

Towards an understanding of customer-perceived value in services

Jonas Holmqvist*

Assistant Professor

Kedge Business School

jonas.holmqvist@kedgebs.com

Duncan Guest

Assistant Professor

Nottingham Trent University

duncan.guest@ntu.ac.uk

Christian Grönroos

Professor

Hanken School of Economics

christian.gronroos@hanken.fi

* Jonas Holmqvist

Kedge Business School

680 cours de la Libération

33400 Talence

jonas.holmqvist@kedgebs.com

tel: + 33 (0)5 56 84 22 70

Pour une compréhension de la perception de valeur dans les services

Résumé

Bien que le rôle du consommateur dans la création de valeur ait reçu une forte attention de la part du marketing des services, un manque de recherche sur la façon dont les consommateurs perçoivent leur rôle dans la création de valeur persiste. Ce papier adapte le concept de distance psychologique et l'intègre à la recherche en service sur la perception de valeur du consommateur. La distance psychologique est multidimensionnelle et peut être influencée par des variables spatiales, temporelles, et sociales. Nous fondant sur ces caractéristiques, nous développons six propositions pour mieux comprendre comment les consommateurs perçoivent la valeur dans les services.

Mots-clés: marketing des services, valeur, distance psychologique.

Towards an understanding of customer-perceived value in services

Abstract :

Although the role of the customer as a value creator has received considerable attention in the field of service marketing, there is a lack of research on how customers perceive their own role in value-creating processes. This conceptual paper adapts the concept of psychological distance from the field of psychology and combine it with service research on customers' value perceptions. Psychological distance is multidimensional and can be influenced by spatial, temporal, and social characteristics. Building on these characteristics, we develop six propositions to further the understanding of how customers perceive value in service interactions.

Key-words: service marketing, value, psychological distance

Towards an understanding of customer-perceived value in services

1. Introduction

Customer value is at the core of service research, and the last decade has seen the field of service marketing devote considerable attention to the role that customers play in value creating processes (Bendapudi and Leone, 2003; Grönroos, 2008; Vargo and Lusch, 2004). Understanding customer value is of particular importance for service management as the ability to generate good customer value is a crucial competitive advantage for service firms (Babin and James, 2010). Despite this increased focus on the customer as a key player in value creation, customer value remains an elusive concept (Gummerus, 2013). During the service process, value is created by the customer partly in interactions with the firm, and partly independently from the firm (Grönroos, 2008). The interactive part of value creation takes place at the interface between the customer and the service provider (Grönroos and Voima, 2013), highlighting the need to understand how customers experience service interactions. In these interactions, the service provider can engage with the customer's value-creating processes to become a co-creator of value together with the customer (Grönroos, 2008). However, the successful managing of this process requires that the service firm understands value from the customer's perspective (cf. Karaba and Kjeldgaard, 2013).

Building on this understanding of the value creation process, this paper conceptualizes how service experiences influence customers' value creation. We position the paper within the stream of service logic (Grönroos, 2008), as the service logic offer a management-level view of the service perspective on business and marketing (e.g. Grönroos, 2008; Grönroos & Voima, 2013). The theoretical foundation of the paper rests on two literature streams; service research and psychology research. We use the current service literature to show how value perceptions are described in service research. We further highlight a research gap consisting of

a lack of understanding of how value is created in the interaction. To address this gap, we introduce findings from the field of psychology to better understand customer experiences.

By bringing together current theoretical understandings of services and value creation with current psychological understanding of psychological distance based on construal level theory (Trope and Liberman, 2010) we aim to provide added insight into how the context in which a service interaction takes place shapes value creation. Building on these ideas and considering them together for the first time, we develop a set of propositions on the psychological processes relating to psychological distance that determine customer experiences of value.

2. Psychological distance and services

This paper introduces the concept of psychological distance and applies it to a service logic in order to increase our understanding of customers' value perceptions. Psychological distance refers to the perceived distance of an event from a person's direct experience (Trope and Liberman, 2003), and it is ego-centric in that it is always measured from the perspective of a person. As individuals we might think of an event in terms of where it is occurring relative to our current location (spatial distance), how different the people at the event are from our self-image (social distance), when the event is occurring in relation to the present (temporal distance) and the likelihood of going to the event (probability). The notion that these different forms of distance reflect the same underlying distance metric allows for a generalized theory of how psychological distance influences cognition, applicable to many situations (Dhar and Kim, 2007). Combining psychological distance with a service perspective allows researchers to go beyond current knowledge of service experiences to gain an increased insight of customer perceptions. Psychological distance thus becomes an important factor in service interactions as it can help service marketers to reduce the elusiveness of customer value perceptions highlighted by Gummerus (2013) and Karababa and Kjeldgaard (2013).

