine resources and the rights to claim profits.

Value propositions of co-creative ownership

In the context of value co-creation, ownership titles offer unique value propositions by transforming clients' uncertainty into business opportunities for providers in three fundamental

ways: (1) Consolidation of downside uncertainty of asset ownership: By taking-on ownership of co-creation assets like cars or industrial equipment, providers take responsibility for uncertainty downsides of their clients and transform them into their own business opportunities (Chen & Bharadwaj, 2009; Young Bong, Gurbaxani, & Ravindran, 2017). (2) Interorganizational creation of opportunities: By taking on ownership of assets, providers can create opportunities for their clients, for example in the case of a technology patent licensed out for the use by the client in their business operations (Arora, Fosfuri, & Rønde 2013). (3) In the face of uncertainty, platforms offer the opportunity to connect service assets like vehicles, accommodation or industrial equipment with potential clients thereby easing the process of unlocking services from assets. Thus, platforms constitute infrastructures for sharing uncertainty in the co-creation of asset owners and users.

Typology of co-creation assets

Based on these types of value propositions, we propose a framework of asset configurations as the building block for theories and empirical research of asset configurations and their contribution to value creation and value capturing with services.

Physical service assets: Physical assets, like machines, transportation vehicles, computing devices, real-estate and facilities define key characteristics and capabilities of a service. In many industries, such assets do not provide firm-specific advantages. In such cases, client firms can benefit by outsourcing the operation to external service providers who specialize on asset operation. By specializing, providers can gain economies of scale and scope that are out of reach for user firms. We find well documented examples in the case of IT outsourcing, cloud computing and industrial services. As a result, providers gain a unique strategic advantage by positioning themselves as asset operators. Clients enjoy service quality and efficiency gains they would not be able to reach within their own domain.

Intellectual service assets: To the extent that ideas can be legally protected, companies can reside on intellectual property (IP), such as patents, trademarks, brands and copyrights. In the context of open business models, such companies can use IP as vehicle for revenue generation through licensing. Unlocking ideas from physical products was crucial in the development of the modularized IT industry, where upstream technology companies relieve downstream product and service providers from some share of their R&D activities, unlocking resources and management attention for downstream marketing, distribution channels and service quality.

Social capital: In contrast to asset classes discussed so far, social capital cannot be legally owned, as this would constitute slavery. But that what makes social capital so important: Only the contributions of customers, partners and employees drive agency into the service system and push resources to higher valued uses. Customer equity is the key condition for any service firm to engage in a service transaction. Partners and complementors in eco-system enable a company to focus on its unique capabilities. Not least, employees and the climate and culture of the service firm energize the service firm, and enable it to connect to its customers, understand their need through empathy and show creative solutions for challenges in service transactions.

Asset ownership and value co-creation – Preliminary evidence from platform providers

The flip-side of non-ownership is service and asset providers taking on ownership needed for value co-creation. We find preliminary evidence that platform providers have been extending their physical asset base, mainly in domains of communication infrastructures like data-centres or server-farms. Recently, Facebook started to assume co-ownership of the highest capacity data-transmission connection between the USA and Europe, a fibre-optic sea-cable connecting Virginia Beach/ USA with Bilbao/ Spain (Economist, 2017).

Our analysis of financial reports available for four leading platform reveals that they have been expanding their base of net property, plant and equipment assets between 2012 and 2016. In the extreme case, Amazon has pushed for a four-fold expansion of its fixed asset-base over the recent four years. One of the major drivers is hardware infrastructure needed for its webservices that offer out-of-the box computing for business customers.

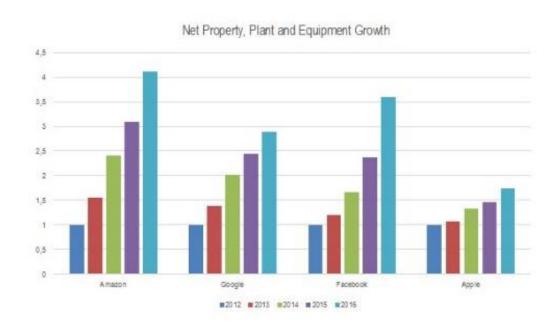


Fig.2: Property, plant and equipment growth of platform providers

Conclusion: From Producer-Consumer to Entrepreneur-Client- Relationships

As an unintended side-effect of Service-Dominant-Logic, the role of the provider in value cocreation has become ambiguous (Edvardsson, Tronvoll, & Gruber, 2011). Our framework of co-creative ownership can help to clarify the role of service firms without falling back into deterministic frameworks of producer-dominated value creation. We claim that serviceproviders take on the role of the entrepreneur of co-creation assets while clients remain responsible for using co-created outputs and related downstream uncertainties. We offer a typology of service-assets as a starting point for researching asset configurations in value cocreation and their performance for providing service quality and financial returns. Further we identify three basic options for service providers for the active development of value propositions in co-creation contexts: (1) To work as consolidators of asset-related uncertainty through outsourcing services, (2) To create opportunities for their clients, for example through investments into patented technology or the creation of valuable social communities, and (3) To provide the infrastructure for sharing of uncertainties between independent asset-owners and potential clients by establishing and maintaining co-creation platforms. Service providers need to be aware of the cost implications of their role as entrepreneurs of service assets but should also make smart use of the feedback mechanisms they get through financial accounting tied to asset ownership.

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Service innovation in the Swedish music industry

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Introduction

According to Service-Dominant (S-D) logic, service innovation is a collective activity that takes place within service ecosystems (Vargo and Lusch 2016). More precisely, service innovation is understood as creation of new or development of existing collectively shared value propositions that are made up by service practices and resources (Skålén et al. 2015a; Vargo et al. 2015). While recent service research has highlighted conflictual value cocreation (Laamanen and Skålén 2015; Skålén 2015b) the role of conflicts for service innovation is and undetermined issue. Therefore, the aim of this paper is to study the role of conflicts in collective service innovation.

Theory

To illuminate on the aim of the paper Strategic Action Field (SAF) theory was drawn on (Fligstein and McAdam 2011; 2012). SAF-theory is designed to explain collective strategic action among actors. Fligstein and McAdam (2012: 9) define a strategic action field as "... a constructed mesolevel social order in which actors... are attuned to and interact with one another on the basis of shared (which is not to say consensual) understandings about the purpose of the field, relationships to others in the field (including who has power and why), and the rules governing legitimate action in the field". Actors in a specific field thus agree that they are a part of the same field and share a set of understandings about the rules in the field.

Incumbents hold the positions of power in a field. As their interest are reflected in the organization of the field, their strategic action is aimed at preserving status quo. Challengers occupy less privileged positions and strive to transform the field in such a way that it better reflects their interests. Change of a field takes place through exogenous shocks from linked SAFs. Exogenous shocks may lead to an episode of contention characterized by overt conflicts between incumbents and challengers. Episodes of contention eventually leads to settlement, by status quo being reasserted or the SAF being changed. Changes are associated with innovation of the value propositions, service practice and resources of the field.

According to SAF-theory strategic actors needs social skill to direct and transform collective action. "[S]ocial skill can be defined as how individuals or collective actors possess a highly developed cognitive capacity for reading people and environments, framing lines of action, and mobilizing people in the service of these action 'frames'" (Fligstein and McAdam 2011, 7). What socially skilled strategic actors in particular are good at is framing, meaning that they offer practices for other actors which, if enacted, my control, change an innovate collective action.

Method

To study the role of conflicts in collective service innovation a study of the Swedish music industry was performed. This industry is conceptualized as a strategic action field in the paper. The focus was particularly on the period between year 1995 and 2015 when the Swedish music field was transformed from physical goods-based production (e.g., Compact Discs) to intangible internet-based streaming. 32 interviews were conducted with key actors of the field such as record companies, live organizers, music publishers, artists, consumers, music pirates and interest organizations. In addition, n 1570 newspaper articles about the Swedish music industry published in Swedish newspapers between 1995-2015 was collected and analyzed. An extensive amount of music industry research was also reviewed.

Findings

CD-sales dropped rapidly from 2002 in Sweden due to internet-based illegal downloading, or "music piracy". Artist & Repertoire manager Johan Lindkvist of Universal Music describes the situation thus: "I started to work here 2002 at the same time when the big down-turn in the CD-sales started. Piracy increased and one after the other of my colleagues had to leave their jobs". All respondents interviewed believe suggest that the exogenous shock (Fligstein and McAdam 2011; 2012) that caused this situation was digitalization, the wide-spread adoption of the internet in particular that enabled music pirates to distribute music for free. This is corroborated by extent newspaper reporting and music research (Leyshon 2014; Wikström 2013) that also emphasizes the invention of the MP3-format, a compressed digital file format, and file-sharing technology as enablers.

The result of the exogenous shocks was that the Swedish music field experienced a sharp conflict in the middle of the 00's between the incumbents of the field, in particular record companies, and challengers, in particular music pirates. This episode of contention was associated with the introduction of new service practices. In particular distribution and service provision practices was renewed from tangible goods-based, i.e., record companies selling and consumers buying CDs in record stores, to intangible-based, i.e, people downloading MP3 music files on the internet. This change in service practices was combined by new resources informing the field, such as broadband infrastructure, MP3-files and file sharing programs as well as development of existing resources such as computers and portable music listening devices such as the iPod (Hesmondhalgh and Meier 2017; Leyshon 2014; Wikström 2013). Hence, the conflict in the field fostered radical collective service innovation by new service practices and new or developed resources being integrated to a new value proposition (Skålén et al. 2015a) – internet based free (but illegal) file sharing. To many consumers this value propositions was very attractive as music became more accessible. One consumer makes a representative statement: "All of a sudden music became available on-the-demand from my fingertips which was absolutely fantastic". But the record industry suffered.

The conflict between incumbents and challengers culminated in 2009 when the founders of Pirate Bay, the most prominent file-sharing site in Sweden, were sentenced to prison for about one year. At about the same time the Swedish music streaming service Spotify launched. As

with file sharing, music streaming is an internet-based service but the difference is that consumers does not download tracks but listen to them directly on streaming firms' platforms which consumers found very convenient. Many informants argue that the launch of Spotify's music streaming service together with the Pirate Bay trial contributed to restructure the field. Erik Hasselqvist CEO of record company TEN makes a representative statement: "These pirate gangs did quite a lot of damage in the short run. But if you look in the rearview mirror I think that pirating was not such a bad thing. It was a trigger to get started with a lawful activity". In SAF-theoretical terms this suggest that the conflict between incumbents (record companies) and challengers (pirates) spurred by the exogenous shock that the internet created a space that Spotify stepped into settling the field. Today music streaming account for about 95% of the market for recorded music in Sweden and Spotify has a dominant market position.

Music streaming represents a form of collective service innovation that was not primarily focused on introducing new resources. Rather Spotify used similar resources as the pirates, such as the internet, knowledge about computers and programming skills, but Spotify integrated these resources differently to create the new music streaming service practice – a form of service innovation referred to as practice based innovation by Skålén et al. (2015). This collective service innovation created a more attractive value propositions compared to the value proposition that dominated during the pirate era. But not everyone benefitted from it. Some of the pirates were even sent to prison.

Discussion and conclusions

To understand collective-conflictual service innovation this paper has been drawing on SAF theory (Fligstein and McAdam 2011; 2012) and a study of the Swedish music field. The present study elaborates on previous service research (Laamanen and Skålén 2015; Skålén et al. 2015b) to suggest that SAF theory explain how collective-conflictual service innovation is conducted. During the period studied, the Swedish music field was characterized by conflicts between incumbents (e.g., record companies) and challengers (e.g., music pirates), that was triggered by an exogenous shock (the internet) that spurred actors with social skills (e.g., Spotify and Pirate Bay) to develop new value propositions (e.g., file sharing and music streaming) that integrated existing and new service practice and resources. The conflicts eventually resulted in settlement — the music streaming value proposition was collectively adopted and institutionalized.

Hence, the present study supports previous S-D logic informed research that understands service innovation as creation of new or development of existing value propositions that are mutually shared by actors (Skålén et al. 2015a; Vargo et al. 2015). It also adds to existing research by using SAF-theory to explain how collective service innovation is accomplished under conflict. In contrast to previous research the findings of the present study suggest that the actors in the Swedish music field did not develop value propositions that benefited all field actors. As was pointed out above, illegal file sharing and music streaming destroyed value (Echeverri and Skålén 2011) for some actors. Therefore, this study suggests that the notion of

service ecosystems that denotes a relatively harmonious and mutually benefitting understanding of collective service innovation (Vargo and Lusch 2016) is not appropriate for all contexts. For conflictual contexts, the notion strategic action field may provide deeper understandings.

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5H. Service Relationships II

Is Discretionary Preferential Treatment Bad to Nonbeneficiaries? The Emotional Pathways of Envy and Boundary Conditions

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Abstract

Service firms seek to differentiate the services they offer customers on the basis of their profitability. For example, they might offer preferential treatment to selected customers based on their invested time, money, or effort (e.g., loyalty or frequent flyer programs; Nunes and Drèze 2006). These structured preferential treatment programs have considerably been found to lead to increased purchase intentions (Lacey, Suh, and Morgan 2007), though they also threaten to elicit social discomfort (Jiang, Hoegg, and Dahl 2013), embarrassment, and guilt (Butori and De Bruyn 2013) among beneficiaries. However, another common practice of offering less structured or discretionary preferential treatments is understudied in service research despite its rising popularity. Throwing in free accessories with a purchase, offering a room or car rental upgrade, or waiving a service fee all constitute noncontractual, unstructured preferential treatments, in that the treatments are granted to selected customers without any explicitly stated rules or policies and at the discretion of frontline employees (Butori and De Bruyn 2013; Kumar and Shah 2004). Such discretionary preferential treatment (DPT) is selective, involves an informal granting process, and leverages the decision flexibility of frontline employees (Butori and De Bruyn 2013). Yet despite these pivotal impacts and the managerial relevance of DPT, little research considers its effect on customers' service experiences, particularly those of nonbeneficiaries who witness the DPT but do not receive it, and who are the majority in service encounters. Accordingly, we aim to address the research questions of (a) how nonbeneficiaries react to the service employee's offering of DPT; (b) what are the underlying emotional pathways (i.e., envy) in driving those nonbeneficiaries' differential behavioral outcomes; and (c) what are the boundary conditions that can alter the effect of DPT on one's envy experiences.

Against this backdrop, drawing from social comparison and appraisal theories and relationship marketing literature, we develop a model of how nonbeneficiaries appraise and respond to witnessing service employees offering DPT to others through the separate emotional pathways, namely, *malicious* and *benign* envy, that drive their respective contrasting reactions. Specifically, we propose that DPT increases those nonbeneficiaries' experiences of both malicious and benign envy, which subsequently lead to differential behavioral outcomes. In addition, we propose that nonbeneficiaries' relationship strength with the service employee will strengthen the positive effect of DPT on malicious and benign envy through the underlying mechanisms of undeservedness and perceived control, respectively. Nevertheless, such

functional (dysfunctional) effect of relationship strength in strengthening the effect of benign (malicious) envy will be enhanced (weakened) only when the treatment is offered on continuous (vs. discontinuous) basis. To test our hypotheses, we first conducted a survey (n=180) study to examine the proposed mediating mechanism of the emotional pathways of envy. Next, we conducted a laboratory experiment (n=170) with the manipulation of relationship strength between the nonbeneficiaries and the employee to testify the moderating effect of relationship strength for the relationship of DPT and envy. Finally, to enhance the external validity of our findings and to test the additional factor of treatment continuity in altering the moderating effect of relationship strength (i.e., three way interactions), we conducted a field experiment in a coffee cafe (n=330) by employing a 2 (DPT: yes vs. no) \times 2 (continuity: high vs. low) between-subjects design and measured relationship strength with the employee. We also performed additional analyses to rule out and control for alternative explanations related to mood, beneficiary—nonbeneficiary similarity, perceived fairness, service quality, justification of the treatment, and demographics.

Our results from these three studies support a dual pathway model that illuminates the mediating processes of malicious and benign envy between DPT and nonbeneficiaries' differential behavioral outcomes (derogating the beneficiary, cooperating with the employee, loyalty to the service company). The findings also uncover a double-edged sword effect of a strong nonbeneficiary—employee relationship, which enhances the effects of DPT on both malicious and benign envy. Interestingly, this enhancing effect of relationship strength for eliciting malicious (benign) envy can be reduced (strengthened) if the treatment is offered on a continuous rather than discontinuous basis.

Taken together, our research contributes to the existing literature in a few ways. First, we extend prior studies on preferential treatment by focusing on DPT, a common but understudied type of preferential treatment, and nonbeneficiaries' services experiences. The results offer new insights for the design and implementation of DPT that can minimize negative effects or even induce positive effects among nonbeneficiaries, such that we complement findings on effective preferential treatments for beneficiaries and may help managers create win-win situations in offering DPTs. Second, we propose the dual pathway model to illuminate how nonbeneficiaries of DPT develop both malicious and benign envy, which differentially affect their subsequent contrasting behaviors. This dual pathway model elucidates DPT as an important customer relationship tool that can lead to nonbeneficiaries' constructive efforts to improve their potential to attain similar treatment in the future in addition to possible adverse, scornful reactions, through the elicitation of benign and malicious envy, respectively. These new insights contest a traditional view and suggest that offering DPT can have positive, as opposed to just negative, consequences, even for nonbeneficiaries. Third, we identify nonbeneficiaryemployee relationship strength as a boundary condition for the effects of DPT on envy. A strong relationship emerges as a double-edged sword that enhances the development of both benign and malicious envy when DPT is offered: While a stronger relationship strength may lead the nonbeneficiary to perceive more control over the potential for attaining similar treatment in the future and so benign envy will be elicited, it may also lead him or her to believe that the others are relatively less deserving of the preferential treatment (Reczek, Haws, and Summers 2014), evoking malicious envy. Our empirical demonstration of these mediated moderation mechanisms further extends prior work on appraisal patterns related to control and deservingness, by shedding new light on nonbeneficiary-employee relationship strength as a boundary condition that drives these distinct appraisal processes. Fourth, we introduce the continuity of the preferential treatment as a crucial, overlooked feature that can reduce (strengthen) the enhancing effect of relationship strength on malicious (benign) envy when the treatment is offered on a continuous rather than discontinuous basis. These findings suggest how managers should consider and address DPT features and customer—employee relationship in concert, to maximize the benefits of offering DPT by not only delighting beneficiaries but also not upsetting or even enticing nonbeneficiaries.

Accordingly, on the managerial front, we offer several key implications for firms. First, our research reveals that nonbeneficiaries can have contrasting (negative and positive) reactions to witnessing DPT. Service companies cannot ignore these reactions of nonbeneficiaries, because the benefits they receive from granting preferential treatments to selected customers could be outweighed (enhanced) by the costs incurred (merits generated) from negative (positive) reactions of the nonbeneficiaries or the majority in service encounters. Second, customers could be attracted, even if they receive the short end of the stick. Our findings suggest that the reactions of nonbeneficiaries depend on whether malicious or benign envy is the dominant emotional experience elicited. Service firms can use DPT to motivate even nonbeneficiaries, particularly those with a strong relationship with the employee, to engage in constructive behaviors (e.g., being more cooperative with the employee and loyal to the company) by offering continuous DPT. Third, our findings reveal a double-edged sword effect for a close relationship between the nonbeneficiary and service employee; greater relationship strength increases nonbeneficiaries' experience of both benign and malicious envy. These results imply that service companies that encourage their employees to build relationships with customers must take care when it comes to offering DPT, particularly on a discontinuous basis and especially in front of nonbeneficiaries who are regular customers with strong relationships with service employees. Finally, offering DPT on a continuous basis favorably reduces this double-edged sword effect of nonbeneficiary-employee relationship strength by strengthening (weakening) the functional (dysfunctional) effect of relationship strength on the link between DPT and benign (malicious) envy. Managers should consider offering DPT on a continuous basis to motivate nonbeneficiaries (particularly those with strong relationships with the employee) to exhibit constructive behaviors. If DPT must be offered on a limited basis, service companies should remind employees with the discretion to offer the DPT to account for their relationships by selecting customers with whom they have stronger relationships for DPT.

Keywords

Discretionary preferential treatment, malicious envy, benign envy, social comparison theory, appraisal theory, relationship strength, treatment continuity

Customer-Employee Rapport: A Dyadic Perspective in Multi-Channel Service Settings

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Introduction

Rapport represents one of the key constructs within the services marketing literature and is based on relational exchanges between customers and employees in service settings. Managing these relational exchanges is crucial to business performance (Gremler & Gwinner, 2008; Hyun & Kim, 2014), since these interactions are likely to have a significant impact on creating stronger relationships between customers and service providers (Gremler & Gwinner, 2008; Kim et al., 2010).

Previous studies on rapport (e.g., Delcourt et al., 2013, 2016; Kim & Ok, 2010) address the phenomenon in face-to-face retail settings with very little attention given to other channels (i.e., call centers, digital media), disregarding the fact that many service providers now employ other means of interaction with their customers (Gremler & Gwinner, 2000). Considering these channels is, therefore, crucial since the number of interactions between customers and service providers over digital media, in particular, have increased significantly over the recent years (Kumar et al., 2016; Singh et al., 2017).

Previous studies have also addressed rapport in a one-sided manner, even though it involves service interactions from two sides (i.e., it is a dyadic interaction). Thus, previous work focused on rapport either from a customer (Hwang et al., 2013; Hyun & Kim, 2014), or service employee (Gremler & Gwinner, 2008; Harris, 2013) perspective. No research to date has considered the perspectives of both customers and employees as part of the same interaction.

To address the limitations in previous research, this study aims to investigate the role of rapport in service settings by addressing the following research questions:

RQ1: What are the antecedents and consequences of rapport from the customer and employee sides of dyadic interactions in service settings?

RQ2: How does rapport vary across different channels of interaction (i.e., face-to-face, call centers, digital media) in service settings?

Conceptual Development

Rapport can be defined as "a customer's perception of having an enjoyable interaction with a service provider employee, characterized by a personal connection between the two interactants" (Gremler & Gwinner, 2000, p. 92). It is viewed as an indicator of the quality of customer-employee interactions (Delcourt et al., 2013), and consists of two dimensions: *personal connection*: the formation of social link between customers and employees, and

enjoyable interaction: the affective evaluation of relational exchanges between both parties (Gremler & Gwinner, 2000).

The development of rapport could be based on a set of antecedents that apply to both sides of the interaction, such as: familiarity with the other side through information gathering to enhance personal connection (Gremler et al., 2001; Macintosh, 2009); mutual disclosure of common experiences, interests, and preferences (Hwang et al., 2013); perceptions of congruence and similarity (Jamal & Adelowore, 2008); and positive customer and employee emotions (Hennig-Thurau et al., 2006).

From the customer's perspective, rapport increases satisfaction, commitment, loyalty, repurchase intention, and positive word-of-mouth (WOM) (Gremler & Gwinner, 2000). It can also enhance customer engagement (Brodie et al., 2011; Chen et al., 2016), since it is likely to lead to better relationships between customers and service providers (Macintosh, 2009). On the employee side, rapport is likely to have a positive impact on commitment, and a negative influence on retaliation (e.g., punishing customers for their rudeness and misbehavior) and negative WOM (e.g., uncomplimentary comments about customers, other employees, or the employer) (Harris, 2013).

Furthermore, rapport is known to influence business performance and service outcomes (Hyun & Kim, 2014). For example, customer experiences are highly influenced by their interactions with service employees (Gremler & Gwinner, 2008; Kim et al., 2010; Macintosh, 2009). Rapport was also found to have significant impact on customer behavioral intentions in service failure situations. For example, pre-established rapport between customers and service employees could be part of the service recovery solution leading to higher post-service failure customer satisfaction, higher repurchase intentions, and lower rates of negative WOM (DeWitt & Brady, 2003).

The use of digital channels, e-mails, and call centers for communication between customers and service providers has become more prevalent (Singh et al., 2017). These interactions do not require customers to be physically present during the service encounter, potentially altering the nature of rapport. Thus, customers' increasing reliance on these channels means that it is important to understand customer-employee interactions when using them (Schumann et al., 2012). In particular, customer experiences could be affected and shaped by their interactions with service providers over social network sites (Bhattacharjya et al., 2016). Although personal connection tends to be lower in non-face-to-face interactions, it could still be affected by the communication language both parties use. This could help the development of rapport built on enjoyment, harmony, and trust between both parties in non-face-to-face settings (Crook & Booth, 1997; Gremler & Gwinner, 2000). Additionally, interactions over social media could be active or passive as deemed appropriate by customers and service providers, which help in the development of trust and subsequently rapport in a non-intrusive manner (Andzulis et al., 2013; Mitic & Kapoulas, 2012).

Methodology

An exploratory research design is employed to help clarify our understanding about the phenomenon under investigation (i.e., rapport across different channels) (Saunders et al., 2009). Given the complexity and dyadic nature of rapport, as well as its multiple dimensions, a qualitative interpretive approach is adopted in order to gain deeper insights within the social context (Bhattacherjee, 2012; Creswell, 2013). In-depth interviews will be employed to identify the antecedents and consequences of rapport during the dyadic service interactions. Given the multi-channel nature of interactions between customers and service employees, the study will investigate rapport in face-to-face retail, call center, and digital media (particularly Facebook) settings, taking a dyadic perspective.

Two service industries are chosen for this study; the retail banking and telecom service provider sectors. Both sectors are deemed appropriate in which to investigate rapport because they currently employ a wide range of interaction channels with their customers. For instance, banks rely heavily on online, mobile, and telephone banking because of the associated cost savings (e.g., Kim et al., 2009; Lin, 2011). Likewise, telecom service providers often use their website 'live chat' facility and other digital platforms such as Facebook to interact with their non-business customers.

Data will be collected from both sectors in Egypt. In the last few years, banking and telecom services have become widely automated in Egypt. This is evidenced by an increase in the development of banks that have adopted more customer-centric initiatives, which were almost impossible to find a few years ago (Elsharnouby & Parsons, 2010). Likewise, the Egyptian telecom sector has been growing rapidly and this has resulted in the provision of new mobile and internet services. In accordance, interactions between customers and service providers over non-traditional retail settings have increased.

The sample has been chosen on a judgmental (purposive) basis and comprises Egypt's three largest banks and three largest telecom service providers. Dyadic interactions from each channel will be considered for each company (i.e., two sectors, three companies per sector, three channels per company, and two interviews per interaction). Thus, the number of interviewees will be 18 customers and 18 service employees (36 interviews). Each customer will be asked to discuss a specific interaction with a service provider's employee, namely their prior experiences with the employee and/or service provider and his/her view of the interaction. Similarly, the service employee will be asked to talk about the same interaction, namely their prior experience with the customer and how the interaction affected his/her performance. These interviews will be recorded and are expected to last about an hour each. Approval to conduct them has already been granted by all six participating companies, and ethical approval has been granted by our institution.

Data collection will take place from December 2017 to March 2018, and by the time of the SERVSIG conference, data will have been transcribed, analyzed, and coded using NVivo 10. This coding will be based on the emergent themes that are critical and relevant to the phenomenon to highlight the experiences of the participants (Daly et al., 1997).

Expected Contributions

This research is expected to contribute to services marketing theory in two main ways. First, the research will investigate rapport in retail and non-retail contexts by highlighting the varying antecedents and consequences across different channels (i.e., face-to-face, social media, call centers). As personal connections become less important in non-face-to-face channels due to lack of social cues, the role of interaction enjoyment could be magnified and become the primary source of establishing rapport (Gremler & Gwinner, 2000). Second, the adoption of a dyadic perspective to address rapport will provide a deeper understanding of customer-employee interactions about the same interaction, shedding light on which rapport-building strategy is preferred by each party (Ewing et al., 2001; Gremler & Gwinner, 2000).

From a practical perspective, the study will offer service providers insights into the effective management of customer-employee dyads through the identification of the most appropriate rapport-building strategies, matched to the channel of interaction. Accordingly, these insights can help to maximize the favorable outcomes of rapport during service interactions over various channel

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Self-determination and service performance: the roles of service adaptiveness and openness to experience

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Introduction:

Self-determination refers to employee's sense of autonomy, control and decision over what they will do, how much effort they will put in, and when they will start and stop (Hackman and Oldham, 1980; Spreitzer, 1995). Previous studies have shown that employees' self-determination has a positive effect on employee job-related performance. However, prior research has not paid sufficient attention to the mechanisms between them. Understanding the mediating and moderating mechanisms can not only advance the literature by answering the question of how and why self-determination may relate to job performance, but also offer specific conditional implication for the relationship. In addition, there is insufficient research examining such relationships particularly in the service industry.

In this study, we propose that one way self-determination relates to service performance is through service workers' adaptiveness, which refers to the ability of contact employees to adjust their behavior to the interpersonal demands of the service encounter. When service employees perceive self-determination or autonomy during the work, they are more likely to act in a proactive way in their job and feel more comfortable in modifying their normal approach to interact with customers as they have been motivated to make that choice by given the self-determination to do so. Moreover, extant literature has noted the interaction between self-determination/autonomy and individuals differences. However, although extant literature (e.g. Barrick and Mount, 1993; Fuller et al., 2010) has argued the importance of personality trait in its interaction with job autonomy, none of studies has explored the role of employee's personality trait of openness to experience on the relationship of self-determination on service performance. Drawing upon the social learning theory and Person-Environment theory, we argue that service workers' openness to experience moderates such relationships. Figure 1 below depicts our conceptual framework.

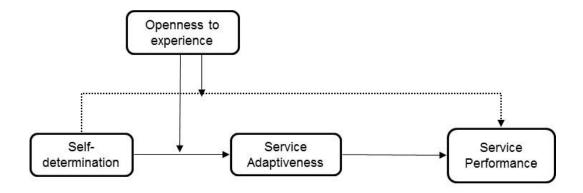


Figure 1: Conceptual Framework

Hypotheses:

Self-determination

Employees' perceived self-determination is the sense of autonomy in the initiation and continuation of work behavior. Self-determination positively influences employees' work performance because, drawing on the self-determination theory, service workers who feel they possess more control on their jobs would normally be more intrinsically motivated to perform.

Mediating role of employee adaptiveness

Employees' service adaptiveness, individuals enacting in response to or anticipation of changes relevant to service-related tasks, indicates how employees adjust their behavior to the interpersonal demands. Employees with high adaptiveness present more flexibility, problem solving and coping during their work. Therefore, adaptive service workers can be expected to have a better service performance.

Drawing upon self-determination theory, when service workers find they have job autonomy in decision making, they perceive more freedom and discretion to make decision and select their own methods to perform tasks. With the enhancement of their roles in the work, they are more likely to feel comfortable and confident to consider a wider variety of adaptive behavior activities in their service encounter. In addition, it is noted that employees who believe they receive environmental stimuli, i.e. self-determination or autonomy can release their potential to make a positive change and be more inclined to engage in customer-satisfying adaptive behaviours to complete their job. (Gwinner et al., 2005). Given that adaptiveness can lead to a better service performance (Shoss et al., 2012), we posit the following hypotheses:

Hypothesis 1: Self-determination is positively related to employees' service adaptiveness.

H2: Employees' service adaptiveness mediates the relationship between selfdetermination and service performance.

Moderating role of employee openness to experience

Openness to experience refers to a tendency to enjoy new experiences and new ideas. People with high openness are normally fascinated by novelty and innovation as they are imaginative, original, and intelligent, while people at the other end are conventional and find comfort in the familiar or routine work. Accumulating research has noted that organizational settings that are highly structured and restricted provide little opportunity for individual differences to be expressed, whilst a working environment with less restriction allows for a broader range of personality to be expressed. As argued before, on one side, service workers high in openness may more incline to engage in adaptive behavior in their services with customers as they are more willing to try new things and receptive to change; on the other side, the level of openness to experience can be regarded as reasonable conditions that enhance or hamper the expression of employee's perceived self-determination in their work.

Drawing on social learning theory, self-determination should have a stronger effect on service adaptiveness for employees with high openness to experience because this personality encourages them to accept new environmental encouragement or stimuli. However, for service workers with lower level of openness, self-determination, as the external environmental stimuli, may provide them opportunities to adjust or take adaptive service behaviors. In another word, since service workers perceive strong self-determination or autonomy in their work, it can especially employ them to compensate for their inability or less willingness to make a change. That is, service workers perceived self-determination, as effective environmental stimuli, may have a stronger effect on their service adaptiveness and so to service performance for people with lower level of openness to experience. Based on the above arguments, we make the following competing hypotheses:

Hypothesis 3a: Employee openness to experience moderates the effect of self-determination on service adaptiveness such that among employees who have high openness to experience, the impact of self-determination on adaptiveness will be stronger.

Hypothesis 3b: Employee openness to experience moderates the effect of self-determination on service adaptiveness such that among employees who have low openness to experience, the impact of self-determination on adaptiveness will be stronger.

We also posit the following moderated mediating hypothesis:

Hypothesis 4a: Employee openness to experience moderates the mediating role of employee service adaptiveness in the relationship of self-determination and their service performance; in that the mediating effect of adaptiveness is stronger among employees who are more open to experience.

Hypothesis 4b: Employee openness to experience moderates the mediating role of employee service adaptiveness in the relationship of self-determination and their service performance, in that the mediating effect of adaptiveness is stronger among employees who are less open to experience.

Methodology

We collected our data from service workers and their immediate supervisors working in 35 estate agents in Beijing, China. In order to reduce concerns of common method bias, we collected our data in three waves from multiple sources. 309 matched and useful responses were collected in total. Respondents who completed both first and second wave survey were between 19 and 40 years old (mean = 26.22, SD=3.49). Women comprised 46 percent of the respondents. Based on the completed 309 responses, 35 immediate supervisors (i.e store managers) were contacted to evaluate the ratings of subordinates' service performance. All measures were borrowed from existing scales including self-determination (Hackman and Oldham, 1980; Spreitzer, 1995), employee service adaptiveness (Gwinner *et al.*, 2005), openness to experience (Brown *et al.*, 2002), and service performance (Babakus *et al.*, 2009; Liao and Chuang, 2004).

Analysis and Results:

Based on the analyses of confirmatory factor analyses and moderated mediation analyses with PROCESS macro in SPSS, the results largely support our conceptual model and hypotheses. Self-determination significantly enhances service adaptiveness (β =.39, p<.001), which in turn positively influence service performance (β =.15, p<.05). The indirect effect of selfdetermination on service performance via service adaptiveness is also significantly positive $(\beta = .06, LLCI = .0158)$ to ULCI = .1070). The effect of the interaction between self-determination and openness to experience on service adaptiveness is significantly negative (β =-.19, p<.001), suggesting that openness to experience reduces the positive effect of self-determination on service adaptiveness. Specifically, when openness to experience is lower (higher), selfdetermination has a stronger (weaker) positive effect on adaptiveness (β =.52, p<.001 and β =.25, p<.001 respectively). In addition, the moderated mediation analyses though PROCESS shows that self-determination has a stronger (weaker) positive indirect relationship (through adaptiveness) with service performance for employees with lower (higher) openness to experience personality trait (β =.08, LLCI=.0217 to ULCI =.1399 and β =.04, LLCI=.0100 to ULCI =.0802 respectively). Similar results were obtained by using another method (i.e., moderated path modeling by using the software of Mplus, which we controlled for the effect of non-independence of supervisors in terms of service performance rating).

Discussion

Our study makes a number of theoretical and practical contributions. First, this study extends prior literature of self-determination on service performance by identifying the mediating mechanism of service adaptiveness, addressing the question of 'how' self-determination affects service workers' service performance. Second, this study finds that self-determination may especially be effective for employees who have a low level of openness to support the attenuating (instead of enhancing) moderating effect, which echoes the argument of Barrick and Mount (2005) that environmental factor may control how an individual behaves and compensate less favorable personality traits. Third, in terms of managerial implication, the

study advocates the development of management practices and activities that seek to give more autonomy to employees as it can lead to not only good service performance but also the increased service adaptiveness among service workers. In addition, managers need to pay attention to service workers' perception of self-determination especially for those with low level of openness to experience as they tend to benefit more from it for their service adaptiveness and service performance.

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5I. Serviscape and Service Environments

Can situational factors affect shop assistants' competences to get customer satisfaction?

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Introduction

Shop assistants' are a key encounter for managing customers' shopping experience and their competencies are important determinants of customer satisfaction (Jha, Balaji, Yavas & Babakus, 2017; Söderlund, 2016). The literature on retailing has stated that situational circumstances can affect the relationships between the service provided by the company and the customers' responses in terms of feelings, decisions and behavior. Regarding the customershop assistant encounter there is scant research that analyses the role of these circumstances in the link between shop assistants' competencies and customer satisfaction (Mikolon, Kolberg, Haumann & Wieseke, 2015; Haas & Kenning, 2014).

To address this gap, this article aims to demonstrate that the effectiveness of shop assistants' competencies to influence customer satisfaction is not stable, but depends on situational characteristics. A first qualitative study has yielded type of query, crowding and retail format (discount vs. full service stores) as the most important situational characteristics. They can affect the customers' impressions about the encounter (Badgaiyan & Verrma, 2015) and the shop assistants' labor to satisfy shoppers.

The contribution of this paper is twofold. First, it has identified new situational characteristics that can modify the shop assistants' effectiveness to improve customer satisfaction. Second, it has analyzed the role of type of query in the customer-shop assistant encounter, a variable that has been rarely studied.

Theoretical background, qualitative study and hypotheses development.

Store shop assistants can influence customer satisfaction through two broad categories of competencies or skills: task and interaction competencies (Brexendorff, Mühlmeier, Tomczak & Eisend, 2010; van Dolen, Lemmink, de Ruyter & de Jong, 2002). The former refers to the shop assistant's product knowledge and ability to assist customers in their buying task, while the latter includes the shop assistant's social and communication capabilities (Brexendorf et al., 2010; Homburg & Stock, 2005). These articles demonstrate the positive link between shop assistants' competencies and customer satisfaction. However, little is known about how situational factors can interfere in the shop assistants abilities to achieve customer satisfaction. These situational circumstances are environmental or contextual characteristics that take place during the shoppers' experience and are related to the retailer's atmospheric features, the type of retailer, the role of companions that go shopping with the target customer, the moment of

visit, the shoppers' goals, weather, etc. (Badgaiyan & Verma, 2015; Reimers & Chao, 2014). In the link between shop assistants and customer satisfaction, previous studies have just addressed the role of some of these circumstances, such as store busyness (Grandey, Goldberg & Pugh, 2011) service complexity and time pressure (Mikolon et al. 2015; Zboja, Clark & Haytko, 2015).

