AM track: Wellbeing within service ecosystems

Deviating to conform: Engaging with stigmatised services to avoid value co-destruction and social stigmatisation

Adopting a service ecosystem (SE) position, this research explores consumers' lived experience of stigmatised services to forestall social stigmatisation. Service-dominant logic has provided researchers with a framework for understanding how members of a network interact to co-create value (e.g., Frow et al. 2014; Vargo et al. 2015). However, these interactions do not always result in value co-creation but may lead to value co-destruction, i.e. the diminution of wellbeing of one or more of the members in the ecosystem (e.g. Echeverri and Skålén, 2011).

Using payday lending as context, and by adopting a service-dominant logic approach, the purpose of this research is to investigate how engagement with a stigmatised service can impede value co-creation or even lead to value co-destruction. In so doing, we contribute to current discussion on consumer stigma and engagement with stigmatised products so to reframe existing understanding.

SEs are described as loosely coupled systems with shared institutional arrangements among actors of the ecosystem. Within these systems, resource-integrating interactions take place amongst those actors with the purpose of co-creating value (Mustak and Plé, 2020) but an imbalance in the systems may lead to value co-destruction (Plé and Cáceres, 2010). Studies explain that occasions that facilitate social interactions, e.g., weddings or events, can be viewed as a service ecosystem where members integrate resources to co-create value (Bruce et al. 2019; Damacena, Schmidt and Gauze, 2018). We argue that oftentimes payday borrowers use the stigmatised services owing to their limited financial resources, so they can interact with others within these 'social' SEs. However, this practice can lead to social stigmatisation as 'inferior' engagement may impede value co-creation or lead to value co-destruction, diminishing the wellbeing of other actors.

Stigma is socially constructed and is relationship- and context-specific. People who are stigmatized have an attribute that devalues their social identity (Major and O'Brien, 2005). Being stigmatised poses a threat to emotional, social or physical wellbeing, (Goffman, 1963). A variety of inputs, such as collective representations, situational cues and personal characteristics, affect stigma that may prompt involuntary or voluntary responses (Major and O'Brien, 2005). In our study, we explore a) why payday borrowers engage with a stigmatised service to avoid a stigmatised behaviour and b) the impact of this decision on value co-creation and co-destruction in the SE.

In-depth interviews were conducted with 12 payday loan users. Thematic analysis reveals novel consumption behaviours associated with stigmatisation. The data suggests payday lenders can be introduced as a 'hidden' support mechanism of the SE e.g., social event through the contribution of financial resources, maintaining the interactions. As such covert consumption of a stigmatised product, that is, payday loans, can avoid overt social stigma through value co-destruction. This analysis suggests a new level of interaction, that between the payday lender and the customer, in which resource integration and value co-creation may be challenging due to opportunistic behaviours. It also suggests that considering stigma from a SE perspective may reframe new understanding by acknowledging different types of stigma and the role of other actors in stigmatised behaviours.

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