

Mapping the Influence of Cultural Factors in Service Research: The Role of Tolerance of Contradiction, Optimistic/Pessimistic Bias, and Attribution Styles

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**Mapping the Influence of Cultural Factors in Service
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by

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Mapping the Influence of Cultural Factors in Service Research: The Role of Tolerance of Contradiction, Optimistic/Pessimistic Bias, and Attribution Styles

ABSTRACT

This article applies the theories on tolerance for contradiction, optimistic/pessimistic bias, and dispositionism/situationism in the context of service research to identify previously unexplored moderators of the effects of inconsistent or contradictory brand experiences as well as the expectations towards and effects of coproduction processes on customer responses. We show that dialecticism, construal level theory (CLT), optimistic/pessimistic bias, and dispositionism/situationism are highly relevant in explaining inconsistent customer experiences of services as well as processes of expectations of successes/failures and attributions of the successes/failures in coproduction processes. For example, dialectics and high-construal-level customers relate to contradictory brand experiences in a more positive way than nondialectics and low-construal-level customers. Furthermore, customers with an independent (vs. interdependent) self-construal expect positive outcomes of coproduction for themselves (vs. others). Customers with high levels of dispositionism attribute successes (vs. failures) in outcomes of coproduction to themselves (vs. service provider). We formulate hypotheses to test the identified moderating effects of the theories. This conceptual development provides input for service providers to develop strategies to mitigate the negative effects of inconsistent brand experiences. Finally, we provide input for strategies to counter unwarranted pessimism towards service innovations as well as excessive credit of successful coproduction outcomes by customers to themselves and blaming the service providers for less successful outcomes.

BACKGROUND AND PURPOSE

Extant literature has argued that consistency in service delivery and thus in the experience of service is a prerequisite for a positive service evaluation (Heskett et al., 1990). However, different people react differently to service and brand experiences. Whereas some consumers tolerate inconsistent experiences fairly well, others react negatively when their brand-related encounters are inconsistent from time to time. Some consumers may be optimistic about using new service solutions, whereas others may be pessimistic. Finally, some consumers may attribute successful outcomes of service use to themselves and negative outcomes to the service company, whereas others may be less inclined to do so.

The marketing concepts of brand experience (Brakus et al. 2009; Skard et al. 2011) and coproduction (Troye and Supphellen 2012) have attracted increasing attention recently. However, this research is still in an early stage, and many gaps remain (Troye and Supphellen 2012), particularly in the context of service research. More specifically, little is known about the psychological and cultural factors that may moderate the effects of brand experience and coproduction on customer responses.

In this article, we apply emerging theories in consumer research to the service context in order to explain and predict customer responses to inconsistent brand experiences and processes of coproduction. These theories are (1) people's tolerance for contradiction (Hong and Lee 2010; Trope 2000), (2) their differential sensitivity to positive versus negative information (Chang et al. 2001), and (3) their differential approaches to explanations of actions (i.e., internal attributes vs. situational influences) (Morris and Peng 2004). Common among these perspectives is that they represent less traditional theoretical views, which have only recently received attention in consumer research. Consequently, the effects of these theoretical frameworks in the context of service research are not well understood. This paper

aims to identify effects of previously unstudied moderators of inconsistent brand experiences as well as coproduction processes and thus enhance our understanding of customer responses to pervasive service phenomena.

We begin by focusing on the effects of dialecticism and construal level on evaluations of contradictory or inconsistent service brand experiences. Then, we address the roles of optimistic and pessimistic bias and internal versus situational attributions on customer expectations and evaluations of the outcomes of coproduction. Next, we propose hypotheses for each theoretical framework. We conclude with a discussion of future research directions.

EFFECTS OF DIALECTICISM AND CONSTRUAL LEVEL ON EVALUATIONS OF INCONSISTENT SERVICE BRAND EXPERIENCES

Brand experiences are omnipresent. Just social talk generates more than 3.3 billion brand experiences each day (Niederhoffer et al. 2007). Furthermore, brand experiences may be even more important in service contexts. Services occur in a variety of settings – interpersonal communication, online, social media, mobile communication, etc. and thus are an integral part of customers’ environment. Moreover, many types of services, e.g. airline flights, vacations, restaurant visits, extend over time and thus may generate lasting and intensive experiences. Since brands are a generic feature and identifier of most service providers, brands can be viewed as the origin of these experiences by customers. Inconsistencies in service experiences are common and, at times, unavoidable. Such inconsistencies are likely due to the heterogeneity of service experiences and the extent to which people are involved in service delivery (Parasuraman et al. 1988). For example, a bank customer may experience multiple encounters with the bank during the day through a wide array of channels, such as online, mobile, and personal channels of communication. A large

number of bank employees, many of whom are not attached to a specific customer, may be involved in these encounters, both directly and indirectly. With such a large number of service encounters and actors involved and the variability of the technological and human factors, inconsistencies in customer experiences are bound to occur.