Since a great variety of situational circumstances may be relevant for the customer- shop assistant encounter, we conducted a qualitative study based on semi-structured in- depth interviews with a sample of 41 Spanish respondents between 2013 and 2014 about their shopping experience in a mall. The participants were aged between 19 and 59 (medium age 32.17) and 22 were women.

Before starting the interview, participants were informed about the aim of the study and were given a brief explanation of the task, its anonymity and its voluntary nature (Flint, Woodruff & Fisher-Gardial, 2002). The interview started by asking the participants to remember their last shopping experience and to report the aspects that most clearly influenced that experience. The informant's answers guided the rest of the questions, seeking a deeper understanding of these aspects. Secondly, in order to help the participants to reveal more information, we asked them to remember their last but one visit to a mall and to compare it with the last one. Finally, we asked for a global evaluation of their more recent experiences.

The interviews lasted between 25 and 65 minutes, with an average of 45 minutes. They were recorded and subsequently transcribed to develop a codification that was conducted with the software NVIVO. Three researchers served as coders and analyzed the information, using dimensional analysis in order to identify the main aspects of the interviews. Then these researchers discussed their different analyses and formulated conceptual categories related to the situational circumstances that seemed relevant in the customer—shop assistant encounter. Disagreements were resolved through discussion.

We used some methodological controls to achieve trustworthiness, validity and reliability of the data in our qualitative approach that have previously been used in marketing research (Flint et al., 2002; Reynolds & Olson, 2002; Rao & Perry, 2003). Content validity was established by conducting triangulation. Additionally, the progressiveness of our interviews permitted the re-evaluation of the content of the subsequent interviews. We reached internal validity by selecting participants who usually visit shopping malls, since they can contribute richer information. External validity was obtained by selecting different profiles of mall shoppers on the basis of the variety of information that we could expect. Additionally, our sample size, 41 respondents, complies with the minimum requirement for generalizability of results, providing us with stability and agreement among the interviewees. Reliability was addressed by comparing our results with those obtained in prior research.

Table 1 depicts the situational circumstances that were identified through the interviews. The researchers agreed to consider only those that were mentioned in at least 20% of the interviews for the quantitative analysis. This means three circumstances: type of query, crowding and retail format. The other aspects do not take part of the aim of this research, although may be relevant for future studies.

Table 1: Identification of situational circumstances

Situational circumstances	No. of mentions	Frequency (%)
Type of query	10	40.00
Crowding	9	36.00
Retail format	5	25.00
Shopping goals	2	8.00
Shopping companions	2	8.00
Sold-out products	1	4.00
Product complexity	1	4.00
Interaction length	1	4.00
Tidiness	1	4.00

The customer-shop assistant encounter can be motivated by two types of customers' queries, assistance and consultation. The former refers to simple assistance for payments or product search, and the latter involves a discussion related to the customers' purchase problem, and may include information about products and their attributes and also recommendations (Haas & Kenning, 2014). Customers meet shop assistants to reduce purchase uncertainty and perceived risk and to get shopping enjoyment (Mortimer & Pressey, 2013). In consultations, customers usually need more information and suffer greater uncertainty, and also may represent an opportunity for social interaction (Arnold & Reynolds, 2009). Thus, we propose:

H1a: The influence of shop assistants' task competence on customer satisfaction will be stronger in an interaction based in a consultation query than in an assistance query.

H1b: The influence of shop assistants' interaction competence on customer satisfaction will be stronger in an interaction based in a consultation query than in an assistance query.

Perceived crowding refers to the customers' perceptions of the number of people present in a given store, it emerges when a person's spatial needs are overwhelmed, and triggers stress, reduced satisfaction and willing to leave the store (Machleit, Eroglu & Powell-Mantel, 2000; Baker and Wakefield, 2012). Shop assistants' competencies will be more important to secure satisfaction since their task competence will provide customers with greater shopping efficiency and interaction competence can help them regulate their feelings (Grewal, baker, Levy & Voss, 2003; Ngo, Northey, Duffy, Thao & Tam, 2016). As a consequence, we propose:

H2a: The influence of shop assistants' task competence on customer satisfaction will be stronger in a crowded store.

H2b: The influence of shop assistants' interaction competence on customer satisfaction will be stronger in a crowded store.

The literature has classified retail formats into discount and full service stores (Grace & O'Cass, 2005). Discount retailers are characterized by reduced prices, self-service and high crowding, and are usually evaluated from the customers' utilitarian perspective, giving more importance to goal achievement. In contrast, full service retailers offer more personalized service and higher prices and are assessed from a hedonic perceptive, based on feelings the shop assistants' kindness and friendliness (Grace & O'Cass, 2005; Sharma & Levy, 2003). Thus, we propose:

 $H3_a$: The effect of shop assistants' task competence on customer satisfaction will be stronger in discount stores than in full service stores.

 $H3_b$: The effect of shop assistants' interaction competence on customer satisfaction will be weaker in discount stores than in full service stores.

Method and findings

Data collection

This study uses structural equation modeling (SEM) as the method for testing the proposed relationships. Data were collected through a survey conducted in a shopping mall located in Spain during two weeks in June 2015, from Monday to Saturday, in the afternoons (12–15h) and evenings (18–21h). The questionnaire was administered by eight interviewers who had been previously trained by a marketing scholar. Participants were intercepted at the end of their shopping experience. They were first asked about the establishment in which they had conducted their main shopping activity, which gave us the possibility of restricting the study to those customers who had shopped in an apparel store. 612 individuals were intercepted and indicated that they had conducted their shopping activity in an apparel store and had an encounter with a shop assistant. However, after deleting observations with missing values, 575 valid questionnaires were obtained.

Variables measurement

Customer satisfaction with the store and shop assistants' competencies were measured through reflective latent variables, while perceived crowding was a formative construct with two dimensions, human and spatial crowding, and retail format was a dummy variable that took the value of 0 for discount stores and 1 for full-service stores. The scales were adapted from previous

research and translated into Spanish (see Appendix A). Customer satisfaction was measured by a seven-point Likert scale adapted from previous research (Westbrook and Oliver, 1981; Mattila and Wirtz, 2001), as well as shop assistants' task and interaction competencies (Brexendorff et al., 2010; Van Dolen et al., 2002) and perceived human and spatial crowding (Baker and Wakefield, 2012; Eroglu, Machleit and Barr, 2005; Machleit, Eroglu and Powell-Mantel, 2000). Type of query was a dummy. 0 referred to assistance queries where shoppers interacted with shop assistants for payment, hiring services or returning a product, and 1 referred to consultation queries in which customers asked shop assistants for product information or wanted the shop assistant's recommendation. Retail format was also a dummy variable that took the value of 0 for discount stores and 1 for full-service stores.

Age, gender, familiarity with the store, shopping goals and day of the week were included as control variables. Age was a continuous variable measured in years, while familiarity with the store was continuous, measured in visits per month during the last six months. Gender was a dummy that took the value of 1 for females. Shopping goals was also a dummy, being 1 for shoppers that attended the shopping center with specific shopping goals (browsing or purchasing in a specific store) and 0 for those with non- specific objectives. Day of the week is a dummy that took the value of 1 when the participants were intercepted on Friday evenings and Saturdays, and 0 otherwise.

Since all the data used in this study have been obtained through a questionnaire and are based on consumers' perceptions, common method variance can cause observational error (or measurement error), as well as bias estimations. Both procedural and statistical methods confirmed the absence of these problems (Podsakoff et al., 2003; Krishnan, Martin and Noorderhaven, 2006).

Results

Descriptive results

Before the econometric analysis of the model, descriptive results related to some of the variables included in the model are reported. Most of the customers intercepted were younger than 45, 56.52% were women, 61.91% went shopping to the store to which the questionnaire referred between once and four times a month, and 68.87% went shopping on weekends (Table 2). Furthermore, 80.70% of the shoppers who encountered a shop assistant said that they asked him or her about product information or a recommendation.

Table 2. Sample characteristics

Age	(%)		end er (%)	(%	niliarity times nthly)		opping goals	Day o	f week		ype of ery		Retail mat
<u><25</u>	28.5	F	56.5 2	<1	29.39	S	61.91	Mon– Fri	31.1	A	19.30	D	31.13
26–35	25.0 4	M	43.4 8	1–2	41.04	NS	38.09	Fri–Sat	68.8 7	С	80.70	F S	68.87
36–45	25.0 4			3–4	20.87								
46–55	14.4 3			≥5	8.70								
<u>></u> 56	6.9 6												

*F: Feminine, M: Masculine, S: Specific shopping goal, NS: Non-specific shopping goal, A: Assistance query, C: Consultation query, D: Discount store, FS: Full-service store.

Measurement model assessment

The exploratory factor analysis revealed a solution formed by four reflective constructs: customer satisfaction, shop assistants' competencies, and human and spatial crowding. Two items of the human dimension of perceived crowding loaded on another component. Furthermore, both task and interaction competencies loaded on the same construct. However, both of them were retained to make a decision after the confirmatory factor analysis. This confirmatory analysis, conducted with the software SmartPLS 3.0 (Ringle, Wende and Becker, 2015), revealed a solution of five constructs, shop assistants' task and interaction competencies loading on different factors.

Regarding item reliability, every item loaded higher on its respective construct and all loadings were higher than 0.7, except for two items of perceived human crowding, PHC1 and PHC3, which loaded at 0.581 and 0.553, respectively (Table 3). After eliminating these two items, the average variance extracted (AVE) of this construct rose from 0.640 to 0.806.

 Table 3. Measurement model

	Loadings/ weights	VIF	Cronbach's alpha	Composite reliability	AVE
Customer satis	faction (SAT)				
SAT1	0.909				
SAT2	0.958		0.918	0.948	0.859
SAT3	0.913				
Shop assistants	s' task compet	tence (TC	()		
TC1	0.872				
TC2	0.896		0.886	0.921	0.745
TC3	0.811				
TC4	0.870				
Shop assistants	' interaction	competen	ice (IC)		ı
IC1	0.915				
IC2	0.936		0.952	0.965	0.873
IC3	0.943				
IC4	0.943				
Perceived crow	vding (PC)				
Perceived	0.608***				
human		1.393			
crowding					
PHC1	Eliminated				
PHC2	0.863				
РНС3	Eliminated		0.920	0.943	0.806
PHC4	0.898				
PHC5	0.912				
PHC6	0.916				
Perceived	0.682***				
spatial		1.199			
crowding	0.969		0.720	0.001	0.745
PSC1	0.868		0.730	0.881	0.745
PSC2	0.905				

SAT: customer satisfaction; TC: shop assistants' task competence; IC: shop assistants' interaction competence; PC: perceived crowding.

The values for Cronbach's alpha and composite reliability exceeded the minimum of 0.7 (Nunnally, 1978). With respect to convergent validity, the values of the AVE were above 0.5 for all the latent variables. Regarding the formative construct of perceived crowding, the variance inflation factor (VIF) for both its spatial and human dimensions was below the threshold of 3.3 suggested by Diamantopoulos and Siguaw (2006), indicating that there were no multicollinearity problems. The weights of these dimensions on the second-order construct were significant

Discriminant validity was addressed through Fornell and Larcker's (1981) criterion and the Heterotrait-monotrait ratio (HTMT ratio) (Henseler, Ringle and Sarstedt, 2015). The squared roots of AVE were higher than correlations between pairs of constructs and the HTMT ratios were below the threshold of 0.85 for all the latent variables. Thus, both criteria confirm discriminant validity (Tables 4 and 5).

Table 4. Fornell and Larcker's (1981) criterion

	SAT	TC	IC	PC	CIO
SAT	0.927				
TC	0.528	0.863			
IC	0.485	0.759	0.934		
PC	N.A.	N.A.	N.A.	N.A.	

SAT: customer satisfaction; TC: shop assistants' task competence; IC: shop assistants' interaction competence; PC: perceived crowding; CIO: customer interaction orientation; N.A.: not applicable.

The diagonal contains the squared roots of AVE.

Table 5. HTMT criterion

	SAT	TC	IC	PC
SAT				
TC	0.573			
IC	0.515	0.823		
PC	N.A.	N.A.	N.A.	

SAT: customer satisfaction; TC: shop assistants' task competence; IC: shop assistants' interaction competence; PC: perceived crowding.

Structural model assessment

Ordinary least squares (OLS) estimation was conducted to obtain the results using the software STATA 14. Four models were estimated with the aim of controlling for possible problems of multicollinearity that are usual with moderating effects. The first one includes the only direct effects of all variables, the second adds the moderating effect of type of query, the third includes that of perceived crowding, and the fourth includes that of retail format. We centered the variables to calculate interactions as a method to reduce the possible multicollinearity. All the VIF values were under the threshold of 5, so no multicollinearity problems were detected (Kutner et al., 2004; Studenmund, 2013).

According to the results, goodness of fit is adequate (Table 6). It seems interesting to highlight that our model explains between 33.41% and 34.35% of customer satisfaction with the store, which is a considerable amount of variance taking into account that we focus on the customer—shop assistant encounter. Regarding the hypotheses, H1a is not supported, since the moderating effect of type of query on the relationship between task competence and customer satisfaction with the store is not significant. Interaction competence is more important to influence satisfaction with the store when the query is based on consultation than for those encounters in which customers only wanted to pay or hire a service (assistance query), which confirms H1b. This moderation takes place when interaction competence is low, showing that the negative effect of a lack of this competence is especially negative in consultation queries (Graph 1).

H2a is confirmed, because the effect of task competence on customer satisfaction is greater in crowded stores. Graph 2 depicts this moderating effect and shows that it takes place when task competence is low, indicating that the lack of high task competence is especially important in influencing satisfaction in crowded stores. In contrast, H2b is not confirmed, since the proposed moderating effect shows the opposite direction and is not significant. While H3b is supported H3a is not. Thus, there is no difference in the relevance of task competence in influencing customer satisfaction in discount stores, but interaction competence exerts a more determining effect on customer satisfaction in full- service stores (Graph 3).

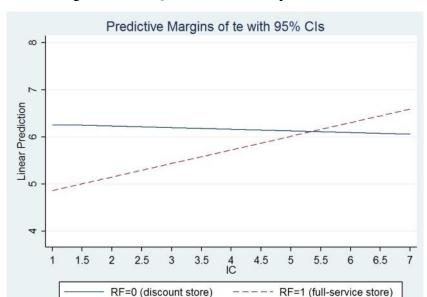
Table 6: Results

Independen	Dependent variables					
t variables	SAT (1)	SAT (2)	SAT (3)	SAT (4)		
TC	0.3318***	0.3161***	0.2855**	0.2646**		
IC	0.1910***	0.2385**	0.2063**	0.2895***		
TQ	-0.3259***	-	-	-		
			0.3221**			

		0.3401***	*	0.3355***
TQxTC		-0.0053		0.000
(H _{1a})		-0.0033		
TQxIC (H1 _a)		0.211.4**		
TQXIC (IIIa)		0.2114**		
PC	-0.1305***	-	-	-
		0.1277***		0.1274***
			*	
PCxTC (H2a)			0.1098*	
PCxIC (H2 _b)			-0.0729	
RF	0.2022***	0.2744**	0.2701**	0.2020***
Kr	0.2822***	0.2744***	0.2781**	0.2839***
				0.2442
RFxTC (H3 _a)				-0.2412
RFxIC (H3 _b)				0.3273**
Gender	-0.1414**	-0.1356**	-0.1477**	-0.1376**
Age	0.0006	0.0005	0.0010	0.0015
Familiarity	0.0015	0.0015	0.0015	0.0018
Shopping	0.0523	0.0703	0.0539	0.0316
goals				
Day of week	-0.0194	-0.0067	-0.0122	-0.0060
Constant	3.3251***	3.1294***	3.5208**	3.1105**
			*	*
RMSE	0.8727	0.8695	0.8703	0.8666
R ²	0.3457	0.3529	0.3516	0.3572
Chi ²	17.54***	16.41***	17.98***	15.29***
VIF (range)	(1.01;	(1.01;	(1.03;	(1.02;
	2.42)	2.95)	4.63)	4.16)
AIC/BIC	1,486.074	1,483.773	1,484.868	1,479.903
	/	/	/	/
	1,533.972	1,540.38	1,541.47	1,536.510
			5	
***n<0.01: *:	* 005 *	0.1		

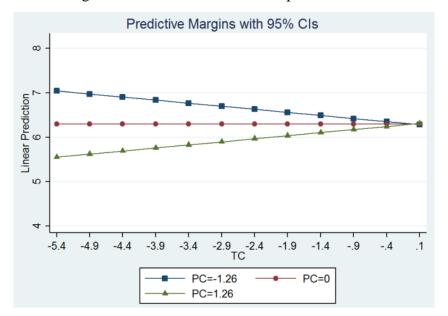
***p<0.01; **p<0.05; *p<0.1

SAT: customer satisfaction; TC: shop assistants' task competence; IC: shop assistants' interaction competence; TQ: type of query; PC: perceived crowding; RF: retail format.



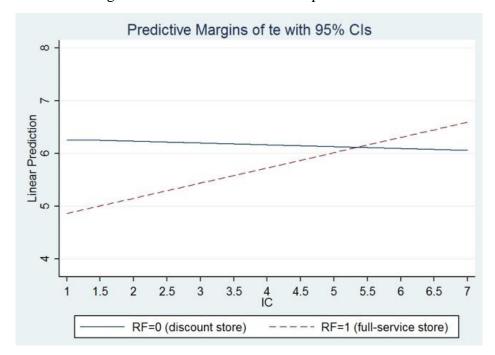
Graph 1. The moderating effect of TQ on the relationship between IC and SAT

SAT: satisfaction; IC: shop assistants' interaction competence; TQ: type of query.



Graph 2. The moderating effect of PC on the relationship between TC and SAT

SAT: satisfaction; IC: shop assistants' interaction competence; PC: perceived crowding.



Graph 3. The moderating effect of RF on the relationship between IC and SAT

SAT: satisfaction; IC: shop assistants' interaction competence; RF: retail format.

Discussion and contributions

This study aimed to examine the stability of the relationship between shop assistants' task and interaction competencies and customer satisfaction. Our findings demonstrate that the shop assistants' ability to manage customer satisfaction in retailing can be affected by type of query, crowding and retail format.

Shop assistants' interaction competence is more important to get customer satisfaction in consultation queries compared to assistance. If we depict this effect graphically, it can be observed that it is the lack of this competence which is especially noticeable. In contrast, the importance of task competence does not vary depending on the type of query. The absence of high task competence is less noticed by customers when they are in non-crowded environments. Additionally, crowding hides the negative influence of low interaction competence on customer satisfaction. In crowded stores, shoppers value shop assistants' product knowledge and selling task-related skills more importantly, since they can provide them with a more efficient and easier shopping activity, giving them the opportunity to leave and rest. This confirms previous findings about customers' concerns for efficiency in crowded retail contexts (Reimers & Chao, 2014; Baker & Wakefield,

2012). The effects of shop assistants' task competence on customer satisfaction are stronger in discount stores than in full-service stores, while the influence of interaction competence is stronger in full-service, confirming our theoretical proposal.

These findings offer important implications for both retail managers and shop assistants. Managers should provide their employees with adequate training on how to improve their selling skills depending on contextual factors. Furthermore, shop assistants should: (1) take into account that all queries should be treated with excellent task competence, being interaction competence especially important in consultation queries; (2) do their best in task competence in crowded environments; (3) be aware that task competence is especially important to satisfy customers in full-service stores, while interaction competence is more important in discount stores.

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Understanding the Value Process in Service

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Introduction

Customer value is foundational in service research, which has paid increasing interest to how customers perceive value in service contexts (Grönroos 2008; Payne, Storbacka, and Frow 2008; Vargo and Lusch 2008). This extant literature diverges, however, on the roles of the different actors in the various stages of the entire value process. Current service research further debates whether cocreation of value is just one part of value creation, as in the service logic literature (Grönroos 2011; Grönroos and Voima 2013), or the only part, as in the service-dominant logic literature (Vargo and Lusch 2004, 2016). In order to address the value process, we set out to analyze the research questions of *how* value is created and how different actors engage in this context, focusing on what takes place at different stages in the value process for both the service provider and the customers,

We address value from the perspective of service research in which value is manifested as value-in-use (Grönroos 2008; Vargo and Lusch 2008), and highlight the lack of empirical research on the actual process resulting in value-in-use. To offer an in-depth analysis of how value emerges and to analyze the actions of each actor, individually and jointly, in the value process, we adapt the service logic approach that advocates a managerial microlevel perspective to treat firms, managers, and customers as actors in the value process (Grönroos and Gummerus 2014).

While value can assume various forms (see Holbrook 1999), and researchers agree that the value concept is elusive (Helkkula, Kelleher, and Pihlström 2012), we here limit ourselves to analyzing value along the lines of the service understanding of value-in-use (Grönroos 2008; Vargo and Lusch 2008). Service researchers discuss value creation (Grönroos 2011), value cocreation (Vargo and Lusch 2008, 2016), and value facilitation (Grönroos and Voima 2013). Addressing these different conceptual treatments of value-related concepts, Ballantyne et al. (2011, p.203) criticize service research's "fuzzy definitional problems." Recognizing the importance of these different value definitions, we limit ourselves to investigating an underresearched problem—*how* the process involving the service provider and its customers leads to value for customers in the service context.

To address this research gap, we examine Ladurée, a French company globally renowned for its luxurious service and refined pastry, to provide empirical evidence of how customer value forms by analyzing both the actions the firm takes as service provider and the customers' use of the service.

Methodology

We employ an ethnographic case study method (Visconti 2010), building on Schau, Muñiz and Arnould (2009) recommending participant observation to research value creation. The ways in which value arises within a service largely depends on the way customers perceive and construct that value, which Akaka, Schau and Vargo (2013) term value-in-cultural-context. Ethnography is thus effective in addressing meaning-making processes (Cayla and Arnould 2013) as they unfold in given empirical contexts. Emerging interpretations were triangulated within the research team and with some key informants, in line with interpretative research standards (Silverman 1993; Spiggle 1994).

We conducted interviews as well as both in-field and online observation over a period of 30 months (January 2015 - June 2017), beginning with eight long ethnographic interviews (Spradley 2016) with five Ladurée representatives, some of whom we interviewed at both the beginning and end of the study. Our informants include senior managers, middle managers, and frontline service personnel. Second, we conducted thirteen interviews with customers about their experiences with Ladurée to get both company and customer perspectives. In addition, we observed Ladurée customers and service employees during service interactions; four authors took part in observations, documented through 143 photos and 27 pages of field notes. Finally, we expanded observation after the service provision through netnography (Kozinets 2010) to gain insights into the value drivers and mechanisms of value creation. In these online observations, we monitored Ladurée's websites, Ladurée Facebook pages, some 5,000 Instagram pictures with the hashtag #ladurée, and customers' online exchanges through social media profiles.

Findings

Our findings illustrate first how Ladurée carefully designs its servicescape and its processes to facilitate a sense of escapism. The stores are designed to evoke the 19th century French aristocracy, and service employees are trained to behave in a respectful way with customers. Managers tell us of how carefully each aspect of the service in planned and supervised, while frontline service employees describe both their training and how they carry out the interactions with customers in store:

"As we sell a luxury brand, we need to adopt certain codes. The most basic is the greeting. We say "Madame, bonjour" or "Monsieur, bonjour" rather than "Bonjour Madame" or "Bonjour Monsieur" which would come across as too common."

Subsequent interviews with customers show that these actions by Ladurée carry through into the interaction as the service employees' behavior become part of the experience:

"Already in the line [at the counter], I'm at the theatre.... The orchestrated ballet of sellers dressed to tens [sic] swirling around to offer stellar service à la française".

Building on previous research on value-in-context (Akaka et al. 2013), we find that in this context of an upscale Parisian service, escapism plays an important role in customers' value processes at Ladurée. When asked about their service experience at Ladurée, several customers

immediately comment on how interacting with Ladurée lets them feel transported. For some customers, it is a transportation back in time, and many respondents comment on how the service experience make them feel. Several different respondents all individually comment on how the service interaction makes them feel special:

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"I feel like a princess – everything is so beautiful."
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For others customers, especially foreign tourists, the escapism is more in space; they comment on how Ladurée makes them "feel Parisian". Common to these experiences is a carefully facilitated service to let customers momentarily break their everyday routine. Combined, these findings show how the processes designed by Ladurée spring into action in the service encounter, and how this service experience lets customers live a fantasy constituting an important element of customer value creation.

In line with Edvardsson, Tronvoll and Gruber's (2011) research on social value, we further find that the value process for customers continues after the interaction, but now in the customers' own social sphere. For many customers, Ladurée carries a certain prestige, and customers comment on how their value from interacting with Ladurée extends beyond the actual interaction. For some customers, social value comes in form of conspicuous display of their service. Several customers mention how they take pictures of themselves at Ladurée to post on social media to

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"show that I am visiting Ladurée" or
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"to make friends jealous".

For other customers, social value comes in the form of shared moments: sharing the macarons from Ladurée with loved ones to have

"a memory of shared pleasure and happiness in the family".

Contributions

Addressing the need for empirical studies of cocreation and the value process, we offer three main contributions to service research. First, we show that service providers have roles other than value cocreators and thus analyze the provider's different value stages both before and after the service. Second, we describe how customers may create value independent of the provider after the service interaction, especially in the form of social value. Third, we extend previous research to show that both the provider's and customers' value processes begin *before* the interaction and continue *after* the interaction is over.

Our findings allow us to identify and describe five different stages of the value process: value expectation, value facilitation, value co-creation, value creation, and value learning. In our paper we analyze each of these five stages in detail using both company and customer data.

[&]quot;They make the customer feel refined."

[&]quot;When shopping at Ladurée I always feel like a lady."

We thus contribute to extant service literature by analyzing the different stages of the value process and the actions that different actors take in each stage of the process. We further extend the mainly conceptual service literature of value-in-use to provide an empirical analysis of the different forms of both the firm's and the customers' value creation throughout the value process. Agreeing with previous service literature (McColl-Kennedy, Cheung, and Ferrier 2015) on the importance of value creation among several actors, we contribute by analyzing each step of the value process from the viewpoint of different actors to argue that service research needs to understand both what the actors do individually (before and after the interactions) *and* what they do together (during the interaction). We further add to the literature by extending Grönroos and Voima's (2013) model of value spheres. By analyzing both the service provider's and the customers' perspectives, we add two additional stages to the existing literature on the value process: the customer's process before the interaction and the provider's process after the interaction.

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Embodied Staging and the Making of a Tourist Servicescape

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Introduction

The theoretical framework of "staging" is used in order to unpack the ways in which service providers orchestrate the strategic construction of servicecapes as particular tourism imaginaries. While existing scholarship has paid attention to both physical and social dimensions of the built environment (Bitner 1992; Kozinets et al. 2002; Peñaloza 1999; Sherry 1998), we do not know much about the productive contributions of bodily participation and movement in the production of consumption places. Accordingly, the research question driving this study is, in what way service providers strategically employ consumers moving bodies in the staging of particular places of/for consumption?

Theoretical background

Servicescapes are purposefully staged in order to entice consumers to enter, stay, and return (Sherry et al. 2001). Elements of design and displays become the resources for cultural meanings through their "rhetorical qualities" (Peñaloza 1999). Arnould et al. (1998) theorize that servicescapes are produced through *substantive* (material) and *communicative staging*. Highly insightful as these works may be in terms of constructing meaningful places of/for consumption, they stop short in addressing the consumer body, its movement, and its interaction with the surrounding space.

Yet, social scientists tell us that we also experience places bodily (Crouch et al. 2001). In analyzing place as a social construct, the preeminent philosopher of place Edward Casey (1993, 1996, 2001) stresses the intertwinement of place with the body. "Body and place belong together" he says; and there can be "no places without bodies." The living body is essential in the process of "emplacement" and it serves as the "vehicle of being-in-place." The body subject becomes a fabricating agent in transforming undifferentiated space into meaningful place. To be sure, "bodies build places." A major function of the body-place interaction is navigation, that is, orientation in space.

Yet, how does this simplistic postulate about the body-space association helps us theorize the staging of servicescapes through bodily movement? The focus in this research is on the strategic efforts of frontline employees to stage a particular tourist destination. Instead of examining only their communicative rhetoric and materiality as existing scholarship has done, additional attention is paid on the employment of consumers' bodies as they move and as they are being guided.

Methods

Market-oriented ethnography (Arnould and Wallendorf 1994) was conducted in St. Petersburg, Russia, also known as the "Cultural Capital of Russia." The city attracts more than

five million tourists annually and it is included among the top destinations in the world (TripAdvisor.com). The main goal during fieldwork was to participate in guided tours offered to English-speaking foreign visitors. I focus here on eleven "shore excursions" organized by established travel agencies and conducted by highly-educated, officially-licensed guides. Participation in guided tours provided the opportunity to observe the tour itinerary, the attractions selected by the guide, the narratives provided for each attraction, and additional information given about the city, its residents, and its history. Particular attention was paid to guides' body language and gestures, as well as to their discursive employment of the tourists' moving body and its association with the surrounding space.

Findings

Setting the stage

The process starts with the transformation of previously unknown aspects of space (buildings, objects, streets, etc.) into attractions worth paying attention to through the tactic of labeling, according to which attractions are identified and acquire a name and a reasoning or association to the larger narrative of the place: "This is the 'Small Dining Room'... That was the favorite... desk of Catherine the Great." Labeling is always accompanied by the tactic of directing consumers' attention to the intended object. There is a double engagement of the body in this process. First, the guide points at the focal object. Second, the object is located in space through the use of consumers' body as a spatial framework: "On the left-hand side, there is a former city palace of Shuvalov family... On your right hand side, there is a bright yellow palace behind the pretty fence." Simultaneously with the guide's pointing, tourists turn their head or body or both and direct their gaze to the object of interest. As the attractions come into existence in the consumers' perceptual field, elaborated on, and positioned in relation to their bodies, they are also located in space in relation to each other through the tactic of mapping: "The Neva River, St. Isaac's Cathedral, further down the gilded spire of the Admiralty building, at the distance the green and white building of the State Hermitage Museum, to the left the building of the Academy of Fine Arts."

Emplacing

At the same time that guides construct a meaningful spatiality of St. Petersburg where attractions are located, they also <u>situate</u> consumers on the emerging place: "now we are in the room where a bit more important guests used to wait for the invitation to come to the Grand Hall." Consumers are not left outside observers of the unfolding place but, rather, they are <u>drawn in</u> to become part of the scene: "We are going to feel ourselves local" as one guide said. In a deeper sense, through <u>enacting</u>, consumers are actively engaged, as if they play a role in St. Petersburg's historic narrative: "So gentlemen you have funny stockings and wigs, ladies you have huge dresses, you have kilograms of makeup, tons of jewelry, and it's a hot sunny day in July." In this way, the consumers' participating bodies become the props and the media for the transformation of the surrounding space into St. Petersburg of the past; that is, a particular stage – the Imperial Court of Peter the Great – where specific enactments take place.

Regulating

Being-in-St. Petersburg is strictly regulated. The tactic of <u>focusing</u> directs attention to things that have already been selected for them: "have a look at the decorations of the room over here." Behavioral practices are subject to constant supervision. In the simplest sense, guides' tactic of <u>indicating</u> is suggestive of appropriate ways to act as a tourist: "we are going to get off the bus... you are going to take photographs". The moving body is subject to constant regulation through <u>positioning</u>. Here, movement is regulated in terms of speed ("Please keep moving"); which direction to take ("now we're going downstairs"); when and where to stand ("stay close to the windows because we are just queuing now to see the painting by Leonardo"); and when and where to seat ("you can sit wherever you would like because all this boat is ours"). From the beginning of the tour to the end, the path of movement on or out of the van is well-designed and the guides make sure to follow this itinerary through the tactic of <u>pathing</u>.

Discussion

Ethnographic data collection and analysis reveals four groups of staging strategies and tactics employed by tour guides in order to construct St. Petersburg (Table).

Resonating the theatrical practice of scenography, the strategy of <u>Stage-Setting</u> is used to design the stage where action unfolds. Through the tactic of <u>Labelling</u>, the stage elements are being identified, given a name, and described. Labelling works together with <u>Directing</u> that brings these elements into consumers' perceptual field and locates them in space relative to their own bodies. Consumers not only have to turn their head to notice an attraction, but they may have to move to a certain direction, or to come closer, or to look from a certain angle. The stage becomes more elaborate through <u>Mapping</u> that creates a relational representation of all the elements that become part of the emerging stage.

Table – Strategies & Tactics of Embodied Staging

Stage-Setting	Emplacing	Regulating
Labelling	Situating	Focusing
Directing	Drawing in	Indicating
Mapping	Enacting	Positioning
		Pathing

The strategy of <u>Emplacing</u> is a more intricate effort to include consumers' bodies into the meaningful place. The tactic of *Situating* clarifies where consumers are located *bodily* on the three-dimensional place, always in relation to what matters. Through *Drawing-in*, consumers are engulfed into the same place with the attractions. Through *Enacting*, guides bring consumers into center-stage. Their bodies become part of the place-drama and place is "made sense of."

While the strategies of Stage-Setting and Emplacing define a meaningful place and emplace consumers in it, the strategy of <u>Regulating</u> institutionalizes St. Petersburg as a particular place by specifying what the moving body should and should not do. Using the tactic of *Focusing*, the guides stipulate what consumers should gaze, hear, and learn about. Through *Indicating*, they instruct on specific behaviors that are (in)appropriate for the particular place. The body is constantly regulated in terms of (im)mobility through the tactic of *Positioning* as well as through the tactic of *Pathing* that specifies a well-designed path of movement.

Conclusion

This study demonstrates that servicescapes are staged not only communicatively and materially (Arnould et al. 1998), but bodily too. It also enriches the servicescape literature by identifying three groups of strategies and their accompanying tactics that are available to frontline employees for the successful staging of servicescapes.

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5J. Transformative and Health Services III

Designing Transformative Health Services at the Base of the Pyramid

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Introduction

Historically, service research has mainly focused on the affluent customer who seems to have choice and access to an endless array of services. Unfortunately, this is not the reality for most customers in the developed and developing world (Hill and Martin 2014).

Recent efforts within the service research field highlight this imbalanced reality and call for widening the current boundaries of service research. As such, the Transformative Service Research (TSR) movement was born. Ostrom et al. (2010, p. 6) define TSR as: "Service research that centers on creating uplifting changes and improvements in the well-being of individuals (consumers and employees), families, social networks, communities, cities, nations, collectives, and ecosystems". TSR stresses the importance of "inclusions" (Fisk et al., 2017) through its adopted definition (i.e. individuals (consumers and employees), families, social networks, communities, cities, nations, collectives, and ecosystems). Accordingly, TSR is positioned to tackle well-being issues of *all* service actors.

A neglected group of service actors is the Base of the Pyramid (BoP) group. Consisting of the largest and poorest socioeconomic group, BoP has recently become a priority for services scholars (Gebauer and Reynoso, 2013; Ostrom *et al.*, 2015; Gustafsson *et al.*, 2016). Understanding service ecosystems at the BoP and service co-creation behaviours of customers at the BoP, are areas which are beginning to receive research attention (Bitner and Brown 2008; Fisk et al. 2016; Gebauer and Reynosa 2013; Reynosa, Valdes, and Cabrera 2015). Similarly, service organisations have adopted information-technology driven innovations to cater to the needs of the poor and are developing new business models that fit the BoP context of working with limited resources and remote consumers in rural areas (Reynoso *et al.*, 2015).

Nevertheless, despite these early efforts, one of the service systems that require urgent attention within the BoP is the healthcare system. Healthcare in BoP markets are rarely free and the billions of poor often do not have access to such services (Gustafsson *et al.*, 2016). TSR is especially relevant for healthcare where service organisations and patients (customers) can contribute to individual as well as societal well-being (Anderson *et al.*, 2013). While the economic impact of healthcare is immense at the BoP (Prahalad, 2006), its impact on patients' quality of life means that there is an even greater impact in transforming people's lives (Sweeney *et al.*, 2015). However, little is known about the processes and the capabilities needed to build and develop service ecosystems that can efficiently and effectively deliver health services at the BoP. There is also the need to examine the impact of such practices on the well-being of customers and communities. Well-being aspects such as convenience,

literacy, affordability and quick access become relevant when targeting low-income customers (Prahalad, 2006).

In light of this, this study aims to understand the particularities of the BoP healthcare ecosystem and shed light on how healthcare organisations can design services and ecosystems to cater to the BoP. Therefore, the research questions for this study are:

- 1. How can healthcare service ecosystems be designed to cater to BoP customers?
- 2. What are the impacts of healthcare redesign on the various actors of the service ecosystems?

Conceptual framework

In order to address these complex research questions, we adopt the transformative service research (TSR) framework (Anderson et al., 2013). Further, we focus on the emerging BoP and healthcare literature and explore the specificity of the BoP healthcare ecosystem.

Ecosystems are networks or communities that gather complementary resources to cocreate (Letaifa and Reynoso, 2015). Vargo and Lusch (2011: p. 15) define service ecosystems as "relatively self-contained, self-adjusting systems of resource-integrating actors connected by shared institutional logics and mutual value creation through service exchange. We advocate a service design approach to redesigning the current healthcare service ecosystems at the BOP. Service design involves the intentional configuration of fundamental physical and non-physical elements in a service system (Goldstein, Johnston, Duffy, & Rao, 2002). Specifically, we adopt the service design logic calling for human-centered activity of organizing the servicescape (e.g., music, furnishings, signage) (Bitner, 1990), service operations management (e.g., processes, procedures), and social (e.g., culture, values, attitudes, identity) aspects of a service with the goal of improving consumers' experiences in a holistic way. Design is thus about more than a particular product or service; it is about user experiences, processes, and systems (Bitner, Ostrom, & Morgan, 2008; Brown, 2008). Adopting the service design mindset and considering the specificities of the BOP healthcare market means that this project focuses on designing with users rather than designing for users (Binder, Brandt, & Gregory, 2008; Kolko, 2011; Matthing, Sanden, & Edvardsson, 2004).