Since the development of the concept of psychological distance, a wide range of literature has supported the notion of a unitary psychological distance that is underpinned by different distance dimensions. Activating one type of distance automatically activates other dimensions of distance such that increasing distance by one measure influences distance on another. Stephan, Liberman and Trope (2010) found that increasing psychological distance by increasing spatial or temporal distance increased politeness levels, an indicator of social distance. Importantly, psychological distance is activated automatically even when not related to the task at hand (Bar-Anan et al., 2007). These characteristics, an interrelation between distance dimensions and automatic appraisal, highlight the importance of examining the role of psychological distance within service interactions which take place with service providers. Furthermore, psychological distance plays a key role in determining negotiation success, including in marketing contexts (Citera, Beauregard and Mitsuya, 2005; Giacomantonio, Dreu and Manetti, 2010; Henderson, Trope and Carnevale, 2006). Psychological distance in the context of a service experience may therefore play a key role in determining co-created value.

Within the field of psychology, a large number of studies have examined the impact of psychological distance in a variety of marketing settings (Dhar and Kim, 2007; Malkoc, Zauberan and Ulu, 2005; Nenkov, 2012; Urminsky and Kivetz, 2011; Wright et al, 2012; Zhao and Xie, 2011). As yet however, no research has examined the importance of psychological distance in influencing co-created value in a service interaction. The implications of psychological distance are manifold, because service interactions take place between people (social distance), in a physical setting (spatial distance), and concern events taking place in a particular time frame (temporal distance).

We suggest that it is important to consider how these different forms of distance influence the value creation process. As outlined previously, we differentiate between psychological distance from the actual interaction in the service experience, and psychological distance from

the service being offered. The former is influenced by the context of the interaction and takes place within the joint sphere of value creation. In the latter, the service provider frames the marketing messages to best align psychological distance with the service offered. In this sense the firm is much more a facilitator of value creation, by providing the service and using psychological distance as a tool to maximize value creation through marketing messages. Part of this value creation occurs within the provider sphere (Grönroos and Voima, 2013).

2.1 Psychological distance from the service experience

From the service employee's point of view, it is imperative that the service provides the customer with value, as being able to achieve value for its customers is one of the most important aspects for long-term success (Babin and James, 2010). Important as the customer's perceived value is, value remains an elusive concept and it has proved hard for service research to describe and capture the essence of value and value creation for customers in practice (Karababa and Kjeldgaard, 2013). Even though all marketing activities ultimately are directed towards value (Sheth and Uslay, 2007), the fact that customers all have different prior experiences means that value by its very definition is idiosyncratic, contextual and experiential (Helkkula, Kelleher, and Pihlström, 2012). These aspects of value further underline the importance of understanding the psychological processes operating in a service interaction in order to better understand value creation.

The customer plays an important participative role in the service encounter by interacting with the service employee(s) (Bitner et al., 1997; Eiglier and Langeard, 1975; Grönroos, 1978, 1984; Lovelock, 1983; Zeithaml, Berry, and Parasuraman, 1996). In some service contexts the role of the customer becomes even more crucial to the service outcome, as both the customer and the service provider depend on each other's competences (Aarikka-Stenroos and Jaakkola, 2012; Nordin and Kowalkowski, 2010), underlining the importance of a close and mutual

interaction. In such contexts, the psychological distance from the service employee that the customer experiences will influence the interaction. The lower the psychological distance, the more the event will influence the direct experience of the customers and the more they will feel part of the interaction. Given that value in the joint sphere arises from an interaction (Grönroos, 2008), the lower the psychological distance, the more customers will feel part of the value creation process and thus the more value will be created from the process.

Lower psychological distance may also add value to the service experience because it is associated with a greater probability of an event occurring (Wakslak and Trope, 2009). Due to the intangible nature of services, customers tend to connect services with higher risk (Laroche et al., 2004; Zeithaml and Bitner, 2000). As risk perceptions depend on psychological factors (Jacoby and Kaplan, 1972; Kaplan, Szybillo and Jacoby, 1974), a perception of lower psychological distance could lead the customer to perceive reduced risk in the service, possibly increasing the perceived value.