We use the terms “inconsistency” and “contradiction” interchangeably herein because both pertain to the same phenomenon - that is, mixed positive and negative cognitions, affect, and behavior that result from one service encounter or from a series of service encounters. The service literature advocates consistency in service experiences, viewing inconsistency mostly as a negative factor (Heskett et al. 1990). However, although inconsistency may be detrimental to service experiences in many instances, extant research on dialecticism and construal level indicates that this may not be the case for all people. Some people prefer inconsistent ideas and experiences or at least tolerate them as well as positive ones (Hong and Lee 2010; Williams and Aaker 2002). For example, nondialectic people may associate the experience of love with either positive or negative emotions, whereas dialectic people may associate love with both (Peng and Nisbett 1999). Thus, positive and negative emotions are negatively correlated for nondialectic people and positively correlated for dialectic people.

The concept of dialectical (as opposed to nondialectical) cognition and affect has thus far received little attention in consumer research (Kahle et al. 2000) or service research. Dialectical thinking/feeling refers to the acceptance of duality, or the ongoing process of accepting contradiction in elements and form (Basseches 1980). Most consumer behavior models assume linear, noncontradictory formal laws of logic (e.g., various decision rules). However, previous research has shown that some consumers may not experience inconsistency or contradictions in thoughts and feelings as a liability and instead may prefer inconsistency to consistency (Williams and Aaker 2002).

According to construal level theory (CLT), people construe information in memory on different levels: the abstract, high level or the concrete, low level (Trope and Liberman 2000). Thus, CLT can be viewed as an individual-level variable, in which people with high levels of construal use general, essential, and superordinate features to represent objects. Conversely, people with low levels of construal employ more specific, subordinate, and incidental object representations (Trope and Liberman 2000). For example, customers with high levels of construal may view the telecommunications company Telenor as a company with great customer service, whereas those with low levels of construal may describe Telenor as a company with customer service available every day of the week by phone, e-mail, Facebook, and Twitter. Construal level has a profound impact on processes such as judgment, creative thinking, and self-control. As such, CLT also affects levels of discomfort caused by inconsistency and thus tolerance of and preference for inconsistent cognitions and feelings (Hong and Lee 2010).

The processes accounted for by dialecticism and CLT have relevance for the understanding of customer experiences of services. Thus, we review extant research on customer and brand experience, dialectical cognition and affect, and CLT. We also review the literature on consistency in service experiences. Finally, on the basis of these streams of research, we develop specific hypotheses on the potential impact of dialectical thinking/feeling and CLT on various aspects of service experiences.

Service Customer or Brand Experiences

The advent of the concepts “experience economy” (Pine and Gilmore 1999), customer experience management (Palmer 2010), and service-dominant logic (emphasizing value cocreation; (Vargo and Lusch 2004), among others, resulted in growing interest for research on customer and brand experiences. Traditionally, marketing literature has focused on the

outcomes of various perceived properties of brands, such as brand personality (Aaker 1997; Fournier 1998). However, the concept of customer or brand experience is a more dynamic and process-oriented variable (Brakus et al. 2009). Furthermore, according to a literature review, the latter type of experience is broader than the former (Skard et al. 2011). Thus, our review focuses on brand service experience.

The notion of brand experience is closely connected with human experience more generally and therefore has been extensively discussed in the disciplines of philosophy, cognitive science, anthropology, marketing, and so on. One view of experience is the intertwining of human beings and their environments (Dewey 2003). According to the marketing definition, brand experience is both a subjective internal customer response and a behavioral response evoked by brand-related stimuli (Brakus et al. 2009).

Brand experiences can come directly from buying or using services or indirectly from being exposed to marketing communications (Brakus et al. 2009). Furthermore, as the name of the concept suggests, the experience must be attributed to the brand, and therefore brand-related stimuli, such as design, packaging, marketing communications, and the environment in which the brand is promoted, are deemed major sources of brand experiences (Brakus et al. 2009). In the service context, additional sources of experiences may include the service interface and the brand experience in alternative service channels (Verhoef et al. 2009).

However, factors seemingly unrelated to the brand, such as incidental emotions, may also affect brand experience (Maheswaran and Chen 2006). For example, experience of the American Express brand in the Middle East may be influenced by the sentiment caused by the involvement of U.S. troops in the region. Likewise, publication of the Mohammed cartoons in Denmark, which triggered outrage in the Middle East, may negatively affect the brand experience of Danish and potentially other Scandinavian brands in the region. Furthermore,

research indicates that brand experience is conceptually different from the concepts of brand involvement, attitude, attachment, associations, image, personality, and customer delight (Brakus et al. 2009).

Research has made few comprehensive attempts to conceptualize, structure, and measure the concept of brand experience in the marketing domain, with the exception of Brakus et al. (2009) (Skard et al. 2011). Researchers in the social sciences view experience as consisting of sensory perceptions, feelings and emotions, creativity and reasoning, and social relationships (Dewey 2003). Extant research in marketing has conceptualized sensory, affective, behavioral, and intellectual dimensions (Brakus et al. 2009). Furthermore, recent research in the service domain has added the relational dimension of brand experience (Skard et al. 2011). The measurement of brand experience focuses on the strength of experiences, but not valence (Brakus et al. 2009). This is another factor that distinguishes the construct of brand experience from outcome-based brand measurements.