Research design

In light of this, this study aims to shed light on how organisations can design services (experiences and processes) and ecosystems to cater to the BOP. The research questions are addressed by means of multiple case studies of health services provided by healthcare start-up ventures in Bangladesh.

Bangladesh is chosen for the following reasons: Bangladesh, a Next-11 emerging market (Goldman-Sachs, 2011), has around 31 per cent of the population living below the poverty line (ADB, 2016). Bangladesh, a BoP market (UN Human Development Report, 2009) also faces particular challenges in healthcare: 1. Healthcare insurance is only available to the

very wealthy, 2. the public health system is inefficient and slow, and 3. poor availability of doctors and nurses, especially in rural villages.

Healthcare start-up ventures are chosen because these start-ups have begun to target untapped segments of the population by partnering with local healthcare professionals. In addition, these start-ups provide an opportunity to study the development or modification of healthcare ecosystems at the BoP. For instance, one of the case studies include a telecommunications firm providing free digital health services for the first time and additional health services at a low price by partnering with doctors.

The advantage of using a case study approach includes the depth of understanding that can be achieved (Yin, 2009). Yin (2009) advocates the use of exploratory case studies to uncover areas for theory development. Due to the nascent state of TSR at the BoP, a case study research design would assist in extending extant theory in this area (Gebauer and Reynoso, 2013). In addition, case studies would allow for a comparison between the similarities and differences of implementation processes and help to enhance the generalisability of the findings (Eisenhardt and Graebner, 2007). A semi-structured interview guide is used to conduct interviews with managers within the start-ups and also their partner organisations (meso level: GP clinics/pharmacies). At the macro level of the service ecosystem, relevant health policymakers are investigated. Existing users of these services (micro level) are interviewed regarding their experiences, benefits they have received from using the health services, level of satisfaction and future expectations/intentions about using the services [This study is in the data collection stage, with initial findings expected to be ready by May, 2018].

Expected findings

It is expected that the findings will help shed light into the specificities of the BoP healthcare market and how innovative health services need to be designed to serve BoP customers. This may call for close collaboration between business actors, non-business actors and government actors to build up new service ecosystems. This research will advance the knowledge in the nascent areas of TSR, service design and BoP service research.

Contributions

The study is not only of practical importance for service managers who want to tap into the immense potential of BoP markets but also of social importance to other stakeholders such as BoP customers and policymakers. It is expected that the findings will promote service innovation and design of health services that affect positively the well-being of BoP customers and reduce the vulnerability of BoP communities. With even developed nations like the UK and USA struggling to make healthcare more accessible, this study will provide timely insights into how their public and private sectors could redesign their current health service systems using limited resources to improve patient and societal well-being.

References: Available upon request

Transforming consumers financial wellbeing through gamified customer value

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Abstract

Transformative service research (TSR) is a lens through which many of the challenges in today's global service economy can be viewed. This research adopts a TSR perspective to investigate whether gamification can assist consumers reduce their energy consumption and improve their financial wellbeing. A sample of 326 field participants in a digital service program XYZ¹⁰ completed an online survey with the data analysed using PLS-SEM. The findings of this field study show gamification can be used assist consumers reduce their energy consumption and improve their financial wellbeing. This outcome is achieved through designing game elements that create customer value, which in turn influence energy efficiency habits.

Key Words: transformative service research, gamification, customer value, financial wellbeing, energy consumption, field study

Introduction

Gamification, the use of game design elements for value creation and the influence of behaviour outside gaming systems (Huotari and Hamari, 2017), is an emerging area of importance transformative services which assist the wellbeing of consumers (Hammedi, *et al.*, 2017; Yam, *et al.*, 2017). Scholars have begun to contribute to the literature by demonstrating how gamification can increase the usage of services (Rodrigues, *et al.*, 2016) and wellbeing behaviours (Hamari and Kovisito, 2015). Gamification also has the potential to assist in decreasing consumption, yet there is limited research which provides this insight. This research examines the extent to which gamification might assist consumers in decreasing their consumption and thereby also improve their financial wellbeing.

This research involves a field study of real consumers who participated in a program which employed a gamified app to encourage decreases in energy consumption. It specifically focused on three behaviors; 'cool' (using a fan rather than an air conditioner), 'wash' (using a clothes line rather than a dryer), and 'switch' (turning lights and appliances off at the wall). Energy consumption is an important issue due to increasing pricing tariffs leading to households struggling to pay energy bills and declining financial wellbeing (Gordon, *et al.*, 2018). This provides a transformative service opportunity to assist consumers financial wellbeing by encouraging decreases in energy consumption through gamification.

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¹⁰ Name of program concealed to facilitate blind review process

Research provides preliminary insights into the ability of gamification to assist decreases of energy consumption (Johnson, *et al.*, 2017). Specifically, it is tentatively thought gamification can improve knowledge and learning, and behaviour relating to reductions in energy consumption (Johnson, *et al.*, 2017). The first aim of this research is therefore to provide greater insight to the impact of game design elements in gamification encouraging decreased energy consumption. Understanding the influence of customer value of gamification on consumption and wellbeing behavior is another growing area of scholarly interest (Hamari and Kovisito, 2015; Rodrigues, *et al.*, 2016). The second aim of this research is therefore to investigate the impact of customer value on lower order behaviors which contribute to decreased energy consumption.

Game Design Elements

Game design elements are interaction design components which create a game experience (Johnson, *et al.*, 2017). In the gamification literature, there is a plethora of game design elements. One typology which attempts to gain consensus of the game design elements can be seen in the systemisation proposed by Hamari and colleagues (2014), who put forward the following elements: points, leaderboards, achievements/badges, levels, story/theme, clear goals, feedback, rewards, progress and challenge. Using Hamari and colleagues (2014) typology, Johnson and colleagues (2017) systematic review identified there a need for greater research on the effect of game design elements on outcomes and we therefore address this gap. Our study specifically examines the game elements of challenge, feedback points and character.

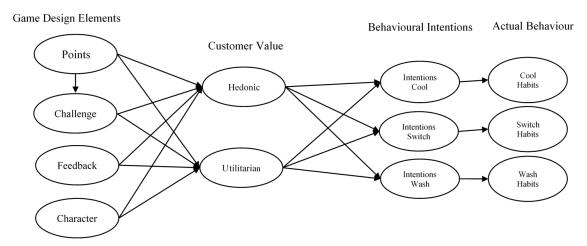
Customer value

Customer value has received considerable attention in a number of related fields to this research including energy consumption and gamification (Gordon, *et al.*, 2018; Hamari and Koivisto, 2015). Sánchez-Fernández and Iniesta-Bonillo (2007) point out multiple multi-dimensional conceptualizations of perceived value exist in the literature. However, from the multiple frameworks which exist it appears one is predominately drawn from for gamification, utilitarian and hedonic value (Babin, *et al.* 1994). Thus, we use the dimensions of utilitarian (knowledge created regarding energy consumption behaviours) and hedonic (enjoyment of using the gamified app) value for our conceptual framework.

Conceptual model

Figure 1 presents the conceptual model for testing in this study. The model proposes game design elements will influence customer value, which in turn will influence energy behavioural intentions and energy habits.

Figure 1. Conceptual Model



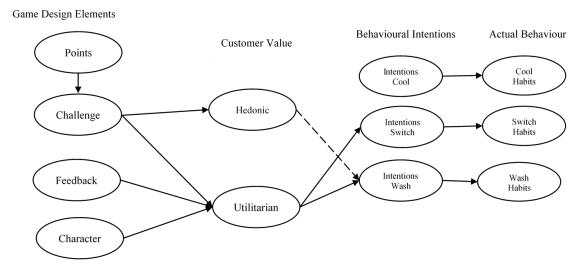
Method

The data were collected from field participants of a program using a gamified app. To participate, consumers were required to be young adults (aged 18-35 years) earning less than \$41,500 per year personal income or \$50,700 per year household income who rented (these were the conditions of the real world program in which the app featured). Online surveys and data analytics were used to collect data for this study. Construct measures were adopted from prior literature and adapted to fit the context of the study. Points however were measured via app data analytics which were recoded into ordinal levels from 1 to 3 based upon participants scores.

Results

The significant results are outlined in Figure 2. As expected, points had a significant positive influence on challenge (β =0.16, p<.01). Challenge significantly influenced hedonic (β =0.35, p<.000) and utilitarian value (β =0.44, p<.000). Feedback positively and significantly influence utilitarian value (β =0.21, p<.000). Character significantly influenced utilitarian value (β =.09, p<.05).

Figure 2. Relationship Testing Results



Note: Dashed line indicates negative relationship.

Hedonic value significantly influenced wash intentions but this relationship was negative (β =0.12, p<.05). Utilitarian value was found significantly and positively influence intentions switch (β =0.14, p<.05), Intentions Wash (β =0.09, p<.05). Cool intentions significantly influence cool habits (β =0.24, p<.05), switch intentions influenced switch habits (β =.33, p<.000) and wash intentions influenced wash habits (β =0.64, p<.000). It is important to note hedonic or utilitarian value did not influence cool intentions and cool intentions did influence cool habits. This may suggest other factors are influencing cool habits.

This study also collected participants reported quarterly bill size pre and post participation in the program using the gamified app. A significant difference was observed in bill sizes pre (M=\$496.62) and post (\$441.18), t(285)=31.63, p<.000), an averaging of \$55.44 per participant or \$221.76 annually.

Discussion

This research presented a new perspective of gamification technology for furthering transformative service provision which aligns with current service research priorities (Ostrom, et al., 2015). This research proposed and empirically demonstrated gamified apps as a technological tool for transformative services provision encouraging decreased rather than increased consumption, which is not yet thoroughly discussed or empirically reported in the literature. Our results show that indeed gamified apps is a useful tool for assisting consumers decrease their consumption of energy services which can contribute to improved financial wellbeing through bill saving. This study is also one of the first to theorise and empirically test a model which directly links game design elements and value creation (customer value). This is an important contribution given recent service marketing definitions of gamification which are underpinned by game design elements and value creation (Huotari and Hamari, 2017).

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The (Transformative) Temporary Third Place

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Relevancy

Many social scientists have shown that built commercial service establishments (Rosenbaum, 2008) and virtual service providers (e.g., social networking sites, Liang et al. 2011) as well as built non-profit (e.g., cancer resource centers) and virtual health care communities (e.g. online support groups, Yao et al. 2015) often transcend their business purpose by becoming forums in which customers and employees often exchange social support with one another. The impact of social support on human well-being, and a person's quality of life, is profound as it helps protect people from experiencing symptoms, such as stress, depression, and loneliness, that typically ensue after people various life crises.

Much of the service-related studies on social support have been set in the contexts of so-called third places. which refer to places other than home or work that encourage customers to engage in social interaction (Oldenburg, 2002). Third places represent "places where people gather primarily to enjoy each other's company" (Oldenburg and Brissett 1982, p. 269), and, in doing so, they provide people with opportunities in which they can participate in social supportive networks.

Although third places are often physical commercial establishments, many researchers have shown that built non-profit service organizations, which often serve as natural forums for sustaining social networks and facilitating social relationships between and among customers, employees, and volunteers, such as cancer resource centers or senior day centers, can act as third places for many of their patrons by providing them with a sense of belonging to an engaged community comprised of supportive relationships.

Other researchers have shown that computer-mediated communication sites, such as chat rooms (Soukup 2006), or online communities, such as those centered upon medical health issues (Johnson and Lowe 2015) or stigmatizing conditions, like obesity (Parkinson et al. 2017), often serve as "virtual third places" (p. 424) for their customers, by offering them the same feelings of support and of social camaraderie which people often find in physical third places. Similarly, other researchers have shown how Massively Multiplayer Online Games (MMOGs) often act virtual third places, especially for "an entire generation of millions of young gamers" (Ducheneaut, Moore, and Nickell 2007), because they permit users to engage in social interaction within a setting in which the dominant activity is a "play-form" of association, which often typifies that found among third place patrons.

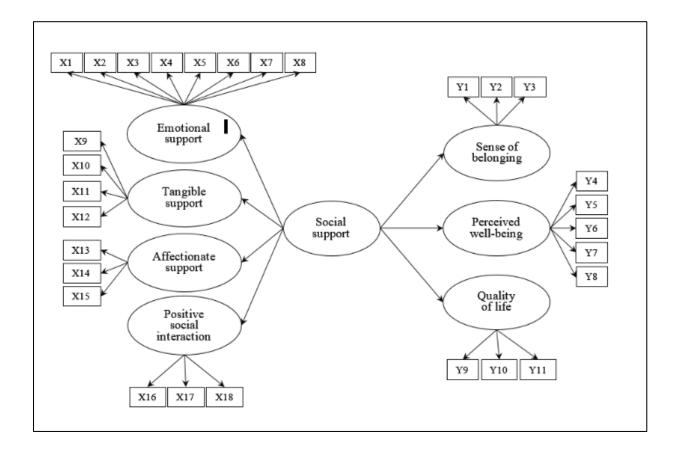
Although the literature concerning the role that physical and virtual third places may assume in providing their customers with support is valid, it fails to consider that third places are typically vestiges of Western culture and of urbanism. In many industrialized cities, people work and live in a highly mobile society that is comprised of complex built environments, elaborate building systems and intricate urban networks; all of which have served to lessen the ties that people have with places, and with social relationships that are embedded in places; yet, this is not necessarily the situation in developing or least developed nations.

Third place researchers tend to overlook that people with financial vulnerabilities may not have the money, time, or ease of ability, due to limitations stemming from household responsibilities, lack of privacy, or lack of personal space, to patronize either commercial or virtual third places. This may be problematic as a person's social support needs are often inversely related to household income; consequently, people with financial vulnerabilities are often in need of social supportive resources; most notably, due to deficits in perceived emotional support (e.g. personal issues) and instrumental support (e.g. help with transportation). Thus, one may speculate how service organizations and service providers can assist lower income and poor individuals, that is, consumers at "the bottom (or base) of the pyramid" with having affordable and convenient access to social support, beyond that which is typically provided by family, friends, and co-workers.

This article addresses this speculation by introducing the concept of a 'temporary third place.' That is, this research reveals that a service organization; namely, a health care center that is based in a South American developing nation, transforms itself into a third place, after normal operating hours, that is patronized by patients, as well as, community members, albeit, for a few hours per day. The temporary third place presented in this research serves as a forum for various social groups that are centered on commonalities, including health issues, hobbies, and exercise. In line with the transformative service research agenda, this work explores the relationship between temporary third-place participation and outcomes, including a patron's well-being, quality of life, and to a patron's sense of belonging to a social network.

Framework

The proposed theoretical framework reveals that a health care center can transform a community and human well-being by serving as a forum in which community members can obtain social supportive resources.



Methodology

This study was conducted with the cooperation of a health care center in Latin America. The healthcare center operates as a non-emergency clinic during the day; however, the facility hosts a variety of support group for their patients and for community members during the evening and weekends. These social groups are staffed entirely by volunteers and non-health care employees and participation in these groups is usually complementary.

We obtained data through self-administered questionnaires from a sample of 364 respondents. Each respondent who volunteered to participate in the study was required to belong to at least one social group and to have participated in the group at least once over the past 30 days. Respondents were not permitted to complete more than one survey, despite the number of social groups to which they belonged. The average length of time that a respondent recorded belonging to his or her social group was 2 years; with respondents meeting an average of 5 times per month.

Of the 364 respondents, 68 were males and 296 were female. The average age of a respondent was 55 years, with a minimum of 18 years and a maximum of 108 years. In terms of each respondent's affiliation with a health-care center based social group, 101 (28%), respondents participated in oil painting; 79 (22%) in history and folklore; 51 (14%) in yoga; 46 (13%) in artistic drawing; 32 (9%) in stress management and control, 30 (8%) in dance therapy; 7 (2%) in Wayu weaving; 6 (1%) in diabetes support; 6 (1%) in English speaking; 3 (1%) in crochet, and 3 (1%) in physical activity.

Measures

Social support. We assessed the frequency with which the members of received social support from other members and volunteers in a social group with the Medical Outcomes Study Social Support Survey.

Sense of belonging. We evaluated a respondent's perceived sense of belonging to a social group with Bollen and Hoyle's (1990) scale.

Subjective Well-Being. We measured a respondent's subjective sense of perceived well-being by using the World Health Organization's Well-Being Index.

Quality of life. We measured a respondent's perceived quality of life with three items from Sweeney et al. (2015).

Demographics. We asked each respondent to indicate the social group that s/he has participated in at least once in the past thirty days, how many times that s/he participates in the group each month, and how long (months, years) that s/he has been a member of the group. In addition, we asked each respondent to indicate gender and age.

Findings

Once the measurement model was validated, the structural equation modeling approach was employed to test the research hypotheses using Mplus 5.1. The structural model yields a x^2 of 1157.29 (df = 367, p < .05). Since the x^2 statistic may yield unreliable results when the sample size and the model complexity increase, other fit indicators (CFI = .91, TLI = .90, RMSEA = .07. SRMR = .05) were used to evaluate the model fit. The resulting model fit for the structural model indicated an acceptable model fit to the data. Next, the structural model supported the hypothesis that social support positively affects subjective well-being (\Box = .37; p < .001). The results also confirmed the positive impact of social support on quality of life (\Box = .40; p < .001). Finally, social support positively influenced sense of belonging (\Box = .49; p < .001). Data analysis showed that all endogenous variables were well explained (i.e., 14% of the variance in subjective well-being, 16% of the variance in quality of life, and 25% in sense of belonging.

Discussion

This study extends the conventional third place concept to the domain of non-profit service establishments that can function as a 'temporary third place.' By opening up their space to those who are in needs of social support, these non-profit service facilities will find their second role as an inexpensive alternative to an archetypical third place such as cafés, bars, and diners. By doing so, they can contribute to individuals' psychological well-being and that of society in addition to their original intention of providing medical service to patients. Patients and patrons of the health care centers can reap the benefits of social support, building a sense of camaraderie and enhancing personal well-being by connecting with one another without bearing costs required for patronizing commercial third places.

6A B2B – Service Relationships

Design of transaction based business process services using value viewpoint

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Introduction

In this paper, the case of services design in a large organization (LOT) that provides Business Process Services (BPS) is discussed. Based on the study of LOT's current services practices and an introspection of services design literature, a new value based service design approach is proposed and illustrated in the subsequent sections.

About LOT and its Business: The Symptoms

To get a better handle on the services design problems faced by LOT, it is necessary to explore and understand its business. LOT's offerings are broadly services to identify; manage and run Information technology reliant operations. LOT builds teams around various domains and technologies and offers specialized business process services. To support this, LOT relies on Information Technology (IT) systems to help address increasing service level expectations from its clients. Externally, LOT provides infrastructure and competent man-power as resources to its customers for running their operations.

LOT is organized as business units that commensurate with a knowledge domain (for eg. Finance, insurance, manufacturing, etc) in order to facilitate better management of offered services. The various business units strive continuously to improve their service levels. Often they make changes in people competencies, service components, service operation, service context, service delivery process, service quality, etc to improve their levels of service. These sporadic changes need to give meaningful benefits to consumers else it will degenerate the service and lead to diminishing returns in value. The current thrust by LOT's senior management is to attain non-linear growth.

Though BPS has been a boon to LOT in terms of employing a bulk number of employees, it is apparent that it is difficult to sustain the same growth. The stress, working against nature and the safety and security factor plays a major role. The employees cease to be social beings and often get isolated from their family and friends. BOSS — the Burn-Out Stress Syndrome — is a common syndrome among the BPS employees and includes chronic fatigue, insomnia due to the complete alteration of 24-hour biological rhythm of the body. Hence there is a need for LOT to identify better services design approaches which will utilize its employees more effectively while reducing the burn-outs.

As part of its BPS operations, LOT's associates play different roles in multiple customers' IT systems spread across different horizontals/verticals/geographies and carefully perform transactions to introduce necessary change. Currently, LOT's associates perform large scale transactions introducing change in their customers businesses and huge volumes of such transactions are in pipeline. LOT needs ways and means for improving services as reputation for service industry for quality of services rendered is generally poor. In the case of IT services, LOT's associates play different roles in multiple customers' organization structures spread across different horizontals/verticals/geographies and carefully offer services that impact the customer's operations. Currently, LOT's associates perform software development life cycle roles in various client engagements and it faces stiff competition in the cost based market. LOT needs a better handle on the various IT services that it offers.

In essence the service design problems that needs to be addressed by LOT are:

- How can LOT communicate its Service Designs amongst its stakeholders?
- How can LOT have a better handle on the Service Quality?
- How can LOT articulate and align to its service context?
- How can the service be partitioned leading to clearer responsibilities?
- How can LOT reduce delivery cost while addressing evolving customer needs?
- How can LOT's service designers provision for accommodating change?
- What are the cohesive policies, guidelines, processes and decision-rights that LOT should adopt?

Analysis of current Design Practices in LOT

To understand the ground situation in LOT, let us take a scenario of **Retailers selling** commodities in huge numbers every day across the Globe and some of the work done in the retailers organization is outsourced. The retailers IT systems house-keep inventory, sales, suppliers, customers, receivables, payables, offers, discounts, etc. Retailers announce discounts, provide offers and adopt similar marketing practices to improve their sales. All these decisions are percolated to the retailers IT systems and reflected in information related to millions of commodities. To reduce the cost involved in such efforts, these companies outsource the work to LOT.

Retailers expect 100% confidentiality and 9 x 4 (99.99%) levels of accuracy from LOT. As part of the services design needs to meet customer expectations in making this change, LOT's associates perform quality audits, supervise, sign off transactions and do significant rework. Such activities add to operating costs of LOT in terms of hardware utilization and man-power efforts.

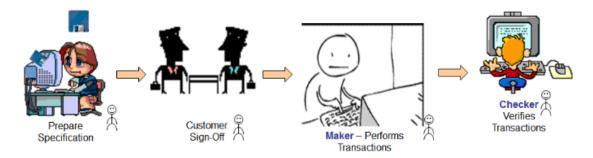


Figure 1: Adoption of Maker-Checker Process in LOT

One of the service design principles that LOT utilizes in order to address this situation is the Maker-checker process. In this case, 4 different individuals, as illustrated in figure 1, are involved in performing the transaction: The first individual prepares the data that should be transacted, the second individual validates the data, the third individual performs the transaction and the last individual validates the transaction performed by the third individual.

Another service design principle that LOT utilizes in order to optimize the way a transaction is performed is IT simplification. The underlying concept, as illustrated in figure 2, is that as many role playing humans as possible are replaced with machines. The advantage is that the machine can work for 24 hours a day, the data transfer is 100% accurate with 100% confidentiality, there is no fatigue, there is no rest and the maximum throughput can increase exponentially.

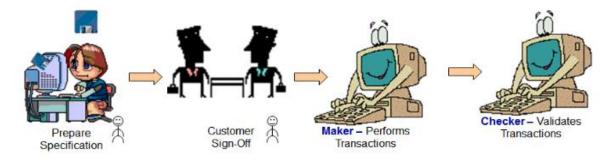


Figure 2: Adoption of IT Simplification in LOT

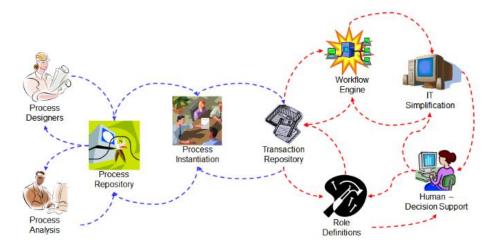


Figure 3: Adoption of Process Orientation in LOT

Another service design principle that LOT utilizes in order to standardize the way associates perform transactions is process orientation. The underlying concept, as illustrated in figure 3, is that every transaction that needs to be performed is digitized as a process. Some of the tasks are automated and some others performed by humans. The underlying workflow engine keeps track of the transactions.

It is evident that many approaches have been adopted by LOT to design its various services. These approaches have evolved by the observation of difficulties faced during service delivery and improving upon them, current trends in providing services by different providers and actions taken when dealing with complex services. It is evident that there is no design rationale about these approaches, but each of these approaches has been practically found to be appropriate for a specific situation.

Proposed Value based approach for Service Design

The underlying basis of this approach is the "value viewpoint" for creating, describing, synthesizing and delivering services. The purpose of a service is to deliver value to its stakeholders and service design should ensure this. This becomes possible by identifying a set of desired quality characteristics that should exist in the service and create an appropriate scheme/organization structure of service components along with the set of service processes which when realized and consumed in accordance with service processes will ensure that value is delivered to stakeholders.

The underlying basis of this approach is the "value viewpoint" for creating, describing, synthesizing and delivering services to customers. As shown in Figure 4, there are four interdependent perspectives that need to be dealt with. The first perspective is the value perspective, wherein it is necessary to work out how to discern value to stakeholders before the service is conceived. The next perspective is the quality perspective, wherein the value proposition is constructively resolved to arrive at a set of quality requirements for the service of interest. The next perspective is the specification perspective, wherein the service design is expressed in terms of views, models, properties, guidelines, principles, constraints and metaphors/heuristics. The last perspective is the delivery perspective, wherein the service specification is instantiated for a specific serviceable situation.



Figure 4: Value based approach for Service Design

Applying the approach to design transaction based BPS in LOT

Based on the value based approach discussed in the earlier section, a candidate service design for the retailers BPS problem faced by LOT is illustrated in this section.

Stakeholders that were identified

Transacting Agent, Transaction Quality Assurance Team, Infrastructure support Team, Marketing team, Service Manager, Service Quality Assurance Team

Proposed Value Proposition to various Stakeholders

In this servicing situation, Retailers outsource the temporary price change activities in order to reduce cost. Over multiple iterations they would like to continuously reduce cost of price change. It can be assumed that "enhancing value" to the retailers business would be a delight to the service consumer.

Proposed Stakeholders' Value creation Context

The value creation context in this service delivery situation is:

- On demand, on time delivery
- Increase effectiveness, productivity and throughput
- Within budget, no additional costs
- Less waste in terms of bottlenecks and inefficiencies
- Less business latency

Proposed Value Quality Correlation

Not all of service qualities are valuable from consumers point of view, some of them are trivial, some of them non-interesting and some of them delightful. In order to arrive at those set of qualities that are of value to consumers, providers need to start from the value that they would like to deliver and correlate it to service qualities. Table 1 lists down the value quality correlation.

Value	Service Quality	
Reduce Cost	Competence, Reliability, Global availability, Credibility, Price	
Enhance Value	Understanding, Assurance, Communication, Responsiveness, Consulting	

Table 1: Value quality Correlation for the illustration

Proposed Service Qualities Specification

'Quality' is a key for a better Service. Traditionally, quality is the degree to which the service satisfies the stated and implied needs of its various stakeholders. This approach treats quality as the degree to which the service is delivering value to its stakeholders. The set of service qualities that the service should possess based on the value that is to be delivered is illustrated in Table 2.

Service Quality	Interpretation for this Situation
Reliability	Ability to perform the services dependably and accurately
Responsiveness	Willingness to help and provide prompt service
Assurance	Service personnel's knowledge and courtesy
Competence	Possess necessary skills and knowledge to perform price change
Credibility	involves trustworthiness and believability
Communication	Keeps the consumers informed on the progress
Understanding	Understands the implications of the price change for the commodity
Consulting	ability to align with customer's operations
Price	Transaction based Pricing Model

Table 2: Some service qualities for transaction based services

Proposed Service components for BPS in LOT

A service can be viewed as nearly independent service components and their compositions thereof. For the exemplar problem under discussion, provider view (figure 5) and consumer view (figure 6) of the BPS design in LOT is depicted. Each view is a different perspective in representing the service and explains how the service can be understood, analyzed and synthesized.

Proposed Service processes for BPS in LOT

Service Processes are the way a service is delivered/consumed. While the actual action is performed by associates; the sequence of steps to be invoked are the service processes. These processes are designed such that the different service components coordinate together and manifest the desired qualities. Figures 7 and 8 illustrate the BPS services processes of LOT.

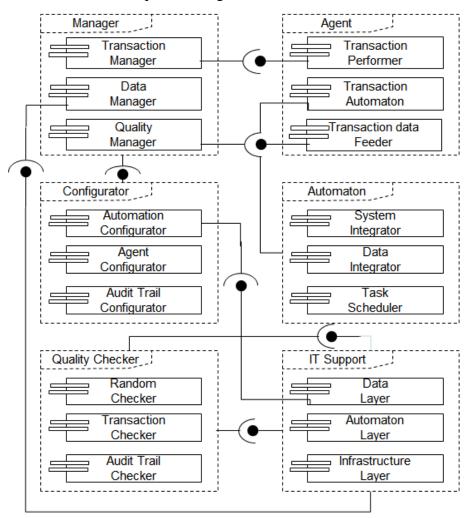


Figure 5: LOT components

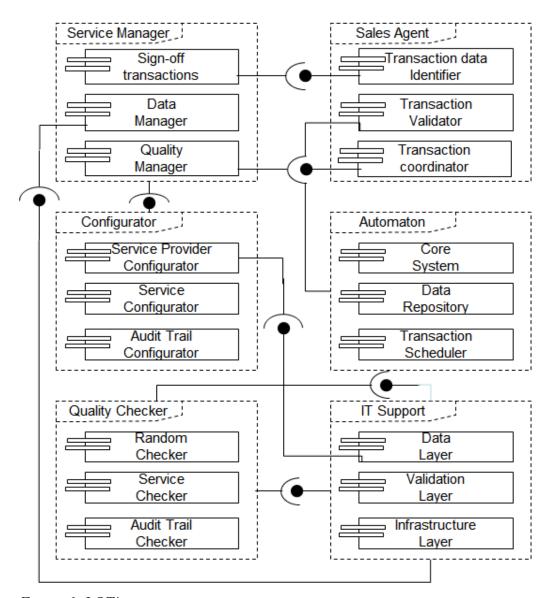


Figure 6: LOT's customer components

As part of the service delivery process, the (Information Technology) IT activities required to perform a transaction is defined as a process program. The automation agent then poses itself as a role playing user in the customers' IT system and uses techniques like screen scrapping, scripting, hooking, journaling, etc. to automatically perform the activities defined in the process program.



Figure 7: Service delivery process

As part of the service consumption process, the (Information Technology) IT activities required to consume a BPs transaction is defined as a process program. The automation agent performs these activities on behalf of the customer and validates the BPS service. Thus this service would help reduce the latency that arise due to manual validation thereby increasing the quality of the customer's offering as a whole.

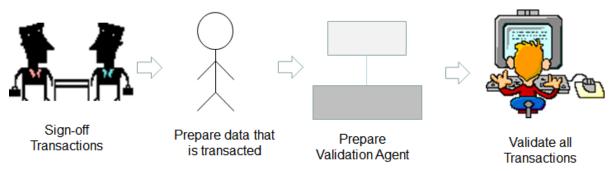


Figure 8: Service consumption process

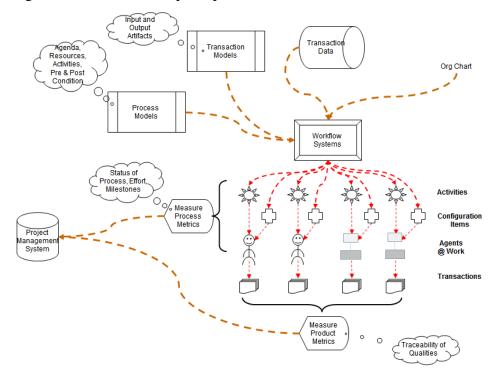


Figure 9: Service Management Process

Proposed Service Management for BPS in LOT

As part of Service Management, it is necessary to identify the relevant metrics and then instantiate the service for a specific situation in consumer house. For this it is necessary to establish a bridge between the LOT and customer processes. Figure 9 is an illustration of the service delivery process.

Conclusion

In this paper, an approach for designing services that is based on the values viewpoint was briefly explained. This approach utilizes four perspectives (Value, Quality, Specification and

Implementation) and corresponding processes to arrive at the specification and corresponding implementation of a service. This was illustrated by designing the BPS services of LOT.

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How Consultants Can Shape Project Outcomes Before Things Get Started: The Role of Fit Between Offer Positioning and Contextual Factors for Project Performance

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Introduction

Over the last years, it has become more challenging for consulting firms to remain successful in their business. Two recent developments underscore this view: First, competitive intensity among consultancies increases as new players such as solution shop providers push into the market (Christensen et al. 2013). Second, many client firms increasingly professionalize their purchasing of consulting services through the implementation of standard procedures. Those clients no longer rely on relational and trust-based approaches when selecting a consultancy. They rather apply formal procedures such as a request for proposal (RFP) stage to make the final buying decision (Pemer, Werr, and Bianchi 2014).

Consequently, positioning becomes increasingly relevant for consultancies, because it represents a major source to establish a competitive advantage (Hooley et al. 2001). However, scholars have repeatedly noticed a lack of empirical research on the topic of positioning, especially in the business-to-business (services) environment (Blankson and Kalafatis 2007).

Consultants should consider a wide range of variables when positioning their offers (e.g., Day and Barksdale 1992; Glückler and Armbrüster 2003). While consultants can influence some variables during the award procedure of a prospective project (e.g., pricing), others are exogenous (e.g., project complexity), or relatively stable over time (e.g., firm reputation). Configuration theory implies that it is important to empirically analyze the interplay between these variables (e.g., Vorhies and Morgan 2003).

In this respect, we argue that the *fit* between a consultant's offer positioning and contextual variables should affect the project's subsequent performance. The goals of our study thus are (1) to identify the key dimensions along which consultants position their offerings, (2) to distil the major contextual variables that consultants should consider in their positioning activities, and (3) to assess how the fit between these factors affects subsequent project performance.

Conceptual Framework and Hypothesis Development

FIGURE 1 Conceptual Framework

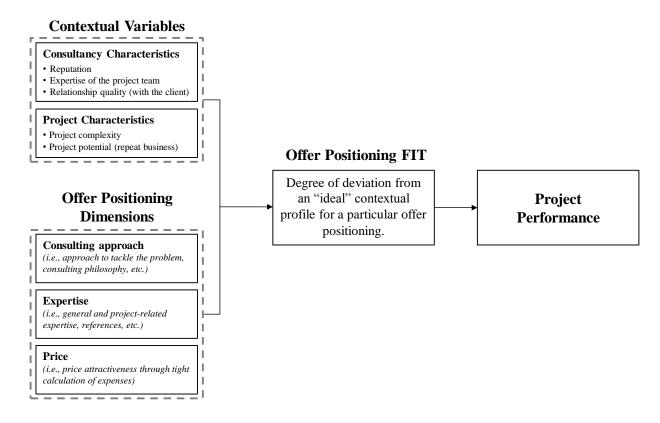


Figure 1 illustrates our conceptual framework. It analyzes how the fit of major contextual variables with a consultant's offer positioning along three dimensions (consulting approach, expertise, and price) during the award procedure affects the performance of the subsequent project. We identified the contextual and positioning variables through a literature review and 11 semi-structured interviews with consultants.

Hypothesis Development

Configuration theory states that "an organization that resembles its optimal type will be most effective" (Flaherty et al. 2014, p. 306). The superior effectiveness of the optimal type is thus driven by a configuration that establishes fit among a set of relevant variables (e.g., Doty et al. 1993). According to the assumption of *equifinality*, there are multiple configurations that can achieve superior effectiveness (Katz and Kahn 1978).

Applying this logic to our study, we argue that there are various configurations by which a consultant can successfully position an offer during the final stage of an award procedure. For each of these configurations there should be an ideal profile of contextual factors that leads to superior project performance. Deviation from the ideal profile for a specific offer positioning, by contrast, should have a negative effect. We formulate the following general hypothesis:

H1: Deviation from the ideal contextual profile for a particular offer positioning along the

dimensions consulting approach, expertise, and price will negatively influence the performance of the consulting project.

Methodology

Data Collection and Sample

We conducted a survey study with experienced consultants as respondents. As basis for an extensive web research, we used a list of 276 consultancies, published in a German business magazine (brand eins Thema 2014). We collected 2,778 e-mail addresses of consultants working in these firms.

To qualify for survey participation, respondents had to evaluate the last project that met the following criteria: (1) the project was awarded to the respondent's consultancy during a RFP procedure including a sales pitch and (2) respondents were actively involved in the initiation and subsequent management of the project. The final sample consisted of 330 respondents from 92 consultancies. Most of our respondents were partners (54.2%), principals (25.2%), or project managers (12.7%).

Measures

We adapted the scale of Cravens et al. (1993) to measure project performance. Respondents assessed the performance of the considered project relative to the average of all prior projects in which they had been involved to account for heterogeneity among consultancies and the different industry practices. The measurement properties are very good and exceed common cut-off values.

To measure how the respondents positioned the identified project, respondents had to distribute 100 points among the consulting approach, expertise, and price reflecting the relative importance that they attributed to the respective dimension to position the offer during the client interaction in the phase between the sales pitch and the final award of the project. We used a constant sum scale to account for the limited time that characterizes the final phase of RFP procedures: Focusing on this final stage is crucial, because it consists of short but essential interactions with the client during which consultants need to ultimately clarify what their offer stands for (Day and Barksdale 2003).

To capture the reputation of the consulting firms, we drew on the results of a large-scale practice survey among managers and consultants in Germany (brand eins Thema 2017). The survey distinguishes firms across 16 industries and 18 areas of specialization. We measured a firm's reputation by the number of distinctions that it received across these categories. We used single items to measure the contextual variables. We statistically controlled for common method bias.

Analyses and Results

Cluster Analysis

We conducted a cluster analysis to identify consultants' major strategies to position their offers during the final phase of the RFP procedure. According to previous literature, we relied on a multistage clustering approach (Homburg et al. 2008).