Proposition 1a. **Lower psychological distance between the customer and the service interaction will increase co-created value because customers will feel more involved in the value creation process.**

Proposition 1b. **Lower psychological distance between the customer and the service interaction will increase co-created value because customers will perceive the service offering as less risky.**

As we believe lower psychological distance to be beneficial, service firms face the challenge of how to reduce this distance. Two main drivers of psychological distance toward the service experience are social distance and physical distance, influencing interactions and negotiations (Citera et al., 2005; Henderson et al., 2006; Smith and Trope, 2006; Zhao and Xie, 2011). Social distance can be inferred from differences between actors in an interaction such as age,

gender or ethnicity; other indicators of social distance emerge through interactions. For example, psychological distance may be created by use of polite and formal language (Stephan et al., 2010). We propose that actions taken to reduce social distance will add value to the service interaction because the customer will feel more inclined to become part of the value creation process.

Proposition 2. Reducing the social distance between customer and service provider increases co-created value arising from the service.

Services have traditionally been seen as dyadic interaction in which the customer and the service personnel interact in person (Surprenant and Solomon, 1987). The development of the Internet has partly changed this situation, as interactions between customers and firms now often take place without any face-to-face interaction (Grönroos et al., 2000). This situation presents increased opportunities for service firms as it facilitates interactions; however, it also presents a problem as the psychological literature identifies spatial distance as a component of psychological distance (Citera et al., 2005; Edwards, Lee and La Ferle, 2009). For the physical context, components of the setting might influence psychological distance. For example, a counter might act as a barrier between the customer and the service provider, which could increase perceived psychological distance from the interaction. The spatial setting of the service is an important aspect of value creation, as it places constraints on psychological distance and thus impacts to what extent a customer can feel part of an interaction, and ultimately co-create value.

Proposition 3. Reducing the spatial psychological distance between customer and service provider will increase co-created value arising from the service experience

Propositions 2 and 3 outline a general customer preference for lower psychological distance in line with the psychology literature. We propose, however, that service providers need to examine potential moderators that could alter these preferences. A key moderator is the expertise of the customer. For a customer with an advanced knowledge of wine, being involved in the service interaction by discussing the wine selection in a restaurant with the waiter would enhance the service experience. In this case, being involved in the service, exchanging views about wine and having their own competence recognized by the waiter would add to the perceived value of the customers. For a customer who is less knowledgeable about wine such a discussion might not lead to increased value, and the customer may instead appreciate an authoritative recommendation from the waiter about the wine. The service experience would thus be influenced by whether the customers are looking for expertise in the service provider that they themselves lack.

In cases where customers are looking for an expertise they lack, psychological distance could in fact increase perceived value. In credence services (e.g., visiting a doctor) the customer may not have the expertise to evaluate the service and has to trust the competence of the service provider (cf. Krishnan and Hartline, 2001; Miltra, Reis and Capella, 1999). As trust in the service provider is a crucial element for customers (Crosby, Evans and Cowles, 1990; Grönroos, 1990; 1994; Parasuraman, Zeithaml and Berry, 1988), we propose that aspects of psychological distance that increase trust also increase perceived value. Customers visiting their doctor or bank manager are not necessarily looking for a peer (low social distance) but for an expertise they lack themselves that convey that the person taking care of their health or their money is competent. We propose that in such interactions, increasing psychological distance between the customer and service provider may actually be beneficial because it will signal the superior competence of the service provider in credence service, thus reinforcing customer trust in the service provider in credence services. Furthermore, if

customers feel they lack expertise in the matter at hand, then increasing psychological distance will help customers understand the interaction by enabling them to represent the meaning of the interaction more abstractly (Trope et al., 2007).

Proposition 4. When customers do not trust their own expertise, increasing psychological distance may reinforce trust in the competence of the service provider, increasing value in credence services.

2.2 Psychological distance from the service offering

The customer's experience of the service is a complex phenomenon (Helkkula and Kelleher, 2010), but feeling psychologically close to the interaction may influence value perceptions. Equally important, however, is the psychological distance to the service offer itself. Value is a multifaceted perception (Zeithaml, 1988) and no general rule can be applied indiscriminately to increase value. Instead, findings from the fields of psychology and marketing suggest that it is important to align the context of the offer with the appropriate level of construal (Nenkov, 2012, Wright et al., 2012). Customers tend to prefer a wider selection of choices in the here and now, but prefer a smaller range of choice when talking about future decisions (Goodman and Malkoc, 2012). Thus both small and great psychological distance can be effective in increasing value, depending on how a choice is presented to the customer.

