



The Psychological Mechanism of Brand Co-creation Engagement

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Abstract

Co-creation for brand innovation is an intriguing and rapidly growing trend in the current competitive market. Past research emphasizes the economic gains of consumer co-creation, with limited research focusing on the psychological effects engendered in the process of consumer brand co-creation. Drawing from self-determination theory and implicit self-esteem theory, the present research proposes an integrative framework for synthesizing the perceived psychological benefits and distinctive motivations in the brand co-creation process. The results indicated that brand self-connection and three perceived benefits of brand co-creation tasks (autonomy, competence, and relatedness) facilitate consumer motivations to participate in brand co-creation campaigns. These motivations facilitate the establishment of brand co-creation engagement, which in turn leads to strengthened brand relationship behavior. This research exemplifies that a well designed brand co-creation contest is a potent means which can not only enhance consumer engagement with the co-creation contest, but also turn engaged consumers into intangible assets for brand innovation. © 2015 Direct Marketing Educational Foundation, Inc., dba Marketing EDGE.

Keywords: Brand co-creation; Engagement; Motivation; Brand relationship; Brand contest

Introduction

Co-creation for brand innovation (referred to hereafter as brand co-creation) is an intriguing and rapidly growing trend in the current competitive market where marketers integrate firm competencies with consumer participation to enhance the value of brands, products, services, and experiences (Füller 2010; Nambisan and Nambisan 2008). In addition to brand co-creation, other types of consumer collaboration, such as crowdsourcing (Howe 2006) and open innovation (Chesbrough, Vanhaverbeke, and West 2006) are experiencing massive growth. This trend has emerged because more marketers recognize consumers as coproducers of products and services and the prevalence of internet technology has popularized co-creation activities, thus more and more corporates believe that co-creation can increase brand competitiveness (Bendapudi and Leone 2003). For

instance, by adopting a connect-and-develop approach, Procter & Gamble has increased the R&D productivity by nearly 60% and 45% of the new initiatives in their new product development has incorporated external contributions (Huston and Sakkab 2006). Consumers have now become a valuable source of innovation (Ernst et al. 2010).

Aside from enhancing a company's innovative ability (Sawhney, Verona, and Prandelli 2005), co-creation is also a viable method to foster active brand relationships (Füller 2010). This effect has considerable implications because consumer–brand relationship development has long been an important topic among practitioners and researchers (Batra, Ahuvia, and Bagozzi 2012; Fournier 1998; Park et al. 2010; Thomson, MacInnis, and Park 2005). Past studies on psychological states of consumer brand relationships have focused on individual consumer's experience toward a brand (Park et al. 2010), such as brand attachment (Park and MacInnis 2006) and brand love (Ahuvia 2005). Only limited research (e.g. Brodie et al. 2013) has investigated the psychological states of brand relationships under today's interactive platforms, such as co-creation, which enables

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consumer brand interaction at individual and group levels through the participation of co-creation tasks. In order to encapsulate the dynamics that illustrate this interactive brand relationship, the consumer engagement concept has emerged to characterize the psychological state that occurs via an interactive and co-creative experience with brand (Brodie et al. 2013). It is acknowledged that consumer engagement is the heart of interactive consumer–brand relationships because it is perceived as a vehicle for fostering consumer relationships, which contributes substantially to consumer loyalty (Appelbaum 2001).

Although it is recognized that co-creation/interactive experience can produce engagement (Lusch and Vargo 2010), however, there are many instances of brand co-creation which show that the interactive experiences of co-creation tasks do not always produce consumer engagement and foster brand relationships (Gebauer, Füller and Pezzeri 2013). Hence, the mixed findings require clearer understanding. Research in co-creation has thus far devoted limited attention to investigate the fundamentals of task design in brand co-creation, particular with respect to how task design can enhance consumer engagement. The underlying psychological mechanism of co-creation, which encapsulates how task design factors in the co-creation process facilitate consumer engagement in brand co-creation (referred to hereafter as brand co-creation engagement for short), remains unknown, thus, representing an important area of brand relationship research in co-creation. While many studies have examined co-creation, these studies have focused on the managerial effects of co-creation, such as economic gain (Ostrom et al. 2010; Zhao and Calantone 2003), with little attention on the brand relationships building during the co-creation process.

