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Factors affecting willingness to participate in consumer generated advertisement

Lenna V. Shulga^{a,*}, James A. Busser^b, Billy Bai^c

^a University of Hawai'i at Mānoa, School of Travel Industry Management, 2560 Campus Road, George Hall 345, Honolulu, HI, 96822

^b William F. Harrah College of Hospitality, University of Nevada, Las Vegas, 4505 Maryland Parkway, Box 6017, Las Vegas, NV, 89154-6017, United States

^c William F. Harrah College of Hospitality, University of Nevada at Las Vegas, 4505 Maryland Parkway, Box 6021, Las Vegas, NV, 89154-6021, United States

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ABSTRACT

Understanding customers' willingness-to-participate is critical to predict the likelihood of active involvement resulting in positive outcomes of value co-creation. Grounded in service-dominant logic, value co-creation, and theory of attachment, this study used brand attachment and monetary rewards as factors influencing customers' willingness to participate in a consumer-generated advertisement (CGA) contest. The impact of attitudes and willingness-to-participate in CGA co-creation on brand loyalty and behavioral intention was examined. Four co-creation contest scenarios depicted different monetary rewards along with a winning consumer-generated video was presented to 311 US respondents. Results indicated that willingness-to-participate was significantly affected by brand attachment and CGA attitudes. Monetary rewards did not significantly influence willingness-to-participate and negatively affected future behavioral intention. CGA attitudes and willingness-to-participate mediated the relationship between brand attachment and brand loyalty. Brand attachment in combination with positive CGA attitudes overpowered contest monetary rewards. Theoretical and practical implications are discussed.

1. Introduction

Consumer-generated advertisement (CGA) is broadly defined as user-generated brand-related content that has components, form and the intent of traditional advertising (Ertimur and Gilly, 2012; Steyn et al., 2011). With 93% of advertisers planning to increase or maintain social media spending (Girous, 2015), using consumer-generated content such as CGA plays a more significant role in marketing budgets. Recently, many hospitality businesses such as Marriott, Expedia, Starbucks, Dunkin Donuts and McDonalds have engaged in CGAs.

Marketers acknowledge that CGAs offer a seemingly endless supply of creative ideas generated by thousands of consumers around the world; encouraging consumer engagement and opening the door to direct interactions with brand communities (Calkins and Rucker, 2016). Although offering cost-savings and consumer-related benefits, CGA also has challenges: copyright and licensing issues, contest marketing and promotion expenditures, and hefty payoffs. For example, a memorable Super Bowl Ad by Doritos, resulted from a CGA contest that received 30,000 submissions, but also cost \$1 million in rewards, in addition to expenditures for hiring high-profile video producers to co-develop customer ideas (Calkins and Rucker, 2016; Lawrence et al., 2013).

Theoretically, the CGA phenomenon is explained with Service-Dominant Logic (SDL) (Vargo and Lusch, 2004). SDL brings forward the fundamental principles of service-centered business processes prevalent in the collaborative economy. Conceptually, CGA is tied to the concept of value co-creation (Thompson and Malaviya, 2013). Value co-creation is defined as the joint, collaborative, concurrent, peer-like process of producing new value, both materially and symbolically, through voluntary contributions of multiple actors resulting in reciprocal well-being (Vargo and Lusch, 2016). Yi and Gong (2013) argued that customer citizenship behavior could be the driver of customer participation in co-creation activities, actualized in feedback, advocacy, helping, and tolerance behaviors. However, what drives customers to voluntarily participate and engage in the process of CGA co-creation with the brand still requires further examination (Rossolatos, 2017).

While the importance of consumer-generated content among customers and a hospitality company is recognized, there is a paucity of studies focused on CGAs and their role in building hospitality brands. The majority of hospitality and tourism research is focused on consumer-generated content (i.e., electronic word-of-mouth, travel reviews, blog posts) and their effects on travel planning, decision-making, and behavioral intention (Lu and Stepchenkova, 2015; Ladhari and

* Corresponding author.

E-mail addresses: shulga@hawaii.edu (L.V. Shulga), james.busser@unlv.edu (J.A. Busser), billy.bai@unlv.edu (B. Bai).

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Michaud, 2015). In a single study comparing destination brand commercials created by professional marketers and destination brand consumer-generated videos, CGAs had little positive impact on destination brand image and portrayed the destination brand differently from the marketer-generated videos (Lim et al., 2012). However, little is known about how contest rewards may influence CGA participation and outcomes. In fact, existing studies regarding the influence of monetary rewards on consumer-generated content are riddled with contradictory findings: in-support of monetary incentives (Poch and Martin, 2015) and exposing negative outcomes of monetary incentives (Sun et al., 2017). Additionally, no reported studies examined the long-term relational benefits of company-initiated contests in hospitality and tourism.

Thus, the purpose of this study is to understand the factors that influence customers willingness-to-participate in CGA co-creation with a hospitality brand. More specifically this study aims to examine: (1) CGA contest rewards and brand attachment to a well-known coffee shop brand; and (2) how these factors affect willingness-to-participate and CGA attitudes, as well as the relational and behavioral outcomes of loyalty and behavioral intention. The theoretical foundation of the study is based on SDL, value co-creation, and theory of attachment (TOA). We draw from TOA's brand attachment – brand loyalty framework (Thomson et al., 2005) and SDL to understand the mediating role of CGA in strengthening the bond between customers and the brand (Park et al., 2010).

