

Mindset matters: Mitigating negative spillover effects in service failures

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Abstract

Mitigating the spillover effects of service failures has been a critical challenge in tourism management. This research investigates how tourists' mindsets influence the negative spillover effects of service failures. Through six empirical studies using different scenarios, manipulation techniques, and types of service failures, we demonstrate that activating an incremental mindset mitigates negative spillover effects on unaffected destinations. Findings reveal a mediating role of perceived differences and moderating roles of destination typicality and service failure severity in the observed relationship. The study contributes to tourism literature by introducing mindset as a mitigating factor in negative spillover effects, integrating implicit theory with the heuristic-systematic model, and providing insights into cross-domain spillover effects. It suggests strategies to activate tourists' incremental mindsets and highlight destination uniqueness to mitigate negative spillover effects.

Keywords: Tourism crisis; Spillover effects; Implicit theory; Mindset; Perceived differences; Destination typicality.

1. Introduction

In today's digital era, the tourism and hospitality industry operates in an environment where information about service experiences spreads rapidly across platforms (Filieri et al., 2021; Su et al., 2024; Yuan et al., 2020). Service failures, from minor issues like delayed check-ins to serious problems such as overbooking or safety breaches, can quickly escalate into reputational crises (Liu et al., 2019; Lopes et al., 2023; Ritchie & Jiang, 2019). These failures often trigger "spillover effects," influencing perceptions of related but uninvolved entities within the same category (Allen et al., 2015; Nicolau & Sharma, 2022). Given the intangible nature of tourism products and the industry's reliance on perception and reputation, negative spillovers are particularly impactful (Tasci & Gartner, 2007). For instance, when negative news emerged about Disneyland in Florida (Colopy, 2023), it likely affected public perception of Disneyland in California, leading to a decline in its performance, even though Disneyland in California was not involved in the issue. Similarly, poor service at a renowned restaurant might influence tourists' expectations and perceptions of dining experiences throughout the entire region (Seo & Jang, 2021).

Prior studies reveal that negative spillover effects can occur across service attributes, brand portfolios, competing providers, and entire tourism categories (Ahluwalia et al., 2001; Lei et al., 2009; Borah & Tellis, 2016; Dahlen & Lange, 2006). In tourism, these effects can be especially impactful, shaping perceptions of destinations or countries (de Oliveira Santos & Giraldi, 2017). Service failures, particularly for well-established or high-asset brands, tend to produce stronger spillovers than positive experiences (Koschate-Fischer et al., 2019; Seo & Jang, 2021). Factors such as brand familiarity, category associations, and perceived similarity between providers further amplify these effects (Ahluwalia et al., 2001; Lei et al., 2009; Janakiraman et al., 2009). An important factor in understanding these spillover effects is perceived difference, which refers to consumers' cognitive assessment of the extent to which

two destinations possess distinctive rather than common features (Tversky, 1977; Janakiraman et al., 2009). This cognitive distinctiveness might weaken the associative pathways through which negative information spreads (Crawford et al., 2002; Lei et al., 2009).

Although negative spillover effects have been documented across various facets of the tourism and hospitality industry, including accommodation, dining, attractions, and transportation (Seo et al., 2014; Ouyang et al., 2020), their underlying mechanisms are not yet fully understood. Theories such as associative network theory, the accessibility-diagnostics framework, and reputation commons theory have been proposed to explain the dynamics of service failure spillovers (Wang & Laufer, 2024). However, a critical gap remains. While prior research has extensively examined service-related factors and broad consumer characteristics such as social class and thinking style (Lee, 2018), the influence of individual psychological differences—particularly mindsets—has received limited attention.

This research aims to bridge this gap by investigating the novel question: how, why, and when do different mindsets influence the spillover effects of service failures in the tourism and hospitality industry? We integrate two key theoretical frameworks: implicit theory (Chiu et al., 1997; Dweck et al., 1993; Kammrath & Dweck, 2006) and the heuristic-systematic model (Chaiken, 2014). Implicit theory posits that individuals differ in their beliefs about the malleability of personal attributes, categorizing them as either incremental (belief in changeability) or entity (belief in fixedness). Incremental theorists believe they can improve through effort, while entity theorists view their attributes as fixed (Chiu et al., 1997; Jain et al., 2023; Park & Kim, 2015). The key difference between the two lies in their information-processing styles: entity theorists use a heuristic approach, focusing on similarities, while incremental theorists engage in systematic processing, emphasizing differences (Jain & Weiten, 2020; Kwon & Nayakankuppam, 2015). We hypothesize that activating an

incremental mindset can buffer against service failure spillover effects by helping tourists perceive greater differences between service providers or destinations, thereby reducing negative generalizations.

We also identify two moderators: destination typicality and service failure severity. We propose that negative spillovers are more likely when a destination is marketed as typical, regardless of tourists' mindset. However, when a destination is marketed as unique, tourists with an incremental mindset experience fewer negative spillovers. In addition, high-severity service failures diminish the incremental mindset's effect, while low-severity failures enhance its ability to reduce spillovers. To test these hypotheses, we conducted six empirical studies using diverse scenarios (mountains, hotels, real destinations, and heritage sites), manipulation techniques (priming, advertisements, slogans), and service failure types (competence-based and moral-based) common in the tourism industry.

Our research makes several significant theoretical contributions to the understanding of service failure spillovers in tourism. First, it introduces the novel concept of mindset (incremental vs. entity) as a mitigating factor in spillover effects, shifting the focus from external factors to internal cognitive processes in crisis management. Second, it integrates implicit theory with the heuristic-systematic model in the tourism context, offering new insights into how tourists process and respond to negative information about service providers. **In addition**, it examines the moderating roles of destination typicality and service failure severity, providing a fresh theoretical framework explaining how, why, and when different mindsets influence the negative spillover effects in tourism. Finally, this research helps tourism organizations develop strategies to activate tourists' incremental mindsets, protecting their interests and mitigating negative spillovers.

2. Literature review

2.1. The negative spillover effect of service failures

The tourism industry often faces service failures, stemming from either organizational shortcomings or individual employee actions (Geeta et al., 1999). These failures are typically categorized as competence-based, such as poor management practices, or moral-based, involving ethical lapses (Votola & Unnava, 2006; Su et al., 2022). Our research focuses on low-severity service failures, which are common and require brands to take responsibility. These failures have received increasing scholarly attention (Berbekova et al., 2021; Rahimi & Kozak, 2016; Seo & Jang, 2021; Yu et al., 2020). While previous studies have shown that service failures at tourist destinations can harm the destination's image and lead to negative tourist responses (Su et al., 2022; Su et al., 2023), our study explores the negative spillover effects of such failures. **Instead of focusing on tourists' responses to a specific affected destination, we examine how service failures at one destination or hotel can influence perceptions of other destinations or hotels within the same category or across the broader brand portfolio.**

Negative spillover occurs when an adverse incident affecting one subject, such as a destination or hotel, leads people to form more negative evaluations and attitudes toward other related but uninvolved subjects (Lee, 2017; Allen et al., 2015). The process of negative spillover is driven by consumer inference and associations (Ahluwalia et al., 2001; Dahlen & Lange, 2006; Lei et al., 2009). When a service failure occurs at destination or hotel A, tourists who then encounter destination or hotel B may draw connections between the two if they share similarities, such as belonging to the same category or parent company. This association leads tourists to extrapolate some of A's characteristics to B, effectively transferring negative perceptions from one to the other (see Figure 1).

