

FUTURE CO-CREATION: CONSUMER READINESS FOR PARTICIPATION IN E-SERVICE RECOVERY

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ABSTRACT

Self-Service Technologies (SSTs) provide customers quicker and convenient service. However, during the process of service delivery, SSTs cannot avoid service failures. Therefore, this study adopted SSTs as a research context to investigate the effects of customer participation in e-service recovery and consumer readiness on intention toward future co-creation (FCC). This study manipulated the level of customer participation in e-service recovery and self-service technology service types to conduct a 2×3 between-subjects experimental design and obtained 331 valid respondents. The results show that as the level of customer participation in e-service recovery grows, their ability, extrinsic and intrinsic motivation on FCC are increased. Also, as the level of customer ability and extrinsic motivation in FCC increases, customers have greater intention towards FCC.

INTRODUCTION

The primary goal of this study is to fill the gap by linking customer participation in e-service recovery to their ability, role clarity and motivation concerning co-creation, as well as to connect them with customer intention towards FCC. Consumer readiness particularly serves as a valuable indicator to explain how customer intention relates to co-creating. Moreover, this research investigates the role of customers who participate in service provision. The remainder of this study is organized as the following: a scenario-based role-playing experiment was presented to test the hypotheses. To examine the hypotheses, a 3×2 between-subject experimental design is conducted. Finally, theoretical and managerial implications are discussed and suggestions for future research are also provided.

CONCEPTUAL FRAMEWORK AND RESEARCH METHODS

Overall, to explore the effect of consumer readiness on customer intention towards future co-creation (FCC), this study attempts to investigate the idea that the more customers are

involved in e-service recovery processes, the more ability, role clarity, extrinsic and intrinsic motivation regarding FCC are obtained, and thus their intentions towards FCC are increased. This study develops a conceptual model to test the relationship, and Figure 1 presents the idea that as the level of customer participation in e-service recovery grows, customers will have greater ability, role clarity, extrinsic and intrinsic motivation for FCC, which in turn increases intention towards FCC.

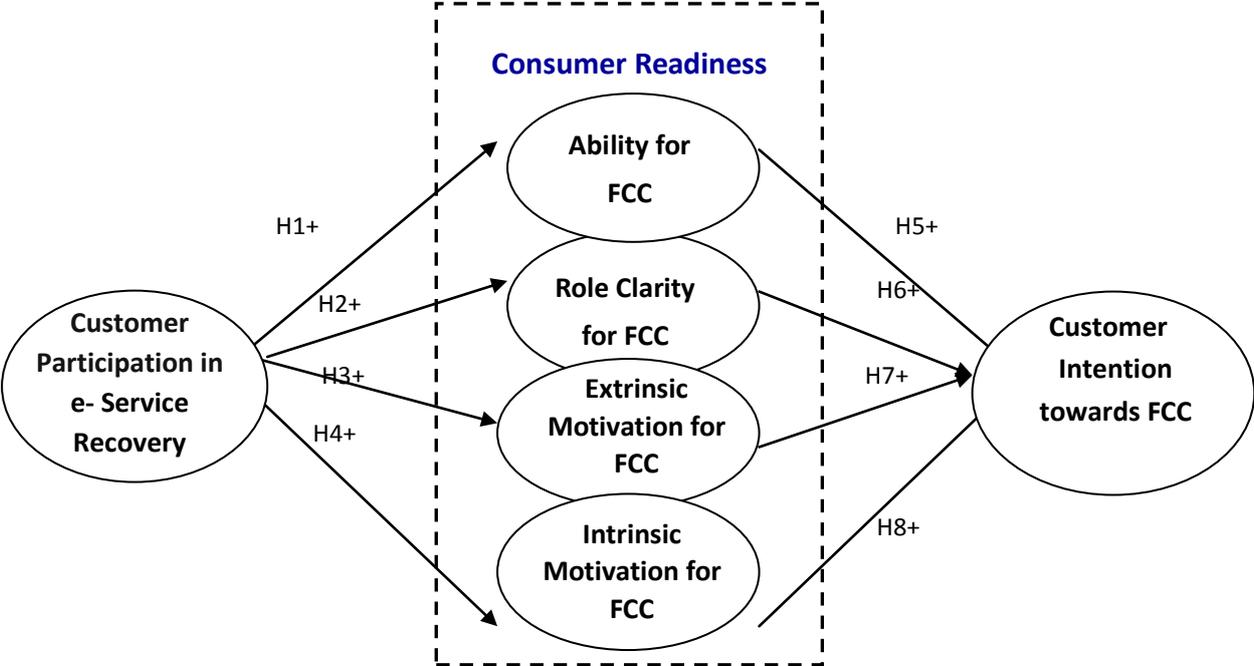


Figure 1 Conceptual Framework

To test the conceptual model, this research conducted a scenario-based role-playing experiment to test the proposed hypotheses. The subjects who read the scenario were asked to play the role of a customer who participates in service recovery. Some researchers have stated that this approach makes the manipulation to be more easily operationalized. Scenario-based role-playing experiments provide control over unmanageable factors and assist the compression of time by summarizing experiences that might unfold over days or weeks [5]. Moreover, scenario-based role-playing experiment prevents participants' recollection of actual service failures and recovery which may yield response bias due to memory lapses, rationalization tendencies, and reinterpretation [3]. Therefore, it is generally suitable for the context of service failure and recovery.

