



Factors influencing the popularity of customer-generated content in a company-hosted online co-creation community: A social capital perspective



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ABSTRACT

With the current trend of co-creation, companies and consumers increasingly take advantage of online co-creation communities to share and exchange product-related information. In response to the knowledge exchange and collaborative nature of online co-creation, we advance the theoretical understanding of consumer co-creation by considering it as mutual effects and interactions with other consumers. Based on social capital theory, we developed a research model to examine the factors influencing the popularity of customer-generated content using objective data collected from the MIUI online co-creation community in China. A key result of this study is that social networks ties among consumers enable the norm of reciprocity and shared language, which, in turn, influence the popularity of customer-generated content. Theoretical and practical implications are discussed.

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1. Introduction

The exponential development of the Internet had a tremendous and progressive influence on individuals' daily lives. Consumers increasingly give and seek product-related information online and choose online communities over co-creation (Chou, Lin, & Huang, 2016). Relying on the technological basics of Web 2.0, company-hosted online co-creation community (COCC) as a kind of virtual consumer environment allows the generation and exchange of consumer-generated content (Nambisan, 2002). Consumers' creative participation in a COCC can benefit a company by enhancing current products and services (Nambisan, 2002). Companies such as Starbucks, Nike, Samsung, BMW, Microsoft, IBM, and LEGO have all been successful in leveraging novel and original ideas contributed by their consumers (Lee & Van Dolen, 2015; Nambisan & Nambisan, 2008). Take Starbucks' COCC as an example. 'Starbucks Ideas' had received 46 536 popular ideas regarding coffee and espresso drinks up until 2016 (<http://mystarbucksidea.force.com/>). Although the economic profits of those popular ideas may not be apparent immediately, evidence shows that companies may eventually increase their benefits (Lee & Van Dolen, 2015). A COCC

brings new opportunities to enhance business process efficiency and improve consumer relationships (C. K. Prahalad & Ramaswamy, 2004).

The fashionable practice of co-creation has drawn the attention of the academy. Studies have been conducted in the following areas. First, some studies have explored the conditions under which companies gain profits from consumer co-creation (Nambisan & Nambisan, 2008; Payne, Storbacka, & Frow, 2008; Schau, Muñiz, & Arnould, 2009; Vargo, Maglio, & Akaka, 2008). For example, Nambisan and Nambisan (2008) put forward several strategies that company managers can implement to better benefit from consumer co-creation, including designing co-creation platforms that facilitate customer innovation, developing direct connections between outside customers and inside product development teams, and integrating the co-creation process into the consumer relationship management framework. Second, some studies have examined the effect of co-creation on shaping consumer psychology and behaviours, such as community commitment and brand loyalty (Luo, Zhang, & Liu, 2015), satisfaction with the company, loyalty, and expenditures (Grissemann & Stokburger-Sauer, 2012), and brand awareness (Yichuan Wang, Hsiao, Yang, & Hajli, 2016). Third, some scholars have investigated the drivers of co-creation participation. A various range of drivers seem to attract consumers into co-creation activities, such as perceived customer benefits, including learning benefits, social integrative benefits,

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personal integrative benefits, and hedonic benefits (Nambisan & Baron, 2007, 2009; Zhang, Lu, Wang, & Wu, 2015); individual user sentiment (Lee & Van Dolen, 2015); and a sense of online community (Chou et al., 2016).

Customer-generated content in a COCC may encourage peer consumers to participate. Consumers who generate their own original posts are typically connected with peer participants who have identical intentions and persistence to comment, favourite, and share these original posts. Agrawal and Rahman (2015) emphasized that companies that organize and manage co-creation activities with their consumers should ensure that they govern these peer participants in an appropriate manner. However, we lack sufficient understanding of how to encourage peer participants to take part in the original posts and how consumers' interaction could enhance the co-creation process. Thus, to address this issue, this study aims to develop a research model to investigate the effects of the inter-relationships among the dimensions of social capital on the popularity of customer-generated content in a COCC.

Particularly, we examine whether the structural dimension of social capital (e.g., social network ties), relational dimension of social capital (e.g., the norm of reciprocity), and cognitive dimension of social capital (e.g., shared language) directly affect the popularity of customer-generated content in a COCC. Subsequently, we investigate the effect of the inter-relationships of the social capital dimensions on the popularity of customer-generated content. Specifically, we examine whether the relational dimension of social capital (e.g., the norm of reciprocity) and cognitive dimension of social capital (e.g., shared language) may mediate the effect of the structural dimension of social capital (e.g., social network ties) on the popularity of customer-generated content.