Combining the principles of construal level theory (Trope and Liberman, 2003) with recent research in marketing and psychology (Goodman and Malkoc, 2012; Nenkov, 2012; Thomas and Tsal, 2011) can help provide some key principles to consider when examining how value is created. In interactions in which one party is advising the other there can often be differences in the manner in which a choice is construed (Danziger et al. 2012). It is important that the service provider recognizes the customer's level of construal and facilitates value creation through actively seeking alignment between the value creation and the framing

of the service offering. A key consideration is therefore whether the context in which the service offer takes place may predispose the framing of the offer toward a particular level of construal. If so, then aligning psychological distance toward this level of construal will aid value co-creation. For example, the service experience may be about the specifics of a service offer (versus a more general offer), about the means (rather than ends) or about ease to understand the service offer. Evidence suggests that such situations are best framed by focusing on the near future (Fujita et al, 2006; Thomas and Tsal, 2011). Consideration of the customers and how they are representing the service offer is thus crucial, and an appreciation of where the customer is in the decision process is equally important (Nenkov, 2012). Service experiences concerning issues at the start of the decision making process are best framed in psychologically distant terms, whereas experiences concerning issues in the latter decision making stages will be more valuable if framed in psychologically close terms.

Proposition 5. Value co-creation in the service experience can be increased by considering the level at which customers construe the service offer.

2.3 The importance of customer characteristics

So far we have considered psychological distance in relation to contextual aspects of the service experience. Another key consideration is the characteristics of the customers themselves, as customers also create value independently (Grönroos and Voima, 2013), partly through careful deliberation of the service offering, but partly also through customer characteristics that bias how a service is interpreted. In many instances, it may not be possible for the service provider to take account of customer characteristics during a service encounter, primarily because these are unknown and to some extent individual (Helkkula et al. 2012), or they occur outside the sphere of the company (Normann, 2000). This situation represents a challenge for the firm that needs to be able to manage these individual characteristics. One

characteristic that may be more obvious, and should therefore be considered is the emotionality of the service offer and of the service experience for the customer.

Many service encounters are emotive and these emotions tend to increase a feeling of closeness to an event (Van Boven et al, 2010). Not only does emotion influence psychological distance, but the relationship is reciprocal (Thomas and Tsai, 2011). That is, decreasing the psychological distance from a service increases its emotionality, for example, speaking to a call centre about a service offer will produce less emotion than speaking to a service provider in person. It is thus crucial to consider the emotive aspect of the service experience and to use this aspect to reinforce the desired level of psychological distance. Again, the focus is on the service provider being sensitive to the customer's emotionality, or to the emotionality of the service experience itself. This emotionality will predispose whether the service offer seems psychologically distant, and influence how the service provider frames the service experience.

Proposition 6. If service experiences include emotional aspects, psychological distance will be reduced, influencing how to frame a service experience to best co-create value.

3. Discussion

This paper draws upon the literature streams of service marketing and psychology, applying psychological theory to service contexts in order to better understand the psychological processes influencing customers' value creation. Current service research emphasizes that services are complex processes (Helkkula and Kelleher, 2010) depending on the interaction between customers and service personnel (Grönroos, 2008; Vargo and Lusch, 2004), the outcome of which determines customer value (Grönroos, 2010). Building on this situation, the paper identifies three main perspectives through which psychological antecedents of value perceptions can be understood: psychological distance from the interaction, psychological

distance from the service offering as well as characteristics of the customer determines how psychologically distant from the service offering they feel.

The paper offers two main contributions to the field of service marketing. The first is to introduce the concept of psychological distance as a means for service researchers to extend current knowledge about customers' value-creating processes. Individuals automatically perceive and subconsciously evaluate closeness to the interaction itself as well as the impulse (in this case the service offering) of the interaction. We suggest that this perceived closeness of the interaction relates directly to the extent to which value can be co-created. For example, imagine that you arrange to speak to your bank manager about taking out a new bank loan. Might your perceived closeness to the interaction differ if the exact same conversation takes place in the bank or over the phone, and might this perception influence the value created through the interaction? Might you perceive the interaction differently depending on the social distance of the bank manager to yourself? We believe so, and point toward the notion of psychological distance and construal level theory to suggest that these very different forms of distance can have the same underlying effect.