Similar to the general human experiences of senses, emotions, cognitions, and behavior, the concept of brand experience is inherently heterogeneous and potentially contradictory or inconsistent. Therefore, the theoretical concepts dealing with contradiction - namely, dialecticism and CLT - may provide insights into customer responses to contradictory brand experiences.

Dialectical Cognition and Affect

The concept of dialecticism was originally discussed as a primarily cognitive phenomenon (Peng and Nisbett 1999), though it has received increasing attention in the literature on affect as well (Hong and Lee 2010; Williams and Aaker 2002). We first review the concept from the cognitive perspective. Dialecticism can be viewed from both inter- and intracultural perspectives. The intercultural perspective treats dialecticism as a major

distinction between Eastern and Western thinking styles. The latter is based on Aristotelian logic, which emphasizes three central laws. The first is the law of identity; that is, if anything is true, it is true, meaning that everything must be identical to itself. The second is the law of noncontradiction; that is, no statement can be both true and false (e.g., A cannot equal not-A). The third law is the law of the excluded middle; that is, any statement is either true or false (e.g., A is either B or not-B) (Peng and Nisbett 1999). Thus, from a Western perspective, two contradictory propositions are unacceptable, and the reaction to such propositions is one of differentiation, or deciding which proposition is correct. Conversely, the need to reconcile contradictions has been virtually absent from the Eastern intellectual discourse. For example, Chinese intellectuals in early history were not aware of or felt the need to reconcile conflicting points of view or contrasting claims to knowledge (Huff 1993).

The notion of dialecticism has undoubtedly been present in the Western intellectual tradition as well. The concept is associated with thinkers such as (Darwin 1962; Kuhn 1970), and Piaget (1978). A key feature of Western dialectical thinking is integration - that is, beginning with the recognition of contradiction and moving on to the reconciliation of the basic elements of the opposing perspectives (Peng and Nisbett 1999). At the individual level of analysis, dialectic thinking may be regarded as a product of the process of the development of thought that comes with maturation (Basseches 1980; Piaget 1978). From this perspective, dialectical thinking is dynamic, interrelated, and systems oriented.

A consequence of dialectical thinking is that, given two contradictory propositions, nondialectics may decide that one proposition is right and the other is wrong and therefore reject the latter. This outcome is due to their inability to reconcile the two propositions. In contrast, dialectics may retain the basic elements of both propositions, believing that both contain elements of truth (Peng and Nisbett 1999). Extant research confirms that dialectics prefer compromise solutions to conflicts whereas nondialectics prefer noncompromising

solutions. Furthermore, dialectics prefer dialectical arguments, whereas nondialectics prefer logical arguments. Finally, dialectics moderate their views when presented with opposing propositions, whereas nondialectics became more extreme (Peng and Nisbett 1999).

Prior research has also documented the effects of dialecticism in the affective system (Williams and Aaker 2002). Thus, the ability of dialectics to reconcile opposing perspectives is also valid in the domain of experienced emotions. This ability implies that affective experience is not always bipolar. For example, Williams and Aaker (2002) examine the experience of advertising messages with mixed (positive and negative) versus only positive emotional appeals and find that dialectics experienced less discomfort than nondialectics when exposed to mixed appeals. Furthermore, dialectics had more positive attitudes toward the mixed appeals than toward only positive ones, whereas this pattern was reversed for nondialectics.

In line with the view of the development of dialecticism as a process of personal maturation (Piaget 1978), prior research has found that age influences dialecticism. For example, Basseches (1980) finds that dialectical thinking is more likely to occur among faculty members than college seniors, who in turn are more dialectical than college freshman. Research on affective dialecticism has also found a positive influence of age on the acceptance of affective duality (Williams and Aaker 2002). Thus, we expect that dialecticism is more likely to occur among mature, older, highly educated people who are motivated to process information in a particular product category (Kahle et al. 2000).

For example, it is common for salespeople in the insurance industry to make potential customers aware of various risks before presenting them with insurance solutions. Exposure to potential risks may elicit negative cognitions and emotions, whereas presentation of insurance solutions may trigger positive cognitions and emotions. Thus, in this situation,

duality would arise, triggering negative responses to such marketing communication from nondialectic customers and positive responses from dialectic customers. Consequently, salespeople may need to avoid such sales tactics when dealing with nondialectic customers.

CLT and Acceptance of Inconsistency

We conceptualize construal level as an individual-level variable. The CLT suggests that the type of construal - either high and low - affects the representation of information (Trope and Liberman 2003). High-level construal is superordinate and decontextualized, reflecting a more general understanding of actions and events. Conversely, low-level construal is subordinate and contextualized, reflecting the details of actions or events. For example, a person with a high level of construal may perceive going on vacation as enjoying life, whereas a person with a low level of construal may perceive it as lying on a beach with a cold drink (Hong and Lee 2010).

Trope and Liberman (2000) show that people with high levels of construal rely on primary product features (e.g., a radio's sound quality) when making judgments, whereas people with low levels of construal focus more on peripheral features (e.g., a radio's clock function). The former focus more on the desirability of outcomes when making a decision and generate more favorable arguments for action, whereas the latter focus on the feasibility of outcomes and generate more unfavorable arguments. Furthermore, high-level construal has a positive effect on self-control (Fujita et al. 2006).