The results provided evidence for a two-cluster solution. The analysis of the unstandardized means of the cluster variables suggests that the consultancies in the first cluster emphasize on the *consulting approach* and *expertise* (Cluster 1 (n = 214): $M_{consulting approach} = 39.95$; $M_{expertise} = 42.42$; $M_{price} = 17.63$) whereas the firms in the second cluster put a particular emphasis on *price*, following a typical "price breaker" strategy (Cluster 2 (n = 113): $M_{consulting approach} = 20.93$; $M_{expertise} = 25.09$; $M_{price} = 53.98$).

Hypothesis Testing and Robustness Checks

To test our hypothesis, we drew on profile deviation analysis. We followed the steps of prior profile deviation studies in marketing (Flaherty et al. 2014).

We tested our hypothesis for each of the two clusters by running a regression on project performance in which we included the profile deviation score as independent variable. We further included dummy variables for project type and respondent affiliation as controls. Table 1 illustrates the results of our analysis. In support of our hypothesis, the profile deviation score has a significant negative effect on project performance in both clusters (Cluster 1: b = -1.063, p < .05; Cluster 2: b = -1.788, p < .10).

TABLE 1
Results of the Profile Deviation Analysis

Results of the Frome Beviation finalysis			
	Dependent Variable: Project Performance		
Independent Variables	Ideal Profile	Non-Ideal Profile	
Cluster 1: Emphasis on Consulting			
Approach and Expertise $(n = 214)$			
Profile deviation	-1.063**	0.748	
Firm dummies	YES	YES	
Project dummies	YES	YES	
R ²	0.42	0.41	
F-value	1.09	1.04	
Cluster 2: Emphasis on Price (n = 113)			
Profile deviation	-1.788*	0.594	
Firm dummies	YES	YES	
Project dummies	YES	YES	
R ²	0.67	0.66	
F-value	1.66**	1.53*	

Notes: Table reports unstandardized coefficients. Two-tailed tests of significance. p < .10, p < .05, p < .01.

To assess the power of our tests, we ran an additional regression for each cluster in which we included a profile deviation score that was based on a random baseline. The results were not significant (Table 1). As further validation, we confirmed that none of the two clusters is

associated with higher project performance ($M_{Cluster1} = 4.91$, $M_{Cluster2} = 4.86$, F(1, 325) = 0.24, p > .10).

Discussion and Outlook

Our study advances academic knowledge in several ways. First, we draw on related literature and a qualitative pre-study to conceptualize the central dimensions along which consultants position their offers during RFP selection processes. Second, based on configuration theory, related literature, and an empirical study with 330 experienced consultants, we show that these dimensions are interrelated with major contextual variables. The key theoretical contribution of this study thus is to highlight the relevance of *fit* between central positioning dimensions and contextual variables during the award procedure with respect to the performance of a consulting project.

The major practical implication of our results is that consultants can lay the groundwork for superior project performance even before things get started. In this respect, successfully competing on price does not lead to higher or lower performance compared to a strong emphasis on the consulting approach and expertise.

However, post-hoc analyses indicate that the means of the ideal profiles significantly differ with regard to relationship quality ($M_{Cluster1} = 0.826$, $M_{Cluster2} = 0.667$, t = 2.65, p < .05). As the firms in the second cluster put less emphasis on their consulting approach and expertise, competing on price seems to be particularly promising when a close relationship with the client still needs to be established.

This research is work in progress. The next steps will focus on how the offer positioning and the contextual factors shape project performance. Initial post-hoc analyses show a significant negative interaction between a positioning focusing on price and the reputation of a consultancy (b = -0.047, p < .05). We will therefore further analyze the role of reputation across different consulting industries and projects.

References are available upon request.

Development and implementation of value propositions: a toolbox

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Dominik Georgi, University of Applied Sciences and Arts of Lucerne - School of Business, Switzerland (Chair)

Abstract

Today's demanding business world, where market conditions, consumer demands, and technologies change rapidly, requires that companies alter their business models and value proposition. Despite significant interest in value propositions, there is little understanding of their application to today's increasingly interconnected and networked world (Frow et al., 2015). Although value propositions play an important role when impacting relationships of the focal company with its ecosystem and in shaping perceptions of value, studies (Frow and Payne 2013) suggest that that only a small proportion of enterprises have a formalised process of value proposition development and that value propositions are often implicit rather than explicit.

In order to address this topic, the aim of our research is to build a toolbox that supports companies in the development of a value proposition contending "that having an explicit process of value proposition development is more likely to ensure a competitively superior value proposition" (Frow et al., 2015, 32). We applied an interaction research approach (Gummesson, 2002), assuming that testing concepts, ideas, and findings through interaction with different target groups is "an integral part of the whole research process" (Gummesson, 2002, 345). We conducted case studies with a comparative exploratory cross-sectional design (Yin, 2003). Our sample comprises the ecosystems around three supplier companies, in a B2B context and acting in different industries: automation, logistics and finance. We gathered data from documentary evidence, artefacts, observation, interviews with senior management from customer companies and workshops with senior management from focal supplier companies as well as further actors of the ecosystem. Data analysis followed King's (2004) template approach. We developed a framework where companies can locate their current (implicit or explicit) value proposition and which supports them in deciding on the direction of their new value proposition. This framework is based on a relationship continuum which ranges from exchange to partnership. In order to define and implement the new value proposition we advanced several tools that address the definition, the offering, the pricing and market entry strategies for new value proposition. Our conceptual contribution can be positioned as "summarising", i.e. we encapsulate and consolidate existing management methodologies into a manageable set of activities and an organising framework. As stated by MacInnis (2011, 142): "conceptual contributions at the procedure level can be of particular value to marketing practitioners."

6B Customer Experience in Service II

Customer activity in everyday use of social and healthcare services

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Introduction

Active participation is often stressed when social and health care services (SHS) are discussed in public and in literature. Activity has been seen, for example, as increased responsibility for personal as well as family's wellbeing (Tokens 2011) or as having increased capability for personal health care due to e-services and devices (McColl-Kennedy et al. 2017). However, we know little about what kind of activities customers have to take when integrating services into their everyday life. Especially, among customers with a long-term need for multiple SHS. Therefore, the assumption that customers should be more active requires both deeper analysis of everyday activities of a customer and critical reviewing of literature.

The purpose of this study is to present a customer activity focused view into the usage of frequently and intensively used social and health care services. This is done by analyzing the daily activities of families with special needs children. It is typical for children with special needs to require multiple services for a long period of time. The situation of the child impacts the whole family. First, parents have the responsibility to provide extra care and manage the multiple service interactions. Second, the situation of the child impacts the whole family and may cause need for SHS among other family members. Thus, the whole family and their everyday service use becomes an interesting subject of research.

Research questions

The main research question of the study is: How do the usage of and interaction with services show up in customers' lives? Supportive questions are: What type of activity units and levels can be identified? What are the characteristics of these activities?

Theoretical approach/methodology

This multidisciplinary study utilizes both service and consumer research. It builds on Customer-Dominant Logic (CDL, Heinonen et al. 2010) approach where the focus is on understanding customers' activities and experiences in everyday life, and the role of services in it. CDL emphasizes that there are important and relevant activities taking place in customers' daily lives that may be unexpected and difficult to observe for the service providers but have significant importance for the customer.

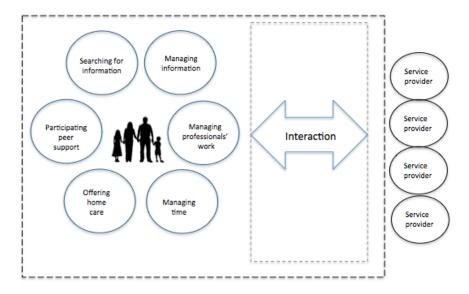
Increased wellbeing – being the general objective of SHS – is highly dependent on customers' own activities, thus understanding the service use from the perspective of everyday use is

essential for service providers. Consumer research tradition is utilized to analyze the context of service usage and to deepen the understanding of everyday life.

Through narrative interviews the study examines the service experiences of Finnish families with special needs children using multiple SHS for a long period of time. Two types of concepts of activity were applied together with categorical-content analysis (Lieblich et al. 1998) when identifying, analyzing and characterizing different types and levels of everyday activities.

Findings

Findings reveal that besides the traditional service provider-customer interaction there are six major activities taking place in families' everyday lives. These six "activity units" are: managing professionals' work (acting as a supervisor), managing time (scheduling), managing information (archiving and sharing), searching for information, participating peer support and offering home care (nursing and rehabilitation). These activities are to a large part hidden for the service providers as they are embedded in families' everyday life. They can be characterized as customer-driven activities where customer decides when and how the activity is conducted. The activities use some elements of services.



Picture 1. Customer-Dominant view on activities related to SHS.

Picture 1 presents the customer-dominant view on activities related to everyday use of SHS. It shows how extending the traditional provider-customer interaction perspective into customer-dominant perspective reveals multiple hidden and somewhat unexpected activities happening in customers' lives. The findings indicate the potential gap in the service providers' understanding of customer activity that typically focuses only on interaction.

The findings also illuminate the variety of invisible tasks families have to execute to accomplish the interaction with multiple service providers. Thus, the study also brings new insight into traditional provider-customer interaction by, for example, revealing detailed tasks and operations burdening customers' lives when repeated separately for each service.

Discussion

This in-depth study on families' everyday use of SHS extends the current discussion on customer activity. The evaluation of the types and levels of activities enables to identify activities beyond visible and controlled provider-customer interactions. It is characteristic for these activities that customer decides when and how to conduct the activity although some service elements are utilized. The study also deepens understanding of the traditional provider-consumer interaction by illuminating the invisible tasks and operations related to the usage of the services.

A customer activity perspective offers new understanding on what it takes for customers to integrate SHS into daily lives, and the role of the customer. The findings show that the customers have multiple activity units that are often invisible for the provider, but meaningful and important for the customer.

Given that a special child requires extra attention and activities from the parent(s), the findings indicate that an intensive use of multiple SHS also increases the activities of the whole family. Thus, the results challenge the current thinking on customer participation and activity. It also challenges the whole service system to rethink the service provisioning and to find ways to decrease or even diminish some of the activities demanded from customers' with multiple services. Finally, the study offers new insight for opportunities digitalization of the service system.

This study is work-in-progress and the next step is to analyze and describe the context everyday life of families with special needs children, and the impact of services in it.

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Exploring the Implications of Augmented Reality-based Services in the Pre-purchase Stage of Online Tourism

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Introduction

Travel and hospitality services do not allow consumers to directly experience a holiday at a real resort in the pre-purchase stage (Edvardsson, Enquist, and Johnston, 2005). Increasing destination visit intention to form a buying behavior without direct experience before purchase is difficult and a problem that requires resolution (Björk and Kauppinen-Räisänen, 2015). Tourism service research streams have indicated that immersive technologies, such as augmented reality (AR)-based services could integrate multiple sensory factors and deliver a simulated tourism experience to leisure travelers strengthening their destination visit intention and persuading them to act in the pre-purchase stage (Huang et al., 2016).

However, most previous studies on AR have focused on emerging technology service acceptance models (e.g., Rese et al., 2016) and have neglected specific online leisure travelers' concerns (e.g., how to reduce their decision-making uncertainty during pre-purchase) (Huang et al., 2016). Service research, therefore, requires an in-depth understanding of how destination service providers can shape consumers' pre-purchase experiences by using AR and how the simulated service experience delivered by AR can effectively improve consumers' pre-purchase evaluation and decision-making behavior (Hilken et al., 2017). This is the first research gap.

Contemporary tourism service research indicates that consumers' perceived restoration in the simulated experience is key to influencing their decision-making behavior (Felsten, 2008; Lehto, 2013). Particularly, when consumers have high perceived restoration, they feel completely immersed in the simulated experience sensing coherence and compatibility with the simulated activities. Consumers even have a high degree of curiosity and seek new places and experiences (Rosenbaum, 2009). As a result, service experience studies show that consumers who undergo restorative experiences prefer products, prefer to buy, and spend more time interacting with service providers (Rosenbaum, Otalora, and Ramirez, 2016).

Lehto (2013) suggests that to facilitate consumer immersion in a simulated tourism experience is the key to shape perceived restoration. However, most previous studies use seeing photos of a resort to shape consumers' perceived restoration rather than immersive interactive techniques including audiovisual, haptic, environmental embedding, and simulated physical control (e.g. Felsten, 2008). Seeing photos of a resort does not allow customers to have the feelings of virtually being there easily (Hanus, 2015). As such, a better solution to provide the simulated experience shaped by AR-based services to customers has therefore become a critical concern in shaping the restorative experience. This is the second research gap. According to the above, the first purpose of this present study is to develop a research framework for

restoration theory (ART) to more thoroughly understand the connections between online leisure travelers' perceived restoration and their pre-purchase decision-making behavior including perceived diagnosticity, decision confidence, destination visit intention, and e-WOM in the context of AR-based online tourism services.

From a service augmentation perspective (Hilken et al., 2017; Javornik, 2016), AR-based service augmentation enhances consumers' senses and manipulates their self-representation and the background image during the simulated experience. For consumers, such advanced and smart technology services require active consumer engagement to simulate service experiences and influence decision making (Hilken et al., 2017). Current technology service research indicates that the impact of advanced and smart technology services on service experiences depends on consumers' technology readiness (TR) (Chung, Han, and Joun, 2015; Parasuraman, 2000; Parasuraman and Colby, 2015). Additionally, this study examines how leisure travelers' TR moderates the effect of the restorative experience on their pre-purchase decision making in the context of AR-based online tourism services.

Methodology

In order to design an AR-based service augmentation, this study integrated audiovisual, haptic, environmental embedding, and simulated physical control elements to shape the AR-based online tourism service based on previous studies on experimental design (e.g., Hilken et al., 2017; Javornik, 2016). For example, AR-based online tourism service treatment can directly embed travelers' images in a virtual destination environment to shape the audiovisuals of navigating destination settings. AR online travelers require no mouse, that is, they can synchronously and directly manipulate actions and touch travel products such as hotel rooms, food, and gifts.

Snowball sampling strategy was adopted to recruit a total of 289 college students participating in the experiment respectively. In the beginning of the experiment, each of them was oriented with an explanation of the way to operate AR-based online tourism service and the related process. Once the orientation was completed, they were required to stay in the lab to operate the system without disturbing.

Results

Structural equation modeling (SEM) with AMOS 20 was used to evaluate the quality of the measurement model and the interrelationships among the structural model constructs. The results show that all five fit indices for the research model (χ 2/df = 1.93; GFI = 0.80; IFI = 0.92; CFI = 0.92; RMSEA = 0.05) clearly exceed the minimum recommended values suggested for a good model fit. AR-based online tourism service significantly and positively influenced perceived restoration (β = 0.68, p < 0.01). Perceived restoration significantly and positively influenced perceived diagnosticity (β = 0.52, p < 0.01), decision confidence (β = 0.41, p < 0.01), destination visit intention (β = 0.67, p < 0.01), and e-WOM (β = 0.30, p < 0.01). Additionally, TR showed a significantly positive moderating effect with perceived restoration

on perceived diagnosticity (β = 0.21, p < .01), decision confidence (β = 0.20, p < 0.01), and e-WOM (β = 0.34, p < 0.01).

Conclusion and Implications

Within the hospitality service domain, a growing research stream has focused on perceived restoration and its effect on consumers' travelling services experience (e.g., Lehto, 2013; Rosenbaum, Otalora, and Ramirez, 2016). Yet, little has focused on stimulating consumers' behavioural intentions at information searching stage. Our experimental results showed that perceived restoration plays an important role to create consumers online travelling experiences. Perceived restoration created through AR-based services was found to increase consumers' perceived diagnosticity and enhance their decision confidence. Moreover, high level of perceived restoration was found to trigger consumers' willingness to share prepurchase services experiences with others. Unlike previous findings (e.g., Lehto, 2013; Rosenbaum, Otalora, and Ramirez, 2016), we demonstrated that consumers' perceived restoration in the pre-purchase service experience and its effect on consumers' pre-purchase evaluation and decision-making behavior through technology-empowered frontline interaction.

By framing the simulated and immersive technology, we identify how perceived restoration can be co-created by consumer and the pre-purchase online service scenario. Specially, AR-based services integrate simulated physical control with environmental embedding for touch-and-feel sensory richness and increase consumers' immersion in online scenarios. Meanwhile, AR-based services also empower consumers to shape their own online restorative experiences and improve their decision making, which in turn, creates positive e-WOM and destination visit intention. Hence, we contribute to the literature by suggesting that service providers should provide simulated and immersive scenarios to shape high restorative qualities for consumers (Lehto, 2013).

Moreover, by investigating consumers' technology readiness heterogeneity in the context of advanced immersive technologies, we showed why perceived restoration created through AR-based services enhances perceived diagnosticity, decision confidence, positive e-WOM, and destination visit intention for some consumers more than others. Research found that the effectiveness of revolutionary technology-empowered services depends on consumers' technology readiness (Parasuraman, 2000; Parasuraman and Colby, 2015). Consistent with their findings, our results indicated that technology readiness has a positive and significant moderating effect on the relationships among perceived restoration, perceived diagnosticity, decision confidence, positive e-WOM, and destination visit intention. In other words, when consumers' technology readiness is greater, the impact of perceived restoration on their perceived diagnosticity, decision confidence, positive e-WOM, and destination visit intention increases. Thus, consumers' technology readiness is an unnegligible factor affecting the relationship between perceived restoration and pre-purchase decision-making behavior in technology-empowered frontline interaction.

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Applications of Forum Theatre to Service Interactions

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Abstract

Theatre has been recognized for some time as a means of comprehending and designing service delivery (e.g., Grove and Fisk, 1983, 1989; Grove, Fisk and Bitner 1992; John 1996; Lovelock 1994; Tax and Stuart 2001). The metaphor of service as theatre has been examined in terms of its implications for understanding customers (Grove, Fisk and Dorsch 2004), segmenting the market (Grove, Fisk, and Dorsch 1998), managing customer compatibility (Baron, Harris and Harris 2001), and using improvisation techniques to adapt service scripts (Daly 2003; Daly et al. 2004).

Forum theatre was founded by Augusto Boal, an innovative Brazilian theatre director, to expose a range of social concerns (1985). Using drama based methodologies, Boal encouraged those suffering social deprivations to tell their stories authentically on stage, whether through street theatre or other suitable places. Forum theatre is an imaginative way to use theatrical techniques for management, staff training, and development. Its flexibility allows using it for preparing staff for a multiplicity of interactive situations e.g. training for intercultural communications, supervisory roles, sales negotiations, health and safety regulations and many more.

The authors have used the classical form of Forum Theatre as part of their graduate Services Marketing courses and also in consulting and training in service businesses. This entails using actors on stage to replicate service staffs' performances of customer service situations, before an audience of the staff the actors are playing and, on occasion, customers. This format, importantly, uses a Facilitator to encourage audience feedback, including replacing the actors to actually show their recommendations. Properly used this approach to using Forum Theatre can be a powerful training methodology.

More recently, we have explored four alternative uses and ways of using forum theatre in services marketing. All remain loyal to the principals of "participative" theatre and the key responsibility of the facilitator to ensure that spectators become "spectactors" through both verbal feedback and on-stage performance. Our four new developments are outlined below and will be fully explored at SERVSIG:

- 1) Many businesses, particularly SMEs are reluctant to use classical Forum Theatre because of the potential costs and also doubts about using actors. We have developed a means of using staff instead of actors. By building their confidence, staff play themselves and their performances before an audience of their colleagues and customers. Apart from suggesting their own input, they use audience feedback to help ensure the service meets customer expectations. In our experience, most staff have welcomed this interactive training opportunity.
- 2) Because of intangibility, the development, description and testing of a new

service concept is always challenging. Forum Theatre is a means of doing prototyping by performing the new service concept before an audience of target customers and staff and incorporating real time feedback to fine tune the service concept. A service experience blueprint may be the foundation for this use of Forum Theatre.

- 3) SCAMPER and Forum Theatre are a great partnership for services which wish to alter, adopt, modify, or improve their services. With this exercise, they keep ahead of competition. When management and staff become familiar with this approach, they enthusiastically bring their own ideas for service change to be explored in this format. When audience ideas are included, this use of Forum Theatre brings a rich depth of service improvement ideas.
- 4) A very recent development has been the use of traditional storytelling. A customer tells an audience of staff and/or customers of a recent very good or bad customer experience, akin to Critical Incident Studies. Having broken the audience into small groups, the Facilitator structures feedback and also self-reflection about the story and how, in the case of a poor customer experience, this type of experience must be avoided.

Our SERVSIG presentation will focus on these four uses of Forum Theatre, with examples of using them in graduate classes and with businesses. Our session will be very participative to give our audience a real Forum Theatre experience.

6C. Digital Services – Artificial Intelligence

Chatting with my robot-chef: Contact levels, social interaction, and the service workers of the future

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Robots as service workers

Our dependence on service robots is increasing, especially in domestic environments for tasks such as household chores (International Federation of Robotics, 2017) or elder care (Euromonitor International, 2014). Though some services research is beginning in robotics (Barnett et al., 2014) overall there is a lack of research examining how consumers feel about service robots. This research aims to enhance our understanding of human-robot interaction in a consumer context (Belk, 2016).

Social expectations of (non)-human service workers

Research indicates that consumers tend to anthropomorphise technology (Epley et al., 2008), and once anthropomorphised, objects are treated as human (Epley et al., 2007) and perceived to have a 'social' presence (Gardner and Knowles, 2008). Perhaps even treating technology as a social actor (Nass and Moon, 2000). This brings into question whether consumers will have the same social expectations for non-human service workers as they currently do for human service-workers.

One arena in which we might want to consider this question concerns consumers' preferences for service contact with robots. Service contact levels range from low (e.g., internet banking) to medium (e.g., dry cleaning) to high (e.g., haircut) (Lovelock et al., 2011). For high-contact services, consumers will interact more closely with service robots, and thus need to be comfortable with this interaction. This research proposes that different types of social robots may be preferred for high vs low contact service roles. More specifically, we suggest that for service robots, high contact service roles come in two types: high contact with no social contact (high contact/silent), and high contact with social contact (high contact/social). It remains unclear however, which level of robot contact consumers are more comfortable with. It is proposed that liking – an affective service outcome expected more for when interacting with humans rather than with technology – is an outcome of anthropomorphism (Epley et al., 2007) and hence has relevance in this context. The following research question is proposed:

RQ1: "How does service contact influence consumer liking for service robots?"

We also explore a range of robots and examine robots that vary along a continuum of humanness, from mechanical to android. Research in anthropomorphism indicates that when

consumers anthropomorphise an agent, they experience greater feelings of connectedness towards the non-human agent (Tam et al., 2013) and even altered behavioural preferences (Fitzsimons et al., 2008). Indeed, the opposite of anthropomorphism is dehumanisation (Waytz et al., 2010). We propose that robotic service workers with fewer human cues will be perceived as less similar to the consumer, and hence less likeable (Byrne et al., 1967).

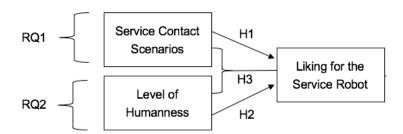
The following research question is proposed:

RQ2: "Do higher levels of humanness in a service robot increase consumer liking for that service robot?"

These two research questions will be addressed by three hypotheses: **H1**: Participants exposed to a high-contact/social service scenario will report higher levels of liking for the service robot. **H2**: Participants exposed to a more human-like service robot will report higher levels of liking for the service robot.

H3: Participants will report higher levels of liking for high-contact/social scenarios with an android (high humanness) than low-contact scenarios with mechanical service robots (low humanness).

Fig 1: Conceptual Model of Consumer Interactions with Service Robots



MethodTo address the research question, this study conducted a 3x3 online experiment via Amazon MTurk (n=956). Participants viewed a condition including one of three robot types created for this study by a graphic designer (mechanical, robotic, android – see Fig.2) and one of three service contact conditions (high-contact/social, high-contact/silent, low-contact).

Figure 2: Stimuli Options – mechanical, humanoid, male android, female android



The conditions were manipulated through use of scenarios and images. The scenarios involved a robot cooking a meal for the consumer, but ranged from low contact (Low contact: the robot cooks while the consumer is at work), to two high contact conditions (High contact/Silent: the robot cooks with the human but does not speak; High contact/Social: the robot cooks with the consumer and engages in simple conversation). While the robots in the images were gendered – either by name for the mechanical and humanoid types, or by name and appearance for the android type – the conditions were collapsed into 9 for analysis as gender held no statistically significant effect, as expected. All scales were measured on a 1-7 Likert scale.

Findings

An ANOVA was undertaken to test H1. This analysis found that the service contact has a significant influence on participant liking scores, F(2,953) = 12.19, p = .000. Post-hoc analyses indicated that while robots in both the high-contact/social condition (M= 3.69) and the high-contact/silent condition (M=3.54) were significantly more liked than the low-contact condition (M=3.20), evaluation of the robots in two high-contact conditions were not significantly different from each other. This potentially indicates that while consumers prefer high contact service from their service robots, the need for social contact is not required (Fig.3).

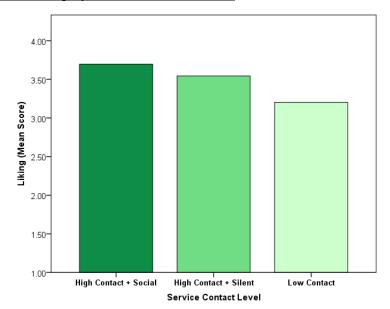


Figure 3: Consumer Liking by Service Contact Level

An ANOVA for H2 found that the type of service robots (level of humanness) has a significant influence on participant liking scores, F(2,953) = 18.69, p = .000. Post-hoc analyses indicated that each robot type was significantly different from the others, with androids (M = 3.79) being better liked than humanoids (M = 3.47) or mechanical robots (M=3.16). Interestingly, the overall evaluation of robots was quite low on the 7-point scale (see Fig 3).

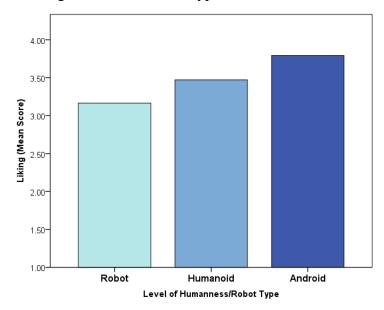


Figure 4: Consumer Liking for Service Robot Types

The interaction effect hypothesised in H3 was tested via factorial ANOVA with robot type and service contact level as independent variables, and liking as the dependent variable. Findings showed support for the significant direct effects found in H1 and H2, but the interaction effect proved non-significant, F(4,947) = .379, p = .824.

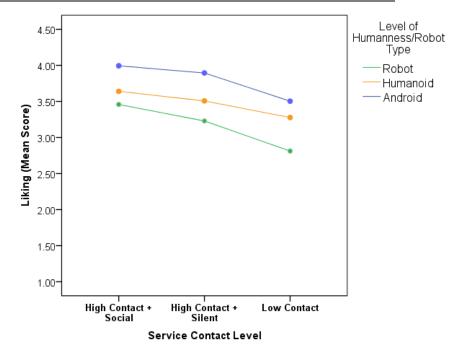


Figure 5: Interaction between service contact level and humanness level

Discussion

In addressing the two research questions, this research has made two main theoretical contributions and two main practical contributions. Results for H1 indicate that consumers prefer high contact service when it comes to robotic service workers – though social contact is not necessarily essential for liking. Results for H2 indicate that consumers like robots with a higher level of humanness, hence supporting similarity theory (Byrne et al., 1967) and finding that consumers may not be as hesitant to interact with human-like robots as the Uncanny Valley suggests (Masahiro, 1970). Finally, H3 findings indicate no interaction effect is present. Overall, the findings indicate that social rules apply for service robots. These rules are related to social rules for human service employees, and yet are distinct.

Consumers want high-contact, but not necessarily social contact. The results indicated no significant difference in liking between the two high contact options, indicating that there is no right answer to whether consumers want social contact from their robots, though given other research suggests that consumers prefer social niceties from 'high status' service employees (e.g., lawyers: Goodwin and Frame, 1989), this result may be context-specific or indicative that service robots are already at the base of the hierarchy by virtue of not being human.

Consumers are ambivalent about service robots, but prefer more humanness Overall, means for service robot liking were low in this study, with android robots (highest humanness level) being most liked, indicating that similarity to humans may be positively perceived (Byrne et al., 1967) and consumers may be more open to human-like robots than Uncanny Valley theory suggests (Masahiro, 1970). With regards to the level of liking, this finding may indicate that other human cues, not included in the static stimuli for this study,

need to be explored. For instance, research finds that human voice (Eyssel et al., 2012), movement patterns (Chidambaram et al., 2012), and touch (Chen et al., 2011), are important for human-robot interaction, and indeed for service interactions in general.

This study suggests that service practitioners be prepared to offer high-contact service robots with an option for social contact, and to imbue service robots with human cues. If well-designed, there is potential for service robots to decrease service heterogeneity and reduce the burden of emotional labour by offering a homogenous form of social-contact that can augment the service experience in situations where human service employees are unavailable (e.g., when the service experience takes place in the consumers home).

It is recommended that this research should be replicated across other types of service robots, with a focus on variables that mediate the relationship between attitude and behaviour. Future research should also examine consumer-robot interactions longitudinally once service robots are widely available to consumers. Other variables previously examined in the service employee literature, such as the RATER model, could also be examined to extend these findings.

Conclusion

This paper has supported and extended an emerging body of literature that examines service robots as a unique hybrid of tangible product and intangible service value. It has explored how consumers may respond to service robots in domestic environments via the lens of service contact levels and level of humanness.

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Artificial Intelligence (AI) and Robotics: the case of the Holobotics Experience in Retail

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Introduction

The AI has been proposed as a reasoning tool to support decision- making process since the earliest days of computing (Ledley and Lusted, 1959; Geoffrion and Krishnan, 2003). In the last few years, there has been an increasing development of applications and systems that utilize elements of AI. In particular, the use of combined robotics at AI and IoT is one of the advanced and natural interactions between information, experiences and new ways of enjoying activities and services coded in the new term of Holobotics.

The Holobotics technology allows to create a human-machine conversational engine based on a humanoid robot that integrates the traditional physical world with the digital one, enabling people to gain in-depth knowledge of the customer' needs, preferences and habits. Holobotics promises a high-level development application especially for new solutions based on clients/end users interactions. According to IBM (2016), "The goal is to have computers start to interact in natural human terms across a range of applications and processes, understanding the questions that humans ask and providing answers that humans can understand and justify. These are the most innovative and multifaceted applications in the more general terms of the new "service robotics". One of the most promising sectors for the Holobotics application is Retail. AI and Robotics allow a retail revolution not only technological. The introduction of the robot into retail business models has led to changes in three design components: (1) the way activities are organized, (2) the type of activity being performed, and (3) the level of participation of the actors engaged in performing those activities (Sorescu et al, 2011).

In this area academic research is lacking in theoretical and empirical research. For this reason, it is important to start looking at retail co-creation practices. The aim of the project is to investigate on Holobotics influence in the retail field and in the retailer-customers relationship. The research is based on a single case study (Siggelkow, 2007): Holobotics Experience Retail. The practices and actors involved in the case were examined thanks to the data collection through several secondary sources.

Data collection/ Methodology/ approach

The research will be a focus on Holobotics experience model developed by PWC. The analysis methodology selected according to the goals is "Action Research" (Gummesson, 2003), designed to implement a problem-solving process by people working with others in a team or as a part of "community of practices" to improve their way of dealing questions and to solving problems. Moreover, it appears the most appropriate in order to deeply investigate and understand the contemporary phenomenon. The action researcher is an actor and a researcher: he has the role

of facilitator in a change process (Perry e Gummesson, 2004). The objective is to develop an iterative process of action and learning (Bradbury & Reason, 2003). In the present case, the method of action research; (I) it places the researcher in the context of the phenomenon studied; (II) it explores the phenomenon from a grounded perspective; (III) it sets in the context. The focus is on the set of actors moving around the relationship between the retailer and customer in order to map the interactions and look for data to be collected in order to understand how the artificial intelligence, innovation and the introduction of humanoid robots affected the dynamics related to value creation for all of the actors. The Holobotics Experience Model team, PWC cases and visits, blogs and social networks, specialized journals, conferences and other online sources, official reports or communications released by national and supranational institutions on their official websites, and other sources available online.

Preliminary findings

In this context, humanoid robots offer a new way of interacting between retailer and consumer: with emotion, empathy and pertinence. They track, monitor, store, and share data on consumer needs and preferences by taking a major role not only in decision making, but also in reducing time and cost. Recent research has shown that technological advances in human-machine communication treatment and Machine Learning technology produce and will bring benefits to the entire retail ecosystem (Intel Security and Atlantic Council, 2015). Technology development has recently overcome the use of social media, and the great majority of individuals / customers use virtual robotics (chatbot) to find new products, promotional news and detailed information in real time. At the same time, thanks to technological development, companies get real-time accurate information on consumer preferences and needs. As a result, they are able to implement a more effective and efficient strategy. To designate the set of strategic choices best suited to meet new and changing consumer needs, the concept of Holobotics Experience Retail was born. In this new model, the consumer has to be positioned at the heart of the business model so that the resulting offer covers the new customer needs and ensures a continuous and consistent (seamless) experience through all corporate communication channels along all the customer-touch points. This approach is often referred to as "omni-channel". A holobotic robot provides remote customer support, collects data, and applies to these analytical technologies for diagnostics. This improves business support, increases customer self-management choices, and thus reduces the number of human assistants at sales, while improving sales management - also in terms of distance monitoring in lessfavored areas and compliance with sales regimes (personal data processing). A Holobotics model therefore has the potential to revolutionize commercial assistance by alleviating systemic pressures on the industry by reducing costs while at the same time improving service quality. This is to improve accessibility, data / information security, physical and psychological barriers, as well as the interactions of different actors in the ecosystem, making them "smart" in a context in which technologies are integrated with the context of fruition and application for the provision of integrated solutions in terms of defining and solving, fidelizing, protecting and well-being of the consumer. In particular, the impacts of the development of humanoid robots are linked to the e-commerce network in the world, in line with the legislative norms

and issues of interoperability, dematerialization of documents, ICT investment in retail as part of the Digital Pact Strategy, legislative and privacy legislation at national and European level.

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Artificial Intelligence in Service Research

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Introduction

It is well known that leading companies use artificial intelligence (AI) to serve their customers and improve internal processes. For instance, Marr (2017) reports how Walmart uses machine learning, AI, IoT and big data to boost its performance. At the same time, startups are giving ideas how

As Moutinho, Curry, & Davies (1993) discussed the employment of artificial intelligence in retail site location already 25 years ago, one might think that there had been plenty of discussion on the role of AI in service research until now. But, alas, the article did not initiate discussion on AI in the service community. Good news is that, recently, leading service scholars have been anticipating the turn to research in data-driven services and 'using big data to advance service' as one of the service research priorities (Ostrom, Parasuraman, Bowen, & Voss, 2015). There have also been suggestions to how technological development enables the use of new research methods in service research (Baron & Russell-Bennett, 2016, p. 673).

While providing a lot of opportunities, the opportunities that the new technology provide is not fully acknowledged by service scholars. In this paper, I review the state-of-the-art of AI in service research journals.

The research question is as follows: What is the current state-of-the-art of artificial intelligence in service research? Based on the findings I provide suggestions for the future research avenue.

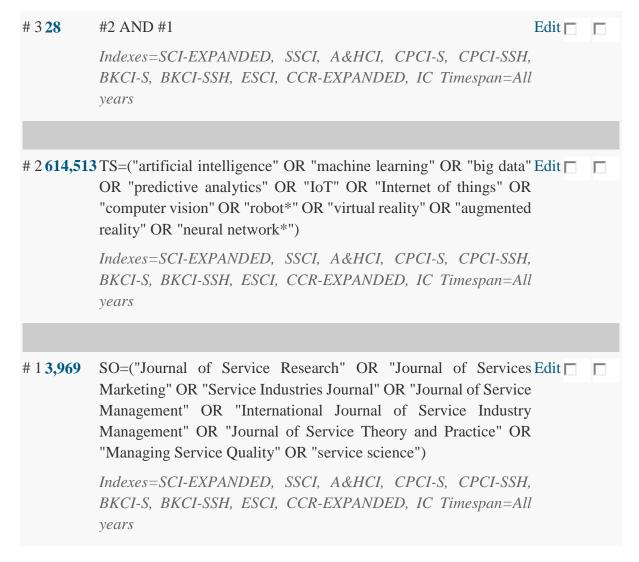
The review identifies main categories of service research where the potential of AI has been introduced to the community. It also reveals streams of research where AI research is completely missing. By seeing the current discussion in service research through the AI lens I contribute to the field by showing new research questions that question the current human-centric service research and

Methodology

The conceptual study is based on a literature review of the top journals in service research (Svensson, Tronvoll, et al. 2008; Svensson, Slåtten, et al. 2008): *Journal of Service Research*, *Journal of Services Marketing*, *Service Industries Journal*, *Journal of Service Management* (formerly *International Journal of Service Industry Management*), and *Journal of Service Theory and Practice* (formerly *Managing Service Quality*). I also added *Service Science*, as it was not established ten years ago and the field of Service Science involves methods and theories from computer science and information systems, among others.

Below, I present the search query that was used in ISI World of Science to reveal the relevant studies in the top service journals. It shows that there were 28 studies with AI or other relevant terms as keyword.

Table 1 Search query



Indicative Findings and Discussion

The findings reveal there are merely 28 studies that are related to artificial intelligence in leading service research journals. This is striking compared to the huge number (more than 600,000) of published research in non-service journals.