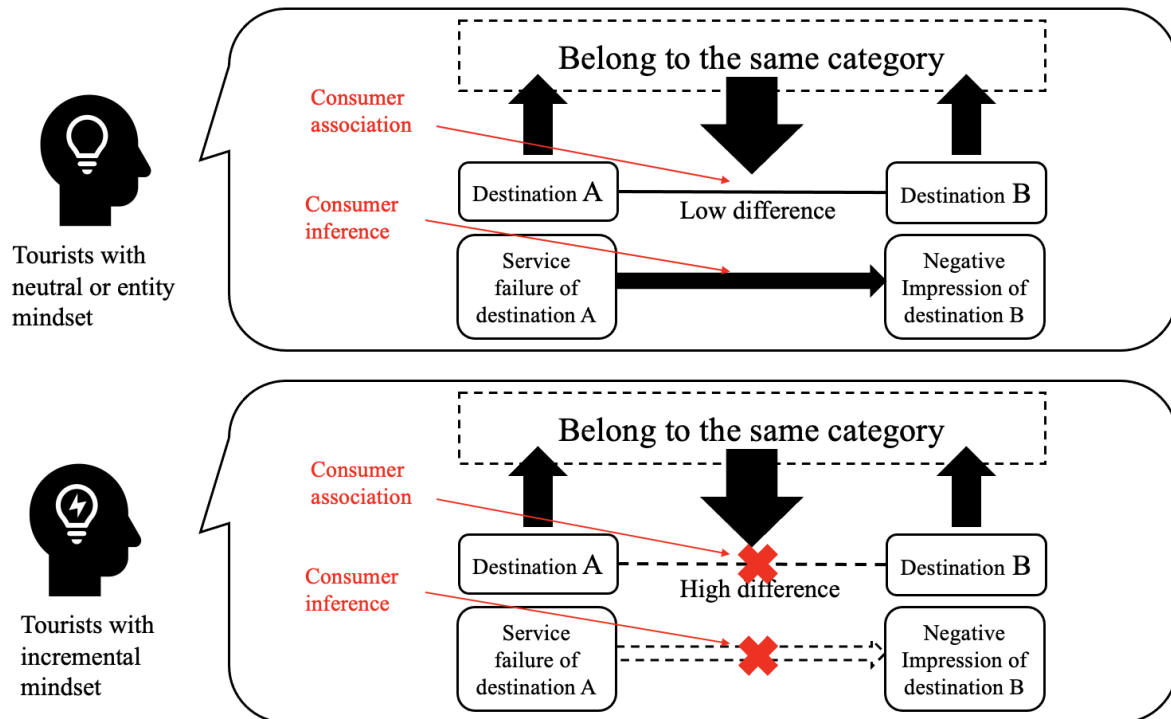


Figure 1. *Illustration of negative spillover effects and mindset solutions*

The negative spillover effect is widespread, impacting various service dimensions (Lee, 2017), brands within the same category (Kashmiri et al., 2017), parent and sub-brands (Jain et al., 2023), co-branded products (Koschate-Fischer et al., 2019), and even competing brands (Borah & Tellis, 2016; Janakiraman et al., 2009). For example, a service failure in one aspect can affect unrelated parts of the experience (Lee, 2017), and negative perceptions of one entity can influence evaluations of others, whether cooperative or competitive (Che et al., 2023; Jain et al., 2022; Koschate-Fischer et al., 2019; Seo et al., 2014; Wut et al., 2021).

Given the well-documented spillover effects (see Table 1 for a summary of prior studies), a key question arises: how can tourism managers mitigate these effects? Service failure-related spillover can harm not only the focal brand but also other unrelated brands within the same category (Borah & Tellis, 2016; Roehm & Tybout, 2006). This research addresses this by exploring how tourists' mindsets—incremental or entity-based (Chiu et al., 1997;

Kammrath & Dweck, 2006)—shape their evaluations of different brands after exposure to service failures.

Table 1. *Summary of research on the negative spillover effect*

Author (Year)	Main finding	Negative spillovers context	Mechanism
Ahluwalia et al., 2001	When consumers are unfamiliar with a brand, negative impressions of one attribute affect related attributes, but positive information does not.	Unrelated brand attributes	Consumer inferences
Dahlen & Lange, 2006	A brand crisis can negatively affect consumer perceptions of the entire product category, impacting competing brands.	From brand to product category, and competing brands	Consumer associations
Barnett & King, 2008	Negative spillovers between firms create reputational commons.	Companies in the same industry	Reputation commons theory
Lei et al., 2009	Associating brands can increase susceptibility to negative spillovers.	Within brand portfolios	Associative network theory
Janakiraman et al., 2009	Spillovers can occur among competing brands, especially when they are highly similar.	Between competing brands	/
Cleeren et al., 2013	Product crises can spill over into the entire category, reducing advertising effectiveness and increasing consumer price sensitivity.	Within the same category	/
Seo et al., 2014	Spillover effects are stronger when the crisis is recent, similar in nature, and lacks recall execution.	Between companies of the same category	Accessibility–diagnosticity framework
Gao et al., 2015	Consumer distrust of domestic brands spills over to foreign brands.	Between domestic and foreign brands	Assimilative associations
Borah & Tellis, 2016	Negative spillovers can occur both across markets for the same brand and between competing brands.	Between different brands in the same market	/
de Oliveira et al., 2017	Tourist perceptions of a destination can influence the broader tourism industry of the entire country.	Between a specific destination and the tourism industry of the country	The theory of categorization
Kashmiri et al., 2017	News of a major customer data breach at a U.S. retail firm is likely to reduce shareholder value for other U.S. retailers.	Between companies of the same category	/
Lee, 2017	Service failure happening in one dimension (e.g., rude waiter) will influence	Between different dimensions of service	Holistic thinking and analytical thinking

	consumers' evaluation of other dimensions (e.g., food taste)		
Koschate-Fischer et al., 2019	Events affecting one co-branded brand can spill over to others. Service failures have stronger spillover effects compared to positive events.	Between co-branded brands	Attributions of responsibility and the evaluation of the diagnosticity of the information
Ouyang et al., 2020	Negative press about a hotel can create spillover effects, influencing tourists' attitudes toward the entire destination.	Hotel scam	Motivation to address the issue
Seo & Jang, 2021	Negative spillover effects are more pronounced among high-asset brands when association strength is high.	Between food brands	/
Liu & Varki, 2021	Automotive product recalls can harm competing brands.	Between automotive brands	/
Che et al., 2023	Negative news about Volkswagen diesel cars lowers trade-in values for non-offending diesel vehicles.	Between car brands.	Buyers' willingness to pay
Galloway et al., 2023	Firm violations can lower the stock market performance of their allied firms.	Between allied firms	/
Jain et al., 2023	Failure of a sub-brand affects consumers' perception of the parent brand.	Between sub-brands and parent brands	Perceived cohesiveness
This research	Activating an incremental mindset mitigates negative spillover on unaffected destinations.	Between destinations and between hotels	Perceived differences

2.2. Implicit theories and tourists' mindset

Implicit theories refer to beliefs about whether human traits can change or are fixed and are typically categorized into two main types: incremental and entity mindsets (Chiu et al., 1997; Dweck et al., 1993; Kammrath & Dweck, 2006). Individuals with an incremental mindset perceive their personal traits as adaptable and believe in the power of self-improvement. In contrast, those with an entity mindset regard their traits as immutable and demonstrate a heightened sensitivity to unchanging or stable states (Jain et al., 2022). Although these mindsets are lay beliefs, they can be activated through marketing cues such as advertising, slogans, and endorsements (Kwon et al., 2016; Seo et al., 2021; Wong et al.,

2020; Yang & Zhang, 2024). Activated incremental mindsets may influence consumer behavior, leading to more deliberate attitude formation (Kwon & Nayakankuppam, 2015), abstract problem-solving (Bullard, Penner, & Main, 2019), and reduced interest in luxury rentals (Gong, Zhang, & Zhang, 2022). They are less likely to attribute extension failures to parent brands (Jain et al., 2023) and prefer servant brand positioning over partner brand positioning (Rai et al., 2023).

Tourism research shows that implicit theories influence consumer behavior. For example, Han et al. (2020) found that entity theorists prefer servant-positioned brands in anthropomorphized brand roles. Xue et al. (2023) revealed that entity theorists favor eco-certificates over eco-efforts in eco-hotel evaluations. These findings suggest implicit theories can influence how tourists process and generalize service experiences, providing a theoretical foundation for understanding spillover effects across service encounters.

Evidence from social psychology suggests that individuals with incremental mindsets tend to perceive failures as opportunities for learning and improvement (Aronson et al., 2002). They typically exhibit more constructive responses to negative feedback (Kwon & Nayakankuppam, 2015) and show greater resilience in the face of setbacks (Yeager & Dweck, 2012). In contrast, entity theorists regard traits as fixed and are more likely to attribute failures to inherent incompetence or unchangeable characteristics (Cury et al., 2008). Consequently, they often respond more negatively to perceived shortcomings (Haselhuhn et al., 2010) and may be more prone to generalizing negative experiences across similar contexts (Plaks et al., 2001). Based on the differential cognitive and behavioral responses of incremental and entity theorists, we hypothesize:

Hypothesis 1: *Incremental (vs. entity) mindsets mitigate the spillovers of service failure. Specifically, when exposed to service failure at destination A, tourists with an incremental (vs. entity) mindset respond less negatively to destination B in the same category.*

2.3. The mediating role of perceived differences

The heuristic-systematic model of information processing describes two cognitive approaches individuals use to form judgments: heuristic processing, which relies on cognitive shortcuts and simple decision rules, and systematic processing, which involves detailed, analytical evaluation requiring more cognitive effort (Chaiken, 2014). These modes align with implicit theories, influencing how individuals perceive differences between entities. Incremental theorists, who view attributes as malleable, typically engage in systematic processing, focusing on contextual factors and detailed distinctions (Dweck, 2008; Jain & Weiten, 2020). In contrast, entity theorists, who see attributes as fixed, tend to use heuristic processing, focusing on similarities and broad categories without extensive analysis (Jain & Weiten, 2020; Rydell et al., 2007). In tourism, incremental theorists, through systematic processing, may evaluate specific destination attributes in detail, potentially leading to a stronger perception of differences between destinations. This reduces perceived interchangeability and weakens cognitive connections between destinations (Crawford et al., 2002; Janakiraman et al., 2009). In contrast, entity theorists may rely on heuristic processing, which emphasizes similarities, making destinations seem more interchangeable and strengthening their cognitive linkages.

