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The Power of Codesign to Bond Customers to Products and Companies: The Role of Toolkit Support and Creativity

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Abstract

Configuration tools allow customers to codesign their products in the most extraordinary fashion to illustrate their unique identity. While research widely acknowledges the functional benefits of codesigned products, far less is known about the emotional benefits of codesign activities for the customer and the company. This research highlights the effect of codesign activities on the emotional bond between the customer and the product (i.e., customer–product attachment) as well as the customer and the company (i.e., customer–company identification). Data from an experimental study and a survey study with customers of a bicycle manufacturer show that codesign drives customer–product attachment and customer–company identification. Importantly, the studies show that the emotional bond with the company rather than that with the product boosts codesign expenditures. Investing in codesign toolkits thus pays off for companies because they drive customer–company identification and, consequently, codesign expenditures.

Keywords: Codesign; Emotional bond; Product attachment; Customer–company identification; Toolkit; Creativity

Introduction

Configuration toolkits frequently assist customers in designing products that meet their needs, both in terms of form and function and they have helped transform sales processes into codesign processes (Berger et al. 2005). By codesigning their products, customers serve as active partners of the company (Mugge, Schoormans, and Schifferstein 2009b), which implies shifting roles in the production process (Moreau and Herd 2010). In this paper, we view codesign as "cooperation between a firm and its individual customers during the configuration process of a customized product" (Piller et al. 2005, para. 19). As such, codesign differs from the concept of coproduction, which involves customers' participation in the creation of the core offering itself (Lusch and Vargo 2006). While coproduction describes an activity through which tasks, usually performed by employees, are transferred to the customer (e.g., assembling a shelf from IKEA), codesign exclusively involves customers in the configuration and, more precisely, the design phase of their prospective product (Piller et al. 2005). Thus, the interaction between customers and the company becomes the locus of value creation (Prahalad and Ramaswamy 2004) and codesign processes have become key components of an interactive marketing strategy (Miceli, Raimondo, and Farace 2013; Montgomery and Smith 2009).

Often, codesign processes make customers feel a sense of belonging to the company. Companies benefit from this bond with their customers, who then engage in increased product use (Ahearne, Bhattacharya, and Gruen 2005), increased willingness to pay (Mooradian and Oliver 1997), and increased eagerness to buy products from the same brand (Mugge, Schifferstein, and Schoormans 2010). While research provides initial insights into these psychological bonds and its outcomes, we do not yet know whether these bonds have the power to increase marketing outcomes and whether the psychological bond is between the customer and the product *and/or* between the customer and the company.

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Companies profit from configuration toolkits because they can help reduce the risk of market failure, prevent overstocking, and raise margins by increasing customers' willingness to pay a price premium for their ideal design. Moreover, when customers assemble features and choose the visual appearance of their prospective product, the product starts to reflect their preferences, tastes, and, finally, their identity (Atakan, Bagozzi, and Yoon 2014). As a result, with an increasing degree of codesign, the ultimate product entails more self-expressive value, enabling a stronger emotional bond between the customer and the product.

Emotional bonding can occur between customers and products and also between customers and companies (Magids, Zorfas, and Leemon 2015). A good example for the bonding between customers and products comes from the fashion industry. Ethreads.com, an online company that allows customers to codesign all different types of bags, presents customer testimonials on their website who express their product attachment: "Truly, I love this bag as does my sister and we tell everyone about your wonderful company" and "I love, love, love the diaper bag. You're the best and I can't wait to wear it with pride" (Ethreads 2016). The bonding between customers and companies can also be illustrated by an example from the fashion industry. Appalatch, a green clothing company, increased sales by 20% after aligning their marketing strategy with the emotional connection of customers with its products. Customers thereby identify with the company and share its green values (The Guardian 2015). A survey among more than 1,000 online shoppers further showed that individuals who customized their products engage more with a company (Bain and Company 2013).

The goal of this article, therefore, is to examine how codesign activities help create emotional bonds between both the customer and the product (i.e., customer–product attachment) and the customer and the company (i.e., customer–company identification). Mugge, Schoormans, and Schifferstein (2009a) were the first to demonstrate that the bond between the customer and the product intensifies with the level of activity the customer devotes to the codesign process when the customer already owns the product. While their study takes place in the post-purchase phase our research contributes to the literature by showing that attachment can already occur in the purchase phase; that is, through codesign activities. We thus elaborate on their important findings and contribute to this stream of research by investigating not only the emotional bond to the product but also to the company as important outcome variables of codesign.

We further assess how the chain of effects from codesign to emotional outcomes and expenditures is moderated by the company's toolkit support during the codesign process and customers' creativity (i.e., the production of novel, useful ideas or problem solutions). We identify these two moderators because customer–firm interactions in computer mediated environments are determined by technology factors (e.g., how the toolkit supports the user/customer) and individual difference variables (e.g., creativity; Yadav and Pavlou 2014).While toolkit support is regarded as key to learning about one's preferences (Franke and Hader 2014), creativity is considered vital in determining the value customers derive from the codesigned product (Füller et al. 2012).

Codesign and Its Emotional Outcomes

Research widely acknowledges that customers serve as an important source of innovation and value creation (e.g., Hienerth, Lettl, and Keinz 2014; von Hippel 2005). *Cocreation* refers to the joint value creation of companies and customers (Lusch and Vargo 2006) and ranges from idea generation to post-launch improvement (Hoyer et al. 2010). Codesign, as one domain of cocreation, was originally defined as an activity in which designers and people not trained in design work together in the design development process (Sanders and Stappers 2008).

Research differentiates two codesign approaches, namely, codesign as an open innovation process (e.g., von Hippel 2005) and codesign as mass customization (e.g., Franke, Schreier, and Kaiser 2010). *The open innovation approach of codesign* means that companies integrate customers into the new product development process by inviting them to generate ideas and designs for prospective products, which are then offered to the broader customer base (Franke and von Hippel 2003). In the *mass customization approach of codesign*, customers are integrated into a company's value creation by defining, configuring, matching, or modifying their individual solution from a list of options and pre-defined components (Piller et al. 2005). The major difference from the open innovation approach of codesign is that mass customization involves end users instead of sample users, who represent, but are not identical to end users (Mugge, Schoormans, and Schifferstein 2009b). As shown in Table 1, codesign has also become an integral part of many business models. In this research, we focus on codesign as mass customization. Specifically, this research focuses on codesign activities where customers can select features of a prospective product from a list of predetermined options with the help of an interactive configuration tool. Our key construct is the degree of codesign, which refers to the extent to which the customer perceives that s/he invests resources (i.e. time, ideas, and skills) into the codesign process. We thereby concentrate on the temporal and cognitive dimensions of resource integration. The temporal dimension relates to the perceived time the customer spends on codesigning the product. The cognitive dimension relates to the mental effort (e.g., ideas and skills) required to accomplish the codesign task (Kleijnen, de Ruyter, and Wetzels 2007; Mathwick, Wagner, and Unni 2010).

Research has shown that codesign activities trigger affective reactions, which enhance the value customers attribute to the product. Franke, Schreier, and Kaiser (2010) reveal that the economic value customers ascribe to a customized product is significantly influenced by feelings of accomplishment. Moreover, they provide empirical evidence for the "I designed it myself effect", that is, customers' awareness and pride of being the originator of the product design. A number of authors highlight the role of the codesign process itself and whether performing a creative act and learning about one's preferences lead to "flow experiences" (Csikszentmihalyi 1988) and fun