Current literature focuses on artificial intelligence in service productivity and quality (Blumberg & F, 1994; Deng & Kuo, 2008), service recovery (Lin, 2009a, 2009b, 2010a, 2010b), forecasting (Yu & Huarng, 2013), trust (Wang, Ngamsiriudom, & Hsieh, 2015), retail site location decisions (Moutinho et al., 1993), personalization in service encounters (Glushko & Nomorosa, 2012), knowledge development and protection (Erickson & Rothberg, 2013)

The lack of focus on the role of technology, in general, leads us to have a human-centric view on service. In the following, I suggest some questions that take AI into consideration, and can provide a new pathway to service research. For instance, the AI research could shift our focus from customers to machines and ask 'tongue-in-cheek' questions, such as:

- Is the machine happy with our service? How to improve computer engagement?

Although these questions might sound humorous at the moment, they should be more and more relevant, as machines become decision makers. For instance, programmatic advertising is already a US 15 billion dollar market in which software decides which advertisement is shown to whom without ever speaking to a human being. And as service is not only about the customer but actor-to-actor interaction, it is beneficial to understand the role of AI in serving customers, too:

- How can we employ artificial intelligence to respond to angry customer complaints?
- What is the effect of human-computer interaction on customer support and service quality?

Many companies already use machine learning in their customer service, and therefore these questions are no longer science fiction. Surprisingly, they have not been covered in service research, yet.

In the end, appreciating could become the core of the corporate culture, and we can ask the influence on the organization and service design:

- When does machine-oriented leadership pay off?
- How can artificial intelligence help understanding customer barriers and barrier-attenuating practices in access-based services?

These questions are modified versions of the articles published in the most recent issue of *Journal of Service Research*. Although they may sound a bit naive, they show the potential of AI in questioning the current human-centric hegemony in service research, and introducing the potential of service research building on practice and research tradition in human-computer interaction research, computer science, and information systems.

Conclusion

The work-in-progress paper opens the discussion on the role of artificial intelligence in service. Current literature focuses on artificial intelligence in service productivity and quality (Blumberg & F, 1994; Deng & Kuo, 2008), service recovery (Lin, 2009a, 2009b, 2010a, 2010b), forecasting (Yu & Huarng, 2013), trust (Wang et al., 2015), retail site location decisions (Moutinho et al., 1993), personalization in service encounters (Glushko & Nomorosa, 2012), knowledge development and protection (Erickson & Rothberg, 2013). This remains rather limited compared to the broad basis of service research. The potential research avenues initiate the discussion how the current logics of service research (Baron & Russell-Bennett, 2016) and service research priorities (Ostrom, Parasuraman, Bowen, & Voss, 2015) are strengthened and challenged by shifting from human-centric to technology-appreciating AI research.

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6D Digital Services – Social Media

Giving and receiving eWOM in altruistic services: the role of customer value

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Abstract

While research on eWOM has investigated the giving of eWOM (sharing or posting online) extensively, the influence of receiving (and reading) of eWOM remains under-explored. We report the findings of an online survey of 366 Australians. The study findings presented in this paper extend understanding of eWOM behaviours by documenting value creation in an alternative non-commercial context – that of an altruistic service. The findings will be useful to managers of altruistic and charitable organisations who are seeking to increase the level of eWOM as a strategy to increase donations.

Keywords: eWOM, customer value, altruistic services, blood donation

Introduction

Electronic word-of-mouth (eWOM) has been studied by services marketers interested in documenting the value-creating potential of consumers and their impact on organisations (e.g., Goyette *et al.*, 2010; Zhang *et al.*, 2010). eWOM creates customer value through communication exchanges (reading and receiving) between two individuals which affect and influence other consumers through reciprocal behaviours (Goyette *et al.*, 2010). The current study's findings presented in this paper extend understanding of eWOM behaviours by documenting value creation in an alternative non-commercial context – that of an altruistic service. We selected the blood donation setting as it is an altruistic service where customer value and eWOM are important factors (Russell-Bennett et al., 2017). Blood donation in Australia is voluntary and unpaid, whereby consumers are an operant resource – through the supply of blood as well as through the sharing of donor skills and knowledge based on their service experiences, which may add value to the customer value creation process as well as the retention and recruitment of donors.

Literature review

Altruistic services, customer value and eWOM

Customer value has been of interest to marketers given the dynamic and changing nature of its creation and consumption based upon the contexts in which it is examined (Gallaraz *et al.*, 2011). This study uses the definition of Holbrook (2006), who defines it as an '*interactive relativistic preference experience*'.

Insights into consumer responses to altruistic services advance understanding about how prosocial motivations and consumers desire to have a positive impact on individual and societal wellbeing. We contend that altruistic behaviour is shaped by notions of customer value. Prior research has demonstrated the role of customer value in charitable and social-change contexts, such as cancer-screening services (Zainuddin *et al.*, 2011; Zainuddin *et al.*, 2013), energy-saving behaviours (Gordon *et al.*, 2018) and blood donation (Chell and Mortimer, 2014). We also contend that emotional value will play a leading role as the core value type and mediate the relationships between eWOM and the other value types (Russell-Bennett et.al 2013). To date there is no research on customer value and eWOM in an altruistic service. Extending our understanding of customer value is important, as scholars identify value as a key concept to further explain consumer engagement with transformative services which improve individual and societal wellbeing (Cronin, 2016; Ostrom *et al.*, 2015). A novel feature in this study's context is that customers (blood donors) are operant resources in health-service value creation (Russell-Bennett *et al.*, 2017).

Thus, we seek to investigate both relationships between eWOM and customer value and address the following research question: RQ *What is the relationship between eWOM and customer value*? This research question is addressed by 11 hypothesised relationships

The relationships between *receiving eWOM* and customer value:

- **H1:** There will be a positive relationship between reading positive eWOM about blood donation and the emotional value of giving blood.
- **H2:** There will be a negative relationship between reading negative eWOM about blood donation and the emotional value of giving blood.

The relationship between emotional value and the other value types:

- **H3:** There will be a positive relationship between the emotional value of giving blood and the altruistic value of giving blood.
- **H4:** There will be a positive relationship between the emotional value of giving blood and the social value of giving blood.
- **H5:** There will be a positive relationship between the emotional value of giving blood and the functional value of giving blood.

Perceived value and giving eWOM:

- **H6:** There will be a positive relationship between the altruistic value of giving blood and giving positive eWOM.
- **H7:** There will be a negative relationship between the altruistic value of giving blood and giving negative eWOM.
- **H8:** There will be a positive relationship between the social value of giving blood and giving positive eWOM.
- **H9:** There will be a negative relationship between the social value of giving blood and giving negative eWOM.

H10: There will be a positive relationship between the functional value of giving blood and giving positive eWOM.

H11: There will be a negative relationship between the functional value of giving blood and giving negative eWOM.

Method

To test the hypotheses, we used a purposive sample of Australians recruited through the Australian Red Cross Blood Service and a consumer panel. The measures for reading eWOM and customer value were completed by the total sample (n=366), and the giving of eWOM measures were completed by the 149 donors who had experience of speaking about blood donation on online platforms.

The questionnaire was administered online, with the first section containing demographic questions about the respondent and past donation behaviour (e.g. type of donation made, type of donor centre visited and location). Section two contained items on giving eWOM. Validated items for measuring giving eWOM were adapted for the blood donation context from Goyette and colleagues (2010) using seven-point Likert scales. Section three was attitudes to receiving eWOM in online spaces. The measures are on a seven-point semantic differential scale (Ajzen, 1991. Items for functional value (Mathwick *et al.*, 2001), emotional value (Nelson and Byus, 2002), altruistic value (Mostafa, 2010) and social value (Sweeney and Soutar, 2001) were also adapted from the literature.

Results

This study used two-step SEM to test the hypotheses as suggested by Anderson and Gerbing (1988). Overall, the goodness-of-fit indices for the measurement model were within the recommended thresholds. Reliability and convergent validity was established followed by discriminant validity. The goodness-of-fit indices for the initial structural model did not meet the required thresholds; however, the removal of one non-significant hypothesised path improved model fit, and the thresholds were met: CMIN/DF=2.49, CFI=.926, RMSEA=.06. As hypothesised (H1 and H2), there was a positive significant relationship between reading positive eWOM and emotional value (β =.21, p=.001) and emotional value and reading negative eWOM (β =-.28, p=.000). Emotional value had significant positive relationships with altruistic value (β =.47, p=.000) (H3), functional value (β =.42, p=.000) and social value (β =.50, p=.000) (H4) (H5). Altruistic value had a significant positive relationship with positive eWOM valence $(\beta=.32, p=.000)$ (H6) and a significant negative relationship with negative eWOM valence ($\beta=$ -.19, p=.030) (H7). Social value had a significant positive relationship with positive (β =.23, p=.008) (H8) and negative eWOM valence (β =.23, p=.005) (H9). While H8 was supported, H9 was not supported as the relationship was in the opposite direction to the hypothesised direction. Functional value had a significant positive relationship with positive eWOM valence $(\beta=.21, p=.015)$ (H10) and a significant negative relationship with negative eWOM valence $(\beta=-.35, p=.000)$ (H11). The structural model produced an R² of .17 for negative eWOM valence and .28 for positive eWOM valence.

A post-hoc test of the direct relationship between receiving positive eWOM and giving positive eWOM revealed a significant relationship of moderate strength (β = .32 p<0.000, r² =.107) and a significant relationship between receiving negative eWOM and giving negative eWOM (β =.24, p<0.003, r² = .06). The inclusion of customer value between receiving and giving eWOM increases the explained variance in giving positive eWOM from .11 to .28 and from .06 to .17 for giving negative eWOM.

Discussion

The notion of value creation draws attention to the active, dynamic processes that require consumers to collaborate with each other and an organisation to achieve co-created outcomes (Peters *et al.*, 2014). Its application in our study focused our framing of eWOM as a process 'by which customers deploy their resources as they undertake bundles of activities that co-create value directly or that will facilitate subsequent consumption or use from which they derive value' (Baron and Harris, 2008, p. 115). Specifically, based on the value-shaping nature of eWOM, this research offers support for framing blood donors as active agents engaged in dynamic value creation processes, which can ultimately influence a sustainable blood supply in a community.

When *receiving eWOM* in an altruistic service setting, donors exhibited strong attitudes – both positive and negative. However, it is the sharing of positive eWOM exchanges that evoke stronger reactions from donors when compared to the negative eWOM shared. We further argue that when donors read positive comments from other donors, the knowledge of shared acts to reinforce their moral identity linked to being a blood donor. Moral identity, which researchers have studied as a predictor of charitable behaviours (Reed *et al.*, 2007), has both private, internalisation influences and external public symbolisations that influence consumer actions

An important theoretical and empirical insight of this study is that the relationship between eWOM and customer value is emotion-driven; that is, emotional value plays a critical role in mediating the influence of reading eWOM on other types of value. Emotional value is intrinsically motivated and links to various affective states that can be positive in association (e.g., building confidence and pleasures), or negative (e.g., expressions of fear and anger) (Holbrook, 2006). In the blood-donor context, emotional value acts as a doorway to creating other types of value, including altruistic value, which is the typical focus of many strategies targeted at motivating consumer donation. Thus, value creation for altruistic services are dependent on emotional value.

This study demonstrates consumers are an integral part of value creation in altruistic services like blood donation, and that the mechanisms of value are communicated and shared via eWOM in online forums.

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The impact of consumers' feature use for online complaining on their wellbeing

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Introduction

The emergence of consumer-empowering technologies allow consumers to complain ubiquitously online (Nasr, Burton, Gruber, & Kitshoff, 2014; van Noort & Willemsen, 2012), which creates new challenges for firms. Online complaining is understood in the literature as customers' act of either seeking redress at the faulting firm as well as using the Internet to publicly complain about firms (Gregoire et al., 2009). Unpleasant service encounter is not only expressed to resolve issues, but more often it is also emotionally focused. With different complaint motivations, disgruntled consumers tell the transgressor and others about their encounters to make themselves feel better (Strizhakova, Tsarenko, & Ruth, 2012). Consumers can now post their negative service experience on a multitude of online platforms such as social networking sites (Berger & Iyengar, 2013), third-party sites (Bolton et al., 2013) or companies' website (Homburg & Fürst, 2007). All of these platforms allow the shared experience to be addressed to relevant companies publicly and privately. On Facebook alone, consumers can write their negative service experiences to the companies and others by using various features such as status updates, chat service, reviews or comment service (Smock, Ellison, Lampe, & Wohn, 2011). This study refers to these features as 'online communication features' (OCFs) and defines them as 'social tools that allow consumers to express themselves by typing 'in a box' on the various online platforms. Although OCFs appear under different names on different platforms, they all essentially consists of the same function- namely, allowing consumers to express themselves through writing. However, despite the similarity, we argue that consumers' perceptions of OCFs might differ because of their capabilities in enabling consumers to express under different conditions, in which this is introduced as the affordances of OCFs in this study. We propose that these diverse perceptions of OCFs based on affordances can influence how consumers feel and behave towards companies after a negative service incident. In contrast to studies focusing on circumventing and mitigating the impact of online complaint (e.g. Fournier and Avery, 2011). This study aims to explore the effect of the media (OCFs) that people use to share their negative service encounter. First, we predict individuals' choices for OCFs' affordance based on their complaint motivations. Second, we test the interaction between consumers' complaint motivations and OCFs' affordances, and their joint impact in modifying consumer negative emotions of the complained negative service incident and its implications on brand.

Conceptual development

Uses and Gratifications (U&G) theory has been used to understand media users' goals, motivations and needs in explaining their media choices (Ruggiero, 2009) including both offline and online media. The role of U&G theory in this study is to help us to establish OCFs as the media for consumers to complain through its affordances. However, it often failed to

differentiate between content generation and consumption uses of the media (Pagani, Goldsmith, & Hofacker, 2013), in which it is often applied to predicting the use of a diverse, randomly selected set of media that results in a number of idiosyncratic motivations, needs and gratifications. Most importantly, despite the theory's promise to predict media choice, the motivations for the use of a particular medium have often emerged through the findings rather than being proposed a priori. Given the limitation of U&G theory, our conceptual framework integrates the task-technology fit (TTF) framework to enable us to specify the task at hand. TTF framework supplements U&G theory by increasing its predictive ability of media choice. It explains that when there is an appropriate fit between the task characteristics (motivations) and affordances of OCF (media) that people use, it brings positive consequences.

The focus of this study is consumers' choice of OCFs' affordance when complaining online, and thus we examine OCFs that allow consumers to write. The word of 'affordance' refers to the potential or actual capability of something, in this case, technology (Lee, 2010; Leonardi, 2011). Consumers' perceptions of the affordances of an OCF will affect which they choose for a particular task (c.f. Daft, Lengel and Trevino, 1987). Smock et al. (2011) argue that the affordances of a feature can help identify patterns in the motivation to use them, and the impact of their use (Smock et al. 2011). Since features are designed according to certain principles (Huang & Benyoucef, 2013; van Noort & Willemsen, 2012), this study proposes that they offer three affordances: visibility of content, 'identifiability' of an individual (Halpern & Gibbs 2013), and information exchange of a continuous nature- 'conversationality'. The TTF framework proposes that task characteristics impact technology characteristics (Lu & Yang 2014). The task referred in this study is to make a complaint, and in the case of complaints, consumers have different motivations for doing so, which are have conceptualised as 'task characteristics'. By specifying the task and its characteristics, we aim to effectively predict the OCF affordances that will be sought, which means that the infusion of TTF can help us overcome the weakness of U&G which are mentioned earlier. Task characteristics, i.e. complaint motivations derived by drawing on the online complaining and negative electronic word-of-mouth domains, which are altruism, advice-seeking and venting (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004; Kim, Wang, & Mattila, 2010). Altruistic consumers want to warn others about their experience (Cheung & Lee, 2012), consumers may also complain to expect opinions from others who had had a similar experience in the past (Hennig-Thurau et al. 2004). While consumers who vent aim to release frustration through catharsis by showing discontentment about a service experience (Tuzovic, 2010). By drawing on U&G theory and TTF framework, this study proposes that consumers will consciously seek out OCFs whose particular affordances -visibility, identifiability and 'conversationality' would satisfy their motivations. We also propose that the interplay between motivations and affordances jointly influence the intensity of negative emotions (i.e. frustration, aggravation and disappointment) and subsequently their intention to continue their relationship with the firms that have failed them.

Methodology

This study used an online survey employing the critical incident technique (CIT) to capture consumers' negative experiences. After eliminating people who did not follow our instructions, 201 usable responses were retained. The analysis was in two stages. First, we applied correspondence analysis to examine the pattern of relationships of several categorical dependent variables, i.e. OCFs and its affordances (Abdi & Valentin, 2007). The results of this analysis provide us with an understanding of consumers' perception of different OCFs based on the affordances. And second, we tested the relationship and the impact of the interaction between task-related motivations and OCFs' affordances on consumers' emotional state as well as behavioural intention towards the transgressor using structural equation modelling (SEM) with Mplus. The results of SEM helped us to understand if consumers with different motivations for online complaining had the tendency to use features with specific affordances and explained the impact of the interaction between motivations and OCFs' affordances on consumers' emotions, subsequently their intention to continue their relationship with the transgressor. Each of these constructs was measured with multiple items.

Findings and discussions

The correspondence analysis shows that the four OCFs are perceived differently, and each of them is related to at least one affordance. Status updates and comments are perceived as OCFs that offer higher content publicity, whereas reviews provide identity publicity, and feedback form offer both content and identity publicity. In turn, status updates and feedback forms provide higher 'conversationality', whereas reviews and comments are viewed as OCFs with moderate and one-way 'conversationality', respectively. It is interesting that people who use feedback forms anticipate a response whereas those who use comments, do not. Regarding the effect consumers' motivations on media affordances, we found that altruistic consumers tend to use OCF that enable high content visibility, advice-seeking consumers tend to use highly 'conversational' OCF and consumers who vent tend to use OCF with high anonymity. This study confirms that customers' complaint-related motivations play a major role in predicting their OCF choice. Motivations and their interactions with affordances (but not affordances alone) have a significant effect in influencing the intensity of negative emotions after disclosing a negative incident. We found that the negative emotions resulting from the negative service incident are lessened under four conditions. First, when consumers who complained altruistically through OCF with high content visibility, advice-seeking consumers who shared the experience through OCF with low conversationality, and venting consumers who complained through OCF that offer high anonymity and 'conversationality'. Subsequently, lessen negative emotions have been found to heighten consumers' intention to continue their relationship with the transgressor after online complaining about the incident.

Implications for research and practices

This study is the first to integrate U&G theory and TTF framework to derive a predictive model in understanding the consequence of media choice in a complaint

management domain. Also, examining online features through the concept of affordances enabled comparison to be made in a more consistent manner by disregarding the idiosyncratic names appear in different online platforms. This research underlines the importance of designing features for companies, including web designers and intermediaries (e.g. Facebook and third-party sites), also allowing companies to prioritize amongst consumers' feedback rather than responding to all feedback as if it were all equally important. By observing the main complaint motivations, firms could offer the most appropriate features to facilitate online complaint. This study will help firms to distinguish themselves from the traditional service recovery paradox that is reactive. Instead, firms may execute pre-emptive strategies in facilitating online complaint in a way that will lessen consumers' negative emotions by offering appropriate features and surveillance.

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Two-way institutional acculturation and identity co-creation in social media

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Introduction

Social media technologies have empowered individuals to shape the cultures and identities of social institutions. Progressive organisations are responding to this social change, by also using social media to understand the audiences on a personal level and integrating such understandings in their communications to build reciprocal relationships. We conceptualise such a phenomenon as *two-way* acculturation and argue that, just as individuals assimilate or integrate into a group, organisations do indeed acculturate to their people by leveraging the power of social media.

Redfield, Linton, and Herskovits (1936) originally conceptualised acculturation as 'those phenomena which result when groups of individuals having different cultures come into continuous first-hand contact, with subsequent changes in the original cultural patterns of either or both groups' (p. 149). Despite its emphasis on the reciprocal nature of the phenomena, the vast majority of research has focused on one side of acculturation: how individuals adjust to a dominant culture.

Drawing from the literature of identity construction, this research seeks to contribute to a better understanding of two-way institutional acculturation in social media by investigating the role of the marketer as a *face* of the institution. We also contribute a more nuanced understanding of social media marketing to theory and practice, by exploring how different content tactics (i.e., symbolic resource integration, hedonic content, and utilitarian content) and marketer traits (i.e. effort to foster member embeddedness and warmth) can help portray an attractive institutional image. This work-in-progress paper presents preliminary findings of the research project.

Literature and theoretical background

Identity co-creation and two-way acculturation in social media

When people strongly identify with a group and internalise its characteristics, they are likely to remain loyal and engage in citizenship behaviour (Arnett, German, & Hunt, 2003; Mael & Ashforth, 1992). Since social identification arises as a result of verbal and nonverbal symbolic interactions (Ashforth & Mael, 1989; Weick, 1995), it is essential for organisations to build a mechanism for socialisation and sensemaking (Louis, 1980; Weick, 1995) through which members affirm, negotiate, and reinforce the meanings and identities (Ashforth & Schinoff, 2016). Institutional use of social media is a strategic imperative to the maintenance of meaning systems and member relationships. This is because social media enables members (and non-

members) to easily access the social and cultural processes of co-creation beyond geographical and time boundaries (Hennig-Thurau, Hofacker, & Bloching, 2013).

We propose that the affordances of social media (i.e., visibility, editability, persistence, association) (Treem & Leonardi, 2013) facilitate the process of two-way institutional acculturation in which meanings, resources, and narratives are exchanged and integrated between the organisation and members. In this environment, the marketer's dissemination of meaningful content and demonstration of authentic communication play an important role in signalling the values and images of the institution.

Content tactics

The growing body of social media marketing research supports the critical role that brand page content plays in customer engagement and brand image formation. Of many different content tactics used in practice, we focus on the following three which are the most relevant to the institutional context.

Symbolic resource integration. It is well known that brand community members are motivated to participate in the co-creation of symbolic resources (Muniz & O'Guinn, 2001; Schau, Muñiz, & Arnould, 2009). Symbolic resources can be classified into the spiritual (e.g., myths, sagas), physical (e.g., artefacts, landscape), and social domains (e.g., rituals, traditions) (Markovitzky & Mosek, 2005). When symbols, images, and words that connote a distinctive identity of a social group are presented in the social media content, these can heighten the salience of the identity and that subsequent information is likely to be processed according to this identity (Forehand, Deshpandé, & Reed Ii, 2002). Recent studies show that brand page content can stimulate members' recollection of group experiences (Fujita, Harrigan, & Soutar, 2018, in press). Further, a brand page itself functions as a symbolic artefact (Karoui, Dudezert, & Leidner, 2015) which is a meaningful agent for organisational socialisation.

Hedonic content. Evidence suggests entertainment aspect of brand pages have a positive influence on brand image (Godey et al., 2016; Kim & Ko, 2012). Recent research also indicates that hedonic content with a high degree of aesthetic or entertainment quality, when shared in an institution's brand page, can signal its attractive image as having a good sense of humour or aesthetics (Fujita et al., 2018).

Utilitarian content. A marketer's effort to create informative and useful content in the brand community is known to influence members' belief about the sponsor's genuine interest in their goals and wellbeing (Porter & Donthu, 2008). Since people join an online community to fulfil their need for information (Dholakia, Bagozzi, & Pearo, 2004), utilitarian content on a brand page can also drive user engagement with the page (Jahn & Kunz, 2012; Liao, Huang, & Xiao, 2017).

Marketer traits

Given the affordances of social media, markers are increasingly required to demonstrate empathy and authentic communications.

Effort to foster member embeddedness. Service employees' characteristics are known to influence customer perceptions about the organisation's values (Ahearne, Bhattacharya, & Gruen, 2005). Similarly, a marketer's enthusiasm and efforts to support member interactions and create an inclusive feeling within an online brand community can signal the sponsor's sense of shared values and respect for members (Porter & Donthu, 2008).

Warmth. Research suggests the emotions and empathy employees express during service encounters influence the customer experience positively (Arnould & Price, 1993). Likewise, warm characteristics displayed by marketers can signal a supportive, caring image of the institution that could be more loveable than a cold image (Stokburger-Sauer, Ratneshwar, & Sen, 2012).

Method

We performed a netnographic analysis of two university Facebook pages to confirm the presence of the content tactics and marketer traits as defined in the previous sections. We then explored indicators of the relationships between these efforts and institutional image manifested in member comments. The higher education context is the best match for this study's focus on reciprocal identity co-creation. Facebook page A is targeted at a broad regional university community, but the main audience is current students. It is managed by the university marketing team in collaboration with students. There is a linked blog site from which student-generated articles feed to the page. Facebook page B is targeted at current students at a university in an urban area. It is managed by the university's student communications team in collaboration with students.

We gathered 200 pieces of content, consisting of 50 pieces of user-generated content (UGC) and 50 pieces of marketer-generated content (MGC) from each page, along with corresponding comments, published between 2015 and 2016. We selected these threads based on their relevance to the research questions (Kozinets, 2015) and engagement rate (i.e., total # of likes, comments and shares/total # of followers on a given day) as an indicator of engaging content (Fujita et al. 2018 & in press).

Results

The proposed content tactics and marketer traits were strongly evident in the data, as summarised in Table 1. Symbolic resource integration was the most frequently observed tactic in both pages, followed by hedonic content, although most threads used hybrid tactics in maximising the opportunity for engagement. The marketers' effort to foster member embeddedness and warm characteristics were displayed in both the content and comments, frequently using emojis, youth expressions (e.g., fam, bae), and local language (e.g., acronyms for online tools, nicknames for facilities) to adapt to the student culture (Fujita et al., 2018) and increase social presence (Osei-Frimpong & McLean, 2017).

Table 1. Illustrations of content tactics and marketer traits demonstrated on university Facebook pages

Tactic/trait	Illustration	
Symbolic resource integration	A picture of a student rugby player, in celebrating the success of two students and two alumni playing in the national team: 'We'll be cheering loud and proud for [university name] students [names] and alumni [names] ahead of the Rugby World Cup final. Go get 'em! #AssieAssieAssie' (Page A)	
Hedonic content	A humorous marketer-generated video of a swan shaking off the water by a nearby river (Taylor Swift's song 'Shake it off' in the background): 'Stressed about exams? Shake it off, shake it off! (T-Swift ft. a [university name] swan with an itch)' (Page B)	
Utilitarian content	A link to an academic staff blog article on how to stay healthy during busy exam time: 'Good luck to all our students submitting their final assessments and sitting exams over the next couple of weeks. "To keep your brain working as well as it can, you should be eating regular meals throughout the day and should never skip breakfast", says [author name]. You can find more tips on looking after yourself here: [URL]' (Page A)	
Effort to foster member embeddedness	Sharing an international student story to embrace the diversity in the student community: 'This is [student name], an international postgrad from South Africa, and originally from Botswana. He's doing a MSc in Environmental Science, [] enjoy countryside life with animals and of course community volunteerism. He's a fan of badminton, Nelson Mandela's Long Walk to Freedom, [] speak and write at least 3 languages — Setswana, Shekgalagarhi and English [].' (Page B)	
Warmth	Showing empathy to a distance education student lives in a remote area: 'Regional	

areas do have a unique set of challenges and needs. We're happy to be able to help you on your journey back into pathology and hope you have a wonderful year with [university name] Don't hesitate to contact us if you have any questions!' (Page A)

The results from the subsequent analysis of member reactions are illustrated in Table 2. They support that institutional efforts in social media can stimulate recollection of group experiences and identity association, allowing members to (re)negotiate and reinforce the distinctive and prestigious images of their institutions that make them feel unique and esteemed (Fujita et al., 2018, in press). However, an expression of a supportive image of the institutions was difficult to observe in member reactions. Instead, they seemed to signal the feeling of being supported, by validating the useful content or expressing gratitude to the marketers responding to their comments.

Table 2. Illustration of institutional image prompted in member comments

Prompted image	Illustration	Explanation
Distinctiveness	• Reacting to the content with high levels of symbolic resources: 'I love spring because it's the time I finally get to do some exercise by running away from the magpies at [university name]' (Page A)	Members evaluate, affirm and reinforce the university's distinctive features and value congruence to feel unique and special about themselves
	Reacting to the hedonic content: '[University name] just gets me' (Page B)	
Prestige	• Reacting to the content with high levels of symbolic resources: '[University name] has some of the most beautiful grounds. Just the other day I checked out the [garden name] and fell in love :)' (Page B)	Members evaluate, affirm and reinforce the university's social status and the significance of their membership to feel proud and esteemed about themselves
	Reacting to the hedonic content: '[Tagging a friend outside the university] are you jealous this	

	is what my uni life will be like hopefully' (Page A)	
Supportiveness	 Reacting to the utilitarian content: 'Toppest tip – know your stuff!' (Page A) Responding to the marketer trying to foster member embeddedness: 'Thanks u rock' (Page B) Responding to the marketer demonstrating warmth: 'Can't wait! Thanks for making me/us all welcome!' (Page A) 	Members evaluate, affirm and reinforce the university's willingness to understand their students at a personal level and to offer instrumental and emotional support

Discussion and implications

Our preliminary findings have established indicators of two-way acculturation in social media by showing that institutional efforts to adapt to their people can influence not only members' engagement with the page, but also the institutional image. Both symbolic resource integration and hedonic content were effective in reinforcing the distinctive and prestigious images of an institution. Utilitarian content seemed to help stimulate reciprocal interactions. Further, a marketer's effort to foster member embeddedness appeared to influence a supportive image and strengthen community engagement as a result of the prompted social interactions. Finally, a marketer's warm traits seemed to help increase members' emotional attachment to the page. These findings will support the development of a research model to test in the subsequent quantitative study.

With regard to theoretical implications, this research uses identity theories to contribute to a better understanding of two-way institutional acculturation in social media and an advancement of the social media marketing literature. In particular, we introduced symbolic resource integration as a way of analysing social media content, generating a new line of research enquires.

For managers, two-way acculturation gives a framework for designing more effective social media activities, highlighting the importance of understanding the values, needs, goals, and challenges members have in performing their identities within the organisation. Further, our findings offer a better understanding of social media marketing effectiveness at a tactical level. This enables the marketers to focus on enhancing a specific identity image(s) in context and engage the right audience at the right time with the right content in maximising the identity co-creation opportunity.

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6E Service Innovation – An Organizational View

The Impact of Work Contextual Variables on the Creativity of Frontline Service Employees

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Introduction

In order to survive and compete, service firms are dedicated to provide a variety of innovative services. Frontline service employees' (FSEs) creativity plays a role to create memorable service for customers or even help companies develop an innovative product/service to beat the competition. The contribution of FSE creativity depends on different individual and contextual factors, such as individual cognitive competence, empowerment and organizational culture. Coelho and Augusto's (2010) study applied the well-known job characteristic model to analyze the relationship between job characteristic and employees' creativity and yet there are other work contextual variables merit investigation of their impacts on FSE creativity. This study will select some key work contextual variables---task autonomy, task significance, workplace fun, work stress, and interpersonal relationship in the workplace, to investigate how they impact on FSE creativity.

Theoretical Background and Hypotheses Development

In this study, we focus on the workplace creativity, which is associated with the context of organizational products, services, procedures and processes and focuses on the production of new and useful ideas (Amabile, 1996; Oldham & Cummings, 1996; Zhou, 1998). In the previous research, creativity had been proved to be influenced by many factors. In this study, we select five specific work contextual factors (task autonomy, task significance, interpersonal relationship, work stress and workplace fun).

Based on Liu et al.'s (2010) article, there is an important relationship between task autonomy and employee creativity. As Amabile's (1988, 1996) research indicated, there has been an emphasis on the role of work autonomy in improving one's creativity. Oldham & Cummings (1996) found that autonomous jobs and a supportive, rather than a controlling, supervisory style had positive impact on subordinate creative performance. Zhou (1998) indicated that an employee may experience diminished intrinsic motivation and to exhibit low creativity of to work in a low autonomy workplace. To sum up, autonomy motivates and enables employees to try new ideas and learn from the consequence, apart from the intrinsic motivation link (Coelho & Augusto, 2010). Hence hypothesis 1 is formed as follows:

H1: Task autonomy positively associates with employee creativity.

Hackman & Oldham (1980) explained that task significance is the extent to which employee perceives the job to make a substantial contribution to the organization or other people. Task significance will increase intrinsic motivation of employee in the organization or workplace and drive creative performance (Coelho & Augusto, 2010), and thus we propose the following:

H2: The task significance positively associates with employee creativity.

Interpersonal relationships in the workplace can be informal in nature and evolve independently of, and even possibly against, the formal organization (Graen and Cashman, 1975). In the workplace, FSEs not only spend time interacting with customers but also with the supervisor and colleagues to coordinate service flows while performing their tasks. As idea exchanges foster the development of creativity, hypothesis 3 is proposed.

H3: The interpersonal relationship positively associates with employee creativity.

According to Hon et al.'s (2013) research, work stress can be categorized into two types. One is called challenge- oriented stress, which is perceived to be good. Alternatively, work stress can be the type of hindrance-oriented stress, which is considered bad (Cavanaugh et al., 2000). Based on the theory of activation (Gardner, 1990) and the theory of evaluation of stress (Lazarus and Folkman, 1984), we develop the following hypothesis:

H4: The workplace stress positively associates with employee creativity.

Several studies have linked workplace fun to increased creativity and innovation (Abramis, 1989; Caudron, 1992) and decreased absenteeism and burnout (Mayer, 1999). Robert et al. (2004) and Ford et al. (2004) reported that having a fun work environment will eventually increase the levels of enthusiasm, satisfaction, creativity, and communication among employees. Hypothesis 5 is formed as follows:

H5: The workplace fun positively associates with employee creativity.

There is rare literature discussing how work contextual factors interact to influence creativity; one exception is the study by Coelho and Augusto (2010) that examined interactive effects between task autonomy and the rest of factors from the job characteristic model. We thus consider task autonomy as the core and explore how task autonomy may interact with other

contextual variables selected for this study. For example, the higher autonomous FSEs may gain more sense of accomplishment and thus be more creative while doing their work with higher task significance. Second, better interpersonal relationships may facilitate idea exchange and help an autonomous FSE generate more creative ideas. Furthermore, autonomous employees may see work stress as challenge-oriented rather than hindrance-oriented and thus the work stress helps develop creative ideas. Finally, the workplace fun may further inspire autonomous employees to think for flexibly given the positive emotions stimulated. Therefore, we propose these followings:

H6a: The autonomy-employee creativity relationship will be stronger when task significance is high than when it is low.

H6b: The autonomy-employee creativity relationship will be stronger when interpersonal relationship in the workplace is of better quality.

H6c: The autonomy-employee creativity relationship will be stronger when workplace stress is high than when it is low.

H6d: The autonomy-employee creativity relationship will be stronger when workplace fun is high than when it is low.

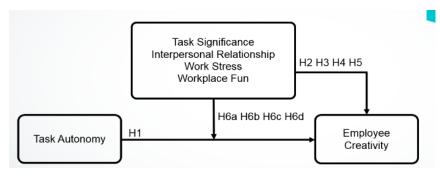


Figure 4. Conceptual Model

Methodology

Data for this research are drawn from the 2015 "Taiwan Social Change Survey (TSCS)", which is the most representative, largest and highest quality study in the sociology field in Taiwan. There are 2,031 respondents in total. We selected current frontline service employees in service industry, which results in 375 currently-employed participants. Respondents had different service jobs such as food service employees, store display and sales, and etc. Of the 375 respondents, 47.7% of them are male and 52.3% are female. The participants ranged in age from 20 to 81 years, with the mean of 42.75 years (S.D.= 14.01). Around half of the sample is

married and with university degree and above. The average monthly income has the mean of NTD\$20,000 to NTD\$30,000.

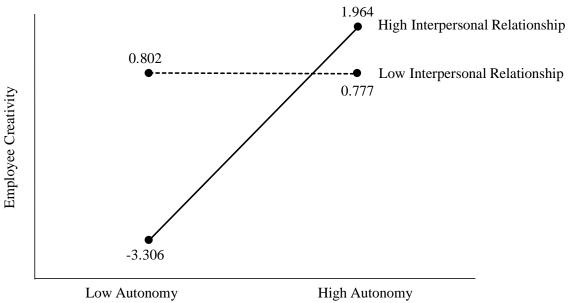
All the measurements of our variables are on a 5-point Likert-type of scale. The workplace creativity were measured through three questions "I often have new ideas on how to improve my job performance.", "I frequently come up with creative solutions to problems at work" and "About these new ideas or actions, how many of them [are/were] helpful in promoting/increasing your company/organization's work efficiency?" (the Cronbach Alpha of 0.861). We also include key control variables such as education, income and numbers of employee in their company.

Results

The hypotheses were tested with a series of stepwise regression. The results demonstrated that task autonomy (p < .01) has a positive association with employee creativity. Hence H1 is supported. H2 to H5, which state that the task significance, interpersonal relationship, workplace stress and workplace fun would also positively associates with employee were not supported though. For moderating effects, the task autonomy only interacts with the interpersonal relationship (p < .01, β =-1.844) but not with the other work condition variables. Incidentally, H6b is supported and the others hypotheses---H6a, H6c and H 6d are not supported.

To further analyze the interaction, we used the simple slopes approach suggested by Aiken and West (1991), as shown in the Figure 2. There is a positive relationship between task autonomy and employee creativity when employees have a better interpersonal relationship in the workplace. However, when employees have lower level of interpersonal relationship quality in the workplace, task autonomy does not matter for the creativity performance.





Discussion and Conclusion

As Shalley and Gilson (2004) conclude, autonomy has received the most attention for workplace creativity research. Our results supported the importance of task autonomy for FSEs if to expect their creative performance. This study further shows that the task significance is irrelevant to employee creativity, which is consistent with Coelho and Augusto's study in 2010. In accordance with Amabile's et al. (1996) research, the work stress also played a less prominent role in workplace creativity. In addition, this study shows that workplace fun is not related to employee creativity. According to the relevant fun literature, the workplace fun may have more influence on younger employees. Interpersonal relationship in the workplace is the only variable that interacts with task autonomy on FSE creativity. The interpersonal relationship quality not only reflects an employee's social support in the workplace but also can be helpful to fulfill his/her goal and stimulate the potential ability. Interestingly, the results in this study show that employee with higher interpersonal relationship quality tend to be less creative in their job performance when the task autonomy is low. This again shows the importance of empowering FSEs to think on their own when performing their tasks. To conclude, this study is important in identifying how work contextual factors affect FSE creativity and giving insights for the service firms.