This study contributes to the findings of prior studies in several ways. First, previous studies mainly treated consumer contribution to co-creation as an offering behaviour (Chou et al., 2016; Nambisan & Baron, 2009; Yonggui; Wang, Ma, & Li, 2015) and ignored the knowledge exchange and collaboration of co-creation. This study intends to be one of the first to explore online co-creation from a social capital perspective emphasizing interpersonal connections among peer consumers. Second, social capital theory has been widely used to shed light on a range of individual behaviours (Chiu, Hsu, & Wang, 2006; Chow & Chan, 2008). This study extends social capital theory to the customer online co-creation context and sheds light on effect of the inter-relationships among the three dimensions of social capital on the popularity of customer-generated content.

2. Theoretical background

2.1. Co-creation

Various academic disciplines and perspectives have different definitions of co-creation. Kambil, Ginsberg, and Bloch (1996) first defined co-creation in terms of “how customers cooperate with their suppliers to produce the expected value, often passing it to another customer” (p.18). Prahalad and Ramaswamy (2000) suggested that “consumers become a new source of competence for the corporation” (p.79) and pointed out the varying types of customers, from passive audiences to active co-creators of value. More specifically, Nambisan (2002) argued that customers can create ideas for the development of new products, test companies' finished products, and offer end user product support.

Companies can obtain creative ideas and thoughts, product suggestions and feedback, and product support and solutions from their customers through co-creation activities (Nambisan & Baron, 2007). Technological tools help consumers participate in the

challenging co-creation process and effectively share their ideas and thoughts with companies (Akter, Bhattacharyya, Wamba, & Aditya, 2016; Füller, Mühlbacher, Matzler, & Jawecki, 2010; Yonggui; Wang & Li, 2016). Customers can serve as product conceptualizers, product designers, product testers, product support specialists and product marketers in the co-creation process (Nambisan & Nambisan, 2008; Nambisan, 2002). In addition to providing novel product ideas and solutions, co-creation can also contribute to customer relationship management, such as improving customer loyalty and customer satisfaction (Lee & Van Dolen, 2015; Nambisan & Baron, 2009). In this study, we focus on the customer role of product support specialist, which refers to consumers leveraging their product-related expertise and knowledge to extend support to other consumers, diffusing new product information, and proposing suggestions to improve products (Nambisan & Baron, 2007).

Three streams of research have examined co-creation. The first stream explores the conditions under which companies successfully manage online co-creation and gain profits from consumer participation (Nambisan & Nambisan, 2008; Payne et al., 2008; Schau, Muñiz, & Arnould, 2009; Vargo et al., 2008). For example, Nambisan and Nambisan (2008) put forward several strategies that company managers can implement to better benefit from consumer co-creation, including designing a co-creation platform that facilitates customer innovation, developing direct connections between outside customers and inside product development teams, and integrating the co-creation process into the consumer relationship management framework. Kohler, Füller, Matzler, and Stieger (2011) suggested that the critical thread for co-creation in the online community is not in designing the technological basis and functionality but, rather, in establishing and developing an experience for consumers, such as developing interactive objects, simplifying consumer experience, establishing the co-creation system, encouraging collaboration, and offering challenging tasks.

The second stream examines the effect of co-creation on shaping consumer psychology and behaviours. A positive relationship has been found between co-creation and customer satisfaction; that is, customers' active participation in the co-creation process can foster their satisfaction (Grissmann & Stokburger-Sauer, 2012; Mathis, Kim, Uysal, Sirgy, & Prebensen, 2016; Vega-Vázquez, Revilla-Camacho, Cossío-Silva, & Coss, 2013). More specifically, consumers perceive co-created value through participating in co-creation; that is, perceived enjoyment value, economic value, and relational value are positively related to system satisfaction and thus lead to company satisfaction and customer loyalty (C.-F. Chen & Wang, 2016). Similarly, Cossío-Silva, Revilla-Camacho, Vega-Vázquez, and Palacios-Florencio (2015) showed that consumers' co-creation behaviour is positively related to their level of attitudinal loyalty and behavioural loyalty to the service supplier. Luo et al. (2015) found that co-creation practices positively impact consumer-brand relationships and consumer-other consumer relationships and thus influence community commitment and brand loyalty. Moreover, co-creation practices are positively related to brand awareness (Yichuan Wang et al., 2016).

The third stream investigates the drivers of co-creation participation. A various range of drivers seem to attract consumers to co-creation activities. Research has shown that perceived customer benefits, including learning benefits, social integrative benefits, personal integrative benefits, and hedonic benefits, are significant predictors of co-creation participation (Nambisan & Baron, 2007, 2009; Zhang et al., 2015). Sense of online community was found to be positively related to online knowledge contribution behaviour and community citizenship behaviour (Chou et al., 2016). Individual user sentiment was positively related to consumer creativity and participation (Lee & Van Dolen, 2015). Brand co-creation

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