There are several explanations for why construal level may influence tolerance for inconsistency in cognitive and affective reactions, such as service experiences. Extant research has shown that people who organize conflicting ideas at superordinate levels process the ideas in a more coherent and inclusive way. Thus, people with high (vs. low) levels of construal use broader and fewer categories for organizing information (Liberman and Forster

2009). People with high (vs. low) levels of construal also employ a more flexible and creative processing style and perceive greater psychological distances from stimuli (Forster et al. 2004). For example, priming high-level construal increased people's perceived distance from now, their social distance from here, and their estimates of hypothetical distance from reality (Liberman and Forster 2009). Finally, people with high (vs. low) levels of construal focus more on the positive side of arguments and experiences than on the negative side (Eyal et al. 2004).

Thus, people with high levels of construal process ideas more broadly and inclusively and consequently are better able to reconcile contradictory associations. More creative information processing associated with high-level construal may aid in integrating contradictory experiences in memory. Furthermore, greater psychological distance from the experience perceived by people with high levels of construal may reduce the felt discomfort resulting from inconsistent associations. Finally, people with high (vs. low) levels of construal focus more on the positive than the negative side of the experience, which may cause them to react more positively to experiences containing both positive and negative aspects.

Similar to the concept of dialectical thinking, construal level is associated with age and cultural orientation. Older people are better able to organize their ideas on a more abstract level than younger people. Furthermore, interdependent self-construal is associated with more superordinate organization of information, whereas independent self-construal is associated more with subordinate organization (Kuhnen and Oyserman 2002). The former type of self-construal implies a close connection with other people, whereas the latter implies a loose connection. In a service encounter in which the price charged is perceived as unreasonably high while the service personnel is perceived as friendly, customers with high levels of construal are likely to focus on the positive side of the encounter, whereas customers with low

levels of construal are likely to focus on the negative side. Therefore, the former may react more positively to such an encounter than the latter.

The complexity of service organizations and the variability of the human factor make inconsistency highly relevant in service research.

Service Research on Inconsistency

In general, marketing research assumes that consistency in various aspects of brands (e.g., brand associations) is a prerequisite for strong and positive brand equity (Keller 2008). Only recently has research begun to consider other perspectives on consistency that may provide a more nuanced view of the concept (Hong and Lee 2010; Williams and Aaker 2002). Mirroring the development in marketing literature, research in the service literature generally assumes that consistency (e.g., across service encounters) is crucial for positive service experiences (Hansen and Danaher 1999). Service literature postulates that performance consistency positively influences perceived quality, service value, and customer loyalty (Heskett et al. 1990).

Empirical research in service literature has primarily considered the issues of consistency in service encounters, exploring the sequence of events in a service encounter rather than the consistency across service encounters (Hansen and Danaher 1999; Verhoef et al. 2004). Furthermore, existing research has built on the intertemporal choice literature in examining inconsistent service experiences. This literature offers a different perspective on inconsistency than the theories of dialecticism and CLT, focusing on, for example, human cognitive limitations rather than different mechanisms of reconciling inconsistencies. Moreover, some research employs the expectancy disconfirmation theory, which posits that people form expectations that provide a frame of reference on which to judge satisfaction (Oliver 1980). This theoretical rationale is also different from the frameworks of dialecticism

and CLT. Nevertheless, we provide a brief review of these studies because research on the effects of other concepts on evaluations of inconsistency in brand experiences remains largely uncharted.

Building on the literature on intertemporal choice and judgment (Loewenstein and Prelec 1993), Hansen and Dahaher (1999) find that customers who experienced inconsistent starts and finishes reported more extreme judgments of service quality and satisfaction than those who experienced more consistent performance. Furthermore, the judgments became more positive as the performance improved during the course of the encounter, even when the start was performed poorly. Such service encounters with positive trends outperformed encounters with negative trends and encounters with consistent but average performance. Finally, the overall judgments corresponded more to the performance of the final events than to that of the initial events, in accordance with the so-called final event hypothesis. The corresponding effects occurred for purchase intentions.

Other research (Verhoef et al. 2004) has applied the peak-end rule in service encounters, in which the utility of a sequence of events is determined by the average utility of the most extreme event and the final event of the sequence (Kahneman et al. 1997). In contrast with the peak-end rule, Verhoef et al. (2004) find that the average utility of the service call was a significant predictor of experienced utility, in addition to the positive peak of the event. In contrast, the end utility of the service call had a negative effect on customer satisfaction.

Furthermore, research has examined the effects of inconsistency in a sequence of word-of-mouth events on service quality perceptions and purchase intentions in a service encounter (Wang 2011). The theoretical development builds on the intertemporal choice and judgment frameworks. Similar to the previously discussed research, Wang (2011) finds that a

positive final word-of-mouth event exerted a favorable effect on quality perceptions and purchase intentions, even when the initial event was negative. The number of positive word-of-mouth events in the encounter also had a positive effect on quality perceptions and purchase intentions.

Finally, prior studies have examined the effects of inconsistency in e-service quality across different channels on customer trust and commitment (Liao et al. 2011), building on expectancy disconfirmation theory. Contrary to Liao, Yen, and Li's (2011) expectations, most of the postulated negative effects of cross-channel quality inconsistency, moderating the impact of service quality on trust and commitment, were not significant. Thus, the authors conclude that cross-channel inconsistency is not a key concern but point out an important research context limitation (i.e., their study focused on a university's e-service to alumni).