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Available upon request

Frontline employees as participants in service innovation

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Introduction

Previous research has revealed frontline employees (FLEs) to be important contributors to service innovation (Gwinner, Bitner, Brown, & Kumar, 2005; Ordanini & Parasuraman, 2011; Skålén, Gummerus, von Koskull, & Magnusson, 2015). Working in the borderlands between the organization and the customer, identifies FLEs in a position to learn from customers (e.g. getting ideas when interacting with customers). Hence, they come forward as potential contributors of relevant knowledge of innovation (e.g. Engen & Magnusson, 2015; Melancon, Griffith, Noble, & Chen, 2010). However, with a few exceptions (e.g. Karlsson & Skålén, 2015; Sundbo, Sundbo, & Henten, 2015), the micro processes of the frontline employees' activities are rarely studied (Crevani, Palm, & Schilling, 2011). Furthermore, the employees are in innovation studies primarily considered as contributors to innovation processes (e.g. idea makers) and not themselves as innovators and initiators of innovation processes (Kesting & Ulhøi, 2010). Therefore, the picture of frontline employees as central actors in innovation has not yet been given much attention in studies of service innovation (Sundbo et al., 2015). Crevani et al. (2011) further emphasize this in their review article. Setting the research agenda for innovation management, the authors identify gaps between research and practitioners. They underline the need for more studies on both innovation work at a micro level in service firms, as well as the innovative potential of service workers.

This paper follows up, and aims to develop new understanding of frontline employees' agency in innovation activities and how the agency is influenced by management. The paper is based on a multiple case study, and investigate employees' innovation activities by studying the micro processes they are engaged in, in particular the interactions between employees and managers, between employees themselves, and between employees and customers. The paper contributes to service innovation by introducing FLEs as participants, a role that gives the employees influence on their innovation activities, and the option to follow up on how the activities will affect their work practice and the organization.

Theory

Service innovation as a concept includes both the renewal (the output) and the process in which renewals are achieved (Toivonen & Tuominen, 2009). It is in the innovation process – the creation of new a new idea and the process of developing and implementing it (Van de Ven, Polley, Garud, & Venkataraman, 2008) – that employees contribute and engage in innovation activities. In this paper, innovation as a strategic reflexive process is applied to study FLEs actions in the micro processes they are engaged in. Strategic reflexivity is a perspective that views innovation as an interactive process, something that takes place among many actors holding different perspectives, ideas and cultures, that has to be carefully woven together in order to achieve the benefits of innovation (Fuglsang, 2008). The innovation process is viewed as a broad coherent process (Sundbo, 2008). Strategic reflexivity recognizes a duality of

structure within the organizations: a hierarchical one, which is defined as managerial, and a loosely coupled interactive one, that is intended for employees and managers to participate in (Fuglsang & Sundbo, 2005; Sundbo, 2002). It is a perspective that integrates both top-down, management-initiated processes, and bottom-up, employee-driven processes, and can be understood as a balanced approach to innovation (Rubalcaba, Michel, Sundbo, Brown, & Reynoso, 2012).

In this paper, strategic reflexivity is used as a framework to build the picture of frontline employees as actors, participating in innovation activities. The duality that the balanced approach represents provides the paper with a model not to test, but as a point of departure to integrate existing knowledge, and add new. The perspective places frontline employees within different innovation processes related to how ideas emerge. At the same time, it places employees as actors in between the structure of managers and the structure of interacting with customers. Both of these represent micro processes we need to learn more about to explore the innovation potential of frontline employees.

Methodology

The findings is based on a multiple case study of six service organizations. Empirical data was generated through interviews primarily, and also through observations of work, observation of meetings and collection of written materials e.g. project documents. In total 50 semi-structured interviews were conducted, with frontline employees (26), managers (17) and back office employees (7). The interviews and observations were analysed based on a thematic approach (Boyatzis, 1998).

Findings

The findings place frontline employees as valuable actors in both strategic, and practice-based innovation processes. The employees' gain knowledge in the customer-supplier interface. This knowledge together with their knowledge of the organization, is combined into new and useful solutions for the customers and/or the work practice. In top-down processes frontline employees actions are based on invitation by management, while in practice based innovation processes, employees innovate when having access to resources and/or by collaborating with managers.

The role of participant, as described in the paper, is one that gives the employees influence on their innovation activities, and the option to follow up on how the activities will affect their work practice and the organization. Frontline employees are in this study found to exercise agency through three aspects: their workplace-related knowledge and skills, their interest and motivation to continuously improve their workplace and their access to resources. Here, the aspects are emphasized as the employees' *ability, willingness* and *opportunity* to contribute, as shown in Figure 1.

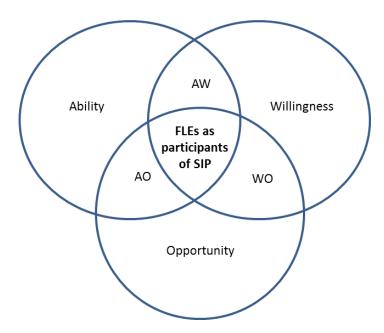


Figure 1. Frontline employees as participants in service innovation processes (SIP)

The model illustrates how all three aspects of agency – ability, willingness and opportunity – must be intertwined for frontline employees to become participants in service innovation processes. Furthermore, the model demonstrates how frontline employees are hindered from practicing agency, by three intersections. Willingness-Opportunity (WO): addresses employees without knowledge relevant for innovation, and they are therefore seen as less apt to engage in innovation activities. Ability-Opportunity (AO): indicates that not every employee working in front wants to engage in innovation activities. Ability-Willingness (AW): shows employees who are hampered from engaging in innovation activities, for instance due to limited access to resources.

Discussions

By being able, willing and having the opportunity, frontline employees become participants in, and agents of, service innovation processes. This encompasses how employees construct their innovation activities based on their knowledge and skills, constrained by whether they have access to resources, and dependent on the employees' willingness. It describes how employees practise agency, based on themselves as professional subjects, as well to conditions of the workplace. Being a participant in innovation implies initiation, development and adoption of innovations from and by frontline employees. It comprises the element of the employee's influence and choice regarding the work practice (Busck, Knudsen, & Lind, 2010; Eteläpelto, Vähäsantanen, Hökkä, & Paloniemi, 2013).

The concept of participant defines and elucidates the image of frontline employees as actors in innovation processes. Hence, it provides a content to the role frontline employees are given in previous research (e.g. Fuglsang & Sørensen, 2011; Karlsson & Skålén, 2015; Sundbo et al., 2015). Furthermore, becoming a participant emphasizes how frontline employees perceive innovation processes as activities that originate (primarily) from themselves in their workplace,

or from co-workers' initiatives, and that are based on ideas that mainly have an impact on their work practice. The concept of frontline employees as participants can therefore be said to be grounded in a practice-based, bottom-up perspective to innovation (Ellström, 2010; Price, Boud, & Scheeres, 2012), where organizational change is seen as continuous, evolving and incremental (Weick & Quinn, 1999). However, the concept of participation symbolizes frontline employees as actors of innovation processes that have to be balanced with management. Frontline employees may to a certain point develop their work processes, as seen in, for example, bricolage innovation. These are innovations that may be enacted without the awareness and approval of managers (Fuglsang, 2010). However, middle managers will affect the workplace affordance for employees to become participants, as well as co-workers and the employees themselves (Billett, 2012). Middle managers play an important role for creating the workplace as an environment for participation in innovation activities. They need to support and facilitate frontline employees in executing their agency, through the aspects of ability, willingness and opportunity.

Conclusion

By understanding how frontline employees practise agency and how the agency is influenced by management, this paper contributes to the understanding of how employees become participants in service innovation.

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Innovation in Online Communities: Conditions for Customer Creativity and Participation

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Introduction

Collaboration with and among customers is considered an important means of enhancing the effectiveness of innovation outcomes (Greer ad Lei, 2012; Gustafsson et al., 2012; Chan et al., 2010). Gambardella, Raascha and von Hippel (2017, p. 1450) acknowledge this emerging user innovation paradigm and attest that "extensive theoretical and empirical research has now led to an understanding that users are also a major source of innovation development". Given this recognised perspective of customers as potential drivers of innovation, firms are now driven to understand how to harness the customers' potential for this purpose. Taking a services marketing lens to this problem enables a service ecosystems (e.g. Vargo and Lusch 2016) or network perspective (e.g. Taatila et al., 2006) to understand how customers, in collaboration, result in more creative and effective innovation solutions. As such, we here focus specifically on the central role of customers within those systems or networks and seek to understand the conditions under which individual customer creativity and participation in co-creative innovation is enhanced.

Digital platforms are common tools for engaging customer communities in co-creative innovation processes. Co-creative communities allow crowdsourcing of customer creativity for innovation, as well as innovation diffusion processes at a relatively low cost (Katona and Sarvary, 2014). The key element for leveraging customer creativity via digital co-creation communities is to offer persuasive experiences that engage and encourage customers to perform better as sources of creativity (Kozinet et al., 2008, Sang et al., 2012). However, there is little known in the services or innovation literature about how to enhance and leverage customer creativity for this purpose.

The emerging stream of innovation research recognises the complexities regarding cocreation with customers for the purpose of innovation (e.g. Gemser and Perks, 2015; Mahr et al., 2014; Trischler et al., 2017). These complexities are apparent as customer creativity and innovation are two phenomena that occur at different levels. Customer creativity emerges within individuals' and is described as the ability to create meaningful new ideas (Amabile and Conti, 1997). Innovation involves the implementation of those ideas in socio-cultural contexts (Amabile and Pillemer,2012). Therefore, activating the link between *customer creativity and co-creation for innovation* requires a deeper understanding of the conditions that drive such pursuits. Further, the task of leveraging customer's creativity is arguably more challenging within online innovation communities due to unique customer attributes, socio-cultural structures and platform constraints.

The current literature discusses the importance of customer co-creation for innovation by highlighting ways to identify appropriate customers to participate in innovation (Perks et al., 2012; Fuchs and Schreir, 2011), in different phases of innovation (Fuchs and Schreier, 2011) and in ways that are beneficial to firms (Mahr et al., 2014; Cui and Wu, 2016). Studies also highlight customer motivations for participating in co-creation (Fernandes and Remelhe, 2015) and how to access collaborative innovation; transfer group creativity in innovation (Boger and Horst, 2014; Somech and Drachy-Zahaw, 2013) and the role of team compositions in innovative outcomes (Trischler et al., 2017). Research on motivation to participate in cocreative innovation communities highlights customer's financial, social, technical and psychological motives (Constantinides et al., 2014). Similarly, literature discusses the characteristics of successful 'ideators' and online behaviour suggesting ways to encourage successful innovation outcomes. For instance, Schemmann et al. (2017) argue that ideators' ability to develop their own ideas by making suggestions about how their ideas can be implemented are more likely to be successful than ideators who phrase their ideas in form of wish or requirement. Meanwhile Fuller et al. (2012) highlight the symmetrical and asymmetrical impact of individuals' creativity components on creativity outcomes during various phases of co-creative innovation.

Although prior research has shed light on various aspects to facilitate customer cocreation, explicit knowledge about the specific conditions that trigger customers' creative ideation and motivate them to participate in co-creative innovation is lacking. That is, there is a lack of conceptual or empirical understanding of important antecedents to individual customer creativity in online communities and subsequent participation in collective processes for innovation. Such knowledge will assist in designing collaboration strategies and toolkits to attract more customers to engage in creative ideation with others in online communities.

Conceptual Framework

In line with the dynamic componential theory (DCT) of creativity and innovation (Amabile and Pratt, 2016), we argue that, at the individual level, a set of processes and skills are important drivers of creativity, while socio-cultural conditions stimulate participation in co-creation for innovation. This highlights the process of transfer of creativity from one level to the next in a co-creation context. Drawing on the existing co-creation and creativity literature, we posit that customers' creative ideation is influenced by creative self-efficacy, creative identity and domain-relevant knowledge (Tierney and Farmer,2002, Farmer et al., 2003,Amabile and Conti,1997), while their intention to participate in collective co-creation processes is influenced by socio-cultural conditions (Laud and Karpen, 2017, Jussila et al.,2015, Malik et al.,2015)): cultural community embeddedness, psychological community ownership and community rewards.

Further, we suggest that co-creating customers seek personal benefits and deeper meaning, such as creative self-enrichment, by participating in the co-creation process. Each of the individual-level elements are relatively stable yet amenable to development and social influences within online communities. Customers' self-efficacy forms a key component of their motivation to develop creative ideas (Gong et al., 2009). Similarly, customers' creative

identity, that is being creative, drives creative performance (Farmer et al., 2003), while domainrelevant skills represent the expertise or knowledge required for creative production. The combination of these conditions impact customer creative ideation.

In the context of socio-cultural conditions, we propose that customers' cultural embeddedness is important in understanding community-specific practices for developing new ideas, or community recognition for creative work, that will drive customers' willingness to share their ideas. Similarly, customers' psychological community ownership offers a sense of attachment control and security when sharing creative ideas, which will increase their willingness to co-create. For community rewards, Amabile (1997) suggests that the perceived value of extrinsic rewards serve as a signal for creative individuals to enhance their creative performance in a group, thus increasing their readiness to participate in co-creation. Further, customers' willingness to participate impacts their actual participation in co-creative innovation as well as their creative self-enrichment outcomes. According to the progress principle in DCT, we argue that co-creating customers in online communities seek creative self-enrichment outcomes in order to self-justify the meaningful work they are doing within a community, thus providing themselves with a compelling rationale to continue to co-create for innovation.

Method and Findings

A survey of 333 members of an online innovation community was conducted with US customers who were members of online communities. Established scales were used (e.g. Tierney and Farmer, 2002, Laud and Karpen, 2017, Yim et al.,2013), and all constructs rigorously checked for their psychometric properties using AMOS 24. All constructs were found to be reliable, given composite reliability scores of above 0.942 (Fornell and Larcker, 1981). Convergent validity was established with the average variance extracted (AVE) for all latent constructs higher than 0.50. Discriminant validity was assessed using the MTMT matrix (Henseler et al., 2015) and evaluated until all HTMT.90 ratios met the .90 criterion.

The structural model was investigated using SmartPLS 3 due to the complexity of the model (e.g. extensive number of variables). The findings highlight the important role of customers' creative self-efficacy, creative self-identity and domain-relevant knowledge in driving their creative ideation. Moreover, customers' cultural embeddedness, psychological community ownership and community rewards emerge as important conditions for leveraging their creative ideation for co-creative innovation. Overall, the study reveals important individual-level conditions that contribute to customers' ideational and co-creative behaviour and creative self-enrichment outcomes.

Implications

By highlighting the association between customer creativity and co-creative innovation in online communities, we build knowledge of individual conditions that can impact customers' participation in co-creation. Customer creativity is a known essential condition for co-creation of innovation, and yet little or no attention is afforded to the conditions under which this is

enhanced or leveraged into the co-creation of innovation. This study provides a more detailed understanding of the conditions for customer ideation and their willingness to participate in co-creative innovation. While previous research has focussed on firm-related benefits of innovation communities, this study is one of few to consider the customer-related outcomes. We argue that customer-related outcomes such as creative self-enrichment are equally important for offering compelling co-creation experiences and a sustain innovation within online communities.

From a managerial point of view, our results suggest that stimulating individual creativity means managers have to take into account the differential impact of antecedents of creative ideation in all the phases of co-creative innovation. Designing diverse teams that comprise of individuals with different levels of creative self-efficacy and identity would allow for compensation of flaws at individual level that restrict customers to participate in co-creative innovation. Collective creative confidence will also feedback at the individual level allowing ordinary customers to participate in all phases of innovation process. In summary, the study highlights the benefits of organising co-creative innovation platforms in ways that provide opportunities for customers to develop their creative self-efficacy and identity as well as their cultural alignment.

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6F Consumer Behavior in Services II

Services and the Aging Brain

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Introduction

What happens when the Service Consumer grows older? Germany, now the second oldest country in the world after Japan, in 30 years' time will have 32.3% of its population over 65 up from 21.5% today and 9.8% thirty years ago. The median age has gone from 32.3 in 1950, to 40 in 2000 and this year it is 45.9. By 2050 best estimates are that half of the German population will be over 50. Where Germany leads the rest of the developed World follows.

Healthy aging is the process through which a healthy body changes as it grows older. Many diseases are age related but even without them, our bodies capabilities change, all our senses change and our brain changes and with it our mind.

This paper reviews briefly the aging of Western Society and its causes. It then looks at the changes that occur in the human brain as it ages healthily and the implications for decision making. It then goes on to draw implications for services management and research of those changes in decision making capability.

The Aging of Western Society

The age profile of the developed world is nearing the end of a three-hundred-year transition. Increased affluence, starting with the industrial revolution, lead to a dramatic reduction in infant mortality due to better nutrition. The result was a reduction in the birth rate as families came to realise that for the same number of children to survive to adulthood (and support their parents) they needed less births.

However, there was a lag between the drop in infant mortality and the birth rate. During that lag the populations of most countries exploded. The populations in the Western World are now declining as birth rates per female struggle to reach the necessary 2.1 children. The combination of reduced numbers of children, declining population and increased life expectancy due to advances in modern medicine, is driving a tidal wave of grey through the consumers of services.

The changes in the brain.

Neuro scientists have shown that the brains of older adults tend to have lower volumes of grey and white matter than younger adults. This loss is not uniform with the prefrontal cortex and medial temporal structures being particularly effected. The resulting changes in certain parts of the minds capacity is significant. Psychologists have shown that the processing speed of the brain and the capacity of the short-term memory, that acts as a cache for the brain, start to

decline from about age 20. The result is a steady reduction in the capacity of the brain for deterministic thinking. This is the thinking typified by multi-attribute choice models which require complex trade-offs of attributes and scores to drive choice.

Researchers in a number of fields, have shown that to compensate for this decline a number of strategies are used. Experience in the form of scripts and schema that have built up with age are harnessed. Complex decision processes are truncated, and more reliance placed on emotions. Older people have been shown to have much smaller consideration sets when making product choices and to use multi-attribute matrices in a very truncated way focusing on only a few attributes. The result may be a comparable decision but one that is reached in a different, often emotional, way.

Socio-Emotional Selectivity Theory (SST) argues that as each person reaches that age where mortality becomes real, motivation changes. People concentrate on maximizing good emotional experiences and actively avoid experiences that create negative emotions. There is strong empirical evidence over many years and product categories that older people are more satisfied with the service they receive. This theory would argue that this is because older people ruthlessly select their providers to give them good experiences and are not interested in experimenting with new providers.

Managerial and Research Implications

Research in many fields on older people would suggest implications for the management of services. However, few of these ideas have been applied to services research and so need to be tested.

Managing the Older Consumer Choice Process

In deciding which service firm to use the decision-making process of the older buyer will be different. Research from product choices by older people shows that the "consideration set" of brands/service from which the choice will be made shrinks. It is logical therefore even more important to create satisfied older customers and to stay "on their lists". Older buyers are correspondingly less innovative, so logically, a new service will be a particularly difficult sale. These findings need to be replicated in services.

Research in other fields suggests that it is better to present choice information to older people, anecdotally and preferably from people that are known and trusted. If the purchase becomes too emotionally unpleasant consumers are more likely to delegate the decision. That research suggests that the choice process itself must become a pleasant experience if the buyer is to be motivated to continue. This research was based in medical policy research and needs testing in services.

Managing the Service Experience for the Older Consumer

Creating the Servicescape Music and sound, lighting, touch, smell and taste can all have profound impacts on consumers perceptions of the service experiences. If music can influence

the taste of food or the speed of eating, then clearly it must be operating at the emotional rather than rational level. Aging increases the emotional component of decision making so logically older customers should be even more sensitive to these kinds of stimuli. Age needs to be included in research on the Servicescape. This is especially the case since our senses also change with age.

Service Provider

Older consumers are seeking interpersonal "relationships". They are more sensitive to receiving information anecdotally and verbally. This would suggest the importance, more than for other groups, of the service provider. Consumer age needs to be included as a variable in research on the impact of the service provider.

Adherence to the Script

Part of the older consumers search for a positive experience is predictability. Older customers are more likely to be "experts" in terms of their scripts. They will have acquired many more than younger consumers and may be more capable of coping with deviations. However, for the older consumer, a deviation presents a risk of a negative emotional experience, which is to be avoided. Script research needs to be extended to look at the impact on age on the nature and use of scripts.

The Service Consumer as Part of the Production Process

Using the theatrical analogy, the service experience is a play set in scenes created by the service firm that has a script that must be followed by the consumer, the service provider and the other customers. It is important when designing those scripts to recognize the mental abilities of the aging consumer. Research from outside services would suggest that older consumers are less likely to be able to multi-task and will be easily distracted when making decisions. Simple decisions within the script (what to drink, eat or from which account to withdraw money) will take longer. Time pressure reduces the effectiveness of the decision making in older consumers, so asking them to hurry up runs the risk of choices being changed later. Loud music or background noise not only creates problems with hearing but also will act as a distraction in decision making. Decisions involving complex financial information will be particularly problematical. All of which needs tobe tested in services.

Customer Satisfaction and Service Recovery

Older consumers are statistically more likely to be satisfied. Older consumers are more satisfied because they have systematically chosen providers who reliably provide a positive emotional experience (and avoid those that generate negative emotional experiences). This SST dominated model places a much heavier onus on satisfying older consumers, otherwise they are more likely to switch. SST would suggest that the motivation of older consumers puts a priority on service recovery. Firstly, they have an aversion to negative situations. Secondly if they are dissatisfied enough to remove you from their consideration set they are much less likely than their younger consumers to put you back in again. Unfortunately, under this scenario complaining behaviour, that triggers recovery, is much less likely to happen since the act of complaining, for many, is a negative experience in its self. Older consumers will need to be bullied and cajoled in to complaining. Recovery then has to effective and a pleasant experience.

If not, they may complain by switching and tagging the script for that firm with a negative tag. Research in to service recovery needs to adapt to the aging consumer.

Understanding need for customer assistance: measuring the personal differences that trigger customer assistance request

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Introduction

Consumer products and services have grown in technological complexity over the last decade. From the use of tablets to initiate airport self-check in, to reading the news on a smartphone, technology is increasingly ingrained in our everyday life as a customer. Such ubiquitous use has also generated increased service failure, due to misuses from customers, or technical failure. Consequently, customers require more assistance from product suppliers and service providers (Engel et al., 2015; Goffin and New, 2001; Van Riel et al., 2004). Surprisingly, customer's need for assistance has not been studied in great depth in the marketing literature. Conversely, customer complaint behavior, a related concept, has received much more attention. It is for instance acknowledged that customer complaint behavior (CCB) is determined - together with situational variables – by personal variables, which have been referred to as a "propensity to customer complaint behavior" (Crie, 2003).

This research looks at defining and measuring the "need for customer assistance". Our first aim throughout this paper is to show that the "need for customer assistance" can be defined and measured as an independent construct, and be seen as a different construct to related ones such as "propensity for customer complaint behavior". Our second aim is to develop a scale to measure the specific intensity of the "need for customer assistance" within individuals. To do so, we first define the construct and its dimensions. We then build and test a four-dimension scale. Altogether, this new construct offers a way to better understand a growing numbers of customer behaviors or nonbehaviors and opens up a field of research concerning the way to address this need.

The concept of customer assistance in the marketing literature

Although the customer assistance concept in itself has not been broadly used within marketing literature, we identified two subfields where the question of the customer assistance is discussed. First, in the field of relationship marketing, customer support is defined as "all the activities undertaken by service support providers to ensure that consumers continue to obtain trouble-free use of the product over its lifecycle" (Loomba, 1996, p. 4). This construct however reflects a managerial point of view, rather than a consumer point of view, which we address in our study. Second, in the field of self-service technologies, some researchers distinguish between technical support (mainly web-based) (Engel et al., 2015; Negash et al., 2003) and personal support (Engel et al., 2015; Rebecca Yen et al., 2004), where frontline employees play a direct support role. In our research, we use the term "customer assistance", rather than "customer support", in order to emphasize the customer-centered nature of the concept, and its specific personal and relational dimensions.

Conceptualizing need for customer assistance

The concept of customer assistance request may further be understood by considering the literature on CCB. The complaint has been defined as a "consequence of an experience generating high dissatisfaction" (Day, 1980). We however define the "customer assistance request" as a communication that the customer initiates when acknowledging a problematic situation with a product or service and wishing to solve it thanks to the assistance of the provider or of a third party. Our proposed construct thus shares similarities with CCB, given that both are customer-initiated communications, linked to a product or service and with a marked intention to change a situation. The proposed customer assistance construct however differs from CCB in four aspects. First, the need for customer assistance is not automatically linked to dissatisfaction. Second, the problem encountered is not necessarily attributed to the provider. Third the provider is not the only source of assistance at the customer's disposal. Fourth, customer assistance is not necessarily correlated to negative attitude towards the product or brand.

Finally, some researchers have investigated the link between complaining behavior and personal characteristics such as personality traits (Ekinci et al., 2016; Sharma et al., 2010), attitude towards complaining (Kim et al., 2003), perceived control and self-efficacy (Bodey and Grace, 2007), politeness (Lerman, 2006), or seeking redress propensity (Chebat et al., 2005). These personal variables may be understood as "propensity for consumer complaint behavior" (Crie, 2003). We thus suggest that customer assistance request could be influenced by the proposed construct of customer "need for assistance".

Methodology

Our methodology to define and measure this construct draws on the work of Churchill (1979) and Hardesty and Bearden (2004). We first elaborated a definition and delimitation of the construct to be measured, drawing from the literature. We initially defined need for assistance as a state of tension stemming from the acknowledgement of a problem a customer encounters with a product or service. In these contexts, customers who feel they lack resources to solve a problem tend to subsequently request an external intervention (Wersig, 1979). In our research, we consider external help as any person willing to help and advise a customer on how to solve their problem, thanks to a dialogue, which can be mediated by various means (phone, chat, direct contact...). The assistance provider can be an employee, a technical expert, another customer or a friend or relative. We chose not to differentiate between different types of interlocutors in the assistance process, but rather to focus on the decision to request assistance. We also do not consider looking for written support (e.g. online forums, manuals...) as a form of customer in an assistance request, as the cognitive work undertaken in these cases differ from asking a third party.

We then further refined the construct definition and delimitation of the construct, through a field study conducted among 6 respondents (consumers), who were interviewed on the topic of customer assistance requests. Interviews were conducted using the Critical Incident Technique method (Gremler, 2004), looking at problematic situations with products and

services that may have (or not) given rise to customer assistance requests. We used the data generated to elaborate an initial list of 82 items. We further refined the list and reduced it to 49 items, following discussion between the two authors and two independent researchers, with the aim of minimising redundancies. Finally, the consistency of the items with the defined construct and the consistency of the items with their dimension was assessed by two experts in the field of customer relationship and consumer research, both being knowledgeable in terms of scale building.

Findings

The current version of the scale includes four main dimensions:

- Customer's engagement towards material possessions: the need for assistance depends on how much an individual's product or service are important to him/her. The more customers invest in the quality of their possessions, the more they project their own identity and expect an irreproachable product or service.
- Locus of control: customers may attribute a problem to their wrongdoings or not being "technology-minded" (internal locus), or to a provider, a lack of "luck" (external locus). The more customers believe they have control over these problematic situations, the more they are able to solve problems on their own, and therefore not seek assistance.
- **Time pressure:** requesting help also carries a time dimension. Inexperienced customers know they will lose time trying to solve a problem by themselves. Time pressure is thus influencing the need for assistance, and likelihood to request assistance.
- Attitude towards requesting help: some customers have a negative attitude towards requesting help. Asking for help can convey an impression of dependency, which can deter consumers from initiating an assistance request.

Conclusion

This version is being tested on a target sample of customers. We expect full results to offer a robust scale measuring customer need for assistance, helping scholars to predict assistance request behavior. The ability to know whether customers are likely to ask for assistance carries managerial implications for companies, especially in cases where customers are not likely to ask for it. This can be especially important as, in some instance, customers may not know how to use products and services, which can lead to poor usage, product or service failure, and eventually disinterest for the product and the brand and / or tepid word of mouth.

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Comparable Purchase Deviations How Customer Learning in a Committed Firm Relationship Impacts Longitudinal Upgrading

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Introduction

Researchers have long made the connection between customer-firm relationships and positive firm outcomes—purchases, donations, membership tenures, loyalty, etc. (Bhattacharya 1998; Bhattacharya et al. 1995; Bhattacharya and Sen 2003; Marinova and Singh 2014). Indeed, as consumers stay loyal to a brand and build a relationship over time they spend more money with the firm (Bolton 1998), particularly in weak satiation (i.e. hedonic) contexts (Voss et al. 2010). Further, customer-firm relationships act as a compliment to satisfaction and as a buffer to service failures (Sajtos et al. 2010; Seiders et al. 2005; Voss, et al. 2010). Yet relationship marketing researchers have ignored a critical aspect of customers' journey with a firm. Namely, how customers learn from their purchases and use the knowledge they acquire from different consumption opportunities over time to shape their future purchases.

In this research, our main contribution to the marketing literature is that we introduce a novel metric for identifying consumer learning opportunities. We suggest that customers rely on the aspects of a purchase that are consistent across options from the same provider—such as the cabin levels of a river cruise provider—in order to learn about the providers' offerings. We call these comparable changes that consumers learn from "comparable purchase deviations." As the opening vignette regarding different cabin types suggests, these comparable purchase deviations (such as different cabin types over two subsequent cruises) are a key, positive, determinant of consumers' upgrade and downgrade behavior with a firm over time.

We further contribute to the extant literature by offering the first longitudinal study of upgrading. Previous upgrading literature has tended to focus on products (Okada 2006) and has primarily observed a single repurchase (Marinova and Singh 2014). We build on previous upgrading literature that uses a relational framework in order to understand consumers' longitudinal journey with a firm (Lemon and Verhoef 2016). As such, our research builds upon the relational processes already associated with upgrading decisions (Bhattacharya 1998; Marinova and Singh 2014) to show, for the first time, how upgrade behavior changes over time as a consequence of a consumers' purchase history.

Finally, we explore how purchase characteristics not previously explored with upgrading behavior moderate the relationship between learning and consumer upgrading over time. For instance, inter-purchase time is well established as increasing the likelihood of a repurchase, but how it impacts upgrading behavior has not been explored. Similarly, social presence has been shown to have a positive impact on consumers' enjoyment of a hedonic experience (Caprariello and Reis 2012; Arnould and Price 1993). However, researchers have not previously connected social presence to consumer's upgrading behavior with repurchases.

Finally, we also explore how satisfaction impacts consumers upgrading behavior over a customers' journey with a firm. For all three of these purchase characteristics, we hypothesize and show how they moderate the relationship between consumer learning and upgrading over time.

Methodology

We test our theory in two studies using large longitudinal secondary datasets from the extended hedonic experiences (EHEs) context—hedonic experiences that take more than a day to consume. The first data set is from a major metropolitan zoo and contains 556,759 repeat purchases over 30 years. The second data set is from a large river cruise company and contains 50,369 repeat purchases over five years. EHEs are an ideal context for this research for a couple reasons. First, EHE's have only a few important characteristics that are stable across purchases with the same provider. Thus, by using EHEs we can identify reliable measures of comparable purchase deviations. For instance, it is difficult to compare a river cruise up the Nile with a river cruise up the Danube. However, using the stable characteristics of an EHE, such as the cabin level of each river cruise, comparable purchase deviations can be easily identified. Additionally, EHEs are a growing proportion of consumer spending (Mintel 2015) particularly among young consumers (Eventbright 2014). Since the relationship between EHE firms and their customers is a critical component of the repurchase decision (Marinova and Singh 2014), our insights provide important strategic guidance for EHE providers in a growing industry.

Analysis

We estimate the following model for the zoo membership data (membership experience):

1. (Degree of Upgrade [\$]) $_{it} = \alpha_i + \beta_1 Deviations_{it} + \beta_2 Inter-purchase Time_{it} + \beta_3 Size of Social Presence<math>_{it} + \beta_4 Changes*Inter-purchase Time_{it} + \beta_5 Changes*Size of Social Presence<math>_{it} + \beta_6 Previous Purchase Amount_{it} + \beta_7 Cumulative Transactions_{it} + \beta_8 Cumulative Total Amount Spent_{it} + \beta_9 Additional Previous Purchase Activity Amount_{it} + \beta_{10} Cumulative Amount of Charitable Gifts_{it} + \epsilon.$

We use Generalized Estimating Equations (GEE) to estimate the parameters of the models because GEE corrects for correlations among observations over time by assuming a predetermined correlation structure for the repeated measurements of consumers' upgrade amounts (Zorn 2001). We assume an exchangeable correlation matrix which is most appropriate for the inherent unequal spacing of purchase timing and unbalanced number of purchases consumers make (Liang and Zeger 1986). We also specified a Gaussian family distribution and an identity link (Diggle, Liang, and Zeger 1994).

GEE estimates regression parameters iteratively using a procedure related to quasi-likelihood estimation. We analyze our dataset in three steps (Model 1) covariates only, (Model 2) main effects, and (Model 3) the full model in order to show the consistency of results. The full model (Model 3) estimated in 39 iterations and had a Wald statistic of 21,801 (p < .001).

Contributions

Our research provides several theoretical implications for marketing researchers. Most importantly, we identify a novel heuristic for identifying how consumers learn across purchases within an established firm customer relationship. As a result, by showing that comparable purchase deviations positively impact upgrading behavior, ours is the first paper to incorporate consumer learning in longitudinal upgrade decisions. In particular, we show that using relatively common CRM data, researchers can calculate the comparable purchase deviations that consumers make to have a better understanding for how they might behave in subsequent purchases. Although seemingly innocuous, by changing comparable aspects of EHEs, consumers learn about the offerings, the provider, and their own preferences and upgrade to a greater degree (H1). Thus, while we replicate previous literature which has found long term customers are not as profitable as some short term customers (Reinartz and Kumar 2000), we add to literature that has provided nuance to this finding (Shah, Kumar, and Kim 2014) and show that learning about a provider can positively impact long term relationships.

Further, we explore the moderating roles of several aspects of the customer journey. For instance, we incorporate the social presence aspect of EHE purchases by investigating its role in the degree of upgrade consumers chose. This is unique because previous researchers have primarily relied on experimental manipulations of social presence. Additionally, we are the first to connect social presence with its influence on EHE upgrading. We find that social presence magnifies the positive relationship between comparable purchase deviations and upgrading (H3).

Third, we provide evidence that consumers are also using some mental accounting to decide when a new EHE purchase is justified. This is noteworthy, because previous literature has always examined mental accounting factors using material purchases where the time of use is the important factor (Okada 2001). However, our research suggests that the time between purchases may also be a mental accounting factor that has an impact on the level of EHE upgrade that consumers choose. In other words, the hedonic purchases that consumers make are a function of their previous hedonic purchases and consumers' ability to justify future hedonic consumption. We find consistent results for the main effect of inter-purchase time and its moderation of comparable purchase deviations (H2) on both repurchases and upgrades in the zoo membership and river cruise datasets.

Fourth, we also show how satisfaction may be an indicator of consumer EHE satiation (H4). Specifically, for consumers who have made comparable purchase deviations and learned about the firm's offerings, satisfaction mitigates the positive impact of comparable purchase deviations. As a result, these consumers upgrade to a lesser extent than their less satisfied counterparts. Thus, we add more nuance to some of the ironic effects of satisfaction in the marketplace (Rego, Morgan, and Fornell 2013).

Finally, our findings are notable for their robustness across two distinct datasets drawn from both membership (Study 1) and non-membership (Study 2) EHE contexts. Our findings remain stable when studying zoo memberships ($M_{price} = \$91$) or river cruises ($M_{price} = \$3,049$) suggesting that longitudinal consumers' EHE upgrade behavior is consistent across contexts despite the nature and cost of the experience. Previously, upgrades have been studied as one

off purchases, yet consumers often make several purchases within the same context throughout their lives and researchers know that consumers' preferences for purchases change over time (Mittal, Kumar, and Tsiros 1999). Thus, our investigation of longitudinal upgrading as a component of customers' journey with a firm, in both studies, is long overdue in the marketing literature. Additionally, we answer Lemon and Verhoef's (2016) call for research integrating the various aspects of the customer experience throughout their journey by integrating customer learning, inter-purchase time, social presence, and satisfaction in our model.

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6G Service Failure and Recovery IV

The Effect of Captivity on Customers' Service Quality Perception, Dissatisfaction, and Word-of-Mouth

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Relevance of the paper

Relationship marketing is based on the idea that developing and maintaining long-term relationships with customers improves firms' performance. To maintain such relationships, firms often create switching barriers to tie customers in. However, with such barriers, customers might feel captive. Rayburn (2015, p. 1) defines service captivity as "a consumer's perception that s/he has no options for obtaining a service other than the current provider. Though service captivity may be based on real or imagined service constraint, the effect is one of creating a perceived power imbalance in favor of service providers." In this study, we investigate how customer captivity influences customers' attitudes and behaviors and more specifically perceived service quality, dissatisfaction, and word-of-mouth behavior.

Potential contribution to the field

By studying the effect of captivity on customers' attitudes and behaviors, we seek to contribute to the service marketing and relationship management literature by investigating boundary conditions of well-established theories about quality perception, customer satisfaction and word-of-mouth in service settings. The idea behind the study is that if creating switching barriers contributes to increase customer behavioral loyalty, however creating switching barriers that are too high is likely to trigger negative attitudes and behaviors, such as decreased satisfaction and increased negative word-of-mouth behavior.

Research question

The objective of the study is to better understand how captivity affects customers' attitudes and behaviors. More specifically, our main question is: What are the direct and indirect effects of captivity on customers' perceived service quality, dissatisfaction, and word-of-mouth behavior and on the relationships between these constructs.