Prior research shows several key topics in consumer co-creation concerning the new product development process. The topics include: (1) studies that focused on differing motivators that drove consumers to participate in co-creation (Nambisan and Baron 2009); (2) studies that highlight the managerial effects that aim at improving efficiency to stimulate the economic gains (Ostrom et al. 2010; Zhao and Calantone 2003); and (3) studies that are interested in the outcome of co-creation such as commercial value and psychological ownership that increase purchase demand (Fang, Palmatier, and Evans, 2008; Fuchs, Prandelli, and Schreier 2010). The objective of our research is to propose and empirically test a theoretical model that highlights (1) how key determinants of brand co-creation experiences (i.e., individual brand-connection and task related factors in the co-creation process) foster consumer engagement in co-creation tasks (“brand co-creation engagement”), and (2) whether brand co-creation further positively contributes to a strengthened brand relationship. Therefore the present study mostly corresponds to the third group of research. However, in contrast to previous studies which primarily focused on selected aspects such as consumer motivators or firm related factors in the co-creation process, our research takes a holistic approach to provide a framework that integrates the influences of individual–brand connection and task related factors in the co-creation process, to examine their combined effects on the creation of a strengthened brand relationship.

To address the aforementioned research questions, present research draws from self-determination theory (Deci and Ryan

1980) to suggest that task characteristics of co-creation may provide satisfaction to innate psychological needs and thus strengthen participative motivation in the co-creation process, which subsequently fosters consumer engagement in brand co-creation. Furthermore, self-implicit theory (Greenwald and Banaji 1995) is also leveraged to shed insight on the establishment of strengthened brand relationship through the influence of brand connection in co-creation. To our knowledge, no prior studies have proposed an integrative framework which incorporates the key drivers of brand relationship and co-creation task design in brand co-creation.

The present study thereby provides an important contribution and augments our understanding on brand co-creation. First, it provides a fresh perspective on consumer brand co-creation by proposing a model that illustrates the synthesized effect of consumer–brand connection and brand task characteristics working in the process of the brand co-creation experience to create brand co-creation engagement, which further affects consequent brand responses. This study amplifies the understanding of the brand co-creation process and complements prior research that has emphasized mostly on specific facets of the process. Second, past studies have mainly focused on the economic gains of consumer–brand co-creation and few studies have examined the influence of brand co-creation on consumer–brand relationships. This study extends the literature by revealing the crucial psychological causes of brand co-creation engagement. Third, this study advances the understanding of the co-creation effects, demonstrating that the individual and team factors in co-creation work together to affect the brand co-creation experience.

The remainder of this study is organized as follows. The first section is a literature review of co-creation and brand co-creation engagement studies. In the second section, we describe the development of a conceptual framework to determine the underlying psychological mechanism of brand co-creation and related brand behavior. The research approach is detailed in the third section. Finally, we present the findings of the data analysis and conclude with a discussion of the results and their managerial implications.

Theoretical Background and Research Hypotheses

Co-creation

Prahalad and Ramaswamy (2000, 2004) postulated that the market has become a place where active customers request the opportunity to be involved in the value-creation process. Furnished with new tools and displeased with market choices, consumers desire to interact with firms and co-create value. Co-creation marks the shifting landscape of consumer–company interactions and it redefines the meaning of value and the process of value creation. Vargo and Lusch (2004) defined co-creation as the dynamic interaction and involvement of customers with their suppliers in every phase of the value-creation process. In service-dominated businesses, customers may actively participate in dialog and interact with the firms during product design, creation, distribution, and consumption. The essential proposition of this reasoning is that a customer is always a co-creator of value,

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