The degree of perceived difference between destinations functions as a central mechanism in determining spillover effects. For entity theorists, lower perceived differences create stronger associative links in their cognitive networks (Janakiraman et al., 2009). When service failures occur, these strong associative pathways facilitate the transfer of negative

perceptions across destinations (Lei et al., 2009). In contrast, incremental theorists' higher perceived differences act as cognitive barriers, compartmentalizing negative experiences and reducing their spread across destinations (Crawford et al., 2002, see Figure 1). Therefore, we propose:

Hypothesis 2: *Perceived destination differences mediate the relationship between tourist mindset and negative spillover effects of service failure. Specifically, incremental (vs. entity) mindsets lead to greater perceived differences between destinations, which reduce negative spillover effects.*

2.4. The moderating role of destination typicality

Destinations can be classified into two distinct categories: typical destinations, which are widely popular and classic, sharing many common attributes with other destinations in the same category, and atypical destinations, which are unique and exceptional (Huang & Sengupta, 2020; Mervis & Rosch, 1981). The typicality of a stimulus is determined by how well it is seen as representing a category (Huang & Sengupta, 2020). In the context of our example, certain Disneyland parks, such as Disney World in Orlando, can be considered typical and popular. In contrast, Tokyo Disneyland stands out as a special destination known for its integration of Japanese culture. This raises the question of which type of destination is more vulnerable to service failure spillovers.

Previous research has shown that the magnitude of spillovers varies depending on a brand's prominence within its product category (Roehm & Tybout, 2006; Seo & Jiang, 2021). For instance, service failure involving a dominant or popular brand tends to spread to other brands within that category due to the shared attributes between the prominent brand and its category members. Building on this, we propose that for popular, representative destinations, both incremental and entity mindsets will perceive high similarity with the affected

destination, leading to inevitable spillover effects. However, for unique destinations, an incremental mindset may mitigate spillover effects due to the focus on distinctions between destinations. Thus,

Hypothesis 3: *Destination typicality moderates the relationship between mindset and negative spillover effect, such that:*

- a) *for typical destinations, the negative spillover effect will be high regardless of mindset. (incremental or entity);*
- b) *for atypical destinations, individuals with incremental (vs. entity) mindsets will be less susceptible to the negative spillover effect*

2.5. The moderating role of the severity of service failure

The severity of a service failure is usually defined as the extent of harm or damage, as perceived by the consumer, from a negative experience or incident in a consumption context (Chang et al., 2015; Hess, Ganesan, & Klein, 2003; Sweeny, 2008). It can range from minor inconveniences like poor food taste to severe incidents such as food poisoning or even fatalities, as exemplified by the 1993 Jack in the Box crisis (Braun-Latour et al., 2006). The severity of service failures significantly impacts tourists' emotions and behaviors, with high-severity failures eliciting heightened negative emotions, lower satisfaction, and increased negative word-of-mouth (Bhandari, Tsarenko, & Polonsky, 2007; Wei et al., 2023; Dunning et al., 2004; Chang et al., 2015; Swanson & Hsu, 2011).

In the context of high-severity service failures, the heuristic-systematic model suggests that individuals are more likely to engage in systematic processing (Chaiken, 2014). This is due to several factors: the high personal relevance and potential threat to self associated with severe failures (Eagly & Chaiken, 1993), the need for a higher level of confidence in judgment as per the sufficiency principle (Chaiken et al., 1989), and the increased attention

that high-severity service failures attract (Hilgartner & Bosk, 1988; Kearns, Betus, & Lemieux, 2019). In these situations, both incremental and entity theorists engage in careful, deliberate analysis, leading to similar judgments and spillover effects regardless of mindset (Jain & Weiten, 2020). Conversely, low-severity failures, like poor food taste, may elicit heuristic processing due to lower perceived importance and the principle of cognitive economy (Fiske & Taylor, 1991). Here, implicit theories have greater influence: incremental theorists may activate heuristics related to malleability, leading to less negative spillover effects, while entity theorists may rely on heuristics related to stability, potentially resulting in more pronounced negative spillovers. Therefore, we proposed:

Hypothesis 4: *The severity of service failure moderates the relationship between an individual's mindset and the service failure's spillover effect, such that:*

- c) for high-severity service failure, the negative spillover effect will not be influenced by an individual's mindset (incremental or entity);*
- d) for low-severity service failure, the negative spillover effect will be influenced by an individual's mindset, with individuals holding an incremental mindset (vs. entity) being less susceptible to the spillover effect.*

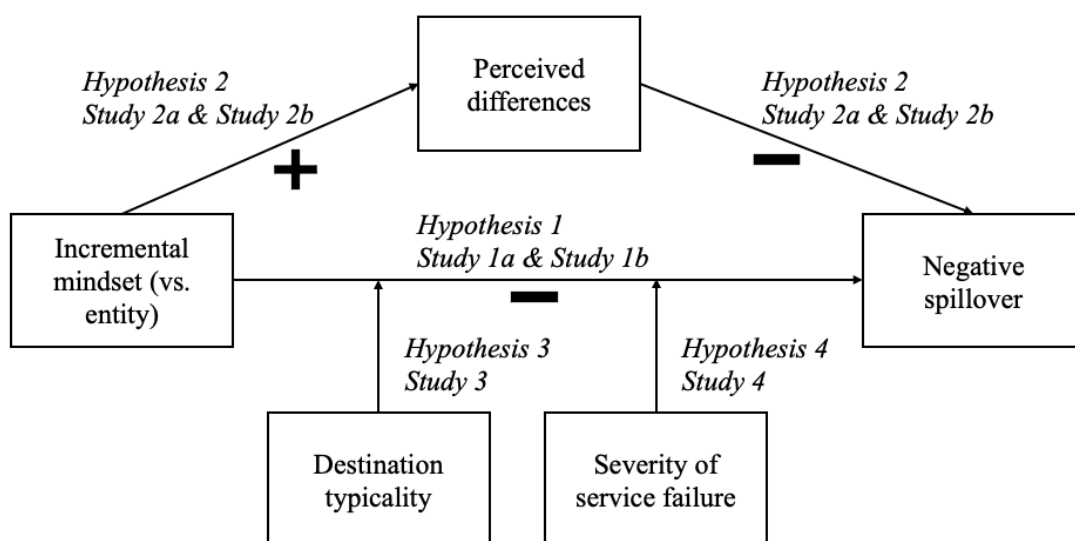


Figure 2. *Conceptual framework*

3. Overview of studies

Prior to the formal studies, a preliminary investigation was conducted to assess the presence of negative spillover effects. Consider a recent real-life negative event that occurred at Magic Kingdom Park in Bay Lake, Florida (Colopy, 2023). To obtain managerial insights, we conducted a simple survey on Prolific ($N = 120$, $M_{age} = 43.61$, 56.7% females). After exposure to the aforementioned adverse news, participants indicated their attitudes toward Disneyland Park located in Anaheim, California. Echoing the spillover effect, 84.2% of the respondents (101 out of 120) reported that they would not even consider visiting Disneyland Park in California.

Then, we conducted six studies to test our hypotheses. Study 1a examined the impact of tourists' mindsets on their anticipated experience and willingness to visit (H1). Study 1b validated these findings in a real-world setting. Study 2a replicated the main effect (H1) and explored the mediation effect of perceived differences (H2). Study 2b verified H1 and H2

while ruling out alternative explanations. Study 3 tested the moderating effect of destination typicality (H3), and Study 4 examined the moderating effect of service failure severity (H4).

Across all six studies, we employed various scenarios (i.e., mountains, hotels, heritage sites, real destinations), manipulation techniques (i.e., priming in Studies 1a and 2a, advertisements in Study 2b, and slogans in Studies 3 and 4), and types of service failure (i.e., competence-based in Studies 1a, 2a, and 4, moral-based in Studies 1b, 2b and 3) to provide converging evidence for our theoretical framework (see Table 2 for details). We conducted a priori power analyses for all studies to determine appropriate sample sizes, following best practices (Faul et al., 2007). G*Power with a medium effect size (0.25) suggested 102 participants reach 85% power at a 5% false-positive rate. We fulfilled the required minimum sample size and continued recruiting participants until we reached our budgetary limit, which allowed us to exceed the minimum sample size (See Appendix F).

