Can We Provide Access to Ownership? How Norm Violations Threaten Product Upgrading Services

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Abstract

Physical products increasingly evolve into dynamic service platforms that allow for customization through fee-based reactivation of limited add-on hardware features throughout their lifecycle. We label this new phenomenon internal hardware upgrading. Drawing on normative expectations literature, the purpose of this research is to shed light on its negative consequences for consumer behavior. Results of three experimental studies in two different contexts reveal that consumers respond less favorably to internal (as compared to external) hardware upgrading. We show that betrayal perceptions that can be ascribed to increased ownership perceptions for the integrated feature drive the effects. Moreover, we find that the negative effects internal hardware upgrading elicits are attenuated when the company instead of the consumer is responsible for hardware upgrading.

Keywords: *dynamic service platforms; hardware upgrading; norm violations*

Track: Services Marketing