The second contribution consists of linking the individual differences of customers to the concept of psychological distance, drawing attention to the role of customer characteristics in this process. Services are inherently personality-intensive, depending on the people involved (Normann, 2000) and each customer approaches the service interaction with contextual and idiosyncratic individual differences (Helkkula et al., 2012). It follows that these individual differences and personality traits might moderate the impact of psychological distance on value perceptions. We outline two important potential moderators concerning customer characteristics in value co-creation: the expertise of the customer, and the emotionality of the service experience.

3.1 Conclusions, future research and limitations

The paper introduces the notion of psychological distance into service research, proposing that the customer's role in creating value in interactions with the service provider is influenced by the psychological distance connected with the interaction. A large part of the customer's experiences of the value-creating processes is hidden, and needs to be understood from the perspective of the customer's psychological processes. We further build on the psychology literature of distance to explain customer experiences in value creation processes. In so doing, the paper contributes to the existing services literature by offering not only an increased insight into how customers perceive value, but also an outline of how these perceptions arise in the customer's mind. The paper studies implications of temporal distance, spatial distance and social distance in both the joint value creation sphere and in the individual sphere where customers create value independently (cf. Grönroos and Voima, 2013).

The propositions in this paper aim to answer the call of Grönroos (2012) and Peñaloza and Mish (2011) for the need of further conceptualizations of value. Relevant as we believe this conceptualization to be, future empirical data is needed to test and validate the propositions and further clarify how psychological distance influences customers' value creation. One avenue for future research that could prove rewarding is looking at possible cultural differences in how psychological distance influences value creation. In some cultures, low psychological distance is seen as preferable while other cultures are more hierarchical. It would seem likely that there are situations in which lower psychological distance could be beneficial for customers' value creation in some cultures, while being detrimental for value creation in other cultures.

References

- Aarikka-Steenroos, L. and Jaakkola, E. (2010), Value co-creation in knowledge intensive business services: A dyadic perspective on the joint problem solving process, *Industrial Marketing Management*, 41 15-26.
- Alford, B.L. and Sherrel, D.L. (1996), The Role of Affect in Consumer Satisfaction Judgments of Credence-Based Services, *Journal of Business Research*, 37 71-84.
- Babin, B.J. and James, K.W. (2010), A Brief Retrospective and Introspective on Value, *European Business Review*, 22 (5) 471–78.
- Bar-Anan, Y., Liberman, N., Trope, Y., and Algom, D. (2007). Automatic processing of psychological distance: evidence from a Stroop task. *Journal of Experimental Psychology-General*, 136 (4), 610-622.
- Bendapudi, N. and Leone, R.P. (2003). Psychological implications of customer participation in co-production. *Journal of Marketing*, 67 (1) 14-28.
- Bitner, M.J., Faranda, W.T., Hubbert, A.R. and Zeithaml, V.A. (1997), Customer contributions and roles in service delivery, *International Journal of Service Industry Management*, 8 (3) 193-205.
- Citera, M., Beauregard, R., and Mitsuya, T. (2005). An Experimental Study of Credibility in E-negotiations. *Psychology and Marketing*, 22(2), 163-179.
- Crosby, L.A., Evans, K.R. and Cowles, D. (1990), Relationship Quality in Services Selling: An Interpersonal Influence Perspective, *Journal of Marketing*, 54 (3) 68-81.
- Danziger, S., Montal, R., and Barkan, R. (2012). Idealistic advice and pragmatic choice: a psychological distance account. *Journal of Personality and Social Psychology*, 102 (6), 1105-1117.
- Dhar, R., and Kim, E., Y. (2007). Seeing the Forest or the Trees: Implications of Construal Level Theory for Consumer Choice. *Journal of Consumer Psychology*, 17 (2), 96-100.
- Edwards, S., M., Lee, J., K., and La Ferle, C. (2009). Does place matter when shopping online? Perceptions of Similarity and familiarity as indicators of psychological distance. *Journal of Interactive Advertising*, 10 (1), 35-50.
- Eiglier, P. and Langeard, E. (1975), Une approche nouvelle du marketing des services, *Revue Française de Gestion*, 2, 97-114.