Table 2. *Overview of studies*

Objectives	Studies	Mindset manipulation	Tourism context	Findings
Main effect	Study 1a	Scientific talk	Mountain destination Competence-based service failure	Tourists with an incremental (vs. entity) mindset would be less likely to extend service failure from one destination to other destinations within the same category (negative spillovers).
	Study 1b (Field study, Incentive-compatible design)	Measurements	Seaside travel destination Moral-based service failure	
Mediation effect of perceived difference	Study 2a	Scientific talk	Hotel Competence-based service failure	The effect of incremental (vs. entity) mindset on negative spillovers is mediated by perceived difference. Alternative explanations of regulatory focus and risk propensity are ruled out.
	Study 2b (Incentive-compatible design)	Advertisement language	Seaside travel destination Moral-based service failure	
Moderation effect of destination typicality	Study 3	Agency slogans	Heritage site Moral-based service failure	The effect of mindset on negative spillovers is moderated by destination typicality. Specifically, the main effect is more

Moderation effect of severity of service failure	Study 4	Agency slogans	Heritage site Competence-based service failure	pronounced for atypical (vs. typical) destinations. The effect of mindset on negative spillovers is moderated by the severity of service failure. Specifically, the main effect disappears in high (vs. low) severity condition.
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4. Study 1a

Study 1a tested the main effect of mindset on service failure spillover. We hypothesized that tourists with an incremental mindset would be less likely to extend a service failure to other similar destinations. Using mindset manipulation (Yorkston et al., 2010) and a mountain destination scenario, we examined the effects on anticipated experience and willingness to visit. We included a control condition to determine whether differences were due to a boost from the incremental mindset or a detriment from the entity mindset.

4.1. Method

Participants and design. Two hundred fifty participants ($M_{age} = 42.42$, $SD = 12.28$; 46.4% female) were recruited from Amazon Mechanical Turk (MTurk) to participate in this study in return for payment. We implemented a between-subjects design with three levels (mindset: control, entity, and incremental), randomly assigning participants to one of these conditions.

Procedure. Participants first completed a mindset manipulation task adapted from Yorkston et al. (2010). They were asked to read a passage about a scientific talk discussing whether human personality characteristics are changeable or fixed and then write down reasons supporting the presented view (See Appendix A). In the entity condition, we informed participants that human personality is unchangeable, whereas, in the incremental

condition, human personality was described as malleable. In the control group, participants were instructed to write about an unrelated topic (i.e., one thing they did that day).

Following the mindset manipulation, we asked participants to imagine planning a hiking trip for the upcoming weekend. At this point, they came across news about a service failure (i.e., overcrowding due to poor management) occurring at Mountain A (Su et al., 2022; See Appendix C). Participants were then informed about Mountain B, another famous mountain tourism resort with beautiful scenery. They were asked to rate their anticipated experience at Mountain B using three items adapted from Gomez and Torelli (2015) (e.g., “I feel that visiting Mountain B will give me pleasure”; $\alpha = .940$) and their willingness to visit using three items adapted from Chen et al. (2024) and Khan and Kalra (2022) (e.g., “How likely are you to visit Mountain B?”; $\alpha = .942$). We measured all items on a 7-point Likert scale (1 = strongly disagree/not at all, 7 = strongly agree/very much). We calculated composite scores for each variable, with higher scores indicating more favorable anticipated experiences and greater willingness to visit.

Notably, two dichotomous items (0 = no, 1 = yes) were employed in a post-test ($N = 60$) to check the scenario’s realism adapted from Su et al., (2022). The results indicated that 95.0% of the participants indicated that they perceived the scenario could happen in real life and 93.3% of them had no difficulty imagining themselves in such a situation. Participants then completed an 8-item manipulation check for mindset (Hong et al., 1999; Levy et al., 1998; $\alpha = .946$; see Appendix D). Higher scores on this measure indicated a stronger incremental mindset (see Appendix G for detailed results). Finally, we collected demographic information from the participants and provided them with a debriefing.

4.2. Results

Anticipated experience and willingness to visit. One-way ANOVAs yielded significant main effects of mindset on both anticipated experience ($F(2,247) = 4.04, p = .019$; see Figure 3) and willingness to visit ($F(2,247) = 3.16, p = .044$; see Figure 4). Planned contrasts revealed that, following exposure to the service failure at Mountain A, in the incremental condition, participants reported more favorable anticipated experiences ($M = 5.45, SD = 1.15$) and higher willingness to visit ($M = 5.51, SD = 1.28$) for Mountain B in comparison to those in the entity condition ($M = 4.95, SD = 1.29; t(154) = 2.55, p = .012, d = .41$ and $M = 4.98, SD = 1.51; t(154) = 2.36, p = .020, d = .38$, respectively) and control condition ($M = 4.97, SD = 1.30; t(167) = 2.53, p = .012, d = .39$ and $M = 5.02, SD = 1.59; t(167) = 2.18, p = .031, d = .34$, respectively). Notably, no significant differences were found between the entity and control conditions in terms of anticipated experience ($t(173) = .09, p = .929, d = .01$) or willingness to visit ($t(173) = .16, p = .871, d = .02$).

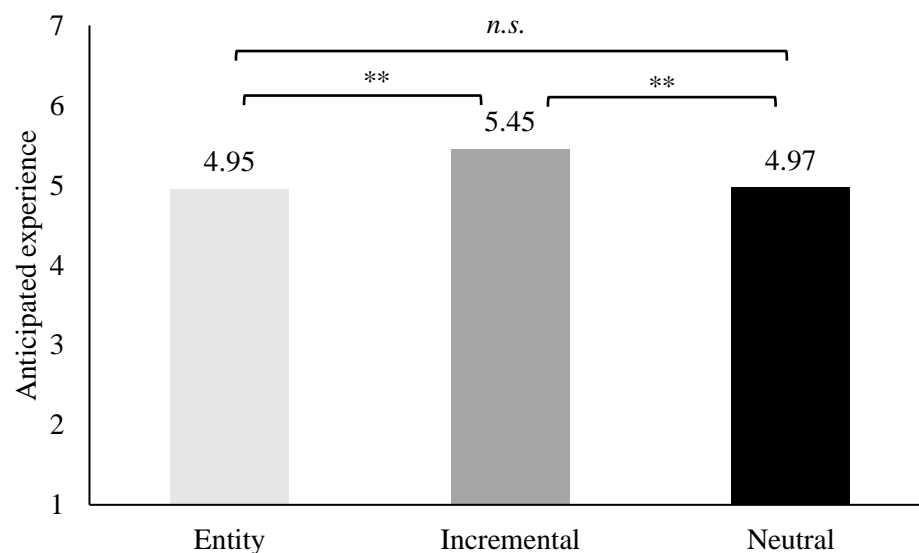


Figure 3. *The main effect of mindset on anticipated experience*

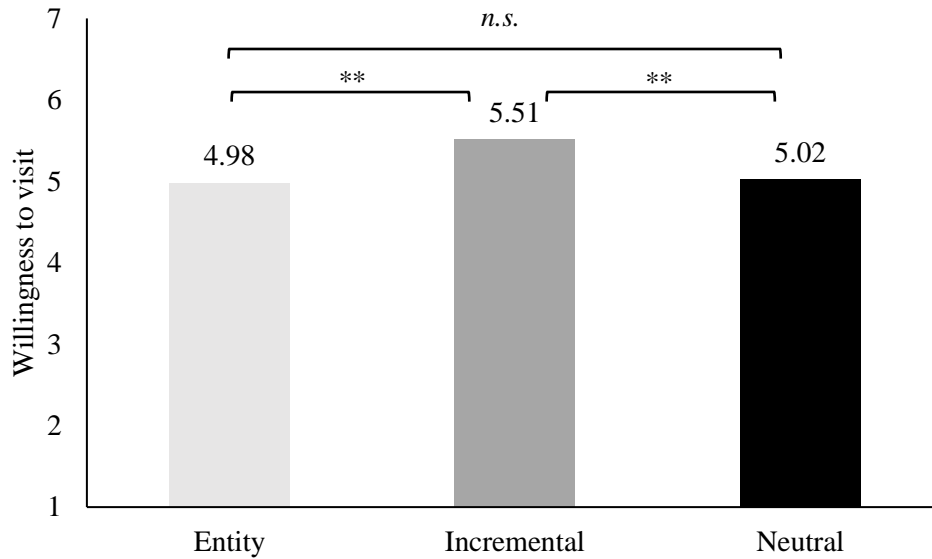


Figure 4. *The main effect of mindset on willingness to visit.*

4.3. Discussion

Study 1 demonstrated that fostering an incremental mindset helps mitigate the negative impact of service failures in mountain destinations, enhancing both anticipated experiences and willingness to visit. Comparisons with the control condition suggest that these improvements result from the positive effects of an incremental mindset rather than any harmful influences associated with an entity mindset.