Theoretical foundations

To develop our hypotheses, we first draw on the service marketing literature to build a baseline model of customer dissatisfaction and word-of-mouth behavior. We then adapt this baseline model to the captivity context by drawing on three sets of literature:

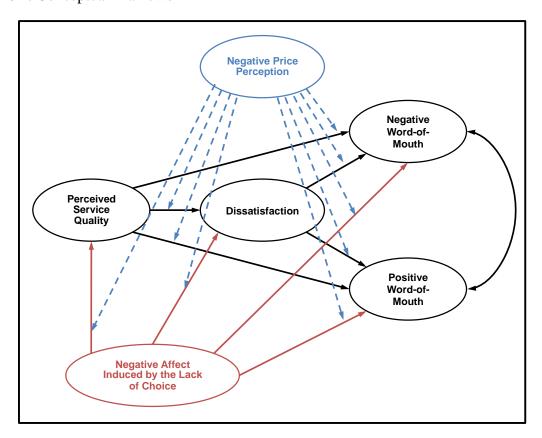
(1) Drawing on customers' emotional response theory, we argue that the lack of choice resulting from captivity triggers negative emotions that reduce service quality perceptions,

increase dissatisfaction, and exacerbate negative word-of-mouth.

- (2) Drawing on price perception theory, we argue that in situations of dependence due to captivity, customers perceive services as opportunistically overpriced. This negative perception of price moderates the relationship between perceived service quality and dissatisfaction and between dissatisfaction and negative word-of-mouth. Negative price perception is also likely to increase the effect of negative emotional states on perceived service quality, dissatisfaction, and word-of-mouth.
- (3) Drawing on Hirschman's exit-voice-loyalty framework, we argue that in situations of captivity, customers who cannot switch provider (exit) are constrained to voice their dissatisfaction (word-of-mouth). Word-of-mouth, and more specifically negative word-of-mouth, therefore becomes the dominant behavior in reaction to poor service quality and dissatisfaction.

Conceptual framework. Our conceptual framework builds on a simplified baseline model in which customer dissatisfaction partially mediates the relationship between perceived service quality and negative and positive word-of-mouth. Such a simplified baseline model is well validated in the service marketing literature. Two characteristics of captivity are then added to the model: Negative affect induced by the lack of choice and negative price perception (see Figure 1).

Figure 1: Conceptual Framework



Negative affect induced by the lack of choice is hypothesized to decrease perceived service quality and positive word-of-mouth and increase dissatisfaction and negative word-of-mouth. Negative price perception is hypothesized to moderate the relationships between the variables in the model, such that, for example, the negative effect of perceived service quality on dissatisfaction is stronger when negative price perception is strong compared to when it is weak, and the positive effect of dissatisfaction on negative word-of-mouth is stronger when negative price perception is strong compared to when it is weak.

Methodology

To test our hypotheses about the effect of captivity, we developed a questionnaire-based survey that was sent to a random sample of 2996 customers of three different services in the French-speaking part of Switzerland: railway service, postal service, and mobile phone services. These services were selected as anecdotal evidence suggests that customers of these services often feel captive from their provider. In Switzerland, railway and postal services benefit from monopoly situations, and customers feel therefore captive, as they do not have attractive alternatives for these services. In the case of mobile phone services, customers feel captive because of long-term subscription and high switching costs. We received 1010 questionnaires back for a response rate of 33.7%. After deleting incomplete questionnaires, we have a useful sample of 940 (308 for railway service, 332 for postal service, and 300 for mobile phone services). The full sample is composed of 50.7% of males; 85% of the respondents are over 39 years old. The geographical location of the respondents, their education level, and their incomes are representative of the population in the French-speaking part of Switzerland. All variables were measured with 9-point Likert scales and all scales were adapted from validated multi-item scales.

We used structural equation modeling to test our hypotheses on the full sample and on the three subsamples separately. We used a four-step analytical strategy: (1) We tested a measurement model to assess the reliability and the validity of our measures, as well as the potential biasing effect of common method; (2) we tested our simplified baseline structural model to assess its nomological validity; (3) we added negative affect to the simplified baseline structural model to assess its direct effects on the variables in the model; and finally, (4) to assess the moderating effect of negative price perception, we split our sample in two groups of equal size (strong and weak negative price perception) and run a multi-group structural equation model.

Findings

The measurement models on the full sample and on the three subsamples returned satisfactory fit indices (see Table 1, models 1). The results also indicate acceptable levels of reliability (alphas > .70), convergent (betas > .50) and discriminant validity (Fornell and Larcker test). We also used the confirmatory factor analysis marker technique to assess common method bias. The results indicate that common method is unlikely to be a problem in our data.

Table 1: Models' Fit Indices

Model	C ²	df	<i>p</i> -value	c²/df	RMSEA [90% CI]	NNFI	CFI
Full Sample (n = 940)							
1. Measurement Model	419.222	192	.000	2.183	.036 [.031 ; .040]	.978	.982
2. Baseline Structural Model	269.231	108	.000	2.493	.040 [.034 ; .046]	.979	.983
3. Direct Structural Model	419.222	192	.000	2.183	.036 [.031 ; .040]	.978	.982
4. Multi-group Structural Model	758.741	409	.000	1.855	.030 [.027 ; .034]	.967	.971
Railway Service (n = 308)							
Measurement Model	314.802	197	.000	1.598	.044 [.035 ; .053]	.969	.974
2. Baseline Structural Model	206.988	112	.000	1.848	.053 [.041; .064]	.967	.973
3. Direct Structural Model	314.802	197	.000	1.598	.044 [.035 ; .053]	.969	.974
4. Multi-group Structural Model	627.388	413	.000	1.519	.041 [.035 ; .048]	.946	.952
Postal Service (n = 332)							
1. Measurement Model	344.658	197	.000	1.750	.048 [.039 ; .056]	.962	.967
2. Baseline Structural Model	221.355	112	.000	1.976	.054 [.044 ; .065]	.961	.968
3. Direct Structural Model	344.658	197	.000	1.750	.048 [.039 ; .056]	.962	.967
4. Multi-group Structural Model	632.581	417	.000	1.517	.040 [.033 ; .046]	.951	.950
Mobile Phone (n = 300)							
Measurement Model	367.480	198	.000	1.856	.054 [.045 ; .062]	.950	.957
2. Baseline Structural Model	232.785	112	.000	2.078	.060 [.049 ; .071]	.954	.962
3. Direct Structural Model	367.480	198	.000	1.856	.054 [.045 ; .062]	.950	.957
4. Multi-group Structural Model	681.874	396	.000	1.631	.046 [.040 ; .052]	.926	.933

The test of the simplified baseline structural models also returned satisfactory fit indices (see Table 1, models 2) and structural coefficients, providing support for the models. The explanatory power of the models is also satisfactory. For the full sample, the squared multiple correlations are .248 for dissatisfaction, .539 for negative word-of-mouth, and .497 for positive word-of-mouth.

After adding negative affect to the model, fit indices are also satisfactory (see Table 1, models 3) and the effect of negative effect is significant and in the expected directions for the four variables of the baseline model. For the full sample, the effect of negative affect is -.228 on perceived service quality, .250 on dissatisfaction, .198 on negative word-of-mouth, and -.102 on positive word-of-mouth (unstandardized coefficients, all significant with p-values <.001), providing support for our hypotheses. Adding negative affect also significantly increased the explanatory power of the model.

Finally, we computed a multi-group structural equation analysis to assess the moderating effect of negative price perception. Before running the analysis, we assessed the measurement equivalence of the measures across the two weak and strong negative price perception groups. We achieved partial metric equivalence, which is sufficient to compare slopes across groups. The fit of the models is satisfactory (see Table 1, models 4). The unstandardized structural coefficients are presented in Table 2.

Table 2: Multi-Group Models: Non-Standardized Coefficients

Weak / Strong	Weak / Strong		
		Weak / Strong	Weak / Strong
436 ^{***} /681 ^{***}	029 /719***	633***	.489***
304***	149	288***	275 /544 ^{***}
.786***	.791***	.716***	.780***
.403*** / .559***	015 / .581***	.530***	.515***
236***	.211 / –.156	318 ^{***}	233**
198***	291 ^{***}	178 ^{***}	091 /231**
.237***	.766*** / .390***	.161***	.084 / .221***
.194***	.355***	.172***	.093*
104 ^{***}	286 ^{***}	073	020
.115 / .130	.143 / .167	.118 / .132	.030 / .151
.226 / .328	.348 / .457	.285 / .256	.213 / .271
.500 / .593	.283 / .620	.644 / .651	.360 / .562
.469 / .504	.439 / .616	.569 / .503	.330 / .434
	304" .786" .403" / .559"236" 198" .237" .194"104" .115 / .130 .226 / .328 .500 / .593	304"149 .786" .791" .403" / .559"015 / .581"236" .211 /156 198"291" .237" .766" / .390" .194" .355"104"286" .115 / .130 .143 / .167 .226 / .328 .348 / .457 .500 / .593 .283 / .620	304"149288" .786" .791" .716" .403" / .559"015 / .581" .530"236" .211 /156318" 198"291"178" .237" .766" / .390" .161" .194" .355" .172"104"286"073 .115 / .130 .143 / .167 .118 / .132 .226 / .328 .348 / .457 .285 / .256 .500 / .593 .283 / .620 .644 / .651

p < .05; p < .01; p < .001.

For the full sample, the results show that the negative effect of perceived service quality on dissatisfaction and the positive effect of dissatisfaction on negative word-of-mouth are stronger when negative price perception is strong compared to when it is weak, providing partial support to our hypotheses. These results are graphically presented in Figure 2.

Discussion

Our findings demonstrate that captive services possess specific characteristics that distinguish them from non-captive services. Indeed, customer captivity triggers negative emotional states and negative price perceptions that affect the perceptions, attitudes, and behaviors of the customers and the relationships between these variables. The level of captivity varies across services and differently affects customers' reactions (not discussed in the abstract, but as it can be seen in Table 2).

Figure 2. Moderating Effect of Negative Price Perception (full sample)

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Our findings do not contradict the previously validated model of customer satisfaction and word-of-mouth but identify some boundary conditions (in terms of customer captivity), which require some adaptations of the model by the addition of specific variables, such as negative emotional state and negative price perception.

From a managerial point of view, our findings also show that captivity is a subjective perception and therefore can be managed. The negative affect induced by captivity and the lack of choice might be mitigated, for example, by offering alternatives to customers, and negative price perception might be influenced by the provider's marketing communication.

Conclusion. In conclusion, we can say that captive services entail some specific affective and perceptual characteristics that need to be accounted for when assessing customers' attitudes and behaviors.

Failed Service Relationships: The Trajectory of Consumer Emotions

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Introduction

Popular sentiments about the nature of close interpersonal relationships, such as its "love-hate" tension and emotional "roller coaster" effect, aptly describe lay perspectives on the volatile experience of love. An implicit meaning shared between these sentiments is that sustaining long-term relationships is challenging. Given the dynamic and temporal aspects of emotional experiences, understanding the disruptive effects of emotional changes within commercial relationships. Therefore, identifying new phenomenon regarding customer loyalty and revealing new theoretical perspectives on the role of emotions in service failure and recovery research has become increasingly important to service firms.

In service brand relationships, a consumer's decision to leave a relationship can be informed by investigating when and how emotions fluctuate throughout the relationship and how the imbalance of positive and negative emotions impacts customer wellbeing and relationship stability. Further, emotions are portrayed as dynamic processes that mediate an individual's relation to a continually changing social environment (Sbarra and Emery 2005). The emotional change process, whether positive or negative, might offer a powerful signal of a consumer's capacity to emotionally adapt and transcend adverse emotional events in service relationships.

The relationship between emotional fluctuations throughout a service relationship and a consumer's decision to leave that relationship is unknown. However, the emotional upheaval is known to occur following a consumer's voluntary dissolution of a service relationship (Fajer and Schouten 1995; Sbarra and Emery 2005) that raised numerous questions about the emotional trajectory preceding the dissolution decision. Specifically, it is important to undertand what the emotional experience was that influenced the consumer's decisions to leave an ongoing service relationship? Is it similar to or different from what consumers emotionally experience post-dissolution?

In this research, an exploratory study is conducted to examine the emotional experience within service relationships. Central to this investigation is the concept of failed service relationships, which denotes a commercial relationship that has undergone a shift in emotional valence-- from positive to negative -- during the development or maintenance stages of the relationship. In the consumer-brand relationship paradigm, an emotional shift has been similarly characterized as an *affective reduction or decline in intimacy* with the brand (Fajer and Schouten 1995). Whether the emotional shift is the consequence of a gradual decline in positive affect over time or a single emotional trauma or catastrophic event (Coulter and Ligas 2000; Roos 1999), its destabilizing effects are conjure feelings of personal loss, pain or harm that subsequently motivate consumers to leave ongoing service relationships to eliminate unpleasant social encounters.

This research examines emotional change in service relationships by studying the trajectory of consumer emotions underlying failed service relationships. Specifically, an indepth investigation of failed service relationships is conducted to address the following research

questions: (1) What is the underlying process of the consumer emotional experience in failed service relationships? (2) What are the emotional markers, if any, contributing to failed service relationships? (3) How does the emotional trajectory influence customer emotional well-being pre- and post-dissolution? (4) How does the failed service phenomenon impact consumer decisions to leave relationships within contractual service systems where switching options are predetermined and finite (e.g., health maintenance organizations, medical provider networks or membership clubs).

Literature Review

A synthesis of three different streams of literature provides a solid theoretical basis for developing a conceptual framework of the emotional change process and to answer the aforementioned research questions. A brief summary of the relevant literature follows.

First, the literature on service failure and recovery has matured in its discussion of the nature and consequences of service failures within discrete encounters. However, that body of research has mostly studied service failures as episodic or transactional phenomenon (Roos 2005). Additionally, service failure and recovery studies have extensively studied emotional reactions to service failure and recovery as outcomes in specific encounters. Emotional changes as mediators of service experiences or relationships is not entirely clear based on findings from the extant literature.

Second, literature regarding consumer switching behavior in service relationships provides useful guidance about factors influencing a consumer's decision to leave a service relationship (Keaveney 1995). Based on results from multiple studies conducted by Roos and colleagues, there is solid evidence of the influential role of switching "triggers" in the consumer's dissolution decision. A switching trigger, typically antecedent to the dissolution decisions, denotes any factor or event that changes the basis of a relationship. Additionally, these studies have empirically classified "switching" triggers as being situational or reactionary. Unfortunately, these descriptive labels or categories formulated by Roos (1999), cannot readily accommodate emotions or affect-laden concepts or dynamic events as a "switching" trigger.

Third, the literature on hedonic adaptation offers theoretical guidance for understanding and predicting effects of emotional change on a consumer's emotional well-being. Building on studies regarding adaptation and coping with emotional disruptions, theories of hedonic adjustments inform investigations of how and why consumers' emotional experiences might produce qualitatively different outcomes such as subjective well-being and relational competencies (Diener, Lucas, and Scollon 2006).

Methodology

A qualitative study is designed to document the lived experiences of consumers who voluntarily chose to leave an established service relationship. In-depth interviews are currently being conducted one-on-one with prescreened participants. The sample will consist mostly of

employees currently enrolled in an employer-sponsored health insurance plan or members of a medical provider network. That final sample size will be 30-35 interviews.

A random sample of customers/patients who self-identify as having experienced a failed service relationship within a contractual service setting are carefully pre-screened. A series of pre-screening questions are used to establish that an emotional shift did indeed occur during the service relationship, the relationship was voluntarily ended, and the relationship was terminated within the past 12- to 18-month timeframe prior to the telephone screening.

Research Contributions

The theoretical contributions of this research will be threefold. First, the research examines the dynamic aspects of emotional experiences, which are proposed to be a distinct source of service failures not previously discussed elsewhere. Shifting the unit of analysis from episodes or transactions to service relationships also presents a logical evolution in service failure and recovery research. Second, research results will extend the service failure and recovery literature by focusing on emotional breakdowns in the relationship rather than failures in the core service or technical performance. Third, theories of hedonic adaptation offers a different theoretical lens for studying the emotional experience and its impact on consumers' subjective well-being.

Managerially relevant insights are also expected. For example, the consumer emotional journey within a service relationship is believed to have consequences for both parties. However, consumer tolerance or capacity to manage emotional shifts and upheaval could be a death knell from a relational standpoint. Hopefully findings from this research will yield practical insights to establish protocols for proactive interventions and recovery strategies that prevent emotional shifts before they become defining features of the service experience. Results from this research might also help managers think strategically about customer retention, especially as it pertains to issues about when, why and how customers can be recaptured. While recapturing lost service customers is a pragmatic and cost-effective customer retention strategy, believing it is possible to restore *failed service relationships* with positive results might be wishful thinking. Conceivably, failed service relationships can create permanent emotional barriers resulting in service firms permanently closing the door on recapturing some groups of lost customers.

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You are supposed to help me: Transgressed customers' evaluations of help from service provider and third-party customer following service failure

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Introduction

Interpersonal interaction during service encounters are often an area of interest to service researchers, however, this is not limited to interactions between service providers and customers but also between customers, one of which concerns with customer-to-customer helping. Past research on customer-to-customer helping has concluded that companies should encourage helping relationship between customers, utilize customers' knowledge and expertise, and treat them as partial employees, mainly because of its potential to increase productivity and to create a sense of community between customers (Harris & Baron, 2004; Zhang, Beatty, & Mothersbaugh, 2010). However, research in psychology consistently demonstrates that receiving help could have negative consequences such as negative affect and helper- and self-evaluation (e.g., Alvarez & Leeuwen, 2015; Nadler, Fisher, & Streufert, 1976; Weinstein & Ryan, 2010). Such findings were never took into account by marketing researchers when investigating customer-to-customer helping.

Our research investigates how transgressed customers evaluate their service experience after receiving help from the service provider or third-party customer following a service failure. We define customer-to-customer helping as voluntary helping behavior toward transgressed customers by a fellow customer (hereafter termed third-party customer) that is aimed to improve their service experience by offering a solution to their problem caused by service failures. We first compare transgressed customers' ratings of service experience following help offered by the service provider and third-party customer. We then draw on role theory, which posits that quality of interactions is determined by the consistency between one's role expectations of a person and the actual behavior of that person (Broderick, 1998; Solomon et al., 1985), and examine how the concept of role congruence, that is, fulfilment of role expectations (Broderick, 1998), explains transgressed customers' evaluative process of the help received. We finally establish the boundary condition in which the help is offered directly (direct solution to the problem) or indirectly (assistance that help recipients to solve the problem by themselves) by either the service provider or third-party customer. Our research offers important insights into customer-to-customer helping and service failure literature by demonstrating that receiving help from the third-party customer might not as beneficial as past research suggested and that help from the service provider is still preferable following service failures where service provider has failed to deliver satisfactory service as promised. We also stress the importance for service providers to take an active role in making themselves available to transgressed customers by showing that direct help offered by the service provider would lead to the most positive service outcomes.

To achieve our objectives, three studies using between subject experimental design were conducted. In our first study, we ask participants to rate their service experience either after receiving (1) help from the service provider, (2) help from the third-party customer, or (3) no help (control), in the context of airport self-check-in (Study 1a: n = 117) and hotel self-check-in (Study 1b: n = 120). Our findings from both Study 1a and 1b revealed a significant difference in service experience ratings between the three experimental conditions (Study 1a: F(2, 117) = 22.50, p < .001; Study 1b: F(2, 115) = 39.32, p < .001). Specifically, transgressed customers who received help from the service provider rate their service experience significantly higher than those who received help from the third-party customer (Study 1a: $M_{provider} = 3.43$, $M_{customer} = 2.75$, p = .003; Study 1b: $M_{provider} = 3.32$, $M_{customer} = 2.33$, p < .001) and those who received no help (Study 1a: $M_{control} = 2.08$, p < .001; Study 1b: $M_{control} = 1.65$, p < .001), while transgressed customers who received help from the third-party customer rate their service experience significantly higher than those who received no help (Study 1a: p = .004; Study 1b: p = .001).

Study 2 investigates the underlying mechanism through which helping source (service provider vs. third-party customer) influences transgressed customers' evaluations of service experience. We measured participant (n = 191) perceived role congruity using a multi-item scale developed based on definitions of role expectations and role congruence (Broderick, 1998; Sarbin & Vernon, 1968) after receiving help from either the service provider or third-party customer following a service failure. We found a significant indirect effect of perceived role congruity on the relationship between helping source and transgressed customers' ratings of service experience (ab = 1.80, SE = 0.17, CI[1.48, 2.15]). Furthermore, a significant positive effect of (1) helping source (0 = third-party customer, 1 = service provider) on perceived role congruity (b = 3.56, SE = 0.15, p < .001) and (2) perceived role congruity on service experience ratings (b = 0.50, SE = 0.04, p < .001) were obtained.

Lastly, we establish the boundary condition in Study 3. Participants (n = 307) first read a scenario describing a SST failure in the context of hotel self-check-in, they were then randomly allocated to one of the four experimental conditions manipulating helping source (service provider vs. third-party customer) and helping type (direct vs. indirect help). Our findings revealed a significant interaction effect of helping source and helping type on transgressed customer perceived role congruity (F(1, 300) = 138.96, p < .001). Specifically, when help is offered directly, transgressed customer perceived role congruity is significantly stronger for service provider's help compared to third-party customer's help ($M_{provider} = 6.36$, $M_{customer} = 3.10$, p < .001); whereas when help is offered indirectly, transgressed customers reported similar levels of perceived role congruity regardless of helping source ($M_{provider} = 3.44$, $M_{customer} = 3.13$, p = .086). Moreover, we found a significant moderated mediating effect on service experience ratings ($a_3b = -1.21$, SE = 0.16, CI [-1.55, -0.90]).

In three studies, we demonstrate that receiving help from the service provider would lead to more positive service outcomes than help from the third-party customer following a service failure. We offer explanations in regards to transgressed customers' evaluative process of service provider's fulfilment of role, obligation, and responsibility and how it is influenced

by who offers the help (helping source: service provider vs. third-party customer) and how it is offered (helping type: direct vs. indirect help).

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6H Service Networks and Systems

Challenging the Cognitive Privacy Calculus: Affective Reactions in Consumers' Privacy-Related Decision Making

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Introduction

Research on privacy-related decision making issues has shown that when confronted with the request to provide personal data in exchange for e-services, consumers engage in a "privacy calculus" which is a cognitive risk-benefit trade-off analysis (Dinev & Hart, 2006). According to this theory, data disclosure only occurs when the associated benefits outweigh the expected risks (Dinev & Hart, 2006). A basic assumption of this theory is the cognitive trade-off in a consumer-firm setting (e.g., Dinev et al., 2015; Xu et al., 2011). Yet this assumption of a purely cognitive decision making requires reconsideration, as e-service settings are becoming more complex and therefore more difficult for consumers to analyze in a cognitive way. Typical eservice situations often no longer involve only two parties but one customer facing a whole service network (figure 1). This is possible due to technological advances which enable firms to collect, store, and analyze consumer data on an unprecedented scale (Agarwal & Dhar, 2014), paying the way for new, complex business models based on the monetization of consumer data across networks of firms. We refer to such practices as business network data exchange (BNDE). These BNDE networks are characterized by their complexity and lack of transparency, therefore affecting consumers' decision making process in the Privacy Calculus. One prominent example of such a BNDE business model is the music streaming service Spotify, who uses consumer data in a business network of advertisers, concert providers and other third party companies. But also traditional firms in the airline, automotive, and retailing industry recognize their access to valuable consumer data (Chen, Chiang, & Storey, 2012; Schumann, Wünderlich, & Evanschitzky, 2014). However, many firms fear (over-)reactions by consumers to the accompanying privacy intrusion, such as in the example of Telefónica: In 2012, Telefónica caused an uproar when it tried to adapt a new business model based on the exchange of customers' location data within a network of firms. Indignant reactions to this invasion of privacy halted the venture. Therefore many firms hesitate to enter into BNDE business models despite the tempting possibilities to monetize consumer data. To overcome this hesitance, companies need a better understanding of how BNDE influences consumers' decisions and how possible adverse outcomes can be overcome.

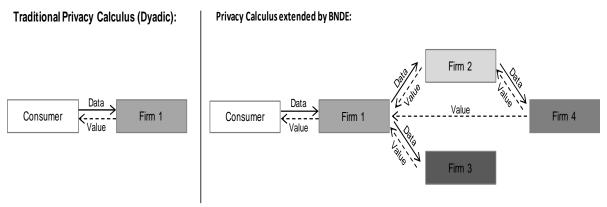


Figure 1: Traditional Privacy Calculus setting vs. Privacy Calculus setting extended by BNDE

Despite the vast practical and theoretical relevance of BNDE, research that investigates data disclosure in a BNDE context is scarce (Angst & Agarwal, 2009; Krasnova et al., 2009, 2010, 2015; Schumann, v. Wangenheim, Groene, 2014). Whereas the settings that are investigated are complex and non-transparent BNDE situations, these prior studies do not focus on peculiarities or consequences of this complex exchange paradigm. This finding was supported by a structured literature review (in accordance with Webster & Watson, 2002) of 90 papers (before screening: 1,607) from top-ranked marketing and information systems journals. The review confirms that Privacy Calculus theory mainly focuses on consumer-firm dyads and so far largely neglects the contemporary network perspective.

This dyad-focus poses a substantial shortcoming of current literature as it tends to assume that a cognitive privacy-related decision making process is possible. However, as described above, BNDE characteristics (i.e. complexity and non-transparency) hinder cognitive decision making, fostering consumers' reliance on affective processing (Acquisti & Grossklags, 2005). So in order to explain these complex BNDE situations, which trigger affective reactions, Privacy Calculus research must be extended from the dyadic to a network perspective to account for the importance of affective reactions.

Hypotheses Development and Conceptual Framework

Our structured literature review revealed that, with a few exceptions (e.g., Kehr et al., 2015; Wakefield, 2013), prior information privacy research predominantly relies on the assumption of a cognitive trade-off between the anticipated risks and benefits of data disclosure (Dinev & Hart, 2006). Such attempts to explain human behavior with purely cognitive processes have been criticized by decision making researchers in various contexts (e.g., Dinev, McConnell, & Smith, 2015; Slovic et al., 2007; Zajonc, 1980). These researchers argue that, when confronted with a stimulus, consumers unconsciously and automatically refer to an "affective pool", which influences subsequent judgments. Reliance on affect is especially likely when consumers' opportunities for cognitive judgments are reduced (Finucane et al., 2000) by e.g., complexity and non-transparency (Acquisti & Grossklags, 2005). As BNDE is characterized by both aspects, we argue that it will trigger strong affective reactions. These affective reactions will

likely be negative, because consumers attach great importance to their privacy and seek to protect it from BNDE-accompanying privacy intrusion (Culnan, 1993). We hypothesize:

H1: BNDE elicits negative affect.

Prior research suggests that affective processing influences cognitive risk and benefit assessments (Alhakami & Slovic, 1994; Finucane et al., 2000). For example, Hüttel et al. (forthcoming) show that positive affect leads to a benefit-inflation and risk-deflation effect such that benefits are overestimated and risks are underestimated. Whereas Hüttel et al. (forthcoming) investigated positive affect, this current study considers negative affect. Based on Li, Sarathy, and Xu (2011), who show that both positive and negative affect are able to influence consumers' privacy risk assessments, we argue that previous findings from positive affective reactions can be transferred to our setting of negative affect. We therefore propose that negative affect induces risk-inflation and benefit-deflation effects in the Privacy Calculus, so that risks are overestimated and benefits are underestimated. Formally,

H2: Negative affect leads to an inflation of risks and deflation of benefits during the Privacy Calculus.

As argued above, BNDE triggers negative affect (H1), which leads to an inflation of risks and a deflation of benefits (H2). We position our model in line with Zajonc's (1980) information-processing model of affect, in which automatic affect influences judgment, such that we posit an indirect-only mediation of affect.

H3: Affective processes mediate the effect of BNDE on risk-inflation and benefit-deflation in the Privacy Calculus.

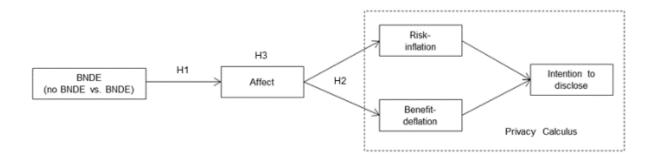


Figure 2: Conceptual Framework

Research Methodology

To test our hypotheses we conducted an online scenario experiment. Participants were told that an online shop was requiring private data. The online shop would use this data as well as the previously known purchase history to offer personalized e-services and discounts. Participants were randomly assigned to two conditions: The "no-BNDE group" was assured that all data will be used for internal purposes only. The "BNDE group" was told that all data will be shared with 30 firms from the online shop's BNDE network.

Using an online panel, we recruited 215 participants ($M_{age} = 32.1$; 50.7% female) and randomly assigned them to one of the two conditions. Participants reported their intention to disclose, their perceived risks and benefits (scales adopted from Dinev et al., 2013) as well as affective state (bipolar scale: low value indicates negative affect; adopted from Shampanier et al., 2007). To measure risk-inflation and benefit-deflation, we asked not only for the perception of overall net risks and benefits, but also the perception of risks and benefits unrelated to BNDE: Participants evaluated how beneficial they perceive a free product to be and how high they perceive the risk of technical errors. Both aspects are not directly related to BNDE. Participants should therefore report the same risk and benefit perception unrelated to whether BNDE is employed or not. However as we assume a risk-inflation and benefit-deflation effect, the BNDE group should report a higher risk and lower benefit perception of the unrelated risk (technical error) and benefit (free product) compared to the no-BNDE group.

Summary of Results

In support of H1, results revealed a significantly stronger negative affective reaction for the BNDE group ($m_{BNDE} = 2.2$) compared to the no-BNDE group ($m_{no\text{-}BNDE} = 2.9$) (t(213) = 5.35, p<.001). In line with H2, negative affect has a significant effect on BNDE-unrelated risks (b = -.55, t(212) = -5.20, p < .001) and benefits (b = .51, t(211) = 4.99, p < .001): The lower the affect, the higher customers' perception of the risk of a technical error and the lower customers' perception of the usefulness of the free product, supporting our assumption of a risk-inflation and benefit-deflation effect. A mediation analysis confirms our H3 for an indirect-only mediation of BNDE on risk-inflation (b = .37, 95% CI: 0.19, .62) and benefit-deflation (b = .35, 95% CI: -.58, -.19) through affect.

Discussion

Our research provides three important theoretical insights: (1) BNDE is a distinct context characterized by a high level of complexity and non-transparency, relative to the traditional dyadic perspective of the Privacy Calculus; (2) it elicits negative affective reactions, (3) which subsequently lead to risk-inflation and benefit-deflation effects. Therefore, our study contributes to Privacy Calculus literature, as it is the first to empirically manipulate and analyze consumers' affective reactions to BNDE settings. As such, our study helps to account for the complexity of modern network settings where consumers exchange private data for e-services. Consequently, this research extends traditional Privacy Calculus by arguing that BNDE settings elicit affective reactions which in turn lead to a risk-inflation and benefit-deflation. As a result, our study also contributes to the growing research stream of affective processing during the Privacy Calculus (e.g., Kehr et al., 2015; Wakefield, 2013).

From a practical point of view, our study is pertinent to both consumers and firms. For consumers, a better understanding of underlying decision making processes may help mitigate unwanted outcomes. Firms can profit from our findings by adjusting their BNDE business models accordingly. Further research is currently ongoing.

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The Impact of Negatively-valenced Influencing Behavior

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Introduction

Influencing behavior as a form of Customer Engagement Behavior (CEB) has the potential to affect other customers' attitude and behavioral outcomes and likewise the value and performance of firms in different ways depending on its valence. However, despite its potentially detrimental effect, empirical work on the impact of negatively valenced engagement remains relatively scant. This article marks the first attempt to investigate the impact of the recently conceptualized negatively valenced influencing behavior (NVIB) on other actors, specifically, their attitude and behavioral intentions towards service providers

Theoretical Background

Customers rely on each other to get authoritative information (Jaakkola and Alexander, 2014) and are influenced by the choices and opinions of other customers (Dholakia et al., 2004). They have resources such as knowledge, skills, time, and experience, which they contribute to firms' and other actors' resources (Alexander and Jaakkola, 2016). These resources shared through online experiences serve as a contribution into other actors' purchase processes (Bansal and Voyer 2000; Blazevic et al. 2013), and might adjust their expectations and the way they evaluate the value of offerings (Jaakkola and Alexander, 2014; Zeithaml et al., 1993), hence their attitude and behavioural intentions (Bowden et al., 2017).

To capture this enhanced role customers play, the overarching concept of customer engagement behavior (CEB) appears in recent marketing and service research as a core concept that has an impact on customer experiences, values and performance of organisations (Alexander and Jaakkola, 2016; Hollebeek et al., 2016b). This paper studies CEB through which customers willingly contribute resources with a firm/brand focus beyond transactions and resulting from triggers (Van Doorn et al., 2010, Jaakkola and Alexander, 2014). CEB has various forms that draw together a range of customer activities beyond normal transactions with 'implications for value creation' for customers, firms, and other actors (Alexander and Jaakkola, 2016, p. 21). This paper focuses on one of these forms, namely, influencing behavior which refers to customers' contribution of resources (e.g. knowledge, skills, time and experience) to adjust other actors knowledge, perception, and preferences towards a focal service provider (Jaakkola and Alexander, 2014).

Customers' positive or negative influencing behavior shared online is becoming increasingly influential in the service industry (Kumar et al., 2010; Lemon and Verhoef, 2016; Libai et al., 2010; Van Doorn et al., 2010), nevertheless, the majority of studies have addressed positively valenced engagement behaviors; thus largely overlooking the negative side and its ensuing implications (Bowden et al., 2017; Hollebeek and Chen, 2014; Hollebeek et al., 2016a). Specifically, NVIB which is expected to have potentially detrimental impacts being contagious

and viral in nature (Bowden et al., 2017). To date, extant studies have approached a dyadic negative valence of engagement focusing predominantly on customer-to-brand interactions within contexts of specific virtual brand communities (cf. (Dolan et al., 2016; Hollebeek and Chen, 2014; Juric et al., 2016). As the literature transcends its focus beyond dyadic perspective of engagement, a need exists to better understand engagement within a network, particularly, the impact of NVIB on other actors' attitudes, and behavioral intentions towards service providers (Bowden et al., 2017; Hollebeek et al., 2016a; Hollebeek et al., 2016b).

A recent study has viewed NVIB as customer contribution of resources to negatively affect other actors' knowledge, expectations, and perception about a focal service provider, based on a specific service experience (Azer and Alexander, 2018) and proposed the superordinate nature of the concept of influencing behaviour where all other customers' influencing activities such as (WOM, E-WOM, Blogging...etc.) are nested within. Importantly, the respective study has also provided a typology of six forms of direct (dissuading, warning, endorsing competitors) and in direct (discrediting, expressing regret and deriding) NVIB (see Figure 1). This direct/indirect classification is based on how the customers engage in NVIB using each of these forms. Whereby, customers engage in direct forms of NVIB by directly addressing other actors while engage in indirect forms of NVIB by sharing their negative experience without explicitly addressing other actors (Azer and Alexander, 2018).

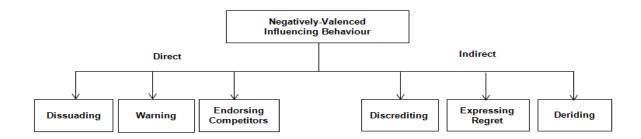


Figure 1: Direct and Indirect Forms of NVIB (Azer and Alexander, 2018)

Without directly addressing other actors, customers engage in NVIB by discrediting a service provider, by deriding a focal provider, and by explicitly express their regret for choosing this provider based on their experiences (Azer and Alexander, 2018). On the direct side, customers engage in NVIB by dissuading other actors from transacting with a focal provider, by warning them against a focal provider based on a perilous service experience or by endorsing competitors to other actors encouraging them to transact with, over a focal provider (Azer and Alexander, 2018)

According to this direct-indirect classification, the impact of direct and indirect NVIB may differ. Moreover, the heterogeneity of the six forms may result in variable impacts on other actors. Therefore, addressing the impact of NVIB from this different perspective is expected to provide a clearer view to understand the influence of customers on other actors, specifically its negative side.

Methodology

This paper conducted three experiments using the conceptualized forms to investigate the impact of NVIB on other actors' attitude and behavioral intentions towards service providers. We used a scenario based approach adapting TripAdvisor reviews. Appendix A provides the scenarios of the first experiment as an example. The first experiment (independent sample t-test) compares the impact of direct and indirect NVIB. Sample recruited: 100 third year undergraduate students (females 65%, average age = 21.31 years, SD = 1.29). The second experiment (2 × 2 Factorial Design) investigates the impact of NVIB alongside group norms represented by high and low aggregate ratings. Sample recruited: 120 undergraduate students (females 55%, average age = 20.10 years, SD = 1.07). The third experiment (6 × 2 Factorial Design) investigates the impact of the six forms juxtaposed with equal and higher volumes of positive reviews. Sample recruited by MTURK: 1200 individuals (females 50.8%, average age = 40 years, SD = 1.23).

Findings

The results of the three experiments showed that both direct and indirect NVIB negatively impact other actors' attitude and behavioral intentions towards service providers, with a relative strength of direct over indirect NVIB. Additionally, the second and the third experiments showed this relative strength when NVIB is accompanied with aggregate ratings and different volumes of positive reviews. The results also showed that the heterogeneity of the six forms resulted in variable impacts of each. On the direct side, engaging in NVIB by warning and dissuading other actors have greater influence compared to endorsing competitors, while on the indirect side; a higher negative influencing power of derision compared to both discrediting and expressing regret is demonstrated. In the three experiments, the paper confounded for the credibility of forum, general attitude towards checking online reviews, and motives of reviewers, the results show no effect of any of these variables.

Discussion and Conclusions

This paper is of the first empirical studies on the impact of NVIB, specifically by providing evidence on its impact on other actors' attitude and behavior and contributes to the emerging CEB literature in three ways. Firstly, this paper demonstrates the degree of influence of NVIB in particular the relative strength of the influence of direct over indirect NVIB. The second and the third studies show this relative power even when accompanied with excellent aggregate ratings given to service providers or a higher volume of positive reviews.