This study used a 3 (recovery types) × 2 (services) between-subjects design with three levels of customer participation in e-service recovery and two different online services. Customer participation in e-service recovery included firm recovery, joint recovery and customer recovery, and the two services were online ticketing system and online shopping system. In addition, two control variables were also considered. Each subject was given one of the six versions of the scenario descriptions and then the participants were asked to fill out a set of questions.

HYPOTHESES DEVELOPMENT

Customer participation in e-service recovery and ability for FCC

When customers adapt into a role, they gain better skills from their participation. Accordingly, the more the customer is integrated into the e-service recovery, the more ability, including skills and knowledge, the person acquire from the participative experience. The following hypothesis is proposed:

H1: As the level of customer participation in e-service recovery increases, customers will have greater ability with regard to future co-creation.

Customer participation in e-service recovery and role clarity for FCC

In the field of service marketing, Dong et al. [3] proposed that enhanced role clarity follows the boost of customer participation level in service recovery. Accordingly, the more a customer integrates into e-service recovery, the more role clarity for FCC he/she acquires. Based on the discussion above, the following hypothesis is proposed:

H2: As the level of customer participation in e-service recovery increases, customers will have greater role clarity with regard to future co-creation.

Customer participation in e-service recovery and extrinsic/intrinsic motivation for FCC

In this study, motivation for FCC is defined as the benefits which can urge customers to perform the activity of FCC. In deep, customers' extrinsic motivation is defined as the substantial advantages and intrinsic motivation as the inherent satisfaction that drives customers to perform the activity of FCC. Customers who experience extrinsic motivation as a result of understanding their contribution to e-service recovery facilitate more convenient and personal experience for themselves. Similarly, active participation not only produces acceptable recovery consequences, but also brings the intrinsic motivations, including prestige, personal growth and pleasure [1] [3] [7]. The following hypothesis is proposed:

H3: As the level of customer participation in e-service recovery increases, customers will have greater extrinsic motivation with regard to future co-creation.

H4: As the level of customer participation in e-service recovery increase, customers will have greater intrinsic motivation with regard to future co-creation.

Ability and future co-creation

Harris et al. [4] considered that as the frequency of participating in a service delivery process increases, customers feel that they are experiencing the service. If the experience is well-developed, the likelihood of FCC will be increased. In short, the more the competent customers get, the more likely they are expected to engage in FCC. Based on the discussion

above, the following hypothesis is proposed:

H5: As the level of customer ability in future co-creation increases, customers will have greater intention towards future co-creation.

Role clarity and future co-creation

Meuter et al. [6] stated that when customers understand what are expected of them, they may produce successful SSTs coproduction behavior. That is, when customers hold positive attitudes towards innovative technology but do not know their role, they are likely to refuse using SSTs. Similarity, Larson and Bowen (1989) proposed that enhancing the clarity in terms of customers' realization of their roles will boost the possibility of them to play parts in the process of service delivery. Therefore, role clarity may lead to clear understanding concerning tasks to be performed.

Chang et al. [1] and Mochon et al. [8] demonstrated that although consumers may attribute successful co-creation participations/experiences to their own efforts, they may attribute co-creation failures to the firm, which negatively impacts consumers' perceptions of a firm. Therefore, customer role clarity in FCC contributes to their realization of role request and increases the chance of participation in FCC [3] [6]. Based on the discussion above, the following hypothesis is proposed:

H6: As the level of customer role clarity in future co-creation increases, customers will have greater intention towards future co-creation.

Extrinsic/intrinsic motivation and future co-creation

According to the research of Meuter et al. [6], the willingness to complete tasks depends on motivational levels, so the study considers that the more motivation for FCC a customer has, the customer will have more intention to do FCC. Based on the discussion above, the following hypothesis is proposed:

H7: As the level of customer extrinsic motivation in future co-creation increases, customers will have greater intention towards future co-creation.

H8: As the level of customer intrinsic motivation in future co-creation increases, customers will have greater intention towards future co-creation.

RESULTS OF DATA ANALYSIS

331 valid respondents were obtained from online questionnaire. The two contexts were posted at different Bulletin Board Systems, the subjects chose one of three questionnaires (each participant level had a separate questionnaire) to fill out.