Participants in Study 1 were recruited from MTurk and primarily represented Western cultural perspectives. Two key issues remain: (1) whether Eastern customers, particularly Chinese consumers who are more likely to have an incremental mindset (Molden & Dweck, 2006), are less affected by spillover effects, and (2) the limited ecological validity of Study 1, which used fictitious destinations and self-reported measures. Study 1b addressed these concerns by recruiting Chinese participants, conducting the study in a real-world field setting, and using actual Chinese destinations to measure participants' willingness to visit.

5. Study 1b

Study 1b had three objectives: (a) to rule out cross-cultural differences by recruiting Chinese participants (Molden & Dweck, 2006); (b) to verify ecological validity using a real service failure, real-life destinations, and incentive-compatible measures for actual willingness to visit (Yin & Huang, 2022); and (c) to extend the investigation to moral-based service failures and seaside destinations.

5.1. Method

Participants and design. One hundred fifty-eight undergraduate and postgraduate students in a large public university in Hong Kong ($M_{age} = 25.49$, $SD = 7.21$; 51.9% female) participated in this field study. Adapted from a well-established paradigm (Yin & Huang, 2022), this study employed incentive-compatible measures to capture participants' actual willingness to visit a destination.

Procedure. The study consists of two parts. In the first part, we used a cover story that a research team was investigating people's travel interest during summer vacations, wherein measures including mindset ($\alpha = .847$), risk propensity ($\alpha = .803$), prior travel interest (Wu et al., 2021), and some unrelated demographic information, ensuring that participants were unaware they were part of a study on mindset. In the second part, participants read about recent service failures at Gulangyu Island, a UNESCO World Heritage site in China, and then received information about another seaside destination, Qingdao.

To measure their actual willingness to visit Qingdao, participants were told that our research team was collaborating with a travel agency. As a token of appreciation for their participation, they were given the option to choose either HKD 200 in cash or a one-night stay at the Hyatt Regency Qingdao (worth HKD 900) as compensation (adapted from Yin & Huang, 2022). Three participants were randomly selected to receive their choice. The rationale behind this paradigm is simple: only those who genuinely want to visit Qingdao

would choose the free night at Hyatt Regency Qingdao (valued at HKD 900); otherwise, they would prefer the HKD 200 cash. This design ensured ecological validity by (a) maintaining realism, as participants were unaware that the true objective was to examine the impact of mindset on the negative spillovers of service failure, and (b) using an incentive-compatible measure rather than hypothetical intentions (Morales et al., 2017).

5.2. Results

We analyzed participants' choices in a logistic regression model with their mindset as the independent variable, indicating a significant effect of mindset ($\beta = .476$, $SE = .206$, $Wald = 5.31$, $p = 0.021$, $OR = 1.610$). Furthermore, the effect of mindset remained significant after incorporating risk propensity, prior interest in traveling to Qingdao, gender, age, and household income as controls ($\beta = .538$, $SE = .221$, $Wald = 5.89$, $p = .015$, $OR = 1.712$).

Discussion

Study 1b demonstrated the main effect in field settings, confirming our findings' ecological validity. In addition, as Study 1a used a US data source, we recognized that cultural differences might influence the observed effect. To address this potential limitation, Study 1b was conducted in Hong Kong, a context with different cultural norms, to examine whether the effect would hold across cultures. Our findings showed that the effect was also significant in Hong Kong, suggesting that this effect is not culture-specific and persist across different cultural contexts. In the next study, we attempted to generalize to a hotel context and explore the underlying mediating mechanism.

6. Study 2a

Study 2a had two main objectives. First, we aimed to test the generalizability of the main effect by replicating the findings from Study 1 in a different tourism context (i.e., hotels).

Second, we sought to explore the underlying mechanism by examining the mediating role of perceived differences between the hotels (H2).

6.1. Method

Participants and design. One hundred seventy-three participants ($M_{age} = 42.53$, $SD = 12.33$; 50.3% female) were recruited from MTurk to participate in this study in return for payment. A 2-level (mindset: entity vs. incremental) between-subjects design was utilized in the study, with participants randomly allocated to either of the two conditions.

Procedure. The procedure of Study 2 closely mirrored that of Study 1a, with a few notable differences. After completing the same mindset manipulation task as in Study 1a, participants were requested to visualize planning a trip to a nearby city for the upcoming weekend. They then encountered news about a service failure at Hotel A (adapted from Su et al., 2022; See Appendix C). Specifically, Hotel A's failure to maintain its facilities led to an electrical system malfunction, which in turn caused crowd congestion. Additionally, the hotel's inadequate emergency response resulted in several tourists becoming trapped in the elevator.

Participants were informed that they had decided not to book Hotel A and instead discovered Hotel B during their search. This framing was intended to simulate a realistic decision-making process where a service failure leads to a search for alternative options. It allowed us to focus on how mindset influences the evaluation of an alternative hotel after experiencing a service failure. Participants were told that Hotel B and Hotel A are two sub-hotel brands belonging to the same parent brand, both sharing a similar market positioning: speed, comfort, and value for money. Participants then rated their anticipated experience ($\alpha = .933$) and willingness to book ($\alpha = .954$) Hotel B using the same measures as in Study 1. Additionally, they responded to two items assessing perceived differences between the hotels

(e.g., I feel there are significant differences between Hotel A and Hotel B”; $\alpha = .821$), adapted from Sela and LeBoeuf (2017).

The realism of the scenario was confirmed by a post-test ($N = 60$), suggesting that 88.3% of the participants indicated that they perceived the scenario could happen in real life and 91.7% of them had no difficulty imagining themselves in such a situation. Finally, participants performed the identical mindset manipulation check ($\alpha = .946$; see Appendix G for detailed results) and demographic measures as in Study 1 before being debriefed.

6.2. Results

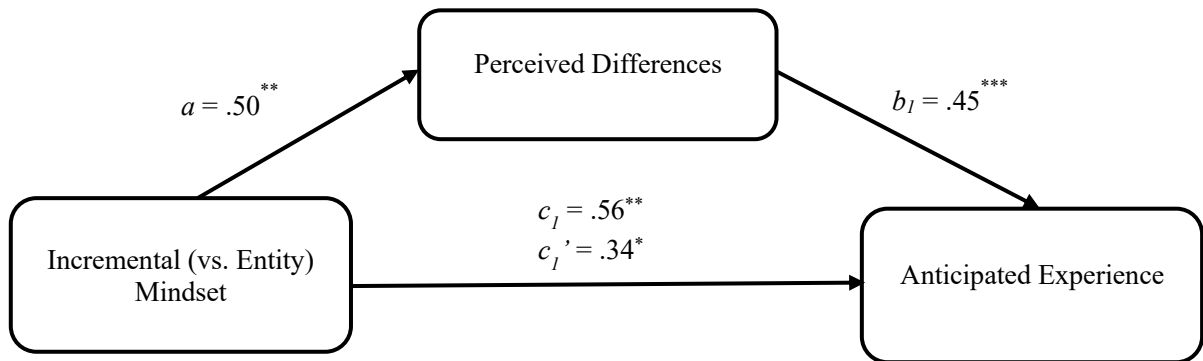
Anticipated experience and willingness to book. Independent t-tests yielded significant main effects of mindset on both anticipated experience ($t(171) = 3.12, p = .002, d = .48$) and willingness to book ($t(171) = 2.94, p = .004, d = .45$). In the incremental condition, participants expressed more favorable anticipated experiences ($M = 5.65, SD = 1.09$) and higher willingness to book ($M = 5.71, SD = 1.13$) Hotel B in comparison to those in the entity condition ($M = 5.08, SD = 1.28$ and $M = 5.12, SD = 1.51$, respectively).

Mediation analyses. We conducted two separate mediation analyses using Hayes’ (2017) PROCESS Model 4 with 5,000 bootstraps to test the mediating role of perceived differences.

