An examination of the emotions that follow a failure of co-creation

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ABSTRACT

Service research has contributed to our understanding of the externally-directed emotions that customers experience, such as anger. However, there is limited knowledge about the self-directed emotions that customers experience, such as shame and guilt. This knowledge is specifically lacking within the context of failure of co-created products and services. Our mixed-method research delineates the self-directed emotions that arise when co-created products and services fail. We found that failure of co-created products differ from general situations of failure in that externally-directed emotions attain latency and customers experience self-directed emotions such as guilt, shame, and self-pity. We also found that the self-directed emotions are driven by (a), sadness, and (b), the nature of the causal attributions that the customers ascribe to the failure. This effect was moderated by the degree of co-creation. After analyzing our findings, we discuss the theoretical and practical relevance of the study.

1. Introduction

Technology has increased customers' ability to participate in product and service creation. Firms are tapping into this opportunity to utilize consumers' operant resources in order to involve them in the co-creation of value by generating ideas, assessing value, creating and designing propositions and communication, and delivering products and services (Gouillart & Billings, 2013; Ramaswamy & Gouillart, 2010). Although co-creation offers many strategic benefits to firms and customers (Cossío-Silva, Revilla-Camacho, Vega-Vázquez, & Palacios-Florencio, 2015; Navarro, Llinares, & Garzon, 2016; Tseng & Chiang, 2015; Vargo & Lusch, 2015), it also suffers from a probability of higher failure due to the increased number of customer–firm touch-points (Hart, Heskett, & Sasser, 1989; Heidenreich, Wittkowski, Handrich, & Falk, 2015; Zeithaml, Parasuraman, & Berry, 1985). The failure of co-created products and services is under-researched, and several questions of theoretical and managerial relevance merit more research (Gebauer, Füller, & Pezzei, 2013; Heidenreich et al., 2015). It is important to have a clear and detailed understanding of consumers' emotions in the case of failure because different types of emotions have different implications for the firm. For example, when anger (vs. sympathy) is evoked, people behave in a negative (vs. positive) manner (Coombs, 2007; Weiner, 2006). Our study advances a clearer understanding of the consumer emotions that surface after a failure of co-created products and services (henceforth simply termed as the failure of co-creation) and provides insight into the implications and management of these emotions.

Consumers search to identify the negative and positive causes of important events (Coombs, 2007; Weiner, 1986). Attribution is a reasoning process that can evoke emotional states and behavioral responses. Research on Attribution theory has categorized attribution-dependent emotions as self or externally directed, depending on whether the emotions are targeted inwardly towards the self or outwardly towards others (Tracy & Robins, 2006; Weiner, 2014). Emotions such as guilt, shame, and self-pity are self-directed, while emotions such as anger and gratitude are external-directed.

Marketing studies on product and service failure have examined externally-directed customer emotions such as anger and frustration and found that they lead to an increase in customer complaints, more negative word-of-mouth expressions, and retaliation (Bougie, Pieters, & Zeelenberg, 2003; Gebauer et al., 2013; Gelbrich, 2010; Grégoire & Fisher, 2008). Attribution theory explains that these external emotions are mechanisms that allow individuals to safeguard their ego and self-respect by externally attributing failure (i.e., to the firm) (Gelbrich, 2010; Grégoire & Fisher, 2008; Weiner, 1986). The management of failure then becomes an organization-centered reactive process that focuses on the containment of negative behavior, the use of downward social comparisons, and financial compensation (Bonifield & Cole, 2008). These solutions are problematic because they ignore the affected consumers' self-directed emotions and perceptions

(Choi & Lin, 2009), thereby failing to acknowledge the important bearing that such emotions have on consumers' attitudes and behaviors (Jin, 2009; Sayegh, Anthony, & Perrewé, 2004).

The failure of co-creation necessitates special attention because customer involvement in the creation of products or services (Vargo & Lusch, 2004) weakens external attribution to the firm and increases attribution to the self or relevant others (Heidenreich et al., 2015; Sugathan, Ranjan, & Mulky, 2017), which affects customer emotions differently from a normal situation of failure. Although research has found that successful co-creation is a source of positive emotions such as pride (Moreau & Herd, 2010), the type and valence of consumer emotions that result from the failure of co-creation are not clear. In this study, we use a mixed-methods approach to extend the current understanding of the emotions that follow the failure of co-creation by addressing three key questions: (a) how do customers evaluate the failure of their co-created products and services?, (b) How do customers appraise the failure and what emotions result from that appraisal?, and (c) what are the drivers of such emotions? The study thereby contributes to the literature on co-creation and failure in three ways. First, it suggests that in a situation of failed co-creation, attribution-based and self-directed emotions are more prominent than externally-directed emotions. Second, it illustrates that the emotions that arise in situations of failed co-creation are different from the emotions that arise in general situations of failure. Specifically, while extant studies on failure focus on externally-directed emotions such as anger, this study demonstrates that self-directed emotions such as guilt, shame, and self-pity are prevalent following the failure of co-creation. Third, the study demonstrates the antecedent relationship between self-directed emotions and customer attribution for failure and tests an emerging theory through primary and secondary attributions/appraisals. We further highlight that self-directed emotions such as guilt can result in certain behavioral consequences, which firms can leverage.