Secondly, this paper shows that the heterogeneity of NVIB forms has resulted in variable impacts. On the direct side, the results show that warning and dissuasion forms of NVIB have greater influence compared to endorsement of competitors. Based on the results we can posit that directly addressing other actors not to transact with a focal provider is more powerful to adjust their attitude and intentions than when provide customers with alternatives (competitors). On the indirect side, the results show a higher negative influencing power of derision compared to both discrediting and expressing regret forms of NVIB. The influential

nature of derision might relate to the power of sarcasm being more retainable and memorable (Giora, 2002). Additionally, the results demonstrate a relatively lower influence of expressing regret for choosing a focal provider compared to discrediting a focal provider. Based on results we can posit that discrediting existing positive reviews or high overall ratings given to service providers or a certain communication by a service provider would be powerful enough to negatively affect other actors' attitude and intentions more than when customers embed emotions of remorse in their reviews.

The paper also shows the impact of NVIB alongside the impact of the group norms. Additionally, this paper reveals the relative strength of negative over positive valence and the power of NVIB over volume of positive. Moreover, the results provide a new insight towards understanding the superordinate concept of influencing behavior. The paper shows that customers may influence each other in many ways, even anonymously, regardless of factors such as forum credibility, recipient utilitarian value, and tie-strength between source and recipient that play a central role in the influence of a focal message as indicated in the traditional research on WOM and e-WOM (e.g. Coulter et al., 2012; Trusov et al., 2010).

Accordingly, investigating direct and indirect NVIB shows how they differ in their impact; similarly, the heterogeneity of its six forms reveals variable impacts on other actors' attitude and behavioral intentions. Therefore, it is necessary for practitioners to better understand the degree of influence of NVIB and to differentiate between direct and indirect NVIB rather than conceiving them as homogenous. Practitioners may develop effective monitoring and mitigating strategies focusing on the degree of influence of NVIB as it differs along with its impact on other actors' attitude and behavioral intentions towards service providers.

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Appendix A

Scenario of Indirect NVIB

You are planning a vacation and while checking Hotels at the planned destination on TripAdvisor, you came across this review:



Scenario of Direct NVIB

You are planning a vacation and while checking Hotels at the planned destination on TripAdvisor, you came across this review:





The fragmentation of a service ecosystem – A grounded theory study of the German wind power industry

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Introduction and motivation

Service ecosystems are defined as "relatively self-contained, self-adjusting systems of resource integrating actors connected by shared institutional logic and mutual value creation through service exchange" (Vargo and Lusch 2014, p. 161) and of increasing relevance to service research. This study focuses on a specific service ecosystem, which is the German wind power industry. The wind power industry is the poster child for the energy transition in Germany. In 2013, 24% of gross power generation in Germany was covered by renewable energy sources (RES) and 8% by wind power. In 2016, this share already accounted for 29% of the gross electricity of RES or 11.9% of wind turbines (Statistisches Bundesamt 2017).

Recent developments show a trend towards larger wind turbines (also: wind energy converters, WEC). However, the bigger a WEC is, the higher the capital commitment, and the more serious are plant failures and thus lost electricity revenues. Unavailability during the operating phase of a WEC thus proves to be a central risk for investors. Typically, the overall responsibility for the maintenance of a WEC rests with the plant manufacturer (original equipment manufacturer, OEM) or an independent service provider (ISP). These two actors are summarized in this study under the role of the technical service provider (TSP). Since the owner usually does not have the necessary technical know-how, very often a technical operations manager (TOM) is used to perform the tasks of technical management, which is a specific characteristic of this industry. The TOM therefore ensures that the maintenance meets the requirements of the owner and serves as a proxy for the actual customer, i.e., the owner. A study by Thomassen (2013) and anecdotal evidence suggest that the TOM is often not integrated well in maintenance processes in spite of its central role. Frequently, TSPs act independently, i.e., the processes of the TOM are not taken into due consideration when planning their own procedures.

This work is aimed at identifying beneficial and inhibiting factors for the integration of the customer in the service provision. If it is confirmed that the customer (i.e., the TOM as the proxy for the owner) is not perceived as a productive resource (cf. Tate and Ellram 2012) of the service ecosystem, it is of utmost interest to identify the factors that lead to this disintegration (Ostrom et al., 2015, p. 138)

The study therefore addresses the following two research questions:

RQ1: How is the fragmentation of the service ecosystem characterized and what consequences result thereof for the actors?

RQ2: Which contextual and causal factors determine the fragmentation of the service ecosystem?

Research Method

The study is based on the Grounded Theory Method (GTM). This enabled us to successively comprehend the actual problem, to explain it, and to iteratively (re-) formulate research questions based on it (Glaser 1992, p. 21, Strauss and Corbin 1990, pp. 36-40). The main reason for choosing this research approach is the objective of the study. A theory for a domain is to be generated in which so far very little is known about the subject area. In particular, the exceptional organizational structure of the industry with an intermediate intermediary '(i.e., the TOM) differentiates the field of investigation from other B2B settings. The GTM also allows to gather a deep understanding and identify "tacit recurring patterns" (Charmaz 2014, S. 90), as well as to account for context and social structures.

For this study, a total of 36 interviews had been conducted until theoretical saturation was reached. First and foremost, we spoke with representatives who interface with other organizations within the service ecosystem. Equally suitable were experts who can give information about the collaboration activities due to their prominent position (managing director or head of a department with the interface to the other organization). Last but not least, experts from the fields of condition monitoring systems (CMS) and supervisory control and data acquisition (SCADA) sectors were also interviewed because, as it turned out during the research process, the data obtained here is of high value for maintenance.

The Interviews were recorded and transcribed. We applied Glaser's (1978) approach comprising (1) open, (2) selective, and (3) theoretical coding phases. Constant Comparisons were essential for every phase of the GTM. By means of constant comparisons, both the coded text passages, the concepts and the categories were developed in such a way that the theoretical framework gradually developed.

Results

The result of this Grounded Theory study is a theoretical framework exhibiting the potentials of and barriers to inter-organizational collaboration in maintenance processes in the service ecosystem of the German wind power industry. The framework (cf. Figure 1) gives the relevant categories relating to the context, cause, consequences, strategies and roles, as well as the central phenomenon under study. The structure of the framework is based on the coding paradigm of Strauss and Corbin (1990, pp. 99-107) and the coding family "The Six C's" (Glaser 1978, p. 74).

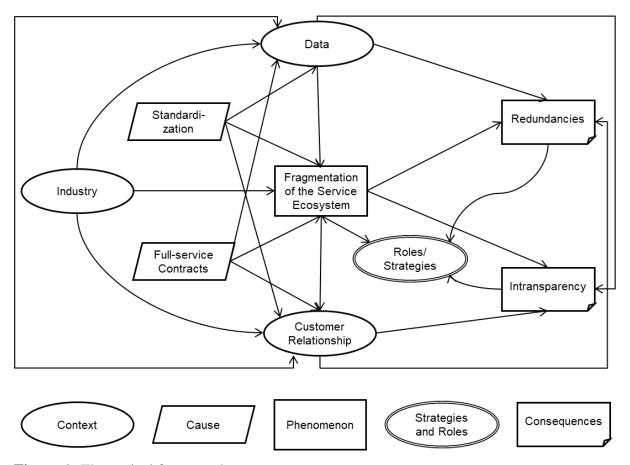


Figure 1: Theoretical framework

The framework explains the phenomenon of the fragmenting service ecosystem. Full-service contracts and (the lack of) standardization act as independent variables in this context. The phenomenon and the two consequences are the dependent variables. The theory takes into account the contextual conditions, i.e., the specific set of properties in which the phenomenon is embedded (Strauss and Corbin 1996, p. 76). A peculiarity within the framework of the theory are self-reinforcing effects (cf. Figure 2) that propel the fragmentation (also termed "amplifying causal looping"; Artinian 2009, Glaser 2005).

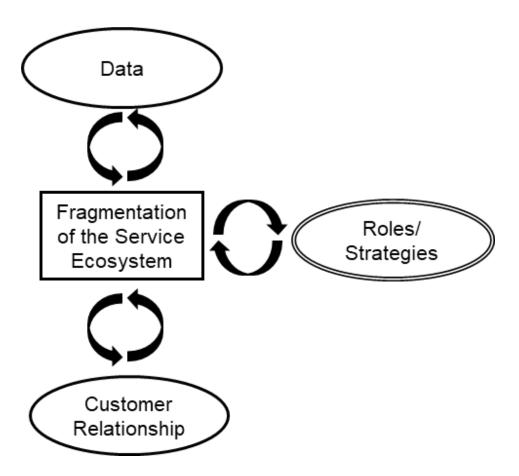


Figure 2: Amplifying causal looping

As regards RQ1, the interviews showed that information flows between organizations are limited to the bare minimum. To a large extent, the supply of TOMs with data does not meet their expectations. The TSPs only give out certain information on demand or not at all. Interorganizational coordination is usually at a low level. The TOM has little influence on the processes of a TSP. However, TOMs favor this by acting rather passively, i.e., they rarely proactively approach the TSP. The lack of communication between the TOMs and the TSPs results in redundant activities and processes within the service ecosystem. As a consequence, the fragmentation of the service ecosystem is characterized by the emergence of interorganizational boundaries and a resulting asymmetry between the TSP and the TOM.

As regards RQ2, we find that the industry context, the data context and the customer relationship context have an influence on the phenomenon. The industry is still relatively young (e.g., compared to mechanical and plant engineering or the power generation industry), and thus subject to constant change in technical and organizational terms. There is hardly any resource bundling beyond organizational boundaries. From a technical perspective, smaller TOMs in particular continue to work with little specialized software. Along with this, there is a lack of knowledge on how to apply data analytics for increasing the efficiency of WECs.

In contrast to the context, the actors actually have the opportunity to exert more influence on the phenomenon through the causal conditions. The owners, TOMs and TSPs can influence full-service contracts and further standardization efforts depending on their own interests. Here, we were able to identify the following causal relationships: First, the more full-service contracts govern maintenance between the customer and the TSP, the more fragmented the ecosystem becomes. Due to the even more pronounced division of labor associated with a full-service contract, coupled with the limited forwarding of data and information, the TOM becomes increasingly moved away from operational and strategic maintenance. Second, the less technical, process-related and data-technical standards penetrate the industry, the more fragmented the ecosystem becomes. Standards have a connective and equalizing effect among the organizations within the service ecosystem, which is not utilized in this industry yet.

Discussion and conclusions

The presented framework allows to explain certain processes within the service ecosystem and, within limits, to make predictions about the consequences of changing parameters. In this context, the causal conditions standardization and full-service contracts are the central variables, because they independently and directly affect the fragmentation of the ecosystem. In this regard, the study provides the following implications: First, it provides empirical evidence that standardization is a prerequisite for inter-organizational interoperability. It also explicates obstacles to standardization. Second, the nature of the maintenance contract (i.e., the full-service contract) influences the attitude of the actors involved. The customer tends to passivity and the provider shows little interest in integrating the customer into the service process. Third, the TSP attributes a high value to the maintenance and WEC data. For this reason, data and information exchange is restrictive. In addition, the technical service provider increases the long-term dependency of the customer by directing the information flows purposefully in his favor. Fourth, the results show that from the point of view of the TSP, interorganizational interaction often does not bring any benefit, but rather a destruction of value. In this context, the still relatively young field of research on value co-destruction (Echeverri and Skålén 2011) is empirically underpinned.

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6I Value Co-Creation II

Value Co-Creation in Triadic Service Settings: An Empirical Analysis in the Context of Services for Animal Companions

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Introduction

As customers are widely acknowledged as indispensable co-creators of value, value co-creation has become a thoroughly studied topic in service research. Customers play an active role in value co-creation through the integration of resources obtained through a range of activities and interactions (Sweeney et al. 2015; Vargo and Lusch 2004). Recent research identifies different customer value co-creation behaviors towards the provider in the service encounter, as well as self-generated and other activities beyond direct service interactions (e.g. McColl-Kennedy et al. 2012). However, little is known about value co-creation in triadic service settings.

Service triads can be seen as a group of three entities that are directly connected to each other in order to carry out the service provision. Thus, they determine the value creation process together. A special situation appears if the service triad involves one service provider, one customer and a third vulnerable actor, who enters the service encounter with some type of disadvantage (Rosenbaum et al. 2017) and who is personally linked to the customer by a caregiving relationship. One example for such a triadic constellation is the context of services for animal companions, as people build close relationships with their animal companions and often treat them in a way that is comparable to other family members (Holbrook 2008). Due to the fact that animal companions are not able to vocalize their will, they are characterized by a certain kind of vulnerability.

As research emphasizes the high importance of communication and collaboration among the three entities in other triadic service contexts such as health care services (e.g. Laidsaar-Powell et al. 2013), it can be expected that value co-creation within such a triadic service setting involving a vulnerable actor differs from value co-creation in a dyadic service setting within equally enabled partners. However, value co-creation behaviors of the customer (as caregiving owner of the animal companion) during service interactions involving the provider and the animal companion as vulnerable actor have not yet been studied.

Hence, the purpose of this research is to identify value co-creation behaviors of customers during service interactions within triadic service settings in the context of services for animal companions. This study addresses the following research questions: Which customer value co-creation behaviors towards the service provider arise in a situation, where the service is provided for a third, vulnerable actor? Which supporting customer value co-creation behaviors towards the vulnerable actor are additionally necessary?

Contribution

This study contributes to research on value co-creation in the service encounter, on service triads and on vulnerable actors in service settings by

- (1) showing, how customer value co-creation behavior towards the service provider is realized when another, vulnerable actor is involved;
- (2) expanding knowledge on customer value co-creation behavior by identifying behaviors towards the vulnerable actor within the service encounter;
- (3) providing empirical evidence for differences in terms of customer's perceived relevance of various value co-creation behaviors.

Study 1: Qualitative Analysis

To identify different value co-creation behaviors during service interactions within triadic service settings, we employed an exploratory approach based on the findings of a literature review as a first research step. We conducted interviews with 42 owners of animal companions (customers) and 9 providers of services for animal companions. The data analysis followed a combination of conventional and directed content analysis (Hsieh and Shannon 2005) by using the qualitative data analysis software MAXQDA.

The exploratory analysis revealed two kinds of value co-creation behaviors of the owner: behaviors towards the service provider and behaviors towards the animal companion. We identified four forms of behavior towards the service provider (compare Table 1):

Value co-creation	Definition	Exemplary quotes			
behaviors					
Information-related activities	Seeking, sharing and dealing with service-related information in the service encounter	information as possible. () Hence,			
Decision-related	Active participation in	"It's the same with a little child that cannot			
activities	the decision-making process in terms of the service provision	make decisions for itself, cannot express itself. Thus, it is within your responsibility and you have to make the right decisions." (female horse owner)			
Functional activities	Supporting the service provider to ensure a successful service provision	"If the pet gets restless, I encourage the owner to crawl its ears, to hold it or to raise its leg, so that the owner gets involved in the service provision." (female service provider, pet grooming services)			

Social activities	Personal talks with the	"I usually chat a little bit with the provider		
	service provider that	after the service provision." (female owner		
	facilitate value co-	of dogs and horses)		
	creation			

Table 1. Identified forms of value co-creation behaviors towards the service provider.

In addition, data from the interviews indicates the existence of three forms of behaviors towards the animal companion (compare Table 2).

Value co-creation	Definition	Exemplary quotes
behaviors		
Physical support	Being around the animal companion during service provision	"I hold my bunny while the veterinarian medicated it. I am sure a veterinary nurse could have done this as well, but I preferred to do it on my own." (female owner of rabbits)
Emotional support	Calming the animal companion (e.g., with the help of coaxing)	"It is necessary to calm the cat by stroking and coaxing, as it is always a stressful time for her to be in a transport box, be driven in a car and to be in a foreign environment." (male dog owner)
Responsible support	Carefully monitoring the service provider's handling of the animal companion	"Some parcours are suitable for some dogs, but for other dogs not. If the dog trainer is not able to evaluate this or does not even understand this, I let him know what I think about this because I don't want the dog to be totally confused." (female dog owner)

Table 2. Identified forms of value co-creation behaviors towards the animal companion.

Study 2: Quantitative Analysis

In order to validate and supplement the findings from the qualitative study, we conducted a quantitative study using a standardized questionnaire. The questionnaire addressed owners of animal companions, who were asked to report their own behavior during their last use of a service for their animal companion (n = 294).

We used PLS-SEM to evaluate the measures of the reflective constructs and to empirically validate the different forms of value co-creation behavior. The measures employed in our study performed well as the values of the established psychometric criteria exceed the standards

suggested in literature. To examine the relevance of the different forms (or kinds) of behavior for the given kind of (or overall) value co-creation behavior, we used the MIMIC approach (Jöreskog and Goldberger 1975) and employed a reflective first-order, formative second-order approach for each model (Diamantopoulos 2011).

Figure 1 illustrates that all four identified forms of behavior towards the service provider are relevant components of value co-creation behavior towards the service provider (R = 0.67), whereby functional and social activities are of high relevance.

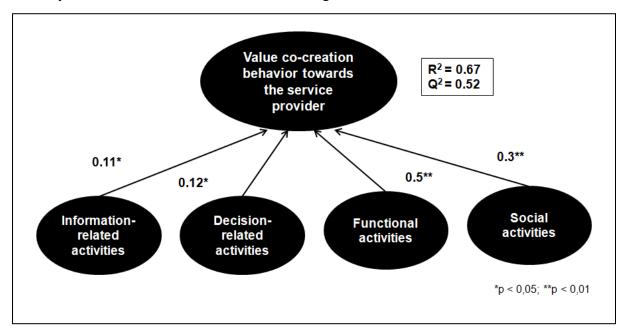


Figure 1. PLS-SEM results on value co-creation behavior towards the service provider.

In addition, results confirm the existence of the three forms of behavior towards the animal companion (compare Figure 2). All three forms are relevant components of value-co-creation behavior towards the animal companion ($R^2 = 0.58$), whereby physical support is of highest importance.

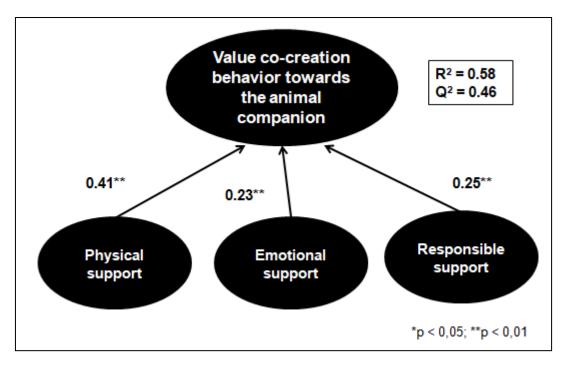


Figure 2. PLS-SEM results on value co-creation behavior towards the animal companion.

Finally, the results show that behaviors towards the animal companion are of higher relevance for overall value co-creation behavior than behaviors towards the service provider (compare Figure 3):

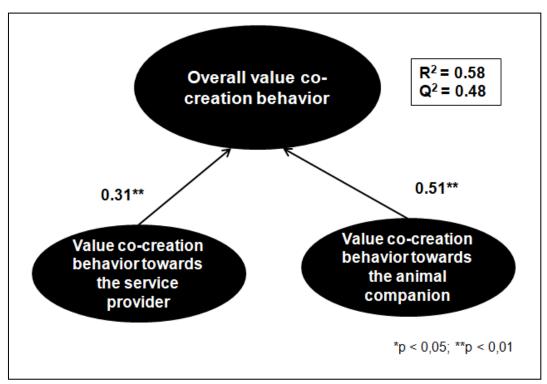


Figure 3. PLS-SEM results on overall value co-creation behavior.

Conclusion

Our results show that value co-creation behaviors towards the service provider comprise activities that are similar to value co-creation behaviors in dyadic customer-provider settings, such as information-related and functional activities (e.g. Yi and Gong 2013). But - in contrast to dyadic customer-provider service settings - these behaviors refer to a service provision for the third, vulnerable actor. Moreover, results show that – compared to the dyadic setting – further co-creation behaviors towards the service provider, such as decision-making for the third, vulnerable actor are necessary within a triadic service setting. In addition, this study expands knowledge on value co-creation behavior in the service encounter by providing empirical evidence for the high importance of value co-creation behaviors towards a third, vulnerable actor, who is personally linked to the customer by a caregiving relationship. The identified co-creation behaviors towards the service provider as well as towards the vulnerable actor underline the central role of the customer as co-creator of value when a vulnerable actor is involved. This leads to several managerial implications, as service providers have to consider this special situation by involving the customer in the service provision in an appropriate way. Moreover, we expect our findings also to be relevant for other types of services in which a third, vulnerable actor is involved, such as educational or health care services.

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The resistance to value co-creation in a service system: The case of Syrian refugees in Turkey

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Abstract

Since the outbreak of civil war in Syria, Turkey has become the host country with the largest number of refugees, with over 3 million Syrians living in different areas of the country. The problem is that only a small portion of those Syrian refugees reside in government-run refugee camps and receive humanitarian assistance while over 90% of them remain outside of those camp settings with very limited access to basic services like health, education, social services and employment. While Turkish government has spent over \$6 billion on its response to the refugee crisis, given size of the refugee population and the duration of the problem this amount has become insufficient (Calamur 2015). The initial free access to some services like healthcare and education granted to those refugees has been revoked over the years, and now many refuges try to survive by their own means (ECHO Report, 2017). This creates a major humanitarian crisis as the overall well-being of those refugees has been declining with very little, if any, access to some of basic services. It is urgent and imperative that the vulnerability and suffering of those refugees should be addressed to create sustainable living conditions and improve their overall well-being.

One major reason for this current situation and the suffering of Syrian refugees has been the changing support for the refugees among the Turkish public. While there are still many civil aid and voluntary organizations to help those Syrian refugees, the overall support has changed, from pro-refugees sentiments to more anti-refugees sentiments. Recently, more and more local Turks started slogans like "Syrians go away" or "no more Syrians". In this environment, there have been more and more incidents like some service providers refusing to serve those refugees or making it harder for those refugees to have access to their services, financial advisors rejecting to help them with their already limited wealth and income. While there is no official discrimination against Syrian refugees by government agencies and private businesses, and still a large percentage of Turks are sympathetic to those refugees, the individual service providers and their rejection to serve those refugees create a major problem that results in lowering their well-being.

Using the TSR paradigm, services and service providers could play an important role in creating uplifting changes and improvements in the well-being of those refugees (Anderson et al. 2011). However, the overall negative sentiments about those refugees among some Turkish citizens who also happen to be service providers make this task more challenging. While there could be many opportunities where local Turkish citizens and Syrian refugees could work together toward creating/providing basic services for those refugees in need, and in fact it works in some cases, on a broader level they do not work as expected. In the spirit of TSR, the vulnerability and suffering of those refugees should be addressed to improve their well-being and create sustainable living conditions.

This paper argues that one of the major reasons for the Syrian refugees' current vulnerability and living conditions is that the value that could be co-created by the interaction of both local Turkish citizens (i.e. locals) and Syrian refugees (i.e. refugees), two different service systems, did not materialize. One would expect that both locals and refugees, could interact in a way to co-create value for both sides and thus improving especially well-being of those refugees. While there was a support from Turkish citizens in different contexts, the evidence indicates that such value co-creation did not take place as expected. Over the years, some of those locals have either withheld their resources that could be used to provide services and create opportunities for the refugees or they have preferred not to engage in interactions with those refugees. So, in some cases, this kind of behavior of the locals did not help improving the overall well-being of those refugees, and their actions (or lack thereof) even lowered it. As a result, value co-destruction, instead of value co-creation, takes place.

Ple and Chumpitaz Caceres (2010, p. 431) define value co-destruction as "a process between service systems that results in a decline in at least one of the system's well-being". Value co creation requires that service systems (individuals, groups, organizations, firms, and governments) integrate resources in a process where service is exchanged for service (Vargo et al., 2006). The limited literature on value co-destruction argue that such co-destruction is due to misuse by a system of its own resources or those of another system (e.g. Ple 2016). Following the literature, this paper posits that the main reason behind the value co-destruction that takes place in Turkey with regards to Syrian refugees is the Turkish citizens' unwillingness to integrate their resources to co-create value for those refugees.

Using a netnographic study (e.g. Kozinets 2015) of Turkish citizens' comments and posts in different social media platforms and online news channels over the last three years, this paper aims to understand the reasons for the locals' unwillingness to integrate their resources with the refugees and the outcome of value co-destruction for those refugees. The findings of this study could be used to create a perception and behavioral change among Turkish citizens who happen to be service providers/frontline employees working for various critical services for the refugees, and thus to improve the quality of life for those vulnerable individuals. Also, such an understanding could be critical to provide some solutions to improve the overall well-being of Syrian refugees in Turkey and could be used as a model to be applied to other refugees in other contexts.

The initial findings indicate that the reasons for Turkish citizens' unwillingness to integrate their resources and thus to co-create value for the Syrian refugees cluster around three main groups: perceived scarcity of resources, perceived unfairness, and the role of government and their policies.

The preliminary results suggest that in many cases, the locals are under the assumption that they compete with the refugees for the same limited resources for healthcare and education services, and not integrating their own resources is an attempt to protect what they already have. Similarly, for many Turkish citizens, while locals already lack access to acceptable level of some basic services, it seems unfair to provide such services to non-citizens like refugees. Furthermore, the perception that many other European countries do not contribute to the solution of the refugee problem, and they do not have to provide as many services as Turkey

and its citizens also have a negative effect on Turkish people willingness to integrate their resource to co-create value for the refugees. Finally, the overall role of the government in managing the refugee problem in Turkey is another factor that determine the Turkish citizens' attitude toward Syrian refugees. The level of support that the citizens have for the current government seems to correlate with their support for the refugees in general as many see the existing refugee policies as a tool that the government uses to strengthen its position in the country.

Once the extensive data analysis is completed, the paper will present more support for the findings and offer recommendations to increase the Turkish citizens' willingness to integrate their resources with the Syrian refugees, and thus co-create value for those refuges, resulting in improved well-being and quality of life for them.

Why do consumers engage in value (co-)creation? An empirical study

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Introduction

It is today widely accepted that value is not created by the supplier, which generates exchange value, but rather by the customer who generates value-in-use during the consumption process (Lusch & Vargo, 2006; Grönroos, 2008). In recent years, empirical research on cocreation has focused on the co-production of offers. While value co-creation has been the subject of much conceptual work, empirical research remains relatively scarce and very specific. Indeed, in the customer sphere where value-in-use occurs, consumers do not necessarily need to interact directly with supplier, or even with other consumers (Grönroos and Voima, 2013). Consequently, value (co)-creation implies that consumers are willing to engage in value co-creation interactions. Thus, our research aims to answer two research questions: (1) Which type of motivation drive consumer engagement in value co-creation? And (2) to what extent customer engagement in value co-creation contributes to increases his psychological empowerment? The results obtained through a survey of 193 users of a good (running shoes) and a service (restaurant meals), show that (1) Intrinsic motivation (i.e. the pleasure of interacting) is the main driver of customer engagement in value co-creation; (2) an introjected type of extrinsic motivation (i.e. ego gratification by other consumers) contributes to this engagement; and (3) consumer engagement increases psychologic empowerment.

Literature review

According to Vargo and Lusch (2004), the customer is always a co-creator of value, the enterprise being only able to offer a value proposition. Once this proposal is accepted, the value is then determined by the user in the consumption process, through use. In this theoretical framework, products are instruments that provide services for and in connection with the consumer. It is then up to the customer to learn how to use, to maintain, to repair, to adapt these instruments to his specific needs or to his usage situation (Vargo & Lusch, 2004; Lusch & Vargo, 2006; Lusch et al., 2006). It is now widely accepted that value is co-created by the company jointly with the customer, both for tangible goods and services, through interactions that extend long after the transaction (Prahalad & Ramaswamy, 2004; Grönroos 2012; Grönroos & Voima, 2013; Leclercq et al., 2016). Thus value can be created by the beneficiary and co-created by the participants, resulting from direct or indirect interactions between the actors (Leclercq et al., 2016), mediated or not by an engagement platform (Prahalad & Ramaswamy, 2004; Ind & Coates, 2013; Jaakkola & Alexander, 2014; Leclercq et al., 2016; Storbacka et al., 2016). Thus, we define consumer engagement in a value co-creation activity as a psychological state, the degree by which the consumer is absorbed and attentive in the performance of interactions with the supplier or with other consumers (Rothbard, 2001; Saks, 2006; Higgins & Scholer, 2009; Brodie et al., 2011).

Deci and Ryan define motivation as "to be moved to do something" (Deci & Ryan, 2000, p.54). The degree of satisfaction of the three basic needs that are competence, autonomy and

relatedness contributes to the emergence of several types of motivations: intrinsic motivation, which refers to doing something voluntarily because the task is inherently interesting or enjoyable, and extrinsic motivation, which refers to doing something because it leads to a separable outcome, like a reward (Deci & Ryan, 2000). Füller (2010) argues that engagement in leisure activities such as virtual co-creation can be seen as a function of intrinsic motivation and self-determined extrinsic motivation.

Consumer empowerment is an ambiguous concept derived from psychology because it covers different realities (Lincoln et al., 2002). The various dictionaries give two opposing meanings to this term: "to bestow power upon" and "to gain power over". In psychology, empowerment has been defined as a process that includes intra-personal, interactional and behavioral components, by which individuals gain mastery or control over their lives, and a critical understanding of their environment (Zimmerman, 1992; Spreitzer, 1995). In marketing and especially in co-creation, psychological empowerment has been defined as the perceived influence of consumers on decision making (Füller et al., 2010).

Theory and hypothesis

According to Vargo and Lusch, we mean, by value co-creation, the value determined by the user during the consumption process, through usage (Vargo & Lusch, 2004; Lusch & Vargo, 2006). Engagement in value co-creation is defined here as consumer engagement in interactions with the company and with other consumers. Leclercq *et alii* (2016) emphasized the role of motivation in consumer engagement in value co-creation, which they consider to be the the main driver of this process. The motivating factors that drive consumers to engage in value co-creation can be intrinsic or extrinsic. Intrinsic motivation refers to doing something voluntarily because the task is inherently interesting or enjoyable. Extrinsic motivation refers to doing something because it leads to a separable outcome, such as a reward or an ego gratification (Deci and Ryan, 2000b). Depending on the co-creation context, consumers' motivations to contribute to co-creation efforts can be determined by the increase of personal skills and abilities, the desire to improve the product, the social exchange and the need for recognition or the expectation of meaningful results (Roberts et al., 2012). But task enjoyment is an important driver for engagement in creative activities (Füller et al., 2011). Consequently, the following hypothese will be tested:

H1: The stronger the intrinsic motivations of a consumer, the greater his engagement in value co-creation.

An extrinsic motivation can be introjected when extrinsic consequences can control the behaviour of an individual. Ego-involvement and public self-consciousness are two examples of introjection (Deci and Ryan, 2000b). Previous research point out that consumers can engage in co-creation activities because they enjoy interacting with others and because they want to establish social relationship (Füller et al., 2011). However, because the type of interaction is seen as having different consequences (i.e. value co-creation or value creation) between the two frameworks that are service-dominant logic (Vargo and Lusch, 2004 and 2006) and service

logic (Grönroos, 2008 and 2012; Grönroos and Voima, 2013), two constructs have been distinguished out of ego-involvement:

H2a: The stronger the ego-involvement with the supplier (i.e. introjected extrinsic motivation) is, the more consumer engagement in value co-creation will be.

H2b: The stronger the ego-involvement with other consumers (i.e. introjected extrinsic motivation) is, the more consumer engagement in value co-creation will be.

If a research stream stress that empowerment can promote engagement (Fuchs et al., 2010; O'Hern et Rindfleisch, 2015), Füller and colleagues (2010) showed, in a context of internet-based co-creation that task involvement, through experienced tool support, have a positive and significant effect on psychological empowerment. Thus we formulate the following hypothesis:

H3: The greater the engagement of the consumer in value co-creation, the greater the psychological empowerment.

Method

To test our assumptions according to the SD-L, we have selected a good (running shoes) and a service (restaurant meal). A sample of 193 consumers has been constituted. Respondents were contacted directly, by e-mail or through a virtual community, and the questionnaire, after being tested, was submitted via an internet link or face to face. We certified the anonymity and confidentiality of the data collected in order to limit the risk of a common variance bias (Podsakoff et al., 2003).

This research uses two dependent variables: consumer engagement in value co-creation and psychological empowerment. To measure consumer engagement in interactions with the brand or supplier, we adapted the Rothbard scale (2001). This measurement scale was originally developed to measure the individual's engagement to work or family. But these two dimensions of attention and absorption are consistent with Higgins and Scholer's definition of the proposed marketing engagement (2009). To measure empowerment, we adapted Spreitzer's intrapersonal empowerment scale (1995). Partly following Fuchs *et alii*'s adaptation of this scale (2010), we have retained three of the four original dimensions: meaning, competence and impact. For the two independent variables, we used the Gagné *et alii*'s measurement scale (2010), for intrinsic motivation, and Füller's measurement scale (2010) for extrinsic motivation. All constructs are reflexive. To analyse the relationships between the latent variables (structural model) and the components of these variables (measurement model), we used a structural equation modeling with partial least squares path modeling (PLS-SEM), because of the small sample size and the predictive power of such method.

Results

Results are summarized below. Intrinsic motivation has a positive and significant effect on engagement ($\beta = 0.522$; p<0.001); ego-involvement with consumers (i.e. introjected

extrinsic motivation) has a positive and significant effect on engagement (β = 0,231; p<0,001); however, ego-involvement with supplier (i.e. an other form of introjected extrinsic motivation) has no significant effect on engagement (β = 0,019; p=0,743); and finally, the effect of consumer engagement in value co-creation on psychological empowerment is positive and significant (β = 0,620; p<0,001). Convergent validity is established, all average variance extracted values being greater than 0.5. According to Fornell and Larcker (1981), discriminant validity has been established by comparing the squared correlations with AVE values (table 1). Composite reliability of measures are good (all values being above of 0,80).

	(1)	(2)	(3)	(4)	(5)
(1) Empowerment	0,721				
(2) EngagementCC	0,620	0,845			
(3) Intrinsic Motivation	0,592	0,687	0,914		
(4) Introjected EM Consumers	0,554	0,594	0,683	0,822	
(5) Introjected EM Supplier	0,548	0,297	0,390	0,321	0,849

Table 1: Discriminant validity

The goal of a PLS-SEM model is to maximize the R² or explained variance of the endogenous latent variables. Thus, unlike covariance based SEM which estimates parameters in order to minimize differences between sample and predicted covariances, PLS-SEM does not need goodness-of-fit measures. Internal consistency, convergent validity and discriminant validity having been assessed, we have now to evaluate the structural model. With VIF values of 1, 1.876 and 1.876, highly above the threshold value of 5, collinearity has been assessed. The coefficients of determination (R² value) of 0.502 for the engagement in VCC and 0.384 for the psychological empowerment can be considered as moderate (figure 1). The adjusted R² values are very close to R² values (0.514 for engagement in VCC and 0.397 for psychological empowerment).

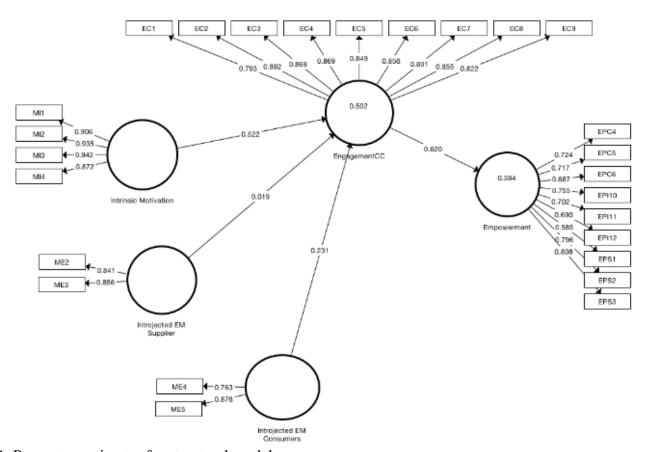


Fig.1. Parameter estimates for structural model.

Discussion and implications

The present empirical study shows the importance of intrinsic motivation in customers' engagement in VCC and the possible outcome in terms of gain of power. The main implication of these findings is a better understanding of the mechanisms of a consumer's engagement decision in a value co-creation activity. Our results are consistent with those of Füller (2006) which apply to consumers who engage in virtual new product developments (i.e. co-production). This is also true for consumer empowerment through co-creation: our results are also consistent with those of Füller *et alii* (2010) which apply to consumer's psychological empowerment in virtual new product co-production activities. These results highlight that customers' engagement in value co-creation has similars drivers and consequences to customers' engagement in co-production. From a managerial point of view, the weight of the two wellknown levers that are intrinsic and extrinsic motivations are confirmed, and the risk or opportunity of a potential customer's empowerment is assessed. However, value co-creation is not co-production: this research is one of the few empirical studies confirming such behaviors in service dominant logic framework, a brick within the first rows of the wall. Understanding why consumers who use a product or a service accept to share their experience

with the firm, that is to say why consumers engage in value co-creation, may be a source of competitive advantage for the firm (Vargo & Lusch, 2004; Lusch, et al., 2007).

Of course, this work is not exempt of limits. Firstly, this research lacks external validity. The sample should be increased, thus allowing us to conduct the analysis in covariance based SEM or to assess the moderating effect of the product used (i.e. good or service). We have focussed on one good and one service, which can be seen as specific. Increasing the sample and testing the moderating effect of goods will be the next step. Secondly, motivations, engagement and psychological empowerment have been assessed by auto-evaluation at one time. A longitudinal design would have allowed us to quantify the gain of power in a dynamic way. An experimental design would have enabled us to assess the causal relation between motivations and engagement, while manipulating extrinsic motivation through rewards. These limits will provide avenues for future research.

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