Effects of Tolerance of Contradiction on Evaluations of Inconsistent Service Brand Experiences

Extant research on the inconsistency in service experiences is limited in scope because it focuses primarily on intertemporal choice literature. Other than focusing on differing theoretical frameworks, research has not examined the role of inconsistency in service brand experiences. Thus, the field appears largely underresearched, and the theories of dialecticism and CLT are prime candidates to serve as alternative explanations of customer responses to inconsistency in brand experiences.

Because the established measurements of brand experience measure the strength, but not the valence, of experiences, we focus on the effects of these theories' moderating impact of experience on attitudes toward the brand and/or advertising message. The effects of dialecticism and CLT on perceptions have been observed in the domains of cognition, affect, and behavior (Peng and Nisbett 1999; Williams and Aaker 2002). The interactions with the

limbic activation of sight, smell, or touch of an object, which underlie the sensory dimension of brand experience, are less clear because they have not been investigated in extant research.

Dialectics possess superior ability to reconcile opposing (positive and negative) cognitions, affect, and brand-related behaviors, without experiencing discomfort. The theories of dialecticism and CLT do not focus on cognitive limitations, in contrast with intertemporal choice literature (Loewenstein and Prelec 1993). Therefore, the former theories may potentially be applied to cognitions, affect, and behaviors resulting from both an immediate service encounter and a sequence of service encounters spread over time.

Consequently, dialectics may be able to tolerate inconsistent cognitions, affect, and behaviors related to service brand experiences better than nondialectics within and across service encounters. Inconsistent cognitions, affect, and brand-related behaviors may be triggered by a range of brand-related (e.g., logo design, service interface) stimuli. Therefore, we advance the following hypotheses:

Hypothesis 1: Dialectics will react more positively to service brands and brand advertising messages after being exposed to inconsistent cognitions, affect, and brand-related behaviors *within a service encounter* than nondialectics.

Hypothesis 2: Dialectics will react more positively to service brands and brand advertising messages after being exposed to inconsistent cognitions, affect, and brand-related behaviors *across a sequence of service encounters* than nondialectics.

In an inconsistent service experience, customers with high levels of construal are likely to focus on the positive cognitions, affect, and brand-related behaviors, whereas those with low levels of construal are likely to focus on the negative cognitions, affect, and brand-related behaviors. Therefore, the response of the former type of customers to the inconsistent experience should be more positive than that of the latter. Similar to the theory of

dialecticisim, we expect that the identified effects of CLT are valid for both isolated service outcomes and sequences of service outcomes over time. Thus:

Hypothesis 3: Customers with high levels of construal will react more positively to service brands and brand advertising messages after being exposed to inconsistent cognitions, affect, and brand-related behaviors *within a service encounter* than those with low levels of construal.

Hypothesis 4: Customers with high levels of construal will react more positively to service brands and brand advertising messages after being exposed to inconsistent cognitions, affect, and brand-related behaviors *across a sequence of service encounters* than those with low levels of construal.

EFFECTS OF SELF-CONSTRUAL AND ATTRIBUTION STYLES ON EVALUATIONS OF OUTCOMES OF SERVICE COPRODUCTION

Research on coproduction has increased in recent years as a result of the strong focus on the emerging view of consumers as cocreators of value (Vargo and Lusch 2004). Furthermore, coproduction is one of the forms of customer participation, which range from firm production, to customer production, to self-service technologies, depending on the degree of involvement allowed by the service provider (Meuter et al. 2000). In this typology, coproduction refers to a situation in which both customers and firms' employees interact and participate in the production of products or services (Bendapudi and Leone 2003). Bendapudi and Leone (2003) advance the self-serving bias as one of the mechanisms explaining the process and outcome of coproduction. However, they do not provide a conceptual distinction between coproduction of goods and coproduction of services. Therefore, in this section we use the concept of coproduction in a more general sense.

A service company planning on introducing an innovative, coproduction solution for its customers, needs to gauge what type of reaction to expect from its customers - optimism or pessimism in usage intentions. Because the effort toward such a solution is shared between the company and the customer, it also needs to know to whom the customer will credit a successful outcome and whom they will blame for a less successful outcome - the customer or the company. Consequently, research needs to identify the moderators of the effects of coproduction on customer responses. We identify two such moderators: customer self-construal and analytic versus holistic information-processing styles. Self-construal represents a type of self-concept, either loosely or closely connected with other people (Triandis et al. 1985); conversely, information-processing styles involve interpreting behavior in terms of either the traits of the personality/object or the surrounding context (Choi et al. 2007).