- Fujita, K., Henderson, M. D., Eng, J., Trope, Y., and Liberman, N. (2006). Spatial distance and mental construal of social events. *Psychological Science*, 17(4), 278-282.
- Giacomantonio, M., De Dreu, C. K., and Mannetti, L. (2010). Now you see it, now you don't: interests, issues, and psychological distance in integrative negotiation. *Journal of Personality and Social Psychology*, 98(5), 761-774.
- Goodman, J. K., and Malkoc, S. A. (2012) Choosing Here and Now versus There and Later: The Moderating Role of Psychological Distance on Assortment Size Preferences. *Journal of Consumer Research*, 39, 751-768.
- Grönroos, C. (1978), A service-orientated approach to the marketing of services, *European Journal of Marketing*, 12 (8), 588—601.
- Grönroos, C. (1984), A Service Quality Model and its Marketing Implications, *European Journal of Marketing*, 18 (4) 36-44.
- Grönroos, C., (1990), Relationship Approach to the Marketing Function in Service Contexts: The Marketing and Organizational Behavior Interface, *Journal of Business Research*, 20 (1) 3-12
- Grönroos, C. (1994), From Marketing Mix to Relationship Marketing: Towards a Paradigm Shift in Marketing, *Management Decision*, 37 (2) 4-20.
- Grönroos, C. (2008), Service Logic Revisited: Who Creates Value? and Who Co-Creates? *European Business Review*, 20 298-314.
- Grönroos, C. (2012) 'Conceptualising Value Co-creation: A Journey to the 1970s and Back to the Future', *Journal of Marketing Management*, 28(13–14): 1520–34.
- Grönroos, C., Heinonen, F., Isoniemi, K., and Lindholm, M. (2000), The NetOffer model: a case example from the virtual marketplace, *Management Decision*, 38 (4) 243-252.
- Grönroos, C. and Voima, P. (2013), Critical service logic: making sense of value creation and co-creation, *Journal of the Academy of Marketing Science*, 41 (2) 133-150.
- Gummerus, J. (2013), Value Creation Processes and Value Outcomes in Marketing Theory Strangers Or Siblings? *Marketing Theory*, 13 19-46.
- Helkkula, A. (2011), Characterising the concept of service experience, *Journal of Service Management*, 22 (3) 367-389.
- Helkkula, A. and Kelleher, C. (2010), Circularity of customer service experience and customer perceived value, *Journal of Customer Behavior*, 9 (1) 37-53.

- Helkkula, A., Kelleher, C. and Pihlström, M. (2012), Characterizing value as an experience: implications for service researchers and managers, *Journal of Service Research*, 15 (1) 59-75.
- Henderson, M., D, Trope, Y., and Carnevale, P., J. (2006). Negotiation From a Near and Distant Time Perspective. *Journal of Personality and Social Psychology*, 91(4), 712–729.
- Jacoby, J. and Kaplan, L.B. (1972), The components of perceived risk, in Venkatesan, M. (Eds), Proceedings, Third Annual Conference, Association for Consumer Research, *Association for Consumer Research*, College Park, MD, pp.382-93.
- Kaplan, L.B., Szybillo, G.J. and Jacoby, J. (1974), Components of perceived risk in product purchase: a cross-validation, *Journal of Applied Psychology*, 59 (3), 287-91.
- Karababa, E. and Kjeldgaard, D. (2013) Value in Marketing: Toward sociocultural perspectives, *Marketing Theory* doi: 10.1177/1470593113500385.
- Krishnan, B.C. and Hartline, M.D. (2001), Brand equity: is it more important in services?, *Journal of Services Marketing*, 15 (5) 328-342.
- Laroche, M., McDougall, G.H.G., Bergeron, J., and Yang, Z. (2005), Exploring how Intangibility Affects Perceived Risk, *Journal of Service Research*, 6 (4), 373–389.
- Lovelock, C.H. (1983), Classifying Services to Gain Strategic Marketing Insights, *Journal of Marketing*, 47 (3) 9-20.
- Malkoc, S. A., Zauberan, G., and Ulu, C. (2005). Consuming now or later? The interactive effect of timing and attribute alignability. *Psychological Science*, 16(5), 411-417.
- Mitra, K., Reiss, M.C. and Capella, L.M. (1999), An examination of perceived risk, information search and behavioral intentions in search, experience and credence services, *Journal of Services Marketing*, 13 (3) 208-28.
- Nenkov, G., Y. (2012). It's all in the mindset: Effects of varying psychological distance in persuasive messages. *Marketing Letters*, 23(3), 615-628.
- Nordin, F. and Kowalkowski, C. (2010), Solutions offerings: A critical review and reconceptualisation, *Journal of Service Management*, 21(4), 441–459.
- Normann, R. (2000), *Service Management. Strategy and leadership in service business*, 3rd ed. Chichester: John Wiley & Co.