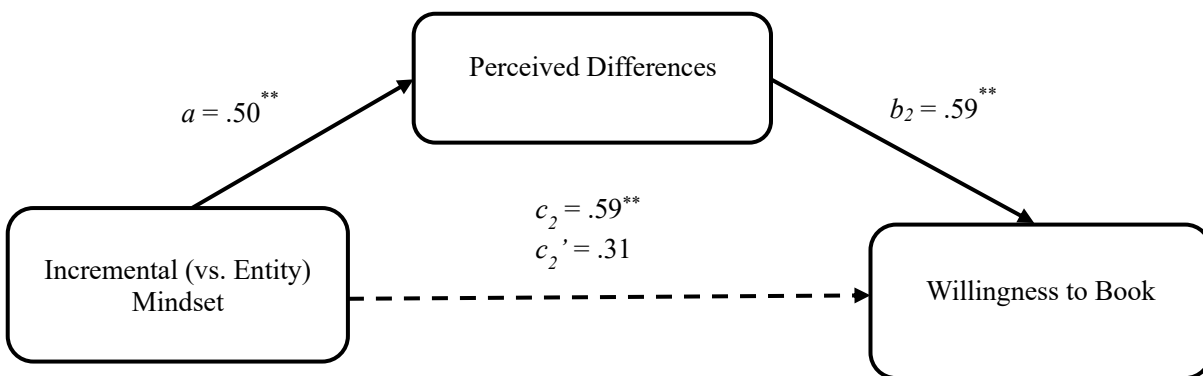
For anticipated experience, the significance of the indirect influence of mindset through perceived differences was established ($a \times b_1 = .22(.10), 95\%CI[.05, .43]$). The direct effect of mindset on anticipated experience remained significant when controlling for perceived differences, indicating partial mediation ($c_1' = .34(.16), 95\%CI[.02, .66]$; see Figure 5a and Appendix G for detailed results).

Similarly, for willingness to book, the significance of the indirect relationship between mindset and perceived differences was established ($a \times b_2 = .28(.12), 95\%CI[.06, .53]$). The direct effect of mindset on willingness to book became non-significant when controlling for

perceived differences, indicating full mediation ($c_2' = .31(.17)$, 95%CI[-.03, .66]; see Figure 5b and Appendix G for detailed results).



a) The effect of mindset on anticipated experience.



b) The effect of mindset on willingness to book.

Figure 5. The mediation effect of perceived differences

6.3. Discussion

Study 2a replicated the main effect in a hotel context, supporting result generalizability. It also provided evidence for the mediating role of perceived differences (H2). An incremental mindset led to perceiving greater differences between hotels, predicting more favorable anticipated experiences and higher willingness to book the unaffected hotel. Notably, participants in this study were directly informed that they had opted not to book

Hotel A, which was designed to simulate a real-world decision-making scenario, where a service failure at one hotel could lead a consumer to seek alternatives. Although we acknowledge that this may lead to bias, from an experimental design perspective, since this factor remains consistent across groups, it should not systematically influence the between-group differences we observed in our mindset manipulation. To address this issue, the next study intended to present the destination unaffected by service failures as an independent choice. Furthermore, the next study aimed to use an incentive-compatible measure to further replicate the mediation effect, and rule out alternative explanations (e.g., regulatory focus, risk propensity).

7. Study 2b

Study 2b had three primary objectives. First, it used Qingdao and Sanya, renowned Chinese coastal destinations, as study sites and employed advertisements to manipulate mindset, enhancing realism and managerial implications. Second, it utilized incentive-compatible measures to capture actual willingness to visit, similar to Study 1b (Yin & Huang, 2022). Third, it aimed to reject alternative explanations, such as promotion orientation and risk propensity associated with incremental mindsets (Japutra & Hossain, 2021; Rai & Lin, 2019; Su & Li, 2024), to verify the robustness of our theory.

7.1. Method

Participants and design. Two hundred thirty participants ($M_{age} = 37.77$, $SD = 24.81$; 70.0% female) were recruited from Credamo, a widely used platform, for involvement in this study in return for payment. Study 2b employed a 2-level (mindset: entity vs. incremental) between-subjects design, with participants being randomly assigned to either condition.

Procedure. Participants imagined planning a seaside trip and were informed about service failures in Qingdao (see Appendix C). They then viewed advertisements for Sanya,

manipulating their mindset (adapted from Yorkston, Nunes, & Matta, 2010). The entity condition read: “In Sanya, we are committed to consistency and steadfastness. We always attempt to fit your lifestyle. Your personality and ideals stay the same, and Sanya stays there with you,” while the incremental condition read: “In Sanya, we are evolving and continue to improve. We always attempt to fit your lifestyle. You change, and Sanya is changing with you.” (see Appendix A)

Actual visit willingness was measured using an incentive-compatible method (adapted from Yin & Huang, 2022), offering choices between a hotel voucher and cash. Participants then completed measurements for perceived differences (Sela & LeBoeuf, 2017), regulatory focus (Higgins et al., 2001), risk propensity (Meertens & Lion, 2008), manipulation check ($\alpha = .934$; see Appendix G for detailed results), and demographics.

7.2. Results

Actual willingness to visit. The results of the Independent t-test show a significant main effect of mindset on participants’ actual willingness to visit Sanya ($t(228) = 2.57, p = .011, d = .34$). Specifically, participants in the incremental condition allocated more chances to Sheraton Sanya Hotel ($M = 5.09, SD = 2.72$) in comparison to those in the entity condition ($M = 4.15, SD = 2.80$).

Mediation analyses. Initially, we averaged the responses from multiple measurement statements to calculate the indices for perceived difference and risk propensity. Using Higgins’ (2001) formula, we separately computed the indices for promotion orientation and prevention orientation and subsequently derived the index of regulatory focus.

To test perceived differences, which is our proposed mechanism, and regulatory focus and risk propensity as alternative explanations, a multiple mediation analysis was conducted using PROCESS Model 4 (5,000 bootstraps; Hayes, 2017). The results indicated a significant

indirect effect of mindset on actual willingness to visit through perceived differences ($a_1 \times b_1 = .28(.13)$, 95%CI[.07, .57]). While there was no significant indirect effect through regulatory focus ($a_2 \times b_2 = -.03(.06)$, 95%CI [-.16, .09]) and risk propensity ($a_3 \times b_3 = .06(.06)$, 95%CI[-.04, .20]). Controlling for perceived differences, regulatory focus, and risk propensity, the direct effect of mindset on actual willingness to visit became non-significant ($c' = .62(.37)$, 95%CI[-.10, 1.34]; see Figure 6 and Appendix G for detailed results). In conclusion, these results show that perceived differences mediated the effect of mindset on actual willingness to visit while ruling out the competing explanation of regulatory focus and risk propensity.

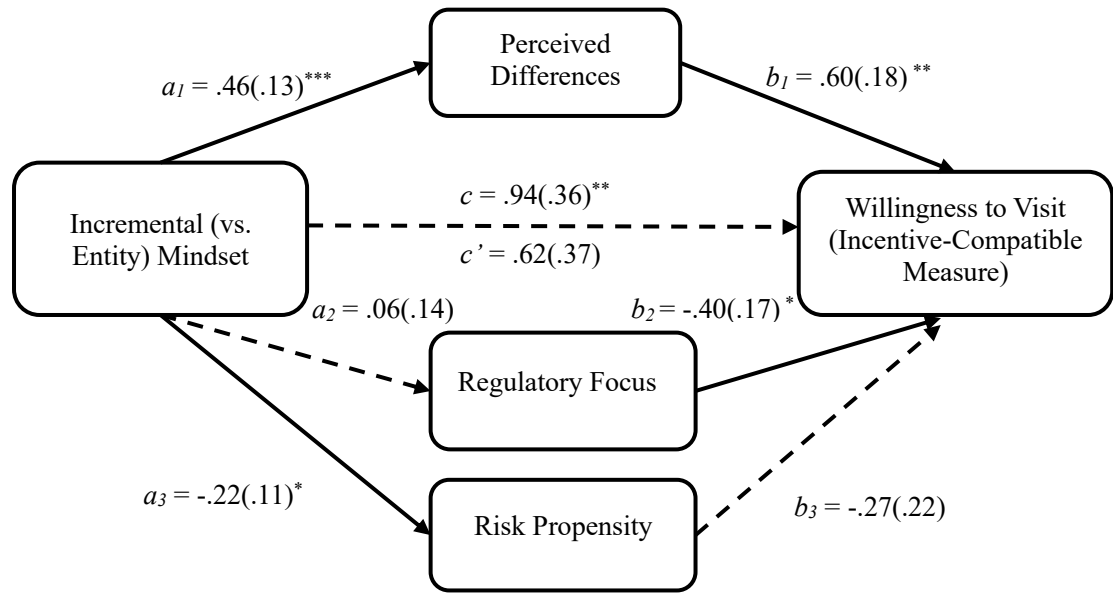


Figure 6. The mediation effect of perceived differences

7.3. Discussion

Study 2b confirmed the strength of the main and mediating effects through enhanced realism, advertising, and incentives. It demonstrated that using advertising slogans to boost consumers' incremental mindset reduced negative spillovers and increased preference for

similar destinations by highlighting differences between them. Additionally, it ruled out regulatory focus and risk propensity as alternative explanations.