To supplement the limited theoretical insights into the emotions involved in the failure of co-creation and to develop clearer perspectives on it, the mixed method approach suggested by Creswell and Clark (2011) was considered appropriate. As modeled by Creswell and Clark's typology, we follow a sequential design to draw insights from the qualitative study and then combine them with available theories to conceptualize the phenomenon. Then, we test the relationships through quantitative studies.

We conducted three studies for this research. Study 1 used interviews to identify and explain the different types of emotions that follow a failure of co-creation. Insights from this study and from Attribution theory were used to hypothesize the drivers and consequences of the pertinent emotions, which were then tested in studies 2a and 2b.

2. Study 1

2.1. Method

We designed two scenarios that described the failure of a co-creation for a group of executive MBA and doctoral students. We explained the concept of co-creation before presenting the scenarios. One scenario described designing a t-shirt, followed by manufacturing it using a printing company such as printavenue.com. The other scenario described designing a customized travel package. We asked the participants whether they had recently experienced failure when attempting such a co-creation. If they had, they were asked to briefly describe it. The ten individuals who had had such an experience were considered suitable for the study. They were invited to participate in an in-depth interview (sans incentive). The interviews were open-ended and non-intrusive, and lasted for an average of 20 min. The co-creations that the respondents were asked about in the interviews included the design and assembly of furniture; the design of a website, brochure, and t-shirt; a personalized photo-mug, and; customized services such as hair styling and travel planning. Participants were encouraged to detail the

co-creation situations and discuss their outcomes. Occasional probes were provided to help participants retain their focus. Participants were debriefed after the interviews.

2.2. Findings

Participants used a range of resources provided by the firm to create the product or service. However, the final outcomes were a failure and did not meet their expectations. The semi-structured interviews were analyzed using the approaches outlined by Creswell and Clark (2011). Detailing insights gleaned from the individual interviews and discerning patterns across the interviews was an iterative form of interpretation that helped us to foreground the distinct customer emotions that arise when a co-creation fails.

2.2.1. Beyond the emotion of anger when a co-creation fails

Following failure, three respondents expressed anger towards the firm or were frustrated with it. These respondents externally attributed the failure to the firm. One respondent who claimed that the firm had the wrong printing on a co-designed t-shirt stated:

"At first we were like…. 'Oh my god!' … you know, we were really panicking … most of us were so excited to receive and wear it. So, it was little disappointing at first…. We would have probably just marched into their office and made them…. First, I was thinking how could they do this? How could they go wrong ….we had clearly stated what we wanted? You feel very perturbed when you know that you are right and it's all their fault."

Extant research has highlighted that failure is associated with the key negative emotions of fear, anger, and anxiety among customers. However, most of the respondents in study 1 did not feel angry or frustrated. Instead, they focused on a primary appraisal of the outcome, which resulted in a general expression of sadness and unhappiness. For example, one respondent stated:

"To be precise, I was upset. I was upset with the whole thing. See, ….had they given me the t-shirt I would have been able to put it on my daughter and see how it fits".

According to Attribution theory, whether such a general primitive emotional response to failure occurs depends on the valence of the outcome (Johnson-laird & Oatley, 1989; Weiner, 1986). Even the previous respondent who was angry expressed a general emotion of disappointment:

"So, it was little disappointing at first….but that is expected when you are doing a joint kind of a production."

Similar general emotions of sadness were also observed in the following extracts detailed below.

2.2.2. Self-directed negative emotions

Respondents expressed the self-directed emotions (Weiner, 2014) of worry, self-pity, and shame. Guilt was also expressed frequently. One respondent who co-created a t-shirt with a self-made design stated:

"Because tomorrow, I want my daughter to wear that printed t-shirt…. I could not negotiate because I wanted it somehow. And there is no time…If there was enough time, we could have done all these things in a nice manner. And most of these situations took place because of the birthday…, people think of something and then they want it executed quickly. An idea will flash and you want it to be done. And the time constraint is when it has to happen on the same day."

Another respondent who co-created a table reflected:

"I felt bad about my inability to learn about my own needs…. I am comfortable with this. I know what I want… after the table was brought home. After I started using it, and learnt that I would not be able to use it for studying, I really felt bad. I am unable to select a simple study table. I am unable to think about all these things. About the height of the chair, or that this height may not be suitable…I should have handled it well. I should have thought about it. Thought about all of it. I should have listened to my wife. I should have listened to my mother…. I did