- Parasuraman, A., Zeithaml, V.A. and Berry, L. L. (1988), SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality, *Journal of Retailing*, 64 (1) 12-40.
- Payne, A., Storbacka, K. and Frow, P. (2008), Managing the Co-Creation of Value, *Journal of the Academy of Marketing Science*, 36 (1) 83–96.
- Peñaloza, L. and Mish, J. (2011), The Nature and Processes of Market Co-creation in Triple Bottom Line Firms: Leveraging Insights from Consumer Culture Theory and Service Dominant Logic, *Marketing Theory*, 11(9) 9–34.
- Rosch, E. (1975). Cognitive Representations of Semantic Categories. *Journal of Experimental Psychology-General*, 104(3), 192-233.
- Sheth, J.N. and Uslay, C. (2007), Implications of the Revised Definition of Marketing: From Exchange to Value Creation, *Journal of Public Policy and Marketing*, 26 (2) 302-307.
- Smith, P. K., and Trope, Y. (2006). You focus on the forest when you're in charge of the trees: power priming and abstract information processing. *Journal of Personality and Social Psychology*, 90(4), 578-596.
- Stephan, E., Liberman, N., and Trope, Y. (2010). Politeness and psychological distance: a construal level perspective. *Journal of Personality and Social Psychology*, 98(2), 268-280.
- Surprenant, C.F. and Solomon, M.R. (1987), Predictability and personalization in the service encounter. *Journal of Marketing*, 51 (2) 73-80.
- Thomas, M., and Tsai, C., I. (2012). Psychological Distance and Subjective Experience: How Distancing Reduces the Feeling of Difficulty. *Journal of Consumer Research*, 39(2), 324-340.
- Trope, Y., and Liberman, N. (2003). Temporal construal. *Psychological Review*, 110, 403–421.
- Trope, Y., and Liberman, N. (2010). Construal-level theory of psychological distance. *Psychological Review*, 117(2), 440-463.
- Trope, Y., Liberman, N., and Wakslak, C. (2007). Construal levels and psychological distance: Effects on representation, prediction, evaluation, and behaviour. *Journal of Consumer Psychology*, 17(2), 83-95.
- Urminsky, O., and Kivetz, R. (2011). Scope insensitivity and the mere token effect.

- Journal of Marketing Research*, 48(2), 282–295.
- Van Boven, L., Kane, J., McGraw, A. P., and Dale, J. (2010). Feeling close: emotional intensity reduces perceived psychological distance. *Journal of Personality and Social Psychology*, 98(6), 872-885.
- Vargo, Stephen L. and Robert F. Lusch (2004), Evolving to a New Dominant Logic for Marketing, *Journal of Marketing*, 68 1-17.
- Vargo, S.L. and Lusch, R.F. (2008) ‘Service-Dominant Logic: Continuing the Evolution’, *Journal of the Academy of Marketing Science*, 36(1): 1–10.
- Wakslak, C., and Trope, Y. (2009). The effect of construal level on subjective probability estimates. *Psychological Science*, 20(1), 52-58.
- Wright, S., Manolis, C., Brown, D., Gup, X., Dinsmore, J., Chiu, C., -Y, P, et al. (2012). Construal-level mind-sets and the perceived validity of marketing claims. *Marketing Letters*, 23, 253–261.
- Zeithaml, V. A. (1988). Consumer perceptions of price, quality, and value: A means-end model and synthesis of evidence. *Journal of Marketing*, 52(3), 2-22.
- Zeithaml, V.A., Berry, L.L. and Parasuraman, A. (1996), The Behavioral Consequences of Service Quality, *Journal of Marketing*, 60 (2), 31-46.
- Zeithaml, V.A. and Bitner, M.J. (2000), *Services Marketing: Integrating Customer Focus across the Firms*, 2nd ed. New York: McGraw-Hill.
- Zhao, M., and Xie, J. (2011). Effects of Social and Temporal Distance on Consumers’ Responses to Peer Recommendations. *Journal of Marketing Research*, 48(3), 486-496.
- Zomerdijk, L.G. and Voss, C.A. (2010) Service Design for experience-centric services, *Journal of Service Research*, 13 (1) 67-82.