H1 predicted that as the level of customer participation in e-service recovery increases, customers will have greater ability on FCC. The mean score was significantly different from each other across the three types of recovery, $F(2, 328) = 85.537, p < 0.001$; the mean of firm recovery was 3.322, joint recovery was 4.741 and customer recovery was 5.133. Moreover, Post-hoc tests of ability in each recovery condition indicated that the difference of the mean score between firm recovery and joint recovery was -1.420 ($p < 0.001$); firm recovery and customer recovery was -1.811 ($p < 0.001$); joint recovery and customer recovery was -3.914 ($p < 0.05$). The results demonstrate that there is a significant difference in each recovery.

H2 posited that customers have greater role clarity on FCC. There were differences among three types of recovery, $F(2, 328) = 93.112, p < 0.001$. The mean of firm recovery was 2.982, joint recovery was 4.430 and customer recovery was 4.768. Furthermore, the difference of the mean score between firm recovery and joint recovery was -1.448 ($p < 0.001$); firm recovery and customer recovery was -1.787 ($p < 0.001$), yet, joint recovery and customer recovery was -3.385 ($p > 0.05$). Although the results demonstrate that the difference is not significant between joint recovery and customer recovery, it still indicates that H2 was partially supported.

H3 and H4 address respectively that customers have greater extrinsic/intrinsic motivation on FCC. The results indicate that extrinsic motivation was significantly different from each other across the three types of recovery, $F(2, 328) = 54.916, p < 0.001$; the mean in the firm recovery condition was 5.755, in the joint recovery condition was 12.728 and in the customer recovery condition was 15.048. Therefore, this provides support for H3. Also, there were significant differences in intrinsic motivation, $F(2, 328) = 54.273, p < 0.001$; the mean in the firm recovery condition was 6.591, in the joint recovery condition was 15.324 and in the customer recovery condition was 18.6242. This provides support for H4, too.

In extrinsic motivation, the difference of the mean score between firm recovery and joint recovery was -6.973 ($p < 0.001$); firm recovery and customer recovery was -9.293 ($p < 0.001$); joint recovery and customer recovery was -2.320 ($p < 0.05$). Similarly, in intrinsic motivation, the difference of the mean score between firm recovery and joint recovery was -8.733 ($p < 0.001$); firm recovery and customer recovery was -12.033 ($p < 0.001$); joint recovery and customer recovery was -3.300 ($p < 0.05$). Therefore, the mean scores of each recovery condition have significantly difference in extrinsic motivation (H3) and intrinsic motivation (H4). The differences in statistical are in line with H3 and H4 sufficiently.

SEM was examined to test the relationships between customer readinesses and therefore path analysis was conducted to test H5 through H8. This research used AMOS 5.0 to analyze the proposed model. Primarily, the study assessed the fit of the path model. The model fit indices are as the following: $\chi^2(199) = 912.492, p < 0.001, CFI = 0.906, IFI = 0.907, GFI = 0.810, RMR =$

0.251. H5 posits that customers have greater intention towards FCC which also pointed out that customers' ability in FCC has a significant and positive effect on customer intention towards FCC ($\beta=0.195, p<0.05$). Thus, it can be concluded that H5 is supported. Moreover, H7 predicted that customers have greater intention towards FCC as extrinsic motivation increases. The results indicated that customers' extrinsic motivation in FCC has a significant and positive impact on customer intention towards FCC ($\beta=0.441, p<0.01$). Therefore, H7 is supported as well.

However, H6 and H8 are not supported. The results revealed that customer role clarity in FCC ($\beta=0.057, p>0.1$) and customer intrinsic motivation in FCC ($\beta=0.127, p>0.1$) are positively but not significantly related to customer intention towards FCC. The control variables, attribution of service failure ($\beta=-0.067, p>0.1$) and complexity ($\beta=-0.042, p>0.1$), were found to have a negative effect on customer intention towards FCC, and they were not statistically significant.

CONCLUSION AND IMPLICATIONS

When customers use self-service technologies (SSTs) and encounter a service failure, they have a chance to participate in the service recovery to gain a better service outcome. This study successfully demonstrates that as the level of customers' extrinsic motivation in FCC increases, they have greater intention towards FCC; therefore, it is important to learn why intrinsic motivation performs different from expectations. The possibilities that intrinsic motivation for co-creation results in very little impact on intention towards FCC are discussed as the following.

Firstly, in the scenarios of this research, customers have only a small interest in co-creation because they considered finishing the e-service quickly and conveniently as the primary task. They were not stimulated by intrinsic motivation and did not make further contributions that cause customer intention towards FCC to be insufficient.

Secondly, the chosen SSTs were categorized into a type of transactions. Meuter et al. [7] proposed that this type of SSTs directly assist customers with orders and purchases with companies rather than with contact with their employees. Therefore, customers adopt SSTs mainly to save time or other extrinsic rewards. On the contrary, SSTs, for instance, distance learning and CD-based training, which enable customers to learn, obtain information, and educate themselves, may result in the acquisition of more intrinsic motivation than the SSTs chose by this study.

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