The self-serving bias has been extensively studied in social psychology. The concept is closely connected with self-enhancement, which refers to a general sensitivity to positive self-relevant information (Taylor and Brown 1988). Self-enhancement has also been dubbed as optimistic bias (Chang et al. 2001). According to the self-serving bias, people attribute successes to themselves rather than to others and failures to others rather than to themselves. Moreover, self-enhancement posits that people estimate a greater likelihood of positive future events happening to themselves rather than to others and negative events happening to others rather than to themselves. Although these effects are well documented (Sedikides et al. 1998), conclusions are limited because they disregard the role of self-construal in these processes (independent vs. interdependent) (Triandis et al. 1985). The latter is due to the egocentric view of personality in this stream of research (Chang and Asakawa 2003). Consequently, the view of self-serving bias in extant coproduction research may be limited.

Further, we review the research and develop hypotheses on the role of self-construal in optimistic/pessimistic bias and self-serving bias processes involved in coproduction. First, we

review the research on the optimistic/pessimistic bias and self-construal, as well as the self-serving bias in psychology. Second, we outline the few contributions in the literature on coproduction that focus on the self-serving bias framework. Finally, we develop hypotheses on the effects of self-construal in predictions of successes and failures and the effects of differential information-processing styles on attribution processes in coproduction. To our knowledge, prior research on coproduction has not examined the latter relationships, and thus they constitute a potential contribution to the literature.

Optimistic/Pessimistic Bias and Self-Construal

Substantial research in psychology has documented that people have a tendency to self-enhance, that is, overestimate probabilities of future successes (Pronin et al. 2004). This phenomenon has also been dubbed as unrealistic optimism or optimistic bias (Chang et al. 2001; Weinstein 1980). One manifestation of these events is the feeling of invulnerability - that is, that negative events will happen to others and that positive events will happen to the individual. One person may be quite right in estimating chances for success as above average and for failures as below average; however, if the majority of people follow this pattern, systematic error will occur (Weinstein 1980).

Two general explanations have been offered for self-enhancement: cognitive and motivational (Weinstein 1980). The cognitive explanation maintains that the mechanisms behind self-enhancement are imperfect information-processing strategies that imply selective attention and informational availability or accessibility in memory. For example, the self-serving bias may occur if desired outcomes of actions are easier to remember (availability heuristic; (Tversky and Kahneman 1973)). Alternatively, people may perceive themselves as not belonging to a stereotyped group associated with certain negative events and thus estimate chances of these events happening to them as below average (representativeness heuristic;

(Kahneman and Tversky 1972). Extant research has shown, however, that cognitive explanations are insufficient in explaining self-enhancement processes (Sedikides et al. 1998).

The motivational explanation of self-enhancement in traditional psychological literature maintains that people are motivated to hold a positive view of themselves and to avoid a negative view. Thus, they are sensitive to positive information about the self and discount the negative (Weinstein 1980). According to this view, self-enhancement may satisfy a basic human need to maintain a positive individual identity and thus to secure self-efficacy. Indeed, Beck (1976) finds that heightened sensitivity to negative self-relevant information leads to mental dysfunction, such as depression and anxiety.

Critics have argued that the traditional explanation of self-enhancement is grounded in the idiocentric, rather than the allocentric, view of the self (Chang and Asakawa 2003). Idiocentric self-construal implies loose connections with other people and gives priority to individual over collective goals; conversely, allocentric self-construal implies close connections with other people and prioritizes collective over individual goals (Triandis et al. 1985). The idiocentrism–allocentrism construct corresponds to the concept of individualism–collectivism. The former is conceptualized as an individual-level variable, whereas the latter is a cultural-level variable. Because large variation exists along the idiocentric–allocentric dimension not only across cultures but also within cultures (e.g., the United States; (Vandello and Cohen 1999), an idiocentrism-based explanation of the self-serving bias may be limiting for both national and cross-national research.

The effects of self-construal on self-enhancement have been primarily examined across cultures. As mentioned previously, self-enhancement or optimistic bias is a process characteristic of individualists, whereas self-criticism or pessimistic bias is a process characteristic of collectivists. The latter group possesses a general sensitivity to negative self-

relevant information (Chang et al. 2001); that is, sensitivity to negative information enables collectivists to obtain input vital to the maintenance and functioning of the group. Furthermore, Chang and Asakawa (2003) argue that the presence of self-criticism among collectivists is a driver behind pessimistic bias. Thus, individualists (Westerners) were expected to exhibit optimistic bias in predicting future positive and negative events (i.e., the former happening to the self and the latter to others) whereas collectivists (Easterners) were expected to exhibit pessimistic bias in predicting future positive and negative events.

Indeed, extant research has found that European Americans hold an optimistic bias in predicting both positive and negative events, whereas the Japanese hold a pessimistic bias for negative events (Chang and Asakawa 2003). In contrast, other research has found that both European Americans and the Japanese show an optimistic bias for the occurrence of negative events. Still other research has found that the Japanese exhibit a pessimistic bias for the occurrence of positive events, whereas European Americans fail to show an optimistic bias for positive events (Chang et al. 2001). Importantly, these studies have shown that the findings partially support, but also partially diverge from, the theoretically derived hypotheses. Therefore, they argue that reliance on general cross-national differences may be too simplistic. Large variation in self-enhancement and self-criticism tendencies exists within nations, including the West, mirroring variation in idiocentrism–allocentrism (Vandello and Cohen 1999). Thus, these within-country differences must be accounted for in future studies on the optimistic and pessimistic bias (Chang et al. 2001).