The paper proceeds with a review of relevant SDL and TOA concepts, resulting in a conceptual framework. Next, the methodology including the CGA contest scenarios is presented, followed by analysis and testing of the research hypotheses using Partial Least Squares (PLS) SEM. Key findings and their theoretical and practical implications are presented and discussed.

2. Literature review

2.1. Willingness-to-participate in CGA

Marketers believe that offering prizes for CGA contests induces customer participation and increases the number of submissions (Calkins and Rucker, 2016). Therefore, they posit that customer attitudes and behaviors are strengthened through rewards. Hoyer et al. (2010) proposed that customers-designers whose creations were chosen for commercialization expect monetary rewards and intellectual property rights. In hospitality rewards and points are tied to displays of loyalty and positive feelings toward the company and the brand (Hu et al., 2010).

Collaborative CGAs are viewed through the lens of value co-creation, a participative process built around reciprocity of exchange, contribution of resources, and mutuality of benefits, always including highly engaged, highly motivated consumers, members of brand collectives (Muñiz and Schau, 2011; Thompson and Malaviya, 2013; Vargo and Lusch, 2016). However, not all customers are ready and willing to be involved in value co-creation processes to the same extent (Yi and Gong, 2013). Therefore, service providers should develop and offer value propositions that are attractive to customers, such as CGA contest terms, and provide favorable platforms for the integration of resources and collaboration (Lusch and Vargo, 2014).

Willingness-to-participate in value co-creation is defined as behavioral intention to be dynamically involved with the service provider and other actors through contributions of both operand and operand resources. Operand resources are invisible and intangible (i.e., skills and knowledge); producing the effects and adding value to natural or operand resources; increasing service system's viability through exchange; and leading to higher-level actors' participation (Kasnakoglu, 2016). Operand resources are tangible resources on which an operation or act is performed to produce the effect (i.e., money, land, minerals, other natural resources) (Vargo and Lusch, 2004).

Researchers, however, are debating the outcomes of offering

rewards for consumer-generated content. On one hand, customers who participate in co-production might be driven by economic rewards, such as cost savings (Etgar, 2008). Smith (2011) noted that younger customers found discounts and rewards appealing when encouraged to generate content, such as online reviews. Poch and Martin (2015) found that economic incentives led to more positive intentions to create CGAs, simultaneously acknowledging that highly altruistic consumers may create positive CGAs based on intrinsic motivation. On the other hand, Etgar (2008) proposed that "individuals gain psychological remunerations for participation in any activity: the very act of participation in joint creation situations with partners rewards consumers" (p. 102). Muñiz and Schau (2011) argued that true CGAs are uncompensated: driven by the process and outcome, through complex brand development performed by highly engaged and active members of consumer collectives. Hoyer et al. (2010) reasoned that while some customers might be motivated by financial rewards to participate in co-creation, many participate voluntarily to realize social benefits, recognition, and gain more knowledge. In a recent study of user-generated product reviews, monetary rewards were found to significantly reduce the contribution of the most connected, and active, online community members (Sun et al., 2017). Finally, consumer motivation to participate in collaborative projects goes beyond financial rewards to social aspects of consumption (Camilleri and Neuhofer, 2017). Therefore, it can be hypothesized that monetary rewards may negatively affect voluntary participation in co-creation activities:

H1. Monetary rewards negatively impact customers' willingness-to-participate in CGA co-creation.

Furthermore, customer participation in CGA co-creation connects to the concept of brand attachment. Theory of Attachment (TOA) postulates that consumers develop strong emotional and cognitive attachment to certain brands displayed as positive thoughts and feelings about the brand and brand-self relationships (Mikulincer and Shaver, 2007; Park et al., 2010). Originally, TOA focused on parent-infant relationships as emotion-laden and target-specific (Ainsworth, 1979). It was further developed into customer attachment to brand leaders (Pedeliento et al., 2016), consumer-brands (Thomson et al., 2005), place attachment (Loureiro, 2014), and more specifically consumer attachment to coffee shops (Jang et al., 2015). TOA proposes that individuals seek proximity to a specific target (person, object, product or brand) and are motivated to increase a sense of security, especially in uncertain, challenging and new situations (Mayseless and Popper, 2007), such as CGA co-creation. Park et al. (2010) argued that consumer behavioral intention is better predicted by brand attachment that utilizes significant consumer resources such as time, money, and reputation, which are especially relevant for CGAs. Therefore:

H2. Brand attachment positively impacts willingness-to-participate in CGA co-creation.

TOA researchers distinguished between brand attachment and brand attitude strength (Park et al., 2010) arguing that brand attachment predicts intentions to perform difficult behaviors and repurchase intention. Nonetheless, the emotional aspect of brand attachment was examined through connection, affection, and passion toward a brand (Thomson et al., 2005). Customer attitudes are influenced by beliefs and perceptions about the desirability of carrying out a specific behavior (Ajzen, 1991). Customer attitudes are stable positive or negative feelings toward a company, brand, product, service, action or issue (Miao and Wei, 2013; Thomson et al., 2005; Park et al., 2010). Often attitudes are derived from information or knowledge the customer has about the target entity, a brand (Newhouse, 1990). Furthermore, attitudes may consist of cognitive and affective aspects based on past behavior or future behavioral intentions (Zimbardo and Leippe, 1991). Finally, within TOA it was argued that attachment may assist with development similarities, such as perceptions and attitudes (Sarkar, 2013).

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