8. Study 3: The moderating role of destination typicality

Study 3 examined the moderating role of destination typicality (H3) and tested mindset manipulation using travel agency slogans for greater ecological validity. Heritage sites were chosen as scenarios to demonstrate effects across diverse tourism contexts. Virtual attractions were used to minimize the influence of consumers' prior knowledge, a common approach in tourism studies (e.g., Hu & Wan, 2024, 2025; Su et al., 2025).

8.1. Method

Participants and design. Three hundred fifty-four participants ($M_{age} = 43.67$, $SD = 15.63$; 56.5% female) were recruited from MTurk to join this study in exchange for payment. The study employed a 2 (mindset: incremental vs. entity) \times 2 (typicality: typical vs. atypical) between-subjects design, with participants assigned at random to one of the four conditions.

Procedure. Participants were asked to imagine planning a visit to a heritage site for an upcoming holiday. They then encountered an advertisement for a travel agency called "Journey Junkies," which specialized in heritage tourism. The mindset was manipulated through the travel agency's slogan, emphasizing either consistency (entity mindset) or flexibility (incremental mindset; adapted from Wong et al., 2020; see Appendix A).

Next, participants were presented with a moral-based service failure involving unauthorized charges and the compulsory purchase of overpriced products at Heritage Site A (adapted from Su et al., 2022; See Appendix C). They were informed that the same travel agency also represented Heritage Site B, which was then described as either a typical (popular and classical) or atypical (unique and exceptional) destination (adapted from Huang & Sengupta, 2020; See Appendix B). The realism of the scenario was confirmed by a post-

test ($N = 60$), suggesting that 93.3% of the participants indicated that they perceived the scenario could happen in real life and 95.0% of them had no difficulty imagining themselves in such a situation.

Participants rated their anticipated experience at Heritage Site B using the same items as in previous studies ($\alpha = .916$). They also completed a manipulation check for mindset ($\alpha = .903$) and a measure of perceived destination typicality (1 = definitely typical, 7 = definitely atypical; see Appendix G for detailed results). Finally, participants reported their demographic information before being debriefed.

8.2. Results

Anticipated experience. A 2×2 ANOVA on anticipated experience indicated a significant interaction between mindset and typicality ($F(1,350) = 5.73, p = .017, \eta_p^2 = .016$), a significant main effect of mindset ($F(1,350) = 8.96, p = .003, \eta_p^2 = .025$), and a non-significant main effect of typicality ($F(1,350) = 2.07, p = .151, \eta_p^2 = .006$). Planned contrasts showed that when the destination was described as atypical, participants in the incremental condition ($M = 5.57, SD = 1.02$) reported more favorable anticipated experiences in comparison to those in the entity condition ($M = 4.90, SD = 1.10; F(1,350) = 14.26, p < .001, \eta_p^2 = .039$). However, when destination was described as typical, the effect of mindset on anticipated experience was non-significant ($M_{\text{incremental}} = 5.10, SD = 1.13; M_{\text{entity}} = 5.02, SD = 1.43; F(1,350) = .183, p = .669, \eta_p^2 = .001$; see Figure 7).

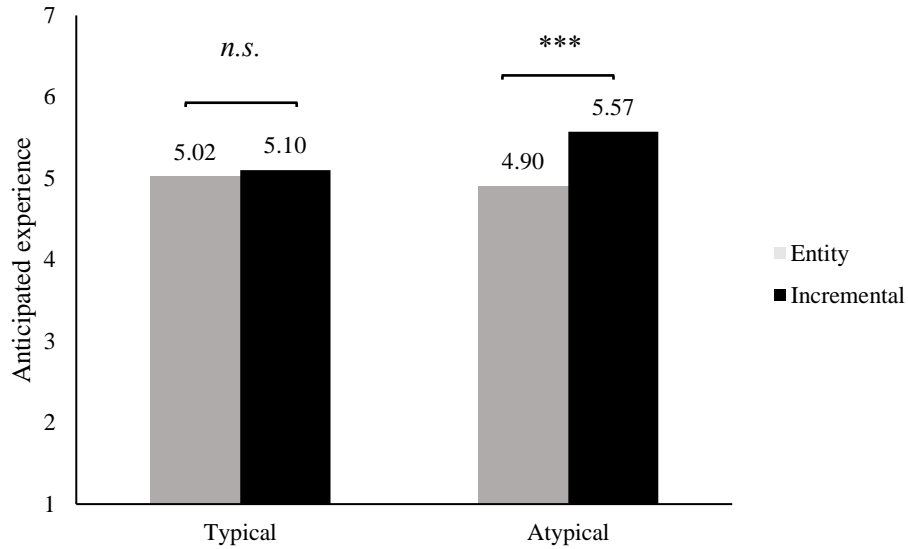


Figure 7. Moderation of destination typicality in Study 3

8.3. Discussion

Study 3 offered evidence for the moderating role of destination typicality (H3). These findings suggest that the mitigating effect of an incremental mindset on the service failure’s spillover effect may be limited for destinations that are perceived as highly typical or representative of their category. Moreover, by manipulating mindset using travel agency slogans, Study 3 demonstrated the practical applicability of our findings. Finally, by examining the spillover effect of moral-based service failure in a heritage tourism context, Study 3 further extended the generalizability of our findings.

9. Study 4: The moderating role of the severity of service failure

Study 4 tested the moderating role of service failure severity (H4). We used scenic area overcrowding as the service failure, with two conditions: low severity (poor management causing chaos) and high severity (stampede causing injuries).

9.1. Method

Participants and design. Four hundred twenty-seven participants ($M_{age} = 45.97$, $SD = 16.04$; 49.6% female) were recruited from Prolific to join this study in exchange for payment. The study employed a 2 (severity: low vs. high) \times 2 (mindset: incremental vs. entity) between-subjects design, with participants assigned at random to one of the four conditions.

Procedure. Participants imagined planning a heritage site visit and saw an advertisement for “Journey Junkies” travel agency. The mindset was manipulated through the agency’s slogan (entity vs. incremental; adapted from Wong et al., 2020; see Appendix A). Participants then read about a service failure at Heritage Site A, with two severity conditions: low (overcrowding-reducing experiences) and high (stampede causing injuries; see Appendix B). They were then introduced to Heritage Site B.

Measures included the willingness to visit Site B ($\alpha = .943$), controls (risk propensity, $\alpha = .819$; prior interest; similar experiences), manipulation checks (mindset, $\alpha = .900$; see Appendix G for results), and demographics. The scenario was deemed realistic (98.1% perceived it as possible, 86.7% could imagine themselves in the situation).

9.2. Results

Willingness to visit. A 2 \times 2 ANOVA on willingness to visit indicated a significant interaction between mindset and severity ($F(1,423) = 4.30$, $p = .039$, $\eta_p^2 = .010$), a non-significant main effect of mindset ($F(1,423) = 1.89$, $p = .169$, $\eta_p^2 = .004$), and a non-significant main effect of severity ($F(1,423) = 1.99$, $p = .159$, $\eta_p^2 = .005$). The interactive effect of mindset and severity remained significant after incorporating a series of controls, including risk propensity, prior interest in heritage tourism, whether they encountered similar service failure, age, gender, and ethnicity ($F(1,417) = 4.24$, $p = .040$). Planned contrasts showed that when the service failure was of low severity, the main effect was replicated, such that participants in the incremental condition ($M = 4.85$, $SD = 1.59$) reported a higher

willingness to visit Heritage Site B in comparison to those in the entity condition ($M = 4.34$, $SD = 1.57$; $F(1,423) = 5.80$, $p = .016$, $\eta_p^2 = .014$). However, when the service failure was of high severity, the effect of mindset on willingness to visit was non-significant ($M_{\text{incremental}} = 4.75$, $SD = 1.34$; $M_{\text{entity}} = 4.86$, $SD = 1.59$; $F(1,423) = .250$, $p = .618$, $\eta_p^2 = .001$; see Figure 8).