From a practical perspective, if, for example, a financial services brand were to launch a new coproduction-based digital tool for purchase of insurance products, it could target its offering more optimally by identifying independent customers in its target group. The independent customers would exhibit optimistic bias and therefore have stronger usage intentions than interdependent customers.

Self-Serving Bias and Information-Processing Styles

According to the traditional view in psychology, people overuse internal attributions and underuse external attributions of behavior (Pronin et al. 2004). This view is reflected in the theory of lay dispositionism, which stipulates that the cause of behavior lies in internal attributes of the individual or some other entity (Ross and Nisbett 1991). Self-serving bias represents a combination of the tendency to search for explanations of behavior in internal attributes with the desire to protect or enhance their self-concept. Thus, with a self-serving bias, successful or unsuccessful behavior is interpreted in terms of personality traits of the target. Furthermore, the person takes responsibility for successful task outcomes and blames others for failures (Sedikides et al. 1998).

Similar to the optimistic bias, dispositionism has been criticized for being largely grounded in the egocentric view of personality and for being limited in its ability to explain attributions across and within cultures (Choi et al. 1999). Although some degree of dispositionism may be universal, variation exists in the degree to which behavior can also be explained in terms of situational influences (i.e., situationism) (Ross and Nisbett 1991). Furthermore, the influences of dispositionism and situationism on attributions of behavior have been examined mostly across cultures (Choi et al. 1999; Morris and Peng 1994). In their research, Morris and Peng (1994) find that Americans underestimate the power of the situation in attributing behavior, thus attributing behavior to the individual person; conversely, East Asians use either situational or mixed (dispositional and situational) explanations of behavior.

The major driver of these differences in attributions is analytic versus holistic information processing (Koo and Choi 2005). Analytic thinkers tend to process and classify information primarily on the basis of internal attributes and logical rules of taxonomic

categories (Masuda and Nisbett 2001). Conversely, holistic thinkers process information on the basis of relationships between the object and the field, not engaging in logical categorization. Thus, the latter have greater context sensitivity and memory for contextual information than the former (Masuda and Nisbett 2001).

Because of their greater context sensitivity, holistic thinkers tend to make situational attributions, whereas analytic thinkers tend to make dispositional attributions. In the mentioned research (Morris and Peng 1994), the dispositionism of Americans was driven by their analytic information processing, whereas the situationism of East Asians was driven by their holistic information processing. More important, similar to individualism–collectivism, we can expect not only between-country but also within-country variation in analytic versus holistic thinking (Monga and John 2010). For example, extant research suggests that southern U.S. states (e.g., Georgia, South Carolina) are holistic, whereas northern states (e.g., Vermont, Maine) are analytic (Monga and John 2010).

Information-processing style and, thus, dispositionism and situationism may interact with attributions in the self-serving bias. Because of their tendency to attribute behavior internally, analytic thinkers may exhibit the self-serving bias. In contrast, because of their tendency to fully or partially attribute behavior to the situation, holistic thinkers may be less predisposed to the self-serving bias. Therefore, they will attribute successes to a lesser degree to themselves and blame others to a lesser degree for failures.

Again, from a practical standpoint, analytic customers may represent a more demanding target group for a service brand launching a new coproduced service. A higher probability of less successful coproduction outcomes inherent in new services leads to a greater risk that the analytic target group will blame the company. Therefore, strategies to counter such negative responses of this target group should be developed.

Self-Serving Bias in Coproduction

To our knowledge, extant research has not examined the effects of optimistic and pessimistic bias on predicting future successes and failures in coproduction. However, research has examined the processes of self-serving bias. Yet the role of self-serving bias is still unclear because few contributions have focused on this theory. More specifically, research has not addressed the interactions between information-processing style and self-serving bias in coproduction.

In the only empirical study of self-serving bias in coproduction that we are aware of, Bendapudi and Leone (2003) find that customers are far more likely to take credit than blame in coproduction. Self-serving bias persisted even when the customers judged the quality of the outcome. Furthermore, studies have shown that providing customers with choices in coproduction reduces self-serving bias, forcing customers to take more credit but also blame for the outcomes. Notably, coproduction proved less beneficial when the outcomes exceeded customer expectations because customers took some of the credit for successful outcomes (Bendapudi and Leone 2003). However, when outcomes did not meet expectations, coproduction processes acted as a buffer because customers took some of the blame for the less successful results.

Finally, Van Raaij and Pruyn (1998) formulate propositions based on the attribution styles of actors (providers) and observers (customers). They postulate that actors make more situational and observers more dispositional attributions. They further argue that generally in coproduction, observers take more of an actor perspective and thus become more situational in their attributions. However, in the case of poor service outcome, they suggest propositions in line with the classical self-serving bias theory - that is, both the provider and the customer blame the other party for the outcomes. Nevertheless, none of these aforementioned

contributions have explored the effects of differential sensitivity to positive and negative information or dispositionism–situationism on the processes and outcomes of coproduction.

Predictions and Attributions of Future Successes and Failures in Coproduction

Because of the variation in people’s idiocentric and allocentric orientations and, thus, in their sensitivity to positive and negative information, we expect the former to affect predictions of future successes and failure in the coproduction of services. Because sensitivity to different types of information does not depend on the level of customers’ involvement in the production of services, the effects may be related to both coproduction and self-service. However, with the focus of this article, we concentrate on the former.

