

# CUSTOMER RESPONSES TO FAILURE OF CO-CREATED PRODUCTS AND SERVICES

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## Abstract

Co-creation involves customer participation in various stages of production and use processes through the application of operant resources, such as, knowledge, skill, and effort. It has gained prominence across diverse disciplines such as public policy, services, innovation, operations, acts of corporate social responsibility, and marketing. Marketing managers and customers are adopting co-creation because of increased benefits to them. However, extant research focus on the successful outcomes of co-creation. Our research instead focuses on the failure of such co-creation/self-production processes and looks deeply in to customer level consequences. Our research examines customer cognitions and emotions after failure of co-creation. Our research is sequentially moving from focus on cognitive responses to more emotional responses. Essay 1 examines the customer cognitions through attribution for failure and how it influences expectancy for future success. Subsequently, how these attributions influence future behavioural intentions are also examined. Essay 2 mixes the cognitive and emotional views to propose how firm can effectively manage the customer responses after failure. It studies how different types of internal attributions have differential influence on customer behavior. How these effects are influenced by customer's impression management concerns is also studied; the results propose that social presence in the co-creation context can be beneficial to the firm. Essay 3 was designed to examine emotional responses after failure. However, the qualitative interviews suggested attributional antecedents to emotions post failure. These causal linkages were quantitatively analyzed using experiments.