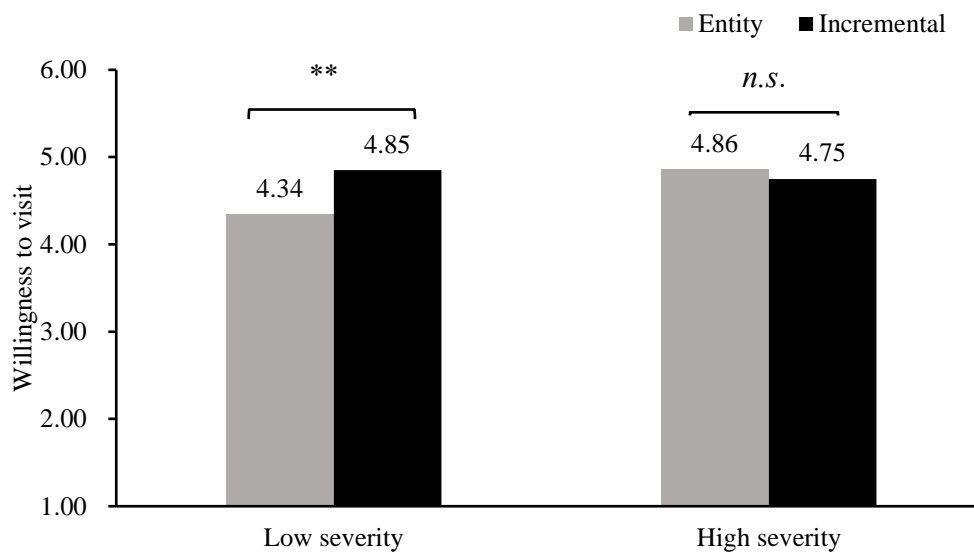


Figure 8. Moderation of the severity of service failure in Study 4

9.3. Discussion

Study 4 offered evidence for the moderating role of the severity of service failure (H4). As predicted, the effect of mindset on the service failure’s spillover effect was more pronounced when the service failure was of low severity. When a highly severe service failure occurred, the proposed effect attenuated.

10. General discussion

This research examined the impact of tourists’ mindsets on service failure spillovers through six studies using various scenarios, manipulation techniques, and types of service

failure. Our findings consistently show that inducing an incremental mindset reduces the spillover effect of service failures, improving evaluations and behavioral intentions towards unaffected destinations or hotels. Study 1a revealed that this effect stems from a boost in the incremental mindset, not the detriment of the entity mindset. Perceived differences between affected and unaffected entities mediated the effect (Studies 2a and 2b). An incentive-compatible measure in Study 2b ruled out cross-cultural differences and alternative explanations. The mitigating effect was stronger for atypical destinations (Study 3) and low-severity service failures (Study 4). These findings offer new insights into tourist responses to service failure and inform crisis management in tourism.

10.1. Theoretical implications

The current research makes several significant and novel contributions to the literature. First and foremost, our research breaks new ground by introducing the concept of mindset (incremental vs. entity) as a mitigating factor in negative spillover effects within the tourism context. Although implicit theories have garnered significant scholarly attention in marketing and psychology research (Chiu et al., 1997; Park & Kim, 2015), their exploration and understanding within the context of tourism remain limited (Han et al., 2020; Xue et al., 2023). While previous studies have extensively explored service-related factors and broad consumer characteristics (Lee, 2018), the role of individual psychological differences, particularly mindsets, has been largely overlooked. Our findings demonstrate that activating an incremental mindset can effectively mitigate the negative spillover effects on tourism destinations following service failures. This contribution shifts the focus from external factors to internal cognitive processes in crisis management, offering a novel perspective on how tourists process and respond to negative information about service providers.

Second, our research integrates implicit theory with the heuristic-systematic model in the tourism context, providing new insights into the underlying mechanisms of negative spillover effects. We demonstrate that incremental theorists, through their tendency towards systematic processing, are more likely to perceive nuanced differences between service providers and destinations. This heightened perception of distinctiveness reduces the likelihood of negative generalizations across similar but unrelated tourism entities following a service failure. This integration extends the application of the heuristic-systematic model in tourism beyond its previous uses in areas such as AI recommendation systems (Shi et al., 2021), travel decision-making (Jun & Vogt, 2013; Liu et al., 2023), and responses to tourism advertisements (Barnes, 2023).

Third, our work sheds light on the novel cross-domain spillover effects in tourism, expanding on previous research that identified consumer associations and inferences as primary sources of negative spillovers (Ahluwalia et al., 2001; Dahlen & Lange, 2006; Koschate-Fischer et al., 2019; Lei et al., 2009). We demonstrate how enhancing perceived differences between attractions can disrupt the association and inference process, thereby reducing negative spillovers. Furthermore, we identify two critical moderating conditions: destination typicality and service failure severity, which extend spillover theory in tourism contexts, enriching our understanding of the psychological mechanisms underlying cross-domain influences in consumer perceptions and behaviors.

Finally, our research challenges existing assumptions in destination marketing literature. Previous research has suggested that, in contrast to atypical options, individuals tend to choose typical ones by default (Xu et al., 2012), which are defined as more representative of a category and implicitly associated with the sense of “popular” (Huang & Sengupta, 2020). This seems to align with the real-life practice of destination marketers frequently promoting destinations as typical (i.e., popular and classic). However, our studies reveal the potential

negative effects of such destination advertising strategies – destination typicality may intensify the service failure spillover effect and even nullify the proposed effect of mindset. This insight provides a new perspective on destination marketing and advertising strategies. It suggests that promoting a destination's uniqueness may not only differentiate it in the market but also serve as a buffer against negative spillover effects in the event of service failures within the same category.

10.2. Managerial implications

The findings of our research provide valuable insights for managers in the tourism and hospitality industry. First, tourism managers should focus on cultivating an incremental mindset in their marketing communications. This involves developing strategies that foster growth, learning, and improvement among customers through advertisements, social media content, and on-site messaging. For example, instead of using static slogans, managers could adopt more dynamic, growth-oriented messaging such as “Discover your evolving story at [Destination]” or “[Destination]: Where every visit brings new experiences.” A content marketing strategy could showcase ongoing improvements through a themed monthly calendar. For instance, January might focus on infrastructural upgrades, February on new cultural experiences, and March on eco-friendly initiatives. Social media updates could feature before-and-after comparisons of renovated areas or testimonials from repeat visitors highlighting how their experiences have evolved over time.

Second, managers should emphasize uniqueness in destination branding, especially for atypical destinations. This could involve developing marketing campaigns that showcase distinctive features, experiences, or cultural elements. For an atypical destination like Iceland, a campaign might use the slogan “Uniquely Iceland, constantly evolving” and highlight how volcanic activity continually reshapes the landscape, offering visitors new experiences even

in familiar locations. For more typical destinations, the focus could be on redefining expectations. A beach resort might use the tagline “Redefining the classic beach experience” and introduce unexpected elements like underwater art installations or night-time bioluminescence tours.

Third, managers may consider implementing tiered crisis management strategies. The finding that the mitigating effect is stronger for low-severity service failures suggests that managers should develop strategies tailored to different levels of severity. For low-severity issues, such as a temporary closure of a minor attraction, the response could focus on activating incremental mindsets. For example, if a popular hiking trail is closed for maintenance, the communication might emphasize, “We’re enhancing your future adventures! While Trail X is being upgraded, discover our newly mapped Trail Y for a fresh perspective on our landscape.” For high-severity service failures, like a major weather incident affecting multiple services, the approach should be more comprehensive. This might involve real-time updates through a dedicated crisis communication channel, clear information about compensation or rebooking options, and transparent updates on recovery efforts.

Finally, managers should focus on educating customers about the unique aspects of different destinations, hotels, or tourism services within their portfolio or region. For instance, a hotel chain could create interactive virtual tours highlighting the unique design elements, local partnerships, or sustainability initiatives of each property. A destination marketing organization might develop a series of “local expert” videos, where residents share insider knowledge about different neighborhoods or experiences, emphasizing the distinct character of each area. Customer service representatives could be trained to provide “fun facts” or “did you know” tidbits about the destination during interactions, reinforcing its unique attributes.

10.3. Limitations and future research

Despite its contributions, this research has limitations that suggest avenues for future study. First, we acknowledge that framing the choice to not book Hotel A in Study 2a may have biased participants' perceptions of Hotel B, as it was positioned as an alternative to the service failure. While this design enhanced realism, future studies should present Hotel B as an independent choice to avoid potential bias. Second, the study does not investigate the potential asymmetry between the spillover effects of negative and positive events; future research should examine their relative strength and durability and the potential for positive events to counteract negative spillovers. Third, the research does not extensively examine the role of information sources and dissemination channels in the spillover effect. Future studies may explore the varying impact levels of different sources and channels and the development of targeted crisis communication strategies. Finally, due to sample limitations, the study does not thoroughly examine the influence of cultural factors on the spillover effect. Future studies may investigate the relationship between mindset, cultural orientation, and spillover effects across diverse cultural contexts.

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