Because of their self-enhancement tendencies, independent customers are likely to exhibit optimistic bias in the prediction of future outcomes of coproduction. Conversely, because of their self-criticism, interdependent customers are likely to exhibit pessimistic bias. Therefore, we advance the following hypotheses:

Hypothesis 5: Independent customers will expect positive outcomes of coproduction for themselves to a greater extent than interdependent customers.

Hypothesis 6: Interdependent customers will expect positive outcomes of coproduction for others to a greater extent than independent customers.

From a more practical perspective, prediction of positive outcomes of coproduction for oneself may have positive effects on usage intentions. Conversely, prediction of negative outcomes for oneself may inhibit intentions to engage in coproduction.

Furthermore, variation in information-processing styles and, thus, in dispositionism and situationism may affect attributions of successes and failures in the coproduction of services. Customers high in dispositionism may exhibit self-serving bias in coproduction

because they focus on internal attributes as causes of actions. In contrast, customers high in situationism focus more strongly on the contextual explanations of actions and thus may not exhibit self-serving bias or may experience it to a lesser degree than dispositional customers.

Thus:

Hypothesis 7: Customers high in dispositionism will attribute successes (failures) in outcomes of coproduction to themselves (the service provider).

Hypothesis 8: Customers high in situationism will attribute successes (failures) in outcomes of coproduction to contextual factors rather than to themselves (the service provider).

CONCLUSIONS AND FUTURE RESEARCH DIRECTIONS

Research on service brand experience and coproduction is still in its infancy. The preceding discussion outlines some promising directions and defines hypotheses on the basis of the well-established theories of tolerance for contradiction, self-construct and information-processing styles. The concept of service is increasingly viewed as an experiential cocreation of value with customers (Gronroos and Ravald 2011). Therefore, identifying factors that help us to better predict and explain customer responses to such an experiential cocreation of value as captured by service brand experiences and coproduction processes, may provide a timely source of input. Importantly, we argue that the outlined theoretical frameworks may be useful in explaining evaluations of brand experiences and coproduction not only across the East-West divide but also within the Western context.

More specifically, from the research directions reviewed, we envisage several contributions to the literature. First, further research could expand the traditional view of

customers based on the logical, noncontradictory as well as egocentric view of personality in the context of service research. Thus, new alternatives could be offered with regard to the more conservative emphasis of providing exclusively positive and consistent service experiences, to name one example. Second, extant research has shown that it is possible to alter customers' frames of mind, i.e. construal level and type of self-construct (e.g. Hong and Lee, 2010). By priming customers' frames of mind, research could develop methods to mitigate the potentially negative effects of inconsistent experiences and to reduce unwarranted pessimism in using service innovations in coproduction. Third, research might examine strategies that inhibit customers from giving excessive credit of successful coproduction outcomes to themselves and blaming the service providers for less successful outcomes. Fourth, future studies might identify potentially challenging groups of customers that require more attention from service providers (i.e., nondialectics, low construal level customers, customers with pessimistic bias and customers high in dispositionism) and develop specific strategies for these segments.

An increasing number of service providers span multiple international markets and employ work force at locations across the globe. For example outsourcing of call centers and other types of customer handling facilities has become a common industry practice. Thus, increasingly internationally mobile customers are likely to experience inconsistent service brand experiences when interacting with such service providers. Similarly service providers increasingly employ coproduction solutions. Such coproduction solutions allow for cost-efficient service delivery systems, which at the same time may build stronger relationships with customers (Troye and Supphellen 2012). Mechanisms helping to manage the effects of brand experiences and coproduction solutions on customer responses can serve as an input for developing practical strategies for the service providers.

Finally, this article suggests general directions of the effects of the psychological factors based on theoretical development. Thus, further research could identify specific customer, service type, and contextual variables that may act as important moderators of the hypothesized effects.

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This article applies the theories on tolerance for contradiction, optimistic/pessimistic bias, and dispositionism/situationism in the context of service research to identify previously unexplored moderators of the effects of inconsistent or contradictory brand experiences as well as the expectation towards and effects of coproduction processes on customer responses. We show that dialecticism, construal level theory (CLT), optimistic/pessimistic bias, and dispositionism/situationism are highly relevant in explaining inconsistent customer experiences of services as well as processes of expectations of successes/failures and attributions of the successes/failures in coproduction processes. For example, dialectics and high-construal-level customers relate to contradictory brand experiences in a more positive way than nondialectics and low-construal-level customers. Furthermore, customers with an independent (vs. interdependent) self-construal expect positive outcomes of coproduction for themselves (vs. others). Customers with high levels of dispositionism attribute successes (vs. failures) in outcomes of coproduction to themselves (vs. service provider). We formulate hypotheses to test the identified moderating effects of the theories. This conceptual development provides input for service providers to develop strategies to mitigate the negative effects of inconsistent brand experiences. Finally, we provide input for strategies to counter unwarranted pessimism towards service innovations as well as excessive credit of successful coproduction outcomes by customers to themselves and blaming the service providers for less successful outcomes.



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